CEMAsys

KOMPLETT® GROUP

Climate Accounting Report 2023

Report developed for Komplett Group

Project description

This carbon accounting report provides a summary of Komplett's greenhouse gas (GHG) emissions. Tracking our emissions is a vital part of our climate change strategy, helping to understand our impacts and identify areas for reducing GHG emissions. It also allows us to compare our performance and monitor progress over time. This report includes emissions from Komplett Group including the organisational units Komplett Services, Komplett Distribusjon (Itegra), NetOnNet, Ironstone and Webhallen.

The input data is based on consumption data from internal and external sources, which are converted into tonnes of CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Note: Komplett Services and Komplett Distribusjon (Itegra) report emissions on the same unit, thus not separated. Hereby, “Komplett” refers to Komplett Services, Komplett Distribusjon (Itegra), whereas “Komplett Group” refers to all the companies within the group, i.e. Komplett Services, Komplett Distribusjon (Itegra), NetOnNet, Webhallen and Ironstone.

2024-02-13

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Introduction

Komplett Group has started the work of calculating their greenhouse gas emissions, including emissions in the value chain. This is the second year Komplett Group reports their emissions on a group level and the first year of reporting on emissions from the unit Ironstone. In addition to the inclusion of Ironstone, this year's data is also more covering, although not complete in Scope 3. The data points that have been added as new for this year are specified under each category. Thus, a lot of the changes in emissions can be directly related to these changes, and more covering data.

The absolute emissions have increased by 1369.6 tCO2e from 5074 to 6443 tCO2e (location-based reporting), which is an increase of 27% compared to the emissions calculated in 2022. Upstream transportation and distribution stand for the largest share of the emissions; 55% in the carbon accounting for 2023. This is the same share as it was in 2022. The second largest category is Purchased goods and services which stand for 24% of the total emissions. It should be noted that the Scope 3 emissions are not complete or fully mapped and that the distribution of emissions per category is likely to change as more emission sources are included in the carbon accounting. Komplett Group will continue to work on expanding Scope 3 to include more emission sources as well as on improving the data quality. This is fundamental to tracking the emission pathway and increasing the comparability of emissions over time in order to be able to set fruitful mitigation targets.

The process of data collection of consumption data has been conducted by responsible persons at the different units within Komplett Group. The reported data has then been processed by CEMAsys consultants and calculated into tCO2e using CEMAsys system service for carbon accounting.

