

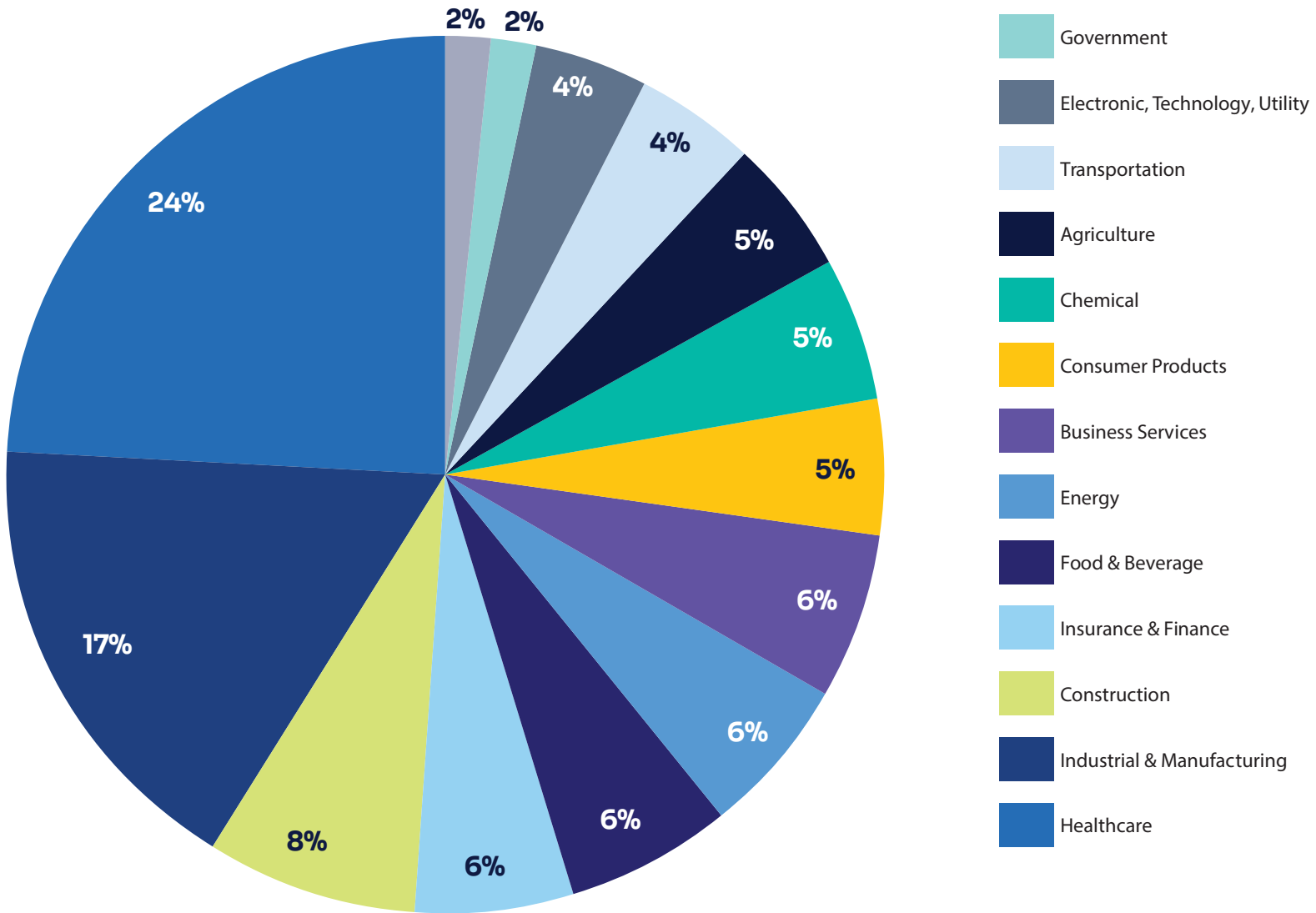


ENVIRONMENTAL SUSTAINABILITY BENCHMARK REPORT 2024

Our fourth annual Environmental Sustainability Benchmark Report offers a thoughtful look into the ever-evolving world of sustainability within fleet management. This year, 116 of our clients, spanning a wide range of industries, fleet sizes, and roles, shared their perspectives. Their insights shed light on where fleets stand today from the early stages of planning to the active implementation of environmental sustainability strategies. Leveraging the information our clients have shared, we touch on everything from vehicle selection and charging solutions to reimbursement practices and the critical roles various stakeholders play. This report is more than just data—it's a reflection of where our industry is headed and how we can navigate this journey together.

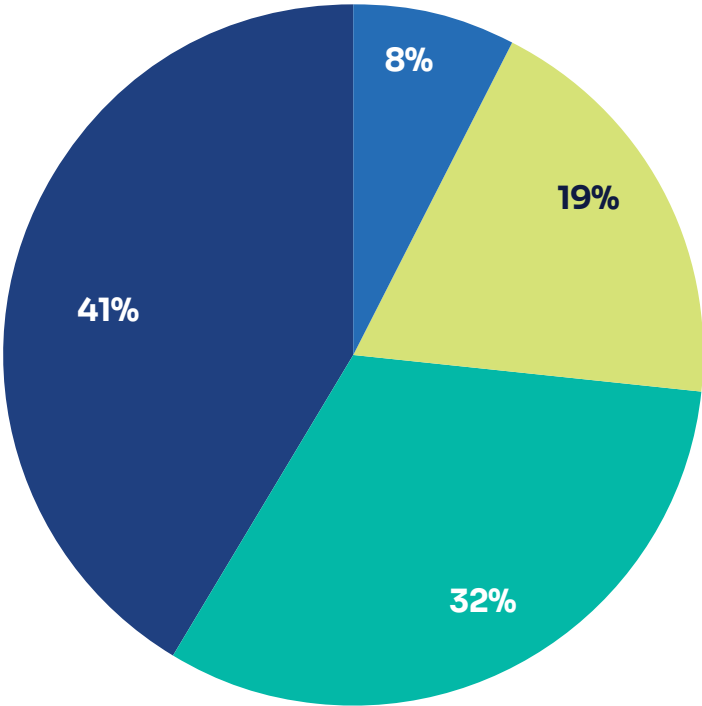
Demographics

What is your Industry?

