

Carbon Tracker 2022

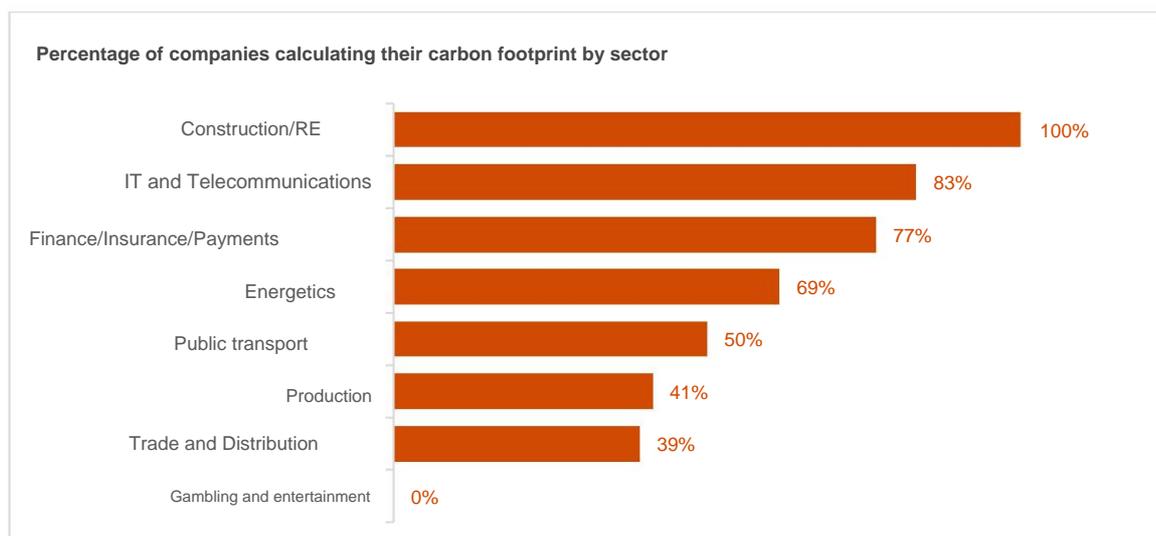
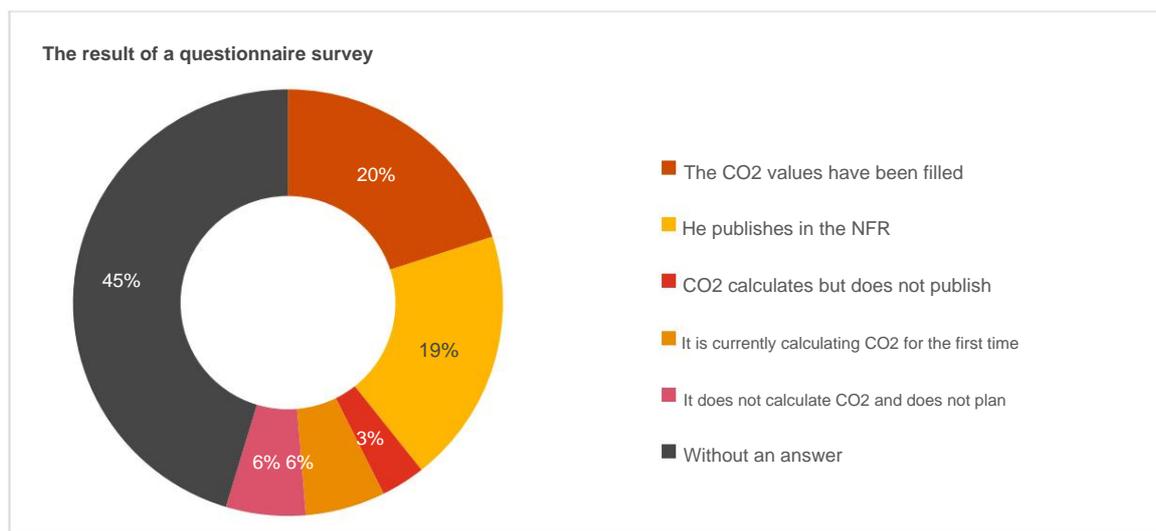
It developed for Climate & Sustainable Leaders
PricewaterhouseCoopers Czech Republic



In a questionnaire survey, we obtained information about the carbon footprint **from 55% of the 150 largest Czech companies** (according to turnover in 2021). Part of the investigation was the analysis of publicly available sources (websites, local and group non-financial reports and annual reports).

The results of the Carbon Tracker 2022 show that approximately every second company in the Czech Republic does not yet **calculate its carbon footprint or refuses to publish its results for various reasons**.

In particular, manufacturing companies, which make up more than a third of the total number of 150 companies, have great problems with the calculation of the carbon footprint. In addition, it is true that those companies that have their emission footprint calculated are often afraid of a negative reaction from the environment if they publish it.



Companies operating in the construction industry, traditionally banks and insurance companies, but also technology companies, including mobile operators, are working with the carbon footprint and decarbonization. From the graph above, it can be seen that within these sectors at least 3 companies out of 4 already calculate the carbon footprint, in construction and real estate it is even all the companies surveyed.

We found a somewhat surprising result in the Carbon Tracker 2022 for energy companies. On the one hand, we can conclude from the available answers that 9 out of 13 companies (i.e. 69%) address the carbon footprint, however, from three out of nine, the calculation of the carbon footprint

we don't have it available. In our opinion, the calculation is still underway or will take place in the near future, these companies are just starting to address the carbon footprint issue.

We found a lower share of companies dedicated to carbon footprint calculation and decarbonization in the Manufacturing and Trade and distribution sectors. Manufacturing companies often do not calculate their carbon footprint because the calculation is more complicated for them than for service companies. If the data is not required by a business partner or a legal obligation, they do not intend to actively address this area for the time being, even in the next two years. Trading and distribution companies do not perceive their activities as carbon-burdening, they do not see a deeper meaning in mapping their carbon footprint, and therefore do not yet focus on decarbonization.

The calculation of the carbon footprint related to the supply chain, the so-called Scope 3, was provided to us or publicly reported by only 16 companies (i.e. 10%). These are mainly companies from the service sector. Manufacturing companies do not yet calculate Scope 3 at all or do not publish the information.

The period is approaching when the obligation for companies in the Czech Republic to undergo an audit of the non-financial area will enter into force. The audit of the calculation of the carbon footprint in the European Union will most likely be mandatory from 2028. However, American companies operating in the Czech Republic will have to have the calculation of the carbon footprint audited as early as next year. The Carbon Tracker 2022 survey shows that companies in the Czech Republic are not prepared for this at all. We know for sure that only 3 companies out of 150 were audited by a certified auditor. The others either did not answer this question or their calculations have not passed the audit until now.

Virtually all companies that responded to us or publish non-financial data and calculate their carbon footprint (57 out of 64) have also set goals related to reducing their carbon footprint. Half of them then have the ambition to reduce their carbon footprint by more than 10% within five years (see the table below for a detailed breakdown). However, it is important to add that more than a third of companies from heavy industry, energy and industrial production, which are among the most important polluters in the Czech Republic, do not have published decarbonization targets and do not manage their carbon footprint at the moment or at least do not publicly inform about it.

Decarbonisation targets	Number of companies
Goals set on the group	16
In the Czech Republic, reduce the impact by 0-5%	3
In the Czech Republic, reduce the impact by 5-10%	6
In the Czech Republic, reduce the impact by more than 10%	32

