

CARBON FOOTPRINT MANAGEMENT PLAN



Year: 2022

A carbon footprint is a measure of the impact that human activity has on the environment and, especially, on climate change. It is an indirect indicator of energy, product, and service consumption and gauges the quantity of greenhouse gases associated with a particular activity. SG Equipment Finance Czech Republic s.r.o. (SGEF), like Société Générale Group, is dedicated to reducing the carbon footprint of its operations and, through responsible financing, of society as a whole.

This plan lays out its commitment to measuring, monitoring and reducing its carbon footprint. Through this plan, SGEF intends to lessen the impact it has on the environment on a lasting basis.

It includes a pathway for managing the company's carbon footprint and reducing CO₂ emissions, and provides an action plan for achieving these targets within the set timeframe. The plan also assesses the quality of the data processed and the data collection methods, and identifies specific points that can gradually be improved in this area.

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1. Company description

SG Equipment Finance Czech Republic s.r.o. was established in 1996. In the Czech Republic, we operate out of our Prague headquarters and six regional branches, plus we have two offices in Slovakia. We take care of nearly five thousand corporate clients, providing them with leases and loans for vehicles, machinery and equipment. In 2022, new business came to CZK 14.6 billion, making us one of the leading finance companies in the Czech Republic and Slovakia.

We are a Société Générale international financial group company and are owned by [Komerční banka](#) and [Société Générale Equipment Finance SA](#).

2. Corporate climate change policy

SG Equipment Finance Czech Republic s.r.o. will assume responsibility for CO₂ emissions generated by its business operations and activities. SGEF pledges:

- to work towards mitigating climate change.
- to pursue all its operations in a way that aims to reduce annual greenhouse gas emissions and, through its actions, to uphold its responsibility for the climate. This will improve its corporate carbon footprint.
- to ensure that related corporate activities, such as materials procurement and shipping activities, are consistent with the objectives set out in this document.
- to seek solutions leading to meaningful investments that will result in reduced greenhouse gas emissions.
- to maintain a system for the annual monitoring and reporting of greenhouse gas emissions. This will be a robust, precise, transparent system that complies with current international standards and the Preferred by Nature Carbon Footprint Management standard.
- to clearly convey its corporate policy, emission abatement targets, and the reductions it has achieved.
- to aim for the responsible involvement of business partners, customers, suppliers and employees in protecting the environment in the light of climate change developments.
- to strive for carbon neutrality and make efforts to achieve carbon neutrality by 2050 in line with SG Group climate goals.

Prague, 16 January 2024



Reinhold Knödl
CEO, SGEF Česká a Slovenská republika

3. CFM system (Guideline)

Our carbon footprint management system can be explained by the following points:

a) **Subject of analysis:** Corporate carbon footprint certification

b) **Base year for carbon footprint measurements:** 2022

c) **Greenhouse gases:**

The most important greenhouse gas produced by our company is carbon dioxide (CO₂). We include other greenhouse gases in the calculation using the carbon dioxide equivalent (CO₂ eq).

d) **Staff responsible for data accuracy:**

Office Manager & ESG Coordinator: system-wide accountability

Office Manager & ESG Coordinator + Office Management Specialist: responsible for collecting energy, waste management, vehicle and staff commuting data

e) **Staff training:**

Mandatory training within SG Group is conducted according to the ESG Academy schedule, accompanied by a record of the content of the training and confirmation of attendees.

f) **Documentation retention:**

CFM documentation is held in electronic format and is available to internal and external interested parties.

g) **Data collection:**

Data collection mainly draws on corporate accounting records, reports from suppliers of materials, information on consumption supplied by lessors, and local surveys of specific cases.

h) **Calculation:**

To calculate its carbon footprint, the company used an Excel tool supplied by PbN. The values of individual material inputs, emission factors, and other data needed for the calculation are entered here.

i) **Emissions unaccounted for:**

All emissions, whether direct or indirect, were included in the calculation of the company's carbon footprint.

j) **Imputed emissions:**

Emissions from staff commuting were calculated on a sample basis (with around 70% of staff providing information on their commute), and total emissions were imputed from this.

