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Statutory Declaration

To the best of our knowledge, the Sustainability Report gives an accurate and fair overview of the non-financial data for 2022, sustainable business strategy, and targets set for the future development of CEZ Group.

Prague, May 29th, 2023

Daniel Beneš

Chairman of the Board of Directors
ČEZ, a. s.

Pavel Cyraní

Vice-Chairman of the Board of Directors
ČEZ, a. s.

Kateřina Bohuslavová

Chief Sustainability Officer
of CEZ Group

We › are › CEZ ›

We › are › Clean › Energy ›
of › Tomorrow › for ›
a › self-sufficient ›
and › healthy › country ›





1 Foreword

1.1. Statement from the CEO

GRI 2-22

Dear stakeholders,

I am pleased to present to you the 2022 Sustainability Report of CEZ Group. This Report was prepared based on data known as of May 15, 2023.

Despite the unprecedented energy crisis following the Russian military invasion of Ukraine, we have worked hard to meet our sustainability goals and social commitments towards a more sustainable future. As a leading energy company, we recognize our responsibility towards the environment and society. We are committed to delivering sustainable solutions that balance economic, social, and environmental aspects. We believe that by operating sustainably, we can create value for all stakeholders and contribute to a better world.

Year 2022 brought on an unimaginable security risk and uncertainty in Europe. Although the war negatively affects European and other energy sectors and threatens European climate goals, we remain determined to reach our mid-term and long-term targets and commitments defined in the strategic VISION 2030. We have worked tirelessly to ensure a self-sufficient, stable, and secure energy supply for our customers.

The energy crisis exacerbated by the war led to an unprecedented growth in costs of generating electricity, which led to extreme energy prices in the market. In August 2022, the market price of electricity reached almost 1,000 € per MWh, a ten-fold year-on-year increase. This situation made it absolutely clear that security and stability of supply and increase in self-sufficiency must be a top priority. CEZ Group had to take immediate emergency measures to ensure energy security of Czechia. I am proud that together with the Czech government, we managed to secure a significant capacity at the liquefied natural gas (LNG) terminal in Eemshaven, the Netherlands, including the transport routes to Czechia. This was in June, only four months after the invasion started. ČEZ, a. s., can import up to three billion m³ of gas per year for five years, which amounts to one third of the Czech gas consumption. We have also made progress in preparing for construction of a steam-gas power plant in Czechia, securing a favorable statement from Environmental Impact Assessment. In the future, this plant will substitute the capacity of coal-fired plants in Mělník.

We are actively pursuing decarbonization through the reduction of our emission intensity. In 2022, CEZ Group's emission intensity reached 0.29 tCO₂e/MWh and decreased slightly year-on-year despite the energy crisis and the need to temporarily increase secure energy supplies. All our medium-term targets for reducing coal-fired generation, including the ambition to reduce emission intensity below 0.26 tCO₂e/MWh in 2025, are valid. We were the first energy company in Central and Eastern Europe to issue sustainability-linked bonds, which are linked to our decarbonization targets and demonstrate our commitment to sustainable financing.

We are proud to have achieved record nuclear generation of 31 TWh in 2022, which covered almost half of Czech demand and contributed to the solution of the energy crisis with minimal additional CO₂ emissions. We also started a public tender for building a new nuclear unit in Dukovany, which we plan to put into pilot operation no later than 2036. We have secured new non-Russian suppliers of nuclear fuel for Temelín and Dukovany from 2024, and we accelerated the project for small modular reactors (SMRs). The first SMR could be launched in Temelín already in 2032.

We publicly announced our goal to reach climate neutrality by 2040. While our near-term target has already been validated by the SBTi, this long-term goal is aligned with 1.5°C ambition, and we are awaiting its validation in 2023. We also signed the Memorandum of Cooperation in Climate Protection and Energy with the Czech Ministry of the Environment.

In 2022, we continued to invest in renewable energy, energy efficiency, and other sustainable solutions. We expanded our portfolio of wind and solar projects. ČEZ Distribuce connected 21,487 photovoltaics with installed capacity of 188 MW, and ČEZ Prodej installed 4,102 roof photovoltaics in Czech households, which is a six-fold increase over the past two years. We also invested in energy storage, electric vehicle charging infrastructure, and smart grid technologies to improve the efficiency and reliability of our grid.

In 2022, CEZ Group joined the United Nations Global Compact. We also joined the Global Compact's CEO Water Mandate as the first Czech corporation, committing to responsible use and protection of water sources. We are also committed to the United Nations Sustainable Development Goals (SDGs) and have aligned our sustainability strategy with them. In Environmental, our focus is on two goals: SDG 7 – Affordable and Clean Energy and SDG 13 – Climate Action. In Social, we support SDG 8 – Decent Work and Economic Growth and SDG 10 – Reduced Inequalities. In Governance, we focus on SDG 5 – Gender Equality and SDG 16 – Peace, Justice, and Strong Institutions. We believe that by contributing to these goals, we can create a positive impact on society and the environment.

In addition to our sustainability efforts, we are also committed to good corporate governance and responsible business practices. We have a zero-tolerance policy towards corruption and ensure that all our operations are conducted in an ethical and transparent manner. We prioritize the safety and wellbeing of our employees. In 2022, ČEZ, a. s., was given the First Degree of the Health Promoting Enterprise Award by the National Institute of Public Health. We signed the Pride Business Forum Memorandum with a commitment to be a safe, diverse, and inclusive employer. We are preparing to join Women's Empowerment Principles to support equality of women in the workforce, on the market, and in communities.

We recognize that sustainability is a shared responsibility, and we are committed to working with all stakeholders to achieve our goals. We communicate with them openly and transparently. That is why we launched a new sustainability web, where we share our policies, commitments, targets, and progress in the Document Library. We also shared almost 800 key indicators in an Interactive Data Tool. The data from this year's Sustainability Report will bring that number to over a 1,000.

Our efforts have been recognized by the ESG community. We have significantly improved ESG ratings of CEZ Group. We continue to actively communicate our progress and we are working hard on filling even the smallest gaps we have identified. We also strive to keep up with current scientific knowledge, and we implement a data-based approach to the governance of our sustainable agenda. To this end, all the Members of the Board are required to complete certified sustainability programs. In 2022, they all participated in executive sustainability education from Berkeley Law, Diligent Institute, and University of Economics and Business in Prague.

Finally, we understand that the journey to sustainable business never ends. That is why we continuously update our ESG program and define new ESG initiatives. In 2023, we will focus on implementing new European Sustainability Reporting Standards; we will map our supply chain in greater detail; we will define a new stakeholder dialogue management process; we will make our management of climate risks more granular; and we will focus on protecting biodiversity. We will continue to engage with our customers, suppliers, communities, and other stakeholders to understand their needs and expectations and incorporate their feedback into the sustainability strategy of CEZ Group.

Daniel Beneš
Chairman of the Board of Directors
and Chief Executive Officer,
ČEZ, a. s.



1.2. Statement from the CSO

GRI 2-5

Dear readers,

I am happy to present to you the CEZ Group 2022 Sustainability Report. Sustainable development and social responsibility are the basis of the current corporate strategy specified in VISION 2030—Clean Energy of Tomorrow. We report CEZ Group's development and progress in sustainability in all three ESG areas: Environmental, Social, and Governance. The main events of the year have already been summarized by the CEO in the introductory chapter, so I will focus on defining the standards and procedures in the preparation of the entire Report.

The CEZ Group 2022 Sustainability Report is issued in line with Directive 2014/95/EU of the European Parliament and of the Council on Non-financial Reporting and its implementation into Czech legislation through an amendment to the Accounting Act. It presents the Group's non-financial data from January 1, 2022, to December 31, 2022. The Sustainability Report is a consolidated non-financial report of CEZ Group; the list of fully consolidated entities is defined on page 103 of CEZ Group 2022 Annual Financial Report.

The Sustainability Report is prepared in line with globally recognized reporting frameworks to meet the highest transparency standards. We apply universal Global Reporting Initiative (GRI) Standards 2021, the Sustainability Accounting Standards Board's (SASB) standard for electric utilities and power generators, and the World Economic Forum (WEF) metrics and disclosures. We report Greenhouse Gas (GHG) emissions in line with independently verified emissions under the EU Emissions Trading System (EU ETS) for a substantial part of Scope 1. We use GHG Protocol for the remaining part of Scope 1, Scope 2, and Scope 3.

As a new participant in United Nations Global Compact (UNGC), we will file our Communication on Progress against the Ten Principles in 2023. We also support all 17 Sustainable Development Goals (SDGs), focusing in more depth on six selected as particularly relevant to our business: SDG 5, 7, 8, 10, 13, and 16. While some references to the SDG framework are made throughout this Report, and the SDG index is included, we have published a separate SDG Report with more details.

As the first Czech supporter of the Task Force on Climate-related Financial Disclosures (TCFD), we include a section on climate risk management and a TCFD index. However, for more detailed information, please refer to our separate TCFD Report.

We report key performance indicators defined by the EU taxonomy. While last year's report included high level data, this year we disclose more granular details including meeting technical criteria for sustainable activities.

This Report is prepared in the Czech and English languages. In case of discrepancies, the Czech version takes precedence. All financial data are reported in Czech Crowns (CZK).

Bureau Veritas (BV) has provided external reasonable assurance of the following three key performance indicators:

- Scope 1 GHG emissions
- Scope 2 GHG emissions
- Scope 3 GHG emissions

Ernst & Young (EY) has provided external limited assurance of eleven selected key performance indicators based on the GRI Standards:

- Employees (by gender, by employment contract)
- Work-related injuries (number of fatalities, number of work-related injuries)
- Programs for upgrading employee skills and transition assistance programs
- Diversity of governance bodies and employees (by gender, by age)
- Average hours of training per year per employee
- Energy consumption within the organization (fuel consumption from non-renewable/renewable sources; energy sold)
- Water withdrawal (focus on surface water)
- Water discharge (focus on surface water)
- NO_x, SO_x, and particulate matter (PM)
- Waste generated
- Significant spills


We have increased the scope of audited operations, which include the whole CEZ Group, not just Czech entities.

BV's independent assurance statement is on page 166 of this Report, and EY's independent assurance statement is on page 163 of this Report. We are committed to the highest transparency, accuracy, and accountability standards.

The Report has a complementary website dedicated to sustainability and ethics. For the latest data and supporting documents, please consult our publicly available and free-of-charge Document Library and Interactive Data Tool. The Interactive Data Tool provides hundreds of indicators and allows to explore historical trends. It has also been tested for digital accessibility to provide easy access and include users with disabilities.

I strongly believe that this Report and our website demonstrate our highest commitment to transparency and full disclosure. I also hope that the exploration of our sustainability journey will be an enjoyable experience.

Kateřina Bohuslavová
Chief Sustainability Officer
and the Head of ESG Office
of CEZ Group

<p>Climate-neutral by 2040</p> <p>CEZ Group committed to climate neutrality by 2040, and CEZ Group corporate GHG emissions reduction target for 2030 was validated by the SBTi.</p>			<p>Record-high emission-free energy generation</p> <p>Dukovany and Temelín nuclear power plants increased generation by 1% year-on-year, achieving 31.02 TWh – the highest generation of emission-free energy in history.</p>
	<p>Lowering carbon intensity</p> <p>Despite the energy crisis and natural gas shortage, CEZ Group decreased carbon intensity of heat and electricity generation by 1%.</p>		
<p>Annual polluting emissions decreased</p> <p>PM by 23%, SO₂ by 19%, NO_x by 9%, and Hg by 37%.</p>			<p>CZK 368.2 million in donations</p> <p>CEZ Group and CEZ Foundation are generous corporate donors. Our financial donations reached CZK 368.2 million.</p>
<p>TOP Large Responsible Company 2022</p> <p>CEZ Group was awarded the title of TOP Large Responsible Company 2022.</p>		<p>Zero fatalities</p> <p>97.6% of workforce is covered by Occupational Health and Safety Management Systems, and we met our annual target of zero fatalities in 2022.</p>	
<p>Largest interactive data tool in Europe</p> <p>CEZ Group is the first Czech company to launch a public online ESG library and data tool. The tool provides the most comprehensive data of all European utilities.</p>		<p>Reporting on SDGs and TCFD</p> <p>CEZ Group issued its first SDG Report and TCFD Report.</p>	<p>Responsible water stewardship</p> <p>CEZ Group is the first Czech supporter of the CEO Water Mandate Initiative, committing to responsible water stewardship.</p>

2 Introduction

2.1. CEZ Group Business Environment

GRI 2-6, 3-1, 3-2, 3-3

2.1.1. CEZ Group's Mission and Vision

CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society. CEZ Group's vision is to bring innovations for addressing energy needs and help improve the quality of life.

Our accelerated strategy VISION 2030—Clean Energy of Tomorrow defines strategic objectives for 2030 in line with the EU's decarbonization vision. Our strategy sets specific ambitions in social responsibility and sustainable development to maximize shareholder value.

2.1.2. Strategic VISION 2030—Clean Energy of Tomorrow

The main strategic priorities of our accelerated strategy—VISION 2030 are:

1. Transform our generation portfolio to a low-emission one and achieve carbon neutrality;
2. Provide the most cost-effective energy solutions and the best customer experience in the market;
3. Develop CEZ Group responsibly and sustainably following ESG principles.

The basic premise is to continuously adjust the structure and operations of CEZ Group to meet the demands of investors, creditors, employees, and communities and to maximize the growth of shareholder value.

The main strategic objectives and commitments defined under the individual strategic priorities, including the ESG targets, are:

I. Transform our generation portfolio to a low-emission one and achieve climate neutrality by 2040

Our comprehensive objective is to transform our generation portfolio to a low-emission one in line with the Paris Agreement, reduce emission intensity by more than 50% by 2030, and achieve climate neutrality by 2040.

Nuclear facilities:

- We will safely increase generation from existing nuclear sources to over 32 TWh and achieve a 60-year lifetime for nuclear units.
- We are ready to build a new nuclear unit at Dukovany.
- We will prepare for the construction of small modular reactors (SMRs) with a total capacity of over 1,000 MW. Our goal is to launch the pilot project by the end of 2032.

Renewables:

- We will build 6 GW of renewables by 2030, of which 1.5 GW by 2025.
- We will increase installed capacity for electricity storage by at least 300 MWe by 2030.

Traditional facilities:

- We will decarbonize the heating industry and convert our coal sites to new activities after shifting away from coal.
- We will build new gas-fired capacities that are ready to burn hydrogen.
- We will reduce the share of electricity generated from coal to 25% by 2025 and 12.5% by 2030.

II. Provide the most cost-effective energy solutions and the best customer experience in the market

Distribution:

- We will invest in smart grids and decentralization to further develop a stable and digital distribution grid, including the development of fiber optic networks.

Sales—Retail:

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

Sales—ESCO:

- We will develop our role as a 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 achieving 39–40% energy savings.
- We will build the infrastructure for electromobility: we will quadruple the charging capacity, and we will operate at least 800 charging stations by 2025.

New segments:

- We will expand our activities into battery production, electromobility, and hydrogen generation.

III. Develop CEZ Group responsibly and sustainably following ESG principles

CEZ Group's comprehensive goal in responsible and sustainable development is to be among the top 20% in ESG rating by 2023.

Selected targets in the environmental area:

- We will reduce greenhouse gas emissions in line with the Paris Agreement well below 2°C from 0.38 tCO₂e/MWh in 2019 to 0.26 tCO₂e/MWh in 2025 and 0.16 tCO₂e/MWh in 2030.
- We will transform our generation portfolio to a low-emission one in line with the Paris Agreement by 2030 and we will achieve climate neutrality by 2040.
- We will reduce the SO₂ emissions from 21 kt in 2019 to 6.5 kt by 2025 and 3 kt by 2030.
- We will reduce the NO_x emissions from 23 kt in 2019 to 13 kt by 2025 and 7 kt by 2030.

Selected objectives in social relations:

- We will continue to be a responsible corporate citizen, cultivating good relationships with communities.
- We will maintain our position as the most attractive employer for future talent and current employees.
- We will ensure a just transition for all employees affected by the coal exit through retraining, reskilling, or compensation.
- We will maintain the highest Net Promoter Score (NPS) among major electricity suppliers.
- We will digitize all key customer processes by 2025.

Selected objectives in corporate governance:

- We will achieve 30% female representation in management.
- We will increase the frequency of employee training in the Code of Conduct and train at least 95% of employees each year from 2022 on.

CEZ Group's investment plan is fully in line with the target reduction of emission intensity to 0.16 tCO₂e/MWh in 2030 and with achieving climate neutrality in 2040. Thus, investments in coal power plants and mines are limited to maintenance and to investments associated with the termination of their operation.

2.1.3. ESG and Sustainable Development Social Objectives

CEZ Group's strategy fully reflects the principles of ESG (Environmental, Social, Governance) and sustainability. We place great emphasis on assessing and managing the environmental impact of our business, on internal and external stakeholders and society-wide interests, and on responsible and ethical corporate governance. We report our journey annually in the CEZ Group Sustainability Report in line with legal requirements, several international standards, and best practice.

ESG and sustainability are an integral part of CEZ Group's management and corporate strategy. It is not one-off compliance with new requirements, but an approach to business as such. We integrate our sustainability strategy with our business core and corporate strategy on our way towards a more stable and safe future. We have made ESG an integral part of our everyday business; it is the premise defining our accelerated corporate strategy targets.

As a leading European energy company, we are committed to setting an example and making the energy sector sustainable, greener, and friendlier to our planet. Simultaneously, we strive for more diversity, closer cooperation with communities, and the best technological and energy-saving solutions to our customers. Based on evidence-based and data-driven approach in line with the current scientific knowledge, we continuously adapt CEZ Group's strategy to major trends in the energy sector.

It is not possible to separate the costs and investments for meeting ESG requirements from current expenses and investments. However, CEZ Group expects the largest share of costs in the overall transformation of its generating portfolio towards a fully emission-free generation, where very ambitious goals were set in terms of decarbonization and overall carbon neutrality. CEZ Group is ready for a major transformation of the energy sector, with a clear plan for the gradual decarbonization of its generation portfolio. We are preparing for massive development and construction of renewable and low-carbon sources. We are developing e-mobility, modern distribution networks, energy savings, and optimal energy solutions for end-use customers.

In 2015, the United Nations adopted Agenda 2030 for Sustainable Development to address a range of urgent global challenges. The agenda sets 17 Sustainable Development Goals (SDGs) that provide a blueprint for a better and more sustainable future. In CEZ Group, we unequivocally endorse all of them. However, we selected six goals, two for each pillar of ESG, to focus on, and we aligned them to VISION 2030:

Environmental:	SDG 7 SDG 13	Affordable and Clean Energy Climate Action
Social:	SDG 8 SDG 10	Decent Work and Economic Growth Reduced Inequalities
Governance	SDG 5 SDG 16	Gender Equality Peace, Justice and Strong Institution

Reaching global sustainable development goals and meeting the EU's ambitious climate targets will not be easy; it is the challenge with costs for citizens, member states and businesses. CEZ Group will support reaching the goals by own operations and businesses as well as recognize the potential for significant business opportunities.

2.2. Stakeholder Engagement and Materiality Matrix

GRI 2-29, 3-1, 3-2 / SDG 17

2.2.1. Stakeholder Engagement

The relationships of CEZ Group with its stakeholders are governed by our Community Relations Policy. The policy covers all business activities to ensure a proper stakeholder engagement. CEZ Group wants to maintain long-term, stable, and strong stakeholder relationships built on trust, recognition of commitments and legitimate interests, and open communication.

The purpose of stakeholder engagement is to fulfil VISION 2030 and the goal of being a responsible corporate citizen, leaving no-one behind on the journey to Clean Energy of Tomorrow. To ensure a meaningful conversation with our stakeholders, we are committed to the following:

- benefiting the communities in which we operate and creating shared sustainable social value,
- assessing and embracing the legitimate interests of the stakeholders with whom we cooperate,
- building trust with stakeholders to maintain long-term, stable, and strong relationships, and
- embracing stakeholder diversity.

Through the above, we strive to uphold the reputation of CEZ Group as a responsible corporate citizen in all territories of our operations.

2.2.1.1. Stakeholder Groups

The Community Relations Policy lists 13 groups of stakeholders who were identified in the CEZ Group business value chain.

They are listed below in alphabetical order:

- Certification bodies
- Customers
- Educational institutions and research facilities
- Employees
- Insurance companies and banks
- Local governments, local communities, and the public
- Media
- Non-profit organizations
- Professional unions and associations
- Public and regulatory authorities
- Shareholders and investors
- Suppliers and contractors
- Trade unions

2.2.1.2. Principles of Stakeholder Engagement

The Community Relations Policy also outlines seven principles of stakeholder engagement:

- Accountability: We act responsibly and build relationships based on ethics, integrity, sustainable development, and respect for human rights and communities affected by CEZ Group business activities.
- Transparency: We act transparently in our relationships and financial and non-financial communications, sharing truthful, relevant, complete, transparent, and useful information.
- Active perception: We train our employees to listen actively, promote two-way and effective communication, and engage in direct, smooth, constructive, diverse, inclusive, and cross-cultural dialogue.
- Participation and engagement: We encourage stakeholder participation and engagement in all CEZ Group business activities, supporting voluntary consultation processes or similar avenues of information exchange, particularly in the planning, construction, operation, and decommissioning of CEZ Group power projects.
- Consensus: We strive to reach consensus with stakeholders, especially local communities and populations, considering their views and expectations.
- Cooperation: We encourage cooperation with stakeholders to contribute to the CEZ Group goals and values and to the achievement of the Sustainable Development Goals.
- Continuous improvement: We continuously strive for improvement and regularly review our stakeholder engagement mechanisms to ensure that we respond to stakeholder needs most effectively.

2.2.2. Materiality Assessment

In 2019, a survey of material topics for CEZ Group stakeholders was conducted according to the international standard AA1000 SES (Stakeholder Engagement Standard). For the purposes of the survey, CEZ Group stakeholders were merged into two main groups:

- Internal stakeholders (top and middle management of CEZ Group and subsidiaries, supervisory board)
- External stakeholders (the 13 categories listed in 2.2.1.1.)

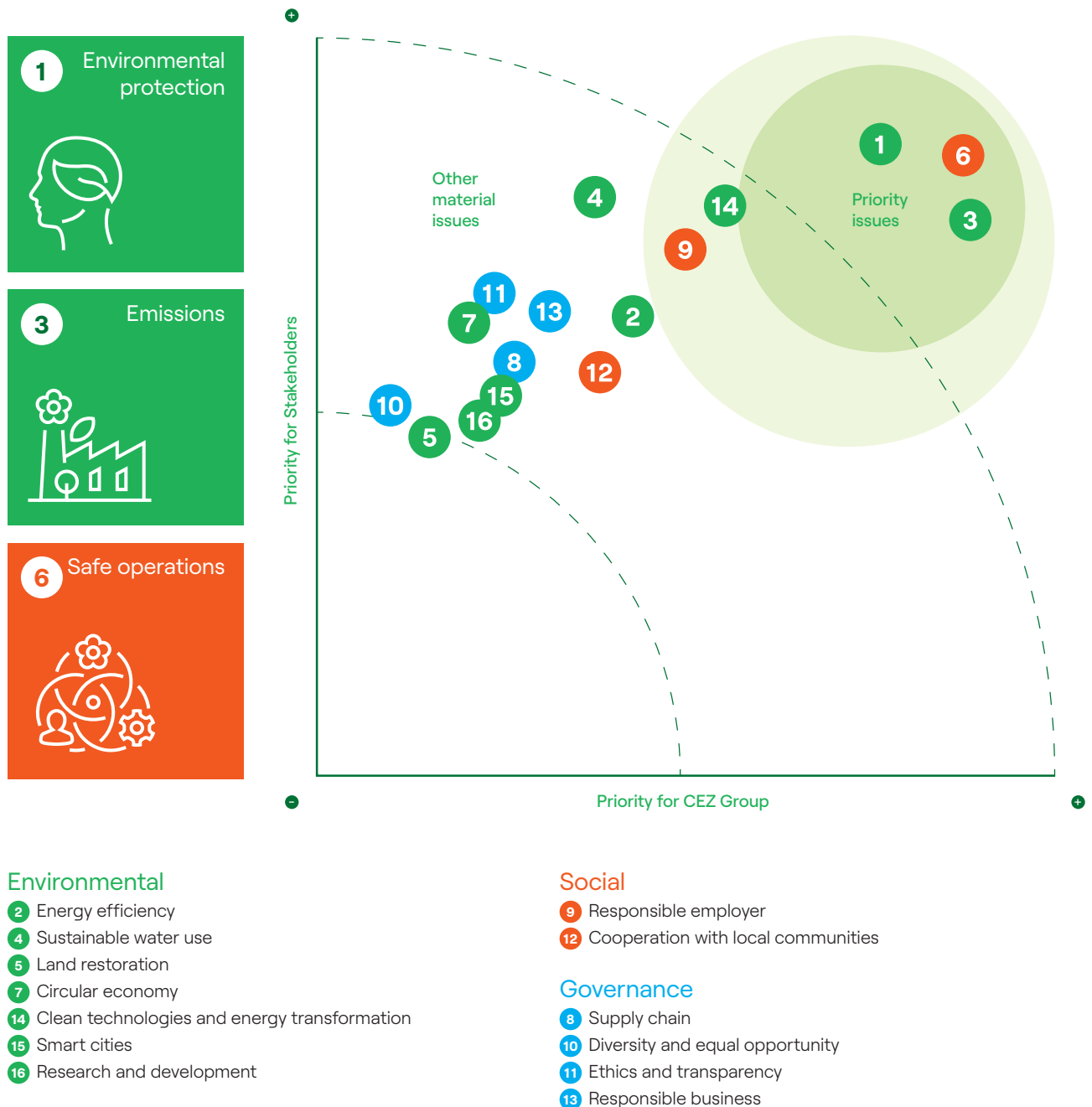
As a result of the survey, a materiality matrix was constructed, which showed the crucial topics and areas of interest of CEZ Group stakeholders. These are primarily focused on the environmental and social areas, indicating the current and future relevance of environmental protection, emissions

(decarbonization), and safe operation and facilities. In the social area, two topics are significant: CEZ Group as a responsible employer and CEZ Group's collaboration with local communities.

However, when the survey was conducted, certain topics were not included for consideration because they only gained dominance later with current socioeconomic and political developments. It is possible to ascertain that the material topics are still relevant to CEZ Group stakeholders, but new areas are likely to gain importance soon in relation to the post-pandemic world, the impact of the war in Ukraine, climate change, and the increasing legal requirements in ESG.

To reassess our approach to stakeholder management, CEZ Group launched a special ESG Initiative of Stakeholder Engagement and Stakeholder Materiality Matrix in 2022. The initiative is designed to identify actual and potential negative and positive impacts across all our activities and business relationships in the entire value chain. To prioritize the impacts and determine material topics, we will communicate with representatives of our stakeholders, and we will involve experts to ensure that the whole process is in line with best practice and international standards. Newly identified topics include issues related to EU taxonomy, human rights due diligence, supply chain management, biodiversity, and nature-positive targets.

2.2.3. Materiality Matrix



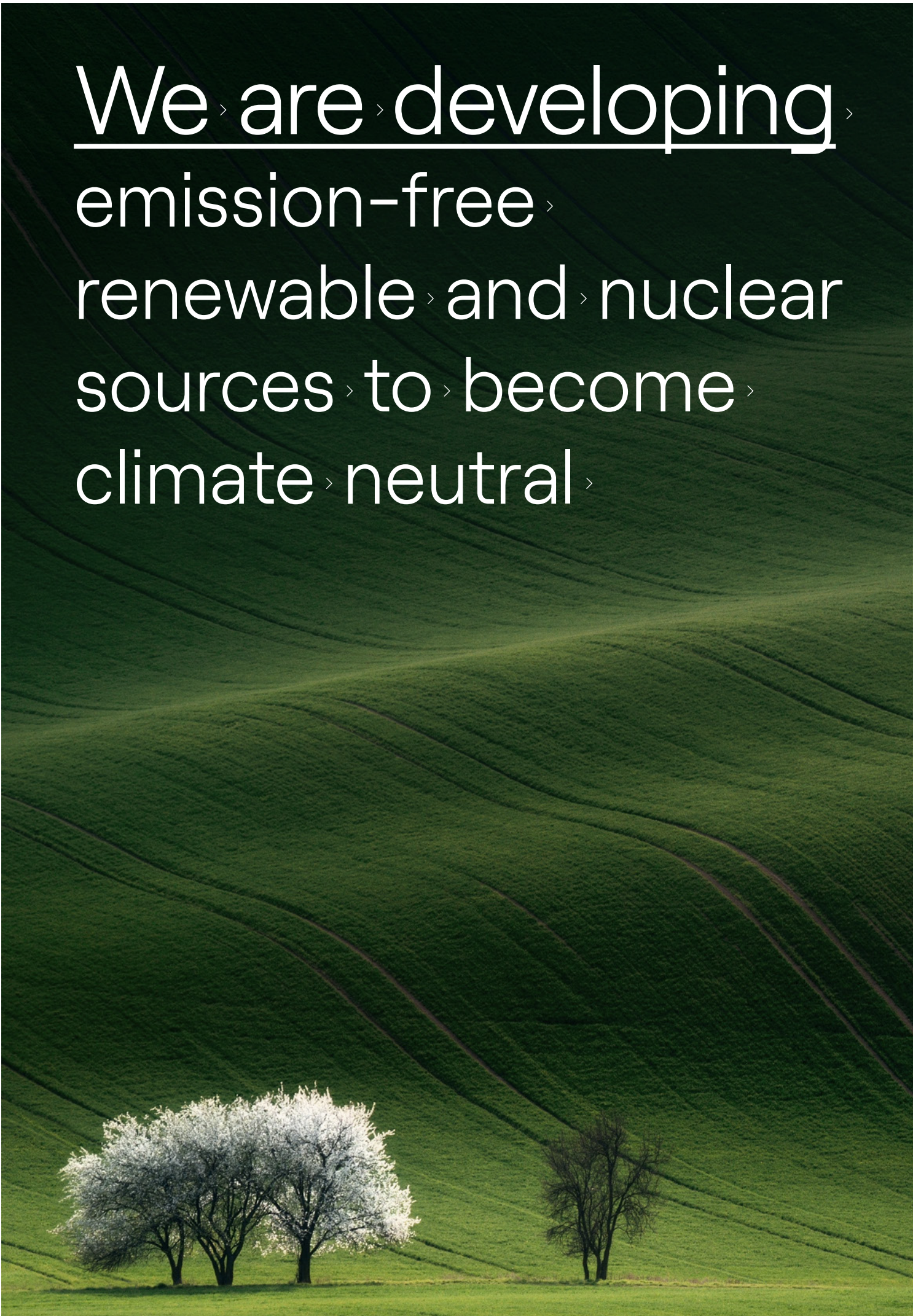
CEZ Group's Stakeholder Materiality Matrix identifies as the most material topics three key areas: (1) Safe Operations, (2) Environmental Protection, and (3) Emissions. Safety and Environmental Protection Policy currently addresses all three topics; the Policy is publicly available online in both Czech and English. CEZ Group also expects its suppliers to behave responsibly and sustainably; that is why safety and environmental protection are integral parts of supplier obligations defined in the Commitment to Ethical Conduct. The commitment is included in General Terms and Conditions and is legally binding.

In addition, CEZ Group power and heating plants have been awarded national Safe Enterprise Certification. The Safe Enterprise programme is based not only on ISO 45001 (formerly OHSAS 18001) and the ILO-OSH 2001 Manual, but also on the principles and rules applied by the Quality Management System (ISO 9001) and the Environmental Management System (ISO 14001) standards.

The Safe Enterprise programme can make a significant contribution to the implementation of an integrated management system. The complete State Labour Inspection Office document is available online. For more information regarding the management of material topics, see Section 4.3.6.1 for Safe Enterprise, Section 4.3.6.2 for Occupational Health and Safety (OHS), and Section 3.3.3 for Environmental Management System (EMS).

CEZ Group uses in materiality assessment perspective of impact materiality in line with GRI 2021. We focus on providing information on our positive and negative impacts on the economy, environment and people. Financial materiality and economic value creation for shareholders is core perspective of our Annual financial reports and used in selected chapters such as EU Taxonomy KPI disclosure. We will further adjust and integrate our materiality assessment and reporting to fully align with double materiality concept, required by future European Sustainability Reporting Standards (ESRS).

We are developing
emission-free
renewable and nuclear
sources to become
climate neutral



3

Environmental >



3.1. Decarbonization

GRI 3-3; SASB IF-EU-110a.3 / SDG 13

The 2015 Paris Agreement on climate change represents a commitment to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the increase to no more than 1.5°C. We fully support the commitment of the United Nations' Paris Agreement on climate change. In 2021, we strengthened our commitment to becoming a climate-neutral company by incorporating our sustainability strategy into the corporate strategy and creating a unified accelerated strategy VISION 2030—Clean Energy of Tomorrow. In May 2022, we moved forward our goal to be climate neutral by a decade to 2040. This decision was motivated by three drivers: (1) the annual review of VISION 2030—Clean Energy of Tomorrow, (2) the launch of the REPowerEU plan, and (3) the proposal of the European Commission to set stricter goals within the Fit for 55 package.

In CEZ Group, the Board of Directors is responsible for the Environmental Protection and Safety Policy and the Energy Policy. Within the policies, our environmental protection is based on the Environmental Management System according to ISO 14001 and the Energy Management System according to ISO 50001.

CEZ Group reports its GHG emissions using the methodology of Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard and 2006 IPCC Guidelines for National Greenhouse Gas Inventories. CEZ Group's inventory Scope 1 and 2 for reporting is given by financial control: this includes all companies in which ČEZ, a. s., has a financial interest of more than 50% or controls the company. In the methodology, emissions are defined in three scopes: Scope 1, 2, and 3. We report Scope 1 and Scope 2 emissions fully, whereas in Scope 3, we report only categories relevant to CEZ Group. In 2021, the sustainability strategy targets were set and 2019 was set as base year to maintain trend tracking over the three-year reporting horizon.

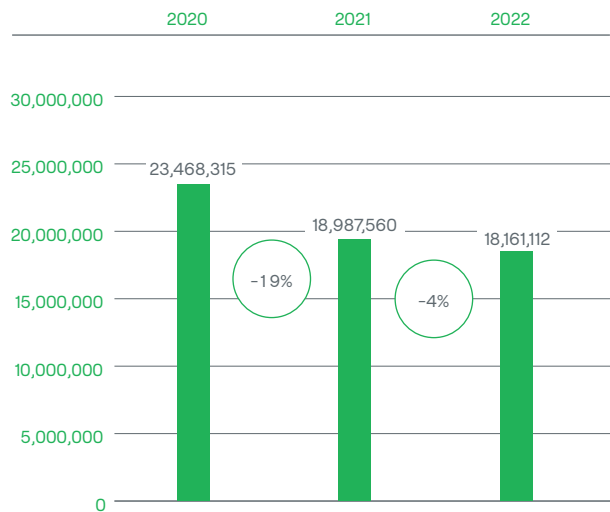
GHG emissions are measured directly in production (continuous monitoring) or calculated using emission factors (EF) — their sources are listed in the chart below. Non-CO₂ GHGs are converted to CO₂ equivalents using GWP coefficients from the IPCC Sixth Assessment Report for the 100 year-time horizon. All GHGs covered by Kyoto Protocol are included (CO₂, CH₄, N₂O, HFC, PFC, SF₆, excluding NF₃, which is not used within CEZ Group). Since 2021, we have obtained external assurance of our Scope 1 and Scope 2 GHG emissions, and since 2022, the Scope 3 categories relevant to CEZ Group have also been audited.

3.1.1. Scope 1

GRI 305-1; SASB IF-EU-110a.1

Scope 1 GHG emissions come from the burning of fossil fuels to generate electricity and heat (CO₂, CH₄, and N₂O), fuels for vehicles we own or operate (CO₂), fugitive coal mining emissions (CH₄), biomass burning (CH₄ and N₂O), and minor leaks from cooling, air conditioning equipment and high-voltage switches (HFC, PFC, and SF₆). Scope 1 emissions are currently the most significant in the utility sector. Nevertheless, their importance will decrease with the transition to low emission energy sources. Exactly 96.83% of CO₂ emissions from our energy production were within the sphere of the EU Emissions Trading System.

Scope 1 Emissions (tCO₂e)



Scope 1 Emissions

		2020	2021	2022	Source of emission factor
Fuels from facility operations	tCO ₂	22,458,780	18,702,178	17,851,569	Laboratory analysis, NIR CZ ²⁾
Emissions from non-generation diesel generators	tCO ₂ e	1,014	224	106	NIR CZ ²⁾
CH ₄ source emissions	tCO ₂ e	75,290 ¹⁾	80,913 ¹⁾	75,885	IPCC ³⁾
N ₂ O source emissions	tCO ₂ e	536,544 ¹⁾	119,693 ¹⁾	156,730	IPCC ³⁾
Fugitive CH ₄ emissions from coal mining	tCO ₂ e	335,522 ¹⁾	26,700 ¹⁾	15,564	Laboratory analysis / IPCC ³⁾
Fugitive CH ₄ emissions from landfill	tCO ₂ e	1 ¹⁾	1 ¹⁾	13	IPCC ³⁾
HFC, PFC and CH ₄ apart from facility operations	tCO ₂ e	1,252 ¹⁾	1,403 ¹⁾	2,028	IPCC ³⁾
- o/w leakages of ozone-depleting substances	tCO ₂ e	5.88 ¹⁾	6.08 ¹⁾	0.00	IPCC ³⁾
SF ₆	tCO ₂ e	2,272 ¹⁾	1,835 ¹⁾	5,220	IPCC ³⁾
Emissions from transport	tCO ₂ e	57,640	54,613	53,997	EC ⁴⁾
Total	tCO ₂ e	23,468,315 ¹⁾	18,987,560 ¹⁾	18,161,112	
Biomass from facility operations	tCO ₂ e	1,534,381	1,293,425	1,063,632	Laboratory analysis, NIR CZ ²⁾

¹⁾ Data recalculated and corrected using GWP coefficients from the IPCC Sixth Assessment Report for a 100-year time horizon.

²⁾ National greenhouse gas inventory report, Czechia: CZE_NIR-2022-2020_UNFCCC_complete_ISBN.pdf (chmi.cz)

³⁾ IPCC / TFI: IPCC / TFI: Intergovernmental Panel on Climate Change / The Task Force on National Greenhouse Gas Inventories

⁴⁾ <https://ec.europa.eu/jrc/en/jec> (European Commission's Joint Research Centre, EUCAR and Concawe)

Scope 1 Emissions – By Countries

		2020	2021	2022
Fuels from facility operations	tCO ₂	22,458,780	18,702,178	17,851,569
Czechia	tCO ₂	20,121,665	16,373,673	15,557,544
Slovakia	tCO ₂	27,036	30,633	25,672
Poland	tCO ₂	2,310,079	2,297,862	2,268,333
Romania	tCO ₂	0	10	11
Other countries*	tCO ₂	0	0	9
Emissions from non-generation diesel generators	tCO ₂ e	1,014	224	106
Czechia	tCO ₂ e	195	159	74
Slovakia	tCO ₂ e	62	65	32
Poland	tCO ₂ e	0	0	0
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	757	0	0
CH₄ source emissions	tCO ₂ e	75,290 ¹⁾	80,913 ¹⁾	75,885
Czechia	tCO ₂ e	72,420	80,477	75,362
Slovakia	tCO ₂ e	99	145	135
Poland	tCO ₂ e	2,771	286	273
Romania	tCO ₂ e	0	6	0
Other countries*	tCO ₂ e	0	0	116
N₂O source emissions	tCO ₂ e	536,544 ¹⁾	119,693 ¹⁾	156,730
Czechia	tCO ₂ e	285,891	80,567	98,845
Slovakia	tCO ₂ e	595	900	832
Poland	tCO ₂ e	250,058	38,175	56,377
Romania	tCO ₂ e	0	51	0
Other countries*	tCO ₂ e	0	0	677
Fugitive CH₄ emissions from coal mining	tCO ₂ e	335,522 ¹⁾	26,700 ¹⁾	15,564
Czechia	tCO ₂ e	335,522	26,700	15,564
Slovakia	tCO ₂ e	0	0	0
Poland	tCO ₂ e	0	0	0
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	0	0	0
Fugitive CH₄ emissions from landfilling	tCO ₂ e	1 ¹⁾	1 ¹⁾	13
Czechia	tCO ₂ e	1	1	13
Slovakia	tCO ₂ e	0	0	0
Poland	tCO ₂ e	0	0	0
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	0	0	0
HFC, PFC and CH₄ apart from facility operations	tCO ₂ e	1,252 ¹⁾	1,403 ¹⁾	2,028
Czechia	tCO ₂ e	1,252	1,349	1,958
Slovakia	tCO ₂ e	0	0	0
Poland	tCO ₂ e	0	54	70
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	0	0	0
SF₆	tCO ₂ e	2,272 ¹⁾	1,835 ¹⁾	5,220
Czechia	tCO ₂ e	2,272	1,835	5,220
Slovakia	tCO ₂ e	0	0	0
Poland	tCO ₂ e	0	0	0
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	0	0	0
Emissions from transport	tCO ₂ e	57,640	54,613	53,997
Czechia	tCO ₂ e	50,733	47,683	47,359
Slovakia	tCO ₂ e	139	176	590
Poland	tCO ₂ e	55	1,271	1,225
Romania	tCO ₂ e	2,375	193	281
Other countries*	tCO ₂ e	4,338	5,290	4,542
Total	tCO ₂ e	23,468,315 ¹⁾	18,987,560 ¹⁾	18,161,112
Biomass from facility operations	tCO ₂ e	1,534,381	1,293,425	1,063,632
Czechia	tCO ₂ e	865,945	844,972	651,536
Slovakia	tCO ₂ e	39,369	39,665	37,340
Poland	tCO ₂ e	629,067	408,788	355,396
Romania	tCO ₂ e	0	0	0
Other countries*	tCO ₂ e	0	0	19,361

* Other countries include: Bulgaria, France, Germany, Austria, Hungary, Serbia, Netherlands, Italy

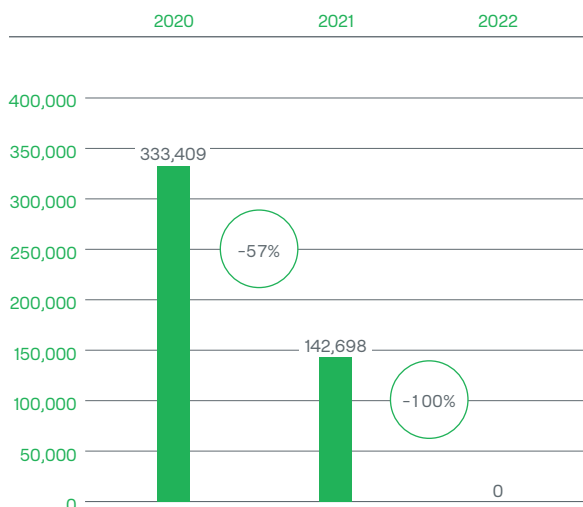
¹⁾ Data recalculated and corrected using GWP coefficients from the IPCC Sixth Assessment Report for a 100-year time horizon.

3.1.2. Scope 2

GRI 305-2

Reported Scope 2 GHG emissions relate to losses in the distribution network. In accordance with the GHG Protocol and in order to minimize double counting of emissions between Scope 1 and Scope 2, CEZ Group treats the grid consumption as if it were supplied by its own facilities (when production in a given state exceeds the supply). We report emissions according to the location-based methodology. In 2021, distribution was sold off in Bulgaria, where production in previous years had not exceeded supply, therefore GHG emissions were reported in Scope 2. Currently, CEZ Group operates electricity distribution systems whose losses, or related GHG emissions, are covered by its own generation and are therefore counted as Scope 1 emissions.

Scope 2 Emissions (tCO₂e)



Scope 2 Emissions

		2020	2021	2022	Source of EF
Total	tCO ₂ e	333,409	142,698	0	Carbon Footprint ¹⁾

¹⁾ Carbon Footprint

3.1.3. Scope 3

GRI 305-3; SASB IF-EU-110a.2

Scope 3 includes all indirect greenhouse gas emissions resulting from the activities of CEZ Group, which are not included in Scope 1 and Scope 2. The GHG Protocol divides Scope 3 GHG emissions into 15 categories that cover indirect emissions in the value chain from upstream and downstream activities. Relevant categories for CEZ Group are:

- Category 1: Purchased goods and services,
- Category 3: Energy and fuel-related activities not included in Scope 1 and 2, where emissions from purchased fuels for production (coal, natural gas, biomass, fuel oils) are included, excluding emissions from own coal extraction (included in Scope 1) and excluding emissions from the purchase of petrol and diesel for transport (included in Scope 1), emissions from distribution losses from the purchase of electricity for own consumption, e.g. for pumped storage plants or during power plant shutdowns, emissions from the generation of purchased electricity that is subsequently sold,
- Category 11: Use of sold products (emissions from sales of natural gas, coal and electricity),
- Category 15: Investments.

In 2022, the GWP coefficients were updated to the IPCC Sixth Assessment Report for a 100-year time horizon. Duplicities in categories 3 and 11 were removed, data were recalculated and corrected. We will evaluate and calculate other relevant Scope 3 categories.

Scope 3 Emissions

		2020	2021	2022	Source of EF
Category 1 – Purchased goods and services	tCO ₂ e	48,611 ¹⁾	40,428	29,977	GEMIS ³⁾
Category 3 – Energy and fuel-related activities	tCO ₂ e	1,825,306 ²⁾	1,265,085 ²⁾	539,640	GEMIS ³⁾ a EC ⁴⁾
Category 11 – Use of sold products	tCO ₂ e	11,832,281	9,211,727	11,265,875	IPCC ⁵⁾
Category 15 – Investments*	tCO ₂ e	N/A	N/A	427,283	Akenerji ⁶⁾
Total	tCO ₂ e	13,706,198	10,517,240	12,262,775	

* Reported since 2022.

¹⁾ Data corrected.²⁾ Data recalculated and corrected using GWP coefficients from the IPCC Sixth Assessment Report for a 100-year time horizon.³⁾ GEMIS⁴⁾ EC (European Commission's Joint Research Centre, EUCAR and Concawe)⁵⁾ IPCC⁶⁾ Akenerji

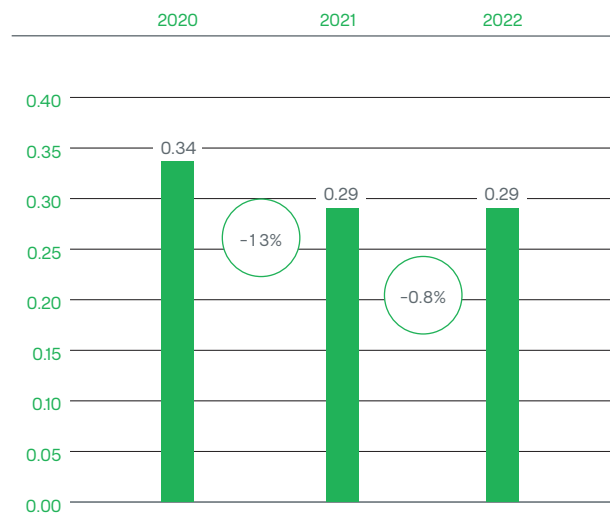
3.1.4. Emission Intensity Reduction

GRI 3-3, 305-4, 305-5; SASB IF-EU-110a.3

In 2021, CEZ Group accelerated its sustainable strategy and fully integrated it into the corporate strategy VISION 2030—Clean Energy of Tomorrow. We set ambitious targets to support the transition of the energy sector to low emission energy generation:

- We will reduce CO₂e emissions in line with the Paris Agreement well below 2°C by 2030.
- We will reduce the emission intensity from 0.38 tCO₂e/MWh in 2019 to 0.26 tCO₂e/MWh in 2025 and to 0.16 tCO₂e/MWh in 2030.
- We will reduce the share of coal-fired electricity generation from 39% in 2019 to 25% by 2025 and 12.5% by 2030.

Emission intensity (tCO₂e/MWh)



Emission Intensity

		2020	2021	2022
CO ₂ e per generated electricity and heat	tCO ₂ e/MWh	0.34	0.29	0.29

Our climate targets are aligned with the Science Based Targets initiative (SBTi). The SBTi validated our near-term targets in May 2022. We regularly monitor our progress towards these targets and create new initiatives in response to new legislation, stakeholders, and markets. Our goal is to be a leader in the transition to clean energy in the CEE region. Together with other European energy groups, we registered our commitments to reduce greenhouse gas emissions under the Non-State Actor Zone for Climate Action (NAZCA), formed before the Paris Climate Conference in 2015.

In our accelerated strategy, we set the target to reduce emission intensity (Scope 1 and 2) by more than 50% compared to the base year 2019. To achieve the target, we use innovative technologies in our production; we will decarbonize and eventually phase out coal production of electricity and heat. We also plan to build a new unit in our nuclear plant in Dukovany and increase the share of renewable energy in our portfolio.

3.1.4.1. Avoided emissions

Avoided emissions are defined as emissions that are not emitted due to the generation of electricity or heat from non-emitting sources (nuclear or renewable) instead of fossil fuel sources. The use of non-emitting sources prevents the generation of greenhouse gas emissions that would otherwise be emitted by the mix of the existing portfolio of CEZ Group combustion sources. The calculation of the avoided emissions is based on the conversion of the amount of electricity generated by non-fossil or zero-emission sources into the emission parameters of fossil sources, i.e., the amount of electricity from each category of non-fossil sources is multiplied by the emission factor for CEZ Group coal-fired power plants in a given year. By using non-fossil sources for electricity and heat generation, the following amounts of GHG emissions were avoided in CEZ Group between 2020 and 2022.

Avoided emissions (in tCO₂e)

	2020	2021	2022
Nuclear sources	24,907,354	24,630,558	24,760,477
Renewable energy sources	3,448,715	2,605,076	2,014,019
Biomass	967,162	718,944	614,645

The comparison of these values with the GHG emissions reported in Scope 1 shows that the use of non-fossil and non-emitting energy sources prevents the generation of more GHG emissions than the fossil-fired generation of electricity and heat emits.

In 2022, with an overall reduction in electricity and heat generation compared to 2021, we have reduced our emission intensity by 0.8%; coal generation remains at 2021 levels given the current geopolitical situation; natural gas generation has decreased by 22% due to gas supply constraints; and renewable generation has decreased by 21%, mainly due to climatic conditions. Nuclear generation increased by almost 1% to 31.02 TWh.

3.1.4.2. Coal Decommissioning

To achieve the goal of our vision, we plan to decarbonize the generation portfolio via a gradual phase-out of coal-fired plants. We plan to completely stop using coal-fired plants by 2038 at the latest; however, an earlier date is very likely. CEZ Group has made medium and long-term commitments to coal decommissioning:

- Reduce the share of coal-fired electricity generation to 25% by 2025 and 12.5% by 2030.
- Transform coal-fired locations into new lower-carbon or no-carbon fuels such as natural gas, biomass, and hydrogen. In 2022, the environmental impact assessment process was completed for the Mělník steam power plant, which is expected to replace coal-fired heat generation for the capital city, Prague, by 2030. The replacement of coal-fired heat generation is currently under consideration in Dětmarovice, Trmice and Prunéřov.

3.1.5. Ozone-Depleting Substances

GRI 2-27, 305-6

Ozone-Depleting Substances

		2020	2021	2022
Production, import, export	tCFC-11e	0	0	0

Ozone-depleting substances (ODS) are chemicals that damage the ozone layer in the stratosphere. CEZ Group does not produce, import, or export these compounds. We avoid using ODS whenever possible; minor emissions from ODS come from leaks in cooling and air-conditioning equipment still used in CEZ Group. From 2022 onwards, emissions of these substances are counted under CO₂e in Scope 1.

In 2022, ČEZ, a. s., incurred a fine of CZK 1 million, when the Czech Environmental Inspectorate concluded that, in violation of Article 13 of Regulation (EC) No 1005/2009 of the European Parliament and of the Council on substances that deplete the ozone layer, the fire protection systems containing halon 1301 installed at the Dukovany nuclear power plant had not been decommissioned before the expiry of the deadline set out in Annex VI of Commission Regulation (EU) No 744/2010 (i.e., by December 31, 2020). This was due to a delay in the delivery of a new fire protection system, which was to replace the existing system, and measures caused by the covid-19 pandemic situation. The halon extinguishing systems were decommissioned by November 21, 2022.

3.2. Waste, Emissions and Pollution

3.2.1. Emissions of Pollutants

GRI 3-3, 305-7; SASB IF-EU-120a.1 / SDG 3, SDG 12

In CEZ Group, regarding emissions of pollutants, as with decarbonization, the Board of Directors is responsible for the Environmental Protection and Safety Policy and the Energy Policy. Environmental protection is based on the Environmental Management System according to ISO 14001 and the Energy Management System according to ISO 50001.

The EMS focuses on establishing, monitoring, and improving all activities affecting the quality of the environment, human health, and safety. Within the EMS, we identify environmental risks, create conditions for their prevention and elimination, and report environmental performance. These processes are reviewed regularly in internal and third-party external audits. Stakeholders are also considered in the EMS, and their needs and expectations are evaluated and addressed. All employees receive regular EMS and environmental training at least once every two years.

The majority of our fossil-fuel electricity and heating plants have the EMS in place (see Section 3.3.3): 98% of installed capacity in 2022. We have achieved our target: 97% of installed capacity with the EMS in place by the end of 2022.

We closely monitor emissions to air from our sources according to current regulations for emission and air quality monitoring and the EMS system. Emissions are continuously measured in large combustion plants; in medium combustion plants (up to 50MW), periodic measurements are performed in line with legislation, or, if not available, emissions are calculated using

emission factors. CEZ Group reduces the air pollutants using innovative technologies following best available techniques (BAT):

- SO₂ emissions are reduced using limestone technologies: In large facilities, wet limestone washing of flue gas is used; in small facilities, a semi-dry method with absorption in the lime slurry is used. Emissions are further reduced by replacing fossil fuels with biomass in combustion units.
- NO_x emissions are reduced by primary measures in combustion processes or by reduction techniques with ammonia water or urea.
- Particulate matter (PM) emissions are reduced in our facilities by electrostatic precipitators or fabric filters; their efficiency is over 99%.
- Since 2020, we have been installing technologies to capture mercury (Hg) in all our coal-fired power plants and will complete installations by 2024¹⁾. Since August 2021, we have been continuously monitoring mercury emissions in large combustion plants.

In our VISION 2030—Clean Energy of Tomorrow, we set targets for the reduction of emissions:

- 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

We have reduced SO₂ emissions by 70%, NO_x emissions by 44%, and we are well on track to reach our target. The use of BAT technologies has led to a 60% reduction in particulate matter emissions since 2019.

¹⁾ Production sites that will stop heat production by 2030 are exempt from the installation.

Emissions and Specific Emissions of Air Pollutants

		2020	2021	2022
Particulate matter (PM)	t	1,311	823	635
Particulate matter per electricity and heat generated	kg/MWh	0.019	0.013	0.010
Sulfur dioxide (SO ₂)	t	14,253	7,812	6,323
Sulfur dioxide per electricity and heat generated	kg/MWh	0.207	0.121	0.102
Nitrogen oxides (NO _x)	t	19,365	14,306	12,964
Nitrogen oxides per electricity and heat generated	kg/MWh	0.281	0.222	0.209
Mercury (Hg)*	t	1.410	1.110	0.706
Lead (Pb)**	t	1.646	0.896	1.177
Persistent organic pollutants (POPs)***	kg	N/A	N/A	32
Volatile organic compounds (VOC)***	t	N/A	N/A	25

* Continuously measured since 2021, previously one-off measurements

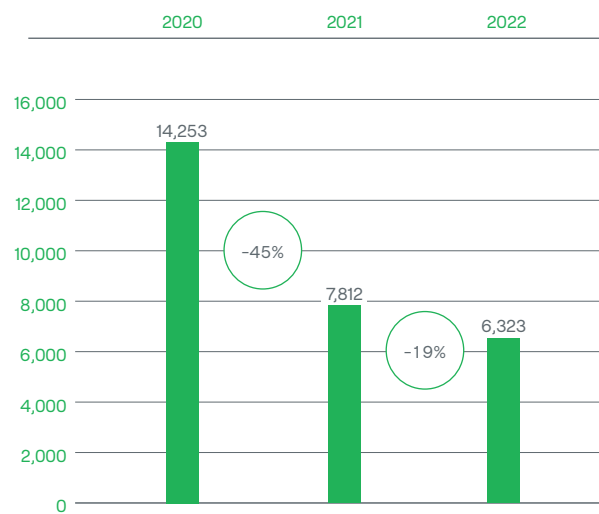
** Determined by one-off measurements

*** Reported since 2022. Determined by one-off measurements

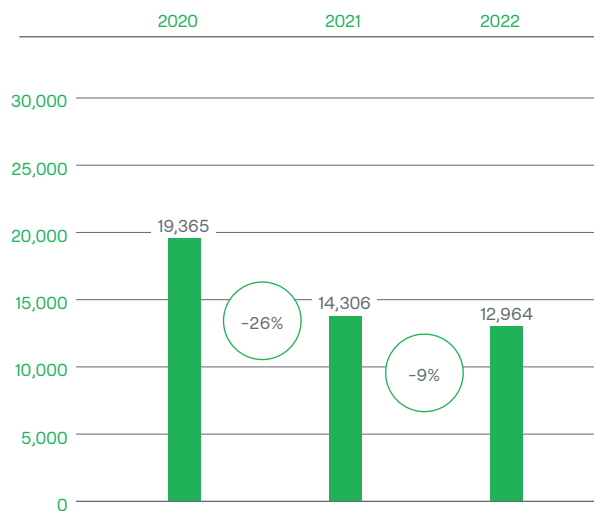
Particulate matter (in t)



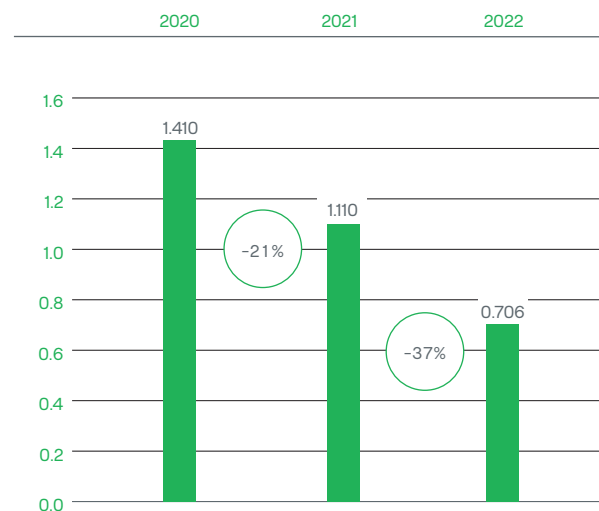
Sulfur dioxide (in t)



Nitrogen oxides (in t)



Mercury (in t)



Most of the monitored air pollutants emissions were reduced in 2022 compared to 2021. The amount of PM was reduced by 23%, SO₂ by 19%, NO_x by 9% and mercury by 37%.

