

ESG REPORT VEOLIA CZ
2022



**ECOLOGICAL
TRANSFORMATION:**

**TIME
TO ACT**

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ESG Report

The ESG 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 company governance, environmental matters, social and employee-related matters, our work with customers and society.

The Report is published once a year in electronic and printed form and is available on the website of the Veolia Czech Republic Group under Press Centre / Publications.

The Report discloses non-financial information of all the companies within the Veolia Czech Republic Group, except for Veolia Powerline Kaczyce Sp. z o.o., whose disclosures are not included in this Report.

The Report provides non-financial information for the reporting period from 1 January to 31 December 2022. It supplements the annual reports of the individual Veolia Czech Republic Group companies, which 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.

*Foreword by the CEO,
Veolia Central & Eastern Europe*



For Veolia Group, 2022 was a watershed year on several fronts. The Company successfully completed the merger with SUEZ Group, delivered record financial results, and weathered the challenges of inflation and a volatile energy market. Despite all the pressures, it remained focused on ecological transformation and succeeded in meeting most of the sustainability targets it had set.

During the year, numerous concerns arose about the further advancement of our projects, environmental goals, energy security, and self-sufficiency. Energy-sector turmoil, precipitated largely by the repercussions of the armed conflict in Ukraine, proved to be a formidable challenge. It was not only the heat and power producers who had to find a response to these factors; other of our divisions were also affected by the events.

Even so, the Group still recorded impressive economic results. Veolia CZ posted record turnover of CZK 44.9 billion, 20% up on 2021. This increase was driven in particular by price rises in the energy sector and by the completed acquisition of SUEZ Group's waste business.

Common threads that continued to run through operations across our divisions over the past year were ecological transformation and the pursuit of our Impact 2023 strategic agenda. This ESG Report takes a closer look at how we did at national level in the Czech Republic.

Last year, the Energy business line progressed with the transformation of all its key production plants and invested a record CZK 2.7 billion in the Czech Republic. These activities are directed at achieving the Group's objectives in the planned shift away from coal by 2030 and towards a circular economy.

Last year, the water sector also concentrated on upgrading its facilities, with a particular focus on making them more energy self-sufficient. Water management projects geared towards digitalisation, predictive systems, and carbon footprint optimisation are also proceeding smoothly.

Integration with SUEZ Group made our waste business line much stronger and saw it account for 6.4% of Veolia's total turnover in the Czech Republic last year, up from less than 1% before the merger. We view this merger as an opportunity to make our mark in what is currently a very buoyant waste processing sector. We are keen to maximise the use of resources at our customers, apply circular economy principles and pursue the trend of ending landfilling in the Czech Republic.

One of the great advantages of having a multi-sectoral group is that we can offer our customers comprehensive solutions that harness the resulting synergies. A good example of this is our long-standing association with the Krušovice brewery, where we provide energy and water management services. This means, for instance, that in the treatment of wastewater we can reuse heat from another part of the plant that would previously have gone to waste.

It is the commitment to innovation and sustainability that is so critical in attracting new business and in keeping long-term customers happy.

With the Impact 2023 strategic agenda wrapping up in the next year, work on the 2024–2027 programme is already under way. The aim will be to further consolidate Veolia Group's position as a leader in ecological transformation by focusing on areas such as energy efficiency, the circular management of materials, water recycling, and local energy production from sustainable sources.

I would like to thank all Veolia CZ Group employees and partners for joining us in efforts to counter the climate crisis and to uphold the Group's values in their day-to-day activities.

PHILIPPE GUITARD
CEO, Veolia Central & Eastern Europe

VEOLIA CZECH REPUBLIC GROUP

PROFILE

Veolia Czech Republic Group (Veolia CZ) is part of Veolia, a multinational group with a history stretching back 165 years and the global leader in optimised resource management present in 58 countries on five continents with nearly 220,000 employees.



ENVIRONMENTAL PROTECTION

Environmental protection and the ecological impact of Veolia CZ's business are just as important to it as its economic and financial performance. Veolia CZ Group is guided by the belief that humans are part of nature and that the planet's entire ecosystem is woven together by common threads. In much the same way, Veolia Group companies work cooperatively and synergistically to form a single functional unit.



OUR ACTIVITIES

Veolia CZ designs and deploys solutions for the management of water, waste and energy that contribute to the sustainable development of communities and industries. Through its three complementary activities, Veolia CZ helps to develop access to resources, and to preserve and renew available resources.

VEOLIA CZ KEY FIGURES

THE GROUP IS ONE OF THE
CZECH ECONOMY'S

20

BIGGEST COMPANIES.

7879

EMPLOYEES

CZK 44.9

billion

REVENUE

CZK 56.6

million

DONATED TO SOCIALLY
RESPONSIBLE PROJECTS
FOCUSING ON
CONSERVATION, SPORTS
ACTIVITIES FOR CHILDREN
AND YOUNG PEOPLE,
CULTURAL ACTIVITIES FOR
THE GENERAL PUBLIC, AND
COMMUNITY LIFE.



WATER



Veolia CZ Group has been present on the Czech water market as one of its leading service providers since 1996. Within their distribution sectors, Veolia CZ Group companies supply drinking water to 2.54 million people. They also provide water services to several dozen industrial clients. They deliver wastewater collection and treatment services to nearly two million people.

THE VEOLIA GROUP INCLUDES THESE

WATER COMPANIES:

- Pražské vodovody a kanalizace, a.s.
- Česká voda – MEMSEP, a.s.
- MORAVSKÁ VODÁRENSKÁ, a.s.
- Královéhradecká provozní, a.s.
- Středočeské vodárny, a.s.
- I.SČV, a.s.
- RAVOS, s.r.o.
- Vodohospodářská společnost Rokycany, s.r.o.

KEY FIGURES FOR 2022

2.54 million

PEOPLE SUPPLIED WITH DRINKING WATER

186.60 M m³

OF WASTEWATER TREATED

1.99 million

PEOPLE CONNECTED TO WASTEWATER SYSTEMS

101

DRINKING WATER PRODUCTION PLANTS MANAGED

168.50 M m³

OF WATER FOR SALE

127

WASTEWATER TREATMENT PLANTS MANAGED

ENERGY

Veolia Energie ČR Group is a leading Czech CHP producer and supplier and the Czech market's first independent cooling network operator. Veolia Energie ČR also provides support 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.



THE FOLLOWING COMPANIES BELONG TO THE VEOLIA ENERGIE ČR

GROUP:

- 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.

* Pražská teplárenská is not a Veolia Energie Group company ownership-wise, as it is integrated into the structure of Veolia CZ Group's Water business line. However, in terms of function, it performs the same business activities as other companies in the Energy business line and is under the same management.

** Information on this company is not included in this Report.

KEY FIGURES FOR 2022

578,000
HOUSEHOLDS SUPPLIED
WITH HEAT AND HOT
WATER

510
SUPPLIED INDUSTRIAL
CUSTOMERS

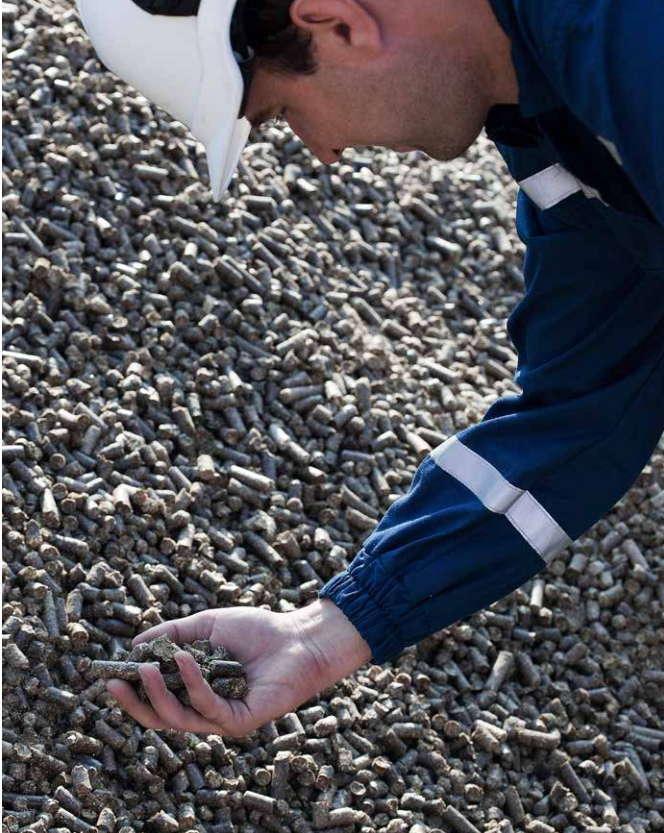
320
HEALTHCARE FACILITIES
SUPPLIED

> 1,800
TERTIARY FACILITIES
21,916 TJ
OF HEAT SOLD

3,224 GWh
OF ELECTRICITY SOLD

71,356 GJ
OF COOLING SOLD

WASTE



In 2022, the acquisition of the waste arm of SUEZ in the Czech Republic significantly strengthened Veolia CZ's position on the Czech waste treatment and recovery market, making it one of the four largest waste management companies here. This move saw Recovera Využití zdrojů a.s. join Veolia CZ alongside Veolia Vedlejší produkty ČR, s.r.o. These companies have a wide range of waste treatment technologies at their disposal. They address legacy environmental issues stemming from past industrial activities. They provide waste and circular economy services to more than 10,000 industrial companies and hundreds of municipalities. They operate a network of 124 installations at 35 sites across the Czech Republic, servicing 19 wastewater treatment plants and 13 power plants. They and their customers pursue the common objective of continuously optimising waste management, reflecting the trend towards the phase-out of landfilling and Veolia Group's ecological transformation.

KEY FIGURES FOR 2022

570,911
tonnes

**OF RECOVERED WASTE
AND BY-PRODUCTS,
INCLUDING WASTE
PASSED ON FOR REUSE***

12,000
tonnes

**ANNUAL PLASTIC
RECYCLING CAPACITY**

285,000 GJ

**OF HEAT PRODUCED
FROM WASTE**

10,500

**INDUSTRIAL AND
MUNICIPAL CLIENTS**

* This involves the pre-treatment of waste for reuse, sludge applied to farmland, ash and cinder used primarily as a product in building construction, the production of foundation and reclamation mixes, waste reused in composting plants, and fertilisers

THE FOLLOWING COMPANIES BELONG TO

VEOLIA CZ

GROUP:

- Recovera Využití zdrojů a.s.
- Veolia Vedlejší produkty ČR, s.r.o. *

* Veolia Vedlejší produkty ČR, s.r.o. is included within the structure of the WATER business line, but its function is to ensure the efficient secondary use of waste and by-products from the water and energy sectors while applying circular economy principles.

TRANSVERSAL SERVICE COMPANIES IN VEOLIA CZ GROUP



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

Veolia Support Services Česká republika, a.s. specialises in accounting-related consultancy primarily for Veolia CZ Group companies.

IoT.water a.s. provides water data acquisition solutions (under its Smart Metering Grid concept) and solutions aimed at process digitalisation, i.e. the replacement of paper-based processes with electronic versions.

Institut environmentálních služeb, a.s. (IES) is the education and training organisation of the globally operating Veolia. IES is a joint venture of the various Veolia business lines in the Czech Republic. It is active in the Czech Republic, Slovakia and – in relation to certain products, services and educational initiatives – other European countries. IES is an important link in the international chain of Veolia training centres known as VE Campuses.

INITIATIVES, RATINGS AND AWARDS

IN 2022



NON-FINANCIAL RATINGS

VEOLIA GROUP'S RESULTS WORLDWIDE FOR 2022

<u>RATING AGENCY</u>	<u>RATING AWARDED</u>
DJSI	Inclusion in the World and Europe indices
ISS-ESG	Inclusion
S&P Global (Sustainability Yearbook)	83 (Bronze)
ISS-ESG	Prime, Decile ran: 1, B-
Moody's ESG (formerly solution known as Vigeo Eiris)	71, Rank in sector:1
CDP Climate change	A
CDP Water security	A
EcoVadis	75/100 – 98th percentile

FIRST ECOLOGICAL TRANSFORMATION BAROMETER

Veolia conducted the first edition of the Ecological Transformation Barometer, an international survey, in partnership with the research and consulting firm Elabe. The Barometer took in 25 countries on 5 continents, covering a sample of respondents representing more than half of the world's population. The countries were chosen for their demographic weight and their relevance: countries on the front line of the effects of climate change, but also countries that are pioneers in ecological policies. The Barometer sought answers to a cardinal question: "Are the changes needed to wage the 'battle of the century' socially, economically and culturally acceptable to human communities?"

THE ECOLOGICAL TRANSFORMATION BAROMETER FOCUSED ON THREE KEY THEMATIC AXES:

CLIMATE CHANGE

POLLUTION AND RESOURCE SCARCITY

THREATS TO BIODIVERSITY AND FOOD SECURITY

THE RESULTS OF THE ECOLOGICAL TRANSFORMATION SURVEY "ARE WE READY?" FOR THE CZECH REPUBLIC CAN BE FOUND HERE:



GreenTable

VEOLIA CZ OPENED ITS GREEN TABLE INNOVATION AND COWORKING CENTRE

Since last year, Veolia employees based at Florentinum in Prague and others have been able to make use of a third venue for work, on top of their normal workplace and home. Green Table, boasting a generous 650 m² of space, opened in November 2022 after meticulous preparations. This site has been conceived as a showcase for ecological transformation and combines a vegetarian bistro, coworking, meeting rooms, and event and exhibition space.

The front is dominated by a bistro with a hydroponic wall that provides a year-round supply of fresh herbs and salads to the on-site kitchen. Here, chef Miluše Makó prepares creative vegetarian dishes from local and seasonal ingredients every weekday. The rear section of Green Table is for consultations, meetings, and concentrated work. The whole space is decorated with flowers watered with purified water from the kitchen, the air is purified with ecological filters, and the site uses biodynamic lights. The large-scale cabinetry is built from scrap wood, designer chairs from the insides of old refrigerators, and armchairs from recycled PET bottles.

“The whole place is proof that sustainability and the circular economy can be embraced in a very contemporary and optimistic way as an opportunity for all of us,”

says project lead Eva Kučerová, Communications and Marketing Director of Veolia Central & Eastern Europe.

By the end of 2022, Green Table had hosted 13 major events drawing nearly 1,200 guests.



SUCCESSFUL ISO 37001 RECERTIFICATION AND IMPLEMENTATION OF A SYSTEM FOR CARBON FOOTPRINT ASSESSMENT AND REDUCTION IN ACCORDANCE WITH ISO 14064

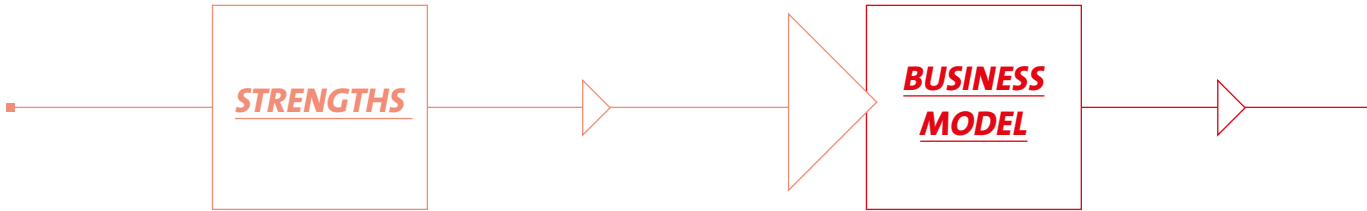
In autumn 2022, Pražské vodovody a kanalizace, a.s. (PVK) successfully renewed its ISO 37001 anti-bribery management system certificate, issued by Bureau Veritas, as did Veolia Energie ČR. In 2022, PVK also expanded its integrated system to include a new system for assessing and reducing its carbon footprint in accordance with ISO 14064. This will be certified in autumn 2023.



BEST DISTRICT HEATING PROJECT OF THE YEAR AWARD

At the District Heating and Energy Days conference in April 2022, Veolia Energie again received a prize for one of the year's best district heating projects. The Association for District Heating of the Czech Republic awarded a Crystal Chimney for the converting steam piping to more efficient hot water piping in Přešov. This project contributed significantly to a better environment.