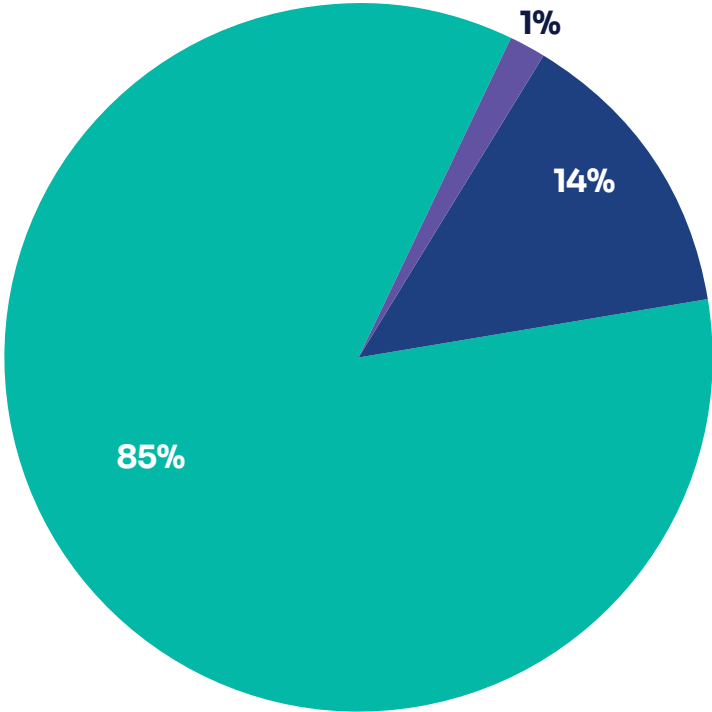


Demographics

What is your fleet size?



Where is your company headquartered?



Currently, at what stage of planning is your sustainability strategy?

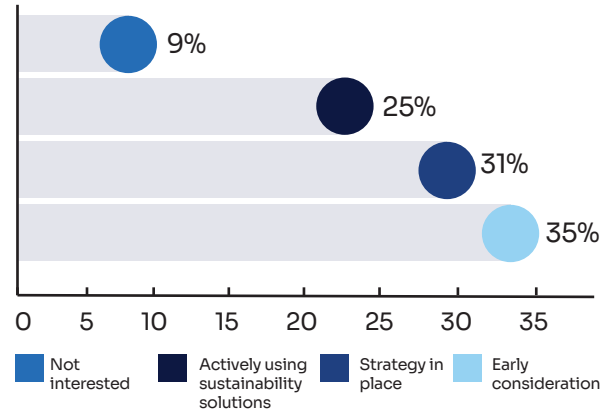
Confident Progress: Fleet Sustainability Strategies Advance with a Measured Approach

In 2024, the momentum around electrification remains strong, and there's a noticeable shift in the pace at which companies are advancing their sustainability strategies. When we look at the data over the past four years, we see a definitive progression. In 2021, 52% of respondents were in the "Early consideration" phase, this year, only 35% of fleet managers report being in this initial phase. And, while only 14% of respondents were "Actively using sustainability solutions" in 2021, this year, 25% of respondents are in this established phase.

These figures suggest that as many companies are moving forward with their sustainability plans, there is a growing sense of confidence and preparedness among fleet managers. They feel more equipped with the necessary information and have a clearer understanding of their path forward.

However, it is worth mentioning broader industry trends, where external pressures, such as the softening of EPA standards and year-over-year waning in some electrification metrics, are influencing the pace of change. However, this doesn't indicate a shift away from environmental sustainability; rather, it shows that companies are taking a more measured, informed approach. They know

Planning Stage



what they need to do and are confident in their plans, but they may be taking their foot off the gas (or electricity); slightly as they proceed with greater assurance.

The key message here is the commitment to sustainability remains steadfast. Wheels is here to support clients on their journey, whether they are actively implementing solutions or gathering the resources and knowledge they need for when they are ready to move forward. This approach underscores the importance of confidence over sheer speed, ensuring that sustainability strategies are both robust and sustainable in the long term.

