



LeasePlan



Road to COP26

How corporate fleets
can fight climate change

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Climate change
is real and
intensifying
– urgent action is
needed now

Emissions from
road transport are
a huge part of
the problem

How
corporate
fleets can
fight climate
change

Corporate
fleets have an
essential role to
play in the fight
against climate
change



Currently, around 60% of all new cars sold in Europe are company cars, which on average are driven 2.25 times more than private cars.

This means that, while company cars today are a significant contributor to road transport emissions, a shift to electric corporate fleets could contribute significantly towards the realization of a net zero world.

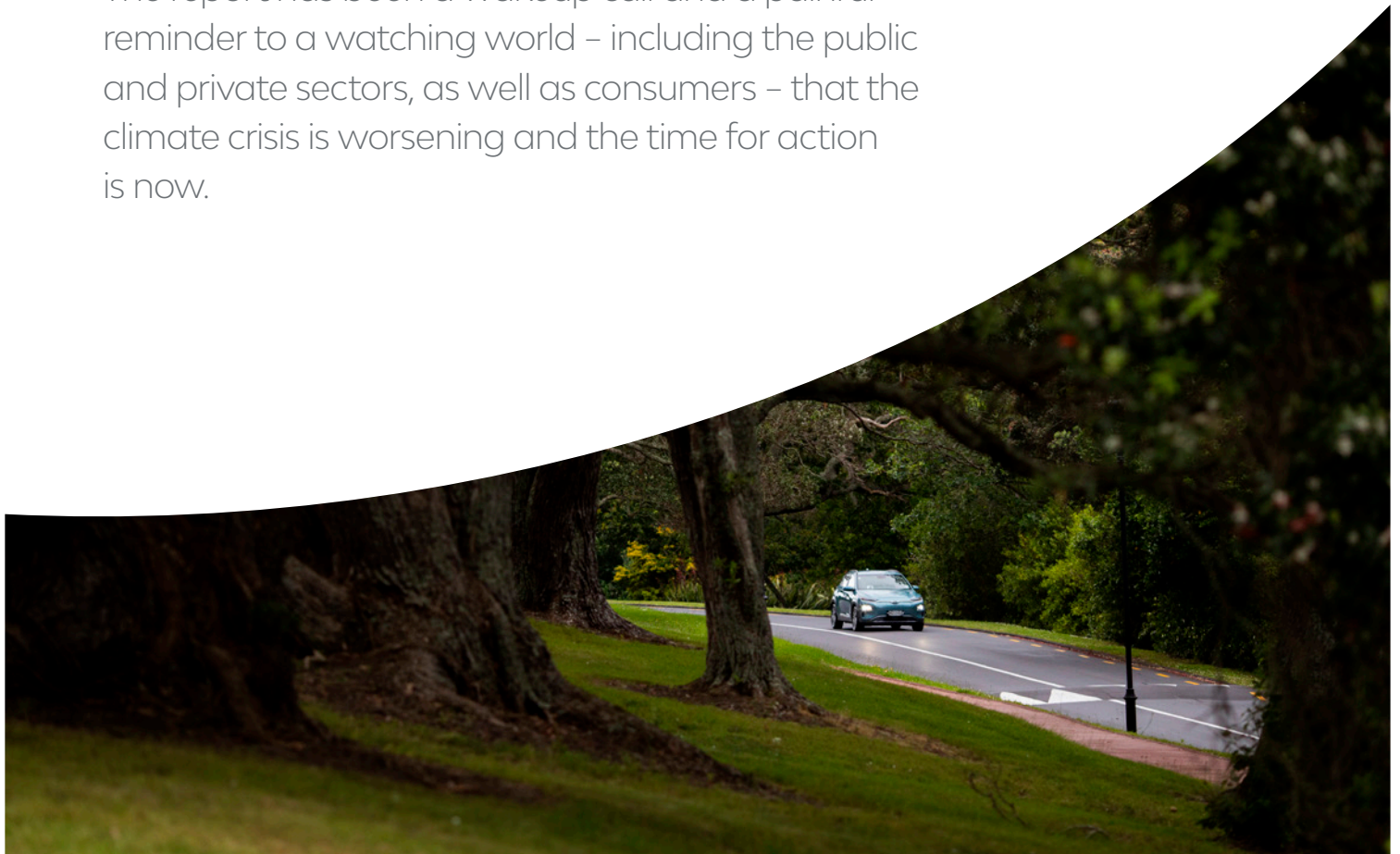
Ahead of the 26th UN Climate Change Conference (COP26) this November in Glasgow, this report looks at how fleet electrification can help prevent the worst effects of climate change, and how companies can take steps today to make the switch to zero emission mobility.