The amount of lead emissions increased in 2022 compared to 2021. The increase in lead emissions in 2022 (with the same fuel base and an increasing standard of flue gas purification, which is evident from the decreasing mercury emissions) is attributed to the high uncertainty in single measurements of pollutants at the level of micrograms per m³ of flue gas.

We monitor pollutants and take measures to prevent their emissions from open-cast coal mines. We take both active and passive measures to reduce particulate emissions. Active measures include scraping or fogging equipment, mine speed restrictions, soil stabilizers and process innovations. Passive measures include terrain protection bunds, forest belts and isolation walls around mines. We pay particular attention to the prevention of fires in our mining operations. Sites prone to spontaneous combustion are treated with heavy machinery to prevent the oxidation of coal-bearing areas and the development of fires. By agreement, we provide regular cleaning of roads and areas for the inhabitants of the villages near the mines.

3.2.2. Air Pollution Monitoring

SDG 11

Beyond the scope of legal obligations, CEZ Group has provided accredited monitoring of air quality near large combustion facilities since 1994. It measures pollution with NO_x, SO₂, and particulate matter of different sizes (PM₁₀ and PM_{2.5}). The data are delivered to the Czech Hydrometeorological Institute, which publishes them in the information system on air quality in Czechia. The results of air pollution monitoring in the vicinity of large combustion facilities are published on the CEZ Group website.

An independent accredited laboratory also monitors air and noise pollution in municipalities affected by the operations of CEZ Group's lignite mines. Monitoring stations in these locations provide a continual measurement of particulate matter, especially PM₁₀. The results of the measurements are shared with the affected municipalities and governmental agencies.

3.2.3. Resources Used/Materials

GRI 301-1

In CEZ Group, various fuels, such as natural gas, coal, lignite, uranium, and biomass fuels are used to produce electricity, heating and cooling. In 2022, 29% of fuel for energy production was brown thermal coal. In our two nuclear power plants, we used 71.32 tonnes of nuclear fuel to produce 31.02 TWh of emission-free electricity. Nuclear resources produced the largest amount of energy in CEZ Group.

Sorbents for flue gas desulfurization at CEZ Group's coal-fired power plants in Czechia are delivered under long-term purchase contracts. Sorbent deliveries amounted to 694 thousand tonnes in 2022.

Resources used in the production processes by weight/volume/energy content

Non-renewable materials – fuels

	Total amount (kt), gas (mil m ³)			Energy (PJ)		
	2020	2021	2022	2020	2021	2022
Hard coal	1,450	1,864	1,744	27	36	33
Lignite	12,195	12,434	12,469	136	143	143
Natural gas	850	696	541	29	24	19
Diesel, light fuel oil	3.37	3.07	2.63	0.14	0.13	0.11
Heavy fuel oil	2.24	2.36	2.94	0.09	0.10	0.13
Uranium	0.07	0.07	0.07	300	289	287

Renewable materials – fuels

	Total amount (kt), gas (mil m ³)			Energy (PJ)		
	2020	2021	2022	2020	2021	2022
Solid biofuels	1,193	1,115	912	14.5	12.4	10.4
Liquid biofuels	0.22	0.23	0	0.008	0.008	0
Biogas	1.13	1.13	0	0.039	0.039	0

Non-renewable materials – other (kt)

	2020	2021	2022
Limestone	807	720	757
Lime	34	41	28
Urea	6.5	1.1	0.03
Ammonia water	0.2	0.5	1.5

3.2.4. Waste and Natural Resources

GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5;
SASB IF-EU-150a.1 / SDG 12

CEZ Group is aware of the growing importance of waste management and protection of finite natural resources throughout all its operations. Thus, waste is seen as a resource, and principles of circular economy are applied throughout all steps of waste management.

Waste management is based on the Environmental Management System (EMS), which establishes a hierarchy of waste management methods from prevention, preparation for reuse, recycling, and energy recovery to disposal. Waste management is provided by professionally qualified personnel. Specific projects are introduced to reflect our policy and waste prevention.

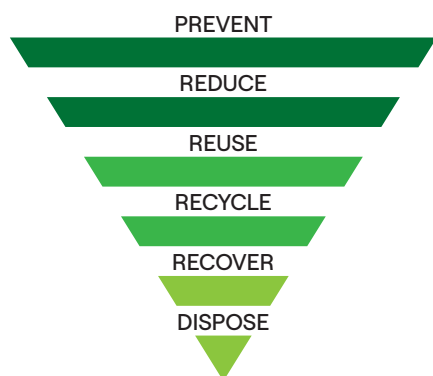


Fig. 2: Waste Hierarchy Model

Circular economy is a sustainable model of production and consumption that extends the lifecycle value optimization of resources and products, reducing waste to a minimum. We have introduced the principles of circular economy into our corporate culture, strategy, and processes of our business activities. The Board of Directors is responsible for waste management and circular economy through the Environmental Protection and Safety Policy.

The waste management hierarchy is followed in all our activities. Waste is delivered to licensed waste treatment facilities. In 2022, 50% of waste was reused or recycled, and 50% was disposed of (of which 31% of waste was sent to a landfill). The reduction in the amount of waste and the waste recovery rate compared to the previous year is due to the fact that an additional part of the energy by-products was transferred to the product regime for further use rather than to the waste recovery regime. Most of our waste consists of construction and demolition waste originating from the demolition of obsolete structures, and sludges from wastewater treatment, waste metals, and municipal waste. ČEZ Recycling, a subsidiary of ČEZ, a. s., applies the principles of circular economy when taking back discarded photovoltaic panels. This will include batteries in the future. In 2022, ČEZ Recycling took back 5,011 photovoltaic panels, which is 72 tonnes.

Coal combustion products, and incineration and desulphurization products (5,098,691 t) are subjected to regular testing and certification as part of waste prevention; 99.8% are further used as these products, thus avoiding waste generation. In 2022, end-of-life products (221 tonnes) were sorted and sent for recycling under the take-back scheme (batteries, accumulators, tires, fluorescent lamps, discarded electrical equipment), thereby prevented from becoming waste.

Data on waste and waste management are reported in accordance with Directive 98/2008 of the European Parliament and of the Council and Commission Decision 2014/955/EU on the list of wastes by waste catalogue numbers and recovery/disposal codes, based on weighing by weight at the time of transfer of waste to the recovery/disposal facility. Data are based on company-wide data collection and waste management data from the companies to which the waste was transferred. The data do not include wastewater or mass from mining that is used for remediation and reclamation works. The GRI 306: Waste 2020 standard has been used for data reporting.

Waste Generated (t)

	2020	2021	2022
Non-hazardous waste	64,344	59,235	47,738
Hazardous waste	3,035	2,994	1,733
Radioactive waste	313	337	428
Total waste generated	67,692	62,566	49,899

Hazardous Waste Diverted from Disposal (t)

	2020	2021	2021 Onsite	2021 Offsite	2022	2022 Onsite	2022 Offsite
Preparation for reuse	N/A	188	0	188	1	0	1
Recycling	N/A	584	0	584	271	178	93
Other recovery options	N/A	603	0	603	65	0	65
Total hazardous waste diverted from disposal	N/A	1,375	0	1,375	337	178	159

Non-hazardous Waste Diverted from Disposal (t)

	2020	2021	2021 Onsite	2021 Offsite	2022	2022 Onsite	2022 Offsite
Preparation for reuse	N/A	17,378	0	17,378	6,128	0	6,128
Recycling	N/A	14,532	0	14,532	17,152	0	17,152
Composting	N/A	20,556	17,005	3,551	15,727	14,882	845
Other recovery options	N/A	12,019	7,360	4,659	9,783	9,159	624
Total non-hazardous waste diverted from disposal	N/A	64,485	24,365	40,120	48,790	24,041	24,749
Total waste diverted from disposal	31,747	65,860	24,365	41,495	49,127	24,219	24,908

Note: CEZ Group facilities also use waste from other generators, the quantities of which are included in composting, other recovery. These are not included in the percentage of own waste recovery.

Hazardous Waste Directed to Disposal (t)

	2020	2021	2021 Onsite	2021 Offsite	2022	2022 Onsite	2022 Offsite
Recovery including energy	N/A	154	0	154	296	0	296
Incineration	N/A	26	0	26	36	0	36
Landfill	N/A	589	0	589	193	0	193
Other disposal options	N/A	849	0	849	1,051	0	1,051
Total hazardous waste directed to disposal	N/A	1,618	0	1,618	1,576	0	1,576

Non-hazardous Waste Directed to Disposal (t)

	2020	2021	2021 Onsite	2021 Offsite	2022	2022 Onsite	2022 Offsite
Recovery including energy	N/A	95	0	95	76	0	76
Incineration	N/A	14	0	14	117	0	117
Landfill	N/A	10,636	4,683	5,954	16,638	1,498	15,140
Other disposal options	N/A	8,370	3,851	4,520	6,158	2,888	3,271
Total non-hazardous waste directed to disposal	N/A	19,116	8,533	10,583	22,989	4,386	18,603
Total waste directed to disposal	35,632	21,071	8,871	12,201	24,993	4,814	20,179

Note: The onsite category also includes radioactive waste in the Dukovany repository of 428 tonnes in 2022. Due to rounding, some totals may not correspond with the sum of the separate figures.

Waste Produced per Electricity and Heat Generated (kg/MWh)

	2020	2021	2022
Total weight of non-hazardous waste	0.93	0.92	0.77
Total weight of hazardous waste	0.04	0.05	0.03

In 2022, waste generation decreased from 0.92 kg/MWh of electricity and heat to 0.77 kg/MWh compared to 2021 in the non-hazardous category. Fluctuations in the production of non-hazardous waste are mainly caused by the transfer of wastes from power stations and other combustion plants from the waste regime to the CCPs category: mainly in the Polish power plant Skawina (approx. 11,000 t) and in the power plant Jindřichův Hradec Energy Center (approx. 2,600 t). In the hazardous category, waste production per MWh of electricity and heat generated decreased from 0.05 kg/MWh to 0.03 kg/MWh. Fluctuations in the production of hazardous waste are governed by investment activities (generation of hazardous waste during construction work and demolitions). Hazardous waste accounted for approximately 3.45% of all waste in 2022. Hazardous waste originated mainly from the maintenance and cleaning of plants, primarily from working with oil products.

Main Waste Streams (Accounting for the majority of other and hazardous waste from main production activities)

Waste Streams	Waste Composition	Waste Production in 2022 (t)	Annex III of the Basel Convention
Other waste /Waste from power stations and other combustion plants that is not recoverable	According to Regulation (EC) No. 1272/2008 of the European Parliament and of the Council, fly ash is not classified as a dangerous substance. The substance consists of glassy/ amorphous material and mineral phases. Its chemical composition is preferably analyzed as elemental and is given as the mass fraction of each equivalent oxide, e.g., SiO_2 , Al_2O_3 , Fe_2O_3 , CaO .	9,092	N/A
Other waste/Waste metals (including their alloys)	The composition depends on the material used in the technology. These are mainly iron and steel, clay, copper, cables, etc.	7,686	N/A
Other waste/Construction and demolition waste	Insulation, construction timber, waste plastics, mineral fiber, bricks, concrete, reinforced concrete from demolition and reconstruction of buildings, including excavated soil from construction work.	5,066	N/A
Other waste/Sewage treatment plant waste and sewage sludge	Sludge is a suspension of solid and colloid particles of organic and inorganic substances in water. Sludge contains organic substances, nitrogen and phosphorus compounds, heavy metals (Zn, Pb, Cu, Cr, Ni, Cd, Hg, As) in concentrations of 1 to 1000 mg/kg dry weight; organic substances, inorganic compounds based on Si, Al, Ca, Mg, etc.	4,611	N/A
Hazardous waste/Engine, gear and lubricating waste oils and oil separator waste	Waste oils classified into individual categories in terms of their use for regeneration, reprocessing or energy recovery.	481	H 3

Our employees recycle waste at our sites with the aim to separate usable components. Waste is collected in appropriate collection bins, the number and location of which is continuously optimized according to actual needs. In addition to the usable components of municipal waste – paper, plastics, glass, bio-waste – we also hand over used oil, metal materials and other usable waste for recycling. The system includes the take-back of electrical and electronic equipment and batteries. Electrical waste is handled by sheltered workshops employing the physically disabled.

In CEZ Group, we regenerate transformer oils. In 2022, the amount of regenerated transformer oil for reuse was 178 tonnes.

During decommissioning of coal-fired power plants, buildings that are no longer useful are demolished, generating large quantities of waste. We conduct pre-demolition waste screening for reusable and hazardous waste, and we manage demolition to maximize waste recovery. At the moment, the demolition of premises of the power plant Prunéřov is underway.

In connection with the disposal of unneeded assets and inventories at individual sites, disposal committees are established to maximize the use of unneeded assets and inventories within CEZ Group or to sell them externally so that the equipment can be used throughout its life cycle.

3.2.4.1. Radioactive Waste (RAW)

We manage radioactive waste at nuclear power plants in compliance with Act No. 263/2016 Coll., Atomic Energy Act.

Liquid RAW (radioactive concentrate) from the Dukovany and Temelín nuclear power plants is immobilized in bitumen into a form complying with waste acceptance criteria for disposal. The main process equipment is a film rotor evaporator where the concentrate is mixed with bitumen and water is evaporated. The resulting product is filled into 200-liter drums. Solid waste is compacted or incinerated, melted and supercompacted abroad.

In 2022, there were 36 tracked domestic shipments of radioactive waste from the Temelín nuclear power plant to the Dukovany nuclear power plant site, as well as 15 shipments of radioactive waste samples. There was also one international road transport of radioactive waste from Temelín to JAVYS EBO to reduce the volume by high pressure compaction, and one return transport of radioactive waste after treatment by high pressure compaction from JAVYS EBO to Dukovany. In addition, 3 international shipments of radioactive waste were carried out from Dukovany to the Studsvik Sweden AB incinerator for the purpose of reducing their volume by incineration, and one return shipment of radioactive waste after reducing the content by incineration from Cyclife Groupe EDF to ČEZ, a. s.

No incidents have been recorded in the RAW management, procedures for dealing with incidents and corrective measures are set up in management documentation in accordance with the Atomic Energy Act. Further information on radioactive waste management is provided in the Annual Report on the activities of the Radioactive Waste Repository Authority.

3.2.4.2. Coal Combustion Products (CCPs)

We manage the technological processes of coal and biomass combustion with the aim of utilizing combustion products in the construction industry. We use coal combustion products as construction materials, including fly ash, slag, and desulfurization products (FGD gypsum). Our target was to reuse at least 98% of the coal combustion products by the end of 2022, which we achieved with 99.86% of CCPs utilized. 82.68% of the CCPs were used for landscaping and terrain shaping, and 17.18% of CCPs were sold for other uses in the construction industry. We sold a total of 362,455 tonnes of energy gypsum to produce plasterboards and cement.

3.2.4.3. Waste to Energy (WtE)

The utilization of waste following the circular economy principles brings new opportunities in the energy sector. CEZ Group has the technical, technological, and personal know-how to make the most of these opportunities to help improve the environment and replace primary sources (especially coal).

A project of a waste-to-energy facility on the Mělník power plant premises is under preparation. The objective of the facility is to thermally utilize residual non-recyclable waste to generate heat and electricity, thus replacing up to 3,000 wagons of coal per year. As such, the WtE facility is an important component of circular economy in our industry.

3.2.4.4. Wastewater Management

We handle wastewater following current regulations and EMS, i.e., wastewater is treated to fulfil the requirements before being discharged into surface water. Further, water is monitored for pollutants at the outlets; selected pollutants are monitored continuously. We regularly report the results of the monitoring to relevant authorities and river basin managers.

Wastewater from once-through cooling systems, representing most of the volume of wastewater discharged, is only altered in temperature. We handle discharged water so that it does not change the conditions in watercourses that are important for the life and development of biotic communities.

In 2022 compared to 2021, the total volume of wastewater discharged, including water for once-through cooling system, increased from 6.88 m³ to 7.91 m³/MWh. The volume of wastewater, excluding wastewater from once-through cooling system, increased from 0.69 m³ to 0.71 m³/MWh.

We reuse wastewater when possible; the reuse of wastewater increased by 32.8% year-on-year. Wastewater from the nuclear plant Temelín is reutilized in the hydroelectric power plant Kořensko, where 2,109 MWh were produced in 2022.

Despite the measures taken to reduce consumption, water consumption increased by 6.11% year-on-year. The higher consumption of surface water was caused by an increase in condensing operation of sources to ensure electricity supply in times of its shortage caused by the European market situation.

3.2.4.5. Hazardous Substances

We have control systems to detect leaks of hazardous substances at our sites, which are regularly inspected. In preparation for potential accidents, emergency plans are set up, and sites are equipped with the means to deal with the accidents. Monitoring of the possible presence of hazardous substances in the groundwater and rock environment of the production sites is carried out. In addition, regular EMS audits check compliance with regulations to prevent environmental pollution.

3.2.4.6. Significant Spills

GRI 306-3:2016

For all production sites, we have a protocol declaring that the limits of hazardous chemicals specified in the Act on the Prevention of Major Accidents (Act No. 224/2015 Coll.) have not been exceeded.

In 2022, we recorded 14 releases of hazardous substances. In the Kamýk hydroelectric power plant, a technical fault caused a leak of approximately 1,200 liters of biodegradable hydraulic oil. The impact on the water quality and biota in the Vltava River was minimized by a timely intervention of the operating personnel, fire brigade, and remediation specialists. Most of the oil was captured in the interior of the power plant, with approximately 30 liters entering the watercourse. No mortality of fish or other aquatic animals was recorded at the site or downstream from the power plant.

In ČEZ Distribuce, 227 liters spilled into the soil during 13 events. The most frequent leakage was the insulating oil from distribution transformers. In two cases, the primary cause of the incident was a tree falling into a power line, knocking down a distribution transformer to the ground and spilling oil. In one case, the event was caused by a vehicle striking a support pole. During the liquidation of the leaks, the initial intervention was carried out by ČEZ Distribuce employees, in some cases also in cooperation with the Czech Fire Rescue Service. Subsequent remediation work was immediately provided by a remediation company.

3.3. Water Protection, Landscape Conservation, and Environmental Management

GRI 3-3, 413-1

CEZ Group is aware of the importance of environmental protection and conservation and support of biodiversity and ecosystems. The requirements of environmental management and sustainability in all stages of the life cycle of our activities are integral to the processes and activities of the company. CEZ Group uses safe and proven technologies with the aim of minimizing negative impacts of the Group's activities, products, and services on the environment. CEZ Group requires suppliers and contractors to take the same approach to safety and environmental protection. We established these requirements in the CEZ Group supplier obligations outlined in the Commitment to Ethical Conduct, section 7: Environmental protection and sustainable development. CEZ Group's dedication to the protection of the environment and associated responsibilities are expressed in the Safety and Environmental Protection Policy.

The Environmental Impact Assessment (EIA) process assesses the impact of new production and changes to existing production that could have a negative impact on the environment. In 2022, an EIA was carried out for the Mělník steam and gas power plant, which will replace coal-fired power plants by 2030. Ongoing monitoring is carried out both in the context of valid operating permits and in the context of corporate social responsibility (air monitoring near main emission sources). The results are reported to both the state administration and local authorities.

3.3.1. Water Management

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5;
SASB IF-EU-140a.1, IF-EU-140a.2, IF-EU-140a.3 / SDG 6

Responsible water management and water conservation is essential for natural ecosystems and local communities as well as for our society. Water management is governed by the Environmental Safety and Protection Policy, which includes an Environmental Management System in accordance with ISO 14001. Within the framework of EMS in water management, as in other areas of environmental protection, we identify environmental risks and create conditions for their prevention and elimination.

In 2022, CEZ Group joined the UN CEO Water Mandate and committed to responsible water stewardship and regular reporting on water management. By endorsing the UN CEO Water Mandate, CEZ Group agrees to continuously improve in six core areas of water stewardship practice: Direct Operations, Supply Chain & Watershed Management, Collective Action, Public Policy, Community Engagement and Transparency.

CEZ Group manages water systems in coal, CCGT, and nuclear power plants and utilizes energy potential of water for electricity generation in hydroelectric power plants. In the processes of water management and protection, CEZ Group follows relevant Czech legislation and decisions of water regulatory authorities. The impacts of operations of the production units are determined by the scope of valid permits for water abstraction and wastewater discharges issued by the local government.

The permit conditions are set out using a combined approach based on:

- indicators reflecting water status,
- environmental quality standards, taking into account the specification of best available techniques,

considering the use of surface water affected by wastewater (e.g., for bathing or drinking water production) so that the abstraction or discharge of wastewater does not have a negative impact on water conditions.

In the case of surface water withdrawals, we participate in the management of watercourses by paying fees to river basin managers for the water withdrawn.

Great consideration is given to water retention in the landscape in order to stabilize the level of groundwater and to the use of nature-based solutions. Examples include numerous polders in the areas of reclamation or the retention tanks at the Dukovany nuclear power plant, where the groundwater level is recharged from rainwater, which slowly percolates into the groundwater reservoirs.

In 2022, all surface water and groundwater abstraction permit conditions as well as wastewater and mine water discharge conditions were met, with the exception of two cases of exceeding the temperature of the discharged wastewater in the power plant with once-through cooling systems. The incidents occurred due to concurrent failures in the plant equipment while the heat supply had to be ensured. In the first case, the temperature was exceeded by a maximum of 2.2°C for 6 minutes; in the second case, the temperature was exceeded by 0.3°C for 3 hours and 6 minutes. The operating staff took feasible steps to eliminate the faulty condition. No environmental impact was detected. A fine of CZK 10,000 was imposed by the competent authority responsible for monitoring compliance with environmental legislation for breach of a permit condition.

Reports on compliance with the conditions of the integrated permits are published regularly through the relevant authorities.

CEZ Group reports data relevant to abstraction, accumulation (storage) and discharge. The report also includes office buildings in which water management is represented only by drinking water consumption and wastewater quantities, which are mainly transferred to third parties. The quantity of water consumed and discharged from production facilities is measured by meters whose accuracy is verified according to metrological rules. The quality of water is determined by analyses of water samples taken and analyzed by bodies holding a certificate of accreditation or a certificate of good laboratory practice relating to analytical testing of relevant parameters and to sampling of the required type of wastewater.

3.3.1.1. Water Risk

CEZ Group's conventional and nuclear power plants utilize surface water efficiently and economically. Water is used responsibly to minimize the impacts on its quality and quantity in all areas of operations. Before use, water is chemically and mechanically treated to reduce its possible contamination and to ensure the required water quality necessary for the utilization in a power plant operation. After use, a part of the used water is recycled in the plants to minimize the amount of surface water withdrawn. Groundwater is used in minimal quantities at CEZ Group. It is used for the production of drinking water, or in cases where the use of surface water is not suitable.

Several production units are located in water-scarce areas as defined by Aqueduct – Water Risk Atlas²⁾. Water consumption in these areas is related to the operation of biogas plants, photovoltaic power plants and office buildings. From the total amount taken from suppliers in these areas (4.5 thousand m³, 0.0008% of CEZ Group total water withdrawal), approx. 9% was taken in areas with extreme water stress; the rest (91%) was taken in areas with high water stress.

Surface water is an indispensable resource in the generation of electricity for CEZ Group facilities and an indispensable cooling medium. Around three-quarters of the total surface water withdrawn is used for flow-through cooling. The water used in this way is returned to the watercourses immediately downstream of the abstraction point and comply with water quality requirements.

Water from the cooling systems is also used to power water turbines when leaving power plants. Examples include hydroelectric power plants Mělník and Kořensko. Another example of harnessing the potential of water to generate electricity is the use of the wastewater discharge turbines in Ledvice and Prunéřov.

Withdrawals of surface water for CEZ Group's operations do not significantly impact the water volume of the watercourses involved. Maximum surface water withdrawal of plants with circulation cooling ranges from 0.04 to 9.6% of the natural flow capacity (after correction of artificial regulations) at the abstraction point, and we can evaluate the withdrawal impacts as negligible or low³⁾. A greater impact on the flow is represented by the maximum withdrawal of surface water for the Dukovany nuclear power plant. The surface water withdrawal is carried out from the Dalešice water reservoir and wastewater is discharged into the same reservoir. This reservoir is also used as a pumped storage hydro power plant. Last year, the maximum water withdrawal of the nuclear power plant was 38.7% of the flow through the reservoir, which is assessed as a very significant impact.

In 2022, only about 22% of withdrawn surface water was used for technological purposes. There is no identified impact of surface water withdrawal on biodiversity in protected areas and on the presence of specially protected plant and animal species. CEZ Group assessment processes regarding impacts on biodiversity and our actions for biodiversity protection and restoration are described in section 3.3.2.

3.3.1.2. Water storage

Production sources withdraw surface and ground water and generally maintain small buffer reserves of both raw water and treated surface water for their own use – these are in the order of thousands of m³ at the most.

A specific case of water storage/reservoir storage is the reservoirs of pumped storage hydroelectric plants. A permanent water supply reserved for energy storage in times of surplus is maintained at the volume displayed in the following table.

Reservoir	Water storage thous. m ³ (Ml)	Location
Homole	427	49°50'25.99"N, 14°25'04.05"E
Dalešice	16,150	49°08'21.32"N, 16°06'25.62"E
Dlouhý stráně	2,720	50°04'54.98"N, 17°10'22.72"E

²⁾ The identification of water scarcity areas is based on the Global Reporting Initiative methodology, specifically GRI 303: WATER AND EFFLUENTS (2018). Water use areas were classified according to the methodology recommended by the Aqueduct Water Risk Atlas published by the World Resources Institute.

³⁾ Methodology for Determining the Significance of Impacts, Ministry of Agriculture 2017, Czech Republic; Chapter 5.3.1.

The retention of surface water and its storage in the reservoirs can generally be considered as an anthropogenic factor affecting water status and ecosystems by changing the morphology of watercourse channels. Simultaneously, however, reservoirs fulfil other essential complementary functions serving local communities. In order to protect against the effects of the increasingly significant climate change, reservoirs are used to buffer flood waves and to ensure minimum sanitary flows as laid down in the operational schedules approved by the local authorities. In times of drought, they provide the basic living conditions for aquatic plant and animal species in water streams. Some reservoirs are used not only by the local public for various sporting activities, including fishing, but also for shipping transportation.

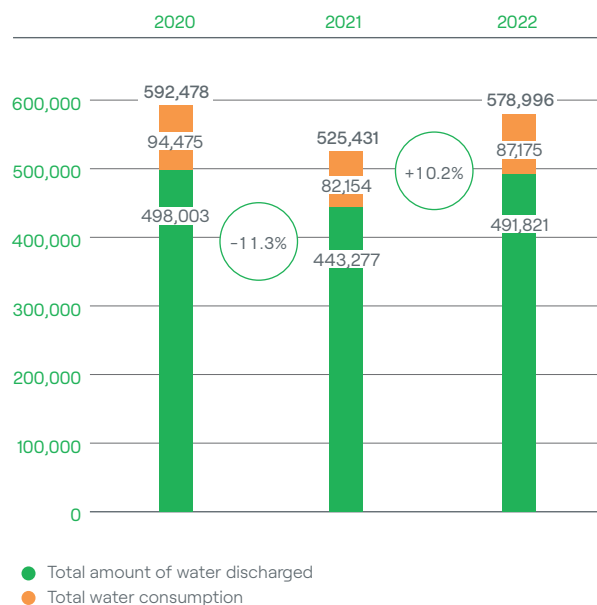
3.3.1.3. Water Consumption and Recycling

Wastewater is recycled with the aim to reduce the consumption of surface water. CEZ Group reuses wastewater from cooling tower blowdown, sand filter and gypsum washing, seepage water, and drainage water if the quality of the wastewater is sufficient for new use. Rainwater is captured where possible. In 2022, we achieved to reuse wastewater and rainwater in a volume equivalent to approximately 7.7% of the total amount of surface water abstracted for technological purposes.

Water Withdrawn, Discharged and Consumed

		2020	2021	2022
Total amount of water withdrawn	m ³ thousand (ML)	592,478	525,431	578,996
Water withdrawn per electricity and heat generated	m ³ /MWh	8.61	8.15	9.32
Total amount of water discharged	m ³ thousand (ML)	498,003	443,277	491,821
Amount of water discharged per electricity and heat generated	m ³ /MWh	7.24	6.88	7.91
Total water consumption	m ³ thousand (ML)	94,475	82,154	87,175
Water consumption per electricity and heat generated	m ³ /MWh	1.37	1.27	1.40

Total amount of water withdrawn (ML)



3.3.1.4. Wastewater Management

Wastewater comes mostly from technological use, heat and electricity production, and sewage from sanitary and cooking facilities. Before its release into a watercourse, industrial wastewater is treated, and its quality and amount are monitored. Sewage wastewater is discharged into municipal sewage systems managed by water and sewage management companies, or it is treated in a company water treatment plant and returned to a watercourse. Wastewater that is or could be contaminated with oil is discharged through oil separators. Wastewater from once-through steam turbine cooling, rainfall, drainage, and other similar outlets which do not necessitate treatment are discharged directly to a watercourse. Neither priority nor priority hazardous substances as defined in the Water Framework Directive are discharged from CEZ Group facilities.

Wastewater discharges are subject to conditions set by relevant authorities. Groundwater protection requires that wastewater from electricity generation is only discharged into surface watercourses. Wastewater from flow-through cooling represents most of the volume of wastewater discharged, and conditions for its discharge are carefully maintained to ensure the safety of life and development of biotic communities. CEZ Group carries out regular monitoring of discharged wastewater at all outlets. For some indicators, continuous monitoring is provided. Our goal is to monitor the quality of wastewater and to respond promptly to any risk of quality deterioration. We regularly report the results of monitoring to relevant authorities.

3.3.2. Biodiversity

GRI 3-3, 304-2, 413-2 / SDG 15

CEZ Group's long-term strategic goals include reducing environmental impact, achieving global climate goals, protecting biodiversity, and meeting all emission and environmental requirements set by legislation and regulatory authorities. Assessment of relevant environmental impacts is an integral part of the operational processes of CEZ Group companies. As part of this commitment, we assess potential impacts on biodiversity within our value chain and are taking measures toward preventing and mitigating adverse effects.

3.3.2.1. Protection and Restoration of Biodiversity

CEZ Group Board of Directors has accepted the responsibility to protect biodiversity (see the Policy Matrix on pages 82–83) and approved a group-wide biodiversity initiative. The goal of the CEZ Group initiative is to prepare for reporting of Taskforce on Nature-related Financial Disclosures (TNFD) and Science Based Targets for Nature (SBTN) initiative and set up measurable goals to become a nature positive company. The primary challenge in promoting biodiversity in our industry is the reduction of the burning of fossil fuels and lignite mining and the recultivation of affected areas. In CEZ Group's strategy VISION 2030—Clean Energy of Tomorrow, decarbonization is among our core environmental targets: the share of coal-fired electricity generation is set to drop to 12.5% by 2030.

CEZ Group's biodiversity strategy includes this decarbonization target for reducing GHG emissions, reduction of pollutants, and reduction of lignite mining, as basic measures of protection and restoration of biodiversity. The strategy also involves restoration of areas affected by mining, where the biodiversity of natural habitats is promoted in the reclamation process. All investment interventions and changes in the operation of facilities that could impact biodiversity are subject to environmental impact assessments. In addition, biological monitoring is carried out before project implementation to provide a detailed mapping of the occurrence of all plant and animal species, especially protected ones. In case of their occurrence, environmental experts then relocate them to suitable habitats, for example, in reclaimed areas.

Some of CEZ Group's sites are historically located near or within specially protected areas, in protected landscape areas, nature reserves, and in proximity to natural monuments. Some operations are located directly in nature protection areas of European importance or Bird Areas NATURA 2000. Any activities and operations at these sites with high biodiversity are subject to conditions and obligations set to protect species by competent nature conservation authorities.

An important part of CEZ Group's biodiversity activities is the fight against invasive alien species in the regions in which we do business. Invasive alien species compete with native organisms for resources and habitats, and they cause ecosystem imbalance.

The zebra mussel (*Dreissena polymorpha*) is an invasive alien species of mussel which has gradually colonized much of Europe's aquatic environment. Like other invasive alien species, zebra mussel does not have a predator in the local environment of such a magnitude that it would reduce its population by natural means. Overpopulation causes technical problems in hydropower plants and other technical installations that use raw river water. In 2015, CEZ Group established cooperation with Palacký University in Olomouc to monitor, early predict and reduce the zebra mussel presence in water reservoirs where we operate our facilities.

3.3.2.2. Bird Protection

CEZ Group focuses on protecting birds from electrocution and preventing injuries and deaths of birds caused by their landing on power lines. Most commonly, plastic protectors are placed over insulators. Another method of bird protection is the installation of bracket structures to prevent the electrocution of birds landing on power lines. The bracket structures are equipped with bars for safe perching. This type of protection is used in the reconstruction or construction of new high-voltage lines.

In the distribution network of ČEZ Distribuce, 16,389 support points of high-voltage power lines were equipped with protective elements in 2022. ČEZ Distribuce owns and manages about 475,000 high-voltage support points, of which 70% are now safe for birds. In 2022, CZK 48 million were spent on bird protection.

ČEZ Distribuce also monitors stork nests located on the distribution network installations. Every year, there are frequent cases of storks building their nests on support points of low-voltage lines. The nests are removed and transferred to safer places in collaboration with regional authorities and the Czech Society for Ornithology. The support point is then fitted with a barrier to prevent the stork from returning. If nest removal is not possible, the wires around the nest are insulated to prevent storks' injury or death by electrocution.

At the initiative of the Nature Conservation Agency of the Czech Republic (NCA CR), an inspection of hollow concrete power line poles was conducted by ČEZ Distribuce. The covering of the poles was checked and repaired to protect the critically endangered little owl (*Athene noctua* or owl of Minerva). The inspection of the columns was recommended by the NCA CR in areas critical for the nesting of the little owl. It is a highly endangered species, and its protection is a priority for species conservation, given the current critical status of its population in Central Europe.

In 2022, the success story of support for the nesting of the peregrine falcon (*Falco peregrinus*) continued at CEZ Group sites. Ten nesting pairs were recorded with 33 chicks hatching successfully. Since 2011, when the first falcon nesting box in Czechia was placed on the cooling tower of the Tušimice power plant, at least 147 chicks have been raised on high-rise power plant structures, chimneys, and cooling towers.

3.3.2.3. Protected animal and plant species

In order to protect the environment and promote biodiversity, CEZ Group monitors species listed on the IUCN Red List of Threatened Species (2022) or otherwise protected, which live in their natural habitats in areas affected by operations.

IUCN Red List Species and National Conservation List Species with habitats in areas affected by CEZ Group operations

	Total Number	Class
Critically endangered	31	Aves, Insecta, Plantae
Endangered	50	Aves, Insecta, Amphibia, Mollusca, Plantae
Vulnerable	99	Aves, Insecta, Amphibia, Reptilia, Mollusca, Crustacea, Rotifera, Fish, Mammalia, Plantae
Near threatened	100	Aves, Insecta, Amphibia, Reptilia, Mollusca, Arachnids, Mammalia, Plantae
Least concern	162	Aves, Insecta, Mammalia, Fish, Plantae

By conducting biological surveys in our localities, various species of animals and plants have been detected, and, in some cases, assessed as protected species. These species are often tied to specific conditions of a particular locality. CEZ Group tries to protect and support these particular areas to promote the existence of rare biotopes and the protected species of animals and plants associated with them.

An important area, where monitoring and protection of endangered plants and animal species is carried out, is the former Tušimice ash deposit area. The presence of endangered species of butterflies, birds, reptiles, and plants (*Hipparchia semele*, *Sylvia nisoria*, *Lacerta viridis*, *Helichrysum arenarium*) is a subject of protection in this area. The aim of protection is to stabilize and strengthen the populations of threatened species and to maintain or increase the potential of the area for permanently occurring species on the Red List of Threatened Species of the Czech Republic. As this is a valued area for many reasons, in 2022 a contract was prepared between ČEZ, a. s., and the Regional Authority of the Ústí nad Labem Region for the protection of the area under Act No. 114/1992 Coll., on Nature and Landscape Protection.

CEZ Group also cooperates with the irrigation system administrator Lesy ČR and, by diverting surface water through the area of the Hodonín power plant, it contributes to the protection of the unique and irreplaceable biotope of alluvial forests in Czechia threatened by previous complex water management measures. In addition, the diverted surface water subsidizes the Podluží spring, a source of drinking water for the local community.

During biological surveys at CEZ Group localities, the presence of some protected species of animals was detected, such as the *Bombus lapidarius*, *Cicindela campestris*, *Hyles euphorbiae*, *Iphiclides podalirius*, and *Oriolus oriolus*. In the case of plants, an example is the site of the Temelín nuclear power plant, where some species of plants included in the Red List of Threatened Species of the Czech Republic were detected. These include *Filago arvensis*, *Centaurea erythraea* and *Vulpia myuros*. The detected species are found within the grounds of the power plant, demonstrably due to the impact of construction work in the past. Soil manipulation and subsequent recultivation created areas with sparse vegetation cover or wet places where these plants thrive (mainly due to a low competitive pressure from the surroundings).

Activities in localities always take into account conservation requirements of protected species of animals and plants.

3.3.2.4. Mine Reclamation

Technical and biological reclamation of areas affected by mining operations of CEZ Group continued in 2022. Restoration of landscape and establishment of ecological stability are essential for minimizing and eliminating of environmental impacts of lignite open-cast mining. The key objectives of reclamation are the creation of a new landscape with the restoration of all critical functions in the reclaimed areas and their integration into the surrounding landscape. Individual reclamation projects are prepared in accordance with the Comprehensive Remediation and Reclamation Plan.

The main activity of Severočeské doly is the mining of mineral resources, i.e., activities taking place below the surface. Biodiversity support is one of the main management priorities of Severočeské doly, as an important tool for nature and landscape conservation. Biodiversity protection and enhancement are subject to conditions set out in the mining permits under the Opening, Preparation, and Extraction Plans governing lignite mining in the Bílina and Nástup Tušimice mines. Protective measures are also introduced in the towns and villages affected by mining, such as creating noise barriers, walls, and forest belts that reduce adverse effects of mining activities. CEZ Group does not operate any other extensive subsurface activity.

In 2022, Severočeské doly completed landscape reclamation on an area of 170.16 ha and started new reclamation on an area of 108.24 ha. Land acquisitions for mining were made on 34.36 ha of the Bílina mines and 25.11 ha of the Nástup Tušimice mines. Before the quarrying process, biological monitoring of the acquired lands is carried out. Its purpose is to map the occurrence of specially protected animal and plant species, which will be relocated to biotopes created in reclaimed areas. Monitoring is performed by professionals from Czech University of Life Sciences Prague.

The reclamation process is regularly inspected by the Reclamation Department. Representatives of the state administration and representatives of the municipalities and towns in whose cadasters the reclamation work is carried out are also present on inspection day.

Summary table of individual types of reclamation, including percentages, as of December 31, 2022 (in ha)

Types and Areas of Reclaimed Land	In progress		Completed		Combined	%
	Nástup Tušimice Mines	Bílina Mines	Nástup Tušimice Mines	Bílina Mines	Severočeské doly	
Reclaimed land total	691.25	796.32	2,645.91	3,584.42	7,717.90	100
Farmland	113.33	138.42	1,521.06	1,326.84	3,099.65	40.16
Forest	552.47	499.35	918.83	1,641.56	3,612.21	46.80
Water	4.64	19.39	54.13	155.94	234.10	3.03
Other	20.81	139.16	151.89	460.08	771.94	10.01

In 2022, land reclamation also continued in the vicinity of CEZ Group's conventional power plants (landfills, tailings ponds, etc.), and 5.09 million tonnes of energy by-products certified for reclamation purposes were used. Energy by-products (EBPs) suitable for reclamation are mainly fly ash and its mixtures with slag and desulphurization products.

3.3.3. EMS – Environmental Management System

GRI 3-3 / SDG 9, SDG 12

CEZ Group considers environmental protection as an integral part of its management system. CEZ Group's Environmental Management System (EMS) follows the requirements of the management system standard ISO 14001. As reported earlier, the Board of Directors is responsible for environmental protection and approves the Environmental Safety and Protection Policy. Within EMS, CEZ Group identifies environmental risks, creates conditions for their prevention and elimination, and reports on the environmental performance and impacts of its activities. All employees receive regular environmental training every two years.

The system of environmental management applies in the following CEZ Group locations:

- Hydroelectric power plants: Lipno I, Lipno II, Hněvkovice, Kořensko, Orlík, Kamýk, Slapy, Štěchovice, Vrané, Dalešice, Mohelno, Dlouhé stráně
- Nuclear power plants: Dukovany, Temelín
- Conventional power plants and heating plants: Dvůr Králové, Trmice, Vítkovice, Ledvice, Tušimice, Pruněřov, Hodonín, Poříčí, Dětmárovice, Mělník, Skawina, Chorzów
- Combined cycle gas turbine power plant: Počerady
- Non-production sites: AirPlus, AZ KLIMA, AZ KLIMA SK, Centrum výzkumu Řež, ČEZ Distribuce, ČEZ Energetické produkty, ČEZ Energetické služby, ČEZ ENERGOSERVIS, Domat Control System, e-Dome, ELIMER, ENESA, EP Rožnov, ESCO Servis, HA.EM OSTRAVA, High-tech Clima, Hormen, KART, MARTIA, Metrolog Sp., PRODECO, SD – Kolejová doprava, SPRÁVBYTKOMFORT, ŠKODA JS, ŠKODA PRAHA, ÚJV Řež, Ústav aplikované mechaniky Brno.

Within each production site, environmental conditions are assessed and verified in relation to:

- air quality
- availability of natural resources
- biodiversity
- climate
- existence of old environmental burdens
- waste and hazardous substances management
- water consumption and the impact of operations on surface and groundwater quality and water availability

The EMS includes a continually updated register of legal requirements that CEZ Group implements in its management documentation. Obligations established by applicable legislation, permits, and management documentation are monitored, and they are subject to annual internal audits at all locations. Likewise, external audits by an independent certification authority are performed. Registers of environmental aspects are kept for each site, and their significance in terms of environmental impacts are determined for each facility. EMS also includes monitoring of emissions and the evaluation of operational risks. Relevant environmental indicators are monitored in accordance with legal requirements and legitimate stakeholder requests. The scope and methods of monitoring and measurement are included in work documentation and methodologies.

Environmental performance is assessed in the environmental profile, which is established for all generation facilities, and which contains an evaluation of measurable indicators monitored in individual environmental areas. The following environmental performance indicators are identified for electricity and heat supply and generation:

- air emissions production
- amount of surface and groundwater withdrawn
- amount of drinking water withdrawn
- amount of water for circulation and flow-through cooling
- wastewater production
- amount of waste produced
- amount of sorted recoverable waste
- energy by-products (EBPs) production
- amount of recovered EBPs
- amount of EBPs disposed of as waste

Annually, as part of the EMS review, the Board of Directors is informed about the environmental profile of the generation portfolio; we assess both environmental performance indicators listed above, and environmental targets achieved. CEZ Group tracks both absolute quantities and particular quantities relative to the volume of electricity and heat generated. Monitoring and measurement records and environmental impact records are also subject to review as part of internal and external audits.

CEZ Group informs its stakeholders about the environmental performance and results of monitored environmental indicators in Annual Reports and Sustainability Reports.

Additional information is publicly available through integrated permit assessment reports (IPPC) and the Integrated Pollution Register (IRZ). In EU countries, the results are available in the E-PRTR (European Pollutant Release and Transfer Register) at European Industrial Emissions Portal (EIEP). The results of measurements and monitoring are transmitted to the public administration via the Information System for the Fulfillment of Reporting Obligations (ISPOP).

3.4. Energy Transition

SDG 7

CEZ Group recognizes the need to address climate change. It is the primary reason for a transition from an energy sector dominated by fossil fuels to one based on emission-free energy sources. A transformation of the energy sector offers opportunities for sustainable economic development, energy security, improved health, job creation, and other societal benefits. Emission-free generation is only one part of the energy transition. Another key factor is the application of technologies to improve energy efficiency.

In CEZ Group, the strategy of the energy transition is outlined in VISION 2030—Clean Energy of Tomorrow, which was published in May 2021. The three strategic priorities of VISION 2030 are: (1) the transformation of the generation portfolio to low carbon and the achievement of climate neutrality by 2040 (initially, the target was to achieve carbon neutrality by 2050), (2) the most cost-effective energy solutions and best customer experience in the market, and (3) the development of CEZ Group responsibly and sustainably following ESG principles.

The Science Based Targets initiative (SBTi), which provides expert assessment of climate goals for companies globally, has verified that CEZ Group's near-term targets meet the conditions of the Paris Agreement.

CEZ Group's decarbonization strategy includes efficient management of existing coal-fired power plants located near coal basins and the transformation of the heating industry. The share of electricity generated from coal will be reduced from 39% in 2019 to 25% by 2025 and 12.5% by 2030. In accordance with emission reduction plans, CEZ Group plans to reduce the operation of selected coal-fired power plants, and no new coal-fired power plants will be built. In the heating sector, CEZ Group plans to phase out coal by 2030.

Instead, CEZ Group will focus on increasing the capacity of existing emission-free renewable sources and building new ones – mainly photovoltaic power plants. CEZ Group plans to increase the installed capacity of new renewable energy sources by 1.5 GW by 2025 and by 6 GW by 2030. New installations will be built on sites of existing conventional power plants, brownfields, former mine dumps, built-up areas, and low-quality land. The car park in the Dukovany nuclear power plant is an excellent example of repurposing our own premises for the installation of a solar power plant. There are 322 parking spaces roofed with 2,600 double-sided photovoltaic panels generating approximately 850 MWh of emission-free electricity annually.

Nuclear power plants will remain part of a climate-neutral and stable portfolio. CEZ Group takes measures to increase their efficiency to ensure stable and reliable operation. In 2022, CEZ Group signed a Memorandum of Understanding with the South Bohemian Region for the Establishment of the South Bohemia Nuclear Park, which aims to accelerate preparation and introduction of small modular reactors.

In CEZ Group, energy transition combines a comprehensive sustainable approach to the energy sector with the specific needs of individual customers. We gradually increase interest in emission-free electricity generation from renewable sources directly at consumption points. We build self-managing smart distribution networks; we support digitalization and automation of energy solutions; we reduce energy loss and improve energy efficiency.

Further, CEZ Group is active in cooperation with government institutions. CEZ Group signed a Memorandum on Cooperation in Climate Protection with the Czech Ministry of the Environment in 2022. CEZ Group also develop projects supported by public financing from the State Environmental Fund of the Czech Republic. In the first round of the RES+ call No. 2/2021, 17 PV projects with a total installed capacity of 173 MWp were supported. In the second round of the call. No. 2/2022 24 PV projects with a total installed capacity of 727.7 MWp were supported.

Our goal is to develop clean technologies in transport and e-mobility. We install an increasing number of electric car charging stations to enable low-emission modes of transportation. In 2022, CEZ Group built 126 charging stations for electric vehicles in Czechia. It was the highest number so far in one year; the year before, the company put 115 stations into operation. By the end of 2022, CEZ Group operated 515 charging stations with a total capacity of more than 34 MW, which is approximately a 40% of total stations on the market. In 2022, drivers charged their cars 265 thousand times at CEZ Group stations, an increase of 25% compared to 2021. According to the National Action Plan for Clean Mobility, 19–35,000 charging points should be available by 2030.

CEZ Group signed a memorandum launching the first phase of a pilot project to operate 10 hydrogen buses in Central Bohemian Region. A filling station for 100% green hydrogen will be installed as the first in Czechia. The electricity for hydrogen production will be supplied by the hydro power plant portfolio of CEZ Group.

In Slovakia, CEZ Group is a 49% owner of the company JESS (Jadrova energetická spoločnosť Slovenska), active in nuclear energy. JESS also develops RES projects by installing solar power plants and using the electricity to produce green hydrogen for transport in Slovakia.

3.4.1. Transition to Renewable Energy: Hydro, Wind and Solar

One of the strategic priorities of VISION 2030—Clean Energy of Tomorrow is to transform the generation portfolio to a low-emission one and achieve climate neutrality by 2040. The share of coal in production is steadily decreasing; currently, more than 60% of the total generation of CEZ Group consists of emission-free sources, including nuclear.

3.4.1.1. Hydroelectric Power Plants

In line with VISION 2030—Clean Energy of Tomorrow, CEZ Group increases operation efficiency and production volume at existing emission-free hydropower plants. Storage and pumped-storage hydroelectric power plants ensure dynamic functions of the electricity system, and the power plants serve as an essential backup for the system. In Czechia, CEZ Group has approximately a two-third share in the utilized hydraulic energy potential. We operate hydroelectric power plants in the Vltava River Cascade and pumped-storage power plants in Dalešice, Štěchovice, and Dlouhé Stráně. We also operate small-scale run-of-river hydroelectric power plants on several rivers in the country.

In 2022, CEZ Group's modernized hydroelectric power plants retained stable level of production of emission-free electricity set in past 4 years. All CEZ Group hydroelectric power plants in Czechia generated more than 2.1 TWh of electricity.

Comprehensive modernization of CEZ Group hydroelectric power plants has been an essential part of maintaining a stable source of power and stability of the grid. It is the largest project of its kind in the history of the Czech hydropower industry, and it has spanned the past 15 years at the cost of more than CZK 3 billion. In this project, 38 units of 22 hydropower plants have been modernized, and the total capacity of the upgraded units is now 1,425 MW. The modernization has taken advantage of the latest science and technology, which enables the plants to improve energy efficiency by 5%. Under stable hydrological conditions, the upgraded units will produce tens of GWh more of emission-free electricity from water annually, thus contributing to sustainable management of a valuable resource. For example, Slapy power plant will save 80 million liters of water per year while producing the same amount of emission-free electricity. As part of the modernization, a 60-ton turbine block was installed in 2022. The completed modernization of Slapy power plant is another step towards an increased energy and resource efficiency.

Another positive environmental aspect of the modernization is the reduction of the volume of the oil fill in the hydraulic control of the units. An increase in the pressure in the control hydraulics causes a significant reduction in the volume of the oil fill. The power consumption of the pumps is reduced as well. For example, Kamýk power plant reduced the volume of

the operating oil charge in the turbine control by 86% from the original 8,500 liters to today's 1,200 liters.

The modernization of hydropower plants includes the installation of online diagnostics, which enable the monitoring of up to ten technical parameters. So far, online diagnostics have been installed on 18 units. The diagnostics continuously measure the operating conditions of turbomachinery, generators, and transformers. They contribute to improved operational safety, optimized maintenance costs, and lifetime management.

3.4.1.2. Wind Parks

CEZ Group is active in the wind energy sector in Czechia and abroad. The first modern wind power plants were launched in 2009. These units are located near Věžnice in the Vysočina region and near Janov in the Pardubice region. Their installed capacity is approximately 4 MW each.

In 2022, CEZ Group operated wind farms in Czechia and other countries with a total installed capacity of around 142 MW. In Germany, CEZ Group companies operate 53 turbines in 10 onshore wind farms with a total installed capacity of 133.5 MW. Wind power plants in Germany generated 255 GWh of emission-free electricity in 2022, 228 GWh in 2021, and 292 GWh in 2020. Wind power plants in Turkey have an installed capacity of 28.2 MW. By the end of 2022, almost 70% of CEZ Group's portfolio in the wind power sector in Western Europe was in the development phase. In France, CEZ Group develops a portfolio of 15 onshore wind farm projects with an installed capacity of up to 207 MW, with the first completed project in Aschères (12 MW, 4 turbines) to be fully commissioned in March 2023. In Germany, CEZ Group co-develops in cooperation with local developers 12 wind projects with a potential installed capacity of up to 193.5 MW. The most advanced project – Datteln wind park (11.4 MW, 2 turbines) is expected to be commissioned by the end of 2023.

3.4.1.3. Photovoltaic Power Plants

CEZ Group currently operates photovoltaic power plants in Czechia with a total capacity of 126 MW, covering the demand of about 40,000 Czech households annually. At the same time, CEZ Group is preparing a series of large-scale emission-free projects of new solar sources. These will have a capacity of thousands of MW, gradually replacing the phased-out coal-fired power plants and contributing to emission reduction. In line with VISION 2030—Clean Energy of Tomorrow, CEZ Group plans to increase new renewable energy sources, including photovoltaics, by 1.5 GW of installed capacity by 2025 and by 6 GW by 2030.

In November 2022, CEZ Group started the installation of the biggest photovoltaic power plant in Prague city center on the roof of Prague Congress Centre. The power plant covers an area of 7,000 m² with 2,080 solar panels. This project is expected to provide annual energy savings of CZK 5.5 million.

CEZ Group also installed photovoltaic panels on the premises of ČEPRO (joint-stock company with 100% state participation). This power plant consists of 1,300 panels and has a total installed capacity of 516 kWp.

Another important photovoltaic power plant was installed on the roof of a Billa warehouse in Modletice near Prague, which annually contributes to an emission reduction of 471 tonnes.

At the very end of 2021, CEZ Group completed the acquisition of the German Belectric Group, a global leader in photovoltaic power plant design. Belectric is active in Germany, France, UK, Italy and Israel and constructed the Tramm Göthen photovoltaic power plant with an installed capacity of 172 MWp.

To test the properties and application of various types of panels, CEZ Group has established a new experimental photovoltaic power plant in Ledvice. New technologies and solutions are tested, such as double-glass and double-face panels (which allow illumination from both sides), half-cut solar panels for increased performance and durability, and PERC panels (which are effective in partial shade or dust accumulation). There are also panels tested for agrivoltaics (agrophotovoltaics) – these are vertically positioned panels suitable for combining clean electricity generation with agriculture. This cutting-edge technology creates a solution for sustainable farming systems. CEZ Group is testing and evaluating the properties and suitability of various types of panels intended for use in the upcoming development of large solar parks. Additionally, CEZ Group is currently testing floating solar power plant technology in the pumped-storage power station Štěchovice. In the pilot stage, the installed capacity is 87.36 kWp. Overall, the upper reservoir could house solar panels with a capacity of up to 2.5 MWp.

3.4.2. Transition to Emission-Free Energy: Nuclear Power

Nuclear power plants are a part of a climate-neutral and stable portfolio. CEZ Group takes measures to increase their efficiency to ensure stable and reliable operation, such as renewal of equipment, and modernization. Between 2020 and 2021, separators in Temelín nuclear power plant were replaced, increasing the output to 2×1086 MW and saving thousands of tonnes of CO₂ emissions every year.

Thanks to excellent maintenance and efficient management, the two nuclear power plants, Dukovany and Temelín, reached the highest daily production in history in December 2022, producing 1,639,647 MWh. In total, they produced 31.02 TWh of emission-free electricity in 2022, which is an increase of 0.94% year-on-year and also the highest ever annual production.

Since the launch of the T30T program in 2017, we aim to consistently achieve production of at least 30 TWh by nuclear power plants per year while maintaining safe and stable operation. In the coming years, we plan to increase nuclear emission-free production by another 2 TWh in some years (depending on the maintenance outage schedule) and aim for a 60-year lifetime.

We have gradually modernized and upgraded both nuclear power plants and managed to safely increase the output of both key nuclear sources without any emissions or land acquisitions otherwise necessary for the construction of new power plants.

Currently, the Dukovany and Temelín plants supply emission-free power to the grid, covering more than 40% of the Czechia's total annual consumption.

Another key element of the plan to strengthen Czechia's energy security and self-sufficiency is the upcoming construction of a new nuclear unit in Dukovany. A tender for a contractor was announced at the beginning of 2022, and at the end of the same year, ČEZ, a. s., received a total of 3 bids for the completion of the nuclear unit at Dukovany. The bids are under evaluation. At the same time, preparations for the construction of a small modular reactor (SMR) accelerated. The most significant activities include the start geological surveys of the site and include the signing of a Memorandum of Understanding among ČEZ, a. s., the South Bohemian Region and ÚJV Řež, which established the South Bohemian Nuclear Park.

3.4.3. Transition to a Cleaner Energy: Gas

Natural gas plays an important role in the energy transition by allowing a gradual coal phase-out. A quarter of the total CO₂ emissions in Czechia is generated by heat production, which historically relied heavily on coal. The transformation of CEZ Group's heating plants is one of the key areas to achieving our environmental commitments and targeted emission reduction, leading to low-emission production that we delineated in our strategy VISION 2030—Clean Energy of Tomorrow. By 2030, all district heating facilities owned by CEZ Group (incl. the largest source of district heating in Czechia, the Mělník facility) will produce heat only from low-emission sources.

