

ESG Strategy

CSO's Message

We, at the Czechoslovak Group (CSG), position ourselves as a dynamic holding driven by a vision that transcends traditional business boundaries. Central to our operations across Europe and beyond is our profound commitment to sustainability. While we hold the essence of ESG standards in high regard, we recognize the intricacies of achieving complete alignment. Our path to full adherence with ESG standards is a continuous journey, and our genuine respect for these standards is evident in our activities.

We are on a learning curve, embracing every challenge and opportunity, fully aware of the significant impact we can have. As you explore this document further, you'll understand the progress we've made, the challenges we've overcome, and our aspirations for a future where sustainability and business success walk hand in hand.

Serge Damian

Chief Sustainability Officer



01 Sustainability Strategy

Sustainable Corporate Governance
Social Responsibility
Promoting the Environment
Priority SDGs for CSG

02 Initiatives & Engagements

Educational Events Participation
Communication with Stakeholders
Presence of an ESG Team
Data Collection Tool Development
Cooperation within the Group's Companies

03 Next Steps

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Data Collection Tool Development
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01 Sustainability Strategy



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At CSG, our sustainability strategy is a cornerstone of our business operations. This strategy can be categorized into three main pillars.



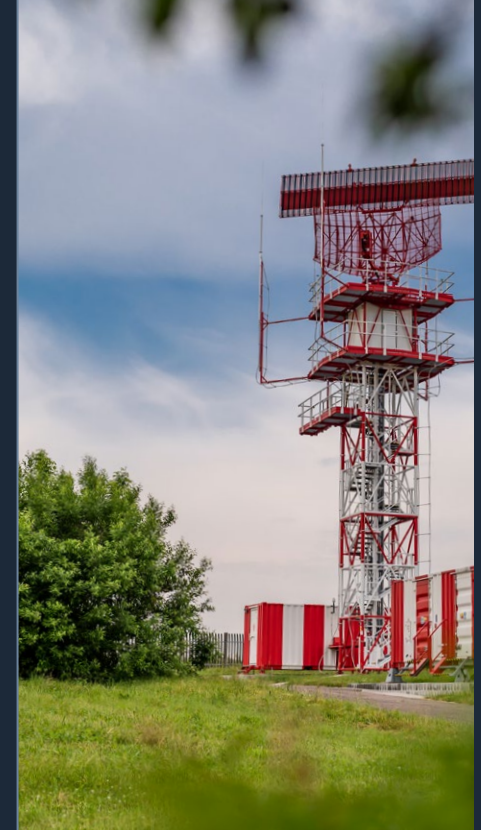
Sustainable Corporate Governance

We believe in transparent communication, robust administration, and meticulous risk management. These components ensure that our corporate governance is both sustainable and efficient.



Social responsibility

People are at the core of our operations. From our employees to the communities we operate in, our focus is on promoting fair practices, fostering community development, and ensuring a sustainable supply chain.

