

A Government flip flop on ZEV mandate would be bad for drivers, bad for the environment and bad for British manufacturing

Following reports of another review of the ZEV mandate on the horizon, this briefing looks at what the mandate is, how it works and the impact of potential changes.

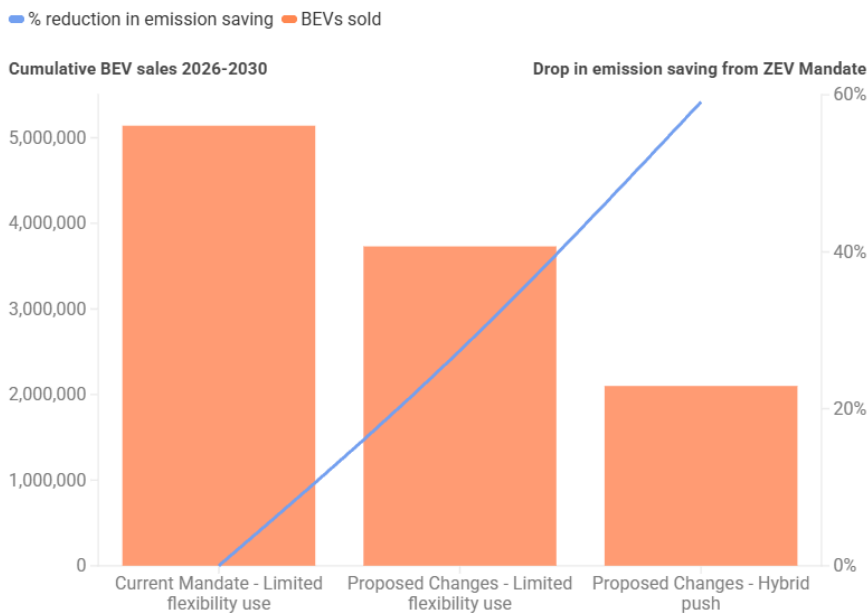
Weakening the mandate would have significant impact

Reports that the Government could reduce the 2030 target from 80% to 50% would significantly slow the UK's transition to zero-emission vehicles.

According to T&E analysis:

- Moderate use of flexibilities could result in 1.4 million fewer BEV sales by 2030.
- Carmakers selling more plug-in hybrids could increase that figure to 3 million fewer BEV sales.

Proposal to cut the ZEV Mandate target to 50% BEV sales in 2030 will lead to between 1.4 and 3 million fewer BEV sales



Source: T&E analysis of UK car sales



The consequences would be substantial:

- **Reduced investor confidence across the automotive and charging sectors.**
- Lower levels of private investment throughout the EV supply chain.
- **Up to 50% less emissions reduction from one of the UK's flagship decarbonisation policies.**
- Drivers would remain exposed to volatile petrol and diesel prices, increasing vulnerability to global oil market shocks. T&E analysis shows that petrol drivers are around four times more exposed to energy price shocks than EV drivers

Constant changes undermine certainty

The ZEV Mandate was designed to provide long-term certainty for manufacturers, investors and infrastructure providers. Yet despite only coming into force in 2024, the Government is already considering a third significant change. Repeatedly weakening the policy sends a clear message:



If parts of the industry claim the targets are too difficult, the Government will change the rules. That undermines confidence across the entire green tech ecosystem.

Investment at risk

- Up to **£41 billion of automotive investment** could be put at risk.
- Companies that have invested early and made progress are penalised, while those that have delayed action are rewarded.
- **Uncertainty over future EV uptake weakens the business case for charging infrastructure investment: ChargeUK has warned that £15 billion of charging investment could be jeopardised.**

The lack of an Industrial Strategy

The real challenge facing UK carmakers is not the ZEV Mandate itself, but the **absence of a coherent industrial strategy** to support it. Regulation must be matched by action to improve the UK's competitiveness, including:

- More competitive industrial energy costs
- Investment in skills
- Stronger domestic supply chains
- A willingness to use trade defence measures where necessary to support UK production.

Other countries are pressing ahead. China continues to execute a long-term strategy to build its EV industry, while the EU is pairing regulation with industrial support, such as Made in EU, requires to drive onshoring of manufacturing.

Meanwhile, UK manufacturers face growing competition from heavily subsidised imports. The EU has acted by imposing tariffs on subsidised Chinese EVs. The UK has not taken equivalent steps, despite around **8% of Chinese battery electric vehicle exports being destined for the UK market.**¹

If Ministers are concerned about the competitiveness of the UK automotive sector, the answer is not to weaken the ZEV Mandate. It is to develop an industrial strategy that provides industry with the tools needed to be competitive through the transition. **The Department for Business and Trade must be proactive in backing British automotive manufacturing, rather than expecting regulatory changes to solve problems that stem from a lack of industrial support.**

Industry is meeting the targets

Claims that manufacturers cannot comply with the mandate are not supported by the evidence.

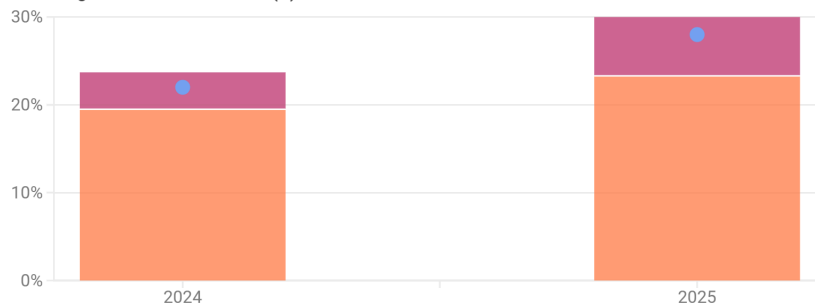


The market has responded positively to the mandate with car makers growing BEV share through an ever-improving product line-up

Overall, BEV sales grew over 20% between 2024 and 2025 but this hides even higher growth for some OEMs

■ ZEV Mandate Target ■ BEV sales ■ ICEV credits

Percentage share of total car sales (%)



Source: T&E analysis of DataForce sales data



→ **Manufacturers have met compliance requirements in both years the mandate has been in force.**

→ **No car manufacturer has faced fines for non-compliance.**

→ **Carmakers face a lower effective compliance target, due to the ability to use significant flexibilities which they themselves lobbied for.**

In the first two years of the ZEV mandate being in place, manufacturers have met compliance on both occasions, and no car maker has had to face fines for failure to comply.

The car industry is responding well, and there are pathways to compliance even for those who have started slowly. The car industry heavily lobbied for significant flexibilities to be introduced, therefore it is only reasonable to imagine that these will be relied upon. As such the actual target is significantly lower, this however, has not stopped misinformation around 'targets being missed'.

¹ T&E analysis, EV-Volumes

Progress across the auto industry has not been even. T&E analysis shows the average BEV sales share across leading carmakers, representing 80% of UK sales, was 28% in 2025, meeting the 28% ZEV Mandate target through BEV sales alone. The shortfall is driven by a minority of manufacturers with limited or uncompetitive BEV offerings which are using PHEVs, HEVs and borrowing to comply. This is not evidence of weak consumer demand but poor business strategy by a minority of carmakers

Further information

About us

We are the national office of the European clean transport NGO T&E whose aim is to achieve a zero-emission mobility system that is affordable and has minimal impacts on our health, climate and environment and is accessible to all.

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