



# Sustainable Development Report 2019

Veolia Czech Republic



# WATER MANAGEMENT, ALTERNATIVE ENERGY SOURCES, THE CIRCULAR ECONOMY.

These topics, which have long been concerns for Veolia, have recently also become topics of discussion among politicians and friends. It is because the climate crisis combined with recent dry years highlighted serious system flaws. It is up to our generation to come up with new management techniques and, as we make this transition, it is incumbent on Veolia to serve as a role model (or influencer, as our youngest employees would say).

In 2019, Veolia Group's worldwide revenue was up by 4.3% to €27.189 billion. Much of that revenue was the product of new business lines, such as the circular economy, energy efficiency, and the treatment of difficult pollution. This simply confirms our position as a leader that can seek out new and nature-friendly ways to grow.

Once the 2012-2015 transition plan had been successfully completed, we embarked on the equally rewarding 2016-2019 plan, in which we exceeded the growth targets we had set. We are now following up on that by introducing Impact 2023, a strategic plan that raises the bar for sustainable development goals even higher. We are committed to meeting them even after the coronavirus pandemic hit the world in 2020. We see the slowdown in the global economy as a chance to accelerate its transition to sustainable and circular solutions.

In April 2019, Veolia became one of the first global players to define a Purpose with the aim to consolidate its corporate identity and in its pursuit of sustainable business development. Our Purpose is a new philosophy that places the social and environmental results of management on a level footing with financial ones.

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

In the Czech Republic, we have set local goals and priorities based on Veolia's global goals. Working towards them opens the door to diverse projects and gives us access to people who are part of our community. The following report chronicles our CSR activities in the Czech Republic in 2019 and excellently sums up how all our employees have long been working towards the Veolia Purpose.

Wishing you an inspiring read.



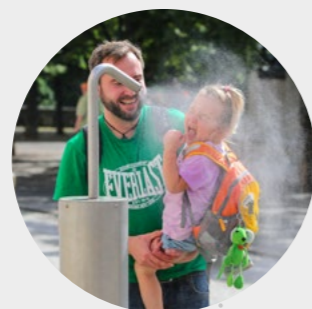
**Philippe Guitard**  
CEO, Veolia Czech Republic  
Senior Executive Vice President,  
Veolia Central & Eastern Europe

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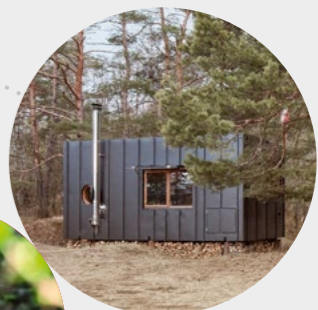
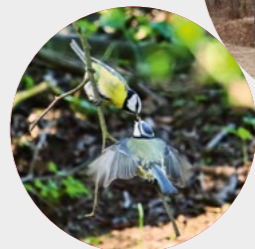
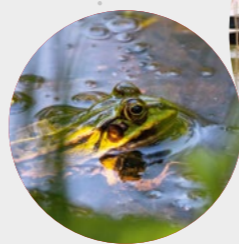
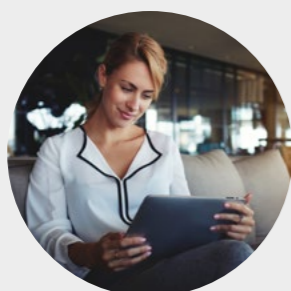
Resourcing the Planet  
Resourcing the Regions  
Resourcing our People



Since 1996  
we bring advanced  
technological solutions  
to the water, energy  
and waste economy  
in the Czech Republic.



WELCOME  
TO VEOLIA



Our purpose is to be useful to all our stakeholders and our ambition  
is to become a true **LEADER OF ECOLOGICAL TRANSFORMATION**

# INTRODUCING VEOLIA CZECH REPUBLIC

VEOLIA WANTS TO CONTRIBUTE TO ECOLOGICAL TRANSFORMATION THROUGH ITS ACTIVITIES. THEREFORE, IT BRINGS ADVANCED TECHNOLOGICAL SOLUTIONS FOR WATER MANAGEMENT, ENERGY AND INDUSTRIAL AND HAZARDOUS WASTE PROCESSING, WHICH COMBINE INNOVATION WITH RESPECT FOR THE ENVIRONMENT.

**6,706**

employees

**26.7**

billion in revenue

**20.5**

million

donated to projects supporting nature conservation and community life

CZK

CZK



## WATER

We are one of the **leading service suppliers** on the Czech water market. We produce and distribute drinking water, collect and treat wastewater, and provide water infrastructure management know-how. Almost 130 million m<sup>3</sup> wastewaters were treated in 180 wastewater treatment plants.



**2.7 million**

people supplied

**490,000**

contract customers served

**173**

wastewater treatment plants operated

**4,367**

employees

**CZK 14.2**

billion in revenue

## ENERGY

We are **one of the Czech Republic's largest heat producers and suppliers** and we provide the Czech transmission system with ancillary services. We are also a major independent electricity producer and, besides supplying heat and electricity, we provide our customers with comprehensive energy services. In the Czech Republic, we operate eight biomass plants, thus helping to cut emissions and improve air quality in the cities here.



**329,502**

households supplied with district heating

**2,226**

employees

**CZK 12.37**

billion in revenue

**3,523 GWh**

of electricity sold

**13,920 TJ**

of heat sold

**201,314 GJ**

of cooling sold

## WASTE MANAGEMENT

We offer **comprehensive waste management services** that prioritise maximum reuse and recycling over disposal. Within the Group, we arrange for water management and energy sector by-products to be reused and, in doing so, we adhere to stringent environmental and sustainable development requirements. As a result, waste ash, clinker, slag and sludge are repurposed for further use in agriculture and in the construction of buildings, roads and pavements.



**219,000 t**

of waste recovered and by-products reused

**140,000 t**

of waste landfilled or otherwise disposed of

**78**

employees

**CZK 172**

million in revenue

**35**

industrial plants served

**5**

industrial wastewater treatment plants

## We are proud to be recognized | Awards 2019

Veolia Group ranked second in the Multi and Water Utilities sector of the 2019 **Dow Jones Sustainability Index (DJSI)**. This is the third year in succession that Veolia – facing off against 41 other companies – had found itself among the winners, which effectively recognizes the continued commitment of the Group and its employees to environmental, social and corporate responsibility.

In 2019, Veolia was named a **TOP Responsible Large Company** for its sustainable business and CSR practices. The chart, drawing on 110 criteria, measures longevity, the clarity of goals, and the comprehensiveness of the approach to corporate social responsibility. This result underscored Veolia's place among the leading Czech companies whose values and CSR activities serve as an inspiration to others.

Aranka, a unique ecological mobile unit emerging from the hideandseek project, was named the **Outstanding Achievement of the Year in the 2019 Designblok Awards**. There are numerous different locations in the landscape

where Aranka can be parked up because, very importantly, its presence does not place a strain on nature. The technology built into the unit can manage both rainwater and solar energy, depending on what the weather has in store. The project was implemented with the support of Veolia Group, which also financed the technological development of two other mobile units.

