# Sustainability, impact, & emissions: The ESG piece of your fleet operations





As the world becomes more conscious of the impact of carbon emissions on the environment, ESG (environmental, social, and governance) efforts have become a corporate priority across industries.

ESG is a rising business tide. According to a recent survey by McKinsey, over 5,000 companies have made net-zero operational commitments.

This trend is only set to continue, with investors, customers, and regulators all demanding greater transparency and responsibility in corporate operations.

## Now is the time to do something about ESG

Within the context of fleet management, the need for sustainability initiatives has never been more urgent. In the UK, over 800,000 cars alone are registered as belonging to a fleet.

On-road vehicles are responsible for a considerable portion of global carbon emissions, with commercial fleets contributing significantly (and very visibly) to this figure.

As a result, the pressure is on. Fleet managers and leasing company directors must take proactive steps to reduce their environmental impact.

# Idle time is a potentially-massive area of cost-saving opportunity.

Fortunately, embracing innovative technologies can inform and elevate your sustainability efforts. Techagnostic data is an example of such technology: it can play a significant role in improving your carbon footprint, vehicle performance, and maintenance, for instance; thereby reducing emissions.

#### What exactly is ESG?

ESG refers to standards of corporate responsibility and ethical operations; it incorporates 'environmental, social, and governance' elements.

ESG is a framework used to monitor, evaluate and refine a company's impact and sustainability practices.

- Environmental refers to a company's environmental impact, such as carbon emissions and waste management.
- Social relates to social factors, such as labour practices, human rights, and community relations.
- Governance assesses a company's governance structure, such as executive compensation and board diversity.

The 'environmental' piece of ESG is of particular importance to the fleet management industry.

Proactive, forward-thinking organisations can actually use ESG as a strategic framework. It can help inform a path forward that is sustainable; both in an environmental and enterprise, profit-margin sense.

For instance, ESG-friendly technology such as **SmartLink** can help you gain a standardised view of driver behaviours; this will help you cut excess carbon emissions and implement training programmes to minimise risk and optimise revenue.





#### Scope 123: a tiered view of emissions

Chances are, you're already well-aware of the concept of scope 1, 2, and 3 emissions.

- Scope 1 emissions relate to the carbon dioxide that comes directly from sources that your company owns or controls, such as petrol or diesel-powered vehicle exhaust fumes.
- Scope 2 emissions can be considered the wider carbon footprint. This includes those emissions caused indirectly, when energy you use is produced: eg., emissions resulting from the production of electricity for EV vehicles.
- Scope 3 emissions refer to emissions that your company may not have direct contact with, but that it is indirectly or tangentially responsible for. Think of the purchase, use, and disposal of products from a supplier as an example.

Awareness of the above is essential for fleet managers and leasing companies.

Though it can be difficult to reach a state of carbon neutrality or negativity - especially when it comes to scope 3 emissions - companies can take a positive step towards it by investing in ESG initiatives and infrastructure.



#### **B Corp Certification**

B Corp certification is a globally recognised standard for businesses committed to meeting social and environmental performance, accountability, and corporate responsibility. Here's what you need to know:

- To become a certified B Corp, a company must meet strict standards of social and environmental performance, legal accountability, and public transparency.
- B Corps undergo a rigorous assessment and evaluation process, including an audit and documentation review.
- The business advantages of B Corp certification include improved brand reputation, enhanced customer loyalty, and a competitive edge in the market.
- For fleet management businesses, B Corp certification demonstrates a commitment to sustainability, innovation, and social responsibility.

By striving to become a certified B Corp, fleet managers can differentiate themselves from competitors, attract environmentally-conscious clients, and demonstrate a commitment to making a positive impact on society and the environment.

# Making a difference with agnostic data

Onboarding innovative technologies can transform fleet management and improve your sustainability efforts.

With SmartLink, for instance, fleet managers can gather and unify standardised driver behaviour and vehicle performance data - both of which have a significant impact on carbon emissions. The <u>SmartLink</u> dashboard enables monitoring of non-optimal behaviours, such as harsh braking or acceleration, excessive idling, and speeding. This equips you to identify areas for improvement and develop sustainable driving training programmes - reducing carbon emissions, and simultaneously improving vehicle maintenance and extending the lifespan of the fleet.

By gaining this level of visibility, you can conduct ESG initiatives confidently and effectively; resulting in improved sustainability efforts and greener performance.

At a time when so many fleets are investing heavily in sustainable products, SmartLink provides the data needed to support those efforts.

Tech-agnostic telematics is a central pillar of practical ESG strategy, and SmartLink provides the data needed to support that.

Embracing this forward-facing, greener technology means fleet managers can optimise vehicles, reduce carbon emissions, and contribute to a more sustainable future.

#### Cutting idle time

Idle time is a potentially-massive area of cost saving opportunity, since an idling engine wastes fuel - which, itself, is ever-more expensive.

By unifying telematics data, fleet managers gain visibility into their fleet vehicle idle time.

SmartLink illuminates this data, allowing you to identify patterns and drivers who consistently idle their vehicles.

Crucially, this can help businesses save money on fuel costs, while also reducing their carbon footprint.

By providing a detailed analysis of idle time, the SmartLink dashboard can help fleet managers understand when and where to deploy resources to reduce idling, and promote driver education and training to minimise it. Optimised vehicle servicing

Furthermore, tech-agnostic telematics data provides insights into vehicle performance, allowing for optimised vehicle servicing. **SmartLink** allows you to track a wide range of data points, including engine performance, fuel consumption, and wear and tear.

This data can help fleet managers schedule preventative maintenance, reducing vehicle downtime and ensuring that vehicles are running at peak efficiency.

By optimising vehicle servicing, fleet managers reduce maintenance costs and improve fuel efficiency, thereby cutting emissions and extending the lifespan of their fleet.

### ESG, sustainability & your fleet

Prioritising ESG in fleet management is critical - not just for environmental reasons, but for optimising fleet performance and maximising profitability.

With the right tools, fleet managers can gather and centralise a range of telematics data to improve driver behaviour, reduce idle time and optimise vehicle servicing; and, by doing so, fleets can achieve their sustainability goals while also achieving cost savings and efficiency gains.

As the importance of ESG continues to grow, investing in reliable tech-agnostic data is crucial for fleet managers looking to future-proof their operations and contribute to a greener, more sustainable future.

Contact us today on 0161 441 1001, or <u>book a demo now</u>, to find out more.



