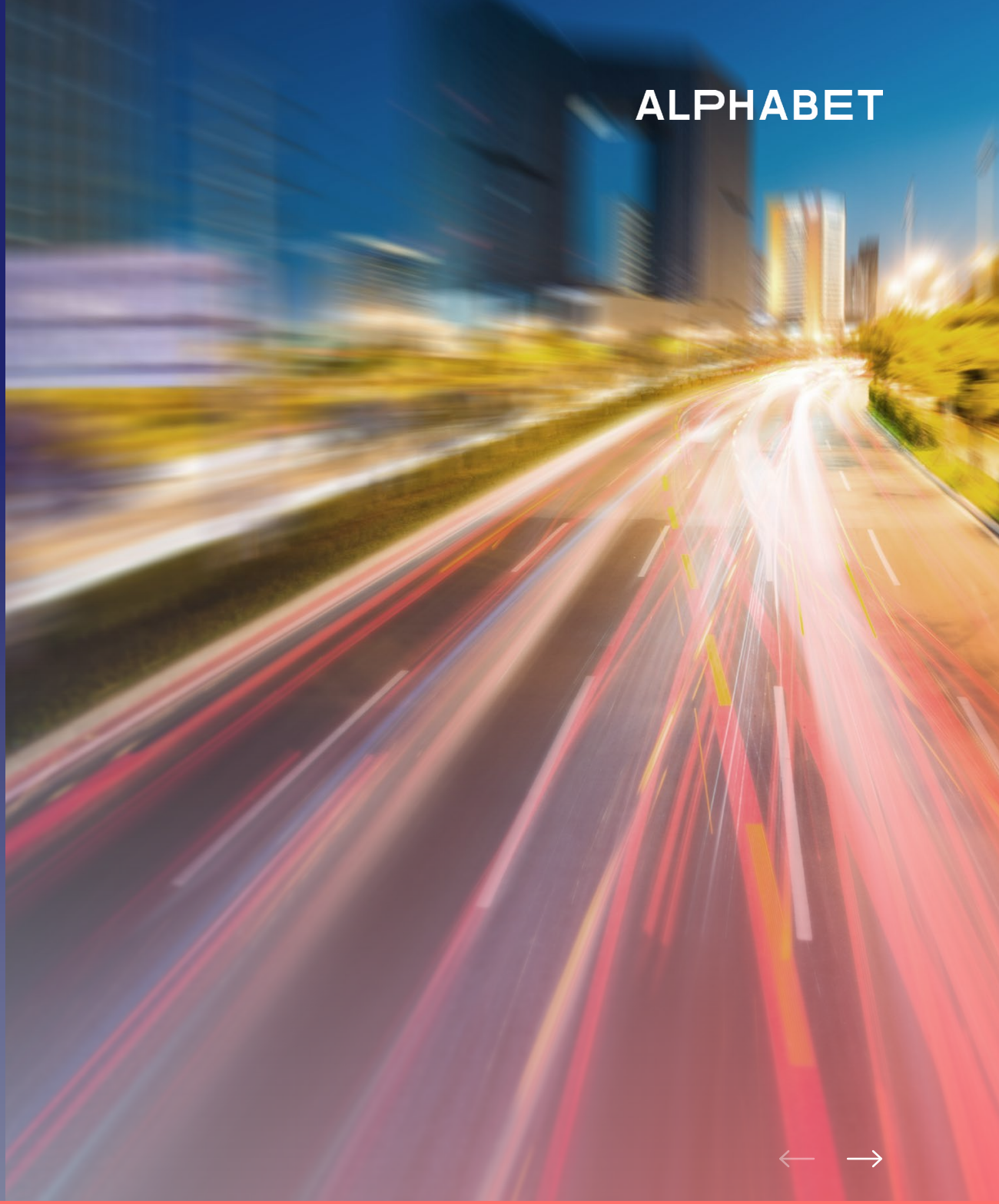
European Fleet Emission Monitor 2024

Fleet Manager Survey:
Insights and Perspectives

05|2024



Introduction

The European Union's (EU) Green Deal has established a definitive trajectory towards achieving climate neutrality by the year 2050, setting forth fresh obligations for businesses. From January 2024, with a firm deadline by 2026, enterprises will be required to publicly report their sustainability efforts and implement reductions in their CO_2 emissions, depending on their number of employees. This directive necessitates a fundamental transformation in the approach to fleet management. For companies to thrive under these new regulations, it is imperative that they swiftly adopt and integrate strategies to transition to environmentally sustainable fleet operations.

