

Poll finds European retailers are optimistic about transition from HFCs but challenges remain

- *Survey of food retailers across France, Germany and the UK finds only 56% have started making the shift away from HFCs*
- *40% of respondents are not fully aware of upcoming regulatory changes related to the phase-down of HFC refrigerants*
- *Interestingly, cost didn't rank as a top priority for selecting a new refrigeration system, although it is one of the most common identified challenges associated with making the shift*

AACHEN, GERMANY, OCTOBER 30, 2017 – One year after the global Kigali amendment to phase-down HFCs, new survey findings from Emerson and international polling company ComRes examine how European retailers are navigating away from HFCs towards lower global warming alternatives. The survey asked professionals in the retail sector to comment on their preparedness for and awareness of more sustainable technologies, and the primary challenges associated with the shift away from HFCs.

Eighty-one percent of respondents said they viewed the shift away from HFCs as a positive change. However, the survey also showed the retail industry was lagging behind schedule due to a lack of clarity in regulatory changes and replacement technologies available. Surprisingly, 40 percent of respondents said they were unaware of upcoming regulatory changes related to the phase-down of HFCs as refrigerants. Nearly half (44 percent) said they either hadn't started to make the shift, or were unsure.

Where retailers have started to phase-down HFCs, notable priorities for selecting replacement refrigeration systems included safety (57 percent of respondents), energy efficiency (53 percent) and environmental sustainability (48 percent).

Speaking about the survey findings, Eric Winandy, Director of Integrated Solutions, Emerson Commercial and Residential Solutions said: "European retailers are enthusiastic about the transition to low GWP refrigerants, but it is concerning that there is still a lack of understanding of the upcoming regulatory changes. It was also surprising that capital and operational cost doesn't rank as a key driver for retailers identifying replacement systems, as industry analysis shows there could be big maintenance liabilities associated."

Among the three primary alternative options available, carbon dioxide (CO₂) technology was most commonly ranked as the preferred choice for replacing HFC systems at 38 percent, followed by hydrocarbons such as propane, and hydrofluoroolefins (HFOs).

Despite being the most popular choice however, industry analysis shows CO₂ systems could cost a medium-sized retailer as much as €51,000 more per store compared to hydrocarbon integral systems over a 10 year period. Furthermore while CO₂ is a significant improvement over HFCs in terms of global warming potential (GWP), it is found to have lower energy efficiency performance and higher maintenance requirements than other alternatives.

"The EU F-gas regulation has placed a significant amount of pressure on food retailers to quickly transition away from HFCs," Eric Winandy said. "The challenge for the industry will be to balance this pressure with the need to take the time to learn about all the options available, and what it means for businesses in the long-term. Choosing the right system to replace HFCs can be a win on multiple fronts. It can help retailers see cost, operational and environmental benefits."

The survey also shed some light on the challenges and opportunities for making the transition away from HFCs.

Challenges identified included operational expenditure and installation disruption which drew significant scores of 43 percent and 33 percent respectively. Yet interestingly, cost alone was not identified as the main priority for selecting a new refrigeration system. The survey highlighted the desirability of energy efficiency and environmental sustainability, with energy efficiency scoring 48 percent and environmental sustainability 39 percent.

When asked what would encourage respondents to accelerate the replacement of HFC refrigeration systems with lower global warming potential options, depreciation schemes or other tax rebates were the most popular (43 percent), followed by finding less expensive low GWP options (40 percent). This places an onus on regulatory bodies to provide more incentives to retailers looking to make the shift, and to invest more in the research and development of new technologies.

Survey findings are based on an online poll of 140 professionals with decision-making responsibility for purchasing in the retail sector. This included 40 participants in France, 50 in Germany, and 50 in the UK. Fieldwork was conducted by ComRes between the 15th and 31st of August, 2017.

More information on natural refrigerants, including system options, articles and webinars can also be found at www.emersonclimate.eu.

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