



SNCF GROUP ANNUAL FINANCIAL REPORT

31 December 2023

The SNCF Group Annual Financial Report in pdf format is a reproduction of the official version of the AFR which has been prepared in xhtml format and is available on the website <https://www.sncf.com>.

The statutory auditors' reports on the annual financial statements and consolidated financial statements relate to the financial statements approved by the Board of Directors on 28 February 2024, as presented in the official version of the annual financial report, and not to their reproduction in this document.

- **EDITORIAL BY THE CHAIRMAN
AND CHIEF EXECUTIVE
OFFICER OF THE SNCF GROUP**
- **DECLARATION BY THE
PERSONS RESPONSIBLE**
- **SNCF GROUP ANNUAL
FINANCIAL REPORT**

EDITORIAL

« 2023 was an historic year for the rail industry and for SNCF Group. With the approval of our 10-year strategic plan, our key priorities are taking shape—and they are perfectly aligned with the French government’s “new railway deal” calling for investments totaling €100bn between now and 2040. SNCF Group is totally on board with this new rail revolution, which includes doubling rail’s share of mobility markets by 2040 through upgrades to the rail network, 5th generation TGV trainsets, updated maintenance centres, and more. All of these measures designed to extend the appeal of rail travel and improve quality of life for as many people as possible.

This strategic ambition is made possible by our positive financial trajectory, now in its third year, and by our employees’ engagement every single day.

Passenger numbers are at record levels, particularly on high-speed trains in France and Europe, which carried 156 million people in 2023, up 6% from 2022. In public transport, Keolis won major contracts both inside and outside of France. At Geodis, while freight rates edged down after two exceptional years, business development in freight forwarding and contract logistics is driving momentum.

In 2023 we also stepped up our CSR strategy in response to both environmental and human challenges. First, by setting up a new subsidiary SNCF Renouvelables, we plan to become a producer of solar energy, covering 15-20% of our current power needs by 2030. This is our contribution to France’s energy transition and energy independence. We also laid the groundwork for our Social Progress Platform, unveiled in 2024 and designed to enhance the satisfaction and engagement of our employees in a truly transformational moment.

A major event in 2023 was the Rugby World Cup hosted by France. SNCF Group stepped up to welcome over 2 million people, both athletes and fans, at our stations and deliver them to their destinations quickly, safely and on time.

Our expertise and ability to rise to the challenge at events like these, that put France on the world stage, will be in the spotlight this summer at the Paris 2024 Olympic and Paralympic Games. Where, once again, our people will play a vital role as France welcomes world-class athletes for an immense and popular celebration of sports ».



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JEAN-PIERRE FARANDOU

Chairman and CEO of the SNCF Group

DECLARATION BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

LA PLAINE SAINT-DENIS, 28 FEBRUARY 2024,

We hereby declare that, to the best of our knowledge, the consolidated financial statements for the year ending 31 December 2023 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 and all entities included in the scope of consolidation, and that the accompanying management report faithfully represents the changes in operations, results and financial position of the issuer and all entities included in the scope of consolidation, as well as a description of its main risks and uncertainties.



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JEAN-PIERRE FARANDOU

Chairman and CEO of the SNCF Group



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LAURENT TRÉVISANI

Deputy Chief-Executive Officer, Strategy and Finance, SNCF Group

SNCF GROUP

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31 DECEMBER 2023

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THE SNCF GROUP IN 2023

1. PROFILE SNCF GROUP PROFILE

1.1 PURPOSE

SNCF, a world leader in sustainable mobility.

SNCF, 4 letters for a company that has been a constant presence in its customers' lives for 80 years. Sometimes criticised but always there, SNCF is a heritage shared with all French people who all have a history of trains, a history with us.

But SNCF is not locking itself into its past. Because while the train is historically the leading mode of long-distance transport, above all, with obvious advantages, it is a mode of the future. Rail integrates the land and contributes to equal opportunities. It offers the most energy-efficient mode of transport, guaranteeing energy reduction. It minimises land consumption and pollution. It is a prestigious object, a showcase of French know-how and technical expertise in high-speed and mass transport, rail freight and infrastructure management, major European services and automatic metros, whether in France or on the other side of the world.

Above all, SNCF is a group that takes pride in its 283,000 employees, who are committed to offering the fairest, most socially responsible and environmentally friendly transport service. It is thanks to them, that everyday the Group can reaffirm its desire to build a better world and to act for a changing society, one that is inclusive and sustainable.

Our purpose

"The SNCF Group's mission is to contribute to the vitality of society and its regions. We offer transport services essential to economic strength and social cohesion, vital to the development of regions and the day-to-day well-being of their residents, and finally, crucial to the success of ecological transition.

The public service mission that SNCF was entrusted with when it was founded in 1938 continues today in the commitment of the company's employees to serve the common good. Whilst guaranteeing safety and with a sense of professionalism and team spirit, we design and implement the innovative 21st century mobility and

logistics solutions for our customers, that are key to the development of low-carbon transport.

The performance and integration of all our businesses relating to rail are aimed at optimising the cost and overall impact of transport for customers, taxpayers and citizens. Our infrastructures and services, being part of a long-term approach, are a shared asset that will enable us to meet the social, ecological and economic challenges facing us, and thus to act for a changing society, that is inclusive and sustainable".

Our 8 commitments

- To keep pace with new lifestyles and changing consumption and production patterns, by making it easier to combine modes of transport.
- To give a daily commitment to improving the fundamentals of service quality, involving all our customers, suppliers and partners.
- To invest in the jobs and skills of the future to make it easier for people to join the workforce, advance and retrain
- To guarantee the economic sustainability of our activities in the interests of the rail system and its overall performance.
- To contribute to the economic and social strength of regions through our industrial decisions and choice of suppliers.
- To strengthen our role as a catalyst in the ecological transition, to decarbonise transport and support environmental health.
- To strengthen the confidence we inspire in our employees, customers and partners by placing safety, and feeling safe, at the heart of our decisions.
- To ensure our internal and external stakeholders are involved in the development of our activities at local, regional and national level.

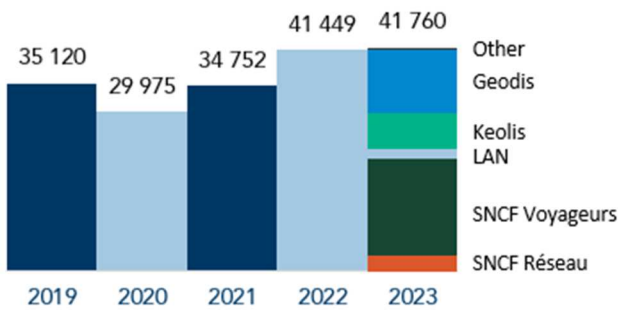
SNCF Group key figures



1.2 OUR FINANCIAL PERFORMANCE

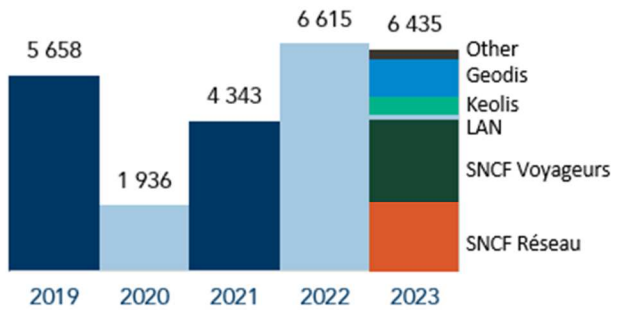
Revenue

In €m



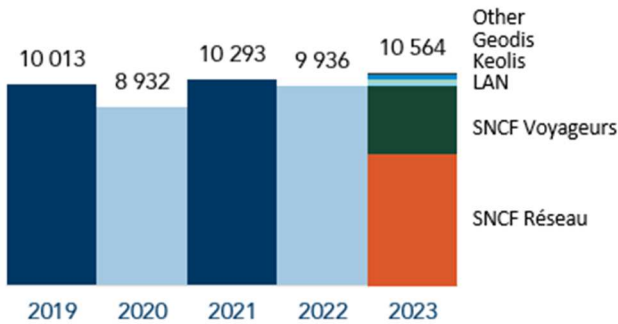
EBITDA

In €m



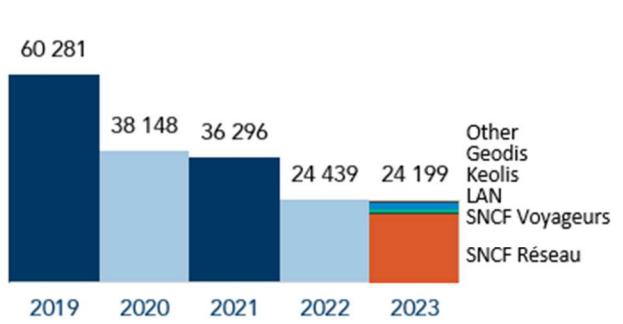
Investments from all funding sources

In €m



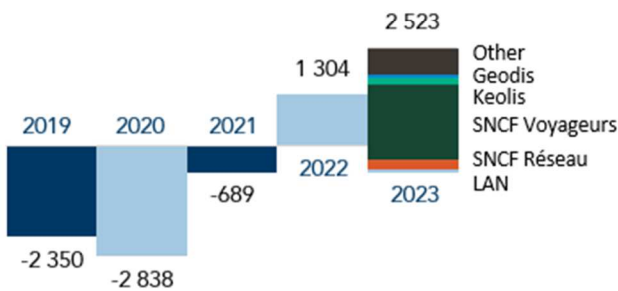
Net financial debt

In €m

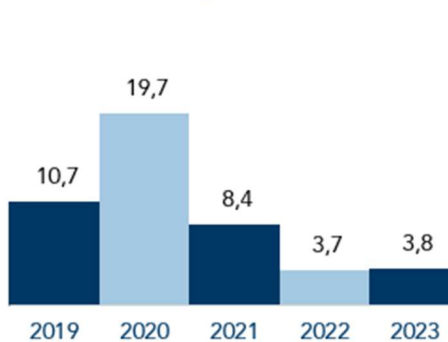


Free cash flow

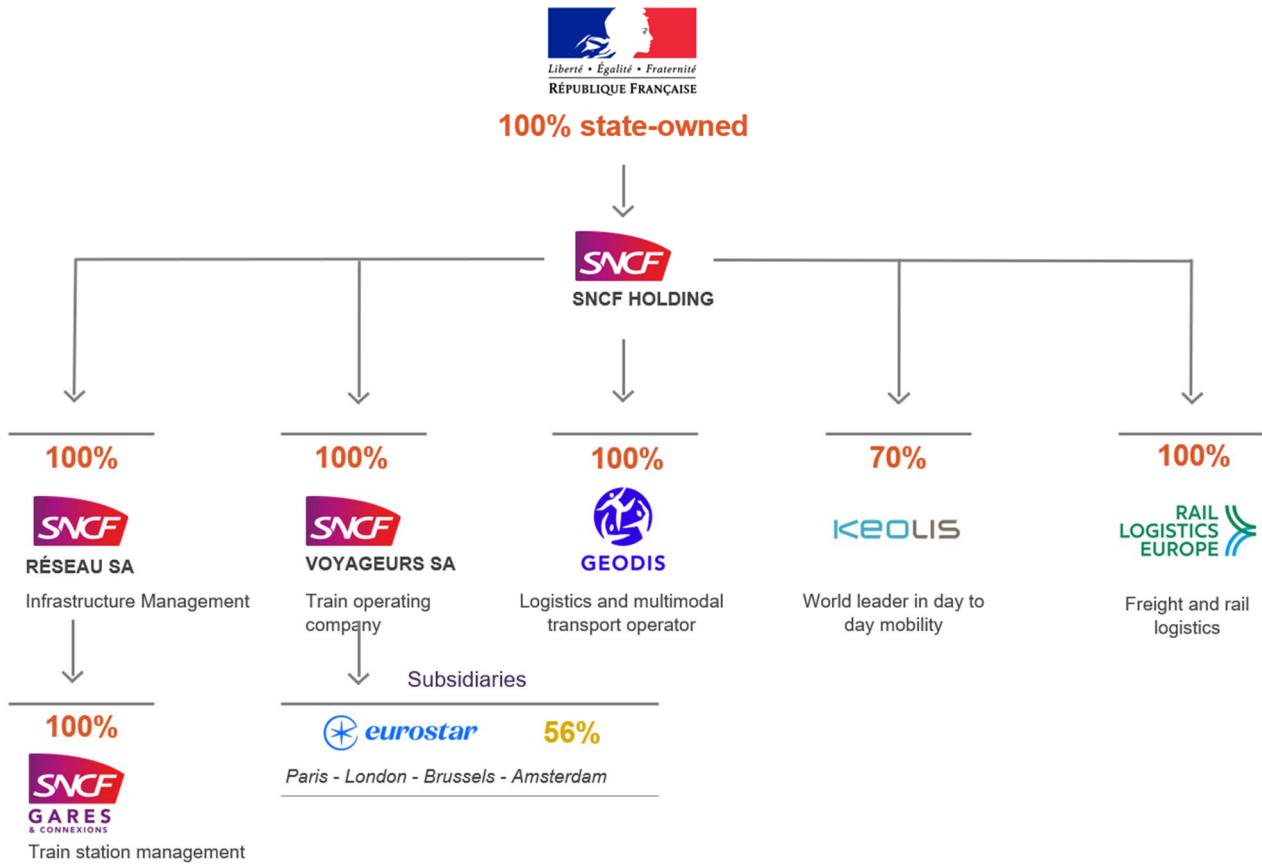
In €m



Net financial debt / EBITDA



1.3 OUR ORGANISATION



Key features of our organisation:

- The parent company, SNCF SA, is wholly owned by the French State, which may not sell its shares in the company.
- SNCF Réseau and SNCF Voyageurs are limited companies, 100% owned by the parent company SNCF SA.
- As part of the 2020 rail reform, the SNCF Gares & Connexions entity was reattached to SNCF Réseau’s structure.
- In the rail sector, the SNCF Group is an integrated company, combining passenger and freight transport activities with rail infrastructure management.

Although integrated into the Group’s structure, the services of SNCF Réseau and SNCF Gares & Connexions, as infrastructure managers responsible for essential functions (pricing, access to the rail network infrastructure and stations), benefit from conditions ensuring their missions are independent from other customer companies, including SNCF Voyageurs.

SNCF Réseau and SNCF Gares & Connexions, the infrastructure managers

SNCF brings together infrastructure management activities via its subsidiaries SNCF Réseau and SNCF Gares & Connexions.

These two subsidiaries are responsible for the engineering, operation and maintenance of the network’s key assets, particularly the 28,000 km of track, including 2,800 km of high-speed track, and the 3,000 stations throughout the country.

These activities operate within a legal and natural monopoly framework. Consequently, they are regulated by law in such a way as to guarantee transparent and non-discriminatory access to the network for all their customers, including SNCF Voyageurs.

Rail freight transport with Rail Logistics Europe

Rail Logistics Europe oversees rail freight and logistics activities in France and Europe.

RLE is supported by 5 subsidiaries with complementary activities:

- Fret SNCF for rail freight transport in France and abroad
- Captrain for rail freight on European markets and major international corridors
- VIFA for rail motorways
- Naviland Cargo for combined transport by sea as a terminal operator
- Forwardis as a freight forwarder of rail, river and multimodal solutions

With its business lines and subsidiaries, RLE is the 2nd largest player in rail logistics in Europe and the number one in France.

Passenger rail transport with SNCF Voyageurs

SNCF Voyageurs brings together passenger rail transport activities, predominantly in France but also in neighbouring markets in Europe. It comprises:

- freely arranged high-speed rail services: TGV Inoui and TGV OUIGO in France, the Eurostar Group subsidiary internationally, and all the dedicated brands on cross-border routes (e.g.: Lyria to Switzerland).
- Contracted activities, paid for by the organising authorities: Intercités for ‘classic’ long-distance rail

services and night trains, TER and Transilien for conventional transport.

International logistics with Geodis

Geodis is a specialist in the logistics transport of goods in France, recognised for its expertise across the entire supply chain.

With its five core businesses - supply chain optimisation, freight forwarding, contract logistics, express distribution and road haulage - Geodis offers its customers unique expertise and end-to-end, tailor-made solutions adapted to the needs of each market and geography.

Its international reach is supported by a direct presence in more than 60 countries and a global network linking nearly 170.

Everyday mobility in France and abroad with Keolis

Keolis is a major player in shared mobility in urban and suburban areas. The world leader in automatic metro and tramway systems, Keolis also operates bus, coach and rail

networks on behalf of 300 mobility authorities in 13 countries.

Half of the companies sales are international.

In addition to its roots in Northern Europe, Keolis has a strong presence in the UK, North America and Australia. Keolis is also developing mobility solutions in several metropolises in Asia and the Middle East.

The Group's other businesses

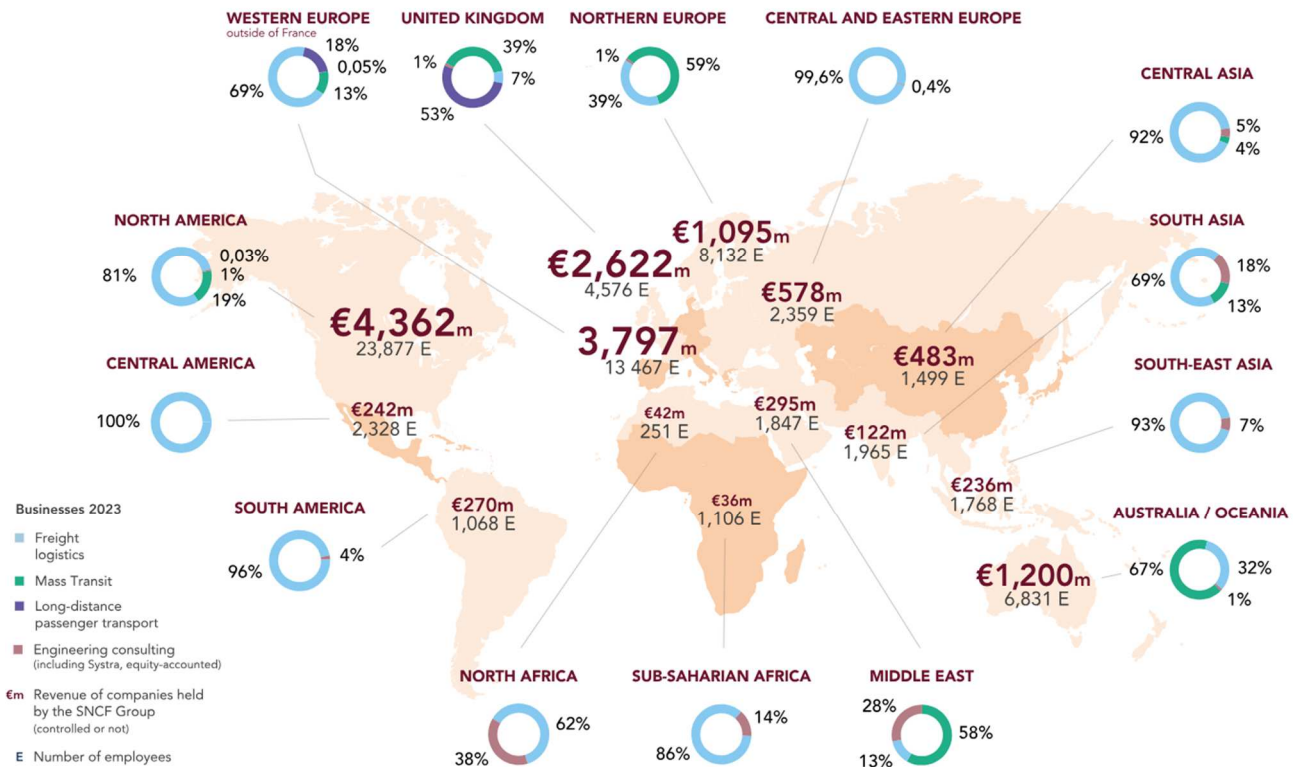
In addition to its best-known activities, the SNCF Group provides a range of services that go beyond solely the problems of rail operations.

Other businesses include SNCF Énergie, the alternative energy supplier, and the development of a solar production business, SNCF Renouvelable.

We also have the asset management business with SNCF Immobilier, along with all the assets under management.

Finally, with SNCF Connect & Tech, SNCF is a leader in French digital and e-commerce in the mobility sector.

1.4 OUR INTERNATIONAL PRESENCE



- 170 countries connected** and a presence in 60 countries
- More than 70,000 employees** abroad
- 34%** of international revenue
- N°5 worldwide** in logistics
- N°1 worldwide** in automatic underground trains and trams

SNCF Voyageurs

Responsible for long-distance rail transport, SNCF Voyageurs, through its various brands and subsidiaries, offers a wide range of sustainable mobility solutions in France and Europe.

Notably for the Eurostar Group subsidiary, formed from the merger of Eurostar and Thalys, which serves the major cities of Western Europe.

SNCF Voyageurs also has high-speed partnerships for rail links between France and its neighbouring countries, e.g. TGV Lyria to Switzerland or Alleeo to Germany.

In addition to cross-border routes, the group is seizing opportunities for autonomous development in nearby

markets. SNCF is now established in Spain via Ouigo España: 5 million passengers have been carried over the past two years.

With over 30 million passengers a year (32 million by 2023), the international high-speed business is a major growth driver for the SNCF Group in the years ahead.

Rail Logistics Europe

Rail Logistics Europe is active in rail freight in Europe through the Captrain network and its transport activities, which cover most Western European economies and the main international corridors.

RLE's other subsidiaries contribute to its international presence, for example, the various cross-border rail

motorways operated by VIA, the management of Naviland Cargo's container terminals in France and abroad, and the range of rail logistics solutions offered in some twenty countries by Forwardis.

With its wide range of expertise, Rail Logistics Europe is able to offer a very broad range of services to meet the varied needs of customers throughout Europe, making it the second largest rail logistics hub in Europe, with 10,000 employees in 10 countries.

Keolis

Keolis is a major international player in urban mobility.

The world leader in automatic metro systems, the Group operates 10 networks in 7 countries: China, Côte d'Ivoire, France, India, Qatar, the United Arab Emirates and the United Kingdom.

With almost 5,000 km of lines, Keolis is present on 11 train networks in seven countries: Germany, Australia, the United States, France, the Netherlands, the United Kingdom and Senegal. The Group operates the largest delegated management network in North America, in Boston in the United States.

Keolis is the world's leading tramway operator, with more than 1,000 km of lines in service. Its 28 networks are spread over 9 countries: Australia, Canada, China, Denmark, France, the United Arab Emirates, Norway,

Qatar and the United Kingdom. The Group operates the world's largest tram network in Melbourne, with 250 km of track.

Finally, the Group has a worldwide presence in its bus and coach, bicycle and car parking activities.

Geodis

In a world where logistics has become a key factor in competitiveness, Geodis, ranked 5th in the world, is one of the leaders in its sector.

Geodis is recognised for its expertise and proficiency in all *supply chain* businesses. Its organisation spans every continent, with a direct presence in more than 60 countries and a global network covering 170.

This global presence enables the company to position itself on the main international trade corridors and to cover its customers' needs from start to finish.

Thanks to its contract logistics assets, the Group can draw on a network of over 300 warehouses in the most mature economies, particularly in the United States and Western Europe, for the benefit of its customers.

1.5 SNCF IN A FEW KEY DATES

- 1827 ○ The first French railway line, at 21 km long, is unveiled. Horses transport coal from the Saint-Étienne mines to the Loire. It is not until 1837 that the first dedicated passenger line is unveiled.
- 1938 ○ On 1 January the country's five major private railway companies join the State Network, marking the official birth of the Société Nationale des Chemins de Fer Français (SNCF), bringing together 515,000 railway workers. The French network now consists of 42,700 km of track.
- 1940 ○ The Armistice of 22 June sees the company placed under the rule of the German Army. Tragically, SNCF will be involved in the Holocaust, towing 79 convoys to the German border between 1942 and 1944. At the end of the war, three quarters of the railway network has been destroyed or damaged and 10,000 railway workers have lost their lives, with almost a quarter murdered for resistance.
- 1955 ○ Following the launch of electrification, the North and East are linked by the new single-phase industrial frequency power system (25,000 V, 50 Hz), subsequently adopted for high-speed (Grand Vitesse) travel.
- 1981 ○ The inauguration of the first section of the Paris-Lyon high-speed Line (LGV) with its famous orange TGVs. This heralds the start of a vast TGV network, with high-speed lines to the Atlantic (1989), Lille (1993), London (1994), Brussels (1996), Marseille (2001), Strasbourg (2007), Bordeaux and Rennes (2017) to follow.
- 1987 ○ Regional Express Transport (TER) is born, linking the regions together and regional destinations are now promoted. TER strengthens the collaboration between SNCF and the regions.
- 1995 ○ Following strikes against pension reform, the company establishes its "red vests", announcing the "SNCF Assistance" service. From now on, on busy departure days, volunteer staff will welcome, inform and direct travellers at stations.
- 1999 ○ SNCF becomes a major shareholder in Via-GTI, which merges with Cariane in 2001, forming Keolis.
- 2001 ○ SNCF launches what is to become France's first e-commerce site: Voyages-sncf.com, later to become SNCF Connect.
- 2008 ○ SNCF launches its first takeover bid to fully acquire Geodis in which it holds 42.37% of the shares.
- 2013 ○ The launch of Ouigo, the instantly successful low-cost alternative to TGV, allowing greater access to high-speed travel.
- 2020 ○ The dawn of the new SNCF, made up of 7 public limited companies.

Our resources

People

- 283,000 employees, including 212,000 in France
- 150 professions with diversified expertise
- Equal pay for women and men in railway operations

Production

Infrastructure:

- 28,000 km of lines, including 2,700 high speed
- 3,000 stations

Land:

- 2nd largest landowner in France behind the State: 12m m² of construction on the land, 100,000 hectares of land

Logistics:

- 10m m² of GEODIS warehouse and operational space
- 3,600 trucks in own fleet (GEODIS)

Finance

- Group EBITDA €6.4bn an increase of 52% vs 2021
- Positive free cash flow of €2.5bn in 2023, in line with the Group's commitment to the 2018 rail reform framework
- Net debt of €24.2bn, a decrease of €200m

Digital Technology

- More than 150,000 requests per month on the Open Data API
- SNCF CONNECT: 1st e-commerce site in France
- 20,000 km of fibre optics

Energy

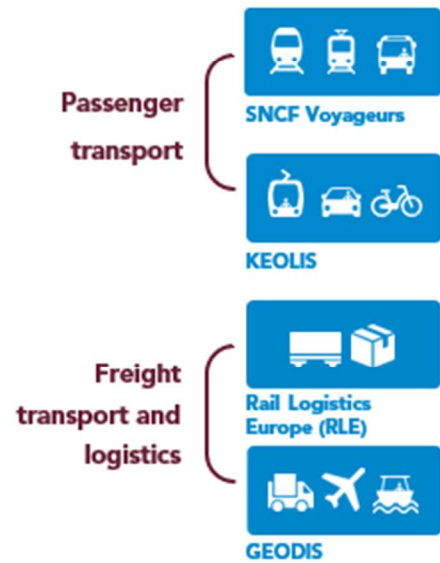
- 17.3 T/wh energy consumed, including 9.9 T/wh for rail traction
- 16 PPA Photovoltaic contracts



Business model

Ambition for 2032

To be world champion in sustainable mobility, giving priority to the French core railway through the efficient operation of a regenerated, modernised and expanded network, and two strategic assets, KEOLIS AND GEODIS.



CSR: our key commitments

- Reduce GHG emissions (scopes 1 & 2) in France (1):
 - - 30% for activities in the transport sector;
 - - 50% for activities in the building sector;
- Trajectory towards zero recoverable non-recoverable waste for the core rail businesses (2);
- >€100m of direct solidarity purchases from the protected and adapted sector and integration through economic activity(2).



¹ by 2030 in comparison with 2015 (2) by 2030

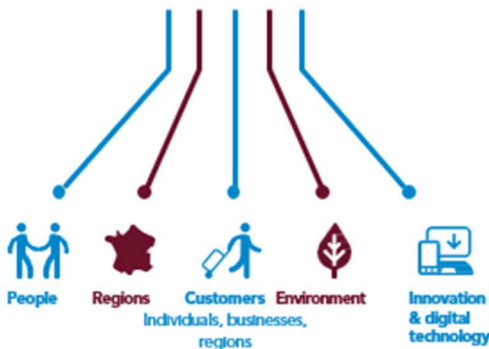
of the SNCF Group

Purpose *To act for a society in movement, solidarity and sustainability*



Asset management

5 lines of force



Our value creation

For passengers and carriers

To offer reliable, efficient and attractive services to improve the conditions and opportunities of train mobility.

Passengers

- 15m passengers every day in France and abroad
- 86.1% punctuality
- Wide range of prices, Advantage Card rates, below inflation price rises, no price increase on OUIGO

Carriers

- 170,000 carriers served worldwide
- Development of FRET SNCF
- +19% in GEODIS revenue in comparison with 2021 and +68% in comparison with 2019

To enable access to transport for everyone across all regions

- 70% of French people live less than 5 kilometres from a station and 90% live less than 10 kilometres

For employees

To ensure employability, the development of skills, career progression and the mobility of employees within the business

- 17,300 permanent contracts in France in 2023
- 7% of wage bill invested in training related to railways
- 27% of executives with Masters Degrees
- PRISME programme for security development
- Employment commitment schemes
- Help with housing for employees and apprentices

To guarantee employees' health and well-being at work

- PRISME programme for security development
- 69% of employees are committed to the company (rail companies)

For the regions

To support the cohesion and economic development of the regions

- Thanks to €15.3bn of purchases in France, an estimated 250,000 indirect jobs are supported

To invest in infrastructure renovation and the modernisation of rolling stock

- €5.5bn for the railway network with regeneration work on the day-to-day main network
- €4bn of investment in the entire rolling stock
- €1.1bn in the modernisation and maintenance of stations and their accessibility

For society and the planet

To contribute to the mitigation of climate change

- Complete decarbonisation of transport and building activities by the Group by 2050 as part of the Paris Agreement framework
- Less than 1% of emissions from the transport sector for 10% of passengers and freight operators
- Six times less energy consumed per tonne transported on rail compared with road
- Strong ambition to develop the modal share of rail in the coming decade to contribute to the decarbonisation of the transport sector

To demonstrate efficiency in the use of resources and promote the circular economy

- 95% of rails recycled, 5% of rails re-used

1.6 OUR STRENGTHS AND ASSETS

Our 4 core strengths

To achieve its ambition, the Group is investing in its four customer-focused core strength areas: people, ecological transition, the regions and digital innovation.

People

The SNCF Group wishes to put people at the heart of how it operates and how it focuses its attention, to become one of the most attractive groups in France. The company's ambitious transformations require it to strengthen social dialogue and support its changes while attracting and retaining employees.

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

Ecological transition

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

- an imperative that must filter through all levels of the company;
- an opportunity, because rail, as a low-carbon form of transport, stands apart from other modes, as an appropriate response to the fight against climate change.

SNCF is committed to massively reduce in its carbon footprint: -30% by 2030 for its rail activities and -50% for its property activities. It works on all levers: decarbonisation of traction energy, business practices, purchasing policy, etc.

The regions

SNCF wishes to strengthen its roots in the regions and become a leader in sustainable mobility. Today regions are hubs of creativity, innovation and economic, industrial, community and social initiatives. This regional vitality is an asset, to which the Group contributes with its diversified offering, from small freight services, to mass transit and high-speed services. Thanks to its ability to network the country, the centrality of its stations and its local mobility solutions, SNCF remains a key player in the economic, environmental, social and cultural development of all regions.

Innovation and digital technology

Innovation, and in particular digital technology, are at the heart of the services SNCF offers our customers, of our production processes and of our businesses to ensure the Group's competitiveness in the face of tomorrow's challenges. SNCF's ambition is to become one of Europe's digital leaders. This is reflected in:

- the Group's positioning on MaaS (mobility as a service) to meet our customers' needs for an individualised, environmentally-friendly, seamless, integrated, start to finish offering. Based on existing technologies, SNCF has undeniable assets to achieve this target, coveted by many players;
- the increase in digitalisation of train track management for greater robustness and flexibility, while maintaining complete neutrality;
- the enhanced use of data in all areas, particularly in the management and maintenance of assets (buildings, rolling stock, etc.), where it can be used to develop predictive models enabling maintenance work to be carried out before breakdowns or emergencies occur.

The advantages of the SNCF Group's model

In addition to its core strengths, the Group also benefits from a number of advantages that help to build on the performance of its various business activities.

The world's second largest mobility group

Present in all passenger and freight transport businesses, the SNCF Group is the world's 2nd largest mobility group in terms of turnover and diversity. As an integrated player in the rail sector, it covers the entire rail transport value chain, from infrastructure management to passenger and freight services. In France, the group has a strong reputation, making it one of the companies most omnipresent in French daily life. Together with its non-rail subsidiaries, the group is a world leader in urban mass transit and logistics.

A pioneering group in terms of rail innovation

The SNCF Group is working hard to innovate and offer the modes of transport of the future. The Group has played a historic role in the development of infrastructure and high-speed rolling stock, and is continuing its efforts by thinking about the next generation of mobility solutions, for example by developing prototypes of very light trains or shuttles for rural areas. The group is also studying the options available for moving away from diesel in the TER market and is co-developing hybrid TER, battery TER and hydrogen TER technologies. Finally, aware of the need to run more trains on existing lines, the Group is developing and deploying the latest tracking and signalling technologies. The Group benefits from strong relationships with the entire innovation eco-system, particularly academia, which has enabled it to hold 942 patents, 22 of which were filed in 2022.

A diversified business model

The diversification of the SNCF Group's activities, between passenger transport, international logistics and freight transport, enables it to absorb cyclical shocks in demand. For example, during the COVID crisis, Geodis was the only business to maintain a growth trajectory.

A healthier financial structure

The Group has achieved all its financial targets, in particular its objective of positive free cash flow by 2022 (at €1.3bn). The Group is on course to achieving its other objectives: positive free cash flow at SNCF Réseau in 2024, compliance with the golden ratio, with debt stabilised at 6x EBITDA in 2026, and the same for SNCF Réseau. In this effort to stabilise its finances, the SNCF Group has benefited from decisive support from the State with a €35bn debt transfer, finalised in 2022, and has implemented asset disposals and ambitious savings and performance plans designed to improve the company's competitiveness.

Strong support from the State as a shareholder

Debt transfer of €35bn, post-Covid recapitalisation of €4.05bn, an extension of aid for single wagons... the State has always been there to support the group when it needed it most. The government's announcement at the beginning of 2023 of a new €100bn plan for the railways is part of this vision of the importance of investment in rail assets, and more specifically in the network. On the other hand, SNCF remains a major player in the national economy, carrying out strategic missions for the French State, particularly due to the company's role in the economy, regional planning, day-to-day mobility, employment and maintaining a course in greenhouse gas reduction.

1.7 OUR STRATEGIC VISION FOR THE DECADE 2023-2032

The SNCF Group is reaffirming its ambition to be a **champion of sustainable mobility in its new Group Strategic 2023-2032 Plan, approved in December 2023.**

The SNCF Group has emerged from the Covid crisis

By 2023, the Group had finally emerged from the Covid crisis. With a cumulative impact of more than €9bn on EBITDA in 2020 and 2021 (before cost-cutting measures and the recovery plan), the Group has had to absorb not only the temporary halt in traffic, mainly in long-distance passenger rail transport, but also the effects of the various restrictions applicable to travel in 2020, 2021 and, to a lesser extent, 2022. Thanks to a diversified business model enabling the Group to benefit from the strength of the logistics sector (Geodis) between 2020 and 2022, and to the State's support measures (€4.05bn recovery plan), the SNCF Group has been able to mitigate the impact of this shock. The Group has demonstrated that the diversity of its activities is one of the key elements of its resilience and its ability to absorb external shocks.

The end of the Covid crisis has also been accompanied by a new appetite among retail customers for low-carbon transport. Carried along by its environmental, time-saving and comfort advantages, the train in all its different forms is popular with passengers. In 2022, and again in 2023, this new enthusiasm has resulted in a significant increase in occupancy rates.

The SNCF Group has had to absorb the impact of rising inflation in 2022 and 2023

The combination of the post-Covid economic recovery, serious geopolitical unrest (the invasion of Ukraine in March 2022) and difficulties unique to France's nuclear power stations have led to an increase in energy prices and to price volatility.

Against this unfavourable backdrop, the SNCF Group, France's biggest consumer of electricity with 10% of industrial needs, has benefited from the ARENH fixed rate cushion covering almost half of its needs. The Group has also taken action by rolling out an ambitious energy reduction plan, with positive results by the end of 2022.

In the long term, the Group aims to strengthen its energy sovereignty: in March 2023 it announced the creation and launch of SNCF Renouvelables, a subsidiary producing photovoltaic electricity on railway land and buildings.

2023 marks the start of a vast investment plan for the national rail network and a new railway ambition for France

2023 was an opportunity to highlight the need to increase investment in the national rail network; although significant, current investment is not sufficient to prevent the infrastructure's deterioration. At the same time, new development projects have emerged.

Faced with this reality, in February 2023 Prime Minister Élisabeth Borne announced a historic plan to invest an additional €100bn in rail infrastructure. This "new rail deal" will fully mobilise the infrastructure managers' energies and add to the building of a broader offering through development projects, including the future "metropolitan regional express services" (SERM). Increased investment in network regeneration and modernisation will make the rail network more reliable and robust.

The SNCF Group's strategic priorities for 2023-2032

On 14 December 2023, the SNCF Board of Directors approved the **Group's Strategic Plan for the decade 2023-2032.**

The SNCF Group has set itself the goal of becoming **champion of sustainable mobility by giving priority to the heart of the French railway system**, thanks to the efficient operation of a **regenerated, modernised and extended network**, and **two strategic assets, Keolis and Geodis.**

Some of the findings already established in 2021 are confirmed:

- growth in demand for public passenger transport in the medium and long term;
- The logistics and freight transport sector plays a strategic role in France and Europe, with sustained growth in a competitive market;
- the relevance of a diversified business model to deliver growth and resilience across the Group.

The Group faces **four major challenges** over the 2023-2032 decade:

- **environmental transition:** the Group offers a powerful decarbonisation solution in the transport sector. Rail development will be supported between now and 2040 by the €100bn investment plan announced by the Government in 2023. Innovation is also being used to promote the environmental transition, for example by enabling the deployment of low-carbon rolling stock (hybrid TERs, hydrogen TERs, battery-powered TERs) and the introduction of a more energy-efficient electric fleet (RER NG, TGV M);
- **opening up to competition** the passenger rail transport in France. The SNCF Group's ambition is to remain the leading player in France's rail industry. Improving the Group's competitiveness means continually transforming the businesses concerned;
- **changes in the workplace:** the Group will deploy a social model combining flexibility and independence, maintaining the strength of an industrial rail group;
- **digital changes:** the Group intends to take advantage of the transformation and new business generation opportunities that digital technology offers.

To meet these challenges, the SNCF Group will mobilise its **four core areas of strength: People, Territories, Environment and Digital & Innovation.** It confirms the choice of a **diversified business model** designed to serve France's railway core and meet its massive investment needs. The plurality of its business sectors (infrastructure management, passenger transport, logistics), its geographical exposure to a variety of markets and its subsidiaries' complementary business models protect the Group from the impact from external sources while facilitating the generation of resources for investment in its core rail business.

Combined with this model, the **ongoing transformation** of the Group **to meet its customers' expectations** be they individuals, businesses and public sector organisations, will lead to **higher levels of business orders and profitability.** Building on these foundations and beginning in 2020, the Group **confirms its path towards a return to a healthy and sustainable financial equilibrium**, which will enable it to take control of its future.

Transformation, business growth and continued financial restructuring are all necessary to generate the resources needed to **finance the Group's investments** over the next decade (infrastructure, rolling stock), of which more than 90% will be in the French rail sector.

2. MAJOR ACHIEVEMENTS BY ACTIVITIES IN 2023

FINANCIAL PERFORMANCE IN 2023

SNCF Group reported solid results thanks to rigorous management of performance

Total Group revenue came to €41.8bn, a 5.4% increase, excluding the impact of rate normalization in freight forwarding. The Group achieved these results in a challenging economic and labour environment, showing **the value of a diversified portfolio of businesses that can withstand external shocks**:

– Enthusiasm for trains and SNCF Voyageurs' commercial and industrial capacity to meet this demand are reflected in record passenger numbers. Rail is feeling the full benefit of increased environmental awareness: after **record traffic in 2022, 2023 confirmed that this is a lasting trend**. This enthusiasm applies to both high-speed rail in France and Europe, and to tendered transport.

- After a record-breaking 2022, **TGV high-speed rail in France recorded historic booking levels in 2023**, carrying over 124 million passengers, up 3% on 2022. Including all high-speed services in France and Europe boosts this figure to a record 156 million travelers, up 6%.
- **TER regional trains recorded a 7% rise in ridership** from 2022 to 2023, for a total of 20% more passengers in 4 years compared with pre-Covid numbers. Record increases in some regions were as much as 40% over 4 years.
- **Transilien commuter rail in the Paris region continued to rise with a +6% increase in ridership**.
- Lastly, **Intercités classic long-distance rail reported sustained growth with passenger numbers up 5% from 2022 and over 11 million passengers**.

– **At SNCF Voyageurs, revenue was up +10.4% over 2022** despite the impact of strikes throughout France in early 2023.

– In the public tendered contract market, SNCF Voyageurs signed **11 agreements or extensions with regional transport authorities**. At year-end 2023, all French regions had opted for a new framework contract for TER services, covering periods of 5 to 10 years, and all the company won all of the tenders it bid for during the year (raising the figure to 4 wins out of 5 bids for TER and Transilien). TER services represent **a secure €60bn in revenue over 10 years**.

– **Keolis confirmed momentum in public transport, with revenue up 6.6% from 2022**. In the Paris region, it also won tenders from Île-de-France Mobilités to operate metro lines 16 and 17 for the Grand Paris Express, as well as tram/light rail lines T4 and T11. Keolis continued to expand its international reach, winning contracts in Sweden, the Netherlands and the USA.

– In line with the broader logistics market, **Geodis reported a -15% drop in revenue (-22% at constant scope of consolidation and exchange rates)** reflecting the **normalization of rates** for air and sea freight and lower volumes due to the **global economic slowdown**. **Excluding capacity purchases** (freight forwarding services bought in/creation of end-to-end freight transport solutions for shippers), **Geodis revenues rose in each of the past 3 years (+50% from 2020 to 2023)**.

– **Rail freight (Rail Logistics Europe) felt the quadruple impact of industrial action in France, reduced production** among industrial customers, initial discontinuity measures, and a landslide in the French Alps

that disrupted traffic in the Maurienne valley between France and Italy. Together, these factors pushed revenue down -0.5% vs 2022.

– **At SNCF Réseau, revenue was up +6.2%** from 2022 at constant scope of consolidation and exchange rates, and up +3% excluding electrical fees, reflecting the sharp drop in traffic in Q1 due to industrial action.

– **At SNCF Gares & Connexions, revenue rose +9.6%**. In-station services invoiced to rail transport providers increased a strong +9%, and rental income from in-station retail outlets also showed robust growth, with retailers' business volumes rising more than +22%.

Group margins held steady:

– **EBITDA reached €6.4bn**, with EBITDA/revenue at 15.4% compared with 16% in 2022. **Without the strikes, EBITDA would have been €6.8bn, or 16.1% of revenue**. Strikes triggered by France's pension reform had a significant impact on performance, reducing EBITDA by €350m.

– **The Group successfully absorbed inflation's major impact on fees, thanks to its proactive sales strategy and deployment of its performance and productivity plan**. Cost-cutting at structural, industrial and project levels **generated savings of nearly €700m**, outperforming the €650m target for full-year 2023.

– **In freight transport, Geodis held up well and maintained its margins** despite a fall in volumes, thanks to a diverse business portfolio and successful efforts to contain prices and costs. This subsidiary's acquisitions helped offset the volume decline.

– Rail freight felt the effect of industrial action in France, reduced production among industrial customers, the impact of initial discontinuity measures, and a landslide in the French Alps that disrupted traffic in the Maurienne valley. RLE's EBITDA/revenue ratio fell from 12.1% in 2022 to 7.5% in 2023.

The Group re-affirmed its ability to generate profits, despite a challenging economy, inflation and the Q1 strike, reporting a profit of €1.3bn (down from €2.4bn in 2022). **This puts SNCF in the black for the third year in a row**. The decline reflects lower income from asset sales in 2023 (€0.1bn in 2023 vs €0.8bn in 2022). Profit was also down €0.4bn from 2022 due to non-cash accounting requirements, with provisions for future employee benefit payments re-evaluated to reflect salary increases agreed in 2022 and changes in interest rates.

This performance let the Group continue to grow and step up investments in the French rail system:

– **Group investments came to a record €10.6bn in 2023**, with over one-third financed by SNCF Group, and **95% of investments benefiting the French rail system**. In line with its strategy, the Group prioritized investments that advance the green transition, **focusing largely on core projects to regenerate and modernize the rail network and stations**:

- €5.5bn was invested in the rail network, focusing on engineering works to regenerate the primary network, and meeting the Group's target of €3.0bn for upgrades;
- €1.1bn went to structural updates, plus station maintenance and accessibility;
- €3.4bn went into rolling stock and operating facilities for SNCF Voyageurs, which took delivery of 88 new trainsets in 2023. Note that TER and Transilien trains are financed by France's regions, which act as their own transport authorities;

- €0.2bn was invested in fixed facilities and electric or biofuel buses and coaches for Keolis;
- €0.3bn funded infrastructure and rolling stock for SNCF logistics operations. Purchases included natural gas-powered semi-trailers (NGVs) for Geodis, electric locomotives for Captrain and 400 wagons for Combicargo (for delivery in 2024 and 2025).

– **The Group generated positive free cash flow of €2.5bn**, up from €1.3bn in 2022, thanks to its robust business activity and rigorous management. **This is in line with SNCF Group’s commitments to the French State, its sole shareholder, and provides funding for upgrades to the rail network.**

– **Geodis’ acquisition of Trans-O-Flex, a German specialist in temperature-controlled pharmaceutical transport, was entirely financed by SNCF Group**, in line with its strategy of self-funding all transactions outside its core rail business.

– **In 2023 the Group paid €1 billion in dividends (Fonds de Concours) to its shareholder, the French State, which chose to allocate the full amount to renovating the national rail network.**

– **The Group continued to reduce debt**, thanks to robust business activity and rigorous management. **Net debt fell to €24.2bn**, down –€0.2bn from 31 December 2022. **Bottom line: the Group continued its return to a financially sound, sustainable footing.**

Financial rating agencies recognize the solidity of Group fundamentals ...

Fitch Ratings reduced France’s sovereign rating from ‘AA-/Stable’ in April 2023, resulting in an automatic downgrade for 27 public entities (EPA, EPIC and associations).

Because of its good results, SNCF Group was not downgraded and saw its stand-alone credit profile raised from BBB+ to A-, allowing it to retain its AA-, Aa3 and AA-ratings from S&P (29 June 2023), Moody’s (26 May 2023) and Fitch Ratings (22 May 2023), respectively. Outlooks assigned by these agencies were respectively negative, stable and stable. **These solid ratings mean SNCF Group retains full latitude in its financing.**

... and continues to pursue its “100% sustainable finance” strategy.

In 2023, SNCF Group thus raised nearly €2.2bn through 6 bond issues, with nearly **98% in the form of green bonds**.

The Group’s aim is to convert **all of its financial products (debt, placements, etc.) to sustainable investment criteria by 2025**.

In 2023, SNCF Group (through SNCF SA) issued instruments in euros, Swiss francs, Australian dollars and Sterling, through public benchmarks, tap-ups to existing public debt, and private placements.

Of particular note was a **ground-breaking syndicated Club Deal that combined a green bond format with the first ever Charity Bond**. The issue’s strong social dimension was reflected in donation of part of the coupon to the Institut Robert-Debré du Cerveau de l’Enfant, affiliated with the Fondation de l’AP-HP, a charity supporting public hospitals in the Paris region. The issue received a TopDeal Award from the CMDportal in its “Leaders in Debt Capital Markets 2024 Future Forum”.

Closer alignment with European environmental taxonomy

The European environmental taxonomy is a classification system that determines companies’ alignment with the European Union’s sustainable transition

trajectory. In 2023, a total **50% of SNCF Group’s revenue came from activities that have a positive impact on the environment, up from 44% in 2022**. This reflects an increase in the scope of activities meeting the criteria and SNCF’s overall rise in passenger traffic. For **rail activities alone, the figure rose to 82%**. In 2023, 35% of Group investments were aligned on green activities, a sharp rise from 21% in 2022 that reflects deployment of Environmental Management Systems for Group projects and the broader scope of activities included in the analysis. The figure stood at **42% for rail activities alone**.

SNCF Group’s close alignment with Europe’s environmental taxonomy reflects and confirms its long-term commitment to sustainable mobility through its investment policy.

NON-FINANCIAL PERFORMANCE IN 2023

SNCF Group pursued its non-financial strategy, supporting the green transition and boosting economic, social and industrial vitality in France’s regions.

1. The green transition

1.1. Greenhouse gas emissions in France drop sharply

In 2023, **SNCF Group’s GHG emissions (Scopes 1 and 2) were down 8% from 2022**.

This drop in emissions reflected SNCF Group’s ongoing efforts to control its energy consumption (efficiency and sobriety) and deployment of biofuels, as well as a drop in its GHG emission factor for electricity.

The Group thus achieved 47% of its decarbonization trajectory, which aims to reduce Scope 1 and 2 GHG emissions by 30% for transport activities and by 50% for construction sector business from 2015 to 2030.

1.2. New investments in renewable energies

SNCF Group plans to become a solar energy producer through its new subsidiary SNCF Renouvelables, launched in July 2023. This venture will meet the Group’s growing strategic need for affordable decarbonized electricity and monetize its property portfolio. **Its goals are ambitious: by 2030, SNCF Renouvelables aims to install photovoltaic panels whose output will cover the equivalent of 15%-20% of the Group’s current electricity demand**. This project will involve local authorities and boost the vitality of their communities, while supporting a broader national effort to make France more energy-independent.

1.3. Hybrid train carries first passengers

The end of December 2023 saw **the very first hybrid train enter commercial service, boarding its first passengers** in Toulouse. With half of its diesel engines replaced by batteries, this hybrid will run on lines in the Toulouse area for four months, before continuing tests in its three partner regions—Nouvelle Aquitaine, Grand Est and Centre-Val de Loire.

This is the first concrete project to emerge from SNCF’s innovation & research programme, which receives financial support from several regions. Designed to cut GHG emissions from rail transport, the hybrid is a forerunner of a battery-powered train with no combustion engine that is scheduled for launch in late 2024, and a hydrogen-powered train, to be rolled out in late 2025.

1.4. Cuts to energy and water consumption continue

SNCF continues to **improve its energy efficiency**, aiming for “energy sobriety”. One year on, it has **reduced total power consumed by its trains and buildings by 7%**, or two-thirds of the 10% target set for year-end 2024.

SNCF has also endorsed the French Ministry of Ecological Transition's Eco d'Eau charter and its **national water sobriety plan**, a collective effort aimed at preserving this vital resource. Today the Group accounts for 3.1% of industrial water consumption in France, a figure it plans to reduce by 10% by 2025, and by 25% by 2035.

1.5. Promoting biodiversity

SNCF Réseau is experimenting with new **solutions that let animals in local ecosystems cross its tracks safely**. The biggest challenge is to find customized strategies that meet the needs of each locality and its environment. In the Rhône Delta, for example, SNCF Réseau is testing hollow sleepers that let amphibians make their way safely across the line. Launched in 2023, the experiment is the first of its kind in Europe.

1.6. Stepping up expansion of the circular economy

Since autumn 2023, **old uniforms discarded by SNCF's 24,000 customer-facing employees have been converted into raw materials** for textile and plastics at a cutting-edge facility in Auvergne-Rhône-Alpes. This effort supports the creation of a nationwide industry for recycling and re-use of workwear.

The Group is applying a circular economy philosophy to all of its gear and materials, including rail, ballast, concrete sleepers, upgraded rolling stock and IT equipment.

2. Strengthening employee relations

In 2023 SNCF added over 25,300 permanent employees in France—17,300 permanent and 8,000 temporary. Recruitment focused primarily on technical jobs in civil, electrical and mechanical engineering, driving and IT systems. **This strengthens its position as one of France's leading employers**, with a 212,000-strong workforce in France at year-end 2023.

SNCF remains highly committed to its employees.

– New mandatory annual round tables (NAO) were organized with unions to review the significant salary measures introduced in 2022 and adjust these to the Group's current economic and social context. **In the three years from 2022 to 2024, railway salaries will rise significantly, gaining an average 17% from 2021 and up to 21% for the lowest pay, compared with inflation projected at 13.2% over the same period** (based on inflation at year-end 2022, year-end 2023 and Bank of France projections for year-end 2024). This represents an additional annual payroll expense of €1.5bn from 2021. In 2023 payroll for SNCF rail companies alone came to around €10bn, with the Group total at €18.0 bn.

– In 2023 the Group once again invested **€570 in training** for rail employees, **nearly 8% of total payroll**. During the year, 100% of rail personnel received training, or 136,000 employees. This represented **5.7 million hours**, or 1 million more than in 2022.

– SNCF Group also created a €400 Sustainable Mobility Pass, used by 38,000 employees, and is covering 75% of employees' public transport costs to help decarbonize their travel between home and work.

– **SNCF plans to expand health and death/disability coverage to any staff under legacy railway worker status or an employment agreement.** Labour-management talks in June 2023 produced an agreement on method, signed in July by the majority of unions representing SNCF employees. This sets out the framework and major components of the additional coverage set for rollout in January 2025.

– **SNCF&moi, a component of the Group's corporate strategy Tous SNCF, aims to boost employee**

satisfaction and engagement. This programme creates or enhances efforts that promote work/life balance, day-to-day working conditions, career development and civic engagement. Some 30 measures have been or are being deployed.

– **The SNCF Foundation is expanding its efforts to help young people find their place in society and to protect the environment.** In 2023 the Foundation held its first Youth Outreach Days, with 220 Group employees providing coaching to 260 young people from across France. Environmental Solidarity Days mobilized 900 volunteers for some 50 projects across France during the year. In all, **9,700 employees already participate in SNCF's skill-sharing programme.** The Foundation also opened its governance to young people, placing 28 of them on its project-approval committees.

– **SNCF is fully committed to promoting gender equality at the workplace, including increasing the representation of women in all jobs.** As a result, the share of women hires increased from 20.8% in 2022 to 21.5% in 2023, and **women now hold 29.4% of all management positions**, up from 29% in 2022.

SNCF Mixité is France's largest professional network dedicated to gender equality, with over 12,000 members. Membership grew by 10% in 2023, with presentations in school classrooms to break down stereotypes on career guidance and stepped-up efforts to combat sexism.

3. Non-financial rating agencies recognize the Group's performance

EcoVadis rated SNCF 82/100, up +3 points from 2022, placing the Group in the top 1% of companies evaluated. **The Group also earned EcoVadis' Platinum rating.**

MSCI also upgraded our rating from BBB to A, in recognition of SNCF's continuing efforts.

Lastly, the **Carbon Disclosure Project (CDP) upgraded SNCF Group's rating from C to B**, a marked gain in its commitment to reducing greenhouse gas emissions and managing the impact of climate change on its activities.

3. MAJOR EVENTS OF 2023 – FINANCIAL INFORMATION

3.1 FOLLOW-UP OF THE RAIL RECOVERY PLAN

The €4.05bn rail stimulus plan committed to by the French State in 2020 resulted in the payment by the State of an additional amount of €0.644bn to SNCF Réseau on 14 March 2023, via the State support fund. As a reminder, an amount of €1.645bn was paid in 2021 and two other amounts of €0.693bn and €1.068bn were paid in 2022.

3.2 LAUNCH BY THE EUROPEAN COMMISSION OF AN IN-DEPTH INVESTIGATION INTO FRENCH STATE AID MEASURES FOR FRET SNCF

The outcomes, to date, of the investigation opened on 18/01/2023 by the European Commission against the French State on the support measures from which Fret SNCF benefited during the 2007-2019 period are presented in the following paragraphs.

In a letter dated 23/05/2023, the Ministry of Transport informed the Chairman of SNCF SA that the European Commission's preliminary analysis should lead to the conclusion that the recurrent assumption of Fret SNCF's losses by SA SNCF should be considered as illegal State aid.

Given the risks incurred in the event of a negative decision involving recovery of the aid considered to be illegal, the

State considers that a new stage of transformation should be implemented.

This transformation will result in the creation of 2 new entities, which must be incorporated by 31/12/2024 at the latest.

One will be dedicated to the shared train activity, known as "capacity management"; the other will be a maintenance company which will offer the provision of rolling stock maintenance services. In parallel with the creation of these new entities, Fret SNCF will have to gradually withdraw from 23 so-called "dedicated block train" flows by making it easier to take over these flows, for example by selling locomotives at the same time. Other complementary measures are also planned, including the transfer of the management and operation of the Saint-Priest logistics platform near Lyon to a third-party operator, as well as the sale of assets (particularly property and rolling stock), preferably to third parties, which would result in a 40% reduction in the market value of the new rail company's assets compared with all Fret SNCF assets as at 31/12/2021. Furthermore, allowing access, in the medium term, to Rail Logistics Europe's capital by minority third parties, integrating the 2 new structures.

If it is undertaken quickly, this transformation should make it possible, at the end of the formal examination procedure, to obtain a finding from the Commission that Fret SNCF has been economically discontinued, and therefore that there is no obligation to repay any past aid to the two new entities.

At 31/12/2023, the implementation of the discontinuity began with the takeover of dedicated flows by other rail transport operators. By 01/01/2024, Fret SNCF had already discontinued 15 flows.

Of these 15 flows, only one partial subcontract has been requested. Discussions are underway to return the remaining dedicated flows. At this stage, no locomotive has been purchased by the acquiring operators. SNCF Fret may sell in 2024 or later, the 39 locomotives used for dedicated flows.

The Group's financial statements therefore show no material impact from these discontinuity measures.

3.3 ACQUISITION OF GERMAN GROUP TRANS-O-FLEX BY GEODIS SUBSIDIARY

On 2 March 2023, Geodis finalised the acquisition of 100% of the German company Trans-O-Flex, a specialist and leader in temperature-controlled transport. The company has developed its own network and set up logistics solutions dedicated to the cosmetics, consumer electronics and health sectors in Germany and Austria, where it employs almost 2,000 people at 77 sites and warehouses.

This acquisition positions Geodis as a major player in the healthcare market and strengthens its express delivery capacity in Germany, one of the Group's strategic markets.

4. SNCF GROUP KEY FIGURES

4.1 KEY FINANCIAL PERFORMANCE INDICATORS

€ millions	31/12/2023	31/12/2022
Revenue	41,760	41,449
EBITDA	6,435	6,615
Net profit/loss - Attributable to equity holders of the parent	1,310	2,425
Recurring net profit/loss Attributable to equity holders of the parent (1)	1,318	2,078
Net investments (2)	3,549	3,495
Investments from all funding sources (3)	10,564	9,936
Free cash flow (4)	2,523	1,304
SNCF Group net debt	24,199	24,439
of which net debt of SNCF Réseau	19,263	18,998
	31/12/2023	31/12/2022
Net debt/EBITDA	3.8	3.7
% FFO (5) / Net debt	23.4%	22.8%
	31/12/2023	31/12/2022
Workforce	282,786	276,271

(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:

€ millions	31/12/2023	31/12/2022
by aggregating the following line items from the cash flow statement:		
- Acquisitions of intangible assets and property, plant and equipment	8,165	7,687
- Capitalised interest	142	230
- Investment grants received	-5,042	-4,518
- New concession financial assets	2,284	1,805
- Cash inflows from concession financial assets	-1,999	-1,709
Total net investments	3,549	3,495

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

€ millions	31/12/2023	31/12/2022
by aggregating the following line items from the cash flow statement:		
- Acquisitions of intangible assets and property, plant and equipment	8,165	7,687
- Capitalised interest	142	230
- New concession financial assets	2,284	1,805
minus change in investment WCR	26	-214
Total investments from all funding sources	10,564	9,936

(4) Free cash flow is calculated as follows:

€ millions	31/12/2023	31/12/2022
by aggregating the following line items from the cash flow statement:		
- Cash from operations after cost of net financial debt and taxes	5,693	5,883
- Acquisitions of intangible assets and property, plant and equipment	-8,165	-7,687
- Capitalised interest	-142	-230
- Investment grants received	5,042	4,518
- Repayment of lease liabilities	-1,097	-1,031
- Repayment of IFRS 16 finance lease receivables	1	0
- Proceeds from disposals of intangible assets and property, plant and equipment	279	246
- New concession financial assets	-2,284	-1,805
- Cash inflows from concession financial assets	1,999	1,709
- Impact of change in WCR	1,169	-230
the change in income tax-related WCR, included in the cash flow statement line item "Taxes (paid)/collected"	-12	-95
accrued interest on IFRS 16 lease liabilities, included in the cash flow statement line item "Interest paid on lease liabilities"	3	3
dividends received from entities accounted for by the equity method, included in the cash flow statement line item "Dividends received"	37	22
Total free cash flow	2,523	1,304

(5) Funds From Operations (FFO) are calculated by:

€ millions	31/12/2023	31/12/2022
the sum of the income statement line items:		
- EBITDA	6,435	6,615
- Net financial debt and other costs	-664	-734
- Income tax	-108	-314
Total FFO	5,663	5,567

4.2 KEY EXTRA-FINANCIAL PERFORMANCE INDICATORS

France Group indicators	31/12/2023	31/12/2022
Total energy consumption (GWh)	17,303	18,103
Greenhouse gas emissions (kt of CO ₂ e) linked to energy consumption scope 1 & 2 (excluding refrigerants)	3,157	3,372
Female representation (%)	26.1	26.0
Number of permanent hires in France	17,285	14,305
Number of work-study contracts in France - excluding GEODIS in 2022, excluding Keolis in 2023	5,390	4,890
% of employees having received at least one training course in France - excluding GEODIS in 2022; excluding Keolis in 2023	71.0	76.7

5. SUBSEQUENT EVENTS

There are no material main subsequent events.

GROUP ACTIVITIES AND FINANCIAL RESULTS

1. ANALYSIS OF GROUP RESULTS

1.1 GROUP RESULTS

€ millions	Year 2023	Year 2022	Change 2023 vs 2022
Revenue	41,760	41,449	311
Infrastructure fees	-944	-778	-166
Purchases and external expenses other than infrastructure fees	-16,550	-17,218	668
Taxes and duties other than income tax	-1,283	-1,274	-9
Employee benefit expense	-16,589	-15,724	-865
Other income and expenses	41	159	-118
EBITDA	6,435	6,615	-180
Depreciation and amortisation	-4,080	-4,169	89
Net movement in provisions	-29	45	-74
Current operating profit/loss	2,326	2,491	-165
Net proceeds from asset disposals	74	787	-712
Impairment losses	-14	-0	-14
Operating profit/loss	2,387	3,277	-891
Share of net profit/loss of companies consolidated under the equity method	39	41	-2
Operating profit/loss after share of net profit/loss of companies consolidated under the equity method	2,426	3,318	-893
Net finance costs of employee benefits	-244	245	-489
Cost of net financial debt and other costs	-664	-734	70
Net finance costs	-908	-489	-419
Profit/loss before tax	1,518	2,830	-1,312
Income tax expense	-108	-314	206
Net profit/loss from ordinary activities	1,409	2,516	-1,106
Net profit/(loss) from discontinued operations, net of tax	-	-	-
Net profit/loss for the year	1,409	2,516	-1,106
Net profit/loss for the year - Attributable to equity holders of the parent	1,310	2,425	-1,114
Net profit/loss for the year - Attributable to minority interests	99	91	8
Recurring net profit/loss attributable to equity holders of the parent (1)	1,318	2,078	-760
EBITDA / Revenue	15.4%	16.0%	
Current operating profit or loss/revenue	5.6%	6.0%	

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

- impairment losses;
- transactions generating an impact on profit or loss that is individually greater than €50m in absolute value, generally included in and/or allocated between "Fair-value re-valuation of previously held equity interests" 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";

- specific transactions involving financial instruments (restructuring, renegotiation or other) with an impact of more than €50m on the cost of net financial debt;

– the change in deferred tax assets recognised for entities in the SNCF tax group under "Income tax";

– the share of minority interests relating to these various items and included under "Net profit/loss attributable to non-controlling interests (minority interests)".

The resulting indicator aims to better reflect the net profit or loss attributable to equity holders of the parent in relation to the Group's recurring performance. At the period-end, it was as follows:

€ millions	Notes (*)	31/12/2023	31/12/2022
Net profit/loss - Attributable to equity holders of the parent		1,310	2,425
Impairment losses		14	0
Included in "Gains and losses on asset disposals".	1.3.4	-	-557
Included under "Income tax"	1.3.6	-0	216
Included in "Net income - Minority interests".		-6	-5
Recurring net profit/loss attributable to equity holders of the parent		1,318	2,078

(*) See the notes to the Group's business activities and financial results.

1.2 COMPARABILITY OF FINANCIAL STATEMENTS

The comparability of the 2023 results with those of 2022 was impacted by the following changes in scope and exchange rates:

€ millions		Impacts on revenue in 2023
SNCF Gares & Connexions	Change in 2022 scope ⁽¹⁾	
	Takeover of Lagardère & Connexions (France)	66
TGV - Intercités	Change in 2022 scope ⁽¹⁾	
	Sale of Rail Europe group	0
	Change in 2023 scope	
	Sale of Exprelio (Canada)	-4
	Exchange rate changes	-19
Keolis	Changes in 2022 scope ⁽¹⁾	
	Acquisition of Terminal G (Sweden)	1
	Acquisition of Transports Perrier (France)	4
	Sale of the Keolis rail business in Germany	-43
	Exchange rate changes	-134
Geodis	Changes in 2022 scope ⁽¹⁾	
	Acquisition of Keppel Logistics (Singapore)	33
	Acquisition of Need It Now Delivers (United States)	485
	Changes in 2023 scope	
	Acquisition of Trans-o-Flex (Germany)	500
	Acquisition of Transports Dévoluy (France)	2
	Acquisition of International Transport & Shipping (Switzerland)	22
Exchange rate changes	-157	
Rail Logistics Europe	Changes in 2022 scope ⁽¹⁾	
	Acquisition of Takargo (Portugal)	4
	Acquisition of Ibercargo (Spain)	5
	Exchange rate changes	2
Intercompany Transactions		-0
Total		766

(1) Transactions carried out in 2022 with an impact on 2022/2023 revenue

1.3 RESULTS FOR THE 2023 FINANCIAL YEAR

1.3.1 Revenue

The SNCF Group generated consolidated revenue of €41,760m in the first half of 2023, an increase of €311m (+0.7%) on 2022, reflecting:

- changes in scope for +€1,075m;
- the effect of exchange rate changes for -€309m;
- organic growth of -€455m (-1.1%); changes in the activities were as follows (at activity level):

2023 organic growth in revenue at activity level

SNCF Réseau	+443 €m	+6.2%
SNCF Gares & Connexions	+156 €m	+9.6%
Transilien	+176 €m	+4.9%
TER	+351 €m	+6.4%
TGV - Intercités	+1,170 €m	+13.8%
Industrial Division	+285 €m	+15.4%
Other passengers	+427 €m	+70.5%
Keolis	+442 €m	+6.6%
Geodis	-2,967 €m	-21.6%
Rail Logistics Europe	-9 €m	-0.5%
SNCF Immobilier	+246 €m	+31.6%
Corporate	+168 €m	+15.5%

1.3.2 EBITDA

At 31 June 2023, EBITDA stood at €6,435m, down €180m on 2022, while the EBITDA-to-revenue ratio fell from 16.0% to 15.4% between 2022 and 2023.

€ millions	Year 2023	Year 2022	Change 2023 vs 2022		Change at constant scope and exchange rates	
Revenue	41,760	41,449	311	0.7%	-455	-1.1%
Employee benefit expense	-16,589	-15,724	-865	5.5%	-789	5.0%
Purchases and external expenses (other than infrastructure fees, traction energy and fuel), and other income and expenses	-14,485	-15,478	993	-6.4%	1,610	-10.4%
Infrastructure fees	-944	-778	-166	21.4%	-175	22.4%
Traction energy and fuel	-2,023	-1,581	-443	28.0%	-450	28.5%
Taxes and duties other than income tax	-1,283	-1,274	-9	0.7%	-4	0.3%
EBITDA	6,435	6,615	-180	-2.7%	-263	-4.0%
<i>EBITDA to revenue ratio</i>	<i>15.4%</i>	<i>16.0%</i>				

1.3.3 Current operating profit/loss

In line with EBITDA, operating profit from ordinary activities in 2023 was down €165m on 2022, at €2,326m.

Accordingly, the revenue to current operating profit conversion rate fell from 6.0% to 5.6%.

1.3.4 Operating profit/loss

Operating profit/loss fell by €891m. The decline in operating profit before non-recurring items was accentuated by a €712m fall in income from asset disposals. The previous year's income from disposals was impacted by a gain of €557m from the sale of the Akiem subsidiary.

1.3.5 Net finance costs

The €419m decline in net finance costs between 2022 and 2023 can be mainly attributed to a change in actuarial assumptions and the update of the discount rates used to value provisions for employee benefits.

1.3.6 Income tax expense

The income tax expense decreased by €206m. The 2022 financial year was affected by the impairment of deferred taxes in the amount of -€216m.

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 €1,310m, compared with a gain of €2,425m in 2022, after recognition of a €99m net

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

1.4 CHALLENGES AND OUTLOOK**Geopolitics and the deteriorating macroeconomic environment present risks for 2024.**

Recent publications by economic forecasting institutes agree with the latest central scenario from the Bank of France. After reaching a peak of 5.6% in 2023% inflation should fall back to 2.6% in 2024 and stabilize at 2% in 2025.

Projections for 2024 GDP growth in France are still fragile at around 1.2%, due primarily to weak household consumption.

In 2024, SNCF Group continues to manage its key challenges: structural increases in post-crisis energy costs, rising costs for engineering works due to inflation, and continued economic uncertainty. **Management will continue guiding the Group to keep its financial structure in balance while continuing to invest for the future.**

SNCF Group's investment policy will be even more aggressive in 2024. Funding will exceed €11.7bn, reflecting its commitment to safety and future performance. The Group will also deploy its Social Progress Platform and will continue **very high levels of recruitment during the year, hiring 20,000 new employees with over 70% on permanent contracts.**

2. ACTIVITY RESULTS

The contributions of the Group's entities to revenue, EBITDA, net capex and capex from all funding sources are as follows (unless otherwise indicated, the financial data by activity shown in the table below and in those on the following pages are presented as Group contributions):

€ millions	SNCF Réseau	SNCF Gares & Connexions	Transilien	TER	TGV - Intercités	Industrial Division	Passengers - Other	Keolis
a) External revenue	2,923	424	3,415	5,482	9,279	81	90	6,812
b) Intra-group revenue	4,628	1,432	356	348	376	2,053	943	171
a+b Revenue	7,551	1,856	3,770	5,830	9,655	2,133	1,033	6,984
c) External EBITDA	1,667	356	335	314	1,597	135	6	520
d) Elimination of Intercompany transactions (1)	105	15	31	43	47	28	5	17
c+d EBITDA	1,772	370	367	356	1,644	163	11	537
Net investments (2)	1,778	434	-52	75	571	158	40	169
Investments from all funding sources (2)	5,522	1,112	1,209	1,258	700	161	40	229

(1) Particularly the reversal of the IFRS 16 restatement of group leases

(2) See definition in note 4.1 of the section The SNCF Group in 2023.

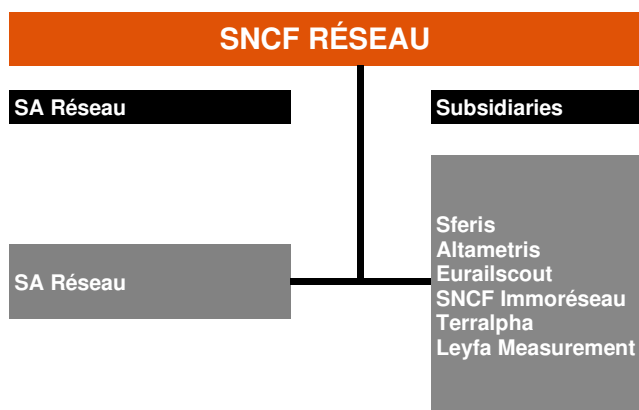
€ millions	Geodis	Rail Logistics Europe	Logistics Other	SNCF Immobilier	Corporate	Inter-segment eliminations	Total
a) External revenue	11,513	1,630	-	58	53		41,760
b) Intra-group revenue	127	82	-	967	1,200	-12,683	-
a+b Revenue	11,640	1,712	-	1,025	1,253	-12,683	41,760
c) External EBITDA	1,110	121	5	201	66		6,435
d) Elimination of Intercompany transactions(1)	7	7	-	2	18	-323	-
c+d EBITDA	1,117	128	5	203	84	-323	6,435
Net investments (2)	218	94	0	16	48		3,549
Investments from all funding sources (2)	213	50	-	22	48		10,564

(1) Particularly the reversal of the IFRS 16 restatement of group leases

(2) See definition in note 4.1 of the section The SNCF Group in 2023.

Unless otherwise indicated, analyses of results by business line are presented without restatement for the effects of changes in Group structure and exchange rates; analyses of revenues and EBITDA relate to data calculated at business line level (before elimination of intra-Group transactions).

2.1 SNCF RÉSEAU



SNCF Réseau sells train paths and is responsible for the management, maintenance, upgrade and development of the French national rail network. Its customers are the 41 railway operators that use the national rail network and 21 other companies (combined transport operators, ports, etc.), which reserve train paths that they then assign to the railway operator of their choice. The segment includes the Sferis, Altametric, Eurailscout, SNCF Immoréseau, Terralpha and Leyfa Measurement subsidiaries.

€m	Year 2023	Year 2022	Change
a) External revenue	2,923	2,711	213
b) Intra-group revenue	4,628	4,397	230
a+b Revenue	7,551	7,108	443
c) External EBITDA	1,667	1,821	-154
d) Elimination of Intercompany transactions (1)	105	103	2
c+d EBITDA	1,772	1,924	-152
EBITDA / Revenue	23.5%	27.1%	
Net investments	1,778	2,062	-284
Investments from all funding sources	5,522	5,561	-39

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

In 2023, SNCF Réseau rose to the challenge of meeting the general appetite for rail in France.

SNCF Réseau was on hand for the Rugby World Cup, a major rehearsal for the forthcoming sporting events of the summer of 2024, successfully ensuring the smooth running of trains carrying teams and supporters.

The digitisation of the network is progressing: SNCF Réseau has commissioned a number of projects, such as 2TMV at the Rennes and Annemasse stations and centralised control systems on the Douai and Thionville network.

The year also saw works carried out countrywide: in the Île-de-France region, with the opening of the T12 tram-train in particular, but also in each region, with many projects to upgrade branch lines providing comprehensive local coverage across the country, not to mention an increase in investment in rail freight.

Lastly, 2023 was a historic year for the volume and quality of industrial regeneration throughout France, which is one of the company's key priorities.

Results for the 2023 financial year

– Revenue SNCF Réseau revenue was up 6.2%, i.e. €443m, compared to 2022. This change is mainly the result of an increase in invoicing of electrical energy provided to transport operators (+€258m excluding strikes, EBITDA-neutral for SNCF Réseau) and the increase in infrastructure charges (+€193m with +3.4% on Grande Vitesse and Freight, +3.4% on Intercités, +2.4% on Transilien and TER). The impact of the strikes at the start of the year (€190m) was mitigated by the counter-effect of the adaptation of transport plans in 2022 (+€113m).

– EBITDA

EBITDA was down €152m or -7.9% on the previous year. This change is mainly due to the impact of the strikes at the beginning of 2023 (-€151m).

– Net investments

Net investments for the year (€1,778m) were down by €284m. This change is mainly due to the €577m increase in grants received in 2023 as a result of the increase in regional projects (90% subsidised) and the exceptional funding received on the supplementary regeneration grant (€97m). Conversely, cash inflows related to the financing of the assistance fund and the stimulus plan were €310m lower in 2023 than in 2022.

– Investments from all funding sources

The volume of investments from all funding sources for the year (€5,522m) remained unchanged compared to the previous year.

Outlook for 2024

2024 is the year of SNCF Réseau's return to financial stability.

2024 will also see the first stones laid of the new rail deal announced by the French Prime Minister last February, with a staged ramp-up of investment by €300m, to eventually reach €1bn of regeneration work and €500m of additional upgrade work.

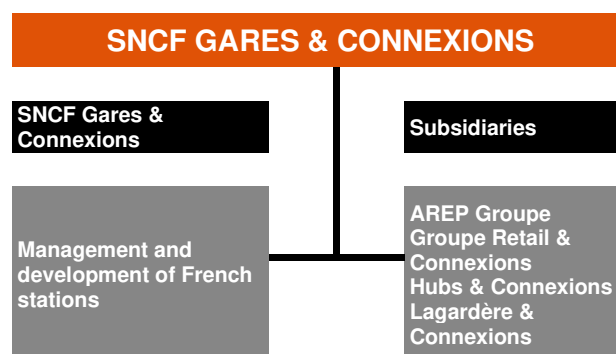
SNCF Réseau, together with SNCF Gares & Connexions, will accelerate the creation of Metropolitan Regional Express Services, working with the organising authorities to scale up rail services on the outskirts of major cities.

SNCF Réseau will bring the first phase of the Eole project to Nanterre into service.

SNCF Réseau will also be on the front line in ensuring the success of the summer's major sporting events.

Finally, in 2024, SNCF Réseau will continue to ensure that 15,000 passenger and goods trains run safely and reliably on the network every day, while accelerating its regeneration and upgrade.

2.2 SNCF GARES & CONNEXIONS



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

€m	Year 2023	Year 2022	Change
a) External revenue	424	299	125
b) Intra-group revenue	1,432	1,335	97
a+b Revenue	1,856	1,633	222
c) External EBITDA	356	335	20
d) Elimination of Intercompany transactions (1)	15	12	2
c+d EBITDA	370	348	23
EBITDA / Revenue	20.0%	21.3%	
Net investments	434	371	64
Investments from all funding sources	1,112	965	147

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

– Impact of high inflation and rising energy prices.

- The year 2023 was marked by an unprecedented rise in the price of energy (electricity and gas), leading to a three-fold increase in SNCF Gares & Connexions' bill.
- Consequently, following on from 2022, cost control remained the main focus at all levels of the company in 2023, in order to meet the free cash flow commitment made in the State performance contract.

– ART assent to the passenger stations reference document for the 2023 service timetable.

On 27 July 2023, the French Transport Regulation Authority (ART) issued its assent (no. 2023-036) to the tariffs for regulated services provided in passenger stations and for other non-tariff elements in the Passenger Station Reference Document (Document de Référence des Gares de voyageurs) for the 2023 service timetable. This Station Reference Document (DRG) validates the proposed fares for 2023, thereby securing regulated revenue (excluding rent) of €1,014m; an increase of more than 9% compared with the 2022 DRG, including the introduction of a €42m "tariff shield" to limit the increase in bills to a maximum of 10% for each customer.

– Rugby World Cup 2023.

- As an official sponsor of the Rugby World Cup 2023, SNCF Gares & Connexions contributed to making transport a success at the world's third biggest sporting event by serving more than 2.5 million spectators and handling the 78 transfers for the 20 participating teams during the 51 days of the tournament. More than 30 major stations in 9 host cities and team base camp cities were mobilised between 8 September and 28 October 2023.
- As part of this major event, the SNCF Gares & Connexions collective coordinated the site's various players (transporters, service providers, shops, local authorities), successfully taking on new roles since its creation as a limited company in 2020.

Results for the 2023 financial year

– Revenue

SNCF Gares & Connexions' revenue in 2023 increased by €222m (13.6%) compared to 2022. The takeover of Lagardère & Connexions at the end of 2022 had a positive impact of €66m on revenue growth. The increase in

regulated services (+€87m price effect) and concession revenues (+€53m) accounted for most of the organic growth in revenue.

– EBITDA

EBITDA rose by €23m between 2022 and 2023. The increase in revenue was mitigated by unfavourable price effects, particularly on station operating costs (-€84m, including -€55m for energy) and personnel costs (-€14m).

– Net investments

Net investments for the year (€434m) were up by €64m. The combined effect of the increase in investments from all funding sources (+€147m) and lower supplier debt (+€103m) was more than offset by the increase in grants received (-€186m).

– Investments from all funding sources

The volume of investments from all funding sources rose by 15.2% to €1,112m in 2023.

Outlook for 2024

– The year 2024 is expected to see continued strong sales activity, reflecting one-off events such as the Paris 2024 Olympic and Paralympic Games.

- Revenue from regulated services, which will be impacted by unprecedented events (organisation of the Paris Olympic and Paralympic Games, entry into service of EOLE stations, creation of a single hub, etc.), should, subject to approval by the regulator by early April 2024 at the latest, increase significantly by around 9%, benefiting from the end of the "fare shield" introduced in 2023.

- In addition, following on from 2023, SNCF Gares & Connexions will continue its efforts to improve productivity - in particular to absorb the anticipated effects of inflation on its operating and construction costs - and will continue to implement action plans to meet the free cash flow commitment in the performance contract signed with the French State, while ensuring a level of production roughly equivalent to that of 2023 and thus confirming its ability to deliver its projects.

– Paris 2024 Olympic and Paralympic Games

- As an official supporter of the Paris 2024 Games, SNCF Gares & Connexions is preparing to welcome nearly 15 million Olympic visitors and more than 20,000 accredited guests. Nearly 60 stations will be directly affected in the Île-de-France region and in the 8 regional cities involved (Lille, Châteauroux, Nantes, Bordeaux, Lyon, Saint-Étienne, Marseille and Nice).
- The Paris 2024 Games are an opportunity to sustainably improve station operations, business lines and the customer experience.
- The SNCF Gares & Connexions collective is mobilising all the players working alongside it (transporters, service providers and retailers) to keep pace with the transformation of stations and business expertise, to guarantee a high level of safety and security in stations for customers and to deliver a very high quality of service.

– Reference document for passenger stations for 2024.

- The 2024 stations reference document (DRG) continues the implementation of the work programme agreed with the regulator, but it also takes place in a unique context, as it is part of a series of unprecedented events mentioned above.

- Stakeholders were consulted on the draft DRG 2024 from 5 October to 5 December 2023. The matter was

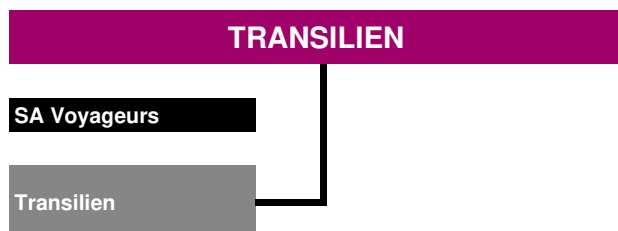
referred to the regulator on 8 December 2023, with an opinion expected by early April 2024 at the latest.

- In the context of the exit from the "tariff shield", in which part of the 2023 price increases limited by the "tariff shield" are reflected in the 2024 cost base and therefore in the 2024 tariffs, the increase in regulated revenue remains high, at €1.1bn, i.e. a further increase of 9% compared with the 2023 DRG, despite operating costs remaining virtually unchanged in 2024 compared to their 2023 level.

– Update of the multi-year performance contract with the French State.

- In accordance with the provisions of Decree no. 2019-1583 of 31 December 2019 on the drafting of the contract between the French State and the SNCF Réseau subsidiary responsible for the unified management of passenger stations, SNCF Gares & Connexions plans to implement the three-year update of its multi-year contract with the State in 2024. This update will be based in particular on the update of the enVIEdeGARE strategic plan and its associated financial trajectory.

2.3 TRANSILIEN



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

€m	Year 2023	Year 2022	Change
a) External revenue	3,415	3,235	180
b) Intra-group revenue	356	360	-4
a+b Revenue	3,770	3,594	176
c) External EBITDA	335	340	-4
d) Elimination of Intercompany transactions (1)	31	31	0
c+d EBITDA	367	371	-4
EBITDA / Revenue	9.7%	10.3%	
Net investments	-52	-73	22
Investments from all funding sources	1,209	1,092	117

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

– A two-year extension, until 2025, of the 2020-2023 multi-year investment plan with the greater Paris transport authority Île-de-France Mobilités (IDFM), in line with the extension of the operating contract signed at the end of 2022. This represents more than €1.6bn in investments for each of the two years. Maintaining the principle of financing 100% of SNCF Voyageurs' investments through grants, while enabling Île-de-France Mobilités to guarantee its financing resources in the context of its growing debt and its ambition to have the most developed and efficient public transport network in the world by 2030-2033. In the shorter term, these investments should also

make it possible to ensure proper preparation for the Paris 2024 Olympic and Paralympic Games.

– Average yearly passenger numbers for the year of 84% of the 2019 benchmark, with a negative impact from industrial action at the start of the year and an increase in the second half to 89% of the 2019 benchmark in December.

– Punctuality rates averaging 90.1% over the year, slightly below contractual targets, which will be revised upwards from 2023 as part of the extension of the operating contract to 2025.

– Perceived quality of service down slightly on 2022, with a customer satisfaction rate of 78.4% (at end-September 2023 - results available quarterly).

– The award by IDFM to the consortium made up of SNCF Voyageurs and Keolis of the first lot put out to tender: the operation of tram-train lines T4 and T11 as well as the Esbly-Crécy branch of line P.

– Continuation of the investment programme in 2023. By the end of December, thirty new trainsets had been delivered: eleven RER NG trainsets due to enter commercial service on line E in November 2023, seven Dualis tram-train trainsets for line T4, eleven Dualis tram-train trainsets for line T12, opened in December 2023, and one Regio2N trainset, enabling line N to be fully equipped with this new rolling stock. Continuation of the creation and development of sites for the maintenance of new rolling stock, primarily at Villeneuve (RER NG on line D and Regio2N on lines R and D Sud), at the Joncherolles site (RER NG on line D) and at the Val-Notre-Dame site - phase 2 (Francilien trainsets on line J). On the distribution side, the new Automated Mass Transit Terminal (AMT) will be deployed at ten pilot sites before being rolled out across the board in 2024-2025, with around 120 AMTs by 2024.

Results for the 2023 financial year

– Revenue

Transilien's revenue in 2023 was up €176m (+4.9%) on 2022, mainly due to the €247m index effect on fixed-price ticketing (change in index and weight on electrical energy) and the -€47m impact of the 2023 strikes.

– EBITDA

Transilien's EBITDA fell by €4m between 2022 and 2023. The unfavourable indexation effect was largely offset by an improvement in industrial performance.

– Net investments

There was no significant change in net investments for the year compared with the previous year.

– Investments from all funding sources

The volume of investments from all funding sources rose by €117m to €1,209m.

Outlook for 2024

– Assumption that by the end of 2024 traffic will have reached 95% of end-2019 levels and an yearly average of 92%. The year 2024 will be marked in August and September by an increase in passenger numbers during the Olympic and Paralympic Games, the challenge for Transilien being to successfully transport the 15 million passengers expected at the various venues and direct them to the stations.

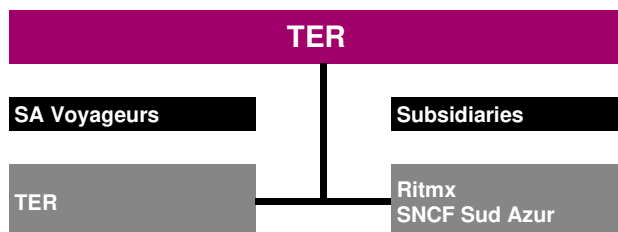
– New services including Eole Phase 1 - extension to Nanterre - from April 2024 with a reduced service until

November, and the T12 tram-train (Massy-Évry Courcouronnes) from 9 December 2023.

– Continuation of the investment programme with the delivery of fifty new trains in 2024, including thirty-eight RER NG trainsets, and the development of sites for the maintenance of new rolling stock (the Villeneuve site for the maintenance of RER NG rolling stock on line D and Regio2N rolling stock on lines R and D Sud, and the Mantes site for the Eole line to the west).

– Opening up to competition: award by Île-de-France Mobilités of lot 2 (tram trains T12 and T13) and lot 3 (line L) in 2024.

2.4 TER



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

€m	Year 2023	Year 2022	Change
a) External revenue	5,482	5,124	358
b) Intra-group revenue	348	355	-6
a+b Revenue	5,830	5,479	351
c) External EBITDA	314	347	-33
d) Elimination of Intercompany transactions (1)	43	39	3
c+d EBITDA	356	386	-30
EBITDA / Revenue	6.1%	7.0%	
Net investments	75	-103	177
Investments from all funding sources	1,258	921	337

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

– Successful direct negotiations: all eleven regions have signed a new agreement or extension rider with SA Voyageurs (with or without the gradual opening up of lots to competition). This success is the result of the expertise of the TER teams, who were able to offer a high-quality, competitive range of transport and services tailored to the specific needs of each organising authority (AO).

– Continuation of the process of opening up to competition:

- Two operating tenders - the "Étoile d'Amiens" and "Tram-train - Sud Loire" lots - awarded to SNCF Voyageurs.
- Transdev named preferred bidder for the Nancy-Contrexéville lot in November 2023.
- Numerous prior information notices (API) published in 2023: "Toulon-les Alpes", "Ouest-Provence", "Étoile de Lille", "Étoile de Reims", "TER GV", "Poitou-Charentes", "Étoile Mancelle", all the lots in Bourgogne Franche-Comté and AURA, and several concession notices ("Dessertes Parisiennes", "Étoile de Caen", "Bourgogne Ouest Nivernais").

- Tender notice published by the Pays de la Loire organising authority for the implementation of a regional MaaS (*Mobility as a Service*).

– Against the backdrop of a significant increase in passenger numbers, and despite an unprecedented rise in external events, TER achieved reliability levels of 90.8%, confirming the robustness of its service production.

– After a difficult start, Strasbourg SERM's reliability has improved since the summer.

Results for the 2023 financial year

– Revenue

TER's revenue in 2023 was up by €351m, (6.4%) in 2023 compared to 2022. This change is mainly due to the effect of contractual indexation to fixed pricing and €/€ (+€382m) and the impact of strikes (-€81m).

– EBITDA

TER's EBITDA fell by €30m between 2022 and 2023, mainly due to the adverse impact of indexation mechanisms and strikes in 2023.

– Net investments

Net investments for the year (€75m) were up €177m. This increase is mainly due to the €131m rise in the purchase of new rolling stock (in particular Regio2N rolling stock) and the ramp-up of the OP'TER programme (+€131m). These effects were mitigated by the €132m increase in grants received.

– Investments from all funding sources

– The €337m increase in investments from all funding sources, was due to the increase in the acquisition of new rolling stock and the ramp-up of the OPTER rolling stock renovation programme.

Outlook for 2024

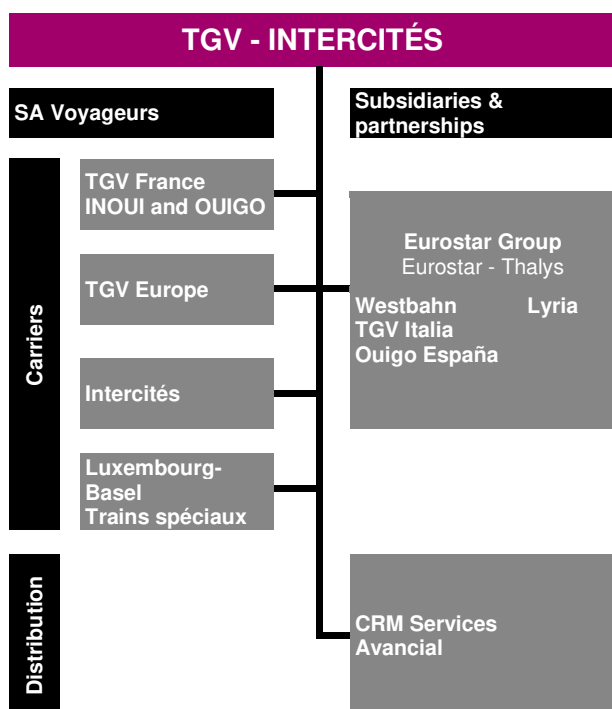
– Continued sales momentum: growth in traffic and revenues (+1.5% vs. actual 2023, on a like-for-like basis and restated for the 2023 strikes).

– Securing the 2024 Olympic Games bid and the implementation of new private contracts incorporating more demanding and binding objectives in terms of production, services and financial terms.

– The three lots awarded to SNCF Voyageurs will be put into operation for the 2025 annual service (mid-December 2024).

– Expected award of the "Bruche Piémont Vosges" and "Transfrontalier" lots by the Grand-Est region.

2.5 TGV - INTERCITÉS



TGV - Intercités offers its customers:

- a transport service in France and Europe via SA Voyageurs (TGV Inoui, Ouigo, Intercités), European partnerships (Lyria with SBB, Aléo with DB) and its subsidiaries (Eurostar Group, Ouigo España, etc.);
- the distribution of travel-related products.

€m	Year 2023	Year 2022	Change
a) External revenue	9,279	8,131	1,148
b) Intra-group revenue	376	377	-1
a+b Revenue	9,655	8,508	1,147
c) External EBITDA	1,597	1,419	178
d) Elimination of Intercompany transactions (1)	47	48	-1
c+d EBITDA	1,644	1,467	177
EBITDA / Revenue	17.0%	17.2%	
Net investments	571	568	3
Investments from all funding sources	700	661	40

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

Grande Vitesse France

– 2023 was marked by excellent performance in sales, confirming customers' sustained appetite for long-distance rail travel, both on domestic and European markets, despite the industrial action at the start of the year. These positive results were accompanied by a leap in the quality of service production compared with the summer of 2022, thanks to action plans that have made it possible to keep up with traffic without major crises. Occupancy rates were high, with some trains at capacity (35% full trains on average in 2023).

– Against this backdrop, TGV-Intercités is continuing to roll out its growth strategy, relying in particular on strategic projects to overhaul the sales information system, renew

or extend rolling stock (TGV M and deprogrammed obsolescence operations for some trainsets), upgrade maintenance facilities and expand in Europe.

– Night trains are also being developed in Europe, with the launch of the Paris-Berlin service, a year on from the service between Paris and Vienna.

Subsidiaries

– Eurostar Group: return to high levels of traffic and strong profitability. The merger of the Thalys and Eurostar brands is taking shape under the single Eurostar Group brand, symbolised by the introduction of a joint distribution system.

– Ouigo España: continued development of the business with the opening of new routes, in a highly competitive climate marked by the large-scale entry of Iryo with its aggressive sales policy. Ouigo España has demonstrated its ability to adapt, using its resources with a high level of flexibility in order to maintain the expected profitability.

Intercités

– Sustained traffic throughout the year.

Extension of the night-time service for the 2024 annual service, with the introduction of the Paris-Aurillac service and changes to the Paris-Perpignan and Paris-Tarbes routes.

Results for the 2023 financial year

– Revenue

TGV - Intercités revenue (without restatement for the effects of changes in the scope of consolidation and exchange rates) rose by €1,147m (+13.5%), with the counter-effect of the Omicron wave in 2022 and solid performance by TGV and subsidiaries in 2023 following the industrial action at the start of the year.

– EBITDA

EBITDA rose by €177m, driven mainly by domestic business.

– There were no material changes in net investments or investments from all funding sources from one year to the next.

Outlook for 2024

Grande Vitesse France

– The 2024 forecasts include continued strong demand, in line with the 2023 results, and a price increase that is generally lower than inflation. However, at domestic level, the capacity to take on additional customers will remain limited by the existing fleet and the saturation levels already observed.

– 2024 will be a key year for the consolidation of TGV-Intercités' market positions in a context of increasingly fierce competition.

– The primary focus will be on quality of service and robustness of production, with the Olympic and Paralympic Games in particular posing major challenges during the period.

– The year will be marked by several flagship projects, including the strengthening of the Inoui brand positioning, preparations for the ramp-up of the Ouigo fleet in France, and significant changes to maintenance assets and sales information systems.

Subsidiaries

– Eurostar Group will continue to grow, supported by the global refinancing of its debt and measures to adapt to the

six-month halt in traffic from Amsterdam due to station works.

– Ouigo España will continue to expand with the opening of new routes to the south.

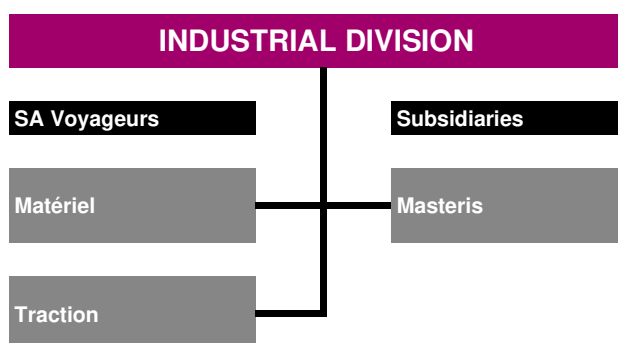
– During the closure of the Maurienne valley, traffic will remain reduced but will pick up again at the beginning of the year, thanks to the introduction of train+bus+train services to and from Italy.

Intercités

– Continued strong sales momentum in 2024, against a backdrop of major works on the national rail network.

– Submission of the final offer in the tender for the Nantes-Bordeaux and Nantes-Lyon routes, the first Intercités lot put out to tender.

2.6 INDUSTRIAL DIVISION



The Industrial Division coordinates all of the SNCF Group's other activities and business lines. It includes the Matériel (Equipment), Traction and Production Ferroviaire (Rail Production) businesses, as well as the subsidiary Masteris. The Matériel business is responsible for the upgrade and heavy maintenance of the Group's rolling stock, as well as the parts supply chain for all maintenance Technicentres, and provides a comprehensive range of testing and maintenance engineering services.

€m	Year 2023	Year 2022	Change
a) External revenue	81	85	-4
b) Intra-group revenue	2,053	1,764	289
a+b Revenue	2,133	1,848	285
c) External EBITDA	135	153	-18
d) Elimination of Intercompany transactions (1)	28	27	0
c+d EBITDA	163	180	-17
EBITDA / Revenue	7.6%	9.7%	
Net investments	158	143	14
Investments from all funding sources	161	144	17

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

– OP'TER, a key industrial programme for SNCF Matériel until 2032: contracts with all the regions and with the Luxembourg railways (CFL) for the renovation of 738 train sets and 106 under negotiation; 12 train sets renovated by the end of 2023.

– Continuation of work to upgrade industrial technical centres to accommodate OP'TER trains.

– Continuation of renovation work and mid-life operations for TGV Duplex, Thalys, Corail and ZTER rolling stock in the Brittany, Pays de la Loire and Centre-Val de Loire regions.

– Support for the commissioning of the first trains on the western extension of line E of the Paris region express network.

– Securing of the stock of critical parts, thereby stabilising delivery times to technical centres, despite a further deterioration in the supplier service rate (67%). Limited inflationary impact on parts supplies, thanks to the introduction of firm price protection contracts.

– Shutdown of production at the Nevers site on 1 January 2023.

– Target for the number of driver training courses exceeded in a context of high demand.

Results for the 2023 financial year

– Revenue

The Industrial Division's revenue in 2023 was up by €285m, or 15.4% on 2022, including a price and volume effect on the sale of parts (+€70m) and industrial works (+€57m), linked in particular to the OP'TER programme.

– EBITDA

The Industrial Division's EBITDA fell by €17m between 2022 and 2023.

– There were no material changes in net investments or investments from all funding sources during the period.

Outlook for 2024

– Continuation of the industrial programme for the OP'TER project, with a target of 95 trainsets to be delivered, in particular for the Hauts-de-France, Bourgogne-Franche-Comté and Grand Est regions, and the challenge of industrialising work across all sites to achieve the expected performance levels.

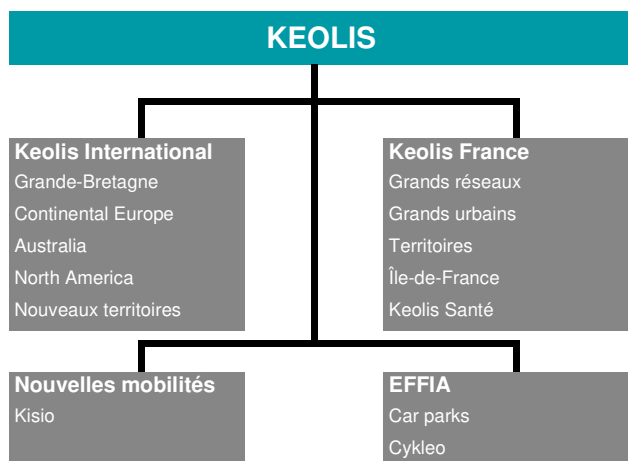
– Other renovation/conversion programmes following on from the 2023 works: TGV Duplex, finalisation of the programme for Thalys, ZTER railcars for the Brittany, Pays de la Loire and Centre-Val de Loire regions, light refurbishments for Transilien, refurbishment of Corail ARO coaches for Intercités.

– Finalisation of investment projects for the OP'TER programme - in particular at Bischheim, Picardie, Saint-Pierre-des-Corps and Rouen - to ensure there is sufficient capacity to accommodate the TER trains to be renovated.

– Supply chain: continued efforts to secure stock to maintain a level of service to maintenance centres, and inflation to be contained by continued vigilance over the renewal of major parts contracts.

– Ambitious target for the number of driver traineeships to meet high demand.

2.7 KEOLIS



Keolis is a public passenger transport operator and mobility service provider with operations in 13 countries worldwide. Its expertise includes all modes of transport (train, bus, car, underground, tramway, ferries, bicycles), as well as parking management.

€m	Year 2023	Year 2022	Change
a) External revenue	6,812	6,568	244
b) Intra-group revenue	171	147	25
a+b Revenue	6,984	6,715	269
c) External EBITDA	520	574	-53
d) Elimination of Intercompany transactions (1)	17	17	0
c+d EBITDA	537	590	-53
EBITDA / Revenue	7.7%	8.8%	
Net investments	169	147	22
Investments from all funding sources	229	208	21

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

– The year 2023 was marked by key market gains, but also by the failure to win major contracts in an intensely competitive climate.

- France: major contract wins in France (tram T4-T11 - €95m/year, lines 16 and 17 of the Grand Paris Express - €46m/year, Olympic Games 2024 - €20m/year) and strategic renewals (eg: Optile lots 3, 8 and 23 - €90m/year). The aggressive tenders for Reims, line 15 of the Grand Paris Express and several Optile contracts were won by the competition.

- International: aggressive gains in the United States with Capital Metro (Austin Bus - €116m/year), Valley Metro (Phoenix Bus - €90m/year), OCTA (Orange County - €61m/year) and Sweden (Stockholm Bus - €63m/year). The Las Vegas contract in the United States was not renewed, and competitors won major aggressive tenders such as Manchester Bus 2 in the United Kingdom.

– In 2023, a good overall performance, thanks in particular to international business. Strong recovery by Effia.

- France: adverse energy indexation effects (electricity, diesel) and difficulties with Optile public service contracts in the Île-de-France region.

- International: positive results thanks in particular to negotiation efforts with public transport authorities (Sweden, United States), government support plans (Sweden, Netherlands) and the initial effects of turnaround plans (Canada, Dubai, bus in the United States).

Results for the 2023 financial year

– Revenue

Keolis' revenue in 2023 was up by €269m (4.0%) compared to 2022. This was mainly due to:

- a negative scope effect of -€38m (see Note 1.2, "Comparability of financial statements"),
- a negative currency effect of -€134m.

At constant scope and exchange rates, Keolis' revenue increased by +€442m (+6.6%). This growth primarily occurred in France (€291m) (favourable portfolio and indexation effects) and International scopes (€130m) (favourable indexation and ancillary business impacts offset by unfavourable portfolio effects such as the exit from Norway).

– EBITDA

Keolis' EBITDA fell by €53m. Excluding scope and currency effects, the figure was down by €38 m. France (€64m) suffered from difficulties in the Île-de-France region and unfavourable indexation. International performance (+€13m in Dubai, +€18m in the Netherlands but -€3m in Australia) benefited from contract management, a recovery in passenger revenues and exceptional items.

– There were no material changes in net investments or investments from all funding sources during the period.

Outlook for 2024

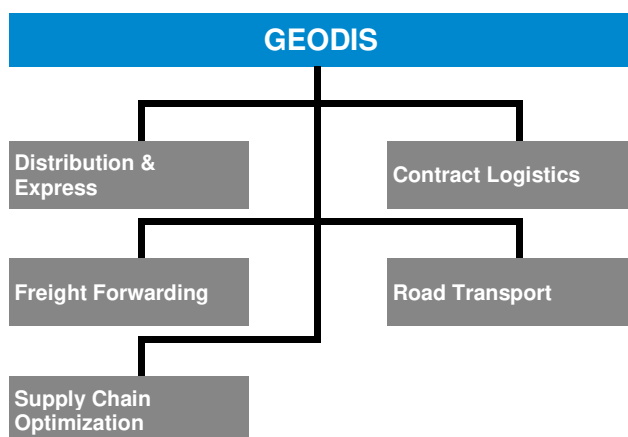
– In 2024, major business challenges and negotiations lie ahead.

- France: numerous bus tenders in the Île-de-France region. Several contracts put out to tender by the organising authorities in the Grands réseaux (major networks - Lyon, Lille, Rennes) and Grands urbains (major urban) segments. Continued negotiations in Lille, Bordeaux and the Île-de-France region.
- International: renewal of the Yarra Tram contract in Melbourne (€400m/year) and the Utrecht contract in the Netherlands (Bus - €92m / 45% of revenue in the Netherlands), extension of the Manchester contract. Numerous aggressive tenders (High Frequency Rail in Canada, Australia, the United Kingdom, etc.) are expected.

– By 2024, international business will have become increasingly important in terms of profitability.

- France: high ambitions with increased passenger revenues and positive indexation effects expected.
- International: profitability maintained on the back of successful turnaround plans and sales successes.

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).

€m	Year 2023	Year 2022	Change
a) External revenue	11,513	13,606	-2,093
b) Intra-group revenue	127	116	11
a+b Revenue	11,640	13,723	-2,082
c) External EBITDA	1,110	1,157	-47
d) Elimination of Intercompany transactions (1)	7	6	0
c+d EBITDA	1,117	1,163	-46
EBITDA / Revenue	9.6%	8.5%	
Net investments	218	199	19
Investments from all funding sources	213	197	16

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

In 2023, Geodis showed strong resilience in a challenging international climate.

The year was marked by the global economic downturn, which led to a fall in transport volumes, particularly for air and sea freight and road transport. The freight market was particularly hard-hit by weak demand and increased capacity. In the maritime sector, new ship arrivals are only partially offset by fleet retirements, while in the aviation sector capacity is returning to 2019 levels, putting pressure on freight rates and squeezing margins in the short term. Added to this are rising production costs, energy prices and inflation, especially in Europe. Germany and Eastern Europe have been particularly impacted by the slowdown in GDP growth.

In 2023, Geodis set out its raison d'être: "Serving all, we implement innovative, sustainable and ethical logistics to distribute the products we need throughout the world". Geodis has set itself new decarbonisation targets covering scopes 1, 2 and 3, and is taking concrete action, such as the introduction of its first 100% electric heavy goods vehicle (44 tonnes).

Finally, Geodis is rounding out its end-to-end offering with targeted acquisitions in Europe and America, including trans-o-flex in Germany, a company specialising in temperature-controlled transport of pharmaceutical

products, and Southern Companies, one of the leading port transport providers in the United States.

Results for the 2023 financial year

– Revenue

Geodis' revenue in 2023 was down by €2 082m (-15.2%) compared to 2022. It was impacted by:

– a scope effect of +€1 042m (see Note 1.2 Comparability of financial statements for details),

– a currency effect of -€157m.

At constant scope and exchange rates, Keolis revenue was down by 21.6% (-€2,967m). Freight Forwarding was down by €2,740m (-42%), with volumes and prices continuing to fall over the last 15months, in line with the competition.

– EBITDA

EBITDA was down by €46m. The EBITDA/revenue ratio was up by 1.1 points, at 9.6% in 2023.

On a like-for-like basis, EBITDA fell to -€127m including -€125m in Freight Forwarding, linked directly to market conditions.

The Group managed to offset the fall in volumes thanks to its resilient and balanced business model, and its policy of price increases coupled with productivity initiatives on costs.

– There were no material changes in net investments or investments from all funding sources during the period.

In what is a tough macro-economic climate, the Group is also continuing to implement its decarbonisation plan by optimising and investing in a number of areas, such as energy efficiency in buildings, biofuel and electric vehicles, refuelling and recharging infrastructure, and modal shift.

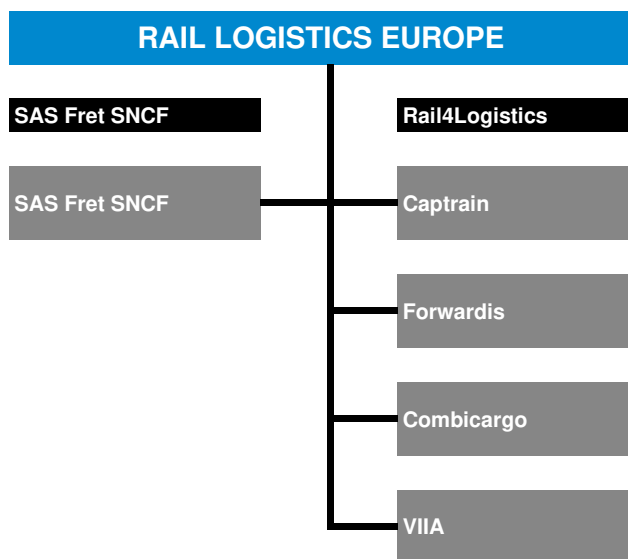
Outlook for 2024

– An ambitious 2024 budget based on growth in volumes and proactive initiatives on the cost structure, in a tough macro-economic climate.

– The main areas for vigilance are short-term freight rates for sea transport and, to a lesser extent, air transport, inflationary pressures, moderate industrial growth and geopolitical tensions.

– Growing societal expectations on the part of many customers and Geodis' determination to turn CSR into an asset. On the challenge of climate change, publication of the new commitments and mobilisation of all parties - employees and partners - to achieve the 2030 targets.

2.9 RAIL LOGISTICS EUROPE



Rail Logistics Europe brings together the activities of rail freight companies, combined transport operators and freight forwarders in Europe through several companies (SAS Fret SNCF, Captrain, Forwardis, Combicargo and VIIA).

€m	Year 2023	Year 2022	Change
a) External revenue	1,630	1,626	3
b) Intra-group revenue	82	83	-1
a+b Revenue	1,712	1,709	2
c) External EBITDA	121	201	-80
d) Elimination of Intercompany transactions (1)	7	6	0
c+d EBITDA	128	208	-79
EBITDA / Revenue	7.5%	12.1%	
Net investments	94	84	10
Investments from all funding sources	50	85	-35

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

Transverse RLE

This was a very difficult year for all rail freight operators in France, impacted by strikes against pension reform (which reduced sales by €95m and EBITDA by €65m), energy costs, the economic downturn and the suspension of traffic in the Maurienne region from the end of August. In other regions, results were more mixed, with a slowdown in growth due to the lacklustre macro-economic environment.

SAS Fret SNCF

- Business down 20% in volume (GTK) due to strikes against pension reform, which severely limited access to the rail network, as well as the first effects of operational discontinuation, which weakened production conditions for combined trains, rockfalls in the Maurienne region and the difficult economic climate, which punished customers' business, particularly in the steel and chemicals industries.
- Implementation of a cost-cutting plan to accelerate the reduction in overheads and scale back capital expenditure.

Captrain

– Business in Germany held up well (+7% vs 2022) in almost all its markets, with the exception of the combined business, where the slowdown was felt throughout Europe.

– Lower volumes in Italy due to the combined effect of (i) strikes in France at the start of the year, (ii) the slowdown in combined traffic throughout Europe, (iii) the indirect consequences of the war in Ukraine on cereals traffic, and (iv) the interruption of traffic in the Maurienne region.

– Disposal of Cargo Docks in Italy at the end of December.

Forwardis

Against a backdrop of strikes in France at the start of the year and changes to customers' logistics flows as a result of the war in Ukraine, Forwardis has demonstrated its ability to maintain and even achieve moderate but profitable growth in its business vs. 2022.

Combicargo

– Business down compared with 2022 due to the impact of strikes at the start of the year and the overall slowdown in demand, leading to a reduction in volumes (-10% vs. 2022 excluding the effect of strikes).

– Acquisition of Transports Lardon in early September.

VIIA

Motorways by Rail was heavily penalised by the strikes on the network at the start of the year, which interrupted the growth momentum of the last two years and had a negative impact of €10m on EBITDA.

Results for the 2023 financial year

– Revenue

Rail Logistics Europe's 2023 revenue rose by €2m (0.1%) in a context of high inflation, but was hard-hit by the €95m impact of strikes in France.

– EBITDA

EBITDA fell by €79m, mainly due to the impact of strikes (down €65m) and the drop in combined operations, as well as the disruption caused by the Maurienne region.

– There were no material changes in net investments or investments from all funding sources during the period.

Outlook for 2024

A tough year against a backdrop of a sharp downturn in the market and structural uncertainties:

– Volumes are forecast to stagnate, with no recovery expected before 2025.

– The impacts of the halt of traffic to the Maurienne valley, announced until at least the end of 2024.

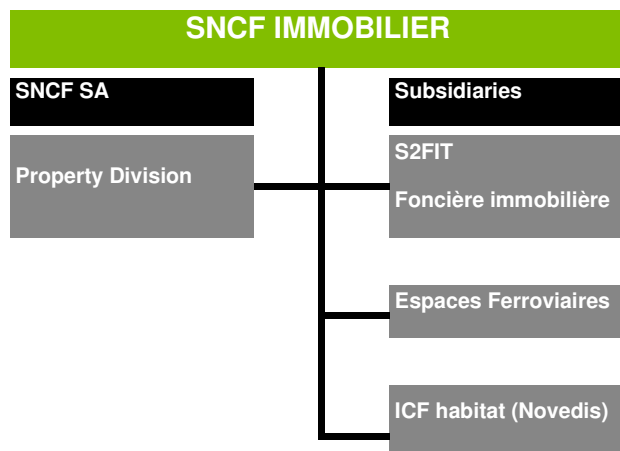
– Captrain, Forwardis and Combicargo are nevertheless maintaining their growth ambitions due to their strong resilience and their lesser exposure to the impacts of the operational discontinuation of Fret SNCF.

– Similarly, VIIA expects its business to rebound in 2024 as it makes up for lost volumes in 2023.

– Continued implementation of the operational discontinuation of Fret SNCF, with the cessation on 1 January 2024 of fifteen block train flows with dedicated resources, and continued preparation of the other components of the discontinuation, which should be effective on 1 January 2025. With the loss of turnover from traffic taken over by competitors, Fret SNCF is having to speed up the resizing of its structures, while focusing on improving service quality, including by carrying out mid-life operations on part of its locomotive fleet. At the same time, Fret SNCF is concentrating its commercial efforts on

developing new traffic based on its capacity management tool.

2.10 SNCF IMMOBILIER



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

- Management of operating assets (including master plans to optimise assets, the construction and refurbishment of buildings, and management of leased properties);
- Monetisation of assets not required for railway operations;
- Management of the working environment in key office premises;
- Management of housing stock via the ICF Habitat group, a subsidiary of SNCF SA.

€m	Year 2023	Year 2022	Change
a) External revenue	58	44	14
b) Intra-group revenue	967	735	232
a+b Revenue	1,025	779	246
c) External EBITDA	201	202	-1
d) Elimination of Intercompany transactions (1)	2	2	0
c+d EBITDA	203	204	-1
EBITDA / Revenue	19.8%	26.2%	
Net investments	16	30	-14
Investments from all funding sources	22	29	-7

(1) Particularly the reversal of the IFRS 16 restatement of group leases

Major events

- Significant acceleration of construction and refurbishment projects, or projects aimed at reducing property costs by reducing the number of square metres occupied (in particular by converting to dynamic offices).
- Tertiary/performance: continued deployment of the Île-de-France tertiary master plan with:
 - the termination of the Étoile du Nord lease (15,000 m² near Gare du Nord), the relocation of the vast majority of teams to Saint-Denis, and the conversion of the Réseau campus into dynamic offices;
 - completion of the conversion of the Étoile campus in Saint-Denis to dynamic offices;

- validation and signature of the leases enabling the transfer of the Gares & Connexions/AREP teams from Paris to Pantin.

– HAMO project: start of development work on the La Plaine Saint-Denis site in 2023, with handover scheduled for September/October 2024.

– Acceleration of refurbishment projects aimed at improving the energy performance of buildings and achieving the targets set by the Group by 2030: reducing consumption by 40% (tertiary sector decree) and the carbon footprint by 50% (carbon energy trajectory) by 2030.

– SNCF Immobilier is continuing to manage the construction of the future Nice Saint-Roch maintenance and storage centre on behalf of the Sud Azur subsidiary.

– S2FIT: start of refurbishment work on a building on rue de Rome in Paris (5,000 m² divided into two volumes). Delivery scheduled for 2025.

– SNEF: lifting of resolutive conditions on the Toulouse Raynal Gare development, sale to the City of Paris of the land charge for the School/Nursery lot at Gare de Lyon Daumesnil - Les Messageries (development) and sale to ICF Habitat La Sablière of the L2 lot in December 2023.

Results for the 2023 financial year

– Revenue

Between 2022 and 2023, SNCF Immobilier's revenue increased by €246 m, i.e. +31.6%. This change is mainly due to the increase in energy prices, particularly electricity, the costs of which are centralised at SNCF Immobilier SA before being re-invoiced to the daughter companies.

– EBITDA

EBITDA stood at €203m in 2023, up from €204m in 2022.

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

Outlook for 2024

– Acceleration of work to reduce building risks (asbestos, radon, fire safety).

– A major programme of works worth more than €300m to continue rationalising and reducing property bills: energy-efficient renovation of buildings, replacement of oil-fired boilers with low-carbon solutions, installation of building management systems in compliance with the BACS decree, connection to the district heating network, etc.

– Continued work by SNCF Immobilier to make an active contribution to the climate change adaptation plan launched by the SNCF Group.

– S2FIT: start in 2024 of construction of a new TechniCampus for training SNCF Matériel staff, near Le Mans city centre. Delivery scheduled for 2026.

– SNEF: start of construction work on the Messenger Lot B1/Gare de Lyon site.

3. INVESTMENTS AND NET DEBT

3.1 INVESTMENTS

€m	Year 2023	Year 2022	Change
Investments from all funding sources	10,564	9,936	628 +6%
Disposals	279	246	33 +14%
Investments, net of disposals	10,285	9,690	595 +6%

The level of investments from all funding sources stood at €10,564m in 2023, i.e. up €628m on 2022. The change is

mainly due to the increase in investments by SNCF Voyageurs (rolling stock and railway installations).

Disposals were €33m lower than in 2022; disposals during the financial year consisted mainly of property assets and transport equipment.

3.2 GROUP NET DEBT

€m	31/12/2023	31/12/2022	Change
Non-current debt	61,904	67,233	-5,329
Non-current receivables	-33,286	-36,576	3,290
Net non-current debt used to calculate net debt	28,617	30,656	-2,039
Current debt	8,876	9,286	-410
Current receivables	-13,294	-15,503	2,209
Net current debt used to calculate net debt	-4,417	-6,217	1,799
Net debt	24,199	24,439	-240
Net debt/EBITDA	3.8	3.7	
Gearing (Net debt/Equity)	0.9	0.9	

Net debt stood at €24,199m at 31 December 2023, giving a gearing ratio (net debt/equity) of 0.9, stable compared with the previous year-end. The net debt to EBITDA ratio was 3.8 at 31 December 2023 (3.7 at 31 December 2022).

The SNCF Group's net cash position was €7,581m at 31 December 2023 (€8,846m at 31 December 2022). It comprised cash and cash equivalents for €8,973m (€9,874m at 31 December 2022), less cash and cash equivalent borrowings of €1,392m (€1,028m at 31 December 2022).

During the 2023 financial year, net debt was affected by the following changes:

	24,439
Opening net debt	24,439
Cash from operations	-5,693
Net investments	3,549
Disposals	-279
Dividends received from companies accounted for by the equity method	-37
Repayments of lease liabilities and related interest	1,094
In-scope transactions	1,105
Change in operating WCR	-1,169
Dividends paid	1,022
Changes in fair value, amortised cost, translation differences	187
change in tax WCR	12
Other	-31
Closing net debt	24,199

3.3 FUNDING SOURCES AND DEBT MANAGEMENT

Non-current and current debt fell by €5,329m and €410m respectively.

These changes were mainly due to:

- a decrease of -€6,845m in bond issues;
- a change in fair value of -€1,025 m.
- a increase of +€2,031m in bond issues.

Non-current and current receivables fell by €3,290m and €2,209m respectively.

These changes were mainly due to:

- a decrease of -€3,084m in CDP receivables;

– a change in fair value of -€1,206 m.

– a decrease of -€952m in cash and cash equivalents;

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

	Long-term rating	Outlook	Date of the report
Standard & Poor's	AA-	Negative	29 June 23
Moody's	Aa3	Stable	26 May 23
Fitch Ratings	AA-	Stable	22 May 23

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.

4. EQUITY INVESTMENTS

Internationally, Geodis acquired 100% of the shares in the German company Trans-o-flex in 2023. No significant shareholdings were acquired in companies with registered offices in France during the 2023 financial year.

5. FINANCIAL RELATIONS WITH THE FRENCH 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 French State:

€m	Year 2023	Year 2022	Change
Compensation for regional rates	30	31	-2
Services for the Organising Authorities (Regions and Île-de-France Mobilités)	7,048	6,587	461
Social tariffs	10	8	2
Defence	155	148	7
Police	20	9	11
Trains d'Equilibre du Territoire (TET)	204	161	43
TER and TET access fees	2,103	2,029	73
Total	9,570	8,974	595

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

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

€m	Year 2023	Year 2022	Change
Operating grants	291	432	-141
Cash inflows from concession financial assets	1,999	1,709	290
Investment grants relating to intangible assets and PP&E	5,042	4,518	524
Freight business rate compensation	135	176	-41
Trains d'Equilibre du Territoire (TET)	204	161	43
Total	7,671	6,996	675

For network investments, SNCF Réseau receives co-financing from public and private partners. Public partners

6. EMPLOYEE-RELATED MATTERS

6.1 WORKFORCE

	31/12/2023	31/12/2022		Change		Change at constant scope
SNCF Réseau	57,414	57,270	+0.3%	144	+0.3%	144
SNCF Gares & Connexions	5,554	5,314	+4.5%	240	+4.5%	240
Transilien	14,147	14,188	-0.3%	-41	-0.3%	-41
TER	29,133	28,686	+1.6%	447	+1.6%	447
TGV - Intercités	22,588	21,895	+3.2%	693	+3.4%	746
Industrial Division	11,823	10,893	+8.5%	930	+8.5%	930
Other passengers	528	506	+4.4%	22	+4.4%	22
Keolis	67,801	67,689	+0.2%	112	+0.2%	112
Geodis	51,599	49,338	+4.6%	2,261	+0.4%	188
Rail Logistics Europe	9,597	9,356	+2.6%	240	+2.6%	240
SNCF Immobilier	1,656	1,639	+1.1%	17	+1.1%	17
Corporate	10,947	9,499	+15.2%	1,448	+15.2%	1,448
TOTAL	282,786	276,271	+2.4%	6,515	+1.6%	4,495

6.2 MAIN AGREEMENTS SIGNED IN 2023

The following main agreements and riders were approved within the 5 SNCF SAs:

- The Housing Agreement of 09 February 2023 for the benefit of employees of the five SAs (publicly limited companies), which builds on the previous agreement while incorporating the challenge of mass recruitment, against the backdrop of across-the-board price increases. The new features focus on financial support for employees in communities where rents are highest and on attractive offers for new recruits.
- Riders to the profit-sharing agreements of SNCF Gares & Connexions SA, signed on 20 June 2023, SNCF SA, signed on 29 June 2023 and SNCF Voyageurs SA, signed on 30 June 2023.
- An agreement signed in July that details the framework and major elements of complementary social welfare schemes for health and income protection to be implemented in January 2025 for all SNCF contract and statutory employees.

include the French Transport Infrastructure Financing Agency (AFITF) and other public 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, after analysis of each concession agreement. With regard to concession financial assets, the grants received are considered a means of repayment of these 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.

6.3 OTHER EMPLOYEE-RELATED MEASURES

In order to reduce its environmental footprint and make its employees stakeholders in and beneficiaries of the environmental and social transition, SNCF has implemented the measures resulting from the 2023 Mandatory Annual Negotiations (NAO), in relation to the Sustainable Mobility Package (FMD) adopted at the Joint Meeting on 19 April 2023 within the 5 SNCF SAs. These measures include:

- The allocation of a Sustainable Mobility Allowance (FMD) of up to €400 per eligible employee for 2023, applicable retroactively from 1 April 2023.
- A grant of up to €150 for the purchase of a conventional or electrically-assisted bicycle in 2023, subject to receipt of the FMD.

In addition, two roundtable discussions on pay measures took place in 2023.

A first "salary review" roundtable met on 31 May 2023 to draw up an initial assessment of the implementation of the 2023 salary measures in view of the economic and social climate. No new revisions were proposed to basic salaries and wages in the company, but the following measures were ratified:

- Work bonus: from 1 January, this will be secured at the same level as the sedentary workers' work bonus for all statutory and contractual employees eligible for a train or traction bonus;
- Introduction on 1 January 2024 of seniority steps 11 and 9 (driving staff);
- Introduction of an additional level of seniority for contract staff;
- Revaluation of some allowances (travel, remote working, luncheon vouchers).
- From 1 January 2024, financial compensation for taxation and social costs resulting from the treatment of leisure travel facilities for SNCF employees as benefits in kind.

A second roundtable was held on 8 November 2023 as part of the compulsory annual negotiations (Négociations Annuelles Obligatoires - NAO). Robust policies concerning employees' earning power and career development have been proposed; SNCF has decided to implement them following the signing of the agreement by UNSA Ferroviaire and CFDT cheminots. These include:

Measures to boost employees' earning power

- In addition to the measures resulting from the 2023 NAO, in recognition of their commitment and contribution to the company's success and good economic results, a payment in December 2023 of a 400 euros value-sharing bonus to all employees.

- From 1 January 2024, a general 1.8% increase in fixed salaries by raising the pay point index for statutory employees and the base pay for contract employees;
- For train crews and their statutory DPx, the end-of-year bonus for contractual employees will be in the form of a one-off addition to basic salary.

- Revaluation of reserve usage allowances, of night, Sunday and holiday allowances and of DPx, DUO and DET management allowances
- Retention of work bonus in the event of sickness absence.

Measures to support employees most affected by inflation:

- On 1 January 2024, SNCF is committed to ensuring that no employee earns less than the annual minimum wage plus 10%.

Financial support for daily life:

- Continuation of the Sustainable Mobility Package in 2024

Measures relating to career development:

- Starting with the 2024 performance appraisals, an additional allocation of 700 levels equating to 15% of the main quota, a reduction in waiting times for PRs in grades 2 to 6 and TA and TB, and the creation of PR37 in grade 8.

RISK MANAGEMENT ANDS CONTROL SYSTEMS

To secure its decisions and strengthen its ability to create value, the SNCF Group intends to maintain a clear vision of the risks to which it is exposed and to put in place systems that contribute to the control of its activities, the effectiveness of its operations and the efficient use of its resources.

Risk management and the various control systems play a complementary role in preventing and managing these uncertainties.

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

The operational management of the entities is the first line of control. The entity defines and implements a control system for the processes for which it is responsible.

The functional departments of the SAs form the second line of control, providing support and guidance. They also provide their expertise to the operational departments, encouraging the exchange of information and sharing of best practice. They help to structure and coordinate the control system.

As a third line, internal audit provides an independent assessment of the level of risk management and the robustness of internal control.

In addition, control activities are carried out by external auditors and regulators.

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

The Group's risk management approach is led and steered by the Risk Management Department, part of the Risk, Audit, Security and Safety Department (DRA2S).

Internal control within the Group is led and managed by the Group Accounting and Internal Control Department, which is part of the Group Finance Department.

The Group's Internal Audit Department provides the third line of control, carrying out internal audits and monitoring the implementation of audit recommendations. It coordinates its activities with GEODIS and KEOLIS, which have their own internal audit departments.

Other systems contributing to risk management and control are described in the DPEF, in particular those relating to ethics and compliance.

1. RISK MANAGEMENT AT THE SNCF GROUP

For the SNCF Group, a risk is defined as "an event likely to have a negative impact on the achievement of a company's objectives, its assets, its reputation, people or

the environment". This definition includes risks from both internal and external sources.

Once risks have been identified and assessed, risk management involves taking priority action to improve control and reduce the risk or maintain it at an acceptable level in terms of probability of occurrence and impact. It is up to the company's governance to express its risk appetite, i.e. the type and level of risk it is prepared to take on in view of 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: the FERMA risk management reference framework, ISO 31000 standard and 2010 AMF recommendations.

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

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

– a "top down" view through regular meetings with the Presidents of the limited companies and members of the Executive Committees

– a "bottom-up" vision through several levels of mapping within the company, which feed into the Group mapping (3 levels of mapping: Group-level 1, Limited companies-level 2, Activities/Entities/Management-level 3)

The methodology deployed within the Group is based on a common reference framework and is organised around 4 stages:

– Identification of the risks of an entity, Management Team or Business by means of individual or group interviews in order to collect and document all the risks within a given perimeter.

For each risk, the following are identified:

- maximum credible scenario(s),
- the causes or risk factors,
- their consequences,
- the link with the strategic project,
- existing control systems.

– Assessment of the risk based on 2 matrices:

- a risk criticality matrix, evaluated according to its level of impact (from "limited" to "critical") and its probability of occurrence (from "unlikely" to "frequent"),
- a prioritisation matrix, combining the criticality of the risk and its margin for improvement (from "low" to "very significant"), to obtain a hierarchical view of the risks in relation to each other.

- Management of the risks
 - appointment of a Sponsor for each risk, who is a member of the entity's Management Board. The Management Board may appoint an operational manager (direct report [n-1] of the Management Board member) to lead the risk control process,
 - Implementation of action plans associated with each risk (prevention, protection, transfer measures, etc.), monitoring of their progress and escalation of any alerts to the highest level of the company.
- Yearly risk review with each Sponsor to:
 - Check the deployment of action plans and ensure their effectiveness,
 - Update the risk map to take account of changes in the context, the organisation or the progress of action plans (reevaluation of risks, removal of risks, addition of new risks).

The collective questioning carried out around these 4 stages represents a real opportunity for managerial alignment in order to identify short- and medium-term priorities.

A company cannot progress without taking risks, but it must have the capacity to make informed, considered decisions with full knowledge of the facts, reducing the degree of unpredictability and uncertainty to a minimum. This is the principle of risk appetite that the SNCF Group is deploying.

1.1 THE DIFFERENT RISK MAPS

The Group's risk management is based on several levels of mapping:

- The mapping of major risks, which summarises the most significant risks for the Group and which must be monitored by top management. Each business and SA has its own mapping of major risks (level 2), which are consolidated as a whole within the Group mapping (level 1). These are based in particular on thematic maps, which provide more detailed information on specific areas and meet more operational or regulatory requirements;
- Specific mapping to meet regulatory requirements (anti-corruption, GDPR, competition, duty of care, DSRA, Taxonomy);
- Mapping to meet more specific or operational risk management needs (security, safety, 2024 Olympic Games, cyber, projects, etc.).

All these maps are based on the same methodological framework presented above, with a few minor adaptations depending on the subject.

The management of the risks associated with the duty of vigilance is described in the "Vigilance Plan" section of this document.

Extra-financial risk management is described in the Extra-Financial Performance Declaration section of this document.

The risks listed below are the Group's major risks:

1.2 SAFETY AND SECURITY RISKS

DUTY OF CARE PLAN + NFPS

1.2.1 SAFETY

1.2.1.1 Description of the risk

Safety management is a major issue for all the SNCF Group's activities and businesses, which is why it is monitored in both the mapping of major risks and in the vigilance plan. Substantial resources are devoted to this.

However, the risk of an accident cannot be completely ruled out.

The Group complies with and promotes the regulatory obligations defined by the countries in which it operates.

1.2.1.2 Main control systems

Launched in 2016, the PRISME safety management transformation programme has made it possible to carry out wide-ranging actions in both Occupational Health and Safety and Rail Operating Safety.

In September 2022, the Safety Convention, attended by 700 of the Group's site directors, managers and safety experts, marked the launch of PRISME's new direction: a programme that is more targeted, closer to the reality on the ground and more systematic. The aim is also to extend the programme's best practices to all areas of safety (EHS, OHS, security, fire safety, cyber security, environmental risks).

The existing control systems will be strengthened by the network modernisation plan, the implementation of the safety policy linked to natural and technological risks (RNT), the introduction of specific action plans for crossings or with regard to subcontracting companies, and the "atout conduite" programme.

1.2.2 SECURITY

1.2.2.1 Description of the risk

The security of property and people is a priority concern for the SNCF Group. Facilities open to the public and the rail network are open areas that cannot always be made completely secure.

In 2023, as a result of the international geopolitical context and its repercussions at national level, the Vigipirate threat level has been raised to "urgence Attentat" (Critical), indicating that the risk will remain for 2024.

1.2.2.2 Main control systems

The approach to this systemic risk, which is based on strong external factors, is Group-wide. The company works closely with the public authorities on the issue of the threat of terrorism.

The Group is proactive in researching and testing preventive solutions and is taking steps to improve threat detection on its sites (the "Agissons sûreté" approach, plainclothes and armed General Security agents, CBRN team members trained to intervene in contaminated environments, cooperation with the Gendarmerie Nationale, dog detection teams, video protection, video patrols, etc.).

1.2.3 INFORMATION SYSTEMS SECURITY

1.2.3.1 Description of the risk

The company has become a major player in information technology. This is a lever for performance and opportunities, but it also means that the Group's activities are increasingly dependent on information systems, and that any major malfunction will have a greater impact on the company's operational production.

Cyber-attacks against companies of all sectors and sizes are on the increase, making this issue a key concern for them. The risk of business being brought to a standstill as a result of a cyber-attack remains a reality today, in the context of heightened geopolitical tensions and in the run-up to the 2024 Olympic Games.

However, the unavailability of our information systems could also be caused by a production incident due to an internal failure, the loss of a datacenter or to an outage at a telecoms operator.

The company is carrying out ambitious projects to develop new information systems (production, distribution, passenger information, HR) that will deliver significant leaps in performance. However, we cannot rule out the risk of a lack of control over these major projects, leading to cost overruns and the temporary unavailability or inefficiency of some information systems.

