European Fleet Emission Monitor by Alphabet

Fleet Manager Survey: Insights and Perspectives

Introduction

Sustainability and reducing carbon emissions have become pressing concerns for businesses and governments worldwide. In Europe, the transportation sector is one of the leading contributors to carbon emissions, accounting for approximately 15% of all CO_2 emissions annually and with around 12 million cars registered every year. Over the next decade this number is expected to even increase to around 100 million cars, making the corporate channel then the primary contributor to carbon emissions. With the B2B sector now overtaking the private channel as the most significant contributor, businesses have a responsibility to act towards reducing their carbon footprint. As one player in the industry, Alphabet recognises its role in reducing CO_2 emissions emitted by the B2B sector and contributing to a more sustainable future.

To gain insights into current practices and attitudes towards sustainability and CO_2 emissions, Alphabet conducted a corresponding survey of fleet managers: The European Fleet Emission Monitor (EFEM). In this survey, Alphabet asked more than 700 decision makers responsible for managing company fleets in 12 different countries and various business sectors. The companies included in the survey ranged in size from those with fewer than 500 employees to those with over 1,000. The fleets themselves also varied in size, with some consisting of more than 100 cars and others with more than 10.

"Our goal was to gain a better understanding of how these fleet managers were considering the effects of carbon dioxide emissions on their fleet planning", says Markus Deusing, CEO Alphabet International. The results were clear: "There is a significant need for a comprehensive tool to measure and reduce CO_2 emissions in order to achieve sustainability goals. We as mobility provider understand that we have a task, and we take it. Alphabet is developing a new monitoring tool which will help fleet managers make sustainable and economical decisions."

This report highlights the growing importance of sustainable practices in the corporate world, particularly regarding transportation. By identifying the need for a more holistic approach to managing fleet emissions, decision makers can begin to take more proactive steps towards reducing their company's carbon footprint.


Markus Deusing, CEO Alphabet International

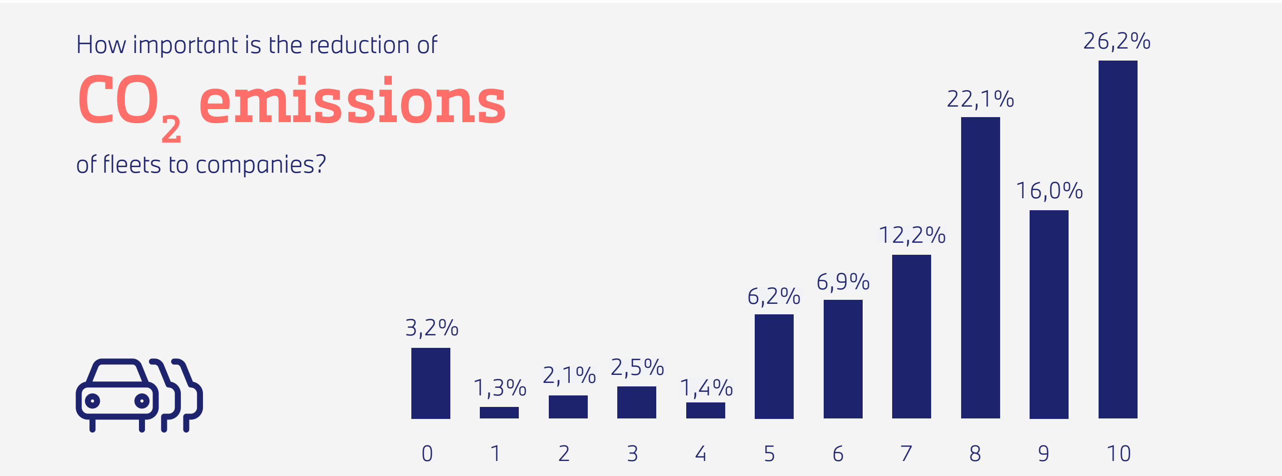
In addition, starting from January 1st, 2024, companies will be required to comply with the Corporate Sustainability Reporting Directive (CSRD) and submit reports to the EU on their sustainability goals and progress. This new directive aims to encourage companies to act towards improving sustainability practices. As the deadline for compliance draws closer, it is imperative for companies to take proactive measures to ensure they are well-prepared to meet these reporting requirements. It's every organisations' responsibility to contribute to a more sustainable future – Alphabet is on their side, all along the way.