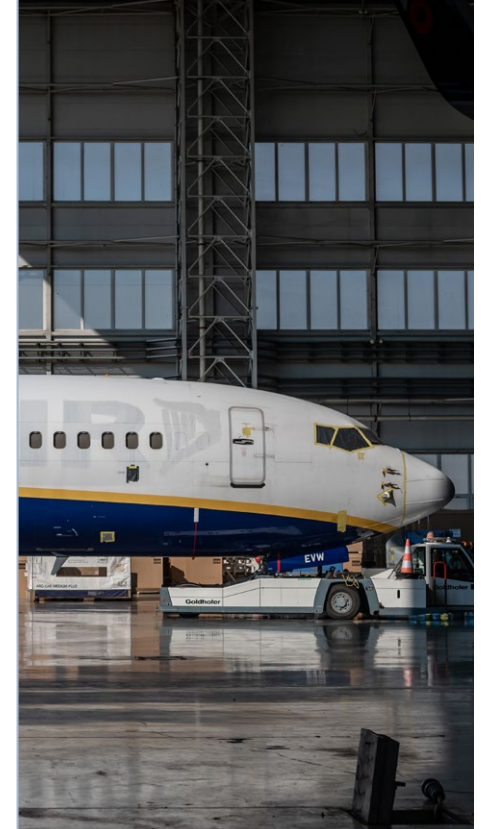
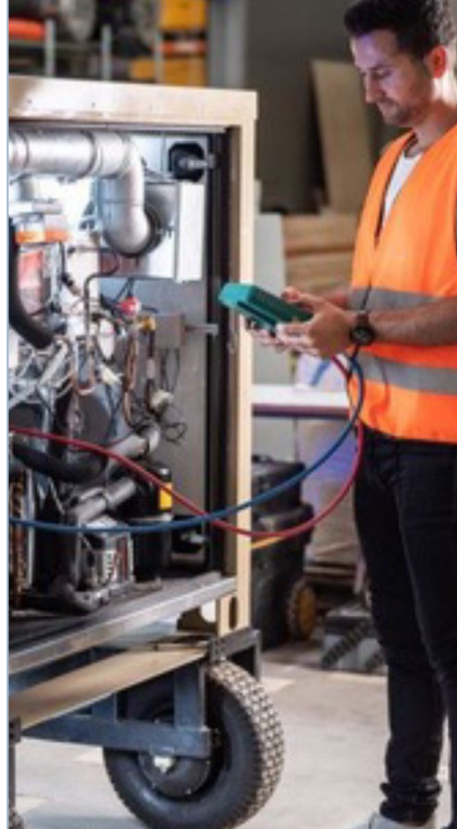


Promoting the environment

Our planet's well-being is paramount. We are committed to minimizing our environmental impact and exploring opportunities in renewable energy.

SUSTAINABILITY STRATEGY

Sustainable Corporate Governance



Transparency and Disclosure of Information

Open communication is vital. We prioritize the disclosure of pertinent information, ensuring stakeholders are well-informed.

Group Administration and Management

Leadership matters. We aim to have an administration that is informed, competent, and aligned with our sustainability goals.

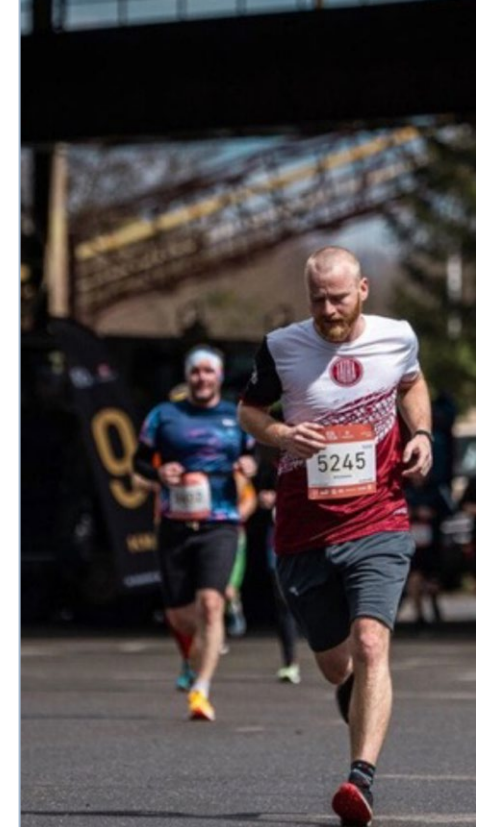
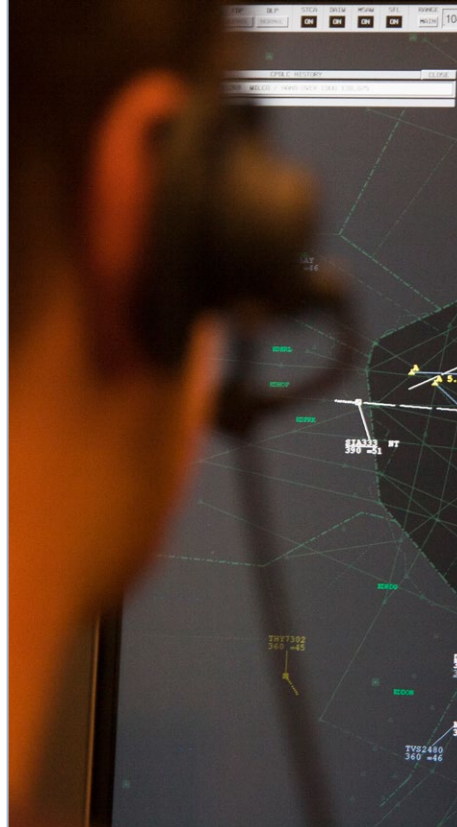
Risk Management and Regulatory Compliance

