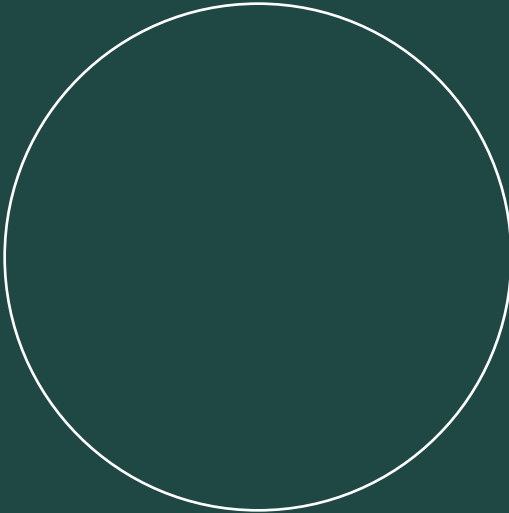


**CEZ GROUP
2021 SDG REPORT**



**CLEAN
ENERGY OF
TOMORROW.....**



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1 Introduction

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, and we focus on the following six in our business:

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

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.

We intertwine our sustainability strategy with our business core and corporate strategy on our way towards a more stable and safer future. We have made ESG an integral part of our everyday business; it is the premise defining our accelerated corporate strategy targets. The accelerated trajectory is called VISION 2030—Clean Energy of Tomorrow. It defines specific and measurable targets and clear deadlines that we announced publicly in a dialogue with our stakeholders.

VISION 2030 reflects the principles of ESG and sustainability: an emphasis on assessing and managing the environmental impact of business, on internal and external stakeholders and society-wide interests, and on responsible and ethical corporate

governance. The main strategic priorities of the accelerated strategy VISION 2030 are:

- 1) To transform our generation portfolio to a low-emission one and achieve carbon neutrality
- 2) To provide the most cost-effective energy solutions and the best customer experience in the market
- 3) To develop CEZ Group responsibly and sustainably following ESG principles

CEZ Group is ready for a major transformation of the energy sector, with a clear plan for gradual decarbonization of its generation portfolio. We are preparing for a 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. Our goal in sustainability performance is to be among the top 20% of European utilities in ESG rating by 2023.

In CEZ Group's first standalone SDG Report, we focus on six SDGs aligned with our strategy VISION 2030, and we include relevant ESG indicators using international standards: the Core option of Global Reporting Initiative (GRI) Standards 2020, the Sustainability Accounting Standards Board (SASB) standard for electric utilities and power generators, and the World Economic Forum (WEF) core metrics and disclosures. Some indicators fall under multiple SDGs; they are mutually supportive and create synergies in achieving our goals. Indicators marked as NEW have been tracked since 2021. For a comprehensive overview, we have provided a brief commentary on all the remaining SDGs and how we support them.

2 VISION 2030

2.1 Our Goals And Performance

Legend for the current progress of the targets:

● on track ● slight delay ● behind

Pillar	Target	Progress	Comment
E	Reduce GHG emissions, SO ₂ emissions and NO _x emissions by more than 50% by 2030	●	We have reduced SO ₂ emissions by 63%, NO _x emissions by 38%, and PM emissions by 48% since 2019.
	Reduce emission intensity to 0.26 tCO ₂ e/MWh in 2025 and to 0.16 tCO ₂ e/MWh in 2030	●	In 2021, emission intensity for electricity generation decreased by 13% year-on-year, totaling 0.29 tCO ₂ e/MWh.
	Achieve carbon neutrality by 2040 in line with below 1.5°C	●	SBTi validated our near-term targets (by 2030) in May 2022.
	Build 6 GW of renewables by 2030, of which 1.5 GW by 2025	●	There is a massive development and construction of new renewables to reach the targets by 2025 and 2030.
	Increase installed capacity for electricity storage by at least 300 MWe by 2030	●	A support services battery (3 MW) has been commercially deployed and other large-scale battery projects for support services with tens of MW of capacity are in advanced stages of development. In addition, pilot battery projects coupled with renewable energy sources, especially photovoltaics, are underway.
	Reduce the share of electricity generated from coal to 25% by 2025 and 12.5% by 2030	●	In 2021, we shut down one of the largest coal-fired power plants in Czechia – Energotrans III, and generation from coal was reduced by 17%.
	97% of installed capacity covered by EMS by the end of 2022	●	EMS implementation in our production facilities is underway; we are on track to reach our goal of 97% of installed capacity covered by EMS by the end of 2022.
	Safely increase nuclear electricity production and achieve 60-year lifetime for nuclear units	●	CEZ Group increases efficiency of its nuclear power plants to ensure stable and reliable operation (e.g., renewal of equipment, modernization, and digitization during regular fuel exchange outages). Project preparation for a new nuclear unit (Dukovany II) continues. In Temelín Nuclear Power Plant, a parallel plan to develop a Small Modular Reactor is underway.
	Operate at least 800 charging stations by 2025	●	By the end of 2021, CEZ Group operated 385 charging stations with a total capacity of more than 25 MW.
S	Ensure just transition of employees affected by coal exit	●	We provide reassignment, reskilling, retraining, or compensation for 100% of employees affected by coal exit.
	Rank among Top Employers for future talent and current employees	●	In 2021, CEZ Group ranked first in three categories in the TOP Employer survey among university students and succeeded in the Sodexo Employer of the Year and TOP Responsible Company competitions.
	Continue our collaboration with schools and universities to attract best talent	●	We offer a comprehensive program of internships, learning camps and scholarships for students at secondary schools and universities. A net of almost 90 Partner Schools with which we cooperate closely. A large educational program aimed at elementary and secondary schoolchildren and STEM teachers includes interactive resources, site-visits, and national competitions.
	Digitize 100% of key customer processes by 2025	●	New and innovative features available on a modernized customer platform MUJ CEZ, e.g., simulation and prediction of invoices, self-reading of electricity consumption with OCR technology.
G	Achieve 30% female representation in management	●	We launched programs to support women in management: Women in Focus and the Women Hub, a program for women from CEZ Group who have the skills, ambition, and energy to lead people. Our programs support women at work and their career advancement.
	Code of Conduct: increase the frequency of employee training and train at least 95% of employees each year from 2022 on	●	The frequency of training has been adjusted to annual in internal systems, and employees are required to complete an online training.

ESG Pillars of VISION 2030



2.2 Environmental Pillar of VISION 2030



SDG 7 Affordable and Clean Energy



CEZ Group serves customers responsibly and provides comprehensive energy advice and services that can be customized to customers' needs. We offer energy solutions to both individuals and institutions: residential households, 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. In times of energy crisis, our priority is to deliver safe, stable, and affordable energy to our customers. 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.

Based on VISION 2030, 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 an 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 with a text call transcription, facilitating communication for the elderly and the hearing impaired.

