

# **CARBON FOOTPRINT MANAGEMENT PLAN**

## **for 2024**

The carbon footprint measures the amount of greenhouse gases emitted into the atmosphere. EGE spol. s r.o. has actively joined thousands of companies around the world that are reducing their carbon footprint.

EGE spol. s r.o. CARBON FOOTPRINT MANAGEMENT PLAN sets out our commitment to measuring, monitoring and reducing carbon footprint. Through this plan, our company aims to reduce its environmental impact over the long term.

The plan includes a procedure for managing the company's carbon footprint, as well as targets for reducing CO2 emissions and an action plan for achieving this reduction over a set period of time. In addition, the plan evaluates the quality of the data processed, the methods of data collection and presents specific points that can be progressively improved in this area.

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## 1. Company Description

EGE and its subsidiaries form a holding company whose activities are mainly focused on supplying equipment for the needs of the energy industry at home and abroad. The holding has exclusively Czech capital, in-house know-how and production base and a turnover of more than CZK 1.5 billion. It employs approximately 450 employees, including professional design teams and experienced assembly crews.

The parent company EGE, spol. s r.o. deals mainly with the production and sale of special equipment for the energy industry. The entire activity of the production base can be divided into three areas: heavy current electrical engineering, power plant generator outlets (bus ducts) and steel structures.

We mainly produce arc suppression coils for compensation of capacitive currents in HV and VHV networks, equipment for automation of arc suppression coils, earthing resistors for neutral point earthing of HV transformers, bus ducts – power plant generator outlets, tower structures for transmission and distribution lines of all voltage levels from 22 kV to 400 kV, steel structures of substations, steel structures of cable cars and industrial halls. Our company also provides specialized services focused on distribution network analysis.

We provide in-house development, design, engineering, installation and service for all our products.

EGE assumes the responsibility for CO2 emissions resulting from the company's business and manufacturing operations and activities. This responsibility is based on the following principles:

- EGE shall make efforts to mitigate climate change.
- EGE shall work to reduce annual greenhouse gas emissions and maintain climate responsibility through its actions. In doing so, it will contribute to improving the company carbon footprint.
- EGE shall ensure that company activities such as material purchasing or transportation activities are in line with the intentions set out in this document.
- EGE shall seek solutions leading to meaningful investments that result in the reduction of greenhouse gas emissions.
- EGE shall maintain a system for annual monitoring and reporting of GHG emissions. This system shall be permanent, accurate, transparent and in accordance with the chosen standard ČSN EN ISO 14064-1.
- EGE shall clearly communicate its corporate policy, emission reduction targets and the reductions achieved.
- EGE shall demonstrate a commitment to inspire a positive attitude towards the environment in its business partners, customers, suppliers and employees.

Mgr. Tomáš Knittl, Ing. Marek Metelec

Managing directors EGE spol. s.r.o.

