Initial Climate Action Plan

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Why?

Tackling climate change and advancing to a sustainable economy is crucial for the global economy to ensure long-term resilience and sustainable growth. The Paris Agreement, adopted in 2015, underscores the global commitment to limit global warming to well below 2 degrees Celsius, with efforts to cap it at 1.5 degrees Celsius. The latest scientific evidence agrees that countries must reach net zero emissions by 2050 and halve their greenhouse gas emissions by 2030 to mitigate the devastating impacts of climate change.

Businesses play a vital role in this global effort. The European Green Deal emphasises the responsibility of the financial sector and its obligation to allocate money to the sustainable transformation. By adopting eco-friendly practices and products, companies can reduce their carbon footprint, mitigate the risks associated with climate-related disruptions and meet the expectations of increasingly eco-conscious stakeholders.

Since its inception more than four decades ago, sustainability has been a key priority at grenke because it supports our value areas: revenue growth opportunities, cost reduction & productivity improvement, regulatory and legal compliance and investment & asset optimisation.

Our business model has always had a strong focus on social and governance issues but even though we are not a manufacturing company, we contribute to environmental protection within our means. For example, the regenerative concepts, now known as “circular economy”, have in fact been part of our business model from the very beginning. After a contract expires, we take back the leased equipment and ensure that it is reused or optimally recycled as far as possible.

By facilitating the procurement and use of modern equipment through our financing offers, we provide incentives to accelerate the spread of the latest and most resource-efficient technologies. grenke is a financing partner, particularly for small and medium-sized enterprises, in more than 30 countries. We support SMEs in implementing the urgently needed “green” transformation, for example, by making the necessary energy transition technologies available on lease. In the 2025 financial year, these objects accounted for 8.1 per cent of our total portfolio, and this figure is set to rise. **Our overall sustainability goal is to be an enabler for sustainable SME’s.**

In line with this goal and guided by the global frameworks we are evolving our portfolio and addressing the new challenges posed by the climate crisis in order to play our part in making a positive environmental impact and seizing new opportunities to develop our business.

What?

Based on our sustainability strategy and business model we set out our journey to achieve net zero within our sphere of influence. Our aim is to create a sustainable future for all our stakeholders – small and medium–sized enterprises, business partners, employees and investors alike.

This initial Climate Action Plan is not a static document, but a dynamic planning tool and platform for dialogue. We start with our own business and go on to explain our climate targets and actions, both in the medium term up to 2030, and in the long term up to 2050.

Our key steps at climate action

2021

Anchoring ESG in our organisation and business strategy

2022

Extension of non-financial reporting

Process implementation for Corporate Carbon Footprint

First climate targets and activities

2023

Enrichment of our Corporate Carbon Footprint

Emission reduction projects

Where we started

In order to steer and drive our group-wide sustainability strategy and to establish ESG (environmental, social and governance) knowledge within the grenke organisation, we set up responsibilities at operational and strategic level beginning as of 2022. We continue to develop our sustainability strategy and corresponding activities, taking into account regulatory requirements as well as business risks and opportunities. We have extended our non-financial reporting within our annual report in preparation for the CSRD reporting and we have established a process to measure our companies' emissions globally in accordance with the Greenhouse Gas Protocol, Corporate Standard, as the recommended and most common standard for companies.

In 2023, we further developed our Corporate Carbon Footprint and identified opportunities to reduce emissions. In 2024, we realigned our climate targets to the science-based framework and published them in our first action plan. We report regularly on the reduction measures and projects that will successfully support our plan.

