



DECISION ON DONATIONS BUDGET

Draft resolution:

The General Meeting of ČEZ, a. s., approves a 2022 donations budget of CZK110 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 2022

CEZ Group cares about being perceived as a good partner in the regions where it operates, especially in the neighborhood of its generating facilities. It wants to be a natural part of and contribute its part toward the improvement of everyday local life. It has long been contributing to infrastructure improvement and community life development and supporting projects in the field of education, culture, sports, healthcare, environmental protection, etc. through corporate donations according to its motto "We Help Where We Operate." Together with municipalities, CEZ Group is thus fulfilling the UN's Sustainable Development Goals (SDGs), to which Czechia has also committed. In particular, this involves 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 kindergartens, primary and secondary schools, local libraries, cultural facilities and social and cultural events), Goal 8 (Decent Work and Economic Growth—we support up-skilling 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.). At the same time, CEZ Group is one of the few to provide support to a wide range of foundations and nonprofit organizations that are working to meet these global goals as well. Also thanks to CEZ Group, Czechia as a whole ranked 8th out of 166 countries in the global comparative ranking tracking the implementation of the SDGs.

By continued donation activities with impact on infrastructure development and community life promotion, CEZ Group significantly helps build on one of the strategic pillars of Sustainable Development, namely Being a Good Partner.

The ČEZ Foundation, as one of the earliest corporate foundations, has been helping throughout Czechia for 19 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 1,850 projects with a total value of CZK 195.2 million were supported through the ČEZ Foundation in 2020. 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 donorship program for almost two decades.

The EPP—Move to Help mobile app has found favor with more than 500,000 users during the past 6 years. It is the users who have control over where the ČEZ Foundation's support will be directed. The Foundation provided financial support of CZK 23.9 million to over 300 projects in 2020.

CEZ Group employees are also greatly engaged in donations. They contributed a record-breaking amount of almost CZK 3 million in their traditional collection campaign named “Granting Wishes, Thinking about Others” in 2020. The ČEZ Foundation doubled the amount and provided the aid to 101 people who faced a difficult situation in their lives due to severe illness or injury. Employee involvement in donorship is also part of developing the employee engagement, which is an integral social factor in monitoring the ESG criteria.

The 2020 Annual Report of ČEZ, a. s., includes a link to www.cez.cz/dary on page 136. The Web page shows a list of all beneficiaries of donations made by the Company in 2020, including donation purposes. The list does not show the amounts of donations. This is to prevent the discrimination of beneficiaries that apply for donations or subsidies from other donors and institutions.

Proposed terms for financial donations in 2022:

- The total amount of funds that the Company can use to give donations in 2022 will be CZK 110 million;
- We anticipate that approximately CZK 50 million of this amount will be spent in 2022. CZK 50 million will be transferred to the CEZ Foundation account in connection with projects implemented through the CEZ Foundation;
- In the context of the operation, construction, and renovation of ČEZ generating facilities and distribution grids, we estimate that donations of approximately CZK 60 million will be given to selected entities directly by ČEZ, a. s., not through the ČEZ Foundation in order to maintain positive relations with the affected regions.