Network For Sustainable Mobility – Recommendations on the CO_2 emissions standards for cars and vans review

Brussels, 2 March 2026

The Network for Sustainable Mobility* is a voluntary and informal gathering of stakeholders along the value chain representing the transport, engineering, fuel manufacturing and energy sectors supporting the role of sustainable renewable fuels in a climate-neutral road transport system

The Network for Sustainable Mobility (NSM) recognises the Commission's efforts to revise the 2035 target and include provisions on flexibility ensuring a clear and more feasible decarbonisation pathway. The proposed revision opens the way to credible technologies capable of delivering verifiable greenhouse gas (GHG) emission reductions and allows them to contribute to decarbonisation efforts thanks to the inclusion of vehicle technologies such as plug-in hybrid electric vehicles (PHEVs), range-extender electric vehicles (REEVs), mild hybrids and internal combustion engines. As well, the Commission acknowledges that sustainable and renewable fuels can contribute to emissions reductions in new cars beyond 2035.

However, the proposed approach remains partial and insufficiently ambitious as the restrictive treatment of renewable fuels does not allow for the full recognition of their decarbonisation and innovation potential. **Now that the proposal is in the hands of the co-legislators, they have a clear and unique opportunity to provide the automotive industry, businesses and especially consumers with a genuine and diversified range of decarbonisation options.** This includes delivering a credible, long-term investment signal to support the scale-up of sustainable Renewable Energy Directive (RED)-compliant renewable fuels. Such an approach would also strengthen EU competitiveness and strategic autonomy by ensuring EU energy security, reducing dependence on fossil fuel imports and fostering a robust domestic renewable fuel supply.

Shortcomings and policy demands:

To fully leverage the decarbonisation potential of sustainable renewable fuels and to ensure full technological neutrality, the NSM urges policymakers to consider the following asks:

- **Zero Emission Vehicles status recognition for vehicles running exclusively on CO_2 neutral fuels.** The category of vehicles running exclusively on "CO_2-neutral fuels", which the Commission committed to introduce under the Recital 11 of Regulation (EU) 2023/851, has not been included in the proposal. The CO_2 emission standard regulation should define the essential elements of the approval framework for these vehicles, including their classification as zero-emission for the purpose of this regulation and the establishment of rigorous monitoring methodologies. **We urge the co-legislators to include and recognise the deployment of vehicles running exclusively on CO_2-neutral fuels as a mean to complement electromobility.**

- **Extend the scope definition of renewable fuels under article 5a to all Renewable Energy Directive (EU) 2018/2001 (RED) compliant sustainable fuels.** The current proposal omits defining CO_2 neutral fuel as requested by recital 11 of the Regulation (EU) 2023/851. The lack of an inclusive definition of sustainable renewable fuels causes the exclusion of sustainable biomass fuels, recycled carbon fuels as well as sustainable crop-based biofuels, therefore severely restricting the pool of eligible supply compared to actual availability and actual GHG savings potential. **We call for the inclusion of all sustainable RED-compliant fuels in the scope**

of article 5a, provided that they fulfil the sustainability criteria set out in Article 29 and 29a of that Directive and associated delegated acts.

- **Enhance the renewable fuel credits and remove the 3% cap for renewable fuels as well as the specific 1% cap for the use of biofuels produced from feedstock listed in Annex IX part B of RED.** Technology neutrality cannot be reinstated through a restrictive 3% cap or a limited role for sustainable fuels produced from feedstocks listed in Annex IX part B of RED as it is disconnected from the growing share and proven climate performance of RED-compliant fuels already used on the EU market. Caps on fuel credits prevent manufacturers from fully accounting real upstream emission reductions, even though these reductions are certified and verified under the RED framework. Removing the cap would enhance compliance flexibility, support a more diversified decarbonisation pathway that does not rely on a single technology option and ensure that all verified emission reductions are treated equally within the CO_2 compliance framework. **Sustainable renewable fuels should be credited based on their RED III life-cycle greenhouse gas emission reductions**, enabling their full contribution to manufacturers' compliance with CO_2 emission targets. In light of existing regulations and quotas, no new threshold should be introduced into the regulation. Therefore, **the existing caps limiting the contribution of fuel credits to compliance with CO_2 emission standards to 3.3 g CO_2/km** (and 1.1 g CO_2/km for Annex IX part B) **needs to be removed**.