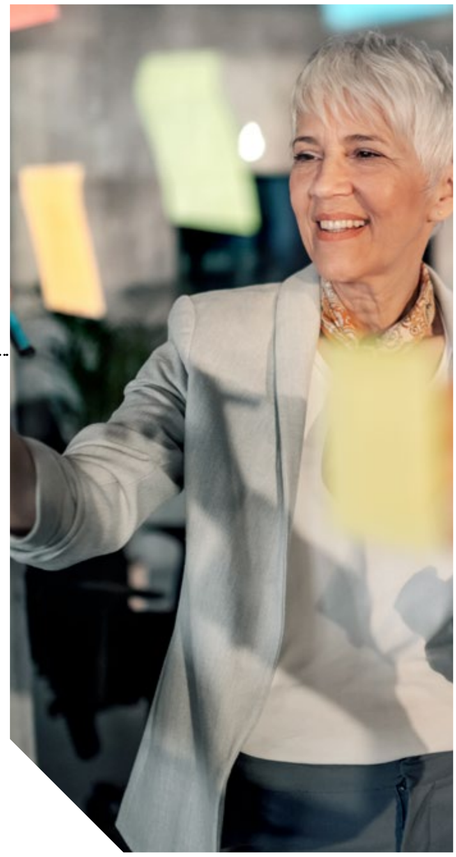
As part of our initial considerations in 2022, we set ourselves the target of being Scope 1 and 2 carbon neutral in 2025. This target was based on the general assumption at that time of combining reduction measures with compensations for emissions. However, based on the latest scientific evidence and recommendations, this is no longer a viable option in the long term. Therefore, we have revised our targets to reflect the science-based approach of limiting global warming to 1.5 degrees Celsius. In 2025, we were able to calculate the Scope 3 emissions from our leased assets (from production and use) for the first time. We are now working on adjusting our targets accordingly, taking our leasing portfolio into account

2024

Groupwide Implementation of measures and projects to support our targets
Aligning climate targets to science

2025

Initial assessment of our leased assets' Scope 3 emissions



Overview of our Climate Action Plan

Progress is measured at the end of each year. We have allowed for the natural growth of the company. The targets and measures will be revised in 2026, and full Scope 3 emissions will be taken into account.

Our climate targets	Key actions*	Key measures	Policies / Frame-works	Governance and disclosure

Alignment to Paris Agreement	// Taking into account the recommendations of Sience Based Target Initiative	// Publish our Initial Climate Action Plan
		// Interdisciplinary company-wide workshops and knowledge transfer
			// Group Sustainability Strategy	// ESG Team
				// ESG Committee
				// CEO in the Board of Directors
				// Sustainability Officer of Super-visory Board

grenke is Net Zero by 2050 for our business operations	// Addressing residual emis-sions and create positive impact to reach net zero	// Annually measurement of our companies emissions and monitoring of the progress of reduction measures
		// Regularly review and revalidation of targets
			// Initial Climate Action Plan	// Annual non-financial reporting from 2024
				// CSRD
				// ESG-Ratings e.g. CDP, MSCI, ISS, Sustainalytics …

By 2030, we reduce 50 % of our companies direct emissions arising from company vehicle fleet and office facilities (Scope 1)	// 60 % of our company vehicle fleet will be powe-red by electric drives or alternative climate-friendly technologies.	// Focus on electro mobility as standard vehicle of our car policy, replacing petrol and diesel vehicles accor-ding to the leasing cycle	// Initial Climate Action Plan
			// Car Policy
				// Annual non-financial reporting from 2024
				// CSRD
				// ESG-Ratings e.g. CDP, MSCI, ISS, Sustainalytics …

By 2030, we reduce 50 % of our companies indirect emissions arising from purchased energy (Scope 2)	// Increase the purchase of emission free electricity to 90 %	// Where we have influence, we buy electricity from rene-wable energy sources or at least emission-free electricity for all our offices
		// We enter into dialogue with the landlords and look for environmentally compatible energy conditions for new office spaces
			// Initial Climate Action Plan
			// Board resolution and internal communication
				// Annual non-financial reporting from 2024
				// CSRD
				// ESG-Ratings e.g. CDP, MSCI, ISS, Sustainalytics …

By 2030, we reduce 25 % of our companies indirect emissions arising from business travels, employees commuting, purchased goods & services and transportation	// 27 % reduction of our business travel emissions
	// 8 % reduction of our employee commuting emissions
	// 27 % reduction of our purchased goods and services emissions
	// 25 % reduction of down-stream transportation emissions
	// 50 % reduction of fuel- and energy-related activities not included in Scope 1 or 2 resulting from reduction measures in Scope 1 and 2
		// Update our group-wide travel policy
		// Supporting use of public transport
		// Making logistics climate-friendly
		// Push digitalisation and optimise processes with resource-saving effects
			// Initial Climate Action Plan
			// Travel Policy
			// Environmental Policy
				// Annual non-financial reporting from 2024
				// CSRD
				// ESG-Ratings e.g. CDP, MSCI, ISS, Sustainalytics …

*From base year

How?