Alphabet is keen to assess the advancement of companies on their "Road to Sustainability". The question arises: are these companies adequately equipped to calculate the carbon footprint of their fleets and make data-driven decisions to methodically decrease their emissions over time?

That is why we have once again reached out to fleet managers both within the EU and in non-EU countries like Switzerland and the UK to understand their approach to sustainable practices. The necessity for such measures is partly due to EU regulations requiring customers to monitor and report their emissions, which has a knock-on effect for supply chain partners. However, the reasons for adopting sustainable practices are diverse, ranging from a sense of global environmental duty to the allure of cost reductions and preparing for similar policies that might emerge in their own regions. What other factors are influencing these managers to focus on sustainability? Delve into our survey insights to find out.

In the latest edition of the European Fleet Emission Monitor (EFEM) by Alphabet, insights from over 1,000 fleet managers across 12 countries and multiple sectors have been collected. The results underscore the significance of sustainability in managing fleets. However, as companies strive to put these principles into practice, a wave of disillusionment is appearing. They encounter a range of obstacles hindering their progress towards cutting CO_2 emissions, from the complexities of digital transformation and precise emission tracking to the establishment of environmental goals and the adoption of e-mobility.

This challenge is further compounded by the evolving regulatory landscape. Currently, CO_2 emission limits range between 95 g/CO_2 km and 115 g/CO_2 km, depending on the size of the fleet. However, the EU anticipates a two-phase reduction in these thresholds: a 15% decrease from the 2021 levels between 2025 and 2029, followed by a 37.5% reduction starting in 2030.

Recognising the tight time frame companies face, the EFEM stands as a strategic touchstone. It is designed to help companies in navigating the complex landscape of sustainable fleet management in Europe by identifying key challenges and presenting opportunities for innovation and improvement.

With best wishes,
Markus Deusing, CEO Alphabet International

Turning ambition into action:
implementing sustainable corporate fleets in Europe

The survey indicates varied priorities regarding sustainability: 46%* consider it a crucial factor in corporate decision making (a decrease from 51% in 2023), while 41% acknowledge its importance but do not always prioritise it (38% in 2023). When looking at fleet management however, sustainability continues to climb the corporate agenda, with 64% of European companies citing the development of a sustainable vehicle fleet as a strategic priority – a slight increase from the 61% reported in 2023. Despite a growing interest in sustainability, it is surprising to note that over half of fleet managers (56%) do not consider the Corporate Sustainability Reporting Directive (CSRD) as a major incentive to improve their sustainability measures, particularly in terms of collecting CO_2 emission data.

Regional Perspectives on Fleet Sustainability:

- BEL Belgium leads with 89% of companies prioritising sustainability in fleet planning.
- DE Germany follows, with 66% of companies acknowledging its importance.
- ESP Spain shows more room for growth, with 43% of companies considering it a priority.

Surge in Climate Commitment in Italy:

A look at Italy reveals a notable surge in the commitment to climate objectives among European Union nations. There, a substantial 60% of decision-makers now regard the reduction of their fleet's CO_2 emissions as especially crucial, which represents a substantial increase of 16 percentage points compared to the previous study.

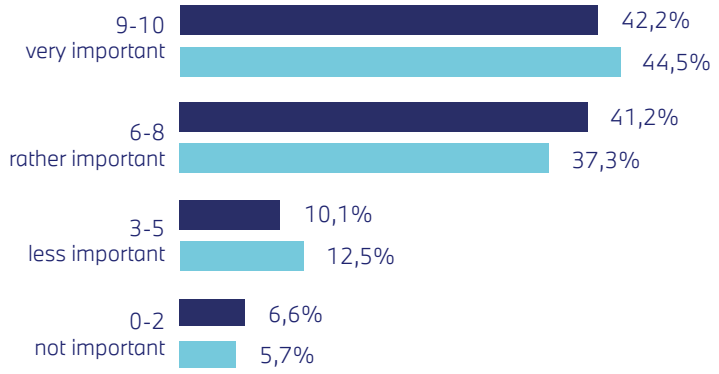
Companies understand that a key element in realising a sustainable fleet is the reduction of the CO_2 footprint. In Europe, a significant 80% of companies deem initiatives to cut greenhouse gas emissions as crucial. Notably, those who rank this as "very important" have increased by 2 percentage points to 44% since 2023, indicating a growing commitment to environmental responsibility.