- **Bring forward the application of article 5a to the entry into force of this Regulation to allow renewable fuels to contribute to the decarbonisation of the sector**. Setting the starting date in 2035 will not foster a real uptake of sustainable renewable fuels. To better reflect the role of renewable fuels in the decarbonisation of transport **an early application of the provisions under article 5a is necessary, the calendar year following the entry into force of the Regulation.** According to the proposed review, the data to be used are those for the calendar year two years prior to the target year (or, where that data is not available, for the most recent calendar year for which data is available).

- **An updated fuel credits formula.** We acknowledge the values used in the formula for calculating sustainable renewable fuel credits and the reference to the Union Database, under article 31a of the RED, for accounting and monitoring renewable and recycled carbon fuels, which strives to enhance supply-chain traceability, mitigate the risk of fraud and prevent double counting. **However, given the implementation challenges faced by the Union Database so far, this reference should be carefully considered.** In the event that the Union Database is not fully functional by the entry into force of the regulation, the Commission should, as an interim solution, refer to the SHARES database[1] to ensure continuity and the effective application of fuel credits until the Union Database becomes fully operative.

- **Align the values of cars and vans average milage to existing Regulation, notably the Type-Approval Regulation (Euro 7)**. Increasing the milage of the average lifetime of vehicles creates a misalignment within EU legislation. **The value used for the calculation of the fuel credits should be 200.000km – as in the Type-Approval Regulation (Euro 7) – and not 240.000km.**

[1] The SHARES database is accessible at: https://ec.europa.eu/eurostat/web/energy/database/additional-data

** List of signatories and members of the NSM*

NSM proposed amendments to the proposal amending Regulation (EU) 2019/631 – COM (2025) 995

Amendment 1

Recital 9

Commission proposal 2025/0420 (COD)	**Suggested amendment**
(9) **The fleet-wide emissions reduction target as from 2035 is reduced from 100% to 90%, provided that the remaining emissions are** compensated by the use of low-carbon steel or sustainable renewable fuel credits.	(9) **As from the calendar year following the entry into force of this Regulation, the remaining emissions from the EU fleet-wide target of 2021 can be** compensated **through actual and verifiable lifecycle greenhouse gas emission reductions achieved** by the use of low-carbon steel credits and sustainable renewable fuels credits. **The recognition of such credits should support a technology-neutral pathway and contribute to the achievement of the overall climate-neutrality objective.**

Amendment 2

Recital 10

Commission proposal 2025/0420 (COD)	**Suggested amendment**
(10) The use of low-carbon steel credits and sustainable renewable fuel credits should be capped in order to preserve investments in the zero-emission value-chain. By allowing to compensate emissions up to 10% of the EU fleet-wide target of 2021 as from 2035, these credits, combined with the 90% emissions reduction target, support the overall climate neutrality objective.	**Deleted**

Explanation: *The CO_2 emission standards framework should recognise actual and verifiable lifecycle greenhouse gas emission reductions achieved across the automotive value chain, in line with existing EU climate and energy legislation. Allowing manufacturers to compensate remaining emissions through low-carbon steel credits and sustainable renewable fuel credits provides a transparent and credible mechanism to account for upstream emissions reductions that are already certified, monitored and verified under robust EU frameworks, notably the Renewable Energy Directive. The recognition of such credits strengthens technology neutrality by avoiding an exclusive reliance on a single decarbonisation pathway and by ensuring that all solutions delivering measurable climate benefits can contribute to compliance.*