Similarly, energy consumption figures were estimated based on the size of the leased space, and waste generation was calculated based on the number of employees.

k) Intensity unit:

Per-unit conversion: we apply conversion per employee (employee commuting, water consumption, and amount of waste generated) and per m2 of leased space (energy consumption under Scope 2). In view of the size and difference of the client portfolio compared to other KB Group subsidiaries, this intensity unit was not applied.

l) Evaluation system:

As per the methodology applied by the verifier - PbN. The offsetting method is not used in the following year.

4. Carbon footprint results

4.1 Carbon footprint base year

2022 was chosen as the base year. This was the first time that the carbon footprint was calculated to the required extent.

4.1.1 Corporate carbon footprint

SGEF provides non-banking financial services and therefore its emissions mainly come from the consumption of energy and materials in offices, fuel, and staff commuting.

Total company emissions in the 2022 base year: 477,535.5 kg CO₂e

Intensity: 3,293 kg CO₂e per employee

In 2022, most of the company's emissions came from fuel consumed on business trips (47%), electricity consumption (29%), staff commuting (14%), and emissions from the production of fuels before they are used (6%).

Emissions 2022, by scope:	<i>CO₂ (kg)</i>	
<i>Scope 1 emissions:</i> Fuel (business travel in company cars)	221,849.5	46.5%
<i>Scope 2 emissions:</i> Electricity (market-based) and district heating	138,123.8	28.9%
<i>Scope 2 emissions:</i> <i>Electricity (location-based) and district heating</i>	80,731.8	
<i>Scope 3 emissions:</i> Staff commuting, hotel stays, paper use, waste disposal <i>(including 3% buffer)</i>	117,562.2	24.6%

4.2 Follow-up carbon footprint

The calculation above is for the 2022 base year. The follow-up carbon footprint will be assessed for the following period (2023, 2024).

4.3 Proven emission reduction

	2022	2023	2024
Total emissions	kg CO ₂ e	kg CO ₂ e	

5. Reduction targets

SGEF is committed to reducing the impact it has on the climate by setting ambitious but realistic objectives that align with the aspirations of SG Group, which has pledged to cut the Group's carbon footprint in half compared to 2019. These objectives provide a tool for planning carbon reduction management across the organisation. Apart from mitigating climate change, they also limit the business and reputational risk associated with climate challenges, reduce costs, stimulate innovation, and ready the company for any future mandatory emissions reporting requirements and regulation. The specific objectives fall within areas that SGEF can actively influence.

No.	OBJECTIVE
1	Reduce the <u>electricity and heat</u> consumed in office spaces, focus on an energy mix made up entirely of renewable sources.
2	<u>Staff commuting and business travel</u> Motivate employees and winning them over to the idea of CO ₂ savings - promote public transport and low-emission transport for commuting, encourage working from home as part of the Smart Office model.
3	<u>Company vehicles – implement a new strategy designed to steadily reduce the emissions generated by the company's fleet</u> Prioritise zero-emission vehicles - electric cars - over conventional ICE cars. Reduce the overall mileage of company vehicles. <u>Business travel - motivate staff to reduce the number of trips they make and prioritise rail travel over travel by company car or by air.</u>
4	<u>Reduce waste generation</u> , reduce the consumption of office paper, end the use of single-use plastics.

5.1 Reduction action plan

SGEF will make every effort to reduce carbon emissions from our business activities. This will include the following actions:

