



## **Leaseurope Feedback on the Climate Law**

Leaseurope, the European federation representing the leasing and automotive rental industries, supports the Commission's goal to enshrine their commitment to lower greenhouse gas emissions through the European Climate Law.

The leasing and rental industries, with their focus on reusing assets until the end of their life cycle, coupled with their role in enabling consumers to upgrade their vehicles and equipment to models that use cleaner technology, will be a key facilitator in the shift towards a greater uptake of green technology. Whilst we support the Commission's aim to significantly lower carbon emissions by 2030, we do feel a number of factors need to be addressed in order to enable our industries to support the transition to the scale envisaged by the Commission, and to meet their very ambitious timeline.

These issues (set out below) will require significant investment from member states, SMEs, consumers, leasing and rental companies, and vehicle and equipment manufacturers. As a result of the scale of the investment, infrastructural, and process-related changes required, a gradual shift towards this increased uptake in lower emission vehicles and more eco-friendly equipment would be by far the most appropriate means of achieving the EU's climate goals.

### **Infrastructural needs**

The infrastructure required to enable a larger uptake of lower emissions vehicles (such as charging stations and alternative fuel stations) will need to be available throughout member states. This will take time owing to the major costs associated with this, as well as the need to both physically install the charging and alternative fuel infrastructure, and ensure there is the necessary capacity (in terms of distribution boards, grid reinforcements etc.) in place to support this infrastructure.

### **Supporting consumers and SMEs in the transition**

Additionally, there will need to be a major shift in consumer preference, to make using and offering low emission vehicles and eco-friendly equipment -at the scale that would be required to meet these goals- financially viable, both for individual consumers and leasing and rental companies. In the context of low emission vehicles specifically, the improvement of charging/alternative fuel infrastructure will undoubtedly help in encouraging this shift, however equally important will be the availability of financial incentives and support for customers who wish to use eco-friendly vehicles or equipment. Crucially, this support should not only be available to consumers and companies who wish to purchase eco-friendly goods, but also for those who opt to benefit from this new technology by leasing or renting assets. Allowing leased and rented environmentally friendly assets to have the same benefits as purchased assets, not only encourages the re-use of assets, it will likely also

improve the uptake of these new technologies. Consumers and SMEs in particular will be more inclined to use more eco-friendly assets when they have the safety that leasing and renting provides, such as the ability to change/upgrade their asset at little additional cost, and not being responsible for repairs of the asset.

### **The role of manufacturers**

As well as the shift needed by consumers and the changes needed to existing infrastructure, to a large extent the ability of the leasing and rental industries to offer these eco-friendly options at a large scale is dependent on the extent to which manufacturers respond to this issue. In the context of vehicles for example, this could take the form of enabling improvements across their entire range of powertrains.