Environmental Data 2022

Für morgen handeln.

WÜNSCHE GROUP

Content

Introduction

This report provides an update on the environmental data for 2022. This update builds on the Environmental Report 2020/2021, which provides a more comprehensive insight into our environmental topics and measures. These remain relevant and can be found in the Environmental Report if you are interested.

All operating companies in the Wünsche Group are included in the environmental data (see company logos on the right). A company site is taken into account if it was used for at least one full calendar month in the reporting year and the following adjustments have been made to the companies and sites taken into account for the 2022 environmental data.

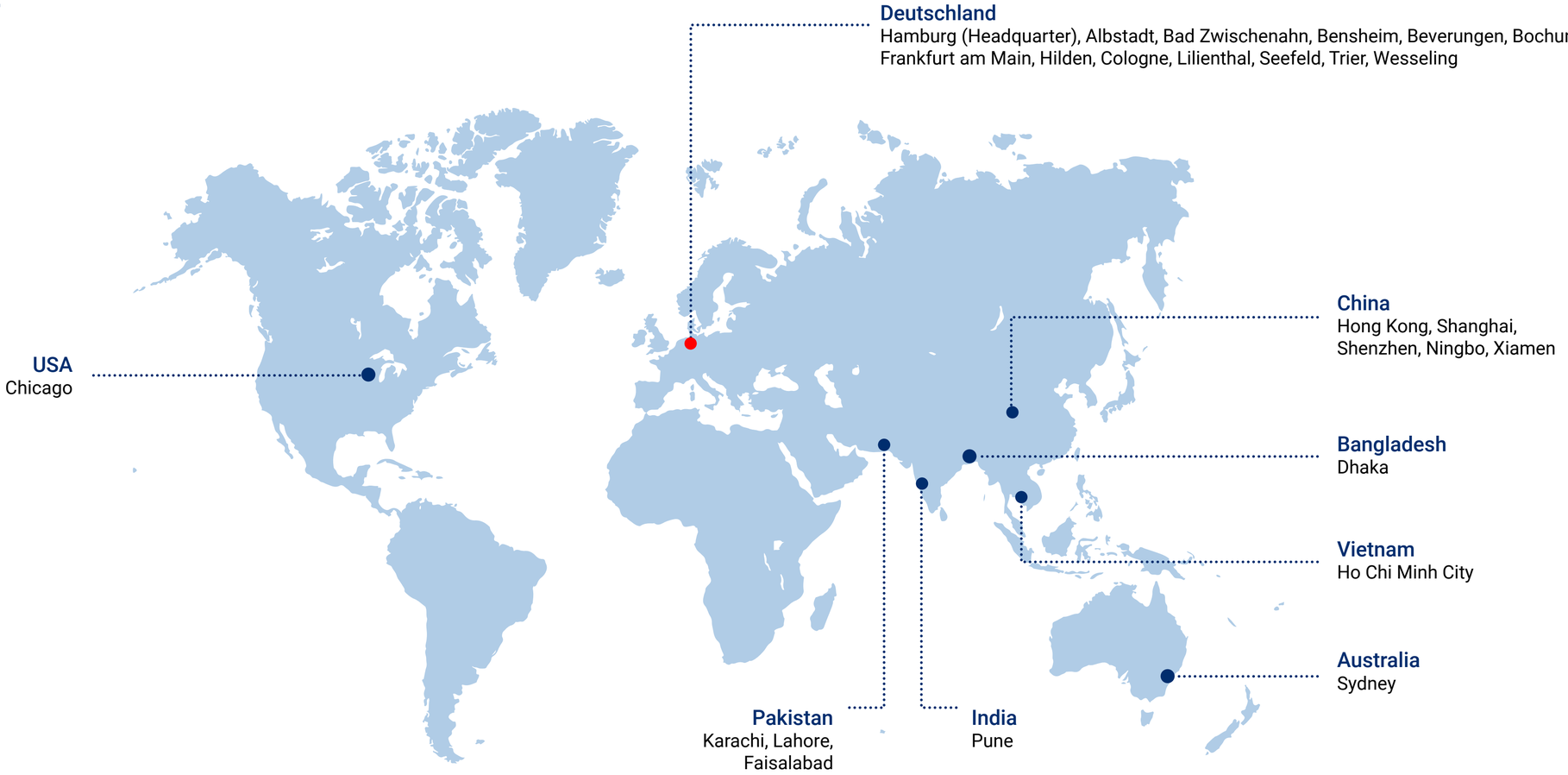
In Germany, the acquisition of GEBRA Nonfood Handelsgesellschaft added a new location in Bochum. The business divisions were integrated into the Wünsche Group: The textile division has been transferred to Wünsche Fashion and the hardware division to Dario. EuroCentra Pakistan opened a further office in Faisalabad at the end of 2021.

In addition, two offices were relocated during 2022. The Wünsche USA colleagues moved from their location in Forest Park to downtown Chicago in October. Our sourcing team in India also moved out of the previous office in August 2022. They moved into the new office in 2023.

Wünsche UK is no longer included in the 2022 environmental data as the company is no longer operational.

