Climate accounting

JYSK FY25

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Purpose

The purpose of this document is to provide a transparent overview of our climate accounting approach. It includes the methodology applied, latest results and progress as well as next steps.

Our overall structure of working with sustainability at JYSK is decentralised, anchored in countries and departments, with centralised support from energy work groups, environmental core group, and our Sustainability department. Our sustainability direction is decided and supported by our Sustainability Management Group represented by senior management.

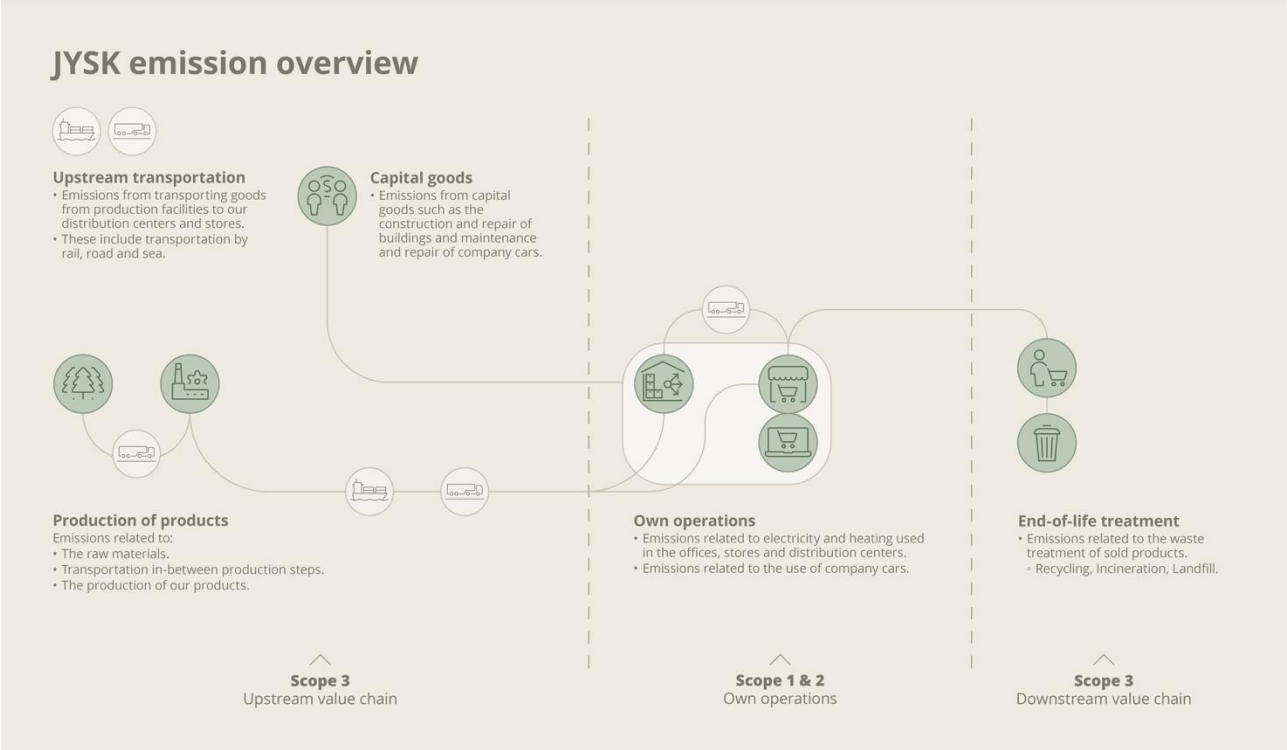
The structure of the document is as follows:

1. General introduction
2. Greenhouse gas (GHG) progress and development for scope 1, 2 and 3
3. Climate accounting methodology

Climate accounting introduction

JYSK is a global retail chain within sleeping and living and part of the family-owned Lars Larsen Group. We follow the GHG protocol and apply the operational control approach to define our organisational boundary, including facilities and assets under our control. These are the foundation for our scope 1 and 2 emissions.