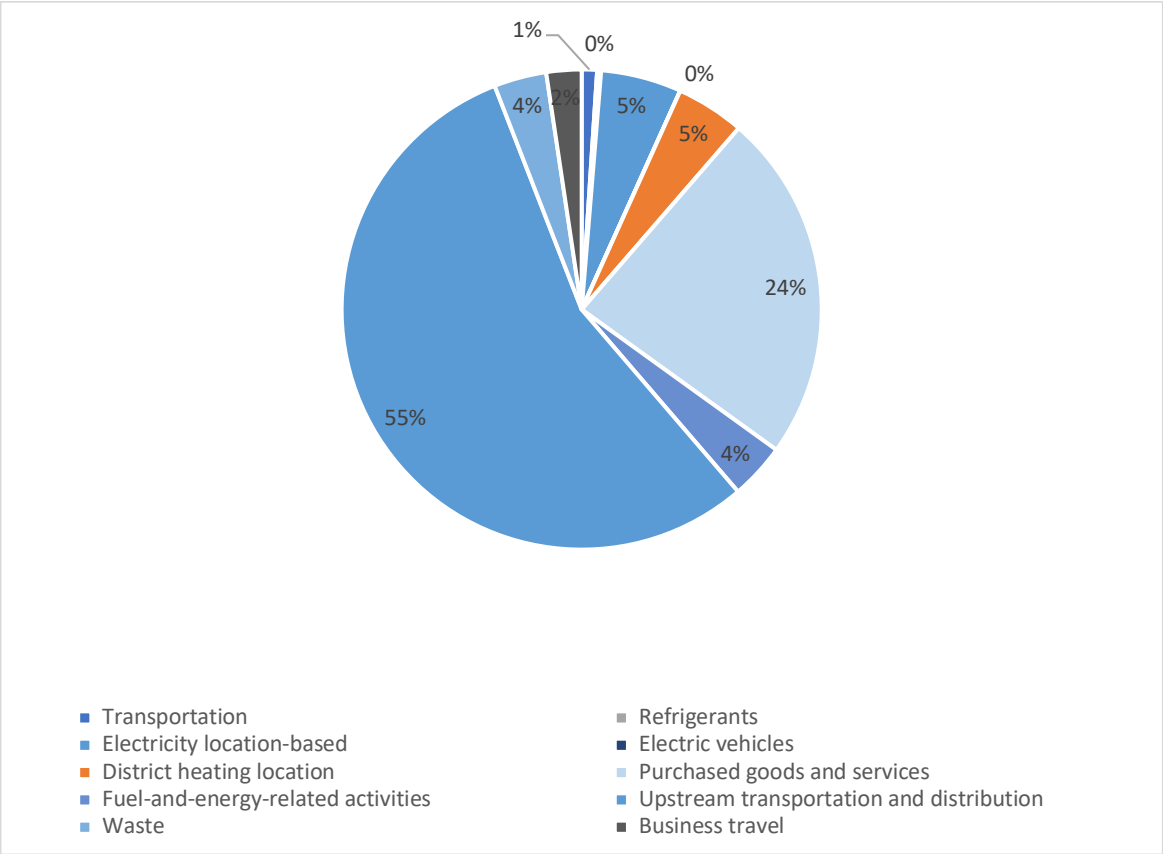


Figure 1: Total GHG emissions per category for 2023 (location-based)