Wünsche Group Offices

Status at the End of 2022



Energy Consumption 2022

Energy

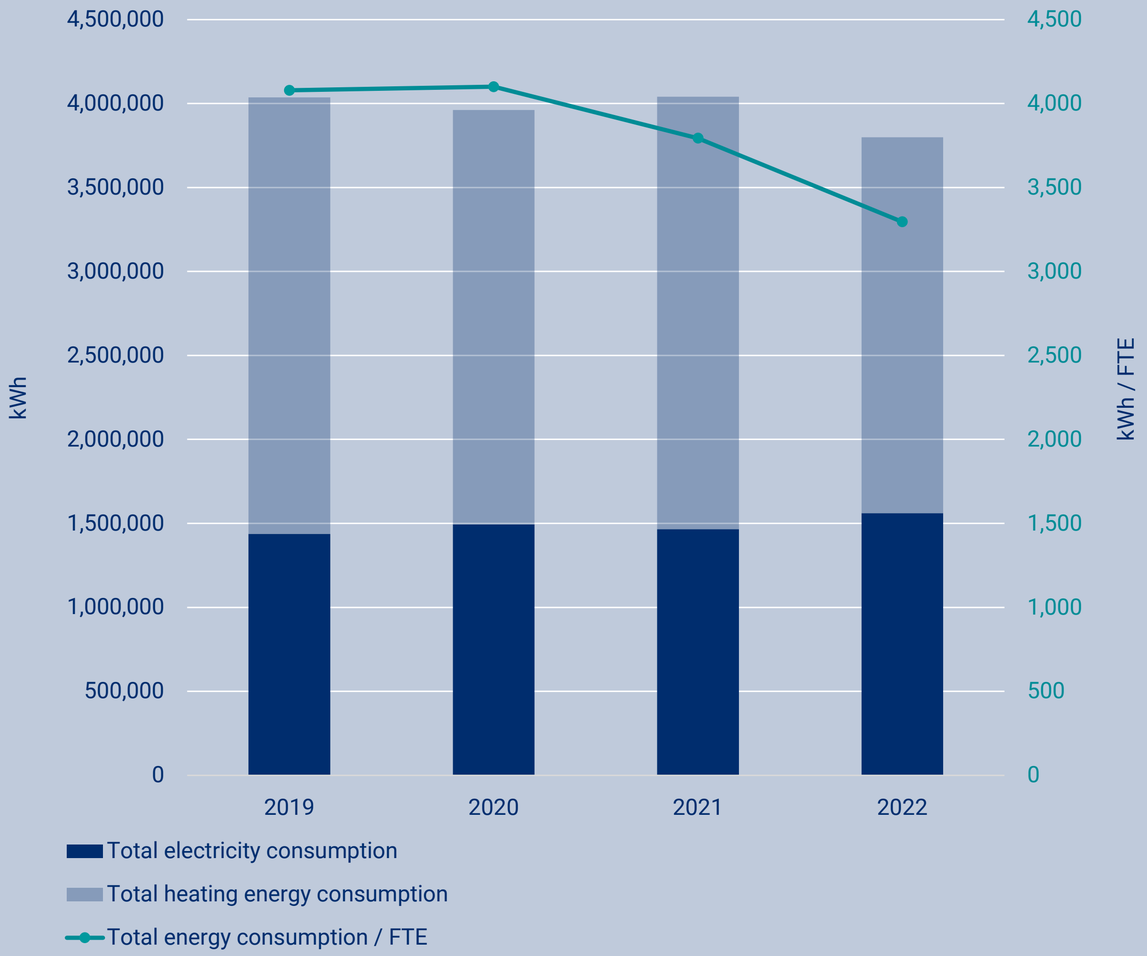
In 2022, global heating and electricity consumption totaled around 3.8 million kWh. The energy consumption made up approx. 2.2 million kWh heating consumption and approx. 1.6 million kWh electricity consumption. The Wünsche Group's global energy consumption has fallen by 6% compared to 2021. This was achieved through a significant 13% reduction in heating energy consumption. As in previous years, 95% of the 2.2 million kWh of heating consumption is attributable to our German office locations.

Electricity consumption, on the other hand, increased by 6.5% compared to the previous year 2021. This is mainly due to the new location in Bochum and an increase in electricity consumption at the headquarters in Hamburg, which can be explained by the rise in the number of employees which rose from 269.45 FTEs to 290.9 FTEs (full-time equivalent).

If the total energy consumption is compared to the number of employees in FTEs, a significant reduction in consumption can be observed from 2019 to 2022. The energy consumption fell by 19% from 4,079 kWh/FTE in 2019 to 3,295 kWh/FTE in 2022, as the number of employees increased by 16% in the same period.

The data published in this report for previous years differs in part from the data already published, as the following errors were corrected as part of the plausibility check: the number of employees considered on the reporting date of 31.12.2022, the energy source at the Globaltronics site in Seefeld, and the unit of measurement for heating consumption at the Wünsche Fashion site in Albstadt-Lautlingen.

Energy Consumption Wünsche Group



Green Power

As a retail company with 32 locations worldwide, we are aware that electricity consumption in our offices also has an impact on the environment. In 2022, we purchased 361,900 kWh of pure green electricity. This corresponds to 23% of the Wünsche Group's global electricity consumption. This only takes the deliberately purchased pure green electricity into account and not the shares in the respective country mix. The share of green electricity is therefore unfortunately lower than in the previous year (share in 2021: 34%). The decline can be explained by the switch to conventional electricity at the two MÜLLER-LICHT locations in Lilienthal, which consume around 200,000 kWh of electricity purchase from the grid per year, but cover the majority of their electricity requirements with their own photovoltaic system.

Two locations switched to purely green electricity in 2022: the Globaltronics' site in Seefeld and our headquarters in Hamburg in December 2022.

As it is currently not possible to purchase green electricity on the market in all countries, we have initially limited our green electricity target to the German market. We aim to have switched to a green electricity tariff at as many German locations as possible by the end of 2024. At the end of 2022, six of our 17 locations in Germany were using 100% green electricity. This corresponds to 34% of the one million kWh purchased.