Our approach to reach our targets consists of four key steps. The first step was to analyse our activities, that are relevant for our Corporate Carbon Footprint according to our business model. We established processes to collect data group-wide and identified the activities with the highest emissions impact. A comprehensive and realistic base-year carbon footprint is the starting point for measuring progress over the years. We concentrate on developing appropriate reduction approaches, focusing on the identified emission drivers and following science-based guidance. Within this Action Plan, we have defined concrete measures and actions to achieve our reduction targets and harmonise them as a concrete strategy. The final step will be to continuously improve our corporate consumption and emissions data and measure progress annually. We will regularly review our targets to make sure they reflect the latest requirements and science knowledge. If necessary, we will revise our targets to ensure that they remain valid.

Our decarbonisation approach

1 Status Quo emission assessment

Determine emissions according to GHG Protocol

Identify areas of greatest impact

2 Target Setting

Determine appropriate baseline

Set targets for emission categories according to latest science based guidelines

3 Strategy development

Define measures and milestones to achieve emission reduction targets

Plan how to implement and measure

4 Progress reporting and verification

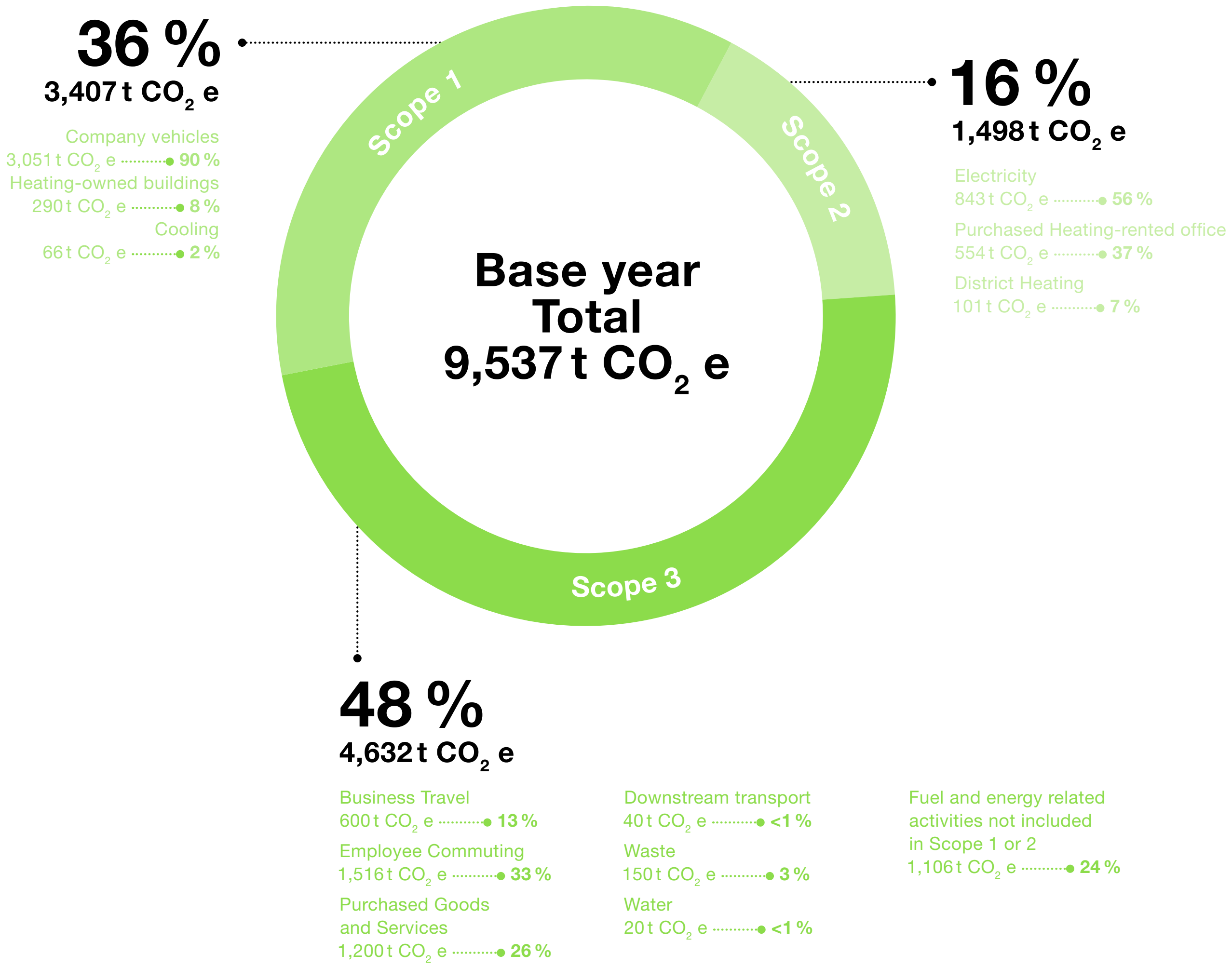
Regular reporting on progress on emissions and actions

