



Vision Document Sustainability 2025



Shaping sustainability through retail

The non-food retail sector is a driving force behind the sustainability transition of the Dutch economy. With a total turnover of approximately €65 billion excluding VAT in 2024 and nearly 350,000 employees, the sector has the capacity to realize large-scale sustainable change. Thanks to its daily interaction with millions of consumers, the sector can highlight sustainable products and choices at the right moments, lower barriers, and increase appeal. This makes retail both a facilitator and an active driver of sustainable progress.

At the same time, the transition demands a great deal from the retail sector. The European Green Deal introduced more than 175 directives and regulations designed to drive investments in clean energy, promote innovation in climate technologies, enforce supply chain requirements, mandate sustainability reporting, and support various other programs.¹ The investments needed to comply with these directives and regulations have a significant impact on retailers. For the CSRD² reporting alone, the estimated minimum annual costs for businesses amount to €365,000, in addition to one-time startup costs of €310,000.³ In addition, the pressure on international competitiveness is increasing due to the influx of low-quality products from producers outside the EU that do not comply with existing laws and regulations. National additions on top of European policies are also making it increasingly difficult to operate on equal terms within the European Single market. All this puts pressure on the sector's economic viability — the very viability required to sustain investment in innovation.

The Raad Nederlandse Detailhandel (RND) urges Cabinet to pursue policies that promote the mutual reinforcement of sustainability and economic growth. To make this possible, the following conditions are necessary.

1. A reliable investment climate

- Consistent and predictable policies give entrepreneurs the confidence that their investments in sustainable product designs will yield returns in the long term;
- Harmonization of laws and regulations helps reduce the growing administrative burden;
- Actively support the retail sector in interpreting laws and regulations so that businesses clearly understand what is expected of them.

¹PwC Nederland, *Duurzaamheid & regelgeving – Van verplichtingen naar kansen*. <https://www.pwc.nl/nl/themas/sustainability/duurzaamheid-regelgeving.html>

²Corporate Sustainability Reporting Directive: It is an EU regulation that requires businesses to disclose detailed information about their environmental, social, and governance (ESG) performance.

³European Commission. (2024). *The future of European competitiveness: In-depth analysis and recommendations (Part B)* p.318

The retail sector is taking responsibility for implementing sustainability policies and is making the necessary investments to do so. However, significant uncertainty remains about the exact requirements they must meet. Legislation changes frequently, often contains vague definitions, and allows for differing national interpretations. This leads to hesitation among retailers to make far-reaching compliance investments in a timely manner, as it is unclear whether these investments will remain relevant in the long term. A stable and predictable regulatory and investment climate is essential to enable the retail sector to continue investing in sustainability and innovation, without having to make additional investments each time due to ongoing legislative changes—even after implementation decisions have already been made.



Deforestation Regulation

The Deforestation Regulation is a European law designed to ensure that no products entering the EU market contribute to deforestation or illegal logging. The core of this law is the Due Diligence System (DDS), under which companies must systematically determine the origin of their products, assess the risk of deforestation, and take measures to mitigate that risk.

Since the publication of this law, companies have invested heavily in setting up effective due diligence processes. According to estimates from the European Commission, companies will incur one-time costs ranging from €5,000 to €90,000 per market participant to establish an appropriate due diligence system. The total recurring costs for this system are estimated at €19.4 to €22.7 million per year for all Dutch market participants combined.

A large part of these investments has been undermined by the Commission's recent announcement to simplify these obligations and once again postpone the law's entry into force by a year. Moreover, this creates a situation in which companies that have not yet invested appear to gain an advantage over those that already have, which undermines confidence in the legislator.

2. Retail as a trusted partner

- Involve the retail sector at an early stage of the policy development process. This optimizes feasibility and enables faster implementation;
- Tailored supervision is needed to give companies room to experiment with innovative solutions, without being held back by rigid rule enforcement;
- Adjust regulatory frameworks to encourage rather than hinder sustainable business models — for example, those focused on extending product lifespan and promoting reuse.

The sustainability transition is about fundamentally transforming our economic ecosystem to make it future-proof, circular, and climate-neutral. This can only succeed if all links in the chain work together — from producers to consumers, and from government to waste processors. The government sets the framework, but without structural dialogue and shared guidelines, these remain separate worlds. This carries the risk that regulations may prove unworkable or ineffective in practice, and that such frameworks may hinder development and innovation. That is why it is essential for the retail sector to be involved as a trusted partner of the government in developing policies and legislation — so that, based on shared knowledge, we can apply resources where they make the greatest impact.

Business Case for Repair

Repairing is often more expensive than replacing. When a washing machine breaks down, consumers are quickly advised to buy a new one. To make repair a more attractive option, a solid business case is needed. Such a business case should demonstrate when repair makes sense — in terms of cost, sustainability, and energy consumption — and when replacement is the better choice, for example in the case of highly energy-inefficient appliances.

Retailers can contribute valuable knowledge to this process. The government also plays a key role: it can encourage the development of such business cases through subsidy programs or by reducing taxes/VAT on repair services. Retailers are already experimenting with buy-back services and second-hand departments; with government support, these kinds of initiatives can be scaled up and become economically viable.

3. A level playing field for sustainable businesses

- Invest in increased supervision of low-quality products entering the market, especially from non-European online platforms (“direct import”);
- Align with European ambitions;
- Provide incentives for companies that invest in circular innovations.

In 2024, an estimated 4.6 billion products from non-EU producers entered the European market directly to consumers (“direct import”), equivalent to 12 million packages per day⁴. A large share of these producers do not contribute to collection and recycling, do not meet CO2 or energy efficiency standards, and avoid environmental costs that Dutch retailers do incur. This creates unfair competition: sustainable businesses bear the costs of the circular transition through packaging levies, disposal fees, return premiums, reporting obligations, etc., while foreign competitors can offer lower prices without complying with legal sustainability requirements.

Dutch retailers often compete not only on unequal terms with non-EU providers, but also within the EU itself. European legislation is supplemented with additional national rules. These national deviations make it impossible for companies to operate on an equal footing within the internal market. They face higher administrative burdens or different standards than other European retailers, effectively pricing themselves out of the market.

Chinese import

Clothing giant Shein sells apparel on the European market starting at €2. These low prices are partly made possible by the exploitation of textile workers, who sometimes earn only 4 cents per garment and are required to produce hundreds of items per day. The uncontrolled influx of cheap, low-quality products pushes more sustainable European producers out of the market and increases the risk of violations of human and labor rights.



⁵ European Commission. (2025). Safe and sustainable e-commerce imports, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_410