Several Veolia Group buildings did well in the **2019 Water Management Structure of the Year** competition. The Veolia Smart Control Tower Kladno, a multifunctional control centre at a rehabilitated water tower, won a prize in the category of structures over CZK 50 million. In the category of structures under CZK 50 million, our project for a water treatment plant in Domašov nad Bystřicí, the first in Central Europe to use state-of-the-art nanofiltration membrane technology, was singled out for an award. A new method of water disinfection in the Jesenice Reservoir, which produces sodium hypochlorite itself to result in self-sufficient and green operation, received a Water Management Association Special Mention.



The unique environmentally friendly heating and cooling system at the **V Tower** block of flats came top in the technological innovations category of a competition organised by the **French-Czech Chamber of Commerce**. This project, the result of a collaboration between Veolia's water and energy business lines in the spirit of the One Veolia strategy, fitted V Tower with a unique heat management system that uses the water supply network as a renewable heat source. The great advantage of this solution is that the water in the water network remains at a stable temperature of between 6 °C and 11 °C year round.

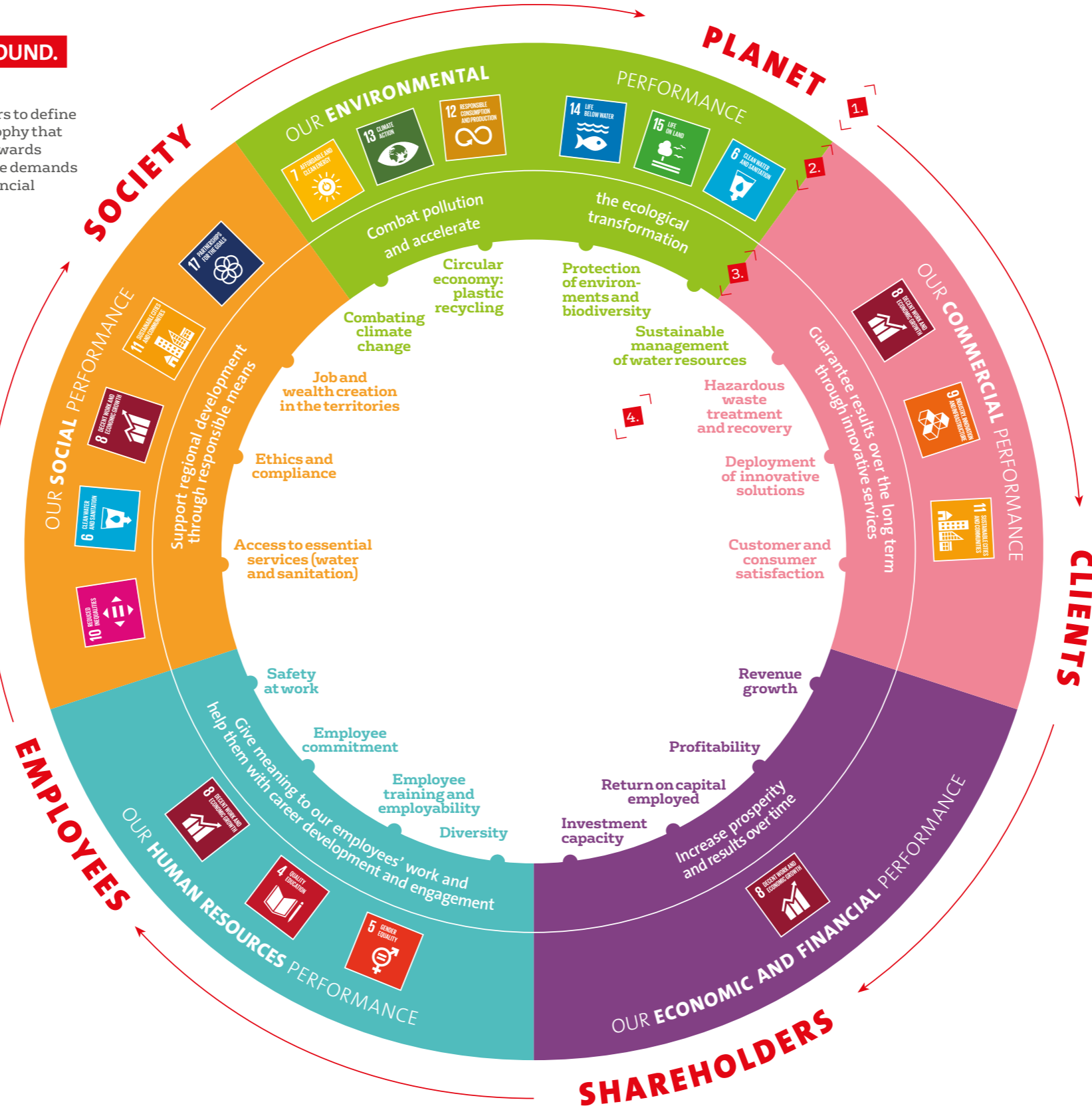
**BUSINESS IS PROSPEROUS BECAUSE IT IS USEFUL AND NOT THE OTHER WAY AROUND.**

In April 2019, Veolia Group was one of the first global players to define its Purpose. This is more than a motto: it is an entire philosophy that will guide the long-term development of all stakeholders towards a sustainable society. Veolia Group aspires to place the same demands on social and environmental performance as it does on financial and commercial performance.

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

**UN Sustainable Development Goals (SDGs)**  
Veolia plays a part in all 17 SDGs at different levels and has a direct impact in 13 of them.

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



Veolia has long been working to reduce its **environmental footprint** through cutting-edge technical know-how and maximum support for innovation. We are pioneers in the circular economy.

An important feature of Veolia Group's Purpose is its **openness to stakeholders**, including clients, the local community and shareholders. We actively listen to them, work closely with them, fulfil our generous commitments to stakeholders, and are open about our goals, results and the lessons we have learnt.

Veolia fosters a healthy and stimulating work environment for its **employees** so that, armed with the necessary knowledge, they can work hard on achieving common corporate goals.



# OUR SUSTAINABLE DEVELOPMENT COMMITMENTS

## Resourcing the Planet



Global targets for 2020	Global performance in 2019
Generate more than €3.8 billion in revenue linked to the circular economy	€5.2 billion in revenue linked to the circular economy
Capture over 60 % of methane from the landfills we manage	60.7 % of methane captured
Avoid emissions amounting to 50 million tonnes of CO <sub>2</sub> eq. (since 2015)	Emissions amounting to 33.2 million tonnes of CO <sub>2</sub> eq. avoided (since 2015)
Reduce emissions by 100 million tonnes of CO <sub>2</sub> eq. (since 2015)	Emissions reduced by 78.2 million tonnes of CO <sub>2</sub> eq. (since 2015)
Carry out a diagnosis and deploy an action plan at 100 % of sites with significant biodiversity issues	Diagnosis and action plan at 71 % of the sites identified. 83 sites have a partnership with a local NGO; 230 sites have introduced ecological management

## Resourcing the Regions



Global targets for 2020	Global performance in 2019
Establish a major partnership based on creating shared values in all 11 business zones and all 7 growth segments	We have a total of 40 partnerships in all 11 Veolia zones, covering 6 of the 7 growth segments
Maintain expenditure reinvested in the regions above 80%	86.3 % of spending was reinvested locally in the regions
Contribute to the Sustainable Development Goals formulated by the UN General Assembly in September 2015	10.7 million people given access to drinking water and 4.5 million to sanitation (since 2000), 39 new projects supported by the Veolia Foundation in the amount of € 2.17 million

