

An EU Regulation to Electrify Corporate Fleets



Eurelectric position paper

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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An EU Regulation to Electrify Corporate Fleets

A Eurelectric position paper

September 2025

KEY MESSAGES

- **As the union of the electricity sector, Eurelectric, welcomes the European Commission's plans to introduce a legislative proposal by the end of 2025 to accelerate the uptake of zero-emission vehicles (ZEVs) in corporate fleets.**
- **Suitable demand-side measures are now needed to compliment supply-side legislation, such as the Regulation on CO2 Emission Standards for both, light-duty vehicles (LDVs) and heavy-duty vehicles (HDVs).** Whether for decarbonisation, increased accessibility of EVs, or industrial competitiveness, there is a clear case for binding legislation to push corporate fleets to electrify the mobility sector more systematically.
- **Eurelectric advises the EU Commission to propose a regulation in order to provide the greatest legal certainty and quickest implementation.** A directive, by contrast, would have delayed market impacts since it relies on the national transposition of each Member State.
- **A 100% binding ZEV purchase target should be set for all new corporate cars by 2030, as these fleets should be able to electrify first. For vans and HDVs, binding ZEV purchase targets should be introduced for large fleet owners by 2030, with careful consideration to the operational realities and business models of the different fleet operators.**
- **The introduction of an EU-level Eco score could help guide corporate purchases toward European-made battery electric vehicles (BEVs)** by rewarding production practices aligned with EU environmental and social standards.
- **If penalties are enforced on fleet owners for non-compliance with any binding provisions under the Regulation, the resulting revenues should not simply serve the general EU budget.** Instead, these funds should be redirected to support demand-side initiatives at the Member State or EU level, such as social leasing schemes or ecological bonuses.
- **The EU Commission's proposal should emphasise the role of national fiscal measures and advise Member States to align their tax systems to favour the switch to BEVs in corporate fleets.** The Belgian use case has clearly demonstrated the efficiency and effectiveness of fiscal measures to push the uptake of ZEVs in corporate fleets.

Introduction: Corporate fleets as a catalyst for transport electrification

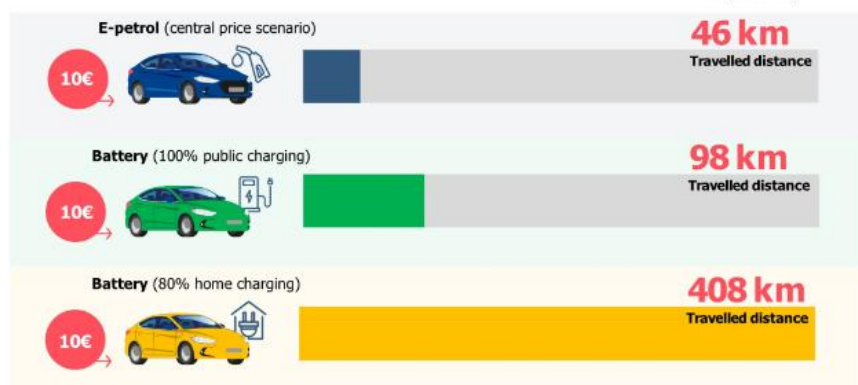
As the union of the electricity sector, Eurelectric, welcomes the European Commission's plans to introduce a legislative proposal by the end of 2025 to accelerate the uptake of zero-emission vehicles (ZEVs) in corporate fleets.

Transport remains the only major economic sector in the EU where carbon dioxide (CO₂) emissions have risen since 1990.¹ Notably, the largest source of these emissions are from road transport, which accounts for around one-quarter of Europe's total greenhouse gas emissions, with cars and vans making up as much as 13%.² Therefore, phasing out the burning of fossil fuels in the internal combustion engine (ICE) is not only critical for decarbonising transport, but to achieve the EU's climate and energy ambitions overall.

With the Regulation on CO₂ standards, the Alternative Fuels Infrastructure Regulation (AFIR), and the broader Green Deal framework in place, electrification of road transport is the clear and inevitable trajectory. In fact, the EU Commission's 2040 Communication projects road transport to see the share of BEVs increase to 57-58% in 2040 and 79-80% in 2050 in the EU's overall car stock.³ In Eurelectric's Decarbonisation Speedways report, these projections are even more ambitious.⁴

When compared to e-fuels, which are widely discussed but not commercially widespread, electrification proves to be the best solution for various reasons, such as zero tailpipe emissions, fuel costs, and much greater energy efficiency. In fact, a car running on e-fuels would require four times more primary energy than a BEV to travel the same number of kilometres, while still creating air pollution for the driver and nearby inhabitants.⁵ On top of this, e-fuels are projected to cost consumers 4 times more per kilometre than BEVs by 2030 [Figure 1].