Our protocols are designed to identify, assess, and mitigate potential challenges, especially in the realms of climate change and human rights.

SUSTAINABILITY STRATEGY

Sustainable Corporate Governance

Our successes



Transparency and Disclosure of Information

CSG introduced the ET-LINK ethics line, a dedicated channel for employees and stakeholders to report unethical or illegal activities. This initiative emphasizes transparency, fostering trust and reinforcing the company's commitment to ethical practices.

Group Administration and Management

CSG, since September 2019, has a diversity policy for a balanced Management and Supervisory Board composition. A Nomination Committee recommends candidates, ensuring diversity in age, gender, education, and expertise, emphasizing inclusive leadership.

Risk Management and Regulatory Compliance

CSG has a robust Compliance programme focusing on prevention, detection, and reaction to unethical conduct. Continuous risk assessments and a foundational Code of Ethics guide their approach, ensuring legal and ethical standards across all operations.

SUSTAINABILITY STRATEGY

Social Responsibility



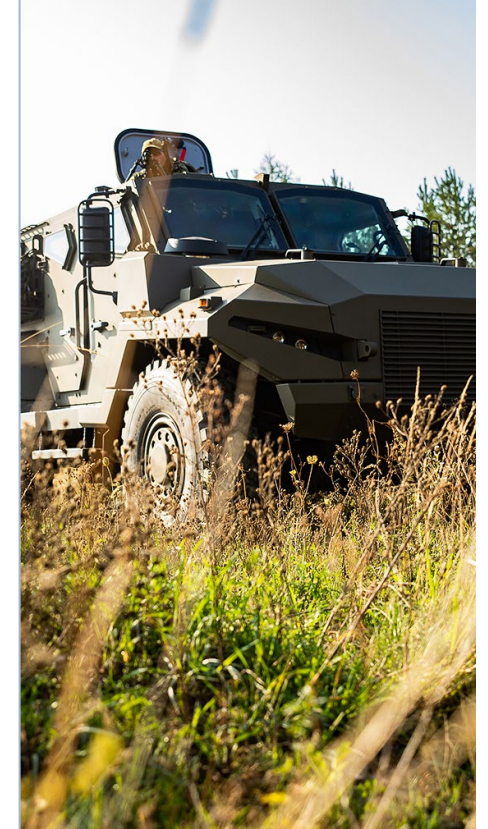
Working Practices and Human Rights

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Community Involvement and Development

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Supply Chain Management

Our protocols are designed to identify, assess, and mitigate potential challenges, especially in the realms of climate change and human rights.

SUSTAINABILITY STRATEGY

Social Responsibility

Our successes



Working Practices and Human Rights

CSG's individual companies cooperate with a number of universities to support students in learning for practice, while also taking the opportunity to recruit new employees. Cooperation with ČVÚT Praha, VÚT Brno, Technical University Ostrava, University of Defence in Brno, UJEP in Ústí nad Labem, VŠE Prague and University of Pardubice is set up.

