Navigating Fleet Decarbonisation: A GUIDE TO DRIVING A SUCCESSFUL TRANSITION

Report summary, key tools and insights

www.shell.com/NavigatingFleetDecarbonisation
EXECUTIVE SUMMARY

IN COLLABORATION WITH FLEET OWNERS AND INDUSTRY EXECUTIVES ACROSS THE GLOBE, WE HAVE DEVELOPED TOOLSETS TO HELP FLEET OWNERS TAKE DECARBONISATION ACTION NOW

CONTEXT

Light-duty fleet owners feel increasing pressure to decarbonise
68% of fleet owners surveyed expect pressure to decarbonise to increase over time

EVs are an increasingly competitive solution, and the only way to hit net zero emissions
95% of fleet owners surveyed see EVs as the long-term solution

However, many fleet owners find decarbonisation overwhelming, and face organisational and market barriers on their journey
“I just don’t know what I don’t know.”
Operational fleet manager

FLEET OWNERS CAN TAKE ACTION NOW

Develop an holistic implementation roadmap, and complete “no-regret” actions

Consider organisation maturity, to identify and mitigate potential organisational decarbonisation transition challenges

Create an effective EV transition by assessing applicability and infrastructure requirements, and identifying ways to improve the business case

Follow guiding principles, based on learnings from other fleet owners
- Design for the future
- Accept uncertainty
- Stay flexible
- Get help
- Track your progress
- Get started

WE HAVE DESIGNED RESOURCES TO SUPPORT THE PROCESS

‘Accelerate to Zero’ roadmap p25

Maturity index p32

Duty cycles p39

and many more...
STATE OF PLAY

FLEET DECARBONISATION IS RISING UP THE CORPORATE AGENDA

SURVEY HIGHLIGHT

85% OF FLEET OWNERS SURVEYED STATED DECARBONISATION WAS IN THEIR TOP 3 PRIORITIES

“Regulation is only going one direction – we will not be able to operate the fleets we operate today in the future.”
Fleet decarbonisation SME

FLEET OWNERS FEEL INCREASING PRESSURE TO DECARBONISE...

“IT IS NOT EVEN A DIFFERENTIATOR AT THIS POINT, IT IS STARTING TO BECOME ABOUT ABILITY TO OPERATE.”
Delivery fleet operator

75% OF FLEET OWNERS SURVEYED SAID THEY HAVE ALREADY IMPLEMENTED A DECARBONISATION SOLUTION

“WE HAVE MOVED OUR TARGETS FORWARD; IF WE DON’T START SECURING THE VEHICLES WE NEED TODAY, THERE IS A RISK WE WON’T GET THEM WHEN WE NEED THEM.”
Large delivery fleet operator

68% OF FLEET OWNERS SURVEYED EXPECT PRESSURE TO DECARBONISE TO INCREASE OVER TIME

54% OF SURVEY PARTICIPANTS EXPECT EVs TO MAKE UP 90% OF THEIR FLEET BY 2030

MANY FLEET OWNERS HAVE ALREADY TAKEN ACTION AND ARE LOOKING TO ACCELERATE THEIR TRANSITION
INITIAL CHALLENGE

...BUT MANY FIND IT OVERWHELMING AND DON’T KNOW WHERE TO START...

OPERATIONAL FLEET OWNER

“I was already maxed out with a traditional fleet; now I need to become an expert in new technologies, develop business cases and transition the fleet on top of everything I was doing before.”

PROFESSIONAL FLEET OWNER

“When I started my transition, I was speaking to executives I had never met in my life; the decision-making process was much more complex than running the fleet day to day.”

OPERATIONAL FLEET OWNER

“I just don’t know what I don’t know.”

46% OF FLEET OWNERS SURVEYED SAID THEY EITHER HAVE NO DECARBONISATION TARGETS, OR IT IS UNCLEAR HOW DECARBONISATION MAPS TO THEIR FLEET
COMMON MISCONCEPTIONS AND CHALLENGES

...AND MANY WHO DO START THE DECARBONISATION TRANSITION ARE HELD BACK BY MISCONCEPTIONS AND CHALLENGES (1/3)

COMMON MISCONCEPTIONS/CHALLENGES
FLEET OWNERS NEED TO OVERCOME:

Thinking transitioning to electric vehicles is the only way to decarbonise a fleet, meaning other quick wins such as fleet optimisation are missed

Not considering how the organisation (i.e. people, processes and IT) will handle decarbonisation changes, meaning progress is halted

ONLY 46% OF SURVEY RESPONDENTS SAID THAT RESTRICTIVE OPERATIONS ARE A MAJOR BARRIER – E.G. STAFFING, SYSTEMS AND CURRENT DUTY CYCLES

ONLY 20% OF TOTAL RESPONDENTS SAID THEY WERE IMPLEMENTING EMISSION REDUCTION INITIATIVES E.G. TRANSITIONING TO HYBRID VEHICLES, DEMAND REDUCTION

“If EVs can’t perform the job I need them to today, I feel like there is not much else I can do.”
Operational fleet owner

