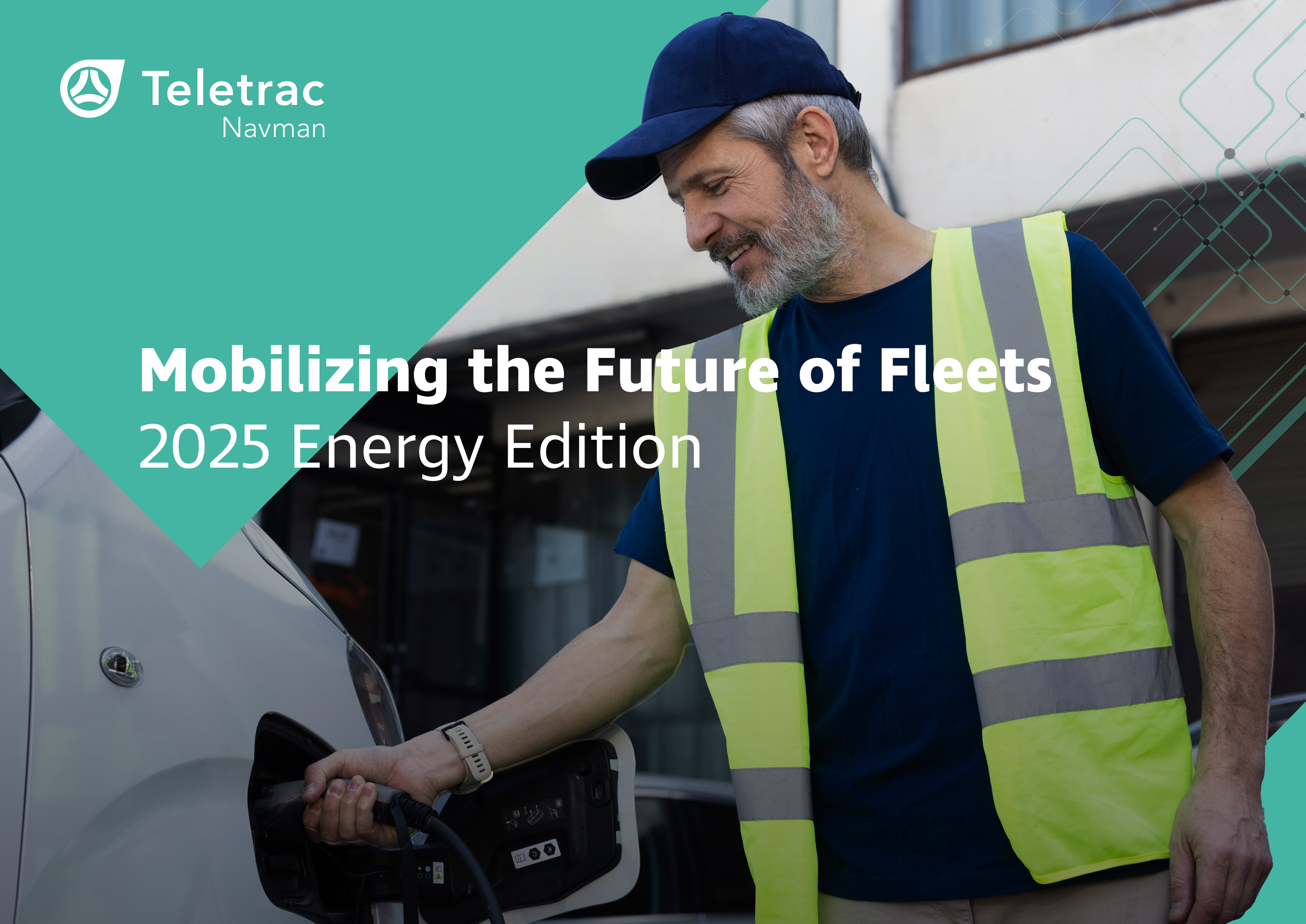




Mobilizing the Future of Fleets

2025 Energy Edition



Fleet Sustainability: Challenges, Progress and Industry Perspectives

The push for fleet sustainability is at a pivotal moment, with businesses facing significant challenges and opportunities in their transition to alternative fuels.

Our latest sustainability survey reveals a spectrum of industry perspectives, from enthusiasm for decarbonization, through to deep concerns around feasibility, cost and government mandates.

