Road Transport

Transition planning for companies operating in road transport segment or using road transport for their other operations

2026



About this Guideline

This non-binding Guideline was developed by the Baltic Banking Associations to support companies and financial institutions in preparing climate transition plans. It does not create any legal, regulatory, supervisory, or contractual obligations.

The recommendations and examples are for guidance only. They should be applied proportionately, considering each organisation's circumstances, sector, business model, and ambitions. They do not prescribe specific targets, timelines, technologies, business decisions, or financing outcomes. Each organisation remains responsible for complying with applicable requirements and deciding which measures are appropriate.

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1. Background

This annex covers specific transition planning aspects for businesses which are engaged in developing and maintaining their own road transport fleet, regularly using logistics services that include road transport, or manufacturing, selling or renting out road transport vehicles.

1.1 Climate impact of the sector

Based on the national GHG emissions inventories, the road transport sector is the leading sector in GHG emissions and therefore requires significant attention in decarbonisation efforts.

Table 1. Road transport sector's GHG emissions in the Baltic states

Estonia[1]	Latvia[2]	Lithuania[3]
~2,702 kt CO_2e **~26% of Estonia's total GHG emissions** Road transport is the dominant emission source in Estonia's transport sector. In 2024, it accounted for 89% of all transport sector emissions. Compared with 1990, road transport emissions in 2022 were approximately 4.1% higher. After a sharp decrease in the early 1990s, emissions recovered and have since remained one of the largest energy-related emission sources in the country.	**~2,869 kt CO_2e** **~30% of Latvia's total GHG emissions** Road transport is one of the largest emission sources in Latvia. In 2024, road transport emissions reached approximately 2.9 million t CO_2e. Although emissions have decreased by around 6% compared with 1990, the sector still accounts for a significant share of Latvia's total GHG emissions. Therefore, the decarbonisation of road transport is one of the key priorities in Latvia's climate policy implementation.	**~5,908 kt CO_2e** **~33% of Lithuania's total GHG emissions** Road transport is one of the largest and most stable emission sources in Lithuania. In 2024, road transport emissions reached approximately 5.9 million t CO_2e. Compared with 1990, emissions have increased by around 2%, indicating that the sector remains a significant part of the country's total emission profile. Therefore, the decarbonisation of road transport is a central challenge for achieving Lithuania's climate targets.

[1] Greenhouse gas emissions and removals inventories datasets, EEA
[2] Greenhouse gas emissions and removals inventories datasets, EEA
[3] Greenhouse gas emissions and removals inventories datasets, EEA

1.2 Sector-specific considerations

A transition plan must start by stating the role of your company within the sector, because it determines what emissions you control and what you can only influence (if at all). Typical roles are:

- **Entities that own/control vehicles and use them for their own needs** – i.e., companies having their own transport fleet which is either at the core of their business (for example, logistics companies) or is crucial for their operations (for example, supermarket chains, large infrastructure companies, etc. using transport in their daily operations). That also includes companies which use leasing or long-term rent to operate their fleet, as they choose the type of the vehicles and the vehicles are practically under their control during the contracting period;
- **Entities that subcontract/purchase transport services** – for example, manufacturing companies or other businesses regularly ordering logistics services from external suppliers;
- **Entities providing car rent or carsharing services** – i.e., mostly not operating the vehicles themselves but having total or certain control over the fleet, its composition, age, capacity, etc.;
- **Entities that operate car dealerships** – companies selling vehicles and being dependent on (a) manufacturers' capacity and approaches to car manufacturing and (b) clients' needs and preferences;
- **Entities that manufacture road vehicles** – although rarely operating in the Baltic states, such entities have significant impact on overall transport emissions.

Please note that not all of the roles would be typically named "transport companies" but all of them have a considerable potential to impact transport sector GHG emissions.

2. Baseline considerations

2.1 Emission scopes

Guidance on key considerations on emissions scopes for the road transport sector is based on user-specific approach and stems from the entity roles listed above.