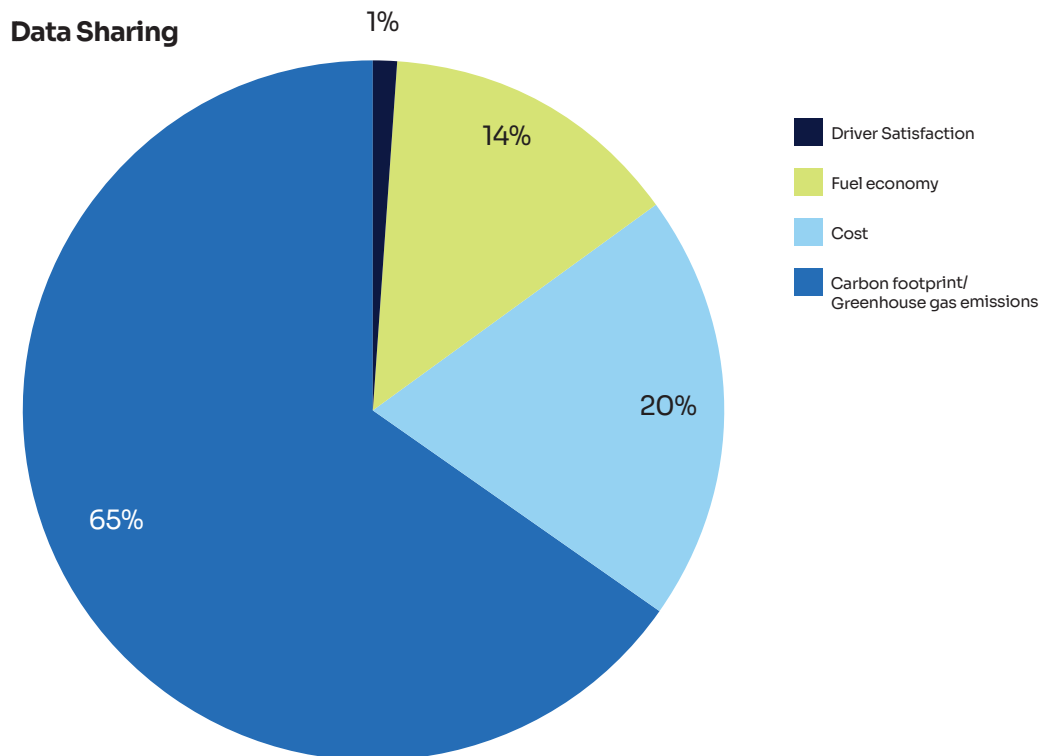


What is the most important data you are expecting to share regarding sustainability?

Emissions Data Takes Center Stage in Environmental Sustainability Reporting

In 2024, “Carbon footprint and Greenhouse gas emissions” remain the most critical data points that companies are focusing on sharing, with nearly 65% of respondents highlighting these metrics as their top priority. This emphasis is not surprising given the new Security and Exchange Commission (SEC) reporting requirements that mandate

publicly traded companies to disclose their emissions to stakeholders. The growing importance of emissions-related data reflects the need for transparency and accountability in sustainability efforts, particularly as companies navigate the complexities of Environmental, Social, and Governance (ESG) reporting.



Advanced Analytics for Sustainable Reporting

As these reporting requirements take center stage, companies are increasingly turning to robust data analytics to ensure accuracy and comprehensiveness in their disclosures.

At Wheels, our advanced analytics team is equipped with cutting-edge tools designed to help clients meet these stringent reporting demands. Our EV assessment tools, for example, provide in-depth insights into fleet electrification, enabling companies to align their sustainability goals with regulatory requirements effectively.

Beyond just meeting obligations, our tools empower clients to take proactive steps toward achieving their sustainability goals. Whether it's optimizing fleet performance through detailed emissions tracking or leveraging data to drive strategic decision-making, Wheels offers a comprehensive suite of solutions that can be tailored to the unique needs of each client.

What is your primary objective driving your sustainability goals?

Environmental Stewardship Remains Leading Goal for 2024

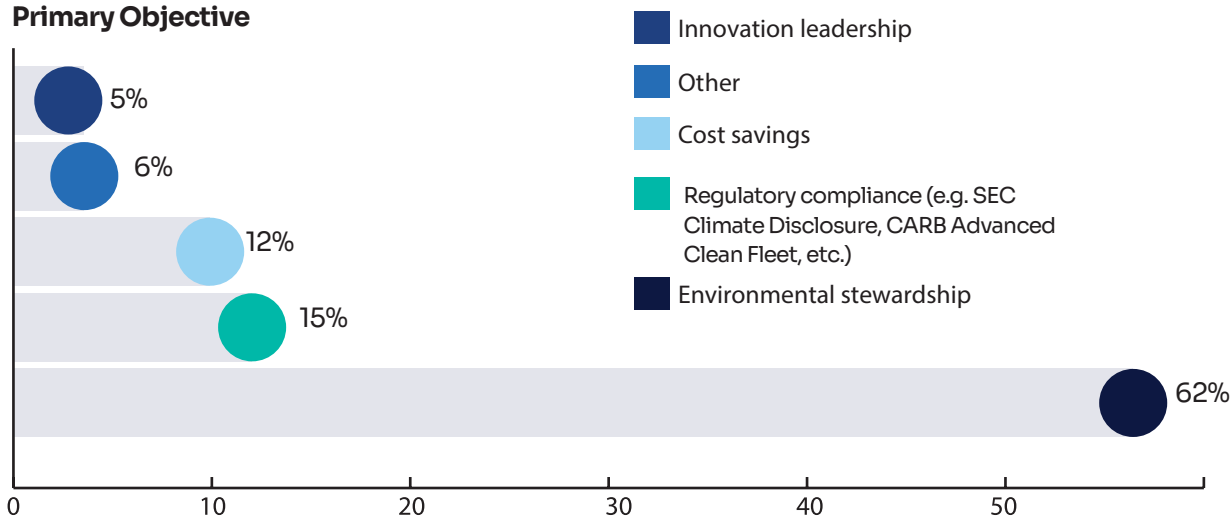
In 2024, “Environmental stewardship” remains the leading force behind sustainability initiatives, with 62% of respondents identifying it as their primary objective. This data highlights an ongoing commitment among businesses to minimize their environmental impact.

However, there’s been a notable shift this year – a decrease in the focus on “Cost savings”, which dropped to 12% from 20% in 2023. This decline suggests that while financial efficiency is still important, companies may

be placing more emphasis on long-term environmental goals over immediate cost reductions.

Interestingly, “Regulatory compliance” was identified by just under 15% of respondents, indicating that many companies are motivated more by stewardship than by regulatory pressures. This shift is an indication that sustainability is now an enduring and fundamental component of corporate strategy and values, rather than just a compliance issue.