3.4.3.1. Heating Sector Transformation

CEZ Group plans to invest an estimated CZK 30 to 40 billion in transforming heating sites into low-emission ones in the coming years, including Mělník facility as the significant part of the transformation. The first step in the planned transformation was the shutdown of Mělník III (2021), the largest coal-fired power plant unit of Mělník facility. Its closure transformed the site into a pure cogeneration plant, resulting in both higher energy efficiency and emission reduction. At the same time, preparations are underway for the construction of high efficiency combined cycle gas turbine (CCGT) plants, where we aim for EU taxonomy-alignment. The site is expected to use other low-emission technologies in the future, such as biomass boilers, heat pumps, and waste-to-energy facilities. These will gradually replace the cogeneration plants Mělník II and Mělník I. The Mělník II lignite unit will operate partly as a backup source until its shut-down. The existing coal storage yard of the Mělník III facility will be converted into a photovoltaic plant. These planned environmental measures will not affect the quality of heat supply to customers.

As coal-fired power plants are being phased out, buildings that are no longer useful will be demolished, generating large quantities of waste. CEZ Group is conducting pre-demolition waste screening to identify recoverable and hazardous waste before demolition starts, and the demolitions will be performed to maximize material recovery.

3.5. Innovative Solutions

3.5.1. ČEZ ESCO

ČEZ ESCO and its subsidiaries offer sustainable products and services that help customers reduce their carbon footprint and increase energy efficiency. CEZ ESCO fully aligns itself with the VISION 2030—Clean Energy of Tomorrow goals and helps customers reduce CO₂ emissions and realize energy savings.

One of the products offered is Emission-free electricity, which assures customers that electricity comes only from CEZ Group's nuclear power plants. Another product is Photovoltaics for 1 CZK, which allows customers to purchase a photovoltaic power plant without an initial investment, thus supporting clean energy production. ČEZ ESCO covers all costs, and the customer pays only for the green electricity consumed.

In 2022, ČEZ ESCO started to offer a modernization service of public lighting and a comprehensive electric vehicle charging solution for the corporate and public sectors and development projects. It is also developing new products to address the impacts associated with the energy crisis. CEZ ESCO is committed to reducing emissions, implementing a decarbonization strategy for its subsidiary EP Rožnov, and leading decarbonization teams for clients such as Liberty Ostrava and US Steel. It also educates clients on self-sufficiency and innovative technologies and is part of the Alliance for an Emission-Free Future, which emphasizes the importance of transitioning to a zero- or low-emission economy while remaining competitive. We are also developing new opportunities in the areas of green steam, heat pumps, innovative cogeneration combined with hydrogen, batteries or CPC (Carbon Performance Contract) projects.

The core of ČEZ ESCO's business is the implementation of ecological and energy-saving technologies, which improve energy efficiency. Notable achievements in 2022 are listed below:

- Modernization of one of the largest hospitals in Czechia – Thomayer Hospital in Prague: The largest energy-saving project in Czechia saves the hospital up to CZK 7 million annually in operating costs and reduces CO₂ emissions by 2,500 tonnes.
- Construction of the largest rooftop photovoltaic power plant in Prague for the Prague Congress Centre: Installation of 2,080 solar modules, which saves more than CZK 5.5 million annually and contributes to the generation of clean energy.
- 32 active Energy Performance Contracting (EPC) projects: EPCs provide energy services with guaranteed financial savings. Customers saved CZK 304 million and the equivalent of 45,400 tonnes of CO₂ emissions.

3.5.2. Smart Cities and Digitalization

ČEZ ESCO is developing the Smart City concept to help the public sector manage energy efficiently using modern technologies and renewable resources. The Smart City concept saves public budgets and improves the environment. ČEZ ESCO and its subsidiaries provide comprehensive services for Smart City projects, including preliminary studies, implementation, operation and servicing of green technologies. The company also offers various financing options and assists customers with subsidy processing.

ČEZ ENERGO has created a new communication and control infrastructure to provide Frequency Reserve Restoration (FRR) infrastructure and dispatching services for ČEZ ESCO and its customers. And ČEZ Energo's 109 CHP units are certified for the FRR project, which is now in the implementation phase. As a flexibility aggregator, ČEZ ESCO, in cooperation with CEZ Group's trading unit, also provides communication between the support service provider and the transmission system operator ČEPS.

In VISION 2030—Clean Energy of Tomorrow, CEZ Group commits to large-scale digitalization of distribution networks. The company wants to deliver the best customer experience in the market and bring all key customer processes online by 2025.

The CEZ Group digitalization program follows the National Action Plan for Smart Grids and requirements of the State Energy Policy. The digitalization program and its solutions will benefit renewables, energy storage, e-mobility, and new related services. The program focuses on two primary areas:

- transforming distribution networks into smart automated networks,
- transforming and digitalizing internal processes.

Modernizing CEZ Group distribution will require massive investments; smart digital electricity grids and fiber-optic networks account for most of them. For example, the company develops optical infrastructure to simplify remote control of stations and fault detection. Smart elements enable automation, which is key to remotely controlled components and distribution system monitoring. Eventually, such smartification significantly reduces the failure rate and increases the reliability of the power supply.

ČEZ Distribuce, a distribution system operator, spent CZK 14.6 billion on network modernization in 2022 (9% increase year-on-year). Between 2023–2025, ČEZ Distribuce plans to invest more than CZK 15 billion annually to ensure a high-quality and stable electricity supply. In the short term, the company wants to start implementing systems for metering, control, and management of nodal and loop distribution stations. ČEZ Distribuce envisions becoming a leader in digitalization and thus contributing to the decarbonization of the Czech energy industry.

3.5.3. Research and Development

GRI 201-4

Our research and development (R&D) covers many areas, including renewables and low carbon and sustainable solutions. R&D projects focus on nuclear energy, emission reduction, renewables, materials, reliability and durability of components and systems, hydrogen technologies, energy storage, smart grids, IT solutions and digitalization, energy-saving technologies, and clean mobility. R&D outcomes are used across CEZ Group to improve the ecological, safety, and economic parameters of our operations and business lines. Many CEZ Group entities are members of various technology platforms and professional partnerships. We closely cooperate with technical universities.

In CEZ Group, R&D is mainly performed by the Research Centre Řež (RCŘ) and the ÚJV Řež. The RCŘ is a research organization focused on research, development, and innovation in the energy sector. The main research infrastructure consists of two nuclear research reactors and a set of laboratories and experimental facilities, including hot cells, experimental loops, and facilities for nuclear fusion research. The ÚJV Řež focuses on services and research for operators and manufacturers of energy equipment (especially nuclear power plants), on radioactive waste treatment, and on diagnostic radiopharmaceuticals for positron emission tomography. The ÚJV Řež is active in the development of hydrogen technologies for energy and transport. Both organizations are involved in many international research projects and activities, such as the EU Framework Programmes, the International Atomic Energy Agency, and the OECD/Nuclear Energy Agency.

In 2022, total R&D operating expenditures reached CZK 982.1 million (3% increase year-on-year), of which subsidies formed 44%. Details about specific projects, results, and memberships are available in the CEZ Group 2022 Annual Financial Report.

3.5.4. Inven Capital

Inven Capital is a venture capital fund investing in climate tech and renewable energy start-ups. Backed by ČEZ, a. s., and European Investment Bank, Inven Capital has become one of the largest climate tech funds in Europe. So far, Inven Capital has invested in 15 start-ups and the British Environmental Technologies Fund 2. Inven Capital exited four of these. Inven looks for start-ups in Europe and Israel, a country with an extensive start-up community. The companies Inven invests in are fast accelerating businesses with a potential to create great impact or enable other businesses to be impactful.

All start-ups funded by Inven Capital engage in sustainable development and strive to be driving forces in their industries. They either change the way existing industries operate or create new hi-tech products. Inven portfolio companies have launched green projects related to hydrogen technology, solar energy, energy efficiency and savings, e-mobility, etc. Some of them are regularly included in the Global Cleantech 100 survey conducted by the consultancy Cleantech Group.

Being part of CEZ Group, start-ups can draw on extensive expertise in the energy sector, technology synergies, and client base. At the same time, the know-how and innovation of start-ups brings a huge added value to CEZ Group.

In addition to financial factors, Inven Capital regards sustainability as an essential part of its investment strategy. Inven Capital is a member of Leaders for Climate Action (LFCA), an international initiative that fights global climate change by decarbonizing its member companies. As an LFCA member, Inven Capital commits to including a sustainability clause in new investment contracts.

In 2021, Inven Capital joined VentureESG, a community of European venture capital funds, striving to consolidate ESG principles for sustainable investments. During 2022, Inven Capital developed its own ESG framework and an evaluation tool to assess and monitor its portfolio companies throughout the whole investment process. Inven Capital continuously supports portfolio companies in developing and applying ESG best practices.

Inven Capital itself operates in an eco-friendly manner. In 2021, the company became the first holder of a carbon-neutral business certificate in CEZ Group.

3.5.5. Partnerships for Innovation

We have a strong commitment to supporting innovation through partnerships, initiatives, and our VISION 2030—Clean Energy of Tomorrow policies. At the same time, we are dedicated to fulfilling our commitment to sustainability by addressing its strategic priorities in the field of innovation and making a long-term positive impact for our customers. We are building an open innovation ecosystem in CEZ Group as well as outside: our goal is to develop and provide modern, efficient, and useful solutions for customers in B2B and B2C segments. Decarbonization, cost savings and digitalization of processes are our long-term focus areas in our development plans. These development plans are in synergy with our partners. We have professional partnerships with companies within CEZ Group (ČEZ ESCO, ČEZ Prodej, Inven Capital, and others) as well as outside. We can share innovative know-how to create new products and services with high added value.

We seek memberships in professional associations, societies, and platforms connecting experts on innovations. Examples of our involvement include professional relationships with Electric Power Research Institute, vgbe energy e.V., and Sustainable Nuclear Energy Technology Platform.

We are active or co-founding members of platforms that bring together entities from the energy, hydrogen, automotive, and research sectors to support e-mobility development, such as the E-mobility Platform or the platform of the National Action Plan for Clean Mobility.

We also draw innovative inspiration from outside the energy sector. For instance, we participate in the Innovation Roadshow and are founding members of the I2US cooperation platform. Together with other Czech and international innovation leaders, we share our experience and use the knowledge gained for our innovations. This helps us benchmark our activities, share lessons learned, and it has a positive impact on our effectiveness.

3.5.6. E-mobility

SDG 9, SDG 11

Our primary mission in e-mobility is to co-develop and support sustainable transport ecosystem in Czechia. Our vision is that end-product is easy to use and enables the end user to travel sustainably and conveniently. We are trying to achieve this through our presence in all parts of the e-mobility value chain where the end user meets any form of energy interface: (1) public charging infrastructure; (2) e-mobility service provider, and (3) supplier and operator of the private, home or office, charging infrastructure.

3.5.6.1. Public charging infrastructure development

Public charging infrastructure is a major contribution of CEZ Group to the sustainable transport development. We are the largest charging point operator (CPO) in Czechia with over 515 public charging stations (over 1,500 charging points), most of which are DC (direct current) or HPC (high power charging)

chargers. In 2022 alone, we have installed 126 charging stations and opened six charging hubs with 12 or more charging points.

We develop the network in line with our strategy to primarily enable and support intercity travel in electric vehicles, and we are focused on high performance charging hubs. By 2025, we plan to have 800 charging stations with over 60 MW of installed capacity.

This strategy directly supports Czechia in delivering the obligations set by Alternative Fuels Infrastructure Regulation (AFIR). Besides supporting regulatory targets, our strategy also:

- Provides a stabilization factor to renewable power production as the demand for fast charging in charging hubs (i.e., day hours) strongly coincides with the solar power production (as suggested by evidence from more developed e-mobility markets)
- Responds to customer demand for fast charging based on the evidence from our existing chargers (75% of charging sessions are ultrafast in locations with a choice of available charging speeds)

Our infrastructure activities contribute to development of a sustainable transport system and sustainable economy in four major areas. First, we enable zero-tailpipe emissions in individual travel and freight transport by high-powered charging hubs strategically located to allow smooth transportation. Second, we implement sustainable technologies in real life situations, such as charging hubs using photovoltaics as a source of energy combined with battery storage, to support high-powered charging. Third, we increase efficiency of the electricity grid through the use of smart energy management solutions often combined with photovoltaics with battery storage. Fourth, we supply completely emission-free electricity in all public chargers we operate, either directly from local renewable generation or through purchase of guarantees of origin.

However, we are severely impacted by a low utilization rate of our charging infrastructure in Czechia. This is a result of a combination of a highly efficient network we have built with a very low adoption of battery electric vehicles (BEV) in the local market: only 2% of new car registrations are BEVs, as opposed to a 9% average in the EU. We see the low BEV adoption as the most significant threat to a further development of high-quality infrastructure for sustainable transport.

3.5.6.2. E-mobility charging services

By building the public charging infrastructure, we make the sustainable and climate-friendly mobility available even for people without the possibility to charge at home or at work. As our public charging network is robust and supplied by 100% renewable energy, we support the penetration of EVs and contribute to faster transition towards BEVs.

We fully support interoperability to make charging of electric vehicles a flawless experience. Connectivity is key in delivering this experience, since it provides significant benefits for urban e-mobility solutions and long-distance travelling, it leads to customer satisfaction with sustainable charging services provided.

Our FUTUR/E/GO charging service is fully interconnected (roamed) with other CPOs in Czechia, with clearly defined steps towards future provision of our services abroad as well.

Our strategy is to offer a product with a single identity, which is driven by 100% sustainable energy and leads to an extraordinary customer experience, helping us achieve the TOP 3 rating in e-mobility provider (EMP) services in Czechia. The single identity of our product helps our customers simplify the charging of their EVs by an all-in-one charging service.

We focus on easy-to-use charging services and make the use of EVs easy for our customers in their everyday life. We contribute to an increasing quality of life in cities by lowering air pollution and noise, while reducing the total carbon footprint of transportation.

3.5.6.3. E-mobility partnerships and initiatives

We cooperate with a wide variety of stakeholders. The most notable example of this cooperation is our wide support of interoperability. We provide open access to our physical charging infrastructure to other EMPs on a non-discriminatory basis, enabling smooth charging experience for local, inter-city and cross-border travel independent of drivers' e-mobility service provider.

We are a proud founding member of the E-mobility platform, an association of major representatives of the e-mobility ecosystem in Czechia. The mission of the platform is to open and moderate public discussion on e-mobility-related topics including but not limited to vehicle affordability, availability of charging services, support of education, innovation, and research. The ultimate goal of the platform mission is to help create a favorable environment for the development of a sustainable transport ecosystem.

We are also an actively participating signatory of the Memorandum on Cooperation in the Development of Electromobility in Czechia. The memorandum defines main areas of cooperation among the relevant governmental ministries, state owned companies responsible for road and railway infrastructure development, and companies invested in the development of charging infrastructure and production of electric vehicles.

3.5.7. Energy Consumption and Reduction of Energy Intensity

GRI 3-3, 302-1, 302-3; SASB IF-EU-000.D / SDG 7

Energy consumption within CEZ Group includes all energy consumption, including primary energy (chemically bound in fuels) used to produce noble forms of energy (electricity and district heat).

The total energy consumption⁴⁾ corresponds to the difference between the energy input and the energy output:

A) ENERGY INPUT	B) ENERGY OUTPUT
<ul style="list-style-type: none"> + energy consumption from non-renewable (fossil) fuels (coal, natural gas, liquid fuels) + energy consumption from renewable fuels (biomass, biogas, liquid biofuels) + heat produced in steam generators from nuclear fuel + energy production from non-fuel sources (wind, water, photovoltaics) + purchase of energy (electricity, heat) for own consumption 	<ul style="list-style-type: none"> - sale of energy (electricity, heating, cooling, process steam)

The most significant item of total energy consumption is the energy chemically bound in fuels used to generate electricity and heating. In addition, the total energy consumption includes own consumption of electricity for electricity production, consumption of electricity for heat supply for heating purposes, consumption of electricity for other purposes (buildings, lighting, etc.), own consumption and losses of process heat, and own consumption of district heating (heating, hot water, etc.).

The energy intensity indicator for electricity and heating production in CEZ Group is expressed as the ratio of energy consumed from renewable fuels, non-renewable fuels (including nuclear fuel) to energy sold (electricity, heat, cold, process steam).

⁴⁾ Fuel consumption in energy units (usually in TJ) is determined by as the product of the quantity of individual fuels (kg, t, m³) determined by verified meters and the calorific value of fuels determined by laboratory analysis of fuels in accredited laboratories or declared by the supplier (natural gas or liquid fuels).

Energy balance (energy consumption from fuel per energy supplied)

	Unit	2020	2021	2022
A) Energy consumption in fuel for electricity and heat production	TJ	578,439	535,991	523,519
o/w non-renewable fuels	TJ	563,471	523,583	513,851
o/w renewable fuels	TJ	14,967	12,408	9,668
B) Energy generated from nonfuel sources	TJ	10,320	7,351	6,936
C) Energy supplied	TJ	208,903	199,166	194,061
o/w electricity	TJ	184,921	172,773	170,543
o/w heating	TJ	23,982	26,393	23,465
o/w cooling*	TJ	N/A	N/A	53
o/w steam*	TJ	N/A	N/A	0
Total energy consumption, including primary energy for electricity and heat production (A+B-C)	TJ	379,855	344,176	336,393
Energy intensity indicator (A/C)		2.769	2.691	2.698

* Indicator reported since 2022.

Resource share of the energy mix in 2022

	%
Nuclear	56.7
Hydro	3.9
Photovoltaic	0.3
Wind	0.5
Coal	32.7
Natural gas	4.5
Biomass	1.4
Biogas	0.0

Our energy-saving commitments, which are described in the CEZ Group Energy Policy and approved by the Board of Directors, set the framework for energy management and efficiency. Fulfilling these commitments will also help us achieve our target to reduce our GHG emission intensity (from 0.38 tCO₂e/MWh in 2019 to 0.16 tCO₂e/MWh in 2030).

Since 2015, the Energy Management System (EnMS) has been a key tool for energy savings in CEZ Group. EnMS fully aligns with the Environmental Management System (EMS), and together they help fulfill our environmental policy. In particular, EnMS aims to:

- improve energy efficiency,
- optimize operations,
- reduce greenhouse gas emissions.

EnMS follows the ISO 50001 standard and is set up at most of our sites. Alternatively, regular audits are carried out. Regular internal and external EnMS audits check that energy management requirements are met. Every year, the EnMS – its conditions and targets – is subject to a second review by the management and in case of a significant change (e.g., new technologies and inputs), the EnMS conditions or targets are reviewed.

We have targets and action plans for energy savings at sites with EnMS and regularly monitor energy flows critical to overall energy efficiency. We review our energy consumption annually and evaluate progress against energy targets and action plans. In 2022, while CEZ Group's total energy consumption decreased by 2% compared to 2021, the energy intensity ratio increased. This was due to more energy-intensive condensing production of heat sources in the winter months, when gas supplies were limited, and electricity demand was high. Condensing production also led to an increase in water consumption for cooling.

Employees at sites with an implemented EnMS receive training (in person or online) at least once every two years. Employees learn about energy consumption indicators in office buildings and different technologies, including energy efficiency indicators, and find out how to approach them responsibly. Our suppliers performing site-specific activities also attend EnMS training. In their case, the training primarily focuses on becoming familiar with energy management requirements.

In line with the Czech National Energy Efficiency Action Plan, we implement energy efficiency initiatives with our customers. We install modern technologies, smart products, and systems that intelligently manage energy consumption.

We also raise customer awareness of energy savings through information campaigns.

Major energy-saving projects we implemented for our customers in 2022 are listed below:

- high-efficiency cogeneration of electricity and heat,
- heat pumps in residential buildings,
- energy services with guaranteed financial savings,
- energy-efficient lighting in non-residential buildings,
- energy-efficient outdoor lighting in industrial premises.

In the next few years, we will focus primarily on digital transformation and decentralized energy generation. We see digitalization as a driver for lower energy consumption, and we have set a target to cover 80% of consumption with smart meters by 2030.

We › are › a › partner ›
for › our › customers, ›
we › solve › their ›
energy › needs, ›
and › we › bring ›
innovations ›





4.1. Community Relations

GRI 3-3, 203-1, 203-2, 413-1, 413-2 / SDG 17

4.1.1. Corporate Citizenship

CEZ Group recognizes its social, environmental, and financial responsibilities linked to its operations and business activities in the European market. Our goal is to be a responsible corporate citizen and a good neighbor who is actively and consistently involved in the support and development of community life. CEZ Group supports projects in various areas, including (but not limited to) social care, education, culture, sports, environmental protection, improvement of local infrastructure, and healthcare. We have a significant economic (direct and indirect) impact on the development of local communities and regions in Czechia. We are a major employer and create employment opportunities in the supply chain.

4.1.1.1. Communication

CEZ Group promotes transparent and open communication about its current activities and operations, the state of the distribution grid, and investments with an impact on local communities. Throughout the year, meetings are organized between CEZ Group representatives and members of local governments, NGOs, municipalities, and local communities to provide comprehensive information and to deal with issues from community grievance mechanisms.

CEZ Group management also regularly communicates with employees and informs them about the activities, developments, and direction of the company. Employees have access to information online, in newsletters, via online interviews with company management, in the company magazine, and through other channels.

CEZ Group management also openly communicates with trade unions about their intentions, the Group's financial results, and other matters concerning the employees. Major CEZ Group companies have collective agreements, which regulate relations between employees and the employer.

4.1.1.2. Donations

CEZ Group, together with CEZ Foundation, is one of the largest corporate donors in Czechia. Their comprehensive approach to donation activities is regularly recognized by an independent jury (TOP Responsible Company, Donors Forum ranking). In 2022, financial donations by CEZ Group companies reached a total of CZK 368.2 million, of which CZK 252.9 million were donated to CEZ Foundation, and CZK 115.3 million were donated directly. In addition to direct financial donations, CEZ Group supports municipalities, local

communities, and non-profit organizations through non-financial contributions.

Employees are also involved in corporate donation, recommending to whom the aid should be directed and making financial donations themselves. Two employee fundraisers were held in 2022: within a week after the Russian invasion of Ukraine, ČEZ, a. s., organized a large fundraiser among employees. The donated sum (CZK 7.3 million) was subsequently doubled by CEZ Foundation to a total of CZK 14.6 million. The donation was distributed to respected non-profit organizations carrying out humanitarian aid directly in Ukraine or taking care of refugees coming to Czechia (e. g., the Czech Red Cross, UNICEF, Medicines Sans Frontiers, Czech Federation of Food Banks, and others).

CEZ Foundation also launched a Crisis Grant Ukraine aimed at addressing the impacts of the refugee wave on local communities and economies: it was used to cover operating costs – for example, accommodation, meals, and material assistance – of non-profit organizations, municipalities and cities that granted asylum to Ukrainian refugees. Within two weeks, 115 applicants expended an amount exceeding CZK 5 million.

CEZ Foundation also has a special grant for CEZ employees engaging in local community organizations and activities that address local needs: each employee can apply once every two years for an amount of up to CZK 30,000 (from January 1, 2023, this amount was increased to CZK 50,000) for their organization.

The traditional Autumn fundraiser campaign Granting Wishes, among CEZ employees raised more than CZK 3.4 million for people in difficult life situations: mainly people with some sort of disability, incurable disease, physical or mental handicap. Again, CEZ Foundation doubled the sum raised by employees to a total of CZK 7.5 million. In 2022, the fundraising campaign Granting Wishes ran for the sixteenth time, and the total sum raised in the campaign and emergency donations since its establishment reached over CZK 70 million.

CEZ Foundation also runs a popular mobile app called EPP – Help by Movement, which works at the same time as a sports tracker and a charity app. The general public is motivated to be physically active (the options include activities for all age groups and for the handicapped) and is also directly involved in the choice of projects which should be financially supported. In more than seven years of the app's existence, it has gained over 600,000 users. In 2022, the app distributed CZK 26.6 million among 356 non-profit organizations.

4.1.1.3. Volunteering

The corporate volunteering program Time for a Good Cause is announced annually in all regions of Czechia. The collective agreement guarantees that each employee can use two workdays of paid leave per year to volunteer. In the 15 years since the launch of the volunteering program, over 8,600 employees participated in 1,187 events. Volunteering activities can be carried out both individually and in a larger group. The company also supports team building in the form of a volunteering activity. All non-profit organizations involved in the volunteering program receive a contribution from CEZ Group to cover the expenses of providing working tools and refreshments for the volunteers.

Overview of areas supported in the volunteering program in 2022 with respective numbers of volunteers

Environment, ecology, and animals	540
Social and health	210
Regional and community development, cultural heritage	93
Children and the youth	66
Elderly	16
Education and research	6

Employees of the Severočeské doly Group are involved in the Corporate Volunteering project, in which the company helps selected communities affected by the mining operations at the Bílina and Tušimice mines. In 2022, a total of 22 employees participated in 3 corporate volunteering events in the area.

4.1.1.4. Charitable Activities

Various events and activities have a long-standing presence in CEZ Group's philanthropic endeavors. These include employee grants, breakfasts, and sheltered workshop markets organized for employees, and recycling of clothes and mobile phones to support the employment of people with disabilities.

Employee grants are intended to support NGOs in which our employees are directly involved in their spare time. In the past eleven years, 1,032 projects were supported with a total amount of CZK 30.3 million.

Breakfasts for employees and Easter and Christmas markets include the sale of products, food and refreshments prepared by people with disabilities and in sheltered workshops. In 2022, the total amount raised at these events was over CZK 1 million.

Since 2017, a charity collection of clothes, shoes, and accessories called Wardrobe Draft is regularly organized by CEZ Group at several locations in Czechia. In 2022, employees donated almost 2,249 kg of clothing and footwear which was then distributed to regional charities and clothes banks. Since 2017, the total amount collected is over 11,226 kg of clothing.

A regular collection of old, unused, or dysfunctional mobile phones among employees took place in cooperation with the Remobil initiative. It supports the employment of people with disabilities and promotes recycling, reuse, and the protection of the environment. In 2022, employees donated 447 devices. In the past three years, almost 1,500 devices were collected, equivalent to saving 2,359 kg of CO₂ and over 44,000 liters of water.

A number CEZ Group companies organized a variety of charity collections of material aid (clothes, shoes, toiletries, baby food, household equipment and utensils, small appliances, learning aids for children, laptops and more) to support refugees from Ukraine. Several CEZ Group companies helped with accommodation and household equipment for refugees affected by the Russian invasion of Ukraine.

We donated about 30 items of important energy equipment no longer used in CEZ Group to Ukraine. The equipment for the renewal of energy infrastructure was donated by the Temelín nuclear power plant, the Pruněřov and Dětmarovice power plants, the Energotrans Mělník heating plant, and ČEZ Distribuce.

We support medical facilities (ČEZ Distribuce provided equipment for a box in a Burn ICU Recovery Room of the Královské Vinohrady University Hospital), community eco projects (Belectric Israel – a garden created for new Israeli residents from Ethiopia). Our colleagues at ÚJV Řež provide a conference center for events organized by local communities and municipalities.

4.1.1.5. Information Centers

CEZ Group operates nine information centers offering a wide range of excursions and interactive activities. The turnout in 2022 was more than 200,000 visitors. One of the most exciting parts of the excursions is a close-up view of power plant technologies. In 2022, a brand new special virtual tour through the Dukovany nuclear power plant via virtual reality (VR) goggles was launched in the ReakTour project. It is the second VR tour. The VR headsets allow visitors to enter the most guarded areas of the Czech nuclear power plants including the nuclear reactor itself.

Thanks to their high popularity, our online excursions called Virtually at the Power Plant continued in 2022 as well. The tours are available free of charge via MS Teams for both schools as a supplement to science lessons and the public interested in energy topics. The project was started in 2020, when our information centers were closed most of the time due to strict pandemic restrictions. As the popularity of the project exceeded initial expectations – by December 2022, more than 85,000 pupils and secondary-school students took part – CEZ Group continues to offer it to schools. Participants take a virtual walk inside each of the Czech nuclear power plants and the inner structures of hydroelectric, wind and photovoltaic power plants. In 2022, a new type of excursion focusing on electricity distribution was added to the program. Subsequent online tours are planned for the following academic year, too.

4.1.1.6. Awards

In 2022, CEZ Group's companies were recognized for their sustainable business, corporate responsibility, and employee management in the following competitions:

- Sodexo Employer of the Year 2022 (in the category Large Company with more than 5,000 employees): first place for the parent company ČEZ, a. s.
- Sodexo Employer of the Decade 2022 (in the category Large Company with more than 5,000 employees): fourth place for the parent company ČEZ, a. s.
- TOP Responsible Company 2022 (in the category Large Company and the category Reporting): Leader for the parent company ČEZ, a. s.; organized by Business for Society
- CEZ Group also succeeded in the TOP Employer 2022 survey conducted among university students. The Group ranked first in three categories: (1) The Energy, Gas, and Petrochemical Sector category, (2) the Technician Award, and (3) the Clear Choice category
- Most Trustworthy Energy Supplier 2022 in the Most Trustworthy Brands CZ Award (the company holds the title since 2016)
- Donors Summit 2022 organized by Donor Forum: first place for CEZ Foundation in the category Annual Report and second place for CEZ Foundation in the category Employee Fundraiser Czech Republic
- National Award for Social Responsibility and Sustainable Development 2022: third place for ČEZ, a. s., in the category of Private Sector
- Czech TOP 100, third place in the Top 100 Most Important Czech Companies 2021 for ČEZ, a. s. (awards took place in 2022)
- Czech 100 Best Award 2022, first place for ČEZ, a. s.
- TOP 10 Large Companies (ESG rating of companies compared as part of SDGs Awards, awarded by the Association of Social Responsibility and the University of Economics in Prague)
- Health Promoting Enterprise (award for companies promoting health at the workplace and caring for the health of their employees above and beyond the law, awarded by the National Institute of Public Health)

4.1.2. Human Rights

GRI 2-27, 3-3, 406-1, 408-1, 409-1, 411-1

CEZ Group is committed to respecting and upholding human rights in all its operations and business activities. CEZ Group adheres to all relevant legal requirements and obligations and strictly prohibits any form of malpractice, corporal punishment, discrimination, human trafficking, slavery, forced labor, and child labor within its operations and supply chain. CEZ Group's commitment to corporate responsibility and ethical conduct reflects the national legislation, EU regulations, international treaties, and regulatory rules currently in force and effect. In addition, recommendations and procedures from expert organizations and best practices are incorporated into the corporate culture and behavior.

The same respect for human rights is required in the supply chain – CEZ Group suppliers are obliged to maintain the same level of integrity as CEZ Group requires of its own companies and employees, including in relation to third parties. CEZ Group suppliers are required to sign and abide by the Commitment to Ethical Conduct, which includes principles of behavior regarding human rights, labor practices, protection of people and the environment, anti-corruption, and money laundering. CEZ Group reserves the right to monitor and verify that the supplier follows the rules stipulated in the Commitment. To this end, we regularly perform audits in our supply chain as part of our compliance management system.

CEZ Group participates in the UN Global Compact initiative and follows and respects the Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the core conventions of the International Labour Organisation (ILO). CEZ Group's first Communication of Progress for the UN Global Compact will be submitted in 2023.

CEZ Group creates conditions that enable everyone to develop their full potential. We respect and value differences among people whatever their age, sex, gender, race, ethnicity, physical ability, medical capacity, sexual orientation, education, social status, religion, political affiliation, trade union membership and other differences. We reject discrimination of any kind. This principle is defined in our Diversity and Inclusion Policy.

Historically, Czechia has never been a colonial power and has never conquered or settled in areas inhabited by indigenous peoples. While no official definition of the term indigenous exists, we recognize the United Nations approach, which is based on the fundamental criterion of self-identification. This approach also considers several other factors, such as a strong link to territories and surrounding natural resources; distinct social, economic, or political system; distinct language, culture, and beliefs; and non-dominance in society. Because CEZ Group does not operate in territories with indigenous population, we do not have an Indigenous Peoples Policy. However, we recognize the rights of autochthonous ethnicities, such as Kaszubi, Mazurzy, Warmiacy, and Silesians.

Any violation of human rights can and should be reported through a publicly available whistleblowing hotline. For more details on whistleblowing, see Section 5.4.1.9.

4.2. CEZ Foundation

SDG 17

CEZ Foundation was established in 2002 as one of the first corporate foundations in Czechia and celebrated its 20th anniversary in 2022. The foundation has been active all over the country and has made 15,320 contributions totaling CZK 3.3 billion over the course of its operations.

In 2022, the foundation supported 1,556 public benefit projects with CZK 221.32 million in programs that responded to the current needs of society. The projects included regular grant programs, special aid to people affected by the war in Ukraine, and other activities.

4.2.1. Programs and Activities of CEZ Foundation in 2022

- Support for Regions focused on projects of public benefit and activities that contribute to the improvement of the quality of life in communities in the whole country.
- Orange Playground supported the construction and renovation of playgrounds, multi-purpose and sports grounds.
- Orange Crosswalks increased pedestrian safety by providing illumination of pedestrian crossings.
- Trees supported the planting of trees, noise and dust walls, windbreaks, and the renewal of tree avenues while improving the environment in towns and cities.
- Nonprofits focused on the development and professionalization of nonprofit organizations providing direct care services in the social sector.
- Orange Classroom helped to improve the quality of teaching of technical and science subjects by providing teaching aids and equipment to educational institutions.
- Employee Grants supported non-profit organizations in which employees of CEZ Group volunteer.
- Granting Wishes (a joint charity event of CEZ Group employees and CEZ Foundation) distributed financial contributions for people in difficult life situations nominated for help by the employees. CEZ Foundation doubled the amount raised.
- Orange Bike involved the public in charity rides organized during cultural, social, and sporting events for the benefit of local non-profit organizations.
- The mobile phone application EPP Pomáhej pohybem (Help by Movement) recorded its users' movements and generated points to support projects of non-profit organizations, schools, and municipalities.
- Crisis Aid offered rapid financial support to those who helped people fleeing the war in Ukraine (e.g., operating costs related to refugee accommodation, food, and material assistance) and to communities affected by a natural disasters.
- Employees Helping – Ukraine was an extraordinary employee fundraiser launched to help areas affected by the war in Ukraine. CEZ Foundation doubled the sum raised by employees and distributed it among respected non-profit organizations that either work directly in Ukraine or are involved in helping refugees.
- In 2022, grant procedure Pomocná ruka zaměstnancům (Helping Hand for Employees) was announced for the first time. It supports employees who have found themselves in a difficult life situation as a result of a work-related accident arising from their employment in CEZ Group.

Information on all CEZ Foundation activities is published on the CEZ Foundation website and in the CEZ Foundation Annual Report.

4.3. Human Capital

SDG 8

4.3.1. Responsible Employer

GRI 2-7, 2-30, 3-3, 401-1, 401-2, 401-3, 405-1, G4-EU15

The energy sector has always been dependent on a highly qualified workforce. Given the current ESG impacts, the entire energy industry is undergoing an unprecedented transformation that underscores the need for human capital development and talent management. Without competent and committed employees, we cannot provide a stable and secure supply and innovative solutions to our customers. Our employees are paramount to our success.

To fulfil our vision, we create working conditions that foster employee loyalty and high satisfaction and attract suitable candidates with the right skills. In practice, we promote equal opportunities, stimulate fair treatment and open communication, encourage diversity, offer workplace flexibility, and enable a better work-life balance. We apply the basic principles of CEZ Group's social policy both in Czechia and abroad. To demonstrate our commitment, we have embedded our approach into the collective agreements, policies (e.g., diversity and inclusion), and internal guidelines. For example, in CEZ Group we signed collective agreements valid until 2027, which is quite exceptional given the country and energy sector standard. In this way, we provide employees with long-term reassurance about their rights, remuneration, and benefits.

As part of our efforts to advance corporate responsibility and remain an employer of choice, we also support the employment of people with disabilities and parents returning from parental leave. In addition, we actively work with the needs of employees in different age groups. In line with European law (GDPR), we do not record employees' race and ethnicity. Ultimately, we want to create an environment where every employee can develop their full potential and grow professionally.

We provide competitive remuneration with respect to gender neutrality and the principle of equal pay for equal or equivalent work. Depending on the performance of the company, team, and individuals, we adjust salaries accordingly each year. Moreover, we offer our employees a wide range of financial and non-financial benefits and incentives related to:

- welfare (e.g., 37.5-hour workweek, 5-week vacation, life insurance, pension scheme, loans and leases, meal allowance, life anniversary reward)

- healthcare (e.g., sick days, above-standard health examinations, health days, online healthcare service, mental health helpline)
- social care (e.g., retirement severance pay, social assistance)
- other care (e.g., cafeteria benefit account, childcare, summer day camps, employee events, pay for retraining, pensioners' clubs)

In addition to mandatory social security levies, most CEZ Group companies contribute to voluntary pension schemes of their employees (this obligation is usually part of collective agreements). The condition for the employer's contribution (usually 3% of the employee's assessment base for pension insurance and social security; the maximum contribution is limited) is a minimum regular contribution from the employee's own resources. Over 60% of CEZ Group employees participate in voluntary pension schemes.

As far as benefits are concerned, we constantly map the market and try to reflect the needs of our employees. At the same time, we work with partners who provide other interesting products, goods, or services to our employees. In the wake of covid-19, we expect that healthcare for employees and their dependents may play a more important role in the future.

CEZ Group has confirmed its reputation as the most desirable employer among university students. For the fourth time in a row, CEZ Group became the absolute winner of the TOP Employers survey completed by almost 12,000 Czech university students. In addition to the prestigious award, the company dominated two additional categories.

CEZ Group also succeeded in the Sodexo Employer of the Year 2022 competition, which uses PwC methodology focused on human resources indicators. CEZ Group won the main prize in the category of large companies (over 5,000 employees) in Czechia and regionally in Prague. CEZ Group also won first place as the most desired company among students in Prague and in Moravian-Silesian Region (category renewed after a two-year break caused by covid-19).

CEZ Group also regularly verifies the employer's attractiveness and the level of corporate culture through feedback from its current employees. The employee survey was conducted in 2021 by an external survey agency Ipsos, and employee engagement and NPS for recommending CEZ Group as an employer were assessed. Based on the results, CEZ Group is among the top 25% of large companies (with 500+ employees) in Czechia.

In the employee satisfaction survey, we continuously measure the value of the Engagement Index, which is an internationally used methodology for mapping employee engagement. The index considers the level of employee satisfaction within 3 fundamental areas:

- Loyalty, reflecting the pride in working for the company, the plan to stay in the company and the willingness to recommend the company (i.e., Net Promoter Score).
- Consistency, reflecting support for the company's strategy and plans and appreciation of the company culture.
- Enthusiasm, reflecting the overall job satisfaction, motivation to work and a sense of fulfilment.

The Engagement Index is an average of the percentage of employee satisfaction in these 3 areas. We track the development of the Index over time and compare it with other companies and the current market situation. This enables us to detect any shortcomings early on and to react to them adequately or to consciously reinforce our strengths.

At the end of 2022, 28,727 employees worked for CEZ Group (a year-on-year increase of 2.4%). Of this total, 83% of employees were from Czechia, 21% were women, and 29% had a university degree.

Diversity of Employees

				2020*	2021	2022	
Headcount				32,555	28,043	28,727	
By gender	Women			6,972	5,751	6,049	
	Men			25,583	22,292	22,678	
By region	Czechia			22,565	22,729	23,929	
	Germany			3,598	3,862	3,171	
	Poland			877	873	890	
	Other countries**			5,515	579	737	
By age	18-29 years			4,402	3,920	3,511	
	30-49 years			15,901	13,375	13,932	
	50 years and over			12,252	10,748	11,284	
By education	Primary			1,239	1,273	1,240	
	Secondary			21,480	18,843	19,068	
	University			9,836	7,927	8,419	
By employment contract	Fixed term	Women		929	899	861	
		Men		1,661	1,959	1,729	
	Indefinite term	Women		6,043	4,834	5,188	
		Men		23,922	20,203	20,949	
	N/A***			N/A	148	N/A	
By employment contract****	Fixed term	Czechia		2,029	2,022	2,298	
		Abroad	Total	561	833	292	
			Germany	N/A	N/A	169	
			Poland	N/A	N/A	82	
			Other countries**	N/A	N/A	41	
	Indefinite term	Czechia		20,546	20,696	21,631	
		Abroad	Total	9,419	4,344	4,506	
			Germany	N/A	N/A	3,002	
			Poland	N/A	N/A	808	
			Other countries**	N/A	N/A	696	
	N/A***			N/A	148	N/A	
	By employment type	Full-time	Women		6,633	5,343	5,633
			Men		25,231	21,811	22,329
Part-time		Women		340	388	432	
		Men		351	353	333	
N/A***				N/A	148	N/A	
By employment type†	Full-time	Czechia		N/A	N/A	23,558	
		Germany		N/A	N/A	2,833	
		Poland		N/A	N/A	875	
		Other countries**		N/A	N/A	696	
	Part-time	Czechia		N/A	N/A	371	
		Germany		N/A	N/A	338	
		Poland		N/A	N/A	15	
		Other countries**		N/A	N/A	41	

* Due to unification of methodology, the number of employees for 2020 increased by 20 persons compared to the originally published figures.

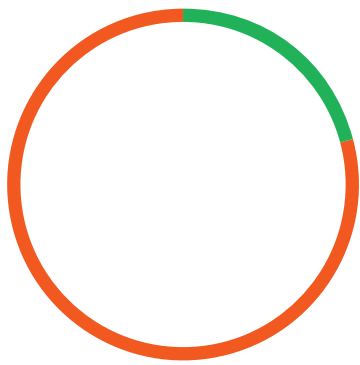
** For more details on other countries, see the relevant CEZ Group Annual Reports.

*** N/A = Persons receiving pension in Elevion GmbH, En.plus GmbH, and Hermos AG.

**** Detailed breakdown for abroad reported for the first time in 2022.

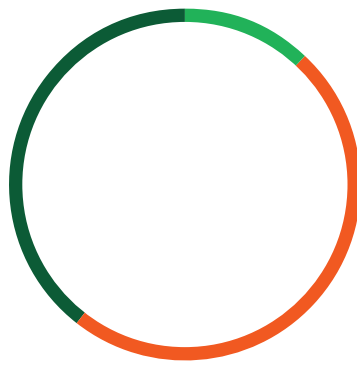
† Detailed breakdown by region reported for the first time in 2022.

Diversity of Employees by Gender



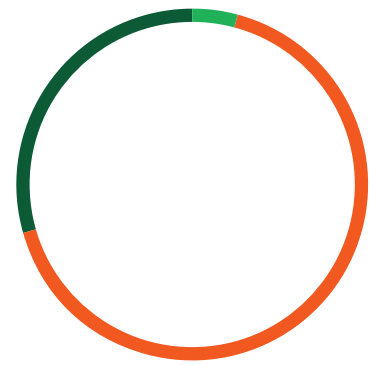
	%
● Women	21.1
● Men	78.9

Diversity of Employees by Age



	%
● 18-29 years	12.2
● 30-49 years	48.5
● 50 years and more	39.3

Diversity of Employees by Education



	%
● Primary	4.3
● Secondary	66.4
● University	29.3

While we saw a slight decline in the share of women in governing bodies in 2021, their share increased to 15% in 2022 (3 p.p. increase year-on-year). Our long-term goal is to have 30% of women in management positions. More information on our diversity and inclusion policy is in Section 5.3. of this report. The section also describes concrete steps we have taken to address this issue.

Diversity of Governing Bodies

		2020*	2021	2022
Total number		613	556	525
By gender	Women	86	68	79
	Men	527	488	446
By age	18-29 years	5	2	0
	30-49 years	327	285	261
	50 years and over	281	269	264

* 2020 data were recalculated and corrected.

Diversity of Managerial Positions

		2020	2021	2022
Total number		3,443	3,038	4,066
By gender	Women	552	410	488
	Men	2,891	2,628	3,578
By age*	18-29 years	N/A	68	136
	30-49 years	N/A	1,690	2,157
	50 years and over	N/A	1,280	1,773

Note: All employees who have at least 1 subordinate are considered managers.

* Indicator monitored since 2021.

In 2022, 2,889 new colleagues joined our Group, of which about 28% were women. In Czechia, the interest in working for the parent company ČEZ, a. s., grew for the fourth consecutive year. In total, 414 new employees were hired by ČEZ, a. s., of which about one third were employees under 29 years of age.

New Employee Hires

			2020	2021	2022
Total number			3,466	2,935	2,889
By gender	Women		1,005	846	800
	Men		2,461	2,089	2,089
By age	18-29 years		1,166	1,138	973
	30-49 years		1,547	1,336	1,366
	50 years and over		753	461	550
By region*	Czechia		2,056	1,991	2,198
	Abroad	Total	1,410	944	691
		Germany	N/A	N/A	364
		Poland	N/A	N/A	127
		Other countries**	N/A	N/A	200

* Detailed breakdown for abroad reported for the first time in 2022.

** For more details on other countries, see the CEZ Group 2022 Annual Financial Report.

Employee Turnover

		2020	2021	2022
Total number		3,225	2,883	2,748
By gender	Women	1,207	721	739
	Men	2,018	2,162	2,009
By age	18-29 years	627	647	579
	30-49 years	1,237	1,122	1,103
	50 years and over	1,361	1,114	1,066
By region*	Czechia	1,984	1,939	2,172
	Abroad	Total	944	576
		Germany	N/A	347
		Poland	N/A	110
		Other countries**	N/A	119

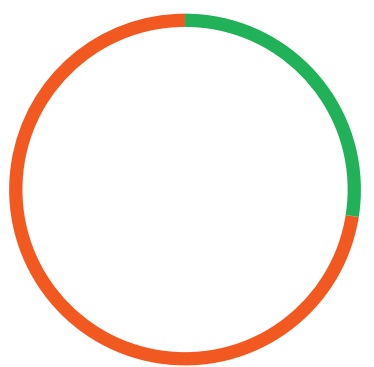
* Detailed breakdown for abroad reported for the first time in 2022.

** For more details on other countries, see the CEZ Group 2022 Annual Financial Report.

Parental Leave

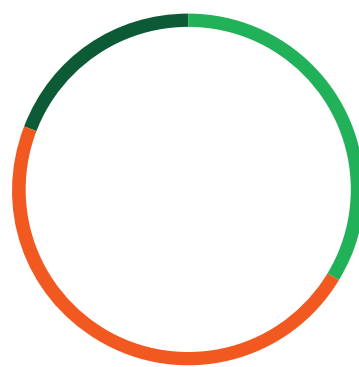
		2020	2021	2022
Employees on parental leave	Women	598	602	573
	Men	9	30	25
Employees who returned after parental leave	Women	81	75	106
	Men	8	24	37

New Employee Hires by Gender



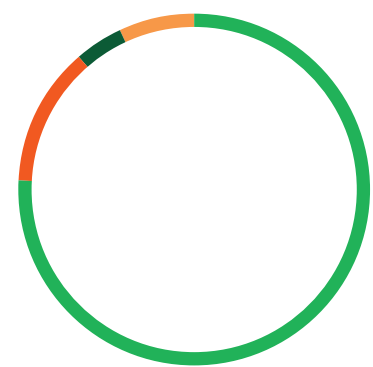
	%
● Women	27.7
● Men	72.3

New Employee Hires by Age



	%
● 18-29 years	33.7
● 30-49 years	47.3
● 50 years and more	19

New Employee Hires by Region



	%
● Czechia	76.1
● Germany	12.6
● Poland	4.4
● Other countries	6.9

Note: For more details on other countries, see the CEZ Group 2022 Annual Financial Report.

Persons with disabilities accounted for approximately 2% of CEZ Group employees in 2022, and their total number reached 569.

In Czechia, some companies with more than 25 employees failed to meet the legal requirement to employ persons with disabilities (at least 4% of the total workforce). However, these companies complied with their duty by:

- purchasing products and services from companies employing persons with disabilities or self-employed persons with disabilities (total compensation of CZK 147,421,006)
- paying a levy to the state budget (total levy of CZK 9,867,051)

Persons with disabilities

		2020	2021	2022
Total number*		N/A	557	569
By gender**	Women	N/A	N/A	124
	Men	N/A	N/A	445
By age**	18-29 years	N/A	N/A	21
	30-49 years	N/A	N/A	180
	50 years and over	N/A	N/A	368

* Indicator monitored since 2021.

** Detailed breakdown by gender and age reported for the first time in 2022.

CEZ Group fully respects and upholds fundamental labor rights, such as freedom of assembly and right to collective bargaining, which are guaranteed by our Code of Conduct, international treaties, and Czech Law. We are proud to have outstanding relationships with dozens of trade unions active across CEZ Group. The management communicates with them openly and continuously about its intentions and results. Union representation within large companies of CEZ Group in Czechia is around 32%, and over 50% in Poland. In 2022, there were 171 trade unions in CEZ Group and the collective bargaining agreements covered 22,419 (78%) of our employees. More information on trade union relations in CEZ Group is available in the CEZ Group 2022 Annual Financial Report.

The European Works Council (EWC) has been operating in CEZ Group since 2007. EWC had 21 members at the end of 2022: 14 from Czechia, 2 from Poland, 4 from Germany and 1 member from Slovakia. Two meetings were held in Prague in 2022. The meetings focused on the CEZ Group's strategy, financial performance, foreign market presence, conventional energy production, development of renewable energy sources, and new nuclear sources in Czechia.

To maintain good management-employee relations, some of the CEZ Group companies also cooperate with representatives of employees affiliated to the trade unions federation. The management of these companies, for example, participates in meetings of the executive committee of the trade unions federation.

We strive to be perceived by the public as one of the most attractive employers and as a company that can deliver new, exciting, and innovative solutions. Therefore, we want to ensure we have enough suitable candidates with the required competencies, keep up with the market, and develop customer relationships.

Our recruitment strategy relies heavily on personal contact and the transfer of experience directly from our industry experts. This approach mainly targets pupils and students from primary schools to universities.

To maintain our competitive advantage and to benefit from the experience of our colleagues, we have created a database of educational podcasts and videos available on the CEZ Group Virtual World website. Together with the svetenergie.cz web portal, Facebook, Instagram and LinkedIn profiles, and other channels, we create an online space for active contact with students and job seekers.

4.3.2. Employee Training and Development

GRI 3-3, 404-1, 404-2, 404-3

We consider training and development as an investment in the future. The key factor in CEZ Group's success has always been the professional performance of our employees. Training and development contribute to the permanent and systematic development of employees of CEZ Group companies, which is necessary for the long-term safe and effective performance of their current and potential work activities, and boost of productivity.

Training and development are also a way to develop company culture. Expectations of the management are defined by internal regulatory documentation. Rules and procedures are defined by working documentation.

The continuous evolution of the business determines the need for new technical and professional knowledge and skills. In this context, the central pillars of our training and development strategy are:

- mandatory trainings – legal requirements for employee training and professional expertise for every position
- programs that promote a culture of knowledge and experience-sharing to ensure safety, employee productivity boost, and intergenerational renewal in the long-term
- reskilling programs, aimed at acquiring new skills to fill positions or roles different from previous ones
- upskilling initiatives to optimize performance to meet new requirements
- lifelong learning to ensure constant updating and competitiveness of our employees and to achieve principles of being a learning organization

Our strategic training and development management needs include strategic objectives, analysis of needs, evaluation, and progress/performance tracking (to boost productivity). We use these inputs to analyze development needs, which help us set development priorities:

- Strategic targets and priorities (VISION 2030—Clean Energy of Tomorrow) for CEZ Group and subsidiaries
- Employee engagement survey results
- Results of regular evaluation of employees' performance
- Legal requirements
- The business unit's needs
- Development diagnostics results

We have established a systematic approach to meet legal requirements for employee training and professional expertise, with safety as our top priority. Every employee has an individual mandatory training plan for the given position.

Besides mandatory legal training, we offer a wide range of optional activities that employees can use for their professional and personal development. Employee training and development is available in three categories: for managers, for teams, and for individuals. Our goal is to cover every part of the talent management process.

Based on the results of employee evaluation or development diagnostics, employees pursue their individual development goals and plans. In individual cases, employees can study when they need to expand their knowledge (e.g., an MBA degree), broaden professional qualifications (e.g., secondary school, university), or upgrade skills for their future position or career path.

Mandatory training for all CEZ Group employees includes topics linked to:

- legal requirements (e.g., occupational safety, fire protection, information and cyber security, GDPR)
- ISO certification (e.g., environmental protection, energy management)
- internal directives (e.g., Code of Conduct, anti-corruption)

New hires receive initial mandatory training on their first day of employment and then, like existing employees, periodically after 12–36 months, depending on their workplace conditions. Subsequently, employees receive additional mandatory training depending on the qualification requirements for the specific position and activities the employee performs. Examples of such training include working at heights, working with electrical equipment or welding.

In our VISION 2030—Clean Energy of Tomorrow, we set a goal to increase the frequency of employee training in the Code of Conduct. Starting in 2022, our target is that at least 95% of employees receive annual training in business conduct and ethics. We achieved this goal in 2022.

As regards optional training, the development system consists of the following programs:

- personal – aimed at personal and professional skills
- customized – one-off or long-term; for teams or individuals
- corporate – for selected employee groups, e.g., talents, successors, women, graduates
- leadership – aimed at managers to develop a desirable corporate culture

Each program and training has particular educational goals set in accordance with the strategic priorities and needs of a specific target group.

As part of the on-boarding adaptation process, new employees participate in a one-day training course called Welcome to CEZ Group. Participants learn essential information about basic processes and become better acquainted with CEZ Group's strategy and its operation. New employees then follow an adaptation plan agreed with their manager, which focuses on the training needed for their job (e.g., job-specific training, soft or hard skills).

New managers participate in the New Manager program, which consists of at least two courses focused on strategic management and the labor legal minimum and training of key management competencies.

In the case of leadership programs, we pay particular attention to managers starting in a new position. We support managers in their new roles and increase awareness of their rights and responsibilities following the career change. In line with our long-term commitment to have 30% of women in management positions, we promote specific programs focused on women's leadership development.

Other strategically important development activities include:

- retraining and reskilling of employees affected by coal exit
- diversity and inclusion topics and work-life balance
- graduate and trainee programs.

Employees Receiving Regular Performance and Career Development Reviews (%)

		2020	2021	2022
By gender	Women	100	100	81
	Men	100	100	73
By employee category	Managers	100	100	88
	Rank-and-file	100	100	71

The reason for the year-on-year decline in the percentage of employees receiving regular performance and career development reviews is due to stricter methodologies (both of rating agencies and in-house) and a move towards more comprehensive and systematic data collection and verification.

The regular review is an opportunity for discussion between the manager and the employee about training and personal development for the next period. The discussion can result in a development plan and goals to be achieved.

When planning employee training and development, we mostly apply the 70:20:10 model. We strive to provide learning content in a form that matches preferred learning styles while following one of the main trends – making it available here and now or anytime and anywhere.

Model	Form of Training/ Development	Activities
70	On-the-job training	completing more challenging tasks
		participation in projects
		learning from mistakes
		deputizing/rotation
20	Self-development	evaluation interview/working with feedback
		sharing solutions to difficult tasks with others
		collaboration
		coaching/mentoring
10	Formal education	face-to-face courses/e-courses
		workshops
		seminars/conferences
		literature

In 2022, the total time spent on training was 1,208,901 hours, while the average training time per CEZ Group employee was 42.1 hours (34% higher than in 2021 due to the growing demand for training activities, especially face-to-face, which were severely curtailed during the covid-19 pandemic). Another significant factor was the Nuclear Energy Division Training Project called Závky, which has been included as a standard training activity since 2022.

Training Hours per Year

	2020	2021	2022
Total number	664,615	879,870	1,208,721
Average hours of training per employee	37.7 ¹⁾	31.4	42.1

¹⁾ Indicator includes ČEZ, a. s., and selected subsidiaries.

Training Expenditures

	2020	2021	2022
Total expenditures* (in mil. CZK)	N/A	111.2	169.3
Average expenditures per employee* (in CZK)	N/A	3,965	5,894

* Indicator monitored since 2021.

Evaluation of training and measurement of effectiveness is one of key priorities. Training activities include structured requests for feedback, which is conducted after training events to monitor and evaluate the effectiveness, success and the need for potential improvement.

Other tools we use for evaluating the effectiveness of education include managerial feedback (the manager evaluates effectiveness of selected courses completed by subordinates), 360° feedback, development centers, evaluation of individual development plans and diagnostics in the case of long-term development programs, and regular retrospective evaluation workshops with management. Based on feedback, we adjust or supplement the offer of educational activities and prepare the content of follow-up activities.

For several years now, we have had a stable ratio of about one-fifth of employees eligible to retire within ten years. Given the nature of the energy industry, we know that ten years is not a long time, especially for technical positions. Therefore, we need to manage the generational turnover of staff carefully with an emphasis on knowledge management – talent programs, succession planning, communities of practice, etc.

When retiring, the date of retirement is usually agreed several months in advance. The aim is to ensure that a new employee is recruited well in advance and that ideally there is an overlap of several months between the retiring employee and the new employee.

Through the knowledge management system, we ensure that critical expertise and experience are retained. To eliminate the loss of employee know-how, the know-how is transferred between several employees. By creating opportunities for effective sharing of knowledge, experience and best practices, and by creating knowledge bases (such as handbooks and knowledge portals), we strive to manage generational change smoothly.

In the past 4 years, we have significantly increased the number of professional communities. The key element for the work of these expert groups is the professional recognition of employees who participate in the work of the communities. These professional communities deal with our key expert topics. A significant part is the sharing of lessons learnt and actions taken in problems specific to our business. Such activities strengthen our professional relationship with suppliers, regulatory bodies, other operators, schools, and professionals.

