

# AVERE

The European Association  
for Electromobility

## **AVERE's Call for Greening Corporate Fleets**



# 1) EU Context

During the course of the current legislature, the EU has implemented numerous policies aimed at accelerating the electrification of the continent's vehicle fleet, with a particular focus on reducing emissions while combating climate change. In particular, the EU has approved a ban on the sale of light-duty vehicles (LDVs) with internal combustion engines (ICE) by 2035, and is in the last stages of finalising an agreement to reduce emissions from heavy-duty vehicles (HDVs) by 90% by 2040. From this perspective, it is worth highlighting that Recital 17 of Regulation (EU) 2023/851 on CO2 standards for LDVs states that, to accelerate the transition to zero-emission transport, the conversion of ICE vehicles to battery or fuel-cell electric drive has to be encouraged, while also assessing how to facilitate the deployment of such solutions in Member States [1].

One such option is the already implemented Clean Vehicles Directive which mandates that public authorities have to procure a minimum number of clean vehicles [2]. However, much greater focus needs to be given to the implementation of the new targets to ensure that the public authorities of Member States are taking on the requisite number of clean vehicles in practice. Beyond the targets themselves, the “shop-window effect” is very important to the overall decarbonisation effort: public authorities at all levels should be seen by their citizens to be leading from the front. Similarly, the provisional agreement on the Regulation on CO2 standards for HDVs includes a clause asking the European Commission (EC) to present a report by 30 June 2027, analysing the potential need and impact of initiatives to increase the share of zero-emission HDVs owned or leased by large fleet operators [3]. In addition, the EC announced its intention to publish a Communication on “Greening Corporate Fleets” in Q2 2025 [4] including “possible actions to accelerate the uptake of zero-emission vehicles in corporate fleets [to] complement the implementation of existing legislation on road transport emissions”.

We believe that this can only be achieved via a **holistic mix of “push and pull” policy and financing measures that also focus on stimulating Electric Vehicles (EV) demand** and maximising the conversion of kilometres-driven to zero-emissions kilometres. Converting to zero-emissions usership, notably through shared mobility EVs, is a vital factor in making zero-emissions mobility much more widely accessible in Europe. It is the purpose of this paper to highlight some potential measures.

[1] <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32023R0851>

[2] Directive (EU) 2019/1161 of the European Parliament and of the Council of 20 June 2019 amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles

[3] [https://www.consilium.europa.eu/media/70136/hdvs\\_provisional-agreement.pdf](https://www.consilium.europa.eu/media/70136/hdvs_provisional-agreement.pdf), page 30

[4] [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14111-Greening-corporate-fleets\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14111-Greening-corporate-fleets_en)

## 2) Corporate Fleet Targets

One potential measure is the **adoption of a Regulation for greening of corporate fleets with ambitious targets and combining different metrics**. A Regulation would also ensure a harmonised approach across all Member States, as well as a direct application without any transposition time losses that might potentially undermine their pathway. However, the Regulation would include different targets for the Member States, taking into account the different market conditions of each country. Most notably, there would be a **slower pathway for the Member States eligible for funding from the Cohesion Fund** ('Cohesion Fund Member States'), where the rollout of EVs is slated to require more time [5]. These countries include Bulgaria, Czechia, Estonia, Greece, Croatia, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia, Slovakia, and Cyprus.

**Corporate fleet targets would represent a turning point in the modernisation of the road transport sector**, also in light of the fact that a fast electrification of company cars would grant more households access to more affordable EVs. **"Corporate vehicles" refers to** those owned, leased, or rented by a private or public company, as defined under Council Regulation (EC) No 2157/2001 [6], thus including **fleets carrying out company business, as well as corporate cars made available as benefits to employees by a company**. In addition, short term rentals and ride hailing should be considered as corporate vehicles, as well as private VIP transportation services. Corporate fleets, which on average drive 2.25 times more mileage than privately owned cars - account for 58% of new sales today and are responsible for 74% of emissions of new cars. However, the EU's largest automotive market is lagging behind on electrification. In fact, in 2022, only 10.8% of new corporate cars were battery electric vehicles (BEV) compared to 14.5% for the private market [7].