**Figure 1: Comparing the cost-efficiency of e-fuels to BEVs
(range w/ 10 EUR of fuel/electricity)**



Source: Platform for Electromobility, 2025

The question, therefore, is not 'if', but 'how' to accelerate this transition to electrified road transport in a way that maximises climate, industrial, and social benefits.

¹ ICCT, Road Transport CO₂ Emissions in the EU could peak in 2025. [Link here.](#)

² T&E, State of European Transport 2024. [Link here.](#)

³ EU Commission, 2040 Target Communication. [Link here.](#)

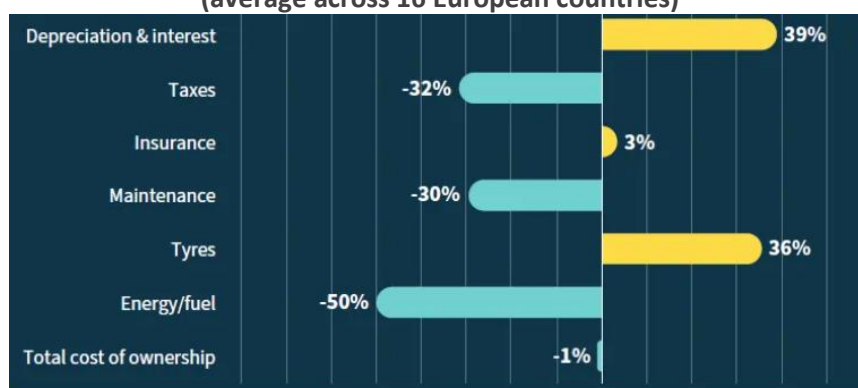
⁴ Eurelectric, Decarbonisation Speedways Report 2023. [Link here.](#)

⁵ Platform for Electromobility, Prioritising energy efficiency in EU's transport ecosystem. [Link here.](#)

Corporate fleets are the natural starting point. Vehicles registered by legal entities⁶ represent the predominant share of the first-hand car market in Europe—nearly 60% of all newly registered vehicles—, drive twice as much as privately owned cars, and typically re-enter the market after just 3–5 years. This means that ambitious ZEV targets for fleets would not only cut emissions quickly in the highest-usage segment but also create a strong supply of affordable second-hand EVs.

Given that most Europeans today purchase used cars, this initiative could significantly lower the upfront cost barrier that continues to hinder a mass uptake of BEVs by average households. Unlike private consumers, companies base purchase decisions on total cost of ownership, which already favours BEVs [Figure 2]. With smart charging and vehicle-to-grid services becoming more standardised, the business case will only strengthen.

**Figure 2: TCO comparison of BEV to ICE vehicle
(average across 16 European countries)**



Source: Ayvens, 2024

Undoubtedly, supply-side legislation, such as the Regulation on CO2 Emission Standards for both, light-duty vehicles (LDVs) and heavy-duty vehicles (HDVs) have been effective tools for kick-starting the transition of road transport, but suitable demand-side measures are now needed to compliment. In 2025, the EU Commission has responded to concerns brought forth by both, Mario Draghi in his [Competitiveness Report](#) and automakers themselves, through a series of high-level dialogues and the [Automotive Industrial Action Plan](#) published on 5 March. One thing was made clear: Europe's auto industry is undergoing its most significant transformation in over a century, and it needs a clear strategy.

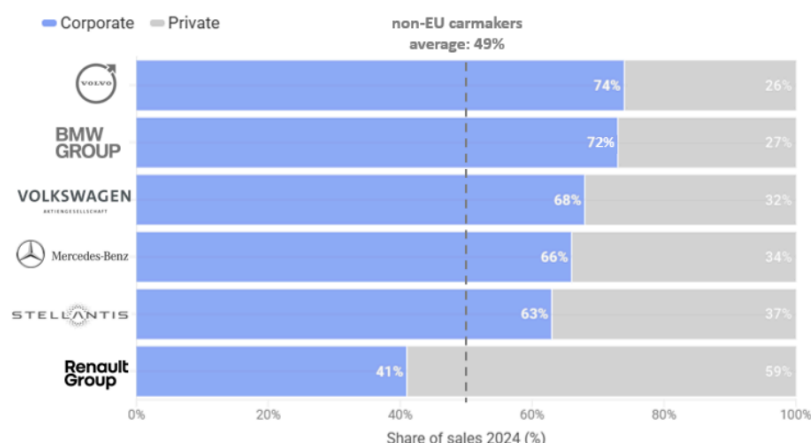
Corporate fleet ZEV targets should be a key pillar of that response. According to Transport & Environment (T&E), European carmakers - who have headquarters in the EU - have a stronger presence in this market than their competitors, with about 62% of their sales going into this segment compared to only 49% for non-EU carmakers [Figure 3].⁷ With China's EV exports to Europe having surged fivefold since 2017, it is also important to note that companies show preference to EU brands compared to private consumers when it comes to buying electric [Figure 4].⁸