Over 60% of our energy production in 2021 was emission-free and we strive to increase the percentage by transforming our generation portfolio in line with VISION 2030—Clean Energy of Tomorrow. We strengthened our goal and pledged to reach climate neutrality by 2040. To achieve our target, we plan to completely stop using coal-fired plants by 2038 at the latest, while an earlier date is very likely. For more details, see the CEZ Group 2021 Sustainability Report.

As leaders in energy-saving projects and eco-friendly solutions in Czechia, ČEZ ESCO and its subsidiaries primarily serve corporates and the public sector. ENESA, one of the subsidiaries of ČEZ ESCO, is the largest provider of energy saving solutions on the Czech market. Currently, 32 EPC projects are underway in 310 buildings across Czechia. EPC projects have the advantage that ENESA guarantees the amount of savings achieved directly in the contract, and investments in these projects can be repaid directly from the money saved on energy bills. ENESA expects that 2022 energy savings for their customers will amount to at least CZK 244 million (in the prices of the reference years of the projects).

ČEZ ESCO fully aligns with CEZ Group's VISION 2030—Clean Energy of Tomorrow and sets high ambitions. The company helps customers reduce CO₂ emissions and provides them with energy savings to meet the EU 2030 target of 32.5% savings compared to 2007. ČEZ ESCO also develops e-mobility infrastructure and increases the charging capacity for electric cars.

ČEZ ESCO's sustainable products and services reduce customers' carbon footprint. The "Emission-free electricity" product guarantees customers that the electricity consumed comes from CEZ Group's nuclear power plants. "Photovoltaics for one crown", another innovative idea, allows customers to purchase a photovoltaic power plant without an initial investment. While ČEZ ESCO covers all installation costs, customers pay only for consumption of green electricity for 15 years. Then they can buy the power plant for one Czech crown.

Our Goals

Target	Progress	Comment
Reduce GHG emissions, SO ₂ emissions and NO _x emissions by more than 50% by 2030	●	We have reduced SO ₂ emissions by 63%, NO _x emissions by 38%, and PM emissions by 48% since 2019.
Reduce the emission intensity to 0.26 tCO ₂ e/MWh in 2025 and to 0.16 tCO ₂ e/MWh in 2030	●	In 2021, emission intensity for electricity generation decreased by 13% year-on-year, totaling 0.29 tCO ₂ e/MWh.
Build 6 GW of renewables by 2030, of which 1.5 GW by 2025	●	There is a massive development and construction of new renewables to reach the targets by 2025 and 2030.
Safely increase nuclear electricity production and achieve 60-year lifetime for nuclear units	●	CEZ Group takes measures to increase efficiency of its nuclear power plants to ensure stable and reliable operation (e.g., renewal of equipment, modernization, and digitization during regular fuel exchange outages). Project preparation for a new nuclear unit (Dukovany II) continues. In Temelin Nuclear Power Plant, a parallel plan to develop a Small Modular Reactor is underway.
Achieve carbon neutrality by 2040 in line with below 1.5°C	●	SBTi validated our near-term targets (by 2030) in May 2022.
Increase installed capacity for electricity storage by at least 300 MWe by 2030	●	A support services battery (3 MW) has been commercially deployed and other large-scale battery projects for support services with tens of MW of capacity are in advanced stages of development. In addition, pilot battery projects coupled with renewable energy sources, especially photovoltaics, are underway.
Reduce the share of electricity generated from coal to 25% by 2025 and 12.5% by 2030	●	In 2021, we shut down one of the largest coal-fired power plants in Czechia – Energotrans III, and generation from coal was reduced by 17%.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Energy consumption	TJ	344,176	379,855	404,916	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Energy generation – non-renewable fuels	TJ	523,583	563,471	603,059	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Energy generation – renewable fuels	TJ	12,408	14,967	12,692	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Renewable energy from non-fuel sources	TJ	7,351	10,320	9,973	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Sold energy	TJ	199,166	208,903	220,808	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
of which electricity/heat	TJ	172,773/26,393	184,921/23,982	196,692/24,116	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Scope 1 emissions	mil. tCO ₂ e	18.99	23.44	26.14	305-1 IF-EU-110a.1	SDG 3.9 SDG 7B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.1 SDG 12.4 SDG 13.3 SDG 15.2
Energy intensity	–	2.69	2.77	2.79	302-3	SDG 7.3 SDG 8.4 SDG 12.2
Average retail electric rate for: – NEW 1) residential 2) commercial 3) industrial customers	CZK/kWh	1) 1.98 2) 1.82 3) N/A	N/A	N/A	IF-EU-240a.1	SDG 7.1 SDG 9.1 SDG 11.1
Typical monthly electric bill for residential customers for: – NEW 1) 500 kWh 2) 1,000 kWh of electricity delivered per month	CZK	1) 2,650 2) 3,760	N/A	N/A	IF-EU-240a.2	SDG 7.1 SDG 9.1 SDG 11.1
Number of residential customer electric disconnections for non-payment	Number	7,282	12,797	21,131	G4-EU27 IF-EU-240a.3	SDG 7.1 SDG 9.1 SDG 11.1
of which disconnections 0-2 days, 3-7 days, 8-30 days, 31-365 days, more than 1 year	Number	1,300/1,766/ 2,426/1,790/0	3,409/4,163/ 3,464/1,585/176	9,256/4,184/ 3,994/2,367/1,330	G4-EU27 IF-EU-240a.3	SDG 7.1 SDG 9.1 SDG 11.1
Percentage of residential customers reconnected within 30 days, ČEZ Distribuce	%	75	92	92	IF-EU-240a.3	SDG 7.1 SDG 9.1 SDG 11.1
Percentage of electric load served by smart grid technology – NEW	%	85	N/A	N/A	IF-EU-420a.2	SDG 7.1 SDG 8.4 SDG 9.1 SDG 9.2 SDG 9.4 SDG 11.2 SDG 11.B SDG 12.1 SDG 12.2



SDG 13 Climate Action



As an energy company, we play a key role in climate protection. In 2021, we launched an accelerated strategy VISION 2030—Clean Energy of Tomorrow. The top priorities of the strategy include the transformation of our generation portfolio to a low-emission one and the target of carbon neutrality by 2040.

The current emphasis on environmental protection is also accelerating the need for energy savings. Smart solutions, advanced technologies, and digital transformation reduce energy consumption. Supporting innovations and digitalization corresponds to our strategy VISION 2030: it is key to saving energy and using natural resources more efficiently.

We see the future of clean energy in renewables that we are building. Our target is to build 6 GW of renewables by 2030. Further, we will safely operate our nuclear plants, we will build a new unit at the Dukovany site, and we will prepare for the construction of small modular reactors.

