EROAD

ROAD TO

SUSTAINABILITY REPORT

October 2021

Sustainability policy may be set by Governments, but effective change will be driven through the pace of business adoption

Across Australia and New Zealand, mandated regulations around sustainability reporting differ for businesses by country. As each Government sets its own Net Zero Emissions timeframes, it is likely regulatory and reporting requirements on sustainability efforts will increase for businesses in the near term.

This report seeks to identify how prepared businesses may be for this shift in compliance, as well as the challenges and benefits they are currently experiencing.

EROAD's purpose is to create safer, more sustainable roads

The Road to sustainability

At EROAD, our customer base includes industries which are typically high Green House Gas (GHG) emitters. We are uniquely placed to understand how ready these businesses are to respond to any shift in sustainability reporting and regulation.

As the world prepares to close a chapter on the pandemic, the looming threat of climate change continues to threaten our current way of life in the long term. Globally, Governments' are aligned on the need for action, even if the pathways to achieve the goals differ by country. Businesses too have increasingly started to prioritise sustainability initiatives as it becomes more clear 'action' will eventually be needed, and potentially regulated.

In Australia, transport accounts for **17%** of GHG emissions and industrial processes for a further **5.7%**[1]. In New Zealand, GHG emissions from road transport represent **21%** of total emissions with manufacturing and construction adding an additional **8.1%**[2].

1. 2019 GHG emissions.
https://www.industry.gov.au/data-and-publications/national-inventory-reports
2. Greenhouse Gas Inventory 1990-2017, MfE (2019); Light vehicles and Other transport estimates are based on data from the MBIE 2017 energy balances and MBIE Energy in New Zealand (2018)

EROAD's
sustainability survey

Considering the impact transport, construction and manufacturing have on emissions targets, we believe the results of our sustainability survey give a great insight into how far businesses have travelled on the road to a sustainable future.

The Data
We conducted a sustainability sentiment survey reaching 1,134 business decision makers across Australia and New Zealand to understand the following:

- *How businesses report on sustainability*
- *What challenges businesses face in adopting sustainability goals*
- *Which stakeholders' businesses are feeling pressure from, and what motivates the desire to change*
- *Planned investment areas*
- *Planned fleet changes*

Key findings from this survey are contained in this report.
We will use this insight to help drive our future products and services to assist businesses to move forward along the road to sustainability.

We hope the results allow you to benchmark your own business' journey.
Are you ahead of the pack, or do you still have further to travel?

What is standing in the way...

42%

Of businesses don't currently report on sustainability goals.

26%

Of businesses currently feel no pressure to increase sustainability efforts.

42%

Of businesses are challenged by the associated costs, lack of tangible value and prioritisation.

What has been achieved so far...

26%

Of businesses have declared a 'war on waste', with current goals set.

14%

Of businesses are currently using more sustainable materials.

5%

Of businesses are offsetting carbon emissions.

What is providing motivation...

58%

Of all businesses state positive impacts are across 'indirect' areas; employee morale, customer satisfaction and brand reputation.

30%

Of businesses are motivated by regulatory changes, government funding or punitive action.

7%

Of businesses are motivated to increase their sustainability efforts by measurable ROI.

What changes are currently planned...

37%

Of all light fleets are expected to be fully electric or alternatively powered by 2025.

33%

Of all asset fleets are expected to be 'green' by 2025.

21%

Of all heavy fleets are expected to be fully electric, hydrogen or alternatively powered by 2025.

ESG focus areas: All environmental issues are in the bottom 25%

On a scale of 1-10 rate how important each of the following is to your business?

When prioritising Environmental, Social and Governance (ESG) issues, businesses and stakeholders clearly want to do what is right for staff, customers and shareholders. But when it comes to the environment, the importance rating drops.

Comparing Public vs Private companies, the importance ranking gap was largest on the issue of *Reducing Carbon Emissions*. Public companies gave this an average score **0.79** points higher than Private companies (**6.74** vs **5.95**).
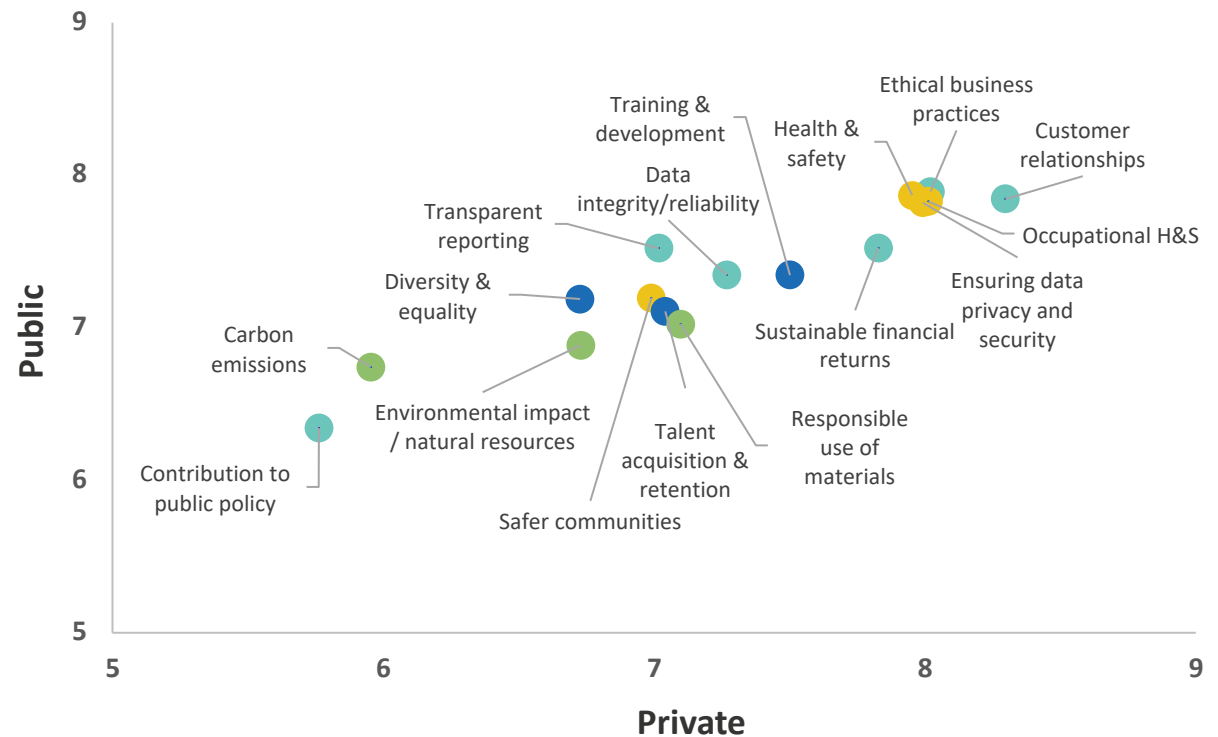
AU vs. NZ

There was very minimal difference in the ranking of issues between the two countries. Businesses in both are aligned on importance and prioritisation of ESG areas.

Reporting maturity

Businesses which have been reporting on sustainability goals for 3+ years ranked *Improving health and safety outcomes* as the most important issue. Whilst the less mature businesses *Building enduring customer relationships* as the most important issue.

Q. On a scale of 1-10 rate how important each of the following is to your business? Private Company includes those that identified as 'Private' and 'Not Incorporated'. N=841

Sustainability reporting is lacking in maturity

6%
More AU businesses have started their sustainability reporting journey than their NZ counterparts. Both regions have an equivalent number of 'very mature' sustainability businesses, making up **17%** of the cohort. However…

4%
More NZ businesses are further along on their health and safety reporting journey than AU.

15%
More NZ business are 'very mature' in their health and safety reporting, representing the largest gap in reporting maturity between the two countries.

How many years has your business been reporting on sustainability goals? Health and safety goals?

AU Sustainability

24%
17%
40%
37%
Safety
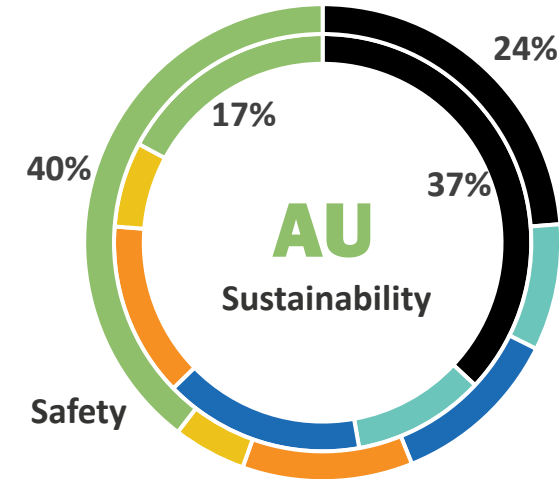
■ No Reporting ■ 1 year ■ 2 years ■ 3 years ■ 4 years ■ 5 years+

42%
Regardless of location, 42% of all businesses currently do not report at all on sustainability goals.