However, while operational and financial pressures remain, many fleet operators are actively making strides toward sustainable solutions, with customer demand and brand reputation emerging as major drivers of change.

Report Contents

01

Fuel Costs and Operational Strategies

02

Decarbonization and Fleet Transition

03

Progress in Fleet Transition

04

Changing Fleet Composition

05

Respondent Sentiment Analysis

06

The Evolving Landscape of Fleet Sustainability

Forward

Sustainability and decarbonization are among the most pressing challenges facing the fleet industry today, however, there is no single viewpoint on the best path forward. While some fleet operators see decarbonization as an opportunity to reduce costs and strengthen customer trust, others remain skeptical, viewing transition as a financial strain or an unrealistic regulatory expectation.

As such, fleet operators are facing significant hurdles that come with transition. The high cost of transitioning, infrastructure limitations and range constraints - particularly for heavy-duty and long-haul fleets - are major barriers, and many businesses also express concerns about the feasibility of net-zero targets, citing a need for clearer data, stronger financial incentives and practical strategies to make sustainability work in real-world operations.

And so the industry is posing key questions:

- With so many challenges and competing priorities, how can I make informed decisions about sustainability?
- What solutions will deliver real impact?
- How can I balance environmental goals with commercial realities?

This report explores these critical questions, providing valuable insights into the industry's current mindset and the roadblocks that stand in the way of progress.

By understanding these perspectives, fleet operators, industry leaders and policymakers can work together to drive practical, achievable change.

I hope you find this report insightful as you navigate the path to a more sustainable future.

Alain Samaha



Alain Samaha

Chief Executive Officer
Teletrac Navman

Fuel Costs and Operational Strategies

The industry is taking a multi-faceted approach to tackling rising fuel costs, with 74% of fleet operators deploying multiple strategies with regular maintenance remaining the most common countermeasure, widely recognized as the key to improving fuel efficiency.

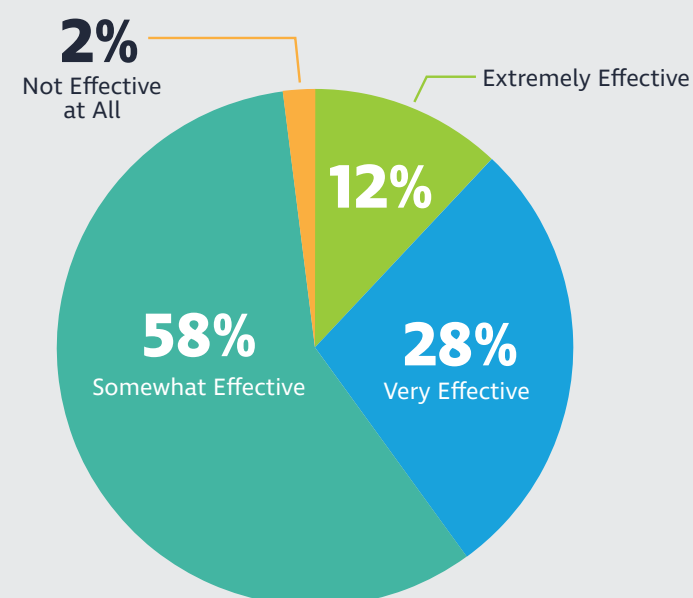
Yet despite these efforts to reduce fuel costs and the associated benefits of decarbonization, many operators are struggling to see results, with only 40% successfully meeting their goals. This highlights the need for additional strategies beyond traditional fuel reduction methods, as maintaining previous levels of savings is becoming increasingly difficult.

