

Amazon's comments on European Commission consultation on Greening Corporate Fleets

In support of its Climate Pledge, Amazon is committed to creating a delivery network that helps reach its goal to be net-zero carbon across its operations by 2040. We have deployed thousands of electric vans in Europe, and in 2022, began rolling out electric 40ton heavy-duty vehicles. We're also ramping up use of alternative transportation methods, including e-scooters, e-cargo bikes, and walkers to deliver packages to customers across Europe.

Additionally, Amazon has announced plans to invest more than €1 billion well before the end of the decade to further electrify and decarbonize its transportation network across Europe. We will use this investment to increase our fleet to at least 10,000 electric delivery vans, and more than 1,500 electric heavy goods vehicles and related charging infrastructure.

Our transportation network remains one of the most challenging areas of our business to decarbonize, and to achieve net-zero carbon will require a substantial and sustained investment. Europe must therefore scale quickly, to reach the point where European companies can provide cost competitive zero-emission vehicles which meet the needs of the logistics sector. Amazon is keen to move faster on transport decarbonization, and supports a regulatory framework which enables more investment and speed, while allowing the logistics sector to be able to operate seamlessly across the EU.

The European Green Deal has created strong foundations for the decarbonization of the freight sector with the Alternative Fuels Infrastructure Regulation (AFIR), CO₂ standards for cars and trucks, along with many other policies which encourage the shift to sustainable technologies. All of these elements should work in tandem to make sustainable solutions cost-competitive vis-à-vis fossil alternatives. A timely and harmonious implementation of the Green Deal is therefore a top priority, ensuring that sustainable solutions can work seamlessly across EU borders. We therefore urge both European governments and the European Commission to strongly cooperate in the implementation and verification of the Green Deal measures.

Amazon is strongly invested in the deployment of zero-emission vehicles in the EU. In view of potential additional legislative initiatives such as 'Greening Corporate Fleets', we are therefore keen to explore how such policies could further accelerate the market for zero-emission vehicles, e.g. as a trigger for increased production capacity. Several of the policy levers outlined in the consultation are promising for progressive logistics actors of all sizes. Specifically, fiscal incentives for vehicle purchases, as well as the availability of recharging/refuelling infrastructure installed at relevant locations will be most impactful.

The Green Deal and the Sustainable and Smart Mobility Strategy have identified enabling conditions for the logistics sector to embrace zero-emission vehicles faster. It is now time to ensure these conditions are also in place, either through implementing existing legislation or by scaling up the catalysers for investment and innovation. This includes rolling out public charging infrastructure for light and heavy-duty vehicles (strongly linked to power grid expansion and modernization) as well as additional incentive schemes specifically tailored for SMEs which make

up the majority of road logistics operators, and for whom the current investment costs are prohibitive.

Additional binding measures such as purchase mandates can only be an option if the right enabling conditions are in place to enable an accelerated transition in the road logistics sector, while ensuring reliable business operation. The logistics sector is very competitive, low margin and efficiency focused. For the sector to embrace new technology, it needs to offer similar flexibility and reliability as today's fossil-fuel powered alternatives.

Special attention should therefore be paid to the need for tailored differentiation between fixed and variable fleets, with the latter needing more flexibility, since overly ambitious and rigid targets would negatively affect operational and financial efficiency for the logistics sector, specifically during periods of high volume.

Amazon is taking a leading role in decarbonizing the logistics sector. Our ambition is to both fulfil our net-zero ambitions on behalf of our customers and continue to offer great choice, prices, and convenient delivery. Regulatory frameworks should encourage all actors, big and small, to move towards more sustainable solutions, but careful consideration is needed to ensure that pioneers in sustainable logistics are not operationally impacted or financially disadvantaged in doing so.

Therefore, we urge the European Commission to develop a comprehensive economic and environmental impact assessment for the different measures and their direct and indirect effects, while maintaining close discourse with the different affected sectors and their progressive leaders.

As logistics accelerates its decarbonization journey, it can encourage innovation and investments along the value chain - to scale availability and reduce the cost-gap which still exists in many areas between sustainable alternatives and traditional technologies and fuels.

We look forward to cooperating and engaging to move the needle on decarbonising logistics across the EU.