⁶ 'Corporate fleet' definition in the EU Commission's Communication on Corporate Fleets. [Link here.](#)

⁷ T&E, Corporate Fleets & the EU Automotive Industrial Action Plan. [Link here.](#)

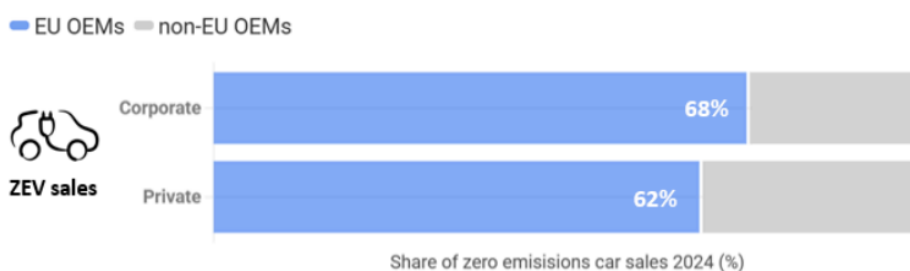
⁸ T&E, Corporate Fleets & the EU Automotive Industrial Action Plan. [Link here.](#)

Figure 3: EU carmakers have a stronger presence in the corporate car market



Source: Transport & Environment, 2025

Figure 4: Companies show greater preference for European brands



Source: Transport & Environment, 2025

Whether for decarbonisation, the increased accessibility of EVs, or industrial competitiveness, there is a clear case for binding legislation to push corporate fleets to electrify more systematically. However, it is important to understand ‘corporate fleets’ as an umbrella term that encompasses distinct vehicle segments that can also overlap. In line with the EU Commission’s Communication on the 5th of March, the segments can be broken down into roughly five categories that range across LDV and HDV markets:⁹

1. **Company cars:** Benefit-in-kind vehicles provided by employers to employees, which are often acquired through leasing.
2. **Leasing:** Vehicles leased by companies to other companies and/or private individuals.
3. **Rental:** Vehicles rented by companies to other companies or individuals, mainly for touristic or business purposes.
4. **True fleets:** Vehicles registered by companies and used for their own commercial activities, which can include urban mobility service cars, logistic vans, service cars and vans, buses and coaches, as well as trucks registered by logistic companies, freight buyers or SMEs.
5. **Vehicles registered by manufacturers themselves:** Salon and test vehicles.

⁹ European Commission’s Communication to Decarbonise Corporate Fleets. [Link here.](#)

An EU Regulation should be ambitious and strategic

At a time when there are significant concerns regarding the competitiveness of European automakers and their ability to meet the next CO2 targets, the urgency of such demand-stimulus in the domestic EV market should not only be reflected in the content, but also in the type of legal instrument proposed.

For this reason, Eurelectric advises the EU Commission, first and foremost, to propose a regulation for the greatest legal certainty and quickest implementation. A directive, by contrast, would have delayed market impacts, as it would rely upon the varying national transpositions of each Member State at the cost of Europe's urgency to reduce emissions.

Under the proposed regulation, a 100% binding ZEV purchase target should be set for all new corporate cars by 2030, as these fleets should be able to electrify first. For vans and HDVs, binding ZEV purchase targets should be introduced for large fleet owners by 2030, with careful consideration to the operational realities and business models of the different fleet operators.

Although the definition of a 'large fleet owner' must be properly defined, market data from the 2019 French Fleet Law shows that fleets with 100 cars or more can be a suitable threshold, as it roughly covers only 3% of companies but 70% of new corporate vehicle registrations.¹⁰ At the EU-level, a similar or identical threshold could be determined.

When assessing the transition cost for fleet operators, consideration should extend beyond the procurement of new vehicles and their operating expenses to also include the investment needed for adequate private charging infrastructure, as well as electricity and charging service costs. For this reason, appropriate incentives may be necessary. Especially since each vehicle segment represents a wide range of corporate entities that dominate different market shares, the legislative proposal should consistently aim to minimise the regulatory burden and transition costs for small and medium-sized enterprises (SMEs).

Drawing on the French Eco Score, which assesses vehicles' carbon footprint across multiple criteria such as assembly location and materials used, the legislative initiative could also require corporate cars to meet a minimum EU-level Eco Score threshold, rewarding production practices aligned with EU environmental and social standards. In this way, more European-made BEVs would be favoured in a fleet owner's purchase decision—enhancing a trend already being exhibited in Figure 3 but with greater industrial strategy.

Subsequently, the initiative should favour vehicles equipped with smart and bi-directional charging capabilities. Thanks to their predictable usage patterns, certain corporate fleets could become valuable for the deployment of V2G technologies and thus, for optimising the electricity system, by drawing or injecting electricity into the grid when needed. Both smart and bi-directional charging would also bring monetary value to the fleet owner, by charging when tariffs are lowest and/or being remunerated for providing battery storage to the grid.