Our scope 3 emissions from value chain derive from the included upstream categories of Purchased goods and services, Capital goods, and Transportation and distribution, while our downstream emissions are from End-of-life treatment of sold products. Exclusions are described in methodology. An overview of our emissions from scope 1, 2 and 3 is illustrated in the following:



Our reporting period is following the Financial Year (FY), which starts on 01.09. and ends on 31.08. Meaning FY25 starts 01.09.2024 and ends 31.08.2025. Our base year for climate accounting is FY22. The following targets were set in 2024 following the Science Based Targets initiative (SBTi) Criteria Version 5.2 and the Target setting tool version 2.3.

Target ID	Target Type	Target	Scope covered
NT-ABS1	Absolute (near term)	JYSK commits to reduce absolute scope 1 and 2 GHG emissions 50.4% by FY2032 from a FY2022 base year.* *The target boundary includes land-related emissions and removals from bioenergy feedstocks.	1+2 market based
NT-O1	Supplier Engagement	JYSK commits that 72.5% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY2028.	3

We have selected to set our recalculation policy threshold at 5% in accordance with recommendations from the SBTi and the Carbon Disclosure Project (CDP). Consequently, organisational structural changes or methodological changes which affect the GHG Inventory with more than 5% will trigger a re-calculation of the baseline, in order to create results that are comparable across years. The recalculation policy is triggered if the threshold is reached within an annual reporting cycle.

Progress and reporting scope 1, 2 and 3

Our overall development in emissions can be seen in the below table. The following section will describe our progress for scope 1 and 2 as well as the most relevant categories in scope 3 – both in the context of our science-based targets.

tCO_2e	FY22	FY23	FY24	FY25	Progress FY22-FY25 %
Scope 1 GHG emissions					
Scope 1	31,890	26,647	27,356	28,737	-9.9%
Scope 2 GHG emissions					
Scope 2 - Location-based	95,184	77,497	82,912	84,728	-11.0%
Scope 2 - Market-based	133,553	133,638	138,300	134,688	0.8%
Total Scope 1 and 2 GHG emissions					
Total scope 1 and 2 GHG emissions (location-based)	127,074	104,144	110,268	113,465	-10.7%
Total scope 1 and 2 GHG emissions (market-based)	165,443	160,285	165,656	163,425	-1.2%
Significant scope 3 GHG emissions					
Category 1 - Purchased goods & services	8,395,592	7,433,133	8,137,920	9,461,878	12.7%
Category 2 - Capital goods	60,572	53,751	13,215	6,721	-88.9%
Category 4 - Upstream transportation & distribution	225,346	142,176	183,245	236,947	5.1%
Category 12 - End-of-life treatment of sold goods	88,615	54,685	56,440	70,071	-20.9%
Total gross indirect (scope 3) GHG emissions	8,770,125	7,683,745	8,390,819	9,775,617	11.5%
Total GHG emission					
Total GHG emissions (location-based)	8,897,199	7,787,889	8,501,087	9,889,082	11.1%
Total GHG emissions (market-based)	8,935,568	7,844,030	8,556,475	9,939,042	11.2%
KPIs					
tCO_2e per store (scope 1 and 2)	43.1	39.6	40.3	39.3	-8.8%
tCO_2e per sold tonne (scope 3)	13.4	11.9	10.9	11.2	-16.5%

Scope 1 and 2 progress and development

In FY25, our total market-based scope 1 and 2 emissions decreased by 1.2% compared to our base year FY22 despite increasing the number of stores. This development is mainly driven by the development in our energy consumption, going down by 9% compared to FY22.

The primary source of our emissions remains our stores, accounting for 80%, followed by our distribution centres and warehouses at 14%. When breaking down our emission development on store level, we can see a reduction in GHG emissions per store of 9%. This indicates that we are successfully slowing the rate of emission increase.

By decreasing our emissions by 1.2% in FY25 compared to FY22, we have a target completion of 2.4%.

