Pražské vodovody a kanalizace

Serving water. Serving society.

ESG REPORT 2025 | Pražské vodovody a kanalizace, a.s.

FOREWORD

Dear Readers,

For Pražské vodovody a kanalizace (PVK), 2025 was another step forward in our approach to sustainability. In line with changing European requirements under the **CSRD**, we successfully reviewed our comprehensive double materiality assessment. This milestone enabled us to identify key **ESG topics** with even greater precision.

One question that often comes up is what this concept means for PVK in practice. For us, ESG (Environmental, Social, and Governance) is not just a regulatory abbreviation. It is a strategic framework built around three key areas:

- **Environmental:** our responsibility towards nature and the protection of water resources.
- **Social:** our relationship with our employees, the people of Prague, and all our customers.
- **Governance:** ethics, transparency, and responsible risk management.

We do not view meeting ESG requirements as an administrative burden, but as an opportunity to modernise and strengthen our resilience. For us, ESG is a way to monitor not only how our activities affect the world around us, but also how environmental and social factors influence the Company's financial stability and value.

As a company responsible for the uninterrupted supply of drinking water and the treatment of wastewater, we are fully aware of the risks associated with ongoing climate change. Protecting water resources and adapting to extreme weather fluctuations are part of our everyday work. That is why ESG is now fully integrated into our comprehensive **Risk Catalogue**. We systematically and periodically review both the likelihood of these risks and their financial and social impacts, helping us to prevent crisis situations and protect our customers and the environment more effectively.

Energy security and independence remain our long-term strategic priority. We are responding to instability on external markets by reducing our carbon footprint and developing our own renewable energy sources. I am proud that PVK's overall energy self-sufficiency is also increasing through the installation of photovoltaic systems at water-management facilities and the use of sludge gas at the Central Wastewater Treatment Plant (CWWTP). The CWWTP now covers almost **80%** of its own consumption. These results are helping us to meet our commitment to achieve full energy self-sufficiency at our wastewater treatment plants by 2045.

Delivering on our ESG targets would not be possible, however, without **digitalisation** and the commitment of our employees. We are strengthening our operational resilience through innovative tools such as the SWiM system and Water Scan Toolbox, which draws on elements of **artificial intelligence** to predict pollution in advance and optimise treatment processes even during extreme precipitation.

Alongside this focus on technology, we are also pursuing **social objectives**. We make targeted investments in occupational safety, enhanced benefits, professional development, and keeping employee engagement high.

This 2025 sustainability report reflects our transparent and ethical management. I would like to thank our employees for their expertise and commitment, and our partners and customers for their trust. Together, we are making Prague more resilient and more sustainable for future generations.

Petr Mrkos
Chief Executive Officer
and Vice-Chairman of the Board of Directors

COMPANY OVERVIEW

Pražské vodovody a kanalizace, a.s. operates the water supply and sewerage systems owned by the City of Prague and the municipality of Radonice. Its shareholders are Pražská vodohospodářská společnost a.s. and Veolia Holding Česká republika, a.s. PVK's economic, social, and environmental policy is closely aligned with the objectives of both shareholders, and the commitment to publish this Report is the culmination of efforts to set out that policy comprehensively.

In carrying out our activities, we offer customers in both the public and private sectors solutions that facilitate access to essential services and natural resources, while ensuring that those resources are effectively protected, used, and recycled. Reducing both our own environmental footprint and that of our customers is a central objective of our business and its economic model.

Our mission is to ensure the reliable and safe supply of drinking water, together with the collection and treatment of wastewater, and to seek innovative ways of carrying out these activities sustainably and efficiently.

The ESG (Environmental, Social, and Governance) approach provides a framework that enables us to turn our long-term strategy into specific measures and measurable results. Environmentally, we focus in particular on protecting water resources, reducing energy intensity, and using renewable energy sources. Socially, we place an emphasis on the safety and development of our employees, support for local communities, and open dialogue with the public. From a governance perspective, we are developing transparent, responsible, and ethical practices that strengthen the trust of our partners and customers.

Through this report, we build on our existing commitments and set out how we are meeting European and Czech requirements for non-financial reporting. The Report is also our way of showing that sustainability is not only an obligation, but above all an opportunity for innovation and development, helping to ensure PVK's long-term stability and prosperity and the quality of life of Prague's residents.

This document, the ESG Report for Pražské vodovody a kanalizace, a.s., has been prepared on a voluntary basis. It draws on selected ESRS principles and standards as a methodological framework for the reporting of sustainability information. It is not a sustainability report under Act No 563/1991 on accounting, nor does it form part of the Company's Annual Report. The Company conducted a double materiality analysis (see the separate chapter below) and compared the results with the double materiality analysis of its parent company, Veolia, in order to ensure a consistent approach to reporting on Veolia Group activities in an international context. Selected information contained in this document is also provided for the consolidated ESG reporting of Veolia Holding Česká republika, a.s.

PVK focuses on operating water infrastructure efficiently and providing high-quality services to its customers. PVK's main mission is stewardship of water. The Company treats water, supplies high-quality water to customers, collects wastewater, and returns it to the natural cycle. We, like Veolia Group, see a broader purpose in what we do.

This ESG Report draws on PVK's long-standing corporate social responsibility strategy, which is set out in detail in the document "Our purpose" and in our Codes.

Since 2006, PVK has gradually obtained and maintained certification under ISO 9001 (quality), ISO 45001 (occupational health and safety), ISO 14001 (environment), ISO 50001 (energy management), and ISO 37001 (anti-bribery management). Together with the Integrated Management System Policy and the annual targets set for quality, safety, the environment, energy, and ethics, these standards provide a solid basis for the ESG Report.

Our purpose

PVK protects vital resources from pollution and depletion in everyday life and industry, helping the Company to adapt to the impacts of climate change.

Code of Occupational Safety

PVK is placing an ever greater emphasis on the safety and health of its employees. For this reason, like other Veolia Group companies, it has adopted the Code of Occupational Safety, which familiarises all employees with the basic OHS rules contained in the Labour Code and ISO standards.

Ethics Guide

The Ethics Guide describes the Group's moral and ethical standards, including professionalism, loyalty, respect for the environment, and conduct that helps to build the Company's reputation.

Anti-Corruption Code of Conduct

The Anti-Corruption Code of Conduct describes principles and procedures designed to support the Group's efforts to exclude all forms of corruption, unfair practices, and similar conduct without exception, and to comply with regulations and best practice in this area. PVK was the first Group company in the Czech Republic to successfully undergo a certification audit for the ISO 37001 anti-bribery management system. The Company was certified by Bureau Veritas following a two-stage audit. The auditors recognised its long-standing efforts to combat corruption, regular and effective employee training, and the establishment of compliance systems designed to prevent and detect unwanted situations.

POLICY of Pražské vodovody a kanalizace, a.s.

PVK, a Veolia Group company, provides drinking water supply, wastewater collection, and wastewater treatment services in Prague, and also supplies drinking water to certain areas of the Central Bohemian Region.

MOTTO: "WATER IS LIFE".

PVK has introduced integrated anti-bribery, quality, safety, environmental protection, and energy management systems. To achieve the objective of sustainable development, PVK's management has adopted the following commitments:

- to consistently meet customer needs and fulfil customer requirements and expectations;
- to comply with all provisions of legislation and other binding requirements applicable to PVK's activities;
- to ensure safe and healthy working conditions that prevent occupational injuries and damage to health;
- to contribute to improving the environment and reducing the energy intensity of technological equipment by operating that equipment responsibly and safely, in line with scientific and technological progress;
- to tolerate no form of corruption and to foster a corporate culture and environment that rejects bribery;
- to maintain open communication and cooperation with employees, business partners, and all stakeholders on the requirements and implementation of this policy, new services and activities of the Company, and its plans;
- to pursue continuous improvement of the entire management system through active risk management, using effective control mechanisms and regular risk assessment for this purpose;
- when selecting suppliers, to take into account not only their professional competence, but also their approach to occupational safety, the environment, and compliance with this Policy;
- to continuously adapt the behaviour and thinking of PVK employees to changing conditions, thereby supporting their balanced development, including their health, relationship with nature, and corporate culture.

QUALITY POLICY

- to ensure the high quality of the drinking water supplied and the wastewater discharged;
- to use breakthrough technologies to continuously improve the quality of PVK's services;
- to ensure that every employee is highly qualified and continues to develop professionally.

OHS POLICY

- to carry out all OHS activities in such a way that operations do not give rise to incidents with a negative impact on employees and the population, or on the assets of the Company and other entities;
- to systematically identify and analyse risks, reflect the results of those analyses in safe procedures, discuss them with employees, and encourage their involvement so as to minimise the possibility of injuries, damage to health, accidents, and their consequences;
- to set measurable objectives and tasks that ensure continuous improvement, the elimination of hazards, and controlled prevention to reduce risks or eliminate identifiable OHS and fire protection risks, including the effects of hazardous substances.

ENVIRONMENTAL POLICY

- to carry out all activities in such a way that operations do not give rise to incidents with a negative impact on the environment;
- to contribute to the protection of natural water resources, reduce water losses, and limit water wastage;
- to promote the further use of waste generated in connection with Company activities;
- to systematically assess environmental aspects and their possible impacts on the environment, and to plan, implement, and manage measures that will reduce the possibility of environmental damage caused by Company activities;
- to continuously seek opportunities to reduce greenhouse gas emissions and strive to involve business partners in managing these emissions throughout the value chain.

ENERGY MANAGEMENT POLICY

- to carry out all activities and operate equipment and technologies with due regard to the efficient use of energy;
- to identify and adopt energy-saving and economically efficient measures in order to continuously reduce energy intensity, taking into account energy use and the needs of the infrastructure owner;
- to promote the procurement of energy-efficient equipment, technologies, and services to reduce energy intensity;
- to adopt measures aimed at continuously improving energy intensity, monitoring and measuring results, and preparing plans for more efficient energy use.

ANTI-BRIBERY MANAGEMENT SYSTEM POLICY

- to create an environment that rejects corruption, achieve the objectives set, and continuously improve this environment through awareness-raising, the active promotion of ethical principles, support for an anti-corruption stance by all managerial employees, the strengthening of employees' moral integrity, and compliance with the relevant codes;
- to maintain a functional and trustworthy system for reporting suspicions of corruption, providing support and protection to whistleblowers against any possible retaliation for making a report;
- through active management of corruption risks, to pursue the continuous improvement of the entire system with the aim of preventing the emergence of a possible corrupt environment. For this purpose, to use the system's control mechanisms and regular assessments of corruption risks, which are carried out independently by the compliance specialist. The compliance specialist monitors compliance with all statutory requirements relating to this system, as laid down in internal rules.

The principles of the Policy apply to all PVK employees, who are also responsible for complying with the Policy and fulfilling the related objectives.

PVK's management undertakes to systematically familiarise all employees and other persons managed by the Company, suppliers, and other stakeholders with this Policy, so as to cultivate sufficient awareness of the tools, procedures, reporting, and assessment of the management system, as well as the consequences of non-compliance with this policy.

PVK's management undertakes and declares that it will create the conditions needed to support and fulfil this policy, provide appropriate resources for this purpose, and ensure compliance with the stated principles.

1 December 2022

Company management

VEOLIA

PRAŽSKÁ VODOHOSPODÁŘSKÁ SPOLEČNOST a.s.

