

Position Paper

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Clean Corporate Vehicles initiative – EuroCommerce contribution to the Call for Evidence

Relevance and Impact on the Retail and Wholesale sectors

The European retail and wholesale sector supports the European Commission's ambition to make the transport sector more climate-friendly and sustainable, provided that the right preconditions are in place and the framework allows our sector to contribute effectively to this green transformation. We remain committed to decarbonisation, as long as the process ensures that EU legislation is consistently aligned with market-based, technology-neutral, and investment-friendly conditions, so that the sustainable transformation of the transport sector succeeds while safeguarding the long-term competitiveness of Europe's retail and wholesale sectors.

Our sector is a key player in Europe's decarbonisation efforts, as demonstrated by its ongoing initiatives to reduce emissions. As one of Europe's strategic sectors, retail and wholesale create over 10% of EU GDP and provides an essential service to millions of businesses and individual customers. Our sector generates 1 in 7 jobs, many of them young people. Additionally, we create millions of indirect jobs throughout the supply chain, from small local suppliers to international businesses. Therefore, 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 consumers.

The Clean Corporate Vehicles initiative and the forthcoming legislative proposal are highly relevant for our sector. European retailers and wholesalers rely on a broad fleet of corporate vehicles, ranging from heavy-duty trucks to passenger cars, to meet diverse operational needs and ensure the smooth functioning of their activities.

General feedback on the Call for Evidence and Key Requests

1. Recognise retail and wholesale as key actors in the decarbonisation of European transport and ensure their consultation

As the EU's largest private employer—providing 26 million jobs and contributing 10% of GDP—our sector has significant potential to help deliver on the EU's sustainability and competitiveness agenda. Reducing GHG emissions and investing in net-zero infrastructure are already central to retailers' and wholesalers' sustainability and circularity strategies. At the same time, our sector relies on a broad fleet of corporate vehicles, including heavy-duty trucks and cars, to support daily operations. A significant share of transport-related emissions in the retail and wholesale sector is associated with freight transport, particularly long-haul and regional logistics. Light corporate fleets, such as service

cars or company vehicles, are also related to emissions but usually represent a smaller portion of total emissions.

2. Avoid mandatory quotas of zero-emission vehicles (ZEVs) in corporate fleets

Binding mandatory quotas for the purchase or operation of ZEVs in corporate fleets, or for zero-emission freight procurement, would place a disproportionate burden on our sector and fail to acknowledge and address existing infrastructure, technical, and financial constraints, as well as safety concerns. For example, battery-electric heavy-duty trucks often require large and heavy battery packs, which can significantly reduce payload capacity. This not only affects transport efficiency but may also increase the number of trips required, leading to higher operational costs and potentially greater environmental impact. Such constraints must be considered when designing regulatory targets, especially for freight-intensive sectors like retail and wholesale.

Therefore, requirements for any specific vehicle type could cause major disruption to our business operations. A more flexible, incentive-based approach to the corporate fleet that could also take into consideration other means of transport, for example bicycles and e-bikes, would better support business continuity and strengthen competitiveness and provide more options for achieving the decarbonisation goals

Furthermore, our membership is highly diverse, ranging from global frontrunners to SMEs. Any Commission initiative must reflect this variety of business models and the vehicle types they rely on. Uniform benchmarks risk unintended consequences for specific operators and sectors.

3. Provide our sector with appropriate financial support and incentives, as well as sufficient time for the transition

The purchase, operation, and repair of ZEVs, along with the investment in charging and refuelling infrastructure, represents significant costs for businesses. To fully contribute to Europe's decarbonisation efforts¹, it is critical to include our sector in EU support measures for decarbonisation and receive help to manage the additional burdens of high energy prices, global competition, and complex regulations. Support schemes could cover charging and refuelling infrastructure at logistics hubs, distribution centres, and along key transport corridors and funding for alternative technologies, such as hydrogen and biofuels, especially for vehicle categories where electrification is not yet viable, and for alternative means of transport. Equally, retailers and wholesalers require realistic timelines to adapt to the transition towards zero-emission fleets.

4. Ensure the right enabling framework

Current infrastructure, technical, and financial challenges—including inconsistent charging and refuelling availability across the EU (particularly in rural areas and along EU-wide transport routes), volatile electricity prices, and insufficient grid capacity—make the acquisition and operation of ZEV corporate fleets difficult. These structural issues must be addressed to create the conditions for a successful transition. Investments in grid upgrades and smart energy management should first take place to ensure sufficient capacity that could support large-scale fleet electrification.

¹ <u>Transforming the EU Retail & Wholesale Sector - EuroCommerce</u>

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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 many 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.