In terms of talent recruitment, we are proud of our World of Energy education program, which has a 30-year-long history of supporting technical education. We help all generations to understand energy and physics and, as a result, lead excited students and would-be engineers to their dream careers. As part of the World of Energy program, we established a club to bring together physics, chemistry and other science teachers and inspire them to teach their subjects more enjoyably. Currently, the club has more than 800 teachers.

We also address generational turnover and long-term recruitment demands by promoting technical education either in close cooperation or in partnership with schools and universities. We organize various events (e.g., programs, internships) for pupils, students, and teachers. We hold the Summer University for students at technical universities so that they can learn more about working in a nuclear power plant and possibly receive a scholarship and start their career at CEZ Group. We especially encourage women to participate. In 2022, women made up almost 17% of attendees.

In 2022, we organized the first Trading Camp focused on energy and other commodities trading.

In addition to dedicated programs and internships, we cooperate with students on their theses (bachelor, diploma, dissertation) with the subsequent possibility of prospective employment in the company.

We also keep pupils at primary and secondary schools in mind. Since 2015, we have been hosting the I Know Why competition. Based on the notion of children teaching children, we give the pupils the opportunity to showcase physics in practice in short videos and win valuable prizes for themselves and their schools. We give a dedicated prize to the best girls-only team.

Since 2022, we have organized two runs of the Green Energy Tour for secondary school students, during which they get to know CEZ Group from different perspectives. We also organize regular events such as:

- Nuclear Diploma
- Distribution Diploma
- Energy Diploma
- ESCO Diploma
- CEZ Experience

We run an educational web portal, World of Energy, which serves as a source of information on energy for children from kindergartens to students at universities. Some CEZ Group employees lecture at various universities and colleges.

Early recruitment and training of new colleagues are, in some cases, critical for the successful management of generational change. For example, training of nuclear power plant operators takes more than two years from the time an employee is hired. This may not seem like a long time, but the key factor is that only about 16% of applicants pass the final selection process for this position. In recent years, fresh university graduates have been the most valuable source of new operators, accounting for over 80% of all new operators.

In some cases, internal recruitment takes precedence. Key positions are identified in cooperation with management at all levels of the company. As part of talent management and succession planning, employees with managerial potential are identified based on feedback and receive individual training (their development program focuses on personal skills and economic and legal knowledge).

Employees Eligible to Retire in the Next 10 Years

			2020	2021	2022
Total number			7,252	6,304	6,513
By job position	Managers		816	749	797
	Rank-and-file		6,436	5,555	5,716
By region*	Czechia		5,530	5,581	5,766
	Abroad	Total	1,722	723	747
		Germany	N/A	N/A	401
		Poland	N/A	N/A	242
		Other countries**	N/A	N/A	104

* Detailed breakdown for abroad reported for the first time in 2022.

** For more details on other countries, see the CEZ Group 2022 Annual Financial Report.

4.3.2.1. New Learning Management System (LMS)

In 2022, a new learning management system was developed and implemented. The LMS SAP SuccessFactors, branded internally as Profík (The Professional), was launched at the beginning of 2023. It replaces an outdated and, in many aspects, obsolete LMS and other peripheral applications related to educational process.

The goal is to manage all learning and development activities and also external workers (supplier entities) in one solution, which is planned to be extended to other SAP SuccessFactors HXM modules in the future.

We expect to extend the amount of blended learning and to provide educational content to a broader target group to further support the principle of a learning organization.

4.3.3. Security Personnel Trained in Human Rights Policies or Procedures

GRI 410-1

All workers providing physical security at CEZ Group premises receive several mandatory training courses (periodically recurring) in ESG and human rights, which are documented. A code of conduct of companies providing physical security is included in the documentation of physical security at CEZ Group premises. Contracted security services have designated ESG contact points or have established IMS/ESG Compliance Coordinators.

The training of security personnel providing physical security for CEZ Group facilities (including both nuclear power plants) is carried out on several levels. The general part of the training on ethical conduct is included in the initial e-learning training and explains to the workers, among other things, where to find all the necessary information, including contacts to reach in case of need.

At nuclear power plants, security workers undergo the IMAGE training module, which primarily focuses on ethical and professional conduct during checks carried out as part of the physical security. The mandatory training emphasizes the elimination of any discriminatory behavior and the use of force in the performance of security services. All security guards at nuclear power plants undergo the training once a year.

Verification of compliance with ethical conduct by personnel providing physical security for CEZ Group facilities is subject to a compliance audit.

4.3.4. Training of Suppliers and Contractors

The scope of our training programs also includes training of suppliers/sub-suppliers and contractors/subcontractors.

Workers in our supply chain always receive training focused on safety issues at our facilities (e.g., health and safety, environmental management system, nuclear safety). Their training in information and cyber security is equally important. The training is available online (e-learning) or in person, and it is taken mostly by blue-collar workers and engineers.

The majority of training courses end with a final test. Psychological tests are prerequisites for certain jobs or entry to specific zones (e.g., nuclear power plants).

Occupational safety training of workers in our supply chain is a key element for improving safety at CEZ Group's workplaces. Therefore, occupational safety training is also mandatory for managers and supervisors of suppliers; once a year in nuclear power plants or once in two years in conventional power plants.

4.3.5. Requalification

In VISION 2030—Clean Energy of Tomorrow, we pledged to be a responsible employer. The implementation of our ESG strategy requires us to address the implications for employees affected by coal exit. We will provide reassignment, retraining, reskilling or compensation to all employees impacted by coal exit.

4.3.5.1. Transition, Retraining, Reskilling, Compensation

GRI 404-2

In line with our VISION 2030—Clean Energy of Tomorrow, we will phase out coal gradually, although the current situation in Ukraine introduces a number of new variables into the process. The current energy crisis is reflected in the operational design of individual sites. The required availability of individual coal sources will also have implications for employees. We expect to maintain higher employment for a longer period than originally planned. The changing conditions place high demands on the flexibility of HR tools and measures.

As a result of the ongoing military conflict in Ukraine, gas supplies from Russia are threatened, and the activities to meet the objectives of VISION 2030—Clean Energy of Tomorrow have significantly intensified in the area of renewable energy development – the construction of 1.5 GW of RES by 2025 and 6 GW of RES by 2030.

As of October 1, 2022, the Renewable and Traditional Energy Division established the Renewable Sources business unit. The establishment was necessary due to the unit's indispensable role, especially in the technical specification of projects, building the RES operational control room and setting up the maintenance of the newly constructed RES.

The organizational unit consists of 72 positions, which will be filled gradually. It will be staffed by, among others, existing employees from coal sites with high potential, able to draw on their previous work experience and committed to learning new skills.

Organizational entities across segments are involved in meeting the objective of preparing and implementing renewable energy sources. Cross-segment integration enhances the professional quality of project preparation from the development phase (opportunities research and project preparation until the building permits are granted) to the operation and maintenance phase.

The renewable projects development is provided by ČEZ Obnovitelné zdroje. The following implementation phase (i.e., detailed design, construction, and commissioning) is the responsibility of the Technical Department of Renewable & Conventional Power Division. The actual operation and maintenance of the newly constructed renewable energy sources will be provided by the newly established Renewable Sources business unit. The fulfilment of the set objectives will gradually require increased staff capacities in all participating units.

The phase-out and the associated closure or transformation of our production facilities will cause numerous social impacts. We aim to ensure that the organizational changes lead to a fair transition for all affected employees.

We publicly commit to provide reassignment, retraining, reskilling, or compensation to all employees affected by coal exit. To be as transparent as possible, we established a parity working group in 2021 to address coal site decommissioning. This platform brings together management and employee representatives, i.e., trade union leaders from the affected locations, on a regular quarterly basis. The activities of the parity group continued in 2022.

As part of the parity working group, we discuss the future concept of workplaces in terms of existing and new assets, the status of subsidy programs, and the impacts of changes on staff. Employers' and workers' representatives discuss specific plans for the future of the workers affected by the coal exit based on the following priorities:

- maintain the necessary employment at the affected locations until their closure
- employ existing staff in jobs created by the transformation of the sites, both during construction and in subsequent operations
- employ existing employees within the CEZ Group's internal labor market
- provide an above-standard social compensation program for redundant employees

To meet these priorities, we apply the following:

- measures are set out in the collective agreement (above-standard severance pay)
- specific motivation elements (bonuses, target bonuses)
- employee retraining
- specific tools in the recruitment and selection process (applications supporting the internal labor market and internal career days, mobility support)
- an outplacement program
- cooperation with local institutions in the region

In 2022, we focused on two priorities in particular. The first priority were workshops for managers, which we organized at the Dvůr Králové nad Labem heat plant and the Dětmarovice power plant. Their aim was to introduce managers to new skills and techniques aimed at coping with the uncertainty at the time of closure.

The second priority is closely related to strengthening the competitiveness of employees from coal sites on the internal and external labour market. CEZ Group will offer employees from coal-exit sites the opportunity to take vocational courses to learn new skills during their current employment. Employees interested in a new position in the Group will have the opportunity to take courses that provide qualifications currently used in one of the CEZ Group entities.

Depending on the nature of the organizational change, we discuss and inform the trade union representatives of the details of the changes and the time required to implement them.

When deciding on contract termination, we consider the employee's performance, qualifications, and retraining opportunities. We use natural departures, such as retirement, and retrain employees for positions vacated by employees who retired. At the same time, we seek employment for our employees within CEZ Group. Finally, we also offer outplacement services (e.g., workshops, individual follow-up consultations, Helpline) to help affected employees find new jobs.

Upon termination of employment for organizational reasons, we proceed fully in accordance with the collective agreement. We provide severance pay of up to ten times the average monthly earnings depending on the length of employment. In this respect, we go well beyond the severance pay specified in the Labor Code. In the case of termination agreements, we increase the severance pay according to the number of months remaining until the employee becomes eligible for a retirement pension. When both severance payments are combined, we compensate up to 19 times the employee's average monthly earnings.

All affected employees may apply for a retraining course in accordance with the applicable collective agreement. The objective is to encourage new career paths for employees. This way, employees broaden or deepen their professional qualifications and skills needed to find a new job in the labor market, with the costs of up to CZK 40,000 covered by the employer. Employees must apply for retraining before termination of employment. If the retraining occurs during employment, the employee may take time off work with wage compensation equal to average earnings.

4.3.6. Health and Safety

4.3.6.1. Occupational Health and Safety Management System

GRI 3-3, 403-1, 403-2, 403-8; SASB IF-EU-320a.1

These are the main principles of the Safety and Environmental Protection Policy adopted by the Board of Directors of ČEZ, a. s.

- We put safety, protection of life and health above other interests.
- We consider safety and environmental protection to be an integral part of our management system.
- Safety and environmental protection are an integral part of the mindset, behavior and work habits of all employees and suppliers.
- In our activities, we place great emphasis on environmental protection, including pollution prevention.
- Compliance with mandatory obligations is a natural part of our activities.
- We constantly improve our environmental management and occupational health and safety management systems.
- We require the same approach to safety and environmental protection from our suppliers.

The Policy is the key document of the Occupational Health and Safety (OHS) Management System and Environmental Management System and is supplemented by related internal documents.

The OHS management system is implemented in CEZ Group companies in accordance with:

- national legislation
- the ISO 45001 standard or
- the Safe Enterprise national program (follows the ISO 45001 standard, the principles set out in the National Manual for the Implementation of OHS Management System and the ILO OSH-2001 manual, and also meets the requirements of the EU Strategic Framework on OHS)

The Safe Enterprise program was introduced by the State Labor Inspection Office, which also conducts inspections and issues certificates for companies that have met the program's requirements.

In CEZ Group, OHS is among the five basic principles (see Section 5.4.1.1) and therefore has a major role in the overall company management.

Safety is placed at the top of the CEZ Group's strategic priorities. The main safety priorities and principles are:

- continuous compliance with the Safety and Environmental Protection Policy
- meeting the requirements for improving the safety of nuclear power plant operations
- long-term improvement of safety in the non-nuclear activities of CEZ Group

Safety and health protection are included in our annual performance indicators. Frequency of fatalities as a result of work-related injury and work-related injuries are part of our management KPI.

Safety Topic of the Year is annually declared in accordance with the Group's rules and objectives. Individual CEZ Group companies announce their Safety Topic of the Year which is linked to their key performance indicators and priorities and is based on their safety risk assessment.

We regularly prepare a safety status report for the Board of Directors. Based on the report, we implement measures and projects to improve the safety at CEZ Group.

We continuously review our safety weaknesses and strengths, revise emergency plans, and train emergency teams, employees, and other concerned parties.

We ensure compliance with relevant legislation: designated departments carry out annual internal audits and risk analyses of the OHS system and regularly communicate safety performance indicators to stakeholders. Based on the audit findings, changes in legislation, and periodic risk assessments, we take preventive measures and update safety guidelines and procedures. We also improve working standards.

All CEZ Group companies have an OHS management system in place that follows the requirements of the relevant national legislation. Based on the number of employees and the severity of the assessed OHS risks, selected companies have implemented and certified their management system according to ISO 45001 or the Safe Enterprise national program (certificate is issued by the State Labor Inspection Office following an audit). Both nuclear power plants are holders of the Safe Enterprise certificate.

We consider an OHS management system to be implemented if it meets the requirements of national legislation. In 2022, we achieved the following employee coverage by the OHS management system:

Number of employees	28,727
o/w number of employees covered by the OHS management system	28,039 (97.61%)
o/w number of employees covered by the OHS management system that has been internally audited	23,096 (80.40%)
o/w number of employees covered by the OHS management system that has been audited or certified by an external party	16,312 (56.78%)

Note: Figures are reported only for employees and based on information provided by CEZ Group companies. No employees have been excluded from reporting. Changes in the portfolio of fully consolidated CEZ Group companies affect year-to-year variations in the coverage of the OHS management system, especially as regards the system audited or certified by an external party.

Certification standards used:

- ISO 45001:2018, certification by accredited certification bodies
- Safe Enterprise 2017 national program, certificate is issued by the State Labor Inspection Office following an audit.

We keep a register of OHS risks and continuously evaluate all potential dangers. To identify potential hazards, we use all possible sources of information, including consultations with employees. In the case of work accidents, we perform an ad-hoc OHS risk analysis and put the findings into practice. Risks are identified by professionally competent persons with legally required qualifications.

Individual workplaces are classified into categories that reflect the overall strain level (according to national legislation, factors that affect the quality of working conditions in terms of health are assessed). Working with ionizing radiation is one kind of strain.

Identification of OHS events stems from: (1) notifications from employees or other persons located in CEZ Group facilities or in the vicinity of CEZ Group installations or facilities, (2) information about events from dispatching control, or (3) monitoring of technological parameters.

As part of incident management, we have established a procedure for reporting injuries and created tools for unified record keeping. When necessary, the parties involved are informed through an emergency notification. Following national legislation, we report work-related injuries to the Police and the Labor Inspection Office.

Once a work-related incident has been reported, we must establish the cause, circumstances, and other aspects of the incident. Representatives of trade unions are invited without undue delay to help investigate the incident. In addition, other experts (inspection technicians, forensic experts, other managers, etc.) are invited to help investigate the cause of the incident.

To determine compensation for damages, we must assess the degree of incident fault of the person affected. We proceed in accordance with the law (Act No. 262/2006 Coll.). The record of assessment and investigation is part of the documents submitted to the insurance company which insured the employer against liability.

We identify and monitor near misses. We understand that there is a potential to gain more input to improve the OHS management system. We want our employees to be aware of dangerous situations and how to prevent them. At the same time, we want them to be able to identify dangerous situations and report them to a manager or register them through a dedicated application.

We are preparing an intensive awareness campaign for 2023 and the development of new IT system features to facilitate the recording of near misses. The campaign is designed as an educative comics and will be supplemented by articles, regular analyses of near misses/injuries, interviews with OHS experts, and followed by quizzes, tests, and contests.

4.3.6.2. Occupational Health and Safety

GRI 403-3, 403-4, 403-5, 403-6

In terms of OHS training, new employees complete a mandatory induction training on their first day at work, existing employees every 2 years, and managers every 3 years. During the training, employees learn about the OHS management system, the duties of employees and the employer, other conditions for ensuring OHS and practical examples of accidents resulting in work-related injuries. All employees are trained in first aid.

In the case of suppliers' workers, our OHS training follows the training that must be legally provided by their employer. In nuclear power plants, suppliers' workers are trained in OHS prior to being allowed to enter the nuclear power plant or being appointed to the role of work supervisor/preparer. To extend entry to the facility or appointment to the role of work supervisor, they are periodically trained once a year. During the training, they learn about the specifics of working in nuclear power plants, expected behavior, OHS workplace conditions, and the work management system. In conventional and hydroelectric power plants, suppliers' workers are trained for the role of responsible persons and work managers before starting work and every two years thereafter.

The OHS training rules and the training framework are defined in the training programs by the OHS experts. Training courses are delivered by internal employees with the appropriate expertise (e.g., they are professionally qualified in OHS). For non-Czech speakers, we ensure that the training is interpreted or available in different language versions. The training is provided free of charge to both internal employees and suppliers' workers.

We collect feedback from the training (content, practical use of the knowledge acquired, trainers, overall organization) and use the results for continuous improvement.

Every employee receives occupational medical examination, the extent and frequency of which depends on the nature of work and legal requirements.

We use a network of contracted providers of occupational health services throughout Czechia. The quality of services is set out in the contract. We monitor and evaluate the quality of services based on feedback from employees. For key providers, we have been successful in improving the quality of services.

The occupational medical examinations result in a doctor's report containing a decision on the employee's fitness or unfitness for work, which the employer is legally compelled to determine. We do not collect confidential information about the employee's health condition.

Employees working in shifts are enrolled in the Premium Health Care Program. As part of the program, they undergo above-standard medical examinations focused on the prevention of diseases of civilization, and at the same time they receive a health care allowance in the form of an additional contribution to the Cafeteria benefit account intended for their health care (spas, wellness, vacations, sports activities, or can be used for the purchase of medicine, etc.). The employer bears the full cost of this program. Employees receive the results of the above-standard medical examinations exclusively for their own use. We only receive an annual statistics report from the providers to evaluate the effectiveness of the program without the personal data of the employees.

For medical examinations, employee personal data is provided to the healthcare facility via a secure data zone in the healthcare facility. No sensitive medical examination data is disclosed to us.

Employees may need vaccinations due to increased risks arising from their work activities, e.g., against tick-borne encephalitis, rabies, and hepatitis. All employees are also offered vaccination against seasonal influenza, and vaccination against covid-19 continues to be provided on site if there is sufficient interest among employees. All vaccinations are voluntary and free of charge for employees. The company covers the cost and, where possible, provides on-site vaccinations. Employees can receive medical examinations and vaccinations during their working hours. To schedule a medical examination quickly, employees can use an online form on the intranet.

Employees can use a special hotline for information about covid-19. They can also contact an anonymous psychological helpline that was set up during the first covid wave in 2020 and remains in operation. Online presentations on health promotion, first aid, mental wellbeing, anti-stress techniques, and healthy lifestyle are available on the intranet.

Health Days are very popular events among the employees. They take place both face-to-face and online and are organized in cooperation with Oborová zdravotní pojišťovna (Union Health Insurance Company) as part of prevention programs. During Health Days, we offer employees birthmark checks, physiotherapy consultations, massages by blind masseurs, eyesight tests, body composition measurements, and other health-related services. We also provide webinars on healthy nutrition and lifestyle.

For CEZ Group employees and their family members, we offer unlimited free access to health care via www.ulekare.cz, which provides an online medical counseling service and doctor appointments. This service is accessible via the website or in a mobile app.

All employees can take two paid sick days annually.

Except for mandatory legal medical examinations, all other medical benefits are voluntary for employees. The decision whether an employee takes advantage of the benefits does not have any impact on the employee's future career and is not considered an advantage/disadvantage in their job.

Worker participation, consultation, and communication on occupational health and safety is ensured through monitoring, measurement, and evaluation processes. Employees evaluate or are evaluated, provide feedback, contribute to the improvement of processes or activities, or confirm they are competent to achieve specified results.

The most used methods are:

- monitoring (reporting)
- measurement (controls)
- self-evaluation
- benchmarking
- internal independent evaluation
- external evaluation

These activities result in outputs called non-conformance or suggestions for improvement.

Employees and suppliers can make suggestions on OHS issues via the Staff Inquiry Box or during OHS training.

Trade unions are involved in the discussion of OHS topics, relevant internal documents of CEZ Group companies relating to OHS, and they participate in debates on OHS issues and workplace incident investigations. Trade unions also participate in regular OHS inspections at all CEZ Group workplaces. The inspections are performed by inspection committees composed of employees of CEZ Group companies at their respective workplaces or facilities. The inspection results are presented to the facility management and discussed with an appointed trade union representative.

4.3.6.3. Work-related Injuries and Ill Health

GRI 403-9, 403-10; SASB IF-EU-320a.1

We monitor relevant indicators and rates of work-related injuries. Based on the results, we update the methodology for recording workplace accidents of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, i.e., mainly suppliers (hereinafter referred to as workers who are not employees) to improve OHS.

In case of work-related injuries, the OHS Department conducts an on-site investigation. Upon completion of the investigation, corrective actions are taken, and their effectiveness is subsequently monitored.

To enable better comparisons, we introduced the reporting of the Lost Time Injury Frequency Rate (LTIFR). We issued an internal methodology for data collection and reporting of this parameter including software support and held workshops for data collection and reporting staff.

We monitor workplaces and activities with a high incidence or high risk of specific injuries and illnesses. Primarily, we focus on positions with risk factors related to vibration, noise, radiation, and dust.

In 2022, we recorded the following statistics for work-related injuries:

Work-related Injuries

			2020	2021	2022
Hours worked*	Employees		N/A	44,940,976	44,601,279
Fatalities	Employees	number	3	1	0
		rate**	N/A	0.02	0.00
	Workers who are not employees	number	0	1	0
High-consequence injuries***	Employees	number	N/A	N/A	7
		rate**	N/A	N/A	0.16
	Workers who are not employees	number	N/A	N/A	5
Reported injuries	Employees****	number	N/A	N/A	580
		rate**	N/A	N/A	13.00
	Workers who are not employees	number	81	25	60
Injuries with absences of 1 day or more***	Employees	number	N/A	N/A	134
		rate** (LTIFR)	N/A	2.89 ¹⁾	3.00
Injuries with absences of more than 3 calendar days	Employees	number	147	130	130

* Indicator monitored as of 2021.

** Frequency calculated per 1,000,000 hours worked.

*** Indicator monitored as of 2022.

**** In 2020 and 2021, work-related injuries with absences of more than 3 calendar days were monitored.

¹⁾ The indicator for 2021 was calculated on a pilot basis based on the number of reported injuries with absences of more than 3 days.

In 2022, there were no fatalities, which is our annual target. We continue to improve our measures to prevent serious workplace accidents and injuries to meet this target in the long term.

Main Types of Work-related Injuries

	2020	2021	2022
Employees	Fall on a flat surface, road accident, fall from a height, slipping, cargo handling	Electricity, fall on a flat surface, leg and arm injuries, tripping, slipping	Leg/arm injuries, bruises, lacerations, cuts, sprains, falls, electricity, tripping, burns
Workers who are not employees	Fall on a flat surface, fall from a height, cargo handling	Electricity, sprained ankle, laceration on head, falls	Leg/arm injuries, bruises, cuts, sprains, electricity, falls

Work-related Ill Health

		2020	2021	2022
Fatalities because of ill health	Employees	0	0	0
	Workers who are not employees	0	0	0
Reported cases of ill health	Employees	0	0	0
	Workers who are not employees	0	0	0

4.3.6.4. Nuclear Safety and Emergency Preparedness

GRI G4-DMA; SASB IF-EU-540a.1, IF-EU-540a.2

We operate two nuclear power plants, Dukovany and Temelín, which are the basis of our generation portfolio. Since nuclear safety is one of the most strictly regulated and internationally monitored areas, we:

- keep track of the environmental and human health impacts of nuclear operations
- handle radioactive waste safely using the latest technologies in its treatment and processing
- improve our safety systems and implement best practices and recommendations of nuclear authorities

Both nuclear power plants meet international requirements for safe operation and are subject to periodic safety reviews and regular international reviews by the nuclear authorities. Both nuclear power plants are holders of the Safe Enterprise certificate, issued by the State Labor Inspection Office following an audit.

In terms of emergency preparedness, nuclear power plants follow the Internal Emergency Plan for Nuclear Power Plants approved by the State Office for Nuclear Safety (SONS). Additionally, both nuclear power plants adhere to the External Emergency Plan for the Emergency Planning Zone, drafted by the regional Fire Rescue Service (FRS) in cooperation with the power plants and other organizations.

Each nuclear power plant has its own Emergency Control Center, which includes an Emergency Response Team and a Technical Support Center to ensure round-the-clock technical stand-by in the event of an emergency.

We test emergency preparedness annually using unannounced exercises, and we apply various exercise scenarios such as technology failure, radiation accident, and environmental accident. We engage all persons present on the premises during the exercises, including suppliers and their workers. We cooperate with public authorities (SONS, Czech Fire Rescue Service, regional and municipal authorities) and international organizations during the exercises.

Regarding fire protection, each plant has its own Corporate Fire Brigade unit (CFB), which is part of the Czech Integrated Rescue System. If necessary, CFB units may operate off-site under the regional emergency plan. The most important focus of CFBs is prevention.

In 2022, 22 emergency exercises and rehearsals of the use of alternative and mobile means took place at both nuclear power plants and followed the approved scenarios. The emergency exercises and rehearsals occurred as planned, with all state pandemic measures against covid-19 observed.

As part of nuclear safety, we monitor the impact of nuclear operations on the environment and human health. Long-term environmental monitoring programs for nuclear power plants have confirmed that we operate without negative environmental impacts.

We also apply the ALARA (As Low As Reasonably Achievable) principle, which means that exposure or radioactive contamination of employees should be kept as low as possible. The value of the collective effective dose is consistently below the median of the World Association of Nuclear Operators.

Every two years, CEZ Group provides the population in nuclear power plant zones with basic information on what to do in the event of a radiation accident.

Firefighter Callouts from Nuclear Power Plants in Cooperation with the Integrated Rescue System

	2020	2021	2022
Total number	56	77	84

Fires at Nuclear Power Plants

	2020	2021	2022
Total number	1	0	0

Crisis Communication

In crisis communications, the management proceeds according to applicable legislation, crisis commutation plans, and emergency plans. In CEZ Group, the main crisis communication roles are assigned to the Communication and Marketing Department and the Fire Protection and Crisis Preparedness Department.

The Communication and Marketing Department ensures:

- contact with the media
- internal communication
- communication with local and public authorities and external bodies of the Integrated Rescue System (Czech Fire Rescue Service, Czech Police, Medical Rescue Services)

The Head of the Communication and Marketing Department is a member of the CEZ Crisis Management Board (CMB) and regularly reports to CMB.

In the case of an incident at a nuclear facility, the nuclear power plant emergency committee (NPPEC) is activated, including its designated spokesperson, who handles communication between CEZ Group and external crisis management units. Before the activation of NPPEC, the shift engineer is responsible for early warning of the population in emergency planning zones and informing local authorities and state administration bodies. Upon its activation, NPPEC takes over and carries out these activities.

Communication of nuclear emergencies follows:

- Crisis Management Directive
- Crisis Communication Guidelines
- Emergency Response Instructions

All means of nuclear crisis communication (e.g., guidelines, instructions, plans, databases) are subject to regular quarterly reviews, and technologies used are tested continuously, at least once a week.

As for power and heating plants of the Renewable and Conventional Energy Division, Emergency Preparedness Plans have an annual review period.

We distribute an emergency manual to residents of emergency planning zones of nuclear power plants. We want to ensure that residents have basic information in case of emergencies. As for distribution network emergencies, customers are most concerned about outage management. Customers want to know our procedures, and they are especially interested in the estimated time of the renewal of electricity supply.

The Distribution Grid Emergency Handbook provides more details related to our crisis management. The Handbook serves as a guide for Emergency Response Teams and municipalities. The Handbook also includes the necessary crisis hotlines, information on our emergency procedures, and tips on how to prepare for and what to do in case of an outage. The public version of the Handbook is available on our website.

Before planned outages and during distribution network emergencies, we inform our stakeholders through various communication channels (e.g., spokespersons, websites, hotlines, the online portal bezstavky.cz, SMS/email notification service). We see digitalization as an important aspect of crisis communication and informing the public about planned outages.

4.3.6.5. Conventional Power Plants Safety

All our power and heating plants from the Renewable and Conventional Energy Division (i.e., coal, gas, hydro) have an emergency plan required by law. In the emergency plan, the plant's preparedness for accidents and emergencies is described. The emergency plan is followed by an Emergency Preparedness Plan (EPP), which sets out the procedures for communicating and dealing with an emergency in a specific location.

Pursuant to the Fire Protection Act, the Renewable and Conventional Energy Division has established a corporate fire brigade unit (CFB), which operates at stations in designated plants. The CFB unit is an essential part of the Integrated Rescue System (IRS) of Czechia. The CFB unit's organization, competence, and ability to act are organized, methodically managed, and controlled by the Czech Fire Rescue Service (FRS).

The CFB unit training takes place in accordance with legal requirements. The professional competence of all employees assigned to the CFB unit is assessed every five years by the Commission of the Ministry of Internal Affairs of the FRS.

All power and heating plants conduct at least one emergency exercise each year to review the safety procedures in the EPP and the activities of the Emergency Response Team (ERT) and power and heating plant personnel. Further, emergency exercises test the cooperation with external entities (e.g., the FRS, Czech Police, Medical Rescue Services, and relevant state and municipal authorities). The situations simulated in the emergency exercises include fire, explosions, presence of toxic or flammable gases, technological malfunctions, the rescue of people, leakage of hazardous substances, and breach of physical security.

Every two years, conventional power and heating plant employees take an e-learning course on emergency preparedness, while ERT members receive regular in-class training every year.

Firefighter Callouts from Conventional Power and Heating Plants in Cooperation with the Integrated Rescue System

	2020	2021	2022
Total number	29	18	22

Note: Data include power and heating plants from the Renewable and Conventional Energy Division of ČEZ, a. s.

Fires at Conventional Power and Heating Plants

	2020	2021	2022
Total number	3	1	4

Note: Data include power and heating plants from the Renewable and Conventional Energy Division of ČEZ, a. s.

4.4. Customer Orientation

GRI 3-3, 416-2

4.4.1. Approach to Customers

CEZ Group serves customers responsibly and provides comprehensive energy advice and services that can be customized to customers' needs. We offer energy solutions to various individuals and institutions: residential customers, industrial companies, small and medium-sized businesses, municipalities, public and private organizations, hospitals, schools, sports arenas, and companies managing buildings and premises of all types. Our energy solutions reduce energy consumption and improve our customers' quality of life by using advanced technology for electricity and heat generation, lighting comfort, and mobility.

CEZ Group actively supports market cultivation and education in the fight against unfair practices of door-to-door sellers of electricity and gas. We support stricter legislation, and we help customers fight unfair practices. We evaluate all our sales and marketing practices on the market to meet the highest standards, and we have been perceived as the most trustworthy brand on the market for many years. We have also set benchmarks for ensuring that contracts and terms and conditions are as transparent and fair to customers as possible. Our commercial and contractual conditions are transparent and unambiguous. Our employees receive regular training to offer the most appropriate and customized solutions to our customers while maintaining the highest level of service.

CEZ Group invests billions of Czech crowns into distribution system facilities to ensure a safe and reliable electricity supply. In case of an emergency, new advanced elements allow us to locate the point of failure faster and restore supply sooner. The reliability of the electricity supply and the speed of its restoration in case of failure are key indicators of our customers' satisfaction.

In mid-2021, ČEZ Distribuce launched the Cooperating Partners program, which establishes cooperation between inspection technicians and energy companies. The program aims to help customers simplify and speed up the entire administration of inspection reports and reduce the error rate in these reports. Inspection technicians have access to the Distribution Portal to verify the technical data of the point of consumption and can confirm inspection reports online. The interest in the program is significant; ČEZ Distribuce currently cooperates with more than 500 inspection technicians.

4.4.1.1. Access to Basic Services and Programmes for Vulnerable Customers

GRI G4-EU4, G4-EU12; SASB IF-EU-000.C, IF-EU-240a.1, IF-EU-240a.2, IF-EU-240a.3, IF-EU-240a.4 / SDG 7, SDG 10

ČEZ Distribuce is the largest electricity distribution system operator in Czechia. It operates on almost two thirds of the country's territory, inhabited by about 61.5% of the population (population density of about 124 persons/km²). The following table shows the length of above ground and underground lines of the distribution system.

Above and Underground Lines (km)

	2020	2021	2022
Length of above and underground lines	166,686	167,628	168,533
o/w high voltage	10,000	10,002	9,998
o/w medium-voltage	51,134	51,295	51,462
o/w low voltage	105,552	106,331	107,073

Regarding connection to the distribution network, ČEZ Distribuce responds to the requests of individual applicants and proposes customized solutions for the connection of individual consumers and power generation plants. Due to the situation on the energy market in 2022 and the subsidy policy introduced by the Czech government (the Modernization Fund), we expect an increasing number of requests for connection of power generation plants (mainly stand-alone photovoltaic power plants). Thanks to the Modernization Fund (at least CZK 300 billion), ČEZ Distribuce will help increase the energy security and self-sufficiency of its customers.

Number of Requests for Connection

	2020	2021	2022
Requests for connection to energy supply	N/A	144,688	130,478
Requests for connection of power generation plants and micro-generators	6,649	16,191	70,212

The massive boost of renewable energy sources and especially photovoltaics brings along greater demands on the capacity of the network and related investments. As of December 31, 2022, ČEZ Distribuce registers requests for connection of generation plants with a capacity of approximately 13.8 GW, of which 57% is already met by signed Future Connection Agreements.

We see the following as important areas for further development with the potential to connect new customers:

- industrial areas around motorways
- urban zones
- areas planned for the construction of an e-car battery factory
- popular tourist locations

To develop the distribution system and ensure access to basic services, we also cooperate with state and local governments. Responsibility for the cooperation lies with a specialized department of ČEZ Distribuce, Public Sector Care, consisting of 11 representatives. In total, there are 4,063 municipalities (incl. city districts) in the distribution territory of ČEZ Distribuce, and each representative of the specialized department attends on average 120 meetings per year with representatives of state and local governments.

ČEZ Distribuce takes great care to ensure that the quality of the supplied electricity complies with binding standards. To evaluate the quality, ČEZ Distribuce performs permanent measurements at system nodes and temporary measurements at selected points of the system.

As a result of the deregulated EU electricity market, ČEZ Distribuce disconnects and reconnects customers based on requests from the energy selling companies. The disconnection and reconnection of customers is governed by the applicable legislation and the General Terms and Conditions:

■ Decree No. 540/2005 Coll., Decree on the quality of electricity supply and related services in the electricity sector

Disconnection is a measure of last resort; prior, the customer is contacted repeatedly, and possible alternative solutions are suggested (e.g., payment plans).

Accessibility of Services

Indicator	Unit	2020	2021	2022
Average retail electric rate for:	CZK/kWh	N/A		
(1) residential			(1) 1.98	(1) 3.02
(2) commercial			(2) 1.82	(2) 2.99
(3) industrial customers			(3) N/A	(3) N/A
Typical monthly electric bill for residential customers for:	CZK	N/A		
(1) 500 kWh			(1) 2,650	(1) 3,550
(2) 1 000 kWh			(2) 3,760	(2) 5,070
of electricity delivered per month				
Number of residential customer electric disconnections for non-payment	Number	8,884	7,282	4,231
of which disconnections:	Number			
(1) 0-2 days		(1) 1,748	(1) 1,300	(1) 1,384
(2) 3-7 days		(2) 3,590	(2) 1,766	(2) 1,503
(3) 8-30 days		(3) 2,859	(3) 2,426	(3) 982
(4) 31-365 days		(4) 687	(4) 1,790	(4) 362
(5) more than 1 year		(5) 0	(5) 0	(5) 0
Percentage of residential customers reconnected within 30 days, ČEZ Distribuce	%	92	75	91

Based on VISION 2030—Clean Energy of Tomorrow, we aim to provide the best energy solutions and the highest quality customer experience. In our business, we do not forget vulnerable customers, such as people with disabilities and the elderly.

Our product portfolio offers a new electricity and gas tariff for people with disabilities. This tariff comes with a better price and enables priority check-in at customer care centers and on the hotline. To sign up for this product, the customer or a person from the same household must present a Disabled Person's Pass. In March 2021, we launched a special hotline facilitating communication for the elderly and the hearing impaired. Any customer with disabilities can stay in contact with our front office via the hotline with text call conversion.

We come up with efficient solutions to protect the most vulnerable households from energy poverty. This is a significant issue for people with disabilities and the retired, both with low disposable income. We provide them with discounted tariffs once they meet the contractual conditions.

Geopolitical events in the European region triggered by Russian aggression towards Ukraine resulted in market uncertainty. This was the main cause of price increases of electricity and gas for households in all European countries. CEZ Group initiated a set of corrective measures to mitigate these negative impacts.

Measures with immediate effect were individual payment plans for households struggling with standard payment schedule, repayment arrangements, and payment installments. A reduction of interest or waivers of delayed payments were applied in individual cases. ČEZ Prodej also established cooperation with civic counselling centers providing assistance and financial advisory service to clients free of charge.

Additionally, in 2022 we started our own activities aimed at customer education in energy savings and better energy management in their households. These activities included a campaign encouraging customers to do self-meter readings on a regular basis.

A major activity was the online tool www.setrim.cz focused on raising awareness of energy savings. The project is an interactive microsite, where users can get tailor-made measures based on their household parameters. Each measure provides the users with the annual financial savings effect. More than a million users (a tenth of the Czech population) visited the site in 2022. Further, all major Czech media houses promoted the online tool and its data. In 2023, we will launch the CEZ Academy, a series of webinars and courses for the public on energy saving opportunities.

For the second time, CEZ Group joined the nationwide campaign Gracious Summer II, which allows debtors to avoid foreclosures if they have them with public institutions and companies with a majority state share. For citizens with utility debts, CEZ Group launched a dedicated website with detailed instructions on how to proceed. For many years now, ČEZ Prodej has not enforced small amounts owed in court or by foreclosures due to the excessive burden on debtors.

ČEZ Prodej was active in consumer protection against unfair practices in the energy market in 2022. Efforts were mainly applied to uncovering illegal practices on the market and cultivating the market. ČEZ Prodej informs about such practices on a dedicated website (www.cez.cz/cs/nedejte-se), where consumers can find advice how to defend themselves.

ČEZ Prodej has a Code of Ethics, which defines transparent and fair conditions for dealing with customers and business partners. Employees are trained in these principles and conditions. The Code is based on the model code of ethics of the Energy Regulatory Authority and defines a set of rules and procedures for ethical and professional conduct towards the customer. The aim is to increase customer awareness and protection and to improve the level of service provided.

4.4.1.2. Implementation of Government measures to reduce impact of high energy prices on customers

In 2022, extreme price hikes in gas and electricity prices occurred as a result of the unstable geopolitical situation and disruption of energy supplies in Europe. In reaction, the Czech government introduced several measures to protect households and other customers from the impact of these price hikes, e.g., price caps to regulate increasing energy costs of households, a savings tariff, and a waiver of fees for renewable resources from the price of electricity.

CEZ Group has supported all governmental activities, implemented measures on time and communicated the effects clearly in several communication campaigns, in contact centers and via an online platform MůjČEZ, as well as special websites.

4.4.2. Net Promoter Score

Credibility is a key parameter of customer experience, and CEZ Group focuses intensively on strengthening it. The pro-customer orientation is reflected in VISION 2030—Clean Energy of Tomorrow, where CEZ Group sets the goal to maintain the highest Net Promoter Score among large energy suppliers.

In 2022, CEZ Group was named the most trusted energy supplier for the sixth consecutive year. CEZ Group topped the Most Trusted Brand ranking in the energy supplier category. In the poll, 4,000 respondents rated 700 brands in various areas and categories. CEZ Group confirmed its position as a company with a long-term focus on customer experience, its improvement, and fostering trust.

4.4.2.1. Customer Experience (CX)

The energy industry is one of the more complex industries, and it can present a challenge to our customers, who have encountered its processes only a few times in their lives. In customer experience, we have long been concerned about the necessity of the high level of effort a customer puts into resolving their request. Therefore, our goal in CEZ Group is to make the experience as pleasant and as simple as possible.

The ultimate objective is a satisfied customer – a customer whose requests and needs are resolved quickly and without complications in a simple and easy-to-understand way. In the complex area of energy and technology, the customer is our priority.

Customer satisfaction is measured via a CX parameter that is based on CSAT (customer satisfaction score) and CES (customer effort score) methodology. The parameter is a composite index consisting of 3 components: satisfaction with request fulfilment, satisfaction with staff, and effort needed to get request fulfilled. Only the best mark is counted on a 5-point-scale from very satisfied to very unsatisfied.

We want to keep the CX parameter above 85% in the long term and make significant progress in CX efforts by 2023 so that our customers can always handle their requests quickly and smoothly.

4.4.3. Digitalization

SDG 9

Strategic priorities of CEZ Group include continuous modernization and digitalization of distribution network and digitalization of key customer services. The priorities were announced in VISION 2030—Clean Energy of Tomorrow, and the transformation of the distribution network includes three targets for 2030:

- the use of smart meters (the goal is 80% of power consumption to be covered by smart meters). The smart meter rollout on low-voltage smart meters rollout will commence in 2024. We will cover all customers with consumption over 6 MWh by July 2027.
- remotely measured transformer stations (the goal is 80% of transformer stations to be measured remotely). 20% of stations have been covered by 2022.
- installation of optic fiber networks (the goal is 11,000 km). At present, 4,200 km have been installed.

Our goals were based on and are assessed by benchmarking with other European peer distribution companies.

The aim of the digital transformation of the distribution network is the development of a smart automated grid with increased reliability. The development of the smart grid includes verification projects focused on metering, communication, network automation, and improvements in operational safety and supply reliability. Successfully verified concepts will become a part of implementation projects across the distribution grid. Our first priority is efficient network management and subsequent cost reduction. The new smart grid will enable new connections of decentralized generation. It will also allow the utilization of the capacity of fiber optic networks for telecommunication services.

The second strategic priority is the transformation and digitalization of key customer services. Implemented ICT projects have both short-term and long-term impacts. Project goals will ensure long-term sustainability of existing solutions and develop new services. Our aim is to streamline not only internal processes but primarily services for customers and partners.

The target is 100% of key customer processes to be digital by 2025. We plan major projects – transition to SAP HANA and GIS Utility network. We want to apply new procedures and modern IT services to support the achievement of the company's ambitious goals (e.g., 80% interactions with customers as digital-only, increasing customer satisfaction).

Our company invests systemically into digitalization. We focus on new digital channels and simplify customer journeys. An example is the implementation of a mobile application. We regularly evaluate customer experience against benchmarks and focus on monitoring digital interaction with customers. In 2022, we fully digitized the process of requests for customer connection including digital signature. Based on this, we set ambitious goals for the adoption of digital channels. In this way, we create a professional relationship with the customer and meet the goals of the digitization strategy.

ČEZ Prodej is also digitizing internal and customer processes. Following a large increase in customer orders of rooftop photovoltaics, we created an application that enables a fast, flexible and efficient creation of installation offers, incl. tracking of current availability of components. We offer flexible and tailor-made solutions with precise information on the expected availability.

We adapted our website to current customer needs and now offer support for specific life situations (see 4.4.1 Approach to Customers). We are also developing a brand new mobile app for customers to be launched in 2023.

4.4.4. Ombudsman

CEZ Group established the Office of the Ombudsman in October 2009 as one of the first energy companies in Europe and the first one in Czechia. The ombudsman reports directly to the Board of Directors and is completely independent of CEZ Group subsidiaries. The ombudsman's tasks include investigations of customer claims, assessments of customer suggestions for improvement of services provided by CEZ Group, and proposals of systemic changes to individual CEZ Group companies. As an independent body, the ombudsman also considers each case based on the customer's individual circumstances and potential hardship. Since the establishment of the ombudsman office, 9,502 claims have been processed.

In 2022, the CEZ Group ombudsman received 902 notifications from customers: 889 submissions and 13 suggestions for improvement. The ombudsman assessed 74 complaints as legitimate. In 39 cases, the customers' claims were recognized as legitimate by concerned companies from CEZ Group. In 35 cases, the ombudsman applied a specific approach for the customer's benefit, namely exercising the right to apply for an exception in the case of a customer in a difficult life situation even if the claim is not justified.

We are a stable
and reliable
supplier, and
we provide
safe energy



5

Governance >



5.1. CEZ Group Corporate Governance

5.1.1. Governance Bodies

GRI 2-14, 2-16 / SDG 16

ČEZ, a. s., uses a two-tier system of governance: the Supervisory Board supervises the Board of Directors, who are responsible for the day-to-day management of the company. The following chart describes the flow of information among the governance bodies.

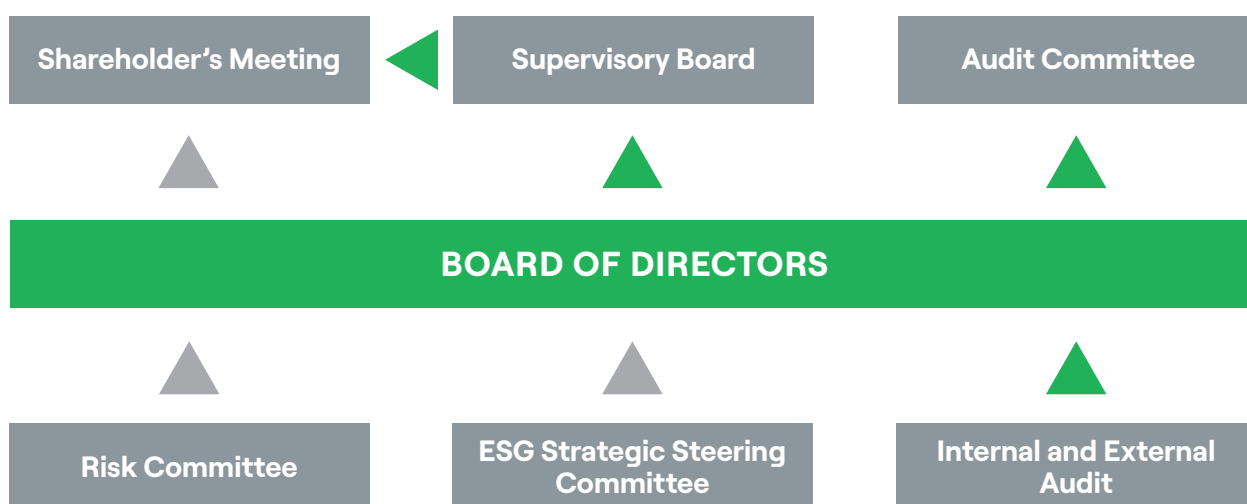


Fig. 3.: Flow of Information among the Governance Bodies

The Supervisory Board periodically reviews performance of the Board of Directors and approves remuneration based on evaluation of KPIs, including environmental and climate-related KPIs. Each Member of the Board of Directors has a specific KPI linked to ESG incorporated among the top 5 KPIs, which are assessed annually. The Supervisory Board also sets and evaluates performance indicators related to the variable remuneration of the Members of the Board of Directors. Thus, the Supervisory Board also fulfills its role of the Remuneration Committee.

The Board of Directors shares joint responsibility for sustainability matters and oversees the area of ESG including climate-related issues. The Board of Directors of ČEZ, a. s., approves CEZ Group's Sustainability Strategy as well as CEZ Group's Sustainability Report. On a monthly basis, the Chief Executive Officer (CEO) and the Chairman of the Board of Directors informs the Supervisory Board about ESG agenda, which includes climate-related risks. The Board of Directors and Board committees are informed specifically about climate-related risks at least quarterly, and the Board of Directors is informed periodically about the environmental profile of the generation portfolio.

Annually, as part of the Environmental Management System review, the Board of Directors is informed about the environmental profile of the generation portfolio. We assess both environmental performance indicators and environmental targets achieved. CEZ Group tracks both absolute quantities and quantities relative to the volume of electricity and heat generated. Monitoring and measurement records and environmental and climate impact records are also subject to review as part of internal and external audits and reported to the Audit Committee.

CEZ Group reports EU taxonomy key performance indicators in line with Taxonomy Regulation 2020/852 and associated delegated acts. We report the eligibility and alignment of economic activities and major investments contributing to climate change mitigation goal. We report Operating Revenues, CAPEX_t and OPEX_t KPIs.

CEZ Group governance bodies are described in detail in the CEZ Group 2022 Annual Financial Report (pp. 30–51).

5.1.1.1. Independence of Governance Bodies

ČEZ, a. s., adheres to the Best Practice 2021 of the Warsaw Stock Exchange (GPW), which defines the principles of corporate governance for GPW-listed companies. According to Article 2.3., the Supervisory Board is deemed independent if at least two members of the Supervisory Board meet the independence criteria and have no real and significant relationships with shareholders holding at least 5% of the total votes in the company.

All members of the Supervisory Board sign an Affidavit on compliance listing the criteria for independence of a member of the Supervisory Board. The content of the Affidavit is in line with Commission Recommendation 2005/162/EC of February 15, 2005. They either confirm their complete independence or indicate why they cannot be deemed independent. As of December 31, 2022, six out of eleven members of the Supervisory Board were independent, including Radim Jirout, the Chairman of the Supervisory Board. Four members were not independent because they were employees of ČEZ, a. s. One member was an employee of the majority shareholder. The Supervisory Board submits a report to the annual Shareholders' Meeting, which includes information on their independence.

For the current composition of the Supervisory Board, see our website, CEZ Group Corporate Governance | Sustainability in CEZ Group.

5.1.2. Sustainability Governance and ESG Management

GRI 2-9, 2-12, 2-13, 2-17, 2-18, 2-19, 2-20

CEZ Group is committed to transparent and effective sustainability and ESG governance. In July 2021, we established an ESG Office led by the Chief Sustainability Officer (CSO), Kateřina Bohuslavová. The CSO reports directly to the CEO, Daniel Beneš. They are both sustainability leaders in CEZ Group. ESG Office is responsible for everyday sustainability agenda, non-financial reporting, coordination of ESG initiatives, and management of ESG working groups.

ESG management uses the centralized-coordination-decentralized-implementation model.



Fig. 4: ESG Management Model

5.1.2.1. ESG Strategic Steering Committee (SSC)

The SSC is the highest level of ESG management. The rights and responsibilities of the SSC are set out in the ESG Strategic Steering Committee Charter. The SSC determines CEZ Group's sustainability strategy and monitors the progress of ESG initiatives and working groups. The SSC also monitors the fulfilment of targets set in VISION 2030—Clean Energy of Tomorrow. The ESG Sponsor and the Chairman of the SSC is the CEO and Chairman of the Board of Directors, Daniel Beneš. The ESG Executive Sponsor and the Vice-Chairwoman of the SSC is the CSO, Kateřina Bohuslavová. Other members of the SSC are the members of the Board of Directors, the Strategy Director, the Communication and Marketing Director, the Legal Affairs Director, and the Audit and Compliance Director.

5.1.2.2. ESG Executive Steering Committee (ESC)

The ESC is the managerial and operational level of governance and coordination of the ESG agenda. The Chairwoman of the ESC is the CSO, Kateřina Bohuslavová. Its members are representatives of all Divisions and key departments in terms of ESG management.

5.1.2.3. ESG Initiatives

ESG Initiatives are projects led by teams managed within one division to implement ESG objectives approved by the SSC across CEZ Group. The ESG Initiatives are headed by managers appointed by the Initiative sponsors.

5.1.2.4. ESG Working Groups

ESG Working Groups are cross-divisional management teams that implement ESG objectives approved by the SSC across CEZ Group. The ESG Working Groups are headed by leaders appointed by the Chairperson of the ESC.

5.1.2.5. ESG Education

CEZ Group is committed to the highest quality of sustainable management. Each member of the Board of Directors, the CSO, and other top management have received ESG-related certifications. The programs are offered by higher education institutions in the United States of America and Czechia:

- Berkeley Law: ESG: Navigating the Board's Role
- Berkeley Law: Sustainable Capitalism & ESG
- Diligent Institute: Diligent Climate Leadership Certification
- Prague University of Economics and Business: Academy of Corporate Sustainability Management

5.1.2.6. Policy Matrix

CEZ Group developed a policy matrix to strengthen the managerial responsibility for ESG issues. The matrix illustrates both board-level oversight and executive managerial responsibility for each area. Responsibilities are linked to designated positions regardless of the individuals holding them. Currently, we are systematically reviewing all policies under the Policy Matrix ESG Initiative, which will expand the matrix with specific measures and targets.

Board Level Oversight

Sustainable Strategy Oversight	Pillar Oversight	Policy	Policy Oversight
CEO	E Chief of Renewable and Traditional Energy Division	Emissions & Waste	Chief of the Renewable and Traditional Energy Division, Chief of the Nuclear Energy Division
		Water Stress & Water Use	Chief of the Renewable and Traditional Energy Division, Chief of the Nuclear Energy Division
		Climate-Related Issues	Chief of the Renewable and Traditional Energy Division, Chief of the Nuclear Energy Division, CEO
		Climate-Related Issues: Suppliers	Chief of the Renewable and Traditional Energy Division, Chief of the Administration Division*
		Environmental Risks	Chief of the Finance Division
		Biodiversity	Chief of the Renewable and Traditional Energy Division
		Site Closure	Chief of the Sales and Strategy Division
		Renewable Energy	Chief of the Renewable and Traditional Energy Division
	S Chief of the Administration Division	Community Engagement	CEO
		Health & Safety	CEO
		Human Capital	Chief of the Administration Division
		Human Rights	Chief of the Administration Division
		Diversity	Chief of the Administration Division
		Customer Engagement	Chief of the Sales and Strategy Division
		Purchasing Practices	Chief of the Administration Division*
		Public Engagement (lobbying)	CEO
	G CEO	Remuneration, Clawback & Malus	Chief of the Administration Division
		Business Ethics	CEO
		Whistleblower	CEO
		Bribery and Anti-Corruption	CEO, Chief of the Administration Division*
		Anti-Corruption: Suppliers	Chief of the Administration Division*
		Anti-Money Laundering	Chief of the Finance Division
		Cybersecurity	CEO
		Business Travel	Chief of the Administration Division

* The policy falls under the responsibility of the CEO of ČEZ, a. s.; the policy is supervised by the Director of the Administration Division.

Managerial Oversight

Policy	Division	Manager	Coordination (ESG Office)	ESG Oversight
Emissions & Waste	Renewable and Traditional Energy	Head of Generation and Operation	ESG specialist for environmental	CSO
	Nuclear Energy	Head of Safety		
Water Stress & Water Use	Renewable and Traditional Energy	Head of Generation and Operation		
	Nuclear Energy	Head of Safety		
Climate-Related Issues	Renewable and Traditional Energy	Head of Generation and Operation		
	Nuclear Energy	Head of Safety		
Climate-Related Issues: Suppliers	Renewable and Traditional Energy	Head of Technical Management		
	CEO	Head of Procurement for Generation		
Environmental Risks	Finance	Head of Risk Management		
Biodiversity	Renewable and Traditional Energy	Chairman of the BoD of Severočeské doly		
Site Closure	Sales and Strategy	Strategy Director		
Renewable Energy	Renewable and Traditional Energy	CEO of ČEZ Obnovitelné zdroje		
Community Engagement	CEO	Head of Public Affairs	ESG specialist for social	
Health & Safety	CEO	Head of Management System		
Human Capital	Administration	Head of HR		
Human Rights	Administration	Head of HR		
Diversity	Administration	Manager of Diversity and Inclusion		
Customer Engagement	Sales and Strategy	CEO ČEZ Prodej		
Purchasing Practices	CEO	Head of Procurement		
Public Engagement (lobbying)	CEO	Head of Public Affairs		
Remuneration, Clawback & Malus	Administration	Head of HR	ESG specialist for governance	
Business Ethics	CEO	Head of Audit and Compliance		
Whistleblower	CEO	Head of Audit and Compliance		
Bribery and Anti-Corruption	CEO	Head of Procurement for Generation		
	CEO	Head of Procurement		
	CEO	Head of Audit and Compliance		
Anti-Corruption: Suppliers	CEO	Head of Procurement for Generation		
	CEO	Head of Procurement		
Anti-Money Laundering	Finance	Head of Accounting		
Cybersecurity	CEO	Head of CEZ Group Security		
Business Travel	Administration	Head of HR		

5.1.2.7. Remuneration Policy

The Remuneration Policy clearly and transparently defines all fixed and variable remuneration components of the Board of Directors and Supervisory Board members. Remuneration is based on the Say-on-Pay principle: shareholders can comment on the remuneration policy through voting at the Shareholders' Meeting. The Remuneration Policy specifies any bonuses, other benefits, maluses, a clawback provision, conditions for office termination, severance pay, and a non-competition clause. It also defines key financial and non-financial performance indicators. Each year, the Board of Directors submits a public Remuneration Report of ČEZ, a. s., to the Shareholders' Meeting for approval.

The Supervisory Board defines and evaluates performance indicators related to any variable component of remuneration of members of the Board of Directors. Each Member of the Board of Directors has a specific KPI linked to ESG incorporated among the top 5 KPIs, which are assessed annually. All Board members individually have a unified ESG task with a weight of at least 15% for 2023. This task requires reaching a target level of international ESG rating of ČEZ, a. s., fulfilling our public commitments, implementing ESG initiatives, and taking measures in line with the accelerated strategy of VISION 2030. Thus, the Supervisory Board also fulfills its role of the Remuneration Committee.

5.2. Climate-Related Risk Management and TCFD

GRI 3-3, 201-2; SASB IF-EU-110a.3 / SDG 13

CEZ Group recognizes that climate change poses severe risks to business and society. In general, climate risk exposure is medium to high in the energy industry. Our strategy centers around reducing our company's risk exposure and strengthening our management processes. We are working diligently to responsibly close gaps associated with climate-related risk.