Given that, the EFEM serves as a timely wake-up call for companies to take charge and begin monitoring their emissions. It stresses the need for companies to prioritise sustainability and take significant steps towards achieving their goals.

Sustainability Takes Center Stage: Potential Deal-breaker in Today's Fleet Business Landscape

Almost 61% of the surveyed companies have sustainability as a consideration when planning their fleets. This indicates that sustainability is becoming an increasingly important factor in the business world. In fact, 60% of Alphabet's customers recognise sustainability as a key aspect of making business decisions. However, while 38% of customers acknowledge sustainability's importance, they don't always make it a top priority when making decisions. Interestingly, only 9.6% of companies completely disregard sustainability when making company-wide decisions. Despite the promising numbers, the study also found that one of the biggest hurdles towards sustainability is monitoring CO_2 emissions from fleets.

> Sustainability concerns are given considerable weight by most of the Swedish companies surveyed when making business decisions. Sweden also stands out for having the highest level of agreement on the crucial nature of reducing CO_2 emissions.



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Spot on: Electrification

94%

see challenges in electrifying their fleet.

37,7% range

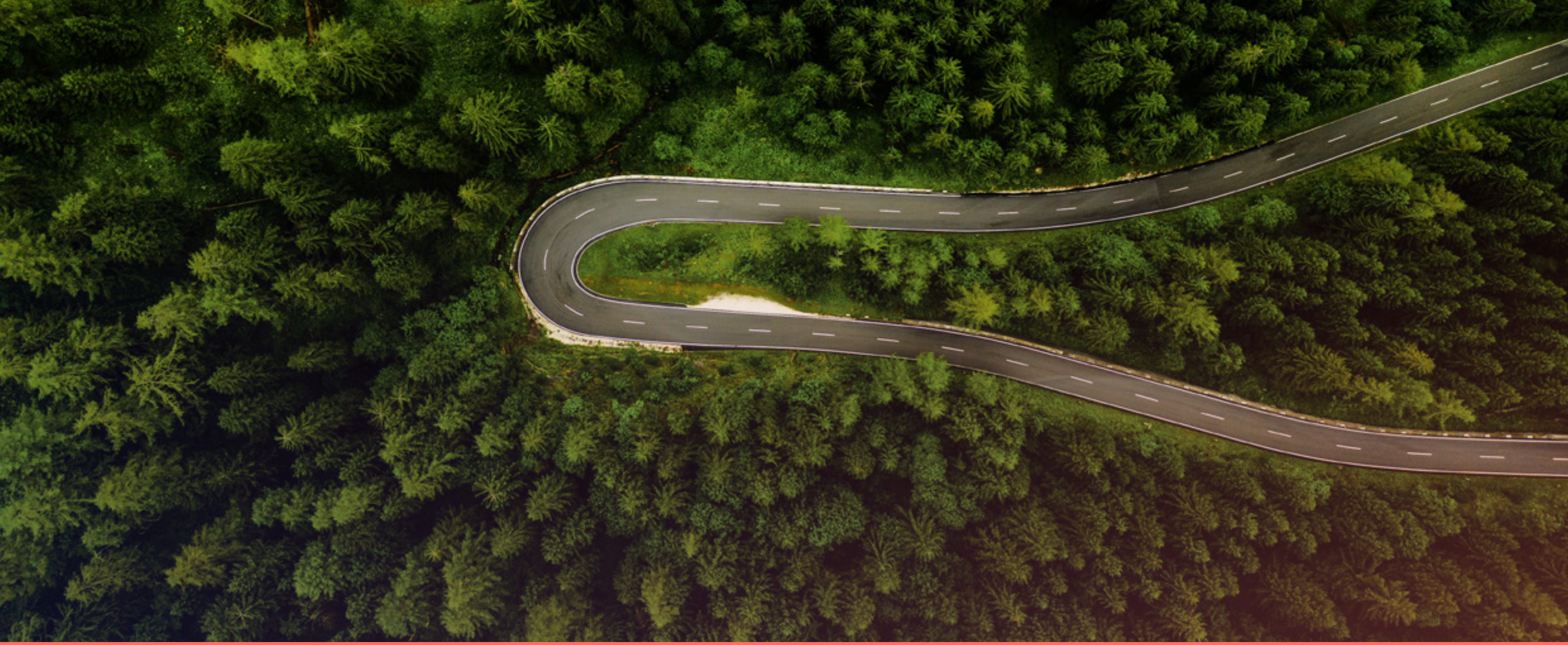
35,7% infrastructure

6,8% employee reluctance

5,2% implementation costs

According to the EFEM's findings, customers view electrification as a critical step towards achieving sustainability. A significant majority of more than two thirds (69.1%) believe that their fleet will eventually become fully electrified. A noteworthy 30% of these customers expect their fleet to be completely free of petrol or diesel vehicles within the next six to ten years, and 21% believe this change will occur within the next three to five years.

However, the survey results indicate that significant obstacles must be overcome to achieve a fully electrified fleet. Approximately 94% of fleet managers surveyed see still major challenges on the road to electrification. The two most significant issues are range (37.7%) and charging infrastructure (35.7%). Another challenge is employee reluctance to switch from petrol and diesel vehicles, which was cited by 6.8% of respondents.