Addressing the issue

Making COP26 the tipping point for zero emission fleets

This November, the Scottish city of Glasgow will host COP26, the 26th UN Climate Change Conference. The timing could not be more crucial: a landmark report released in August by the Intergovernmental Panel on Climate Change (IPCC) has made headlines around the world, and the problem is clear: without change, the earth's surface temperature limit of 1.5C warming from pre-industrial levels will 'more likely than not' be broken between 10 and 20 years from now. This will move us closer to an irreversible tipping point in terms of negative climate impacts.

The report has been a wakeup call and a painful reminder to a watching world – including the public and private sectors, as well as consumers – that the climate crisis is worsening and the time for action is now.



Road transport: the problem and the solution

Road transport accounts for around 20% of global CO₂ emissions, with a significant portion of those emissions coming from corporate fleets. Today, six out of 10 cars sold in Europe are company cars, with petrol and diesel vehicles still accounting for 96% of new company car registrations in 2019. In addition, company cars drive on average 2.25 times further than private cars. Corporate fleets can therefore either disappointingly contribute to climate change, or be a major part of the solution.



The push to decarbonize

At the same time, the push to decarbonise road transportation is coming from various directions, including policymakers.

For example, this year, as part of the European Green Deal, the European Parliament will discuss a range of initiatives to help businesses make the transition to low- and zero carbon emissions. The proposals, which fall under the Smart and Sustainable Mobility Strategy, will likely include stricter emissions standards, reduced subsidies for fossil fuels, emissions trading for road transport, and support for charging infrastructure. Importantly, the EU is also considering mandating large corporates (>25 vehicles) to go zero emission by 2030.

The UK, keen to make the most of its newly independent position outside the EU, has already made a number of bold steps, including banning the sales of new ICEs from 2030. And in the US, President Biden recently signed an Executive Order that sets an ambitious new target to make half of all new vehicles sold in 2030 zero emission, including battery electric, plug-in hybrid, or fuel cell electric vehicles. In total, 17 countries have announced they aim to phase out the sale of ICEs entirely, sometime between 2030 and 2050. Action is also taking place at a local level, with many local authorities restricting and, in some cases, banning ICE from urban centres in response to air quality concerns.

Given these policy developments, OEMs are increasingly setting themselves ambitious targets for decarbonizing their model range, many aiming for net zero by mid-century.

EVs: the true zero emission powerhouse

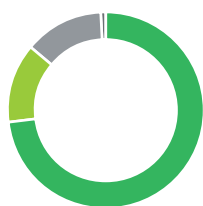
Experts uniformly agree that electrification provides the greatest benefits in terms of transport emissions reduction – especially if EVs are powered by sustainable sources, such as wind and solar.

The changes are already measurable on a global scale. Since 2000, global transport emissions had been rising by 1.9% per year; but in 2019, they increased by less than 0.5%. The difference: improvements in efficiency, greater use of biofuels, and the increase in EVs.

Emissions reductions from road transport in future years can be expected to accelerate as EV penetration increases. In 2020, global EV sales leapt by 41% to about 3 million vehicles, even as the pandemic drove overall vehicle sales down by 6%. As a result, EVs now have a 4.6% global market share. The global EV fleet is predicted to increase from 10 million today to 145 million in 2030.

Greenhouse gas emissions from transport

(2014)



72.8%
Road transport

13.1%
Civil aviation

13%
Navigation

0.6%
Railways

What LeasePlan is doing

LeasePlan is leading the way towards net zero. As a founding member of the EV100, it has committed to zero emissions from its entire fleet by 2030, and has launched its successful Green Finance Framework to finance its EV fleet.

The proceeds of the Green Bonds will only be used to finance or refinance BEVs – an industry first. The company is also a founding member of the Global Battery Alliance, ensuring that the demand for sustainable mobility is realized responsibly and in line with fair trade principles.

Making the commitment, implementing the change

How you can make your fleet part of the solution

Historically, fleets have always been a generation ahead of the market, for example by adopting and optimizing concepts like operational leasing years before they became mainstream.

In the same way, corporate fleets can lead the shift towards lower-emission and ultimately net zero mobility by mainstreaming EVs – for example, by sending a strong signal to OEMs about customer demand for electric mobility, educating an influential stakeholder group on the benefits and practicalities of electric mobility, and expanding charging infrastructure availability at corporate offices and employee homes.

