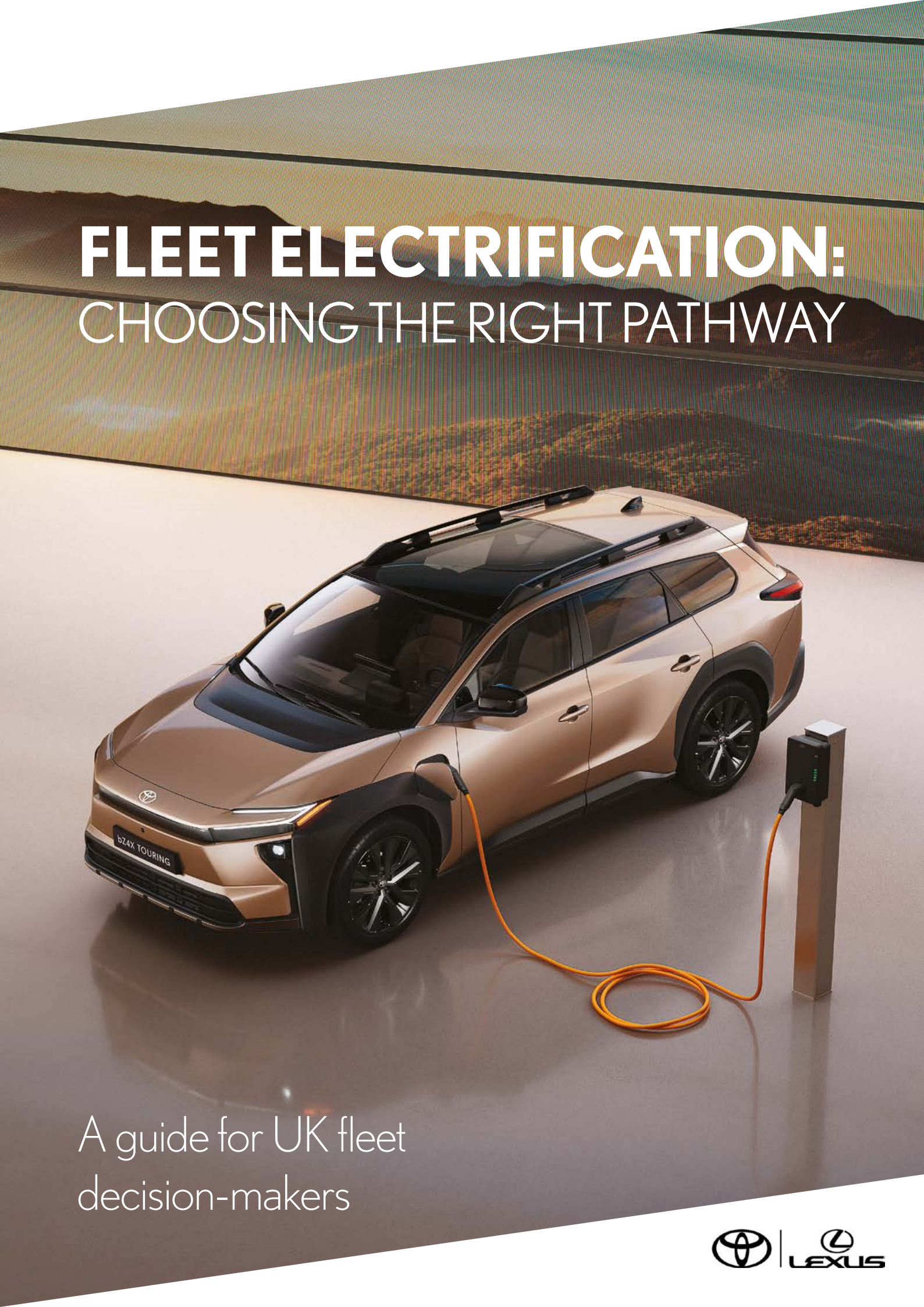
FLEET ELECTRIFICATION:
CHOOSING THE RIGHT PATHWAY



A guide for UK fleet decision-makers

A TRUSTED PARTNER

As the UK's fleet sector continues its sustainability journey, Toyota and Lexus Business has proven itself to be a highly-trusted partner in this quest. That's not just my opinion; in independent research carried out by 360 Media Group Ltd, over 400 UK fleets have consistently voted Toyota as a Sustainability Champion, highlighting its innovative technologies, vehicle quality, and its extensive and expert dealer network.

