

Racing Towards Net Zero How Can Your Fleet Keep Up?

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Introduction to Cenex

Lowering your emissions through innovation in transport and energy infrastructure



Agenda



Defining Net Zero



Developing a Net
Zero Fleet Strategy



Available Options



Action Plan

Defining Net Zero

What is Net Zero?

What is Net Zero?

- Spring of 2019
 - UK Government declared climate emergency
 - Established target to be net zero emissions by 2050



Government policy

- DfT
 - Transport Decarbonisation Plan (TDP)
 - Set out the policies and plans needed to tackle transport emissions:
 - Decarbonisation of road vehicles
 - Decarbonising how we get our goods
 - Accelerating modal shift to public and active transport
 - Place-based solutions
 - UK as a hub for green transport technology and innovation
 - Reducing carbon in a global economy
 - Decarbonising Transport: Setting the Challenge (DTSC)
 - Provides context to the above

What is Net Zero?

- No formal definition ...
 - Many variations/ working definitions

“... the UK’s total greenhouse gas (GHG) emissions would be equal to or less than the emissions the UK removed from the environment ...”

- Net Zero is:
 - Focussed on minimising temperature rise (1.5°C)
 - About the journey over time
 - Targeted on the selected boundary
 - Flexible in balancing options

What is Net Zero?

- Need to be clear on:
 - Scope
 - Must include all Scope 1 & 2 emissions
 - Boundary
 - Own operations or include supply chain
 - Emissions accounting protocols
 - Greenhouse Gas Protocols
 - ISO 14064
 - PAS 2060
 - ... plus streamlined energy & carbon reporting

Developing a Net Zero Fleet Strategy

How can your fleet help your organisation get to Net Zero?

Why Have a Net Zero fleet target & strategy?

- Provides roadmap for delivering the target against which decisions can be made
- Reduces risk of stranded assets
- Identifies priorities
- Need to:
 - Understand your objectives
 - Develop emissions baseline
 - Define targets
 - Identify measures
 - Outline implementation plan



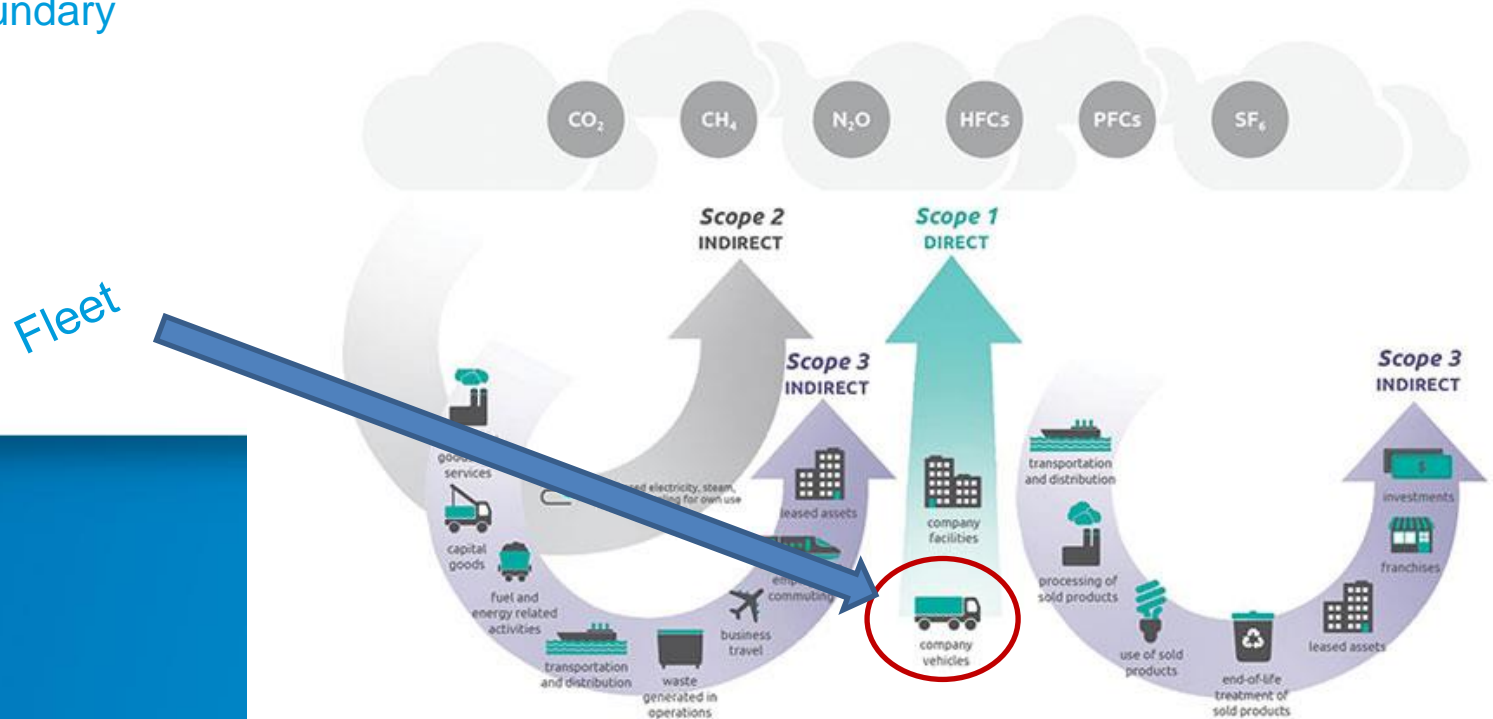
What are your drivers & objectives?

