



Carbon Reduction Guide For Fleet Managers

Introduction.

Reducing your fleet's carbon emissions can be highly advantageous and can help you save money, comply with reporting and duty of care requirements, and help the environment.

Understanding your fleet's carbon emissions and how you can reduce them is therefore important in helping you run a greener fleet.

Why CO₂ emissions are important. VED and BIK.

The amount of Vehicle Excise Duty (VED, formerly known as Road Tax) due on a vehicle is based on tested emissions. The higher the emissions, the higher the rate of first year tax is on the vehicle.

Benefit-in-Kind percentage rates, which control costs including Class 1A National Insurance contributions and employee Company Car Tax, are determined by the vehicle's official carbon dioxide emission levels.



Example A Mercedes-Benz A-Class has CO₂ emissions of 89g/km, which would attract a first year rate of £125, versus a Land Rover Discovery Sport with CO₂ emissions of 139g/km, which would attract a first year rate of £515.

Example A 20% tax payer drives a Mercedes-Benz A-Class, which has CO₂ emissions of 89g/km. This vehicle will have a 23% tax rate, compared to a Ford Mondeo ST-Line which has CO₂ emissions of 112g/km, which will have a 27% tax rate. The driver would pay £24.49 a month more in tax each month if they had the Mondeo instead of the A-Class.

Why you should measure the CO₂ of your fleet.

Fleet Managers can measure the CO₂ of their fleet through carbon footprinting, which provides numerous benefits for cost reduction, compliance and duty of care.

1. By measuring the CO₂ of your fleet through calculating your carbon footprint, you are gaining insight that can be used to identify fuel savings, driver training and inefficient vehicle. The methods for calculating your carbon footprint may also lead to identifying inflated or false mileage claims. Rectifying this can help increase your profit margins.
2. If you use cash allowances or have a grey fleet, some of the important information you need to demonstrate your duty of care is also used in the carbon footprint calculation, for example the type of vehicle your employee is using and where they are driving to. If you also collect fuel consumption and carbon emission of these vehicles, you'll be able to estimate the footprint of this portion of your fleet.
3. Managing your carbon emissions can help you differentiate your business and your customers will see your commitment to improving the environment.
4. CO₂ output is increasingly being included in tenders for new business.
5. Finally, it is a legislative requirement for some businesses to report on their greenhouse gas emission levels.



Calculating your carbon footprint.

There are a number of methods for calculating the carbon footprint of your fleet, with varying accuracy:

Method 1 The actual quantity of fuel consumed multiplied by carbon intensity factor. This is the most accurate method of calculating a carbon emissions. If you are able to use this method, it's a good indicator of how well you are monitoring your fleet data.

Method 2 Multiply the distance travelled and the car's official CO₂ emissions. Note that this creates an estimation that may need to be adjusted for real-world emissions, which will vary for different vehicles and drivers.

NOTE: With the process for calculating a vehicle's official CO₂ emissions changing in September 2018, you will need to recalculate your carbon footprint. See Carbon Footprinting and WLTP on page 5 for more information.



Carbon Footprinting and WLTP.

The Worldwide Harmonised Light Vehicle Test Procedure (WLTP) is an updated method of measuring CO₂ emissions, fuel consumption and pollutants.

It replaces the outdated New European Driving Cycle (NEDC) test, which was based on theoretical driving.

The overall aim of the new test process is to present consumers and manufacturers with more accurate information about how a vehicle performs in actual on-the-road conditions.

