# Carbon Footprint Management (CFM) Plan

## 2021

The Carbon Footprint Management (CFM) Plan of Komerční banka, a.s. provides the basis for measuring, monitoring and reducing the carbon footprint. Offering an overview of greenhouse gases generated by the company's operations directly and indirectly, it sets out a plan for managing and reducing these greenhouse gases over the next few years. It sets out our commitment to measure, monitor and reduce the carbon footprint; our company wants to reduce its environmental impact over the long term through this plan.

The plan includes a procedure for managing the company's carbon footprint, targets for $CO_2$ emission reductions, and an action plan for achieving such reduction within a specified period. In addition, the plan evaluates processed data quality and data collection methods and presents specific points that can be gradually improved in this respect.

**The carbon footprint** is a measure of the impact of human activities on the environment and climate change. Almost every activity, ranging from transport to food, releases greenhouse gases ($CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$), directly or indirectly. The carbon footprint is the amount of these gases. It is a tool for measuring human activities' environmental impact expressed in tonnes of carbon dioxide equivalent ($tCO_2e$). Simply put, the carbon footprint is the amount of carbon dioxide and other greenhouse gases released during the life cycle of a product or service, our life or one journey, etc. The carbon footprint is one of the key indicators of sustainable development.

Under the GHG Protocol, the emissions produced by the company are divided into three parts: Scope 1, Scope 2 and Scope 3. The GHG Protocol is currently a widely used standard.

**Scope 1** (direct emissions) are activities that come under and are controlled by the company. Such direct emissions from activities are released directly into the air. These include, for example, emissions from boilers or generators burning fossil fuels in the company, emissions from mobile sources (such as cars) owned by the company or emissions from industrial processes, emissions from waste treatment or wastewater treatment in facilities operated by the company.

**Scope 2** (indirect emissions from energy) are emissions associated with the consumption of energy bought (electricity, heat, steam or cooling), which do not arise directly in the company, but are the result of the company's activities. These are indirect emissions from sources that the company

indirectly controls, yet it has a major impact on their amount. If the company itself produces electricity/heat and sells it to other customers or if it sells the purchased electricity/heat to other customers (e.g. tenants) and the amount of this electricity is measured, it is deducted from the total emissions in Scope 2.

**Scope 3** (other indirect emissions) are emissions that result from the company's activities and that originate from sources not controlled or owned by the company but are not classified as Scope 2 (e.g. business trips by air, land-filling, purchase and haulage of material by a third party). The definition implies that this is the broadest and, logically, least precisely defined category. While Scope 1 and Scope 2 emissions are well comparable between companies, Scope 3 emissions are comparable only to a limited extent.

The most common greenhouse gas is carbon dioxide ($CO_2$), which is also calculated in this *Carbon Footprint Management (CFM) Plan.* Other greenhouse gases are included in the measurement and calculation indirectly, by conversion via the emission factor to $CO_2$ equivalent.

This CFM plan includes the company's processes, targets for reducing greenhouse gas emissions, and an action plan to achieve this reduction over time. Furthermore, the plan evaluates the quality of the data needed for the calculation and the data acquisition methods, and identifies points that can be improved over time. The CFM plan uses an operational method of obtaining, evaluating and reducing carbon footprint values.

If you have any questions please contact:

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# 1. Corporate policy on climate change

Prague, 2 November 2020

**Komerční banka, a.s.** will assume responsibility for its business and production practices and for $CO_2$ emissions resulting from these activities. This responsibility will be exercised through the following guidelines:

- Komerční banka, a.s. will make efforts to mitigate climate change.

- Komerční banka, a.s. will seek to reduce annual greenhouse gas emissions by eliminating unnecessary emissions, improving energy efficiency and maintaining climate responsibility through its actions. This will improve the company's carbon footprint.

- Komerční banka, a.s. will ensure that related business activities, such as sourcing or transport, are consistent with the intentions set forth herein.

- Komerční banka, a.s. will seek solutions, both in-house and those for clients, leading to meaningful investments resulting in a reduction of greenhouse gas emissions.

- Komerční banka, a.s. will introduce a system for annual monitoring and reporting of greenhouse gas emissions. This system must be consistent, accurate and transparent.

- Komerční banka, a.s. will clearly communicate its corporate policy, emission reduction targets and achieved reductions.

- Komerční banka, a.s. will seek to involve trade partners, customers, suppliers and employees in positive climate behaviour.

- Komerční banka, a.s. will seek to annually improve the calculations of the carbon footprint, and obtain the most accurate source data for this calculation.

- Komerční banka, a.s. seeks carbon neutrality by reducing carbon emissions and offsetting by 2026.