CEZ Group’s strategy for decarbonization includes efficient management of coal-fired power plants located near coal basins and the transformation of the heating industry. The share of electricity generated from coal is decreasing: it will be reduced from 39% in 2019 to 25% by 2025 and 12.5% by 2030. CEZ Group plans to reduce the operation of selected coal-fired power plants, and new ones will no longer be built. In the heating sector, CEZ Group plans to phase out coal by 2030.

We started an initiative to implement climate-related policies at the Group level, and we became the first TCFD supporter in Czechia in November 2021.

Our Goals

Target	Progress	Comment
Reduce GHG emissions, SO ₂ emissions and NO _x emissions by more than 50% by 2030	●	We have reduced SO ₂ emissions by 63%, NO _x emissions by 38%, and PM emissions by 48% since 2019.
Reduce the emission intensity to 0.26 tCO ₂ e/MWh in 2025 and to 0.16 tCO ₂ e/MWh in 2030	●	In 2021, emission intensity for electricity generation decreased by 13% year-on-year, totaling 0.29 tCO ₂ e/MWh.
Build 6 GW of renewables by 2030, of which 1.5 GW by 2025	●	There is a massive development and construction of new renewables to reach the targets by 2025 and 2030.
Safely increase nuclear electricity production and achieve 60-year lifetime for nuclear units	●	CEZ Group takes measures to increase efficiency of its nuclear power plants to ensure stable and reliable operation (e.g., renewal of equipment, modernization, and digitization during regular fuel exchange outages). Project preparation for a new nuclear unit (Dukovany II) continues. In Temelin Nuclear Power Plant, a parallel plan to develop a Small Modular Reactor is underway.
Achieve carbon neutrality by 2040 in line with below 1.5°C	●	SBTi validated our near-term targets (by 2030) in May 2022.
Increase installed capacity for electricity storage by at least 300 MWe by 2030	●	A support services battery (3 MW) has been commercially deployed and other large-scale battery projects for support services with tens of MW of capacity are in advanced stages of development. In addition, pilot battery projects coupled with renewable energy sources, especially photovoltaics, are underway.
Reduce the share of electricity generated from coal to 25% by 2025 and 12.5% by 2030	●	In 2021, we shut down one of the largest coal-fired power plants in Czechia – Energotrans III, and generation from coal was reduced by 17%.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
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Energy generation – renewable fuels	TJ	12,408	14,967	12,692	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Renewable energy from non-fuel sources	TJ	7,351	10,320	9,973	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
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of which electricity/heat	TJ	172,773/26,393	184,921/23,982	196,692/24,116	302-1	SDG 7.3 SDG 8.4 SDG 12.2 SDG 13.1
Scope 1 emissions	mil. tCO ₂ e	18.99	23.44	26.14	305-1 IF-EU-110a.1	SDG 3.9 SDG 7B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 12.4 SDG 13.1 SDG 13.3 SDG 15.2
Fossil fuels emissions	mil. tCO ₂	18.70	22.46	26.07	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
CH ₄ source emissions*	mil. tCO ₂ e	0.07	0.06	N/A	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
N ₂ O source emissions*	mil. tCO ₂ e	0.14	0.52	N/A	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Fugitive CH ₄ emissions from coal mining*	mil. tCO ₂ e	0.03	0.34	N/A	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Transportation emissions	mil. tCO ₂ e	0.05	0.06	0.06	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
C/F-HC, SF ₆ except production emissions	tCO ₂ e	3,000	3,295	3,136	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Emissions from non-generation diesel generators*	tCO ₂ e	224	1,014	N/A	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Fugitive CH ₄ emissions from landfill*	tCO ₂ e	1	1	N/A	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Biomass emissions	mil. tCO ₂ e	1.29	1.53	1.34	305-1	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Scope 2 emissions	mil. tCO ₂ e	0.14	0.33	0.36	305-2	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Emission intensity	tCO ₂ e/ MWh	0.29	0.34	0.38	305-4	SDG 13.1
Financial implications and other risks and opportunities due to climate change – NEW	–	SR Section 5.2	N/A	N/A	201-2	SDG 13.1

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Management of water discharge related impacts	-	SR Section 3.3.1	Section 3.1	Section 3.1.1	303-2	SDG 6.3 SDG 13.1
Discussion of long-term and short-term strategy or plan to manage: Scope 1 emissions, emissions reduction targets, analysis of performance against those targets – NEW	-	SR Section 3.1, 5.2	N/A	N/A	IF-EU-110a.3	SDG 7B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3
Scope 1 emissions under ETS	%	97	96	N/A	305-1 IF-EU-110a.1	SDG 7B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3
Scope 3 emissions	mil. tCO ₂ e	11.24	17.38	18.32	305-3	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
- Purchased goods and services	mil. tCO ₂ e	0.04	0.03	0.04	305-3	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
- Fuel and energy related activities	mil. tCO ₂ e	1.53	2.48	2.63	305-3	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
- Use of sold products	mil. tCO ₂ e	9.67	14.86	15.65	305-3	SDG 3.9 SDG 12.4 SDG 13.1 SDG 15.2
Emissions associated with power deliveries – NEW	tCO ₂ e	7,452,329	N/A	N/A	IF-EU-110a.2	SDG 7B SDG 8.4 SDG 9.2 SDG 9.4 SDG 12.2 SDG 13.3
System Average Interruption Frequency Index (SAIFI) – incl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia)	Number	2.65 / N/A / N/A	2.87 / N/A ⁰ / 3.22	2.89 / N/A ⁰ / 4.51	G4-EU28 IF-EU-550a.2	SDG 1.5 SDG 13.1
System Average Interruption Frequency Index (SAIFI) – excl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia)	Number	1.85 / N/A / N/A	2.11/2.07/1.76	2.09/2.47/3.10	G4-EU28 IF-EU-550a.2	SDG 1.5 SDG 13.1
System Average Interruption Duration Index (SAIDI) – incl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia)	Minutes	327.57 / N/A / N/A	311.60 / N/A ⁰ / 162.88	348.52 / N/A ⁰ / 661.60	G4-EU29 IF-EU-550a.2	SDG 1.5 SDG 13.1
System Average Interruption Duration Index (SAIDI) – excl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia)	Minutes	214.45 / N/A / N/A	219.96/121.20/411.30	232.68/138.20/396.20	G4-EU29 IF-EU-550a.2	SDG 1.5 SDG 13.1
Customer Average Interruption Duration Index (CAIDI) – incl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia) – NEW	Number	123.80 / N/A / N/A	N/A	N/A	IF-EU-550a.2	SDG 1.5 SDG 13.1
Customer Average Interruption Duration Index (CAIDI) – excl. calamities and blackouts (ČEZ Distribuce/CEZ Razpredelenie Bulgaria/Distributie Energie Oltenia) – NEW	Number	115.87 / N/A / N/A	N/A	N/A	IF-EU-550a.2	SDG 1.5 SDG 13.1
Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations – NEW	Number	0	N/A	N/A	IF-EU-550a.1	SDG 1.5 SDG 13.1

* Indicator reported since 2020.