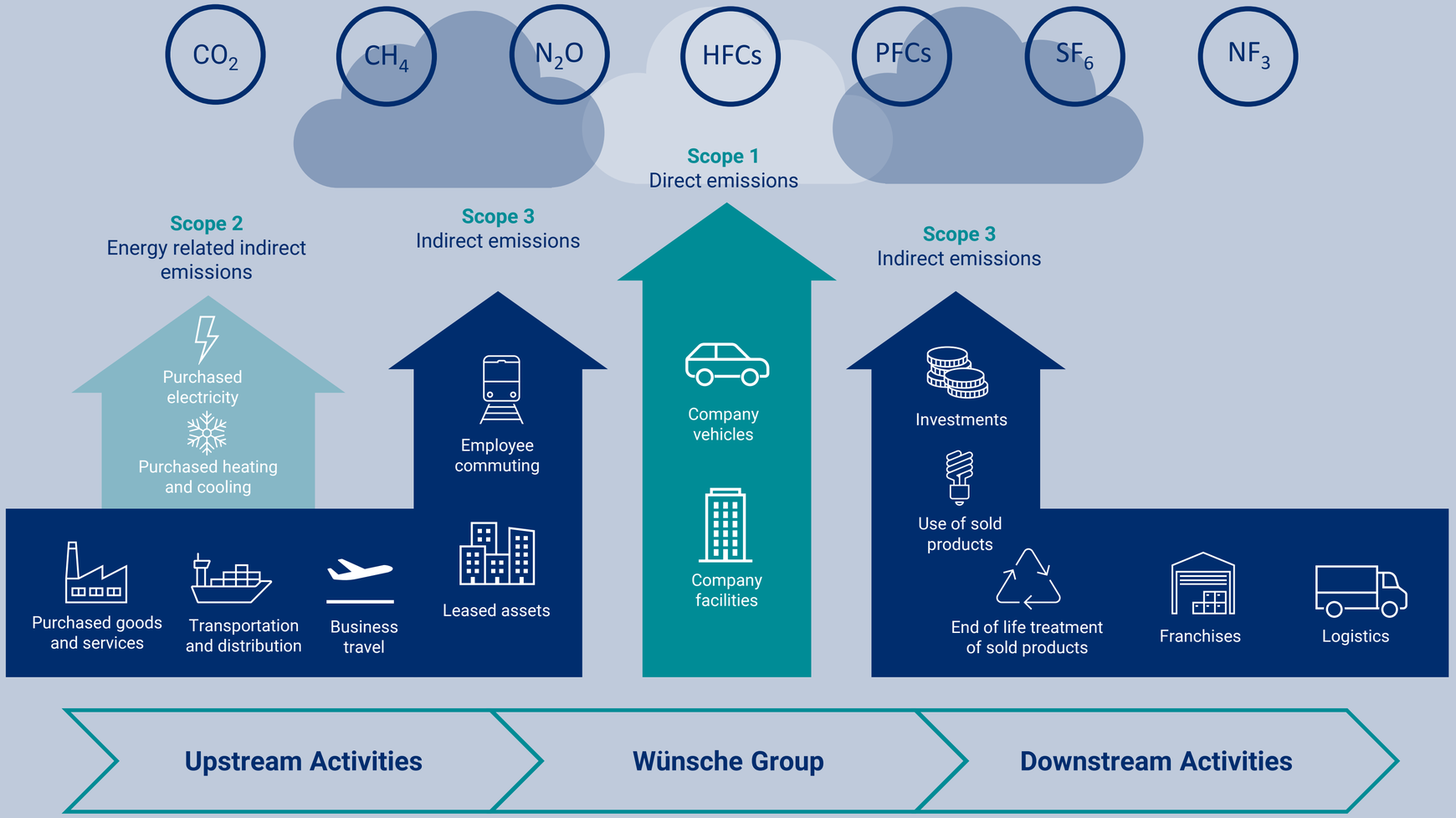
Our photovoltaic systems, which were installed at three of our locations in Germany, produced a total of 404,250 kWh of solar power in 2022. This is 5% more than in the previous year. The electricity generated is only included in the green electricity calculations if it is consumed by the company itself.

Greenhouse Gas Emissions 2022

Methodology

The greenhouse gas emissions of the Wünsche Group are calculated in accordance with the Greenhouse Gas (GHG) Protocol. The GHG Protocol divides emissions into three scopes, each of which is discussed individually below. To calculate emissions, consumption and activity data is collected in all three scopes, which is then converted into greenhouse gases using emission factors.

In addition to carbon dioxide (CO_2), greenhouse gases also include other gases such as methane (CH_4) and sulphur hexafluoride (SF_6), which contribute to the greenhouse effect to varying degrees. Emissions of greenhouse gases other than carbon dioxide (CO_2) are converted into CO_2 equivalents according to their global warming potential (CO_2 = 1) for better comparability. For reasons of better readability, the abbreviation tCO_2 is used in this report to denote the equivalent of tons of CO_2.



The Three Scopes Explained

Scope 1

This scope includes all direct greenhouse gas emissions that occur at company-owned sites or through company-owned vehicles.

For the Wünsche Group, these are the emissions generated at our sites through natural gas consumption via our heating systems and by the use of our company cars (owned and leased vehicles).

Note:
The emissions for the years 2019-2021 reported in this document differ from the emissions published in the 2020/2021 Environmental Report. For Scope 1 emissions, the type of heating and corresponding emission factor for the Dario site in Beverungen was corrected for the years 2019-2021. The same correction was made for 2021 at the Globaltronics site in Seefeld.

Scope 2

This scope includes all indirect emissions caused by the generation of purchased energy.

For the Wünsche Group, electricity consumption and the use of district heating are relevant in this category. With regard to emissions from electricity consumption, the GHG Protocol distinguishes between the ***market-based*** and the ***location-based approach***. The ***market-based approach*** uses specific emission factors for the electricity purchased by the company, while the ***location-based approach*** uses average emission factors for the respective country electricity mixes. The Scope 2 emissions in this report are calculated using the ***market-based approach***. This allows us to positively account for the green electricity we purchase with an emission factor of 0 gCO_2/kWh in Scope 2. With one exception, the electricity emission factors (Scope 2) were directly recorded at all of the Wünsche Group's German locations in 2022. These are based on the emission factors that were provided for each location in accordance with the mandatory electricity labeling of the energy supplier (pursuant to Section 42 EnWG). For the location where no specific emission factor was available, we used the residual mix emission factor. These deliberately exclude purchased electricity products and certificates from the country mix and calculate the emission factor based on the unclaimed and tracked energy.

Unfortunately, we do not have any specific emission factors for the international locations. As in the previous year, we have used the average emission factors for the country or region (location-based approach). The emission factors may vary from year to year and, where available, have been updated for the 2022 reporting year.

Scope 3

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

The GHG Protocol divides Scope 3 emissions into 15 categories. The Company Carbon Footprint for the years 2017 to 2019 included upstream logistics (category 3.4) and business flights (category 3.6).

In collaboration with an external consultancy, all 15 Scope 3 categories were examined and ranked based on their relevance for the Wünsche Group. This document contains information on the following Scope 3 categories: 3.1 Purchased goods and services, 3.4 Upstream transportation and distribution, 3.11 Use of products sold, and 3.12 End-of-Life Treatment of sold products. Scope 3 emissions were expanded in 2022 to include an additional area, Scope 3.5, Disposal and treatment of waste through operational processes. The emissions were calculated on the basis of the waste volumes reported by the sites for packaging, paper and mixed waste.

As no primary data was available for categories 3.1, 3.4, 3.11 and 3.12, these categories were extrapolated on the basis of purchasing contracts in collaboration with external consultants. In order to take emissions from air freight into account, goods transported by air were excluded from the extrapolation and calculated using the EcoTransIT World emissions calculator.

The calculated Scope 3 emissions from 2021 were corrected, as some Globaltronics products were inadvertently calculated twice.

Overview of GHG Emissions

In 2022, the Wünsche Group's activities caused a total of 1.7 million tons of CO_2. This means that total emissions fell by 22% compared to the previous year. This is largely due to the significant reduction in Scope 3 emissions. As this was largely achieved by improving the quality and allocation of the emission factors used, the Scope 3 emissions cannot be plausibly compared over the years. A recalculation of Scope 3 emissions for 2020 and 2021 was not carried out, as 2022 will be used as the base year in future.