Amendment 3

Recital 12

Commission proposal 2025/0420 (COD)	**Suggested amendment**
(12) It is appropriate to allow for a recognition of emissions savings from sustainable renewable fuels in the CO2 standards, to provide further flexibilities for manufacturers and support investments in the development of the sustainable renewable fuel value chain. Such fuels will continue to play a role in the decarbonisation of transport**. In order to support innovative technologies, the current framework under Directive (EU) 2018/2001 includes binding targets for advanced biofuels in transport. Progress in its implementation is made albeit slow.** A review of the Directive (EU) 2018/2001 is planned for end 2026 assessing the progress made and the need for an update of the future bioeconomy framework.	(12) It is appropriate to allow for a recognition of emissions savings from sustainable renewable fuels in the CO2 standards, to provide further flexibilities for manufacturers and support investments in the development of the sustainable renewable fuel value chain. Such fuels will continue to play a role in the decarbonisation of transport. **These fuels are defined by the current framework under Directive (EU) 2018/2001 provided that they meet the greenhouse gas emission reduction and the sustainability criteria of that Directive.** A review of the Directive (EU) 2018/2001 is planned for end 2026 assessing the progress made and the need for an update of the future bioeconomy framework.

Explanation: *This amendment aims to clarify that the recognition of emissions savings under the CO_2 standards regulation should be based on the existing definitions and sustainability criteria set out in Directive (EU) 2018/2001. By doing so, it ensures policy coherence and avoids selective or restrictive interpretations of the eligible fuels, while maintaining the EU's high environmental safeguards.*

Amendment 4

Article 3 definitions, subparagraph (n)

Commission proposal 2025/0420 (COD)	**Suggested amendment**
(n) 'zero-emission vehicle' means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO_2/km, as determined in accordance with the applicable EU type-approval procedure	(n) 'zero-emission vehicle' means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO_2/km, **including vehicles running exclusively on CO_2-neutral fuels, in accordance with Article 4(4) with a WLTP value amounting to 0 g CO2/km**, as determined in accordance with the applicable EU type-approval procedure

Explanation: *In the absence of a transition toward a Life Cycle Analysis based emissions accounting, CO_2-neutral fuels (CNF) should benefit from a zero-emission rating, in line with the zero-rating*

principle applied to those RED-compliant fuels under the EU Emissions Trading System Directive (EU) 2023/959). By applying the same zero-rated combustion, "vehicles running exclusively on CO_2-neutral fuels" should be considered "zero-emission vehicles (ZEV)", on equal footing with battery-electric and hydrogen vehicles already classified as zero-emission vehicles (ZEVs). In addition, this clarification facilitates coherence with other legislative proposals under the automotive package.

Amendment 5

Article 3 – Insert new definition for CO_2 neutral fuels

	Article 3, new subparagraph (s)
	(s) 'CO_2 neutral fuel' (CNF) means all fuels defined by the Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and associated delegated acts, where the same amount of CO_2 from biomass, ambient air or recycled carbon sources is bound in the fuel production as is released during combustion in the use phase. Those fuels shall include renewable and/or synthetic fuels, such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuel of non-biological origin (RFNBO) or a recycled carbon fuel (RCF).

Explanation: *Vehicles with an internal combustion engine powered by climate neutral fuels requires a proper definition of CO_2 neutral fuels. Here, all sustainable fuels meeting the GHG emission reduction and sustainability criteria of the Renewable Energy Directive (RED) are included. A fuel is "CO_2 neutral" if the emissions in the use phase are fully compensated by the upstream fuel production process. This means that the equivalent amount of carbon is incorporated in the fuel production, which is emitted later in the use phase with a net zero emission balance of CO_2. It is worth noting that the definition of CO_2 neutral fuels refers to Directive 2018/2001 in its last amendment (RED III).*

Amendment 6

Article 4 Specific emissions targets – Insert new paragraph 4

Article 4, new paragraph (4)

(4) The specific CO_2 emissions of CO_2 neutral fuel vehicles powered exclusively by a CO_2 neutral fuel, as defined in Article 3 (s), are considered zero for the purpose of this Regulation.