**"...the acceleration of the EV transition in the corporate segment is projected to bring an additional 2 million EVs by 2035 to the second-hand market in France"**

This **Regulation**, which **should include both LDVs and HDVs**, would boost the zero-emission uptake in the B2B segment. **Corporate vehicles are the main driver to bring affordable second hand EVs to the market**. For instance, according to recent studies, the reform recently proposed by the French Member of Parliament, Damien Adam [8], calling for **acceleration of the EV transition in the corporate segment is projected to bring an additional 2 million EVs by 2035 to the second-hand market in France [9]**. This surplus of second-hand EVs will facilitate the transition especially for lower income households, who are highly dependent on second-hand vehicles [10]. For the car segment alone, cars leased or bought by companies tend to enter the second-hand market quickly and become private vehicles after 36-48 months, or after less than four years in the ride-hailing/taxi sector. As a result, a Regulation with feasible and evaluated targets for both the light and heavy-duty segments **would create a plentiful second-hand market**, helping to ensure the affordability of zero-emission vehicles throughout the next decade.

[5] 2014/99/EU: Commission Implementing Decision of 18 February 2014 setting out the list of regions eligible for funding from the European Regional Development Fund and the European Social Fund and of Member States eligible for funding from the Cohesion Fund for the period 2014-2020

[6] <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32001R2157>

[7] <https://www.transportenvironment.org/wp-content/uploads/2023/05/Briefing-on-Fleets-Regulation-3.pdf>

[8] <https://www.auto-infos.fr/article/verdissement-des-flottes-automobiles-pourquoi-et-comment-le-depute-damien-adam-veut-reviser-la-lom.280384>

[9] [https://www.transportenvironment.org/wp-content/uploads/2024/02/EN\\_2024\\_02\\_Summary\\_Reform-French-company-car-law.pdf](https://www.transportenvironment.org/wp-content/uploads/2024/02/EN_2024_02_Summary_Reform-French-company-car-law.pdf)

[10] [https://cedelft.eu/wp-content/uploads/sites/2/2021/04/CE\\_Delft\\_4G87\\_2nd\\_hand\\_cars\\_FinalReport.pdf](https://cedelft.eu/wp-content/uploads/sites/2/2021/04/CE_Delft_4G87_2nd_hand_cars_FinalReport.pdf)

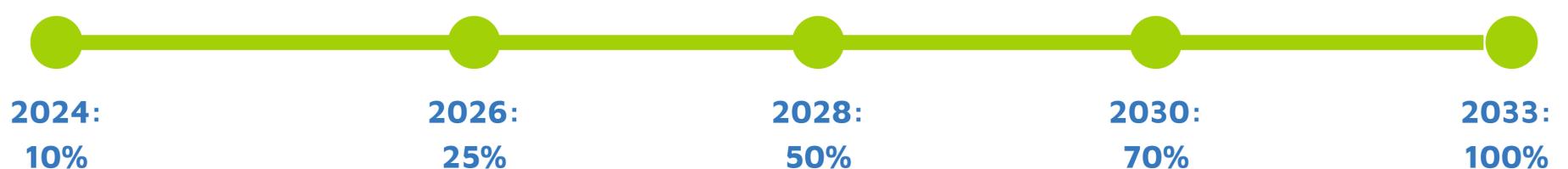
## 2.1 Making Corporate Fleet LDVs 100% Zero-Emission by 2033

A Regulation for greening of corporate fleets including **two different pathways** would be key to guaranteeing market flexibility across the EU without undermining the timely decarbonisation of a huge segment of the transport sector, meaningfully preceding the timeline of ICE vehicles ban by 2035. To this end, when it comes to the 'non-Cohesion Fund Member States' [11], AVERE **calls for a 100% procurement target for new fleet purchases of passenger cars to be ZEVs by 2030**. The trajectory would include a gradual approach, with a 20% target for 2024, 40% for 2026, 65% for 2028 and an exponential ramp up to 2030 by reaching 100%. Concerning the 'Cohesion Fund Member States', instead, more time is needed to let EVs properly penetrate in their market. As a result, we call for a 10% target for 2024, 25% for 2026, 50% for 2028, 70% for 2030, before reaching **100% in 2033**.

### "Non-Cohesion Fund Member States" Timeline



### "Cohesion Fund Member States" Timeline



Such objectives would give those Member States ample time to create the enabling conditions to incentivise the rollout of EVs by the end of this decade, before accelerating in the following years. To encourage virtuous behaviours and increase possibilities for cheaper funding, AVERE also suggests giving an "A to E" rating to corporate fleets which can then easily be valued by large corporations when it comes to ESG measures. A review clause should be introduced to make sure that the Regulation is properly assessed by 2028 in the event that the objectives are not achieved. In addition, AVERE believes that corporate fleets should have a higher efficiency threshold than regular fleets in order to: (a) take into account the specificities of such fleets, and (b) to have a positive effect on the second-hand market.