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Jan Juchelka

Chairman and CEO

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Jitka Haubová

Member of the Board of Directors

## 2. CFM system (Directive)

Our carbon footprint management system is explained by the following:

i.  **Subject matter of analysis:** Company carbon footprint operational control

ii.  **Year of baseline carbon footprint calculations:** 2019

iii.  **Greenhouse gases:** The most important anthropogenic greenhouse gas that our company produces is carbon dioxide ($CO_2$). We include other greenhouse gases in the calculation using the equivalent amount of carbon dioxide ($CO_2e$). To determine the Global Warming Potentials (GWP) of these gases for the greenhouse effect we use:

https://www.ipcc.ch/reports/

iv.  **Employee responsibility for data accuracy:**
Head of Capital Construction and Technical Services: auspices over the entire system
Energy Manager: responsible for energy data
Fire Protection and OHS Manager: responsible for data on waste management
Manager for Building Services Engineering: energy management
Property Manager: data on toners and office equipment
Head of Vehicle Operation: vehicle operation
Capital Construction Budget Expert: capital projects
HR Manager: responsible for employee commuting data

v.  **Staff training:** CFM training will be conducted once a year in accordance with the relevant directive and a proper record will always be kept of the training course, providing information on the scope of training, the presence of participants, etc.

vi.  **Document keeping:** CFM documentation is maintained in paper or electronic form and is available to internal (employees) and external (auditors, the public) interested parties. It is regularly reviewed once a year as part of internal audit and is kept for five years. A list of CFM documents is part of the CFM documentation.

vii.  **Data collection:** Data collection is based on the company's accounting, energy management, and Alstanet CAFM. Records of AVE (a waste management company), data from suppliers of materials, and employees' internal records are also used.

viii.  **Calculation:** A NEPCon Excel tool was used to calculate the carbon footprint; the values of material inputs, emission factors and other data needed for the calculation are entered in it.

ix.  **Emissions not included:** All direct and indirect emissions were included in the calculation of the company's carbon footprint.

x. **Additionally calculated emissions:** Emissions from employees' commuting to work were calculated on the basis of a sample (approximately 20% of employees provided information on commuting) and the total emissions were then calculated.

xi. **Intensity unit:** Used in the calculation related to a unit, the client in our case. The calculation is related to the number of clients for simplicity and transparency of the calculation.

xii. **Evaluation system:** An internal audit is performed every year, focused on checking data input, carbon footprint calculation, data quality, data acquisition, and staff knowledge.

xiii. **Offsetting:** Offset is used to achieve Carbon Neutral. This method is not used in the following year.

# 3. Carbon footprint results

## 3.1  Year of baseline footprint calculations

The year 2019 was chosen as the base year, when the carbon footprint was first calculated to the required extent.

## 3.2  Company's carbon footprint

The scope of *Carbon Footprint Management* of Komerční banka, a.s. is defined in the *Process Map* document, included as Annex 1 hereto. The company provides services in the banking sector, and therefore the emissions come primarily from using office space and the consumption of energy and materials in these premises, and employees' commuting to work. Other sources of emissions are business trips and investments (refurbishment and construction of new branches).
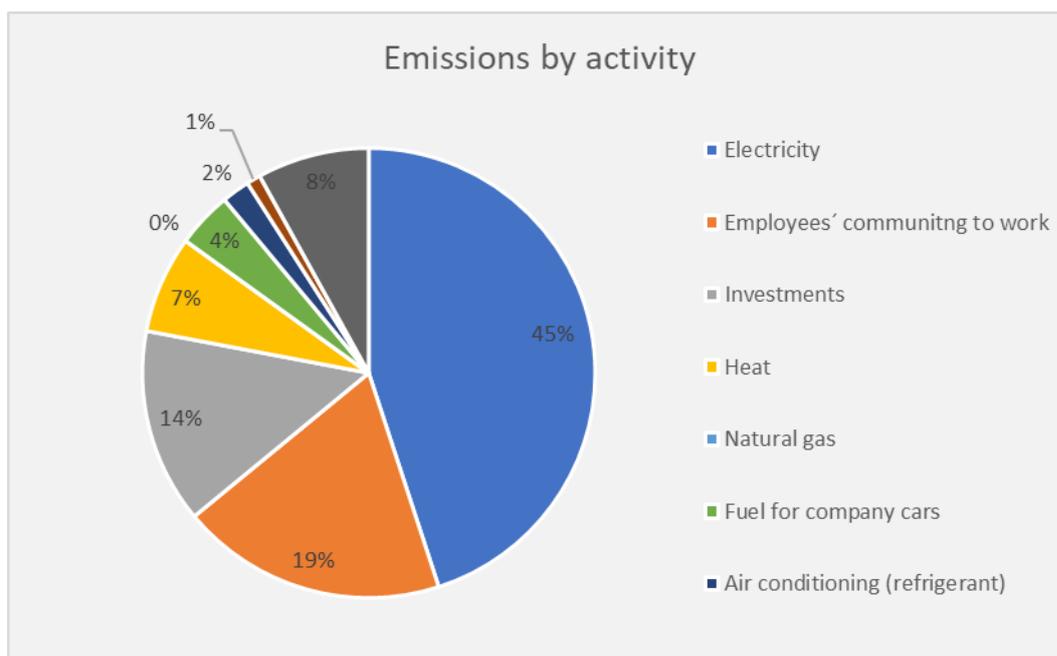
**Emissions in base year 2019**