Primary Objective



Deloitte Study Reveals Cost of Inaction

This article by Deloitte which is part of a miniseries based on conversations with over 200 board members worldwide compliments the results from our survey:

Addressing the climate challenge

“Deloitte’s Global Turning Point report finds that inaction on climate change could cost the world’s economy US \$178 trillion by 2070. By contrast, the global economy could gain US\$43 trillion over the next five decades by rapidly accelerating the transition to net zero.³

Many board members pointed out the need to build accountability and transparency to stakeholders as well as a framework for measuring the effectiveness of climate activities over the short, medium, and long term. But they find that climate actions do not always translate easily into business economics, which can make their conversations with board members, management, and investors hard. Another reason to focus on integrating climate strategy into business strategy is it acknowledges that climate action is a top priority, not a tacked-on, side conversation.”

[Climate Change Climbs to Top Business Priority for Boards](#)

What sustainability tactics are you discussing, planning, reviewing, or actively using?

Electrification Marginally Ahead While Diverse Strategies Continue to Shape Fleet Sustainability in 2024

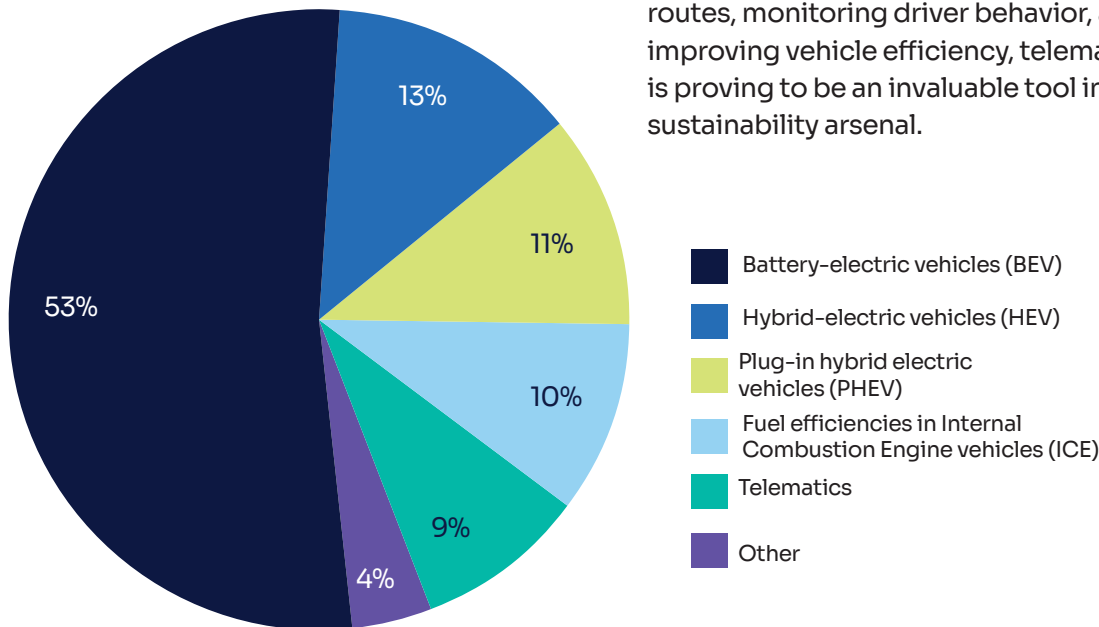
In 2024, electrification continues to take center stage for fleet managers. “Battery-electric vehicles (BEVs)” lead the charge, with over 53% of respondents actively discussing, planning, or already using them. The data really tells us that BEVs are the cornerstone of sustainable fleet management.

But it’s not just about going fully electric. Many companies are taking a more flexible approach by incorporating Hybrid-electric

vehicles (HEVs) and Plug-in hybrid electric vehicles (PHEVs) alongside BEVs. These hybrid options offer a practical solution for fleets that might not be ready to make the full leap to electric due to infrastructure limitations or range concerns.

Although still important, there is less of an emphasis on traditional tactics such as improving fuel efficiencies for ICE vehicles. Telematics also makes a notable appearance, signaling a growing interest in data-driven sustainability. By optimizing routes, monitoring driver behavior, and improving vehicle efficiency, telematics is proving to be an invaluable tool in the sustainability arsenal.

Sustainability Tactics



Wheels Connected Vehicle Playbook for the Electrification Win

The “Wheels Connected Vehicle Playbook for the Electrification Win” is all about using vehicle data to achieve sustainability goals. It highlights how connected data points such as distance driven, vehicle location, driver behavior, and charging infrastructure can be used to guide smart decisions on electrification and operational efficiency. It is a valuable resource for fleet managers aiming to advance sustainability goals through data-driven fleet electrification.

[Wheels Connected Vehicle Playbook for the Electrification Win](#)

What three factors are most important to you in selecting more sustainable vehicles for your fleet?

Vehicle Cost Drives Fleet Choices in 2024

In 2024, fleet managers are zeroing in on practical factors when selecting more sustainable vehicles. The top priority this year is “Vehicle cost”, with 25% of respondents highlighting it as a key consideration. This emphasis on budget reflects the broader trend of balancing sustainability with financial responsibility, as companies look for solutions that won’t break the bank.

In 2021, “Vehicle application” came in at number one with 27% of respondents prioritizing the right vehicle for the right job. Three years ago, there were far less BEV models to choose from making it a top concern for fleet managers.

