

News release

Contact:

Patricia Romero

+447825193311

patricia.romero@mmc.com

Daniela Haiduc

+32 473 56 29 36

haiduc@eurocommerce.eu

New study reveals only 2% of retail and wholesale emissions are in sector's direct control, while Scope 3 accounts for 98%

Brussels, 20 June 2024 – A joint study by Oliver Wyman, a global management consultancy and a business of Marsh McLennan (NYSE: MMC), and EuroCommerce, representing the retail and wholesale sector in Europe, reveals today that 98% of the European retail and wholesale sector's carbon emissions are derived from Scope 3 emissions.

Despite emitting annually 1.6 gigatonnes of CO₂e – equal to one-third of Europe's carbon footprint – only 2% make up the sector's Scope 1 and 2 emissions as a result of direct operations or energy consumed. In contrast, Scope 3 emissions are indirect and result from activities by producers and manufacturers along value chains, as well as the energy consumed after the purchase of a product.

The study, which examines the carbon footprint of the European retail and wholesale value chains and includes contributions from over 25 leading companies and business associations, highlights some of the key barriers to advancing towards net zero and sets out recommendations for future scenarios, as well as the investments needed in sustainable mobility, infrastructure, heavy industry, agriculture and food systems, and the circular economy. It focuses on four subsectors: food and beverage, health and beauty, textile and apparel, consumer electronics, home and do-it-yourself (DIY).

While some retailers and wholesalers have made significant progress tracking and reducing emissions – especially Scopes 1 and 2 – the findings highlight the need for the sector to step up the efforts at the company, sector and value chain level to achieve net zero. It demonstrates the critical need to align further on a European and industry-wide methodology to quantify Scope 3 emissions and to identify where they can be reduced. Once achieved, organisations will be better placed to focus their company efforts on lowering their carbon footprint, on directing investment and on coming together to overcome challenges that can only be solved across multiple companies, sectors and countries.

Christel Delberghe, Director General for EuroCommerce, said: "This study illustrates both the opportunities and the challenges for the European retailers and wholesalers in their efforts to reduce their carbon footprint. While the sector connects hundreds of thousands of local and global suppliers with several hundred million European consumers, only 2% of carbon emissions are within its direct control. This means that making any significant step-change in decarbonisation will require much more collaboration and common standards across the entire value chain. Dedicated approaches will be necessary for SMEs who lack the resources and capability that large companies enjoy."

Rainer Münch, Partner and Head of Retail and Consumer Goods, Europe, Oliver Wyman, added: "The current variation of calculation standards for Scope 3 emissions is astonishing and calls for more standardisation on a European level and beyond. Our joint study also highlights opportunities for companies to evolve their ESG operating model to make their decarbonisation more effective. At the same time, achieving net zero will continue to depend on technology innovations and evolving consumer demand."

The study outlines eight success factors to accelerate the path towards net zero: a harmonised methodology for Scope 3 emission calculations, better access to supply chain and consumption data, a clear and reliable regulatory framework, rapid scaling of current decarbonisation measures, more technology and infrastructure innovations, increased consumer adoption of sustainable choices, sophisticated ESG company operating models, and enhanced collaboration end to end.

About Oliver Wyman

Oliver Wyman is a global leader in management consulting. With offices in more than 70 cities across 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has 7,000 professionals around the world who work with clients to optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a business of Marsh McLennan [NYSE: MMC].

For more information, visit www.oliverwyman.com. Follow Oliver Wyman on X @OliverWyman.

About EuroCommerce

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and a vast majority of small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.

For more information, visit www.eurocommerce.eu and follow us on [LinkedIn](#).