1.2.3.2 Main control systems

Cyber security is monitored by an Information Systems Security (ISS) Steering Committee, which guides the major projects related to this issue through a multi-year ISS master plan that is updated annually. This master plan emphasises risk-based management based on the principle of continuous improvement, anticipation of the threat and changes in the ISS business in line with the transformation of SNCF's businesses, and compliance with laws and regulations.

An in-house cyber security specialist carries out technical tests to ensure that applications comply with current legislation and that the operational rules for protecting the Group's information systems are effective. Any discrepancies are reported and corrective action plans are drawn up.

At the same time, and as human behaviour is fundamental to protecting a company's IS, awareness-raising campaigns are being run for users and project managers alike, to ensure that good cyber security practice is disseminated and that individual vigilance becomes an integral part of everyday behaviour.

Major technical migration projects allow the Group to remedy priority obsolescence by migrating part of our information systems to the cloud and refreshing our data centres.

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

IT Disaster 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 ASSOCIATED WITH NON-COMPLIANCE

DUTY OF CARE PLAN + NFPS

1.3.1 Description of the risk

The SNCF Group has identified several types of non-compliance risk for which a French or foreign supervisory authority has sanctioned the absence of internal measures to prevent them. These include the risk of corruption and bribery, the risk of non-compliance with the GDPR (General Data Protection Regulation), the risk of non-compliance with competition law and the risk of non-compliance with the duty of care.

1.3.2 Main control systems

Each of these risks is the subject of specific mapping and written action plans, to improve their control and ensure the traceability and auditability of the compliance mechanism.

The main measures in place to control the risk of corruption and bribery include, in 2023, the upgrade of the dedicated Risk Management Information System (RMIS) to ensure full compliance with regulatory requirements and the training of around 150 employees scheduled for early 2024. This tool is used to monitor more than 110 risk maps, consolidated and validated at 3 levels, according to the method used throughout the SNCF Group. The most

vulnerable processes are identified and the remedial actions to be implemented are prioritised.

In addition, the number of staff trained in the risk of corruption has risen sharply (to more than 50,000 from 2022 to 2023), a whistleblowing system has been deployed across the Group, in 12 languages and accessible to third parties, and a system for declaring non-conflicts of interest has been rolled out for the Group's senior managers and executives.

The pillars of the Sapin 2 Act are the subject of a joint effort within the SNCF Group, with a view to continuous improvement.

1.4 RISKS RELATED TO THE ECONOMIC ENVIRONMENT AND MARKETS

1.4.1 Description of the risk

The mobility of our passenger customers is changing, in the context of successive crises (health, economic, geopolitical) and changing lifestyles (development of teleworking, growing environmental awareness, etc.). There is a risk of a lasting loss of revenue for the Passenger business and a risk of loss of revenue from tolls/charges for Réseau and Gares & Connexions. The long-term risk would be attrition from the railways due to a loss of customer interest in trains and a lack of investment in the network.

At the same time, the arrival of competitors on open access and contract-based activities is also contributing to the loss of the SNCF Group's market share, depriving it of part of its turnover.

In relation to Fret SNCF, the operational discontinuation plan has led the company to transform itself: the historic company Fret SNCF is to be replaced by 2 new structures, with activities refocused on capacity management and rolling stock maintenance. This complex transformation carries inherent risks in what is a deteriorating economic climate.

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

1.4.2 Main control systems

The Passenger, Freight, Gares & Connexions and Network businesses are rolling out ambitious performance plans aimed at reducing their costs through better utilization of their assets, a more selective investment policy and the overhaul of processes in line with the principles of operational excellence.

The Group is demonstrating a highly dynamic commercial policy, thanks to the introduction of new offers, loyalty programmes, international development (Eurostar, Ouigo Spain, Ouigo classic speed offer, etc.) and the simplification of its fare structures (customer simplicity programme, Voyageurs marketing programme).

In addition, the rail freight recovery plan provides for a tripling of combined transport volumes, in particular through the development of rail motorways.

1.5 RISKS RELATED TO RAIL PRODUCTION

1.5.1 Description of the risk

The rail business comprises a large number of assets (28,000 km of lines, 3,000 stations, 8.2 million m² of industrial and service buildings, numerous engineering structures, etc.) that need to be maintained, renewed and even developed, in order to respond to growing customer demand for rail transport and environmental challenges. However, these assets are expensive and require long-term investment plans. They depend not only on the

Group's good financial health but also on external contributions (European funds, the State, local authorities, etc.). The risk of under-investment would lead to lower quality of production and service, and a slowdown in modal shift, preventing us from achieving our decarbonisation targets.

1.5.2 Main control systems

The €100 billion investment plan announced by the French government for 2023 will help to reduce the risk. Additionally, the company has implemented a number of initiatives, such as asset management, tighter control over investment trajectories, the search for external financing, the reduction of fixed costs and the development of product and service offerings.

1.6 HUMAN RISKS

DUTY OF CARE PLAN + NFPS

1.6.1 Description of the risk

Employee commitment is one of the main pillars of the "Tous SNCF" corporate project, and is the subject of action plans set out within site projects.

Despite increased competition for the allocation of rail lines and a major transformation of the company, SNCF wants every employee to be able to thrive in their day-to-day life within the company and is particularly attentive to this subject.

There is also increased competition in the recruitment market. That's why the Group practices shared vigilance over the trajectory of changes in jobs and skills, given the risk of a qualitative or quantitative shortage of skilled resources - particularly in some short-staffed occupations - or of an imbalance between available skills and the needs of the company in a given region.

Furthermore, SNCF enshrines corporate social responsibility within its raison d'être and strategy. Rated as "advanced" by the Global Compact, the Group has committed to ambitious charters and programmes. Despite the importance attached to these issues, SNCF is not immune to incidents or practices that impact on the fundamental freedoms of employees or third parties (customers, suppliers, subcontractors, the public, etc.), and these incidents can entail costs and negative media impact.

1.6.2 Main control systems

The regular sharing of employment and resource trajectories, in line with the SNCF companies' strategic plans, and the reinforced measures to support transformations (evaluation of social and economic impacts, Job Solidarity programme to encourage mobility and professional retraining, etc.) all reinforce the actions taken to control the risks identified.

The action plan designed to accelerate and increase our recruitment volume has borne fruit, with recruitment targets met for 2022 and 2023 despite a sharp rise.

In addition, the annual internal survey C'EST À VOUS (up to you), conducted jointly by the 5 companies in the Group, on the quality of life at work, relations with the manager and employees' confidence in the future and in SNCF's values, showed encouraging results in 2023, marked by strong engagement and a sharp rise in the commitment indicator (+4 points).

Faced with social risks, SNCF has introduced charters formalising the Group's commitments, as well as the guiding principles to be adopted by each employee: ethics charter, supplier CSR charter, diversity/gender equality charter. In addition, a whistleblowing system enables all employees working in France to report events or

behaviour that are against the law or regulations or likely to affect the company's business or reputation.

The Group's policy on employees and respect for their fundamental rights, as well as those of suppliers and subcontractors, is detailed in the Compliance Plan section of this document.

1.7 2024 OG RISKS

1.7.1 Description of the risk

France is preparing to host the 2024 Olympic and Paralympic Games. The aim of these Games is for 100% of travel to the competition venues to be made via public transport (37 competition venues in France, mainly in the Ile-de-France region, 13.5 million tickets sold).

For SNCF, being ready for the Olympic Games means being able to identify our main risks in relation to safety, security, information systems, the performance of rail operations, the satisfaction of our regular customers and international spectators, while putting robust control systems in place.

1.7.2 Main control systems

In 2020, the SNCF Group appointed a 2024 Olympic Games programme director, who reports to SNCF SA and works in collaboration with all the Group's businesses.

One of the programme's objectives is to implement a risk management plan. Seven critical cross-functional issues have been identified in the programme's risk map. A six-monthly review at the highest level of the company provides an opportunity to assess progress on these issues and deal with any alerts. In 2023, a strengthened steering system was put in place.

In addition, a wide-ranging managerial initiative was launched to mobilise teams, with a call for volunteers. The aim is to ensure that passengers are well looked after at the most critical point of the Olympic Games, but also to enable employees to play a part in the organisation of this major event.

1.8 MAJOR PROJECTS IN THE PARIS REGION

1.8.1 Description of the risk

The large portfolio of work to be carried out means that there is a risk to the delivery of projects (EOLE, CDG Express, RER B modernisation, Nexteo B/D, Franchissement Urbain de Pleyel, etc.) and the associated costs. In addition, the 2024 Olympic Games deadline has led to additional requests that have increased the risk.

1.8.2 Main control systems

SNCF has set up a dedicated governance structure to manage risks at the highest level of the Group. Shared offices are in place, as well as a department dedicated to IDF System operability. A monitoring committee chaired by the Prefect of the IDF Region brings together all the stakeholders (SNCF Voyageurs, RATP, IDFM, local authorities and elected representatives, ADP) and shares the diagnoses so that solutions can be chosen collectively.

1.9 RISKS ASSOCIATED WITH THE GREEN TRANSITION

DUTY OF CARE PLAN + NFPS

1.9.1 Description of the risk

SNCF believes that it has a decisive role to play and a responsibility to fulfil in helping to achieve the Paris Agreement and the UN's sustainable development goals, among other things. First and foremost, it ensures compliance with increasingly stringent environmental

regulations. It also makes more ambitious voluntary commitments which it must also keep.

In addition, SNCF is already having to deal with the consequences of climate disruption on its businesses, including damage to infrastructure (loss of asset value, track deterioration, etc.), to rolling stock (breakdowns, accelerated ageing, etc.), and a drop in service quality (delays, temporary interruption of services). These events are having a financial impact, affecting customer satisfaction and thwarting the strategic objective of doubling the number of passengers on trains within 10 years. Over and above the impact on SNCF operations, these events can have a cascading effect on local areas, with significant socio-economic and ecological impacts.

Energy prices are also a concern for the Group. After a 2022 marked by the amplification of the energy crisis (rising prices and energy shortages), 2023 saw a downward trend, followed by a stabilisation of prices at the end of the year (due in particular to better availability of nuclear power). Nevertheless, prices remain high and the new geopolitical situation in the Middle East could be a new risk factor for prices. For SNCF, this could lead to a deterioration in the performance of rail production and service quality, a reduction in the investment opportunities needed for the company's low-carbon transition and the development of low-carbon transport offers, etc.

RISK FAMILIES	IMPACT	PROBABILITY OF OCCURRENCE
OPERATIONAL	+++	++
EXTERNAL AND BUSINESS ENVIRONMENT	++	+++
STRATEGY, BUSINESS MODEL	++	++
ENVIRONMENTAL TRANSITION	+++	++
SOCIAL TRANSITION	++	+++
LEGAL & ETHICAL COMPLIANCE	++	+

(+ low; ++ moderate; +++ high)

1.9.2 Main control systems

A number of measures have been put in place to reduce environmental risks (see DPEF and Vigilance Plan chapters).

Environmental risks are strongly represented in the mapping of major risks, particularly at Group level, whether in terms of mitigation, adaptation, technological transition or efficiency in its practices.

In addition, a Strategic Committee on Adaptation to Climate Change (CSACC) made up of the heads of the Group's various companies was launched in 2022, with the purpose of defining the objectives and monitoring the results of the Group's adaptation plan, including vulnerability studies, training plans and so on. It complements the Strategic Carbon Energy Committee set up in 2020 to monitor the Group's Energy and Efficiency Plan, which includes programmes such as eco-driving, eco-parking and the decarbonisation of rolling stock.

In order to reduce the vulnerability of infrastructure, stations and rolling stock - and increase their resilience to these external pressures - integrating climate risk into today's technical choices is crucial to the company's performance in the years to come, as it commits the company for several decades, given the lifespan of its investments. Studies are being carried out to gain a better understanding of the mechanisms and effects of climate

change on rail operations, and to incorporate this knowledge into the company's reference systems and operating processes, as well as its action plans. The Group's environmental policy is outlined in the chapters on the DPEF (Economic and Financial Planning Document) and the Compliance Plan.

1.10 FINANCIAL RISKS

Since 1 January 2020, financial risk management within the SNCF Group has been strictly governed by a document approved by the Board of Directors of SNCF SA, entitled the Financial Risk Management Framework. It defines the procedures for managing financial risks and specifies the authorised instruments and intervention limits for the business lines.

This management framework reiterates the central role of the Financing and Treasury Division, which is responsible for the strategic and financial management of the SNCF Group. It is responsible for financing all Group entities and managing financial risks.

The SNCF Group is exposed to the following financial risks:

1.10.1 Interest rate risk

In order to limit its exposure to an increase in its financial costs, the SNCF Group has established principles as part of its financial strategy, with the aim of limiting its exposure to interest rate risk.

The historically low level of current interest rates and the desire to preserve economic equilibrium in the medium and long term have led the SNCF SA Board of Directors to opt for a target structure for its long-term gross debt of 90% at a fixed rate. However, a limited margin of +/- 3 points around this target has been authorised.

To achieve this allocation, the Group may use options or interest rate swaps for hedging purposes.

1.10.2 Liquidity risk

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

To cover its financing needs in 2023, SNCF SA had several financing programmes covering maturities of varying lengths:

- EMTN (Euro Medium Term Notes) programme, the general framework for SNCF SA's bond issues, for a maximum amount of €15bn;

- ECP (Euro Commercial Paper) programme, a format for short-term issues of up to €5bn;

- NEU CP (Negotiable European Commercial Paper) programme for a maximum amount of €3bn.

In addition, SNCF SA has a €3.5bn revolving credit line which has never been drawn down.

In order to give the financial markets a clear view of its creditworthiness, 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 the rules and provisions applicable to it in other jurisdictions.

1.10.3 Foreign exchange risk

As part of its financial activity, SNCF SA negotiates financing in foreign currencies, which generates a foreign exchange risk. SNCF SA does not intend to remain exposed to exchange rate risk, so all financial operations

initiated in foreign currencies are systematically hedged to bring them back into euros.

1.10.4 Counterparty risk

The SNCF Group is exposed to counterparty risk in the context of the investment of its cash and cash equivalents and the subscription of derivative instruments with its financial partners, in the event that the debtor refuses to, or is unable to honour all or part of its commitment.

In order to manage and limit this risk, investment instruments and derivatives are only put in place with financial institutions that meet the credit rating and capital adequacy criteria approved by the SNCF SA Board of Directors. A commitment limit per bank is set according to these criteria.

In order to cover its counterparty risk, SNCF SA makes margin calls on its financial counterparties. Collateral (only in the form of cash) is called up to the market value of the portfolios of financial instruments with each counterparty with which SNCF SA has a net risk.

1.10.5 RAW MATERIALS RISKS

Due to its production requirements, the Group is exposed to the risk of fluctuations in the price of petroleum products or, more broadly, energy. This risk is managed through the use of firm or optional derivatives (swaps, options, price floors, price caps).

1.10.6 Risks relating to the use of payment methods

SNCF SA has three payment methods for payment of charges and suppliers: transfers, direct debits and cheques.

The use of these payment methods is secured by the implementation of a verification procedure. Issuing payments requires the involvement of at least three or four people from two different departments, i.e. an invoice entry operator, an invoice 'validator' (accounting department) and two payment order signatories (treasury department) for transfers, and a single signatory for cheques and direct debit authorisations.

SNCF SA's Financing and Treasury Department controls the authorisations of persons using the payment method (delegations of signature with banks).

2. INTERNAL CONTROL

2.1 DEFINITION AND OBJECTIVES

Internal control provides Group governance and, more generally, each manager with an overview of the control of the various processes. It covers the company's internal processes and aims to prevent or reduce the risks identified. The main objectives are:

- compliance with laws and regulations,
- the smooth operation of internal processes, particularly those that contribute to safeguarding assets.
- the application of the instructions and guidelines set out by General Management,
- the reliability of financial information.

Like any control system, however, it cannot provide an absolute guarantee that every risk is totally controlled or eliminated.

2.2 REFERENCE SYSTEM USED

The Group's internal control framework is based on:

- the French Financial Markets Authority's (AMF) reference framework of July 2010. This framework identifies five components in particular:

- an organisation with clearly defined responsibilities, adequate resources and components, and appropriate procedures, information systems, tools and practices,
- the internal dissemination of relevant and reliable information,
- a system for identifying and analysing the main risks and ensuring that risk management procedures are in place,
- control activities proportionate to the issues at stake,
- continuous monitoring of the system.

– on compliance issues such as anti-corruption, the General Data Protection Regulation (GDPR) and duty of vigilance.

2.3 COORDINATION AND STEERING

The Group's various SAs are primarily responsible for their internal controls, including those of their subsidiaries.

The Group's ambitions in terms of control are set out in the Group's internal control guidelines.

The committee structure is as follows:

– a Group Internal Control Committee, comprising the Strategy & Finance Director, the Finance Director, the Group Internal Control Director, the Group Ethics Director, the Group Internal Audit Director, the Group Legal and Compliance Director and the Group Risk Management Director, which sets the major internal control objectives and ensures that they are achieved.

– an Activity Internal Control Committee, which brings together the Directors/Heads of Internal Control of the Group's Activities. It is responsible for implementing the objectives set by the Group Internal Control Committee, sharing practices within the Group and implementing Group-wide internal control projects (training, assessment of systems, etc.).

– a monthly meeting between the Group Accounting and Internal Control Director and each director of the control functions (internal audit, compliance, ethics, risk).

– regular coordination of the network of correspondents working within the SNCF Group's SAs, Activities, Business Lines and Transversal Departments (coordination orchestrated at Group level and rolled out by each SA, including their subsidiaries).

A common set of Group control points covers the processes listed in the AMF reference framework application guide, as well as the various components of the "control environment" and certain specific processes, particularly in terms of compliance (anti-corruption, GDPR, duty of vigilance, etc.).

Since 2020, an internal control tool has been deployed within the 5 SAs/SASs in order to assess the SNCF Group processes covered by internal control (control environment, purchasing, human resources, expense accounts, etc.). Where necessary, the results are used to draw up collective and individual action plans and to share best practice.

A specific internal control plan for subsidiaries (excluding Geodis and Keolis) is deployed for subsidiaries that do not have one.

Geodis and Keolis have their own internal control plans.

3. THE GROUP'S INTERNAL AUDIT DEPARTMENTS

The Group's internal audit function is carried out by the Group Internal Audit Department (DAIG), as well as by the internal audit departments of Keolis and Geodis.

The Group Audit Director is appointed by the SNCF Group's General Management. She reports to the Director of Risk, Audit, Safety and Security.

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

She maintains a functional relationship with the three Audit, Accounts and Risk Committees (SNCF SA, Voyageurs SA and SNCF Réseau), in which she participates and reports to.

The Group Audit Director reports regularly on the activities of the Group's internal audit function to the SNCF SA Audit, Accounts and Risks Committee, including the presentation of audit plans, the conditions under which they are carried out and monitoring of the implementation of audit recommendations.

The DAIG and the two other Internal Audit Departments carry out their audit assignments independently and objectively. Their activities are governed by the Unified Public Group's Internal Audit Charter, approved by the SNCF Group's governance.

All internal auditors and any external service providers commit to comply with the ethical rules set out in the International Reference Framework for Professional Practices (CRIPP), which is applied in France by the French Institute of Audit and Internal Control (IFACI).

Specific procedures are implemented by the DAIG for carrying out audits covering the scope of SNCF Réseau's essential facilities, in order to ensure compliance with all the legal and regulatory provisions relating to the exercise of these functions. As part of the Confidential Information Management Plan (PGIC) drawn up by SNCF Réseau, the DAIG has signed a confidentiality agreement with SNCF Réseau.

To carry out their assignments, the three Internal Audit Departments rely on a rigorous, tried and tested methodology that complies with the relevant professional standards. Certified by IFACI Certification since June 2006, the DAIG is due to have its professional certification renewed in 2024.

Internal audit assignments are carried out in the framework of three annual audit plans, namely the three scopes of the unified public Group audit plan (SNCF SA & RLE, SNCF Voyageurs, SNCF Réseau & Gares et Connexions), and the audit plans of Geodis and Keolis.

In order to enable the SNCF Group to benefit from better assurance coverage of its risks, the DAIG relies on the mapping of the SNCF Group's major risks, as well as those of SNCF Voyageurs and SNCF Réseau, to propose audit plans adapted to the risks inherent in the activities of SNCF SA (including Rail Logistics Europe), SNCF Voyageurs and SNCF Réseau (including SNCF Gares & Connexions) and the controls implemented. The same applies to Geodis and Keolis, whose audit plans are defined according to their major risks.

Audit plans are developed and consolidated in close dialogue with the management teams of SAs/SASs.

The Chairs and their Executive Committees validate the audit plans or the part of the plan falling within their scope, before they are approved by the Audit, Accounts and Risk Committees.

The three annual audit plans are presented to SA SNCF's Audit, Accounts and Risk Committee in order to give it an overview of the Group's risk management system.

In 2023, the DAIG carried out around sixty audit assignments. The reports, together with recommendations

aimed at reducing the associated risks, were submitted to the sponsors and members of the Executive Committees concerned. In addition, each President is informed of the main findings and lessons learned from the audits of their area of responsibility.

The DAIG regularly monitors the effective implementation of the action plans drawn up in response to the recommendations. The DAIG periodically presents the summary and conclusions of this monitoring to the Presidents and their Executive Committees, as well as to the three Audit, Accounts and Risk Committees every six months.

The DAIG's annual report is presented to the Presidents' Committee and to the Audit, Accounts and Risk Committees.

The DAIG (IS Security Audit Committee) also conducts Information Systems Security (ISS) audits for the unified public transport group and for Keolis. Every year, it carries out functional and technical audits to help business lines and IS teams understand the risks they face if their information systems are compromised. In particular, it ensures the compliance and effectiveness of IS security operational rules within the Group. As part of this mission, it carried out fifteen assignments in 2023 on high-stakes business areas or technological platforms, including applications handling sensitive data, essential applications supporting the Group's critical business processes, assessing the maturity of entities or subsidiaries in relation to IS best practice (ISO 27001/27002 standards), etc.

The DAIG also coordinates its work with the SNCF Group's other insurance and control functions (risk management, internal control, ethics, compliance). To this end, it coordinates an ad hoc committee which meets 4 times a year. It maintains regular contact with the Statutory Auditors (CAC) and the Economic and Financial Transport Control Committee (MCEFT).

As part of the 2023 audit plan, the Keolis internal audit department carried out 22 audits, including 4 assignments outside the scope of the plan, addressing internal control issues, reviews of contractual commitments, cyber security and compliance issues, both in France and internationally.

In most cases, the reports are accompanied by recommendations, which are followed up by the Internal Audit Department and presented twice a year to the Keolis Executive Committee and Audit Committee.

Geodis' internal audit department carried out and reported on eight audits in 2023. The reports are accompanied by recommendations which, like all open recommendations, are followed up by the Audit Department and presented on a regular basis to the President and the Audit and Risk Committee of Geodis.

4. INSURANCE

The Group's Legal Department provides insurance cover for SNCF Group entities.

Its role is to design and implement the insurance policy for the unified public group. This action is carried out as part of a pooled approach that improves cover for the main companies and their subsidiaries, while enabling them to benefit from competitive pricing conditions, despite the tensions in the large risk insurance market.

Insurance policies negotiated with brokers and insurers and monitored by the Group's Legal Department protect the Group's assets against unforeseen events likely to have an impact on its accounts, either due to their intensity or frequency. They cover a broad portfolio of

contracts for all types of guarantees, in particular the following programmes:

- damage to property (including damage caused by climatic events) and consequential financial loss,
- civil liability,
- vehicle fleet,
- cyber risks,
- construction civil liability.

The Group's Legal Department also oversees the "reinsurance captive" SNCF RE, with the aim of reinsuring part of the major damage and civil liability risks and thus facilitating negotiations with insurers.

5. INSTITUTIONAL CONTROLS

The Group has a specific institutional control environment, and is subject to control by:

- the Court of Auditors,
- the French Government Commissioner,
- the Economic and Financial Transport Control Committee (MCEFT),

- the French Government Shareholding Agency (APE),
- the Transport Regulatory Authority (ART),
- the Public Rail Safety Authority (EPSF),
- the High Committee for the National Rail Transport System.

The financial statements are audited by two statutory auditors, appointed by the Annual General Meeting following a competitive tender procedure, after consulting the Audit, Accounts and Risks Committee and on the recommendation of the Board of Directors. Each significant subsidiary is audited by at least one of the SNCF Group's two statutory auditors. An audit assignment to verify the declaration of extra-financial performance is also carried out by an accredited ITO (independent third-party organisation) appointed by General Management, with the exception of extra-financial indicators resulting from taxonomy regulations, which continue to be audited by the statutory auditors.

The role of these various parties is to check that the SNCF Group complies with its obligations, particularly in the accounting and financial fields.

NON-FINANCIAL PERFORMANCE STATEMENT

1. INTRODUCTION

1.1 THE BUSINESS PROJECT PLACES CSR AT THE HEART OF THE GROUP'S STRATEGY

1.1.1 Context

The "Tous SNCF" business project is an initiative launched in 2020 by Chairman and CEO Jean-Pierre Farandou to define the 2020-2030 strategy and its implementation within the Group. The SNCF's strategic plan, which has been rolled out across the five rail companies, is being implemented in synergy with the business plans specific to Keolis and Geodis.

This approach was developed jointly at three levels:

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

The Group's strategy is built around six equally important dimensions, the "six pillars of the Maison Tous SNCF", with the aim of overall performance:

- Safety, security, ethics
- Employee satisfaction and commitment
- Production and service quality
- Economic and commercial performance
- Social, regional and environmental commitment
- Customer satisfaction and relations.



1.1.2 Our commitments

Act for a changing, united and sustainable society, supported by "Tous SNCF" projects developed with employees.

The raison d'être and associated commitments were enshrined in the Group's articles of association in 2022.

1.1.3 Policy and actions

The "Tous SNCF" corporate project is managed by the Social, Territorial and Environmental Commitment Department (DESTE). It is based on simplicity, pragmatism and decentralisation. It is about giving a common direction and framework that reinforce a sense of belonging to a group, where everyone has a great deal of latitude to take ownership of the strategy and to "get things done". It is embodied in the Group's three values: COMMITMENT, EFFICIENCY and OPENNESS.

The company project is a long-term one. After the conception of the "Tous SNCF" project in 2020, and in 2021 and 2022 all the railway establishments implemented their entity projects. Their role is to bring the global strategy to life. The thing they all have in common is that they are based on three essential methods:

- The balance between the six pillars of the "Maison Tous SNCF"
- The co-development of the project with the establishment's employees
- The prioritisation of actions in the establishment's project.

Every year, events such as La semaine Tous SNCF, alternating with Les Trophées, celebrate successes within the five railway companies.

Preliminary improvements

The 2020-2022 cycle of the corporate project has enabled progress to be made on the following points:

- "Tous SNCF", with its pillar-based guidelines, has become the common language of the five railway companies.
- Managers have made this their managerial standard, setting in motion a managerial transformation towards more employee collaboration and participation.
- Proven tools have been used to drive continuous performance improvement: methodological kits, games, videos and webinars. The PROGRESSEO tool measures the scope for improvement on various performance indicators such as quality of life at work, trust, health and safety at work, human resources, as well as changes in performance and comparisons with peers.

– A culture of collaboration is taking root throughout SNCF and is bearing fruit in terms of employee commitment. The commitment rose evenly across the company by 5 points between 2021 and 2023. There was an increase of 8 points (+14%) in the college's performance alone.

– Major programmes are an integral part of the company's business plan and help to make the strategy clear and unambiguous: H00, First, PRISME, Atout Conduite, SNCF&moi. They feed the various pillars of the "Tous SNCF" house.

– SNCF has adopted a raison d'être enhanced with eight commitments that set a common framework for all the Group's entities to guide their strategic choices.

For further details:

For programmes H00, First, Prisme: see 4.1.

For the SNCF&moi programme: see 8.1.

For the Atout conduite programme: see 8.4.

For the raison d'être and its eight commitments: see Management Report, Profile of the SNCF Group.

2023 marked the start of a new "Tous SNCF" cycle

To reinforce the meaning of work for each employee and to boost managerial transformation, this cycle focuses on:

- The dynamics of designing Maisons d'Équipe or establishments in a quasi-systematic way
- Contributing to our raison d'être by choosing specific actions.

For more details: see the "C'est à vous" survey, 8.1.

Outlook for 2024

"Tous SNCF" is no longer a project, it's a mindset and a common language.

The first three years of the project have enabled us to establish the equal importance of the six pillars of the Maison and the three key methods. Between 2023 and 2025, the aim is to achieve a lasting change in the company's culture and to renew its operating methods throughout the company and particularly with every employee. This leaves:

– **Updating and developing the Maisons to improve overall performance.** The aim is to update the Maisons d'Entité in line with the new challenges and the expectations of employees, customers and society, and to continue developing the Maisons d'Équipe in order to reach every employee.

– **Capitalising on SNCF know-how by encouraging peer-to-peer exchanges and mutual support.** The tools such as PROGRESSEO developed during the first cycle, or the ideas submitted by employees in the "SNCF&moi Actions" section, will enable, using certain indicators, the identification of the best-performing entities, to share good internal practices and to circulate these widely.

– **Anchor the three key methods in management practices.** Work needs to be done on transmitting the "Tous SNCF" spirit between this first and second cycle due to the significant managerial turnover following three years in a job. This transmission must also be accompanied by more general training and awareness-raising for all those involved in SNCF's performance, both employees and their managers.

The reputation of "Tous SNCF" and its growing benefits

More than two thirds of employees (69%, +2 points compared to 2022) have heard about their establishment's or entity's "Tous SNCF" project, and 55% know about their team's project. 54% say they support the "Tous SNCF"

project in their establishment, entity or team, up 4 points this year.

The values that SNCF wish to promote, Commitment, Openness and Efficiency continue to progress: 71% of employees think that Commitment is a value embodied as part of SNCF (+4 points), with 69% for Openness (+5 points) and 58% for Efficiency (+4 points).

Finally, support for the project and the added value of its guidelines within the entity, establishment or team has risen by 4 points, to 54% in 2023.

Group logic

With a view to overall performance, SNCF, Keolis and Geodis regularly exchange information to ensure consistency of their respective approaches, to share best practices and to create synergies as part of the Group's service offering. For example, Keolis has built a tool similar to PROGRESSEO.

Spotlight on the Keolis and Geodis projects

Keolis Way for Keolis. The Keolis corporate project is built around four pillars and three fundamentals, with a view to overall performance and strengthening the company's identity.

The Keolis Way four pillars and three fundamentals



Launched in 2021 in response to profoundly changing environmental, social and health conditions, its objectives are to:

- Strengthen the shared culture and working methods
- Improve performance for the benefit of passengers, employees and all stakeholders.

This strategy is in line with its raison d'être, which is to devise and deploy "safe and sustainable mobility to serve every region, for a better quality of life for everyone". Keolis Way offers a roadmap to all its entities in France and abroad. This corporate project sets out the company's financial, operational and CSR ambitions and objectives for 2025 across the company.

Ambition 2027 for Geodis. Aware of its responsibilities and the challenges of a world that has become more uncertain and unpredictable, Geodis is embarking on a new stage in its development with the launch of its "Ambition 2027" strategic plan, inspired by the progress made during the previous Ambition 2023 plan. This new strategic plan, drawn up, approved and monitored by the Executive Committee, builds on the previous plan and develops its operational, financial, social and environmental performance aims.

Geodis' strategy echoes its raison d'être: "Serving everyone, we are implementing innovative, sustainable and ethical logistics to distribute the products we need throughout the world. It aims to strengthen its position as a leading provider of innovative, sustainable, end-to-end logistics solutions to help its customers succeed and grow worldwide. This strategy is based on three pillars, each fuelled by Geodis' innovative spirit and investment capacity of Geodis:

- Core business expertise
- Digital transformation
- External growth.

Keolis and Geodis are present at the Group Executive Committee project reviews every two months. The aim is to share progress and synergies in order to improve performance throughout the company.

1.2 CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Since 2003 for SNCF and since 2004 for Keolis and Geodis, the SNCF Group has been committed to the United Nations Global Compact on social responsibility

initiative and its Ten Principles on human rights, labour standards, the environment and the fight against corruption.

Since 2015, the Group has been at the United Nations Global Compact advanced level, the highest standard of performance in social responsibility. The actions taken to integrate these principles strengthen the company's contribution to the United Nations 17 Sustainable Development Goals (SDGs).

In 2023, the SNCF Group is renewing its commitment and is publishing its Communication on Progress (COP) on the United Nations Global Compact website.

WE SUPPORT



The SNCF Group contributes directly to 14 of the 17 United Nations Sustainable Development Goals.



For more details on the actions that contribute to the SDGs: see 10.4 Correspondence table and snf.com.

The rail sector's contribution to the SDGs

The Rail Sustainability Index (RSi) is an evaluation system designed by the members of the UIC (International Union of Railways) in 2022. It provides UIC members with a digital platform and a unique assessment system based on the United Nations Sustainable Development Goals. It assesses the performance of each member based on a selection of key performance indicators and provides a rail sustainability index. It is designed to provide:

- A reporting system on the contribution to achieving the SDGs, with a framework that facilitates comparative analysis and the sharing of good practices
- Better access to green bonds and sustainable financing instruments.

SNCF has participated in the evaluation from the outset, and obtained the following score in 2023:

– **59.4/100**, an increase of more than 11.9 points compared to 2022, and 17.23 points above the sector

average (42.17), calculated using data from the 35 participating companies.

– **Score B-** on a scale from A (Leader) to D (Newcomer)

The UIC report is available on its website.

International reference frameworks

The SNCF Group's CSR policy is based on the following international texts:

- Universal Declaration of Human Rights
- International Bill of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- Declaration on Fundamental Principles and Rights at Work and Fundamental Conventions of the International Labour Organisation (ILO)
- Convention of the Organisation for Economic Co-operation and Development (OECD)

INTEGRATION OF THE GLOBAL COMPACT 10 PRINCIPLES WITHIN THE SNCF GROUP

HUMAN RIGHTS

SNCF Group Human Rights Policy (2023)
 Ethics charter and ethics whistleblowing system (2023)
 Annual review of the Group Ethics Department
 Supplier Relations & CSR Charter (2021)
 Adherence to the Responsible Supplier Relations and Purchasing Charter
 Maturity level assessment of suppliers in terms of respect for human rights (see Group Compliance Plan, 4)

INTERNATIONAL LABOUR STANDARDS

Signature of collective agreements with representative trade unions
 Agreements signed in 2022 and 2023 by SNCF:
 - 9th collective agreement supporting employment for disabled workers 2022-2024
 - Agreement on the supply of and access to housing for SNCF employees for the period 2023-2025

The main collective bargaining agreements applied within the Group are:
 - The collective agreement for urban public transport (CCN_3099)
 the collective agreement for road transport (CCN_3085).
 - The collective agreement for the rail sector (CCN_3217).

ENVIRONMENT

Commitment to reduce national CO₂e emissions by 30% on transport activities and 50% on property activities between 2015 and 2030
 Commitment to a greenhouse gas emissions reduction pathway in line with France's National Low Carbon Strategy (SNBC) in 2050
 SNCF Environment Policy (rail activity - 2022)
 SNCF Circular Economy Policy (rail activity - 2023)
 Environmental Management System (EMS)
 ISO 14001 certification for industrial rail establishments

FIGHT AGAINST CORRUPTION

Group Ethics Charter (2023), Ethics Memo (2021)
 Code of conduct to prevent and combat corruption and bribery
 Supplier Relations & CSR Charter (2021)

1.3 KEY DATES IN OUR COMMITMENTS

The Group is also a signatory of environmental and climate protection charters and commitments, along with agreements on reducing inequalities:

1999	Public Enterprises for the Environment Charter
2003	United Nations Global Compact - SNCF and GEODIS, Keolis (2004)
2004	Diversity Charter with IMS-Entreprendre pour la cité
2006	1st collective company agreement in favour of professional equality and gender diversity
2008	Sustainable Development of the International Association of Public Transport (UITP) European Charter for the Development of Social and Societal Missions in Railway Stations Charter
2010	International Union of Railways (UIC) Sustainable Mobility Charter
2012	Responsible Supplier Relations and Purchasing Label (RSRP) - SNCF
2013	"Entreprendre dans les quartiers" Charter with the Ministry for Urban Affairs - SNCF
2017	Démoclès Charter for the recovery of construction waste - SNCF
2018	Act4Nature Commitment - SNCF Commitment to the PAQTE approach for priority urban districts - SNCF Commitment to the Rail Freight Forward coalition to combat climate change
2019	INR Responsible Digital Charter - SNCF Validation of SNCF targets by the SBTi Commitment to the #StopE initiative - SNCF
2020	Keolis signs up to the European Parliament's Green Recovery Alliance Signature of the French Business Climate Pledge - SNCF Act4Nature International Commitment - SNCF
2021	Pro Vélo employer label - SNCF 4th collective agreement to promote professional equality and gender diversity - SNCF

2022	Keolis Bordeaux becomes the first company with a Mission in the public transport sector Commitment to Transport4Nature - SNCF EcoWatt Charter - SNCF and Keolis 9th collective agreement supporting employment for disabled workers 2022-2024 - SNCF Signing of the Paris Climate Action Biodiversity Pact - SNCF
2023	Alliance for inclusion through sport Membership of Mouvement Impact France - SNCF Green worksite charter - SNCF Cyber Charter - SNCF Group The Other Circle Charter - SNCF Coeur de ville 2 Charter - SNCF Signing of a low-energy commitment charter for commercial buildings - SNCF Eco Water Charter - SNCF Charter for the prevention of addictive behaviour and the promotion of health in the workplace - SNCF Signature of the EPE (Entreprises pour l'environnement) manifesto - SNCF

1.4 EXTRA-FINANCIAL ASSESSMENTS OF THE GROUP

The SNCF Group's ESG performance has been assessed every year for more than ten years by non-financial rating agencies, at the request of investors and customers. Among other things, these assessments provide food for thought regarding the Group's decarbonisation policy. This external recognition also supports the Group's CSR strategy.

SNCF has been completing the Carbon Disclosure Project (CDP) climate questionnaire since 2021. The scope of the evaluation has been extended in 2023 with the integration of Geodis and Keolis into the five railway companies (SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs and Fret SNCF). The questionnaire, which measures the environmental impact of companies, regions and organisations, marks the Group's commitment to reducing its greenhouse gas emissions and managing the consequences of climate change on its activities.

		2023	2022	2021	2020	2019
ECOVADIS		82/100	79/100	77/100	77/100	79/100
MOODY'S ESG			77/100	75/100	74/100	72/100
CDP		B	C			

2. CSR GOVERNANCE

2.1 GLOBAL GOVERNANCE

2.1.1 The Social, Territorial and Environmental Commitment Department

The Social, Territorial and Environmental Commitment Division (DESTE) is responsible for implementing the SNCF Group's CSR strategy. Its role is to ensure implementation and management, by coordinating the CSR network of departments in all the Group's subsidiaries and entities. It is also responsible for

promoting and embodying the cultural and managerial transformation of the entire SNCF Group around the notion of CSR.

The DESTE's missions fall into three main categories:

- Manage the Group's CSR performance and compliance
- Strategy, emerging issues and cross-functional policies
- CSR acculturation and cultural and managerial transformation.

It is split into four interdependent and complementary divisions to transform the SNCF Group and become a major player in ecological and social transitions.

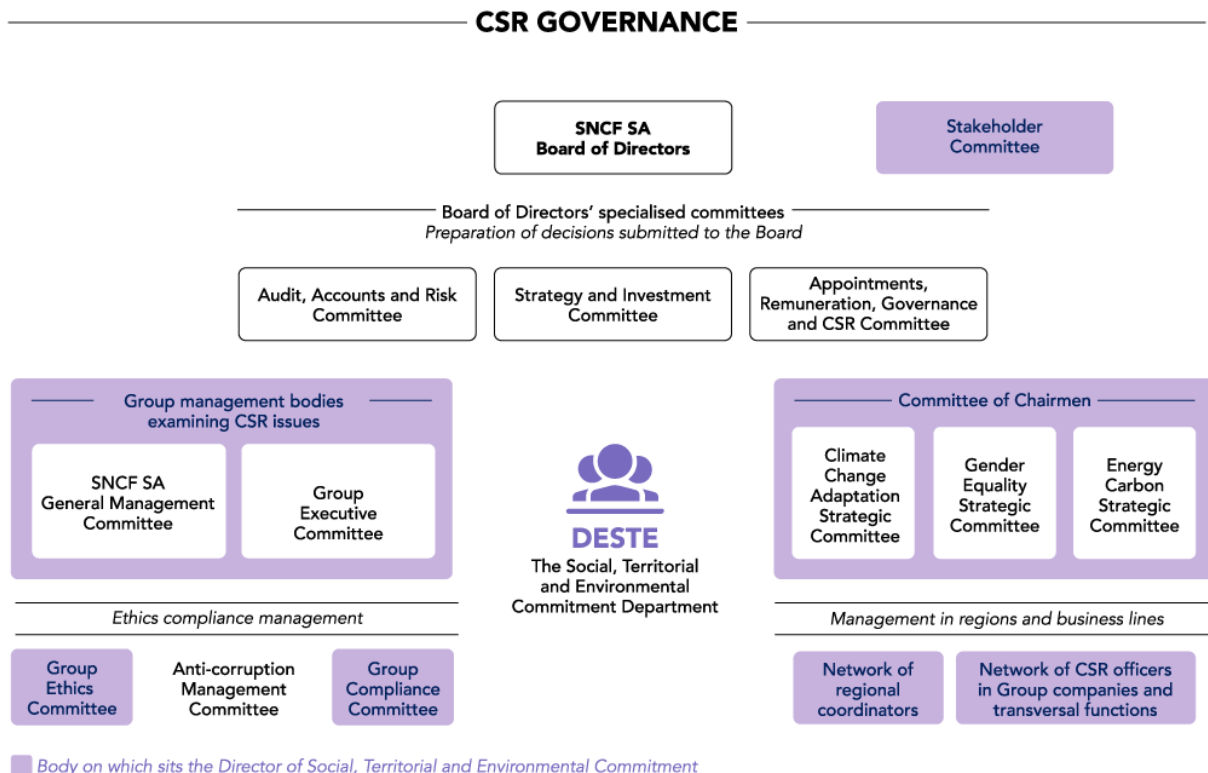
The DESTE reports directly to the Chairman and CEO of the SNCF Group. Its director is a member of the Group Executive Committee and the Executive Management Committee of SNCF SA. He is director of the "Tous SNCF" corporate project and Vice-President of SNCF Foundation.

CSR coordination and regional management

A coordinating body strengthens the Group's unity at regional level, simplifying exchanges with stakeholders while improving cross-functionality and interface management. Governance is provided by a Group Territories Deputy Director and a Regional Adviser to the CEO. 11 regional coordinators are responsible for developing:

- A regional strategy in line with each region's priorities: property, safety and security, innovation, development, urban planning, digital technology, ecological transition, energy
- Customer satisfaction: multimodality, consultation, information, reliability, availability
- Employment solidarity: mobility, training, development, housing, social links, education.

The governance of CSR issues is shown in the diagram below.



2.1.2 Professionalisation of the Group's CSR

This is one of the 2023 priorities to support the implementation of the CSR strategy.

This professionalisation is a response to:

- National and international standards relating to CSR
- The requirements of the SNCF Group's stakeholders, in particular those of the French Government Shareholding Agency (APE).
- The changing aspirations of French employees who want to work for companies that have a positive impact on the environment and society.

Guiding principles

This professionalisation is part of the company transformation process driven by the DESTE.

It is based on four guiding principles:

- The Group's CSR strategy
- The organisation for implementing the Group's CSR strategy
- Processes to ensure that CSR is fully taken into account in the conduct of the company's operations
- Processes that enable both CSR knowledge and skills to be used and developed.

The CSR strategy, led by the DESTE, sets the framework and steers the path to be followed by all SNCF Group companies in terms of CSR. It allows us to harmonise our objectives, discourse and actions, thereby boosting the impact of our actions.

Each company draws up its own CSR roadmap, setting out both its contribution to the Group's CSR strategy and

the actions it plans to take to address the specifics of its business.

Organisation

CSR should be an integral part of the SNCF Group's various governance bodies to inform, coordinate and guide company decisions, and this correlation between strategy and organisation will guarantee performance.

In each of the Groups companies, CSR responsibilities are clearly identified, with the appointment of a member directly responsible for CSR on each executive committee.

The processes

The SNCF Group's professionalisation process was initiated in 2021 with the establishment of a 2020-2030 CSR strategy validated by the Board of Directors. An important step was taken in 2023, when the "decarbonisation" section was included in the work to update the 2023-2032 Strategic Plan. As a result of this high priority in the Group's management and governance, the Finance and Strategy Departments and the DESTE have decided to include a CSR section in all business reviews. During the autumn 2023 editions, each company or business presented its vision on three themes:

- Decarbonisation: A+1 quantitative target and main actions planned
- Diversity
- Employee commitment.

The DESTE takes part in the reviews of CSR activities, during which the companies or activities also state their position on other priorities in their CSR roadmap, including the circular economy, adaptation to climate change and duty of care.

Commitment decisions

The CSR strategy is also fully integrated into the SNCF Group's commitment processes. Each project presented to the Group Commitments Committee is analysed to ensure consistency with the Group's CSR strategy. When the project contributes directly to one of the CSR strategy's areas, a specific analysis is used to quantify this contribution.

The DESTE also contributes to decisions on social and environmental commitments, including the purchase of energy in line with the Group's 2023 decarbonisation pathway.

2.1.3 The SNCF SA Board of Directors

The Board of Directors (BoD) regularly discusses CSR issues at its meetings. On 23 June 2021, it adopted the SNCF Group's 2020-2030 CSR strategy and its implementation is monitored every six months. It is supported in its work by the specialist Appointments, Remuneration, Governance and CSR Committee (CNRG & RSE), which is responsible for CSR issues.

The non-financial performance statement is integrated into the Group's annual financial report, the terms of which are agreed upon by the Board of Directors after consultation with the Audit Committee. The report is then approved by the General Meeting convened by the Board of Directors.

For further details: see Corporate Governance Report.

Climate challenges are discussed several times a year by the Board of Directors:

- When presenting CSR objectives and the half-yearly and annual reports
- During the review of commitment files, since these are assessed notably against CSR criteria.

CSR issues addressed by the DESTE in 2023

The Board of Directors:

- The non-financial performance statement when settling the accounts
- the 2023 vigilance plan
- CSR strategy: 2022 review and 2023 objectives
- The SNCF Group's 2023-2032 decarbonisation pathway and the associated action plan
- Summary of the CNRG & RSE's work

In CNRG & CSR:

- Half-yearly dashboard of CSR indicators
- Half-yearly report on the implementation of the CSR strategy
- Circular economy policy
- Ethics - 2022 alerts review.

Composition of the Board of Directors

SNCF SA is administered by a twelve-member Board of Directors, comprising:

- 7 members appointed by the General Meeting of Shareholders, at least two of whom meet the independence criteria defined in the Afep-Medef Code,
- 1 State representative appointed in accordance with Article 4 of the Ordinance of 20 August 2014 on the governance and capital transactions of public companies,
- 4 employee representatives appointed pursuant to Article 7 of the aforementioned Order of 20 August 2014.

Key figures 2023 -SNCF SA

- 90% sit on the Board of Directors

Gender mix (including employee directors):

- Women: 42% (5/12)
- Men: 58% (7/12)

Twice a year, the DESTE presents the Board of Directors twelve ESG (environment, social and governance) indicators on:

- The pathway for reducing greenhouse gas emissions
- Adapting to climate change
- The development of renewable energies
- The upstream value chain
- Safety
- Anti-corruption
- Employee commitment.

For further details on the functioning of the Board of Directors: see Corporate Governance Report.

2.1.4 Climate governance

Presentation of climate-related issues to the Board of Directors

A climate report is presented to the CNRG & RSE Committee and to the Board of Directors twice a year, in the first quarter for the annual report and in July for the half-yearly report.

The aim is to share the progress made in implementing the SNCF Group's climate strategy over the past year with the SNCF SA Board members, and to share the main challenges and priorities for the coming year.

Strategic committees

The Director of the DESTE chairs two strategic committees on climate issues within the Executive

Committee, bringing together the chairmen and managing directors of the Group's seven companies:

- An Energy and Carbon Strategy Committee (ECSC) set up in 2020, which decides on strategic directions and arbitrates on key issues referred to it.
- A Strategic Committee on Adaptation to Climate Change (SCACC), responsible for validating and monitoring the action plans proposed by Group companies and their overall management.

In 2023, the frequency changed, with one ECSC and two SCACCs per year.

In 2024, climate change mitigation and adaptation will be combined under a single bi-annual Strategic Climate Committee (SCC). Indeed, the Group has reached a sufficient management maturity on each of these two topics

The SCACC received input from the "Climate Risk" Steering Committee. It is made up of all the Group's companies and cross-functional entities, and is co-chaired by the DESTE and the Group's risk management department. It met three times in 2023.

Throughout the year, the DESTE also organises meetings with the CSR directors of each Group company to share information on climate issues.

The Director of the DESTE is also a member of the parent company's General Management Committee and a member of the Group Executive Committee. It presents climate-related topics to the news on demand.

2.1.5 Commitment and involvement of senior executives in CSR

Raising CSR awareness among future managers

Training and awareness-raising initiatives are organised for talent and those with high-potential. The programme includes:

- Workshops and conferences on responsible decision-making in companies, as well as discussions with the Group's Ethics Director, a philosopher and a business lawyer.
- A day in a public establishment for integration into employment (EPIDE) to accompany a young person with their career plan
- A study trip to Europe to give them an insight into CSR practices and prepare them for their social and environmental responsibilities in a changing world
- A new awareness of the challenges posed by the 17 UN Sustainable Development Goals. Delivered in 2024, it will help them integrate the SDGs into their management practices.

100% of the members of the SNCF Group's Executive Committee have been made aware of the ecological transition. In addition, a CSR training programme, focusing in particular on the energy transition and aimed at the entire management line, some 17,000 managers, has been rolled out since 2021 and continued in 2023. The energy reduction module is one of the first available online.

Remuneration: variable portion based on CSR criteria

A portion of SNCF's executives and senior managers remuneration is calculated in relation to individual and collective objectives.

For several years, the collective variable portion of the salary of the SNCF's 2,700 executives and senior managers has included CSR objectives. At the end of 2022, the Group's Executive Committee decided to increase CSR objectives from 15 to 25 points (out of 35) of

the total variable portion, in line with the CSR charter of the French Government Shareholding Agency (APE).

The criteria used are as follows:

- Safety: 10 points
 - Frequency rate of accidents in the workplace
 - Number of near-misses / Number of lost-time accidents (in the case of outperformance only)
 - Number of events of severity level 4 and above
- Environment: 5 points
 - Reducing greenhouse gas emissions
- People: 10 points
 - Increasing the rate of recruitment of women: 5 points
 - Rate of employee commitment, based on the results of the "C'est à vous" survey 5 points

While executive remuneration is not dependent on anti-corruption criteria, all senior managers and executives have signed a rider to their employment contract on conflicts of interest.

The remuneration of the Group's senior executives is capped at €450,000 gross per annum, all inclusive, in accordance with Decree no. 2012-915 of 26 July 2012.

For further details on the remuneration of corporate officers: see Corporate Governance Report.

Keolis and Geodis

The remuneration of the Chairmen of the Management Boards of the Keolis and Geodis subsidiaries is also capped at €450,000 gross per annum, all inclusive, pursuant to Decree no. 2012-915 of 26 July 2012. These companies are part of the SNCF Group, a public company wholly owned by the State.

At Keolis, the remuneration of managers is also indexed to CSR criteria, in line with the corporate project: the same indicators, the same targets. This system enables the company's strategic vision to be aligned with the enhancement of managerial action.

There are two complementary mechanisms:

- The Short-Term Incentive, which is evaluated every year and concerns around 2,000 managers: 15% of the bonus is indexed to targets for reducing energy consumption and to measures to improve the safety of operations.
- The Long-Term Incentive is evaluated every three years and concerns senior executives: 25% of the bonus is linked to the increase in the number of women in the workforce, the reduction in greenhouse gas emissions and the lower accident rate.

At Geodis, since 2023, the three-year Long-Term Incentive (LTI) plan has included a non-financial component accounting for 30% of the total. It is based on criteria relating to greenhouse gas emissions, gender diversity among senior managers and customer satisfaction measured using a Net Promoter Score. Each of these criteria has a weighting of 10%.

2.1.6 Employee commitment and involvement in CSR

2.1.6.1 The SNCF Impact Lab to take action

Composed of a multidisciplinary team of psychologists, cognitive scientists, designers and engineers who are experts in organisational transformation, the SNCF Impact Lab is helping to implement the CSR strategy. It acts on individual and organisational levers to encourage the transition from intention to action.

The aim of the Lab's work is to encourage and promote changes in individual and collective behaviour in favour of the company's environmental, social and societal policies.

Its research, carried out in partnership with Université Paris Cité, also involves working with railway companies. The Lab therefore offers entities a range of actions and support to carry out diagnostics, and to design acculturation, action and monitoring systems in order to anchor CSR transformations over the long term.

In 2023, the Lab helped Transilien lines management to conduct exploratory walks in stations as part of the fight against sexual harassment and sexist abuse in transport. The process developed by the Lab is based on diagnosing perceptions at grassroots level, followed by recommendations for actions to improve female passengers' emotional experience in SNCF environments and to encourage their mobility (see 4.2.3).

2.1.6.2 Raising employee awareness of CSR

In addition to regular company-wide webinars and conferences, dedicated training programmes and recurring internal campaigns raise employees' awareness of environmental and social issues.

National schemes

To make all Group employees aware of the importance of sustainable development for their company and for society in general, an acculturation programme has been set up. In 2021, an initial set of e-learning modules provided keys to understanding:

- The global challenges of CSR
- SNCF's major role in this area
- The Group's CSR strategy
- CSR as a performance driver.

In 2022, the programme was expanded with two new modules on the circular economy and energy efficiency, as well as shorter versions of the four previous modules to facilitate access to as many people as possible.

In 2023, a module on civic engagement to act as an employee was deployed, specifying the possible modes of engagement. The module on energy efficiency has been expanded for senior managers to help them identify the resources they need to implement more quickly.

More than 9,000 SNCF employees have taken part in the various modules since the scheme was launched.

CSR meetings

These monthly conferences, open to all Group employees and organised by the DESTÉ, bring together an average of nearly 700 participants per session. They focus on the implementation of the 2020-2030 CSR strategy, with the participation of project managers and testimonies of actions. 13 CSR meetings have been held since the launch in 2022, including five in 2023 on the following themes:

- Purpose
- Diversity
- The Water Efficiency Plan and the materiality matrix
- The Circular economy.
- The Climate and Biodiversity Tour.

The satisfaction rate among participants is 92%. It should be noted that after central management employees, the largest group among the participants, at 27%, is the operatives, a figure that remains constant and high

The frescoes

Created in 2022, the rail 'frescoers' are a voluntary group of around fifty employees who run climate frescoes at the request of SNCF managers. These workshops provide a basic understanding of the climate challenges to take

action. The rail frescoers ran 44 climate frescoes in 2023, with 695 participants.

The SNCF Impact Lab has also developed the "CSR Frescoe for All", a 2-hour collective intelligence workshop in the form of a break. The challenge is to:

- Gain a better understanding of the environmental and social issues associated with CSR
- Embrace the SNCF Group's CSR strategy
- Identify the best practices for teams to develop.

Thus, this managerial tool structures the CSR pillar of entity's projects. By 2023, more than 100 facilitators have been trained, enabling more than 1,000 employees to benefit from the experience. Measuring the impact of the tool confirms that participants significantly increase their CSR knowledge, their intention to act on these issues and their feeling of being competent to take action.

CSR training for buyers

In addition to these courses, there is also training for buyers on how to apply social and environmental criteria at every stage of the purchasing process.

The "Responsible Purchasing" course, followed by all SNCF buyers, was updated in 2022 and two new modules were added in June 2023: In addition, the Group has launched two new initiatives: "Solidarity purchasing" and "Decarbonising the supply chain". In the space of six months, almost half of the approximately 950 buyers had attended these new webinars.

SNCF Voyageurs' CSR commitment programmes

Since 2020, the PlaneTER and Planète Voyages environmental initiatives and Transilien's CSR approach have united employees around shared values. The 65,000 SNCF Voyageurs employees have become ambassadors for sustainable mobility among passengers.

The train, a low-carbon mode of transport, is promoted to customers through poster campaigns, direct mail, announcements by train conductors, with the indication of CO₂e avoided on tickets, on-board screens or on lines. Internally, training courses, the signing of manifestos and awareness-raising on eco-actions give employees the tools to achieve SNCF's environmental and energy objectives.

In 2023, SNCF Voyageurs focused on a major energy-saving programme, which has been passed on to employees via awareness-raising campaigns. An intranet site fuels a continuous improvement drive, based on feedback from facilities and the sharing of best practice.

Finally, at the end of 2023, SNCF Voyageurs launched a new CSR training programme for managers, senior executives and members of the establishments' management committees. The aim is to train 100% of top managers in 2024.

Spotlight on SNCF Voyageurs' activities

TER offers two training courses. One for all employees entitled "PlaneTER for action", which since 2020 has involved 10,000 learners, or a third of TER agents, and which 60% have completed. The topics covered included energy, climate issues, levers for action etc. The other, aimed at management, has been running since mid-2022 and is called "Ambition PlaneTER". It teaches participants how to mobilise their teams around environmental objectives. By 2023, more than 400 managers had started the programme, and 2/3 of them had completed it.

TGV-Intercités has rolled out themed e-learning modules: a one-hour climate-energy component and a one-and-a-half-hour circular economy component. The aim is to understand the major issues related to these themes and

to offer employees concrete actions that can be directly applied in their jobs. The roll-out began with 800 employees in March 2022, and was extended to all 17,000 employees in June. Result: by the end of 2023, 13% of TGV-Intercités employees will have completed the training programme (+5 points compared with 2022).

In addition, twenty-minute modules, broken down by job, enable each employee to understand their day-to-day contribution to the environmental approach of the business. For example, the module released in 2022 and dedicated to train conductors, enabled 82% of the 114 people who took it to thank customers for choosing to travel by train during their on-board announcements. Thanks to the CSR team steering module, 300 managers have been able to build a concrete action plan since September 2023.

Furthermore, by the end of 2023, almost 1,000 employees had registered on a platform to encourage eco-actions and had recorded more than 3,000 individual or collective actions.

From 2022, **Transilien** will be rolling out the Climate Frescoe to more than 200 managers, and communicating the CSR actions and objectives of its "Manifesto for green and responsible mobility in the Île-de-France" region to its 12,000 employees.

CSR training and campaigns in other Group companies

At SNCF Réseau, a complete CSR module has been part of the Sup'Réseau training course for three years, aimed at future high-level operational managers who have been promoted internally. This course, dedicated to sustainable development, combines expert presentations, e-learning, case studies and field visits. It enables them to anchor sustainability issues in their business vision and to develop a strategic and systemic approach to CSR.

At SNCF Gares & Connexions, following the first carbon footprint awareness workshops held as part of European Sustainable Development Week in 2022, the "2 Tons" workshop has been included in the management programme, with 314 employees trained by mid-December 2023.

Fret SNCF's energy efficiency action plan, which focuses on energy savings, has been launched with Fret SNCF employees. "Job-specific" information is being rolled out to all 1,400 drivers and to all Rail Logistics Europe activities. At Fret SNCF, a network of "CSR players" representing the company's various departments meets monthly to share progress on the roadmap.

At Keolis, the Keolis Institute develops energy transition skills for directors, managers, maintainers and drivers, with a curriculum of more than 30 training programmes.

At Geodis, with the help of internal facilitators, numerous climate frescoes were deployed in 2023 in all regions. Held in January, the first of these raised awareness among 180 GEODIS managers, including the Executive Committee. By the end of 2023, Geodis had 33 internal facilitators, and more than 800 employees had taken part in the frescoe and in workshops to reflect together on the levers to be activated in the transport and logistics professions. The climate culture within Geodis has been complemented by the Climate University, a micro-learning course available in eight languages to provide a better understanding of the issues surrounding climate change, the depletion of natural resources and biodiversity.

2.2 COMPLIANCE AND ETHICS GOVERNANCE

2.2.1 Legal and Compliance Department (LCD)

SNCF SA has a Legal Department that combines its traditional functions with those of a Compliance Department.

Among its compliance missions, it is responsible, on behalf of the Chairman, for preventing the risk of breaches of laws and regulations, relating in particular to the following issues:

- Preventing corruption and bribery
- Protection of personal data
- Competition law
- International economic sanctions and export control rules
- Banking constraints and the fight against money laundering and financing terrorism (FML-FT). It should be noted that the SNCF Group is not subject to the FML-TF obligations set out in Articles L.561 et seq. of the French Monetary and Financial Code.

Compliance

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

The Group Legal and Compliance Director is supported by the Compliance Department. This entity is responsible for the deployment and implementation of compliance programme monitoring procedures, the control and evaluation of systems, and monitoring the updating of risk mapping and action plans. It leads the network of compliance officers within the departments of SNCF SA and its subsidiaries.

Compliance officers have been appointed in each of the Group's seven companies, and a network of compliance officers has been set up to roll out compliance programmes throughout the Group.

A compliance committee was set up in July 2018.

Group Compliance Committee

It is made up of senior managers representing the Group's seven companies and is chaired by the Deputy Chief-Executive Officer Strategy and Finance of SNCF SA. Its secretariat is provided by the Group Legal and Compliance Department. Its role is to improve consistency across the Group with regard to all compliance issues and to harmonise the actions to be taken in this area. Whilst this list is not exhaustive, the scope of the Committee's work includes in particular:

- Preventing corruption and bribery
- Protection of personal data
- Competition law
- Non-financial reporting and duty of care
- International economic sanctions and export control rules.
- Illegal labour lending and the offence of bargaining.

It meets twice a year. At its most recent meetings, it examined the following points in particular: control by the French Anti-Corruption Agency (AFA) and the progress of the anti-corruption compliance programme, the internal compliance control plan, the ongoing project to strengthen the SNCF system for preventing risks linked to international economic sanctions and export control, the Group's compliance with the General Data Protection Regulation (GDPR) and obligations linked to the duty of care.

For more details: see Vigilance Plan, 3.

Protection of personal data

Since 2018, GDPR has strengthened the protection of personal data in the European Union. In the course of its business, the Group collects and processes personal data relating to its customers, employees and partners, including suppliers and service providers. The processing of personal data has the potential to pose a high risk for the rights and freedoms of individuals. Companies must therefore be able to, at any time, demonstrate that their data processing complies with the regulations.

Failure to comply with this European regulation represents a financial risk (high administrative fines and criminal penalties), as well as a risk to customer relations and the reputation of the company and the Group.

Privacy policy

As part of a global approach to data protection, the company has put in place a Group data confidentiality and security policy designed to guarantee the highest level of protection for its employees, customers and partners personal data.

– 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 regulations.

– Each Group entity keeps a documented register of personal data processing within its scope.

– Sub-contracting to personal data processors is subject to a specific data protection agreement.

– Processing operations at risk are subject to privacy impact assessments (PIAs).

– Requests received from data subjects to exercise rights are carefully examined by the DPOs and the departments responsible for implementing processing in order to respond to them, in accordance with the conditions and within the deadlines set by the RGPD.

A compliance programme has been rolled out across the Group's seven companies in the European Union, focusing on seven areas:

- Governance
- Communication, awareness-raising and training
- Compliance with the data processing register
- Compliance tools
- Contractual compliance
- Information and individual rights
- Procedures.

Some actions carried out in 2023

– **The creation and deployment of an GDPR Internal Control Plan** within the various companies (six control points) and their subsidiaries (seven control points).

– **Monitoring the level of compliance with GDPR:** common compliance indicators between the DPOs of the Group's companies, creation of a Group GDPR risk map, drafting of a common roadmap, an annual report presented to the governance bodies and a DPO report for each company.

– **The roll-out in February 2023 of e-learning** on the protection of personal data. It consists of a basic module focusing on the main principles of personal data protection for all SNCF employees, along with specific modules for certain professions.

For more details: Vigilance Plan, 3.2 (DH4).

Key indicator

	2023	2022	2021
Percentage of European revenue covered by a DPO (%) - Group	95.36	86	98.8

2.2.2 The Group Ethics Department (GED)

Positioned within the Group Human Resources department, the GED has cross-functional responsibility for all Group companies. It acts under the exclusive and permanent authority of the SNCF Chairman to promote the ethics policy, to manage the ethics whistleblowing system and conduct ethics investigations, to prevent breaches of the Group's ethical principles, and to design and manage the deployment of the anti-corruption programme.

The GED publishes a report on its activities every year, which can be found on [sncf.com](https://www.sncf.com).

2.2.2.1 Group ethical governance

The Group Ethics Committee (GEC)

Created in 2006, the GEC includes representatives from the companies and several Group cross-functional departments. It is a body for reflection and guidance of the Group's ethical policy. Its Chairman, who is not a member of the company, is the Chairman of the ICC France (International Chamber of Commerce National Committee) Anti-Corruption and Corporate Responsibility Commission and the Ethics Officer of Global Compact (France network).

The Group Ethics Committee met four times in 2023. A number of themes were addressed during the year, notably:

- Changes in the governance in the collection and processing of incidence reports
- Progress of the programme to prevent and combat corruption
- The proposed new Public Affairs Charter
- Progress on gender equality incidents and action plans on the prevention of sexist and sexual harassment
- A look back at the diversity and inclusion policy
- Presentation of the Vigilance Plan
- Presentation of incidence results in 2022 and mid-year trends for 2023
- The ethical challenges of the Paris 2024 Games
- Feedback on the Rugby World Cup online invitations.

Since 2023, within this committee, an ad hoc collegial analysis and decision-making support unit has been responsible for dealing with incidents or opinions deemed sensitive and the action to be taken.

The GED involvement and participation in governance bodies

Ethical issues are also regularly included in the Group's governance bodies' agendas. The Group Ethics Director is particularly responsible for:

- The Board of Directors' CNRG & CSR Committee
- The Group Executive Committee and the executive committees of the five railway companies
- Social partners: annual bilateral consultations with representative social organisations on incidences as part of the vigilance plan presentation and annual presentations to the Group Committee and the European Works Council.

The Group Ethics Director sits on a number of governance bodies (including the Executive Committee, the Anti-Corruption Steering Committee and the Vigilance Steering Committee).

Network of ethics officers

For more than ten years, the Group Ethics Department has been coordinating a network of ethics officers representing the Group's various businesses. These officers, who will number more than 75 by the end of 2023, are responsible for relaying, reinforcing and, if necessary, adapting the Group's ethical approach within their entity: communication or awareness-raising initiatives, management of incidents. Each of the ethics officers is asked by the GED to contribute to the annual review of the Group's ethical actions.

In 2023, the network of ethics officers benefited from a dedicated training programme:

- incident management, the guiding principles of internal investigations and the conduct of interviews adapted to this type of investigation
- Preventing sexual and sexist harassment.

The ethics officers took part in six meetings in 2023 and were invited to all the awareness-raising events for employees organised by the GED, in particular on the ethics of artificial intelligence, the Wassermann Act (protection of whistleblowers) and secularism.

Sexual harassment prevention officers

Since 2021, under the guidance of the GED, a company sexual harassment prevention officer has been appointed in each of the Group's seven companies. These officers lead a network of contacts and share best practice in preventing and dealing with sexual harassment in the workplace. Two sexual harassment prevention officers also sit on each of the 33 social and economic committees (SEC), giving a total of 66 officers instead of the 33 required by French law.

In 2023, the GED organised a webinar, along with 10 specific events and forums on the prevention of sexual and sexist harassment. Four training sessions were offered to the representatives of the 33 works councils.

Managing ethical risks...

Ethical risks, particularly in the areas of corruption and vigilance, are assessed by all Group entities as part of the annual mapping exercise of major risks, led by the Group Risk Management department.

The GED's presence on various governance bodies means that ethical risks and remedial action can be shared and monitored across the board with the Group's other control functions (purchasing, internal audit, internal control, risk management, legal and compliance).

...Extended to new risks such as artificial intelligence (AI)

At the end of 2023, under the stewardship of the Group Deputy Chief Digital Officer and the Group Human Resources Director, the GED created a network of artificial intelligence ethics correspondents. Meeting for the first time in January 2024, they will draw up a draft charter of ethics for artificial intelligence, which will be adopted within the year after consultation with stakeholders. In addition, ethical co-governance of AI projects with the Group's digital management will come into effect in 2024.

2.2.2.2 The Group's ethical values

Ethics Charter

Signed by the CEO, the Chairman of the Group Ethics Committee and the Director of Group Ethics, the Group

Ethics Charter is appended to the companies' internal regulations and published on sncf.com. It refers to:

- **Five ethical values:** Integrity, responsibility, respect for people, trust, courage
- **And eleven behaviour principles** that must be respected by all employees, including in particular the protection of human capital.

The Ethics Charter covers the following topics:

- Protecting human capital (bullying, sexual harassment, discrimination, diversity and gender equality)
- Preventing corruption, fraud, compliance with competition law, conflicts of interest, personal data
- Integrated management of SNCF assets
- Reducing the environmental footprint
- Obligations as a responsible and socially responsible group
- Service providers and suppliers' ethics
- The specific duties associated with public service missions (secularism, neutrality, equal treatment, loyalty and reserve).

All the criteria for discrimination set out in recent legislation are covered: age, state of health, membership or non-membership of a so-called race, membership or non-membership of a nation, sex, gender identity, sexual orientation, pregnancy, disability, origin, religion, bank address, political opinions, philosophical opinions, family situation, genetic characteristics, morals, patronym, trade union activities, place of residence, membership or non-membership of an ethnic group, loss of autonomy, ability to express oneself in a foreign language, vulnerability resulting from one's economic situation, status as a whistleblower, status as a facilitator of a whistleblower or links with a whistleblower.

When in doubt, the charter sets out the three reflexes to adopt: discernment, seek advice and ethical alert.

Promoting ethical values

The Group Ethics Department promotes the five values and eleven principles of the Group Ethics Charter through:

- The publication of a number of guides and practical information sheets for managers, HR managers and employees, focusing in particular on:
 - Preventing bullying
 - Preventing sexual harassment and sexual and sexist harassment (Guide to reporting and dealing with sexual harassment, May 2023)
 - Discrimination
 - Secularism and neutrality (distribution in 2023 of a new practical guide for HR staff and managers and a summary version for all employees)
 - Gifts and invitations
 - The guidelines issued in 2023 on invitations to the major sporting events of the Rugby World Cup and the Paris 2024 Games
 - Conflicts of interest
 - Artificial intelligence
 - Protection of personal data
 - The correct use of social media (new guide to be distributed in 2023).
- The development of thematic information sheets for all employees

– A dedicated advice hotline and email address: the GED received over 300 requests for advice in 2023 (compared with 185 in 2022 and 142 in 2021)

– Awareness-raising and training initiatives for operational units and management committees:

- The GED meets regularly with employees and management committees at forums, meetings and webinars to discuss the Group's values and ethical principles.
- In 2023, 57 events were attended by a total of 1,959 participants.

For employees working in the rail sector, two systems help to spread these principles and values:

- The "MyEtic" digital application deployed on a large scale on work tablets and telephones
- The ethics intranet, accessible to all.

The Group Ethics department is also a member of a number of think tanks whose aim is to share best practice in business ethics and corporate social responsibility between companies: Cercle de l'Éthique des affaires, MEDEF Ethics Commission, among others. In particular, it has taken the initiative of creating a working group bringing together several major partner companies of the Paris 2024 Games to discuss ethical issues and the respective practices of the partners.

The Group's whistleblowing system

Since 2011, the SNCF Group has had an ethics whistleblowing system that allows all employees to report facts or behaviour that contravene the law, regulations or the ethics charter, or that could affect the company's business or reputation.

This system was supplemented in 2022 by an outsourced digital platform for incident reporting collection, accessible 24 hours a day, 7 days a week. It preserves the confidentiality of exchanges with whistleblowers and enhances the level of security and accessibility. This platform covers all the Group's entities, including those outside France. Since January 2023, it has been available in 12 languages at www.alerteethiquesncf.com.

For more details: Vigilance Plan, 4.

Key indicators

	2023	2022	2021
Whistleblowing alerts received (number) - SNCF	403	227	110
Investigations opened by the Group Ethics Department (number) - SNCF	21	15	22

With a view to preventing, detecting and remedying behaviour that contravenes the company's regulatory and ethical framework, the GED has extended the scope of ethical alerts received to all Group companies since 2022, beyond the alerts received by the GED (a total of 729 alerts received by the Group in 2022). Consolidated figures for alerts at the Group's terminals are published in the GED's annual report, which can be accessed on the sncf.com website.

In 2023, the GED conducted 21 investigations, two out of three being into business ethics. The significant increase in the number of alerts in 2023 (+78% compared with 2022) shows, on the one hand, the integration of ethical values into the corporate culture, freedom of speech, the intolerable nature of behaviour that does not comply with these values and, on the other hand, the impact of ethics-related awareness-raising, training and communications.

Ethics investigations are carried out by the GED on behalf of the five railway companies.

However, within the seven companies most internal investigations, are carried out locally by HR staff, managers and ethics officers. The issues covered by these surveys mainly concern allegations of bullying or sexual harassment, or of discrimination.

The recommendations resulting from the surveys are sent to the departments concerned for implementation. The GED monitors the effective implementation of the recommendations and remedial measures proposed as a result of the ethics investigations. As part of the training and awareness-raising programmes offered by the Ethics department, anonymised scenarios from ethical surveys are shared.

Ethical climate survey: the "It's up to you" survey

Since 2022, the SNCF has been measuring employees' level of ethics awareness via the "C'est à vous" internal survey.

Awareness of the whistleblowing system within the railway scope has improved significantly in 2023: almost two thirds of employees are now aware of the system (64% versus 52% in 2022).

In addition, 84% of respondents feel that if they were to report unfair treatment linked to discrimination, the report would be taken into consideration by the Group (81% in 2022).

Ethical self-diagnosis for managers

Managers are a vital link in the ethical chain to prevent risks to the company's image and reputation, as well as criminal, commercial, financial and legal risks.

Since 2023, an in-house digital app has provided them with a self-diagnostic tool to:

- Assess their maturity level on ethical issues
- Identify the tools available to help their progress.

The questionnaire is anonymous and comprises 29 questions divided into four sections:

- The fundamentals
- HR ethics
- Business ethics
- Digital ethics.

2.2.2.3 Design and deployment of the anti-corruption programme

The SNCF Group, a signatory to the United Nations Global Compact, has introduced an anti-corruption code of conduct in accordance with the 2016 French Sapin II law. It can be viewed on sncf.com.

By delegation from the CEO G, the head of GED is responsible for steering the Group's anti-corruption programme and the fight against corruption. He is also the contact person for the AFA.

An anti-corruption steering committee has been in place since May 2021 as part of the anti-corruption programme. It is chaired by the Deputy Chief-Executive Officer of SNCF SA and coordinated by the Director of the GED. It continually monitors the design, implementation and progress of action plans required by the Sapin II Act and the AFA.

An operational anti-corruption committee, bringing together internal stakeholders at Group level, is also dedicated to exchanging best practices and the progress of the programme. The Group Ethics Director reports to the CEO on the progress of the programme. G once a

month and to the Group Executive Committee on a regular basis.

AFA's report on the programme

In June 2021, the AFA notified SNCF of a warning inspection, following an initial inspection in 2018. Its final follow-up audit report, issued in November 2023, contains a number of recommendations and no further shortcomings in the SNCF Group's corruption and bribery prevention programme. The AFA recognises the Group's commitment in this area. The company must therefore continue with its programme of compliance incorporating these recommendations.

2023 Initiatives

In addition to the responses provided as part of AFA's audit, the main initiatives carried out in 2023 included:

- **Developing the risk mapping methodology**, which now includes gross risks (having no management and control systems in place), in addition to net risks (having systems in place).
- **Continuing to provide** regular training for Group managers and staff exposed to the risk of corruption, taking into account the specific characteristics of the various entities with a large number of dedicated case studies. In addition, an e-learning programme on preventing and combating corruption is available to all employees. By the end of 2023, 81.9% of managers and employees at risk will have received training.
- **Complete the rollout of a digital third-party assessment platform** for all Group entities (excluding GEODIS, which has deployed dedicated tools). This tool enables each entity to formally carry out integrity assessments of its third-party external sources in a uniform, consistent and shared manner. It will guarantee not only that assessments are carried out for each scope and type of third party in accordance with a defined process, but also that the roles assigned to each function involved in the process are allocated: operational staff, compliance experts and senior management.

For more details: Vigilance Plan, 4.

- **Defining and implementing all first- and second-level anti-corruption accounting controls** at Group level, in line with the risk scenarios arising from the corruption risk mapping exercise.
- **Update the anti-corruption code of conduct** (Reference RA00507, appended to the internal regulations of the five railway companies). The aim is to take account of the creation of the new whistleblowing platform, the new version of the Group's Ethics Charter and the new Public Affairs Charter.
- **Roll out sponsorship and patronage procedures more widely**
- **Roll out guidelines within the rail companies on invitations** to the 2023 Rugby World Cup and the Paris 2024 Games. Specific rules for these events supplement or deviate from existing policies on gifts and invitations.

In the event of a proven breach of probity, disciplinary action is taken, up to and including striking off or dismissal, depending on the situation.

The Group is continuing to raise awareness among its employees and to provide anti-corruption training for managers and staff at risk:

Key indicators

	2023	2022	2021
Percentage of trained staff exposed to the risk of corruption (%) - Group	81.9	45.6	n.a.

Key figures 2023 - SNCF

"Acting against corruption and bribery" online awareness-raising module

- Number of users: 15,347
- Courses completed: 11,583, or 75%

2.3 DIALOGUE WITH EXTERNAL STAKEHOLDERS

2.3.1 Stakeholder committees and advisory boards

2.3.1.1 Context

The 2020 rail reform introduced two stakeholder committees, one for SNCF SA, the other for SNCF Réseau and its subsidiary SNCF Gares & Connexions. Furthermore, Keolis set up its committee several years ago.

Two other dialogue bodies are in place: the Consumer Advisory Council and the Accessibility Council for the rail sector.

2.3.1.2 Our commitments

To ensure our internal and external stakeholders are involved in the development of our activities at local, regional and national level.

The SNCF Group's stakeholders and the associated forms of dialogue are presented below:

Methods of engagement



¹APE : State Participation Agency
²AOM : Mobility Organising Authorities
³UIC : International Union of Railways
⁴CER : Community of European Railways
⁵U(i)TP : Public Transport Union (International)
⁶ARF : Regions of France Association

Stakeholders

Employees

Signing of collective agreements • Quality of life at work initiative • CSE and CEE meetings • Image surveys • "C'est à Vous" social surveys

Suppliers

Satisfaction questionnaires • SME commitments (SME Pact, Single point of contact, Mediation)

Financial Partners

Non-financial reports • Financial reports • Management reports
 Green Bonds Reports

Regional Players

Integration projects • Participation in various local bodies • Conventions • Stakeholder committees

Academia

Participation in chairs • Standardisation initiatives

Public Authorities

Participation in the legislative and regulatory framework development

Professional Associations

Participation in expert working groups, within professional mobility associations and multi-sector associations

B2C Customers

Customer surveys and panels • NPS satisfaction measurement • Advisory Committee for people with disabilities and consumer associations • Focus and line committees • Websites • Social media

B2B Clients and Institutions

Negotiation of agreements • Discussions with the ARF • Customer surveys • Customer meetings

Civil Society

Working groups • Conferences • Press seminars • Sponsorship • Conferences and events • Cross-communication relays • Regional projects • Partnerships • Stakeholder committees

2.3.1.3 Policy and actions

SNCF Group Stakeholder Committee (SC)

The Stakeholder Committee is an advisory committee that strengthens the dialogue between the SNCF Group, its stakeholders (elected representatives, local authorities, associations, customers, suppliers) and those qualified to best respond to the challenges facing the company: mobility, ecological transition, regional development. Its composition is defined by Decree no. 2019-1384 of 17 December 2019.

The SC meets twice a year under the stewardship of the CEO. On the agenda are expectations in terms of dialogue, current events, feedback from the intersessional work, and actions to be implemented. SC members may meet between sessions for ad hoc focus groups.

To support the Group's transformation, the SCs work is linked to the "Tous SNCF" corporate project and its four strategic priorities: people, territories, environment, innovation and digital technology. The conclusions reached from these discussions are passed on to the Board of Directors and to the Group's businesses concerned. In 2022, the members of the CPP reflected on the methods needed to achieve the stated rail ambition for passengers and freight, in the presence of representatives of these activities. This committee also expressed its opinion on the relevance of the commitments linked to the *raison d'être* and the way in which they are managed, in the presence of the Director of the DESTE. In 2023, the focus groups focused on mass transit, pricing and distribution. The vigilance plan was also shared ahead of publication.

Railway Network and Stations Stakeholder Committee

Once a year, SNCF Réseau organises an advisory committee of railway network and station stakeholders, in which SNCF Gares & Connexions participates. The committee is made up of seven people appointed by their institution, seven by SNCF Réseau and six people qualified in mobility, ecological transition and regional planning, also appointed by SNCF Réseau. This committee notably provides a forum for sharing views on key issues such as corporate social responsibility, regional development and cohesion, service offering and quality, safety and security, and monitoring of the company's business plan. The committee was asked in 2023 to:

- Visit the national traffic operations centre, regarding major events (2023 Rugby World Cup, Paris Games 2024)
- Sharing news on funding, metropolitan regional express services and the ecological transition.

Keolis Stakeholder Committee

The 13th annual Keolis External Stakeholder Committee was held in 2023. The aim of this dialogue forum is to shed light across the board on various issues relating to mobility, the company's actions, its corporate social responsibility approach and specific questions raised during meetings.

This year, the discussions focused on Keolis' commercial news and the initiatives taken by the subsidiaries regarding on demand transport in the regions. The highlight was the stakeholder contribution to Keolis' double materiality analysis as part of the preparations for the implementation of the CSRD directive.

Consumer Advisory Council (CAC)

This is a memorandum of understanding signed between SNCF Voyageurs and national consumer associations. Chaired by the Chairman of SNCF Voyageurs and attended by representatives of the Passenger business lines (TGV, TER, Intercités, Transilien and

SnfConnect&tech), it meets twice a year to present news, the balance sheet and work prospects, and to answer any written questions from the associations. The SNCF Mediation officer will present her report and recommendations at the April meeting.

In 2023, the following topics were discussed:

- Presentation of the new SNCF Voyageurs website and the new European regulation on rail passenger rights
- SNCF Voyageurs' position on the government's Rail Pass proposal, the increase in train ticket prices, etc.
- The outlook for the development of services and frequencies for TGV INOUI, OUIGO and Intercités, and the TER ridership and regularity reports for the Paris-Clermont Intercités line.
- The presentation of the Transilien transport offer in the Île-de-France region for leisure travel, the presentation of the new Mass Transit Transilien automatic ticket machine, the accessibility of the SNCF Connect website and the prospects for regional coach ticket sales on SNCF Connect.

2.3.2 Institutional relations

The SNCF Group is one of the world's leading public transport and logistics groups. As such, it is regularly called upon to express its views on issues that concern it and the framework in which it carries out its work.

It is therefore involved in discussions and work on changes to French and European regulations, particularly in the passenger and freight transport sector, in the fields of sustainable development, accessibility, competition, digital technology and, more broadly, on any regulations that may affect it.

Committing to our stakeholders

The SNCF Group carries out its interest representation activities in line with its overall approach to promoting and continuously improving its actions in terms of social and environmental responsibility. It acts in accordance with the commitments made to all stakeholders and in accordance with the values and principles of its ethics charter and with international, European and national legislation and regulations.

With its wide-ranging expertise, know-how and local roots, it is a key player in regional development. Through its actions at all levels - local, national and European - the Group aims to contribute to the decarbonisation of transport, by encouraging collective or less polluting modes of transport.

Sharing its vision at national level

As part of the work of the French Parliament, the SNCF Group is regularly called up 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). In addition, a Public Affairs Charter was published in 2015. It was last updated in March 2023 and is available on [sncf.com](https://www.sncf.com).

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 passenger) in France, as well as other organisations such as France Industrie and Fer de France.

French Parliament legislative and oversight work in 2023

In addition to pension reform, which was a particular focus of the Assembly and Senate, the Group took action on several key issues on the parliamentary agenda.

Following the submission of the Infrastructure Guidance Council's report and the announcement by the Prime Minister in February 2023 of a €100bn plan for the future of rail transport, the CEOs of SNCF SA and SNCF Réseau were interviewed on rail infrastructure financing and programming.

The SNCF Group has also taken action on the 2024 Finance Bill and the draft law on Metropolitan Regional Express Services (SERM), the first stage in this plan for the future of transport. The aim is to enable and support the development of SERMs to open up suburban and rural areas and reduce carbon emissions from travel.

At the same time, the Senate wanted to improve the legal framework for "zero net artificialisation" to reconcile the objective of reducing land use with the need to preserve land development projects. SNCF Réseau and SNCF Immobilier have been heard on several occasions in this context.

The SNCF Group has also contributed to a number of parliamentary instrumentation & control operations:

- The Committee of Inquiry into the liberalisation of rail freight and its consequences for the future
- Assessing the impact of the New Railway Pact Law of 27 June 2018
- The development of a biofuels, sustainable synthetic fuels and green hydrogen sector
- Funding for mobility organising authorities.

Finally, throughout 2023, SNCF was approached by both chambers about the Paris 2024 Games. A great deal of thought has gone into infrastructure, transport plans and safety.

All SNCF Group entities are listed in the HATVP directory of interest representatives, which can be found online.

Working together at European level

For all those involved in the transport sector, the European Union is a key decision-making platform.

With a presence in Brussels since 1992, the SNCF Group is represented at the European Union. The Group lends its expertise and represents its interests directly to the European institutions - Parliament, Commission and Council - as well as to the Permanent Representations of the Member States and various other stakeholders at European level.

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

For more details: see 2.3.4.

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.

European legislation and regulations in 2023

The Group's contribution to this work focused in particular on:

– **The Green Deal and the "Fit for 55" package:** these aim to align European legislation with the target of reducing greenhouse gas emissions by 55% by 2030. Among the texts that have received the most attention:

- Revision of the Emissions Trading Scheme (ETS)
- The Energy Taxation Directive (ETD)
- The Social Climate Fund (SCF)
- The Alternative Fuel Infrastructure Regulations (AFIR) and the Effort Sharing Regulations (ESR)
- The Renewable Energy Directive (RED)
- The regulation on calculating transport emissions (Count Emissions EU)
- The regulation on the reform of the European electricity market.

– **Infrastructure:**

- Revision of the Trans-European Transport Network (TEN-T) Regulation. It defines the network's technical parameters to be implemented by the infrastructure managers and the preparation of the future legislative initiative on rail capacity management.
- Future guidelines for setting railway tolls.

– **Passenger transport:**

- Preparing the future initiative on multimodal passenger rights
- Revision of the interpretative guidelines on public service obligations
- The directive establishing a European card for people with disabilities.

– **In regard to freight transport:** the revision of the Directives on Combined Transport (CTD) and on the Weights and Dimensions of Commercial Vehicles (WDD).

– **In regard to business:** preparing the revision of the Train Drivers Directive (TDD).

– **In regard to state aid:** revision of the railway guidelines and the transport enabling regulation.

– In regard to **digital** technology: the Data Act, the revision of the regulation on the sharing of mobility data (MMITS) and the preparation of the future regulation on digital multimodal mobility services (MDMS) and the future communication on the common European mobility data space (EMDS).

– **In regard to sustainable finance and CSR:** taxonomy, green bonds, the CSR Reporting Directive (CSRD) and the directive regarding duty of care.

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

Playing a role in the European innovation ecosystem

The SNCF Group is also a member of Europe's Rail public-private partnership, co-funded by the European Horizon Europe programme. Launched in 2022 as an extension of the Shift2Rail programme, the activities of this programme define the railways of the future through collaborative projects organised around several innovation programmes. They are dedicated in particular to network management, the automation of rail operations, rolling stock, command and control, infrastructure and rail freight. 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 the European Rail Research Advisory Council (ERRAC), the European technology platform for rail transport.

The Group also contributes to European public debate by taking part in conferences and events on topical issues.

Through its national and European actions, the SNCF Group aims to encourage the construction of a regulatory and financial framework that supports the development of rail transport and the modal shift towards it.

Thus, the Group is helping to reduce greenhouse gas emissions produced by the transport sector - which accounts for over 30% of total emissions in France and Europe - and to mitigate climate change. It is in this context that we are calling for a massive investment plan in the rail network, a prerequisite for a supply shock, and for action on more specific European regulations: the greenhouse gas emissions trading scheme, energy taxation, the social climate fund, alternative fuels, the TEN-T, combined transport, and the weight and size of commercial vehicles.

Dialogue with the regions

The SNCF Group is positioned as a key player in regional development at all levels. After the French State, it is the second largest landowner and stands out for its regional presence, particularly in terms of jobs and purchases from French companies.

Its regional support strategy, one of the four thrusts of the "Tous SNCF" corporate project, aims to improve clarity and efficiency with regard to external contacts. In particular, its purpose is to facilitate the many interactions within the SNCF Group, for the benefit of its customers, its institutional or economic partners and employees, whilst respecting the responsibilities of each, the rules of competition and the independence of the essential functions of the infrastructure manager SNCF Réseau and the service facility operator SNCF Gares & Connexions.

This commitment is reflected in the appointment of a Group regional coordinator in each region.

Appointed from among the managers in place, the Group regional coordinator is assisted by a deputy, attached to SNCF SA, and can be a point of contact for the various components of the SNCF Group, subject to the essential functions concerning SNCF Réseau and SNCF Gares & Connexions and respecting the competences of each of the subsidiaries. A Group Territories Director and a Territories Adviser to the Group CEO complete the governance structure.

The aim is to develop regional strategies throughout France. They are set out in "roadmaps" shared between the SNCF Group and a regional council or a metropolis, a town or a public institution for inter-communal cooperation. They are mainly focused on local development issues and are not related to the essential functions of SNCF Réseau and SNCF Gares & Connexions.

Furthermore, the SNCF Group is also developing partnerships with the main associations of elected representatives, such as Régions de France, the Association des maires de France (AMF), France urbaine, Villes de France, the Association des petites villes de France (APVF) and the Association des maires ruraux de France (AMRF). In this regard, the Group contributes to their work and takes part in the annual events they organise.

2.3.3 Climate commitments

Rail against carbon: for the ambitious growth of the railway

Or the pledge of Jean-Pierre Farandou, CEO of the SNCF Group.

In a piece published on 10 February 2022 by the Fondation Jean-Jaurès, the Group's CEO outlines his ambitions for the French rail industry and explains why doubling the modal share of rail in the next two decades is as much an ecological necessity as it is an economic and social one for France. He also sets out how this can be achieved:

– **With the development of infrastructure:** the creation of metropolitan RER stations in 13 major French cities, the construction of high-speed lines, the regeneration effort underway which benefits the entire network particularly daily trains, the deployment of light trains on branch lines throughout the country, the development of long-distance services on poorly-served routes, etc.

– **With the modernisation and digitalisation of the network**

– **With levers on services:** to act affect prices, improve the quality of service, revive freight transport, encourage mixed mode commuting and accelerate the shift to rail travel through carbon pricing.

The European version of the pledge

SNCF is bringing together some thirty European railway companies around a joint pledge for more attractive, sustainable, inclusive and innovative mobility.

The aim of this plea is to mobilise European rail stakeholders and European and national public authorities around the objective of increasing the modal share of rail to combat climate change.

Four challenges

More than 30 European operators and infrastructure managers are demonstrating their commitments to four issues: attractiveness, sustainable development, inclusiveness and innovation. These are designed to demonstrate that Europe's rail operators are fully committed to these issues. The plea then calls upon the European Union and the Member States to support the development of the railways through concrete measures, in particular the setting of modal shift targets or huge investments in the network to enable this modal shift.

This European initiative complements the national initiative of Jean-Pierre Farandou, who has put forward his proposal to double the share of rail travel over the next two decades to public debate .

The two initiatives are closely linked and serve the same objective: **the modal shift to rail travel is an essential solution to help combat climate change.** But the railways can't do it alone. They need massive financial and regulatory support from Europe and the Member States.

2.3.4 Transport sector commitments

The associations to which the SNCF Group belongs are committed to defending the positions of their members, in favour of the development of public and rail transport. The aim is to contribute to the decarbonisation of the transport sector.

Union of Public and Rail Transport (UTP)

The UTP is the professional organisation representing public transport companies and companies in the rail sector in France: freight and/or passenger transport, infrastructure and service facility managers, etc. 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.), along with CSR news from the profession.

In addition to the various legislative and regulatory initiatives, in 2023 the UTP published:

- An update of its guide to good practice in energy efficiency in the urban public transport and rail sectors
- an analysis of skills and training needs in the urban and rail transport sectors France 2030
- The guide to combating sexist and sexual offences in transport.

Community of European Railways and Infrastructure Managers (CER)

The CER is the European professional organisation for railways. It brings together nearly 70 railway companies, national associations, infrastructure managers and vehicle leasing companies. The CER represents the interests of its members to EU policy-makers and transport stakeholders, defending rail as the backbone of a competitive and sustainable transport system in Europe. SNCF is involved in all of the CER's work.

International Association of Public Transport (UITP)

UITP is the world's professional organisation for public transport. It aims to improve quality of life and economic well-being by supporting and promoting sustainable transport in urban areas around the world. UITP has over 1,900 members in 100 countries. It is the only global network to bring together all the players in public transport and all the sustainable modes of transport.

SNCF actively participates in several UITP committees and working groups, including the European Union Committee. It also sits on the UITP Policy Board, which approves the organisation's international positions. SNCF is a signatory of the UITP Sustainable Development Charter.

International Union of Railways (UIC)

The UIC is the world's professional organisation for railways. It promotes rail transport worldwide and the collaborative development of the railway system. It has 219 members from all five continents, including rail operators, infrastructure managers and rail service providers.

The UIC's main tasks are to:

- Understand the commercial needs of the rail community
- Develop innovation programmes to identify solutions to these needs
- Prepare and publish reports, specifications, guidelines and standards (International Railway Solutions - IRS) to facilitate the implementation of these innovative solutions.

In terms of sustainable development, the UIC's dedicated platform contributes to the environmental and social agenda of the world rail community, in particular during the climate COPs. The work addresses a range of topics such as air quality, the circular economy, energy and greenhouse gas emissions, noise and vibration, and sustainable land use, in addition to other cross-cutting issues such as sustainable procurement and gender equality practices.

As an active contributor to the work of the UIC, SNCF is a signatory of the Railway Climate Declaration.

2.3.5 Sponsorship and partnerships

2.3.5.1 Context

In 2023, SNCF wanted to have a Group vision of partnerships to increase the impact and benefits of its commitments. It has therefore reviewed its policy on major partnerships with Group companies. The companies remain autonomous when it comes to entering into partnerships.

2.3.5.2 Our four key commitments

- Developing advocacy for sustainable mobility in France and Europe, with a focus on funding for the French rail system, but also in support of emerging models of the company in transition.
- Developing and consolidating our expertise and knowledge.
- Developing our networks to promote our commitment.
- Strengthen our local roots and actions.

2.3.5.3 Policy and actions

The Group has a long history of forging partnerships around major CSR issues such as sustainable mobility, climate and energy, the circular economy, inclusive mobility, diversity or even a local presence. It has chosen to work over the long term with a limited number of partners, including 10 major organisations.

In response to these commitments, these partnerships allow us:

- To share the constraints, levers, risks and opportunities with high-level experts, influencers and other stakeholders, in order to fuel advocacy in favour of rail and sustainable mobility, and to coordinate actions with the institutional agenda.
- To develop skills (benchmarking, training, tools, etc.) and design innovative solutions (circular economy)
- To increase the number of multi-stakeholder networks (standing committees, working groups) and promote the actions undertaken
- To carry out consultation (acceptability of business development) and societal programmes (integration and mediation) in local areas.

These partnerships take different forms:

– Membership of multi-sector and non-sector business networks:

- UIC, UTP, UITP (see 2.3.4)
- EpE (Entreprises pour l'environnement)
- Orée (Organisation pour le respect de l'environnement en entreprise)
- EDH (Entreprises pour les Droits de l'Homme)
- ORSE (Collège des Directeurs du Développement Durable)
- C3D (Collège des Directeurs du Développement Durable)
- Comité 21
- France Villes et territoires Durables
- RECORD
- Convention des entreprises pour le climat
- Observatoire pour la mixité
- **Sponsorship agreements** with NGOs and associations:
 - FNH (Foundation for Nature and Man)
 - The Shift Project
 - FNE (France Nature Environnement)

- I4CE (Institute for Climate)
- Capital Filles

– **Partnerships in return for** training, contributions to research or publications, participation in events, etc.

- Impact France movement
- Forum international de Météo&Climat
- Chaire Talents de la Transition Écologique de l'ESSEC
- LPO et FNE pour SNCF Réseau

– **Interaction with other major organisations without financial counterparties:**

- ADEME with a partnership agreement (climate, mobility, circular economy, local cooperation and skills)
- IDDR (the Institute of Sustainable Development and International Relations) as part of the French recovery plan (high-level discussions with the Chairman of Rail Logistics Europe, the Executive Director of Strategy and Corporate Affairs at SNCF Réseau and the Director of the DESTE)
- Climate Action Network (CAN) for high-level exchanges and dialogue, European Climate Foundation
- Paris Action Climat Biodiversité
- Academic institutions, through participation of research chairs and projects, along with hosting thesis students

– **Increased dialogue** with stakeholders on the stakeholder committees of Group companies.

All these people form a tightly woven network with strong areas of influence in the institutional sector and within the company itself.

In addition, at regional level, the Group intends to develop variations of national partnerships (Comité 21 Grand Ouest, the deployment of SNCF Renouvelables with FNE on the impact on biodiversity of solar panel installation, etc.) and local or national projects in conjunction with the Group's Regional Coordinators (Météo & Climat's Climate and Biodiversity Tour, France Ville et territoires Durables with AREP to implement the Global Compact's regional workshops).

2023 achievements by commitment area

Area 1: Developing advocacy for sustainable mobility in France and Europe, with a focus on funding for the French rail system, and promoting emerging business models in transition.

To meet this commitment, in 2023 the SNCF Group held discussions with representatives of FNH, FNE, I4CE, The Shift Project and RAC, in particular on the levers of modal shift, adaptation and the financing of investments to mitigate climate change. The company organised a visit to a track renovation site and its base for ballast reuse operations. In addition, the Group took part in a round table organised by Impact France at the Université d'été de l'économie de demain.

The work carried out with the associations 2gap, Observatoire de la mixité, AME (association pour la mixité en entreprise) and Cercle InterElles also contributes to this commitment.

Area 2: Developing and consolidating our expertise and knowledge

In 2023, SNCF took part in working groups, exchanges of experience with other companies and study groups set up by:

– **ORSE**. Topics covered included CSRD and the dual materiality of sustainability issues, taxonomy, the ecological mobilisation of employees, stakeholders via social networks and shareholders.

– **EpE**. The Group contributed to three studies and guides, including "Biodiversity: enhancing value to take action", "Stage 2030 of the ecological transition" and "Improving indoor air quality".

These publications can be viewed for free on the ORSE and EpE websites.

– **ADEME**. SNCF tested its methodology, through a combination of audit and diagnosis, to assess the maturity of companies in adapting to climate change.

Area 3: Developing our networks to promote our commitment

As well as the participation by the Director of DESTE in the ORSE round table "Should CSR be radical?", the Group contributed to ten booklets published by OREE on the circular economy associated with CSR themes (social, health, attractiveness of regions, innovation, etc.). A number of these publications include feedback from SNCF.

Furthermore, SNCF Voyageurs, a partner in the Convention des entreprises pour le climat (Businesses for Climate Convention), along with TER Bretagne, took part in its regional roll-out in the West of France in 2023. This participation, alongside 60 companies and institutions, has enabled it to enrich its 2030 roadmap to make low-carbon intermodality accessible to as many people as possible and to re-engage with people.

Area 4: Developing our local roots and actions

SNCF held talks with FNE:

– On the regional deployment of renewable energies from the railways as part of the creation of SNCF Renouvelables subsidiary

– On the uncertainty section of the daily life mobility survey by FNH and Wimoov concerning the activities and stakeholders of the SNCF regions.

Météo&Climat supported the SNCF in its national tour of scientific mediation on climate and biodiversity project: optimisation of impacts and measurements, events on trains, relations with towns, transport and logistics.

SNCF is also involved throughout the year **with CAPITAL FILLES** in guiding and advising secondary school girls on their career paths.

With PIMMS MEDIATION, where the company is secretary of the board of directors of the national network. In 2023, SNCF updated the catalogue of Pimms services for SNCF Voyageurs, SNCF Gares & Connexions and ICF Habitat. It has also included mobility training workshops in each agreement and developed new partnerships between PIMMS and SNCF.

For further details: See 7.3.

With CHANTIER ÉCOLE, SNCF launched a feasibility study for a national partnership to frame, develop and enhance this commitment, based on the SNCF Réseau and Transilien agreements.

With RÊVE DE SCÈNES URBAINES, SNCF:

– Alongside Plaine Commune, supports the charter on sustainable mobility for businesses (sustainable mobility plan, pro-bike employer),

– Co-built a decision-making tool for companies and local authorities in the Greater Paris area (ma ZFE)

– Created a 3D-printed walkway as part of the Paris 2024 Games. This is a pedestrian crossing at the level of the Saint-Denis canal, made from a specially developed material of prestressed printed concrete (without HPFC - ultra-high performance fibre-reinforced concrete).

The 2024 programme includes work on opportunities for rainwater recovery and management, building renovation and refurbishment, and social innovation to promote sustainable mobility for all in Seine-Saint-Denis.

Together with the Fondation des femmes, the Fédération nationale solidarité femme, the CIDFF, Elles bougent and Force femme, SNCF is making a national commitment to gender equality.

2.3.5.4 Innovation & research

New technologies will transform the train and enable us to respond to the challenges of mobility, with a renewed multimodal, low-carbon offer that is accessible to all, in all regions.

To achieve this, we need to speed up the industrial and digital transformation of the rail industry by combining the strengths of SNCF with those of its partners, whether in industry or academia.

SNCF is forging a number of partnerships to:

- Develop new technologies
- Work with other players in the sector and streamline investments
- Attract young talent with strategic skills for the rail industry.

2023 was marked by SNCF's commitment to the Rail Industry Research and Innovation Steering Committee (CORIFER), which provides a forum for dialogue between the State and the industry, and for steering and optimising support for innovation. It is also the body through which industry projects are channelled into public support schemes, particularly those under the France 2030 plan. SNCF and the industry have therefore drawn up a 2023-2030 roadmap, which has been taken up by the French government to guide the calls for expressions of interest launched in 2023. Research and development efforts are therefore focused on:

– **The train with a very low environmental impact.** In addition to rolling stock, this concerns all innovations for the benefit of the rail system (infrastructure, services, operators, manufacturers) that aim to improve the system's performance in terms of sustainable development (energy efficiency, pollution, recycling, other threats).

– **High-performance, inclusive mobility for everyday use,** bringing together all the innovations aimed at improving the quality of service for users. In particular, these are designed to digitise rail transport (equipment, infrastructure, industry) and make rail freight more attractive through digital solutions.

22 applications submitted

In 2023, SNCF worked with industrial and academic partners on each of these themes to submit 22 projects. These are the ones that the company, along with partners, is involved with, for a total business volume of €366m euros. The projects selected are examined by government departments to determine which ones will be funded from 2024 onwards.

Europe's Rail

In addition to the national approach, it is essential for infrastructure managers, operators, manufacturers and the entire academic research and innovation ecosystem to work on a European scale.

It was with this in mind that the European rail research and innovation programme Europe's Rail was launched. Deployed as part of the Horizon Europe programme (2021-2027), it is helping to implement the European

Union's policies regarding rail transport and supporting the rail industry's competitiveness.

Coordinating the largest project in the programme

SNCF, as a partner, is contributing to the programme's six projects, and in particular has coordinated the project on the digitalisation and autonomous operation of trains (FP2-R2DATO project).

With a business volume of €130m, it is the largest in terms of investment. It brings together 28 European partners from industry, railway operators and research institutes. The aim is to offer a perfect connection between automatic driving, whatever the level of automation, and train control systems such as ERTMS (the European Rail Traffic Management System).

2023 saw the completion of the first batches of this major innovation programme.

Key figure 2023 - SNCF:

- 25 patents filed by 2023

For more details: see the annual report of the Group Technologies, Innovation and Projects department on [sncf.com](https://www.sncf.com).

3. MATERIALITY OF CSR ISSUES

3.1 MATERIALITY ANALYSIS

In 2023, the SNCF Group carried out work to prepare for changes in sustainability reporting in accordance with EU Directive 2022/2464, known as the "CSRD" (Corporate Sustainability Reporting Directive), which will apply to the Group from 1 January 2024. The Group has carried out a dual materiality analysis and a comparative analysis between the data to be published and the data it already has. This work has enabled us to identify the material challenges facing the Group in terms of CSRD requirements. The 2024 Roadmap will structure the data reporting to be published in the first sustainability report in February 2025.

On the basis of a risk map...

The dual materiality analysis was based on information available within the Group, namely the mapping of major risks and the materiality matrix updated in 2022. The 27 CSR issues arising from the materiality analysis (matrix below) were classified according to environmental, social and governance themes and then associated with the most relevant CSRD ESRS (European sustainability reporting standard) reporting standards. ESG issues have been broken down into risks, opportunities and impacts across the value chain. They were then subject to a financial and impact rating according to the Group's own rating scales.

The impact, risk and opportunity (IRO) assessment work involved multi-disciplinary teams (finance, risk management, purchasing, human resources, ethics, legal), as well as Group companies working on issues specific to their scope of activity. They have been carried out in line with the structuring assumptions of the Group Strategic Plan 2023-2032 (see Group Profile, section 1.7).

This work has enabled us to define a roadmap for 2024, with a view to producing the Group's first sustainability report in early 2025.

... and a 10,000 person questionnaire

The dual materiality analysis is based on the simple materiality matrix drawn up in 2022 with the Group's stakeholders (employees, customers, suppliers, institutions, etc.). Nearly 10,500 people, including 1,500 third-parties and 9,000 employees, completed an online questionnaire to express their perception of the

importance of the Group's CSR challenges and the Group's performance in relation to these. The questionnaire was drawn based on the main CSR issues and benchmarks: ISO 26000, United Nations Global Compact, United Nations Sustainable Development Goals, Global Reporting Initiative. These challenges were supplemented and refined by interviews with eight Group executives and work with the CSR directors of the Group's various companies and entities. In summary, the strongest expectations, as agreed by employees and external stakeholders, concern:

- Infrastructure renovation, in line with the Group's commitment to ambitious growth in the railway sector.
- Contributing to multimodal transport solutions, in particular cycling, rather than motorised solutions, and freight.
- And safety.

There are very strong specific expectations, which vary according to the category of respondent:

- For third parties, the quality and accessibility of services, along with better deployment of the network in the regions

- For employees, the attractiveness of jobs and working conditions at SNCF, as well as environmental exemplarity in the day-to-day running of the company, over and above the environmental performance of the train itself, which is widely recognised.

With regard to other areas of CSR, a major emerging issue not evaluated in the previous consultation, appears to be adaptation to climate change. SNCF's commitment to solidarity is seen as a more secondary issue.

In addition to the issues identified as important, stakeholders' perceptions of SNCF's performance draw the company's attention to the following challenges:

- Developing employees' skills
- The quality of social dialogue
- The development of renewable energies in the regions
- And the guarantee of responsible, transparent, clear and participative governance.

SOCIETAL ENGAGEMENT PRIORITIES FOR SNCF GROUP



3.2 NON-FINANCIAL RISKS

The key stage in securing the strategy of the SNCF Group, its activities and its subsidiaries, is risk management. It is the basis for identifying and structuring the level of acceptability of its risks, and ruling out those that are not, in line with the Group's values and those of its stakeholders, and for the long-term future of its business. Described in the Risk Management and Internal Control

chapter of the Management Report as part of the corporate culture, it is gradually being broken down by theme (global security, duty of care, climate) to meet compliance challenges (anti-corruption, competition, data protection, etc.). At the highest level of the Group's governance, major risk management incorporates a large number of non-financial risks, and includes assessment scales geared towards both the sustainability of its activities and respect for the interests of its stakeholders.

Players

The Group Risk Management Department (DMRG) oversees and coordinates the management of the Group's major risks, corruption risks and physical risks.

It is based on French and international standards (AMF, FERMA, ISO 31000, etc.), risk methodological guidelines and a mapping tool common to all players (see Management Report, Risk Management and Control Systems).

The DESTE is responsible for drawing up the map of Group non-financial risks that impact its activities, pursuant to implementing decree 2017-1180 of 19 July 2017, in line with the risks specific to the Group's companies. This work is carried out in collaboration with the Group Risk Management Department and with the support of the three control lines within the companies (management, internal control and audit), sustainable development specialists and risk managers (representatives of the business lines) within the Group's activities and subsidiaries.

The identification and assessment of the most significant non-financial risks is based on three systems:

- The Group's major risk framework
- Group materiality study
- Group risk mapping for the vigilance plan.

The Group's major risks are largely non-financial risks. They are identified by the word "NFPS" in the Risk Management and Internal Control Systems chapter of the Management Report. The most significant non-financial risks for the Group are presented in the summary table in section 3.3.

The Group risk mapping for the vigilance plan

It addresses the risks of serious harm to the environment, human health and safety, human rights and fundamental freedoms, in line with the company's approach to its own risk (or major risks) approach. Certain major Group risks are identified by the word "Vigilance" in the Risk Management and Internal Control Systems chapter of the Management Report.

For more details: see Vigilance Plan, 3.

The most significant non-financial risks for the Group are then reviewed in consultation with the companies' CSR directors of and the DMRG.

The mapping of non-financial risks, integrated into the NFPS, is presented by the Board of Directors when it reviews the annual financial report, after receiving the Audit, Accounts and Risks Committee's opinion (CACR).

The general organisation of the Group's risk management and internal control systems and the risks to which the SNCF Group is exposed are presented in the Risk management and internal control systems chapter of the Management Report..

Responsibility at the heart of the purchasing process

In 2023, the SNCF Purchasing Department reviewed the SNCF reference framework for evaluating third-party suppliers. This covers all five railway companies, using a harmonised system (common processes and tools) and integrating all supplier risks.

The system covers the risks of corruption and bribery (in accordance with the Sapin II law), as well as those covered by the law on the duty of vigilance: breaches of human rights and fundamental freedoms, personal health and safety and the environment.

The supplier CSR risk map is updated annually with an analysis of the risk profiles of the suppliers on the panel for the previous year. It is supplemented by "business sector", "high by nature" and "expert opinion" risks identified by the purchasing entities responsible for the commodities concerned.

In this way, all the CSR risks to which SNCF is exposed through its purchasing, as well as the financial risks of default and dependence, are assessed using the same system inspired by the assessment principles recommended by the French Anti-Corruption Agency (AFA).

For more details: see 7.2, and Vigilance Plan, 4.

At Geodis, third parties considered to present a high risk in terms of the Group's risk maps are subject to enhanced due diligence measures. These third parties are questioned about their compliance programme, their shareholding, their ultimate beneficiary and their integrity is verified using external databases, which may lead to the enforcement of remedial measures.

3.3 SUMMARY TABLE OF THE MAIN NON-FINANCIAL RISKS

Main non-financial risks	Commitments and policies	Ref. NFPS	Indicators	2023	2022	2021	Scope	Objectives
Operational safety and security of people and property	Prioritising the safety of customers, employees, partners and the environment PRISM PROGRAMME	4.1 .3	Safety incidents severity 4 and + (number)	483	484	n.a.	SNCF	474 in 2023
	Guaranteeing the peace and safety of people and property through a targeted security policy.	4.2	Physical attacks on customers and SNCF staff and simple theft against customers (number)	11,034	11,105	n.a.	SNCF	Follow the safety policy to ensure a safe journey on trains, in stations and on urban networks.
			Malicious acts against property and financial assets (number)	20,364	20,650	n.a.	SNCF	
			Acts of anti-social behaviour and breaches of the law (number)	304,016	322,727	n.a.	SNCF	
Non-compliance GDPR	Ensuring compliance with the rules on the protection of personal data	2.2 .1	Percentage of European revenue covered by a DPO (%)	95.36	86	98.8	GROUP	100% by 2025
Access to the offer and meeting customer expectations	Facilitating the mobility of all citizens by improving the accessibility of structures or services and by guiding the most vulnerable members of the public. 736 national and regional stops accessible in France by 2027 SDNA Ad'AP PROGRAMME	4.7	Rate of progress in making stations accessible (%)	65	58	52	SNCF	100% by 2027
	Offering a range of low-carbon modes of transport tailored to the needs of passengers looking for greater flexibility	4.4.3	Number of cycle spaces (number)	35,055	30,366	27,010	SNCF	90,000 cycle spaces available by 2030
	Developing personalised and inclusive mobility offers H00 PROGRAMME FIRST PROGRAMME	4.10	SNCF external image survey customer satisfaction rate (%)	64	71	76	SNCF	

Main non-financial risks	Commitments and policies	Ref. NFPS	Indicators	2023	2022	2021	Scope	Objectives
Climate change/mitigation	Improving the energy performance of train traction and the Group's property portfolio	5.3	Total energy consumption (GWh)	17,303	18,103	16,428	GROUP	Continue to reduce energy consumption and develop the use of low-carbon energies to achieve the 2030 decarbonisation targets
			Energy consumption for rail traction (GWh)	9,905	10,293	9,412	SNCF Keolis Other	
			Share of renewable energy in the rail traction electricity mix (% of consumption)	0.31	0.26	0.09	SNCF	20% by 2030.
			Share of theoretical production from PPA renewable energy purchasing contracts (%)	12.40	8.18	n.a.	SNCF	Developing direct renewable electricity purchase agreements (Green Corporate Power Purchase Agreement) to cover 20% of electricity consumption for train traction by 2026.
			Fuel consumption of commercial fleet road vehicles (GWh)	4,377	4,381	4,106	Geodis Keolis Other	Continue to reduce energy consumption and develop the use of low-carbon energies to achieve the 2030 decarbonisation targets
			Aerial vehicle kerosene consumption (GWh)	152	364	97	GEODIS	
			Energy consumption of service road vehicles (GWh)	262	277	266	SNCF Geodis Other	
			Consumption of site machinery (GWh)	14	12	n.a.	Geodis Other	
			Consumption of short-term rental vehicles (GWh)	15	n.a.	n.a.	SNCF	
			Energy consumption of sites (GWh)	2,579	2,777	2,546	GROUP	
Greenhouse gas emissions (kt of CO ₂ e) linked to energy consumption Scope 1&2&3	3,157	3,372	2,961	GROUP				
CO ₂ e emissions per passenger.km (Scope 1&2&3) (gCO ₂ e/passenger.km)	6.03	6.97	9.09	SNCF				
Maintaining a trajectory of GHG emission reductions for trains, buildings and all our activities, by consuming less and using alternatives Target: -30% reduction in GHG emissions from traction and -50% reduction in GHG emissions from buildings between 2015 and 2030 in France. 2050 target: complete decarbonisation of the Group's transport and construction activities	4.4 4.5 4.8 5.4 5.5 6 9						Continue decarbonisation efforts in line with trajectories - 30% GHG for traction and -50% GHG for the building stock between 2015 and 2030	

Main non-financial risks	Commitments and policies	Ref. NFPS	Indicators	2023	2022	2021	Scope	Objectives
Climate change/mitigation	Raising our customers' awareness with tools to help them choose low-carbon multimodal transport options Offer shippers low-carbon multimodal solutions to help double rail's share of freight in Europe (from 15% to 30%) and in France (from 9% to 18%) between 2020 and 2030.	5.3 4.8 9	CO ₂ e emissions per tonne of freight (Scope 1&2&3) (gCO ₂ e/tonne-km)	5.19	4.78	5.02	SNCF	Supporting our stakeholders in managing their emissions to achieve the Group's decarbonisation objectives
			Scope 3 CO ₂ e emissions from fixed assets (ktCO ₂ e)	1,365	n.a.	n.a.	SNCF + Keolis	
			Scope 3 CO ₂ e emissions, Purchases of products and services (ktCO ₂ e)	1,845	n.a.	n.a.	SNCF + Keolis	
			Scope 3 CO ₂ e emissions, sub-contracted vehicles (ktCO ₂ e)	3,198	n.a.	n.a.	SNCF + Keolis + Geodis	
			Scope 3 CO ₂ e emissions, Travel to station and onward travel from destination (ktCO ₂ e)	1,461	1,183	1,032	SNCF	
Climate change / adaptation	Steering a climate change action plan to ensure the resilience and sustainability of mobility services	6.	Minutes lost due to bad weather (number)	732,209	608,439	692,290	SNCF	Continue efforts to reduce the vulnerability of infrastructure, stations and rolling stock to weather conditions.
			Trains cancelled due to bad weather (number)	7,647	3,478	5,388	SNCF	
Environmental standards and regulations	Deploy EMS in Group companies to improve SNCF's environmental performance ENVIRONMENTAL POLICY	5.2	ISO 14001-certified railway industrial sites (%)	95	95	88	SNCF	Deploy the ISO 14001 environmental management system at 100% of SNCF's industrial sites
	Combating the depletion of resources and the impact of the production of materials and waste on natural resources, biodiversity and the climate Aiming for a Zero Recoverable Non-Recoverable Waste trajectory for the core rail business by 2030 CIRCULAR ECONOMY POLICY	5.6.5	Total quantity of hazardous waste produced (k. tonnes)	106	67.6	75.2	GROUP	Reducing waste production in all operating processes and recovering products and recovering products at the end of their life
	Pursuing our commitments under the Act4Nature scheme	5.7	Use of synthetic plant protection products (NODU index) (ha)	7,299	17,619	18,294	SNCF	Reducing the use of synthetic products
Use of biocontrol plant protection products Green NODU index (ha).			7,937	17,225	6,867	SNCF	Increasing the use of biocontrol products	

Main non-financial risks	Commitments and policies	Ref. NFPS	Indicators	2023	2022	2021	Scope	Objectives
Suppliers	Supporting the professional integration of people who are not in employment or who have a disability by including social clauses in contracts	7.2	Solidarity purchases (€m)	42.0	34.5	33.5	SNCF excluding Fret SNCF in 2022	>€100m by 2030
	Increasing the weight of CSR criteria in the choice of our subcontractors and improving our performance as a responsible buyer		Percentage of total purchases contracted for in year N covered by a CSR offer score of 20% of the overall score (%)	60	52	36	SNCF	100% by 2025
	Strengthening CSR criteria throughout the purchasing process to promote social and environmental performance		CSR performance of suppliers (score out of 100)	64.6	58.6	57.4	SNCF	
			Of which social and human rights (score out of 100)	66	61	60.2	SNCF	
			Carbon maturity of suppliers (%)	69.8	n.a.	n.a.	SNCF	80% of suppliers with an intermediate level of maturity assessed by 2024
Health and safety at work	Assess, prevent and better control, for all SNCF employees, all risks related to safety, health and quality of life at work SNCF&MOI PROGRAMME HUMAN RIGHTS POLICY	8.1	Accident severity rate (per 1,000 hours worked) in France	2.06	2.03	1.77	GROUP	Zero deaths per year, including for subcontractors' employees
		8.4	Frequency rate of accidents at work (per 1 million hours worked) in France	20.22	20.41	20.77	GROUP	-35% between 2020 and 2026
			Absenteeism rate (sickness/injury off-duty) in France (%)	6.9	7.6	6.8	GROUP	
Social cohesion, social dialogue, employee involvement	Maintaining high-quality social dialogue SNCF&MOI PROGRAMME	8.1 8.3	Days lost per employee during industrial action (number)	3.64	0.94	0.47	SNCF	
	Developing better ways of living and working together by promoting a culture of inclusion SNCF&MOI PROGRAMME	8.1 8.5	Female workforce (%)	26.1	26.0	25.9	GROUP	30% by 2030
	Improving employee commitment and satisfaction through policies and actions SNCF&MOI PROGRAMME	8.1	Employee commitment (score out of 100)	69	65	64	SNCF	75% by 2030

Main non-financial risks	Commitments and policies	Ref. NFPs	Indicators	2023	2022	2021	Scope	Objectives
Employer brand appeal	Enhancing the attractiveness of our businesses attract talent and offering attractive training and mobility opportunities to remain a benchmark employer of choice SNCF&MOI PROGRAMME	8.1 8.2 8.5 8.6	Permanent contracts in France (number)	17,285	14,305	11,622	GROUP	
			Share of female managers (%)	36.1	36.2	35.4	GROUP	40% by 2030
			Terminations (number)	6,731	4,090	6,569	GROUP	
			Work-linked training contracts in France (number)	5,390	4,890	8,139	SNCF + Geodis Excluding Geodis in 2022	
			Turnover (%)	8.7	13.9	11.7	GROUP	
Skills management	Enabling employees to adapt to changes in jobs, techniques and organisations, by facilitating professional mobility throughout the Group, by building career paths and providing appropriate training. SNCF&MOI PROGRAMME	8.1 8.2 .5	Hours of training in France (in thousands)	5,938	5,474	5,228	GROUP excluding Geodis in 2022 Group excluding Keolis in 2023	Enhancing skills management in a context of change
			Percentage of employees having benefited from at least one training course in France (%)	71	76.7	69	GROUP excluding Geodis in 2022 Group excluding Keolis in 2023	
Corruption, breach of duty and lack of probity	Promoting ethical behaviour and monitoring implementation of the Ethics Charter	2.2	Whistleblowing alerts received (number)	403	227	110	SNCF	
			Open ethical surveys (number)	21	15	22	SNCF	
			Percentage of staff exposed to the risk of corruption who have received training (%)	81.9	45.6	n.a.	GROUP	Train all people exposed to the risk from 2023 onwards

The indicators are defined in section 10 of the non-financial performance statement, reporting framework.

(*) The scope of the NPFPS indicators corresponds to:

- Either SNCF: SNCF SA, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions and Fret SNCF
- Or the Group: SNCF SA, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions, Rail Logistics Europe, Keolis, Geodis.

In accordance with the requirements of French law no. 2018-898 of 23 October 2018 on the fight against fraud, the risk of tax evasion is included in the mapping of extra-financial risks. However, it is not a priority risk in terms of SNCF's tax strategy.

Non-financial risks are described in Part 3 of the Management Report, Risk management and control systems.

3.4 TAX STRATEGY FOR THE SNCF GROUP

3.4.1 Context

The media, public opinion and non-governmental organisations are paying increasing attention to the issues of international tax evasion by major multinational groups. Furthermore, in a context where public finances are under increasing pressure, governments are particularly attentive to the erosion of the tax base resulting from the artificial allocation of taxable profits to tax jurisdictions other than those where the actual economic activity takes place.

In 2015, as part of its BEPS (Base Erosion and Profit Shifting) 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 existing international tax system and remove any loopholes.

3.4.2 Our commitments

- Paying the right amount of tax within the legal deadlines.
- Manage tax policy responsibly.
- Manage tax risk effectively.
- Establish constructive working relationships with tax authorities.

3.4.3 Policy and actions

As a multinational group operating on a global scale, the SNCF Group recognises the key role that taxes play in shaping 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 to limit

unfair tax competition and thus benefit the development 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 legislation and regulations.
- SNCF encourages ethical and transparent commercial practices.
- SNCF promotes an open dialogue based on trust between tax policy makers and businesses.
- SNCF has a tax team that works closely with the various players in the international tax framework, to comply with its requirements.
- SNCF undertakes to provide clear and transparent information to the various tax authorities to enable them to better understand the Group's tax strategy.

3.4.3.1 Compliance - Paying the right amount of tax on time

The SNCF Group undertakes to comply with the tax laws and regulations of the countries in which its entities operate. This means paying the correct amount of tax, within the legal timeframe and to the tax jurisdiction of the country in which the tax is due. This also involves declaring all relevant facts and circumstances, and applying for existing tax exemptions and incentives.

Each year, the SNCF Group files a Country-by-Country Report (CbCR) with the French tax authorities, in accordance with international recommendations and French tax legislation.

For each territory in which the Group operates, this declaration includes the following aggregated data for the financial year in question:

- Intra-group transaction sales revenue
- Sales revenue from transactions with independent parties
- Total sales revenue
- Profit or loss before income tax
- Income tax paid
- Income tax due
- Share capital
- Retained earnings at the end of the financial year
- Number of full-time equivalent employees
- Fixed assets excluding cash and cash equivalents.

Tax proof is given in the Group Annual Financial Report, SNCF Group Annual Consolidated Accounts, 7. Income tax. It consists of comparing a theoretical tax with the tax recorded and explaining the difference between these two amounts.

For more details on taxes paid: see Group Annual Financial Report, SNCF Group Annual Consolidated Accounts, 7.

3.4.3.2 Responsibility for managing tax policy

The tax strategy for the SNCF Group is defined by the Group Tax Affairs department and is applied to all SNCF group entities, including Geodis and Keolis, whether they are based in France or abroad.

For more details on the main scope entities: see SNCF Group Annual Consolidated Financial Statements, 10.

None of these entities has been definitively convicted of a tax offence.

The Group Tax Affairs department ensures that all subsidiaries comply with the Group's defined tax strategy. To achieve this, the Group Tax Director draws on the expertise of some thirty employees, who work in all areas of taxation (French/international, all types of tax, etc.). Training days are organised every year by the Group Tax Affairs Department for the financial professions to explain the new measures and to answer questions.

The SNCF Group's Tax Affairs Department is responsible for:

- **Defining the transfer pricing policy for all the Group's activities**, ensuring that SNCF Group companies adopt this policy

- **Ensuring the provisions of the tax treaties** applicable to the countries in which the SNCF Group operates are correctly adhered to.

As part of the development of its commercial activities, the SNCF Group takes into account, among other factors, the tax regulations of the countries in which it operates, to maximise the creation of value for its partners and employees in a sustainable way.

Moreover, any presence in a country has an economic and commercial substance and considers the potential impact on the SNCF Group's reputation and ethical integrity. **The company does not set up artificial schemes for tax purposes only.**

Each entity within the SNCF Group adopts a responsible and prudent approach: no system primarily or exclusively for tax reasons is set up. Furthermore, **for cross-border transactions, the SNCF Group applies the OECD principles** and ensures that the Group's transfer pricing rules comply with the "arm's length principle". These cross-border transactions are documented within the Group and reported in full to tax authorities where required by local tax regulations.

Each major project for the company is submitted to a commitment committee for approval. The tax department is asked to draw up an analysis of the tax aspects for each of these projects. Its analysis includes an opinion and, where appropriate, recommendations that are discussed with the project owner. The Group's Tax Affairs Department may be called upon to take part in commitments committees to give its opinion to the members.

3.4.3.3 Effective tax risk management

Given the scope of the Group's activities and tax obligations, uncertainties may arise from time to time regarding the interpretation of local or international tax provisions. Moreover, conflicts of jurisdiction may lead to disagreements over which country should collect the taxable profit.

The SNCF Group seeks to identify, assess and control all tax risks, in order to ensure the security of all its operations. External advice is sought in the event of uncertainty or complexity surrounding the extent of a tax risk, particularly in international tax matters.

Qualified employees and safeguarded tax issues

The SNCF Group employs qualified staff in all areas of finance. These experts are responsible for tax management, both withholding tax and tax returns.

The SNCF Group's Tax Affairs Department ensures compliance with all tax obligations, including VAT, corporation tax and payroll tax.

To safeguard the tax implications of planned transactions, the Group's Tax Affairs Department provides assistance and advice to major projects, and major contracts are

reviewed and analysed for tax purposes before they are signed.

Tax returns are also reviewed by the tax teams of the SNCF's Tax Affairs Department and within Keolis, for all the member entities of the SNCF tax consolidation group (229 companies in 2023) and the Keolis tax consolidation group (254 companies in 2023) in France.

The Group Tax Affairs Department mainly comprises:

- Tax specialists in charge of a number of entities. This close relationship with operational staff means they are familiar with projects and can answer questions on a day-to-day basis.
- Specialised tax specialists (transfer pricing, VAT in particular) who can produce more complex analyses.
- Finally, an employee in charge of tax monitoring.

3.4.3.4 Constructive working relationship with the tax authorities

The SNCF Group and its entities maintain professional, cooperative and respectful working relations with all tax authorities in the jurisdictions in which they operate.

3.5 ENVIRONMENTAL TAXONOMY

3.5.1 Taxonomy Regulation challenges for the SNCF Group

The EU Taxonomy Regulation 2020/852 of 18 June 2020 follows on from the 2015 Paris Agreements and the European Green Deal. It meets the needs of financial players, investors and insurers in particular, for a common and shared definition of sustainability, as well as standardised and comparable information on environmental and social issues. The result of three years' work by the European Platform on Sustainable Finance, without being transposed into national law it has been applicable to public interest companies since 2021. The criteria for applying the Taxonomy Regulation were specified by delegated acts in 2021 and 2023.

The Taxonomy Regulation aims to value activities considered to be sustainable to redirect capital towards them. This involves identifying the economic sectors that contribute to the Regulation's six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of hydrological and marine resources
- Transition to a circular economy
- Pollution prevention and reduction
- Protection and restoration of biodiversity and ecosystems.

An activity can contribute to the Regulation's objectives, either through its own performance, or by enabling other sustainable activities (enabling activity), or by promoting the transition towards a carbon-neutral economy (transitional activity),

An eligible activity will be aligned if it meets the three criteria defined in the delegated acts:

- Substantial contribution to one of the six environmental objectives,
- No significant harm to the other five objectives
- Compliance with minimum guarantees.

In accordance with Article 8 of the Delegated Act of July 2021, alignment is assessed on three financial indicators: revenue, investments (CAPEX) and operating expenses (OPEX).

The Taxonomy Regulation is being applied gradually.

For the 2021 financial year, the Regulation provided for the publication of the eligible scope to the two climate objectives. For the 2022 financial year, this was followed by the first publication aligning activities to these climate objectives. In 2023, the roll-out of the Regulation continued with the publication of the eligibility criteria for the other four environmental objectives, along with a number of amendments to the delegated climate acts.

Finally, 2024 will see the publication of the alignment with the six environmental objectives and their integration into the sustainability report resulting from the CSRD directive.

Beyond the regulatory challenge, the taxonomy is an opportunity to give a financial representation of SNCF's commitment to low-carbon transport. With 10% of passengers and goods transported in France accounting 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 view of the urgent need to tackle climate change, SNCF is committed to significantly reducing its emissions and promoting the use of trains to reduce the carbon footprint of the transport sector and help achieve the targets set by France in its National Low Carbon Strategy (SNBC). (see DPEF § 4.8 Facilitating and encouraging low-carbon transport, § 5.3 Energy consumption and greenhouse gas emissions & § 9 Annual report on the carbon trajectory of SNCF activities in France).

This Taxonomy section first presents the Group's eligible scope. It then presents the three sustainability indicators set out in the Regulation: Revenue, CAPEX and OPEX aligned by describing the associated activities and actions. A final section presents the methodology used to determine these indicators.

3.5.2 The Group's eligible scope

The eligibility analysis of the SNCF Group's activities was determined by matching the entities of the SNCF Group as a whole with the business sectors of the Taxonomy Regulation in the Annex to the Climate Delegated Act and in the delegated act of June 2023 describing the four complementary objectives.

For the 2023 financial year, the SNCF Group's activities are eligible in the following proportions:

- Revenue: 81% eligibility
- CAPEX: 93% eligibility
- OPEX: 83% eligibility rate

The general eligibility of the Group's activities is consistent. It accounts for more than 80% of its revenue and more than 90% of its CAPEX. This high level of eligibility reflects the significant potential contribution of the Group's activities to mobility decarbonisation.

The Group's activities are primarily focused towards mitigating climate change.

Each SNCF Group company has analysed adaptation to climate change from point of view of the no collateral effect criterion (DNSH). The actions undertaken under this objective are either insignificant, or intertwined with the objective of mitigating climate change, or scattered among operating costs that are partially excluded from the scope of OPEX. Eligibility analyses conducted in 2023 have identified a number of contributions to the other objectives of the Regulation.

Climate objective eligibility

With regard to the climate objective, eligible revenue is primarily made up of rail and road passenger transport activities provided by SNCF Voyageurs and Keolis, rail

and road freight transport provided by Rail Logistics Europe and GEODIS and part of the fees invoiced by the infrastructure activities.

The CAPEX and OPEX eligible for the climate objective are primarily driven by infrastructure activities (SNCF Réseau and SNCF Gares & Connexions) and by the transport operators.

Eligibility for the other four environmental objectives

The analysis carried out in 2023 to measure eligibility for the other four environmental objectives has led to the identification of a number of specific activities of low significance:

- Revenue and OPEX eligible for the circular economy objective. They relate to activities associated with managing the end-of-life of rolling stock (sale and dismantling) and the activities of Geodis subsidiaries Endicott and Niederolm.
- CAPEX eligible for pollution prevention and marine resource prevention objectives. They are associated with activities to make service station sites compliant (Installations Classées Protection de l'Environnement) and with projects to restore the water networks used by the Group.

Ineligible activities

The Group's ineligible activities cover the following scopes:

- Geodis Group brokerage activities that do not correspond to a taxonomy activity
- Activities carried out by Group head office cross-functional units (Corporate, Shared Services Centre)
- Keolis entities carrying out activities outside taxonomy, in particular those within the EFFIA scope
- Commercial concessions fees for SNCF Gares & Connexions management activities.

The CAPEX and OPEX excluded from eligibility are those incurred by ineligible entities (corporate, support entities) or related to investments that cannot be linked to taxonomy activities.

Changes in eligibility

Eligible revenue increased by +5 points in 2023 due to the significant relative weight growth of Voyageurs' transport activities (+10%) and Keolis (+6%). This growth increased

the share of the 6.1 and 6.3 activities of the Group's revenue. Eligibility is stable for CAPEX and OPEX. Eligibility is mainly focused on transport activities (6) and more marginally on property activities (7).

€m	2023			2022		
	Revenue	CAPEX	OPEX	Revenue	CAPEX	OPEX
Group total	41,760	9,721	3,352	41,449	9,682	4,270
Climate objectives	33,727	9,043	2,733	31,557	9,026	3,404
Other objectives	13	19	41	N/a	N/a	N/a
Total Eligibility	33,739	9,062	2,774	31,557	9,026	3,404
%	81%	93%	83%	76%	93%	80%

3.5.3 Alignment of the SNCF Group

Revenue aligned with the environmental Taxonomy Regulation criteria amounts to 50% of the Group's revenue, and the CAPEX to 37%. This high level of alignment of the SNCF Group's activities with the criteria of the European environmental taxonomy reflects and confirms its long-standing commitment to sustainable mobility through its investment policy.