Maturity

For the purposes of analysis for the rest of this report, when the word 'maturity' is used, it is categorised according to the following parameters.

No Reporting = Answered: *We don't*
Immature = Answered *1 or 2 years*
Mature = Answered *3 or 4 years*
Very mature = Answered *5+ years*
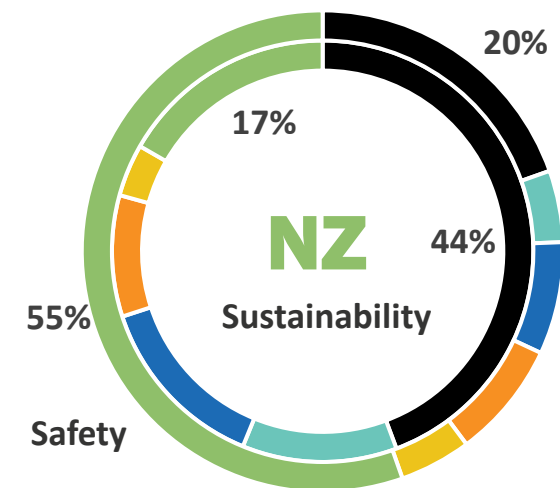
NZ Sustainability
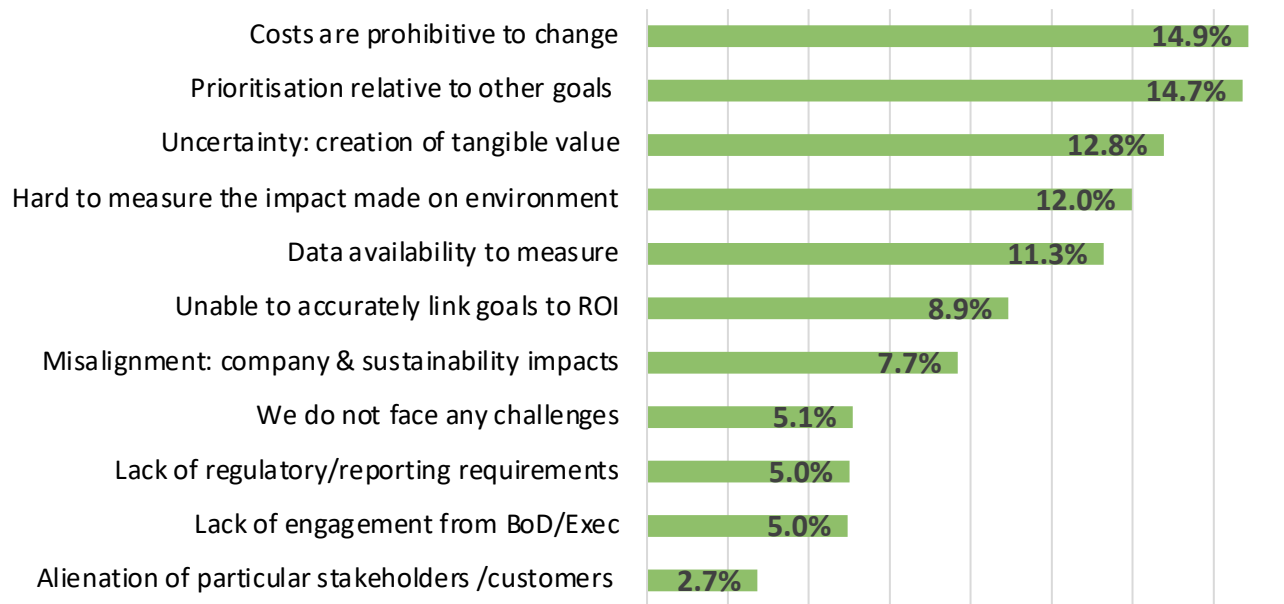
20%
17%
55%
44%
Safety

Q: How many years has your business been reporting on sustainability goals? How many years has your business been reporting on health and safety goals? N=926

Perceived costs represent biggest challenge to increasing efforts

What are the current challenges your business faces in setting, measuring and achieving your sustainability goals?

Implementing Health and Safety goals and reporting is often achieved first through processes, protocols and greater rigour. Sustainability goals are seen as more costly to implement, due to the requirement to change technology, equipment, suppliers or manufacturing processes. Closely followed by the challenge of prioritising it in relation to other business goals. This demonstrates that many businesses are still not feeling enough tangible pressure to escalate the importance of setting and achieving sustainability goals.

Challenge	%
Costs are prohibitive to change	14.9%
Prioritisation relative to other goals	14.7%
Uncertainty: creation of tangible value	12.8%
Hard to measure the impact made on environment	12.0%
Data availability to measure	11.3%
Unable to accurately link goals to ROI	8.9%
Misalignment: company & sustainability impacts	7.7%
We do not face any challenges	5.1%
Lack of regulatory/reporting requirements	5.0%
Lack of engagement from BoD/Exec	5.0%
Alienation of particular stakeholders /customers	2.7%

External parties are not an impediment

Only **7.7%** of all businesses reported an external party was standing in their way to implementing sustainability goals. Ranking in the bottom three reasons were both *Lack of regulatory requirements* and *Alienation of particular stakeholders / customers.* This demonstrates most impediments are within the business' control to overcome.

7.4%

Businesses that have been reporting on sustainability goals for more than 5 years have something in common with those that don't report at all. Both groups on average identified 2 challenge areas in setting and achieving goals.
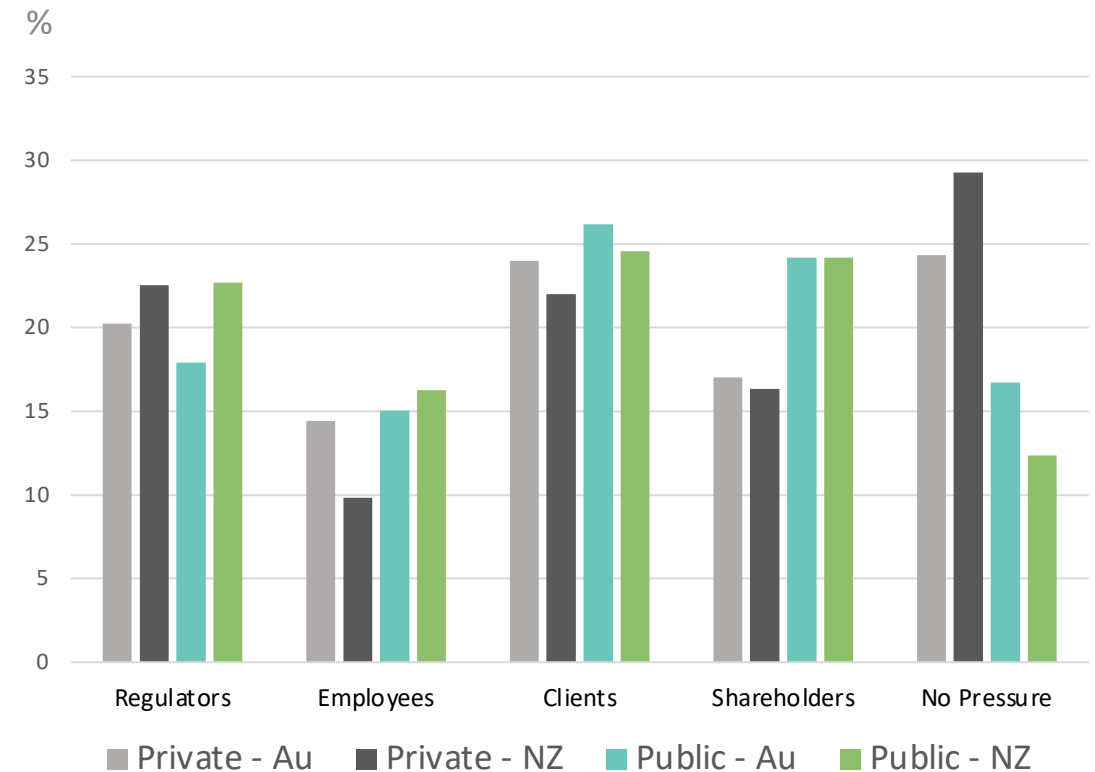
7.4% of both groups stated they did not face any challenges. In contrast, businesses reporting on sustainability goals for at least 1 year, but less than 5, identified at least 2.5 challenge areas on average. Only **2.2%** of businesses in this grouping reported not facing any challenges.

Public companies are feeling greater pressure than private

How much influence does each group have on your sustainability effort?