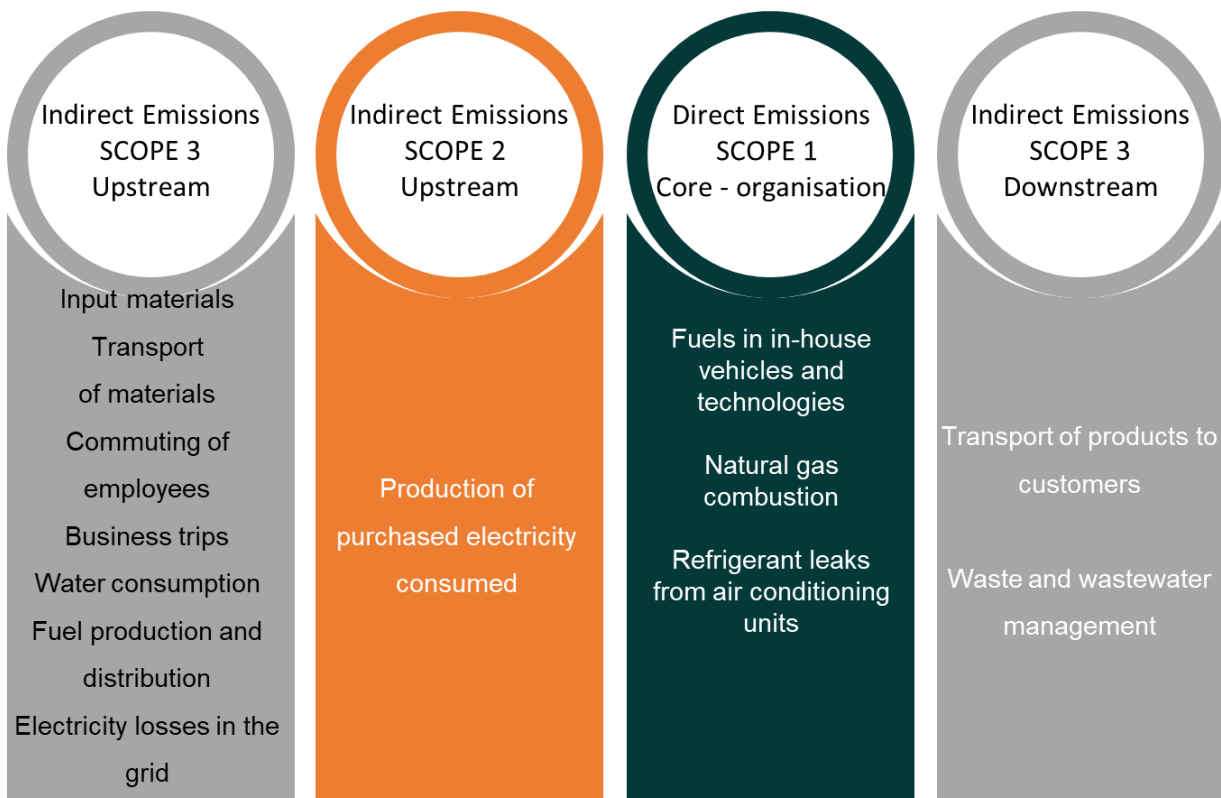
## 2. Carbon Footprint Management Plan

Our Carbon Footprint Management (CFM) system is explained in the following sections:

- a) **Subject of analysis:** Carbon footprint of the organization
- b) **Baseline year for measuring carbon footprint:** 2023
- c) **Greenhouse gases:** The most important anthropogenic greenhouse gas that our society produces is carbon dioxide (CO<sub>2</sub>). We include other greenhouse gases in the calculation using carbon dioxide equivalent (CO<sub>2</sub> equivalent). We use the following to determine the potential global warming effect due to greenhouse effect of specific gases: <https://www.ipcc.ch/reports/>.
- d) **Employees responsible for the accuracy of data:**  
Ing. Blanka Klimešová - patronage over the whole system,  
Radek Trnka, Pavel Draxler – responsible for energy consumption data  
Zdeněk Hála - responsible for data on air conditioning units  
Iveta Voksová – responsible for waste management data  
Miloš Šimek – responsible for energy audit  
Jaroslav Emmer – responsible for car transport data  
Ing. Markéta Korostenská, Ing. Jana Hauerová – responsible for supplier and input data
- e) **Employee training:** Training on the carbon footprint of the organization will be conducted regularly according to the directive of the company and a proper record will always be kept of the training conducted providing information on the scope of training, attendance of trainees etc.
- f) **Retention of documentation:** CFM documentation is kept in paper or electronic form and is available to both internal (employees) and external (auditors, public) interested parties. It is regularly reviewed once a year as part of an internal audit and retained for 5 years. A list of individual CFM documents is included in the CFM documentation.
- g) **Data collection:** Data collection is based on corporate accounting, energy management, etc. In addition, the authorised company records (waste management), data from material suppliers and internal employee records are used.
- h) **Calculation:** An excel spreadsheet was used to calculate the carbon footprint, developed in collaboration between the responsible representatives of the organisation and an external consulting company. Specific data (data on energy and material consumption, transport, etc.) and relevant emission factors are added to the form annually.
- i) **Calculated emissions:** Emissions from transporting employees to work and emissions from transporting products to customers were calculated on a sample basis, and based on that, total emissions were calculated. Emissions from business travel were calculated on the basis of the total cost of business travel.
- j) **“Intensity unit”:** The declared unit of the product system output – used in the calculation, which refers to the unit of the organization's average annual production. The unit was set at the value of **CZK 1,000 turnover** of the organisation in a given year.

- k) **Assessment system** An internal audit is conducted annually to check data input, carbon footprint calculation, data quality, data collection and knowledge of the employees.
- l) **Offsetting:** Offsetting can be used to achieve carbon neutrality. Offsetting is not currently intended. If it is intended to be used, rules shall be established for the recording and use of only credible offsetting methods.
- m) **Carbon footprint boundaries:** Production Plant - EGE Sources from fuel in company vehicles, emissions from natural gas combustion and air conditioner leaks were recorded under direct emissions (Scope 1). Indirect emissions in Scope 2 are represented by the generation of electricity consumed by the organization. Upstream indirect emissions (Scope 3) are from the production and transport of input materials, employee commuting and business trips, production of potable water consumed, well-to-tank (WTT) fuel production and distribution, and transmission and distribution (T&D) losses of electricity in the grid. Downstream indirect emissions (Scope 3) arise from the transport of products to customers and the management of waste and wastewater.

