



VICE 2030

CLEAN ENERGY OF TOMORROW

(INFORMATION ON CEZ GROUP'S DEVELOPMENT PLANS UNTIL 2030)

GENERAL MEETING
JUNE 28, 2021

CLEAN
ENERGY OF
TOMORROW

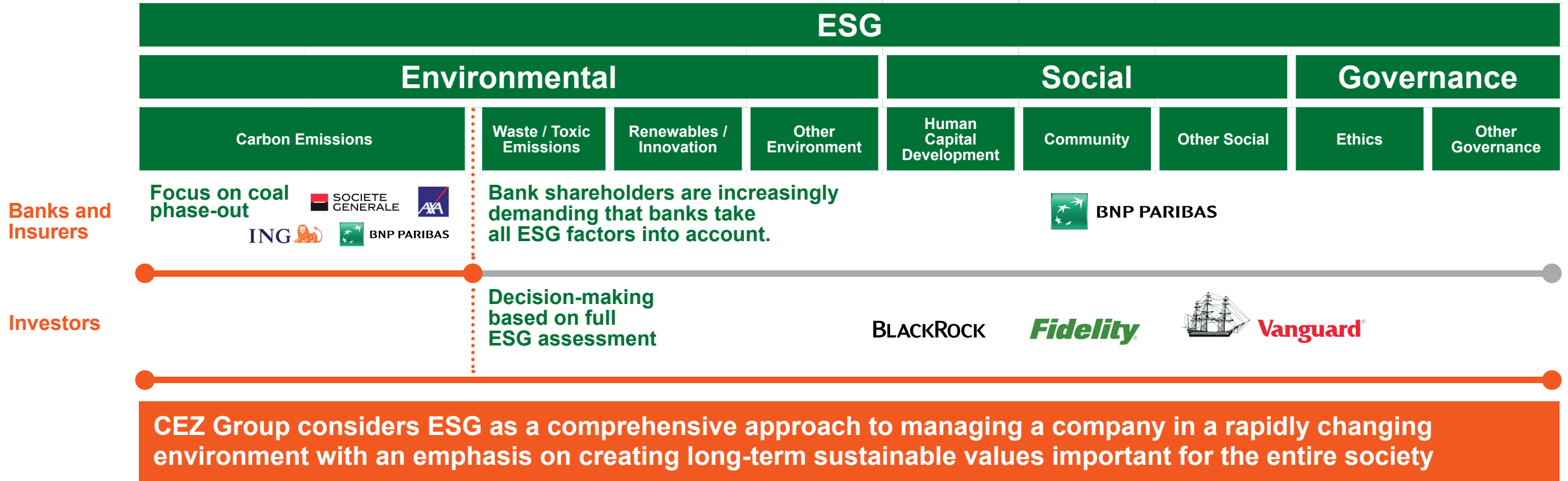
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CLIMATE NEUTRALITY BY 2050 IS A PRIORITY FOR THE EU, WITH ALL TARGETS SIGNIFICANTLY INCREASED LAST YEAR