Private companies across the ANZ region don't feel as much pressure as Public companies in relation to their sustainability efforts. Influence is different by region as well. The top 3 areas of influence felt in Australia are from *Clients* at **24%**, *No Pressure* at **23%** and *Regulators* at **20%**. Compared to NZ where *No Pressure* leads the way at **27%**, *Regulators* at **23%** and *Clients* at **23%**.

Chart: % influence by group — Regulators, Employees, Clients, Shareholders, No Pressure. Series: Private - Au, Private - NZ, Public - Au, Public - NZ.

26%
Of all businesses, regardless of type, report feeling *No Pressure* from any stakeholder group regarding their sustainability efforts.

23%
Demand and pressure from *Clients* is the second most influential group, across all businesses.

This influence can be seen flexing its muscle in how important sustainability is in vendor selection on p.g.17.

12%
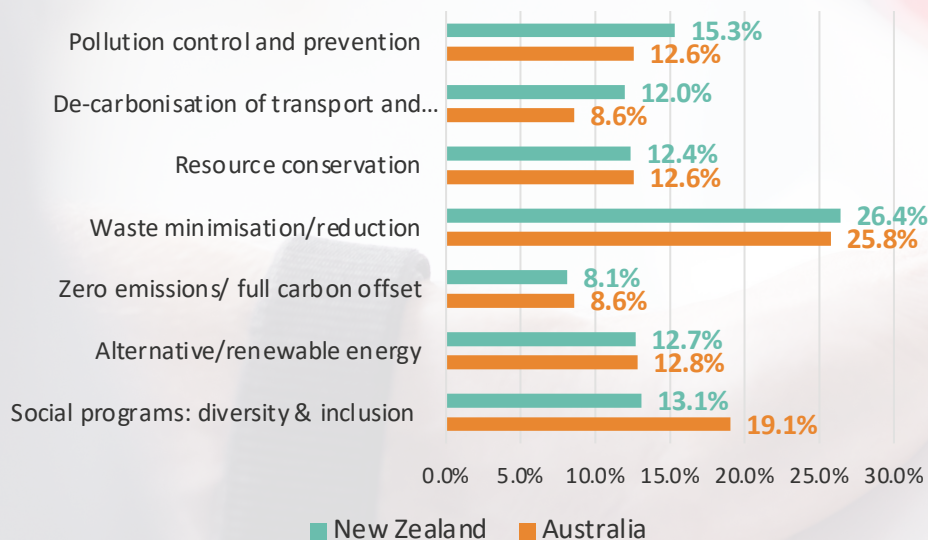*Employees* are the least influential stakeholder group across the board. Only **12%** of businesses, regardless of type, report feeling influenced by their employees.

Q. For each of the following, indicate the influence it has on your sustainability effort. Show the amount of influence by distributing the 100 points among the options. Private Company includes those that identified as 'Private' and 'Not Incorporated'. N=1134

'War on waste' is most popular of current sustainability goals...

Of the following areas, which does your business have current sustainability goals for?

	New Zealand	Australia
Pollution control and prevention	15.3%	12.6%
De-carbonisation of transport and...	12.0%	8.6%
Resource conservation	12.4%	12.6%
Waste minimisation/reduction	26.4%	25.8%
Zero emissions/ full carbon offset	8.1%	8.6%
Alternative/renewable energy	12.7%	12.8%
Social programs: diversity & inclusion	13.1%	19.1%

The message of Reduce, Reuse, Recycle has been popular since the 1970s[1], so it's not surprising that more than a quarter of all businesses have *waste minimisation* goals in place.
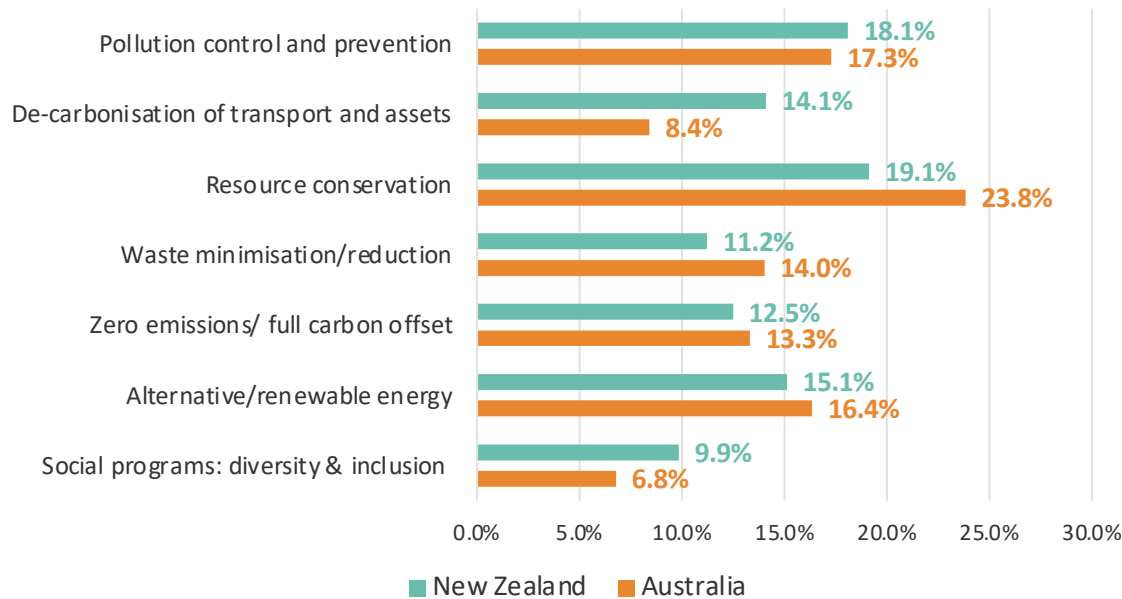
6%
The largest difference between current goal adoption between Australia and New Zealand is in the implementation of *social programs to achieve diversity, inclusion and indigenous representation*. **19.1% of Australian businesses have goals in place, vs only 13.1% of their New Zealand counterparts.**

Net Zero comes in last
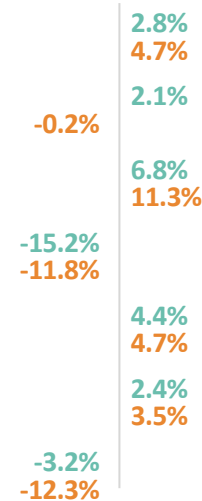**Despite the concept of net zero emissions being one of the most spoken about climate goals or policies, it comes in last place. Only 8.3% of all business goals selected by decision makers represented a commitment to achieving zero emissions or full carbon offset.**

Q. Of the following areas, which does your business have current sustainability goals for? Select all that apply.. N=926. 1. recyclenation.com

... but businesses prioritise resource conservation in the next 2 years

Expected sustainability goals in the next 2 years

	New Zealand	Australia
Pollution control and prevention	18.1%	17.3%
De-carbonisation of transport and assets	14.1%	8.4%
Resource conservation	19.1%	23.8%
Waste minimisation/reduction	11.2%	14.0%
Zero emissions/ full carbon offset	12.5%	13.3%
Alternative/renewable energy	15.1%	16.4%
Social programs: diversity & inclusion	9.9%	6.8%

0.0% 5.0% 10.0% 15.0% 20.0% 25.0% 30.0%

■ New Zealand ■ Australia

% change to current goals

	New Zealand	Australia
Pollution control and prevention	2.8%	4.7%
De-carbonisation of transport and assets	2.1%	-0.2%
Resource conservation	6.8%	11.3%
Waste minimisation/reduction	-15.2%	-11.8%
Zero emissions/ full carbon offset	4.4%	4.7%
Alternative/renewable energy	2.4%	3.5%
Social programs: diversity & inclusion	-3.2%	-12.3%

Which areas does your business expect to set sustainability goals for in the next 2 years?

AU vs. NZ: Goals vs Impact

Despite being aligned on most areas of goal growth/changes, there is one area where the Kiwis are widening the gap on the Aussies.

New Zealand is already **3.4%** ahead of setting current goals in de-carbonisation of transport and assets than Australia, and is expecting to grow in that area by **2.1%**. Conversely, Aussies are predicting a small drop in this area for future goals.

Despite the gap in goal setting, the reality of the intended impact tells a different story. In Australia, business owners are anticipating **35%** of all fleets to be made up of alternatively powered vehicles by 2025, vs **31%** of New Zealand fleets.

Q. Which areas does your business expect to set sustainability goals for in the next 2 years? Select all that apply. N=926

Using sustainable materials leads the initiatives list

10%
Even with the pandemic impacting businesses for the prior 18 months, remote work and reduction of travel only came in third at **10%**.