	2023 ACTION PLAN	DESIRED EFFECT	TIMEFRAME	DESIRED RESULTANT EFFECT ON THE CARBON FOOTPRINT
1	Reduction in the electricity and heat consumed in office spaces	Demonstrability and certification confirming that electricity consumption is purely from renewable sources (min. 90% of total electricity consumption)	2023; 2024	4% reduction in emissions from energy consumption
2	Staff commuting and business travel	Keeping to the Smart Office model and a preference for alternative modes of transport (public transport, rail, electric cars, e-bikes)	2023; 2024	<ul style="list-style-type: none"> • 10% increase in the number of employees using public transport and rail transport to commute • 100% increase in business trips made by rail, with an impact that reduces CO₂e • 10% reduction in the number of business trips through efficient use of digital media (digital signatures, etc.)
3	Company vehicles	Long-term reduction in mileage and emissions from the operation of company vehicles. Renewal of the company fleet with only electric vehicles, or vehicles emitting no more than 130 g CO ₂ per km	2023, 2024	<ul style="list-style-type: none"> • 15% reduction in the overall mileage of company vehicles, having the effect of cutting emissions generated by the operation of company vehicles by 4% (note: in 2022, overall mileage was 1,047,767 km, of which 370,185 on business) • Electric vehicles to account for at least 10% of mileage
4	Reduction in waste generation	A gradual trend towards less waste generation. Elimination of the use of single-use plastic packaging. 20% reduction in the consumption of office paper	2023; 2024	A reduction in waste emissions by at least 2% annually

6. Carbon footprint offsetting

6.1 Offset targets

SGEF will consider the potential for partially offsetting the CO₂ emissions associated with its activities. Carbon credits are a powerful means of mitigating the negative impact of CO₂ emissions.

Carbon credits are purchased from pre-screened suppliers and in consultation with a certification firm. All relevant projects comply with offsetting principles and are listed in PbN's carbon footprint standard.

7. Data quality evaluation

In order to monitor and keep improving the quality of data, SGEF runs qualitative and quantitative data evaluations throughout the CFM system. This covers our operations data, data allocation, conversion estimates and assumptions, and the emission factors used. Data quality is judged on the basis of completeness, timeliness, and geographic and technological representativeness.

7.1 Data quality evaluation

SGEF tries to use real and precise input data. This includes the provision of primary data on all activities under our control - and at least all Scope 1 and Scope 2 emissions - derived from invoices, mileage and annual or monthly metered data allocated based on the proportion of space we lease.

In certain cases, Scope 3 may be estimated or allocated by conversion due to incomplete data.

No.	ACTIVITY	SCOPE	TYPE OF DATA	
			Primary (precise)	Secondary (calculated, estimated)
Primary (precise)				
1	Diesel in the unit	1		X
2	Air-conditioning - coolant	1		X
3	Company car - diesel	1	X	
4	Company car - petrol	1	X	
5	Electricity	2	X	X
6	Electricity for cooling	2		X
7	Heat	2	X	X
8	Waste	3	X	X
9	Business travel - hotels	3	X	
10	Business travel - flying	3	X	
11	Staff commuting	3		X
12	Water	3	X	
13	Materials	3	X	

7.2 Improvements in data quality over time

SGEF is committed to making improvements, over time, to the data that is collected and used to calculate the carbon footprint with a view to delivering the most accurate carbon footprint result and demonstrating the extent to which it has been reduced. With this in mind, we will take action to ensure the best possible data quality, including adherence to best practices, and make maximum use of primary data. To that end, we have adopted the following procedures:

- i Primary data: the timely and continuous recording of documented primary data by responsible staff
- ii Data collection: carried out by delegated staff and forwarded regularly to the person responsible for the calculation
- iii Calculation: improvement in the calculation system
- iv Emission factors: monitoring of emission factors, continuous sourcing of new ones
- v Allocation methods: as far as possible, replace estimates and calculations with primary data

8. Carbon footprint reporting

8.1 Public climate-related communication

SGEF will report the results of its carbon footprint measurements on an annual basis. This information can be found in the following documents:

No.	DOCUMENT TITLE	DOCUMENT CONTENT AND PURPOSE	LINK
1	Company website	General information, measurement results, certificates	https://equipmentfinance.societegenerale.cz/cz/setrime-zivotni-prostredi/

SGEF will also leverage the opportunity to share its Carbon Footprint Management certificate and associated labels with its clients and employees.

8.2 Carbon footprint management declarations and labels

SGEF will use CFM declarations and labels to demonstrate its carbon footprint stewardship and management:

CFM LOGO	CFM DECLARATION	LINK
CORPORATE CF		
Measuring CO ₂		
Reducing CO ₂		