By the end of 2026, in accordance with Articles 5 and 15 of Regulation (EU) 2024/1257 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7), the Commission shall adopt a delegated act introducing an additional option to implement the rules for the type approval of such vehicles. This vehicle class shall be applicable immediately with entering into force of the Delegated Act. The delegated act referred to in this paragraph shall lay down the following:

- ***A. A proper set of monitoring methodologies which are suitable for both liquid and gaseous fuels, covering digital, physical and mass-balancing options treated equally [2]***
- ***B. A pragmatic and flexible inducement system, that does not introduce any safety risk for the final user***
- ***C. Rules for vehicles travelling outside the EU and in cross-border transport***

Accordingly, the Commission shall by the end of 2026 integrate this into the Certificate of Conformity by amending with an Implementing Act the Regulation (EU) 2020/683.

Explanation: *Article 5 of the Euro 7 Regulation includes options for manufacturers concerning the construction and designation of vehicles. CO_2 neutral fuels vehicles could be designated as belonging to an additional option, with proper type approval rules. The Commission is empowered to add new options through delegated acts, according to Article 15 of Euro 7 Regulation.*

[2] An overview of the monitoring methodologies and inducement systems can be found in the 2024 report of the Working Group of Monitoring Methodologies, including their applicability to liquid and gaseous fuels. The report is accessible here: https://wgmm.eu/wp-content/uploads/2025/08/WGMM_Report-2024_UpdatedVersion.pdf

However, the CO_2 regulation should define the main aspects of the approval rules of these vehicles

- *The fact that they will be considered zero emissions for the purpose of the CO_2 regulation*
- *The definition of a proper set of monitoring methodologies*
- *The definition of a pragmatic inducement system*

Amendment 7

Article 4 , paragraph 1 point (c) - specific emissions targets

Commission proposal 2025/0420 (COD)	**Suggested amendment**
(c) In addition, **starting from 2035**, the manufacturer shall also ensure that its average specific emissions of CO_2 **do not exceed** the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in with Article 5b.	(c) In addition, **starting from the calendar year following the entry into force of this Regulation**, the manufacturer shall **substract from** its average specific emissions of CO_2 the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in with Article 5b. **When performing this operation the average specific emissions of CO_2 of each manufacturer cannot become negative.**

Explanation: *Setting the starting date for the fuel credits in 2035 will not foster a real uptake of sustainable renewable fuels by the OEMs. Instead, the starting date should be aligned with the entry into force of the regulation in order to provide an immediate and credible incentive for early investment and deployment.*

Amendment 8

Article 5a Role of sustainable renewable fuels, point 1

Commission proposal 2025/0420 (COD)	**Suggested amendment**
1. Starting from **2035**, the Commission shall calculate, for each manufacturer, fuel credits based on the greenhouse gas emission savings achieved by the use of the fuels referred to in paragraph 2, as determined in accordance with point 7 of Parts A and B of Annex I, to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. These fuel credits shall be calculated taking into account the quantity of such fuels placed on the Union market for road transport and their greenhouse gas emissions intensity, **as calculated according to Article 29a and 31 of Directive (EU) 2018/2001** and as reported in the Union Database established pursuant to Article 31a of that Directive, the share of road transport fuel used in passenger cars and light commercial vehicles, the average lifetime mileage of the vehicles, and the number of vehicles registered.	1. Starting from ***the calendar*** year ***following the date*** of the entry into force ***of this*** Regulation, the Commission shall calculate, for each manufacturer, fuel credits based on the greenhouse gas emission savings achieved by the use of the fuels referred to in paragraph 2, as determined in accordance with point 7 of Parts A and B of Annex I, to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. These fuel credits shall be calculated taking into account the quantity of such fuels placed on the Union market for road transport and their greenhouse gas emissions intensity, **as calculated according to Article 29, 29a and 31 of Directive (EU) 2018/2001** and as reported in the Union Database established pursuant to Article 31a of that Directive, the share of road transport fuel used in passenger cars and light commercial vehicles, the average lifetime mileage of the vehicles, and the number of vehicles registered.