OUR CERTIFICATES


Pražské vodovody a kanalizace, a.s.
Člen skupiny VEOLIA
Ke Kablu 971/1, Hostivař, 102 00 Praha 10, Česká republika
a lokalita: ÚV Káraný, Hlavní 22, 250 75 Káraný
DIAMANTOVÝ CERTIFIKÁT
číslo CQS 142/2006 - 2024
QMS - ČSN EN ISO 9001:2016
EMS - ČSN EN ISO 14001:2016
EnMS - ČSN EN ISO 50001:2019
SM BOZP - ČSN EN ISO 45001:2018
Získávání, úprava a distribuce pitné vody
Odvádění a čištění odpadních vod, likvidace odpadů
Údržba a opravy infrastruktury
Inženýrské činnosti a zákaznické služby


CQS
CERTIFIKÁT
číslo: CQS 2217/2024
Pražské vodovody a kanalizace, a.s.
Člen skupiny VEOLIA
Ke Kablu 971/1, Hostivař, 102 00 Praha 10, Česká republika
a lokalita: ÚV Káraný, Hlavní 22, 250 75 Káraný
ČSN EN ISO 9001:2016


CQS
CERTIFIKÁT
číslo: CQS 248/2024
Pražské vodovody a kanalizace, a.s.
Člen skupiny VEOLIA
Ke Kablu 971/1, Hostivař, 102 00 Praha 10, Česká republika
a lokalita: ÚV Káraný, Hlavní 22, 250 75 Káraný
ČSN EN ISO 14001:2016


CQS
CERTIFIKÁT
číslo: CQS 249/2024
Pražské vodovody a kanalizace, a.s.
Člen skupiny VEOLIA
Ke Kablu 971/1, Hostivař, 102 00 Praha 10, Česká republika
a lokalita: ÚV Káraný, Hlavní 22, 250 75 Káraný
ČSN EN ISO 45001:2018


CQS
CERTIFIKÁT
číslo: CQS 250/2024
Pražské vodovody a kanalizace, a.s.
Člen skupiny VEOLIA
Ke Kablu 971/1, Hostivař, 102 00 Praha 10, Česká republika
a lokalita: ÚV Káraný, Hlavní 22, 250 75 Káraný
ČSN EN ISO 50001:2019


Pražské vodovody a kanalizace, a.s.
ISO 37001: 2016


Signatář EA MLA
Český institut pro akreditaci, o.p.s.
Hájkova 274/32, Žižkov, 130 00 Praha 3
OSVĚDČENÍ O AKREDITACI
č. 654/2025
Pražské vodovody a kanalizace, a.s.
se sídlem Ke Kablu 971/1, Hostivař, 102 00 Praha 10
IČO: 25656635
pro zkušební laboratoř č. 1247
Pražské vodovody a kanalizace, a.s. - Útvar kontroly kvality vody
Rozsah udělené akreditace:
Fyzikálně-chemické, mikrobiologické a biologické zkoušení pitné, surové, podzemní a odpadní vody, kalů a odpadů, vody z technologických mezistupňů (mezistupně vody) a vody ke koupání včetně samostatného vzorkování a rozbory provozních chemikálií, vymezené přílohou tohoto osvědčení.
ČSN EN ISO/IEC 17025:2018
Uděluje akreditace se platností do 31. 3. 2027
V Praze dne 17. 12. 2025
Ing. Jan Vejvoda
ředitel odboru akreditace
a technických laboratoří
Český institut pro akreditaci, o.p.s.

BASIC INFORMATION

Pražské vodovody a kanalizace (PVK), a public company limited by shares, is the legal successor of the state-owned enterprises Pražské vodárny and Pražská kanalizace a vodní toky to the extent specified in the privatisation proposal.

SHAREHOLDERS

49%

PRAŽSKÁ VODOHOSPODÁŘSKÁ SPOLEČNOST A.S.

51%

VEOLIA HOLDING ČESKÁ REPUBLIKA, A.S.

1 April 1998

INCORPORATED

CZK **483,288,000**

REGISTERED CAPITAL

Public limited company

LEGAL FORM

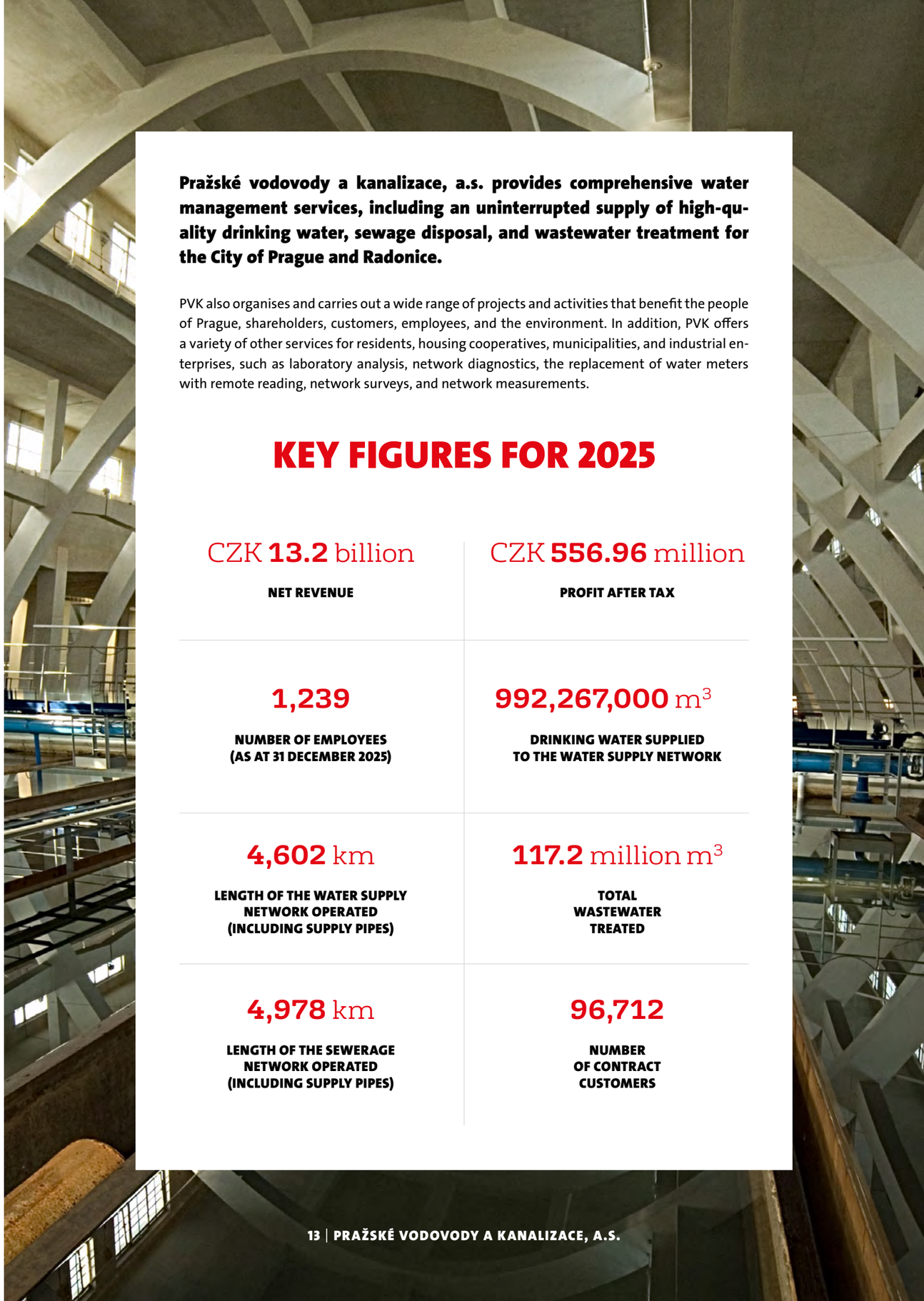
25656635

COMPANY NUMBER

Ke Kablu 971/1, 102 00 Praha 10 - Hostivař

REGISTERED OFFICE

The reporting period is from 1 January 2025 to 31 December 2025.



Pražské vodovody a kanalizace, a.s. provides comprehensive water management services, including an uninterrupted supply of high-quality drinking water, sewage disposal, and wastewater treatment for the City of Prague and Radonice.

PVK also organises and carries out a wide range of projects and activities that benefit the people of Prague, shareholders, customers, employees, and the environment. In addition, PVK offers a variety of other services for residents, housing cooperatives, municipalities, and industrial enterprises, such as laboratory analysis, network diagnostics, the replacement of water meters with remote reading, network surveys, and network measurements.

KEY FIGURES FOR 2025

CZK **13.2** billion

NET REVENUE

CZK **556.96** million

PROFIT AFTER TAX

1,239

NUMBER OF EMPLOYEES (AS AT 31 DECEMBER 2025)

992,267,000 m^3

DRINKING WATER SUPPLIED TO THE WATER SUPPLY NETWORK

4,602 km

LENGTH OF THE WATER SUPPLY NETWORK OPERATED (INCLUDING SUPPLY PIPES)

117.2 million m^3

TOTAL WASTEWATER TREATED

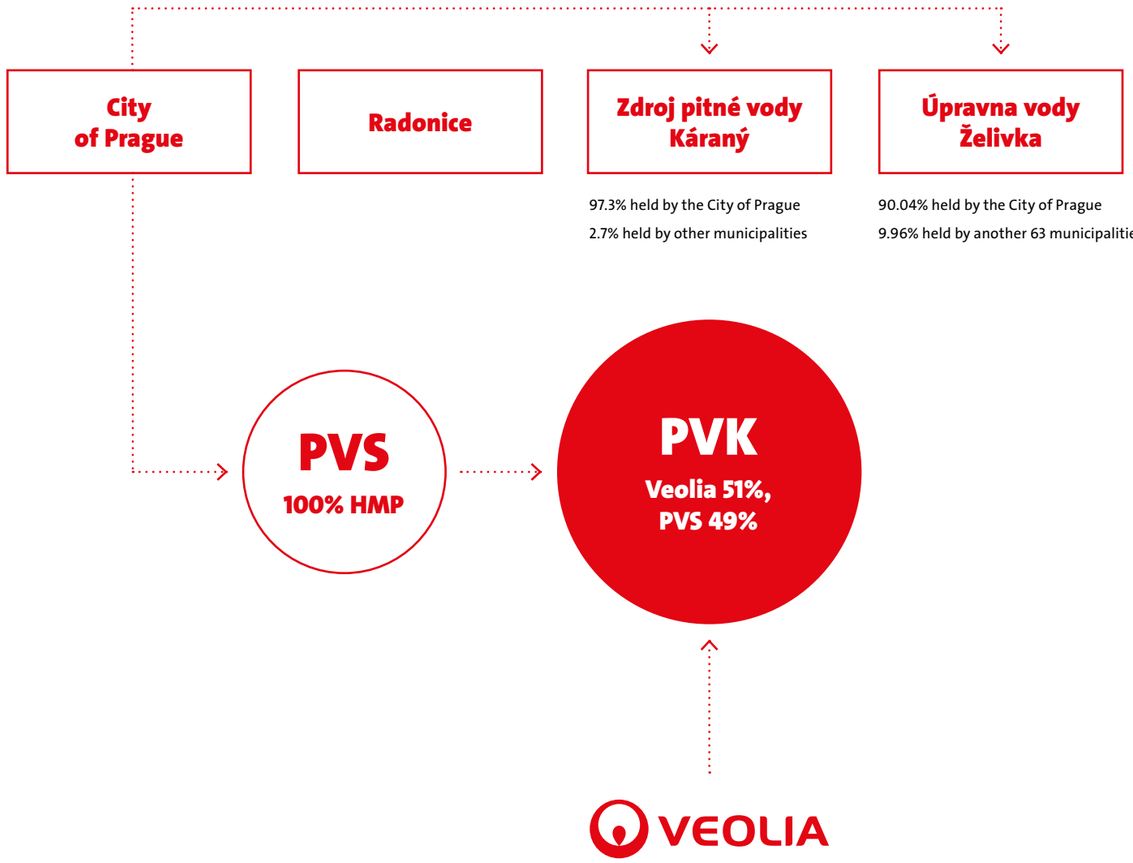
4,978 km

LENGTH OF THE SEWERAGE NETWORK OPERATED (INCLUDING SUPPLY PIPES)