**Total emissions: 38,301,627 kgCO$_2$e**

**Intensity: 23 kgCO$_2$e per client**

**Detailed distribution of emissions:**

| Activity | KgCO$_2$e | Total footprint share |
|---|---|---|
| Electrical energy | 16,580,987.6 | 44.6% |
| Employees' commuting to work | 7,098,188.5 | 19.1% |
| Investment | 5,218,528.9 | 14.0% |
| Heat | 2,746,533.2 | 7.4% |
| Natural gas | 2,063,584.7 | 5.5% |
| Fuel for company cars | 1,704,620.9 | 4.0% |
| Air conditioning (refrigerant) | 782,652.7 | 2.1% |
| Waste | 435,843.4 | 1.2% |
| Others | 951,587.5 | 5.1% |

We have the largest part of greenhouse gas emissions from **electricity** consumption in offices, branches and training centres. Another major source of emissions is **employees' commuting to work** (there are almost 7,000 employees), where the most frequent mode of transport is by car (42%). An important source of emissions is also the **investments** made, which include, for example, the refurbishment of old and construction of new branches and where both the materials and haulage thereof are included. **Heating** of offices and branches accounts for 14% and therefore the energy consumed (electricity, gas and heat) accounts for 57.5% of total emissions. **Business trips** and the use of company cars account for 5.5% of emissions, while a significant share of those emissions comes from the use of company cars (83% of total emissions related to business trips), followed by air transport (12%).

Emissions by activity

- Electricity
- Employees´ communitng to work
- Investments
- Heat
- Natural gas
- Fuel for company cars
- Air conditioning (refrigerant)

# 4. Subsequent carbon footprint

**Emissions in 2020**

**Total emissions: 25,049,037.6 kgCO$_2$e**
**Intensity: 15.2 kgCO$_2$e per client**
**Detailed breakdown:**

| | KgCO$_2$e | Share of total footprint | Change over 2019 | Change over 2019 in % |
|---|---|---|---|---|
| Electricity | 11,529,712.45 | 47.2% | -5,139,963.60 | -30.58% |
| Investments | 5,131,416.70 | 21.1% | -87,112.21 | -1.67% |
| Heat | 2,358,927 | 9.7% | -387,606.20 | -14.11% |
| Natural gas | 1,732,533.86 | 7.1% | -331,050.80 | -16.04% |
| Fuel for company cars | 1,086,243.22 | 4.5% | -396,035.81 | -26.72% |
| Employee transport | 1,028,553 | 4.2% | -6,069,635.55 | -85.51% |
| Air conditioning | 392,728 | 1.6% | -389,924.32 | -49.82% |
| Waste | 268,861 | 1.1% | -166,982.59 | -38.31% |
| Other | 790,479 | 3.3% | -161,108.83 | -12.80% |

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Emissions by activity in 2020

- Electricity — 47%
- Investments — 21%
- Heat — 10%
- Natural gas — 7%
- Fuel for company cars — 5%
- Employees' commuting to work — 4%
- Air conditioning — 2%
- Waste — 1%
- Other — 3%