**all EFEM results rounded*

How important is the reduction of

CO_2 emissions

of your fleet to your company?



2024 Sample: n=1043
(Number of participants in the survey)
2023 Sample: n=711

Navigating the path towards sustainability

Despite a common desire to address climate concerns, many companies are still figuring out how to begin their journey towards sustainability. The evidence shows that there's some hesitation to put in place solid steps to cut down CO_2 emissions. Only a little more than half of the companies (52%) have set specific sustainability goals, indicating that there's work to be done in moving from good intentions to real-world action (51% in 2023). Nearly 4 in 10 companies are getting ready to launch their sustainability goals by the next five years, showing real commitment to change. At the same time, a smaller group, about 1 in 7, are planning even further out, giving themselves more than six years to meet their objectives. Yet, 43% of businesses in Europe haven't set any targets at all, a minor improvement from 44% in the previous year. With EU regulations demanding reduced car emissions by 2025, these companies need to start making plans soon, or they could be left behind.

Country-Specific CO_2 Targets

Looking at different countries, we see that some are not as far along in setting climate goals. In Spain, for instance, 52% of companies still don't have plans to cut CO_2 emissions, which is more than in most other European countries.

51,7%

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

However, only **42,4%** monitor their emissions.

Seeking tools
for making CO_2 emissions transparent

A big hurdle to making progress is getting fleet management to go digital. This is important to measure CO_2 properly and figure out how to lower it. But managing a fleet can be really tough and complex without the right technology. The survey found that 37% of businesses struggle to combine different digital tools in their everyday work. Also, a quarter of the companies find it hard to make sense of the data they collect.

Tracking emissions allows businesses to actively work towards meeting the CO_2 targets set by the EU, helping to reduce their environmental footprint. As of now, 42% of the companies in the survey keep tabs on their fleet's CO_2 emissions, which is a small increase from the 37% recorded in 2023. Among those monitoring, 1 in 3 (35%) have successfully kept their fleet's average emissions under 100g/km, a statistic that is nearly the same as last year's. However, 44% of these companies still report emissions over 100g/km, although this figure has dropped by 6% since 2023.

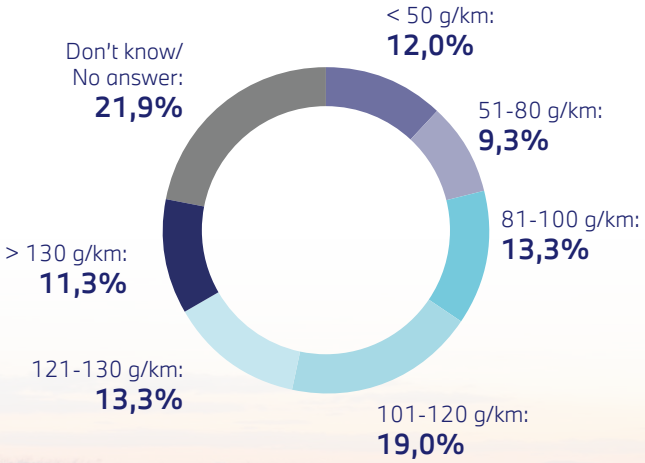
On the other hand, around 22% of companies are still not able to report the specific CO_2 emissions of their fleet, which is an increase of even 5% from 2023.

> Companies must be aware of their fleet's current CO_2 emission levels to achieve ongoing reduction. Without this knowledge, they risk falling short of future EU regulatory standards.
>
> **Markus Deusing,**
> **CEO Alphabet International**

Approximately, what is the average

CO_2 emissions

of your fleet?