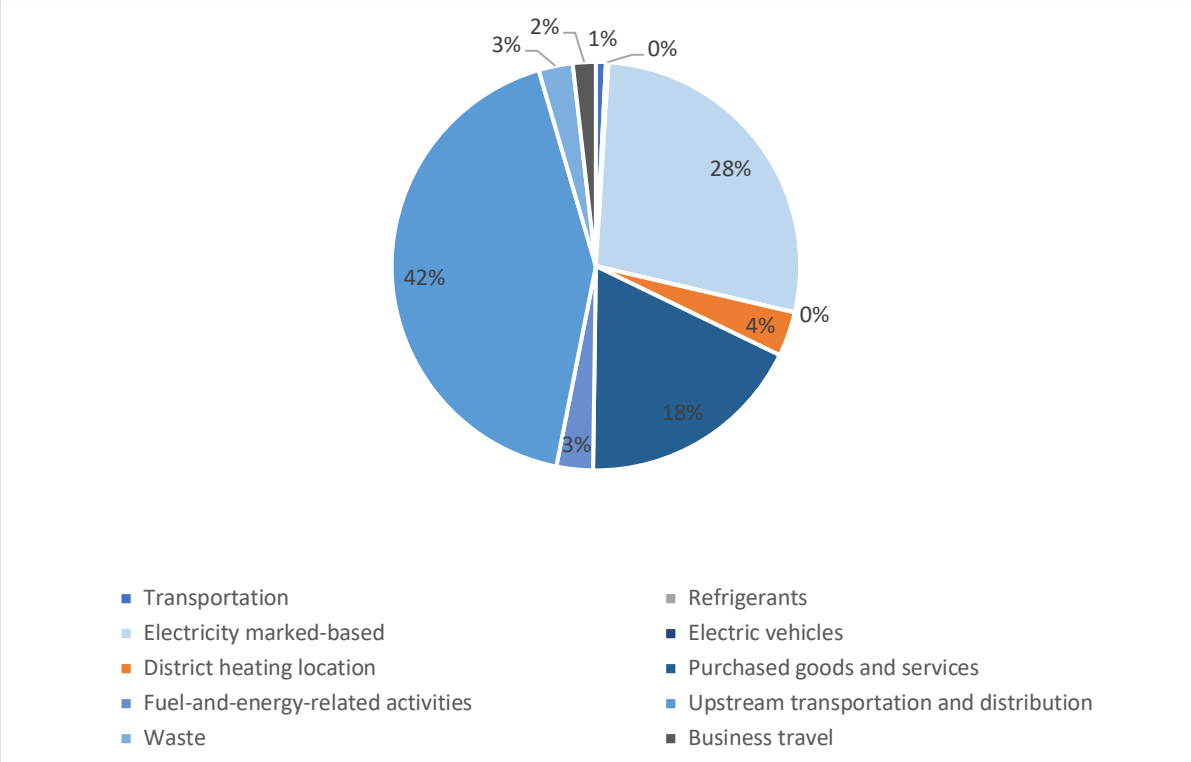
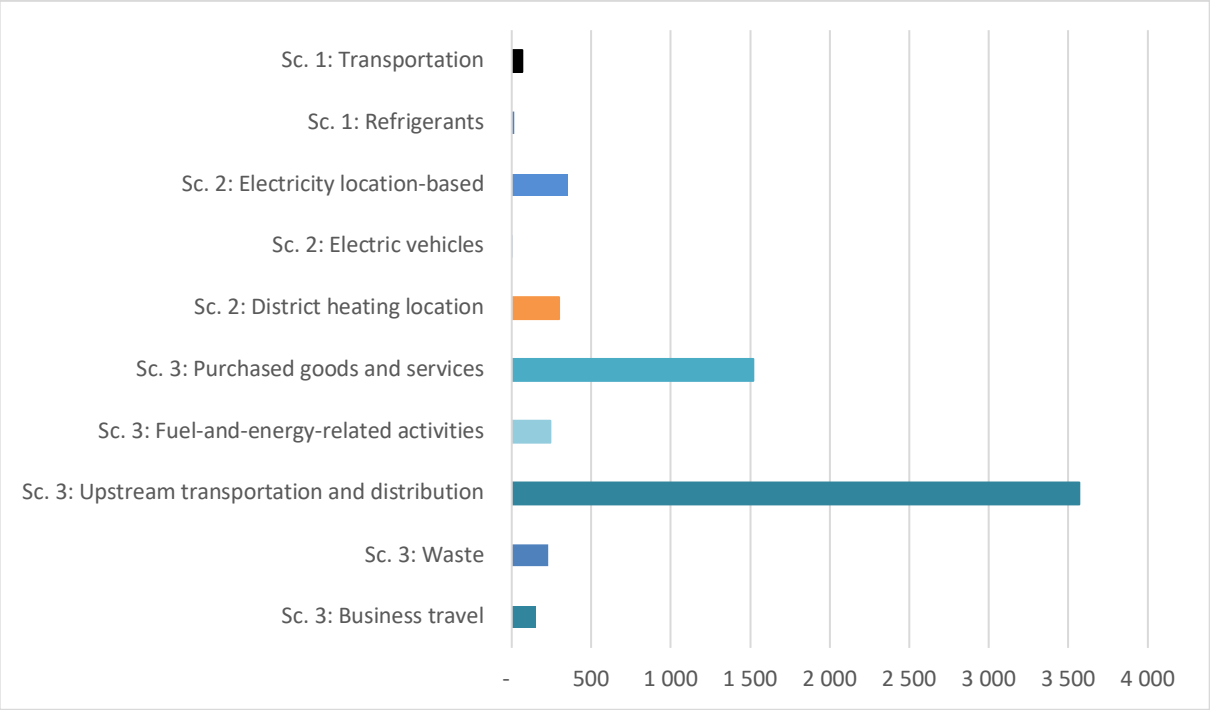