As in previous years, 99.9% of Scope 3 emissions are generated by our traded products in the upstream and downstream supply chain. Our greatest impact therefore remains in our supply chains and we face the major challenge of finding measurable reduction measures for this area. At the same time, our responsibility for Scope 1 and Scope 2 emissions remains, as these are the emissions that are directly influenced by us and for which we therefore bear direct responsibility.

The following sections look at the development of emissions per scope.

Total Emissions by Scope, in tCO_2:

	2020	2021	2022
Scope 1	778.4	832.8	771.0
Scope 2	504.5	539.5	532.0
Scope 3	1,957,025.5	2,198,234.9	1,709,440.0
Total Emissions	1,958,308.4	2,199,607.3	1,710,742.9

Scope 1

Company Cars

Natural Gas Heating

Scope 2

Electricity Consumption

District Heating

Scope 3

Production, Use and Disposal of Products

Disposal and Treatment of Operational Waste

Logistics

Air Travel

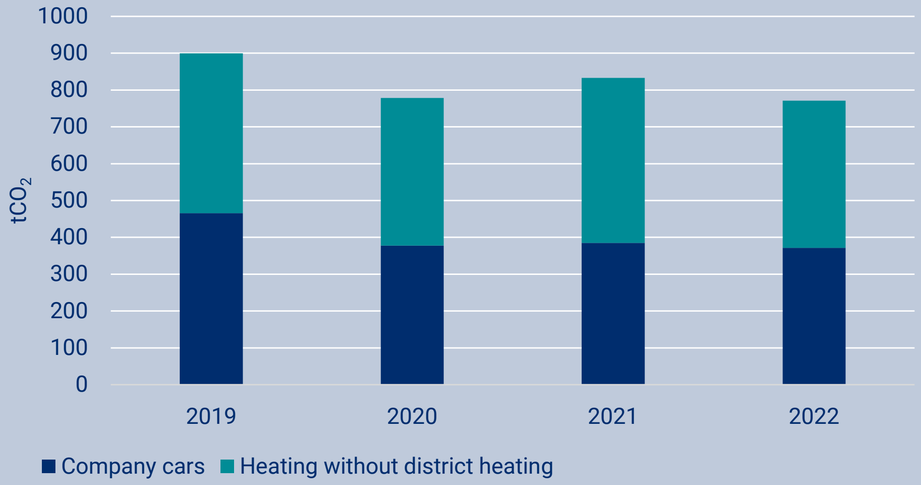
Scope 1

The Wünsche Group's Scope 1 emissions amounted to 771 tCO_2 in 2022 and are made up of emissions from company vehicles and emissions from natural gas heating systems. They fell by 7.4% compared to the previous year.

Emissions from natural gas heating systems amounted to 399.6 tCO_2 in 2022 and are therefore 10.8% lower than in the previous year and thus, are back to level similar to 2020, although the Bochum site with a relevant heating consumption was added as a new site in 2022. Due to the tense situation on the energy market in 2022, heating consumption at the locations with high consumption was critically scrutinized and, in some cases, significantly reduced by 16% to 21%. At the headquarters in Hamburg, the room temperature was capped and tips were given on how to save energy. Other possible reasons for the fluctuations in emissions between the past years could include temperature differences and the effects of the Coronavirus Pandemic.

Emissions from company vehicles fell by 3.5%, from 384.9 to 371.4 tCO_2, in Scope 1 between 2021 and 2022. This is due to the increasing number of electric and hybrid vehicles.

Scope 1 Emissions Wünsche Group



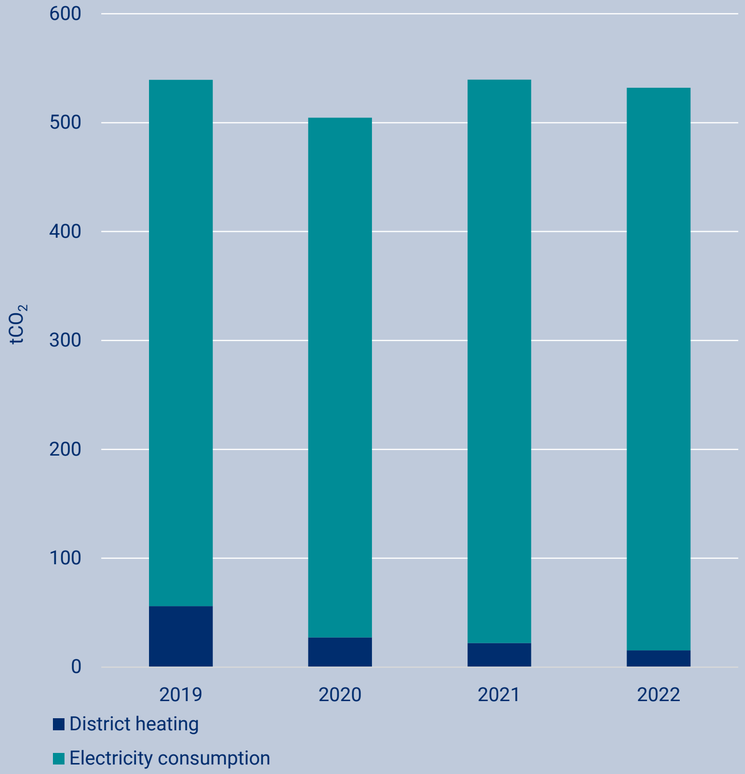
Scope 2

The total emissions in Scope 2 amount to 532 tCO_2. These are made up of emissions from purchased district heating and purchased electricity at the office locations.

Emissions from district heating account for the significantly smaller share of Scope 2 and amounted to 15.3 tCO_2 in 2022. They have fallen by a further 30% compared to 2021. The low proportion of emissions from district heating can be explained, among other things, by the fact that the Wünsche Group only purchased district heating at two German locations in 2022 and the district heating purchased in Hamburg has a relatively low emission factor.

The emissions caused by the Wünsche Group's electricity procurement amounted to 516.6 tCO_2 in 2022 and remained almost constant compared to the previous year. If the emissions from electricity procurement are compared to the number of employees (FTE), a reduction in emissions of 9% can also be observed here.