In *Fleet Power Index* independent brand-tracker research, Toyota has consistently achieved Top-3 status, among the 28 automotive manufacturers assessed.

This is thanks, in part, to our multi-path fuel strategy, which includes Hybrid Electric Vehicles (HEVs), Plug-in Hybrid Electric Vehicles (PHEVs), Battery Electric Vehicles (BEVs) and Hydrogen Fuel Cell Electric Vehicles (FCEVs). Together they provide transport managers with myriad options, whatever shape their fleets may take.

With the group's unerring focus on quality, value, sustainability and dealer support – and with five exciting EV launches scheduled for 2026 – Toyota/Lexus is dedicated to maintaining its high-performance, *Trusted Brand* status among UK fleets. That means there's never been a better time to join us on the road to decarbonisation.

Paul Fricker
Toyota and Lexus Business

KEY FINDINGS

All businesses, from SMEs to Corporates, are now more confident of running BEVs.

- 64% of SMEs believe BEVs can meet driver operational requirements
- Among SME fleets, 38% are very confident that EVs deliver total-cost-of-ownership benefits
- 50% of SME fleets say dealer networks remain critical to EV fleet transition
- Lower fuel costs are the biggest benefit of BEVs for 43% of SMEs
- 39% of SME fleets describe current EV charging infrastructure and support services as quite capable

CHOOSE YOUR FLEET WITH CONFIDENCE

We have spoken to fleets of many shapes and sizes in the production of this report, because it is important for us, and our customers, to understand what other businesses are going through.

In that way, we all learn and develop together. In our research discussions, some clear trends around business vehicle electrification and decarbonisation have emerged.

For most fleets, whether big or small, electrification doesn't simply mean pure battery electric vehicles. Indeed, nearly seven in ten fleets we spoke to reported economic or operational benefits from running a multi-fuel, multi-powertrain fleet structure.

This may be because charging infrastructure remains the primary barrier to greater EV adoption, ranking ahead of upfront vehicle cost and operational suitability. Among SMEs in particular, workplace charging is cited as the most significant infrastructure challenge.

As businesses continue to operate hybrids, plug-in hybrids, petrol and diesel, the direction of travel is still increasingly towards a decarbonised future.

Confidence that battery electric vehicles can do the job required of them continues to grow.

Talking of confidence, as knowledge is shared, vehicles are used and data is gained, there's a growing belief that there are meaningful cost savings to be made.

Among SME car fleets, 38% are very confident in achieving meaningful total-cost-of-ownership savings, although there is more to be done in the commercial vehicle sector to achieve such positive sentiments.

Overall, our findings show there is good visibility of the opportunities for electrification and decarbonisation. At Toyota and Lexus, our commitment is to help SMEs and corporate businesses turn this into reality, by offering a range of vehicles suitable for every need and role, and support to keep them operating effectively and economically.

> "For most fleets, whether big or small, electrification doesn't simply mean pure battery electric vehicles"

UNDERSTANDING THE EV LANDSCAPE

The electric transition is happening, but unevenly across SMEs and corporates, cars and vans

UNIQUE PRESSURES

Charging infrastructure remains the limiting factor to full EV adoption for SMEs – more than the upfront cost or operational suitability.

Indeed, 40% of SMEs cite workplace charging as their biggest challenge in managing charging infrastructure.

With fewer dedicated fleet managers, SMEs often do not have the capacity to instigate the infrastructure and processes necessary for electrification.