## Resourcing our People



Global targets for 2020	Global performance in 2019
Reduce the injury frequency rate to less than 6.5 %	The injury frequency rate was 8.12 %
Deliver training to over 75 % of employees annually	80 % of employees attended at least one training course
Maintain the manager commitment rate at over 80 %	A survey proved there was a 92 % manager commitment rate
Ensure over 95 % of employees have access to a social dialogue mechanism	88 % of employees have access

## RESOURCING THE PLANET

As Veolia's operations are comprehensively bound up with the use of natural resources, it is in our interest to manage them in a way that will enable us to keep drawing on them in the future. Environmental protection is a priority under our sustainability strategy. For us, the path to success lies in maximum support for innovation, close internal and external cooperation, and the courage to break down barriers (take eRko beer, made from our purified Prague wastewater – have you tried it yet?).

### Environmental management systems and codes

Since 2014, all Veolia companies have had an environmental management system (EMS) certified according to ISO 14001 or internal methodology. The introduction of EMS has given Veolia a tool that reduces the environmental impact of its activities and those of its customers and mitigates industrial, health and environmental risks in the workplace. Since 2015, we have also had the ISO 50001 energy management standard in place. The Environmental Charter, which sets out the principles underlying our green practices, is an accessible guide for employees that defines rules on waste sorting, document printing, travel, and water and electricity consumption.

## 1. PROTECTING NATURAL RESOURCES

We are constantly perfecting the sustainable use of water and energy. How do we do it? Here are some examples:

We are increasingly producing electricity from biogas, a by-product of wastewater treatment. Almost all of our wastewater treatment plants



have been optimised to make efficient use of all the biogas that we generate. The energy produced in this way covers approximately 35 % of electricity consumption and 40-50 % of heat consumption. More and more of our sites are becoming **self-sufficient**. Our wastewater treatment plant in Zlín, for example, achieved 85 % electrical self-sufficiency in 2018. Our secret is stillage, easily decomposable distillery waste from the production of South Moravian plum brandy that is added to the digester. As our self-sufficiency increases, there is a parallel **reduction in the overall amount of energy consumed in the treatment and distribution of drinking water**.

We are constantly upping the share of biomass and other renewable and secondary energy sources. Veolia started burning biomass at the Krnov CHP plant back in 2003. Today, we operate eight biomass plants in Mariánské Lázně, Frýdek-Místek, Nový Jičín, Vlašim, and elsewhere. We used almost 73,000 tonnes of biomass to produce heat and electricity in 2018.

*“We are expanding the amount of biomass we use to include treated sewage sludge, which is a by-product of our wastewater treatment. In line with the ONE VEOLIA strategy we have developed*

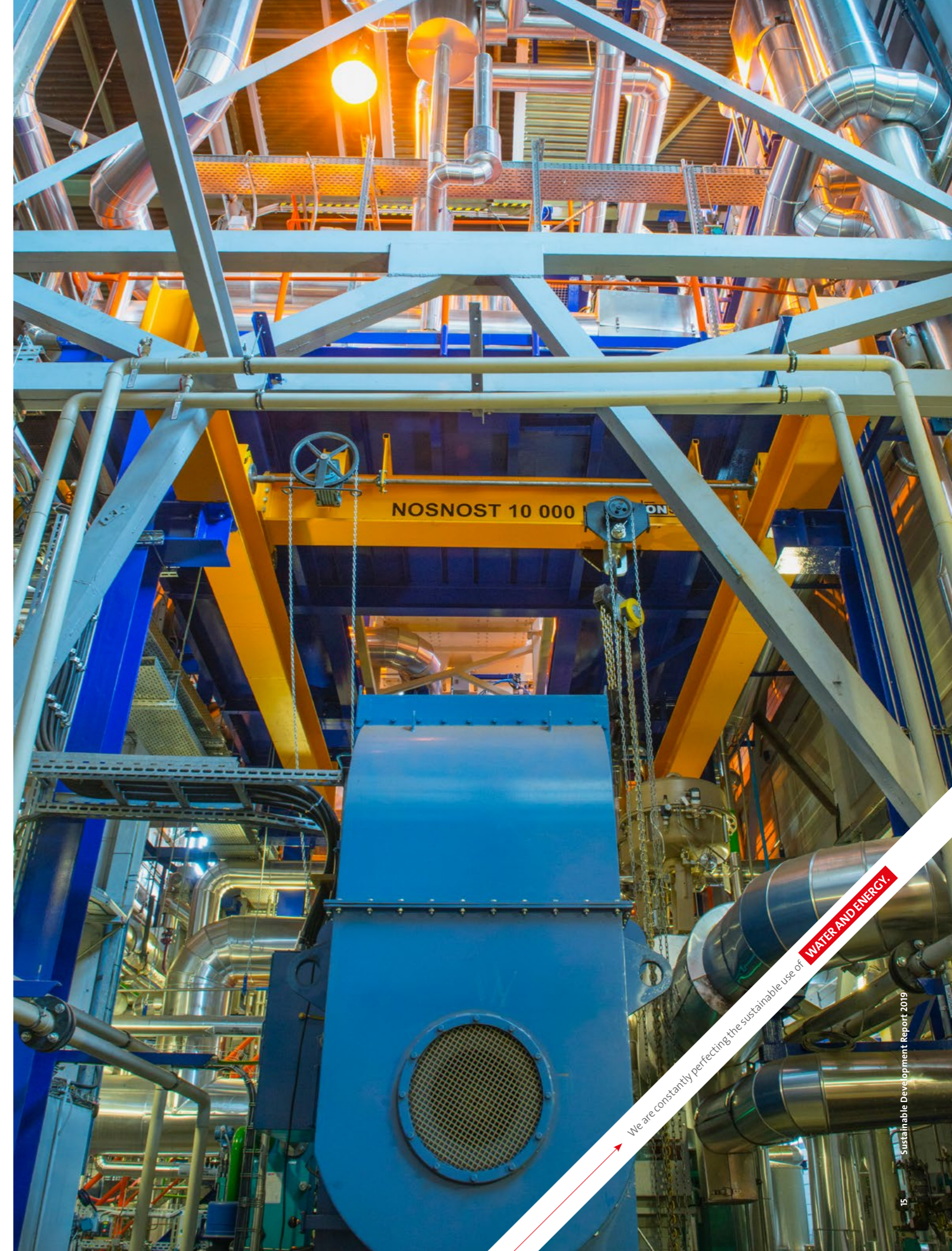
*several projects to dry sludge and reuse it as an energy source at our CHP plants. We have high hopes that the first of these projects will be ready for launch in 2021.”*

**Ondřej Beneš**

Technical and Commercial Director, Veolia CZ, Water Business Line



The reservoir in Jesenice **now produces its own environmentally friendly disinfectant for the treatment of the drinking water** that is supplied to much of Prague. Česká voda Czech Water has installed equipment that produces sodium hypochlorite and batch-feeds it into the water, thus dispensing with the need to store toxic chlorine gas on site at the reservoir. Not only is the new system green, self-sufficient and easy to operate, but it has also improved the water quality. Measured by total production output, this technology has never been deployed on such a scale in the Czech Republic.