Top 5
When comparing companies that currently do not report on sustainability goals vs those who have been reporting for 5+ years there is one key difference in the top 5 initiatives implemented: *Setting and measuring clear sustainability goals*.

3.5
Across both countries, businesses have undertaken an average of **3.5** initiatives as part of their sustainability efforts.
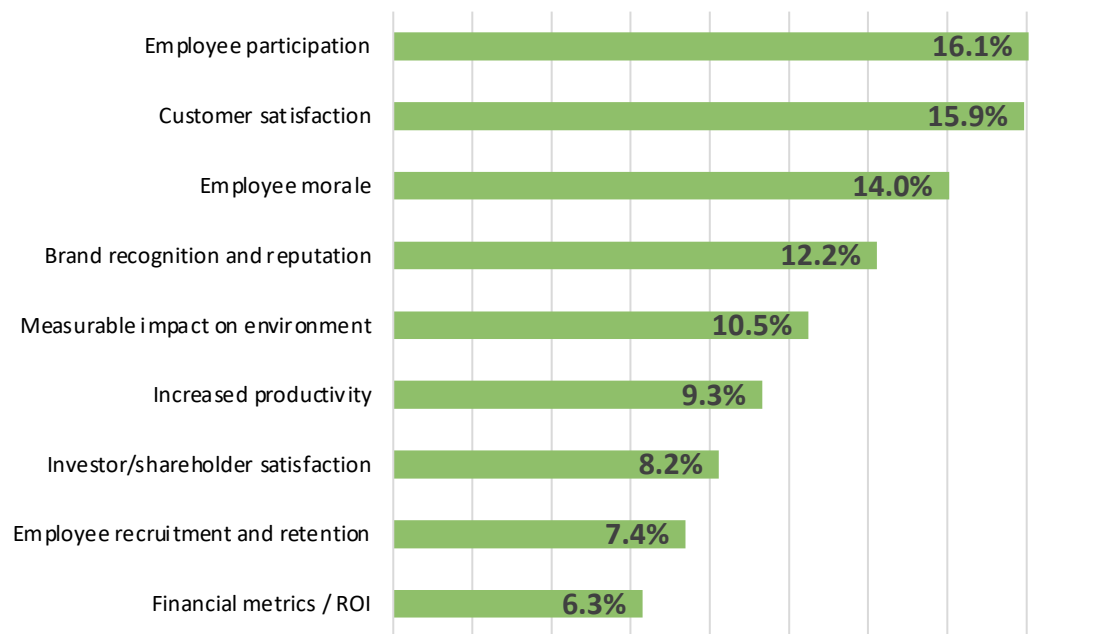
Which, if any, of the following has your business already undertaken as part of your current sustainability efforts?

Initiative	New Zealand	Australia
Using more sustainable material	13%	15%
Revising internal policies which impact sustainability goals	10%	10%
Encouraging remote work and reduction in travel	10%	10%
Setting and measuring clear sustainability goals	9%	9%
Supporting employee activism	6%	9%
Requiring suppliers to meet environmental criteria	7%	7%
Purchasing renewable energy	5%	7%
Educating Mgmt on climate issues	7%	6%
Adopting Public Policy in relation to climate change	6%	6%
Investing in tech to measure / reduce GHG emissions	7%	5%
Offsetting carbon emissions	5%	5%
Transitioning to electric/hybrid vehicles & equip	7%	5%
Employing an exec to drive sustainability initiatives	5%	4%
Linking executive $ to sustainability goals	2%	2%

■ New Zealand ■ Australia

Q: Which, if any, of the following has your business already undertaken as part of your current sustainability efforts. Select all that apply. N=926

Positive outcomes from current efforts are heavily weighted to 'intangibles'

In which areas have you seen your sustainability efforts yield a positive impact?

Area	Percentage
Employee participation	16.1%
Customer satisfaction	15.9%
Employee morale	14.0%
Brand recognition and reputation	12.2%
Measurable impact on environment	10.5%
Increased productivity	9.3%
Investor/shareholder satisfaction	8.2%
Employee recruitment and retention	7.4%
Financial metrics / ROI	6.3%

With only **6.3%** of businesses seeing a positive impact on return on investment in sustainability, it might be assumed a greater return could be a BIG motivator to increase efforts. On the next page, you will see only a similar percentage of businesses (**6.7%**) are in fact motivated to increase efforts to achieve ROI.

Q. In which areas have you seen your sustainability efforts yield a positive impact? Select all that apply. Maturity is defined by the # of years the business has been reporting on Sustainability goals: No Reporting = We don't; Immature = 1-2 years; Mature = 3-4 years; Very mature = 5+ years. N=926

58%

'Intangible' benefits make up 58% of all positive results seen from current sustainability efforts. *Increased employee participation and morale, greater customer satisfaction* and a *stronger brand reputation*.

Whilst businesses strive to achieve all these things, it's likely that greater direct and tangible benefits of sustainability efforts need to be obtainable before most businesses will commit more resources to setting and achieving sustainability goals.

1.8x

The longer a business has been reporting on sustainability, the more areas they record as positively impacted. Those with 5+ years reporting under their belt recorded 1.8 times as many areas as those that don't report at all.

No Reporting	Immature	Mature	Very mature
1.9	2.9	3.2	3.6
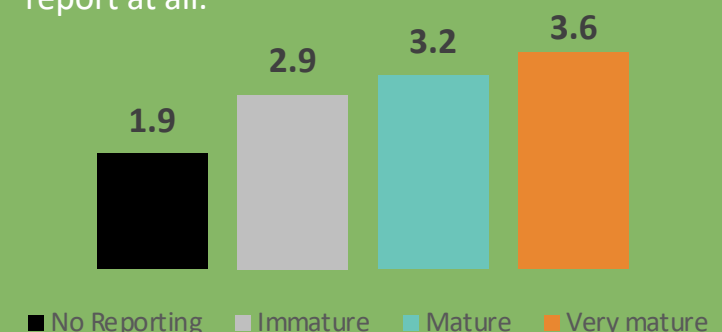
of areas selected

'Carrot' & 'Stick' from Government is motivating businesses in the near term

In the next 2 years, what do you believe to be the biggest motivators for your business to increase its environmental sustainability efforts?

Regulatory standards / reporting requirements and *Government funding / grants* are in the top 3 motivators regardless of country. But the lead position is reversed between AU and NZ, with the Aussies caring more about the 'carrot' and the Kiwis more about the 'stick'.

Motivator	New Zealand	Australia
New regulatory standards / reporting...	11.6%	8.9%
Government funding / grant availability	10.9%	12.3%
Competitive pressures	10.3%	9.5%
Government action / punitive damages	8.7%	7.4%
Ability to accurately measure environmental...	8.3%	7.4%
Measurable ROI	6.6%	6.8%
Increased media coverage of this issue and...	6.0%	7.8%
Direct negative impact to operations or finances	6.0%	5.5%
Reduced access to materials and resources	5.7%	5.7%
Increased societal and employee activism	5.6%	5.5%
Investor or shareholder demands	5.2%	5.5%
Intensification of climate related disasters	4.9%	3.6%
Negative impact on employee health and wellbeing	4.3%	5.5%
Difficulty in attracting or retaining talent	4.0%	5.2%
Boycott of our businesses	1.8%	3.3%

Top 4
The top 4 motivators are all external forces on business, which companies have very little control or impact on. They are also likely to be outside of their current spheres of influence. This demonstrates most companies in this space are still largely **reacting** to areas that may impact their industry, rather than their business specifically.

The greater good
Interestingly, businesses are more motivated to increase environmental sustainability efforts by the ability to see and measure the impact their initiatives are having on the environment than they are by the possibility of any measurable return on investment.

Q. In the next 2 years, what do you believe to be the biggest motivators for your business to increase its environmental sustainability efforts? Select all that apply. N=926
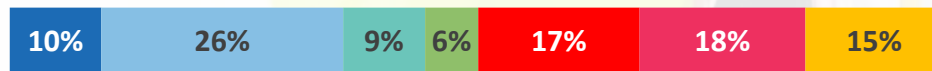
What investment areas are a priority for your business in the next 2 years?

Investment in *transitioning fleet to alternate power sources* represents the widest gap between Public and Private companies. With the percentage of Public companies (**11%**) indicating they will invest in this area almost double that of Private Companies (**6%**).

Investment areas

Public
11%	23%	13%	11%	14%	15%	13%

Public
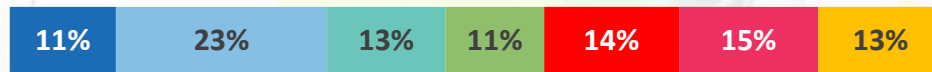
Private
10%	26%	9%	6%	17%	18%	15%

Private

- ■ Regulation & Compliance
- ■ Operational Efficiency
- ■ Reducing Energy Use and GHG Emissions
- ■ Transitioning Fleet to alternate power sources
- ■ Upgrading Fleet assets or equipment
- ■ Improving technology and systems
- ■ Implementing tech and systems to improve H&S

Public companies are planning to invest more

24%
Of all planned investment in Public companies is in areas targeted at environmental sustainability improvements.