	FY22 (Base Year)	Base year emission covered by target	FY25 value	FY25 % change	Target completion
Scope 1	31,890.09	100%	28,737.13	-9.9%	N/A
Scope 2	133,553.12	100%	134,687.89	0.8%	N/A
Total Scope 1 & 2	**165,443.21**	**100%**	**163,425.02**	**-1.2%**	**2.4%**

Emission in tCO2e

In FY25, we have intensified our focus on consumption and emission reductions. We have focused on improving data quality and collection by increasing the number of smart metres in our stores, which enable real-time and detailed energy consumption monitoring. In addition, we are conducting several training sessions with colleagues responsible for providing data. At the same time, we are finalising the implementation of the ISO 50001-certified Energy Management System in Germany, while defining how to work with the ISO standard in other selected countries.

Additionally, we have strengthened our internal structure within energy management and emission reduction by developing and rolling out a new Operational Guide on Energy. This requires each country to conduct feasibility studies to identify potential areas for reductions. This is supported by a new business case framework for sustainability initiatives, designed to facilitate decision-making and investment.

To support our scope 1 and 2 emissions reduction target going forward, we are implementing a range of initiatives across our own operations. These efforts are essential in achieving our goal of a 50.4% absolute reduction by FY32 and include actions related to energy efficiency, electrification, and employee engagement.

The key actions driving this progress mark a significant step in our broader climate transition plan. Our roadmap towards a 50.4% absolute reduction is driven by five key reduction levers that will be rolled out continuously. The reduction levers and their focus can be seen below.

Renewable electricity

We are investing in – and exploring – solar PV panels to increase the share of renewable electricity on stores and distribution centres. Currently, we are also investigating wind turbines in one of our distribution centres to consider further scaling.

Heating source transition

We are transitioning from high-emission heating such as natural gas to more climate-friendly alternatives such as heat pumps and district heating. This can be a complex process, as most store locations are rented and not directly owned by JYSK. This initiative includes limiting high-emissions heating sources when opening stores.

Energy efficiency

Improving energy efficiency in stores, distribution centres, and offices is essential to meeting our SBTi targets. We are investing in energy efficient technologies, such as HVAC systems and energy efficient lighting while implementing ISO 50001 energy management system in selected countries.

Behavioural changes

With 34,781 head counts, our employees play a key role in achieving energy savings. We focus on training, awareness, and engagement to promote responsible energy use. Internal campaigns and competitions are tools we aim to develop further.

Improve energy data insights

To support reductions in overall energy use, we are implementing smart metres and monitoring systems. These tools enable continuous awareness and training of employees, improvements in energy insights, helping us make smarter decisions.

Scope 3 progress, development, and supplier engagement

Since the validation of our science-based target in 2024, and our ongoing collaboration with our suppliers in committing to the SBTi, 44% of our suppliers by emissions now have validated targets or have committed to setting science-based targets. 94% of our suppliers by emissions have committed to JYSK to have SBTi-approved reduction targets by FY28.

We have in FY25 reached a total of 19.4% of suppliers with a validated SBTi in our most significant category, Purchased goods and services. The numbers will be updated annually as the table below.

	FY22 (Base year)	BY emission covered by target	FY25 value	FY25 % change	Target completion
Suppliers of Purchased goods and services with science-based targets	N/A*	N/A	19.40%	19.40%	26.70%

** We cannot backtrack validated targets to 2022 as target dates in SBTi are updated continuously. "N/A" is most likely 0% but we cannot confirm this.*

While our SBTi Supplier Engagement target is progressing with several initiatives being implemented since validation, we are focusing on improvements of data quality for scope 3.

tCO_2e	FY22	FY23	FY24	FY25	Progress FY22-FY25 %
Significant scope 3 GHG emissions					
Category 1 - Purchased goods & services	8,395,592	7,433,133	8,137,920	9,461,878	12.7%
Category 2 - Capital goods	60,572	53,751	13,215	6,721	-88.9%
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Category 12 - End-of-life treatment of sold goods	88,615	54,685	56,440	70,071	-20.9%
Total gross indirect (scope 3) GHG emissions	8,770,125	7,683,745	8,390,819	9,775,617	11.5%