	2023			2022		
	Revenue	CAPEX	OPEX	Revenue	CAPEX	OPEX
Aligned activities	50%	37%	29%	44%	21%	8%
Non-aligned eligible activities	31%	56%	54%	32%	72%	72%
Ineligible activities	19%	7%	17%	24%	7%	20%

3.5.3.1 Aligned revenue

Aligned revenue totalled €20.9bn, representing nearly 50% of the SNCF Group's activities.

This alignment mainly focussed on activities 6.1 rail passenger transport (39%), 6.14 rail transport infrastructure (5%), 6.3 urban and suburban passenger transport (4%) and 6.2 rail freight transport (2%).

The details of this alignment are shown in the table below:

Year 2023				Substantial contribution criteria										
Economic activities	Code	REVENUE €m	REVENUE %	Climate change mitigation	Climate change adaptation	Marine resources' protection	Pollution prevention	Circular economy	Biodiversity production	Compliance with minimum guarantees	Aligned revenue share 2023	Aligned revenue share 2022	Enabling category	
Eligible activities														
A.1 - Aligned activities														
Intercity passenger rail transport	6.1	16,477	39%	O	O	N/A	O	O	N/A	O	39%	35%		
Rail freight transport	6.2	1,005	2%	O	O	N/A	O	O	N/A	O	2%	2%		
Urban and suburban, road passenger transport	6.3	1,583	4%	O	O	N/A	O	O	N/A	O	4%	2%		
Rail transport infrastructure	6.14	1,900	5%	O	O	O	O	O	O	O	5%	4%	H	
Operation of mobility systems for individuals, cycle logistics	6.4	1	0%	O	O	N/A	O	O	N/A	O	0%			
Revenue of aligned activities - A.1		20,967	50%								51%	44%		
A.2 - Eligible non-aligned activities														
Eligible activities under the Climate objective														
Intercity passenger rail transport	6.1	2,378	6%	O	O	N	N	N	N	O	6%	6%		
Rail freight transport	6.2	596	1%	O	O	N	N	N	N	O	1%	2%		
Urban and suburban, road passenger transport	6.3	4,188	10%	O	O	N	N	N	N	O	10%	11%		
Rail transport infrastructure	6.14	967	2%	O	O	N	N	N	N	O	2%	2%	H	
Road freight transport	6.6	4,216	10%	O	O	N	N	N	N	O	10%	10%		
Operations and mobility systems for individuals	6.4	3	0%	O	O	N	N	N	N	O	0%	0%		
Transport by motorcycle, private car	6.5	117	0%	O	O	N	N	N	N	O	0%	0%		
Maritime and coastal transport	6.11	13	0%	O	O	N	N	N	N	O	0%	0%		
Acquisition and ownership of buildings	7.7	223	1%	O	O	N	N	N	N	O	1%	0%		
Manufacture of MR railway components	3.19	62	0%	O	O	N	N	N	N	O	0%	0%		
Eligible activities / circular economy														
Sale of second-hand equipment	5.4	4	0%	N/A	N/A	N/A	N/A	O	N/A	O		N/A		
Preparing products for re-use	5.3	6	0%	N/A	N/A	N/A	N/A	O	N/A	O		N/A		
Repair, refurbishment and remanufacturing	5.1	2	0%	N/A	N/A	N/A	N/A	O	N/A	O		N/A		
Revenue from eligible non-aligned activities - A.2		12,772	31%								32%			
A3 - Ineligible activities														
Revenue from ineligible activities		8,020	19%								24%			
Total		41,760	100%											

The revenue figure at the foot of the table corresponds to the Group's external revenue figure given in the Management Report in section 4.1 key financial performance indicators.

Aligned revenue for the 6.1 passenger rail transport business corresponds to transport carried out using electric or dual-mode rolling stock on the electrified network:

- High-speed transport (Inoui, OUIGO and Voyageurs subsidiaries),
- Regional or inter-regional transport provided by TER and Intercités services
- Transport in Île-de-France provided by Transilien.

It also includes rail transport provided by Keolis entities in Europe and abroad.

The aligned revenue of activity 6.2 rail freight transport corresponds to the freight transport business carried out with electric rail equipment by both Fret SNCF and certain French and European subsidiaries of R4L. (Captrain, Combicargo, VIIA, Forwardis).

In the 6.3 Urban and suburban passenger transport business, the sales figure corresponds to transport using electric or hydrogen-powered vehicles in France and abroad.

The aligned turnover for the 6.14 Rail transport infrastructure activity corresponds to the access fee on the electrified perimeter of the rail network as well as the fees invoiced by SNCF Gares & Connexions to non-Group rail operators.

Lastly, sales aligned with 6.4 correspond to business generated by cargo bike tours carried out by Geodis' Express Distribution business.

3.5.3.1.1 Percentage change in alignment

Aligned sales are almost 6 percentage points higher than in 2022. This was due to the dual effect of an increase in the relative weight of the Passenger and Keolis businesses and a general improvement in alignment. This was mainly due to:

- The introduction of fleets of electrified vehicles at Keolis
- Progress in the alignment of certain Group subsidiaries (R4L and Keolis in particular) thanks to both improved practices in terms of the circular economy and compliance with the criterion of adaptation to climate change on a broader scope of entities.
- The inclusion of journeys made with dual-mode equipment on the electrified rail network.

3.5.3.1.1 Alternative analysis of sustainable sales

According to the recommendations of the AMF in the report "Éclairages sur le premier reporting Taxonomie des sociétés cotées" of November 2022, a part of the current activity which is not aligned but which fulfils some of the criteria of the delegated acts may be valued as an alternative performance indicator.

Sales segments associated with activities 6.2 and 6.6 have been identified on the basis of this analysis. They totalled **€0.2bn, representing around 1% of the Group's total revenue.**

The sales associated with this alternative analysis include the activity carried out by subsidiaries whose circular economy policies are insufficient with regard to the criteria for the absence of collateral effects (6.2 and 6.6). This brings the level of sustainable sales to 51%, as detailed in the table below.

€m	2023
SNCF Group Total Revenue	41,760
1 - Aligned revenue	20,967
<i>2 - Revenue partially meeting the Taxonomy Regulation criteria</i>	
6.2 Sales generated by dual-mode or electric vehicles that do not meet all the DNSH criteria	184
6.6 Sales generated by electric road vehicles that do not meet all the DNSH criteria	5
Total sustainable revenue	21,155
%	51%

In addition, for the Group's rail activities alone (Passenger, Freight, Network and Stations), aligned sales amounted to €19.3bn, or 82% of total sales.

3.5.3.2 Aligned CAPEX

Aligned CAPEX have been determined on the basis of the Group's own investments, plus rights of use in accordance with IFRS 16. The indicator excludes investments associated with concession financial assets accounted for in accordance with IFRIC 12.

For the SNCF Group, which has a long-standing commitment to sustainable mobility, aligned CAPEX correspond either to operations enabling the production apparatus to be maintained in its current state (mid-life operations on the rolling stock fleet, regeneration of the rail network, etc.) or to industrial transformations (acquisition of new types of rolling stock, construction or electrification of new tracks). Sometimes, renovation investments are combined with industrial transformations.

The aligned CAPEX correspond to investments from this perimeter, and contributing substantially to an environmental objective, without collateral effect on the other environmental objectives and respecting minimum guarantees, as described in Article 3 of the Taxonomy regulation.

Aligned CAPEX amounted to nearly €3.6bn, representing 37% of all SNCF Group investments.

This alignment is mainly driven by the activities 6.14 Rail transport infrastructure (27%) and 6.1 Rail passenger transport (6%). It was also driven by activities 6.2 Rail freight transport (1%) and 6.3 Road passenger transport (1%), as detailed in the table below:

Year 2023				Substantial contribution criteria											
Economic activities	Code	CAPEX €M	CAPEX %	Climate change mitigation	Climate change adaptation	Marine resources [*] protection	Pollution prevention	Circular economy	Biodiversity production	Compliance with minimum guarantees	CAPEX aligned 2023	Share of CAPEX aligned 2022	Enabling category		
Eligible activities															
A.1 - Aligned activities															
Intercity passenger rail transport	6.1	572	6%	O	O	N/A	O	O	N/A	O	6%	6%			
Rail freight transport	6.2	139	1%	O	O	N/A	O	O	N/A	O	1%	1%			
Urban and suburban, road passenger transport	6.3	83	1%	O	O	N/A	O	O	N/A	O	1%	0%			
Rail transport infrastructure	6.14	2,655	27%	O	O	O	O	O	O	O	27%	13%	H		
Transport by motorbikes, cars & LCVs	6.5	1	0%	O	O	N/A	O	O	N/A	O	0%				
Acquisition and ownership of buildings	7.7	41	0%	O	O	N/A	N/A	N/A	N/A	O	0%	1%			
Construction of new buildings	7.1	56	1%	O	O	O	O	O	O	O	1%				
Renovation of existing buildings	7.2	23	0%	O	O	O	O	O	N/A	O	0%				
Instal. maint. & repair Energy efficiency equipment	7.3	19	0%	O	O	N/A	O	N/A	N/A	O	0%	0%			
Instal. maint. & repair Electrical research status	7.4	1	0%	O	O	N/A	N/A	N/A	N/A	O	0%	0%			
Manufacture of comp. for railway equipment	3.19	16	0%	O	O	O	O	O	O	O	0%				
Other low-carbon manufacturing technologies	3.6	3	0%	O	O	O	O	O	O	O	0%				
CAPEX of aligned activities - A.1		3,608	37%									21%			
A.2 - Eligible non-aligned activities															
Eligible activities under the Climate objective															
Intercity passenger rail transport	6.1	10	0%	O	O	N	N	N	N	O	0%	0%			
Rail freight transport	6.2	39	0%	O	O	N	N	N	N	O	0%	2%			
Urban and suburban passenger road transport	6.3	250	3%	O	O	N	N	N	N	O	3%	3%			
Rail transport infrastructure	6.14	3,893	40%	O	O	N	N	N	N	O	40%	53%	H		
Road freight transport	6.6	84	1%	O	O	N	N	N	N	O	1%	10%			
Transport by motorcycle, private car	6.5	82	1%	O	O	N	N	N	N	O	1%	0%			
Operations and mobility systems for individuals	6.4	2	0%	O	O	N	N	N	N	O	0%	0%			
Maritime and coastal transport	6.11	1	0%	O	O	N	N	N	N	O	0%				
Acquisition and ownership of buildings	7.7	943	10%	O	O	N	N	N	N	O	10%	4%			
Instal. maint. & repair energy efficiency equipment	7.3	7	0%	O	O	N	N	N	N	O	0%				
Instal. maint. & repair of electric charging stations	7.4	46	0%	O	O	N	N	N	N	O	0%				
Instal. Maint. repairs Renewable energy technologies	7.6	39	0%	O	O	N	N	N	N	O	0%				
Manufacture of MR railway components	3.19	1	0%	O	O	N	N	N	N	O	0%				
Other low-carbon manufacturing technologies	3.6	37	0%	O	O	N	N	N	N	O	0%	0%			
Eligible activities / other objectives															
Prev. Resources marines - Wastewater treatment	2.2	14	0%	N/A	N/A	O	N/A	N/A	N/A	O		N/A			
Prev. Pollution - Remediation of contaminated sites and areas	2.4	5	0%	N/A	N/A	N/A	O	N/A	N/A	O		N/A			
CAPEX eligible non-aligned activities - A.2		5,453	56%									73%			
A3 - Ineligible activities															
CAPEX of ineligible activities		660	7%									7%			
Total		9,721										100%			

The CAPEX denominator of €9.7bn includes:

- Investments in tangible and intangible fixed assets, totalling €8,281m (see SNCF Group annual consolidated financial statements § 4.2.4. Investments)
- Rights of use, in application of IFRS 16 on leases (€1,063m)¹
- Changes in the scope of consolidation restated for goodwill, amortisation and impairment (€377 m)²

These items, which make up the CAPEX denominator, are shown in the table below:

€m	31/12/2023
1 - Gross tangible and intangible investments	8,281
2 - Right-of-use assets	1,063
3 - Companies entering the consolidation scope restated for goodwill and amortisation	377
Total CAPEX (denominator)	9,721

The aligned CAPEX of activity 6.14 Rail transport infrastructure correspond to part of the investments made on the electrified perimeter of the rail network and in stations. They include, in particular, the regeneration of the electrified network carried out by infrastructure renovation establishments and projects where an environmental management system (EMS) is deployed or associated with the works contracting authority. In addition, there are the project study phases (engineering, preliminary studies, approvals) relating to the electricity network. They also include worksites associated with an environmental compliance notice (ECN) or a green worksite charter carried out by SNCF Gares & Connexions, such as the renovation project at Paris Saint-Michel RER station, Lyon Part-Dieu station and Pont Cardinet station.

The aligned CAPEX of business line 6.1 Passenger rail transport correspond to investments made in electric rolling stock:

- Acquisition of new electric trainsets for the TGV fleet - Renovation and modernisation projects for TGV, Transilien, TER and Corail electric trainsets
- Installation of meters on TGV and Transilien trains
- ERTMS project, European signalling standardisation system currently being rolled out on the railways.
- The aligned CAPEX of activity 6.2 Rail freight transport correspond to investments made in electrical equipment for the entities in the R4L scope.
- Acquisition and leasing of electric locomotives for Fret SNCF and its subsidiaries
- Renovation and mid-life maintenance operations on electrical equipment.

With regard to activity 6.3, aligned CAPEX correspond mainly to acquisitions or investments in France and abroad of:

- Electric and hydrogen vehicles
- Charging stations, adaptation and electrification work, infrastructure associated with electric vehicles.

Aligned CAPEX have been identified for property-related activities (7.1 to 7.7). They correspond to investments under the Innovative Passenger Energy Transition Fund (FITEV), new buildings, property investments at SNCF Passenger technical centres, energy-saving equipment, electric vehicle charging stations, photovoltaic panels.

3.5.3.2.1 Percentage change in alignment

The substantial increase in aligned CAPEX is due to the combined effect of several factors:

- Ramp-up of the strategic decarbonisation plan
- Continuing and stepping up deployment of EMS systems within the infrastructure perimeter
- More detailed identification of aligned CAPEX categories thanks to improved information feedback: share of studies on electrified network and station renovation projects, systematic documentation of CSR criteria in works contracts, inclusion of projects managed by an MOAD associated with an EMS system.

3.5.3.2.2 Alternative analysis of sustainable CAPEX

The analysis of the criteria of the delegated acts, in particular the verification of the absence of collateral effects, led to the exclusion of certain operations from the scope of aligned investments. Some of them, however, are directly linked to the Group's decarbonisation strategy and thus contribute to the sustainability of its transport activities.

CAPEX flows associated with activities 6.1, 6.2, 6.3 and 6.14 have been identified and amount to €1.2bn. These CAPEX correspond to investments made in the electrical equipment of subsidiaries that do not meet the criteria for alignment with the circular economy or European tyre standards. For activity 6.14, they include investments made on the electrified rail network that do not meet all the criteria of the delegated acts regulation.

When added to the aligned CAPEX, the investments covered by this additional analysis would bring **the rate of CAPEX associated with sustainable activities for the SNCF Group to 50%**.

These additional CAPEX are detailed below:

€m	31/12/2023
SNCF Group CAPEX - Direct investments and rights of use	9,721
1 - CAPEX aligned	3,608
2 - CAPEX partially compliant with taxonomy regulation criteria	
6.1 Investment in railway rolling stock	6
6.2 Investment in railway rolling stock	33
6.14 Investment in the electrified network	1,201
Total CAPEX partially meeting the criteria of the taxonomy regulation	1,240
Total long-term CAPEX	4,848
%	50%

3.5.3.3 OPEX aligned

According to article 8, OPEX corresponds to expenses associated with asset maintenance. These expenses may also include research and development costs. This

¹ See Group consolidated financial statements, § 4.2.3.1. Right-of-use assets

² Additions to the scope of consolidation included in the CAPEX denominator correspond to changes in the scope of consolidation

mentioned in sections 4.2.1, 4.2.2 and 4.2.3.1 of the consolidated financial statements, restated for amortisation and goodwill.

analysis led us to identify the expenses associated with this definition and, in particular, to exclude expenses associated with purchases, subcontracting and staff costs, in accordance with the recommendations of the CNCC. A detailed breakdown of the accounts making up OPEX is provided in the methodology section.

The OPEX aligned represent almost 29% of all the SNCF Group's OPEX.

This alignment is mainly focused on activities 6.14 Rail transport infrastructure (12%), 6.1 Rail passenger transport (10%), 6.3 Urban and interurban passenger transport (5%) and 6.2 Rail freight transport (3%). It is detailed in the table below:

Year 2023				Substantial contribution criteria									
Economic activities	code	OPEX €M	OPEX %	Climate change mitigation	Climate change adaptation	Marine resources protection	Pollution prevention	Circular economy	Biodiversity production	Compliance with minimum guarantees	Share of OPEX aligned 2023	Share of OPEX aligned 2022	Enabling category
Eligible activities													
A.1 - Aligned activities													
Intercity passenger rail transport	6.1	321	10%	O	O	N/A	O	O	N/A	O	10%	2%	
Rail freight transport	6.2	86	3%	O	O	N/A	O	O	N/A	O	3%	0%	
Urban and suburban transport, road Passenger transport	6.3	172	5%	O	O	N/A	O	O	N/A	O	5%	2%	
Rail transport infrastructure	6.14	394	12%	O	O	O	O	O	O	O	12%	4%	H
Renovation of existing buildings	7.2	0	0%	O	O	O	O	O	N/A	O	0%		
OPEX of aligned activities - A.1		973	29%								8%		
A.2 - Eligible non-aligned activities													
Intercity passenger rail transport	6.1	84	3%	O	O	N	N	N	N	O	3%	1%	
Rail freight transport	6.2	59	2%	O	O	N	N	N	N	O	2%	1%	
Urban and suburban, road passenger transport	6.3	320	10%	O	O	N	N	N	N	O	10%	9%	
Rail transport infrastructure	6.14	653	19%	O	O	N	N	N	N	O	19%	30%	H
Operations and mobility systems for individuals	6.4	1	0%	O	O	N	N	N	N	O	0%	0%	
Motorbike and car transport	6.5	5	0%	O	O	N	N	N	N	O	0%	0%	
Maritime and coastal transport	6.11	1	0%	O	O	N	N	N	N	O	0%	0%	
Acquisition and ownership of buildings	7.7	689	21%	O	O	N	N	N	N	O	21%	31%	
Manufacture of MR railway components	3.19	-52	-2%	O	O	N	N	N	N	O	-2%	-1%	
Eligible activities / Circular economy													
Decontamination and dismantling of end-of-life products	2.6	41	1%	N/A	N/A	N/A	N/A	O	N/A	O			N/A
OPEX eligible non-aligned activities - A.2		1,801	54%								71%		
A3 - ineligible activities													
OPEX from ineligible activities		578	17%								20%		
Total		3,352									100%		

Total OPEX of €3.4bn is derived from a selection of accounts included in the category of purchases and external charges (Group consolidated financial statements § 3.4.1 Purchases and external charges).

The aligned OPEX of activity 6.14 Rail transport infrastructure correspond to maintenance operations carried out on the electrified perimeter of the rail network as well as those carried out in stations. They also include studies associated with projects on the electrified perimeter of the network

The OPEX aligned to activities 6.1 and 6.2 Passenger and freight rail transport correspond to maintenance operations carried out on electrical rail equipment. For activity 6.3, they correspond to maintenance operations on electrical and hydrogen equipment used for road passenger transport.

3.5.3.3.1 Percentage change in OPEX alignment

The trend in aligned OPEX is broadly in line with the trend in aligned CAPEX. It is explained by similar factors:

– Continuing and stepping up deployment of EMS systems within the infrastructure perimeter

– More detailed identification of aligned OPEX categories: studies on electrified network renovation projects, systematic documentation of CSR criteria in works contracts.

3.5.3.4 Contributions to several objectives

As part of the publication of the delegated act of June 2023 relating to the four complementary objectives, analyses are required of activities that can contribute simultaneously to several objectives.

At this stage, the challenges of adapting to climate change are scattered throughout the operating costs and cannot be individualised. Numerous actions have also been taken to promote the resilience of rail activities (see analysis of the criterion of adaptation to climate change above, and DPEF § 6 "Improving adaptation and resilience"). In addition, studies of physical vulnerabilities have been undertaken by Group companies to define long-term adaptation strategies.

3.5.3.5 Outlook for 2024

The alignment of sales and CAPEX reflects the effects of actions with different timeframes.

The 50% share of aligned sales reflects current activity. It is marked by SNCF's long-standing commitment to providing a mobility offer with zero or low CO_{2e} direct emissions.

SNCF's ambitious decarbonisation policy (-30% on transport activities and -50% on building activities by 2030 compared with 2015) is based partly on the use of net zero emission solutions, but also on alternative means outside the scope of alignment (bio-fuel, bi-mode). The continuation of this trajectory should partly drive growth in aligned sales and in the alternative sales performance indicator.

CAPEX reflects the Group's investment effort, both to maintain the level of alignment with sales, based on current production capacity, and to carry out industrial transformations.

The current alignment rate is representative of the high level of investment in the rail network. The maximum potential for alignment, constrained by the extent of the electrified network, has not yet been reached. Continuing the policy of deploying an EMS at all sites by 2025, as well as at all worksites, should enable the CAPEX alignment rate to continue to rise.

The growth of zero-waste certified station renovation programmes should also encourage the development of the aligned portion of CAPEX.

In addition to these actions on the infrastructure component of investment, there will also be the effects of investment programmes for electric rail equipment (passenger and freight).

More broadly, the effects of improved circular economy policies on subsidiaries in and outside Europe could help to advance the alignment of several Taxonomy businesses.

Finally, taxonomy alignment criteria are increasingly taken into account in investor strategies. This development should encourage the individual identification of aligned projects and their association as assets underlying green financing (Green Bonds and EU GBS).

3.5.4 Methodology

3.5.4.1 Analysis of substantial contribution criteria

The analysis of the substantial contribution was carried out by applying the concept of activity mentioned in the delegated acts to the ratios of sales, CAPEX and OPEX.

For sales, the level of activity has been assessed in the light of homogeneous non-financial indicators (traffic, km, etc.) corresponding to the taxonomy definition, crossed with the financial flows of this indicator.

For capital expenditure and OPEX, the level of activity has been analysed on the basis of the financial flows associated with these indicators.

3.5.4.2 Sales making a substantial contribution

The denominator used for sales is that of the Group's consolidated structure.

For the numerator, the analysis was carried out by eligible activities, according to the criteria defined in the delegated acts.

For activities 6.1 and 6.2, the analysis focused on the data associated with the part of the activity "whose direct CO_{2e} emissions are zero" and those used by "a conventional engine when such an infrastructure is not available (bimodal)". This has led to a separation of the transport activities carried out with electric equipment and those carried out with dual-mode equipment (vehicles equipped with two engines, one electric, the other diesel).

For the 6.1 activities, this breakdown is based on the number of electric and dual-mode trains.km generated by the fleets and routes of rolling stock, as well as the sales of the Passenger subsidiaries operating electric high-speed equipment (Eurostar, Thalys, OUIGO, SVI).

For activity 6.2, the breakdown of sales generated by electric or dual-mode vehicles has been carried out on the basis of tonne-kilometres generated, excluding the proportion of sales associated with the transport of fossil fuels. This share was determined by analysing sales flows.

For activity 6.3 Urban and suburban transport, road passenger transport, the breakdown was carried out by identifying the traction energy used in the entities falling under this taxonomic activity (Electricity, Hydrogen (H₂), Diesel, Other energies), in order to retain only the entities whose CO_{2e} emissions are zero at the tailpipe (Electricity, Hydrogen). The share of these activities has been reconciled with the database of km travelled to deduce the share making a substantial contribution.

The substantial contribution of activities 6.4 and 6.5 has been evaluated on the basis of the number of rounds of cargo bikes and electric or hydrogen vehicles of type M1, N1. Identification was based on the production data of the entities concerned, collected via questionnaires.

For activity 6.14, the substantial contribution has been measured by isolating the revenue associated with tolls and charges on the electrified network. The supporting data were the UIC classifications³ of the rail network. The revenue generated by the Railway Stations business has been determined on the basis of tolls invoiced to rail operators.

3.5.4.3 CAPEX making a substantial contribution

The denominator of CAPEX has been determined by combining the flows associated with traditional 'owned' investments and those associated with rental payments

³ Designation of track types, internationally recognised in the railway world

qualifying as investments (DU) under IFRS16. Cash flows associated with investments in concession assets (IFRIC 12) have been excluded from the scope of consolidation.

For the numerator, the analysis was carried out by eligible activities, according to the criteria defined in the delegated acts.

For activities 6.1 and 6.2, we looked in the accounting databases for investments made in electrical and dual-mode equipment. This also led to the prior isolation of the motive power units (locomotives, power cars) from the hauled vehicles. Filters were then activated on the flows associated with the engines, either via the general or analytical account if they provided information, or directly based on the names of the operations associated with the engines. For towed vehicles, a key was applied based on an analysis of the associated engines.

For activity 6.3, the work to determine the share of CAPEX making a substantial contribution consisted of identifying the traction energy used in the entities covered by this taxonomic activity (Electricity, Hydrogen, Diesel, Other energies).

For activity 6.14, the substantial contribution was measured using both the UIC⁶ categorisation of the track segments and additional analyses.

For activities 6.5, 6.6 and 3.6, the work involved in determining the proportion of CAPEX making a substantial contribution consisted of collecting information by type via questionnaires sent to the entities within the scope.

For activities 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7, the work involved in determining the proportion of CAPEX making a substantial contribution consisted of collecting information by type either via questionnaires sent to the entities within the scope or by identifying significant projects.

For activity 3.19, the investigations led to a search for the share of investment associated with the renovation of electric or dual-mode rolling stock.

3.5.4.4 OPEX making a substantial contribution

The denominator for OPEX is based on the cost accounts associated with maintenance and research and development. This composite nature makes it a much less meaningful indicator than sales or CAPEX.

The selection of accounts associated with OPEX focused on the following expense categories:

- Maintenance and hire of railway rolling stock
- Upkeep and maintenance of property
- Upkeep and maintenance on the rail network
- Servicing and maintenance of transport equipment
- Studies and research,

And by neutralising any flows generating capitalised production.

For the numerator, the analysis led to the diversion of the OPEX flows associated with the criteria defined by the taxonomy activity. This breakdown was carried out either additively when the associated financial data allowed identification at source, or using a proxy based on the level of activity when identification at source was not possible. This proxy has been determined on the basis of sales for carriers, due to the induction effect of transport and investment in infrastructure activities.

The materiality criterion has led to the identification of no OPEX on activities 6.6.

For activities 6.1 and 6.2, the analysis led to the identification of flows associated with the maintenance of electrical rolling stock by applying a key based on activity volumes.

For activity 6.3, the work to determine the share of OPEX contributing substantially to the Taxonomy alignment consisted of identifying the traction energy used in the entities covered by this taxonomy activity (Electricity, Hydrogen, Diesel, Other energies) and using the km travelled, by traction mode and by energy, to apply the ratio of the share of electric km and H2 km to total km.

For activities 6.14, the breakdown of OPEX making a substantial contribution has been achieved on source systems by combining maintenance and research and development costs with indicators on the type of track maintained, based on the UIC categorisation.

For property activities 7.7, the investigations led us to look for maintenance costs associated with properties with an ECD A rating.

3.5.4.5 Analysis of criteria for the absence of collateral effects

The analysis of the absence of collateral effects (DNSH) was based on several studies:

- A preliminary technical analysis to identify the qualitative and quantitative data required to verify compliance with the criteria
- Additional analysis of the criteria based on available data
- A thematic analysis, based on feedback from the FAQ, to identify cases of non-applicability of DNSH (see description by activity). The FAQ of 19 December 2022 on the Climate Delegated Act confirmed that an activity can be qualified as aligned without complying with a specific criterion that would not be applicable to it.

As a result of this work, the technical analyses and financial data were 'joined up' to produce a new breakdown based on data that made a substantial contribution. As far as possible, this was based on analytical data shared between substantial contributions and DNSH analyses.

3.5.4.5.1 Analysis of the criterion of adaptation to climate change

By its very nature, the rail business is subject to the vagaries of the weather. Extreme situations are well known and have been documented by the Group for decades. They are dealt with under the Business Continuity Plans (BCP), which ensure that service can continue in the event of an emergency.

The challenge of adapting to climate change extends operational awareness of these issues, making them a major strategic issue from now on. The adaptation and resilience to climate change of the SNCF Group's activities is one of the six axes of the 2020 - 2030 CSR strategy approved by the Board of Directors. (See DPEF § 6 "Improving adaptation and resilience").

Dedicated governance

A Climate Change Adaptation (CCA) steering committee has been in place since 2021 to steer the work of this strategic area. It is responsible for validating and monitoring the action plans proposed by Group companies and for their overall management. It met three times in 2023. It reports to the Group Presidents, to whom it reports at a half-yearly Strategy Committee meeting.

In 2023, two working groups have been set up to look in greater depth at certain issues considered to be major by the Strategy Committee (CSACC) and to anchor governance more firmly within the Group:

A "Financial Impacts" working group, the aim of which is to propose a harmonised method and calculation assumptions for measuring the costs and gains associated with the rail system's efforts to adapt to climate change.

A "Human Impacts" working group, the aim of which is to gain a better understanding of the impact of climate risks on employees in order to anticipate what may be the case and implement concrete measures to improve working conditions in the short, medium and long term.

The risk of adapting to climate change has been part of the SNCF Group's major risk map for several years. Actions to remedy this risk are monitored by the Group Executive Committee at twice-yearly meetings and presented to the Board of Directors.

Each company draws up and monitors a map of the major risks to its business. All the risk maps include a risk related to the impact of climate change. In each company, a Climate Change Adaptation Officer has been identified and is responsible for ensuring that the work is properly carried out in his or her area.

In addition, in 2023, a more detailed and operational climate risk map will be created for each company. It is intended to be updated and expanded each year, and to feed into the mapping of major risks. The adaptation referents are responsible for completing it in their respective areas.

The ad hoc organisation set up in December 2022 has now been stabilised: the CCA is managed by each of the Group's entities, the network of advisors is structured and the awareness-raising and training of employees at grassroots level in resilience diagnostics and physical risk management is being structured. Several training sessions on the OCARA method have been held at SNCF Voyageurs and the process is underway in the other companies. In terms of awareness-raising, climate frescoes have been organised within the various companies.

In 2023, the analysis of the ACC criterion of the taxonomy regulation was therefore based on structures already active within the Group and operational sensitivity to climatic contingencies. An analysis was carried out in accordance with Appendix A of Annex 1 of the Climate Delegated Act.

Risk identification and analysis

The physical climatic risks that are significant for the SNCF Group's activities have been identified from among those listed in the table in section II of appendix A of the taxonomy regulations. For each of the climatic hazards, the impact and frequency of the associated risk have been studied.

The impact assessment included financial, reputational, occupational health, safety, security and customer/employee dimensions.

The assessment of the frequency of the risk was based on claims that have already occurred within the Group and on studies in the field.

The risks to which the Group is particularly exposed are as follows:

- Changing temperatures
- Thermal stress
- Temperature variability
- Heat waves
- Flooding
- Cyclones.
- Clay shrinkage and swelling.

Risk assessment and vulnerability

An analysis of exposure to chronic and acute hazards was carried out, mapped by company and cross-referenced with its taxonomy.

In addition, as part of the reporting carried out for the DPEF, a business impact analysis process has already been initiated. It will result in a calculation of the minutes of traffic lost and an identification of the economic impacts of climate change (see DPEF §6 The impacts of climate change on assets are already perceptible, consequences on production, work organisation and economic impacts). Projected studies based on IPCC scenarios have been carried out within the Group since 2022:

- GEODIS on the perimeter of its 855 sites and freight logistics hubs in 2022.
 - SNCF Réseau: specific vulnerability studies on the Seine axis (Paris - Le Havre) and on the Languedoc axis. These studies were continued for almost all Group companies in 2023 under the SSP2-4.5 "*business as usual*" and SSP5-8.5 "*highest climate drift*" scenarios (see DPEF § 6. Improving the adaptation and resilience of activities to climate change)
- The studies conducted by the Group's various companies are carried out on a global basis to provide a broad view of the consequences of climate change:

- Infrastructure and real estate activities:
 - Studies carried out by SNCF Gares & Connexions on the Group's 3,000 stations and by the Property Department on all buildings and land on the basis of six chronic hazards and eight acute hazards.
 - Extension of the vulnerability study on the North axis carried out by SNCF Réseau.
- Road transport activities: Keolis conducts a global study of the assets operated at 1,000 sites
- Rail freight activity: global study of 246 sites in Europe carried out by RLE.

In 2024, Group companies will carry out more targeted studies on sites identified as particularly sensitive and/or strategic. In particular, Geodis is planning five on-site vulnerability studies per 'region/business', including three in Europe, one in Asia and one in the United States.

SNCF Voyageurs also has a global view of its risks and will be launching local studies on three Technicentres (Lille, Le Landy, Les Ardoines) in early 2024.

The issues involved in these studies by SA are detailed in section 6.1 of the DPEF. Improve our knowledge of climate change.

Adaptation solutions

The risk analysis was completed by the identification and evaluation of adaptation solutions. These solutions are made up of those already implemented, and others to be carried out over the long term.

The solutions already implemented for activities 6.1, 6.2 and 6.14 relate in particular to the temperature risk: Météo France warning system in the Group's companies, heat rounds, Passenger Information, water supplies, measures in the event of full-track stops, maintenance and work on the various structures, early management of vegetation. For example, in 2023, SNCF has studied the feasibility of thermal comfort work at Rennes station, as well as the feasibility of planting the forecourt at Gare de l'Est. This work is planned for 2024. Specific measures have been taken to help employees cope with the heat: insulated water bottles, misters, coolers, refreshing clothing, installation of air conditioners in rest areas, etc.

With regard to the risks associated with water, the rolling stock has been assigned watertight zones.

With regard to activity 6.3, the solutions implemented concern the following measures:

- Creation or updating of plans and procedures for responding to extreme weather events (particularly heat waves and flooding)
- Anticipating exposure to climate risks by systematically carrying out impact studies for new lines
- Communication kit for staff and passenger-customers
- Monitoring public bodies responsible for monitoring extreme events
- Redesigning street furniture to reduce heat islands
- Increased frequency of infrastructure inspections
- Building renovation
- Adapting working hours
- Installation of equipment to prevent extreme events
- Driver training.

In activity 6.14, the risks relate in particular to solid masses, leading to the planting of vegetation around the tracks to hold the soil in place.

In the longer term, the SNCF Group is committed to investing in innovation and research to help businesses adapt and become more resilient (see DPEF § 6 Improving the adaptation and resilience of businesses to climate change).

For activities 6.1 and 6.2, SNCF Voyageurs' Equipment Engineering took part in building the "Europe's Rail" programme, a community mobilised around research and innovation, which aims to define the "railway of the future" that is resilient to climate change. For all our businesses, the Group Technologies, Innovation & Projects Division (DTIPG) works on the production of methodologies and tools for risk analysis and decision support.

For all the Group's activities, the Synapses network of SNCF sustainable development experts has been asked to define the SafN concept (nature-based adaptation solutions) and identify solutions applicable to SNCF in an initial case study: extreme temperatures. (See DPEF § 6. Identify and develop nature-based adaptation solutions)

For activity 6.14, efforts to identify physical risks in current and future climates across the national rail network (RFN) are continuing. The aim is to obtain a macroscopic view of the effects of climate change on this network for a range of climatic hazards.

These overall analyses, together with the identification and analysis of risks and the study of adaptation solutions, lead to the conclusion that all the Group's activities comply with the criteria described in Appendix A of the Taxonomy regulation.

More detailed information on these climate change adaptation measures can also be found in chapter 6 of the DPEF.

3.5.4.5.2 . Analysis of compliance with other criteria for the absence of collateral effects

- Verification of compliance with the other criteria for the absence of collateral effects was based on the Group's practices and compliance with the regulations in force:
 - Group guidelines (RA00274) on the main principles of waste management in accordance with the hierarchy of waste treatment methods
 - Track material collection and reuse rate monitoring system

- Certification process for rolling stock maintenance technicentres

- Zero waste commitments on station renovation sites
- Deployment of environmental management systems (EMS) at rail infrastructure maintenance centres

- Infrastructure renovation projects associated with an environmental management system

- Environmental guidelines and green works charters associated with station renovation contracts

- ISO 14001 certification of entities

- Framework contract and clauses for manufacturers to take back rolling stock at the end of its life.

- In addition, ad hoc verifications have been carried out by circularising Group entities:

- Circular economy practices

- Compliance with current tyre criteria for vehicles identified as making a substantial contribution (electric and hydrogen-powered road vehicles).

These measures extend the actions already undertaken by the Group and described in the DPEF.

In terms of biodiversity, concrete achievements to protect and promote biodiversity include participation in the definition of standards, master plans in the Île-de-France region, the construction of biodiversity footprint indicators and the reduction in the use of plant protection products. see DPEF § 5.7 Preserving natural resources and biodiversity.

For the preservation of water resources - see DPEF § 5.8. Ensuring sustainable management of water resources.

In terms of the circular economy, the Group is also committed to strengthening actions that promote the circular economy, in particular by systematically adopting eco-design, developing the re-use and recovery of materials, reducing waste and increasing the proportion of recycled products in its purchases (see DPEF 5.6 § Anchoring the circular economy within the Group).

The Group is committed to systematic eco-design of track equipment, stations, railway equipment and property, and to rethinking production processes to reduce waste (see DPEF § 5.8.3. Systematise eco-design). A dedicated waste tracking tool has been introduced and is now used by over 3,000 employees.

3.5.4.6 Analysis of compliance with minimum guarantees

The analysis of the minimum guarantees criterion is based on the provisions of Article 18 of the Taxonomy Regulation and on the recommendations of the Platform for Sustainable Finance in its Final Report on Minimum Guarantees of 11 October 2022.

Article 18 requires companies to verify the implementation of procedures aimed at aligning themselves with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions cited in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. In addition, the Platform's report recommends strengthening verification in the areas of anti-corruption, taxation and competition law by proposing non-alignment criteria that must not be met.

The verification of the minimum guarantees on the non-alignment criteria was therefore based on the guidelines of the Taxonomy regulation and their interpretation by the Platform for Sustainable Finance, covering the following four themes:

- Human rights
- Corruption
- Taxation
- Competition law.

For these four themes, the analysis of the criterion is based on the implementation of specific procedures or processes and the absence of convictions.

Implementation of specific procedures or processes

With regard to human rights, the SNCF Group adopted a Human Rights policy in 2023 and, since the 2022 financial year, has published an annual vigilance plan in its management report, in compliance with Law no. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and contracting companies. This includes:

- Risk mapping to identify, analyse and prioritise risks
- Procedures for regularly assessing the situation of subsidiaries, subcontractors and suppliers with whom we have an established commercial relationship, with regard to risk mapping
- Appropriate action to mitigate risks or prevent serious harm
- A mechanism for alerting and collecting reports on the existence or occurrence of risks, drawn up in consultation with the trade unions representing the company.
- A system for monitoring the measures implemented and evaluating their effectiveness. This also includes human rights commitments in the entity's processes.

This covers the six key stages in the human rights due diligence process.

These provisions are described in greater detail in section 2.2 Compliance and ethics governance.

As regards the fight against corruption, the SNCF Group has adopted a programme to prevent and combat corruption, in accordance with the requirements of the so-called "Sapin II" law. It aims to prevent the legal, financial and image risks that corruption poses to the Group. To this end, a number of concrete actions have been put in place as required by law, including the distribution of a Code of Conduct on preventing and combating corruption, and mandatory training for Group managers. The main commitments are set out on a dedicated website. (See also DPEF § 2.2 Compliance and ethics governance)

In terms of taxation, the Group has put in place appropriate processes to identify, assess and control any tax risks, in order to ensure the security of all its operations. External advice is sought in the event of uncertainty or complexity surrounding the extent of a tax risk, particularly in international tax matters. (see DPEF § 3.4. Tax strategy for the SNCF Group).

With regard to competition law, the company makes its employees aware of the importance of complying with all applicable competition laws and regulations. For example, since 2019, some Group entities have introduced a code of conduct for free and fair competition. In addition, an e-learning programme on compliance with competition law will be made available to management teams.

No convictions

The Group has not been convicted of any offence that would call into question its compliance with this criterion.

These analyses lead us to conclude that the Group's activities meet the minimum guarantee criteria

4. DECREASING THE SHARE OF RAIL AND SUSTAINABLE MOBILITY

4.1 ENSURING THE FUNDAMENTALS OF SAFETY, PUNCTUALITY AND PASSENGER INFORMATION

4.1.1 Context

In order to share a common culture of operational excellence based on its fundamentals, SNCF has set up cross-functional programmes that feed into the day-to-day work of the five railway companies: PRISME on rail safety, H00 on punctuality, Information FIRST on passenger information, Atout conduite for specific actions aimed at drivers and Atout Bord for train managers (see 8.4).

4.1.2 Our commitments

Ensuring the best possible service for customers in terms of safety, information and train punctuality to increase the share of rail services.

4.1.3 Safety policy and actions

SNCF Safety: the PRISME programme

The safety of its customers, employees, partners and environment is SNCF's priority and part of its identity. However, as an industrial activity, SNCF is exposed to risks that can damage its assets (physical, intangible and human) and its stakeholders (customers, suppliers, associations, public authorities, etc.).

Risk analysis and risk-based management have made it possible to identify six areas in which SNCF has developed policies, management methods, standards and tools over time, with varying degrees of maturity:

- Health and safety at work
- Safety of rail operations
- Fire safety
- Security
- Information systems and cyber security
- Environmental safety, including natural and technological risks suffered and caused.

A programme to transform the safety culture

So, since 2015, SNCF has been incorporating these principles into its PRISME programme to step up the general level of safety within the company's various entities. These principles are reiterated in the latest version of SNCF's safety policy. Reaffirmed by SNCF's CEO at the September 2022 safety agreement, it was signed in February 2023 by the chairmen of the five rail companies.

PRISME's 2023-2025 guidelines are based on three pillars which benefit:

- **Employees**, with the integration of staff and staff representative bodies in the process of transforming the safety culture and freeing up the floor. In this way, every employee is involved in the continuous improvement of safety.
- **Operational entities**, with the development of a risk-based approach to prioritise actions and focus energies, making "safe production" systematic and writing "less and better".
- **The unity of SNCF and the opening up of the rail sector**, with the establishment of common safety principles within the five rail companies and a credo: to make safety a common good.

Key indicator

	2023	2022	2021
Seriousness of 4+ safety incidents (nb) - SNCF	483	484	n.a.

This roll-out was completed in 2023 and has been reviewed in line with the commitment made by SNCF's CEO.

The projects undertaken over the last eight years have helped to anchor the highest standards of safety in people's behaviour. As a result, the safety of rail operations has improved, with a reduction in notable safety events from 308 to 144 by 2022.

For more details on health and safety at work: see 8.4

Roll-out of PRISME 2023

To support the new phase of PRISME and anchor the programme as close to the ground as possible, exchanges of best practice have been organised across France. They resulted in:

- 13 regional safety meetings with nearly 3,000 operational managers (site and business unit directors, Safety Division managers and their local managers)
- Monthly inter-company meetings on topics related to the safety programme
- The provision of a shared digital workspace.

At the same time, SNCF has continued to take action through internal and external campaigns, safety briefings and team awareness-raising sessions, in response to major risks: pedestrian crossings, level crossings, rail maintenance (management of metallurgical defects and risks of breakage).

A common rail safety indicator-

To strengthen the management of our safety policy and align it with the tool used by all European companies and networks, we have decided to switch to a new indicator, the EPSF (Établissement public de sécurité ferroviaire) severity scale, from 1 January 2023. This scale was used by Fret SNCF but until 2022, the method of calculating noteworthy safety events (NSE) for SNCF Voyageurs and SNCF Réseau differed from the 2023 method on two important points:

- The NSE scale was specific to SNCF and not comparable with the EPSF measure, hence the decision to change to the external scale applicable to the entire sector.
- The scope chosen was that of internal causes, excluding "third party" causes: climatic events (heavy rain, flooding, etc.), carelessness on the part of motorists, particularly at level crossings, or pedestrians in the middle of the road, and malicious intent. From 2023, third-party cases will be included.

This new classification can lead to major variations in the volume of events to be monitored, to the detriment of the quality of the analysis. This is why treatment principles have been put in place to complement the severity scale: high-potential events.

– **HPSE** (High Potential Serious Event): an event that did not have any serious or significant consequences purely by chance.

– **EHLP** (Event with High Learning Potential): an event with a learning character due to its novelty, complexity, possible system improvement, etc.

In order to have sufficient historical data for the introduction of this new survey, the classification according to the severity scale has been set up on the basis of a history reconstructed from data for 2021 and 2022.

For more details: see the Vigilance Plan, 3.1.

Keolis and Geodis

Keolis is deploying a demanding approach to continuous safety improvement across all its networks in France and abroad, with a single objective: zero responsible accidents. This common approach is based on a safety management reference system, procedures, training, shared tools and action plans adapted locally by each subsidiary.

Geodis applies a systemic approach to managing the Health, Safety and Security aspects of its operations. "Guaranteeing people's safety everywhere and at all times" is one of its seven Golden Rules. The main risks are associated with driving, carrying loads, moving around and interacting with forklift trucks in warehouses. Committed to continuous improvement, Geodis is renewing its ambition to be one of the best performing logistics companies in terms of health and safety, with the aim of achieving zero accidents.

For more details: see 8.4.

4.1.4 Policy and action on cyber security

Digital technology is playing an increasingly important role in the day-to-day lives of our employees, in our business processes and for our customers. In addition, international tensions, the prospect of the Paris 2024 Games and the opening up to competition are likely to increase the risk of cyber attacks on the Group's information systems. To counter them and prevent rail production stoppages, SNCF has developed a strategy of defence and drastic checks on the effectiveness of the protection systems in place.

Two teams in action

As well as modernising and tightening up the protection of its conventional and industrial information systems, four years ago SNCF set up an operational cyber-security centre which collects, analyses and supervises alerts and weak signals of attacks.

– A first team is responsible for monitoring, prevention and detection, thanks to mechanisms capable of controlling and blocking non-compliant access and insecure devices. These technical solutions are accompanied by awareness-raising initiatives for all employees, in particular via an e-learning programme to be launched in December 2021 to develop their day-to-day cyber vigilance.

– A second team is studying attack scenarios to contain intrusion attempts as early as possible when they occur.

Cybersecurity is about protecting people, data and infrastructure against cyber attacks, which can create three major risks for businesses:

- Total or partial unavailability of information systems and industrial systems
- Loss of data integrity (protection)
- Leakage or theft of sensitive data.

In terms of governance, the rules and objectives are defined in the SNCF's general information systems security policy, which sets out the main information systems security principles.

For more details: see Vigilance Plan, 3.2 (DH4).

At Geodis

Reporting to the Executive Committee, the Geodis cybersecurity function implements a global strategy in the regions where the company operates, regardless of the business line involved. Governance is established in particular through a general information technology security policy, which is integrated into the company's

Book of Business Principles. Security requirements are integrated right from the design phases of the services and products deployed by the company. Three internal lines of defence help to protect Geodis data:

- Technical departments to manage safety operations
- Geodis Cybersecurity Director to ensure governance, risk management and compliance
- Internal and external auditors to check their application and any deviations.

75% of SNCF employees learn about cyber security

Awareness-raising measures are being deployed for all SNCF employees to explain cyber risks and how to deal with them. At the beginning of January 2024, more than 111,000 out of 148,000 employees had been trained in the "10 Cyberflexes", a short, fun e-learning programme, including 71,000 in 2023.

In addition, more than 9,000 SNCF employees took part in the events organised as part of Cybersecurity Month in October 2023, compared with 5,000 in 2022. Lastly, 1,323 employees took part in on-site awareness campaigns in 2023.

Cybermois 2023 for Group employees

Keolis has signed the Cyber Charter alongside the SNCF, raising awareness among its employees and the general public of cyber risks and the challenges facing the organisation.

To mark the occasion, a number of workshops and initiatives were organised at Keolis head office and in its entities to promote the acquisition of the right reflexes, particularly during major sporting events.

4.1.5 Punctuality policy and actions

SNCF Robustness: the H00 programme

The H00 programme aims to improve the punctuality of trains departing by the second, and to provide a better service for customers. The application of operational and design standards has resulted in an eight-point improvement in punctuality since 2017.

In 2023, punctuality stood at 86.1%, below the target of 89%. It is with a view to improving resilience to the various hazards that can affect this business that the deployment of H00 standards is continuing.

On 1 January 2024, the H00 programme will evolve and expand, moving closer to the PERL (Performance Regularity Line) programme. The aim is to adapt to an increasingly changing context (climatic and production hazards, passenger incidents, anti-social behaviour, etc.) and to anchor performance more firmly in the processes of the various SNCF entities linked to production.

The main challenges of this overhaul:

- Engage all passenger rail companies by guaranteeing them access to the fundamentals of system regularity
- Maintaining the momentum of progress and securing what has been achieved
- Activate new performance levers.

This enhanced programme will equip our teams better to deal with unforeseen events, and will enable us to meet our primary objective: customer satisfaction. On-time delivery is the number one expectation of customers and the number one satisfaction criterion.

Improving the handling of abandoned baggage

As the leading cause of delays on long-distance trains, abandoned items caused 351,160 lost minutes and 1,976 cancelled trains in 2023. This 16.1% reduction in minutes lost to handling abandoned objects compared with 2022 is

due to the application of the "Object Délaissé" programme, which has been implemented since 2021 as part of a continuous improvement approach. However, growth this year was held back by:

- The lack of availability of dog-handling teams in certain stations due to new certification rules to be observed
- The declaration of an emergency attack on 13 October, which led to a tightening of measures taken by the police and more reports of luggage. An action plan has been drawn up for November 2023 and the situation will be closely monitored in the context of the Paris 2024 Games.
- Territorial issues with external partners, which will be the subject of targeted actions in close cooperation with Rail Safety, SNCF Réseau and SNCF Gares & Connexions.

In 2024, work will focus on continuous improvement of the procedure, as well as on 26 specific support and educational initiatives for external partners (police, gendarmerie, mine clearance).

4.1.6 Policy and actions on passenger information

SNCF Information: the Information FIRST programme

Launched in 2017, the programme continues to be strengthened to best meet customer expectations in terms of Passenger Information (PI). To achieve this, in-house tools and customer applications are being improved to ensure that information flows more smoothly and that those involved in passenger information take greater ownership of the business processes involved. The attention paid to passengers' expectations during disruptions is just as important, thanks in particular to the commitment of employees in contact with customers.

Every year, the FIRST programme has to evolve to meet the SNCF's new challenges, taking into account the opening up to competition, simplifying standards and guaranteeing the robustness and cross-functionality of the information system.

In this way, the Information FIRST programme will be able to contribute to greater customer satisfaction on a daily basis and prepare for the major events of the Paris 2024 Games.

Overall improvement in customer satisfaction by 2023

In 2023, the results of customer satisfaction surveys on Passenger Information show that reliability, responsiveness and complete and accurate information have been constantly improving since 2017. This increase is due to the involvement of IV players and the introduction of innovative tools and initiatives: information systems, professionalisation, creation of multi-trade IV ambassadors, renovation of operational centres.

- In terms of responsiveness, which includes the ability to work across business lines, the results of the customer survey in September 2023 indicate a satisfaction rate of 53% (compared with 51% in 2022).
- When it comes to the reliability of information, the results are 58% (compared with 57% in 2022) and 51% for complete and accurate information (compared with 46% last year). For example, the "Fil Info Live" web tool, set up in 2022 to share facts in real time from the crisis room, is much appreciated by SNCF customers and crisis players. It is accessible via social networks and has been improved throughout 2023.

– For irritants, Information FIRST teams have been working hard this year to improve customer satisfaction in disrupted situations, which will stabilise at 5.9 in 2023 (compared with 6 in 2022).

Action has also focused on practices at local level for the various professions contributing to IV (Information

Voyageur), regarding passenger information in stations and on board, and on the porting of IV by SNCF Connect. Satisfaction with the IV specific to this service has risen from 71% in August 2022 to 75% in August 2023. The Information FIRST programme has enabled these qualitative leaps to be made, which will continue over the coming year, by rolling out best practice across all sites.

The focus for 2024

In 2024, the First programme is stepping up its demands on the quality of information, to win the trust of all SNCF passengers and improve customer satisfaction, particularly in the context of the Paris 2024 Games.

The programme includes:

- Continue to enhance perceived quality and satisfaction by listening to customers, identifying and dealing with "customer irritants", and improving the way people speak out both on board and at stations.
- Consolidate progress on product quality, by improving responsiveness and reliability, while maintaining efforts on the H-20 minute display and platform changes.
- Develop skills and business practices, by rolling out training and simplified, prioritised monitoring to improve the performance of those working in the field. It also involves developing the maturity of crisis management and customer care standards.
- Supporting entities and sites, by strengthening our presence on the ground with IV diagnostics and tailor-made support for managers, operators and crisis management teams to roll out action plans in response to customer expectations.

Two Transilien services win awards for better day-to-day travel

Innovating Passenger Information and Services won Transilien two awards in October 2023:

- **The Innovation Award** for the on-board passenger information service. Information is provided on the timetable screens located on the platforms. The system allows passengers to board one of the least loaded carriages. Financed by Île-de-France Mobilités, the service has been deployed since 2023 on eight lines where trains are equipped with a passenger counting system.
- **The Smart City Prize** for the interactive map of stations and the surrounding area with pedestrian guidance. On the transilien.com websites, passengers can find all the information about the station at a glance: departures, arrivals, connections, services, as well as the location of any replacement buses in the event of roadworks.

Educational videos about trains

Many questions and misunderstandings about rail transport are circulating among passengers on social networks. To provide clear answers to the most frequently asked questions, SNCF Voyageurs launched a series of publications in October in the form of 40- to 60-second animations. Among the themes discussed:

- "Why don't TGVs run at more than 320km/h?"
- "How can fallen leaves slow down a train?"
- "When a train is full, why don't we add a carriage?"
- "Why can TGV prices sometimes change at high speed?"
- "When you buy a train ticket, you know where you're going. But where does your money go?"
- "Does the train really pollute less?"

4.2 ENSURING THE SERENITY OF TRAVEL

4.2.1 Context

Ensuring trouble-free journeys on trains, 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 this. This is why all types of security threat must be addressed, including gender-based and sexual violence, incivilities and the risk of terrorism.

For more details: see Vigilance Plan, 3.

4.2.2 Our commitments

Ensuring the safety and peace of mind of passengers through a targeted security policy.

4.2.3 Policy and actions

The Group must ensure the safety of its passengers and the goods entrusted to it by shippers. To this end, it implements an integrated global safety policy that combines:

- Internal resources, with the deployment of technological tools and organisations adapted to improve efficiency
- A partnership with the internal security forces, police, gendarmerie, customs and public prosecutors' offices
- The use of private security companies for guarding missions.

Group-wide safety of people and property

The development of a human presence on the networks is at the heart of the SNCF and Keolis strategy.

SNCF's Sûreté ferroviaire is an in-house security department with 3,000 staff spread across France. It intervenes on behalf of all players in the railway system, in accordance with the legislation.

Keolis employs staff and private service providers trained in prevention, deterrence and repression, and equipped with appropriate technical devices. They work in cooperation with the internal security forces.

At Geodis, safety is an integral part of our seven Golden Rules, along with health and safety. The company is committed to protecting people and tangible and intangible assets against all forms of malicious action from one end of the supply chain to the other.

4.2.3.1 The actions of the Sûreté ferroviaire

The fight against gender-based and sexual violence

The Security Department is responsible for overseeing all five railway companies, and since 2021 has dedicated a post to combating sexist and sexual offences at SNCF.

Training. The SNCF is continuing to train its security staff in the fight against gender-based and sexual violence, in order to better adapt the care given to victims, in support of the police. An e-learning programme tailored to the railway environment has been created by the Université de la Sûreté. Deployed in November 2023, it will be accompanied by practical exercises during ongoing employee training.

National awareness campaign. The SNCF helped design the government's "Lifting our eyes together" campaign, which was launched from 15 November to 8 December in SNCF stations and RATP stations. The aim is to equip victims and witnesses by giving them access to existing mechanisms for dealing with situations of violence. To support the launch, employees from Sûreté ferroviaire and Transilien went out to meet customers on 27 November at more than fifty stations. This is an opportunity to remind them that in addition to the 3117 alert number - and 31177 for text messages - video

protection and the possibility of getting off on demand on night buses, there are employees trained to deal with violence in stations and on board.

15 exploratory walks. As part of the ministerial action committee, SNCF has also committed to carrying out 15 "exploratory walks" between now and the end of 2024. Objective: to better assess women's perception of insecurity in certain areas of stations identified by volunteers, and to work to reduce it through various interventions.

Finally, in order to better characterise attacks, SNCF is experimenting with including items on this type of violence in its assessment tools: customer satisfaction survey, safety diagnostics, etc.

In 2023, 231 people were stopped for sexist and sexual offences and 164 reports were issued to those responsible for sexist offences on SNCF premises.

For more details: see Vigilance Plan, 3.2 (DH2).

Pedestrian cameras: a preventive tool against offences and insult

The deployment of pedestrian cameras continued in 2023. At Sûreté ferroviaire, all 116 sites are equipped with 500 cameras, and all team missions are carried out with at least one camera. This device calms tensions by triggering the recording, a gesture that generally has the effect of defusing the critical situation. Cameras were triggered more than 42,000 times in 2023 (compared with 23,000 times in 2022).

For the SNCF Voyageurs experiment, 2,200 cameras for volunteer staff were in operation by the end of January 2024, and 96% of testers were in favour of making the system permanent. The aim is to have 4,000 pedestrian cameras by the end of the first half of 2024.

Real-life security simulation at Gare du Nord

An inter-force exercise organised by Sûreté ferroviaire in 2023 involved more than 70 participants and 150 extras during the night in Europe's largest railway station.

Security co-production exercises are used to test the professional practices of SNCF internal service employees and to improve their coordination with their partners (public security forces, private security, etc.), both on a day-to-day basis and in crisis situations. These exercises require three months of preparation and are particularly useful for ensuring the safety continuum between all stakeholders, especially in the run-up to the Paris 2024 Games.

4.2.3.2 Mediation actions

Interventions in schools to reduce risks and incivilities

Since 2006, **the SNCF** has been working with the French Ministry of Education on the "Passenger & Citizen" programme. Through its Interventions en Milieu Scolaire (IMS), it intervenes in schools, collèges and lycées close to railway rights of way, when risky behaviour or incivilities have been reported, or at the request of teachers or school heads. The activities are run by 570 volunteer SNCF staff from all professions, who have received specific training in public awareness and the prevention messages to be conveyed, depending on their level of education. Since 2006, more than 3 million young people have benefited from this scheme.

Keolis also has an active policy of raising awareness in schools, with several thousand pupils reached each year, focusing on three areas:

- Improving knowledge of public transport

- Raising awareness of security, fraud prevention and anti-social behaviour

- Explain the benefits of public transport in reducing an area's environmental footprint.

Spotlight on the SNCF's new IMS programme

During the 2022-2023 school year, 100,000 young people were made aware of rail risks and civic-minded behaviour in more than 1,300 schools SNCF has reinvigorated the scheme to bring it back up to the level of the pre-Covid period (190,000 pupils reached over the 2018-2019) school year. Its 2023 action plan provides for:

- Propose a partnership agreement with each academy to facilitate contacts with schools.

- Implement a tripartite commitment charter in all regions (signed by the volunteer SNCF employee and his/her manager) to promote the commitment of SNCF employees and facilitate their availability.

- Targeting schools located near stations with track crossings for the public, to better identify priority schools in relation to the safety issues encountered internally: 19,000 pupils out of a total of 100,000 reached.

- In particular, to develop two new modules that are more in tune with the realities of young people, to improve the impact of the Voyageur & Citoyen programme on secondary school pupils. Presented to pupils from the start of the school year in September 2023, they are designed to stimulate debate and promote a better understanding of the risks involved, the issues of citizenship and sustainable mobility.

AND ALSO...

- **A Mission Mobilité module** in addition to the IMS at Transilien. In addition to the IMS, which have raised awareness among more than 27,000 students in the 2022-2023 period, the Mission Mobilité module has been rolled out to 500 students in secondary schools in priority urban neighbourhoods. Three sessions were also organised for secondary school students at the Cité éducative in Poissy.

- **Transilien campaign to raise awareness of respectful behaviour.** Entitled "Parce qu'on est tous dans le même train" ("Because we're all on the same train"), it is humorously based on the incivilities identified as the most annoying by an OpinionWay survey.

According to the study, 80% of people living in the Greater Paris region feel annoyed by bad behaviour. This perception rises to 85% among working people, underlining the close link between the frequency of rush-hour journeys and the level of annoyance.

Preventing anti-social behaviour through social mediation

To tackle the problem of anti-social behaviour on trains and ensure that customers enjoy their journey, SNCF employs social mediators in stations and on trains, via the Pimms Médiation centres in Lyon, Saint-Étienne, Cenon, Dijon, etc. Their work complements that of SNCF employees on the ground (rail safety, train conductors, etc.).

Through dialogue, mediators can encourage behaviours that are more compatible with social customs and, by reminding them of the rules, also help to reduce fraud. If this doesn't work, railway security staff will intervene to fine offenders. In 2023, mediators dealt with 80,000 incidents during their work in stations and on board trains.

Other SNCF partner social mediation organisations carry out the same type of work in the Grand Est and Provence-Alpes-Côte d'Azur regions and on the Transilien network in the Île-de-France region.

TIG safety partnership at TER Valence

Following an experiment launched at the start of 2023 in the Auvergne-Rhône-Alpes region called "Gares Zéro Délinquance" ("Zero Delinquency Stations"), TER AURA has relaunched the Community Service scheme at Valence-Ville station. After identifying assignments with SNCF Gares & Connexions and setting up tutors, the SPIP (Service pénitentiaire d'insertion et de probation) in Valence reassured management of their level of responsibility: in the event of an accident at work or disciplinary breach, a "tigist" reports to their SPIP adviser. After two initial visits by "tigists" to show passengers alternative routes when work was being carried out on the lift, feedback from local managers and "tigists" was positive.

Keolis

Prevention campaign on the STAR network in Rennes. Entitled #Nonsurtoutesleslignes, this campaign against all forms of aggression, harassment and discrimination informs passengers on the network of the four alert protocols to activate if needed, whether you are a victim or a witness. The campaign is based on four images, which present a specific warning system for:

- Alerting drivers, a STAR agent or passengers on board a bus
- Activating call points on the metro
- Filing a complaint as soon as possible so that the police can request access to surveillance cameras
- Call the emergency numbers: 17, 3919 Violences Femmes Info or 3928 Anti-discrimination.

Key indicators

	2023	2022	2021
Physical attacks on customers and SNCF staff and simple theft against customers (number) - SNCF	11,034	11,105	n.a.
Malicious acts against property and financial assets (number) - SNCF	20,364	20,650	n.a.
Acts of incivility and breaches of the law (number) - SNCF	304,016	322,727	n.a.

4.3 PROVIDING A SUSTAINABLE RAIL NETWORK FOR THE REGIONS

4.3.1 Context

More than just a means of transport, the freight or passenger train is a real lever for regional development and revitalisation. The SNCF is continuing to strengthen its partnership strategy with each region and is working to boost the economy in each area. In particular, this will involve speeding up the renovation and optimisation of the service offering on the core network and on the lines serving the region's more remote areas.

4.3.2 Our commitments

- We are committed to working alongside the State, the Regions and the local authorities to continue the long-term effort to renovate and modernise the core network.
- At the instigation of the State and the Regions, to preserve rail services as part of the regional network, by means of branch lines.

4.3.3 Policy and actions

With 28,000 km of track and numerous trackside installations (signalling stations, points, etc.), the French rail network requires constant renovation and modernisation. Priority is given to this work on the so-

called core network, where there is a lot of traffic (high-speed lines, conventional lines), but also on the branch lines that serve certain parts of the region. Varying in terms of their functions (suburban and inter-city links, services to sparsely populated areas, etc.) and their uses (types of trains, number of services, etc.), the branch lines serving the region have been the subject of increasing investment in recent years, both in terms of service provision and infrastructure renovation.

Investments

Investment in the network has risen from €900m in 2005 to €3bn in 2023. Although very important, this renovation effort is insufficient to halt the ageing of the tracks and optimise the performance of the network. The State and SNCF therefore plan to amend the performance contract in 2024, with additional investment of €1bn a year to regenerate the core network and €500m a year to modernise it from 2027.

€300m has been invested in 2023 to regenerate the branch lines that serve the entire region. The investment trajectory is declining as a result of the new State-Region Plan Contracts (CPER) currently being signed. It should increase again from 2024 onwards once the contractualisation process is complete. In addition, since January 2024, the 14 most important branch lines have been included in the funding system for the core network, enabling their performance to be maintained.

State-region memorandums of understanding

This dynamic is based on the State's action plan with the regions. It is set out in protocols between the State and the regions for each territory, defining the specific funding rules for each line.

By the end of 2023, eight memorandums of understanding had been signed with the Centre-Val de Loire, Grand Est, Provence-Alpes-Côte d'Azur, Bourgogne-Franche-Comté, Nouvelle-Aquitaine, Pays de la Loire, Hauts-de-France and Occitanie regions. Signature is still pending for Normandy (deliberated by the Region) but the protocol has already been taken into account in the CPER. Discussions need to be relaunched with the Auvergne-Rhône-Alpes, Brittany and Île-de-France regions, for which the CPER is initiating the process.

The relaunch of fine services

To contribute to the financial effort, the rail component of the government's recovery plan is allocating €620m to branch lines, including:

- €300m in direct State subsidies for projects, which do not pass through SNCF Réseau's accounts
- €320m for SNCF Réseau.

It combines with the commitments of many regions and will contribute to the financing of projects contractualised in the State-Region plan contracts.

Partnership approach to the transfer of infrastructure tasks

Regions wishing to take advantage of the possibility of transferring infrastructure management tasks introduced by article 172 of the Mobility Orientation Act (LOM) have been able to do so since the publication of application decree no. 2020-1820 of 29 December 2020, which defines the framework for implementation. The law also includes the possibility of transferring ownership.

SNCF Réseau is developing a partnership approach to work with the State, the regions, local authorities and operators to build an appropriate and innovative response for each line. SNCF Réseau is providing the necessary data and is carrying out in-depth work on the future

interfaces between the transferred lines and the national rail network. The aim is to develop optimal solutions for quality of service while guaranteeing safety.

2023 key figures for branch line services in France - SNCF

- 33% of the national rail network in service (not including capillary freight lines)
- 80% single-track lines
- 85% of lines not electrified
- Average age 37

A guide to rethinking branch line routes

Since September 2018, SNCF Réseau has published a guide offering its stakeholders solutions for optimising the costs of regenerating and managing small railway lines. This has resulted in a range of operations, from the use of "factory trains" to specific solutions involving the re-use of rails and a reduction in the number of sleepers.

Examples of modernisation projects

- Transfer of management of the Montréjeau-Luchon and Alès-Bessèges lines (non-circulating part) to the Occitanie Region in 2023.
- Ministerial authorisation for the transfer of ownership of the Harfleur-Rolleville line (Normandy) and lots 1 and 2 in the Grand Est region. The transfer process is underway.
- Contribution to an initial trial of an innovative rail solution such as very light trains (Flexy at Rosporden in Brittany).
- 18 administrative closures of line sections for conversion (covering 197 km).
- Six major projects to regenerate fine-rail lines in the region: Nevers - Le Creusot, Dinan - Lamballe, Chartres - Courtalain, Tours - Chinon, Niort - Saintes and Bourges - Montluçon.

Spotlight on two innovative solutions for linking regions by train

The SNCF is innovating to offer solutions adapted to less-frequented lines and areas not served by train:

- "Flexy", a system of rail shuttles currently being tested, capable of travelling on both rails and roads to the nearest station.
- The Innovative Light Train (TELLi), a modular and frugal rail system designed to revitalise short lines, which will be trialled in 2024.

4.4 REINVENTING PASSENGER MOBILITY

4.4.1 Context

Climate change, competition between different modes of transport and the intensification of trade are changing the shape of mobility for travellers and shippers, with a growing demand for environmentally-friendly, fluid mobility. Aware that the development of low-carbon transport is a major challenge for the ecological transition, the SNCF Group is adapting its services to provide responsible door-to-door links across France and Europe. For everyday journeys, it is working with the organising authorities to develop active forms of mobility such as cycling, in intermodality with trains, trams and buses, in line with the objectives set by the French Mobility Orientation Law (LOM).

4.4.2 Our commitments

- To keep pace with new lifestyles and changing consumption and production patterns, by making it easier to combine modes of transport.
- Decarbonising mobility and developing the use of bicycles combined with rail, by contributing to the national

objective of tripling the modal share of bicycles from 3% to 9% by 2024 and reaching 12% by 2030.

4.4.3 Policy and actions

In a context combining inflationary crisis and climate emergency, the SNCF is committed to reinventing passenger mobility to make it shared and sustainable. The company is proposing new offers tailored to the needs of each customer and territory, highlighting the advantages of trains, whether daily, tourist, international or night-time. These offers highlight its intermodality with bicycles, buses, trams and even planes to ensure door-to-door travel.

The SNCF Cycling Stakeholder Committee

Committed alongside the State and organising authorities to tripling the modal share of cycling by 2024 (LOM law), the SNCF set up a "cycling" stakeholder committee in 2021. The aim is to work with 14 cycling and environmental associations to develop appropriate solutions for combining cycling and rail travel. This commitment has continued into 2023, with initial results such as the significant increase in the number of secure bicycle shelters and the number of bicycles carried on long-distance trains that have not been dismantled. In 2023, the SNCF and cycling stakeholders (DGITM, Pays de la Loire Region, the FUB and Vélo & territoires associations) have designed a quality-standard cycling reception label. This would provide cyclists with information on access, facilities and services available. A first version of this label will be tested in 2024 in the Pays de la Loire region.

In addition, to make it easier to travel in the summer of 2024 with a bicycle, there are plans to:

- Draw up an inventory of cycling services on all types of train, by line if possible, by summer 2024
- Work with the regions to improve the system of compulsory TER reservations during peak periods. Consultations will be held with cycling stakeholders in January 2024, with a view to launching the tool for reserving cycle spaces on TER trains in May 2024.

The SNCF has made a commitment to Mai à Vélo in 2023 with SNCF Gares & Connexions and SNCF Voyageurs Transilien to promote cycling. This commitment will be renewed in 2024.

Stations, hubs of sustainable mobility

SNCF Gares & Connexions aims to promote active and shared mobility, particularly cycling to and from stations. The aim is to offer an end-to-end environmentally-friendly transport solution. Its strategic plan calls for 90,000 cycle parking spaces around stations by 2030. As part of the LOM law, thanks to funding from the State and the mobility organising authorities, 4,000 new secure cycle parking spaces have been installed in 2023 and 11,000 are planned for 2024.

Keolis

Keolis also provides organising authorities with a sustainable mobility offer that includes cycling as a complementary solution to other modes of transport (bus, metro, tram, train, etc.). Keolis has a fleet of over 33,000 bicycles in 44 territories in France and the Netherlands (self-service, long-term hire, etc.) and 8,000 secure parking spaces.

Keolis also owns Cykléo, a dedicated subsidiary, which operates 11 bicycle service networks with a fleet of 22,000 bicycles.

2023 inventory of secure bicycle spaces

By 2023, 34,457 secure cycle parking spaces will have been installed at all stations. This represents an increase of 13% compared with 2022.

A total of 44,586 secure cycle parking spaces will be created by the end of 2024, in accordance with the agreements signed with the French government.

Key indicator

	2023	2022	2021
Number of secure bicycle parking spaces (nb) - SNCF	35,055	30,366	27,010

Enhanced bicycle services

In addition to parking, SNCF Gares & Connexions offers, thanks to funding from its partners, the services that are essential for everyday cycling: inflation pumps, self-repair stations, electric recharging points, micromobility lockers, etc. In addition, as part of the "Place de la Gare" programme of making premises available, 22 activities are linked to cycling: bicycle cafés, bicycle hire, maintenance and repair workshops, and nine more will open soon. In addition, free one-off maintenance and repair operations are offered at stations.

All the information on the services available is indicated by dedicated signage in the station and in the digital tools (SNCF Connect website, Ma Gare SNCF application). The application also calculates a cycle route to or from the station and measures the ecological, economic and health impact compared with a journey by car.

Long-distance cycling

In all TGVs, foldable or dismantled bicycles placed in a cover can now be taken as luggage or reserved in a "bicycle" space if they are not dismantled (two to four spaces per train).

By 2023, 48% of INOUI TGV trains will be able to carry two to four non-disassembled bicycles. 85,500 bicycle spaces have been sold on TGV INOUI in 2023 compared with 67,500 in 2022, an increase of 27%. For 2023, 227,000 bicycle spaces were offered for sale.

On the OUIGO "Classic Train" services, there have been eight slots since the end of 2022, with a possible increase to 16.

On the INTERCITÉS lines, the Nantes - Bordeaux and Nantes - Lyon trains have six spaces per train set and 12 when they are doubled up.

Finally, all night services now have a minimum of two bicycle spaces.

TER's extended cycling offer...

The growing ecological awareness of the French, coupled with the acceleration in the development of cycling during the COVID19 crisis, has led to the mobilisation of all the institutional players, including the regions, and an increase in the use of bicycles of more than 20% since 2019.

This favourable context has led TER to develop its cycling policy as an opportunity in its sustainable mobility offer. As well as providing dedicated cycle spaces on each train, TER is also acting as a service provider and adviser to regions wishing to develop cycle tourism.

Its cycling policy focuses on:

- Adapting rolling stock to certain periods of the year (modularity of trainset layouts to increase the number of berths)
- The introduction of a support system on board and sometimes at stations

- The roll-out of a compulsory booking system, for which a fee may be charged (between €1 and €5), in ten regions. A tool for reserving bicycle spaces on TER trains throughout France will be developed jointly with cycling associations and the regions, and will be launched in May 2024.

...Transilien

In 2022, Transilien SNCF Voyageurs has launched a cycling policy with Île-de-France Mobilités, which aims to increase the intermodality of cycling with the train during the same journey. Transilien is supporting the first and last kilometres by bicycle from SNCF stations, with three series of initiatives:

- Provide better information about dedicated cycle services in stations and on trains (free subscription for annual Navigo subscribers, price offer for reserving a seat, etc.).
- Helping to improve the range of cycle parking facilities with SNCF Gares & Connexions
- Facilitating access to stations by bike. By 2023, 84 secure cycle parks will be in operation in 80 stations in the Paris region, providing a total of 3,723 parking spaces and 10,572 spaces for all operators combined. In addition, nine Transilien lines have been equipped with cycle racks and more than 270 cycle workshops have been organised with social integration associations at 35 stations in the Paris region between May and October 2023.

...and Keolis

As France's second-largest operator of this mode of transport, Keolis is putting the bicycle back at the heart of mobility, in towns and cities, by offering mechanical and electrically-assisted bicycles, tandems, two- or three-wheeled cargo bikes and scooters. Its offer is based around:

- Self-service mechanical or electric bicycles available 24 hours a day for short journeys on demand, complementing other modes of transport.
- Bicycles for short, medium and long-term hire for occasional or regular use
- Secure parking solutions close to attractive hubs and modal interchanges
- High added-value services to educate, train and support cyclists: maintenance, safety advice, anti-theft marking, saddle fitting.

Partnership with the Ile-de-France region to promote accessible tourism by train

For the 2023 season of the #CPasLoienEnTrain offer, a partnership agreement between Transilien SNCF Voyageurs and the Île-de-France Regional Tourism Committee was signed in April 2023. The aim is to encourage local and sustainable tourism accessible by train, RER and tram-train, by promoting nature, culture and leisure destinations accessible by train and launching joint tourism campaigns.

An agreement to relaunch TET services

With three core lines, four regional development lines and eight night train lines and 135 destinations, the Intercités offer serves the main French cities that are not linked to high-speed rail. The Trains d'Équilibre du Territoire (TET) 2022-2031 agreement, signed between SNCF Voyageurs and the French government, aims to improve regional services while protecting the environment. This document sets out the contractual framework within which Intercités trains are operated on the TET network, an average of 90 trains a day. The aim is to increase passenger numbers by

around 20% over the next 10 years. In 2023, more than 11.4 million passengers travelled on Intercités trains.

Development of night trains

Thanks to a €100m package for the development of night trains in France (France Relance 2020), night services are being given a new lease of life and are responding to the need to serve isolated areas. They are also increasingly popular for travelling throughout France and Europe: 750,000 people took a night train in 2023, compared with 350,000 in 2021.

New night train services and routes

In May 2023, new night-time Intercités services were launched to link the south-west of France with Paris. In addition, certain links have been modified. At the end of the year, the night trains "Le Pyrénéen" and "L'Occitan", operated on the Trains d'Équilibre du Territoire network, will join the new Paris-Aurillac-Paris night service. New towns will also be served by night trains: Nîmes, Montpellier, Sète, Agde and Béziers.

Paris-Berlin linked overnight

The result of a partnership with Austrian Federal Railways (ÖBB) and Deutsche Bahn (DB), this new service will bring the two European capitals closer together overnight from 11 December 2023. The service offers three return trips from Paris Est station, and will become a daily service from autumn 2024.

Eurostar two-in-one offer: Western Europe at high speed

Eurostar Group, bringing together Eurostar and Thalys since May 2022, unveiled to its customers on 1 October 2023 the single brand for Western Europe's largest international high-speed network.

The new Eurostar crosses five countries and serves 28 destinations in Germany, Belgium, France, the Netherlands and the United Kingdom with a fleet of 51 trains. An attractive alternative to road and air transport.

The ambition of this new company, in which the SNCF is a majority shareholder, is to carry 30 million passengers a year by 2030 (compared with half that number by 2022).

AND ALSO...

– **60,000 train tickets** have been made available to young people in France and Germany to mark the 60th anniversary of the Élysée Treaty in January 2023. This summer, 30,000 French residents were able to travel between France and Germany. This initiative contributes to the development of rail as a solution to climate change.

– **My SNCF race at the Olympics too.** Successfully tested for 17 months in five communes in the Sarthe department, this on-demand chauffeur-driven car-sharing service will be trialled from June to November 2024 to take passengers to the Transilien line serving a Paris 2024 Games site in Seine-et-Marne.

– **Mobility-enhancing furniture in Finistère.** Launched in summer 2023, this one-year trial in two Breton towns is designed to make it easier for people living in rural areas to get around. These are public signs designed to indicate the presence of different mobility solutions (buses, electric bikes, car-sharing, licence-free cars, etc.) and to centralise them in a single point.

4.5 REBALANCING RAIL'S SHARE OF FREIGHT TRAFFIC

4.5.1 Context

Given the constant increase in freight flows, the development of rail freight is a solution to the ecological challenges facing our regions and the needs of economic

players, particularly by complementing other modes of transport. This is the credo of the European alliance "Rail Freight Forward" and its French offshoot "4F" (Fret Ferroviaire Français du Futur), of which SNCF is a member through Rail Logistics Europe and its subsidiaries Fret SNCF and Captrain.

Despite the European Commission's procedure leading to the reorganisation of Fret SNCF, SNCF is continuing its dynamic development. It strengthens the services of Rail Logistics Europe's activities, complementing Geodis, which promotes modal shift to rail wherever possible.

4.5.2 Our commitments

Offer low-carbon rail solutions to shippers and hauliers to help double the modal share of rail freight and prevent modal shift to road:

- From 9% in 2020 to 18% in 2030 in France, in line with the national strategy for the development of rail freight.
- From 18% to 30% at European level.

4.5.3 Policy and actions

Thanks to the synergies and complementarities mobilised between the different entities of Rail Logistics Europe, SNCF's rail transport and logistics activities can offer shippers different transport formats, from end to end, in France and Europe.

Created at the beginning of 2021, Rail Logistics Europe brings together five companies:

- Fret SNCF, leader in rail transport in France (individual wagons and block trains).
- The Captrain rail network and its European subsidiaries.
- VIIA, the rail motorway operator, transporting semi-trailers and containers by train.
- Naviland Cargo, the European leader in combined maritime transport.
- Forwardis, freight forwarder, expert in rail and the multimodal transport chain.

Alliance 4F's strategy

Rail Logistics Europe, along with the other rail companies in Alliance 4F, is helping to decarbonise freight transport in France. After having successfully mobilised in 2021 to have the objective of doubling the modal share of rail freight included in the Climate and Resilience Act, Alliance 4F has largely inspired the national strategy for the development of rail freight presented by the Government in September 2021. It also proposed and co-signed, with the State, SNCF Réseau and the shippers of AUTF (the Association of Freight Transport Users), a pact for the development of rail freight, setting out concrete objectives and a method for meeting the four challenges of the national strategy:

- Ensuring the sustainability of the business model
- Improving service quality
- Improving infrastructure performance
- In particular, develop coordination with port and inland waterway services.

A recovery and future plan for rail freight

As part of the government's September 2021 recovery plan, this national strategy for the development of rail freight includes the implementation of subsidies worth €170m a year until 2024.

This aid allows you to:

- Supporting the strategic wagonload business (€70m + €30m in 2025), combined transport and rail motorways (€35m).

– Make the mode more competitive by reducing tolls (€65m).

As part of the new rail support measures, the annual amount will be increased to €200m from 2025 to 2030.

In addition, with its €4bn investment plan for the period 2023-2032, the State is committing €900m to rail freight between now and 2027, including €470m through the State-Region Plan Contracts (CPER). The aim is to develop infrastructure and support the operation of the service.

Thanks to these measures, the modal share of rail freight in France has risen from 9.6% in 2020 to 10.7% in 2021 (source ART).

Strengthening regional cooperation

To develop rail freight, we need to work more closely with the regions, as in the case of the joint ambition of SNCF and Occitanie, which has resulted in:

- Transporting aggregates to supply Toulouse's construction and public works markets.
- Maritime container trains on the Bordeaux<->Toulouse<->Fos route.
- Operation of the St-Jory (31) combined site
- Motorway rail trains departing from Le Boulou and Sète for the transport of semi-trailers and swap bodies.
- Supporting the development of the ports of Sète and Port la Nouvelle (11).
- Supporting the expected growth in traffic on the Mediterranean route by adapting the Le Boulou (66) and Perpignan St Charles sites.
- The development of industrial activity around capacity management platforms in Narbonne, St-Jory and Nîmes.

The 2023 procedure for Fret SNCF and the business discontinuity scenario

In January 2023, the European Commission opened an investigation into the conditions under which the loss-making company was able to continue operating between 2007 and 2019. The continued support provided by SNCF during this period can be considered illegal from a competition law point of view; it has resulted in the accumulation of a debt totalling over 5bn euros for Fret SNCF. To avoid the disappearance of Fret SNCF, the proposed solution is to transform the business sufficiently so that it is no longer considered a continuation of Fret SNCF and therefore no longer liable for past aid.

While the restructuring does not involve any redundancies in the company, no privatisation and no modal shift to the road, it does involve a reduction in activity and significant changes for Fret SNCF:

- Stopping dedicated block trains (23 flows), mainly carried out on behalf of combined transport operators
- Set up a new rail company and a dedicated maintenance entity for all rail freight companies, as of January 2025
- Eventually, the capital of these new companies will be opened up to a co-controlling shareholder.

Against this backdrop, the new rail company will develop a pooling of trains, known as capacity management, which is of key importance for a number of strategic industrial sectors (steel, chemicals, nuclear, etc.).

Preserving Fret SNCF's core business in a new company is therefore essential to the success of the government's rail recovery plan, and vital for the regions.

Rail Logistics Europe actions to improve the competitiveness of rail freight

The Monitor project involves developing technology to collect data from a train as it travels. The aim is to make rail freight more competitive with road freight by increasing safety and reliability. The aim is also to make rail operations less arduous by automating them. The Monitor project aims to:

- Improve traffic safety by improving the reliability of train data and anticipating possible malfunctions on the line
- Making things easier for staff and making rail freight jobs more attractive
- Reduce operating costs through predictive maintenance.

DAC (Digital Automatic Coupling), the digital automatic coupling of wagons. Rails Logistics Europe is also actively contributing to the French trials of this technology, which is currently being developed at European level. The aim is to facilitate shunting at marshalling yards, speed up operations carried out by agents and facilitate cross-border exchanges and flows. This innovative coupling system makes rail freight more competitive and therefore more attractive, accelerating the modal shift from road to rail.

New routes to avoid "road-only" traffic

In 2023, two new combined transport lines were opened between Barcelona and Toulouse, and Barcelona and Lyon. In partnership with Hutchinson Port BEST and Synergy, the Naviland Cargo, Captrain España and Captrain France teams have used their synergies within Rail Logistics Europe to offer Maersk Group a reliable end-to-end interoperable rail service between France and Spain. Every year, more than 10,000 lorries will be transferred to rail, helping to relieve congestion on one of the busiest road transport routes.

Spotlight on what's new at Fret SNCF

In 2023, Fret SNCF has won several contracts:

- Two flows between Germany and France for steelmaker Saarlouis AG, part of the SHS Logistics group, previously operated by competing rail companies. The capacity management method, specific to Fret SNCF, has proved to be the most efficient on the market for transporting wagons from Saarbrücken to Golbey and Conflandey. More than 2,000 wagons will be transported each year.
- The transport between the port of La Rochelle and the Fature plant (33) of part of Smurfit Kappa's supplies of paper pulp for the manufacture of kraft paper.
- Removal of materials from the cross-border section of the future Lyon-Turin link, as a declared subcontractor of GIE GMM 73. Fret SNCF will transport 11,000 wagons a year.

Strengthening the complementarity between road and rail

With Fret SNCF. Seven hauliers and/or logistics providers with logistics warehouses linked to the rail network throughout France have joined forces with Fret SNCF to form the Rail Route Connect association (2RC). The aim is to provide manufacturers with an end-to-end carbon-free offering on a national scale.

With Geodis. To offer its customers an effective alternative to road transport, Geodis has set up a new combined rail-road transport platform at Puyoo in the Pyrénées-Atlantiques (64). The new site has been operational since September 2023. Geodis has invested nearly a €1m euros to set up the new site on facilities that had been unused for over twenty years, in conjunction

with SNCF Réseau, the landowner, the South-West OFP (Local Rail Operators) and the Nouvelle-Aquitaine Region. GEODIS operates two round trips a week, offering a loading capacity of 64 intermodal transport units (ITUs) a week between Puyoo and Lavera in the Bouches-du-Rhône region. The aim of the new hub is to increase the number of containers transported from 500 in 2020 to around 3,000 a year by 2024.

On average, Geodis operates 100 trains a week, making it a leader in combined transport in France and Europe.

4.6 PROVIDING MOBILITY SERVICES ACCESSIBLE TO ALL

4.6.1 Context

Making the train more accessible to all categories of passenger is becoming a vital issue at a time when competition and low-cost services are opening up, and at a time when the health crisis has changed travel habits. SNCF Voyageurs is responding with an adapted offer, in a context marked in 2023 by inflation and rising energy prices.

4.6.2 Our commitments

- Listening to the needs of all our customers and facilitating their mobility requirements.
- Develop personalised mobility offers at affordable prices.

4.6.3 Policy and actions

The year 2023 was marked by a strong return to the train for leisure and business travellers, with business travel returning to pre-Covid levels.

SNCF saw record passenger numbers in France, particularly during the summer holidays: with 24 million tickets sold for the TGV, OUIGO and Intercités, sales are up 4% on the 2022 season. The TGV occupancy rate exceeded 80%, with 40% of them fully booked, and almost the entire TGV fleet (364 trainsets) on the rails. For summer 2023, SNCF has offered almost 450,000 extra seats compared with the previous year, the equivalent of 900 extra journeys.

The night train also attracted 15% more passengers. In addition, 6 million international tickets (Eurostar, Thalys and Lyria) were sold. For the Christmas holidays, 4 million bookings were made.

In 2023, high inflation will accentuate the need for mobility at more affordable prices. To enable as many people as possible to travel, SNCF has decided to introduce a fare shield for high-speed and mainline services, despite the rise in energy prices. It has also maintained its low-price policy, with:

- Continued development of OUIGO in France and Spain
- Discounts on TGV and Intercités journeys under the Avantage programme.

In the case of TER and Keolis, fares are the responsibility of the regional transport organising authorities as part of the service delegation provided to local authorities. Nearly 86% of TER customers benefit from reduced fares, and an occasional TER customer pays an average of €10.50 for a journey. At Keolis, solidarity fares are introduced on its networks, depending on the profile of users: jobseekers, large families, etc.

As far as the TGV INOUI fares are concerned, SNCF has announced an incompressible increase for 2024, mainly due to a sharp rise in tolls, but all low fares will be frozen.

The effects of the SNCF fare shield in 2023

Despite a sharp rise in costs, including the doubling of the traction energy price, SNCF Voyageurs has decided not to

pass on the entirety of this increase in passenger fares from January 2023. The introduction of a fare shield for high-speed services (TGV INOUI) has limited the increase in the price paid by passengers.

With this shield, SNCF has also sought to protect leisure travellers and the most price-sensitive sections of the public, OUIGO passengers and Avantage card holders.

In 2024, SNCF Voyageurs will not increase OUIGO and Intercités fares and will also maintain the prices and benefits of the Avantage card. INOUI TGV fares will have to be adjusted in 2024 to keep pace with inflation. This increase is necessary to finance investment and to cope with rising costs (inflation, increases in rail tolls, etc.).

Long-distance fares for all

Low prices

To encourage people to go on holiday by train, SNCF is running a number of "low-cost" operations over the summer:

- The sale of 200,000 Intercités tickets at the fixed price of €19, for journeys between 7 July and 31 August.
- A €10 reduction on the purchase of a TGV INOUI or Intercités ticket - valid in France until 9 December - for customers with an Avantage Jeune card. This operation involved one million customers.
- Flash sales of 300,000 tickets priced from €29 in 2nd class and €1 more in 1st class for travel in August. Examples of destinations: Lille or Nancy at €29, La Rochelle, Lyon or Grenoble at €39 or Marseille at €49.

Rate changes

While the benefits of the Avantage card remain unchanged (up to 30% discount on a journey and 60% for accompanying children), inflation and rising electricity prices have had an impact on the price ceilings with the Avantage card. This represents an increase of €10 on TGV and Intercités journeys from September onwards. In return, the Avantage card was offered at half price until 5 September: 24.50 instead of €49 to help as many people as possible benefit.

In 2023, five million customers will have an Avantage discount card, an increase of more than 40% compared with 2022.

OUIGO's development in 2023

OUIGO celebrated its 10th anniversary in 2023. Since its launch, the low-cost offer has carried 110 million passengers, including 55 million who would not have taken the train without it.

In addition, OUIGO Train Classique has carried more than 1.3 million customers since its launch. To mark its 1st anniversary, 20,000 €1 tickets were offered for 24 hours for travel between 24 May and 5 July 2023 on the Paris - Lyon and Paris - Nantes routes. A total of fourteen stations are served.

Finally, the OUIGO Spain offer has already benefited more than 5 million passengers in almost two years, strengthening the sustainable mobility offer in Spain.

Among the new 2023 tariff offers:

- OUIGO TOUPTI allows children aged 0 to 3 inclusive to travel free of charge while sitting on the lap of their carer. A seat can be reserved at the child fare of €5 (OUIGO Train Classique) or €8 (OUIGO Grande Vitesse).
- OUIGOFLEX for €7 for unlimited exchanges of OUIGO Grande vitesse and Classic Train tickets up to 30 minutes before departure. The option is free for children under 12.
- Reservation of €0 tickets on most OUIGO Grande vitesse services by Max Jeune and Max Senior

subscribers. Previously only available on TGV INOUI and Intercités trains, the SNCF's €79 per month offer has been extended to OUIGO Grande Vitesse trains.

– The launch of new OUIGO destinations. In France, the Paris - Perpignan route with a daily return, a daily service between Paris and La Rochelle, a Paris - Brest return and another Paris - Perpignan return. In Spain, the Madrid - Albacete - Alicante route, with two daily return trips in less than 2.5 hours, representing 28,000 weekly seats from €9.

New TER products for all uses

TER is innovating and developing different systems to better adapt to the demands of the regions in terms of fares. Following the roll-out of the FlexTer post-payment scheme in Nouvelle-Aquitaine and the introduction of the telework pass in several regions, the Occitanie Region has maintained the "+=0" offer for young people aged 18 to 26 in 2023: 50% discount for up to 10 journeys per month, and free travel for the 11th journey or more.

TER is also experimenting with tailor-made transport solutions in a number of towns in the Nouvelle-Aquitaine region. For example, in Corrèze:

- Train stop on demand, triggered by a simple signal to the driver in the station
- Transport on demand (TAD), which allows you to organise your journey to and from the station by booking a shuttle bus or taxi.

4.7 PROMOTING INDEPENDENT ACCESS TO MOBILITY

4.7.1 Context

The law of 11 February 2005 on the fundamental rights of people with disabilities makes accessibility an integral part of the SNCF Group's strategy. The need for independent mobility is growing as the population ages. Today, almost 40% of travellers in France have reduced mobility, either permanently or temporarily. In addition to the adaptation work, SNCF and its subsidiaries are developing services to facilitate access to public transport.

4.7.2 Our commitments

- Carrying out accessibility work at 736 stations and halts in France as part of the commitments made in the Schémas directeurs d'accessibilité - Agendas d'Accessibilité Programmée (SDA-Ad 'AP) at regional and national level.
- Completing the National Accessibility Master Plan - Programmed Accessibility Agenda (SDNA-Ad'AP), which covers national rail services (Order no. 2014-1090 of 26 September 2014).
- Developing the digital accessibility of SNCF media, particularly for visually and hearing impaired customers.

4.7.3 Policy and actions

For over 15 years, the SNCF has been stepping up its efforts to ensure that everyone, including people with disabilities and reduced mobility, can travel in optimum conditions of accessibility and comfort. In 2014, the Ad'AP scheme relaunched the process set in motion by the 2005 law to make passenger platforms and buildings accessible: pathways, signage, ticket offices or information and sales areas, etc. With the help of funding from the mobility organising authorities and the State, SNCF has undertaken to carry out accessibility work at 736 stations and halts in France, as set out in the 13 regional accessibility master plans (Ad'AP) and the national master plan.

Developing services for people with disabilities and the disabled

The SNCF also provides a range of assistance services to help passengers on and off the train. In addition, 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 people with reduced mobility.

Progress is also being made to make applications and websites usable by everyone.

Policies managed at different levels

The 2018 law on the New Rail Pact entrusts SNCF Réseau with the transversal tasks required for the smooth operation of the national rail transport system, including coordinating the players involved in making the system accessible to people with disabilities and people with reduced mobility. The Accessibility Department, which has been part of SNCF Réseau's Customers and Territories Division since 1 January 2020, works on behalf of the SNCF rail companies (excluding Fret) to develop and promote rail travel for everyone. It is therefore responsible for coordinating policy for the railway system.

In addition, it acts as a link between the nine national associations representing people with disabilities or senior citizens and the accessibility representatives of the various SNCF companies, as well as those of all the passenger rail companies operating on the French rail network.

Ongoing consultation with associations. This makes it possible to design universal solutions to give disabled people and people with reduced mobility greater independence throughout their journey. The system was further strengthened on 16 March 2023, with the signing of the consultation protocol by all the railway undertakings and applicants likely to use the network.

Lastly, SNCF took part in the preparatory working groups for the 6th National Disability Conference (CNH) on 26 April 2023. Established by the Disability Act of 11 February 2005 and organised every three years under the authority of the President of the Republic, the CNH presents an assessment of the public policies implemented for people with disabilities and sets the guidelines and resources for this policy over the coming years.

The 2023 timetable for consultation with associations

In 2023, consultation between SNCF, other railway companies and national associations representing disabled people and people with reduced mobility has resulted in:

- **Two Consultative Councils for Accessibility** to inform stakeholders about strategic orientations and the progress of work to make stations accessible, and to sign a new consultation protocol between the associations, SNCF Réseau, SNCF Gares & Connexions, SNCF SA and the passenger transport railway companies and candidates.

- **Eight technical accessibility committees** and twenty-one test workshops or visits.

In addition, collaborative work continued on:

- The location and signage of disabled passenger areas and their interior layout
- The accessibility of the Transilien automatic ticket machine, the future TER validator and the assistance call terminal.
- The development of guidance systems for the visually impaired, with a focus on the systems installed at Marseille, Paris Nord and Paris Gare de Lyon stations in particular.

- Accessibility of water fountains in stations
- Improving station accessibility data communicated to customers
- The identification of "easy access" seats on TGV and Intercités trains.

Finally, in 2023, the association worked on the Assist'enGare programme, a single platform for booking assistance services, piloted by SNCF Gares & Connexions.

Keolis

In 2022, Keolis will be introducing a structured "Unik" approach as part of its new Accessibility policy. Unik aims to meet the specific needs of each traveller, taking into account any weaknesses they may have, whether visible or invisible, permanent or temporary. To simplify and facilitate the mobility experience at every stage of a journey, Unik is guiding the design, deployment, management and promotion of inclusive and better adapted mobility services.

Keolis operates in more than 40 French cities to transport people with reduced mobility, including Lyon, Bordeaux, Lille, Île-de-France (PAM 75, PAM 77, PAM 94) and Rennes.

In total, more than 1.2 million PRM journeys a year are made by Keolis' PRMT subsidiaries in France. Keolis is also present in this sector in the United States.

An ambitious accessibility programme for stations and trains

Accessibility covers several aspects: stations, trains, assistance services and passenger information. The accessibility master plans, drawn up following the 2005 law, were amended in 2016 via the SDA - Ad'AP, which extend the accessibility drive in the transport sector until 2025. The cost of making stations accessible is €3.2bn.

The stations

By the end of 2023, work will have been completed on 65% of the 736 stations and halts:

- In Île-de-France, 148 stations out of 209 are already accessible to all, i.e. 71%.
- Outside the Île-de-France region, 334 stations have been treated, i.e. 63% of all stations, for a total budget of around two billion euros. In addition, the State is stepping up its involvement in these projects as part of its rail stimulus plan, with €120m to speed up work to make stations accessible.

Faced with the difficulties posed by the health crisis in 2020 and the war in Ukraine in 2022, SNCF has had to postpone the initial deadline, but has reaffirmed its determination to achieve the objectives set out in the National Convention for the Disabled on 26 April 2023. The company has pledged to have launched all accessibility work for national stations by 2027. Funding from the mobility organising authorities and the State will enable it to complete these projects by this new date. Failing that, alternative solutions will be put in place using this external funding.

Key indicator

	2023	2022	2021
Progress in making stations accessible (%) - SNCF	65	58	52

Trains

SNCF is improving the quality of train accessibility as it renovates and orders new equipment. To do this, it takes account of regulations and feedback from associations

representing people with disabilities and people with reduced mobility. For the TGV M, for example, the associations have been involved in the design of the train from the outset, to improve accessibility when it enters service in 2025 and provide greater independence for people in wheelchairs.

Caring for travellers

An assistance service is available in almost 1,000 stations to accompany customers from an "Disabled Passenger Assistance" reception point in the departure station to their seat on the train. On arrival, customers are accompanied from their seat on the train to the station exit, their connecting train seat, the taxi rank or any other place of their choice within the station.

In 2023, 885,471 assistance services were provided at stations. This score is 13% higher than in 2022, and 4.5% higher than in 2019, the last reference year before the health crisis.

Spotlight on Assist'en Gare

In accordance with the Loi d'Orientation des Mobilités, and in order to guarantee a smoother service for customers, the various assistance booking services hitherto managed by the transport operators are being merged to become "Assist'enGare".

Passengers now have a single access point, either online via a form or by telephone (3212), compared with 17 points of contact previously. They can book, change or cancel their assistance or find out about the station assistance service.

Launched on 10 January 2024, this platform brings together all the assistance booking services for TGV-Intercités (Accès Plus), TER (Accès TER) and Transilien (Accès Plus Transilien) trains. Since June 2023, booking times have also been reduced from 48 hours to 24 hours, regardless of the carrier used, in compliance with the legal obligations of the European Regulation on rail passengers' rights and obligations (DOVF or PRR - Passengers Rights Regulation).

In addition, discussions are underway with PRM associations on improving the digital accessibility of the SNCF Gares & Connexions website, where station accessibility data and real-time lift operating status are available.

Greater accessibility for major events

For major events such as the Rugby World Cup in 2023 and the Paris Games in 2024, the SNCF must guarantee optimum station accessibility and a range of services adapted to people with disabilities and people with reduced mobility.

As part of this, it has undertaken a full accessibility audit of the stations concerned, with a view to upgrading priority equipment: warning strips, guidance strips, reinforced contrasts on stairs and platforms for the visually impaired, improved signage for lifts and assistance points....

At the same time, additional staff are being deployed to look after participants and visitors. The network of volunteer in-house employees can be called on to help welcome and guide the public at stations.

Spotlight on the SNCF, RATP and ADP charter

At the Interministerial Committee on Disability, which met on SNCF premises in Saint-Denis on 20 September 2023, SNCF signed an action plan with the government to improve transport accessibility in the run-up to the Paris 2024 Games, alongside RATP and ADP. The plan covers 10 commitments.

Talking QR codes for the visually impaired in Australia

Keolis Downer is improving the accessibility of Melbourne's trams thanks to Navilens technology. This involves strategically placing coloured QR codes at tram stops and on vehicles. A multilingual mobile application allows these codes to be scanned even from a distance, providing real-time audio information to guide visually impaired travellers.

Digital accessibility of passenger information

Between sites aimed at the general public and those enabling staff to carry out their duties, the SNCF manages over 200 websites and mobile applications. Following collaborative work with PRM associations begun in 2017, a digital accessibility master plan has been rolled out between 2020 and 2022.

Many SNCF sites have been audited using the RGAA (Référentiel général d'amélioration de l'accessibilité), including:

- sncf.com: 95.65% compliance - March 2022
 - sncf-reseau.com: 100% compliance - 2020
 - garesetconnexions.sncf: 61% overall compliance by early 2022. 96% average compliance rate for the online service (average compliance rate for each page).
 - transilien.com: 93% compliance - April 2022
 - SNCF Connect: 76.3% compliance rate - 2023. The audit carried out at the end of 2023 was carried out on an extended sample, including after-sales, customer account and online help pages, more than doubling the number of pages compared with previous audits.
 - Ouigo.com: 43% compliance for editorial and 66% for sales - 2022 vs. 30% and 45% respectively in 2021.
- Mobile applications have also been audited using the Référentiel d'évaluation de l'accessibilité des applications mobiles (RAAM 1), a Luxembourg standard based on European standards in 2022:
- OUIGO: 27% global compliance on Android and 50% on iOS - April 2022
 - Ma Gare SNCF: on iOS 18% overall compliance, 65% average compliance, on Android 38% overall compliance, 72% average compliance - June 2022
 - SNCF Connect: 67% average compliance per screen - January 2022.

2023-2025 plan

The SNCF is continuing its commitment to a more inclusive digital world with the signing of a new 2023-2025 plan that prioritises training and awareness-raising for digital players.

AND ALSO...

- **3635 customer service** by telephone for people who have difficulty accessing digital tools or who do not have internet access. This free service is available by telephone 7 days a week from 8am to 8pm. You can use it to find out about, buy, exchange or cancel TGV, Intercités and TGV-Intercités connecting tickets.

4.8 FACILITATING AND ENCOURAGING LOW-CARBON TRANSPORT

4.8.1 Context

With 10% of passengers and goods transported accounting for less than 1% of CO_{2e} 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 SNCF intends to promote the use of the train to reduce the carbon footprint

of the transport sector with information tools and awareness-raising initiatives for its leisure and business travellers. Its aim is to reduce the carbon footprint of the transport sector and thus contribute to achieving the targets set by France in its National Low Carbon Strategy (SNBC).

4.8.2 Our commitments

Raising our customers' awareness of environmentally-friendly mobility solutions to facilitate the choice of low-carbon multimodal transport.

4.8.3 Policy and actions

Travelling by train in France reduces greenhouse gas emissions by at least 70% to 90% compared with car and air travel, depending on the type of journey (Source: ADEME Base Carbone emissions factors for cars, trains and planes, in accordance with article L1431.3 of the French Transport Code). The same applies when a company sends its goods by rail rather than by road (an average of almost 90% in Europe - source CER). The SNCF wants to capitalise on this low-carbon advantage to strengthen its contribution to achieving France's goal of carbon neutrality by 2050. It is expressing this through its new advertising film "Et si la liberté c'était le train?" and its eco-comparison of mobility on SNCF Connect, available at regional level. Fret SNCF and GEODIS also provide their customers with a comparator that enables them to monitor their environmental impact.

SNCF Réseau has organised four regional RégioFRETs (Lille, Metz, Bordeaux and Marseille) in 2023 to promote the advantages of rail transport to industrial shippers and logistics providers for the transport of their goods, and to encourage them to get started by also offering them support.

SNCF Connect to organise low-carbon journeys

Available since the end of January 2022, SNCF Connect allows passengers to plan, book and manage all their journeys easily: train, urban transport, carpooling, taxi, VTC... The application displays the CO_{2e} emissions of each journey, so that everyone can make responsible travel choices. To encourage them to choose low-carbon transport, the SNCF Connect e-commerce site also offers a mobility comparator between five long-distance means of transport (train, internal combustion car, electric car, plane, coach). The aim is to compare the environmental footprint as well as the time that can be used for another activity: reading, work, etc.

Eco-comparators for everyday trains

The number of regional eco-comparators is increasing as part of the PlaneTER programme. Following on from the liO Train eco-comparator deployed on TER Occitanie, passengers in the Grand Est Region can now use a search engine to prepare their journeys by comparing the cost and environmental footprint of car or motorbike and TER, for frequent or occasional journeys, depending on the route defined. A similar train-car eco-comparator is available in the Île-de-France region.

Fret SNCF measures the GHG impact of transport for each of its customers

In 2022, Fret SNCF integrated "Mon info CO₂" into its customer portal. This new tool gives access to the greenhouse gas emissions of their transport, for each flow. In 2023, the addition of a graphical display will make the data easier to understand. The information always includes all GHG emissions linked to traction energy, from well to wheel, taking into account the upstream phase (extraction, transformation, transport, etc.) and the use of energy. The actual itinerary of the wagons and empty runs

are taken into account, as well as the type of traction energy for each part of the journey (electric or diesel), in line with the requirements of the GLEC (Global Logistics Emissions Council) and standard EN16258.

In addition, all commercial offers to customers and prospective customers now include an estimate of the GHG emissions achieved and avoided in relation to road transport.

At Geodis and Keolis

Geodis supports its customers in carrying out tailor-made carbon impact assessments and implementing low-carbon alternatives.

Since 2020, an online calculator has also been available to estimate GHG and atmospheric pollutant emissions, by comparing different modes of transport: air, sea, rail, road and river freight. Using EcoTransIT World technology, the tool defines a route by identifying the nearest airport, port or station, and calculates the impact of the entire transport chain. In 2022, GEODIS launched an online version available in eight languages.

Keolis. Keolis urban transport (trams, buses, etc.) is included in the SNCF Connect carbon comparator. Keolis also promotes public transport and its benefits on a national and international scale, notably through Navitia. This journey planner, which integrates all modes of transport in real time, encourages shared mobility and active, environmentally-friendly modes of transport.

Decarbonising the sports sector by rail

In 2023, the SNCF helped the sporting world to decarbonise its travel by offering a massive shift to rail.

The Rugby World Cup generated more than 70 international team transports for the TGV business, and Transilien managed 33 major events at the Stade de France, transporting 620,000 spectators via the RER B and D lines.

To support these events, a dedicated sports unit was set up and has since been promoting the train for other sporting events. So, after a seminar organised for sports federations, football clubs, rugby clubs, etc., several clubs chose the train this year (French women's football team, Lens club, etc.).

AND ALSO...

– **"En'train pour le climat" 2023 workshop.** For the 2nd edition, 250 customers took part in the decarbonisation awareness workshops developed with the "2 tonnes" project on board 22 TGV INOUI and Intercités trains. 850,000 loyal customers were informed of the operation. A new "Train for the Planet" workshop on the challenges of the circular economy was tested in November 2023 and will be rolled out in 2024.

– **Grands Prix for corporate ecomobility.** Entries for the 2024 edition of this biennial prize created by TGV-INTERCITÉS were open until 18 December.

– **A look back at passenger travel in 2023.** On 7 December, 8 million SNCF Connect users received their personalised "My Retrainspective" report. It contains the number of kilometres travelled, their preferred destination and the number of CO_{2e} emissions avoided compared with a car journey. It's a way of thanking passengers for choosing an environmentally-friendly mode of transport and making them more aware of their impact.

Geodis low-carbon solutions

Low-carbon urban logistics in Lille and Lyon. As part of the Low Emission Zone (ZFE) scheme, Geodis has launched a programme to supply retailers and private

individuals in 40 towns and cities with low-carbon solutions by 2024. Among the 2023 initiatives:

- The installation of a new 5,000 m² logistics base in Lille to deliver to the city centre (two rounds a day) using biogas-powered lorries and light vehicles and cargo bikes.
- A new partnership with Urban Logistic Solutions (ULS) in Lyon (following a trial in Strasbourg), to supply the city centre using a barge with a pusher combined with an electrically assisted bicycle delivery service.

4.9 DEVELOPING GREEN FINANCE FOR INFRASTRUCTURE AND ROLLING STOCK

4.9.1 Context

Sustainable finance has grown exponentially over the last 10 years, with issuance volumes exceeding 100 billion dollars a year. This is a key market for a large number of issuers, including the SNCF Group. Between 2016 and 2023, SNCF raised €10.2bn in Green Bonds through 28 market operations. This places the Group among the top 5 issuers in France and among the top ten worldwide (excluding financial, supranational and sovereign borrowers).

Since the green financing programme was launched in 2016, 32.5% of the Group's bond debt issues have been in the form of green bonds (SNCF SA and SNCF Réseau scope).

4.9.2 Our commitments

By 2025, convert all the financial products used by the SNCF to the criteria of responsible investment, in a 100% green finance strategy, including:

- Green bonds for medium and long-term financing
- Green Commercial Papers (CP) for short-term financing of less than one year
- As far as possible, we invest our cash in vehicles that incorporate environmental, social and governance criteria.

4.9.3 Policy and actions

SNCF is using five levers to adapt all its financial products:

– **Broadening the asset base.** The gradual extension to new types of assets is a long-term approach. Originally designed for the rail network, from 2021 the programme will include the acquisition and major renovation of high-speed rolling stock. SNCF is working on developing indicators and approaches to broaden its base of eligible assets. The company is interested, for example, in adding value to its property assets used for railway purposes - such as stations, technical centres and maintenance centres - or for residential purposes.

– **Extension to short-term financing (Green CP).** In 2021, the 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 designed to finance operating expenses related to recycling, pollution control and renewable energy purchase contracts. For its inauguration, this new method of financing was developed in partnership with Mirova, a management company dedicated to sustainable investment. With this new initiative, the SNCF aims to contribute to the growth of green finance and accelerate investment in the ecological transition. Since then, SNCF has put several Green CPs on the market in 2022, all issued in ECP (Euro Commercial Paper) format.

– **Responsible financial innovation.** The first Green CPs mentioned above are part of a continuum of financial innovation by SNCF in the service of the environment or the public good. In 2019, the SNCF inaugurated the world's first "Green Century Bond", a green debt issue

maturing in 100 years. In 2023, the SNCF issued the first "Green Charity Bond", an original market loan that combines the environmental challenges of green bonds with the social challenges of helping public-interest medical organisations. This consists of defining a sharing coupon, i.e. paying a fraction not to investors, but to the benefit of the Institut du Cerveau de L'Enfant (Children's Brain Institute) supported by the Robert Debré Foundation of the AP-HP (Assistance Publique des Hôpitaux de Paris).

The SNCF Group will continue to innovate in the field of responsible finance as long as the projects are consistent with its core business and raison d'être.

– **The development of socially responsible investment.**

By 2025, the SNCF wants to convert 100% of its cash investments (UCITS and money-market and bond mutual funds) to investments that meet responsible investment criteria.

At 31/12/2023, more than 98% of the SNCF Group's UCITS and SICAV cash funds were invested in CSR funds that had been awarded the CSR label by the Banque de France and Articles 8 and/or 9.

Deposit accounts complying with responsible investment criteria have also been opened, but the banking offer is insufficient to commit the Group to a target.

– **Openness to new standards.** The SNCF's Green Bonds comply with two standards: the Green Bonds Principles issued by the ICMA (International Capital Market Association) and the Climate Bond Initiative. SNCF has set itself the objective of initially aligning itself with the European taxonomy (see 3.5), and then also becoming eligible for the future EU GBS (European Union Green Bonds Standards), provided that this new standard voted by the European Parliament is compatible with the Group's methodology, with national laws and regulations already in force, and that it brings added value to the market.

Since 2023, with a view to rationalisation and simplification, the "Impact & Allocation Green Bonds" and "Allocation Green Commercial Papers" reports have been merged into a single document called "Impact & Allocation Green Securities Reporting". As a result, the Green CP perimeter is subject to the same specific audit requirements by the statutory auditors and evaluation by the SPO (Second Party Opinion) as by the SOP (Second Opinion Providers), which strengthens and harmonises the investment framework.

A robust methodology

The SNCF's Green Bond programme is based on market best practice, including:

– **Allocation of funds to new projects:** it is therefore impossible to finance the same project several times with separate issues.

– Taking into **account the life cycle of products:** the carbon emissions of projects include direct emissions during the use phase, as well as a range of indirect emissions linked to the upstream (construction) and downstream (recycling) phases.

– **Exhaustiveness of the impact analysis:** as far as possible, the SNCF includes direct emissions, indirect emissions linked to energy consumption, and upstream and downstream indirect emissions.

– **The objectivity of the assumptions:** particularly for assumptions about changes in the French energy mix or changes in the emissions factors of competing modes. These assumptions are revised every year on the basis of the latest studies by external reference bodies such as ADEME, RTE, etc.

– **No double counting:** SNCF is incorporating allocation rules to avoid double counting of avoided emissions. More concretely, this means that regardless of the project financed, 80% of emissions are attributed to infrastructure and 20% to rolling stock. In the case of partially subsidised or co-financed projects, the SNCF will allocate its share of the emissions avoided in proportion to the funding provided.

– **Transparency.** The Framework, the carbon methodology and the current and past Allocation & Impacts reports are public and accessible on the Group's website. It should be noted that the SNCF carbon methodology has since been adopted and used by other borrowers, both transport sector agencies and banks.

– **Scalability.** In 2021 and 2022, the SNCF Group has enhanced its methodology to include the notion of "disinduction" on TGV journeys. This penalises the carbon savings recorded, but improves the robustness of the model, by considering that a fraction of the rail traffic abandoned would not be transferred to other, more emissive modes of transport, but would simply be cancelled out.

Certify and publish each year

In addition, every year the SNCF has its Green Bond programme certified by the best standards on the market, 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 and published on sncf.com.

Finally, the SNCF Group complies with the requirements of the European green taxonomy and publishes its eligibility and alignment percentages in terms of sales, Opex and Capex on an annual basis (see 3.5). To take this a step further, from 2023 the Group will also include in its Green Securities impact & allocation reporting the eligibility and alignment percentages corresponding to the green assets backed by its Green Bonds.

Positive impact on the network

Between 2016 and 2022, 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 37.77 million tCO_{2e} (avoided emissions), equivalent to the carbon footprint of almost 79,000 French people over 40 years. Generally speaking, for every new billion euros invested in the rail network, 5.2 million tCO_{2e} are avoided over 40 years.

CSR-indexed syndicated loan for Keolis

Since 2021, Keolis has progressively indexed all its debt, i.e. €1,600m, to the achievement of annual ESG (environmental, social and governance) targets.

– As far as the environment is concerned, these indicators reflect our contribution to combating climate change, improving energy efficiency and protecting resources (water, soil, raw materials, biodiversity).

– In terms of gender diversity, we are committed to increasing the proportion of women in the overall workforce at Keolis.

– In terms of health and safety, it is through the development of in-house safety culture training or measures to prevent accidents in the workplace (disorders, falls or road accidents).

This type of syndicated loan, arranged with 14 banks, will enable Keolis to meet its CSR commitments, refinance its existing credit lines and extend the maturity of its debt to five years.

4.10 LISTENING TO CUSTOMERS

4.10.1 Assessing customer satisfaction

The SNCF Group listens to its B2C, B2B and B2G customers and regularly conducts satisfaction surveys in its companies and entities to assess and improve its services.

SNCF External Image Survey

The image barometer tracks French people's opinions of the SNCF on a monthly basis, enabling us to assess the impact of current events, the company's strategy and its communications on its image. As part of the "Tous SNCF" corporate project, this survey has been refocused on understanding the components of the SNCF's external image, its raison d'être and its values, and its four lines of strength: people, environment, territories, innovation & digital.

The customer satisfaction rate, derived from the "SNCF external image survey", has been measured globally among French people since 1987, whether they are customers or not. Since 2012, the questionnaire has been administered each month by email to 1,000 French people, based on a nationally representative sample of people aged 15 and over.

Key indicator

	2023	2022	2021
Customer satisfaction (external image survey) (%) - SNCF	64	71	76

First-quarter results were significantly impacted by strikes against pension reform.

Station satisfaction survey

Twice a year, the "**customer satisfaction survey**" asks incoming and outgoing customers about service promises at stations. For the September 2023 wave, nearly 37,000 customers were surveyed at 141 stations. The results show a high level of overall satisfaction, with a score of 7.89/10 in September 2023. The main areas of focus are improving passenger information during periods of disruption, improving services and shops, and dealing with major works at stations.

The "**B2B and B2G satisfaction survey**" measures the level of satisfaction of organising authorities and transport operators with the services offered in stations through quantitative surveys. For 2023, 34 representatives of the organising authorities and 174 representatives of the transport operators were consulted. The scores obtained were 7.2/10 from transport operators and 7.7/10 from organising authorities.

The Customer Club. A complementary tool for listening to and exchanging views with BtoC customers on an ongoing basis, the aim is to capture the customer experience in stations more widely and to feed into action plans.

Since June 2023, these tools have been supplemented by a "voice of the customer" system, which relays most of the feedback received from passengers to operational staff in stations, via various surveys and social networks.

SNCF Connect customer care

Co-construction practices with users are at the heart of how SNCF Connect works. A community of customer users, Connect&Vous, was created in 2015 to test new developments to the website and application. This community is animated by a dedicated website and the organisation of one workshop a month on the site with 15 to 20 customers. Since September 2023, the Connect&Vous community has also been invited to take

part in quantitative surveys, polls on ecological transition issues, and so on.

More generally, a million customer feedback statements are analysed over the course of a year to help us develop the functions and offers on the website and application.

The satisfaction rate of purchasers of the site and the application was 77% in October 2023, up 27 points compared with the launch of SNCF Connect in January 2022. This satisfaction index is measured on the spot, by means of a questionnaire on the site and the application, after the purchase has been made: 2,000 responses are analysed each month.

Listening to TGV-INTERCITÉS customers

TGV-INTERCITÉS listens to its B2C and B2B customers and uses a number of methods to assess customer satisfaction. In a highly competitive market, knowing and understanding the experience of long-distance customers, and in particular the high-speed TGV INOUI and OUIGO services, is a crucial challenge for TGV- Intercités.

By consulting customers, we can continuously monitor and promote the products and territories we serve. It is carried out online via post-trip emails dealing with key items of the experience. In addition, the conformity of travel production and the analysis of feedback are measured to link perceived and produced quality, with the aim of measuring customer preference.

Customer satisfaction management at SNCF Réseau

Improving customer service and satisfaction is a major factor in the attractiveness of rail transport. For this reason, SNCF Réseau closely monitors customer satisfaction, in particular by means of an annual customer satisfaction survey, monitored at the highest level of the company.

In 2023, average customer satisfaction reached 6.4/10, a steady rise since the survey was launched in 2019. SNCF Réseau is also developing the customer orientation of its employees, measured using an internal survey. In 2023, the customer maturity index for SNCF Réseau managers rose 6 points to 46/100. These surveys feed into an action plan that is enhanced each year, as well as a continuous improvement approach based on the priority expectations of customers at each stage of their journey.

SNCF Freight customer satisfaction survey

Every year, Fret SNCF asks its shipper customers about its offer, its quality of service and its digital journey (customer portal services).

In 2023, with a response rate that was once again higher than in the previous survey, customers confirmed their involvement. They encourage the company to continue with the developments already underway on the Customer Portal, across all applications. While satisfaction with single wagonload services has risen slightly, expectations for service improvements in France and abroad are concentrated on bulk formats. The reliability of the service, its robustness, the quality of information and responsiveness in the event of a problem are the main expectations they express, and for which the Fret SNCF teams are mobilised.

Listening to customers at Geodis

The annual satisfaction survey of more than 8,000 customers worldwide shows a participation rate of 14.2% in 2023 (compared with 12.1% in 2022). Results: 91% overall satisfaction, two points higher than in 2022, with a score of excellence that has also risen, with 59% of customers very satisfied compared with 54% in 2022. In addition, the NPS (Net Promoter Score) for Geodis rose from +24 to +31, a high score for the profession. With

regard to the level of information provided to customers about Geodis' CSR, the overall satisfaction rate is 86%.

Listening to Keolis customers

Keolis Rennes has launched an unprecedented partnership with the general public through the "La Fabrique Citoyenne STAR" platform, in partnership with Rennes Métropole. From the outset, passengers have expressed both positive points and areas for improvement, such as the signposting of connections. There were 71 contributions to the launch of line B and 337 contributions for the new network.

4.10.2 Customer relations, improvement actions and after-sales service

Each of the activities of SNCF Voyageurs and SNCF Gares & Connexions has a specific customer relations policy. A range of information, assistance and support services are deployed in stations, on trains and on the internet to respond more precisely to their requests.

The Simplicity for Travellers programme

The aim of this programme is to simplify the entire journey for customers travelling with several different SNCF 'carriers' (Transilien, TER, TGV- Intercités, etc.): from searching for an itinerary to any complaints or after-sales service, via ticket purchase, the journey and the connection, in both normal and disrupted situations. To achieve this, the programme must:

- Erasing the technical boundaries of the various SNCF Voyageurs carriers
- Enhancing employee tools
- Develop processes between carriers and business lines
- Enhancing "shared knowledge" to facilitate the flow of information and the handling of customer requests.

Launched at the end of 2021, the programme includes around forty concrete actions between now and the end of 2024. These actions have been developed on the basis of feedback from 150 customers, analyses of customer surveys, complaints and messages on social networks. All the SNCF Voyageurs professions and transporters have worked on these irritants to identify solutions to make the journeys of "multi SNCF transporter" customers smoother and simpler. These proposals were then tested and validated by a control group of customers.

2023 Initiatives

Three listening mechanisms have been strengthened in 2023: the sharing of feedback from employees in contact with customers, a customer LAB to enrich the programme's roadmap and the prioritisation of subjects to be dealt with using AI analysis.

Among the ten or so concrete improvements:

- To buy a ticket by post by calling 3635
- To be transferred to another call centre in the event of an error
- To pass through the Transilien gates with a TER season ticket for the stations concerned
- Or to exchange a TGV ticket for a TER ticket at a self-service terminal in a station.

In addition, the tools available to train managers have been enhanced to provide personalised support in the event of a broken connection.

Continuous improvement in customer relations at SNCF Gares & Connexions

Following the September 2023 survey of station services, the following areas for improvement were identified:

- Better information for passengers during disruption
- Offering services and shops that are available and consistent with station opening times and flows
- Support station works, particularly when they last a long time, by adapting and marking out the routes to provide guidance and information on the benefits expected from the works.

SNCF Gares & Connexions is also banking on the fundamentals that contribute most to customer satisfaction:

- Continuing to roll out new waiting areas and large-scale intermodality: signage, multimodal information and promotion of all modes of access.
- Modernising stations, with an emphasis on multimodal services, and promoting CSR initiatives (photovoltaics, waste, eco-design, etc.).
- And customer communication as improvements are made.

Focus on SNCF Voyageurs mediation

Mediation is a free and confidential procedure for customers who are dissatisfied with a professional's response to their complaint. The SNCF Voyageurs Mediation service has existed since 1994 and covers disputes between passengers and SNCF Voyageurs, Eurostar or Chemins de Fer de la Corse. The Mediation officer is competent to deal with requests concerning a commercial or contractual dispute, or a contravention of the first four classes of the Rail Transport Police.

The Mediation officer, who is independent and external to the company, can be contacted online:

- On the mediation.sncf-voyageurs.com website
- By post: Médiatrice SNCF Voyageurs, TSA 37701, 59973 TOURCOING CEDEX.

Requests considered on a case-by-case basis.

The Mediation officer's website gives details of how mediation works, the prerequisites for bringing a case to mediation and the main stages in the procedure.

The number of referrals, which has risen sharply in recent years, will reach 20,780 in 2023, an average of more than 1,700 per month. Requests are examined 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 he or she is not satisfied with the Mediation officer's opinion. In practice, however, very few notices result in subsequent legal action.

Mediation alerts customer services when it finds recurring malfunctions in the complaints it receives.

Recommendations for improving processes. In her annual report, the Mediation officer makes recommendations to carriers. Among the recommendations made in 2023, clear and accurate information for travellers stands out:

- The exchange of TGV- Intercités tickets, which is only possible between the same two stations indicated on the initial ticket
- On the validity of TER tickets, for all the TERs of the day but only from the time of purchase of the ticket (the purchase of a ticket online after the departure of the train will result in a ticket being issued).

The SNCF Voyageurs mediation activity report is available on the mediation website.

The Network Operators Committee (COOPERE)

Created in 2014 as part of the law on railway reform, COOPERE is the permanent forum for dialogue and consultation between SNCF Réseau, its customers and its partners. Its aim is to improve mutual understanding of the issues and constraints faced by the various stakeholders in the rail system, and to encourage optimum use of the national rail network and neighbouring networks.

Chaired by SNCF Réseau, this body brings together all its customers and partners: passenger and freight railway companies, new applicants authorised to operate on the network, infrastructure managers, combined transport operators and shippers, Ports, Mobility Organising Authorities, sector trade associations, as well as the State and the Transport Regulation Authority as observers. COOPERE upholds the principles of transparency and non-discrimination between customers and operators.

COOPERE is organised into three communities of interest - Freight, Passenger and Mobility Organising Authorities - to discuss targeted issues such as the allocation of rail capacity, the freight development programme, pricing, SNCF Réseau's service offerings and major rail infrastructure projects. Topical and cross-functional strategic issues are also discussed (Digital Customer Journey, accessibility, etc.) or as part of the consultation meetings on the Network's Reference Document.

In addition to these various meetings, each year two plenary sessions are chaired by the Chairman of SNCF Réseau with a panel of representatives from each community.

The two GEODIS customer relations certificates

In November 2023, Geodis' Distribution & Express business was awarded the "AFRC Relation Client 100% France" guarantee mark and the Service France Garanti certification by the Origine France Garantie Association and the Association Française de la Relation Client (AFRC). They salute the strategic choice of a high-quality customer relations service with a strong local presence and its maintenance at the heart of its 110 branches in France. Rapid call handling, personalised and tailored responses, and post-call surveys to ensure satisfaction are all part of the fundamentals that guide our employees.

5. REDUCING THE ENVIRONMENTAL FOOTPRINT OF OUR ACTIVITIES

5.1 STRENGTHENING SNCF'S ENVIRONMENTAL POLICY

5.1.1 Context

While the SNCF is a major player in low-carbon mobility, as an industrial activity and a major developer, it needs to make the environmental management of its establishments more robust and improve its compliance and environmental performance.

5.1.2 Our commitments

- Reduce the environmental footprint of our activities in line with our mission of sustainable mobility and solidarity, contributing to the ecological transition.
- Integrate the entire life cycle of our products, services and projects into our approach, whether they are delivered directly by our employees within SNCF companies or on our behalf by our service providers and suppliers.

5.1.3 Policy and actions

After developing the CSR strategy, the Environment policy is helping to set up standard environmental governance within the SNCF, to set a common course and demonstrate the company's commitment to the environment at the highest level. It was signed by the three CEOs, the Chairman and the Director of SNCF's five rail companies in July 2022. The Environment policy is based on the Group's three values:

- Commitment to global management of compliance and environmental risks
- Efficiency, thanks to a continuous improvement approach, the organisation of resources and the measurement of progress.
- Openness and transparency to internal and external stakeholders.

Formalised as the company's safety transformation policy, this Environment policy provides a long-term perspective consistent with a transition approach. It is published on sncf.com.

For more details: see Circular Economy Policy, 5.8, and Water Policy, 5.9.

Environmental policy

SNCF Voyageurs

To make its environmental contribution an advantage in terms of its attractiveness, competitiveness and quality of life for everyone, in 2023 the company has rolled out its environmental policy to all carriers (TGV- Intercités, TER and Transilien), the Equipment division and the central divisions. The commitments in this policy, signed by all the members of the SNCF Voyageurs Comex, focus on the challenges of mitigating and adapting to climate change and preserving resources and biodiversity.

The Passenger Sustainable Transition Report is available on the sncf-voyageurs.com website.

SNCF Réseau

After summarising its ambition, main objectives and levers in 2022 in a policy distributed to all its employees, SNCF Réseau intends to speed up the fulfilment of its commitments in 2023. To further protect biodiversity, develop the circular economy, reduce noise pollution and contribute to the energy transition, the company is supplementing its policy with industrial programmes.

5.2 OPTIMISING ENVIRONMENTAL MANAGEMENT

5.2.1 Context

The new SNCF, which will be made up of five railway companies in January 2020, will require a new approach to environmental issues. It also needs a framework that will enable it to take a more global view of environmental risks so that it can better reduce their scope. This is the Environmental Management System (EMS).

5.2.2 Our commitments

Deploy the EMS in all Group companies to improve environmental performance.

5.2.3 Policy and actions

The roles of the companies in environmental management have been defined:

- SNCF SA assumes strategic responsibilities, strengthened management and control powers, and pilots all the Group's companies.
- The Group's companies and businesses take full responsibility for the way they run their operations, as

close as possible to the areas they cover and the expectations of their stakeholders.

The DESTE proposes and coordinates all SNCF policies on the various environmental issues, in cooperation with all the companies. It also organises the governance of these policies and puts in place the tools needed to monitor and steer them (reference systems, information systems, leadership and coordination, etc.).

A common frame of reference

An internal directive sets out the general environmental guidelines for this new organisation and the associated challenges. The text also specifies the joint missions of the five railway companies and their respective responsibilities in terms of environmental management. The common organisation of the management approach is thus set by the DESTE, and each company is responsible for its implementation.

Implementation of the environmental management system

By 2023, all SNCF activities and their establishments were committed to an EMS-type approach and 95% of industrial establishments, such as technicentres and track industrial establishments, were ISO 14001 certified. This widespread deployment guarantees the sustainability of environmental actions and a structured approach to continuous improvement, adapted to the challenges of each of the SNCF companies and integrated into the operation of the establishments.

Key indicator

	2023	2022	2021
Percentage of industrial establishments and sites with ISO 14001 certification (%) - SNCF	95	95	88

A comprehensive approach to environmental management

The EMS continuous improvement process is based on:

- The compliance plan, based on a regulatory assessment of the sites in relation to the environmental legislation applicable to all activities
- The continuous environmental improvement plan, based on an analysis of the environmental impact of our activities. The aim of this analysis is to identify, analyse and prioritise the main sources of environmental damage caused by our activities (water, air, soil, noise, biodiversity, energy, waste, etc.), taking into account the sensitivity of each site. The aim is to implement preventive measures to reduce the probability of risks occurring or to reduce the severity of their consequences.

The environmental safety approach, another of the fundamentals

As part of a global safety approach, the management standards applied to rail safety are gradually being adapted to the field of environmental safety.

For example, the handling of major environmental events is the subject of a "D+1" meeting for greater responsiveness, and the deployment of "rules to protect the environment", modelled on the "rules to save lives", helps to anchor the right reflexes in all employees. It was also to fit in with this global approach to safety that the Environment policy was drafted on the model of the SNCF's Safety policy.

For more details: see 5.1.

Simplified document management

As part of the drive to harmonise environmental safety with global safety management standards, EMS documentation was overhauled in 2023, with the aim of simplifying and optimising it so that it would be more easily understood by teams.

Deployment of the SNCF Environment IS

To simplify the work and meet the specific needs of the entities, a digital environmental management tool has been developed at SNCF level and deployed in all the activities of the five railway companies.

This gives the company a consolidated approach to environmental management and a more global view of environmental issues and risks, at the level of an area, an activity or a company. This data feeds into the CSR risk map for the environment. The tool also incorporates a module for dedicated compliance management, taking account of both national and local regulations.

By way of example, this Environment IS feeds four of the indicators of PROGRESSEO, the tool for sharing best practices in connection with the "Tous SNCF" corporate project. It will soon be possible to monitor the management of non-hazardous waste more closely.

Targeted training at national level

The environmental training programme enables SNCF employees to improve their skills in targeted areas depending on their tasks.

In an industrial context, they can familiarise themselves with environmental issues, environmental law, Installations Classées pour la Protection de l'Environnement (ICPE), waste, EMS, environmental audits and internal IT tools, depending on their job.

In its training courses, SNCF Réseau uses the same themes, adapting them to the characteristics of its business lines, and offers other more specific ones on the protection of biodiversity, water law, railway noise and administrative procedures and consultation.

Waste management: traceability made easy

The SNCF has a waste management information system to ensure traceability. It is used by over 3,000 employees.

For further details: See Vigilance Plan, 3.3 (ENV1).

Key indicator

	2023	2022	2021
Total quantity of hazardous waste produced (in kt) - Group	106	67.6	75.2

Keolis and Geodis

Keolis. Keolis' ecological, energy and carbon transition policy is defined on the basis of the significant environmental challenges identified for its activities and is part of its Keolis Way corporate project. It commits all subsidiaries to:

- Meet their compliance obligations arising from national and local regulations and contractual or voluntary commitments to their stakeholders.
- Control the environmental impact of their activities and prevent pollution.
- Adopting a continuous improvement approach to environmental performance.

Keolis ISO 14001 EMS

To strengthen and gain recognition for its commitment to the environment, Keolis embarked on an ISO 14001 Environmental Management System roll-out in 2013. ISO 14001 certification is used to assess a company's

environmental performance in a standardised way: energy consumption, greenhouse gas emissions, resource protection, circular economy, waste recovery, industrial risk management (pollution). By 2023, 60% of Keolis' sales will be covered by ISO 14001 certification.

Geodis. Aware of the environmental impact of logistics and transport activities and the growth in demand, Geodis is fully committed to reducing greenhouse gas emissions and atmospheric pollutants, as well as managing resources with respect. Geodis is committed to developing environmentally-friendly solutions for its customers: low-carbon alternative transport, multimodal solutions, virtuous circular economy loops, etc. By 2023, 32.8% of Geodis sites will hold ISO 14001 certification.