15%
Just 15% of investment by Private companies is planned across these same two areas; *Reducing Energy Use and GHG Emissions* and *Transitioning Fleet to alternate power sources*.

Q: What investment areas are a priority for your business in the next 2 years? Select all that apply. Answers grouped into Environmental Initiatives include 'Reducing Energy Use & GHG Emissions' & 'Transitioning Fleet to alternate power sources', 'Implementing tech and systems to improve H&S' deemed Safety Initiatives. Private Company includes those that identified as 'Private' and 'Not Incorporated'. N=926

Mature businesses expect the same from their vendors

To what extent does your business consider the sustainability performance of potential suppliers through the vendor selection process?

Perhaps unsurprisingly, those businesses that have been reporting on sustainability for longer place a greater level of consideration on the sustainability performance of vendors. More than **80%** of businesses who have been reporting on sustainability for more than 3 years are likely to consider vendor performance in this area when making supplier selections.

What might be surprising is that **44%** of businesses who don't report on sustainability themselves, do look to consider vendors performance in this area.

The likelihood of sustainability performance being considered during the vendor selection process

Maturity

- No Reporting ▮ (black)
- Immature ▮ (teal)
- Mature ▮ (orange)
- Very Mature ▮ (green)

84%
82%
73%
44%
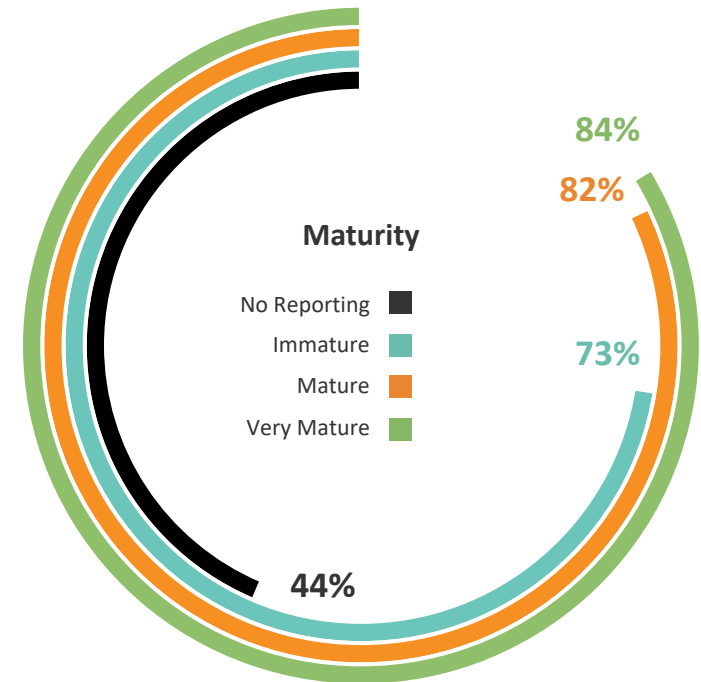
Fleet size follows same pattern

It's not just the maturity of reporting which indicates whether a business may be eager to judge supplier sustainability performance. The larger the fleet a business owns, the greater the likelihood they will consider the sustainability performance of vendors. **63%** of small fleet owners consider it vs. **82%** of very large fleet owners.

Environmental impact of subbies

However, businesses do not regularly consider the environmental impact of vehicles and assets owned by subcontractors. Only **27%** of businesses consider it *a moderate amount*, **7%** consider it *a lot* and a measly **2%** of businesses consider it *a great deal*.

Q. To what extent does your business consider the sustainability performance of potential suppliers through the vendor selection process? Consideration includes Occasionally and Extensively. No consideration includes Never and Seldomly. Maturity is defined by the # of years the business has been reporting on Sustainability goals: No Reporting = We don't; Immature = 1-2 years; Mature = 3-4 years; Very mature = 5+ years. When engaging subcontractors, how much do you consider the environmental impact of the vehicles and assets / mobile plant & equipment they use? N=850

Fleets will be greener by 2025

What fleet changes are expected between now and 2025?

37%
Of all light fleets are expected to be fully electric or alternatively powered by 2025.
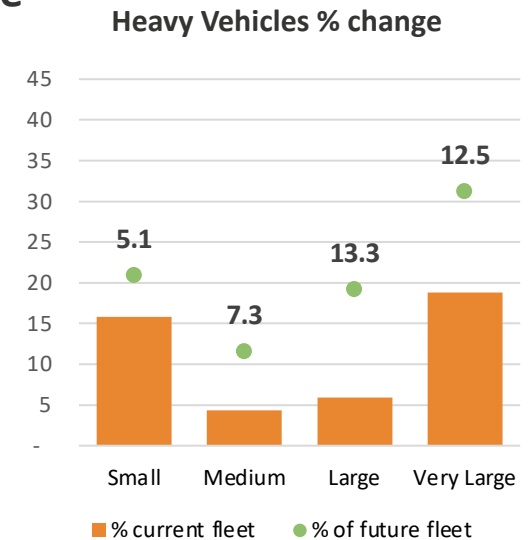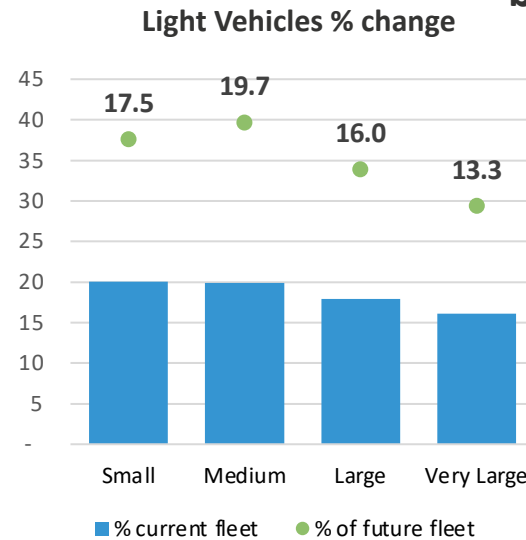
21%
Of all heavy fleets are expected to be fully electric, hydrogen or alternatively powered by 2025. In addition a further **56%** of the fleet will meet the EURO 6 emission standard.
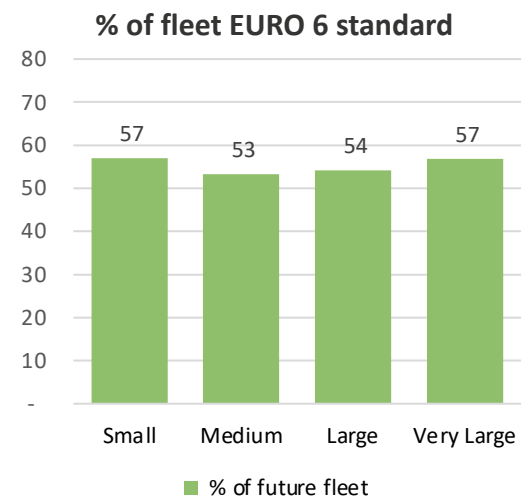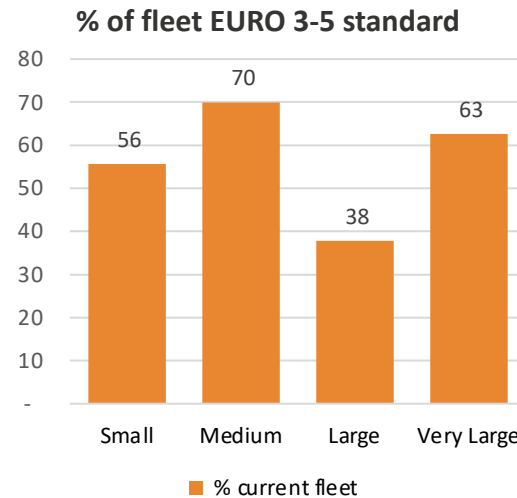
11%
Businesses operating light vehicle fleets are forecasting an additional **11%** of their fleet will be pool/share car by 2025.

