

Company Carbon Footprint 2019



Act for tomorrow.

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**Where we
come from.**

Message to our Colleagues

Dear colleagues,

The current time is dominated by the Covid-19 pandemic, which has changed our everyday lives and our relationships. The long-term consequences of this pandemic are not yet fully predictable. However, our present challenges are not being neglected due to the exceptional situation. Climate change, in particular, is not slowing down: environmental catastrophes such as droughts, forest fires and floods threaten our natural habitat and living conditions and have devastating consequences for the social security and prospects of future generations.

The expectations towards our company group to act for the benefit of our environment are increasing noticeably. Adapting our business activities to new customer expectations and preparing for regulatory changes are necessary in order to be able to successfully overcome future challenges and ensure our competitiveness.

As a company group, we are committed to taking responsibility for the environmental impacts of our business activities. To fulfil this obligation, we have been, among other things, recording the present Company Carbon Footprint for the third year in a row now. It covers the greenhouse gas emissions generated by our activities, which have an impact on global warming. This gives us an insight into the various sources of emissions within our company group. In addition, the results of the Company Carbon Footprint serve as a basis for deriving goals and measures in order

to reduce our negative environmental impacts. The annual preparation and reporting of the carbon footprint allow progress to be monitored and the effectiveness of adopted measures to be reviewed. In 2020, we have, again, critically reflected on our climate targets, refined their content and expanded them. In this report, we will present to you the current climate targets of the Wünsche Group.

We would like to encourage you, dear colleagues, to view the protection of the environment as a joint task. Only by acting together can we bring about a positive change for the benefit of our environment.

We hope you enjoy reading this report.



Björn Peters



Thomas Wünsche



Company Outline

Wünsche Group is a family-run company, shaped by traditional merchant values, with over 30 branch offices worldwide and more than 25 independently operating companies – a company that has a tradition of doing many things a little bit differently. For instance, our standard is to be economically successful and, at the same time, fair and responsible. We not only place high demands on our partners and suppliers, we place them on ourselves, too – proving that dynamics, farsightedness and straightforwardness are natural parts of our DNA.

One may be considered stubborn when sticking to one’s principles – for us, however, it has kept us fresh and agile time and time again for 80 years. And it ensures our employees and partners can fully and entirely rely on us. Even in a highly complex world, we do business according to simple rules.

Welcome to the world of trade – the world of Wünsche, the world of wishes.

Hint:
For the whole report all companies are marked with the same colours as assigned in the graphic on the right.



Methodology

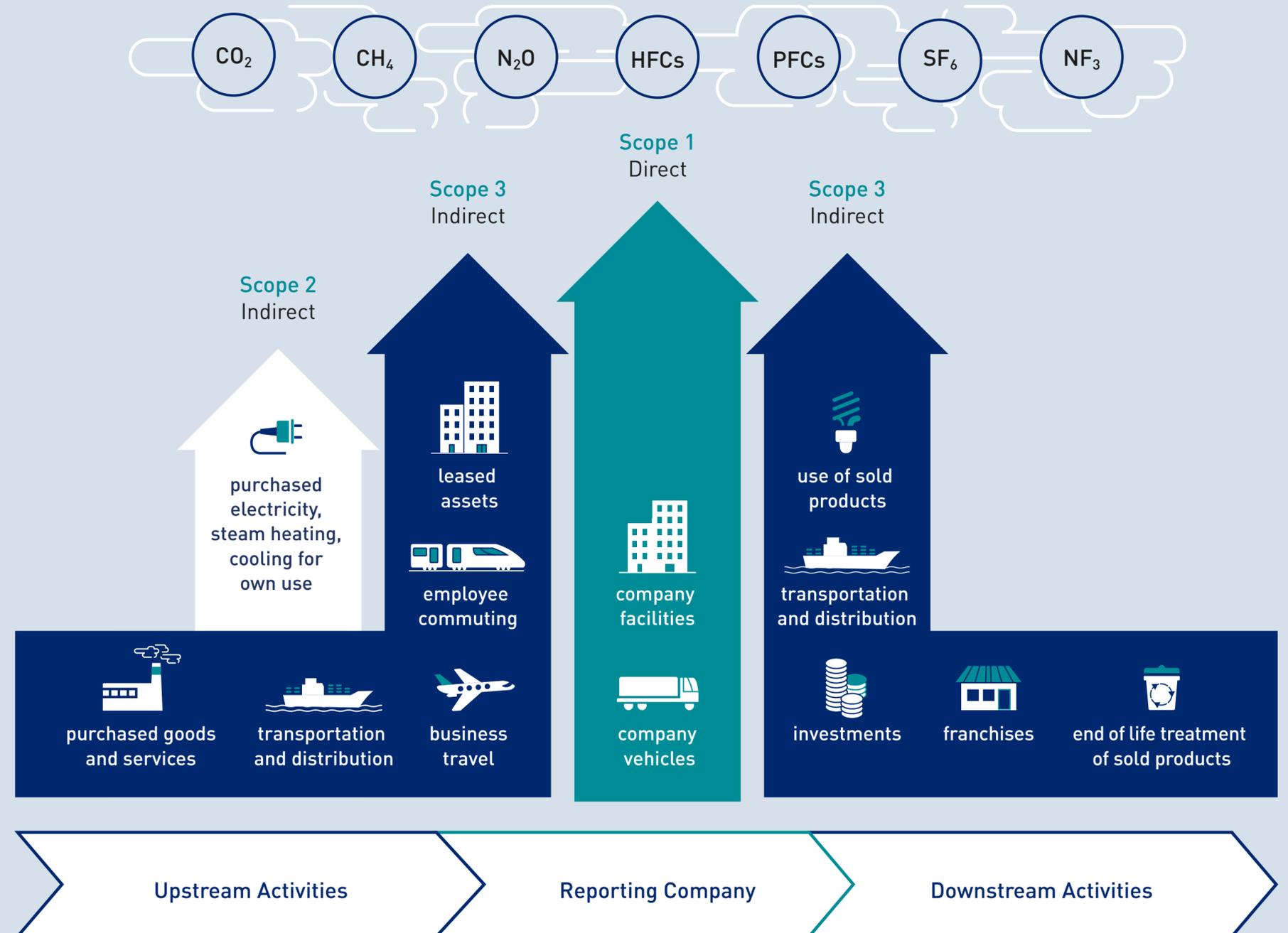
The Company Carbon Footprint (CCF) records the total greenhouse gas emissions caused by a company.

Greenhouse gases, such as water vapor or carbon dioxide (CO₂), cause a natural greenhouse effect. The heat radiation emitted by the earth is absorbed by the gases and is thus retained in the atmosphere. As a result, the earth's surface warms up, which makes life possible for plants, animals and humans. However, human activities, such as the use of fossil fuels (e.g. coal, oil, natural gas), intensify the natural greenhouse effect: greenhouse gases in their increased concentration contribute significantly to global warming and associated environmental disasters.

In the following sections, all types of greenhouse gas emissions will be uniformly presented as being CO₂. Since there are numerous other climate-damaging gases besides CO₂, CO₂ equivalents are used for the calculation of the emissions. A CO₂ equivalent describes how much a greenhouse gas contributes to global warming, compared to the same amount of CO₂. For ease of reading, only the abbreviation "CO₂" will be used in this report instead of "CO₂ equivalents".

The basis for calculating the Company Carbon Footprint is the Greenhouse Gas (GHG) Protocol, which distinguishes three scopes to which emission sources are attributed (see figure graphic source¹).

GHG Emissions in the Value Chain



The Three Scopes Explained

Scope 1

This Scope includes all direct greenhouse gas emissions generated at company sites or by company-owned vehicles.

In this report, the emissions from all of our sites caused by company cars and natural gas heating are recorded. To calculate the emissions, consumption data are used, which are then multiplied with the respective emission factors. For example, the emission factor for natural gas is 0.202 kg CO₂/kWh.²

Scope 2

It includes all indirect emissions caused by the generation of purchased energy. For the Wünsche Group, electricity consumption and district heating are included in this category.

The emission factors for electricity vary depending on the country and the underlying electricity mix. In addition, they also change over time. For example, the emission factor for the German electricity mix was 0.474 kg CO₂/kWh in 2018 and 0.401 kg CO₂/kWh in 2019.³

Depending on the electricity provider and the amount of green electricity used, the underlying emission factors may vary. The emission factor for district heating is 0.280 kg CO₂/kWh⁴ and thus, is higher than for natural gas. Correspondingly, the emissions from district heating are higher, given the same consumption of kWh.

Scope 3

All emissions that occur upstream and downstream along the value chain are summarised under Scope 3. Scope 3 ranges from the extraction of raw materials for the respective products, to their distribution and use by consumers, and finally, to their disposal or recycling.

With regards to Scope 3, the complexity of our supply chains makes it particularly challenging to capture all emissions. As in previous reports, we have therefore limited the calculation to only emissions of logistics and business flights, where the quality of the data makes it possible to record them internally. In the future, we will rethink and adapt our approach for Scope 3 emissions – more information can be found in the chapter on the climate strategy of the Wünsche Group.

For logistics, data records on shipments, air freight and rail freight were considered. However, distribution within the destination country is not included. Emissions from sea and air freight logistics were calculated with the help of the DB Schenker⁵ emissions calculator, using the departure and destination ports and either the number of TEU⁶ or the weight of the transport. The EcoTransIT⁷ emissions calculator was used to account for the emissions from rail freight logistics. Furthermo-

re, the emission calculator from atmosfair⁸ was used to record the CO₂ emitted by business flights.

In a few cases where no specific data were available, projections or consumption figures from the previous year were used. For those business flights for which only approximate information on the distance flown was available, the emissions were extrapolated using the following dummies: short-haul flights produced 200 kg CO₂, medium-haul flights produced 800 kg CO₂, and long-haul flights produced 3,000 kg CO₂.

For the company Lunux, insolvency had to be filed in 2020. Information on the logistics from 2019 is available for Lunux and could be included in the preparation of the CCF; however, further data (e.g. company cars, heating, etc.) were not accessible anymore due to the insolvency. In the previous CCF assessments, Lunux, with its 180 employees, had caused a significant amount of emissions. In particular with respect to energy consumption and company cars, a decrease in emissions in 2019 can be observed as a result of the missing data.

Apart from this, no data was available for the Euro Centra location in Quanzhou, as the office was closed this year.



A Look at the Wünsche Group as a Whole

In 2019, the Wünsche Group's recorded emissions totalled 27,013 t CO₂. Compared to 2018, total emissions decreased by 28.5% or 10,743 t CO₂. The main reason for this is a significant reduction in emissions caused by logistics. In particular, air freight emissions have decreased considerably by 59.6%. However, considerable reductions were also recorded in other areas, such as district heating and air travel.