⁰ CEZ Razpredelenie Bulgaria follows guidelines published by the Bulgarian regulatory authority (Energy Water and Regulatory Commission), which do not provide for separate records.

2.3 Social Pillar of VISION 2030



SDG 8 Decent Work and Economic Growth



In our VISION 2030—Clean Energy of Tomorrow, we have set a long-term goal to maintain the position of a first-choice employer. We want to maintain the reputation of an attractive company that is also a top employer. To achieve this, we devote a lot of time and energy to nurturing our current employees and attracting future talent.

The energy sector has always been dependent on a highly qualified workforce. To mitigate the effects of climate change, 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.

We provide competitive remuneration while respecting 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.

We offer our employees a wide range of financial and non-financial benefits and incentives related to:

- welfare (37,5-hour workweek, 5-week vacation, life insurance, pension scheme, loans and leases, meal allowance, life anniversary reward)
- healthcare (sick days, above-standard health examinations, health days)
- social care (retirement severance pay, social assistance)
- other care (cafeteria benefit account, childcare, summer camps and day camps, employee events, pay for retraining, pensioners' clubs)

We provide opportunities for career development:

- mentoring programs
- retraining programs
- graduate and trainee programs
- CEZ Group open courses
- customized programs for teams or individuals
- corporate programs for selected employee groups
- leadership programs

Our Goals

Target	Progress	Comment
Rank among Top Employers for future talent and current employees	●	In 2021, CEZ Group ranked first in three categories in the TOP Employer survey among university students and succeeded in the Sodexo Employer of the Year and TOP Responsible Company competitions.
Ensure just transition of employees affected by coal exit	●	We provide reassignment, reskilling, retraining, or compensation for 100% of employees affected by coal exit.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Fatalities (employees)*	Number, rate	1/0.02	3 / N/A	0 / N/A	403-9 IF-EU-320a.1	SDG 3.6 SDG 8.8 SDG 16.1
Reported work-related injuries (employees)**	Number	130	147	363	403-9	SDG 3.6 SDG 8.8 SDG 16.1
Hours worked (employees) – NEW	Number	44,940,976	N/A	N/A	403-9	SDG 3.6 SDG 8.8 SDG 16.1
Lost Time Injury Frequency Rate (LTIFR) (employees)* – NEW	Rate	2.89	N/A	N/A	403-9 IF-EU-320a.1	SDG 3.6 SDG 8.8 SDG 16.1
Fatalities (suppliers)	Number	1	0	0	403-9 IF-EU-320a.1	SDG 3.6 SDG 8.8 SDG 16.1
Reported work-related injuries (suppliers)	Number	25	81	86	403-9	SDG 3.6 SDG 8.8 SDG 16.1
Average hours of training per year per employee***	Hrs	31.4	377 ^b	N/A	404-1	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 8.2 SDG 8.5 SDG 10.3
Fixed contract Czechia/Abroad	Persons	2,022/833 ²	2,029/561	2,251/670	102-8	SDG 8.5
Indefinite contract Czechia/Abroad	Persons	20,696/4,344 ²	20,546/9,419	20,604/8,840	102-8	SDG 8.5
Collective bargaining agreements	%	100	100	100	102-41	SDG 8.8
Ratios of standard entry level wage by gender compared to local minimum wage women/men****	Ratio	2.18/2.32	2.19/2.31	2.29/2.39	202-1	SDG 1.2 SDG 5.1 SDG 8.5
New employee hires	Persons	2,935	3,466	3,485	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires by age (≤29 years, 30–49 years, ≥50 years)	Persons	1,138/1,336/461	1,166/1,547/753	1,541/1,378/566	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires men/women	Persons	2,089/846	2,461/1,005	2,556/929	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires Czechia/Abroad	Persons	1,991/944	2,056/1,410	2,175/1,310	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover	Persons	2,883	3,225	3,377	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover (≤29 years, 30–49 years, ≥50 years)	Persons	647/1,122/1,114	627/1,237/1,361	776/1,398/1,203	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover men/women	Persons	2,162/721	2,018/1,207	2,379/998	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover Czechia/Abroad	Persons	1,939/944	1,984/1,241	2,275/1,102	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Parental leave men/women	Persons	30/602	9/598	24/565	401-3	SDG 5.1 SDG 5.4 SDG 8.5
Return to work after parental leave men/women	Persons	24/75	8/81	18/89	401-3	SDG 5.1 SDG 5.4 SDG 8.5
Minimum notice periods regarding operational changes	Days	30	30	at least 2 weeks	402-1	SDG 8.8
Workers covered by an occupational health and safety management system [†]	Persons, %	27,816/99.9%	100%	100%	403-8	SDG 8.8
Workers covered by an occupational health and safety management system (internally audited) [†] – NEW	Persons, %	24,863/89.2%	N/A	N/A	403-8	SDG 8.8

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Workers covered by an occupational health and safety management system (externally audited or certified) ^{††} – NEW	Persons, %	20,060/72.0%	N/A	N/A	403-8	SDG 8.8
Work-related ill health (employees/suppliers)	Number	0/0	0/0	0/0	403-10	SDG 3.3 SDG 3.4 SDG 3.9 SDG 8.8 SDG 16.1
Percentage of employees receiving regular performance and career development reviews women/men	%	100/100	100/100	100/100	404-3	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – management ^{†††}	Ratio	0.98	0.89	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – leaders ^{†††}	Ratio	0.93	0.93	0.98	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – management ^{††††}	Ratio	0.99	0.88	0.87	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – leaders ^{††††}	Ratio	0.95	0.94	0.99	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Incidents of discrimination and corrective actions taken	Number	0	0	0	406-1	SDG 5.1 SDG 8.8
Operations and suppliers at significant risk for incidents of child labor – NEW	Number	0	N/A	N/A	408-1	SDG 5.2 SDG 8.7 SDG 16.2
Operations and suppliers at significant risk for incidents of forced or compulsory labor – NEW	Number	0	N/A	N/A	409-1	SDG 5.2 SDG 8.7
Negative social impacts in the supply chain and actions taken	Number	0	1	0	414-2	SDG 5.2 SDG 8.8 SDG 16.1

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

** As of 2020, a standardized methodology used for reporting injuries with more than 3 days' absence at work.

*** Indicator reported since 2020.

**** 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.

† As of 2021, a standardized methodology used for reporting the coverage of employees by occupational health and safety management system.

†† 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).

††† The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration.

†††† 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.

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

²⁾ For 148 employees, details on their contracts and types of employment are not available, see Section 4.3.1 of Sustainability Report 2021 for more details.