96,712

NUMBER OF CONTRACT CUSTOMERS

ORGANISATIONAL STRUCTURE AND RESPONSIBILITIES WITHIN THE WATER MANAGEMENT ECOSYSTEM



PVK

MANAGEMENT AND GOVERNING BODIES

PVK BOARD OF DIRECTORS

Philippe Guitard – Chairman
Petr Mrkos – Vice-Chairman
Martin Bernard
Miluše Poláková
Reda Rahma
Pavel Válek
Mark Rieder

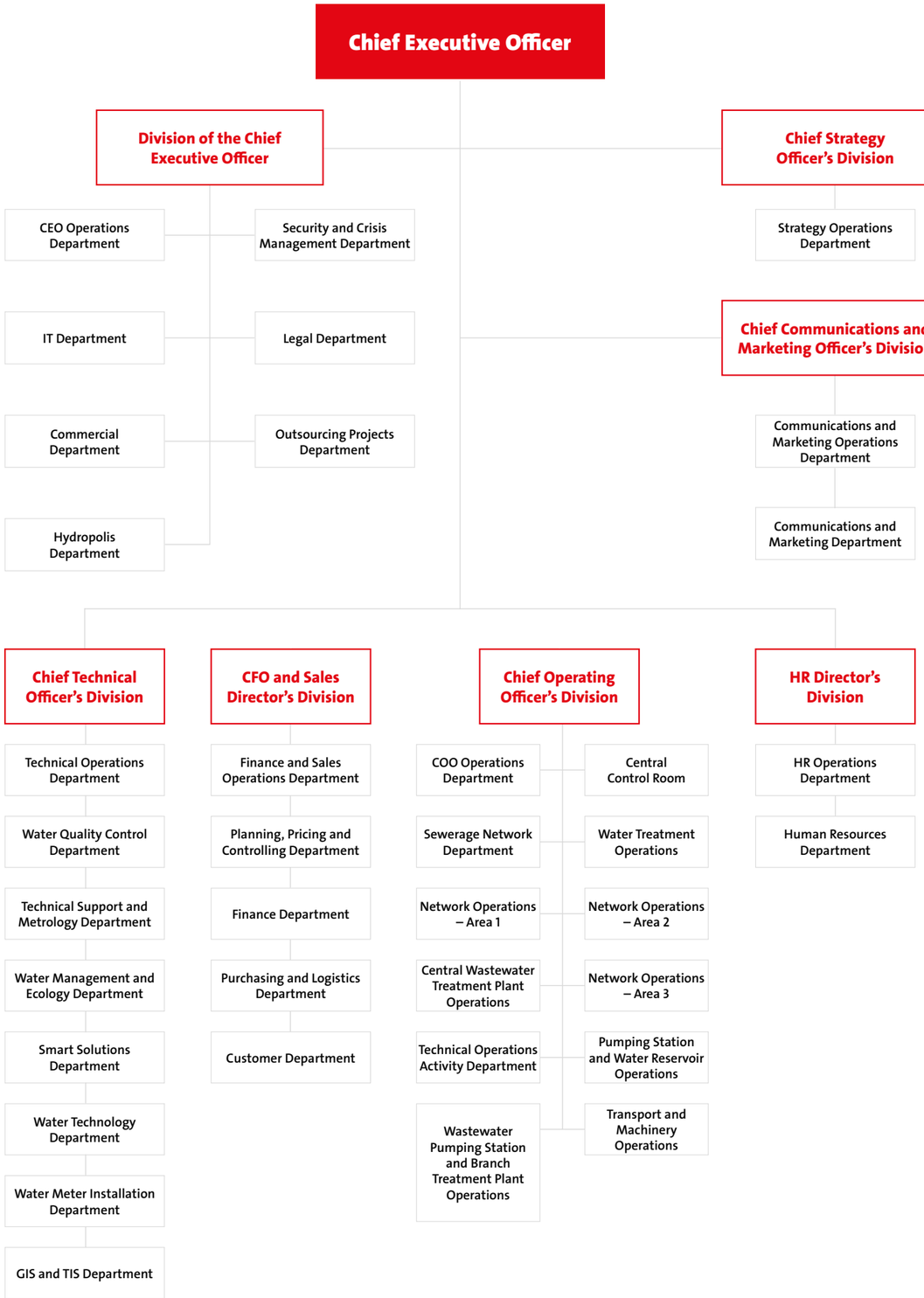
PVK SUPERVISORY BOARD

Zdeněk Zajíček – Chairman
Michal Hroza – Vice-Chairman
Rostislav Čáp
Marcela Dvořáková
Antonino Milicia
Zdeněk Hořánek
Marek Dřevo
Lucie Luxová
Ladislav Částka

PVK MANAGEMENT

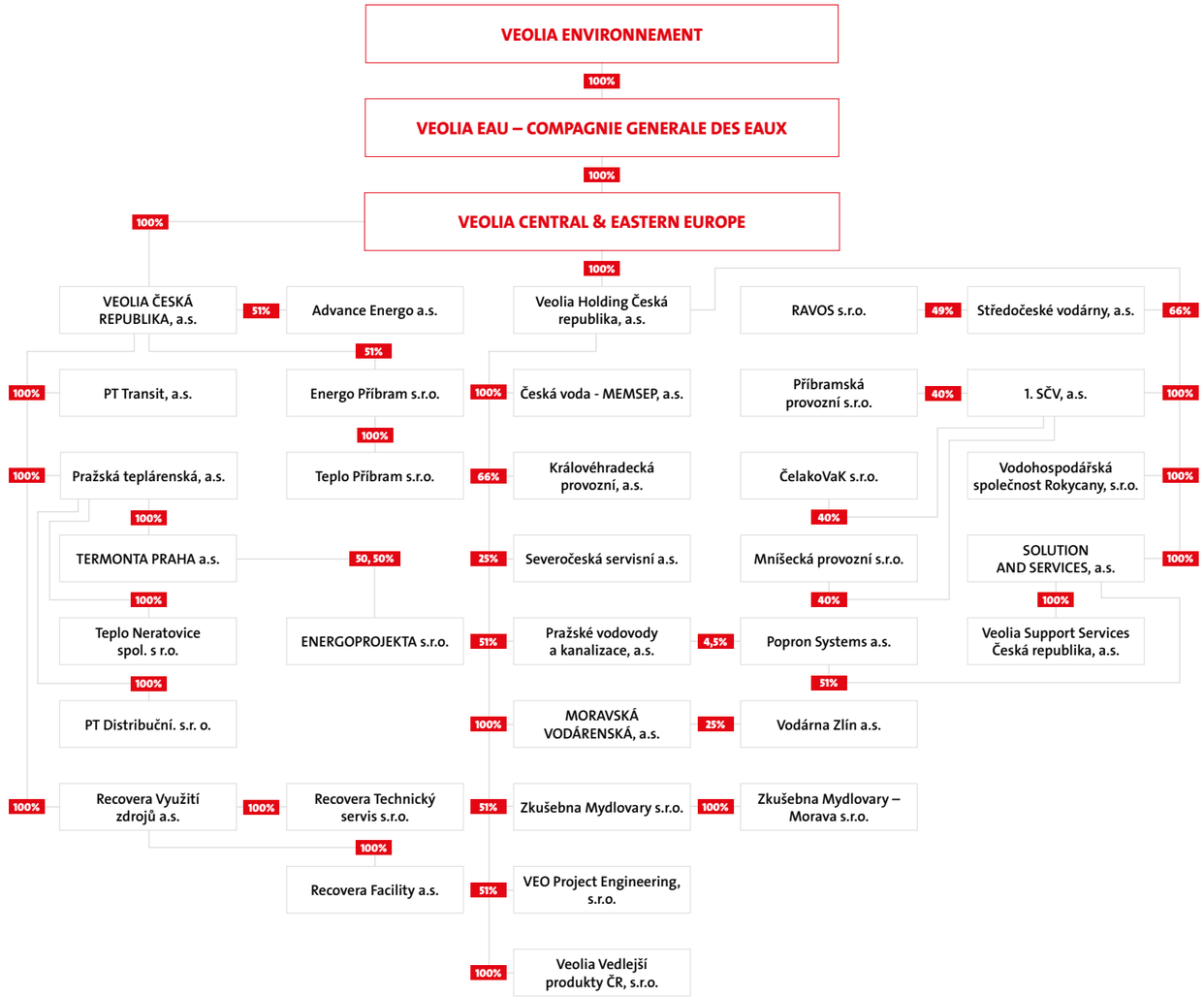
CEO – Petr Mrkos
HR Director – Zuzana Šepsová
CFO and Sales Director – Marek Červíček
Chief Operating Officer – Petr Kocourek
Chief Technical Officer – Petr Sýkora
Chief Communications and Marketing Officer – Marcela Dvořáková
Chief Security Officer – Jan Záveský

PVK ORGANISATIONAL STRUCTURE



VEOLIA CENTRAL & EASTERN EUROPE OWNERSHIP STRUCTURE

IN THE CZECH REPUBLIC AS AT 1 JANUARY 2026



NOTES

On 27 February 2024, VEOLIA ČESKÁ REPUBLIKA, a.s. purchased a 51% interest in Advance Energo a.s.
On 30 September 2024, Veolia Support Services Česká republika, a.s. purchased a 100% interest in Institut environmentálních služeb, a.s.
Příbramská provozní s.r.o. was established on 28 November 2024, and is 100% owned by 1.SčV, a.s.

VEOLIA: A BENCHMARK ESG BUSINESS

Veolia publishes climate reports each year in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group also follows the guidance of the Taskforce on Nature-Related Financial Disclosures (TNFD), which addresses nature-related risks. At the Davos Forum in January 2024, the TNFD named Veolia as one of 320 companies and financial institutions worldwide (including 19 from France) that were among the first to put its recommendations into practice.

Veolia is regularly included in the most selective sustainability stock indices and recognised by organisations that assess companies from an ESG perspective and are known for the quality of their analyses. The Group therefore actively contributes to the development of the methodologies used. To remain relevant, all companies, including Pražské vodovody a kanalizace, a.s., must take full account of specific challenges.

VEOLIA IN THE LEADING SUSTAINABILITY INDICES

- FTSE4Good
- DJSI (indexy Dow Jones Sustainability) Worldwide and Europe[1]
- CAC 40 ESG

RECOGNISED BY LEADING RATING AGENCIES

- **S&P Global**
  "Number one among multi-utility companies",[2]
  "Top 1%" in the Sustainability Yearbook 2024,
  CSA score: 83/100[3]
- **ISS ESG**
  "Prime" rating, among the top 10% of multi-utility companies, score: B[4]
- **EcoVadis (2022)**
  75/100, 98th percentile (i.e. top 3%)
- **Moody's Analytics**
  72/100, leading position in water and waste management in Europe (industry average score: 53/100)
- **CDP Climate Change 2023**
  "Leadership" rating, score: A-
- **CDP Water Security 2023**
  "Leadership" rating, score: A-

A direct impact on 14 of the 17 UN SDGs

SDGs linked to the Group's activities
(3 Good health and well-being, 6 Clean water and sanitation, 7 Affordable and clean energy, 9 Industry, innovation and infrastructure, 10 Reduced inequalities, 11 Sustainable cities and communities, 12 Responsible consumption and production, 13 Climate action, 14 Life below water, 15 Life on land)
SDGs linked to the Group's organisation and responsible conduct
(4 Quality education, 5 Gender equality, 8 Decent work and economic growth)
SDG 17: a lever for achieving other SDGs
(17 Partnerships for the goals)

1. These highly selective indices rate only the most advanced companies in terms of sustainability within each business sector (the top 10% of the 2,500 largest multinational companies from the S&P Global Broad Market Index for the World Index, and the top 20% of the 600 largest European companies from the S&P Global Broad Market Index for the Europe Index).
2. As at 22 December 2023.
3. Corporate Sustainability Assessment.
4. As at 17 October 2023.