CREATING VALUE FOR EVERYONE



High value-added know-how

- Expertise in the treatment of the most complex environmental problems, such as hazardous waste, soil remediation and decontamination of industrial effluents.
- An integrated risk management system

High-impact, co-developed and highly effective innovations

- 13 research centres
- Network of over 400 academic and industrial partners worldwide
- VIA by Veolia – an Open Innovation approach supporting innovative ideas by start-ups and researchers

Committed people around the world

- 213,684 employees (+21.1%)
- 86% of employees proud to work for Veolia
- 58 countries

Extensive market presence combined with financial strength

- Balanced portfolio between municipal (53%) and industrial and tertiary (47%) customers
- Financial strength: a net debt/EBITDA ratio of 2.9

An ambitious climate strategy

- A 2050 net zero roadmap being defined
- GreenPath: an offer of 100 solutions to reduce the carbon footprint of customers across their value chain

Bespoke management

- Diverse expertise within the Group's Board of Directors
- Critical Friends Committee, consultation on the Group's strategic direction
- Multi-criteria compensation system (including CSR criteria) for the Executive Committee with annual and long-term components

Challenges

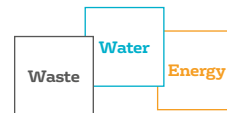
Climate change, resource scarcity, pollution and related health challenges, threats to biodiversity and food security

Our strategic ambition is to

BE THE WORLD CHAMPION IN ECOLOGICAL TRANSFORMATION

Our businesses

WATER, WASTE and ENERGY management with a circular economy approach

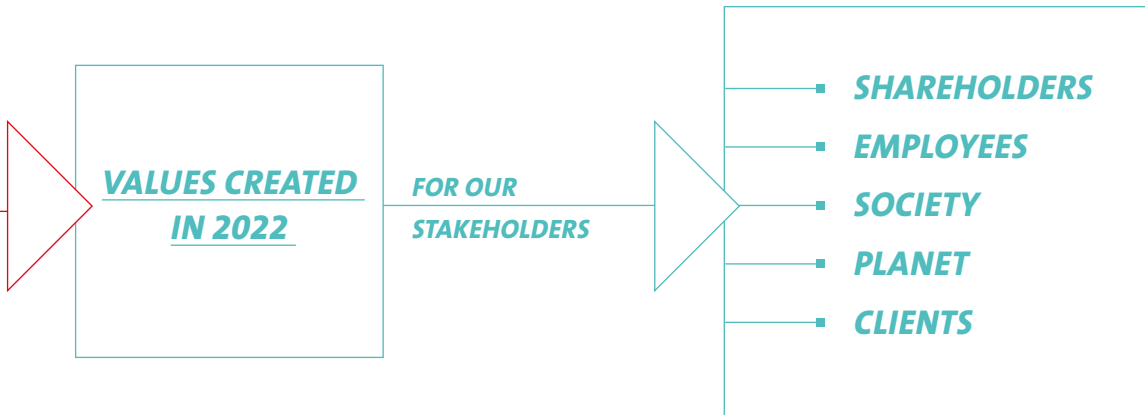


Solutions for ecological transformation

- Combating climate change
- Treating pollution
- Optimising resources
- Increasing quality of life

Our customers





Economic and financial performance

- Revenue of €42,885 million
- Current net income (Group share): €1,162 million
- Post-tax ROCE: 7.6%
- Free cash flow before discretionary investments: €1,463 million
 - EBITDA of €6,196 million
 - Dividend of €1.12 per share for the 2022 fiscal year
 - 5-year total shareholder return: +40.58%

Human resources performance

- 89% employee commitment rate (measured by an independent survey)
- 5.61% lost-time injury frequency rate
- 26 hours of training per employee on average per year
- 30.3% of women appointed among the Group's Executive Resources (Top 500) since 2020
 - 30% of management positions in the Group are held by women
 - 1,533 collective agreements signed worldwide regarding labour relations

Society

- 85% positive answers to the engagement survey question "Veolia's values and ethics are put into practice within my entity"
- 6.92 million inhabitants benefiting from Veolia Group's inclusive solutions for access to water and sanitation services
- 1,147,238 jobs supported and €53 billion of wealth created in 50 countries (contribution to GDP)
 - 91% of spending reinvested locally
 - 93% of active contracts in the supplier contract base include CSR clauses

Environmental performance

- 30% progress with the investment plan to phase out coal in Europe by 2030
- 14.1 million tonnes of CO₂ eq.: annual contribution to avoided GHG emissions
 - Revenue of €8.4 billion in the circular economy
 - 55.6% methane capture rate
 - 490,000 tonnes of plastics recycled in Veolia's transformation plants
 - 66% progress with action plans aimed at improving the impact on the natural environment and biodiversity at sensitive sites
 - 76.3% drinking water network efficiency

Commercial performance

- Consolidated revenue of €4.12 billion in the liquid and hazardous waste processing and recovery segment
- 10 innovations included in at least 10 signed contracts
- Customer satisfaction rate calculated using the Net Promoter Score methodology: 48, with 83% of revenue covered

→ Multifaceted performance indicators



PURPOSE

AND ITS IMPLEMENTATION IN THE IMPACT 2023 STRATEGIC PROGRAMME



BE USEFUL

to our partners, customers, employees, our city and planet Earth. In the spirit of the purpose it has set itself, Veolia is pursuing ambitious environmental, social, and economic commitments. We want to inspire and be the champion of the ecological transformation that is under way.



1. Our stakeholders

2. Our performance

3. Our commitments

4. Our objectives

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

An important aspect of Veolia Group is its **openness to stakeholders**, including customers, the local community, and shareholders. It actively listens to them, works closely with them, and delivers on its generous commitments to stakeholders. It is open about its own goals, results and the lessons it has learnt.

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.

OUR SUSTAINABLE DEVELOPMENT GOAL (SDG) PERFORMANCE

Veolia is involved to a greater or lesser extent in the pursuit of all 17 SDGs, and has a direct impact on **13** of them.



SHARED EFFORT

BETWEEN VEOLIA AND ITS

STAKEHOLDERS

Veolia actively cooperates with all its stakeholders and at local, regional, national, and international level. Its main stakeholders comprise five main categories:

SHAREHOLDERS
EMPLOYEES
SOCIETY
PLANET
CLIENTS

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 EU 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
- Production plants and tertiary sector
- States
- Agricultural consumers and end users
- Prospects

SHAREHOLDERS

- Shareholders and directors
- Investors / socially responsible investment (SRI)
- Banks / insurers and insurance brokers
- Statutory / external auditors
- Partners / joint ventures / consortia

EMPLOYEES

- Employees, apprentices, students
- Trade unions / employee representatives
- Candidates / former employees

SOCIETY

- Governments / ministries
- Local / national / legal / supervisory authorities
- Public authorities / citizens / residents / associations
- Competitor companies
- 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, reports)
- Focus groups / think tanks, opinion leaders
- Media (TV, radio, internet, social networks)

ALIGNMENT

OF STRATEGIC GOALS WITH

STAKEHOLDERS' EXPECTATIONS



An important aspect of cooperation with Veolia Group's stakeholders is their active participation in the formulation of its strategic agendas. Even as Veolia continues to work towards the goals of the Impact 2023 strategic programme, a new strategic agenda for 2024–2027 is already taking shape.

As such, **Inspire 2024–2027** is being crafted on the basis of active dialogue with stakeholders. In the autumn of 2022, eight get-togethers called “+1 Inspire 24–27” took place around the world, including one at Green Table in Prague. This event brought together 30 attendees – representatives of employees, customers, shareholders, business partners, as well as partners from academia and from environmental and community organisations. During a joint workshop, they described what they expected from Veolia as a leader in ecological transformation.

“There needs to be a change of mindset in each of us – a switch to a willingness to prioritise the needs of the planet, to modify our behaviour and to take responsibility for our actions,” was one of the points raised during the lively debate. The same action group will meet twice more in 2023 to help to prioritise and set specific global targets for Veolia Group in the period from 2024 to 2027.



In the autumn of 2022, a survey was also conducted among Veolia Group employees worldwide, in which nearly 13,000 respondents voiced their ideas and priorities for the Group's further direction in the years ahead. The findings from both these overarching initiatives will serve as key input for the architects behind the Inspire 2024–2027 strategic agenda.








VEOLIA CZ











SUSTAINABLE DEVELOPMENT GOALS AND THEIR IMPLEMENTATION IN 2022



Veolia CZ 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

			2019	2020	2021	OBJECTIVE 2022	2022	% COMPLETED	TARGET 2023
ECONOMIC AND FINANCIAL PERFORMANCE	Revenue growth		n/a	n/a	18.93 %	0.84 %	20.79 %	2475 %	n/a
	Profitability of activities		n/a	n/a	CZK 250 M	CZK 429 M	CZK 48.7 M	11.35 %	n/a
	Return on capital employed		n/a	n/a	10.44 %	10.69 %	12.10 %	113.19 %	n/a
HUMAN RESOURCES PERFORMANCE	Employee commitment		86 %	89 %	89 %	90 %	90 %	100 %	90 %
	Safety at work		1.98	2.07	2.70	<2	2.38	84 %	<2
	Employee training and employability		24 h	16 h	18 h	23 h	23 h	100 %	23 h
	Diversity		18 %	28 %	50 %	50 %	100 %	200 %	≥50 %

			2019	2020	2021	OBJECTIVE 2022	2022	% COMPLETED	TARGET 2023	
ENVIRONMENTAL PERFORMANCE	Combating climate change									
			Reducing GHG emissions: progress of the investment plan to phase out coal in Europe by 2030.	n/a	2 %	10 %	24.4 %	20.50 %	83.93 %	28 %
			Annual contribution to avoided GHG emissions (assessed with regard to a reference scenario).	n/a	n/a	1,000 tonnes of CO ₂ eq.	191,000 tonnes of CO ₂ eq.	213,740 tonnes of CO ₂ eq.	111.90 %	225,000 tonnes of CO ₂ eq.
	Circular economy: plastic recycling	 								
			Volume of transformed plastic, in tonnes of products leaving plastic transformation plants	n/a	n/a	n/a	n/a	5600 tons	n/a	5700
	Protection of environments and biodiversity	 								
			Progress rate of action plans aimed at improving the environment and biodiversity footprint at sensitive sites	n/a	n/a	45 %	70 %	58.30 %	83.29 %	90 %
	Sustainable management of water resources									
			Efficiency of drinking water networks (volume of drinking water consumed/ volume of drinking water produced)	87 %	85.60 %	84.63 %	85.18 %	83.91 %	98.51 %	85,20 %
COMMERCIAL PERFORMANCE	Customer and consumer satisfaction									
			Customer satisfaction rate calculated using the Net Promoter Score methodology (NPS/NSS)	n/a	n/a	32	30	32	106.66 %	>30
	Development of innovative solutions									
			Number of innovations included in at least 10 contracts signed by the Group	n/a	n/a	15	25	35	140 %	25
	Hazardous waste treatment and recovery									
			Consolidated revenue generated by hazardous and liquid waste treatment and recovery activities.	n/a	n/a	n/a	CZK 580 M	CZK 661 M	114 %	CZK 645 M
SOCIAL PERFORMANCE	Job and wealth creation in the territories									
			Socio-economic footprint indicator for Veolia's activities in countries where the Group operates, with regard to direct and indirect jobs supported and wealth created	94	78	66	>60	73	121.66 %	>60
	Ethics and compliance									
			Rate of positive answers to this question of the engagement survey: "Veolia's values and ethics are put into practice within my entity"	99 %*	92 %	93 %	92 %	81 %	88 %	89 %
	Access to essential services (water and sanitation)									
			Number of inhabitants benefiting from inclusive solutions to access water or sanitation services within contracts	94.60 %	94.60 %	94.60 %	n/a	94.60 %	n/a	n/a

* result only for the manager cohort

GROUP MANAGEMENT AND GOVERNANCE

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 regulatory framework, standards and values of Veolia Group, which 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 Veolia Group on their control, recruitment, remuneration, etc. Key procedures define the principles that corporate managers have to follow within the scope of their functional responsibilities, i.e.

- 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 Veolia 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;
- share important information with shareholders.

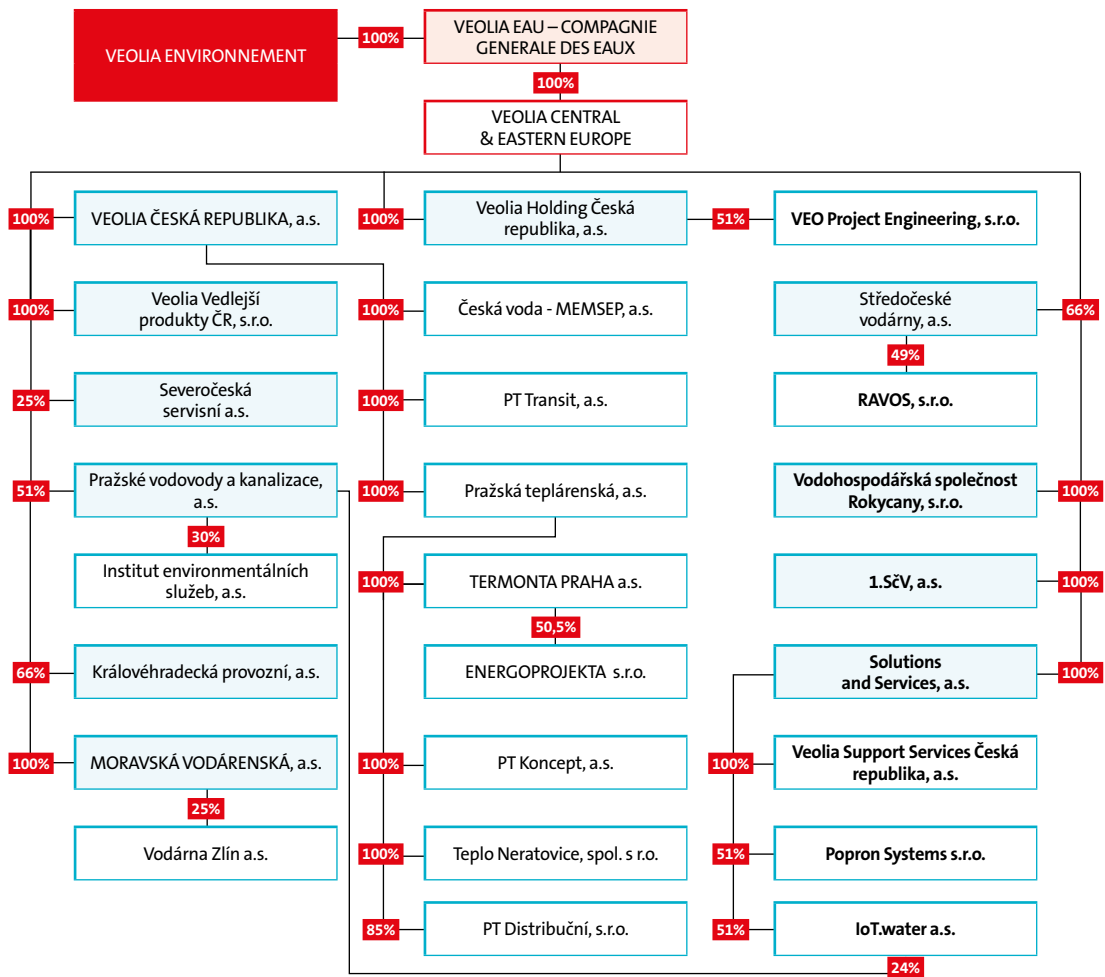
The certification of individual Veolia CZ Group companies under the international ISO 37001 standard (anti-bribery management system) ensures transparency and open communication with the public and other stakeholders. The implementation of the certified management (ISO 9001), environmental management (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, and their competences and activities, are described in their respective annual reports.

OWNERSHIP STRUCTURE OF THE VEOLIA VODA ČR GROUP IN 2022

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 SA.

All Veolia Voda ČR Group companies have their registered offices in the Czech Republic. Detailed information is provided in the VEOLIA ČESKÁ REPUBLIKA, a.s. Annual Report for 2022, in the Report on Related-party Transactions for 2022, as issued by VEOLIA ČESKÁ REPUBLIKA, a.s., and in the 2022 annual reports published by the individual Veolia Voda ČR Group companies.