84% of operators are focusing on operational improvements

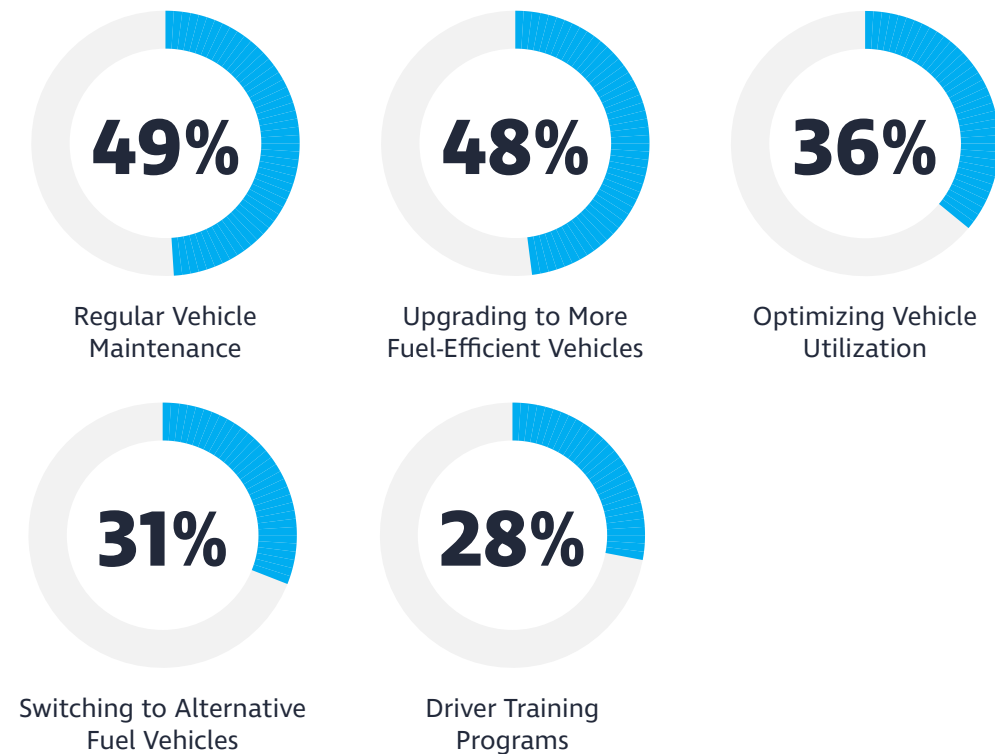
In fact, the most impactful actions to date are from changing operational processes, followed by the adoption of alternative fuel vehicles which are 22% more effective than simply upgrading to more fuel-efficient vehicles.

61% are making CapEx investments to address to rising fuel costs

Are current approaches to managing fuel costs effective?



How are businesses tackling rising fuel costs?



Are businesses making CapEx investments or focusing on operational improvements?

Operations Improvements



CapEx Investments



Decarbonization and Fleet Transition

Rising fuel costs could pull investment and resource away from energy transition, as businesses balance immediate operational needs with long-term sustainability goals.

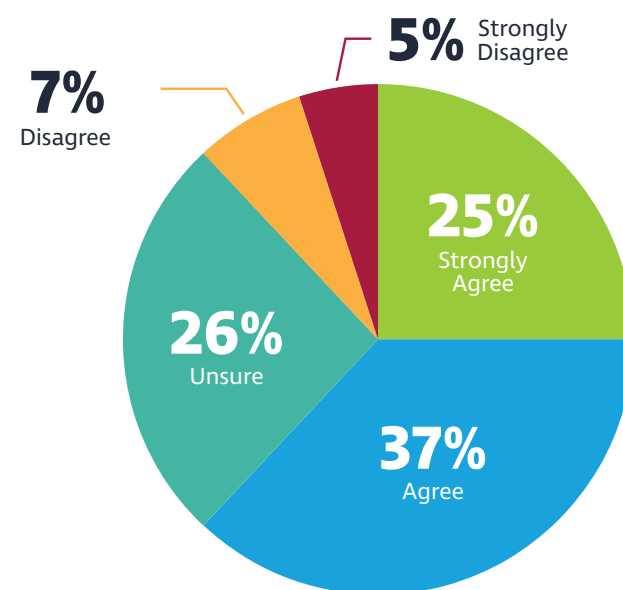
Beyond cost concerns, other key factors driving the transition include environmental pressure, with 62% of operators recognizing the need to act, and 58% citing brand and sustainability goals as influencing their investment in decarbonization.