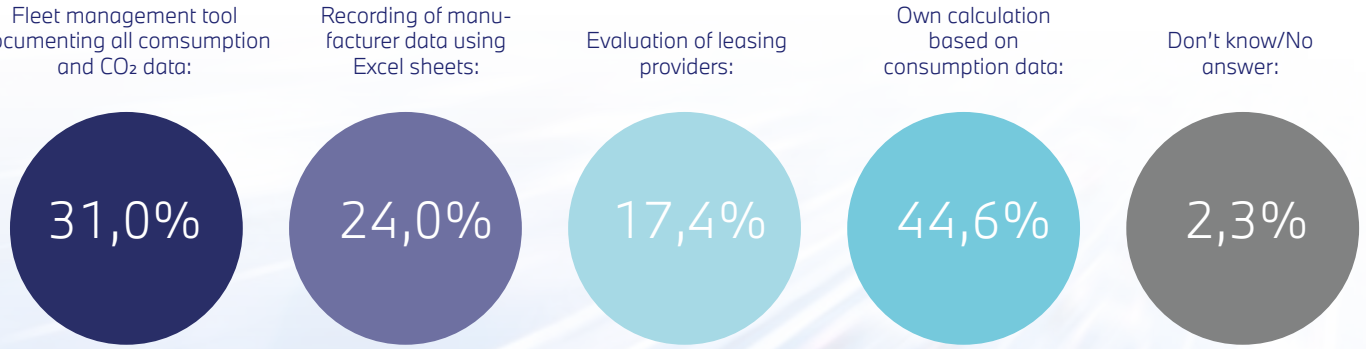


Time is ticking:
driving sustainable decisions with reliable data

When it comes to monitoring and analysing CO_2 emissions, businesses employ diverse tools and strategies. As of now, only 31% of companies are using digital fleet management systems to handle this crucial responsibility.

> A dedicated tool for monitoring and calculating CO_2 emissions empowers fleet managers to make sustainable decisions and to implement measures to reduce CO_2 emissions. It further allows companies to effectively integrate this data into their sustainability reports.
>
> **Markus Deusing,**
> **CEO Alphabet International**

How do you monitor the CO_2 emissions of your fleet?



E-mobility:
staying on track despite challenges

Despite the opportunity to significantly reduce CO_2 emissions through e-mobility, still a surprising 44% of fleet managers feel inadequately informed to make the switch, however a modest dip from the previous year's 51%. This hesitation is often due to the complexities of identifying which company cars can be feasibly converted to fully or partially electric, depending on specific use cases and employee needs. In such scenarios, the support of a partner specialising in e-mobility consulting can be crucial. They can provide bespoke advice and help develop a tailor-made strategy that best suits companies and employees, making the transition smoother and more effective.

Charging infrastructure continues to be a significant barrier in the transition to electric fleets for 1 in 3 fleet managers, mirroring the 36% who felt the same in 2023. Additionally, concerns over vehicle range have intensified, now troubling 41% of managers, marking a 4% rise since 2023.

Despite these challenges, a solid majority (62%) of European companies are steadfast in their plans to electrify their fleets. This commitment, however, has seen a slight decline of 7 percentage points from the previous year's figures.

E-Mobility Knowledge Deficit by Country:

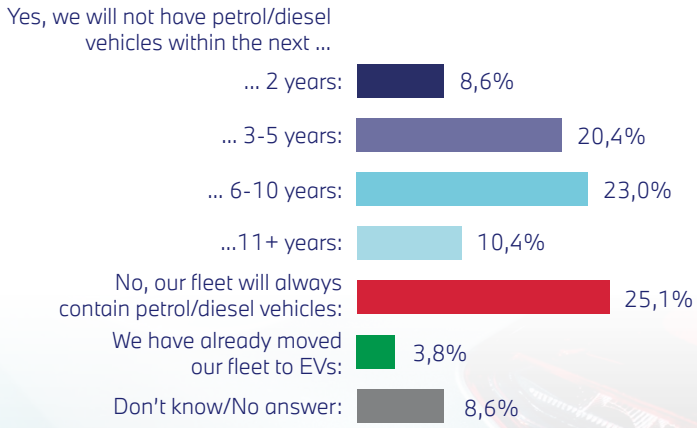
- ESP Spain leads with 59% of fleet managers citing significant informational shortfalls.
- DE Germany follows at 45%, indicating a need for enhanced e-mobility understanding.
- PL Poland's fleet managers are close behind with 44% recognising gaps in their e-mobility knowledge base.

Electric Fleet Outlook example Belgium:

A remarkable 89% of decision-makers in Belgium hold the conviction that their fleets will eventually become fully electric. This represents a slight dip of 2% from 2023's optimism levels.

Nonetheless, Belgium boasts a positive trend: nearly 60% of its companies have fleets managing to keep average CO_2 emissions under 100 g/km, reflecting a significant 27 percentage point surge since 2023.

Do you see your fleet made up of electrified vehicles (EVs) in the future?