- **Entities that own/control vehicles and use them for their own needs:** Most emissions will come directly from running the fleet. **Scope 1** emissions from direct fuel combustion from owned or controlled vehicles are the dominant source of emissions. If the fleet is partly electrified, **Scope 2** emissions can or will become relevant as electricity used to charge company-owned electric vehicles (EVs) is relevant for organisational GHG inventory (unless the company builds its own electricity stations – for example, solar parks which power charging points). Variable categories that an entity should consider under **Scope 3** are: **Category 1** (Purchased goods and services – e.g. vehicle parts, tyres); **Category 2** (Capital Goods – e.g. purchased vehicles); **Category 3** (Fuel- and energy-related emissions not included in Scope 1 and 2 or so-called Well-to-Tank (WTT) emissions).
- **Entities that subcontract/purchase transport services:** Relevant transport emissions will be based on how your logistics partners operate and what you require of them. **Scope 1 and Scope 2** emissions for this user-specific category will be low as you outsource the services; however, the entity should focus all its efforts to report good quality data on the following categories for **Scope 3 – Categories 4 and/or 9** (Upstream or Downstream transportation & distribution).
- **Entities providing car rent or carsharing services:** The largest impact will come from the leased assets, therefore key emissions will be accounted on **Scope 3, Category 3** (Fuel- and energy-related emissions not included in Scope 1 and 2) and **Category 13** (Downstream leased assets – if customers use vehicles under a leasing model). **Scope 2** emissions may be relevant if the respective vehicles are electric ones and your entity operates the charging infrastructure or pays for charging. However, please be aware that emissions allocation can vary based on the organisational reporting boundary (equity, financial control or operational control). For further information on GHG emissions reporting for leased assets, please refer to GHG Protocol Scope 3 Guidance (Appendix A: Accounting for Emissions from Leased Assets).

- **Entities that operate as car dealerships:** The majority of emissions will lie under **Scope 3** – based on purchased vehicles and resale. The most relevant categories therefore are: **Category 1** (Purchased goods and services – i.e., emissions embodied in vehicles the entity buys for resale), **Category 11** (Use of sold products – i.e. emissions from customers driving the bought vehicles which highly depend on the fuel type and efficiency of the respective vehicle) and **Category 12** (End-of-life treatment of sold products – i.e., what are the emissions associated with utilising the vehicle at the end of its total life-cycle or – how recyclable it and its components are).

- Entities that manufacture road vehicles: Although the largest climate impact of the vehicles comes after the vehicle leaves the factory and is sold to its user, the GHG emissions use of the vehicle will create depend on the manufacturer's design and manufacturing choices. Therefore, decarbonising the vehicle lineup (and not just the plant) is a key milestone to SBTi standards and transport sector decarbonisation altogether. If your entity falls under this category, **Scope 3** emissions **Category 11** (Use of sold products) is the most critical source of emissions as it accounts for the total lifetime emissions from all relevant products sold in the reporting year. You can visit the Manufacturing sector annex for more information on manufacturers' transition planning and target setting.

2.2 Climate risks

The transport sector (including regular users of transport services on the business level) is subject to significant **transition risks**, such as:

- Potential carbon price increase for road transport companies not decarbonising their operations fast enough – besides CO2 component already included in transport taxes across Europe, road transport has also become subject to the expanded EU Emission Trading System (ETS2)[4], [5];
- Public policies for gradual phase-out of internal combustion engine (ICE) vehicles[6] add regulatory pressure across all transport modes. That is partly decreased by support schemes for zero-emission vehicle uptake[7] and developing new freight transport technologies and solutions[8];
- However, the possibility to go zero-emission is a concern for many commercial operators (in particular, freight transport companies) which face increased vehicle costs and limited infrastructure availability challenges. Together with the regulatory pressure, that creates an additional risk[9];
- Consumer preferences may also shift towards zero-emission or low-emission vehicles, however, despite some reports which recognise this shift[10], others are more cautious and have identified that this preference differs among diverse customer groups with higher acceptance among customers who associate a vehicle with reputation and status[11]. Thus, it may not be an over-arching trend and the car dealerships and manufacturers should analyse their target groups more closely to see if this aspect poses a risk to their business in short-, medium- and long-term;