Improvement of data quality

Our Activities

The basis of our climate measures is a complete and transparent measurement of emissions from our branches. We calculate the Greenhouse Gas Emissions of our Scope 1, 2 and 3 on the basis of the Greenhouse Gas Protocol. In 2024, we further developed the calculation of our CCF. Our CO_2 emissions were previously calculated using data from the previous year. This was due in particular to the time lag in the receipt of key data, e.g. from our utility bills. We improved the collection of our CCF and use the data for the respective financial year for 2023 and 2024. Data gaps are closed with the help of extrapolations based on the distribution of space or data from previous periods. In 2025, we were able to estimate and report the production and use-phase emissions of our leased assets under Scope 3 for the first time. These account for over 99 per cent of our corporate carbon footprint. Consequently, in 2026 we are working on integrating these emissions into our target-setting and reduction measures – using a new base year.

A representative base year allows us to measure target achievement over time from a concrete starting point. We calculate our emissions for the base year using our values for the Corporate Carbon Footprint 2022 and add estimated additional emissions to obtain a complete footprint for the base year and close data gaps. The Scope 3 emissions from our leased assets are not yet included here.



We concentrate our reduction strategy on the main emission drivers and the activities over which we have the greatest influence

1

Our company fleet

Our company fleet is a major source of emissions.

// To reduce our fleet emissions, our Car Policy encourages the switch to electric vehicles whilst ensuring the mobility of our field staff and emp-loyees. Across the entire group, we once again increased the pro-portion of electric vehicles (PHEVs – Plug-in Hybrid Electric Vehicles, BEVs – Battery Electric Vehicles) in our vehicle fleet to 47 per cent in the 2025 financial year (2024: 38 per cent of the total fleet).

// By 2030, 60 per cent of our fleet is to be electric, enabling us to reduce fleet emissions by 60 per cent compared to the base year.

// Through the conversion of our company fleet, we aim to reduce 50 per cent of our total Scope 1 emissions.

-1.704 t CO_2 e
-50 % Scope 1 emissions

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2

Purchasing of electricity

We are constantly working to reduce energy consumption at our sites and make our operations more efficient.

// In 2025, we continued to pursue the goal of sourcing electricity from renewable or zero-emission energy sources at as many sites as possible.

// A corresponding resolution was adopted for the Group in 2024.

// With the exception of a few branches, we purchase electricity for our sites ourselves and are pursuing a switch to sustainable tariffs at the earliest possible opportunity.