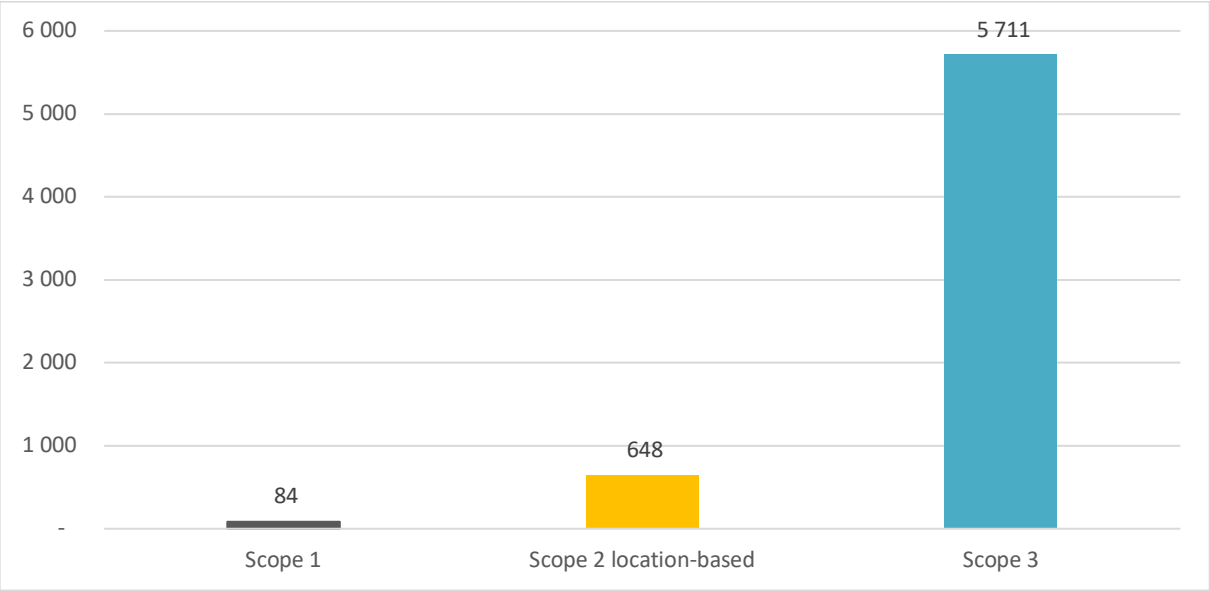