The emissions from our value chain are mainly derived from Category 1, Purchased goods and services, and Category 4, Upstream transportation distribution. These two scope 3 categories have both increased from FY22 to FY25. The overall explanation for this is that JYSK is growing in stores, sales, and size in general. This means that we must purchase higher volumes of products to meet the demand, which leads to more transportation – inbound and outbound – from suppliers to distribution centres and our stores.

Category 2, Capital goods, has from FY22 to FY25 been reduced significantly. The reason is that we, in FY22 and FY23, capitalised on a distribution centre, which has not been the case for FY24 and FY25. This is expected as this category will be volatile, as we are developing more distribution centres to have the capacity to meet the demand for our products.

Category 12, End-of-life treatment, is reduced by 20.9% and this reduction is reasoned by a reduction in emission factors.

Scope 1 and 2 - Methodology

GHG emission sources

Within scope 1 and 2, emissions are caused by our own operations in stores, offices, distribution centres, external warehouses, dark stores and from company cars. They are grouped into scope 1 – stationary and mobile combustion and scope 2 – electricity and heating (here district heating). The GHG emission sources at JYSK consist of:

Category	Energy Source
Electricity	Grid electricity, Own-produced renewable electricity
Heating	Natural gas, District heating, Geothermal heating, Fuel oil, Biomass, Biogas
Transport – Car Fleet	Diesel, Gasoline, Electricity
Transport - Warehouse	Diesel, LPG
Cooling	Refrigerants

Since we do not produce or process any products ourselves, there are no process emissions, or other types of fugitive and chemical production-related emissions.

Exclusions

Air-condition is excluded, as air-condition represents 1% of the total scope 1 and 2 result. We use air condition in stores but have no data on this. It is assumed that the GHG impact from air condition is minimal and below the relevancy threshold. In order to quantify this assumption, an estimation was conducted.

Terminal tractors (shunters) are excluded, as they represent less than 1% of the total scope 1 and 2 result. They are used in the distribution centres and warehouses, and run on diesel. It is assumed that GHG emissions from terminal tractors is minimal and below the relevancy threshold. In order to quantify that assumption, an estimation was conducted to determine relevancy and whether it should be included in the yearly scope 1 and 2 inventory.

Data collection

Stores, distribution centres and offices

Consumption data is collected for each site every month. The data requested is consumption of electricity and heating. If a site is also using electricity for heating, no separate heating consumption should be reported. If the site is producing and consuming energy from solar panels, this also needs to be reported.

External warehouses

Our storage infrastructure is partially supported by external warehouses (EW) that provide rented storage capacity to the main regional distribution centres (DC). To reduce the necessary resources, we have established a threshold for when consumption data should be reported and when it should be calculated, based on the amount of storage space rented in each location. The threshold is set at 20,000 m2. Consequently, if the rented storage exceeds the threshold, consumption data is reported by the data contributor the same way as for stores, distribution centres and offices. If the storage is below the threshold, consumption data is estimated by the sustainability team.

Fleet
The consumption data for the car fleet is being collected per country and fuel type. For hybrid cars, the consumption is split into the fossil fuel they consume (diesel or gasoline) and electricity. The data can be uploaded as a single yearly data point per country and fuel type covering the consumption of the whole FY.

Estimations

Complete data sets are not always available for all sites. The reasons for this are numerous. Yet it is crucial to have a complete overview of the consumption of all sites for each financial year. Thus, missing datapoints need to be estimated. The responsibility for this lies with the data contributors.

An internal guidance document has been created to ensure a structured process for estimations. This guidance sets some general rules for estimations as well as clear step-by-step explanations for the different estimation approaches.