SDG 10 Reduced Inequalities



CEZ Group has always been a responsible corporate citizen. We believe that providing equal opportunities and promoting diversity and inclusion is a natural way of doing business innovatively and sustainably. We strongly advocate diversity, equal opportunities, and a respectful working environment. Our strategy to bridge inequalities is outlined in the Code of Conduct. At the same time, we strive to cultivate good community relationships as the basis for long-term sustainable development.

In December 2021, the Board of Directors adopted a Diversity and Inclusion Policy, binding for all CEZ Group companies. 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, LGBT+, and informal caregivers.

Several practical outcomes of the policy have already been incorporated in collective agreements with trade unions. One of them is the adjustment of the rights of registered partners to the level of married couples above and beyond the scope of Czech law. Another practical outcome focuses on employees with disabilities. The collective agreement also includes the principle of non-discrimination and equal pay.

We reject discrimination of any kind. Direct or indirect discrimination and harassment have no place in our company culture. In 2021, there were zero harassment and discrimination incidents reported, and no cases of harassment or discrimination were confirmed.

We determine remuneration respecting 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. A gender pay gap analysis was conducted to identify and eliminate any shortcomings. The analysis was concluded in December 2021, and its results will address any currently existing pay gap and its elimination in the affected departments.

As part of our efforts to remain an employer of choice, we also pay attention to the employment of people with disabilities and to parents returning from maternity/parental leave. Persons with disabilities accounted for approximately 2% of CEZ Group employees in 2021, and employees on parental leave made up a little over 2% of the total CEZ Group workforce in the same period. In addition, we actively work with the needs of employees in different age groups. Ultimately, we want to create an environment where every employee can develop their full potential and grow professionally.

Responsible and transparent tax governance is one way to honor our commitments to society. CEZ Group's tax principles and management closely follow the underlying rules of the Code of Conduct: ethics, integrity, responsibility, and transparency. 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.

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 the use of tax havens. Taxation issues are not the primary driver of the Group's business decisions.

Our Goals

Target	Progress	Comment
Ensure just transition of employees affected by coal exit	●	We provide reassignment, reskilling, re-training, or compensation for 100% of employees affected by coal exit.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Headcount employees	Persons	28,043	32,555	32,365	102-8	SDG 8.5 SDG 10.3
Women/men	Persons	5,751/22,292	6,972/25,583	6,985/25,380	102-8	SDG 8.5 SDG 10.3
Fixed contract women/men	Persons	899/1,959 ¹	929/1,661	1,088/1,833	102-8	SDG 8.5 SDG 10.3
Indefinite contract women/men	Persons	4,834/20,203 ¹	6,043/23,922	5,897/23,547	102-8	SDG 8.5 SDG 10.3
Full-time women/men	Persons	5,343/21,811 ¹	6,633/25,231	6,673/25,084	102-8	SDG 8.5 SDG 10.3
Part-time women/men	Persons	388/353 ¹	340/351	312/296	102-8	SDG 8.5 SDG 10.3
Approach to tax – NEW	–	SR Section 5.4.3	N/A	N/A	207-1	SDG 11 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Tax governance, control, and risk management – NEW	–	SR Section 5.4.3	N/A	N/A	207-2	SDG 11 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Stakeholder engagement and management of concerns related to tax – NEW	–	SR Section 5.4.3	N/A	N/A	207-3	SDG 11 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
Tax country-by-country reporting, Czechia/Abroad	bil. CZK	5.2/0.2	3.2/0.3	N/A	207-4	SDG 11 SDG 1.3 SDG 10.4 SDG 17.1 SDG 17.3
New employee hires	Persons	2,935	3,466	3,485	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires by age (≤29 years, 30–49 years, ≥50 years)	Persons	1,138/1,336/461	1,166/1,547/753	1,541/1,378/566	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires men/women	Persons	2,089/846	2,461/1,005	2,556/929	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires Czechia/Abroad	Persons	1,991/944	2,056/1,410	2,175/1,310	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover	Persons	2,883	3,225	3,377	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover (≤29 years, 30–49 years, ≥50 years)	Persons	647/1,122/1,114	627/1,237/1,361	776/1,398/1,203	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover (≤29 years, 30–49 years, ≥50 years)	%	16.5/8.4/10.4	14.2/7.8/11.1	18.1/8.7/10.1	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover men/women	Persons	2,162/721	2,018/1,207	2,379/998	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover men/women	%	9.7/12.5	17.3/7.9	14.3/9.4	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Employee turnover Czechia/Abroad	Persons	1,939/944	1,984/1,241	2,275/1,102	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover Czechia/Abroad	%	8.5/18.2	8.8/12.5	10.0/11.6	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Average hours of training per year per employee*	Hrs	31.4	37.7 ²⁾	N/A	404-1	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 8.2 SDG 8.5 SDG 10.3
Percentage of employees receiving regular performance and career development reviews women/men	%	100/100	100/100	100/100	404-3	SDG 5.1 SDG 8.5 SDG 10.3
Percentage of employees receiving regular performance and career development reviews Managers/other employees	%	100/100	100/100	100/100	404-3	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – management**	Ratio	0.98	0.89	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – leaders**	Ratio	0.93	0.93	0.98	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – senior specialists**	Ratio	0.86	0.83	0.82	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – specialists**	Ratio	0.91	0.91	0.92	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – technicians**	Ratio	0.94	0.95	0.95	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – administrative and manual workers**	Ratio	0.94	0.95	0.96	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – management***	Ratio	0.99	0.88	0.87	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – leaders***	Ratio	0.95	0.94	0.99	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – senior specialists***	Ratio	0.84	0.82	0.81	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – specialists***	Ratio	0.89	0.90	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – technicians***	Ratio	0.88	0.89	0.90	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – administrative and manual workers***	Ratio	0.91	0.91	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3

* Indicator reported since 2020.

** The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration.

*** 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.

¹⁾ For 148 employees, details on their contracts and types of employment are not available, see SR Section 4.3.1 for more details.

²⁾ Indicator includes ČEZ, a. s., and selected subsidiaries.

2.4 Governance Pillar of VISION 2030



SDG 5 Gender Equality



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, political affiliation, or trade union membership. We support equal opportunities for women and their full and effective participation in decision-making at all levels of private and public life. In December 2021, the Board

of Directors adopted a Diversity and Inclusion Policy, binding for all CEZ Group companies. The policy declares a culture of diversity, respect, trust, equal opportunities, and workplace dignity. The policy outlines a comprehensive approach to the company's diversity goals.

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. We provide a competitive remuneration with respect to gender neutrality and the principle of equal pay for equal or equivalent work.

The energy industry is traditionally a male-dominated field. Achieving gender equity thus requires a strong and proactive effort. This includes focusing on 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. We offer flexible working hours, company kindergartens, and summer camps and day camps for children, and we maintain contact with employees on parental leave and offer them support when they return to work.