58% of operators say brand reputation impacts their investment in alternative fuels

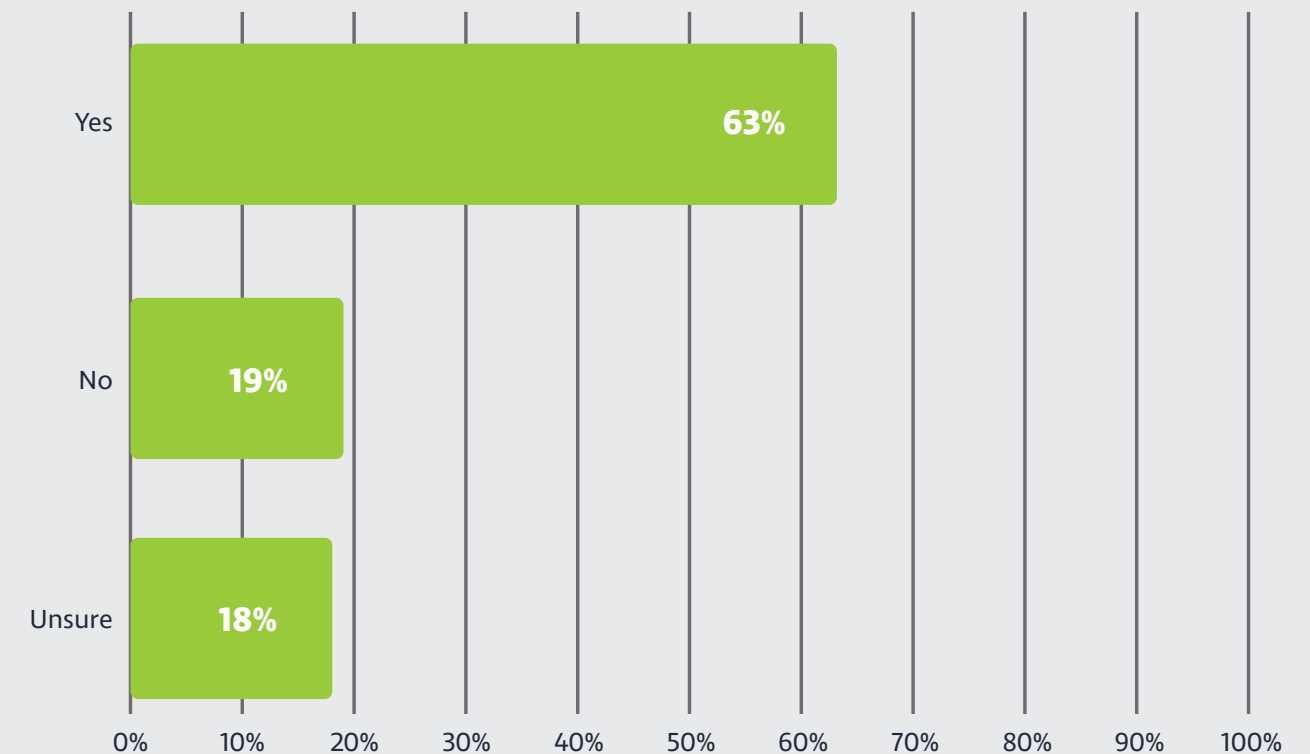
This figure rises to 79% among businesses already making the shift, suggesting that early adoption offers a commercial advantage. What's more, 63% also reported that customer demand has influenced their decarbonization strategies, which underlines the growing importance of sustainability in customer relationships.

63% of operators reported that customer demand has influenced their decarbonization strategies

