



Sustainability

Creating the right conditions for climate neutrality and circularity

Introduction

Retailers and wholesalers have a key role to play on the EU's journey towards achieving climate neutrality and circularity. Our sector, with its direct link towards consumers and end-users, can help drive change as we are part of a wide variety of actors, sharing responsibility throughout the supply chain and working hand-in-hand to influence the production of goods.

Reducing scope 1 and 2 greenhouse gas emissions, by up to 90% by 2030, will require an investment of up to €300bn. Key initiatives will include refurbishing and modernising stores and fleets, investing in renewable and energy-saving solutions for our sector and rolling out electric charging infrastructure, etc.

Shifting towards more circular systems will deliver wide-ranging environmental, economic and societal benefits. Our sector helps reduce demand for virgin materials by finding new ways of sourcing and offering goods and services, that include re-manufacturing, repair, reuse and

recycling. We also recognise the huge potential of eco-design. For SME retailers and wholesalers, these initiatives also present particular logistical and financial challenges.

We estimate that retailers and wholesalers will need to invest up to €35 bn by 2030 in circularity. This will contribute to the collection, sorting, reuse and recycling of plastic waste and other products, as well as to closed-loop recycling pathways. At the same time, suppliers will be encouraged to use more sustainable materials. Equally important, are the investments needed to encourage a shift in mindset among consumers, towards circularity, in their purchasing choices.

A transition towards more sustainable food systems is also urgently needed to address the climate, environmental, societal and economic challenges that the agrifood ecosystem currently faces. This is what consumers expect, and it is also what our sector is committed to take further action on, together with supply chain partners.

To help with this transition we call upon the EU Institutions to support the development of:

1. A better Regulatory Framework and greater Legal Certainty:

- Create a competition framework that provides legal certainty to promote collaboration for sustainability initiatives.
- Legislation that is coherent, practicable and that is developed in partnership with all relevant sectors.
- Provide support for implementation and enforcement of legislation and encourage the development/use of existing standards and other supporting measures.

- Involve retailers and wholesalers in the preparation and implementation of (secondary) legislation and provide clear and timely deadlines, guidelines, transition periods and accompanying measures.



2. Transformation and Energy:

- Support companies in their transformation towards a low-carbon economy and a circular economy e.g., by defining measures in a technology-neutral way, while providing strong incentives for energy efficiency or investments in renewables.
- Advocate consistently for climate neutrality at a global level and define measures in a business-friendly way, e.g. by introducing a global CO2 price.
- Promote decarbonisation of transport through a technology-neutral approach to achieve climate targets. (e.g. alternative drive systems and fuels and transitional technologies, charging and refuelling infrastructure).

3. Collaboration and Stakeholder Engagement:

- Facilitate dialogue and foster collaboration between all relevant actors (EU Institutions, NGOs, academia, private sector etc) throughout value chains.
- Develop an EU legal framework for digital labelling in consultation with stakeholders.
- Build a global framework to help find fair solutions and set common standards for digitalisation, data access, and transmission to cut carbon emissions and ensure clear responsibilities along the value chain, according to each actor's sphere of control.

4. Economic Support and Incentives:

- Ensure economically viable company donations to charity by removing VAT obligations.
- Provide strong incentives for energy efficiency and guarantee affordable energy for Europe while ensuring a greener energy infrastructure by simplifying and digitalising necessary licencing procedures for installing and upgrading such infrastructures. In addition, decouple electricity and gas prices, without jeopardising security of supply.
- Ensure that retailers and wholesalers have access to (green) finance as the sector is in the midst of transformative change and investing now in transforming digitally, sustainably and in talent and skills is crucial. This includes recognising services and products provided by our sector in the EU Taxonomy and related sustainable finance legislation.