TRANSVERSAL SERVICES COMPANIES IN THE 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.

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.

POPRON SYSTEMS A.S.

is a software company that provides services mainly in connection with the Helios platform, and primarily to companies in the Veolia CZ Group.

ČESKÁ VODA – MEMSEP, A.S.

provides comprehensive water-management services, including: turnkey deliveries of process units for water treatment, purification, and recycling; the maintenance and repair of water-management facilities for the treatment and distribution of drinking water; and wastewater collection and treatment. It is also active in the mechanical and electrical manufacture of water-management components, as well as expert and design services, transport, drinking water supply, including alternative supply, and the emptying of wastewater holding tanks.

STRATEGY

AND BUSINESS MODEL IN RELATION TO SUSTAINABILITY

ESRS 2 BP-1 – GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

The Company is reporting on its sustainable development in 2025 through this report, which relies on the EU's Non-Financial Reporting Directive (2014/95/EU) and also partially reflects the new European Corporate Social Responsibility Directive (CSRD) and its implementing standards.

PVK focuses on operating water infrastructure efficiently and providing high-quality services to its customers. PVK's main mission is stewardship of water. The Company treats water, supplies high-quality water to customers, collects wastewater, and returns it to the natural cycle. We, like Veolia Group, see a broader purpose in what we do.

As a member of Veolia Group, PVK clearly identifies with the Group's Purpose, as formulated and published on its website, which gives equal weight to the economic, financial, commercial, HR, social, and environmental dimension of our performance. Veolia intends to lead the way in ecological transformation, and PVK is part of this journey.

1. Our stakeholders
2. Our performance
3. Our commitments
4. Our objectives

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

VALUE CHAIN

Overview of the key activities that create value for customers, society, and the environment. With water, which is at the heart of our business, the value chain begins at the source and ends with the return of treated water to the natural environment.

1. Water resourcing

- Management and protection of water resources
- Cooperation with river basin administrators
- Monitoring of incoming water quality

2. Drinking water treatment and production

- Operation of water treatment plants
- Use of chemicals and energy (consumption, emissions, substitution with more sustainable alternatives)
- Quality control and laboratory testing

3. Drinking water distribution

- Management and renewal of the water supply network
- Detection and minimisation of water losses
- Energy intensity of pumping
- Supply to households, businesses, and institutions

4. Customer consumption

- Provision of services to end-users
- Billing, customer service, and consumption metering
- Education on saving water and responsible water management

5. Wastewater collection and treatment

- Management of the sewerage network
- Operation of wastewater treatment plants
- Removal of pollutants, water recycling, and sludge recovery
- Emissions to water and air

6. Return of water to nature and resource circulation

- Discharge of treated water into receiving water bodies
- Sludge recycling and use (energy, fertilisers)
- Projects to promote biodiversity and protect ecosystems

7. Support and cross-cutting activities

- Governance and compliance (regulation, safety, cybersecurity)
- Energy management and the transition to renewable energy sources
- Human resources (employees, OHS, diversity)
- Cooperation with the City, regulators, and communities

- Environmental impacts (water and energy consumption, emissions, losses)
- Social impacts (water, health and safety, accessibility, employees, customers)
- Governance (compliance, transparency, relationship with the City of Prague and the public)

PVK'S SUSTAINABLE DEVELOPMENT TARGETS

Target	Indicator	Unit	Baseline 2025	Target 2026
Turnover growth	Reported turnover	CZK thousands	13,373,988	13,586,086
Operating profitability	EBITDA	CZK thousands	748,696	821,772
Employee commitment	Employee commitment rate, measured by an independent survey (VOICE OF RESOURCERS)	%	91	90
Occupational health and safety	Support for employee health, preparation of Health Days, vaccination for all employees	CZK/year	9,861,000	10,000,000
Incident and accident prevention	Reduction in the occupational injury risk through the Skoronehody (Near Misses) preventive programme	number	301	717
Employee training and employability	Average number of training hours per employee, systematic increase in the number of training hours (upskilling, further professional development, Veolia training – compliance, cybersecurity, OHS, etc.)	hours	32.5	32
Diversity	Achievement of the planned ratio of women to men employed	%	27/73	27/73
	Support for employees' mental well-being. Urgent psychological support for our employees in crisis situations	CZK/year	360,000	350,000
Combating climate change	Reduction in CO_2 emissions through electrification of the vehicle fleet (number of electric vehicles put into operation)	number	6	13
Reducing the energy intensity of PVK-operated facilities	Expansion of photovoltaic production capacity	kWp of installed capacity	371	1300
Circular economy	Supply of biogas produced during wastewater treatment to the public gas distribution network	Nm^3	1,034,565	1,000,000
Protection of environments and biodiversity	Improvement in wastewater treatment efficiency. Removal of BOD5 at all WWTPs	%	98.72	97.7
Expansion of biodiversity	Expansion of biodiversity-supporting areas	ha	5.8	6.4
Sustainable management of water resources	Improvement in the efficiency of the water supply network. Reduction in the volume of drinking water losses	%	14.82%	16.00%
Customer and consumer satisfaction	Customer satisfaction rate calculated using the Net Promoter Score methodology (NPS/NSS)	%	96%	95%
Number of contract customers	Increase in the number of contract customers	number	96,712	96,800
Ethics and compliance	Percentage of positive responses to the survey question on engagement: "Processes and control mechanisms for preventing fraud or corruption are effective."	%	84	85
Reduction in corruption risks	Implementation of Veolia requirements, employee training, and subsequent audit	number of employees trained	520	510
Complaints and claims	Reduction in the number of claims and complaints to below 500	value	483	490

DOUBLE MATERIALITY ASSESSMENT

In accordance with the requirements of the CSRD and European Sustainability Reporting Standards (ESRS), Pražské vodovody a kanalizace, a.s. (PVK) conducted a double materiality assessment in 2025. The aim was to identify and evaluate sustainability matters that are material to the Company from the perspective of their impacts on people and the environment, from the perspective of financial risks and opportunities, or from both perspectives. The results of the assessment serve as a basis for defining the content of this sustainability report and determine which matters will be reported on in detail.

Methodology and management involvement

The analysis was carried out as a structured, multi-phase process based on the framework set out in ESRS 1 and ESRS 2 (in particular disclosure requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities). The assessment of impacts, risks, and opportunities is an integral part of the process for assessing the materiality of ESG matters and defining the scope of ESG reporting. The process consists of the following four steps.

Diagram: Double materiality assessment process

Longlist of sustainability matters:

First, a longlist of sustainability matters was compiled, based on the recommended list proposed under the ESRS (see ESRS table AR 16), which defines potential sustainability matters at three levels of granularity. Both internal and external factors were taken into account in preparing the longlist. Internal factors included the Company's value chain and activities, performance, strategy, and business objectives. External factors included the upstream and downstream value chain, i.e. the interests, activities, and strategies of key suppliers and customers, the interests of other stakeholders, legislative requirements, and other rules. The matters were also identified in consultation with managers and key employees. The outcome of this procedure was a list of sustainability matters prepared for an assessment of their relevance in terms of the Company's activities, its strategy, and the characteristics specific to the sector. PVK selected the most detailed option, i.e. the subtopic level under table AR 16.

ESRS topic	Subtopic	Identified impact/risk/opportunity	Type
E1 – Climate Change	Climate change adaptation	PVK maintains a stable water supply and wastewater collection service despite the impacts of climate change (drought, floods, and torrential rainfall).	Actual positive impact
	Climate change mitigation	Water treatment generates greenhouse gas emissions.	Actual negative impact
		PVK reduces N_2O and CH_4 emissions by optimising the treatment process and using sludge-derived biogas as a renewable energy source.	Actual positive impact
	Energy	PVK uses sludge-derived biogas in cogeneration, making the CWWTP 80% energy self-sufficient.	Actual positive impact
		A higher share of RES and improved efficiency will reduce costs and create scope for the sale of surplus energy.	Opportunity
		Investments in energy-saving technologies and the purchase of green energy increase PVK's costs, with the risk of limited scope to pass those costs on in water and sewerage charges.	Risk
		Water treatment and wastewater treatment are energy-intensive; 42% of purchased energy comes from fossil sources, and PVK has only very limited influence over the composition of its energy mix.	Actual negative impact
E2 – Pollution	Pollution of air	Local odour-related air pollution at wastewater treatment plants and selected sites within the sewer network.	Actual negative impact
	Pollution of water	During extreme rainfall, PVK's technology is not designed to treat the full volume of wastewater.	Actual negative impact
		PVK collects and treats wastewater for 1.4 million Prague residents, making a significant contribution to the protection of water quality in the Vltava. It meets all legislative requirements and promotes pollution prevention and customer education.	Actual positive impact
		Investment in infrastructure, higher rent from PVS, and rising operating costs due to stricter legislative requirements may constrain PVK's operations.	Risk
	Pollution of soil	Restrictions on the agricultural use of sludge would entail high operating costs and require investment in technologies for its energy recovery.	Risk
	Substances of concern and substances of very high concern	PVK effectively captures substances of concern and substances of very high concern discharged by customers at WWTPs, preventing their release into watercourses.	Actual positive impact
E3 – Water and marine resources	Water consumption	PVK actively reduces water losses in the water supply network through investment, systematic surveys, and repairs carried out in cooperation with PVS. This helps to protect water resources and improve supply efficiency, while customer education promotes responsible consumption.	Actual positive impact
		Higher water losses increase costs that cannot be passed on in charges, while repairs following failures are a significant cost item.	Risk
	Water withdrawal	PVK maintains a high-quality, stable supply of drinking water through diversified sources, allowing those sources to be managed efficiently.	Actual positive impact
E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss – land-use change, freshwater-use change, and sea-use change	During severe drought, PVK's water withdrawal may affect a reservoir's water regime and, consequently, biodiversity in a protected landscape area.	Potential negative impact
		Where water resources decline, they may need to be replaced by alternative sources, increasing operating costs that cannot be passed on in water and sewerage charges.	Risk
	Direct impact drivers of biodiversity loss – pollution	PVK protects ecosystems through effective wastewater treatment and controlled wastewater discharges.	Actual positive impact
		Costs associated with responding to emergency situations.	Risk

