



Sustainability Report

2021 | Veolia Czech Republic Group

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1 | SUSTAINABILITY REPORT

The Sustainability Report of the Veolia Czech Republic Group ("Report") reflects and meets the requirements of Directive 2014/95/EU of the European Parliament and of the Council as regards disclosure of non-financial reporting. It provides non-financial information relating to environmental matters, social and employee-related matters, our work with customers and society.

The report is published once a year in electronic form and is available on the website of the Veolia CZ Group under Press Centre / Publications. The Report discloses non-financial information of all the companies within the Veolia Czech

Republic consolidation scope, except for Veolia Powerline Kaczyce Sp. z o.o., whose disclosures are not included.

The Report provides non-financial information for the reporting period from 1 January to 31 December 2021. It supplements the annual reports of the individual Veolia CZ Group companies that provide information on their economic and financial performance.

The Report has not been checked by an external auditor. However, Grant Thornton has audited the performance indicators of all the sustainable development areas.

2 | FOREWORD BY THE CEO, VEOLIA CENTRAL & EASTERN EUROPE

Ecological transformation is not just a catchy slogan; it is an everyday imperative.

We are the company that lights the way in the ecological transformation. We strive for the faster and more massive deployment of existing solutions while investing in research and innovation to anticipate tomorrow's needs on a global scale.

The tasks we set ourselves one by one concern all areas of our activities: financial, economic, environmental, commercial, human resources and social. In 2021, the year this Sustainability Report covers, it really was no mean feat in many respects. It was difficult not just due to Covid-19 – it was about Veolia's overall situation and delivering on all basic parameters in these difficult times. At the same time, we were also looking into the future and preparing other programmes and strategies such as IMPACT 2023.

IMPACT 2023 is directly related to our sustainability strategy, such strategies becoming an integral part of any business.

The three core areas of our activity are related, yet certain approaches and specific solutions may differ starkly. When sustainability is at stake, however, water, energy, waste management, they are all aligned. The tasks in the field of energy are the most urgent since a full coal exit to protect climate and stop global warming is in the interest of all Europe. We are among those who subscribe to this commitment to phasing out coal completely by 2030. This is obviously not an easy undertaking if we consider how big the share of heating in our energy division is. We will certainly manage it, though; every year, we take a growing number of specific steps.

The Veolia Energie ČR Group invested CZK 1,839 million in 2021. From 2023 on, Veolia wants all of its installations to meet the strictest environmental limits.

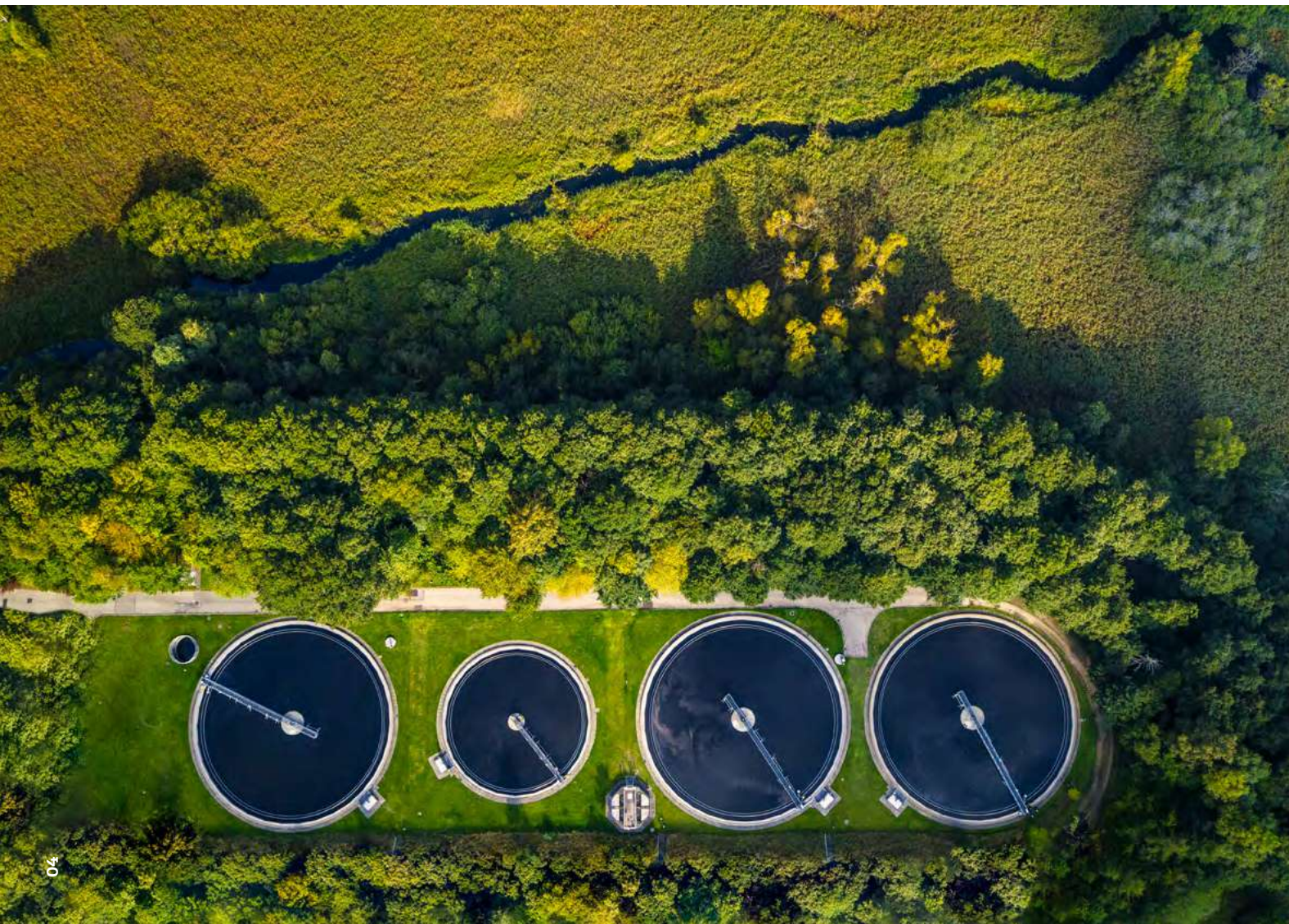
In the water business, it is all about the sustainable use of water resources, new technologies and reducing loss of costly and, in certain areas, scarce water. In the upcoming period, we will strengthen our activities in the circular economy having acquired Suez with more than 1,400 employees. This represents a tremendous achievement for our Group in the recent period, and it will certainly have a very positive effect on our future sustainability reports.

The crisis of the past few years, which is far from over yet and has also to do with the developments in Ukraine, confirms that the strategic decisions we recently made with regard to the Group and our customers were right. I will mention primarily reducing our dependence on fossil fuels and global supply chains. If we can tackle these risks, it will give us the independence and strength to freely choose our strategy and the directions for the further development of our company to cater to the needs of future generations.



PHILIPPE GUITARD

CEO
Veolia Central & Eastern Europe



“

ECOLOGICAL TRANSFORMATION IS OUR PURPOSE

It is urgent

Never have ecological imperatives been so immediately perceptible and their consequences on our societies so apparent to communities. Climate change, depletion of resources, collapse of biodiversity, multiple forms of pollution: The ecological emergency requires us to go well beyond the “transition” alone.

We must act now

We can no longer procrastinate and gradually adapt our ways of doing things. The time has come for ecological transformation, for clear-cut and structuring decisions. As the reference company for the ecological transformation, we are committed to accelerating and massively deploying existing solutions, while investing in research and innovation to anticipate tomorrow’s needs on a global scale.

With solutions that turn the tide

Only in-depth transformations will enable us to adapt production and consumption patterns in a concrete and massive way. We design and implement concrete solutions to accelerate the ecological transformation and deliver a useful circular economy that protects the planet and the future of humanity.

For and with our stakeholders

We work hand in hand with our stakeholders – industry and agriculture, local and national authorities, NGOs, individuals and citizens – in the belief that economic, environmental, social and community needs must be considered as a whole, in the same chain of responsibility.

**OUR AMBITION IS HUGE,
BUT SO IS OUR DETERMINATION**

”

3 | INTRODUCING VEOLIA CZECH REPUBLIC GROUP

Veolia Czech Republic Group (“Veolia CZ”) is part of Veolia, a multinational group and the global leader in optimised resource management, which operates on five continents and employs nearly 220,000 people. Veolia designs and deploys solutions for the management of water, waste and energy that are contributing to the sustainable development of communities and industries. Through its three complementary activities, Veolia helps to develop access to resources, to preserve available resources, and to renew them.



VEOLIA HAS BEEN FURNISHING ADVANCED TECHNOLOGICAL SOLUTIONS IN THREE AREAS



3.1 | Veolia in the Czech Republic and key figures for 2021

WATER

Veolia Group is one of the leading service providers present on the Czech water market since 1996. Within their distribution sectors, Veolia Group companies supply drinking water to a total of 2.64 million people and provide wastewater collection and treatment services for 2 million people. Clients can reach out to 13 Customer Service Centres and 7 contact points.

The Veolia Group includes these water companies:

- Pražské vodovody a kanalizace, a.s.
- Česká voda – Czech Water, a.s.
- MORAVSKÁ VODÁRENSKÁ, a.s.
- Královéhradecká provozní, a.s.
- Středočeské vodárny, a.s.
- 1. SčV, a.s.
- RAVOS, s.r.o.
- Vodohospodářská společnost Rokycany, s.r.o.

ENERGY

Veolia Energie Group is one of the Czech Republic's largest heat producers and suppliers and providers of ancillary services for the Czech transmission system. Present in the Czech Republic since 1991, it operates in the Moravia-Silesia, Olomouc, Central Bohemia, Karlovy Vary and Prague regions. Our companies are also a major independent electricity producer and, besides supplying heat and electricity, they provide customers with comprehensive energy services.

The Veolia Energie Group includes these companies:

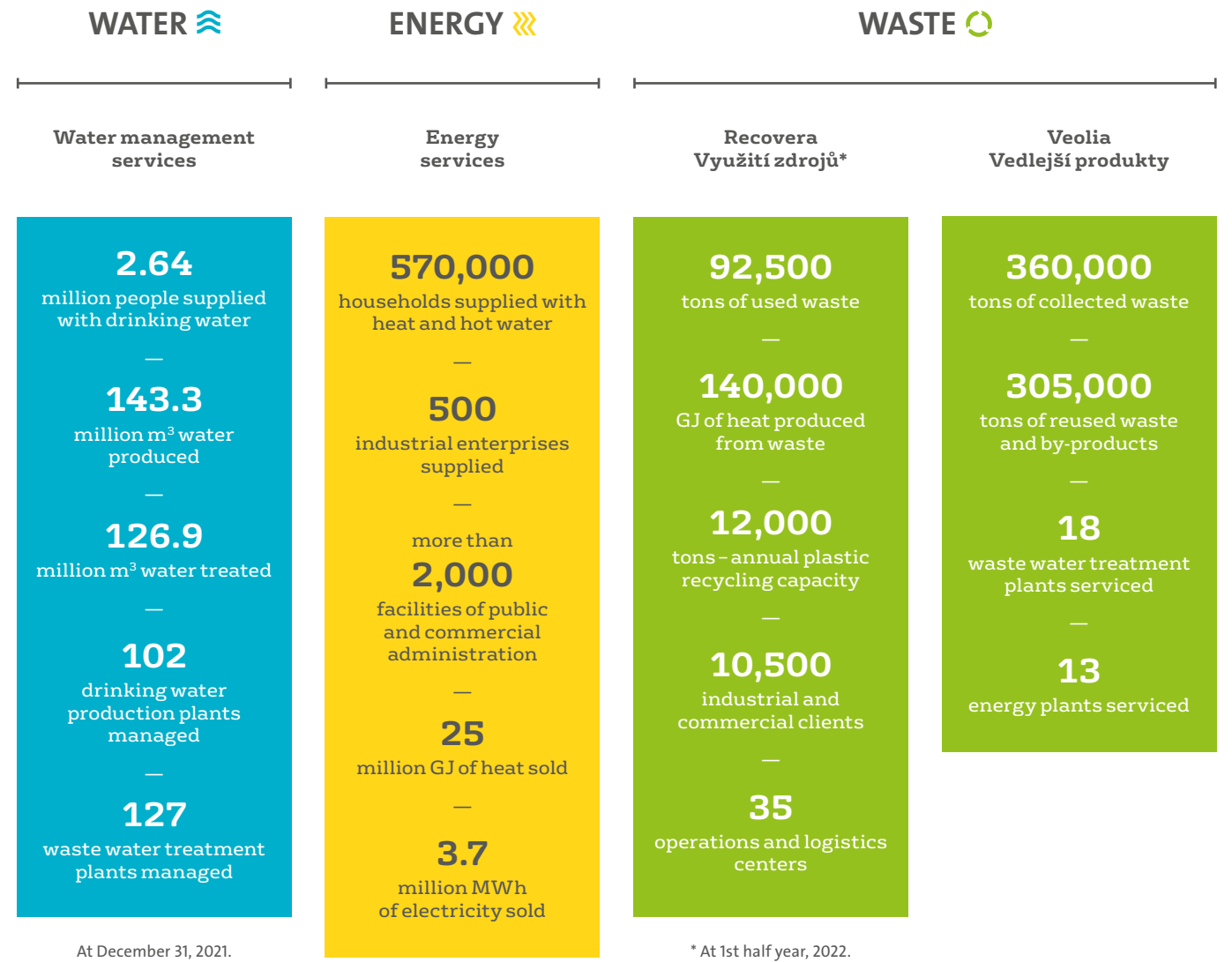
- Veolia Energie ČR, a.s.
- Veolia Energie Praha, a.s.
- Pražská teplárenská a.s.
- Veolia Energie Kolín, a.s.
- Veolia Energie Mariánské Lázně, s.r.o.
- Veolia Smart Systems ČR, s.r.o.
- Veolia Průmyslové služby ČR, a.s.
- Veolia Powerline Kaczyce*
- Veolia Komodity ČR, s.r.o.
- Olterm & TD Olomouc, a.s.
- AmpluServis, a.s.

* Disclosures for this entity are not included in this Report.

CIRCULAR ECONOMY

Veolia Vedlejší produkty ČR's role within the Veolia CZ Group is to deliver on the comprehensive and cost-effective recovery of waste and by-products from the water and energy sectors, all while meeting the most stringent environmental protection, sustainable development and circular economy criteria. Since 2022, thanks to the completed acquisition of the waste arm of SUEZ in the Czech Republic, Veolia CZ will be significantly strengthening its position on the Czech waste management and recovery market, climbing up among the four largest operators on the market.

Key figures for business lines for 2021



Transversal SERVICES COMPANIES in the Veolia CZ Group

Solutions and Services, a.s., provides IT and central purchasing services to Veolia CZ Group companies.