“We were looking to accelerate the pace of our transition when we started getting challenges on the case for change, impact on our people, and IT readiness to measure the impact; we had to pause the whole thing for six months while we got everyone on board.”
Delivery fleet owner
COMMON MISCONCEPTIONS AND CHALLENGES CONTINUED

...AND MANY WHO DO START THE DECARBONISATION TRANSITION ARE HELD BACK BY MISCONCEPTIONS AND CHALLENGES (2/3)

COMMON MISCONCEPTIONS/CHALLENGES FLEET OWNERS NEED TO OVERCOME:

- Assuming EVs aren’t applicable to most of their fleet vehicles, meaning targets and decarbonisation opportunities may be missed
  
  29%
  
  “We have only trialled a few EVs in a city centre, as that’s all they can do.”
  Delivery fleet owner

- Overlooking hidden costs, leading to halting progress, or unnecessary cost later
  
  47%
  
  “We hadn’t included the installation cost, which was about 10 times more expensive than the hardware itself.”
  Professional fleet owner

- Waiting until there is absolute certainty in the approach and business case, meaning targets and decarbonisation opportunities may be missed
  
  42%
  
  “It’s tough to make a decision when I don’t know what the cost of vehicles, insurance, regulation and infrastructure will be in the future.”
  Professional fleet owner
COMMON MISCONCEPTIONS & CHALLENGES CONTINUED

...AND MANY WHO DO START THE DECARBONISATION TRANSITION ARE HELD BACK BY MISCONCEPTIONS AND CHALLENGES (3/3)

COMMON MISCONCEPTIONS/CHALLENGES FLEET OWNERS NEED TO OVERCOME:

- Misunderstanding charging infrastructure needs, or being guided by ineffective procurement processes, leading to over- or under-provision of infrastructure
- Not utilising monitoring solutions such as telematics, to track and report impact of new decarbonisation initiatives on GHG emission changes

47% said it was unclear what level (e.g. fast, superfast) and type (e.g. at home/depot) of charging infrastructure is required for effective fleet operations

29% of survey respondents said they are currently implementing optimised fleet initiatives – e.g. telematics

“We get requests for a lot of fast chargers, which is way more than most businesses need.”

Charging supplier

“If fleet owners don’t monitor and report their GHG emissions, their emissions will be aligned with market averages and all their efforts will have been useless.”

Fleet technology specialist
REPORT TOOLS

THIS REPORT AND ACCOMPANYING TOOLSETS HAVE BEEN DESIGNED TO HELP FLEET OWNERS ESTABLISH WHERE TO START, AND AVOID COMMON MISCONCEPTIONS AND CHALLENGES

MISCONCEPTION/CHALLENGE

Fleet owners find it overwhelming and don’t know where to start

Thinking transitioning to electric vehicles is the only way to decarbonise a fleet, meaning other quick wins such as fleet optimisation are missed

Not considering how the organisation (i.e. people, processes and IT) will handle decarbonisation changes, meaning progress is halted

Assuming EVs aren’t applicable to most of their fleet vehicles, meaning targets and decarbonisation opportunities may be missed

SUPPORTING MATERIAL

‘Accelerate to Zero’ roadmap p25

EV decision-making framework p35

Maturity Index p32

Duty cycles p39

MISCONCEPTION/CHALLENGE

Misunderstanding charging infrastructure needs, or being guided by ineffective procurement processes, leading to over- or under-provision of infrastructure

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Not utilising monitoring solutions such as telematics, to track and report impact of new decarbonisation initiatives on GHG emission changes

SUPPORTING MATERIAL

Example cost reductions p44

Benefits of being a fast mover p15

Explanation and link to telematics p18
OVERALL TAKEAWAYS

FLEET OWNERS CAN AND SHOULD ACT NOW, USING SUPPORTING TOOLS AND RESOURCES AVAILABLE TO ASSIST THEIR TRANSITION

CRITICAL STEPS FOR FLEET OWNERS TO TAKE

Develop an holistic implementation roadmap, and complete no-regret actions

Consider organisation maturity, to identify and mitigate potential organisational decarbonisation transition challenges

Create an effective EV transition by assessing applicability and infrastructure requirements, and identifying ways to improve the business case

Follow guiding principles, based on learnings from other fleet owners:
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WHAT CAN SHELL FLEET SOLUTIONS DO TO HELP?

Accelerate to Zero
Our consultancy service and range of solutions are designed to help you map the best course of action to meet your fleet’s specific decarbonisation needs.

Shell Fleet Management Services
Combine a global fleet system with outsourcing services and consultancy expertise, delivering to customers a tailored strategy to overtake today’s most pressing operational challenges.

E-mobility with Shell Recharge
EV charging for fleets on the go, at home or at the office, or support in turning sites and depots into new charging locations.

Shell Card
Track fuel use, electric charging and other mobility expenses with a single payment solution.

Shell Telematics
Get critical data and business intelligence for clear visibility of vehicle utilisation and performance, driving habits, and electric vehicle readiness through our Electric Vehicle Suitability Assessment (EVSA).

Carbon Compensation Scheme
Offset unavoidable fleet CO₂ emissions through our global portfolio of nature-based solutions.
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Shell’s net-Zero Emissions Target

Shell’s operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Footprint (NCF) targets over the next ten years. However, Shell’s operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell’s operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.