We are constantly perfecting the sustainable use of WATER AND ENERGY.



## 2. REDUCING OUR CARBON FOOTPRINT

Employing carbon footprint methodology to measuring carbon emissions is one of the ways in which we assess what impacts our activities are having on nature. We have been successfully reducing the amount of carbon dioxide and other greenhouse gases we emit every year by implementing projects that are designed to save energy, increase the self-sufficiency of our sites, and optimise the consumption of chemicals and fuels.

**Investments in CHP plant innovation** have been a great help in meeting our targets. In 2019, the CHP plant in Karviná was fitted out with new technologies worth more than a billion crowns, a move that enabled us to shut down the coal facility at the older ČSA CHP plant. We invested a similar amount in new boilers at the Přerov CHP plant, where **biomass and solid recovered fuel (SRF) are gradually displacing coal** as a source of electricity.

We are making fuel savings. We lead the way in cogeneration. This production of heat and electricity in a single process has resulted in cut down on fuel by as much as 40 % compared

to producing them separately. We are also long-standing advocates of alternative vehicle fuels and drives. We build chargers for electric cars and upgrade biogas to bio-CNG, the quality of which is on a par with natural gas. A new boiler room was built in Radotín to slash emissions and make a significant improvement to the environment. This project saw the facility relocated from the town centre to the outskirts, freeing up space for a new town hall. The boilers at the new site produce 64 % less oxides of nitrogen, a significant greenhouse gas, and easily meet the most stringent emission limits imposed by the European Industrial Emissions Directive (IED) and the latest government regulation in this field.



## 3. PROMOTING BIODIVERSITY

The diversity of fauna, flora and ecosystems has long been inhibited by human activity. At Veolia Group, the emphasis is on doing business in a way that minimises the impact on biodiversity. In tandem with this, we strive to promote biodiversity in the landscape by engaging in wide-ranging activities.

**We are committed to biodiversity and environmental protection at our sites. Since 2011, we have been working with the Czech Union for Nature Conservation** to increase natural diversity in and beyond our sites. We focus primarily on monitoring and assessing the impact that our activities have on local ecosystems and on

implementing measures to preserve biodiversity and support ecosystem services. **So far, 44 water management and energy sites have joined our biodiversity protection project.** Our professional partners have audited all the facilities and have proposed measures. At these facilities, we generally remove components obstructing or posing dangers to animals, build watering points, install birdhouses and insect hotels, and modify the lawn maintenance system.

*“Our watering points are used not only as a source for drinking, but also for general refreshment in tropical weather, as the photos taken by camera traps show us. They are visited by deer, hares, badgers, foxes, wild boar, birds and insects. They are the only*

*reliable source of water in the area.”*

Václav Jásek  
Manager,  
Mělnická Vrutice Pipeline Centre



For example, the complex used by Pražské vodovody a kanalizace (PVK) alone has 674,000 m<sup>2</sup> of green space. Butterflies take refuge at the flower-covered water tanks and life is busy at the **more than a hundred insect houses and nest boxes.** The common kestrel, thrush, lesser whitethroat,

black redstart and great tit have all found a home at PVK-operated sites. A couple of peregrine falcons came back to settle in a nest that had been prepared for them at the Veolia Energie CHP plant in Mariánské Lázně, where they brought two young into the world.

PVK and other Veolia Group companies also keep bees on their land. As a result, diverse flowers thrive in the surrounding landscape. **We harvest honey from 24 hives,** with more being built every year.

**We are also dedicated to risk prevention.** For example, as bird collisions with transparent or reflective surfaces are one of the most common anthropogenic causes of injury and death among birds, we take care to make large reflective surfaces safe for them.

We provide our employees with biodiversity training and raise public awareness by waging communication campaigns and supporting projects such as the Water House or celebrity fisherman Jakub Vágner's Lake Katlov.

Using the Veolia Foundation as a platform, we **help** the Czech Union for Nature Conservation **to restore rare and necessary wetlands.** Specifically, we contribute to purchasing land with funds obtained from donations and, in particular, from the sale of items as part of **Let's Return Water to Nature**, a registered public fundraising project. See chapter 7 – Supporting local communities – for more on this project.

## 4. INNOVATIONS BENEFICIAL TO THE NATURAL ENVIRONMENT

We are constantly innovating the production and distribution of drinking water and energy to make it as efficient and reliable as possible. We invest in the development of smart technologies that enable us to reduce the environmental burden of our activities and, in doing so, make cost savings for our customers.

Veolia Smart Systems (formerly LG Systems) is a company that develops, manufactures and installs state-of-the-art smart solutions for energy saving, the use of alternative energy sources, digitalisation, automation and electromobility. In 2019, we designed a **smart-housing control system** for the **Green Zlonín project.** We have installed intelligent HVAC with recuperation systems, automatic lighting, shading, security systems and photovoltaic power plants with battery storage in hundreds of houses north-west of Prague. This enables customers to cover most of their electricity consumption from their own resources, so they are dependent on the public distribution network for only 30% of their needs.

We also use smart technologies at our operating sites. Following on from the

smart projects of the SWIM control centre in Prague and the reservoir control centre in Kladno, we hooked up smart technologies in Hradec Králové. A new **smart crisis centre** was created here for the efficient management of water operations across the region. The project cost more than CZK 80 million, with Veolia Group companies paying for the investments themselves. As the centre meets the strictest cybersecurity criteria, it can be used for the crisis management of all water infrastructure in the east of Bohemia in the event of extreme climatic events (floods, droughts, and power outages).

*“In Hradec, we linked up the water systems of four districts, where different vendors supply drinking water to over half a million people. The smart control centre keeps track of current reserves and consumption and is able to divert water from one district to another as needed. This is a crucial project and a unique example of collaboration for an area that is a high drought risk.”*

Bohdan Soukup  
Deputy Technical Director,  
Veolia Central & Eastern Europe



Smart control centres play a major role in reducing water losses – one of the long-term goals of Veolia's water management units. Pražské vodovody a kanalizace can serve as inspiration here. When Veolia Group first invested in this company, the water losses stood at 42 %; last year, we achieved an all-time best of 12.5 %. The SWIM integrated control centre in Prague started operating in 2014. ...

**Water losses in the operations of Pražské vodovody a kanalizace**

1995 → **42.52 %**  
2000 → **34.17 %**  
2015 → **17.60 %**  
2018 → **13.50 %**  
2019 → **12.50 %**



...

We are not consumed solely by the need to connect computer technology. We are also making water treatment innovations. The water treatment plant in Domašov nad Bystřicí is the first in Central Europe to use **state-of-the-art nanofiltration membrane technology**. The quality of drinking water from this treatment plant had deteriorated in recent years because the source river, the Bystřička, had become relatively polluted. Nanotechnology will ensure water quality stability for almost 2,000 inhabitants in the area and will serve as a great point of reference for other similar projects, a fact earning the Domašov water treatment plant the title of 2019 Water Management Structure of the Year.