In Scope 1, emissions dropped by 15.6%. Company cars accounted for 405 t CO₂, which is 241 t CO₂ less than in the previous year. In contrast, emissions from gas heating have risen by around 25% and now amount to 431 t CO₂.

In Scope 2, 440 t CO₂ were caused by electricity consumption and 101 t CO₂ by district heating. For these emission sources, a significant reduction in CO₂ emissions can be observed. Excluding Scope 3, the largest share of total emissions is, nevertheless, attributable to the electricity consumption at our sites.

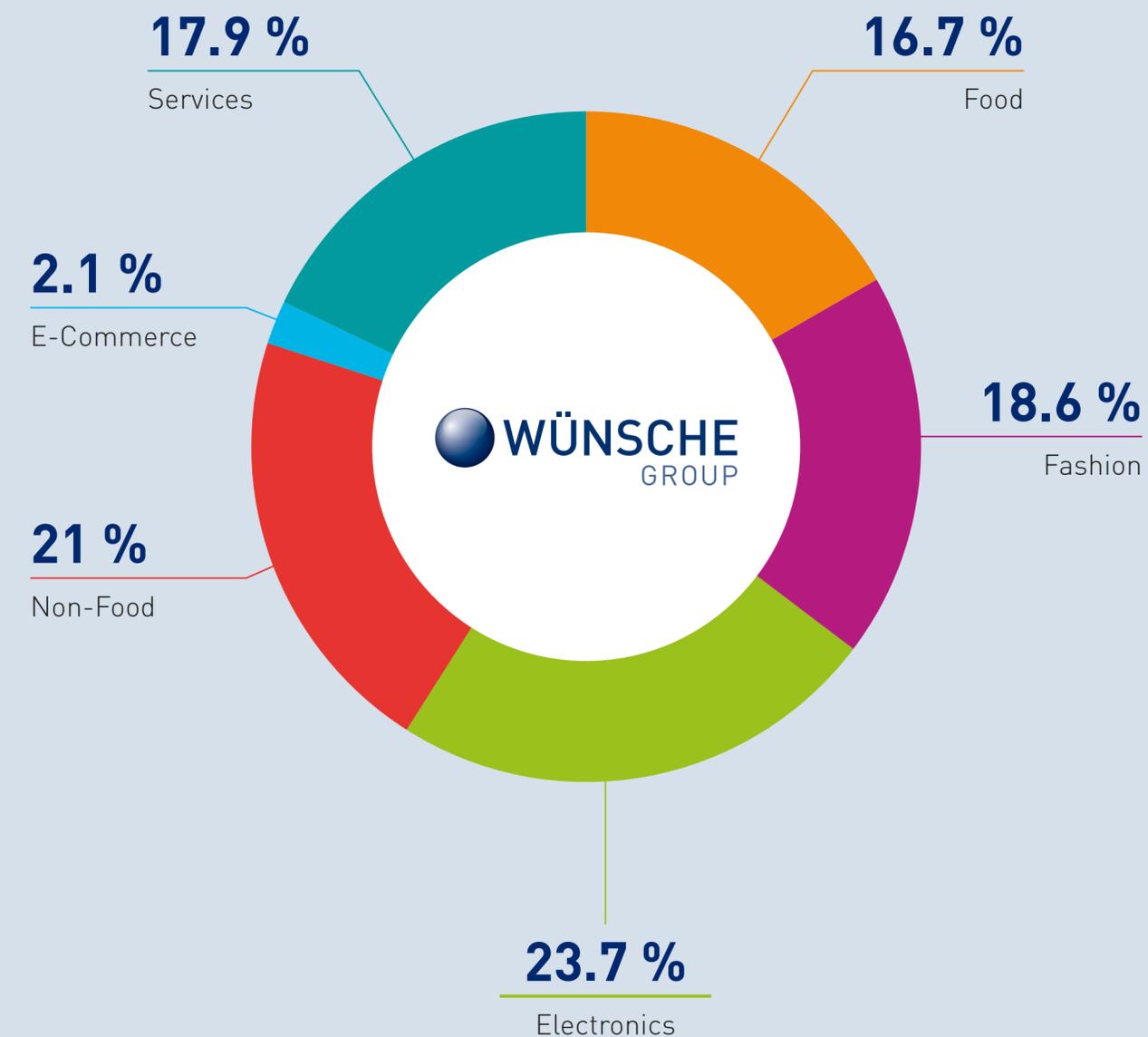
Taking all three scopes into account, logistics is the main source of emissions. In 2019, sea freight caused 19,637 t CO₂, a decrease of 13.2% compared to the previous year. Emissions from air freight have dropped from 10,325 t CO₂ in 2018 to 4,174 t CO₂ in 2019. With 26 t CO₂, rail freight contributes to a relatively small share of emissions.

Finally, emissions from business flights amount to total of 1,800 t CO₂ in 2019, which is 25% less than in 2018.

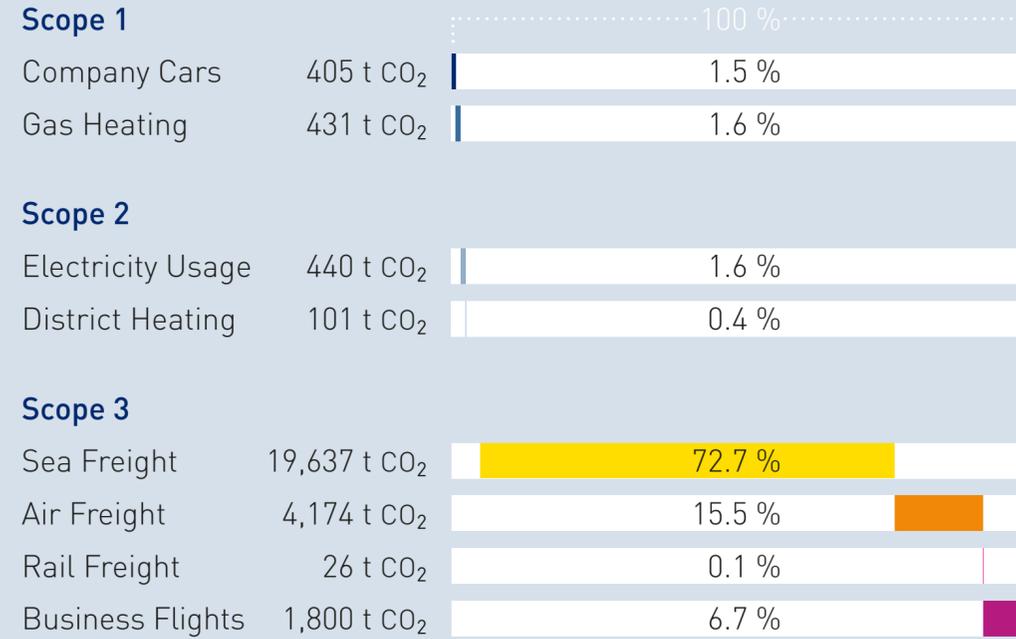
Total Emissions of the Company Group 2019:

Scope 1: 836 t CO₂
 Scope 2: 540 t CO₂
 Scope 3: 25,636 t CO₂
 Total: 27,013 t CO₂

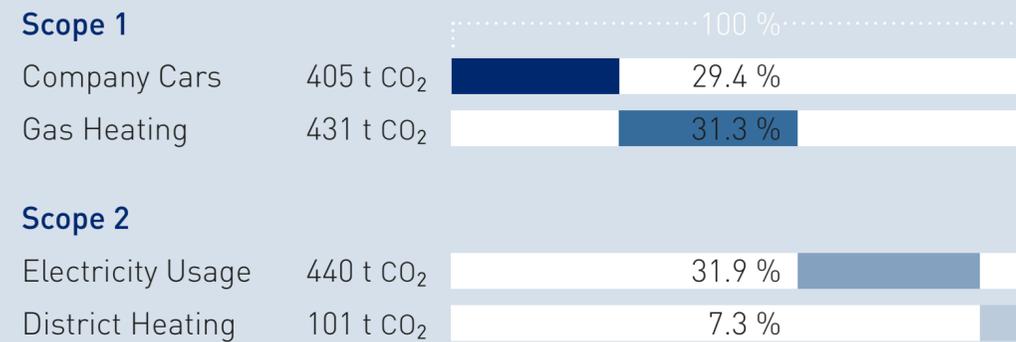
Total Emissions 2019 by Business Segments



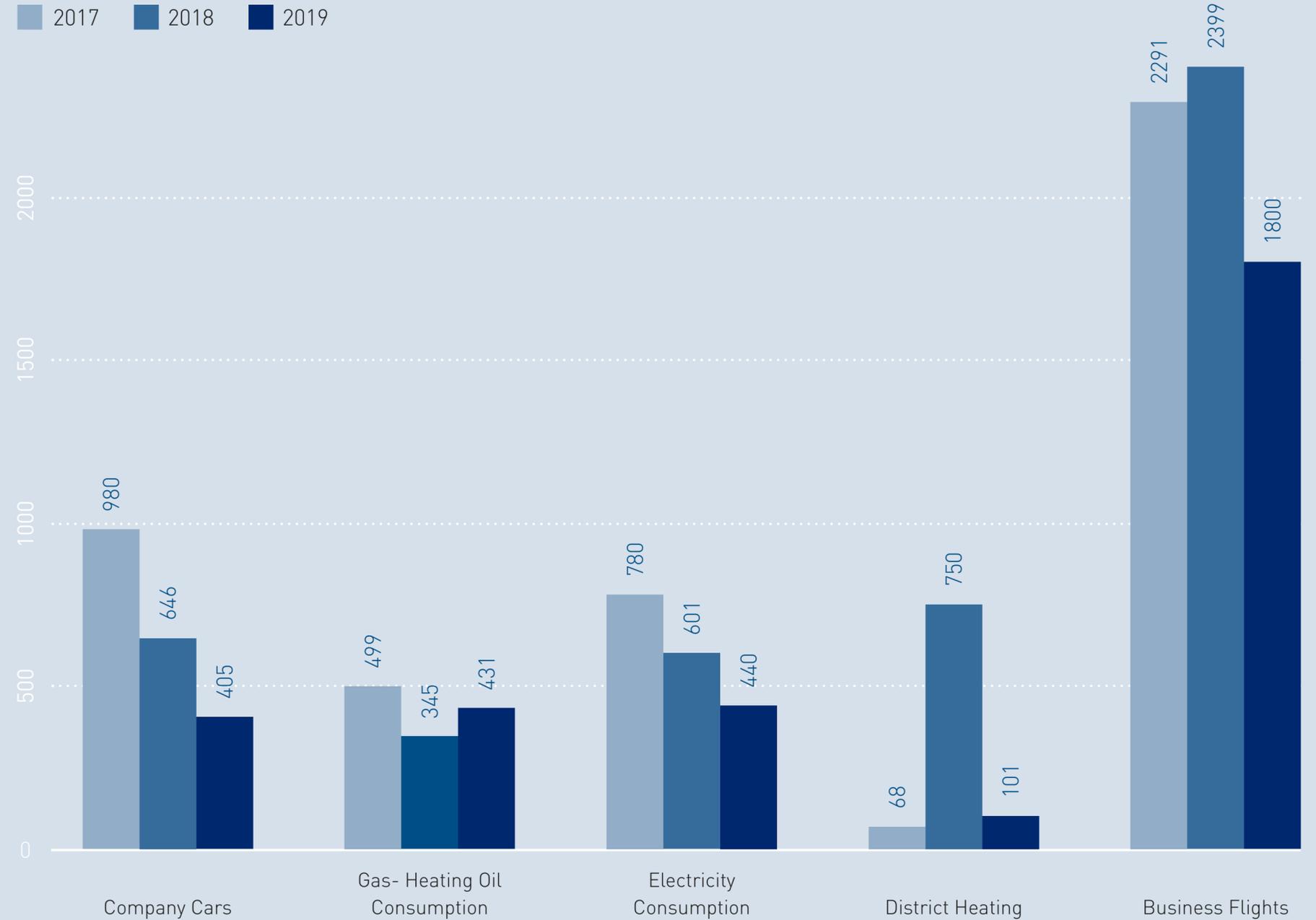
Total Emissions of the Company Group 2019 Including Scope 3