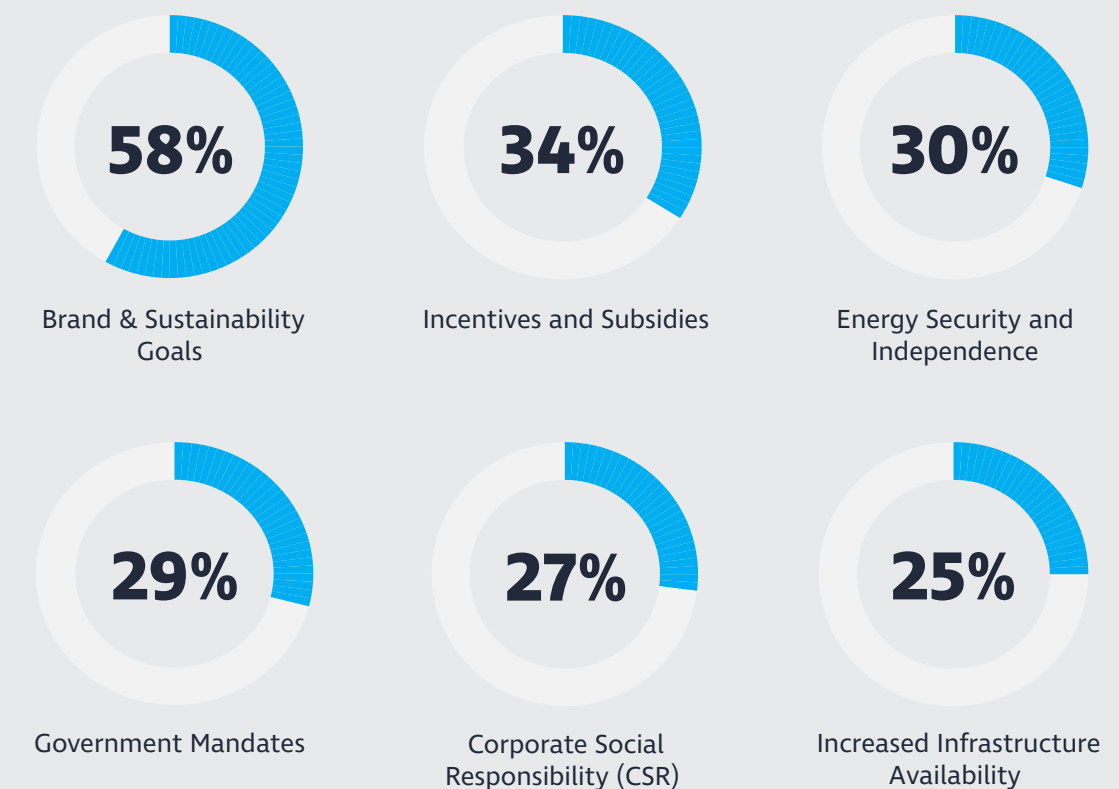
Are businesses feeling environment pressure to transition to alternative fuels?



Has customer demand influenced the speed of decarbonization plans?



What is influencing your fleet energy transition?



Progress in Fleet Transition

Fleet operators are at different stages of their energy transition, with 17% in the analysis phase, 22% in the early execution phase and 50% in advanced stages.

Among those in transition, 46% are assessing vehicle suitability, with 8% seeking external consultancy. However, only 30% have completed a Total Cost of Ownership (TCO) analysis, a crucial step to avoid costly mistakes which, if skipped, could lead to expensive errors down the line.

46% of operators are currently addressing the suitability of vehicles

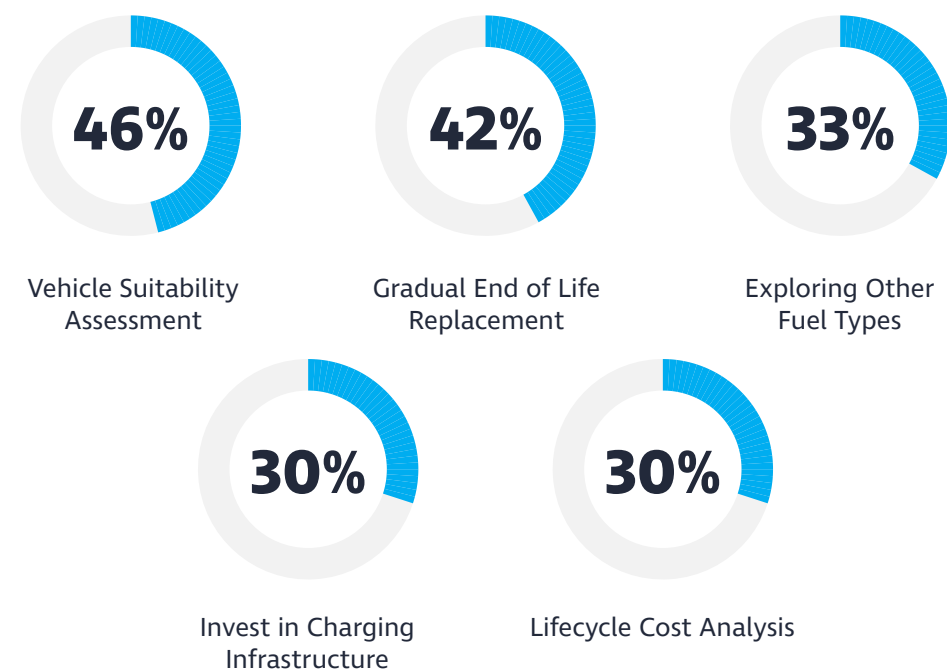
Larger organizations are leading the way with 62% of those with fleets of over 50 vehicles already transitioning, while smaller organizations may soon face increasing pressure to avoid falling behind in the market or missing out on demand from partners providing sustainable services.

