

Carbon footprint calculation report Adampol Group

for the year 2023





About the report

Sustainability is a key aspect of responsible business. We therefore analyse the greenhouse gas emissions directly related to our operational activities.

Part of our policy is to analyse the greenhouse gas emissions associated with our internal operations. Our ambition is to achieve carbon neutrality in all three scopes.

This report provides a description of the carbon footprint associated with the Adampol Group's operations. The report has been prepared based on internal and external documentation, interviews with employees and analysis of source data and data collection systems.

The report provides a comprehensive summary of the greenhouse gas emissions resulting from the Adampol Group's internal operations. All data collected and analysed in this document comply with the GHG Protocol principles of materiality, comprehensiveness, consistency, transparency and accuracy.

We invite you to read!



About the Adampol Group

We are one of the leading finished vehicle Logistics companies in Europe, with branches and Business Partners in many countries. In 2015, we became part of the Hyundai GLOVIS Group and since 2021, 30% of our shares belong to Beijing Changjiu Logistics. We have been providing car, van and semi-truck transportation services through Europe and Asia for over 30 years.

In addition to a range of car distribution chain activities, we also offer logistics, general cargo, warehousing and maintenance services.

Our companies, branches and offices are located in many European countries, including the Czech Republic, Slovakia, Belgium, Italy, England or Spain. We employ more than 1,100 people. With such an extensive network and infrastructure, we are able to pick up and deliver up to hundreds of customer loads from all over Europe, every day.



Purpose of the report

We present you this report containing information on the carbon footprint generated by the Adampol Group in 2023. It includes activities from Scope 1 and 2. All data collected and analysed in this report follows the GHG Protocol methodology.

The carbon footprint is the sum of all greenhouse gas emissions that took place for a product to be produced or for an activity to be undertaken. It includes carbon dioxide emissions, as well as methane, nitrous oxide and other greenhouse gases, which are expressed in CO₂ equivalent.

The carbon footprint calculation report from the Adampol Group's operations has been prepared in order to:

- manage greenhouse gas emissions and identify opportunities for reduction,
- transparently communicate GHG emissions to stakeholders.

Verification of the report

This report has not been verified by an accredited third party.

Mandatory information

No facilities, operations or emissions were excluded from the report.

Reporting period covered by the report

January 1st, 2023 – December 31st, 2023

Organisational boundaries

The method of consolidation by which, the Adampol Group reports is the operating control method.

Scope 3 issues are not included in this report.

Have any plants, operations and/or emission sources been excluded from the calculation?

The report relates only to the audited company. Other business entities related to the company are not included in the report.

Background of the carbon footprint calculation

Paris Agreement

The Paris Agreement, which came into force in 2016, is an international climate agreement under the aegis of the United Nations Framework Convention on Climate Change (UNFCCC). The aim of the agreement is to limit global Warming to less than 2 degrees Celsius above pre-industrial levels, aiming to limit the increase to 1.5 degrees Celsius.

The calculation and reporting of CO₂ (and other greenhouse gas emissions) has several key objectives in the context of the Paris Agreement:

- **Progress monitoring:** whether and how far countries are progressing towards the targets of national commitments.
- **Transparency and accountability:** to assess whether countries are honouring their commitments and whether additional action is needed.
- **Action planning:** identifying where and how to effectively reduce emissions.
- **Supporting policy decisions** for climate change mitigation.
- **Promoting sustainability:** identifying opportunities for the green economy, such as clean energy technologies, energy efficiency, sustainable agricultural practices.

IPCC

The Intergovernmental Panel on Climate Change (IPCC) is an organisation established by the United Nations and the World Meteorological Organisation (WMO) in 1988.

The IPCC is responsible for assessing scientific information on climate change, its impacts and potential adaptation and mitigation strategies.

In the context of carbon footprint calculations, the IPCC has developed a number of methodologies and tools that are widely used. Of particular relevance are the IPCC's Greenhouse Gas Inventory Guidance Reports, which provide detailed methods for calculating CO₂ and other greenhouse gas emissions from various sources.

GHG PROTOCOL

The GHG Protocol is the international standard for accounting and reporting of greenhouse gas emissions.

The GHG Protocol specifies how to measure GHG emissions and how to report them in a transparent and consistent manner. In particular, the protocol provides rules for:

- defining the boundaries of an organisation's responsibility for emissions, covering direct emissions (Scope 1) from activities controlled by companies, indirect emissions from purchased energy (Scope 2) and other indirect emissions that result from company activities, but which are controlled by others (Scope 3),
- the selection and application of emission factors to calculate emissions from different sources,
- The development and implementation of an emissions management plan, including setting emission reduction targets and tracking progress towards them.