ESRS topic	Subtopic	Identified impact/risk/opportunity	Type
E5 – Circular economy	Resource inflows, including resource use	PVK reduces the amount of water required for drinking water treatment through efficiency measures, while returning treated wastewater to nature for further use.	Actual positive impact
	Resource outflows related to products and services	The agricultural use of sludge improves soil properties while reducing the amount of waste generated by the treatment process.	Actual positive impact
		Legislative changes may increase the cost of disposing of sludge as waste.	Risk
S1 – Own workforce	Secure employment	PVK offers employees conditions that go beyond statutory requirements, including benefits agreed in the collective agreement. PVK's low turnover and stable employment relationships have long underpinned a high degree of employment security.	Actual positive impact
		PVK improves working conditions both through its own initiatives and through collective bargaining.	Potential positive impact
		Above-average working conditions provide PVK with an opportunity to retain qualified staff and strengthen its attractiveness in the labour market, while process automation creates scope to increase efficiency and reduce costs.	Opportunity
	Working time	Under the collective agreement, PVK employees have shorter working hours, flexible working arrangements, and enhanced benefits, including six weeks' leave, sick days, and volunteering days.	Actual positive impact
		The nature of PVK's activities requires shift work, including night shifts, weekend and public holiday working, on-call duty, and overtime.	Actual negative impact
	Adequate wages	PVK provides enhanced remuneration, with average wages above the levels recorded in the national economy generally and the water sector specifically, while also expanding the benefits and advantages agreed in the collective agreement.	Actual positive impact
		PVK seeks to achieve above-inflation wage growth. The implementation of the EU Pay Transparency Directive will lead to higher income for lower-level positions, and the Company will continue to develop the range of benefits it offers.	Potential positive impact
	Collective bargaining, including the rate of the workforce covered by collective agreements	PVK maintains strong relations with trade unions, regularly updates the collective agreement to include benefits beyond statutory requirements, and promotes employee engagement and the protection of trade union representatives.	Actual positive impact
	Work-life balance	PVK promotes employees' family life through flexible working time, benefits, and support in difficult life situations. It also organises or supports family events.	Actual positive impact
	Health and safety	Occupational health and safety is a priority for PVK. Regular training, inspections, and prevention help to keep the accident rate low, while programmes and benefits promote employee health.	Actual positive impact
		The nature of PVK's business means that work is often performed in high-risk and hygienically demanding environments, or in shift operations.	Actual negative impact
	Gender equality and equal pay for work of equal value	PVK applies a uniform pay policy for all employees. Gender is not taken into account in pay grading, whether in recruitment procedures or when vacant positions are advertised.	Actual positive impact

ESRS topic	Subtopic	Identified impact/risk/opportunity	Type
	Training and skills development	PVK provides regular employee training and offers further development opportunities through programmes such as Veolia Academy, ranging from voluntary training and individual programmes to workshops, language courses, and support for study at external institutions.	Actual positive impact
		Rising expenditure on employee development and talent programmes increases costs for the Company.	Risk
	Employment and inclusion of persons with disabilities	Given the nature of PVK's business, it is unable to create employment opportunities for persons with disabilities in all areas.	Actual negative impact
	Diversity	Employee diversity in PVK's core activities is limited by the technical nature of operational roles, which require a high level of expertise, medical fitness, and physical capability.	Actual negative impact
S3 – Affected communities	Communities' economic, social and cultural rights - Water and sanitation	PVK supplies drinking water and ensures the safe collection and treatment of wastewater before it is returned to nature.	Actual positive impact
	Communities' economic, social and cultural rights – Land-related impacts	PVK supplies treated sewage sludge for agricultural use, returning nutrients to the soil, reducing fertiliser consumption, and promoting regenerative farming.	Actual positive impact
	Communities' economic, social and cultural rights – Security-related impacts	PVK protects the area against backflow during floods by using flood gates and pumping units, while also maintaining operations during power outages through backup power sources.	Actual positive impact
		Every emergency situation increases operating costs.	Risk
S4 – Consumers and end-users	Consumers and end-users – Privacy	PVK places a strong emphasis on protecting customers' personal data, complies with GDPR rules, and implements measures to prevent unauthorised access to data or data leaks.	Actual positive impact
	Consumers and end-users – Freedom of expression	PVK promotes open communication with customers, has a system in place for handling submissions, and regularly evaluates feedback through face-to-face meetings, electronic communication, and surveys.	Actual positive impact
	Consumers and end-users – Access to (quality) information	PVK uses a wide range of communication channels and provides customers with secure access to information, as well as active updates through SMS messages, emails, and press releases.	Actual positive impact
	Consumers and end-users – Health and safety	PVK supplies high-quality drinking water to 1.6 million residents and ensures high hygiene standards and health protection through wastewater collection and treatment.	Actual positive impact
		PVK expands its monitoring to include new risk substances, while early detection of hygiene defects and care for the sewer network minimise the risk of contamination in customer settings.	Potential positive impact
		Expanding water quality monitoring and any legislative changes may significantly increase the Company's costs.	Risk
	Consumers and end-users – Security of a person	When providing services, PVK applies strict safety standards so that the use of those services does not endanger customers' health and safety.	Actual positive impact
	Consumers and end-users – Protection of children	PVK supplies drinking water to approximately 250,000 children, supporting their health and healthy habits. In emergency situations, children are given priority protection through alternative supply and safe sewerage. PVK's educational activities also contribute to their healthy development.	Actual positive impact
		PVK expands water quality monitoring to include new risk substances, while the early detection of hygiene defects increases the safety of sewerage operations and supports the protection and education of children.	Potential positive impact
	Consumers and end-users – Non-discrimination	PVK maintains uniform pricing and contractual terms, ensuring equal access for all customers.	Actual positive impact
	Consumers and end-users – Access to products and services	PVK maintains continuous water supply and wastewater collection, minimises outages, and provides alternative supply in the event of failures.	Actual positive impact
		The maximum availability of PVK's services increases customer satisfaction and strengthens the Company's market position.	Opportunity
	Consumers and end-users – Responsible marketing practices	PVK's marketing campaigns provide information about new services and educate customers in water management; they are not used to manipulate customers.	Actual positive impact
		High customer awareness of service quality and communication options with PVK increases customer satisfaction and strengthens the Company's market position.	Opportunity

ESRS topic	Subtopic	Identified impact/risk/opportunity	Type
G1 – Business conduct	Corporate culture	PVK applies and monitors compliance with codes of conduct, thereby strengthening corporate culture, employees' ethical conduct, and the Company's credibility.	Actual positive impact
		The continued development of ethical codes and corporate culture will strengthen PVK's position as a reputable employer, increase process efficiency, and have a positive effect on the Company's reputation.	Potential positive impact
		Any deterioration in corporate culture could weaken employee relations and the fulfilment of PVK's social and environmental objectives, and therefore needs to be averted through preventive measures and timely management intervention.	Potential negative impact
	Protection of whistle-blowers	PVK operates an anonymous channel for reporting unethical conduct. This increases employee safety and the quality of corporate culture.	Actual positive impact
	Political engagement	PVK is not politically engaged and cooperates only within a professional capacity on water-sector legislation.	Actual positive impact
	Management of relationships with suppliers including payment practices	PVK duly performs its contracts and pays its liabilities on time, and has no late payments.	Actual positive impact
	Corruption and bribery	PVK has an Anti-Corruption Code in place, which increases employee trust, strengthens corporate culture, and promotes investor and customer confidence in the integrity and sustainability of the business.	Actual positive impact

Relevance analysis

Following discussion with key employees, sustainability matters that were not assessed as relevant to the Company were excluded from the longlist. In PVK's case, only ESRS S2 – Workers in the Value Chain was judged to be irrelevant.

Analysis of links with PVK's risk catalogue

The relevant sustainability matters were then assessed as part of the assessment of impacts, risks, and opportunities. For each material subtopic, material impacts on people and the environment were identified. These are impacts associated with the entire value chain, i.e. with the Company's activities and the activities of key suppliers and customers. The scale and scope of each impact was assessed. For potential impacts, the likelihood of occurrence was also assessed and, for negative impacts, their irremediable character.

The key risks, impacts, and opportunities identified in the double materiality analysis were then linked, as part of an expert analysis, to risks in the internal Risk Management Catalogue. All topics and subtopics are covered by the existing Risk Management Catalogue.

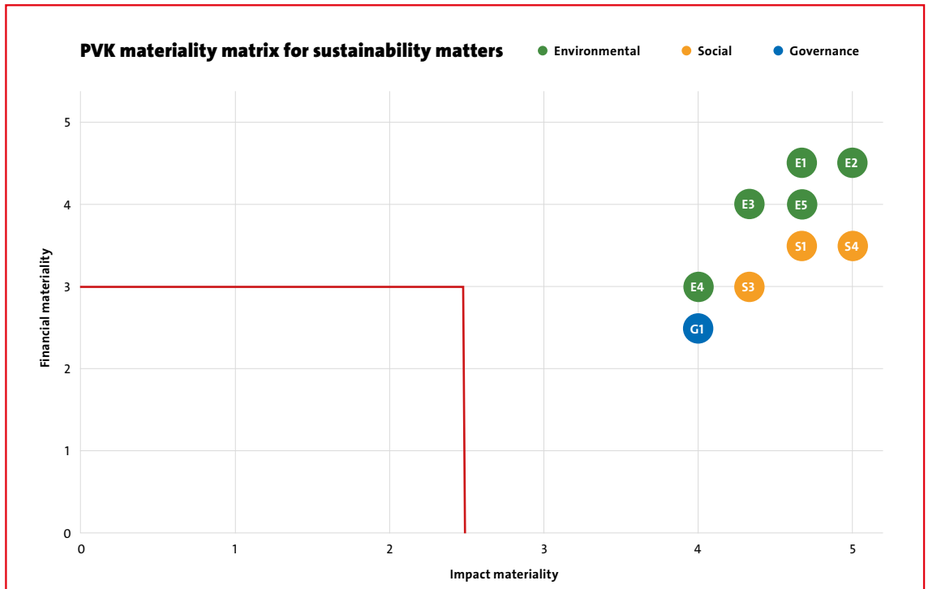
The analysis of impacts, risks, and opportunities was carried out with regard to three time horizons:

- short-term horizon: (reporting period)
- medium-term horizon: (five years from the end of the reporting period)
- long-term horizon: (more than five years from the end of the medium-term horizon)

Materiality assessment

The outcome of the procedure described above is a double materiality matrix. This tool makes it possible to identify areas that have a material impact on the Company's economic performance and on the environment in which it operates. The double materiality matrix therefore provides a tool for determining priorities in the sustainability and corporate responsibility strategy.

Of the total number of sustainability matters assessed, those identified as material were those that exceeded the threshold of 2.5 points on the impact materiality axis and/or 3 points on the financial materiality axis in the materiality matrix. This threshold is based on PVK's internal risk management methodology.



For each material sustainability matter, the ESRS prescribe a set of metrics in addition to the mandatory metrics for all companies falling within the scope of the CSRD. Reporting on the mandatory metrics, together with the metrics for sustainability matters identified as material for the Company, will be supplemented in future reports in accordance with the applicable CSRD.

In carrying out the double materiality assessment, PVK also took into account the results of a similar analysis performed by Veolia, the parent company. These outputs provided a valuable comparison with the general Group-wide consistency assessment of material sustainability matters. Taking Veolia's analysis into account enabled PVK to better identify shared sustainability priorities, align its local approach with the international strategy, and strengthen the transparency and comparability of the information disclosed.

ESG risk management at PVK

For risk recording and management, the Company uses the PVK Risk Catalogue, which describes the individual systems and records for risk management that have been introduced and implemented. The PVK Risk Catalogue records all identified risks, including ESG risks. ESG risks can be filtered using the keyword “ESG”.

The catalogue also includes a risk assessment and defined measures to eliminate the impact of risks on PVK and the external environment.