Total Emissions of the Company Group 2019 Excluding Scope 3



Comparison of Emissions 2017 / 2018 / 2019 (tons of CO₂, without Logistics)

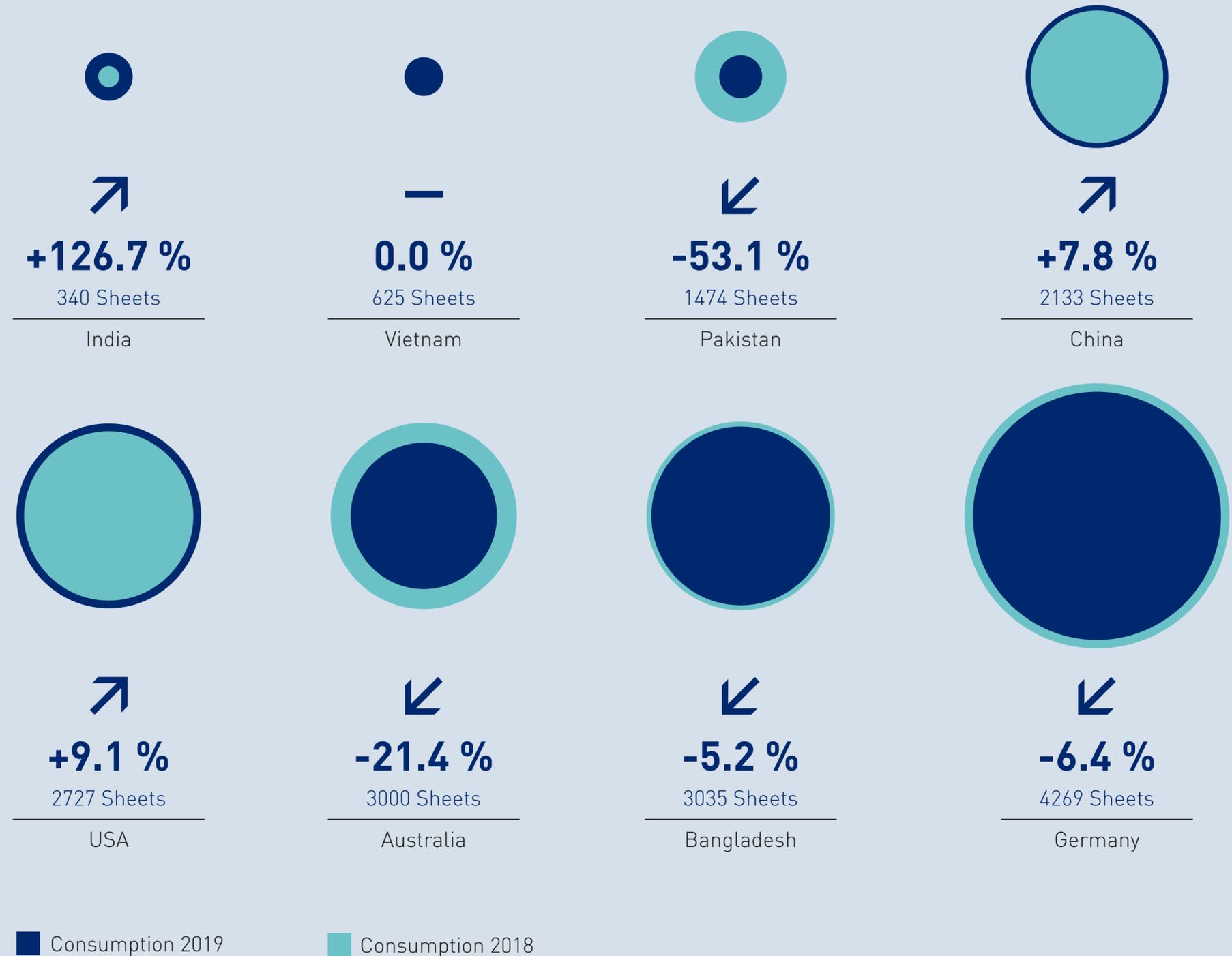


During the data collection for the CCF, information on the consumption of printing paper was also captured. In the offices of the Wünsche Group, around 3.4 million sheets of printing paper were used in 2019. In order to produce this quantity, 169 trees had to be felled. Compared to the previous year, the total consumption decreased by 1.4 million sheets.

The following graph illustrates the per capita consumption of printing paper within the Wünsche Group, across all countries in which we have offices. In the year of 2019, the average paper consumption per employee amounted to 3,403 sheets, compared to 3,810 sheets in 2018.

Regarding the share of sustainable paper used, the consumption of FSC-mix-certified paper was 21.7%, while the share of PEFC-certified paper was 8.9%.⁹ Only 1.4% of the paper consumed was coming from recycled origins. Since the environmental impact of recycled paper is much lower than that of virgin fibre paper, we have already switched to only using recycled paper in the offices at our headquarters in Hamburg.

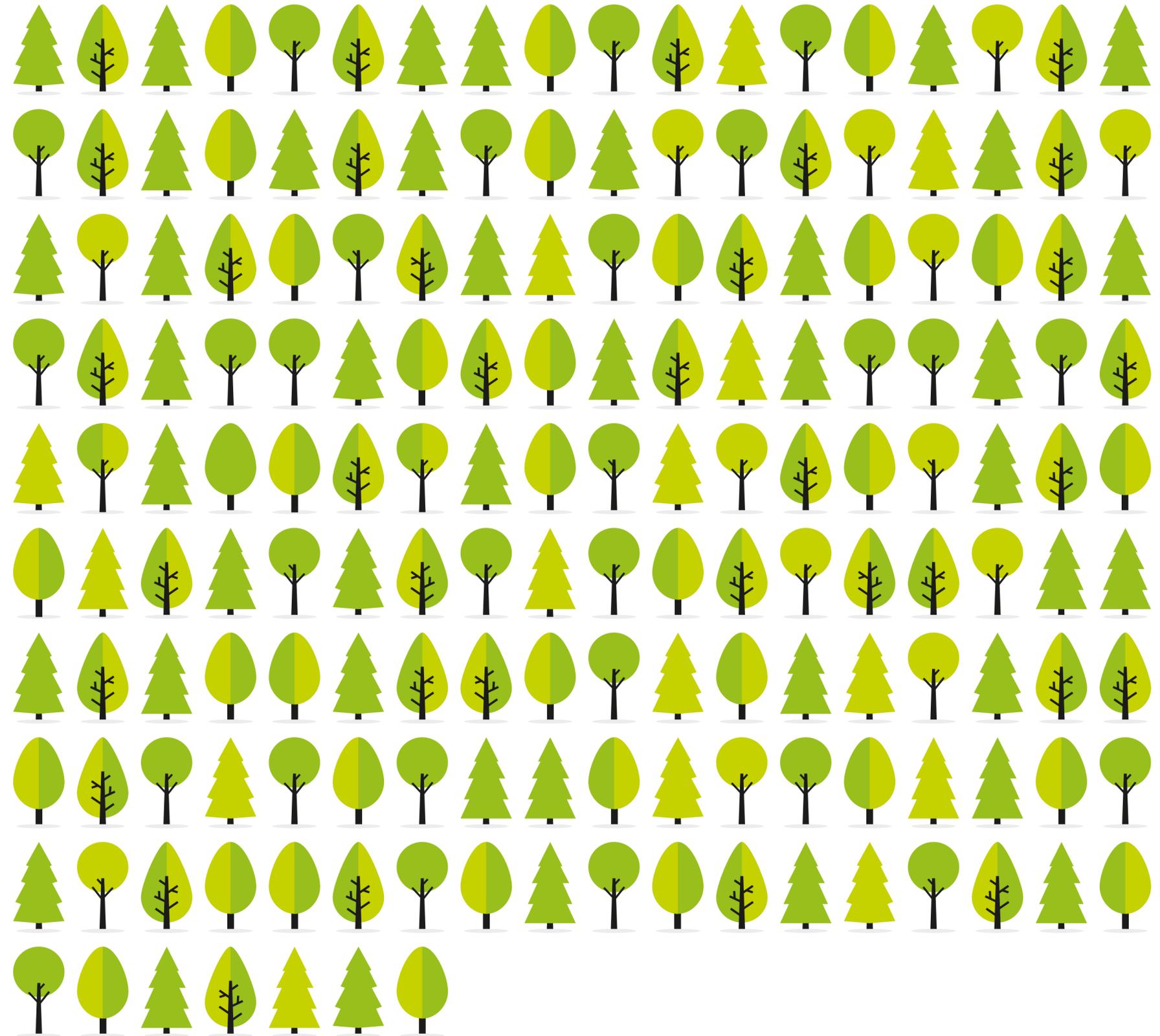
Consumption of Printing Paper Per Capita



Amount of Trees Needed for Paper Production.

In all of the Wünsche Group offices worldwide, 3.4 billion sheets of paper were used for printing.

To produce this amount of paper, 169 trees have to get cut down.



**Where we
are now.**

In the following, the emission categories of the three scopes are considered separately. The results of the Company Carbon Footprint assessment are presented graphically and comparisons with the previous year are made.