Also, they have greater sensitivity to risk. Wrong choices have bigger impacts, and there's often less flexibility and budget to correct any bad decisions.

Undoubtedly, electrification is happening – and it is proven to work. There are now thousands of businesses and millions of drivers benefiting from new electrified and decarbonised powertrains. Research shows that among corporate fleets, only one-in-ten believes operational suitability is still an issue for electric vehicles.

Adoption rates can vary by fleet size, sector and geography. In larger fleets, electrification is happening more broadly, especially in cars, where the vast majority now have batteries in one form or another.

Last year, almost half-a-million new battery electric vehicles (BEVs) hit UK roads – one-in-four of new cars registered – with large fleets and SMEs providing over two-thirds of sales.

The situation is more mixed across the commercial vehicle sector. In some fleets, electrification is happening at scale and pace, while in others there is relatively little movement away from core petrol and diesel vehicles.

6 STEPS TO DEFINE YOUR EV-FLEET STRATEGY

Research shows that more than 30,000 electric vans were registered in the UK in the last year, with the sector growing 36%.

This equated to 9.5% of all vans sold in the year, but was below the Government target of 16%.

The reasons for this are numerous. Perceptions around payload size, range, downtime and cost are all factors that businesses running vans are sensitive to. Making the wrong decision can have serious operational consequences.

However, the outlook may well be set to change for the better, as 64% of small and medium-sized enterprises are either 'very confident' or 'quite confident' that electric-powered cars and vans can fulfil all their fleets' operational requirements today.

SUPPORTING THE MOVE TO ELECTRIC

Toyota and Lexus Business helps fleets navigate the complexities of electrification

For many businesses, the challenge of electrification is not simply choosing the right vehicle. Running electric fleets successfully requires coordination across a wider ecosystem that includes charging infrastructure, energy management, billing systems, driver behaviour and operational policy.

Managing these elements independently can create complexity, particularly for SMEs that may not have dedicated fleet management teams.

Research highlights the value of manufacturer support in addressing this challenge: 66% of SMEs say OEM support would be very, or quite valuable when transitioning to EVs.

Toyota's one-stop-shop approach is designed to meet this need by simplifying electrification through a connected support ecosystem.

Rather than leaving businesses to coordinate multiple suppliers and systems themselves, Toyota works consultatively to bring the key elements of EV transition together in a single, integrated approach.

It allows fleet managers to work with fewer partners, improve management visibility and reduce administrative burden.

"Toyota works consultatively to bring the key elements of EV transition together"

Ultimately, the goal is simple: making the transition to electric vehicles easier and more predictable for fleets of all sizes.

Toyota's support ecosystem

Toyota supplies a growing range of battery electric vehicles designed to meet different fleet requirements.

Alongside those electrified cars and vans, it also provides back-up and assistance to keep them running, and working efficiently.

Service Activated Warranty means vehicles can have extended protection up to 10 years or 100,000 miles, subject to annual servicing within the authorised network. In addition, Toyota's Battery Care warranty, gives drivers total confidence with 10-year/1,000,000-mile coverage*.

Five years' roadside assistance provides nationwide support for drivers and fleet managers, while Toyota Express Servicing helps minimise downtime through faster maintenance and proactive diagnostics. This support is reinforced by Toyota's national dealer network, with more than 190 franchised sites across the UK, providing consistent expertise and local fleet support.

Solutions

Successful EV operation depends on reliable access to charging across a variety of locations. It also requires other systems and processes that enable a business to make the most of its electrified fleet, and help drivers to transition.

Toyota removes many of the operational barriers that can slow EV adoption, by bringing together the key elements in one ecosystem – an EV transition 'one-stop-shop'.

By integrating these, Toyota enables fleets to avoid the complexities of managing multiple suppliers and systems. Its integrated fleet resources make EV adoption seamless and simple, by delivering...