- Identifying drivers and objectives assists with:
 - Why should we have a net zero strategy?
 - What do you want out of the strategy?
 - Business case for strategy
 - What should we include?
 - What should we prioritise?
- How to identify drivers
 - Existing business strategy and policies
 - Legislation review
 - Competitor review
 - Stakeholder consultation

Legislation	Cost Savings	Reputational	Market Leadership	Corporate Social Responsibility
EU-ETS	Reduced energy consumption	Increased customer pressure	Remaining competitive	11 years to act
SECR	Reduced business travel	Increased investor pressure	Brand management	Moral obligation
2050 Net Zero		Recruitment & retention	Carbon Disclosure Project	Increasing rate of temperature rises
2040 (2035) sales ban				

Creating your fleet emissions baseline

- Emissions baseline can assist with:
 - Understanding the current emissions
 - Assessing the scale of the challenge
 - Deciding what is within the boundary
- What data
 - SECR
 - Carbon foot printing
 - Fuel records



Defining your target

- Set a date?
- Science Based Targets
 - offers companies two temperature goal options for scope 1 and scope 2 emissions reductions:
 - 1.5 degrees
 - well-below 2 degrees

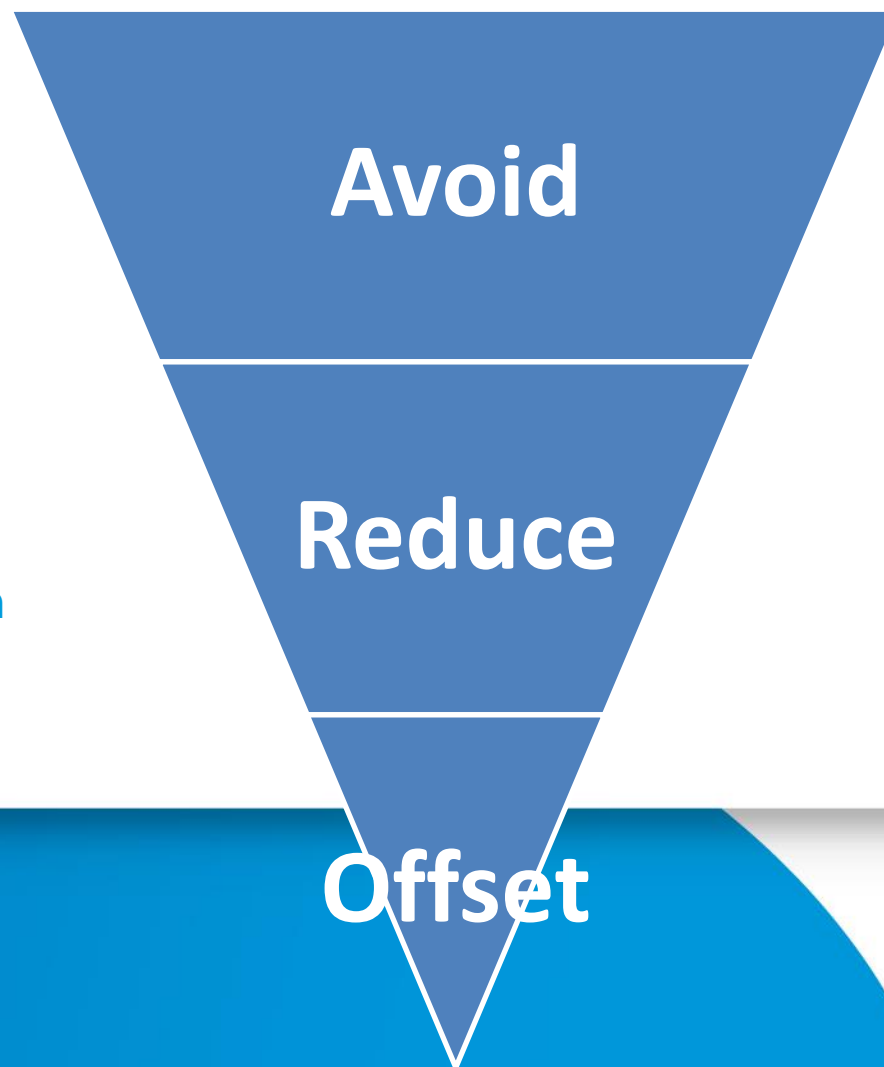


Available Options

How to achieve Net Zero

Available Options

- Avoid
 - Change of business model
- Reduce
 - Operational efficiency
 - Alternative technologies
- Offset
 - Balance out remaining carbon emissions