Scope 2 Emissions Wünsche Group

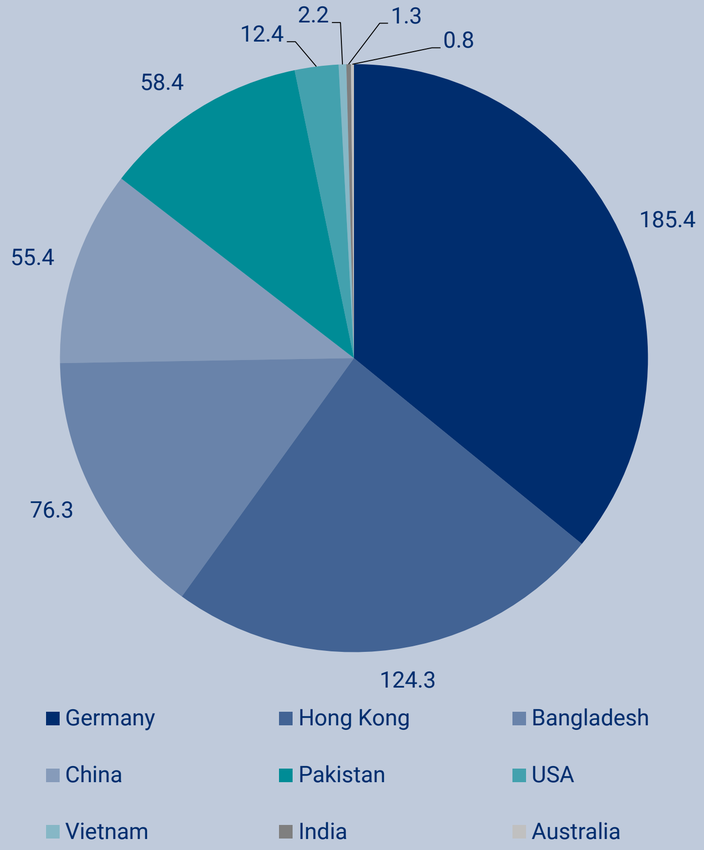


Scope 2

A good two thirds of the Wünsche Group's global electricity consumption in 2022 were consumed in Germany. However, the distribution of emissions from electricity consumption across countries shows that only a good third of emissions are generated in Germany. This clearly shows the role of the emission factor, which indicates how much CO_2 emissions are generated per kWh and therefore how climate-friendly or climate-damaging the electricity purchased is. The electricity mix in Germany, for example, is more climate-friendly than the electricity mix in China, Vietnam, or Australia. In addition, as already described on page 7, six of our German locations already use a green electricity tariff and therefore no longer contribute any Scope 2 emissions to the greenhouse gas balance. The headquarters site in Hamburg, which is responsible for the majority of emissions in Germany, also switched to a green electricity tariff in December 2022. This positive development is therefore only included in this report for December and will only be properly reflected in the environmental data for 2023.

In Germany, where most of our employees and offices are located, the largest share of emissions from electricity purchases is generated. Next comes our office in Hong Kong with a share of 24.1%, Bangladesh with 14.8%, our offices in Pakistan with 11.3% and our Chinese offices with a share of 10.7%.

CO_2-Emissions from Purchased Electricity in 2022, country-specific in tCO_2

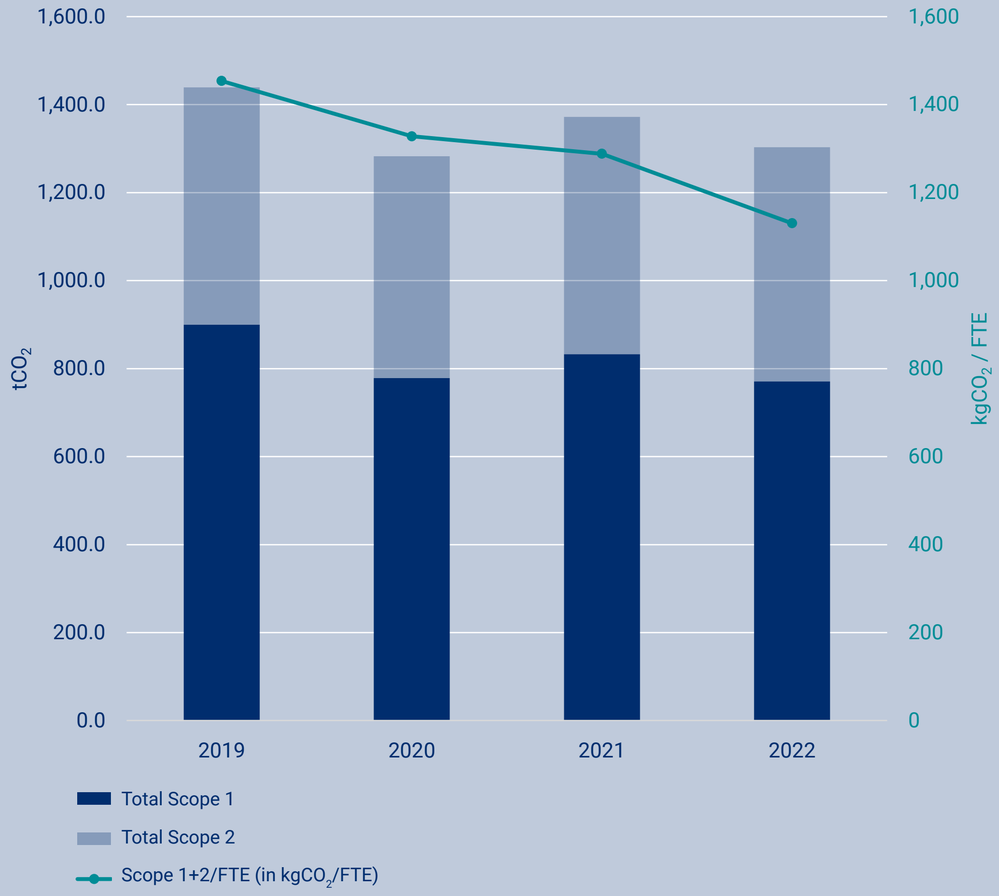


Climate Target for Scope 1 + 2

The Wünsche Group caused a total of 1,302.9 tCO_2 in 2022 of Scope 1 and Scope 2 emissions and was therefore able to reduce emissions by 5.1% compared to the previous year. If we look at the development compared to 2019 and thus at our climate target, we can see a reduction of 9.5%. This means that we are almost halfway to our target of reducing Scope 1 and Scope 2 emissions by 20% by 2025 compared to 2019.

Due to the 16.5% increase in employees in the same period, the reduction in Scope 1 and 2 emissions is even more significant when put in relation to the number of employees in FTEs. It fell by 22.2% from 1.45 tCO_2 in 2019 to 1.13 tCO_2 in 2022.