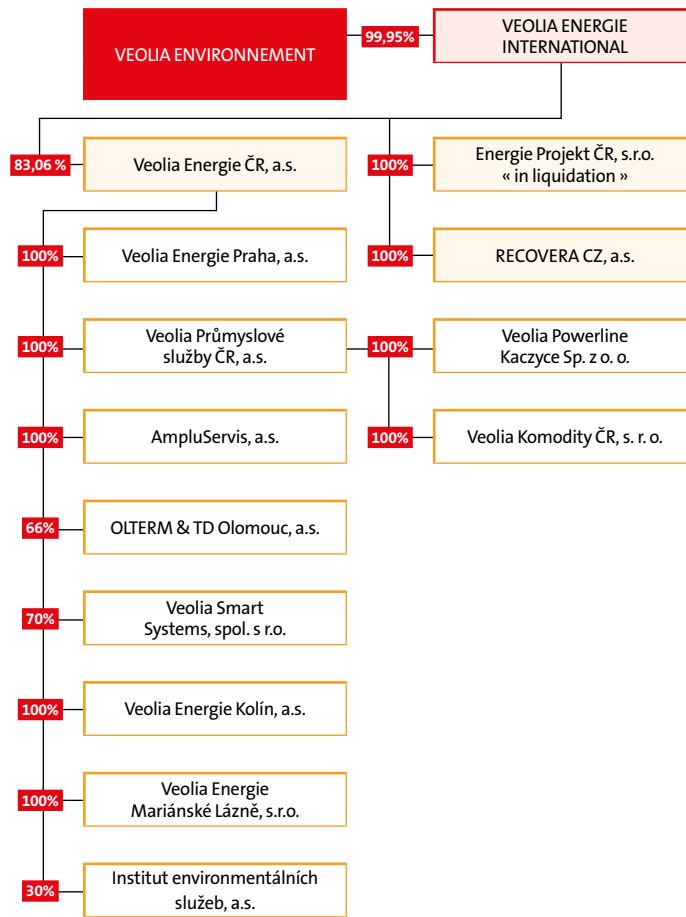


OWNERSHIP STRUCTURE OF THE

VEOLIA ENERGIE ČR GROUP IN 2022

Veolia Energie ČR is controlled by the multinational Veolia Energie International SA; its ultimate parent company is Veolia Environnement SA. All 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 the Veolia Energie ČR, a.s. Annual Report for 2022 and in the Report on Related-party Transactions for 2022, as issued by Veolia Česká republika, a.s. Pražská teplárenská, a.s. operates within the Veolia CZ Group, but outside the structure of the ENERGY business line; instead, from an ownership perspective, it is included in the structure of the WATER business line. However, its production and operating data are included in the energy business because it offers the same portfolio of services as the Group's other heating companies.

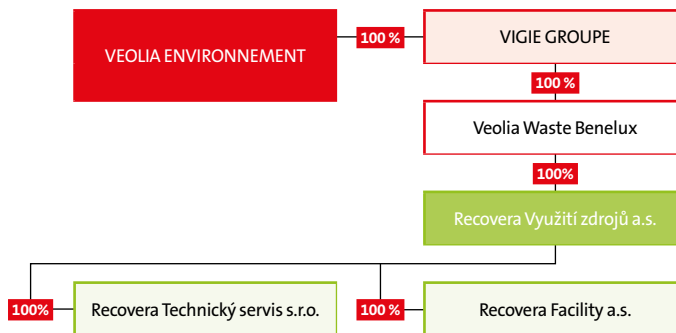


OWNERSHIP STRUCTURE OF THE
WASTE
BUSINESS LINE IN 2022

Veolia Group's waste companies in the Czech Republic are controlled by Recovera Využití zdrojů a.s. and their ultimate parent company is Veolia Environnement SA.

All companies in Veolia CZ Group's business line have their registered offices in the Czech Republic.

Detailed information is provided in the Recovera Využití zdrojů a.s. Annual Report for 2022, in the Report on Related-party Transactions for 2022, as issued by Recovera Využití zdrojů a.s., and in the 2022 annual reports published by the individual companies Veolia CZ Group's WASTE business line. Veolia Vedlejší produkty ČR, s.r.o. operates within the Veolia Group, but outside the structure of the WASTE business line; instead, from an ownership perspective, it is included in the structure of the WATER business line. Its role within Veolia 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.



RISK MANAGEMENT

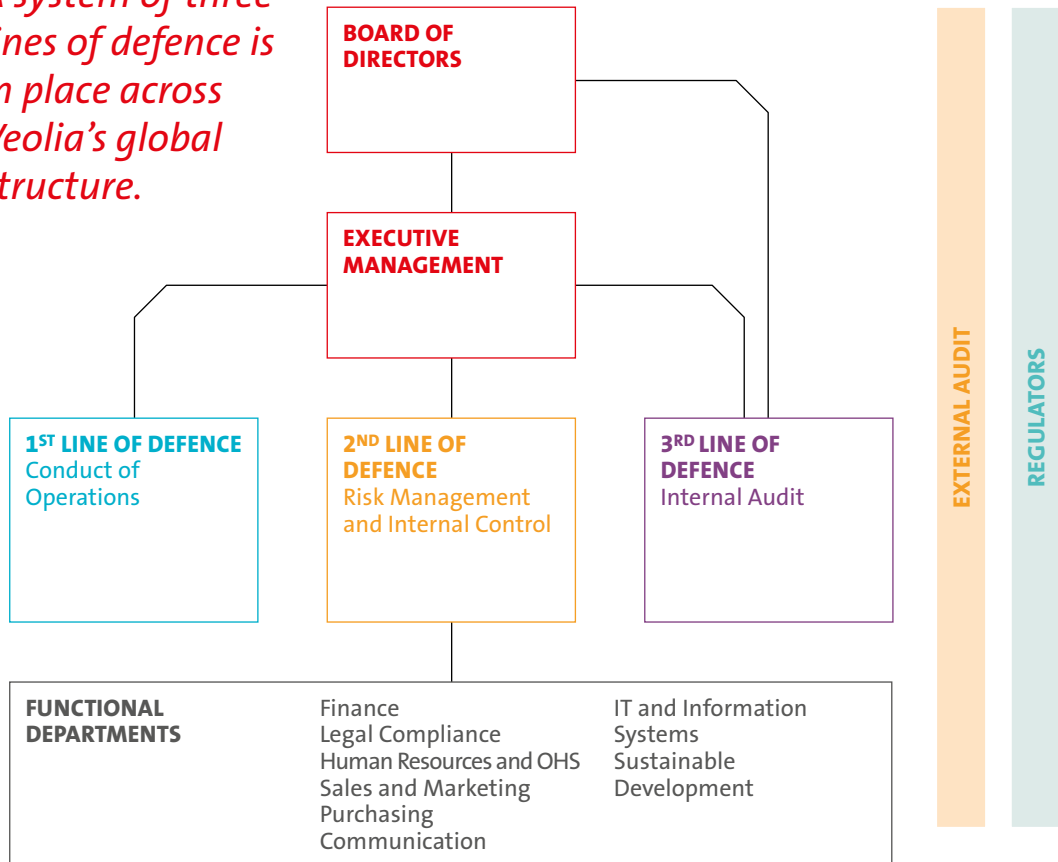
Veolia continuously works on identifying risks in all areas of its business and strives to minimise them in accordance with its stakeholders' interests while trying to leverage risks as opportunities for further sustained development and growth.

FOR 2022, IN KEEPING WITH ITS STRATEGY, VEOLIA GROUP HAS IDENTIFIED 7 PRIORITY AREAS IN THE CONTEXT OF ITS RISK MANAGEMENT SYSTEM:

- Implementation of activities related to Impact 2023.
- Activities linked to and reinforcing Veolia's position as a leader in ecological transformation.
- Continued proactive management of preventive measures addressing the risks of the COVID-19 pandemic.
- Company transformation to achieve the multi-criteria indicators set out in Impact 2023.
- The maintenance of commercial performance.
- Activities to bolster information system security.
- Ongoing updating and enhancement of compliance programmes in response to regulatory and legislative changes.



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.

AREAS OF RISK UNDER THE SPOTLIGHT IN 2022

- Progress in implementing uniform methodology for an integrated risk management system through a network of risk managers and specialist departments – in particular finance departments – in the context of mapping the financial impacts of risks in the different zones and companies and in conjunction with the integration of Suez.
- Information support for the risk managers' network regarding important Group risks.
- Specifically targeted risk analysis with implications for the completion of Impact 2023 and, in parallel, preparations for the new 24–27 strategic plan.

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.

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

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 programme 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 particular, in 2022, the Ukraine Crisis Group used this programme to provide an overview and specific analysis of the countries where Veolia was present and that were most exposed to cyber risks in relation to the Ukraine-Russia conflict.

MAPPING OF CORRUPTION RISKS

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. In 2022, the Risk Department prioritised the updating of corruption risk mapping methodology based on scenario analysis and an assessment of the gross risk (which excludes preventive measures) and net risk (which assumes that preventive measures are in place).

ANALYSIS OF HUMAN RIGHTS RISKS

The Risk Department has been analysing human rights risks within Veolia since 2013. 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.

MAIN RISK FACTORS AND MEASURES TO MANAGE THEM

MANAGE THEM

The main risks that Veolia CZ faces are subject to an annual mapping process involving all of the Group's subsidiaries and functions. **Under the "Risk Management Mapping" project for 2022 and 2023**, the corruption risk was specifically mapped. Here, risks related to CO₂ and other emissions, climate change, and natural disasters were also mapped for the first time.

Finally, the risk posed by switching to low-emission activities and a green business model was also mapped.

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 classified as non-negotiable. The related risk factors are indicated below. Veolia CZ Group 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 company-specific events.

RISK MATRIX

IMPACT	HIGH	<ul style="list-style-type: none"> → Corruption and business integrity risks → Human rights risks 	<ul style="list-style-type: none"> → Risks relating to employee health and safety → Counterparty risk relating to operating activities 	
	MODERATE	<ul style="list-style-type: none"> → Personal security risks → Transformation risks linked to performance under the Our Purpose corporate strategy → Skills shortage risk → Risks relating to the selection and integration of acquisitions 	<ul style="list-style-type: none"> → Risks relating to the business climate → Seasonality risks → Environmental and industrial risks → Risks relating to changes in business lines → Competition risks 	<ul style="list-style-type: none"> → Geopolitical and political risks → Risks related to tangible and intangible assets and information systems → Economic risks → Risks relating to market changes → Risks relating to fluctuations in prices and commodities → Risks relating to regulatory changes, particularly in the areas of health and the environment → Risks relating to climate change and natural disasters
	LOW	<ul style="list-style-type: none"> → Currency risks 	<ul style="list-style-type: none"> → 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				

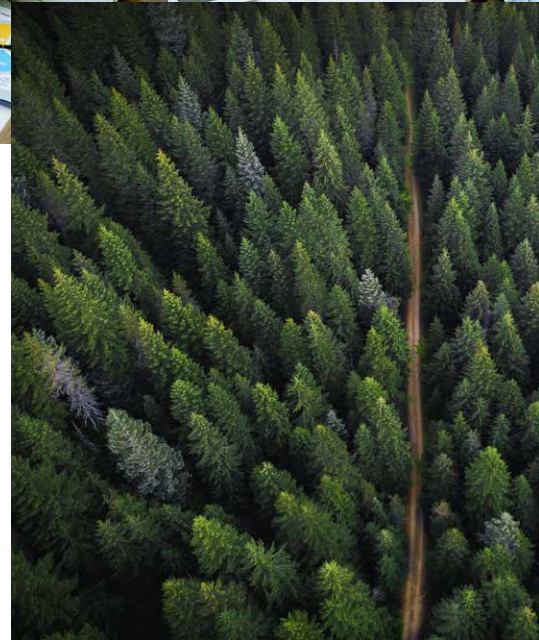
RELATIONS WITH SUPPLIERS

The purchasing process within Veolia CZ Group is largely centralised and channelled through the subsidiary Solutions and Services, a.s. This company successfully passed the ISO 37001:2016 certification audit for the anti-bribery management system it uses in the provision of central purchasing services, thus becoming another Veolia CZ Group firm to be awarded this internationally recognised certificate via the Bureau Veritas certification body.

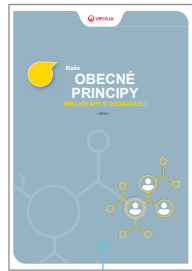


Veolia CZ pursues a sustainable development policy aimed at promoting human rights, contributing to societal prosperity, and protecting the environment. In conjunction with this policy, all suppliers undertake to observe scrupulously the legislation applicable in the areas mentioned above, and the standards adopted by Veolia CZ Group.

Veolia CZ has set rules of conduct for third parties in Group workplaces in connection with occupational health and safety, fire protection, and environment preservation (ESG).



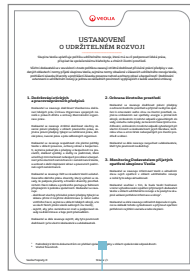
SUPPLIERS ARE GUIDED BY THE LATEST RECOMMENDATIONS SET OUT IN THE FOLLOWING DOCUMENTS:



**GENERAL PRINCIPLES
FOR SUPPLIER
RELATIONSHIPS**



→ [Link to file](#)



**RULES FOR THIRD
PARTIES' CONDUCT
IN RELATION TO
SUSTAINABLE
DEVELOPMENT**



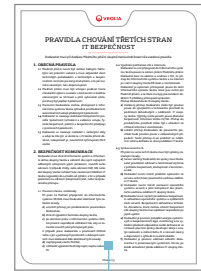
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**RULES FOR THIRD
PARTIES' CONDUCT
IN RELATION TO EHS, FP
AND ENVIR. PROTECTION**



→ [Link to file](#)



**RULES FOR THIRD
PARTIES' CONDUCT
- IT SECURITY**



→ [Link to file](#)

In 2022, **Guidelines for Sustainable Development in the Purchasing Process** were prepared for Veolia companies in the Czech Republic. These Guidelines define how the approach to sustainable development in the purchasing process is specifically applied, measured, and evaluated. In particular, it sets the obligation to draw up a plan for sustainable development in the purchasing process, and subsequently to prepare an annual report on the implementation of that plan. The pursuit of ESG measures and objectives is integral to multifaceted performance in the purchasing process and focuses, for example, on the abatement of emissions of CO₂ and other pollutants in the supply chain, improvements in the energy efficiency of supply, innovation, contributions to biodiversity, respect for human rights, social sustainability, the fight against corruption, and other criteria. The Guidelines will take effect in March 2023.

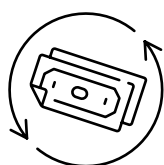
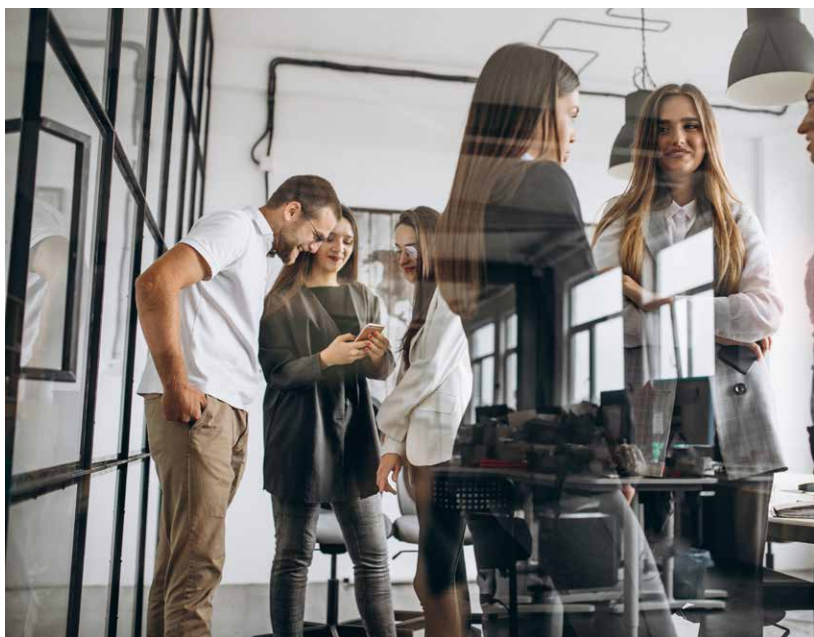
Every year, Veolia CZ takes part in the global EcoVadis campaign, motivating its suppliers to undertake an ESG audit conducted by EcoVadis (an internationally recognised assessor of sustainability in business and global supply chains. The assessment is based on 21 criteria and divided into four areas: environment, labour and human rights, ethics, and sustainable procurement).

Since 2018, the purchasing process at Veolia CZ Group has included an audit of the individual areas of ESG in suppliers' establishments, which is then recorded in the Supplier Establishment Report. 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 the prescribed form. On average, 26 audits are organised every year.