The below three methods are used to estimate scope 1 and 2 emissions:

1. **Historical data-based estimation**
   This method uses consumption data from the same site and month in the previous year, adjusted for any known changes in consumption patterns.

2. **Average consumption per m²**
   If historical data is unavailable, this approach calculates average consumption per square metre based on country or region-specific data. It requires at least 12 months of consumption data from a store to determine the average.

3. **Cost-to-volume conversion**
   In cases where consumption data is missing, costs are converted into estimated volumes using a calculated cost factor specific for the country or region and the energy source.

Data quality

In this section, we highlight the Quality Control we perform on an annual basis as well as detail data quality improvements.

Quality control

To ensure the accuracy and reliability of reported consumption data, several quality control checks are performed.

Internal audit
A random sample of sites and months is selected to verify data accuracy. For each selected data point, a data proof is requested. A data point consists of the energy type, the site and the month, e.g. electricity consumption for a given store for March. The reported consumption is then cross-checked against the data proof. Any discrepancies identified are reviewed and corrected as needed.

Outlier test
We are also performing an outlier test to ensure the reported data is correct. If any outliers are identified, they are shared with the respective country for verification. If confirmed as incorrect, the data is corrected accordingly.

Check on inactive /closed sites
To ensure that only consumption data is reported when a consumption occurred, a check was done on the inactive sites (closed sites). If consumption was reported after the closing date, the findings are shared with the respective country for verification. If confirmed as incorrect, the data is corrected accordingly.

Heating source check
Given the variety of heating sources across sites, an overview of heating types per site is maintained. During quality checks, reported consumption is compared against the listed heating source. Any inconsistencies are investigated and corrected if necessary.

Data quality improvements

With monthly consumption data for more than 3,000 sites and a manual data upload, there is a task on improving the data quality. As of right now, consumption data needs to be collected and uploaded manually. The majority of our consumption data is collected from invoices issued. Due to timelines, not all consumption data is available within our deadlines. Missing consumption data is being estimated and assumptions made to ensure a complete data set (see Estimations section). To ensure a more digital and automated approach, we are increasing the share of smart metres used at our sites. Moreover, we are performing a detailed quality control to ensure that our consumption data is accurate and reliable (see Data Quality section above).

GHG calculations

Our scope 1 and 2 climate accounting is based on our consumption data (described in section above) and the corresponding emission factors. All consumption data is activity data (e.g. electricity consumed in kWh). If activity data is not available, it will be estimated/converted as described above. Each data source has an emission factor assigned to it which can differ from country to country or even region to region. Below you can see a list of the energy source and the corresponding emission factor.

Scope	Energy Source	Emission Factor
Scope 1	Natural Gas	DEFRA
	Biomass - Wood pellets	DEFRA
	Fuel Oil	DEFRA
	LPG	DEFRA
	Diesel	DEFRA
	Gasoline	DEFRA
	Geothermal	The climate registry
	Biogas	DEFRA
Scope 2	Electricity	MB: AIB residual mix Methodology, some IEA LB: IEA
	District Heating	Country/region specific, Rest: DEFRA

We have chosen to use the market-based approach for our scope 2 data to allow for the inclusion of potential future investments in renewable energy.

Scope 3 - Methodology

For our scope 3 inventory, we have included four main categories and excluded the remaining categories due to insignificance or irrelevance. This section is structured with GHG emission sources, exclusions with descriptions and significancy, and lastly, more detailed explanations of calculation approaches of the included categories. GHG emissions from our up- and downstream emissions stem from the following sources, described in the table below.