39% of fleets with less than 10 vehicles may feel the pressure of missing out on commercial benefits

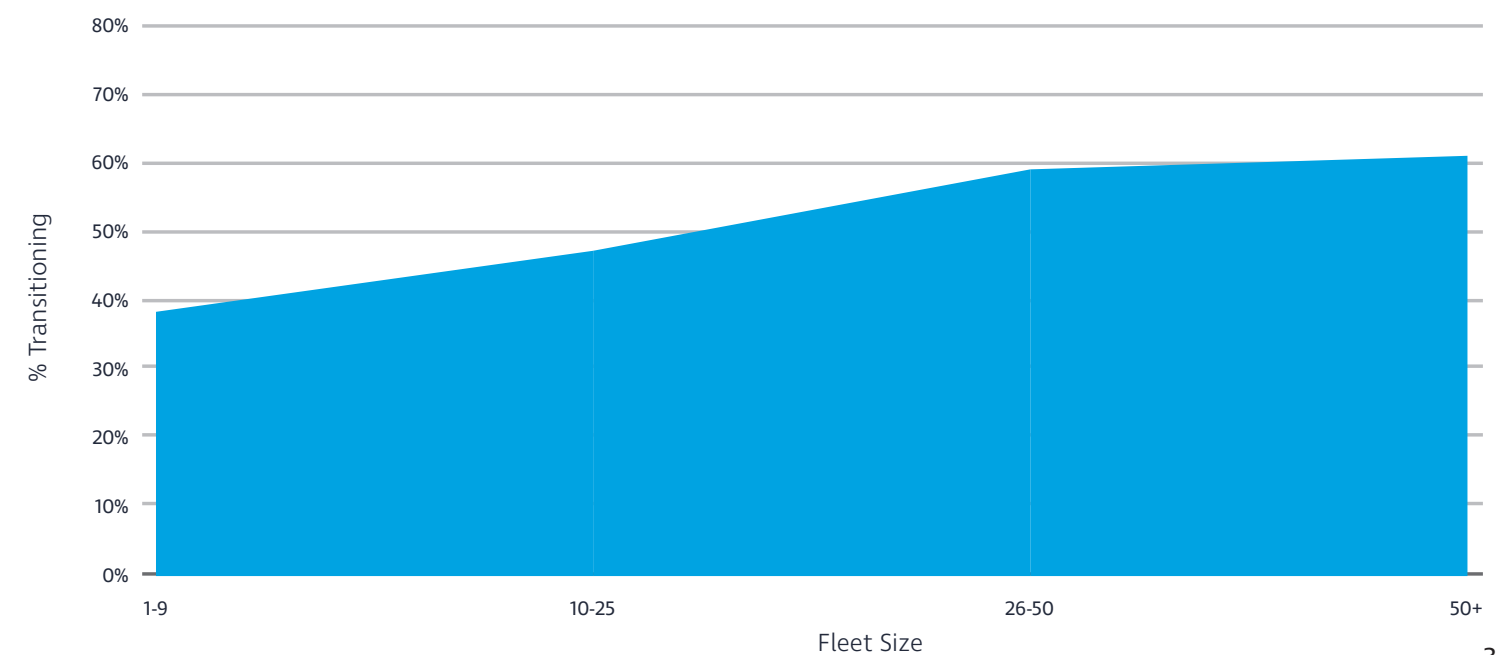
The high purchase costs of alternative vehicles is the biggest challenge for 56% of respondents, followed by the installation costs of EV chargers. This combined capital expense of managing rising fuel costs while transitioning to greener energy, presents a significant financial hurdle, especially for smaller businesses with tighter budgets.



What is influencing your fleet energy transition?



What size fleets are most progressed with their energy transition?





Changing Fleet Composition

Despite growing momentum for alternative energy, 66% of fleets still rely on petrol or diesel vehicles, and among the 34% adopting alternative fuels, electric vehicles lead the transition, while 30% are also incorporating gaseous or other renewable energy sources. This shows a diverse approach to sustainability and highlights the need for flexible infrastructure, policy support, and strategic planning to manage this evolving energy mix.