Emissions by Scope in 2020

- Scope 1 emissions — 13%
- Scope 2 emissions — 57%
- Scope 3 emissions — 30%
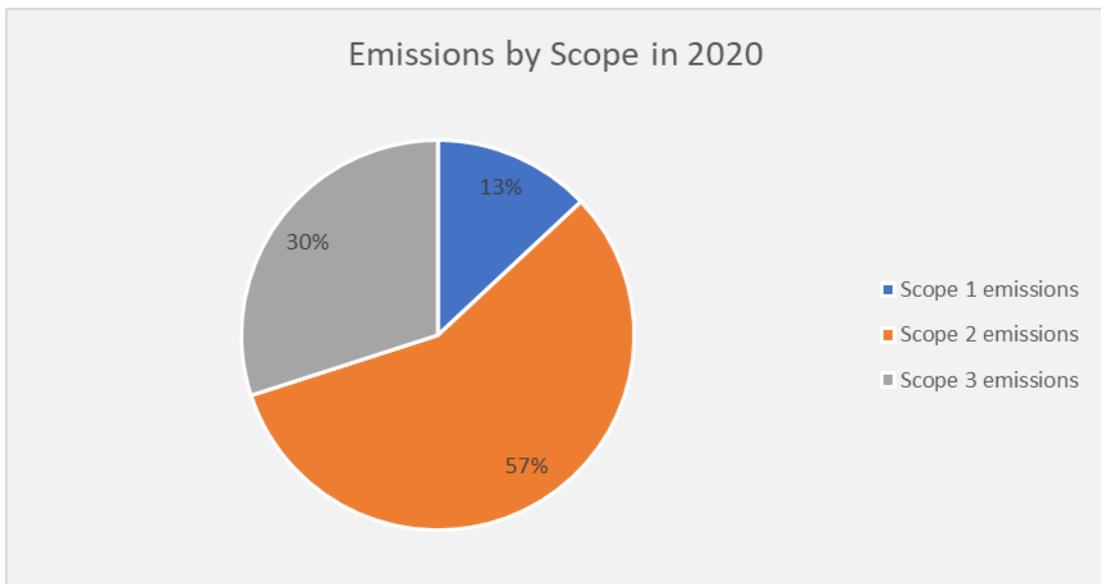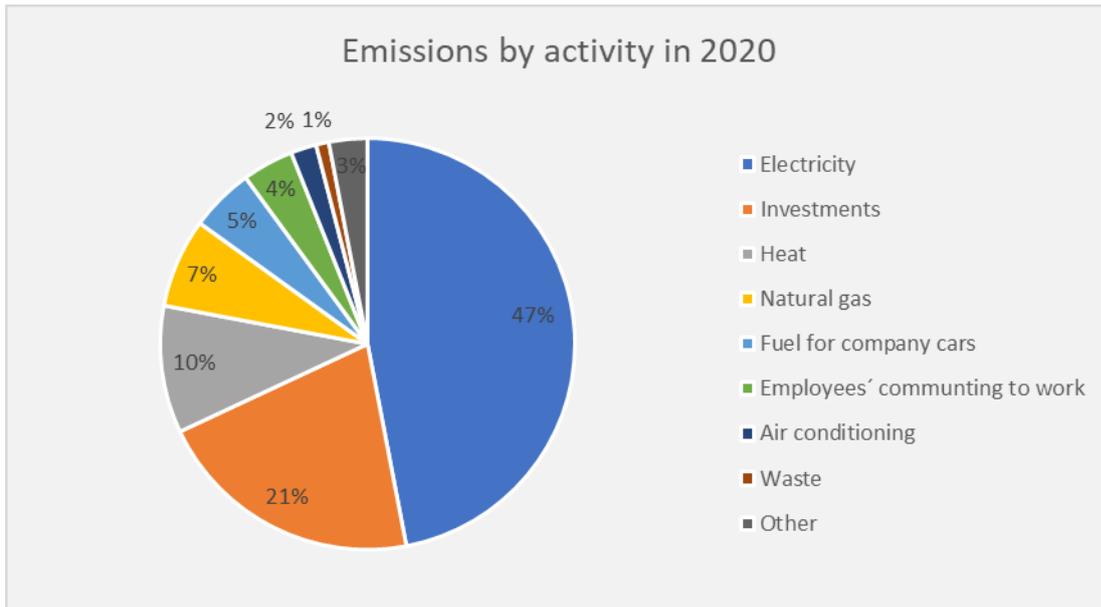
In 2020, the company reduced its carbon footprint significantly: by 34.6% overall and by 34.2% per client.

The most visible reduction in its carbon footprint relates to **employees' commuting to work.** In 2019, employees covered almost 55 million kilometres, while in 2020 it was only 7.4 million kilometres. Another factor that influenced the carbon footprint from employees' commuting was better data collection: data was obtained from almost 1,600 employees (in 2019 from only 600), and a better picture of their commuting in various periods was made. Lastly, emission factors were lowered for 2020, which also contributed to the carbon footprint reduction. The emission factors originated from the same database, but they were lowered, and mainly by greener transport (more electric buses, engines with a smaller emission footprint, bio-fuel blending, etc.).

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In respect of electrical energy, the carbon footprint declined by 30.6% and the company consumed 3,047,632 kWh less than in 2019. The drop in emissions is therefore due to a lower consumption of electricity and the change of the emission factor provided by the supplier, which reflects the larger proportion of RES in the energy mix in 2020.