Scope 1 und 2 Emissions Wünsche Group



Scope 3

The Wünsche Group's Scope 3 emissions amounted to 1.7 million tCO_2 in 2022 and fell by 22.2% compared to 2021. As described in the methodology for Scope 3 on page 10, the system for assigning emission factors and calculating Scope 3 emissions has been optimized, which limits comparability with previous years.

Scope 3 emissions account for 99.9% of the Wünsche Group's total emissions. Within Scope 3, the largest shares are clearly accounted for by emissions from purchased goods and services (50% in 2022) and the use of products sold (44.7% in 2022). For the Wünsche Group, emissions from purchased goods and services include all emissions generated during the manufacture of the products we trade. This includes emissions from the extraction of raw materials through to further processing and production. Only the electronic devices sold by us were taken into account for the use of sold products. The light bulbs and household appliances we sell are particularly significant here.

In addition, the recycling of products at the end of their life cycle is also part of Scope 3, although this only accounts for a small proportion of 0.05%. All three categories described above are directly related to the products traded and were extrapolated on the basis of the purchase contracts, as described in the methodology section. The changes between 2020 and 2022 can therefore be explained primarily by the changes and shifts in the traded products, in addition to the change in methodology described above. The more products traded, the higher the emissions.

As the data was extrapolated on the basis of average emission factors from databases, the emission intensity and the weight of the traded products play a central role. The specific production conditions for our products were not taken into account here, meaning that individual measures and initiatives in our supply chains are not currently reflected in the extrapolated emissions data.

Scope 3 Emissions in the Supply Chain of Wünsche Group

Scope 3 - Upstream Value Chain, in tCO_2	2020	2021	2022
Scope 3.1, Purchased Goods and Services	978,447	944,948	854,482
Scope 3.4, Product Transportation and Distribution	95,570	66,911	87,084
Scope 3.5, Disposal and Treatment of Waste through Operational Processes	-	-	290.4
Scope 3.6, Business Travel	226	124	661
Scope 3.11, Use of Sold Products	880,384	1,185,125	764,567
Scope 3.12, End-of-life Treatment of Sold Products	2,399	1,127	2,356

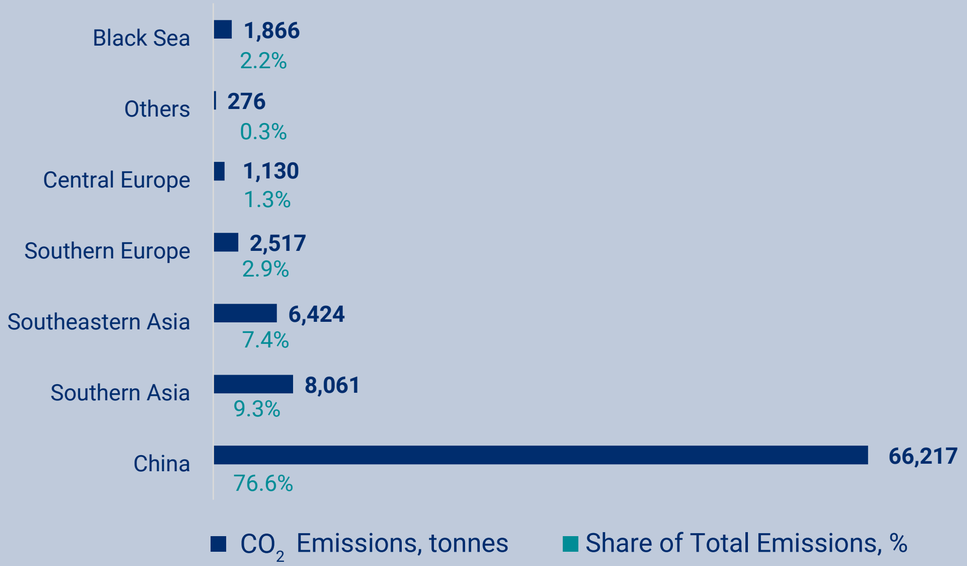
Scope 3

The transportation of products caused 87,042 tCO_2 in 2022, which corresponds to a good 5% of Scope 3. The goods we trade are mainly transported by container ship from Asia to Central Europe. The majority of emissions are caused by the transportation of goods from China (77%), followed by goods from South Asia (9%) and Southeast Asia (7%).

As in the previous year, the proportion of emissions caused by air transportation was very low in 2022 (0.7% share of total transport-related emissions), as products were only flown when there was great urgency.

In 2019, emissions from air transport were a good seven times higher than in 2022. However, this significant reduction may still be influenced by the Coronavirus Pandemic and can only be conclusively assessed on the basis of developments in subsequent years.

Total Emissions from Freight Transport by Transport Cluster Departure, tCO_2



Scope 3 Emissions from Air Travel

When it comes to reducing CO_2 emissions, no other mode of transport is as much in the spotlight as air travel. Understandably so, as no other means of transportation emits more emissions in comparison.

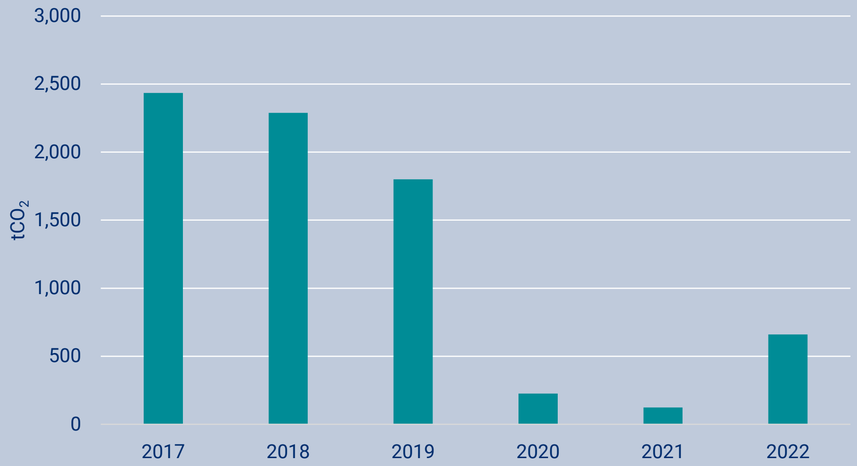
The CO_2 emissions caused by air travel by employees of the entire Wünsche Group amounted to 660.7 tCO_2 in the 2022 financial year. Compared to the previous years 2020 and 2021, in which almost no flights were made due to travel restrictions during the Coronavirus Pandemic, it can be seen that emissions from air travel are rising again, but are still far from returning to pre-coronavirus levels in 2022.