Veolia has also been a long-standing partner of the **Czech Head** (Česká hlava) project, which seeks to develop Czech scientific and technical intelligence. The Veolia Prize, for a significant innovative achievement by a doctoral student in the natural sciences, was announced for the third time as part of the Czech Head awards. The prize for 2019 was won by Daniel Bím, whose research focused on activating carbon-hydrogen bonds in organic compounds. His findings can be used in a wide range of applications, especially in the design of new catalysts for hydrogen atom transfer reactions in the chemical and pharmaceutical industries. He received a CZK 50,000 grant for his scientific work. The Junior Czech Head (Česká hlavička) competition to reward talented high-schoolers was also held.

In addition, Veolia sponsors a highly unusual Czech Head project devised to **stop bark beetles from decimating Czech forests**. In this project, leading Czech entomologists and artificial intelligence experts are working together on software that automatically runs searches on aerial photographs of forests and identifies trees that are infested with bark beetles. The program can detect a change in the colour of the needles that is not visible to the human eye. Specific trees singled out in this way can then be removed before the beetle has a chance to spread. Aircraft with special cameras fly over a selected 100-hectare expanse of forest. The images are then analysed by special software which, so far, has proved highly successful in identifying infested trees. The system could be ready for widespread deployment as early as 2021.



## RESOURCING THE REGIONS

Veolia works to maintain good relationships with its suppliers, shareholders and customers. Its strategic plan sets ambitious commitments to these parties. We follow our own code of ethics and keep to a responsible purchasing strategy. We support local communities in their development and help to protect the environment where we operate through our Veolia Foundation and by other means.

## 5. RELATIONSHIPS WITH STAKEHOLDERS

**Zero tolerance for unethical behaviour, corruption and discrimination is deeply rooted in Veolia's Purpose.**

All of these values are etched into our **Ethics Guide**. We have also adopted the Group's **Anti-corruption Code of Conduct**. We believe that this demonstrates our intention to do business with a clean slate and our determination not to tolerate corrupt practices.

To prove how serious we are about our anti-corruption commitments, we have launched a project at several of our key companies in the Czech Republic to implement the international standard ISO 37001 Anti-bribery management systems. We feel that, if we are to do business sustainably and protect the values we create, we must have a functioning compliance programme.

Since 2004, we have had an Ethics Committee to oversee compliance with the company's Ethics Guide and investigate any suspicious practices. In 2019, it introduced the Whispli whistleblowing platform as a new communication channel. If employees encounter serious ethical lapses or violations of the law, they can contact us without fear of repercussion and, if necessary, anonymously at <https://veolia.whispli.com/ethique>.

Another document, the **Manager's Code of Conduct**, is an indispensable tool in building our corporate culture. It is based on five core values: responsibility, solidarity,

respect, innovation, and customer orientation. The Code is a means to intensify team-building, promote collective discipline and boost energy without sacrificing the entrepreneurial mindset and personal initiative. It enables us to lead by example and respond better to the constantly evolving market.

Our **business relationships with customers** are based on a long-term partnership strategy. We strive to be a steadfast, staunch and trustworthy partner who listens to customers' needs and requirements and lives up to their expectations in practice. Our unflinching innovation sets us apart from the competition. We come up with efficient new solutions for our partners.

*"In all its activities, Veolia strives to do business that is sustainable in the long run. Today, this would be impossible without adhering to ethical and legal norms and without zero tolerance for corruption and discrimination. For Veolia Group, compliance goes beyond risk management. It is a catalyst for positive change in the organisation and an opportunity to do things right. At the same time, it gives us a clear competitive advantage."*

**Philippe Guitard**  
CEO, Veolia Czech Republic  
Senior Executive Vice President,  
Veolia Central & Eastern Europe

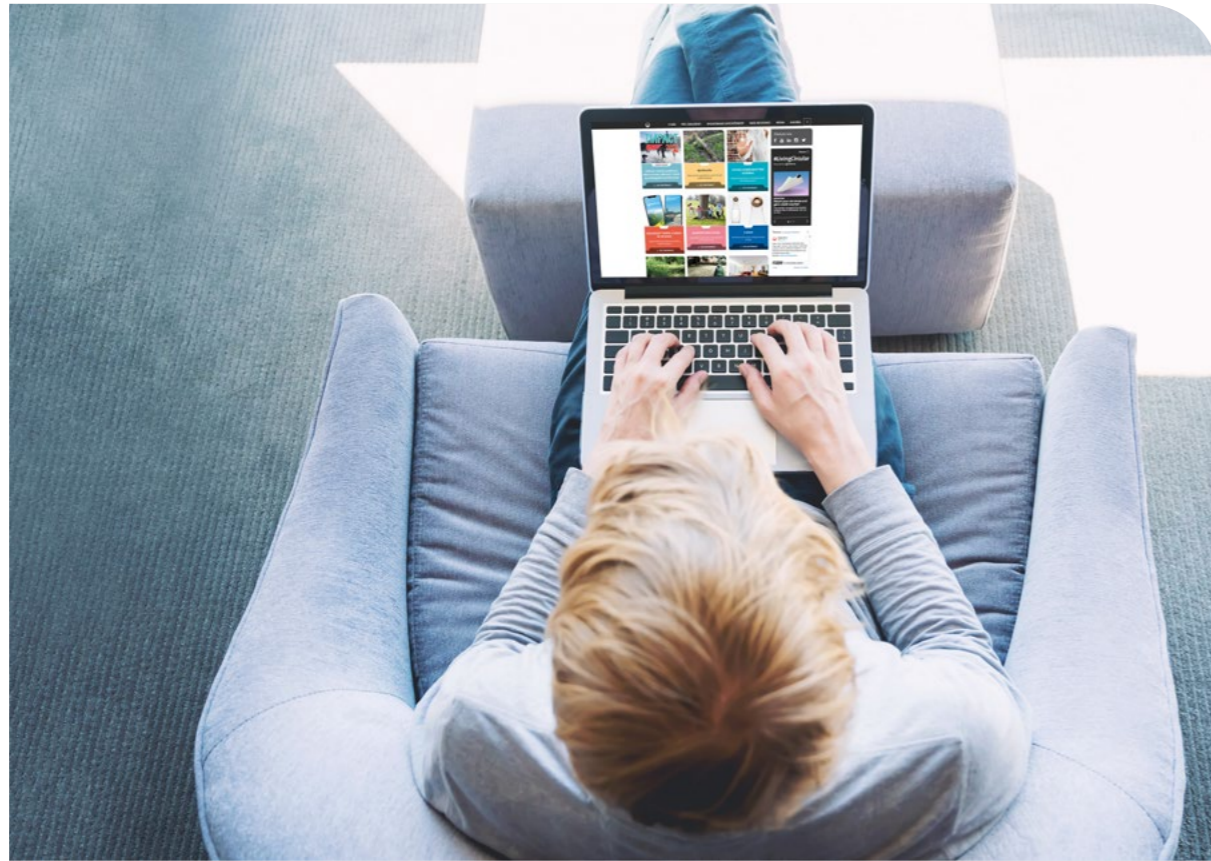


The **Competition Law Compliance Guide** and related training give our employees the grounding they need to navigate the local market and help foster a healthy and fair business environment. Our maximum respect for competition law, together with our professionalism and reliability, is another policy that earns the trust of our customers and users of our services.