As regards capital projects, the company changed the methodology by breaking down the ongoing work to construction activity, furniture purchase, and repairs. Total capital expenditure rose by around 10%, but the carbon footprint declined by 1.7% since the emission footprint from repairs is much smaller than from construction work.

Quite significant carbon footprint reductions were also achieved in respect of space heating (14.1%), air conditioning (49.8%), and natural gas (16.0%). This is mainly attributable to the pandemic, which closed down a number of offices. We will monitor these values in detail in the coming years to identify whether they are also influenced by other factors and the carbon footprint reduction is sustained.

# 5. Demonstrated emission reductions

Compared with 2019, in 2020 the company achieved reductions in greenhouse gases produced, directly or indirectly, by Komerční banka by 12,859.3 tCO$_2$e, i.e. down by 34.6%. Although a certain portion of this reduction will be attributable to the COVID-19 situation, it should be noted that reductions were achieved in almost all 18 identified emission sources that Komerční banka reports, and we can therefore see a clear-cut trend of greenhouse gas emissions decreasing in all areas of our operation.

| Base year of footprint calculations 2019 | 2019 | 2020 | 2021 |
|---|---|---|---|
| Total emissions | 38,301,628 kgCO$_2$e | 25,049,037.6 kg CO$_2$e | |
| Number of clients | 1,664,000 | 1,653,000 | |
| Emissions per client | 23 kg CO$_2$e | 15.2 kg CO$_2$e | |

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# 6. Reducing our carbon footprint

## 6.1 Reduction targets

Komerční banka, a.s. is committed to reducing the impact on the global climate by setting ambitious but realistic emission reduction targets. These targets will be met through a planning tool to reduce the carbon footprint throughout the organisation. The targets will be in the areas that our company can influence.

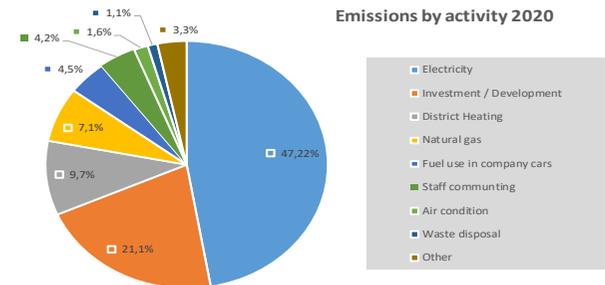| | Target |
|---|---|
| 1 | **Purchase of green electricity**<br>- Gradually increase the use of renewable energy.<br>- Implement this criterion in dealing with electricity suppliers.<br>- Use of energy that the supplier can support by a trustworthy certificate. |
| 2 | **Optimise waste production**<br>- Implement the electronic office, reduce paper and printing use.<br>- Implement strict criteria for waste sorting and reduction in municipal waste production. |
| 3 | **Motivate employees** and win them for the idea of saving $CO_2$ emissions<br>- Employees' commuting to work and their preference for means of transport with lower $CO_2$ emissions. |
| 4 | **Company cars**<br>- Implement a new criterion when buying company cars and take into account their carbon footprint.<br>- Prefer electric or hybrid cars.<br>- If buying a car with an internal combustion engine, prefer petrol engines with the lowest possible $CO_2$ emissions (do not buy cars with a carbon footprint higher than 100 $gCO_{2e}$ per km). |
| 5 | **Savings in the consumption of electricity and other utilities**<br>- Set rules for the use of lighting (considering daylight).<br>- Analyse the use of space heating in buildings, consider the option of using renewable sources in case of refurbishments, and prioritise local heat purchase over natural gas use.<br>- Switch off devices that are not in use.<br>- Modify the operation and management of building services equipment.<br>- Refurbish obsolete energy management of buildings (boiler rooms, HVAC units, cooling stations, etc.). |
| 6 | **Transport**<br>- Extend work from home.<br>- Preference of economy flights over business. |

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## 6.2 Emission reduction action plan

| | Action plan 2020 | Required effect | Timeframe | Resulting effect |
|---|---|---|---|---|
| 1 | **Green electricity purchase and offsets** | **Use renewable electricity and offsets to halve the total carbon footprint by 2025** | **2020 0%** **2021 10%** **2022 17%** **2023 28%** **2024 39%** **2025 50%** | **Halving the total carbon footprint via buying green energy and offsetting** |

2020
In 2020, the company did not buy any electricity conclusively (based on a certificate) from RES; on the other hand, the effort was to reduce energy consumption, which the company actually did and reports a reduction of 10% on 2019. This reduction can partly be attributed to the fact that more employees were working from home, but also to a smaller number of branches and the continuously rising demand for electronic customer service. Nevertheless, the carbon footprint shrank by 30.1% due to a larger proportion of RES in the supplier's energy mix and lower consumption.