Community Involvement and Development

CSG's sponsorship activities focus on various concerts and festivals in the regions where CSG companies are based. Exceptional cultural activities included the renovation of the historic motor car Slovak Strela, a national technical monument, and the opening of the new Tatra Truck Museum in cooperation with the Moravian-Silesian Region and other partners.

Supply Chain Management

CSG performs regular audits of its suppliers and works with them to identify appropriate measures to help minimise environmental impacts. The company also actively seeks innovative and sustainable solutions to reduce its environmental impact and promotes these principles among its suppliers.

SUSTAINABILITY STRATEGY

Promoting the Environment



Our successes

Reduction of Environmental Impacts

CSG, in collaboration with TATRA TRUCKS a.s., is developing a hydrogen fuel cell truck, emphasizing their commitment to sustainable transportation. This project aims to produce a fully electrified truck powered by hydrogen, showcasing innovative and eco-friendly transport solutions.

Supply Chain Management

The CSG group is already active in investing in renewable energy sources and obtaining grants from relevant institutions to finance projects aimed at reducing harmful emissions and using renewable energy sources. The Ministry of the Environment of the Czech Republic provides CSG with financial support for the following projects. In the Slovak Republic, the Ministry of Economy of the Slovak Republic and the Ministry of Environment of the Slovak Republic are the main providers of subsidies for the group. Companies in the CSG group will continue to collaborate with these institutions and receive funding in the period 2022–2027.

Reduction of Environmental Impacts

We are proactive in setting targets to reduce emissions and manage our overall environmental footprint.

Renewable Energy Resources

The future is green. We are actively investing in renewable energy resources and aim to source a growing portion of our energy from renewable means.

Priority SDGs for CSG

At CSG, our sustainability strategy as well as relevant initiatives are aligned with the United Nations' Sustainable Development Goals (SDGs).

By aligning our efforts with the SDGs, we ensure that our actions contribute to broader global sustainability objectives, amplifying our impact and fostering a world that's more equitable, prosperous, and sustainable for all.

8 DECENT WORK AND ECONOMIC GROWTH



CSG fosters an inclusive work environment, promoting decent work opportunities and contributing to sustained economic growth within its operational regions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We invest in infrastructure development and innovation, ensuring our industries are sustainable, resilient, and equipped for the future.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

