

# Decision on Donations Budget



## Draft resolution (1):

The General Meeting of ČEZ, a. s., approves a 2023 donations budget of CZK 150 million.

## Draft resolution (2):

The General Meeting of ČEZ, a. s., approves increasing the 2022 donations budget by CZK 40 million as compared to the resolution passed by the General Meeting on June 28, 2021, that is, to a total of CZK 150 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 2023

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 2021, almost 80% 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 Czech Republic. We also play an important role in supporting community and social life even in the smallest municipalities.

In May 2021, CEZ Group updated its long-term strategy and formulated ambitious goals under the title Vision 2030—Clean Energy of 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 Czech Republic to meet the global UN Sustainable Development Goals (SDGs). These include Goal 3 (Good health and wellbeing—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), or Goal 15 (Life on land—we support environmental associations and organizations, various events and activities to improve the environment, etc. ). The Czech Republic ranked 12th on the global SDG Index in 2021.

The ČEZ Foundation, as one of the earliest corporate foundations, has been helping throughout the Czech Republic 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 1181 projects with a total value of CZK 184.9 million were supported through the ČEZ Foundation in 2021. Information about all supported projects is published in ČEZ Foundation annual reports every year. The nonfinancial 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.

In seven years of operation, the EPP—Help with Movement mobile app has already gained 589,000 users from the public. It is the users who have control over where the ČEZ Foundation's support will be directed. In 2021, the Foundation supported 336 projects with CZK 24.8 million thanks to the mobile app's supporters.

ČEZ also actively involves its employees in donation activities. Two employee fundraisers were held in 2021. In July, an extraordinary collection was organized to help people affected by the devastating tornado in South Moravia. Almost CZK 2.8 million was raised. The Foundation doubled the amount to a total of CZK 5.5 million. In the traditional collection "Granting Wishes, Thinking about Others", employees contributed CZK 3.4 million. The ČEZ Foundation doubled this amount as well, and the aid was directed to 109 people who found themselves in a difficult life situation due to a serious illness or injury.

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 2021 Annual 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 128. The web page shows a list of all beneficiaries of donations made by the Company in 2021, 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 2023:**

- The total amount of funds that the Company can use to give donations in 2023 will be CZK 150 million.
- We estimate that approximately CZK 110 million of that amount will be transferred to the ČEZ Foundation's account in 2023 in connection with projects undertaken through the ČEZ Foundation.
- In the context of the operation, construction, and renovation of ČEZ generating facilities and distribution grids, we estimate that donations of approximately CZK 40 million will be given to selected entities directly by ČEZ, a. s., rather than through the ČEZ Foundation, in order to maintain positive relations with the affected regions.

#### **Amendment of terms for financial donations in 2022:**

On June 28, 2021, the General Meeting of ČEZ, a. s., approved a budget of CZK 110 million that the Company may use to provide donations in 2022.

The ČEZ Foundation always responds to the current social situation and offers a helping hand where it is most needed. In February this year, for example, we provided an extraordinary crisis grant to municipalities to help them cope with the refugee wave related to the war in Ukraine. There are signs from the nonprofit sector that this year will be very challenging for many organizations and associations, in part due to the ongoing turmoil in the energy market, which is contributing significantly to rising energy prices.

Therefore, we are proposing that the 2022 donations budget be increased by CZK 40 million, which is to be transferred to the ČEZ Foundation.

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