[4] ETS2. Buildings, road transport and additional sectors
[5] EU ETS Regulation
[6] Climate Risks in the Transportation Sector
[7] Electric cars: Tax benefits and incentives (2025)
[8] Decarbonisation of road freight transport: How to accelerate the uptake of zero-emission trucks
[9] Barriers to unlock net-zero progress revealed in new Green Compact survey
[10] Climate Risks in the Transportation Sector
[11] Consumers' preferences for electric vehicles: The role of status and reputation

- For freight transport services, the corporate customers which are subject to external requirements or have defined their internal transition plans and targets increasingly pressurise their logistics partners to provide reliable and verifiable information on GHG emissions created within the given business relations (i.e. GHG emissions created while delivering goods for the specific customer)[12]. Depending on their own (or their clients') decarbonisation targets, these customers may also require action from their logistics partners to decarbonise their supply chain;

- At the same time, investor pressures increase the financial consequences of delayed climate action. For instance, when considering new investments in the company's vehicle fleet the company may need to consider the EU Taxonomy requirements which focus on low and zero-emission transportation modes primarily[13] and may be relevant for financial institutions in their decision making on loans or other financial instruments. At the same time, the EU Taxonomy also requires following the Do No Significant Harm criteria which focus not only on GHG emissions but also circularity and other aspects of the vehicles;

- Larger cities are actively establishing low-emission zones (e.g. Vilnius[14], Kaunas[15] and other cities across Europe) which complicates operations for delivery companies in covering the "last mile" in the cities. In some cases, the companies may need to combine different types of vehicles to enter the city centre and be able to deliver the goods.

Transport companies or businesses using their services may also face certain **physical risks**. With extreme weather events becoming more frequent and severe[16], they may affect (and during the last years have already affected) transport infrastructure and access to energy, for example[17], [18]:

- Storms and floods can damage road infrastructure, interrupt operations (including limited access to charging infrastructure and its services), and disrupt supply chains;
- Rising sea levels threaten coastal transport hubs, creating delays and costly infrastructure losses;
- Higher temperatures and heat stress can impair equipment and infrastructure that were designed for cooler conditions;
- Wildfires can further increase the risk of damage to transport assets and introduce hazardous conditions that can halt or, at least, delay operations.

[12] Development of logistics emissions reporting – Shippers' and logistics service providers' perspective
[13] Climate Delegated Act
[14] Mažos taršos zona Vilniaus senamiestyje
[15] Sumažintos taršos zona
[16] See the general guidelines on climate projections for the Baltic states
[17] Explainer: Climate Change and Transportation
[18] Climate Risks in the Transportation Sector

2.3 Summary

The following matrix covers key considerations on significance of Scope 1, 2, and 3 emissions for the sector. Respectively:

- "High" significance scopes and emission categories are those that contribute most to total emissions. These should be calculated as accurately as possible and are usually the priority emission categories to focus on in your transition plan;
- "Moderate" significance means that emissions in the respective scope or category are relatively important but are not the most important part and, potentially, not the first priority for emission reduction;
- "Low" significance means that the emissions in the respective scope or category are rather insignificant in general or compared to other scopes and can be either left out of the transition plan priorities or dealt with at a later stage.