ECONOMIC AND FINANCIAL PERFORMANCE

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



Revenue growth:

Annual growth in published revenue

2022 TARGET

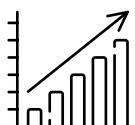
0.84%

2022 RESULT

20.79%

2023 TARGET

Annual target



Profitability of activities:

Current net income – Group share

2022 TARGET

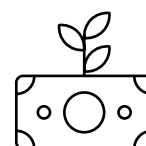
CZK 429.0 M

2022 RESULT

CZK 48.7 M

2023 TARGET

Annual target



Return on capital employed:

ROCE after tax (with IFRS 16)

2022 TARGET

10.69%

2022 RESULT

12.10%

2023 TARGET

Annual target



**TOTAL GROUP
TURNOVER IN
2022 WAS**

**CZK 44.9
billion**

**A 20.79%
INCREASE ON
2021, AND
EXCEEDING THE
TARGET BY 20.3%**



Of that, the Water business line accounts for 35.7%, with a 6.6% increase over 2021. 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 (reflecting the continuing downward trend in consumption) and other increases in expenditure, in particular on infrastructure system repairs.



The Energy business line accounts for 57.9% of the total turnover for 2022, up 33.3% on 2021. This increase is attributable primarily to the prices of electricity, heat and other commodities, along with the volume of consumption – particularly of electricity.



The WASTE business line accounts for 6.4% of Veolia Group's total turnover in the Czech Republic; the higher percentage compared to the previous year can be explained by Veolia Group's global acquisition of Suez.

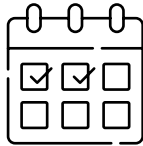
Current net income (minus the minority shareholders' share of the profit) for 2022 amounts to CZK 48.7 million.

The **return on capital employed** in 2022 amounts to 12.1% for the entire Veolia CZ Group. In comparison with the preceding period, there was a 1.3% 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.

ENVIRONMENTAL PERFORMANCE

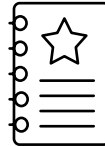
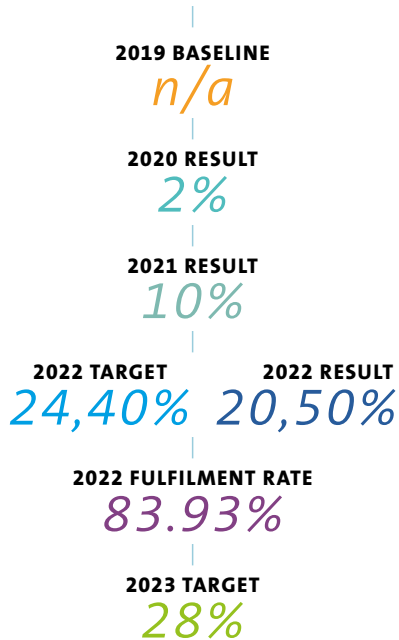
COMBATING CLIMATE CHANGE

Veolia Energie ČR's priorities are sustainable development and environmental protection, which is why it has long invested in the greening of its operations and is constantly reducing emissions of particulate matter, sulphur and nitrogen oxides, and CO₂.



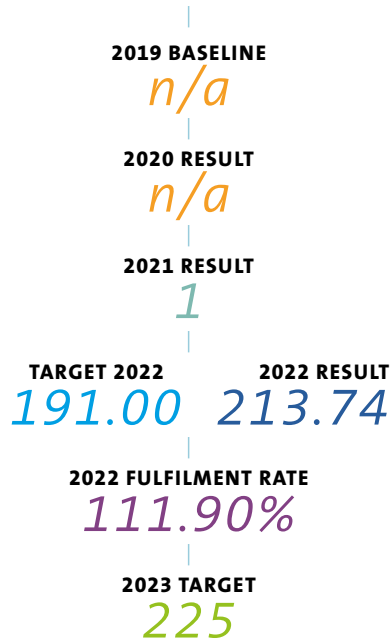
Progress in the investment plan

to eliminate coal in Europe by 2030.



Annual contribution to avoided GHG emissions

(assessed with regard to a reference scenario).



2022 was a very challenging year, despite the waning of the Covid pandemic, as the war in Ukraine erupted and its effects on Europe, together with other factors, impacted the energy sector significantly and raised a number of questions regarding further development, environmental targets, energy security, and self-sufficiency. Concerns over natural gas shortages and further developments drove gas and other commodity prices higher. Some prices increased several times over, reaching historical highs, and there was open talk of an energy crisis. Costs of transport, services, etc., also increased. Temporary shortages of certain supplies and raw materials were compounded by logistical difficulties and longer delivery times. As the year progressed, heat and electricity producers had to respond to these influences. The heating sector was also significantly affected by measures adopted by the Czech government.

Among the most significant of these was the declaration of a “pre-emptive state of emergency” in the heating industry, which entered into force in September 2022. This measure required natural gas burning to be reduced to the minimum possible in order to maintain heat and electricity supplies for the public at an acceptable cost. Exceptionally, for reasons of cost and the declared measure, Veolia Energie ČR Group had to keep to, or temporarily restart, coal burning operations.

Nevertheless, our ecological transformation will continue, despite the unprecedented market situation. In 2022, Veolia Energie Group continued the transformation of all of its main plants in the Czech Republic. The main reason for this was the need to meet the strictest emission limits from the start of 2023 and to continue projects related to converting heat plants from burning coal to burning renewable or low-emission fuels, or the most environmentally acceptable fuels.

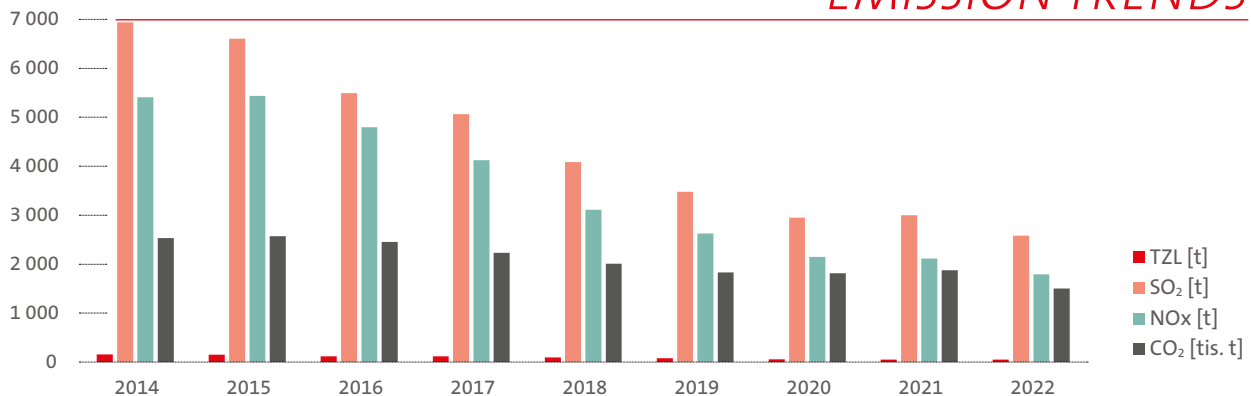


THESE ACTIVITIES ARE AIMED AT MEETING THE GROUP'S OBJECTIVES

in the planned shift away from coal by 2030 and towards a circular economy. Veolia Energie Group implemented capital projects worth CZK 2.7 billion in the Czech Republic in 2022. This was the largest investment in the history of Veolia Energie ČR Group. The progress achieved in the move towards more environmentally-friendly operations meant that emissions of CO₂, PM, SO₂ and NO_x fell again year on year.

This progressive greening therefore had a positive impact on air quality in 2022, as in the previous years 2020 and 2021. In the 2012–2022 reporting period, the concentrations of monitored pollutants fell to their second lowest levels in 2022 (and the lowest in the case of carbon monoxide), apart from ground-level ozone. Monitored air pollutant concentrations have thus declined substantially over the period from 2012 to 2022, with the exception of ground-level ozone.

EMISSION TRENDS





HEAT PRODUCTION IN THE CZECH REPUBLIC

Although the Czech heating sector is gradually phasing out coal, it is still dependent on it. According to the latest available data from the Energy Regulatory Office, most heat is produced from lignite (38%), followed by natural gas (21%) and biomass (15%). The Ústí nad Labem Region produced the most heat (20.1%), followed by the Moravian-Silesian Region (20%) and the Central Bohemian Region (17%).

The structure of heat production from particular fuels varies depending on the availability of those fuels in each region. The decline in gross heat production from lignite is continuing, with a 14% decrease in the use of lignite and a 25% decrease in hard coal compared to 2017, while biomass use increased by 35%.

The highest proportion of heat produced from hard coal was in the Moravian-Silesian Region (94%), from lignite in the Ústí nad Labem Region (32%), from natural gas in the Central Bohemian Region (21%), from biomass in the Ústí nad Labem Region (36%) and from biogas in the Vysočina Region (15%).

HEAT PRODUCTION IN THE CZECH REPUBLIC BY FUEL IN 2017 AND 2021 (IN TJ)

<u>FUEL TYPE</u>	<u>2017</u>	<u>2021</u>
LIGNITE	70,617	60,662
NATURAL GAS	70,617	34,490
BIOMASS	17,631	23,738
HARD COAL	19,467	14,593

Source: ERO (Energy Regulatory Office)

In the European Union, the share of renewable energy sources (RES) in the gross final energy consumption in the heating and cooling sector has almost doubled since 2004, exceeding 23% in 2021. The Czech Republic is slightly above the EU average; its RES share in heating and cooling stood at 24% according to the latest statistics.

ONGOING UPGRADING AND GREENING OF PRODUCTION PLANTS

In 2022, one of Veolia Energie ČR's principal tasks was to continue upgrading and greening its production plants and heat distribution systems. Almost CZK 1.8 billion was invested in the development and repair of production and distribution facilities in the Moravian Region in 2022. These investments included environmental projects. The largest capital project is the ongoing greening of the Přerov CHP Plant, where coal has been phased out. So far the new gas boilers have been commissioned and construction work is currently in progress on a multi-fuel boiler for biomass and RDF.

In the Bohemian Region, Veleslavín CHP Plant and Juliska Heating Plant were greened. In 2022, Veolia Energie Kolín began the civil engineering part of its project to decarbonise the Zálabí plant, with a view to meeting new emission limits and ending the burning of lignite, which will be replaced by biomass. At Veolia Energie Mariánské Lázně's biomass plant, renewable energy accounted for more than 75% of the fuel used last year.

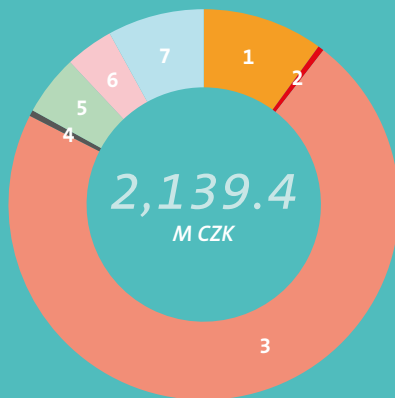


PRAŽSKÉ VODOVODY A KANALIZACE WILL REFUEL THEIR VEHICLES WITH THEIR OWN BIOMETHANE

Work began on the construction of a biogas-to-biomethane treatment plant at the Central Wastewater Treatment Plant in Prague in 2022. This project is being carried out for Pražská vodohospodářská společnost by another Veolia subsidiary, Česká voda - MEMSEP, a.s. The use of cutting-edge membrane solutions will see Prague join the list of major bioenergy producers. Biomethane, as a substitute for natural gas, will be injected into the gas distribution network to be used, among other things, as a "green" fuel for PVK's bio-CNG vehicles. In order to give customers confidence in the sustainability of the biogas, certification of the source component (biomass) will be carried out via the ISCC system. Veolia CZ Group currently has three more projects under preparation for the installation of similar units to convert biogas from wastewater treatment plants into biomethane.

VEOLIA ENERGIE ČR GROUP'S LARGEST EVER INVESTMENT

Veolia Energie ČR, a.s. spent CZK 1,850 million on capital projects in 2022. The value of the capital projects completed in 2022 came to CZK 2,139.4 million. Over the years, grants amounting to CZK 2,117 million were awarded for these investments from the Operational Programme Environment and the Operational Programme Enterprise and Innovation.



| 1 | RENEWAL AND COMPONENTS

10%

| 2 | LEGISLATION

0,5%

| 3 | GREENING

72%

| 4 | DEVELOPMENT

0,5%

| 5 | SALES – NEW CONNECTIONS, SERVICES

5%

| 6 | COGENERATION

4%

| 7 | OTHER INVESTMENTS

8%

WASTEWATER TREATMENT PLANTS CONVERT OPERATIONAL WASTE INTO ENERGY

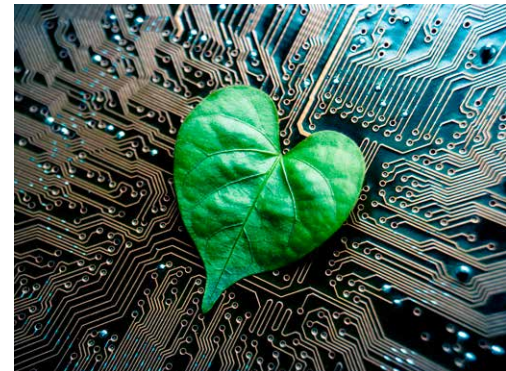
In 2022, Veolia Group continued preparing comprehensive energy solutions for the water infrastructure it operates. The aim of the solutions under preparation is to minimise electricity and heat consumption and, conversely, ensure that electricity, heat, and biomethane are produced from existing renewable sources. Consequently, more than 20 individual installations of photovoltaic systems with a capacity of more than 5 MWp, numerous heat exchangers and several large heat pumps, both on the outflow from wastewater treatment plants and on compressed air production technology, are ready for implementation in 2023–24. A specific example of one of the investments that has been prepared is the refurbishment of Příbram Wastewater Treatment Plant, which will cover 160% of its own energy and heat consumption.

CENTRAL WASTEWATER TREATMENT PLANT UNDERGOING EXTENSIVE UPGRADING

The new water treatment line of the Central Wastewater Treatment Plant at Císařský ostrov in Prague has been in operation since 1 January 2022. This project is one of the capital's largest infrastructure investments, costing CZK 6.3 billion. As many as 700 workers from all sorts of trades and professions were involved in its construction at one point. The new line took over the treatment of 50% of the wastewater generated by Prague. The line itself is housed in a watertight reinforced-concrete container for flood protection and a large part of the site is open to the public as parkland.

The Central Wastewater Treatment Plant continues to be upgraded with the renovation of the existing water treatment line, which was originally commissioned in the 1960s. On completion, this line will treat the second half of the wastewater from the City of Prague.

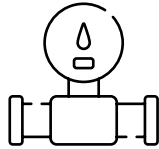
There will then be a third stage, which will see the sludge management system – shared by both water treatment lines – upgraded and renovated.



DIGITALISATION OF ACCOUNTING PROCESSES IN VEOLIA GROUP

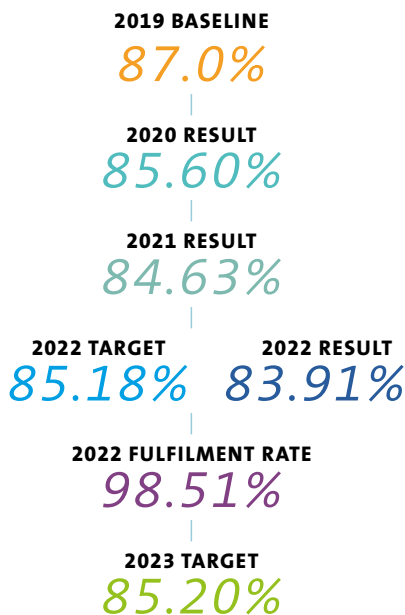
One of Veolia CZ Group's service companies – Veolia Support Services Česká republika, a.s. – provides electronic billing services. In 2022, it provided these services to all Group companies in the Czech Republic except Recovera and Pražská teplárenská. It was calculated that, compared to the paper version of the documentation, this would yield savings of 24.3 tonnes of CO₂. Veolia is also working on a project to fully automate and partially robotise accounting processes with a view to switching over all accounting processes to electronic versions completely by the end of 2025.

SUSTAINABLE MANAGEMENT OF WATER RESOURCES



Efficiency

of drinking water networks

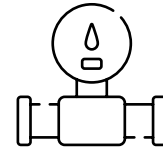


WATER SUPPLY NETWORKS AT MAXIMUM EFFICIENCY THANKS TO NEW TECHNOLOGIES

One of Veolia CZ Group's long-standing priorities in water management is to reduce and prevent water losses from the water supply network. A combination of traditional and modern detection and diagnostic methods has **long made us above the European average in terms of water supply network efficiency**. "In recent years, we have maxed out in the current conditions, and any deviations in losses are now caused more by the effects of the weather, such as sharp temperature changes or severe frosts," explains Bohdan Soukup, Deputy Technical & Performance Director for Central and Eastern Europe. The negative results reported in 2022 also reflect the repercussions of the COVID-19 epidemic and the significant reduction in water consumption resulting from this, especially in the City of Prague.