The Green Analytic Tool platform for recycling

The HSE (Health, Safety and Environment) teams at Geodis in the United States have set up a business intelligence tool called the Green Analytic Tool. This platform makes it possible to record and analyse the consumption of energy, water and gas at each GEODIS site, as well as the volumes of waste produced and the volumes recycled.

These dashboards enable performance to be monitored, such as the recycling rate by type of waste and the revenue generated by this recovery. This data is also shared with certain customers.

Finally, an internal certification programme (Green Site Certification) has been developed to compare sites and reward the best performers, while raising awareness of sustainability issues among our teams.

5.3 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

The SNCF Group's Transport business mainly involves the following activities:

Key indicator

	2023				2022				2021
	SNCF FR	Subsidiaries FR	Subsidiaries outside FR	Total	SNCF FR	Subsidiaries FR	Subsidiaries outside FR	Total	Total
Total energy consumption (in GWh)									
Transport	7,688	3,379	3,656	14,724	8,034	3,325	3,968	15,327	13,882
Of which rail traction	7,444	734	1,727	9,905	7,793	695	1,805	10,293	9,412
Of which commercial road hauliers	0	2,616	1,761	4,377	0	2,595	1,786	4,381	4,106
Of which by air	0	0	152	152	0	0	364	364	97
Of which company cars	220	26	16	262	235	30	12	277	266
Of which construction machinery	9	4	1	14	6	5	1	12	0
Of which short-term rental vehicles	15	0	0	15	0	0	0	0	0
Buildings	1,194	468	917	2,579	1,265	608	903	2,777	2,546
Grand Total	8,882	3,848	4,573	17,303	9,299	3,933	4,870	18,103	16,428

Energy consumption will fall by 4.4% between 2022 and 2023.

For the **rail companies in France** (SNCF FR), the 4.5% fall was mainly due to the implementation of energy-saving and efficiency measures (eco-driving, eco-parking, relamping, etc.) and to a drop in activity due to industrial action.

Energy consumption by **subsidiaries in France** fell by 2%, with a significant drop in gas consumption at ICF Habitat.

– Passenger transport by rail or road, operated by SNCF Voyageurs and Keolis

– Freight transport, operated by Fret SNCF, Rail Logistics Europe and Geodis

– Transport commission operated by Geodis.

The Group is one of the biggest industrial consumers of electricity in France, accounting for 7.7 TWh in 2023. It must reduce its consumption and continue to transform its fleet to gradually move away from fossil fuels. These changes need to be implemented against a backdrop of rising energy prices and new obligations to bring installations and equipment into compliance.

All of the SNCF group's^{SCO2e}emissions and overall energy consumption are shown in the tables below.

5.3.1 Energy consumption of the SNCF Group

Key indicator

Energy mix in % based on consumption in kWh	2023	2022	2021
Electricity	53.7	52.5	51.9
Diesel and petrol	30.5	30.9	32.6
Gaz	8.8	9.5	10.6
Biofuel	4.5	3.5	3.2
Kerosene	0.9	2.0	0.6
Fuel oil	0.4	0.3	0.6
Heating network	1.2	1.3	0.5

For **international subsidiaries**, two-thirds of the 6% reduction is explained by a reduction in the use of the aircraft operated by Geodis and by measures to reduce fuel consumption and improve efficiency.

Change in scope. From 2023 reporting, the energy consumption of short-term rental vehicles is taken into account (0.1% of total consumption).

5.3.2 Greenhouse gas emissions of the SNCF group

Key indicator

(in ktCO ₂ e)	2023				2022				2021
	SNCF FR	Subsidiaries FR	Subsidiaries outside France	Total	SNCF FR	Subsidiaries FR	Subsidiaries outside France	Total	Total
Grand Total	4,906	1,943	4,178	11,026	4,777	929	1,409	7,115	5,930
Scope 1 - Transport	390	618	505	1,514	411	642	590	1,643	1,499
Of which rail traction	329	30	176	535	351	35	202	587	554
Of which commercial road haulage	0	581	288	868	0	598	295	893	855
Of which by air	0	0	37	37	0	0	89	89	23
Of which company cars	55	7	4	66	59	8	3	69	67
Of which jobsite machinery	2	1	0	4	2	1	0	3	0
Of which short-term rental vehicles	4	0	0	4	0	0	0	0	0
Scope 1 - Buildings	84	47	33	165	94	66	33	192	220
Scope 2 - Transport	207	22	362	591	243	22	369	635	490
Of which rail traction	207	21	360	588	243	21	361	626	480
Of which commercial road haulage	0	1	1	3	0	1	8	9	10
Scope 2 - Buildings	26	8	258	292	30	9	231	270	171
Total Scopes 1 and 2 - Energy	707	696	1,158	2,561	778	739	1,222	2,739	2,380
Scope 3 - Transport	207	171	162	540	221	171	174	567	516
Scope 3 - Buildings	32	13	12	57	34	18	13	65	65
Total Scopes 1, 2 and 3 - Energy	946	880	1,331	3,157	1,034	929	1,409	3,372	2,961
Scope 3 - Purchases of goods and services	1,364	238	243	1,845	1,395			1,395	1,678
Of which supplies	441	224	232	897	461			461	362
Of which services	622	14	11	647	630			630	516
Of which works	300	0	0	300	304			304	801
Scope 3 - Transport subcontracting	68	710	2,421	3,198	54			54	50
Scope 3 - Fixed assets	1,067	115	183	1,365	1,111			1,111	209
Of which industrial supplies for track work	925	0	0	925	905			905	-
Of which vehicles (of which trains)	113	115	183	411	160			160	150
Of which buildings	12	0	0	12	26			26	48
Of which other	18	0	0	18	20			20	11
Scope 3 – Emissions induced by visitors and travellers	1,461	0	0	1,461	1,183			1,183	1,032
Total - Significant indirect emissions	3,960	1,063	2,846	7,869	3,743	0	0	3,743	2,969

Energy-related greenhouse gas emissions will fall by 6% between 2022 and 2023. This fall, which was significantly greater than the fall in energy consumption in kWh, was mainly due to:

- An 11% fall in electricity-related emissions in France, due to:
 - Lower actual electricity consumption
 - The 8% reduction in the "location based" emission factor (ADEME 2022 average mix emission factor), which is more favourable for electricity in France. It represents an average of the last four years 2018-2021 and does not reflect the French electricity generation situation in 2022 and 2023.
- Lower emissions from air transport.

Significant indirect emissions include those of Keolis and Geodis from 2023. Two new positions will also be added in 2023:

- Fixed assets: now treated using the purchase method in order to standardise the Group's carbon reporting. A better characterisation of the financial data has resulted in works expenditure being included under capital expenditure and

no longer under operating expenses, which explains the mechanical reduction in the "Purchases of goods and services" item in favour of the "Fixed assets" item between 2023 and 2021.

- Transport subcontracting: A significant item for Geodis (3 MtCO₂e), it concerns road, sea, air and rail freight subcontracting. It also exists at Keolis and SNCF Voyageurs (subcontracting of road coaches for substitution, for example).

On the existing SNCF FR perimeter:

- The 2% drop in emissions from purchases of goods and services can be explained by methodological variations, the refinement and effective reduction of emissions factors.
- For fixed assets, the acquisition of new buildings and new trains is lower than in 2022 (-4%).
- With regard to emissions induced by customers, a change in the method used to count visitors mainly explains the increase in emissions between 2022 and 2023 (+23%).

5.3.3 GHG emissions as a percentage of sales

Key indicator

	2023	2022	2021
GHG emissions Scopes 1&2 - Group (ktCO ₂ e)	2,561	2,739	2,380
Contributed sales - Group (€m)	41,760	41,449	34,752
GHG emissions/sales (%)	61	66	68

GHG emissions in relation to sales are published in the DPEF 2023 in anticipation of the CSRD. For this first exercise, the scope covered includes energy scopes 1 and 2, similar to that used for the CDP exercise. The difference concerns the non-inclusion of refrigerant leakage data in the DPEF for 2023.

The calculation of GHG emissions covers 98% of the sales scope in 2023.

The improvement between 2021 and 2022 is due to the increase in sales following the health crisis.

The improvement between 2022 and 2023 is mainly due to the reduction in GHG emissions explained in section 5.3.2.

5.3.4 GHG emissions per passenger.km and tonnes.km

Key indicator

	2023	2022	2021
CO ₂ e emissions per passenger (in gCO ₂ e/voy.km) - SNCF	6.03	6.97	9.09
CO ₂ e emissions per tonne of freight (in gCO ₂ e/tonne.km) - SNCF	5.19	4.78	5.02

In 2023, GHG emissions per passenger-kilometre will be 13% lower than in 2022, thanks to:

- A reduction in energy consumption and the electricity emission factor (see 5.3.1 and 5.3.2)
- A 6% increase in passenger-kilometres.

In 2023, GHG emissions per tonne.km will increase by 9% compared with 2022 due to a 20% drop in tonne.km for Fret SNCF (strikes, drop in industrial activity, climatic events).

5.3.5 Reduce significant indirect emissions

Decarbonisation of purchasing policy

All purchases made by the SNCF involve greenhouse gas emissions. An enhanced assessment carried out in 2022 and confirmed in 2023 shows that 45% of the SNCF's GHG emissions come from the carbon footprint of its purchases of goods and services. This rises to 74% when other types of purchases (energy and fixed assets) are taken into account.

The SNCF needs the full involvement of its supply chain and is calling on all its suppliers to achieve its decarbonisation targets. The SNCF's decarbonisation strategy complies with decree no. 2022-982 of 1 July 2022 on the Environment Code, with the inclusion of significant indirect emissions from the value chain, of which purchasing, in the GHG emissions balance by 1 January 2023.

The decarbonisation of the supply chain is now a strategic focus of purchasing performance and therefore of the SNCF's relationship with its suppliers:

- A successful GHG reduction policy
- Sustainably anchoring your performance

– Collectively increase the rail industry's share of the market.

Results 2023

The purchasing function has been given the necessary acculturation. For example, 100% of the buyers in the SNCF's Purchasing department have taken the Decarbonising Purchasing e-learning course and assessed their carbon footprint. All high-stakes tenders now include criteria relating to greenhouse gas emissions, and a Carbon Procurement Steering Committee meeting is held every quarter.

Key suppliers are regularly made aware of the SNCF's decarbonisation objectives and are now assessed using a Supplier Carbon Maturity indicator.

Finally, the SNCF and the Fédération des Industries Ferroviaires organised a Decarbonation forum in October and co-authored the white paper "Decarbonising transport in France: the voice of the railways" to mobilise all the players in the sector in support of the ecological transition.

2024 Orientations

By 2024, carbon rating criteria will apply to all calls for tender. These criteria should aim to be quantitative (as opposed to qualitative). A decarbonisation management tool will gradually be deployed to:

- Measure the carbon footprint of purchasing more reliably
- Better support suppliers' trajectories by steering decarbonisation plans.

Reduce the employer's mobility footprint

The Mobility Orientation Law of 24 December 2019 (LOM) obliges employers to promote "the use of the least polluting forms of mobility and shared mobility on a daily basis in order to strengthen the dynamic development of public transport, alternative daily mobility solutions to the private car and active mobility for the benefit of the environment, health, safety and competitiveness". This obligation is an opportunity to collectively anchor environmental ambitions in the daily lives of employees, in the interests of economic performance and quality of life at work.

The SNCF is using three levers to reduce its employer footprint.

Everyday mobility. At the pay round table on 7 December 2022, SNCF management adopted measures to support sustainable mobility for employees from 1 January 2023: introduction of a Sustainable Mobility Package worth 400 euros, purchase aid of 150 euros for the purchase of a conventional or electric-assist bicycle, payment by the employer of 75% of the cost of public transport season tickets. By the end of 2023, 38,092 SNCF employees had opted for the Sustainable Mobility Package, 5,797 of whom had requested assistance to purchase a bicycle. The sustainable mobility package will be renewed in 2024.

The deployment of employer mobility plans (EMP) encouraged at its various sites. This system, which came into being under the 2017 LOM, makes it possible to measure current practices and their impact, and to develop solutions that encourage the use of modes of transport other than the private car. In 2023, the SNCF launched the creation of a digital Employer Mobility Plan platform at the SNCF group's head office in Saint-Denis, to support establishments in the deployment and monitoring of their EMP from 2024.

Pro Cycling Employer Objective This scheme, run by the FUB (Fédération française des usagers de la bicyclette), allows employers' sites to be labelled for their

commitment to promoting cycling to and from work. After helping to define the scheme in 2020, SNCF has launched the labelling of its establishments in the Auvergne-Rhône-Alpes region. By the end of 2023, 22 SNCF establishments will be on the label. The result: five establishments were awarded the Gold label, one the Silver label and one the Bronze label.

With the roll-out of Employer Mobility Plans in 2024, the SNCF will be encouraging establishments to sign up to this labelling scheme aimed at increasing the modal share of low-carbon mobility for home-work trips.

Other regional examples

Among the initiatives taken by the TER teams is that of the Auvergne-Rhône-Alpes TER lines, which has asked its service vehicle drivers to drive at 110km/h on motorways instead of 130km/h. By 2023, this practice should result in a reduction of 13.4 tCO₂e and a saving of 10,000 euros for the region's entire fleet of service vehicles.

BEGES publication

The BEGES (Bilan des émissions de gaz à effet de serre) is a French regulatory assessment of all the greenhouse gas emissions produced over one year by the activities of an organisation or territory, whether direct (scopes 1 and 2) or indirect (scope 3). It must be published every four years by French companies with more than 500 employees. The SNCF published a BEGES in 2015 and again in 2018. With the implementation of the rail reform on 1 January 2020, each railway company has produced its own BEGES in 2022 based on data from 2021, in coordination with the DESTE.

The BEGESs of the five railway companies, Keolis (at Group level) and certain GEODIS entities are available on the ADEME website.

5.3.6 The development of renewable energies

Scope 2 GHG emissions

The publication of scope 2 GHG emissions on a market-based basis is a requirement of the CSRD. They are published in the DPEF 2023 in anticipation of the deadline for application to the scope of French railway companies.

The principle is to account for emissions according to the carbon intensity of energy suppliers rather than according to the country's average national mix (location-based).

Key indicators

GHG emissions - Market based scope 2 - SNCF (ktCO₂e)	2023	2022	2021
Linked to rail traction electricity consumption excluding PPA production	750	n.a.	n.a.
Linked to rail traction consumption from PPA	0	n.a.	n.a.
Linked to electricity consumption in buildings	74	n.a.	n.a.

GHG emissions - Location Based scope 2 - SNCF (ktCO₂e)	2023	2022	2021
Linked to rail traction electricity consumption excluding PPA production	207	380	344
Linked to electricity consumption in buildings	23	243	246

For the scope of the five railway companies, the choice was made to retain:

– An emission factor of 0 for emissions from SNCF Voyageurs' wind and solar PPA production.

– Emissions factors published by Pownext EEX, the registrar of guarantees of origin for electricity in France, reflecting the state of the French market for electricity purchases, with an overall value and a residual value excluding renewable energies.

These choices give a different vision of the location-based approach for 2023:

– The Pownext emission factors for 2023 are based on the state of the market in 2022, when part of the nuclear inventory was shut down for technical reasons. The ADEME 2022 average emission mix factor is based on an average of past years and does not reflect this situation. There is a threefold increase in value between location-based and market-based.

– Production from the PPAs still represents less than 1% of GHG emissions and only marginally affects the result.

The following tables show the location-based and market-based emission factors.

Details of emission factors

GHG emission factor - Market-based scope 2 (grCO₂e/kwh) - SNCF	2023	2022	2021
Total mix FR Pownext - EEX	107	n.a.	n.a.
Residual mix (excluding PPA/GO) Pownext - EEX	125	n.a.	n.a.
Wind, Solar	0	n.a.	n.a.

GHG emission factor - Location-based (grCO₂e/kwh) - Scope 2	2023	2022	2021
ADEME Footprint Base (average electricity mix)	34	38	41

The SNCF becomes a producer of renewable energy on its land

For the past ten years or so, the solar panels installed on SNCF property have mainly been operated by renewable energy producers. Around fifty hectares were covered up to 2023. From now on, this stage will be handled by the SNCF, through its new subsidiary SNCF Renewables, launched in July 2023. The subsidiary's mission is also to make greater use of the SNCF's vast property portfolio to secure its electricity needs. The SNCF is France's biggest consumer of industrial electricity.

Solar cadastral. Of the 12 million square metres of buildings and over 100,000 hectares of land, SNCF has identified over 1,000 hectares eligible for solar energy, thanks to the expertise of AREP, the SNCF Gares & Connexions subsidiary. For each site selected, the potentially exploitable power and the economic value of the project have been estimated, in conjunction with SNCF Réseau and SNCF Immobilier, to ensure their relevance.

The aim of SNCF Renewables is to produce clean energy at a controlled cost in two stages:

– **By 2030**, with photovoltaic panels installed on 1,000 hectares of conventional land (ground-based plants, building roofs, etc.) to cover around 20% of current electricity needs.

– **After 2030**, a second phase of installing solar panels along 7,000 km of unpaved roads is being studied, with the aim of achieving self-sufficiency by 2050.

Operations began this year at around thirty sites in several French regions. Local stakeholders will be involved in solar power plant projects.

Focus on the Ophélie project for linear photovoltaics. This project involves installing photovoltaic farms on land that is long and narrow (dykes, roads, railway lines, etc.). At SNCF, this involves 28,000 km of track. Linear photovoltaic systems make it possible to limit the amount of land required for new solar farms.

To be profitable and operational on this type of land, the development of photovoltaics must be based on a major change in current technologies, with the switch from alternating current (AC) to direct current (DC) to reduce line losses.

Focus on the RESPIRE-R project to produce and store green hydrogen. This project, entitled "Rethinking Energy by Innovative Storage and Control of Renewable Energy for Rail", is a response to the dual challenge of constantly rising electricity demand and unstable production. Its aim is to assess the benefits of combining storage and production of renewable energy and to establish the economic conditions for industrialisation.

The planned storage system, coupled with a solar panel array, is based on batteries and an electrolysis hydrogen production unit with a production capacity of 730 tonnes in 30 months. The green hydrogen stored could then be reused as is or converted back into electricity using a fuel cell. The project is led by the SNCF, in partnership with HDF Energy, SCLE and Teréga Solutions.

Installing solar panels at stations

Between now and 2030, SNCF Gares & Connexions plans to mobilise around one million m² for the installation of photovoltaic panels on its land. In this context, SNCF Gares & Connexions signed a temporary occupation agreement in October 2022 with Teneergie, a French company with a mission, to cover around 80 station car parks with photovoltaic shades by 2024, i.e. around 120,000 m² of solar panels. This represents 10% of the annual electricity consumption of railway stations, or the annual consumption of 12,000 homes.

Status report 2023. Some fifteen projects have been identified for study, while others are at the study or tender stage. Some are already under construction, such as Sedan, Paris Nord, Angoulême and Grenoble stations, or will be brought into service this year at Mouchard (39) and Angers stations. They are being built and financed by SNCF Gares & Connexions. By the end of 2023, a total of around 26,000 m² of photovoltaic panels will have been installed in the stations.

Solarised industrial buildings

At SNCF Immobilier, building renovation or construction work systematically includes the installation of rooftop solar panels for self-consumption. For example, the Moulin Neuf industrial site in Chambly (60) supplies 24% of the building's annual consumption.

AND ALSO...

– **Partnership between Espaces ferroviaires and the Booster des ENR&R** (renewable and recovered energy) for the building industry. Solar energy, geo-energy, energy recovery from grey water, etc. Buildings have underused energy potential. To improve its carbon impact and speed up the development of Renewable Energies, the SNCF Immobilier subsidiary has joined other property players in this collective project.

Purchasing renewable energy for trains

At SNCF Voyageurs, the aim is to reach 40-50% of renewable energies in the consumption mix for traction by 2026. This requires the development of direct renewable electricity purchase agreements (Green Corporate Power Purchase Agreement) to cover 20% of electricity

consumption for train traction by 2026, i.e. around 1,100 GWh.

Since the launch of the CPPA programme in 2018, steered by its SNCF Energie subsidiary, SNCF Voyageurs has signed 15 contracts to bring photovoltaic and wind power plants into production. They total around 674 GWh of annual production and will be commissioned between now and 2028.

Status report 2023. Three new contracts for wind farms have been signed, with Compagnie Nationale du Rhône for two wind farms and with VOLTALIA for a large wind farm which has already begun injection tests in September. These three contracts represent a total expected production of more than 160 GWh per year, with commissioning scheduled for 2024 and 2025. In addition, in October 2023, the Lachapelle-Auzac (46) photovoltaic power plant came on stream. Its annual production will be around 23 GWh.

Eurostar's objective is to achieve 100% renewable energy by 2030. In the Netherlands, the high-speed line has already been entirely powered by decarbonised energy from wind farms since 2017. In the United Kingdom, the operator of the British section of the high-speed cross-Channel 1 (HS1) line will be introducing renewable energy from CPPA on the line from 2022. By 2023, it will already be 40% powered by carbon-free energy.

Key indicator

	2023	2022	2021
Share of renewable energy in the rail traction electricity mix (% of consumption) - SNCF	0.31	0.26	0.09
Share of theoretical production from PPA renewable energy purchasing contracts actually signed by the SNCF Group (%)	12.40	8.18	n.a.

Actual PPA production stagnates in 2023, with higher-than-expected solar production offset by lower-than-expected wind production. This is due to the intermittent nature of these energies (sunshine and wind rates).

Theoretical production from signed contracts will double between 2022 and 2023, with four new contracts signed and two contracts lapsing.

5.3.7 Annual report on the carbon trajectory of SNCF activities in France

5.3.7.1 Background

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 emissions in the Transport and Building sectors in France. These commitments are the subject of an annual report, in accordance with the order of 2 November 2021 issued pursuant to article 66 of the amended finance law for 2020, No. 2020-935 of 30 July 2020.

The full report is available in this DPEF, 9. Annual report on the carbon trajectory of SNCF activities in France.

5.3.7.2 Our commitments

Transport:

– Achieve a 30% reduction in greenhouse gas emissions by 2030 compared with the 2015 baseline, 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.

Building:

– Reducing our energy consumption in all buildings over 1,000 m² by 40% by 2030 compared with 2015: that's the challenge set by the tertiary sector decree applicable to SNCF property.

– Reduce our GHG emissions (scopes 1 and 2) linked to the energy consumption of our buildings in France by 50% by 2030, compared with 2015.

5.3.7.3 Policy and actions to reduce emissions from the Transport and Building sectors

The Group has identified three main levers, consolidated in a common strategy:

- Energy sobriety
- Energy efficiency
- Changing energy fluids.

For more details: see 9.

5.4 BECOMING A RESPONSIBLE DIGITAL PLAYER**5.4.1 Background**

According to a 2019 study by The Shift Project, the digital sector accounts for 4% of global CO_{2e} emissions and is growing at a rate of between 6% and 9% a year. Against this backdrop, SNCF is seeking to control its emissions linked to the digitisation of its activities. Following a second carbon audit in early 2022, the company has confirmed its priorities, at a time when the French government is also adding digital as a sector in its own right to be decarbonised through the National Low Carbon Strategy v3 (SNBC v3). SNCF is continuing its action plan across its five rail companies.

5.4.2 Our commitments

- Deploy a coherent, proactive, responsible digital strategy, with dedicated policies and quantified targets, in the SNCF's five rail companies.
- Give priority to raising awareness among buyers and digital project managers, as well as 20% of senior managers and executives.
- Training IT teams in software eco-design, with an initial target of 30% of employees trained.
- Making IS sustainable by continuing to roll out our second life process for terminals (computers, smartphones, tablets and screens) and by introducing "Green IT" criteria into the SNCF's digital project launches.
- Closing historic data centres and making the most of optical fibres throughout the country.

5.4.3 Policy and action

Responsible digital use is an opportunity for the SNCF, and for the Group as a whole, to rationalise certain practices.

According to the SNCF's IT carbon assessment, greenhouse gas emissions from digital services, including upstream indirect emissions, stood at just under 58 ktCO_{2e} at the end of December 2022.

These emissions break down as follows:

- The equipment used by the five rail companies accounts for 51% of emissions: 118,000 PCs, 200,000 smartphones and tablets and 150,000 screens for passenger information, advertising and ticket vending machines.
- The second source of pollution, accounting for 22% of CO_{2e} emissions, comes from IT service providers (expertise, day-to-day operations, service centre development, etc.).

– 15% of emissions for telecoms, which provide connectivity to customers in stations and on board.

– 12% of emissions for hosting, in internal and external data centres.

In 2021, SNCF has defined four action levers to drive its responsible digital policy, described below.

Result of SNCF commitments at the end of 2023

– 100% of lead buyers have been made aware of digital responsibility and are familiar with the associated purchasing requirements.

– The "second life" objective set as a target of 80% reuse of equipment, which had not been achieved by the end of 2023, has been abandoned. SNCF has decided to focus its efforts on extending the lifespan of its rolling stock. The older the equipment, the less likely it is to be reused. The new objective is to achieve a collection rate of 80% for terminals that cannot be used internally. In 2023, 7,400 items of equipment were collected. Taking into account the re-use rate, this corresponds to 570 tCO_{2e} and 4.85 million litres of fresh water saved.

– All IT purchasing grids include "responsible digital" criteria. 100% of IT purchases outside the framework contract are subject to a selection process that includes responsible digital and CSR criteria

– Electricity consumption at SNCF data centres has fallen by 30% over one year.

NB: The rebound effect of the move to the private and public cloud has been limited to +8%, thanks to a systematic FINOPS approach (optimising the use of servers in the cloud) and migration management aimed at reducing the time needed to decommission redundant applications.

Focus on the four levers of SNCF's responsible digital policy**– Raising awareness of the environmental impact of digital technology**

In order to reach all employees, SNCF has chosen to increase and diversify its training initiatives. In 2023, more than 3,000 new people were reached by:

- One-off events such as the Responsible Digital Week, combining themed conferences and practical challenges, and the presentation of a comprehensive carbon footprint.
- The wider roll-out of the Digital Frescoes, made permanent with the renewal of the service contract for three years, with a target of 20 sessions per year, i.e. more than 300 people reached.
- A campaign to raise awareness of digital eco-actions, as part of the government's strategy to reduce energy consumption, through a "My e-carbon" application that enables everyone to reduce their impact by sorting their data.

Increasing the number of these initiatives also requires the growing involvement of professionals from the Information Systems Departments (ISDs) and the support of CSR officers throughout the company.

– Limit the renewal of digital equipment

Terminals still account for the majority of digital emissions, with 51% of SNCF's total emissions in this area, particularly during the manufacturing phase. Committed to limiting the impact of their manufacture, it continues to activate several levers:

- **Buying better** by including eco-design, sustainability and efficiency criteria in IT purchasing. The field trial with 100 Fairphones (eco-designed phones) proved

conclusive. An "eco-designed mobile telephony" consultation is being studied with a view to possible inclusion in the catalogue.

- **Provide employees and service providers with the equipment they need**, so that each user has the right equipment for their professional needs. For service providers, the company is gradually applying the logic of Bring Your Own Device (BYOD). As a result, the proportion of IT equipment not supplied systematically has risen by 30% in one year.
- **Giving IT equipment a second life.** Through its partner Olinn, SNCF has already collected more than 7,400 items of equipment by 2023. It is strengthening its action with another partner, Emmaüs Connect, as well as a new operating method to collect more equipment and improve the reuse and recycling rates. As part of this second life strategy, the SNCF is focusing on the recovery of screens for use in "flex office" projects and the rationalisation of premises. More than 1,000 screens have already been upgraded and a stock of 1,000 more will be used for new move-in projects.

To structure and accelerate these initiatives, the Digital User Services Department is in the process of obtaining the "Responsible Digital" label from the Lucie agency, commissioned by the Institut du Numérique Responsable.

– **Promoting environmentally-friendly digital uses.**

The eco-design of SNCF digital services has accelerated with:

- **The implementation in 40 projects of a decision-making tool** and the Digitally Responsible checklist to help digital project managers define the most streamlined product with the expected functionalities. For example: the LIVE project, to design a new timetable display in stations, compatible with the systems of competing companies. The use of servers is divided by five thanks to its "full serverless" architecture.
- **The IT4Green approach** to identifying digital and technological use cases to help decarbonise operations. For example, estimating the GHG emissions avoided thanks to new technologies.
- **Each major digital project** is given an environmental and social **rating** during project validation committees to ensure that these issues are taken into account from the design stage.
- **The commitment of the partner ecosystem, with CSR criteria** accounting for 20% of the rating for purchases. Internal service centres in particular need to speed up the training of their employees in these areas.
- **The launch of training in software eco-design.** A two-day face-to-face course, it is currently being tested before being rolled out across the board. SNCF Connect is also moving in the same direction.

– **Promote data centres and networks that consume less energy.**

The SNCF is continuing its migration to the cloud and is favouring the most efficient data centres in terms of reducing energy losses, optimising servers and using renewable energy. This has led to the gradual closure of the company's historical data centres, resulting in a 31% reduction in electricity consumption for the company's own data centres.

At the same time, a monitoring programme speeds up the removal of obsolete or duplicate IT applications following new deployments. A highly experienced team measures the environmental impact of application software in the Cloud. While a number of measurement tools are currently

being tested, industrialisation requires greater transparency from cloud providers.

At Keolis

Keolis is fully involved in the actions put in place by the SNCF, benefiting from the framework contracts drawn up by the Group. It is also developing collaborations with partners specialising in the recycling of end-of-life digital terminals.

Data cleansing at Geodis

Launched in 2023, this vast operation involves identifying data in all the company's activities that has been dormant for more than two years and cannot be recycled. The action plan consisted of reviewing the data on the main servers and classifying them for cleaning. This may involve deleting, archiving or moving to cheaper storage solutions with a reduced carbon footprint. **Results:** 1 Petabyte of data was deleted in 2023. The initiative will continue in 2024.

5.5 LIMITING NUISANCE AND POLLUTION CAUSED BY THE RAIL SYSTEM

5.5.1 Background

Preserving air quality and reducing noise pollution for customers, employees and local residents are key aspects of the policy to limit the nuisance caused by rail traffic. This is a prerequisite for the development of modal shift to rail.

5.5.2 Our commitments

Ensuring the conditions for modal shift to rail by minimising the environmental footprint of rail traffic.

5.5.3 Policy and action

While rail meets many mobility needs while emitting fewer greenhouse gases, particulates and nitrogen oxides, and consuming less space and energy than other modes of transport, there is still room for improvement. Helping to improve air quality, particularly on public transport, is one of the cornerstones of the SNCF's environmental policy. Even though the issue of air quality in underground spaces remains complex, SNCF is one of the few railway companies in the world to be active on the subject, and some of its work is the subject of scientific publications.

Noise pollution for local residents living near railway lines is also a real concern. It must be the subject of preventive measures as well as adjustments.

Improving air quality by 2030

A trajectory for reducing particulate emissions by 2030 is currently being structured. The aim is to achieve an optimum reduction in particle emissions and to mitigate residual emissions in underground stations using various technical systems: filtration, ventilation, capture, vacuum train, dust fixation system, etc.

Focus on actions to reduce particulate matter

2020 to 2025 will be devoted to improving knowledge and testing solutions, followed by performance measurement campaigns, in collaboration with national and international bodies, to prepare for the transition to an industrial phase. An independent scientific committee has been set up to advise on the action to be taken in the light of existing knowledge of air quality in underground rail enclosures (EFS).

Improving knowledge

The SNCF is applying the "Recommendations for harmonised air quality measurements in underground railway enclosures" protocol published by INERIS (Institut national de l'environnement industriel et des risques) to its measurement campaigns. In addition, it is working with Île-

de-France Mobilités (IDFM) and Airparif to draw up a map of stations in the Paris region, based on particle concentrations, and to analyse the factors that influence them.

Tests on rolling stock

IDFM and SNCF Voyageurs (Transilien) have embarked on a massive rolling stock renewal programme in the Île-de-France region. The arrival of this new equipment, such as the RER NG on line E in November 2023, helps to reduce particle emissions on most of the lines where it is brought into service.

SNCF Voyageurs has launched experiments on older equipment, particularly that currently used on line C, which has 15 of the 27 underground stations in the Ile-de-France region, to identify solutions that can be industrialised for reducing fine particle emissions:

- Brake shoes and linings with lower emissions (-50 to -70% fine particles) are currently being tested on rolling stock on line C. If validated, these solutions would make it possible to replace the current equipment without major conversion of the rolling stock.
- A prototype particle suction system, fitted to a bogie on a Line C train between late 2020 and mid-2023, collects 70% of emissions from brake linings. However, integrating the system requires equipment to be converted, and the current solution cannot be industrialised as it stands for an entire train.

Air treatment tests

Between 2019 and 2022, various air filtration technologies were tested at Avenue Foch station (RER C) and Sevran Beaudottes station (RER B):

- Air Liquide's technology for capturing airborne particles using a positive ionisation process
- Starklab's technology for washing air with a salt water solution
- TrapAparT's passive capture technology
- And a more conventional filtration with Mann & Hummel.

Several of these tests were carried out with the support of the Île-de-France Region. A second phase of trials began in the last half of 2023, at two stations (Porte de Clichy and Neuilly Porte Maillot), as part of the overall plan adopted by IDFM. The aim is to test the technologies selected following the initial trials, in real conditions, at station level (treatment of platform areas).

The results of the tests are available on the Airparif website.

Other projects and alternatives

In addition, the SNCF has once again joined the call for projects "Innovating for the air in our stations" relaunched by the Île-de-France Region to identify new solutions. The company remains open to new technical solutions for improving air quality, while concentrating on deploying proven solutions.

ADEME TOXin Transport. The SNCF also took part in this project led by INERIS. It aims to better characterise the particles present in transport interiors and underground spaces, and to assess the links between particle concentrations, certain particle characteristics and the effects on the health of people frequenting these environments.

Anti-noise policy...

To develop the modal shift to rail (passenger and freight transport) and maintain good relations with local residents and local authorities, the company is implementing a policy of preventing and reducing noise pollution, which

requires combined action on rolling stock, infrastructure and operations. In addition to preventive action taken as part of investment projects and on track and equipment components, remedial action has been taken since 2010. This is a programme to reduce rail noise blackspots by insulating the facades of sensitive buildings and installing noise barriers.

... and continuing to reduce rail noise black spots

As part of the recovery plan for the period 2021-2025, SNCF Réseau is mobilising €120 million from the proceeds of SNCF disposals to continue identifying and reducing rail noise black spots. The State is also supporting this programme via the AFIT (Agence de financement des infrastructures de transport en France), as are a number of local authorities, which should bring the total budget to €213 million.

In 2023, new regions will be involved, with work launched in Île-de-France and Auvergne-Rhône-Alpes. Diagnostics have been initiated in Provence-Alpes-Côte d'Azur, Centre-Val de Loire, Grand Est, Nouvelle-Aquitaine and Normandie. Others have been completed in Occitanie, Bretagne, Pays de la Loire and Hauts-de-France.

By 2023, the rail noise black spot abatement programme will have resulted in the treatment of 232 homes, benefiting 508 people. These figures are down on previous years due to the transition from the previous funding programme.

Managing accidental pollution

To control accidental pollution, emergency measures must be in place to limit the consequences when they occur. In addition, where necessary, decontamination work must be carried out to repair the damage. It is therefore necessary to establish and regularly review the scenarios envisaged.

In each production unit, the people in charge of environmental management systems rely on known methodologies to manage these accident situations. They rapidly organise, with all the players concerned, a diagnosis of the pollution and an assessment of its impact on the environment and on the health of workers, before carrying out clean-up and monitoring measures. They are supported in these operations by engineering and legal specialists, who deal with the administrative authorities.

Any accidental pollution is an environmental event that must be recorded in the internal application dedicated to environmental management and monitored as part of integrated safety management, depending on its seriousness.

Soil decontamination and land redevelopment

Before transforming former SNCF land into sustainable neighbourhoods, Espaces Ferroviaires needs to better manage the complexity of the soil. That's why, since 2022, the SNCF subsidiary has been working in partnership with BRGM (Bureau de recherches géologiques et minières) to develop a method for assessing the potential of railway land. Based on detailed knowledge of soils, this method is a decision-making tool during the construction phase of operations to clean up pollution, exploit energy resources, prevent natural risks or reuse materials.

5.6 ANCHORING THE CIRCULAR ECONOMY WITHIN THE GROUP

5.6.1 Background

The SNCF is making the circular economy a major focus of its CSR strategy to combat resource depletion and integrate its activities into the environment in a sustainable way. It is therefore part of France's strategy.

To support its approach in this area, the Group has adopted a Circular Economy policy and a reference framework applicable to all its activities.

5.6.2 Our commitments

- Systematising eco-design
- Extending the lifespan of products, reusing them more effectively
- Limit and better manage waste.

5.6.3 Systematising eco-design

Ecodesign covers products such as rails, catenary wires, rolling stock, signalling and telecoms services or systems, rail projects such as network regeneration, modernisation or development, and the construction or refurbishment of buildings. By taking action throughout the life cycle of materials or projects, the company helps to improve its environmental performance.

This approach also applies to other areas as diverse as station furniture, which has been chosen to have a low impact throughout its life cycle, and the TGV INOUI catering menu, which uses products that are partly made in France or sourced locally. Eco-design can also benefit the clothing worn by employees in contact with customers, which is 75% recyclable.

SNCF's strategy is to systematically analyse the impact of each stage in the value chain upstream of projects, and to take this into account when making decisions.

Ecodesign as the basis for railway projects and products

Ecodesign is included in SNCF Réseau's environmental policy as a practice to be generalised and aligned with its circular economy, CO₂e emission reduction and biodiversity preservation objectives. Ecodesign is included in the processes governing preliminary studies and subsequent design phases, as well as when projects are submitted to investment committees. All projects are concerned: accessibility to stations, infrastructure renewal, modernisation of lines serving local areas, etc.

Since 2020, many contract renewals for rail products, including concrete and timber sleepers and signalling products, have included environmental performance clauses.

SNCF Voyageurs involves its suppliers in limiting the impact of materials by encouraging the co-development of bio-sourced parts. In addition, as part of the fight against obsolescence, manufacturers are systematically asked to provide supply and/or despecialisation guarantees for parts. The aim is for products designed to last, with a known and controlled carbon footprint, and for better projects involving the entire value chain.

TGV M, an eco-designed train

In trial service since June 2023, the INOUI 2025 TGV is named TGV M for "modularity". It has been the subject of intensive eco-design work, resulting in some major new features. In addition to its energy efficiency, with 20% less energy consumed thanks to new aerodynamics and a new engine, 97% of the train's materials are recyclable.

2023 eco-design flagship projects at SNCF Gares & Connexions

The multimodal interchange at Nice Saint-Augustin station (06). This cluster won the "Bâtiment d'Avenir 06" award in autumn 2023. It has been built according to strong and innovative eco-sustainable criteria:

- Site rubble was transported by train from Nice to the north of Marseille.

- The structures at the bus station were built using low-carbon concrete
- The railway station is made of recyclable wood and metal.

The first "reusable" station in France, it was designed to be dismantled and reassembled on another site when the TGV arrived in Nice.

A footbridge standard deployed at Saint-Jean de Losne station (21). This industrialisable safety equipment is designed to replace road crossings by the public to ensure their safety. The footbridge was built using an innovative structural design. It has enabled a significant reduction in the quantities of materials used, particularly concrete (-80%) and steel (-40%) on the superstructure section compared with similar structures, thereby reducing its carbon footprint by -55%.

Eco-designed stations using the EMC2B approach. To assess and improve the environmental performance of its renovation and construction projects, SNCF Gares & Connexions relies on the EMC2B approach, formalised by its subsidiary AREP. This method questions the impact of design choices in terms of Energy, Matter, Carbon, Climate and Biodiversity, and is based on monitoring indicators.

Eco-designed tertiary building projects at SNCF Immobilier

Two office buildings developed by Espaces ferroviaires

In Toulouse, the construction of a 13,000 m² office building reduced the carbon footprint of the project by 50%, delivered a 20% improvement in energy performance and saved more than 30% of construction time.

In the 12th arrondissement of Paris, the 10,000 m² Messenger building is designed using load-bearing stone and a wood superstructure, and will enter the construction phase in 2024. It includes more than 86kg/m² of floor area of bio-sourced wood materials, which exceeds level 3 of the bio-sourced label.

The two buildings, equipped with digital technologies, meet the highest environmental standards (E+C, BREEAM, Biodiversity label, R2S).

The environment at the heart of a maintenance workshop

Modernisation of the technical centre at Villeneuve Prairie (94) will provide maintenance for the new trains on RER D and Transilien line R. The aim of this work is to:

- A target of 75% recovery of water used for cleaning trains
- Positive Energy and Carbon Reduction (E+C) certification for all buildings
- Anticipating the risk of flooding on the site, with new buildings that do not interfere with run-off.

AND ALSO...

– **Hemp concrete to build an SNCF Réseau brigade in Bassens (33).** The SNCF property teams in the Nouvelle-Aquitaine region are behind the initiative. The use of this new low-carbon material, bio-sourced in the South-West of France, avoids the need for air conditioning in summer and limits heating in winter. Supplemented by a pine structure and locally sourced timber panels, it is also carbon-efficient as soon as it is built.

– **Low-impact station furniture throughout its life cycle.** Waiting areas, shelters, fountains, rest areas and

waste sorting facilities all incorporate CSR criteria relating to:

- Materials (non-composites, etc.)
- Equipment (repairable, reusable, energy-efficient, etc.)
- Manufacturing and transport (using the social economy in particular).

Ecodesign of Geodis logistics services

To help its customers reduce their environmental footprint, Geodis has developed an eco-design approach that takes into account the impact of its logistics services. Geodis offers a detailed carbon footprint, together with solutions for reducing or even avoiding CO_{2e} emissions.

For example, this approach has enabled a customer to reduce its CO_{2e} emissions by 51% over five years, thanks to the use of photovoltaic panels, LED lights, recycling processes, space optimisation and buildings with high environmental quality.

The Geodis approach includes CO_{2e} emissions linked to the entire life cycle of the service. The methodology was externally audited and validated by the Association française pour l'amélioration et le management de la qualité (AFAQ).

5.6.4 Extending the lifespan of products, reusing them more effectively

Operations carried out by SNCF generate large quantities of products: rails, ballast, sleepers, rolling stock parts, furnishing elements, etc. They constitute a veritable capital of materials. Reuse and recycling generate considerable challenges. By avoiding the extraction phases, which consume a lot of energy and water, reuse and recycling save resources while reducing the environmental footprint of our activities. They also help to combat the scarcity of metals such as the high-quality steel used to make rails, and copper for overhead contact lines.

Remaking ballast with ballast

Considering that the important thing for a product is not so much that it has already been used or that it is new, but that it meets the intended use during its operating life, SNCF Réseau has been working in recent years on reusing ballast. Originally intended exclusively for service lines or short lines, in 2022 it will be extended to the regeneration of high-speed lines. The artificial quarry at Miramas (13) and the industrial ecology centre ensure that a large number of construction sites are supplied with quality reused ballast.

In the case of mobile track regeneration sites, modular and transportable installations enable refurbished ballast to be used directly on site. This industrialised process improves economic, logistical and environmental performance. In addition, co-products are mainly used as a road base.

In three years, 229,000 tonnes of ballast have been reprocessed, saving natural resources.

This comprehensive approach has been rewarded with the Good Economy 2023 Gold Award for "Encouraging the Circular Economy".

Extending train service life, a course of action for SNCF Voyageurs

Avoiding dismantling trains and rather refitting them

Teams at the Périgueux (24) and Tergnier (02) technical centres are renovating old Intercités night coaches dating from the 1970s, initially destined for scrapping, to put them back into service. Between 2019 and mid-2023, 130 cars will be completely refurbished rather than dismantled, thus avoiding the need to buy expensive new equipment.

During this operation, 80% of the parts making up the cars are renovated, mobilising up to 200 people over 10 to 12 weeks for a total of 4,000 hours of work. The cars are then released for service for a further 12 years. Among other things, they feature improved acoustic comfort, power outlets instead of sockets, a new Wi-Fi interior layout, new washrooms and a new livery.

From the smallest part to the largest, nothing is overlooked

Five of SNCF Voyageurs' 10 industrial technical centres repair spare parts. 500,000 TGV parts are repaired every year rather than buying new. This represents a saving of half a billion euros a year. 19 trainsets will be parked at Ambronay (Ain) as "shop" trains between now and 2025-2026: Parts will be recovered and used from 2025 until 2042. More than 3,000 parts can be recovered per trainset: armrests, seats, electronic parts and cards, mechanical parts such as bogies, engines, etc.

"O2D" to extend the service life of high-speed trains

The "O2D" project, a deprogrammed obsolescence operation, represents 2 million hours of work in SNCF technical centres. 104 of the 363 trainsets in inventory are eligible for this programme and are undergoing in-depth diagnostics. The aim is to identify what needs to be done to extend their useful life from 4 to 10 years. Potentially reusable parts will be recovered from written-off trainsets for the repair of these "O2D" trainsets. Equipped with LED lighting, they will also benefit from improvements resulting from the TGV M project, including aerodynamics to reduce energy consumption.

A differentiated renovation programme will be put in place depending on the length of time the trains will be extended (two to four years, or ten years). They will be introduced between 2026 and 2033.

OPTER: a large-scale industrial maintenance operation

The SNCF Voyageurs Equipment Division is supporting the regions in a vast programme to renovate and modernise 40% of the French TER fleet.

After about 20 years in service, at mid-life, the trains need to be completely overhauled and refurbished to enable them to run again for another 15 to 20 years in complete safety and in the best possible conditions of comfort for passengers. This renovation will make it possible to improve the energy efficiency of the trains, with a view to protecting the environment and ensuring the durability of the equipment.

SNCF Voyageurs has already signed commitments worth €2.3 billion with 12 regions and Chemins de Fer Luxembourgeois.

Resale of rolling stock to railway companies

SNCF Voyageurs is committed to giving "a second life" to railway equipment released from commercial operation in France. This is the case for 13 self-propelled TER trains, 11 in Romania and two in France, which have been sold in 2023 and will continue to be operated.

Within the TER business, an entity dedicated to these growing markets works in cooperation with the regional mobility organising authorities. Other old but still operational rolling stock, which Transilien no longer needed, was sold to be reused on the French market rather than scrapped. 12 have been sold for reuse by the end of 2022 and 19 are in the process of being sold by 2024.

Upgrades across the board at Geodis

Geodis offers its customers management of the life and second life of their products, i.e. their physical reinjection

into an economic circuit. Geodis, with expertise also covering returns logistics, has several equipment refurbishment centres around the world. Geodis applies a range of skills to recondition damaged or end-of-life electronic products, for example, in order to increase their value and that of their components. This process enables 99% of electronic products to be recycled.

AND ALSO...

– **Railway sites serving the circular economy.** SNCF Immobilier is renting two Halles at the Ardoines technical centre (Vitry-sur-Seine) to set up a recycling platform run by Cynéo (a Bouygues subsidiary) in association with a craftsman's workshop (Make-Ici). At Paris Bercy, another site is to be used to collect organic waste (Les Alchimistes).

5.6.5 Limiting and managing waste better

The SNCF's waste management policy applies to all its activities: industrial activities on the railways, activities linked to the building stock and tertiary activities. It is based on the following principles:

- Work to continuously improve our knowledge of our deposits and our compliance
- Reducing the production of waste in all operating processes and recovering end-of-life products, in particular by seeking out suitable channels or contributing to the emergence of new channels, in partnership with manufacturers or institutions
- Progress towards a trajectory of zero unrecovered recoverable waste by 2030 for the core rail business.

Rails recycled from old SNCF tracks: a short loop

The development of a short loop means that supplies can be secured against a backdrop of global uncertainty. For example, recycling of non-reusable rail that has been removed is used as an industrial input in manufacturing new rail. This development is forcing SNCF to improve its knowledge of materials and to move from selling scrap metal to selling ferrous metal grades.

The first "green rails" manufactured by LIBERTY Steel have been deployed on the rail network. They represent up to 90% lower emissions than conventional rail, and the aim is to produce decarbonised rail by 2030.

This project also inspired the creation of a similar loop on the axles. The first proposals requested from suppliers were received during 2023.

Key figures for 2023

- 95% of rails removed are recycled in the steelworks.

Wood sleepers for the energy transition of an industry in France

Preparations for the French sector are underway, with a target start date of 2024. The inventory of wood sleepers will enable the energy transition of an industry in north-eastern France. Wood sleepers will be used as a high-efficiency fuel in industrial cogeneration to produce and use electricity and heat simultaneously, replacing the coal-fired power station.

Rolling stock withdrawn from service: nothing is lost, everything is transformed

End-of-life rolling stock is dismantled with the aim of recovering as much of the material as possible. After recovering parts that can be re-used directly by SNCF, 92 to 95% of the mass of railway equipment is recycled.

The company has contracted with qualified suppliers to carry out these specific operations. More than 1,100 cases of rolling stock have been processed each year since 2021. The dismantling sector is now mature, and by 2023

there will be seven plants in operation across France. The development of this sector is helping to create a new industry in the railway circular economy, with the creation of around 400 local jobs.

Waste management in stations and on trains

SNCF's ambition is to encourage 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.

On the trains. TGV INOUI and Intercités offer a bi-flow sorting service on board: packaging, newspapers and magazines on the one hand and other waste on the other. A selective waste collection service run by cleaners is offered on 80% of INOUI TGV trains and on the main Intercités lines. This service is complemented by sorting bins at the bar and on the platforms between carriages on certain types of trains. The separation of waste flows is essential at every stage of the waste management process: during collection, but also when transferring bins and storing them before delivery to treatment centres. This quality assurance work is carried out throughout the waste treatment chain.

In addition, trains equipped with a bar offer collection of glass waste directly from the barista. Bio-waste sorting will be added to the on-board selective sorting service in 2024.

In stations. SNCF Gares & Connexions has defined four areas of work needed to direct 100% of recyclable waste towards a recovery channel by 2030: reducing waste, optimising sorting, improving collection and treatment, and defining a viable and efficient management model. With financial support from ADEME and CITEO, SNCF Gares & Connexions is continuing to deploy new, standardised source-sorting equipment: almost 1,500 new bi-flux and tri-flux bins including organic waste sorting have been installed for 2022.

By the end of 2023, 225 of the busiest new stations will be equipped, and 46% of passengers will benefit from this service.

A global approach to improving waste management requires the involvement of all players in order to maintain the separation of flows throughout the waste process. That's why a public awareness campaign is accompanying this roll-out (signage, events).

The SNCF industrialises the collection and recycling of its work clothes

For safety reasons, SNCF-marked end-of-life workwear cannot be collected in the consumer textile bins.

To ensure that these outfits have an environmentally-friendly end-of-life, in 2014 the SNCF initiated an industrial recycling and reuse channel for professional clothing, separate from that for textiles for the general public. This industry project, conducted with other industrial, associative and institutional partners, will culminate at the end of 2022, after validation by ADEME, in a pre-industrial phase called FIREX, Filière Industrielle de Recyclage des Textiles (Textile Recycling Industry).

The "Nouvelles Fibres" industrial consortium, the concrete result of this work, inaugurated its first plant at the end of November 2023 in the Rhône region.

The SNCF will contribute to this new system with its clothing reserves and will remain committed to the emergence of this sector. Collected each year, SNCF work clothing will be processed on these operational demonstrators (sorting and unravelling, fraying and spinning, compounding). These will enable the material preparation processes to be optimised, and to launch an

industrial production unit with an annual capacity of 25,000 tonnes by 2025.

5.7 PRESERVING NATURAL RESOURCES AND BIODIVERSITY

5.7.1 Background

The SNCF rail network is a huge network that irrigates the whole of France, constantly interacting with nature. While the SNCF is working to promote biodiversity in synergy with the regions, the Group as a whole is acting as a good corporate citizen. It is taking numerous steps to reduce the environmental footprint of its activities and conserve resources.

5.7.2 Our commitments

- Pursue our commitments under the Act4Nature International scheme and its Transport4Nature sectoral initiative
- Pursue the substitution of glyphosate, replaced since the end of 2021 by an alternative plant protection product based on a biocontrol product.
- Develop biodiversity footprint indicators in line with the updated National Biodiversity Strategy, to be published in November 2023.

5.7.3 Policy and action

While the SNCF's rail activities have an impact on biodiversity, it also owns rights of way that enable it to shelter and preserve it. After joining the Act4Nature initiative in 2018, SNCF published an initial assessment in 2020, as well as a guidance document, "Biodiversity approach", common to all the company's entities. It is also strengthening its application of the ERC principle: avoid, reduce, compensate, with the deployment of a tool for monitoring compensatory measures.

Act4Nature International and Transport4Nature

In 2021, the SNCF has renewed its commitment to Act4Nature International, focusing on three areas:

- Governance, dialogue and awareness-raising
- Mitigating pressures on biodiversity
- Contribute to improving knowledge.

In 2022, the SNCF joined Transport4Nature (T4N), the transport sector-specific version of Act4Nature international at European level. It will be reporting on its achievements at the next IENE (Infrastructure & Ecology Network Europe) congress in 2024.

In order to make its approach part of a collective commitment, the SNCF has formed a number of partnerships with companies working on environmental issues, in particular the associations Orée, EpE and CILB (Club infrastructures, linéaires et biodiversité).

In addition, to develop a culture of ecology among its employees, the SNCF has committed itself in 2021 to encouraging employee commitment to the environment through skills sponsorship. In 2023, 750 people took part in the environmental solidarity days (see 8.6).

Standardisation work and biodiversity research projects

The SNCF is involved in drafting standards within AFNOR and is a member of the ISO technical committee at the international level. It also funds research projects, such as the Land Transport Infrastructure Ecosystems and Landscapes programme (ITTECOP), and participates in the European BISON project (Biodiversity and Infrastructure Synergies and Opportunities for European Transport Networks). Other research projects to reduce invasive plants and the use of plant protection products

are essential if progress is to be made. This means that seeding chosen on service tracks is no longer a simple experiment and could be deployed more widely.

These are currently being written on the restoration of terrestrial ecological continuity and the recycling of plant waste from railways in the Île-de-France region.

France's new national biodiversity strategy

The SNCF has also contributed to France's national biodiversity strategy, which will be updated in 2023. In this context, it undertakes to:

- Develop its operating methods to take even greater account of biodiversity
- Improve the preservation of ecological and sediment continuity in rivers and improve the preservation of ecological continuity on land.

At Geodis and Keolis

Geodis is aware of the pressure that construction and management of its infrastructures can create on biodiversity and the environment. Even if these issues are not a priority according to its stakeholders, Geodis is working to integrate them into its CSR policy, and to strengthen environmental and biodiversity criteria in its investment decision-making processes.

Keolis is also involved in preserving and restoring biodiversity (installation of beehives and nesting boxes, ecological management of green spaces, etc.).

Spotlight on practical measures to protect and promote biodiversity

Facilities to protect wildlife

With regard to the risk of collisions with large animals, SNCF Réseau has drawn up a master plan for the Île-de-France region with proposals for action at collision sites. In particular, it relies on the Île-de-France hunting federation, with which it has signed a partnership agreement to share data and exchange information on areas subject to frequent clashes. At Thorey-en-Plaine (21), for example, two anti-collision devices are being tested along the tracks: anti-intrusion paving stones to prevent animals from passing and sound scarecrows to keep them away from the track.

Depending on the case, SNCF is also planning various arrangements. For example, on two railway lines in the Aubagne-Cassis sector of the Provence-Alpes-Côte d'Azur region, a number of ecological improvements were carried out in 2022 in partnership with the French League for the Protection of Birds (LPO): construction of bat nesting boxes, hibernacula, ponds, insect spiral nesting boxes for chickadees.

In the commune of Vendrest (77), near the LGV Est Européenne high-speed rail link, 600 metres of ruts favourable to the yellow-bellied toad have been created within a Natura 2000 site that is home to one of the only populations of the species in the Paris region.

To better reconcile work and biodiversity, the SNCF also plans its work taking into account the nesting and hibernation periods of various animals, and raises awareness of these issues among its field operatives.

Restoring the ecological continuity of watercourses

While the most recent lines (high-speed lines) have been built in such a way as not to interfere with a watercourse, the historic network, dating back to 1830, was not designed in this way. In its multi-annual programme to restore the ecological continuity of watercourses, SNCF Réseau is basing itself on a diagnosis of 1,644 hydraulic structures likely to have an impact on priority watercourses. Of the 837 structures already analysed, 763

are compliant in terms of ecological and sediment continuity. Compliance work has been carried out on 10 facilities and 12 others are planned.

Focus on track and railway maintenance

Reducing the use of plant protection products is a long-standing SNCF commitment. The main user, SNCF Réseau, has limited its use to tracks and railways, safety areas with no other maintenance alternatives. What's more, SNCF Réseau has halved its consumption thanks to a technology that detects the surfaces to be treated, fitted to its new weed-killing trains. The company has also replaced glyphosate with a biocontrol product from 2021, in line with its commitment.

While research has shown that there are no industrial alternatives to the use of plant protection products, some areas may lend themselves to other maintenance methods. The seeding chosen, which allows service lanes to be greened with low-growing plant species that are compatible with safety constraints, has gone beyond the experimental stage. Since 2023, it has been implemented on marshalling sites covering several hectares.

The combined result of these actions, which have been fully effective since 2023, is a low threshold for the use of synthetic products.

Impacts on biodiversity and the search for footprint indicators

Since 2021, the SNCF has been studying the most appropriate tools and indicators for assessing its biodiversity footprint on the perimeter of the five companies, integrating its direct and indirect impacts (scope 3). It uses the SBTN (science based target network) approach to identify its impacts, prioritise and measure them, and act on the requirements of the CSRD (Corporate Sustainability Reporting Directive).

– For its direct impact, a number of indicators are being explored, firstly on ecological functionality (collisions, restoration of ecological continuity) and secondly on the ecological potential of the rights of way (vegetation of the areas, diversification of habitats with the vegetation strata present, type of management implemented).

– For its indirect impacts, the company has tested the Global Biodiversity Score (GBS). It is used to assess historical impacts (known as static impacts) and additional impacts linked to activity during the year under study (dynamic impacts). It appears that this additional impact is mainly linked to GHG emissions throughout the value chain, and to the change in land use associated with some of the purchases (wood sleepers, construction sector).

SNCF's dependence on biodiversity

An internal assessment was carried out using a tool (ENCORE) which provides the level of pressure on biodiversity for different sectors of activity. Three sectors corresponding to SNCF's main activities have been selected: construction, rail transport and property management. As the ENCORE data is based on a global approach, the study was refined by selecting the ecosystem services established by the IUCN (International Union for Conservation of Nature) for France and relevant to the SNCF, and then according to the GBS (Global Biodiversity Score). The results show that the SNCF is heavily dependent on four ecosystem services: soil quality, water quality, climate regulation and protection against extreme events. These services are essential for maintaining the condition of the infrastructure, embankments and traffic safety.

Transilien rewarded for its efforts to enhance small heritage sites

The Île-de-France Region's label "500 petits patrimoines naturels en Île-de-France" (500 small natural heritage sites in Île-de-France) covers 12 stations where the green spaces are managed ecologically by Transilien-supported integration projects. This represents a total surface area of more than two hectares. The label makes it possible to identify natural heritage with biodiversity potential, to promote it and to support managers in improving their practices.

AND ALSO...

– **An educational trail on biodiversity on line R.** On the outskirts of Héricy Transilien station (77), this trail features 18 flower meadows, created by people on integration schemes and designed to provide as many refuges as possible for the species present on the site (nest boxes, insect hotels, etc.).

5.8 ENSURING SUSTAINABLE MANAGEMENT OF WATER RESOURCES AT SNCF

5.8.1 Background

The rail system consumes very little water, accounting for

Key indicator

	2023	2022	2021
Use of synthetic plant protection products (NODU index) (ha) - SNCF	7,299	17,619	18,294
Use of biocontrol plant protection products (green NODU index) (ha) - SNCF	7,937	17,225	6,867

0.125% of national consumption and 3.1% of consumption in the industrial sector. However, its use remains important to ensure that customers and employees receive the best possible service. However, in the face of climate change, tensions on water resources are intensifying and threatening the quality of the service provided: unavailability of facilities requiring water for railway production, limitation of cleaning operations to sanitary requirements, etc. Having taken on board the environmental challenge of excess consumption due to leaks, SNCF must also take greater account of the challenges posed by climate change to reduce consumption.

5.8.2 Our commitments

– **Become a committed and innovative player in this field:**

- Reduce drinking water consumption through sobriety and circular economy actions, with targets: -10% by 2025, -25% by 2035 (base year 2022: 5 million m³).
- Reduce the physical impact on the natural environment to encourage run-off and preserve biodiversity by taking water issues into account in all company projects.

– **Making production more robust by managing water-related risks:**

- Rethinking production processes and tools to guarantee compliance and control impacts on the natural environment.
- Anticipating and adapting to restrictions and shortages to maintain service quality in drought scenarios and avoid degraded situations.

5.8.3 Policies and actions

Water at SNCF is mainly used for:

- Train maintenance and cleaning
- Track work
- Maintenance of stations, premises, green spaces and service vehicles
- Sanitary facilities and drinking water for employees and customers
- Firefighting.

Against a backdrop of concern about the availability of water resources, the French government published a national Water Plan at the end of April 2023, with the aim of reducing the amount of water extracted by 10% by 2030. SNCF has not waited to be asked to contribute to the collective effort.

To strengthen its approach to sustainable water resource management across all its entities, in 2023 SNCF launched a global policy covering all five rail companies. This tighter control was immediately put into practice with the implementation of a plan to reduce water consumption, operational from summer 2023, in response to the worsening drought. SNCF has also established a method that will enable the railway companies to make this plan to reduce consumption sustainable and to define a water-based financial trajectory, by clarifying the roles and responsibilities of each party. This common framework also includes experimenting with new approaches and developing the skills of all our teams in this area.

The overall water management policy is based on four pillars:

– **Reducing consumption and the circular economy.**

The actions taken consist of reducing leaks thanks to precise monitoring tools, consuming less and better, recycling grey water and recovering rainwater through frugal innovation.

– **Restoring the water cycle and preserving biodiversity.** The aim is to design and maintain the heritage with water run-off and infiltration in mind.

– **Combating water pollution.** This means controlling the quality of discharges and situations where there is a risk of water pollution.

– **Anticipation and adaptation.** This means preparing for periods of shortage, with the introduction of appropriate alert levels in the event of drought, following the example of the plan to reduce consumption for the summer of 2023, and guaranteeing access to drinking water for customers and employees alike.

The CEPIA programme is on track

Since 2007, the SNCF has been piloting a programme to renovate and bring into compliance the wet networks at its industrial sites, known as CEPIA (Conformité Eau Potable Incendie et Assainissement). This programme has been rolled out thanks to the prior identification of the sites that consume the most water. It was also necessary to know the nature of the effluents or residual fluids from industrial activities in order to take steps to reduce the discharge of hazardous substances into water. Of the 65 sites included in the programme, 17 have already undergone work. CEPIA requires investment of €243 million, scheduled to run until 2032.

For more details: see Vigilance Plan, 3.3 (ENV2).

Focus on the 2023 water efficiency plan

In the wake of the national plan to reduce water consumption, the SNCF immediately took effective measures to manage drought conditions in the summer of

2023, over and above the local regulatory restrictions imposed. The companies have each produced their own water plan, adapted to their activities, and have organised themselves to:

- Applying water restrictions throughout the country
- Limiting water use to what is strictly necessary
- Encouraging simple everyday actions to save water
- Communicate with their customers, suppliers, service providers, occupants, etc.

In addition, the SNCF's Water Plan, and its implementation at SNCF Gares & Connexions, has been made public on the Eco d'eau website, the initiative launched by Veolia.

This plan to reduce water consumption in 2023 will be supplemented in 2024 by technical measures and will be the subject of an investment programme to become sustainable.

For more details: see Vigilance Plan, 3.3 (ENV2).

Keolis water conservation systems

To improve the quality and quantity of water resources, the company has set up rainwater collection systems, recycled vehicle wash water and reduced the use of chemicals.

6. IMPROVE THE ADAPTATION AND RESILIENCE OF ACTIVITIES TO CLIMATE CHANGE

6.1 IMPROVING OUR KNOWLEDGE OF THE IMPACT OF CLIMATE CHANGE

6.1.1 Background

The subject of adapting to climate change is becoming increasingly topical, with major climatic phenomena forecast for 2023 in France (drought in summer and winter, premature fires in the Pyrenees, flooding in the Hauts-de-France and Alpes Maritimes regions, recurring storms in the west of France, etc.) and abroad (tornadoes, floods, etc.). As far as the railways are concerned, recent experience shows that the impact on the organisation of production and services is increasing: three lines completely shut down for several weeks in Savoie and Pas-de-Calais, very significant adherence problems in November 2023, etc.

The summary of the IPCC's sixth assessment report, published in 2023, confirms that climate disruption is accelerating and will make climatic hazards more frequent, more intense and less predictable. Managing them will also be more complex and difficult. These hazards will therefore have a growing negative impact on traffic, passenger comfort, the Group's financial performance and the local economy if anticipatory measures are not taken now.

6.1.2 Our commitments

- Identify our vulnerabilities to climate change and improve our forecasting and production capacity.
- Make progress in modelling the impact of climate change on changes in demand for transport, our infrastructure, rolling stock and buildings.
- Guarantee the economic sustainability of our activities.

6.1.3 Policy and action

Increasing climatic events have an impact on service quality and continuity, the safety of people and property, employees' working conditions, the cost of supplying materials and products, insurance costs, etc. In response

to the major risks associated with climate change, the Group has made adaptation to climate change one of the six pillars of its CSR strategy for 2021. It has set up a governance structure to provide a more detailed understanding of the impact of climate change on its activities and to ensure that the actions to be taken are closely monitored. In 2024, the measures put in place as part of this governance will be reinforced by the requirements of the CSRD and the preparation of the third National Climate Change Adaptation Plan (PNACC 2024-2029).

Dedicated governance

The SNCF is developing a strategy to adapt its activities to climate change:

- Incorporate climatic hazards into the planning and management of activities
- Develop research into innovative solutions.

First of all, we need to better characterise this risk so that we can anticipate it, adapt our practices and better control expenditure.

A dedicated governance structure was set up in 2022 to coordinate and steer an action plan at the highest level of the company: the Strategic Committee of the chairmen of the seven companies, which is supported by a quarterly Climate Risk Steering Committee.

Given the SNCF Group's maturity on the subjects of mitigating and adapting to climate change, the Carbon Energy Strategy Committee (CSEC) and the Climate Change Adaptation Strategy Committee (CSACC) will be combined in 2024 into a half-yearly Climate Strategy Committee (CSC).

The main achievements in 2023

Leadership and governance

The quarterly "Climate Risks" steering committee, comprising all Group companies and entities and co-chaired by the DESTA and DRASS, met three times in 2023. This committee ensures close monitoring of the subject, enabling operational decisions to be made for Group companies. A number of decisions have been made concerning:

- The choice of climate scenarios (SSP 4.5 and SSP 8.5). The TRACC, the benchmark warming trajectory for France, will also have to be taken into account for mainland France and the overseas territories if it is included in the PNACC in 2024.
- The choice of two time horizons for Group companies: 2030 and 2050 for GEODIS, 2050 and 2100 for other companies
- The choice of climatic hazards to be studied at a minimum: extreme heat and flooding.

The steering committee also launched the creation of two cross-functional working groups on the financial and human impacts:

– **"Financial Impact"**. Co-directed by DRASS and the Strategy Department, this working group brings together representatives from the infrastructure manager (SNCF Réseau), the service facility operator (SNCF Gares & Connexions), cross-functional departments (SNCF Immobilier) and transport operators (SNCF Voyageurs). Initially focusing on the core rail entities, the discussions will be extended to the Keolis and GEODIS subsidiaries during 2024.

The task of this working group is to propose a harmonised method and calculation assumptions for measuring the costs and benefits associated with the rail system's efforts

to adapt to climate change. The aim is to maintain production and quality levels as close to optimum as possible.

– **"Human Impacts"**. Co-chaired by the DRASS and the SNCF's Human Resources Department, this working group was set up in October 2023. It is made up of one correspondent per company/activity and per subsidiary, an occupational medicine representative and preventionists as required, and an occupational health and safety (OHS) lawyer. Its mission is to identify the growing impact of climate change on employees and the company. In particular, the challenge is to list sensitive locations and professions in order to draw up an initial OHS risk map. It is also a question of anticipating what can be anticipated, by taking these risks into account in work organisation.

Focus by company

All Group companies have launched vulnerability studies, with the support of specialist consultancies. SNCF Réseau, GEODIS, Keolis, Rail Logistics Europe (RLE), SNCF Gares & Connexions and SNCF Immobilier initially chose a macro scope of analysis in order to have a broad vision of the consequences of climate change on their assets. In a second phase, they will carry out more targeted studies on sites identified as particularly sensitive and/or strategic.

SNCF Voyageurs has carried out local studies on three technical centres (including the building and industrial process approach). It will also draw on the results of the study carried out by SNCF Gares & Connexions and the Real Estate Division, in which it was involved, on all of its real estate assets.

In detail:

In 2023, **SNCF Réseau** carried out a study of the physical vulnerability of the national rail network to five climatic hazards on the one hand, and of the Seine Paris - Le Havre axis and the Languedoc arc on the other.

SNCF Immobilier, with project management assistance from AREP, has carried out an overall physical and functional vulnerability study on all SNCF property and land assets. The aim of this macroscopic study is to identify hazards with a significant impact and priority assets for which an action plan should be drawn up from 2025 onwards.

SNCF Gares & Connexions has also carried out an overall physical and functional vulnerability analysis for all 3,000 stations, with the assistance of AREP. The aim of this macroscopic study is to identify hazards with a significant impact and priority assets for which an action plan should be drawn up from 2024 onwards.

SNCF Voyageurs has identified a pilot technical centre for each activity. The aim is to capitalise on the diagnostic method used and the associated tools to roll them out to all technical centres by 2024. The first analyses carried out during 2023 have made it possible to deal with certain urgent situations and can already be considered good practice in today's climate. Medium- to long-term climate projections (2050 and beyond) will be used to identify the investments needed in strategic assets.

Rail Logistics Europe (RLE) has selected 246 sites in Europe for its vulnerability study of strategic sites. The results will be available in early 2024. Analysis of the level of risk per site, correlated with the financial implications for RLE per site, will continue in 2024.

Keolis has carried out a complete analysis of most of its sites and identified their levels of exposure to various climatic hazards. The most significant hazards are flooding and landslides.

At the same time, some subsidiaries have launched more detailed studies with their mobility authorities to identify adaptation solutions.

Geodis analysed the exposure of the 855 sites operated by Geodis, as well as key infrastructures (ports, airports, data centres, etc.). In 2024, audits of the most exposed sites will be carried out to assess their vulnerability in relation to the solutions in place, and if necessary to develop the company's adaptation plan.

Drawing on the practices of other railway companies

In 2023, the UIC (International Union of Railways) has launched two study projects linked to adaptation to climate change in which SNCF is participating. The RERA-RAIN and RERA-TEMP projects aim to carry out a comprehensive study of the impact of heavy rain, heat and desert conditions on assets, operations and human factors in railway undertakings. They will result in the development of international guidelines. A large number of railway companies are taking part, and the SNCF will benefit from a wide range of feedback from countries that are already experiencing heatwaves or periods of heavy rain that are more severe than in France. Questionnaires were sent out to participants for an initial discussion of the issues, impacts and solutions implemented to date.

Key indicators

	2023	2022	2021
Minutes lost due to bad weather (nb) - SNCF	732,209	608,439	692,290
Trains cancelled due to bad weather (nb) - SNCF	7,647	3,478	5,388

6.2 INTEGRATING CLIMATE HAZARDS INTO BUSINESS PLANNING AND MANAGEMENT

6.2.1 Background

It is now essential to anticipate and systematically integrate climate risk into technical choices in order to:

- Reduce the vulnerability of infrastructure, stations, goods and logistics warehouses and rolling stock
- Increase their resilience and capacity to adapt.

6.2.2 Our commitments

Integrate climate hazards into the planning and management of activities to ensure continuity of service and reduce the vulnerability of our assets.

6.2.3 Policy and action

At SNCF Réseau, achieving complete resilience of the rail network is an ambitious goal, given its length, the complexity of its operation, its age, its close links with the regions it crosses and its constant exposure to the vagaries of the weather.

To achieve this, SNCF Réseau has drawn up an action plan to:

- Carry out vulnerability studies for each axis
- Check the resilience of components and systems
- And re-evaluate maintenance, upkeep, design and implementation processes.

However, to be effective, this action plan requires changes in practices and organisations, which have been gradually introduced since 2016:

- Draw up a map of at-risk establishments and facilities located outside Flood Risk Areas
- Fire safety policy for the network's technical installations, such as signal boxes

– Reinforcement of surveillance actions thanks to field visits and network supervision.

On a more operational scale, this involves:

- Updating technical standards to reinforce the resilient eco-design of components
- Exploring solutions for adapting the infrastructure and protecting personnel in terms of maintenance and monitoring, network operation and functionality, and asset adaptation.
- Strengthening the resilient eco-design of products, in partnership with suppliers and the French rail industry.

At SNCF Voyageurs, two initiatives have been launched from 2022 to adapt activities:

– The introduction of a specific resilience plan to deal with the risks of heatwaves, drought and flooding. The aim is to anticipate and reduce the impact of these climatic hazards on:

- Traffic: cancellation of trains, impact on regularity, management of line incidents, reinforced maintenance, etc.
- The customer promise: comfort on board, passenger information and care, compliance with contracts with regional transport organising authorities.
- Working conditions and employee safety: testing of heat protection equipment and adaptation of clothing, changes to work schedules, shading to protect employees and prevent trains from overheating, innovative reflective coatings on buildings and trains.

This plan produced significant benefits in 2023 and will be stepped up in 2024.

– The launch of a strategic approach to convince people of the urgency of taking action, measure exposure to risk, adapt processes and integrate adaptation to climate change into financial planning.

In 2023, 11% of production incidents had a climatic cause. The aim of the resilience plan is to reduce this proportion by 2024.

At SNCF Gares & Connexions, a number of projects are planned for 2024 in response to problems already being encountered on the ground. A dedicated budget has been set aside to finance projects such as improving thermal comfort under the glass roof at Rennes station and studies into the greening of forecourt areas.

At Rail Logistics Europe, the priority is to ensure the smooth operation of current and future rolling stock during extreme cold and heat campaigns. RLE has therefore identified the sensitive components for each series of machines, and deployed the associated protection measures. At the same time, RLE is adapting the way its teams work to ensure they enjoy good working conditions in the new contexts created by climate change.

Therefore, in 2023:

- The production sites have been provided with additional equipment to that of 2022 to alleviate extreme heat: insulated water bottles, misters, coolers and refreshing clothing. Fixed and mobile air conditioners have been installed in the rest areas not yet equipped.
- The cold-weather checklist, which sets out the measures to be taken to support staff on site or during mobile operations and travel, has been updated and its monitoring reinforced.

On the basis of feedback from extreme heat and cold, and in line with the study of the vulnerability of production sites currently underway, RLE will continue to identify the necessary adaptations to the working conditions of its staff

and those of its partners. Two test sites are planned: the rail motorway terminal at Le Boulou (66) and a production site of an RLE rail company yet to be determined.

6.3 DEVELOPING RESEARCH INTO INNOVATIVE SOLUTIONS TO HELP OUR BUSINESSES ADAPT AND BECOME MORE RESILIENT

6.3.1 Background

Achieving and maintaining the resilience of the Group's activities in an ever-changing climate is a real challenge. Adaptation solutions already exist, but most have yet to be invented.

6.3.2 Our commitments

Investing in Innovation and Research to help our businesses, infrastructures and systems adapt and become more resilient.

6.3.3 Policy and action

The SNCF is committed to investing in innovation and research to help activities, infrastructures and systems adapt and become more resilient. The Group's Technologies, Innovation & Projects Division (DTIPG) is working with the business units to produce methodologies and tools for risk analysis and decision support in adapting to climate change. Objectives:

- Developing expertise in resilience through active monitoring, regular benchmarking and partnership initiatives
- Understand the positive impact of the network's infrastructure and engineering structures on the resilience of regions to climate change.

Identifying and developing Nature-based Adaptation Solutions (SafN)

The SNCF group's Synapses network of experts, and in particular the sustainable development cluster, was asked to provide a better understanding of the SafN concept and identify solutions applicable to the SNCF in an initial case study: temperature extremes. This exploratory mission assessed the interest and feasibility of this subject, whether in terms of infrastructure, stations or industrial centres.

SafNs are not subject to any regulatory obligation, but are highlighted in particular by the IPCC and IPBES. They enable a combined approach to the challenges of adapting to climate change and biodiversity, and offer a range of co-benefits.

The SNCF is already implementing solutions that could be considered as SafN, provided they apply the standard developed by the IUCN. For example, some station forecourts or multimodal interchanges have extensive planting and include water management using ditches (vegetated ditches).

In 2023, the mission delivered a summary report and recommendations for further studies, the implementation of which is to be studied by the five railway companies.

European research programme

In 2019, SNCF Voyageurs' Equipment Engineering took part in the construction of the European Rail4EARTH project as part of the "Europe's Rail" programme. This programme brings together a community committed to research and innovation, made up of 25 founding members of the European rail sector (manufacturers, operators, infrastructure managers, laboratories). The first phase of the programme began in December 2022, with funding of €570 million over four years.

As part of the Rail4EARTH project, Rolling Stock Engineering, representing the SNCF Group, is leading the

work on the "Adaptation to climate change" project. It is structured around four areas of work:

- The development of a tool providing past, present and future climate data, adapted to the design of railway equipment
- Identification of the technical solutions available worldwide, their adaptation costs and the need to develop new solutions
- Correlating meteorological data with railway maintenance and operating data, in order to identify sensitive equipment and meteorological parameters that generate operating hazards and maintenance costs.
- Revision of the European rail system design standards used throughout the world, and even the technical specifications for interoperability.

This work will take until 2030.

SNCF Voyageurs innovation to adapt its activities to climate change

In addition to the actions already undertaken to strengthen the resilience of installations and processes, SNCF Voyageurs is looking for new solutions in the medium and long term and is developing technical tests and experiments to improve the resilience of rolling stock.

With regard to adapting equipment to rising temperatures, the actions concern:

- Modifications to existing trainsets that can be implemented during maintenance and mid-life operations: application of light-coloured coatings to trainsets and anti-UV filters to windows, more efficient air conditioning fluids.
- The gradual incorporation of new recommendations into the design of trains. This means taking into account a maximum value of +50°C with a nominal operating mode of up to +45°C, subject to validation of the specifications by the owners of the equipment concerned, and the deployment of air conditioners that are easier to replace in the event of a breakdown.

Studies have also been launched to deal with other types of bad weather, such as limiting the risk of water seeping on board trains during heavy rain and storms.

At the same time, innovative projects are being carried out on specific themes such as:

- The installation of shaded areas on storage tracks, for example at the Nevers site
- Air cooling in the driver's cabs, as at the Grenoble and Alès sites
- Recycling water in certain industrial processes, such as engine cleaning at the Vénissieux industrial technical centre.
- Reducing the need for water to wash rolling stock, for example with a mobile washing machine at the Toulouse technical centre.

7. TAKING ACTION FOR SOCIAL COHESION AND THE ECOLOGICAL AND INCLUSIVE ECONOMY IN THE REGIONS

7.1 DEVELOPING SOLIDARITY MOBILITY AND SOLIDARITY AT THE HEART OF THE REGIONS

7.1.1 Background

Lack of mobility is the second biggest barrier to employment after training. It can also hamper access to leisure activities and other everyday travel⁽¹⁾. Among the reasons for this are a reluctance to use public transport, difficulty in obtaining a train ticket and a lack of knowledge

about transport solutions in the region. As a responsible public company with strong local roots, the SNCF encourages everyone to learn about geographical mobility. As a long-standing player in the field of social inclusion and community action, it is committed to working alongside Keolis to help people who are far from employment and in vulnerable situations.

⁽¹⁾ *Baromètre des mobilités du quotidien published by Wimoov and the Fondation pour la Nature et l'Homme, March 2022*

7.1.2 Our commitments

- Encourage people to learn to move around geographically, especially those looking for work.
- Develop job placement initiatives, particularly for young people.

7.1.3 Policy and action

The SNCF has a major role to play in the country's ecological and social transition. Its presence throughout France, the nature of its activities, its economic weight and its public identity enable it to develop sustainable and inclusive mobility, while strengthening solidarity in the regions.

In this way, the SNCF is helping to combat exclusion and job insecurity and to integrate people who are far from employment, through its actions with the players in the Insertion par l'Activité Économique (IAE) and social action sectors.

Supporting employment

Whether sustainable purchasing through inclusion clauses, support for the adapted sheltered sector, inclusion workcamps or subsidised contracts via apprenticeships, every year SNCF entities provide support for people's lives. To help young people, who have been made vulnerable by the health crisis and inflation, find work, the SNCF is continuing its actions alongside the State in the "1 young person, 1 solution" scheme, and will be taking on more than 5,000 young people on work-linked training schemes by the end of 2023 (see 8.2.5).

The SNCF is also developing partnerships with associations to help young people build their life projects (finding their way) and get involved in the ecological transition in the regions. The Group's Foundation devotes a large part of its annual budget of €4.5 million to associations working with vulnerable young people, including young refugees, to whom it has dedicated a three-year professional integration programme (€1.5 million). The link between partnerships initiated at national level and their deployment at local level relies on the commitment of the 15 Foundation correspondents in the regions.

Supporting mobility towards employment

Knowing that all people prevented from accessing essential services - school, health, work, culture, leisure, etc. - are considered to be excluded from mobility, it is also by facilitating the learning of geographical mobility for all that the Group can help them find a job or get around. Faced with the difficulties encountered by almost half of the French population in their daily travel ⁽²⁾, the SNCF is stepping up its awareness-raising workshops, in particular via the Pimms Médiation, with which it has been a partner since their creation in 1995.

The SNCF, its subsidiary ICF Habitat and Keolis rely on these facilities, which are located at stations, in rural and suburban areas and in priority neighbourhoods. They facilitate access to public and digital services and are open to all free of charge.

⁽²⁾ *Laboratoire de la Mobilité Inclusive (LMI), "Mobility and access to employment" survey, 2016.*

Deployment of the mobility learning module

To remove the obstacles to mobility and encourage the use of public transport in the regions, the SNCF has been rolling out an apprenticeship module since 2020 to those involved in employment (local missions, job centres), integration (associations) and their beneficiaries.

It consists of three parts, which can be followed independently or in their entirety, depending on the audience.

– **A mobility discovery trail** to help you find your way around the station, identify other associated modes of transport, understand what's on offer, use ticket dispensers and validators, while learning about rail risks and respecting the rules of the network.

– **A digital mobility workshop** with quizzes and case studies to help you get to grips with the SNCF Connect application and the TER, Transilien and other urban transport websites.

– **A "flash" digital workshop** presenting the main functions of SNCF Connect to people already familiar with the travel search and ticket purchase tool.

Run by Pimms Médiation and other SNCF partner associations (such as Unis-Cité) or by SNCF employees (volunteers or professionals), these modules have already been offered to jobseekers, young people in vocational integration and secondary school students from priority neighbourhoods. They were successfully tested in 2023 with groups of senior citizens and asylum seekers.

These workshops are now offered in eight regions, including Île-de-France (compared with six in 2022).

In 2023, a total of 5,790 people on the TER and Transilien networks will have benefited from mobility training, including 250 during European Mobility Week in September.

A stronger commitment to Pimms Médiation

This year, the SNCF has entered into two new local partnerships to create social links and proximity: Pimms Médiation Caen Calvados and Nîmes. The SNCF is present at 55 drop-in centres run by the 22 Pimms Médiation associations it partners.

Accompanying travellers

Social mediators help the public to make the best use of everyday mobility, particularly with regard to SNCF services:

– **Within the Pimms Médiation**, to help customers build their journey and choose a fare product according to their profile on the TER or SNCF Connect websites. In 2023, 12,180 people were supported.

– **In stations and trains**, to prevent conflicts, recreate social links and help people who need it to use mobility services. By 2023, 80,000 actions had been carried out in stations and on trains.

– **Through mobility training workshops in each region.** In 2023, 543 people received support during group workshops (digital or in the field) and 2,393 people received individual support during "flash" workshops to learn how to use SNCF Connect.

Promoting professional integration

The social mediators are on a path to professional integration, most of them on subsidised contracts. The financial contribution paid by SNCF to the various partner Pimms Médiation helps to set up support for each employee.

In 2022, 188 mediators were able to find a job or training leading to a qualification at the end of their time with Pimms (a positive exit rate of 69%). The 2023 data will be consolidated in the second quarter of 2024.

As part of this process, the SNCF presents its professions to mediators who have a career plan focused on the railways, and after an interview, the associated recruitment paths.

SNCF and Keolis join forces on digital PIMMS

To help people learn more about mobility using digital media, SNCF and Keolis are developing educational courses on the "La Petite école du numérique" platform run by their joint partner, the national Pimms Médiation network.

The idea is to integrate into this platform, which already offers generic modules (creating an e-mail address, browsing a website, etc.), all the skills needed to use a mobility application: finding a timetable, building a mobility path, etc.

All Pimms Mediation centres should be offering these modules by the end of 2024.

SNCF celebrates 40 years of community service

Since 2007, the SNCF has been working alongside the Ministry of Justice to encourage people to take on educational sentences as an alternative to imprisonment, in the form of community service. These are useful tasks for the company: maintenance of green spaces or station surroundings, minor renovation work and passenger services.

Voluntary employees support the "tigists" with a vocational integration approach. As proof of its commitment to the development of this scheme, which will celebrate its 40th anniversary in 2023, on 1 June the SNCF hosted a meeting with all the players involved: the Minister of Justice, representatives of the TIG and professional integration agency (ATIGIP), ATIGIP regional coordinators, local authorities, companies and host associations.

How to work with community service

In 2023, 134 people sentenced to a community service (TIG) were received by the SNCF, for 10,303 hours of work carried out in the form of:

- Individual community service in most regions
- Collective community services with SNCF Voyageurs in the Grand-Est region for customer reception and orientation at stations, and with SNCF Réseau in the Île-de-France region for maintenance of green spaces and odd jobs.
- TIG educational work placements in the Bourgogne-Franche-Comté region.

To facilitate the roll-out of this scheme within the five rail companies, a brochure entitled "Le TIG à la SNCF - Mode d'emploi" has been made available to all SNCF establishments.

Integration projects at stations

SNCF Gares & Connexions is promoting the professional reintegration of people who are very far from employment through integration projects, while developing the range of services on offer at stations. For example, so-called multiservice projects include free luggage delivery, customer guidance and individual assistance with station services.

As a result, 108 people on fixed-term integration contracts (CDDI), supervised by the ARIES association (Association régionale de réinsertion économique et sociale), were able

to work on all the Parisian 'services' sites at the Paris-Lyon, Paris-Montparnasse and Paris-Est stations.

A total of 24 people were employed on the Paris-Lyon "works" integration projects in 2023, also supervised by ARIES.

Supervised by HPF, a social integration association, the "aidengare" multiservice scheme employed 26 people at Marseille St-Charles station in 2023.

One of these projects involved the removal of furniture from Paris-Saint-Lazare station, with the furniture being reused on the premises of rehabilitation associations.

Young people at the heart of the Foundation and social issues

SNCF Foundation is focusing on the role and commitment of young people, and in 2023 will be opening up its governance to 28 young people: they will now be involved in all decisions on commitments to partnerships with associations, both nationally and locally.

Youth Meeting

The Foundation has initiated partnerships based on the proposals expressed by young people during the listening phase in 2022. At the initiative of the Ashoka Foundation, it took part in the Youth Assembly, whose credo is to transform the way society integrates the under-24s into the creation of democratic life and political decision-making. The Assembly ran from May to October 2023 and focused on five themes: feeling good, training, working calmly, getting involved and protecting the planet. It gave rise to a plea and proposals from young people to the public authorities, notably concerning guidance and professional integration, the ecological transition and the place of young people in the democratic debate.

Help for refugees

The Foundation has also welcomed two young people to its Refugee Aid Programme Committee, who have themselves experienced exile and then an integration process in France. The 2022-2024 programme, which focuses on professional integration and learning French, provides €1.5 million over three years to support 1,000 refugees in their integration process. The contribution of the two young refugees has proved invaluable in validating community projects based on proximity, the creation of links with the inhabitants of the municipalities concerned, a pragmatic approach to cultural codes and activities useful to the community such as market gardening, personal assistance, etc.

SNCF Foundation on the international stage

Thanks to the SNCF Group's presence around the world, SNCF Foundation can finance general interest projects for young people and the environment, in close collaboration with local associations and a local team from one of the Group's subsidiaries. For example, in 2023 with an American association (Lead Public Schools) that promotes a culture of recycling while offering opportunities to students, SNCF Foundation is joining forces with a vision that combines education, environmental responsibility and social inclusion.

7.2 DEVELOPING AN AMBITIOUS RESPONSIBLE PURCHASING POLICY THAT INCLUDES SUPPLIERS AND SUBCONTRACTORS

7.2.1 Background

The SNCF is a major public purchaser in France, with purchases worth €15.8 billion. 97% of SNCF purchases are made in France.

The SNCF's purchasing policy contributes to the ambitions the company has set itself in terms of reducing

greenhouse gas emissions, the circular economy and local development. It takes CSR issues into account throughout the purchasing process and ensures that the various stakeholders (suppliers, buyers, customers, etc.) involved in CSR are involved and mature.

Its Responsible Purchasing strategy has to deal with the risks of penalties for non-compliance with the duty of care criteria, loss of contracts and the new requirements of the mobility organising authorities in the tendering process for rail lines (TER, Transilien). It is also part of a context in which the climate emergency, the increasing scarcity of certain resources and inflation are highlighting the vulnerability of supply chains.

In its purchasing, the Group as a whole takes on board the increased CSR requirements of regulations (climate resilience law, anti-waste law for a circular economy, energy sobriety plan, CSRD, green industry law), as well as those of consumers and public contractors.

Responsible purchasing issues are integrated into the Purchasing Policy of the five railway companies, which are subject to the public procurement code. Keolis and GEODIS have their own responsible purchasing policies.

For more details: see Vigilance plan, 4.

7.2.2 Our commitments

For several years now, the Group has been committed to respecting the principles of social responsibility defined in the United Nations Global Compact, and incorporating them into the purchasing processes of its subsidiaries in France and abroad.

– Systematically take account of CSR criteria, weighted at a minimum of 20%, when analysing tenders and awarding contracts.

– Continue to develop purchases from the Social and Solidarity Economy (SSE) sector, with the aim of exceeding €100 million in direct solidarity purchases by 2030 in the five rail companies.

– Speeding up the process of decarbonising SNCF purchasing.

– Deploying circular economy levers with the contracting authorities of each rail company on procurement projects that are key to more sustainable resource management.

7.2.3 Policy and action

The Group has the opportunity to create more value by making its suppliers partners committed to CSR and contributors to its financial performance. The SNCF's purchasing policy, which is consistent with its *raison d'être*, is built around four pillars:

- Economic performance
- Territorial, social and environmental commitment
- Decarbonisation
- The demand for quality and safety.

Its purchasing levers therefore consist of:

– **Buying less:** questioning the need for and processes or practices of procurement and encouraging re-use and extending the life of products.

– **Buying better:** integrating requirements at each stage of the purchasing process that are consistent with the Group's CSR objectives, the CSR risks and opportunities of SNCF's needs (MOA contribution) and of the supplier market (Purchasing contribution) for the purchasing family in question.

This means decarbonising the SNCF supply chain, strengthening eco-design, developing inclusive purchasing, identifying and reducing CSR risks, and

improving the CSR performance of suppliers. The aim is also to contribute to the socio-economic development of these regions by giving priority to SMEs, innovative companies and the social economy.

– **Buy more cheaply:** take into account the overall cost, including CSR impacts (life-cycle costs), and formulate "just-in-time" requirements.

The SNCF's 2024 purchasing roadmap adds CSR, and sustainability in particular, to these purchasing levers with the objectives of "buying greener, closer, for longer".

Six key responsible purchasing priorities for SNCF in 2023

– **Continue to roll out CSR criteria** that include 20% of the score for all purchases, and adapt the social and environmental criteria to the specific features of each contract. The aim is to extend this rating principle to the entire purchasing chain. In 2023, this rating will have covered 60% of purchases contracted after competitive tendering (compared with 52% in 2022).

– **Increase the CSR assessment of suppliers by a third-party organisation**, and harmonise the procedure for monitoring supplier CSR risks and assessments within the five railway companies (internal control). In 2023, SNCF also revised its purchasing and CSR risk map. In 2023, the 1,501 suppliers representing 65% of SNCF purchases will be evaluated by a third-party service provider on behalf of the SNCF. Their average score is 64.6/100 (compared with 58.6 in 2022).

For more details: see Vigilance plan, 4.

– **Continuing to develop purchases from the Social and Solidarity Economy (SSE) sector**, as well as the contractualisation of integration clauses. The SNCF therefore encourages purchases from the sheltered employment sector (STPA - Handicap), social integration through economic activity sector (SIAE - Insertion) and other ESS structures (ESUS, statutory players and Pimm's), and more generally the use of people who are far from the labour market. The various performance levers for inclusive purchasing are implemented with the help of SNCF partners under agreement, such as the GESAT network or HANDECO, in order to:

- Develop co-contracting and the inclusion clause
- Deploy dedicated social criteria and extend them to the entire SSE sector (associations, mutual societies, foundations, etc.).

In 2023, solidarity purchases will represent more than €42 million in purchases and 2 million hours via integration clauses (compared with €34 million and 1.1 million hours in 2022).

– **Maintaining a high level of quality in supplier relations** after the renewal of the "Responsible Supplier Relations and Purchasing" (RSRP) label in 2022. Awarded the label in 2012, the SNCF's aim for 2023 is to:

- Successfully complete the annual review of this label for the five railway companies, with the reintegration of Fret SNCF
- Globalising responsible purchasing action plans and introducing the new challenges and levers of the circular economy.

– **Contribute to the reindustrialisation and development of industries in France**, with CSR strategies that support SMEs and innovation. This involves:

- Continuation of regional supplier meetings focusing on decarbonisation

- Supporting local businesses and SMEs to give them easier access to its markets
- Communication on the territorial footprint of SNCF purchases: wealth generated in GDP and jobs created, by company, by activity, by region. The next territorial impact study on procurement in 2023 will also include Keolis procurement.

– **Speeding up the process of decarbonising SNCF purchasing** with an award criterion dedicated to decarbonising the suppliers who emit the most greenhouse gases (works, concrete, rail, etc.), in addition to the CSR score. A structured approach makes it possible to identify the main emission items, translate them into quantifiable rating criteria and finally decide on the rating method with weightings adapted to the challenges of the market. After prioritising in 2022, and raising the awareness of the suppliers concerned in 2023, the SNCF intends to be able to rate an offer on the basis of its CO₂e emissions for its key purchases in 2024.

And also communication and training objectives

The SNCF is continuing to increase the maturity of responsible purchasing throughout the company.

This involves coordinating the sector with a network of identified correspondents, combined with webinars, communications in the purchasing newsletter, dedicated events (CSR Frescoes, Sustainable Purchasing Forum) and training courses. The main course, which is compulsory for buyers and specifiers, was expanded in 2023 to include two modules: solidarity-based purchasing and decarbonisation. The aim is for 100% of the staff concerned to follow it.

The SNCF also communicates regularly with its suppliers to involve them in its commitments and requirements in terms of responsible purchasing (LIAISONS supplier newsletters, published on sncf.com and regional meetings).

SNCF steps up its CSR requirements for suppliers

A "Supplier Relations and CSR" charter, included in the standard non-negotiable contractual documents, applies to all SNCF suppliers. It is available on sncf.com.

A "duty of care" clause, to be revised in 2023, commits them to implementing CSR measures and action plans, particularly in the areas of probity and reducing greenhouse gas emissions. SNCF suppliers must also have their CSR performance assessed by an independent third party. In this clause, the buyer sets appropriate performance targets:

- SNCF objectives
- Supplier CSR risk mapping
- To its buying family
- At the level of risk associated with the supplier for SNCF.

For more details: see 3.2 and Vigilance Plan, 4.

At Keolis and Geodis

Keolis. Through its Keolis Way corporate project, the SNCF subsidiary has chosen to place CSR at the heart of its purchasing policy. This translates into two commitments up to 2025:

- **Supplier evaluation:** the amount spent with suppliers whose CSR risks and performance have been evaluated by a third party must reach 70% of Keolis' expenditure.
- **Supplier selection:** during tenders, depending on the level of operational and financial risk for the purchasing families concerned, 20% of the score awarded to bidders must be dedicated to CSR criteria.

Geodis. In addition to the verification procedures imposed by local legislation, Geodis has implemented a "Know your business partner" process to verify the integrity of third parties. Launched in 2015, this system consists of a policy appended to the Ethics Charter, a supplier code of conduct and two questionnaires. The aim is to ensure that the third party respects the same level of commitment to ethics and compliance as Geodis. The process includes a detailed examination of the third party under consideration, using a risk-based approach.

The Geodis ethics charter and code of conduct are available on geodis.com.

CSR management of suppliers

For several years now, SNCF has been distributing a monthly newsletter (Liaison) to 20,000 subscribers. The company also takes part in the work of SME Pact, an association that aims to promote best practice between large groups and French SMEs and ETIs, of which an SNCF representative is a director. The animation system also includes:

– **Regional meetings** bringing together all the suppliers of SNCF companies and suppliers present in a given region. After an initial tour of the regions launched in 2020 and completed in 2022, the SNCF has launched its 2nd season in 2023, in the Lyon metropolitan area (5 June) and Normandy (23 June). These new meetings will focus on the outlook for business and the decarbonisation of purchasing, with support offered to suppliers to help them respond.

– **A partnership with Bpifrance to support SNCF suppliers** in their energy and ecological transition. Signed in November 2023, it meets the SNCF's priority of decarbonising its purchasing. Bpifrance's expertise is enabling the SNCF to support its suppliers in reducing their greenhouse gas emissions through a dedicated scheme. This includes raising awareness of the ecological transition and tailored programmes for measuring and reducing carbon footprints and eco-design.

– **The continuation of SNCF Voyageurs' contribution to the CARE programme**, with the launch in September 2023 of a second national "cluster" of six railway SME-SMIs involved in the "OPTER" programme to renovate and modernise the TER fleet.

A decarbonisation forum for the rail industry

Organised on 5 October 2023 by the SNCF and the Fédération des Industries Ferroviaires (FIF) to mark the publication of their white paper "Decarbonising transport in France: the voice of the railways", the forum brought together nearly 200 participants from the entire industrial ecosystem. On the programme:

- Sharing concrete actions already implemented
- The ambitions and commitments of the industry, with the conviction that the approach must be systemic and collective, involving all the players in the rail sector.

As the Chairman of the SNCF said to suppliers, "Your carbon is my carbon". The white paper is available on sncf.com.

Key indicators

	2023	2022	2021
Solidarity purchases (€M) - SNCF excluding Fret SNCF in 2022	42	34.5	33.5
Percentage of the amount of purchases contracted for in year N covered by a CSR offer score of 20% of the overall score (%) - SNCF	60	52	36
Supplier CSR performance (score out of 100) - SNCF	64.6	58.6	57.4
Including social and human rights (score out of 100)	66	61	60.2
Carbon maturity of suppliers (%) - SNCF	69.8	n.a.	n.a.

7.3 SUPPORTING LOCAL AND REGIONAL PLAYERS IN THEIR ECOLOGICAL AND SOCIAL TRANSITION

7.3.1 Background

The SNCF Group is a key player in helping local decision-makers implement their public policies. It leverages its presence across the country and creates synergies with its subsidiaries to provide active support to local authorities and economic players. Its offering includes comprehensive solutions that integrate employment, housing, the environment, inclusion and more open stations.

7.3.2 Our commitments

- Revitalising small and medium-sized stations.
- Contributing to the economic dynamism of the regions and their social balance through the employment and activity that the SNCF generates.
- Mobilising railway land to help local authorities build more housing.

7.3.3 Policy and action

Committed to the regions, the SNCF group 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. Its relationship with the territories is embodied by the Group's regional coordination. The SNCF and its subsidiaries are developing global solutions with local authorities to promote regional cohesion and improve people's daily lives, in the interests of sustainable development.

Socio-economic support

The SNCF, with its multiple areas of expertise, its know-how and its regional roots, has major assets to meet the challenges faced by local authorities:

- Jobs, purchasing and wealth creation
- Support for associations, partnerships with training organisations
- Support for local start-ups
- Revitalising stations with key services.

Mobilisation of the SNCF Group

In addition, the Group is mobilising its seven companies to:

- Improve access to the region
- Support local authorities in their urban development projects
- Combat climate change

– Develop intermodality in favour of active and collective mobility.

7.3.3.1 Societal impact

SNCF supports employment in neighbourhoods and territories

As a PAQTE partner, the SNCF has a number of partnerships with associations, institutions and local employment players: Local Missions, Club des Jeunes Talents, Écoles de la 2e Chance, Armée de terre, Jobs Centre. The Group also uses its strong purchasing capacity in very small businesses, SMEs and ESATs to support economic activity in fragile regions (see 7.2).

The PAQTE - SNCF annual reports are available on the paqte.fr website.

The Climate and Biodiversity Tour

To inspire the French people, in the heart of their towns and cities, to get moving and join society around a common challenge. This is the aim of the Climate and Biodiversity Tour, launched on 20 November 2023 and running throughout 2024 by the Météo & Climat Association with the support of the SNCF Group via its Foundation. Through this travelling exhibition, scientists explain the results of their research into climate and biodiversity issues and share practical solutions for taking action. The exhibition is free and open to all, especially schoolchildren.

The SNCF Foundation is mobilising its internal networks and its associative and institutional partners for the operation. A barometer will be created to assess the impact of the Tour on the local populations.

Exhibition stopping in 24 towns. After Saint-Denis (93) on 20 and 21 November, Nantes (44) on 23 and 24 November and Brest (29) from 26 to 28 November, the Tour continues in 2024 in about twenty other French cities.

Pimms to support residents

The SNCF is involved in Pimms Mediation through its subsidiary ICF Habitat, particularly in the Île-de-France and Hauts-de-France regions, where it already has three partner Pimms Mediation associations. The work carried out under this scheme is aimed at tenants of residences managed by ICF Habitat and covers access to rights, living well together, energy savings and the use of digital applications to help them in their daily lives.

ICF Habitat is working to develop its activities beyond the Île-de-France region, for example in Lyon and Caen.

7.3.3.2 Land and property development

Revitalising railway stations

Stations, whatever their size, are the gateways to a region, bringing together the city, the district and its suburbs. At the heart of local strategies, they promote social and economic development, revitalise town centres and contribute to a more inclusive society.

This is the ambition of the "Place de la Gare" programme which, in conjunction with local authorities and public players, is deploying services and shops in the commercial areas of stations that are as close as possible to the needs of local residents and passengers. SNCF Gares & Connexions, via its subsidiary Retail & Connexions, is working with the regions and local authorities to launch calls for projects to encourage the installation of useful and economically viable activities: multimodal mobility, third-party premises, co-working spaces, a medical centre to promote the region, local shops, etc. Since 2023, each regional station department has had a manager dedicated to this mission.

210 projects throughout France. By 2023, 54 new activities will have been launched, and more than 210 projects have already helped to revitalise small stations across the country. SNCF Gares & Connexions intends to speed up the roll-out of the programme by expanding its network of partners, such as consular chambers and the heads of social economy networks.

The SNCF committed to Cœur de Ville

As part of the government's "Cœur de Ville" investment plan, which involves 334 towns, SNCF Immobilier is to transform 70 hectares in town centres. This programme helps local authorities encourage the retention or establishment of businesses and to transform already-developed sites close to public transport.

In 2023, the SNCF signed the Cœur de ville 2 charter at the Salon des Maires et des collectivités locales. The priorities supported in the pursuit of this programme are land conservation, the renovation of old and run-down housing, mobility and urban renaturation.

Since 2016, 19 urban redevelopment protocols have been signed with local authorities, including one with the Poitiers urban community for the redevelopment of the station area in 2023.

SNCF mobilises to create housing for all

After the State and ICF Habitat signed a charter in 2021 to speed up the sale of unused railway land and its conversion into 15,000 to 20,000 new homes by 2025, the SNCF Group subsidiary has committed to building 18,000 homes over the period 2021-2031. **Results:**

– By 2021, 26 plots of land will have been sold, representing around 33 hectares, with 3,536 homes likely to be produced, including 1,110 social housing units, i.e. over 31%. In the Île-de-France region, 17 plots of land have been sold, representing a total of around 21 hectares, with the potential to produce 2,774 homes, including 978 social housing units (35%).

– In 2022, 22 disposals representing a surface area of 19 hectares with a potential for 1,456 homes, including 678 social housing units.

– By 2023, 18 plots of land will have been sold for a total of 110,299 m², with the potential to create 967 homes, 30% of which will be social housing.

New social housing delivered by ICF Habitat

In Paris, the "Amsterdam" boarding house, inaugurated on 19 April 2023, is the first establishment of this type to be developed by the SNCF subsidiary. In this neighbourhood with good public transport links, the 22 rooms and 100 m² of communal space offer long-term accommodation to people who are very far from housing or homeless.

In the 13th arrondissement of Paris, the third and final building of the Fulton residence was inaugurated on 16 June after 10 years of construction work. The residence comprises 328 homes, a nursery and shops.

Finally, in Bordeaux (33), the 95 new social rental homes (T2 to T5) delivered at the end of May are part of a vast urban development and economic development project for the Bordeaux metropolitan area.

"Committed to the quality of tomorrow's housing"

The SNCF and its subsidiary ICF Habitat have been awarded this government label in 2021 for three projects judged to be economically sustainable, sober, of high quality and socially useful. Among the projects selected, the Toits temporaires urbains initiative is being developed with a number of partners, including the Seine-Saint-Denis departmental council. Presented at the beginning of 2023, these mobile and modular buildings, which comply with

RE2020 threshold 2028 standards, are designed for housing as well as professional and community activities. The first delivery will take place in 2024 in Stains (93).

The post-carbon neighbourhoods of Espaces ferroviaires

Committed to an environmental and social approach since 2015, the SNCF Group subsidiary is regenerating unused railway land to convert it into living neighbourhoods open to all, incorporating energy and climate issues. Two of these projects foreshadow post-carbon metropolises: the 6.1-hectare Les Messageries district in the 12th arrondissement of Paris and the 5.2-hectare Hébert district in the 18th arrondissement.

The development work was completed in 2023, along with marketing, with the first deliveries scheduled for 2026.

A third promotion to encourage the emergence of third places

Three partners have now joined forces to help the campus incubator recruit and support its third class of entrepreneurs working on projects dedicated to the environmental, social and solidarity economy: Banque des Territoires, the financial partner of local authorities, *Réinventer le patrimoine* (an engineering programme) and SNCF Immobilier, a pioneer in transitional urban planning.

Project leaders who are already at an advanced stage will benefit from a six-month incubation programme with 112 hours of training and 28 hours of mentoring, culminating in the opening of their own third-centre. The 10 projects selected will be able to count on the business expertise of SNCF Immobilier, which has already been a partner of the Campus des tiers-lieux for several years.

Focus on transitional urban planning projects. In 2023, a variety of third places will be set up on railway sites awaiting conversion in Lyon and Vénissieux. They are dedicated to hospitality, hosting major cultural events, urban agriculture and animal welfare.

The Low-tech city, a concrete response to the challenge of reduced water consumption

SNCF Immobilier is part of Urban Low-tech, a collective launched at the end of 2021 and made up of a dozen players from the city and ADEME. The aim is to develop urban design principles based on a range of simple, low-cost technologies that consume few resources and energy and therefore have a low environmental impact.

These include the reuse of materials during deconstruction and reconstruction work as part of a circular economy, and the cooling of buildings without air conditioning thanks to heat exchangers, geothermal energy or cooling wells. It could also mean using the water towers owned by the Group to store thermal energy. SNCF Immobilier's challenge is to build on what already exists to save materials and land. The year 2023 was devoted to writing a low-tech operational guide and identifying demonstration projects.

8. EMPLOYEES ARE THE MAIN PLAYERS AND BENEFICIARIES OF THE ECOLOGICAL AND SOCIAL TRANSITION

8.1 SUPPORTING EMPLOYEES WITH THE SNCF&MOI PROGRAMME

8.1.1 Background

The Group promotes the fundamental conventions of the ILO and human rights in all the countries where it operates. At the end of 2023, it reaffirmed its commitments by signing a Human Rights policy common to all seven Group companies. It is published on snfc.com.

The participative employee support programme launched two years ago in the five rail companies is a vivid expression of this. With SNCF&moi, the company has been recognised as a quality employer for the twelfth year running by the Top Employer label, and has decided to pay more attention to its employees and highlight career and mobility prospects for everyone.

More generally, the Group is aware that encouraging employee commitment is a key factor in becoming a key player in the ecological and social transition between now and 2030.

For more details on the Human Rights policy: see Vigilance Plan, 3.

8.1.2 Our commitments

- Putting employees at the heart of our attention every day.
- Increase employee commitment and satisfaction through targeted policies and actions.

8.1.3 Policy and action

Launched at the end of 2021 by the CEO. The SNCF&moi programme aims to develop the commitment, satisfaction and well-being at work of the employees of the five rail companies. As a concrete expression of the SNCF Group's Human Rights policy and part of the "human" aspect of the "Tous SNCF" corporate project, the support programme is based on the four dimensions of an employee's life:

- **"My personal life"**: to support and protect each employee at key moments in his or her life
- **"My day-to-day life"**: to provide a safe, pleasant and motivating working environment that allows each employee to play their part in the team
- **"My career"**: to provide fair recognition, career prospects and professional advancement
- **"My Civic Commitments"**: to encourage involvement in civic associations and causes.

SNCF&me must contribute to:

- Enhancing existing schemes, adapting and strengthening them in line with employees' expectations.
- Strengthening and initiating new schemes that will have a decisive impact and high value for employees.

Actions chosen by employees

Following a phase of listening and discussion with 16,200 employees from the five rail companies, 26 of their proposals, applicable quickly, everywhere and for everyone, formed the programme's priority roadmap. Implementation was carried out during 2023 as part of facility and team projects steered by managers.

At Keolis and Geodis

Both Group companies are also committed to developing the commitment, well-being and satisfaction of their staff. In addition to giving priority to their safety, health and fulfilment at work, they promote diversity and inclusion and help them prepare for the future by developing their skills and adapting to the transformation of their professions. Finally, both Keolis and Geodis pay particular attention to inclusion and solidarity with the most disadvantaged.

Examples of 2023 actions carried out in the four areas of the SNCF&moi programme

My personal life: "I receive support at key moments in my life".

The six priority actions in this section include:

- The securing of work bonuses in the event of sickness absence was part of the compulsory annual negotiations for 2024 and will be implemented on 1 January 2024.
- A company agreement was signed in 2023 to offer statutory employees a supplementary health insurance scheme equivalent to that already offered to contract staff. It will be implemented in 2025 following a call for tenders.
- Reminding everyone of the range of social action services on offer, through an internal communication campaign and the distribution of materials.
- The extension of childcare subsidies to parents should be in place by early 2024, and a holiday donation scheme, already in place in some entities, will be rolled out across all five companies in 2024.

My daily routine: "I feel good in my day-to-day work".

The 11 actions include:

- The identification of a Quality of Life at Work budget for local managers, to rapidly facilitate the day-to-day work of their teams, has been validated by each company for the summer of 2023.
- A participative methodology has been adopted to ensure that a panel of users is systematically involved in the design of business tools.
- Dealing with everyday irritants is now a managerial standard that will be validated by every company by early 2023. On the agenda: a generalisation of field visits, meetings for employees to express their views and a pre-diagnosis of psychosocial risks available from 2024. To ensure a calm climate in the teams, a new training programme for managers in good practice in social dialogue is being set up.
- The roll-out in 2024 of a system for assessing managerial skills before a new post is taken up. In addition, the possibility for any employee to give feedback to his or her manager on his or her managerial practices was tested in eight entities representing the five companies. The scheme will be rolled out across the board in 2024, with annual campaigns. In 2023, the feedback week involved all employees of the five railway companies.

– An increase in the number of training sessions, combined with an incentive campaign, is enabling more employees to become workplace first-aiders. In addition, the PRISME 2023-2025 programme's feedback initiatives are helping to make employees key players in safety.

My career: "I have the opportunity to develop my career within the company".

Among the seven favourite stocks, the following emerge in 2023:

- The payment of a one-time bonus of €3,000 for retraining in occupations where there is a shortage, to be included in the draft "Job and career management" agreement currently under negotiation and applicable from 2024.
- Easier access to Territorial Mobility Agencies (TMAs) and HR contacts on career path issues, thanks to a series of local meetings, the use of certified mobility advisors (three classes of 12 advisors in 2023), and information available to all.
- Showcasing employees' skills to internal recruiters by creating a new digital space for them (Station C).
- The feasibility of sharing a position of responsibility with several people can be assessed using a guide of recommendations distributed at the end of 2023 to all SNCF company managers.

My civic commitments: "I can get involved in the causes that are important to me".

– In response to its employees, the SNCF is showing a strong desire to raise awareness among its staff of eco-actions, energy saving and digital pollution. This awareness campaign was relaunched in the first quarter of 2023 and will be repeated on a regular basis depending on the company's environmental and social situation.

– Proposed by employees to encourage the use of low-carbon transport, the sustainable mobility package, approved by the elected members of the Joint Body, has been available since spring 2023.

Commitment and satisfaction

"C'est à vous" SNCF 2023 employee survey: improvement on almost all subjects.

In the third edition of the internal barometer, conducted from 2 to 23 October 2023, the employee participation rate rose to 70% of respondents (up 6 points on 2022).

The indicators for commitment and quality of life at work are clearly up, with 69/100 (+4 points compared with 2022) and 74/100 (+3 points) respectively, despite the fact that the workforce is facing major changes. For the first time since the annual survey was introduced, more SNCF employees in all categories and companies say they are confident and/or motivated (43%, +5 points compared to 2022) than pessimistic and/or worried (35%, -6 points compared to 2022).

Employees in all companies remain positive about support from managers and colleagues (82% satisfied), the usefulness and interest of the job (82% of employees feel their work is meaningful) and the team spirit and working atmosphere (83% satisfied).

However, working conditions remain a key concern, with results lower for the working environment (68% satisfied) and work-life balance (69% satisfied).

The expectations expressed, detailed by area, will enable managers to feed their team project with new actions, in particular the human aspect of the "Tous SNCF" house, supported by the national SNCF&moi programme.

Results to be monitored over time. The significant improvement in results reflects the actions taken in close collaboration with management. For example, everyday irritants, which were the main expectation of employees in terms of quality of life at work in 2022, have been dealt with more effectively since the beginning of 2023. Although there is still a great deal of progress to be made in this area, it rose by 7 points by 2023.

Geodis 2023 employee survey: participation and satisfaction on the rise

The employee satisfaction survey participation rate will be 92% in 2023, 3 points higher than in 2022. The satisfaction rate is also rising: 82% in 2023 compared with 81% in 2022. Another highlight of the survey is the overall employee recommendation rate (Net Promoter Score, NPS), which has risen to 26, an increase of 3 points compared to 2022. This high level testifies to the strong attachment of Geodis employees to their company.

In the wake of the 2022 results, action was taken on cross-functionality, ownership of the strategy and employee development. The first results are visible and efforts are continuing, in particular to encourage mobility and create opportunities for collaboration between the business divisions and the regions.

Key indicators

	2023	2022	2021
Employee commitment (%)	69	65	64

Key figures 2023 - SNCF

- Confidence in the future of the SNCF group: 51%, +6 points compared with 2022
- I love working for the SNCF Group: 82%, +3 points compared with 2022
- I would recommend the SNCF group as a place to work: 55%, +5 points compared with 2022

8.2 ATTRACTING AND RETAINING TALENT

8.2.1 Background

With the job market in a state of flux, all sectors need to revamp their approach to recruitment, particularly for jobs involving shifts. But the SNCF Group has strong recruitment needs, particularly in a number of its short-staffed professions: rail traffic, equipment and network maintenance, train, bus and tram-train driving... In this way, it is working to make the company more attractive, to counter the risk of a shortage of skilled employees and to retain those who are already on the job.

8.2.2 Our commitments

- Make people want to join and stay with the SNCF, with attractive training and career opportunities to remain a benchmark employer of choice.
- Invest in the professions and skills of the future to facilitate professional integration, social mobility and retraining within the industry and in the regions.

8.2.3 Recruitment policy and actions

A recruitment policy focused on the "employer promise"

The SNCF Group is taking a dynamic approach to raising awareness of its recruitment, inclusion and talent support issues. It is one of France's biggest recruiters in the industrial sector, with almost 17,300 permanent hires by 2023, including 8,700 in rail activities, almost 5,700 at Keolis and 1,850 at Geodis.

In 2024, SNCF is continuing to recruit on a massive scale.

To attract and retain talent in a tight job market and a changing mobility market, the SNCF is relying on its employer promise: "Develop through sustainable mobility professions, so that together we can make this service accessible to everyone, today and tomorrow". It echoes the "Tous SNCF" corporate project and its raison d'être. Initiated by the Group HR Department and rolled out by the human resources departments of the five railway companies, the Employer Promise is based on four pillars:

- Innovations serving 150 businesses that contribute to more sustainable mobility
- Skills development with access to initial and continuing training, varied career paths and salary progression
- A focus on the community and quality of life at work, a work-life balance and benefits such as guaranteed accommodation in the Paris region for new recruits, easy travel, etc.
- The societal role of a company present throughout France and committed to greater inclusion.

Employee ambassadors

This employer promise is embodied in the SNCF&moi programme to build employee loyalty. It is promoted on social networks and can be consulted on the emploi.sncf.com website, alongside job offers and job profiles. The platform also enables candidates to talk to employee ambassadors about the realities of everyday

life. The recruitment process is presented by video, particularly during the application process.

In addition, the SNCF uses co-optation to increase the number and quality of applications for certain jobs and employment areas where there is a shortage. Nearly 420 people referred by employees were recruited in 2023 in this way.

At Geodis and Keolis

Geodis is adapting its practices and innovating to continue to attract, develop and retain talent. To raise the profile of certain occupations whose attractiveness is declining, such as drivers and order pickers, Geodis has reworked its employer brand identity. In 2023, Geodis will have recruited nearly 1,850 employees in France on permanent contracts, covering all the company's business lines, from vocational training to post-graduate qualifications: purchasing, transit agents, IT development, marketing and communication, chartering, design offices, logistics, etc.

Keolis also recruits at all levels throughout France in the fields of driving, maintenance, marketing, finance and operations. The subsidiary regularly takes part in job forums alongside the SNCF. By 2023, Keolis will have recruited almost 5,700 permanent employees in France.

2023 round of recruitment campaigns

SNCF Employer Promise campaigns. "There are 150 ways to commit to more sustainable mobility". That's the slogan of the two recruitment campaigns being relaunched in 2023 to showcase the variety of SNCF jobs and the ecological challenge. They were distributed in stations and on trains, and on social networks and websites.

Recruitment forums. As it does every year, the SNCF is taking part in job fairs across France, including Paris pour l'emploi and the "Les JO recrutent" forum. It also organises its own forums:

– In Paris and the Île-de-France region. Transilien SNCF Voyageurs has organised a number of job fairs and around fifteen job dating events in 2023, to recruit 900 people for driving jobs (RER, train and tram-train), electrical engineering and mechanics. An external communication campaign supported the scheme between March and April 2023.

– In Lille. In October, a forum brought together the five rail companies and Keolis to offer 1,000 jobs in the Hauts-de-France region in 35 different areas: engineering, traffic and maintenance, train and bus driving, IT, security, etc.

In addition, a forum on traction professions was tested in a virtual environment. After a talk on the driving profession and career paths, applicants were able to talk directly to the recruitment teams to find out more about the challenges of the job, the advantages of working for SNCF, training opportunities and housing benefits.

SNCF Réseau campaign to stabilise the workforce.

The offensive recruitment campaign in 2022 to attract new skills and the action plan in 2023 to improve the attractiveness of the business lines and retain existing employees have borne fruit. SNCF Réseau has managed to stabilise its overall average workforce in 2023. The recruitment of almost 2,700 people by the end of 2023 and the significant increase in the volume of applications mean that we can expect a good recruitment dynamic in the first quarter of 2024.

Training partnership to improve recruitment in maintenance.

Transilien SNCF Voyageurs is teaming up for the first time with the LÉA-CFI school, run by the Paris Chamber of Commerce and Industry, with a view to recruiting for rolling stock maintenance jobs in the Paris

region. The partnership covers two courses: BTS in electrotechnics and vocational diploma in electricity and connected environments.

The Keolis ReKroute programme

Like all players in the transport sector, Keolis is facing increased recruitment difficulties in service occupations and a significant reduction in the overall volume of applications. By 2023, the company will have nearly a thousand driver positions to fill nationwide, particularly in the Territories division. Keolis has therefore embarked on a major programme of mobilisation and action called ReKroute to increase the visibility of the company and its business lines, improve the efficiency of sourcing and attract new profiles.

The Geodis programme to attract young talent

In 2021, Geodis launched the JUMP'IN programme to promote its businesses to young people aged 18 to 28. Internships, work-study contracts and first jobs are all listed on a dedicated platform that makes it easier to find and match job vacancies with candidates' experience and profiles. Out of more than 16,300 applications, 600 young people are currently working in France. Geodis also offers international positions through the Volontariat International d'Entreprise (VIE) programme. It's a way of retaining young recruits with career development prospects or attracting key skills.

2023, a year serving professional mobility in a context of opening up to competition.

The Solidarité Emploi programme and the Agences Territoriales de la Mobilité (ATMs) have continued to support employee mobility within the five railway companies. Their role has been decisive in a period which has seen the opening up to competition of the activities of three TER regions; at the same time, ATMs have been present alongside Fret SNCF in the context of its legal evolution. Thanks to their efforts, more than 1,000 employees have been repositioned by 2023, bringing to 4,300 the number of successful redeployment or mobility solutions since the start of the programme.

In particular, ATMs have supported the retraining of 200 employees in digital professions, enabling SNCF to be better equipped to face the challenges of tomorrow.

In 2023, the SNCF is breaking new ground with the creation of the Career Guidance Assessment, open to all employees and carried out by specially trained mobility advisors. This new scheme completes the range of tools available to employees to help them develop their career plans, and gives concrete expression to the company's commitment to promoting mobility and taking into account the human dimension of its business plan.

Social support for SNCF's industrial transformations

The company takes the human factor into account upstream of any transformation project impacting employment or working conditions.

To help managers and project leaders with the social aspects of their transformation projects, the SNCF is providing them with a number of tools: a guide to assisting with transformations, a socio-economic assessment tool, specialist advice on preventing psychosocial risks (RPS), a kit for dealing with everyday irritants and digitisation of the RPS assessment.

In addition, the company's major industrial transformation projects systematically include a "human support" package.

For more details: see Vigilance Plan, 3 (DH1).

8.2.4 Remuneration policy and actions

The SNCF group's remuneration policy is proactive in all countries and business lines. It is an essential factor in recognising the skills, performance and potential of each employee. The Group takes care to ensure a good level of overall remuneration.

The SNCF's remuneration policy ensures that each individual is paid fairly, competitively and in line with their level of responsibility. To do this, SNCF uses external information supplied by specialised firms to check its positioning in relation to the reference market.

With regard to collective remuneration measures, policies are implemented as part of the mandatory annual negotiations (Négociations annuelles obligatoires - NAO), which bring together SNCF management on behalf of the five railway companies and its representative trade unions. These negotiations concern almost 55% of the Group's employees.

The Keolis and GEODIS subsidiaries have their own remuneration policies.

Two categories of SNCF staff

The 2018 law for a new rail pact led to the end of statutory recruitment on 1 January 2020. The SNCF now manages two distinct categories of staff with different remuneration structures, in a constant quest for consistency. Just over 20% of employees will be on contract at the end of 2023.

– **For contractual employees**, a scale of minimum wages defined within the SNCF guarantees compliance with the guaranteed annual remuneration set out in the French rail industry's classification and remuneration agreement.

– **For statutory employees**, compliance with the statutory pay scale and the associated regulatory principles in terms of remuneration, as well as the policies implemented, make it possible to guarantee minimum wages.

Common principles

Remuneration packages differ depending on the category of staff (statutory or contractual) and are shared with employees by their manager and their local HR manager; they are documented on the company's intranet site and in the company's reference manuals. For statutory staff, it is through the "Statute on collective relations between SNCF and its staff".

For both categories of employee, the overall remuneration structure includes a fixed salary and variable remuneration components in recognition of the different working conditions in the rail production business. In both categories, the remuneration package also includes a variable pay scheme designed to reward individual and collective performance.

Review of individual and collective objectives

Every year, employees and their line managers discuss the year's performance at a mandatory performance review meeting. This assessment is used to determine the variable part of the employee's remuneration. The scheme is tailored to each category of employee: blue-collar and white-collar workers, supervisors, managers and executives.

Salary information

Employees are aware of the remuneration schemes and associated criteria through the communications put in place by the company, relayed by managers and local HRD players. An annual Individual Salary Statement (RSI) sets out the components of each employee's remuneration, how it has changed over three years and the benefits they receive.

In addition, a system of remuneration for overtime work (unscheduled or scheduled) has been put in place for mobile and sedentary staff. This can take the form of compensation in time or remuneration (an increase in pay equal to 25% or 50%).

Results sharing

Incentives

Each SNCF rail company has a profit-sharing agreement that rewards employees for their contribution to the company's results, particularly its industrial fundamentals. The profit-sharing bonus is calculated according to an egalitarian distribution formula and may include CSR indicators.

SNCF Savings Plan

The SNCF offers each employee a savings plan made up of four investment funds, with different levels of risk, and a contribution to the financing of the social economy.

Two solidarity funds, created at the company's request and 100% dedicated to the SNCF, account for 70% of the SNCF's outstanding savings, totalling €786.7 million. This level of investment reflects the strong commitment of SNCF employees and former employees to social issues.

The top-up system. When an employee makes a payment into the savings plan, SNCF matches it with an additional payment in the form of a matching contribution. The maximum contribution per employee saver is 300 euros gross per year.

By 2023, employees had saved nearly €72.5 million in the employee savings plan, including €12.3 million in matching contributions.

Benefits included in remuneration

Financial aid paid by the company supports parenthood with additional family allowances and a monthly childcare allowance for children under three.

The SNCF also offers SNCF employees access to social housing, as a collector of PEEC (Participation de l'employeur à l'effort de construction) and as a landlord via its subsidiary ICF Habitat. The company also offers various forms of financial assistance for housing, as well as access to intermediate and open-rent accommodation. Furthermore, all employees benefit from easy travel.

For more information: see section 03 SNCF Group Consolidated Financial Statements of the Group Financial Report, chapter 5. Employee benefits.

Key figure 2023 - SNCF

- Average monthly remuneration: €3,839

At Geodis and Keolis

Geodis provides all its employees with a remuneration package that is individualised, fair and competitive in the market, reflecting individual performance and levels of responsibility. The company ensures that the minimum wages applicable in the various countries in which it operates are respected, and that each employee is paid on time and in full.

Since 2022, all senior executives have benefited from a global remuneration plan that rewards collective and individual performance via three types of objectives:

- Economic, with an assessment of the company's financial performance
- Social and environmental, generally representing 25% of variable pay, with criteria relating to the environment, diversity and employee satisfaction

– Individual, generally representing 10% of the variable remuneration of senior executives, defined with each employee's direct manager.

In most of the countries where Geodis operates, employees are offered supplementary health and provident insurance policies in addition to the compulsory cover provided by law. Membership of these supplementary schemes is either voluntary or compulsory, depending on the country, and most often concerns all employees. In addition, depending on local regulations, some Group entities have set up supplementary pension schemes for their employees. In the main countries where Geodis operates (France, United States, etc.), Geodis offers a wide range of benefits: health, temporary or permanent disability, assistance and retirement programmes.

8.2.5 Training policy and actions

A training policy for the future

At a time when the SNCF is changing, developing employees' skills is a priority. With an annual investment of over €400 million in the skills development plan for its employees and over €110m in compulsory contributions, the SNCF is one of the French companies that invests the most in vocational training. To anticipate and cover all its needs more effectively, it is working to:

- Gradually rebalance overall investment in favour of continuing education. By 2023, 67% of the training budget will be devoted to continuing education.
- Using work-linked training as a recruitment lever
- Developing the use of the personal training account (CPF)
- Implementing the new reform of the Skills Passport with the Caisse des Dépôts et Consignations following Decree no. 2019-1490 of 21 July 2021, which requires certifiers to supply this passport by 2024.

In addition to meeting the company's economic challenges, skills development enhances employee employability: by 2023, 87% of employees will have received training. By giving them a clearer picture of possible careers in the rail industry and the Group, the SNCF makes them want to stay.

At Geodis and Keolis

The employment and training of young people has long been an important part of Geodis' human resources policy. One in three young people continues their career with Geodis after completing their training.

At Keolis, our training policies aim to attract, integrate and support each employee throughout his or her career with the company. Keolis has had its own CFA since 2021.

A skills tracking platform for every SNCF employee

Giving SNCF employees a clearer picture of the skills of the future and the associated needs means offering clearer career paths in all professions and providing better information on courses leading to qualifications and certification. As a result, a new platform dedicated to skills management from the recruitment stage and throughout a person's career was set up in 2023.

Each employee can play an active role in his or her own career development by acquiring new skills, enhancing expertise in his or her job, or getting help to change jobs. The Professional Interview is an ideal opportunity to discuss these issues. Managers are regularly encouraged to carry out a review every 24 months.

In addition, in 2023, the six-year Career Path Reviews (CPRs) continued to be submitted. By 2020 and 2021,

120,000 CPRs had been produced and sent to the employees concerned. By the end of 2023, more than 2,000 will have been completed.

Key figure 2023 - SNCF

- 7% of payroll invested in training.

Qualiopi freight training

In 2023, a training campus in Drancy and a media library 2.0 have been created to provide training in ground control and production operations throughout France. Some of the training courses on offer have been Qualiopi certified, enabling them to be offered to other companies.

Developing work-linked training

At SNCF. In addition to its social role in promoting the professional integration of young people, the SNCF makes massive use of work-linked training schemes and makes this type of recruitment an important part of its employer promise. Thanks to various schemes such as apprenticeship and professional training contracts, the SNCF is developing work-linked training, particularly in core business areas such as maintenance, traffic and customer relations.

The Railway Apprentice Training Centre (CFA) has been Qualiopi certified since 2021. Every year, it takes on around 500 work-study students who, on successful completion of their training, are offered permanent jobs on open-ended contracts.

At Keolis. With a view to strengthening its public transport network operating teams, Keolis created its first corporate CFA in January 2021: the Campus Mobilités. Initially dedicated to the driving professions, this campus will provide access to local, sustainable and responsible employment. The course lasts six months and is aimed at young people under 29 who have held a B driving licence for two years.

At the end of this qualifying course, the apprentices deployed in the urban and interurban subsidiaries obtain the professional qualification of Public Road Transport Driver.

Key indicators

	2023	2022	2021
Number of permanent hires in France	17,285	14,305	11,622
Work-linked training contracts in France (nb) - SNCF + Geodis, excluding Geodis in 2022	5,390	4,890	8,139
Percentage of employees who have received at least one training course in France (%) - Group excluding Geodis	71.0	76.7	69.0
Total number of training hours (in thousands) - Group excluding Geodis	5,938	5,474	5,228
Redundancies (nb) - Group	6,731	4,090	6,569
Turnover (%) - Group	8.7	13.9	11.7

8.3 FOSTERING THE CONDITIONS FOR MEANINGFUL SOCIAL DIALOGUE

8.3.1 Background

SNCF maintains a permanent and constructive social dialogue with its social partners. In 2023, industrial relations were marked by the national pension reform, adopted in the summer after six months of conflict, and by the inflationary context that persisted throughout the year.

At the same time, the acceleration of the opening up to competition of conventional passenger services (TER, Transilien) requires the maintenance of a high-level social framework for all SNCF employees.

8.3.2 Our commitments

- Safeguard employees' purchasing power by taking appropriate pay measures.
- Guarantee a high level of social protection for all employees of the five railway companies.
- Negotiate the adaptation of arrangements for arduous work, prevention of professional burnout and end-of-career arrangements to take account of the lengthening of career paths as a result of pension reform.

8.3.3 Policy and action

In view of the social and economic context, SNCF is committed in 2023 to pursuing a qualitative dialogue with the trade unions. This has resulted in:

– **Wage measures** providing for increases over three years to take account of the effects of inflation and protect employees' purchasing power.

– **The resumption of negotiations on the social framework to be established in the subsidiaries** created to respond to calls for tender from the regions, the mobility organising authorities, in application of the law on opening up passenger rail transport to competition. The aim is to guarantee that employees who are to be transferred to these dedicated companies will be able to maintain the fundamental principles set out in the Staff Regulations and in certain collective agreements and directives from which they currently benefit (social rights, mobility within the rail group, access to internal promotion schemes, etc.).

An agreement known as the "social backpack" has been negotiated within the rail industry for employees who will be transferred to competing companies. It provides a protective framework, maintaining most of their rights (pension, travel facilities, housing, etc.).

– **The launch of a diagnostic study and measures linked to career extension**, with staff representatives and trade unions. Initial discussions are being held on preventing occupational burnout and taking account of the arduous nature of work, by job category.

In addition, negotiations on a collective agreement on the management of jobs and career paths, initiated at the end of 2022, are due to conclude at the beginning of 2024.

– **The introduction of supplementary health and provident cover** for all employees of the five rail companies, whether on contract or under the company's articles of association.

– **Renewal of the housing agreement**, strengthening the offer for employees, particularly in areas under pressure.

– **The creation of an economic interest grouping (EIG) as the company's sixth rail company**. On 1 January 2024, this economic interest group will bring together all administrative and social services for SNCF employees.

At Keolis and Geodis

For Keolis, the quality of social dialogue within each entity is an essential performance lever. It is a prerequisite for the success of any mobility project laid out by the organising authorities.

Geodis has structured its social dialogue to enable effective communication with employee representatives at the local level, and through the European Concertation Committee (CEC), on a European level, as well.

In 2023, 68 collective agreements between employee representatives and corporate entities were negotiated and signed. These agreements cover issues related to pay, gender equality, quality of life in the work place, profit-sharing, and the how professional elections are organised and conducted.

Employee Representative Bodies at SNCF

Employees' right to freedom of association, union rights, right of negotiation, the safeguard of staff-elected employees and unions members, and non-discrimination of unions are protected by the French Labour Code, articles L2141-1 to L2146-2, as well as multiple internal SNCF documents.