[11] The list of these Member States include Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Spain, Sweden

Similarly, with regard to **stock targets**, AVERE suggests two different trajectories. For the 'non-Cohesion Fund Member States', we call for a 50% target for 2030, followed by an exponential growth foreseen by 2035 (90%) and a **100% goal by 2040**. On the other hand, the 'Cohesion Fund Member States' would be granted more time, with a 30% target for 2030, 50% for 2033, 90% for 2040 and **100% for 2043**.

#### "Non-Cohesion Fund Member States" Timeline



#### "Cohesion Fund Member States" Timeline



In line with binding targets, the EC should ensure that original equipment manufacturers (OEMs) supply the vehicles needed by fleet operators while preserving vehicle affordability. In this way, targets can be met. In terms of the scope, **we propose covering corporate owners and users with fleets of at least 100 vehicles**. As a result, **30% of corporate fleets would be covered [12]**. This would include leasing companies, who also have business-to-consumer customers. To ensure that circumvention is prevented, a threshold of only including companies above a certain amount of annual revenues could be considered, in addition to or alternatively to the previous criterion.

Furthermore, a different trajectory for vans should be considered. In fact, the market of electrified vans is more limited in supply compared to passenger cars, as these also have a longer life cycle (28 years on average) and usage that is adapted to specific professional needs. In this respect, it is also worth highlighting that, compared to vans, passenger cars have a bigger impact on the second-hand market.

### How does this Mechanism Work?

The mechanism would imply a **yearly reporting duty for companies to the relevant government agencies of Member States on vehicle acquisitions throughout Europe**. Member States would, in turn, report to the EC. The reporting would be simple and straightforward, as it would only include a standard form for all Member States. Companies would be held accountable through regular yearly disclosures, measuring progress on targets such as procurement requirements.

[12] T&E calculations based on Dataforce (2023), NGC-Data (2023) and MSI Iberia (2018), pp. 13

No derogations should be granted for charging issues (as the Alternative Fuel Infrastructure Regulation (AFIR) and the Energy Performance of Building Directive (EPBD) already provide the architecture for the deployment of a dense European recharging network) or geographical reasons. On the contrary, derogations can be allowed, provided they are time-limited only, if companies are able to demonstrate one or more of the following conditions:

- A lack of available and affordable (types of) zero emission vehicles across all vehicle classes. Affordability should not be measured on Manufacturer's Suggested Retail Price (MSRP) but on Total Cost of Mobility (TCM). If compliance costs are too high, the EC should aid fleets to comply with the Regulation through purchase support.
- Significant delays or lack of availability of over 6 months in the delivery of suitable zero-emissions vehicles.
- A local lack of grid capacity to support sufficient available charging, notably for concentrated commercial vehicles and shared mobility vehicle usage, e.g. commercial vehicle hubs, delivery centres, airports, and railways stations.
- An economic hardship exemption for a certain period of time, e.g. if a business can demonstrate at least a 50% decrease in yearly profits.

## 2.2 Boosting HDV Demand: Setting a 100% Procurement Mandate by 2035

AVERE believes a mandate on the electrification of corporate fleets should also include HDVs. This would cover those vehicles included in the scope of the Regulation strengthening the CO2 emission performance standards for new HDVs. As such, vocational trucks would only be included as of 2035 [14]. Although battery electric HDVs are a much more mature technology, they are still lagging behind their diesel counterparts. In 2023, the latter accounted for 95.7% of newly registered HDVs [13], while the former fuel type, despite recording a 234.1% growth, still represents only 1.5% market share. Therefore, to encourage the roll-out of zero emission trucks, it would be crucial to set specific requirements for corporate fleet HDVs.

**We suggest that this Regulation covers fleet operators with at least 50 trucks.** A threshold on annual revenues could also be included, either additionally or alternatively (e.g. EUR 50 mln.). For these companies, the legislation should set a 100% ZEV procurement mandate for 2035, regardless of vehicle age or operating miles travelled. The trajectory to reach such a target should be gradual, with an increase from 2027 onwards, reaching 65% by 2030 and 100% as of 2035.