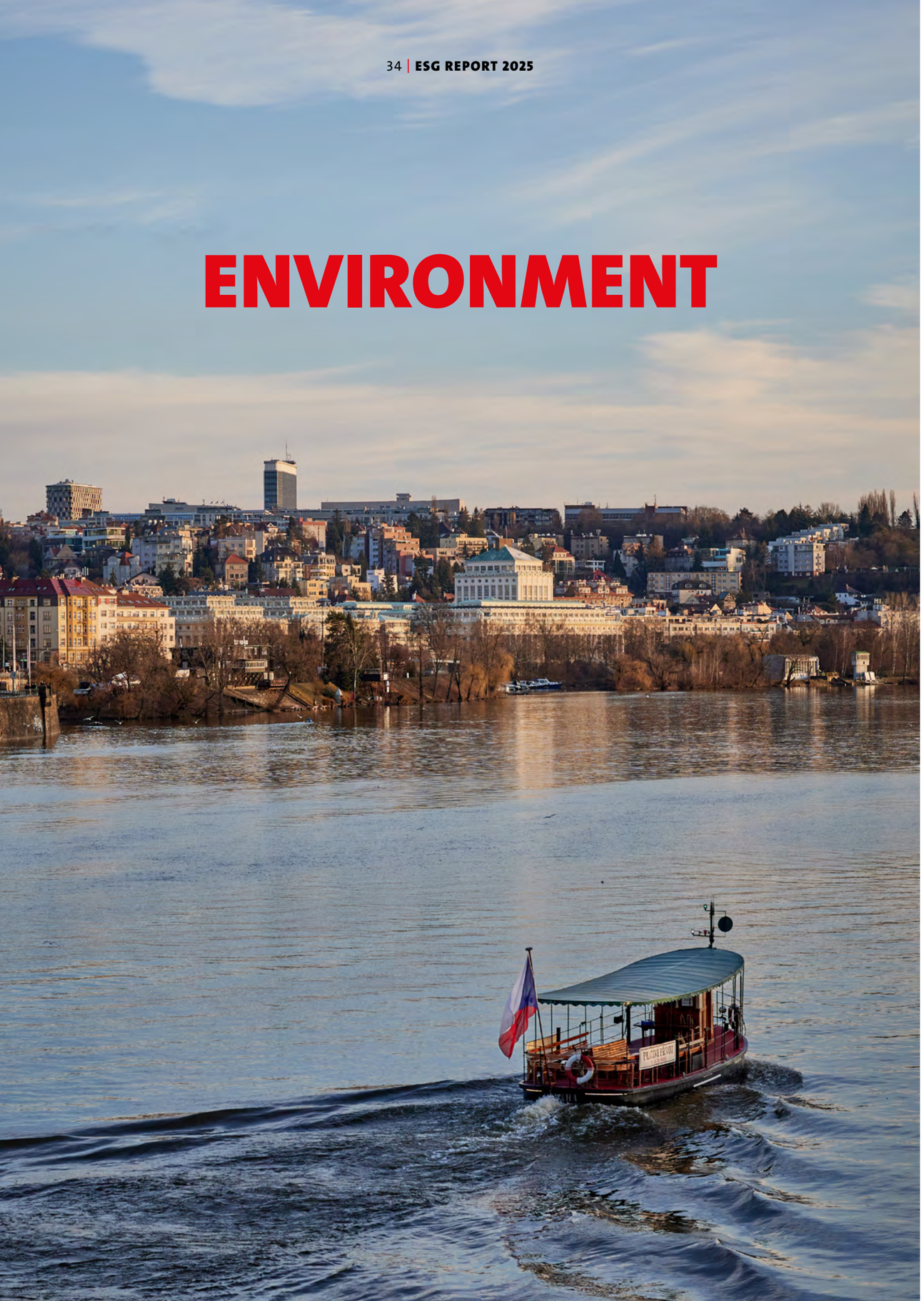
Individual PVK risks are identified by a team in cooperation with risk owners, the risk manager, or employees with expert knowledge of the related activities. Identification is based on an analysis of the system and related data, incidents, employee experience, changes in legislation, or recommendations arising from audit findings.

Each risk is assessed in terms of the likelihood of its occurrence (frequency of occurrence over time) and the quantified financial impact of the risk or the severity of its consequences.

Each risk is addressed by measures that help to mitigate its occurrence or impact. When assessing the impact of ESG risks, account is taken both of the impacts of PVK’s activities on the environment and society and of the impacts of external factors affecting PVK’s value. Responsibility for the identified risks addressed lies with the risk owners and individual PVK specialists (risk handlers), who are responsible for the activity in which the risk may occur. The outcome of the risk analysis phase is a list of material risks and an assessment of the effectiveness of the measures adopted.

The individual stages of risk management build on one another and ultimately describe PVK’s comprehensive approach to risk management. This process is repeated periodically (at least every five years) to ensure that the risk catalogue remains up to date and to prevent material hazardous events that could adversely affect PVK’s activities.

ENVIRONMENT



ESRS E1 – CLIMATE CHANGE

PVK's response to climate change

PVK is actively engaged in implementing policies, carrying out actions to reduce the impacts of its activities, and making use of opportunities in areas that influence climate change.

Climate change adaptation

From the perspective of climate change adaptation, PVK is preparing or already carrying out a range of actions to fulfil its key mission, focusing primarily on minimising the impact of periods of water shortage on the more than 1.6 million residents supplied in the City of Prague and beyond, while also reducing the impact of extreme rainfall on the continuity of wastewater collection from the Prague agglomeration. One of the main actions is the systematic optimisation of the operation of the SWiM system so that the Company can identify critical situations early, and quickly take action to maintain uninterrupted drinking water supply and wastewater collection. At the same time, in an effort to manage available water resources efficiently, PVK seeks to monitor Prague's water supply network systematically, with the aim of detecting leaks from the network in good time and thereby minimising the volume of water losses. During 2025, intensive preparation was under way for the new-generation system SWiM 2.0 NG, which is expected to be put into live operation in the first half of 2026.

To minimise the impacts of extreme climate effects, PVK also uses modern tools and support systems for data collection, analysis, and subsequent operational use. One example is the systematic expansion of Smart Metering, both in terms of the number of meters installed and the areas in which Smart Metering is applied (such as energy, equipment monitoring, weather stations, and automated water quality measurement). Another example is the newly developed Water Scan Toolbox, which makes it possible to optimise the management of the treatment process at wastewater treatment plants based on a wide range of input parameters. Drawing on the operational data obtained, PVK is developing predictive models to forecast extreme events and recommend optimal solutions. Finally, in cooperation with PVS, PVK is working to intensify the renewal of obsolete elements of critical water infrastructure and to strengthen infrastructure by increasing the capacity of service reservoirs and distribution mains used to supply areas at higher risk of the impact of drought. Proposals are also being prepared to increase the retention capacity of sewer networks in order to reduce the impacts of extreme rainfall. In relation to PVS, investment is also being considered in new technologies that strengthen the continuity and quality of the services provided even in extreme situations.

Climate change mitigation

Pražské vodovody a kanalizace is implementing a comprehensive long-term strategy focused on the mitigation of climate change and adaptation to its effects. This strategy is closely linked both to Veolia Group's environmental strategy and to commitments arising from the City of Prague climate plan. In seeking to meet the individual objectives of this strategy, PVK is already introducing a range of measures, primarily in the pursuit of making its vehicle fleet more environmentally friendly. In 2025, PVK continued the project to reduce vehicle-fleet emissions by switching to alternative CNG fuels and through the continued electrification of the vehicle fleet. Other projects include driving-style evaluation, vehicle-sharing schemes, and the systematic evaluation of the operation of vehicles and machinery to optimise vehicle-fleet use and reduce fuel consumption. Another important project is the promotion of public transport use among employees.

PVK's efforts are directed at reducing greenhouse gas emissions from the treatment process, which is the largest source of GHG emissions within PVK. A research project is under way in this area to identify opportunities

to reduce GHG emissions, particularly N_2O, with the aim of identifying the most efficient measures. To monitor its carbon footprint, the Company has introduced a comprehensive process for monitoring and evaluating its carbon footprint, and the ISO 37001 system certification process has also been completed. These and many other projects, including intensive communication with employees in this area, contribute to an overall reduction in PVK's carbon footprint.

Decarbonisation of the energy mix

Another climate-related area on which PVK focuses is the decarbonisation of its energy mix. The Company is expanding its use of renewable energy sources. Methane production as part of the treatment process at the Central Wastewater Treatment Plant is being optimised and intensified, followed by its use to produce electricity and heat. PVK burns most of the gas produced in cogeneration units, enabling electricity to be generated for the operation of the CWWTP and heat to be produced for heating digestion tanks and buildings. This process spearheads PVK's 60% energy self-sufficiency. A significant related project is the installation of technology for producing biomethane from sludge gas, which is then injected into Prague's gas distribution network as a 100% renewable energy source. In 2025, biomethane production reached 1.034 million Nm^3. This has also given PVK greater flexibility in the optimal use of the biogas produced.

PVK will continue to prepare and implement measures to optimise the energy mix, leading to a further increase in the share of low-emission renewable sources in total energy consumption, while also reducing the carbon footprint and increasing energy self-sufficiency. In 2025, these included the following measures:

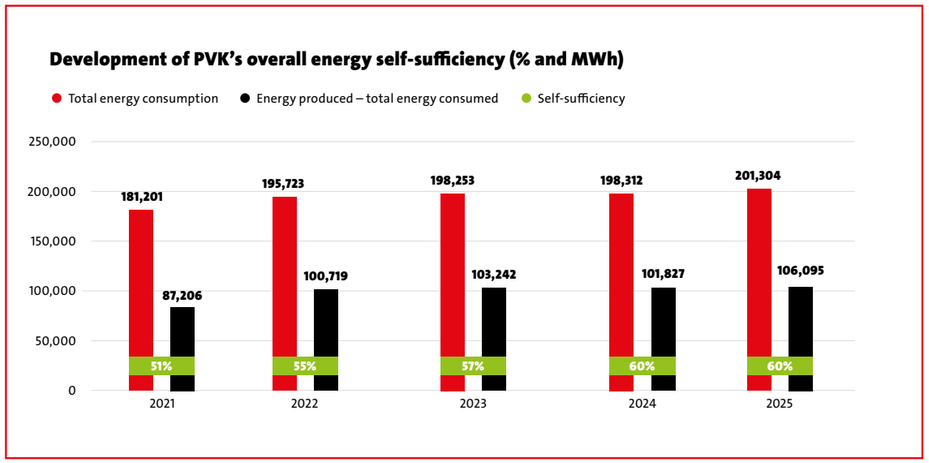
1) Detailed measurement and evaluation of energy consumption. To manage energy use effectively, PVK needs sufficient information on energy production, consumption, purchase, and sale. In 2024, PVK therefore launched a project focused on the systematic installation of meters and the transfer and evaluation of data for individual sites and process units, often down to the level of individual items of equipment. The aim of this measure is to monitor energy consumption in detail and identify potential opportunities to optimise consumption and achieve savings. The project continued in 2025.

2) Expansion of own renewable energy sources. In 2024, PVK launched a project to install photovoltaic power plants at PVK-operated facilities, with the aim of achieving an output of approximately 4.5 MWp by 2028, representing roughly 5% of PVK's total electricity consumption. At the same time, PVK is working with PVS on projects to install heat pumps and is looking for space to install additional renewable energy sources, not only using the photovoltaic systems and heat pumps already mentioned, but also through the installation of small hydropower plants, microturbines, energy storage facilities, and similar technologies. In 2025, the project to install photovoltaic systems continued; by the end of the year, eight photovoltaic systems had been installed, producing a total of 215 MWh of electricity.

3) Energy control centre. In 2025, the project to prepare a tool for optimising the management of PVK's energy infrastructure continued. It will form part of PVK's central control centre for managing water infrastructure and will be based on collecting information on energy consumption at individual sites and energy-significant equipment, and will manage electricity consumption in response to available sources. Part of this project also involves identifying available flexibility, i.e. the possibility of shifting consumption over time with regard to production volume and the energy market situation. The aim is integrated management of energy consumption, production, purchase, and, where applicable, sale.