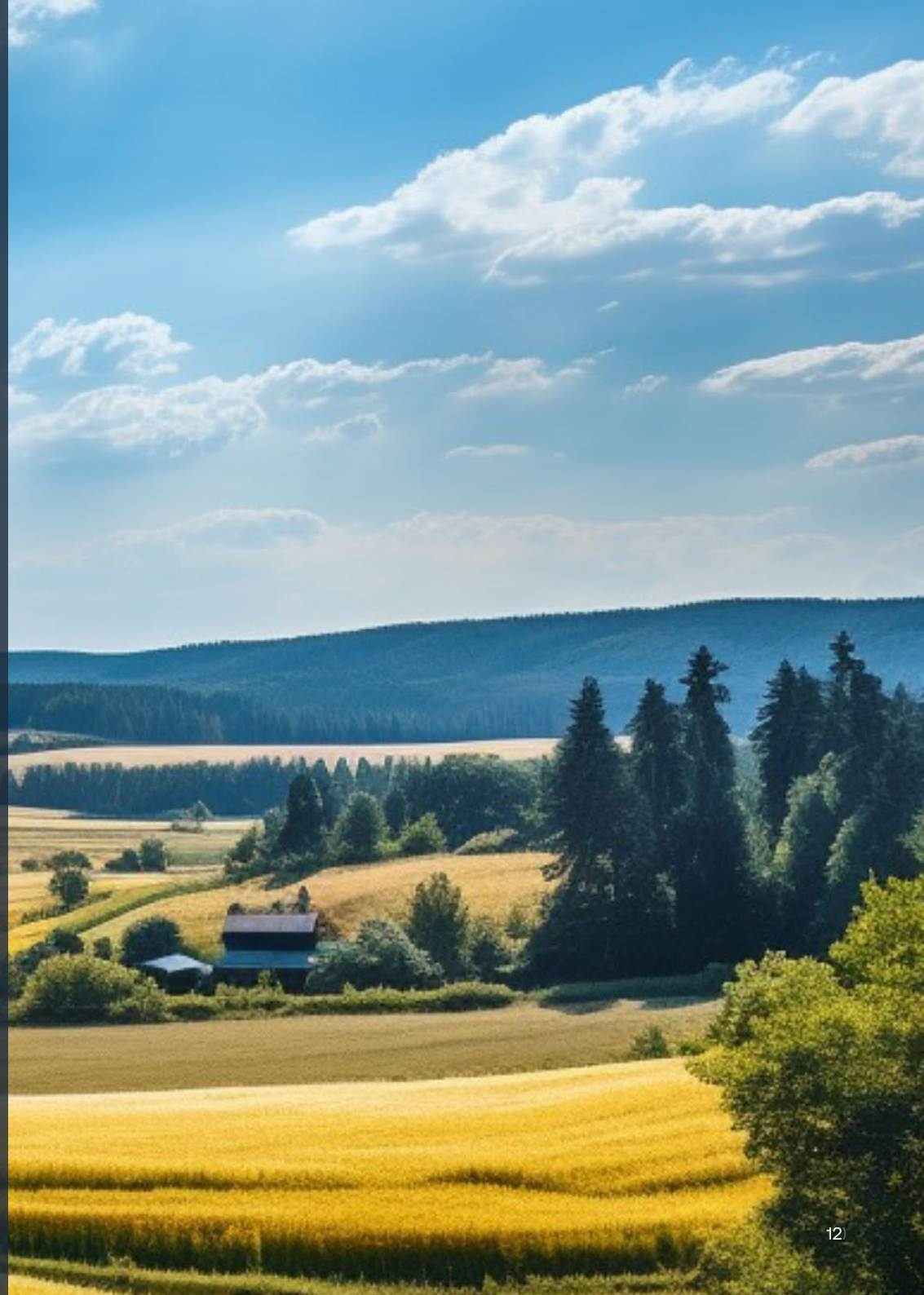


CSG emphasizes sustainable production processes and encourages responsible consumption patterns, aiming to reduce our environmental footprint and waste.



02

Initiatives & Engagements



INITIATIVES & ENGAGEMENTS

Initiatives and Engagements

At the Czechoslovak Group (CSG), our commitment to sustainability doesn't just end with our core strategic pillars. Beyond the foundational strategies, we've embarked on a multitude of additional initiatives that further our dedication to a sustainable and responsible business approach.

These initiatives, ranging from educational endeavors to collaborations with ESG rating agencies, not only complement our primary sustainability focus, but also provide avenues for continuous improvement, innovation, and engagement. By actively participating in these varied initiatives, we aim to keep ourselves at the forefront of sustainable practices, ensuring that our approach is holistic, updated, and impactful.

These engagements reflect our proactive stance in the sustainability realm, showcasing our efforts to go above and beyond the industry norms.





INITIATIVES & ENGAGEMENTS

Educational Events Participation

At CSG, we firmly believe that education and knowledge-sharing are pivotal to advancing sustainability. By actively participating in educational events, we not only stay updated with the latest trends and insights in the sustainability sector but also contribute to the broader discourse.

Engaging in these events allows us to network with industry experts, share our own experiences and best practices, and collaboratively work towards creating a more sustainable future. It's through these platforms that we reinforce our commitment to continuous learning and growth in the realm of sustainability.

INITIATIVES & ENGAGEMENTS

Communication with Stakeholders

At CSG, we recognize the value of fostering strong relationships with all our stakeholders, be it auditors, partners, employees, or the communities in which we operate. Our approach is anchored in active dialogue and collaboration.

Through regular interactions, we aim to gather feedback, understand evolving expectations, and ensure our sustainability strategies resonate with our stakeholders' visions. This ongoing engagement not only enriches our perspective but also strengthens our commitment to crafting a sustainability journey that's inclusive, transparent, and impactful for all involved.