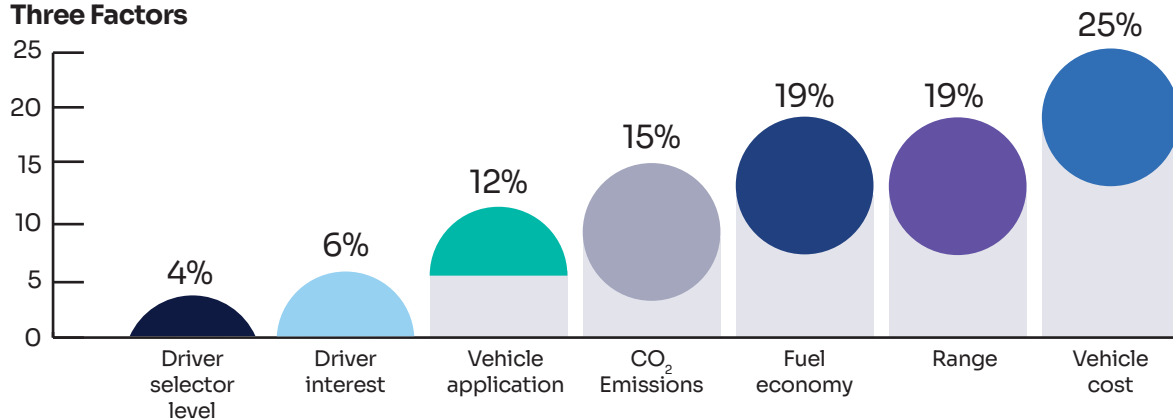
“Range” and “Fuel economy” follow closely behind, each chosen by 19% of respondents. “Range” remains essential for fleets needing

reliable, long-distance vehicles, while “Fuel economy” aligns with both cost and environmental goals by reducing overall consumption.

“CO₂ emissions” also makes the list, capturing 15% of responses, indicating a continued commitment to reducing environmental impact. For fleet managers, this factor reinforces that sustainable vehicles must not only meet operational demands but also contribute meaningfully to the company’s overall sustainability goals.

This year’s data shows that companies are carefully weighing economic, operational, and environmental factors to make sustainable vehicle choices that serve both their business needs and their sustainability commitments.

Three Factors



What roles are involved in discussing, planning, or reviewing your sustainability strategy?

Executive Leadership Drives Sustainability in 2024

In 2024, second to “Fleet Management”, “Executives” lead the charge, with 19% of respondents pointing to them as key players—signaling that sustainability is firmly on the corporate agenda.

But it’s not just the C-suite—sustainability is truly a team effort. Facilities, along with HR, EHS, Operations, and Procurement,

all play crucial roles. This cross-functional collaboration is essential for embedding sustainability into the core of the business.

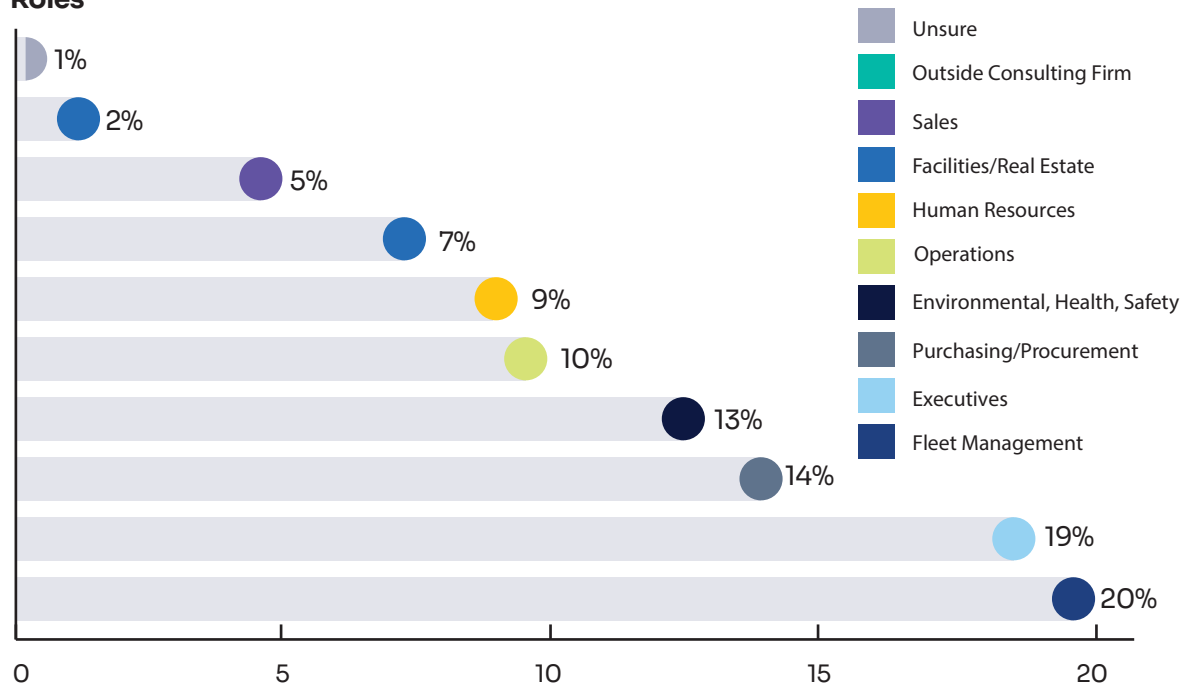
The takeaway? Sustainability isn’t just a fleet initiative; it’s a company-wide priority that demands input from every corner of the organization.

Sustainability Key Criteria in Broader Business Strategy

According to a new Morgan Stanley [Institute for Sustainable Investing](#) report as it pertains to sustainability and decision making,

“There are signs that sustainability is becoming more integrated with all important functions within a company. Many respondents (55%) say sustainability criteria come into play in key business decisions, including capital expenditures, research and development, new products and mergers and acquisitions.”

Roles



For at-home charging, how are you calculating the amount you reimburse drivers for the charging they do at home?

