

AI Clauses

Obligations of suppliers during the period of cooperation with ČEZ Group companies

I. Introduction

In accordance with applicable national and European legislation, this Annex sets out principles for the responsible and transparent use of artificial intelligence within the ČEZ Group. The ČEZ Group aims to ensure that all AI systems used in its products and services are transparent, secure, and respect the rights of users and customers. The ČEZ Group aims to provide clear information about the use of AI and to protect the privacy of all users and customers.

II. Goals and expectations

When cooperating with the ČEZ Group companies, Suppliers are required to maintain a similar level of integrity as ČEZ Group requires of its own companies and their employees, including in relations with third parties.

The ČEZ Group reserves the right to verify the Supplier's (business partner's) compliance with the rules set forth in this Annex, especially through an audit.

By entering into the contractual relationship, Suppliers undertake to comply with the obligations set forth in this Annex and to provide the ČEZ Group with all necessary cooperation to verify compliance with this Annex and to comply with any corrective measures imposed.

III. Basic duties

1. Definitions

Terms used in this Annex shall have the meanings defined below:

- AI Act: Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (AI Act).
- AI clause: this annex, which sets out the obligations of suppliers during the period of cooperation with ČEZ Group companies.
- Delivery: the moment when the Supplier informs the Customer that the AI System meets all agreed conditions and is ready for use.
- Supplier: the entity providing the AI System, including but not limited to the provider, importer and distributor as defined in the AI Act.
- Reasonably Foreseeable Misuse: the use of an AI System in a manner that is inconsistent with its Intended Purpose but may result from reasonably foreseeable human behaviour or interaction with other systems.
- Customer: is the entity that has entered into the Contract with the Supplier.
- Material Change: a change to the AI System after Delivery that affects the compliance of the AI System with the requirements set out in these AI clauses or results in a change to the Intended Purpose.
- Performance: a collective term for the work, delivery of goods pursuant to purchase, promotion and advertising of the Customer, its products and services or any other type of performance. If the quality, quantity, measure, weight, or workmanship is specified by law for the Performance, the Performance is free from defects only if it has the characteristics required by law or the Contract. The Supplier is obliged to provide the Customer with the Performance in accordance with the Contract, the relevant regulations, properly and on time and with professional care. Performance may be provided to the Customer only on the basis of a valid and effective Contract.

- ČEZ Group: the trading company ČEZ, a. s., and trading companies controlled directly and indirectly by the trading company ČEZ, a. s., trading companies directed by the trading company ČEZ, a. s.
- Contract: a written expression of the will of the parties by which they negotiate their mutual rights and obligations. The conclusion of the Contract shall be effected by written confirmation of the draft Contract without reservations or additions (acceptance of the draft Contract with additions or deviations is excluded), whereby a scan of the signed document shall also be deemed to be in writing. The Contract may also be concluded by fulfilling the subject matter of the Contract as set out in the written draft Contract sent by the Customer to the Supplier. By concluding the Contract, the Supplier assumes the risk of change of circumstances pursuant to Section 1765(2) of the Civil Code.
- Datasets: all datasets used in the development of the AI System.
- Supplier's and third party datasets: Datasets (or portions thereof) that do not qualify as the Customer Datasets.
- Customer's Datasets: datasets (or parts thereof) (i) provided by the Customer to the Supplier under the Contract, or (ii) to be created or collected under the Contract, including any modified or enhanced versions of datasets under clauses (i) and (ii) (for example, for annotation, tagging, cleansing, enrichment or aggregation).
- AI System: an AI system within the meaning of Article 3(1) of the AI Act, a generic AI model within the meaning of Article 3(63) of the AI Act or a generic AI system within the meaning of Article 3(66) of the AI Act.
- Intended Purpose: the use for which the AI System is intended by the Supplier, including the specific context and conditions of use, information provided by the Supplier in the instructions for use, promotional or sales materials and statements, and technical documentation.

2. Prohibited practices when using the AI System

- I. The Supplier shall not design, develop or provide an AI System or any part thereof that uses prohibited practices within the meaning of Section 5 of the AI Act.
- II. For the purposes of these AI clauses, prohibited practices include, but are not limited to, the use of an AI System that:
 - a. uses manipulative, deceptive or subliminal techniques to influence the behaviour of individuals in a way that may cause them harm;
 - b. allows the exploitation of the vulnerability of individuals due to their age, disability or social situation in order to influence their behaviour in a way that may lead to their harm;
 - c. is used to assess the trustworthiness of individuals on the basis of their behaviour, social interactions or personal characteristics with the purpose or effect of unequal or unfair treatment;
 - d. is used to biometrically categorise individuals according to sensitive characteristics such as race, political opinion, religion, sexual orientation or gender identity, in violation of the law;
 - e. is used for predictive or preventive monitoring of persons without a legal basis established by law.
- III. If the Supplier discovers or reasonably suspects that the AI System may fulfil the characteristics of a prohibited practice, it shall immediately inform the Customer, suspend the supply of the AI System concerned and propose appropriate corrective measures.