The EV100 initiative has committed

5m

vehicles to zero emissions by 2030



EV100: the global net zero corporate fleet alliance

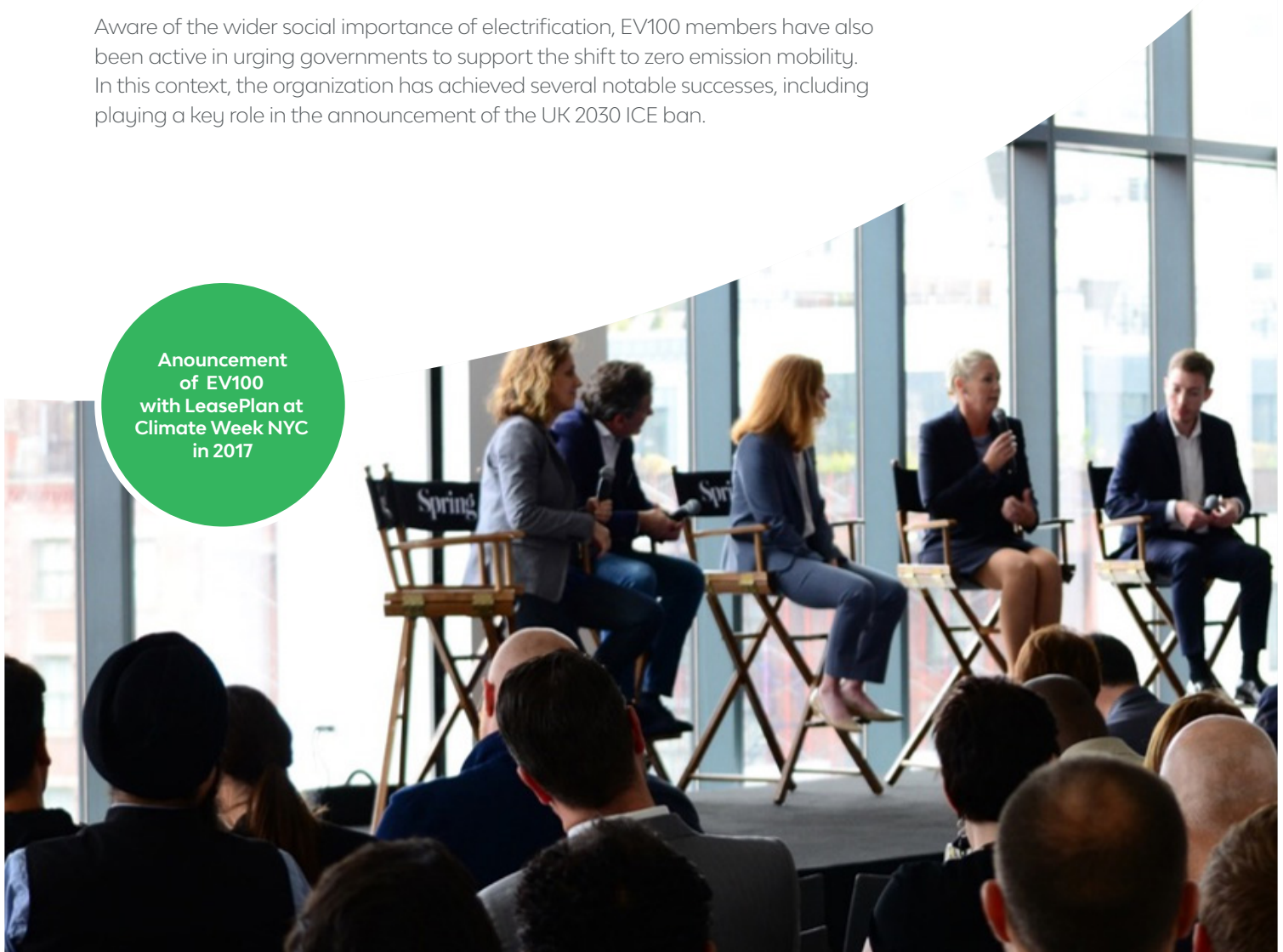
The good news is corporates have begun to lead the charge towards zero emission mobility, supported by networks such as EV100.

Launched around the UN General Assembly in September 2017 to promote EV uptake among the world's largest companies, EV100 was one of the first organisations to highlight the potential of corporate fleets in fighting climate change. EV100 brings together forward-looking companies, who commit to accelerating their own transition to zero emissions. So far, the initiative has brought together over 100 companies and committed 5 million vehicles to zero emissions by 2030.