Our Goals

Target	Progress	Comment
Achieve 30% female representation in management	●	We launched programs to support women in management: Women in Focus and the Women Hub, a program for women from CEZ Group who have the skills, ambition, and energy to lead people. Our programs support women at work and their career advancement.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Diversity of governance bodies women/men	%	12.2/87.8	14.0/86.0	11.3/88.7	405-1	SDG 5.1
Diversity of governance bodies by age (≤29 years, 30–49 years, ≥50 years)	%	0.4/51.3/48.4	0.8/53.3/45.8	0.3/56.5/43.2	405-1	SDG 5.1
Diversity of employees women/men	%	20.5/79.5	21.4/78.6	21.6/78.4	405-1	SDG 5.1
Diversity of employees by age (≤29 years, 30–49 years, ≥50 years)	%	14.0/47.7/38.3	13.5/48.8/37.6	13.2/49.8/36.9	405-1	SDG 5.1
Diversity of employees by education (primary, secondary, tertiary)	%	4.5/67.2/28.3	3.8/66.0/30.2	3.8/65.4/30.9	405-1	SDG 5.1
Composition of the highest governance body and its committees	–	AR p. 32–53	AR p. 38–60	AR p. 38–60	102-22	SDG 5.5 SDG 16.7
Significant indirect economic impacts	–	SR Section 4.1	SR Section 6 and 7	SR Section 6 and 7	203-2	SDG 1.2 SDG 1.4 SDG 3.8 SDG 5.4 SDG 8.2 SDG 8.3 SDG 8.5
New employee hires	Persons	2,935	3,466	3,485	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires by age (≤29 years, 30–49 years, ≥50 years)	Persons	1,138/1,336/461	1,166/1,547/753	1,541/1,378/566	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires men/women	Persons	2,089/846	2,461/1,005	2,556/929	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee hires Czechia/Abroad	Persons	1,991/944	2,056/1,410	2,175/1,310	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover	Persons	2,883	3,225	3,377	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover (≤29 years, 30–49 years, ≥50 years)	Persons	647/1,122/1,114	627/1,237/1,361	776/1,398/1,203	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover (≤29 years, 30–49 years, ≥50 years)	%	16.5/8.4/10.4	14.2/7.8/11.1	18.1/8.7/10.1	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover men/women	Persons	2,162/721	2,018/1,207	2,379/998	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover men/women	%	9.7/12.5	17.3/7.9	14.3/9.4	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover Czechia/Abroad	Persons	1,939/944	1,984/1,241	2,275/1,102	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Employee turnover Czechia/Abroad	%	8.5/18.2	8.8/12.5	10.0/11.6	401-1	SDG 5.1 SDG 8.5 SDG 8.6 SDG 10.3
Benefits provided to full-time employees that are not provided to temporary or part-time employees	–	SR Section 4.3.1	SR Section 4.1.2 and 4.1.3	SR Section 4.1.2 and 4.1.3	401-2	SDG 3.2 SDG 5.4 SDG 8.5

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
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.	401-3	SDG 5.1 SDG 5.4 SDG 8.5
Parental leave men/women	Persons	30/602	9/598	24/565	401-3	SDG 5.4 SDG 8.5
Return to work after parental leave men/women	Persons	24/75	8/81	18/89	401-3	SDG 5.4 SDG 8.5
Percentage of employees receiving regular performance and career development reviews women/men	%	100/100	100/100	100/100	404-3	SDG 5.1 SDG 8.5 SDG 10.3
Vulnerable groups (employees with disabilities) – NEW	Persons, %	557/2.0	N/A	N/A	405-1	SDG 5.1 SDG 5.5
Ratio of basic salary of women to men – management*	Ratio	0.98	0.89	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – leaders*	Ratio	0.93	0.93	0.98	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – senior specialists*	Ratio	0.86	0.83	0.82	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – specialists*	Ratio	0.91	0.91	0.92	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – technicians*	Ratio	0.94	0.95	0.95	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of basic salary of women to men – administrative and manual workers*	Ratio	0.94	0.95	0.96	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratios of standard entry level wage by gender compared to local minimum wage women/men**	Ratio	218/2.32	219/2.31	229/2.39	202-1	SDG 1.2 SDG 5.1 SDG 8.5
Ratio of remuneration of women to men – management***	Ratio	0.99	0.88	0.87	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – leaders***	Ratio	0.95	0.94	0.99	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – senior specialists***	Ratio	0.84	0.82	0.81	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – specialists***	Ratio	0.89	0.90	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – technicians***	Ratio	0.88	0.89	0.90	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Ratio of remuneration of women to men – administrative and manual workers***	Ratio	0.91	0.91	0.91	405-2	SDG 5.1 SDG 8.5 SDG 10.3
Incidents of discrimination and corrective actions taken	Number	0	0	0	406-1	SDG 5.1 SDG 8.8
Operations and suppliers at significant risk for incidents of child labor – NEW	Number	0	N/A	N/A	408-1	SDG 5.2 SDG 8.7 SDG 16.2
Operations and suppliers at significant risk for incidents of forced or compulsory labor – NEW	Number	0	N/A	N/A	409-1	SDG 5.2 SDG 8.7
New suppliers that were screened using social criteria	-	SR Section 5.4.2.1	SR Section 3, 3.6	SR Section 3, 3.6	414-1	SDG 5.2 SDG 8.8 SDG 16.1
Negative social impacts in the supply chain and actions taken	Number	0	1	0	414-2	SDG 5.2 SDG 8.8 SDG 16.1

* The data include ČEZ, a. s., and subsidiaries for which ČEZ, a. s., processes wages and remuneration.

** 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.

*** 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.



SDG 16 Peace, Justice and Strong Institutions



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 the International Labor Organization conventions, and respect for human rights is a norm in CEZ Group. As a UN Global Compact participant, we duly subscribe to its principles. We reject forced or compulsory labor and child labor in our entire value chain.

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. At the same time, we only work with suppliers who also subscribe to these principles.

We condemn war and aggression of any kind. We condemn the Russian invasion of Ukraine and support sanctions against Russia. While the war negatively affects the European energy sector, we are committed to securing a self-sufficient, stable, and affordable energy supply for our customers, and we remain determined to reach our mid-term and long-term climate goals. We are proud of our employees who support Ukrainians in need through our employee charity. The sum raised by our employees was doubled by the CEZ Foundation.

We are aware of our role in society and our responsibility to future generations. 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.

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 (CMS) Policy.

The Code of Conduct sets forth ethical rules for employees and members of CEZ Group's statutory bodies. The CMS Policy sets out the responsibilities, conditions, and tools for ensuring compliance with ethics in CEZ Group and covers the topics of corporate ethics, corruption prevention, criminal risks, competition rules, etc.