However, the shift to multi-energy fleets is accelerating, with 61% of operators using more than one energy type. In fact, 32% of fleets now operate three or more energy sources, reflecting the increasing complexity of fleet management as businesses navigate decarbonization.

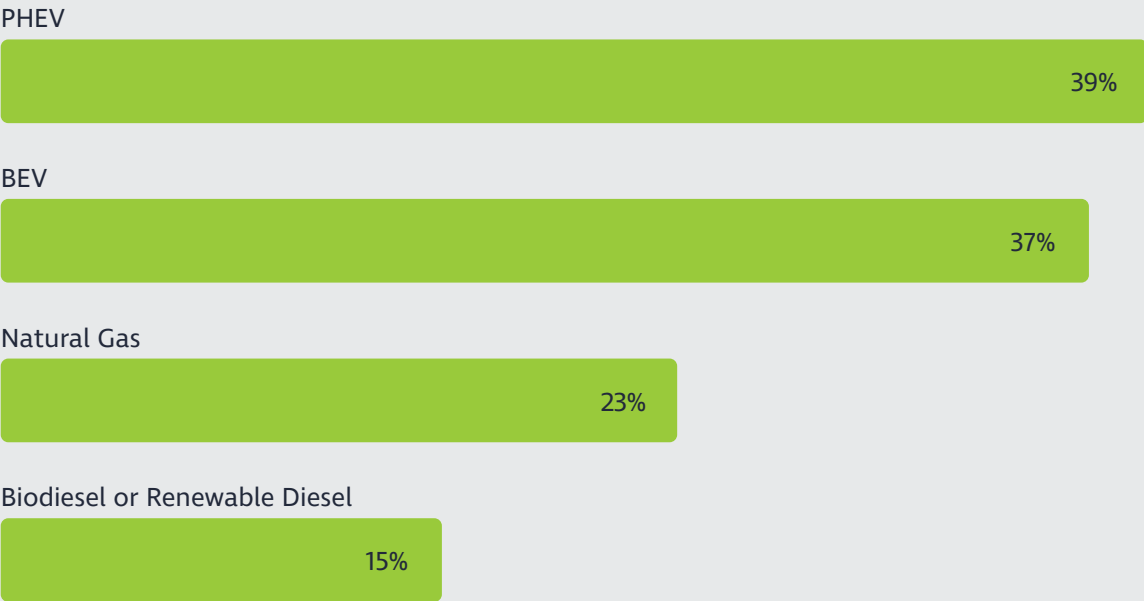
61% of operators currently use more than one vehicle energy type today

Momentum is building with 8% of fleets having already transitioned at least 50% of their vehicles to alternative fuels. Looking ahead, 48% of operators expect to reach this milestone within the next two years, signaling a significant shift in fleet energy strategies.

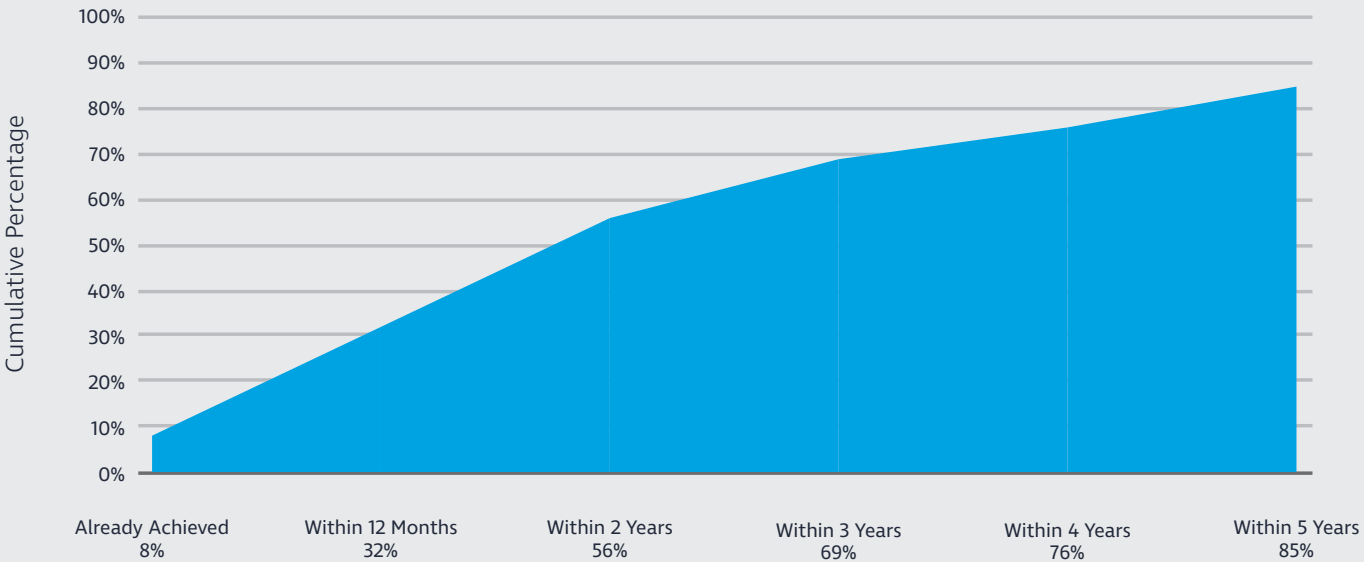
Additionally, 85% of fleets anticipate that at least half of their vehicles will be powered by alternative energy sources within five years, underscoring the industry’s strong commitment to sustainability and the growing feasibility of alternative fuel solutions.

