



Federal Association of German Leasing Companies
Further arguments on the
Call for Evidence "Clean Corporate Vehicles"

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German Leasing
Companies

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Based on the statement submitted by the Federal Association of German Leasing Companies (BDL) on 5 July 2024 in response to the consultation on the "Greening of corporate fleets", we would like to provide you with further arguments regarding the current 'Clean Corporate Vehicles' initiative.

The BDL represents the interests of the German leasing sector. Leasing companies in Germany enable new investments of over EUR 80 billion annually - especially for medium-sized customers. A good quarter of all investments in operating and office equipment are realized through leasing. Leasing therefore contributes significantly to the overall economic investment supply, particularly for German SMEs. The sector itself is also characterized by medium-sized companies: More than three-quarters of all German leasing companies employ fewer than 50 people. At the same time, the leasing sector understands itself as an important enabler of transformation. We advocate the promotion of low-emission leasing objects through targeted EU financing programmes as well as a structured involvement of the leasing sector in impact assessments and further development of solutions.

In principle, the leasing sector in Germany welcomes the European Commission (COM) goal of making a significant contribution to achieving the EU's climate targets through sustainable and climate-neutral mobility, thereby supporting the long-term transition to a zero-emission economy.

The initiative to decarbonize corporate fleets is intended to create a regulatory environment that supports companies in the transition to zero-emission powertrains. In this context, we would like to contribute our perspective as a **financier** of corporate fleets.

Clarification

The business model of a leasing company consists of financing and providing mobility solutions for (private and) commercial customers - but not in the investment decision, operational use or control of the respective vehicle fleets. Leasing companies are therefore not fleet operators, but - similar to credit institutions - financiers of them.

This consideration is also taken into account in the context of sustainability reporting and the associated revision of the ESRS sustainability reporting standards. As part of the reform of sustainability reporting by companies in the EU, the EFRAG (European Financial Reporting Advisory Group AISBL), the advisory body to the COM, has included a significant clarification which, in our understanding, should be applied to the calculation of fleet limits.



Background: According to the current draft version of ESRS 1 TZ 70¹, the attribution of environmental impacts from the use of a leased asset is carried out by the economic party that determines the actual use of the leased asset. The legal ownership structure should not (or no longer) develop any relevance at this point². Consequently, the greenhouse gas emissions resulting from the use of leased vehicles are attributable to the lessee, as the lessee exercises operational control over the vehicle fleet. Lessors report emissions only as indirect emissions (Scope 3), as the objects are part of the value chain.

This means that the planned legislative requirements on fleet quotas or emission limits do not apply to leasing companies. Leasing companies do not exercise any operational control over vehicle use and are not responsible for operational decisions such as route selection, driving behavior or operating times. Furthermore, the lessee is solely responsible for selecting and configuring the vehicle fleet. As a rule, a German leasing company only enters into the order retrospectively by way of financing after the purchase agreement has been concluded.

Transformation requires more far-reaching prerequisites

In addition, we consider a regulatory requirement for fleets to be a wrong signal and an encroachment on entrepreneurial freedom. Against the background of the international competitiveness of the European single market, market-based incentive systems should be the preferred option. The CO₂ pricing of the European Emissions Trading System 2 (ETS2) creates a significant and market-based incentive for companies and private individuals to opt for the most efficient technology.

For a transition to zero-emission vehicles, we therefore repeatedly point to further aspects that must first be considered:

- Electricity generation and grid capacity should be ensured throughout Europe.
- To support e-mobility, barriers should be removed and significant differences in the level of development between Member States should be harmonized.
- The market is decisive for prices and demand, also with regard to the second-hand market.
- Incentives should be closely examined and utilized to provide a further boost. This includes, in particular, planning certainty and avoiding public discrediting of e-mobility.
- Any support measures should be diversified in terms of financing and should not disadvantage leasing.

¹ EFRAG: General Requirements, page 17, margin no. 70. https://www.efrag.org/sites/default/files/media/document/2025-07/Amended_ESRS_Exposure_Draft_July_2025_ESRS_1.pdf

² EFRAG: Basis for Conclusions, page 35, para. 150. https://www.efrag.org/sites/default/files/media/document/2025-07/Amended_ESRS_Exposure_Draft_July_2025_Basis_for_Conclusions.pdf



- The respective framework conditions (labor, dependence on critical raw materials, affordable availability of energy sources for the respective drive types) should be better taken into account and incorporated.

In this sense, we support a shift in regulatory policy. Greater relief and less overregulation in all areas should be given priority when considering measures for the economy.

Conclusion

Lessors are financiers of vehicles for companies and are therefore unable to make their own contribution to decarbonization in the vehicle fleet sector. Legislative requirements such as fleet quotas or limit values must rather be geared towards the lessee, who is responsible for investment decisions and usage.

In addition, any legal requirements or regulations should be better balanced in economic terms. By building infrastructure in a targeted manner and promoting incentives, companies in the European Union can boost their competitiveness and build on improved predictability. This would also encourage wider adoption of new technologies, which would have a huge impact on secondary markets.