Examination of the Scopes

Scope 1

Company Cars



Gas Heating



Scope 2

Electricity Usage



District Heating



Scope 3

Logistics



Business Flights





Company Cars

In 2019, the employees of the Wünsche Group drove a distance of over 2 million km in their company cars, consuming around 157,000 litres of fuel. The distance travelled is equivalent to 51 times the distance around the equator. The average per capita emissions through company cars have fallen from 658 kg CO₂ in 2018 to 518 kg CO₂ in 2019. The emissions caused by the use of company cars amount to 405 t CO₂, a decrease of 37.3% com-

pared to the previous year. However, it must be taken into account that the vehicles of Lunux could not be included in the calculation, which in 2018 represented about 39% of the emissions caused by company cars. If Lunux were excluded in the years 2018 and 2019 in order to achieve better comparability, emissions would have increased by 2.5% between the two years.

Distance



Emissions



Per Capita Emissions

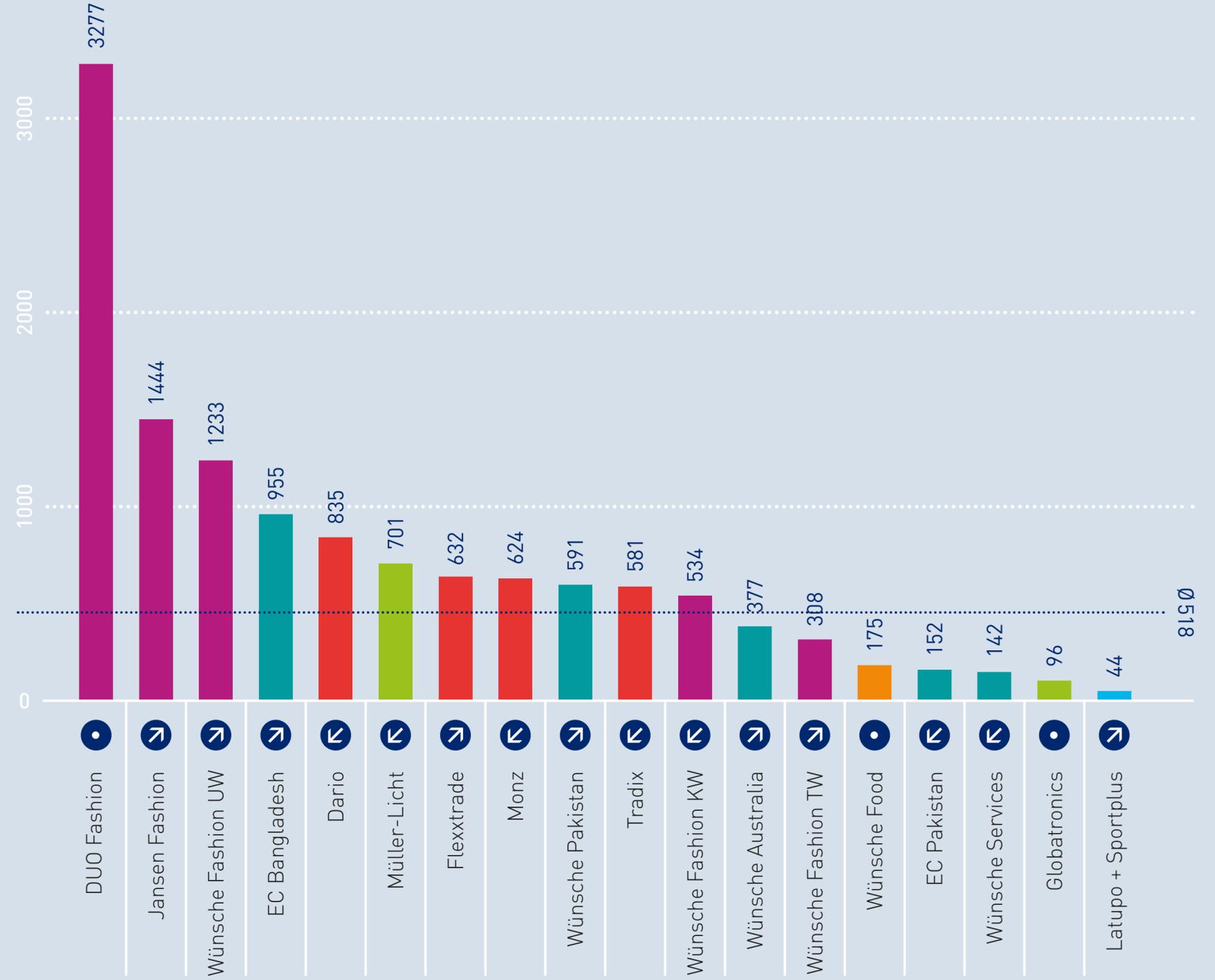


Scope 1



Scope 1

Per Capita Emissions from Company Cars (kg CO₂)





Scope 1

Gas Heating

For heating our buildings, mainly natural gas is used. In some cases, district heating is used, which is recorded under Scope 2. Compared to 2018, the total energy consumption from natural gas heating has increased by 27.7% and thus amounts to over 2 million kWh. Correspondingly, total emissions caused by gas heating have also risen significantly to 431 t CO₂. However, if average per capita emissions are considered, there has been an imperceptible change. The reason for this is that the site of Euro Centra in Pakistan is included in this category for the first time. The energy consumption there is compa-

ratively low and is distributed among more than 100 employees. The graph on the following page illustrates the per capita emissions from gas heating at the individual locations. The differences between the sites are partly due to the geographical location, as well as the different ratios of office space to employees. Not to be neglected is that for Jansen, Wunsche Fashion UW and Latupo in Norderstedt, apart from the office space, the heating of the attached warehouses was also considered.

Consumption



Emissions

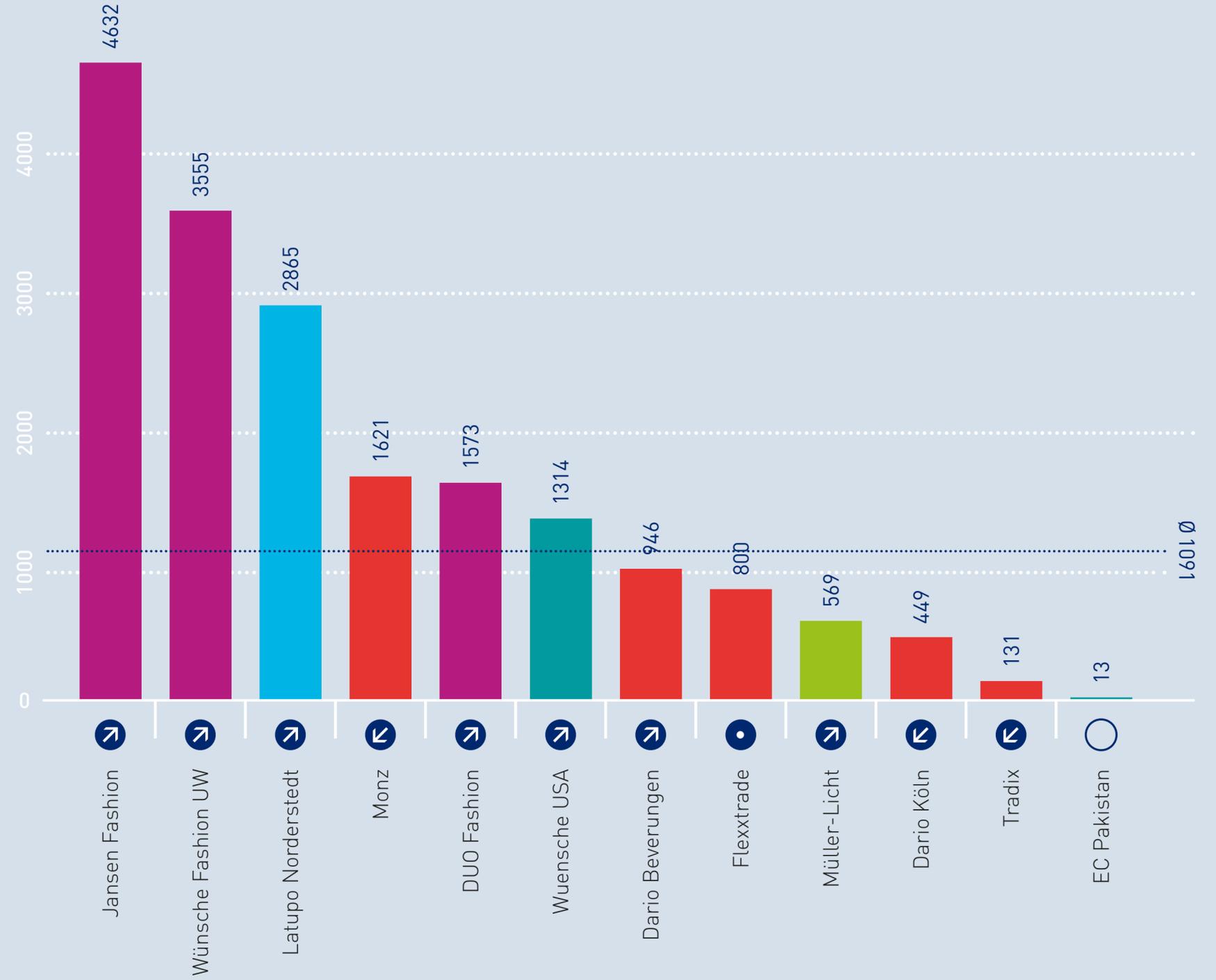


Per Capita Emissions





Per Capita Emissions from Gas Heating (kg CO₂)



Scope 1



Electricity Usage

Total emissions from electricity amount to 440 t CO₂, a decrease of 26.9% compared to the previous year. This significant reduction is, on the one hand, due to an overall lower electricity consumption. Here again, the missing data from Lunux is decisive, especially as the company's site had the highest power consumption in the past. If Lunux were excluded from the overall CO₂ calculation, the emissions caused by electricity consumption would remain almost

unchanged compared to the previous year. On the other hand, the German electricity mix plays a role, with an emission factor that has decreased again between 2018 and 2019 due to the expansion of renewable energies. While the share of renewable energies in Germany was around 38% in 2018, the average share increased to 42% in 2019.¹⁰