Figure 2: Total GHG emissions per category for 2023 (market-based)



Graph 1: Total GHG emissions (tCO2e) per category for 2023 (location-based reporting)



Graph 2: Total GHG emissions (tCO2e) per scope for 2023 (location-based reporting)

Results

Komplett Group´s GHG emissions accounting 2023

Similar to previous year, Scope 3 continues to represent the largest share of emissions within Komplett Group. As noted earlier, more emission sources have been included in this year's reporting, which can explain the increase of emissions compared to 2022. The key additions to this year´s carbon accounting include:

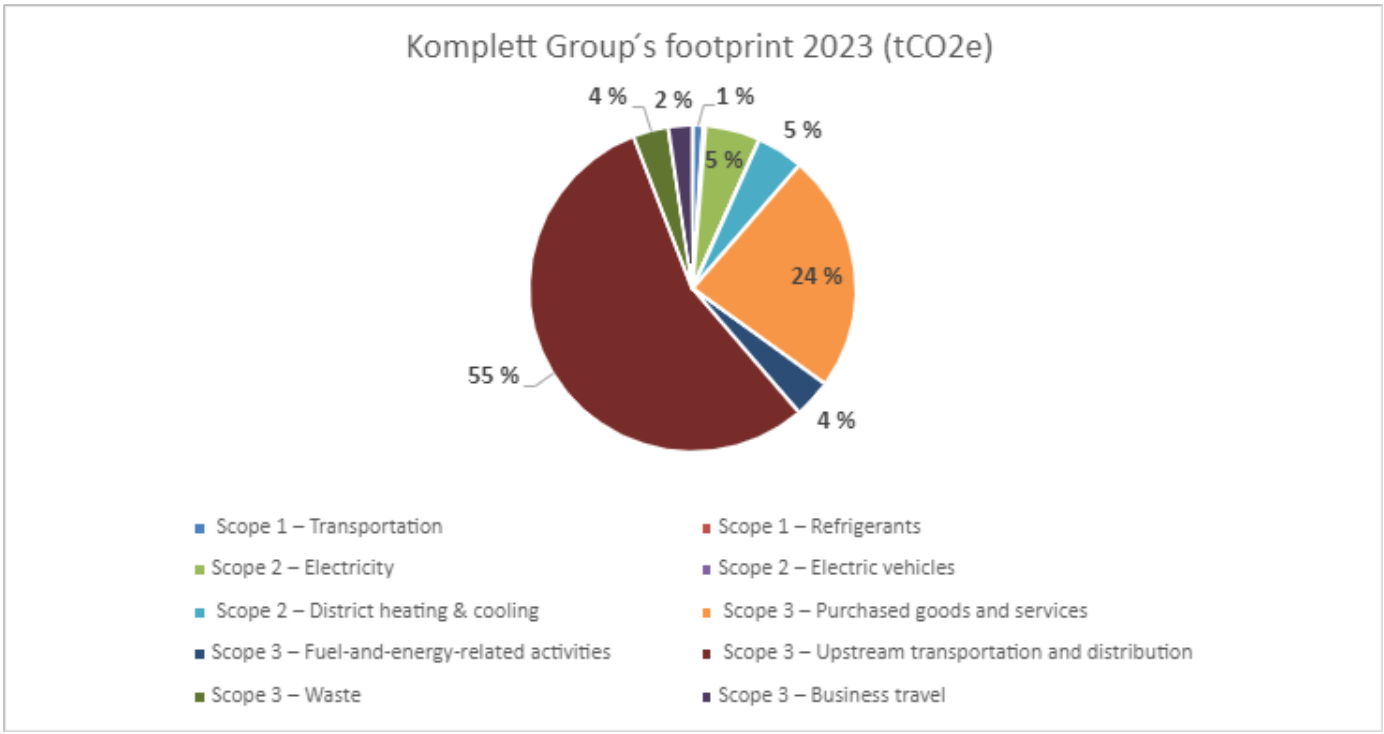
- The inclusion of Ironstone (scope 1, 2, Purchased goods & services and Waste).
- Expanding the coverage of transport suppliers for both Webhallen and Komplett compared to 2022. The figures for Komplett also include outbound transportation for Ironstone.
- Adding purchased materials for packaging in Purchased Goods and services for NetOnNet.
- Incorporating Business travel emissions from Webhallen.

Upstream transportation and distribution stand for the largest share of the emissions, 55%, in the carbon accounting for 2023, similarly to 2022. The second largest category is Purchased goods and services which stands for 24% of the total emissions. It should be noted that the Scope 3 emissions are not complete or fully mapped and that the distribution of emissions per category is likely to change as more emission sources are included in the carbon accounting. Komplett Group will continue to work on expanding Scope 3 to include more emission sources as well as on improving the data quality. This is fundamental to tracking the emission pathway and increasing the comparability of emissions over time in order to be able to set fruitful mitigation targets.

The greenhouse gas emissions are distributed to the different scopes accordingly:

Carbon emissions Komplett Group	2023 (tCO2e)	2022 (tCO2e)
Total Scope 1	83.7	102.3
Total Scope 2 (location-based)	648.3	623.4*[1]
Total Scope 3	5711	4347.8
Total emissions	6443	5074
Total percentage change	27%	

[1] *Note: The electricity from solar panels for Komplett was incorrectly reported in 2022, resulting in lower emissions in 2022 figures than previously reported. The total scope 2 figure for Komplett Group have therefore been adjusted from 632.5 tCO2e to 623.4 tCO2e (location-based calculations).



Scope 1

The emissions in Scope 1 stem from the fuel combustion from leased vehicles as well as refrigerants. The total consumption of fuel for mobile combustion from transportation in 2023 was 32 093 liters and 9 kgs of refrigerants, resulting in emissions of 83.7 tCO2e from fuel combustion and refill of refrigerants. The fuels used by Komplett Group are petrol and diesel. The consumption of fuels is from NetOnNet and Komplett, as Webhallen and Ironstone do not have emissions in scope 1. The emissions in scope 1 have decreased since previous year, due to a decrease in fuel consumption. In 2023, the total scope 1 emissions amounted to 83.7 tCO2e, constituting 1% of the overall emissions of Komplett Group.

Komplett Group has no stationary combustion.

Scope 2

Scope 2 includes emissions from acquired electricity, heat, and cooling for NetOnNet, Webhallen, Ironstone and Komplett[2]. The emissions in Scope 2 stand for 10% of Komplett

[2] "Komplett" refers to Komplett Services, Komplett Distribusjon (Itegra).