We are committed to both climate change mitigation and adaptation. To operate sustainably, ethically, and transparently, we must address climate-related risks and opportunities within our strategy. To avoid any blind spots, we cooperated with an independent third-party consultancy – S&P Global. This cooperation ensured a robust assessment of both physical and transition risks.

We incorporate double materiality: The risk management department monitors (1) the impact of climate-related physical risks (i.e., floods, fires, earthquakes, landslides, lightning strikes, storms, and tornados) on our facilities; and (2) the effects of our business on the environment and the climate. The effects are categorized as follows:

- Critical: material and irreversible impact on the environment and climate
- High: material impact with a long-term return to the original state
- Medium: impact with a mid-term return to the original state
- Low: immaterial impact with a low-cost short-term return to the original state

We recognize that climate-related risks are overarching, as they can trigger other types of risks (reputational, operational, financial). They can also jeopardize stakeholder relationships. We monitor regulations related to climate at the national and EU level to adapt to transition risks. We monitor non-governmental organizations and initiatives, as they tend to be ahead of regulation. This helps to predict trends and minimize transition risks.

We have published a separate TCFD Report. The report is based on the TCFD recommendations and follows the recommended structure. We disclose Governance, Strategy, Risk Management, and Metrics and Targets based on the TCFD guidelines. In line with best practice, we use scenario analysis and results of state-of-the-art climate modelling based on science and available scientific consensus about climate change. We review the latest scientific evidence and evaluate climate scenarios to build our strategic resilience in the short, middle, and long terms.

For full disclosure of our GHG emissions, see p. 22.

For risk management in general, see the CEZ Group 2022 Annual Financial Report (pp. 58-60).

TCFD and Climate-related Milestones

2004

- CEZ Group introduces CO₂ emissions reporting in the Annual Report.

2007

- CEZ Group publishes the first Corporate Social Responsibility Report with a chapter dedicated to climate change.

2015

- CEZ Group makes a commitment to generate electricity without CO₂ emissions by 2050.

2017

- CEZ Group integrates climate change assessment as part of the Environmental Impact Assessment (EIA) documentation for new large-scale projects.

2018

- CEZ Group generates more than a half of electricity from zero-emission sources.

2020

- Permanent phase-out of the Prunéřov I coal-fired power plant (440 MW).
- CEZ Group reports all GHG emissions from Scopes 1, 2 and 3 in the Sustainability Report.

2021

- CEZ Group adopts accelerated decarbonization strategy VISION 2030—Clean Energy of Tomorrow and makes ESG an integral part of everyday business.
- CEZ Group sets ambitious targets to increase our renewable energy capacity.
- CEZ Group joins the Business Ambition for 1.5°C campaign.
- CEZ Group establishes a dedicated ESG Office run by the Chief Sustainability Officer in July and establishes ESG Strategic Steering Committee and ESG Executive Steering Committee.
- CEZ Group launches a system of ESG education for all Members of the Board and selected top management and links ESG key performance indicators to remuneration.
- CEZ Group assigns responsibility for climate-related risks at the Board and executive levels.
- CEZ Group becomes an official TCFD supporter in November.
- The coal site Energotrans III (500 MW) in Mělník closes its production.

2022

- CEZ Group issues first sustainability-linked bonds with commitment to reach GHG emission intensity target 0.26 tCO₂e/MWh in 2025.
- The SBTi validates our near-term 2030 target in line with well below 2°C.
- The Sustainability Report includes a dedicated chapter for climate-related disclosures aligned with the TCFD.
- CEZ Group and the Ministry of the Environment sign a Memorandum on Cooperation in Climate Protection, the Energy Sector, and Certain Related Areas.
- CEZ Group commits to net-zero climate neutrality by 2040 and submits this target for the SBTi validation. Validation date is set for June 2023.

2023

- CEZ Group publishes a detailed stand-alone TCFD Report.
- CEZ Group launches a ESG Climate-related Risk Management Initiative to develop this agenda further.

5.3. Diversity and Equal Opportunity

GRI 3-3, 405-1 / SDG 5, SDG 10

In CEZ Group, we perceive diversity as a principle that enables people to fulfil their potential irrespective of individual differences. We believe that providing equal opportunities and promoting diversity and inclusion is a natural way of doing business innovatively and sustainably. We treat people equally in dignity and rights. We reject discrimination of any kind. All our actions and activities are regularly monitored, evaluated, and transparently communicated.

CEZ Group has had a long history of promoting diversity. In 2014, we were one of the first signatories of the European Diversity Charter in Czechia. Following the Diversity Charter, we are committed to maintaining a workplace environment open to all, irrespective of their gender, race, skin color, nationality, ethnicity, religion, disability, age, sexual orientation, gender identity, political affiliation, cultural background, or trade union membership.

We are also actively committed to implementing Sustainable Development Goal 5, which aims to achieve gender equality and empower all women and girls. We support equal opportunities for women and their full and effective participation in decision-making at all levels of private and public life.

In May 2021, the Board of Directors approved CEZ Group's strategy VISION 2030—Clean Energy of Tomorrow. The strategy reflects our ESG ambitions and goals: regarding diversity, we have set a long-term goal of achieving a 30% share of women in management.

Subsequently, the Board of Directors adopted a Diversity and Inclusion Policy, binding for all CEZ Group companies. The policy declares a culture of diversity, inclusion, respect, trust, equal opportunities, and workplace dignity. The policy outlines a comprehensive approach to the company's diversity goals. It integrates diversity and inclusion into the company's activities, encompassing recruitment, management and remuneration, development of employee potential, and work-life balance. The policy protects vulnerable groups of employees and provides them with opportunities. It includes measures to improve employment conditions for employees over 50, employees with disabilities, parents of young children, LGBTQ+, and informal caregivers.

The Diversity and Inclusion policy has been reflected in collective agreements with trade unions. One of the outcomes is the adjustment of the rights of registered partners to the level of married couples above and beyond the scope of Czech law, promoting equality of LGBTQ+ at the workplace. Registered partners are now able to take paid or unpaid leave in the same cases as spouses: to get married, to accompany their partner to a medical facility, to attend a birth, and to take parental leave. Another practical outcome focuses on employees with disabilities. Their personal benefits account is increased by CZK 3,000, and they can take up to two days of paid leave to claim their PWD (person with a disability) status. The collective agreement also includes the principle of non-discrimination and equal pay.

The company's supportive approach to employees who are also informal caregivers has been recognized through a project called I Care, and I Work. In this project, employees can participate in webinars on health, social and financial issues, discussing topics relevant to their experience as informal caregivers. They can also take advantage of individual counselling. Employees in difficult life situations can use anonymous chats for support.

We offer employees who retired the benefit of joining Senior Clubs. They can also benefit from the CEZ Group Seniors Endowment Fund. The fund organizes cultural events or seniors' meetings.

In April 2022, we joined the Pride Business Forum Memorandum and committed to creating an open environment for LGBTQ+ employees. We raise awareness among our employees through public discussion with LGBTQ+ ambassadors. We also offer a free-of-charge helpline S Barvou Ven specializing in consultancy in sexual orientation, gender identity and coming-out.

In the event of unethical or illegal behavior contrary to the Code of Conduct, employees can use the Whistleblowing Hotline to report the incident. In 2022, there were zero harassment and discrimination incidents reported; one case reported in the previous year was investigated and closed with the conclusion that it was not a case of harassment or discrimination.

In May, we offered a series of lectures, discussions, and online events to celebrate the Month of Diversity.

In October, we organized training for HR business partners focused on the employment and treatment of people with disabilities.

We created specialized interactive guidelines summarizing all relevant information fostering an inclusive workplace, and we communicate topics and support given to our employees on our internal website. We actively promote diversity and an inclusive workplace through our living library Energy of Stories – sharing testimonials of our D&I ambassadors.

In December, we issued a guideline summarizing options of flexibility at work to support work-life balance and wellbeing of our employees.

In 2022, our employees spent 9,600 hours on diversity and inclusion training.

In 2022, the company's efforts in diversity and inclusion were awarded a Silver Certificate – Strategy in Diversity by Business for Society, the largest platform for sustainable business in Czechia. The diversity index is assessed by DISA – Diversity and Inclusion Strategic Assessment methodology and reflects collective innovative best practice of sustainable companies within the Diversity Charter.

In 2023, our activities to promote diversity and inclusion will include various plans and public commitments. We will launch diversity and inclusion awareness training for all employees in ČEZ, a. s., and selected subsidiaries. Further, we plan to launch an educational campaign focusing on unconscious bias. We will continue to support our employees in establishing Employee Resource Groups (ERGs), gathering especially LGBTQ+ or parents.

5.3.1. Women in Leadership Positions

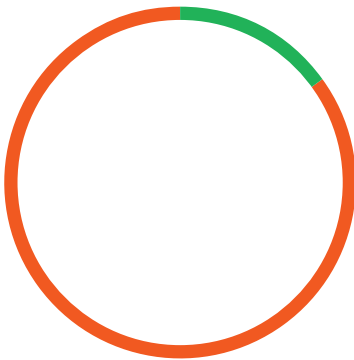
The energy industry has a long history of being predominantly male. Achieving gender equity thus requires a strong and proactive effort. This includes focusing on inclusive corporate culture, recruitment practices and processes, career development, leadership training, mentoring, retention and engagement efforts, and compensation parity.

CEZ Group supports women at work and their career advancement in multiple ways. Women empowerment in CEZ Group stands on three pillars: our goals are to attract, retain and advance women.

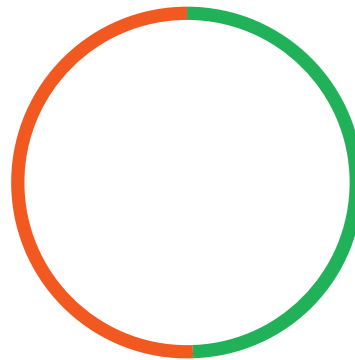
In VISION 2030—Clean Energy of Tomorrow, we have set a long-term goal of achieving a 30% share of women in management. In line with our principle of equal opportunity, gender-neutral job advertising is implemented, and the principle of balanced gender representation is incorporated into the recruitment process. Whenever practically applicable, both men and women are represented and balanced equally during recruitment on both sides: in the candidates' pool for a position and the evaluation committee in all rounds of the selection procedure. We aim to encourage women to start a career in the energy industry. Having a balanced gender representation in the recruitment process gives a fair chance to all suitable candidates. In 2023, we will also launch a recruitment campaign to attract women to work in the energy sector.

We offer flexible working hours, company kindergartens, and day camps for children. In 2022, a group of employees participated in the Working Mum program empowering them in combining their professional and parental role. We maintain contact with employees on parental leave and offer them support when they return to work. They can keep in touch with the company through special website access and company magazine. They can also take advantage of workshops and courses while on parental leave and after return to work. To ease their adaptation, parents have the option of self-study online courses starting 6 months prior to their return to the workplace. All employees on parental leave will be able to retain full access to the internal website.

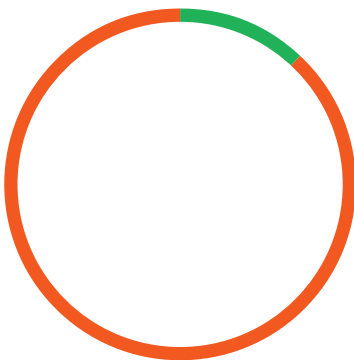
In addition to existing activities, CEZ Group launched new programs for women to develop their managerial skills. Women in Focus is a development program for women in management positions and focuses on their personal and professional growth. The program is based on workshops with inspiring mentors and role models and enables women to share their experience. Women Hub is a program for women from CEZ Group who have the skills, ambition, and energy to lead people and are currently working as specialists or experts. In the autumn, the Women Network initiative was launched. The aim of the initiative is to gradually connect female managers at all management levels in CEZ Group. It is an opportunity for networking, inspiration, support and mutual sharing. All development activities for women, which aim to support and promote opportunities for professional growth, are under the purview of Michaela Chaloupková, a member of the Board of Directors and Director of the Administration Division.

Diversity of Governing Bodies by Gender

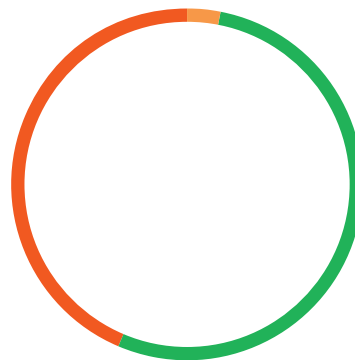
	%
● Women	15
● Men	85

Diversity of Governing Bodies by Age

	%
● 18–29 years	0
● 30–49 years	49.7
● 50 years and more	50.3

Diversity of Managerial Positions by Gender

	%
● Women	12
● Men	88

Diversity of Managerial Positions by Age

	%
● 18–29 years	3.3
● 30–49 years	53.1
● 50 years and more	43.6

5.3.2. Gender Pay Gap

GRI 405-2

In CEZ Group, we understand that fair wage and competitive compensation is essential for attracting and retaining talented people. Our key objective is to recognize and encourage high performance, professional development, and behavior that match our strategy and values. We determine remuneration respecting non-discrimination, objective and gender-neutral criteria. We respect and strive to comply with the principle of equal pay and equal working conditions for equal or equivalent work.

The principles of equal pay form an integral part of the Diversity and Inclusion Policy, and they were incorporated into collective agreements and internal documentation concerning reward practice. In 2022, a new rule was introduced, ensuring that the salary of employees returning from parental leave is in accordance with the principles of equal pay.

A gender pay gap analysis was repeatedly conducted to identify and eliminate any inequalities. The last analysis was concluded in December 2022, and the results will serve as a basis for monitoring of progress and effectiveness of actions taken after the previous analysis. The results of the analysis address any currently existing pay gap and serve as inputs for development plans and budget preparation in the affected departments. Contractual salary adjustments will be supported by training and diversity guidance to empower managers to provide fair distribution of salary increase and eliminate inequalities.

The company received certification by the Ministry of Labor and Social Affairs for its participation in the project 22% to Equality. In the project, an analysis of fair remuneration was conducted by LOGIB – an international analytical tool for equal pay of men and women.

5.4. Business Conduct

SDG 8, SDG 16

5.4.1. Code of Conduct and Ethics in CEZ Group

GRI 2-23, 2-24, 2-27, 3-3, 205-1, 205-2, 409-1

We are aware of our role in society and the responsibility this role inevitably entails. Our management emphasizes ethical principles in all employee and supply chain conduct. Through sound business ethics and relations, we build trust with both shareholders and stakeholders.

5.4.1.1. Company Values

CEZ Group's values are the basis of the corporate culture on which we have grown over the years. The values represent shared beliefs and desired conduct expected of all our employees. Embedded in key governing policies, these values are naturally integrated into the company. As a result, the values positively influence the internal atmosphere, external perception, customer satisfaction, and business results of CEZ Group.

The following principles represent our corporate values:



Safety



Performance



Innovation



Expertise



Collaboration

We encourage employees to put the principles at the forefront of their daily working lives. In doing so, employees create synergies inherent to CEZ Group and help implement our strategy and vision. Accordingly, we set the right values and principles to develop an appropriate work environment and build a strong team.

5.4.1.2. CEZ Group Code of Conduct

CEZ Group management promotes ethical values in all business activities and conduct. Management clearly states its objective in two primary documents: the Code of Conduct Policy (Code of Conduct) and the Compliance Management System Policy.

The Code of Conduct sets forth ethical rules for employees and members of CEZ Group's statutory bodies. The Compliance Management System Policy sets out the responsibilities, conditions, and tools for ensuring compliance with legal obligations and ethical standards in CEZ Group. Details of practical measures (e.g., training, prevention of conflicts of interest, whistleblowing, investigations) are part of the subsequent internal guidelines.

The Board of Directors of ČEZ, a. s., accepts full responsibility for compliance with the adopted ethical standards. This responsibility includes, among other things, the creation of appropriate conditions, adequate resources, effective governance structures, and control mechanisms.

First published in 2015, the Code of Conduct exists in two publicly available versions. The basic version, the Decalogue, summarizes the most important principles regarding stakeholder relations. The unabridged version, the Alphabet, supplements the Decalogue with rules for observing the Code of Conduct. Both documents undergo regular reviews to reflect legislative demands and best practices.

The Code of Conduct is binding for all employees. New employees must review the Code upon hiring. Since 2022, subsequent training takes place annually (previously once every two years), with a target of at least 95% of staff participating. In 2022, 97.4% of employees of CEZ Group companies, whose training is provided by the Human Resources Development Department of ČEZ, a. s., received training on the Code of Conduct.

5.4.1.3. Compliance Management System

Approved in 2019, the Compliance Management System (CMS) Policy covers the topics of corporate ethics, bribery and corruption prevention, criminal risks, competition rules, etc. Given its broad scope, the CMS Policy creates a unified and effective tool for managing risks of non-compliance and rules of conduct. One of the fundamental pillars of our CMS is the regular and continuous risk assessment of compliance-related risks, both across CEZ Group's business functions and the main businesses. The current CMS built on the CMS Policy is designed in accordance with legislative requirements and meets the best practices embedded in the following international compliance standards:

- ISO 37001:2016 – Anti-Corruption Management System
- ISO 37301:2021 – Compliance Management Systems

To assist in the practical management of CMS objectives, the Board of Directors established an advisory body, the Corporate Compliance Committee. Having a delegated authority over corporate compliance, the Committee evaluates current and potential compliance risks and assesses their impacts and management. In addition, the Committee regularly reports to the Board of Directors on its activities, main events, performance, and the results of CMS, which the Board approves.

Our CMS undergoes a regular independent external evaluation. The latest Deloitte's findings concluded that the CMS was at the level of ISO standard 37301:2021 – Compliance management systems – Requirements with guidance for use. Moreover, the audit company reaffirmed that CMS included vital compliance elements – prevention, detection, and response.

5.4.1.4. Suppliers and Business Partners

Our ethical rules include cooperation with suppliers and business partners. The rules translate specific requirements into the Commitment to Ethical Conduct (Supplier Code of Conduct), which forms a part of contracts with suppliers and is publicly available on the company's website. We monitor compliance with the rules set out in the Commitment to Ethical Conduct through compliance checks. Naturally, a breach of the rules may lead to the termination of the business relationship.

To reduce the risk of corruption, conflicts of interest and/or non-compliance with international sanction laws and regulations, regular due diligence of business partners plays a key role in the third-party verification system (compliance checks). Due diligence is a mandatory part of procurement, acquisitions, and also divestment processes for potentially high-risk business cases. More than 1,000 cases were subject to compliance checks in 2022.

In addition to ethical rules, we take account of the supplier's overall responsible approach and sustainability activities. The aim is to support the suppliers in strengthening responsible behavior towards the environment and governance.

5.4.1.5. Anti-bribery and Anti-corruption

GRI 3-3, 205-3

Since 2021, our anti-bribery management system (ABMS) has been certified according to ISO 37001:2016 in the Procurement and Compliance departments. We were the first company listed on the Prague Stock Exchange and the first energy company in Central Europe to meet the international standard.

In 2022, we successfully completed the first surveillance audit as part of the certification. It was reconfirmed that ČEZ, a. s., has set up and maintains a comprehensive and effective ABMS in accordance with the requirements of the standard.

The ISO certification is another step in our efforts to contribute to an ethical and transparent environment. Certification crowns the long-term development of a robust compliance management system based on zero tolerance for corruption. Furthermore, the internationally recognized certificate provides all stakeholders with a guarantee that we continuously take systemic measures to uphold ethical and lawful conduct. For example, we use the four-eyes principle, segregation of duties, limits on the value of gifts, third-party due diligence, a ban on facilitating payments, and rules for negotiating brokerage contracts.

No confirmed case of bribery or corruption was registered in CEZ Group in 2022.

5.4.1.6. Political Engagement

GRI 3-3, 415-1

CEZ Group upholds the highest standards of transparency and fully abides by its Code of Conduct. We maintain a strictly apolitical position: we do not engage in public politics, do not exert any political influence, do not provide any political contributions, and do not support any political parties, political events, and initiatives with political agenda. We do not provide any gifts, donations, or financial contributions to political parties, political movements, or political organizations, foundations, associations, or other political legal entities or political individuals. We do not grant any donations to trade unions or organizations promoting union interests. We do not support or give donations to the authorities, local administrations, and religious groups. We do not provide any financial contributions to organizations or persons in situations that might lead to a conflict of interest or an unfair gain or advantage.

CEZ Group promotes its interests in the European Union through the Public Affairs Office in Brussels, which has three employees. We are registered in the EU Transparency Register as ČEZ 429600710582-32. We abide by the rules of lobbying – a standard means of advocacy in a democratic legal environment.

We have zero tolerance for corruption and fraud. Our anti-bribery policy and anti-corruption management system is certified by ISO 37001:2016. We are the first company listed on the Prague Stock Exchange and the first energy company in Central Europe to meet this international standard.

We consider regulatory, legislative, and public administration bodies as our stakeholders. Our cooperation with authorities is based on correctness, transparency, and mutual respect.

Any civic or political engagement of our employees must not harm CEZ Group's reputation. Our employees must refrain from any conflicts of interest or activities that conflict with their work and activities performed for CEZ Group.

We require our suppliers to abide by the legally binding Commitment to Ethical Standards, which prohibits bribery and corruption and demands the highest possible level of propriety and transparency when dealing with public authorities or politically exposed persons.

Information about beneficial owners and control structure can be found in CEZ Group 2022 Annual Financial Report on page 66.

5.4.1.7. Discrimination and Human Rights

GRI 3-3, 406-1, 408-1, 409-1

Direct or indirect discrimination and harassment have no place in our company culture. The non-discrimination principles are set out in the Code of Conduct and the Ethical Conduct Policy. Practical anti-discrimination measures, procedures, and guidelines are in place to ensure compliance with these principles. The principles aim to create a culture of cooperation based on diversity, mutual respect, and protection of vulnerable groups.

In 2022, the investigation of one case of suspected discriminatory behavior in our Polish subsidiary was completed with a negative outcome.

We strongly advocate diversity, equal opportunities, and a respectful working environment. We create desirable conditions for employees to develop their full potential and career growth. When it comes to new hires, education, expertise, qualifications, and skills are the deciding factors for hiring a candidate.

We have absolute respect for human rights and clearly declare our stance in the Code of Conduct. We operate only in countries with a strong human rights legal framework. Each country in which we operate is a signatory of International Labor Organization conventions, and the respect for human rights is a norm in CEZ Group. We reject forced or compulsory labor and prohibit child labor in both own operations and suppliers. As a UN Global Compact participant, we duly subscribe to its principles related to human rights, labor, environment, and anti-corruption.

In 2022, we registered one supplier from China with a significant risk for incidents of forced or compulsory labor. An on-site inspection is planned in 2023.

As an employer, we strive to maintain social peace. We recognize the importance of the right to freedom of association and collective bargaining, occupational health and safety, and fair and satisfactory working conditions. Therefore, we monitor employee satisfaction and meet their needs. At the same time, we only work with suppliers who also subscribe to these principles.

5.4.1.8. Training and Communication

GRI 205-2

Training and communication are two key elements of our CMS, designed to ensure that all our employees are aware of and comply with the principles and rules set out by our internal policies. Training on ethics and anti-bribery rules is mandatory for all employees during on-boarding and at least once a year. The 45-minute training session on preventing corruption and conflicts of interest reflects the complexity of this topic. In addition, individuals in relevant positions are regularly trained in policies and procedures to address other topics, e.g., anti-money laundering and regulatory compliance.

Reinforcing the right values among employees is important to protect the company's reputation. To maintain the highest level of integrity, business ethics and anti-corruption training takes place annually starting in 2022. Our target is to have a minimum of 95% of employees complete the course each year.

Internal policies, including the Anti-Corruption and CMS Policy, as well as the CEZ Group Code of Conduct, are available on our corporate website and on the employee portal.

In addition, the Audit and Compliance Department communicates compliance-related issues in the company magazine and on the intranet, based on an annual communication plan. The Audit and Compliance Department uses these communication channels to promote awareness, prevent unethical conduct, introduce key compliance topics, and explain their importance to the entire CEZ Group.

5.4.1.9. Whistleblowing Hotline

GRI 2-25, 2-26

The Whistleblowing Hotline is one of many detection mechanisms we have put in place to reduce the risk of unethical or illegal conduct.

The Whistleblowing Hotline is an effective communication channel available to employees and third parties to report violations of the Code of Conduct or concerns about suspected misconduct. The Hotline is designed, in line with the requirements of the EU Whistleblowing Directive, to ensure the anonymity of all whistleblowers (i.e., employees, customers, business partners, or third parties/public) and to protect them from sanctions, discrimination, and other retaliation. The Whistleblowing Hotline is available 24/7 through various channels, which are described in our Code of Conduct: queries can be submitted through CEZ Group corporate website, on the intranet, by email (compliance@cez.cz), or by phone (+420 211 042 561).

Upon receipt of a report through the Hotline, the Audit and Compliance Department carries out an objective and independent investigation. Based on the relevant findings, we take corrective action. The Audit and Compliance Department reviews dozens of notifications each year.

Employees learn about the Hotline during mandatory training (initial and regular), in articles on the intranet, and in the company newsletter.

5.4.1.10. Anti-competitive Behavior

GRI 206-1

Competition creates a healthy economic environment and promotes sustainable growth. Being the largest energy group in Czechia, compliance with the rules of competition protection (pursuant to the Act on the Protection of Competition No. 143/2001 Coll. and Articles 101-109 of the Treaty on the Functioning of the European Union) is central to our business conduct. Therefore, preventing violations of these rules is a priority on the CMS agenda.

In practice, all employees must behave properly in business relations and safeguard the company's reputation as a fair market player. Employees must not only avoid anti-competitive behavior but also prevent it. This also refers to compliance with the unbundling rules. To act appropriately, employees learn about this topic and requirements in ethics training and through internal communication channels.

The Competition Compliance Unit of the Legal Services Department of ČEZ, a. s., provides regular training for responsible employees focusing on specific risks of anti-competitive behavior of CEZ Group companies and consultancy on a continuously growing number of relevant business plans in terms of compliance with competition law. The Unit has also prepared a competition compliance e-learning module for a broad group of employees involved in relevant transactions that will be implemented in 2023.

In 2022, no illicit anti-competitive behavior or other violation of the rules of competition protection occurred on the part of CEZ Group. One competition law litigation is currently pending between a CEZ Group company (Severočeské doly) and the Office for the Protection of Competition.

CEZ Group contracts are subject to mandatory legal review aimed, among other things, at compliance with the rules of competition protection (e.g., prohibition of bid rigging). Any findings lead to adequate measures.

5.4.1.11. Audits and Precautionary Approach

GRI 2-23, 3-3

Regular and systematic internal audits and compliance checks are performed to verify compliance with all the above-specified rules. They assure the governing bodies that the management and control systems are operational and that significant risks are covered.

Internal audits are performed by the Internal Audit Department of ČEZ, a. s., whose independence and efficiency come under the scrutiny of the Audit Committee of ČEZ, a. s.

The Internal Audit Department of ČEZ, a. s., regularly undergoes a comprehensive external quality assessment to evaluate compliance with international internal auditing standards and the Code of Ethics for internal auditors issued by the Institute of Internal Auditors. The assessment repeatedly confirms full compliance of our internal audit activities with the standards and the Code of Ethics and the high efficiency of the Internal Audit Department of ČEZ, a. s.

The Internal Audit Department of ČEZ, a. s., systematically checks all key processes, segments, and risks of CEZ Group. The Board of Directors and the Audit Committee regularly receive a summary of the audit results and corrective actions taken.

In 2022, 34 audit investigations were performed: 12 in ČEZ, a. s., and 22 in its subsidiaries (including 4 audits of foreign holdings).

In addition to internal audits, we apply a precautionary approach. We do not pursue activities with uncertain or potentially hazardous effects. We take a precautionary approach at four levels:

- verification of selected information provided by a new employee/applicant (pre-employment screening)
- business entity screening before a potential acquisition of a company (due diligence)
- vetting suppliers before entering a contractual relationship
- compliance audit of selected suppliers during the business relationship

5.4.2. Sustainable Supply Chain

Sustainability can no longer be just a private matter for individual companies. More than ever, sustainability must become a focal point for the whole value chain. Taking care of inputs needs to receive the same attention as taking care of impacts of internal processes and outputs. Having responsibility for a critical infrastructure, we focus intensely on maintaining a highly reliable and sustainable supply chain. CEZ Group has focused on evolving its policies and processes to ensure responsible procurement and purchasing, with particular attention to higher-risk aspects of the supply chain. We see the supply chain as a very important topic and, through our group-wide supply chain initiative, we strive to have the same quality of ESG data and information for the supply chain as for our own operations in the future.

5.4.2.1. Procurement and Selection Criteria

GRI 2-6, 3-3, 308-1, 414-1

Every year, we hold thousands of tenders for investment and maintenance projects, technical engineering works, supply materials and spare parts. From the procurement perspective, we categorize suppliers into four main groups: fuel, capital expenditure, services, and materials.

Our procurement and tendering processes are mainly centralized. The Purchasing Department takes care of the processes and provides related services in full for 23 CEZ Group companies.

Depending on their nature, tenders are either public (subject to Public Procurement Act No. 134/2016 Coll.) or non-public (subject to internal policies). Tenders follow applicable law and internal directives. Implementing tenders transparently while ensuring impartiality, efficiency, and optimal contract conditions is the main goal of purchasing departments.

By law, we inform about public tenders in the Public Procurement Bulletin and the National Electronic Tool (NEN), which are online tools enabling an unrestricted access of participants to information about tenders. Once the procurement process ends, we publish the result of the public tender there. As regards non-public tenders, we directly invite suppliers based on pre-defined rules. Afterwards, the whole process runs through an online CEZ Group supplier portal.

As part of the tender, we review many parameters (e.g., financial stability, ISO credentials, participant's business in high-risk countries, and the effects of international sanctions) including reputational risks, risks related to law violations, and others. We enter into relationships only with suppliers willing to honor obligations specified in the Commitment to Ethical Conduct. Depending on the nature and purpose of the procurement, we consider the principles of social and environmental responsibility and benefits of innovation when setting conditions, evaluating tenders, and selecting suppliers.

We take a responsible approach to the procurement process and impose various social requirements on suppliers. The most common aspects are:

- employment opportunities (e.g., education support, gaining experience and upskilling)
- human and labor rights (e.g., prohibition of forced, child and illegal labor)
- social inclusion (e.g., support for social enterprises, employment of vulnerable groups)
- decent working conditions (e.g., equal pay, work-life balance, health and safety conditions at work, valid employment contracts)
- local sourcing (e.g., support for SMEs, meeting financial commitments on time)
- ethical purchasing (e.g., Fair Trade products, evaluation of offers not only according to the lowest price, fair relations in the supply chain)

For certain social aspects (e.g., illegal work), the supplier is contractually obliged to exercise due diligence and take all measures to prevent such cases, including with its subcontractors.

Some of our procurements are awarded under the reserved procurement regime. In these cases, only contractors employing at least 50% of their workforce with disabilities in sheltered workplaces may submit bids.

At the same time, we take a responsible approach to public tenders in terms of environmental protection, sustainable development, the life cycle of supplies, and the impacts on biodiversity. Good examples are the use of recycled packaging, green cleaning requirements, reduced energy consumption, and other environmentally friendly solutions. For relevant public tenders, we require bidders to provide a certificate of compliance with environmental criteria.

In the case of selected public tenders, the requirements of responsible procurement are directly reflected in the evaluation of the tenderers' bids. In any case, the supplier requirements are always included in the framework agreements or business contracts. The agreed terms and conditions entitle us to monitor compliance with the requirements and to terminate the framework agreement or contract if we find that the supplier has not complied with them.

The same applies to difficult and complex tenders for nuclear power plants. In these cases, the selection criteria are subject to specific technical, legal, security, and environmental requirements (e.g., uranium mining and processing).

If third parties feel that a tender lacks transparency and equal treatment, they can submit a complaint either to the tender organizer, via the Whistleblowing Hotline, or Office for the Protection of Competition as an independent authority in case of public tenders.

Due to the importance of purchase-related activities for CEZ Group's operations, the Internal Audit Department of ČEZ, a. s., focuses on them in its regular audits. The audits examine both the functionality of the purchasing processes and efficiency of the control mechanisms, emphasizing, among other things, anti-corruption measures. These audits review purchases for ČEZ, a. s., as well as purchases of the CEZ Group companies to which the Purchasing Department of ČEZ, a. s., provides its services, and purchases that the CEZ Group companies conduct on their own.

Our supply chains consist of both external companies and CEZ Group subsidiaries. In accordance with legal regulations, we have a long-term preference for local suppliers (mainly from Czechia or Europe) and keep supply chains as short as possible for several reasons: communication, environmental impact, local economic development, and costs.

While in 2021 the main topic in the procurement was implementation of the principles for responsible procurement in tendering procedures, in 2022 the focus of tendering (both public and non-public) was, for obvious reasons, on the consistent implementation of international sanctions against Russia and Belarus in connection with the Russian aggression in Ukraine.

5.4.2.2. Verification Process

GRI 2-6, 308-2, 414-2

Material business cases in CEZ Group require third-party compliance checks. These compliance checks identify and mitigate the Group's risks of becoming involved in unwanted business relations, reputational damage, financial loss, or criminal liability.

In practice, we use three types of internally conducted compliance checks, which differ in their scopes. A responsibility of the Compliance Department, compliance checks are based on the information from publicly available sources (e.g., commercial databases, sanction lists, the Internet). Compliance checks result in a third-party risk rating and, if necessary, proposals for further action. Depending on the type of compliance check, the outcome is valid for 6 or 12 months. More than 900 reviews take place annually.

For potentially high-risk business cases, a third-party due diligence is carried out by external experts.

Our suppliers and business partners are required to maintain the same level of business ethics and integrity that we ask of our own companies and their employees. Our standard supplier contracts include a commitment that suppliers will abide by the ethical rules and principles set out in the Commitment to Ethical Conduct (Supplier Code of Conduct). We reserve the right to monitor compliance with the Commitment by requesting information using a questionnaire and conducting on-site inspections.

We express our expectations to suppliers and identify priorities for supplier approach to sustainable development. We reserve the right to verify the fulfillment of contract conditions at any time, and suppliers must provide necessary cooperation. We actively exercise this right and perform audits either remotely (i.e., questionnaires, substantiated evidence) or onsite. We apply seven auditing principles of ISO 19011 (Guidelines for auditing management systems).

We monitor supplier activities in terms of environmental protection and social aspects. All our sites with an ISO 14001 certification (Environmental Management System – EMS) maintain registers of supplier environmental factors. When conducting EMS inspections, we check these aspects primarily. In 2022, we did not identify any suppliers whose activities had significant adverse out-of-compliance environmental or social impacts.

Supply Chain Impacts (suppliers with significant actual or potential adverse impacts)

		2020	2021	2022
Environmental	Number of suppliers	0	2	0
	Nature of impacts	N/A	Water discharge above authorized limits	N/A
Social	Number of suppliers	1	0	0
	Nature of impacts	Payment below the minimum wage	N/A	N/A

From verification perspective, suppliers of nuclear power plants represent a specific category. Suppliers need to factor in the requirements of the Atomic Energy Act No. 263/2016 Coll., and the decrees of the State Office for Nuclear Safety. Suppliers of nuclear safety-relevant items and services undergo initial and repeated audits, and we continuously monitor the quality of their work.

Suppliers' human resources management is also subject to verification in line with the Atomic Energy Act. As per the Act, suppliers must carry out their activities using their own qualified and experienced staff. Moreover, only supplier personnel with confidential security clearance can enter nuclear power plant vital zones. Therefore, suppliers must pay attention to staff turnover, which helps us manage quality control and safety performance.

We concentrate on key human resources issues during suppliers' audits and during the actual onsite activities by suppliers' workers. We actively communicate our concerns at regular meetings with suppliers, clarifying our requirements and expectations and agreeing on remediation actions where warranted.

5.4.3. Tax Governance

GRI 3-3, 207-1, 207-2, 207-3, 207-4

We strive to be a responsible and trustworthy corporate citizen. Cultivating good community relationships is the basis for a long-term sustainable development. Responsible and transparent tax governance is a way to honor our commitments to society.

The principles that we follow are summarized here:

- We ensure compliance with tax regulations in every country where we operate, paying all taxes due within reasonable interpretations of applicable laws.
- We understand that the taxes that we pay in each country of operation contribute to sustainable public expenditure, strengthen our position of a responsible corporate citizen, and create social value for all our stakeholders.
- Our relationship with tax authorities is based on mutual respect, cooperation, and professionalism. We manage tax risks in line with the structure and location of our activities within the management of CEZ Group's business risks.
- We do not use artificial or unclear structures to reduce taxes, and we do not conduct transactions solely to erode the tax basis.
- We do not transfer profits to tax havens.
- We follow best practice within each jurisdiction, considering our specific needs and circumstances.

5.4.3.1. Approach to Tax

CEZ Group is a multinational corporation comprised of over 200 entities operating in many countries, primarily in Central Europe. Despite the differences in tax laws of individual countries, CEZ Group's tax principles and management closely follow the underlying rules of the Code of Conduct: ethics, integrity, responsibility, and transparency.

The Group's approach to tax management is embedded in internal policies and guidelines, which describe a general framework and details of responsibilities related to tax agenda.

Domiciled in Czechia, CEZ Group does not apply a consolidated corporate income tax because Czech tax laws disallow consolidated tax returns. From a tax perspective, CEZ Group companies are separate entities and independent taxpayers. Hence, the companies pay taxes locally according to valid legislation in each country of operation. The overview of total income tax paid forms a part of the consolidated Annual Financial Report, which is independently audited and is publicly available on our website.

The main responsibility for tax governance and strategy lies with Chief Financial Officer (CFO), who is also a member of the Board of Directors and the Head of the Finance Division. The CFO consequently delegates tax daily operational authority to the Tax Department. The domain of the Tax Department is especially tax administration, tax advisory and opinions, preparation of tax returns, and tax assessment of contracts. Analyses and reports of the Tax Department to the Board of Directors lend support to business investment decisions. The Supervisory Board and the Audit Committee check whether the Board of Directors exercised its powers in compliance with legislation, principles, and good practices. In 2022, the tax area was reviewed by the CEZ Group internal audit which expressed no reservations in its final statement. The processes in the Tax Department are also reviewed annually by the Risk Management Department.

The Tax Department's agenda also includes communication with tax authorities. Typically, Czech companies come under the Tax Authority according to their place of operation. Due to its size, ČEZ, a. s., comes under the Specialized Tax Authority, which handles tax matters of large companies.

5.4.3.2. Tax Integrity, Transfer-pricing, and Grievance Mechanism

CEZ Group fully meets tax standards and regulations in all conduct and countries where it operates. CEZ Group's tax governance and risk management are subject to internal processes and aligned with a responsible, credible, and sustainable approach. The Group does not adopt any tax mechanisms or business structures to alleviate its tax burden deliberately, nor does it participate, directly or indirectly, in tax avoidance schemes or use of tax havens. Taxation issues are not the primary driver of the Group's business decisions.

Internal transfer pricing guidelines stipulate tasks, responsibilities, and procedures for transfer pricing in CEZ Group. Applying an arm's length principle, the Group transfer pricing fulfills the market standard, local tax legislation, and the concepts of the OECD Guidelines.

To mitigate transfer pricing risks and avoid disputes, CEZ Group employs an advance pricing agreement (APA) for the companies situated in Czechia. APA represents a formal agreement with tax authorities to determine and use transfer prices with related parties for a certain period.

The Whistleblowing Hotline serves as a tool for raising concerns or suspicions about illicit tax conduct. The Hotline offers various means to submit a concern (via Intranet/ Internet, email, or phone) and ensures whistleblowers' anonymity to protect them from retaliation. The Audit and Compliance Department investigates all reports independently and takes remedial measures.

5.4.3.3. Tax Payments

In 2022, the CEZ Group's current corporate income tax amounted to CZK 20.2 billion, of which CZK 20.0 billion in Czechia and CZK 0.2 billion abroad, of which CZK 12 million in Slovakia, CZK 40 million in Germany, CZK 5 million in Italy, CZK 52 million in Poland, CZK 18 million in Hungary, CZK 1 million in Romania, CZK 28 million in Israel, CZK 28 million in Malta.

ČEZ, a. s., regularly ranks among the largest corporate income taxpayers in Czechia. The Czech corporate income tax rate enacted for 2022 was 19%.

In the wake of the energy crisis in Europe in 2022, nation states took special measures to reduce the impact of high commodity prices on end customers. In Czechia, windfall taxes were introduced: a levy on surplus revenues from generation from December 2022 to the end of 2023 and a levy on unexpected profits, which amounts to additional 60% above the normal income tax on the portion of profits gained in excess of the average profits earned by CEZ Group in 2018–2021. For December 2022, CEZ Group paid over CZK 1 billion as a levy on surplus revenues from generation.

For 2023, CEZ Group expects to pay CZK 30–40 billion to the Czech state due to the windfall taxes and levies. In addition, the regular corporate income tax, which is 19%, will amount to CZK 26–30 billion in 2023, including balance due on advanced tax payments for 2022.

In total, CEZ Group expects to pay more than CZK 100 billion to the Czech state in dividends, income taxes, and levies on revenues from generation. Total government budget revenues of Czechia in 2023 are estimated at CZK 1,928 billion, i.e., CEZ Group companies will pay more than 5% of all planned revenues to the state budget.

Every year, CEZ Group companies rank among the best tax entities based on the amount of corporate income tax paid, as per announcement by the Financial Administration. In 2022, ČEZ Distribuce ranked 6th, having paid 1,510 million in corporate income tax. ČEZ Prodej ranked 17th, having paid CZK 840 million in corporate income tax.

Apart from the corporate income tax, ČEZ, a. s., also declared CZK 2.0 billion in health and social insurance (13.5% increase year-on-year) as a mandatory contribution of the company to health and social systems organized by the Czech government. In addition, ČEZ, a. s., collected CZK 732.9 million in employment taxes (2.5% increase year-on-year). ČEZ, a. s., collects employment taxes from employees on behalf of the Czech government.

CEZ Group provides a wide range of extra welfare benefits, including nontaxable contributions to employee pension savings and life insurance. In 2022, ČEZ, a. s., contributed CZK 95.1 million to employee pension savings and life insurance (0.7% decrease year-on-year).

At the end of 2022, no legal tax disputes concerning CEZ Group were pending.

5.4.4. Cyber Security and Information Privacy

GRI 3–3, 418–1

Information security is one of the major aspects of our operations. We go to great lengths to meet the highest security standards and manage the risks involved.

5.4.4.1. Data Protection Officer

In CEZ Group, we pay special attention to processing and protecting personal data and respecting the privacy of our employees, customers, and business partners. Therefore, we duly reflect the provisions of the relevant personal data protection legislation in our internal directives, namely:

- Regulation (EU) 2016/679 of the European Parliament and the Council (GDPR)
- Personal Data Processing Act No. 110/2019 Coll.

We constantly monitor and adjust processes and measures to adapt to the current legislative developments and interpretative trends, mainly those of the courts, supervisory authorities, and the European Data Protection Board. Specifically, this means that we consistently ensure that the processing of personal data is always lawful, fair, and as transparent as possible towards the data subjects concerned. We only collect, store, and process personal data for a strictly necessary period of time, in limited quantities, in accordance with a clearly defined purpose, and on the basis of a predefined legal title. The data subjects are always duly informed of the processing method, of their rights, and of the principles and measures for the protection of personal data before and at any time during the processing of personal data.

Given CEZ Group's strategic goal to digitize 100% of key customer processes by 2025, we see compliance with strict data protection standards as an imperative.

Pursuant to Article 37 of the GDPR, CEZ Group has appointed a Data Protection Officer who provides services to the members of the concern of CEZ Group and other selected companies.

The Data Protection Officer (DPO) is an independent monitoring and advisory body. The DPO serves as a contact point for personal data subjects who are in contact with CEZ Group companies. The personal data subjects are mainly employees, customers, and business partners. Data subjects send requests to the DPO to exercise their rights electronically, by mail, or via data mailbox.

In 2022, data subjects submitted 231 requests to exercise rights. All requests were processed on time, 16 were rejected for lack of merit, and 32 were subsequently found not to be an exercise of rights within the scope of the GDPR and were forwarded to the relevant administrators for resolution.

Other tasks of the DPO and his office are, in particular:

- to protect the rights and interests of data subjects
- to monitor compliance of personal data processing with the GDPR
- to cooperate with specialized departments of the concern members in dealing with security incidents and personal data breaches

The DPO's duties also include communicating with supervisory authorities and raising employee awareness of personal data processing, e.g., through training, e-learning, or newsletters.

In 2021, the DPO reported to the supervisory authority one case of a completed serial external attack on our call centers to gain access to customers' online accounts. Law enforcement agencies have not closed the case yet, and we are waiting for the outcome of the investigation.

In performing his activities, the DPO received a total of three complaints from the supervisory authority in 2022. Two complaints related to the failure to provide call recordings in accordance with Article 15 of the GDPR, and one complaint related to the incorrect setting of a cookiebot. The DPO ensured that corrective actions were implemented for all three issues within the specified deadline. In none of these cases did the supervisory authority initiate an inspection. In 2022, no financial sanctions were incurred by CEZ Group companies in connection with possible personal data protection breaches.

Beyond the scope of his duties, the DPO is a member of important associations active in the field of law and personal data protection. In particular, the Association for Personal Data Protection, the Association of Industry and Transport, and the Union of Corporate Lawyers, where he exchanges experience and information, deepening his professional knowledge and creating important partnerships.

5.4.4.2. Cyber Security

SASB IF-EU-550a.1

CEZ Group takes the security of our computer systems very seriously. We are a leader in important infrastructure, and it is crucial that we protect ourselves from any potential dangers. Therefore, in 2017 the Board of Directors approved an Information and Cyber Security Policy, setting goals to achieve the objective. The policy is publicly available on the website of ČEZ, a. s. The Chief Security Officer is responsible for compliance with the policy.

The Chief Security Officer became the President of the Czech Association of Critical Infrastructure (AKI CR) in 2022. AKI CR, established in 2019, is an association of the most important owners and operators of critical information infrastructure in Czechia, especially in the energy, telecommunications, water, petrochemical, and transport sectors. AKI CR helps its members cooperate with government agencies on critical information infrastructure and during emergencies. The goal of cooperation is to ensure that important infrastructure is protected from current and future threats.

We manage critical information infrastructure and information systems of essential services in line with the Cyber Security Act No. 181/2014 Coll. We check compliance with the Act annually by an internal audit. We also responsibly secure the computer systems used for nuclear safety management pursuant to the Atomic Act No. 263/2016 Coll. In 2022, we dealt with two non-conformities under the Cyber Security Act, both of which were administrative issues. We consider a risk management approach, enhanced protection of systems, and promotion of cyber security culture to be priorities of our cyber security strategy. We have not experienced any incidents of non-compliance with cyber security standards or regulations.

In 2022, important developments in cyber security included:

- (1) We improved Integrated Security Operations Center.
- (2) International inspectors checked how well we were managing information security at our nuclear power plants.
- (3) There was an inspection at one of our nuclear power plants of how well we follow the Cyber Security Act.
- (4) We worked on making changes to follow new European laws about cyber security more easily.

Security Operations Center (SOC)

The team of the Security Operations Center (SOC) looks after CEZ Group physical safety, information security, and cyber security. The SOC works hard to detect any potential threats or incidents and prevent them. We work closely with national security forces like the National Cyber and Information Security Agency, Military Intelligence, and the Czech Police. Our efforts are paying off – by reducing the risk of threats and eliminating attacks, we prevent economic losses. In 2023, we plan to expand by establishing a corporate Computer Security Incident Response Team (CSIRT), which will help us deal with major cyber threats. Our goal is to become listed in the Forum of Incident Response and Security Teams to demonstrate our commitments to cyber security.

ISO/IEC 27001

In September 2022, our nuclear power plants went through an annual check-up called an audit of the information security management system. As per the EN ISO/IEC 27001:2017 standard, the audit assessed the setup of our computer systems, compliance with laws and regulations, and information security awareness among employees. The audit valued highly that nuclear facilities only allow contractors to maintain and configure security control systems using exclusively the nuclear operator's computers.

We passed the audit successfully and retained our international certification which is valid until October 2024. This makes us one of the first nuclear power plants in the world to get this certification. You can see our certificate on the company website.

NÚKIB inspection

In September 2022, the Temelín nuclear power plant went through a planned inspection by the National Office for Cyber and Information Security (NÚKIB) to assess compliance with Act No. 181/2014 Coll., related to cyber security. The inspectors found that our Information Security Management System (ISMS) was working properly, but they found two administrative issues to be corrected. They assessed positively the promotion of cyber security culture and security awareness programs. We take all audit and inspection findings very seriously. Any new information from these inspections is incorporated into our risk management plan so we can take appropriate actions to maintain online safety and security.

NIS2

At the end of 2022, the EU Directive NIS2 on measures to ensure a high common level of network and information systems security came into force. This directive significantly expands the range of obliged entities and the scope of cybersecurity obligations for existing regulated companies in EU member states. The directive also increases penalties for breaches (2% of worldwide turnover or EUR 10 million).

The directive expands the number of obliged entities within CEZ Group: about 40 more CEZ Group companies in Czechia and many others abroad. To meet these requirements, we are launching a program for NIS2 implementation in CEZ Group. This program will help all our companies understand how to follow the new rules and make sure they are safe from cyber threats.

The program will include a deeper review of the CEZ Group's cyber strategy taking into account new cyber regulatory requirements and current cyber threats. The results of key phases and risks of the program will be regularly presented to the Board of Directors. While waiting for the NIS2 transposition into the Czech legal system, NÚKIB created a working group with representatives of the cyber community. The CEZ Group's Chief Information Security Officer is a member of this working group.

ISMS in CEZ Group

CEZ Group wants to make sure that our information and technology systems are safe from cyber-attacks. We follow laws, international standards, and recommendations to keep our products and services reliable for customers and partners. Four important aspects apply to all CEZ Group employees and service providers: training people who work with technology, managing and developing systems, managing risks well, and using good security measures. We take information and cyber security seriously by following a plan-do-check-act principle. Our goal is to balance the cost of protecting assets with their worth. To do this, we made an Information and Cyber Security Action Plan that addresses all aspects related to information security in a comprehensive way throughout our organization. By following this plan, we can keep our business secure while reducing risks from potential threats or breaches. The plan indicates yearly targets based on five considerations: current level of safety of ICT (Information and Communication

Technologies)/ICS (Industrial Control System); business requirements; regulation compliance; audit assessment regarding regulation compliance; industry best-practices used by peers.

Vulnerability management and security testing

We regularly test all our assets to make sure there are no weak spots in the system. If we find any issues, we remove them by patching or modifying the application source code. Before making changes to our live systems, we always test them in a separate environment first. Our application development follows strict rules based on Secure Software Development Life Cycle principles.

Every year, we prepare a report summarizing the security of our company and any risks identified by audits or other checks. The report includes details about compliance with industry standards and is submitted to the CEZ Group Protection Committee for further discussion.

The report contains four types of information: (1) status of implementation of security requirements according to the Information and Cyber Security Action Plan in CEZ Group; (2) main changes made in the past year; (3) current performance of measured indicators; and (4) evaluation and recommendations for further development of information and cyber security.

The Information and Cybersecurity User's Manual is an essential document for all CEZ Group employees. It contains principles of information and computer systems safety, outlines rules for users and their application in daily work. The manual explains complicated cybersecurity issues and translates them into real-life situations.

CEZ Group has set up the CEZ Group Protection Committee that advises the CEO of ČEZ, a. s. This committee discusses the following topics in particular: (1) how to protect CEZ Group; (2) what threats there are and how to deal with them; (3) which security measures are most important and when they should be done; (4) which big projects need special attention; (5) important documents (plans, reports, etc.); (6) why it is important to follow security rules; and (7) whether everything works well based on regular checks.

The committee has three main objectives: (1) carrying out tasks related to information and cyber security; (2) sharing knowledge about current updates in information and cyber security in CEZ Group; and (3) determining how best to conduct information and cyber security practices within CEZ Group.

The committee chooses experts to form groups focused on specific protection-related topics. An expert working group on cyber security was established to address issues related to cyber security. The group's main goals are: (1) identifying and assessing risks associated with information; (2) managing current levels of information and cyber security measures within CEZ Group; and (3) making recommendations for improving information and cyber security in accordance with recognized standards (such as the Cyber Security Act or ISO 27002).

The Chief Security Officer keeps the CEO informed about information and cyber security in CEZ Group. The Chief Security Officer prepares a report with current information once a year or during emergencies. The Chief Security Officer also creates plans for maintenance of safety from cyber-attacks. The Director of Audit and Compliance is responsible for an independent assessment of information and cyber security in ČEZ, a. s., and other companies in CEZ Group, and reporting to the Board of Directors.

Security awareness/phishing

In 2022, we had 2,637 incidents related to information or cyber security – a significant increase (38%) compared to the previous year caused by the application of new Data Loss Prevention rules. We also ensure that cyber is an integral part of our investment projects.

It is essential for our employees to understand safe internet use, and training sessions are provided every two years. Our goal is to train employees to spot suspicious and malicious emails and use phones and websites without any risk. To test their attention, we sometimes send fake phishing emails. In 2022, about 16,000 employees received these emails with an average 4% click-through rate. There was less than 1% of high-risk users after the tests were completed. The Cyber Security Department continues to send out fake phishing emails and also provides special training sessions for certain groups of employees such as purchasing specialists, security managers, and top managers in CEZ Group companies. The Security Awareness Development Plan defines the content and target groups of online safety training required by information and cyber security regulations.

The Security Awareness Development Plan

Level	Content	Target group
1	Basics of information and cyber security	All CEZ Group employees
2	Advanced basics of information and cyber security	CEZ Group employees using technological management information systems CEZ Group employees providing service to critical information infrastructure elements
3	Expert cyber security training	Administrators of technological management information systems Employees in the role of responsible professional engineers or responsible project engineers Persons in roles of security officers, including members of cyber security management committees
4	Expert cyber security training Training	Information and cybersecurity department staff Internal trainers
5	Security - information and cyber security	Contractor employees performing activities at nuclear power plants in the role of work leaders Contractors performing activities at nuclear power plants
6	Online testing and training - phishing	All CEZ Group employees

Some of our employees are experts who belong to Information Systems Audit and Control Association (ISACA) or ISACA Czech Republic Chapter (CRC). This group is a part of an international organization that helps professionals with managing, auditing, controlling, and securing information systems. The local chapter has over 300 members from different parts of business and government administration.

Security of supplier relationships

We ensure that CEZ Group's requirements for information and cyber security are met when we outsource deliveries. We take security very seriously and make sure all third-party suppliers follow our strict security rules. In case of a breach, we handle the situation accordingly in all seriousness. Fostering good relationships with our suppliers helps to maintain security in all processes. In our business, we follow legal requirements of Act No. 181/2014 Coll., Section 3 (c), (d), (f) & (g) and Cybersecurity Ordinance Section 8 – Supplier Management obligations on third party/supplier cybersecurity management.

We follow several important documents when selecting suppliers. These documents include contracts for ensuring information and cyber security, instructions for suppliers, and a questionnaire to assess risks involved in working with a supplier. The questionnaire is applicable for contracts related to Act No. 181/2014 Coll., on cyber security. A cyber security contract must include four criteria: First, we need to know what security requirements are necessary for standard systems and technologies. Second, we list the requirements for maintenance contracts from both suppliers and service providers. Third, we need to know what kind of security requirements consultants or advisors should meet. Finally, if deliveries fall under Act No. 181/2014 Coll., then there are specific security requirements that must be met.

5.5. Asset Management

GRI 3-3

Asset lifecycle management is a key element in ensuring safe and reliable operations at our production and distribution sites. In practice, this means that we are consistent in all activities related to the asset lifecycle, i.e., from the acquisition of assets through their operation to their decommissioning and disposal. This is based on techno-economic studies, risk analyses, asset maintenance, cost optimization, and supply chain capacity. The purpose of asset management at CEZ Group is not only the sustainable and efficient use of operating resources, but also their renewal and the development of long-term value.

5.5.1. Renewable and Conventional Energy

The basic pillar for asset lifecycle management in the Renewable and Traditional Energy Division is CEZ Group's strategy, VISION 2030—Clean Energy of Tomorrow, which aims to:

- reduce coal-fired power generation: we will reduce the share of coal-fired electricity generation to 25% by 2025 and 12.5% by 2030, while phasing out heat production from coal by 2023
- increase production from clean sources: we will build 6 GW of renewables by 2030

According to this strategy, further objectives and plans are developed into site concepts (strategic site assignments). The individual site concepts are based on the main risks and opportunities of the sites, the condition of key equipment, consideration of the availability of main inputs (fuel, water, etc.), personnel resources, legislation, and CEZ Group commitments and technical know-how. The site concepts divide specific sub-tasks and KPIs (key performance indicators) into annual and medium-term planning periods (5 years), including resource allocation, setting technical and economic indicators, priority setting, and assigning responsibility for task performance. We use the Design-To-Value methodology for the preparation of major projects. In general, the process fulfilling the PDCA (Plan-Do-Check-Act) cycle can be summarized as follows:



Fig. 5: PDCA Cycle – Asset Management – Renewable and Conventional Energy

An advisory body, the Resource Portfolio Management Commission, assists with the implementation of the site concepts. In particular, the Commission discusses:

- implementation of the long-term site concepts and the related medium-term plans
- annual site plans and evaluation of their ongoing execution
- the status of projects in the medium term, evaluation of deviations and proposals for corrective measures
- the main risks and opportunities associated with asset management arising from external and internal incentives
- the length and nature of planned outages and relevant recommendations

CEZ Group's asset and risk management system for Renewable and Traditional Energy is conceptually based on ISO 55000 and ISO 31000 standards.