Q: What % of your fleet of vehicles is alternatively powered (i.e. not using a fuel or combustion engine)? What % of your fleet of vehicles do you expect to be fully electric or hydrogen powered by 2025? What % of your heavy vehicle fleet is made up of Euro 3 / Euro 4 / Euro 5 standard vehicles? What % of your heavy vehicle fleet do you expect to be made up of Euro 6 standard vehicles by 2025? N=849

## Fully electric, hydrogen or alternatively powered fleets by fleet size

Light Vehicles % change

Data labels (% of future fleet): Small 17.5, Medium 19.7, Large 16.0, Very Large 13.3

Legend: % current fleet, % of future fleet

Heavy Vehicles % change

Data labels (% of future fleet): Small 5.1, Medium 7.3, Large 13.3, Very Large 12.5

Legend: % current fleet, % of future fleet

Heavy Vehicle fleet conversion to EURO 6 standard by fleet size

% of fleet EURO 3-5 standard

Small 56, Medium 70, Large 38, Very Large 63

Legend: % current fleet

% of fleet EURO 6 standard

Small 57, Medium 53, Large 54, Very Large 57

Legend: % of future fleet

Light vehicle fleets = % of fleet with vehicles <3.5 tonne is >50%. Heavy vehicle fleets = remainder . Fleet size: Small = <100 assets, Medium = 100 > 299, Large = 300>999, Very Large = 1000+.

29.5% of businesses are making those fleet changes soon

## What changes are you planning for your fleet in the next 2 years?
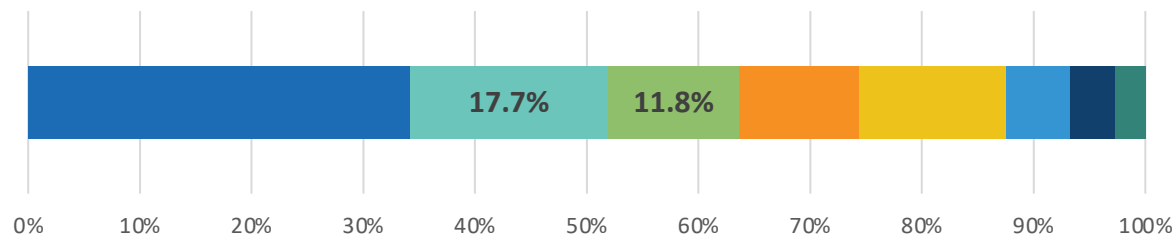
■	Replacing older vehicles
■	Replacing traditional fuel powered vehicles with EVs/hybrids/hydrogen powered
■	Upgrading vehicles to Euro 6 standard
■	Fleet standardisation
■	Specialisation and fit for purpose
■	Move towards leasing vehicles
■	Move towards owning vehicles
■	Trying alternatives to some fleet vehicles, such as carshare schemes

Only one third of businesses are planning to make any shift towards replacing traditional internal combustion engine vehicles (ICE) or a higher emissions standard vehicle in the next 2 years. **34%** of all businesses are planning to replace older vehicles.

Q. What changes are you planning for your fleet in the next 2 years? Select all that apply.? N=849

Majority of businesses still making 'blind' decisions

Have you conducted a detailed fleet optimisation /utilisation study to assess vehicle conversion to alternative fuels/power?
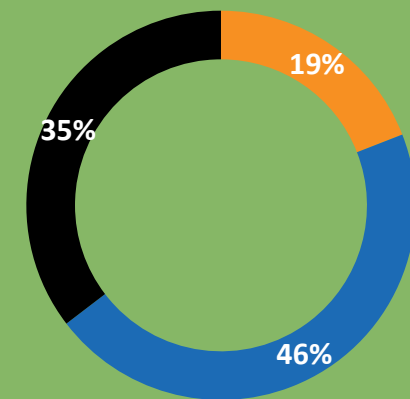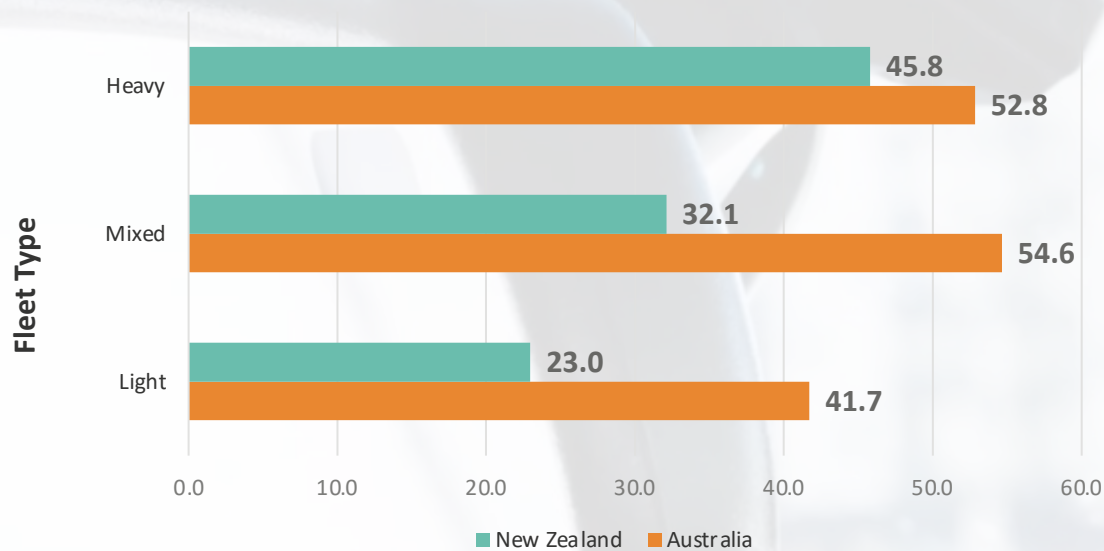

■ Yes   ■ No, but plan to   ■ No, don't plan to

Q. Have you conducted a detailed fleet optimisation/utilisation study to assess vehicle conversion to alternative fuels/power? N=760

AU leading NZ in adoption of fleet safety tech

What % of your fleet has dashcams / video telematics installed?

Chart: "Fleet Type" (y-axis) vs value 0.0–60.0 (x-axis)

Fleet Type	New Zealand	Australia
Heavy	45.8	52.8
Mixed	32.1	54.6
Light	23.0	41.7

■ New Zealand ■ Australia

Dashcams have been utilised by heavy commercial fleets for some time. Early adoption of new tech is often isolated to mitigate the highest risk and protect the greatest value. Heavy fleet owners introduced dashcams to both manage driver fatigue and assist in exoneration. 66% of total accidents involving trucks are caused by other motorists[1]. Across both countries, the adoption rate for heavy fleets is similar.

However, a wide gap exists between the countries for mixed and light commercial fleet adoption. This follows the trend seen elsewhere in this report of Australia being quicker than New Zealand to adopt new fleet technology.

Q. What % of your fleet has dashcams / video telematics?
Light Fleet = >70% fleet LCV (<3.5Tn), Heavy Fleet = <30% fleet LCV (<3.5Tn), Mixed Fleet = remainder. N=760
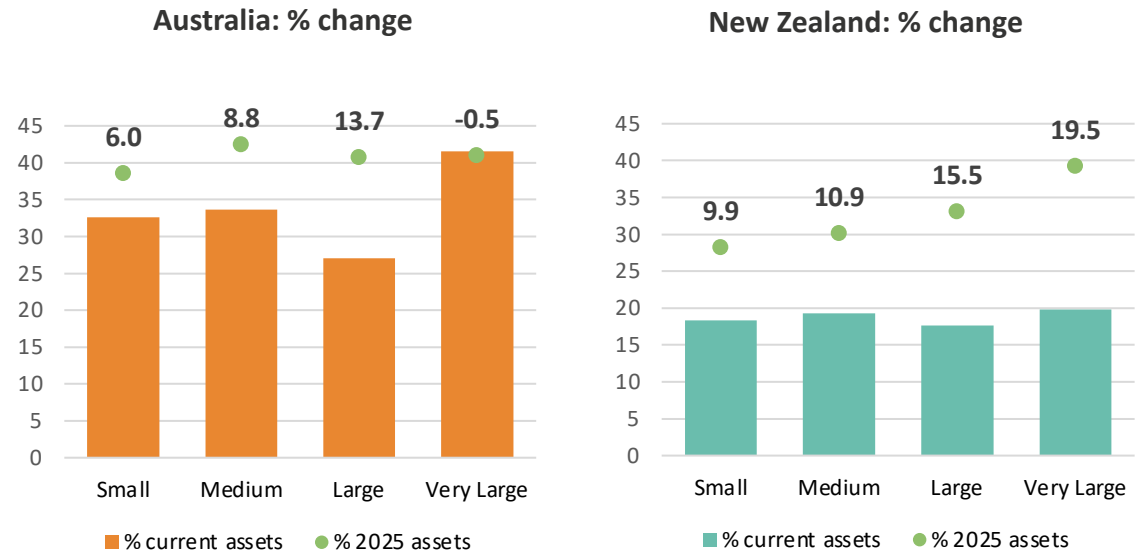1. Ministry of Transport NZ. https://www.transporting.nz/about-our-industry/road-safety

NZ lagging AU in greening of assets

What % of your fleet of assets / mobile plant & equipment do you expect to be alternatively powered by 2025?