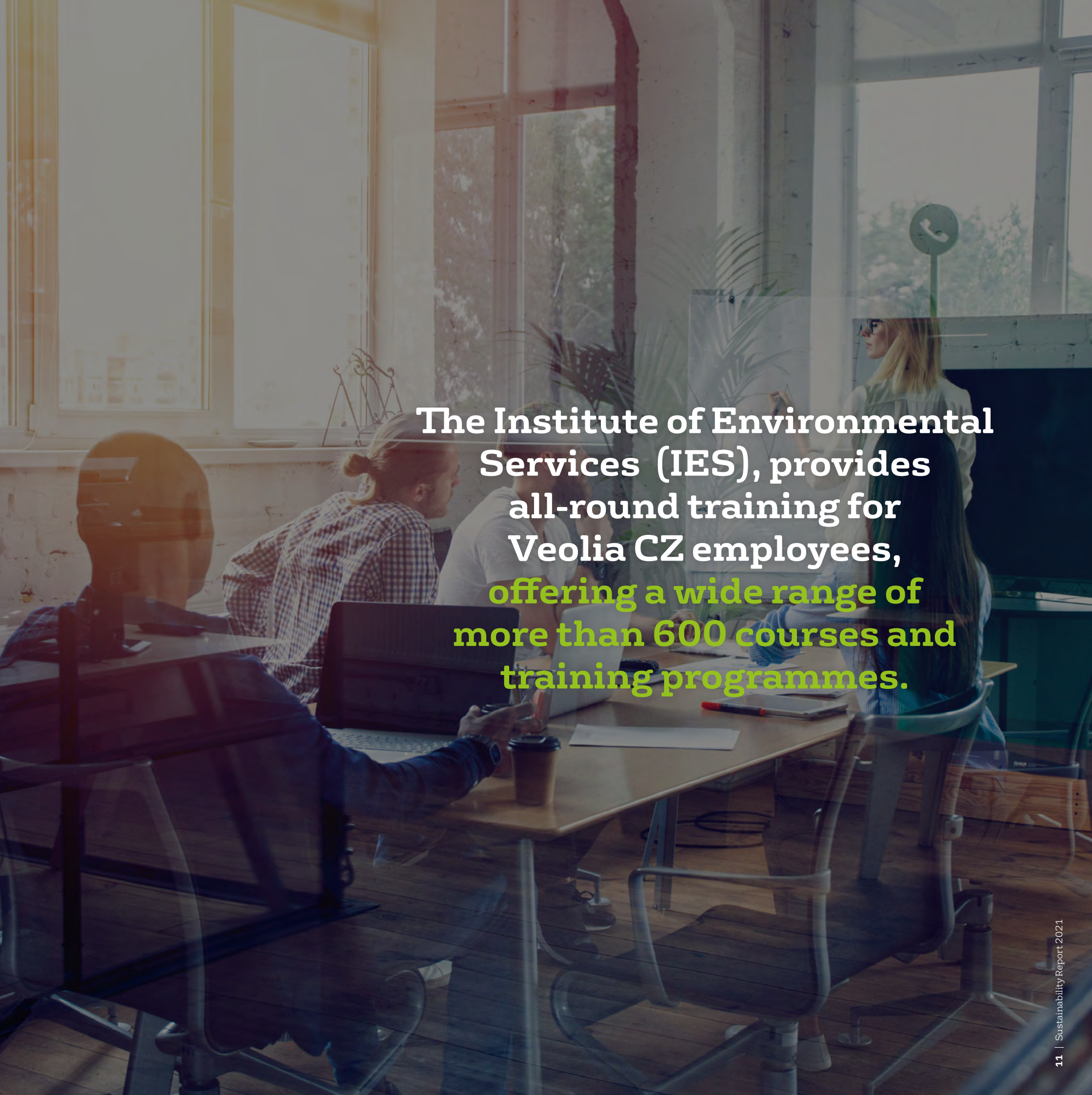
The Institute of Environmental Services (Institut environmentálních služeb, a.s., IES), provides all-round training for Veolia CZ employees, offering a wide range of more than 600 courses and training programmes, many accredited by the Czech Ministry of Education, Youth and Sports. The IES is also an important link in the international chain of Veolia Group training centres known as Veolia Campuses.

Initiatives, ratings and awards 2021

In 2021, Veolia was **one of the initiators of the Sustainable Business Forum**. It is a platform founded by Veolia, among others, under the French-Czech Chamber of Commerce, that brings together firms who consider social and environmental indicators to be as important as their economic performance. They also want to showcase examples of good practice demonstrating that sustainable business is the right direction that other firms and institutions can join.

In 2021, Veolia Energie won two of the four Crystal Chimneys awarded **for the year's best district heating projects**. Environmental projects completed in 2020 at the CHP plants in Ostrava and Přerov and a development project in Olomouc earned plaudits from the Association for District Heating of the Czech Republic. These projects and investments make a vital contribution to improving the environment. Veolia won an award for air pollution emission cut projects at the Ostrava-Přivoz CHP Plant and the Přerov CHP Plant. Both are undergoing extensive greening work and will be among the first Czech CHP plants to exit coal completely and to switch to cleaner fuels. The successfully completed gas conversion of boiler K4 in Veolia's Ostrava CHP Plant replaced hard coal with coke-oven and natural gas, significantly reducing NOx and CO emission concentrations. At the Přerov CHP Plant, the old hard coal-fired boilers were replaced with new boilers meeting much lower emission concentrations than required by law. In both cases, both PM and CO₂ emissions significantly dropped as well. Another Veolia Group project that received an award was the expansion of the district heating system in Olomouc.

Veolia Energie ČR's anti-bribery management system successfully passed the certification audit in accordance with AbMS ISO 37001, thus becoming the second firm in the Czech Republic to obtain that certificate via the Bureau Veritas certification body. The first company ever to have obtained the certificate was Pražské vodovody a kanalizace, another Veolia Group company.

A woman with blonde hair, wearing a light-colored top, stands at the front of a meeting room, pointing at a screen. Several people are seated at a long table in front of her, looking towards the screen. The room has large windows and indoor plants.

The Institute of Environmental Services (IES), provides all-round training for Veolia CZ employees, offering a wide range of more than 600 courses and training programmes.

4 | GROUP MANAGEMENT AND GOVERNANCE

4.1 | Veolia Czech Republic Group management system

The Veolia CZ Group management system derives from the requirements of binding legislation and from recommendations of international organisations. It combines occupational health and safety requirements with quality, environmental protection, anti-bribery, business ethics and social responsibility requirements. The management of these areas relies on the procedure base, standards and values of Veolia Group that lay down clear and binding rules to be respected by all the companies in the Group.

In addition to corporate codes and charters these principles are also enshrined in Veolia Group's Key Procedures. All Veolia CZ companies have implemented the Key Procedures in their own internal policies. The method and system of the Veolia CZ Group management ensure transparency at all management levels. Procedures lay down the rules for corporate managers across the Veolia Group on their control, recruitment, remuneration, etc. The management rules define the principles that corporate managers have to follow under their functional responsibilities, i.e.:

- to observe Veolia Group's values (laid down in Veolia's Ethics Guide and/or in specific codes and manuals), especially if, as part of the responsibilities attached to their position, they enter into contracts with customers, suppliers, investors, employees and other Group stakeholders;
- avoid the concentration of powers in a single person;
- play an active role in the Group's risk prevention strategy and internal control;
- take part in controlling committees if any recommendations are to be issued;
- relay important information to shareholders.

The certification of the individual companies under the international ISO 37001 standard (anti-bribery management system) ensures transparency and an open communication with the public and other stakeholders. The implementation of the certified management (ISO 9001), environmental management (ISO 14001) and occupational safety (ISO 45001) systems guarantees the systematic mitigation of environmental risks and prevention of serious work-related injuries.

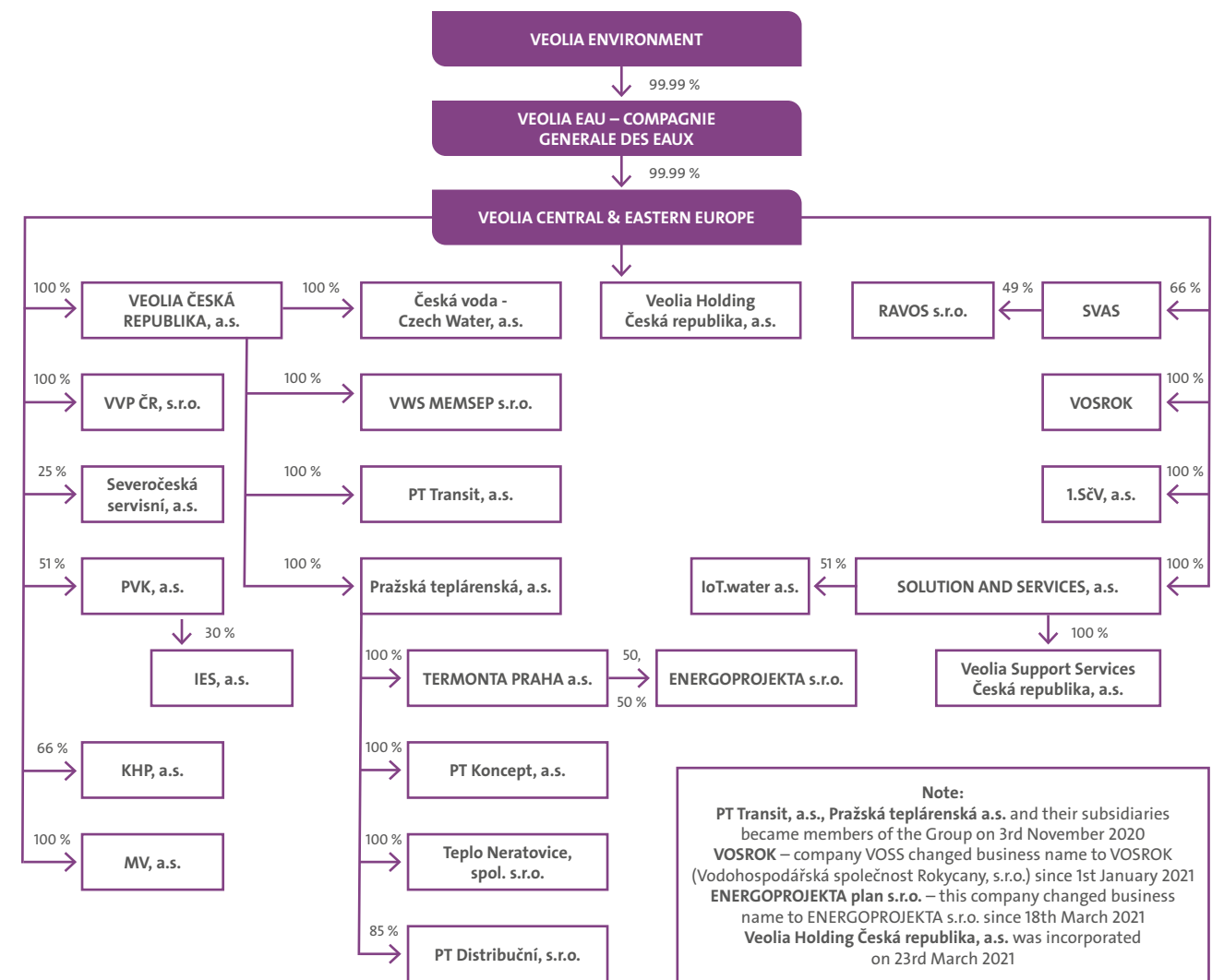
The individual Veolia CZ Group companies' governing bodies, their competences and activities are described in their respective annual reports.

4.2 | Ownership structure of the Veolia Voda ČR Group

Veolia Group water companies in the Czech Republic ("Veolia Voda ČR Group") are controlled by Veolia Central & Eastern Europe and their ultimate parent company is Veolia Environnement-VE SA.

All Veolia Voda ČR Group companies have their registered offices in the Czech Republic. Detailed information is provided in VEOLIA ČESKÁ REPUBLIKA, a.s. Annual Report for 2021 and in the Report on Related Parties for 2021 issued by VEOLIA ČESKÁ REPUBLIKA, a.s. as well as in the annual reports for 2021 as published by the individual Veolia Voda ČR Group companies.

Participation of VEOLIA CENTRAL & EASTERN EUROPE in the Czech Republic as of 31st December 2021



LIST OF ABBREVIATIONS:

- MV - MORAVSKÁ VODÁRENSKÁ, a.s.
- KHP - Královéhradecká provozní, a.s.
- PVK - Pražské vodovody a kanalizace, a.s.
- SVAS - Středočeské vodovody a kanalizace, a.s.
- IES - Institut environmentálních služeb, a.s.
- VOSROK - Vodohospodářská společnost Rokycany, s.r.o.
- VVP ČR - Veolia Vedlejší produkty ČR, s.r.o.

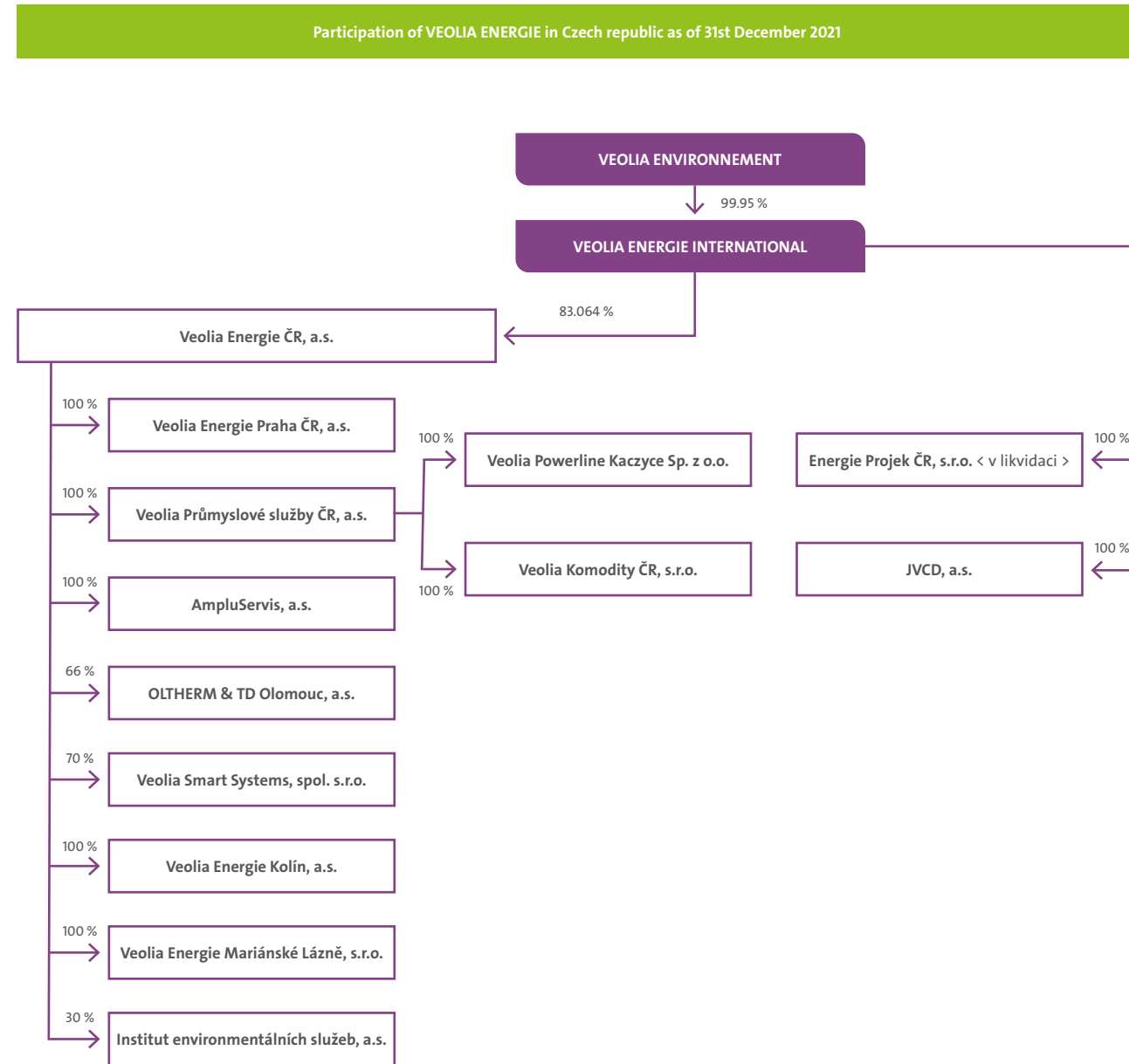
4.3 | Ownership structure of the Veolia Energie ČR Group

Veolia Energie ČR is controlled by the multinational company Veolia Energie International SA and its ultimate parent company is Veolia Environnement – VE SA.