// By the end of the 2025 financial year, 28 out of 32 sites in Germany had already switched to green electricity. The Group headquarters in Baden-Baden will switch to a green electricity tariff on 1 January 2026.

// In 2025, we were able to reduce our electricity emissions by 12 per cent compared with the previous year and thus save 309 tonnes of CO_2 emissions (around 37 per cent) compared with the base year 2022.

// By 2030, we expect a 90 per cent reduction in our electricity-related emissions compared to the base year 2022.

// By switching our electricity supply, we aim to reduce 50 per cent of our total Scope 2 emissions.

// We use the located-based approach according to the Greenhouse Gas Protocol for reporting.

-749 t CO_2 e*
-50 % Scope 2 emissions*

3

Business travel

personal dialogue is important to our business, which is why our employees are out and about on the road, rail and air, even if we have already been able to replace much of it with video telephony.

// We are aware that travelling can have a major impact on the environment and so our updated travel policy will promote low-emission travel and limit air travel to what is absolutely necessary.

// We therefore want to reduce our business travel emissions by 27 per cent by 2030.

4

Employee commuting

Even if our approximately 2,400 employees do not come into the office every day due to our remote working policy, we still generate significant commuting emissions.

// We want to counter this by creating incentives to use public transport instead of the private car: In Germany, for example, we are currently testing the introduction of a job ticket for rail travel and give our employees access to (e-)bike leasing. We are evaluating similar initiatives in the counties.

// We know we are going to grow but we still want to reduce our commuting emissions by 8 per cent by 2030.

5

Purchased goods and services for our daily business

// The main emissions drivers are our IT Hardware and paper.

// Our digitalisation initiative is also having a positive impact on our use of paper and printer materials.

// We establish sustainable purchasing partnerships and ensure that our decommissioned IT equipment enter a second life cycle.

// This is where we will start and develop further savings in the purchase of goods and services to save 27 per cent of emissions by 2030.

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Downstream transportation of our objects

In a few cases, we take back the leased objects ourselves at the end of the contract, as the customer does not take it over and it is not returned to the reseller. Where possible, we resell them. Therefore, we arrange transport at this point to bring the objects either from the customer to us or from us to the buyer.

// We want to make these transports climate-neutral, so we work together with climate-neutral transport providers such as DHL GoGreen.
// The challenge is the availability of emissions data, we are in dialogue with our suppliers.
// We aim to reduce our transport emissions by 25 per cent by 2030, using climate-friendly logistics solutions.

// Our emission reduction of 50 per cent of fuel- and energy-related activities not included in Scope 1 or 2 will come from Scope 1 and 2 reduction measures.
// Through these measures, we aim to reduce 25 per cent of our total Scope 3 emissions by 2030.
// By 2025, we had already managed to reduce our Scope 3 emissions by 25 per cent compared with the base year of 2022.
// This figure does not include emissions from our leased assets, for which we are now developing new Scope 3 targets.

-1,158 t CO_2 e
-25 % Scope 3 Emissions

Supporting our Plan

Our initial Climate Action Plan is not treated as a stand-alone initiative: it is embedded in our overall climate governance. It is reviewed by the Sustainability Committee and will be developed continuously. The reduction measures are managed by our ESG team together with the relevant departments at an operational level. Furthermore, they are also reviewed and approved by our Sustainability Committee. The ESG team also communicates with the Board of Directors to adopt group-wide decisions on climate action.

Due to our business model and our Corporate Carbon Footprint, we have not identified any material financial impact from the implementation of our reduction targets as described above. We take into account the investment costs of emission reduction measures as part of our overall cost planning. This is regularly agreed with the Board of Directors and the Supervisory Board.