3. Risk management system

- I. The Supplier shall ensure that a risk management system is developed and implemented for the AI System prior to the Delivery of the AI System.

- II. The risk management system includes at least the following steps:
- determination, estimation and evaluation of familiar and reasonably foreseeable risks to the health, safety and fundamental rights of individuals in the European Union that may arise with respect to the Intended Purpose of the AI System and Reasonably Foreseeable Misuse; in assessing the risks, the Supplier shall also take into account risks related to the protection of personal data and cyber security;
 - assessment of other potential risks;
 - adoption of appropriate and targeted risk management measures designed to address the risks identified under letters a. and b. of this paragraph in accordance with the provisions of the following paragraphs.
- III. Risk management measures referred to in paragraph II. letter c. shall be such that the respective residual risks associated with each hazard, as well as the overall residual risk of the AI System, are reasonably judged by the Supplier to be acceptable, provided that the AI System is used in accordance with its intended purpose or under conditions of Reasonably Foreseeable Misuse.
- IV. In determining the most appropriate risk management measures referred to in paragraph II. of c. above, the following shall be ensured:
- elimination or minimisation of identified risks, where technically feasible, through appropriate design and development of the AI System;
 - where appropriate, putting in place suitable mitigation and control measures for risks that cannot be eliminated;
 - providing adequate information to the Customer, including an overview of the measures taken and residual risks.
- V. The Supplier shall ensure that, prior to the Delivery of the AI System, the AI System is tested to verify that it complies with these AI clauses and that the risk management measures set out in paragraph II. letter c. above are effective with regard to the Intended Purpose and Reasonably Foreseeable Misuse. Upon the Customer's request, the Supplier shall test the AI System in the Customer's environment.
- VI. The Supplier shall document all risks identified, measures taken and tests performed in relation to compliance with this clause 2. The Supplier shall make this documentation available to the Customer no later than the time of Delivery of the AI System. This documentation may be part of the technical documentation and/or instructions for use. The Supplier is obliged to update this documentation upon the Customer's request.
- VII. The risk management system consists of a continuous and iterative process that runs throughout the duration of the Contract. Thus, upon Delivery of the AI System, the Supplier shall:
- regularly review and update the risk management process to ensure its continued effectiveness and the timely identification of new risks;
 - update the documentation described in paragraph V.; and
 - promptly make available to the Customer any new version of the documentation described in paragraph V.
- VIII. If reasonably necessary for the proper implementation of the risk management system by the Supplier, the Customer shall upon request provide the Supplier with the necessary information, provided that it is not of a confidential nature.
- IX. If the Customer continues to use the AI System beyond the end of the Contract term, the Supplier shall provide the Customer with the information necessary to enable the Customer to maintain the risk management system itself at the end of the Contract term.
4. Data and data management
- This paper will only apply to AI Systems that use techniques involving training models with data.
- II. The Supplier shall ensure that the Datasets used in the development of the AI System, including training, validation and testing, have been and continue to be subject to data governance appropriate to the context of use and the Intended Purpose of the AI System. These measures concern in particular:
- transparency as to the original purpose of the data collection;
 - relevant AI System design options;
 - the data collection processes and the origin of the data and, in the case of personal data, the original purpose of collection and compliance with data protection rules;
 - preparing data for processing operations such as annotation, tagging, cleaning, enrichment and aggregation;
 - the formulation of relevant assumptions, in particular with respect to the information that the data are intended to measure and represent;
 - examination with regard to potential distortions that could affect the health and safety of individuals or lead to discrimination prohibited by European Union law;
 - appropriate measures to detect, prevent and mitigate potential biases;
 - identifying relevant gaps or errors in the data that prevent compliance with these AI clauses and how to resolve those gaps and errors.
- III. The Supplier shall ensure that the Datasets used in the development of the AI System are relevant, representative, as free from errors as possible and as complete as possible for the intended purpose. The Supplier shall ensure that the Datasets have appropriate statistical properties, including any properties relating to the persons or groups of persons in respect of whom the AI System is to be used. These Dataset properties are satisfied at the level of individual Datasets or combinations of Datasets.
- IV. The Supplier is responsible for ensuring that the data used for training does not infringe the rights of third parties, in particular intellectual property rights and data protection rights.
- V. The Supplier shall ensure that the Datasets used in the development of the AI System take into account, to the extent required by the Intended Purpose or Reasonably Foreseeable Misuse, features or elements that are specific to the particular geographic, contextual, behavioural or functional environment in which the AI System is to be used. The Supplier is obliged to indicate and explain these facts in the relevant technical documentation.
- VI. If the AI System uses the Customer's Datasets, the Supplier shall protect such files against loss, unauthorised access, alteration or other misuse and use them solely for the purposes of the Contract. Upon termination of the Contract, the Supplier shall delete or return the Customer's Datasets to the Customer, unless otherwise agreed by the parties.
- VII. The obligations under this clause apply not only to the development of the AI System prior to Delivery, but also to any use of the Datasets by the Supplier that may affect the operation of the AI System at any time during the term of the Contract.
5. Record-keeping
- The Supplier shall ensure that the AI System is and will be designed and developed with features to enable automatic recording of events (called logs) during the operation of the AI System. These logging options must be in accordance with the state of the art or general specifications, where available, and must be set up in such a way as to avoid unauthorised processing of personal data or breach of confidentiality of the Customer's information.
 - Logging capabilities will ensure a level of traceability of the AI System's operation throughout its life cycle that is consistent with the System's Intended Purpose and Reasonably Foreseeable Misuse. In particular, it will enable the recording of events relevant to the detection of situations that may:

- a. result in the AI System posing a risk to the health or safety of persons or to the protection of their fundamental rights; or
 - b. lead to a substantial change in the AI System.
 - c. result in an outage, error or unforeseen output of the AI System that may affect the Performance provided to the Customer.
- III. The Supplier must ensure that logs cannot be subsequently altered, deleted or otherwise modified without a proper record of the change. The integrity of the logs must be ensured by technical and organisational measures appropriate to the nature of the AI System and its Intended Purpose.
- IV. The Supplier shall retain the logs automatically generated by the AI System for the duration of the Contract to the extent under its control under the Contract. Upon termination of the Contract, the Supplier shall promptly provide such logs to the Customer and ensure their safe transfer and removal from its systems, unless otherwise agreed by the Parties.
- V. The Supplier shall provide reasonable access to the logs upon request by the Customer to verify the AI System's compliance with these AI clauses.
6. AI System Transparency
- I. The Supplier shall ensure that the AI System is, both now and in the future, designed and developed so that the operation of the AI System is sufficiently transparent to enable the Customer to reasonably understand the operation of the AI System, including the underlying principles on which the AI System generates its outputs.
 - II. In order to ensure proper transparency, as a minimum the Supplier shall implement technical and organisational measures prior to the Delivery of the AI System. These measures should result in the Customer being able to understand and use the AI System appropriately and also being able to explain the decisions made by the AI System to the person or group of persons in respect of whom the AI System is (to be) used.
7. Human supervision
- I. The Supplier shall ensure that the AI System is, both now and in the future, designed and developed in such a way, including appropriate human-machine interface tools, that it can be effectively supervised by natural persons according to the level of risk associated with the system.
 - II. Human supervision is aimed at preventing and/or minimising risks to health, safety or fundamental rights that may arise from the use of the AI System in accordance with its Intended Purpose or under conditions of Reasonably Foreseeable Misuse, particularly where such risks persist despite the application of other requirements set out in these AI clauses.
 - III. The Supplier shall ensure that appropriate measures are incorporated into the AI System prior to Delivery and that human supervision is provided. These measures, which may include, but are not limited to, the training of the Customer's employees, will enable the persons entrusted with human supervision to carry out the following activities as appropriate:
 - a. To know and sufficiently understand the relevant capabilities and limitations of the AI System and be able to properly monitor its operation so that symptoms of anomalies, dysfunctions and unexpected performance can be detected and addressed as early as possible;
 - b. To become increasingly aware of the potential tendency to automatically or excessively rely on the output of the AI System (so-called automation bias), particularly for AI Systems used to provide information or recommendations for decision-making by individuals;
 - c. To be able to correctly interpret the output of the AI System, especially with respect to the characteristics of the AI System and the available interpretation tools and methods;
 - d. To be able to decide in any particular situation not to use the AI System or to otherwise disregard, cancel or reverse the output of the AI System;
 - e. To be able to interfere with the AI System or interrupt it with a "stop" button or similar procedure.
8. Accuracy, reliability and cyber security
- I. The Supplier shall ensure that the AI System is and shall be designed and developed according to the principle of security to achieve an appropriate level of accuracy, reliability, safety and cyber security in respect of the Intended Purpose and shall operate consistently in these respects throughout its lifetime.
 - II. The Supplier is obliged to regularly evaluate the level of accuracy, reliability and cyber security of the AI System and make necessary updates to the measures in case of new vulnerabilities or changes in the technological environment.
9. Compliance with requirements
- I. The Supplier shall ensure that from the Delivery of the AI System until the end of the Contract the AI System complies with the requirements of these AI clauses.
 - II. Upon the Customer's request, the Supplier shall provide the Customer with all information necessary to demonstrate compliance with these AI clauses.
 - III. If during the Contract the Supplier believes or has reason to believe that the AI System is not in compliance with these AI clauses, whether or not in response to a comment by the Customer, the Supplier shall promptly take the necessary corrective action to bring the AI System into compliance with these AI clauses. The Supplier shall inform the Customer thereof.
10. Obligation to explain the operation of the AI System at an individual level
- I. In addition to the obligations described in clause 6, the Supplier shall, for the duration of the Contract, upon request of the Customer, provide assistance to the Customer and explain to those persons or group of persons in respect of whom the AI System is (to be) used how the AI System arrived at a particular decision or outcome. At a minimum, this disclosure will include a clear statement of the key factors that led the AI System to a particular outcome and the changes to the inputs that need to be made in order for the system to reach a different outcome.
 - II. The obligation described in paragraph I. above includes the obligation to provide the Customer with all technical and other information necessary to explain how the AI System arrived at a particular decision or result, and to provide the persons or group of persons in respect of whom the AI System is (to be) used with opportunities to verify how the AI System arrived at a particular decision or result. The Supplier hereby grants the Customer the right to use, share and disclose this information if and insofar as it is necessary to inform the persons or group of persons in respect of whom the AI System is (to be) used about the operation of the AI System and/or in any legal proceedings.
 - III. The duties specified in paragraph I. and II. above include the source code of the AI System, the technical specifications used in the development of the AI System, the Datasets, technical information on how the Datasets used in the development of the AI System were obtained and modified, information on the development method used and the development process performed, justification for the selection of a particular model and its parameters, and information on the performance of the AI System.
11. Rights to the Customer's Datasets
- I. All rights, including any intellectual property rights, in and to the Customer's Datasets belong to the Customer or a third party designated by the Customer. The Supplier hereby acknowledges that the Customer's Datasets

