



POLICY POSITION ON THE REVISION OF THE CO₂ EMISSIONS REGULATION



ENVIRONMENT

Executive Summary

FIA Region I supports the EU's objective of climate neutrality and recognises the important role of the automotive sector in reducing greenhouse gas emissions. The revision of the CO₂ emission standards for cars and vans is a central element of this effort.

While electrification will play a key role in achieving these objectives, the transition must remain affordable, realistic and socially fair for consumers across the European Union. Regulatory choices should preserve mobility, protect consumers and ensure that climate ambition translates into tangible benefits without creating new inequalities.



Technological neutrality and electrification

The Commission's proposal confirms a clear long-term direction towards lower emissions while at least opening the door to a more flexible interpretation of the principle of technological neutrality. FIA Region I notes the proposal's intention to allow multiple technologies for decarbonisation, including the continued market co-existence of plug-in hybrids, range extenders, battery electric vehicles and hydrogen vehicles beyond 2035.

This technology-neutral approach should, however, continue to reflect the increasing role of electric powertrains in reducing emissions and be accompanied by clear monitoring and review mechanisms to ensure that overall climate objectives remain on track and are not diluted over time.

In this context, electrified vehicles such as plug-in hybrids and range extenders should deliver meaningful electric driving performance, ensuring that type approval is based on substantial real-world electric operation rather than only limited electric range. This approach helps ensure that innovation, competition and consumer choice remain central to Europe's mobility transition, while preserving the credibility of emissions reductions.

Post-2035 targets and renewable fuels

From 2035 onwards, the proposal introduces a 90% tailpipe emissions reduction target, with the remaining emissions to be compensated, among other things, through the use of e-fuels and biofuels. FIA Region I recognises that sustainable renewable fuels could contribute to decarbonisation; however, as currently proposed, their role appears highly restrictive and of very limited ambition, with only a marginal impact on overall CO₂ emissions from road transport.

Without significantly stronger and clearer incentives for investment in the production of RFNBOs and additional sustainable biofuels, this pathway is unlikely to deliver meaningful emissions reductions at scale. Clear methodologies, independent assessment and effective auditing frameworks will be essential to ensure that claimed emissions reductions are robust, transparent and verifiable.

More broadly, FIA Region I welcomes a move towards a lifecycle emissions perspective rather than an exclusive focus on tailpipe emissions, as this better reflects the real climate impact of vehicles and technologies.

Preserving choice and affordability

Allowing a continued role for a broader range of powertrains beyond 2035 may, if properly designed, help preserve consumer choice and affordability during the



transition. However, this approach must be carefully implemented and regularly reviewed to ensure that it supports the overall decarbonisation pathway and does not weaken long-term clarity for consumers or industry.

Technological neutrality should foster innovation while continuing to guide the market towards cleaner solutions and genuine emissions reductions.

Flexibility mechanisms before 2035

In the period leading up to 2035, the proposal introduces further flexibilities, including multiannual compliance mechanisms and adjustments to intermediate targets. FIA Region I recognises the value of limited flexibility to smooth the transition and provide predictability, particularly in light of current market constraints.

In this context, FIA Region I also acknowledges flexibility mechanisms such as the “banking and borrowing” of CO₂ credits, which can help manufacturers meet targets in a cost-effective manner. Nevertheless, these mechanisms should be closely monitored to ensure that they do not delay progress, reduce transparency or result in higher costs for consumers.

Interaction with ETS 2 and the Social Climate Fund

FIA Region I also notes the recent decision to postpone the entry into force of ETS 2 to 2028, which adds uncertainty regarding both the timing and the availability of resources under the Social Climate Fund.

In this context, it is essential that the EU fully considers how regulatory flexibilities in the CO₂ emission standards interact with carbon pricing, as they may lead to higher aggregate CO₂ emissions, which could in turn translate into higher costs for consumers once ETS 2 becomes operational. The EU should therefore ensure that the revised CO₂ standards are designed and implemented in a way that safeguards affordability, limits unintended price impacts, and supports a fair and socially balanced transition that leaves no consumer behind.

Affordable electric vehicles and super-credits

The proposal also foresees incentives aimed at increasing the availability of smaller and more affordable electric cars produced in the European Union, including through targeted measures such as super-credits. FIA Region I welcomes this focus on affordability, as the lack of accessible vehicle options remains a major barrier for many consumers.

Such measures should translate into a wider range of affordable models on the market and contribute to a fair and inclusive transition.



Vehicle labelling and consumer information

Clear, comparable and reliable information is essential for consumers to make informed vehicle purchase decisions. In this context, FIA Region I considers that the revision of the vehicle labelling framework should support, and be consistent with, the objectives of the CO₂ emission standards.

Labels should provide meaningful, standardised and user-friendly information that reflects lifecycle emissions and energy efficiency, allowing consumers to compare different models easily without adding unnecessary complexity or administrative burden.

Conclusion

Overall, FIA Region I considers that the revised CO₂ emission standards should ensure that flexibility mechanisms are balanced, transparent and consumer-oriented, and that affordability and accessibility remain central to the transition. A successful regulatory approach is one that delivers real emissions reductions while preserving consumer trust and mobility for all.

FIA Region I stands ready to continue engaging constructively with EU institutions as the legislative process progresses, with the aim of ensuring that the revised CO₂ standards support both climate objectives and the needs of consumers across Europe.



The FIA Region I



The FIA Region I, based in Brussels, is a consumer body comprising 102 Mobility Clubs that represent over 41 million members from across Europe, the Middle East and Africa. The FIA represents the interests of our members as motorists, riders, pedestrians and passengers. FIA Region I is working to ensure safe, affordable, clean and efficient mobility for all. Learn more at www.fiaregion1.com.