ESC: Social and Economic Committee (Articles L2311-1 to L2317-2)

There are 33 ESCs within the SNCF: 1 ESC for SNCF SA, 1 ESC for SNCF Gares & Connexions, 1 ESC for Fret SNCF, 24 ESCs within SNCF Voyageurs, and 6 ESCs within SNCF Réseau.

Each ESC is comprised of employee representatives and chaired by a company representative. The ESCs meet twelve times per year. A Central ESC has been set up by SNCF Voyageurs and SNCF Réseau since they manage multiple ESCs.

Keolis and GEODIS have their own employee representatives within the ESCs.

Common unit

A Common unit is a consultative body that is common to all SNCF companies. The responsibilities of the Common unit have been defined in a collective agreement. It manages social and cultural activities, and is consulted about issues relating to social policy, working conditions, employment, and the strategic direction of the railways, under the conditions set forth by the collective agreement.

It may also be consulted on projects submitted to the SNCF SA Board of Directors, on an ad-hoc basis, and may be called to act in at least 2 of the companies within the scope of the Common unit. The Common unit meets at least 2 times a year in an ordinary session.

Keolis and GEODIS have their own employee representatives within the ESCs

Works Council

A Works Council has been set up within the Group, and is comprised of:

- SNCF SA, a leading company
- The companies under its control in France.

It is an information and dialogue forum with no consultative role.

The Works Council does not replace the ESCs in the Group's companies. It was set up to provide staff representatives with a higher level of information than that of the company they work for.

The 30-member council meets 3 times a year in an ordinary session.

European Works Council (EWC)

The European Works Council is a consultative body set up with the SNCF in 2012, in accordance with the legal requirement for Community-scale business groups. The aim of this body is to guarantee employees' rights to information and consultation at European level.

The forum focuses on transnational issues, i.e. issues pertaining to the entire Community-scale business group, those with at least two Group companies or plants located in two EU or EFTA Member States, including companies

over which the SNCF exercises control or has dominant influence.

The SNCF European Works Council has 27 members from the following countries: France 10, Sweden 2, Germany 2, Belgium 2, Netherlands 2, Denmark 2, Italy 2, Spain 1, Hungary 1, Poland 2, Norway 1. It is comprised of employee representatives from various European countries that employ 150 or more employees.

The EWC meets two times a year in an ordinary session.

Employee representatives also sit on the Boards of Directors of the Group's various companies. The SNCF SA Board of Directors is comprised of 12 representatives, 4 of whom are elected by the Group's employees to a four-year term.

Communication resources made available to Trade Unions

A collective agreement was signed in 2017 related to modernising communication resources and making them available to Trade Union organisations for the five railway companies. It also allows employees to access the trade union federations websites from a computer workstation connected to the company network. Trade unions, works councils and joint bodies have been authorised to reach out to employees via a work email account.

Compensation measures over 3 years

On 8 November 2023, the SNCF proposed a compensation package to trade union federation representatives that would see employees of the five railway companies receive an unprecedented pay raise over three years, from 2022 to 2024. The average increase is 17%, and as much as 21% for entry-level salaries, for which specific additional measures were adopted; cumulative inflation over the same period, meanwhile, is projected at 13.2%.

Other measures to increase purchasing power

These proposals, which apply to the 2024 annual pay negotiations, include provisions designed to spur career development and reward employees for their contribution to the company's success and good economic results.

In addition, the sustainable mobility package for home-work travel has been expanded. It grants 400 euros to every employee who uses one of the following modes of transportation, at least five times a month: carpooling, cycling, electric vehicle. In addition, a grant of 150 euros is available to put towards the purchase of a traditional or electrically-assisted bicycle.

Furthermore, following pension reforms, certain measures to compensate for the arduous nature of certain professions have been confirmed and in 2024, work schedules will be subject to these measures.

Finally, to retain our staff in a tight labour market, the company has earmarked a specific salary package in 2023 for the new employees.

Company group insurance for all employees

In June 2023, the SNCF signed a method agreement, with three of the four representative trade unions (UNSA-Ferroviaire, SUD-Rail and CFDT) European call for tenders required to set up supplementary health insurance and social protections (company group insurance, co-financed by the employer) in 2025. It applies to all employees of the five railway companies, whether they are contract workers or employees. Until now, only contract employees had been entitled to such a company group plan.

A new housing agreement

This new benefits agreement for employees of the five railway companies, signed on 9 February 2023 by all the social partners (Management and CGT, UNSA-Ferroviaire, SUD-Rail, CFDT), in the context of general price increases, includes recruitment challenges. It provides for increased financial support for employees in municipalities with the highest rent costs (expanded to 41% more municipalities) and attractive offers for new recruits. More specifically, the Housing Guarantee (*Garantie Logement*) plan in Île-de-France will be extended. Since 2019, this plan has helped 61% of employees in the Île-de-France region find housing as soon as they are hired.

A closer look at two collective agreements related to work organisation at the SNCF

The 7 June 2016, collective agreement on working hours

For the five railway companies, work weeks vary by profession. In a given year, the average is 35 hours per week. In accordance with trains running 24 hours a day, 7 days a week, 365 days a year, the work organisation for professions directly linked to train circulation has been adapted and includes change to timetables, work schedules, holidays and rest periods.

Standard annual working times are set at 1,568 hours or 1,589 hours, depending on the employee's work schedule. There are two main types of work organisation at SNCF: sedentary workers and drivers (conductors and guards), with certain variations depending on the job conditions.

Key figures 2023 - SNCF

- Percentage of part-time employees: 8.2%
 - Including part-time female workers: 51.5%
 - Including part-time male workers: 48.5%

July 7, 2017 collective agreement on teleworking

At the end of 2021, the company supplemented the 2017 collective agreement with a more flexible formula to adapt to local organisations (4 to 10 days per month) and it offers better compensation for home office equipment.

Key figures 2023 - SNCF

- Percentage of employees teleworking: 26.9%
 - Including female employees teleworking: 39.4%
 - Including male employees teleworking: 60.6%

Geodis has 20 teleworking agreements

Geodis encourages collaborative work and accommodates telework which offer employees greater flexibility in managing their work-life balance. In France, since 2022, over 20 company agreements have been signed on implementing teleworking in different legal entities.

The three collective bargaining agreements that have been applied within the Group are detailed in the Group's Annual Financial Report, part 3 SNCF Group Annual Consolidated Accounts, Chapter 5. EMPLOYEE BENEFITS

Key indicators

	2023	2022	2021
Days lost per employee as a result of social movements (nb) - SNCF	3.64	0.94	0.47

8.4 ENSURING HEALTH AND SAFETY WITHIN THE GROUP

8.4.1 Context

The SNCF Group puts people at the heart of its business plans and development goals. Which is why health, safety and quality of life at work are the subject of a global policy overseen at the highest level. Policies and action plans are being put in place across all business lines to avoid any risk of absenteeism or any impacts on employee health, safety and well-being.

At the SNCF, since 2015, the PRISME programme has been helping to strengthen the culture of safety among our teams and harmonise it across the five railway companies. During 2023, a year marked by steady activity for SNCF Voyageurs, extreme weather conditions, and a tumultuous social context, the SNCF continued its actions to reduce risks at the source, all while ensuring the well-being of its employees, especially those that are most vulnerable.

8.4.2 Our Commitments

- Avoid risks and confront them at the source.
- Assessing, preventing and controlling any and all risks to the health and safety of employees, as well as their quality of life at work.
- Contribute to our prevention policy so that all employees may carry out their duties in conditions of optimal safety.

8.4.3 Policy and action

The PRISME programme places occupational health and safety (OHS) policy on the same level as rail operation safety. The prevention policy must help to ensure that all SNCF and partner company employees carry out their duties in conditions of optimal safety. Although the frequency of work accidents is falling, the severity of accidents remains high. In 2023, the company suffered six fatal work accidents, five of which involved employees of service providers, as were several serious accidents. It points to the fact that safety rules must be applied on all worksites, with the utmost rigour.

In 2023, the SNCF also increased information regarding medical-social service activities as it pertains to health and risk prevention.

"Producing and Working Safely"

Beyond our main priorities and objectives, safety remains one of the company's fundamental principals. It must be able to permeate all levels of the five railway companies, all the way down to operators on the ground. That is the thrust of the actions undertaken in 2023 as part of the new phase of the PRISME programme (see 4.1.3):

- Continuing to transform the safety culture
- Establishing safety standards
- Encourage listening, involvement and recognition of each and every employee, and all actors during this change.

At Keolis

Since 2022, **Keolis** has been actively working towards obtaining ISO 45001 certification for health and safety at work in all its activities in France and abroad. The company aims to have 38% of its workforce covered by 2025. In 2023, several new subsidiaries obtained certification, including Keolis Downer in Australia.

SNCF action plans on subcontracting and co-activities

The SNCF is committed to ensuring optimum safety on the sites it oversees.

An international committee of Safety Experts has been asked to look into the safety of subcontracting and co-

activity. The aim is to help the SNCF improve the safety of its partner companies' employees, and the safety of operations carried out by subcontractors. The report will be submitted at the beginning of 2024 and will be used to draw up a global action plan that will be managed by the DRASS (Risk, Audit, Safety and Security Department).

An operational action plan has been launched for 2023, in coordination with the five railway companies and the Purchasing department, and will begin without further delay. It focuses on the following areas:

- **Contractual:** inclusion of safety-related criteria in calls for tender, standardisation of safety clauses, etc.
- **Regulatory:** reminder of the fundamentals of co-activity, quality of internal texts, etc.
- **Tool:** improvements to the DIGIPREV tool in terms of ergonomics and functionality, with a summary sheet for each prevention plan
- **Monitoring:** knowledge and control of subcontracting levels and consolidation of the frequency rate of partner companies with that of SNCF companies
- **HR:** training to improve knowledge of co-activity and risk awareness
- **Communication:** sharing the work of the co-activity coordination committee, organising a special event about that subject.

Focus on SNCF Réseau

Talking safety and acting safely. The SecuPartners approach and sharing feedback via SECUBOX between SNCF Réseau and companies in the sector (OPPBT, SETVF, SERCE, SYNTEC Ingénierie, etc.) have been renewed for 2023.

For more details: see Duty of Care Plan, 3.1.

Reducing risks at the source by identifying QATs

Combating risks at the source also depends on knowledge of safety facts and of potentially dangerous situations. Near misses are a valuable source of information.

The process of identifying and dealing with QATs, after its launch at SNCF Voyageurs and SNCF Gares & Connexions, has been extended to all railway companies in 2023. The result: a one-third increase in the number of QATs processed throughout the SNCF.

This step forward is part of a transformation of our safety culture, which includes a proactive approach to allow employees to more easily speak up.

RPS prevention reinforced and better targeted at the SNCF

In 2023, a new initiative to prevent psychosocial risks among employees was launched. The aim of the new initiative is to better identify weak signals by implementing a comprehensive prevention tool. This overall policy of preventing RPS should enable us to better meet our legal obligations of prevention and assessment.

For more details: see Duty of Care Plan, 3.2.

Preventing addiction risks

In April 2023, the SNCF signed the "Charter for the prevention of addictive behaviour and the promotion of health in the workplace". This launched the ESPER (Entreprises et Services Publics s'Engagent Résolument) government plan for all five railway companies. The company's aim is to mobilise all the health and safety officers and other concerned actors to highlight the dangers of by employees' addictive behaviour, whether linked to consumption or behavioural issues. The system supports a coherent approach to collective and individual

prevention. Addiction prevention will be renewed on a yearly basis.

Towards more workplace first responders

"Enabling everyone to become a workplace first responder" is one of the actions undertaken in the health and safety at work section of the SNCF&moi programme that has been widely popular with a large number of employees. To make it easier to implement within establishments, management of first responders in the workplace has been reorganised at the medical department level.

In addition, a campaign was launched in September 2023 to promote the role of workplace first responders and to raise awareness of this training approach within the company. The target is to have 30% occupational first responders in our operational teams and 10% in our functional teams, by 2026.

Prevention and health at work

Occupational medicine is part of every employer's obligation to provide organised medical surveillance for the health and safety of its employees, with the goal of preventing occupational risks and illnesses. It is organised around 23 regional doctors' offices and 76 outlying doctors' offices, 20 of which are located inside technical centres. Employees are monitored by 95 occupational health physicians and 230 occupational health nurses. In addition to their mandatory visits, employees can be seen at any time at their request.

Every year, an average of 110,000 medical appointments are made, including all types of visits.

Medical Specialists accessible to all

Ophthalmologists, cardiologists, gynaecologists, etc. In September 2022, the SNCF expanded access to specialist medical consultations at SNCF medical centres to its contract employees. At a time when there is a shortage of specialists doctors, this service, which until now has been reserved for employees covered by the company's articles of association, allows all employees of the five railway companies to consult specialists without having to pay in advance; and with shorter appointment times than those for general practitioners.

This scheme does not apply to family medicine, which only remains available to statutory employees.

Mental Health service centre.

The SNCF's 33 clinical psychologists provide support for employees who have experienced work-related difficulties in two different ways:

- One-on-one meetings at the employee's request
- Group interviews with several employees who have been victims of or witness to a similar event.

The first point of contact is the employee hotline, which operates 24 hours a day all year round. Group sessions are also offered to deal with the consequences of a reorganisation. Lastly, clinical psychologists play a preventive role by providing training: 780 training days in 2023.

The Social Action guide to daily assistance

This was an important demand for employees and is a part of the SNCF&moi participative programme: more information on SNCF Social Action services. The Guide, published in 2023, responds to this need under the title: "We're here for you". The document sets out the free support services offered to employees and their families, as well as to retired employees, to help them achieve a more healthy work-life balance.

Services offered These services may involve help at home after a hospitalisation, learning to manage excessive debt, psychological support, etc. They may also involve information or help with accessing housing and educational guidance for children, or the role of caregivers for relatives losing their autonomy due to illness, disability or old age. There are many ways to provide a response, which is why the Social Action Department and its 480 social workers collaborate with the medical or administrative service teams, HR professionals, or the Housing Agency, depending on the situation. They also provide support to managers.

Every year, more than 96,000 individual interviews are carried out, and more than 3,800 children of employees receive support at the Centres d'Orientation Scolaire et Professionnelle (COSP) or Centres Médico Psycho Pédagogiques (CMPP). The satisfaction rate for handling personal situations is 92%.

In 2023, social workers carried out almost 50,000 home visits to over 12,500 employees, and performed more than 40,000 workplace visits. Services can also be accessed via the social action toll-free number, and we've in 2023 we saw 21,287 calls and 1,963 e-mails be processed.

AND ALSO...

– **Label Cap'Handéo at SNCF in 2023.** By obtaining the "Company committed to its employees who help others" certification for three year period of time, the Social Action has responded to the strong demand from the SNCF&moi programme. It has drawn up a 2024-2026 Action Plan with the five railway companies to continue making progress in this area.

Atout conduite - Atout Bord

Atout conduite, a programme that also focuses on OHS

The Atout conduite programme launched in 2020 aims to improve safety, quality of life at work, working conditions and management of SNCF Voyageurs drivers, including shunting drivers. This is a prerequisite for harnessing the driving force to move performance and customer satisfaction forward, in the same way as the other national programmes on safety, passenger information and punctuality, with which it works. Atout conduite is also being piloted locally through "Tous SNCF" entity projects.

Several of the actions implemented relate to:

- **Quality of life and working conditions**, including the cleanliness of cabins, office improvements, access to sanitary facilities, and the work organisation.
- **A management team that is better trained in the specificities of driving**, and that more closely follows the major changes in the profession, particularly in the use of digital tools and changes in regulations, or to facilitate the transition to other positions in the second half of one's career.
- **Staff safety**, with safer routes, threat mapping to anticipate risks to the lines and better task preparation. There is also an emphasis being placed on safety culture training and taking better account of service bulletins and feedback from employees.

Some actions have already taken shape. For example, more thorough cleaning of cabins, safer runways and itineraries and developing inter-trade meetings. Other actions, such as change management, are part of a longer-term approach to building this vision for our business.

By 2023, all Traction entities will have included actions in their team or entity project and will have begun making

progress on an Atout Conduite roadmap. Working groups and reflection groups on the subject of line managers, local managers and business unit managers have been set up continue contributing to the work programme at a local level. In 2023, the Programme Team made 45 field visits to all the production units in order to establish this system.

Atout Bord, the dedicated programme for Captains

Since 2021, the four INOUI, OUIGO and Intercités TGV Axes have launched a commitment programme to promote changes in service projects among management and employees. The aim is to identify and deal with the job-related nuisances of working as a Captain, facilitate interfaces between all the services involved in the job, improve the quality of life of staff, improve work conditions for working in operations and develop any changes that may be needed.

After a diagnostic phase in 2021-2022 in which more than 400 employees took part, a survey among 1,400 foremen was carried out. This was followed by an action plan rolled out in conjunction with each production unit. The principal measures in 2022 and 2023 concern:

- The **exercise of the profession**, with the definition of priorities for on-board service, testing of new customer relations tools, simplification of on-board announcements, etc.
- **Training in interpersonal relations** for those in charge of information services, handling passengers and ordering staff, as well as training in digital customer tools, etc.
- **Human resources** to ensure the presence of two conductors per TGV train, and to reward service performance or facilitate retraining in the latter part of one's career.

– **Quality of life and working conditions**, with Management Days beyond production for all employees, and improved resting conditions when away from home.

Since June 2023, the programme has been part of the new INOUI TGV on-board management team, which guarantees its future in the long term.

Promoting physical activity and sports

Medical department health initiatives

Medical services have drawn up a three-year action plan for 2024-2026 on the theme of combating sedentary lifestyles and promoting physical activity. The aim is to reduce work-related accidents and illnesses and improve the quality of life at work.

The themes developed in 2024 will focus on cardiovascular risks, obesity and diabetes, all of which can be caused by a lack of physical activity. Employees can find out about these risks at a doctor's office or on the e.Santé Salarié portal, which has been accessible to all company staff since April 2023.

Recreational sports with SNCF Mixité

SNCF Mixité is also a sports network and since 202 it has committed itself to including more major marathons in support of gender equality and women's health. Through its business and regional embassies, the network is offering its members the chance to take part in the Sine Qua Non-Run and the Nuit des relais de la Fondation des femmes (fighting violence against women), as well as the Odysée (breast cancer) and the Endorun (endometriosis) marathons.

In 2023, around 170 members took part in a dozen marathons across France. The network also organised its first Five-a-side futsal tournament this year, which

included 90 members from Marseille, Tours, Strasbourg and Paris.

Complete details related to these actions can be found on sncmixite.com.

Sports activities in ESCs

The company's 33 works councils use part of the social allocations paid by SNCF to offer employees access to sports activities near their workplace or sports club membership reimbursements.

In addition, the Union Sportive des Cheminots de France (USCF) includes over 200 clubs and nearly 60,000 members. It is involved in recreational sports, as well as sports at a competitive and professional level.

Key indicators

	2023	2022	2021
Work accident severity rate (per 1000 hours worked) - Group	2.06	2.03	1.77
Accident frequency rate (per 1 million hours worked) - Group	20.22	20.41	20.77
Absenteeism rate (sickness/injury off-duty) (%) - Group	6.9	7.6	6.8

8.5 LIVING TOGETHER BETTER

8.5.1 Context

Both in France and internationally, The SNCF Group has put diversity and inclusion at the heart of its global policy, with respect for the that country's culture. The Group relies on its strength, the diversity of its employees, and has been working for several years to promote a quality life and collaboration by fostering an inclusive culture.

At the SNCF, this spirit of solidarity, which is part of our raison d'être, is one of the pillars of the Human side of the "Tous SNCF" corporate project.

8.5.2 Our Commitments

- Recruiting employees that look like our customers.
- Promote an inclusive working environment offering to all staff equal conditions for success.

8.5.3 Policy and action

The SNCF Group is committed to inclusion and the fight against all forms of discrimination: racial and ethnic, gender, sexual orientation, gender identity, disability, age, religion, political views, and any other form of discrimination covered by European Union regulations and French law. It strives to make living together better a factor for success and performance.

Led by Human Resources, the SNCF's Diversity & Inclusion policy operates on several levels.

– **Equal opportunities**, in particular with the continuation of actions in the heart of the city's priority neighbourhoods, where social difficulties are a barrier to employment: recruitment forums for the Rendez-vous Égalité & compétences and hosting young people on Voluntary Military Service at the SNCF.

– **The professional integration of young people**, in particular supporting the "1 Youth, 1 Solution" Plan, intergenerational synergy and the employability of seniors, and development opportunities within the Group.

– **Gender diversity and professional equality between women and men** through the actions of the SNCF Mixité network and its equivalents at Geodis and Keolis. This is also reflected in a trajectory set out by the five railway companies and the proactive commitments included in the fourth SNCF agreement (2021-2024), related to increasing

the number of women in the workforce, professional equality, and combatting sexual violence at work and domestic violence at home.

– **The integration of people with disabilities** and keeping them employed, as well as raising awareness of disability issues among the workforce through work-study plans (SNCF Hantrain), e-learning, special initiatives (DuoDay, Disability Week, etc.) and recruitment initiatives (Hello handicap forums, Talenhandicap, partnership with AGEFIPH⁽¹⁾). These are priority measures from the SNCF's 9th collective agreement between 2022 and 2024.

– **The fight against LGBT-phobia** and equal rights and treatment for all employees, regardless of their sexual orientation or gender identity. In addition to a specific LGBT+ prevention plan and a partnership with GARE! the SNCF's LGBT+ employee association, in May 2023 the company signed the charter of the Autre Cercle, the leading organisation for the inclusion and management of LGBT+ people at work.

In addition, SNCF managers and employees are being made more aware of diversity and inclusion, in particular through the SNCF Serious Game "ProDIVERSITY" and an e-learning programme called "Working together without prejudice".

(1) Association de Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées.

Governance

The Gender Equality Strategy Committee

The Gender Equality Strategy Committee brings together the Chairmen and CEOs from the Group's seven companies. In 2021, the Committee adopted the SNCF Group's 2020-2030 gender diversity strategy.

The SNCF SA Board of Directors monitors progress in gender diversity biannually.

The actors who manage the SNCF's Diversity & Inclusion Policy

The Human Resources department implements this policy in conjunction with the five railway companies. It relies in the territories and in the entities on all the actors in charge (managers, human resources managers), as well as on the actors in charge of support (gender equality correspondents and disability and employment correspondents, recruitment actors, etc.).

The HRD is also coordinating with the SNCF Mixité network, Fondation SNCF and the LGBT+ association of SNCF employees, GARE!

To ensure that the commitments made under the Equality & Mixity and Work & Disability agreements are properly managed, roadmaps have been drawn up for each company. For each agreement, an annual steering committee meeting is organised with the companies.

At Keolis and GEODIS

Keolis is committed to all aspects of diversity and inclusion: ethnicity, origin, age, disability, LGBT, integration of people far from employment, etc. As a major player in the local and regional economy, Keolis aims to attract and retain a wide range of profiles, reflective of our society and citizens, into sustainable jobs. Launched in June 2022, the #DiversityDrivesUsForward campaign targets all our business lines and illustrates our commitment to welcoming all talents.

For Geodis, a global player, fostering an inclusive environment and diverse teams meets the expectations of its customers. The company ensures that its practices continually improve and has implemented a number of

tools related to information, awareness, monitoring and evaluation.

8.5.3.1 Diversity and inclusion

SNCF's 2030 gender mix trajectory

For its five railway companies, the company has defined a gender diversity pathway which includes six areas of actions and objectives to be achieved:

– **Guarantee equal pay for men and women:** the pay gap between men and women less than 1%.

In 2023, equal pay will become a reality for all 5 railway companies.

– **Increasing gender diversity in recruitment:** 30% female recruitment by 2030.

In 2023 at the SNCF, 21.4% of women will be recruited with permanent contracts. (20.81% in 2022).

To increase the number of women we recruit, more needs to be done to raise awareness of rail professions, such as Les Potentielles, which introduces secondary school girls to technical professions. The SNCF was the first to launch this initiative, and over the last twelve years it has helped more than 18,000 young people to become aware of the gender stereotypes associated with so-called "male" professions, and has even encouraged them to take up these professions, thanks to the direct involvement of more than 200 employees.

– **Increasing gender diversity in management:** 40% women in leadership positions by 2030.

One of the initiatives undertaken was the "Gender in Play" workshops to train members of management committees on gender issues: 41.64% of members trained by the end of September 2023, with a target of 100% by the end of 2024.

By 2023, 29.4% of SNCF managers will be women.

– **Ensuring equal access to training** through strengthened management systems: 0 hour difference in training hours between men and women working in the same position.

In 2022, the gap in training hours favoured women, who on average following 1.7 hours more training than men in the company.

– **Combat sexism and sexual harassment, with zero tolerance** and disciplinary measures, up to and including dismissal.

Since 2015, a training, awareness-raising and ethics alert system has been in place. In 2022, a network of sexual harassment representatives was set up in each of the 33 works councils (see 2.2.2).

The SNCF is also a partner in the #StOpE initiative against sexism, a group of companies working together to combat sexism in the workplace.

– **Fostering balanced parenthood:** 100% of second parents use their parental and childcare leave.

In particular, the SNCF is carrying out studies into what obstacles face paternity leave, and to identify the current childcare needs of employees who are parents.

In 2022, 92.87% of second parents took parental leave or childcare leave. The final figure for 2023 will be consolidated in mid-2024 to take account of parental leave taken for child births in 2023.

The six commitments are in line with the annual roadmaps of the five railway companies, drawn up as part of the fourth collective agreement which favoured professional equality between men and women, as well as gender diversity.

The OptiMixte approach at the SNCF

The Equality & Diversity Agreement also provides for the generalisation of a methodology enabling establishments to carry out a self-diagnosis on all gender equality criteria (working conditions, combatting sexism, workforce, promotions, etc.), followed by an action plan on areas for improvement. The OptiMixte approach, co-constructed by the members of the SNCF Mixité network, has been deployed in 100% of the SNCF's 250 establishments.

Equality index at SNCF

Since 2019, French companies with more than 1,000 employees have been required to publish their gender equality index. SNCF maintains scores between 92 and 98 points.

In Year 2022, the five railway companies earned the following scores:

- SNCF SA 93 points
- SNCF Voyageurs 92 points
- SNCF Réseau 94 points
- SNCF Gares & Connexions 94 points
- Fret SNCF: 98 points

The SNCF is above the 75-point target set out and defined by law. This performance reflects the SNCF's commitment to gender equality in the workplace, through successive agreements signed with social partners since 2006.

Every March, the results of the equality index are published on [sncf.com](https://www.sncf.com).

Keolis and Geodis results are also available on their respective websites.

Inclusive labels for the SNCF group

The SNCF remains a Diversity Leader. In November 2023, the SNCF won the Financial Times award for the 5th year in a row! This annual award, launched in 2019, recognises the commitment of European companies that promote diversity and inclusion with their employees.

Labels GEEIS (Gender Equality European & International Standard). After an intensive audit, Geodis was awarded the GEEIS label in six Latin American countries in 2023: Argentina, Brazil, Chile, Colombia, Mexico and Peru. They join nine other countries in Europe and Asia-Pacific. In 2015, Geodis was aiming to acquire certification in 12 countries within 10 years. The company can now boast that it has obtained certification in 15 countries, and did so two years ahead of schedule.

Keolis has been renewing its label since 2017 and continues to expand the scope concerned internationally.

SNCF Réseau was awarded the label in 2021, in recognition of the actions taken to accelerate the feminisation of rail professions.

Key indicators

	2023	2022	2021
Share of Female employees (%) - Group	26.1	26.0	25.9
Rate of female managers (%) - Group	36.1	36.2	35.4

Action against sexual and gender-based violence in the workplace

In 2022, the SNCF carried out the 4th edition of its biennial barometer on the perception of sexism throughout the company, including a specific section on sexist and sexual violence. The resulting action plan also aims to apply the principle of zero tolerance in this area and to raise

awareness among all staff and strengthen the reporting system. It includes:

- The launch of a national awareness-raising campaign in May 2023 to accelerate awareness and effectively change behaviour. The five Chairmen and CEOs of the SNCF companies filmed a video alongside company employees to send a strong collective message to all the teams.

- A simple, accessible awareness-raising module and a new practical guide to preventing sexist and sexual harassment. It is set to be distributed to all employees in January 2024, whether they are victims, witnesses or asked to help a colleague.

- The organisation which will last for a week, from 22 to 26 May 2023, will be dedicated to the fight against this type of harassment, to help employees identify the different forms of harassment, their consequences for individuals and for the workplace, and to learn more about how to prevent it.

The SNCF's commitment to combating domestic violence and the impact it has on the Company

The SNCF is proposing strong, practical measures to combat violence against women.

The Égalité & Mixité agreement grants permission for three days' leave to file a complaint, attend a court summons, an appointment with an attorney or an association support specialist.

In 2023, a "guide against domestic violence" was published for victims and their professional entourage, with a summary of the assistance offered by the SNCF (financial, psychological, administrative, help with rehousing, etc.). Nearly 800 people attended or logged on to our launch conference.

More women on the Keolis Executive Committee

Keolis has made changes to its governance by strengthening the diversity of profiles and the balance between operational and functional staff for its French and International activities. Since September 2023, under the leadership of the Chairwoman of the Keolis Management Board, the Keolis Group Executive Committee has been comprised of five women and three men.

8.5.3.2 Disability & Employment

In 2023, the SNCF will have 6,957 employees with a declared disability. During the year, 2,998 workstation adjustments were made, enabling people to remain in work when their disability manifested hindrances.

Two disability roles to provide better support for SNCF employees

The 9th Work & Disability agreement, signed on 31 January 2022, provides for easier access to existing support for people with disabilities who are already working for the company. To achieve this, the company wants to provide more professional support for these employees. Since October 2023, the Disability & Employment Mandate has included:

- A National Disability & Employment mandate to steer the policy

- A regional Disability & Employment initiative to work locally in the regions, with all Disability & Employment Correspondents, and as closely as possible with the five railway companies.

In addition, all those involved in disability support - managers, HR staff, social workers, doctors, staff representatives - have been made aware of the issue since 2022, whether at management committee meetings or via webinars. Goal: to encourage employers to declare their disability situation with complete confidence.

Career equality To ensure that disability is not perceived as a barrier to career advancement, the company has promised to identify any gaps in career development and deal with them in cases of proven discrimination. The SNCF systematically uses an Employment Maintenance Unit for any disabled employee that is declared unfit for work due to medical reasons. A methodology sheet is available online for all those involved.

Disability training

To ensure that the culture around disability in the workplace is as widely shared as possible, each year the SNCF finances training for elected members of the ESC and CSSCT in the challenges of disability in the workplace and in knowledge of the collective agreement in place. A total of 12 sessions were offered in 2023, which enabled 240 employee representatives to receive training.

A multi-disciplinary approach is fundamental when it comes to disabilities at work. Which is why the SNCF is offering training in job retention methodology to the various actors involved in supporting disabled employees, including managers, medical staff, social action professionals and local mobility agency advisers. By 2023, nearly 200 people had been trained.

In addition, an e-learning programme entitled "Disability and Good Managerial Practice" remains available on the in-house training platform. In 2023, 703 employees followed the programme.

Disability partnerships

In 2022 and 2023, to help see disabilities in a different light, the SNCF became a partner of the:

– **Regards Croisés Festival.** Created in 2009 by the Hippocampe association, this first festival of short films on "Jobs and Disabilities" promotes best disability policies.

– **The Wheelchair Rugby Women's Cup and the Wheelchair Rugby International Cup,** to promote Paralympic sports.

– **The Handitech Trophy.** Every year, for the past five years, this competition has rewarded disability innovations in various areas, including mobility for all.

8.6 SUPPORTING EMPLOYEE COMMITMENT

8.6.1 Context

Through a number of plans, the SNCF has encouraged its employees to innovate and improve company operations, and to put their expertise to work on a community projects. With its historical engagement, through its foundation—of which Keolis and Geodis are members—the SNCF will be looking to further develop its social commitments to benefit the Group's public service mission, as well as each and every volunteer involved.

8.6.2 Our Commitments

Encourage and promote our employees' social commitment to the Group and the Company in general through skill development sponsorships.

8.6.3 Policy and action

Employee commitment contributes to the SNCF's mission of social inclusion and cohesion of the territory. It also has a managerial objective: recognising employee involvement. This is why part of the SNCF&moi support programme is dedicated to this very commitment.

Collectives and networks are taking actions to support the environment, as well as equality & gender diversity. And since the health crisis, which hit young people hard, many of our employees have begun providing tutoring and job placement support services. The Company wants to get its employees involved in these social issues, in particular by

mentoring young people through skills development sponsorship.

Short and long-term skills development sponsorships

Since 2013, to encourage its employees' engagement, the Company has been promoting skills development sponsorships during working hours for short assignments of 1 to 10 days per year. In 2023, more than 2,700 employees will be involved with the 134 partner associations of Fondation SNCF, thanks to the work of the 15 Foundation correspondents throughout our regions.

Since 2021, the Human Resources department has extended skills sponsorships, long-term assignments, and volunteers opportunities to offer employees useful and enriching experience in their professional careers and personal lives. Employees are seconded to one of the 14 associations selected by the Foundation for a period of between six months and a maximum of two years, while getting to keep their original salary. When they return to the company, their new experience can be put to good use.

In 2023, 90 employees will be involved in long-term projects with associations working in the fields of solidarity, youth integration and the environment.

Valuing volunteer work

The SNCF also supports employees who give their personal time to work with various associations involved in charity projects. Every year, the Coups de cœurs citoyens operation provides funding for associations in which SNCF employees are volunteers or supporters.

By 2023, 250 associations across France had benefited from the initiative.

Collective commitment with SNCF Mixité

Created in 2012, it is one of the first business networks dedicated to gender equality in France. Of its 12,000 members, 26% are men, and the network intends to increase this number. The network has been active at national level, and through its embassies in every region, it offers programmes, workshops, conferences and podcasts throughout the year to raise awareness of the challenges of gender diversity and equal opportunities for women and men in the workplace. His actions have also led him to create practical tools for diagnosing and promoting gender diversity throughout the company.

With 7,000 people made aware of the fight against sexism, 800 people mentored and 60 partner networks over the last 10 years, SNCF Mixité is helping to implement the 2030 gender equality strategy, in collaboration with the Human Resources department.

Geodis employees mobilised

In addition to their participation in Fondation SNCF, Geodis teams, driven by shared values, are mobilising to raise funds and to offer their time, skills and material resources to those in need.

In partnership with the French Red Cross, Geodis employees took part in an appeal for donations to help people in Turkey and Syria following the earthquake of 6 February 2023. Total donations came out to 72,193 euros, including the GEODIS match. They were mobilised again following the earthquake in Morocco on 8 September, to reach almost the same amount, including the Geodis contribution.

Mentoring chosen as a "major national cause" in 2023

Fondation SNCF has a long-standing commitment to helping young people in difficulty. As a sponsor of around twenty associations that are members of the Collectif Mentorat, it has organised sponsorship operations in 2023

to mobilise SNCF employees. It brought together 600 people in September 2023.

Train the SNCF Mixité network through its members

Instead of using a service provider, network members themselves were trained during 2023 in how to run development workshops. In all, more than 80 volunteers are running workshops, touching on topics such as equality in the workplace and how to combat stereotypes. SNCF Mixité is also broadening the scope of its activities in schools with two new modules: one on stereotypes in career guidance, in partnership with the Human Resources Department, and one on combating harassment on transport. New school volunteers have been identified and trained to work on these issues in secondary schools.

AND ALSO...

– **750 employee volunteers** mobilised on 50 assignments in 12 regions for the 3rd edition of the Journées Solidaires Environnement.

– **200 employee volunteers** mobilised to support young people in difficulty throughout France for the 1st edition of the "Journées Solidaires autour de la jeunesse" (Youth Solidarity Days).

The SNCF is encouraging its staff to be more reserved...

As a partner of the French national defence system in providing transport and security for people and property, on 5 July 2023 the SNCF renewed its "reserve policy support agreement" with the French Army. This decision comes in response to both the SNCF&moi programme, which aims to develop employee commitment, and the 2024-2030 Military Planning act, which aims to double the number of reserves and to get civil society more involved in protecting the country.

...and for the first time the SNCF had its employees participate in the parade.

As an illustration of the SNCF's commitment to the Army, 59 of the company's 1,000 reserve employees took part in the July 14th national parade. With backgrounds in rail safety, network supervision, driving and service professions, they represent the French Land, Air and Space Forces, the Navy, the Gendarmerie Nationale and the Foreign Legion. Their unprecedented participation in 2023 is a recognition of the day-to-day tasks carried out by SNCF employees, essential to the functioning of the nation.

9. ANNUAL REPORT ON THE CARBON TRAJECTORY OF SNCF ACTIVITIES IN FRANCE

9.1 CONTEXT

The SNCF Group's CSR strategy for the 2020-2030 period defines sustainable development as a key area for successfully achieving the company's ambitions.

This strategy places decarbonisation as one of the Group's major priorities. The SNCF Group has a duty to control its energy consumption and decarbonise its activities, while improving its attractiveness in order to accelerate the modal shift to rail, which is essential if the National Low Carbon Strategy (SNBC) for the French transport sector is to succeed.

The purpose of this report is to give an account of the SNCF Group's greenhouse gas emissions reduction trajectory, in accordance with an order issued on 2 November 2021 in application of article 66 of the amended finance law for 2020, 2020-935, signed on 30 July 2020.

As such this document presents:

- Commitments made by the Group
- Forecast decarbonisation trajectories
- Identification of the main levers and associated risks
- The action plan to achieve this.

This work has been carried out in line with the national Guide for the principal methodologies of defining a greenhouse gas emissions reduction trajectory that is consistent with sectoral carbon budgets. This guide has been validated by the Ministers in charge of the Economy and the Environment, and it was then published on the website of the Ministry in charge of Environment in November 2021.

9.2 SNCF GROUP COMMITMENTS

In 2020, the SNCF Group signed an agreement with the Agence des Participations de l'État (APE) to reduce its greenhouse gas emissions for scopes 1 and 2 in France:

- 30% reduction in its Transport activities by 2030 compared with 2015
- 50% reduction in its Building activities by 2030 compared with 2015

A weighted average of -32% in 2030 compared to 2015.

In absolute terms, this represents a reduction in emissions of -533 ktCO_{2e} between the baseline of 1,651 ktCO_{2e} in 2015 and the target of 1,118 ktCO_{2e} in 2030.

For 2024, the SNCF Group has set a short-term target of 1,408 ktCO_{2e}, in line with its strategic plan.

These 2030 targets are part of a longer-term trajectory consistent with the SNBC, which aims to decarbonise transport and buildings by 2050.

These commitments are based on the following items:

- **Organisational and geographical scope:** the Group's activities in France, i.e. the five historic French railway companies, including Keolis' activities in France, GEODIS, Eurostar and the French entities of Rail Logistics Europe.
- **Covered emissions items:** Scopes 1 and 2.
- **Gas considerations:** the 2021 greenhouse gas emission assessment (BEGES) of the five railway companies show that:
 - Energy-related emissions in scopes 1 and 2 account for 98% of total emissions, of which 97% are CO₂ and 1% nitrous oxide (N₂O) and methane (CH₄),
 - Refrigerant leaks account for 2%, including 1% hydrofluorocarbons (HFCs).

GHG emissions monitoring includes Scope 3 energy emissions. This includes the GHG emissions of B100 biofuel, which replaces non-road diesel.

9.3 FORECAST DECARBONISATION TRAJECTORIES

9.3.1 Construction method

The Group's decarbonisation trajectory was built on the basis of the work carried out by each of the seven Group companies within their respective scopes. Each company has identified the levers that it can activate, and for each of them:

- Feasibility of implementation, and identifying risks and opportunities
- The activation date and effects over time
- The financial impact of leverage (investments, recurring costs, and reduced costs).

The drafting of the SNCF Group's 2023-2032 strategic plan has confirmed its ability to meet its 2030 commitments and ensure consistency between its decarbonisation trajectory and financial trajectory.

The Group's decarbonisation trajectory was created taking into consideration the business development projections in

the Group's strategic plan, which aims to contribute to doubling the share of rail by 2040.

Greenhouse gas emissions linked to energy consumption (in ktCO_{2e}) - Energy Scopes 1, 2 and 3 - SNCF Group in France

(In ktCO _{2e})	Base 2015			2021	2022			2023			Objectives		Trajectory	
	SNCF FR	Subsidiaries FR	Total		SNCF FR	Subsidiaries FR	Total	SNCF FR	Subsidiaries FR	Total	2024		2030	
				SNCF FR							Subsidiaries FR	SNCF FR	Subsidiaries FR	
Scope 1 - Transport	479	653	1,132	1,016	411	642	1,053	390	618	1,008	1,408	96	1,022	
Scope 2 - Transport	303	25	328	264	243	22	266	207	22	229				
Scope 1 - Buildings	134	17	151	189	94	66	160	84	47	131				
Scope 2 - Buildings	33	8	41	44	30	9	39	26	8	34				
Total - Scopes 1,2 - Energy	949	702	1,651	1,512	778	739	1,517	707	696	1,403	1,408		1,118	
Scope 3 - Transport	246	180	425	371	221	171	393	207	171	378				
Scope 3 - Buildings	42	7	49	58	34	18	53	32	13	45				
Total - Scope 1,2,3 - Energy	1,237	889	2,125	1,942	1,034	929	1,962	946	880	1,826				
Scope 3 - Purchases of goods and services				1,678	1,395		1,395	1,364	238	1,602				
Scope 3 - Transport subcontracting				50	54		54	68	710	777				
Scope 3 - Fixed assets				209	1,111		1,111	1,067	115	1,182				
Scope 3 - Visitor and traveller emissions				1,032	1,183		1,183	1,461	0	1,461				
Total - Scopes 3 Significant indirect emissions				2,969	3,743		3,743	3,960	1,063	5,023				
Grand Total	2,186	1,591	3,777	6,424	5,555	1,668	7,223	5,614	2,638	8,253	1,408	0	1,118	0

Scopes 1 and 2 GHG Emissions in France

Energy-related GHG emissions for scopes 1 and 2 scope in France will fall by 8% between 2022 and 2023.

For Transport and Buildings jobs: The 11% fall in electricity-related emissions in France can be attributed to:

- An effective reduction in current electricity consumption
- A more favourable location-based emission factor for electricity in France, which fell by 8% (ADEME 2022 average mix emission factor). It represents an average of the last four years (2018-2021) and does not reflect the more recent French electricity generation context in 2022 and 2023.

By 31 December 2023, almost half of the expected reduction between 2015 and 2030 had been achieved.

On the Transport perimeter of the five railway companies in France (SNCF FR), the 9% drop can partly be explained by the implementation of energy-saving and efficiency actions (eco-driving, eco-parking, relamping, etc.), the use of biofuels, and a drop in activity linked to social movements.

In the Buildings segment of the five railway companies in France (SNCF FR), the fall can also be linked to energy saving actions taken and the activation of a gas supply contract option for 10% biogas.

In the Transport segment of the subsidiaries in France, the -4% fall can be explained by an increase in

the use of alternative energies (biofuels and electricity) for passenger road vehicles at Keolis.

Significant indirect emissions

From 2023, significant indirect emissions are taken into account at Keolis and GEODIS.

Two new positions will be added in 2023:

- **Fixed assets:** will now be treated using the purchase method in order to standardise the Group's carbon reporting. Between 2023 and 2021, an improved characterisation of the financial data has resulted in work expenditures being included under capital expenditures, and no longer under operating expenses, which explains the mechanical reduction in the "Purchases of goods and services" item in favour of "Fixed assets".

- **Transport subcontracting:** this is a significant item for GEODIS (680 ktCO_{2e} in France), and concerns road, sea, air and rail freight subcontracting. It also exists at Keolis and SNCF Voyageurs (subcontracting to substitute road vehicles, for example).

On the existing SNCF FR Sector

- The fall in emissions from purchases of goods and services can be explained by methodological variations, refinements and an effective decrease of emissions factors (-2%).

- For fixed assets: the acquisition of new buildings and new trains is lower than it was 2022 (-4%).

– Concerning emissions generated by customers: a change in the method for counting visitors is mainly what explains the increase in emissions between 2022 and 2023 (+23%).

Target 2024. For 2024, the SNCF Group has set a short-term target of 1,408 ktCO₂e, in line with its strategic plan.

9.3.2 SBTi approach (Science-Based Target initiative)

As early as 2019, the SNCF had set targets to reduce its GHG emissions by 26% before 2030 (based on 2017) for energy scopes 1, 2 and 3, for its rail sector activities in France.

To ensure that it makes an effective contribution to the objectives of the SNBC and the Paris Agreement, the SNCF Group has taken two additional steps:

- Analysing the solidity of our commitments using the Science Based Targets Initiative (SBTi)
- Approve the financial resources associated with the Assessing Low Carbon Transition (ACT) approach.

These targets are part of a trajectory to 2°C, and are in line with the Paris Agreement. They approve the organisation and governance that has been put in place so as to ensure the Group's decarbonisation trajectory is on track.

For 2024, the SNCF Group has decided to draw up a SBT trajectory in response to:

- A need to improve the control of its carbon footprint (and more specifically scope 3), to remain in line with its corporate responsibility policy, as well as to respond to the expectations of its stakeholders
- The future National Low Carbon Strategy (SNBC V3)
- The CSRD, which mandates that science-based decarbonisation targets be implemented that are compatible with a 1.5°C trajectory.

This work will bolster management of the decarbonisation trajectories, as it provides common rules for handling changes in scope, and greater accountability on the part of each company for the emissions within its zone.

9.4 ACTION PLAN TO REDUCE GREENHOUSE GAS EMISSIONS

9.4.1 GHG emissions reduction strategy

To meet the targets set out above, the Group is drawing up an action plan to reduce its greenhouse gas emissions. The plan relies mainly on three types of levers:

- Energy efficiency
- Energy efficiency
- A changing in energy fluids.

These levers are presented below for the following two sectors:

- Transport
- Building

All the work currently in-progress, combined with other levers such as improving infrastructure, services, occupancy rates and station access; all of these levers should support the Group's ambitions to increase its modal share of rail by 2040.

As its name alludes, the "rail against carbon" decarbonisation vision for rail, underpins all of our thinking and pushed forward the development of short-term action plans.

The Transport Sector

The SNCF Group's Transport business mainly involves the following activities:

- Passenger transport by rail or road, operated by SNCF Voyageurs and Keolis.
- Freight transport, operated by Fret SNCF, Rail Logistics Europe and Geodis.
- The Transport Commission operated by Geodis.

The Group's very good performance in carbon and energy is due to the large number of passengers and goods that are transported by train, as well as the fact that most of the electricity used is low-carbon.

At the same time, the Group is one of the biggest industrial consumers of electricity in France, at 7.7 TWh in 2023. The Group must reduce its consumption and continue to transform its fleet in order to gradually move away from fossil fuels. These changes need to be implemented among the backdrop of rising energy prices and new obligations to bring installations and equipment into compliance.

Our Commitments

- Achieve a 30% reduction in greenhouse gas emissions by 2030 compared with the baseline 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.

The Building Sector

The SNCF is the second largest property owner in France, after the State; it has 12 million^m² of properties, including approximately 25,000 buildings over 8 million^m², most of which fall under the responsibility of SNCF Immobilier.

SNCF Gares & Connexions is responsible for the energy and the carbon footprint of 3,000 stations with approximately 4 million m² of buildings, including 2 million m² of passenger buildings.

The SNCF is facing a challenge reducing the energy consumption and carbon footprint of a diverse buildings portfolio (tertiary, maintenance workshops, housing, etc.) that are more than fifty years old, with some buildings still currently in use that date back to the end of the 19th century.

Our Commitments

- Reducing our energy consumption in all buildings larger than 1,000^m² by 40% by 2030 compared with 2015: that is the challenge of the tertiary sector decree which applies to SNCF's properties.
- Reduce our GHG emissions (scopes 1 and 2) related to the energy consumption of our buildings in France by 50% by 2030 as compared to 2015.

All the work in progress, combined with other levers such as infrastructure renovations, improved services, higher train load factors and easier access to stations, should help in the Group's aspirations to increase their modal share of rail by 2040.

9.4.2 Energy saving and efficiency

In 2023, one year after the launch of the energy-saving plan set up in response to the government's sobriety plan, the SNCF has achieved a 7% reduction in consumption for all its trains and buildings. The Group is still aiming for a 10% reduction by the end of 2024.

9.4.2.1 Transport Sector

The Group has identified certain levers for energy savings, energy efficiency, and new renewable energies, and is

consolidating them into a common trajectory. Defined at the Group's Strategic Carbon Committee Meeting on 29 March 2021, this trajectory is adhered to throughout the company, at every level. This trajectory is helping in the development of railways and more sustainable mobility options for passengers and freight.

Adapting Operations and New Technologies

To achieve its objectives, the SNCF Group is mainly relying on the following actions:

- **Adapting Operations** by implementing new methods in train maintenance processes, such as optimising driving (eco-driving) and optimising parking (eco-parking)
- **Researching new technologies**, in partnership with other manufacturers, dedicated to improving the energy efficiency of its activities. Among the innovation initiatives taken:
 - The development of low-emission rolling stock
 - The gradual roll-out of biofuels, such as B100 which reduced greenhouse gas emissions from diesel trains by 60%, and other alternative energies for road transport.
 - The design of "light" rolling stock associated with infrastructure with a reduced environmental footprint; trials for the Flexy and Drais pilots are scheduled for 2024 and 2025, respectively.
 - In addition to the new rolling stock technologies, a "frugal" electrification of certain lines to encourage electrification efforts, while adapting resistance and robustness levels in the desired service.

The SNCF Group also advises and supports mobility organising authorities in their own energy transition policies.

Energy-saving programmes for trains

Focus on eco-driving

In order to limit the energy used, eco-driving offers a way of driving that is able to optimise the use of pull force according to the topography of that line and any operating constraints. Over the course of a journey, it can save up to 10% energy!

The "SIRIUS next" tool guides drivers by indicating to them, in real time, the speed at which they should travel, where to cut traction and where to resume acceleration of the train. It optimises energy consumption while respecting the primary objective of punctuality and consistency. By 2023, 100% of the drivers in the passenger fleet will have been trained and equipped with this tool, which they will have available on their tablets. Roll-out and optimisation of the tool will continue in 2024. This represents a gain of almost 5% as compared to 2023.

Eurostar is also practising eco-driving on some of its trains. The company has completed trials of the driver assistance system (DAS) on the London-Paris and London-Brussels lines. These tests showed encouraging results for reducing energy consumed on these routes. Objective: 100% of drivers trained throughout Eurostar zone. The company has begun equipping its red trains with energy meters and will be installing new energy meters on its newest blue trains so as to measure the energy savings made and the carbon emissions avoided, thanks to eco-driving.

Keolis is offering a training module for its employees, including bus and coach drivers, to improve the energy efficiency of its vehicles. The module teaches drivers how to maintain engine speed, use the vehicle's inertia, anticipate and manage acceleration, and can be completed online or on a simulator. The module also offers a practice simulation of two similar journeys, with and

without eco-driving. It also aims to raise awareness of the ecological and economic benefits of eco-driving.

Focus on eco-parking

Starting in 2021, more systems will be deployed to develop eco-parking, and reduce energy consumption when trains come to a stop, and this will not affect consistency:

- Switching off the power supply and/or the diesel engines as soon as trains have been stationary for more than 30 minutes
- Developing the use of energy-saving modes when trains need to be kept in service during a short stop or for maintenance and/or cleaning operations; these may include reducing use of air conditioning or heating by adjusting set temperatures.
- Automatic time delay to close doors and switch off interior lighting
- Connecting TER diesel trains to external electrical outlets while parked in stations or workshops and only to supply secondary needs (air conditioning, heating, and lighting).

For certain trains, these parking phases can account for up to 30% of total consumption. The aim of these new measures are to reduce this consumption by 5-30%, depending on the activity.

SNCF Voyageurs has set up structured managerial initiatives to develop local work organisations (job functions) in order to reduce parking energy consumption as much as possible. For SNCF Voyageurs, the saving in greenhouse gas emissions is almost 7 ktCO_{2e} in 2023.

In 2021, **Fret SNCF** also launched eco-parking for its vehicles on several pilot sites, such as wagon sorting platforms. This initiative was rolled out to new sites in 2022 and is expected to reduce energy consumption by 3-5% by 2025. By 2023, all Fret SNCF drivers will have been trained in eco-driving.

An industrial programme worth over €70 million to measure energy consumption

To confirm these gains, SNCF Voyageurs is gradually installing counters on 3,800 trains until 2026. By 2023, 2,200 trains had already been equipped. The plan is to equip 95% of the fleet by 2026. By the end of 2023, 31% of the electricity consumed will be metered.

Rolling stock efficiency

Focus on more energy and resource-efficient equipment

As we saw with the relamping of 300 TGV train with LED lighting, both new and renovated equipment consume less energy.

The TGV M in 2025

After unveiling this TGV's power train in May 2021, the SNCF presented the complete trainset in Alstom's workshops in September 2022 and carried out the first tests on the French network from June to the end of 2023. The order for approximately 100 of these trains will reduce energy consumption by 20%, which is thanks to:

- The aerodynamic shape of the train with an improved nose and stem, smooth faces and the bogie fairing
- A return of energy to the catenary during braking. Regenerative electric braking that will be favoured over conventional braking systems.
- Automatic, timed door closure
- Lighter materials
- A modular LED lighting system.

Made with over 97% recyclable materials, it enters service in 2025 and will accommodate up to 740 passengers on the South-East route (Paris-Lyon-Marseille) which is 20% more than our Duplex trains. It will cut CO_{2e} emissions per passenger by 32%.

Geodis and Renault Trucks team up on an electric truck

Through this new collaboration, Geodis, the manufacturer, and 17 partners will be designing a new 16-tonne electric urban truck, with a running cost similar to that of a diesel vehicle. This truck incorporates all the requirements of urban delivery: significant pollution and noise reductions, improved driver ergonomics, and enhanced active and passive safety features to better handle and share the roadways.

After delivery of the prototype in early 2023, the truck was presented to the public at the Solutrans trade fair in Lyon in November.

9.4.2.2 Building Sector

In its stations, industrial buildings and warehouses, the SNCF Group is:

- Developing energy-saving programmes: relamping offices and workshops, optimising occupation of premises, regulating heating and air conditioning, etc.
- Undertaking energy renovation measures
- Deploying digital technologies, such as the Internet of Things and Building Management Systems, to monitor energy consumption in real-time. Examples include the connected technical centre at Romilly-sur-Seine (10) and the Smart Station project that has been deployed in 579 stations. Improving and understanding flows which intake offers a significant potential for energy consumption controls.

Industrial Buildings and Offices

SNCF Immobilier's decarbonisation trajectory is based on:

- **Energy Audits.** In order to produce relevant investment projects, SNCF Immobilier began conducting an energy audit campaign in 2023 that will last up until June 2024 on nearly 700 buildings and 800,000 m², i.e. nearly 20% of its energy consumption and 12% of its surface areas. By the end of November 2023, 30% of the campaign had been completed and it will continue until June 2024.
- **Renovation and rationalisation of the property holdings,** that will include approximately 18% less commercial space over the next 10 years, i.e. 180,000m².
- **Energy management,** with the deployment of 664 meters as a part of the "Connected Factory" programme: 301 for water, 189 for electricity and 174 for gas.
- **The Development of tools** such as e-vision for industrial and building supervision. Developed with E-SNCF and Materials Management, this tool enables both day-to-day and long-term technical management of buildings (GTB) and centralised technical management (GTC) of industrial installations.
- **The launch of various contracts** to accelerate carbon footprint and consumption reduction measures. The contracts cover:
 - Energy audits up to June 2024
 - A new Energy Management platform to better monitor energy consumption and reduce emissions
 - Energy Performance, initiated with the launch of an first project in December
 - Non-intrusive remote reading (Smart Impulse solution) for fast and agile energy measurement campaigns

- LED relamping and installation of electric charge points.

In 2023, nearly €17 million was invested in 2023, and for 2024, a €22 million investment is planned to reduce energy consumption in our buildings. These actions include:

- Energy renovation
- Installing BMS-type heating and lighting control systems
- LED relamping

S2FIT to accelerate decarbonisation of the SNCF fleet

By 2023, the SNCF's subsidiary responsible for managing and optimising its tertiary and social property holdings will have focused more than half of its work on decarbonising buildings. In 2023, 38 operations were carried out to improve the energy and thermal efficiency of our property holdings. Between 2022 and 2023, Greenhouse gas emissions from S2FIT's tertiary sector decreased by 14%.

Sobriety in offices and workshops

A bi-annual steering committee for SNCF Immobilier and SNCF Voyageurs was set up in 2022 to steer the energy consumption reduction plan in buildings. Short-term actions include relamping offices and workshops, optimising use of premises and regulating heating and air conditioning. For example, the relamping of the Landy technicentre (train maintenance), covering an area of 30 hectares behind Gare du Nord in Paris, should save just over 0.8 GWh of electricity per year.

SNCF Immobilier has been working with professionals to help them adopt daily eco-friendly practices when regulating lighting, air conditioning and heating. Result: during the winter of 2022-2023, building electricity consumption fell by 6.5% and gas consumption fell by 25% as compared with the previous winter. For example, on the five campuses in Saint-Denis, which house most of the head offices of the SNCF's five railway companies, energy consumption has been reduced by 17% (electricity and urban heating network). For 2023, across the entire property portfolio, we have achieved approximately 10% savings.

These new building operating conditions will continue to apply in 2024. Finally, investment in energy efficiency continued.

The Stations

SNCF Gares & Connexions is also committed to a building renovation and energy transition programme that will include over 200 projects by 2023. Its strategy focuses in particular on improved management of energy consumption and energy renovation.

The Smart Station project for energy-efficient stations

Launched by SNCF Gares & Connexions in 2020 to create centralised supervision of stations which would in turn improve availability of equipment and energy performance, the Smart Station project continued rolling out in 2023 with 579 stations equipped.

By connecting the station's energy meters (electricity, gas, heat), the system can monitor consumption in real-time to detect potential anomalies and achieve energy savings. The deployment of temperature sensors in around forty waiting rooms has made it possible to monitor the correct application of energy-saving measures: no heating above 19°C during winter, no air conditioning below 26°C in summer. In addition, the Smart Station project is also leading to the introduction of new business practices through the implementation of business reference

frameworks, including an update at the end of 2022 on energy efficiency.

In line with the objectives of the tertiary sector decree and the BACS (Building Automation and Control System) decree, the project will expand its scope in 2024, in particular to the remote operation and control of HVAC (Air Conditioning Ventilation Heating) systems, lighting, escalators and water meters.

Carbon footprint and Energy managers

In addition to the energy performance targets for the buildings, the Smart Station project has recently included a carbon footprint monitoring system, which will be re-evaluated as new buildings are deployed in 2024. It allows for the measurement of the balance between:

- Reduced carbon emissions (savings on consumption of fluids, gas and electricity, and on motorised travel through maintenance optimisation)
- And reduced carbon costs (installation of digital equipment, digital infrastructure, on motorised travel for the deployment and maintenance of sensors in stations).

The project also includes the appointment of National Energy Managers. By the end of 2023, they will have already identified more than a hundred consumption irregularities in stations already being overseen.

Energy efficiency plan for stations...

Against a backdrop of severe pressure in regards to energy, SNCF Gares & Connexions is taking additional measures to reduce its consumption, particularly of heating and lighting, which are most energy-intensive forms of energy in its buildings. Lowering the temperature in occupied premises, switching off lights in stations, offices and shops when they are closed, etc. These are all actions that are likely to generate additional savings of around 27 GWh per year.

The low-energy station plan is a continuation of the commitments to reduce energy consumption, with a 20% reduction in energy consumption by 2023 compared with the previous year. 2019, and -31%CO₂e emissions in 2023 vs. 2015.

At Geodis

Geodis has launched an energy efficiency plan for the period ranging from 2022 to 2023, covering the activities of its operational platforms and office activities. In addition to raising employee awareness through an eco-actions in the workplace guide, the energy sobriety plan involves actions to reduce energy consumption at every site.

Action is being taken on lighting, with the retiring of illuminated signs and unsafe lighting, and relamping is being rolled out. By the end of 2023, 60% of France's developed areas will be lit by LEDs, which should save at least 30% on total electricity consumption.

Energy audit of sites In 2023, Geodis has launched energy audits at its sites in France and it has equally appointed people to monitor them. The aim is to identify the most significant improvements in terms of savings, such as improving insulation, and drawing up an action plan that can go beyond the regulatory requirements (most notably the tertiary sector decree).

This low-energy plan is part of Geodis' drive to reduce its environmental footprint and decarbonise its activities.

Geodis warehouse with high-environmental value

In October 2023, Geodis inaugurated a 20,000m² distribution centre in Shanghai to support its customers' business development activities in China.

To ensure a reduced environmental footprint, the site is equipped with high-performance technologies, including sustainable building materials for the warehouse facade, LED lights and motion detectors, automatic energy consumption control systems, and energy-efficient air conditioning units. These features have been certified "Platinum" by the Leadership in Energy and Environmental Design (LEED), the highest accreditation in the world's most widely used green building rating system.

Geodis also paid particular attention to the design the buildings for its logistics campus in Venlo (Netherlands) currently under construction. The aim is to obtain BREEAM (Building Research Establishment Environmental Assessment Method) Certification.

9.4.3 Changing energy fluids

9.4.3.1 Transport Sector

Biofuels, hybrids, batteries, hydrogen, etc.

Thermal or dual-mode trains on non-electrified lines or sections of such lines still account for 16% of traffic. Most of the greenhouse gases emitted by rail transport come from the energy used to power these trains, so SNCF is working with manufacturers to develop solutions that would emit less.

Use of biofuels

B100, a co-product of the rapeseed industry, is a rapid, transitional solution for reducing greenhouse gas emissions, pending the deployment of new technological decarbonisation solutions. It does not require any major changes to the rolling stock. Following promising test results on the Régiolis engine test beds and high-capacity railcars in 2019 and 2020, In 2021, B100 biofuel trials will begin for commercial service. They continued testing in 2022 and the Normandy Region has made this a permanent solution on 15 of its Régiolis trains on the Paris-Granville line. By the end of 2023, more than 6.2 million km will have been covered by the B100, avoiding the emission of almost 22,000 tCO₂e

The QuantiGES methodology developed by ADEME was used to quantify the GHG emissions of the B100 solution on this line, and showed a 62% reduction in GHG emissions.

In 2023, another alternative fuel, HVO, a synthetic fuel made from waste (recycled used oils or animal fats) or vegetable oils, was tested. The experiment was conducted over a three-month period using five high-capacity railcars (AGC). The goal was to check the impact of HVO on train operation and maintenance.

The results are satisfactory, with 340 tCO₂e avoided in three months.

A Régiolis TER hybrid train by the end of 2023

These are existing trains on which 50% of its combustion engine is replaced by batteries. Experimental commercial operation of the hybrid trainset began in December 2023. It is fitted with lithium-ion batteries that re-use the train's braking energy. The aim is to reduce energy consumption by up to 20% and cut greenhouse gas emissions. The hybrid train will run in the Occitanie, Grand Est, Nouvelle-Aquitaine and Centre-Val de Loire regions.

Trains with rechargeable batteries in 2024

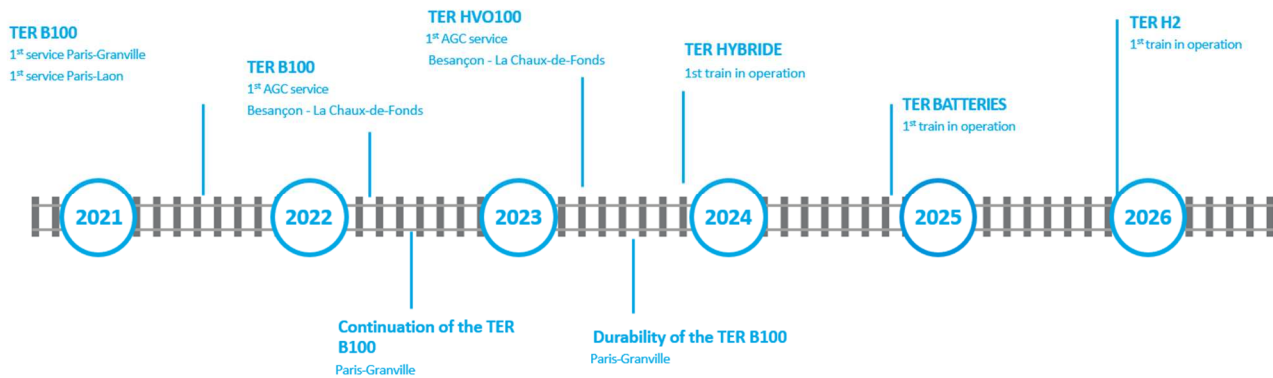
The transformation of dual-mode electric-diesel trains into dual-mode battery-catenary trains will enable braking energy to be recovered, and most importantly will enable trains to run on both electrified and non-electrified tracks, thanks to 80 km range batteries. By the end of 2024, five converted trainsets will be in commercial service in the Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur,

Occitanie, Nouvelle-Aquitaine and Hauts-de-France regions.

Hydrogen trains by the end of 2025

This is another solution for low-carbon traffic on non-electrified lines. This project requires the deployment of a

new Hydrogen ecosystem to supply the trains. The SNCF has announced that it will place an order with Alstom for 12 hydrogen-powered TER trains in April 2021. The first trains are scheduled for commercial service in four regions: Occitanie, Bourgogne-Franche-Comté, Auvergne-Rhône-Alpes and Grand Est.



Transition to low-carbon solutions for the Geodis fleet

Geodis uses B100 and HVO biofuels for road transport, and offers its customers Sustainable Alternative Fuels (SAF) for sea and air transport. In 2023, GEODIS also launched its 44-tonne electric trucks for shuttles between the production plant and distribution centre of one of its clients, which will run between the port of Gothenburg and the GEODIS warehouse in Sweden.

Electric or hydrogen-powered Keolis Buses

Keolis regularly increases its fleet with new electric vehicles, as it had done in December 2023, when the company launched the electrification of the 19 bus lines operating in the Alpes-Maritimes. Keolis is also in trials for a fleet of hydrogen-powered buses on a major line of the T2C public transport network, at the request of Clermont Auvergne Métropole and SMTC-AC.

9.4.3.2 Building Sector

The SNCF is replacing oil-fired boilers on its sites and in its buildings with heat pumps, biomass heating systems, and connections to urban heating networks (RCU).

By 2023, some 15 sites will be connected to a district heating network, compared with just two in 2015.

Focus on connections at Lyon workshops

On 21 February 2023, SNCF Immobilier, the Lyon Defence Infrastructure Department, Lyon Metropolitan Council and Dalkia inaugurated the connection of the Auvergne-Rhône-Alpes TER and TGV technical centres and the Equipment buildings to the district heating network. Heating these four buildings, which cover an area of 35,900m², avoids the emission of 699 tCO₂e and ensures a secure supply.

9.4.4 Measures to promote decarbonisation

Fostering and developing in-house projects

The aim is to support SNCF teams and local initiatives in their efforts to reduce energy consumption and greenhouse gas emissions.

For example, the Innovative Passenger Energy Transition Fund (FITEV), created in 2021 by SNCF Voyageurs, has saved 12 GWh per year. The thinking for this internal project is also being applied by SNCF Gares & Connexions as part of its Energy-Carbon trajectory.

Focus on SNCF Voyageurs' 170 energy transition projects.

The Innovative Passenger Energy Transition Fund (FITEV) was created by SNCF Voyageurs in January of 2021. The aim is to accelerate the roll-out of projects that would cost less than €700,000 and would better measure and reduce energy consumption, while cutting greenhouse gas emissions. Reliance in 2022 on the FITEV was accelerated as a result of SNCF Voyageurs' energy sobriety programme. Whereas in 2021, 26 projects were funded in 17 establishments, in 2022, 57 new projects were funded and in 2023, there were 87, resulting in a total budget of around €5 million per year.

Funded projects include:

- Relamping operations to replace sodium lamps with LEDs in maintenance workshops and offices, on ceilings, in pits or external walkways
- Optimisation of HVAC (heating, ventilation and air conditioning) systems or production processes (replacement of installations, recovery of wasted heat, replacement of compressors, etc.).
- Installing meters, carrying out energy diagnostics and purchasing electric locomotives.

Since it was set up in 2021, FITEV has prevented the emission of 2,400 tCO₂e per year in buildings and saved more than 12 GWh per year. The FITEV budget doubled in 2023 and the funding ceiling has been raised to 700,000 euros (as compared to 500,000 euros in previous years).

In October 2023, the FITEV will become the Innovative Fund for the Energy and Ecological Transition for Passengers (FITEEV). This €10 million investment fund can now support:

- Energy efficiency
- Decarbonisation and renewable energies
- Circular economy
- Adapting to climate change.

"Energy & Carbon" projects in stations

SNCF Gares & Connexions has a budget of 95 million euros dedicated to its energy transition between now and 2032. In 2023, €9.4 million has been invested in relamping projects, replacing oil-fired boilers and insulation, as part of an internal "Energy & Carbon" call for projects.

Carbon indicators in property commitment files

- Generalisation of an NPV calculation approach incorporating an internal carbon price (minimum of 100 euros per tonne).
- Some 40 people trained in the use of related calculation tools at SNCF Immobilier.
- Establishing an energy and carbon criteria grid to assist in the selection of external leases.

Geodis decarbonisation priorities

Geodis considers the issue of decarbonisation holistically and has developed its approach around five pillars resulting from the work of the European platform ALICE (Alliance for Logistics Innovation through Collaboration in Europe) and the Smart Freight Centre.

9.4.5 Linking our investment strategy with the trajectory of decarbonisation

The management of the energy-carbon issue within the SNCF Group reached a major milestone in 2023 with the integration of decarbonisation trajectories into each company's strategic plan.

On the basis of the work carried out since the first Carbon Energy Strategy Committee at the end of 2021, each company has quantified the greenhouse gas impacts of its decarbonisation levers and integrated the necessary investments and operating costs for its economic trajectory.

Work on the 2023-2032 Strategic Plan has already resulted in:

- **Securing a reduction in GHG emissions between 2015 and 2030, for the financial trajectories, of -403ktCO₂e** (i.e. 76% of the target), including a reduction of -137 ktCO₂e already achieved between 2015 and 2022 and an additional reduction of -266 ktCO₂e included in the 2023-2032 Strategic Plan. The total amount of capital expenditures expected will be significant and in line with the financial trajectories of the Group's companies.
- **Showing that achieving 100% of the target will depend on future decisions by the Mobility Organising Authorities (AOM) to decarbonise the rolling stock fleets they own (Keolis and TER) yielding 130ktCO₂e.** These 130 ktCO₂e will be implemented from an identified decarbonisation pool of 386 ktCO₂e. The associated funding for this essential lever for achieving its commitment on transport activities remains in the hands of the Mobility Organising Authorities.

Conditions for success

The rolling stock is owned by the organising authority for passenger transport activities (TER and Keolis) and carried out under public service delegation contracts with organising authorities. The implementation of this leverage is subject to significant risk, as it depends on decisions made beyond the Group's control.

To reduce this risk, the AOMs are regularly asked to comment on issues relating to train operations, and experiments that are being launched.

In addition, tension in France over the use of biomass poses a risk to the supply of biofuels needed to implement the trajectory (B100, HVO).

For transport activities, all the levers identified are based on existing, tried and tested technologies. There is, however, a risk of the availability of these technologies.

For building activities, the implementation of decarbonisation levers is linked to the ability to carry out planned investments, considering already large volumes of existing work.

9.4.6 Managing the SNCF Group's decarbonisation strategy

The Group has developed its governance and organisation to ensure that its commitments to reduce greenhouse gas emissions are incorporated by all of its companies.

The implementation of these levers, including commitments to make necessary investments, and the possible impacts on trajectory, are monitored in the Group's activities management by SNCF SA.

Regular progress updates are given to the Chairmen of the Group's companies at Carbon Energy Strategy Committee meeting (see 2.1.4).

A carbon-indexed variable pay criterion for executives and senior management

Since 2023, a GHG emissions reduction criterion has been applied to the variable pay of SNCF senior managers and executives. For 2024, the target corresponds to the short-term target mentioned in 2.1.5.

Within the Group's companies

In line with the Group's governance structure, each company or subsidiary structures its own governance and organisation to most effectively manage energy and carbon issues.

SNCF Immobilier and SNCF Gares & Connexions have created a department in charge of energy transition in their respective regions.

At SNCF Voyageurs

The strategic governance body is the Passenger Executive Committee, which deals with issues related to controlling energy bills, decarbonising the business and electricity consumption.

The operational governance body is the Passenger Energy Saving Programme Steering Committee, which meets three times a year with representatives from each of the activities (TGV-Intercités, TER, Transilien, Industrial Management).

The forum for managerial appropriation of the issues and for putting them into action takes the form of various bodies that bring together:

- Business unit managers (TGV lines, Transilien lines, TER regions) on carbon energy issues
 - The Passenger Energy and Carbon Management Department (DECV) and each business lines' Management teams meet 1-3 times a year to set up action plan steering committees, depending on the challenges that may arise.
 - SNCF Immobilier and SNCF Voyageurs Management, to handle energy savings in buildings as part of the Passenger Energy Saving Programme since 2022.
- Finally, each activity is assigned its own governance.

At the SNCF Purchasing department

The Purchasing Department's Carbon Steering Committee is responsible for decarbonising purchases at the SNCF, and bringing the purchasing directors of the five rail companies together, along with the operational entities, once per quarter.

For further details, please contact: See 5.3.5 and 7.2.

9.4.7 The Group's commitments and actions as they pertain to its stakeholders

The SNCF Group, as part of its *raison d'être*, is committed to ensuring that its internal and external stakeholders remain involved in the governance of its activities and new projects, at local, regional and national level. This has led

to the implementation of a wide range of measures for value chain, both upstream and downstream, to help it meet its targets of greenhouse gas emission reductions.

Purchasing policy

The Group's purchasing policy contributes to the SNCF's ambitions of reducing greenhouse gas emissions, as well as the circular economy and local development efforts.

For more details: see and 7.2.

Decarbonising purchasing

Decarbonisation of the supply chain has now become a strategic point of focus for measuring the performance of Purchasing and supplier relations for SNCF, therefore, the following are essential:

- A successful GHG reduction policy
- Sustainably grounded performance
- A collective increase in the rail industry's market share.

For more details: see 5.3.2.

Customer communications

The SNCF Group is developing a number of initiatives for its customers to steer them towards low-carbon transport alternatives.

For more details: see 4.8.

CDP assessment

The SNCF has been answering the Carbon Disclosure Project (CDP) climate questionnaire since 2021. In 2023, the scope of the evaluation was expanded with the integration of Geodis and Keolis into the five railway companies (SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs and Fret SNCF).

For more details: see 1.4.

Collaboration with national and international bodies

SNCF Group experts take part in many discussions and working groups: ATEE, ADEME, AFNOR, UIU, etc.

For more details: see 2.3.

10. REPORTING FRAMEWORK

In accordance with the European Directive on the dissemination of non-financial information of 22 October 2014, the SNCF Group's non-financial performance statement is based on the reporting obligation set out in Articles L.225-102-1 and R.225-104 to R.225-105 of the French Commercial Code. It is based on international norms and standards, specifically:

- The transparency principles of the Global Reporting Initiative (GRI), which the SNCF uses for its reporting framework.
- The ISO 26000 standard on Corporate Social Responsibility.

Under the French Finance Amendment Act 2020-935, the SNCF Group has made commitments to reduce greenhouse gas (GHG) emissions in the Transport and Building sectors by 2021. These commitments are the subject of an annual report in accordance with a 2 November 2021 Order, presented in chapter 9 of the DPEF.

10.1 SCOPE OF REPORTING

The rail reform came into effect on 1 January 2020 once it was finally adopted by the Senate on 14 June 2018. The goal of this reform is to consolidate all the SNCF Group's activities into a single integrated entity.

1. The scope of DPEF indicators corresponds to:

– The five railway companies (SNCF): SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs and Fret SNCF.

– Or to the SNCF (Group): SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs, Keolis, Geodis, OUIGO España, Rail Logistics Europe (Fret SNCF, Naviland Cargo, Captrain Deutschland, Captrain España, Captrain Italia, Railtraxx, Captrain France, VIIA), Thalys, Eurostar, ICF Habitat

Subsidiaries are fully consolidated within the meaning of the SNCF Group's financial consolidation, with the exception of ICF Habitat, which has been fully consolidated into the Group's energy consumption since 2016.

2. The workforce

– Total workforce on 31 December: These are employees who are bound to the employer by an employment contract that is either in force or suspended due to leave or illness, regardless of the nature of the contract. Excluding trainees. Excluding SNCF doctors and including subsidised contracts such as professional training contracts, apprenticeship and single integration contracts. Including the Caisse de Prévoyance et de Retraite SNCF. Part-time employees are considered in the same manner as full-time employees. The entire staff counts as one. In 2023, 278,579 employees, including:

– SNCF, five railway companies, excluding subsidiaries: 54.7%

– Geodis SA: 24.5%

– Groupe Keolis SAS: 17.5%

– Other subsidiaries: RLE, Orfea, Thalys, Eurostar, SNCF Connect, SFERIS, ICF Habitat, AREP: 3,3%

– Average number of Group employees: Headcount includes fully-consolidated companies and the share of joint ventures. The calculation corresponds to an arithmetic average of the headcount at the end of each quarter of the calendar year, in application of Regulation 2016.09 of 2 December 2016. In 2023, 282,786 employees: 74.9% spread across France, 10% spread across Europe (excluding France) and 15.1% spread across outside Europe.

This reporting includes the international portion of our activities, unless otherwise stated for specific indicators.

The rules for managing incoming and outgoing entities are as follows:

– Incoming entity: Included in the scope of consolidation regardless of the date of entry into the scope during year N.

– Outgoing entity: Exit from the scope, regardless of the date of exit from the scope during year N, to avoid any difficulty recovering data after exit.

3. Revenue

The reporting scope represents 98% of the Group's sales generated by 598 of the 660 subsidiaries.

General guidelines applied in 2023 to increase reporting coverage:

– A pre-release campaign, in December, of estimated data for the last quarter. On the basis of total GHG emissions, the share of data estimated for 2023 represents 33% of total GHG emissions for scopes 1, 2 and 3.

– For certain items relating to significant indirect emissions, some 2022 data could be used; these data

represent 13% of total GHG emissions under scopes 1, 2 and 3.

10.2 REPORTING METHODOLOGY

10.2.1 Business model

The business model reflects the SNCF Group's strategic vision. It highlights how the Group creates value and preserves that value long term through its range of services. The formalisation of this strategic vision is the result of joint work between the Strategy Department, the Finance Department and the Social, Territorial and Environmental Commitment Department (DESTE).

10.2.2 Reporting

Qualitative information is collected and consolidated by DESTE from a network of CSR correspondents in Group companies.

Quantitative data is entered into the SAP FC financial consolidation tool by Group companies. The data is consolidated by DESTE.

New markers for the DPEF 2023 have been collected:

- Scope 3 CO₂e emissions from fixed assets
- Scope 3 CO₂e emissions, Purchases of products and services
- Scope 3 CO₂e emissions, Discounting & distribution
- CO₂e emissions of as a percentage of contributing sales
- Percentage of renewable electricity contracted for rail traction
- Carbon maturity of suppliers
- The 4+ Severity Safety Events indicator replaces the Remarkable Safety Event (RSE) indicator.
- The Use of Synthetic Plant Protection Products (NODU Index) and Use of Synthetic Plant Protection Products (Green NODU Index) indicators replace Percentage of RFN railway installations sites covered by actions to reduce or eliminate the use of plant protection products (excluding biocontrol).

– Methodological changes for energy consumption

The 2022 energy consumption data was updated mid-year for the Carbon Footprint portion of the Carbon Disclosure Project (CDP) questionnaire. The table below shows the changes in values.

(In GWh)	2022	2022	Differential	Comments
	DPEF 2023	DPEF 2022		
Transport	15,327	15,284	0%	
including rail traction	10,293	10,344	0%	Correction of incorrect data
including commercial road traction	4,381	4,307	2%	Updated data for Keolis and Geodis following the publication of their annual reports
including air traction	364	364	0%	
including company vehicles	263	263	0%	
including construction machinery	26	6	354%	Accounting for SNCF Réseau site machinery
Buildings	2,777	2,563	8%	Significant proportion of estimated data for SNCF, Keolis and Geodis' energy consumption gave rise to corrections
Grand Total	18,103	17,846	1%	

Presentation of the evolution of GHG emissions Worldwide in the context of the 2023 Carbon Balance presented in 5.3.2.

	2022 DPEF 2023	2022 DPEF 2022	World differential	Comments
(In ktCO _{2e})	World total	World total		
Grand Total	6,959	7,265	-4%	9,955
Scope 1 - Transport	1,687	1,641	3%	Corrections on fossil fuels, which systematically increase GHG emissions
Scope 1 - Buildings	198	188	5%	
Scope 2 - Transport	635	590	8%	
Scope 2 - Buildings	270	224	20%	
Total - Scopes 1,2 - Energy	2,790	2,643	6%	
Scope 3 - Transport	567	558	2%	
Scope 3 - Buildings	65	59	11%	
Total - Scopes 1,2,3 - Energy	3,422	3,260	5%	3,422
Scope 3 - Purchases of goods and services	1,395	32,616	-47%	Emissions in France only: (see explanation in table below)
Scope 3 - Transport subcontracting	54			
Scope 3 - Fixed assets	905			
Scope 3 - Emissions attributed to visitors and travellers	1,183	1,389	-15%	
Total - Significant indirect emissions	3,537	4,005	-1	3,743

Presentation of changes in GHG emissions in France within the decarbonisation trajectory report in 9.3.

	2022 DPEF 2023	2022 DPEF 2022	Differentia I FR	Comments
(In ktCO ₂ e)	Total France	Total France		
Grand Total	5,501	4,449	24%	
Scope 1 - Transport	1,055	1,048	1%	
Scope 1 - Buildings	160	161	-1%	
Scope 2 - Transport	266	266	0%	
Scope 2 - Buildings	39	40	-3%	Significant proportion of estimated data for SNCF energy consumption gave rise to corrections
Total - Scopes 1,2- Energy	1,519	1,514	0%	
Scope 3 - Transport	393	391	1%	
Scope 3 - buildings	53	53	0%	
Total - Scopes 1,2,3 - Energy	445	444	0%	
Scope 3 - Purchases of goods and services	1,395	32,616	-47%	Better measurement of purchases of goods and services, leading to a reduction in this line item.
Scope 3 - Transport subcontracting	54			
Scope 3 - Fixed assets	905			Including fixed assets (rolling stock, buildings, IT equipment) and reallocation of part of the Purchases of Goods and Services data to the Fixed assets line item
Scope 3 - Emissions attributed to visitors and travellers	1,183	1,389	-15%	Better measurement of emissions generated by visitors and travellers
Total - Significant indirect emissions	3,537	4,005	-12%	

10.2.3 External audit

In 2023, DESTE entrusted one of its statutory auditors with the task of verifying the compliance of the Non-Financial Performance Declaration (DPEF) using the provisions set out in Article R.225-105, as well as fairness of information set out in Article R.225-105-1 indicating, where applicable, the information omitted or not accompanied by the explanations set out in the third paragraph of Article R.225-105.

The Statutory Auditors' report on the DPEF has been included in the Group management report.

The statutory auditors, PwC, have carried out a moderate assurance audit of the various key performance indicators presented after a risk analysis in the DPEF.

The method and definition guidelines are available on request from the Social, Territorial and Environmental Commitment Department at the following address: commitmentsocietal-ecologicaltransition@sncf.

10.3 DEFINITIONS OF INDICATORS

Indicators	Definitions	Scope
The fundamentals		
Safety incidents with a severity of 4 and up (nb)	Safety Occurrence of a severity 4 and above on the EPSF scale - any event likely to have had or having had an impact on the safety of railway operations (cf. article 2 Order of 4 January 2016 on the classification nomenclature for railway safety occurrences - the list of FS is given in appendix 2 of the same order).	SNCF
Ethics alerts received (nb)	Number of professional alerts received in the SNCF ethics alert system and processed by the Group Ethics Department that correspond to the definition and scope of the Sapin II Law.	SNCF
Investigations opened by the Group Ethics Department (nb)	Number of internal ethics investigations initiated and carried out by the Group Ethics Department during the year as a result of its whistleblowing system or other reports.	SNCF
Percentage of staff exposed to a risk of organized corruption (%)	The Group Ethics Department has carried out a survey of the employees most exposed to corruption risk, as part of the programme to prevent corruption and influence peddling, as defined by the Sapin II Law.	SNCF
Percentage of European sales covered by a DPO (%)	Percentage of European sales of Group companies that have appointed a Data Protection Officer. Excluding Great Britain and Norway.	GROUP
Increasing the share of rail and sustainable mobility		
Rate of progress on station accessibility (%)	Making stations accessible covers the entire travel chain, including access to the train stop, passenger buildings, platforms, passenger information and associated services. The National & Regional Director's Accessibility Plan Agenda covers 736 national and regional stopping points in France over the period from 2016 to 2025.	SNCF
Secure bicycle parking spaces (in accordance with the LOM decree) within the property of the 1075 stations covered by the decree (nb)	Places in stations that offer users secure parking for their bicycles in individual or shared bike stations.	SNCF
Customer satisfaction rate - SNCF External Image Barometer (%)	Percentage of people who answered very satisfied and fairly satisfied to the question "Generally speaking, would you say that you are satisfied with the SNCF, related to your recent experiences with the SNCF and our overall service (information, ticket purchase, journey from your point of departure to your point of arrival)? Customer satisfaction is measured by the SNCF External Image Barometer. A representative sample (quota method) of 1,000 French people aged 15 and over per month is surveyed continuously online via an access panel (Toluna Harris Interactive).	SNCF
Physical attacks on customers and SNCF staff, and petty theft from customers (nb)	Physical abuse includes: sexual abuse (including "sexually suggestive remarks or behaviour"), intentional assault and battery, retaliation against staff or customers, theft committed under threat/theft committed with violence, non-violent theft committed to the detriment of customers.	SNCF
Malicious acts targeting property and financial assets (nb)	All malicious acts targeting SNCF assets: SNCF Theft, SNCF Burglary, SNCF Petty Theft.	SNCF
Acts of incivility and criminal offences (nb)	Offences (against the EVIN law forbidding smoking, feet on benches, spitting), insults, threats, trespassing and obstructing traffic, and illegal activities (drug use and dealing, begging, street vendors). Since 2020, offences related to non-compliance with health measures (failure to provide permission and/or failure to wear a mask) have been added.	SNCF
Reducing the environmental footprint of the Group's activities		
Total energy consumption (GWh)	Sum of energy consumption for rail traction, for fuel for road vehicles in our commercial and service fleets, for air traction, for site machinery and total energy consumption for sites. Data partially estimated by the DPEF.	GROUP
Energy consumption for rail traction (kWh)	Quantity of energy consumed by rail traction (including metro and tramways) expressed in Gigawatt-hours.	SNCF
Fuel consumption of commercial fleet road vehicles (kWh)	Quantity of energy consumed by commercial road vehicles (buses, lorries, light commercial passenger vehicles, etc.) in owned or operated commercial fleets, expressed in Gigawatt-hours.	Keolis Geodis Other
Fuel consumption for aerial traction (kWh)	Quantity of energy consumed by overhead traction expressed in Gigawatt-hours.	Geodis

Indicators	Definitions	Scope
Fuel consumption of service fleet road vehicles (kWh)	Quantity of energy consumed by owned or operated road vehicles (private service or company vehicles, small or large commercial vehicles, heavy goods vehicles, etc.), expressed in Gigawatt-hours.	GROUP
Fuel consumption for machinery (kWh)	Quantity of energy consumed by site machinery (excavation equipment) and speciality utility vehicles (tractors, etc.).	GROUP
Total energy consumption of sites (kWh)	<p>Site: a place of business comprising one or more buildings and, where applicable, one or more processes (industrial or otherwise) are housed.</p> <p>Building: a building that is used (owned, leased or provided under a public service contract) for the business of the company or of its subsidiaries. These may be commercial or industrial buildings used by Group entities for production.</p> <p>- Consumption by industrial processes is also included in site consumption.</p> <p>- Invoiced electricity consumption + breakdown of traction electricity consumed by buildings.</p>	GROUP
Consumption of site machinery (kWh)	Quantity of energy consumed by site machinery (excavation equipment) and specific utility vehicles (yard tractors, etc.)	GROUP
Consumption of short-term rental vehicles (kWh)	Quantity of energy consumed by short-term rental vehicles. This indicator tracks the quantities of energy consumed, or alternatively purchased, by short-term leased vehicle fleets.	SNCF
Share of renewable energy in the rail traction electricity mix (% of consumption)	Proportion of renewable electricity from our PPA contracts in relation to rail traction electricity consumption.	SNCF
TOTAL GHG emissions related to energy consumption Scope 1, 2 & 3 (CO ₂ e in thousands of tonnes)	<p>Sum of greenhouse gas emissions, expressed in thousands of tonnes of CO₂ equivalents, from the items making up the "total energy consumption" indicator (rail traction, fuel for commercial road vehicles, service vehicles, rental vehicles, sites and site machinery). This indicator covers the upstream and combustion phases for thermal energy (Scope 1 and 3) and the entire scope for electricity (Scope 2 and 3) in France and the UK. The breakdown into 3 scopes can be seen in the various carbon accounting tables. In terms of electricity, for the rest of the countries in which the Group operates, only Scope 2 values are taken into account. Point of focus concerning rail traction (SNCF, Keolis, others): Sum of CO₂e emissions from the rail transport activities (including metro and tram) of SNCF Voyageurs, Fret SNCF and emissions linked to the maintenance of equipment and infrastructure (SNCF Réseau) and CO₂e emissions from the rail transport activities of the France and World subsidiaries.</p> <p>Point of interest as it pertains to road traction (Keolis, GEODIS, others): GHG emissions for energy consumption by lorries, buses, coaches and other commercial vehicles (PRM, etc.). Energy sources are mainly fossil fuels (diesel, CNG) or sometimes electric or other (biofuels, etc.).</p>	GROUP
GHG emissions from rail traction - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	<p>Sum of:</p> <p>CO₂eEmissions from the rail transport activities of SNCF Voyageurs, Fret SNCF as well as emissions related to equipment maintenance and infrastructure (SNCF Réseau)</p> <p>CO₂eemissions from the rail transport activities of the France and Worldwide subsidiaries.</p> <p>This indicator covers the upstream and combustion phases for thermal energy (Scope 1 and 3) and the entire scope for electricity (Scope 2 and 3). From 2022and onwards, the 3 scopes will be monitored separately.</p>	SNCF Keolis Other

Indicators	Definitions	Scope
GHG emissions from the commercial vehicle fleet - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	GHG emissions for energy consumption by lorries, buses, coaches and other commercial vehicles (PMR). Energy sources are mainly fossil fuels (diesel, CNG) or sometimes electric or other (biofuels).	Keolis Geodis Other
GHG emissions from air traction - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	GHG emissions for paraffin consumption by aircrafts owned or controlled by SNCF Group entities.	GEODIS
GHG emissions from service vehicles - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	GHG emissions for fuel consumption (diesel and petrol) of service vehicles owned or controlled by SNCF Group entities. For the time being, GHG emissions from electrically-powered service vehicles are generally included in the sites' GHG emissions.	GROUP
GHG emissions from machinery - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	GHG emissions for fuel consumption (diesel and petrol) of site machinery and specific utility vehicles of SNCF group entities.	GROUP
GHG emissions from buildings - Scope 1&2&3 (CO ₂ e in thousands of tonnes)	GHG emissions for energy used by SNCF Group entities' sites and processes.	GROUP
Significant indirect GHG emissions ³ (CO ₂ e in thousands of tonnes)	Significant indirect emissions are the largest emissions line items in the latest SNCF Group GHG Balance Sheet, which represents 75% of Scope 3. These positions are as follows:	
	Purchases of goods and services: Emissions linked to the manufacture of goods and services purchased by the organisation, said to be "consumed quickly". They are collected on the basis of monetary data (services, intellectual property, maintenance work, maintenance + small supplies) and mass data: Train material supplies (wheels, benches, etc.).	
	Fixed assets: GHG emissions from the company's fixed assets, mainly calculated on the basis of units of work (m ² for buildings, tonnes of materials for vehicles and trains, number of items of IT equipment). They are calculated by using the procurement method accepted for regulatory GHG assessments and in line with the GHG protocol method, with the exception of IT equipment for the 5 railway companies.	SNCF Keolis Geodis
	Subcontracting: Emissions linked to subcontracting to air, sea, road and rail transport providers.	
	Emissions from customers: This line item takes into account the emissions associated with transport users travelling from their home to the destination station (feeder) or from their station to their place of distribution. To estimate the emissions linked to this line item, we must use data from representative surveys. Today, the calculation focuses on the biggest carbon impact are, the car (regardless of whether personal car or taxi). Other modes of transportation are partially taken into account. Journeys connecting with the train (double SNCF accounting) and journeys by air have been neutralised.	
Total GHG emissions linked to energy consumption Scopes 1&2 (thousands of tonnes CO ₂ e)	Sum of greenhouse gas emissions from Scopes 1&2, expressed in thousands of tonnes of CO ₂ equivalent. This marker is monitored for the annual carbon trajectory report.	GROUP
GHG emissions per passenger (in gCO ₂ e / trip.km) GHG emissions per tonne (in gCO ₂ e / t.km)	CO ₂ e emissions from the rail transport activities of SNCF Voyageurs and Fret SNCF, per passenger.km and per 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.	SNCF
	Ratio between GHG emissions and Sales.	
Greenhouse gas emissions (kt of CO ₂ e) / Sales (€M)	For GHG emissions: GHG emissions Scopes 1&2. For the consolidated fiscal year, ratio between GHG emissions and net "contributory" sales. Contribution of the entity to consolidated Group sales: this refers to sales generated outside the Group (Other Group company sales are not taken into account).	GROUP

Indicators	Definitions	Scope
ISO 14001 certified facilities (%)	ISO 14001 certification applies exclusively to industrial establishments: technical centres, maintenance and traction establishments, and industrial track establishments. Monitoring is carried out by each facility, and may include more than one sites. Other types of establishment can be integrated into SNCF's own "adapted" management systems.	SNCF
Total quantity of hazardous waste produced (in tonnes)	Total tonnage of hazardous waste produced by the Group, taking into consideration that all hazardous waste must be traced and eliminated.	GROUP
Number of minutes lost due to poor weather on the network (Nb)	Number of minutes a train is delayed due to the impact of bad weather on the infrastructure.	SNCF
Number of trains cancelled due to bad weather (Nb)	This indicator translates the impact of bad weather on rail infrastructure into cancelled trains.	SNCF
NODU index, "Number of Dose Units" of synthetic PPPs (ha)	Indicator created as part of the Ecophyto 2018 plan, one of the measures that came of the Grenelle Environment Forum. The NODU makes it possible to evaluate the intensity of plant protection products (PPPs), by comparing the quantity sold of each active substance with a "unit dose", i.e. the maximum dose of this active substance applicable during an "average" treatment in a given year (source: Methodology for calculating the NODU - ECOPHYTO, MTECT, MASA). The NODU corresponds to the surface area that would be treated on an annual basis, with the PPPs purchased during the year, at the maximum registered doses. It is expressed in hectares.	SNCF
NODU VERT index, "Number of Dose Units" of biocontrol PPPs (ha)	The NODU VERT (Number of Dose Units) index is a benchmark indicator for monitoring the progress of the Ecophyto plan in France. It is used to assess the intensity of use of biocontrol plant protection products, by relating the quantity sold of each active substance to a "unit dose", i.e. the maximum dose of this active substance applicable during an "average" treatment in a given year (source: MV-NODU_Bilan annuel 2022.pdf). The NODU corresponds to the surface area that would be treated on an annual basis, with the PPPs purchased during the year, at the maximum registered doses. It is expressed in hectares.	SNCF
Promoting social cohesion and an ecological and inclusive economy in local regions		
Solidarity purchases (€m)	These are purchases made from actors of the Social and Solidarity Economy, and more specifically: -companies in the sheltered employment sector (STPA) that promote the integration of people with disabilities The Structures d'Insertion par l'Activité Économique (SIAE), which enable all people who have been out of work for more than 24 months to benefit from re-integration programmes to help them re-enter the job market.	SNCF in 2022 excluding Fret SNCF
Percentage of total purchases contracted out in year, N, that are covered by a CSR offer score of 20% of the overall score (%)	Percentage of contracted purchases in year N that have incorporate a 20% CSR rating for bids / total contracted purchases in year N.	SNCF
Supplier CSR performance (average score out of 100 from EcoVadis evaluations)	Average score given to SNCF suppliers assessed by EcoVadis on a scale of 0 to 100. The panel of suppliers, which has been under assessment for at least 36 months, is targeted around a social and environmental risk analysis and strategic importance of such assessments to the Group. The assessment is based on four themes: environment, social and human rights, ethics, and responsible purchasing.	SNCF

Indicators	Definitions	Scope
Making employees the main actors and beneficiaries involved in the ecological and social transition		
Total workforce on 31 December (nb)	These are employees who are bound to the employer by an employment contract that is either in force or suspended due to leave or illness, regardless of the nature of the contract. Excluding trainees. Excluding SNCF doctors and including subsidised contracts such as professional training contracts, apprenticeship and single integration contracts. Including the Caisse de Prévoyance et de Retraite SNCF. Part-time employees are considered in the same manner as full-time employees. The entire staff counts as one.	GROUP
Workplace accident severity rate (per 1000 hours worked)	(Number of days lost due to a temporary disability during the period of time or hours worked during that time) *1,000.	GROUP
Frequency rate of accidents at work (per 1,000,000 hours worked)	(Quantity of lost-time accidents, excluding commuting accidents/hours worked) *1,000,000.	GROUP
Percentage of female employees (%)	Ratio between the total number of women in the workforce and total employees.	GROUP
Share of female managers (%)	The percentage of women managers corresponds to the number of women in the college. The number of "managerial" staff, including senior managers and executives, as a proportion of total "managerial" staff.	GROUP
Recruitment of women for permanent contracts (nb)	Number of women hired on open-ended contracts in the company in a calendar year. A new employee is counted as one unit, regardless of how long he or she has been with the company.	GROUP
Days lost per employee during social movements (nb)	Result of the ratio between the number of strike days recorded over the current year and the average workforce available over the current year.	SNCF
Number of permanent hires in France	Number of permanent hires in the Company in a calendar year. A new employee is counted as one unit, regardless of how long he or she has been with the company.	GROUP
Work-study contracts (nb)	These are employees with apprenticeship, fixed-term and open-ended vocational training and CIFRE (Conventions Industrielles de Formation pour la Recherche) contracts in France, on the last day of the review period.	SNCF + Geodis Excluding Geodis in 2022
Terminations (nb)	Corresponds to termination of employment contracts as initiated by the employer: In addition to terminations, these may include removing employees from managerial positions, dismissals, contract terminations during a probationary period at the request of the employer, and dismissals for disciplinary reasons for employees on probation.	GROUP
Turnover (%)	Turnover is the rate at which staff turns over within a company. (Number of departures in year N (excluding fixed-term contracts) + Number of arrivals in year N) / 2 / Number of employees at 12/31 of year N * 100	GROUP
Average monthly compensation (in euros)	Average gross monthly compensation: calculated on the basis of gross taxable wages per month (including end-of-year bonus). Variable pay elements are included.	SNCF
Total training hours (nb in thousands)	Total number of training hours, including e-learning.	GROUP Excluding Geodis in 2022, and excluding Keolis in 2023
Employees who have received at least one training course in France (%)	Percentage of employees who have attended at least one training course during the year. On the other hand, an employee who has attended more than one course may only be counted once.	GROUP Excluding Geodis in 2022, and excluding Keolis in 2023
Absenteeism rate (sickness/injury off-duty) (%)	Number of days of absence due to off-duty illness or injury (excluding accidents at work and commuting accidents) / assumed number of days worked.	GROUP

10.4 CORRELATION TABLE

II. A. 1. Social information					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26,000	GRI Standards 2021
II. A. 1. a. Jobs					
Total workforce and breakdown of employees by gender, age and geographical region.	1.6 The Business model		#6	6.4.3	
Recruitment and Terminations	8.2 Attracting and retaining talent	8.5			2-7 405-1
Compensation and career development	8.1 Supporting employees with the SNCF&moi programme 8.3 Fostering the conditions for active social dialogue	8.5			2-20
II. A. 1. b. Work organisation					
Organisation of working time	8.3 Fostering the conditions for active social dialogue	8.2	#6	6.4.4	
Absenteeism	8.4 Ensuring health and safety within the Group	8.8			
II. A. 1. c. Health and safety					
Health and safety at work	8.4 Ensuring health and safety within the Group	8.8	#6	6.4.6	
Accidents at work, specifically frequency, severity, and occupational illnesses	8.4 Ensuring health and safety within the Group	3.6			403-2 403-9
Promoting physical activity and sports	8.4 Ensuring health and safety within the Group	3.4		6.8.8	
II. A. 1. d. Labour relations					
Organisation of social dialogue, in particular procedures for informing, consulting and negotiating with employees	8.3 Fostering the conditions for active social dialogue	16.7	#3	6.4.5	402-1
Review of collective agreements, particularly with regard to OHS	8.3 Fostering the conditions for active social dialogue	16.6			403-4
II. A. 1. e. Training					
Training policies, specifically in regards to environmental protection	5.2 Optimising environmental management 5.4 Becoming a responsible digital actor 6.1 Improving knowledge of climate change impacts 8.2 Attracting and retaining talent	4.4	#6	6.4.7	404-2 404-3
Total number of training hours	8.2 Attracting and retaining talent	4.4			404-1
II. A. 1. f. Equal treatment					
Measures taken to promote gender equality	8.5 Living together better	5.1	#1-2-6	6.3.7	405-1 405-2 401-3
Measures taken to promote the employment and integration of disabled persons	8.3 Fostering the conditions for a healthy social dialogue 8.5 Living together better	10.2			405-1
Anti-discrimination policy	8.5 Living together better	5.2 10.3			405-1

II. A. 2. Environmental information					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26000	GRI Standards 2021
II. A. 2. a. General Environmental Policy					
Organisation of the company to take account environmental issues and, where applicable, environmental assessments or certification procedures	5. Reducing the environmental footprint of our activities 6.2 Integrating climate hazards into the planning and management of our activities 6.3 Developing research into innovative solutions for the adaptation and resilience of our activities	9.4	#7-8-9	6.5	
Resources devoted to environmental risk and pollution prevention	4.4 Reinventing passenger and freight mobility 4.5 Rebalancing the share of freight traffic for rail 4.8 Facilitating and encouraging low-carbon transport 5. Reducing the environmental footprint of our activities	9.4 11.6			
II. A. 2. b. Pollution					
Measures to prevent, reduce or remedy discharges into the air, water and soil that have serious impacts on the environment	4.8 Facilitating and encouraging low-carbon transport 5. Reducing the environmental footprint of our activities	9.4 11.6	#7-8-9	6.5.3	306-2
Account for all forms of pollution that are specific to a certain activity, and in particular noise and light pollution	5.2 Optimising environmental management 5.5 Limiting the pollution and environmental nuisance caused by the rail system	11.6			
II. A. 2. c. Circular economy					
II. A. 2. c. i. Waste prevention and management					
Measures for the prevention, recycling, reuse, waste disposal, and other forms of waste reclamation	5.2 Optimising environmental management 5.6 Anchoring the circular economy within the Group	12.5	#7-8-9	6.5.3	306-2 306-3 306-4 306-5
II. A. 2. c. ii. Sustainable use of resources					
Water consumption and supply considering local constraints	5.8 Ensuring sustainable management of water resources at the SNCF				303-5
Consumption of raw materials and measures taken to improve their efficient use	5.6 Anchoring the circular economy within the Group	11.3 12.2			301-1 301-2
Energy consumption, measures taken to improve energy efficiency and the use of renewable energies	5.3 Energy consumption and Greenhouse gas emissions	7.2 11.1 11.3 12.2			302-1 302-4 302-5

II. A. 2. Environmental information					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26000	GRI Standards 2021
II. A. 2. d. Climate change					
Significant GHG emissions generated by the company's activity, in particular through the use of the goods and services it produces	5.3 Energy consumption and Greenhouse gas emissions 5.4 Becoming a responsible digital actor 5.5 Limiting environmental nuisance and pollution caused by the rail system	13.3	#7-8-9	6.5.5	305-1 305-2 305-3
Measures taken to adapt to the consequences of climate change	6. Improving the adaptation and resilience of activities to fight climate change	13.1			201-2
Voluntary medium- and long-term reduction targets for greenhouse gas emissions and the means used to achieve them	5.2 Optimising environmental management 5.3 Energy consumption and Greenhouse gas emissions 5.5 Limiting environmental nuisance and pollution caused by the rail system 5.6 Anchoring the circular economy within the Group 9. Annual report on the carbon trajectory of the SNCF's activities in France	13.3			
II. A. 2. e. Protecting biodiversity					
Measures taken to preserve or restore biodiversity	5.7 Preserving natural resources and biodiversity	6.3 12.4 15.9	#7-8-9	6.5.6	304-1 304-2 304-3
II. A. 3. Corporate information					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26000	GRI Standards 2021
II. A.3.a CORPORATE COMMITMENTS TO SUSTAINABLE DEVELOPMENT					
Impact of the company's activities on employment and local development	4.6 Providing mobility services accessible to all 4.7 Promoting independent access to mobility 7.1 Developing solidarity-based mobility and solidarity in the heart of our territories 7.2 Developing an ambitious responsible purchasing policy that gets suppliers and subcontractors involved 7.3 Supporting local and regional actors in their ecological and social transition efforts	9.1	#1-8	6.6.4	203-1 203-2 204-1 413-1
Impact of the company's activities on neighbouring or local communities	4.3 Providing territories with a sustainable network 4.6 Providing mobility services accessible to all 4.7 Promoting access to independent mobility 7.1 Developing solidarity-based mobility and solidarity at the heart of regions 7.3 Supporting local and regional actors in their ecological and social transition efforts	9.1 11.a			203-1 203-2 413-1
Relations and dialogue with the company's stakeholders	2.3 Dialogue with external stakeholders 4.1 Ensure the fundamentals of safety, punctuality and passenger information 7.1 Develop mobility based on solidarity at the heart of the regions	17.17			2-29

II. A. 3. Corporate information					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26000	GRI Standards 2021
Partnership and Sponsorship initiatives	2.3 Dialogue with external stakeholders 8.5 Living together better 8.6 Fostering employee commitment	17.17			203-1
II. A. 3. b. Subcontractors and suppliers					
Taking account of social and environmental issues in our purchasing policy	3.2 Non-financial risks 7.2 Developing an ambitious responsible-purchasing policy in which suppliers and subcontractors are included	8.3	# 1-2-8	6.6.6	414-1 308-1
Social and environmental responsibility taken into account for relations with suppliers and subcontractors	7.2 Developing an ambitious responsible-purchasing policy in which suppliers and subcontractors are included	8.3			2-6 414-1 308-1
II. A. 3. c. Fair practices					
Measures taken to promote consumer health and safety	4.1 Ensure safety fundamentals, punctuality and passenger information 4.2 Ensuring a smooth journey 8.4 Ensuring health and safety within the Group	11.2	#1 - 2	6.6.5	416-1 417-1
II. B. 1. Information related to the fight against corruption					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26,000	GRI Standards 2021
Actions taken to prevent corruption	2.2.2.2 The Group's ethical values	16.5	#10	6.6.3	205-1 205-2 205-3
II. B. 2. Information regarding human rights actions					
R225-105	SNCF Group policy and actions	ODD	Global Compact	ISO 26,000	GRI Standards 2021
II. B. 2. a. Promoting and respecting the provisions of fundamental ILO conventions					
Respect for freedom of association and the right to collective bargaining	1.2 Contributions made to the United Nations' sustainable development objectives	16.6 16.7	#3	6.3.6 6.3.10	407-1
Ending employment and occupational discrimination		5.5 10.2	#6		406-1
Elimination of forced or compulsory labour		8.7	#4		409-1
Abolition of child labour		8.7	#5		408-1

Given the SNCF Group's activity, the fight against food waste and food insecurity, respect for animal welfare, promoting responsible, fair and sustainable food, promoting physical activities and sports, fostering the link between army and country, and support for joining the army reserves are not considered as material extra-financial issues.

10.5 STATUTORY AUDITORS' REPORT

Société nationale SNCF

**Report of one of the Statutory Auditors,
appointed as an independent third party, on
the verification of the consolidated non-
financial information statement**

(For the year ended December 31, 2023)



Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

(For the year ended December 31, 2023)

This is a free translation into of the report by one of the Statutory Auditors 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

In our capacity as Statutory Auditor of your company SNCF (hereinafter the “Entity”), appointed as an independent third party (“third party”) and accredited Cofrac Inspection Accreditation, n°3-1862 (scope available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity’s procedures (hereinafter the “Guidelines”), for the year ended December 31, 2023 (hereinafter the “Information” and the “Statement”, respectively), presented 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 performed as described under the “Nature and scope of procedures” and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparing the non-financial performance declaration

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Téléphone: +33 (0)1 56 57 58 59, www.pwc.fr*

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Société nationale SNCF

Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

For the year ended December 31, 2023 – Page 2

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on request from its headquarters.

Inherent Limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management of SNCF are responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

Société nationale SNCF

Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

For the year ended December 31, 2023 - Page 3

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 7 people between October 2023 and February 2024 and took a total of 12 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social

Société nationale SNCF

Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

For the year ended December 31, 2023 - Page 4

responsibility. We conducted 31 interviews with the people responsible for preparing the Statement, representing in particular Social, Territorial and Environmental Commitment Division (DESTE), Human Resources, Safety, Legal Safety, Communication and Branding, Financial, Purchasing and Ethics divisions.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with Human rights and anti-corruption and tax avoidance legislation and includes, where applicable, an explanation of the reasons for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks;
- verified that the Statement presents the business model and a description of the main risks associated of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For all risks, our work was carried out on the consolidating entity and on a selection of contributing entities (SNCF SA, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions, Fret SNCF, Keolis and Geodis);
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

Société nationale SNCF**Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement****For the year ended December 31, 2023 - Page 5**

for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, 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, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities (SNCF SA, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions, Fret SNCF, Keolis et Geodis) and covers between 30% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, February 29, 2024

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Jean-Paul Collignon
Partner

Auréliе Castellino-Cornetto
Partner, Sustainable Development

Société nationale SNCF

Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial information statement

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Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- Safety incidents severity 4 and + (number), Physical attacks on customers and SNCF staff and simple theft against customers (number), Malicious acts against property and financial assets (number), Acts of anti-social behaviour and breaches of the law (number);
- Percentage of European revenue covered by a DPO (%);
- Rate of progress in making stations accessible (%), Number of cycle spaces (number), SNCF external image survey customer satisfaction rate (%);
- Total energy consumption (GWh), Energy consumption for rail traction (GWh), Share of renewable energy in the rail traction electricity mix (% of consumption), Share of theoretical production from PPA renewable energy purchasing contracts (%), Fuel consumption of commercial fleet road vehicles (GWh), Aerial vehicle kerosene consumption (GWh), Energy consumption of service road vehicles (GWh) ;
- Greenhouse gas emissions (kt of CO₂e) linked to energy consumption Scope 1&2&3, CO₂e emissions per passenger.km (Scope 1&2&3) (gCO₂e/passenger-km GHG emissions - Market based scope 2, GHG emissions - Location Based scope 2, GHG emissions/sales (%);
- CO₂e emissions per tonne of freight (Scope 1&2&3) (gCO₂e/tonne-km), Scope 3 CO₂e emissions from fixed assets (ktCO₂e), Scope 3 CO₂e emissions, Purchases of products and services (ktCO₂e), Scope 3 CO₂e emissions, sub-contracted vehicles (ktCO₂e), Scope 3 CO₂e emissions, Travel to station and onward travel from destination (ktCO₂e);
- Minutes lost due to bad weather (number), Trains cancelled due to bad weather (number);
- ISO 14001-certified railway industrial sites (%);
- Total quantity of hazardous waste produced (k. tonnes);
- Use of synthetic plant protection products (NODU index) (ha), Use of biocontrol plant protection products Green NODU index (ha);
- Solidarity purchases (€m);
- Percentage of total purchases contracted for in year N covered by a CSR offer score of 20% of the overall score (%);
- CSR performance of suppliers (score out of 100) including social and human rights, Carbon maturity of suppliers (%);
- Accident severity rate (per 1,000 hours worked) in France, Frequency rate of accidents at work (per 1 million hours worked) in France, Absenteeism rate (sickness/injury off-duty) in France (%);
- Days lost per employee during industrial action (number);
- Female workforce (%);
- Employee commitment (score out of 100);
- Permanent contracts in France (number), Share of female managers (%), Terminations (number), Work-linked training contracts in France (number), Turnover (%);
- Hours of training in France (in thousands), Percentage of employees having benefited from at least one training course in France (%);
- Whistleblowing alerts received (number), Open ethical surveys (number), Percentage of staff exposed to the risk of corruption who have received training (%).

Qualitative information (actions and outcomes):

- The Innovation Award for the on-board passenger information service and the Smart City Prize;
- An inter-force exercise organised by Sûreté ferroviaire in 2023;
- The roll-out in February 2023 of e-learning on the protection of personal data;

Société nationale SNCF

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For the year ended December 31, 2023 - Page 7

-
- Partnership agreement between Transilien SNCF Voyageurs and the Île-de-France Regional Tourism Committee signed #CpasLoInEnTrain ;
 - Fare shield for high-speed services (TGV INOUI);
 - Action plan signed with the government to improve transport accessibility in the run-up to the Paris 2024 Games, alongside RATP and ADP;
 - Motorway rail trains departing from Le Boulou and Sète;
 - The installation of a new 5 logistics base in Lille to deliver to the city centre using biogas-powered lorries and light vehicles and cargo bikes;
 - Creation of a digital Employer Mobility Plan platform;
 - Three new contracts for wind farms signed;
 - Meetings of the quarterly "Climate Risks" steering committee;
 - Macroscopic vulnerability study by SNCF Immobilier;
 - Mission on SafN concept and identification of solutions applicable to the SNCF;
 - The HSE (Health, Safety and Environment) teams at GEODIS in the United States have set up a business intelligence tool called the Green Analytic Tool
 - Set up of a business intelligence tool called the Green Analytic Tool by the HSE (Health, Safety and Environment) teams at GEODIS in the United States;
 - Project led by INERIS to better characterise the particles present in transport interiors and underground spaces;
 - Nice Saint-Augustin station won the "Bâtiment d'Avenir 06" award;
 - Global policy for sustainable water resource covering all five rail companies;
 - Partnership with Bpifrance to support SNCF suppliers in their energy and ecological transition;
 - Distribution in 2023 of a new practical guide on secularism and neutrality for HR staff and managers
 - Charter for the prevention of addictive behaviour and the promotion of health in the workplace signed (ESPER) ;
 - A new housing agreement;
 - Charter of the Autre Cercle, the leading organisation for the inclusion and management of LGBT+ people at work, signed;
 - Recruitment forum in Lille (with the five rail companies and Keolis) ;
 - SNCF renewed its "reserve policy support agreement" with the French Army;
 - The securing of work bonuses in the event of sickness absence part of the compulsory annual negotiations;
 - A company agreement signed in 2023 to offer statutory employees a supplementary health insurance scheme.

DUTY OF CARE PLAN FOR THE SNCF GROUP

1. INTRODUCTION

1.1 SCOPE AND APPLICATION OF THE LAW FOR THE SNCF GROUP

A plan based on the scope of the seven companies

In accordance with Law 2017-399 of 27 March 2017 on the duty of care of parent companies and ordering companies, the SNCF Group is publishing its third compliance plan which will cover the 2023 fiscal year. This plan is based on the scope of the Holding Company, the six major companies, and their controlled subsidiaries that came of the rail reform of 1 January 2020.

"The plan shall include reasonable due diligence measures to identify risks and prevent any encroachment to human rights and fundamental freedoms; the health and safety of individuals; the environment as a result of the company's activities and those of the companies it controls, within the meaning of Article L, subsection 2. 233-16, directly or indirectly, as well as the activities of subcontractors or suppliers with whom there is an established commercial relationship, when these activities are linked to this relationship".

Work related to duty of care takes into account the approaches implemented in 2017 by the Group as part of Law 2016-1691 of 9 December 2016 on the subjects of transparency, fighting corruption, and modernising economic life ("Sapin II").

This monitoring plan reports on the implementation of priority actions undertaken in 2023 and sets out additional areas of work for 2024.

The structure of the unified SNCF public group (since 1 January 2020)

– For more details: see Financial Report, Chapter 1.

1.2 SNCF GROUP BUSINESS MODEL

– For more details: see Financial Report, Chapter 1.

1.3 THE GROUP'S ETHICAL AND SAFETY COMMITMENTS

Long-standing commitments

The SNCF Group has been working for a long time on the three categories of risk covered by the law on the duty of care. Since 2003, it has been committed to respecting and fully integrating the 10 principles of the United Nations Global Compact on human rights, international labour standards, the environment and combatting corruption. The actions implemented within this framework strengthen its contribution to the UN's Sustainable Development Goals (SDGs) and, since 2015, have enabled it to achieve the highest performance score, "Advanced", for social responsibility.

Charters and Programmes

Several charters and agreements underpin commitments made to the Group's employees, customers and suppliers:

- The Ethics charter was updated in 2023.
- The Supplier Relations & CSR Charter.
- The agreement "in favour of professional equality between women and men, as well as gender diversity".
- The diversity Charter (GEEIS1 certification for GEODIS, Keolis and SNCF Réseau excluding subsidiaries) and the LGBT+ commitment Charter "L'Autre Cercle" was signed in May 2023.

In addition, to ensure the safety of its customers, employees, subcontractors and partners, the SNCF has structured its safety policy around the "PRISME" programme, which all railway companies have used since 2015. Environmental safety is integrated in the same way as occupational health and safety (OHS) and rail operating safety, with a view to overall safety.

A CSR strategy in line with the duty of care

The "Tous SNCF" corporate project was launched in 2020 by the Chairman and CEO of SNCF with the goal of defining and implementing the Group's 2020-2030 Strategy Plan. Spread across the subsidiaries and operating entities of the five railway companies, "Tous SNCF" the project is being carried out in synergy with the Keolis and Geodis business plans, which are part of the Group's ten-year vision. Health, safety, ethics, social responsibility and the environment are included as levers for the Group's overall performance, competitiveness and attractiveness.

Six key areas, one *raison d'être*

The objectives of the Group's CSR strategy, approved in 2021 by the SNCF Board of Directors, are directly linked to the challenges related to duty of care. These objectives are based on six key areas:

- Increasing the share of rail and sustainable mobility.
- Reducing the environmental footprint of our activities.
- Improving the adaptation to climate change and the resilience of those activities
- Promoting social cohesion and a green economy based on solidarity in our regions.
- Make employees the main actors and beneficiaries of the ecological and social transition.
- Developing outstanding ethics and open governance.

The SNCF Group's ambitions are embodied in its *raison d'être*: "Taking action toward a changing, supportive and sustainable society".

– For more details: see DPEF chapter 1.

1.4 FOR 2024, INTEGRATING CARE DUTIES AND A PRIORITY AREA OF WORK.

2023: Embedding duty of care in the governance and management of the Group's companies

The actions carried out in 2023 are a continuation of those carried out since the publication of the first duty of care policy in 2022. They have enabled the companies, and an initial selection of approximately 20 Group subsidiaries, to embed duty of care in their governance and management policy.

To this end, the Social, Territorial and Environmental Commitment Department (DESTE) has mobilised the Boards of Directors and Executive Committees of the Group's companies around the challenges of the duty of care. The aim is to integrate sustainability risk management into their decisions, and to ensure that they are fully capable of exercising real oversight of due diligence measures dedicated to prevention and mitigation of these risks.

The five priority actions defined for 2023 have all been launched and they will continue to be rolled out in 2024. The five priority actions are:

- Continue to embed duty of care in the governance and management of SNCF Group companies.
- Extend the assessment of third parties and suppliers to all risks related to duty of care.
- Finalising the trajectory of 'social' supplier audits on sites and continuing to roll them out.
- Implementing the Group's human rights policy.
- Set-up a watchdog to anticipate risks related to duty of care.

The results of the 2022 priority actions have now been integrated into the company's long-term operating methods.

An account of these actions is provided in section 6.2 of this report.

2024: Consolidation of 2022 and 2023 achievements of 2022, and mobilisation of operational management

After the first two fiscal years, which focused on governance and implementing a duty of care plan within the Group's companies and its subsidiaries, the Group will continue to mature in terms of duty of care through targeted actions supporting the link between results of the work carried out since 2021 and management of operations-related risks. Two key areas will contribute to this:

- **Build on** the progress made and strengthen the foundations of duty of care, by continuing to implement the results of the priority actions launched in 2022 and 2023
- **Focus** in 2024 on continuous improvement work and "operational monitoring of the delivery of labour services", against the backdrop of significant recourse to subcontracting, and with the Paris 2024 Olympics especially.

The first step will be to take stock of how duty of care risks are integrated into the operational management of labour services in the field, and then to step up dialogue with stakeholders.

2. GOVERNANCE AND MANAGEMENT OF THE DUTY OF CARE PLAN

2.1 GOVERNANCE BODIES AND THE ROLE OF DIRECTORS OF SUBSIDIARIES

Cross-functional Management

The duty of care plan for the entire SNCF Group is steered by the Social, Territorial and Environmental Commitment Department (DESTE) of SNCF Holdings. As a member of the Executive Committee (COMEX) and the General Management Committee of SA SNCF, DESTE reports directly to the Group's Chairman and Chief Executive Officer. DESTE's main task is to manage the Group's extra-financial performance and risks, in collaboration with the Risk Management Department and with support from the main functional departments of the Group's companies and its subsidiaries (see section 4.2).

Each of the Group's seven companies is responsible for updating and mapping the risks covered by the duty of care, as well as implementing and engaging in monitoring actions to prevent and mitigate these risks (see section 4.1 on risk management).

Group-wide internal network of contributors

To coordinate the work of the duty of care plan within the companies and their subsidiaries, a coordinator has been appointed in each Group company. These first-level contacts are the CSRs, or compliance managers, for the Group's Companies. In order to consolidate the work and manage it at Group level, DESTE will periodically bring representatives from the seven Group Companies and the SNCF's main functional divisions together in a dedicated steering committee.

Role of support departments in monitoring the Duty of Care Plan

Some of these functional divisions play a key role in implementing and monitoring this work. This is particularly true of the Internal Audit and Internal Control functions, the Group Ethics Department (DEG), which is responsible for administering the whistleblowing and reporting system, and the Legal and Compliance Departments of Group companies.

Specific governance of the Duty of Care Plan

All work relating to the Duty of Care Plan is regularly reviewed by the Group's Board of Directors, Compliance Committee and Ethics Committee.

Governance bodies involved in overseeing the work of the Duty of Care Plan



– For more details, see NFPS Chapters 2.1 and 2.2.

2.2 INFORMATION AND CONSULTATION OF STAKEHOLDERS

Information of the Stakeholder Committee

With the Rail Reform of 2020, the Group's governance incorporated a Stakeholder Committee in 2021, in addition to the consultation bodies already in place.

As a consultative committee, the Stakeholder Committee (CPP) strengthens dialogue between SNCF and representatives of French society in order to better respond to their concerns.

Chaired by the Group CEO, the CPP is made up of 16 members appointed for three-year renewable terms. Its role is to be consulted and to make proposals on SNCF's strategic priorities, such as safety, service quality, social and environmental responsibility, extra-financial performance, regional development and cohesion, and the development of transport.

The Committee's work and recommendations provide input to the Board of Directors.

Note: SNCF Réseau and Keolis run their own stakeholder committees. SNCF Réseau and the Keolis subsidiaries organise local dialogue with user representatives, local and regional authorities and transport organising authorities.

Note: A stabilised version of the Duty of Care Plan was sent to the trade unions and the CPP prior to approval by the Board of Directors, for comment before publication.

– For more details, see Chapters 2.3 and 8.3

Information of trade unions

The work carried out on the Duty of Care Plan throughout the 2023 financial year, with contributions from the Group's seven companies, was the subject of several discussions with the trade unions representing the company:

- Bilateral meetings organised by SNCF's Human Resources department in September, as well as a meeting of the Group Committee.
- A presentation to the European Works Councils (EWCs) of the SNCF Group, and the EWCs of Keolis and Geodis.

Each year, these meetings, organised jointly by the Social, Territorial and Environmental Commitment Department (DESTE) and the Group Ethics Department under the aegis of the Human Resources Department, enable trade union organisations to share their operational view of risks, which is drawn upon extensively in the preparation of the Duty of Care Plan. The continuation of these meetings with representative trade unions, confirmed in 2023 by SNCF's HR Director, anchors the duty of care and social responsibility firmly within the company's social dialogue, and contributes to the Group's performance.

3. 2024 MAP OF RISKS OF SERIOUS HARM

Marginal changes to the risk map in 2023

The 2023 update review of the map of risks relating to the duty of care carried out in 2022 does not result in any significant changes.

However, in 2023, the scope of the risk of "over-consumption of water resources" (ENV2) was broadened to take into account all the materials consumed by industrial maintenance activities, public works operations and infrastructure renewal. This risk has been renamed "depletion of resources (water, materials)".

Preparatory work for the CSRD

The relative stability of the 2023 risk map has also been confirmed by work to prepare for the entry into force of the European CSRD (Corporate Sustainability Reporting Directive). These adjustments, which have necessitated a major update of the Group's methodological framework for managing non-financial risks, meet the need to carry out a complete review of risks and the assessment of their impact in 2024, in the context of double materiality.

These structural changes to the Group's risk management are described in this plan. They will be fully deployed in 2024 with the entry into force of the CSRD Directive, transposed into French law by Order no. 2023-1142 of 6 December 2023.

In the Duty of Care Plan, the description of risks is, where appropriate, illustrated by a focus on prevention or mitigation measures specific to certain Group companies.

Part 3 presents a risk map for each of the three thematic areas covered by the Act: Items **3.1** Health and safety, **3.2** Human rights and fundamental freedoms, and **3.3** Environment.

For each area, the following are presented:

- The Group's commitments and policy.
- A contextualised summary of risks and control systems.
- Programmes and action plans for each risk.

Note: The risk map on the following page classifies risks according to decreasing criticality for each of the three areas covered by the Duty of Care Law.

Preparations for the Paris 2024 Games, a challenge for SNCF to set the example

Human rights and ethical issues

The news regularly highlights certain risks associated with the preparations for the Paris 2024 Games: the use of illegal labour, harassment, allegations of "social cleansing" at Games venues and even cases of corruption.

In order to keep these risks under control, SNCF, as an official supporter of the Paris 2024 Games, set up a Programme Department in 2019 with responsibility for preparing and providing an ethical framework for the event, focussing on risk management. Several actions have been defined based on a specific risk analysis. They have been strengthened by the positive feedback from the Rugby World Cup in the summer of 2023.

Raising employee awareness of the risks associated with the event

Within SNCF, awareness-raising initiatives have reminded managers and employees in the affected functions and volunteers of the ethical behaviour they should adopt, given the risks in this area and their potential repercussions in the media.

In addition, the use of 10,000 volunteers in stations to welcome and guide passengers has been subject to specific supervision measures to ensure compliance with employment law.

REINFORCED VIGILANCE IN FIVE MAJOR AREAS

- Ensure the accessibility of the services offered as part of robust, context-specific transport plans, by securing the resources mobilised for the Paris 2024 Games.
- Ensure faultless security throughout the Games, and be able to activate context-specific crisis management systems, in order to safeguard against incidents and cyber-attacks in particular.
- Guarantee a very high level of service quality and hospitality in stations by ensuring that people are treated with respect and dignity (flow management, security issues in stations, etc.), and by giving priority attention to people with special needs.
- Pay particular attention to the risks of human rights abuses in supply chains and the risks of corruption in relations with economic partners.
- Ensure the protection of SNCF volunteers' personal data (GDPR).
- Prevent the environmental risks associated with poor waste management.

Note: a guide is available for SNCF staff who volunteer to improve the level of service expected during the Paris 2024 Games. It states:

- Principles and tasks (welcoming, informing and guiding customers, etc.).
- Eligible personnel and working conditions (periods, tools, etc.).
- The conditions for mutual commitment between employees, managers and the company.
- Impact on working hours and pay
- Monitoring and providing operational support for volunteers during 40,000 scheduled shifts.
- The list of 62 volunteer stations

MAP OF RISKS OF SERIOUS HARM

Reference	Trend 2023/22*	Risks of serious harm in descending order of criticality	Group activities affected
SSP1	↗	PERSONAL EXPOSURE TO CLIMATE RISKS	Passenger and freight transport; logistics services Industrial maintenance or construction activities
SSP2	=	SEVERE OPERATING ACCIDENT	Passenger and freight transport
SSP3	=	ACCIDENT OR SEVERE INJURY TO PERSONS ON THE GROUP'S PREMISES OR ON TRANSPORT OPERATED BY THE GROUP	Management and operation of production and service facilities, safety
SSP4	↗	ACCIDENTS AT WORK AND EXPOSURE OF EMPLOYEES OR CONTRACTORS TO HAZARDOUS SUBSTANCES	Industrial maintenance or construction activities
SSP5	↗	TERRORISM OR MALICIOUS ACT WITH SEVERE CONSEQUENCES FOR PEOPLE	Passenger and freight transport - Reception, sales, customer relations, security
SSP6	↘	RECURRING OR LONG-TERM HEALTH CRISIS	All activities
DH1	↗	PSYCHOSOCIAL RISKS	Industrial and tertiary activities
DH2	↗	SEXUAL HARASSMENT AND GENDER-BASED VIOLENCE	Industrial and tertiary activities - Passenger transport
DH3	↗	INFRINGEMENT OF FUNDAMENTAL LABOUR RIGHTS IN SUPPLY CHAINS	Use of labour or freight forwarding services
DH4	↗	PERSONAL DATA BREACH	Customer services, employee management and supplier relations
ENV1	↘	ACCIDENTAL DISCHARGES OF HAZARDOUS PRODUCTS OR WASTE	Industrial operations, maintenance or construction
ENV2	↘	RESOURCE DEPLETION (WATER, MATERIALS)	Maintenance, public works and infrastructure renewal activities
ENV3	↘	EXCESSIVE ENERGY CONSUMPTION AND GHG EMISSIONS	Passenger and freight transport - Industrial maintenance and construction activities
ENV4	=	DAMAGE TO BIODIVERSITY	Industrial maintenance or construction activities

3.1 PERSONAL HEALTH AND SAFETY

3.1.1 Safety policy and the PRISME programme

Group safety policy and doctrine

The SNCF Group is committed to ensuring the highest level of safety for its services, which is and must remain the main advantage of trains and all the transport services operated by the Group.

In rail transport, safety is one of SNCF's core values and an absolute priority for its customers, employees and service providers. It is a common good that the company has a duty to preserve. The safety policy sets out the common principles of safety within SNCF, which are then applied in each entity and each subsidiary of the five railway companies.

These principles are also shared by Keolis and Geodis.

– For more details, see NFPS, Chapter 4.1.3.

Modernising SNCF's safety culture

In 2015, SNCF launched a major overhaul of its safety management system and practices, through a new universal policy and a national transformation programme called PRISME.

At SNCF Safety Convention in Lille in September 2022, 700 safety managers and players set out the new direction for this programme, based on the lessons learned from the first eight years of PRISME. On this occasion, the CEO took the company's security policy in a new direction, giving priority to global safety. The aim is to make consistent progress across all 'safety areas': operational

safety, health and safety at work, fire safety, environmental safety, security and cyber security.

The Group's safety policy, which was updated in 2023, is designed to be even closer to the ground, for the benefit of operating entities, companies and the entire rail sector. The version of 6 February signed by the five companies provides for employees to be both beneficiaries and agents of safety within the company.

"SNCF's safety commitments, supported by the PRISME programme, reflect the Group's shared goal with AEF of promoting a positive safety culture. They are an integral part of our raison d'être..."*

Source: Group Safety Policy

*: European Railway Agency

2023-2025 Guidelines: three pillars broken down into seven guidelines

This new phase of PRISME reaffirms two major objectives:

- Zero deaths each year, including for subcontractor employees.
- A frequency rate of 11 by 2026.

Three pillars and seven guidelines



Target for 2026: Instill a participative, proactive and integrated safety culture.

13 regional meetings for a 1st report in 2023

In line with the commitment made by the CEO, a progress review was carried out one year after the launch of the PRISME 2023-2025 programme. Throughout the last quarter of 2023, thirteen "Rendez-Vous Sécurité Territoriaux" (Territorial Safety Meetings) were organised with nearly 3,000 operational managers (site and business unit directors, safety unit managers and their local managers).

Organised in a variety of formats on the initiative of local leads and organisers, these events were held across France with the aim of:

- To continue to instill PRISME as close to ground level as possible.
- To share the achievements of all five companies at a regional level.
- To reflect collectively on local challenges, particularly through inter-company workshops in certain regions.

NEXT CHALLENGES FOR THESE SAFETY MEETINGS

- Capitalising on tools developed locally to make them available to operational entities.
- A shared collection of the various actions/approaches, to enrich team projects and continue the operational implementation of PRISME.
- Greater involvement of safety representatives in work in the rail sector.

2024 OHS policy in the wake of the 2023 policy

The 2024 guidelines are based on the nine General Principles of Prevention (Art. L.4121-2 of the French Labour Code) and the PRISME programme, which aims to ensure that the safety culture is instilled as close to ground level as possible. They contribute to the development of the companies' roadmaps and feed into the actions of the entities as part of the "Tous SNCF" corporate project.

In application of the general principles of prevention, the priority actions are those which consist in preventing the risk, either by eliminating the danger or the exposure to it. This primary prevention must continue to guide SNCF's actions and contribute to a lasting reduction in accidents at work. This proactive attitude is based on a sound understanding and analysis of risks:

- Either through accident data and feedback.
- Or through the identification of precursors by reporting of dangerous situations and Quasi-Accidents (QATs), which has been extended to all SNCF companies in 2023.

New severity scale at SNCF

Since January 2023, SNCF has adopted the common French and European metric for assessing the severity of safety events defined by the French Rail Safety Authority (EPSF) in 2016, in compliance with European Directive

(EU) 2016/798 on rail safety. The aim is to encourage comparisons with all rail operators and promote a shared vision of safety, in a spirit of cooperation and openness. This decision was taken in line with the company's new rail safety policy and its desire to involve all its stakeholders.

Monitoring of "high potential" incidents

The new classification represents a methodological change in the statistics used to monitor safety incidents. To facilitate cross-checking with historical series, and in agreement with EPSF, SNCF has defined two additional categories of "high potential" incidents:

- **High Potential Events (HiPo)** that have not had any serious or significant consequences due to favourable circumstances, which are analysed locally.
- **High Value Learning Event (HVLE)** revealing potential system improvements, due to their unusual nature or complexity, which are analysed at national level.