Numbers Don't Lie: Why Monitoring is Essential for Companies to Succeed

Companies striving to reach their targets must have a firm grip on their numbers – and there's no better way to keep tabs on their progress than through monitoring. However, according to the EFEM, almost one fifth of the companies surveyed have yet to grasp the importance of monitoring and are clueless about the CO_2 emissions of their fleets. Without this vital information, they have no way of knowing if they've achieved their goals or what measures to adjust to reach them. In contrast, a mere 37% of companies currently monitor their emissions.

Despite this, the EFEM survey reveals that an impressive 83.4% of Alphabet customers recognise the significance of reducing their fleet's CO_2 emissions. In fact, more than half of these forward-thinking customers (50.9%) have already set concrete CO_2 reduction goals, with over one third planning to achieve these targets within the next two to five years.

> "Only those who know their own status quo will achieve future goals." – Markus Deusing

50,9%

of the companies surveyed have set concrete CO_2 goals in the future.

But only **37,3%**

of companies already monitor their emissions.

In France, there's an equal number of respondents keeping track on their carbon footprint as those who have set specific CO_2 targets. In other countries, the intersection between monitoring carbon emissions and having a clear plan to cut them down is notably lower.

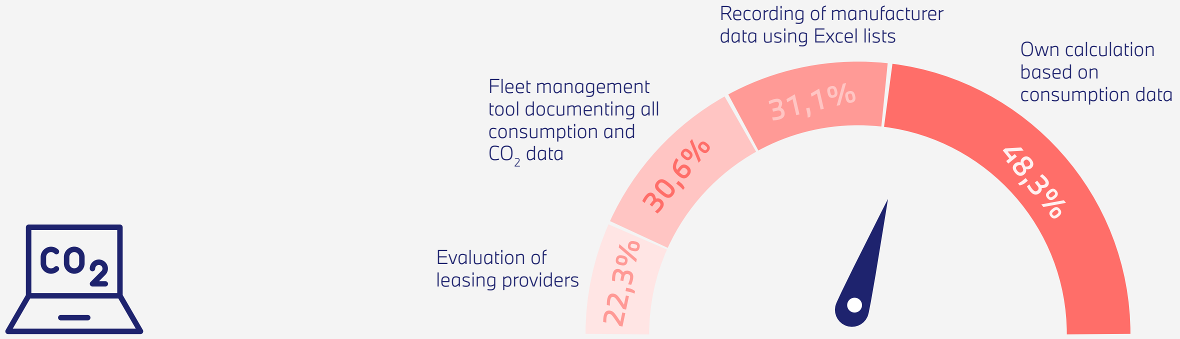
Gain the Competitive Edge with Real-time Data Monitoring and Analysis

When it comes to monitoring, a significant number of responsible parties (48.3%) are left without a suitable solution and must rely on their own calculations based purely on consumption data. Another third (31%) turn to manufacturer data that's been gathered and stored in old-fashioned Excel spreadsheets. But for those who prefer to stay on top of things, they're using cutting-edge fleet management tools to document their energy consumption and CO_2 emissions data. Only a small fraction (22%) opts to use evaluations from leasing providers to track their energy usage.