Racing to Net Zero – Available Options

Avoid

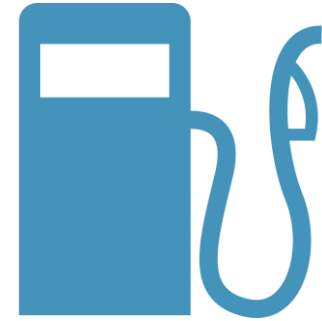
- Change of business model
- Working from home
- Digital working
- Renewable energy/ fuel procurement



Racing to Net Zero – Available Options

Reduce

- Operational efficiency
 - Mileage management
 - Fuel management
 - Telematics
 - Grey fleet vs. pool cars



Reduce

- Electric
 - Major role in fleet decarbonisation
 - Ban on internal combustion sales in 2040
 - In consultation to bring this forward to 2035
- Zero tail pipe emissions
 - Well to wheel emissions depends on grid mix and duty cycle of vehicle
- Shifts emissions from Scope 1 to Scope 2
 - Renewable energy generation
 - Smart infrastructure
 - Vehicle to Grid



Racing to Net Zero – Available Options

Reduce

- Biomethane
 - A sustainable and renewable version of natural gas
 - Up to 90% carbon saving, on a well to wheel basis, depending on the feedstock used to generate the gas
 - Emissions savings need to be verified with Road Transport Fuel Obligation or Green Gas Certificates
- Hydrogen
 - Will have a role to play in heavy duty vehicles
 - Emission savings depend on generation process



Reduce

- E10 fuel
 - 10% bioethanol mix instead of the current 5% bioethanol mix
 - Could reduce road transport CO₂ emissions by 2% annually
 - 750,000 tonnes of CO₂, equivalent to taking 350,000 cars off the UK roads.
 - To be introduced at forecourts throughout the UK in 2021
 - A viable and effective decarbonisation stepping-stone



Offsetting

- Do nothing is an option
 - Buy your way to Net Zero
 - Reputational impacts
 - Long term sustainability
- Robustness of offsets
 - Not all offsets are born equal
- A business should always be asking itself whether it has done everything it possibly can to cut down on its own emissions, before going down the offsetting route



Offsetting

- Offsetting options
 - Tree planting
 - Peatland restoration
 - Forest conservation
 - Fuel-efficiency projects
 - Renewable energy projects
 - ‘Extractive’ technologies
- For a UK business wanting to help the Government achieve its net-zero target, the offsetting schemes being explored should be in the UK.
 - All trees planted under the UK Carbon Code go towards the UK Government targets
 - By acting in the UK, you are directly contributing to achieving that net-zero target, not just for your but also for the UK Government



Insetting

- Insetting involves investing in emissions reduction projects within a company's own supply chain, rather than external schemes with certification
- Two key benefits:
 - Money and infrastructure invested for climate change and net zero goals remain within the company and its supply chain
 - Clear reputational element, assisting suppliers and their supply chains with climate change and delivery of net zero targets



Action Plan

Top tips...

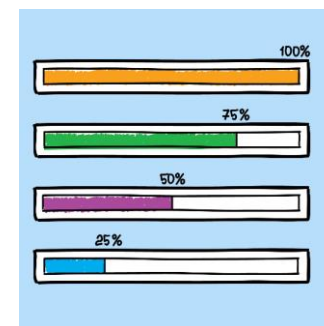
Top Tips

- Align company objectives
 - Align your objectives with the Paris Agreement
- Communicate your purpose
 - Make it clear to everyone the reason for changes or innovations
- Adopt initiatives
 - Waiting for the next best thing will get you nowhere; there are proven low emission technologies available now that will work



Top Tips

- Review progress
 - Monitor your energy/ fuel usage will ensure that even the smallest changes mean progress
- Collaborate to innovate
 - Work in cooperation with other companies and individuals in order to create effective and efficient innovations.
- Commit 100%
 - Doing nothing is no longer an option, action is necessary and for your action to be effective you will need to be 100% committed to reducing your emissions and achieve Net-Zero.



Cenex support

How we can help

Net Zero Fleet Support

- The creation of a road map that identifies the key milestones required for a fleet to achieve Net Zero by 2050:

Emissions
Benchmarking

Options
Assessment

Implementation
Road-maps

Infrastructure /
Energy Needs

Offsetting Review

Recommendations
& Action Plan



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HOW CAN WE LOWER YOUR EMISSIONS?

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If you wish to listen to the recording please contact us.