The safety indicators in this Duty of Care Plan (part 6) are presented according to this new classification.

the French Rail Safety Authority (EPSF) severity scale:

1	2	3	4	5	6
Minor safety event.	Event that could have had material consequences/ minor injuries.	Event that could have had individual human consequences.	Event that could have had collective human consequences.	Accident with significant consequences.	Accident with serious consequences.

In 2016, a working group involving all rail operators led the Rail Safety Authority (EPSF) to set out the principles of a six-level severity scale. The most severe accidents, at levels 5 and 6, correspond to significant accidents covered by the Common Safety Indicators (CSI) defined in Annex 1 of European Directive (EU) 2016/798.

3.1.2 Safety policies of Geodis and Keolis

Safety is one of Geodis' seven golden rules

Geodis applies a systemic approach to managing the Health, Safety and Security aspects of its operations. Structured around a number of areas for improvement, the policy is signed by the members of the Executive

Committee. It is deployed in each entity according to the principle of subsidiarity. Each business line and region adopts the guidelines laid down by the corporate group and develops its own programmes and actions, adapted to its own context and specific needs. By sharing experiences, subsidiaries and local entities are able to benefit from best practice.

The strong commitment of the company and its employees, and the relevance of the actions implemented, are reflected in the results: at the end of 2023, the company's accident frequency rate had fallen sharply (-18%) over the last three years.

For further information: [geodis.com/fr/groupe/rse](https://www.geodis.com/fr/groupe/rse)

Harmonised framework of practices and certification for Keolis

Keolis' safety policy covers both health and safety at work and operational safety. Communicated and rolled out across all entities, both in France and internationally, it involves all those involved in health and safety, setting out the vision, responsibilities and commitments in this area for all its activities worldwide. The safety of its employees and customers is an absolute priority for Keolis.

Keolis is committed to achieving ISO 45001 certification for health and safety in the workplace.

Objective: 38% of French and international employees covered by 2025. In 2023, several new subsidiaries obtained certification, including the Australian subsidiary Keolis Downer (Adelaide's RER network).

This trajectory follows on from the actions undertaken in 2022 to establish a harmonised framework for the practices and organisation of each subsidiary, formalised in a single safety management reference framework for Keolis activities.

For more information: <https://www.keolis.com/en/safety-and-security-for-all-an-absolute-priority>

3.1.3 Summary of risks of serious harm

Risk categories	Risk description	Possible causes	Potential consequences	Risk management systems implemented
SSP1 - PERSONAL EXPOSURE TO CLIMATIC RISKS	Exposure of customers, employees and service providers to extreme weather events affecting stations or transport services	<ul style="list-style-type: none"> • Difficulty in implementing climate change adaptation trajectories. • Low resilience of infrastructure, stations and rolling stock. 	<ul style="list-style-type: none"> • Direct impact on train traffic and that of other modes of transport operated by the Group. • Poor travel conditions for customers. • Deteriorated working conditions for employees. 	<ul style="list-style-type: none"> • Specific governance by a Strategic Committee on Adaptation to Climate Change (CSACC), set up at the end of 2021 within the Presidents' Committee. • Programmes to improve the resilience of the facilities, infrastructure and rolling stock operated by the Group. • Adaptation of business practices or procedures, and the work equipment made available to employees. • Adaptation of crisis management systems to improve customer care in deteriorated transport conditions
SSP2 - SEVERE OPERATING ACCIDENT	Severe operating accident affecting passenger or goods transport.	<ul style="list-style-type: none"> • Technical, human or organisational failure, or event external to the railway system affecting the safety of traffic. • Non-compliance with safety rules by road users using level crossings. 	<ul style="list-style-type: none"> • Serious injury or death. • Loss of containment of hazardous materials being transported. 	<ul style="list-style-type: none"> • Safety certificate for operating companies. • Safety policies, programmes and action plans rolled out across all Group companies. • A two-pronged level-crossing management policy: removal of level crossings in consultation with local authorities, and increase in the number of improvements aimed at reducing the risks identified (in particular by means of a road assessment). • Specific maintenance standards for tracks carrying hazardous materials trains. • Line-haul tracking and local operating adjustments. • Driver training on the risks associated with the transport of hazardous materials.
SSP3 - ACCIDENTS OR SERIOUS INJURY TO PERSONS ON GROUP PREMISES OR IN GROUP TRANSPORT OPERATIONS	<ul style="list-style-type: none"> • Impact by a moving vehicle (train, bus, metro or tram). • Electrification of a person (customer, migrant, etc.). • Smuggling of migrants without the knowledge of a subsidiary operating in the transport and logistics of goods. • Assault of customers or staff in contact with the public. 	<ul style="list-style-type: none"> • Unauthorised access of railway and metro premises • Lack of awareness of the risks or failure to comply with the safety instructions issued by the company for the normal use of transport services. • Failure in railway site security (security, access control, etc.). • Increased crime and fraud in sensitive areas. 	<ul style="list-style-type: none"> • Serious injury or death. • Psychological trauma in witnesses to an accident. • Physical or psychological harm to persons. 	<ul style="list-style-type: none"> • Systems for secure access to production sites. • Signage and audible announcements of danger to users, particularly in degraded operating modes or emergency situations. • Information, awareness and prevention campaigns aimed at customers and schoolchildren. • Securing of goods transport • Training and equipment for rail security staff (body cameras), sales staff and passenger services staff.

Risk categories	Risk description	Possible causes	Potential consequences	Risk management systems implemented
<p>SSP4 - ACCIDENTS AT WORK AND EXPOSURE OF EMPLOYEES OR CONTRACTORS TO HAZARDOUS SUBSTANCES</p>	<ul style="list-style-type: none"> • Accidents involving the handling of loads, as part of infrastructure or rolling stock maintenance operations. • Road and rail accidents related to the carrier's business operations, or to the use of service vehicles. • Accident on a railway infrastructure maintenance or regeneration site, or on a station renovation site. • Accidental exposure to chemicals or asbestos during maintenance operations on tracks, rolling stock, buildings, or during the operation or dismantling of rolling stock. • Accident in a maintenance workshop (electrification, etc.). 	<ul style="list-style-type: none"> • Non-compliance with safety regulations, procedures or work site protocols. • Poor coordination of participants on a worksite, particularly in a situation of simultaneous operations on an SNCF site. • Inadequate work organisation due to prior joint inspections (ICP) and incomplete or poorly applied prevention plans. • Difficult working conditions (night work, poor weather, etc.). • Undetected damage to components of a building in use. 	<ul style="list-style-type: none"> • Serious injury or death involving an SNCF employee or service provider. • Exposure of employees or service providers, resulting in injury, disability or death, or disabling occupational illness. 	<ul style="list-style-type: none"> • Group safety policy. • National safety audits of production facilities and quality/safety audits of equipment by the Purchasing departments. • Integrated Quality, Health, Safety and Environment management system (ISO14001, ISO45001, ISO9001). Certification of industrial and maintenance sites and some operating activities. • Risk awareness campaigns, training and appropriate equipment for employees. Management monitoring (controls of 1st and 2nd level management). Widespread deployment of the use of see something, say something • Strengthening of risk assessment systems and tools. • Employee training in risk analysis and the preparation of prevention plans. Implementation of action plans to improve the safety of employees of partner companies, and more generally the safety of operations carried out by subcontractors. • Training and information for employees and service providers, medical surveillance of employees, process reviews, etc. • Asbestos asset reduction programme.
<p>SSP5 - TERRORISM</p>	<p>An act of terrorism affecting a mode of transport or public facility operated by the Group.</p>	<p>Bypassing of access or information systems security (cyber-attack).</p> <p>Deliberate damage, theft of materials or sensitive components from facilities, leading to a technical failure that could affect the operation of transport services operated by the Group.</p>	<p>Serious injury or death.</p> <p>Serious physical or psychological harm to employees or customers</p>	<ul style="list-style-type: none"> • Commitment of numerous human and technical resources to ensure passenger safety in the areas served by the Group. • Continuous adaptation to cybersecurity threats.
<p>SSP6 - Long-lasting or recurring health crisis (COVID-19 pandemic)</p>	<p>Resurgence of the disease linked to the emergence of new variants that evade vaccine immunity.</p>	<p>Difficulty in applying health protocols or failure to comply with measures imposed by the health authorities.</p>	<p>Reinforcement of health measures in the transport sector.</p>	<ul style="list-style-type: none"> • Ability to quickly reactivate the implementation and monitoring of the enhanced protocols established to manage the COVID-19 crisis.

3.1.4 Programmes and action plans:

PERSONAL EXPOSURE TO CLIMATE RISKS

Develop resilience to new risk situations

The accentuation and acceleration of the effects of climate change are having major physical and economic impacts on people and the SNCF Group's activities. The increasing frequency of severe weather events, both in France and abroad (rainfall, drought, storms, intense heat waves, etc.) is causing damage to assets and impairing the operation of infrastructure, stations, workshops and rolling stock. This is having a growing impact on service continuity, the safety of goods and people, and employee working conditions.

Highest impact materiality for the Group

In 2023, the company's activities were once again affected by major climatic phenomena, particularly in France: droughts in both summer and winter, unseasonable fires in the Pyrenees, flooding in Hauts-de-France and Alpes Maritimes, recurring storms in the west of the country, etc.) and abroad: tornadoes, floods, etc.

- **For customers**, these events cause deterioration in travel conditions (delays, traffic stoppages, inconvenience and discomfort). On the rail front, three lines were shut down for several weeks in the Pas-de-Calais region, and normal traffic on the Paris-Milan line is not expected to resume until autumn 2024.
- **For employees**, the unpredictability of the weather is such that at certain times of year they are having to manage a crisis on an almost daily basis, with adjustments to working hours, an increase in on-call duty and poorer working conditions.

From the outset of the Duty of Care Plan, personal exposure to climate change emerged as the most critical risk. The initial double materiality analyses carried out as part of the preparatory work for the CSRD confirm this assessment.

Strengthened governance

Based on extensive work carried out from 2015 by various company entities, the Group committed to drawing up a plan for adapting its activities to climate change by 2021. 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 adaptation plan is being implemented by the Group's seven companies under the aegis of the Strategic Committee on Adaptation to Climate Change (CSACC). Set up at the end of 2021 within the Presidents' Committee, it will complement the existing Strategic Energy-Carbon Committee on mitigation. In 2024, climate change mitigation and adaptation will be brought together in a single bi-annual Strategic Climate Committee. A quarterly 'Climate Risks' Steering Committee at Group level, led by the DRASS (Risks, Audits, Safety and Security Department) and the DESTE (Social, Territorial and Environmental Commitment Department), strengthens this governance from an operational risk management perspective.

Consideration of external adaptation requirements

In addition to its efforts, SNCF is contributing to the third National Plan for Adaptation to Climate Change (PNACC 3 for the period 2024-2029), currently being drafted by the French Ministry of Ecological Transition.

An audit of the SNCF Réseau and Gares & Connexions scopes was also carried out by the Court of Auditors in 2023. The purpose of the audit is to shed light on the impact of climatic phenomena on infrastructure, resilience

and the associated costs. The Court is expected to release its findings in 2024.

700 "natural events" claims per year on average (within the scope of the 5 railway companies)

Actions undertaken by the Group in 2023

In 2023, the work carried out under the aegis of the CSACC continued on the basis of the five-pronged action plan defined in 2022:

- The choice of the IPCC scenarios SSP2-4.5 and SSP5-8.5 as common references for all Group companies with a view to developing initial trajectories for adaptation to climate change.
- The launch of vulnerability analyses by all Group companies, along with competent service providers, with an initial broad approach to the impacts of the current and future climate on their assets. These analyses, some of which have already been completed, will be followed by more targeted studies of sites where climate change is a major issue.
- Organisation of awareness-raising and training initiatives for employees and dedicated teams, to develop expertise.
- Identification of changes in the way operations are organised to maintain continuity of service: dedicated structures, best practices, etc. while limiting the impact on third parties and the company.
- Completion of comparative analyses within the UIC (International Union of Railways) to share the practices of other operators faced with extreme conditions.

The human aspect of adaptation to climate change: Priority workstreams for 2024

To further structure its actions, SNCF set up a "Human Impacts" working group in October 2023, co-chaired by the DRASS (Risk, Audits, Safety and Security Department) and the Human Resources Department, with the following tasks:

- Evaluate the impact on the health and safety at work of Group employees, identify the emergence of new occupational risks linked to the deterioration in working conditions: deterioration in the reliability of technical systems, more difficult working relationships, increased arduousness, variability in the exposure of employees depending on their profession, their age, or the geographical area in which they work.
- Anticipate changes in the legal context, which is as yet relatively unrestrictive, but which could soon oblige companies to include climate-related risks in their occupational risk assessment documents (DUERP), particularly in the event of extreme heat.

A three-pronged approach

To prioritise the main impacts on employees, identify the main job families concerned, the geographical areas at risk and draw up an initial OHS risk map, it is necessary to:

- Improve working conditions through concrete measures, anticipating the impact of climate change on work organisation and changes in the legal framework.
- Mobilise all stakeholders through communication, awareness-raising and training initiatives.
- Share best practices and initiatives, and draw up recommendations.

Note: SNCF Voyageurs is taking a number of measures to adapt working and safety conditions for its employees: testing of protective clothing and equipment adapted to hot weather, reorganisation of work schedules, shading to protect employees and prevent trains overheating, innovative reflective coatings on buildings and trains, etc.

ACCIDENTS OR SERIOUS INJURY TO PERSONS ON GROUP PREMISES OR TRANSPORT

Regular prevention campaigns

Almost every week in France, a fatal accident is caused by risky behaviour at level crossings, in stations or near railway lines.

Only stations are normally accessible to the general public and users are free to move around them, subject to safety regulations. The rest of the rail infrastructure is privately owned. Most of the accidents recorded each year are linked to trespassing on SNCF tracks, bridges, tunnels, service buildings and technical sites and their surroundings.

On average, there are 100 collisions at level crossings and 10,000 trespassing incidents every year.

To reduce the number of accidents, prevention campaigns are regularly organised by SNCF Gares & Connexions, in collaboration with SNCF Réseau. Relayed via social networks in particular, these campaigns remind the public most at risk on French railways, i.e. young people and displaced populations, of the rules of safety and appropriate behaviour.

Actions aimed at young people...

For over 20 years, several hundred SNCF employees have been working in the classroom to raise awareness among young people, from CM1 to Terminale, and a partnership agreement with the French Ministry of Education has been in place since 2006.

More than 3 million schoolchildren reached since 2006

...and displaced populations

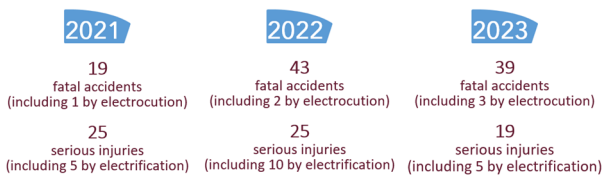
The global management of flows of people fleeing their countries of origin is the responsibility of government departments. However, SNCF has a duty to protect these people from serious accidents that may occur in the vicinity or on the tracks. To achieve this, Sûreté Ferroviaire (Rail Security) works with the authorities to take specific action with migrants to help them move around the transport system and other rail areas.

Improved audible and visual signage

Complementary measures have been deployed:

- 100% of rail crossings with light signals have been equipped with a new signage system.
- Experiments are being carried out on level crossings

Accidents on the railways



Note: in 2023, there was an increase in accidents at major junctions, mainly involving light vehicles, but this was offset by a long-term trend towards a reduction in severity, due to an increased reflex to abandon the vehicle.

– For more details, see NFPS Chapters 4.2 and 8.4.

ACCIDENTS AT WORK AND EXPOSURE OF EMPLOYEES OR CONTRACTORS
CONTEXT OF SIMULTANEOUS OPERATIONS A CONCERN FOR SNCF

The year 2023 was marked by six fatal accidents at work, five of which involved employees of SNCF partner companies on construction and infrastructure sites. Accidents at work within SNCF (railway scope) are also marked by contrasting trends in frequency and severity. The number of accidents among SNCF employees has been falling steadily for several years, but the level of severity remains high.

Having taken the full measure of the situation, SNCF has decided to redouble its efforts to maintain its target of zero fatalities and zero serious injuries. Consequently, the Group has launched a major action plan with all its suppliers and service providers, based on a systemic approach to workplace safety issues.

Reciprocal commitment between SNCF and its service providers

- For SNCF, this means not only being more exacting, but also providing greater support in its relations with suppliers: from negotiation to the conclusion of contracts and the awarding of contracts (strengthening of safety clauses), via the study and preparation of worksites, through to the implementation of protection measures under SNCF's responsibility.
- For suppliers, this means keeping a close eye on the safety of their employees and alerting SNCF as soon as possible to any safety problems they may encounter, in a spirit of transparency and free speech.

Note: an International Committee of Safety Experts has been appointed by SNCF to look into the safety of subcontracting and simultaneous operations. In this context, it is expected to help to improve the safety of employees of partner companies during subcontracted or simultaneous operations. A report, expected in early 2024, will culminate in an action plan steered by the DRASS (Risks, Audits, Safety and Security Department).

In addition to the guidelines announced, SNCF's Safety Department and Purchasing Department are planning to organise exchanges in 2024 with SNCF Réseau, SNCF Gares & Connexions and the three major professional federations to which their service provider companies belong (SETVF, OPPBTP, SERCE*). The aim is to organise joint tours between the SNCF principal and the managers of contractor companies on sites affected by one of the three major risks associated with railway maintenance or works activities, i.e. impact by traffic, risk of electrification and impact by site machinery.

All these measures, set out in an action plan, were presented to almost 800 suppliers and service providers at a webinar organised by SNCF on 8 November 2023.

2023: INITIAL ACTION PLAN FOCUSING ON SIX PRIORITY AREAS

- **Contractual:** addition of safety-related criteria to calls for tender and SECUFER clauses, standardisation of safety clauses.
- **Regulatory:** reminder of the fundamental rules of simultaneous operations, quality of internal texts, etc.
- **Tools:** improvement of the DIGIPREV tool for drafting of prevention plans
- **Monitoring:** knowledge and control of subcontracting levels, consolidation of the frequency rate of partner companies with that of SNCF companies, etc.
- **HR:** training, management of the workload involved in the action plan
- **Communication:** sharing of the work of the simultaneous operations coordination committee

This action plan is being steered by the DRASS, with the involvement of all stakeholders, in particular the five railway companies and the Purchasing Department. It will be supplemented by the recommendations of the report issued by the committee of international experts.

SNCF Réseau’s mission: "Our lives, our priority"

Since 2015, SNCF Réseau has been committed to transforming its safety culture and management to create a dynamic of continuous improvement in safety through the PRISME programme.

Although progress has been made, the tragic accidents that occurred on its sites between November 2022 and July 2023 are inconsistent with SNCF Réseau's demand for a high level of safety.

Targeted actions to protect employees

Consequently, SNCF Réseau's Chief Executive Officer and Deputy Chief Safety Officer announced a mission called "Our lives, our priority", aimed at both SNCF Réseau employees and those of its partner companies. The aim is to implement targeted, high-impact actions to drastically reduce serious and fatal accidents. This mission, led by SNCF Réseau's Executive Committee, was based on:

- Analysis of all the fatal accidents that have occurred since 2016 and of the "High Potential Events" (see definition in Item 2.4.1) in 2023 in relation to the risks of impact by a train, impact by construction machinery and electrocution.
- Implementation requirements to ensure the safety of SNCF employees and those of its partners.
- The use of proven best practices to achieve rapid results.

Reliance on feedback from the field...

The "Our Lives, Our Priority" mission was based in particular on the results of an online survey of operators, operational managers and SNCF Réseau partner companies carried out in November 2023.

The aim of this survey was to find out how people perceive the risk of serious accidents, the perceived effectiveness of the "Life-saving Rules" and prevention standards, in order to make suggestions for improvement.

An analysis of the 16,000 responses received (13,000 from SNCF Réseau and 3,000 from partner companies) shows that, while a third of respondents are aware of their own exposure to danger, the same proportion think that others working on the sites are not as aware of the seriousness of the risks. Another third feel that new

employees are not given sufficient support to work safely. And one in three say they don't always follow the "Life-saving Rules".

Nearly 40% justify the non-application of these rules on the basis of their inapplicability, and 35% cite pressure from production and site progress, as being incompatible with their proper application.

... and mobilise recognised expertise in the world of security

In September 2023, SNCF Réseau convened a working group, bringing together three industry leaders and executives from British rail network operator NetworkRail, representatives of major partner companies, and industry trade federations (OPPBTP, SETVF, SERCE, SYNTEC Ingénierie, etc.). The conclusions of this working group will be used to enhance SNCF Réseau's action plan to improve the safety of its partner companies' employees on its worksites.





APPLICATION OF THE SECUFER DECREE

As part of the application of the SECUFER Decree (see insert on next page), in mid-2023 SNCF Réseau completed an update to its requirements in terms of staff safety, in relation to the risk of electrocution and the risk of impact by rail traffic. These texts apply to all partner companies operating on the national rail network. As the French State has not yet published the Order implementing the Decree, SNCF Réseau, in consultation with its industrial partners, has set dates for the implementation of these new rules:

- Risk of traffic impacts: applied by SNCF Réseau from 1 April 2023 and by the partners from 1 April 2024.
- Electrical risk: application by SNCF Réseau and its partners from 1 October

SECUFER Decree (No. 2017-694 of 2 May 2017)

This decree applies the prevention principles set out in the French Labour Code (Art. L. 4121-1 and L. 4121-2). It refocuses responsibility for risk prevention on each employer and rebalances the obligations incumbent on employers and infrastructure managers. The Decree's main measures highlight the employer's obligations with regard to preventing the risks of collisions and electrical hazards to which its employees may be exposed:

 <p>Assess risks linked to rail traffic, movement of workers, any work on or near tracks, prior to work on vehicles, preparation of trains, etc. Establish preventive measures and define the rules for organising and managing work.</p>	 <p>Inform workers of conditions of access to rights of way and travel arrangements, the boundaries of risk zones and the rules to be observed in these zones.</p>	 <p>Provide training and ensure compliance with preventive measures. Manage authorisations (e.g. railway electrical accreditation) and provide each authorised or accredited employee with the written instructions relating to the electrical installations or equipment.</p>	 <p>Issue written authorisations for access to railway rights of way, verifying the necessary knowledge following appropriate theory and practical training.</p>
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FOCUS ON ... Gares & Connexions

IMPROVEMENT OF HEALTH AND SAFETY INDICATORS

For Gares & Connexions, the results are an improvement on the targets, with an accident frequency rate of around 6.8 at the end of November 2023. This is part of a strong downward trend in this rate, down 30% since the company's creation in 2020, thanks to the full implementation of the PRISME programme.

For 2024, SNCF Gares & Connexions will continue to train its operational staff who are in daily contact with work situations in the field (see something, say something training), with the aim of detecting deviations before accidents occur.

A body of rules based on the "Life-saving Rules" model will be drawn up to prevent the risk of accidents or incidents linked to the use of site machinery, which require greater vigilance based on the detection of several weak signals.

The agreement signed with the OPPBTP federation in 2023 and the joint work with the Purchasing Department will enable the sharing of prevention measures in relation to the work and the nature of the sites.

FOCUS ON ... Geodis**COMPREHENSIVE OCCUPATIONAL RISK PREVENTION PROGRAMME**

A programme called ROADCARE is being rolled out within the European Road Network. The aim is to harmonise the approach across the network and to take advantage of feedback from the teams on the ground. In 2023, a new on-board IT tool was used to assess drivers' driving performance. This assessment is based on indicators taken directly from the vehicle, refined according to the road and traffic profile.

ASBESTOS: A PRIORITY PROGRAMME FOR THE WHOLE OF SNCF

Asbestos is one of the major health risks for the five railway companies, which have decided to adopt a joint prevention policy.

The DRASS (Risks, Audits, Safety and Security Department), which is responsible for the Group's safety goal, steers the strategic "Asbestos Risk" action plan and the coordination of companies as part of a Steering Committee chaired by a member of the Executive Committee. The DRASS OHS department is responsible for monitoring the practical implementation of these actions.

Specific action plans...

Each of the five railway companies has set out these challenges in an action plan specific to its scope and activities, and is overseeing its implementation through a network of representatives and contact persons in its sites.

- **The Property Department** has drawn up a multi-year master plan for asbestos removal work in each area. In addition, the rollout of a new asbestos risk management tool began at the end of 2023.
- **Gares & Connexions** is working on a multi-year asbestos removal plan to eliminate the risk. With this in mind, the completion and continual update of Asbestos Technical Files (DTA) remains a key area of risk prevention for buildings. Two actions are already being systematically taken to ensure that employees are no longer exposed to risk:
 - Survey and identification of asbestos-contaminated materials before any work is carried out
 - The implementation of a response protocol by specialised and accredited companies.
- **The SNCF Voyageurs equipment business** has set out a strategic plan for the dismantling of decommissioned equipment up to 2028. As a parallel measure, asbestos-contaminated parts are removed during maintenance operations. By the end of 2023, asbestos will have been removed from more than 1,000 items of equipment (locomotives, coaches, etc.).
- **At SNCF Réseau**, work is continuing to identify and remove asbestos-contaminated references in its supplies.

... managed as part of a global strategic action plan

However, the operational management of asbestos risk remains complex due to the diversity of the company's historic tertiary and industrial assets. It requires substantial investment. The Group action plan, which is monitored by the Chairmen of the five railway companies, ensures that the action plans are effectively implemented within each entity, in particular:

- The appropriate scaling of asbestos removal strategies.

- The proper consideration of risk analyses, including in operating procedures, in line with obligations under the French public health and labour codes.
- The traceability of exposure and effective implementation of medical surveillance. To this end, the Occupational Health Platform tool has been modified to ensure that data is archived in compliance with the company's obligations (including GDPR and Health Data).

The implementation of these measures is reflected several specific operations carried out in 2023. For example, following the publication of recommendation R.514 of the Comité Technique National des activités des services (CTN) on the cleaning of asbestos-coated vinyl tiles, a global action plan was launched to control the risk without delay and eliminate it by the end of 2024 at the latest (2,200 buildings affected by the covering or removal of asbestos-coated vinyl tiles).

Note: By the end of October 2023, SNCF had invested €56m in the reduction of asbestos-related risks in certain equipment (infrastructure, buildings, rolling stock).

PHYSICAL ATTACKS ON STAFF

Against a backdrop that was severely impacted by the urban unrest in France in the summer of 2023 and the move to "Critical" threat level at the end of October, the working conditions of customer-facing professions are deteriorating, amid a climate of violence that has worsened progressively since the end of the Covid 19 pandemic. This has had a major impact on employees' day-to-day exposure to conflict and risk.

Consequently, despite a slowing in the upward trend, the number of offences against employees in 2023 appears to be higher than in 2022. Even so, accidents at work linked to safety incidents remain under control, and are even declining for some professions. The factors leading to these accidents are mainly external.

Protection measures taken

Despite the cyclical improvement observed, the deterioration of the current security situation has led SNCF to continue its prevention and support initiatives for its customer-facing staff.

SNCF staff safety: prevention and support initiatives

Every day, almost two SNCF employees in stations or on trains suffer an accident at work as a result of physical assault or verbal aggression. These everyday anti-social behaviours are responsible for 23% of work-related accidents with lost time at SNCF Voyageurs and 19% for SNCF as a whole. To prevent these attacks and support its employees, the company has put in place a series of coordinated actions:

- Training to prevent and protect against these situations.
- The provision of a warning system in the event of an extreme emergency.
- A trial equipping volunteer sworn SNCF Voyageurs employees with 2,200 body cameras and providing Rail Security with 500 body cameras. The aim is to have 4,000 body cameras by 2024. According to the current trial, triggering a recording calms 95% of situations, and facilitates the police investigation in the event of a complaint.
- Diagnoses of certain priority sites, in conjunction with local (town halls, associations, prefectures, etc.) and social stakeholders.

- The signing at the end of 2023 of a new collective agreement on the protection of rail security staff against the risks associated with the job.

+4% increase in physical assaults on SNCF staff by the end of 2023 compared with 2022.

TERRORISM, MALICIOUS ACTS, PERSONAL INJURY

Terrorist risk and malicious acts

In response to the terrorist attack in Arras on 13 October 2023 and the sudden deterioration of the situation in the Middle East, the French government decided to raise the Vigipirate plan level to "Urgence attentat" (Critical) across the country. The continuing high threat of terrorism exposes the transport sector to the risk of attack. Against this backdrop, SNCF has increased the number of Rail Security patrols on trains and in stations, stepped up passenger information and raised vigilance levels to ensure the security of buildings (stations and SNCF sites).

The SNCF Group is working closely with the public authorities on the threat of terrorism. As a proactive researcher and tester of preventive solutions, the Group is implementing a number of initiatives to better detect threats in its premises, such as:

- The deployment of video surveillance.
- The positioning of armed security staff or service providers, canine detection teams and video patrols.
- Cooperation with internal security forces.
- SNCF's "Agissons Sûreté" initiative, which aims to encourage staff to adopt the best safety practices.

Finally, to combat the growing risk of cyber-attacks, the Group is taking preventive and remedial action. Its strategy aims to prevent any production stoppages and to guarantee 100% safe movement of trains and all its services.

Personal injury

The Group's security policy accounts for all forms of threat or attack.

SNCF deploys a significant number of human and technical resources to ensure passenger safety, in particular via the internal safety service of the Security Department, which will soon have almost 3,500 employees deployed throughout France. In addition, Group companies use specialist service providers. All these tasks are carried out in close cooperation with French government departments.

Systemic approach to safety

In addition, the strengthening of the company's safety culture encompasses the various behavioural, managerial and technical aspects that help to improve risk management, by developing a shared sense of vigilance among all of the Company's employees.

— For more details, see Chapter 4.2.3.

3.2 HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

3.2.1 Social and societal commitments reaffirmed and harmonised for all Group entities

Respect for human rights and fundamental freedoms is an inherent part of the SNCF Group's *raison d'être*, as a public utility for the benefit of sustainable mobility.

Since 2003, the SNCF Group has been a signatory of the United Nations Global Compact, making a direct

contribution towards the achievement of the UN's Sustainable Development Goals (SDGs).

The SNCF Group strives continuously to identify, assess and prevent the risks of human rights violations by implementing the principle of due diligence in all its operating methods. The Group reports on all these provisions in its Duty of Care Plan, in accordance with the French Duty of Care Law of 27 March 2017 (No. 2017-399).

These commitments apply to all its activities, regardless of the country in which they are carried out. They cover the fundamental principles defined by:

- The International Bill of Human Rights, comprising:
 - The Universal Declaration of Human Rights.
 - The International Covenant on Economic, Social and Cultural Rights.
 - The International Covenant on Civil and Political Rights.
 - The United Nations Guiding Principles on Business and Human Rights.
- The Declaration on Fundamental Principles and Rights at Work.
- And the Fundamental Conventions of the International Labour Organisation (ILO).

Vis-à-vis employees

By formalising its human rights policy, the Group, as a responsible and committed corporate citizen, is reaffirming its commitments in all the countries in which it operates. This is an opportunity for SNCF to reinforce its practices by placing all its employees front and centre and guaranteeing them:

- A safe and healthy working environment to ensure their health and safety in the course of their work.
- Fair and equitable remuneration that takes account of the local or regional conditions in which they work.
- Freedom of association and the right to collective bargaining for its employees, whether or not they join a trade union.
- Maintaining employability and career development, through training and career guidance.
- Access to mediation and psychological support in situations of conflict or precariousness at work.

In 2023, the SNCF Group adopted a human rights policy, signed on 11 December by the chairmen of the seven companies.

For more information: medias.sncf.com/sncfcom/pdf/politique-droits-humains-groupe%20-sncf.pdf

3.2.2 Summary of risks relating to human rights and fundamental freedoms

SNCF'S RESPONSIBLE PURCHASING STRATEGY

The priority actions carried out since the first Duty of Care Plan (see Item 6.2) have focused on the risks of breaches of human rights and fundamental freedoms (illegal employment, non-compliance with ILO principles) in supply chains, where the potential for risks to occur appears to be the most critical. This is particularly the case in business sectors or geographical areas considered to be at risk according to the composite "ESG"⁴ (environment, social, governance) index used to analyse the risks associated with the duty of care (see map opposite).

Although the probability of occurrence of risks linked to first-tier suppliers remains low, with 95% of SNCF's €15.8bn in purchases made from suppliers established in France, the risks linked to illegal employment may also affect Europe and France, particularly in labour services activities (security, cleaning, temporary work, construction sites, call centres, etc.). SNCF is exercising increased vigilance in these sectors by monitoring the provision of services.

For example, SNCF Réseau's production entities check the identities and qualifications of employees of service providers working on sites under their responsibility. Vigilance over these measures will be stepped up as part of the priority set for this 2024 Duty of Care Plan (see the introduction to the Plan), against a backdrop of increased use of subcontracting, particularly in connection with the Paris 2024 Games.

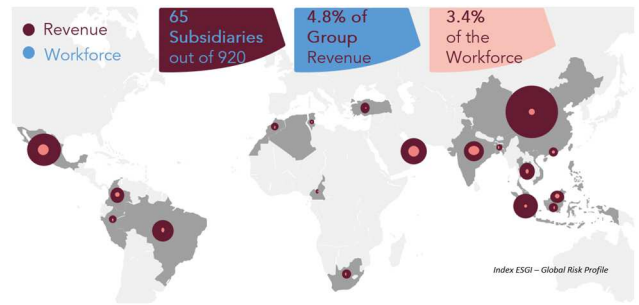
On-site audits for labour services

Since 2022, Group companies have been trialling tighter control over the performance of labour service contracts by carrying out on-site supplier "social" audits, in addition to the quality/safety audits already carried out for many years. These approaches were the subject of feedback in 2023, and will be continued in 2024 (see Items 4.3 and 6.2).

Since 2008, the SNCF Group has been developing a responsible purchasing strategy, based on a strong commitment to respecting human rights. In this context, all SNCF Group companies (including subsidiaries not

subject to the public procurement code) require their suppliers and subcontractors to adhere to the ethical charters or codes of conduct in force within their scope. SNCF relies on its Supplier Relations & CSR Charter, which applies to all SNCF suppliers. SNCF's centralised Purchasing department and Purchasing departments within SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions and Fret SNCF implement this charter in the contracts signed with their suppliers. SNCF, which has held the "Responsible Supplier Relations and Purchasing" (RFAR) label since 2012, saw the label renewed at the end of 2022 for its five rail companies.

Map of Risks by Group country ('ESG' index)



Risk categories	Risk description	Possible causes	Potential consequences	Risk management systems implemented
DH1 - PSYCHOSOCIAL RISKS (PSR)	The wholesale transformation of the company in connection with its opening up to competition, in a world affected by recurring crises, may have a destabilising effect on groups and individuals.	<ul style="list-style-type: none"> • Rapid changes in business lines and organisations as a result of the digitisation of work processes and the drive for greater performance in the face of competition. • Implementation of the Fret SNCF operational discontinuation project. 	<ul style="list-style-type: none"> • Deteriorating working conditions. • Individual difficulties in adjustment leading to psychological pain. • Increase in absenteeism and unfitness for work. 	<ul style="list-style-type: none"> • Completion of PSR assessments for all transformation projects. • Deployment of a new approach to pre-diagnosis and assessment of PSRs to help prioritise preventive actions. • Training of managers in transformation support (HR guides, etc.). • Promotion of collective values• Mediation and conciliation services. • Psychological support centre available 24 hours a day and a network of 600 local OHS specialists. • Internal reorganisation to encourage multidisciplinary approaches.
DH2 - SEXUAL HARASSMENT AND GENDER-BASED VIOLENCE	Sexual harassment and gender-based violence in the workplace and on public transport	<ul style="list-style-type: none"> • Insufficient involvement of managers in relation to the challenges. • Insufficient employee awareness. • Inaction of victims and witnesses in response to incidents. 	<ul style="list-style-type: none"> • Discrimination in career development. • Shaming of women in relation to parenthood. • Deterioration in working conditions. • Physical or psychological harm to employees or customers • Feeling of unsafety on public transport. 	<ul style="list-style-type: none"> • Strict application of the zero tolerance principle. • Specific reporting process and professional whistleblowing platform. • Guide to handling reports of sexual harassment and gender-based harassment. • Employee awareness campaigns. • Sexual harassment representatives appointed in the works councils and in each Group company. • A package of protection and security measures implemented on public transport.
DH3 - INFRINGEMENT OF FUNDAMENTAL LABOUR RIGHTS IN SUPPLY CHAINS Note: Programmes and action plans relating to this risk are covered in Item 4.3 of this plan.	Non-compliance with local labour regulations or fundamental labour principles and rights by a service provider or subcontractor in France or abroad: sensitive activities such as road transport, logistics, construction and public works, infrastructure works and maintenance, cleaning, security, forwarding agents, etc.	<ul style="list-style-type: none"> • Failure by the SNCF Group to implement the principle of due diligence. Example: poor control of temporary employment agencies or service providers when providing external staff. • Untrained or non-accredited workers working on SNCF Group sites. • Cascaded subcontracting practices. 	<ul style="list-style-type: none"> • Decent working conditions not guaranteed (safety at work, pay, social protection, etc.). • Discrimination or harassment. • Damage to the physical and psychological wellbeing of workers. • Restriction of fundamental freedoms (employees' right to organise). • Lack of appeal or mediation procedures available to employees. 	<ul style="list-style-type: none"> • Evaluation of suppliers considered to be at risk due to their activity and/or geographical location. • Commitment by Tier 1 suppliers to respect and ensure respect (by their co-contractors, sub-contractors and intermediaries) of the SNCF Group's Supplier Relations & CSR Charter and Ethics Charter in the performance of the contract. • Control of procedures for hiring temporary staff, with systematic verification of identity and age. • Monitoring of cabotage and secondment rules by the Legal Department. • On-site social audits of suppliers and internal audits. • Investigation by the Group Ethics Department following a report.
DH4 - PERSONAL DATA BREACH	Accidental breach of personal data whose management is entrusted by SNCF to an IT or video protection service provider or subcontractor.	Failure to protect SNCF's information systems or those of one of its service providers.	Customer, employee or supplier data disclosed or compromised.	<ul style="list-style-type: none"> • Specific agreement on data protection when service providers are used to manage personal data (standard contractual clause, systematically deployed). • Privacy impact assessments for high-risk processing operations. Measures included in the information systems security policy (PSSI).

3.2.3 Programmes and action plans

PSYCHOSOCIAL RISKS

Changes at SNCF, in particular the restructuring of Fret SNCF, and new ways of working, combined with a difficult economic and geopolitical context, are leading the company to heighten its vigilance with regard to psychosocial risks (PSR).

In addition, Law no. 2021-1018 of 2 August, known as the "Health at Work Act" (which comes into force on 31 March 2022, unless specifically provided otherwise), confirms the need to take PSRs into account in the assessment of risks to workers' health and safety (amended Labour Code, art. L.4121-3).

Existing schemes from 2019 AT SNCF

SNCF has launched a number of initiatives at institutional level, aimed at managers and HR/Quality/Safety staff:

- **A new social pact** through the "Tous SNCF" company project and its commitment to employee satisfaction.
- **A quality of working life (QWL) and psychosocial risk (PSR) prevention policy**, entitled "Well-being and efficiency at work", approved by all Group companies and accompanied by a guide entitled "Anticipating human challenges".
- A standardised "**socio-economic report methodology**", deployed in all SNCF establishments, to assess the impact of the transformations defined by the Human Resources Department. It is used in all development projects, and more specifically for the assessment of PSRs as part of the preparation of the Single Occupational Risk Assessment Document (DUERP)⁵. In the current period of instability, this approach enables management to be more attentive to the points of view expressed by employees, both individually and collectively.

A GLOBAL approach to the prevention of PSR to be launched in 2023 - within the scope of the five railway companies-

Based on feedback from existing national systems and an analysis of SNCF's economic, human and ethical issues, the new approach is intended to be a comprehensive prevention system: primary, secondary and tertiary prevention (as defined by the World Health Organisation). Structured in three stages, it requires:

- 1:** An initial assessment of the current situation in our establishments and business units, through a preliminary diagnosis based on data from the annual "C'est à Vous" (It's up to you) survey.
- 2:** The provision of tiered support according to the individual situation of each entity. By being aware of their risk level, entities can adapt their prevention policy according to their priorities.
- 3:** Integrate a global approach to the prevention of PSRs, with the help of PSR specialists in the establishments and thanks to the increased professionalism of the OHS specialists and HR players involved. This also involves raising managers' awareness of PSRs and improving coordination between professionals (psychological support centre, occupational physicians, etc.) and with stakeholders (OHS specialists, staff representatives, etc.).

This global PSR prevention policy should therefore enable us to better meet our legal obligations in terms of assessing and preventing these risks.

FOCUS ON... SNCF Réseau

EXAMPLE OF THE IMPLEMENTATION OF THE NEW PRELIMINARY PSR DIAGNOSIS BY SNCF RÉSEAU

- Sharing of the approach with the SNCF Réseau Executive Committee.
- Establishment of a national psychosocial risk management system at the level of the Réseau's human resources department and planning of work with OHS specialists.
- Ownership of the approach by establishments in local production areas.
- Support for preliminary diagnosis and implementation of action plans for a number of establishments where the situation appears to be deteriorating.
- Use of the preliminary diagnosis at the finer level of operational units within establishments.

FOCUS ON... SNCF Voyageurs

EXAMPLE OF THE IMPLEMENTATION OF THE NEW PRELIMINARY PSR DIAGNOSIS BY SNCF VOYAGEURS

- Creation of a data visualisation tool for results by entity for more agile management.
- Sharing of the results with the Executive Committee, management and all CSSCTs.
- Creation of a network of 'PSR' representatives for each business line, led by a pair of national representatives.
- Presentation by a doctor specialising in chronic stress and the risks of burn out to 250 top managers.
- Trialling of innovative awareness-raising modules: "First aid in mental health" - using virtual reality to detect warning signs of the risk of burnout.

FOCUS ON... Fret SNCF

IMPACT OF THE TRANSFORMATION OF FRET SNCF ON EMPLOYEES

Following an EU investigation into the conditions under which Fret SNCF, which had been operating at a loss, was able to continue to operate between 2007 and 2019, the company has been forced to restructure and cease some of its operations (block trains).

Although this scenario, known as 'operational discontinuity', does not give rise to any redundancies, strengthened support measures are being put in place for employees as part of the Group's solidarity policy. In addition, this restructuring process is the subject of consultations with the trade unions.

SEXUAL HARASSMENT AND GENDER-BASED VIOLENCE

The handling of these risks relates, on the one hand, to the policy of access to transport and, on the other hand, to the prevention of sexual harassment and gender-based violence in the workplace.

Equal treatment in access to transport

By virtue of its mission as a public service and its continuous commitment to exemplary behaviour, the company strives to ensure that all its users are treated equally in their access to its services on a daily basis and does not tolerate any form of discrimination, harassment or violence against them. A study by the FNAUT⁴, which is still the benchmark today, showed that in 2016, 87% of female public transport users said they had already been victims of sexual or harassment or gender-based violence

⁴ National Federation of Transport Users' Associations

on public transport. Since this study was carried out, there has been no decline in this type of behaviour.

Prevention measures since 2015

SNCF and its subsidiary Keolis, in particular, are actively pursuing their prevention initiatives as part of the national plan to combat sexist harassment and gender-based violence on public transport, which they adopted in 2015 (see next page). To achieve this, they rely on the prevention obligations inherent in the Transport Code and on the powers of arrest and injunction conferred on Rail Security officers.

No visible improvement to date

The 2022 annual report on "sexual harassment and gender-based violence on public transport", published in November 2023 by the French Ministry of Transport, shows a relative stability in the number of such offences (+0.4% in 2022/2021), mainly due to a 13% drop in "gender-based offences". However, these trends cannot mask a worrying 12% increase in "contact offences" (while "non-contact offences" remained more or less stable at +0.3%).

LIGHTING

most of the attacks occurred on networks in the Greater Paris area: 79% of contact offences, 79% of gender-based offences and 69% of non-contact offences; trains and the RER account for the majority of offences (1,231), followed by the metro (638), buses (452) and trams (202)... and women are the majority of victims (76% compared with 7% of men) - Source: 2022 report on gender-based offences - Ministry of Transport.

Zero tolerance of sexism in the workplace

The Health at Work Act, which came into force on 1 April 2022, introduces a new definition of sexual harassment in the Labour Code, aligned with that of the Criminal Code. In compliance with these new provisions, SNCF has updated the prevention measures and actions already in place (reporting, harassment representatives in all entities, awareness-raising measures, etc.) and updated the internal regulations of the Group's companies.

In addition, an internal survey carried out in 2022 showed that, while gender equality is progressing, too many of the company's women continue to experience sexist behaviour in the workplace.

Several priorities for action

To meet these challenges, a national action plan for all employees has been implemented across the Group. The aim is to raise awareness, get people talking and establish the principle of zero tolerance. The plan takes a four-pronged approach:

- A massive national awareness campaign, and training for 100% of management committees by the end of 2024.
- An e-learning programme entitled "Preventing and responding to sexist behaviour and sexual harassment", which will be compulsory for all employees by the end of 2024.
- A strengthened reporting system combined with a guide to preventing sexist behaviour or sexual harassment for all employees.
- Statements by the CEO and the chairmen of the seven companies.

Note: since 2021, 55 disciplinary boards have been held in connection with these breaches, resulting in 19 strikings-off or dismissals.

FOCUS ON... SNCF Voyageurs

PREVENTION INITIATIVES ON DAILY RAIL SERVICES

In addition to the introduction of targeted actions on sensitive lines, and training of Rail Security teams to better tackle violence and provide support for victims, SNCF Voyageurs regularly informs its customers about existing measures to combat and protect against violence. On 27 November 2023, employees from Rail Security and Transilien came to more than fifty stations to present the systems.

FOCUS ON... Keolis

PUBLIC POLICY TO COMBAT GENDER-BASED AND SEXUAL VIOLENCE

- This commitment is a top priority for Keolis, and has been reflected in a number of actions since 2022:
- Keolis' commitment to combating violence against women and promoting gender equality through the sponsorship agreement signed with the Fondation des Femmes.
- The continuation of actions to raise awareness among all staff via dedicated "Stand up" sessions, so that they can take action safely as victims or witnesses of harassment in public.
- The deployment of preventive communication campaigns against gender-based harassment on the transport network, under the aegis of the transport organising authorities.

In addition to these actions, a number of initiatives have been launched locally by the many networks operated by Keolis in France and abroad.

Main protective measures against sexual harassment on the transport network

- A combined regional operational security coordination centre (CCOS), open since 2022, which brings together all passenger security services in the Greater Paris region (police, gendarmerie, transport operators), under the authority of the Paris Police Prefect.
- Passenger information campaigns and the display of rules of use on transport operated by the Group (SNCF and Keolis).
- Awareness campaigns among employees, with a module included in the training of station and Rail Security employees, as well as an e-learning module at Keolis focusing on prevention and support for victims.
- SNCF's Rail Security department has deployed civilian teams, trained to combat sexual harassment and gender-based violence, and to encourage intervention in cases of flagrante delicto.
- Partnership initiatives at local and regional level, involving the national police and gendarmerie.
- Call boxes, a single alert hotline and SMS number (3117 and 31177 available 24/7).
- More than 80,000 video protection cameras in operation in transport systems in the Île-de-France region.
- The extension of stop-on-demand systems for night buses (Keolis, SNCF), and the introduction of a "dame seule" (women-only) carriage on night trains.
- The development of participatory safety audits (Gares & Connexions, Keolis) to identify sensitive areas in the transport system.

— For more details, see NFPS Chapters 4.2 and 8.5.

PERSONAL DATA BREACHES

Two lines of control

In June 2023, following an attack organised by an international group of cybercriminals that affected several hundred large companies and government agencies around the world, an SNCF IT service provider suffered a theft of personal data relating to SNCF employees. SNCF has of course done everything in its power to prevent any further harm to its employees. However, this type of event shows that, despite a strict framework designed to guarantee the security of personal data, the use of service providers calls for greater vigilance.

What's more, it highlights the importance of constantly upgrading the systems deployed by SNCF to ensure that the personal data of its customers, employees, or those of its service providers and partners is protected, in full compliance with the GDPR. This is based on two key elements:

- Legal and organisational measures implemented by the network of DPOs (Data Protection Officers), supervised by a Group DPO within the Group Digital Department.
- Technical and digital systems deployed under the aegis of the Cyber Security department.

Note: since 2020, SNCF has had an operational cyber security centre which collects, analyses and supervises alerts and weak signals, enabling it to detect and counter cyber attacks.

Main actions in 2023 and outlook for 2024

Against a backdrop of growing threats, the deployment of awareness-raising and training initiatives for all employees accelerated in 2023: e-learning modules, test exercises, etc. These initiatives covered both the regulatory aspects (GDPR) and the vigilance and good cybersecurity habits to be adopted on a daily basis. At SNCF, 107,000 employees have been trained. In 2024, new awareness-raising content will be launched and deployed in Group facilities. Keolis has also co-signed the French government's Cyber Charter with SNCF.

And at Geodis, the cybersecurity function, which reports to the Executive Committee, issues a comprehensive strategy in the regions where the company operates, and across all business lines.

The company also keeps a constant watch on the rapid evolution of attack methods deployed against organisations in France and Europe, in liaison with external experts and the French National Agency for Information Systems Security (ANSSI). In addition, SNCF's high-risk processing operations are subject to privacy impact assessments.

Strengthened IS security governance

Lastly, IS security governance was strengthened in 2023 with the appointment of two national information systems crisis directors (DNCSI) to steer the 24/7 digital crisis management system.

In addition, specific measures will be implemented for the duration of the Paris 2024 Games.

— For more details, see NFPS Chapter 2.2.1.

107,000 employees trained in good cybersecurity habits by the end of 2023.

3.3 ENVIRONMENT

3.3.1 Environmental commitments

Managing ecological and climatic risks

All the services provided by the SNCF Group to society and the regions in France, Europe and around the world contribute, thanks in particular to the railways, to reducing global warming and limiting our ecological footprint. To maintain these advantages, the Group ensures that its own activities, and those of its suppliers, respect global safety and the right to a healthy environment.

Consideration of impacts in SNCF's environmental policy

The Environment policy, structured around the model of SNCF's Safety policy, is part of this global approach to safety. Signed by the President of SNCF and the heads of the SNCF rail companies in July 2022, it will strengthen the governance of environmental safety throughout the company.

The policy aims to make environmental management more robust, to control the risks of environmental damage and to ensure regulatory compliance:

- Railway production and operating sites: industrial maintenance, works, transport of dangerous goods, etc. They are the primary guarantors of the control of environmental impacts, both directly and through the control of the impacts of suppliers and subcontractors involved in these activities.
- Railway investment projects, through a life cycle approach.

Group environmental management

To reduce environmental risks, roles and responsibilities within the five railway companies are defined in internal regulations. Training courses tailored to railway staff and professions have been set up, and regulatory monitoring has been implemented. In addition, the ISO 14001 certification of the industrial sites identified as most at risk is regularly renewed, and an environmental impact assessment system is in place for all other sites.

At GEODIS, a third (33%) of sites will be ISO 14001 certified by the end of 2023. Keolis has set a target of certifying 80% of its revenue by 2030.

A global safety approach at SNCF

A systematic approach to reporting and analysis of environmental events, inspired by the rail operating safety approach, is being deployed at SNCF Réseau, SNCF Voyageurs and Fret SNCF.

In order to improve the operational control of environmental risk activities at our facilities, internal documentation will be simplified in 2023, in line with the company's PRISME global safety programme (see section 3.2).

— For more details, see NFPS Chapters 5.1 and 5.2.

Deployment of management systems

FOCUS ON... the SNCF Group

ENVIRONMENTAL MANAGEMENT WITHIN THE GROUP

Based on common standards that meet the requirements of the international benchmark ISO 14001, environmental risks are identified and analysed as close to production-level as possible, and environmental management objectives and responsibilities are defined.

- **SNCF Voyageurs**, as part of its general safety policy, deployed a triple QSE certification policy in 2008, including ISO 14001 certification of the environmental management system for all industrial sites. The aim is to maintain this level of certification at 100%, including for new sites.
- **SNCF Réseau** is aiming for 100% of its establishments to be covered by an Environmental Management System with an ISO 14001 label or certification by the end of 2025. By the end of 2023, the EMS deployment rate for operational activities will be 54%.
- **Keolis** has been committed to ISO 14001 certification since 2013. By the end of 2023, 60% of Keolis SA's revenue will be covered by ISO14001 certification. To build on this momentum and help all its subsidiaries improve their environmental management, the company aims to cover 80% of its revenue by 2030.
- **Geodis** has held an environmental certification (ISO 14001) for 308 sites (33%) since the end of 2023.

company facilities. It provides a global view of the challenges, environmental risks and level of compliance of each facility, and enables them to be managed at territorial, business activity or SNCF company level.

This tool is the platform for the environmental management system (EMS). It is linked to PROGRESSEO, the monitoring tool for the "Tous SNCF" corporate project.

The environmental management system is steered by an annual environmental management review, between each SNCF company and SNCF Holding's DESTE (Social, Territorial and Environmental Commitment Department).

– For more details, see NFPS Chapter 5.2.

Joint steering systems - five railway companies

An information system for environmental management ("Les Experts HSE Perform") is deployed in all SNCF

3.3.2 Summary of risks of serious environmental damage

Risk categories	Risk description	Possible causes	Potential consequences	Risk management systems implemented
ENV1 - ACCIDENTAL RELEASES OF HAZARDOUS PRODUCTS OR WASTE	Accidental or chronic discharges by SNCF or one of its service providers of hazardous products or waste as part of its industrial maintenance or operating activities (rail and road transport, marshalling and logistics activities).	<ul style="list-style-type: none"> • Non-compliant management (transfers, treatment, disposal) by SNCF or one of its service providers of hazardous waste generated by worksites (infrastructure or buildings). • Non-compliance of a facility classified for environmental protection (ICPE). • Technical failure or error in the application of procedures, caused by SNCF or one of its service providers (e.g. fuel spillage and lubricant leaks). • Disaster, accident or external event resulting in an accidental leak, discharge or spill. • Outdated facilities at certain industrial maintenance or operating sites. 	<ul style="list-style-type: none"> • Serious pollution of the natural environment due to the accidental or persistent release of hazardous substances into the air, water or soil. 	<ul style="list-style-type: none"> • All the Group's rail maintenance and operating activities are covered by environmental management systems (EMS). The industrial rail establishments and many GEODIS and Keolis sites are ISO 14001 certified. ICPE facilities are subject to regular compliance monitoring. • Established and responsive "D+1/M+1" process for handling significant and major environmental events. • A purchasing unit dedicated to assessing the contractual clauses of waste collection and treatment contracts and monitoring contract performance. • Requirement for documents as part of public procurement contracts, specifying the organisation put in place by service providers to control the risks of impact from a worksite 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). • The "clean worksites, clean network" approach deployed by SNCF Réseau in the Ile-de-France region, aimed at controlling and limiting the impact of works on the environment (nuisances, noise pollution, consumption of resources, waste, pollution). • Investment programme to renovate and bring up to standard the wet networks at the industrial sites of the Group's five railway companies.

Risk categories	Risk description	Possible causes	Potential consequences	Risk management systems implemented
ENV2 - DEPLETION OF RESOURCES (WATER, MATERIALS)	Impact of the Group's activities on the depletion of resources, caused by the industrial processes involved in the maintenance of infrastructure and rolling stock.	<ul style="list-style-type: none"> Outdated water networks at some industrial sites (leaky networks). A dilapidated property portfolio. Failure to implement the circular economy policy and programmes adopted by the Group. 	<ul style="list-style-type: none"> Wastage of resources leading to a deterioration in the ecological footprint of activities. Difficulty in controlling water consumption. Environmental non-compliance of fire safety or sanitary installations, etc. 	<ul style="list-style-type: none"> Renovation programme for wet networks at industrial sites operated by the Group's rail companies. Policy of equipping sites with new digital tools for monitoring consumption. Deployment of sub-meters with remote reading to prevent leaks or over-consumption. Deployment of sub-meters with remote reading to prevent leaks or over-consumption. Closed-circuit wastewater treatment plants at some technical centres. The SNCF Group's water efficiency plan from 2023. Application of the principles and definition of a circular economy policy in industrial activities, which are the main consumers of resources.
ENV3 - OVER-CONSUMPTION OF ENERGY AND GHG EMISSIONS	Non-compliance with the trajectory for reducing greenhouse gas emissions (CO ₂ : -30% for transport and -50% for buildings between 2015 and 2030) due to over-consumption of fossil fuels.	<ul style="list-style-type: none"> The complexity of industrialising low-carbon mobility solutions. Delay in implementing the Tertiary Sector Decree. Insufficient control of energy consumption in buildings. 	<ul style="list-style-type: none"> Increased contribution to global warming. Non-compliance with the Group's commitments. 	<ul style="list-style-type: none"> Reduction trajectory underway in all Group companies. The Group's energy efficiency plan. Securing of projects for the deployment of alternative energies (hydrogen, agrofuels, etc.) and investments linked to the implementation of the Tertiary Sector Decree. Renewal of alternative energy road vehicle fleets (GEODIS, Keolis, SNCF Réseau). Deployment of on-board counters, eco-driving, eco-parking on passenger trains. Decarbonisation of electricity consumption (wind power, photovoltaics), including renewable energy APPs. Creation of the "SNCF Renouvelables" subsidiary. Decarbonisation of purchasing (which accounts for 74% of SNCF's GHG emissions), by introducing carbon criteria in all calls for tender, via a rating based on an internal carbon price (€100/t. of CO₂e).
ENV4 - DAMAGE TO BIODIVERSITY	Maintenance or track renewal works or development projects on the rail network, which have a local impact on biodiversity.	<ul style="list-style-type: none"> Technical engineering constraints (geography, geology, etc.), or territorial trade-offs relating to the route of lines and new infrastructure projects. Poor management of trackside vegetation control operations. Conflicting regulations between safety and biodiversity 	<ul style="list-style-type: none"> Alteration of ecological continuity. Destruction of protected species habitats. Complexity of implementing protection measures due to stricter controls by prefectures. 	<ul style="list-style-type: none"> Incorporation of biodiversity into projects during the design, construction and operation phases, and into SNCF Réseau's regeneration and routine maintenance worksites. Withdrawal of glyphosate from the end of 2021 in accordance with SNCF commitments and implementation of an alternative vegetation control policy. Awareness-raising among employees and subcontractors of changes in practices that reconcile safety and biodiversity.

3.3.3 Programmes and action plans

ACCIDENTAL DISCHARGES OF HAZARDOUS PRODUCTS OR WASTE

Hazardous waste management

Hazardous waste produced by the Group's activities is recovered or disposed of via service contracts or agreements managed by a dedicated unit of the SNCF Purchasing Department for the five rail companies. This covers:

- Framework contracts" with approved service providers to treat asbestos waste, medical waste, chemical substances, etc.

Agreements with eco-organisations⁵ for management of the end-of-life of batteries, WEEE, lamps, etc.

Since 1 January 2022 (Decree of 25 March 2021), hazardous waste tracking slips have been made paperless. SNCF's new environmental management tool, "Les experts HSE Perform", deployed company-wide, includes a specific module to meet these new obligations.

Controlling spills of hazardous products into water networks

SNCF Voyageurs' rolling stock maintenance facilities (Matériel technicentres), which are particularly affected by these risks, have all had an ISO 14 001-certified environmental management system in place for more than 15 years. In this context, they are implementing permanent measures to prevent and mitigate these risks, based on four distinct and complementary components:

- **PREVENTION** is based on specific principles and procedures, supported by ad-hoc technical systems (filtering systems, treatment plants, network shut-offs, etc.). These facilities are subject to regular, rigorously controlled maintenance.
- **MONITORING** covers both the regulatory compliance of the facilities operated and the compliance of industrial wastewater discharges into the sewerage system. Research into and reduction of discharges of hazardous substances involves regular checks to ensure compliance, and specific campaigns to characterise micropollutants.
- **EXPERIENCE FEEDBACK** is structured around a systematic approach to analysis of events or accidents, based on the principles of operational excellence ("D+1" and "M+1" approaches). This makes it possible to implement prevention and remediation processes as part of a continuous improvement process.
- **INVESTMENTS** in the renovation of wastewater networks also help to improve the performance of all the technical systems and procedures used (see "CEPIA" focus).

RESOURCE DEPLETION: WATER

Water conservation policy

With climate change, pressure on water resources is intensifying due to the increase in extreme phenomena (more frequent, longer and more intense periods of drought). The Group's first two duty of care plans clearly identified the environmental issue of excess consumption due to leaks. The third goes further by also taking into account the challenges of water availability linked to climate change.

The aim now is to preserve the quantity and quality of water resources:

- By consuming as closely as possible to actual production needs
- And by controlling the impact of SNCF activities, works, structures and facilities on the natural environment (surface water and groundwater), both physical (run-off) and chemical (pollution).

With this in mind, the five railway companies have decided to set up a global management structure dedicated to water management.

Water efficiency plan for summer 2023

Each SNCF company's water efficiency plan will contribute to the national water efficiency plan from summer 2023 with immediate measures:

- By limiting the use of water for industrial activities linked to railway production (maintenance and upkeep of rolling stock and tracks, etc.) to what is strictly necessary.
- By encouraging employees, customers and occupants (commercial buildings, etc.) to take simple everyday steps to save water for sanitary use.
- By organising the monitoring of drought alert levels throughout France to ensure compliance with locally imposed restrictions.

Towards a 10% reduction in water withdrawals by 2025

The efficiency plan targets an overall reduction in water consumption of -10% by 2025 and -25% by 2035. To achieve these goals, SNCF is committed to continuing the water efficiency measures begun in the summer of 2023 and supplementing them with technical and financial measures as part of the global water conservation policy.

Upgrading wet networks

Launched in 2007 and scheduled to run until 2032, CEPIA (Drinking Water, Fire Safety and Sanitation Compliance) is a programme of works to renovate and bring the wet networks at SNCF industrial sites up to standard. There are major environmental (industrial wastewater disposal), safety (fire safety systems) and health (water quality) issues at stake. It requires an investment of around €243 million, with priority given to the sites that are technically most at risk (65 sites affected). By the end of 2023, €93 million will have been spent on this programme (17 projects completed).

Note: SNCF water consumption is estimated on the basis of invoices at 5.1 million m³/year (0.125% of national consumption and 3.1% of consumption in the industrial sector) at a cost of 22.6 million euros/year.

– For more details, see NFPS Chapter 5.8.

RESOURCE DEPLETION: MATERIALS

Circular economy

SNCF is a materials-intensive industry, whether it be in the maintenance of its network, the construction of new stations or buildings, the renewal of rolling stock or the provision of equipment for its employees (computers, smartphones, professional clothing and equipment, etc.). The Company is taking a three-pronged approach to combat the depletion of resources and the impact of its

⁵ Private sector companies entrusted by the public authorities with the public interest mission of taking responsibility for the end-of-life management of the equipment they place on the market, as part of the Extended Producer Responsibility (EPR) scheme.

production of materials and waste on the environment and biodiversity:

- Systematise eco-design by acting on the entire life cycle of materials or projects
- Extend the lifespan of products, reusing them more effectively
- Limit and better manage waste by recycling it

To reinforce its approach, the Group has gone beyond the five railway companies with the adoption of a global policy with a reference framework applicable to all its activities.

Focus on the recycling of rolling stock...

To make better use of the components of its trains that have been withdrawn from service, SNCF reuses spare parts that are in good condition from its active fleet. To limit and better manage the waste from these trains at end-of-life, the company has set up specialised facilities to dismantle and decontaminate rolling stock. Consequently, since 2021, 1,100 rolling stock undercarriages have been processed each year, representing 55,000 tonnes of recycled materials per year (the equivalent of a 155-mile stretch of track).

... and the rail network

The reuse of rails, ballast, wooden and concrete sleepers conserves mineral and plant resources while reducing the environmental footprint, by bypassing the energy- and water-intensive extraction phase. The circular economy also helps to counter metal scarcity. If the rails are not reused directly in new rail projects, they are remelted. The same applies to concrete sleepers, which are crushed for re-use in the construction industry, and ballast, which is recycled as road sub-base. For ballast and concrete sleepers, SNCF Réseau is developing an artificial quarry at Miramas. Eventually, it could handle 200,000 tonnes of material per year.

Zero unrecycled waste by 2030 through eco-design, reuse and recovery of end-of-life products.

FOCUS ON... Geodis

DEALING WITH INTERNAL AND EXTERNAL RISKS

Geodis is committed to the circular economy on two levels:

- In its own operations, the principles of the circular economy are applied to its production processes in order to limit its use of natural resources and the volume of waste produced, thereby reducing its environmental footprint.
- In the services it delivers to its customers, Geodis implements solutions to redefine logistics flows, creating virtuous loops that improve life-cycle management and the second life of products. The company, which also has a number of equipment recovery centres around the world, reconditions electronic products at the end of their useful lives, recovering 99% of the electronic waste entrusted to it by its customers.

OVER-CONSUMPTION OF ENERGY AND CO₂ EMISSIONS

Group CO₂e emissions reduction trajectory

Trains and other high-capacity modes of transport operated by the SNCF Group are environmentally efficient, with low external costs in terms of CO₂ emissions, air pollution, noise exposure, accidents and use of space. Nevertheless, the Group intends to make its model even more virtuous for its customers and employees. In 2020, it has made a commitment to the French government's shareholding agency (APE) to reduce its greenhouse gas emissions under scopes 1 and 2 in France:

- A 30% reduction in emissions from its transport operations by 2030 vs. 2015.
- A 50% reduction in emissions from its real property operations in 2030 vs. 2015.

Three levers for decarbonisation

To achieve this trajectory, the company aims to reduce its consumption of energy by using it more efficiently, making use of new, less carbon-intensive energies, optimising train load factors, and continuously improving the design and use of rolling stock and buildings. Its action plan to reduce greenhouse gas emissions is based on three levers:

- Reduction of energy consumption
- Energy efficiency
- Switching of energy sources

Supported by an efficiency plan for 2022, which has enabled a 7% reduction in energy consumption for all trains and buildings by the end of 2023, and by measures on responsible digital technology, this action plan is part of the National Low Carbon Strategy (SNBC). It helps the French state in its efforts to tackle climate change. Each year, the Group publishes a report on the carbon trajectory of its operations in France.

Decarbonising the supply chain

To decarbonise its purchases of goods and services, which account for 45% of its greenhouse gas emissions (74% if energy and fixed assets are included), SNCF is working to mobilise all those involved in the issue: suppliers, buyers, etc. Result: in 2023, SNCF staff in the purchasing sector were made aware of the issue, a Carbon Purchasing steering committee meeting is held every quarter and all high-stakes calls for tender include criteria on greenhouse gas emissions. In 2024, these criteria will apply to all calls for tender.

Clean energy with the solarisation of SNCF land

With the creation of the "SNCF Renouvelable" subsidiary in July 2023, SNCF becomes a producer of solar energy on its extensive land holdings. As the largest consumer of industrial electricity in France, the company intends to secure 20% of the current consumption of rail activities (by 2030) by using low-carbon energy at controlled costs.

— For more details, see NFPS Chapter 9.

OVER-CONSUMPTION OF ENERGY AND CO₂ EMISSIONS - BUILDINGS

Compliance with the Tertiary Sector Decree

An investment programme dedicated to the energy renovation of buildings was launched in 2020 to achieve the targets required by the "Tertiary Sector Decree" for the five railway companies. The Decree calls for a 40% reduction in energy consumption in buildings of more than 1,000m² by 2030, compared with 2015.

An investment budget of €430 million is needed to achieve this objective between 2021 and 2030. The work undertaken within this framework is also helping to meet the Group's CO₂ emissions reduction target. Consequently, in 2023, the investment programme, combined with the 2022 efficiency plan, resulted in:

- A 29% reduction in energy consumption since 2017
- A 33% reduction in CO₂ emissions since 2015.

[Forecast updated at end-2023. Figures not adjusted for climatic effects].

Energy efficiency action plan

In order to improve its energy efficiency, GEODIS has launched audits at its sites in France and appointed

representatives responsible for their monitoring. The aim is to identify the most significant improvements in terms of savings, such as the improvement of insulation, and to draw up an action plan that can go beyond the regulatory obligations (and the Tertiary Sector Decree in particular).

The company is also continuing to roll out the replacement of conventional lighting with LEDs. Switching to LED technology will reduce electricity consumption by at least 30%. In 2023, more than 60% of developed land in France had been equipped.

An investment of €430 million is needed to achieve the targets set by the Tertiary Sector Decree over the period 2021-2030.

– For more details, see NFPS Chapter 5.5.

DAMAGE TO BIODIVERSITY

Avoid, reduce, compensate...

As a socially responsible company that maintains a close relationship with the regions, the SNCF Group is taking a raft of measures to reduce the environmental footprint of its activities and preserve biodiversity. SNCF, in particular, interacts directly with a multitude of ecosystems, with its 28,000 km of lines, 3,000 stations and 25,000 buildings. For several years now, it has been working to assess the biodiversity issues linked to its value chain and to strengthen its commitments by taking property, plant and equipment, measurable steps to limit the impact of its activities on biodiversity.

In its development and modernisation projects (network and buildings), SNCF applies the Avoid-Reduce-Compensate (ERC) approach, with the use of preliminary studies and consultations with experts in the field. The company prefers to avoid the most sensitive natural environments, reducing impacts as far as possible. Where necessary, compensation measures are implemented over the long term.

Tangible, measurable steps to reduce our impact

SNCF Réseau uses agrochemical products for track maintenance, and in a few rare cases for green areas, to ensure the safety of traffic, staff, passengers and emergency services, as well as regularity. Nevertheless, since the end of 2021, in line with its commitment, the company no longer uses glyphosate, replacing it with alternative biocontrol solutions. At the same time, SNCF Réseau is gradually deploying alternative techniques such as laying anti-vegetation mats under tracks, or seeding the service tracks with a mixture of suitable plant species, particularly in areas where treatment is prohibited.

National biodiversity strategy

As part of France's National Biodiversity Strategy, which will be updated in 2023, SNCF has launched a number of initiatives to:

Develop its operating methods to take even greater account of biodiversity.

Improve the preservation of ecological and sediment continuity in rivers and improve the preservation of ecological continuity on land.

Reinforced operating procedures

Among the vegetation control measures monitored by SNCF Réseau is the operational framework resulting from dialogue with local and national authorities. It specifies, for each type of work, the instructions to be followed to ensure the best possible reconciliation between the regulations governing protected species and habitats and the obligation to maintain and ensure the safety of the rail network.

Restoring the ecological continuity of watercourses

In its multi-annual programme to restore the ecological continuity of watercourses (CECE), SNCF Réseau's efforts are based on an analytical report on 1,644 hydraulic structures likely to have an impact on priority watercourses. Of the 837 structures already analysed, 763 are compliant in terms of ecological and sediment continuity. 10 of them have undergone compliance work, and a further 12 are in the planning phase.

SNCF is committed to Act4nature and has contributed to France's new national biodiversity strategy.

– For more details, see NFPS Chapter 5.7.

4. PROCEDURES FOR REGULAR ASSESSMENT OF THE RISK SITUATION OF SUBSIDIARIES, SUBCONTRACTORS AND SUPPLIERS

4.1 SNCF GROUP RISK MANAGEMENT

General organisation

The SNCF risk management system is based on the main French and international standards (FERMA, ISO 31000, AMF 2010). The Group is gradually embedding risk management in its business processes and rolling it out across all its entities. To this end, the Group's Risk Management department is responsible for ensuring that a common method and reference framework are used by all Group companies.

Three lines of control: operational, functional, audit

The Group's overall risk management and internal control organisation is based on three lines of control:

- The entities' operational management defines and implements a control system for the risks for which it is responsible.
- The companies' functional departments provide support and guidance to the operational departments.
- Internal audit provides an independent assessment of the level of risk management and the robustness of internal control.

Methodology for assessing duty of care risks

The methodology used to draw up the duty of care plan is consistent with that used to map the Group's own risks. It is organised around four stages:

- **Identification of the risks** in each company through collaborative workshops and interviews in order to identify the risk universe, contextualise the risks within the activities, and inventorise the existing risk control systems.
- **Risk assessment** using specific scales to assess the impact, probability and scope for improvement in controlling these risks, in order to obtain a hierarchical view based on their criticality.
- **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 review of risks** to verify the deployment of action plans and ensure their effectiveness, punctuated by an annual update of risk mapping under the duty of care plan.

– For more details, see Chapter 3 of the Management Report.

4.2 UNIFICATION OF THE ASSESSMENT FRAMEWORK AND IMPLEMENTATION OF INTERNAL CONTROL OF DUTY OF CARE-RELATED RISKS

Analysis of the most critical risks

In line with the expectations of the Law on the Duty of Care, which covers "serious harm", only the risks deemed to be the most critical are analysed in the duty of care plan.

To characterise the notion of serious harm as defined by French law, the SNCF Group focuses its analysis on gross risks likely to have irreversible or damaging and lasting consequences for third parties, its employees or the environment.

Secondly, the effectiveness of the risk prevention and mitigation measures already in place is assessed, in order to determine the scope for improvement and prioritise actions aimed at strengthening risk management.

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.

A unified assessment methodology

At the beginning of 2023, the methodology for assessing duty of care risks was brought in line with the Group's general methodology for assessing major risks. It is now based on the same criteria, and includes both the external impact on third parties and the environment, as well as the internal impact on the company. As a result, almost all duty of care-related risks are now dealt with as part of the major risk mapping exercises carried out by the Group's seven main companies and around twenty of their subsidiaries.

Update of the mapping of risks under the duty of care plan

The risks covered by the Duty of Care Plan are mapped at the level of each Group company and a selection of their subsidiaries, which are considered to be the most at risk.

Each of the Group's seven companies is responsible for the annual update of its 'duty of care' risks, which are incorporated into the Group-wide risk management tool administered by the Group Risk Management department.

By consolidating the risks of these entities, it is possible to draw up a global map of the Group's duty of care risks, and to list the main control systems and related action plans.

The scope covered may be extended to new subsidiaries, depending on the results of in-depth analyses or new risk situations that may be detected:

- By the three lines of control: operational, internal control, internal and external audits.
- Or by reports from employees or third parties.

Around twenty subsidiaries identified as being at risk are already being monitored in this way. This scope has been confirmed for 2023 and will be broadened in 2024.

Implementation of internal control of duty of care-related risks

In 2023, a specific section on the "duty of care" was included in the Group's internal control plan to ensure the effectiveness and efficiency of the risk management systems implemented by the Group's companies and subsidiaries. This system will make it possible to measure

the continuous improvement of risk management in the entities on an annual basis.

4.3 SUPPLIER ASSESSMENT

Management of the Group's supplier CSR risks

Its implementation is based on four pillars:

- Identification of the suppliers and purchasing families most at risk, based on analysis of external sources (EcoVadis, etc.), internal expertise on CSR risks and the results of recent alerts and surveys on the occurrence of these risks.
- A commitment by all suppliers to respect the SNCF Group's "Supplier Relations and CSR Charter"⁸, and to be assessed on the various aspects of CSR in relation to SNCF challenges (risk mapping and amount of expenditure).
- Assessment of third-party suppliers before entering into a relationship: when contracts are renewed and during their performance.
- The use of specific risk management measures (monitoring, remedial action, supplier audits, etc.) in the event of an alert and/or proven infringement.

These principles are applied by all the SNCF Group's entities, which apply them within their own scope, using methods adapted to their organisation, business lines and markets.

Enhancement of the third-party assessment procedure

In 2023, the principles for a "duty of care" component to assessments were set out in a common reference framework for the five railway companies entitled "Third-party assessment system" (priority action in the 2023 Duty of Care Plan). These principles will gradually be incorporated into the procedures of each company, in addition to the probity criteria already taken into account.

Implemented on the basis of several tens of thousands of active suppliers in 2023, these new provisions aim to identify and assess at-risk suppliers. If necessary, they lead to preventive or precautionary measures being taken.

These steps are being taken in conjunction with a new third-party assessment tool that will be rolled out in October 2023 to six of the Group's seven companies. GEODIS plans to introduce its own tool by the end of 2024.

The aim is for all Group companies to have a comprehensive third-party assessment procedure, validated by their Executive Committee, covering their entire scope (including tier 3 subsidiaries) and meeting the requirements of the 'Duty of Care' Law. This initiative is currently being rolled out and will be continued in 2024 to cover the entire scope.

In 2023, the internal control and internal audit grids were enhanced with questions specific to the duty of care. These new provisions were implemented during the last quarter in the seven Group companies and around twenty of their subsidiaries, with the aim of assessing whether the procedures for assessment of third parties/suppliers by these entities have been properly applied.

Note: Through the contractual clauses that govern relations with its suppliers or service providers, SNCF expects each of them to "(...) undertake, both for themselves and for all the persons under their responsibility or acting in their name and on their behalf (subcontractors, intermediaries, etc.) in the performance of the contract and throughout its duration, to comply with all the laws, regulations and national and international standards relating to human rights and fundamental freedoms, health and safety and the environment, in France and in all countries where the Contract is performed (...)".

65.2% This is the volume of expenditure by SNCF covered by a supplier CSR performance assessment by the end of 2023 (35% by the end of 2022).

– For more details, see NFPS Chapter 7.2.

Four pillars of the Group's purchasing policy

PILLAR 1 / CSR risk maps for purchasing

CSR risk maps for purchasing, drawn up by the Purchasing Departments of the Group's companies, identify the main purchasing families at risk.

These approaches are primarily based on data from the EcoVadis third-party platform, supplemented by country and business sector monitoring, allowing a statistical risk profile to be assigned to each supplier assessed, taking into account the CSR issues specific to that supplier. These approaches are enhanced by in-house expertise.

High-risk or very high-risk suppliers are subject to in-depth assessments, which may lead to the contractual relationship being governed by specific measures.

THE GROUP'S MAIN AT-RISK PURCHASING FAMILIES

Work

- Development of stations, tracks and infrastructure.
- Construction, renovation and maintenance of buildings.

Energy

- Electricity and traction fuels, gas, etc.

Supplies and industrial activities

- Power line equipment, IT equipment, metals, wood, workwear, waste processing.

Labour services

- Road transport, forwarding agents.
- Mobile services (security, cleaning, temporary work, etc.).

PILLAR 2 / Commitment of suppliers and service providers

Supplier requirements are defined on the basis of the challenges and opportunities identified in the risk map.

A number of CSR-related provisions must be taken into account at the various stages of contracting with suppliers:

- In the specifications.
- In the selection of candidates.
- In the scoring of bids.
- In contract performance clauses.

In particular, SNCF has set itself the rule of systematically taking CSR criteria into account for at least 20% of the scoring in the process of awarding its contracts. In 2023, this scoring covered 60% of contracted expenditure (compared with 52% in 2022).

Since 2012, SNCF's centralised Purchasing department and Purchasing departments within SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions and Fret SNCF have held the "Responsible Purchasing" label and require their suppliers to commit to the "Supplier Relations & CSR Charter". GEODIS and Keolis apply the same principle with their own CSR charters for their suppliers.

By adhering to these charters, which form an integral part of the contractual documents, Group companies ask all their suppliers and service providers to undertake to respect the Group's ethical, safety and environmental values, and to ensure that their subcontractors respect them. This covers the standards of international conventions throughout the supply chain, particularly in countries that are not signatories to International Labour Organisation (ILO) conventions, where they may be required to work.

The Group also encourages all its suppliers to have their CSR performance regularly assessed by an independent third-party organisation, and asks them to disclose their accident frequency rate. A monthly "Supplier Accidents" report is produced to monitor the continuous improvement made by companies in terms of safety.

The Group encourages suppliers to implement:

- A policy for prevention and control of the CSR risks and impacts of their activities.
- Appropriate risk management systems (environment, project, quality/safety, etc.).
- Any initiative that contributes to promoting the circular economy, reducing greenhouse gas emissions, protecting the environment and preserving biodiversity.

PILLAR 3 / Third-party assessment procedure

The implementation of a regular assessment of third parties, suppliers, service providers and subcontractors with whom the SNCF Group has an established business relationship is organised on the basis of information collection. The aim is to identify and assess the risks that may arise from entering into (or continuing) business relationships with suppliers identified as high risk in the purchasing risk map.

As a general rule, assessments are carried out before the relationship is formally entered into. They are updated periodically during the course of the relationship, or in the event of events likely to have an impact on the third party's risk level.

The assessment is based on the risk map, according to the areas under consideration (financial failure, dependence, probity and risks covered by the "duty of care"). Depending on the level of risk detected, each profile requires the implementation of specific risk prevention measures, which are decided upon after consulting the compliance department of the relevant Group entity. In this context:

- Third parties classified as medium risk are subject to a simplified assessment.
- Those presenting high risks are assessed in greater detail.

Some categories of third parties are subject to heightened vigilance in terms of the environment, safety, workers' health and fundamental rights, as well as corruption. They are:

Companies implicated by a European authority for infringements.

Third parties operating in a country with a Corruption Perception Index of 30 or more (Transparency International).

The assessment of suppliers, service providers and subcontractors is based on third-party information systems (IS), experts in the field under assessment, and on the Group Purchasing Departments' own databases. Deployed in 2023, a Group-wide information system (excluding GEODIS, which is deploying its own tool) will enable all assessments to be shared and traced, allowing for easier management. This tool enables:

- A simple or in-depth assessment.
- An escalation management workflow.
- Decision-making.
- Follow-up of action plans and reminders.

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 operational staff) who check that controls are properly implemented by operational staff.
- Internal Audit, which ensures that the system for assessing third parties complies with the Group's requirements and that it is effectively implemented and kept up to date. A dedicated audit is included in the 2023-2024 audit plan.

PILLAR 4 / Supplier audit policy

Suppliers and service providers may be asked directly to demonstrate that they are properly implementing the Supplier Relations & CSR Charter or a contractual CSR commitment. To this end, SNCF reserves the right to carry out - or delegate to a third party company - audits relating to the duty of care and anti-corruption measures during the performance of the contract, including, where applicable, on the holder's assembly site or in the sub-contracting chain.

In the event of non-compliance with the obligations set out in the charter or any breach of contract, corrective measures are provided for in the contracts. They can go as far as excluding the supplier from public procurement procedures.

In addition, products and services purchased that could pose a risk to personal safety are assessed according to strict quality/safety criteria. Where necessary, SNCF uses a dedicated team of auditors within its centralised Purchasing departments, who are authorised to carry out specific audits.

SNCF carries out additional investigations and may seek the opinion of the Compliance Department when the bidder for a contract:

- Is a supplier established or operating in high-risk countries;
- Has been convicted or prosecuted in the last five years;
- Has been subject to economic or financial sanctions by the company, its beneficiaries or subsidiaries, as a natural or legal person.

Proactive policy of on-site supplier social audits

A series of audits of this type was launched at the end of 2022 by several Group companies on labour service contracts. Feedback on these audits was provided during 2023, confirming the Group's determination to make these initiatives part of a continuous improvement programme for the management of its supplier relations. The SNCF Group will pursue this policy with its suppliers, service providers and subcontractors, on the basis of the principles and procedures defined in 2023 (priority action of the 2023 Duty of Care Plan), which are to be strengthened in the purchasing procedures of the seven companies. These are:

- Due diligence upstream of the business relationship for high-risk suppliers, or when SNCF is dependent on a supplier.
- Audits during the course of a contract for suppliers or subcontractors belonging to a high-risk family or operating in a high-risk country.
- Audits following reports or alerts received by one or more Group companies, or a potential or proven breach of duty of care by a supplier.

In 2024, in accordance with the work guidelines defined in this Plan (see introduction to this Plan), these audits will be supported by reinforced SNCF monitoring of the operational conditions under which labour services are provided on SNCF sites or worksites.

These audits are based on a complete overhaul of the contractual clauses to be carried out in 2022 by the Purchasing Departments of the Group's companies in conjunction with the Group Legal Department. In particular, it includes standard compliance clauses on duty of care, allowing audits to be carried out during the performance of the contract.

An objective of systematically using on-site social audits of suppliers to prevent and remedy risks

5. GROUP WHISTLEBLOWING SYSTEM ACCESSIBLE TO EMPLOYEES AND THIRD PARTIES

5.1 A SINGLE PLATFORM FOR SUBMISSION OF REPORTS

As part of its commitment to ethics, the SNCF Group set up a whistleblowing system in 2011, enabling all employees to report events or behaviour that go against the law, regulations, the ethical charter and the code of conduct for prevention and tackling of corruption, including serious breaches of the duty of care.

To encourage and facilitate reporting by any SNCF employee or external stakeholder, in 2022 the Group provided an online whistleblowing platform: alerteethiquesncf.com, accessible 24/7.

This platform covers all Group entities, including international entities, and is available in 12 languages⁶.

Its use complies with the Decree implementing the Wasserman Law (No. 2022-1284 of 3 October 2022) on procedures for collecting and processing of whistleblower reports.

⁶ French, English, German, Dutch, Italian, Spanish, Portuguese, Romanian, Polish, Czech, Vietnamese and Chinese.

Since its launch, the platform has been the subject of several dedicated communications via the Company's appropriate channels. Information campaigns on the scheme are run every year.

Secure access and enhanced confidentiality

The online whistleblowing platform is hosted and managed by an external European service provider specialised in receiving whistleblowing reports, whose servers are located in the European Union. The service provider is subject to strict confidentiality and security obligations. Its high level of data protection is certified by an independent body.

The platform offers enhanced guarantees of confidentiality for exchanges with a member of the Group Ethics Department (DEG) via a dialogue box protected by a unique password and external to SNCF's IT environment. It allows the submission of anonymous reports.

Within SNCF, the Group Ethics Department (DEG) has been tasked with the management of this online whistleblowing platform. It receives and processes reports received via this channel on behalf of SNCF, i.e. the five railway companies and their subsidiaries or controlled entities. Keolis and GEODIS have independent access to the same platform in order to receive and process alerts for their respective areas.

A multi-channel system

The online whistleblowing system, which has been progressively rolled out by each of the Group's major companies since the end of April 2022, is an alternative channel to the usual reporting channels for employees within the entity concerned, which include: the line manager, human resources, the "Company" or "Entity" whistleblowing representatives, or the ethics representatives.

5.2 A SINGLE PLATFORM FOR SUBMISSION OF REPORTS

Revised whistleblowing procedure in 2023

SNCF's whistleblowing procedure was updated in 2023 to incorporate recent legislative and regulatory changes, and also to clarify internal changes in governance and alert management, linked to the deployment of the new online whistleblowing platform.

The procedure is common to all five railway companies and their subsidiaries or controlled entities. Keolis and GEODIS have each set up a specific procedure for their subsidiaries or controlled entities.

In particular, it sets out the conditions for the admissibility of whistleblowing and the enhanced protection of whistleblowers. It was the subject of an information and consultation process with the central works councils of the holding company and of the companies within the railway scope and is appended to the internal regulations of the aforementioned companies. The Keolis and GEODIS Works Councils will be consulted on the updating of this procedure at the beginning of 2024.

Changes to the handling of whistleblowing reports

In 2023, the growing number of reports and the stricter legal framework for whistleblowing reports made it necessary to adapt the organisation within each Group company to ensure that reports are collected and processed efficiently.

The Group Ethics Department coordinates networks of ethics advisers and whistleblowing advisers, providing

shared documentary resources, a toolbox, training, awareness-raising and conferences.

Consolidated view of reports at Group level

Each year, the Group Ethics Department reports on all the reports received and processed via all the channels open to employees and third parties as part of the publication of its annual report on the SNCF corporate website.

To do this, it relies on:

- Data from the new platform, which provides a consolidated view across the Group.
- Four-monthly reporting to DEG of alerts received by SA companies (to be introduced from 2023).

Reporting and sharing of information with management and social partners

in this context, the Group Ethics department has shared the changes in management of whistleblowing reports and the consolidated review of 2022 reports with:

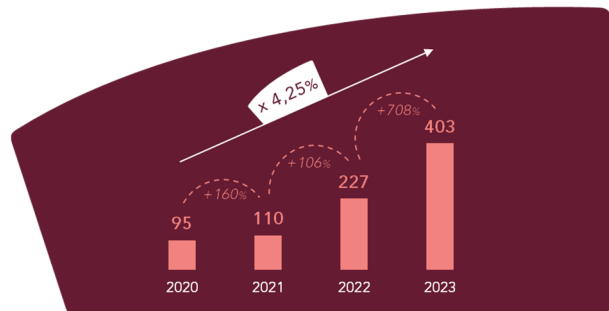
Management bodies (Group Executive Committee, Executive Committee of each company, CNRG & CSR Committee of the Board of Directors)

Social partners (annual bilateral consultations with representative trade unions on whistleblowing reports as part of the presentation of the Duty of Care Plan, and annual presentations to the Group Works Council and the European Works Council).

These presentations provide an opportunity to share key trends and weak signals, by entity or by type of issue, to publicise ethical issues and to promote the whistleblowing system.

5.3 RAMP-UP OF THE WHISTLEBLOWING SYSTEM

MORE THAN 78% INCREASE IN REPORTS RECEIVED BY THE DEG BETWEEN 2022 AND 2023



The consolidated summary of whistleblowing reports in 2023 at Group level will be published in the Group Ethics Department's annual report, which can be accessed on the sncf.com corporate website.

Awareness of the whistleblowing system on the increase

64% of employees are aware of the Group's new whistleblowing system (up 12 pts on 2022).

Confidence in handling of discrimination issues

84% of employees feel that a report of discrimination would be taken into consideration by the Group (up 3 pts on 2022).

Source: 2023 internal survey of quality of life at work for the five railway companies

5.4 BREAKDOWN OF REPORTS RECEIVED BY DEG BY CATEGORY

403 reports received by DEG in 2023...



Two in every three reports received by the Group Ethics department in 2023 involved allegations relating to human capital (moral or sexual harassment, discrimination, etc.).

FOCUS ON DUTY OF CARE:

Among the reports received by the DEG in 2023, the following themes stand out:

- Environment/health and safety at work: in response to reports, the Group has entered into dialogue with the suppliers and service providers in question and put specific support measures in place (e.g. social audits of suppliers).
- Sexual and gender-based harassment: in a context of freedom of speech, almost one in 10 reports were in relation to this issue, representing a three-fold increase in 2023 compared to 2022. Since 2021, 55 disciplinary boards have been held, resulting in 19 strikings-off or dismissals.

6. MONITORING OF MEASURES IMPLEMENTED AND ASSESSMENT OF THEIR EFFECTIVENESS

6.1 STRUCTURING OF THE MANAGEMENT OF ACTION PLANS

Monitoring of action plans

The actions covered by the Duty of Care Plan are monitored on the basis of defined objectives and key performance indicators, at regular reviews with the Group's main functional and support departments.

Feedback on work carried out since the first Duty of Care Plan

The Duty of Care Plan is part of a continuous improvement process that is implemented from one year to the next with the "duty of care" representatives of the Group's companies. This work helps to embed the duty of care (DoC) in the Company's processes and enables the joint steering of the Group's trajectory.

The alignment of the methodological framework for assessing DoC risks with that for the Group's major risks ensures consistency and simplifies the management of the risk maps currently in use within the Group, based on its information and risk management system.

Sharing of best practice and communication

The SNCF Group has been a member of the "Entreprise pour les Droits de l'Homme" (Business For Human Rights - EDH) association since 2021, enabling it to share best practice in the consideration of human rights with other major French groups. In 2024, SNCF will use the

awareness-raising tools proposed by EDH to promote its new human rights policy, which was adopted at the end of 2023. Senior and operational managers will continue to receive training in human rights impact assessment.

6.2 REPORT ON THE PRIORITY ACTIONS OF THE 2023 DUTY OF CARE PLAN AND OUTLOOK FOR 2024

The structuring of the management of duty of care-related risks continued in 2023

A look back at the Group's first two Duty of Care Plans

The work initiated under the Group's first Duty of Care Plan (published in February 2022) continued in 2023. These plans have made it possible to streamline the management of 'duty of care' risks, by incorporating them into the Group's major risk management processes. As a result, by the end of 2023, almost all 'duty of care' risks had been incorporated into the major risk maps of the Group's seven companies. The twenty or so subsidiaries identified as being at 'duty of care' risk in 2022 were closely involved in this process.

In addition, a specific 'duty of care' internal control system (level 2 control) comprising four key questions, was deployed during the second half of 2023.

Its aim is to assess the level of maturity of the 'duty of care' risk management of companies and their subsidiaries on an annual basis. Group Internal Audit has aligned itself with these provisions and transposed them into its entity/subsidiary audits (level 3 control).

Overall assessment of the implementation of the five priority actions of the 2023 Plan

The five priority actions set out in the 2023 Duty of Care Plan have all been implemented, thanks to the collective work carried out in workshops involving the Compliance Officers and various contributors from the Group's seven companies.

The processes and operating procedures resulting from this work will be consolidated in 2024, or even extended to other Group subsidiaries, depending on the depth of the risk analyses that may be carried out.

Outlook and priorities for the 2024 Duty of Care Plan

After two initial exercises focused on defining and implementing the Group's duty of care control and management systems, the measures now in place will enable the duty of care to be embedded in the Group's

processes. As a result, two major guidelines have been defined for 2024:

- **Consolidate the progress made and strengthen the foundations of the duty of care**, by continuing to implement the priority actions undertaken in 2022 and 2023.
- **Focus continuous improvement initiatives for 2024 on: "operational monitoring of the performance of labour services"**, as subcontracting accounts for a growing proportion of the risks observed in many major companies.

The work carried out over the last two years has highlighted the need to determine how the SNCF Group's duty of care can be exercised as close to the ground as possible.

The aim is to mobilise the operational managers directly responsible for managing service providers, to reassess and supplement the risk management systems already in place.

A look back at the implementation of the five priority actions defined for the 2023 Duty of Care Plan

These actions, which are part of the multi-year improvement trajectory established in the SNCF Group's first Duty of Care Plan, have all been implemented. The targets set have been achieved and are now an integral part of entities' operations. Their deployment will continue over the next few years.

Review and assessment of these five actions:

ACTION 1 / Continue to embed the duty of care in the governance and management of SNCF Group companies

The results of a survey carried out among members of the boards of directors and supervisory boards of the Group's seven companies show that some companies require additional information and awareness-raising. In response, appropriate systems and tools already defined at the end of the 2023 workshops will be developed, proposed and deployed in 2024.

These tools are also intended for a wider audience, and will be designed so that they can be adapted to an internal audience of managerial and operational employees in SNCF's various business lines.

ACTION 2 / Extend the assessment of third parties and suppliers to all risks covered by the duty of care

The aim of the work carried out as part of this action was to supplement the third-party assessment procedures of Group companies, which focus on probity, with additional CSR assessment tools that meet the requirements of the duty of care.

A specific questionnaire has been drawn up to assess suppliers in terms of their duty of care. It will complement the probity assessments provided by the new third-party assessment software package rolled out to Group companies in the second half of 2023 (see section 4.3). In

addition, a specific tool, implemented by the Group Purchasing department, enables dynamic and adaptive monitoring of purchasing families with CSR risks, according to the nature of the business and the countries in which suppliers are based.

ACTION 3 / Finalise the trajectory of "social" supplier audits on sites and continue their rollout

The basic principles for establishing an audit trajectory have been put in place. They will provide the basis for an average of one to three annual audits per company from 2024 onwards. These audits are one of the possible ways of responding to any reports or alerts that may arise in the context of supplier relations. Standardised specifications have been drawn up and a panel of external service providers identified, to facilitate the initiation of these audits and trigger them reactively. The clauses justifying the use of these audits in purchasing contracts have yet to be deployed throughout Keolis.

ACTION 4 / Sign and implement the Group's human rights policy

A human rights policy was submitted for approval to the Chairmen of the seven Group companies, who signed it on 11 December 2023, the day after World Human Rights Day.

In a unified document for the entire Group, this text sets out the main commitments already made by the seven companies over many years.

The text of this policy is available on the [sncf.com](https://www.sncf.com) website via the following link:

medias.sncf.com/sncfcom/pdf/politique-droits-humains-groupe%20-sncf.pdf

Several awareness-raising initiatives targeting specific Group business lines will be carried out in 2024. These actions will respond to the two main guidelines defined for this Duty of Care Plan (see above).

ACTION 5 / Implement a forward-looking system for monitoring of duty of care-related risks

A process for the structured handling and overall governance of significant duty of care-related events was formalised and validated at the end of the workshops held in 2023. This process, inspired by the handling of security events ('D+1 / M+1' procedure), will be implemented jointly with the Group Ethics Department (DEG) and the Group Legal and Compliance Department. It has been designed to be consistent with the new procedure for handling of whistleblowing reports to be introduced by the DEG in 2023.

Objective: consolidate the governance of the duty of care in Group companies, and integrate risk management into operational processes.

6.3 ISSUES AND KEY DATA FOR THE THREE RISK AREAS

Risk category	Indicators	2023	2022	2021	Risk category	Indicators	2023	2022	2021
SSP1 - CLIMATIC RISKS [5 railway companies]	Events of severity 4 and above with climatic causes *	6	2	2	SSP3 - PERSONAL SAFETY [5 railway companies]	Serious personal accident * following trespass on rights of way	39	66	41
SSP2 - OPERATIONAL SAFETY [5 railway companies]	Events of severity 4 and above	483	484	na		Serious personal injury (customers and employees) on trains and in stations - (calendar year)	6,681	6,424	7,035
	Serious rail accidents *	1	0	3		Serious accidents at level crossings *	24	12	16
	Millions of trains.km *	447	465	434	Frequency rate [5 railway companies]	14.5	14.5	15.5	
	Accidents involving the transport of * hazardous goods with loss of containment of the products transported	7	5	6	Frequency rate [Keolis]	24.3	24.4	27.5	
	Events of severity 4 and above following a malicious act *	1	3	3	Frequency rate [GEODIS]	10.0	10.5	12.2	
					SSP4 - HEALTH AND SAFETY AT WORK	Accidents at work with ** injuries or fatalities within operational scope (including service providers and excluding divisions) [SNCF Réseau]	786	738	939
SSP3 - Investments (€m)		2023	2022	2021		Lost-time accidents at work [GEODIS].	850	860	882
Safety measures for level crossings		37.5	56.8	55.4		Recognised asbestos-related occupational illnesses [5 railway companies]	41	68	52
Safety measures for station platforms and tracks		9.2	17.1	5.5	SSP5 - TERRORISM	Police response for abandoned luggage or objects [5 railway companies]	3,681	4,218	5,877
Safety measures for railway rights of way (fencing)		8.1	6.3	10.8					
Asbestos asset reduction		56	63	-					

Note: "Serious" accidents involve serious injuries or fatalities.
* source SNCF Réseau na: not available to date

Risk categories	Indicators	2023	2022	2021
DH1 - PSYCHOSOCIAL RISKS [5 railway companies]	PSR assessments carried out	7,960	7,546	7,063
	PSR action plans approved or in the process of being approved	4,140	4,076	6,300
DH2 - SEXUAL HARASSMENT and GENDER-BASED VIOLENCE [5 railway companies]	Offences against customers	1,697	1,630	1,629
	Offences against employees	429	334	342
DH3 - SUPPLIER CSR - PURCHASING ETHICS [5 railway companies, unless otherwise indicated].	Percentage of total purchases covered by a CSR score of 20%.	60%	52%	36%
	Percentage of spending with CSR-rated suppliers [Keolis].	51%	44%	37%
	CSR performance of suppliers (score out of 100)	64.6	58.6	57.4
	No. of suppliers mapped at "duty of care" risk (new indicator)	5	5	-
	Percentage of suppliers assessed who have been subject to formal arbitration (new indicator)	65%	-	-
	Number of suppliers with "red flag" status	41	65	22
	No. of supplier quality/safety audits on site (including works)	327	288	352
Number of "social" audits carried out on supplier sites [SNCF Group].	-	8	-	

Group purchasing in 2021 (railway companies)

€15.7bn in purchases	
of which 95% in France	
19,004 suppliers	59.8/100
	Average score for suppliers' CSR performance
€42m in solidarity purchases	22% of SMEs or VSEs by value of purchases (excluding Freight)
	Purchasing represents... 240,803 jobs supported in France *

* 2022 data taken from a study assessing the territorial footprint of purchasing.

Risk category	Indicators	2023	2022	2021
ENV1, 2, 3, 4 - ENVIRONMENTAL MANAGEMENT	Coverage of environmental management systems (EMS) within the Group			
	- Industrial rail sites certified ISO 14001	95%	95%	88%
	- SNCF Réseau sites covered by an EMS	54%	39%	31%
	- Keolis: % of revenue covered by ISO14001* certification	60%	59%	50%
	- GEODIS: % of sites covered * ISO14001	33%	32%	35%
ENV1 - ACCIDENTAL DISCHARGES OF HAZARDOUS PRODUCTS OR WASTE	Significant environmental events (source: HSE Perform) [5 railway companies]	14	13	-
	Total quantity of hazardous waste produced (kilotonnes)	106	67.6	75.2
	- Keolis: % of hazardous waste recovered	83%	82%	76%
ENV2 - NATURAL RESOURCE MANAGEMENT	Group water consumption (million m3)	8.7	8	8.0
ENV3 - ENERGY CONSUMPTION AND GHG EMISSIONS	Group energy consumption (GWh)	17,305	18,103	16,428
	Group CO ₂ e emissions (kTCO ₂ e)	3,158	3,372	2,961

*: expansion of eligible scope / na: not available

Investments

ENV2 - CEPIA programme to renovate the wet networks of railway companies' industrial assets (mainly passenger rolling stock maintenance centres)	€93m invested since 2007 => of a total budget of €243m by 2032
ENV3 - Energy renovation programme for buildings to comply with the Tertiary Sector Decree	€430m from 2021 to 2030

INTERNAL CONTROL OVER THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

1. DEFINITION, OBJECTIVES AND SCOPE

Internal accounting and financial control covers the processes that contribute to accounting data, such as the production of financial information, closing of accounts and disclosures.

The scope of application of the internal control procedures relating to the preparation and processing of accounting and financial information includes SNCF SA and all subsidiaries in the consolidated financial statements.

Control procedures are adapted 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 SNCF SA's Finance Department. It coordinates the closing of the accounts with the support of the SNCF SA Finance Department and the accounting and financial departments of the subsidiaries.

SNCF SA's Finance Department steers the process of drawing up the monthly reporting packages produced by the Group's entities, and checks the consistency of the individual reporting packages of the main direct subsidiaries prior to their consolidation in the Group's tool.

Within SNCF SA, the operating entities produce an income statement, balance sheet items, a table of changes in net debt and the corresponding analyses. These items are discussed at the monthly management reviews (except for the January and July results) with SNCF SA's Finance Department. The subsidiaries produce an income statement, a balance sheet, a statement of changes in net debt and the corresponding analyses. These items are regularly reviewed with SNCF SA's Finance Department for the main direct subsidiaries.

The quality of production of financial and accounting information is based on tools and skills that are constantly being improved, within the teams of the SNCF SA Finance Department and the subsidiaries' accounting and financial teams.

The SNCF SA Finance Department is responsible for the final production of SNCF SA's parent company financial statements. The subsidiaries' Finance Departments are responsible for producing their parent company financial statements. SNCF SA's Finance Department is responsible for ensuring that the accounts comply with the accounting standards in force and, as such, may request that corrections be made to the accounts produced by the operating entities and subsidiaries.

The accounting entities of SNCF SA and its subsidiaries have the necessary skills for:

- bookkeeping, for tasks that are not pooled within shared accounting services centres,
- the formal review of their accounts, the production of their individual financial statements (where applicable) and financial reporting to SNCF SA's Finance Department.

For the Group's main companies, the quality of the half-year and full-year financial statements is enhanced by the implementation of pre-closings on 31 May and 30 November, during which all specific accounting issues are discussed with the operating entities and then validated.

The Statutory Auditors inform the Finance Departments of the SNCF Group's activities and entities of the audit and internal control review work they have carried out and share the recommendations issued and audit points. The SNCF Group's Accounting and Internal Control Department within SNCF SA oversees the proper implementation of the Statutory Auditors' recommendations for the Group's main subsidiaries. As regards SNCF SA, a summary of recommendations on internal control is drawn up for the Finance Department and presented to the Audit, Accounts and Risk Committee (CACR).

In addition, SNCF SA has a system of formal commitments from the directors and financial managers of

the main direct subsidiaries regarding the fairness and accuracy of the financial information they produce for their respective annual accounts.

2.2 PRODUCTION AND MANAGEMENT OF THE SNCF GROUP'S ANNUAL ACCOUNTS

The SNCF Group's financial and accounting information is produced by SNCF SA's Finance Department. In this capacity, it coordinates the closing of the SNCF Group's accounts with the support of the Finance Departments of the Group's subsidiaries.

Consolidated financial statements are prepared for the SNCF Group. They are audited and published in a full financial report.

The main subsidiaries are responsible for the accounting and financial management of the subsidiaries and accounting entities within their scope.

SNCF SA's Finance Department is responsible for the final production of the SNCF Group's consolidated financial statements and for ensuring that they comply with current accounting standards.

SNCF SA's Finance Department consolidates the SNCF Group in accordance with IFRS standards in the consolidation software package, and relies on a reconciliation procedure deployed via an Internet portal to ensure control of intra-group operations.

In its decision No. 2021-029 of 27 May 2021, published on 25 June 2021, the ART approved the accounting separation rules for SA SNCF Voyageurs and SAS Fret SNCF, following changes in the scope of activities in connection with the implementation of the 2018 rail reform and the resulting reorganisation of the public rail group from 1 January 2020.

As far as SNCF Voyageurs is concerned, these separate accounts include a balance sheet and an income statement, making it possible to distinguish between service facility management activities, passenger transport activities and, within these, each public service contract for contracted passenger transport activities and freely organised passenger transport activities, other activities, the elimination of internal flows between these separate activities and a total corresponding to the accounts of the SNCF Voyageurs SA.

For Fret SNCF, these accounts specify the management activities of maintenance service facilities, rail freight transport activities, other activities, the elimination of internal flows between these separate activities and a total corresponding to the accounts of the Fret SNCF SAS.

2.3 OPTIM'SERVICES ACCOUNTING PRODUCTION DEPARTMENT

The Accounting Production Department, which reports to Optim'services within SNCF SA, is responsible for producing the accounts for the cross-functional processes of the 5 SNCF companies: SNCF SA, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions and Fret SNCF. These processes are supplier accounting, payroll and social security accounting, customer accounting and expense accounting.

To carry out its duties, Optim'services relies on 3 Shared Services Centres:

The Accounts Payable and Expense Accounts SSC processes supplier invoices for SNCF Voyageurs, SNCF SA, SNCF Gares & Connexions and, in part, for SNCF Réseau. It also processes and records expenses incurred by employees of the 5 national SNCF companies in the course of their professional activities, and manages the related stock of corporate credit cards.

The SSC implements a process for controlling operations, down to the local level, and carries out some centralised controls itself.

The Accounts Receivable SSC handles part of the invoicing carried out by the 4 national SNCF companies, namely SNCF Voyageurs, SNCF SA, SNCF Gares & Connexions and SNCF Réseau (in particular inter-company invoicing, provision of staff, sales of old materials, etc.), as well as the related accounting and recovery.

The Payroll and Social Protection Accounting SSC is responsible for accounting for remuneration, social security charges and staff-related liabilities, whatever the nature of the employment contract, for all 5 national SNCF companies.

In this capacity, it performs controls and substantiation of accounting data. In conjunction with the Payroll Department, it develops control systems and procedures to respond effectively to changes in scope, accounting schemes or information systems.

2.4 ACCOUNTING FOR FINANCING AND CASH TRANSACTIONS

The Financing and Treasury Operations Accounting Department, which reports to the Group Accounting and Internal Control Department within SNCF SA, is responsible for keeping the financing and cash transaction accounts for the 5 SNCF companies. In particular:

- Processing and accounting for banking transactions;
- Managing and accounting for automatic and manual disbursements;
- Accounting for financing and cash management transactions;
- Production of consolidation packages and financial statements.

This SSC implements a process for controlling operations, based on a monthly internal control review.

2.5 ACCOUNTING STANDARDS AND CHART OF ACCOUNTS

The SNCF Group prepares its consolidated financial statements in accordance with IFRS.

It has set out these standards in a set of accounting rules and methods (the "standards manual"). This manual is mandatory for all Group entities.

These rules and methods are updated regularly, taking into account changes in IFRS accounting standards and their interpretations. To this end, the Accounting Standards Department, within SNCF SA's Finance Division, constantly monitors regulations and works with its standards contact persons to ensure that applicable regulations are properly disseminated.

The standards manual is then adapted for each subsidiary or business.

The Group Accounting Standards department also maintains a glossary of the chart of accounts used in the Group's consolidation tool, as well as a glossary of the different types of off-balance sheet commitments.

The Accounting Standards Department also ensures the quality of accounting regulations applied within Group entities, by providing training courses throughout the year and by providing the Group's accounting and financial contacts with access to an internal portal containing all applicable technical documentation (news, scope notes, training materials, etc.).

In addition, the Group's Accounting Standards Department defines the accounting principles and methods applicable under French GAAP, which apply to the Group's 5 historical SAs/SASs in particular.

2.6 STEERING TOOLS

The SNCF Group relies on a management cycle whose objective is to set and monitor the SNCF Group's level of economic and financial ambition. Each scope then implements its own part of the objectives by managing its own entities (business lines, activities, facilities, subsidiaries, etc.).

For the SNCF Group, General Management, supported by the Management Control Department within SNCF SA's Finance Department, steers the process through the various components of the management cycle.

It includes phases that are common to the whole SNCF Group:

- The aim of the strategic and financial plan is to set out and monitor the SNCF Group's 10-year economic and financial ambitions in view of changes in its economic, competitive and legal environment. The trajectory corresponds to the consolidation of its component activities, each of which sets its own objectives and manages its own sub-entities. The purpose of the strategic plan is to determine and manage the Group's profitability targets, capital expenditure, debt trajectory and growth strategies (internal and external). It is steered by the Strategy Department, supported by SNCF SA's Finance Department, and is deployed in two phases: an initial phase of outlining the ambition and strategic trade-offs, and a second phase of defining this ambition in greater detail, making it possible to secure the achievement of the overall trajectory.

The strategic plan currently in force is the one approved by the SNCF Holding Board of Directors on 14 December 2023, covering the period 2023-2032.

- the N+1 (current year +1) budget, based on a re-estimated figure for year N (current year, known as the "annual revision"): the budgets for year N+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/N.

- an annual review: Produced at the same time as the budget for year N+1, it allows the forecast for year N to be updated in view of what has been achieved to date and what remains to be done. It is analysed in comparison with the budget for year N and provides the basis for the N+1 budget.

The above systems are supplemented by monthly management monitoring, including:

- monthly management reviews (except for January and July results) are led by SNCF SA's Finance Department on the basis of monthly management reports drawn up by each activity (accounting and financial analyses, production indicators and operational performance indicators). These management reviews make it possible to monitor the performance of the various areas of responsibility on an ongoing and consistent basis, and to ensure that they are in line with the objectives set for them in the budgets.

- Each month, a summary report on the Group's results is drawn up by the Group's Financial Control department for General Management.

- for the SNCF Group's General Management Committee, a monthly dashboard is produced, containing information for steering and analysis.

3. DISCLOSURE OF ACCOUNTING AND FINANCIAL INFORMATION

Within SNCF SA, the SNCF Group Finance Department is responsible for monitoring and coordinating financial disclosure for the entire SNCF Group (SNCF SA and all its subsidiaries), as well as monitoring obligations in terms of financial reporting and compliance with standards.

Compliance with the requirements is primarily based on the closing instructions sent to the subsidiaries and activities by SNCF SA's Finance Department, specifying 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 on behalf of the entire Group. In this context, corporate, economic and financial disclosure is carried out by the SNCF Group, in close coordination with its component entities, in strict compliance with the applicable regulations and the financial reporting policy (General Regulations of the Autorité des Marchés Financiers [Financial Markets Authority], Commercial Code and Monetary and Financial Code).

Consequently, the SNCF Group publishes its consolidated financial report on a half-yearly and annual basis. A new charter for the SNCF Group's economic and financial disclosure has been adopted with effect from 1 January 2020, the date on which the new SNCF Group was created by the 2018 Rail Reform Act.

The financial information publicly disclosed by the SNCF Group is available on the website, <https://www.sncf.com/fr/groupe/finance>.

The statutory auditors ensure the reliability and fairness of the SNCF Group's financial statements and ensure that the specific documents published at the time of the results are consistent with them (management report, press release and presentation to the press in particular).

The French Financial Markets Authority (AMF) also ensures that in its financial disclosures, the SNCF Group complies with its obligations as an issuer on the financial markets.

Specific obligations concerning financial disclosure

Since 1 January 2020, the Group's bond financing has been provided by SNCF SA, the Group's sole issuer on the financial markets.

SNCF Réseau's historical outstanding debt remains on its balance sheet.

Consequently, SNCF SA as sole issuer and SNCF Réseau SA, as long as it has bonds issued on regulated markets still trading, are subject to the obligations:

- of the Transparency Directive (Directive no. 2013/50/EU of 22 October 2013) on the disclosure of periodic and ongoing information: see the publication of annual and half-yearly financial reports.

- MAR Regulation (Regulation No. 596/2014 of 16 April 2014 on market abuse) concerning continuous reporting and the public disclosure of inside information: see press release in the event of inside information.

No other entity within the SNCF Group is subject to these specific financial disclosure obligations.

31 December 2023

02

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REPORT ON CORPORATE GOVERNANCE

The governance of the SNCF national railway company from 1 January 2020:

France's New Railway Pact Law of 27 June 2018 ratified the creation of a unified public group in the field of rail transport and mobility on 1 January 2020.

Pursuant to Decree no. 2019-1585 of 30 December 2019, the national publicly-owned company SNCF directs, leads and steers the unified public group, over which SNCF has control and responsibility for its organisational structure.

accordance with the Articles of Association established by decree, as follows:

- 7 members appointed by the General Meeting of Shareholders, at least two of whom meet the independence criteria set out in the Afep-Medef Code,
- 1 State representative appointed in accordance with Article 4 of the Ordinance of 20 August 2014 on the governance and capital transactions of companies with public shareholdings,
- 4 employee representatives appointed pursuant to Article 7 of the aforementioned Ordinance of 20 August 2014.

1. THE BOARD OF DIRECTORS

1.1 THE COMPOSITION OF THE BOARD

The national company SNCF SA is administered by a Board of Directors of twelve (12) members, composed, in

Names and titles	Positions
Jean-Pierre Farandou [Chairman]	<p><i>Other positions at SNCF</i> Chairman and CEO of SNCF Chairman of the Board of Directors</p> <p><i>Positions outside SNCF</i> None</p>
Frédéric Saint-Geours [Vice-Chairman of the Board of Directors and Member of the CNRG & RSE]	<p><i>Other positions at SNCF</i> None</p> <p><i>Positions outside SNCF</i> Self-employed contractor</p> <p><i>Other Offices:</i> - Director of Casino-Guichard-Perrachon (SA) since 2006. Member 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.</p>
Philippe Maillard [Independent director, Chairman of the CACR] From 24 January 2023	<p><i>Other positions at SNCF</i> None</p> <p><i>Positions outside SNCF</i> - Chief Executive Officer and Director of APAVE Group.</p>

Alexis Zajdenweber [Director representing the French State, Member of the CACR, CNRG & RSE and CSI].	<i>Other positions at SNCF</i> None <i>Positions outside SNCF</i> - State shareholding commissioner - State Holdings Agency - Director representing the French State - EDF - Director representing the French State - Renault Group - Director representing the French State - BPI France
Céline Lazorthes [Director, Member of the CSI].	<i>Other positions at SNCF</i> None <i>Positions outside SNCF</i> - Chairman SAS Celavi - Chairman - Resilience SAS - Member of the Board of Directors - Iliad SA - Member of the Strategy Committee - Florac SAS - Member of the Board of Directors - NJJ Boru SAS
André Martinez [Director, Chairman of the CSI]	<i>Other positions at SNCF</i> None <i>Positions outside SNCF</i> - Member of the Board of Directors - Covea - Member of the Board of Directors - MMA
Agnès Touraine [Independent Director, Chair of CNRG & RSE].	<i>Other positions at SNCF</i> None <i>Positions outside SNCF</i> - Chairman Act III Consultants, unlisted company - Director of Rexel SA - France - listed company - Director of Proximus NV - Belgium - listed company - Director of Groupe Bruxelles Lambert - Belgium - listed company - Member of the Supervisory Board of 21 INVEST - France - unlisted - Director of Fondation René TOURAINE - Director of Fondation IDATE
Mélanie Joder [Director, Member of the CACR].	<i>Other positions at SNCF</i> None <i>Positions outside SNCF</i> - Budget Director - Ministry of the Economy, Finance and Recovery, - Censor - BPI France, - Director representing the State - France TV, - Member of the Board of Directors - AFPA (Public institution responsible for adult professional training), - Member of the Board of Directors - OPERA NATIONAL DE PARIS - Member of the Board of Directors - OFB (French Biodiversity Agency), - Member of the Board of Directors - SOLIDEO (Olympic Works Delivery Company), - Ex-officio member of the Board of Directors - ANTAI (National Automated Ticket Processing Agency), - Ex-officio member of the Board of Directors - ANTS (National Secure Documents Agency).
Christelle Jeannet (Employee representative) [Director, member of the CNRG & RSE].	<i>Other positions at SNCF</i> Employee director <i>Positions outside SNCF</i> - Association Rails & histoire (Rail and History Association) - Board member
Bruno Lacroix (Employee representative) [Member of the CSI]	<i>Other positions at SNCF</i> Executive - Equipement <i>Positions outside SNCF</i> - Orléans Gestion - Director representing Orléans Métropole
Fabien Villedieu (Employee representative) [Member of the CSI]	<i>Other positions at SNCF</i> Driving agent <i>Positions outside SNCF</i> None
Séverine Rizzi (Employee representative) [Member of the CACR]	<i>Other positions at SNCF</i> Administrative staff <i>Positions outside SNCF</i> None

The Board of Directors strives for balance in its composition and that of its committees, particularly in terms of diversity (representation of men and women, nationalities, international experience, expertise). The list of members of the Board and associated committees, which is included in this report, shows that this balance has been maintained in the appointment of directors, both in terms of gender and experience and expertise.

The term of office of members of the Board of Directors is four (4) years. Their term of office is renewable. The current terms of office began in December 2020 and will expire at the Annual General Meeting to be held in 2024 to approve the accounts for the 2023 financial year.

Directors appointed to replace those who resigned continued their current terms of office.

Also sitting on the Board in an advisory role are the secretary of the Social and Economic Committee or equivalent body pursuant to Article L. 2312-74 of the French Labour Code; the secretary of the central committee of the public rail group, the officer responsible for exercising State economic and financial control pursuant to Article L. 2101-7 of the French Transport Code; and the Government Commissioner.

In addition, the Secretary of the Board of Directors attends Board meetings in his own right and possibly his assistants.

The Statutory Auditors also attend meetings of the Board of Directors at which the annual financial statements are examined.

The Chairman of the Board of Directors may, if he considers it necessary, and depending on the agenda, invite members of the Company or persons from outside the Company to attend Board meetings without voting rights.

1.2 THE TASKS AND POWERS OF THE BOARD

Under its general powers referred to in [Article L. 225-35 of the French Commercial Code](#), the Board of Directors:

- determines the Company's overall business strategy and oversees its implementation, in accordance with its corporate interests, taking into account the social and environmental challenges of its activity;
- may, subject to the powers expressly attributed to Shareholders' Meetings and within the limits of the Company's objects, deal with any matter relating to the proper operation of the Company and, through its deliberations, settle any matters that relate to it;
- carries out any controls and checks it deems appropriate;
- authorises sureties, endorsements and guarantees to be given in favour of third parties in accordance with legal and regulatory provisions.

The Chairman or Chief Executive Officer is required to provide each director with all documents and information necessary for the performance of their duties.

In accordance with [Article L. 2102-9 of the Transport Code](#), 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 exercises permanent control over the management of the national company SNCF.

In accordance with the French Commercial Code, the Board of Directors has other specific responsibilities:

- it calls general meetings;

- at the end of each financial year, it draws up the annual parent company financial statements, prepares the management report in accordance with Article L 232-1 of the French Commercial Code and calls the General Meeting responsible for their approval;

- it draws up and presents to the General Meeting a report on corporate governance, which is attached to the management report; where appropriate, the report on corporate governance may be presented in a separate section of the management report;

- it draws up forward-looking management documents and the corresponding reports;

- it authorises regulated agreements, i.e. agreements signed between the Company and one of its officers, directors or shareholders with 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 it decides to combine these functions, the Board of Directors may appoint a lead director from among the independent directors, whose role will be to help lead and coordinate the work of the Board, in particular by ensuring compliance with the rules of corporate governance and the quality of relations and exchanges between the Chairman of the Board, the directors and the shareholder;

- It sets the remuneration of senior executives in accordance with the provisions of the Articles of Association (Articles L.225-47 and L 225-53);

- it appoints the members of the committees;

- it allocates directors' remuneration;

- it decides on the relocation of the registered head office within French territory, subject to ratification of this decision by the subsequent Ordinary General Meeting;

- by delegation from the Extraordinary General Meeting, the Board of Directors brings the Articles of Association into line with legislative and regulatory provisions, subject to ratification of the amendments by the subsequent Extraordinary General Meeting;

- it carries out a mandatory annual review of the Company's policy on equal pay and equal opportunities for all employees and men and women. The Group's gender diversity policy is set out in detail in the Extra-Financial Performance Declaration section of the Group Management Report.

As a general rule, and excluding day-to-day management, all decisions likely to have a significant impact on the Company's strategy, or to modify its financial structure or scope of activity, are subject to prior authorisation by the Board of Directors after prior review, where appropriate, by the relevant committee. To this end, as of now the Board of Directors examines the Group's multi-year strategic directions in terms of social and environmental responsibility, and is informed annually of the results obtained.

The Board of Directors also examines transactions where the amount exceeds the thresholds set out in its internal rules, as well as issues submitted to it for information at the Chairman's initiative.

It also discusses any issues that a director wishes to be discussed by the Board as part of the "Other business" agenda item, with the agreement of the Chairman. In this case, the director informs the Chairman of the nature of the item at the beginning of the meeting, who decides whether or not to include it on the agenda for the meeting, or at the next meeting.

1.3 OPERATION OF THE BOARD

The Board of Directors meets as often as required in the Company's interests, at the invitation of the Chairman of the Board of Directors or, if the latter is unable to attend, by the Vice-Chairman. Notwithstanding Article 12 of the aforementioned Ordinance of 20 August 2014, it also meets when convened by at least half of its members on an agenda and at a location specified in the notice of meeting. The Chief Executive Officer may ask 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 urgent cases, notices of meetings may be issued twenty-four hours in advance, in the same manner.

During the 10 meetings (6 ordinary and 4 extraordinary) held in 2023, 72 files were examined, including:

- the Group's annual financial statements;
- the 2023 half-yearly financial statements of the SNCF Group, SNCF SA and its subsidiaries;
- the 2024 budget for SNCF Group and SNCF SA;
- the 2023 vigilance plan;

- SNCF Group's strategic plan, as well as those of several subsidiaries;
- SNCF Group's decarbonisation trajectory;
- the presentation of CSR objectives for 2023 and a half-yearly review of these objectives;
- the response to a number of invitations to tender, particularly internationally,
- the review of 24 project commitment files and invitations to tender;
- the renewal of several operating agreements with organising authorities;
- the roadmap's review for gender equality;
- the Board's operations' self assessment and monitoring of actions;
- the launch of a formal assessment of the Board's operations by an external consultancy.

At each ordinary meeting, the Board of Directors is kept informed by its Chairman of the main events relating to SNCF Group. An update on safety is given at each ordinary meeting by the General Safety Manager.

Attendance table

Attendance at Board meetings in 2023 - 90% attendance rate

	2023 meetings	Jean-Pierre FARANDOU	Philippe MAILLARD (appointment to the Board of Directors' on 24.01.23)	Alexis ZAJDEN-WEBER	Christelle JEANNET	Céline LAZORTES	Bruno LACROIX	André MARTINEZ	Frédéric SAINT-GEOURS	Séverinne RIZZI	Agnès TOURAINE	Fabien VILLEDIEU	Mélanie JODER
1	Tuesday 24 January (extraordinary meeting)	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	NON	OUI
2	Thursday 23 February	OUI	OUI	NON	OUI	OUI	OUI	OUI	OUI	NON	OUI	NON	OUI
3	Thursday 20 April	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	NON	OUI
4	Thursday 15 June	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI
5	Wednesday 5 July (extraordinary meeting)	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI
6	Thursday 27 July	OUI	OUI	OUI	OUI	NON	OUI	OUI	OUI	OUI	OUI	NON	OUI
7	Wednesday 13 September (extraordinary meeting)	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI
8	Thursday 12 October	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	NON	OUI	OUI	OUI
9	Monday 4 December (extraordinary meeting)	OUI	NON	OUI	OUI	OUI	OUI	OUI	OUI	NON	OUI	NON	OUI
10	Thursday 14 December	OUI	OUI	OUI	OUI	OUI	OUI	OUI	OUI	NON	OUI	OUI	OUI
	Attendance	10	8	9	10	9	10	10	10	6	10	5	10
	Number of meetings	10	9	10	10	10	10	10	10	10	10	10	10
	% attendance	100%	89%	90%	100%	90%	100%	100%	100%	60%	100%	50%	100%

1.4 SPECIALIST COMMITTEES

At its first meeting on 16 January 2020, the Board of Directors decided to set up three specialist committees made up of members chosen from among Board members to support it in its work.

- An Audit, Accounts and Risk Committee.
- A Strategy and Investment Committee.
- An Appointments, Remuneration, Governance and CSR Committee (CNRG & RSE)

The Board of Directors has three committees responsible for preparing the decisions submitted to the Board and providing it with additional information:

The Appointments, Remuneration, Governance and CSR Committee (CNRG & RSE):

The Appointments, Remuneration, Governance and CSR Committee must not include any executive corporate officer of the Company.

- In terms of appointments, the Committee proposes the appointment and succession of directors and executive directors to the Board of Directors. It oversees the selection process for potential candidates. The precise list of appointments made within the Group is drawn up by the

Committee. The Chairman and Chief Executive Officer informs and obtains the opinion of the Committee on the appointment of the Group's senior executives.

- With regard to remuneration, the Committee examines and gives its opinion on the principles and criteria for determining, allocating and awarding the remuneration components and benefits of any kind to corporate officers. It makes recommendations on the remuneration package and the procedures for its allocation to directors.
- In terms of corporate governance, it monitors corporate governance issues and ensures that the relevant principles and rules of good governance, in particular those set out in the AFEP-MEDEF Code, are implemented within the Company's corporate bodies. It steers the annual Board assessment process. It makes proposals on the independence of Board members with reference to the criteria set out in the AFEP MEDEF Code.
- In terms of social and environmental responsibility, it examines the commitments and directions of the Company's policy on corporate social and environmental responsibility. It monitors their deployment and, more generally, ensures that CSR issues are taken into account in the Company's strategy and its implementation.

The committee held 7 meetings during 2023, at which 29 files were examined, including:

- the operation of the Board of Directors (following the self-assessment) and the launch of a formal external assessment;
- executive director's remuneration;
- prospects for renewal of the Board and update of the succession plan;
- the gender equality's roadmap;
- the report on the status of CSR objectives for 2022 and presentation of the objectives for 2023;
- the SNCF Group's decarbonisation roadmap;
- the 2022 ethics alert report;
- the circular economy.

The Strategy and Investment Committee (CSI) advises on the Company's strategic directions and monitors their implementation.

In particular, it decides, where appropriate, on:

- the strategic plan, including the Group's development projects;
- strategic agreements, alliances and partnerships;
- research and development policy;
- internal or external growth transactions, major commitments, major commercial contracts, particularly in terms of amounts, as defined in Article 8 of the Board of Directors' Internal Rules.

This committee may be asked by the Chairman of the Board of Directors to give its opinion on:

- strategic choices in terms of technological developments, and even more broadly in terms of innovation;
- issues relating to the creation and upgrade of industrial facilities and works.

The Strategy and Investment Committee held 10 meetings (6 ordinary and 4 extraordinary) in 2023. These meetings enabled 38 files to be examined, including 11 strategic files and 24 project commitment files and calls for tenders.

The committee examined the following cases in particular:

- the SNCF Group's strategic plan, as well as those of several subsidiaries;
- SNCF Réseau's digital strategy;
- the renewal of several operating agreements with organising authorities;
- several responses to calls for tenders, particularly internationally.

The Audit, Accounts and Risk Committee (CACR) is responsible for examining 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 Risk Committee is inseparable from that of the Board of Directors, which is legally obliged to approve the annual parent company financial statements and prepare the annual consolidated financial statements.

The Audit, Accounts and Risks Committee, when monitoring the financial reporting process, ensures the relevance and consistency of accounting methods, particularly when dealing with material transactions. When examining the financial statements, the Audit, Accounts and Risk Committee looks at major transactions where a conflict of interest may have arisen.

As part of its monitoring of the effectiveness of internal control and risk management systems and, where applicable, of the internal audit of 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 gives its opinion on the organisation of their departments. 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 and ensures their independence.

It held 5 meetings in 2023 and examined 25 files. These sessions were devoted in particular to:

- the consolidated financial statements of the SNCF Group and to the parent company financial statements for the 2022 financial year;
- the Group's interim financial statements;
- the 2023 audit programme;
- anti-corruption mapping and multi-year risk cover;
- the annual activity report of the Group Internal Audit Department;
- the 2024 financing strategy;
- the 2024 budget;
- the review of the results of cybersecurity audits;
- the 2024 Olympic Games project.

1.5 COMMITMENTS COMMITTEES

The purpose of the commitment control system is to protect the SNCF Group's corporate interests and enable it to exercise its role as strategic leader over its subsidiaries.

It is carried out by three dedicated committees:

- the Group Commitments Committee (for commitments affecting the Group);
- the Corporate Commitments Committee (for the commitments of the national company SNCF SA);
- the Property Commitments Committee (for specific property commitments).

Each of these committees meets fortnightly as a general rule, and in any event as often as necessary.

They are made up of representatives from the Legal, Finance and Strategy Departments, the entity making the commitment, experts invited as necessary, and the committee manager and secretary.

The Deputy Chief executive Officer of SNCF SA (or his representative for property matters) chairs the meetings and decides on the action to be taken on the draft commitment after inviting the other participants to give their opinions.

2. CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with Article L. 2102-8 of the Transport Code, the Chairman of the Company's Board of Directors is appointed from among the members proposed by the State, appointed pursuant to Article 6 of the aforementioned Ordinance of 20 August 2014.

Pursuant to Article 11-2 of the Articles of Association, the Board of Directors also appoints a Vice-Chairman who, if the Chairman is unable to attend, is responsible for convening meetings of the Board of Directors and chairing Board meetings.

The Chairman of the Board of Directors organises and directs the work of the Board, on which he reports to the General Meeting. He ensures that the Company's bodies function properly and, in particular, that the directors are able to carry out their duties.

In the event of a tie, the person chairing the Board of Directors has the casting vote.

When it was set up, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company.

3. AGREEMENTS BETWEEN A DIRECTOR OR A SIGNIFICANT SHAREHOLDER AND A CONTROLLED ENTITY

No agreements covered by Article L.225-37-4 2° of the French Commercial Code, of a non-current nature and not entered into under normal conditions, were concluded during the 2023 financial year.

The remuneration of executive directors shown in the table below corresponds to gross taxable remuneration paid in 2023.

In thousands of euros	Amounts paid					Amounts due				
	Remuneration fixed	Remuneration variable annual	Remuneration deferred variable multi annual	Remuneration exceptional	Benefits in kind	Sub Total	Severance pay	Non-competition indemnity	Supplementary pension plan	Grand Total
Farandou Jean-Pierre CEO, Chairman of the Board SNCF SA										
Commitments										
Paid	450				2	452	-	-	-	452
Trévisani Laurent Deputy CEO Strategy and Finance SNCF SA										
Commitments										
Paid	350	100			14	464				464
Total remuneration	800	100	-	-	16	916	-	-	-	916

(*) Fixed remuneration corresponds to the remuneration due in respect of the previous financial year and paid during the same financial year.

(**) Variable remuneration, for which only the deputy general manager is eligible, corresponds to the remuneration due in respect of year 2022, which was approved and paid during over year 2023.

As a reminder, at 31 December 2022, the remuneration paid to executive directors was as follows:

In thousands of euros	Amounts paid						Amounts due			
	Remuneration fixed	Remuneration variable annual	Remuneration deferred variable multi annual	Remuneration exceptional	Benefits in kind	Sub Total	Severance pay	Non-competition indemnity	Supplementary pension plan	Grand Total
Farandou Jean-Pierre										
CEO, Chairman of the Board SNCF SA										
Commitments										
Paid	450				3	453				453
Trévisani Laurent										
Deputy CEO Strategy and Finance SNCF SA										
Commitments										
Paid	342	108			13	463	-	-	-	463
Total remuneration	792	108	-	-	16	916	-	-	-	916

The gross remuneration of non-executive and non-salaried directors, approved in 2022 and paid over 2023, is shown below:

At 31/12/2023	Amounts paid						Amounts due			
	Remuneration fixed	Remuneration variable annual	Remuneration deferred variable multi annual	Remuneration exceptional	Benefits in kind	Sub Total	Severance pay	Non-competition indemnity	Supplementary pension plan	Grand Total
Frédéric SAINT-GEOURS										
Vice-Chairman of the Board of Directors (**)										
	22	36	-	-	-	58	-	-	-	58
Didier CASAS										
Director, Chairman CSI and CACR										
	24	18	-	-	-	42	-	-	-	42
Claire VERNET-GARNIER										
Director (*)										
	15	56	-	-	-	71	-	-	-	71
Alexis ZAJDENWEBER										
Director (*)										
	3	8	-	-	-	11	-	-	-	11
Céline LAZORTHES										
Director (**)										
	17	46	-	-	-	63	-	-	-	63
André MARTINEZ										
Director (**) Chairman CSI										
	32	54	-	-	-	86	-	-	-	86
Agnès TOURAINE										
Director Chairman of the CNRG and CSR										
	24	34	-	-	-	58	-	-	-	58
Mélanie JODER										
Director (*)										
	17	28	-	-	-	45	-	-	-	45
Total remuneration	154	280	-	-	-	434	-	-	-	434

(*) For directors representing the State or public employees, 100% of their gross remuneration is paid directly by SNCF SA to the State (APE).

(**) For directors appointed on the proposal of the State, 15% of their gross remuneration is paid directly by SNCF SA to the State (APE).
Directors representing employees on the Board of Directors do not receive any remuneration for their duties.