Water companies use unique new technologies, such as satellite systems, new acoustic detection systems, extensions to online metering and assessments of water network zones, along with support for the deployment of smart metering, both on the network and at end customers' premises. The use of Smart Ball has also been expanded to identify leaks from the backbone network, which is otherwise difficult to access.

The SWiM (Smart Water integrated Management) system operated by Pražské vodovody a kanalizace also now detects water leaks by means of machine learning. A computer analyses data from the control room and, based on imbalances between measured and predicted water consumption, is able to warn of potential leaks.



PROGRESS MADE IN ACTION PLANS

in action plans aimed at improving the impact on the environment and biodiversity at sensitive sites

2019 BASELINE

n/a

2020 RESULT

n/a

2021 RESULT

45.0%

2022 TARGET

70.0%

2022 RESULT

58.3%*

2022 FULFILMENT RATE

83.3%

2023 TARGET

90.0%**

* Target missed in 2022 – see explanation on page 38

** Veolia's global target is 75%, the target for the Czech Republic is 90%

PROTECTION OF ENVIRONMENT AND BIODIVERSITY

“Protecting biodiversity is a priority for Veolia. First of all, because it marks a change in our culture, and also because it involves a fundamental rethink of our activities.”

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.

ASSESSMENT OF THE ENVIRONMENTAL FOOTPRINT AND ENVIRONMENTAL MANAGEMENT AT SELECTED SITES

Based on a set of selected technical, operational, and ecological criteria, a list of plants and sites was compiled where an external environmental audit is to be conducted using the internal biodiversity footprint tool for the period up to the end of 2023. The Czech Union for Nature Conservation (ČSOP) and its local chapters are the expert partners cooperating on the project for the Czech Republic. For each plant, the footprint assessment tool draws on a list of operational and environmental data as input for an impact assessment and a draft action plan. The draft is then subject to comments and suggestions by the plant's responsible staff, and the final version is approved together with the management of the company in question. The implementation of the measures approved under the action plan is regularly monitored.



In the Czech Republic, the facilities listed below are among those plants with the largest environmental footprint. We assess their environmental footprint using an internal tool and monitor the degree to which they are delivering on their action plans (see the KPIs above, which are included among the indicators of the Purpose corporate strategy).

<u>PLANT</u>	<u>EXTENT TO WHICH THE ACTION PLAN HAD BEEN IMPLEMENTED BY THE END OF 2022</u>
OSTRAVA TŘEBOVICE POWER STATION	64.5%
OSTRAVA PŘÍVOZ CHP PLANT	90.0%
PŘEROV CHP PLANT	78.8%
KARVINÁ CHP PLANT	---- *

* No environmental audit was carried out at Karviná CHP Plant (Československé armády Street) because it was due to be decommissioned as of 31 December 2022. As a result of the energy crisis precipitated by the outbreak of war in Ukraine, an extension of the thermal power plant's operation has been ordered for the time being and an audit will take place in 2023.

Besides these four plants, the most sensitive from the point of view of biodiversity protection, another 12 plants have been identified where an audit is to be conducted in cooperation with ČSOP environmentalists, after which measures will be taken to improve biodiversity. We have the following targets for these sites by the end of 2023:

- implement environmental management and maintenance at 75% of sites with green areas exceeding 1 hectare;
- phase out pesticides at 75% of sites with green areas;
- raise both internal and external awareness of environmental protection at 50% of sites.

Sites included in the biodiversity conservation project and to which the above targets apply:

- **CHP PLANTS:** Olomouc, Frýdek-Místek, Krnov, Kolín, Prague Veleslavín, Karviná (Doly)
- **WATER MANAGEMENT PLANTS:** Prague Central Wastewater Treatment Plant, Olomouc Wastewater Treatment Plant, Zlín Male novice Wastewater Treatment Plant, Káraný Water Treatment Plant, Prague Podolí Water Treatment Plant, Hradec Králové Reservoir

TYPES OF BIODIVERSITY-FRIENDLY SITE MANAGEMENT MEASURES

At these sites, components obstructing the movement of or posing a danger to animals are removed, watering points are built, birdhouses and insect hotels are installed, and the lawn maintenance systems are modified. The audit also evaluates the composition of the flora in the area, after which native species of shrubs and trees are planted and invasive plant species are removed. For larger grassy areas, efforts are being made to switch to strip mowing and to sow flowery meadows. At some sites, mechanical mowers have been replaced by domestic animals. The types of external lighting in place at the sites are also evaluated. When light fixtures are replaced, more environmentally friendly types are purchased that only have downward lighting. Ideally, vegetation on the site should be maintained without the use of chemicals (pesticides). Informing and training employees and raising their and the general public's awareness of biodiversity issues is an equally important part of the project.

Veolia CZ has been working on biodiversity at its plants since 2015. It goes beyond the requirements set by the parent company. From the project's launch in 2015 to the end of 2022, 47 sites underwent an external environmental audit.

EXAMPLE

Pražské vodovody a kanalizace (PVK) is very active in protecting biodiversity. This water management company's sites contain 674,000 m² of green space, much of which comprises grassed water storage facilities (reservoirs) that were previously often mown without consideration for the diversity of flora. Given their function, these areas require a special degree of security, but this also allows them to be tended in a distinctive way. Some of the reservoirs have been reseeded, and beautiful meadows full of wildflowers have grown up. PVK has installed over 100 nest boxes and insect houses at its sites. Tits, blackbirds, thrushes, kestrels and other birds feed on the meadow-dwelling insects here. The lesser whitethroat, black redstart, and great tit have also found a home here. There are 24 bee colonies living at five sites. A project for the botanical monitoring of the reservoirs was initiated in 2022. In 2023, the aim is to draw on lessons learnt from previous years and set up binding procedures to ensure that the measures introduced are standardised and become an automatic part of operations.



WE HELP TO PROTECT VALUABLE NATURAL SITES IN THE CZECH REPUBLIC



Veolia CZ also helps to protect valuable natural sites in the Czech Republic, as evidenced by the **Let's Return Water to Nature project pursued in cooperation with the Veolia Foundation**. This project is a public fundraising effort aiming to help preserve valuable natural sites, especially wetlands, in the Czech Republic. Under this project, the Veolia Foundation has joined forces with the Czech Union for Nature Conservation (ČSOP), which seeks out suitable sites, purchases them, and maintains them, thus preserving them for nature.

Wetlands are a type of habitat that uniquely combines land and water ecosystems. Wetlands are assuming 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 funds publicly by selling gift items and providing direct financial donations to the fundraising account and cash contributions to the Foundation treasury. **From the project's launch in the autumn of 2018 to the end of 2022, the Veolia Foundation donated CZK 5.8 million for the above-mentioned purposes.**

In 2022, we supported the purchase of new land that would be owned by the ČSOP, the construction of nearly 30 pools, the maintenance of wetland meadows, and the spring migration of amphibians across busy roads.

→ More information about the project can be found at www.vratmevodupriode.cz.

CZECH BIODIVERSITY PARK, KLADNO

A unique biodiversity park will be built at Středočeské vodárny's Kladno site.

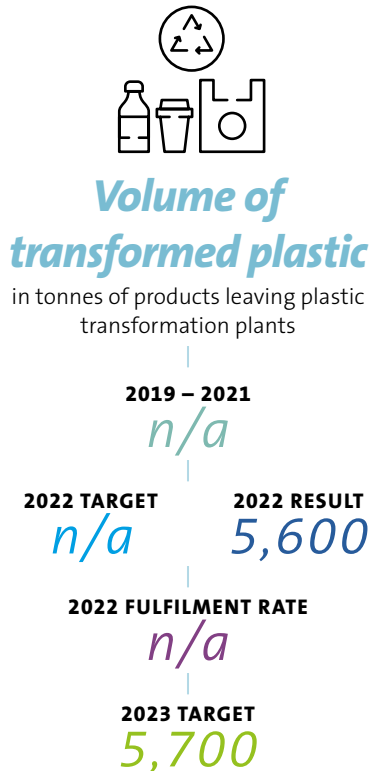
The park, open to the public and company employees, will be based on the principles of sustainability, blue-green infrastructure, and 21st-century urban design. The diverse space will offer a range of natural features, including a shaded playground with water features, a stone river, and open woodland. There will also be an ornamental pond, a grass maze, hammocks, and an educational trail on the theme of water in the landscape and water in Kladno. This is a pilot park project drawing on a concept unique in the Czech Republic.



The park site is located in the west of Kladno and is easily accessible for pedestrians and cyclists.

Besides being a spot where people can relax, it will also play an educational role for children from the surrounding schools and nurseries. The Aranka container building has been designed to offer information about the ecosystems of all Central and Eastern European countries by means of virtual reality. Středočeské vodárny acquired the land from the town of Kladno for a symbolic price. The park will be built during 2023.

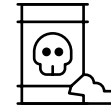
CIRCULAR ECONOMY – PLASTIC RECYCLING



When it comes to waste management, landfilling fees are continuing to rise in compliance with the Waste Act that has been enacted. This trend may be slow, but it is prompting greater waste recovery in more advanced pre-treatment and recycling technologies. The technology-oriented Recovera Využití zdrojů (“Recovera”) has been responding to this trend for many years, and now, for example, has its own plastic recycling lines in Srní u České Lípy and Némčice nad Hanou.

In 2022, the recycling activity itself fared very well thanks to the growing demand for secondary raw materials that can replace primary raw materials. In the case of plastic recycling, there has been an increase in demand for regranulate, which can be used in the production of other plastic products. Recovera specialises in the recycling of plastic LDPE (low-density polyethylene films – the output from recycling lines is regranulate, which is used for the production of other plastic films and bags in the Czech Republic and the European Union). In this respect, the clear environmental benefits of these recycling activities are the saving of crude oil as a primary raw material and the avoidance of potential emissions from the extraction and import of oil.

HAZARDOUS WASTE TREATMENT AND RECOVERY



In 2022, terminal technology facilities processed

154,056 tonnes
of hazardous waste.

Recovera Využití zdrojů a.s. helps its clients from industry, health care, and services to meet their obligations in the field of special-waste management in order to comply with national and international regulations. It assures the full safety of individuals, property and the environment at all stages of the process.

For most hazardous waste generated in the Czech Republic, including highly contaminated chemical waste, it operates terminal disposal facilities or facilities to reduce the contamination level (incinerators, biodegradation, stabilisation, landfills...).

The company has vehicles and tankers fitted out in accordance with ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road), as well as special containers for the transport of hazardous substances, booms, filters, pumps, high-pressure washers, breathing apparatus and chemical suits, sorption and cleaning agents, and experts who are authorised to assess the handling of hazardous substances, including air measurements, sampling and chemical analysis. A network of logistics centres and special technologies makes it possible to find the best solution for each type of hazardous waste, guaranteeing the safety of individuals and avoiding the risks associated with hazardous waste management.

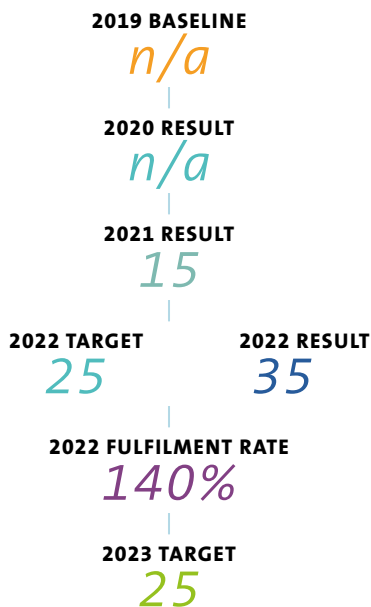
COMMERCIAL PERFORMANCE

DEPLOYMENT OF INNOVATIVE SOLUTIONS



Number of innovations

included in at least 10 contracts signed by Veolia CZ Group



VEOLIA'S SMART CONTROL CENTRES

Hubgrade, a modern smart control centre with as many as 10 different information systems (GIS, CIS, SCADA...), can process thousands of pieces of data every day. By interconnecting these systems, data can be filtered, combined, and put into context. Automated data exchange makes it possible, for example, to improve the performance of the infrastructure in operation, to enhance the quality of maintenance, to shorten the time required to repair network failures, to optimise costs, to increase the standard of security of buildings, and to improve the overall safety of water management facilities. One example is the above-mentioned **SWiM control system** at Pražské vodovody a kanalizace (PVK). Veolia Energie also has its own **Hubgrade**. By crunching large amounts of data, analysts can identify bottlenecks in the distribution networks and, in doing so, help to save costs. In addition, Veolia offers these control centre services to commercial customers (such as airports, schools, residential developments, office buildings, and shopping centres) and, on the basis of analyses of various parameters, **helps them to reduce energy consumption at their facilities.**



THE CYBER CENTRE COPED WITH A HEAVY ONSLAUGHT OF ATTACKS

The modern water control centre housed in a water tower on the premises of Středočeské vodárny (SVAS) controls water supply for more than 290,000 inhabitants of the districts of Kladno, Mělník and parts of Praha-západ, Praha-východ, and Rakovník. It also serves as a disaster recovery centre and a cybersecurity centre.

As part of ensuring cybernetic security, Veolia monitors the activities of hackers who attempt to disrupt its information systems. During the Covid pandemic, the number of attacks tripled, and when the war in Ukraine erupted, the frequency of incidents skyrocketed.

“At one point we were clocking 70,000 incidents per day, which is an incident per second. We had to introduce strict measures that would help to reduce the frequency of incidents to a humanly manageable level. The centre handled this situation perfectly,” said Bohdan Soukup, Deputy Technical Director for Central and Eastern Europe.

The local cyber centre serves five countries in this zone and plans to expand to two more countries in 2023.

One of the tasks of disaster recovery centre staff is to hold regular drills to ensure that the entire critical water management infrastructure is as prepared as possible for unexpected situations such as fire, attack or other threats. The disaster recovery system ensures that, in the event of an unexpected event, a backup control room takes over the duties of the damaged control room.

THE UNIQUE FLOOD INFORMATION SYSTEM WAS PUT TO THE TEST

The flood information system (PIS) developed by staff from Veolia Group’s Středočeské vodárny has been operating successfully for two years. This unique flood management software tool will make it easier for controllers to manage rescue operations. It identifies the areas and facilities that will be flooded and is able to generate a list of the facilities at flooded sites that can be evacuated. In 2022, company staff were supplied with a fully functional mobile version of the PIS, enabling them to monitor critical information directly in the field on their phones or tablets.

Last year, the PIS was put to the ultimate test when an imprudent building contractor constructed an illegal dam on a stream in Rakovník, which caused the water to accumulate and flood the outflow facility of the local wastewater treatment plant. The system’s alerts meant that staff were able to react quickly to the situation.



INNOVATIVE SOLUTIONS ARE INTEGRAL TO VEOLIA'S BUSINESS STRATEGY

In 2022, Veolia CZ Group was successful in pursuing its business strategy of offering comprehensive innovative solutions that draw on Group synergies, including their deployment and commissioning. An example of this is the ongoing synergistic partnership with Královský pivovar Krušovice, a member of the Heineken Group.

Veolia CZ provides both energy and water services to this brewery. Within the scope of this partnership, it actively creates and implements innovations that not only reduce costs, but, more importantly, lessen environmental impacts. Last year, for example, as part of the renovation of the local wastewater treatment plant, a unique anaerobic wastewater treatment system was designed that will use heat – which would previously have been wasted – from another part of the production plant as a heat source.

All proposals for changes in technology and water management functions are assessed from the perspective of their carbon footprint using Veolia's internal Green Path tool. This is in keeping with the Group's Purpose policy, because for Veolia CZ the environmental impact is just as important as the economic aspect of our cooperation.

Another of Veolia CZ's long-standing important clients is Bohnice Psychiatric Hospital. In 2022, Veolia Energie ČR signed a contract with the hospital to provide energy services with guaranteed savings (Energy Performance Contracting). This project guarantees savings of over 30% compared to the original level of energy usage. Cost-wise, it is the largest EPC project undertaken in the Czech Republic to date.

The unstable energy situation led many companies to review their approach to heating. One of them was Dopravní podnik hlavního města Prahy, the capital's public transport company, which reverted to district heating for the Kačerov Depot, the Hostivař Central Workshops, and the Hostivař Depot by reconnecting them to Veolia's heating lines.