In line with our commitment to climate change mitigation, these aspects are also integrated into our corporate risk management. In line with the regulatory requirements we consider sustainability risks in our regular risk assessments and risk management processes. We consider ESG aspects as risk drivers that may materialise in our existing risk types. This approach is based on the fact that sustainability impacts many known risk types and therefore requires an integrated approach. The aim is to integrate sustainability aspects into the risk-specific analysis of business activities and portfolio composition. Since 2022, our risk inventory has included ESG from an economic and normative perspective in the risk-bearing capacity calculation. In addition to the current influence of ESG risk drivers we also assess their mid- and long-term impact. As part of the risk inventory, we have considered sustainability risks qualitatively by analysing, for example, physical risks such as extreme weather events, transitory risks such as changes in customer preferences in response to climate change or environmental pollution, areas of social contribution and governance aspects such as responsibility and trust.

Our business model requires a careful assessment of these risks. Whereas ESG risks tend to have a long-term impact on a portfolio, our leases have relatively short terms. This means that transitory risks can only have a very limited impact during the term of the contract. The structure of our financing solutions also minimises physical risks, as property insurance is always required for the leased asset. Further details on how we manage sustainability risks can be found in our 2025 Group Sustainability Statement under ESRS E1 – Climate Change: Our Climate Resilience Analysis.

As part of its CSRD reporting, grenke reports annually on the share of taxonomy-eligible and taxonomy-aligned environmentally sustainable economic activities for revenue, capital expenditures and operating expenses. The preparation of our 2023 taxonomy KPI started with the initial assessment of our economic activities. Given our business model as a lease financier to SMEs, our economic activities include a broad portfolio of lease objects. Eligibility for the taxonomy requires that the economic activity is listed in the delegated acts of the EU Taxonomy. In order to verify the turnover activities that are taxonomy-eligible for grenke, we pursued a lease object-oriented approach. This means that the leasing of an object type must be allocated to an activity specified in the delegated act in order to be assessed as taxonomy-eligible. The capital expenditures (CapEx) as well as Operational Expenditures (OpEx) and turnover were analysed as well.

Economic activities can be classified as taxonomy-aligned if the company can prove that the activities meet the Technical Screening Criteria (TSC). The transition to a sustainable economy should also be supported by appropriate capital expenditures in transitional measures.

Due to our small-ticket leasing business and other data limitations we have only been able to partially confirm taxonomy alignment. In light of this challenge, we are specifically striving to continuously align our investment strategy with EU Taxonomy compliance and to increase the availability of data on our investments in the interests of sustainable development.

As for taxonomy aligned operational expenses, the EU Taxonomy allows for simplified reporting if they are not material to the reporting entity's business model. grenke's business model is highly dependent on sales and IT capabilities and expertise. The relevant operating expenses in accordance with the EU Taxonomy therefore represent only a small proportion of the total direct, non-capitalised costs. These costs are therefore not considered material to grenke's business model and not further analysed for eligibility and alignment. Full details of our EU taxonomy reporting can be found in our group Sustainability Statement.

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Supporting Policies

We align our climate action with internationally recognised frameworks and standards, including our own policies and integrate them into our business activities. Key principles and guidelines supporting our Climate Action include the following:

UN Sustainable Development Goals

We take responsibility for sustainable development across all our business activities and have integrated the United Nations Sustainable Development Goals (SDGs) into our sustainability strategy.

Down-load

Carbon Disclosure Project

In order to report transparently on our Corporate Carbon Footprint as well as the opportunities and risks to our business model from climate change, we submitted the Carbon Disclosure Project (CDP) reporting questionnaire for the first time for the 2022 financial year. Since then, our rating results have continued to improve year on year. We will continue to strive for this ongoing improvement in the future.

grenke Code of Conduct

We have summarised the applicable standards for compliance and grenke-compliant, ethical behavior in our Code of Conduct. In it, we commit ourselves as a globally operating company to comply with local, national and international laws. Our Code of Conduct is not only a guide, but also a binding set of values and behaviour.

Down-load

It is binding for everyone working at grenke. We expect our suppliers, partners and consultants to comply with our Code of Conduct by implementing similar standards. The Code of Conduct sensitises us to the legal risks in our daily work based on the applicable laws and our own corporate guidelines. We see our Code of Conduct as an ethical guide to our actions and decisions.

more policies

grenke Supplier Code of Conduct

We believe that a solid cooperation is built on transparency and trust. We also expect our suppliers to comply with our Code of Conduct by adopting similar standards for themselves and their suppliers and subcontractors.