All the companies in the Veolia Energie Group have their registered offices in the Czech Republic except Veolia Powerline Kaczyce Sp. z o.o. whose disclosures are not included in this Report.

Detailed information is provided in Veolia Energie ČR, a.s. Annual Report for 2021 and in the Report on Related Parties for 2021 issued by Veolia Česká republika, a.s.

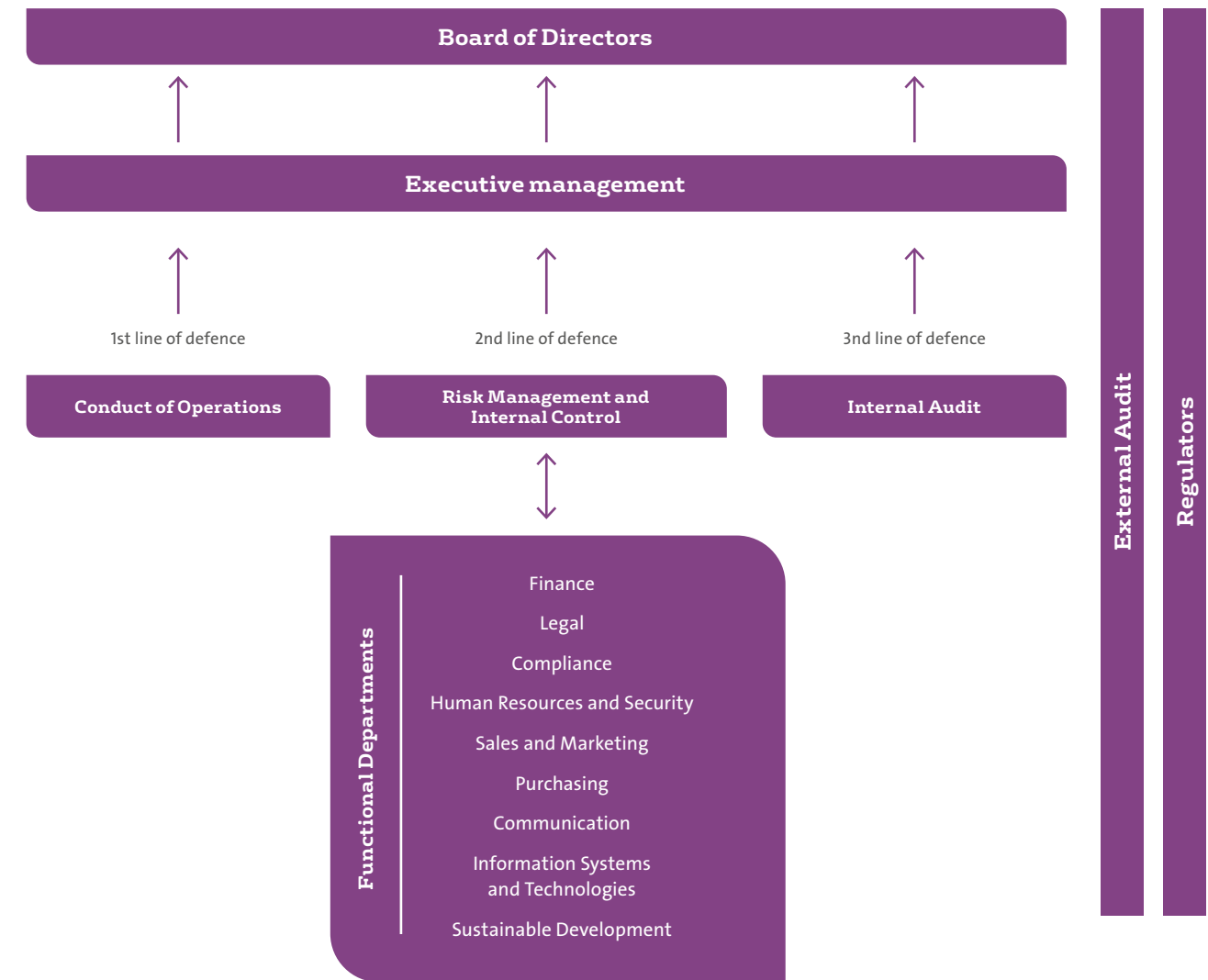
Ownership structure of the Veolia Energie ČR Group in 2021



4.4 | Risk management

Veolia continuously works on identifying risks in all areas of its business and strives to minimise them in accordance with its stakeholders’ interests while trying to use risks as opportunities for further sustained development and growth.

A system of three lines of defence is in place across Veolia’s global structure.



The Group has established an integrated risk management policy aimed at providing a comprehensive overview of the risk portfolio, using the same tools and methodologies across all Business Units and functional departments. Veolia also builds long-lasting relationships with its customers based, in particular, on its ability to manage risks delegated by them. The Group responds to this challenge, which is of fundamental importance to its development, by setting up a coordinated risk prevention and management system.

The risk management system has the following objectives:

- identify and anticipate: ensure the constant oversight of the Group's major risks so that no risk is overlooked or underestimated, understand and monitor the environments in which the Group operates and anticipate changes in the nature or intensity of those risks;
- organise: ensure that the main identified risks are effectively addressed at the most appropriate level within the Group. Numerous operational risks are managed at Business Unit level on a national level. Others, which require specific expertise or are of a primarily transversal or strategic nature, are handled directly at the head office;
- process: ensure that the structure and resources employed are effective so as to control as best as possible the identified risks, in line with the Group's values and strategy;
- raise awareness and inform: communicate on risks to the various financial and non-financial stakeholders.

The central Risk Department has implemented an integrated risk management system covering far-reaching issues regarding strategy, performance and compliance.

It is supported by a network of risk managers and deploys its risks management system in the functional departments and special-purpose committees, as well as in the zones and Business Units. The main activities of the Risk Department and its network are: mapping risks in general and risks related to the pursuit of the corporate strategy, Our Purpose; implementing the risks and opportunities programme; mapping bribery risks; and analysing human rights risks.

Risk mapping

Together with its network, the Risk Department has developed a common process designed to identify and prioritise events that may prevent the Group from reaching its objectives. It is based on a common methodology and a Governance Risk and Control (GRC) digital tool, enabling the consolidation of major risks by zone and Business Unit. After consolidating the risks, interviews are held with head office functional directors to complete the identification and assessment of Group risks.

Members of the Board of Directors also participate in risk mapping, providing an external perspective of Veolia's risks. The Group's risk mapping is updated each year in accordance with this methodology. Zones and Business

Units have a risk map prepared in compliance with the main market benchmarks (notably COSO – Committee of Sponsorship Organizations of the Treadway Commission) and in accordance with ISO 31000 on risk management.

The identified risks are assessed in terms of their impact and frequency, taking account of risk control measures. The "risk owners" are in charge of designing and implementing action plans in liaison with the risk managers for their zone and/or country and/or head office, so as to limit and manage risk exposure. The network of risk managers contributes to defining the corresponding action plans and steering the overall process. It also plays a role of warning and coordination for emerging risks.

Mapping of multifaceted performance risks

The Risk Department assists the Strategy Department and the head office functional departments with the Group's transformation to attain the performance objectives.

More in the table of sustainable development objectives, p. 28-29.

Country risk and opportunities programme

Since 2013, the Risk Department has conducted specific analyses by country and region, through its "country risk and opportunities programme". This program assesses, in particular, political risks, economic risks, the risk of institutional instability and corruption risks. It provides Commitment Committees with the information necessary to assess external factors potentially impacting Group and zone investment projects. In 2021, this programme enabled the implementation of dashboards monitoring the spread of Covid-19 and the appearance of its variants in the geographies where Veolia operates.

Corruption risk mapping

The Chief Risk Officer presented the results of the first mapping of Group corruption risks to the Executive Committee, the Management Committee and the Board of Directors' Accounts and Audit Committee in 2018, with an update in 2020. The deployment of the corruption risk mapping has continued in new entities and other Business Units since 2019.

Analysis of human rights risks

The Risk Department has been analysing human rights risks within Veolia since 2014. To this end, it analyses external risk factors in the geographies where the Group operates and surveys managers in zones and Business Units. The conclusions of the analysis were used to adapt the human rights management system to take account of risk factors, with an approach founded on prevention and awareness raising.



An integrated risk management policy is implemented throughout the whole Veolia Group.

4.4.1 | Main risk factors and management measures

The main risks that Veolia CZ faces are subject to an annual mapping process involving all of the Group's subsidiaries and functions. In April 2021, Veolia CZ updated this risk map, which is transcribed and summarised in the risk matrix presented below. Risks are classified here according to their potential impact and probability of occurrence, and ranked within each unit. This risk matrix reflects the Group's exposure to risks, integrating the control actions in place to reduce their impact and probability.

Furthermore, in its internal rules and procedures, Veolia is uncompromising with regard to the application of internal rules and standards in terms of occupational safety, ethics and compliance. These rules and standards are qualified as non-negotiable. The related risk factors are indicated below. Veolia strengthens its control system over the long-term as part of a preventive approach, to minimise the probability of this type of risk occurring. Veolia may change its assessment of this order of importance at any time, notably as a result of new external events or events specific to the Company.

Group risk matrix

IMPACT	High	<ul style="list-style-type: none"> → Corruption and business integrity risks (CSR) → Risks related to tangible and intangible property, and information systems → Human rights risks (CSR) 	<ul style="list-style-type: none"> → Risks relating to market changes → Competition risks → Risks relating to employee health and safety (CSR) 	
	Moderate	<ul style="list-style-type: none"> → Political risks → Risks of skills availability (CSR) → Personal security risks 	<ul style="list-style-type: none"> → Risks relating to the selection and integration of acquisitions → Risks related to fluctuations in the price of energy and commodities → Seasonality risks → Third-party liability risks and particularly health and environmental risks (CSR) → Risks relating to changes in business lines 	<ul style="list-style-type: none"> → Economic risks → Risks relating to regulatory changes, particularly in the area of health or the environment → Counterparty risks relating to operating activities → Risks relating to climate change (CSR)
	Low	<ul style="list-style-type: none"> → Transformation risks linked to multifaceted performance (CSR) → Currency risk 	<ul style="list-style-type: none"> → Risks relating to the business climate → Risks relating to natural disasters (CSR) → Risks relating to tax developments → Liquidity risks 	<ul style="list-style-type: none"> → Risks relating to long-term contracts
		Low	Moderate	High
PROBABILITY OF OCCURRENCE				

4.5 | Principles for Supplier Relationships

The purchasing process in the Veolia CZ Group is largely centralised and implemented through subsidiary Solutions and Services, a.s. Veolia CZ applies a sustainable development policy which aims to promote human rights, facilitate social welfare and preserve the environment. In this context, all suppliers undertake to respect scrupulously the regulations applicable in these domains as well as the standards fixed by the Veolia CZ Group, in particular in Veolia Commitments to Sustainable Development, in the declaration of Commitment to Diversity and in the declaration of Commitment to Accident Prevention and Health & Safety. Respecting the sustainable development clause constitutes one of the essential obligations of any supplier contract entered into.

Veolia CZ has set the rules of conduct for third parties in Group workplaces in connection with occupational health and safety, fire protection, and environment preservation. Suppliers follow the current recommendations contained in the documents specified below:

Every year, Veolia CZ takes part in the Ecovadis global campaign, motivating its suppliers to undertake an ESG audit conducted by Ecovadis. Since 2018, the purchasing process has included an audit of the individual areas of ESG in suppliers' establishments, which is then recorded in the Report on Supplier's Establishment. These reports are prepared using a template created by the parent company in France and stored in a Veolia database. The audit evaluates a supplier's approach to health and safety at work, the environment, and social aspects such as the protection of human rights, and the results are recorded in a specific form. On average, 25 audits are organised every year.

Veolia CZ adopted further ESG measures at the end of 2021. The central Purchasing Department developed a new policy for selecting suppliers, accentuating multiple ESG aspects. Suppliers respond by completing the form. Where feasible, each supplier is checked by a robot before a request for quotation is sent, prior to concluding a contract and periodically during the cooperation; the robot verifies publicly accessible information about the supplier to the extent determined by the compliance manager.