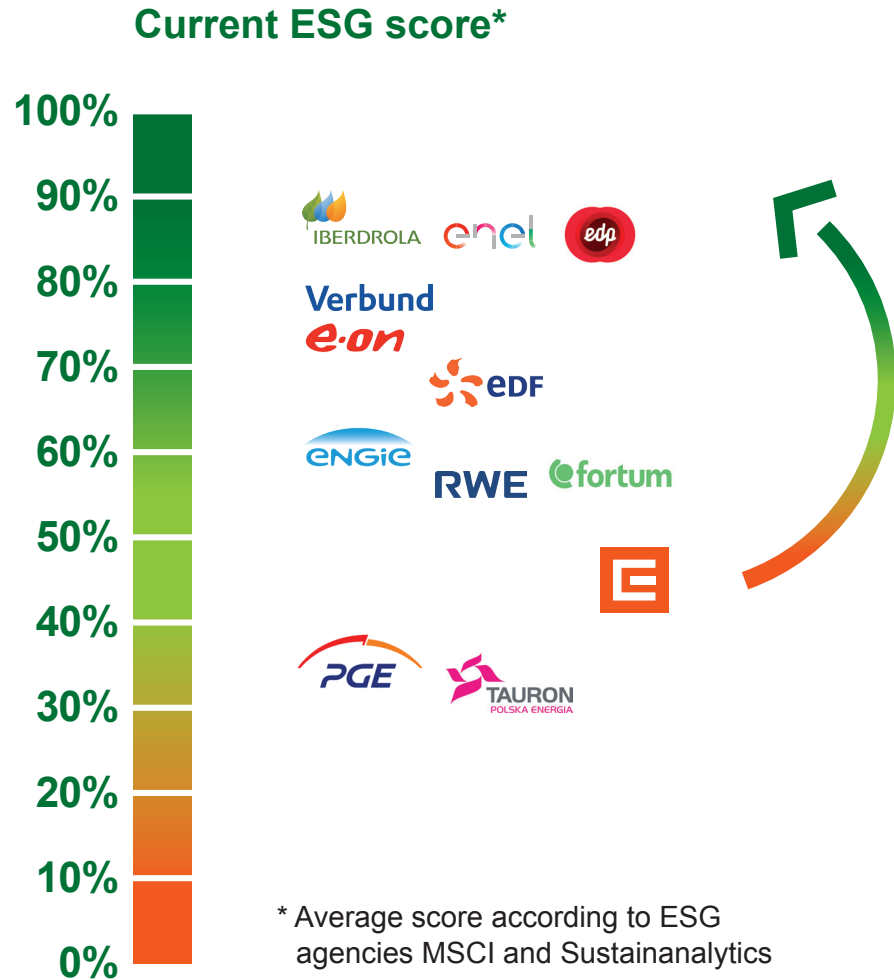


	2030 targets (original agreement)	2030 targets (EC's current proposal)
Reduction of greenhouse gas emissions from 1990 levels	<p>Min. 40%</p> <ul style="list-style-type: none"> ● Binding EU-wide target ● The target would probably be reached as a side effect of reaching for the other two targets 	<p>Min. 55%</p> <ul style="list-style-type: none"> ● European Parliament requests 60% ● The Council supports the EC's proposal ● Compromise will be reached in the Triilogue
RES share in total final energy consumption	<p>Min. 32%</p> <ul style="list-style-type: none"> ● Binding EU-wide target ● RES electricity should increase to 55% in the EU (from 34% in 2020) 	<p>38–39%</p> <ul style="list-style-type: none"> ● according to 55% decarbonization scenarios ● 63–65% share of RES in electricity ● Actual proposal in July 2021
Energy savings (EED) in comparison with levels in 2007 predictions	<p>Min. 32.5%</p> <ul style="list-style-type: none"> ● Indicative EU-wide target ● Binding annual savings of 0.8% of final energy at national level 	<p>39–40%</p> <ul style="list-style-type: none"> ● according to 55% decarbonization scenarios ● 36%–37% of final energy consumption ● Actual proposal in July 2021

INVESTOR DECISION-MAKING IS ALREADY BASED ON A COMPLETE ESG RATING



WE AIM TO BECOME ONE OF THE ESG LEADERS



CEZ Group aims to achieve an ESG score* of at least 80% by 2023

We have set core targets based on the ESG methodology for each ESG area

WE HAVE SET CORE ENVIRONMENTAL TARGETS



Decarbonisation

Carbon emissions targets:

- We will reduce CO₂ emissions in line with the Paris Agreement “well below 2 degrees” by 2030
- We will reduce the emission intensity from 0.36 tCO₂/MWh in 2019 to 0.26 tCO₂/MWh in 2025 and to 0.16 tCO₂/MWh in 2030
- We will reduce the share of coal-fired electricity generation from 39% in 2019 to 25% by 2025 and to 12.5% by 2030

Waste / Toxic Emissions and Natural Resources

Toxic emissions targets:

- We will reduce NO_x from 23 kt in 2019 to 13 kt in 2025 and 7 kt in 2030
- We will reduce SO₂ from 21 kt in 2019 to 6.5 kt in 2025 and 3 kt in 2030

Renewables

New RES capacity targets:

- We will build 1.5 GW of RES by 2025 and 6 GW of RES by 2030

WE HAVE SET CORE SOCIAL TARGETS



Community

Community relations targets:

- We will continue to be a good corporate citizen, cultivating good relationships with communities

Customer Orientation

Customer satisfaction targets:

- We will maintain the highest NPS (Net Promoter Score) among the major electricity suppliers

Digitization targets:

- We will bring all key customer processes online by 2025

Human Capital Development

Employer attractiveness targets:

- We will maintain our position as the most attractive employer for future talents and existing employees

Retraining targets:

- We will provide reassignment, or retraining and reskilling or compensation for all employees affected by coal phase-out

WE HAVE SET CORE GOVERNANCE TARGETS



Diversity and Equal Opportunities

Targets for the representation of women in management:

- We will reach 30% female representation in management, and increasing the proportion of women in management of non-technical segments to 30% by 2025

Business Ethics

Business Ethics training targets:

- We will increase the frequency of employee training in the Business Ethics, training at least 95% of employees annually from 2022 onwards

WE ACCELERATE THE IMPLEMENTATION OF THE CURRENT STRATEGY



CEZ Group's Strategic Priorities

Efficient operation, optimal utilization and development of generation portfolio

Modern distribution and care for customers' energy needs

Development of new energy in the Czech Republic

Development of energy services in Europe

CEZ Group's Key Strategy Thesis

- Efficiently managing nuclear power plants and preparing conditions for the construction of a new nuclear power plant as part of enhancement of energy security and decarbonization of the generation portfolio in Czechia
- Efficient management of coal-fired power plants located near the coal basins and decarbonization of Czech generating portfolio
- Modernizing and digitizing distribution and sales in Czechia, developing comprehensive services with respect to customers' needs
- Developing energy services (ESCO) and renewable energy sources (RES) in Czechia while fulfilling the Czech energy and climate plan
- Developing ESCO activities abroad and achieving a significant position in markets close to Czechia, primarily Germany, northern Italy, and Poland



VIZE 2030

CLEAN ENERGY OF TOMORROW

I Transforming the Generating Portfolio to Low Emissions and Achieving Carbon Neutrality

- Efficiently managing nuclear power plants and preparing conditions for the construction of a new nuclear power plant as part of enhancement of energy security in Czechia
- Efficient management of coal-fired power plants located near the coal basins and decarbonization of Czech generating portfolio (including transformation of the heating industry)
- Developing renewable energy sources (RES) while fulfilling the Czech energy and climate plan

II Providing the Best Energy Solutions and the Best Customer Experience on the Market

- Modernizing and digitizing distribution and sales in Czechia, developing comprehensive services with respect to customers' needs
- Developing energy services sources (ESCO) in Czechia while fulfilling the Czech energy and climate plan
- Developing energy services (ESCO) abroad to achieve a significant market position in Germany, Northern Italy, and Poland

WE WILL TRANSFORM OUR GENERATING PORTFOLIO TO LOW-EMISSION AND ACHIEVE CARBON NEUTRALITY



Nuclear Power Plants

- We will **safely increase generation from existing nuclear power plants** to an average of **over 32 TWh** and achieve a 60-year lifetime
- **We will build a new nuclear unit in Dukovany**
- We will prepare for the construction of **small modular reactors (SMRs)** with a total capacity of over 1000 MW after 2040

Renewables

- We will build **1.5 GW of RES by 2025** and **6 GW of RES by 2030**
- We will **increase** the installed capacity for **electricity storage** to at least **300 MW_e** by 2030

Conventional Power Plants

- We will **decarbonize the heating sector** and **convert** our **coal-fired sites** to new activities after phasing out coal
- We will build **new gas-fired capacity** that will be ready for **hydrogen combustion**
- We will **reduce** the share of **coal-fired electricity** generation to 25% by 2025 and to **12.5%** by 2030

WE PROVIDE THE BEST ENERGY SOLUTIONS AND THE BEST CUSTOMER EXPERIENCE ON THE MARKET



Distribution

- We are investing in **Smart grids** and **decentralization** to further develop a reliable and **digital distribution grid**, including the development of fiber optic networks

Sales

- **We will digitize 100% of our key customer processes** by 2025
- By increasing service quality, we will maintain **the highest NPS** (Net Promoter Score) among the major electricity suppliers and increase our **customer base**
- We will offer **residential customers a product portfolio** that enables them to achieve energy savings and reduce emissions