- **Charging infrastructure**
  Solutions supporting home, workplace and public charging environments.
- **Billing and payment solutions**
  Integrated platforms that simplify payment, reimbursement and cost reporting.
- **Driver guides and training**
  Helping employees develop the knowledge to operate EVs efficiently.
- **Fleet optimisation**
  Guidance on vehicle suitability, duty cycles and operational policy.

"33% of fleets source EV charging from the manufacturer"

TRUSTED TOYOTA PARTNERS FOR EV TRANSITION

rightcharge

Rightcharge works with Toyota to simplify EV charging for business drivers, enabling fleet customers to manage home and public charging costs through one platform.

blink

Blink Charging collaborates with Toyota to expand convenient EV charging access, integrating Blink's network and technology to support Toyota customers with reliable charging solutions.

Battery Guarantee: Feel confident with a battery warranty up to one million miles*.
T&Cs *Available on full battery electric vehicles (excluding the Proace) and covers the EV traction Battery only. Eligible Services are available until the vehicle turns 10 years old or reaches 1,000,000 miles

COUNTING THE COST OF EV TRANSITION

Toyota and Lexus Business helps fleets to calculate Total Cost of Ownership for their EVs in a consultative way, and it's based on real-world usage data

The main elements of Total Cost of Ownership (TCO) modelling – energy, funding, insurance, servicing, maintenance, residual values and taxation – are well understood in principle. However, confidence in how these costs translate into real-world BEV operation is still developing.

Only around a third of businesses actively use TCO to manage vehicle costs, while many continue to rely primarily on leasing rates as a benchmark.

Most fleets believe electrification reduces the cost of running company cars. However, confidence is lower for vans, where operational factors such as range, downtime and infrastructure requirements can have a larger financial impact.

In practice, the biggest differences between TCO theory and real-world EV operation often come from variables that are harder to predict, particularly around charging behaviour and infrastructure.

Energy costs and charging behaviour

Electricity costs vary significantly depending on where and how vehicles are charged.

Home charging is typically the lowest-cost option, particularly when drivers use smart tariffs during off-peak periods. Public charging, while convenient, can be significantly more expensive and may increase operational costs if used frequently.

> "Only one-third of businesses use TCO to manage and measure vehicle costs"

Driver charging behaviour therefore becomes an important factor in determining overall fleet costs. Vehicles or employees that rely on public charging, even occasionally, can quickly alter the predicted cost profile.

Infrastructure investment

Electrification can require investment beyond the vehicles themselves.

Many fleets need to consider the cost of installing home chargers for drivers, as well as workplace or depot charging infrastructure. This forms a significant part of a fleet's transition strategy, both financially and practically.

Clarifying who funds and manages charger installation – the employer, employee or a third-party provider – is an important step in planning an EV roll-out.

Maintenance and taxation

Electric vehicles typically benefit from lower servicing requirements due to fewer moving parts and reduced mechanical wear. However, many fleets still lack long-term operational data to validate projected budgets.

Tax incentives, particularly benefit-in-kind advantages for company cars, also strengthen the business case for electrification. Yet these policies can change over time, depending on shifting Government needs, which in turn introduces uncertainty into longer-term planning for fleet operation and employee benefits.

Hidden operational costs

Some of the most important EV costs are not directly linked to the vehicle itself.

Home charging reimbursement is one example. Without visibility of how and where drivers charge, employers may struggle to accurately reimburse electricity costs. Similarly, fleets may need to invest in charging-management platforms, billing systems and driver policies to ensure charging is used efficiently. These operational factors can significantly influence whether theoretical TCO savings are fully realised.

CUSTOMER CASE STUDY: REAL-WORLD SAVINGS

Selling electric vehicles in today's zero-emission vehicle (ZEV) mandated and highly competitive landscape presents real challenges. The question we continually ask is: *How do we differentiate ourselves?*

Our Fleet Sales team goes way beyond transactional relationships – we operate as consultants and partners, always prioritising the customer, and working collaboratively with them at every step.