The boundaries of the company's carbon footprint calculation can be seen in the following figure:



### 3. Carbon footprint results

#### 3.1 Carbon footprint base year (2023)

The base year for our carbon footprint management efforts is 2023.

Base year carbon footprint conversion: None.

##### 3.1.1 Company carbon footprint

Total emissions: 45 835,42 t CO<sub>2</sub>e (including a 3% increase to the total result for Scope 3)

In intensity: 22,52 kg CO<sub>2</sub>e / CZK 1,000 of annual turnover

Emissions by scope (without taking into account the increase in the total result):

Scope 1:	Scope 2:	Scope 3:
<p><b>677,89 t CO<sub>2</sub>e</b> 1,52 %</p>	<p><b>1 430,88 t CO<sub>2</sub>e</b> 3,21 %</p>	<p><b>42 453,06 t without tolerance</b> 95,24 % <b>43 726,65 t including 3% tolerance</b></p>

##### 3.1.2 Product carbon footprint

The carbon footprint of specific product types is not yet calculated. The following table shows the conversion of the total carbon footprint of the organisation to an average of 1 t of production and turnover, of the individual operations of the organisation:

- ELA - Transformers and Inductors
- ALU - encapsulated AI conductors
- OKO - steel structures

section	turnover [tsd. CZK]	production [t]	CF [kg CO <sub>2</sub> e]	inputs (t)	kg CO <sub>2</sub> e/t	kg CO <sub>2</sub> e/tsd. CZK turnover
<b>ELA</b>	569,897	2,740	7,984,977	8,418	2,914	14.01
<b>ALU</b>	467,749	1,376	9,264,640	1,992	6,733	19.81
<b>OKO</b>	795,768	9,597	27,312,212	10,201	2,846	34.32

In the case of the ALU and OKO plants, a significant similarity of the calculation for average production with specific products can be expected, as the materials used and the production processes are homogeneous. Thus, the carbon footprint of specific products can also be calculated on the basis of weight (e.g. according to the weight of 1 piece of a given product type or the total weight of a specific order). In the case of products from ELA operations, a similar assumption needs to be verified.

### 3.2 Subsequent carbon footprint

The carbon footprint will be monitored annually and will be compared to the base year carbon footprint. Our goal is to reduce our carbon footprint each year compared to the previous year's values.

	Carbon footprint base year, 2023	2024	Difference %
	tCO <sub>2</sub> e		
<b>Scope 1</b>	677,89		
<b>Scope 2</b>	1 430,88		
<b>Scope 3</b>	42 453,06		
<b>Total (+3% for Scope 3)</b>	<b>45 835,42</b>		
<b>Per CZK 1,000 of annual turnover</b>	<b>22,52 kg</b>		

### 3.3 Importance of individual emission sources

The importance of all the emission sources is clear from the calculation. The following table provides a summary of the main sources.

Fuel consumption in own production			%
Activity	Scope	kgCO <sub>2</sub> e	of total results
<b>Scope 1 emissions - mobile and stationary sources</b>	<b>1</b>	<b>677,889</b>	<b>1.52 %</b>
<b>Elektrina a topení</b>			
Activity	Scope	kgCO <sub>2</sub> e	
<b>Emissions Scope 2 – electricity (market based)</b>	<b>2</b>	<b>1,430,880</b>	<b>3.21 %</b>
<i>Emissions Scope 2 – electricity (market based)</i>	2	802,160	-
<b>Transport</b>			
Activity	Scope	kgCO <sub>2</sub> e	
Transport of materials	3	813,850	1.83 %
Transport of products	3	5,152,050	11.56 %
Business travel	3	919,647	2.06 %
Employee commuting	3	257,897	0.58 %
<b>Other emissions in Scope 3</b>			
Activity	Scope	kgCO <sub>2</sub> e	
Waste	3	20,786	0.05 %

Input material	3	33,157,335	74.41 %
Water	3	2,026	0.00 %
WTT and T&D	3	2,129,471	4.78 %
<b>Scope 3 emissions</b>	<b>3</b>	<b>42,453,062</b>	<b>95.27 %</b>

It is clear from the results that the materials purchased for production and their transport are absolutely critical to the outcome of the carbon footprint of the organisation and the products. Resources in Scope 1 and 2 contribute 5.9% of the total result.

The following table then shows the contribution of the main material inputs to the results of the calculation of the carbon footprint of the average output from each site.