Consumption



Emissions



Per Capita Emissions



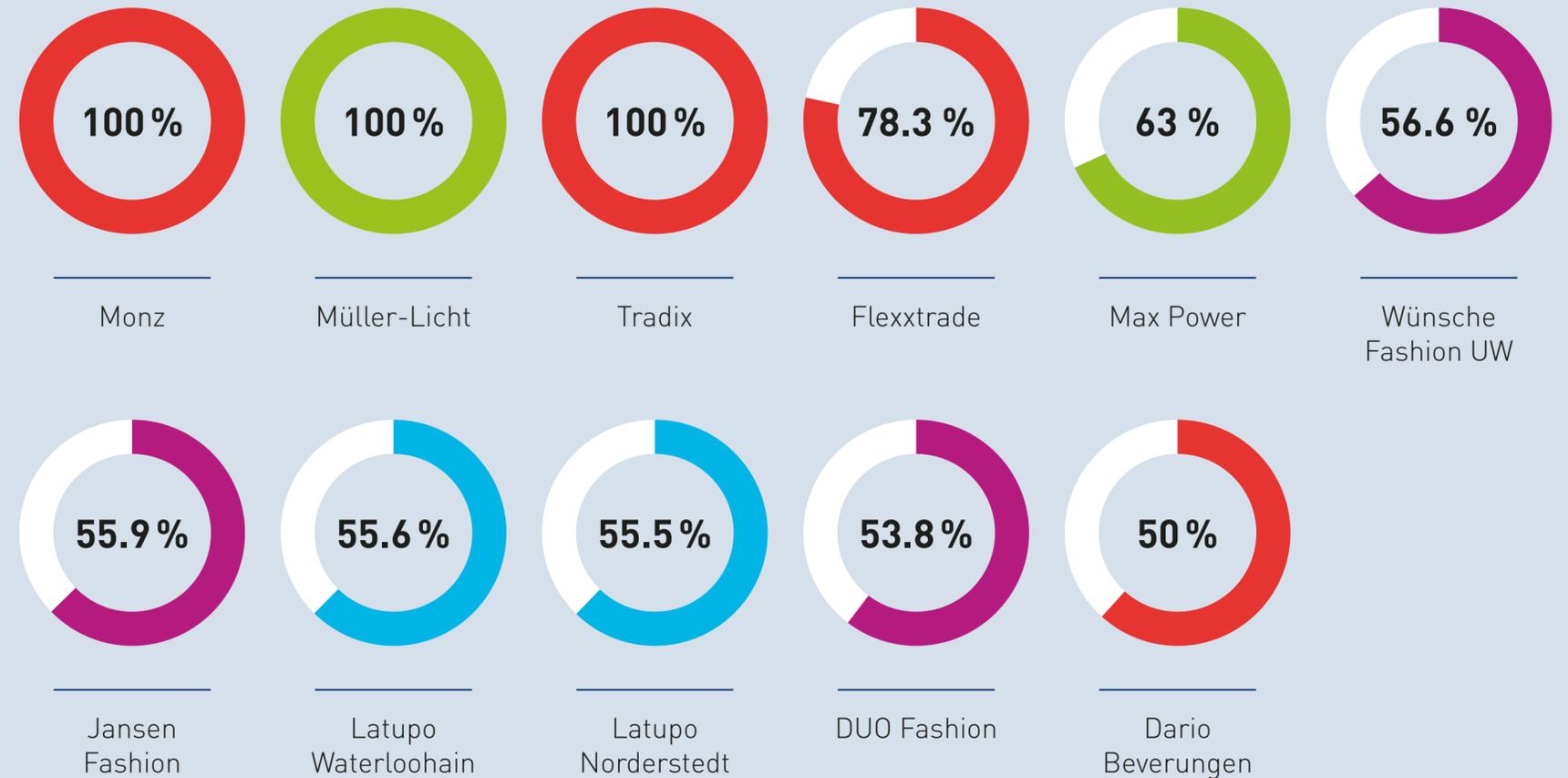
Scope 2



Companies with Green Electricity:

A positive aspect is that solar energy was produced by photovoltaic systems at the sites of Wunsche Fashion UW and Müller-Licht. At Wunsche Fashion UW, 71,508 kWh were produced and 673,409 kWh at Müller-Licht. Compared to the previous year, the amount produced has increased significantly. More than half of it was fed into the power grid. The conventional production of this amount of electricity would have caused 299 t CO₂. Taking all locations of the Wunsche Group into account, the share of green electricity in total electricity consumption

averaged 55%. If only German locations are considered, the percentage of green electricity was around 79%. Since there is generally a great potential to save emissions by using renewable energies, the share of green electricity should be further increased in the future. In the chapter about our climate strategy, we will look at our updated targets in more detail. Regarding the listed per capita emissions on the following side, it should be noted that at Wunsche Fashion KW, a heat pump is used to heat the office, which also consumes electricity.

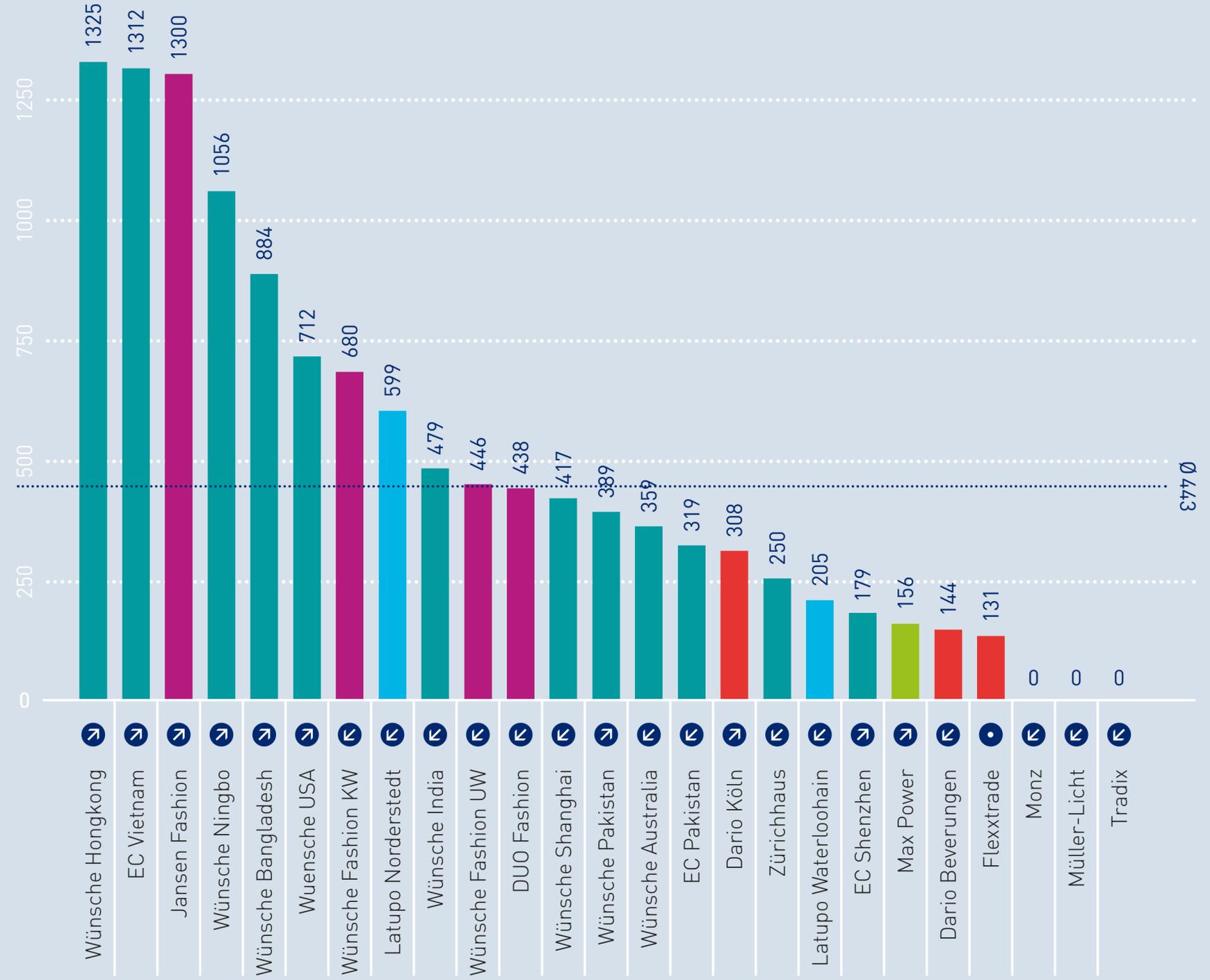


Scope 2



Scope 2

Per Capita Emissions from Electricity Usage (kg CO₂)





District Heating

At three of our locations, district heating is used instead of natural gas. District heating power plants are mostly operated with fossil fuels such as coal or oil. In this respect, the emissions are caused during the generation of the purchased energy. For this reason, the "indirect" emissions from district heating fall under Scope 2 according to the GHG Protocol.

For the year of 2019, total emissions from district heating amount to 101 t CO₂. The resulting per capita emissions average 326 kg CO₂. Compared to the previous year, energy consumption and emissions decreased by 86.6%. This development is almost entirely due to the absence of Lunux in the calculation of the CCF.