Due to the travel restrictions during the corona-virus pandemic, we as the Wünsche Group had to think in new ways. In the course of this, alter-natives were found to remain in close contact with suppliers and customers.

We gained valuable experience in holding digital meetings and at the same time realized how much personal contact and a personal presence on-site was missing in some places.

We therefore expect emissions from air travel to increase again in the coming years, but probably not climb back to pre-Corona levels. The pandemic has taught us about the possibilities of digital meetings and we can use this experience to help us decide whether travel is necessary and sensible. In this way, one or two trips will certainly be replaced by a digital exchange and thus make a valuable contribution to reducing CO_2 emissions.

Emissions from Air Travel Wünsche Group



The CO_2 emissions generated by air travel are directly dependent on fuel consumption. This depends on many factors in addition to the distance flown, such as aircraft type, passenger and cargo load, flight altitude, and speed. Assumptions are made for these and other parameters for the calculations, so that emissions can be calculated based on departure and destination airports, stopovers if applicable, and booking class. The booking class plays a major role here. For example, a round-trip flight from Hamburg via Dubai to Hong Kong in economy class causes approximately 3.5 t of CO_2. In Business Class, almost twice as many emissions are caused (approx. 6.7 t CO_2). If you put this in relation to the average amount of CO2 emitted by a person in Germany, 11.2 t CO_2 per year, it quickly becomes clear how large a single flight can contribute to a personal CO_2 footprint.

For long distances, however, it is hardly possible to replace the airplane with other means of transport. For short distances, however, there are more climate-friendly alternatives, such as travelling by train. If you travel from Hamburg to Düsseldorf by train instead of by plane, you can almost completely save the 253 kg of CO_2 that would have been produced by air travel. When choosing a means of transport, the required travel time usually plays a central role. However, it is also important to what extent the travel time can be used effectively for work. This is more likely to be possible on a train than on a plane, which is divided into many very small-time segments with the journey to the airport, check-in, etc. The environmental impact is increasingly considered when choosing a mode of transport and the clear trend is that awareness is increasing and will have a greater influence on decision-making in the future.

Further Environmental Indicators 2022

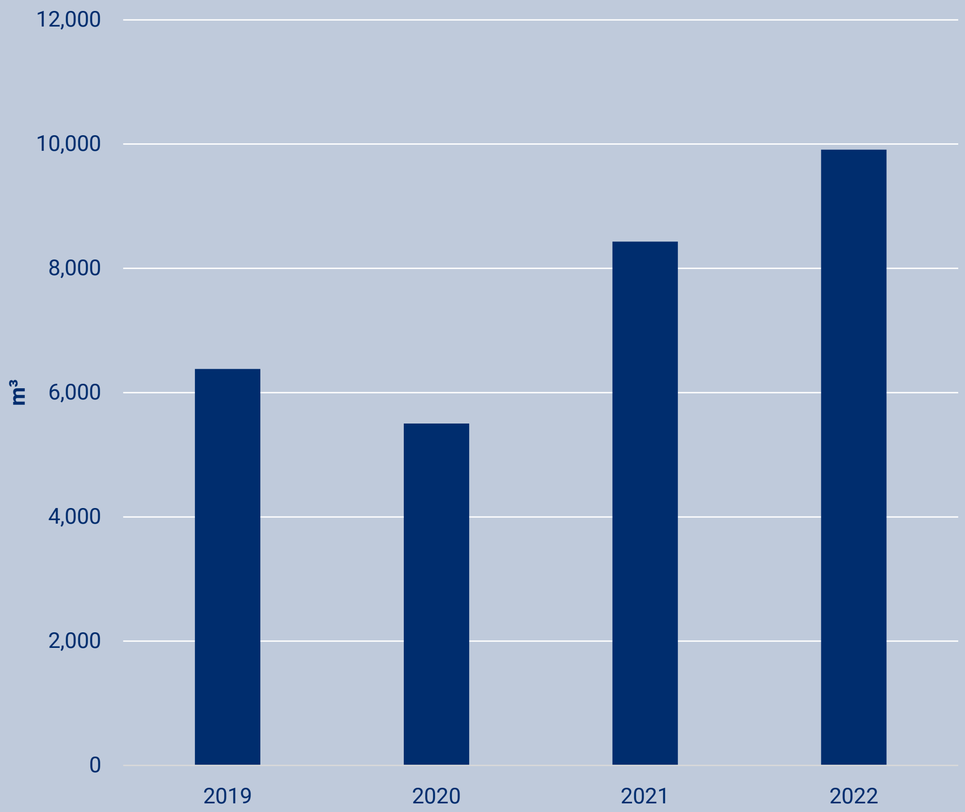
Water

Water consumption at our office and warehouse locations is recorded as part of the annual environmental data survey. In 2022, it amounted to 9,911 m³ and had increased by 17.5% compared to the previous year. This increase is partly due to the new location in Bochum and significantly higher water consumption at our locations in Albstadt-Lautlingen and EuroCentra Pakistan.

The previous year's figures listed in this report differ from the data published in the Environmental Report 2020/2021, as data for the Max Power site in Frankfurt for 2020 and 2021 and for the Wünsche India site in Pune for 2021 have been corrected. The corrected consumption amounted to 5,504 m³ in 2020 and 8,431 m³ in 2021.

The water consumption of our office locations and some warehouse locations is certainly not the biggest impact we have on water as an international trading company. The main water consumption is from the products we trade and caused during production. However, we do not yet have any (extrapolated) data in this area.