85% of operators envision having half their fleet powered by alternative energy by 2030

What alternative fuels are fleets adopting?



When will fleet operators have transitioned 50% of their fleet to alternative fuels?



Respondent Sentiment Analysis

The sentiment around the transition to alternative fuels and decarbonization reveals a polarized landscape, with respondents expressing a range of opinions across several key areas.

As part of our Mobilizing the Future of Fleets Survey: 2025 Energy Edition, we invited respondents to complete open-ended comments to generate a sentiment analysis, and this is what we identified:

1. A notable polarization around climate change and decarbonization remains

Some respondents reject the urgency of decarbonization, with comments challenging the legitimacy and urgency around climate change. Others view the transition as beneficial, citing *“we have to all eventually do this”* and *“transitioning our fleet to clean energy has increased customer trust.”*

2. Feasibility concerns are a barrier

Many cite the financial strain of transitioning to EVs and alternative fuels due to high upfront costs, limited government incentives and expensive ongoing operations. Operators in remote areas (Australia, New Zealand, U.S.) struggle with a *“lack of viable charging/fueling stations”* and *“inadequate infrastructure for HGVs and long-haul routes”*. This is contributing to persistent concerns over limited range and payload capacity compared to diesel trucks, especially for long-distance and heavy-duty operations.

3. Skepticism around timelines

Many feel that government net-zero deadlines are unrealistic given the costs and logistical challenges of fleet-wide transitions. In the US, some operators are waiting for political shifts before committing to fleet changes, with comments such as *“waiting for the next administration.”*

4. Support structures are inefficient

Fleet operators want clearer data on the total cost of ownership and real-world operational challenges of alternative fuels. Many believe current subsidies and incentives do not sufficiently support heavy-duty fleets or address their specific operational needs with respondents stating that with better funding and incentives, they would be more inclined to transition.



The Evolving Landscape of Fleet Sustainability

The sustainability landscape for fleets is rapidly evolving, with businesses navigating financial, operational and regulatory challenges. Yet, while concerns about cost and infrastructure persist, many operators see decarbonization as a strategic advantage which is being driven by customer expectations and brand positioning.

While the transition to alternative fuels is gaining momentum, the pace and feasibility of adoption remain points of debate, as some operators are optimistic about the shift, expecting significant strides in the next five years, while others remain cautious due to financial pressures, infrastructure gaps and regulatory uncertainties.

As fleets navigate these complexities, access to accurate data and actionable insights will be critical in making informed decisions that align with both business needs and sustainability goals.

Teletrac Navman remains at the forefront of this transformation, equipping fleet operators with the tools, technology and intelligence they need to navigate this transition confidently. As such, we will continue to provide real-time visibility, performance analytics and sustainability-focused solutions in our commitment to helping businesses drive meaningful change and build a more sustainable future.

Barney Goffer



Barney Goffer

Product Manager - Fleet Energy Solutions
Teletrac Navman



Mobilizing

THE FUTURE OF FLEETS

Survey results consisted of 536 respondents gathered in November 2024 from Australia, New Zealand, Mexico, the United Kingdom and the United States.