Table 2. Summary on key considerations for each role

Scope	Entities that own/control vehicles and use them for their own needs	Entities that subcontract/purchase transport services	Entities providing car rent or carsharing services	Entities that operate as car dealerships	Entities that manufacture road vehicles
Scope 1	**High.** Fuel combustion from owned or controlled vehicles	**Low.** Fuel combustion from owned or controlled vehicles	**Variable** (depends on chosen reporting boundary). Fuel combustion from owned or controlled vehicles	*Not relevant from transport sector perspective (but may be relevant for general operations of the company – for that, please visit the general guidelines)*	*Not relevant from transport sector perspective (but may be relevant for other types of operations of the company – for that, please visit the other annexes or the general guidelines)*
Scope 2	**Moderate/High:** Purchased energy used to charge company-owned electric vehicles (EVs)	*Not relevant from transport sector perspective (but may be relevant for other types of operations of the company – for that, please visit the other annexes or the general guidelines)*	**Variable** (depends on chosen reporting boundary). Purchased energy used to charge the company-owned electric vehicles (EVs)	*Not relevant from transport sector perspective (but may be relevant for other types of operations of the company – for that, please visit the other annexes or the general guidelines)*	*Not relevant from transport sector perspective (but may be relevant for other types of operations of the company – for that, please visit the other annexes or the general guidelines)*

Scope 3	**Variable:** Category 1 (Purchased goods and services – e.g. vehicle parts, tyres); Category 2 (Capital goods – e.g. purchased vehicles); Category 3 (Fuel- and energy-related emissions not included in Scope 1 and 2 or so-called Well-to-Tank emissions)	**High.** Category 4 and/or 9 (Upstream or Downstream transportation & distribution)	**High.** Category 3 (Fuel- and energy-related emissions) and Category 13 (Downstream leased assets – if customers use vehicles under a leasing model)	**High.** Category 1 (Purchased goods and services – i.e. vehicles your entity buys for resale), Category 11 (Use of sold products – i.e. emissions from customers driving the bought vehicles), Category 12 (End-of-life treatment of sold products)	**High.** Category 11 (Use of sold products)
Climate risks	**Transition:** Regulatory pressures (and related uncertainties) across all transport modes on decarbonisation and low- and zero-emission operations, investor focus away from carbon-intensive operations. **Physical:** Extreme weather events, storms and floods which may interrupt transport operations and/or damage vehicle fleet.	**Transition:** Regulatory pressures (and related uncertainties) across all transport modes on decarbonisation and low- and zero-emission operations, investor focus away from carbon-intensive operations, difficulties ensuring service continuity and reliability with lower emissions, transport limitations in certain zones (low-emission zones in cities). **Physical:** Extreme weather events, storms and floods might interrupt transport operations and/or damage vehicle fleet.	**Transition:** Regulatory pressures (and related uncertainties) across all transport modes on decarbonisation and low- and zero-emission operations and infrastructure, shifts in market preferences towards low- and zero-emissions vehicles. **Physical:** Extreme weather events, storms and floods might affect operations and use of leased vehicles.	**Transition:** Regulatory pressures (and related uncertainties) across all transport modes on decarbonisation and low- and zero-emission operations and infrastructure, shifts in market preferences towards low- and zero-emissions vehicles. **Physical:** Extreme weather events (incl. heatwaves), storms and floods might interrupt operations by delays in supply chain, damage of inventory, showrooms.	**Transition:** Regulatory pressures (and related uncertainties) across all transport modes on decarbonisation and low-and zero-emission operations, investor focus away from carbon-intensive operations, reputational risk on delayed decarbonisation efforts, technological advancement that can increase market competition. **Physical:** Extreme weather events, storms and floods might interrupt operations and cause disruptions in the supply chain.

Depending on the type of entity and emission sources as highlighted above, there are several decarbonisation measures that companies can implement. Those are considered in Section 4.2.

3. National Road Transport targets and strategic directions – Baltic States

This table contains only headline national targets that are explicitly framed as policy targets or commitments in source documents. Economy-wide targets (climate neutrality) are included where they directly frame the transport sector.

Disclaimer: The targets, policy measures and legal references in this overview are up to date to the best of our knowledge as of **March 2026**. Climate, energy and sectoral policy frameworks are evolving, and national targets, implementation pathways, and supporting measures may be revised, supplemented or replaced over time. In particular, **Estonia is still advancing parts of its climate-policy architecture**, including newer framework legislation and sector planning documents. In addition, the transposition status of **EU legislation, including RED III, may continue to change** as further national measures are adopted and notified to the European Commission.