At each stage of purchasing, we factor in our commitment to sustainable development and our **Suppliers Charter**. All industrial services (excavation work and the maintenance of pipelines, buildings, plant and equipment, etc.) are decentralised and are provided directly by individual local companies. Our suppliers tend to be small and medium-sized companies, but we also work with several large multinational corporations.

Cooperation with non-profit organisations that create sheltered jobs for their disabled or socially disadvantaged clients is another area that matters to us. We mainly order catering services or gift and promotional items from them, and we use their premises for corporate events. Pohoda, a packaging and shipping company used by the Veolia Foundation, is one example of such an organisation.

**In 2019, Veolia ordered services and supplies worth some CZK 13 million from companies employing people with disabilities.**



## 6. PROFESSIONAL SERVICES FOR OUR CLIENTS



Our main goal is to develop long-term partnerships with our customers based on mutual trust and to provide them with quality and professional services.

We listen to the needs and requirements of customers and try to meet their expectations by bringing new and effective solutions. To do this,

we use the experience of the Veolia Group gained in our country in the Czech Republic, but also in other countries where the group operates. Thanks to constant investments in the modernization of our equipment, we help customers achieve significant savings.

### Communication with customers

We also meet the needs of our customers as much as possible in the area of communication. In addition to modern tools, such as an online customer account, the Moje Veolia application (Moje Voda for Pražské vodovody a kanalizace, a.s.) intended for mobile phones or the SMS INFO information service for outages and accidents, we also maintain more traditional channels - the customer

telephone line and the network customer centers for clients who prefer personal contact. We operate 20 customer centers in 20 cities in the Czech Republic.

We guarantee our customers the availability of information and solutions to technical situations 24 hours a day, 7 days a week. We guarantee a response to an accident notification within 2 hours.



### Payment for services is easy with us

For water and sewage payments, our customers can choose from several options. Payments at cash at the customer center's cash desk and payments by postal order are now dominated by payments at Sazka's terminals using a bar code, payment via QR code and online payments.

If our customers find themselves in a difficult financial situation, we will help them with payments for our services in the form of payment schedules. **In 2019, we closed 581 payment schedules.**



### We pay special attention to clients with special needs

We adapt our services to the needs of disadvantaged customers so that they can use our services even in an unfavorable life situation. We communicate with the visually impaired in a way that is fully understandable to them - by voice message. The SMS INFO information service can convert a text message to a voice message. In this way, visually

impaired citizens and customers of Pražské vodovody a kanalizace, a.s. can also order bottled water in the event of a water outage or accident. They will send us a request for its delivery by voice message and we will deliver the bottled water to them within 2 hours of reporting the request.



### Drinking water supplies in replacement packaging

The aim of the project is to supplement the alternative supply of water carts for holders of disability licenses by bringing drinking water to the place chosen by the applicant. This is at the time of the accident of the water supply network in the territory of the capital, with the assumption that the supply of drinking water will be interrupted for more than 5 hours. The project of water supply in replacement packaging in Prague extended and expanded in 2019, so that **20 city districts are involved** in it. As an additional supply, bottled water helped in **76 accidents, incl. planned exclusions and 36,900 two-liter bags** of quality drinking water reached customers affected by the interruption of the drinking water supply.

### We have been monitoring customer satisfaction for a long time

At the Veolia Group, we monitor the satisfaction of our customers every year using various tools, such as telephone surveys or personal interviews conducted by an external agency, online surveys, surveys in customer centers and at public events. We use the results to develop and

improve our services. A telephone survey conducted in 2019 among consumers in the regions of operation of the Veolia Group's water companies shows that customers and consumers across segments are generally satisfied with the services. A total of 94% of customers stated that they are very satisfied or satisfied with the level of services provided. A full 93% are satisfied with the quality of drinking water, 96% evaluate the continuity of water supply very positively. Satisfaction with the professionalism of employees has also been high for a long time (96%) and satisfaction with sufficient and high-quality information is also growing (91%).



### Smart metering

Because our company is constantly striving to improve and enhance customer service, we have expanded our customer portal and mobile application with so-called „smart metering.“ In practice, this means that the customer has at his disposal not only current information about the contract or invoices and payments, but also information about the current status of his water meters. In addition, the customer is immediately informed via SMS or e-mail about unexpected events, such as high water consumption, a water supply accident or a low temperature, which results in the water meter freezing.

The main benefit of remote readings is, among other things, that the operating company does not bother the customer by entering the building, planning hours when both partners meet and read the water meter together, but in this case the water meter reading - data - travels to the air, both sides have available and can verify them with each other.

## 7. SUPPORTING LOCAL COMMUNITIES

We are an ingrained part of the places where we operate. Our support for local communities is mainly channelled through the Veolia Foundation, which distributed more than CZK 212 million to social and environmental projects between 2003 and the end of 2019.

### Principal programmes and projects of the Veolia Foundation



#### MiNiGRANTS®

**Our employees are enthusiastic volunteers.** Once a year, all employees may apply for funds in support of a good cause for which they volunteer in their free time. We contributed **more than CZK 37 million** between 2008 and 2019. In the twelfth year of the programme, **121** projects benefited from support in excess of **CZK 3 million**.



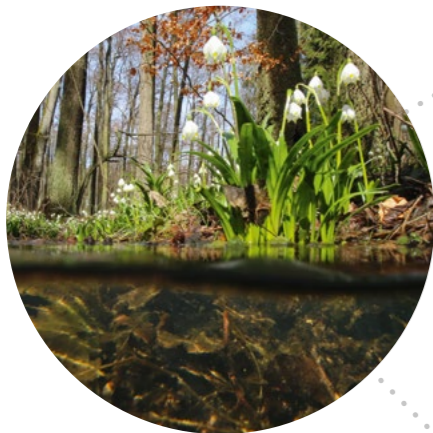
#### Keep Smiling – Active Lifelong

**We enable seniors to be involved in the community and have fun.** We encourage positive and active ageing, intergenerational coexistence within communities, the fostering of conditions for the elderly to live in their home environment, and new approaches to ageing. Over the five years of the scheme, we have supported **118 projects** with **CZK 8.2 million**.

#### STARTér, Trust Yourself and Do Business!

**We help new ideas see the light of day.** We provide financial backing to up-and-coming small businesses in two regions, Moravia-Silesia and Olomouc. We lend a hand to people who practise traditional crafts and manufacturing methods, and help those who offer infrastructure or social services. Startér celebrated its twentieth anniversary in 2019.

Since its launch, we have played a role in the creation of **2,392 new jobs, including 355 for disabled persons**. The Foundation has awarded **CZK 111.8 million** in grants.



#### Let's Return Water to Nature

**Restoring wetlands.** Our Let's Return Water to Nature project focuses on wetlands because these play a crucial role in retaining water in the landscape. The project is a collaborative effort with the Czech Union for Nature Conservation. We provide them with funds to purchase land for the restoration of these valuable natural sites. The public can support the project by buying items in the Veolia Foundation's e-shop. Together, we contributed **CZK 453,912** to the restoration of wetlands in 2019.