Category	Emission sources
1: Purchased goods and services (included)	Purchased products. Goods not for resale for stores and offices, and indirect services related to JYSK's business, such as consultancy services.
2: Capital goods (included)	The capital assets list retrieved from financial accounts relates mainly to the erection and maintenance of buildings, office supplies, equipment, and motorised vehicles.
3: Fuel- and energy-related activities (excluded)	Upstream emission of energy consumed in scopes 1 and 2. The upstream energy activities are currently based on conversion factors relative to total emissions of scope 1 and 2.
4: Upstream transportation and distribution (included)	All types of JYSK's overall transport flows were mapped based on different modes of transportation, purchase specifications, and sender/destination types. JYSK does not utilize air freight in any standard flows.
5: Waste generated in operations (excluded)	All expenses to waste management across JYSK are captured in the JYSK expense account plan and are extracted from there.
6: Business travel (excluded)	Expenses for car use for business travel, accommodation and hotels, trains, flights, and busses.
7: Employee commuting (excluded)	Commuting for all JYSK full-time employees based on average commuting patterns.
8: Upstream Leased assets (excluded)	Not relevant. Upstream leased assets of facilities and vehicles are included in scope 1 & 2 operational control boundary, and no additional activities are to be reported in category 8.
9: Transportation and distribution of sold products (excluded)	For downstream transport which JYSK pays, the transport and distribution have been included in sub-category 4. Furthermore, transportation to Franchise stores by road, rail, sea, and air is included.
10: Processing of sold products (excluded)	Not relevant. Additional processing has been excluded from the screening as JYSK delivers products that do not need additional processing. There are no activities to report in sub-category 10.
11: Use of sold products (excluded)	Direct mandatory emissions from the use phase. Drivers of emissions from the use phases are direct electricity usage and CO2e emissions through i.e. burning fuels and paraffin candles.
12: End-of-life treatment of sold products (included)	Emissions that arise from different waste management of the product we sell are highly dependent on the materials that compose sold products and waste management in different markets.
13: Downstream leased assets (excluded)	Downstream leased assets of facilities and vehicles are included in scope 1 and 2 operational control boundary, and no additional activities are to be reported in sub-category 13.
14: Franchises (excluded)	JYSK has franchises in 21 countries, representing 225 stores.
15: Investments (excluded)	Not relevant as JYSK does not have any investments.

Exclusions

Our excluded categories are estimated to cover 2.75% (2.89% in FY22) of our total scope 3 emissions. The reasoning for excluding categories in scope 3 is primarily due to insignificance relative to our total emissions, while data quality is continuously being improved. The allocation of emissions and overall approaches are as follows:

Category	Name	Share of Total Emissions	Calculation Method	Emission Factors Used
Category 3	Fuel- and energy-related activities	0.33%	Conversion factors for scope 1 and 2 emissions	Scope 1 & 2 conversion factors
Category 5	Waste generated in operations	0.01%	Based on costs associated with waste	Spend-based emission factors
Category 6	Business travel	0.12%	Costs of flights, cars, buses, trains, hotels	Spend-based per cost category
Category 7	Employee commuting	0.24%	Average FTEs and commuting patterns in Europe	Distance-based
Category 9	Downstream transportation and distribution	0.34%	Costs for customer transport, distance, volume, and mode for franchise transport	Spend-based and kg CO_2e/tonne-km by mode (truck, ship)
Category 11	Use of sold products	1.60%	Categorisation of energy-consuming products and average consumption	CO_2e/unit for direct emitting units. Country-specific EF for electricity
Category 14	Franchises	0.11%	Average emissions per m^2 of own stores applied to franchise m^2	Average data method

As we are currently focusing on improving data quality and reducing the emissions of our four main – and included – categories, we are following the emissions of excluded categories annually to consistently include more that 95% of emissions. However, as the excluded categories are not significant relative to the included categories, we are not prioritising our efforts in terms of data collection, quality etc.

Included categories

Category 1 – Purchased goods and services

This category is divided into three sub-categories, namely *Products, Goods not for resale (GNFR),* and *Services.*

Method	Activity data	Data types	Share of emissions	EF source
Average-sector Average-product	Physical quantity of units purchased	Hybrid (primary activity data & average emission factors) or Average-data (material-based) method using secondary emission factors.	9,173,025 CO2e (97%)	Ecoinvent v.3.9.1, *Custom emission factors from calculator tool according to PEF*
Spend	Spend	Primary activity data, secondary emissions data	288,766 tCO2e (3%)	Exiobase v.3.3

Sub-category 1: Products:

Our most significant scope 3 category includes products for sale, which cover our nine product areas: Bed linen & sheets, Bathroom, Mattresses, Furniture, Homeware, Home textiles, Window dressing, Duvets and pillows, and Garden. We classify our articles into 3 different categories for emission calculation: textiles, mono-material articles, and hetero-material articles. Methodology used depends on this classification.