From a risk management perspective, unified principles are set for all areas of the asset lifecycle. We have a continuous process of early identification of risks in place, their recording, expert determination of the size of risks including proposals for their mitigation (reduction, acceptance, monitoring, etc.).

The identification of risks focuses especially on:

- compliance with the Safety and Environmental Policy
- acceptability of operational risks to the public and the environment
- reliable and efficient generation of power and heat
- the development of renewable energy sources
- meeting CEZ Group's ESG objectives, including taxonomy
- business continuity management risks

All risks and opportunities are recorded in the Risk and Opportunity Register, which is used in the development of site concepts and subsequent annual and medium-term plans. If necessary, the risk overview is the basis for escalation to the management of ČEZ, a. s. Risk management is also reflected in the scope of routine maintenance and categorization of equipment, evaluation of specific activities, approach to spare parts management, and application of technical standards. Similarly, the identification of opportunities and their subsequent development is approached.

The asset and risk management system must consider a series of factors in terms of meeting the VISION 2030—Clean Energy of Tomorrow objectives and preparing site concepts. In the context of reducing coal-fired power generation, it is primarily a matter of appropriate timing, both in terms of achieving climate targets and ensuring security of energy supply in Czechia. This goes hand in hand with the replacement of coal-fired sources with emission-free ones (primarily photovoltaic), the conversion of plant sites to new activities and the development of new systems and technologies (e.g., battery systems, hydrogen technologies or heat storage).

The process of coal extraction is also tightly linked to the site concepts. Severočeské doly, part of CEZ Group, plans mining and subsequent reclamation within the operating horizon of its coal assets.

In the heating sector, we are preparing for the transition to low-emission heating from an asset and risk management perspective. In practice, this will mainly mean highly efficient combined heat and power units using biomass, municipal waste and natural gas.

A practical example of asset management and the transformation to emission-free generation is the Prunéřov I power plant, which was shut down in 2020 after 53 years of operation. In 2022, we started the demolition of the completely decommissioned power plant which will be completed in 2023. The result will be a cleaned-up area for further commercial use. In general, when decommissioning, we prefer the maximum possible use of dismantled components, both within and outside CEZ Group, and recycling of recoverable raw materials.

We are also involved in Europe-wide activities related to the transition to low-emission and zero-emission energy production. We are members of the vgbe organization (formerly VGB), which is a global technical association for power and heat generation companies, and we participate in the project Re-purposing Coal Power Plants during Energy Transition. The project mapped more than 70% of the total installed capacity of coal-fired power plants in Europe, assessed the state of their infrastructure and identified sustainable technologies suitable for the transformation of coal sites. The result was a proposal of solution concepts, according to which future pilot projects can be prepared. Our coal-fired operations have all the prerequisites to successfully undergo the transformation to low-emission and emission-free energy industry, both in the area of power generation and heat supply.

In terms of continuous professional development in the field of energy asset management and risk assessment, we have a system in place to obtain the necessary and up-to-date information. These include membership in various technical working groups (vgbe, EPRI – Electric Power Research Institute, and IERE – International Electric Research Exchange), participation in conferences and educational events, cooperation between the professional departments of CEZ Group, and other.

5.5.2. Nuclear Energy

The CEZ Group's strategy, VISION 2030—Clean Energy of Tomorrow, is fundamentally reflected in the life cycle management of our nuclear assets. In the strategy, we commit to:

- safely increasing generation from existing nuclear sources to over 32 TWh and achieving a 60-year lifetime for nuclear units
- building a new nuclear unit at Dukovany
- preparing for the construction of small modular reactors (SMRs) with a total capacity of over 1,000 MW after 2040, with the aim of implementing the first modular reactor by 2032

The guiding principle is to manage assets and risks with safety and reliability in mind and to ensure that everything is done in accordance with the internal Nuclear Power Plant Safety Policy.

CEZ Group's strategic visions for nuclear power are further reflected in long-term site concepts and medium-term site plans. With the help of site concepts, we determine the way nuclear power plants are operated, set expectations over the horizon (and beyond) of expected operation and during asset decommissioning, and look at the potential for further site development. The main input for the development of the concepts is the risk and opportunity register of the site, the condition of important facilities, the restrictive conditions (water, discharges, etc.), and the applicable legislative framework.

Key areas of asset lifecycle management in our nuclear operations include:

- setting rules for the care of nuclear power plant equipment to ensure a high level of reliability
- planning for the long-term economically sustainable use of nuclear power plants
- securing the finances necessary for the long-term economically sustainable, safe, and reliable operation of nuclear power plants
- monitoring the situation, searching for causes, performing analyses, and continuous improvement

The entire asset management process is summarized in the following diagram of the annual PDCA cycle (Plan-Do-Check-Act):

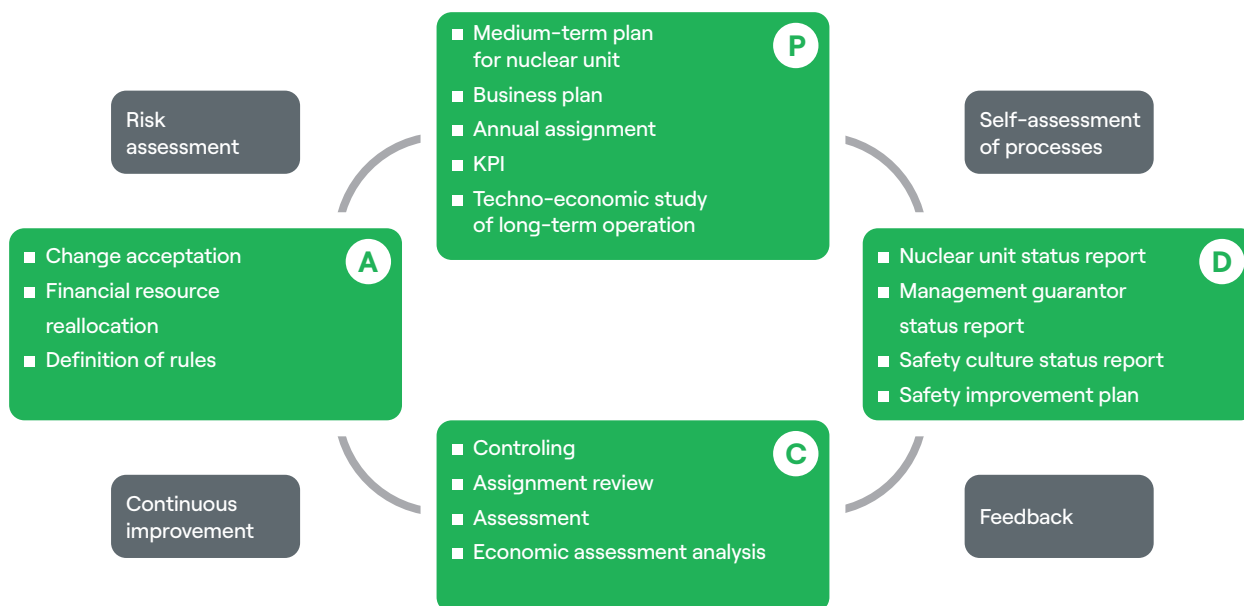


Fig. 6: PDCA cycle – Asset Management – Nuclear Energy

As part of asset care, we improve maintenance processes in cooperation with internal departments and suppliers. Regular meetings are held to evaluate activities (ongoing and planned) and improve processes. Part of the process includes monitoring foreign nuclear operators and comparing their maintenance approaches. The aim is to ensure stable and high-quality maintenance of assets to secure high reliability in the long term.

When planning the economically sustainable use of nuclear power plants, we fulfill our role and proceed with due care and diligence. We coordinate activities in the operation of production facilities and look for and assess the potential for site utilization. To support good decision-making, we use techno-economic tools that provide a comprehensive view of the situation and search for optimal solutions, because the cheapest way does not always mean the best way.

Optimal and efficient allocation of resources is one of the basic premises for continuous improvement of safety and reliability in nuclear operations. The goal of long-term economically sustainable, safe, and reliable operation is thus reflected in realistic business plans and annual budgets. Economic management tools such as NPV (Net Present Value) are an integral part of management decision-making.

Asset lifecycle management places demanding requirements on our suppliers. We only work with suppliers who meet the rigorous requirements for the supply of materials, products, and services for nuclear power plants. To qualify for supply to nuclear power plants, a supplier must pass the relevant audit. All audit records are part of the qualified supplier database.

In terms of asset and risk management, strategic planning is very important for nuclear power plants. Therefore, we monitor current and future market and regulatory conditions for the assets in the nuclear power industry. Along with this, we evaluate possible scenarios for operation and development at the level of the main asset groups.

Improvement is not a destination, but a never-ending journey. In managing assets and risks within the Nuclear Energy Division, we strive for continuous improvement in all processes and activities in line with global best practices. We use various tools such as benchmarking, performance indicators, and efficiency checks.

Thanks to employees with extensive experience in various fields from outside CEZ Group, we manage to maintain a high level of know-how in asset and risk management. We are mindful of the need for early transfer of knowledge and experience, and we reflect this in our staff training and development requirements, including basic staff training.

5.5.3. Distribution System

As the largest distribution system operator in Czechia, we have long been committed to the safe and reliable operation of the distribution system. The distribution system operated by our company ČEZ Distribuce includes power lines and stations covering high, medium, and low voltage levels. In total, we supply and manage nearly 3.8 million consumption points.

According to the Energy Act (Act No. 458/2000 Coll.), one of the basic obligations of the distribution system operator is to plan the renewal and development of the distribution system. In addition to the traditional development, the distribution system needs to be transformed for what is now-called New Energy (PV and wind power plants, e-mobility, etc.), which is fully reflected in the CEZ Group's strategy, VISION 2030—Clean Energy of Tomorrow and especially in this particular commitment:

- invest in smart grids and decentralization to further develop a stable and digital distribution grid

In managing ČEZ Distribuce assets, we follow a systematic approach and coordinate activities and procedures in order to achieve optimal performance, assess the associated risks and costs over the asset life cycle, and achieve the highest possible efficiency.

The investment plan, which is approved by the management of ČEZ Distribuce, is the underlying basis for planning the renewal and development of distribution system assets. The investment plan is built upon the company's strategy, which focuses on:

- asset renewal (according to key parameters – condition, age, failure rate, extent, safety, etc.)
- asset development including smart technology deployment

The investment plan is broken down into the mid-term plan in detail (by region, type of asset, etc.) and implemented step by step.

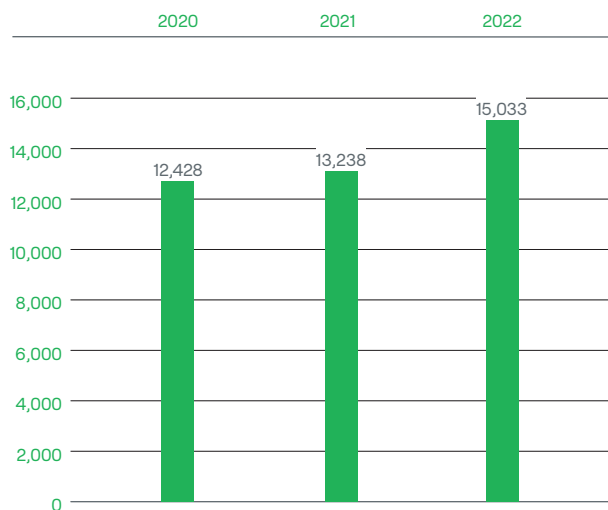
Asset renewal is based on the requirements of the expert departments. The internal tool FMEA is used to manage and assess the condition and importance of the assets. Evaluation includes criteria such as supply interruptions and continuity of supply, voltage quality, distribution losses, OPEX (maintenance, malfunctions), connection capacity, asset condition, reinforcement of the distribution system due to decentralized generation, and risk elimination.

We invest in asset development based on strategic decisions preceded by thorough condition analyses including calculation studies. In the calculations, we consider scenarios for the development of electricity consumption and generation. As a result, the analyses comprehensively assess future conditions and constraints of power supply in the required quantity, quality, location, and time.

A specific group of investments in asset development are smart technology investments. These include the installation of remote intelligent control elements, elements for U/Q management, fiber optic infrastructure, etc.

The following chart shows the volume of investments (in millions of CZK) in the renewal, construction, and development of the distribution system in the last 3 years.

Volume of Investments (mil. CZK)



We are aware that environmental trends and related legislation have an impact on our distribution system asset management. For example, in the past, Directive 2009/125/EC and the subsequent European Commission Regulation 548/2014 set out the eco-design requirements for transformers. Since 2015, ČEZ Distribuce has only purchased transformers (approximately 2,200 per year) that comply with the mentioned regulation. We are currently monitoring and preparing for the introduction of the EU directive to ban the use of SF₆ gas, which is environmentally harmful. We have participated in a Europe-wide questionnaire study, which has led the European Commission to propose a regulation to phase out the use of SF₆ in electrical equipment (vote to take place in 2023). For this reason, we are taking steps to prepare early tenders for SF₆-free technology standards and are monitoring the market situation. In the technical specifications for the respective tenders, we have included information on whether the bidder can also provide an alternative to SF₆, and in the framework agreements we reserve the right to change the contract performance.

An aerial photograph of a vast, green landscape, likely a park or a large field. The landscape is divided into sections by dark, winding lines, possibly paths or boundaries. In the lower right, a person is running on a light-colored path, leaving a long shadow behind them. The text is overlaid on the upper left portion of the image.

We track
and disclose data
to help our
stakeholders
navigate the ESG
landscape

6

EU Taxonomy KPI Report

6.1. General Principles

CEZ Group reports our EU taxonomy key performance indicators in line with the Taxonomy Regulation and associated delegated acts. CEZ Group follows the Commission Notice from December 2022 and discloses full taxonomy KPIs for year 2022 (year N).

For the 2022 fiscal year, we report on two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA). As our activities in the energy sector and energy services are primarily oriented towards substantial contribution to mitigation, we do not disclose standalone CCA disclosure. We do not perform material activity with contribution to adaptation and the list of CCA eligible activities would mirror CCM eligibility disclosure without any additional value.

Our approach follows the principles of materiality and transparency. We aim to provide comprehensive information about all relevant business operations including noneligible activities. Some activities within CEZ Group are currently outside the scope of taxonomy classification and could be reconsidered as the classification and activity definitions changes over time (e.g., trading of renewable certificates, components manufacturing and energy servicing activities, etc.).

6.2. Contextual Information – Methodology and Implementation in CEZ Group

CEZ Group has established an internal ESG reporting and assessment process led by the ESG Reporting Office. For assessment and interpretation, we have established a taxonomy taskforce with experts within CEZ Group. We have developed an internal reporting solution for collecting non-financial data with a dedicated taxonomy module. This allows us controlled collection, quality control, standardization, and assessment of compliance with EU taxonomy requirements at the level of subsidiary and economic activity. The process of assessment was performed by data collection for each business activity within fully consolidated subsidiaries.

CEZ Group discloses eligibility and alignment of own economic activities in line with legal requirements. For assessment, the existing technical screening criteria as of January 1, 2023 are applied, meaning both natural gas and nuclear energy criteria are used. The adopted changes in taxonomy classification in 2022 allowed us to include natural gas and nuclear energy activities as eligible activities. This change had a significant impact on our key performance indicators (KPIs) since nuclear energy is a large part of our generation portfolio. Natural gas facilities are significant in our generation portfolio and investment plan.

KPI disclosures include material activities. Eligible activities with low materiality are grouped under – Energy Services and Other Activities. Each activity included in our report (material or nonmaterial) has been assessed against EU taxonomy technical screening criteria.

Technical screening criteria consist of Substantial Contribution Criteria for climate change mitigation objective and Do No Significant Harm criteria for other five environmental objectives. The alignment is assessed on the level of a single economic activity or projects of a given company. The assessment of climate risks and social safeguards has a group-level importance and is managed on CEZ Group level.

Given the level of uncertainty in some definitions and interpretations of each screening criterion, our assessment is based on the best-effort-basis. The final assessment is based on our current understanding of the criteria and in-house ESG expertise. Our assessment is complemented by consultations with regulatory authorities, green bond SPOs from ESG rating agencies in 2021 and 2022, and with sectoral guidelines issued within the same timeline for various activities and sectors in EU. Additionally, the Commission draft notice published in December 2022 provided additional clarity and supported our assumptions and confirmed our approach as appropriate.

If more activities are present and reported by subsidiaries, we report each financial value for a single activity based on business lines, technology, or projects. In some instances, CEZ Group uses pro rata coefficients based on objective operational and technological data. No values are double counted, and quality control is performed against audited company financial values.

KPI disclosure uses only Group data without the use of any external services or third-party estimates, in line with requirements for a nonfinancial company. The taxonomy disclosure follows international accounting standards (IFRS) used for Consolidated Financial Statements in the Annual Report, which are assessed by an independent auditor.

6.3. Technical Screening of Economic Activities in 2022

6.3.1. Renewable Energy

Photovoltaic power plants – 4.1

Aligned

Development and operation of power plants in Czechia, Germany, France, Italy, and Israel

Technology complies with threshold 100 gCO₂e/kWh by default.

Projects and locations use measures such as ISO 14001, consider feasibility of circularity aspects of components on project level (such as durability or long lifespan of component). All projects ensure end-of-life waste management in line with applicable EU legislation. All projects comply with EIA regulation incl. biodiversity assessments whenever required.

Hydropower – 4.5

Aligned

Operation of existing power plants in Czechia

Technology complies with threshold 100 gCO₂e/kWh by default according to current scientific consensus. All hydropower plants have power density higher than 5 MW/m² based on installed capacity and average reservoir area (on facility and/or cascade level).

All plants are operated under valid licenses and permits from water authority (River Basin Management Authority) and implement all defined and required measures for water protection, improving good water potential and biodiversity protection. Required measures are derived from Water Framework Directive and CEZ Group considers such legal compliance as alignment under DNSH. For hydropower locations build or modernized under applicable EIA regulation, legal compliance is ensured, and compensatory measures were implemented.

Wind power – 4.3

Aligned

Development and operation of onshore wind parks in Czechia, Germany, and France

Technology complies with threshold 100 gCO₂e/kWh by default.

Projects and locations use measures such as ISO 14001 and consider feasibility of circularity aspects of components on project level. All projects ensure end-of-life waste management in line with applicable EU legislation. All projects comply with EIA regulation including biodiversity assessments whenever required.

Biomass plants – 4.20, 4.24⁵⁾

Aligned

Cogeneration and heating plants on biomass and biogas in Czechia and Italy

Used biomass is certified or considered sustainable in line with RED II Regulation (biomass sourcing and fossil fuel savings comparator). We consider only operations using biomass-only fuel as eligible and aligned, i.e., without co-combustion of other fuels during regular operational regime (especially fossil fuels).

Operation of plants is under valid permits, in line with water authority requirements and valid pollutant emission limits, and compliant with air quality plans.

All plants are compliant with EIA requirement, or applicable authorization procedure when EIA was not applicable at the time of construction.

⁵⁾ Activities under codes 4.20, 4.24 are bundled together due to their technological nature and predominantly the same screening requirements.

6.3.2. Transitional Energy – Natural Gas and Nuclear

Nuclear energy – 4.27, 4.28

Aligned

Generation facilities in Dukovany (EDU) and Temelín (ETE) and preparatory phase for the construction of additional units EDU II and ETE II

Nuclear energy activity has two broad sets of requirements for national and project-level compliance. Czechia has a comprehensive set of requirements to comply with: for operation and modification of existing nuclear facilities as well as for construction of new nuclear facilities. CEZ Group performed a detailed analysis for each criterion and cooperated with national authorities on clarification of interpretation.

National set of requirements is defined by regulation Act 263/2016, Coll., which refers to all of the relevant Euratom and EU regulations. Czechia has currently no open infringement case in the nuclear area. Czechia has a valid Concept of Radioactive Waste and Spent Nuclear Fuel Management (Government Resolution No 597/2019), which ensures compliance with EU and international requirements considering management of radioactive waste.

ČEZ, a. s., generates financial reserve for decommissioning of nuclear installations (held in an escrow account). Contributions are determined by MIT Decree 250/2020 Coll. and annual check of adequacy is performed by SÚRAO (Radioactive Waste Repository Authority). ČEZ, a. s., bears all costs associated with radioactive waste management and provides funds to the Nuclear Account (administered by the Ministry of Finance). CEZ Group reports annually the values of accumulated reserves in the CEZ Group Annual Report.

ČEZ, a. s., has a valid radioactive waste management plan, which includes requirements for minimizing the amount of waste disposed into the radioactive waste repository. At the Dukovany plant, ČEZ, a. s., operates a radioactive waste storage facility owned by the national authority SÚRAO. The Dukovany storage facility is intended for the disposal of low- and intermediate-level waste. Transboundary shipment of radioactive material is permitted to another Euratom country for the purpose of reprocessing before storage in SÚRAO facilities.

In 2022, SÚRAO assessed the feasibility of operating a permanent underground repository by 2050 in accordance with taxonomy requirements with the conclusion of a technically feasible test operation by 2050. Based on this assessment, the Government Resolution No 24/2023 delegated to SÚRAO the responsibility to update the Concept of Radioactive Waste and Spent Nuclear Fuel Management in line with taxonomy requirements by end of 2024. CEZ Group thus assesses compliance with this taxonomy criterion as reasonable and sufficient.

CEZ Group complies with the criterion of a maximum of 100 gCO₂e/kWh of energy produced. The JRC Study on nuclear power for the purpose of EU taxonomy declares that the facilities comfortably stay within the threshold even in the next 50 years. This is consistent with the conclusions in the IPCC (2014) and UNECE (2022) assessments. For our nuclear facilities, we consider the results of the Czech-Polish study from the University of Science and Technology in Ostrava (2017) and the study of the University of Chemistry and Technology and ÚJV Řež (2020). The latter assessed nuclear electricity generation in Czechia (CEZ Group facilities) by full LCA perspective in accordance with EU PEF 2.0 methodology. Nuclear generation is assessed as well below the taxonomy threshold.

Site suitability and resilience against natural hazards and climate risks and meteorological events is regularly assessed within the update of Operational Safety Reports of Temelín and Dukovany plants. Assessments follow the requirements set out in the Decree 378/2016 Coll., IAEA SSR-1, WENRA Safety Reference Levels. In the past, Fukushima Stress Tests were performed at both nuclear sites. Based on the assessments, the nuclear sites implemented Action Plans to minimize the impact of extreme natural hazards, where adopted measures follow the Defense in Depth principle.

At present, all reactors in operation are licensed to operate indefinitely. CEZ Group expects to operate units for at least 60 years – thus with expected useful lifetime of operation beyond the year 2040. It will be achieved by the application of requirements related to aging management, by performing periodic safety reviews (PSRs) every 10 years, and by meeting requirements set by The State Office for Nuclear Safety (SÚJB) for increasing the safety of the facility.

New nuclear facilities will be announced in accordance with Art. 41 of Euratom Treaty following applicable EU Regulation No 2587/1999. EDU II financing scheme between ČEZ, a. s., and Czechia is in the process of notification by European Commission.

Both the EDU and ETE facilities use the best available technology in accordance with Euratom requirements to prevent accidents, to mitigate and prevent their consequences. Facilities follow the best available practices based on IAEA safety requirements (Design and Operation) and are subject to periodic OSART inspections. They also follow WENRA safety reference levels for existing reactors 2020 and are subject to inspections under topical peer review of ENSREG. Accident tolerant fuel as such is not yet available on a commercial basis and a future licensing process is required for each specific nuclear fuel modification separately. Based on current interpretation across European regulatory authorities and operators, existing nuclear fuels comply with safety requirements understood as best available techniques. CEZ Group actively supports development in this area as our subsidiary, nuclear research facility at Řež, is collaborating on program INCA NEA-FIDES II testing ATF concepts in a research reactor.

Both facilities have all required permits and comply with applicable limits set by competent water authority, incl. water management limits, water radioactivity limit and temperature limit, if relevant. Both sites use efficient cooling towers and do not use once-through cooling. ETE and EDU have safety backup diesel aggregates which serve as backup sources and comply with medium combustion plant emission limits and have valid permits.

For modifications of nuclear facilities, Environmental Impact Assessment is always provided to permitting authority. Full EIA procedure (scoping) and biodiversity screening are always performed based on the decision of a competent environmental authority. New reactor in ETE (ETE II) site has currently a valid EIA assessment and conclusions since 2013. New development in EDU site (EDU II) has currently valid EIA conclusions since 2019. Environmental monitoring is implemented and annually reviewed. With radiation monitoring conducted by national laboratory for radiation control.

CEZ Group subsidiary Research Centre Řež operates two research reactors LVR-15 and LR-0. The research reactor LVR-15 is used for the production of radioisotopes, irradiation experiments, neutron activation analysis and realization of measurements on neutron beams. The LR-0 research reactor is used for neutron physics measurements of various core configurations. The reactors are not used to produce electrical or thermal energy and are part of the Czech International Centre of Research Reactors. The reactors are licensed for operation by the State Office for Nuclear Safety. Nevertheless, the activity has a specific nature of operation which is not included in current activity definition in Delegated Acts. Therefore, we assess these facilities as noneligible from the taxonomy perspective.

Natural gas – 4.29, 4.30, 4.31⁶⁾

Eligible, not aligned

Activity includes electricity generation, heat generation for district heating and small cogeneration units. Activity is performed in Czechia, Slovakia, Italy, and Germany.

All operated units currently do not comply with the full set of the taxonomy transitional requirements and are eligible, not aligned.

Nevertheless, CEZ Group has assessed all assets in operation by defined DNSH criteria, i.e., in areas of water protection, pollution prevention and control, and biodiversity protection. All our assets comply with DNSH requirements for energy generation activity.

6.3.3. Infrastructure Activities

Electricity distribution – 4.9

Aligned*

Distribution grid operation, distribution services and installation of equipment for energy grid in regions of Czechia and Slovakia

All grids operated are connected into European interconnected grid, and the installed equipment is aligned with defined requirements. Circularity during waste management is ensured through our EMS system in line with ISO 14001, with the aim of material recovery at the end-of-life of equipment. No PCBs are in use. Distribution companies ensure a high level of protection through a health and safety program that includes safety for work in heights and prevention of electromagnetic radiation in line with European and national legislation. EIA procedure and biodiversity screening are performed following a decision of the competent environmental authority. Most of the developments are assessed as having no impact on biodiversity. Further, ČEZ Distribuce performs a successful biodiversity program, especially related to bird protection.

The Aligned * means partial alignment of the activity (see disclosure table for alignment/eligibility values)

District heating – 4.15

Aligned*

Local heating supplies in Czechia and Slovakia

Activity is aligned with taxonomy requirements for supplies in efficient heating. All operators are compliant with conditions defined by water authority. During renovations and renewal of infrastructure, only energy efficient and eco-design compliant equipment is used. Operators have all necessary valid permits and authorization for heating supply and infrastructure operation.

⁶⁾ Activities under codes 4.29, 4.30, 4.31 are in disclosure bundled together due to their similar nature of technology and predominantly the same requirements. During screening, CEZ Group used a relevant set of criteria based on the nature of the assessed project.

6.3.4. Energy Services and Other Eligible Activities

Installation of energy efficiency equipment – 7.3 Aligned*

CEZ provides installation services in Czechia, Slovakia, Germany, Romania and Poland. Category includes manufacturing of energy efficient equipment and lighting installed (3.5), which is linked with installations.

Activity is assessed as aligned in case of highly energy efficient equipment or light sources (LED). Business lines using lower energy efficiency equipment are considered as eligible, not aligned.

Performed activity consists of equipment and technology installation which is compliant with eco-design requirements. No construction works are generally performed by companies. Companies are compliant with existing regulation on handling asbestos and regulated substances. No breach of law during the reporting period was identified.

Energy efficiency equipment, sensors and LED manufacturing are performed under our environmental management system and waste management program and are considered as aligned.

Installation of renewable energy technologies – 7.6 Aligned

Installation of on-site heat pumps and rooftop photovoltaics in Czechia, Germany, Netherlands, France, UK and Israel

Activity complies with list of taxonomy-aligned product categories and is assessed as aligned.

Other energy services and e-mobility Aligned*

Activities are performed as part of a broad ESCO business segment in Czechia, Poland, Slovakia, Germany and Italy.

7.4 Installation of charging stations in buildings and parking lots is included in the list of aligned products.

7.5 Installed devices enable smart metering, regulation and automation of energy performance. Devices comply with the list of aligned products.

9.3 ESCO services and energy management services comply with the list of aligned products and services.

6.5 Purchase and operation of e-mobility and hybrid vehicles, which are aligned with zero tail-pipe emissions or 50 gCO₂/km threshold. All vehicles comply with EU and national waste legislation and consider sufficient energy label of tires in their respective vehicle categories.

6.15 Construction and installation of charging stations as part of publicly accessible infrastructure complies with requirements as well. Projects comply with project-level requirements for construction waste management, set by the permitting authority. Contractual agreements are put in place to ensure priority of waste material recovery in line with waste hierarchy and waste legislation. All subcontractors are holders of ISO 14001 and comply with environmental requirements such as biodegradability for coolants used in components of charging stations. All equipment is disposed in line with WEEE legislation and recycled in line with EU requirements. All stations are part of existing road infrastructure and are not linked to new development of line infrastructure.

7.2 Renovations of buildings are currently a nonmaterial part of our business as we are not primarily a construction company. The focus of our activity is interior workplace management and not renovation of the building envelope. Existing activities in building renovations have a positive impact on energy savings, but projects do not meet the screening criteria. Activity is assessed as eligible, not aligned.

Other nonmaterial activities – other activities Aligned*

Category includes eligible nonmaterial business lines performed mainly in Czechia or Poland.

The following nonmaterial business lines are assessed as aligned:

5.1 Water treatment facilities compliant with threshold of 0,5 kWh/m³. Water supply infrastructure that meets low leakage during operation. Operations have valid permits, and no mandatory environmental impact assessments were required.

7.7 Ownership and management of own buildings built before December 31, 2020 with EPC A certificate or buildings with lower consumption than TOP 15% of commercial buildings⁷⁾ in Czechia accompanied by mandatory building energy audit.

9.1 R&D projects of research centers were assessed as partially aligned according to project technological maturity, contribution to GHG reduction, and impact on substantial contribution requirements of existing activities in taxonomy classification. General focus of our R&D is described in CEZ Group 2022 Annual Financial Report – chapter R&D.

8.1/8.2 Selected ICT solutions and software systems developed and deployed for optimisation and management of renewables, distribution grids or energy management, were assessed as aligned with requirements.

Other nonmaterial activities are assessed as eligible (wastewater operations, afforestation, freight rail and freight road transport).

⁷⁾ CEZ Group used reference value for TOP 15% used by the Czech Green Building Council. (Antonin J., 2019)

6.3.5. Do No Significant Harm (DNSH) Adaptation

The DNSH criterion for adaptation on physical climate risks has general applicability for all Group activities and has Group-level importance. We have assessed vulnerability of our business locations in line with the Climate Risk Management Recommendations from the Financial Stability Board (TCFD).

CEZ Group conducted an external assessment of current generation sites and other significant locations by the global climate risk model. Based on the assessment, CEZ Group declares no high-risk production site under its direct management control, both in terms of current risks and future pessimistic scenarios (RCP 8.5). Medium risk exposures are identified at selected sites. All these sites have ongoing operational risk management which considers natural risks, and most of the sites implemented adaptation activities in recent years to mitigate material risks.

CEZ Group's risk management includes sustainability risks and climate-related physical risks in several subcategories. Negative impacts of extreme temperatures, droughts and floods are part of the managed operational risks. Chronic changes in average temperatures have an impact on future energy market price and are part of managed financial risks. Variability and change in wind patterns further influence estimates and plans under managed volumetric risk, associated with wind power electricity generation. All those risks are monitored, assessed, and periodically reviewed. 98% of total power generating capacity have certified EMS system (ISO 14001), which includes environmental risk management, incl. climate risks. For more information, see sections covering risk management or see the TCFD Report.

6.3.6. Social Safeguards

CEZ Group ensures full compliance with the minimum social safeguards and conducts its business in accordance with human rights and ethical principles. The Group uses the fundamental international conventions (ILO, UN) and fully complies with international conventions and declarations of human and labor rights and takes them into full consideration when developing ethical commitments and rules.

CEZ Group has established a Code of Conduct for employees and a Commitment to Ethical Conduct for suppliers. The Code of Conduct is binding for all employees and its knowledge is verified and enforced through regular mandatory employee training. The obligation to comply with the supplier Commitment to Ethical Conduct is enforced contractually in General Terms and Conditions of ČEZ, a. s. Compliance with the rules and obligations arising from the Commitment to Ethical Conduct is monitored through internal audits and compliance checks. The ultimate measure for a breach of the supplier Commitment is termination of the business relationship with the supplier concerned.

CEZ Group has a compliance management system (CMS) in place that is designed in accordance with legislative requirements and international compliance standards, in particular ISO 37001 Anti-Corruption Management System and ISO 37301 Compliance Management System. CEZ Group's Compliance Management System undergoes regular external assessments and includes all necessary elements of prevention, detection, and response, which are generally considered to be an essential part of compliance programs.

The Group is not in any open controversy in relation to social and human rights. We conduct our business in accordance with human rights and ethical principles. In line with good practice presented by the Sustainable Finance Platform (advisory body of the European Commission), we complement our assessment with the following independent sources:

CEZ Group has not received any complaint and does not have an open case with the National Contact Point for the OECD Guidelines for Multinational Enterprises (Ministry of Industry and Trade of the Czech Republic).	No complaint
CEZ Group has not been accused of human rights violations by the Business and Human Rights Resource Centre (BHRRRC), nor has it received a request to comment on an open case with controversy.	No accusation No request to comment
CEZ Group is not and has not been convicted of human and labor rights violations during reported year. (See GRI 407-1, 408-1, 409-1, 413-2, 414-2, 2-27).	No breach

6.4. KPI Revenues

EU Taxonomy KPI Report				Revenues				Substantial contribution				DNSH				Taxonomy-aligned Revenues			Category	
Economic activity		Code	Bill. CZK	%	Climate change - mitigation	Climate change - adaptation	Adaptation	Water	Circular economy	Pollution prevention	Ecosystems	Social safeguards	2022	2021	Enabling	Transitional				
A.1	Eligible and taxonomy-aligned activities												97.1	33.7	-					
A.1.1	Generation – renewable energy sources	8.8	3.0													8.8	3.0	-		
	Generation – hydropower	4.5.	5.5	1.9	100	0	Y	Y			Y	Y	5.5	1.9	-					
	Generation – photovoltaic energy	4.1.	1.7	0.6	100	0	Y		Y		Y	Y	1.7	0.6	-					
	Other renewables (Wind and biomass)	4.3; 4.20	1.6	0.6	100	0	Y	Y	Y	Y	Y	Y	1.6	0.6	-					
A.1.2	Generation – transitional sources	33.5	11.6													33.5	11.6	-		
	Generation – existing nuclear sources	4.28	33.5	11.6	100	0	Y	Y	Y	Y	Y	Y	33.5	11.6		T				
A.1.3	Electricity and heat distribution	39.3	13.6													38.9	13.5	-		
	Electricity distribution	4.9.	36.2	12.6	100	0	Y		Y		Y	Y	36.0	12.5	-	E				
	District heating	4.15.	3.1	1.1	100	0	Y	Y	Y		Y	Y	2.8	1.0	-					
A.1.4	Energy services and other activities	19.2	6.7													16.0	5.5	-		
	Installation of energy efficiency equipment	7.3.	9.4	3.2	100	0	Y	Y	Y	Y		Y	8.0	2.8	-	E				
	Installation of renewable technologies	7.6.	5.7	2.0	100	0	Y					Y	5.7	2.0	-	E				
	Other ESCO services and e-mobility	*	3.2	1.1	100	0	Y	Y	Y	Y	Y	Y	1.9	0.6	-	E				
	Other activities	*	0.9	0.3	100	0	Y	Y	Y	Y	Y	Y	0.4	0.1	-					
A.2	Eligible, not aligned activities	12.9	4.5																	
	Generation – natural gas sources	4.29-4.31	9.3	3.2																
	Electricity distribution	4.9.	0.2	0.1																
	District heating	4.15.	0.3	0.1																
	Installation of energy efficiency equipment	7.3.	1.4	0.5																
	Other ESCO services and e-mobility	*	1.3	0.5																
	Other activities	*	0.5	0.2																
A	Eligible activities (A.1 + A.2)	110.1	38.2																	
B	Noneligible activities	178.4	61.8																	
B.1	Noneligible neutral activities	141.4	49.0																	
B.2	Noneligible emission activities	36.9	12.8																	
	Coal mining	N/A	6.0	2.1																
	Generation – coal sources	N/A	31.0	10.7																
A + B	KPI Revenues – TOTAL	288.5	100																	

CEZ Group defines KPI Turnover as total operating revenues in line with IFRS. The denominator is based on the audited result of operating revenues from Consolidated Financial Statements in line with IFRS (2022 Annual Financial Report). These are accounting units of Sales of electricity, heat, gas and coal, Sales of services and other revenues, and Other operating income. Operational revenues from electricity generation by technology include revenues linked to generation, without trading operations and without revenues from provided ancillary services.

The share of CEZ Group revenues from taxonomy-aligned activities is 33.7%. These are predominantly revenues from distribution of electricity (12.5%) and nuclear power generation (11.6%). Other significant aligned activities include installation of energy efficiency equipment (2.8%), installation of heat pumps and rooftop photovoltaics in buildings (2%), hydro energy (1.9%), and district heating (1%).

Eligible, not aligned activities include mainly energy generation from natural gas which does not comply with screening requirements.

6.4.1. KPI Revenue – Additional Information

The main drivers for the performance of CEZ Group in 2022 are available in 2022 Annual Financial Report. Following the energy market developments, generation and sales segments reached higher revenues, which caused a relative decrease in the impact of other aligned activities in the KPI

	Bill. CZK	%
Aligned Revenues – TOTAL	97.1	100
Aligned – sustainable	11.8	12.2
Aligned – enabling	51.8	53.3
Aligned – transitional	33.5	34.5

Nuclear energy inclusion into eligible activities had a significant impact on the KPI. CEZ Group has large exposure to nuclear energy as it operates nuclear power plants in Temelín and Dukovany.

6.5. KPI CAPEX_t

EU Taxonomy KPI Report		CAPEX _t		Substantial contribution			DNSH					Taxonomy-aligned CAPEX _t			Category	
Economic activity	Code	Bill. CZK	%	Climate change - mitigation	Climate change - adaptation	Adaptation	Water	Circular economy	Pollution prevention	Ecosystems	Social safeguards	2022	%	2021	Enabling	Transitional
				%	%			YES (Y) /NO (N)				Bill. CZK			E	T
A.1	Eligible and taxonomy-aligned activities											21.9	65.3	-		
A.1.1	Generation – renewable energy sources	1.7	5.0									1.7	5.0	-		
	Generation – hydropower	4.5.	0.2	0.6	100	0	Y	Y		Y	Y	0.2	0.6	-		
	Generation – photovoltaic energy	4.1.	0.4	1.1	100	0	Y	Y		Y	Y	0.4	1.1	-		
	Other renewables (Wind and biomass)	4.3; 4.20	1.1	3.3	100	0	Y	Y	Y	Y	Y	1.1	3.3	-		
A.1.2	Generation – transitional sources	4.1	12.2									4.1	12.2	-		
	Generation – existing nuclear sources	4.28	3.7	11.0	100	0	Y	Y	Y	Y	Y	3.7	11.0	-		T
	Generation – new nuclear sources	4.27	0.4	1.2	100	0	Y	Y	Y	Y	Y	0.4	1.2	-		T
A.1.3	Electricity and heat distribution	15.9	47.3									15.7	46.7	-		
	Electricity distribution	4.9.	14.8	44.1	100	0	Y	Y		Y	Y	14.8	44.0	-	E	
	District heating	4.15.	1.1	3.2	100	0	Y	Y	Y	Y	Y	0.9	2.8	-		
A.1.4	Energy services and other activities	2.1	6.2									0.5	1.4	-		
	Installation of energy efficiency equipment	7.3.	0.2	0.5	100	0	Y	Y	Y		Y	0.2	0.5	-	E	
	Installation of renewable technologies	7.6.	0.1	0.3	100	0	Y				Y	0.1	0.3	-	E	
	Other ESCO services and e-mobility	*	0.7	2.2	100	0	Y	Y	Y	Y	Y	0.2	0.5	-	E	
	Other activities	*	1.1	3.2	100	0	Y	Y	Y	Y	Y	0.0	0.1	-		
A.2	Eligible, not aligned activities	2.3	6.7													
	Generation – natural gas sources	4.29–4.31	0.4	1.3												
	Electricity distribution	4.9.	0.0	0.1												
	District heating	4.15.	0.1	0.4												
	Other ESCO services and e-mobility	*	0.6	1.7												
	Other activities	*	1.1	3.1												
A	Eligible activities (A.1 + A.2)	24.2	72.0													
B	Noneligible activities	9.4	28.0													
B.1	Noneligible neutral activities	4.3	12.9													
B.2	Noneligible emission activities	5.1	15.1													
	Coal mining	N/A	2.0	6.0												
	Generation – coal sources	N/A	3.0	9.1												
A + B	KPI Revenues – Total	33.6	100													

The KPI includes all capital expenditures which were realized in 2022 and disclosed in line with IFRS (excluding nuclear fuel procurement), and financial investments. Capital expenditures include additions to property, plants, equipment, and intangibles, regardless of whether it is a cash expense. It includes further capitalized interests, unfinished assets and advances provided on fixed assets.

In comparison to KPI CAPEX in 2022 Annual Financial Report, taxonomy KPI CAPEX_t includes financial investments but excludes nuclear fuel procurement. To increase usability and comparability of the taxonomy disclosures within the energy sector, CEZ Group considers the approach of other European and global energy companies to not include the acquisition of nuclear fuel in taxonomy CAPEX disclosures. According to disclosure regulation, such expenditures are excluded from the KPI definition. For the purposes of the EU taxonomy disclosure, CEZ Group decided to exclude this category of investments from the KPI CAPEX_t values⁸⁾. This change corresponds to the value of the reported nuclear fuel acquisition item in 2022 Annual Financial Report.

Reconciliation of CAPEX and CAPEX _t	bill. CZK
CAPEX – acquisition of tangible and intangible fixed assets	34.8
Nuclear fuel procurement (-)	3.1
Financial investments*	1.9
CAPEX _t	33.6

* Acquisition of subsidiaries, joint ventures and associates, net of purchased funds

6.5.1. KPI CAPEX_t – Additional Information

	bill. CZK	%
Aligned CAPEX _t	21.9	100
Aligned activities – sustainable	2.6	12.0
Aligned activities – enabling	15.2	69.3
Aligned activities – transitional	4.1	18.7

CEZ Group structure of investment is oriented mainly towards electricity distribution modernization and renewal (enabling category). Investment into transitional activities included mainly nuclear energy investments in existing locations.

	bill. CZK	%
Aligned CAPEX _t	21.9	100
a) CAPEX _t as part of aligned business activity	20.4	93.0
b) CAPEX _t as part of CAPEX plan defined by Delegated Act 2021/2178	-	-
c) CAPEX _t as purchase of aligned products or services	1.5	7.0

Taxonomy-aligned investments are mainly linked to (a) performed business activity. We define purchase of taxonomy aligned output – option (c) – as standalone investments not linked to regular business activities of the company. Such investments are linked to activities 7.2, 7.6 on own properties or similar. Those investments are small as CAPEX_t is predominantly oriented to existing business lines.

Investments under category (b) are not recorded in CEZ Group. The investment plan within the meaning of Regulation 2021/2178 requires a high level of detail and disaggregation according to the individual activity categories of the EU taxonomy. This approach is not implemented by CEZ Group. CEZ Group manages a medium-term 5-year CAPEX plan which reflects management of core business segments (2022 Annual Financial Report). The CEZ Group CAPEX plan is aligned with our transition and decarbonization goals validated by the SBTi. We assess 82% of planned investments in 2023-2027 as aligned under the EU taxonomy (CAPEX_t), of which 18% investments are oriented into aligned transitional activity (nuclear and natural gas). ČEZ, a. s., develops new natural gas projects with an ambition for full taxonomy alignment. New natural gas facilities are developed as a replacement of planned phased-out coal facilities. These projects will be hydrogen-ready and will enable a substantial decrease in emission intensity compared to existing coal assets. CEZ Group will spend only 4% of our investments on mining and coal energy activities.

In the Article 8 disclosure, CEZ Group shall report proceedings from issued green bonds and similar financial instruments used for specific sustainable activities according to the EU taxonomy. The company shall adjust the KPI disclosures if such funding occurred to avoid risk of double counting for financial market participants. We issued the first sustainability-linked bond in 2022. The proceedings are not used to finance specific activities under the EU taxonomy but serve a general purpose. Such bond is not a product defined by disclosure regulation 2021/2178. For this reason, CEZ Group does not make any additional adjustments to the disclosed KPI revenues and KPI CAPEX_t.

⁸⁾ If included, expenditures would be assessed as a taxonomy-aligned investment, linked to a taxonomy-aligned economic activity.

6.6. KPI OPEX_t

EU Taxonomy KPI Report		OPEX _t		Substantial contribution			DNSH					Taxonomy-aligned OPEX _t			Category	
Economic activity	Code	Bill. CZK	%	Climate change - mitigation	Climate change - adaptation	Adaptation	Water	Circular economy	Pollution prevention	Ecosystems	Social safeguards	2022	2021		Enabling	Transitional
				%	%	%		YES (Y) /NO (N)				Bill. CZK	%	%	E	T
A.1	Eligible and taxonomy-aligned activities											5.8	52.6	-		
A.1.1	Generation – renewable energy sources	0.5	4.2									0.5	4.2	-		
	Generation – hydropower	4.5.	0.2	1.6	100	0	Y	Y		Y	Y	0.2	1.6	-		
	Generation – photovoltaic energy	4.1.	0.1	0.9	100	0	Y	Y		Y	Y	0.1	0.9	-		
	Other renewables (Wind and biomass)	4.3; 4.20	0.2	1.7	100	0	Y	Y	Y	Y	Y	0.2	1.7	-		
A.1.2	Generation – transitional sources	3.5	31.6									3.5	31.6	-		
	Generation – existing nuclear sources	4.28	3.5	31.6	100	0	Y	Y	Y	Y	Y	3.5	31.6	-		T
A.1.3	Electricity and heat distribution	1.5	13.1									1.4	13.0	-		
	Electricity distribution	4.9.	1.3	11.7	100	0	Y	Y		Y	Y	1.3	11.7	-	E	
	District heating	4.15.	0.2	1.4	100	0	Y	Y	Y		Y	0.1	1.3	-		
A.1.4	Energy services and other activities	1.1	9.6									0.4	3.8	-		
	Installation of energy efficiency equipment	7.3.	0.1	0.9	100	0	Y	Y	Y		Y	0.1	0.9	-	E	
	Installation of renewable technologies	7.6.	0.1	0.8	100	0	Y				Y	0.1	0.8	-	E	
	Other ESCO services and e-mobility	*	0.2	1.6	100	0	Y	Y	Y	Y	Y	0.0	0.1	-	E	
	Other activities	*	0.7	6.3	100	0	Y	Y	Y	Y	Y	0.2	2.0	-		
A.2	Eligible, not aligned activities	0.8	7.6													
	Generation – natural gas sources	4.29–4.31	0.2	1.6												
	District heating	4.15.	0.0	0.1												
	Other ESCO services and e-mobility	*	0.2	1.5												
	Other activities	*	0.5	4.3												
A	Eligible activities (A.1 + A.2)	6.7	60.2													
B	Noneligible activities	4.4	39.8													
B.1	Noneligible neutral activities	0.5	4.7													
B.2	Noneligible emission activities	3.9	35.1													
	Coal mining	N/A	0.8	7.3												
	Generation – coal sources	N/A	3.1	27.8												
A + B	KPI OPEX _t – Total	11.1	100													

KPI OPEX_t includes the selected operating expenses of CEZ Group in line with a narrow KPI definition requirement by taxonomy disclosures regulation. KPI OPEX_t is based on operational expenses on standardized accounts of Equipment Care (maintenance and repair) and on company values for R&D operational expenses which are linked to performed business activities (see 2022 Annual Financial Report – chapter R&D and Note 22).

Taxonomy-aligned activities reach a 52.6% share of KPI OPEX_t. The result is predominantly based on maintenance and repair expenses in aligned nuclear facilities and electricity distribution infrastructure.

6.6.1. KPI OPEX_t – Additional Information

	bill. CZK	%
KPI OPEX_t	11.1	100
OPEX – Equipment care	10.1	91.0
OPEX – Research and development – operational expenses	1.0	9.0

	bill. CZK	%
Aligned OPEX_t	5.8	100
Aligned – sustainable	0.6	10.7
Aligned – enabling	1.7	29.1
Aligned – transitional	3.5	60.1

	bill. CZK	%
Aligned OPEX_t	5.8	100
Equipment Care	5.3	90.5
Research and development	0.6	9.5

6.7. Noneligible Activities

The noneligible category includes both activities with an environmental impact and activities without any environmental impact, thus outside the scope of taxonomy. We separate noneligible activities into two categories – neutral and emission activities.

The largest share of noneligible revenues is represented by neutral activities. These activities have low or no impact on the environment and are outside the scope of taxonomy. These activities are trading and selling commodities (electricity, gas), distribution of natural gas, manufacturing of components and servicing for energy technologies, ICT and telecommunication services, facility management, and other services. We also assess the operation of research nuclear reactors of CV Řež as a noneligible neutral activity, as it is not included in the EU taxonomy classification.

Emission activities are activities considered as noneligible with a direct impact on the environment. Emission activities include coal mining activities and generation of electricity and heat from coal sources. In 2022, the share of noneligible emission activities in total CEZ Group revenues was 13%. The share will gradually decline following our commitment of a planned coal phase-out in line with the SBTi.

Investments to coal energy are oriented towards modernization, maintenance, and ecologization of their operation. These investments are necessary for energy security and adequate heat supply until low-emission and zero-emission sources are in operation. Capex in mining activities is oriented towards retrofitting and modernization of mining and processing technology in line with development plans for current mining locations. Opex in noneligible activities is mainly connected to repair and maintenance of coal power plants and maintenance of mining equipment.

6.8. Disclosure According to Annex 12 of Regulation 2021/2178

Since 2023, an additional obligation has been introduced related to the detailed reporting of newly classified eligible activities (nuclear and natural gas energy). To meet this obligation, CEZ Group uses the statement below that contains information according to the templates on exposure to these activities. We have chosen a compressed report over individual templates as this allows for at least the same or better readability and clarity of the information provided. The categories of existing nuclear facilities and gas-fired electricity generation are reported separately due to their relevance in relation to the KPIs. The other categories are less significant to the Group KPI and are thus bundled by technology (rows 1+2 and 5+6 in tables). All activities have 100% contribution to mitigation (CCM) and 0% to adaptation (CCA).

row	Template 1: Exposure to nuclear and natural gas activities	Code	Revenues	CAPEX _t	OPEX _t
1, 2	Generation - new nuclear sources and R&D ⁹⁾	4.26 + 4.27	NO	YES	NO
3	Generation - existing nuclear sources	4.28	YES	YES	YES
4	Generation - electricity from natural gas	4.29	YES	YES	YES
5, 6	Generation - heat and cogeneration from natural gas	4.30 + 4.31	YES	YES	YES

Template number		2						
row	Taxonomy-aligned activities	Code	Climate change - mitigation					
			Revenues		CAPEX _t		OPEX _t	
			bill. CZK	%	bill. CZK	%	bill. CZK	%
1, 2	Generation - new nuclear sources and R&D	4.26 + 4.27	0.0	0.0	0.4	1.2	0.0	0.0
3	Generation - existing nuclear sources	4.28	33.5	11.6	3.7	11.0	3.5	31.6
4	Generation - electricity from natural gas	4.29	0.0	0.0	0.0	0.0	0.0	0.0
5, 6	Generation - heat and cogeneration from natural gas	4.30 + 4.31	0.0	0.0	0.0	0.0	0.0	0.0
7	Other aligned activities (A.1.1; A.1.3; A.1.4)	---	63.6	22.1	17.8	53.1	2.3	21.0
8	TOTAL KPI (denominator)	---	288.5	100	33.6	100	11.1	100

Template number			3		4		5	
row	Revenues	Code	Climate change - mitigation					
			Aligned		Eligible, not aligned		Noneligible	
			bill. CZK	%	bill. CZK	%	bill. CZK	%
1, 2	Generation - new nuclear sources and R&D	4.26 + 4.27	0.0	0.0	0.0	0.0	0	0.0
3	Generation - existing nuclear sources	4.28	33.5	34.5	0.0	0.0	0.1	0.0
4	Generation - electricity from natural gas	4.29	0.0	0.0	7.6	58.3	0	0.0
5, 6	Generation - heat and cogeneration from natural gas	4.30 + 4.31	0.0	0.0	1.7	13.1	0	0.0
7	OTHER ACTIVITIES not referred above in rows 1-6	---	63.6	65.5	3.7	28.6	178.3	100
8	KPI TOTAL of given category		97.1	100	13.0	100	178.4	100

⁹⁾ R&D is used here as a simplified label for 4.26: Research, Development, Demonstration and Deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle (i.e., innovation in the form of the 4th generation of reactors).

	Template number		3	4	5			
row	CAPEX _i	Code	Climate change – mitigation					
			Aligned	Eligible, not aligned		Noneligible		
			bill. CZK	%	bill. CZK	%	bill. CZK	%
1, 2	Generation – new nuclear sources and R&D	4.26 + 4.27	0.4	1.9	0.0	0.0	0	0.0
3	Generation – existing nuclear sources	4.28	3.7	16.8	0.0	0.0	0.0	0.0
4	Generation – electricity from natural gas	4.29	0.0	0.0	0.0	0.3	0	0.0
5, 6	Generation – heat and cogeneration from natural gas	4.30 + 4.31	0.0	0.0	0.4	19.4	0	0.0
7	OTHER ACTIVITIES not referred above in rows 1-6	---	17.8	81.3	1.8	80.4	9.4	100
8	KPI TOTAL of given category		21.9	100	2.3	100	9.4	100

	Template number		3	4	5			
row	OPEX _t	Code	Climate change - mitigation					
			Aligned		Eligible, not aligned		Noneligible	
			bill. CZK	%	bill. CZK	%	bill. CZK	%
1, 2	Generation – new nuclear sources and R&D	4.26 + 4.27	0.0	0.0	0.0	0.0	0.0	0.0
3	Generation – existing nuclear sources	4.28	3.5	60.1	0.0	0.0	0.1	2.4
4	Generation – electricity from natural gas	4.29	0.0	0.0	0.0	5.2	0.0	0.0
5, 6	Generation – heat and cogeneration from natural gas	4.30 + 4.31	0.0	0.0	0.1	16.4	0.0	0.0
7	OTHER ACTIVITIES not referred above in rows 1-6	---	2.3	39.9	0.7	78.4	4.3	97.6
8	KPI TOTAL of given category		5.8	100	0.8	100	4.4	100

We are preparing
the construction
of small modular
reactors



7 GRI Content Index and Non-Financial Data 2022

The data in the tables represent CEZ Group companies in Czechia and abroad whose operations are consolidated into CEZ Group's results using the full method (i.e., they do not include joint ventures and affiliates in which the parent company ČEZ, a. s., does not have control and which are consolidated using the equity method) as of December 31, 2022.

Due to rounding, some totals may not match the sums of separate figures.

