



Renewed Sustainable Finance Strategy- Leaseurope Consultation Response

Leaseurope, the European association representing the leasing and automotive rental industries, fully supports the Commission's aim to improve the integration of climate and environmental risks into investment decisions through the Renewed Sustainable Finance Strategy, as well as their broader goal of transitioning towards a green economy. We wish to highlight the key role the leasing industry can play in facilitating the green transition, and the need for any framework aimed at improving the green credentials of European industry to recognise this.

The leasing and automotive rental industries are in many ways ideally placed to act as a facilitator of the green transition, and to support the aims the Commission seeks to achieve through the Renewed Sustainable Finance Strategy. The three goals of the Strategy, to create an enabling framework with appropriate tools and structures; to increase opportunities and have a positive impact on sustainability for citizens, financial institutions, and corporates; and to ensure that climate and environmental risks are fully managed and integrated into financial institutions' and the financial system as a whole, can be (and in many cases *are already*) facilitated by the leasing and automotive rental industries.

In the context of making it easier for citizens and corporate entities to act more sustainably then, the leasing and automotive rental industries currently play a major role in improving the availability of newer and greener technologies, without the prohibitive prices that would often deter companies and individuals from upgrading their assets (like factory equipment or vehicles for example) to a more sustainable model. In this way, the leasing and automotive rental industries are in a unique position compared to most other financial service providers, since they are able to go beyond *investing* in green funds and actually play a role in making greener technologies both available and more widely known about by customers. By enabling consumers and companies to avoid both the large outright purchase prices and the possible additional costs associated with the maintenance and upkeep of newer, more innovative assets, the leasing and automotive rental industries play an important role in making sustainable products more accessible, and this role is likely to grow significantly in the coming years as a result of the Commission's ambitious climate targets.

In addition to improving accessibility of sustainable options for citizens and companies, the Strategy also highlights the need for financial institutions to manage and integrate climate and environmental risks into financial institutions and the financial system as a whole. A core principal of the leasing and automotive industries is to ensure assets are used until the end of their lifecycle. As a result, the leasing and automotive industries are, by their very nature, circular. Additionally, the industries are constantly evolving to meet changing consumer demand, and as more and more consumers are becoming aware of their environmental impact, our industries are constantly adapting to offer new, greener technologies, and to ensure that these technologies are as widely available as possible.

In light of the significant role the leasing and automotive rental industries have in facilitating the green transition, and making sustainable assets accessible for consumers and businesses, it is essential that any future framework in this area that goes beyond investment related decisions- as set out in the Renewed Sustainable Finance Strategy- recognises the contributions of these industries in enabling the green transition, and allows these industries to continue to play their part in this transition. This includes measures related to the prudential or tax treatment of leasing, as well as measures related to grants available to help facilitate the green transition.