**The 2021 Action Plan:**
**The company will seek to reduce its electricity consumption and look for opportunities for potential savings thereof. In the coming years, we will monitor the development of our energy consumption with regard to the more intensive use of data centres in consequence of a more intensive use of electronic customer service.**

| 2 | **Optimise waste production** | Reduce the amount of landfilled waste in favour of recycled waste. | 2020 5% 2021 10% 2022 15% 2023 20% 2024 25% 2025 30% | Reduce waste emissions by 5% each subsequent year |
|---|---|---|---|---|

2020
The waste carbon footprint dropped quite significantly in 2020, by 38.3%. The ratio of landfilled and recycled waste improved by 8%, as did recordkeeping, and the overall amount of waste dropped.

**The 2021 Action Plan:**
**Seek to further improve recordkeeping for municipal waste and increase the share of recycled (or burned) waste compared with landfilled waste.**

| 3 | **Motivate employees** | Sustained reduction in emissions from employees' commuting. | 2020-2025 | Reduce emissions from employees' commuting by 3% each subsequent year |
|---|---|---|---|---|

2020
Employees' commuting dropped significantly in 2020; however, this indicator was heavily affected by the pandemic, and so we are unable to tell clearly to what extent it was due to the company's effort or to external factors.

**The 2021 Action Plan:**
**Increase work from home thanks to the further rollout of the smart office concept. Employees do not have to go to their offices every day and this should help to reduce the carbon footprint from commuting on a long-term basis.**

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| 4 | **Business cars** | Sustained reduction in emissions from transport in business cars. | 2020-2025 | Reduce emissions from transport in business cars by 3% each subsequent year |
|---|---|---|---|---|
| In 2020, the company achieved a reduction of 26.7% in emissions from transport in business cars. The company's cars consumed 142,231 litres of petrol/diesel less than in 2019. | | | | |
| 5 | **Decrease consumption of electricity and other utilities** | Sustained reduction in emissions from the consumption of electricity and other utilities. | 2020-2025 | Reduce emissions from electricity consumption by 3% each subsequent year |
| In 2020, the company reduced emissions from all utilities. In 2021, the company will further monitor the values and seek to reduce emissions even more. In 2020, the company reduced consumption of all utilities supplied. This reduction is attributable to a small number of occupied buildings, a system of shared workplaces, and, equally importantly, to energy reporting and the related energy saving measures. In 2021, the company will continue to follow the current energy saving measures in place, and gradually implement supplementary measures. | | | | |
| 6 | **Transport** | Sustained reduction in emissions from business trips | 2020-2025 | Reduce emissions from business trips by 3% each subsequent year |
| 2020 The company reduced its emissions partly due to the restrictions against COVID 19 and partly due to changes in its business model: greater use of remote advisory services (over the telephone and Skype), the implementation and more frequent use of which will result in a smaller number of business trips going forward. | | | | |

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# CARBON FOOTPRINT MANAGEMENT

| Year | 2019 | 2020 |
|---|---|---|
| | kgCO2e | kgCO2e |
| **Total Footprint** | 38 301 627 | 25 049 038 |
| | | |
| **Number of clients** | 1 664 000 | 1 653 000 |
| **Total Footprint (kgCO2 per client)** | **23,0** | **15,2** |

| **Target 2025** | **-80%** |
|---|---|
| **kgCO2 per client** | **4,6** |
| **Total kgCO2e** | **7 660 325** |

**Emissions by activity 2020**

- 47,22% Electricity
- 21,1% Investment / Development
- 9,7% District Heating
- 7,1% Natural gas
- 4,5% Fuel use in company cars
- 4,2% Staff commuting
- 1,6% Air condition
- 1,1% Waste disposal
- 3,3% Other

| Carbon Footprint Management prospects (based on 2019 results) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| **Initial Aliquot target** | **-13%** | **-27%** | **-40%** | **-53%** | **-67%** | **-80%** |
| Expected development (share of the total KB carbon footprint) | % change 2020 / 2019 | % change 2021 / 2019 | % change 2022 / 2019 | % change 2023 / 2019 | % change 2024 / 2019 | % change 2025 / 2019 |
| Energy consumption - COVID19 impact + energy management | -6% | -10% | -13% | -15% | -17% | -19% |
| Staff commuting + Construction Investments | -12% | -8% | -10% | -10% | -11% | -11% |
| Offsets + Green energy purchase | 0% | -10% | -17% | -28% | -39% | -50% |
| **Total** | **-18%** | **-28%** | **-40%** | **-53%** | **-67%** | **-80%** |