Groups' total emissions with a total of 648.3 tCO2e with location-based calculations. The emissions with market-based reporting are 2626 tCO2e.

The data points included in Komplett Groups' Scope 2 calculations are electricity and district heating and cooling, including electricity from electric vehicles. The numbers include data from all units within Komplett Group. The emissions in Scope 2 have increased by 4% compared to 2022. This is primarily from an increase in value in the emission factor.

The total consumption of electricity under 2023 was 12 285 024 kWh, resulting in 350.3 tCO2e (location-based reporting, including electric vehicles).

The emissions from electricity with a market-based reporting in 2023 are 2329 tCO2e. Komplett Group purchases electricity from renewable energy for some of its premises. In the market-based reporting, the emissions covered by GoOs (Guarantees of Origin) are considered 0. The practice of presenting emissions from electricity consumption with two different emissions factors is explained further under Scope 2 in Methods and Sources. Currently, some of NetOnNets and Webhallens locations purchased GoOs. Komplett also has its own solar panels on one of its locations.[3]

Furthermore, the emissions from district heating and cooling stand for 4.6% of Komplett Groups total emissions, 297.5 tCO2e. The district heating and cooling have been estimated for some locations where it has not been possible to receive data from the landlord. This includes some of the locations for Webhallen, e.g. for some stores, and for their warehouse in Stockholm (Jupitervägen). The latter have been estimated based on last year's figures.

Scope 3

Scope 3 emission sources in 2023 are Purchased goods and services, Fuels and energy-related activities, Waste, Upstream transportation and distribution and Business travel.

Category 1 Purchased goods and services

Purchased goods and services stand for 24% of Komplett Group´s total emissions in 2023, which amounts to 1519tCO2e. These emissions include materials for packaging for Komplett, Webhallen and NetOnNet as well as Ironstone´s software services. The packaging materials only include packaging of products done at Webhallen, NetOnNet and Komplett Services for transportation purposes, and not all the packaging of Komplett Groups purchased products. Thus, the emissions include packaging that is packaged at Komplett Groups sites, to send out to customers. This includes emissions from plastic, cardboard and paper, steel and wood pallets. It can be noted that the emissions from packaging for Komplett Services and

[3] The electricity from solar panels was incorrectly reported in 2022, resulting in lower emissions in 2022 figures. In the previous report, the location-based figures for Komplett in scope 2 was 120 tCO2e. This has been corrected to 111 tCO2e.

Distribution has decreased since 2022. This is related to a new packing line, which reduces the need for packaging materials. In particular, the purchase of plastic has reduced due to this. Furthermore, this year is the first year that NetOnNet reports on purchased materials for packaging purposes.

The category also includes emissions related to Ironstones´ acquired and sold software services, through Microsoft Azure. This includes software services sold to customers. This is based on calculations made by the supplier Microsoft Azure into tCO2e, and includes energy consumption, fuel and refrigerants, upstream emissions from raw materials for the datacenters and servers, and end-of-life.

The inclusion of Ironstone, and packaging materials for NetOnNet leads to an increase of 21% in this category.

Category 3 Fuels and energy-related activities

Fuels- and energy-related activities stands for 4% of Komplett Group´s total emissions in 2023. The total amount of emissions resulted in 243 tCO2e. Included in this category are the upstream emissions from the fuel and energy-related activities in Scope 1 and 2. The numbers include data from all units within Komplett Group, i.e., NetOnNet, Webhallen, Ironstone, Komplett Services and Komplett Distribusjon (Itegra). The emissions include upstream emissions from electricity (including from electric vehicles), and district heating.