Explanation: *Setting the starting date in 2035 will not foster a real uptake of sustainable renewable fuels. Instead, the starting date should be aligned with the entry into force of the regulation in order to provide an immediate and credible incentive for early investment and deployment. According to the proposal, the data to be used are those for the calendar year two years prior to the target year (or, where that data is not available, for the most recent calendar year for which data is available). Therefore, to better reflect the role of sustainable renewable fuels in decarbonisation of transport, an early application of the provisions under article 5a should start as soon as possible. Additionally, to ensure policy coherence and avoid selective or restrictive interpretations of the eligible fuels while maintaining the EU's high environmental safeguards, the fuel credit calculation should consider all the fuels defined by the current Directive (EU) 2018/2001 provided that they meet the greenhouse gas emission reduction and the sustainability criteria of that Directive.*

Amendment 9

Article 5a Role of sustainable renewable fuels, point 2

Commission proposal 2025/0420 (COD)	**Suggested amendment**
2. The eligible fuels shall be **renewable fuels of non-biological origin (RFNBOs) as defined in Article 2(36) of Directive (EU) 2018/2001 and fulfilling the criteria set out in Article 29a of that Directive, biofuels, as defined in Article 2(33) of that Directive, and biogas, as defined in Article 2(28) of that Directive, both produced from feedstock listed in Annex IX to that Directive and fulfilling the criteria set out in Article 29 of that Directive.**	2. The eligible fuels shall be **all fuels defined by the Directive (EU) 2018/2001, fulfilling the criteria set out in Article 29 and 29a of that Directive and associated delegated acts. Those fuels shall include renewable and/or synthetic fuels, such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuel of non-biological origin (RFNBO) or recycled carbon fuel (RCF).**

Explanation: *Vehicles equipped with an internal combustion engine powered by sustainable renewable fuels require a clear and consistent definition. For this purpose, the definition of sustainable renewable fuels should be aligned with the definition established by the Working Group on Monitoring Methodologies (WGMM)[3]. The WGMM has established a balanced and practical definition of "CO_2 neutral fuel" meaning that all fuels defined by the Renewable Energy Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and associated delegated acts. Those fuels shall include renewable and/or synthetic fuels, such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuel of non-biological origin or a recycled carbon fuel.*

Amendment 10

Article 5a Role of sustainable renewable fuels, point 3

Commission proposal 2025/0420 (COD)	**Suggest amendment**
3. The credits from all fuels referred to in paragraph 2 shall not reduce the average specific emissions of CO2 of a manufacturer by more than 3% of the EU fleet-wide target2021 as set out in point 6.0 of Annex I Parts A and B. The credits from the quantities of biofuels and biogas produced from feedstock listed in Part B of Annex IX to Directive (EU) 2018/2001 shall not reduce the average specific emissions of CO2 of a manufacturer by more than 1% of the EU fleet-wide target 2021 as set out in point 6.0 of Annex I Parts A and B.	***Deleted***

[3] Working Group on Monitoring Methodologies. Monitoring the use of CO2 neutral fuels in road transport, a cross-sectoral industry assessment, 2024. URL

Explanation: *The current caps of 3.3 g CO_2/km and 1.1 g CO_2/km significantly restrict the potential contribution of fuel credits to manufacturers' compliance with CO_2 emission standards. Removing these caps would primarily affect the range of fuels that can be considered eligible, rather than weakening environmental ambition. If all renewable fuels that comply with the sustainability criteria of the RED were taken into account, fuel credits could reduce manufacturers' effective emission standards by nearly 15 g CO_2/km in 2025 and by up to 25 g CO_2/km by 2035. This approach would better reflect the real-life decarbonisation potential of sustainable renewable fuels, support technology neutrality, and incentivise investment in low-carbon fuel pathways alongside vehicle electrification. Removing the Deleting the fuel credit caps will provide appropriate and technology-neutral flexibility for car manufacturers to effectively compensate their emissions reduction target.*