Table 3. Relevant National Targets/Commitments

Theme	Estonia[19]	Latvia[20]	Lithuania[21]
GHG reduction framing	Part of -24% non-ETS cut vs 2005 under ESR. Road transport is the largest single non-ETS contributor.	Transport is a core non-ETS sector under the Effort Sharing Regulation. No standalone numerical reduction target.	Explicit sectoral target: -14% transport GHG vs 2005 by 2030.
Passenger EV fleet (2030)	~31,000 electric vehicles by 2030. EV subsidies from 2023.	At least 20,000 electric vehicles by 2030.	240,000-262,000 EVs by 2030. 50% of new passenger car and 100% of new light commercial vehicle purchases in public procurements must be electric.
Charging / refuelling	At least 3 hydrogen refuelling stations on main roads by 2030.	National networks: E-mobi (~141 fast stations) + Electrum Drive (100+ locations); Trans-European Transport Network (TEN-T) corridor charging.	60,000 charging points (6,000 public) + 10 hydrogen refuelling stations by 2030.

Public transport	Modal shift emphasis: increase departures, reduce travel times to discourage private car use.	Riga package: 265 electric buses, 100 trolleybuses, 24 trams by 2030. Broader municipal fleet transition.	All public transport, taxis and ride-sharing in major cities to use only renewable energy from 2027.
Biofuel / alternative fuels	Fuel supplier obligation: at least 7.5% biofuels/biomethane/hydrogen/electricity in total supply.	Mandatory blending: bioethanol ~9.5%, biodiesel ~6.5%.	At least 10 hydrogen stations; natural gas vehicle incentives.
Rail modernisation (although it is not directly related to road transport, one of the EU objectives is to facilitate transfer of passengers and freight from road to rail[22], therefore the targets are important)	Rail Baltica (standard gauge) + domestic broad-gauge electrification.	Railway electrification + multimodal hubs; 32 new electric multiple unit trains (2024-2026); battery trains post-2027.	At least 35% of railway network electrified by 2030.
Combustion engine phase-out	No announced registration ban on internal combustion engine vehicles.	No announced registration ban on internal combustion engine vehicles.	Light commercial vehicle fossil-fuel registration ban from 2030. Fossil fuels in road transport -50% by 2035. Full fossil exit from road transport by 2045.
2050 direction	Road transport predominantly electrified; hydrogen for heavy transport.	Road transport predominantly electrified; hydrogen/biofuels for remaining rail.	Economy-wide climate neutrality; transport GHG -64% vs 1990 under additional measures scenario by 2050.

[19] Updated National Energy and Climate Plan to 2030 (Estonia)
[20] Updated National Energy and Climate Plan 2021–2030 (Latvia)
[21] Final Updated National Energy and Climate Action Plan 2021–2030 (Lithuania)
[22] Mobility Strategy and Multimodal and Intermodal Freight Transport

4. Target setting

4.1 Science-based approach

Based on SBTi guidance, targets can be set on an absolute basis (tCO_2e) or an intensity basis (gCO_2e/pkm for passenger transport and gCO_2e/tkm for freight). For land transport, targets should be set on a Well-to-Wheel (WTW) basis, meaning they cover both Tank-to-Wheel emissions (tailpipe emissions while driving) and upstream Well-to-Tank emissions (emissions from producing the fuel or generating the electricity for vehicle charging). **Therefore, please note that transport electrification can shift emissions from fuel use to electricity supply, not "delete" the emissions altogether. Using a WTW approach ensures you reduce total emissions, not just move them between scopes.** Therefore, to maximise impact, fleet electrification should be paired with renewable electricity procurement, especially when the company operates or controls charging infrastructure.

How to set Scope 1 and Scope 2 road transport targets

Scope 1 and Scope 2 targets should be set following the general target-setting approach described in the general guidelines. These are the main targets for companies operating their own (controlled) vehicle fleets.