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. No confirmed incident of corruption was registered in CEZ Group in 2021.

In 2021, the CMS underwent an independent external evaluation by Deloitte. 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 confirmed that the CMS included vital compliance elements – prevention, detection, and response.

Our ethical rules include cooperation with suppliers and business partners. The rules translate specific requirements into the Commitment to Ethical Conduct, which forms a part of suppliers' contracts and is publicly available on the company's website.

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.

In 2021, the departments of Procurement and Compliance met the requirements for the certification of the anti-corruption management system according to ISO 37001:2016. We were the first company listed on the Prague Stock Exchange and the first energy company in Central Europe to meet the international standard. The certification crowns a 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.

Our Goals

Target	Progress	Comment
Code of Conduct: increase the frequency of employee training and train at least 95% of employees each year from 2022 on	●	The frequency of training has been adjusted to annual in internal systems, and employees are required to complete an online training.

Facts and Figures

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Values, principles, standards, and norms of behavior	–	SR Section 5.4.1	SR Section 2.5, p. 27	SR Section 1.4	102-16	SDG 16.3
Mechanism for advice and concerns about ethics – NEW	–	SR Section 5.4.1	N/A	N/A	102-17	SDG 16.3
Consulting stakeholders on economic, environmental, and social topics – NEW	–	SR Section 2.2	N/A	N/A	102-21	SDG 16.7
Composition of the highest governance body and its committees	–	AR p. 32-53	AR p. 38-60	AR p. 38-60	102-22	SDG 5.5 SDG 16.7
Operations assessed for risks related to corruption	–	SR Section 5.4.1	SR Section 2.5	SR Section 1.4	205-1	SDG 16.5
Communication and training about anti-corruption policies and procedures – NEW	–	SR Section 5.4.1	N/A	N/A	205-2	SDG 16.5
Confirmed incidents of corruption and actions taken	Number	0	0	0	205-3	SDG 16.5
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices – NEW	Number	1	N/A	N/A	206-1	SDG 16.3
Non-compliance with environmental laws and regulations	Number, CZK	AR p. 140 0/0	AR p. 124 1/200,000	AR p. 142 0/0	307-1	SDG 16.3
Total number of non-monetary sanctions	Number	0	1	0	307-1	SDG 16.3
Cases brought through dispute resolution mechanisms	Number	0	1	0	307-1	SDG 16.3
Worker participation, consultation, and communication on occupational health and safety	–	SR Section 4.3.5	SR Section 3.5.6, 3.6	SR Section 3.4.6, 3.6	403-4	SDG 8.8 SDG 16.7
Fatalities (employees)*	Number, rate	1/0.02	3 / N/A	0 / N/A	403-9 IF-EU-320a.1	SDG 3.6 SDG 8.8 SDG 16.1
Reported work-related injuries (employees)**	Number	130	147	363	403-9	SDG 3.6 SDG 8.8 SDG 16.1
Hours worked (employees) – NEW	Number	44,940,976	N/A	N/A	403-9	SDG 3.6 SDG 8.8 SDG 16.1
Lost Time Injury Frequency Rate (LTIFR) (employees)* – NEW	Rate	2.89	N/A	N/A	403-9 IF-EU-320a.1	SDG 3.6 SDG 8.8 SDG 16.1
Main types of work-related injuries	–	SR Section 4.3.5.4	SR Section 8, p. 186	SR Section 8, p. 109	403-9	SDG 3.6 SDG 3.9 SDG 8.8 SDG 16.1
Fatalities (suppliers)	Number	1	0	0	403-9 IF-EU-320a.1	SDG 3.6 SDG 3.9 SDG 8.8 SDG 16.1
Reported work-related injuries (suppliers)	Number	25	81	86	403-9	SDG 3.6 SDG 3.9 SDG 8.8 SDG 16.1
Work-related fatalities as a result of ill health (employees/suppliers)	Number	0/0	0/0	0/0	403-10	SDG 3.3 SDG 3.4 SDG 3.9 SDG 8.8 SDG 16.1
Work-related ill health (employees/suppliers)	Number	0/0	0/0	0/0	403-10	SDG 3.3 SDG 3.4 SDG 3.9 SDG 8.8 SDG 16.1

Parameter	Unit	2021	2020	2019	GRI/SASB	SDG Target
Operations and suppliers at significant risk for incidents of child labor – NEW	Number	0	N/A	N/A	408-1	SDG 5.2 SDG 8.7 SDG 16.2
New suppliers that were screened using social criteria	–	SR Section 5.4.2.1	SR Section 3, 3.6	SR Section 3, 3.6	414-1	SDG 5.2 SDG 8.8 SDG 16.1
Negative social impacts in the supply chain and actions taken	Number	0	1	0	414-2	SDG 5.2 SDG 8.8 SDG 16.1
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.	The parent company ČEZ, a. s., does not make any political contributions.	415-1	SDG 16.5
Incidents of non-compliance concerning the health and safety impacts of products and services	Number	0	0	0	416-2	SDG 16.3
Complaints from regulatory bodies and third parties	Number	0	0	1	418-1	SDG 16.1 SDG 16.3
Total number of identified leaks, thefts, or losses of customer data	Number	0	1	1	418-1	SDG 16.1 SDG 16.3
Non-compliance with laws and regulations in the social and economic area	–	AR p. 140	AR p. 148	AR p. 149	419-1	SDG 16.3
Total number of non-monetary sanctions	Number	0	0	0	419-1	SDG 16.3
Cases brought through dispute resolution mechanisms	Number	0	0	0	419-1	SDG 16.3

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

** As of 2020, a standardized methodology used for reporting injuries with more than 3 days' absence at work.

3 Other Supported SDGs



SDG 1 No Poverty

While our ESG pillars are listed individually in the CEZ Group 2021 Sustainability Report, we understand they are intertwined. Decarbonization and coal exit will affect our employees and the regions where we do business – the E impacts the S. At the same time, we do not forget vulnerable customers, such as people with disabilities. In our business, we must minimize negative impacts on the most vulnerable groups, and that requires a strong G. To mitigate these impacts, collective agreements with trade unions guarantee just transition to our employees, and our policies declare our commitments and responsibilities publicly to all stakeholders. Regarding vulnerable customers, our product portfolio offers a new electricity and gas tariff for people with disabilities.



SDG 2 Zero Hunger

In CEZ Group, we contribute to meeting the SDG 2 criteria primarily by two means: through the CEZ Foundation and by providing opportunities and fair working conditions.

The CEZ Foundation actively supports projects focused on nutrition and the fight against hunger. We collaborate with non-profits and social enterprises that care for people in need. Our help has increased since the Covid pandemic and the Russian invasion of Ukraine: we purchase food to help single parents, the elderly, and refugees. In the last two years, the CEZ Foundation provided financial assistance to food banks in the amount of approximately CZK 3.1 million. Food banks have a dense network of branches across Czechia and their assistance goes directly to where it is needed.