Supplier Charter – General Principles for Supplier Relationships

← Download the document



Rules for third parties' conduct in relation to sustainable development

← Download the document



Rules for third parties' conduct – IT security

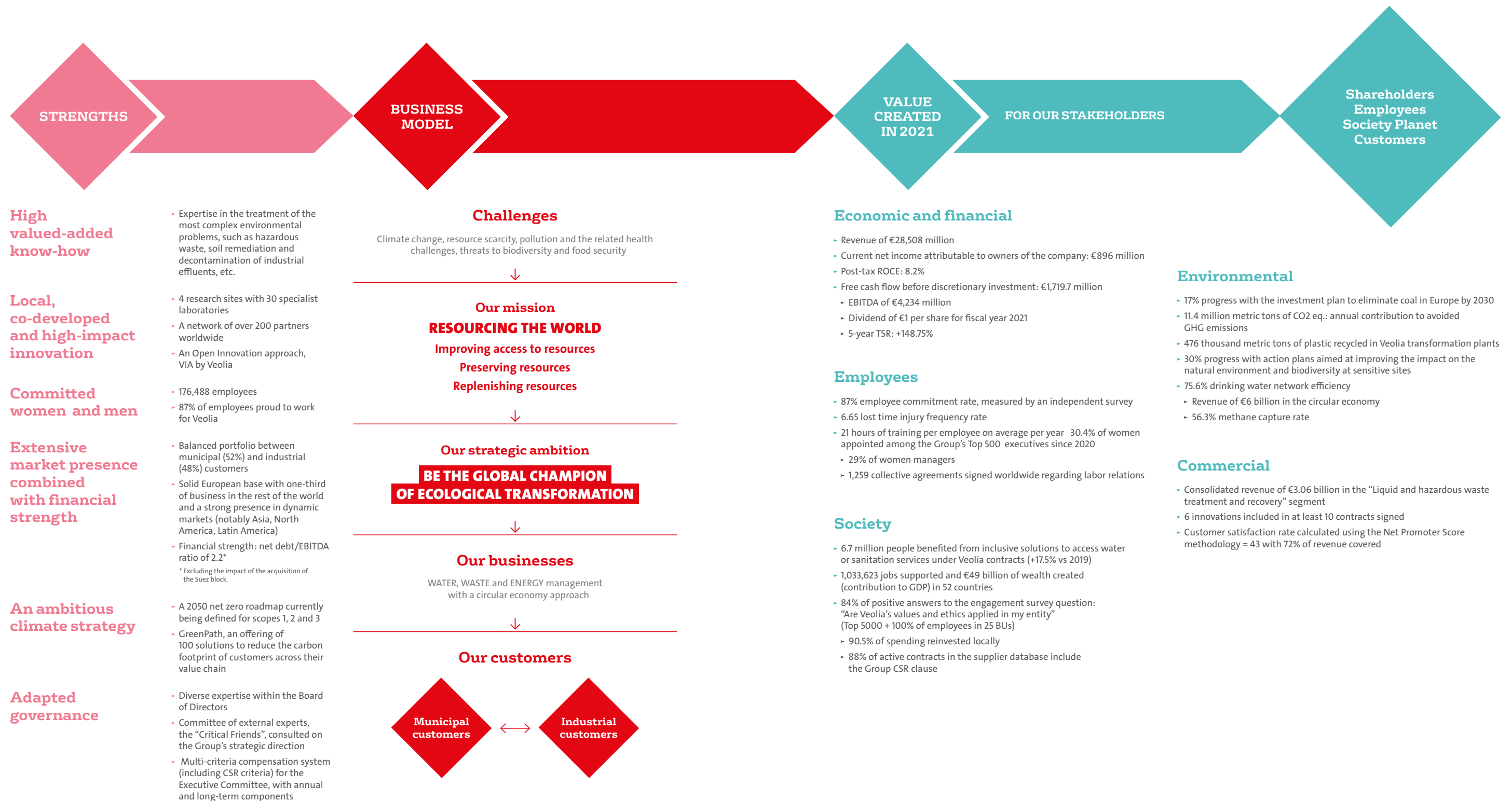
← Download the document



Rules for third parties' conduct in relation to occupational health and safety, fire protection, and environment preservation

← Download the document

5 | VEOLIA GROUP'S SUSTAINABILITY STRATEGY



This double page contains data for the Veolia group worldwide valid as of December 31, 2021.
- Multifaceted performance indicators

5.1 | Veolia's Purpose and its implementation in the Impact 2023 strategic program

Veolia's purpose is to contribute to human progress. This is why the Group firmly committed to the sustainable development goals set by the UN to achieve a better and more sustainable future for everyone. It is with this aim in mind that Veolia set itself the task of "resourcing the world" through its environmental services business.

In the conduct of its current businesses in water, waste and energy, it offers its public and private customers solutions that facilitate access to essential services and natural resources, and that efficiently conserve, use and recycle those natural resources. Improvement of our environmental footprint is central to our business and its economic model.

Veolia is a company that is both local and global with a high level of technical know-how and labour, and which commits for long periods of time. Veolia guarantees long-term results for its customers by leveraging its long-term experience, high internal quality standards and its high capacity for innovation.

Veolia is a working community where, in addition to an income and respect for their health and safety, everyone can find a sense of purpose in what they do, commitment to rewarding collective action and personal fulfilment. Employees' skills are developed through ongoing education and training.

Veolia relies on their responsibility and autonomy at all levels and promotes professional equality between women and men. The Group promotes social dialogue which encourages employees to adopt its collective project as their own.

Corporate governance guarantees compliance with applicable laws and regulations, and it also applies to issuing ethical rules consistent with Veolia's corporate values:

- Responsibility
- Solidarity
- Respect
- Innovation
- Customer focus

Veolia's prosperity is founded upon its usefulness to all its stakeholders in the various regions where it operates, whether they be customers, shareholders, employees, suppliers, current populations or future generations. Its performance must therefore be assessed in various dimensions corresponding to those different communities concerned.

5.2 | Shared effort between Veolia and its stakeholders

Opening the Company towards its stakeholders is key to the purpose of Veolia's activities and plans.

Veolia is prepared to cooperate with all its stakeholders and to communicate with them regularly at the local, regional, national, and international level. Our main stakeholders comprise five main categories:

- Employees
- Clients
- Shareholders
- Society
- Planet

Certain stakeholders are also our contractual partners (e.g. our employees, customers and suppliers) while others are not (citizens, NGOs, media, future generations, etc.).

Veolia's employees try to listen to and understand the needs and priorities of the individual stakeholders. The objective is to integrate these needs into the corporate decision-making processes and give stakeholders feedback on how decisions are implemented in practice and what their impact on sustainable development is. The purpose of fostering and developing stakeholder relations is to find ways to implement in practice measures and solutions leading to ecological transformation, which will have a positive effect on all stakeholders.



PLANET

- Environmental organisations
- Associations and foundations
- Experts / academics
- International and European institutions
- Governments (within and outside the OECD zone)
- Organisations of public institutions (UN, OECD, IMF, GRECO, etc.)
- Citizens and especially future generations

CLIENTS

- Local authorities
- Manufactures and tertiary sector (key accounts and local players)
- States
- Consumers, agricultural consumers and end users
- Prospects

SHAREHOLDERS

- Shareholders and directors
- Investors / Social Responsible Investment (SRI)
- Banks / Insurers and insurance brokers
- Statutory / external auditors
- Partners / joint ventures / consortia

EMPLOYEES

- Employees, apprentices, work-study students, interns (Group, Zones and BUs)
- Trade unions / employee representatives
- Candidates / former employees

SOCIETY

- Governments / Ministries
- Local / national / legal /supervisory authorities
- Public authorities / citizens /residents / neighbourhood associations
- Competitor companies
- Service providers (suppliers, subcontractors)
- Foundations and associations
- Employers ´and trade union organisations
- Financial and non-financial rating agencies
- Critical Friends
- Experts, researchers and scientists
- Academies, Universities and Schools (students)
- Partners (socially responsible companies, start-ups, research institutes)
- Public opinion (opinion surveys, industry reports)
- Focus groups / think tanks, opinion leaders
- Media (TV, radio, press, internet, social networks)

5.3 | Alignment of strategic goals with stakeholders' expectations

The interactions with stakeholders' representatives at a global Veolia Group level has resulted in a list of 24 topics that are crucial for Veolia and its stakeholders. The topics were analysed and the result is a list of the 10 most significant challenges for Veolia's external and internal stakeholders.



THE 10 MOST SIGNIFICANT CHALLENGES FOR THE VEOLIA'S EXTERNAL AND INTERNAL STAKEHOLDERS



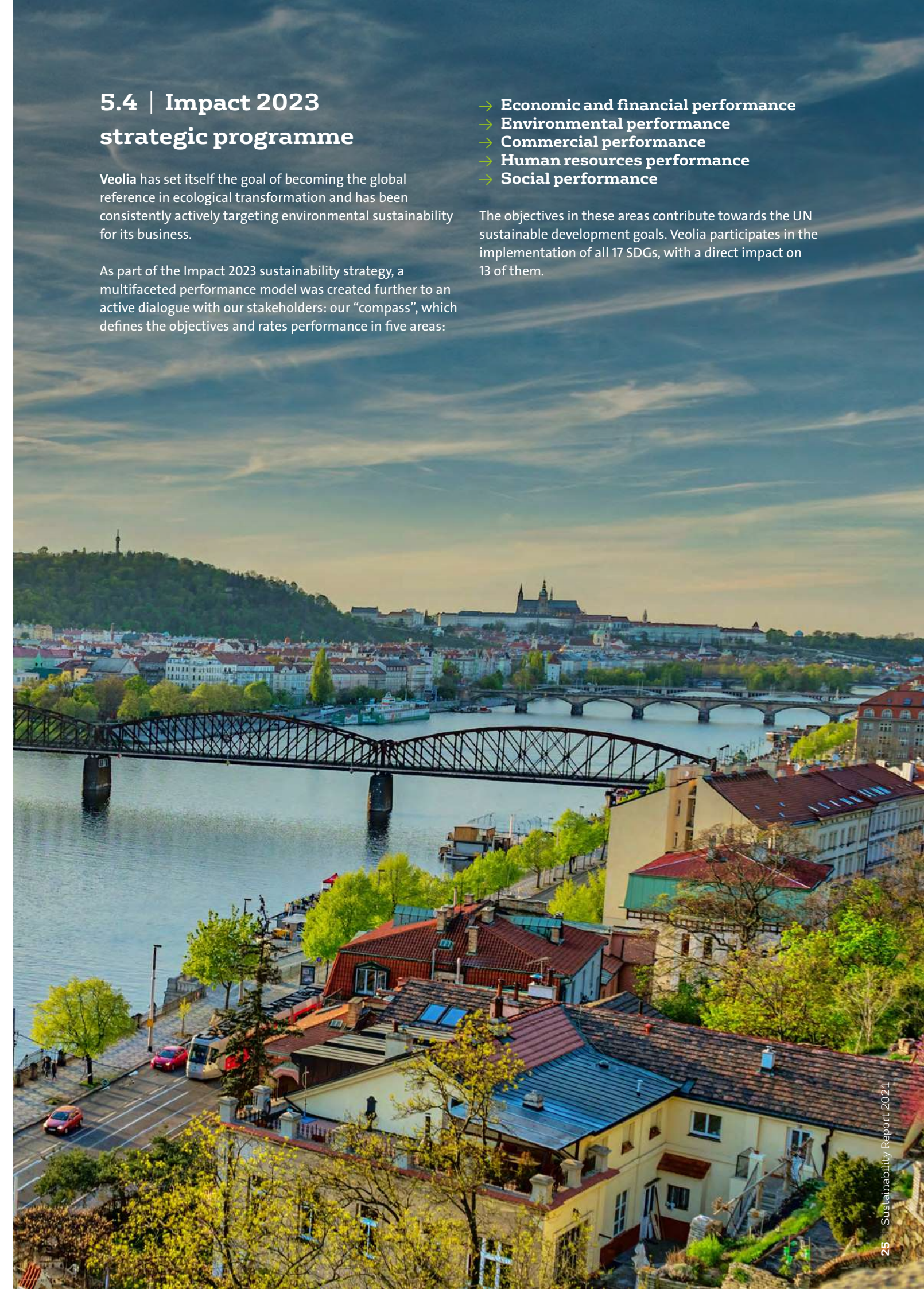
5.4 | Impact 2023 strategic programme

Veolia has set itself the goal of becoming the global reference in ecological transformation and has been consistently actively targeting environmental sustainability for its business.

As part of the Impact 2023 sustainability strategy, a multifaceted performance model was created further to an active dialogue with our stakeholders: our "compass", which defines the objectives and rates performance in five areas:

- Economic and financial performance
- Environmental performance
- Commercial performance
- Human resources performance
- Social performance

The objectives in these areas contribute towards the UN sustainable development goals. Veolia participates in the implementation of all 17 SDGs, with a direct impact on 13 of them.



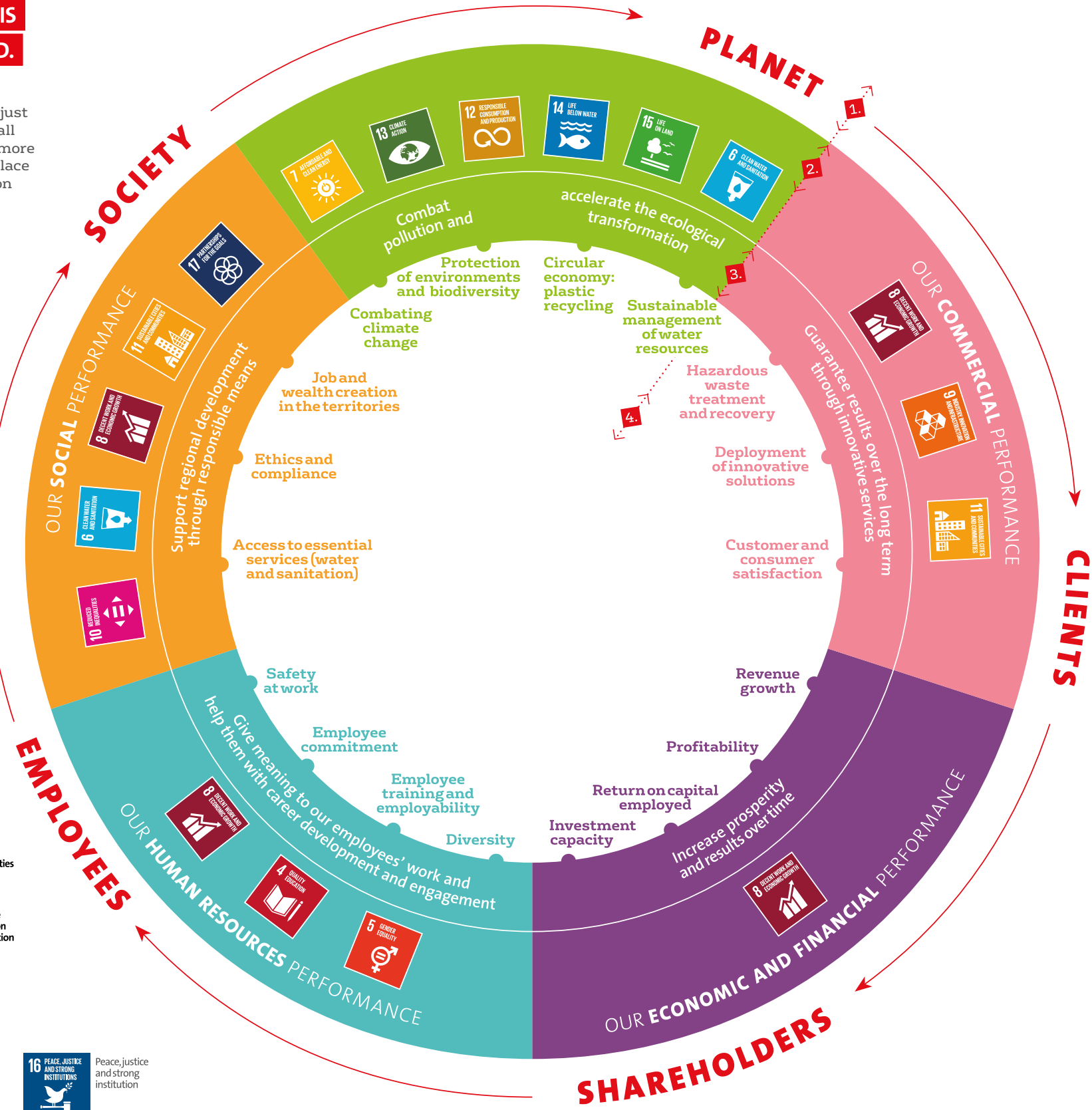
OUR BUSINESS IS PROSPEROUS BECAUSE IT IS USEFUL AND NOT THE OTHER WAY AROUND.