How to set Scope 3 road transport targets (SBTi Transport tool aligned)

This section applies when your main road transport emissions sit in Scope 3, typically because you purchase / sell (including rent) transport services rather than operate the vehicles yourself. For car manufacturers, the manufacturing target setting approach will apply and, as a consequence, impact target setting of transport users.

1) Pick your category and set the boundary

First, identify where your transport emissions happen. For most businesses, this falls into two categories:

- **Upstream (Category 4):** Transport and logistics of goods you buy or materials being delivered to you.
- **Downstream (Category 9):** Transport and logistics of products you sell which are being delivered to your customers.

For car rent companies **Downstream leased assets (Category 13) will apply:** Use of vehicles you have rented to your customers.

Note: Remember to include Well-to-Wheel (WTW) emissions.

2) The minimum inputs you need for target setting

- **Base year data:** Your total emissions in tonnes of CO2e and the amount of your total activity (e.g. how many passenger kilometres or tonne-kilometres have been transported).
- **Vehicle Mix:** The split between Light Commercial Vehicles (Vans), Medium Trucks, Heavy Freight Trucks, or Passenger Cars (including buses, light duty vehicles, 2-3 wheelers).
- **Target year activity:** Your expected growth or reduction in shipping volume (tonne-km or passenger km) for 2030 or 2050.
- **Pathway intensity:** The reference carbon intensity gCO2e/tkm for your vehicle type(s) – see Tables 4 and 5 providing intensity indicators which are aligned with the SBTi sector-specific pathway.

3) Calculate Your Target

In transport, targets are set based on emission intensity (how "clean" each travelled kilometre is), calculate your base year emissions:

$$Intensity = Emissions_b \div Activity_b$$

Where **$Emissions_b$** are base year emissions and **$Activity_b$** is base year activity level, passenger kilometres or tonne-kilometres.

1. Take pathway intensity for the target year – I_t (by vehicle mix). See Tables 4 and 5 to see SBTi intensity targets for road transport.

2. Convert to absolute target emissions:

$$Emissions_t = I_t \times Activity_t$$

Where **$Emissions_t$** are target year emissions and **$Activity_t$** is target year activity level. This represents your "Carbon Budget" for the target year. If your business grows (higher Activity), your intensity must drop even faster to keep absolute emissions in check.

4) Understand by how much intensity should decrease each year

The speed of reduction depends on your business activity and the type of vehicles your subcontractors use. You can assess the required average annual reduction based on the data in Tables 4 and 5 and use it as a guide to see if your logistics providers sufficiently support your decarbonisation measures.

Tables 4 and 5 list emission intensity targets for both below 2 degree scenario (B2DS; Table 4) and the more ambitious 1.5°C trajectory (Table 5) as per the Paris Agreement.

Table 4. Road Transport Intensity Pathways (WTW), B2DS

Road transport category	Unit	2025	2030	2040	2050
Freight - 2-3 Wheelers	gCO2/tkm	486.90	441.79	281.29	16.18
Freight - Heavy freight trucks (HFT)	gCO2/tkm	62.81	54.18	36.51	23.29
Freight - Light commercial vehicles	gCO2/tkm	364.96	317.71	227.63	161.13
Freight - Maritime	gCO2/tkm	7.34	6.22	4.35	3.06
Freight - Medium freight trucks (MFT)	gCO2/tkm	86.08	77.90	59.65	44.62
Freight - New heavy freight trucks (HFT)	gCO2/tkm	1027.23	921.92	727.37	594.49
Freight - New light commercial vehicles	gCO2/tkm	199.09	174.38	133.94	99.15
Freight - New medium freight trucks (MFT)	gCO2/tkm	701.70	627.92	493.57	397.69
Freight - Rail	gCO2/tkm	10.94	8.45	4.11	2.12
Passenger - 2-3 Wheelers	gCO2/pkm	38.58	33.97	18.48	2.05
Passenger - Buses	gCO2/pkm	72.53	61.08	41.99	27.00
Passenger - Light duty vehicles	gCO2/pkm	117.31	97.01	66.76	42.92
Passenger - Mini-buses	gCO2/pkm	1198.09	1192.99	1134.32	1057.16
Passenger - New light duty vehicles	gCO2/pkm	141.59	130.26	99.29	73.91
Passenger - Non-urban rail	gCO2/pkm	13.69	10.81	5.26	2.10
Passenger - Rail transport (total)	gCO2/pkm	14.80	11.53	5.47	2.28
Passenger - Total large road vehicles (buses & mini-buses)	gCO2/pkm	34.96	29.81	20.48	12.89
Passenger - Urban rail	gCO2/pkm	19.61	14.49	6.21	2.83