may contain confidential information, personal data or information subject to trade secret protection and undertakes to protect it in accordance with the law and the Contract.

- II. The Supplier is not entitled to use the Customer's Datasets for purposes other than the performance of the Contract. In particular, it is not entitled to use this data for the development, training, testing or validation of other artificial intelligence systems, even in anonymised or aggregated form, without the prior written consent of the Customer.
 - III. The Supplier is obliged to protect the Customer's Datasets from loss, unauthorised access, alteration or other misuse. When processing the Customer's Datasets, the Supplier must apply technical and organisational measures appropriate to their nature and sensitivity, in particular encryption, access control, audit trails and regular security checks.
 - IV. At the Customer's request, the Supplier must return the Customer's Datasets in an agreed format or securely destroy them. If requested by the Customer, the Supplier must provide feasible proof of the destruction of the Customer's Datasets. Destruction must be carried out in such a way as to prevent their subsequent restoration or reconstruction.
12. Rights to the Supplier's and Third Party Datasets
- I. All rights, including intellectual property rights, in the Supplier's and third party Datasets belong to the Supplier or the third party. The Supplier shall be responsible for ensuring that it has all necessary rights to use the Datasets for the purpose of performance of the Contract and that their use does not infringe the rights of third parties.
 - II. The Supplier grants to the Customer a non-exclusive, worldwide and perpetual right to use the Supplier's and third party Datasets, which shall in any event be sufficient to fulfil the purpose and provisions of the Contract, including the AI clauses. This right includes the right to reproduce, process, modify and integrate into the AI System and other systems of the Customer.
 - III. The right of use described in paragraph II. above also includes the right to use the Supplier's and third parties' Datasets for further development of the AI System, including new versions thereof, by the Customer or a third party. The Supplier shall ensure that the licensing rights of third parties are not restricted in connection with this right and that information about the origin and licensing terms of the Datasets in question is made available to the Customer upon request.
13. Privacy and personal data
- I. In cases where the Purpose or reasonably foreseeable use of the AI System is an activity that may involve the processing of personal data, the Supplier shall provide the Customer with all necessary information to ensure the proper performance of the Customer's obligations under applicable data protection regulations, in particular Regulation (EU) 2016/679 (GDPR).
 - II. The Supplier will ensure that personal data processed through the AI System will not, by default, be shared with the Supplier or any third party without the prior express consent of the Customer. This applies in particular to situations where the input or output data could additionally be used for training or improvement of the Supplier's or third party's AI System. Training or enhancement of the AI System in the Customer's environment is only permissible after approval through the Customer's internal acceptance process.
 - III. If the Customer assesses that it is necessary for the operation of the AI System to prepare a Personal Data Protection Impact Assessment within the meaning of Article 35 of the GDPR or a Fundamental Rights Impact Assessment within the meaning of Article 27 of the AI Act, the Supplier shall provide the Customer with all necessary documentation and assistance to carry out these assessments.
- IV. Where the AI System allows for different privacy and/or data protection settings, the Supplier shall ensure that the setting with the highest level of privacy and/or data protection is selected from the outset and shall explicitly warn the Customer of the possibility of changing this setting and its effect on the functionality of the AI System.