| Carbon Footprint Management forecast (based on 2020 results) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| **Actual 2020 + Updated target** | **-35%** | **-30%** | **-40%** | **-53%** | **-67%** | **-80%** |
| Expected development (share of the total KB carbon footprint) | % change 2020 / 2019 | % change 2021 / 2019 | % change 2022 / 2019 | % change 2023 / 2019 | % change 2024 / 2019 | % change 2025 / 2019 |
| Energy consumption | -16% | -12% | -16% | -18% | -20% | -22% |
| Staff commuting + Construction Investments | -16% | -15% | -12% | -12% | -13% | -13% |
| Other | -3% | -3% | -3% | -3% | -3% | -3% |
| Green energy purchase (without any offsets) | 0% | 0% | -12,5% | -25% | -46% | -44% |
| **Total** | **-35%** | **-30%** | **-43,5%** | **-58%** | **-82%** | **-82%** |

**Summary:**

2019 - initial carbon footprint calculation and Carbon Footprint Management completed

2020 - aliquot target was exceeded without any additional costs for offsets or green energy purchasing; mainly due to the expansion of homeoffice (partly due to COVID19 measerus and partly thanks to the Smart office concept implementation) and lower electricity consumption (COVID19, reducing the number of branches by 1/3, leaving Nonet building, including old data center, energy management)

2021 - A slight deterioration compared with 2020 is expected due to a lower use of homeoffice as the covid pandemic ends, it may be necessary to purchase offsets to achieve the aliquot target, but in a lower volume than originally planned

2022 - 2025 - Green energy purchase should support a decrease by 25% - 46% (costs estimated at around CZK 200 000 to 1.5 milion + continuation of measures from previous years)

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# 7. Offsetting carbon footprint

## 7.1 Offset targets

Komerční banka, a.s. is committed to partially offset the $CO_2$ emissions associated with its activities. Carbon credits are a robust method for mitigating the negative effects of $CO_2$ emissions. This mitigation is taking place outside our organisation and includes interesting projects that match well with our mission to provide services that are not burdened by greenhouse gas emissions.

Carbon credits are purchased from pre-verified suppliers and subject to consultation with a certification company. All of these projects comply with offset principles and are listed in NEPCon's carbon footprint standard.

Only projects certified by the following standards will be used for offsetting:

- Gold Standard (incl. CarbonFix) https://www.goldstandard.org/
- Voluntary Carbon Standard https://registry.verra.org/
- Plan Vivo Standard https://www.planvivo.org/

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# 8. Data quality evaluation

## 8.1 Data quality records

In order to monitor and improve data quality over time, Komerční banka, a.s. provides a qualitative and quantitative assessment of data quality throughout the carbon footprint management system, including activity data, data allocation, estimates and recalculations, as well as the emission factors used. Data quality is evaluated on the basis of completeness, and temporal, geographical and technological representativeness.

## 8.2 Data quality evaluation

Komerční banka, a.s. seeks to use primarily current and accurate input data. This includes the provision of primary data for all activities under the company's control, at least all emissions for Scopes 1 and 2, obtained from invoices, Alstanet's CAFM system, energy management, mileage covered, and annual or monthly meter readings. The extent of Scope 3 may in some cases be estimated or allocated due to incomplete data obtained.

| No. | Activity | Scope | Data type | |
|-----|----------|-------|-----------|---|
| | | | Primary (exact) | Secondary (calculated, estimated) |
| 1 | Natural gas | 1 | x | |
| 2 | Diesel in the unit | 1 | x | |
| 3 | Air conditioning, refrigerant | 1 | x | |
| 4 | Company car, diesel | 1 | x | |
| 5 | Company car, petrol | 1 | x | |
| 6 | Electricity | 2 | x | |
| 7 | Electricity for cooling | 2 | x | |
| 8 | Electricity for vehicles | 2 | x | |
| 9 | Heat | 2 | x | |
| 10 | Waste | 3 | x | |
| 11 | Business trips, hotels | 3 | | x |
| 12 | Business trips, airplanes | 3 | | x |

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| No. | Activity | Scope | Data type | |
| --- | --- | --- | --- | --- |
| | | | Primary (exact) | Secondary (calculated, estimated) |
| 13 | Business trips, taxi | 3 | | x |
| 14 | Employees' commuting | 3 | | x |
| 15 | Investment | 3 | | x |
| 16 | Material | 3 | x | |
| 17 | Water | 3 | x | |

The values of consumed energy (heat and gas) are not copied from energy suppliers' bills, because their readings are not taken exactly on the last day of the month and can be delayed. The values used for calculating the carbon footprint are therefore accepted from in-house metering, and these values may differ slightly from those in the energy suppliers' bills.