32% of all assets / mobile plant & equipment in Australia are currently alternatively powered. Businesses are expecting this to grow to **39%** by 2025.

Across the ditch, only **19%** of all fleets could be considered 'green' assets. However, this gap will decrease by 2025, as businesses in NZ flag **29%** of all asset fleets will be alternatively powered by then.

% Alternatively powered assets / mobile plant & equipment by fleet size

Australia: % change

Small 6.0 | Medium 8.8 | Large 13.7 | Very Large -0.5

■ % current assets   ● % 2025 assets

New Zealand: % change

Small 9.9 | Medium 10.9 | Large 15.5 | Very Large 19.5

■ % current assets   ● % 2025 assets

Even spread in AU

By 2025, most asset fleet owners in Australia will have a consistent percentage of 'green' assets, hovering around that **40%** mark, regardless of fleet size. However…

Large leads the way in NZ

Despite a consistent percentage of green assets currently, it is large and very large asset fleet owners in New Zealand who will be leading the way, adopting a greater proportion of 'green' assets by 2025.

Q. What % of your fleet of assets / mobile plant & equipment do you expect to be alternatively powered by 2025>? Fleet size: Small = <100 assets, Medium = 100 > 999, Large = 1000 >2499, Very Large = 2500+. N= 628

AU also willing to pay more to achieve a greater % of green assets

Would you pay more for carbon neutral assets / mobile plant & equipment (battery/solar)?

	Yes	Maybe	No
NZ	19%	58%	23%
AU	38%	48%	14%

0% 20% 40% 60% 80% 100%

■ Yes ■ Maybe ■ No
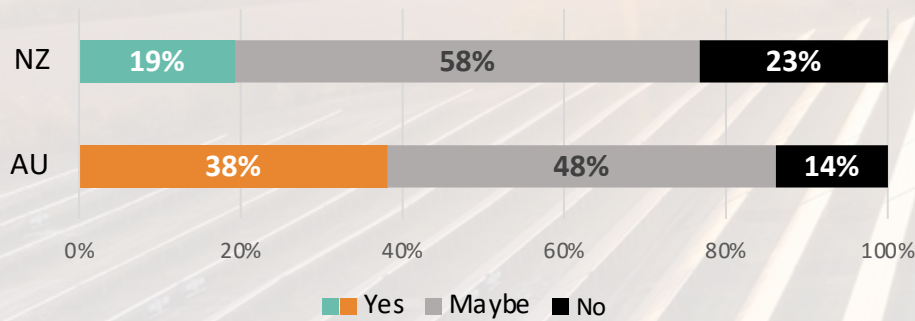
60%
Of all *large* and *very large* asset fleet owners (1000+ assets) in Australia stated they would pay more for carbon neutral assets. Compared to just **21%** of all *large* and *very large* fleet owners in New Zealand.

Q. Would you pay more for carbon neutral assets / mobile plant & equipment (battery/solar)? Fleet size: Small = <100 assets, Medium = 100 > 999, Large = 1000 > 2499, Very Large = 2500+. N=628

Improving driver behaviour and reducing utilisation still critical in mixed tech fleets

What reporting ability from telematics is / would be most important to you for a mixed technology fleet (ICE, electric, hybrid, hydrogen)?

Fleet owners (of both vehicles and assets) recognise both the "how they are operated" (*Driver behaviour* **12.6%**) and "when they are operated" (*Utilisation* **9.1%**) are the two significant ways to reduce any environmental impact.

Fleet technology will likely remain mixed for the next decade, so business owners are looking for telematics solutions which will work across various technology types.

Horizontal bar chart. Categories (top to bottom): Overspecification (wattage/battery/power), Emissions Quality, Waste/Fluid Levels, Carbon Footprint, Charge station map/distance, Route planning to optimise range, Usage Patterns, Alert Signals recorded, Fuel Burn, Driver Behaviour, Utilisation, Battery Charge Real Time, Battery Health.

Legend: ■ Fleet >300   ■ Fleet <300
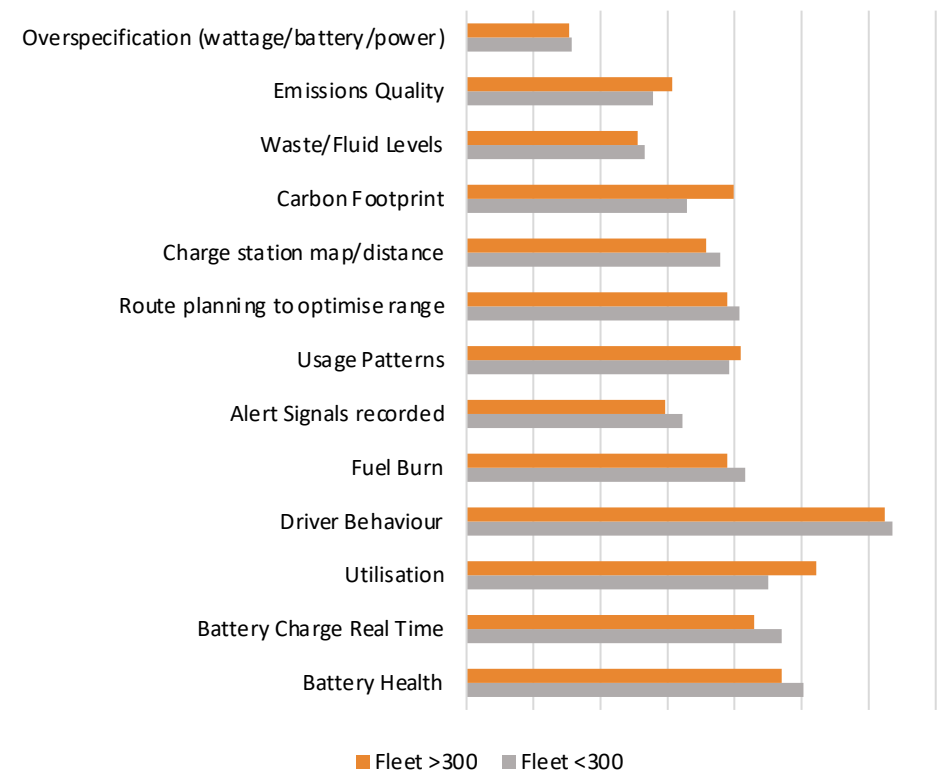
Battery edges out fuel

As the percentage of electric vehicles in a fleet grows, *battery health* (**10.1%**) and *battery charge* (**9.3%**) is growing in reporting importance and just edges out *fuel burn* (**8.3%**).

Larger fleets care more about emissions

Accurately reporting on the carbon footprint of their fleet comes in as the 6th most important for larger fleet owners. For small fleet owners, it sits 9th.

55%

Of all large fleet owners have GPS tracking / telematics installed, versus only **46%** of smaller fleet owners.

Q. What reporting ability from telematics is / would be most important to you for a mixed technology fleet (ICE, electric, hybrid, hydrogen)? Select all that apply. N=849

All industries are not equal: Maturity

How many years has your business been reporting on sustainability goals? Health and safety goals?

Legend:
- No reporting (black)
- Immature (grey)
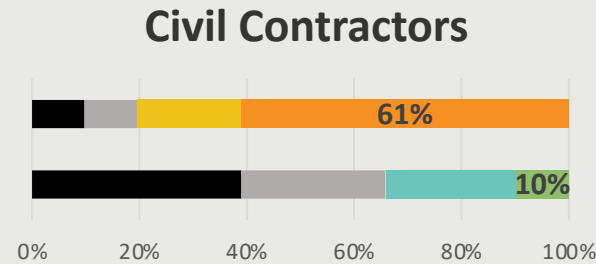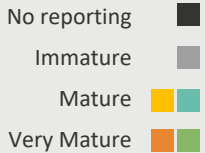- Mature (yellow / teal)
- Very Mature (orange / green)

49%

Almost half of all Government & public services businesses have been reporting on sustainability practices for 3 years or more. Closely followed by Energy / Utilities (**47%**) and Manufacturing (**43%**).
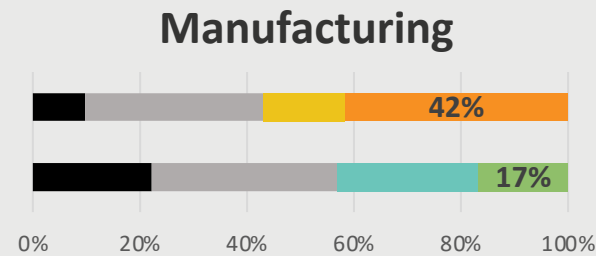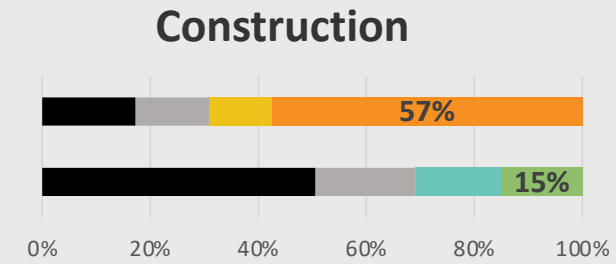
51%