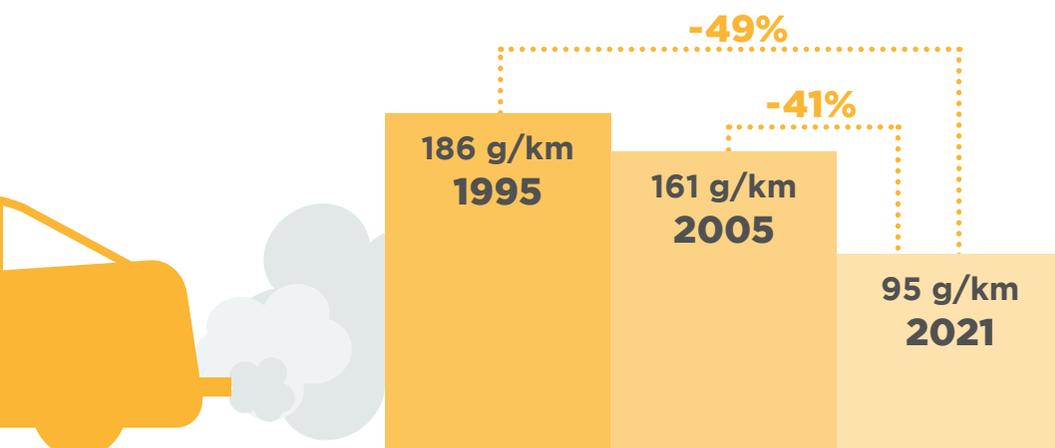
All vehicles registered from September 2018 onwards (regardless of when the model was first produced) will be required to have published figures.

It is not expected that WLTP figures will be used for Benefit-in-Kind/Company Car Tax purposes until at least April 2020, where it is anticipated it will form part of a wider BIK policy review. NEDC figures will also be published until this point.

However, WLTP must be kept in mind when working out your carbon footprint as you will have to re-calculate it to account for the changes in a vehicle's official CO₂ emissions.

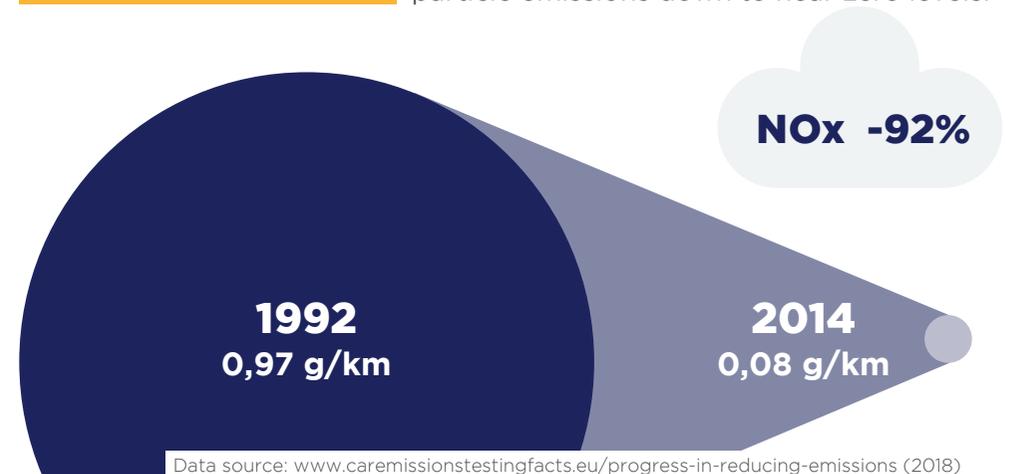
CO₂ emissions

The EU has set the most challenging targets for reducing vehicle CO₂ emissions in the world.



Pollutant emissions

The automotive industry has brought particle emissions down to near zero levels.



Recording data.

There are two key pieces of data required to calculate a fleet's carbon footprint - business mileage and fuel consumption, though it is good practice to also record car-specific CO₂ emissions.

Fuel cards Fuel cards are a great tool for accounting for your fleet's fuel consumption. Fuel cards reports need to be accurate and useful, so we recommend working with your provider to ensure the data is high quality. Data can also be used to monitor travel patterns, useful for when deciding on your car choice policy.

Telematics Telematics is useful for measuring business mileage and helps a fleet manager know where their vehicles are and how they are being used. Commonplace in van fleets, telematics has practical car applications and can also be used to differentiate between business and personal mileage.

Mileage Capture Mileage capture software is a low cost way of measuring business mileage and allows for a 'fuel at cost' approach to be used for reclaiming the cost of private journeys. When used as part of telematics you can automate this process, saving you time and costs.

