COLT CZ GROUP SE

Třetí ročník ESG konference pod záštitou KAČR a VŠE

CSRD Reporting: Feel the Burn (not from fuel)



COLT CZ GROUP PROFILE

One of the world's leading manufacturers of firearms and ammunition for military and law enforcement, personal defense, hunting, sport shooting and other commercial use.



Three premium small arms brands in its portfolio: COLT, CZ, **Colt Canada**



Producer of **small** caliber ammunition. arenade launcher ammunition, and law enforcement technology



More than 3,600 employees located in the Czech Republic, United States, Canada, Sweden, Switzerland, and Hungary



Publicly listed

company: On Prague Stock Exchange since 2020 Majority Shareholder: Česká zbrojovka **Partners SE** Market Capitalization:¹ CZK **38,508 mil.** /

USD 1,615 mil.



2024 Revenues pro

forma³: CZK **25,095** mil. / USD **1,081** mil. (**2023:**CZK **14,856** mil. USD 669 mil.2)

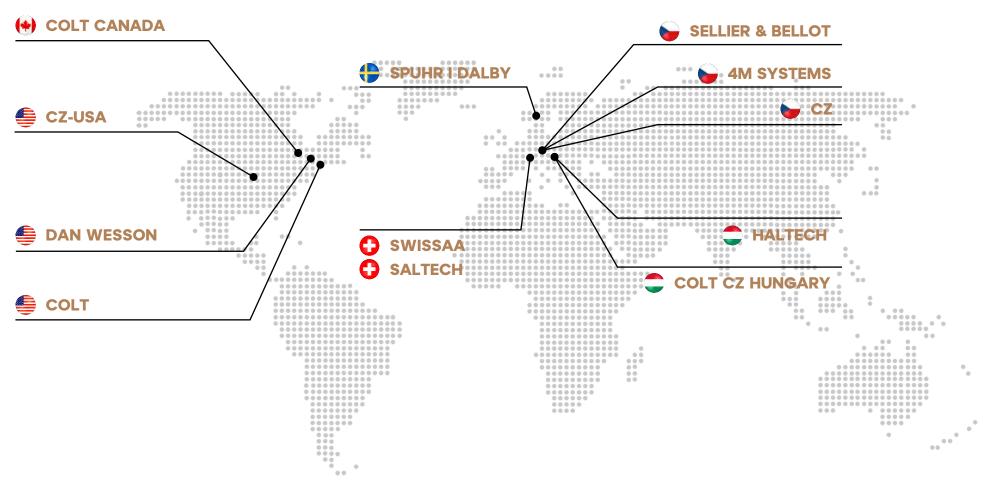


2024 Revenues by product 3: Firearms 69%, Ammunition 31% of revenues

2024 customer segment split: 50:50 Military & Law Enforcemment vs Commercial

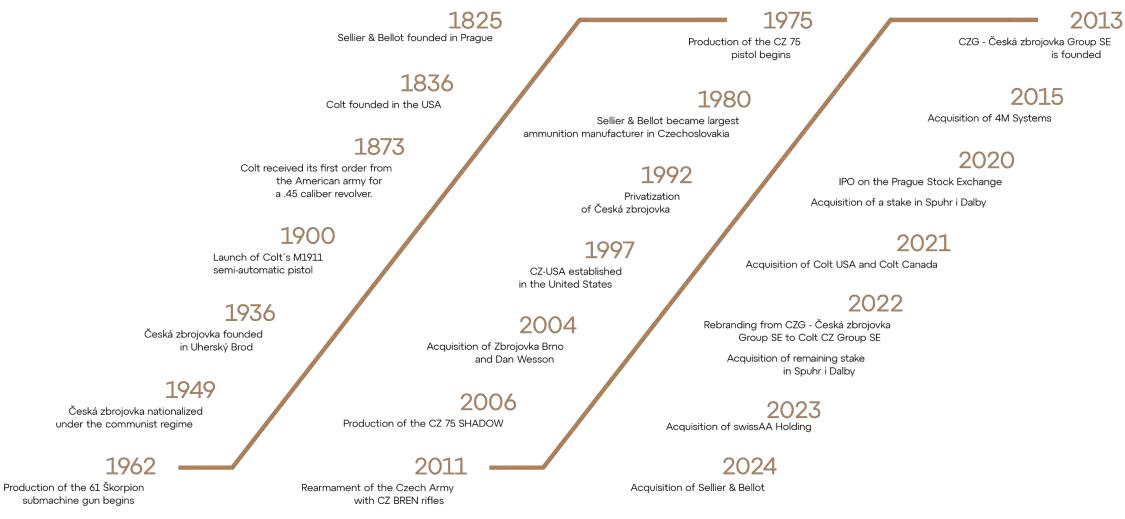


PRODUCTION SITES LOCATED ACROSS THE WORLD





RECENT ACQUSITIONS EXPANDING EXPOSURE TO MATERIALITY





COLT CZ SUSTAINABILITY JOURNEY

Group sustainability foundation laid out through data collections and mapping of processes and initiatives

Strategic initiatives to accelerate ESG development

Group becoming CSRD ready with validated datapoints

Sustainability fully integrated in Group's processes, financial planning, and targets

2019-2021

- ▶ IPO on the Prague Stock Exchange
- Embedding ESG reporting into investor reporting
- First CSR/ sustainability report issued
- First non-financial data collection

2022-2023

- Sustainability strategy and action plan prepared with assistance of professional advisors
- Non-financial reporting and EU taxonomy development
- Materiality analysis
- Sustainability reports based on voluntary GRI 2021 standard
- Non-financial data collection extended

2024-2025

- CSRD/ ESRS aligned reporting implementation
- ► Key ESG initiatives commenced:
 - Phase 1 Carbon footprint calculation – Scope 1, 2 + Scope 3
 - Phase 2 Decarbonization strategy
 - Phase 3 Transition climate risk analysis, inc. climate related scenarios
- Integrated Annual Financial Report with consolidated sustainability statement under CSRD issued (2024)

2026+

- Setting targets for material topics and decarbonization
- Defining climate resilience strategy
- Data collection expanded: phased-out datapoints
- Regular review of double materiality as Group structure evolves
- Mandatory digital tagging
- Obligations arising from Corporate Sustainability Due Diligence Directive

Colt CZ Group SE Integrated Annual Financial Report 2024: Link



CSRD REPORTING: LESSONS LEARNED

- Paying attention to double materiality analysis is a key, not just for holding companies
- Regular tracking of stakeholder engagement
- Phase-in approach allowing for delayed reporting in various complex areas and detailed datapoints most helpful
- First time companies should strongly consider assistance of reputable external advisors
- Urgent need for unified and consistent approach from auditing firms
- Uncertainty regarding the implementation of the CSRD Omnibus package remains





THANK YOU

Colt CZ Group SE

náměstí Republiky 2090/3a

110 00 Prague 1, Czech Republic

www.coltczgroup.com

info@coltczgroup.com

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