Key Findings

- **Sustainability** stands out as a **top priority** in European fleet management – of course, independent of any obligations stemming from the Corporate Sustainability Reporting Directive (CSRD).
- However, it is rather surprising that for 56% of the respondents the **CSRD** has **not influenced** the importance of sustainability in their fleet planning, when considering that, at the same time, 44% of companies have average CO_2 emissions in their fleet of over 100 g/km.
- Although **digitalisation is key**, numerous companies continue to struggle with implementing digital fleet management and data analysis.
- In a concerning trend, 22% of companies – a 5% increase since 2023 – **can't pinpoint** their fleet's **CO_2 emissions** due to insufficient digitalisation.
- In an upbeat turn, only a third of companies have embraced digital tools to **actively measure and manage** their fleet's CO_2 emissions.
- Despite the roadblocks posed by charging infrastructure and electric vehicle range, a striking 62% of European companies are gearing up for a bold leap into the future, with plans to **transition** their **fleets to fully electric**.

Improvement through integration:
comprehensive solutions facilitate ongoing enhancement

The latest EFEM findings call for decisive actions towards further emission reduction, highlighting the transformative power of digitalisation and the shift towards electric vehicles (EVs) in modern fleet management. "Your mobility. Made easy." is not just a phrase at Alphabet. It is our commitment to delivering state-of-the-art solutions and tools in close partnership with our customers. Understanding that the path to significant CO_2 reduction requires nuanced strategies, we emphasise the value of tailored consulting. This becomes crucial in a landscape where fleet managers, much like skilled jugglers, are tasked with keeping multiple balls in the air – from mastering the nuances of e-mobility and CO_2 reduction strategies to managing financial discussions and ensuring employee satisfaction.

Measuring fleet CO_2 emissions becomes critical as the Corporate Sustainability Reporting Directive (CSRD) mandates disclosure of such data. It's vital to transition from seeing data collection as beneficial to recognising it as crucial. Taking an active stance in this area not only satisfies legal requirements but also highlights a genuine commitment to environmental responsibility. Step into the future of fleet management, where a digital fleet portal acts as a central hub, bringing together all the tools needed with a single sign-on, a serious boost for operational efficiency. And just on the horizon, artificial intelligence (AI) and connected car data stand ready to revolutionise the industry, providing fleet managers with powerful new ways to reduce their environmental impact even more. The road ahead is paved with smart tech, leading to a greener tomorrow.

Through this journey, Alphabet stands as a steadfast partner, recognising the intricate balancing act fleet managers perform daily. Our commitment extends beyond mere solutions; we are here to assist, understanding and addressing the multifaceted demands of modern fleet management. Alphabet supports fleet managers in their high stakes juggling act, ensuring not a single ball is dropped on the road to a more sustainable future.

ALPHABET

Appendix –
comparison results 2023
and 2024

How important is it for your company to reduce the CO_2 emissions of your fleet?	Europe 2023	Europe 2024	Annual variation
0 (not important at all)	3,2%	3,4%	0,1%
1	1,3%	1,0%	-0,3%
2	2,1%	1,3%	-0,8%
3	2,5%	1,9%	-0,6%
4	1,4%	2,0%	0,6%
5	6,2%	8,5%	2,3%
6	6,9%	6,2%	-0,7%
7	12,2%	12,4%	0,1%
8	22,1%	18,7%	-3,4%
9	16,0%	13,3%	-2,7%
10 (the most important)	26,2%	31,2%	5,0%

Has your company already set CO_2 goals for your fleet?	Europe 2023	Europe 2024	Annual variation
Yes, we have concrete goals outlined for allowed CO_2 emissions within the next 2-5 years.	38,3%	38,1%	-0,2%
Yes, we have concrete goals outlined for allowed CO_2 emissions within the next 6-10 years.	10,5%	11,0%	0,5%
Yes, we have concrete goals outlined for allowed CO_2 emissions within the next 11+ years.	2,1%	2,6%	0,5%
No, we have no concrete goals outlined for allowed CO_2 emissions.	44,0%	43,3%	-0,7%
Don't know / No answer.	5,2%	5,0%	-0,2%

Do you already monitor the CO_2 emission of your fleet?	Europe 2023	Europe 2024	Annual variation
Yes, we currently monitor the CO_2 emissions of our fleet.	37,3%	42,4%	5,1%
No, we do not currently monitor the CO_2 emissions of our fleet, but plan on implementing.	24,8%	18,9%	-5,9%
No, we do not currently monitor the CO_2 emissions of our fleet.	34,9%	35,2%	0,3%
Don't know / No answer.	3,2%	3,5%	0,3%