#### Water for Africa

**We believe that it makes sense to help people in the place where they live.** This collaborative project between the Veolia Foundation and People in Need (Člověk v tísni) helps to finance the construction and repair of water resources in Ethiopia. We draw on funds from direct deposits made to our public fundraising account or generated by the charity sale of items (especially specifically designed water carafes). Over the ten years of the scheme, we have donated **CZK 6.4 million** to **People in Need's water projects** in Ethiopia. The tenth year raised **CZK 924,211**.



Gifts that help → [eshop.nfveolia.cz](https://eshop.nfveolia.cz)

*“As the scarcity of water in the landscape has been a major cause for concern in the recent years of drought, we are pleased that, together with our contributors, we are able to assist the purchase and restoration of wetlands. Acting on the keen interest that has been shown in Let's Return Water to Nature, we are planning to branch out further with this project.”*



**Vendula Valentová**  
Director, Veolia Foundation



Beyond the work being done by the Veolia Foundation, we also collaborate on worthwhile projects with specific non-profit organisations and companies. This includes support for charitable initiatives on a case-by-case basis.

**IN 2019, WE ORGANISED 12 VOLUNTEER EVENTS THAT ALTOGETHER RAN FOR 30 DAYS AND INVOLVED 103 EMPLOYEES.**

### Water Wardens

For children aged 6 to 14, we organise the Water Wardens Club, where we teach them about water, nature and the environment in which they live. The Water Wardens Club's Facebook page is run with the general public in mind. In 2019, we organised two club events – one at the Water House in the spring and the other at the National Museum of Agriculture in the autumn, both of which were attended by dozens of children.

### Volunteering

We regularly organise corporate volunteering days, where our employees can assist people with special needs or help to improve the quality of life where they live. Let's Clean Up the World, Let's Clean Up the Czech Republic and The Clean River Jizera are particularly popular. Last year, these two projects saw our employees collect 1.5 tonnes of rubbish and take it to a collection point.

### Student support

We also work with universities and secondary schools that specialise in water management and energy. We support their research, reward good student papers, and offer trainee positions.

### Misting systems

In the sweltering summer of 2019, Veolia Group companies decided to provide city dwellers with relief by installing public misting systems and drinking fountains in selected places. The water from the misting systems cools and humidifies the surrounding air, which in the city is often much hotter than in the countryside. Nor were trees overlooked, with Středočeské vodárny installing irrigation bags for young trees in the streets of Kralupy nad Vltavou, Mělník and Neratovice.

### Katlov

Veolia is also the main sponsor of Jakub Vágner's Katlov family nature resort. In 2019, our experts arranged for a water treatment plant, a wastewater treatment plant and a complete water distribution system to be built here.

### Climate Challenge

As Veolia's Purpose embraces innovations designed to benefit nature, we were pleased to become the main partner of the Prague Impact Hub's new Climate Challenge acceleration programme. The accelerator offers support to ten projects addressing issues related to the environment and the circular economy. We attended several meetings ourselves and got to know some interesting people enthusiastic about similar topics.



### In 2019, the one-off initiatives we supported included the following projects:

Through the Křižovatka Foundation, we purchased ten breathing monitors for the children's ward at Ostrava Municipal Hospital. These devices monitor the breathing of newborn babies to ensure that it remains regular.

Veolia Group established a partnership with the Transfusion Centre at Ostrava Teaching Hospital in a bid to increase the number of employees who donate blood and to promote the idea of how important it is to protect health. On Tuesday 15 October, the first 11 volunteers from the company's headquarters donated blood together at this hospital in Ostrava.

Olterm & TD Olomouc, a Veolia Group company, made donations towards three new electric cars for Ostrava's municipal police officers. The police will use them specifically for services in the city centre, where it is important to keep emissions to a minimum.



Video:  
In nature with  
Jakub Vagner (CZ)

## RESOURCING OUR PEOPLE

We are fully aware that Veolia Group's success can be attributed to our employees – water management experts, specialists, technicians, chemists and service staff at our plants, and the diligent accountants and directors of our various sections and subsidiaries. We strive to create a motivating work environment for each and every one of our 6,706 employees so that they can make the most of their knowledge and skills and work towards our common corporate goals and customer satisfaction. We offer premium working conditions, ongoing training, and an environment that respects diversity.

*“This is also proved by almost 200 graduates of bachelor's and engineering studies, to whom our employees completed their university education while employed as part of the activities of our IES. Proof of adherence to our values is the long-term and focused cooperation with trade unions in the field of social, wages, health and safety and in the field of diversity of work teams.”*



**Petr Slezák**  
HR Director  
Veolia CZ

## 8. A HEALTHY AND SAFE WORKING ENVIRONMENT

The Veolia Czech Republic Group continues to pay close attention to the prevention of occupational accidents, awareness-raising, and improvements in the working conditions of its employees. Besides occupational training, employees also take first aid courses (with 3,453 attendees trained up last year). Every year, Veolia Group organises its **International Health and Safety Week**, during which we remind employees of safety rules, present them with our results, and acquaint them with newly adopted measures.

We strive to guard against all health risks associated with activities at our facilities, from working with electricity to long-term sedentary work at a computer. As part of its continuous improvement of employee safety, Veolia Group identified the ten riskiest activities carried out by employees and drew up a “Work Safety Policy” in order to lay down the minimum

safety requirements for them. These requirements are incorporated into the daily work of our employees and help to improve the OSH situation.

All information contained in this Policy is readily available to employees on the e-learning portal and in the electronic OSH library on the company intranet in the form of brochures, videos and courses. The electronic library also contains other current posters, brochures, internal materials and videos created as part of the Veolia International Health and Safety Week 2019.

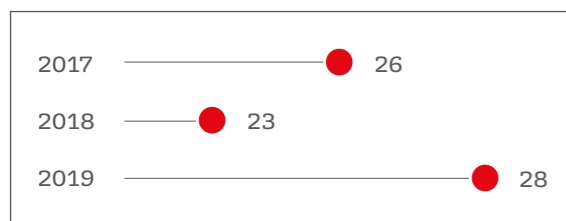
Last year, the Veolia Czech Republic OSH Academy was launched in partnership with the Institute of Environmental Services.



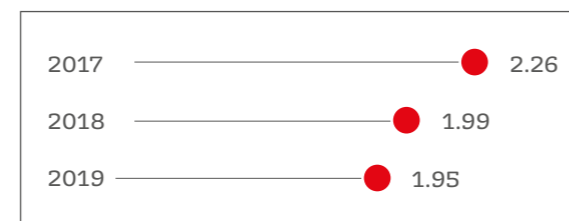
**Dalibor Pyš**  
H&S and Security Manager,  
Veolia Central  
& Eastern Europe

*“Employee safety and health and risk prevention are core Veolia values. Despite the downtrend in the frequency of accidents at work, we have yet to reach the Veolia goal of a zero accident rate. That is why we are constantly coming up with new means and campaigns to spread the OSH culture among our employees and, in doing so, to improve the overall situation at the Veolia Czech Republic Group. Our goal is for everyone to take safe behaviour and conduct to heart and to keep an eye on others at work just as they would look after members of their own family at home.”*

Number of accidents at the Veolia Czech Republic Group



Accident rate at the Veolia Czech Republic Group



## 9. PROFESSIONAL DEVELOPMENT AND COMMITMENT

In order to be able to keep our industry moving forward, we place an emphasis on increasing the qualifications and training of our employees. The all-round training of Veolia Group employees is a job for our **Institute of Environmental Services (IES)**, which offers a wide range of more than 600 courses and training programmes, many accredited by the Ministry of Education, Youth and Sports. The IES is an important link in the international chain of Veolia Group training centres known as **Veolia Campuses**. For more information, please visit [www.institutes.cz](http://www.institutes.cz).