The premise motivating the initiative is that EV leadership is not just good for the planet; it's also good for business. By getting ahead of the curve, companies who commit to rapid and full electrification are future-proofing their operations against a rapidly developing regulatory landscape, while confirming their ESG credentials to their stakeholder base.

Aware of the wider social importance of electrification, EV100 members have also been active in urging governments to support the shift to zero emission mobility. In this context, the organization has achieved several notable successes, including playing a key role in the announcement of the UK 2030 ICE ban.

Announcement
of EV100
with LeasePlan at
Climate Week NYC
in 2017



CASE STUDY

LeasePlan enters sustainable energy market with LeasePlan Energy

2020 saw the launch of LeasePlan Energy, a smart charging solution for electric vehicles (EVs) offered together with joint venture partner PowerD. Using custom algorithms, LeasePlan Energy enables EV drivers in the Netherlands to save money while reducing their use of gray energy. It also opens a new market for LeasePlan, making the company a complete end-to-end EV service provider. Pieter Williams, Co-founder of PowerD, explains more.

Greening the grid

"Smart charging is actually quite simple," says Pieter. "Charging takes place when energy from sustainable sources such as wind and solar is abundant, and pauses when renewable energy is unavailable or when market demand and prices reach a peak."

Pieter explains that the benefits of smart charging are clear for drivers: "Not only does the consumer reduce their environmental impact and unlock the full green potential of their EV, but they also save money. By charging EVs when renewable energy sources are most abundant, LeasePlan purchases energy at lower market prices, leading to lower costs for drivers."

Pieter continues: "But the benefits actually go beyond this, and reach the entire grid. By storing renewable energy at peak production times, EVs can be used as assets to continuously restore the balance between supply and demand on the electricity market. In this way, rather than putting additional pressure on national and local energy grids, smart charging enables EVs to smoothen the process."

What's next?

"LeasePlan Energy has been live in the Netherlands since summer 2020, and the results have been great: customers are impressed with how simple the app is and how smart charging is actually just as easy as regular charging," says Pieter. "Looking forward, we want to continue our expansion beyond the Netherlands to other LeasePlan markets in Europe, cementing LeasePlan's role in the emerging EV energy market."



"Looking forward, we want to continue our expansion of LeasePlan Energy beyond the Netherlands to other LeasePlan markets in Europe, cementing LeasePlan's role in the emerging EV energy market."

Pieter Williams
Co-founder of PowerD

Five steps fleet managers can take ahead of COP26

If your company would like to embark on the zero emission journey, LeasePlan recommends the following five steps:

1. Check your market's readiness

Some markets are better prepared for the EV transition than others.

LeasePlan's 2021 EV Readiness Index points to Norway, the Netherlands and the UK as Europe's best-prepared countries, and explains why. The Index is a helpful tool for companies, multinationals especially, when setting up their electrification strategy, and provides insights into factors such as government subsidies and model availability.

2. Check the total cost of ownership (TCO) of EVs vs ICEs at a country level

TCO is determined by many factors and varies per country and per model, with significant differences being seen between countries. However, **a September 2020 survey by LeasePlan shows that TCO for EVs is already lower than for ICEs in 14 out of 20 European countries**. This means that you may be able to make a realistic EV transition plan without having to ask your board for extra budget.

3. Take charge of charging

LeasePlan's 'full package' EV solution, now available in 20 countries, provides access to personal charging points at home and at work. This can help to alleviate range anxiety in countries with a 'patchy' public charging infrastructure, ensuring that most of your employees' trips can be made in an EV.

For those companies with the most ambitious sustainability focus, why not consider powering your charging points with smart green energy solutions? Smart charging works by prioritizing charging when cheaper, greener energy is available. LeasePlan Energy, currently available in the Netherlands, is a smart charging solution that enables EV drivers to cut down on gray energy and save money.

4. Develop a Sustainable Fleets Alliance at your company

Making the switch to zero emission mobility will be much easier if you have support from across your organization. **Our experience with companies who have successfully begun the transition across a range of industries highlights the importance of creating an alliance of sustainable fleet advocates**, who can help make the case for your company to make the switch. As a first step, we recommend talking to your CEO, as well as colleagues in procurement, HR, sustainability and marketing, who are most often the first to see the benefits of shifting to zero emissions.

5. Talk to the experts

LeasePlan is a first mover when it comes to offering end-to-end EV solutions, having announced its 'full package' EV solution at COP23. We can offer tailored consultancy services to help you develop your zero emission strategy in line with your company's objectives.

LeasePlan is
committed to a
zero emission
fleet by
2030

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