In April 2019, the Veolia Group defined its Purpose. It is not just a motto, but an entire philosophy that will be a compass for all interested parties in the long-term development towards a more sustainable society. The ambition of the Veolia Group is to place the same demands on social and environmental results as on financial and commercial ones.

- 1 Our stakeholders**
- 2 Our performance**
- 3 Our commitments**
- 4 Our goals**

Our participation in the Sustainable Development Goals (SDG)
 Veolia participates to a varied extent in the implementation of all 17 SDGs. In particular, the Group plays a major role in 13 SDGs, where the challenges directly cut across its Purpose.

	1 NO POVERTY No poverty		6 CLEAN WATER AND SANITATION Clean water and sanitation		11 SUSTAINABLE CITIES AND COMMUNITIES Sustainable cities and communities
	2 ZERO HUNGER Zero hunger		7 AFFORDABLE AND CLEAN ENERGY Affordable and clean energy		12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible consumption and production
	3 GOOD HEALTH AND WELL-BEING Good health and well-being		8 DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth		13 CLIMATE ACTION Climate action
	4 QUALITY EDUCATION Quality education		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, innovation and infrastructure		14 LIFE BELOW WATER Life below water
	5 GENDER EQUALITY Gender equality		10 REDUCED INEQUALITIES Reduced inequalities		15 LIFE ON LAND Life on land
					16 PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, justice and strong institutions
					17 PARTNERSHIPS FOR THE GOALS Partnerships for the goals



Veolia has been working for a long time to reduce its environmental impact through top technical know-how and maximum support for innovation. We are pioneers in the circular economy.

Veolia is open to its stakeholders - customers, local communities or shareholders. We actively listen to them, we cooperate closely, we fulfill our obligations towards them. We are open regardless of our own goals, results and lessons learned.

Veolia builds a healthy and stimulating work environment for its employees, so that they can devote themselves to achieving common company goals with full commitment and the necessary knowledge.

5.5 | Veolia CZ – sustainable development goals and their implementation in 2021

Veolia ČR has set itself objectives that it assesses at the Czech national level. The objectives contribute to the implementation of Veolia's global objectives.

OBJECTIVES AND ASSOCIATED INDICATORS	Unit	Reference value 2019	2020	Target 2021	Actual 2021	% of completion of target 2021	Target 2023
ECONOMIC & FINANCIAL PERFORMANCE							
Revenue growth Annual growth in published revenue	%	-	-	13.76	18.93	137.52	-
Profitability Current net income - group share	MCZK	-	-	671.6	250	38.17 %	-
Return on capital employed Roce before tax	%	-	-	10.31	10.44	101.18	-
Investment capacity Free Cash Flow before discretionary growth Capex	MCZK				n/a		
HUMAN RESOURCES PERFORMANCE							
Employee commitment Rate of engagement of employees measured through an independent survey	%	86	89	89	89	100	90
Safety at work Frequency rate	%	1.98	2.1	2.0	1.7	74,1	<2
Employee training and employability Average number of training hours per employee per year	nb of hours	24	16	20	18	90 %	23
Diversity Proportion of women appointed among the top 500 Group executives during the 2020-2023 period (%)	%	18	28	25	50	200	≥50
ENVIRONMENTAL PERFORMANCE							
Combating climate change Reducing GHG emissions: progress with the investment plan to eliminate coal in Europe by 2030	%	n/a	2	13	10	80	28
Combating climate change Annual contribution to avoided GHG emissions (assessed with regard to a reference scenario)	th. tons of CO ₂ eq.	-	-	293	1	0.34 %	225

OBJECTIVES AND ASSOCIATED INDICATORS	Unit	Reference value 2019	2020	Target 2021	Actual 2021	% of completion of target 2021	Target 2023
Circular economy: plastic recycling Volume of recycled plastic in Veolia transformation plants	tons				n/a		
Protection of environments & biodiversity Rate of progress with action plans aimed at improving the impact on the natural environment and biodiversity at sensitive sites	%	n/a	n/a	25	45	180	90
Sustainable management of water resources Efficiency of drinking water networks (Volume of drinking water consumed / Volume of drinking water produced)	%	87.0	85.6	-	84.63	-	85.20
COMMERCIAL PERFORMANCE							
Customer and consumer satisfaction Customer satisfaction rate calculated using the Net Promoter Score methodology	value	-	-	36	32	83 %	>30
Deployment of innovative solutions Number of innovations included in at least ten contracts signed by the Group	nb	-	-	15	15	100 %	35
Hazardous waste treatment and recovery Consolidated revenue generated by the hazardous and liquid waste treatment and recovery activities	CZK				n/a		
SOCIAL PERFORMANCE							
Job and wealth creation in the territories Socioeconomic footprint of Veolia's activities in the countries where the Group operates, with regard to jobs supported and wealth created	nb	94	78	n/a	66	n/a	>60
Ethics and compliance % of positive answers to the commitment survey question "Are Veolia's values and ethics applied in my entity?"	%	99	70	90	90	100	95
Access to essential services (water and sanitation) Number of inhabitants benefiting from inclusive solutions to access water or sanitation services under Veolia contract	%	94.6	94.6	n/a	94.6	n/a	n/a

6 | ECONOMIC AND FINANCIAL PERFORMANCE

The following data contains unaudited consolidated figures for Veolia Group companies in the Czech Republic reported under the IFRS.

Revenue growth: Annual growth in published revenue

TARGED 2021:	RESULTS 2021:	TARGED 2023:
13.76 %	18.93 %	Annual targeted

Profitability of activities: Current net income - Group share

TARGED 2021:	RESULTS 2021:	TARGED 2023:
671.6 mil. CZK	250 mil. CZK	Annual targeted

Return on capital employed: ROCE before tax (with IFRS 16)

TARGED 2021:	RESULTS 2021:	TARGED 2023:
10.31 %	10.44 %	Annual targeted

The total Group turnover in 2021 was CZK 34.6 billion, an increase of 18.93% over 2020 and 3.9% more than the target. Of that, the Water division accounts for 43.5% with a 1.6% increase over 2020, where the year-on-year turnover increase is the result of increased rates of water and sewerage charges versus a lower amount of water and sewerage charges collected mainly due to the ongoing COVID-19 pandemic and other increases in expenditure, in particular on infrastructure system repairs.

The Energy division accounts for 56.4% of the total turnover for 2021, or up 37.5% over 2020. The increase is primarily due to the acquisition of companies of the Pražská teplárenská Group towards the close of 2020, the prices of heat, electricity and other commodities, the amount of heat, cooling and electricity purchased, and favourable weather. The Waste division accounts for less than one per cent of Veolia Group's turnover in the Czech Republic.

Current net income (minus the minority shareholders' share of the profit) for 2021 amounts to CZK 250 million.

Return on capital employed in 2021 amounts to 10.5% for the entire Veolia CZ Group. In comparison with the preceding period, there was a 1.7% increase due to the higher operating profit (EBIT) and the average capital employed, most notably the amount of both tangible and intangible assets and the amount of working capital.

7 | ENVIRONMENTAL PERFORMANCE

7.1 | Combating climate change

Progress with the investment plan to eliminate coal in Europe by 2030

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
Not applicable	2 %	13 %	10 %	28 %

Annual contribution to avoided GHG emissions (assessed with regard to a reference scenario)

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
Not specified	Not specified	293	1	225

Transformation in heat and electricity production in the Czech Republic

District heating systems are important for domestic heating in the Czech Republic. The new government's coalition agreement states that it will not allow district heating to disintegrate, that it will harness combined heat and power generation, and that it will level the market playing field. It will prepare for the transition of the heating sector to low-emission sources in such a way that prices do not rise sharply. As a matter of urgency, it will draw up a strategy for the decarbonisation of the heating sector and then consult this strategy with the relevant partners. The Czech heating sector is phasing out coal. However, the structure of heat production on a local scale is governed by the local availability of fuel. On a national scale, lignite is still first with a share of approximately 40% despite a reduction of its use, followed by natural gas with a one-fifth share and biomass with 14%. Over the last four years, the production of heat from lignite has been reduced by more than one-tenth and the production of heat from hard coal by more than a quarter. Conversely, heat from biomass has increased by almost a quarter over the same period. However, there are significant differences from one area to another. For example, in the Moravian-Silesian Region most heat still comes from hard coal, whereas the Ústí nad Labem Region leads the way in the use of biomass, reporting that it is used in 37% of heat production.

Heat production in the Czech Republic by fuel in 2017 and 2020 (in TJ)

Fuel type	2017	2020
Lignite	70,617	62,431
Natural gas	32,083	31,867
Biomass	17,631	21,971
Hard coal	19,467	13,784
Others	29,781	26,864

Source: ERÚ (Energy Regulatory Office)

In the EU, the share of renewable energy sources (RES) in the gross final energy consumption in the heating and cooling sector almost doubled since 2004, exceeding 23% in 2021. The Czech Republic is slightly above the EU average; its renewable energy share in heating and cooling stands at 23.5% according to the latest statistics.

Veolia ČR Group transformation in heat and electricity production

Veolia Energie ČR, a.s. launched a major transformation and has continued to green and upgrade technologies in order to minimise the environmental impacts of thermal energy production and to increase the share of firing biomass and alternative fuels. The most prominent investments were strategic projects at individual CHP plants and power stations related to transitioning away from coal, meeting the most stringent emission limits, and increasing efficient cogeneration.

Veolia Energie in the Czech Republic Group spent CZK 1,839 million on investments in 2021. Grants amounting to CZK 113.8 million were awarded for these investments from the Operational Programme Environment and the Operational Programme Enterprise and Innovation.

Major investment projects included the installation of steam boiler K12 at the Třebovice Power Station. Boiler K12 currently meets the most stringent environmental limits set by both Czech and European legislation and regional regulations. The modifications to the boiler and the DeNOx system will slash air emissions. Also, a Contract for Work was signed for the TG 17 turbine generator project, which will replace the outdated TG 33 system, and its implementation has begun. The new system is expected to be commissioned at the end of 2022. Electricity will therefore continue to be produced in high-efficiency cogeneration mode.

The massive greening of the Přerov CHP Plant focused on transitioning from coal to biomass, RDF and natural gas has been under way since 2018. Steam gas-fired boiler K7 and superheated water gas-fired boiler K8 were commissioned in 2021. Demolition work was carried out to prepare the site and start the installation of the multi-fuel boiler K6, which is expected to be commissioned in December 2022. The benefits of the project include both the retrofit of steam lines and the greening of the Přerov CHP Plant installations. The CHP Plant's coal-fired installations will be decommissioned on 31 December 2022, resulting in a better environment.

Our priority is reducing pollutant emissions into the atmosphere

In the years to come, the Energy business will continue its transformation so that, from 2023, all plants meet the most stringent emission limits set on the basis of the conclusions on the best available techniques (BAT) under a directive of the European Parliament and of the Council of Europe. The energy companies started preparing for, and at selected sites began implementing, the conversion of CHP plants to run on renewable, low-emission, or the most environmentally friendly fuels instead of coal. The aim is to phase out the burning of coal at installations in line with a purpose-built strategy that takes account of many outside influences (emission allowances, emission limits, electricity prices, heat prices, subsidies, the availability of coal and other fuels, etc.) along with customer needs.

The first CHP plant to be operated completely without coal will be running as early as 2022, and by 2030 Veolia will have exited coal at all its installations in the Czech Republic. Veolia Energie Kolín set an example by making legal and design preparations for the decarbonisation of the Zábří unit in 2021. Lead contractors were selected for the complete rebuild of the K5 grate-fired boiler to ready it for biomass burning in 2022, and the existing fuel management was modified in order to meet the new most stringent emission limits and to end the burning of lignite at the CHP plant at the end of 2022. The CHP Plant in Frýdek-Místek will also be fully coal-free in 2023. In effect, Frýdek will be one of the first larger towns with environmentally sound heating. Preparations started in 2021 by building a natural gas supply line. Boilers K2 and K3 will be converted to fire gas in 2022. Boiler K1 will be converted to fire biomass in 2023. With this project, the Moravian-Silesian Region's strategic goal of completing its coal exit by 2030 will be met in advance.

7.2 | Sustainable management of water resources

Efficiency of drinking water networks

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
Not specified	Not specified	Not specified	85.18 %	85.20 %

New technologies help reducing water losses

One of Veolia's priorities in water management is to reduce and prevent water losses from the water supply network. This is why the traditional methods and processes for detection and water system diagnosis have been enhanced with unique new technologies. Water companies continue with projects using modern methods of loss detection such as satellite systems, new acoustic detection systems, extending online metering and evaluation of water system zones along with support for the deployment of smart metering, both on the network and at end customers' premises. The target is to reduce leakage of unbilled water by 0.1 % compared with 2021.

Pražské vodovody a kanalizace, a.s. repeated the satellite imaging of the water system that helps revealing hidden leaks of drinking water, in effect reducing the loss of drinking water in the network. The result was 207 locations identified as at risk of hidden leakage. The year 2021 also saw the launch of a project to enhance the SWiM (Smart Water integrated Management) system by adding analysis of the control centre data through machine learning, also referred to as artificial intelligence. The project aims to identify a leak based on the difference between the measured and the expected water consumption.

7.2.1 | Protecting natural environments and biodiversity

Rate of progress with action plans aimed at improving the impact on the natural environment and biodiversity at sensitive sites

2019 baseline	2020 results	2021 target	2023 targeted
Not applicable	Not applicable	25 %	90 %

Biodiversity and preserving the quality of ecosystems

“Only one planet Earth, one nature exist. We now realise that biological diversity is much greater than we believed twenty years ago – we only know one-tenth of the existing species – and some of those species are endangered. It is our duty to protect the biodiversity around us. As the world's number one provider of environmental services, Veolia has included biodiversity among its priorities.”
Philippe Guitard, CEO
Veolia Central & Eastern Europe

Veolia CZ Group focuses primarily on monitoring and assessing the impact that its activities have on local ecosystems and on implementing measures to preserve biodiversity and support ecosystem services. We work with the Czech Union for Nature Conservation (ČSOP) towards increasing biodiversity in the facilities we operate. At these facilities, we remove components obstructing the movement of or posing a danger to animals, build watering points, install birdhouses and insect hotels, and modify the lawn maintenance systems.