14. Transfer of datasets
- I. Upon the Customer's request, the Supplier shall provide the Customer with the latest version of the Customer's Datasets.
 - II. Upon the Customer's request, the Supplier shall provide the Customer with the latest version of the Supplier's and third party Datasets.
 - III. The Supplier shall provide the data files to the Customer in a common file format specified by the Customer.
 - IV. The Supplier is responsible for ensuring that the Datasets submitted are complete, undamaged and in the appropriate version for use in the performance of the Contract. The Customer is entitled to inspect the submitted Datasets and the Supplier is obliged to provide reasonable assistance in verifying their completeness and accuracy.
15. Compliance and audit
- I. Upon request of the Customer the Supplier shall provide the Customer with all information necessary to demonstrate compliance with these AI clauses. The Supplier shall retain appropriate documentation demonstrating compliance with these obligations for the duration of the Contract and for at least 3 years after its termination.
 - II. The Supplier shall co-operate with any audit or other type of inspection carried out by or on behalf of the Customer to assess whether the Supplier is at all times complying with its obligations set out in these AI clauses throughout the duration of the Contract. This cooperation will include providing any information requested by the Customer, providing an overview of the risk management system in place, releasing the Supplier's personnel for interviews and allowing access to the Supplier's premises.
 - III. The Customer shall prepare or have prepared a report recording the findings of the audit. The Customer shall record in the report the extent to which the Supplier is fulfilling its obligations under the Contract. If the Customer determines that the Supplier is not fulfilling its obligations under this Article, the Supplier shall remedy the defects identified by the Customer within a reasonable period of time specified by the Customer in the report. If the Supplier fails to remedy the defects identified by the Customer within the period for remedying such defects set out in the report, the Supplier shall be in default by operation of law. The Supplier is obliged to inform the Customer about the elimination of the violation, including the documentation of the necessary documents. This is without prejudice to the Customer's right to terminate the contractual relationship with the Supplier for any gross breach of the AI clauses.
 - IV. If the Supplier fails to provide the Customer with the necessary cooperation even after repeated request, or provides false, incomplete or misleading information in the audit, or fails to remedy the violations identified in accordance with paragraph III of this Article within the specified time period, it is a gross violation of the AI clauses.
 - V. The Customer is entitled to conduct or have an audit conducted once per calendar year or in connection with any material change to the AI System.
 - VI. The Customer may decide to have all or part of the audit carried out by an independent auditor.

VII. The costs of any auditor engaged at the initiative of the Customer shall be borne by the Customer, unless the audit is triggered by a breach of the Supplier's obligations, in which case the Supplier shall bear the costs.

16. Liability and damages

- I. The Supplier shall be liable to the Customer for all loss, damage and expense arising from any breach of the obligations set out in these AI clauses or the Contract, in particular in connection with the improper operation, use or security of the AI System. The Supplier is also responsible for the activities of its subcontractors, partners and other persons involved in the development or operation of the AI System as if they were its own activities.
- II. The Supplier's liability shall include indemnification for any costs, fines, penalties or third party claims incurred by the Customer as a result of the Supplier's breach of its obligations under these AI clauses or the law, including the AI Act.

Valid from on March 2, 2026