



CLEAN
ENERGY OF
TOMORROW

Decision on Donations Budget



Draft resolution (1):

The General Meeting of ČEZ, a. s., approves a 2024 donations budget of CZK 250 million.

Draft resolution (2):

The General Meeting of ČEZ, a. s., approves increasing the 2023 donations budget by CZK 50 million as compared to the resolution passed by the General Meeting on June 28, 2022, that is, to a total of CZK 200 million.

Rationale:

The proposal made by the Board of Directors is a follow-up to CEZ Group's long-term philanthropic activities. Donation activities reflect CEZ Group's social responsibility, while also being a means for promoting the Company's positive image.

Donations Strategy for 2024

In the area of donations, CEZ Group has long been guided by the motto "We help where we operate". For the regions in the immediate vicinity of our generating and distribution facilities, we want to be a reliable and good neighbor that contributes to improving the quality of everyday life of the local residents. Through direct financial donations, we contribute in particular to the development of local infrastructure. In 2022 almost 90% of direct financial donations from ČEZ, a. s., went to this area. We also support the fields of education (schools, science, youth care), culture, sports and the environment. A portion of direct financial donations also reaches people in need and with disabilities.

CEZ Group is also one of the few to support a wide range of smaller foundations and nonprofit organizations, including contributions to cover their operating costs or their own professional development. It thus contributes to the cultivation and professionalization of the entire nonprofit sector in the Czechia. We also play an important role in supporting community and social life even in the smallest municipalities.

CEZ Group is gradually meeting its ambitious goals set in its long-term strategy Vision 2030—Clean Energy for Tomorrow. In the area of social relations, one of the publicly stated goals is to continue to be a good corporate citizen that develops good relationships with communities. A thoughtful and strategic donor program makes a significant contribution to this goal.

At the same time, it is one of the ways in which CEZ Group helps the Czechia to meet the global UN Sustainable Development Goals (SDGs). These include Goal 3 (Good health and well-being—we support local hospitals, social and health care facilities, sports and leisure clubs), Goal 4 (Quality education—we support nurseries, primary and secondary schools, local libraries, cultural facilities and social and cultural events), Goal 8 (Decent work and economic growth—we support skills and retraining programs, sheltered workshops), Goal 10 (Reduced inequalities—we support the inclusion of people with disabilities into mainstream life, reduction of educational gaps for children from disadvantaged families), Goal 11 (Sustainable cities and communities—we support the introduction of energy saving measures in public buildings, better transport, modernization of public lighting) and Goal 15 (Life on land—we support environmental associations and organizations, various events and activities to improve the environment, etc.). The Czechia ranked 13th on the global SDG Index in 2022. In the past year CEZ Group has published a separate SDG Report, available on the CEZ Group website, detailing the implementation of the goals associated with the VISION 2030 strategy.

The ČEZ Foundation, as one of the earliest and largest corporate foundations, has provided help throughout the Czechia for 20 years. For municipalities, hospitals, schools and nursery schools, as well as not-for-profit organizations and other entities, the ČEZ Foundation has been a vital partner in their operations and development. Every year it makes calls for grant applications to respond to society's current needs and make people's lives better. A total of 1,556 projects with a total value of CZK 221.32 million were supported through the ČEZ Foundation in 2022. Information about all supported projects is published in

ČEZ Foundation annual reports every year. The non-financial evaluation of companies according to ESG (Environment, Social, Governance) criteria emphasizes, among other things, the development of community relations, which the ČEZ Foundation has been taking care of through its donor program for two decades.

Since its launch in 2015, the EPP—Help with Movement mobile app has already gained over 600,000 users from the public. It is these users who have control over where the ČEZ Foundation's support will be directed. In 2022, the Foundation supported 359 projects with over CZK 26 million thanks to the mobile app's supporters.

ČEZ also actively involves its employees in donation activities. Two employee fundraisers were held in 2022. During the first week after the Russian invasion of Ukraine, ČEZ, a. s., organized a large fundraiser among its employees. The ČEZ Foundation subsequently doubled the donated amount of CZK 7.3 million to create a total of CZK 14.6 million. The donation was distributed to respected NGOs providing humanitarian aid directly in Ukraine or care to refugees arriving in the Czechia, e.g., the Czech Red Cross, UNICEF, Doctors Without Borders, the Czech Federation of Food Banks, and others. The traditional autumn fundraising campaign Fulfilling Wishes raised more than CZK 3.4 million among ČEZ employees for people in difficult life situations, e.g., with various types of disabilities, incurable diseases, physical or mental handicaps. The ČEZ Foundation doubled the amount raised by employees to a total of CZK 7.5 million.

Employee involvement in donation is also part of developing employee engagement, which is an integral social factor in monitoring the ESG criteria.

CEZ Group's 2022 Annual Financial Report includes a link to the website <https://www.cez.cz/cs/o-cez/udrzitelnost-a-etika/energie-pro-budoucnost/byt-dobrym-partnerem/podporujeme-darcovske-partnerstvi/> dary on page 136. The web page shows a list of all beneficiaries of donations made by the Company in 2022, including donation purposes. The list does not show the donation amounts. This is to prevent the discrimination of beneficiaries that apply for donations or subsidies from other donors and institutions.

Proposed terms for donations in 2024:

- The total amount of funds that the Company can use to give donations in 2024 will be CZK 250 million. This fund amount includes the value of any non-monetary donations provided.
- We estimate that approximately CZK 150 to 200 million of that amount will be transferred to the ČEZ Foundation's account in 2024 in connection with projects undertaken through the ČEZ Foundation.
- In connection with the operation, construction and renewal of ČEZ's generating facilities and distribution grids, we anticipate that, in order to maintain a favorable relationship with the regions concerned, or for ad hoc projects where the need is greatest, a portion of the approved volume of funds of approx. CZK 50 to 100 million will be provided to selected entities directly by ČEZ, a. s., not through the ČEZ Foundation.

Amendment of terms for donations in 2023:

On June 28, 2022, the General Meeting of ČEZ, a. s., approved a budget of CZK 150 million that the Company may use to provide donations in 2023.

ČEZ, a. s., and the ČEZ Foundation always respond to the current social situation and offers a helping hand where it is most needed. In view of the increasing costs caused by high inflation, we have received signals from both the NGO sector and municipalities that this year it will be very difficult for many organizations and associations to cover the costs of their basic operations and activities.

Therefore, we are proposing that the 2023 donations budget be increased by CZK 50 million, of which a portion of approx. CZK 30 million will be transferred to the ČEZ Foundation account and a part of approx. CZK 20 million will be provided to selected entities directly by ČEZ, a. s.

Proposed terms for donations in 2023:

- The total amount of funds that the Company can use to give donations in 2023 will be CZK 200 million. This fund amount includes the value of any non-monetary donations provided.