Informing and training employees and raising their and the general public's awareness of biodiversity issues is an equally important part of our activity. These measures and activities were implemented in 2021 in cooperation with ČSOP at the Ostrava and Třebovice Power Stations and at the Přerov, Karviná and Ostrava Přívoz CHP plants. From the project launch in 2015 to the end of 2021, 44 sites have undergone an external environmental audit.

Environmental management at sensitive sites

For the period until the end of 2023, a list of facilities and plants was compiled using the criteria for identifying sensitive sites (Olomouc CHP Plant, Olomouc WWTP, Zlín Malenovice WWTP; CHP Plants in Frýdek-Místek, Krnov, Kolín and Prague Veleslavín, Prague Podolí WTP, Káraný WTP, and Hradec Králové Water Reservoir), where together with the conservationists from the local offices of ČSOP we will perform an environmental audit using the internal “footprint tool”. Such an audit always yields a list of operating and environmental data and information that serve as the input for setting up environmental

management and site maintenance measures to aid biodiversity, including the project budget. Once the plans and budgets for the measures are approved, the management teams of the companies that run the sites regularly monitor the steps taken and document them within the defined periods.

The support and commitments of the individual Veolia CZ Group companies towards improving environmental impact and biodiversity at sensitive sites focus primarily on:

- implementing environmental management and maintenance at 75% of sites with green areas exceeding 1 hectare;
- phasing out pesticides at 75% of sites with green areas;
- raising both internal and external awareness of environment conservation at 50% of operating sites.

We help protecting valuable natural sites in our country

Veolia CZ also helps to protect valuable natural sites in the Czech Republic, the proof of which is the Let's Return Water to Nature project pursued in cooperation with the Veolia Foundation. The project is a public fundraising effort aiming to help preserve valuable natural sites in the country, in particular wetlands. With this project, the Veolia Foundation has joined forces with ČSOP (Czech Union for Nature Conservation), which seeks suitable sites, purchases them and protects them in the long term, thus preserving them for nature. Ever since its launch, the ČSOP project has saved 60 hectares of wetlands that will be left to nature forever. Wetlands are a type of habitat that uniquely combines land and water ecosystems. Wetlands assume an increasingly important role. They are part of the natural water cycle, absorbing excess carbon dioxide from the atmosphere. They are also natural water reservoirs in the landscape and have an extraordinary capacity for retaining water, for example, during floods. A single square metre of wetland can retain as much as 900 litres of water, much more than man-made reservoirs. The Veolia Foundation raises the funds publicly by means of selling gift items as well as by providing direct financial donations to the fundraising account and cash contributions to the Foundation treasury. From the project launch in the autumn of 2018 to the end of 2021, the Veolia Foundation donated almost CZK 3.2 million for the above-mentioned purposes.

Sites supported in 2021:

Cholupice Wetland in Prague - Náklo Gravel/Sand Quarry near Olomouc - Jívka Sludge Pond in Eastern Bohemia - Mošnov Compound in the Poodří Nature Reserve - Left Bank of the Blanice River near Vlašim - Eastern Bohemian Sahara

More information about the project is available at www.nfveolia.cz

7.3 | Circular economy – plastic recycling

Volume of transformed plastic, in metric tons of products leaving plastic transformation plants
Not applicable to Veolia CZ in 2021

7.4 | Hazardous waste treatment and recovery:

Consolidated revenue of the “Liquid and hazardous waste treatment and recovery” segment
Not applicable to Veolia CZ for 2021

Stronger position on the Czech waste management and recovery market

Until this year, waste management within the Veolia CZ Group had been focusing primarily on the comprehensive and cost-effective recovery of waste and by-products from the water and energy sectors, all the while meeting the most stringent environmental protection, sustainable development and circular economy criteria. Veolia Vedlejší produkty ČR, s.r.o. is the specialised partner for utilising water treatment sludge in agriculture and producing compost or soil reclaiming substrates. For energy sector byproducts, the company works with a wide network of partners for utilising ash and clinker in construction and reclaiming activities. In its operation, it arranges for material or energy recovery of 80–90% of the total amount of waste received from Group customers.

	2019	2020	2021
Energy and water sector byproducts (thousands of tonnes)	336,080	355,214	361,000
Of which collected as waste (thousands of tonnes)	81,255	102,462	81,000
Of which utilised as a product or in agriculture (thousands of tonnes)	254,825	252,752	280,000

This year, Veolia met all the necessary requirements and is completing the acquisition of Suez. The merger of both companies concerns selected activities in the Czech Republic, specifically Suez's waste management arm, which employs more than 1,400 employees. With the acquisition, Veolia has strengthened its position on the Czech waste management and recovery market, becoming one of the top four Czech operators in the industry. Veolia has also acquired a wide range of end technologies for recycling plastic and equipment for material, biological and energy processing and the recovery of waste.

8 | COMMERCIAL PERFORMANCE

8.1 | Development of innovative solutions

Number of innovations included in at least 10 contracts signed by Veolia CZ

2019 baseline	2020 results	2021 target	2021 results	2023 target
Not applicable	Not applicable	15	15	35

Veolia's smart control centres

A modern smart control centre with as many as 10 different information systems (GIS, CIS, SCADA...) can daily process thousands of figures. Interconnecting the systems enables filtering and combining data and putting it in context. Automated exchange of data enables, among other things, improving the performance of the infrastructure in operation, enhancing the quality of maintenance, reducing the time required to repair network failures, optimising costs, heightening the security of buildings and increasing the overall safety of water management facilities. One example is the **SWiM control system** at Pražské vodovody a kanalizace (PVK). Veolia Energie can use **Hubgrade**, a smart control centre for the energy sector, with which analysts identify problematic points of the power distribution network through analysis of a huge amount of data, thus helping to save costs. In addition, Veolia offers such control centre services to commercial customers (such as airports, schools, residential developments, office buildings, shopping centres, et.) and helps them reduce energy consumption in facilities through analysis of various parameters. Among other sites, the Hubgrade operates in Karviná (only for distribution network analysis for the time being).

Kladno water tower as a unique control centre

After many years of disuse, in a matter of two years (2017–2019) the water tower in the Středočeské vodárny (SVAS) plant in Kladno was transformed into a unique control centre, which also houses an interactive exhibition on water management and biodiversity. The tower is currently home to one of the most advanced water control hubs in the country, managing water supply to more than 290,000 citizens of the Kladno and Mělník districts and parts of the Praha-západ, Praha-východ and Rakovník districts. It allows operators to monitor that the operation of all facilities is

flawless, accurately evaluate critical situations and suggest corrective measures on a short notice. Without timely and exact data, it is impossible to accelerate interventions or to progress in optimising maintenance. The modern control centre also plays a key role during potential crises such as floods. At such times, it is crucial to be able to predict what facilities will have to be stopped or even dismantled and removed to safety, and when. Centralised management from an advanced site ensures that the actions taken in such cases are quick, coordinated and follow the correct order. In 2021, the control centre was **equipped with disaster recovery centre and cyber-security centre functionalities**. As part of ensuring cybernetic security, Veolia monitors the activities of hackers who attempt to disrupt its information systems. The more than CZK 100-million investment into the water tower refurbishment and repurposing was funded exclusively by Veolia.

A unique software tool to cope with floods in water industry

Veolia CZ Group's Středočeské vodárny, a.s. has developed a proprietary **flood information system** ("PIS"), a major aid to cope with floods. It is a unique software tool. In the event of flood, it will make recovery work easier for dispatchers. The system is based on the need for the timely provision to control centres of current and relevant information as to which sites are at risk of flood and what equipment can be dismantled and taken to safety. The PIS integrates multiple information systems and ensures automated and instant data exchange between them to provide easy-to-navigate information for managing the recovery work. The system identifies the areas and facilities that will be flooded and can generate a list of the equipment on the flooded sites that can be evacuated. The system is fully operational. A mobile application is currently in development to allow water companies' employees to display vital information on their mobile devices while in the field.



Innovative solutions are part of Veolia CZ's business strategy

In 2021, Veolia CZ was successful in pursuing its business strategy of offering comprehensive innovative solutions that use Group synergies, including their deployment and commissioning. Examples of the Design & Build approach include a project in **Františkovy Lázně – the construction of a new heat installation** with a total power of 19.4 MW for the local heating plant. The project includes the construction of a new heating plant hall and the installation of two new natural gas-fired steam boilers with a total steam production capacity of 26 t/h. The installation will use a highly efficient CHP (combined heat and power generation) source in the form of a back-pressure steam turbine.

Also worth mentioning is the **ongoing synergistic partnership with Královský pivovar Krušovice, a member of the Heineken Group**. Veolia CZ provides both energy and water services to the brewery. It entered into a long-term contract with Heineken last year. **In addition to heat, cooling and compressed air supply, Veolia also assumed the responsibility for operating the energy centre, including the personnel, committing to active energy management and seeking further potential for savings.** The requisite investments in the renewal of energy equipment are thus made step by step, effectively reducing the energy demand of operation. Not only does this cut costs – more importantly, the environmental impact is reduced. Reducing the energy demand of facility lighting is a good example. We replaced the original lights with modern LED fixtures while optimising the intensity of light. Insufficient lighting can be viewed as a potential source of work-related injuries or accidents. Lighting also has a demonstrable effect on product quality and scrap rate. Overall, we replaced 368 fixtures in 4 facilities, effectively saving the customer 66% of the electricity used for lighting; the client will save more than CZK 3 million over a period of 10 years. However, we found more potential for savings beyond energy management. Our subsidiary, VWS MEMSEP supplied the brewery with modern water treatment technology, in effect helping reduce its water footprint. VWS MEMSEP installed membrane technology and newly included ultrafiltration in the process in order to reduce the volume of wastewater resulting from filter washing. This allows for maximum utilisation of all water processed by the water treatment plant. The modification of the process equipment allowed the brewery to reduce the use of raw water by more than 8%, in effect directly reducing the water footprint of beer production. We also provide process supervision for the existing wastewater treatment plant and well water treatment plant. Of course, this is not the end of our cooperation, and our sales specialists are already thinking about new opportunities for development. All steps taken as part of our cooperation are in full compliance with Heineken's sustainable development strategy. This is also compatible with our purpose, because for Veolia CZ the environmental impact is just as important as the economic aspect of our cooperation.

In the future, Veolia CZ's business activities will continue focusing on increasing the number of innovative Design-Build-Operate (DBO) contracts with a view to concluding more contracts under which Veolia CZ designs the process concept as well as implements and operates it. The goal of each innovative project is for new revenue to exceed CZK 10 million every year.

Monitoring COVID in wastewater in the Czech Republic

Pražské vodovody a kanalizace, a.s. (PVK) from the Veolia CZ Group, in co-operation with the University of Chemical Technology, was the first in the Czech Republic to launch **operational monitoring of the COVID virus presence in wastewater** in the City of Prague. The first samples were taken in 2020 and the methodology for sampling, sample pre-treatment and analysis using the innovative PCR technology was continuously fine-tuned in the spring and summer of 2020. This also helped in warning of the third wave of the pandemic well in advance in September 2021. Thanks to the company's own investment, PCR analysis was included among the accredited methods in PVK's laboratory in 2021 and is now a standard analysis method that helps to identify the occurrence of bacteria, e.g. the Legionella spp., in warm water at an express rate (in a matter of hours). The first clients to reap the benefits of using this new method are our colleagues at Pražská Teplárenská a.s.

We support young Czech scientists

Veolia has continuously supported projects in science, innovation and education, which is why it continued to be the **general partner to the prestigious Czech Head competition** in 2021. The Czech Head 2021 award went to four male scientists, one female and one company. In addition to the laureate of the main national prize, expert in systems theory and automated control Vladimír Kučera, awards were also bestowed on Pavel Osmančík from Charles University's Third Faculty of Medicine for a study into the prevention of strokes and Martina Háková for research into the applications of nano-fibre polymers. The laureate of Veolia's Doctorandus prize in natural sciences was Libor Šmejkal who, with his colleagues at the Institute of Physics of the Czech Academy of Sciences discovered a new type of antiferromagnets – crystals with adjacent atomic magnetic domains orientated in the opposite direction. The team has contributed to the rise of a new field – topological magnetism with low-loss and highly mobile electrons. The research can result in future batteries with greater endurance in electronics and in environmentally sounder technologies.

8.2 | Customer and consumer satisfaction

Customer satisfaction rate according to the Net Promoter Score (value)

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
Not applicable	Not applicable	36	32	>30

Professional services and solutions for our customers

Veolia CZ has been successful in tendering procedures, extending its long-standing cooperation with hospitals. They include Prague's Institute for Clinical and Experimental Medicine (IKEM), which specialises in treating cardiovascular diseases, organ transplants, diabetology, and the treatment of metabolic disorders. Medical personnel as well as the patients in treatment, and most notably those in intensive care rooms, need first-rate services at all times, including thermal comfort. Veolia has been serving IKEM since 2006, when it took over the operation of the local gas-fired boiler plant; one year later, the IKEM facility was connected to the district heat system. In 2017, Veolia CZ became the centre of media attention when its company Termonta carried out an unprecedented repair of a major leak in IKEM's distribution system while it was in operation and without the need for evacuating the patients. At this point, supplies to IKEM are provided subject to a public contract for procurement renewable at five-year intervals. Veolia CZ was re-awarded the contract in 2021 and will supply heat to IKEM for the next 60 months (until August 2026). The contract volume is about 40,000 to 44 000 GJ per year. Veolia CZ also has a long-term partnership with the Karviná-Ráj Hospital for its Polyclinic in Vydmutchov. At the beginning, the principal benefit of the cooperation was the connection of the hospital to the district heat system. Decentralising the steam system and retrofitting the former steam boilers to hot water brought major savings in the subsequent decade, improving operational efficiency and the back-up capability of heat installations. This is highly important for hospitals. Veolia CZ is now embarking on a third decade of successful cooperation. It intends to focus on improving the stability and security of operation and improving the management of heat supply to the individual facilities. The planned upgrading and renewal of the existing control systems of the individual substations will help with this.

Another major commercial feat was the renewal of a key concession agreement in Říčany and an extension of the water management services provided in other regions. In 2021, 1.SČV was faced with the difficult task of winning with the best bid in the tendering procedure for the concession to operate the municipal infrastructure of Říčany over the next 10 years and being able to maintain its presence in the region at least until 2031. This bid was successful, confirming the competitiveness of Veolia CZ's services on

the market. At the same time, 1.SČV managed to extend the range of service agreements with municipalities, for example in the Liberec Region, and to win an attractive contract for managing and operating the water management assets of the municipality of Řitka.