7.1. Selected Indicators

Parameter	Unit	2022	2021	2020	SDG
Headcount employees	Persons	28,727	28,043	32,555	SDG 8.5 SDG 10.3
Employees by gender (1) women (2) men	Persons	(1) 6,049 (2) 22,678	(1) 5,751 (2) 22,292	(1) 6,972 (2) 25,583	SDG 8.5 SDG 10.3
Employees by gender (1) women (2) men	%	(1) 21.1 (2) 78.9	(1) 20.5 (2) 79.5	(1) 21.4 (2) 78.6	SDG 8.5 SDG 10.3
Employees by region (1) Czechia (2) Germany (3) Poland (4) Other countries ^{a)}	Persons	(1) 23,929 (2) 3,171 (3) 890 (4) 737	(1) 22,729 (2) 3,862 (3) 873 (4) 579	(1) 22,565 (2) 3,598 (3) 877 (4) 5,515	SDG 5.1 SDG 8.5 SDG 10.3
Employees by region (1) Czechia (2) Germany (3) Poland (4) Other countries ^{a)}	%	(1) 83.3 (2) 11.0 (3) 3.1 (4) 2.6	(1) 81.1 (2) 13.8 (3) 3.1 (4) 2.1	(1) 69.3 (2) 11.1 (3) 2.7 (4) 16.9	SDG 5.1 SDG 8.5 SDG 10.3
Employees by age (1) ≤29 years (2) 30-49 years (3) ≥50 years	Persons	(1) 3,511 (2) 13,932 (3) 11,284	(1) 3,920 (2) 13,375 (3) 10,748	(1) 4,402 (2) 15,901 (3) 12,252	SDG 5.1 SDG 8.5 SDG 10.3
Employees by age (1) ≤29 years (2) 30-49 years (3) ≥50 years	%	(1) 12.2 (2) 48.5 (3) 39.3	(1) 14.0 (2) 47.7 (3) 38.3	(1) 13.5 (2) 48.8 (3) 37.6	SDG 5.1 SDG 8.5 SDG 10.3
Employees by education (1) primary (2) secondary (3) university	Persons	(1) 1,240 (2) 19,068 (3) 8,419	(1) 1,273 (2) 18,843 (3) 7,927	(1) 1,239 (2) 21,480 (3) 9,836	SDG 5.1 SDG 8.5 SDG 10.3
Employees by education (1) primary (2) secondary (3) university	%	(1) 4.3 (2) 66.4 (3) 29.3	(1) 4.5 (2) 67.2 (3) 28.3	(1) 3.8 (2) 66.0 (3) 30.2	SDG 5.1 SDG 8.5 SDG 10.3
Diversity of governance bodies by gender (1) women (2) men	Persons	(1) 79 (2) 446	(1) 68 (2) 488	(1) 86 (2) 527	SDG 5.1 SDG 8.5 SDG 10.3
Diversity of governance bodies by gender (1) women (2) men	%	(1) 15.0 (2) 85.0	(1) 12.2 (2) 87.8	(1) 14.0 (2) 86.0	SDG 5.1 SDG 8.5 SDG 10.3
Diversity of governance bodies by age (1) ≤29 years (2) 30-49 years (3) ≥50 years	Persons	(1) 0 (2) 261 (3) 264	(1) 2 (2) 285 (3) 269	(1) 5 (2) 327 (3) 281	SDG 5.1 SDG 8.5 SDG 10.3
Diversity of governance bodies by age (1) ≤29 years (2) 30-49 years (3) ≥50 years	%	(1) 0.0 (2) 49.7 (3) 50.3	(1) 0.4 (2) 51.3 (3) 48.4	(1) 0.8 (2) 53.3 (3) 45.8	SDG 5.1 SDG 8.5 SDG 10.3
Energy consumption within the organization	TJ	336,393	344,176	379,855	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Energy consumption in fuel for electricity and heat production (1) non-renewable fuels (2) renewable fuels	TJ	(1) 513,851 (2) 9,668	(1) 523,583 (2) 12,408	(1) 563,471 (2) 14,967	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Renewable energy from non-fuel sources	TJ	6,936	7,351	10,320	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Sold energy	TJ	194,061	199,166	208,903	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
of which (1) electricity (2) heat (3) cooling (4) steam	TJ	(1) 170,543 (2) 23,465 (3) 53 (4) 0	(1) 172,773 (2) 26,393 (3) N/A (4) N/A	(1) 184,921 (2) 23,982 (3) N/A (4) N/A	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Energy intensity	-	2.70	2.69	2.77	SDG 7.3 SDG 8.4 SDG 12.2
Total water withdrawal	ML	578,996	525,431	592,478	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Surface water (total)	ML	574,591	521,149	586,628	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2

Parameter	Unit	2022	2021	2020	SDG
Freshwater (\leq 1000 mg/L Total Dissolved Solids)	ML	574,591	521,149	586,628	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Other water ($>$ 1000 mg/L Total Dissolved Solids)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Groundwater (total)	ML	511	459	432	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Freshwater (\leq 1000 mg/L Total Dissolved Solids)	ML	511	459	432	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Other water ($>$ 1000 mg/L Total Dissolved Solids)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Produced water (total)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Freshwater (\leq 1000 mg/L Total Dissolved Solids)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Other water ($>$ 1000 mg/L Total Dissolved Solids)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Total third-party water withdrawal	ML	3,895	3,824	5,417	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Freshwater (\leq 1000 mg/L Total Dissolved Solids) of which in water stress areas	ML	3,895 4.5	3,824 0.0	5,417 22.4	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Other water ($>$ 1000 mg/L Total Dissolved Solids)	ML	N/A	N/A	N/A	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Total third-party water withdrawal by withdrawal source	ML				SDG 6.3
(1) Surface water		(1) 3,335	(1) 3,262	(1) 4,784	SDG 6.4
of which in water stress areas		4.5	0.0	22.4	SDG 6.5
(2) Groundwater		(2) 560	(2) 562	(2) 633	SDG 9.2
(3) Produced water		(3) N/A	(3) N/A	(3) N/A	SDG 9.4 SDG 12.2
Total water withdrawal in water stressed areas	ML	4.5	0.0	22.4	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Total water withdrawal in water stressed areas	%	0.0	0.0	0.0	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2

Parameter	Unit	2022	2021	2020	SDG
Total water discharge	ML	491,821	443,277	498,003	SDG 6.3 SDG 6.4 SDG 14.1
Surface water	ML	489,491	440,495	496,136	SDG 6.3 SDG 6.4 SDG 14.1
Groundwater	ML	0.4	0.4	0.4	SDG 6.3 SDG 6.4 SDG 14.1
Third-party water (total) of which in water stress areas	ML	2,330 3.8	2,782 0.0	1,866 22.4	SDG 6.3 SDG 6.4 SDG 14.1
Third-party water sent for use to other organisations	ML	618	847	951	SDG 6.3 SDG 6.4 SDG 14.1
Water discharge: Freshwater (≤ 1 000 mg/L Total Dissolved Solids) of which in water stress areas	ML	490,667 3.8	442,568 0.0	496,070 22.4	SDG 6.3 SDG 6.4 SDG 14.1
Water discharge: Other water (> 1 000 mg/L Total Dissolved Solids)	ML	1,155	709	1,933	SDG 6.3 SDG 6.4 SDG 14.1
Water discharge by level of treatment: No treatment of which in water stress areas	ML	477,876 3.8	426,800 0.0	477,001 22.4	SDG 3.9 SDG 6.3 SDG 6.4 SDG 14.1
Water discharge by level of treatment: After treatment	ML	13,945	16,477	21,002	SDG 3.9 SDG 6.3 SDG 6.4 SDG 14.1
Total water consumption	ML	87,175	82,154	94,475	SDG 6.3 SDG 6.4 SDG 6.5 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2
Total water consumption in areas with water stress	ML	0.7	0.0	0.0	SDG 6.3 SDG 6.4 SDG 6.5 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2
Water withdrawn per electricity and heat generated	m³/MWh	9.32	8.15	8.61	SDG 6.3 SDG 6.4 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2
Water discharged per electricity and heat generated	m³/MWh	7.91	6.88	7.24	SDG 6.3 SDG 6.4 SDG 14.1
Water consumption per electricity and heat generated	m³/MWh	1.40	1.27	1.37	SDG 6.3 SDG 6.4 SDG 6.5 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2
Scope 1 emissions under ETS	%	97	97	96	SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3
Scope 1 emissions	tCO ₂ e	18,161,112	18,987,560 ⁽¹⁾	23,468,315 ⁽¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 15,801,938	(1) 16,612,443	(1) 20,869,951	SDG 7.8
(2) Slovakia		(2) 27,260	(2) 31,919	(2) 27,930	SDG 8.4
(3) Poland		(3) 2,326,278	(3) 2,337,647	(3) 2,562,963	SDG 9.2
(4) Romania		(4) 292	(4) 260	(4) 2,375	SDG 9.4
(5) Other countries ^(b)		(5) 5,343	(5) 5,290	(5) 5,095	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2

Parameter	Unit	2022	2021	2020	SDG
Fossil fuels emissions	tCO ₂ e	17,851,569	18,702,178	22,458,780	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 15,557,544	(1) 16,373,673	(1) 20,121,665	SDG 7.8
(2) Slovakia		(2) 25,672	(2) 30,633	(2) 27,036	SDG 8.4
(3) Poland		(3) 2,268,333	(3) 2,297,862	(3) 2,310,079	SDG 9.2
(4) Romania		(4) 11	(4) 10	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 9	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
CH ₄ source emissions	tCO ₂ e	75,885	80,913 ¹⁾	75,290 ¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 75,362	(1) 80,477	(1) 72,420	SDG 7.8
(2) Slovakia		(2) 135	(2) 145	(2) 99	SDG 8.4
(3) Poland		(3) 273	(3) 286	(3) 2 771	SDG 9.2
(4) Romania		(4) 0	(4) 6	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 116	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
N ₂ O source emissions	tCO ₂ e	156,730	119,693 ¹⁾	536,544 ¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 98,845	(1) 80,567	(1) 285,891	SDG 7.8
(2) Slovakia		(2) 832	(2) 900	(2) 595	SDG 8.4
(3) Poland		(3) 56,377	(3) 38,175	(3) 250,058	SDG 9.2
(4) Romania		(4) 0	(4) 51	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 677	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
Fugitive CH ₄ emissions from coal mining	tCO ₂ e	15,564	26,700 ¹⁾	335,522 ¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 15,564	(1) 26,700	(1) 335,522	SDG 7.8
(2) Slovakia		(2) 0	(2) 0	(2) 0	SDG 8.4
(3) Poland		(3) 0	(3) 0	(3) 0	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 0	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
Emissions from transport	tCO ₂ e	53,997	54,613	57,640	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 47,359	(1) 47,683	(1) 50,733	SDG 7.8
(2) Slovakia		(2) 590	(2) 176	(2) 139	SDG 8.4
(3) Poland		(3) 1 225	(3) 1,271	(3) 55	SDG 9.2
(4) Romania		(4) 281	(4) 193	(4) 2,375	SDG 9.4
(5) Other countries ^{b)}		(5) 4,542	(5) 5,290	(5) 4,338	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2

Parameter	Unit	2022	2021	2020	SDG
HFC, PFC and CH ₄ apart from facility operations of which emissions of ozone-depleting substances (ODS) - leakages	tCO ₂ e	2,028 0.00	1,403 ¹⁾ 6.08	1,252 ¹⁾ 5.88	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 1,958	(1) 1,349	(1) 1,252	SDG 7.8
(2) Slovakia		(2) 0	(2) 0	(2) 0	SDG 8.4
(3) Poland		(3) 70	(3) 54	(3) 0	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 0	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
SF ₆	tCO ₂ e	5,220	1,835 ¹⁾	2,272 ¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 5,220	(1) 1,835	(1) 2,272	SDG 7.8
(2) Slovakia		(2) 0	(2) 0	(2) 0	SDG 8.4
(3) Poland		(3) 0	(3) 0	(3) 0	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 0	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
Emissions from non-generation diesel generators	tCO ₂ e	106	224	1 014	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 74	(1) 159	(1) 195	SDG 7.8
(2) Slovakia		(2) 32	(2) 65	(2) 62	SDG 8.4
(3) Poland		(3) 0	(3) 0	(3) 0	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 0	(5) 0	(5) 757	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
Fugitive CH ₄ emissions from landfill	tCO ₂ e	13	1 ¹⁾	1 ¹⁾	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 13	(1) 1	(1) 1	SDG 7.8
(2) Slovakia		(2) 0	(2) 0	(2) 0	SDG 8.4
(3) Poland		(3) 0	(3) 0	(3) 0	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 0	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
Biomass emissions	tCO ₂ e	1,063,632	1,293,425	1,534,381	SDG 3.9 SDG 7.8 SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Czechia		(1) 651,536	(1) 844,972	(1) 865,945	SDG 7.8
(2) Slovakia		(2) 37,340	(2) 39,665	(2) 39,369	SDG 8.4
(3) Poland		(3) 355,396	(3) 408,788	(3) 629,067	SDG 9.2
(4) Romania		(4) 0	(4) 0	(4) 0	SDG 9.4
(5) Other countries ^{b)}		(5) 19,361	(5) 0	(5) 0	SDG 12.2 SDG 13.3 SDG 14.3 SDG 15.2

Parameter	Unit	2022	2021	2020	SDG
Scope 2 emissions	tCO ₂ e	0	142,698	333,409	SDG 3.9 SDG 12.4 SDG 13.1 SDG 14.3 SDG 15.2
Scope 3 emissions	tCO ₂ e	12,262,775	10,517,240 ⁽¹⁾	13,706,198 ⁽¹⁾	SDG 3.9 SDG 12.4 SDG 13.1 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 3.9
(1) Category 1 – Purchased goods and services		(1) 29,977	(1) 40,428	(1) 48,611 ⁽²⁾	SDG 12.4
(2) Category 3 – Fuel and energy related activities		(2) 539,640	(2) 1,265,085 ⁽¹⁾	(2) 1,825,306 ⁽¹⁾	SDG 13.1
(3) Category 11 – Use of sold products		(3) 11,265,875	(3) 9,211,727 ⁽¹⁾	(3) 11,832,281 ⁽¹⁾	SDG 14.3
(4) Category 15 – Investments – NEW		(4) 427,283	(4) N/A	(4) N/A	SDG 15.2
Emission intensity	tCO ₂ e/MWh	0.29	0.29	0.34	SDG 13.1 SDG 14.3 SDG 15.2
Particulate matter (PM) emissions	t	635	823	1,311	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
PM per electricity and heat generated	kg/MWh	0.010	0.013	0.019	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
PM ₁₀ emissions	t	499	649	1,044	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
PM ₁₀ emissions, percentage in or near areas of dense population	%	97.4	97.8	97.7	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Sulfur dioxide (SO ₂) emissions	t	6,323	7,812	14,253	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
SO ₂ per electricity and heat generated	kg/MWh	0.102	0.121	0.207	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Sulfur oxides SO _x (SO ₂ and SO ₃) emissions	t	6,475	7,920	14,385	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Sulfur oxides SO _x (SO ₂ and SO ₃) emissions, percentage in or near areas of dense population	%	98.9	99.4 ⁽²⁾	99.1 ⁽²⁾	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Nitrogen oxides (NO _x) emissions (excluding N ₂ O)	t	12,964	14,306	19,365	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Nitrogen oxides (NO _x) emissions (excluding N ₂ O), percentage in or near areas of dense population	%	98.0	98.3 ⁽²⁾	98.8 ⁽²⁾	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
NO _x per electricity and heat generated	kg/MWh	0.209	0.222	0.281	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Lead (Pb) emissions	t	1.18	0.90	1.65	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Lead (Pb) emissions, percentage in or near areas of dense population	%	96.7	98.7 ⁽²⁾	99.3 ⁽²⁾	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2

Parameter	Unit	2022	2021	2020	SDG
Mercury (Hg) emissions	t	0.71	1.11	1.41	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Mercury (Hg) emissions, percentage in or near areas of dense population	%	99.1	99.5 ²⁾	99.8 ²⁾	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Volatile organic compounds (VOC) - NEW	t	25	N/A	N/A	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Persistent organic pollutants (POPs) - NEW	kg	32	N/A	N/A	SDG 3.9 SDG 11.6 SDG 12.4 SDG 14.3 SDG 15.2
Weight of generated waste	t	49,899	62,566	67,692	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
of which (1) non-hazardous (2) hazardous (3) radioactive waste	t	(1) 47,738 (2) 1,733 (3) 428	(1) 59,235 (2) 2,994 (3) 337	(1) 64,344 (2) 3,035 (3) 313	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Weight of waste diverted from disposal	t	49,127	65,860	31,747	SDG 3.9 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
of which (1) non-hazardous (2) hazardous waste	t	(1) 48,790 (2) 337	(1) 64,485 (2) 1,375	N/A	SDG 3.9 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Non-hazardous waste diverted from disposal (1) Preparation for reuse (2) Recycling (3) Composting (4) Other recovery options	t	(1) 6,128 (2) 17,152 (3) 15,727 (4) 9,783	(1) 17,378 (2) 14,532 (3) 20,556 (4) 12,019	N/A	SDG 3.9 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Hazardous waste diverted from disposal (1) Preparation for reuse (2) Recycling (3) Other recovery options	t	(1) 1 (2) 271 (3) 65	(1) 188 (2) 584 (3) 603	N/A	SDG 3.9 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Weight of waste directed to disposal	t	24,993	21,071	35,632	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
of which (1) non-hazardous (2) hazardous (3) radioactive waste	t	(1) 22,989 (2) 1,576 (3) 428	(1) 19,116 (2) 1,618 (3) 337	(1) N/A (2) N/A (3) 313	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Non-hazardous waste directed to disposal (1) Recovery incl. Energy (2) Incineration (3) Landfill (4) Other disposal options	t	(1) 76 (2) 117 (3) 16,638 (4) 6,158	(1) 95 (2) 14 (3) 10,636 (4) 8,370	N/A	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Hazardous waste directed to disposal (1) Recovery incl. Energy (2) Incineration (3) Landfill (4) Other disposal options	t	(1) 296 (2) 36 (3) 193 (4) 1,051	(1) 154 (2) 26 (3) 589 (4) 849	N/A	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Non-hazardous waste produced per electricity and heat generated	kg/MWh	0.77	0.92	0.93	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1

Parameter	Unit	2022	2021	2020	SDG
Hazardous waste produced per electricity and heat generated	kg/MWh	0.03	0.05	0.04	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Waste produced by waste streams - NEW (1) Waste from power stations and other combustion plants that is not recoverable (2) Waste metals (including their alloys) (3) Construction and demolition waste (4) Sewage treatment plant waste and sewage sludge (5) Engine, gear and lubricating waste oils and oil separator waste (hazardous waste stream)	t	(1) 9,092 (2) 7,686 (3) 5,066 (4) 4,611 (5) 481	N/A	N/A	SDG 3.9 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5 SDG 15.1
Significant spills	Number	14	25 ²⁾	25	SDG 3.9 SDG 6.6 SDG 12.4 SDG 15.1
Significant spills into (1) water (2) soil	L	(1) 30 (2) 227	(1) 78 (2) 799 ²⁾	(1) 0.25 (2) 992	SDG 3.9 SDG 6.6 SDG 12.4 SDG 15.1
Fatalities (employees)	Number	0	1	3	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Fatalities (employees) ³⁾	Rate	0.00	0.02	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
High-consequence work-related injuries (employees) - NEW	Number	7	N/A	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
High-consequence work-related injuries (employees) ³⁾ - NEW	Rate	0.16	N/A	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Recordable work-related injuries (employees)	Number	580	N/A ³⁾	N/A ³⁾	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Recordable work-related injuries (employees) ³⁾	Rate	13.00	N/A	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Work-related injuries with absence of one day or more (employees) - NEW	Number	134	N/A	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Lost Time Injury Frequency Rate (LTIFR) (employees) ³⁾	Rate	3.00 ⁴⁾	2.89 ⁴⁾	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Work-related injuries resulting in more than 3 days away from work (employees)	Number	130	130	147	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Hours worked (employees)	Number	44,601,279	44,940,976	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Main types of work-related injuries	-	Section 4.3.6.3	Section 4.3.5.4	Section 8, p. 186	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Fatalities (suppliers)	Number	0	1	0	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
High-consequence work-related injuries (suppliers) - NEW	Number	5	N/A	N/A	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1
Reported work-related injuries (suppliers)	Number	60	25	81	SDG 3.6 SDG 8.7 SDG 8.8 SDG 16.1

Parameter	Unit	2022	2021	2020	SDG
Average hours of training per year per employee	Hrs	42.1	31.4	37.7 ⁵⁾	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 8.2 SDG 8.5 SDG 10.3
Absolute hours of training per year	Hrs	1,208,721	879,870	664,615	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 8.2 SDG 8.5 SDG 10.3

^{a)} More details on other countries can be found in the relevant CEZ Group Annual Report.

^{b)} Other countries include: Bulgaria, France, Germany, Austria, Hungary, Serbia, Netherlands, Italy.

^{c)} Rate calculated per 1,000,000 hours worked.

¹⁾ Data recalculated and corrected using GWP coefficients from the IPCC Sixth Assessment Report for a 100-year time horizon.

²⁾ Data corrected.

³⁾ In 2020 and 2021 only data for work-related injuries resulting in more than 3 days away from work were collected.

⁴⁾ In 2021, the indicator was calculated on a pilot basis as number of reported work-related injuries resulting in more than 3 days away from work. From 2022 onwards, the indicator will be calculated on the basis of reported work-related injuries with an absence of 1 day or more.

⁵⁾ Indicator includes ČEZ, a. s., and selected subsidiaries.

7.2. Other Indicators

Parameter	Unit	2022	2021	2020	SDG
Name of the organisation	-	Section 2.1 AFR p. 164	Section 2.1 AR p. 166	Section 1.0, p. 15	
Activities, brands, products and services	-	Section 2.1 AFR p. 2	Section 2.1 AR p. 2	Section 1.1, pp. 15–16	
Location of headquarters	-	AFR p. 164	Section 2.1 AR p. 166	Section 1.0, p. 15	
Locations of operations	-	AFR p. 2	Section 2.1 AR p. 2	Section 1.0, p. 15	
Ownership and legal form	-	AFR p. 164	Section 2.1 AR p. 166	Section 1.0, p. 15	
Markets served	-	Section 2.1 AFR p. 2	Section 2.1 AR p. 2	Section 1.0, p. 15	
Scale of organisation	-	AFR p. 12	Section 2.1 AR p. 2	Section 1.0, p. 15 AR p. 11	
Fixed contract by gender	Persons				SDG 8.5 SDG 10.3
(1) women		(1) 861	(1) 899 ⁽¹⁾	(1) 929	
(2) men		(2) 1,729	(2) 1,959 ⁽¹⁾	(2) 1,661	
Indefinite contract by gender	Persons				SDG 8.5 SDG 10.3
(1) women		(1) 5,188	(1) 4,834 ⁽¹⁾	(1) 6,043	
(2) men		(2) 20,949	(2) 20,203 ⁽¹⁾	(2) 23,922	
Fixed contract by region	Persons				SDG 8.5 SDG 10.3
(1) Czechia		(1) 2,298	(1) 2,022 ⁽¹⁾	(1) 2,029	
(2) Abroad		(2) 292	(2) 833 ⁽¹⁾	(2) 561	
of which fixed contract abroad - NEW	Persons				SDG 8.5 SDG 10.3
(1) Germany		(1) 169	N/A	N/A	
(2) Poland		(2) 82			
(3) Other countries ^{a)}		(3) 41			
Indefinite contract by region	Persons				SDG 8.5 SDG 10.3
(1) Czechia		(1) 21,631	(1) 20,696 ⁽¹⁾	(1) 20,546	
(2) Abroad		(2) 4,506	(2) 4,344 ⁽¹⁾	(2) 9,419	
of which indefinite contract abroad - NEW	Persons				SDG 8.5 SDG 10.3
(1) Germany		(1) 3,002	N/A	N/A	
(2) Poland		(2) 808			
(3) Other countries ^{a)}		(3) 696			
Full-time by gender	Persons				SDG 8.5 SDG 10.3
(1) women		(1) 5,633	(1) 5,343 ⁽¹⁾	(1) 6,633	
(2) men		(2) 22,329	(2) 21,811 ⁽¹⁾	(2) 25,231	
Part-time by gender	Persons				SDG 8.5 SDG 10.3
(1) women		(1) 432	(1) 388 ⁽¹⁾	(1) 340	
(2) men		(2) 333	(2) 353 ⁽¹⁾	(2) 351	
Full-time by region - NEW	Persons				SDG 8.5 SDG 10.3
(1) Czechia		(1) 23,558	N/A	N/A	
(2) Germany		(2) 2,833			
(3) Poland		(3) 875			
(4) Other countries ^{a)}		(4) 696			
Part-time by region - NEW	Persons				SDG 8.5 SDG 10.3
(1) Czechia		(1) 371	N/A	N/A	
(2) Germany		(2) 338			
(3) Poland		(3) 15			
(4) Other countries ^{a)}		(4) 41			
Non-guaranteed hours employees by gender - NEW	Persons				SDG 8.5 SDG 10.3
(1) women		(1) 776	N/A	N/A	
(2) men		(2) 1,159			
Non-guaranteed hours employees by region - NEW	Persons				SDG 8.5 SDG 10.3
(1) Czechia		(1) 1,830	N/A	N/A	
(2) Abroad		(2) 105			
Workers who are not employees (headcount at the end of the reporting period) - NEW	Persons	6,854	N/A	N/A	SDG 8.5 SDG 10.3
Workers who are not employees (most common types of workers) - NEW	-	self-employed/ contractors (agreement to perform work or to complete a job)/ suppliers' workers/ apprentices/interns	N/A	N/A	SDG 8.5 SDG 10.3
Workers who are not employees (type of work performed) - NEW	-	mining services, construction works, installations, repair and maintenance, administrative works, customer services, IT services	N/A	N/A	SDG 8.5 SDG 10.3
Diversity of managerial positions by gender	Persons				SDG 5.1
(1) women		(1) 488	(1) 410	(1) 552	
(2) men		(2) 3,578	(2) 2,628	(2) 2,891	
Diversity of managerial positions by gender	%				SDG 5.1
(1) women		(1) 12.0	(1) 13.5	(1) 16.0	
(2) men		(2) 88.0	(2) 86.5	(2) 84.0	

Parameter	Unit	2022	2021	2020	SDG
Diversity of managerial positions by age (1) ≤29 years (2) 30–49 years (3) ≥50 years	Persons	(1) 136 (2) 2,157 (3) 1,773	(1) 68 (2) 1,690 (3) 1,280	N/A	SDG 5.1
Diversity of managerial positions by age (1) ≤29 years (2) 30–49 years (3) ≥50 years	%	(1) 3.3 (2) 53.1 (3) 43.6	(1) 2.2 (2) 55.6 (3) 42.1	N/A	SDG 5.1
Supply chain	–	Section 5.4.2	Section 5.4.2	Section 3.0, p. 90	
Significant changes to the organization and its supply chain	–	AFR pp. 160–161 Section 5.4.2	AR p. 154 Section 5.4.2	AR pp. 143, 268 Section 3.0, p. 93	
Precautionary Principle or approach	–	Section 5.4.1.11	Section 5.4.1.10	Section 2.5, p. 33	
External initiatives	–	External initiatives	Link to web	Section 9.1, p. 213	
Membership associations	–	Membership associations	Link to web	Section 9.1, p. 213	
Statement from senior decision-maker	–	Section 1.1	Section 1.1	p. 7	
Key impacts, risks, and opportunities	–	Section 1.1, 2.1 AFR pp. 24–25, 58–59	Section 1.1, 2.1 AR p. 26	Section 2.1, p. 19 AR p. 24	
Values, principles, standards, and norms of behavior	–	Section 5.4.1	Section 5.4.1	Section 2.5, p. 27	SDG 16.3
Mechanism for advice and concerns about ethics	–	Section 5.4.1	Section 5.4.1	N/A	SDG 16.3
Governance structure	–	Section 5.1	Section 5.1	Section 2.5, p. 26 AR pp. 38, 162	
Consulting stakeholders on economic, environmental, and social topics	–	Section 2.2	Section 2.2	N/A	SDG 16.7
Composition of the highest governance body and its committees	–	AFR pp. 30–56	AR pp. 32–53	AR pp. 38–60	SDG 5.5 SDG 16.7
Independent members of the Supervisory Board ^{b)}	Persons	6 out of 11	6 out of 12	N/A	
Independent members of the Supervisory Board ^{b)}	%	55	50	N/A	
Role of highest governance body in setting purpose, values, and strategy	–	Section 5.1	Section 5.1	N/A	
Annual total compensation ratio ^{c)}	Ratio	46.01	48.30	50.30	
Annual total compensation percentage increase ratio ^{c)}	Ratio	0.20	0.00	0.07	
Collective bargaining agreements ^{d)}	%	78	100	100	SDG 8.8
List of stakeholder groups	–	Section 2.2	Section 2.2	Section 2.7, p. 37	
Identifying and selecting stakeholders	–	Section 2.2	Section 2.2	Section 2.7, p. 36	
Approach to stakeholder engagement	–	Section 2.2	Section 2.2	Section 2.7, p. 36	
Entities included in the consolidated financial statements	–	AFR pp. 103–105	AR pp. 74–76	AR pp. 68–70	
Defining report content and topic boundaries	–	Section 2.2	Section 2.1	Section 2.2, p. 24	
List of material topics	–	Section 2.2	Section 2.2	Section 2.7, p. 39	
Changes in reporting	–	AFR pp. 160–161	AR p. 154	AR p. 143	
Reporting period	–	January 1, 2022, to December 31, 2022	January 1, 2021, to December 31, 2021	January 1, 2020, to December 31, 2020	
Reporting cycle	–	Yearly	Yearly	Yearly	
Publication date of the report	–	May 31, 2023	June 30, 2022	June 23, 2021	
Contact point for questions regarding the report	–	esg@cez.cz	esg@cez.cz	energjepr budoucnost@cez.cz	
Claims of reporting in accordance with the GRI Standards	–	Section 7.4	Section 6	Section 8.0, p. 170	
GRI content index	–	Section 7.4	Section 6	Section 8.0, p. 172	
External assurance	–	Section 1.2 and p. 163	p. 98	N/A	
Management Approach GRI 201	–	Section 4.3.1, 5.2 AFR pp. 16, 106, 112, 128, 136	Section 5.2	AR pp. 68, 80, 81, 86, 129, 137	
Direct economic value generated and distributed	CZK	AFR pp. 106, 136, 217, 285, 286, 290, 291	AR pp. 77, 83, 128, 217, 287	AR pp. 68, 80, 81, 86	SDG 8.1 SDG 8.2 SDG 9.1 SDG 9.4 SDG 9.5
Financial implications and other risks and opportunities due to climate change	–	Section 5.2	Section 5.2	N/A	SDG 13.1
TCFD implementation	–	Section 5.2	Section 5.2	N/A	SDG 13.1
Defined benefit plan obligations and other retirement plans	–	Section 4.3.1	Section 5.4.3.3	AR p. 139	
Financial assistance received from government	CZK	AFR pp. 16 and 128	AR p. 122	AR p. 129	
Financial investment contribution	CZK	AFR pp. 16–18 and 112–113	AR pp. 14–17, 83	AR pp. 12–15, 80	
Total R&D expenses	mil. CZK	982.10	952.40	1,031.00	SDG 9.5
Management Approach GRI 202	–	Section 4.3.1	Section 4.3.1	Section 4.1.2	
Ratios of standard entry level wage by gender compared to local minimum wage ^{e)} (1) women (2) men	Ratio	(1) 2.16 (2) 2.29	(1) 2.18 (2) 2.32	(1) 2.19 (2) 2.31	SDG 1.2 SDG 5.1 SDG 8.5

Parameter	Unit	2022	2021	2020	SDG
Management Approach GRI 203	-	Section 4.1	Section 4.1	Section 1.1	
Infrastructure investments and services supported	-	Section 3.5, 4.1 and 4.4.1.1	Section 4.1	Section 6 and 7	SDG 9.1 SDG 9.4 SDG 11.2
Significant indirect economic impacts	-	Section 3.5, 4.1 and 4.4.1.1	Section 4.1	Section 6 and 7	SDG 1.2 SDG 1.4 SDG 3.8 SDG 5.4 SDG 8.2 SDG 8.3 SDG 8.5
Management Approach GRI 205	-	Section 5.4.1	Section 5.4.1	Section 2.5	
Operations assessed for risks related to corruption	-	Section 5.4.1	Section 5.4.1	Section 2.5	SDG 16.5
Communication and training about anti-corruption policies and procedures	-	Section 5.4.1	Section 5.4.1	N/A	SDG 16.5
Communication about anti-corruption policies and procedures to governance body members - NEW	Persons				SDG 16.5
(1) Czechia		(1) 227	N/A	N/A	
(2) Abroad		(2) 86			
Communication about anti-corruption policies and procedures to governance body members - NEW	%				SDG 16.5
(1) Czechia		(1) 65.0	N/A	N/A	
(2) Abroad		(2) 48.9			
Communication about anti-corruption policies and procedures to employees - NEW	Persons				SDG 16.5
(1) Czechia		(1) 22,394	N/A	N/A	
(2) Abroad		(2) 640			
Communication about anti-corruption policies and procedures to employees - NEW	%				SDG 16.5
(1) Czechia		(1) 93.6	N/A	N/A	
(2) Abroad		(2) 13.3			
Communication about anti-corruption policies and procedures to employees - NEW	Persons				SDG 16.5
(1) managers		(1) 2,849	N/A	N/A	
(2) rank-and-file employees		(2) 20,185			
Communication about anti-corruption policies and procedures to employees - NEW	%				SDG 16.5
(1) managers		(1) 70.1	N/A	N/A	
(2) rank-and-file employees		(2) 81.8			
Training about anti-corruption policies and procedures to governance body members - NEW	Persons				SDG 16.5
(1) Czechia		(1) 175	N/A	N/A	
(2) Abroad		(2) 61			
Training about anti-corruption policies and procedures to governance body members - NEW	%				SDG 16.5
(1) Czechia		(1) 50.1	N/A	N/A	
(2) Abroad		(2) 34.7			
Training about anti-corruption policies and procedures to employees - NEW	Persons				SDG 16.5
(1) Czechia		(1) 21,213	N/A	N/A	
(2) Abroad		(2) 233			
Training about anti-corruption policies and procedures to employees - NEW	%				SDG 16.5
(1) Czechia		(1) 88.6	N/A	N/A	
(2) Abroad		(2) 4.9			
Training about anti-corruption policies and procedures to employees - NEW	Persons				SDG 16.5
(1) managers		(1) 2,657	N/A	N/A	
(2) rank-and-file employees		(2) 18,789			
Training about anti-corruption policies and procedures to employees - NEW	%				SDG 16.5
(1) managers		(1) 65.3	N/A	N/A	
(2) rank-and-file employees		(2) 76.2			
Confirmed incidents of corruption and actions taken	Number	0	0	0	SDG 16.5
Management Approach GRI 206	-	Section 5.4.1.10	Section 5.4.1.9	Section 2.5	
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Number	1	1	N/A	SDG 16.3
Management Approach GRI 207	-	Section 5.4.3	Section 5.4.3	N/A	
Approach to tax	-	Section 5.4.3	Section 5.4.3	N/A	SDG 1.1 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Tax governance, control, and risk management	-	Section 5.4.3	Section 5.4.3	N/A	SDG 1.1 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Stakeholder engagement and management of concerns related to tax	-	Section 5.4.3	Section 5.4.3	N/A	SDG 1.1 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3

Parameter	Unit	2022	2021	2020	SDG
Tax country-by-country reporting (1) Czechia (2) Abroad	bil. CZK	(1) 20.0 (2) 0.2	(1) 5.2 (2) 0.2	(1) 3.2 (2) 0.3	SDG 1.1 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Management Approach GRI 301	-	Section 3.2.3	N/A	N/A	
Non-renewable materials: Fuels (Total amount)	kt, mil. m ³ (gas)	(1) 1,744 (2) 12,469	(1) 1,864 (2) 12,434	(1) 1,450 (2) 12,195	SDG 8.4 SDG 12.2
(1) Hard coal		(3) 541	(3) 696	(3) 850	
(2) Lignite		(4) 2.63	(4) 3.07	(4) 3.37	
(3) Natural gas		(5) 2.94	(5) 2.36	(5) 2.24	
(4) Diesel, light fuel oil		(6) 0.07	(6) 0.07	(6) 0.07	
(5) Heavy fuel oil					
(6) Uranium					
Non-renewable materials: Fuels (Energy)	PJ	(1) 33 (2) 143 (3) 19 (4) 0.11 (5) 0.13 (6) 287	(1) 36 (2) 143 (3) 24 (4) 0.13 (5) 0.10 (6) 289	(1) 27 (2) 136 (3) 29 (4) 0.14 (5) 0.09 (6) 300	SDG 8.4 SDG 12.2
(1) Hard coal					
(2) Lignite					
(3) Natural gas					
(4) Diesel, light fuel oil					
(5) Heavy fuel oil					
(6) Uranium					
Renewable materials: Fuels (Total amount)	kt, mil. m ³ (gas)	(1) 912 (2) 0.00 (3) 0.00	(1) 1,115 (2) 0.23 (3) 1.13	(1) 1,193 (2) 0.22 (3) 1.13	SDG 8.4 SDG 12.2
(1) Solid biofuels					
(2) Liquid biofuels					
(3) Biogas					
Renewable materials: Fuels (Energy)	PJ	(1) 10.4 (2) 0.00 (3) 0.00	(1) 12.4 (2) 0.01 (3) 0.04	(1) 14.5 (2) 0.01 (3) 0.04	SDG 8.4 SDG 12.2
(1) Solid biofuels					
(2) Liquid biofuels					
(3) Biogas					
Non-renewable materials: Other	kt	(1) 757 (2) 28 (3) 0.03 (4) 1.5	(1) 720 (2) 41 (3) 1.08 (4) 0.5	(1) 807 (2) 34 (3) 6.50 (4) 0.2	SDG 8.4 SDG 12.2
(1) Limestone					
(2) Lime					
(3) Urea					
(4) Ammonia water					
Management Approach GRI 302	-	Section 3.5.7	Section 3.5.7	Section 3.3	
Total electricity generated	GWh	54,302	56,008 ²⁾	60,946	
percentage in regulated markets	%	0	0	N/A	
Total electricity generated, percentage by major energy source of which	%				SDG 7.2
(1) nuclear		(1) 57.1	(1) 54.9	(1) 49.3	
(2) hydro		(2) 3.9	(2) 4.5	(2) 4.0	
(3) photovoltaic		(3) 0.3	(3) 0.2	(3) 0.2	
(4) wind		(4) 0.5	(4) 1.1	(4) 2.6	
(5) coal		(5) 32.3	(5) 32.1	(5) 35.5	
(6) natural gas		(6) 4.5	(6) 5.6	(6) 6.4	
(7) biomass		(7) 1.4	(7) 1.6	(7) 1.9	
(8) biogas		(8) 0.0	(8) 0.0	(8) 0.0	
Total wholesale electricity purchased	GWh	132,898	223,066 ²⁾	259,851	
Management Approach GRI 303	-	Section 3.3.1	Section 3.3.1	Section 3.1	
Interactions with water as a shared resource	-	Section 3.3.1	Section 3.3.1	Section 3.1	SDG 6.3 SDG 6.A SDG 6.B SDG 12.4
Management of water discharge related impacts	-	Section 3.3.1	Section 3.3.1	Section 3.1	SDG 6.3 SDG 13.1
Water storage by reservoir - NEW	ML	(1) 427 (2) 16,150 (3) 2,720	N/A	N/A	SDG 6.3 SDG 13.1
(1) Homole					
(2) Dalešice					
(3) Dlouhé stráně					
Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	2	0	N/A	SDG 3.9 SDG 6.3 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.4 SDG 12.5
Description of water management risks and discussion of strategies and practices to mitigate those risks	-	Section 3.3.1	Section 3.3.1	Section 3.1	SDG 3.9 SDG 6.3 SDG 6.5 SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.4 SDG 12.5
Management Approach GRI 304	-	Section 3.3.2	Section 3.3.2	Section 3.4	
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Section 7.3	Section 6.3	Section 3.4	SDG 6.6 SDG 15.1 SDG 15.2 SDG 15.5

Parameter	Unit	2022	2021	2020	SDG
Significant impacts of activities, products and services on biodiversity	-	Section 3.3.2, Section 7.3	Severočeské doly, Section 3.3.2	Severočeské doly completed landscape reclamation in 2020 on an area of 110.29 ha and started new reclamation on an area of 30.50 ha. New reclamation was carried out at Bílina Mines land reclamation on an area of 45 ha and on the Nástup Tušimice Mine on an area of 24.55 ha.	SDG 6.6 SDG 15.1 SDG 15.2 SDG 15.5
Habitats protected or restored	-	Section 7.3	Section 6.3	Section 8.0	SDG 6.6 SDG 15.1 SDG 15.2 SDG 15.5
IUCN Red List species and national conservation list species with habitats in areas affected by operations - NEW	-	Section 3.3.2, 7.3	N/A	N/A	SDG 6.6 SDG 15.1 SDG 15.2 SDG 15.5
Management Approach GRI 305	-	Section 3.1	Section 3.1	Section 3.1	
Discussion of long-term and short-term strategy or plan to manage: Scope 1 emissions, emissions reduction targets, analysis of performance against those targets	-	Section 3.1, 5.2	Section 3.1, 5.2	N/A	SDG 7.B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3
Avoided emissions	tCO ₂ e	27,389,141	27,954,578	29,323,231	SDG 13.1 SDG 14.3 SDG 15.2
of which	tCO ₂ e				SDG 13.1
(1) nuclear sources		(1) 24,760,477	(1) 24,630,558	(1) 24,907,354	SDG 14.3
(2) renewable energy sources		(2) 2,014,019	(2) 2,605,076	(2) 3,448,715	SDG 15.2
(3) biomass		(3) 614,645	(3) 718,944	(3) 967,162	
Emissions associated with power deliveries (B2B and B2C)	tCO ₂ e	5,755,474	7,672,109 ^{a)}	N/A	SDG 7.B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3
Emissions of ozone-depleting substances (ODS) - production, imports and exports	tCFC-11 e	0.00	0.00	0.00	SDG 3.9 SDG 12.4
Management Approach GRI 306	-	Section 3.2.4	Section 3.2.2	Section 3.2	
Waste generation and significant waste-related impacts	-	Section 3.2.4	Section 3.2.2	N/A	SDG 3.9 SDG 6.3 SDG 6.6 SDG 11.6 SDG 12.4 SDG 12.5
Management of significant waste related impacts	-	Section 3.2.4	Section 3.2.2	N/A	SDG 3.9 SDG 6.3 SDG 8.4 SDG 11.6 SDG 12.4 SDG 12.5
Amount of coal combustion residuals (CCR) generated	kt	5,099	5,048	6,651	SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.5
CCR recycled	%	99.86	99.60	99.80	SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.5
CCR impoundments	Number	0	0	N/A	SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.5
Management Approach GRI 308	-	Section 5.4.2	Section 5.4.2.1	Section 2.5	
New suppliers that were screened using environmental criteria	-	Section 5.4.2.1	Section 5.4.2.1	Section 2.5, p. 33	
Negative environmental impacts in the supply chain and actions taken	Number	0	2	0	
Management Approach GRI 401	-	Section 4.3.1	Section 4.3.1	Section 4.1	
New employee hires	Persons	2,889	2,935	3,466	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires by age	Persons				SDG 5.1
(1) ≤29 years		(1) 973	(1) 1,138	(1) 1,166	SDG 8.5
(2) 30-49 years		(2) 1,366	(2) 1,336	(2) 1,547	SDG 8.6
(3) ≥50 years		(3) 550	(3) 461	(3) 753	SDG 10.3

Parameter	Unit	2022	2021	2020	SDG
Employee hires by age	%				SDG 5.1
(1) ≤29 years		(1) 27.7	(1) 29.0	(1) 26.5	SDG 8.5
(2) 30–49 years		(2) 9.8	(2) 10.0	(2) 9.7	SDG 8.6
(3) ≥50 years		(3) 4.9	(3) 4.3	(3) 6.1	SDG 10.3
Employee hires by gender	Persons				SDG 5.1
(1) women		(1) 800	(1) 846	(1) 1,005	SDG 8.5
(2) men		(2) 2,089	(2) 2,089	(2) 2,461	SDG 8.6
					SDG 10.3
Employee hires by gender	%				SDG 5.1
(1) women		(1) 13.2	(1) 14.7	(1) 14.4	SDG 8.5
(2) men		(2) 9.2	(2) 9.4	(2) 9.6	SDG 8.6
					SDG 10.3
Employee hires by region	Persons				SDG 5.1
(1) Czechia		(1) 2,198	(1) 1,991	(1) 2,056	SDG 8.5
(2) Abroad		(2) 691	(2) 944	(2) 1,410	SDG 8.6
					SDG 10.3
Employee hires by region	%				SDG 5.1
(1) Czechia		(1) 9.2	(1) 8.8	(1) 9.1	SDG 8.5
(2) Abroad		(2) 14.4	(2) 17.8	(2) 14.1	SDG 8.6
					SDG 10.3
Employee turnover	Persons	2,748	2,883	3,225	SDG 5.1
					SDG 8.5
					SDG 8.6
					SDG 10.3
Employee turnover by age	Persons				SDG 5.1
(1) ≤29 years		(1) 579	(1) 647	(1) 627	SDG 8.5
(2) 30–49 years		(2) 1,103	(2) 1,122	(2) 1,237	SDG 8.6
(3) ≥50 years		(3) 1,066	(3) 1,114	(3) 1,361	SDG 10.3
Employee turnover by age	%				SDG 5.1
(1) ≤29 years		(1) 16.5	(1) 16.5	(1) 14.2	SDG 8.5
(2) 30–49 years		(2) 7.9	(2) 8.4	(2) 7.8	SDG 8.6
(3) ≥50 years		(3) 9.4	(3) 10.4	(3) 11.1	SDG 10.3
Employee turnover by gender	Persons				SDG 5.1
(1) women		(1) 739	(1) 721	(1) 1,207	SDG 8.5
(2) men		(2) 2,009	(2) 2,162	(2) 2,018	SDG 8.6
					SDG 10.3
Employee turnover by gender	%				SDG 5.1
(1) women		(1) 12.2	(1) 12.5	(1) 17.3 ²⁾	SDG 8.5
(2) men		(2) 8.9	(2) 9.7	(2) 7.9 ²⁾	SDG 8.6
					SDG 10.3
Employee turnover by region	Persons				SDG 5.1
(1) Czechia		(1) 2,172	(1) 1,939	(1) 1,984	SDG 8.5
(2) Abroad		(2) 576	(2) 944	(2) 1,241	SDG 8.6
					SDG 10.3
Employee turnover by region	%				SDG 5.1
(1) Czechia		(1) 9.1	(1) 8.5	(1) 8.8	SDG 8.5
(2) Abroad		(2) 12.0	(2) 17.8 ²⁾	(2) 12.4 ²⁾	SDG 8.6
					SDG 10.3
Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Section 4.3.1	Section 4.3.1	Section 4.1.2 and 4.1.3	SDG 3.2
					SDG 5.4
					SDG 8.5
Entitlement to parental leave	-	Pursuant to Czech law, all employees are entitled to parental leave. Abroad, CEZ Group companies comply with local law.	Pursuant to Czech law, all employees are entitled to parental leave. Abroad, CEZ Group companies comply with local law.	Pursuant to Czech law, all employees are entitled to parental leave. Abroad, CEZ Group companies comply with local law.	SDG 5.1
					SDG 5.4
					SDG 8.5
Entitlement to parental leave by gender - NEW	Persons				SDG 5.4
(1) women		(1) 614	N/A	N/A	SDG 8.5
(2) men		(2) 1,524			
Parental leave by gender	Persons				SDG 5.4
(1) women		(1) 573	(1) 602	(1) 598	SDG 8.5
(2) men		(2) 25	(2) 30	(2) 9	
Return to work after parental leave by gender	Persons				SDG 5.4
(1) women		(1) 106	(1) 75	(1) 81	SDG 8.5
(2) men		(2) 37	(2) 24	(2) 8	
Employees who returned to work after parental leave and were still employed 12 months after the return to work by gender ¹⁾ - NEW	Persons				SDG 5.4
(1) women		(1) 109	N/A	N/A	SDG 8.5
(2) men		(2) 42			
Eligibility to retire in the next 10 years Total	Persons	6,513	6,304	7,252	
Eligibility to retire in the next 10 years by region	Persons				
(1) Czechia		(1) 5,766	(1) 5,581	(1) 5,530	
(2) Abroad		(2) 747	(2) 723	(2) 1,722	
Eligibility to retire in the next 10 years by region	%				
(1) Czechia		(1) 20.1	(1) 19.9	(1) 17.0	
(2) Abroad		(2) 2.6	(2) 2.6	(2) 5.3	
Eligibility to retire in the next 10 years by employee category	Persons				
(1) managers		(1) 797	(1) 749	(1) 816	
(2) rank-and-file employees		(2) 5,716	(2) 5,555	(2) 6,436	

Parameter	Unit	2022	2021	2020	SDG
Eligibility to retire in the next 10 years by employee category	%				
(1) managers		(1) 2.8	(1) 2.7	(1) 2.5	
(2) rank-and-file employees		(2) 19.9	(2) 19.8	(2) 19.8 ²⁾	
Management Approach GRI 402	-	AFR p. 141 Section 4.3.1	Section 4.3.1	Section 4, 4.1	
Minimum notice periods regarding operational changes	Days	30	30	30	SDG 8.8
Management Approach GRI 403	-	Section 4.3.6	Section 4.3.5	Section 3.5.6	
Occupational health and safety management system	-	Section 4.3.6.1	Yes. Specified in collective agreements	Yes. Specified in collective agreements	SDG 8.8
Hazard identification, risk assessment, and incident investigation	-	Section 4.3.6.1	Specification and implementation of controls, hazard identification—findings (nonconformities), nonconformity handling through corrective action. Regular internal audit checks.	Specification and implementation of controls, hazard identification—findings (nonconformities), nonconformity handling through corrective action. Regular internal audit checks.	SDG 8.8
Occupational health services	-	Section 4.3.6.2	Section 4.3.5	Section 3.5.6, 3.6	SDG 8.8
Worker participation, consultation, and communication on occupational health and safety	-	Section 4.3.6.2	Section 4.3.5	Section 3.5.6, 3.6	SDG 8.8 SDG 16.7
Worker training on occupational health and safety	-	Section 4.3.6.2	Section 4.3.5	Section 3.5.6, 3.6	SDG 8.8
Promotion of worker health	-	Section 4.3.6.2	Section 4.3.5	Section 3.5.6	SDG 3.3 SDG 3.5 SDG 3.7 SDG 3.8
Workers covered by an occupational health and safety management system ⁹⁾	Persons	28,039	27,816	32,555	SDG 8.8
Workers covered by an occupational health and safety management system ⁹⁾	%	97.6	99.9	100.0	SDG 8.8
Workers covered by an occupational health and safety management system (internally audited) ⁹⁾	Persons	23,096	24,863	N/A	SDG 8.8
Workers covered by an occupational health and safety management system (internally audited) ⁹⁾	%	80.4	89.2	N/A	SDG 8.8
Workers covered by an occupational health and safety management system (externally audited or certified) ¹⁾	Persons	16,312	20,060	N/A	SDG 8.8
Workers covered by an occupational health and safety management system (externally audited or certified) ¹⁾	%	56.8	72.0	N/A	SDG 8.8
Work-related fatalities as a result of ill health	Number				SDG 3.3
(1) employees		(1) 0	(1) 0	(1) 0	SDG 3.4
(2) suppliers		(2) 0	(2) 0	(2) 0	SDG 3.9 SDG 8.8 SDG 16.1
Work-related ill health	Number				SDG 3.3
(1) employees		(1) 0	(1) 0	(1) 0	SDG 3.4
(2) suppliers		(2) 0	(2) 0	(2) 0	SDG 3.9 SDG 8.8 SDG 16.1
Management Approach GRI 404	-	Section 4.3.2, 4.3.5	Section 4.3.2	Section 3.7	
Programs for upgrading employee skills and transition assistance programs	-	Section 4.3.5	Section 4.3.4	Section 3.7	SDG 8.2 SDG 8.5
Percentage of employees receiving regular performance and career development reviews by gender ³⁾	%				SDG 5.1 SDG 8.5
(1) women		(1) 81	(1) 100	(1) 100	SDG 10.3
(2) men		(2) 73	(2) 100	(2) 100	
Percentage of employees receiving regular performance and career development reviews by employee category ⁹⁾	%				SDG 5.1 SDG 8.5 SDG 10.3
(1) managers		(1) 88	(1) 100	(1) 100	
(2) rank-and-file employees		(2) 71	(2) 100	(2) 100	
Average costs of training per year per employee	CZK	5 894	3 965	N/A	
Total expenditures on employee training	mil. CZK	169,3	111,2	N/A	
Management Approach GRI 405	-	Section 4.3.1, 5.3	Section 5.3	Section 2.0	
Vulnerable groups (employees with disabilities)	Persons	569	557	N/A	SDG 5.1 SDG 5.5
Vulnerable groups (employees with disabilities)	%	2.0	2.0	N/A	SDG 5.1 SDG 5.5
Vulnerable groups (employees with disabilities) by gender - NEW	Persons				SDG 5.1 SDG 5.5
(1) women		(1) 124	N/A	N/A	
(2) men		(2) 445			
Vulnerable groups (employees with disabilities) by age - NEW	Persons				SDG 5.1 SDG 5.5
(1) ≤29 years		(1) 21	N/A	N/A	
(2) 30–49 years		(2) 180			
(3) ≥50 years		(3) 368			
Ratio of basic salary of women to men - management ³⁾	Ratio	0.99	1.02 ²⁾	0.97 ²⁾	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men - leaders ³⁾	Ratio	0.90	0.88 ²⁾	0.86 ²⁾	SDG 5.1 SDG 8.5 SDG 10.3

Parameter	Unit	2022	2021	2020	SDG
Ratio of basic salary of women to men - senior specialists ⁽³⁾	Ratio	0.91	0.86	0.83	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men - specialists ⁽³⁾	Ratio	0.91	0.91	0.91	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men - technicians ⁽³⁾	Ratio	0.92	0.94	0.95	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men - administrative and manual workers ⁽³⁾	Ratio	0.94	0.94	0.95	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - management ⁽³⁾	Ratio	0.98	1.03 ⁽²⁾	0.98 ⁽²⁾	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - leaders ⁽³⁾	Ratio	0.90	0.90 ⁽²⁾	0.87 ⁽²⁾	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - senior specialists ⁽³⁾	Ratio	0.90	0.84	0.82	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - specialists ⁽³⁾	Ratio	0.90	0.89	0.90	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - technicians ⁽³⁾	Ratio	0.87	0.88	0.89	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men - administrative and manual workers ⁽³⁾	Ratio	0.90	0.91	0.91	SDG 5.1 SDG 8.5 SDG 10.3
Employee compensation ^(k) - NEW	CZK	Corporate governance CEZ Group	Remuneration Report for the Accounting Period of 2021 CEZ Group	Remuneration Report for the Accounting Period of 2020 CEZ Group	SDG 5.1 SDG 8.5 SDG 10.3
Employees reporting directly to a governance body or a governance body member by gender (1) women (2) men	Number	(1) 163 (2) 523	(1) 111 (2) 555	(1) 111 (2) 429	SDG 8.5 SDG 10.3
Management Approach GRI 406	-	Section 5.3 and 5.4.1.7	Section 5.4.1.6	Section 2.5	
Incidents of discrimination and corrective actions taken	Number	0	0	0	SDG 5.1 SDG 8.8
Management Approach GRI 407	-	Section 5.4.1	Section 5.4.1	Section 4	
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Number	0	0	No risky operations or suppliers in which workers' rights to freedom of association or collective bargaining might be violated/at risk were identified	SDG 8.8
Management Approach GRI 408	-	Section 5.4.1	Section 5.4.1	Section 4.1	
Operations and suppliers at significant risk for incidents of child labor	Number	0	0	N/A	SDG 5.2 SDG 8.7 SDG 16.2
Management Approach GRI 409	-	Section 5.4.1	Section 5.4.1	Section 4.1	
Operations and suppliers at significant risk for incidents of forced or compulsory labor (1) operations (2) suppliers	Number	(1) 0 (2) 1	(1) 0 (2) 0	N/A	SDG 5.2 SDG 8.7
Management Approach GRI 413	-	Section 4.1	Section 4.1	Section 4.2	
Operations with local community engagement, impact assessments, and development programs	-	Section 3.3, 4.1	Section 4.1	Section 4.2	SDG 1.4
Operations with significant actual and potential negative impacts on local communities	-	Section 3.3, 4.1	Section 4.1	Section 4.2	SDG 1.4
Management Approach GRI 414	-	Section 5.4.2	Section 5.4.2.1	Section 3, 3.6	
New suppliers that were screened using social criteria	-	Section 5.4.2.1	Section 5.4.2.1	Section 3, 3.6	SDG 5.2 SDG 8.8 SDG 16.1
Negative social impacts in the supply chain and actions taken	Number	0	0	1	SDG 5.2 SDG 8.8 SDG 16.1
Management Approach GRI 415	-	Section 5.4.1.6	The parent company ČEZ, a. s., does not make any political contributions.	The parent company ČEZ, a. s., does not make any political contributions.	
Political contributions	-	We do not make any political contributions.	The parent company ČEZ, a. s., does not make any political contributions.	The parent company ČEZ, a. s., does not make any political contributions.	SDG 16.5

Parameter	Unit	2022	2021	2020	SDG
Management Approach GRI 416	-	Section 4.4	Section 4.4	Section 5.1	
Incidents of non-compliance concerning the health and safety impacts of products and services	Number	0	0	0	SDG 16.3
Management Approach GRI 418	-	Section 5.4.4	Section 5.4.4	Section 3.5.7	
Complaints from regulatory bodies and third parties	Number	3	0	0	SDG 16.1 SDG 16.3
Total number of identified leaks, thefts, or losses of customer data	Number	3	0	1	SDG 16.1 SDG 16.3
Number of residential, industrial, institutional, and commercial customer accounts	Million	3.80	3.80	7.40	
Number of: (1) residential (2) commercial (3) industrial customers served	Number	(1) 2,523,977 (2) 300,693 (3) 10,052	(1) 2,461,119 ⁽⁴⁾ (2) 272,025 ⁽⁴⁾ (3) 7,186 ⁽⁴⁾	N/A	
Total electricity delivered to: (1) residential (2) commercial (3) industrial (4) all other retail customers (5) wholesale customers	-	AFR p. 97	AR p. 85	N/A	
Length of above and underground lines ⁽¹⁾	km	168,533	167,628	311,376	
of which (1) high-voltage (2) medium-voltage (3) low-voltage	km	(1) 9,998 (2) 51,462 (3) 107,073	(1) 10,002 (2) 51,295 (3) 106,331	(1) 15,463 (2) 97,700 (3) 198,213	
Distribution technical losses ⁽¹⁾ (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	%	(1) 3.50 (2) N/A (3) N/A	(1) 3.60 (2) N/A (3) N/A	(1) 4.30 (2) 7.49 (3) 7.82	
Distribution non-technical losses ⁽¹⁾ (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	%	(1) 0.30 (2) N/A (3) N/A	(1) 0.30 (2) N/A (3) N/A	(1) 0.30 (2) 0.00 (3) 0.98	
Number of people physically or economically displaced and compensation, broken down by type of project	Persons	0	0	0	
Average retail electric rate for: (1) residential (2) commercial (3) industrial customers	CZK/kWh	(1) 3.02 (2) 2.99 (3) N/A	(1) 1.98 (2) 1.82 (3) N/A	N/A	SDG 7.1 SDG 9.1 SDG 11.1
Typical monthly electric bill for residential customers for: (1) 500 kWh (2) 1 000 kWh of electricity delivered per month	CZK	(1) 3,550 (2) 5,070	(1) 2,650 (2) 3,760	N/A	SDG 7.1 SDG 9.1 SDG 11.1
Number of residential customer electric disconnections for non-payment	Number	4,231	7,282	12,797	SDG 7.1 SDG 9.1 SDG 11.1
of which disconnections (1) 0-2 days (2) 3-7 days (3) 8-30 days (4) 31-365 days (5) more than 1 year	Number	(1) 1,384 (2) 1,503 (3) 982 (4) 362 (5) 0	(1) 1,300 (2) 1,766 (3) 2,426 (4) 1,790 (5) 0	(1) 3,409 (2) 4,163 (3) 3,464 (4) 1,585 (5) 176	SDG 7.1 SDG 9.1 SDG 11.1
Percentage of residential customers reconnected within 30 days, ČEZ Distribuce	%	91	75	92	SDG 7.1 SDG 9.1 SDG 11.1
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	-	Section 4.4.1	Section 4.4.1.1	N/A	SDG 7.1 SDG 9.1 SDG 11.1
System Average Interruption Frequency Index (SAIFI) - incl. calamities and blackouts (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	Number	(1) 2.69 (2) N/A (3) N/A	(1) 2.65 (2) N/A (3) N/A	(1) 2.87 (2) N/A ⁽³⁾ (3) 3.22	SDG 1.5 SDG 13.1
System Average Interruption Frequency Index (SAIFI) - excl. calamities and blackouts (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	Number	(1) 1.88 (2) N/A (3) N/A	(1) 1.85 (2) N/A (3) N/A	(1) 2.11 (2) 2.07 (3) 1.76	SDG 1.5 SDG 13.1
System Average Interruption Duration Index (SAIDI) - incl. calamities and blackouts (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	Minutes	(1) 307.47 (2) N/A (3) N/A	(1) 327.57 (2) N/A (3) N/A	(1) 311.60 (2) N/A ⁽³⁾ (3) 162.88	SDG 1.5 SDG 13.1
System Average Interruption Duration Index (SAIDI) - excl. calamities and blackouts (1) ČEZ Distribuce (2) CEZ Razpredelenie Bulgaria (3) Distribuție Energie Oltenia	Minutes	(1) 207.85 (2) N/A (3) N/A	(1) 214.45 (2) N/A (3) N/A	(1) 219.96 (2) 121.20 (3) 411.30	SDG 1.5 SDG 13.1
Customer Average Interruption Duration Index (CAIDI) - incl. calamities and blackouts (ČEZ Distribuce)	Number	114.42	123.80	N/A	SDG 1.5 SDG 13.1
Customer Average Interruption Duration Index (CAIDI) - excl. calamities and blackouts (ČEZ Distribuce)	Number	110.35	115.87	N/A	SDG 1.5 SDG 13.1
Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	Number	0	0	0	SDG 1.4

Parameter	Unit	2022	2021	2020	SDG
Number and percentage of operations—mines—with closure plans	-	Blina Mines and Nástup Tušimice Mines – closure of coal mining by 2038 in accordance with the recommendation of the Coal Commission	Blina Mines and Nástup Tušimice Mines – closure of coal mining by 2038 in accordance with the recommendation of the Coal Commission	Blina Mine (after 2050), Nástup Tušimice Mines (after 2035)	SDG 15.5
Percentage of electric load served by smart grid technology	%	85	85	N/A	SDG 7.1 SDG 8.4 SDG 9.1 SDG 9.2 SDG 9.4 SDG 11.2 SDG 11.8 SDG 12.1 SDG 12.2
Description of efforts to manage nuclear safety and emergency preparedness	-	Section 4.3.6.4	Section 4.3.5.2	Section 3.5.3	SDG 6.3 SDG 6.6 SDG 11.5 SDG 12.4
Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number	0	0	N/A	SDG 1.5 SDG 13.1
Firefighter callouts from nuclear power plants in cooperation with the Integrated Rescue System	Number	84	77	56	
Fires at nuclear power plants	Number	0	0	1	
Firefighter callouts from conventional power and heating plants in cooperation with the Integrated Rescue System	Number	22	18	29	
Fires at conventional power and heating plants	Number	4	1	3	
Requests for connection to energy supply (ČEZ Distribuce)	Number	130,478	144,688	N/A	
Requests for connection of power generation plants and micro-generators (ČEZ Distribuce)	Number	70,212	16,191	6,649	
Non-compliance with laws and regulations – number of instances	Number	1	AR p. 140	AR pp. 124, 148	SDG 16.3
of which instances for which sanctions were incurred (1) fines (2) non-monetary sanctions	Number	(1) 0 (2) 0	AR p. 140	AR pp. 124, 148	SDG 16.3
Non-compliance with laws and regulations – fines paid – NEW	Number	2	N/A	N/A	SDG 16.3
of which fines paid for instances that occurred – NEW (1) in the current period (2) in the previous periods	Number	(1) 0 (2) 2	N/A	N/A	SDG 16.3
Monetary value of fines paid – NEW	CZK	1,150,000	N/A ⁶⁾	N/A ⁶⁾	SDG 16.3
of which monetary value of fines paid for instances that occurred – NEW (1) in the current period (2) in the previous periods	CZK	(1) 0 (2) 1,150,000	N/A	N/A	SDG 16.3
Security personnel trained in human rights policies or procedures – NEW	-	Section 4.3.3	N/A	N/A	SDG 16.1
Incidents of violations involving rights of indigenous peoples – NEW	Number	0	N/A	N/A	SDG 1.4 SDG 11.4 SDG 15.6 SDG 16.6
Proportion of spending on local suppliers – NEW	%	92	N/A	N/A	SDG 8.3

^{a)} For more details on other countries, see the relevant CEZ Group Annual Report.