SUCCESSFUL MONITORING OF VIRUSES IN PRAGUE'S WASTEWATER

In the first half of 2022, with the Covid pandemic still fairly rife, Veolia Group's PVK continued to engage in operational monitoring for the presence of the coronavirus in wastewater. The method used was developed by our staff in collaboration with the University of Chemistry and Technology. Continuously improved from the beginning of the pandemic, it was accredited as a standard analytical method as early as 2021. This data made it much easier for Prague health officers to predict the course of the pandemic and decide on the measures that needed to be taken.

In the second half of the year, wastewater sampling was extended to include monitoring of the spread of monkeypox virus, thus confirming how versatile the wastewater sampling method is and that it can also be used to track the spread of other diseases.



ECOLOGICAL TRANSFORMATION PROJECT AT PRAŽSKÉ VODOVODY A KANALIZACE

Pražské vodovody a kanalizace (PVK) has well-defined priorities in relation to long-term sustainability and corporate social responsibility. One of these priorities for 2023 is the ambitious Ecological Transformation project, which will see the Company be among the first in the Czech Republic to be certified for an ISO 14064 system with a timeline for curbing the production of greenhouse gases. Compelling evidence of ecological transformation includes a project that was an outstanding success in the international Impact Awards, where PVK won a top prize for its Bio-CNG Transformation Project. As one of the industry's technology pioneers, PVK strives to be at the cutting edge of innovation. In 2023, a multi-year project to implement BIM (Building Information Modelling) at both PVK and Pražská vodohospodářská společnost a.s. will be completed. This project is exceptional in how it embraces processes, simultaneously, at both the owner and operator of water management assets. At PVK, it will result in the long-planned connection to the Technical Information System. The development of SWiM 4.0, the next-generation central control system integrating fast-emerging aspects of artificial intelligence, will also proceed in earnest. The launch of this system has been slated for 2025.



SUPPORTING YOUNG CZECH SCIENTISTS AND STUDENTS

Since 2002, the **Czech Head Award** has honoured scientists for their patents and discoveries and popularised Czech science, applied research and related achievements among the general public and professionals alike. Veolia is a **long-standing partner of this most prestigious of Czech scientific awards**. Prizes are awarded in six categories. The main award for lifetime contribution went to Professor Petr Pyšek, who is currently the most cited invasion biologist in the world. Pyšek played a pivotal role in the formal comprehension of the invasion process and contributed to the theoretical foundations of this field. He co-authored the conceptual framework for invasions and the classification of the invasion process, including the terminology that has become standard and facilitated the meteoric rise of this discipline in the last decade.

The Veolia Doctorandus Prize for Natural Sciences, which was presented by Miluše Poláková, our CFO, was awarded last year to Alžběta Dostálková for her study of interactions leading to the folding of retroviral particles. Dostálková helped to clarify some of the stages of this complex and still unexplained mechanism. Her research could make a major contribution to the design of new antiviral medicines that may help in the fight against HIV-1, which 40 million people worldwide are currently estimated to be infected with.

In 2022, the **Veolia Summer School programme for university students** also continued (in digital form due to the challenges posed by the Covid pandemic). This time it was attended by a selected student from the University of Chemistry and Technology. Similarly, students are accepted for placements and to work on their academic papers at both Veolia and its subsidiaries. This also serves as a conduit for the smooth recruitment of skilled human resources to the Group's companies.

Veolia also continues to cooperate with selected Czech universities on the basis of memoranda and directly on individual research projects, and by means of the supply of activities to Group companies. It is worth noting the joint involvement in a wide range of research projects (such as various Horizon grant projects).



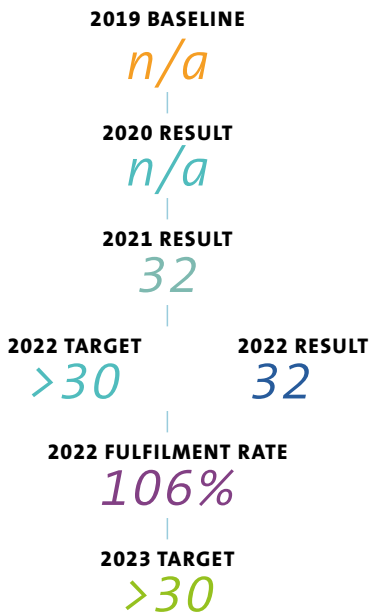


CUSTOMER AND CONSUMER SATISFACTION



Customer satisfaction rate

according to the Net Promoter Score (value)



As in previous years, the survey was carried out by the independent agency IBRS, s.r.o. and encompassed the WATER and ENERGY business lines. The WASTE business line will join the project in 2023.

Veolia Group companies provide a high standard of service and offer modern and user-friendly forms of communication to their customers and to end users. They use all communication channels in their efforts to convey information on the services provided.

2022 was greatly affected by the energy crisis, and customer relations therefore had to respond to the concerns that our customers were voicing, in particular regarding the natural gas shortage and rising thermal energy prices. The “Together 2030” web platform, which Veolia launched at the beginning of 2021, was expanded to include the **messages “Together we can deal with the energy crisis” and “Even the little things”**. As part of this initiative, Veolia offers specific advice about how to save money on heat, hot water and electricity through “the little things”, provides model examples of how much money can be saved in different types of households, and uses video interviews with experts to explain all the things that Veolia is doing at various levels to minimise the impact of the 2022 energy crisis on its customers. The campaign was mainly channelled through online and print media, as well as the company’s dedicated website www.spolecne2030.cz.





A call centre with offices in Prague and Ostrava handles **telephone calls** with customers in the Czech Republic. In 2022, it communicated with customers for the Water and Energy business lines. A project to connect the Waste business line to the unified telephone-based customer service was launched.

194,289

incoming calls to the call centre

79.62%

call centre service level



The online customer portal is a very popular communication channel. It is used by both private and business customers. Customers have a secure account providing them with a constant overview of their water or energy consumption, bills issued, all payments made, and billing meter readings taken. Through the portal, they can also submit requests to the supplier and track the status of those requests.

In 2022, 125,000 customers had an account on the customer portal, including nearly 122,000 from the Water business line and 3,000 from the Energy business line.

125,000

customer portal accounts



Another helpful customer communication tool is **SMS INFO**, which has been in operation for the Water business line for a long time and for the Energy business line since 2022. This service automatically sends text messages to inform registered customers about incidents such as water or sewerage breakdowns or planned shutdowns at the address of interest entered by the customer. By the end of 2022, more than 110,000 customers had registered for the service.

110,000

SMS INFO registrations



Pražská tepleárenská has changed the way it charges for heat. Since the beginning of 2022, the unit of charge on customer invoices has been the kilowatt-hour (kWh), replacing the previous gigajoule (GJ). This change makes it easier to understand energy billing and to compare prices directly with suppliers of other energy commodities, such as gas or electricity. Prices in those cases have long been given in crowns per kilowatt-hour.

In autumn 2022, Pražské vodovody a kanalizace, a.s. ran its traditional telephone satisfaction survey in partnership with the external independent research agency International Business and Research Services s.r.o. The survey involved a cohort of 890 respondents, comprising a mix of private customers, multi-family building managers, housing cooperatives, industrial customers, and corporates in Prague. According to the survey, the internet is the most favoured information channel, closely followed by the customer service phone line. Companies and private customers prefer the internet, while housing cooperatives favour the customer service line.

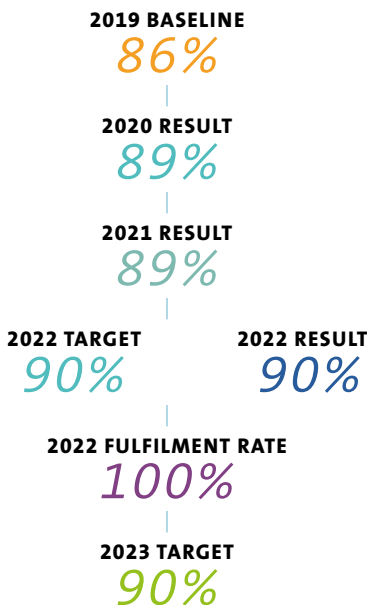
HUMAN RESOURCES PERFORMANCE

EMPLOYEE COMMITMENT



Rate of engagement of all employees,

measured in an independent survey



EMPLOYEE COMMITMENT AND PROFESSIONAL DEVELOPMENT

Veolia CZ Group management obtains valuable feedback from employees every year via the global Voice of Resources survey. The survey is conducted annually among all Veolia Group employees worldwide and its results provide inspiration for further action aimed at fostering a corporate culture that is aligned with Group values and the needs of employees. 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.

In 2022, the survey indicated that, compared to the previous year, employees felt more satisfied with the working atmosphere in their team and the clear assignment of their duties. The level of employee commitment (engagement) has been consistently high in the long term and increases in proportion to the age of the employee.

Furthermore, 93% of employees believe that there is good teamwork within their department and 82% feel encouraged to show initiative. A total of 84% view their future at Veolia as promising and 82% are happy with their work-life balance. Most employees also feel their manager supports them in difficult situations. Over the past year, 85% of survey respondents reported that, subjectively, they had improved their work skills.

EMPLOYEE TRAINING AND EMPLOYABILITY

PAPERLESS OPERATION AND GROWING INTEREST IN TRAINING

In terms of employee care, Veolia attaches great importance to training. Training is provided to Veolia CZ Group's employees primarily by its own Institut environmentálních služeb, a.s. (Institute of Environmental Services – IES), which offers a 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 IES teaching team is made up of over 200 top instructors, mostly Veolia managers and specialists, experts from universities, colleges and vocational schools, scientific research organisations, government bodies, and specialised companies.

The Covid pandemic affected the format of the courses and the trend of more distance learning has continued. IES conducted 70% more training for Group employees via webinars compared to 2021. In e-learning, an increase of almost another 10% compared to 2021 was observed.

Other IES achievements in 2022 include:

- an almost 30% increase in the number of in-person training sessions compared to 2021
- the “Veolia High-risk Management Standards – Work at Heights and Traffic Management” module featuring virtual reality has been successfully developed and is ready for testing
- successful completion of the implementation of ISO 37001 “Anti-bribery management”, paving the way for the launch of a programme for the training and systematic preparation of compliance officers, compliance ambassadors and other employees in high-risk positions

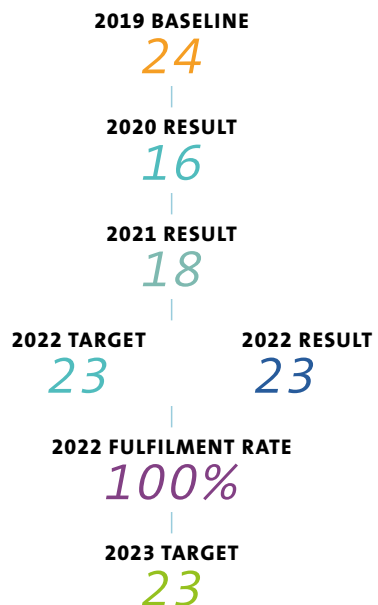
In 2022, IES succeeded in going fully “paperless”, significantly reducing its environmental impact. This was achieved primarily thanks to the interconnection of two IT systems, eCampus and Helios, which automates numerous administrative tasks. Internal processes are also digitalised as a matter of course.

Throughout 2022, IES also made efforts through its training activities to help new members from SUEZ integrate into the Group, to promote the One Veolia ethos, and to reaffirm its strategy as a leader in ecological transformation. “One interesting example of how all these activities are combined is V.I.P. (the Veolia Induction Programme), which took place in autumn 2022 and was aimed in particular at the future generation of young and emerging managers and specialists from the Czech Republic and Slovakia, as well as at networking within all three business lines,” says Kateřina Lavičková, IES Director.



Number of hours of training

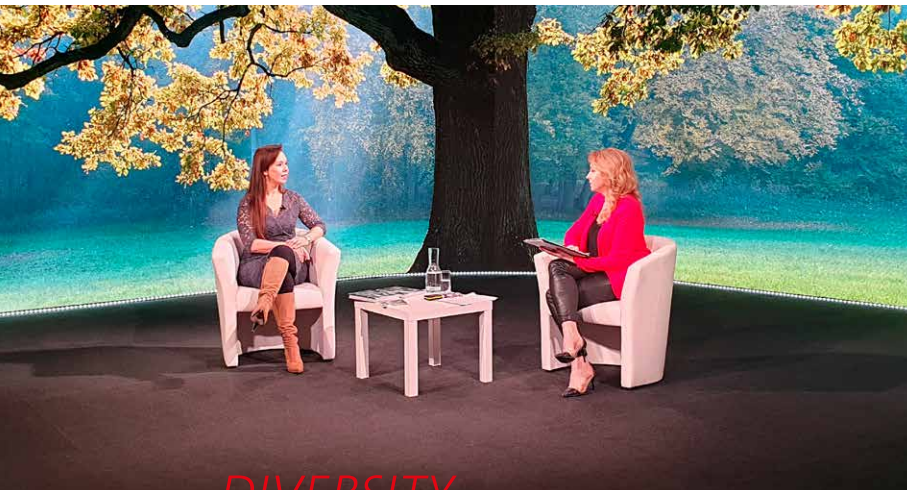
per employee per year



SOCIAL DIALOGUE WITHIN VEOLIA CZ GROUP FOR 2022

For water management companies, 2023 has been affected by quite extraordinary cost increases due to high inflation, especially in external services, materials and energy, which will be reflected in a possible adjustment of water and sewerage charges within the scope of the set price regulation.

The energy and heating sectors are grappling with extreme cost escalation, particularly in fuel and CO₂ allowances, while significant investment in challenging environmental projects is also needed. At the same time, the prices of electricity and heat paid by customers have to be kept competitive. These circumstances are unfortunately reflected in a need to cut the number of employees, though always fully respecting the agreements on long-term social cooperation. Negotiations on collective agreements for 2023 at Veolia CZ Group's water and energy companies were conducted in circumstances affected by the uncertain state of play related to the ongoing military conflict in Ukraine, across-the-board price hikes, high volatility in the energy sector, and general uncertainty about the socio-economic situation. In such circumstances, it is all the more commendable that an acceptable compromise could be found in all quarters of the Group. In the next year, the main priority for Veolia CZ as an employer will remain the stability and durability of relations, open and truthful dialogue on Veolia CZ Group's situation, and respect for social dialogue partners – trade unions.



DIVERSITY

DIVERSITY AND SUPPORT FOR MOTHERS

Respect for diversity, strict compliance with the principle of equal opportunity, and the fight against all forms of discrimination are important elements of Veolia CZ Group's corporate culture. Overall, women account for 22% of Veolia CZ Group's workforce, and for over 18% of managers.

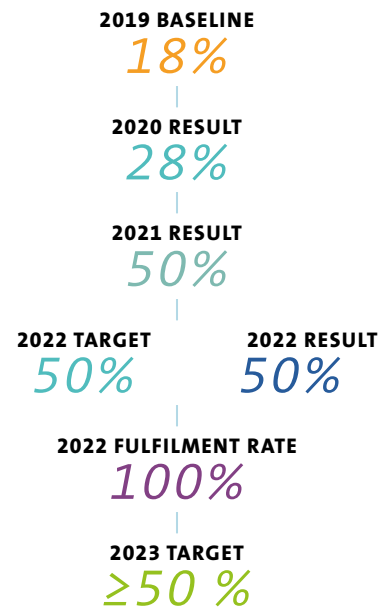
The 2022 result of the main statistic mentioned on the right reached 50% thanks to an appointment of Miluše Poláková. At the end of 2022, she became Veolia CZ's CFO and HR Director. Veolia's global leadership has also gained another female presence, with Estelle Brachlianoff becoming CEO of the entire Veolia Group in 2022.

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.



Proportion of women

appointed among Executive Resources from 2020 to 2023





OCCUPATIONAL HEALTH AND SAFETY

A healthy and safe working environment

Within Veolia CZ Group, an emphasis is placed on the above-par discharge of obligations in the fields of occupational health and safety (OHS) and fire protection, which go well beyond the requirements of applicable Czech legislation. 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.



Injury frequency rate

(lost-time injuries)

2019 BASELINE

1.98

2020 RESULT

2.07

2021 RESULT

2.70

TARGET 2022

<2.00

2022 RESULT

2.38

2022 FULFILMENT RATE

84%

2023 TARGET

<2.00

FRESH IMPULSE

The arrival of the new WASTE business line in the portfolio of Veolia CZ companies in 2022 provided inspiration and impetus for the further improvement of the OHS system and mutual enrichment through shared experience. The cooperation of all three teams will facilitate further improvement of the OSH system and increase the protection of our employees from accidents.