Amendment 11

Article 5b Role of low-carbon steel, point 2

Commission proposal 2025/0420 (COD)	**Suggested amendment**
Paragraph 1 shall not apply for those vehicles whose contribution to the average emissions is covered by Article 5a	**Deleted**

Explanation: *Article 4(1)(c) already ensures that manufacturers subtract from their average specific CO_2 emissions the fuel credits under Article 5a and the low-carbon steel credits under Article 5b. In addition, the resulting average specific emissions cannot become negative.*

Amendment 12

Article 8 - Excess emissions premium - point 4, first subparagraph

Regulation (EU) 2019/631	**Suggested amendment**
'excess emissions' means the positive number of grams per kilometre by which a manufacturer's average specific emissions of CO_2 , taking into account CO_2 emissions reductions due to innovative technologies approved in accordance with Article 11, exceeded its specific emissions target in the calendar year or part thereof to which the obligation under Article 4 applies, rounded to the nearest three decimal places, and	'excess emissions' means the positive number of grams per kilometre by which a manufacturer's average specific emissions of CO_2, taking into account CO_2 emissions reductions due to innovative technologies approved in accordance with Article 11, **and CNF reductions recognized in accordance with Article 4(4)**, exceeded its specific emissions target in the calendar year or part thereof to which the obligation under Article 4 applies, rounded to the nearest three decimal places, and

Explanation: *This amendment clarifies that CO_2 emissions reductions achieved through the use of carbon-neutral fuels (CNF) should be taken into account when calculating a manufacturer's "excess*

emissions". Putting CNF reductions alongside and on equal footing with reductions from innovative technologies ensures consistency with the proposed framework and avoids penalising manufacturers whose compliance strategy relies partly on the use of CNF vehicles.

Amendment 13

Annex, Part A - 7.2. Fuel credits

Commission proposal 2025/0420 (COD)		**Suggested amendment**	
mileage	is the average lifetime mileage of passenger cars, which is set at **240 000** [km]	mileage	is the average lifetime mileage of passenger cars, which is set at **200 000** [km] **in accordance with the lifetime requirements set in Annex II and Annex IV of Regulation (EU) 2024/1257**

Explanation: *The average lifetime mileage value of passenger cars used in the formula for calculating sustainable renewable fuel credits should be adjusted to 200 000 km to more accurately reflect the average (main and additional) lifetime requirements established in Annex II and Annex IV of Regulation (EU) 2024/1257 (Euro 7)[4]. It would ensure greater regulatory coherence across EU vehicle and fuel legislation and avoid inconsistencies between vehicle type-approval rules and fuel credit calculations.*

Amendment 14

Annex, Part B - 7.2. Fuel credits

Commission proposal 2025/0420 (COD)		**Suggested amendment**	
mileage	is the average lifetime mileage of light commercial vehicles, which is set at **300 000** [km]	mileage	is the average lifetime mileage of light commercial vehicles, which is set at **200 000** [km] **in accordance with the lifetime requirements set in Annex II and Annex IV of Regulation (EU) 2024/1257**

Explanation: *The average lifetime mileage value of light commercial vehicles used in the formula for calculating sustainable renewable fuel credits should be adjusted to 200 000 km to more accurately reflect the average (main and additional) lifetime requirements established in Annex II and Annex IV of Regulation (EU) 2024/1257 (Euro 7)[5]. It would ensure greater regulatory coherence across EU vehicle and fuel legislation and avoid inconsistencies between vehicle type-approval rules and fuel credit calculations.*

[4]Regulation (EU) 2024/125 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401257
[5]Regulation (EU) 2024/125 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401257