

Retail and Wholesale: key messages for the Clean Industrial Deal

General messages

The Clean Industrial Deal is of critical significance for our sector. Retailers and wholesalers are playing an important role in boosting the competitiveness and sustainable development of the EU Single Market, bringing affordable innovation to over 400 million consumers¹. Sitting at the nexus between production and consumption, our sector has the potential to facilitate change in both segments.

Retail and wholesale have experienced a challenging external environment in the past years and needs to invest massively in its digital, sustainability and talents' transformation. Therefore, in the new mandate, we call for **coherent legislation** and **the necessary support mechanisms** that foster both investment capacity and innovation, including the adoption of new technologies that enhance decarbonization, resource efficiency, circularity, and competitiveness.

Reducing GHG emissions, including scope 3², and investing in net zero infrastructure is central to retailers and wholesalers' sustainability and circularity goals and requires support. We are therefore convinced that **an effective new Clean Industrial Deal and Circular Economy Act must look beyond industry and should include maximising the potential for clean growth in the services sector** leveraging digitalization, AI, and smart logistics to accelerate the transition.³

Retail and wholesale can be a key contributor to delivering on the EU's climate ambition and competitiveness. We estimate that reducing scope 1 and 2 greenhouse gas emissions by up to 90% between 2022 and 2030 will require an investment of up to €300bn, with €35bn needed for circular infrastructure, alone⁴. These funds are needed to modernise stores and fleets, invest in renewable and

¹ Our [manifesto](#) sets out our vision for a more competitive, empowered, sustainable, innovative and skilled EU by 2030.

² Our [report \(2024\)](#) in collaboration with Oliver Wyman provides insights into the status quo, and sets out a path towards net zero across four retail and wholesale subsectors.

³ Our [position paper](#) on a future competitiveness strategy for the EU calls for a look beyond manufacturing to how retail and wholesale can meet the critical need to close the investment, innovation, technological and compliance gap between EU and non-EU companies and harness the circular and digital transitions.

⁴ Our [report](#) in collaboration with McKinsey estimated the investment needed in the range of €600bn between 2022 and 2030 (€230 bn for digital, €335 bn for sustainability, €35bn for skills)

energy saving solutions and to roll out electric charging infrastructure, amongst other measures, which all contribute to supporting the competitiveness of the EU industries.

Simplification and increased competitiveness should form the basis of the CID. We, therefore, need a strong European ambition complementing, facilitating and coordinating initiatives and projects at the EU, national, and regional levels. This needs to support the industry *and* services sectors and develop infrastructure needed for an effective, competitive and well-functioning decarbonisation effort and circular economy.

Specific messages

- **Include support for the retail and wholesale sector in the Clean Industrial Deal**

As the EU's first private employer, providing 26 million jobs and contributing 10% of GDP, our sector offers great potential to help deliver on the EU industry competitiveness agenda. Reducing GHG emissions and investing in net zero infrastructure is central to retailers and wholesalers' sustainability and circularity goals, hence the new CID should include actions to maximise the potential for clean growth in the services sectors.

- **Circular economy: a critical part of the Clean Industrial Deal**

The Circular Economy Act is critical to turning the CID into reality and reducing carbon emissions of the whole value chain, in particular scope 3 emissions, while also strengthening Europe's industrial competitiveness. To tap into its full potential, the CID must strongly acknowledge circularity and actively drive it through concrete measures that foster job creation, innovation, and the availability of sustainable and alternative raw materials.

The Circular Economy Act should also be viewed in the broader context of EU actions aimed at enhancing competitiveness. across sectors, moving beyond energy efficiency and critical raw materials to explicitly include other key sectors—like consumer goods—that are resilient today, but must evolve to sustain European competitiveness in the long run.

Waste and end-of-life management pose a cross-sectoral challenge but also offer a unique opportunity to leverage the use of European secondary raw materials by investing in circularity. Our sector helps reduce demand for virgin materials by finding new ways of sourcing and serving our customers, and recognising the huge potential for the use of secondary raw materials in sectors, such as textiles.

Retailers and wholesalers already deploy circular business models and explore scaling them up. With our direct link to the consumers, our presence in all Member States and areas and our knowledge of millions of products and consumer demand, we are a key partner for industry and for policymakers to help implement and coordinate solutions along the value chain.

- **Affordable, clean energy**

Many companies in our sector, still recovering from the impact of COVID and the energy crisis, face an uncertain future. It is important to fully recognise that retail and wholesale, due to the large number of sites it operates, constitute a high energy consuming sector and that affordable energy is core for its competitiveness, resilience and innovation.

Our sector therefore needs to benefit from diversified energy supplies and clean sources of generation. Additional public and private financing are urgently needed to modernise electricity grids and storage infrastructure, but also to decarbonize transport, to allow the sector, its suppliers and consumers to reach its decarbonisation objectives. Efforts to speed up permitting need to run alongside prioritization of infrastructure projects to ensure that clean energy projects are capable of being delivered.

As an essential service to customers and the rest of the supply chain, our sector cannot simply halt its operations to take account of energy prices.

- **Support for skills initiatives**

Retailers and wholesalers need to train half of their 26 million employees annually. By 2030, the sector will require an investment of up to €35 billion in upskilling and reskilling, with SMEs needing to double their investments to remain competitive. Accelerating comprehensive skills and talent transformation is essential to ensure the sector's long-term viability and deliver on its circular economy principles, waste reduction, renewable energy integration, and consumer education about sustainable choices, including repair, reuse, and recycling.

Dedicated national programmes for the retail and wholesale sectors should be encouraged, including fiscal incentives, subsidies, loans, and guarantees as well as a more effective communication strategy to improve access to funding for EU, national, regional, and local programmes.

Public-private partnerships, such as the existing Retail Large-Scale Skills Partnership (Retail Pact for Skills) at the EU level, need to be further strengthened. Additional financial support and human resources are necessary to expand these forums, enabling them to fund projects aligned with circular economy principles and support broader skills training initiatives.

Conclusion: The retail and wholesale sector is indispensable for the competitiveness of the European Industrial Economy and should be captured in the CID and subsequent actions, such as on circular economy, electrification, jobs and skills and financing.