Consumption



Emissions



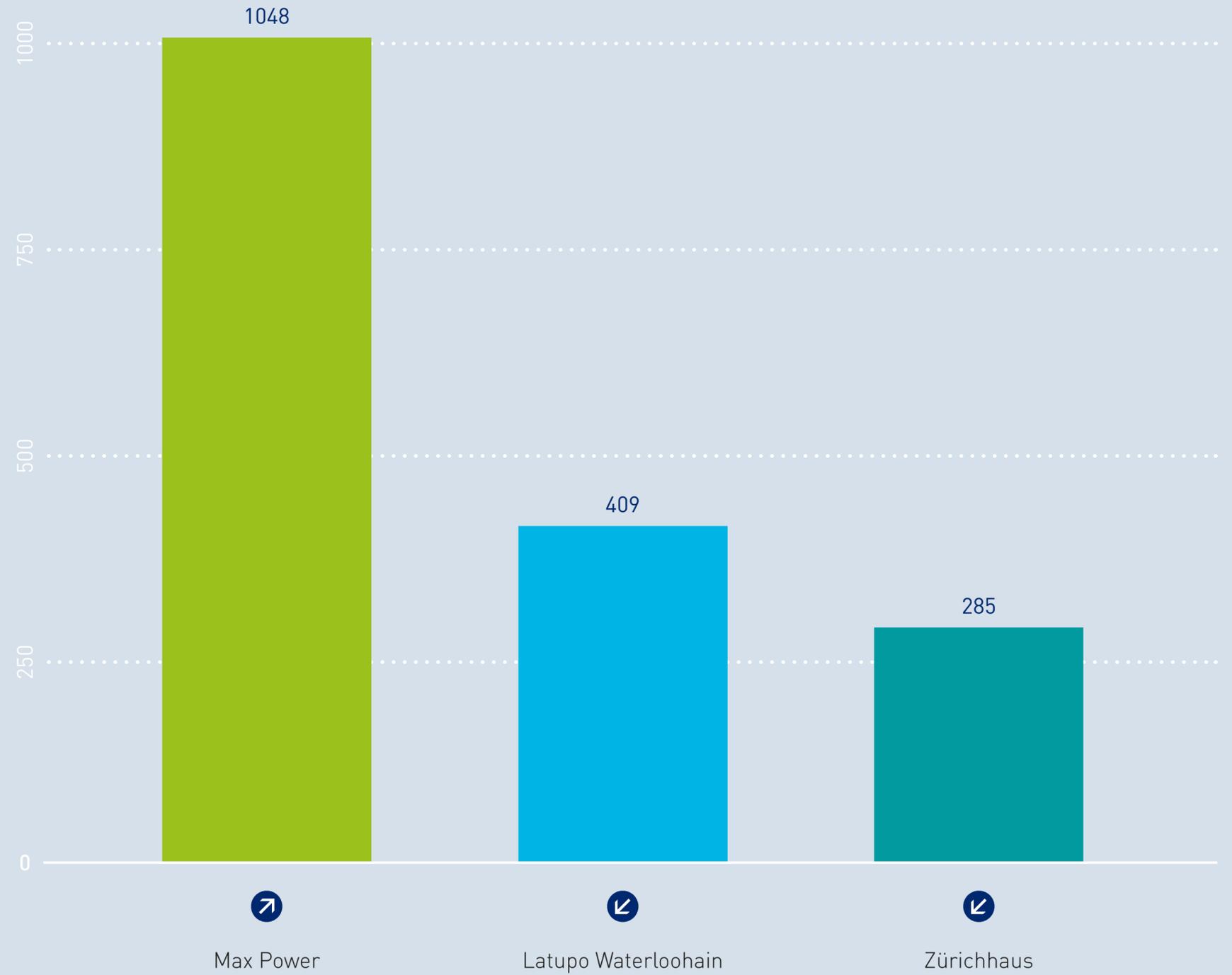
Per Capita Emissions



Scope 2



Per Capita Emissions from District Heating (kg CO₂)



Scope 2



Logistics

With 72.7%, emissions from sea freight account for the largest share of the Wünsche Group's total emissions. The respective emissions have fallen from 22,619 t CO₂ in 2018 to 19,637 t CO₂ in 2019. With regard to shipments, both FOB¹¹ and logistics organised by us were considered. A total of 17,668 TEU were transported around the world by sea logistics, which is about 2,000 TEU less than in the previous year. 4,174 t CO₂ were caused by air freight, which represents 15.5% of total emissions. Compared to 2018, significantly fewer goods were transported by air, which is also reflected in the num-

bers: air freight emissions decreased by 59.6% or 6,151 t CO₂. This drop has a considerable influence on the reduction of the Wünsche Group's total emissions. Considering that the environmental impact of air freight is much higher than that of sea freight, the reduction of air freight use can be seen as a positive development from a sustainability perspective. As for rail freight – which is the most environmentally friendly option of the three means of transportation – a total of 281 TEU were moved in 2019, causing around 26 t CO₂.

Sea Freight



Air Freight



Rail Freight



Total emissions from logistics

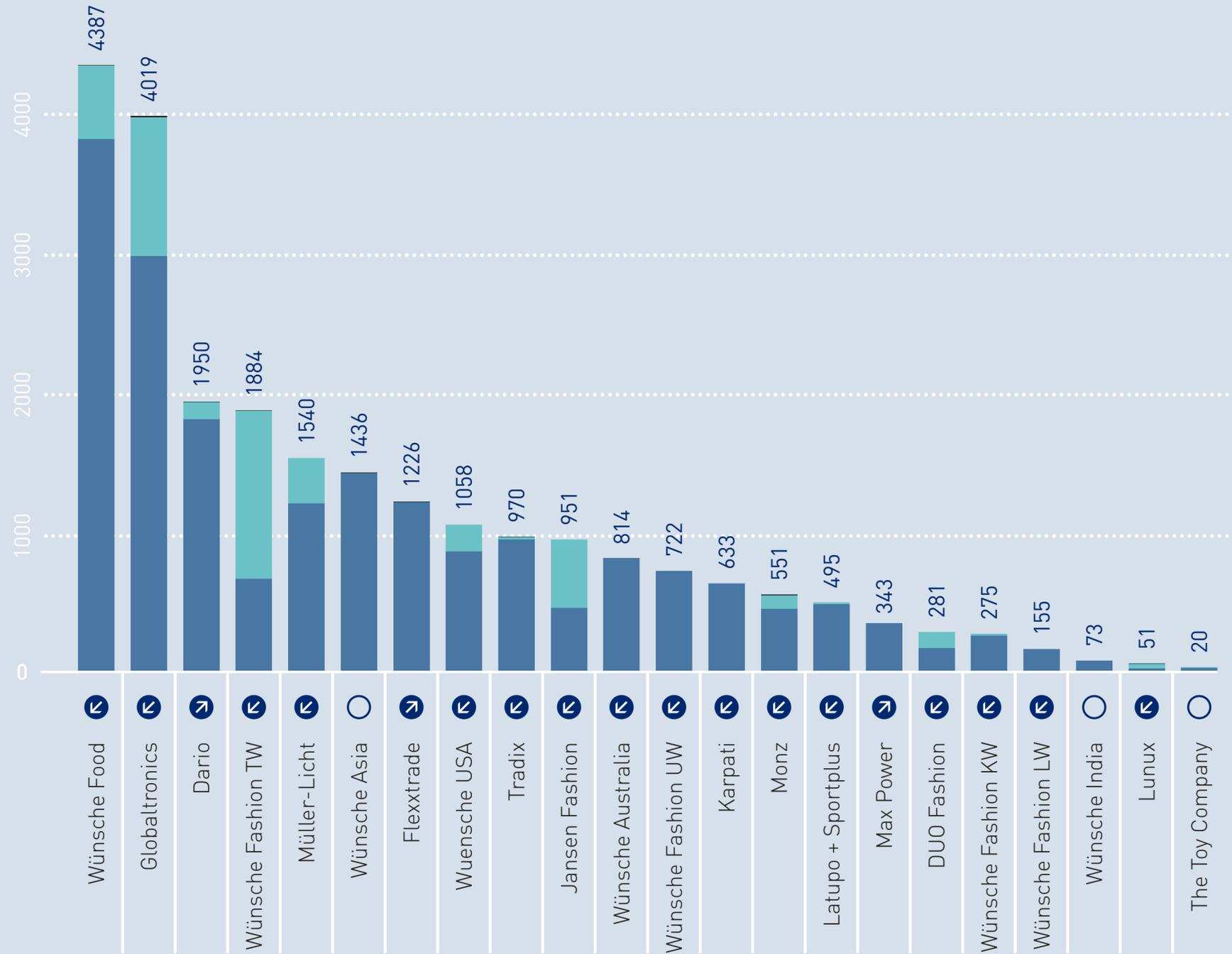


Scope 3



Emissions from Logistics (tons of CO₂)

Sea Freight Air Freight Rail Freight



Scope 3



Scope 3

Business Flights

Emissions from air travel amount to 1,800 t CO₂ in 2019, 600 t CO₂ or 25% less than in 2018. Altogether, the employees of the Wünsche Group did not fly considerably less than in the previous year, however, there were fewer long-haul flights (15%) and more short-haul flights (72%).¹² To illustrate the effect on the emissions generated, a single long-haul flight from Hamburg to Hong Kong in the economy seat class creates 2,297 kg of CO₂. A short-haul flight from Hamburg to London generates 174 kg CO₂. In order to balance out the amount of CO₂ produced, we decided to offset flight emissions at an annually increasing rate. While in 2018 70% of total emissions through air travel

were offset, the rate for 2019 is 85%. From 2020 onwards, all emissions from business flights will be fully offset. The compensation is achieved by purchasing certificates at a fixed price per tonne of CO₂, which are used to offset the same amount of emissions in climate protection projects. As in the previous year, for 2019, the Wünsche Group is supporting a myclimate¹³ project for the restoration of degraded mangrove ecosystems in Myanmar. The per capita emissions from business flights amounted to 1,785 kg CO₂ in 2019, compared to 1,917 kg CO₂ in 2018.

Emissions



Level of Compensated Emissions



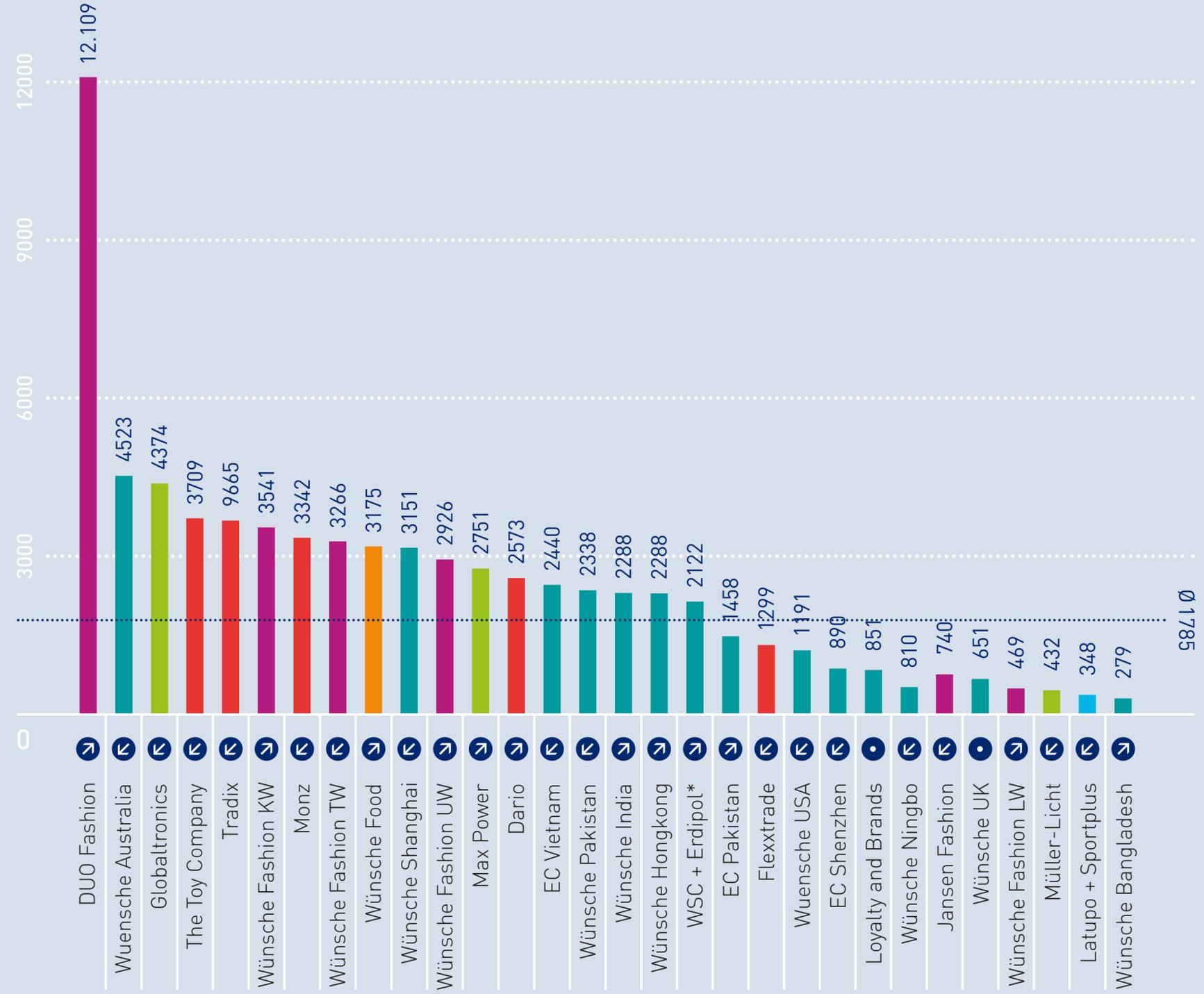
Per-Capita Emissions





Scope 3

Per Capita Emissions from Business Flights (kg CO₂)