1) Textile products are articles where we have sufficient material data gathered through Product Information Forms (PIFs). These are mostly textile articles but also duvets and pillows.
   The emission factors used come from a customised emission calculator tool, which is conservatively calculating emissions. These emission factors are defined by material, grams pr. m², area (m²), textile construction and dyeing methods, instead of material and weight.
2) Mono-material articles are articles made of a singular material, with 5% tolerance. The emission factors from EcoInvent are then applied to the entirety of an article's net weight.
3) Hetero-material articles are articles made of multiple materials. These are grouped into Emission Factor (EF) Groups by similarity of materials and material shares in the article. For each EF Group, one or more representative articles are selected based on the purchased volume. For each representative article, a bill of material (BOM) is obtained, and an article EF is created by using EcoInvent emission factors. From the representative article EFs, EF for each EF Group is created and applied to each article's net weight.

Data quality improvements:
Since we began our climate accounting, we have been aware of the need for more detailed information from our suppliers about the materials in our products. For this purpose, a Detailed Material List (DML) platform is being developed, which will allow us to calculate emissions for each article based on its materials. The DML will also allow us to identify emission reduction opportunities.

Sub-category 2: Goods Not For Resale (GNFR):

Data collection within GNFR is based on internal financial accounts and specific GNFR suppliers. The costs associated with the respective suppliers are differentiated into nine emission categories and spend-based emission factors from EXIOBASE. We assume that our specific suppliers are delivering products within these nine emission categories based on yearly evaluations.

Sub-category 3: Services:

Services include all costs that are not accounted for within products for sale, GNFR, Capital Goods, or elsewhere in the scope 3 climate accounting. Examples of emissions are from campaign papers, consultancy services, and subscriptions. Data collection within services is defined from internal financial accounts, which are divided into 15 emissions categories. All costs are multiplied by spend-based emission factors related to the respective emission category.

Data quality improvements:
We acknowledge the data limitation of spend-based calculations, and we are continuously evaluating if more efforts towards data collection improvements within these sub-categories are needed. However, we are currently pursuing the full implementation of the DML before initiating more detailed data in these spend-based sub-categories.

Category 2 – Capital goods

Method	Activity data	Data types	Share of emissions	EF source
Spend-based method	Financial data from annual construction activities	Primary activity data, secondary emissions data	362 tCO2e (5%)	Exiobase v.3.3
Spend-based method	Financial data from Electrical and Optical Equipment	Primary activity data, secondary emissions data	4,324 tCO2e (64%)	Exiobase v.3.3
Spend-based method	Financial data from Purchase, Maintenance and Repair of Motor Vehicles	Primary activity data, secondary emissions data	2,035 tCO2e (30%)	Exiobase v.3.3

Within capital goods, we include development and maintenance of facilities, equipment, and vehicles. All data is collected from financial accounts and follows our financial accounting principles, and emissions are recognised at the point where the capital asset is capitalised and enters operational use. Therefore, all calculations within capital goods are based on spend-based emission factors from EXIOBASE.

Our current spend-based calculations are based on the following assumptions:

- **Construction:** Construction and renovation to assets, is counted in the Financial Year. Any postings on the asset classes that are purely a financial accounting exercise, such as depreciations and write-ups, are irrelevant to the climate accounting.
- **Electrical equipment and optical equipment:** Cover a mix of electrical equipment i.e. Computers, network, phones, printers, barcode scanners, projectors, and laptops.
- **Sale, maintenance, and repair of Motor Vehicles:** Purchases and servicing of company cars, cargo caddy, pallet lifters, etc.