## 8.3 Improvement of data quality over time

Komerční banka, a.s. is committed to improving the data collected and used in the calculation of the carbon footprint over time, in order to ensure the most accurate carbon footprint result and to demonstrate the reduction. Komerční banka, a.s. will take steps to ensure the highest data quality within and outside the organisation, including compliance with best practice and using the latest updated sources, and will make every effort to use primary rather than secondary data. These efforts are as follows:

i. Primary data: Ensure timely and continuous primary data recording by responsible employees. The data must be supported by the respective documents.

ii. Data collection: The authorised employees collect data and transmit it, on a regular basis, to the person responsible for the calculation. This person is responsible for the quality and the accuracy of the data;

iii. Calculation: Make efforts to improve the calculation system.

iv. Emission factors: Monitor emission factors and continuously acquire new ones.

v. Allocation methods: Try to limit estimates and additional calculations.

## Data evaluation for 2020

In 2020, the company carried out certain measures with a view to improving the quality of the data reported:

1. Employees' commuting: The questionnaire concerning employees' commuting was distributed to all employees (only a sample of them in 2019) and the data was also examined in relation to the season of the year to find the most accurate data, since the commuting mode changes depending on the weather. The number of days of working from home and on sickness leave was taken into account, which made the number of commuting days more accurate.

2. Investments: The data on capital projects was analysed and broken down by activity type. We wanted to identify the work related to construction activities and to repair, and then determine the part of the capital expenditure spent on furniture, which has a smaller carbon footprint than construction work.

3. Improved values of emission factors:

   - In 2019, for natural gas we used the DEFRA emission factor which, however, did not reflect exactly the specs of the natural gas used in the Czech Republic, and the emission factor was therefore changed to UNFCCC NIR for the Czech Republic (from 0.20374 to 0.19960).

   - We also changed the emission factor for electricity, shifting from the EEA's factor for the Czech Republic to that provided directly by the energy supplier (from 0.576 to 0.450).

   - A small change was made in the emission factor for bought heat, shifting to the DEFRA value to the emission factor directly for the Czech Republic under Ecoinvent 3 (from 0.17606 to 0.1650).

The emission factors for employee commuting were changed quite significantly, whereby some of them were reduced; however, it was found, in the first place, that in some cases emission factors for business trips had been used although it would have been correct to use the values for personal transport.

|   | Action plan | Resulting effect |
|---|---|---|
| 1 | More accurate input data for emission sources | Value accuracy improvement |
| 2 | More detailed values of inputs | Data accuracy improvement |
| 3 | Larger number of employees enquired regarding transport to work | Value accuracy improvement |
| 4 | Improved business travel records | Value accuracy improvement |
| 5 | Improved records of the amount of waste and its further processing. Breakdown of non-recycled waste (everything except paper and plastics) | Value accuracy improvement |

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| | into: | |
|---|---|---|
| | - Land-filled<br>- Composted<br>- Burned | |
| **6** | Improving records of investments. Categorise work by type of investment:<br>- Construction work<br>- Furniture<br>- Repairs<br>- IT<br>- Other | Value accuracy improvement |

1. **Source of emission factors for 2019: DEFRA 2019**

   Most emission factors were taken from the DEFRA 2019 records (http://www.ukconversionfactorscarbonsmart.co.uk)

   For electricity, the emission factor provided by the energy supplier was used.

   For construction work, the emission factor was taken from a technical report that took the local conditions into account, https://iopscience.iop.org/article/10.1088/1755-1315/222/1/012013

   For natural gas, heat, furniture, and capital project work, the emission factor from the Ecoinvent 3 database was used.

   For used printer cartridges, the emission factor was taken from the following source: https://energycentral.com/c/ec/ink-waste-environmental-impact-printer-cartridges

2. **More detailed values of inputs**
   N/A

3. **Obtaining better and more accurate emission factor values**
   See above

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# 9. Carbon footprint and climate communication

## 9.1 Public communication regarding climate change

Komerční banka, a.s. communicates carbon footprint results on an annual basis. This information can be found in the following documents:

| | Document title | Document contents and purpose | Reference |
|---|---|---|---|
| 1 | Company website | General information | |

Komerční banka, a.s. will use the opportunity to communicate the issued Carbon Footprint Management certificate and the relevant labels to its clients and employees in the following materials:

| | Document title | Document contents and purpose | Reference |
|---|---|---|---|
| 1 | | | |

## 9.2 Carbon footprint management statements and logos

Komerční banka, a.s. will use CFM statements and logos to demonstrate its effort to manage the carbon footprint.