If penalties are enforced on fleet owners for non-compliance with any binding provisions under the Regulation, the resulting revenues should not simply serve the general EU budget. Instead, these funds should be redirected to support demand-side initiatives at the Member State or EU level, such as social leasing schemes or ecological bonuses. This approach would help to ensure that enforcement reinforces, rather than hinders, the broader goal of electrifying the transport sector.

¹⁰ T&E, Greening of Corporate Fleets Briefing. [Link here](#).

The role of fiscal incentives

While overall ZEV targets at the EU-level will be integral to transitioning corporate fleets, fiscal policy is currently one of the most effective tools to accelerate the transition. In fact, the results of the EU Commission's most recent public consultation have revealed that fiscal treatment (in income, corporate and vehicle registration tax, annual vehicle circulation tax and fiscal treatment of specific vehicles) was widely regarded as a key factor across all types of fleets.¹¹

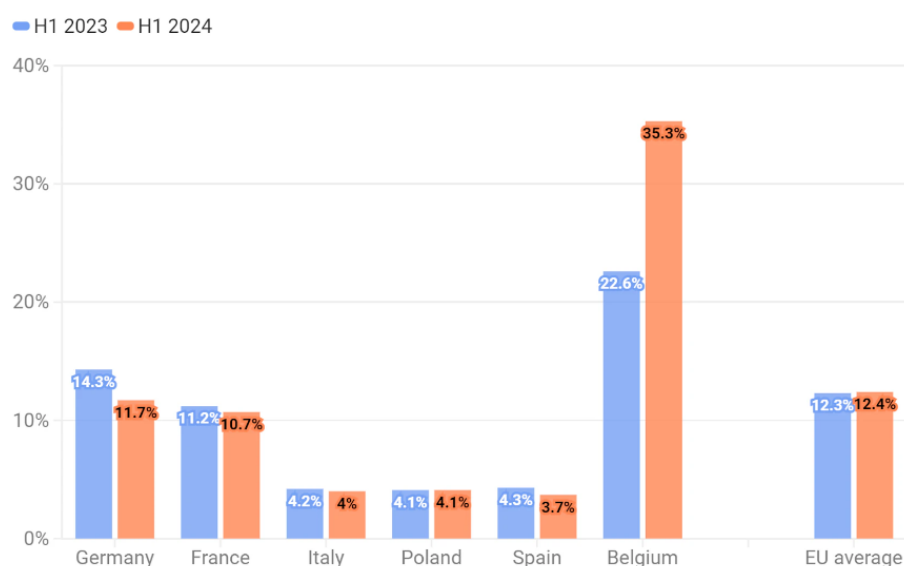
Currently, Member States are supporting the company car market with more than EUR 40 billion, with majority of these subsidies and fiscal regimes supporting traditional ICE vehicles.¹²

Therefore, the legislative proposal should place strong emphasis on the role of national fiscal measures and advise Member States to first align their tax systems in support of the transition to BEVs, as these incentives form a crucial part of the enabling framework. For example, policies could gradually increase taxes on fossil-fuelled vehicles, while enforcing little to no taxes on zero emission vehicles.

As shown in Figure 5, the Belgian use case clearly demonstrates the efficiency and effectiveness of fiscal measures to push the uptake of ZEVs in corporate fleets. These policy measures directly led to Belgium recording the largest growth in BEV shares among major European EV markets from 2023 to 2024.¹³

This dimension on tax guidance will be vital for ensuring a holistic approach that not only sets ambitious targets but also pushes for the necessary conditions to achieve them in each Member State.

Figure 5: Uptake of BEVs in the corporate market



Source: Transport & Environment, 2024

¹¹ European Commission's Communication to Decarbonise Corporate Fleets. [Link here.](#)

¹² European Commission's Communication to Decarbonise Corporate Fleets. [Link here.](#)

¹³ ICCT, Belgium's tax incentives drive EV in corporate fleets, 2025. [Link here.](#)

Conclusion

The European Commission has a critical opportunity at a critical moment to establish binding legislation that positions corporate fleet electrification as a cornerstone of the EU's climate, industrial, and mobility agendas. In other words, delivering multiple objectives at once: accelerating decarbonisation, broadening access to clean vehicles, strengthening the European automotive sector, and giving charging infrastructure providers the confidence to invest.

Therefore, Eurelectric calls for a dedicated EU regulation with clear ZEV targets and coordinated fiscal alignment across Member States in order to provide the long-term clarity and confidence needed to guide investment and innovation across the transport and energy sectors. With the right legislative framework, the EU's ambition can ensure that corporate fleets become the necessary catalyst to transition road transport to electrification.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



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