Customer focus is one of Veolia's key values

Veolia intends to keep the bar high in terms of customer satisfaction. It will therefore develop and promote innovation in customer service. In the past years, the Group launched a common call centre and the first automated system to provide information on water supply cuts and substitute water supply, SMS INFO. It also commenced automated reading of water and other meters on customers' premises and deployed electronic invoice distribution to the maximum extent possible. Beyond the standard services, Veolia facilitates third-party liability insurance for its customers for supply line failures and water leakage.

The trend in customer service is towards the highest possible availability and transparency of information and data on energy consumption, billing, etc. with maximum customer comfort (data accessible online 24 hours a day, reading meters without disturbing customers). Veolia will continue monitoring customer satisfaction, both by means of its own surveys and of an annual survey carried out by an independent external agency.

9 | HUMAN RESOURCES PERFORMANCE

9.1 | Employee commitment

Commitment rate of all employees measured by an independent survey

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
86 %	89 %	89 %	89 %	90 %

9.2 | Employee training and employability

Average number of training hours per employee per year

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
24	16	20	18	23

Employee commitment and professional development

The management teams of the Veolia CZ companies find feedback from employees to be vital. Veolia wants to create a stable working environment with many attractive benefits for its employees while enabling its people to grow both personally and professionally.

The Group receives suggestions for development in employee care from various sources, including the annual Voice of Resourcers survey conducted among all employees globally. The survey and its output offer inspiration for the future steps aimed at developing corporate culture in the spirit of Group values aligned with employee needs.

Engagement rate 2021	% of agreement
89	Q8. My work goals are clearly defined 94
	Q13. I consider my work to be meaningful 95
	Q19. I am satisfied with the working atmosphere in my department / operation 88
	Q18. I am proud to work for Veolia 87
	Q4. I would recommend working for Veolia to someone close to me 82

Encouraging employees' development and improving qualification

In terms of employee care, Veolia places emphasis on occupational safety and training. A systematic approach to training brings many benefits, improves motivation and encourages team spirit. **Training is provided to Veolia CZ employees primarily by its own Institute of Environmental Services (IES), with its wide range of courses and training programmes.** The biggest share of training activities focuses on improving professional qualifications, mandatory training, special professions training and improving language skills. The requisite company training was provided in 2020 and 2021 despite the adverse situation caused by the covid-19 pandemic. IES immediately switched to distance forms of education such as e-learning and webinars.

Compliance, and in particular the Crime Prevention programme, were highly important topics of training courses and webinars in 2021. We also paid close attention to the deployment of anti-bribery management at additional companies and to their preparation for the anti-bribery management certification under ISO 37001.

The process of digitalisation of all aspects of the IES activity, a strategic project intended to ensure sustainable development of the IES, continued successfully. Therefore,

distance learning through the eCampus training portal played a major role in the activity of IES again in 2021. While the number of trainees in e-learning courses decreased by more than 20% compared with 2020, distance learning in the form of webinars grew significantly. The number of webinars grew by 225%, the number of participants by an unbelievable 544%, and the number of training camps by almost 144%. This is highly convincing proof that digitalising corporate training at Veolia CZ is the right move.

OHS training in virtual reality

In training, the Institute of Environmental Services wants to harness its experience gained in 2020 and 2021, when the Covid-19 situation escalated. It focuses on and develops employee training activities in an e-learning form using the eCampus learning portal, including the automation of paperwork related to keeping records of all training for employees by connecting the Campus and Helios IT systems. For the next two years, the Group will focus on the following employee development tasks:

- Expanding education with virtual reality training primarily in occupational safety – High-risk Management Standards,
- Uniting the methodology for tracking hours of training in current companies and Recovera, the newly joining company that will greatly expand the waste management services in our offer from 2022 on.
- Implementation of the plan of long-term and systematic training for Compliance Officers, Compliance Ambassadors and other staff in high-risk positions in terms of Compliance. The two-year programme will launch in 2022,
- Implementation of the plan of systematic training for all Veolia CZ employees in cybernetic security.

Social dialogue within Veolia CZ Group for 2022

For water companies, the year 2022 will continue to be affected by more stringent methods of regulation and limited options for adjusting water and sewerage prices, which, in most cases, will at best increase only to take into account inflation, and any approved increase will be passed on to infrastructure owners by means of higher rents. In addition, water consumption is decreasing due to measures related to Covid-19, and this will likely occur in 2022 too. The energy and heating sectors are battling cost increases and the need for massive investments in high-profile environmental projects. At the same time, the prices of electricity and heat paid by customers have to be kept competitive. These circumstances are unfortunately reflected in the need for reducing the number of employees, though always fully respecting the agreements on long-term social cooperation. The discussions on collective agreements for 2022 at both water and energy companies of Veolia CZ took place under circumstances marked by the ongoing coronavirus pandemic, which was reflected in all aspects of life, and by growing uncertainty as to the economic developments. That makes arriving at a compromise acceptable to both sides in both (water and energy) parts of the Group even more worthy of appreciation. In the next year, the main priority for Veolia CZ as an employer will remain the stability and long standing of relations, an open and truthful dialogue on Veolia CZ's situation, and respect for social dialogue partners – trade unions.

9.3 | Diversity

Proportion of women appointed between 2020 and 2023 among the Group's Top 500 executives

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
18 %	28 %	25 %	50 %	≥50 %

Diversity and equal opportunity

Respect for diversity, strict compliance with the principle of equal opportunity and fight against all forms of discrimination are important elements of Veolia CZ's corporate culture. Veolia CZ continues promoting a recruitment policy that facilitates the inclusion on the labour market of people who are vulnerable. A policy that goes beyond statutory obligations was created under which women returning from parental leave or caring for children

can work shorter hours. The work-life-balance programme, with group sessions with a coach, is in its second year, with group sessions with a coach, and is being used primarily by women.



9.4 | Occupational health and safety

Lost time injury frequency rate in per cent

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
1.98	2.1	2.0	2.7	<2.0

A healthy and safe working environment

Veolia CZ emphasises providing even better protection from work-related risk to all employees while also focusing on improving workplace safety. Occupational safety is a major strategic priority defined at the international level for the entire Veolia Group. The individual Veolia CZ companies follow the **Occupational Safety Code** document and the **Always Safe** rules that convey to all employees of the Group the principal occupational health and safety rules enshrined in the Labour Code and the ISO 45001 standard.

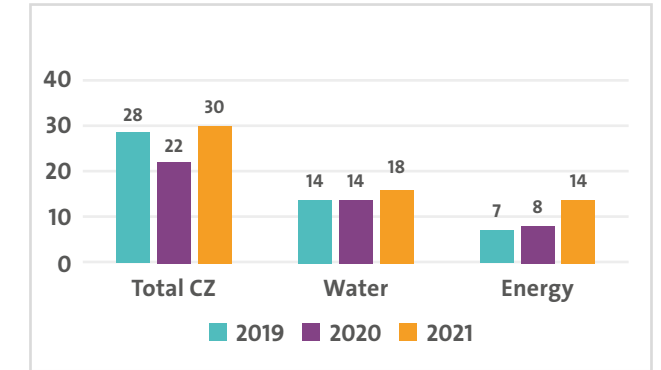
Besides occupational training, employees also take first aid courses. As part of its continuous improvement of employee safety, Veolia Group identified the ten riskiest activities carried out by employees and drew up the **High-risk Management Standards** that lay down the minimum safety requirements for them. These Standards are incorporated into the daily work of our employees and help to improve the OHS situation. The information contained in the Standards is readily available to employees on the e-learning portal and in the electronic OHS library on the company intranet in the form of brochures, videos, and courses.



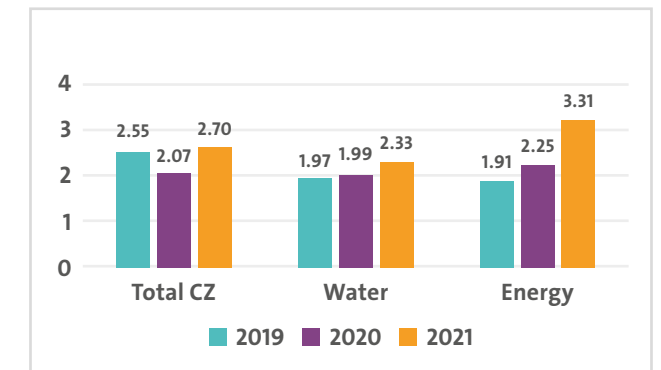
Occupational Safety Code

[← More info](#)

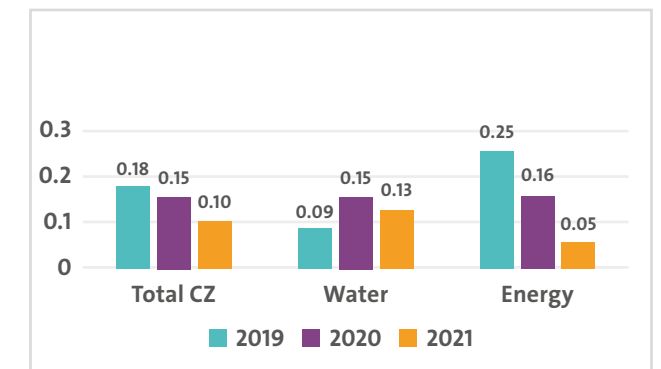
Lost time injury frequency rate, 2019 to 2021



Injury frequency rate, 2019 to 2021



Injury severity rate, 2019 to 2021



10 | SOCIAL PERFORMANCE

10.1 | Ethics and compliance

Percentage of positive answers to the Voice of Resourcers commitment survey question “Are Veolia’s values and ethics applied in my entity?”

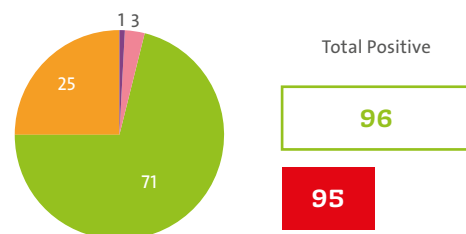
2019 baseline	2020 results	2021 target	2021 results	2023 targeted
99 %	70 %	90 %	90 %	95 %

Feedback from employees is important, which is why the annual survey was updated with three more questions focusing on anti-bribery conduct and compliance with

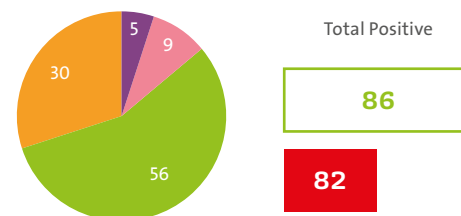
company regulations. The management team’s goal is to receive more extensive feedback on these topics from employees.

Compliance, anti-corruption and anti-fraud

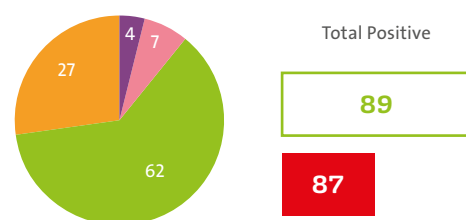
I have received clear guidance to know what is expected from me in the terms of compliance, anticorruption, and anti-fraud behaviours (%)



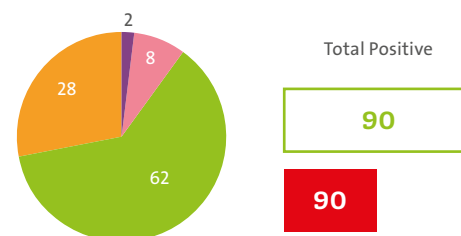
In my BU / entity, if I feel comfortable raising concerns in case of suspected fraud, bribery, or corruption behaviours (%)



In my BU / entity, behaviours that do not respect our compliance rules are not tolerated (%)



Managers only
In my BU / entity, internal processes and controls to prevent fraud, or corruption are effective (%)



■ Dont't know ■ Total negative ■ Yes, somewhat ■ Yes, absolutely

Level +1

Long-term sustainable business

In its work, Veolia adheres to cardinal values that embody compliance with ethics and legal norms, and zero tolerance for bribery, discrimination and anticompetitive conduct. These areas are among Veolia CZ’s lasting priorities. Continuous work on these topics is an essential requirement for building a sustainable business. All our values are enshrined in our **Ethics Guide**. Although the principal values of the Group business are immutable, in today’s rapidly changing world it is crucial to flexibly respond to new challenges and standards. This is why the scope of the rules that Veolia Group employees follow is regularly updated. Veolia CZ adopted the **Anti-Corruption Code of Conduct**, demonstrating our intention to do business in a fair manner and our determination not to tolerate corrupt practices. It shows in more specific terms what is not part of business. The principles of professional life in environmental terms are laid down in our **Environmental Charter**, which sets out the principles underlying our green practices. Environmental conduct has major benefits for the Group, both moral and economic. All the documents are available on the Group’s website.

For the practical implementation and application of the notions mentioned previously in everyday practice, Veolia has set up a unified methodology in its compliance system. The methodology is based on the international standard for anti-bribery management systems (ISO 37001:2016) in combination with the requirements of the French SAPIN2 Act and of France’s anti-bribery authority, AFA. It also covers the local legislative specificities with regard to criminal liability of legal entities. To implement the individual elements of the methodology such as risk identification, a network of Compliance Officers was set up at the key Veolia CZ companies, further reinforced by Compliance Ambassadors chosen from among employees. Their ambition is to help make sure that the Compliance Programme works well. In practice, this means that they help to communicate and share the defined procedures in larger plants or teams. Compliance Officers and Ambassadors foster a culture of ethical conduct and compliance, which is reflected in the management methods at both the operating level and the strategic level. In this respect, the Group will integrate Recovera, a circular economy-focused company, in 2022.

Implementing the anti-bribery management system under ISO 37001

Although the year 2021 was affected by the coronavirus pandemic again, most strategic objectives in compliance have been met successfully. Veolia Energie ČR’s anti-bribery management system successfully passed the certification audit in accordance with AbMS ISO 37001, thus becoming the second firm in the Czech Republic to obtain that certificate from the Bureau Veritas certification body. The first certificate holder in Veolia CZ Group was Pražské vodovody a kanalizace, a.s.

Thus, continuing the certification of other Veolia CZ Group companies was a major priority in 2021. The anti-bribery management system was also implemented in more companies, specifically in MORAVSKÁ VODÁRENSKÁ, a.s., Královéhradecká provozní, a.s., Středočeské vodárny, a.s., and Solutions and Services, a.s. As a result, 61% of Veolia CZ Group’s turnover was covered by anti-bribery management system under ISO 37001 at the end of 2021.

The plan for 2022 is to continue deploying the anti-bribery management system and its certification at other companies in Veolia CZ Group while continuously improving the elements of anti-bribery management systems already deployed at the individual companies.