Data quality improvements:
As we are using spend-based emissions calculations, the data quality is, per definition, not accurate. We are planning to obtain more accurate data within capital goods. This includes requesting data from suppliers such as construction companies that are developing our distribution centres.

Category 4 – Upstream transportation and distribution

Method	Activity data	Data types	Share of emissions	EF source
Average-sector Average-product	Intercompany and supplier transport	Primary activity data, secondary emissions data	9,173,025 CO2e (97%)	Distributor-specific data, DEFRA, GLEC.
Spend	Intercompany and transport to customers paid for by JYSK	Primary activity data, secondary emissions data	288,766 tCO2e (3%)	Exiobase v.3.3

For upstream transportation and distribution, we have mapped our logistics network of transportation between suppliers, distribution centres (DC), stores, and external warehouses (EW) into 11 *flows.* This includes transportation mode of road, rail, and sea, in which our goods are transported. Overall, the 11 flows can be split into three main categories: 1) Inbound transportation from suppliers, 2) Outbound transportation from DCs to stores, EWs, and online hubs, 3) Goods not for resale transportation to DCs and stores.

1) **Inbound transportation from suppliers: Six flows**

Five of six flows are based on purchase orders from suppliers to DCs. Data collection is based on activity data, and distance-based calculations of truck, train, and sea in which the combination of distances and assumed weight pr. M3 pr. transportation is available to calculate tonnes*km that are multiplied by the respective emission factor. For unassigned distances to routes, an average distance of the respective country is used.
The majority of emissions from transport by sea is obtained by the transporting company.

One of the flows is relating to direct transportation from suppliers to stores, which is calculated from an assumed percentage of the costs for the products. Hence, spend-based emission calculations.

2) **Outbound transportation from DCs to stores, EWs, and online hubs: Four flows.**

To meet the growing demand for our products, a complex logistics setup for our DCs, dark stores, and external warehouses is used. Data collection is primarily data from internal systems, which is on transported volume and measured distances. Furthermore, internal warehouse system monitoring tonne/volume for the respective DCs are applied to calculate tonnes*kilometres for the truck, train, and ship.

Transportation to customers is based on costs for the transportation, hence spend-based.

3) **Goods not for resale transportation to DCs and stores: One flow.**

Goods not for resale is a combination of transportation from suppliers to stores and DCs. Transportation to DCs follows the same approach as 1), where a significant portion of transportation to stores are delivered by the transportation companies. Therefore, we apply both distance-based emission calculations and supplier specific emission data.

Data quality improvements:
With our continuous learnings from mapping and calculating emissions from our upstream transportation and distribution, we are improving our data quality continuously without making significant changes to our calculation approach. However, as we are looking into more supplier-specific data and aiming to reduce our spend-based data, we will continuously improve the data quality further.

Category 12 – End-of-life treatment of sold products

Method	Activity data	Data types	Share of emissions	EF source
Recycling/recovery	Direct Sales and statistical allocation to recycling/recovery	Primary activity data, secondary emissions data	3,349 CO2e (5%)	DEFRA
Landfill	Direct Sales and statistical allocation to Landfill	Primary activity data, secondary emissions data	66,720 tCO2e (95%)	DEFRA

The emissions from end-of-life treatment of sold products are based on sold weight of different materials, previously assigned to DEFRA's different waste types. Sold material weight is based on material shares within articles, based on BOMs, where possible. If there is no data available, the best shares estimation is made based on similar articles.
In the end, weight is summarised per DEFRA waste type.
DEFRA's landfill emission factors are applied to 16% of weight (European average) for each waste type, while other waste disposal emission factors are applied to the rest.

Data quality improvements:
As category 12 is closely related to category 1, data quality improves as the data quality in category 1 becomes more detailed. In addition, as this category is based on sold products, which are also purchased in previous financial years, the more we go forward, the more data we will have.