At 31 December 2022, the remuneration paid to non-executive and non-salaried directors was as follows:

At 31/12/2022	Amounts paid					Amounts due					
	In thousands of euros	Remuneration fixed	Remuneration variable annual	Remuneration deferred variable multi annual	Remuneration exceptional	Benefits in kind	Sub Total	Severance pay	Non-competition indemnity	Supplementary pension plan	Grand Total
Frédéric SAINT-GEOURS											
Vice-Chairman of the Board of Directors (**)	22	38	-	-	-	60	-	-	-	-	60
Didier CASAS											
Director, Chairman CSI and CACR	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 CSI	32	60	-	-	-	92	-	-	-	-	92
Agnès TOURAINE											
Director Chairman of the CNRG and CSR	24	38	-	-	-	62	-	-	-	-	62
Amélie VERDIER											
Director (*)	13	16	-	-	-	29	-	-	-	-	29
Mélanie JODER											
Director (*)	4	10	-	-	-	14	-	-	-	-	14
Total remuneration	161	310	-	-	-	471	-	-	-	-	471

31 December 2023

03

ANNUAL
CONSOLIDATED
ACCOUNTS
SNCF GROUP

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CONSOLIDATED INCOME STATEMENT

€ millions	Notes	31/12/2023	31/12/2022
Revenue	3.2	41,760	41,449
Purchases and external expenses	3.4.1	-17,494	-17,996
Employee benefit expense	3.4.2	-16,589	-15,724
Taxes and duties other than income tax	3.4.3	-1,283	-1,274
Other operating income and expenses		41	159
EBITDA		6,435	6,615
Depreciation and amortisation	4.2.5	-4,080	-4,169
Net movement in provisions	3.4.4	-29	45
Current operating profit/loss		2,326	2,491
Net proceeds from asset disposals	4.2.6	74	787
Impairment losses	4.4	-14	-0
Operating profit/loss		2,387	3,277
Share of net profit/loss of companies consolidated under the equity method	4.3	39	41
Operating profit/loss after share of net profit/loss of companies consolidated under the equity method		2,426	3,318
Net finance costs of employee benefits	5.3.1	-244	245
Cost of net financial debt and other costs	6.2.1	-664	-734
Net finance costs		-908	-489
Net profit/loss before tax from ordinary activities		1,518	2,830
Income tax expense	7.1.1	-108	-314
Net profit/loss from ordinary activities		1,409	2,516
Net profit/loss from discontinued operations, net of tax		-	-
Net profit/loss for the year		1,409	2,516
Net profit/loss for the year - Attributable to equity holders of the parent		1,310	2,425
Net profit/loss for the year – Attributable to minority interests		99	91

Notes 1 to 10 are an integral part of these consolidated financial statements.

STATEMENT OF PROFIT OR LOSS AND GAINS/LOSSES RECOGNISED DIRECTLY IN EQUITY

<i>€ millions</i>	Notes	31/12/2023	31/12/2022
Net profit/loss for the year		1,409	2,516
Change in conversion differences		-11	-18
Taxes on change in conversion differences		-3	4
Change in fair value of cash flow hedges	6.4	-213	842
Taxes on changes in fair value of cash flow hedges		10	-24
Change in fair value of hedging costs	6.4	54	16
Taxes on change in fair value of hedging costs		0	0
Share in other elements of recyclable comprehensive income of equity-accounted companies	4.3.1	5	-1
Total of items that will be reclassified (or recyclable) later in net income		-159	818
Actuarial differences on defined benefit employee benefit plans	5.3.3	-84	564
Tax on actuarial differences of defined benefit plans		-2	-22
Change in value of equity instruments at fair value through equity		0	-3
Share in other elements of non-recyclable comprehensive income of equity-accounted companies	4.3.1	-1	14
Total of items that will not be reclassified (or non-recyclable) later in net income		-87	553
Total gains/losses recognised directly in equity		-246	1,371
Net profit/loss and gains/losses recognised directly in equity for the period		1,164	3,887
<i>Including the Group's share (or the owners of the parent company)</i>		<i>1,099</i>	<i>3,683</i>
<i>Including minority interests</i>		<i>65</i>	<i>203</i>

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED ASSETS

€ millions	Notes	31/12/2023	31/12/2022
Goodwill	4.1	3,463	2,690
Intangible assets	4.2.1	2,122	2,007
Property, plant and equipment	4.2.2	54,201	53,150
Rights of use of leased assets	4.2.3.1	4,202	3,950
Non-current financial assets	6.2.2	34,961	38,452
Equity investments	4.3.1	851	843
Deferred tax assets	7.3	4,363	4,353
Non-current assets		104,163	105,445
Inventories and work-in-progress	4.5.2	1,755	1,504
Operating receivables	4.5.3	10,932	10,349
Operating assets		12,686	11,853
Current financial assets	6.2.2	4,432	5,865
Cash and cash equivalents	6.2.2.5	8,973	9,874
Current assets		26,092	27,592
Assets classified as held for sale	4.3.2	-	-
Total assets		130,255	133,036

CONSOLIDATED LIABILITIES

€ millions	Notes	31/12/2023	31/12/2022
Capital		1,000	1,000
Consolidated reserves		25,242	24,123
Net profit/(loss) for the year attributable to equity holders of the parent		1,310	2,425
Equity attributable to equity holders of the parent		27,552	27,548
Equity attributable to minority interests	6.5.2	77	75
Total equity		27,629	27,623
Non-current employee benefits	5.2.1	2,156	1,888
Non-current provisions	4.6	1,004	959
Liabilities related to assets held under concession	4.2.5	2,267	2,315
Non-current financial liabilities	6.2.2	63,557	68,668
Non-current lease liabilities	4.2.3.2	3,322	3,131
Deferred tax liabilities	7.3	227	185
Non-current liabilities		72,534	77,146
Current employee benefits	5.2.1	155	148
Current provisions	4.6	203	165
Operating payables	4.5.4	19,784	17,674
Operating liabilities		20,142	17,987
Current financial liabilities	6.2.2	8,881	9,288
Current rental obligations	4.2.3.2	1,069	993
Current liabilities		30,091	28,268
Liabilities related assets classified as held for sale	4.3.2	-	-
Total equity and liabilities		130,255	133,036

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ millions	Capital	Capital reserves	Actuarial gains and losses on employee defined benefit plans	Equity instruments at fair value through equity	Group conversion reserves	Cash flow hedge	Hedging costs	Retained earnings and other reserves	Equity attributable to equity holders of the parent	Equity attributable to minority interests	Total equity
Published equity at 01/01/2022	1,000	4,079	-377	-70	-199	-800	19	10,992	14,645	40	14,685
Net profit/loss for the year	-	-	-	-	-	-	-	2,425	2,425	91	2,516
Gains/losses recognised directly in equity	-	-	452	-2	2	792	16	-0	1,259	112	1,371
Net profit/loss and gains/losses recognised directly in equity	-	-	452	-2	2	792	16	2,424	3,683	203	3,887
Dividends paid(*)	-	-	-	-	-	-	-	-394	-394	-	-394
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-29	-29
Capital transactions	-	-	-	-	-	-	-	0	0	23	23
Changes in scope, minority interests and commitments to buy out minority interests(**)	0	-0	2	0	-0	0	-	-357	-355	-160	-514
Other changes (***)	-	-	0	-0	-	-19	-	9,986	9,968	-2	9,966
Published equity at 31/12/2022	1,000	4,079	78	-72	-197	-27	35	22,652	27,548	75	27,623
Net profit/loss for the year	-	-	-	-	-	-	-	1,310	1,310	99	1,409
Gains/losses recognised directly in equity	-	-	-59	-0	-18	-193	54	6	-212	-34	-246
Net profit/loss and gains/losses recognised directly in equity	-	-	-59	-0	-18	-193	54	1,316	1,099	65	1,164
Dividends paid(*)	-	-	-	-	-	-	-	-985	-985	-	-985
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-24	-24
Capital transactions	-	-	-	-	-	-	-	0	0	1	1
Changes in scope, minority interests and commitments to buy out minority interests(**)	0	0	1	-	-0	-0	-	-132	-131	-51	-182
Other changes (***)	-	71	1	-	-	14	-	-65	21	11	33
Published equity at 31/12/2023	1,000	4,150	23	-74	-216	-206	89	22,787	27,552	77	27,629

(*) Dividends paid correspond to payments made to French State support fund (see Note 6.5.1).

(**) Including changes in Eurostar Group minority interest purchase commitments

(***) In 2022 including the State's assumption of SNCF Réseau's debt for €10bn on 1 January 2022, In 2023, of which €71m is allocated to the legal reserve (see Note 6.5.1).

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

<i>€ millions</i>	<i>Notes</i>	<i>31/12/2023</i>	<i>31/12/2022</i>
Net profit/loss for the year		1,409	2,516
Eliminations:			
share of net profit/loss of companies consolidated under the equity method		-39	-41
deferred tax expense/(income)		-25	198
depreciation, amortisation, impairment losses and provisions		4,371	3,870
of revaluation gains/losses (fair value)		60	124
net proceeds from disposals and gains and losses on dilution		-84	-784
Cash from operations after cost of net financial debt and tax		5,693	5,883
Eliminations:			
current income tax expense/(income)	7.1.1	132	115
cost of net debt excluding changes in fair value		594	607
dividend income		-4	-7
Cash from operations before cost of net financial debt and tax		6,415	6,598
Impact of change in working capital requirement	4.5.1	1,169	-230
Taxes paid (collected)		-144	-210
Dividends received		41	29
Cash flow from operating activities		7,480	6,188
Acquisitions of subsidiaries, net of cash acquired	4.1	-1,048	-559
Disposals of subsidiaries, net of cash transferred (1)		-18	738
Acquisition of tangible and intangible assets	4.2.4	-8,165	-7,687
Capitalized loan interest	4.2.4	-142	-230
Disposal of tangible and intangible fixed assets	4.2.6	279	246
New concession financial assets	3.3	-2,284	-1,805
Cash inflows from concession financial assets	3.3	1,999	1,709
Cash inflows from lease receivables		1	0
Acquisitions of non-consolidated investments or investments accounted for by the equity method		-2	-0
Disposal of non-consolidated investments or investments accounted for by the equity method		1	-1
Change in loans and advances granted		169	212
Change in deposits paid		140	440
Investment subsidies received	4.2.2	5,042	4,518
Cash flows from investing activities		-4,028	-2,419

<i>€ millions</i>	Notes	31/12/2023	31/12/2022
Cash inflows from equity transactions		1	22
Debt issuance	6.2.2.6	2,502	1,325
Repayments of borrowings net of PDF (Public Debt Fund) receivables	6.2.2.6	-4,356	-2,444
Cash inflows from PPP (Public-Private Partnership) receivables	6.2.2.6	80	134
Cash outflows on PPP (Public-Private Partnership) payables	6.2.2.6	-84	-134
Net financial interest paid	6.2.2.6	-464	-736
Repayments of lease liabilities	4.2.3	-1,097	-1,031
Interest paid on lease liabilities	4.2.3	-188	-149
Dividends paid to Group shareholders	6.5.1	-985	-394
Dividends paid to minority shareholders		-37	-29
Change in cash debts	6.2.2.6	269	-1,245
Cash flows from financing activities		-4,360	-4,679
Impact of change in exchange rates		-6	-7
Impact of changes in accounting policies		1	-0
Impact of changes in fair value		46	19
Increase (decrease) in cash and cash equivalents		-866	-898
Opening cash and cash equivalents	6.2.2.5	9,486	10,384
Closing cash and cash equivalents	6.2.2.5	8,620	9,486

(1) Including the sale of the Akiem subsidiary in 2022

Notes 1 to 10 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Notes 1 to 10 are an integral part of these consolidated financial statements.

All amounts are in millions of euros, unless stated otherwise. As the Group has elected not to round 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 2023 were approved by the Board of Directors of Société nationale SNCF on 28 February 2024.

The terms "the SNCF Group", "the Group" and "SNCF" refer to the group of consolidated entities.

"SNCF SA" refers to Société Nationale SNCF, the head company of the Group.

1.1 APPLICATION OF IFRS

The consolidated financial statements of the SNCF group for the year ended 31 December 2023 have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union at that date.

The basis of preparation of the 2023 consolidated financial statements described in the notes below results accordingly:

- standards and interpretations that are mandatory for accounting periods beginning on or after 1 January 2023; the SNCF Group's application of these standards and interpretations is detailed in a grey box at the beginning of each note;
- the options adopted and exemptions used as provided for by the standards for the preparation of the financial statements for the year 2023. These options and exemptions are described in the relevant notes.

1.1.1 Standards and interpretations applicable to the consolidated financial statements for annual periods beginning on or after 1 January 2023

The amendments to the standards and interpretations and the new standards published and applicable from 1 January 2023 that are of particular relevance to the Group's annual consolidated financial statements are as follows:

Standard or interpretation	Summary description	Impacts
Amendment to IFRS 9, IAS 39 and IFRS 7 "Recognition and measurement in the context of the reform of benchmark interest rates" - phase 2	Issued by the IASB: 27 August 2020 Approved by the EU: Regulation (EU) 2021/25 of 13 January 2021. Phase 2 of the amendments concerns the accounting treatment of the impact of updating contracts following the reform of interbank offered rates and the specific information to be published on these possible impacts until 2023, the year in which USD LIBOR is no longer published	See Capital and Financing Note
Amendment to IAS 12 "Deferred tax relating to assets and liabilities arising from the same transaction"	Issued by the IASB: 7 May 2021 EU approval: Regulation (EU) 2022-1392 of 11 August 2022. The IASB has published an amendment to IAS 12, "Income Taxes", which sets out how deferred tax assets and liabilities arising from a single transaction, lease or decommissioning obligation, are to be recognised separately.	The transactions included in the scope of the amendment are limited to those leases which alone generate deferred tax. However, the amendment has no effect, as the Group systematically recognises the effects of changes in deferred tax assets and liabilities in profit or loss, and also meets the offsetting criteria enabling it to recognise net deferred tax.
Amendment to IAS 12 "Global minimum tax regime"	Publication by the IASB: 25 May 2023 EU approval: 8 November 2023 EU Directive 2022-2523 of 14/12/2022 introduces a global minimum tax regime for financial years beginning on or after 1 January 2024. The amendment to IAS 12 states that deferred tax relating to this additional tax will not be recognised temporarily.	The Group is adapting its information system to justify its position with regard to the minimum tax regime. Given the geographical spread of its activities, no material impact is expected from the entry into force of this new tax regime.

The Group has not early adopted any standards or interpretations that are mandatory for accounting periods beginning after 31 December 2023, whether or not they have been adopted by the European Commission.

1.1.2 Other information relating to the effects on the annual consolidated accounts opened from 1 January 2023 of the normative positions adopted by the group

Pension reform

The 2023 Social Security Financing Adjustment Law 2023-270 on Pension Reform was enacted on 14 April 2023. This change constitutes a change of plan within the meaning of IAS 19.104, the impact of which has been recognised in the financial statements at 30 June 2023.

The valuations carried out for employee benefits include the effects of the reform, which mainly relate to 2 areas:

- the gradual increase in the legal retirement age (from 62 to 64) and
- the increase in the duration of contributions required for the full rate through an acceleration of the implementation timetable of the "Touraine" reform (to reach 43 annuities from 2027 instead of 2035);

As this is a change in the plan, the impact of the pension reform constitutes past service costs, resulting in an increase in Group profit of €8.8 m.

1.2 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group financial statements requires Management to make estimates, as many items included in the consolidated financial statements cannot be accurately measured. Management is required to revise these estimates in the event of a change in the circumstances on which they were based, or as a result of new information or additional experience. As a result, the estimates used at 31 December 2023 could change materially and subsequent actual results could differ materially from these estimates as a result of different assumptions or conditions.

These estimates and assumptions relate in particular to:

– Determining goodwill

In the case of business combinations, management estimates the fair value of assets acquired and liabilities assumed, and reassesses previously held equity interests at fair value in the case of step acquisitions. The difference between the acquisition price plus the value of previously held equity interests and the acquisition value of assets and liabilities constitutes goodwill.

– Impairment of non-financial assets

As part of determining the recoverable amount of assets for impairment testing (IAS 36) in accordance with the principle described in Note 4.4, value in use calculations are based, in particular, on an estimate of the future cash flows expected 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 used. Market value calculations are based on an assessment of the transaction price that could result from the sale of the assets under test, given the state of wear and tear of these assets.

– Employee benefits

As these benefits are settled many years after the employees render the related services, the recognition of defined benefit obligations and other long-term liabilities is determined using actuarial valuations based on financial and demographic assumptions, including discount rates, inflation rates, salary increase rates and mortality tables. Due to the long-term nature of the plans, changes in these assumptions may generate actuarial gains or losses, leading to a significant change in the recognised obligations.

– Recognition of deferred tax assets

Deferred tax assets are recognised when it is probable that the Group will have future taxable profits against which the unused tax savings can be offset. The Group's ability to recover these tax assets is assessed on the basis of an analysis of its business plan and the risks associated with the economic climate and uncertainties in the markets in which it operates. At 31 December 2023, this recoverability analysis takes into account the new Group strategic plan, presented to the SNCF SA Board of Directors on 14 December 2023.

– Provisions for environmental risks

The Group records a provision for environmental risks whenever there is a legal or constructive obligation to a third party that will result in an outflow of resources and can be reliably estimated.

The amounts recognised for site remediation are based on the best possible estimate of the diagnostics carried out at the balance sheet date and on taking into account these valuations for known risks for which diagnostics are in progress (see Note 4.6).

The amounts recognised for the dismantling of asbestos-contaminated rolling stock correspond to the estimated cost of dismantling the equipment at the end of its life. They are determined on the basis of prices invoiced by asbestos scrap merchants and target prices from the latest calls for tender. Any change in these prices would be reflected in the amounts recognised.

– Derivative financial instruments

The Group uses assumptions to measure the fair value of its derivative financial instruments. The recognition and measurement principles are described in Note 6.4.

– Lease contracts

The main sources of uncertainty relate to the inclusion of optional periods in the measurement of lease terms. The Group bases its estimates on the significance of the underlying assets in the conduct of the transactions and on a range of other assumptions that are considered reasonable in the light of the facts and circumstances.

– Information on climate change

Climate change poses a risk to the rail industry, which by its very nature is subject to meteorological hazards such as very high temperatures, storms, violent storms causing

trees to fall, flooding, landslides and slips. These risks are mapped and monitored by Group companies.

The main financial consequences for the SNCF Group are increased maintenance costs and operating losses due to a deterioration in the service provided. Rolling stock and railway infrastructure are affected by high temperatures and unusual weather events, which can interrupt operations.

In addition, in line with the National Low Carbon Strategy, the Group is committed to reducing greenhouse gas emissions from transport in France by 30% by 2030 compared with the baseline year of 2015, and by 50% for its property portfolio. It has also committed to improving the energy efficiency of train traction by 20% between 2015 and 2025. An initial financial assessment of these commitments was carried out as part of the new 2023-2032 strategic plan. The investments identified mainly concern the acquisition of more efficient rolling stock and investments in property (replacement of boilers, insulation, etc.). However, these investments do not have a material impact on the asset bases of impairment tests, as the useful life of rolling stock remains unchanged and property investment flows are not material.

In addition, SNCF Energie has set up PPA renewable energy purchasing contracts for the supply of traction electricity from photovoltaic panels or wind turbines. The aim is to generate 1,100 GWh a year under these contracts. As of 31/12/2023, the 13 contracts signed represented around 57% (628 GWh) of this annual target. Of these contracts, 3 are already active, generating 39.8 GWh, or 3.6% of the target.

In addition, in 2023 the Group created a new subsidiary, SNCF Renouvelables, to produce renewable energy directly from photovoltaic panels. This production should make it possible to directly power the electrical equipment in stations, industrial buildings and the electric car charging points installed in station car parks. This energy will also be used to power some of the SNCF's trains. Between now and 2030, the aim is to install photovoltaic power stations covering around 1,000 hectares to cover around 20% of current electricity needs. In the longer term, by around 2050, the Group is aiming for self-sufficiency.

Any additional costs associated with weather-related risks to operations are covered by measures that are already included in recurring operating costs, such as stepping up network surveillance measures in the field, improving working conditions for employees in the event of extreme heat, and providing information and assistance to passengers in the event of bad weather. The sales growth forecasts used for the impairment tests are based on the assumption of sustained growth in rail transport, partly linked to climate change.

The trajectory for reducing and decarbonising energy consumption is based primarily on the continued electrification of lines, while adapting their levels of resistance and robustness, and on the development of rolling stock that emits less or uses renewable energy sources (biofuel, design of "light" rolling stock, new rolling stock technologies). Regarding its property assets, the group has also taken steps to optimise the use of its premises in particular.

Finally, in application of Regulation (EU) 2019-2088 on the establishment of a framework to promote sustainable investment, commonly referred to as the "Green Taxonomy", aligned investments of around €3.6bn in 2023 contribute directly to the climate change mitigation objective. These investments are mainly focussed on work to regenerate the electrified rail network and the

acquisition or renovation of electric rolling stock, meeting all the Regulation's criteria for the absence of collateral effects. Other investments of around €1.24bn will help to maintain and develop public transport services without CO2 emissions (investments covered by an alternative analysis).

1.3 CONSOLIDATION PRINCIPLES

1.3.1 Entities controlled, jointly controlled or significantly influenced

Companies controlled directly or indirectly by the Group are fully consolidated. In accordance with IFRS 10, control is defined and assessed on the basis of three criteria: power, exposure to variable returns and the link between power and those returns.

All material transactions between controlled companies are eliminated.

All profits and losses of subsidiaries are allocated between the Group and non-controlling interests on the basis of their percentage interest, even if this results in non-controlling interests being recorded at negative values.

Partnerships qualifying as joint operations within the meaning of IFRS 11 are recognised for their share of assets, liabilities and income statement items, after elimination of intercompany transactions.

These are accounted for using the equity method:

- Investments in partnerships that qualify as joint ventures under IFRS 11, i.e. those that give only a right over the net assets of an entity.

- Entities in which the Group exercises significant influence over financial and operating policies but does not have control (associates) in accordance with IAS 28. Significant influence is presumed to exist when the Group's shareholding is 20% or more.

- All intercompany profits and losses from companies accounted for by the equity method are eliminated to the extent of the percentage interest held. In the event of an internal gain realised by the Group on the investment, if the gain to be eliminated exceeds the carrying amount of the investor's interest in the associate or joint venture, the amount of the gain to be eliminated that exceeds the value of the investment is recognised as deferred income under Group accounting policies.

Loans to associates are financial instruments that are subject to impairment, if necessary, in accordance with the rules set out in IFRS 9.

The results of companies acquired or disposed of during the year are recognised in the Group's consolidated income statement from the date on which control is acquired until the date on which control is transferred in the case of a disposal.

The financial statements of the companies included in the consolidation have been restated to bring them into line with the Group's accounting policies, and closed at 31 December 2023.

A list of the main subsidiaries, joint ventures, joint operations and associates, together with information on the assessment of control in certain entities, is provided in Note 10.

1.3.2 Conversion of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries whose functional currency is not the euro are converted into euros using the closing rate method:

- the balance sheet accounts are converted at the year-end exchange rate,

- Income statements are translated at average exchange rates for the year,

- Conversion differences arising on balance sheet items as a result of changes in exchange rates between the end of the previous financial year and the end of the current financial year, and on income statement items as a result of differences between average exchange rates and closing exchange rates, are recorded under "Conversion differences" in other comprehensive income within consolidated shareholders' equity.

Similarly, exchange differences arising from the conversion of receivables or payables forming part of the net investment in a foreign subsidiary are recorded under "Conversion differences" in shareholders' equity. They are recognised in the income statement when the net investment is disposed of.

2. MAJOR EVENTS

2.1 MAJOR EVENTS OF 2023

2.1.1 Follow-up of the rail recovery plan

The €4.05bn rail stimulus plan committed to by the French State in 2020 resulted in the payment by the State of an additional amount of €0.644bn to SNCF Réseau on 14 March 2023, via the State support fund. As a reminder, an amount of €1.645bn was paid in 2021 and two other amounts of €0.693bn and €1.068bn were paid in 2022.

2.1.2 Launch by the European Commission of an in-depth investigation into French state aid measures for Fret SNCF

The outcomes, to date, of the investigation opened on 18/01/2023 by the European Commission against the French State on the support measures from which Fret SNCF benefited during the 2007-2019 period are presented in the following paragraphs.

In a letter dated 23/05/2023, the Ministry of Transport informed the Chairman of SNCF SA that the European Commission's preliminary analysis should lead to the conclusion that the recurrent assumption of Fret SNCF's losses by SA SNCF should be considered as illegal State aid.

Given the risks incurred in the event of a negative decision involving recovery of the aid considered to be illegal, the State considers that a new stage of transformation should be implemented.

This transformation will result in the creation of 2 new entities, which must be incorporated by 31/12/2024 at the latest.

One will be dedicated to the shared train activity, known as "capacity management"; the other will be a maintenance company which will offer the provision of rolling stock maintenance services. In parallel with the creation of these new entities, Fret SNCF will have to gradually withdraw from 23 so-called "dedicated block train" flows by making it easier to take over these flows, for example by selling locomotives at the same time. Other complementary measures are also planned, including the transfer of the management and operation of the Saint-Priest logistics platform near Lyon to a third-party operator, as well as the sale of assets (particularly property and rolling stock), preferably to third parties, which would result in a 40% reduction in the market value of the new rail company's assets compared with all Fret SNCF assets as at 31/12/2021. Furthermore, allowing access, in the medium term, to Rail Logistics Europe's capital by minority third parties, integrating the 2 new structures.

If it is undertaken quickly, this transformation should make it possible, at the end of the formal examination procedure, to obtain a finding from the Commission that Fret SNCF has been economically discontinued, and therefore that there is no obligation to repay any past aid to the two new entities.

At 31/12/2023, the implementation of the discontinuity began with the takeover of dedicated flows by other rail transport operators. By 01/01/2024, Fret SNCF had already discontinued 15 flows.

Of these 15 flows, only one partial subcontract has been requested. Discussions are underway to return the remaining dedicated flows. At this stage, no locomotive has been purchased by the acquiring operators. SNCF Fret may sell in 2024 or later, the 39 locomotives used for dedicated flows.

The Group's financial statements therefore show no material impact from these discontinuity measures.

2.1.3 Acquisition of German group Trans-O-Flex by Geodis subsidiary

On 2 March 2023, Geodis finalised the acquisition of 100% of the German company Trans-O-Flex, a specialist and leader in temperature-controlled transport. The company has developed its own network and set up logistics solutions dedicated to the cosmetics, consumer electronics and health sectors in Germany and Austria, where it employs almost 2,000 people at 77 sites and warehouses.

This acquisition positions Geodis as a major player in the healthcare market and strengthens its express delivery capacity in Germany, one of the Group's strategic markets.

2.2 POST-CLOSING EVENTS

There are no material main subsequent events.

3. PERFORMANCE FOR THE YEAR

EBITDA comprises:

- sales and related income less directly attributable expenses. These mainly comprise purchases, subcontracting, other external services, staff costs, taxes, disposals of assets related to the business (property, plant and equipment in the operating cycle, disposed of as part of production tool renewal operations, mainly transport equipment) and various other items,
- increased by changes in provisions on current assets directly related to operations.

The principles for recognising revenue are outlined in Note 3.2.

EBITDA differs from recurring operating income, which includes most non-cash items (depreciation, provisions, etc.) and various other items that cannot be directly allocated to another income statement item. Allocations to provisions linked to employee benefits (excluding financial costs), allocations to provisions for risks and charges as well as reversals of provisions used or not are therefore recorded below EBITDA on the line "Net change in provisions." EBITDA is therefore affected when the expense or loss for which the provision was made actually occurs.

3.1 INFORMATION BY SECTOR

3.1.1 Determining the sectors presented

The operations of the SNCF Group are organised into five business lines and eleven segments:

– The **Infrastructure Management business line** comprises two sectors:

- SNCF Réseau is responsible for marketing, managing, maintaining, modernising and developing the national rail network. Its customers are the 41 railway companies operating on the national rail network and 21 other companies (combined transport operators, ports, etc.), which order train paths that they then entrust to the railway company of their choice. The segment includes the Sferis, Altametris, Eurailsout, SNCF Immoréseau, Terralpha and Leyfa Measurement subsidiaries.

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

– The **Passenger Transport business line** is made up of four sectors

- Transilien: local conventional rail transport services in the Île-de-France region.

- TER: contracted regional passenger transport activities, by rail and road, including urban and suburban, as well as associated complementary services (RITMx).

- TGV-Intercités: door-to-door passenger transport activities in France and Europe via SA Voyageurs (TGV, OUlgo, Intercités), European cooperations (Alleo with DB, Lyria with CFF, etc.) and its subsidiaries (Eurostar Group, Thalys, Ouigo España, etc.) and distribution of travel-related products (including the SNCF Connect subsidiary).

- The Industrial Division comprises the Matériel (Equipment), Traction and Production Ferroviaire (Rail Production) businesses, as well as the subsidiary Masteris. It coordinates the activities of the associated business lines. The Matériel business is responsible for the upgrade and heavy maintenance of the Group's rolling stock, as well as the parts supply chain for all maintenance Technicentres, and provides a comprehensive range of testing and maintenance engineering services.

– **Keolis**: responsible for public passenger transport and mobility services in 13 countries. Its expertise includes all modes of transport (train, bus, car, underground, tramway, ferries, bicycles), as well as 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 Optimisation, Air & Sea Freight Forwarding, Distribution & Express, Road Transport, Contract Logistics).

- Rail Logistics Europe: activities of rail freight transport companies, combined transport operators and freight forwarders in Europe through several companies (SAS Fret SNCF, Captrain, Combicargo, Forwardis and VITA).

– **SNCF Immobilier** acts as an agent or service provider on behalf of the other SAs in four key areas: management of operating assets (optimisation of assets with property master plans, construction and renovation of buildings and rental management), development of assets not required for railway activities, management of the working environment of the main tertiary buildings and the housing stock through the ICF Habitat group, a subsidiary of SA SNCF.

These sectors are supported by common support functions (Corporate) and other service provider activities of the SNCF Group (CSP activities, holding activities of

SNCF Participations, SUGE) and certain operating subsidiaries which make up the "Other" sector.

3.1.2 Indicators presented

The key indicators reported for each segment are:

- **External revenue**, excluding transactions with other sectors of the group.
- **Internal revenue** comprising transactions between sectors.
- **EBITDA as defined above.**
- **Net investments** comprises gross acquisitions of tangible and intangible assets (including capitalised production and financing costs), net of investment subsidies received and new financial assets under concessions, net of cash received, and therefore after the impact of changes in working capital investment requirement.

3.1.3 Information by sector

– **Investments from 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 finance costs), plus new gross concession financial assets.

– **Net financial debt (NFD)** is the sum of current and non-current financial liabilities less current and non-current financial assets, when the latter arise from transactions that are, in substance, exclusively exchanges of cash flows: issue or receipt of cash against repayment or remuneration expected in cash.

The accounting methods used to prepare the financial data for each segment are the same as those used to prepare the consolidated financial statements. Internal revenue is eliminated in an "Inter-segment" line item for purposes of reconciliation with the Group consolidated financial statements.

31/12/2023

€m	External revenue	Intra-group revenue	Turn-over	External EBITDA	Investments net	Investments all financing	Debt financial net
SNCF Réseau	2,923	4,628	7,551	1,667	1,778	5,522	19,263
SNCF Gares & Connexions	424	1,432	1,856	356	434	1,112	1,064
Intra-business line eliminations		-528	-528				
Infrastructure Management	3,347	5,532	8,879	2,023	2,212	6,634	20,327
Transilien	3,415	356	3,770	335	-52	1,209	-646
TER	5,482	348	5,830	314	75	1,258	-1,336
TGV - Intercités	9,279	376	9,655	1,597	571	700	2,484
Industrial Division	81	2,053	2,133	135	158	161	301
Other	90	943	1,033	6	40	40	-603
Intra-business line eliminations		-3,250	-3,250				
Passengers	18,347	825	19,172	2,388	791	3,368	200
Keolis	6,812	171	6,984	520	169	229	870
Geodis	11,513	127	11,640	1,110	218	213	2,087
Rail Logistics Europe	1,630	82	1,712	121	94	50	13
Other	-	-	-	5	0	-	-298
Intra-business line eliminations		-18	-18				
Freight & Logistics	13,143	192	13,334	1,236	312	263	1,803
SNCF Immobilier	58	967	1,025	201	16	22	-77
Corporate	53	1,200	1,253	66	48	48	1,076
Inter-segment eliminations		-12,683	-12,683				
Total	41,760	-	41,760	6,435	3,549	10,564	24,199

	31/12/2022						
€m	External revenue	Intra-group revenue	Turn-over	External EBITDA	Investments net	Investments all financing	Debt financial net
SNCF Réseau	2,711	4,397	7,108	1,821	2,062	5,561	18,998
SNCF Gares & Connexions	299	1,335	1,633	335	371	965	1,024
Intra-business line eliminations		-485	-485				
Infrastructure Management	3,010	5,247	8,257	2,156	2,433	6,525	20,022
Transilien	3,235	360	3,594	340	-73	1,092	-247
TER	5,124	355	5,479	347	-103	921	-1,293
TGV - Intercités	8,131	377	8,508	1,419	568	661	3,519
Industrial Division	85	1,764	1,848	153	143	144	283
Other	7	598	606	10	17	20	-184
Intra-business line eliminations		-2,650	-2,650				
Passengers	16,582	803	17,385	2,269	552	2,838	2,078
Keolis	6,568	147	6,715	574	147	208	974
Geodis	13,606	116	13,723	1,157	199	197	1,014
Rail Logistics Europe	1,626	83	1,709	201	84	85	-90
Other	-	-	-	5	-	-	-810
Intra-business line eliminations		-21	-21				
Freight & Logistics	15,233	179	15,411	1,363	283	282	114
SNCF Immobilier	44	735	779	202	30	29	-172
Corporate	13	1,071	1,085	50	52	53	1,423
Inter-segment eliminations		-11,338	-11,338				
Total	41,449	-	41,449	6,615	3,495	9,936	24,439

In accordance with IFRS 8 (§33), information relating to geographical areas is not provided due to its unavailability.

3.2 REVENUE

The SNCF Group derives its revenue from contracts with customers in accordance with IFRS 15. It corresponds to the total remuneration (transaction price) received for commercial transactions carried out as part of its ordinary and recurring main operating activities. The SNCF Group derives its products from its business lines:

- Passengers (TGV Intercités, TER, Transilien, Industrial Management),
- Infrastructure Manager (SNCF Réseau, SNCF Gares & Connexions),
- Keolis,
- Freight and Logistics (Geodis, Rail Logistics Europe including SAS Fret SNCF),
- SNCF Immobilier.

The transaction price mainly comprises:

- the fixed contractual fee agreed with the customer,
- variable considerations corresponding to a right conditional on the occurrence of recurring future events and for which a reliable estimate is possible on the basis of predictive methods. These essentially concern rebates and discounts granted to customers, penalties and compensation incurred following a breach of contractual specifications and bonuses or penalties upon achievement of contractual objectives,
- consideration payable to customers corresponding to amounts paid or payable to the customer, which are deducted from the transaction price when they do not correspond to separate services received from the customer.

Most of the guarantees granted to customers relate to passenger and freight transport. They can be used to provide assurance that the services sold comply with the contractual specifications (assistance guarantee, damage guarantee, etc.). In this case, the costs are provisioned in accordance with IAS 37. When they correspond to a penalty incurred in the event of failure to achieve a certain level of performance, they are recorded as a deduction from sales as variable considerations from the transaction price (punctuality guarantee, travel vouchers issued in the event of disruptions, etc.). Finally, when they correspond to

an additional service provided to the customer, they are recognised in sales as a separate performance obligation. The Group recognises sales in its consolidated financial statements when control of the service is transferred to the customer:

- As part of the multi-year agreements with the Transport Authorities, the Group operates a transport service. The service obligation consists of maintaining continuous access for users to the public passenger transport service. The transaction price is determined on an annual basis, based on operating cost estimates and criteria for achieving certain contractually-defined performance targets. Given the direct link between the parameters for determining remuneration and the level of performance expected in the performance of the service over the same period, the remuneration received annually is allocated directly to the annual services to which it relates. The transfer of control is therefore considered to be continuous and sales are recognised on a straight-line basis over the financial year on the basis of the accepted quotation.
- For other passenger transport activities, the transfer of control takes place at the time the travel service is provided. Payment of the transaction price is instantly due when the customer receives the service,
- Charges for the use of the rail network by railway undertakings are recognised as revenue at the time of actual traffic, since control of the service is transferred at that time,
- In the case of freight transport and logistics activities, control of the service is transferred continuously over a short period of time, enabling revenue to be recognised at a given point in time (departure or arrival of the goods), given the very short duration of the service,
- Services for which control is transferred continuously over a long period mainly comprise property development and promotion activities and certain station management activities.

The SNCF group derives its revenue from services provided at a given moment or continuously over a certain period, to individual, public or private customers, in the following main service lines:

€m	31/12/2023	31/12/2022	Change	Segments
Passenger transport revenue	8,292	7,251	1,041	TGV - Intercités
Freight transport revenue	9,249	11,723	-2,474	Freight & Logistics business line
Other services ancillary to transport	3,908	3,541	367	TGV- Intercités, Freight & Logistics business line
Fees from Transport Organising Authorities (TOAs) for contracted operations	15,823	15,065	758	Transilien, TER, Keolis
Rail network management fees	2,578	2,440	138	SNCF Réseau
Station management revenue	424	299	125	SNCF Gares & Connexions
Property rental revenue (excluding rent generated by stations)	92	95	-3	Freight & Logistics business line, TGV - Intercités, Corporate
Transport equipment leasing revenue	31	42	-11	Freight & Logistics business line, Transilien, TER, Keolis
Upkeep and maintenance services	196	172	25	All segments
Other revenue	1,165	820	345	All segments
Revenue by main service line	41,760	41,449	311	
Public sector (public authorities)	18,401	17,718	683	
Private individuals	8,166	7,271	895	
Private sector companies	15,193	16,460	-1,267	
Revenue by customer type	41,760	41,449	311	
Immediate or one-day transfer	11,111	9,779	1,332	
Continuous transfer over a period not exceeding one year (logistics, transport of goods and remuneration from OAs)	30,199	31,295	-1,096	
Continuous transfer for a period exceeding one year (real estate activities, certain station management activities, etc.)	449	375	74	
Revenue by recognition rate	41,760	41,449	311	

3.3 SERVICE CONCESSION AGREEMENTS

As part of its transport activities, the Group provides public services on behalf of Transport Organising Authorities (AOT): the State or various local authorities. These subsidised rail transport services are covered by operating agreements lasting between 3 and 10 years. They are mainly provided by SNCF Voyageurs (Transilien, TER and Intercités) and Keolis. Assets used to provide a public service and controlled by the AOT are included within the scope of IFRIC 12. Control of the assets by the AOT is presumed when the following two conditions are met:

- the AOT controls or regulates the public service, i.e. it controls or regulates the services that must be provided using the equipment covered by the concession and determines to whom and at what price this service must be provided; and
- the AOT controls the infrastructure, i.e. has the right to take back the equipment at the end of the contract.

In accordance with IFRIC 12, infrastructure developed by the public service operator under the operating agreement is not recognised in the balance sheet as a tangible asset but as an intangible asset ("intangible asset model") and/or a financial asset ("financial asset model"), depending on the degree of the remuneration commitment granted by the AOT:

- the "intangible asset model" applies when the Group, as concession operator, obtains the right to charge the users of the public service and is essentially paid by the user, entailing an operational risk for the Group. This applies to some contracts within the Keolis scope;
- the "financial asset model" applies when the Group obtains an unconditional right to receive cash or another financial asset, either directly from the OA or indirectly through guarantees given by the AOT on the amount of cash received from users of the public service. The remuneration is therefore independent of user numbers. In this case, investment subsidies are treated as repayments

of operating financial assets. The Group has elected to categorise these financial assets as loans and receivables under IFRS 9 and to recognise them at amortised cost. This model applies to transport agreements within the SNCF Voyageurs scope (Transilien, TER and Intercités).

In accordance with IFRS 15 "Revenue from contracts with customers", the SNCF Group presents passenger revenue from contracted activities as revenue from transport organising authorities and not from individual customers. In the case of certain contracts where the Group is only involved in the distribution process as an agent of the OA, the distribution service is recognised at the cost of the service plus the margin attributable to this service.

Service concession agreements with transport organising authorities have the following effects on the Group's consolidated financial statements:

€ millions	31/12/2023	31/12/2022	Change
Services with OAs	13,416	12,737	679
Revenue generated from passenger ticket sales	2,153	2,111	42
Services provided to the State as OA for the Trains d'Équilibre du Territoire (French regional trains)	201	157	44
Interest income arising from concession financial assets	53	61	-8
Impacts on revenue (*)	15,823	15,065	758
New concession financial assets	-2,284	-1,805	-479
Cash inflows from concession financial assets	1,999	1,709	290
Impacts on cash flow used in investing activities	-285	-96	-189
(*) including Keolis revenue	6,420	6,207	213
including SNCF Voyageurs revenue	9,403	8,859	545
€ millions	31/12/2023	31/12/2022	Change
Intangible concession assets	99	94	5
Non-current concession financial assets	1,383	1,531	-148
Impacts on non-current assets	1,483	1,625	-143

Income from transactions with OA's was generated by contributions from OA's in respect of Keolis and SNCF Voyageurs contracted transport activities (TER and Transilien).

Income from ticket sales directly to passengers relates to TER and Intercités activities.

The new disbursements on concession financial assets shown in the table above represent investments in returnable assets made in connection with the contracted passenger transport activities of Transilien (€1,148m), TER (€1,042 m), Intercités (€64m) and Keolis (€30m). Where these investments are subsidised, the subsidies are shown on the line "receipts from concession financial assets" and are deducted from the concession financial assets on the balance sheet.

Returnable property investments net of receipts from service concession agreements resulted in a cash requirement of €285 m.

3.4 OTHER ITEMS

3.4.1 Purchases and external expenses

Purchases, sub-contracting and other external expenses:

€ millions	31/12/2023	31/12/2022	Change
Sub-contracting	-8,086	-10,267	2,181
Eurotunnel tolls and others	-944	-778	-166
Other purchases and external expenses	-7,144	-6,135	-1,009
Traction energy	-1,320	-816	-504
Purchases and external expenses	-17,494	-17,996	502

The €502m fall in external purchases and expenses is mainly due to a reduction in subcontracting at Geodis, in line with a fall in their business, and, in the opposite direction, to a rise in energy costs and other external charges.

The Group's consolidated financial statements are audited by EY and PWC. The breakdown of their fees for work carried out for the parent company and its French subsidiaries, included in the "Purchases and external expenses" line, is presented in the table below. Services other than the Certification of Accounts (SACC) mainly comprise reconciliation attestations, contractual audits and agreed procedures.

The information is not required by IFRS, but given pursuant to regulation no. 2016-09 of 2 December 2016 issued by the French Accounting Standards Authority (ANC).

€ millions	31/12/2023		31/12/2022	
	E&Y	PWC	E&Y	PWC
Certification of accounts	-6	-4	-6	-4
Parent company	0	0	0	-1
French subsidiaries	-6	-4	-6	-4
Services other than certification (SACC)	-1	-1	-2	-1
Parent company	0	0	0	0
French subsidiaries	-1	-1	-2	0
Total	-7	-5	-8	-5

3.4.2 Staff costs and headcount

Staff costs mainly comprise salaries, social security contributions, employee profit-sharing and other employee benefits, excluding changes in provisions for employee benefits.

At 31 December 2023, staff costs and headcount were as follows:

€ millions	31/12/2023	31/12/2022	Change
Remuneration and social security charges (including profit-sharing)	-15,865	-14,960	-905
Employee profit-sharing	-57	-60	3
Seconded and temporary staff	-667	-704	37
Personnel expenses	-16,589	-15,724	-865

The increase in personnel costs is the result of growth in the average workforce, mainly at Geodis, and the pay rise measures agreed by SNCF.

The breakdown of average headcount by socio-professional category is as follows.

Average headcount	31/12/2023	31/12/2022
Executives	66,165	64,564
Supervisory staff	74,351	65,967
Operations staff	142,270	145,740
Total	282,786	276,271

Headcount includes fully-consolidated companies and the share of joint ventures. The calculation corresponds to an arithmetic average of the headcount at the end of each quarter of the calendar year, in application of Regulation 2016.09 of 2 December 2016.

3.4.3 Dues and taxes

Taxes included in EBITDA mainly comprise the flat-rate tax on network companies (imposition forfaitaire sur les entreprises de réseau - IFER) and the Territorial Economic Tax (Contribution Économique Territoriale - CET). The CET has two components: the Corporate Property Tax (Contribution Foncière des Entreprises - CFE), based

solely on the rental value of property liable to property tax, and the Corporate Value Added Tax (Cotisation sur la Valeur Ajoutée des Entreprises - CVAE), based on the added value of businesses.

€ millions	31/12/2023	31/12/2022	Change
IFER	-308	-288	-20
Property tax	-139	-124	-15
Territorial Economic Contribution	-155	-209	54
Payroll tax	-128	-130	2
Other taxes	-553	-523	-30
<i>Including Other payroll</i>	<i>-450</i>	<i>-434</i>	<i>-16</i>
Taxes and duties other than income tax	-1,283	-1,274	-9

The rise in IFER and property taxes is explained by the increase in rates and bases.

The decrease in CET is mainly due to the reduction in the CVAE rate from 0.75% in 2022 to 0.375% in 2023. The definitive abolition of the CVAE has been postponed from 2024 to 2027.

3.4.4 Net change in provisions

At 31 December 2023, the net change in provisions breaks down as follows:

€ millions	31/12/2023	31/12/2022
Charges / reversals relating to employee benefits (*)	-3	-40
Charges to/reversals of provisions for liabilities and charges (**)	-26	85
Net movement in provisions	-29	45

(*) see Note 5.2.2

(**) see Note 4.6

4. OPERATING ASSETS AND LIABILITIES

4.1 GOODWILL

Under the purchase method, the identifiable assets and liabilities of the acquired company that meet the criteria for recognition under IFRS are recognised at their fair value at the acquisition date, with the exception of assets held for sale, which are recognised at fair value less related selling costs, deferred tax, which is recognised in accordance with IAS 12 Income Taxes, and employee benefits, which are recognised in accordance with IAS 19.

Costs directly attributable to the acquisition are excluded from the cost of the acquisition and expensed directly. Where control is acquired in stages, the share of interest previously held is remeasured at fair value through profit or loss.

Additional consideration is recognised at fair value on the date control is acquired and offset against goodwill if, and only if, it arises during the allocation period and is linked to new information about the situation existing on the date control is acquired. Otherwise, they are recognised in profit or loss or other comprehensive income in accordance with the relevant provisions of IFRS 9.

Only identifiable liabilities meeting the criteria for recognition as liabilities or contingent liabilities by the acquired company are recognised at the acquisition date as part of the allocation of the cost of the business combination. Accordingly, a liability for restructuring the acquiree is recognised as part of the allocation of the cost of the business combination only if, at the acquisition date, the acquiree has a present obligation to carry out the restructuring.

Adjustments to the fair values of assets and liabilities acquired in business combinations initially recognised on the basis of provisional values (as a result of external valuation work in progress or additional analyses still to be carried out) are recognised as retrospective adjustments to goodwill if they occur within 12 months of the acquisition date and if they relate to additional information obtained on situations existing at the acquisition date. After this period, these adjustments are recognised directly in the income statement unless they correspond to corrections of errors.

The Group has opted for the "partial goodwill" method, and only recognises the goodwill attributable to it in the balance sheet, without taking into account the share attributable to minority interests.

Goodwill is not amortised but is tested for impairment whenever there is an indication that it may be impaired, and at least once a year, as described in Note 4.4. Negative goodwill is immediately recognised in operating income.

If control of a subsidiary is lost, the gain or loss on disposal takes into account the net book value of the goodwill allocated to the business sold.

Buyouts and disposals of non-controlling interests (minority interests) with no change in the level of control are charged to equity.

Movements in goodwill during the period break down as follows:

€ millions	Gross value	Impairment	Net value
As at 1 January 2022	2,673	-388	2,285
Acquisitions	425	0	425
Impairment losses	0	0	0
Disposals	-48	48	0
Currency conversion	-19	-1	-19
Other changes	-1	0	-1
As at 31 December 2022	3,031	-341	2,690
As at 1 January 2023	3,031	-341	2,690
Acquisitions	810	0	810
Impairment losses	0	0	0
Disposals	-7	0	-7
Currency conversion	-29	0	-29
Other changes	0	0	0
As at 31 December 2023	3,804	-341	3,463

In 2023, the €810m increase is due to the acquisitions by Geodis of the Trans-O-Flex group in Germany, ITS in Switzerland, assets at Southern Companies in the United States and Transports Dévoluy in France, as well as the adjustment of provisional goodwill at Geodis Logistics Singapore and Need it Now Delivers following the definitive valuation of identified assets and liabilities (see Note 4.2.1).

Acquisitions had a negative impact of -€1,048m on the cash flow statement.

The "disposals" line corresponds to the sale of the Expreto subsidiary in March 2023.

In 2022, the increase of €425m was due to the acquisitions by Geodis of Need It Now Delivers, Geodis Logistics Singapore and Transports Perrier for a total of €418 m, and of Transports Pagès and Terminal G by

Keolis for €7 m. The "Disposals" line reflects the sale of the Rail Europe SAS sub-group in February 2022.

Contribution of the main acquisitions during the year to Group revenue and net profit in June 2023:

€ millions	Revenue	Net profit - Group share
Trans-O-Flex	500	-17
Southern Companies	15	-1
ITS	22	2
Transports Devoluy	2	0
Total	538	-16

The main acquisitions made during the year contributed €665m to Group revenue as if they had been made on 1 January 2023.

4.2 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

4.2.1 Intangible assets

Intangible assets mainly comprise brands acquired in business combinations, software acquired or created, and industrial processes. Intangible assets acquired for consideration are recognised at cost or, where applicable, at their fair value on the date control is acquired if these assets are acquired as part of a business combination. Internally developed intangible assets are recognised as assets at their production cost, provided they meet the criteria set out in IAS 38. In accordance with IAS 23,

At the end of the financial year, the goodwill recognized by the group breaks down as follows:

€ millions	31/12/2023	31/12/2022	Change
Keolis	636	638	-2
SNCF Voyageurs	402	401	1
<i>Including Eurostar Group CGU</i>	<i>401</i>	<i>394</i>	<i>7</i>
Freight & Logistics	2,423	1,649	775
<i>Including Geodis CGU</i>	<i>2,387</i>	<i>1,617</i>	<i>770</i>
<i>Including Other rail companies</i>	<i>36</i>	<i>32</i>	<i>5</i>
Total	3,463	2,690	774

production cost includes financial interest relating to the asset preparation period. The rate used is the weighted average rate of borrowings recognised as liabilities by the Group. Amounts recorded in the balance sheet are reduced by accumulated depreciation and impairment losses. Where intangible assets have a finite useful life, they are amortised over their useful life in accordance with the periods presented in Note 4.2.5. For those with an indefinite useful life, a periodic impairment test is carried out as described in Note 4.4.

€ millions	31/12/2023			31/12/2022		
	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Concessions, patents, software	3,244	-2,657	588	2,992	-2,337	655
Intangible concession assets (Note 3.3)	156	-56	99	190	-96	94
Other intangible assets	2,529	-1,448	1,081	2,225	-1,345	880
Intangible assets in progress	399	-45	354	425	-47	378
TOTAL	6,328	-4,206	2,122	5,833	-3,825	2,007

The change in this item breaks down as follows:

€ millions	Concessions, patents, software	Intangible concession assets	Other intangible assets	Intangible assets in progress	Total
Net carrying amount as at 31/12/2021	673	91	948	403	2,114
Acquisitions and capitalised production	37	0	22	280	339
Disposals	-3	0	-2	0	-5
Depreciation and amortisation and share of subsidiaries transferred to income	-292	-21	-115	0	-428
Impairment losses	-15	0	-14	-21	-50
Changes in scope	-1	0	-2	-1	-3
Currency conversion	0	0	-15	-1	-15
Commissioning and other changes	256	24	58	-283	55
Net carrying amount as at 31/12/2022	655	94	880	378	2,007
Acquisitions and capitalised production	46	0	26	281	354
Disposals	-10	0	0	3	-7
Depreciation and amortisation and share of subsidiaries transferred to income	-288	-21	-105	0	-414
Impairment losses	-143	0	-14	-13	-170
Changes in scope	5	0	261	0	266
Currency conversion	-1	0	2	0	2
Commissioning	285	0	16	-302	0
Other changes	37	26	14	7	84
Net carrying amount as at 31/12/2023	588	99	1,081	354	2,122

In 2023, the impact of changes in the scope of consolidation mainly concerns brands, customers and contractual rights identified in business combinations. The valuation of intangible assets relating to the acquisition of Trans-O-Flex will be finalised in the first half of 2024.

In 2022, other changes in software included a decrease of €16m relating to the change in accounting method for certain related costs relating to software in SaaS mode. Details of acquisitions are provided in Note 4.2.4.

4.2.2 Property, plant and equipment

Since 1 January 2020, the Group property, plant and equipment have consisted of:

- assets allocated to the Group, owned by the State, for which SNCF Réseau and Gares & Connexions are assignees.

- owned assets, for all other entities in the Group, other than infrastructure managers.

Directly acquired fixed assets are recorded as assets in the consolidated balance sheet at cost. In accordance with IAS 23, production cost includes financial interest relating to the asset preparation period. The rate used is the weighted average rate of borrowings recognised as liabilities by the Group. Fixed assets acquired through a business combination are recognised at their fair value on consolidation. Fixed assets produced in-house are recognised at production cost.

The production cost of fixed assets produced includes the cost of materials and labour used to produce the fixed assets, including spare parts originally purchased. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Property, plant and equipment are not subject to periodic revaluation. Maintenance and repair costs are recognised as follows:

- for rolling stock:

- Routine maintenance costs incurred during the life of the equipment (repair of defective spare parts and replacement of unusable or missing parts) are operating expenses;

- expenditure on multi-year major overhaul programmes is capitalised in the form of an overhaul component, which is then depreciated;

- Overhaul costs incurred at the end of the component's initial useful life, as well as those incurred during renovation or conversion operations, are recorded as fixed assets if they extend the component's useful life;

- obligations to dismantle asbestos-contaminated rolling stock are recognised by increasing the value of the equipment on the assets side of the balance sheet (see Note 4.6).

- for fixed installations:

- Routine maintenance and repairs (technical inspections, maintenance contracts, etc.) are operating expenses;

- expenditure on multi-year major building maintenance programmes is capitalised through the partial or total replacement of each component concerned.

Investment property

Investment property is real property held by the Group to earn rentals or for capital appreciation.

Investment properties are valued at cost and depreciated on a straight-line basis over their respective useful lives.

As part of the first-time application of IFRS, their balance sheet value has been established using the most appropriate estimate based on the total value of land and buildings. This amount has since been amortised and reduced by the value of disposals.

Rail infrastructure

Expenditure relating to the construction or renewal of a railway asset is capitalised in the balance sheet from the "preliminary project" phase onwards, or as soon as the criteria for recognition as an asset are met. Expenditure incurred in advance remains expensed.

The production cost of directly managed projects includes studies, works, land acquisition and compensation, and direct operating costs.

The production cost of work carried out under public-private partnerships (PPP) or concession agreements is recognised on the basis of the percentage of completion communicated by the partners or concessionaires. It is made up of the sum of the fees invoiced by the partners or concessionaires plus the discounted value of the fees still to be paid, to which is applied the percentage of completion.

SNCF Réseau recognises an impairment loss for the risk of not completing "dormant" projects. For these projects, a progressive flat-rate impairment loss is recognised if no costs have been incurred for more than one year. In addition, when a triggering event calls into question the successful completion of a project, an exceptional write-down of 100% of the expenditure incurred is recorded.

Whether for lump-sum depreciation or exceptional depreciation, depreciation is calculated net of earned subsidies relating to the projects concerned.

When the abandonment of a project in progress is confirmed, all expenses incurred and subsidies earned in relation to the project are recognised in the income statement. Any impairment recognised is reversed.

Investment subsidies

The Group receives investment subsidies from third parties (State, local authorities, Regions, etc.) to finance the production of certain fixed assets. Subsidies must be recognised when there is reasonable assurance that the company will comply with the conditions attached to the subsidies and that the subsidies will be received. In the case of financing agreements relating to investments, the investment subsidy recognised in the balance sheet corresponds to the entity's receivable in respect of the expenditure actually incurred.

Investment subsidies are deducted from their associated assets. Amortisation and reversal of subsidies are described in Note 4.2.5.

The breakdown of tangible fixed assets by category is as follows:

€ millions	31/12/2023			31/12/2022		
	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Investment property	276	-20	256	276	-20	256
Land and buildings	29,295	-13,155	16,140	27,622	-12,673	14,949
Tracks, earthworks, engineering works and level crossings	66,992	-27,774	39,218	63,170	-26,394	36,776
Technical, electrical, telecom and signalling equipment, machinery, tools and other fixed assets (ITMO and others)	33,585	-17,940	15,645	31,790	-16,952	14,838
Transport equipment	26,083	-18,762	7,321	26,891	-19,138	7,754
Tangible fixed assets in progress	20,199	-29	20,170	20,380	-30	20,350
Total	176,431	-77,680	98,750	170,130	-75,207	94,922
Investment subsidies	54,823	-10,273	44,550	51,227	-9,455	41,772
NET TOTAL	121,608	-67,407	54,201	118,903	-65,753	53,150

Investment subsidies break down as follows:

€ millions	31/12/2023	31/12/2022
<i>Subsidies Infrastructure manager</i>		
Development subsidies on assets under construction	10,162	10,010
Development subsidies on fixed assets in service (*)	24,314	22,798
Regeneration subsidies on assets in service (*)	7,355	5,883
Regeneration Subsidy	1,397	1,738
<i>Other sector subsidies</i>		
Other subsidies (*)	1,321	1,343
TOTAL	44,550	41,772

(*) Net of reversals

The change in Subsidies on fixed assets in progress in the Infrastructure Management segment was as follows:

€ millions	31/12/2022	Increases	Commissioning	Reclassifications	31/12/2023
Subsidies on assets in progress	10,010	2,841	-2,640	-50	10,162

The breakdown of investment subsidies on fixed assets in service for the Infrastructure Management segment is as follows:

€ millions	Intangible assets	Land and buildings	Tracks, earthworks, engineering works and level crossings	Technical, electrical, telecom and signalling equipment, machinery, tools and other fixed assets (ITMO and others)	Total
Net carrying amount as at 31/12/2022	0	3,382	15,951	3,464	22,797
Commissioning	0	562	1,434	644	2,640
Disposals/Scrapping	-	-3	-2	-2	-7
Share of subsidy transferred to income	-0	-284	-448	-385	-1,118
Net carrying amount as at 31/12/2023	-0	3,657	16,935	3,721	24,313

Investment subsidies received break down as follows:

€ millions	31/12/2023	31/12/2022
Calls for subsidies	4,724	4,542
Change in subsidy receivables	318	-24
Investment subsidies received	5,042	4,518

Calls for subsidies over the period for fixed installations and rail infrastructure projects (development and regeneration) totalled €4,322 m. Calls for subsidies for railway equipment projects totalled €402 m.

Movements in property, plant and equipment, including investment subsidiaries, were as follows:

€ millions	Investment property	Land and buildings	Tracks, earthworks, engineering works and level crossings	Technical, electrical, telecom and signalling equipment, machinery, tools and other fixed assets (ITMO and others)	Transport equipment	Tangible fixed assets in progress	Investment subsidiaries (*)	Net total subsidiaries
Net carrying amount as at 31/12/2021	259	14,397	33,890	14,629	9,047	20,543	-40,179	52,587
Acquisitions and capitalised production	0	25	0	131	88	7,548	-4,542	3,250
Disposals	-3	-40	-3	-19	-116	45	31	-103
Depreciation and amortisation and share of subsidiaries transferred to income	0	-698	-1,250	-1,235	-992	0	1,406	-2,770
Impairment losses	0	38	0	6	16	6	0	67
Change in scope	0	1	0	92	17	-9	0	102
Currency conversion	0	-3	0	4	-45	-2	0	-45
Commissioning and other changes	0	1,228	4,139	1,229	-262	-7,782	1,512	63
Net carrying amount as at 31/12/2022	256	14,949	36,776	14,838	7,754	20,350	-41,772	53,150
Acquisitions and capitalised production	0	55	0	159	91	7,622	-4,724	3,203
Disposals	0	-56	-9	-32	-63	-15	17	-156
Depreciation and amortisation and share of subsidiaries transferred to income	0	-764	-1,337	-1,233	-804	0	1,536	-2,602
Impairment losses	0	148	-45	31	26	0	0	161
Change in scope	0	66	0	18	4	0	0	89
Currency conversion	0	2	0	-6	15	1	0	11
Commissioning		1,847	3,832	1,821	300	-7,801	0	0
Other changes	0	-108	0	48	-2	13	393	344
Net carrying amount as at 31/12/2023	256	16,140	39,218	15,645	7,321	20,170	-44,550	54,201

(*) including investment subsidiaries for assets under construction

The change in the various items of tangible assets at 31 December 2023 is mainly due to:

- Acquisitions of fixed assets and capitalised production for the year amounting to €7,927m (see Note 4.2.4), as well as changes in related investment subsidiaries,
- Disposals during the year of -€174m (see Note 4.2.6),
- Changes in depreciation and impairment of assets at 31 December 2023, presented in Notes 4.2.5 and 4.4 respectively.

4.2.3 Leases

The SNCF Group's leases are treated in accordance with IFRS 16 on the identification, measurement and recognition of leases.

Valuation of the right to use leased assets

The right of use is valued at cost and includes:

- the initial amount of the lease obligation plus any advance payments made to the lessor, net of any inducements received from the lessor;
- the initial direct costs incurred by the lessee in concluding the contract;
- the estimated costs of restoring and dismantling the leased asset;

The right of use is amortised over the lease term, or over the useful life of the underlying asset when the contract provides for a purchase option that the lessee is reasonably certain of exercising.

Assessment of the lease obligation

The lease obligation is recognised at an amount equal to the present value of the lease payments over the term of the contract. This discounting is carried out using the lessee's marginal borrowing rate, as it is difficult to determine the rate implicit in the contracts for the SNCF Group's main leases.

The amounts taken into account in the valuation of rental obligations are:

- fixed rents (including rents that are fixed in substance, i.e. even if they contain a variability in form, they are in substance unavoidable);
- variable rents based on a rate or index using the rate or index on the date the contract takes effect;
- payments to be made by the lessee under a residual value guarantee;
- penalties payable in the event of exercise of a termination option or non-renewal of the contract, if the term of the contract was determined on the assumption that the lessee

would exercise it.

The lease term corresponds to the negotiated contractual term. Assumptions of renewal or termination are only taken into account if a particular context allows the Group to be reasonably certain:

- to exercise a renewal option, for example, when the leased asset is considered to be "strategic" or when it has been the subject of "significant" investment even though the residual lease term is significantly short.
- to exercise a contractual termination option.

In an interpretation dated 26/11/2019, the IFRIC established the principle of taking into account an "economic" lease term measured beyond the contractual term. This interpretation has not led the Group to revise the duration of its leases.

In substance purchase

Certain transactions are considered to be purchases in substance of tangible assets. These are financial packages with the following characteristics:

- the lessor has a legal reservation of title serving as a guarantee of repayment and payment of interest;
- the Group initially acquired the equipment or took a leading role in the acquisition process from the manufacturers;
- the option must be exercised at the end of the lease in accordance with the contractual terms and conditions.

As these financial arrangements are purchases in substance of assets and not leases, the corresponding debt is considered a financial liability within the meaning of IFRS 9 and the asset a tangible fixed asset in accordance with IAS 16.

Simplification measures adopted In application of the simplification measures provided for in the standard, the Group does not capitalise short-term leases (12 months or less) and leases of low-value goods (with reference to an indicative threshold of €5,000).

4.2.3.1 Right-of-use assets

Rights-of-use assets are broken down by category as follows:

€ millions	31/12/2023			31/12/2022		
	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Land and buildings	4,678	-2,235	2,443	4,245	-1,841	2,405
Transport equipment	2,674	-1,229	1,445	2,537	-1,140	1,397
Other	498	-184	314	300	-152	148
TOTAL	7,850	-3,648	4,202	7,082	-3,132	3,950

Leases mainly relate to buildings (warehouses, shops, offices, etc.), rail and road transport equipment (buses, train sets, locomotives, coaches, etc.), and significant leases of technical equipment used in the operating cycle.

The change in this item breaks down as follows:

€ millions	Land and buildings	Transport equipment	Other	Total
Net carrying amount as at 31/12/2021	1,968	1,284	173	3,425
New leases contracted	479	519	54	1,052
Termination and end of contracts	-22	-46	-30	-98
Depreciation and amortisation	-556	-405	-59	-1,019
Impairment losses	-4	-6	-3	-13
Changes in scope	148	-24	5	130
Other changes (contract amendments, remeasured assumptions, currency conversion, etc.)	391	74	7	473
Net carrying amount as at 31/12/2022	2,405	1,397	148	3,950
New leases contracted	412	412	239	1,063
Termination and end of contracts	-27	-25	0	-51
Depreciation and amortisation	-616	-416	-80	-1,111
Impairment losses	-6	0	0	-7
Changes in scope	187	22	8	218
Other changes (contract amendments, revaluation of assumptions, conversion adjustments, etc.)	89	55	-2	141
Net carrying amount as at 31/12/2023	2,443	1,445	314	4,202

New contracts during the period were mainly in relation to Geodis (€617 m). These were primarily new lease contracts for handling equipment and new warehouses.

Changes of +€218m in the scope of consolidation reflected contracts transferred as part of the acquisition of Trans-O-Flex (see Note 2.1.3).

The amount under Other changes relates to:

- contract revaluations (revision of term and/or rent) of €233 m.
- the -€30m impact of conversion adjustments.
- account-to-account reclassifications (-€63 m).

For details of depreciation recognised in profit or loss, see Note 4.2.5.

4.2.3.2 Lease obligations

The movement in lease obligations recognised against rights of use is as follows:

€ millions	31/12/2023	31/12/2022
As at January 1	4,124	3,561
New contracts	1,062	1,051
Refunds	-1,097	-1,000
Capitalised interest	-192	15
Interest paid	-188	-14
Changes in scope	96	-5
Other changes (revaluation of rents or duration of contracts, exchange rate fluctuations, etc.)	203	55
As at 31 December (*)	4,391	4,112

(*) Including non-current rental obligations 3,322 3,112
Including current rental obligations 1,069 99

A breakdown of lease obligations by maturity is provided in Note 6.3.6.

Total cash outflows on leases amounted to €1,285m (including €1,097m in capital repayments and €188m in interest payments).

The Group has not capitalised the following lease payments:

€ millions	31/12/2023	31/12/2022
Short-term rental income	-199	-144
Rent on low-value assets	-59	-36
Variable rents	-2	-2
Non-eligible rents	-261	-182

4.2.4 Investments

Net cash outflows from investing activities relating to acquisitions of tangible assets and intangible assets break down as follows:

€ millions	31/12/2023	31/12/2022
Intangible assets	-354	-339
Tangible assets	-7,786	-7,561
Capitalized loan interest	-142	-230
Total acquisitions	-8,281	-8,131
Change in investment WCR	-26	214
Tangible and intangible investment flows	-8,307	-7,917

Investments in tangible and intangible assets in the period mainly related to:

- software produced in-house, commissioned or still under development, including €160m for SNCF Voyageurs, and €114m for SNCF Réseau and its subsidiary Gares et Connexions.
- rail infrastructure: €5,362m, including €142m of interest on loans capitalised at an average interest rate of 2.26%. These correspond to network upgrade investments (track renewal, fibre optic rollout, signalling and Centralised

Network Control), network compliance and ongoing development projects (EOLE, CDG Express, regional development projects);

- investments by Gares et Connexions totalling €1,081 m, relating in particular to the modernisation and accessibility of stations, regional development projects financed by the Plan-Etat-Région (State-Region Plan - CPER) and the EOLE project;

- the acquisition and upgrade of rail and road transport equipment amounting to €693m (including TGC UFC trains, Eurostar trains, wagons, transcontainers and containers, TGV upgrades; and electric railcars).

Capital expenditure in the year under review mainly concerned:

- software produced in-house, put into service or under development, including €143m for SNCF Voyageurs, and €79m for SNCF Réseau and its subsidiary Gares et Connexions,

- rail infrastructure: €5,425m, including €230m of interest capitalised at an average interest rate of 3.34%. These correspond to 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 by Gares et Connexions totalling €950m, relating in particular to the modernisation and accessibility of stations, regional development projects financed by the Plan-Etat-Région (State-Region Plan - CPER) and the EOLE project;

- acquisitions and upgrades of rail and road transport equipment amounting to €717m (including TGC UFC trains, Eurostar trains, wagons, transcontainers and containers, TGV upgrades; and electric railcars).

4.2.5 Depreciation and amortisation

Amortisation of intangible assets

Intangible assets:

- Are depreciated on a straight-line basis over periods corresponding to their useful life, which is generally less than 5 years.
- Are amortised over the duration of the agreement for intangible concession assets.
- Are not amortised when they have an indefinite useful life and are tested for impairment at least once a year, as described in Note 4.4.

Depreciation of tangible fixed assets

Tangible assets are depreciated according to their useful life, i.e. mainly on a straight-line basis. Fixtures and fittings that cannot be separated from a leased asset are depreciated on the same basis as the leases concerned. The durations used are as follows:

	Complex constructions (stations, administrative buildings, etc.)	Simple constructions (workshops, warehouses, etc.)
- Fixed installations:		
Structural work	50 years	30 years
Closed and covered	25 years	30 years
Secondary works	25 years	30 years
Facilities	10 to 15 years	10 to 15 years
Technical packages	15 years	15 years

- Rolling stock:

	TGV and Self-propelled trains	Passenger coaches	Electric and diesel locomotives
Structure	30 years	30 years	30 years
Interior fittings	7 or 15 years	7 or 15 years	Not applicable
Revision	15 years	10 to 15 years	15 years

- Other tangible fixed assets:

Landscaping	20 to 30 years
Machinery and equipment	5 to 20 years
Earthworks	10 years
Tracks	20 to 100 years
Electrical power installations	10 to 75 years
Signage	15 to 50 years
Telecommunications	5 to 30 years
Level crossing	15 years
Engineering structures	30 to 70 years
Fixtures and fittings, general installations	10 to 15 years
Motor vehicles	5 years
Wagons	30 years ± 20%
Ships	20 years
Computer equipment	Declining over 4 years
Other tangible fixed assets	3 to 7 years

Amortization of rights of use relating to lease contracts

Rights of use are amortised over the lease term or over the useful life of the underlying asset when the contract provides for a purchase option that the lessee is reasonably certain of exercising.

Write-back of investment subsidies

Investment subsidies are recognised in operating income (as a deduction from the depreciation charge) over the estimated useful lives of the related assets to which they are attached.

In the case of non-depreciable land, the write-back to profit or loss is based on the average depreciation period of the assets attached to the land.

Liabilities linked to fixed assets granted under concession

The Group has recognised a liability relating to the financing of assets controlled by the Group and granted under concession to a third party operator. This liability represents the share of financing provided by the concession operator during the construction period. This liability is recognised in the income statement on a straight-line basis in proportion to the depreciation charge for the assets concerned. This recovery is presented on the same line as the depreciation charges.

Depreciation and amortisation break down as follows:

€ millions	31/12/2023	31/12/2022	Change
Amortisation of intangible assets	-414	-429	15
Depreciation charges - Tangible assets	-4,138	-4,176	37
Provisions for depreciation - Right-of-use assets	-1,111	-1,019	-92
Subsidies recognised in income	1,536	1,407	129
Reversal of liabilities associated with assets held under concession	48	48	0
Depreciation and amortisation	-4,080	-4,169	89

4.2.6 Net proceeds from asset disposals

Property disposals and asset disposals not directly related to the Group's business are included under recurring operating income because of their unusual nature, both in terms of occurrence and amount. This presentation is motivated by the desire to provide as accurate a picture as possible of the Group's recurring performance.

Gains and losses on disposal correspond to the difference between the sale price (net of costs directly attributable to the transaction) and the net book value of the asset.

Under lease contracts:

Gains and losses on disposals represent the impact of lease terminations and transfers. It is calculated as the difference between the net book value of the rights of use and the amount of the rental obligations at the end of the contract.

The Group classifies sale and leaseback transactions as transactions giving rise to a sale within the meaning of IFRS 15. In particular, a transaction will be considered a sale if there is a transfer of control of the asset to the purchaser (for example, the contract does not provide for an option to buy back the asset at the end of the lease period).

- Transaction treated as a sale under IFRS 15

If the sale of the asset by the vendor-taker constitutes a sale within the meaning of IFRS 15, the vendor-taker must: (i) derecognise the underlying asset, (ii) recognise a right of use corresponding to the retained share of the net carrying amount of the asset sold.

- Transaction not considered a sale under IFRS 15

If the sale of the asset by the lessee-seller does not constitute a sale within the meaning of IFRS 15, the lessee-seller retains the transferred asset as an asset and recognises a financial liability corresponding to the sale price (received from the lessor-purchaser) as a liability.

Asset disposals had the following impact on the income statement:

€ millions	31/12/2023	31/12/2022	Change
Disposals of intangible assets	-1	-4	2
Disposals of property, plant and equipment	56	268	-212
Disposals of right-of-use assets	-1	-1	0
Disposals of financial assets (*)	21	523	-503
Net proceeds from asset disposals	74	787	-712

(*) including the impact of disposals of shares in entities previously fully consolidated and accounted for by the equity method.

At 31 December 2023, income from disposals of tangible assets includes €28m in income from disposals by SNCF Réseau and SNCF Gares & Connexions and €18m in income from disposals of railway rolling stock by SNCF Voyageurs.

The "Disposal of financial assets" line includes the impacts following the acquisition of Geodis Logistics Singapore and those of the sale of Exprelio shares.

At 31 December 2022, the proceeds from the disposal of tangible assets related mainly to the disposal of various SNCF Réseau real property complexes and assets for €83m (including in particular the disposal of the Gare des Mines in the 18th arrondissement of Paris), Fret SNCF for €15m, SNCF Voyageurs for €11m and SA SNCF for €10m.

4.3 EQUITY-ACCOUNTED SECURITIES AND ASSETS AND LIABILITIES INTENDED FOR SALE

4.3.1 Equity-accounted securities

The Group has a number of interests in joint ventures and associates, which are accounted for using the equity method. The accounting principles are described in Note 1.3.1.

The change in this item during the year was due to the following factors:

€ millions	31/12/2023	31/12/2022
As at January 1	843	1,014
Group share of net profit	39	41
Impairment	0	0
<i>Share of net profit/loss of companies consolidated under the equity method</i>	<i>39</i>	<i>41</i>
Change in scope	8	-16
Reclassification of assets held for sale	0	-187
Distribution	-44	-22
Share of other comprehensive income (*)	2	11
Conversion adjustment (*)	2	3
At 31 December	851	843
<i>Including: Significant joint ventures</i>	<i>19</i>	<i>30</i>
<i>Significant associates</i>	<i>645</i>	<i>639</i>
<i>Other companies accounted for by the equity method</i>	<i>186</i>	<i>174</i>

(*) In 2023, the share of other comprehensive income and conversion differences is explained by a recyclable component of €4.9m (-€0.6m in 2022) and a non-recyclable component of -€0.7m (€14.2m in 2022).

In 2023, the Keolis entities will have the main impact on the "distribution" line, with Govia accounting for €26m and RDK France €7 m.

In 2022, the "Reclassification of assets held for sale" line concerned the Akiem group, which, before being sold in December 2022, had been reclassified for €187m as "Assets held for sale" at 30 June 2022 in accordance with IFRS5. The "change in scope of consolidation" line was mainly due to the sale of the Orient-Express subsidiary in June 2022 for -€13 m.

4.3.1.1 Significant joint ventures

The table below shows details of each of the Group's significant joint ventures at the end of the reporting period.

Name of joint venture	Main activity	Place of incorporation and principal place of business	Percentage interest	
			31/12/2023	31/12/2022
Govia	Joint venture between Keolis and the British group Go Head, operating in local passenger transport.	Grande-Bretagne	35%	35%

Summarised financial information on significant joint ventures is presented below at 100% and after neutralisation of any internal results.

€ millions	31/12/2023	31/12/2022
STATEMENT OF FINANCIAL POSITION	Govia	Govia
Cash and cash equivalents	127	120
Other current assets	344	377
Total current assets	471	496
Non-current assets	417	737
Current financial liabilities (excluding trade payables, other creditors and provisions)	6	9
Other current liabilities	825	1,136
Total current liabilities	831	1,145
Non-current financial liabilities (excluding trade payables, other creditors and provisions)	0	0
Other non-current liabilities	1	1
Total non-current liabilities	1	1
Net assets	55	87

€ millions	31/12/2023	31/12/2022
Reconciliation of financial data with the value of MEQ shares	Govia	Govia
Net assets	55	87
Percentage of participation	35%	35%
Group share of net assets	19	30
Goodwill	0	0
Other	0	0
Net book value of MEQ shares	19	30

€ millions	31/12/2023	31/12/2022	
PROFIT AND LOSS ACCOUNT	Govia	Govia	Akiem
Revenue	2,156	1,993	92
Operating profit	57	70	12
<i>Including depreciation charges</i>	<i>-337</i>	<i>-349</i>	<i>-46</i>
Financial income	-12	-17	-11
<i>Including interest expense on debt</i>	<i>-1</i>	<i>-1</i>	<i>0</i>
<i>Including income from financial assets</i>	<i>3</i>	<i>1</i>	<i>0</i>
Income tax	-6	-10	-1
Net profit/loss from ordinary activities	38	43	0
Net profit/loss from discontinued operations	0	0	0
Net profit/loss for the period	38	43	0
Group share of net profit	13	15	0

€ millions	31/12/2023	31/12/2022	
OTHER INFORMATION	Govia	Govia	Akiem
Net profit/loss for the period	38	43	0
Other items in the statement of net income and gains and losses recognised directly in equity (net of tax)	5	-9	0
Total comprehensive income	43	34	0
Dividends paid to the Group	26	4	0

4.3.1.2 Significant associates

The table below shows details of each of the Group's significant associates at the end of the reporting period.

Name of joint venture	Main activity	Place of incorporation and principal place of business	Percentage interest	
			31/12/2023	31/12/2022
Eurofima	Financing of railway equipment and support for the development of rail transport in Europe.	Switzerland	22.60%	22.60%
Vesta	Property company operating a portfolio of around 4,000 homes	France	20.00%	20.00%
Systra	Global consulting and engineering group specialising in transport infrastructure design	France	43.38%	43.38%

Summarised financial information on significant associates is presented below at 100% and after neutralisation of any internal results.

€ millions	31/12/2023			31/12/2022		
STATEMENT OF FINANCIAL POSITION	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Current assets	5,328	57	721	4,703	47	641
Non-current assets	11,139	1,234	373	10,968	1,246	257
Current liabilities	2,369	14	631	2,049	12	554
Non-current liabilities	12,507	592	261	12,068	579	146
Net assets	1,590	685	202	1,553	702	198

€ millions	31/12/2023			31/12/2022		
Reconciliation of financial data with the value of MEQ shares	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Net assets	1,590	685	202	1,553	702	198
Percentage of participation	22.60%	20.00%	43.38%	22.60%	20.00%	43.38%
Group share of net assets	359	137	88	351	140	86
Goodwill	0	12	49	0	12	49
Other	0	0	0	0	0	0
Net book value of MEQ shares	359	149	137	351	153	135

€ millions	31/12/2023			31/12/2022		
PROFIT AND LOSS ACCOUNT	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Revenue	0	47	1,075	0	46	901
Operating profit	-10	8	51	-9	14	41
Net profit from ordinary activities	26	-4	14	17	3	13
Net profit/loss from discontinued operations	0	0	0	0	0	0
Net profit/loss for the period	26	-4	14	17	3	13
Group share of net profit	6	-1	6	4	1	6

€ millions	31/12/2023			31/12/2022		
OTHER INFORMATION	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Net profit/loss for the period	26	-4	14	17	3	13
Other items in the statement of net income and gains and losses recognised directly in equity (net of tax)	13	0	-10	-14	0	36
Total comprehensive income	39	-4	4	3	3	49
Dividends paid to the Group	0	3	3	1	5	0

The gross value of the fixed assets financed through EUROFIMA is €57m (compared with €57m at 31 December 2022). The value of the loan linked to this financing is €118m at 31 December 2023 (€118m at 31 December 2022). At 31 December 2023, EUROFIMA's share capital had not been fully called. At 31 December 2023, SNCF's share of the call amounts to €433m (€433m at 31 December 2022).

At the same date, the proportion of loans granted by EUROFIMA to members from countries whose sovereign debt is classified as "non-investment grade" (i.e. whose

rating awarded by the rating agencies is below BBB-/Baa3) was €112m (€112m at 31 December 2022). These loans are included in non-current assets in the Company's statement of financial position. In addition, EUROFIMA's shareholders are jointly and severally liable for the commitments made under the financing agreements granted by EUROFIMA to the latter, each in proportion to its shareholding and up to the maximum amount of this shareholding. This guarantee can only be called upon after a borrower and the associated state issuing the guarantee have defaulted, and where EUROFIMA's guarantee reserve (€729m in 2023 and €715m in 2022) is

not sufficient to cover the loss resulting from a default. For SNCF SA, the maximum amount of this commitment is €519m at 31 December 2023 (€541m at 31 December 2022). The State guarantees all of SNCF SA's obligations

to EUROFIMA (the share of share capital still to be paid up, the proper performance of the financing contracts granted by EUROFIMA to SNCF SA and the guarantee given by SNCF SA under the financing contracts).

4.3.1.3 Other companies accounted for by the equity method

The Group also has interests in other joint ventures and associates which, taken individually, are not material. The aggregate contributions of these companies to Group profit are as follows:

€ millions	31/12/2023		31/12/2022	
	Non-significant joint ventures	Non-significant associates	Non-significant joint ventures	Non-significant associates
INCOME STATEMENT AND OTHER INFORMATION				
Net profit from ordinary activities before impairment	0	14	8	7
Net profit/loss from discontinued operations	0	0	0	0
Net profit/loss for the period	0	14	8	7
Other items in the statement of net income and gains and losses recognised directly in equity (net of tax)	1	4	0	2
Net income and gains and losses recognised directly to equity	1	18	9	9
Group share of net profit	0	13	8	7
Net book value of MEQ shares	86	100	89	85

4.3.1.4 Transactions with associates

Transactions with associates other than EUROFIMA are not material.

The tables below show the main transactions with joint ventures and the Group's balance sheet balances with these companies. These transactions are carried out under normal conditions.

€ millions	31/12/2023	31/12/2022
Revenue	43	50
Purchases and external expenses	-40	-61
Other income and expenses	5	7
EBITDA with joint ventures	8	-4

€ millions	31/12/2023	31/12/2022
Current financial assets	2	2
Non-current financial assets	41	32
Current financial liabilities	3	3
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 those for which the carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are presented on a separate line of the balance sheet at the lower of carrying amount and fair value less costs to sell. A non-current asset is considered to be held for sale only when a certain number of criteria listed in the standard are met: the asset is available for immediate sale, and the sale is committed, decided, planned and highly probable within twelve months. In the case of a group of assets held for sale, any liabilities relating to this group are also presented separately on a liability line.

- A "discontinued operation", according to the terms used in IFRS 5, is a component that the Group has disposed of or transferred to a third party, or that is classified as held for sale, and that corresponds to a significant and distinct business or geographical area for the Group, or that is part of a coordinated plan to dispose of a significant and distinct

business or geographical area. In addition to the reclassification of assets and liabilities on a separate line of the balance sheet, the impact on profit for the year of all discontinued operations, including any expected capital losses, is presented on a specific line of the income statement, outside ordinary activities. The impact on cash flows from discontinued operations is presented in the notes to the financial statements.

At 31 December 2023, no discontinued operations or assets held for sale have been identified within the meaning of IFRS 5.

4.4 IMPAIRMENT TESTING OF NON-CURRENT ASSETS

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. Where there is an indication of impairment, an impairment test is performed.

Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, and whenever there is an indication that they may be impaired. Impairment losses recognised on goodwill are irreversible.

To perform the impairment test, goodwill is allocated to each Cash Generating Unit ("CGU") or group of CGUs likely to benefit from the synergies of the business combination, whether or not other assets or liabilities of the acquired company are allocated to these units or groups of CGUs. The CGU (or group of CGUs) in question reflects the finest level at which goodwill is monitored for internal management purposes. A CGU represents one or more legal entities or is defined according to the purpose of the assets used.

Intangible assets with finite useful lives and tangible assets are tested for impairment whenever events or circumstances that occurred during the period (obsolescence, physical deterioration, significant changes in usage patterns, lower than expected performance, fall in revenues and other external indicators, etc.) indicate that an impairment loss may have occurred and that their recoverable amount may be less than their carrying

amount.

Impairment testing consists of comparing the net carrying amount of the asset or goodwill with its recoverable amount, which is the higher of fair value less costs to sell and value in use. The recoverable amount of an asset is calculated individually, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. In this case, which is the case for most of SNCF's tangible and intangible assets and goodwill, the Group calculates the recoverable amount of the group of assets (CGU) to which the asset tested belongs. If the net carrying amount, net of subsidies, is greater than the recoverable amount, an impairment loss is recognised for the difference.

Value in use corresponds to the value of the future economic benefits expected from their use and disposal. It is assessed in particular by reference to discounted future cash flows determined in the context of the economic assumptions and forecast operating conditions adopted by SNCF Management:

- Cash flows are derived from business plans drawn up for periods of 5 to 11 years and approved by the management bodies;
- beyond this horizon, cash flows are extrapolated by applying a long-term growth rate close to the long-term inflation rate expected by the Group, within the limit of the contractual term where applicable, or to infinity in the opposite case;
- Cash flows are discounted using rates appropriate to the nature of the business.

The operating margin corresponds to the EBITDA/revenue ratio.

For investment properties, the SNCF Group determines the fair value net of selling costs of land, including bare or built land, on the basis of:

- their location within a geographical area.
- a market value per m², taking into account the overall use of the land after sale.

Impacts on the income statement were as follows:

€ millions	31/12/2023	31/12/2022	Change
Intangible and tangible fixed assets	-8	17	-25
Goodwill	0	0	0
Other	-6	-17	11
Impairment losses	-14	0	-14

4.4.1 Contextual items

A new 10-year strategic plan (2023-2032) for the Group was drawn up and approved by the SNCF SA Board of Directors on 14 December 2023.

In this context, the upward trend in raw material costs, energy prices, inflation and market rates are potential indicators of changes in value, leading the Group to test the value of the assets of CGUs that are highly sensitive to the volatility of the aforementioned parameters, in particular due to:

- limited ability to fully pass on changes in these costs in their pricing;
- historically high sensitivity to fluctuations in market rates;
- a difference between the value of the economic asset and the recoverable amount, which is considered to be fragile during the most recent impairment tests.

These analyses revealed indications of changes in the value of the Infrastructure and Gares & Connexions CGUs, which were tested for impairment.

These tests, as well as those carried out on CGUs comprising intangible assets with indefinite useful lives and/or significant goodwill, did not lead to the recognition of any change in impairment at 31 December 2023.

4.4.2 CGUs with significant goodwill in relation to total goodwill

4.4.2.1 Geodis CGU

Of the total goodwill net of impairment, €2,387m (€1,617m at 31 December 2022) is allocated to the Geodis cash-generating unit, which comprises the freight transport and logistics activities of the Freight and Logistics business. The assets of this CGU are tested at least once a year.

The main assumptions used to determine the recoverable amount are as follows:

	2023	2022
Sector	Freight & Logistics	Freight & Logistics
CGU	Geodis	Geodis
Assets tested	€3,073 m	€1,652 m
Basis used for recoverable value	Value in use	Value in use
Source used	5-year plan + normative year discounted into perpetuity	5-year plan + normative year discounted into perpetuity
Discount rate (minimum - maximum)	8.1% - 9.1%	7.8% - 8.8%
Long-term growth rate	1.90%	1.90%

At 31 December 2023, the test justifies the carrying amount of the CGU's assets. Sensitivity tests performed on the discount rate (± 50 bp), the long-term growth rate (± 10 bp) and the EBITDA rate (± 50 bp) do not call into question the positive difference between the recoverable amount of the CGU and the net book value of the assets tested.

4.4.2.2 Keolis CGU

Of the total goodwill, €636m (€638m at 31 December 2022) is allocated to the Keolis cash-generating unit, which comprises all the business lines involved in multimodal passenger transport solutions in the Keolis sector. The intangible assets with an indefinite useful life allocated to this CGU amount to €83m (€83m at 31 December 2022) and consist mainly of brands and approvals. A test is carried out at least once a year on this CGU.

The main assumptions used to determine the recoverable amount are as follows:

	2023	2022
Sector	Keolis	Keolis
CGU	Keolis	Keolis
Assets tested	€1,406 m	€1,588 m
Basis used for recoverable value	Value in use	Value in use
Source used	6-year plan + normative year discounted into perpetuity	6-year plan + normative year discounted into perpetuity
Discount rate (minimum - maximum)	6.8% - 7.7%	6.5% - 7.4%
Long-term growth rate	1.90%	1.80%

No impairment was recognised at 31 December 2023. Sensitivity tests performed on the discount rate (± 50 bp), the long-term growth rate (± 10 bp) and the EBITDA rate (± 50 bp) do not call into question the positive difference between the recoverable amount of the CGU and the net book value of the assets tested.

4.4.2.3 Eurostar Group CGU

The Eurostar Group CGU is formed by combining the Eurostar CGU (which includes all the cross-Channel passenger transport businesses in the TGV-Intercités sector) and the Thalys (high-speed train service between France, Belgium, Germany and the Netherlands).

Of the total goodwill, €401m is allocated to this CGU. In addition, the intangible assets with an indefinite useful life allocated to this CGU amounted to €268m at 31 December 2023, and consist mainly of brands.

A test is carried out at least once a year on this CGU.

The main assumptions used to determine the recoverable amount are as follows:

	2023	2022
Sector	TGV-Intercités	TGV-Intercités
CGU	Eurostar Group	Eurostar Group
Assets tested	€2,084 m	€2,137 m
Basis used for recoverable value	Value in use	Value in use
	15-year plan	15-year plan
Source used	+ normative year discounted into perpetuity	+ normative year discounted into perpetuity
Discount rate (minimum - maximum)	7.8% - 8.8%	7.8% - 8.8%
Long-term growth rate	1.90%	1.90%

The recoverable amount at 31/12/2023 is based on the cash flows of the 2023 Business Plan approved by Eurostar Group's Board of Directors in November 2023. This trajectory is based on the following key assumptions:

- The trend in traffic revenues includes a strong upturn in activity in line with 2022;
- Changes in the cost of operating expenses in line with the inflationary context, in particular the trajectory of toll and energy costs;
- Taking into account the arrival of rail competition;
- The level of investment in fleet renewal takes account of performance plans linked to optimising the use of trains and the arrival of new equipment.

The cash flow for the normative year is calculated using the target EBITDA rate for the terminal year as a percentage of revenue, as set out in the new trajectory established in November 2023.

It should be noted that the financial liability relating to the commitments to purchase the interests of CDPGI, Hermès and SNCB in Eurostar Group irrevocably granted by SNCF, is valued using the same assumptions as those used to calculate the recoverable amount of the CGU.

The sensitivity tests performed on the discount rate (± 50 bp), the long-term growth rate (± 10 bp), the EBITDA rate (± 50 bp) and capital expenditure ($\pm €10$ m) do not call into question the positive difference between the recoverable amount of the CGU and the net book value of the assets tested.

4.4.3 Significant CGUs or those showing signs of impairment or reversal of impairment in 2023 and/or 2022

4.4.3.1 TGV France and Europe CGU (excluding Eurostar, Thalys and Ouigo España)

At end of December 2023, no indication of impairment had been identified for the assets of the TGV France CGU; consequently, no impairment test was performed.

The TGV CGU's actual EBITDA is ahead of budget for 2023. As for the new 2023-2032 strategic plan, it presents a more favourable financial trajectory than the 2021 and 2020 strategic plans (retained below in the assumptions of the last value test). This change is due to the following main favourable effects:

- A strong upturn in traffic following on from the summer of 2022, with high occupancy rates;
- The adjustment of tariffs from 2023, within the limits of the tariff shield requested by the French government, to offset the short-term impact of inflation and rising raw material costs;
- Abolition of the CST-TREF tax from 2023, with annual contributions of €90m for the CST and €100m for the TREF.

	2020
Sector	TGV-Intercités
CGU	TGV France and Europe (excluding Eurostar, Thalys and Ouigo España)
Assets tested	€5,641 m
Basis used for recoverable value	Value in use
	10-year plan + normative year discounted into perpetuity
Source used	discounted into perpetuity
Discount rate (minimum - maximum)	6.7% - 7.7%
Long-term growth rate	1.60%

4.4.3.2 Infrastructure CGU

The year-end impairment test on Infrastructure CGU assets, carried out as part of the year-end closing at 31 December 2015, had led to an impairment loss of €9.6bn based on a financial trajectory approved by the SNCF Réseau Board of Directors on 9 March 2015, which considered at the time that it represented the best estimate of the business forecast for the next 15 years.

The adoption on 14 June 2018 of the Enabling Act for a New Rail Pact, as well as various government statements, particularly in relation to a change in the methods for indexing of SNCF Réseau's tolls, had provided further indications of changes in value. A further impairment test was therefore carried out as part of the 2018 half-year closing, on the basis of information from the reference framework for the economic and financial trajectory of the Public Rail Group and its breakdown for SNCF Réseau, which was presented for information purposes to the Board of Directors on 25 July 2018, leading to the recognition of an additional impairment of €3.4bn.

The SNCF Réseau Group's strategic plan for the first half of 2021 was adopted by the Board of Directors, followed by the performance contract and its financial trajectory on 4 November 2021, signed by the French State in April 2022. This new trajectory, which constitutes an indicator of impairment, was taken into account when testing the assets at 31 December 2021.

The recoverable amount resulting from the test carried out at 31 December 2021 is close to the net carrying amount.

When the 2022 financial statements were prepared, two indications of impairment were identified:

-The sharp rise in inflation in 2022, which had a significant impact on the cost of the Infrastructure CGU's operating expenses and capital expenditure in relation to the financial trajectory set out in the 2021-2030 performance contract.

-The rise in interest rates implemented by central banks in response to inflation had a positive impact on the discount rate used by SNCF Réseau to value its future cash flows.

In this context, the test carried out at 31 December 2022, which was based on the "base" financial trajectory of the performance contract, adjusted to reflect the (i) the 2023 budget approved by the SNCF Réseau Board of Directors on 14 December 2022, and (ii) the best estimate to date of the forecast impact of inflation for the following years, led to confirmation of the recoverable value of the assets recorded in the balance sheet.

Updated to 31 December 2023

The asset value test at 31 December 2023 is based on the financial trajectory resulting from (i) the new 2023-2032 strategic plan, which takes into account the new economic context and the increase in inflation and the cost of some raw materials and was approved by the SNCF Réseau Board of Directors on 28 September 2023, as well as (ii) the 2024 budget approved by the SNCF Réseau Board of Directors on 13 December 2023.

This trajectory includes the key objectives of the performance contract, in particular a break-even free cash flow in 2024 and a debt/operating margin ratio of less than 6 from 2026.

The results recorded at the end of December do not call into question the long-term trajectory set out in the performance contract, with the major business metrics underlying the valuation carried out at the time of the last value test remaining stable.

The key assumptions used in the financial trajectory underlying the test at 31 December 2023 relate to the level of infrastructure fees, performance, investment and public funding.

Regarding the level of infrastructure fees:

-Over the period 2024-2026, application of the new pricing system (DRR 2024-2026) to add value to transport plans. This pricing system, which has received a favourable opinion from the ART, is the subject of proceedings brought before the Conseil d'Etat by 8 Regions in relation to the regulated portion. Over the period 2027-2032, (i) regulated services are indexed on the basis of the same rate as the performance contract (+3.6% per annum) in order to take account of a catch-up of full cost coverage over the period and (ii) Open Access and freight are indexed on the basis of the Group's inflation assumptions (i.e. 2% per annum).

-Furthermore, the French 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 (DAC)

model as of the 2019 pricing schedule, is assumed to be maintained throughout the period.

-Finally, with regard to the 2032 traffic projections: SNCF Group passenger and freight operations were approved under the group strategic plan, ensuring their reciprocity with the relevant entities, and the assumptions for opening up to competition have been updated.

Regarding performance levels:

-An annual level of performance enabling a cumulative reduction in operating costs of €1.5bn to be achieved between 2017 and 2026, involving all aspects of the business (in particular design and optimisation of purchasing, optimisation of support functions).

This performance will contribute to achieving a normative profitability rate of 45% (EBITDA/revenue) in 2032, as taken into account in the calculation of the terminal value.

Regarding the level of investments:

-It is based on an average regeneration investment trajectory (including OpEx) of €2.99bn over the period 2024-2032.

-It does not include the additional investment announced by the French Prime Minister in February 2023, which will increase spending on regeneration, upgrades, major projects and metropolitan express services until 2032. It is assumed that these additional investments will be financed entirely by a contribution from a source external to SNCF Réseau.

Regarding government support:

-The amounts of regeneration investment subsidies (derived from the State's allocation of all or part of the dividends received by the national company SNCF SA from the earnings of its subsidiaries, supplemented where applicable by the retrocession of a share of the income from the tax consolidation of the Unified Public Group) are based on the economic and financial trajectory of the SNCF Group and its distributive capacity. The assumptions in the performance contract have been renewed, with the addition of an exceptional additional payment in 2024. The normative amount of these investment subsidies was €0.9bn as of 2032.

The other methodological principles used to calculate the recoverable amount at 31 December 2023 are described below:

-As regards the Sud Europe Atlantique (SEA) concession, the cash flow projections reflect the resumption of operations on the line in 2016 when the concession held by the current operator expires. The update of current data (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.

-Future cash flows have been discounted at a rate of [5.4%] % (unchanged from 31 December 2022). The use of a WACC rate close to the floor rate taken from the external expert's valuation report (between 5.3% and 6%) is informed by the following contextual factors:

– An updated financial trajectory as part of the development of a strategic plan approved by the Group at the end of 2023.

– Non-adjustment for the potential effects of announcements by the French Prime Minister on 23 February 2023 about performance.

-The terminal value, which represents [89%] of the recoverable amount, is calculated by projecting a long-term growth rate of 1.8% into perpetuity.

The net economic assets tested at end-December 2023 were €35.7bn, compared with €34.1bn at 31 December 2022.

Those assets cover lines currently in service, plus renewal works in progress. The recoverable amount resulting from the test carried out at 31 December 2023 is close to this net carrying amount.

Other fixed assets under construction (€1.6bn at 31 December 2023, versus €2.3bn at 31 December 2022) relate to capacity investments under development, the value of which is analysed separately in a specific review. The sensitivity analyses carried out as part of the test were as follows:

	2023	2022
Sector	SNCF Réseau	SNCF Réseau
CGU	Infrastructure	Infrastructure
Assets tested	€35.7bn	€34.1bn
Basis used for recoverable value	Value in use	Value in use
Source used	(2)	(1)
Discount rate	5.3% - 6.0%	5.1% - 5.8%
Long-term growth rate	1.80%	1.80%

(1) Financial trajectory of the performance contract presented to the SNCF Réseau Board of Directors on 4 November 2021, signed by the French State in April 2022, adjusted for the 2023 budget, the new 2024-2026 pricing plan and other inflation-related impacts estimated to date.

(2) Financial trajectory of the 2023-2032 strategic plan approved by the SNCF Réseau Board of Directors on 28 September 2023, adjusted for the 2024 budget approved by the SNCF Réseau Board of Directors on 13 December 2023. The performance contract is scheduled to be reviewed in 2024.

The sensitivity analyses carried out as part of the test were as follows:

A change of ±10 basis points in the discount rate would represent a change in recoverable amount of -/+ €1.1bn.

A change of ±10 basis points in the perpetual growth rate would result in a change of + €0.9bn.

A change of ± €100m in net annual regeneration expenditure would represent a change of ± €1.4bn in the recoverable amount. This value is given purely for indicative purposes, as beyond a certain threshold, the impact of changes in renewal expenditure on the recoverable value of assets is not linear, and these impacts can be significant on the cost of maintenance, traffic and therefore infrastructure fees.

A change of ± €100m per year in infrastructure fees or government grants would represent a change of ± €1.4bn in the recoverable amount.

4.4.3.3 Gares & Connexions CGU

In 2021, as part of the preparation of the strategic plan approved by its Board of Directors on 22 July 2021, SNCF Gares & Connexions updated its financial trajectory. Additionally, in the last quarter of 2021, the termination for default of the concession contract for the Gare du Nord 2024 project was identified as an indicator of impairment, given its negative impact on SNCF Gares & Connexions' cash flows. An impairment test was therefore carried out at 31 December 2021 on the basis of the financial trajectory of the strategic plan adjusted to take account of this termination, as included in the draft performance contract with the State validated by the SNCF Gares & Connexions Board of Directors on 9 December 2021. This

impairment test confirmed the net carrying amount of the assets of the Gares & Connexions CGU at end-2021.

In 2022, the context of high inflation (in particular the rise in energy costs) and a sharp rise in market rates were indications of a change in value, leading SNCF Gares & Connexions to carry out a value test as part of the closing of the accounts at 31 December 2022. Pending the update of the financial trajectory in the first half of 2023, this value test was based on the financial trajectory of the performance contract, adjusted on the basis of the 2023 budget and the best estimate to date of the forecast impact of inflation for subsequent years. Carried out at 31 December 2022 in a context of economic change and uncertainty, in particular due to difficulties in forecasting the level of inflation in the medium and long term, as well as changes in certain key parameters, such as the rate of return on the regulated asset base subject to the ART's opinion (regulated WACC), this test showed no significant change in the value of the assets of the Gares & Connexions CGU.

Updated to 31 December 2023

In 2023, SNCF Gares & Connexions updated its financial trajectory as part of the 2023-2032 Group Strategic Plan. This updated trajectory, integrated into the Group financial trajectory approved by the Board of Directors of SNCF SA on 14 December 2023, takes into account revised economic assumptions integrating the new inflationary context, a revised investment trajectory taking into account a better estimate of needs over 10 years resulting from the "Asset Management" approach, the deployment of the new commercial diversification strategy, the implementation of measures to correct the fare base, and the inclusion of a share of the additional €1.5bn per year allocated to the regeneration and upgrade of the rail network under the "New Deal for Rail" plan announced by the French Prime Minister in February 2023.

These items represent a significant discounting of the financial trajectory of the performance contract with the French State, and as such constitute an indicator of impairment. An impairment test was therefore carried out at 31 December 2023.

SNCF Gares & Connexions has also reviewed certain market parameters, such as discount rates and normative growth rates, based on the latest available data.

The test methodology is described below:

	2023	2022
Sector	SNCF Gares & Connexions	SNCF Gares & Connexions
CGU	Gares & Connexions CGU	Gares & Connexions CGU
Assets tested	€3.6bn	€3.6bn
Basis used for recoverable value	Value in use	Value in use
Source used	10-year plan + normative year discounted into perpetuity	8-year plan + normative year discounted into perpetuity
Discount rate	5.5% - 6.2%	4.9% - 5.6%
Long-term growth rate	1.80%	1.6% - 2.0%

Based on a mid-range discount rate of 5.8% and a long-term growth rate of 1.8%, the value test carried out at 31 December 2023 does not show any material change in the value of SNCF Gares & Connexions' assets.

4.5 CHANGE IN WORKING CAPITAL REQUIREMENT (WCR)

4.5.1 Change in operating working capital (OWC)

€ millions	31/12/2023	31/12/2022
Changes in inventories and work in progress	257	101
Change in operating receivables (excluding disposals of securities and investment WCR)	-344	645
Change in operating payables (excluding investment WCR)	1,082	516
Impact of change in WCR on the consolidated cash flow statement	1,169	-230

The impact of the change in working capital was mainly due to a fall in trade receivables, partly as a result of the downturn in Geodis's business, a €260m fall in tax receivables linked to the 2018 CICE repayment, an increase in trade payables linked to inflation and, in the Passenger business, an increase in advance bookings of TGV traffic and a drop in receivables relating to OA contributions.

4.5.2 Inventories and work-in-progress

Inventories are valued at the lower of cost and net realisable value. The production cost corresponds to the acquisition cost or the production cost. The latter includes direct and indirect production costs.

Inventories are valued using the weighted average unit cost method.

Inventories are written down according to revenue, nature, age and useful life.

At 31 December 2023, inventories break down as follows:

€ millions	31/12/2023			31/12/2022		Change
	Gross	Impairment	Net	Net		
Raw materials	1,291	-145	1,147	1,026		121
Finished goods	351	-2	349	331		18
Work in progress	273	-14	258	147		112
Inventories and work-in-progress	1,915	-161	1,755	1,504		251

Changes in inventory write-downs can be analysed as follows:

€ millions	31/12/2022	Changes in scope				31/12/2023
		Endowments	Trade-ins	Reclassifications		
Raw materials and supplies - depreciation	-142	-37	34	0	0	-145
Finished goods - depreciation	-3	-1	2	0	0	-2
Work in progress - depreciation	-11	-4	1	0	0	-14
Inventory write-downs	-156	-42	37	0	0	-161

4.5.3 Operating receivables

When issued, receivables are recognised at their nominal value, with the exception of receivables maturing in more than one year, which are discounted if the effect of discounting is material.

Operating receivables are subject to the impairment model for expected losses within the meaning of IFRS 9, assessed by the Group using the simplified approach, which consists of estimating these losses over the life of the receivables concerned. The estimate is based on the ratio of bad debt losses to recognised sales over a five-

Operating receivables break down as follows:

year horizon, reflecting a normal operating cycle for the Group's activities.

In addition, an impairment loss is recognised when there is a risk of non-recovery (significant delays in payment, disputes, litigation, insolvency proceedings, etc.). This impairment is based on an individual or statistical assessment of the risk of non-recovery determined on the basis of historical data.

€ millions	31/12/2023			31/12/2022		Change
	Gross	Impairment	Net	Net		
Trade receivables and related accounts	4,683	-178	4,505	4,719		-214
Receivables from the State and local authorities	2,601	0	2,601	2,277		324
Operating receivables	1,706	-5	1,701	1,960		-259
Subsidies receivables	2,080	-3	2,077	1,159		918
Receivables on disposals of fixed assets and securities	47	0	47	181		-134
Derivatives on forward purchases of electricity	0	0	0	53		-53
Net operating receivables	11,118	-186	10,932	10,349		583

Impairment losses on trade and other operating receivables changed as follows over 2023 and 2022:

€ millions	31/12/2022	Endowment	Takeover	Reclassification	Change in scope	Foreign exchange and other	31/12/2023
Trade receivables - depreciation	-195	-50	68	3	-6	2	-178
Other operating receivables - depreciation	-6	-4	3	0	0	0	-8
Total	-202	-54	71	3	-6	2	-186

As a result of its business activities, the Group has little exposure to credit risk. Tickets are sold in cash to passengers. The Group also has relationships with a large number of customers in the public sector (local authorities, RATP, Île de France Mobilités, the French Armed Forces, etc.). In the Freight and Logistics business, dependence on customers is reduced by the number of customers. In addition, in its transport and/or freight forwarding activities, the Group has a right of retention on the goods entrusted to it, which reduces the risks incurred for non-payment of

services. Finally, depending on the customer's credit risk assessment, pre-transport payment terms may be agreed to limit the risk of non-payment.

Although the receivables may be overdue with these customers, the Group considers that there is no reason to write them down in the absence of other evidence pointing to a risk of non-recovery. Receivables are written down when the Group is in dispute with a customer or when its ability to recover the amount owed is impaired.

Trade receivables past due but not impaired break down as follows (gross value):

31/12/2023	€m	Not yet due	Impaired	Due but not impaired				Total
				< 3 months	From 4 to 6 months	From 7 to 12 months	> 12 months	
Trade receivables and related accounts	2,808	478	786	120	196	295	4,683	
Total	2,808	478	786	120	196	295	4,683	

31/12/2022	€m	Not yet due	Impaired	Due but not impaired				Total
				< 3 months	From 4 to 6 months	From 7 to 12 months	> 12 months	
Trade receivables and related accounts	3,313	467	763	71	134	166	4,914	
Total	3,313	467	763	71	134	166	4,914	

4.5.4 Trade and other payables

Operating liabilities include payments due to third parties in respect of operating activities (trade payables, social liabilities, tax payables, etc.) and on acquisition of assets. At the time of issue, debts are recognised at their nominal value. Operating liabilities break down as follows:

value, with the exception of debts maturing in more than one year, which are discounted if the effect of discounting is material.

€ millions	31/12/2023	31/12/2022	Change
Suppliers and related accounts	6,640	6,356	284
Payables on acquisition of fixed assets	1,359	1,339	20
Advances and deposits received on orders	1,008	386	621
Social debts	3,038	2,927	111
Liabilities to the State and local authorities	1,797	1,488	309
Other operating liabilities	755	999	-244
Subsidies called in advance	2,292	1,509	783
Deferred income	2,781	2,607	174
Derivative liabilities on forward purchases of electricity	114	62	51
Total operating liabilities	19,784	17,674	2,110

4.5.5 Customer contract assets and liabilities

Contract assets represent a conditional right to receive remuneration for goods or services already transferred to the customer. They are reclassified as trade receivables as soon as the right to payment becomes unconditional, i.e. no longer subject to conditions other than the passage of time. They are included in operating receivables. Contract liabilities correspond to the cash received from the

customer, or the right to payment already acquired, in respect of services not yet performed and not yet recognised as revenue. They are included in operating liabilities.

The main contract assets identified at Group level relate to:

– Invoices to be issued in respect of contracts signed with customers, representing the difference between invoiced sales and sales to be recognised according to the stage of completion of costs or services rendered;

– Other assets on contracts, mainly corresponding to variable considerations in favour of the Group in connection with customer contracts.

Contract liabilities include:

– Advances and deposits received in respect of orders placed by customers;

– Customer loyalty programmes, valued and recognised at the fair value of the cost of the point not used, and recorded as deferred income against a reduction in sales.

These contract liabilities are included in sales as and when the points are used by customers;

– Deferred income relating to tickets issued for which the price is collected during the period but which are used for a transport service expected to be provided in subsequent periods;

– Deferred income relating to customer contracts is recognised as revenue on an ongoing basis, using the percentage-of-completion method, as is any other deferred income relating to a contract with a customer.

– Other contract liabilities, including travel vouchers issued as compensation for a disrupted situation, and any other variable consideration for the benefit of customers.

The reconciliation of contract assets and liabilities for the period is as follows:

€ millions	31/12/2022	Increase	Decrease	Change in scope	Foreign exchange and other	31/12/2023
Invoices to be drawn up	861	533	-640	-4	-3	748
Other assets on customer contracts	23	23	0	0	0	46
Contract assets	885	556	-640	-4	-3	794
Advances and deposits received on customer contracts	294	235	-163	0	-1	365
Deferred income on customer contracts	2,073	1,003	-870	0	58	2,263
Other liabilities on customer contracts	447	180	-200	0	-7	420
Contract liabilities	2,814	1,418	-1,233	0	50	3,047

4.6 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are recognised when, at the balance sheet date, the Group has an obligation to a third party as a result of a past event, the settlement of which is expected to result in an outflow of resources with no consideration for the Group.

This obligation may be legal, regulatory or contractual. It may also arise from Group practices or external commitments that have created a legitimate expectation on the part of the third parties concerned that the Group will assume certain responsibilities.

The estimate of the amount included in provisions corresponds to the outflow of resources that the Group is likely to incur to settle its obligation. If no reliable estimate of this amount can be made, no provision is recognised. Information is then provided in the appendix. Provisions are discounted when the effect of the time value

of money is considered significant. The discount rate used is determined by reference to a market rate at the balance sheet date based on high quality corporate bonds with a maturity comparable to the estimated maturity of the provision. The benchmark used is Bloomberg AA for the Eurozone.

Contingent liabilities are potential obligations arising from past events, the existence of which will be confirmed only by the occurrence of uncertain future events not wholly within the control of the Group, or probable obligations for which the outflow of resources is not. Contingent liabilities are not recognised, with the exception of those that may be recognised as part of a business combination. Where they exist, they are disclosed in the note on off-balance sheet commitments.

Provisions for liabilities and charges changed as follows:

€ millions	01/01/2023	Grants for the year	Reversals in the year (used)	Reversals in the year (unused)	Other changes	31/12/2023	Including current	Including non-current
Environmental risks	568	49	-57	-15	27	572	0	572
Litigation and contractual risks	246	100	-23	-53	1	270	71	199
Tax, social and customs risks	141	41	-5	-20	-1	156	58	97
Restructuring costs	19	28	-10	-3	0	35	16	18
Other	149	61	-34	-16	15	174	57	117
Total provisions	1,124	279	-129	-107	41	1,207	203	1,004

Provisions for liabilities and charges show a net change of €83m in 2023. This change includes provisions net of reversals of €26m recognised in operating income (-€85m at 31/12/2022); an accretion effect of €17m recognised as a financial expense (€10m at 31/12/2022) and the effect of "Other changes" for €41 m; with no impact on the income statement.

The main changes are detailed below by type of provision.

4.6.1 Provisions for environmental risks

These provisions cover costs relating to environmental protection, site restoration and equipment dismantling. The main provisions relate to the following risks:

- Risk relating to the Group's legal liability for asbestos and asbestos removal:

The Group has an obligation to remove asbestos from dismantled rolling stock and, in some cases, from buildings. In the case of equipment containing asbestos, this obligation applies as soon as the asbestos is detected. Any upward revision of the provision for dismantling is recorded against an increase in the value of the equipment on the assets side of the balance sheet for equipment that has not been fully depreciated, and in the income statement for equipment that has reached the end of its useful life. An impairment loss is recognised when the asset's new carrying amount exceeds its recoverable amount. The cost of dismantling is depreciated over the remaining useful life of the asset. In the event of a decrease in the estimated probable outflow of resources, the provision is reversed against the corresponding asset and the portion in excess of the asset's net carrying amount is recognised in profit or loss. The provision is progressively extinguished in the income statement as the dismantling work is carried out.

- Cost of cleaning up and destroying creosote-contaminated sleepers:

An obligation to destroy creosote-coated sleepers on the network in classified facilities is the result of a commitment made by SNCF Réseau. The obligation in this respect has been recognised in full as a liability and discounted according to the schedule for the removal of the wooden sleepers.

The main environmental risks covered by provisions at the reporting date are as follows:

- asbestos-related costs: €421m (€443m in 2022),
- treatment costs for creosoted sleepers: €66m (€67m in 2022),
- site clean-up costs: €78m (€51m in 2022),

With regard to asbestos-related costs, the net change of -€22m is mainly due to changes in:

- the provision for asbestos removal from rolling stock, which showed a net change of -€14 m, mainly due to the impact of reversals relating to rolling stock treated during the year (-€30 m), to accretion recognised as a financial expense (+€11 m) and the impact of changes in discount and inflation rates (+€5 m).

- the provision for asbestos removal from fixed installations, which amounts to €37m and showed a net change of -€6m (including -€5m for work carried out during the period).

Provisions for environmental costs relating to the treatment of creosote-treated sleepers remained level at €66 m. The net change for the period includes an accretion effect of +€2m and write-backs of -€3m relating to sleepers processed during the period.

Provisions for environmental costs relating to the decontamination of soil at certain industrial sites and fuel storage and distribution facilities showed a net increase of €27 m, corresponding to a revision of the provision for:

- contaminated sites (-€4 m)
- clean-up costs (+€13 m)

- the Company's obligations, with the recognition of a dismantling obligation valued at €20 m, recorded as a provision against a dismantling asset shown under "Other changes".

4.6.2 Provisions for litigation and contractual risks

The provision for litigation and contractual risks mainly comprises risks relating to legal disputes (€230m at 31/12/2023) and costs relating to losses on contracts (€38m at 31/12/2023).

4.6.2.1 Provisions for litigation

The Group is involved in a number of unresolved legal proceedings and disputes in the course of its day-to-day business.

Provisions are made for these disputes on the basis of an estimate of the risk incurred and the likelihood of it occurring.

Unused reversals mainly arise from the extinction of risks relating to existing disputes or from adjustments to their valuation.

- ART litigation

The ART referred the matter to its Enforcement Committee by decision no. 2022-078 of 20 October 2022 (notified to SNCF Réseau on 14/11/2022). With regard to the procedures for allocating infrastructure capacity defined in the network reference document on the conditions for allocation of work train paths, the ART has closed these 2 proceedings against SNCF Réseau (decisions of 15 December 2022). As for the proceeding

relating to the conditions for allocation of commercial train paths, the ART's College notified SNCF Réseau of its decision to refer the matter to the Enforcement Committee on 14/11/2022. The hearing took place on 8 June 2023 and a financial penalty of €2m was imposed. The litigation is closed and the financial penalty has been paid by SNCF Réseau.

– Accident Eckwersheim LGV

On 14 November 2015, a TGV test train derailed at Eckwersheim in Alsace, on the future new East European line, killing 11 people and injuring 42 others.

A provision for the civil liability excess has been recorded in the accounts since the accident. The legal entities SNCF and SNCF Réseau have been indicted for manslaughter and unintentional injury. The judicial investigation is still underway at the Collective Accidents Unit of the Paris Judicial Court.

– Montets tunnel

On 20 February 2012, SNCF Réseau (formerly RFF) awarded a design-build contract for the renovation of the Montets Tunnel to the SPIE Batignolles TPCI, SOTRABAS, CEGELEC CENTRE EST, SPIE Batignolles ENERGIE FONTELEC and BG INGENIEURS CONSEILS consortium. During the performance of this contract, the designer submitted claims relating to the work bill following the work undertaken as part of the tunnel renovation. Despite exchanges with a view to settling the contract by means of a memorandum of understanding, the consortium initiated a legal dispute and filed an application on 23 October 2015 to set aside the balance of the contract. Following the court's decision of 28 June 2023, it was decided to set aside this judgment by settling the case on its merits and to allow their appeal, then to charge SNCF Réseau with the sum of 6,000 euros under Article L. 761-1 of the Code of Administrative Justice. In a memorandum registered on 28 September 2023, Spie Batignolles Génie Civil et al. declared that they were withdrawing their appeal.

– LGV Bretagne Pays-de-Loire

The commissioning of the LGV BPL line has generated a number of claims for compensation for damages caused by public works. Notice has been given of preliminary claims for compensation, mainly in Sarthe and Ile et Vilaine, and requests for expert appraisal in Mayenne, in respect of the pollution (primarily noise) generated by the existence and operation of the line. In October 2023, SNCF Réseau had received 48 preliminary claims for compensation. Provisions totalled €18 m. In January 2024, following the decision of the Nantes CAA, SNCF Réseau's liability will be ruled out, with further details expected in March 2024.

– EDF litigation

EDF has made a claim against SNCF SA in respect of the electricity supply contract for several Group sites, in particular the Geodis and Keolis sites. A provision has been recognised for the estimated risk.

4.6.2.2 Provisions for onerous contracts

Provisions for onerous contracts relate to risks and charges arising from the termination of contracts, as well as risks arising from multi-year contracts that become onerous. The unavoidable costs of meeting contractual obligations then exceed the economic benefits expected from these contracts. Provisions are measured on the basis of unavoidable costs, which reflect the net exit cost of the contract, i.e. the lower of the cost of fulfilling the contract or any compensation or penalties arising from non-fulfilment.

Provisions for losses on contracts amounted to €38 m.

4.6.3 Provisions for tax, social and customs risks

Provisions for tax risks comprise tax risks relating to taxes, while uncertain tax positions relating to income taxes are recognised as operating liabilities in accordance with IAS12 Income Taxes.

Provisions for tax, social and customs risks primarily relate to ongoing URSSAF and VAT audits.

4.6.4 Provisions for restructuring costs

The cost of restructuring measures is provided for in full during the financial year when the principle of these measures has been decided and announced in sufficient detail before the closing of the accounts to create a reasonable expectation among the third parties concerned that they will be implemented.

Provisions for restructuring costs mainly relate to the Keolis and Geodis businesses.

4.6.5 Other provisions

Other provisions primarily consist of technical provisions relating to risks borne by SNCF RE reinsurance captive, as well as provisions for renewal of fixed assets under concession and other operating risks.

4.7 CONTINGENT LIABILITIES

4.7.1 Presumed aid from the State and the Ile-de-France General Council

The Optile group of transport operators, of which Keolis is a member, is affected by the decision of the French Council of State on the recovery of subsidies awarded by the Ile-de-France Regional Council on the grounds that it had benefited illegally from the State aid scheme. As the scheme was deemed compatible with the internal market, but not notified to the Commission, in a ruling handed down on 18 March 2020, the Council of State asked the Ile-de-France region to "take the necessary measures to ensure that each company that has conducted business in a market open to competition and that has benefited from the unlawfully implemented aid scheme pays the amounts commensurate to the interest that the company would have paid had it been required to borrow...".

In the absence of detail on how this decision will be implemented and the net amounts involved, Groupe Keolis has not recognised a provision for this dispute.

4.7.2 Termination of the Gare du Nord concession contract (GDN 2024)

Following the notification by SNCF Gares & Connexions as the Concession Authority on 21 September 2021 of the termination of the concession contract for default, analyses have been carried out to estimate both the compensation for the concession operator's forfeiture, and the loss suffered by the Concession Authority. Based on these analyses, the Licensing Authority notified the Concession Operator on 21 December 2021, presenting it with a provisional termination statement.

At the same time, on 24 December 2021, the Concession Operator notified the Licensing Authority of a Claim for Provisional Damages, which was taken up in the filing of an action for damages on 6 January 2022 with the Paris Administrative Court.

In response, on 18 February 2022, SNCF Gares & Connexions filed:

- its statement of defence, seeking to demonstrate that the decision to terminate the contract for default was well-founded, which would result in the dismissal of GDN 2024's claims and vice versa,

- an action against GDN 2024 for damages before the Administrative Court. This action is in addition to a

summons for payment filed with the Paris Commercial Court on 24 January 2022, under a first demand guarantee clause.

With regard to the two claims for compensation, there has been no change in the situation in 2023. An order to conclude was served on both parties, with submissions to be filed by the end of March 2024.

With regard to the summons for payment under the first demand guarantee, on 22 September 2023, the Paris Commercial Court ordered New Immo Holding to pay SNCF Gares & Connexions €47m and €1.3m in interest. The funds were collected by SNCF Gares & Connexions, but New Immo Holding appealed on 7 November 2023, and the hearing was held on 13/02/2024. The judgment is expected on 27 March 2024.

In view of the validity of the termination of the concession contract, the analysis of its consequences and the absence of any substantive developments, no provision for litigation has been recognised at 31 December 2023 or 31 December 2022.

4.7.3 Investigation by the French Competition Authority into the rail transport and ticketing sectors in France

In May 2023, the Competition Authority announced that it was investigating the rail transport and ticketing sectors in France, suspecting "anti-competitive practices". To date, no information has been released by the Authority pending an investigation into the merits of the case.

Consequently, in the absence of any identified risk, no provision has been recognised in the Group's financial statements at 31 June 2023.

4.7.4 European Commission enquiry into French state support measures for Fret SNCF

This dispute is described in Note 2.1.2 Significant events.

4.7.5 Legal action by the regions against the 2024-2026 pricing system (DDR) for subsidised passenger services

Acting with the assent of the Transport Regulatory Authority (ART), a number of regions have filed a petition with the French Council of State in relation to provisions of the DDR, disputing the 2024-2026 pricing system. Decisions are expected by March 2024.

5. EMPLOYEE BENEFITS

5.1 DESCRIPTION OF EMPLOYEE BENEFITS

5.1.1 Collective agreements and industry agreements

The main collective bargaining agreements applied within the Group are:

- the collective agreement for urban public transport (CCN_3099) within the Keolis subsidiaries;
- the collective agreement for road transport (CCN_3085).
- the collective agreement for the rail industry (CCN_3217); negotiations on the creation of a National Collective Agreement (CCN) for the entire rail industry began in December 2013. Imposed by the Law of 4 August 2014 on railway reform, these negotiations cover the mandatory topics of an industry collective agreement under French law. Five industry agreements, each concerning a future section of the CCN, have already been negotiated and concluded:
 - The agreement of 23 April 2015 relating to the scope of the CCN;
 - The agreement of 31 May 2016 relating to the general provisions of the CCN;

- The agreement of 31 May 2016 on employment contracts and the organisation of work in the rail sector;
- The agreement of 6 June 2017 on vocational training in the rail industry;
- The agreement of 6 December 2021 on classifications and pay in the rail industry.
- All these agreements have been extended by ministerial decree, and are therefore fully applicable to all companies in the sector. This applies to all companies whose main activity falls within the scope of the CCN. By way of exception, it should be noted that the "organisation of work" section of the CCN, provided for in the agreement of 31 May 2016, has been applicable since 1 January 2017 not only to companies in the industry, but also to employees of companies holding a safety certificate or approval assigned to rail activities, regardless of the main activity of their companies.
- Negotiations on other aspects of the future CCN for the rail industry are continuing. The areas still to be dealt with are as follows:
 - Collective benefits for employees in the industry (provident schemes);
 - Trade union rights.
- In addition, Law no. 2018-515 of 27 June 2018 "for a new rail pact" defined the timetable and procedures for opening up national passenger rail services to competition and entrusted the industry with the negotiation of social guarantees, other than those already provided for by law, attached to employees transferred as part of the opening up of public passenger rail transport services to competition, the so-called "social rucksack".
- The agreement signed on 6 December 2021, which has now been extended, sets out, in addition to the rules already provided for by law (job and pay guarantees, membership of the special pension scheme), the rules for transferring the social guarantees from which employees benefited, such as remaining in their rented accommodation, access to SNCF medical care, continuity of travel concessions, the future of their time savings account, etc., to their new employer.

5.1.2 Pensions and similar benefits

The Group, through its subsidiaries, participates in pension schemes in accordance with the laws and practices of each country in which it operates and outside the common law schemes governed by law. These benefits consist of retirement indemnities (France), defined benefit pension plans (United Kingdom, Italy (TFR), Germany, Netherlands, Sweden, Norway, Australia and Canada) and healthcare costs for retirees (Canada).

In France, retirement benefits are determined by the national collective bargaining agreement or the Company agreement in force in the Company.

These schemes may be partially funded.

In Italy, employees benefit from the *Treatamento di Fine Rapporto di lavoro subordinato* (TFR). This severance pay, which is payable by the employer regardless of the reason for termination of the contract, takes the form of a one-off payment representing approximately 1/14th of annual pay for each year of service. This plan is accounted for as a post-employment benefit, since the benefits are granted to employees in respect of services rendered during the period of employment.

5.1.3 Pensions for accidents at work, commuting accidents and occupational diseases (ATT-MP) for permanent staff

The Accidents at work (ATT-MP) annuity service is self-insured for active and retired staff of the SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and FRET SNCF companies, independently of the general scheme in force.

Life annuities are fully funded as soon as they are granted to injured employees, regardless of length of service. They constitute long-term benefits for active employees and post-employment benefits for retired employees.

The provision takes into account the reversibility of occupational accident annuities, which in principle are not reversible, except when the death of the active employee or pensioner is attributable to the occupational illness or accident. In this case, the surviving spouse receives a survivor's pension.

5.1.4 Social action

The SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and FRET SNCF companies implement various social action initiatives: access to infrastructure, consultations with social workers, etc. These initiatives benefit all active employees (short-term benefits) and mainly retired employees covered by the special statutory scheme and their widows (post-employment benefits). A provision has therefore been set aside to cover the benefit granted to retirees.

5.1.5 Differential pension scheme for permanent senior executives

The provident scheme concerns the supplementary scheme for senior executives covered by the SNCF special scheme. The differential scheme pays its members and their dependants sickness and maternity insurance benefits in kind, allowances in the event of the death of the staff member, pensioner, spouse or child, and specific benefits (end-of-career allowances, accommodation allowances, special spousal relief allowances).

5.1.6 Progressive cessation of activity

The aim of the CPA (Cessation Progressive d'Activité) is to reorganise the working hours of employees at the end of their careers. It sets out a working time formula that allows for a transition period between working and retirement. The agreement in force since July 2008 offers the possibility of a degressive or complete cessation for staff of the SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and FRET SNCF companies. Benefits are granted on the basis of a combination of seniority, hardship and staff category criteria.

The CPA is a long-term benefit. The calculation of the provision is based in particular on an assumption relating to the expected proportion of staff who will benefit from the scheme.

5.1.7 Long-service awards and other benefits

This item includes other long-term benefits granted to staff, in particular bonuses for long-service awards (France) as well as severance pay under the unemployment self-insurance scheme and the voluntary redundancy scheme of the SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and FRET SNCF companies.

5.1.8 End-of-service time savings accounts

Following the publication of Law 2005-296 of 31 March 2005 on the reform of the organisation of working time in the Company and the Decree of 3 September 2008 on the application of the Law of 8 February 2008 on purchasing

power, the former EPIC SNCF Mobilités had signed a collective agreement on 6 June 2008 providing for the creation of a time savings account enabling employees to save days of leave, to be used either in addition to the year's leave (short-term benefit), or at the end of their career, or as part of a gradual cessation of activity. The agreement benefits the staff of SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and FRET SNCF.

5.1.9 Ease of movement

The active and retired staff of the companies belonging to the SNCF Unified Public Group, as well as their dependants, benefit from travel concessions, enabling them to travel by train, in certain cases, at fares different from the market price.

The Group believes that this measure will not have a significant impact on its production resources.

Travel concessions granted to active employees during their period of employment and to their beneficiaries in return for services rendered are classified as short-term benefits and are expensed in the year in which the service is rendered.

On the other hand, travel concessions granted to active employees for the period after their employment, as well as to retirees and their dependants, constitute post-employment benefits.

The Group's obligation in respect of these benefits is estimated on the basis of the average marginal cost of the plan.

Until 31 December 2022, the average marginal cost of the scheme remained lower than the average price paid by beneficiaries at the time of reservation. No liability was therefore recognised.

Since 31 December 2022, the Group has recognised a liability. The agreement signed in August 2022 between the ACOSS (Agence Centrale des Organismes de Sécurité Sociale) and the UTP (Union des Transports Publics), which increases the social security contributions due for travel concessions, has changed the marginal cost of the scheme: the basis for contributions is now based on the flat-rate scale for valuing travel concessions set by the agreement.

This change in marginal cost led to the recognition of a provision of €78m at 31 December 2022 in respect of circulation facilities, with a corresponding entry in non-recyclable reserves for actuarial gains and losses.

The base established on the basis of the flat-rate travel concessions for all beneficiaries for the post-employment period is estimated at €941m at 31 December 2023 (compared with €903m at 31 December 2022).

5.2 CHANGE IN THE NET POSITION OF THE PLANS

5.2.1 Breakdown of net liabilities (assets)

€ millions	31/12/2023	31/12/2022
Present value of obligations	3,019	2,623
Fair value of plan assets	-711	-644
Net position of plans	2,308	1,979
Effect of asset ceiling	1	0
Net liabilities (assets) at balance sheet date	2,309	1,979
<i>Including recognised net liabilities</i>	<i>2,312</i>	<i>2,036</i>
<i>Including recognised net assets</i>	<i>2</i>	<i>57</i>

The Group's main employee benefit plans give rise to the recognition of the following liabilities:

€ millions	31/12/2023	31/12/2022
Pensions and similar benefits	325	311
CS provident scheme	46	47
Social Action	182	179
Work accident pensions	793	788
Post-employment benefit liability	1,346	1,324
Work accident pensions	42	41
Long-service awards and similar benefits	205	202
Gradual cessation of activity (CPA)	273	212
Time Savings Account (TSA)	446	257
Other long-term benefit liabilities	966	712
Total liabilities	2,311	2,037
- non-current	2,156	1,888
- current	155	148

5.2.2 Change in net liabilities (assets)

The items explaining the change in net liabilities over the period are detailed below:

€ millions	31/12/2023	31/12/2022
Total opening net liabilities (assets)	1,979	2,746
Current service cost *	191	232
Past service cost *	-9	0
Effect of liquidations of the scheme *	-3	-2
Net financial interest	65	24
Actuarial gains and losses for the period	264	-839
Benefits paid by the Company to employees *	-172	-177
Employer contribution to the fund *	-13	-8
Effect of changes in consolidation scope	5	7
Currency impact	-2	0
Other	4	-5
Total net liabilities (assets) at end of year	2,309	1,979
<i>*Items recognised as a net change in provisions (see Note 3.4.4)</i>	3	40

The increase in net liabilities is due in particular to the recognition of the net actuarial loss of €264m at 31 December 2023, linked to the contrasting effects of the following items:

- The change in estimate of the provision for Time Savings Accounts. Since its introduction, the provision has been assessed in a simplified way on the basis of days saved. Based on experience and observations, the valuation at 31 December 2023 was carried out in accordance with the projected unit credit actuarial method, which incorporates behaviour (savings, monetisation) on a predictive basis. The change in estimate resulted in an increase in the provision, offset by an actuarial difference of -€78m charged to net financial expense;

- The decline in discount rates and inflation observed in all currency zones;

- Changes in other assumptions, in particular the rate of salary increases;

- And experience gaps relating to headcount and salary scales.

The actuarial loss recognised in "Non-recyclable reserves" in respect of post-employment benefits amounted to -€84 m. The actuarial gain or loss recognised in the financial result in respect of other long-term benefits is a net actuarial charge of -€181 m.

The net actuarial gain of €839m recognised at 31 December 2022 was due to the increase in discount and inflation rates observed in all currency zones and to the adjustment of demographic and financial assumptions (CPA take-up rate, salary increase rate, ACOSS scale relating to traffic facilities - see Note 5.1.9) and experience adjustments.

The actuarial gain recognised in "Non-recyclable reserves" in respect of post-employment benefits amounted to €564 m. The actuarial gain or loss recognised in the financial result in respect of other long-term benefits was net actuarial income of €272 m.

Exchange rate effects mainly relate to the pension schemes of UK subsidiaries and result from the fall in the Pound Sterling / Euro exchange rate observed since the Brexit.