Table 5. Road Transport Intensity Pathways (WTW), 1.5°C trajectory

Road transport category	Unit	2025	2030	2040	2050
Freight - 2-3 Wheelers	gCO2/tkm	439.29	385.90	6.87	0.30
Freight - Heavy freight trucks (HFT)	gCO2/tkm	59.07	48.20	27.23	12.19
Freight - Light commercial vehicles	gCO2/tkm	350.24	297.67	198.91	126.47
Freight - Maritime	gCO2/tkm	7.07	5.85	3.72	2.24
Freight - Medium freight trucks (MFT)	gCO2/tkm	82.11	70.50	47.04	26.92
Freight - New heavy freight trucks (HFT)	gCO2/tkm	981.73	849.22	635.96	521.16
Freight - New light commercial vehicles	gCO2/tkm	187.63	154.64	80.47	29.98
Freight - New medium freight trucks (MFT)	gCO2/tkm	669.44	575.46	402.06	265.97
Freight - Rail	gCO2/tkm	10.28	7.79	3.06	-0.04
Passenger - 2-3 Wheelers	gCO2/pkm	34.77	29.30	3.56	-0.13
Passenger - Buses	gCO2/pkm	26.60	21.64	12.15	4.37
Passenger - Light duty vehicles	gCO2/pkm	115.24	92.49	51.30	17.44
Passenger - Mini-buses	gCO2/pkm	55.15	46.85	28.33	11.04
Passenger - New light duty vehicles	gCO2/pkm	134.31	118.22	64.01	27.90
Passenger - Non-urban rail	gCO2/pkm	12.59	9.17	3.10	-0.62
Passenger - Rail transport (total)	gCO2/pkm	14.15	10.48	3.59	-0.90
Passenger - Total large road vehicles (buses & mini-buses)	gCO2/pkm	34.38	28.46	16.48	6.04
Passenger - Urban rail	gCO2/pkm	19.05	13.62	4.40	-0.39

For more information you may also see SBTi Land Transport Science-Based Target-Setting Guidance by the SBTi, and the European Climate Law-aligned EU sectoral decarbonisation pathways.

4.2 Key emission reduction measures

Depending on the type of entity as highlighted above, there are several recognised decarbonisation measures that companies are recommended to implement[23]. First, when it comes to the fleet and fuel management, the following mitigation measures can be considered:

- Increased efficiency of transport fleet use (more efficient driving with lower fuel consumption, smart route planning and optimisation, timely maintenance of vehicles, etc.). This may require targeted engagement of the employees ensuring necessary training and incentives for them to use the fleet more efficiently;
- Electrification of the fleet (incl. electrification of so-called last-mile services) and/or transitioning to lower-emission alternatives (e.g., bio-LNG trucks, CNG-powered vehicles or other alternative fuels that create less emissions than petrol and diesel);
- Usage of sustainably produced biofuels in existing fleets until transition to zero-emission vehicles is possible[24], for instance, use of biofuel feedstocks in line with SBTi FLAG guidelines (e.g. sustainable land management), drop-in fuel solutions such as renewable diesel (HVO) that works in existing engines without modification[25], or advanced biofuel production using only specific feedstock, e.g., used cooking oils, waste lipids, residual biomasses, wastes and their derived bio-intermediates (RED II)[26];
- Use of multimodal transportation[27],[28] – e.g., transport combinations with lower environmental impacts (i.e. modes which are less carbon-intensive and have lower pollutant emissions for instance, combining road transport with rail to decrease overall emissions), and
- Decarbonisation measures can be significantly accelerated through strategic partnerships that help reduce upfront capital costs. For example, transport companies and other businesses having significant fleets may collaborate with vehicle manufacturers, leasing providers, and battery suppliers to secure flexible leasing arrangements, battery-as-a-service models[29], or long-term battery warranties that can lower financial risk; working with technology and telematics providers to optimise route planning and increase efficiency of vehicle use; collaborating with infrastructure operators and energy companies to enable co-investment in charging infrastructure or shared depot charging[30].