[13] [https://eur-lex.europa.eu/procedure/EN/2023\\_42](https://eur-lex.europa.eu/procedure/EN/2023_42)

[14] Definition of vocational trucks given in the CO2 standards HDVs Regulation: "Heavy-duty vehicle intended to be used for specific duties, which according to the information in its certificate of conformity, as reported by Member States fulfilling criteria in Annex I, point 1.2"

[15] <https://www.acea.auto/cv-registrations/new-commercial-vehicle-registrations-vans-14-6-trucks-16-3-buses-19-4-in-2023/>

In this respect, similarly to California's fleet Regulation [16], where a 100% procurement target starts this year in 2024, it would be advisable to put in place measures ensuring that fleets do not purchase ICEs during the years preceding 2035. At the same time, fleets can seek exemptions if needed. Beyond giving ICEs the opportunity to operate until the end of their useful lives, fleets can commit to meeting certain "milestone" stock targets that gradually increase to 100% by the late 2030s depending on vehicle category.

## How does this Mechanism Work?

Similarly to the LDV segment, the proposed mechanism should involve an annual reporting obligation for companies to communicate their truck acquisitions across Europe to relevant government agencies of Member States, who would subsequently relay this information to the EC. The reporting process is designed to be uncomplicated and uniform, utilising a standardised form applicable to all Member States.

**Vehicles failing to meet the prescribed targets for a given year would incur a penalty of EUR 10,000 per truck.**

Following this requirement, there would be a subsequent elevation in Zero-Emission Vehicle (ZEV) procurement targets. To ensure accountability, companies would undergo regular annual disclosures, assessing their progress based on the reporting mechanism. **Vehicles failing to meet the prescribed targets for a given year would incur a penalty of EUR 10,000 per truck.** Additionally, companies could, on a voluntary basis, avail themselves of greenhouse gas (GHG) credits by reporting their advancements. In addition, in the regulatory mechanism, companies would have the possibility, on a voluntary basis, to benefit from using credit averaging, banking and trading.

Additionally, companies would have to retire HDVs once they meet thresholds on age or mileage. In this regard, retirement after 13 years of usage or mileage of over 800,000 miles could represent a balanced solution. However, companies would have to potentially retire ICE vehicles before they hit the end of their operational life, if this is necessary to be compliant with the ZEV targets. All trucks would be treated equally regardless of their size. Some exemptions could be granted, provided that at least one of the following delays materialises:

- If a fleet begins to plan a project to comply with the Regulation but is unable to do so due to construction delays, the fleet may apply for an extension delaying ZEV adoption for one year.
- If a fleet signs a utility contract and the utility needs more time to make the needed electrical upgrades, the fleet may delay ZEV adoption. To receive an electrical extension the fleet owner must submit additional documentation and use the load that can be supplied by the utility; all electrical extensions sunset in 2030.

[16] <https://ww2.arb.ca.gov/resources/fact-sheets/advanced-clean-fleets-regulation-summary>

- If there is a delay when a fleet purchases a ZEV but experiences a delay in delivery, the fleet may receive an extension, enabling the fleet operator to use an ICE vehicle until it receives a ZEV replacement.
- If an operator can prove that available ZEV models on the market do not meet duty-cycle requirements, it can receive an exemption.

### 3) Support Measures to Drive Greening of Corporate Fleets

As stated above, the successful greening of corporate fleets requires a holistic approach of policy, regulation, demand-uptake measures, and funding. Without this multi-faceted approach, greening will not proceed at the required pace. ZEVs purchased without the concomitant demand to use them are counterproductive to the overall decarbonisation goals. This is particularly true for shared mobility fleets where the decarbonisation potential is high. However, shared mobility operators cannot force customers to rent ZEVs. Incentivising that choice is absolutely crucial to the goal of increasing the number of zero-emissions kilometres driven.

Therefore, in addition to concrete targets, **additional measures should be introduced to support the greening of corporate fleets and help create more EV demand.** These may include for example:

	<p>Direct or indirect financial support to electrify fleets, which could be in the form of a reduced VAT rate for the use of shared mobility EVs and EV charging, as well as direct support to fleet providers.</p>
	<p>Financial support to electrify fleets should be introduced and kept stable across time, to support efforts until 100% target is reached.</p>
	<p>Incentives to companies supporting the non-eligible company car employees to conversion.</p>
	<p>Support the production of green energy for charging green fleets at the office / home.</p>
	<p>Equalising the taxation system for corporate fleets and privately owned cars. Taxation systems must be reformed to encourage companies to purchase EVs as opposed to their ICE counterparts.</p>



Administrative support, e.g. enhancing the possibility for companies to acquire bundled packages of maintenance and insurance, as well providing support to incentivise data collection on fuel savings and emission reductions, maintenance cost fluctuations and driver feedback.