Our Supplier Code of Conduct requires our suppliers to comply with laws concerning labour practices, human rights and environmental protection. Our suppliers are also obliged to carry out effective quality assurance in the procurement of materials and to minimise the associated risks. Suppliers must always act ethically and with integrity towards business partners and third parties. At the same time, they must comply with anti-money laundering, competition and antitrust laws and guarantee intellectual property rights. Furthermore, we expect our suppliers to take measures to prevent corruption, bribery and conflicts of interest and to establish and maintain an effective compliance management system.

Download

Environmental guidelines

Our environmental guideline summarizes our efforts in the area of environmental protection. We are committed to continuously improving our environmental management system according to the regulatory and compliance obligations. We define this as the fulfilment of the requirements of environmental law and the usual market standards. We therefore base our actions on the requirements of ISO 14001.

Download

Health and Safety guidelines

The aim of our Health and Safety guideline, which applies to all grenke companies in Germany, is to maintain, improve and promote the health and safety of our employees through efficient and systematic occupational safety, supplemented by measures to promote occupational health.

Download

Our Engagement

We are committed to making our business more sustainable and to do so throughout our value chain. For example, we already support ESG aspects in our sustainable refinancing strategy. As a result of investor interest and increasing ESG-related financial market regulation sustainability aspects are becoming increasingly relevant for access to capital.

As a financing partner, we are not directly involved in the production of goods and commodities, but we seek to influence sustainability criteria in upstream and downstream processes.

The sustainability of our services is influenced by both, the leased assets and the lease contracts themselves. In order to make the sustainability of our financing transparent and measurable, we are developing the grenke Sustainability Index (GSI). We want to enable our sales employees to discuss sustainability with our lessees and business partners.

Training courses and other formats cover the sustainability in our product and property portfolio. The aim of these workshops is to operationalise and expand the green economy objects we can finance. We use these formats to support the local implementation of our Group-wide sustainability strategy in line with country-specific requirements. Our national companies have also launched additional local sustainability initiatives.

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As a leasing provider, we see a key advantage in supporting a sustainable circular economy. For us, this starts even before the potential return of the objects. The equipment we lease is new and meets the current market and technology standards, which we expect will extend the useful life of the leased objects and allow them to be used by our lessees beyond the normal leasing period. We also ensure that the assets can either be turned into a second product life by reselling them at the end of the lease or that their resources can be recycled. In this way, we can make a valuable contribution to the transition to a sustainable circular economy. The majority of the objects are resold to specialist resellers at the end of the lease term. In our core markets of Germany, France and Italy, we operate our own recycling platforms to give the remaining lease assets a second life. In these countries, our asset brokers are able to resell lease assets to third-party customers after they have been functionally tested and are ready to reuse.

We will continue to work closely with our grenke asset brokers to promote the reusability of our leased assets and reduce our impact on the environment. In addition, we are establishing new partnerships to complete our processes towards a circular economy. As part of our effort to make lease agreements more sustainable, we are also looking to improve our return processes, for example in areas such as the packaging used. grenke will also work on waste management and waste prevention measures related to assets returns. The measures in 2023 included increased cooperation with zero-emission-shipping partners and transport service providers, and the use of more sustainable packaging materials.

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What's next?

Annual progress report on our CCF.

Enhancing our climate targets beyond 2030.

Further detailing and expanding our measures to reduce Scope 3 emissions.

Reducing our emissions to achieve net zero by 2050 and make a positive contribution to the 1.5-degree-target.

In 2026, we will implement further measures to collect data on the emissions of our leased assets.

Offsetting all remaining emissions from 2050 onwards.

We plan to offset only the remaining 10% of emissions through investment in certified, high-quality climate projects (Gold Standard, Gold Standard for the Global Goals or Verified Carbon Standard). We do not currently purchase carbon credits to offset our own emissions.

Further development and improvement of our climate action plan.

At present, we do not purchase carbon credits to offset our own emissions.

grenke