Charging at Home: How Companies are Calculating Driver Reimbursements in 2024

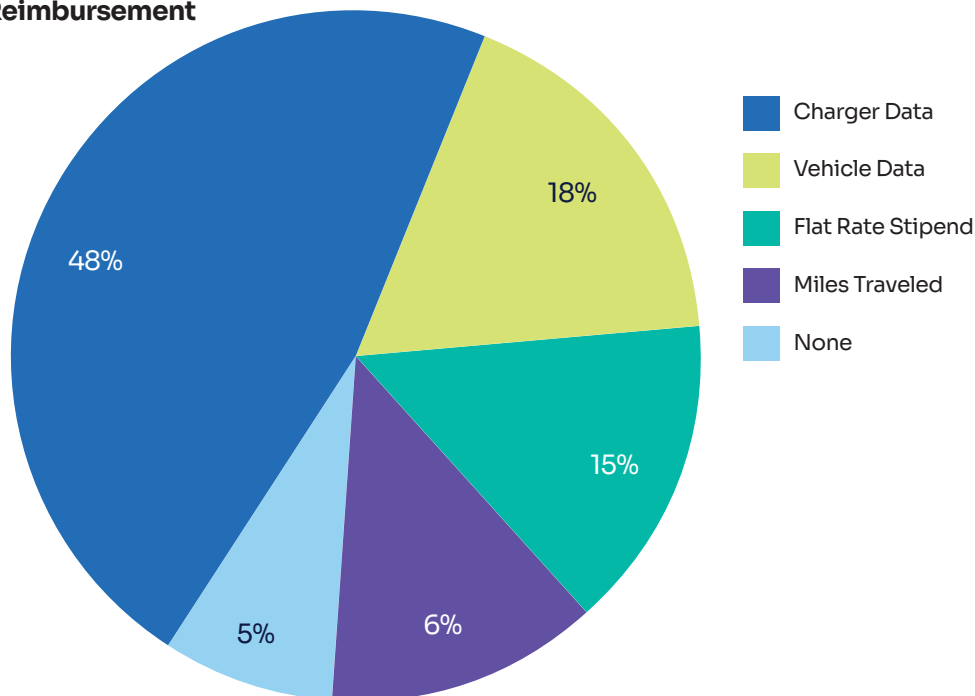
The data shows a range of methods as companies navigate the best way to support home charging. While some are focused on precise data-driven approaches, others are opting for simplicity as they lay the groundwork for an EV future.

Sixty-four percent of companies calculate reimbursement based on data coming out of either the charger or the vehicle itself,

ensuring precise reimbursements that align with each driver's specific energy use.

Less precise methods are also used, with 15% using a flat-rate stipend and another 6% using mileage as the basis for driver home charging reimbursement. Although less precise, these have the advantage of being inexpensive and simple to implement alternatives.

Reimbursement



For on-the-go charging, how are you handling payment?

Charging On-the-Go: How Companies are Handling Payment in 2024

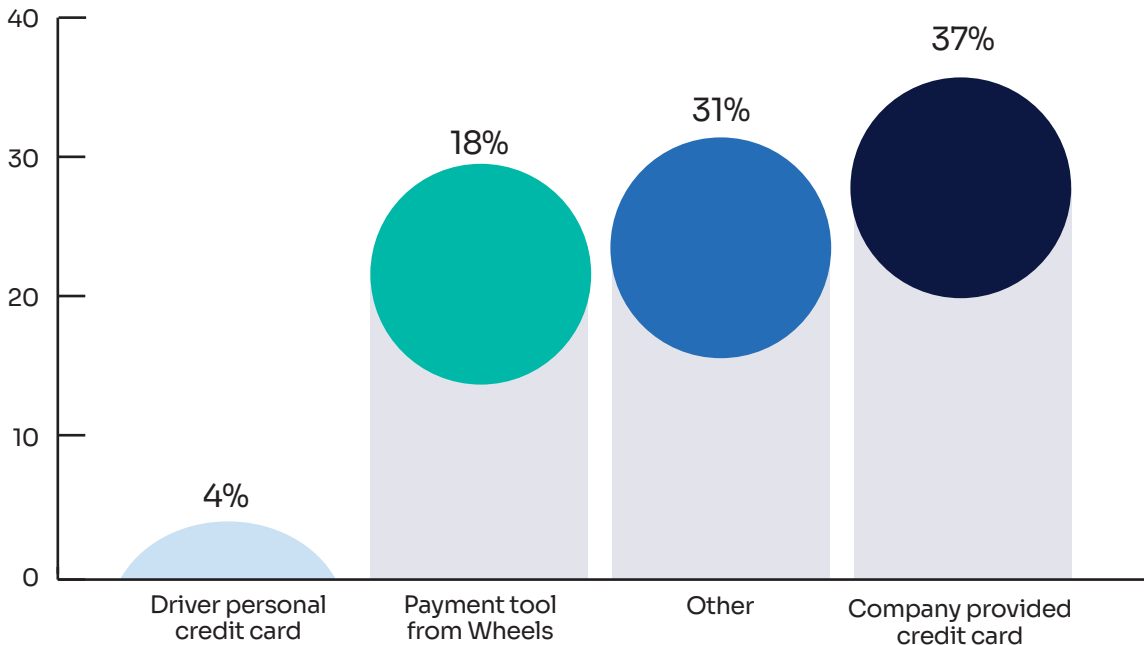
With EV adoption underway, companies are navigating payment options for on-the-go charging. Currently, 37% of companies use a “Company-provided credit card” for these expenses, ensuring drivers have a seamless way to pay without out-of-pocket costs. This approach reflects a strong commitment to making charging accessible and hassle-free, as companies aim to remove barriers for their drivers.

Another 18% rely on a “Payment tool from

Wheels”, which simplifies tracking and integrates with fleet systems. Three percent of companies ask drivers to use their “Personal credit card”, reimbursing them later. Nineteen percent remain “Undecided”, still determining the best approach to support their drivers on the road.

These numbers reflect a variety of strategies as companies work toward a smooth EV transition.

Payment



The Good News About Public Charging

According to the US Department of Energy’s Alternative Fuels Data Center, “In Q4 of 2023, there was a 5.0% increase in the number of EV charging ports in the Station Locator, including a 5.2% increase in public ports and a 3.5% increase in private ports. DC fast charging ports increased by the greatest percentage (9.2%). The Southeast region had the largest increase in public charging in Q4 (7.8%), though California continues to lead the country in the number of available public EV charging ports.”