The GH Protocol is a key tool for private and public organisations that want to understand and manage their impact on climate change.

Methodologies and emission factors

Basic information on the methodology for calculating greenhouse gas emissions and the indicators used

Scope 1 GHG emissions were calculated using The GHG Protocol Corporate Accounting and Reporting Standard methodology:

- for natural gas: using DEFRA data,
- for acetylene: using the stoichiometric equation,
- fuel calorific values: diesel and emission factors were adopted based on data published by the National Balancing and Emissions Management Centre.

Scope 2 GHG emissions were calculated using the methodology of The GHG Protocol Corporate Accounting and Reporting Standard together with GHG Protocol Scope 2 Guidance and Amendment to the GHG Protocol Corporate Standard. The following emission intensity factors were used to calculate Scope 2 GHG emissions:

- location based: for electricity in Poland – based on KOBiZE data,
- market based: ENEA S.A. Due to the lack of data on energy sellers for electric car chargers, it was assumed that the emission factors shown are the same as those of the energy seller for the survey company.
- for heat energy in Poland: based on URE data.

Information about source data and estimates

Fuel and energy carrier consumption calculations are for the year 2023. Consumptions measured from physical meter readings of natural gas and electricity consumption are reported.

2.1. Electricity

It has been assumed that the consumption values measured or forecast on invoices for 12 consecutive months reflect the annual electricity consumption.

2.2. Natural gas

It has been assumed that the consumption values measured or forecast on the invoices for 12 consecutive months reflect the annual consumption of natural gas.

2.3. Transport fuels

It was assumed that the consumption values measured on purchase invoices for 12 consecutive months reflect the annual consumption of petrol and diesel.

2.4. Refrigerants

It was assumed that the consumption values measured on purchase invoices or service reports for 12 consecutive months reflect the annual consumption of refrigerants.

2.5. Process emissions

Welding work is carried out as part of production maintenance. It has been assumed that the acetylene consumption values measured or forecast on invoices for 12 consecutive months reflect the annual acetylene consumption. Direct measurements of emissions from production processes were made in 2023. The results obtained do not indicate greenhouse gas emissions.

Shielding gas mixtures – proportional emissions to the mass share of CO₂ in the mixture have been entered.

All (100%) data for natural gas, LPG, diesel and fuel oil are from source data.

Information about emissions

The table below refers to emissions independent of any transaction related to GHG emissions, such as the sale, purchase, transfer or deposit of allowances.

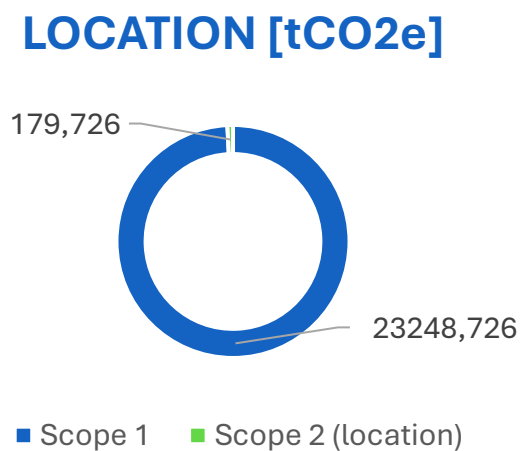
EMISSIONS	Total	CO ₂	CH ₄	N ₂ O	HFC	PFC	SF ₆
	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]
Scope 1	23 248,726	22 892,553	2,753	291,071	0,00	0,00	0,00
Scope 2 (market)	748,419	748,419	0,00	0,00	0,00	0,00	0,00
Scope 2 (locat.)	179,726	179,726	0,00	0,00	0,00	0,00	0,00

Direct CO ₂ emissions from biomass combustion [tCO ₂]	169,123
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According to the GHG Protocol guidelines, two methods of calculating Scope 2 emissions are recommended from 2015:

- market-based (MARKET), reflects emissions from energy consumption from the seller,
- location-based (LOCATION), reflects the average emissions in the network.

Using two calculation methods gives a more complete picture of emissions and takes into account which suppliers a company chooses.



Methodologies and emission factors

Methodologies used to calculate or measure emissions other than those provided for in the GHG Protocol - NOT APPLICABLE.

Base year

Base year	2022
Explanation of the organisation's established policy for recalculating base year emissions:	The organisation's policy for recalculating base year emissions assumes a situation where project emissions changes increase by more than 5%.
Context for any significant changes in emissions that result in a recalculation of base year emissions:	<p>Significant changes in emissions resulting in a recalculation of base year emissions may result from:</p> <ul style="list-style-type: none"> • changes in the structure of the organisation (purchase or sale of shares, split of the organisation), • outsourcing or insourcing of activities resulting in emissions, • a change in the methodology for determining the carbon footprint, • an increase in the accuracy of emission factors or an increase in the accuracy of the activity, • improving the accuracy of the emission factor (primarily in the context of the carbon footprint of energy for market-based calculations), • the discovery of significant errors in the calculations.