ESCO

- We will **build electromobility** infrastructure—quadrupling charging capacity and operating at least 800 stations by 2025
- We will further develop our role as a key **decarbonization leader**—enabling effective emission reductions and **delivering energy savings** to our clients in industry, municipalities, and government in line with the EU target of delivering energy savings of 39–40%

New Segments

- We will expand our **business** into other areas of **battery production, electromobility**, and hydrogen



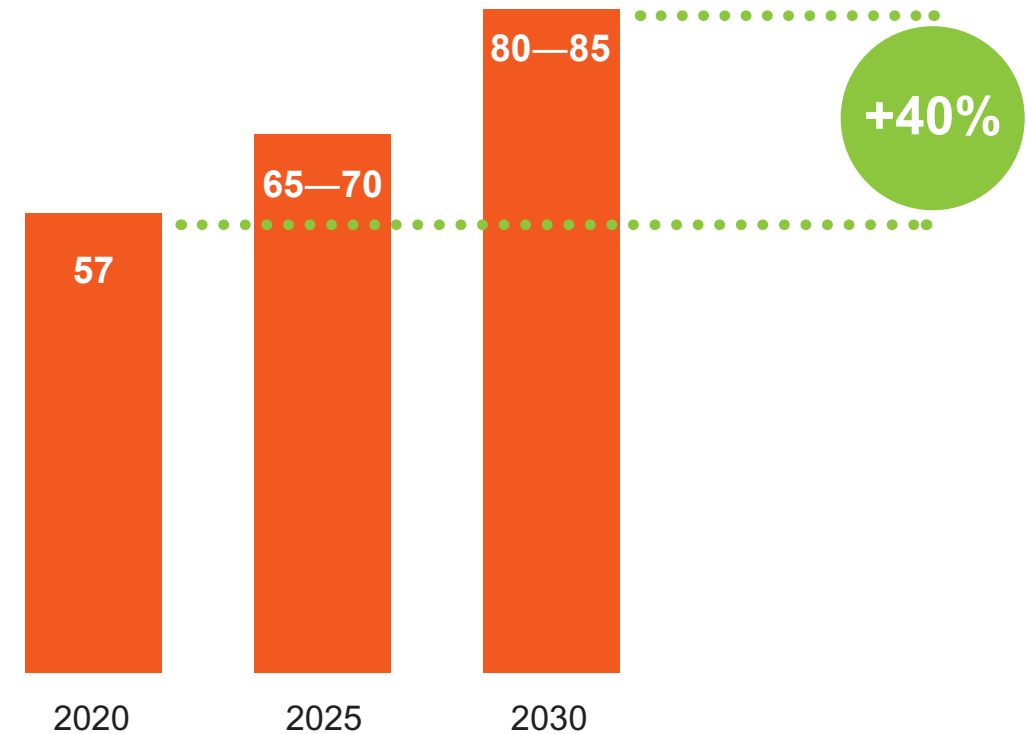
VICE 2030—CLEAN ENERGY OF TOMORROW WILL HELP US MEET OUR PRIMARY FINANCIAL TARGET



VICE 2030—CLEAN ENERGY OF TOMORROW

I
Transforming the Generating Portfolio to Low Emissions and Achieving Carbon Neutrality

II
Providing the Best Energy Solutions and the Best Customer Experience on the Market



EBITDA of CEZ Group
(Strategic assets in CZK bn)



- We will **develop CEZ Group** responsibly and sustainably **in accordance with the ESG**
- **We are accelerating development as part of the strategy:**
 - **We will transform our generating portfolio to low-carbon** in line with the Paris Agreement by 2030 and achieve **carbon neutrality** by 2050
 - We will provide **the most cost-effective energy solutions and the best customer experience on the market**
- We aim to **increase our ESG rating to 80%*** by 2023, **reduce our emissions intensity by more than 50%** by 2030 and **increase EBITDA** by 40% by 2030
- We will adapt the **CEZ Group structure** to meet the demands of our investors, financing banks, and employees

* Average score according to ESG agencies MSCI and Sustainalytics