Every year, Veolia spends the equivalent of 1.2% of its payroll costs on training. In 2019, this came to some

CZK 40 million. The funds are split between training programmes as follows: mandatory training required by law – 25%; professional training aimed at improving qualifications – 60%; and language lessons – 15%.

The IES holds both in-person training and online courses, which take place through eCampus, the e-learning training portal serving the entire CEE zone. In 2019, 25,646 trainees took 93 different online courses. Employees most often took courses on compliance, ethics, and cyber and other security.

One of the in-person courses particularly worth highlighting is the continuation of the series of Work-Life Balance coaching seminars for 30 Veolia managers. We also place a stress on women's empowerment, which extends beyond leadership positions. To advance this strategy, we organise relevant courses and meetings for them.

**In 2019, the number of participants in training events increased by 23%, the number of training sessions by almost 26%, and the number of training camps increased by 25%.**

### IES highlights in 2019

Revenues:  
**CZK 37,822,855**

Number of employees:  
**12**

Number of training events held:  
**1,165**

Number of training camps:  
**7,787**

Number of training sessions:  
**195,791**

Number of lessons (60 minutes each):  
**31,095**

Number of in-person course participants:  
**17,352**

Number of e-learning course participants:  
**25,646**



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## 10. DIVERSITY AND FUNDAMENTAL HUMAN RIGHTS

Promoting dialogue between management and employees, supporting vulnerable and disadvantaged employees, and paying attention to the personal fulfilment of each employee are all important for the management of human resources within Veolia Group. We pay close attention to the quality of **social dialogue** with bodies representing employees and we respect diversity, the principle of equal opportunities, and the fight against all forms of discrimination.

We encourage open communication, cohesion and stability

in our teams. Veolia is supportive of all employees as they develop their skills. It also encourages them to exchange experiences, share innovative practices, and accomplish new achievements in their work.

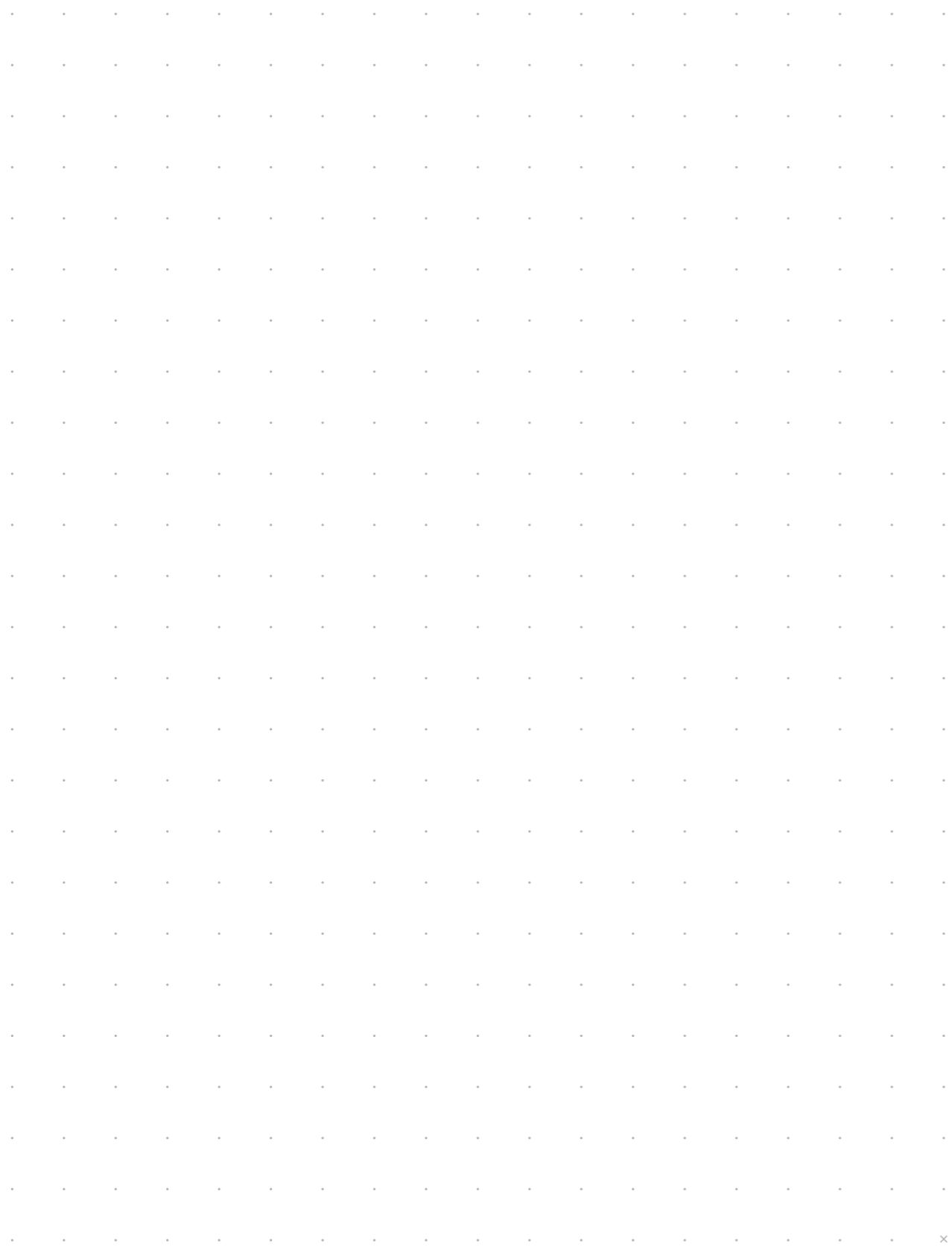
Knowing that employee diversity is a key asset contributing to Veolia Group's success, our recruitment policy aims to facilitate the inclusion of people who are vulnerable on the labour market.

Although there is a preponderance of "typically male" occupations in our industry, women account for almost 22% of our workforce and 15.7% of our managers. We try to offer employment to as many disabled persons as possible. In those cases where we are unable to employ disabled persons directly, we compensate for this in accordance with the law.

	Czech Republic – number of employees	Percentage of total number of employees
<b>TOTAL NUMBER OF EMPLOYEES</b>	6,706	
Number of women	1,452	21.7 %
Number of men	5,254	78.3 %
Number of men in managerial positions	796	84.3 % of all managers
Number of women in managerial positions	148	15.7 % of all managers
Number of degree-holders	711	10.6 %
Number of secondary-school graduates	2,249	33.5 %
Number of disabled employees	123	1.83 %



→



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