4) Energy savings. In 2025, PVK continued intensive work on the project to identify, evaluate, and implement energy-saving measures. The result is the achievement and significant exceeding of the long-term strategic objective of reducing the volume of purchased energy by 1,000 MWh, i.e. approximately 0.5% of total annual consumption, and the assumption that this objective will continue to be met in future years. In 2025, PVK managed to reduce the volume of purchased energy by 1,402 MWh, despite an overall increase in consumption of 2,866 MWh.

5) Energy self-sufficiency of WWTPs. The development of own renewable energy sources is driven not only by efforts to reduce the carbon footprint, but also forms part of the strategy to achieve maximum energy self-sufficiency. PVK is required to implement legislative measures aimed at achieving full energy self-sufficiency of WWTPs by 2045. The Central Wastewater Treatment Plant is already almost 80% energy self-sufficient today through the system for capturing and using sludge gas and its energy recovery by combustion in cogeneration units or gas boilers. PVK is also succeeding in increasing its energy self-sufficiency in other areas of its activities in an effort to maximise its independence from increasingly unstable external sources. PVK's overall energy self-sufficiency already exceeds 60% (see chart).



6) Regular energy audits. Measures aimed at energy optimisation as part of the decarbonisation process also include regular energy audits, carried out as part of the annual audits of compliance with ISO 50001 and ISO 14064 certification requirements. These audits provide further suggestions for optimising PVK's energy mix.

Energy optimisation also includes projects such as the use of service reservoirs as energy storage facilities, reducing drinking water losses, and modernising energy-intensive technologies. These initiatives help to make PVK's business more sustainable and environmentally responsible, with a direct impact on reducing dependence on fossil fuels and promoting renewable energy solutions. Through these measures, PVK also contributes to achieving the climate objectives of the City of Prague and to protecting the environment, while strengthening its ability to respond to future climate challenges and ensuring the long-term sustainability of its services for Prague's residents.

ESRS E2 – POLLUTION

The Company applies a comprehensive approach to identifying and assessing impacts, risks, and opportunities related to pollution. This policy presents technological and financial challenges, as well as opportunities for innovation, reputational improvement, and new market opportunities, thereby promoting sustainability and a responsible approach to environmental protection. The measures focus on the entire value chain – from customers, who are monitored and sanctioned in the event of breaches of the rules, to suppliers, where PVK gives preference to environmentally friendly practices. The Company cooperates with partners to ensure the sustainability of the supply chain and shares its proven practices.

Only two actual negative impacts were identified: local odour-related air pollution at wastewater treatment plants and other selected sites, and the fact that PVK's technologies are not designed to treat the full volume of wastewater during extreme rainfall.

PVK provides wastewater collection and treatment for 1.4 million Prague residents, making a significant contribution to protecting water quality in the Vltava. It meets legislative requirements and promotes pollution prevention and customer education, which is an actual positive impact. Investment in infrastructure, higher rent from PVS, and rising operating costs due to stricter legislation may threaten PVK's economic performance and constitute a risk, as may restrictions on the use of sludge on agricultural land, which significantly increase operating costs and require investment in technologies for its energy recovery. At WWTPs, PVK effectively captures substances of concern and substances of very high concern discharged by customers, preventing their release into watercourses, which is an actual positive impact.

A key tool is the development of the Water Scan Toolbox system, which uses artificial intelligence to predict pollution levels and wastewater volumes. This enables timely intervention and a reduction in emissions into the aquatic environment. Advanced algorithms identify patterns and provide more accurate assessments of wastewater quality. The effectiveness of the measures is monitored by the SWiM system, which provides real-time process management. Key indicators include reducing water losses to 14.82% in 2025, optimising wastewater quality, and measuring greenhouse gas emissions. The Company is also actively involved in transposing the Urban Waste Water Treatment Directive into Czech law, thereby contributing to improved wastewater treatment processes. In 2025, preparation was carried out in cooperation with PVS for introducing the requirements of this Directive at Prague WWTPs, particularly in the areas of quaternary treatment and energy neutrality.

Responsible approach to pollution prevention

Pražské vodovody a kanalizace bases its pollution policy on consistent compliance with all legislative requirements and the limits set in water authority decisions for individual facilities. These principles are firmly embedded in the integrated management system (IMS), which includes internal standards and procedures for preventing and minimising negative impacts on the environment.

The Company actively focuses on protecting water resources through effective wastewater treatment, preventing polluted water from entering watercourses, and the regular maintenance and inspection of water-management facilities. The strategy also includes cooperation in planning investment in infrastructure modernisation and the introduction of advanced technologies that improve the quality of discharged wastewater and reduce the risk of contamination by hazardous pollutants. In waste management, PVK arranges waste sorting, recycling, and safe disposal in order to minimise impacts on the environment.

Soil pollution prevention is ensured through regular inspections of piping systems and monitoring of the quality of sewage sludge used as fertiliser, in strict compliance with the statutory limits for its application. The Company has a separate policy for handling substances of very high concern (SVHC), and also systematically monitors compliance with legislative obligations and replaces hazardous substances with safer alternatives.

As part of emergency prevention, PVK has emergency response plans in place, maintains an overview of possible environmental impacts, and adopts preventive measures. It carries out emergency response drills and trains employees. The maintenance of flood protection facilities and the use of intelligent monitoring systems such as SWiM mobile enable a rapid response to emergency situations in the sewer network. Another tool is the above-mentioned Water Scan Toolbox, which uses artificial intelligence to predict pollution levels and wastewater volumes, enabling timely technological intervention and reducing pollutant emissions into the aquatic ecosystem.

PVK complies with the international standards ISO 14001 (environmental management), ISO 50001 (energy efficiency), ISO 45001 (occupational health and safety), and ISO 37001 (anti-bribery management). These certifications confirm the Company's commitment to the responsible and transparent operation of water-management facilities. In preparing and updating its policy, the Company takes into account the interests of key stakeholders, cooperates with the City, state administration, specialist institutions, and the public, and regularly publishes reports on its impact on the environment.

Innovation for a clean and sustainable future

Over the past year, Pražské vodovody a kanalizace implemented a wide range of actions relating to pollution. A key element was cooperation on the upgrading of water infrastructure – from the renewal of wastewater treatment plants and water supply networks to the introduction of advanced monitoring and control technologies that enable leaks or contamination to be detected rapidly and addressed effectively.

Pre-treated wastewater is also used, for example, to flush sewer-cleaning vehicles, which promotes water recycling and reduces withdrawal from natural resources.

Preventive measures include continuous monitoring of the sewer network using cameras and probes, information campaigns for wastewater producers, and consistent enforcement of the Sewerage Operating Rules. PVK thereby prevents pollution while also reducing its volume.

These measures help to maintain the quality of drinking water and wastewater, reduce the energy intensity of operations, and promote the City's ecological transformation. Modern technologies, intelligent control systems, and consistent pollution prevention contribute to long-term sustainability.

Clear objectives for clean water

Pražské vodovody a kanalizace has long focused on minimising negative impacts on the environment and strengthening the environmental sustainability of its activities. It relies on modern technologies, innovative approaches, and the systematic management of water infrastructure.

In wastewater treatment, the Company uses advanced technologies that minimise pollution discharged into natural waters. Through projects such as the production of biogas from sewage sludge, it promotes the circular economy.

Pilot projects for predictive maintenance and energy management, the implementation of energy-saving measures, and the efficiency of all technological processes are also important. PVK also uses consumer education and consistent enforcement of the Sewerage Operating Rules to prevent pollution.

In the areas of air and soil pollution, PVK has not set individual targets because, under legislation, it does not exceed the thresholds for significant polluters. The Company is not a producer of substances of concern; it uses these substances only as inputs for its activities. PVK is, however, required to report any exceedance of limits under the Integrated Pollution Register (IRZ) and the European E-PRTR register.

BOD₅ removal efficiency at all WWTPs in 2025: 98.72%.

(BOD₅ stands for five-day biochemical oxygen demand. It is an indicator of organic water pollution, expressing the amount of oxygen, in mg/l, consumed by microorganisms during the biological decomposition of organic substances contained in water over five days of incubation at 20 °C. The lower the BOD₅ value, the cleaner the water and the lower the organic pollution load.)

Substances of concern: prudence and consistent monitoring

Pražské vodovody a kanalizace applies a comprehensive approach to managing substances of concern as part of its environmental management and sustainable development policy. The SWiM system links water quality monitoring with a geographic information system and provides real-time data, enabling a rapid response to the presence of hazardous substances such as heavy metals, pesticides, and other harmful chemicals.

PVK monitors legislative developments, including stricter limits for THMs and HAAs and the introduction of guideline values for PFAS, and responds through technological and operational innovation.

In its operations, PVK uses substances of concern, such as chlorine gas and sodium hypochlorite for water disinfection, as well as petrol, diesel, methanol, and laboratory chemicals. However, it is not a producer of final products containing these substances, and their content in water complies with legislative limits. Under the Integrated Pollution Register, substances such as mercury, chromium, lead, nickel, zinc, NP/NPE, DEHP, phenol, and PFAS are reported from the outflow of the Prague CWWTP. However, PVK is not a producer of these substances.

PVK is actively working to reduce their occurrence in the aquatic environment and to develop technologies for their more effective removal.

We leave nature cleaner

The Company is not a significant air or soil polluter and is not subject to statutory monitoring obligations in these areas. It emits pollutants into water only as part of WWTP operation, in compliance with the limits laid down by legislation.

A key area of pollution management is water quality monitoring and control. More than 15,000 drinking water and wastewater samples are analysed each year, covering chemical, biological, and physical parameters. Strategic points in the distribution network are equipped with online S::CAN probes that measure 11 drinking water quality parameters.

To reduce emissions and the energy intensity of its operations, PVK uses heat pumps to recover energy from drinking water and wastewater and installs photovoltaic panels at water-management sites.

PVK is also not a producer of microplastics. On the contrary, some microplastics are removed during wastewater treatment, and new technologies are being developed to improve this process. The direct production of microplastics from its activities is negligible. The Company encourages wastewater producers to handle microplastics responsibly and minimise pollutant content, while the impact of PVK's activities on air and soil pollution is marginal.

Pollution values are quantified through direct measurement and systematic data collection, which are regularly analysed and reported in accordance with legislative requirements. This approach ensures accurate and up-to-date reporting and promotes transparency and efficient management of environmental impacts.

Carbon footprint calculation methodology

PVK's carbon footprint is calculated in full accordance with the internationally recognised Greenhouse Gas Protocol Corporate Standard (GHG Protocol) and ČSN EN ISO 14064. This framework enables PVK to systematically identify and report greenhouse gas emissions across direct emissions (Scope 1), indirect emissions from energy (Scope 2), and other indirect emissions (Scope 3). The calculation uses a combination of primary data (from operating systems) and secondary data (for example, in the form of emission factors). The calculation methodology is not static and may change over time. Input data are refined, emission factors are updated in line with new findings or their calculation, and boundaries are very often gradually expanded as additional categories are newly monitored. This dynamic approach enables PVK to provide a more faithful picture and better target carbon neutrality. Regular updates of the methodology and data refinement are an essential prerequisite for our strategy.

ESRS E3 – WATER AND MARINE RESOURCES

Water resources are essential

Given the nature of the activities of Pražské vodovody a kanalizace, water is not only a key resource for business, but also an essential element whose protection is absolutely vital. Although we use water resources to secure drinking water supplies, we are fully aware that the sustainable management of these resources is essential not only for our business, but also for the long-term sustainable quality of life in the city. We therefore place a strong emphasis on the protection of water resources and integrate the principles of responsible water management into all our processes.

