

CO2 emission performance standards for new light duty vehicles and vehicle labelling

2025/0420(COD) - 16/12/2025 - Legislative proposal

PURPOSE: to provide vehicles manufacturers with additional flexibilities for their compliance while maintaining the level of ambition of the CO2 reduction targets, as well to harmonise and update vehicle labelling requirements.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the automotive sector is a key pillar of the Union's economy, and it is at a critical turning point, facing fierce global competition and deep structural transformations in decarbonisation and digitalisation. The pathway towards zero-emission mobility requires an integrated approach combining CO reduction, industrial competitiveness, social fairness and technological leadership.

The Union has already adopted policies to address CO2 emissions from cars and light commercial vehicles through Regulation (EU) 2019/631, currently effective since 1 January 2020 and to provide consumers with information relating to the fuel economy and CO2 emissions of new passenger cars offered for sale or lease through Directive 1999/94/EC.

The proposed regulation amends Regulation (EU) 2019/631, which sets CO emission performance standards for new passenger cars and light commercial vehicles (vans), in order to align the EU vehicle fleet with the Union's climate objectives under the European Green Deal. It also modernises the EU framework on vehicle labelling and repeals Directive 1999/94/EC, which is considered outdated.

CONTENT: the proposal contains the following amendments:

Subject matter

The proposal makes amendments in order to lower the 2030 EU fleet-wide CO2 emission target for vans from 50% to 40% reduction from the 2021 baseline and the 2035 EU fleet-wide CO2 emission target for cars and vans from 100% to 90%.

The amended text also clarifies that all ZEV N vehicles (including N1 and N2), whose mass without the mass of the battery is below 2840 kg, are actually accounted when assessing compliance against the CO2 emissions targets set in this Regulation.

Super credits for small cars

Prior to 2035, car manufacturers will be able to benefit from super credits for small affordable electric cars made in the EU.

Sustainable renewable fuels

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 credits or sustainable renewable fuel credits.

Low-carbon fuels

From 2035 onwards, carmakers will need to comply with a 90% tailpipe emissions reduction target, while the remaining 10% emissions will need to be compensated through the use of low-carbon steel Made in the Union, or from e-fuels and biofuels.

Vehicle labelling

The proposal stated that vehicle labelling requirements should apply to vehicle manufacturers and dealers or any other natural or legal persons making available vehicles on the market in the course of a commercial activity, thereby excluding private persons occasionally selling a second-hand car. Vehicle labelling requirements should be incorporated into Regulation (EU) 2019/631 in order to safeguard its consistent and harmonised application across the Union.