Changes in the present value of obligations, the fair value of scheme assets and the net liabilities (assets) for 2023 are as follows:

31/12/2023 € millions	Pensions and other similar benefits	Income protection	Social action	Acci- dent at work annui- ties	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL
Current value of obligation at opening date	897	47	179	829	469	202	2,623
Current service cost	27	1	3	26	96	39	191
Employee contribution	0						0
Past service cost arising from a scheme amendment	-10	0	0	0	0	1	-9
Past service cost arising from a scheme reduction	0	0	0	0	0	0	0
Effect of disposals	-3	0	0	0	0	0	-3
Interest cost	46	2	6	29	17	3	102
Actuarial gains and losses for the period	57	-1	4	9	172	9	250
Benefits paid to employees by the Company	-17	-2	-9	-58	-34	-51	-172
Benefits paid by the fund	-19						-19
Effect of changes in consolidation scope	40	0	0	0	0	0	40
Currency impact	13					-1	13
Other	0	0	0	0	0	2	3
Current value of obligation at closing date	1,032	46	182	835	719	205	3,019
<i>Of which current value of unfunded obligations</i>	<i>300</i>	<i>46</i>	<i>182</i>	<i>835</i>	<i>719</i>	<i>205</i>	<i>2,287</i>
<i>Of which current value of fully or partially funded obligations</i>	<i>731</i>						<i>731</i>

31/12/2023 € millions	Pensions and other similar benefits
Fair value of plan assets at opening date	644
Implicit return on scheme assets	39
Actuarial gains and losses for the period	-14
Effect of reductions and disposals	0
Employer contribution to the fund	13
Employee contributions to the fund	0
Benefits paid by the fund	-19
Effect of changes in consolidation scope	35
Currency impact	14
Other	-1
Fair value of plan assets at closing date	711
Effect of asset ceiling at opening date	0
Change in effect of asset capping	1
Financial interest on the effect of asset capping	0
Effect of asset ceiling at closing date	1

31/12/2023 € millions	Pensions and other similar benefits	Income protection	Social action	Acci- dent at work annui- ties	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL
(+) Current value of obligation at closing date	1,032	46	182	835	719	205	3,019
(-) Fair value of scheme assets at closing date	-711	0	0	0	0	0	-711
(+) Effect of asset capping at closing date	1	0	0	0	0	0	1
Total net liabilities (assets) at closing date	323	46	182	835	719	205	2,309
Assets available after effect of the asset ceiling	2						2
Total liabilities at closing date	325	46	182	835	719	205	2,312

Changes in the present value of obligations, the fair value of scheme assets and the net liabilities (asset) for 2022 were as follows:

31/12/2022 € millions	Pensions and other similar benefits	Income protection	Social action	Acci- dent at work annui- ties	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL
Current value of obligation at opening date	932	62	267	1,085	636	244	3,226
Current service cost	40	1	5	39	93	53	232
Employee contribution	0						0
Past service cost arising from a scheme amendment	0	0	0	0	0	0	0
Past service cost arising from a scheme reduction	0	0	0	0	0	0	0
Effect of disposals	-2	0	0	0	0	0	-2
Interest cost	14	1	2	10	6	0	33
Actuarial gains and losses for the period	-12	-15	-88	-248	-233	-31	-628
Benefits paid to employees by the Company	-17	-2	-8	-57	-33	-59	-177
Benefits paid by the fund	-12	0	0	0	0	0	-12
Effect of changes in consolidation scope	-14	0	0	0	0	1	-13
Currency impact	-33					1	-32
Other	0	0	0	0	0	-6	-6
Current value of obligation at closing date	897	47	179	829	469	202	2,623
<i>Of which current value of unfunded obligations</i>	<i>287</i>	<i>47</i>	<i>179</i>	<i>829</i>	<i>469</i>	<i>202</i>	<i>2,012</i>
<i>Of which current value of fully or partially funded obligations</i>	<i>610</i>						<i>610</i>

31/12/2022 € millions	Pensions and other similar benefits
Fair value of plan assets at opening date	481
Implicit return on scheme assets	8
Actuarial gains and losses for the period	211
Effect of reductions and disposals	0
Employer contribution to the fund	8
Employee contributions to the fund	0
Benefits paid by the fund	-12
Effect of changes in consolidation scope	-20
Currency impact	-32
Other	-1
Fair value of plan assets at closing date	644
Effect of asset ceiling at opening date	0
Change in effect of asset capping	0
Financial interest on the effect of asset capping	0
Effect of asset ceiling at closing date	0

31/12/2022 € millions	Pensions and other similar benefits	Income protection	Social action	Acci- dent at work annui- ties	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL
(+) Current value of obligation at closing date	897	47	179	829	469	202	2,623
(-) Fair value of scheme assets at closing date	-644	0	0	0	0	0	-644
(+) Effect of asset capping at closing date	0	0	0	0	0	0	0
Total net liabilities (assets) at closing date	254	47	179	829	469	202	1,979
Assets available after effect of the asset ceiling	57						57
Total liabilities at closing date	311	47	179	829	469	202	2,036

5.2.3 Breakdown of scheme assets

€ millions	31/12/2023	31/12/2022
Bonds	158	128
Shares	531	500
Real Property	4	0
Cash and cash equivalents	4	3
Other	13	13
Total fair value of scheme assets	710	644
<i>Of which active market</i>	<i>673</i>	<i>643</i>
<i>of which Euro zone</i>	<i>9</i>	<i>8</i>

The assets mainly relate to the pension schemes of the Group's UK subsidiaries.

5.2.4 Reimbursement rights

Some schemes operated by subsidiaries of Geodis, primarily in Germany, have reimbursement rights (€10m at 31 December 2023 and €10m at 31 December 2022).

These are recorded at their fair value as a separate asset on the balance sheet. Actuarial gains and losses arising during the period in respect of these reimbursement rights are recorded at outset in non-recyclable reserves, under the same terms as actuarial gains and losses arising from the scheme assets.

5.2.5 Analysis of contributions payable to pension funds in N+1

For schemes that are partially or fully covered by scheme assets (mainly in Anglo-Saxon countries), the contributions expected to be paid by companies and/or beneficiaries in the financial year N+1, are detailed below:

31/12/2023 € millions	Pensions and other similar benefits
Employer contributions to funds	8
Employee contributions to funds	5
Total Contributions payable	13

31/12/2022 € millions	Pensions and other similar benefits
Employer contributions to funds	15
Employee contributions to funds	6
Total Contributions payable	20

5.3 EMPLOYEE SCHEME BENEFIT EXPENSES

For basic schemes and other defined contribution schemes, the Group records contributions payable as an expense when they are due, and since the Group has no commitment beyond the contributions paid, no provision is recorded.

Since the creation in 2007 of the SNCF Staff Independent Provident and Pension Scheme, it has been primarily concerned with the special pension scheme for staff employed by Group companies.

In the case of defined benefit schemes, where benefits are insured by a third party (insurance contracts, provident societies unrelated to the Group) and that the Group has no legal or constructive obligation to make good any losses relating to services rendered in the current or prior periods, no obligation is entered and the insurance and/or income protection premiums paid are entered as contributions to a defined contribution scheme, the obligation to provide benefits to employees being the sole responsibility of the

third party.

In other cases, the obligations are the subject of actuarial valuations and provisions are recorded in the balance sheet progressively as employees accrue the rights to benefits. The actuarial liability (or current value of the defined benefit obligation) is then determined using the actuarial projected unit credit method, which stipulates that each period of service equates to a unit of entitlement to benefits, and values each of these units separately to obtain the final obligation.

These calculations include assumptions current rates of mortality, staff revenue and projected future salaries.

In the case of schemes partially or fully funded by scheme assets, the net liability (asset) is recognised as the negative or positive difference between the current value of the obligation and the fair value of the scheme assets.

5.3.1 Net cost for defined benefit schemes

The expense entered in profit and loss for 2023 and 2022 is detailed in the tables below.

The current service cost for the financial year totals €191m (€232m in 2022). The financial results include primarily accretion on debt and a net actuarial charge of - €181m on long-term benefits (compared with net actuarial income of €272m in 2022), resulting in particular from the change in estimate for the provision of accrued time off (see Note 5.2.2) and lower closing discount and inflation rates (see Note 5.4).

31/12/2023 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL
<i>Expenses (+) and income (-)</i>							
Current service cost	27	1	3	26	96	39	191
Past service cost generated over the financial year	-10	0	0	0	0	1	-9
<i>Of which effect of scheme changes</i>	-10	0	0	0	0	1	-9
<i>Of which effect of scheme reductions</i>	0	0	0	0	0	0	0
Effect of disposals on the obligation	-3	0	0	0	0	0	-3
Effect of disposals on schemes assets	0						0
Other	1	0	0	0	0	3	3
Current operating profit/loss	15	1	3	26	96	42	182
Net financial interest of scheme	7	2	6	29	17	3	63
<i>Of which interest cost</i>	46	2	6	29	17	3	102
<i>Of which implicit return on scheme assets</i>	-39						-39
<i>Of which financial interest on asset capping</i>	0						0
Actuarial gains and losses for the financial year in respect of long-term employee benefits				0	172	9	181
Other	0	0	0	0	0	0	0
Financial income	7	2	6	29	189	11	244
Total Expense or (Income) recognised	23	3	9	54	284	54	426

31/12/2022 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities	Gradual reduction in work activity and accrued time off	Long-service awards and other benefits	TOTAL
<i>Expenses (+) and income (-)</i>							
Current service cost	40	1	5	39	93	53	232
Past service cost generated over the financial year	0	0	0	0	0	0	0
<i>Of which effect of scheme changes</i>	0	0	0	0	0	0	0
<i>Of which effect of scheme reductions</i>	0	0	0	0	0	0	0
Effect of disposals on the obligation	-2	0	0	0	0	0	-2
Effect of disposals on schemes assets	0						0
Other	0	0	0	0	0	-6	-6
Current operating profit/loss	38	1	5	39	93	48	225
Net financial interest of scheme	6	1	2	10	6	0	24
<i>Of which interest cost</i>	14	1	2	10	6	0	33
<i>Of which implicit return on scheme assets</i>	-8						-8
<i>Of which financial interest on asset capping</i>	0						0
Actuarial gains and losses for the financial year in respect of long-term employee benefits				-7	-233	-31	-272
Other	1	0	0	0	0	0	1
Financial income	7	1	2	3	-228	-31	-246
Total Expense or (Income) recognised	45	2	8	42	-134	17	-21

5.3.2 Net expense for defined contribution schemes

The expense recorded for defined contribution schemes is included in staff costs and amounts to €1.6bn at 31 December 2023 (€1.5bn in 2022). It primarily concerns the special pension scheme for SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and Fret SNCF staff, since the creation of the SNCF Staff Independent Provident and Pension Scheme in 2007.

5.3.3 Remeasurement recorded in non-recyclable reserves

Actuarial gains and losses arising during the period in respect of post-employment benefits are recorded

immediately against non-recyclable reserves (equity). In the event of partial or total de-recording of the liability, they will never be reintroduced to profit and loss in subsequent financial years. It is possible for them to be transferred to another equity component (notably other reserves).

Actuarial gains and losses arising on other long-term benefits (accident at work annuities to employees over their working lives, long-service awards, accrued time off and gradual reduction in working hours) continue to be recorded immediately in the financial results for the period.

31/12/2023 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities post- employment	TOTAL
<i>(losses) and gains</i>					
Remeasurement at opening date	58	-1	152	-106	103
Actuarial gains and losses arising during the financial year on obligations	-57	1	-4	-9	-69
Actuarial gains and losses on scheme assets for the year	-14				-14
Actuarial gains and losses generated during the financial year in respect of reimbursement rights	1				1
Net change in the effect of the asset ceiling	-1				-1
Currency impact	2				2
Other	3	0	0	0	3
Remeasurement at closing date	-8	0	148	-115	25

31/12/2022 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities post- employment	TOTAL
<i>(losses) and gains</i>					
Remeasurement at opening date	-162	-17	64	-347	-461
Actuarial gains and losses arising during the financial year on obligations	12	15	88	241	356
Actuarial gains and losses on scheme assets for the year	211				211
Actuarial gains and losses generated during the financial year in respect of reimbursement rights	-4				-4
Net change in the effect of the asset ceiling	0				0
Currency impact	-2				-2
Other	3	0	0	0	3
Remeasurement at closing date	58	-1	152	-106	103

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:

Current rates

The current rate used to update post-employment and long-term benefit obligations is determined by a market rate at the closing date based on high quality corporate bonds with a maturity comparable to that of the obligations.

Mortality table

Since 31 December 2013, the commitments relating to social welfare and the differential frameworks for pension schemes under the SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and Fret SNCF companies have been valued using a prospective mortality table by gender, specific to the railway workers (special pension scheme basis) constructed by the Caisse de Prévoyance Retraite (CRCP (Provident Pension Body)) and validated by a certifying actuary.

A table incorporating a deterioration coefficient have been extrapolated for accident at work/occupational illness schemes. Based on the CPRP-certified table, the mortality tables for the other schemes have also been modified.

These changes to the mortality tables satisfy the clarification in the revised standard that mortality should reflect the mortality of scheme beneficiaries both during and after the period of employment.

Take-up rate of the gradual reduction in work hours scheme

The amount of the commitment under the gradual reduction in work hours scheme agreement is calculated on the basis of an assumption of membership. Since the 2015 rail reform, membership rates are determined separately for SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares et Connexions and ret SNCF.

5.4.1.1 Assumptions used for the Group's main pension schemes

Obligations to employees of SNCF companies that are part of the public rail group represent almost 85% of the Group total: the actuarial assumptions used for their review and the comparative data are detailed below.

	31/12/2023	31/12/2022
Discount rate	3.40%	3.61%
Inflation rate	2.10%	2.20%
Revaluation rate of benefits		
Income protection	2.40%	2.40%
Social action	2.10%	2.20%
Work accident pensions	2.10%	2.20%
Gradual reduction in work hours and accrued time off	3.50%	2.70%
Retirement benefits and long-service awards	3.50%	2.70%
Mortality table		
Retirement and social welfare	CPRH 2070 / CPRF	CPRH 2070 / CPRF
Accident at work annuities employed and retired	CPR AT 2070	CPR AT 2070
Widows' accident at work annuities	CPRF 2070	CPRF 2070
Gradual reduction in work hours and accrued time off	CPR80%H /20%F	CPR80%H /20%F
Retirement benefits and long-service awards	CPR80%H /20%F	CPR80%H /20%F
Take-up rate of the gradual reduction in work hours scheme - SNCF Voyageurs	18.39%	18.39%
Take-up rate of the gradual reduction in work hours scheme - Fret SNCF	13.09%	13.09%
Take-up rate of the gradual reduction in work hours scheme - SA SNCF	7.71%	7.71%
Take-up rate of the gradual reduction in work hours scheme - SNCF Gares & connexions	13.10%	13.10%
Take-up rate of the gradual reduction in work hours scheme - SNCF Réseau	21.08%	21.08%

5.4.1.2 Assumptions used for other schemes by geographical area

With regard to obligations to employees of other Group subsidiaries, the main assumptions used, by duration, for the main currency zones, as well as the comparative data, are detailed below:

	31/12/2023						31/12/2022			
	Eurozone			United Kingdom	Sweden	Eurozone			United Kingdom	Sweden
	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	3.40%	3.23%	3.19%	4.75%	3.30%	3.93%	3.48%	3.28%	5.00%	4.00%
Rate of salary increase	3.50%	2.92%	4.47%	4.60%	2.70%	3.50%	2.92%	4.44%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.10%	3.10%	1.70%	2.00%	2.00%	2.20%	3.30%	2.00%

The last two rates shown correspond to the schemes of subsidiaries that apply the road haulage agreement (Geodis) and the freight transport agreement.

The rate for Sweden concerns the schemes of subsidiaries in the Freight and Logistics business line, while that for the United Kingdom concerns Eurostar, a subsidiary in the Voyageurs business line.

5.4.2 Analysis by type of actuarial gains and losses

The recording of actuarial gains and losses differs depending on the classification of the scheme:

- for defined benefit post-employment schemes, actuarial gains and losses are noted in other comprehensive income under non-recyclable reserves. They are never recycled in

profit and loss, but may be reclassified as undistributed reserves if the entity concerned is removed from the scope of consolidation;

- for other long-term defined benefit schemes (long-service awards, unemployment, salary maintenance, gradual reduction in work hours), actuarial gains and losses are recognised immediately in the financial results.

5.4.2.1 Change and breakdown of actuarial gains and losses

31/12/2023 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities post- employment	TOTAL Post- employment	Accident at work annuities long term	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL Long term (*)
Opening actuarial gains (losses)	60	-1	152	-106	105				
Adjustments linked to experience relating to liabilities	-23	0	-1	1	-23	0	-19	-1	-20
Effect of changes in demographic assumptions relating to liabilities	8	2	0	0	10	0	0	-2	-2
Effect of changes in financial assumptions relating to liabilities	-41	-1	-3	-10	-56	0	-153	-6	-159
Actuarial gains and losses arising in the financial year pursuant to the obligation	-57	1	-4	-9	-69	0	-172	-9	-181
Adjustments linked to experience relating to assets	-14				-14				
Effect of changes in financial assumptions relating to assets	0				0				
Actuarial gains and losses on scheme assets for the year	-14				-14				
Currency impact	2				2				
Other	3	0	0	0	3				
Actuarial gains (losses) at closing date	-6	0	148	-115	28				
<i>Total adjustments linked to experience</i>	<i>-37</i>	<i>0</i>	<i>-1</i>	<i>1</i>	<i>-37</i>	<i>0</i>	<i>-19</i>	<i>-1</i>	<i>-20</i>
<i>Total effects of changes in actuarial assumptions</i>	<i>-33</i>	<i>1</i>	<i>-3</i>	<i>-10</i>	<i>-46</i>	<i>0</i>	<i>-153</i>	<i>-8</i>	<i>-161</i>

(*) For other long-term benefits, actuarial gains and losses were not tracked, as they are always recorded immediately in the financial results for the period.

31/12/2022 € millions	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities post- employment	TOTAL Post- employment	Accident at work annuities long term	Gradual reduction in work activity and accrued time off	Long- service awards and other benefits	TOTAL Long term (*)
Opening actuarial gains (losses)	-164	-17	64	-347	-462				
Adjustments linked to experience relating to liabilities	-269	-4	9	-44	-308	-1	24	5	28
Effect of changes in demographic assumptions relating to liabilities	2	0	0	0	2	0	0	0	0
Effect of changes in financial assumptions relating to liabilities	279	20	79	285	663	8	209	27	245
Actuarial gains and losses arising in the financial year pursuant to the obligation	12	15	88	241	356	7	233	31	272
Adjustments linked to experience relating to assets	214				214				0
Effect of changes in financial assumptions relating to assets	-3				-3				0
Actuarial gains and losses on scheme assets for the year	211				211				0
Currency impact	-2				-2				0
Other	3	0	0	0	3				0
Actuarial gains (losses) at closing date	60	-1	152	-106	105				0
<i>Total adjustments linked to experience</i>	<i>-55</i>	<i>-4</i>	<i>9</i>	<i>-44</i>	<i>-94</i>	<i>-1</i>	<i>24</i>	<i>5</i>	<i>28</i>
<i>Total effects of changes in actuarial assumptions</i>	<i>278</i>	<i>20</i>	<i>79</i>	<i>285</i>	<i>662</i>	<i>8</i>	<i>209</i>	<i>27</i>	<i>245</i>

(*) For other long-term benefits, actuarial gains and losses were not tracked, as they are always recorded immediately in the financial results for the period.

5.4.2.2 Analysis of the obligation's sensitivity to the main actuarial assumptions

The amounts presented below correspond to the decrease (actuarial gain) or increase (actuarial loss) in obligations as recorded at 31 December 2023 according to changes in actuarial assumptions.

31/12/2023 € millions Gains (-) / Losses (+)	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities	Gradual reduction in work activity and accrued time off
Sensitivity to current rate					
Change of + 0.25pt	-99	-1	-6	-24	-19
Change of - 0.25pt	104	1	7	26	20
Sensitivity to inflation rate					
Change of + 0.25pt		1	7	26	
Change of - 0.25pt		-1	-6	-25	
Sensitivity to take-up rate in gradual reduction to work hours					
Change of + 1pt					14
Change of - 1pt					-14

31/12/2022 € millions Gains (-) / Losses (+)	Pensions and other similar benefits	Income protection	Social action	Accident at work annuities	Gradual reduction in work activity and accrued time off
Sensitivity to current rate					
Change of + 0.50pt	-60	-3	-12	-46	-12
Change of - 0.50pt	66	3	13	52	13
Sensitivity to inflation rate					
Change of + 0.25pt		1	7	25	
Change of - 0.25pt		-1	-6	-24	
Sensitivity to take-up rate in gradual reduction to work hours					
Change of + 1pt					11
Change of - 1pt					-10

5.5 EXECUTIVES' REMUNERATION

The Group's senior executives are members of the Group Management Committee. The gross taxable remunerations of these executives consists primarily of short-term benefits.

€ millions	31/12/2023	31/12/2022
Short-term benefits	4.4%	4.0%
Long-term benefits		-
Post-employment benefits	0.2%	0.1%
Termination payments	0.6%	-
Total	5.2	4.1

6. CAPITAL AND FINANCING

6.1 MANAGEMENT OF THE INTEREST RATE BENCHMARK REFORM

The roll-out of the fundamental interest rate benchmark reform was finalised in the 2023 financial year with the signing of amendments to EONIA-indexed contracts. These amendments gave rise to the receipt of balancing payments of negligible amounts.

All the contracts have now been amended or have been subject to the automatic fallback clause. The Group confirms that the interest rate benchmark reform has had no material impact on its financial statements or risk management, and has not called into question its hedge accounting.

6.2 NET FINANCIAL DEBT (NFD)

NFD is the sum of current and non-current financial liabilities less current and non-current financial assets, when the latter arise from transactions that involve exclusively, in substance, cash flow exchanges: issue or receipt of cash against a repayment or an expected cash remuneration.

NFD excludes the following items:

- Pension assets and liabilities are covered by the terms of IAS 19 and are presented in Note 5.-

The financial assets and liabilities of concessions, as they remunerate a transport service or the right to use an

infrastructure under a concession agreement.

- Lease finance receivables and lease obligations that provide the right to use an underlying asset under a lease agreement.

- Commitments to share buybacks of non-controlling interests, as they are equity transactions and do not involve a cash exchange contract. Consistent with the exclusion of equity from NFD, the financial liabilities arising from these transactions are also excluded from net financial debt.

- Investments in equity instruments, corresponding to unconsolidated holdings.

- Financial assets and liabilities arising from public-private partnership contracts, on condition that they reflect, in substance, a lender-borrower relationship.

6.2.1 Cost of net financial debt

The cost of net financial debt includes:

- interest paid on the Group's financial debt;
- income receivable from the Public Debt Fund (see Note 6.2.2.1);

- and interest earned on available cash.

These items are presented after hedging transactions and include a change in the value of derivative instruments that do not qualify for hedge accounting under IFRS. The fair value and hedging result records the gains and losses on financial instruments at the fair value using results, and the ineffective portion of hedges and the change in fair value of debt, using the fair value option.

The cost of net financial debt breaks down as follows:

€ millions	31/12/2023	31/12/2022	Change
Fair value gains or losses and hedging	-95	-138	43
Gains and losses on derivative instruments	59	-555	614
Gains and losses on fair value hedged items	-113	474	-587
Gains and losses on equity instruments at fair value through profit and loss	-1	-6	5
Gains and losses on debt asset instruments at fair value through profit and loss	-4	-2	-2
Gains and losses on financial liabilities at fair value through profit and loss	7	6	1
Other fair value gains and losses	-43	-56	12
Cost of net financial debt	-367	-439	73
<i>Of which interest income and expenses on financial assets at amortised cost</i>	<i>1,091</i>	<i>1,019</i>	<i>71</i>
<i>Of which interest income and expense on financial liabilities at amortised cost</i>	<i>1,574</i>	<i>1,445</i>	<i>-129</i>
<i>Of which interest income and expense on financial instruments at fair value through equity</i>	<i>1</i>	<i>0</i>	<i>1</i>
Other financial income and expenses	-202	-157	-46
<i>Of which interest expense on lease liabilities</i>	<i>-192</i>	<i>-152</i>	<i>-40</i>
Cost of net financial debt and other costs	-664	-734	70

€ millions	31/12/2023	31/12/2022	Change
Financial expenses	-2,552	-2,765	213
Financial income	1,888	2,032	-144
Cost of net financial debt and other costs	-664	-734	70

6.2.2 Calculation of net financial debt

The following tables present the categories and classes of financial assets and liabilities and the methods used to measure them at fair value.

Items excluded from NFD do not appear in either the "NFD" column or the "Group net debt" subtotal.

The classification and valuation of financial assets requires an analysis of the cash flows generated by such assets, and the management model applied to them.

Cash flow analysis consists of defining whether the financial asset generates principal repayments and associated interest payments only. These assets are known as SPPIs (Principal and Interest-Only Payments).

The business model is analysed to determine whether the financial asset is held by the Group in order to:

- Collect the contractual cash flows generated by the financial asset and following its sale;

- Any other holding objective, particularly for trading and short-term optimisation purposes.

This dual analysis is used to determine the valuation method applicable to each financial asset:

- Measurement at amortised cost;

- Measured at fair value through other comprehensive income;

- Measured at fair value by the counterparty in the profit and loss account.

In addition, debt instruments in assets (loans, receivables, bonds and other securities) measured at amortised cost are subject to the expected loss impairment model. These impairments, which represent the counterparty's credit risk, are recognised with an offsetting entry to the profit and loss account as soon as the loans and receivables are granted or the securities are acquired, without identification of any objective evidence of impairment. They are estimated at the level of credit losses that the Group expects to incur over a one-year period, based on historical data or the counterparty's financial rating. In the event of a significant deterioration in credit risk, they are remeasured to reflect the expected loss over the life of the financial asset.

The Group does not recognise impairment for expected losses on the following financial assets:

- Assets held with a government counterparty presenting a negligible credit risk;
- Assets held with an entity included in the Group's scope of consolidation;
- Assets whose estimated loss is expected to be immaterial.

If there is objective evidence that an asset has suffered a significant or prolonged drop in value, an impairment is recorded in profit and loss, representing the amount of the loss in value. Objective evidence results from the Group's knowledge of the debtor's financial difficulties (payment default, liquidation, etc.).

Financial assets or liabilities maturing less than 12 months at the balance sheet date are classed as current. The fair value of asset or liability derivative instruments is classified as current or non-current depending on the final maturity of the derivative instrument.

Loans, borrowings and fair value of derivative instrument line items include accrued interest.

Standardised" 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 three different levels as provided for under IFRS 13:

- Level 1: fair value for listed financial instruments measured using quoted stock market prices at the closing date
- Level 2: fair value measured using inputs which are not quoted prices but are observable in the market, either directly or indirectly. It is used for unlisted financial instruments for which there are listed instruments similar in 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. Fair value is determined using valuation techniques such as revalued net asset, current cash flows or selected option valuation models.

31/12/2023			Financial instruments					Total	Fair value			
Balance sheet heading and classes of financial instruments			NFD	At fair value through equity	At amortised cost	At fair value through profit and loss	Derivatives qualifying as hedges	Net carrying value of the class on the balance sheet	Fair value of the class	Level 1	Level 2	Level 3
€ millions	Non-current	Current										
Public-private partnership (PPP) receivables	1,621	268	1,889	-	1,889	-	-	1,889	1,889	-	1,889	-
Public Debt Fund (PDF) receivable	29,859	2,981	32,841	-	32,841	-	-	32,841	28,509	-	28,509	-
Cash collateral assets	-	805	805	-	805	-	-	805	805	-	805	-
Other loans and receivables	774	31	805	-	804	0	-	805	805	0	805	-
Concession financial assets	1,383	111	-	-	1,494	-	-	1,494	1,942	-	1,942	-
Finance lease receivables	10	1	-	-	11	-	-	11	-	-	-	-
Debt securities	44	-	44	-	-	44	-	44	44	-	44	-
Sub-total debt instruments	33,691	4,197	36,383	-	37,844	44	-	37,888	33,994	0	33,994	-
Pension scheme assets	12	-	-	-	-	-	-	-	-	-	-	-
Investments in equity instruments	269	0	-	246	-	23	-	269	269	-	-	269
Trading instruments	-	30	30	-	-	30	-	30	30	0	30	-
Positive fair value of hedging derivatives	931	172	1,103	-	-	-	1,103	1,103	1,103	-	1,103	-
Positive fair value of trading derivatives (*)	58	33	91	-	-	91	-	91	91	-	91	-
Cash and cash equivalents	-	8,973	8,973	-	-	8,973	-	8,973	8,973	6,538	2,436	-
Total current and non-current financial assets	34,961	13,405	46,580	246	37,844	9,161	1,103	48,354	44,459	6,538	37,653	269
Bond issues	50,318	6,483	56,801	-	56,745	57	-	56,801	59,050	-	59,050	-
Bank borrowings	2,636	583	3,219	-	3,219	-	-	3,219	3,517	0	3,517	-
Asset financing liabilities	126	1	127	-	127	-	-	127	127	0	127	-
Sub-total borrowings	53,080	7,067	60,148	-	60,091	57	-	60,148	62,694	0	62,694	-
<i>Of which:</i>												
- not hedged	41,350	6,500	47,851	-	47,851	-	-	47,851	49,893	0	49,893	-
- recognised using cash flow accounting	9,437	484	9,920	-	9,920	-	-	9,920	10,130	-	10,130	-
- recognised using fair value hedge accounting	2,237	83	2,320	-	2,320	-	-	2,320	2,615	0	2,615	-
- valued using the "fair value" option(**)	56	0	57	-	-	57	-	57	57	-	57	-
Negative fair value of hedging derivatives	1,503	131	1,635	-	-	-	1,635	1,635	1,635	-	1,635	-
Negative fair value of trading derivatives (*)	52	8	59	-	-	59	-	59	59	-	59	-
Borrowings and financial liabilities	54,635	7,206	61,841	-	60,091	116	1,635	61,841	64,388	0	64,388	-
Cash and cash equivalent borrowings	-	1,392	1,392	-	1,392	-	-	1,392	1,392	354	1,038	-
Liabilities under commitments to purchase non-controlling interests	1,565	-	-	1,565	-	-	-	1,565	1,565	-	-	1,565
Lease liabilities	3,322	1,069	-	-	4,391	-	-	4,391	-	-	-	-
Public-Private Partnership (PPP) payables	1,678	279	1,956	-	1,956	-	-	1,956	1,956	-	1,956	-
Financial subsidy	5,591	-	5,591	-	5,591	-	-	5,591	5,591	-	5,591	-
Concession financial liabilities	89	4	-	-	93	-	-	93	93	-	93	-
Total current and non-current financial liabilities (***)	66,880	9,950	70,780	1,565	73,514	116	1,635	76,830	74,985	354	73,066	1,565
Group net financial debt	28,617	-4,417	24,199	-	32,691	-9,022	531	24,200	31,078	-6,184	37,262	-

(*) The instruments shown as trading derivatives mainly correspond to Group debt economic hedging transactions.

(**) The nominal amount of liabilities recorded under the fair value option was €64 m. These liabilities were designated at fair book value on initial recording.

(***) Including lease liabilities presented on a dedicated line in the consolidated statement of financial position.

31/12/2022				Financial instruments				Total	Fair value			
Balance sheet heading and classes of financial instruments				At fair value through equity	At fair value through profit and loss	At fair value through profit and loss	Derivatives qualifying as hedges	Net carrying value of the class on the balance sheet	Fair value of the class	Level 1	Level 2	Level 3
€ millions				Non-current	Current	NFD						
Public-private partnership (PPP) receivables	1,791	268	2,059	-	2,059	-	-	2,059	2,059	-	2,059	-
Public Debt Fund receivable	32,909	3,786	36,695	-	36,695	-	-	36,695	31,012	-	31,012	-
Cash collateral assets	-	962	962	-	962	-	-	962	962	-	962	-
Other loans and receivables	914	37	951	-	951	0	-	951	952	0	952	0
Concession financial assets	1,531	235	-	-	1,767	-	-	1,767	1,924	-	1,924	-
Finance lease receivables	9	1	-	-	9	-	-	9	9	-	-	-
Debt securities	46	-	46	-	-	46	-	46	46	-	46	-
Sub-total loans and receivables	37,201	5,289	40,713	-	42,443	46	-	42,489	36,955	0	36,955	0
Pension scheme assets	67	-	-	-	-	-	-	-	-	-	-	-
Investments in equity instruments	268	0	-	245	-	23	-	268	268	-	-	268
Trading instruments	-	16	16	-	-	16	-	16	16	0	16	-
Positive fair value of hedging derivatives	801	426	1,227	-	-	-	1,227	1,227	1,227	-	1,227	-
Positive fair value of trading derivatives (*)	115	134	249	-	-	249	-	249	249	-	249	-
Cash and cash equivalents	-	9,874	9,874	-	-	9,874	-	9,874	9,874	8,397	1,433	44
Total current and non-current financial assets	38,452	15,739	52,079	245	42,443	10,208	1,227	54,124	48,589	8,397	39,879	313
Bond issues	53,866	7,715	61,581	-	61,518	63	-	61,581	63,073	-	63,073	-
Bank borrowings	3,188	188	3,376	-	3,376	-	-	3,376	3,752	-0	3,752	-
Asset financing liabilities	123	1	123	-	123	-	-	123	123	-	123	-
Sub-total borrowings	57,177	7,903	65,080	-	65,017	63	-	65,080	66,948	-0	66,948	-
<i>Of which:</i>												
- not hedged	45,449	6,157	51,606	-	51,606	-	-	51,606	51,514	0	51,514	-
- recognised using cash flow accounting	9,517	1,699	11,216	-	11,216	-	-	11,216	12,828	-	12,828	-
- recognised using fair value hedge accounting	2,149	46	2,195	-	2,195	-	-	2,195	2,542	-	2,542	-
- valued using the "fair value" option(**)	63	0	63	-	-	63	-	63	63	-	63	-
Negative fair value of hedging derivatives	1,815	29	1,844	-	-	-	1,844	1,844	1,844	-	1,844	-
Negative fair value of trading derivatives (*)	108	47	155	-	-	155	-	155	155	-	155	-
Borrowings and financial liabilities	59,100	7,979	67,079	-	65,017	218	1,844	67,079	68,947	-0	68,947	-
Cash and cash equivalent borrowings	-	1,028	1,028	-	1,028	-	-	1,028	1,025	389	636	-
Liabilities under commitments to purchase non-controlling interests	1,383	-	-	1,383	-	-	-	1,383	1,383	-	-	1,383
Lease liabilities	3,131	993	-	-	4,124	-	-	4,124	-	-	-	-
Public-Private Partnership (PPP) payables	1,848	279	2,126	-	2,126	-	-	2,126	2,126	-	2,126	-
Financial subsidy	6,285	-	6,285	-	6,285	-	-	6,285	6,285	-	6,285	-
Concession financial liabilities	53	2	-	-	55	-	-	55	55	-	55	-
Total current and non-current financial liabilities (***)	71,799	10,281	76,519	1,383	78,635	218	1,844	82,080	79,821	389	78,050	1,383
Group net financial debt	30,656	-6,217	24,439	-	33,789	-9,967	617	24,440	31,987	-8,009	40,040	-44

(*) The instruments shown as trading derivatives mainly correspond to Group debt economic hedging transactions.

(**) The nominal amount of liabilities recorded under the fair value option was €56 m. Those liabilities were designated at fair value on initial recording.

(***) Including the lease liabilities presented on a dedicated line of the consolidated statement of financial position.

6.2.2.1 Financial assets at amortised cost

Loans, receivables and debt securities are recorded at amortised cost in the balance sheet when they generate cash flows solely from the repayment of principal and interest (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 partnership (PPP) contracts via SNCF Réseau for projects relating to:

- The Bretagne-Pays-de-Loire (BPL) high-speed line (LGV) with manufacturer Eiffage.
- On the high-speed line for the Nîmes-Montpellier bypass (CNM) with the manufacturer Oc'Via.
- The Global System for Mobile communication for Railways (GSM-R) with the manufacturer Synerail.

A part of the projects are pre-financed by the manufacturers, which are subsidised by the French State and local authorities. As the work progressed, the Group recognised the following:

- The amount of subsidies to be claimed from the French State and local authorities under "Receivables from public-private partnerships" within its current and non-current financial assets, including €928m for BPL, €923m for CNM and €105m for GSM-R (€979 m, €962m and €119m respectively at 31 December 2022).
- Amounts due to manufacturers on the "Public-private partnership debt" line within its current and non-current financial liabilities.

Regarding BPL and CNM, SNCF Réseau has received subsidies and repaid the associated financial debts (same amounts as the subsidies) since 2017, the year in which the projects were completed. In the case of GSM-R, the amount of the subsidy received is less than the associated financial debt because the project is not 100% subsidised. Maturity schedules are the same for receivables and payables, and for all the projects concerned.

Information relating to investments made and investment subsidies can be found in Note 4.2.2.

Claims have been received by SNCF Réseau in respect of the CNM and BPL PPPs for the financial years 2015 to 2018. The majority of these claims are contested by the Company, and only the accepted portion is recorded in the accounts.

Public Debt Fund receivable

Receivable carried by SNCF SA (from SNCF Mobilités)

In accordance with the scheme contract signed in 1990 between the French State and SNCF SA (formerly SNCF Mobilités), on 1 January 1991 an additional debt amortisation department (SAAD) was created to isolate part of SNCF Mobilités' debt.

When the IFRS balance sheet of SNCF Mobilités was prepared as at 1 January 2006, the debt arising from the additional debt amortisation department (SAAD) was included in the balance sheet of EPIC Mobilités. At the same time, the confirmation of the State's commitment to contribute to the amortisation and servicing of the debt of this ancillary service led to the recognition of a receivable in respect of the payments expected from the State.

In December 2007, in order to provide a permanent and definitive solution to the future of the State's commitments and the financing of the SAAD's receivables, a series of transactions were carried out, replacing the debt to the

French State with a receivable to the Public Debt Fund (PDF), the terms of which reflect the commitments to third parties held in the SAAD.

Following these activities, SNCF Mobilités:

- remained indebted to the stockholders with the bank counterparties of the forward financial instruments (foreign currency and interest rate swaps) it had established;
 - held a receivable on the PDF that accurately reflected the amount and characteristics of the debt carried by SAAD and the associated derivatives.
- The accounting methods used to record the receivable remain unchanged from those that were adopted to recognise a receivable in respect of payments expected from the French State in the opening IFRS balance sheet as at 1 January 2006, namely:
- the receivable is recorded on the transfer date at the fair value of the transferred debt; it is then accounted for at amortised cost;
 - derivative instruments attached to the receivable are recorded at fair value, with changes in value recorded in profit and loss.

Net carrying values exclude derivative instruments.

At 31 December 2023, this receivable will be repaid in full at the same time as the debt to SAAD is extinguished (compared with €907m as at 31 December 2022).

Receivable carried by SNCF Réseau

Following the Reform resulting from the New Railway Pact Law, which came into force on 01/01/2020, the 2020 Initial Finance Law established the principle of the takeover of SNCF Réseau's debt in the amount of €25bn by the French State with effect from 1 January 2020. At the same time, the French government announced that this takeover would be accompanied by an additional takeover of €10bn with effect from 1 January 2022, confirmed by the 2022 Initial Financial Law.

On 1 January 2020, this debt takeover was conducted in two stages:

- the establishment of a mirror debt and receivable with a nominal value of €25bn between SNCF Réseau and the Public Debt Fund, with effect from 1 January 2020;
- the substitution of the French State for SNCF Réseau as debtor to the Public Debt Fund, followed by the waiver by the French State of its claim on SNCF Réseau, also effective 1 January 2020.

In accounting terms, this transaction resulted in:

- The recording at market value of the receivable and the mirror debt, including a goodwill value of €6.1bn, in assets and liabilities, compared with the nominal value of the €25bn takeover.
- Simultaneously, the waiver of its receivable by the French State was recorded by (i) the incorporation into reserves of the €25bn nominal value of the debt assumed, and (ii) the realisation on the liability side of the balance sheet of a financial subsidy corresponding to the difference between Réseau's debt stock average interest rate and the applicable market rate.

From 1 January 2020, the Public Debt Fund receivable will be accounted for in accordance with the rules for recording financial assets at amortised cost. At the same time, the financial subsidy is written back on an actuarial basis to profit and loss at the same rate as the goodwill attached to the receivable is recycled to profit and loss using the amortised cost method.

As a result, the impact of this transaction on financial results is a net financial income that perfectly mirrors the

financial expense actually borne by SNCF Réseau for the portion of its historical debt taken over by the French State.

The Public Debt Fund receivable repayments by the French State offset the repayments of its debt by SNCF Réseau.

The takeover of the additional €10bn debt with effect from 1 January 2022 was accounted for using the same accounting methods, including goodwill of €2.2bn.

Other loans and receivables

Other loans and receivables include receivables to employees, "building assistance" loans, other loans and guarantee deposits (excluding cash collateral assets), as well as EOLE porting. For the most part, these financial instruments are initially measured at fair value and subsequently at amortised cost calculated using the effective interest rate (EIR). Where they are not classed as SPPIs, these assets are measured at their fair value (see Note 6.2.2.3).

These instruments are presented in non-current assets, except for those maturing in less than 12 months at the balance sheet date, which are classified as current assets.

6.2.2.2 Financial assets at fair value through equity

Debt instruments held as assets (other loans and receivables, debt securities), that generate cash flows solely for the repayment of principal and interest (SPPI), and are held for the dual purpose of collecting these same cash flows and the proceeds from their subsequent disposal, are recorded at their fair value through recyclable equity.

Equity instruments (shares and non-consolidated participating interests) may be measured at fair value through non recyclable equity upon an irrevocable election by the Group. This choice is made on a security by security basis.

Investments in equity instruments include the Group's equity investments in the capital of non-consolidated companies of €246m (€245m as at 31 December 2022), which the Group holds without seeking a short-term profit (in particular the Low- Rental Housing Companies (LRHC) described in Note 10.2), and which are not intended to be sold.

These equity investments are measured at fair value at each balance sheet date, with changes in fair value recorded directly in equity, in a specific account under other comprehensive income. Fair value is determined on the basis of the financial criteria most appropriate to the particular situation of each company. It is valued according to level 1 when quoted prices are available, to level 2 when similar transaction prices are observable on the market, and, failing this, at level 3, particularly on the basis of profitability prospects 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 and loss. The realised gain or loss is therefore maintained in equity.

These objects are not subject to any depreciation due to impairment.

6.2.2.3 Assets at fair value through profit or loss

Financial assets that do not generate cash flows solely for the repayment of principal and related interest (non-SPPI), and those held for short-term profit (trading assets), are recorded at fair value through profit and loss.

Non-SPPI assets include bonds redeemable in shares, shares held by the Group in private equity funds, and any shares and equity investments that the Group has not

lected to appraise at fair value through equity (see Note 6.2.2.2).

Trading assets include assets that the Group intends to sell in the near future in order to realise a capital gain, and assets voluntarily classified in this category when the required criteria are satisfied.

In particular, the SNCF Group's cash position is globally managed, defined in a general market risk management framework approved by its Board of Directors, combining investments in negotiable debt securities and French money market mutual funds (UCITS). Its performance is measured, in the same way as that of UCITS, by reference to the €STER (Euro Short-Term Rate). As UCITS are recorded at net asset value which takes account of the fair value of the portfolio, and in order to achieve overall consistency, investments with an initial maturity of more than three months are voluntarily recorded in this category.

6.2.2.4 Current and non-current financial liabilities

Financial liabilities are measured according to one of the following methods:

- At fair value through profit or loss for liabilities issued for trading purposes and those that the Group chooses to appraise at fair value option when the required criteria are met;
- At amortised cost using the effective interest rate (EIR) method for other financial liabilities.

At 31 December 2023, the Group did not hold any debt instruments appraised at fair value through equity.

Financial liabilities include guaranteed deposits received in respect of derivative instruments. The outstanding amount of these deposits (cash collateral liabilities) is included in the "Cash collateral liabilities" aggregate.

Borrowings and other financial liabilities are initially appraised at fair value less transaction costs and subsequently at amortised cost, calculated 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 are recorded using hedge accounting at fair value ("fair value" option). This option is used when the debts in question contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract, or when the Group is unable to appraise the embedded derivative separately. Any change in this fair value is recorded in financial income, except for the credit risk component, which is to be recorded directly in equity. This option concerns only SNCF SA debts, the Group considers that there is no change in value attributable to its own credit risk.

The fair value of financial liabilities is determined using valuation techniques such as option valuation models used 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 or conditional commitments to purchase non-controlling interests as financial liabilities, with an off-setting reduction in non-controlling interests. Where the value of the commitment exceeds the amount of the non-controlling interests, the balance is recorded as a deduction from Group equity. At each balance sheet date, the fair value of commitments to purchase non-controlling interests is reviewed. It is appraised according to level 1 when quoted prices are available, according to level 2 when the commitment

arises from a recent transaction, otherwise, according to level 3. The corresponding financial liability is offset against equity.

6.2.2.5 Cash and cash equivalents

Cash and cash equivalents comprise immediately available liquid assets (cash) and very short-term investments that are readily convertible to a known amount of cash with an original maturity equal to three months or less, and are subject to a negligible risk of changes in value. In particular, investments in Open-end Investment Companies (OEIC) with marginal sensitivity are classified in this category. Notably, these include OEICs in the euro money market category according to the French Financial Market Authority or those with a sensitivity of less than 0.25 basis points.

The fair value adopted for these securities is the UCITS net asset value. It falls within level 1 of the fair value hierarchy defined in paragraph 72 of IFRS 13. However, given their remaining life at the closing, other investments, in particular negotiable debt securities, are recorded at their nominal value, which the Group considers to be a reasonable approximation of their market value.

Current bank overdrafts classified as current financial liabilities are included with cash and cash equivalents in the cash flow statement.

€ millions	31/12/2023	31/12/2022	Change
OEIC funds equivalent to cash and negotiable debt securities with a maturity of less than three months(*)	5,517	6,668	-1,152
Cash at bank and in hand	3,457	3,206	251
Cash and cash equivalents in the statement of financial position	8,973	9,874	-901
Accrued interest payable	-2	-1	0
Bank overdrafts	-352	-387	35
Cash and cash equivalents in the cash flow statement	8,620	9,486	-866

(*) Including deposits and commercial paper

For investments comprising cash and cash equivalents, the Group considers that the nominal value of negotiable debt securities is a reasonable approximation of their market value. The risk of changes in the value of these instruments is immaterial. OEIC funds treated as cash are

6.2.2.6 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 financing activities:

appraised at fair value and amounted to €3,207m at 31 December 2023 (€5,248m at 31 December 2022).

For its internal financing and cash flow management, SNCF uses both domestic and international short-term financing and investment instruments in the form of "Billets de Trésorerie" and "Commercial Paper", giving diversified access to liquid financial resources. Negotiable debt securities denominated in foreign currencies are hedged by foreign exchange swaps.

Cash flow from operating activities posted a net cash inflow of €7,480m in 2023 (€6,188m in 2022). These came primarily from cash flow of €5,693m (€5,883m in 2022).

Cash flow from investing activities posted a negative figure of €4,028m in 2023 (negative €2,419m in 2022).

– Disbursements were primarily due to:

- capital expenditure on tangible and intangible assets, including capitalised interest on borrowings of €8,307m in 2023 (€7,917m in 2022); these are detailed in Note 4.2;
- new concession financial assets of €2,284m in 2023 (€1,805m in 2022);
- a change in cash assets for -€140m in 2023 (-€440m in 2022);
- scope change impacts for €1,066m in 2023 (€179m in 2022);

– They were offset by:

- disposals of tangible and intangible fixed assets amounting to €279 million in 2023, compared with €246m in 2022;
- investment subsidy received for €5,042m in 2023, compared to €4,518m in 2022;
- receipts from concession financial assets of €1,999m in 2023, compared to €1,709m in 2022.

The Group's cash flow from financing activities posted a negative figure of €4,360m in 2023 (negative by €4,679m in 2022). This comes predominantly from:

- net interest payments for €464m (€736m in 2022);
- an increase of €269m in cash debts (vs. repayments of €1,245m in 2022);
- borrowing repayments net of amounts received on the Public Debt Fund (CDP) receivables of €4,356m (€2,444m in 2022). Amounts received on the Public Debt Fund receivable totalled -€3,052m (-€2,980m in 2022);
- new borrowings, net of issue costs and premiums, for €2,502m (€1,325m in 2022).

	31/12/22	Cash flows from financing activities							Non-cash movements					31/12/23
€m	Total	Debt issuance	Repay-ments of debt	Cash inflows/ (out-flows) on PPP receiva-bles and payables	Net financial interest paid	Repay-ment of lease liabilities	Interest paid on lease liabilities	Change in cash debts	Change in fair value	Ex-change rate chan-ges	Changes in scope	New lease liabilities	Other	Total
Liabilities (A)	81,637	2,502	-7,400	-84	-254	-1,097	3	269	-608	-35	136	1,062	138	76,268
Bond issues	61,581	2,160	-6,871	0	-181	0	0	0	113	0	0	0	0	56,801
Bank borrowings	3,376	338	-529	0	13	0	0	0	8	-3	28	0	-12	3,219
Asset financing liabilities	123	4	0	0	0	0	0	0	0	0	0	0	0	127
Cash liabilities (excluding cash and cash equivalents)	640	0	0	0	0	0	0	269	2	0	11	0	1	923
Lease liabilities	4,124	0	0	0	0	-1,097	3	0	234	-32	96	1,062	1	4,391
Liabilities under commitments to purchase non-controlling interests	1,383	0	0	0	0	0	0	0	182	0	0	0	0	1,565
Public-Private Partnership (PPP) payables	2,126	0	0	-84	0	0	0	0	-85	0	0	0	0	1,956
Negative fair value of hedging and trading derivatives	1,999	0	0	0	-87	0	0	0	-367	0	0	0	148	1,694
Financial subsidy	6,285	0	0	0	0	0	0	0	-694	0	0	0	0	5,591
Assets (B)	40,283	0	-3,045	-80	-193	0	0	0	1,259	-1	0	0	161	35,866
Public Debt Fund receivable	36,695	0	-3,052	0	-97	0	0	0	-705	0	0	0	0	32,841
Public-private partnership (PPP) receivables	2,059	0	0	-80	0	0	0	0	-90	0	0	0	0	1,889
Other loans and receivables - Accrued interest	7	0	0	0	0	0	0	0	0	0	0	0	-2	6
Deposits and guarantees	46	0	8	0	0	0	0	0	0	-1	0	0	-1	52
Positive fair value of hedging and trading derivatives	1,476	0	0	0	-96	0	0	0	-464	0	0	0	164	1,079
Financial income and expenses (C)		0	0	0	-403	0	-192	0	0	0	0	0	0	
Expenses		0	0	0	-2,035	0	-192	0	0	0	0	0	0	
Income		0	0	0	1,632	0	0	0	0	0	0	0	0	
Cash flow from financing activities (A - B + C)	41,354	2,502	-4,356	-4	-464	-1,097	-188	269	651	-35	136	1,062	-23	40,402

€ millions	31/12/21	Cash flows from financing activities							Non-cash movements					31/12/22
	Total	Debt issuance	Repayments of debt	Cash inflows/ (out-flows) on PPP receivables and payables	Net financial interest paid	Repayment of lease liabilities	Interest paid on lease liabilities	Change in cash debts	Changes in fair value	Ex-change rate changes	Changes in scope	New lease liabilities	Other	Total
Liabilities (A)	85,943	1,325	-5,426	-134	-237	-1,031	3	-1,245	-861	-61	31	1,052	2,279	81,637
Bond issues	66,093	531	-4,474	0	-202	0	0	0	-373	0	0	0	6	61,581
Bank borrowings	3,393	790	-952	0	3	0	0	0	30	-58	57	0	112	3,376
Asset financing liabilities	120	4	-1	0	0	0	0	0	0	0	0	0	0	123
Cash liabilities (excluding cash and cash equivalents)	1,903	0	0	0	0	0	0	-1,245	-27	-1	9	0	1	640
Lease liabilities	3,580	0	0	0	0	-1,031	3	0	553	-3	-34	1,052	4	4,124
Liabilities under commitments to purchase non-controlling interests	867	0	0	0	0	0	0	0	516	0	0	0	0	1,383
Public-Private Partnership (PPP) payables	2,287	0	0	-134	0	0	0	0	-27	0	0	0	0	2,126
Negative fair value of hedging and trading derivatives	2,813	0	0	0	-38	0	0	0	-761	0	0	0	-14	1,999
Financial subsidy	4,886	0	0	0	0	0	0	0	-772	0	0	0	2,170	6,285
Assets (B)	32,231	0	-2,983	-134	44	0	0	0	-1,024	-1	11	0	12,139	40,283
Public Debt Fund receivable	28,193	0	-2,980	0	100	0	0	0	-788	0	0	0	12,170	36,695
Public-private partnership (PPP) receivables	2,224	0	0	-134	0	0	0	0	-31	0	0	0	0	2,059
Other loans and receivables - Accrued interest	5	0	0	0	1	0	0	0	0	0	0	0	1	7
Deposits and guarantees	39	0	-3	0	0	0	0	0	0	0	11	0	0	46
Positive fair value of hedging and trading derivatives	1,770	0	0	0	-57	0	0	0	-205	0	0	0	-32	1,476
Financial income and expenses (C)		0	0	0	-455	0	-152	0	0	0	0	0	0	
Expenses		0	0	0	-2,131	0	-152	0	0	0	0	0	0	
Income		0	0	0	1,676	0	0	0	0	0	0	0	0	
Cash flow from financing activities (A - B + C)	53,710	1,325	-2,444	0	-736	-1,031	-149	-1,245	163	-61	21	1,052	-9,860	41,354

6.2.2.7 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, with effect from 2016, considering this operator is as a Centrally Administered Body Accordingly.

Accordingly, SNCF Réseau's operating loss has been included in that of the French State and, since 2016, its entire debt has been included in the calculation of the public debt. This reclassification does not lead to any change in SNCF Réseau's accounts. The operational management of the debt remains the responsibility of the SNCF Group.

Pursuant to Article 2111-17-1 of the Railways Act, SNCF Réseau publishes each year the amount of reclassified debt in the French State debt, as well as the associated development prospects.

6.3 MANAGEMENT OF MARKET RISKS AND HEDGING

Financial risk management within the Group is strictly governed by a document approved by the SNCF SA Board of Directors entitled the "Financial Risk Management Framework".

This management framework highlights the central role of SNCF SA within the Group, which is responsible for its strategic and financial management. More specifically, it defines the procedures for managing financial risks and details authorised instruments and intervention limits.

As the sole issuer on the financial markets, SNCF SA secures financing the whole group. Subsidiaries may be financed in the short term via current account advances or in the long term by loans granted by SNCF SA. A cash pooling system for bank accounts has also been set up with 92 Group subsidiaries.

6.3.1 Interest rate risk management

The interest rate component of the cost of net long-term debt is optimised by dividing it between fixed and variable rates. The target long-term debt structure of 90% fixed rate, validated by SNCF SA's Board of Directors, was maintained for 2023. A limited margin of +/- 3 points of this target is nonetheless authorised. The Group's exposure to interest rate risk remains under control.

In order to manage the distribution of its debt by type of interest rate, the Group uses firm and optional interest rate swaps within the limits defined by the aforementioned general framework.

The fixed-rate portion of the gross long-term financial debt minus the Public Debt Fund receivables of the Group's two largest contributors, SNCF SA and SNCF Réseau, at 31 December 2023 was 91.20%, compared with 88.18% at 31 December 2022. This distribution is monitored on a daily basis.

On the same basis, the cost of long-term debt net of Public Debt Fund receivables is 2.60% for the 2023 financial year, compared with 2.49% for the 2022 financial year.

As part of its interest rate risk management, SNCF SA is also authorised to pre-hedge future issues.

SNCF has therefore initiated, within the limitations of the General Risk Framework rules, a campaign to pre-hedge a potential upward trend in interest rates on long-term annual financing from 2023 to 2024:

- Pre-hedging of 2023 financing via 9 interest rate swaps for a total notional amount of €900 m. These swaps were unwound in April for a total of €700m to partially hedge a €1,250m bond issue, and for €200m in October 2023 to hedge two issues of CHF 275m and GBP 50 m. These unwinding operations resulted in the receipt of a balancing payment totalling €71.07 m.

- Pre-hedging at 31/12/2023 of future issues in 2024 via 6 interest rate swaps for a total notional amount of €300 m, bringing the pre-hedging of future issues in 2024 to a total of €600m (6 swaps put in place in 2022, 6 swaps put in place in 2023).

Sensitivity analysis

The sensitivity of profit or loss to the risk of interest rate changes is linked to:

- net variable rate debt after taking into account fair value hedges;
- debts at fair value option;
- derivatives not qualifying as hedges within the terms of IFRS 9.

The sensitivity of recyclable reserves (equity) to the risk of interest rate changes relates to derivatives qualifying as cash flow hedges.

The sensitivity analysis was determined on the basis of an upward and downward shift in the yield curve of 50 basis points (bp) at the balance sheet date, and breaks down as follows:

€ millions	31/12/2023				31/12/2022			
	+50 bp		- 50 bp		+50 bp		- 50 bp	
	Results	Recyclable reserves	Results	Recyclable reserves	Results	Recyclable reserves	Results	Recyclable reserves
Variable-rate financial instruments (after taking into account fair value hedges)	28	0	-28	0	24	0	-24	0
Fair value option debts	1	0	-1	0	1	0	-1	0
Derivatives not qualifying as hedges	1	0	-1	0	0	0	0	0
Derivatives qualifying as cash flow hedges	26	377	-30	-419	36	418	-30	-464
Total	55	378	-59	-419	62	419	-56	-465

The breakdown by interest rate of borrowings and financial debts, before and after (hedging and trading) derivative adjustments, is as follows:

€ millions	Initial debt structure		Structure after IFRS hedging	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Fixed rate	55,096	56,492	55,816	58,883
Variable rate	3,794	4,316	3,194	3,742
Inflation rate	1,258	4,273	1,138	2,456
Total borrowings	60,148	65,080	60,148	65,081

6.3.2 Economic hedge transactions

The interest rate derivatives shown under trading instruments all relate to economic hedging transactions.

The transactions can be broken down into two debt rate hedging strategy groups, whose nominal amounts and fair values as at 31 December 2023 and 31 December 2022 are shown below:

€ millions		31/12/2023			
		Nominal	Carrying amount (assets)	Carrying amount (liabilities)	Total carrying amount
Variabilization swaps on Group debt		2,650	41	20	
Reset swaps on variable-rate debt	(1)	2,650	28	21	29
Cross-currency swaps hedging debt with fair value option	(2)	61	0	8	-8
Economic hedging debt swaps	(3)	100	4	4	0
Total		5,461	74	52	22

€ millions		31/12/2022			
		Nominal	Carrying amount (assets)	Carrying amount (liabilities)	Total carrying amount
Variabilization swaps on Group debt		3,376	119	59	
Reset swaps on variable-rate debt	(1)	3,376	53	52	62
Cross-currency swaps hedging debt with fair value option	(2)	61	0	1	-1
Economic hedging debt swaps	(3)	100	6	6	0
Total		6,913	178	118	60

(1) Prior to the transition to IFRS 9, the Group reset debts hedged by fixed-rate receiver/variable-rate payer swaps by setting up reverse swaps. The relationship did not qualify as a hedge because the combination of instruments did not qualify as a hedge under IAS 39. The variabilization and reset swaps are perfectly matched and do not expose the Group to interest rate risk.

Variabilization and reset swaps are accounted for as trading instruments, the variabilization swaps were declassified when the reset swaps were put in place. The impacts of these swaps are immaterial to the Group's financial result, as the change in fair value is offset by net interest income.

(2) Derivative instruments have been set up to economically hedge a debt recorded at fair value through profit or loss (fair value option). Changes in the fair value of derivatives recognised in profit or loss were offset by changes in the fair value of hedged debt recognised in profit and loss. These transactions do not generate volatility in profit and loss.

(3) This item includes derivative instruments used to economically hedge debt that do not qualify as hedges for accounting purposes. These transactions do not generate significant volatility in the profit and loss.

6.3.3 Foreign exchange risk management

Transactions denominated in foreign currencies are converted by the subsidiary into its functional currency at the exchange rate prevailing on the transaction date. Monetary balance sheet items are remeasured at the closing exchange rate at each balance sheet date. The corresponding differences in foreign exchange 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 Group's commercial activities do not generate any material foreign exchange risk.

The breakdown by foreign currency of borrowings and financial debts, before and after (hedging and trading) derivative adjustments, is as follows:

€ millions	Initial debt structure		Structure after foreign exchange hedging	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Euro	51,194	55,169	59,448	64,372
Swiss franc	1,608	1,201	0	0
US dollar	647	2,021	114	112
Canadian dollar	201	201	0	0
Pound sterling	51,13	5,053	501	508
Yen	485	538	0	0
Australian dollar	383	373	39	43
Hong Kong dollar	169	175	0	0
Norwegian krone	47	51	0	0
Swedish krona	254	254	0	0
Singapore dollar	0	0	0	0
Other	47	44	47	44
Total borrowings	60,148	65,080	60,148	65,080

Given the small percentage of unhedged foreign currency debt, the Group considers that its results are not sensitive to exchange rate risk.

6.3.4 Commodity risk management

Due to its production requirements, the Group is exposed to the risk of fluctuations in the price of petroleum products or, more broadly, energy. This risk is managed through the use of firm or optional derivatives (swaps, options, price floors, price caps).

– At Keolis, 1 zero premium diesel hedging tunnel, for a volume of 1,500 tonnes of diesel as at 31 December 2023, was set up by Keolis SA and designated as a cash flow hedge. This tunnel is recorded as an operating receivable and had a fair value of –€0.1m at the end of December. The maturity date of this tunnel is 30 June 2024.

To recap, Keolis had set up and designated as cash flow hedges 6 zero premium diesel fuel hedging tunnels, for a volume of 8,100 tonnes of diesel fuel as at 31 December 2022, with a fair value of €0.2m 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 intended exclusively to cover the Group's physical requirements, they are not classified as derivatives, by virtue of the 'for own use' exemption provided for by IFRS 9.

Since 1 January 2020, forward electricity purchases on an annual basis, excluding ARENH nuclear power quotas, made by SNCF Énergie are classified as cash flow hedging transactions. The strategy's aim remains to cover the purchase price of electricity and to buy energy at the lowest cost.

As part of its financial strategy to diversify its access to resources and to optimise its financing costs, SNCF SA issues loans in foreign currencies, which are hedged against exchange rate risks, generally at the point the loans are issued. Foreign currency fluctuations (principal and interest) are hedged using foreign exchange derivatives to convert this debt into euros.

As far as SNCF Réseau is concerned, the exchange rate risk linked to resources raised in foreign currencies is also covered by exchange rate hedges that convert these resources into euros.

Conversely, and marginally, when volumes can be unwound on the market for financial optimisation purposes, they are classified as trading derivatives.

6.3.5 Counterparty risk management

The Group is exposed to counterparty risk in the context of the investment of its cash and cash equivalents and the subscription of derivative instruments to its financial partners, in the event that the debtor refuses to, or is unable to, honour all or part of its commitment. In order to manage and limit this risk, investment instruments and derivatives are only placed with financial institutions that meet the credit rating and equity criteria approved by the SNCF SA Board of Directors. A commitment limit per establishment is decided on the basis of these criteria. Compliance with the authorised threshold per counterparty is monitored daily. To cover the counterparty risk on their derivative financial instruments, SNCF Réseau and SNCF SA make weekly margin calls to their financial counterparties. Collateral (solely in the form of cash) is called up to the market value of the portfolios of financial instruments with each counterparty with which SNCF Réseau and SNCF SA are at risk.

Customer credit risk is limited and is presented in Note 4.5.3.

6.3.5.1 Financial investments

The aforementioned general framework details the procedure for approving counterparties, which is based on a quantitative and qualitative analysis of the counterparties.

Volume limits are set for each counterparty, taking into account its equity, rating and nationality. The amount of

the authorised limit used, based on the nominal value of transactions, is measured daily and reported.

Cash and cash equivalents

Financial investments are diversified. They consist primarily of negotiable debt securities ("commercial paper") and subscriptions to OEIC funds. Given their short residual maturity and composition, they do not generate any significant exposure to credit risk.

Portfolio of investments in equity instruments

Investments in equity instruments comprise solely of non-consolidated equity investments. The fair value of these instruments is determined at each balance sheet date.

6.3.5.2 Derivative financial instruments

Derivative transactions are used to manage interest rate, foreign exchange and commodity risks.

The financial risk management framework defines the approval procedure for authorising counterparties for derivatives. This is based on a quantitative and qualitative analysis of counterparties.

Volume limits are set for each counterparty, taking into account its equity, rating and geographical area. Consumption of the authorised limit, based for derivatives on their market value, is measured daily and reported. With regard to derivative instruments, the approval of a

counterparty also requires the signature of a framework agreement. In order to limit the credit risk, a collateral framework agreement defining the collateral management terms, is signed with all banking counterparties dealing with SNCF SA and SNCF Réseau. All medium- and long-term interest rate and foreign exchange derivative financial instruments (interest rate swaps, foreign currency swaps) negotiated with bank counterparties are covered by these collateral agreements.

The table below sets out the disclosures required by IFRS 7 "Disclosures: offsetting financial assets and financial liabilities". For financial assets and liabilities made under agreements with an enforceable indemnity clause, the amounts before and after offsetting as at 31 December are presented. It includes commodity derivatives. These derivatives are included in operating receivables and payables when they qualify as hedging instruments within the terms of IFRS 9.

As at 31 December 2023, they represented assets of €0m (€53m as at 31 December 2022) and liabilities of €114m (€62m as at 31 December 2022). The "Cash collateral" column corresponds to outstanding collateralisation contracts on derivative financial instruments that do not meet the offsetting criteria established in IAS 32 "Financial Instruments: Presentation".

31/12/2023 € millions	Gross amounts	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	
Derivative financial asset instruments	1,194	0	1,194	175	682	338
Derivative financial liability instruments	1,807	0	1,807	596	682	529
Net position of derivative instruments	-613	0	-613	-421	0	-192

31/12/2022 € millions	Gross amounts	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	
Derivative financial asset instruments	1,546	0	1,546	325	888	334
Derivative financial liability instruments	2,078	0	2,078	840	886	352
Net position of derivative instruments	-532	0	-532	-515	1	-19

6.3.6 Liquidity risk management

Due to proactive management of its liquidity, the quality of its signature and its repeated presence on the international capital markets, SNCF SA benefits from diversified access to financial resources, whether short-term (Billets de Trésorerie, Commercial Paper) or long-term (public or private bond issues and monetisation of receivables).

SNCF SA ensures its daily liquidity through a Neu-CP programme (formerly Billets de Trésorerie) capped at €3,000m, of which €196.3m was used as at 31 December 2023 (€664.2m as at 31 December 2022) and an average

of €76.7m during the 2023 financial year (€662.4m as at 31 December 2022).

To self finance on the long-term financial markets, SNCF SA has set up an EMTN (Euro Medium Term Notes) programme with a cap of €15bn. This programme had an outstanding amount of €10.8bn as at 31 December 2023.

In 2023, SNCF financed €2.17bn on the markets, in 6 long-term operations. In early 2020, SNCF SA set up a Euro Commercial Paper programme for a maximum amount of €5,000 m. At 31 December 2023, €379m had been used (€210.7m in 2022), and an average of €273.6m had been used during 2023 (€463.3m in 2022).

In addition, SNCF SA has a €3,500m unused syndicated credit line in 2023.

Total confirmed credit lines for the Group break down as follows:

€ millions	Total	Maturity		
		< 1 year	1 to 5 years	> 5 years
Confirmed credit lines as at 31/12/2023	4,607	435	4,057	115
Confirmed credit lines as at 31/12/2022	4,446	164	4,208	74

The maturity schedule of the carrying amount of borrowings and financial debts is as follows:

€ millions	31/12/2023	31/12/2022
Less than 1 year	6,747	7,568
1 to 5 years	14,954	17,829
5 to 10 years	15,628	13,109
10 to 20 years	10,942	14,781
20 years and over	12,254	12,270
Fair value impact ('fair value' option)	-8	-1
Fair value impact (hedge accounting)	-370	-476
Total	60,148	65,080
Fair value of non-current derivatives	1,555	1,923
Fair value of current derivatives	139	76
Total borrowings and financial debts	61,841	67,079

By freezing closing prices and rates, the maturity schedule is as follows (disbursements in negative and receipts in positive) for the financial assets and liabilities falling within the definition of NFD:

€ millions	Total	31/12/2023				
		Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Bond issues	-75,300	-8,418	-17,121	-19,182	-14,433	-16,146
Capital	-56,289	-5,651	-12,476	-15,097	-10,344	12,721
Interest flows	-19,011	-2,767	-4,646	-4,085	-4,089	-3,425
Bank borrowings	-3,362	-673	-2,039	-210	-440	-1
Capital	-2,981	-573	-1,841	-154	-411	-1
Interest flows	-381	-100	-198	-56	-28	0
Asset financing liabilities	-151	-5	-15	-132	0	0
Capital	-125	-1	-4	-121	0	0
Interest flows	-26	-4	-11	-11	0	0
Borrowings sub-total	-78,814	-9,096	-19,175	-19,523	-14,873	-16,147
Capital	-59,395	-6,226	-14,320	-15,372	-10,756	-12,722
Interest flows	-19,418	-2,871	-4,854	-4,151	-4,117	-3,425
Cash and cash equivalent borrowings	-1,392	-1,392	0	0	0	0
Public-Private Partnership (PPP) payables	-2,697	-290	-796	-991	-620	0
Capital	-1,956	-279	-675	-661	-341	0
Interest flows	-741	-11	-121	-330	-279	0
I - Total borrowings	-82,903	-10,778	-19,971	-20,514	-15,493	-16,147
Public-private partnership (PPP) receivables	2,627	276	792	990	569	0
Capital	1,889	268	671	660	290	0
Interest flows	738	8	121	330	279	0
Public Debt Fund receivable	33,322	3,209	7,990	8,547	7,104	6,473
Capital	26,876	2,723	6,259	7,017	5,617	5,260
Interest flows	6,446	486	1,731	1,530	1,486	1,213
Other loans and receivables and cash collateral	1,732	834	781	56	57	4
Capital	1,731	834	781	56	57	4
Interest flows	1	1	1	0	0	0
Cash and cash equivalents	8,973	8,973	0	0	0	0
II - Financial assets	46,654	13,292	9,563	9,593	7,729	6,477
Interest flows on hedging derivatives with a negative fair value	-353	-54	-122	-102	-72	-4
Interest flows on trading derivatives with negative fair value	-76	-20	-53	-5	2	0
Interest flows on hedging derivatives with a positive fair value	766	45	98	124	235	264
Interest flows on trading derivatives with a positive fair value	101	36	63	3	-1	0
III - Derivative financial instruments	438	8	-15	20	164	261
Net financial debt (I + II + III)	-35,811	2,522	-10,422	-10,902	-7,600	-9,409

Maturity schedule

31/12/2022

€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Bond issues	-81,262	-9,733	-20,048	-16,582	-18,230	-16,669
<i>Capital</i>	-61,087	-6,807	-15,078	-12,531	-13,721	-12,949
<i>Interest flows</i>	-20,175	-2,926	-4,970	-4,051	-4,508	-3,720
Bank borrowings	-3,526	-279	-2,670	-121	-455	-1
<i>Capital</i>	-3,120	-180	-2,430	-82	-427	-1
<i>Interest flows</i>	-406	-99	-239	-39	-28	0
Finance lease liabilities	-158	-4	-18	-136	0	0
<i>Capital</i>	-123	0	-4	-119	0	0
<i>Interest flows</i>	-35	-4	-15	-16	0	0
Borrowings sub-total	-84,946	-10,016	-22,736	-16,839	-18,685	-16,670
<i>Capital</i>	-64,330	-6,988	-17,512	-12,732	-14,148	-12,950
<i>Interest flows</i>	-20,615	-3,029	-5,224	-4,107	-4,537	-3,720
Cash and cash equivalent borrowings	-1,028	-1,028	0	0	0	0
Public-Private Partnership (PPP) payables	-2,980	-279	-910	-942	-848	0
<i>Capital</i>	-2,126	-279	-769	-633	-446	0
<i>Interest flows</i>	-853	0	-142	-310	-402	0
I - Total borrowings	-88,954	-11,324	-23,646	-17,781	-19,533	-16,670
Public-private partnership (PPP) receivables	2,896	268	837	941	850	0
<i>Capital</i>	2,059	268	713	631	447	0
<i>Interest flows</i>	837	0	125	310	402	0
Public Debt Fund receivable	37,062	3,698	8,769	7,543	10,480	6,573
<i>Capital</i>	29,929	3,052	6,873	5,930	8,813	5,260
<i>Interest flows</i>	7,134	646	1,895	1,613	1,667	1,313
Other loans and receivables and cash collateral	2,050	993	900	85	68	3
<i>Capital</i>	2,048	993	899	85	68	3
<i>Interest flows</i>	2	1	2	0	0	0
Cash and cash equivalents	9,874	9,874	0	0	0	0
II - Financial assets	51,882	14,834	10,506	8,568	11,398	6,576
<i>Interest flows on hedging derivatives with a negative fair value</i>	-740	-49	-274	-194	-159	-65
<i>Interest flows on trading derivatives with negative fair value</i>	-130	-32	-76	-20	-1	-1
<i>Interest flows on hedging derivatives with a positive fair value</i>	641	125	115	124	151	127
<i>Interest flows on trading derivatives with a positive fair value</i>	194	69	103	22	0	0
III - Derivative financial instruments	-37	112	-132	-69	-9	60
Net financial debt (I + II + III)	-37,108	3,621	-13,272	-9,282	-8,144	-10,033

By freezing closing prices and rates, the maturity schedule for financial liabilities assets falling outside NFD, is as follows:

Maturity schedule		31/12/2023				
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Lease liabilities	-4,897	-1,205	-2,749	-803	-117	-22
Capital	-4,370	-1,049	-2,471	-730	-104	-17
Interest flows	-527	-157	-278	-74	-13	-5
Concession financial liabilities	-93	-4	-61	-13	-16	0
Capital	-93	-4	-61	-13	-16	0
Interest flows	0	0	0	0	0	0
Public-Private Partnership (PPP) payables	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Interest flows	0	0	0	0	0	0
I - Financial liabilities excluded from NFD	-4,990	-1,209	2,810	-816	-133	-22
Public-private partnership (PPP) receivables	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Interest flows	0	0	0	0	0	0
Concession financial assets	1,603	171	1,391	24	16	0
Capital	1,511	126	1,346	22	16	0
Interest flows	92	45	44	2	0	0
Finance lease receivables	14	1	5	3	5	0
Capital	11	1	4	2	4	0
Interest flows	3	0	1	1	1	0
II - Financial assets excluded from NFD	1,617	173	1,396	28	21	0

Maturity schedule		31/12/2022				
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Lease liabilities	-4,547	-1,104	-2,623	-647	-154	-19
Capital	-4,106	-975	-2,392	-586	-140	-13
Interest flows	-441	-130	-231	-61	-14	-5
Concession financial liabilities	-51	2	-41	-5	-2	-4
Capital	-51	2	-41	-5	-2	-4
Interest flows	0	0	0	0	0	0
Public-Private Partnership (PPP) payables	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Interest flows	0	0	0	0	0	0
I - Financial liabilities excluded from NFD	-4,597	-1,102	-2,665	-652	-156	-23
Public-private partnership (PPP) receivables	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Interest flows	0	0	0	0	0	0
Concession financial assets	1,916	295	1,580	36	5	0
Capital	1,783	246	1,497	36	5	0
Interest flows	133	50	84	0	0	0
Finance lease receivables	13	1	3	3	5	0
Capital	9	1	2	2	4	0
Interest flows	3	0	1	1	1	0
II - Financial assets excluded from NFD	1,929	296	1,584	39	10	0

6.4 HEDGING AND DERIVATIVE INSTRUMENTS

Under IFRS 9, derivative instruments are financial instruments that require little or no initial investment, whose value fluctuates by reference to an underlying item (interest rate, foreign exchange rate, commodity price, etc.) and which are settled at a future date.

The derivative instruments used by the Group to manage its foreign exchange, interest rate and commodity risks are initially recorded at fair value and remeasured in the balance sheet at their fair value on the closing date. Their fair value is determined using valuation techniques

such as such as option valuation models used or the discounted cash flow method. The models fall within Level 2 of the fair value hierarchy defined in paragraph 81 of IFRS 13.

Derivatives are accounted for as trading derivatives by default, except where a hedging relationship is documented at inception.

Cash flow hedge

The Group trades on the derivatives market to hedge variable-rate fluctuations on its debts and receivables and the receipts and disbursements linked to its commercial activity.

Where the formal conditions set out in IFRS 9 have been met, derivative instruments qualify as cash flow hedges and changes in their value are recorded directly in a specific account under other comprehensive income, with the exception of the ineffective portion of the hedge, which is recorded in profit and loss. When the hedged item affects profit and loss, the amounts accumulated in other comprehensive income are taken to profit and loss in line with the flows of the hedged item.

Fair value hedges

The Group also uses derivative instruments to hedge the value of its fixed-rate debts and receivables in euros and foreign currencies.

Where the formal conditions set out in IFRS 9 are met, derivative instruments qualify as fair value hedges, and:- changes in the value of the derivative are recorded in profit and loss for the period,

- the hedged item is recorded at amortised cost and remeasured at fair value at the balance sheet date, for the portion of the risk hedged through profit and loss.

As such, changes in the value of the derivative and the hedged risk cancel one another out in profit and loss, with the exception of the ineffective portion of the hedge.

Hedging costs

Since the introduction of IFRS 9, hedging costs, including the effects of the Foreign Currency Basis Spread and the time value of options, have been excluded from hedging relationships. Changes in their fair value are recorded in recyclable equity, and their actual cost is recorded in profit and loss on a consistent basis over the term of the hedging relationship ("time period related" approach).

Trading

Where the conditions for hedge accounting are not satisfied within the terms of IFRS 9, the instrument is classified as a trading derivative. Changes in its fair value are recorded in profit and loss for the period, as part of the financial results, even when the derivative is associated with operating activities.

The fair value of current and non-current asset and liability derivative instruments (excluding commodity derivatives qualifying for hedging), breaks down as follows:

€ millions	31/12/2023			31/12/2022		
	Non-current	Current	Total	Non-current	Current	Total
Derivative asset instruments						
Cash flow hedging derivatives	703	151	854	637	411	1,048
Fair value hedging derivatives	228	21	249	163	16	179
Trading derivatives	58	33	91	115	134	249
Total asset derivative instruments	988	206	1,194	916	560	1,476
Liability derivative instruments						
Cash flow hedging derivatives	1,299	125	1,424	1,576	45	1,621
Fair value hedging derivatives	205	6	210	239	-16	224
Trading derivatives	52	8	59	108	47	155
Total liability derivative instruments	1,555	139	1,694	1,923	76	1,999

6.4.1 Economic relationship between derivative instruments and hedged items

Hedging relationships, as defined by the Group, enable changes in the fair value or cash flow of a hedging instrument to be offset against those of a hedged item.

The SNCF Group regularly trades on the currency derivative instruments market, predominantly to hedge its borrowings issued. The objective therefore is to hedge against foreign exchange risk, that corresponds to fluctuations in the value or cash flows of the borrowings concerned due to changes in foreign exchange rates.

To manage the interest rate risk on its financial debt, the Group trades on the interest rate swaps and options on interest rate swaps market. The hedged risk therefore

corresponds to the risk that the value or cash flow of the debts in question fluctuates due to changes in market interest rates.

Furthermore, due to fluctuations in the price of some commodities necessary for production, the Group enters into swaps or forward purchase contracts to hedge the price risk.

Derivative instruments that do not qualify as hedging instruments within the terms of IFRS 9 are recorded as trading assets.

The following table shows, by type of risk, the economic relationship between derivative instruments and hedged items:

	Nominal value of derivative instruments		Carrying amount of derivative instruments (1)		Change in FV of the derivative instrument over the period	Carrying amount of hedged item (2)		Total changes in fair value recorded 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			
31/12/2023	€ millions									
Interest rate risk	1,265	1,265	19	79	41	410	949	69	-45	-4
Interest rate swaps	1,265	1,265	19	79	41					
Foreign exchange risk	1,266	1,244	230	131	45	-676	492	-93	-52	-7
Cross-currency swaps (*)	1,266	1,244	230	131	45					
Foreign currency sales or purchases	0	0	0	0	0					
Fair value hedges	2,531	2,509	249	210	86	-266	1,441	-25	-97	-10
Interest rate risk	4,705	5,244	133	277	-175				177	-1
Interest rate swaps	4,105	4,105	105	263	-160					
Interest rate options	0	538	23	10	-17					
Pre-hedging instruments	600	600	5	3	2					
Foreign exchange risk	7,942	7,124	721	1,147	-12				7	-1
Cross-currency swaps (**)	7,942	7,124	721	1,147	-11					
Foreign currency sales or purchases	0	0	0	0	0					
Foreign currency options	0	0	0	0	0					
Pre-hedging instruments	0	0	0	0	0					
Price risk	(***)	(***)	0	114	-104				104	0
Firm instruments			0	114	-104					
Contingent instruments			0	0	0					
Cash flow hedge	12,648	12,367	855	1,538	-291				288	-2
Interest rate instruments	5,511	5,498	75	53	-26					
Interest rate swaps	5,511	5,498	75	53	-26					
Interest rate options	0	0	0	0	0					
Foreign exchange instruments	561	593	12	6	5					
Foreign currency swaps	518	531	9	6	3					
Cross-currency swaps	0	0	0	0	0					
Foreign currency sales or purchases	43	62	3	0	2					
Pricing instruments	0	0	4	0	-31					
Firm instruments			4	0	-31					
Contingent instruments			0	0	0					
Trading	6,073	6,091	91	59	-52					

(*) Includes €62m of interest rate risk hedging.

(**) Includes €192m of interest rate risk hedging.

(***) The nominal amounts of price hedging instruments are assessed by volume and are presented in Note 6.4.2.

- (1) The carrying amount of foreign exchange and interest rate hedging instruments is reproduced in the statement of financial position under current or non-current financial assets or liabilities, depending on their nature and maturity. The carrying amount of price risk hedging instruments is reproduced in the statement of financial position under operating receivables or payables, depending on their nature.
- (2) The carrying amount of NFD items is reproduced in the statement of financial position under current and non-current financial assets and liabilities, depending on their maturity. The carrying amount of items of Working Capital Requirement (WCR) are reproduced under operating receivables and payables. Future transactions are not reflected in the summary statements.
- (3) The change in fair value shown corresponds to that used in the ineffectiveness calculation.
- (4) Ineffective hedging of foreign exchange and interest rate risks is reproduced in the consolidated income statement under net financial debt costs and others. That generated by hedging price risk is included in EBITDA. A positive amount is a gain, a negative amount is a cost.

The insignificant ineffectiveness shown may be due to:

- Different reference rates for the hedging instrument and the hedged item;
- Differences in deadline dates of cash flows (maturity date, payment date, etc.) between the hedging instrument and the hedged item;
- Differences in accrued interest between the hedged item and the hedging instrument.

31/12/2022 € millions	Nominal value of derivative instruments		Carrying amount of derivative instruments		Change in FV of the derivative instrument over the period	Carrying amount of hedged item		Total changes in fair value recorded on the hedged item	Change in fair value of the hedged item over the period	Hedging ineffectiveness
	Given	Received	Assets	Liabilities		Assets	Liabilities			
Interest rate risk	1,682	1,682	26	118	-209	501	878	114	224	15
Interest rate swaps	1,682	1,682	26	118	-209					
Foreign exchange risk	1,214	1,188	153	106	-254	-662	503	-23	245	-9
Cross-currency swaps (*)	1,214	1,188	153	106	-254					
Foreign currency sales or purchases	0	0	0	0	0					
Fair value hedges	2,896	2,870	179	224	-463	-160	1,382	91	469	5
Interest rate risk	5,456	6,024	557	229	1,007				1,008	0
Interest rate swaps	5,456	5,456	519	221	979					
Interest rate options	0	568	38	8	28					
Pre-hedging instruments	0	0	0	0	0					
Foreign exchange risk	8,903	8,044	491	1,392	26				-25	0
Cross-currency swaps (**)	8,903	8,023	491	1,392	25					
Foreign currency sales or purchases	0	19	0	0	0					
Pre-hedging instruments	0	0	0	0	0					
Price risk	(***)	(***)	53	62	-234				-227	0
Firm instruments			53	62	-234					
Contingent instruments			0	0	0					
Cash flow hedge	14,360	14,068	1,101	1,683	799				-1,260	1
Interest rate instruments	6,902	6,902	178	117	-33					
Interest rate swaps	6,902	6,902	178	117	-33					
Index swaps	0	0	0	0	0					
Interest rate options	0	0	0	0	0					
Foreign exchange instruments	244	244	3	4	-32					
Foreign currency swaps	140	142	1	3	-26					
Cross-currency swaps	61	53	0	1	-8					
Foreign currency sales or purchases	43	49	2	0	2					
Pricing instruments			68	33	24					
Firm instruments			68	33	24					
Contingent instruments			0	0	0					
Trading	7,146	7,146	249	155	-42					

(*) Includes €6m of interest rate risk hedging.

(**) Includes €33.4m of interest rate risk hedging.

(***) The nominal amounts of price hedging instruments are assessed by volume and are presented in Note 6.4.2.

6.4.2 Maturity schedules of nominal commitments

At 31 December 2023 and 2022, the nominal commitments of the various hedging instruments entered into and their maturity dates, by type of risk hedged, are as follows:

Nominal commitments received							
31/12/2023							
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Interest rate risk	1,265	50	255	960	0	0	
Foreign exchange risk	1,244	0	256	341	647	0	
Fair value hedges	2,509	50	511	1,301	647	0	
Interest rate risk	5,244	641	1,691	894	1,818	200	
Foreign exchange risk	7,124	0	2,075	1,890	1,213	1,946	
Price risk	0	0	0	0	0	0	
Cash flow hedge	12,367	641	3,766	2,784	3,031	2,146	
Nominal commitments received							
31/12/2022							
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Interest rate risk	1,682	24	436	1,060	162	0	
Foreign exchange risk	1,188	0	262	327	599	0	
Fair value hedges	2,870	24	697	1,387	761	0	
Interest rate risk	6,024	1,331	2,252	809	1,431	200	
Foreign exchange risk	8,044	1,427	1,204	2,302	1,169	1,942	
Price risk	0	0	0	0	0	0	
Cash flow hedge	14,068	2,759	3,457	3,111	2,600	2,142	
Nominal commitments given							
31/12/2023							
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Interest rate risk	1,265	50	255	960	0	0	
Foreign exchange risk	1,266	0	350	269	648	0	
Fair value hedges	2,531	50	605	1,229	648	0	
Interest rate risk	4,705	623	1,171	894	1,818	200	
Foreign exchange risk	7,942	0	2,511	1,864	1,409	2,158	
Price risk	0	0	0	0	0	0	
Cash flow hedge	12,648	623	3,682	2,758	3,227	2,358	
Nominal commitments given							
31/12/2022							
€ millions	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Interest rate risk	1,682	24	436	1,060	162	0	
Foreign exchange risk	1,214	0	350	237	628	0	
Fair value hedges	2,896	24	785	1,297	790	0	
Interest rate risk	5,456	1,188	1,829	809	1,431	200	
Foreign exchange risk	8,903	1,377	1,367	2,625	1,377	2,158	
Price risk	0	0	0	0	0	0	
Cash flow hedge	14,360	2,564	3,196	3,434	2,808	2,358	

For diesel volume hedges, the nominal values are expressed in volumes and are as follows:

Nominal commitments received							
31/12/2023							
in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Price risk	55,303	43,779	11,524	0	0	0	
Cash flow hedge	55,303	43,779	11,524	0	0	0	
Nominal commitments received							
31/12/2022							
in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Price risk	59,788	48,207	11,581	0	0	0	
Cash flow hedge	59,788	48,207	11,581	0	0	0	
Nominal commitments given							
31/12/2023							
in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Price risk	55,303	43,779	11,524	0	0	0	
Cash flow hedge	55,303	43,779	11,524	0	0	0	
Nominal commitments as at							
31/12/2022							
in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	
Price risk	59,788	48,207	11,581	0	0	0	
Cash flow hedge	59,788	48,207	11,581	0	0	0	

6.4.3 Break-up of hedging relationships

A hedging relationship is broken when the conditions for effectiveness are no longer satisfied within the terms of IFRS 9, or when the derivative instrument concerned matures, is terminated, exercised or sold, or when the hedged item is terminated or sold. The Group may also

decide to break a hedging relationship at any time. In such cases, hedge accounting is no longer applicable. The accounting consequences of breaking a hedging relationship differ depending on whether it is a fair value hedge or a cash flow hedge.

Fair value hedges

The hedged borrowing is no longer adjusted by fair value changes relating to the hedged risk. Previously recorded revaluations are amortised at the same rate as the hedged item:

€ millions	Total of changes in fair value of the item no longer hedged	
	31/12/2023	31/12/2022
Interest rate risk	-45	-72
Foreign exchange risk	40	48
Fair value hedges	-4	-24

Cash flow hedge

Gains and losses accumulated on the hedging instrument and recognised in other comprehensive income within equity are frozen and are only reclassified to profit and loss symmetrically when affected by the hedged item:

31/12/2023	Hedging reserves on maintained hedging relationships	Hedging reserves on discontinued hedging relationships	Hedging reserves recycled because the hedged item affected profit and loss (*)	Hedging reserves recycled because the hedged item is no longer realised (*)
€ millions				
Interest rate risk	-126	-304	-22	7
Foreign exchange risk	-78	0	14	-15
Price risk	-113	0	-2	0
Cash flow hedge	-317	-304	-10	-8

(*) The reclassification to profit and loss of other comprehensive income relating to foreign exchange and interest rate hedging instruments is reproduced in the net financial debt and others cost line in the consolidated income statement.

The recycling of other comprehensive income relating to price risk hedging instruments is included in EBITDA in the consolidated income statement.

31/12/2022	Hedging reserves on maintained hedging relationships	Hedging reserves on discontinued hedging relationships	Hedging reserves recycled because the hedged item affected profit and loss	Hedging reserves recycled because the hedged item is no longer realised
€ millions				
Interest rate risk	5	-98	-11	-1
Foreign exchange risk	-325	0	57	0
Price risk	-9	0	-29	0
Cash flow hedge	-328	-98	17	-1

6.4.4 Type of financial instruments subject to cash flow hedging

The fair value of derivatives designated as cash flow hedges (excluding commodity hedges) breaks down as follows by type of hedged item:

€ millions	31/12/2023	Maturity				
		Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Bond issues	-573	1	-507	164	-210	-21
Non-bond borrowings	11	19	6	0	-14	0
Asset financing liabilities	0	0	0	0	0	0
Loans and receivables	-6	-1	-5	0	0	0
Fair value of derivatives qualifying as cash flow hedges	-569	19	-506	164	-225	-21

€ millions	Maturity					
	31/12/2022	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over
Bond issues	-627	339	-171	-287	-112	-395
Non-bond borrowings	47	20	35	3	-11	0
Finance lease liabilities	0	0	0	0	0	0
Loans and receivables	7	0	4	3	0	0
Fair value of derivatives qualifying as cash flow hedges	-573	359	-133	-282	-123	-395

6.4.5 Impacts of hedging transactions on recyclable equity

The impacts on recyclable equity (other comprehensive income), excluding the effects of deferred tax, break down as follows (- debit, + credit):

€ millions	Recyclable equity
Opening on 01/01/2022	-1,173
Recycled in profit and loss	-87
Change in effective value of cash flow hedging instruments	910
<i>Interest rate risk hedging</i>	1,058
<i>Foreign exchange risk hedging</i>	57
<i>Of which hedged future transactions</i>	0
<i>Price risk hedging</i>	-205
Change in value of hedging costs	16
<i>Interest rate risk hedging</i>	3
<i>Foreign exchange risk hedging</i>	13
<i>Price risk hedging</i>	0
Scope exit	0
Closing at 31/12/2022	-334
Opening on 01/01/2023	-334
Recycled in profit and loss	-10
Change in effective value of cash flow hedging instruments	-189
<i>Interest rate risk hedging</i>	-27
<i>Foreign exchange risk hedging</i>	-60
<i>Of which hedged future transactions</i>	0
<i>Price risk hedging</i>	-102
Change in value of hedging costs	54
<i>Interest rate risk hedging</i>	0
<i>Foreign exchange risk hedging</i>	54
<i>Price risk hedging</i>	0
Scope exit	0
Closing at 31/12/2023	-479

7. INCOME TAX

Income tax encompasses all taxes determined on the basis of accounting profit net of income and expenses. The following are recorded on this line at the bottom of profit and loss:

- Corporation tax and the various related additional contributions payable;
- Sponsorship and foreign tax credits;
- Flat-rate tax calculated on an item of net income;
- The impact of tax adjustments and uncertainties relating to tax positions in respect of tax on profit and loss and deferred tax;
- Deferred tax.

6.5 EQUITY

6.5.1 Appropriation of profit and dividends paid

In 2023, SNCF SA made payments totalling €984.77m into the French State support fund (€394m in 2022), of which €18.77m was paid in March 2023, €766m in April 2023 and €200m in October 2023.

These payments were recorded as distribution of reserves.

In addition, the General Assembly, deciding on the Société Nationale SNCF' accounts for the 2022 financial year, agreed to allocate €71m to the legal reserve and to carry forward the residual €1,472m of net profit for the 2022 financial year to retained earnings.

6.5.2 Minority interests

Minority interests break down as follows:

€ millions	31/12/2023	31/12/2022	Change
Geodis	7	7	0
Rail Logistics Europe	36	37	-1
SNCF Voyageurs	0	0	0
Keolis	12	11	0
Other	23	19	3
Total	77	75	3

Deferred tax

The Group records by tax entity, deferred tax for 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 latest tax rate adopted at closing date and applicable to the period when the anticipated timing differences reverse.

Deferred tax assets on timing differences or tax loss carry forwards, and tax credits, are only recognised when their recovery is deemed probable. The Group's ability to recover these tax assets is assessed, amongst other things, through an analysis of its business plan and the risks associated with the economic climate and uncertainties in the markets in which it trades. The bases used are the same as those used to calculate values in use

for impairment testing purposes.

In respect of investments in subsidiaries, joint ventures and associates, a deferred tax liability is recorded for any taxable timing difference between the carrying amount of shares and their tax base, unless:

- the Group controls the date at which this timing difference will reverse (e.g. through a dividend distribution or disposal of the investment); and
- It is likely that this difference will not reverse in the foreseeable future.

Therefore, in the case of fully consolidated companies and joint ventures, a deferred tax liability is recorded accordingly only for the tax payable on the dividend distributions that the Group plans to pay.

A deferred tax asset is recognised only to the extent that it is probable that:

- the time difference will reverse in the foreseeable future; and
- there will be a taxable profit against which the timing difference can be offset.

Deferred tax is not discounted and is offset on a separate line in the balance sheet under non-current assets and liabilities.

Other income tax

Income tax other than deferred tax is offset in operating receivables and payables in the balance sheet.

7.1 INCOME TAX ANALYSIS

7.1.1 Tax in profit and loss

€ millions	31/12/2023	31/12/2022	Change
Current tax (expense)/income	-134	-116	-17
Deferred tax (expense)/income	25	-198	223
Total	-108	-314	206

The tax group within the meaning of Article 223 A bis of the General Tax Code created on 1 January 2015, of which EPIC SNCF was the parent and of which EPIC SNCF Mobilités, EPIC SNCF Réseau and their subsidiaries were members, continues under Law No. 2018-515 of 27 June 2018 for a new rail pact and Order No. 2019-552 of 3 June 2019 containing various provisions relating to the SNCF group. The former EPIC

SNCF Mobilités, now SA SNCF, has been the new head of the tax group since 1 January 2020. The absorption of the former parent company by its subsidiary did not call into question the former tax consolidation, which continues (art. 32If of the CGI).

Tax approval was previously granted to EPIC SNCF Mobilités on 19 July 2019 in order to retain the tax losses chargeable to the expanded base in the event of a change in actual activity, as a result of the merger of EPIC SNCF with EPIC SNCF Mobilités, pursuant to Article 32 of the 2019 Finance Act.

The new scope of the tax group, of which SA Société Nationale SNCF is the parent company, comprises 227 companies as at 31 December 2023 (230 at 31 December 2022) and has the following features:

- Only losses carried forwarded generated up to 31 December 2014 and prior to its entry into the tax consolidation group by SNCF Réseau can only be offset against its results. Due to its life cycle, SNCF Réseau can make longer term forecasts for the recovery of its deficits than the rest of the Group. A 20-year timeframe is therefore considered to be a reasonable timeframe for the utilisation of the tax asset to recognise its IDA borrowings.
- The inventory of losses as at 31 December 2014 of the former integrated SNCF Mobilités group may be assigned to the results generated by a selection of entities from the former scope and members of the new incorporated tax group, which has opted for the extended base mechanism in accordance with the tax provisions applicable in France.

The deficits of the extended base, as well as the deficits arising since 2015, can be charged against the SNCF Group's future results in place as of 1 January 2020.

The prospects for the valuation of tax losses by the tax group are determined taking into account these features.

As at 31 December 2023, deferred tax on tax losses relating to the tax consolidation group remained stable, whereas a charge of €217 m had been recorded in 2022.

7.1.2 Tax on comprehensive income

As at 31 December 2023, deferred tax income recorded in other comprehensive income amounted to €5m.

As at 31 December 2022, the deferred tax charge recorded in other comprehensive income amounted to €42m.

7.2 TAX PROOF

For its tax proof, the Group uses the French corporate tax rate (25%) plus the 3.3% social security contribution for the portion of tax exceeding €763,000.

€ millions	31/12/2023	31/12/2022
Net profit/loss for the period	1,409	2,516
Share of net profit/loss of companies consolidated under the equity method	39	41
Income tax	-108	-314
Profit from ordinary activities before tax and before share of net profit of companies	1,479	2,789
Corporation tax rate applicable in France	25.82%	25.82%
THEORETICAL TAX	-382	-720
Permanent differences	208	42
Capitalisation of previous losses (*)	24	6
Change in tax consolidation losses and temporary differences not capitalised	49	338
Impairment of deferred tax previously capitalised (*)	-15	0
Use of losses or temporary differences not previously capitalised (*)	4	-20
Rate vs. Group rate differentials	5	5
Tax credits	3	6
Adjustments to previous tax years	-2	-1
Effects of rate change - liability method	0	31
TAX RECORDED	-108	-314
EFFECTIVE TAX RATE	7.32%	11.25%

(*) excluding tax consolidation groups

The "Permanent differences" line includes the tax effect of payments to the Fonds de Concours amounting to €254m in 2023. This difference was recorded in 2022 on the line

"Change in tax consolidation losses and unrecognised temporary differences" for €102m.

7.3 DEFERRED TAX SOURCES

Group tax losses carried forward as at 31 December 2023 amount to €34.4bn euros, compared with €33.0bn euros as at 31 December 2022. Of this amount, €31.6bn relates

to French entities for which losses can be carried forward indefinitely (€30.3bn as at 31 December 2022). The amount of tax assets not recognised at that date was €7.8bn (€7.5bn as at 31 December 2022).

€ millions	31/12/2022	Results	Equity	Reclassification	Change in scope and exchange rates	31/12/2023
Tax losses carried forward	8,594	363	0	0	26	8,983
Employee benefits	-96	-17	7	0	0	-106
Differences in asset values	-641	-16	0	0	-12	-669
Finance leases (*)	26	4	0	0	-4	26
Regulated provisions	-32	-1	0	0	0	-33
Financial instruments	83	2	41	-4	0	121
Revaluation of identifiable assets and liabilities acquired in business combinations	-177	20	0	0	-76	-233
Internal results	118	1	0	0	0	119
Total consolidation restatements	-717	-7	47	-4	-93	-774
Non-deductible provisions and other tax differences	3,809	-116	-4	5	-8	3,685
Deferred taxes not recognised	-7,518	-215	-35	-2	11	-7,759
Net deferred tax recognised	4,168	25	8	0	-65	4,136
Deferred tax assets	4,353					4,363
Deferred tax liabilities	185					227
Net deferred tax in the balance sheet	4,168					4,136

(*) Deferred tax on financial leases breaks down into €32m of deferred tax assets and €6m of deferred tax liabilities at 31 December 2023 (€29m and €3m respectively at 31 December 2022).

8. RELATED PARTY TRANSACTIONS

The national railway company SNCF, whose capital is wholly owned by the French State, is related, within the terms of IAS 24 "Related Party Disclosures", to all companies and entities controlled by the French State. Significant transactions, Individually or collectively, with related parties concern the following entities:

- The French State as shareholder;
- the transport organising authorities (local authorities and the State) and
- the ICF Group low-rental housing companies.

Transactions carried out by the SNCF group as part of its day-to-day operations with public service providers (EDF, Orange, La Poste, etc.) as well as taxes levied under ordinary law are excluded from the scope of related parties.

8.1 TRANSACTIONS WITH THE FRENCH STATE AND PUBLIC AUTHORITIES

The information presented below concerns transactions entered into with the French State via its ministries, central authorities and transport Organising Authorities (OAs), which are not conducted under market conditions or fall outside the scope of ordinary law.

The operating grants transferred to SNCF Group by the French State and public authorities are presented in the following table:

€ millions	31/12/2023	31/12/2022
Operating grants received	291	432

Investment grants awarded by the French State and public authorities are provided in Note 4.2.2.

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.

€ millions	31/12/2023	31/12/2022
Access fees (*)	2,103	2,029
Freight compensation	135	176

(*) Of which TER charges of €1,642m (€1,580m in 2022) and TET charges of €461m (€449m in 2022).

The amounts received from the French State and OAs in connection with transport services are provided in Note 3.3.

8.2 TRANSACTIONS WITH THE ICF GROUP LOW-RENTAL HOUSING COMPANIES (LHRHC)

8.2.1 Balance sheet positions

€ millions	31/12/2023	31/12/2022
Current financial assets	14	15
Non-current financial assets	235	244
Current financial liabilities	0	0
Non-current financial liabilities	0	0

Non-current financial assets primarily comprise construction loans granted by SNCF and ICF to LRHC subsidiaries and equity investments of LRHC subsidiaries. These latter amounted to €145m (€145m as at 31 December 2022) and were included in financial assets at fair value through equity (see Note 6.2.2.2). Given the regulations for low rental housing and the structure of SNCF, these assets are not transferable to other Group entities.

8.2.2 Income statement

Transactions with low rental housing companies are not recorded on the income statement.

8.3 TRANSACTIONS WITH EXECUTIVES

A very small minority of employment contracts contain a clause providing for a capped severance payment in the event of dismissal. There have been no transactions between a Group entity and its executives other than the remuneration disclosed 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:

Commitments received (€ millions)	Notes	31/12/2023				31/12/2022
		Total commitment	Amount of commitments by period			Total commitment
			Less than 1 year	From 1 to 5 years	More than 5 years	
Commitments relating to financing		4,704	447	4,117	140	4,543
Personal collateral		97	12	59	25	97
Unused confirmed credit lines	6.3.6	4,607	435	4,057	115	4,446
Commitments relating to operations		23,455	6,441	10,939	6,074	19,443
Investment commitments for operation of rail equipment	9.1.1.1	9,118	2,671	4,386	2,062	7,293
Purchase commitments for fixed assets other than rail equipment	9.1.1.2	9,163	2,335	5,138	1,690	8,451
Property sale undertakings		83	60	23	-	103
Operational and financial guarantees	9.1.1.3	2,427	1,156	726	544	2,169
Operating leases: equipment	9.1.1.4	40	12	5	23	18
Operating leases: property	9.1.1.4	2,613	203	655	1,755	1,398
Commitments relating to operating and fixed asset purchase agreements		10	4	6	1	11
Commitments relating to the Group consolidation		17	-	17	-	17
Warranties		-	-	-	-	0
Security commitments (option contracts)		17	-	17	-	17
Other commitments received		2	2	-	0	3
Total commitments received		28,178	6,891	15,073	6,214	24,006

Commitments given (€ millions)	Notes	31/12/2023				31/12/2022
		Total commitment	Amount of commitments by period			Total commitment
			Less than 1 year	From 1 to 5 years	More than 5 years	
Commitments relating to financing		1,315	810	257	248	1,402
Personal collateral		396	141	150	106	385
Personal collateral: guarantees given for employee loans		237	44	107	87	286
Security interests		682	626	0	55	731
Commitments relating to operations		30,888	6,969	14,544	9,375	29,530
Investment commitments for operation of rail equipment	9.1.1.1	12,946	2,744	6,515	3,687	11,850
Purchase commitments for fixed assets other than rail equipment	9.1.1.2	11,558	3,029	6,334	2,195	9,945
Property sale undertakings		84	58	25	-	104
Operational and financial guarantees		2,176	211	1,057	908	2,203
Customs guarantees		257	204	6	47	267
Commitments relating to operating and fixed asset purchase agreements	9.1.1.5	2,461	264	295	1,902	4,035
Firm commodity purchase commitments (electricity, diesel, etc.)	9.1.1.6	1,408	458	312	638	1,127
Commitments relating to the Group consolidation scope		238	234	-	4	238
Security commitments		1	-	-	1	1
Other commitments relating to the Group consolidation scope		237	234	-	2	237
Other commitments given		65	29	11	26	75
Total commitments given		32,507	8,042	14,812	9,653	31,244

As at 31 December 2023, commitments to joint ventures included in the total amounted to:

– €0m for commitments received (€0m in 2022);

– €133m for commitments given (€134m in 2022).

9.1.1 Commitments relating to operations

9.1.1.1 Investment commitments for operation of rail equipment

Commitments received correspond to investment financing to be received from transport organising authorities (OA) for rolling stock ordered. They decreased by the same amount as the investments made. Conversely, they are increasing by the same amount as investment orders.

The €1,825m increase in commitments received is primarily due to:

- the signing of the financing agreement with Île-de-France Mobilités for the acquisition of 60 additional RER NG trains for Transilien (+€1,337m);
- the new mid-life renovation programme for NAT trains on the Île-de-France network (+€1,101m);
- the extension to 2025 of the investment component of the contract between Transilien and Île-de-France Mobilités (+€541m);
- the effect of the passage of time and revisions of investment commitments for the operation of Transilien's railway equipment (-€1,136m);
- the signing of five new agreements with four regions (Bretagne, Centre-Val de Loire, Occitanie and Nouvelle-Aquitaine) for the acquisition of new Régiolis and Regio2N equipment (+€509m);
- the issue of calls for funds over the period for Régiolis and Regio2N trains (-€443m).

The commitments given relate to investments agreed with rolling stock manufacturers, in connection with certain commitments with transport organising authorities (OA) for the future introduction of new rolling stock. The increase of €1,096m is due to new commitments undertaken during the period.

This change is mainly due to:

- +€1,150m for the acquisition of 60 additional RER NG trains for Transilien;
- +€1,101m for the new mid-life renovation programme for NAT trainsets on the Paris region network;
- +€541m for the extension to 2025 of the investment component of the contract between Transilien and Île-de-France Mobilités;
- +€469m for the acquisition of Régiolis and Regio2N rolling stock for TERs, in line with the new agreements signed with the AOs;
- -€157m to the payment of advance terms and the revision of the amount of the two acquisition contracts for TGV 2020 trains;
- -€299m for payments made by Transilien for the acquisition of 71 RER NG trains.
- -€591m to the effect of the passage of time and revisions of investment commitments for the operation of Transilien's railway equipment;
- -€895m to the receipt by the TER business of Régiolis and Regio2N rolling stock.

9.1.1.2 Commitments to purchase and finance fixed assets other than railway equipment

Commitments received to purchase and finance fixed assets other than railway equipment increased by €712m. This change is mainly due to:

- on the one hand, by:
 - an increase of €1,218m in investment subsidies to be received by SNCF Gares & Connexions from the organising authorities (excluding Île-de-France Mobilités); these subsidies are intended in particular to finance projects linked to the new PACA lines (€439 m), the creation of a new station at Rouen Saint-Sever (€245m) and Pont de Rungis (€176m) and the construction of three new stations at Agen, Montauban and Mont-de-Marsan as part of the Grand Projet Sud-Ouest (€288m);
 - an increase of €151m in investment subsidies receivable by SNCF Gares & Connexions from Île-de-France Mobilités, predominantly due to the 2-year extension, to end-2025, of the expiry of the contract between the Île-de-France organising authority and the manager of stations.
- and on the other:
 - by a fall in commitments received by SNCF Réseau due to the French State's payment of the balance of the €644m regeneration subsidy in March 2023. This payment is recorded in the balance sheet of SNCF Réseau's accounts as an investment subsidy.

For reference, at 31 December 2020 SNCF Réseau had declared a subsidy of €4,050m under commitments received for the rail sector recovery plan. Payments of €1,645m had been received for this commitment in 2021 and €1,761m in 2022.

Commitments given to purchase fixed assets increased by €1,613m, in line with:

- an increase of €1,172m in commitments relating to SNCF Gares & Connexions' national investment programmes; These projects include the new PACA lines (+€502m), the creation of a new station at Rouen Saint-Sever (+€246m) and a TGV station at Pont de Rungis (+€180m), the construction of three new stations at Agen, Montauban and Mont-de-Marsan as part of the Grand Projet Sud-Ouest (+€303m) and the renovation of the main passenger concourse at Paris Gare-de-Lyon (+€117m). However, the commitment for the roof renovation project at Paris Saint-Lazare station has been reduced by €237m;
- an increase of €267m in commitments relating to investment programmes to be carried out in Île-de-France by SNCF Gares & Connexions, mainly due to the two year extension, until the end of 2025, of the expiry of the contract between Île-de-France Mobilités and the manager of stations;
- commitments relating to the new concession contracts awarded to SNCF Voyageurs by the Pays de la Loire and Hauts-de-France regions for the operation of regional lines (+€130m);
- new investment programmes undertaken by Transilien in connection with digital technology and cyber security (+€95m).

9.1.1.3 Operational and financial guarantee commitments

The increase of €258m in commitments received relating to operational and financial guarantees is explained by €241m for updating the guarantee amount for the acquisition of TGV 2020 equipment.

9.1.1.4 Commitments received relating to property and equipment operating leases

As at 31 December 2023, the payment schedule of lease commitments received breaks down as follows:

€ millions	31/12/2023	31/12/2022
Equipment operating leases		
Less than one year	12	1
1 to 2 years	1	0
2 to 3 years	1	0
3 to 4 years	1	-
4 to 5 years	1	-
5 years and over	23	17
Total	40	18
Property operating leases		
Less than one year	203	181
1 to 2 years	168	161
2 to 3 years	172	123
3 to 4 years	161	123
4 to 5 years	154	108
5 years and over	1,755	702
Total	2,613	1,398

The amount of property and equipment operating leases received increased by €1,237m, predominantly due to the increase in the ILAT index used by SNCF Gares & Connexions to calculate the average change in rents for businesses in stations.

9.1.1.5 Commitments relating to operating and fixed asset purchase agreements

This item predominantly includes purchase commitments relating to Channel Tunnel use contracts and commitments to train track reservations.

Commitments relating to operating contracts and fixed assets will, by their nature, have a positive offset for the Group in regard to its activities or missions.

Operating and fixed asset purchase contracts commitments amounted to €2,461m, a decrease of €1,574m. This change is due to a reduction of €1,560m in future payments to Eurotunnel for access to the network and rail traffic in the Channel Tunnel. The update of Eurostar's business plan and the gradual arrival of other operators on the cross-Channel rail link explain most of the reduction in this commitment.

9.1.1.6 Firm commodity purchase commitments (electricity, diesel, etc.)

Commitments to purchase raw materials rose by €280m. This change concerns SNCF Energie to the extent of €310m, mainly in connection with the signature by the subsidiary of three new renewable energy Power Purchase Agreement (PPA) contracts for €291m.

9.2 TRANSFER OF FINANCIAL ASSETS

Geodis factoring

SNCF set up a revolving trade receivables factoring facility in the Geodis segment. The transactions cover the entire amount of the receivables transferred. They 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. Since the receivables are denominated and disposed 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. For the Group, disposals of operating receivables result in cash receipts, which are included as cash flows from operating activities in the cash flow statement. Assignments at the year end resulted in a net receipt of €148m in 2023 (€176m in 2022) being obtained from the Factor in advance of the usual collection period for receivables.

10. SCOPE

10.1 NUMBER OF CONSOLIDATED COMPANIES

The number of companies consolidated by the SNCF Group breaks down as follows:

	31/12/2023	31/12/2022	Change
Parent company and fully consolidated companies	815	818	-3
Companies consolidated by percentage shares (joint operations)	0	0	0
Companies accounted for using the equity method (joint ventures)	44	44	0
Companies accounted for using the equity method (significant influence)	63	64	-1
Total scope	922	926	-4

In 2023, 36 subsidiaries, one associate (Gare du Nord 2024) and one joint venture were removed from the scope of consolidation, while 33 subsidiaries (including 12 relating to the Trans-o-flex Group) and one joint venture were added.

10.2 ANALYSIS OF CONTROL OF CERTAIN ENTITIES

10.2.1 LRHC (Low-rental housing companies)

The assessment of the control of the four low-rental housing companies (LRHC) owned by ICF Habitat, is a complex area of legislation that the Group has analysed in the light of the constraints set by the extremely strict framework governing low-rental housing regulations and the focus it has set for its housing policy. It appears that consolidation is not necessary, in particular because:

- if SNCF exercises influence over certain aspects of the management of the LRHC, this cannot be qualified as controlling influence: SNCF can neither direct the relevant LRHC activities relating to IFRS 10 nor influence their decisions relating to the revised IAS 28, due to the restrictions and strict supervision imposed by law;
- the SNCF Group's attachment to the ownership of the four LRH companies concerned is based primarily on institutional and general interest reasons and not on direct or indirect financial and asset considerations, as potential returns are very limited.

Shares in LRH companies are therefore retained as assets on the balance sheet and classified as available-for-sale financial assets (see Notes 6.2.2.3 and 8.2.2).

The main items of these companies in the consolidated balance sheets are as follows:

- Non-current assets €5,186m (€4,995m in 2022),
- Non-current liabilities (debts): €2,652m (€2,583m in 2022),

The net debt of non-consolidated LRH companies was €2.70bn (€2.52bn as at 31 December 2022).

10.2.2 SNCF Habitat

The company ICF is a shareholder in a group of companies specialising in property financing. Collectively under the SOCRIF brand, the group comprises SNCF Habitat (a wholly-owned cooperative public interest company), Sofiap (a 34%-owned credit institution controlled by La Banque Postale since 20 May 2014 after previously been 49%-owned and controlled by Crédit Immobilier de France Développement) and Soprim (a wholly-owned simplified joint stock company). Given the legal restrictions governing the returns received by investors in public interest cooperatives for home ownership (special statutory rules laid down by the French Construction and Housing Code), the Group is not exposed to SNCF Habitat's variable returns, nor can it influence these returns. Consequently, in terms of IRSS 10, SNCF Habitat is not consolidated. This also applies to Sofiap and Soprim, which are held indirectly via SNCF Habitat in the absence of effective control. Soprim has a very limited activity. Investments in subsidiaries and affiliates are recorded as assets on the balance sheet and classified as equity instruments. Sofiap presented the following financial aggregates at the end of the year:

- Non-current assets €2,485m (€2,323m as at 31 December 2022)
- Non-current liabilities €2,465m (€2,244m as at 31 December 2022)

10.2.3 SNCF Réseau, Fret SNCF, SNCF Gares & Connexions and SNCF Voyageurs

In accordance with Article L2102-10 of the Transport Code, the accounts of SNCF Réseau, Fret SNCF, SNCF Gares & Connexions and SNCF Voyageurs were consolidated by the SNCF Group using the full consolidation method.

10.3 MAIN ENTITIES WITHIN THE SCOPE OF CONSOLIDATION

The table below lists only the main significant entities. A significant entity is any entity whose revenue exceeds €30m or total assets of €50 m.

Consolidation methods:

FC: Full consolidation

JO: Joint operations - Recognition of shares of assets, liabilities, income and expenses

JV: Joint venture - Equity method

SI: Significant influence - Equity method

NC: Non-consolidated

F: Company absorbed by another Group company

Percentage interest: share of capital held by the consolidating company in the directly or indirectly consolidated company.

Controlling interest: percentage of voting rights held by the consolidating company in the directly or indirectly consolidated company.

Geographical area	Country	Company	M	PC	PI	PC	PI
				Year N	Year N	Year N-1	Year N-1
Parent company							
FRANCE	FRANCE	Société Nationale SNCF	FC	100%	100%	100%	100%
Business line Infrastructure Management							
Sector SNCF Réseau							
FRANCE	FRANCE	SNCF Réseau	FC	100%	100%	100%	100%
	FRANCE	GI CDG Express	JV	33%	33%	33%	33%
Sector SNCF Gares & Connexions							
FRANCE	FRANCE	SNCF Gares & Connexions	FC	100%	100%	100%	100%
	FRANCE	Retail & Connexions	FC	100%	100%	100%	100%
	FRANCE	Lagardère & Connexions	FC	100%	50%	100%	50%
	FRANCE	GARE DU NORD 2024	SI	0%	0%	34%	34%
Business line Passenger business							
Sector SNCF Voyageurs							
EUROPE EXCLUDING FRANCE	AUSTRIA	Rail Holding AG	SI	17%	17%	17%	17%
	BELGIUM	THI Factory	FC	100%	56%	100%	56%
		Eurostar Group	FC	56%	56%	56%	56%
	UNITED KINGDOM	Eurostar	FC	100%	56%	100%	56%
	SPAIN	Ouigo Espana SA	FC	100%	100%	100%	100%
FRANCE	FRANCE	SNCF Voyageurs	FC	100%	100%	100%	100%
	FRANCE	SNCF Energie	FC	100%	100%	100%	100%
	FRANCE	MASTERIS	FC	100%	100%	100%	100%
Sector Keolis							
Africa, Middle East	UNITED ARAB EMIRATES	Keolis -MHI Rail Management and Operation LLC	FC	70%	49%	70%	49%
	QATAR	RKH Qitarat LLC	SI	31%	21%	31%	21%
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%
		KD Northern Beaches Pty Ltd	FC	100%	36%	100%	36%
	CHINA	Shanghai Keolis Public Transport Operation Management Co.	SI	49%	34%	49%	34%
EUROPE (EXCLUDING FRANCE)	BELGIUM	Parking Cathedrale SA	FC	100%	70%	100%	70%
	DENMARK	Keolis Danmark	FC	100%	70%	100%	70%
	UNITED KINGDOM	Nottingham Trams Ltd	FC	80%	56%	80%	56%
		KeolisAmey Metrolink	FC	60%	42%	60%	42%
		Keolis-Amey Docklands Ltd	FC	70%	49%	70%	49%
		Govia Thameslink Railway Limited	JV	35%	24%	35%	24%
	NETHERLANDS	Keolis Nederland BV	FC	100%	70%	100%	70%
	SWEDEN	Keolis Sverige	FC	100%	70%	100%	70%

Geographical area	Country	Company	M	PC	PI	PC	PI		
				Year N	Year N	Year N-1	Year N-1		
FRANCE	FRANCE	SAEMES	JV	33%	23%	33%	23%		
		KeoMotion	FC	100%	70%	100%	70%		
		Keolis	FC	100%	70%	100%	70%		
		Keolis Alpes Maritimes	FC	100%	70%	100%	70%		
		Keolis Amiens	FC	100%	70%	100%	70%		
		Keolis Argenteuil Boucles de Seine	FC	100%	70%	100%	70%		
		Keolis Atlantique	FC	100%	70%	100%	70%		
		Keolis Besançon Mobilités	FC	100%	70%	100%	70%		
		Keolis Bordeaux Métropole	FC	100%	70%	100%	70%		
		Keolis Bordeaux Métropole Mobilité	FC	100%	70%	100%	70%		
		Keolis Caen Mobilités	FC	100%	70%	100%	70%		
		Keolis CIF	FC	100%	70%	100%	70%		
		Keolis Côte Basque - Adour	FC	100%	70%	100%	70%		
		Keolis Dijon Multimodality	FC	100%	70%	100%	70%		
		Keolis Grand Nancy	FC	100%	70%	100%	70%		
		Keolis Hainaut Valenciennois	FC	100%	70%	100%	70%		
		Keolis Lille Métropole	FC	100%	70%	100%	70%		
		Keolis Lyon	FC	100%	70%	100%	70%		
		Keolis Métropole Orléans	FC	100%	70%	100%	70%		
		Keolis Pays d'Aix	FC	100%	70%	100%	70%		
		Keolis Perpignan Méditerranée	FC	100%	70%	100%	70%		
		Keolis Rennes	FC	100%	70%	100%	70%		
		Keolis Seine et Oise Est	FC	100%	70%	100%	70%		
		Keolis Tours	FC	100%	70%	100%	70%		
		Keolis Val d'Yerres Val de Seine	FC	100%	70%	100%	70%		
		Hello Paris	JV	100%	35%	100%	35%		
		Effia Concessions	FC	100%	70%	100%	70%		
		EFFIA Park	FC	100%	70%	100%	70%		
		Effia Parking and Mobility	FC	100%	70%	100%	70%		
			Business line	Freight & Logistics					
	Sector	Geodis							
AMERICAS	BRAZIL	Geodis Gerenciamento de Fretes do Brasil Ltda	FC	100%	100%	100%	100%		
		Geodis Chile Soluciones Integrales De Logistica Limitada	FC	100%	100%	100%	100%		
	UNITED STATES	Geodis USA, LLC	FC	100%	100%	100%	100%		
		Geodis Transportation, LLC	FC	100%	100%	100%	100%		
		Geodis Transportation Solutions, LLC	FC	100%	100%	100%	100%		
		Geodis SCO 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	NEED	FC	100%	100%	100%	100%		
		Geodis Mexico S.A. de C.V.	FC	100%	100%	100%	100%		
		Geodis Mexico S.A. de C.V. - Logistics	FC	100%	100%	100%	100%		
		Geodis Mexico Solutions SA de CV	FC	100%	100%	100%	100%		
		ASIA, PACIFIC	AUSTRALIA	Geodis Australia Pty Ltd	FC	100%	100%	100%	100%
			CHINA	Geodis Hong Kong Ltd.	FC	100%	100%	100%	100%
Geodis China Limited	FC	100%		100%	100%	100%			
Geodis China Limited - Logistics	FC	100%	100%	100%	100%				

Geographical area	Country	Company	M	PC	PI	PC	PI	
				Year N	Year N	Year N-1	Year N-1	
ASIA, PACIFIC	INDIA	Geodis India Pvt Ltd	FC	100%	100%	100%	100%	
	MALAYSIA	Geodis Malaysia Sdn Bhd	FC	100%	100%	100%	100%	
	NEW ZEALAND	Geodis New Zealand Limited	FC	100%	100%	100%	100%	
	SINGAPORE	Geodis Singapore Pte Ltd	FC	100%	100%	100%	100%	
		GEODIS Logistics Singapore Pte Ltd	FC	100%	100%	100%	100%	
EUROPE (EXCLUDING FRANCE)	Germany	Geodis CL Germany GmbH	FC	100%	100%	100%	100%	
		Geodis FF Germany GmbH & Co. KG	FC	100%	100%	100%	100%	
		Trans-o-flex ThermoMed GmbH	FC	100%	100%	0%	0%	
		Trans-o-flex Express GmbH & Co. KGaA	FC	100%	100%	0%	0%	
		Geodis FF Belgium	FC	100%	100%	100%	100%	
	DENMARK	Geodis Denmark A/S	FC	100%	100%	100%	100%	
	SPAIN	Geodis RT Spain SA	FC	100%	100%	100%	100%	
		Geodis FF Spain SL	FC	100%	100%	100%	100%	
	UNITED KINGDOM	Geodis FF United Kingdom Ltd	FC	100%	100%	100%	100%	
		Geodis Contract Logistics United Kingdom Ltd	FC	100%	100%	100%	100%	
	IRELAND	Geodis Ireland Ltd	FC	100%	100%	100%	100%	
	ITALY	Geodis CL Italia Spa	FC	100%	100%	100%	100%	
		Geodis RT Italia Srl	FC	100%	100%	100%	100%	
		Geodis FF Italia Spa	FC	100%	100%	100%	100%	
	LUXEMBOURG	Lexsis	FC	100%	100%	100%	100%	
	NETHERLANDS	Geodis Benelux Holding BV	FC	100%	100%	100%	100%	
		Geodis CL Netherlands B.V.	FC	100%	100%	100%	100%	
		Geodis RT Netherlands BV	FC	100%	100%	100%	100%	
		Geodis FF Netherlands B.V.	FC	100%	100%	100%	100%	
	POLAND	Geodis Road Network sp. z.o.o.	FC	100%	100%	100%	100%	
		Geodis Poland Sp. z.o.o.	FC	100%	100%	100%	100%	
	SWEDEN	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%
			Bourgey Montreuil Savoie	FC	100%	100%	100%	100%
			Bourgey Montreuil Equipement	FC	100%	100%	100%	100%
			Calberson Ile de France	FC	100%	100%	100%	100%
Calberson SAS			FC	100%	100%	100%	100%	
Chaveneau Bernis Transport			FC	100%	72%	100%	72%	
Dusolier Calberson			FC	100%	100%	100%	100%	
Flanders Express			FC	100%	100%	100%	100%	
Gandon Transports			FC	100%	100%	100%	100%	
Geodis D&E Alsace			FC	100%	100%	100%	100%	
Geodis D&E Armorique			FC	100%	100%	100%	100%	
Geodis D&E Bretagne			FC	100%	100%	100%	100%	
Geodis D&E Equipement			FC	100%	100%	100%	100%	
Geodis D&E Loiret			FC	100%	100%	100%	100%	
Geodis D&E Mediterranee			FC	100%	100%	100%	100%	
Geodis D&E Normandie			FC	100%	100%	100%	100%	
Geodis D&E Paris Europe			FC	100%	100%	100%	100%	
Geodis D&E Picardie			FC	100%	100%	100%	100%	

Geographical area	Country	Company	M	PC	PI	PC	PI
				Year N	Year N	Year N-1	Year N-1
		Geodis D&E Rhône-Alpes	FC	100%	100%	100%	100%
		Geodis D&E Sud-Ouest	FC	100%	100%	100%	100%
		Geodis CL Automotive Est	FC	100%	100%	100%	100%
		Geodis D&E Aquitaine	FC	100%	100%	100%	100%
		Geodis D&E Lille Europe	FC	100%	100%	100%	100%
		Geodis D&E Valenciennes	FC	100%	100%	100%	100%
		Geodis FF France	FC	100%	100%	100%	100%
		Geodis CL Ile de France	FC	100%	100%	100%	100%
		Geodis CL Nord	FC	100%	100%	100%	100%
		Geodis CL Rhône-Alpes	FC	100%	100%	100%	100%
		Geodis D&E Seine et Marne	FC	100%	100%	100%	100%
		Geodis D&E Seine	FC	100%	100%	100%	100%
		Geodis D&E Auvergne	FC	100%	100%	100%	100%
		Geodis SA	FC	100%	100%	100%	100%
		Geodis D&E Dauphiné	FC	100%	100%	100%	100%
		Geodis Networks 4PL	FC	100%	100%	100%	100%
		SCI Ney - Geodis	FC	100%	100%	100%	100%
		Sealogis	FC	100%	100%	100%	100%
		SEALOGIS FREIGHT FORWARDING	FC	99%	99%	99%	99%
		Transports Bernis	FC	68%	68%	68%	68%
		XP LOG	FC	100%	99%	100%	99%
		Walbaum	FC	100%	100%	100%	100%
	Sector	Holding company - Logistics activity					
		Transport Logistics Partners	FC	100%	100%	100%	100%
	Sector	Rail Logistics Europe					
EUROPE (EXCLUDING FRANCE)	GERMANY	Captrain Deutschland CargoWest	FC	100%	100%	100%	100%
		Dortmunder Eisenbahn	FC	65%	65%	65%	65%
		Forwardis GmbH	FC	100%	100%	100%	100%
		Hansebahn Bremen	FC	51%	51%	51%	51%
		ITL Eisenbahngesellschaft GmbH	FC	100%	100%	100%	100%
		NEB AG	JV	67%	34%	67%	34%
	SPAIN	Captrain España	FC	100%	100%	100%	100%
		PRIMAVIA	JV	50%	50%	50%	50%
	ITALY	Captrain Italia	FC	100%	100%	100%	100%
	LUXEMBOURG	LORRY Rail	FC	60%	60%	60%	60%
	POLAND	Captrain Polska	FC	100%	100%	100%	100%
	SWITZERLAND	BLS CARGO	SI	45%	45%	45%	45%
FRANCE	FRANCE	VIIA	FC	100%	100%	100%	100%
		Captrain France	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					
	Sector	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 (MEE)	SI	20%	20%	20%	20%
	Sector	Other					
AFRICA	SENEGAL	SAS Sté d'exploitation du TER de Dakar	FC	100%	100%	0%	0%
EUROPE (EXCLUDING FRANCE)	SWITZERLAND	EUROFIMA	SI	23%	23%	23%	23%
FRANCE	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 2023)

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 2023)

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 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 2023.

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 2023 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 4.4.3.2 to the consolidated financial statements concerning impairment testing of the assets of the Infrastructure cash-generating unit ("the Infrastructure CGU"), the Group has drawn up a new 2023-2032 strategic plan which takes into account, in particular, the new economic environment and the increase in inflation and the cost of some raw materials.

In this context, SNCF Réseau carried out another impairment test at 31 December 2023 based on a similar methodology to that used during the previous test carried out at 31 December 2022.

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.

The cash flow forecasts used for the impairment test were based on the financial trajectory set out in the new 2023-2032 strategic plan and adjusted in light of the 2024 budget. 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 evolving and uncertain geopolitical and economic climate:

- The forecasts used in the impairment test carried out on the Infrastructure CGU at 31 December 2023 are based on the financial trajectory set out in the new 2023-2032 strategic plan approved by SNCF Réseau's Board of Directors on 28 September 2023 and adjusted for 2024 based on the budget validated by SNCF Réseau's Board of Directors on 13 December 2023. Certain assumptions, in particular those based on a decision by or agreement with the French State or those linked to the economic environment, are likely to change over time and in the context of the three-yearly revision of the 2021-2030 performance contract signed with the French State in April 2022, which should take place in the coming months.
- The infrastructure fee projections are based in particular on:
 - Traffic trajectories and competition assumptions that are still uncertain.
 - Certain pricing assumptions submitted to the French transport authority (ART) for an opinion and for approval by the French transport organisation authorities (AOT). For 2024-2026, toll rate indexing as set out in SNCF Réseau's Network's Reference Document (DRR) is subject to proceedings before the *Conseil d'Etat in relation to the regulated portion*. From 2027 onwards, it will remain unchanged at 3.6%.
- The investment subsidies allocated to regeneration work and financed through the support fund are based on the payment by the French State to SNCF Réseau of dividends to be received from Société Nationale SNCF.

- The assumptions in the performance contract have been maintained, with the addition of an exceptional supplement in 2024 and an unchanged normative amount of €0.9 billion from 2032.
- The estimate of these investment subsidies is based on Société Nationale SNCF's distributive capacity in the abovementioned context.
- For the railway network currently in service, SNCF Réseau continues to plan a gradual improvement in expected performance levels.
 - The unprecedented target performance level in 2032 is based on the regeneration investment trajectory set out in the 2023-2032 strategic plan. This trajectory does not include the additional investments in regeneration and upgrade announced by the French Prime Minister in February 2023 as part of a "New Deal for Rail". These investments should be fully financed by resources external to SNCF Réseau.
 - Terminal value therefore represents the essential factor in measuring the recoverable amount.

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 and right-of-use assets as presented in the Company's statement of financial position at 31 December 2023. 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 2023, amounted to €35.7 billion (excluding work-in-progress) for property, plant and equipment, and intangible and right-of-use assets, and €4.4 billion for deferred tax assets.

In our report of 27 February 2023 on the consolidated financial statements for the year ended 31 December 2022, we also expressed a qualified opinion on the carrying amount of the assets concerned, which amounted to €34.1 billion (excluding work-in-progress) for property, plant and equipment, intangible assets and right-of-use assets, and €4.4 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 2023 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. 537/201.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.821-53 and R.821-180 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 Group CGU's assets and the associated purchase commitments

Notes 4.4.1, 4.4.2.3 and 6.2.2 to the consolidated financial statements

Description of risk

- As stated in Note 4.4.2.3 to the consolidated financial statements concerning impairment testing of the assets of the Eurostar Group cash-generating unit (the “Eurostar Group CGU”), the goodwill impairment test will be carried out on the Eurostar Group CGU, comprising the Eurostar CGU and Thalys. The impairment test performed by management to determine the recoverable amount of the CGU's assets, whose carrying amount at 31 December 2023 was €2,084 million (including €401 million in goodwill and €268 million in intangible assets with an indefinite useful life), consisted in discounting the CGU's estimated future cash flows in a context marked by high inflation, in particular with regard to the trajectory of toll and energy costs.
- Furthermore, a financial liability corresponding to the irrevocable commitment made by SNCF to purchase the interests in Eurostar Group owned by the CDPGI, Hermès and SNCB is included in the liability corresponding to non-controlling interest purchase commitments, which amounted to €1,565 million at 31 December 2023. The liabilities relating to these commitments mentioned in Notes 4.4.2.3 and 6.2.2 to the consolidated financial statements relating to the impairment testing of the Eurostar Group CGU's assets and financial liabilities are measured 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 Group on 24 November 2023;
- assessing the consistency of the cash flow projections with available sources of information;
- examining the methodology for calculating the recoverable amount of the Eurostar Group 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;
- examining the sensitivity tests performed by management and comparing the results with those described in Note 4.4.2.3 to the consolidated financial statements.

Lastly, we obtained assurance that Notes 4.4.2.3, 4.4.2.3 and 6.2.2 to the consolidated financial statements provides appropriate disclosures on 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 2023, the defined-benefit plans gave rise to the recognition of an obligation in liabilities for a net amount of €2,309 million after taking into account plan assets measured at €711 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, SNCF 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.

A change in the estimated provision for Time Savings Accounts was made in accordance with the projected unit credit method, so as to incorporate behaviour (savings, monetisation) on a predictive basis. This change in estimate resulted in an increase in the provision, against €78 million for the actuarial difference recorded under net finance costs.

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 information pertaining to the Group presented in the management report includes the consolidated non-financial performance statement required under article L.225-102-1 of the French Commercial Code. 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 consolidated financial statements to be included in the annual 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 Chairman and 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.

Due to the technical limitations inherent to block tagging the consolidated financial statements in the European single electronic reporting format, the content of some of the tags in the notes may not be rendered identically to the accompanying consolidated financial statements.

In addition, 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 2023, PricewaterhouseCoopers Audit and Ernst & Young Audit were in the sixteenth and the tenth 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.821-55 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.821-27 to L.821-34 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, 29 February 2024

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young Audit

Jean-Paul Collignon Philippe Vogt

Nicolas Pfeuty Valérie Desclève



SNCF SA

Direction de la Communication

2, place aux Etoiles – 93633 La Plaine ST Denis Cedex