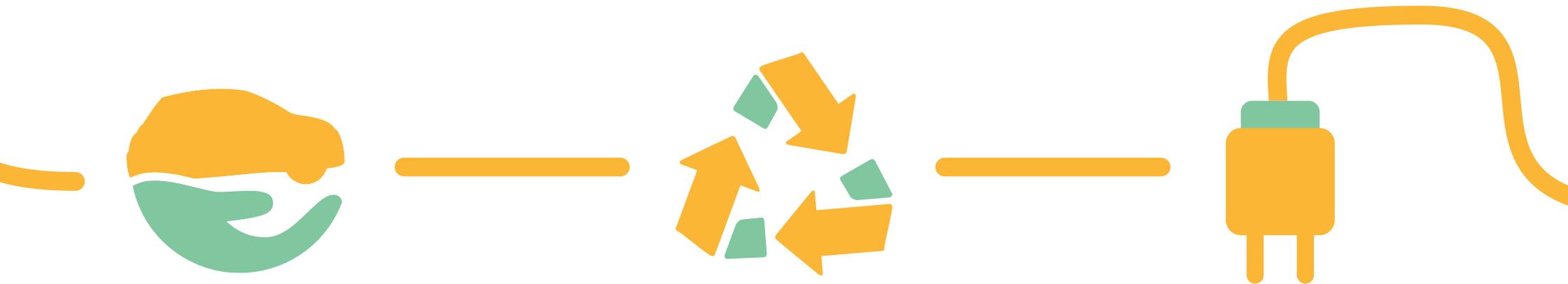


Implementing a Carbon Reduction Initiative.

With the ability to automate this process and capture data becoming readily available and cost effective, Carbon Footprinting becomes a viable option for businesses of all sizes, with real, tangible benefits to your company.

Using the data, you can subsequently implement:

- Training, technology and engagement to promote efficient driving;
- Mileage reduction, resulting in fuel savings;
- Grey fleet management to control risk and minimise mileage;
- Implementing fleet policies which encourage efficient vehicle choice and driver behaviour;
- Fuel management and fuel consumption for individual drivers and vehicles;
- Participating in a **carbon offsetting scheme**.



What is Carbon Offsetting?

Carbon offsetting is a method by which a business can balance emissions generated from their lease vehicles by funding an equivalent carbon dioxide saving elsewhere in the world. It works by adding a small cost per month, calculated based on emissions and annual contract mileage, to the monthly rental which is then donated to green projects globally, such as Wind and Solar Power Projects in India.



VAUXHALL CORSA	CO ₂	100g/km
Annual Contract Mileage	25,000	
Associated CO ₂ emissions per annum	4.84 tonnes of CO ₂	
Monthly offset cost	£0.81 added to monthly rental	



VAUXHALL MOVANO	CO ₂	211g/km
Annual Contract Mileage	25,000	
Associated CO ₂ emissions per annum	10.20 tonnes of CO ₂	
Monthly offset cost	£1.70 added to monthly rental	

Example Project.



SOLAR POWER PROJECT IN INDIA

Country	India
Reference	VCS 1670
Certification	VCS

The project activity involves the installation of two solar power plants in the states of Tamil Nadu and Telangana in India. The total installed capacity of the project is 56.25 MW. The electricity generated is fed directly to the regional grid system, displacing energy that would have been generated by fossil fuel based power plants. This project provides employment opportunities during the construction and operation phases as well as demonstrates the technology in the region

All projects meet the requirements under the Quality Assurance Standard (QAS) for Carbon Offsetting.

Summary.

Carbon reduction is a key goal for organisations, vehicle manufacturers and the government, and we can help you reduce your emissions with a variety of innovative initiatives, such as Carbon Offsetting. Going greener does more than simply portray a green image – it can have significant cost saving benefits to your business.

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Sources: www.caremissionstestingfacts.eu/progress-in-reducing-emissions (2018) - www.energysavingtrust.org.uk/sites/default/files/Carbon%2BFootprint%2Bguide.pdf (2018)