



CEZ becomes first Czech company to have climate targets validated

The CEZ Group's plan to halve emissions from electricity production by 2030 has been endorsed by the globally recognized expert initiative SBTi. CEZ is the first Czech company to receive the official validation that the declared targets of the largest Czech energy company are in line with the Paris Agreement on limiting global warming. International verification of companies' decarbonization targets has become a requirement of banks, insurance companies and investment funds.

CEZ Group submitted their decarbonization targets for evaluation and validation to the international SBTi (Science Based Targets initiative), which provides expert assessment of climate targets based on the latest scientific knowledge. The SBTi is supported by globally recognized institutions such as the United Nations, the World Wildlife Fund and CDP. More than 3,000 companies have registered their climate targets with the initiative.

The validation by SBTi has confirmed that CEZ Group's planned decarbonization strategy meets the conditions of the Paris Agreement on limiting global warming to well-below 2°C. CEZ Group has become the first Czech company to obtain emission reduction target validation by SBTi.

"Our emission reduction targets have internationally recognized validation now. In layman's terms, the fact that we are contributing towards meeting of global climate commitments and in doing so mitigating the effects of climate change is no longer just a claim made by CEZ, but one which is also confirmed by the global expert community. This is an important signal for us indicating that we have set our Vision 2030 correctly," says Daniel Beneš, CEO and Chairman of the Board of Directors of CEZ.

SBTi validation is also an important ESG indicator: it is required by an increasing number of financial institutions such as banks and insurance companies, and also by major investment houses (e. g. Blackrock, JP Morgan AM, BNY Mellon, Capital Management and Goldman Sachs AM), mutual funds and shareholders.

"While obtaining this validation is an important milestone, it does not mean that we have now done our duty and can, so to speak, put our feet up. The requirements of banks and investors are becoming ever stricter, and we want to keep our place among the leaders in this field, we are already preparing for step two, in terms of which we will strive for assessment of an even more ambitious plan by the SBTi which would meet the more stringent target of keeping global warming to a level of 1.5°C," adds Beneš.

"The SBTi is very strict in its certifications. We are all the more pleased that we received ours a year after announcement of the new Vision focused on ESG parameters. This is a clear signal to our stakeholders that we really are serious about decarbonization," says Kateřina Bohuslavová, Chief Sustainability Officer and Director of the ESG Office at CEZ.

The SBTi assessed CEZ's plan to reduce greenhouse gas emissions in all three Scope categories. CEZ addresses Scope 1 (direct emissions from production, industrial processes, and company-owned vehicles) and Scope 2 (indirect emissions associated with the consumption of purchased energy - electricity, heat,



steam or cooling which are not generated directly in the company) as part of its plan to reduce the intensity of its emissions by more than half, from 0.38 tonnes of CO₂e/MWh in 2019 to 0.16 in 2030. In the Scope 3 category (indirect emissions which are related to the company's activities, and which originate from sources outside the company's control or ownership), CEZ wants to reduce emissions by 30%.

SBTi - *The SBTi is an initiative which defines and promotes ambitious science-based approaches to setting climate targets, provides technical and expert support to companies wishing to set climate targets, and independently evaluates these proposed corporate targets. More than 3,200 companies from all around the world have currently registered their climate targets with SBTi. The initiative is the result of collaboration between the international entities CDP (a not-for-profit charity which runs a global information system for investors, companies, cities, countries and regions to manage their environmental impacts), the United Nations Global Compact (a pact to encourage businesses and companies around the world to implement sustainable and socially responsible measures and report on their implementation), the World Resources Institute (a global not-for-profit organization which works with political, business and civic leaders to research, design and implement practical solutions which improve people's lives while enabling nature to thrive) and the World Wildlife Fund (international organization dedicated to conserving biodiversity, sustainable use of natural resources, reduction of pollution and stemming of climate change).*