**Where we
go to.**

Climate Strategy of the Wünsche Group

The previous chapters provide an important insight into the various emission sources of the Wünsche Group. As we saw, produced greenhouse gas emissions have changed over time. The overview of emissions creates a baseline and allows for us to identify potential ways in which we can reduce CO₂ emissions. It becomes clear where we can make adjustments and what measures we can take to reduce our CO₂ footprint.

After the first CCF Report was prepared for the year 2017, initial targets were set to improve the environmental impact of the Wünsche Group. In order to achieve these goals, measures have been introduced successively over the past years and months. The following table provides an overview of the targets and measures pursued to date. Some of the measures, such as switching to recycled paper or compensating for business flights, have positively impacted the environment, without making profound changes to our business activities. There has already been some progress, as the status of the respective targets show; however, further action is needed to achieve all targets.

Previous Approach to Protect the Environment

Targets	Measures	Status
Provide transparency on corporate emissions	<ul style="list-style-type: none"> • Calculation and communication of the Corporate Carbon Footprint since 2017 (Scope 3 currently not fully captured) 	
Expanding the use of renewable energy	<ul style="list-style-type: none"> • German sites: Ø 79% renewable energy • All sites: Ø 55% renewable energy • Production of solar energy (photovoltaic): <ul style="list-style-type: none"> - Wünsche Fashion UW: 71,508 kWh - Müller-Licht: 673,409 kWh 	
Reduction of printing paper consumption Switch to certified / recycled paper	<ul style="list-style-type: none"> • Switch to certified / recycled paper (e.g. printing paper, envelopes, hygienic paper) at the headquarters 	
Gradual compensation of business flights	<ul style="list-style-type: none"> • Compensation with partner myclimate and investing in climate projects since 2017 • From 2020 onwards full compensation of all business flights 	
Introduction of a selection criterion for the purchase of company cars	<ul style="list-style-type: none"> • Only vehicles with CO₂ efficiency classes A+ and A permitted; class B models are permitted for buses and utility vehicles 	
Group-wide embedding of the topic of ecological sustainability	<ul style="list-style-type: none"> • Creating a network of Appointees for Resource Protection 	
Raise awareness	<ul style="list-style-type: none"> • Yearly CCF Report • CCF-Newsletter • CCF-Animation Video 	

In order to fulfil our claim to take responsibility for the ecological impact of our business in the future, the previous approach has now been reconsidered and adapted. Having already established a fundamental starting point for reducing our impact on the environment, we believe it is now necessary to define further actions with even clearer and more overarching targets. This means, among other things, that the introduction of a limited number of far-reaching targets, including timetables for achieving these targets, is required for the entire Wünsche Group.

For those reasons, a climate strategy has been developed in consultation with the executive directors, with the aim of better positioning ourselves strategically, with regard to climate change, and in order to give our group of companies a long-term direction. In the following, this strategy will be explained in more detail.

The terms on the right hand side provide an overview of various environmental issues that are focused on in the context of the climate strategy. These "focus topics" are of importance to our companies and are already being addressed to varying degrees by the Wünsche Group. In addition, these are also topics that are increasingly relevant in our corporate environment (e.g. for customers, government, etc.). In essence, the climate strategy aims to fight climate change by reducing emissions in absolute terms, expanding the use of renewable energies, protecting resources and introducing environmental standards into the supply chain.

The climate strategy sets out targets for a further approach to climate protection and the associated management of emissions. We have adopted the following targets for the next few years and for the entire Group. It should be noted that these targets are superordinate to the previous ones. Measures introduced in the past will continue to be a relevant part of the climate strategy.

Focus Topics



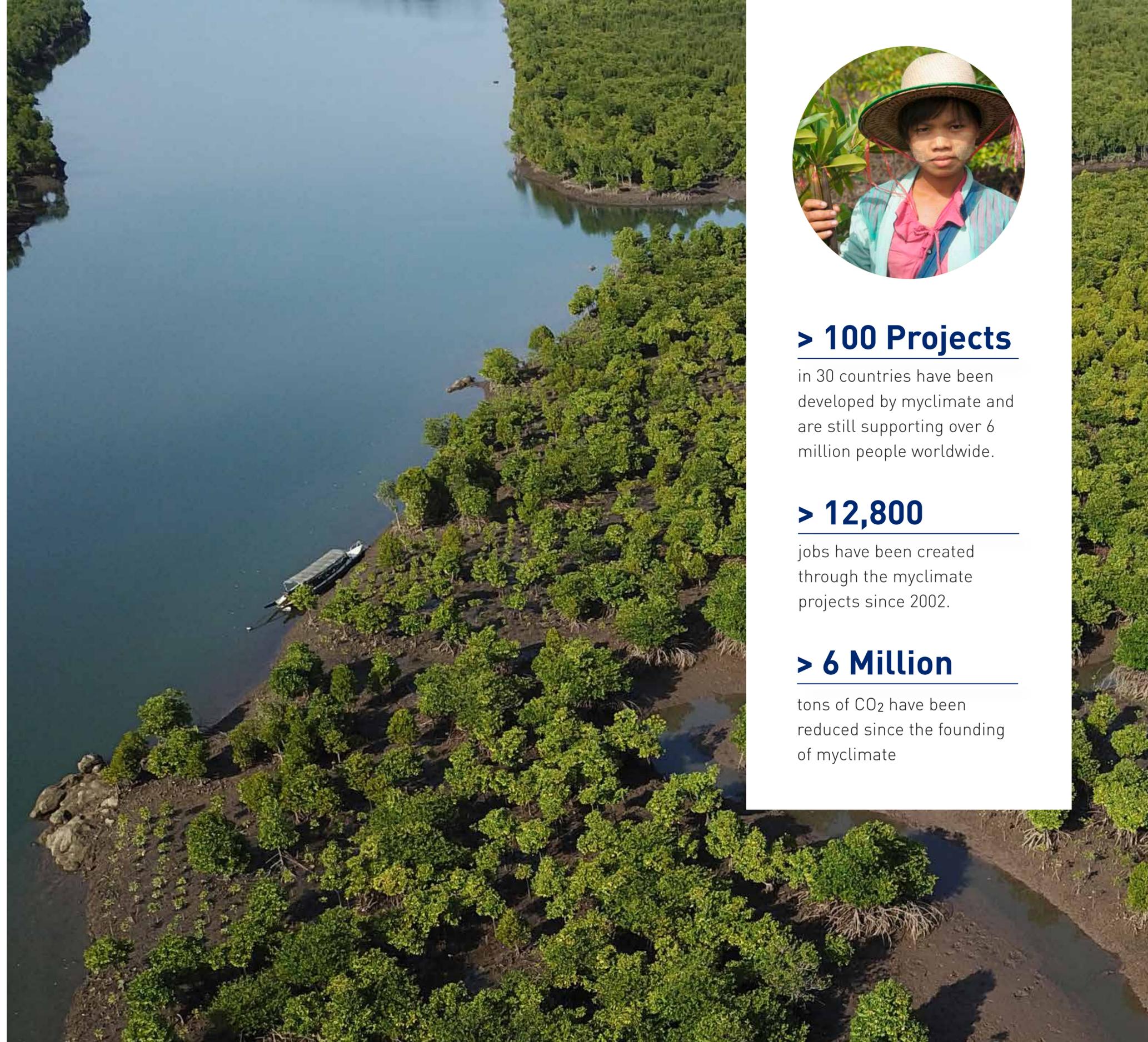
Project Support: Mangrove Reforestation and advancement of women in Myanmar

Since 2017 the Wünsche Group is supporting climate protection projects of "myclimate" which are compensating emissions from business flights.



For the year 2018 and 2019, Wünsche supported a project dedicated to reforesting the mangroves of a coastal area of Myanmar.

The project engages the local population the region to restore the degraded ecosystems. The project engages the local population of the region in restoring the degraded ecosystems. The aim is to create healthy mangrove forests that absorb carbon, protect the population from natural disasters and and conserve biodiversity by creating a key habitat for endangered species. At the same time, the project aims at diversifying livelihoods of local communities and increasing their well-being.



> 100 Projects

in 30 countries have been developed by myclimate and are still supporting over 6 million people worldwide.

> 12,800

jobs have been created through the myclimate projects since 2002.

> 6 Million

tons of CO₂ have been reduced since the founding of myclimate

Our Targets for Climate Protection

Scope 1+2

Reduction of Scope 1+2 emissions by 20% by the end of 2025 (compared to 2019)

In developing the "Scope 1+2" target, the requirements of the Science Based Targets initiative (SBTi) were taken into account. The initiative is committed to setting GHG emission reduction targets in accordance with climate science. It provides a methodology for aligning the efforts of companies with the 2°C or 1.5°C target of the Paris Agreement (2015).¹⁴ Taking into consideration the criteria set by the SBTi, the Scope 1+2 target formulated by the Wünsche Group is aiming to limit climate change to well below 2°C.

To achieve this target, the use of renewable energies plays a particularly important role. As a climate protection measure, the share of green electricity is to be further expanded in the next few years, especially since there is great potential for reducing emissions in this regard.