SDG 3 Good Health and Well-Being

In CEZ Group, the Board of Directors is responsible for the Environmental Protection and Safety Policy and the Energy Policy. The policies prioritize Environmental Management System (EMS) 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 on our environmental performance. 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.

We offer our employees a wide range of benefits and incentives, including healthcare (e.g., sick days, above-standard health examinations, health days).

As a responsible corporate citizen, CEZ Group supports projects in various areas, including (but not limited to) education, culture, sports, environmental protection, improvement of local infrastructure, and healthcare.



SDG 4 Quality Education

We work closely with schools and universities and organize various events, programs, and 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. Selected students receive a scholarship and start their career at CEZ Group. Women are especially encouraged to join the summer course.

The CEZ Foundation builds Orange Classrooms. Orange Classrooms help to improve the quality of teaching of technical and science subjects by providing teaching aids and equipment to educational institutions.

We are proud of our World of Energy education program, which has a 30-year history of supporting technical education. This program helps pupils and students of all ages to understand energy and physics, leading them to their dream careers while systematically developing talent. In the World of Energy program, we also set up a club to bring together physics teachers and provide resources and network that will make their jobs easier. Currently, the club has more than 800 teachers. The World of Energy program is also publicly available on the website svetenergie.cz, where physics and energy are explained to children as well as students and adults.



SDG 6 Clean Water and Sanitation

Water is the second most important raw material after fuel for CEZ Group's production. It has an irreplaceable role in cooling during power generation.

Water use and wastewater discharge are governed by rules and conditions outlined in integrated permits issued by relevant authorities. All CEZ Group generation facilities comply with water protection provisions and conditions outlined in operation permits. None of our production sites are in areas with high water stress according to Aqueduct – Water risk atlas.

Wastewater from flow-through cooling, representing most of the volume of wastewater discharged, is only altered in temperature. We discharge it so that it does not change the conditions in watercourses that are important for the life and development of biotic communities. We reuse wastewater when possible; for example, wastewater from the nuclear plant Temelín is reutilized in the hydroelectric power plant Kořensko. Wastewater is recycled to reduce the consumption of surface water. Out of the surface water withdrawn for technological purposes in 2021, reused wastewater accounted for about 6% of the total amount. We actively take action to reduce water consumption: it was reduced by 13% year-on-year in 2021.

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.



SDG 9 Industry, Innovation and Infrastructure

Our research and development (R&D) programs cover many areas, including renewables 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 e-mobility. R&D outcomes are used across CEZ Group.

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 digitalization program and its solutions will benefit renewables, energy storage, e-mobility, and new related services.



SDG 11 Sustainable Cities and Communities

ČEZ ESCO's Smart City concept helps cities set up efficient energy management. Designed for the public sector, the concept revolves around modern technologies and renewable resources. Using high-tech solutions, the Smart City improves the environment and saves public budgets.

E-mobility helps with emissions reduction and presents opportunities for companies to grow. We focus on the entire value chain, including synergies between different green products (photovoltaics, energy storage, etc.). At the end of 2021, we operated the largest network of public charging stations in Czechia (385 in total), supplying emission-free energy.

Beyond the scope of legal obligations, CEZ Group has provided accredited monitoring of air quality near large combustion facilities since 1994. The data are delivered to the Czech Hydrometeorological Institute, which publishes them in the information system on air quality in Czechia.

An independent accredited laboratory also monitors air pollution in municipalities affected by the operations of CEZ Group's lignite mines. The results of the measurements are shared with the municipalities and relevant governmental agencies.



SDG 12 Responsible Consumption and Production

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

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 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.

At CEZ Group, we apply energy efficiency measures in our administrative buildings, such as photovoltaics and heat pumps, to decrease our energy consumption. A central control system for more efficient regulation of heating, cooling, and air conditioning is planned. For the current heating season, we decreased the indoor temperature by 2-4°C. We estimate that this will save almost 15% of energy consumption. We plan to save additional 15% of all energy by 2027.



SDG 14 Life Below Water

Although Czechia is a landlocked country without access to oceans, we feel responsible for the world's oceans, and we do our part to protect life below water in our operations. All CEZ Group generation facilities comply with water protection provisions and conditions outlined in operation permits. We prevent water pollution by responsible surface water and river management.

Plastic pollution is a severe threat to oceans and life in them. In CEZ Group, we handle waste based on principles of circular economy preventing waste pollution. In 2021, 66% of our waste was reused and recycled, 34% was disposed of.

Water is used responsibly to minimize the impacts on its quality and quantity in all areas of operations. Our VISION 2030 puts emphasis on decreasing emissions from our energy production. This contributes to mitigation of ocean acidification caused by carbon emissions.



SDG 15 Life on Land

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.

The Board of Directors has accepted the responsibility to protect biodiversity. Primary challenges in the promotion of biodiversity are the reduction of burning of fossil fuels, reduction of lignite mining, and recultivation of affected areas.

CEZ Group's biodiversity strategy includes protection and restoration of biodiversity, reduction of lignite mining, and reduction of pollutant and GHG emissions. The strategy also involves the restoration of areas affected by mining, where the biodiversity of natural habitats is promoted in the reclamation process.



SDG 17 Partnerships for the Goals

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. We are actively involved in supporting and developing communities where we operate.

We have partnered with multiple organizations to increase our reach and create synergies through cooperation. In Czechia, we are members of Association of Social Responsibility, Business Leaders Forum, and Business for Society. Globally, we joined UN Global Compact, UN CEO Water Mandate, Science Based Targets initiative (SBTi), and Carbon Disclosure Project (CDP). We have joined the Pride Business Forum Memorandum and signed a Memorandum on Cooperation in Climate Protection, the Energy Sector, and Certain Related Areas with the Czech Ministry of the Environment to support national efforts in reaching SDGs by 2030.

The relationships of CEZ Group with its stakeholders are governed by the 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.

CEZ Group, together with the CEZ Foundation, is one of the largest corporate donors in Czechia. In addition to direct financial donations, CEZ Group supports municipalities and non-profit organizations through non-financial contributions. CEZ Foundation has been active all over the country and has made 13,764 contributions totaling nearly CZK 3.1 billion over the course of its operations.

List of Abbreviations

Abbreviations	Definition
AR	Annual Report
CCGT	Combined Cycle Gas Turbine
CEO	Chief Executive Officer
CMS	Compliance Management System
CZK	Czech Crown (official legal tender in Czechia)
EMS	Environmental Management System
ESG	Environmental, Social, Governance
GHG	Greenhouse gases
LGBT+	Lesbian, gay, bisexual, transgender/transsexual people including nonbinary and intersex people
N/A	Not Available
R&D	Research and Development
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SR	Sustainability Report
UN	United Nations