Wide-spread implementation of mobility credits to ensure consumers have access to a range of sustainable and affordable mobility options. There are two main forms of mobility credits:



Scrappage schemes that provide citizens with access to sustainable alternatives when handing in old polluting vehicles;



Employers provided mobility support, with additional government financial support, enabling employees to access EVs for daily commuting, alone, or in combination with other modes.



Promotion of clean shared mobility options as an affordable option allowing citizens to choose the mode of transport that fits best depending on individual use cases.



Requirements on organisations of a certain size (e.g. above 50 employees in a location) to produce and implement sustainable mobility plans that encompass all in-work use cases from commuting to everyday business operations. This will significantly increase the use of zero-emissions vehicles, driving up zero emissions kilometres driven.



Phasing out of grey-fleet programmes where organisations (public and private) subsidise their employees (through mileage reimbursement) to drive their own, often older and polluting ICE vehicles to and from and while at work. This would make a significant difference to reducing the current proportion of ICE kilometres driven. Organisations can, through organisational mobility schemes, e.g. dedicated automotive clubs, provide their employees with access to EVs during working hours, while making the same vehicles available in retail after work hours and during weekends, ensuring high utilisation of zero-emissions vehicles for trips which are, by definition, on-demand and necessary.



Schemes for citizens and fleet providers to “try before they buy” EVs through shared mobility operators to grow familiarity and comfort before a purchase decision to move to EV. A great example is the EV Fleet Trial in Ireland [17] that allowed public authorities, SMEs and large corporations to try out EVs while also supporting the installation of charging infrastructure.

[17] <https://www.seai.ie/business-and-public-sector/ev-for-business/switch-your-fleet/fleet-trials/>

Last but not least, greater focus should be placed on making existing tools as effective as possible in order to drive EV demand, such as the Clean Vehicles Directive (mentioned above) and the Corporate Sustainability Reporting Directive. The latter incentivises companies to opt for more sustainable modes of transport, be it for commuting or business travel.

## 4) Ensuring the Right Framework Conditions for Greening Corporate Fleets are in Place

With an increasing number of ZEVs on the road, it is crucial to ensure that sufficient charging infrastructure, both public and private, as well as high and low speed, are available throughout the EU and in particular at mobility hubs (e.g. commercial vehicle depots/hubs, train stations, and airports). In this respect, **key legislations such as the revised AFIR and the EPBD will play an important role to ramp up charging infrastructure**. Rapid and consistent implementation of these laws, taking into account key locations for fleet operators, is essential. Public authorities must support the adoption of recharging infrastructures by following the guidelines on recharging needs for corporate fleets proposed by the Sustainable Transport Forum. Closely connected, the EU's grid must be ready for the impending expansion of charging infrastructure. Today, planning and permitting for grid upgrades are lengthy procedures with limited forecasting by network operators. Large-scale EV corporate fleet deployment, including in shared mobility fleets, must be accompanied by sufficient grid capacity in high charging-intensity locations. Equally, **Member States should refrain from introducing grid allocation limitations that penalise corporate fleet charging**. Absent sufficient grid supply or certainty of electricity access, corporate fleets cannot perform their critical enabler role in economic activity of the everyday movement of people, goods and services.

## 5) Conclusion

AVERE calls on the EC to come up with a Proposal for a Regulation requiring the greening of corporate fleets involving both LDVs and HDVs. **Administrative compliance should be kept as simple as possible to ensure no significant burden is placed on companies' shoulders**. This should include clear and feasible thresholds and exemptions, rendering circumvention nearly impossible to be put in place. A gradual but also ambitious and solid transition to zero-emission corporate fleets could become a reality at the beginning of the next decade.

Demand is critical. ZEV purchase requirements without stimulating demand for their use in corporate fleets will disincentive fleet renewal, encouraging fleets to retain ICE vehicles for longer. Much greater focus must be placed on implementing existing EU measures, notably the Clean Vehicles Directive, developing robust and widely implemented demand-side measures, as well as greater financial support to encourage the uptake of ZEVs in everyday use, whether for businesses, commuters or consumers.

In conclusion, these measures would support the greening of corporate LDVs and HDVs. At the same time, the uptake of a dynamic second-hand EV market would be promoted, making zero-emission vehicles more affordable to households and SMEs. This would greatly support the acceleration of the transition of our continent towards zero-emission mobility.

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## Contact:

**Raphael Héliot**  
**Policy Manager**  
**[raphael@avere.org](mailto:raphael@avere.org)**

**Gabriele Ferrara**  
**Policy Officer**  
**[gabriele@avere.org](mailto:gabriele@avere.org)**