Scope 3

Capture total Scope 3 emissions and subsequent derivation of targets and measures

Due to our business model, Scope 3 emissions exceed Scope 1+2 emissions many times over. In Scope 3, however, we currently only cover the categories logistics and business flights and therefore can only see "the tip of the iceberg". Since a large number of other emission sources are hidden in Scope 3, it is important to include further categories in the future, thereby bringing the content of the CCF Report closer to a reality. We expect that this will lead to the derivation of further targets and measures that will bring about the greatest possible reduction potential.

Climate-neutral Products

Offer of at least two climate-neutral products annually in each of the Wünsche Group's trading companies

Climate-neutral products are to be offered more frequently in the future. All trading companies of the Wünsche Group are from now on requested to offer their customers at least two climate-neutral products per year. The executive management has committed to making at least one product per trading company climate-neutral, even without customer request.

Use of Paper

Switch to sustainable paper by the end of 2022

Reducing the consumption of printing paper by 30% by the end of 2022 (compared to 2019)

The recording of paper consumption has shown that there is also potential for more environmentally friendly actions in this area. For this reason, a group-wide switch to certified, preferably recycled paper is to be made by the end of 2022. This not only includes printing paper, but also toilet paper and paper towels, as well as envelopes. Apart from this, it is the responsibility of all of us to act in an environmentally conscious manner and reduce paper consumption in our everyday working lives. The target, to reduce the consumption of printing paper by 30% by the end of 2022, should therefore be considered as a shared goal, to which every employee can contribute.

Our climate strategy is based on an ongoing process, which is designed following the principle of a Plan-Do-Check-Adjust cycle. Accordingly, it is necessary to obtain an annual insight into the total emissions caused by the Wünsche Group and, based on this, to set targets and evaluate further options for action. By comparing emissions over time, it is possible to check whether progress is being made. In the event that certain measures are not effective, they must be adjusted. At regular intervals, the goals should also be re-evaluated and adjusted accordingly.

Another important aspect of the climate strategy is the internal and external communication. First and foremost, it is essential to maintain a group-wide exchange of information and to share the findings of the CCF calculation, as well as to create internal awareness within the company. In 2020, we created a CCF animation video, initiated the network of Appointees for Resource Protection and provided important tips on how to protect the environment in everyday working life via our CCF Newsletter.

Furthermore, external communication is important in order to position the Group publicly with regards to climate change. In the future, the CCF Report will therefore be published annually on the website of the Wünsche Group.

Plan-Do-Check-Adjust

Progress Check

- How well do the measures work?
- What progress have we made?

Status Quo Analysis

- What data can we collect and evaluate?

Carbon Footprint Report

- What are we emitting?
- What is our impact?

Target Setting

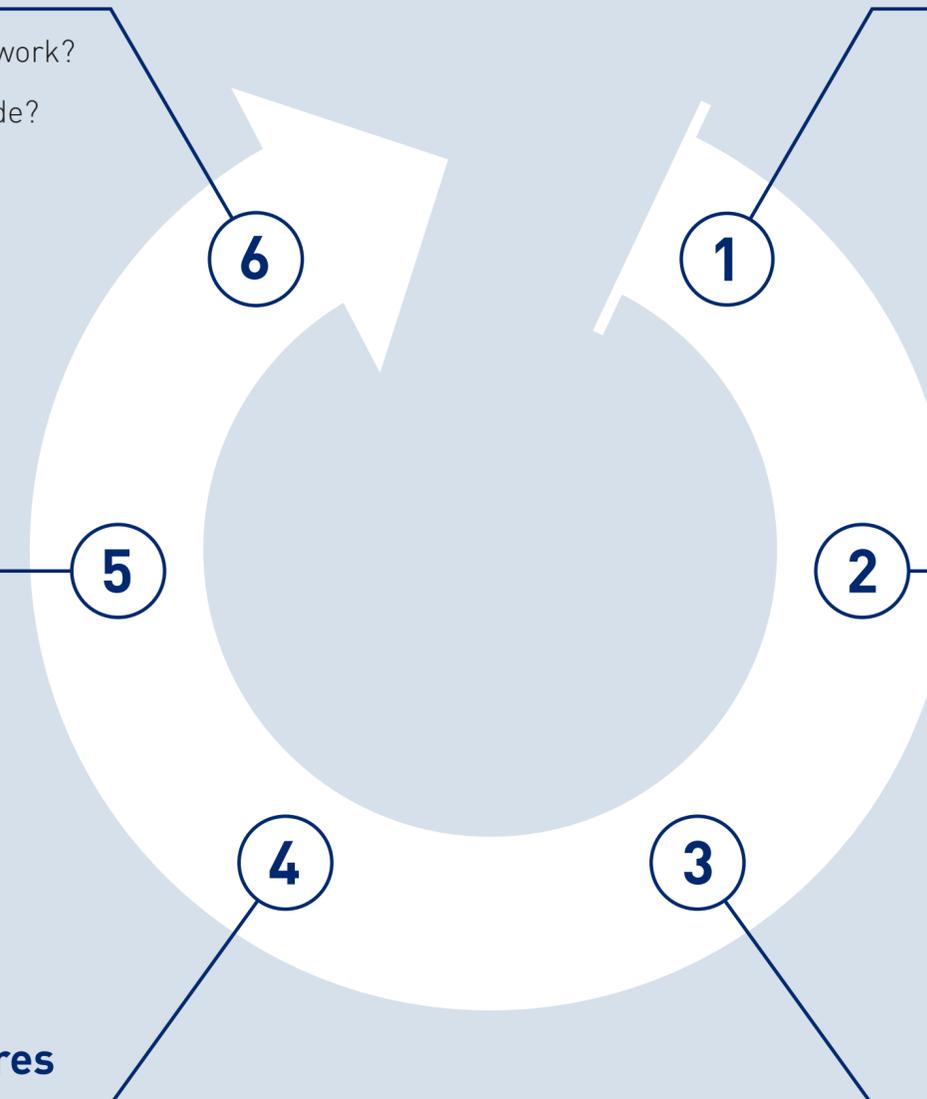
- What do we want to achieve?

Implementation

- How can we implement our measures?

Defenition of Measures

- How can we reduce resource consumption/emissions?



Conclusion

Overall, it can be stated that the CO₂ footprint of the Wünsche Group was reduced in 2019. However, the reason for this is not only the effectiveness of our measures, but, to a large extent, the lower logistics emissions and the missing data from the company Lunux. In the future, further efforts will be necessary to minimize the environmental impact of our businesses. We still have a long way to go and the direction of it is defined by our new climate strategy. In order to achieve our ambitious targets, we need to adapt and realign our organization – especially with regard to our Scope 3 emissions.

Excluding logistics, no data relevant for the CCF were accessible for Lunux due to the firm's insolvency this year. While Lunux's emissions accounted for a significant share in previous years – particularly in the categories of electricity, district heating and company cars – total emissions for 2019 could not be fully captured due to the missing consumption data for Lunux.

Apart from that, the quality of the data we received was generally very detailed and helpful. Nevertheless, in some cases, assumptions had to be made for firms. This reduces the informative value of the results.

In this report, for the first time, emissions from air and rail freight could be compared over time, i.e. between 2018 and 2019. It became clear that a lower volume of goods transported by air can quickly lead to considerable emission reductions. With a decrease of around 6,000 t CO₂,

the lower air freight emissions made the largest contribution to the reduction of overall emissions in 2019.

Another decisive factor was the decrease of sea freight emissions by around 3,000 t CO₂. In addition, the declining emissions from business flights, which also fall under Scope 3, can be considered to be a positive change.

According to the GHG Protocol, Scope 3 includes all emissions that occur along the value chain. However, in Scope 3, the CCF of the Wünsche Group currently only covers the categories logistics and business flights – all other emissions from upstream and downstream processes are not included so far. For example, it has not yet been possible to gain an insight into emissions in the upstream supply chain, although these account for a significant proportion of overall emissions. As part of upstream Scope 3-emissions, the category of "purchased goods and services" is generally the main source of emissions.

In order to obtain a more complete view of the Wünsche Group's total emissions in the future, it is necessary to reveal the Scope 3 emissions. Without a doubt, this is not an easy task, especially as the trading companies of the Wünsche Group have very complex and heterogeneous supply chains. Since the majority of emissions are hidden in Scope 3, this is also where the greatest reduction potential can be found. Approaching these will be the challenge of the next few years.

Ideas and Feedback

We appreciate all new suggestions and ideas for reducing the Carbon Footprint of the Wünsche Group. Please feel free to contact our Corporate Responsibility Department at any time and help us to further improve the ecological footprint of our company!

We are also at your disposal for any other questions on this topic.

How to reach us:

CarbonFootprint@wuensche-sc.de

We would like to take the opportunity to thank all those involved in this project and look forward to continuing our good work.

References

- 1 Source: Adaptation based on the GHG Protocol
 - 2 Source: Bundesamt für Wirtschaft und Ausfuhrkontrolle
 - 3 https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2020-04-01_climate-change_13-2020_strommix_2020_fin.pdf
 - 4 Source: Bundesamt für Wirtschaft und Ausfuhrkontrolle
 - 5 https://eschenker.dbschenker.com/nges-portal/public/en-US_US/#!/emission-calculator/emission-view
 - 6 TEU stands for "Twenty-foot Equivalent Unit", a standardised unit for counting containers of different sizes.
 - 7 <https://www.ecotransit.org/calculation.de.html>
 - 8 <https://www.atmosfair.de/de/kompensieren/flug/>
 - 9 FSC-Mix and PEFC are labels that guarantee that at least 70% of the fibres come from wood from sustainable forest management and/or recycled paper.
 - 10 <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbare-energien/erneuerbare-energien-in-zahlen#statusquo>
 - 11 FOB stands for Free on Board, an agreement which ensures that the exporter is responsible for the initial costs, obligations and risks involved in the delivery of goods. However, once the ship is loaded, the importer takes responsibility for the transport to the destination.
 - 12 Business Flights were categorised according to their length as follows: short-haul flights (less than 1,500 km), medium-haul flights (less than 4,000 km), long-haul flights (over 4,000 km).
 - 13 <https://www.myclimate.org/information/climate-protection-projects/detail-climate-protection-projects/mangrove-myanmar-7216/>
 - 14 <https://sciencebasedtargets.org/>
- * WSC is short for "Wünsche Services". Erdipol ist the Managementn Company of the Wünsche Group.

Imprint

Corporate Responsibility

Wünsche Services GmbH | A Company of Wünsche Group
Bei den Mühren 5 | 20457 Hamburg

Authors:
Valentin Steigmiller, Ellen Torres

Concept, Graphics and Layout:
Andreas Lechner

Note: The content of this report was prepared with the greatest care. However, we cannot assume any liability for the correctness, completeness and topicality of the contents.