Total Water Consumption Wünsche Group



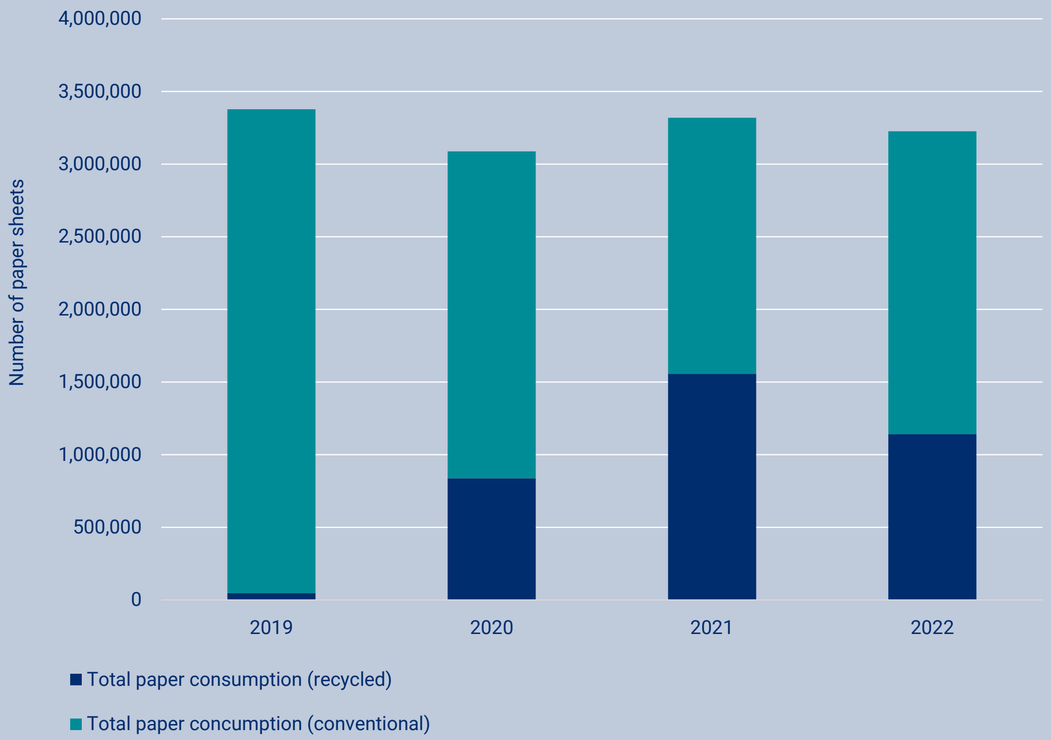
Office Paper

The Wünsche Group's paper consumption remains at a consistently high level of around 3.2 million sheets worldwide. It fell by 2.5% compared to 2021 and by 4.2% compared to 2019. Total paper consumption in 2021 was corrected to 3.4 million sheets.

The target of reducing paper consumption by 30% by the end of 2022 compared to 2019 was therefore unfortunately not achieved. If the reduction is set in relation to the number of employees (FTE), the percentage reduction is more significant. The average paper consumption per employee (FTE) fell from 3,413 sheets in 2019 to 2,809 sheets in 2022, which corresponds to a reduction of 17.7%.

The use of recycled paper was 35.6% worldwide in 2022. As a result, our goal of switching to certified, preferably recycled paper across the Group by the end of 2022 was also not achieved.

Office Paper Consumption Wünsche Group

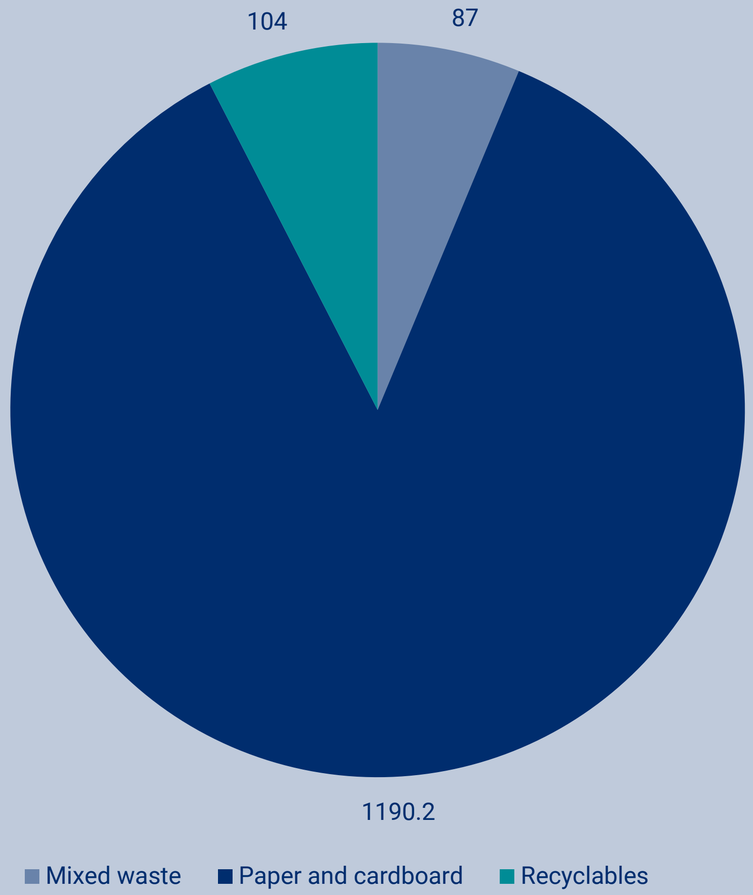


Waste

An additional category was added to the environmental data in 2022: waste generated in operations. The amount of waste was recorded at all Wünsche Group office locations. At locations where no primary data was available or where it could not be clearly assigned to the Wünsche Group in the case of several tenants, it was extrapolated as best as possible.

In 2022, a total of 1,385.2 tons of waste was generated at all Wünsche Group locations worldwide. The waste is made up of 86% paper and cardboard, 8% recyclable materials (i.e. plastic and metal), and 6% mixed waste. This corresponded to a total emission of 290.4 tCO_2. Of this, approximately 250 tCO_2 came from recyclable materials, around 40 tCO_2 from paper and cardboard and 2 tCO_2 from mixed waste. When calculating the emissions generated, it was assumed that all waste is thermally recycled. Due to the fact that recyclable materials cause significantly more emissions during thermal recycling than paper and cardboard, the distribution of emissions between the different types of waste shifts so that recyclable materials clearly account for the largest share of emissions from the Wünsche Group's waste disposal.

Waste volumes of the Wünsche Group office locations in tons



Ideas and Feedback

We appreciate all new suggestions and ideas for improving the environmental performance 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 questions on this topic:

How to reach us:

EnvironmentalProtection@wuensche-sc.de

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

Abbreviations

CH_4	Methane
CO_2	Carbon Dioxide
CR	Corporate Responsibility
EF	Emission Factor
EnWG	Energy Industry Act (Energiewirtschaftsgesetz)
FKW	Fluorocarbons
FTE	Full Time Equivalent
GHG	Greenhouse Gas
N_2O	Nitrous Oxide
NF_3	Nitrogen Trifluoride
PFC	Per- und Polyfluorinated Chemicals
SF_6	Sulphur Hexafluoride
tCO_2	metric tonnes CO_2
WSC	Wünsche Services

Imprint

Corporate Responsibilty

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

Authors:
Franziska Pfeiffer
Fenna Mondry
Alina Khan

Concept, Graphics and Design:
Alina Khan

Status June 2024.

WÜNSCHE
GROUP