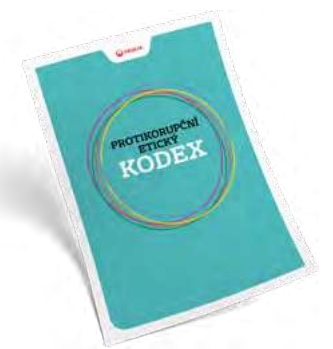
The Ethics Guide

[Download the document](#)



The Anticorruption code of conduct

[Download the document](#)



The Code of managerial conduct

[Download the document](#)



10.2 | Job and wealth creation in the regions

Socioeconomic footprint indicator for Veolia's activities in countries where the Group operates, with regard to direct and indirect jobs supported and wealth (number of jobs).

2019 baseline	2020 results	2021 target	2021 results	2023 targeted
94	78	Not applicable	66	>60

The STARTér programme has contributed to the creation of 2,536 new jobs

Veolia CZ is significantly involved in the social, environmental and educational sectors through the Veolia Foundation, which was established in 2003. The Foundation implements its own programmes with a clear focus. As part of such programmes/topics, it supports smaller projects of other organisations.

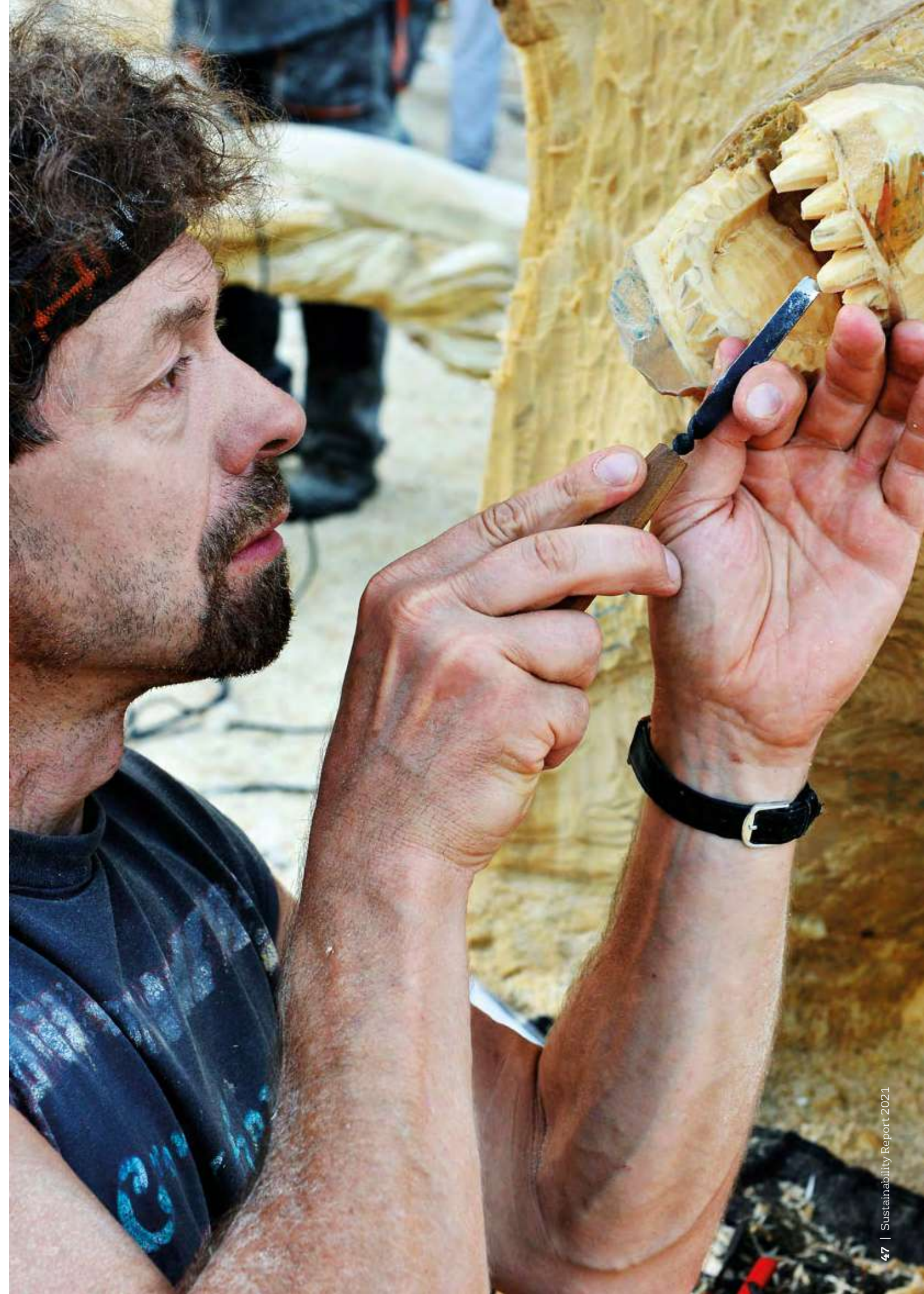
The Veolia Foundation takes a regional approach to its activity and is present in most regions of the Czech Republic. In addition to financial support (grants), it also gives applicants material support and advisory and consulting assistance in the legal, financial and economic fields.

In the context of supporting the creation of new jobs, the VF has funded the **STARTér – Trust Yourself and Do Business!** programme for 22 years, helping micro and small entrepreneurs in the Moravia-Silesia and Olomouc Regions to make their business ideas become reality. Support is channelled primarily into both traditional and unorthodox handicrafts and manufactured items, as well as into projects benefiting society. VF grants are conditional upon the creation of at least one new permanent job. For one new job, the applicant can receive support of CZK 60,000 maximum. The grants can be used to purchase the equipment needed for the job.

Thanks to this programme, a total of 2,536 new jobs were created from 2000 to 2021, of which 391 have been for persons with disabilities, and almost CZK 120 million was granted. In effect, this means that an average of 115 jobs have been created annually since 2000. Thanks to the Foundation's grants in 2021, which totalled CZK 3,339,990, 52 business plans were implemented, creating 66 new lasting jobs in the process, 12 of which were for persons with disabilities.

Year	Number of new jobs	Foundation grants awarded
2000	115	CZK 3,655,500
2001	110	CZK 4,350,000
2002	118	CZK 5,554,000
2003	111	CZK 5,337,500
2004	104	CZK 4,116,000
2005	133	CZK 5,079,500
2006	122	CZK 5,162,000
2007	178	CZK 7,012,000
2008	174	CZK 9,024,000
2009	194	CZK 10,515,500
2010	150	CZK 8,494,000
2011	87	CZK 4,749,000
2012	84	CZK 4,789,000
2013	93	CZK 5,042,500
2014	111	CZK 5,589,500
2015	109	CZK 4,876,700
2016	85	CZK 4,139,500
2017	120	CZK 5,513,700
2018	100	CZK 4,419,300
2019	94	CZK 4,421,900
2020	78	CZK 4,696,840
2021	66	CZK 3,339,990
Total	2,536	CZK 119,877,930

The STARTér - Trust Yourself and Do Business! programme will continue in the years to come. For 2022, the VF is planning to expand the programme to the Central Bohemian Region.



We encourage volunteering and the civic engagement of our employees

The Veolia Foundation provides long-term support to leisure-time volunteering work of Veolia CZ Group companies' employees. As part of the **MiNiGRANTS programme**, each employee may apply for CZK 50,000 in support once every year for a project they take part in as a volunteer in their spare time – i.e. without being entitled to a financial reward. The projects can have any focus, provided that they are for public benefit. From the launch of the programme in **2008 to the end of 2021, VF distributed CZK 44 million between 1,645 projects**. The supported projects are aimed at helping disadvantaged groups, developing leisure activities for children and young people, conserving the environment and supporting community life.

Indicator

Access to essential services (water and sanitation). Number of inhabitants benefiting from inclusive solutions to access water or sanitation services under Veolia's contracts

2019 baseline	2020 results	2021 target	2023 targeted
94.6 %	94.6 %	94.6 %	Not applicable

Keep Smiling – VF programme for the elderly to lead an active life

Veolia encourages positive and active ageing and intergenerational coexistence within communities. Through the **Keep Smiling – Active for Life programme** implemented by the Veolia Foundation, Veolia fosters conditions for the elderly to live in their home environment and promotes new approaches to ageing. Six three-year concept projects expected to have an impact on target groups of older generations across the country are being implemented over 2021–2023. **From 2015 to the end of 2021, CZK 11.2 million was distributed among 124 projects.**

More information about the activities of the Veolia Foundation is available at www.nfveolia.cz.

11 | OTHER INDICATORS REVIEWED

INDICATOR	Unit	2019	2020	2021	Target 2023
Environmental performance					
ISO 14001 certifications (% of income covered)	%	93.94	92.73	97.82	98.00
ISO 50001 certifications (% of income)	%	91.58	90.49	62.96	63.00
Implementation of EMS system (% of income)	%	100	100	100	-
WATER business line					
Total volume of groundwater abstracted	m ³	66,417,939	56,833,904	55,765,373	-
Total volume of surface water abstracted	m ³	17,948,213	16,333,885	12,391,177	-
Volume of wastewater collected	m ³	129,842	136,887	134,624	-
Efficiency rate of drinking water networks	%	87.0	85.6	84.6	-
Volume of wastewater treated	m ³	124,133	130,530	129,411	-
Volume of drinking water introduced into supply networks	m ³	173,533	166,850	163,123	-
Volume of drinking water produced	m ³	74,157	71,355	73,671	-
Total of direct and indirect emissions (electricity and heat)	th. tons of CO ₂ eq.	97.24	94.56	72.60	-
Direct emissions of GHG (Scope 1)	th. tons of CO ₂ eq.	5.36	5.40	5.33	-
Indirect emissions of GHG linked to energy purchases (Scope 2)	th. tons of CO ₂ eq.	91.89	89.15	67.27	-
Total of main indirect GHG emissions (Scope 3)	th. tons of CO ₂ eq.	8.35	8.64	8.63	-
Emissions of GHG avoided	th. tons of CO ₂ eq.	3.97	4.15	1.93	-
WATER business line – energy consumption					
Energy consumption - thermal and electrical	MWh	288,673	277,691	272,396	-
Consumption of energy from renewable sources	MWh	106,658	99,821	93,298	-

INDICATOR	Unit	2019	2020	2021	Target 2023
Energy consumed for drinking water production	MWh	85,250	82,261	86,110	-
Electricity consumed for drinking water production	MWh	77,173	72,808	74,932	-
Electricity purchased and used for drinking water production	MWh	47,306	44,481	46,123	-
Electricity purchased and used for drinking water distribution	MWh	29,867	28,327	28,809	-
Specific electricity consumption for drinking water production	MWh/m ³	0.64	0.62	0.63	-
Electricity consumed for wastewater collection and treatment	MWh	175,646	167,878	164,871	-
Energy purchased and consumed	MWh	80,209	79,917	77,804	-
WATER business line – energy production					
Energy production - thermal and electrical	MWh	98,618	91,507	88,009	-
of which heat production	MWh	45,945	40,443	42,807	-
Share of renewable or recovered energy produced	%	100	100	100	-
Production of energy from renewable resources	MWh	98,618	91,507	88,009	-
ENERGY business line – energy production					
Energy production - thermal and electrical	MWh	4,809,688	4,902,215	5,156,009	5,114,849
Share of renewable or recovered energy produced	%	10.1	10.6	10.8	14.2
Production of energy from renewable resources	MWh	258,601	327,707	321,930	539,345
of which heat production	MWh	162,415	171,630	183,550	375,988
Energy efficiency of energy production by cogeneration (heat and electricity)	%	55.6	57.5	57.7	56.0
Share of biomass in the energy consumption of energy production plants	%	4.0	5.0	4.7	8.4
Installed power – electricity	MWh	408	381	385	404
Installed power – heat	MWh	3,477	3,342	3,949	3,999
Energy production	MWh	942,984	990,855	953,604	1,012,950
Heat production	MWh	3,866,704	3,911,360	4,202,404	4,101,899
ENERGY business line – Emissions and GHG					
Total of direct and indirect emissions	th. tons of CO ₂	2,331	2,270	2,464	2,141
CO ₂ emissions	kg/MWh	279.2	267.6	267.4	242.3

INDICATOR	Unit	2019	2020	2021	Target 2023
NOx emissions	g/MWh	251.6	243.5	238.3	217.7
SOx emissions	g/MWh	217.3	212.1	209.2	215.3
Dust emissions	g/MWh	25.4	24.6	24.1	22.6
Direct GHG emissions (Scope 1)	th. tons of CO ₂	2,202	2,138	2,248	1,916
Indirect emissions of GHG linked to energy purchases (Scope 2)	th. tons of CO ₂	129	133	216	225
Total of main indirect GHG emissions (Scope 3)	th. tons of CO ₂	298	237	767	672
Emissions of GHG avoided	th. tons of CO ₂	254	317	289	477
WASTE business line					
Byproducts from energy and water businesses	th. tons	336,080	355,214	361,000	-
From which tonnage of final waste	th. tons	81,255	102,462	81,000	-
From which tonnage of waste recovered and used like product or in agriculture	th. tons	254,825	252,752	280,000	-
Human resources performance					
Total workforce as of December 31	number	6,768	6,582	7,536	7,540
Annual full-time equivalent workforce	number	6,651	6,530	6,755	6,600
Share of workforce with permanent contracts – FTE	%	89	91	84	82
Total nonmanagerial staff	%	86	85	86	85
Turnover (workforce with permanent contracts)	%	7,8	7.0	7.0	7.8
Injury frequency rate	number	2.0	2.1	1.7	<2.0
Injury severity rate	number	0.15	0.15	0.2	0.2
Percentage of employees who participated in occupational health and safety training	%	84	72	90	100
Percentage of employees who participated in at least one training course	%	96	96	98	100
Average number of training hours per employee per year	number	24	16	20	30
Average training costs per employee per year	EUR	350	350	360	380
Employee commitment rate	%	86	89	89	90
Manager commitment rate	%	89	89	90	93
Rate of coverage by a social dialogue body	%	98	98	98	98

INDICATOR	Unit	2019	2020	2021	Target 2023
Percentage of women	%	22	22	24	25
Percentage of employees with disabilities	%	1.85	1.70	1.70	2.20
Social performance					
Nb of ESG inspections at suppliers' premises	number	25	20	30	-
Nb of findings of non-compliance with internal regulations in compliance detected by internal audit	number	-	4	9	-
Nb of whistleblowing alerts	number	-	1	14	-
Rate of whistleblowing alerts resolved	%	-	100	100	-
Nb of detected compliance incidents	number	-	5	14	-
Identified cases of violations of the Anti-Corruption Code	number	-	1	2	-
Business lines covered by risk compliance mapping	%	-	98	98	-
ISO 37001 certification (% of revenue covered)	%	-	48	61	100
ISO 9001 certification (% of revenue covered)	%	78.26	78.10	59.41	-





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VEOLIA ČESKÁ REPUBLIKA, a.s.
Na Florenci 2116/15, 110 00 Praha 1 – Nové Město
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