INITIATIVES & ENGAGEMENTS

Presence of an ESG Team

Understanding the importance and complexity of sustainability, we at CSG have established a dedicated ESG team, which reports to the Sustainability Committee. This specialized group is responsible for driving our environmental, social, and governance initiatives forward.

With expertise in various facets of sustainability, the team ensures that our strategies are both innovative and aligned with global best practices. Their presence underscores our commitment to sustainability, providing focused oversight, guidance, and execution of our ESG objectives, ensuring that our efforts are coordinated, impactful, and in line with our overarching vision.

INITIATIVES & ENGAGEMENTS

Data Collection Tool Development

In our digital age, data-driven decision-making is crucial, especially in the realm of sustainability. At CSG, we're actively developing a data collection tool tailored to our sustainability needs. This tool will streamline the gathering of relevant data, offering insights into our sustainability performance, identifying areas of improvement, and tracking our progress over time.

By harnessing the power of data, we aim to enhance our sustainability initiatives, making informed choices that align with both our goals and the expectations of our stakeholders.





INITIATIVES & ENGAGEMENTS

Cooperation within the Group's Companies

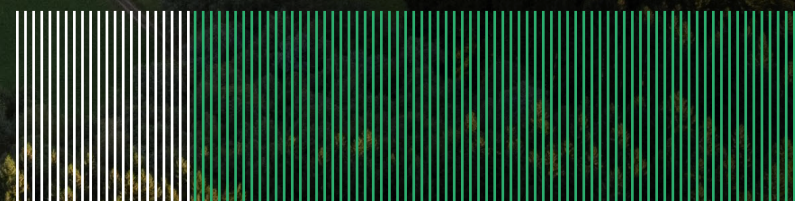
Collaboration is central to our approach at CSG. Given the diverse range of companies under our umbrella, we place a strong emphasis on ensuring seamless cooperation among them. This collaboration allows us to share best practices, align our sustainability goals, and harness the collective expertise of the entire group.

Through this united front, we can drive more impactful and cohesive sustainability initiatives, ensuring that every entity within the group contributes to our shared vision of a sustainable future.

The figures speak for themselves

100 %

In 2023 all of the companies of CSG Group are involved into internal discussions focused on shaping the future sustainability journey for the holding.



22 out of 98 in 2022

In 2023, among other things, CSG has set a goal to include all companies of the consolidated entity, which includes smaller subsidiaries, in the Sustainability Report to provide a complete overview of the Group's sustainability activities.



03

Next
Steps



NEXT STEPS

Implementation Steps

Effective execution is key to realizing our sustainability vision at CSG. We've established a structured approach to implement our sustainability strategies. This involves setting clear objectives, allocating resources, defining roles and responsibilities, and establishing timelines.

With regular monitoring and feedback loops, we ensure that our implementation is on track and adapts to any emerging challenges or opportunities. This methodical approach ensures that our sustainability initiatives transition smoothly from strategy to tangible results.



NEXT STEPS

Future Activities

Legislation Timetable Steps

CSG actively tracks legislative timelines related to sustainability, ensuring timely compliance and preparedness for upcoming regulations (mainly CSRD)

Definition of Materiality

We prioritize sustainability topics based on their significance, ensuring our efforts are targeted and relevant across our diverse companies

Green Finance Initiatives

We're exploring green finance opportunities to fund our sustainability projects in an environmentally conscious manner

Cooperation with ESG Rating Agencies

CSG collaborates with ESG rating agencies to receive feedback and ensure alignment with best practices in the sustainability domain

Stakeholder Engagement

CSG places a strong emphasis on continuous dialogue and collaboration with stakeholders, ensuring their feedback and insights are integral to our sustainability journey

ESG Education for Employees

CSG is committed to the continuous ESG education of both management and employees, ensuring that our team is well-informed and equipped to drive sustainable practices across all operations



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