Half of all Construction businesses, and 46% of Transport services, still have no reporting on sustainability practices at all.
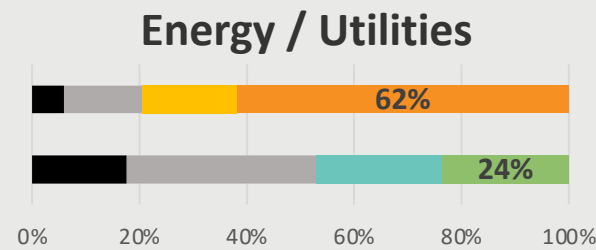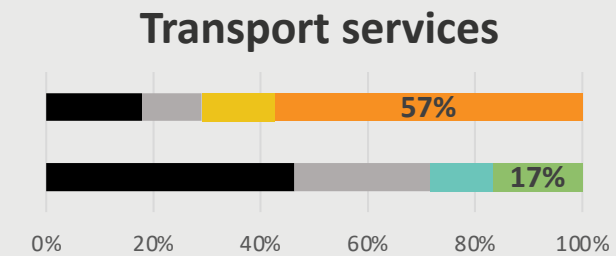
Q: How many years has your business been reporting on sustainability goals? How many years has your business been reporting on health and safety goals? Maturity is defined by the # of years the business has been reporting on Sustainability goals: No Reporting = We don't; Immature = 1-2 years; Mature = 3-4 years; Very mature = 5+ years Other industry types were recorded but results not displayed. N=487
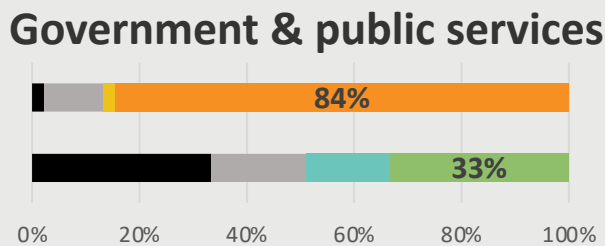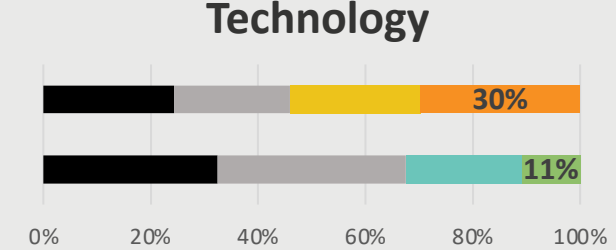
Civil Contractors
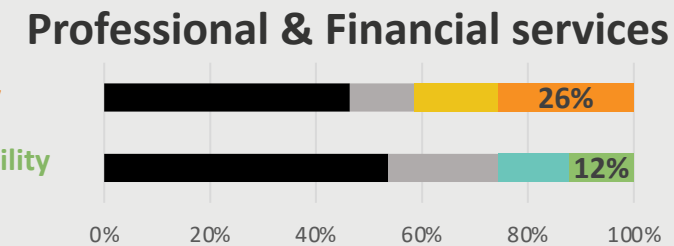- Safety: 61%
- Sustainability: 10%

Construction
- Safety: 57%
- Sustainability: 15%

Manufacturing
- Safety: 42%
- Sustainability: 17%

Transport services
- Safety: 57%
- Sustainability: 17%

Energy / Utilities
- Safety: 62%
- Sustainability: 24%

Technology
- Safety: 30%
- Sustainability: 11%

Government & public services
- Safety: 84%
- Sustainability: 33%

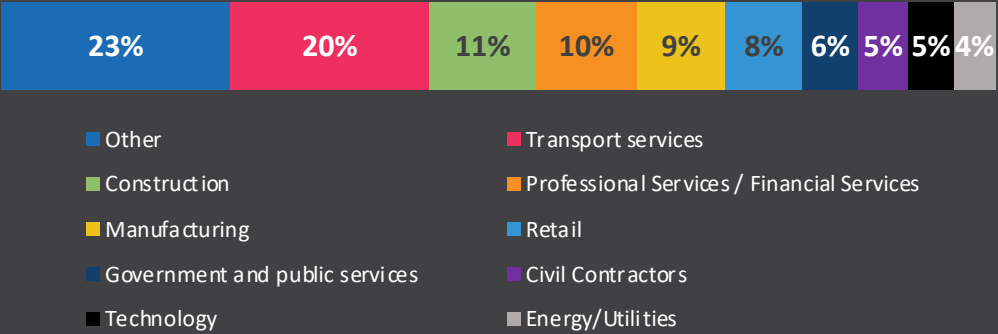### Professional & Financial services
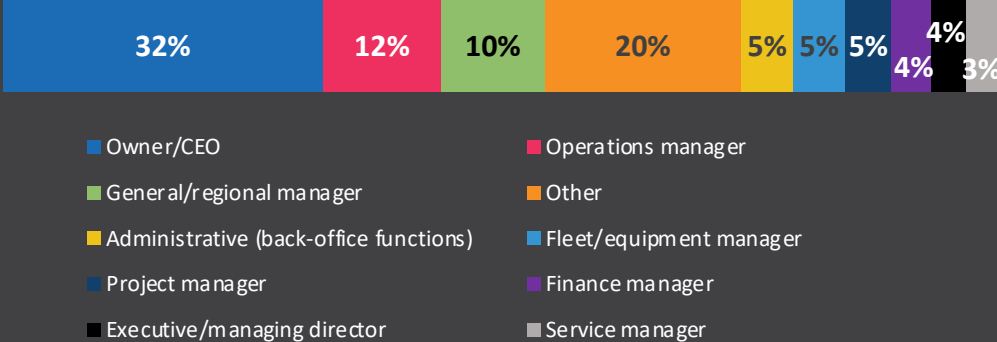- Safety: 26%
- Sustainability: 12%

Methodology

The report is based on a survey of 1,134 business decision makers. The survey, fielded in collaboration with Qualtrics between August and September 2021, polled respondents from Australia and New Zealand. All major industry sectors were represented in our sample. 400 responses were polled from an unknown selection of B2B decision makers. The remainder of responses were elicited from within EROAD's contact database.
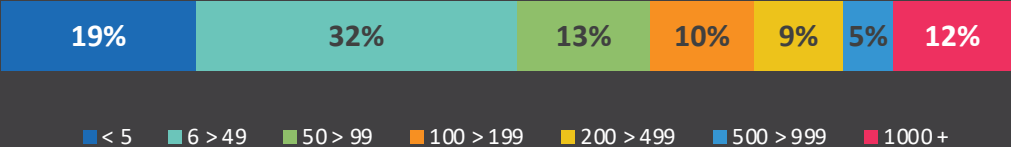
Industry

23%	20%	11%	10%	9%	8%	6%	5%	5%	4%

- ■ Other
- ■ Construction
- ■ Manufacturing
- ■ Government and public services
- ■ Technology
- ■ Transport services
- ■ Professional Services / Financial Services
- ■ Retail
- ■ Civil Contractors
- ■ Energy/Utilities

Job Title

32%	12%	10%	20%	5%	5%	5%	4%	4%	3%

- ■ Owner/CEO
- ■ General/regional manager
- ■ Administrative (back-office functions)
- ■ Project manager
- ■ Executive/managing director
- ■ Operations manager
- ■ Other
- ■ Fleet/equipment manager
- ■ Finance manager
- ■ Service manager

Number of employees

19%	32%	13%	10%	9%	5%	12%

- ■ < 5
- ■ 6 > 49
- ■ 50 > 99
- ■ 100 > 199
- ■ 200 > 499
- ■ 500 > 999
- ■ 1000 +

Country breakdown

Australia | 347   **New Zealand | 787**

Industry: *Other* includes Education, Leisure /Tourism/Hospitality, Not for profit, Defence and aerospace
Job Title: *Other* includes Driver/equipment operator, Site manager, Safety manager, Compliance manager, Dispatcher/dispatch manager, service/fleet maintenance, Production manager, Maintenance manager.

EROAD Limited (ASX: ERD; NZX: ERD) ("EROAD") purpose is safer and more sustainable roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia with customers ranging in size from small fleets through to large enterprise customers.