

September 2025

UFE's reply to the EC consultation on the upcoming Greening Corporate Fleets initiative

UFE fully supports the EC intention to introduce a legislation aimed at **greening corporate fleets**. As corporate vehicles represent the largest share of the EU automotive market with about 60% of new sales going into this segment in 2023¹, **this initiative would serve as a key driver to generate additional, stable demand for EVs in the EU**, and therefore **support European automotive manufacturers in meeting CO₂ standards targets**. It would at the same time **contribute to the development of the second-hand EVs market**, which is a more affordable pathway for households to access electromobility.

1. Segments and scope

To strike a balance between minimising regulatory burdens for SMEs and maximising the impact of the legislation, UFE recommends:

- To set a **fleet size threshold of 100 vehicles** for greening obligation, in line with the French legal framework.
- To **cover all fleet segments**, including corporate vehicles, rentals, leasing, and vehicle sharing.

2. Ambitious and binding electrification targets

UFE **urges the EC to adopt a regulation, instead of a directive**, to guarantee legal certainty and enable faster implementation.

To ensure that the legislation effectively accelerates demand for EVs, UFE advocates for **adopting a binding and ambitious EU-wide electrification target of at least 90% by 2030 for new corporate car registrations**. It would send a strong and clear regulatory signal necessary to provide visibility to businesses and thus unlock crucial investments needed for decarbonising the transport sector. For

¹ Source : T&E : <https://www.transportenvironment.org/articles/fleets-electrification-law-could-deliver-2-million-ev-sales-half-what-carmakers-need-to-meet-their-2030-emissions-targets-2>

this trajectory, BEVs remain the most efficient and mature technology to decarbonise the LVs (cars, vans and light-duty vehicles). Hence, **UFE calls for limiting the scope to ZEVs only.**

Finally, UFE recommends **setting binding electrification targets for HDVs**, in segments where a certain level of ZEV market maturity can already be observed, such as heavy-duty trucks and public buses. These targets should be defined:

- **By vehicle segment**, to reflect the varying levels of ZEV market maturity across different applications.
- In line with the objective of achieving a **90% GHG emission reduction by 2035 for all newly registered HDVs.**

3. Channeling penalties revenues towards demand-side support mechanisms

To ensure compliance, **a robust penalty system should be established**, based for instance on the French law which foresees a increasing penalty of €2,000 in 2025, €4,000 in 2026 and €5,000 from 2027 per non-compliant vehicle. Moreover, **any funds collected from this system should be redirected towards demand-side support mechanisms at MS or EU level** (e.g. social leasing), to further stimulate demand for EVs.

4. Rewarding sustainability and resilience

UFE recommends that the initiative includes the introduction of a **EU eco-score** for corporate vehicles, inspired by the system already used in France in the context of the ecological bonus. It would be based on criteria such as the carbon footprint, energy efficiency, recyclability, or more generally the number of production stages carried out in factories located in the EU. The initiative should require corporate vehicles to meet a minimum eco-score threshold.

5. Encouraging smart solutions

The initiative should also favor vehicles equipped with smart and bidirectional charging capabilities. Thanks to their predictable usage patterns, corporate vehicles could become particularly valuable for optimising the electricity system, by drawing or injecting electricity into the grid when needed.

6. Encouraging MS to introduce appealing tax schemes

To ensure the success of the legislation, **any electrification objective should be accompanied by financial incentives for ZEVs**, in the form of tax deductions, exemptions, or benefits-in-kind, to help bridge the price gap with ICE vehicles and support companies in electrifying their fleet. In parallel, fiscal advantages offered to ICE company vehicles should be reduced, to align taxation with climate objectives.