Base year emissions

Base year emissions (disclosure in accordance with GRI Standard 305-1 and 305-2)							
EMISSIONS	Total	CO ₂	CH ₄	N ₂ O	HFC	PFC	SF ₆
	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]	[tCO ₂ e]
Scope 1	23 847,016	23 299,059	0,214	1,161	0,200	0,00	0,00
Scope 2 (market)	464,797	464,797	0,00	0,00	0,00	0,00	0,00
Scope 2 (locat.)	937,393	937,393	0,00	0,00	0,00	0,00	0,00

Comparing the results of the emissions calculations in the base year and in 2023, it can be seen that the amount of carbon dioxide emissions generated by the Adampol Group is decreasing year on year.

Optional information

Organisation boundaries

The boundaries of an organisation refer to the extent to which the organisation is focused on its internal functioning and separated from its external environment. The boundaries of an organisation refer to the area in which the organisation is located and operates.

List of all legal entities or establishments in which the reporting organisation has an interest in financial control	Share in the capital of legal entity [%]	Does the reporting organisation exercise financial control? [YES/NO]	Does the reporting organisation have operational control? [YES/NO]
Adampol S.A.	100,00%	YES	YES
Adampol Slovakia	100,00%	YES	YES
Adampol Czech	100,00%	YES	YES
Vectura	100,00%	YES	YES

Emissions information

Details of the emissions in each of the calculated Ranges are shown below.

Emissions split by source type [tCO ₂ e]	
Source 1: Direct emissions from own/controlled operations	23 248,726
a. Direct emissions from combustion processes at stationary facilities	228,232
b. Direct emissions from mobile combustion sources	22 945,325
c. Direct emissions from process sources	0,214
d. Direct emissions from fugitive sources	74,955
e. Direct emissions from agricultural sources	0
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating and cooling (market)	748,419
a. Indirect emissions from purchased/obtained electricity	745,419
b. Indirect emissions from purchased/acquired steam energy	0
c. Indirect emissions from purchased/acquired heating	2,681
d. Indirect emissions from purchased/acquired cooling	0
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating and cooling (location)	179,726
a. Indirect emissions from purchased/obtained electricity	177,045
b. Indirect emissions from purchased/obtained steam	0
c. Indirect emissions from purchased/acquired heating	2,681
d. Indirect emissions from purchased/acquired cooling	0

Additional information

<p>Information on any contractual provisions relating to greenhouse gas emission risks and obligations.</p>	<p>Not applicable.</p>
<p>An outline of any external assurances and a copy of any verification statements if applicable to the reported emissions data.</p>	<p>Not applicable.</p>
<p>Information on the quality of the GHG inventory (e.g. information on the causes and magnitude of uncertainties in emission estimates) and an outline of the policies in place to improve the quality of the inventory.</p>	<p>Carbon footprint calculations were carried out based on recognized coefficients provided by GHG Protocol, EMBER, DEFRA, AIB and the Ecoinvent 3.9.1 database, among others.</p> <p>While calculating the carbon footprint, it was necessary to approximate emissions related to heating and thermal energy consumption for offices in selected locations (Belgium, Italy, Spain, UK). The area of each location was used for the approximation, and the average heating (source 1) and electricity (source 1, 2, 3) demand was estimated. Then, based on Eurostat data, the most likely sources of heat (natural gas for foreign locations, hard coal for the Polish location) were determined. Knowing the demand for heat energy and the source of heat energy, heating emissions were determined. Based on sources 1-3, the electricity consumption of each location was estimated (based on source 3, the direct energy consumption of employees was assumed to be 140 kWh/m²).</p> <p>In the case of two locations (Małaszewicze, 5 and 17 Celna St., and Zaścianki, 3 Service St.), a zero-electricity footprint was assumed since a document confirming zero generation-related emissions was obtained for one of the suppliers, and for the other from renewable sources. In the case of Vectura, no data on the residual mix was found, hence the same energy emission factor was assumed for the market-based and location-based methods.</p> <p>For the locations mentioned, the calculations are estimates, but the lack of greater accuracy will not significantly affect the carbon footprint of the entire group (it will not affect the base year conversion if the accuracy of the calculations improves).</p> <p>Source 1: European Building Stock Analysis, A country by country descriptive and comparative analysis of the Energy performance of buildings, A. Gevorgian, S. Pezzutto, S. Zambotti, S. Croce, U. Filippi Obergger, R. Lollini (Eurac), L. Kranzi, A. Müller</p> <p>Source 2: Benchmarking commercial energy use per square foot Twinview Insights</p> <p>Source 3: Report Energy consumption in office buildings www.skanska.pl</p>
<p>Information on greenhouse gas sequestration.</p>	<p>Not applicable.</p>