To achieve its goal of becoming climate-neutral by 2050, the European Union has set a target for the CO_2 fleet value at 95 g/km for all vehicles and manufacturers. However, the pressure is on for companies to reduce emissions even further. By 2025 and 2030, new vehicles are required to reduce average CO_2 emissions by 15% and 37.5% respectively compared to 2021 levels. It is a challenging task, but a necessary one to ensure a more sustainable future for all.

> "Time is short and new regulations are coming soon. Companies need to act now." – Markus Deusing

How fleet **managers monitor CO_2 emissions** of their fleets.



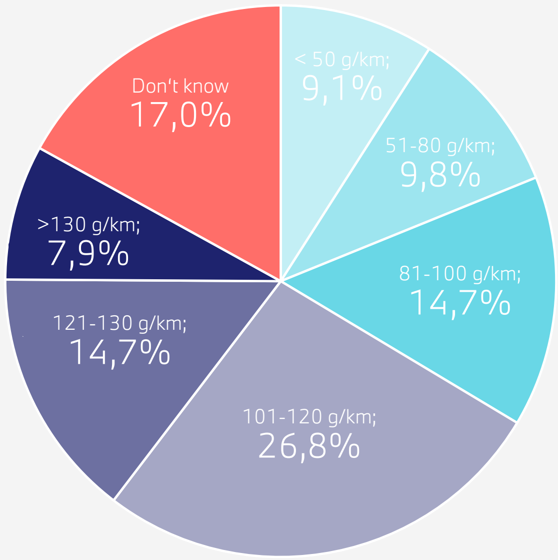
Survey Shows Alarming Gap in European Companies' CO_2 Emission Targets

It's astonishing to note that out of all the companies surveyed, only one third have managed to achieve an average CO_2 emission value below 100 g/km – a feat that almost meets the EU benchmark of 95 g/km. This means that most European companies, which is nearly 50%, are unable to meet this goal. These companies have a CO_2 emission value that ranges from 100 g/km up to 130 g/km, putting them at risk of incurring severe fines.

It's clear that there's still much work to be done to address this issue and ensure that more companies are able to adopt sustainable practices.

Only 50% of respondents in Germany and France hold the belief that their fleet will eventually consist entirely of electric vehicles.

Only one of three corporate fleets have an average CO_2 emission value **below 100 g/km**.



Knowledge is Power: Understanding Emissions Critical to Reaching CO_2 Targets

The EFEM has revealed a critical gap in the fleet management sector – the absence of a comprehensive tool for accurately measuring and reducing CO_2 emissions. This tool is crucial for achieving sustainability objectives, as fleet managers currently lack a solution that facilitates precise measurement of emissions, which is necessary for effective reduction. Alphabet acknowledges that companies cannot achieve their CO_2 targets without a suitable tool that identifies their baseline CO_2 emissions. This data is essential for taking meaningful steps towards CO_2 reduction.

Alphabet is taking the initial step by offering a system that enables fleet managers to obtain an accurate assessment of their current situation and take appropriate measures. To this end, the mobility provider is collaborating with a CO_2 accounting partner to create a new monitoring tool. With this upcoming innovation fleet managers will be empowered to make informed decisions that strike a balance between economic efficiency and sustainability. This system will assist companies in achieving their sustainability targets within their preferred timeframe, or possibly even earlier.

According to the EFEM survey, sustainability has become an increasingly important factor in the decision making process, indicating a significant shift in economic thinking over the past few years. Fleet planning is an excellent illustration of the difficulty in achieving a balance between economic efficiency and profitability while adhering to a sustainability-focused business model. However, partnering with Alphabet as a robust partner can facilitate the integration of success and sustainability. This new solution will enable companies to monitor their fleet's CO_2 emissions, allowing them to provide customers with optimal solutions, shape their future of mobility – and make their mobility easy.