^{b)} All members of the Supervisory Board of ČEZ, a. s., sign an Affidavit of Independence of a Member of the Supervisory Board, the content of which is in line with Commission Recommendation 2005/162/EC of February 15, 2005. In the Affidavit, the members either confirm their complete independence or indicate why they cannot be deemed independent. The difference in the total number of Supervisory Board members between 2021 and 2022 is due to 1 vacant position at the end of 2022.

^{c)} The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration.

^{d)} As of 2022, a standardized methodology used for reporting the coverage of employees by collective bargaining agreements.

^{e)} 1) The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration. 2) The amount of the minimum wage for each year is set by the Czech Government. In 2020, the minimum wage in Czechia increased by 9.4% compared to 2019 and in 2021 it increased by 4.1% compared to 2020 and in 2022 it increased by 6.6% compared to 2021.

^{f)} In addition, data include employees who took an additional parental leave within the 12 months after they had returned to work from the previous parental leave.

^{g)} As of 2021, a standardized methodology used for reporting the coverage of employees by occupational health and safety management system.

^{h)} Valid standards for certification: ISO 45001:2018, certification by accredited certification bodies, National Safe Enterprise Programme 2017 (certificate issued by the State Labor Inspection Office based on an audit).

ⁱ⁾ As of 2022, a standardized methodology used for reporting employees receiving regular performance and career development reviews.

^{j)} 1) The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration. 2) Total remuneration does not include the profit share component paid in the Trading Department, which is fully dependent on the business results achieved by individual employees in this department. The calculation of the profit share component is uniform for all Trading employees and the parameters entering into the calculation are gender neutral.

^{k)} The data include employees of ČEZ, a. s.

^{l)} Since 2021, only ČEZ Distribuce has been reported due to divestment of a Bulgarian and Romanian distribution company.

^{m)} For 148 employees, details on their contracts and types of employment are not available, see Section 4.3.1 for more details.

ⁿ⁾ Data corrected.

^{o)} Data recalculated and corrected using GWP coefficients from the IPCC Sixth Assessment Report for a 100-year time horizon.

^{p)} Figures include end customers in Czechia and Hungary as of December 31, 2021. In other countries, electricity sales to end customers were discontinued or the customer portfolio was sold during 2021.

^{q)} CEZ Razpredelenie Bulgaria follows guidelines published by the Bulgarian regulatory authority (Energy Water and Regulatory Commission), which do not provide for separate records.

^{r)} Until 2021, the indicator was reported under GRI 106, disclosures 307-1 and 419-1 (i.e., total monetary value of fines). From 2022, the indicator is reported under GRI 201, disclosure 2-27 as fines paid during the reporting period. Due to differences in the versions of the GRI standard, data up to 2021 can be found in previous CEZ Group Sustainability Reports and CEZ Group Annual Reports.

7.3. Biodiversity Indicators

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BIODIVERSITY

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

304-1	Site of biodiversity importance	AZ KLIMA
	Geographic location	48.853807, 16.698325
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	PLA Pálava, Bird area (at the location), NR Milovická stráň (ca 480 m)
	Size of operational site	0.00039 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area (PLA) Pálava, Nature Reserve (NR) Milovická stráň, Bird Area
	Comment: The plant of AZ KLIMA is located in the Pálava Protected Landscape Area, characteristic for its valuable biotopes of species-rich rock, sod and meadow steppes, forest steppes, thermophilous oak forests and debris forests developed on the limestone hills of the Pavlov Hills. The area was declared a bird area in 2004. The subject of protection are the populations of e.g., the White Stork, the Swift and the Sea Eagle. In the territory of the protected landscape area there is a NR Milovická stráň (about 480 m from the plant). It is a valuable forest, woodland and forest-steppe phytocenosis with the occurrence of rare species.	
	Site of biodiversity importance	Centrum výzkumu Řež, ÚJV Řež
	Geographic location	50.1775539, 14.3584331
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	NNR Větrušická rokle (50 m), NM Dolní Povitaví (at the location)
	Size of operational site	3.14 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	National Nature Reserve (NNR) Větrušická rokle, Nature Park (NP) Dolní Povitaví
	Comment: The rocky cliffs on the right bank of the Vltava River cover an area of over 24 ha. There are thermophilic communities of rock steppes on rock outcrops in the Vltava canyon wall. One of the largest continuous outcrops of spilites can be found here.	
	Site of biodiversity importance	ČEZ, a. s. – Dětmárovice Power Plant
	Geographic location	49.907465, 18.464491
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	in close proximity
	Size of operational site	ca 0.4 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	NP Niva Olše, Special Area of Conservation (SAC) Niva Olše – Věřňovice, NATURA 2000
	Comment: The power plant Dětmárovice is located in close proximity to the Niva Olše – Věřňovice SAC. It is an area of the Olše river floodplain with former meanders and a preserved river terrace, with developed mainly linear accompanying vegetation and soft meadow in places of former meanders. There are also remnants of pond dykes with stands of old trees. The area is the habitat of the rare brown stink bug and also of the yellow-bellied marten. The area is classified as a site of European importance within the European NATURA 2000 network.	
	Site of biodiversity importance	ČEZ, a. s. – Repository of the Hodonín Power Plant
	Geographic location	48.847500, 17.120000
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
	Size of operational site	0.266 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Special Area of Conservation (SAC) according to 92/43/EHS
	Comment: The site is part of the Special Area of Conservation – Hodonínská Doubrava. The object of protection are forest stands consisting of oak woodland, oak-hawthorn woodland, ash and alder meadows and rare/endangered species of plants and animals. Examples of plants include: amethyst fescue, sand cavi, scented foxglove, iris. Animals include, for example: black bat, common pipistrelle, common hornbill. The soil environment is made up of woolly sands.	

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Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

304-1	Site of biodiversity importance	Severočeské doly – Nástup Tušimice Mines
	Geographic location	50.416675, 13.364825
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	SAC and NM Černovice (860 m), SAC Pražská pole (456 m), NM Střezovská rokle (940 m)
	Size of operational site	24 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Special Area of Conservation (SAC) according to 92/43/EHS, Natural Monument (NM) Černovice, Natural Monument Střezovská rokle
	Comment: The northern boundary of the Tušimice mining area is located ca 860 m from the Černovice site of European importance. It is a well-preserved island of original oak woodland in an otherwise intensively used landscape and a refugium of the xylophagous insect – the common hornworm. At a distance of 456 m from the north-eastern boundary of the Tušimice is the Special Area of Conservation Pražská pole. The site is a valuable area with habitats close to nature that have evolved naturally in connection with the presence of waterlogged areas and shallow water bodies. A number of endangered species of organisms (the great crested newt, the common pipit, and the clear-spotted dragonfly) occur here. The slopes and upper parts of the Střezovská rokle are covered with thermophilous trees and shrubs, while the bottom of the ravine with its periodic watercourse is covered with wetland plants. A number of ruderal and cultivated plants occur here (e.g., yellow iris, two-leaved cattail, two-leaved sedge, bitter earthwort). Černovice Natural Monument – preserved original oak woodland with a scrubby edge and a relatively poor herbaceous understorey. The subject of protection is the local population of the common hornbill.	
	Site of biodiversity importance	ČEZ Obnovitelné zdroje – Photovoltaic power plant Ralsko
	Geographic location	in close proximity: 50.5806847, 14.7943194 50.6016053, 14.8890033 50.5762581, 14.8462844 50.6090408, 14.8864364 50.6086647, 14.8818739 ca 570 m from the Protected landscape area: 50.6410644, 14.7258558
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	in close proximity
	Size of operational site	1.234 km ² (area of the power plant)
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area Kokořínsko – Máchův kraj
	Comment: The Ralsko I South photovoltaic power plant is located in close proximity to the Kokořínsko – Macha Region Protected Landscape Area. The area is unique in its geomorphology – flat basins with numerous ponds and peat bogs, blocky sandstones, neovolcanic hills, rock towns and canyon-like valleys, the naturally meandering course of the Ploučnice River and the valleys of the Liběchovka and Pšovka streams. There are also specially protected animals (e.g., the ash crane, the sea eagle) and plants (e.g., the Bohemian ringwort and the Bohemian penguin – endemic species). The photovoltaic power plant Ralsko III is located at a distance of about 570 m from the border of the Kokořínsko – Macha Region. The area is unique in its geomorphology – flat basins with numerous ponds and peat bogs, blocky sandstones, neovolcanic hills, rock towns and canyon-like valleys, the naturally meandering course of the Ploučnice River and the valleys of the Liběchovka and Pšovka streams. There are also specially protected animals (e.g., the ash crane, the sea eagle) and plants (e.g., the Bohemian ringwort and the Bohemian penguin – endemic species).	
	Site of biodiversity importance	Škoda JS
	Geographic location	49.8027894, 13.3951944
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	NP Doubí (150 m)
	Size of operational site	0.335 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Nature Park Doubí
	Comment: The subject of protection of NP Doubí is a remnant of a pine oak woodland consisting also of two-hundred-year-old oaks and a sandstone concretion. The area is important in terms of the occurrence of some insect species associated with old deciduous forests.	
	Site of biodiversity importance	ČEZ Obnovitelné zdroje – Hydroelectric power plant Černé jezero
	Geographic location	49.191940, 13.207340
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	PLA Šumava (at the location), Bird area (at the location), NR Brčálnícké mokřady (ca 400 m)
	Size of operational site	0.002 km ² (the built-up area of the power plant building with courtyard)
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area (PLA) Šumava, Bird Area, Nature Reserve (NR) Brčálnícké mokřady
	Comment: The Černé jezero is located in the Šumava Protected Landscape Area, which is also a designated bird area. The subject of protection of the bird area are the populations of, for example: the wood crane, the capercaillie, the fieldfare, and the black stork. The Brčálnícké mokřady is located about 400 m from the Černé jezero and is situated in the valley of the upper reaches of the Úhlava river. The reason for the protection is the dynamic and spontaneously evolving herbaceous and woody plant communities.	

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Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

304-1

Site of biodiversity importance	ČEZ Obnovitelné zdroje – Hydroelectric power plant Práčov
Geographic location	49.876810, 15.814368
Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	PLA Železné hory (at the location), NR Strádovské Peklo (in proximity)
Size of operational site	0.004 km ² (the built-up area of the power plant building with courtyard)
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area (PLA) Železné hory, Nature Reserve (NR) Strádovské Peklo
Comment: The Práčov hydroelectric power station is located in the Železné hory Protected Landscape Area, which is characterised by abrupt transitions between different types of landscape. The dominant feature is a fault ridge stretching from Saxony. The Strádovské Peklo Nature Reserve is located in close proximity to the power plant. It is a complex of natural debris forests with endangered species of plants and animals.	
Site of biodiversity importance	ČEZ Obnovitelné zdroje – Hydroelectric power plant Střekov
Geographic location	50.638465, 14.046312
Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
Size of operational site	0.009 km ² (the built-up area of the power plant building, inflow and outflow)
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area České středohoří
Comment: The České Středohoří Protected Landscape Area is located at the site of the Střekov power plant. The České Středohoří PLA, which extends along both banks of the lower part of the Czech Labe river, is one of the richest areas in the Czech Republic in terms of plant and animal species.	
Site of biodiversity importance	ČEZ Obnovitelné zdroje – Hydroelectric power plant Vydra
Geographic location	49.105543, 13.493122
Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
Size of operational site	0.004 km ² (the built-up area of the power plant building with courtyard)
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area Šumava, National Park Šumava, Bird area
Comment: Vydra is located in the Šumava Protected Landscape Area, which is also a designated bird area. The populations of species such as: the ruffed grouse, black stork, black-backed shrike and white-tailed ptarmigan are the object of protection of this area. The Šumava National Park is home to moors, peat bogs and karst lakes, which are home to dozens of endangered species of plants and animals (e.g., the lynx, the red grouse, the three-toed woodpecker, the mountain blackbird and the rousy tit). There are also endemic plants (Ornate salamander, Bohemian gentian, black bellflower, peat sedge) and animals (Šumava shrikebill <i>Oreonebria castanea sumavica</i>).	
Site of biodiversity importance	ČEZ Obnovitelné zdroje – Hydroelectric power plant Čenčkova pila
Geographic location	49.109746, 13.492529
Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
Size of operational site	0.0002 km ² (the built-up area of the power plant building)
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area Šumava, National Park Šumava, Bird area
Comment: Čenčkova pila is located in the Šumava Protected Landscape Area, which is also a designated bird area. The populations of species such as: the ruffed grouse, black stork, black-backed shrike and white-tailed ptarmigan are the object of protection of this area. The Šumava National Park is home to moors, peat bogs and karst lakes, which are home to dozens of endangered species of plants and animals (e.g., the lynx, the red grouse, the three-toed woodpecker, the mountain blackbird and the rousy tit). There are also endemic plants (Ornate salamander, Bohemian gentian, black bellflower, peat sedge) and animals (Šumava shrikebill <i>Oreonebria castanea sumavica</i>).	

GRI standards – disclosures	BIODIVERSITY	
	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
304-1	Site of biodiversity importance	ČEZ Energetické služby – 13.5MW Heating plant EH Mohelnice
	Geographic location	49.779372, 16.930867
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	Litovelské Pomoraví (753 m)
	Size of operational site	0.000736 km ²
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area (PLA) Litovelské Pomoraví, Bird area
	Comment: The Litovelské Pomoraví Protected Landscape Area is 753 m away. It is a unique example of a natural alluvial landscape in the otherwise mostly intensively farmed Upper Moravian Valley. It includes floodplain forests, alluvial meadows and, due to the arondation of the borders, a necessary part of arable land. The area is also rich zoologically, with many protected and critically endangered species. Part of the boundary follows the boundaries of the Litovelské Pomoraví Protected Landscape Area, in the north-eastern and south-western part it includes larger or smaller sections outside the Protected Landscape Area. The subject of protection are the European beaver, great crested newt, horned lark, fire-bellied curlew, blue marsh harrier, black bat, black-backed fire-bat, thin-billed curlew and river otter.	
	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Lipno II
	Geographic location	48.626249, 14.304468
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	Vyšebrodsko (ca 50 m)
	Size of operational site	0.003154 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Nature Park (NP) Vyšebrodsko
	Comment: The Lipno II hydroelectric power plant is located in close proximity to the Vyšebrodsko Nature Park. It is an area with a cooler climate, its altitude ranges from 535 m above sea level to 1,038 m above sea level (foothill to mountain area). Most of the area is made up of spruce forests, with the exception of beech forests in the natural monuments Medvědí hora and Uhlířský vrch and part of the oak forests around Vyšší Brod. There are three small-area protected areas in the area of this nature park and the Čertova stěna-Luč National Nature Reserve is situated on its northern border.	
	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Mohelno
	Geographic location	49.102616, 16.180769
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	in close proximity
	Size of operational site	0.012992 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	National Nature Reserve Mohelenská hadcová step
	Comment: The Mohelno hydroelectric power plant is connected to the Mohelenská hadcová step NNR, which is characterized by natural forest vegetation, which mainly consists of communities of debris forests and sagebrush thermophilous oak forests, communities of narrow-leaved dry grasslands and subpannonian rock grasslands, crevice vegetation of rocks and ravines and rock vegetation. Rare and endangered plant species growing in the area include the snakeweed, while animals include the common gopher and the costivale.	
	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Dlouhé stráně
	Geographic location	50.085443, 17.179800
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
	Size of operational site	0.289718 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Protected Landscape Area Jeseníky, Bird area Jeseníky
	Comment: The Jeseníky Protected Landscape Area is situated in the north-eastern part of the Czech Republic, in the area where the Dlouhé stráně hydroelectric power station is located. The main object of protection of the Jeseníky is the complex of subalpine biotopes of the highest positions of the Jeseníky Mountains and preserved mountain spruce forests and peat bogs. There are protected species of animals and plants here, even endemic species can be found here (for example, the mountain plover from the fauna and the Jeseník bell from the flora). The Jeseník bird area covers more than 70% of the Jeseníky PLA and was declared for the protection of the fieldfare and the wood crane.	

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304-1	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Slapy
	Geographic location	49.824348, 14.434149
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
	Size of operational site	0.077476 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Nature Park Střed Čech
	Comment: The site of the power plant is located in the Střed Čech Nature Park along the Vltava and Sázava rivers. There are a total of 4 small protected areas (Teletínský lom, Medník, Kobylí draha and Zvolská homole) in the area of the Park.	
	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Štěchovice I a II
	Geographic location	49.846009, 14.420857
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	at the location
	Size of operational site	0.227464 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Nature Park Střed Čech
	Comment: The site of the power plant is located in the Střed Čech Nature Park along the Vltava and Sázava rivers. There are a total of 4 small protected areas (Teletínský lom, Medník, Kobylí draha and Zvolská homole) in the area of the Park.	
	Site of biodiversity importance	ČEZ, a. s. – Hydroelectric power plant Vrané
	Geographic location	49.937689, 14.375653
	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	Nature Park Střed Čech (ca 550 m)
	Size of operational site	0.009985 km ² ¹⁾
	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	terrestrial ecosystem
	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)	Nature Park Střed Čech
	Comment: The site of the power plant is located in the Střed Čech Nature Park along the Vltava and Sázava rivers. There are a total of 4 small protected areas (Teletínský lom, Medník, Kobylí draha and Zvolská homole) in the area of the Park.	

¹⁾ Data corrected, all land in locations owned by CEZ Group is included in the size of operational sites

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Significant impacts of activities, products, and services on biodiversity

304-2	Construction or use of manufacturing plants, mines, and transport infrastructure	Severočeské doly	Severočeské doly completed landscape reclamation in 2022 on an area of 170.16 ha and started new reclamation on an area of 108.24 ha. Land acquisitions for mining were made on 34.36 ha of the Bilina mines and 25.11 ha of the Nástup Tušimice mines. In case of land acquisition, the area is surveyed and selected plant/animal species are relocated to new habitats.		
	Introduction of substances that do not naturally occur in the habitat from point and non-point sources		-		
	Introduction of invasive species, pests, and pathogens		-		
	Reduction of species		-		
	Habitat conversion	Severočeské doly	Habitats reduced by the loss of land due to the progress of mining activities are continuously replaced by newly created habitats as part of the reclamation of land affected by mining.		
	Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level)		-		
	Report significant direct and indirect positive and negative impacts with reference to the following:	Severočeské doly	Land acquisition New landscape	Land removal New habitats	Landscape transformation New water bodies
	Species affected		-		
	Extent of areas impacted		-		
	Duration of impacts		-		
	Reversibility or irreversibility of the impacts		-		

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Habitats protected or restored

304-3	Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.	Repository of the Hodonín Power Plant (EHO)	0.266 ha	In progress
		Habitat restoration as part of Severočeské doly reclamation	6,230.33 ha	Approved by the relevant national authority
	Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.	Protection is provided within the framework of standard cooperation with the relevant authorities and institutions		
	Status of each area based on its condition at the close of the reporting period.	Severočeské doly	Completed 6,230.33 ha of reclamation, including 2,847.90 ha of agricultural land reclamation, 2,560.39 ha of forestry reclamation, 210.07 ha of water areas.	

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IUCN Red List species and national conservation list species with habitats in areas affected by operations

304-4	Critically endangered	Total number	31	Aves, Insecta, Plantae
	Endangered	Total number	50	Aves, Insecta, Amphibia, Mollusca, Plantae
	Vulnerable	Total number	99	Aves, Insecta, Amphibia, Reptilia, Mollusca, Crustacea, Rotifera, Fish, Mammalia, Plantae
	Near threatened	Total number	100	Aves, Insecta, Amphibia, Reptilia, Mollusca, Arachnids, Mammalia, Plantae
	Least concern	Total number	162	Aves, Insecta, Mammalia, Fish, Plantae

7.4. GRI Content Index

Statement of use: CEZ Group has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.

GRI 1 used: Foundation 2021

Applicable GRI Sector Standard(s): –

GENERAL DISCLOSURES		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	AFR (pp. 72, 164)			
	2-2 Entities included in the organization's sustainability reporting	p. 125 AFR (pp. 103-105)			
	2-3 Reporting period, frequency and contact point	p. 136			
	2-4 Restatements of information	pp. 22-24, 128-133, 138-142, 145-150			
	2-5 External assurance	pp. 10-11, 163-167			
	2-6 Activities, value chain and other business relationships	pp. 13-14, 93-94 AFR (pp. 2, 72-93, 160-161)			
	2-7 Employees	pp. 57-61, 126, 135 AFR (p. 138)			
	2-8 Workers who are not employees	p. 135			
	2-9 Governance structure and composition	pp. 80-83 AFR (pp. 30-51)			
	2-10 Nomination and selection of the highest governance body	AFR (pp. 33, 40) Articles of Association of ČEZ, a. s. (pp. 24, 27-28) Diversity and Inclusion Policy			
	2-11 Chair of the highest governance body	AFR (pp. 33, 54) (2-11-b) No person with executive authority has any conflict of interest in connection with their role at ČEZ, a. s.			
	2-12 Role of the highest governance body in overseeing the management of impacts	pp. 80-83			
	2-13 Delegation of responsibility for managing impacts	pp. 80-83			
	2-14 Role of the highest governance body in sustainability reporting	pp. 4, 80-81			
	2-15 Conflicts of interest	pp. 89-91 AFR (pp. 33-36, 49-50, 63) (2-15-b) No person with executive authority has any conflict of interest in connection with their role at ČEZ, a. s.			
	2-16 Communication of critical concerns	pp. 71-72, 80-81			
	2-17 Collective knowledge of the highest governance body	pp. 81-83			
	2-18 Evaluation of the performance of the highest governance body	pp. 81-83 Remuneration Policy			
	2-19 Remuneration policies	pp. 81-83 Remuneration Policy			
	2-20 Process to determine remuneration	pp. 81-83 Remuneration Policy			
	2-21 Annual total compensation ratio	p. 136			
	2-22 Statement on sustainable development strategy	pp. 7-8			
	2-23 Policy commitments	pp. 55, 82-83, 89-94 Code of Conduct Safety and Environmental Protection Policy Energy Policy Commitment to Ethical Conduct			
	2-24 Embedding policy commitments	pp. 81-83, 89-92			
	2-25 Processes to remediate negative impacts	pp. 15, 53-55, 92, 95 AFR (pp. 61-62) Community Relations Policy			
	2-26 Mechanisms for seeking advice and raising concerns	p. 92 AFR (pp. 61-62)			
	2-27 Compliance with laws and regulations	pp. 26, 55, 89-92, 144			
	2-28 Membership associations	CEZ Group ESG website			
	2-29 Approach to stakeholder engagement	pp. 15-17			
	2-30 Collective bargaining agreements	pp. 57-61, 136 AFR (p. 141) (2-30-b) For employees not covered by a collective bargaining agreement, the working conditions and terms of employment are similar to those agreed in the CEZ Group.			

GENERAL DISCLOSURES		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	pp. 13-17			
	3-2 List of material topics	pp. 13-17			
Environmental protection, Land restoration					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 37-39			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	pp. 145-147			
	304-2 Significant impacts of activities, products and services on biodiversity	pp. 37-39, 148			
	304-3 Habitats protected or restored	p. 148			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	pp. 37-39, 148			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 21-26			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pp. 22-23, 139			
	305-2 Energy indirect (Scope 2) GHG emissions	pp. 24, 131			
	305-3 Other indirect (Scope 3) GHG emissions	pp. 24, 131			
	305-4 GHG emissions intensity	pp. 25-26, 131			
	305-5 Reduction of GHG emissions	pp. 25-26, 139			
	305-6 Emissions of ozone-depleting substances (ODS)	pp. 26, 139			
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	pp. 27-29, 131			
Safe operations					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 65, 67-72, 96			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pp. 67-68, 140			
	403-2 Hazard identification, risk assessment, and incident investigation	pp. 67-68, 141			
	403-3 Occupational health services	pp. 68-70, 141			
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 68-70, 141			
	403-5 Worker training on occupational health and safety	pp. 68-70, 141			
	403-6 Promotion of worker health	pp. 68-70, 141			
	403-8 Workers covered by an occupational health and safety management system	pp. 67-68, 141			
	403-9 Work-related injuries	pp. 70, 133			
	403-10 Work-related ill health	pp. 70, 141			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pp. 96-100, 143			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	pp. 65, 144			
G4 Sector Disclosure – Electric Utilities	G4-DMA Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	p. 71			

GENERAL DISCLOSURES		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Responsible employer					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 57-61, 61-64, 65-66			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pp. 57-61, 139			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 57-61, 140			
	401-3 Parental leave	pp. 57-61, 140			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	pp. 61-64, 134			
	404-2 Programs for upgrading employee skills and transition assistance	pp. 61-64, 65-66, 141			
	404-3 Percentage of employees receiving regular performance and career development reviews	pp. 61-64, 141			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 140			
G4 Sector Disclosure - Electric Utilities	EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	pp. 61-64, 140			
Sustainable water use					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 34-36			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	pp. 34-36, 138			
	303-2 Management of water discharge-related impacts	pp. 34-36, 138			
	303-3 Water withdrawal	pp. 36, 126-128			
	303-4 Water discharge	pp. 36, 126-128			
	303-5 Water consumption	pp. 36, 126-128			
Energy efficiency, Clean technologies and energy transformation, Smart cities, Research and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 47-49			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pp. 47-49, 126			
	302-3 Energy intensity	pp. 47-49, 126			
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	pp. 45, 136			
SASB End-Use Efficiency & Demand	IF-EU-420a.2. Percentage of electric load served by smart grid technology	p. 144			
SASB Electricity Generated	IF-EU-000.D Total electricity generated, percentage by major energy source, percentage in regulated markets	pp. 47-49, 138			
Responsible business					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 91, 95-96			
GRI 207: Tax 2019	207-1 Approach to tax	pp. 95-96, 137-138			
	207-2 Tax governance, control, and risk management	pp. 95-96, 137-138			
	207-3 Stakeholder engagement and management of concerns related to tax	pp. 95-96, 137-138			
	207-4 Country-by-country reporting	pp. 95-96, 137-138			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp. 55, 91, 142			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. 55, 91, 142			
GRI 415: Public Policy 2016	415-1 Political contributions	pp. 55, 91, 142			
Ethics and transparency					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 89-90			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	pp. 90, 137			
	205-2 Communication and training about anti-corruption policies and procedures	pp. 90, 137			
	205-3 Confirmed incidents of corruption and actions taken	pp. 90, 92, 137			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pp. 92, 137			

GENERAL DISCLOSURES		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Cooperation with local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 34-40, 53-55			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	pp. 34-40, 53-55, 142			
	413-2 Operations with significant actual and potential negative impacts on local communities	pp. 37-39, 53-55, 142, 145-152			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	pp. 53-55, 137			
	203-2 Significant indirect economic impacts	pp. 53-55, 137			
Circular economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 29-33			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	pp. 29-30, 138			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	pp. 30-33, 139			
	306-2 Management of significant waste-related impacts	pp. 30-33, 139			
	306-3 Waste generated	pp. 30-32, 132-133			
	306-4 Waste diverted from disposal	pp. 30-33, 132			
	306-5 Waste directed to disposal	pp. 30-32, 132			
GRI 306: Effluents and Waste 2016	306-3 Significant spills	pp. 33, 133			
Supply chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 93-94			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	pp. 93-94, 139			
	308-2 Negative environmental impacts in the supply chain and actions taken	pp. 93-94, 139			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	pp. 93-94, 142			
	414-2 Negative social impacts in the supply chain and actions taken	pp. 93-94, 142			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 57-61, 86-88			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pp. 59, 87-88, 135-136			
	405-2 Ratio of basic salary and remuneration of women to men	pp. 141-142			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	pp. 86-88, 91, 142			

7.5. SASB Index

Code	Topic	Accounting metric	Unit	Location
IF-EU-110a.1	Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Metric tons (t) CO ₂ e Percentage (%)	p. 128
IF-EU-110a.2		Greenhouse gas (GHG) emissions associated with power deliveries	Metric tons (t) CO ₂ e	p. 139
IF-EU-110a.3		Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	pp. 21-26
IF-EU-110a.4		(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Number, Percentage (%)	N/A
IF-EU-120a.1	Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Metric tons (t), Percentage (%)	pp. 131-132
IF-EU-140a.1	Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	pp. 126-127
IF-EU-140a.2		Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	pp. 34-37
IF-EU-140a.3		Description of water management risks and discussion of strategies and practices to mitigate those risks	-	pp. 34-37
IF-EU-150a.1	Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Metric tons (t), Percentage (%)	p. 139
IF-EU-150a.2		Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Number	p. 139
IF-EU-240a.1	Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Rate	p. 143
IF-EU-240a.2		Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Reporting currency	p. 143
IF-EU-240a.3		Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Number, Percentage (%)	p. 143
IF-EU-240a.4		Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	-	pp. 73-75
IF-EU-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Rate	p. 133
IF-EU-420a.1	End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Percentage (%)	N/A
IF-EU-420a.2		Percentage of electric load served by smart grid technology	Percentage (%) by megawatt hours (MWh)	p. 144
IF-EU-420a.3		Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)	N/A
IF-EU-540a.1	Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Number	p. 71
IF-EU-540a.2		Description of efforts to manage nuclear safety and emergency preparedness	-	p. 143
IF-EU-550a.1	Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number	p. 144
IF-EU-550a.2		(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes, Number	pp. 143-144
IF-EU-000.A	Activity Metrics	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Number	p. 143
IF-EU-000.B		Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Megawatt hours (MWh)	p. 143
IF-EU-000.C		Length of transmission and distribution lines	Kilometers (km)	p. 143
IF-EU-000.D		Total electricity generated, percentage by major energy source, percentage in regulated markets	Megawatt hours (MWh), Percentage (%)	p. 138
IF-EU-000.E		Total wholesale electricity purchased	Megawatt hours (MWh)	p. 138

7.6. WEF Index

Pillar	Theme	Metric	Location
Governance	Governing purpose	Setting purpose	pp. 80, 81, 136
	Quality of governing body	Governance body composition	pp. 80, 81, 126, 136 AFR pp. 30-51
		Remuneration - NEW	pp. 80, 142 Remuneration report
	Stakeholder engagement	Material issues impacting stakeholders	pp. 15, 136
	Ethical behaviour	Anti-corruption	pp. 90, 137
		Protected ethics advice and reporting mechanisms	pp. 92, 136
		Alignment of strategy and policies to lobbying - NEW	pp. 90-91, 142
	Risk and opportunity oversight	Integrating risk and opportunity into business process	p. 136
Planet	Climate change	GHG emissions	pp. 21-26, 128-131
		TCFD implementation	pp. 84-85, 136, 156
		Paris-aligned GHG emissions targets - NEW	pp. 13-14, 21-26
	Nature loss	Land use and ecological sensitivity	pp. 37-39, 145-150
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	pp. 34-36, 127-128
People	Dignity and equality	Air pollution - NEW	pp. 27-29, 131-132
		Diversity and inclusion (%)	pp. 57-61, 86-88, 126, 135-136
		Pay equality (%)	pp. 88, 141
		Wage level (%)	p. 136
		Risk for incidents of child, forced or compulsory labour	pp. 55, 91, 142
		Pay gap (%) - NEW	pp. 88, 141-142
		Discrimination and Harassment - NEW	pp. 55, 91, 142
	Health and well-being	Freedom of Association and Collective Bargaining at Risk (%) - NEW	pp. 57-61, 142
		Health and safety (%)	pp. 70-72, 133, 141
		Well-Being (%) - NEW	pp. 70-72, 141
	Skills for the future	Training provided (#, CZK)	pp. 61-64, 133, 141
Prosperity	Employment and wealth generation	Absolute number and rate of employment	pp. 57-61, 139-140
		Economic contribution	p. 136 AFR pp. 106, 136, 217, 285, 286, 290, 291
		Significant indirect economic impacts	pp. 44-49, 53-55, 73-75, 137
	Wealth creation and employment	Financial investment contribution	p. 136 AFR pp. 16-18, 112-113
	Innovation of better products and services	Total R&D expenses (CZK)	p. 136 AFR p. 128
	Community and social vitality	Total tax paid	p. 96, 137-138 AFR pp. 285-287
		Additional tax remitted	p. 136 AFR pp. 285-287
		Total and additional tax breakdown by country for significant locations	p. 138 AFR pp. 285-287

7.7. TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) developed a framework for voluntary, consistent climate-related financial disclosures with the aim to help the financial sector understand material risks.

Based on the TCFD's recommendations, this index summarizes key climate-related disclosures. For more details, see CEZ Group TCFD Report 2021/2022.

TCFD Pillar	Recommended Disclosure	CEZ Group's Approach	Addressed in CEZ Group TCFD Report 2021/2022
G: Governance	G-A The Board's Oversight of Climate-related Risks and Opportunities	ČEZ, a. s., uses the two-tier governance system: the Supervisory Board is responsible for overseeing the Board of Directors, who manage the day-to-day operations. The Supervisory Board periodically reviews the performance of the Board of Directors and assesses their remuneration based on key performance indicators (KPIs), including those related to environmental, social, and governance (ESG) issues. The Board of Directors oversees ESG matters, including climate-related risks, and sets and approves the company's sustainability strategy and report. The Board of Directors is informed periodically about the environmental profile of the generation portfolio, and the CEO updates the Supervisory Board on the ESG agenda, including climate-related risks. The company reports its EU Taxonomy KPIs in line with the Taxonomy Regulation 2020/852, including those related to Operating Revenues, Capex, and Opex.	pp. 5-6
	G-B Management's Role in Assessing and Managing Climate-related Risks and Opportunities	In 2021, CEZ Group established an ESG Office led by the Chief Sustainability Officer (CSO), who reports directly to the CEO. The ESG Office is responsible for the daily sustainability agenda including climate-related issues, non-financial reporting, coordination of ESG initiatives, and management of ESG working groups. The company has developed a policy matrix to strengthen managerial responsibility for ESG issues. The highest level of ESG management is the Strategic Steering Committee (SSC), which sets the sustainability strategy and monitors progress. The Executive Steering Committee (ESC) is the managerial and operational level of governance and coordination of the ESG agenda. All members of the Board of Directors and the CSO are required to gain ESG certification, and the Group has worked with prestigious institutions to provide executive education in this area.	pp. 7-9
S: Strategy	S-A Identification of Climate-related Risks and Opportunities	CEZ Group uses short, medium, and long-term time horizons to assess risks and manage strategies related to climate change. Its risk management process covers various risks, including market, credit, operational, business, and sustainability risks, which overlap with the TCFD taxonomy of Transition and Physical Risks. We recognize the potential impact of transition risks, such as policy and legal risks, technology risks, market risks, and reputation risks, on our operations. Additionally, we assess the impact of physical risks, including acute and chronic risks related to climate hazards, changes in precipitation, weather patterns, and rising mean temperatures, on our production capacity, workforce health and safety, and water supply. We also assess potential impacts of these risks under the well below 2°C scenario on our financial indicators and summarize the expert estimates in a material climate-related risk matrix. To manage transition risks, CEZ Group participates in carbon allowance trading and hedges its production up to six years ahead. We optimize hedging of carbon allowances and electricity in the short- to medium-term to mitigate risks in case lower generation is achieved than currently estimated. To maintain a positive relationship between the potential negative impact of higher carbon costs and an increase in electricity prices caused by an increase in the prices of carbon allowances in the future, we need to match the pace of our decarbonization with the pace of decarbonization of our competitors. Coal assets are under regulatory risk, and we actively manage this risk in valuation and impairment processes. Finally, our nuclear assets' valuation is influenced by the EU climate policy; their categorization as a sustainable activity enables further technology development aligned with climate-neutral ambition, decreasing technology risks.	pp. 10-12
	S-B Impact of Climate-related Risks and Opportunities	CEZ Group has set strategic objectives for 2030 and 2050 to achieve a low-emission generation portfolio and climate neutrality by 2040. We plan to reduce emission intensity by more than 50% by 2030 and achieve climate neutrality in line with the 1.5°C scenario. We will decarbonize our heating industry, shift away from coal, and build new gas-fired capacities that are hydrogen-ready. We will increase our generation from existing nuclear sources, build a new nuclear unit at Dukovany, and prepare for the construction of small modular reactors. We also plan to build 6 GW of renewables by 2030 and invest in smart grids and decentralization to develop a stable and digital distribution grid. Additionally, we plan to expand our activities into other areas of battery production, electromobility, and hydrogen generation while adhering to ESG principles.	p. 13
	S-C The Resilience of CEZ Group's Strategy	CEZ Group has adopted a strategy based on ESG pillars that are interconnected and cannot be considered in isolation. Our emission reduction targets are aligned with the latest scientific knowledge, and we have committed to net-zero science-based emissions reduction targets, with short- and mid-term targets set in line with the well below 2°C scenario, and long-term targets aligned with the 1.5°C scenario. We are well-positioned to tackle transition risks in the market and increase business by developing renewables and nuclear, providing sustainable ESCO solutions for our customers, and prolonging the useful life of current generation facilities. We use comprehensive modeling and a variety of tools to create reference scenarios and scenario analysis for physical and transition risks. We continually review risk management processes, and we have launched a new initiative for a more robust climate-risk management.	p. 14

TCFD Pillar	Recommended Disclosure	CEZ Group's Approach	Addressed in CEZ Group TCFD Report 2021/2022
RM: Risk Management	RM-A Processes for Identifying and Assessing Climate-related Risks	CEZ Group has developed an ongoing risk management system and an internal control system, which are audited by the Internal Audit Department to ensure compliance with regulations and best practices. We use the Unified Group Risk Management scheme, which introduces a centralized process for managing material risks using appropriate software tools. We monitor the impact of climate-related physical risks as well as effects on the environment and climate, categorized as critical, high, medium, or low. Additionally, we closely follow climate policy and regulation developments at both the EU and national level, evaluating their impacts on our internal policies.	pp. 15-16
	RM-B Processes for Managing Climate-related Risks	CEZ Group has implemented a centralized risk management system to protect its value while taking on an acceptable level of risk. The system relies on tools and models for managing and quantifying risks in one-year and medium-term time frames. The Board of Directors approves both CEZ Group's budget and the Profit at Risk, an overall risk limit expressing the CEZ Group's inclination to risk for a given year. The limit is allocated to individual risks and organizational units on an ongoing basis. The Risk Committee monitors the overall impact of risks on CEZ Group. The company's risk management process covers market risks, credit risks, operational risks, and business risks, with sustainability risks and climate-related physical risks included in several subcategories. Risks are monitored, assessed, and periodically reviewed. The Group has already invested in non-emission sources, with plans to prepare large-scale projects that serve as replacements for current coal assets in the generation portfolio and employ hydrogen-ready technologies. CEZ Group plans to invest significantly in neutral or environmentally positive technologies, such as renewables, smart grids, and nuclear energy, which align with the EU Taxonomy. Coal phase-out and replacement of current coal locations by renewable or low-carbon assets are already included in the Group's strategy, VISION 2030—Clean Energy of Tomorrow. In addition, CEZ Group actively discloses corporate ESG data, increases both the quality and scope of non-financial reporting, and strives to be a leader in climate-related activities in the Czech Republic.	pp. 16-18
	RM-C Integration into CEZ Group's Overall Risk Management	CEZ Group recognizes the complex and overarching nature of climate-related risks and the importance of climate-related risk assessment and adaptation to transition risks. Climate-related risks can trigger other types of risks and jeopardize stakeholder relationships. The management and mitigation of climate-related risks have been included in the CEZ Group's ESG agenda and incorporated into its strategy VISION 2030—Clean Energy of Tomorrow. The Group monitors regulations related to climate at the national and EU level and non-governmental organizations and initiatives. CEZ Group's significant business and strategic risks are recorded, monitored, and managed under the Unified Group Significant Risk Management Scheme. Strategic, regulatory, and legislative business risks are assessed on an ongoing basis and considered when updating acquisition and investment strategies to reflect changes in CEZ Group's debt and financial capacities.	p. 18
MT: Metrics and Targets	MT-A Assessment Metrics for Climate-related Risks and Opportunities	CEZ Group reports its data for all areas of ESG according to internationally recognized standards such as GRI, SASB, WEF, and SDGs. The Group has disclosed various climate-related risk and opportunity metrics such as GHG emissions, waste management, water management, and biodiversity. The Remuneration Policy incorporates climate-related performance metrics, and the fulfillment of these metrics is assessed by the Supervisory Board. We report our GHG emissions using the Greenhouse Gas Protocol, and we have independently verified our Scope 1 and 2 emissions since the beginning of the EU Emissions Trading System. We report material Scope 3 categories 3 and 11, and we are currently evaluating the relevance of other Scope 3 categories. Current estimates show that these categories count for less than 5% of total Scope 3 emissions.	pp. 19-20
	MT-B Greenhouse Gas Emissions Disclosures	CEZ Group has independently verified a significant portion of its Scope 1 emissions since the EU Emissions Trading System's inception in 2007. As of 2021, all greenhouse gas emissions in Scope 1 and 2 are verified by an independent verification body. Our Sustainability Reports provide further information on the scope and parameters of verification. We have launched an interactive Data Library available on-line, offering hundreds of ESG indicators, including historical trends, to enhance transparency.	p. 21
	MT-C Targets and Performance	CEZ Group has set ambitious climate-related targets in line with the Paris Agreement and has summarized them in its VISION 2030—Clean Energy of Tomorrow. These targets include reducing CO ₂ emissions, decreasing the share of coal-fired electricity generation, reducing toxic emissions, and developing new renewable capacity. The Group is also investing in smart grids, fiber optic networks, and electric mobility infrastructure. The Group's performance against these targets shows that it is on track to achieve its goals, although external factors such as energy market volatility and the war in Ukraine could temporarily affect its trajectory. Nevertheless, CEZ Group remains fully committed to its existing targets.	pp. 22-23

Abbreviations

Abbreviation	Meaning
AA1000 SES	International Stakeholder Engagement Standard
AFIR	Alternative Fuels Infrastructure Regulation
AKI CR	Czech Association of Critical Infrastructure
Al	Aluminium
ALARA	As Low As Reasonably Achievable
As	Arsenic
ATF	Accident tolerant fuel
B2B	Business-to-Business
B2C	Business-to-Customer
BAT	Best available techniques
BEV	Battery electric vehicles
Ca	Calcium
CAPEX	Capital expenditures
CCA	Climate change adaptation
CCM	Climate change mitigation
CCPs	Coal Combustion Products
Cd	Cadmium
CES	Customer effort score
CFB	Corporate Fire Brigade unit
CFO	Chief Financial Officer
CH ₄	Methane
CII	Critical information infrastructure
CMB	Crisis Management Board
CMS	Compliance Management System
CO ₂	Carbon dioxide
CPC	Carbon Performance Contract
Cr	Chromium
CRC	Czech Republic Chapter
CSAT	Customer satisfaction score
CSIRT	Computer Security Incident Response Team
CSO	Chief Sustainability Officer
Cu	Copper
CX	Customer Experience
CZU	Czech University of Life Sciences Prague
ČEPS	Czech Transmission System Operator
DISA	Diversity and Inclusion Strategic Assessment
DNSH	Do No Significant Harm
DPO	Data Protection Officer
EC	European Commission
EDU	Dukovany NPP
EF	Emission factor
EIA	Environmental Impact Assessment
EIEP	European Industrial Emissions Portal
EMP	E-mobility provider
EMS	Environmental Management System
EnMS	Energy Management System
ENSREG	The European Nuclear Safety Regulators Group
EPC	Energy Performance Contracting
EPP	Mobile phone application - EPP Help by Movement
EPP	Emergency Preparedness Plan
EPRI	Electric Power Research Institute
E-PRTR	European Pollutant Release and Transfer Register
ERG	Employee Resource Groups
ESC	Executive Steering Committee
ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standards
ETE	Temelín NPP
EU	European Union
EU Directive NIS2	Directive on measures to ensure a high common level of cybersecurity in the EU
EU ETS	The EU Emissions Trading System
EY	Ernst & Young
FMEA	Failure Mode and Effects Analysis

Abbreviation	Meaning
FRR	Frequency Reserve Restoration
GDPR	General Data Protection Regulation
Gemis	Global Emission Model for Integrated Systems
GHG	Greenhouse Gas
GRI	Global Reporting Initiative Standards
GWP	Global warming potential
HFC	Hydrofluorocarbons
Hg	Mercury
HPC	High power charging
HR	Human resources
IAEA	International Atomic Energy Agency
ICS	Industrial Control System
ICT	Information and Communication Technologies
IERE	International Electric Research Exchange
IFRS	International Financial Reporting Standard
ILO	International Labor Organisation
IPCC	The Intergovernmental Panel on Climate Change
IRZ	Integrated Pollution Register
ISACA	Information Systems Audit and Control Association
ISMS	Information Security Management System
ISO	The International Organization for Standardization
ISPOP	Information System for the Fulfillment of Reporting Obligations
IUCN	International Union for Conservation of Nature
KPI	Key Performance Indicator
LFCA	Leaders for Climate Action
LGBTQ+	Lesbian, gay, bisexual, transgender and intersex persons based on sexual orientation and/or gender identity
LMS	Learning Management System
LNG	Liquefied natural gas
Mg	Magnesium
MIT	Ministry of industry and trade
MW	Megawatt
N ₂ O	Nitrous oxide
NAZCA	Non-State Actor Zone for Climate Action
NCA CR	Nature Conservation Agency of the Czech Republic
NEN	National Electronic Tool
NF ₃	Nitrogen trifluoride
Ni	Nickel
NO _x	Nitrogen Oxides
NPP	Nuclear power plant
NPS	Net Promoter Score
NPV	Net Present Value
NÚKIB	National Office for Cyber and Information Security
ODS	Ozone-depleting substances
OECD	The Organization for Economic Cooperation and Development
OHS	Occupational Health and Safety Management System
OPEX	Operational expenditure
OSART	Operational Safety Review Team (IAEA)
Pb	Lead
PCB	Polychlorinated biphenyls
PDCA	Plan-do-check-act
PERC	Solar panel type
PFC	Perfluorocarbons
PJ	Petajoule
PM ₁₀	Particulate matter of different sizes
PM _{2.5}	Particulate matter of different sizes
POPs	Persistent organic pollutants
PWD	Person with a disability
R&D	Research and development
RAW	Radioactive waste
RCŘ	Research Centre Řež
RES	Renewable energy sources
SASB	Sustainability Accounting Standards Board
SBTi	The Science Based Targets initiative
SBTN	Science Based Targets for Nature
SDGs	Sustainable Development Goals
SF ₆	Sulfur hexafluoride

Abbreviation	Meaning
Si	Silicon
SMR	Small modular reactors
SO ₂	Sulfur dioxide
SOC	Security Operations Center
SONS	State Office for Nuclear Safety
SSC	Strategic Steering Committee
SSR-1 IAEA	Specific Safety Requirement 1, International Atomic Energy Agency
SÚRAO	Radioactive Waste Repository Authority
T30T	A nuclear programme that ensures production of at least 30 TWh per year while maintaining safe and stable operation
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UCT	University of chemistry and technology Prague
ÚJV	Institute of Nuclear Research
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNGC	United Nations Global Compact
UNICEF	United Nations International Children's Emergency Fund
VOC	Volatile organic compounds
VR	Virtual reality
WEEE	Waste of Electrical and Electronic Equipment
WEF	The World Economic Forum metrics
WENRA	Western European Nuclear Regulators Association
WtE	Waste to Energy
Zn	Zinc

Independent Auditors' Reports

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the management of ČEZ, a. s.:

Scope

We have been engaged by ČEZ, a. s., (the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on selected key performance indicators in the Company's Sustainability Report for the year ended 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Subject Matter and Applicable Criteria

The limited assurance engagement relates to the selected 2022 key performance indicators (the "Subject Matter") which has been prepared based on the Global Reporting Initiative Sustainability Reporting Guidelines (the "Criteria") and that consists of:

- GRI 2-7 Employees (by gender, by employment contract)
- GRI 302-1 Energy consumption within the organization (fuel consumption from non-renewable, renewable sources, energy sold)
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 305-7 NO_x, SO_x, PM
- GRI 306-3 Significant spills
- GRI 306-3 Waste generated
- GRI 403-9 Work-related injuries (number of fatalities, number of work-related injuries)
- GRI 404-1 Average hours of training per year per employee
- GRI 404-2 Programs for upgrading employee skills and transition assistance programs
- GRI 405-1 Diversity of governance bodies and employees (by gender, by age)

Company's Responsibilities

Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with ISAE 3000 (revised), *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and the terms of reference for this engagement as agreed with the Company on 13 February 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and applying analytical and other appropriate procedures.

In respect of the Subject Matter we have performed mainly the following procedures:

- Conducted interviews with selected key personnel of the Company, its subsidiaries and at selected sites to understand the current processes in place for collecting, collating and reporting the Subject Matter during the reporting period,
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria,
- Identified and tested assumptions supporting calculations,
- Tested, on a sample basis, underlying source information to check the accuracy of the data,



- Re-performed, on a sample basis, calculations used to prepare the Subject Matter for the reporting period,
- Conducted site visits at selected locations to test the application of the Company's reporting procedures and test a sample of performance data back to source documentation for accuracy and completeness,
- Assessed the disclosure and presentation of the Subject Matter in the Company's Sustainability Report.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2022 in order for it to be in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines ("GRI Standards").

Ernst & Young Audit, s.r.o.
License No. 401

Luděk Jireček, Auditor
License No. 2164

29 May 2023
Prague, Czech Republic



Report on the verification of the CEZ Group's GHG inventory according to the GHG Protocol standard

Report on the verification of the CEZ Group's GHG inventory according to the GHG Protocol standard



Report on the verification of the CEZ Group's GHG inventory according to the GHG Protocol standard

Data on the purpose of processing

Title:	Verification of the CEZ Group's greenhouse gas inventory for 2022
Purpose of the assessment:	Assessment of compliance with the Greenhouse Gas Protocol criteria
Area of assessment:	Assessment of the consistency of the GHG Protocol data collection and compilation method and the GHG calculation levels of the organisation carried out according to the methodologies for Scope 1, 2 and 3

Identification data of the processor:

BUREAU VERITAS SERVICES CZ, s.r.o.
 Olbrachtova 1589/1, Krč, 140 00 Praha 4
 ID: 08800472

Auditor: Mgr. Regina Kotianová

Verified year: 2022

Scope of audit: Verification of the reporting of greenhouse gas emissions in the scope of direct and indirect emissions of the CEZ Group for the verification year 2022



Report on the verification of the CEZ Group's GHG inventory according to the GHG Protocol standard

Verification report

The aim of the verification was to review the correctness, relevance and adequacy of the CEZ Group's greenhouse gas inventory, within the scope of the established limits. The verification confirmed that the criteria of the GHG Protocol standard and the universal GRI index for the energy sector are met.

The calculation of greenhouse gas emissions was carried out in accordance with the standards of the GHG Protocol. Activity data was multiplied by the relevant emission factors. The overall determined amount of greenhouse gas emissions was related to the total production of electricity and thermal energy and the emission intensity of the CEZ Group was calculated.

The greenhouse gas inventory is based on method of data collection and processing, which is governed by internal documentation for reporting and monitoring systems in the EU ETS system, as well as identification opportunities for reducing the organization's greenhouse gas emissions and the programs created for them to achieve the goals for reducing greenhouse gas emissions.

The company has established and maintained environmental and energy management policies that have a direct impact on the control and management of significant emission sources.

The input data for significant sources is related mainly to combustion stationary sources and their input raw materials in a wide range of material flows to the company's production processes. Both energy produced and energy bought or sold are included in the quantification.

The company's quantification is based on the GHG Protocol documentation - Direct greenhouse gas (GHG) emissions (Scope 1), Energy indirect greenhouse gas (GHG) emissions (Scope 2) and Other indirect greenhouse gas (GHG) emissions (Scope 3).

After examining all the evidentiary information, it was evaluated that an adequate level of assurance was provided to assess the conformity of the method of data collection and processing according to the GHG Protocol and the levels of the CEZ Group's greenhouse gas calculation carried out according to the methodologies for Scope 1, Scope 2 and Scope 3.

Overall, it is possible to evaluate the quality of data processing as a high-level process and the output as credible and suitable for further reporting, with a recommendation to expand the system elements of the ISO 14064-1 standard.

The auditor confirms that he has maintained his independence and that he has the required competence and experience to perform this assurance engagement.

In Prague: 29 May 2023

Mgr. Regina Kotianová
Verifier