[Read the Fourth Quarter 2023 report](#)

\$521 Million Investment in EV Charging Infrastructure

The Biden-Harris Administration has successfully doubled the number of publicly available electric vehicle chargers since taking office, now exceeding 192,000. They’ve also announced a \$521 million investment to expand the EV charging network across 29 states, Tribal lands, and Washington D.C. This initiative supports their broader goals of enhancing the nationwide charging infrastructure, fostering EV adoption, cutting emissions, and creating jobs, especially in underserved communities.

For more details, visit the full [page](#).

For at home charging, are you covering the installation of a charger?

Supporting the Transition: How Companies Are Covering Home Charger Installations in 2024

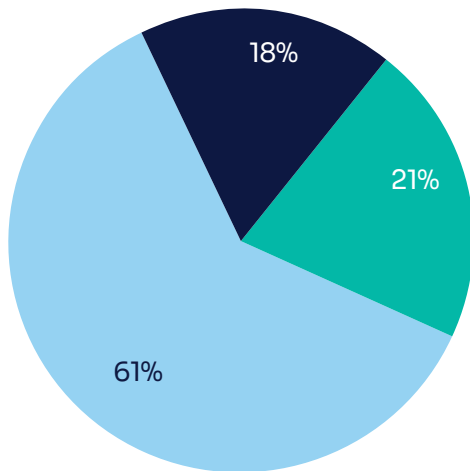
The variety in responses reflects the different ways companies are navigating this shift. Whether fully funding or sharing the cost, it's clear that a growing number of companies are realizing the value of making home charging accessible, easing the transition for drivers, and ensuring that EVs are ready to roll when needed.

Eighty-two percent of clients either fully or partially cover the cost of the home charger, demonstrating a strong commitment to making home charging accessible and convenient for drivers without added expenses.

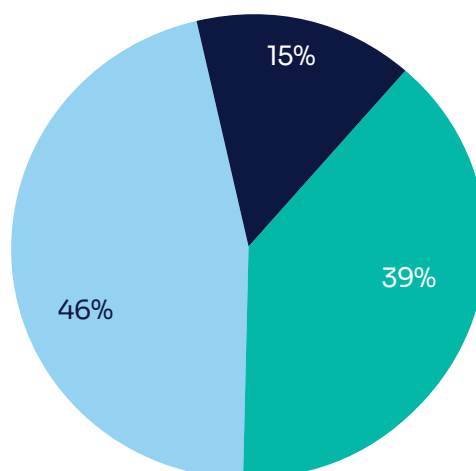
The story continues on the installation side, with 85% covering the installation expenses, either in fully or partially. The ratio between fully covering and partially covering the expenses has tightened up though, with 46% fully covering the cost of the installation vs 61% who fully cover the charger.

On the other hand, 15% of applicable companies aren't covering installation expenses yet, perhaps indicating that some are still developing policies as they refine their electrification strategies.

Charger Cost



Installation Cost



■ No ■ Yes, partially ■ Yes 100%



If your company has a need for depot charging, on average, how many vehicles will need to charge at a single depot charging location?

Depot Charging Needs Still in Early Stages

As fleet electrification gains momentum in 2024, one of the key considerations is depot charging, which plays a crucial role for fleets that require centralized charging solutions.

According to our survey, most companies with depot charging needs are preparing for relatively modest setups. Seventy-six percent of respondents indicated that they expect to charge fewer than ten vehicles at a single depot location on average. We believe this result reveals many fleets are still in the early stages of EV adoption or that their operations require smaller, more distributed charging hubs.

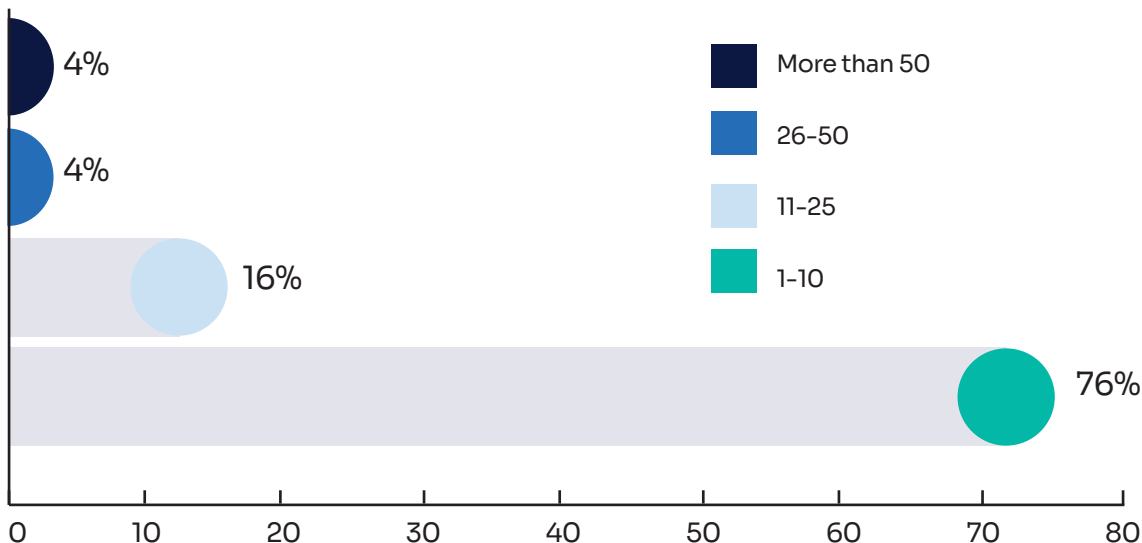
Meanwhile, 16% of respondents are planning for depot locations that can accommodate between “11 and 25 vehicles”. On the other end of the spectrum, only 8% of respondents expect to charge “More than 25 vehicles” at a single depot. These companies are likely further along in their electrification journey, requiring larger, more robust charging facilities to meet the demands of their sizable fleets.