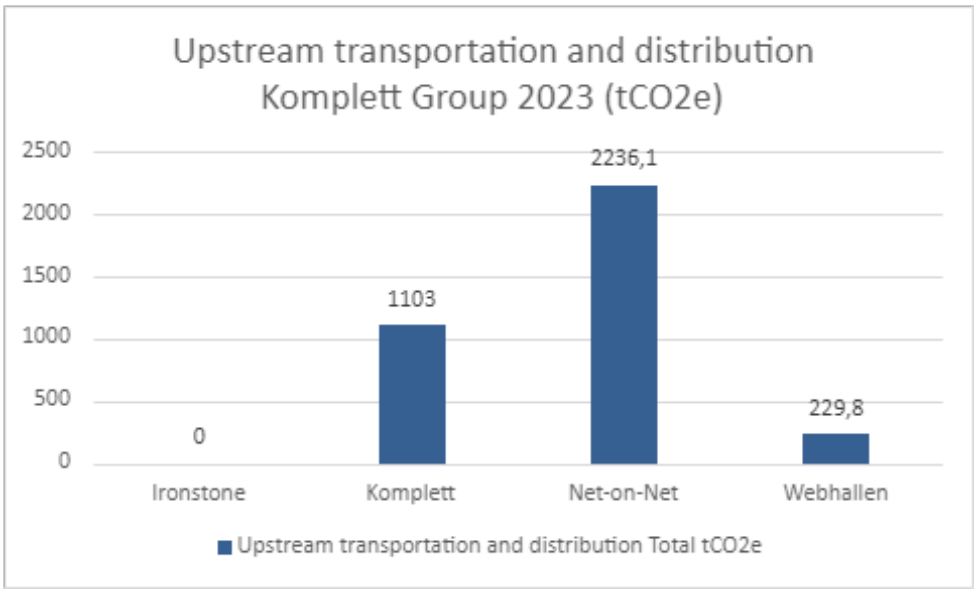
Category 4 Upstream transportation and distribution

The category Upstream transportation and distribution stands for the largest share of Komplett Group's total emissions in the accounting year 2023, namely of 55 %. The total emissions from upstream transportation and distribution in 2023 is 3568.8 tCO2e. Emissions data were received directly from suppliers and include:

- Outbound transportation of Webhallen, NetOnNet and Komplett. The outbound transportation of Ironstone to customers have been included in the emissions for Komplett, as these transports were not possible to separate between the entities.
- Inbound transportation of NetOnNet for Private labels.

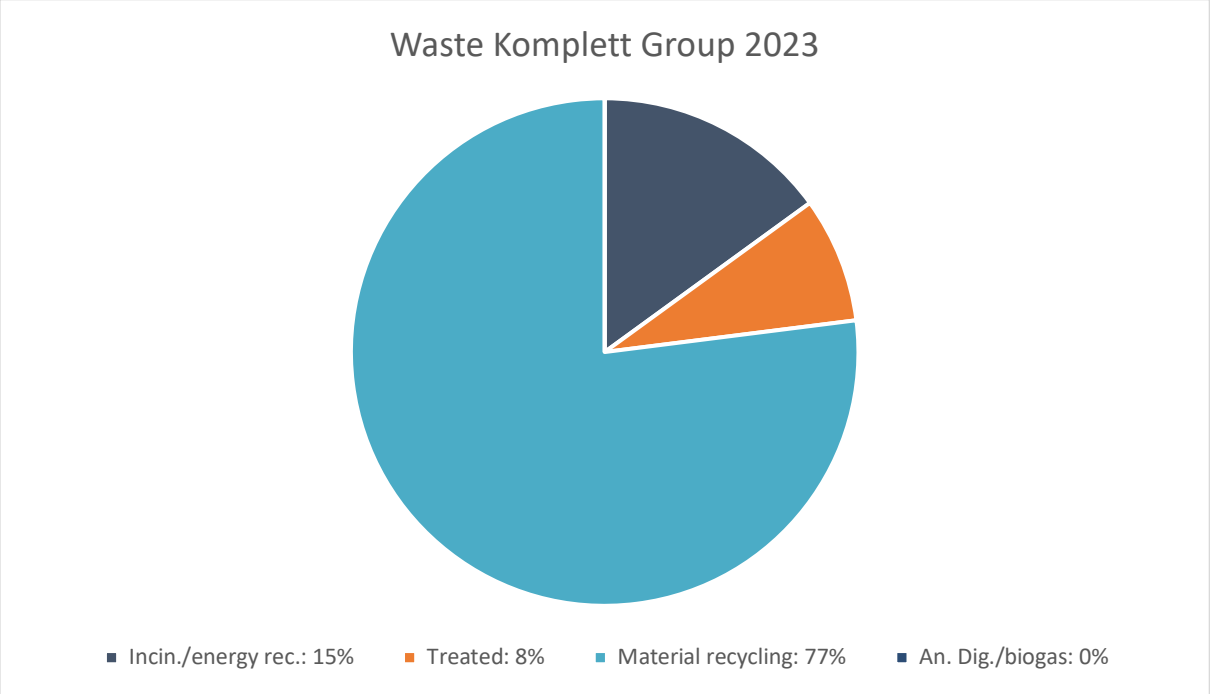
Thus, it is important to mention that not all the transportation acquired by Komplett Group have been included in the emission accounting of 2023. The only inbound transportation included is that of Private label for NetOnNet. Komplett Group will work towards a more covering data, and to also include the inbound transportation. Furthermore, it can be noted that the emissions from Webhallen and Komplett have increased considerably compared to previous year. This can be related to more covering data, as more suppliers have been included in this year's reporting. Previous year Webhallen did not include Postnord and Nidde. Postnord is Webhallens largest supplier, therefore the emissions have increased a lot.