ELA		ALU		OKO	
Emis. source	% of total result	Emis. source	% of total result	Emis. source	% of total result
<b>Total materials</b>	<b>88,62</b>	<b>Total materials</b>	<b>90,91</b>	<b>Total materials</b>	<b>72,07</b>
Copper wires, drilleiters	23,22	Al (sheet metal, profiles, castings, etc.)	60,02	Metallurgical materials FE	67,89
Dynamoplech	17,45	Metallurgical material FE	8,70	Fasteners	3,44
Transformer oil	10,20	Co-operation total	6,41		
Cooperation - total	8,27				
Instruments	5,17				
Magnetic circuit	3,73				

### 3.4 Proven emission reductions

Carbon footprint calculations began this year.

## 4. Reduction targets

EGE is committed to reducing its climate impact by setting ambitious but realistic emissions reduction targets. These targets provide a planning tool to drive carbon reduction across the organisation. As well as serving to mitigate climate change, these targets help reduce the business and reputational risks associated with climate challenges, help achieve cost savings, stimulate organisational innovation and prepare the organisation for any future mandatory emissions reporting requirements and regulation.



NO.	TARGET
1	Reduction in the consumption of purchased electricity
2	Reduction in the consumption of purchased natural gas for heat production

The development of the CF will be monitored and evaluated continuously (at least once a year) by means of reporting to the management.

#### 4.1 Reduction Action Plan

EGE will make a real and determined effort to reduce carbon emissions from our business activities, including the following actions:

NO.	PLANNED ACTIONS	SECTION	TIMEFRAME
1	Outdoor LED lighting	ALU/ ELA	2024
2	Skylights in LED operations	ALU/ ELA	2024 - 2025
3	Compressor	ALU/ ELA	2024
4	Heat pumps - 2 pcs	OKO	2024
5	FVE panels carports - 4 pcs	OKO	2024

## 5. Offsetting carbon footprint

### 5.1 Offset targets

EGE does not currently intend to offset its carbon footprint.

### 5.2 Carbon neutrality

EGE does not currently intend to achieve carbon neutrality.

## 6. Data quality assessment

In order to monitor and improve data quality over time EGE, provides qualitative/quantitative data quality assessments across our CFM system, including our activity data, data allocation, conversion estimates and assumptions, and emission factors used. Data quality is assessed based on completeness, timeliness, geographic and technological representativeness.

### 6.1 Data quality assessment

EGE tries to use mainly up-to-date and accurate input data. This includes providing primary data on all activities under the control of the organisation, at least for all sources of direct emissions in Scope 1 and indirect emissions in Scope 2.

This includes data obtained from accounts, kilometrage/fuel consumption records and annual or monthly measured data. The data in Scope 3 can be expertly estimated or calculated if necessary.

ORDER	ACTIVITY	SCOPE	DATA TYPE	
			Primary (precise)	Secondary (calculated, estimated, obtained)
1	Fuels for mobile sources	1	x	
2	Natural gas	1	x	
3	Refrigerant leaks	1	x	
4	Electricity	2	x	
5	Transport of products	3	x	
6	Transport of input material	3	x	
7	Business trips	3	x	
8	Employee commuting	3		x
9	Waste	3	x	
10	Input material	3	x	
11	Water	3	X	
12	WTT a T&D	3	x	
13	Emission factors	3		x

Data collection is based on corporate accounting, energy management, etc. In addition, the authorised company records (waste management), data from material suppliers and internal employee records are used.

## 6.2 Improving data quality over time

The overall quality of the data used is good. The company will strive to refine the data:

- Actively seeking the most appropriate and up-to-date emission factors. Emission factors will be updated annually and suppliers of key materials for production will be approached to supply their carbon footprint values (e.g. for transformer sheets etc.).
- In the area of employee commuting – the calculation is based on the assumption of employees transporting by private cars only without carpooling. The possibility of refining the data can be explored. However, given the low significance of this emission source and the pessimistic scenario of the calculation, this is not necessary.

- Business trips and accommodation – not included in the calculation due to lack of information. It is possible to investigate the possibility of obtaining data or performing a trial calculation to determine the potential significance of this emission source.

### 6.3 Sources of emission factors

The majority of emission factors used are from the DEFRA 2023 emission factor set (<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>)

For electricity, the emission factor published by the Czech Ministry of Industry and Trade (location-based) and AiB (residual market-based) were used.

In the case of material inputs, the characterisation (using the IPCC GWP100a method) of unit processes from the LCI database Ecoinvent 3 obtained from an external consulting company was used.

## 6. Carbon Footprint Communication

Information about obtaining the “Carbon Footprint” Certificate will be provided to customers and partners via e-mail communication and in face-to-face meetings.

### 6.1 Public communication in relation to climate

The company carbon footprint certificate will be presented on the website of the company.