This approach has earned us enduring loyalty in a market where loyalty is increasingly rare. When it comes to electric vehicles, that trust factor becomes even more critical. But so do flexible and bespoke solutions to meet our customers' needs and barriers.

Toyota and Lexus Business does not operate a one-size-fits-all policy.

Recently, a prospective customer, managing a fleet of 900 vans, expressed hesitation about transitioning to EVs. Its drivers were concerned about home charging logistics, rising energy costs, and the administrative burden of expense claims. Sticking with diesel seemed simpler.

Fortunately, we already identified these concerns as common barriers and had a solution ready. Through strong collaboration and open communication, both teams quickly developed a tailored plan.

The result?

The customer not only overcame their initial concerns, but also gained valuable data, demonstrating clear cost savings from switching to EVs. The evidence was compelling, making the decision to proceed straightforward. Without these solutions, the customer couldn't proceed with their transition to EVs.

ASSESSING READINESS FOR DECARBONISATION

Electrified vehicles are trusted to deliver – the charging network that supports them, less so

Vehicle capability has outpaced driver confidence, it seems. Electric vehicles have undergone rapid improvements in real-world range, battery durability and charging speed, making them capable of the vast majority of roles required by fleets and their employees. And while many now deliver 300-400 miles of real-world range, and the number of public charge points to support this has grown to almost 90,000 in the UK, there is still a distinct gap between this performance and drivers' confidence.

Research shows fleet operators believe public charging reliability is a primary concern. While networks have grown, inconsistent uptime and maintenance issues can disrupt operations, especially for high-utilisation vehicles that depend on predictable turnaround times.

The confidence gap

There is now more conviction that BEVs are able to do the job, with 64% of SMEs and 77% of corporates confident they can do what's required of them.

This is only if infrastructure and systems-support enable it: 42% of corporate fleets say public charging is the biggest challenge, and a quarter say it is limiting greater EV adoption. It is this gap, between trust in vehicles, and trust in networks and systems for charging reimbursement, that is crucial.

For example, fleets believe that when it works, charging works well, but only 26% rate the network as 'very capable'.

Creating an electric range for every role

For decades, Toyota has been a pioneer in electrification, and this year it enhances its electric vehicle line-up with several key launches. In broadening the range, it offers cars and commercial vehicles for a wide variety of roles and needs.

Key arrivals include the new C-HR+ compact SUV, the redesigned bZ4X Touring, a battery-electric version of the Hilux pickup, the Urban Cruiser and the Lexus ES.

64%
of SME fleet managers say they are confident that BEVs can meet their drivers' needs

NEW 2026 EV MODELS

Toyota and Lexus show how electrification is advancing, with a range of exciting battery-electric vehicle launches this year

TOYOTA URBAN CRUISER

A compact SUV for the growing urban crossover segment. Available with two battery options – 49 and 61kWh capacities, and up to 264*-mile range

TOYOTA C-HR+

New-generation C-HR+ with elevated design and tech. Two battery options, 57.7 and 77kWh, offer up to 378* miles range

TOYOTA BZ4X TOURING

Estate extension of the bZ electric range. 74.7kWh lithium-ion battery and driving range (targeted) of up to 348* miles

LEXUS ES

Premium saloon, which, in battery-electric form, delivers up to 330* miles range

TOYOTA HILUX

This next-generation pickup is as indestructible as ever, and now includes the first battery electric Hilux

Battery electric vehicles requiring mains electricity for charging. Electric range figures were achieved using the WLTP test procedure and are provided for comparison purposes. Only compare CO_2 and electric range figures with other cars tested to the same technical procedures. These figures may not reflect real life driving results, which depend on various factors including the starting charge of the battery, accessories fitted (post-registration), variations in weather, driving styles and vehicle load.

To discover how Toyota and Lexus Business can help your fleet transition to electric vehicles, visit **toyota.co.uk/EVFleet**

www.toyota.co.uk/EVFleet

Researched, compiled and created by 360 Media Group Ltd **www.fleetwise.online**
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