[23] TPT Sector Summary
[24] Biofuels for transport
[25] Fuelling the Future: How Business, Finance and Policy can Accelerate the Clean Fuels Market
[26] Advanced biofuels
[27] Multimodal and intermodal freight transport - Mobility and Transport
[28] Freight transport activity | Sustainability of Europe's mobility systems 2025
[29] Battery-as-a-Service (BaaS) and EV battery swapping
[30] Charging infrastructure

Second, promotion of renewable energy solutions for road transportation by purchasing off-grid renewable energy and/or investments in on-site renewable energy power sources should be considered as meaningful levers to improve the sector's operational sustainability.

Third, engagement of external cooperation partners – e.g., your logistics partners if you purchase the service externally. Through close cooperation with your suppliers and carriers, you can introduce lower-emission modes of transportation; you may even set supplier engagement targets based on SBTi guidelines and together achieve decarbonisation in both companies' operations.

Last but by no means least, an integral component to mitigating climate impact of the sector comes from enhancing infrastructure and technological advancements – expanding electric vehicle charging and/or hydrogen refuelling infrastructure, electrification of the railway system, and establishing long-term partnerships with utilities and energy suppliers to increase supply of electricity and zero-GHG emissions fuels. These are activities mostly implemented on the national level, however, the businesses may put pressure on decision-makers to improve the infrastructure for more sustainable mobility.

5. Important questions

Key questions you should be able to answer your financial partner (a bank, investor, etc.) or other cooperation partners:

- **Where you are now:** What is the annual amount of transport activity for your company (tkm, pkm)? What is the composition of your fleet (types of vehicles, fuel used, age of the vehicles)? What share of your fleet operates on fossil fuels? What part of the fleet is electrified? What type of renewable fuels do you use in your fleet? (If your company uses external transport services – what type of transport is used for your logistics? Have you had discussions with your supplier on that?) Has your entity set any internal goals and/or follows external transport-related climate or efficiency targets? Are there any customer demands or other requirements for greener transport solutions (e.g., the necessity to ensure deliveries to zero emission zones pressurising to adjust the fleet)?
- **Where do you see the largest improvement opportunities:** Which transport technologies does your entity see as the most promising for its business (e.g. EVs, biofuels, hydrogen-powered vehicles, other alternative technologies)? What are the facilitating or hindering factors affecting transformation of your fleet (or requiring your logistics partners to ensure respective modes of transport)?
- **How do you plan to achieve them:** What is the expected pace of your fleet transition to more climate-friendly vehicles? When do you expect to have 100% zero-emission fleet or the desired proportion of zero-emission vehicles in your fleet? How will you ensure use of RES to power the fleet? Have you also considered the EU Taxonomy requirements for transport which include other environmental aspects, not only climate-related ones? What challenges or opportunities do you see going towards alignment to the EU Taxonomy criteria for your fleet?
- **What investment do you need to complete that:** What level of investment will be required to upgrade and/or replace your current fleet? Are there any infrastructure needs that might require additional funding (e.g. charging, maintenance, IT systems)? How does your entity expect for the operational costs to change during this transition? What funding sources do you plan to use? What type of investment does your entity explore to support the transition (e.g. grants, subsidies, partnerships)? How do you expect these investments to impact your operations and finances?

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