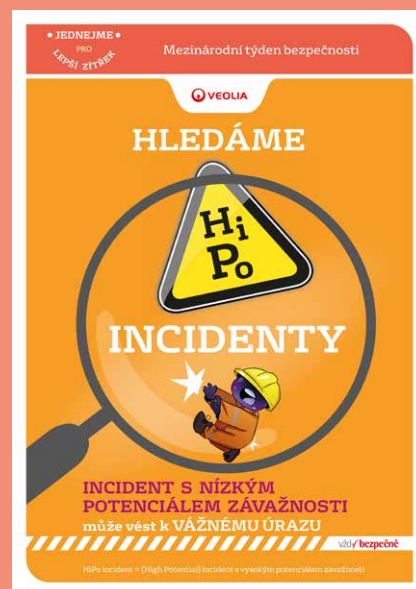


EMPLOYEE EDUCATION

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.

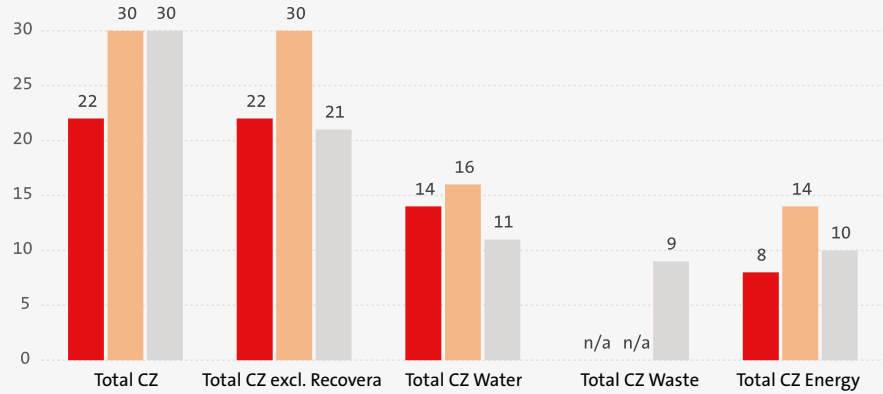
HEALTH AND SAFETY WEEK

Veolia CZ Group's 2022 International Health and Safety Week took place in the week from 19 to 23 September and focused on "HiPo" incidents, where the potential for serious consequences is high. The campaign, which was prepared by new colleagues from the Waste business line, consisted of three morning online workouts. It successfully engaged over 1,500 employees.



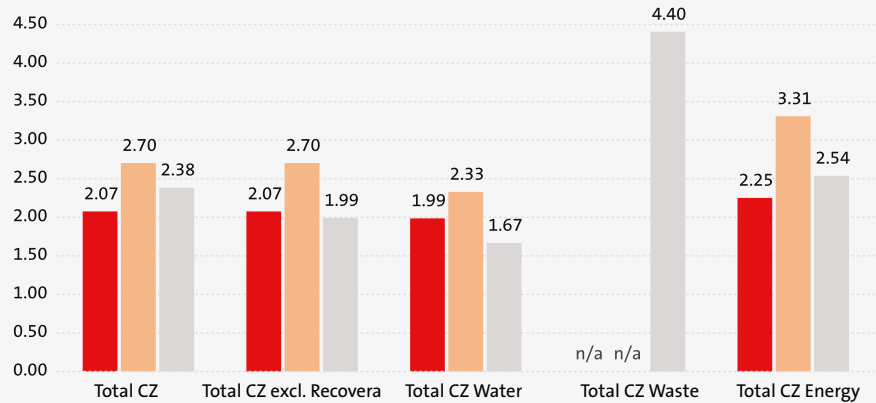
**LOST TIME
INJURY
FREQUENCY
RATE,
2020 TO 2022**

■ 2020
■ 2021
■ 2022



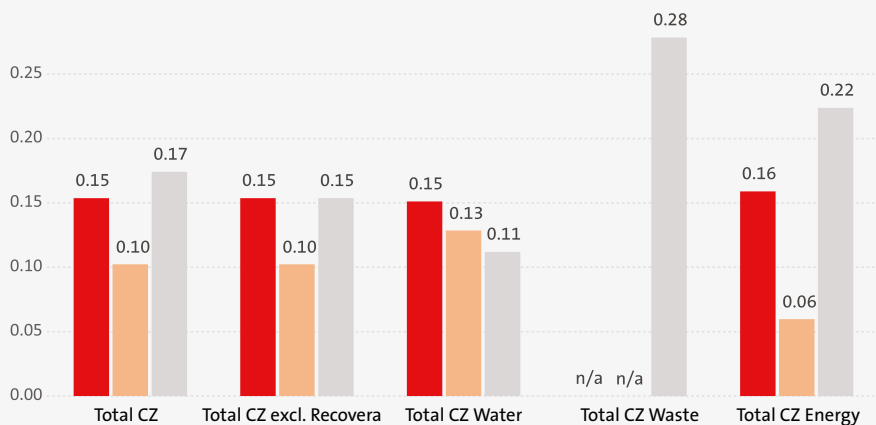
**INJURY
FREQUENCY
RATE,
2020 TO 2022**

■ 2020
■ 2021
■ 2022

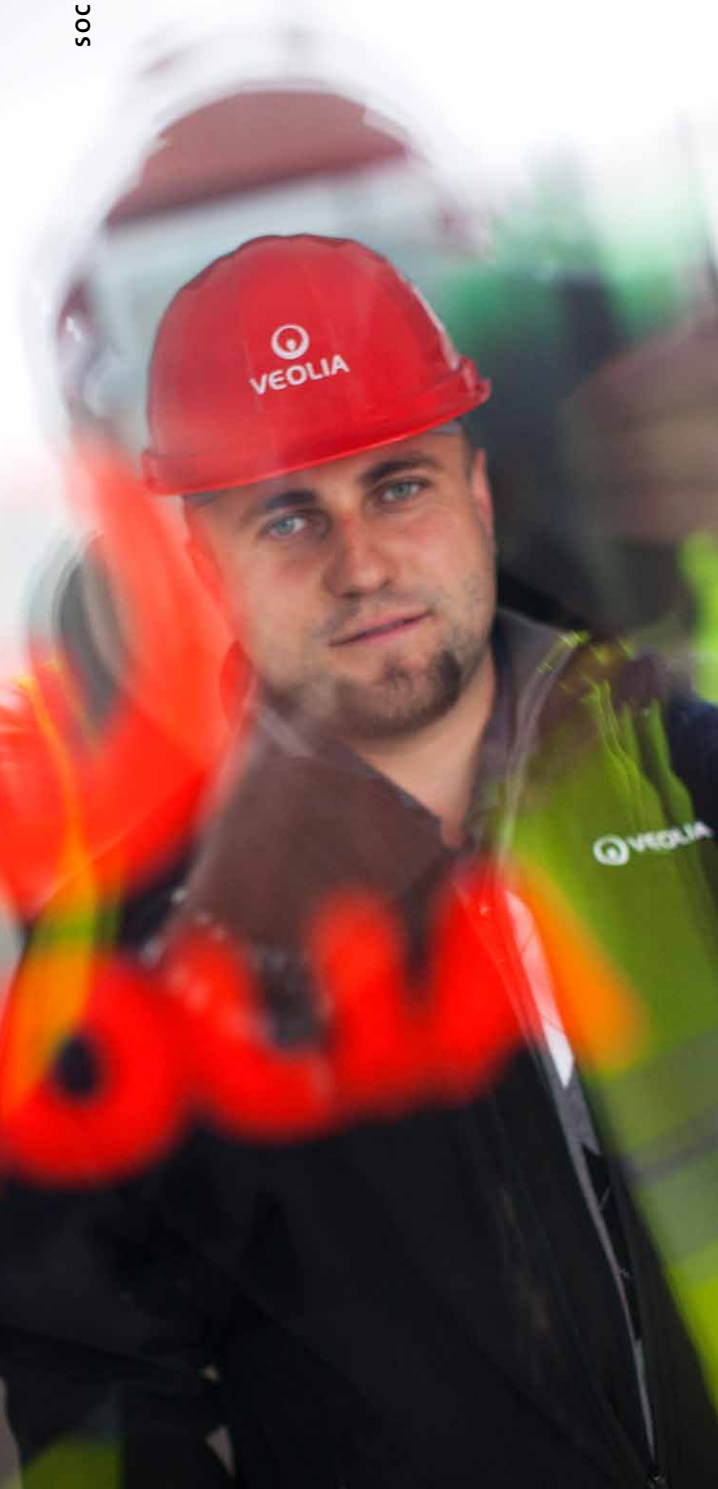


**INJURY
SEVERITY RATE,
2019 TO 2021**

■ 2020
■ 2021
■ 2022

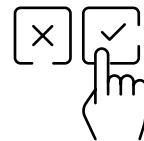


SOCIAL PERFORMANCE



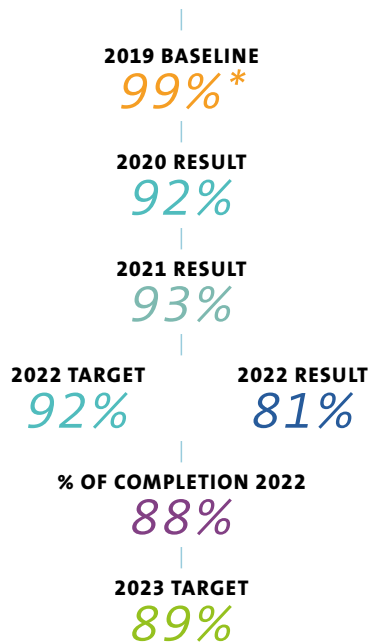
ETHICS AND COMPLIANCE

Employee feedback is important, which is why the annual survey includes questions focused 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.



Percentage of positive answers

to the Voice of Resources commitment survey key question: “Veolia conducts its activities in my country in an ethical and compliant manner”.



* result only for the manager cohort

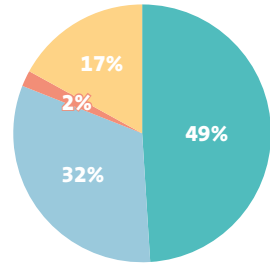


Feedback from employees is important, which is why the annual survey contains questions focusing on anti-bribery conduct and compliance with company regulations. The management team's goal is to receive more extensive feedback on these topics from employees.

Two factors are behind the lower result for 2022: the differently worded question and the participation of new colleagues from Recovera.

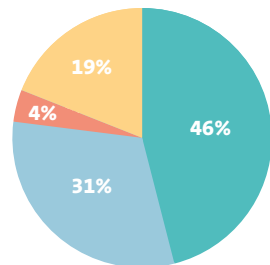
In previous years, the survey question was formulated differently ("Are Veolia's values and ethics applied in my entity?"), but this has adversely affected employees' ability to assess Veolia's business ethics in the context of the entire Czech Republic, not just within the company where they work. In addition, employees of the newly integrated Recovera (formerly Suez) took part in the survey for the first time in 2022. Considering the date on which the transaction took effect (04/2022), it was impossible to integrate the company into Veolia to the required extent. The results were also affected by the integration of other companies that became part of Veolia Group in the Czech Republic. Veolia adopted specific communication and training measures to better target communication at affected groups of employees in 2023.

We at Veolia Group behave ethically and respect compliance rules in the Czech Republic



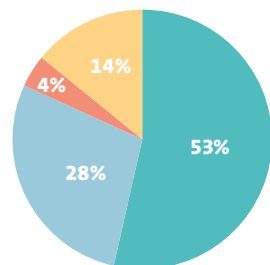
Yes, absolutely	49 %
Yes, somewhat	32 %
Not really	2 %
Don't know	17 %

At the company where I work, we have effective internal processes and controls in place to prevent fraud and corruption



Yes, absolutely	49 %
Yes, somewhat	32 %
Not really	2 %
Don't know	17 %

At the company where I work, I feel free to report any suspicions of fraud or corruption



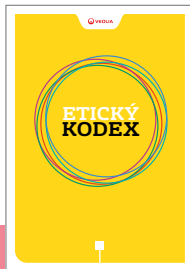
Yes, absolutely	49 %
Yes, somewhat	32 %
Not really	2 %
Don't know	17 %

* note: other responses to the ethics and compliance questions were influenced by the same factors as above. This resulted in a higher number of "don't know" responses.

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.



ETHICS
GUIDE



→ [Link](#)



ANTI-CORRUPTION
CODE OF CONDUCT:



→ [Link](#)

CODES OF CONDUCT

The principles of professional life in environmental terms are laid down in our internal documents, which set out the principles underlying our green practices. Environmental conduct has major benefits for the Group, both moral and economic.

For the practical implementation and application of the notions mentioned previously in everyday practice, Veolia CZ 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 individual 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.



IMPLEMENTING THE ANTI-BRIBERY MANAGEMENT SYSTEM UNDER ISO 37001



The military conflict in Ukraine had a major impact on 2022. For this reason, Veolia CZ worked hard throughout the year to monitor sanctions lists and the imposition of international sanctions. Despite diligently checking its existing and new business partners against international sanctions lists, it succeeded in meeting most of its strategic objectives in the fields of ethics and compliance.

It actively continued the process of certifying other companies for the anti-bribery compliance programme in accordance with the international standard ISO 37001. It successfully completed the certification of the entire Energy business line, with certification also being awarded to Česká Voda. **Consequently, the certified anti-bribery compliance programme succeeded in covering 91% of Veolia CZ Group's turnover** (excluding the newly established company Recovera), i.e. an increase of 30% on 2021. The first holder of the certificate in the Czech Republic was Pražské vodovody a kanalizace, a.s., which gained it in 2020.

In 2022, intensive work was carried out to integrate Recovera in line with the approved action plan. The core elements of the compliance system were successfully set up and the integration of the company, including preparations for ISO 37001:2016 certification, will continue in 2023. **At the same time, Veolia Group's new "Essentials" manual, summarising the basic rules and the main processes and principles that Veolia Group is committed to following beyond the scope of national and international regulations, was introduced.**

In 2023, Veolia CZ will aim to introduce an anti-bribery management system and have it certified at other companies in the Czech Republic. It also intends to make ongoing improvements to the anti-bribery management system already in place at individual companies, e.g. it plans to enhance the internal reporting system, the process of vetting business partners, and digitalisation in the field of compliance.

As ethics is a key aspect of Veolia Group's management, it implemented a unified, decentralised, and **independent ethical whistleblowing system – Whispli** – that complies with the legislation on this issue (the French 2016 Sapin II Law and the 2017 Prudence Law) as well as the requirements of the GDPR. The purpose of the system is to guarantee absolute confidentiality and legal protection for all parties involved, i.e. both the whistleblowers and the persons being reported.



COMPLAINTS IN 2022

20
NUMBER OF COMPLAINTS

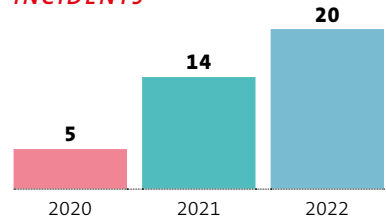
80 %
RESOLVED

0
IMPORTANT COMPLAINTS

0
CORRUPTION-RELATED
COMPLAINTS

1
EMPLOYEE DISCIPLINE

WHISTLEBLOWING INCIDENTS



Veolia has appointed an independent body, the Ethics Committee, to oversee compliance with the principles of the Code of Conduct. Employees and third parties can report non-compliance with Veolia's core values through a single whistleblowing system that guarantees the highest standards of protection for the identity of both the whistleblower and the person being reported for unethical behaviour. The **Ethics Committee** works closely with the Compliance Department, which has the specific tools needed to handle any violation of business ethics that contravenes laws and international treaties or constitutes a serious violation of human and employee rights.

Ethics is a major challenge for Veolia. The Group's reputation, credibility and cohesion depend heavily on its employees' ability to act in accordance with its core values of responsibility, solidarity, respect, innovation, and customer focus.



RESPONSIBILITY

Veolia's objective is to take an active part in the shaping of a society committed to sustainable development. It is a key player in the market of services closely linked to the environment and as such it assumes daily responsibility for the pursuit of general interests, especially the promotion of harmonious regional development, the improvement of the living conditions of the inhabitants affected by its activities, and the protection of the environment, which is at the heart of its interests.

Veolia encourages the development of the professional competence of its employees, the improvement of safety in the workplace (the prevention of industrial accidents), the creation of a healthy working environment and the assurance of the safety of all employees and facilities managed by the Group. In exchange for taking a responsible approach to its employees, Veolia expects everyone to be completely loyal and to respect the values and ethical rules set out in the Code of Conduct. Veolia's activities are always aimed at sustainable development.

SOLIDARITY

As Veolia has set itself the goal of "resourcing the world" and its business activities serve both common and shared interests, solidarity is one of its core values in its relations with all stakeholders, and the Group strives to ensure that their expectations converge.