As EV adoption continues to grow, these depot charging plans will be critical in ensuring that fleets remain efficient and ready to meet the demands of their operations.

Advanced Clean Fleets Act is a Game Changer

[The Advanced Clean Fleets \(ACF\) regulation](#), enacted by the California Air Resources Board, mandates a gradual shift to zero-emission vehicles (ZEVs) for medium- and heavy-duty fleets, with key deadlines requiring 100% ZEVs beginning in 2035. The legislation will significantly impact how they manage their fleet infrastructure. Preparing to electrify depot locations now is crucial because this infrastructure will be essential to support the growing number of ZEVs required under the regulation. Early preparation can help companies avoid future logistical challenges and align with regulatory timelines, ensuring a smoother transition.

Single Location Charging



At your depot charging locations, do you primarily own or lease?

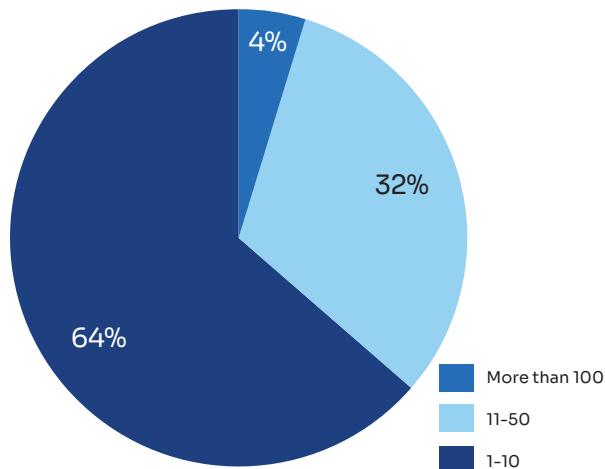
Companies Split on Depot Charging Strategies in 2024

Companies who are investing in depot EV charging installations are split whether they currently own or lease locations. Forty-one percent of respondents own their sites, giving them full control and the ability to scale as needed which is ideal for those with long-term plans. As an alternative, 18% prefer leasing. While leasing may offer some flexibility for these companies in some areas, it is likely to increase complexity when it comes to solving their

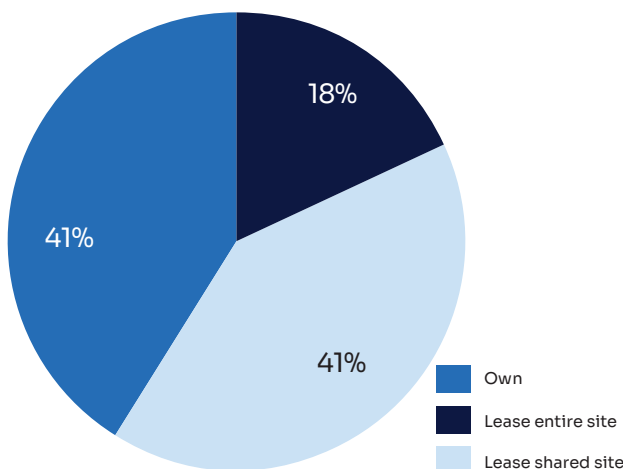
depot needs. Leasing requires engaging an additional stakeholder - their landlord - to gain agreement on the needed infrastructure.

Whether a company owns or leases, it is important to start thinking strategically now about how to balance the future infrastructure needs for fleet with the other inputs to overall facilities planning. Depot charging will require advance planning, capital, time, and resources to achieve an optimal solution - regardless of your real estate circumstances.

Charging Locations



Own or Lease



The Sustainable Landscape over the Years: 2021 to 2024

Steady Progress in Electrification

Across all four years, there is clear momentum toward electrification. In 2021, most companies were still in the early planning stages, with only 14% “Actively using sustainability solutions”. By 2024, this number increased to 25%, with only 35% of fleet managers still in the “Early consideration phase”. As the urgency has softened, companies are more confident in their strategies signaling a maturing understanding of fleet electrification and its challenges.

Cost Savings becoming increasingly important

In 2021, cost savings accounted for just 7% of sustainability goals, by 2024, it has risen to 31%. “Environmental Stewardship” easily holds the top spot at 62%, but clearly as electrification of fleets has taken hold, the traditional concerns around costs are gaining in importance.

Increasing Focus on Emissions Data

The emphasis on carbon footprint and GHG emissions reporting has grown consistently. By 2024, 65% of respondents cited these as

the most important data points to report, driven by new SEC reporting requirements and heightened regulatory expectations. This marks a shift from earlier years, where fuel economy and cost dominated.

Diverse Approaches to Sustainability Tactics

Battery Electric Vehicles (BEVs) remain the cornerstone of fleet electrification, but there’s been increasing use of Hybrid Electric Vehicles (HEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) as more flexible solutions. Meanwhile, the importance of telematics and data-driven fleet management has grown, indicating a shift towards optimizing routes, driver behavior, and vehicle performance to enhance sustainability without full electrification

In conclusion, the data from 2024 reflects a continued commitment to electrification, but with a more measured approach and growing emphasis on emissions and environmental stewardship over cost savings. Fleet managers are increasingly looking for long-term sustainable strategies that integrate technological tools like telematics to drive efficiency.





Conclusion

Our fourth annual sustainability benchmark report shows that companies are making real progress in electrifying their fleets. More are moving from planning to actively implementing their strategies, with a clear focus on building out the necessary infrastructure. While cost is still a big concern, companies are finding ways to meet their financial goals without compromising on sustainability. As we look ahead, the priority will be on continuing to blend cost-effectiveness with environmental responsibility, ensuring that fleets remain both efficient and sustainable.

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