Information about offsets

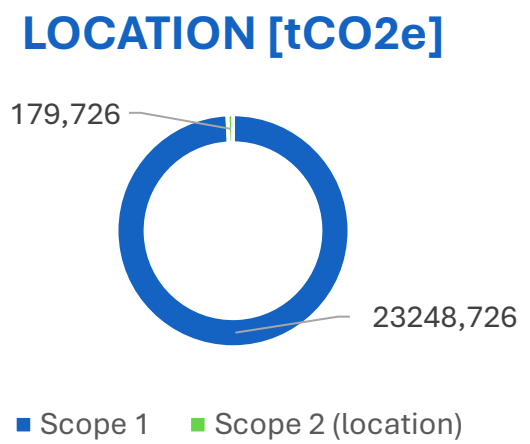
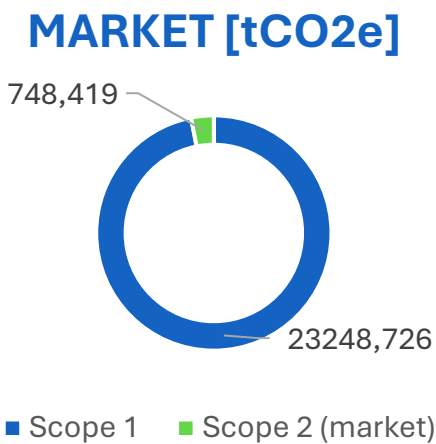
Carbon offsetting is an action to compensate for the emission of greenhouse gases into the atmosphere as a result of human activities. It is one of the steps on an organisation's path towards achieving carbon neutrality.

Information about offsets that have been purchased or developed outside the borders of the list		
Quantity of greenhouse gases [tCO ₂ e]	Type of offset project	Has the offset been verified/certified or approved by an external GHG programme (e.g. CDM)?
none	none	not applicable

Information on reductions inside the list boundary that have been sold/transferred as offsets to a third party		
Quantity of greenhouse gases [tCO ₂ e]	Type of offset project	Has the offset been verified/certified or approved by an external GHG programme (e.g. CDM)?
none	none	not applicable

Adampol Group's 2023 Scope 1 and 2 carbon footprint according to the GHG Protocol - summary

Year 2023:



Compared to 2022, which is also the base year when the Adampol Group carbon footprint analysis started, a reduction in Scope 1 and Scope 2 emissions measured locally can be seen. A comparison of emissions is shown on the next page of the report.

Adampol Group's 2023 Scope 1 and 2 carbon footprint according to GHG Protocol – comparison with baseline year

Emissions split by source type [tCO ₂ e]	2022	2023
Scope 1: Direct emissions from own/controlled operations	23 847,02	23 248,726
a. Direct emissions from combustion processes at stationary facilities	568,100	228,232
b. Direct emissions from mobile combustion sources	23 044,350	22 945,325
c. Direct emissions from process sources	0,560	0,214
d. Direct emissions from fugitive sources	234,000	74,955
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating and cooling (market)	464,800	748,419
a. Indirect emissions from purchased/obtained electricity	421,590	745,419
b. Indirect emissions from purchased/acquired steam energy	0,000	0,000
c. Indirect emissions from purchased/acquired heating	43,170	2,681
d. Indirect emissions from purchased/acquired cooling	0,000	0,000
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating and cooling (market)	937,390	179,726
a. Indirect emissions from purchased/obtained electricity	894,180	177,045
b. Indirect emissions from purchased/acquired steam energy	0	0
c. Indirect emissions from purchased/acquired heating	43,17	2,681
d. Indirect emissions from purchased/acquired cooling	0,04	0

As can be seen in the table above – Scope 1 and Scope 2 locally measured emissions have reduced compared to the base year. Market-measured Scope 2 emissions have increased.

Scope 1 shows a large reduction in direct emissions from stationary combustion and in direct emissions from fugitive sources.

In terms of Scope 2 measured by the market – an increase in indirect emissions from purchased/acquired electricity can be seen.

Scope 2 emissions measured locally show the largest reductions. In this case, the reduction in indirect emissions from purchased/obtained electricity has been reduced by as much as around 80%.



ADAMPOL SA
vehicle logistics