Specifically, this value is expressed by developing solutions which enable the Group to provide essential services for everyone. This is a central plank of its corporate social responsibility.



RESPECT

Respect is a guiding principle for the conduct of all Group employees and is reflected in the observance of the law, respect for the Group's internal regulations, and respect for others, which means, above all, professional equality and a commitment to ensuring the dignity of employees.

The fact that Veolia respects the law also demonstrates its inherent moral principles of integrity and honesty. On the basis of these principles, corruption is viewed as a criminal offence not only in French law, but also in most other national legal systems.



INNOVATION

Research and innovation combine to form the core of the Veolia Group's strategy in its development of sustainable solutions and services for customers, the environment and society at large. Innovation enables the Group to keep improving the efficiency and quality of its services.



CUSTOMER FOCUS

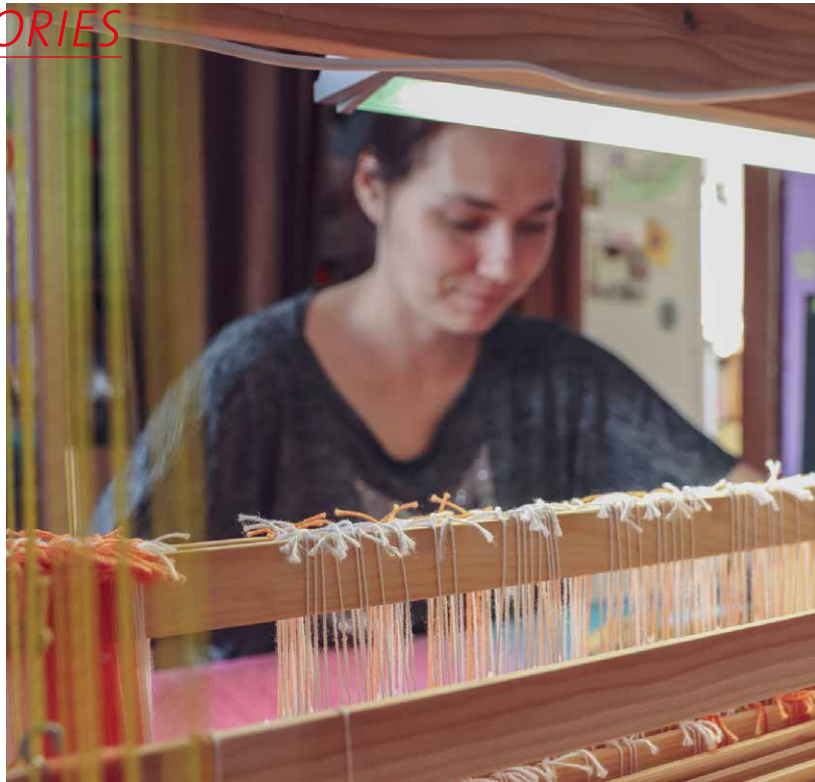
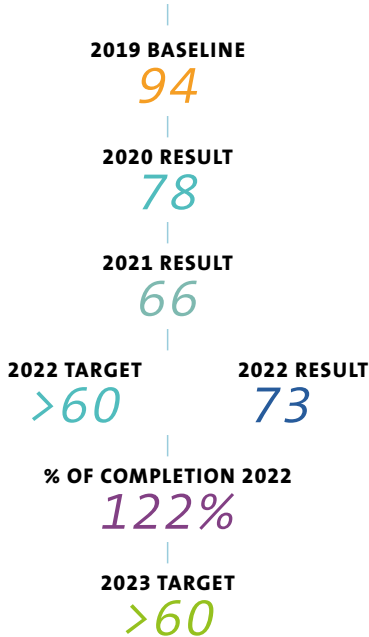
Veolia promotes transparency and ethical rules as a prerequisite for the cultivation of long-term customer relationships based on trust, integrity, and mutual respect, without discrimination of any kind. Veolia listens to its customers and responds to their technical, economic, environmental, and social expectations with appropriate and innovative solutions.

JOB AND WEALTH CREATION IN THE TERRITORIES



Socio-economic footprint for Veolia's activities

in countries where the Group operates, with regard to direct and indirect jobs supported and wealth (number of 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.

THE STARTÉR, TRUST YOURSELF AND DO BUSINESS! PROGRAMME

has been helping micro- and small businesses in the Moravian-Silesian, Olomouc and since 2022 in Central Bohemia regions to turn new business ideas into a 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 2,609 new jobs were created from 2000 to 2022, of which 394 have been for persons with disabilities, and more than CZK 124 million was granted. Thanks to the Foundation's grants in 2022, which totalled CZK 4,4 million, 43 business plans were implemented, creating as many as 73 new lasting jobs in the process, 3 of which were for persons with disabilities.

<u>YEAR</u>	<u>NUMBER OF NEW JOBS</u>	<u>FOUNDATION GRANTS AWARDED</u>
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
2022	73	CZK 4,379,200
<u>TOTAL</u>	<u>2,609</u>	<u>CZK 124,257,130</u>





EMPLOYMENT OF PERSONS WITH DISABILITIES AT VEOLIA GROUP

In 2021 and 2022, Veolia Support Services Česká republika, a.s., which provides accounting services within Veolia Group, newly employed six persons with disabilities.

In 2022, Veolia CZ Group companies employed a total of 240 persons with disabilities.

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 2022, VF distributed CZK 49 million between 1,788 projects, of which CZK 4.8 million was distributed in 2022. The supported projects are aimed at helping disadvantaged groups, developing leisure activities for children and young people, conserving the environment and supporting community life.



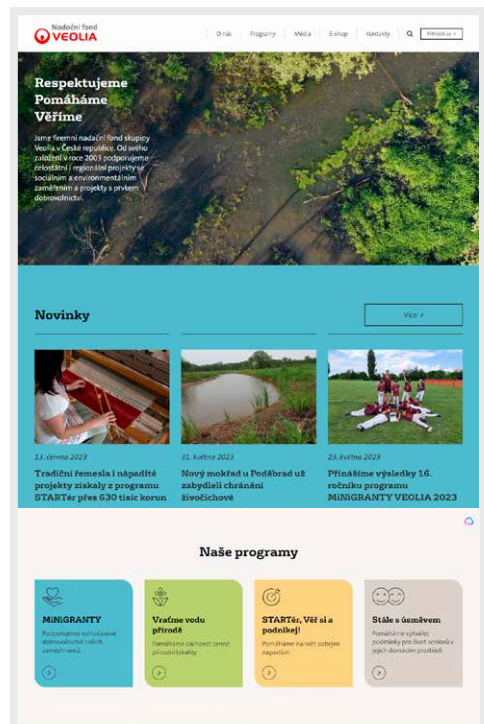


KEEP SMILING – PROGRAM FOR THE ACTIVE LIFE OF SENIORS

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 2022, CZK 12.7 million was distributed among 124 projects.



MORE INFORMATION ABOUT THE ACTIVITIES OF THE VEOLIA FOUNDATION IS AVAILABLE AT WWW.NFVEOLIA.CZ



OTHER

INDICATORS REVIEWED

	UNIT	2019	2020	2021	2022	2023 TARGET
Environmental Performance						
■ ISO 14001 certifications (% of revenue covered)	%	93.94 %	92.73 %	97.82 %	99.10 %	98.00 %
■ ISO 50001 certifications (% of revenue covered)	%	91.58 %	90.49 %	62.96 %	79.90 %	63.00 %
■ Roll-out of internal EMS (% of revenue)	%	100.00 %	100.00 %	100.00 %	100.00 %	-
WATER business line						
■ Total volume of groundwater extracted	in m ³	66,417,939	56,833,904	55,765,373	55,954,835	-
■ Total volume of surface water extracted	in m ³	17,948,213	16,333,885	12,391,177	14,891,692	-
■ Volume of wastewater collected	th. of m ³	129,842	136,887	134,624	191,064	-
■ Volume of wastewater treated	th. of m ³	124,133	130,530	129,411	135,797	-
■ Volume of drinking water introduced into supply networks (excl. exported water)	th. of m ³	173,533	166,850	163,123	168,536	-
■ Volume of drinking water produced	th. of m ³	74,157	71,355	73,671	81,945	-
■ Total of direct and indirect emissions (electricity and heat)	tonnes of CO ₂	97.24	94.56	72.60	93.03	-
■ Direct GHG emissions (Scope 1)	tonnes of CO ₂	5.36	5.40	5.33	11.01	-
■ Indirect emissions of GHG linked to energy purchases (Scope 2)	tonnes of CO ₂	91.89	89.15	67.27	82.03	-
■ Total of main indirect GHG emissions (Scope 3)	tonnes of CO ₂	8.35	8.64	8.63	23.3	-
■ Emissions of GHG avoided	tonnes of CO ₂	3.97	4.15	1.93	2.92	-
WATER business line - energy consumption						
■ Energy consumption - electrical and thermal	MWh	288,673	277,691	272,396	307,621	-
■ Consumption of energy from RES	MWh	106,658	99,821	93,298	94,116.98	-
■ Share of renewable or recovered energy	%	n/a	n/a	n/a	17.55 %	-
■ Energy used for drinking water production and distribution	MWh	85,250	82,261	86,110	88,590	-
■ Electricity used for drinking water production and distribution	MWh	77,173	72,808	74,932	78,458	-
■ Electricity purchased and used for drinking water distribution	MWh	47,306	44,481	46,123	48,355	-
■ Electricity purchased and used for drinking water distribution	MWh	29,867	28,327	28,809	30,103	-
■ Specific electricity consumption for drinking water production	MWh/m ³	0.64	0.62	0.63	0.59	-
■ Electricity consumed for wastewater collection and treatment	MWh	175,646	167,878	164,871	192,711	-
■ Electricity consumed for wastewater treatment	MWh	71,023	70,199	68,776	99,445	-
■ Electricity consumed for wastewater collection	MWh	5,359	5,836	5,999	5,624	-
■ Energy purchased and consumed	MWh	80,209	79,917	77,804	107,835	-

	UNIT	2019	2020	2021	2022	2023 TARGET
Environmental performance						
WATER business line - energy production						
■ Energy production (thermal and electrical)	MWh	98,618	91,507	88,009	86,091	-
■ Of which heat production	MWh	45,945	40,443	42,807	42,704	-
■ Share of renewable or recovered energy produced	%	100 %	100 %	100 %	100 %	-
■ Energy production from renewable sources	MWh	98,618	91,507	88,009	86,091	-
ENERGY business line - energy production						
■ Energy production (thermal and electrical)	MWh	4,809,688	4,902,215	5,156,009	4,657,969	5,114,849
■ Share of renewable or recovered energy produced	%	10.1 %	10.6 %	10.8 %	10.0 %	14.2 %
■ Energy production from renewable sources	MWh	258,601	327,707	321,930	250,034	539,345
■ Of which heat production	MWh	162,415	171,630	183,550	136,644	375,988
■ Energy efficiency of energy production by cogeneration (heat and electricity)	%	56 %	58 %	58 %	58 %	56 %
■ Biomass in energy consumption by energy production plants	%	4.0 %	5.0 %	4.7 %	4 %	8.4 %
■ Installed power – electricity	MWh	408	381	385	351	404
■ Installed power – heat	MWh	3,477	3,342	3,949	4,083	3,999
■ Generation of electricity	MWh	942,984	990,855	953,604	896,225	1,012,950
■ Heat production	MWh	3,866,704	3,911,360	4,202,404	3,761,744	4,101,899
ENERGY business line - Emissions and GHG						
■ Total of direct and indirect emissions	th. of tonnes of CO ₂	2,331	2,270	2,464	2,176	2,141
■ CO ₂ emissions	kg/MWh	279.2	267.6	267.4	268.1	242.3
■ NO _x emissions	g/MWh	251.6	243.5	238.3	237.6	217.7
■ SO _x emissions	g/MWh	217.3	212.1	209.2	207.9	215.3
■ PM emissions	g/MWh	25.4	24.6	24.1	24.0	22.6
■ Direct GHG emissions (Scope 1)	th. of tonnes of CO ₂	2,202	2,138	2,248	1,999	1,916
■ Indirect emissions of GHG linked to energy purchases (Scope 2)	th. of tonnes of CO ₂	129	133	216	178	225
■ Total of main indirect GHG emissions (Scope 3)	th. of tonnes of CO ₂	298	237	767	962	672
■ Emissions of GHG avoided	th. of tonnes of CO ₂	254	317	289	270	477



	UNIT	2019	2020	2021	2022	2023 TARGET
Environmental Performance						
WASTE business line						
■ Weight of waste treated	tonnes	n/a	n/a	n/a	989,000	-
■ Weight of materials recovered from treated waste	tonnes	n/a	n/a	n/a	570,911	-
■ Heat generated from treated waste	GJ	n/a	n/a	n/a	285,000	-
■ Recovery rate for combustion waste in the Energy business (fly ash, bottom ash)	tonnes	n/a	n/a	n/a	191,345	-
■ Non-hazardous produced	tonnes	n/a	n/a	n/a	107,321	-
■ Hazardous waste produced	tonnes	n/a	n/a	n/a	21,280	-
■ Weight of hazardous waste treated	tonnes	n/a	n/a	n/a	154,056	-
■ Weight of non-hazardous waste treated	tonnes	n/a	n/a	n/a	440,369	-
■ Percentage of landfill methane captured	%	n/a	n/a	n/a	45.6 %	-
■ Number of people provided with waste management, maintenance or cleaning services (through local authorities)	number	n/a	n/a	n/a	367,854	-
■ Total weight of waste collected	tonnes	n/a	n/a	n/a	586,500	-
■ Number of business customers	number	n/a	n/a	n/a	10,500	-
■ Number of waste treatment plants operated	number	n/a	n/a	n/a	140	-
■ Tonnage of plastics transformed in Veolia recycling facilities	tonnes	n/a	n/a	n/a	5,600	-
■ Percentage of material recovered for further processing of treated waste	%	n/a	n/a	n/a	90 %	-
■ Percentage of treated hazardous waste	%	n/a	n/a	n/a	21 %	-

	UNIT	2019	2020	2021	2022	2023 TARGET
Human Resources Performance						
Total workforce as of December 31	number	6,768	6,582	7,536	7,879	7,540
Annual full-time equivalent workforce	number	6,651	6,530	6,755	7,894.29	6,600
Share of workforce with permanent contracts (FTE)	%	89 %	91 %	84 %	88 %	82 %
Total nonmanagerial staff	%	86 %	85 %	86 %	86 %	85 %
Turnover (workforce with permanent contracts)	%	7.8 %	7 %	7 %	15.37 %	7.8 %
Injury severity rate	number	0.18	0.15	0.2	0.17	0.2
Percentage of employees who participated in OHS training	%	84 %	72 %	90 %	97 %	100 %
Percentage of employees who participated in at least one training	%	96 %	96 %	98 %	100 %	100 %
Average number of training hours per employee per year	EUR	350	350	360	417	380
Employee engagement rate	%	86 %	89 %	89 %	90 %	90 %
Manager engagement rate	%	89 %	89 %	90 %	92 %	93 %
Rate of coverage by a social dialogue body	%	98 %	98 %	98 %	98 %	98 %
Female representation rate	%	22 %	22 %	24 %	22 %	25 %
Female representation rate (management roles)	%	21 %	22 %	25 %	18.2 %	25 %
Percentage of employees with disabilities	%	1.85 %	1.70 %	1.70 %	3.05 %	2.20 %
Social performance						
■ Number of ESG inspections at supplier's	number	25	20	30	25	25
■ Number of findings of non-compliance with internal regulations detected by internal audit	number	n/a	4	9	58*	-
■ Number of whistleblowing alerts	number	n/a	1	14	20	-
■ Rate of whistleblowing alerts resolved	%	n/a	100 %	100 %	80 %**	-
■ Number of compliance incidents detected	number	n/a	5	14	20	-
■ Identified cases of violations of the anti-corruption code of conduct	number	n/a	1	2	0	-
■ Business lines covered by corruption risk mapping	%	n/a	98 %	98 %	94 %***	-
■ ISO 37001 certifications (% of revenue covered)	%	n/a	n/a	49.61 %	85 %	-
■ ISO 9001 certifications (% of revenue covered)	%	78.26 %	78.10 %	59.41 %	75 %	-

* The higher incidence is related to the preparatory process for group-wide ISO37001 certification within Veolia Energie ČR Group. All non-compliances were remedied as part of the ISO37001 certification project.

** Closed in 2023

*** Decline related to Suez (Recovera) acquisition. Mapping scheduled for 2023.

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