For Komplett the emissions have increased due to the inclusion of more suppliers, and more covering data from Postnord. The emissions in this category have therefore increased by 28% compared to last year.



Category 5 Waste

Waste stands for 4% of Komplett Group´s total emissions in 2023. The total amount of 2258[4] ton waste resulted in 227.7 tCO2e. The numbers include data from all units within Komplett Group, i.e. NetOnNet, Webhallen, Komplett and Ironstone. Data is received from waste suppliers and landlords. The recycling rate at group-level is 77%, whereas 15% of the waste goes to energy recovery.



Category 5 Business travel

Business travel stands for 2% of Komplett Group´s total emissions in 2023. The total emissions from business travel in 2023 were 158 tCO2e, whereof 124 tCO2e from air travel, 33 tCO2e from millage allowance and close to 0 tCO2e from train. Furthermore, 0.2 tCO2e have been reported for taxi, and 0.1 tCO2e for hotel nights. The numbers include data from NetOnNet, Komplett and Webhallen. Data have not been retrieved from Ironstone, however, note that this only relates to a small amount (2-3 trips during 2023).

[4] Note that the number varies with 2 tonnes compared to the waste report, due to rounding of figures.

Methodology

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to *A Corporate Accounting and Reporting Standard Revised edition*, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO_2-equivalents: CO_2, CH_4 (methane), N_2O (laughing gas), SF_6, HFCs, PFCs and NF3.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc., as well as leakage of refrigerants.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling in assets owned/controlled by the organisation.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions generated by electricity production to the end consumers on a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organisations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the marked-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas)

result in direct GHG-emissions. These emissions are reflected in the location-based emission factor. Most location-based electricity emission factors used in CEMAsys are based on national gross electricity production mixes and are published by the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are in these calculations based on assumptions in the IEA methodological framework. Emission factors for district heating/cooling are either based on actual (local) production mixes, or average national statistics.

The market-based method: The choice of emission factors when using this method is determined by whether the organisation acquires GoOs/RECs or not. When selling GoOs for renewable electirity or RECs, the supplier guarantees that the same amount of electricity has been produced exclusively from renewable sources, which is assumed to have an emission factor of 0 grams CO_2e per kWh. However, for electricity without GoOs or RECs, the emission factor should instead be based on the remaining electricity supply after all GoOs for renewable electricity and/or RECs have been sold and cancelled. This is called the residual mix, which normally is connected to a substantially higher emission factor than the location-based emission factor.

Scope 3 includes indirect emissions resulting from other value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not directly controlled by the organisation. Examples include production of purchased goods and services, business travel, goods transportation, waste handling, use of sold products, etc.

In general, the carbon accounting should include information that stakeholders, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

Sources

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The reference list above is not necessarily complete, but contains the most essential references used in CEMAsys. In addition, several local/national sources may be used, depending on the selection of emission factors.