How do you monitor the CO_2 emission of your fleet? (Base: those that monitor CO_2 emissions)	Europe 2023	Europe 2024	Annual variation
Fleet management tool documenting all consumption and CO_2 data.	31,0%	30,6%	0,4%
Record manufacturer data using Excel sheets.	24,0%	31,3%	-7,3%
Evaluation of leasing providers.	17,4%	22,3%	-4,8%
Own calculation based on consumption data.	44,6%	48,3%	-3,7%
I don't know / No answer.	2,3%	4,9%	-2,6%

Approximately, what is the average CO_2 emission of your fleet? (Base: those that monitor CO_2 emissions)	Europe 2023	Europe 2024	Annual variation
< 50 g/km	9,1%	12,0%	2,9%
51 - 80 g/km	9,8%	9,3%	-0,5%
81 - 100 g/km	14,7%	13,3%	-1,4%
101 - 120 g/km	26,8%	19,0%	-7,8%
121 - 130 g/km	14,7%	13,3%	-1,4%
> 130 g/km	7,9%	11,3%	3,4%
Don't know / No answer.	17,0%	21,9%	5,0%

What role does sustainability play in your fleet planning?	Europe 2023	Europe 2024	Annual variation
Sustainability is the most important factor of us.	5,6%	5,4%	-0,3%
Sustainability is one of the most important factors among others.	45,3%	41,0%	-4,3%
Sustainability is something we are aware of and talk about but don't always take into consideration when making decisions.	37,7%	40,7%	3,0%
Sustainability is not a very important factor for us.	4,9%	7,0%	2,1%
We do not consider any sustainability at all when making decisions.	4,6%	4,2%	-0,4%
Don't know / No answer.	2,0%	1,7%	-0,2%

What role does sustainability play in your company's overall decision-making process?	Europe 2023	Europe 2024	Annual variation
It plays a big role in our fleet planning.	22,9%	24,8%	1,9%
It plays a part in our fleet planning.	37,6%	38,8%	1,3%
It does not currently play a role in our fleet planning, but we want to change that going forward.	27,8%	23,4%	-4,5%
It does not currently play a role in our fleet planning, and this is unlikely to change in the future.	9,6%	10,5%	1,0%
Don't know / No answer.	2,3%	2,4%	0,1%

An important sustainability factor for fleets is its electrification. How well informed do you currently feel about e-mobility (e.g., vehicles and ranges, charging infrastructure and billing, grants and allowances, etc.)?	Europe 2023	Europe 2024	Annual variation
I feel very well-informed.	13,8%	18,4%	4,6%
I feel well-informed.	33,3%	36,0%	2,6%
I feel partially informed.	36,7%	31,1%	-5,6%
I feel misinformed.	10,1%	8,8%	-1,3%
I don't feel informed at all.	4,4%	4,0%	-0,3%
Don't know / No answer.	1,8%	1,7%	-0,1%

Do you see your fleet made up of electrified vehicles (EVs) in the future?	Europe 2023	Europe 2024	Annual variation
Yes, we will not have any petrol/diesel vehicles within the next 2 years.	7,7%	8,6%	0,9%
Yes, we will not have any petrol/diesel vehicles within the next 3 - 5 years.	20,8%	20,4%	-0,4%
Yes, we will not have any petrol/diesel vehicles within the next 6 - 10 years.	29,7%	23,0%	-6,7%
Yes, we will not have any petrol/diesel vehicles in the next 11+ years.	10,8%	10,4%	-0,5%
No, our fleet will always contain petrol/diesel vehicles.	18,0%	25,1%	7,1%
We have already transitioned to EVs.	0,8%	3,8%	3,0%
Don't know / No answer.	12,2%	8,6%	-3,6%

What, in your opinion, is the biggest challenge faced when electrifying a fleet?	Europe 2023	Europe 2024	Annual variation
Charging infrastructure.	35,7%	32,5%	-3,2%
Range.	37,7%	41,3%	3,6%
Employee reluctance to switch from petrol/diesel vehicles.	6,8%	8,1%	1,4%
Implementation/ integration of billing – administration.	1,7%	1,7%	0,0%
Implementation costs.	5,2%	3,9%	-1,3%
I don't think it brings any challenges.	6,8%	3,5%	-3,2%
Other challenge (please describe).	3,2%	6,4%	3,2%
Don't know / No answer.	3,1%	2,4%	-0,7%