Marine resources are not affected by our business.

PVK uses two types of water resources

- **Groundwater** – from the area around the village of Káraný (artesian water) and natural infiltration (groundwater withdrawal along the Jizera River from Benátky nad Jizerou to Káraný);
- **Surface water** – from the Vltava in Prague (with the production of drinking water at the Podolí water treatment plant), water imported from the Švihov reservoir (Želivka water treatment plant), and water imported from the Sojovice water treatment plant (source: the Jizera River).

The **main matters** related to water management in the context of the operation of water infrastructure are **reducing water losses during the distribution of drinking water** to customers and the **high-quality treatment of wastewater before it is returned to nature.**

These matters are addressed in a number of projects and initiatives that form part of our long-term and short-term objectives. Specific values and targets are regularly monitored and evaluated. Some targets are also linked to employee remuneration (particularly for managers), meaning that they are not merely formal commitments, but a trend that genuinely influences day-to-day work and the direction in which we are heading.

Two key targets are also included in the strategy entitled Sustainable Development Goals, and are published in this Report. They relate to water losses and compliance with legislative requirements for the quality of treated wastewater.

Some initiatives related to these targets

- A sustained emphasis on the high-quality management of drinking water production and the drinking water distribution system, as well as management of the efficiency of treatment processes. Expanding data quality and processing helps to increase effectiveness.
- Participation in research and development projects for the protection of water resources.
- The establishment of specific procedures that include all permits related to operation.
- Marketing initiatives focused on cultivating customer behaviour (using tap water for personal consumption, and not increasing the burden on the sewer network by discharging or disposing of prohibited substances or objects).

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

Protecting nature in Prague's urban ecosystem

The water infrastructure of the City of Prague includes water treatment plants, pumping stations, service reservoirs, an extensive water supply and sewerage network, and wastewater treatment plants. These facilities are essential for the production and distribution of drinking and industrial water and for wastewater collection and treatment. They also encompass a number of green spaces. As the operator of these facilities, PVK has long been committed to protecting nature and improving the environment, not only as part of day-to-day operations, but also at its sites, which are often close to valuable natural areas. These areas are being gradually revitalised to promote biodiversity and improve microclimatic conditions. Species-rich meadow stands are sown here using regional seed mixes adapted to local conditions, supporting the return of native plant and animal species. Such stands help to mitigate the impacts of heatwaves, retain moisture, and contribute to soil protection. Biodiversity care also includes replacement planting with fruit-bearing and nectar-bearing trees, which provide food for pollinators and improve air quality.

The sites also incorporate special shelters for various animals, such as insect hotels, beetle habitats, stone walls for lizards and snakes, bird boxes, and bat boxes. These features support different species and increase the ecological value of urban environments. Green roofs are another measure, helping to retain rainwater, reduce heat islands, and provide space for plants and small animals.

Modern technologies are used for the effective management of water resources. The Water Scan Toolbox uses artificial intelligence to predict pollution levels and wastewater composition, enabling wastewater discharge to be planned more effectively and negative impacts on aquatic ecosystems to be minimised. Through effective wastewater treatment and controlled discharge, PVK directly protects ecosystems.

Sewage sludge is also recycled as part of operations and, after treatment, used as fertiliser, closing the nutrient cycle and reducing the amount of waste.

The operator is involved in planning investment in measures that will increase the resilience of the urban environment to climate change. These include the optimisation of energy sources, the installation of photovoltaic panels, the use of water reservoirs as energy storage facilities, and other steps aimed at energy self-sufficiency. These activities naturally yield environmental benefits, as well as economic benefits in the form of savings and greater efficiency.

Education and awareness-raising also play an important role. Training is provided for employees, information campaigns are organised for the public, and cooperation takes place with specialist institutions and schools. The aim is to raise awareness of the importance of protecting water resources, biodiversity, and the sustainable management of natural resources. The specific measures listed above contribute to the protection of local flora and fauna, improving residents' quality of life, and promoting the long-term sustainability of the urban environment. Linking operating activities with environmental initiatives makes it possible to reduce negative impacts on nature while increasing Prague's resilience to climate challenges.

PVK has followed the recommendations of two external audits (by the Czech Union for Nature Conservation), which helped to identify risks and propose measures to support biodiversity. Building on these audits, ecological management of green-space maintenance has been introduced at operated sites, including the complete abandonment of pesticides (herbicides, fungicides, insecticides, and biocides).

Measures

Dozens of animal shelters have been installed, including insect hotels, beetle habitats, bird boxes, and bat boxes. There are also 143 beehives at 10 sites (Andělky, Bruska, Havlín, Hrdlořezy, Kozinec, Lhotka, Modřany Sever II, Prosek, Vypich, and Zálesí). In view of the ongoing construction work and related dust, the beehives from Flora have been temporarily relocated. Replacement tree planting focuses on native Czech species.

Special type of maintenance

This is applied to 58,000 m² of green spaces with high biodiversity. New areas have been established at the Hrdlořezy reservoir.

Biocorridor

As a result of seeds being sown from the V Hrobech Natural Monument, the site of the Modřany Sever II reservoir and pumping station became part of a biocorridor in Prague 12 in 2024. In 2025, the areas were further expanded. At the same time, on the recommendation of Prague City Hall, PVK sowed yellow rattle, which can suppress grasses and thus create space for flowering herbs to grow, increasing biodiversity in a natural way.

Environmental education and awareness-raising for employees and the public

PVK is keen to share its experience and gain new knowledge and contacts. In the autumn, it therefore organised the second annual panel debate “BIODIVERSITY SUSTAINABLY AND EFFECTIVELY”, this time focusing on the monitoring and protection of insects and small animals.

This platform provides PVK with a unique opportunity to present itself as a leader in responsible corporate approaches to environmental issues in urban ecosystems, while also demonstrating the synergistic effect of cooperation with municipal government, businesses, academic institutions, expert organisations, and the general public. The panel featured the Czech University of Life Sciences Prague, the National Museum, the Czech Entomological Society, Povodí Vltavy, the Czech Society for Bat Conservation, Polabí Museum, and the Veolia Foundation.

Use of the Water Scan Toolbox

An algorithm has been created using artificial intelligence to predict future pollution and the volume of wastewater flowing into a wastewater treatment plant, including during rainfall events. The tool provides an alert several hours in advance of changes in wastewater flow and quality, enabling timely operational and technological intervention and thereby avoiding the risk of undesirable situations on several levels (such as restrictions on emergency-unit call-outs or non-compliance with emission limits for aquatic ecosystems).

There are several sites of Community importance and Natura 2000 special protection areas in Prague and the Central Bohemian Region. Water and sewerage infrastructure often extends into these areas or runs close to them. At these sites, the Company carries out routine maintenance, emergency interventions, and planned repairs in the same way as at other sites, but always with respect for the protection of natural values.

The Company’s approach

- Compliance with all protective conditions set for Natura 2000 sites, including requirements arising from Section 45i of Act No 114/1992.
- Coordination of work with the relevant nature conservation authorities (the Environmental Protection Department of Prague City Hall, the Nature Conservation Agency of the Czech Republic, and the municipal authorities of municipalities with extended powers).
- Minimisation of interventions in habitats and the landscape: considerate technological procedures, restrictions on the movement of machinery outside designated routes, and thorough protection of soil and vegetation.
- Restrictions on work during sensitive periods, particularly bird nesting and the breeding season for protected species, where this is possible given the nature of the intervention.
- Environmentally responsible management of waste materials: loading, sorting, removal, and disposal in accordance with legislation, with no waste deposited in Natura 2000 sites.
- Measures to prevent hazardous substances from escaping during work on sewers and water mains.

Emergency interventions

In the event of failures, the priority is to prevent major damage to the environment. Interventions are carried out without delay, but with respect for protective conditions that do not compromise the safety and functionality of infrastructure. After the work is completed, the sites are restored to their original condition.

Outcome and impact on biodiversity

When carrying out maintenance and repairs in Natura 2000 sites, the Company has long followed procedures that minimise its environmental footprint. The nature of operating activities and the way they are managed do not have a significant negative impact on the protection objectives of these sites, particularly due to the short duration of interventions, the small scale of individual works, and the use of considerate technologies.

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Sustainable transformation of resource management

The year 2025 marked a further shift in the approach to managing water, energy, and material resources. In 2025, modern digital monitoring systems were used to optimise the management of energy facilities, water-management systems, and waste systems. These tools enable real-time data analysis and the identification of risks and opportunities.

The most significant risks identified include possible legislative changes that could restrict or completely prohibit the reuse of sewage sludge for agricultural purposes, leading to its potential reclassification as waste and an obligation to dispose of it by other means. Such a change could result not only in the loss of a valuable resource for agriculture, but also in higher disposal costs. Another risk is a potential increase in the costs associated with the measures adopted. These costs may not be successfully reflected in water and sewerage charges, which could affect the economic stability of projects. A similar situation may arise in relation to operating costs associated with waste recycling, which may increase, depending on energy prices, technology prices, and legislative requirements.

A new life for water and energy self-sufficiency

Raw materials are processed so that they can be reused in a further cycle, e.g. in agriculture. Sewage sludge is converted into fertiliser or energy sources, thereby contributing to agriculture and the production of renewable energy. Wastewater recycling and treatment before discharge back into watercourses reduces the risk of overusing natural resources. Advanced filtration systems, automation, and digitalisation improve the efficiency of water treatment and minimise losses. The use of waste heat from wastewater treatment to heat buildings delivers energy savings. This approach not only conserves resources, but also reduces operating costs and contributes to ecological transformation.

The installation of photovoltaic panels, heat pumps, and cogeneration units enables electricity and heat to be generated simultaneously and directly on site. Biomethane from sludge gas is injected into the gas grid, where it replaces fossil fuels and reduces dependence on imported energy. These steps contribute to the transition to a low-carbon economy, while energy efficiency is strengthened through the use of modern systems for managing consumption and optimising energy production.

Risks and financial impacts

In addition to legislative changes and rising operating costs, the risks also include a potential increase in sludge disposal costs if sludge were reclassified as waste. These factors could affect the economic stability of projects and require careful investment planning. Conversely, opportunities bring savings through recycled water, lower emissions, and tax relief for environmentally friendly vehicles.

Future targets

Strategic targets include reducing the energy intensity of operations, monitoring greenhouse gas emissions, and expanding photovoltaic capacity. Support for circular economy projects, such as biomethane from sludge gas, is also essential. The implementation of modern energy and security control-room systems will promote more effective resource use and strengthen the ecological transformation of cities and industry.

The long-term objective is therefore to create an interconnected system in which energy, water, and materials are used as efficiently as possible, with minimal losses and maximum benefit for both the economy and the environment.

HUMAN RESOURCES

ESRS S1 – OWN WORKFORCE

Care for its own human resources is, and has always been, one of the main strategic areas of PVK's activities. Satisfied, motivated, and healthy employees, together with their safety, personal development, social dialogue, and sufficient scope for their personal lives, are a prerequisite for the successful operation and development of the Company. As one of the major employers in the Prague region and one of the largest in the water sector, PVK has direct responsibility for its 1,239 employees and, indirectly, an influence on thousands of other people in the downstream subcontracting chain. PVK's management is aware of this responsibility and focuses on ensuring safe, healthy, and high-quality working conditions. It also provides for employees' personal development, a non-discriminatory environment, and opportunities to take part in internal social dialogue. This comprehensive care for PVK's employees is linked to the fundamental strategic ESG objectives of Veolia Group as a whole. Within this strategy, PVK's management sets a number of partial targets and adopts measures that mitigate the impacts and risks of PVK's activities on its own workforce. At the same time, the Company has a system in place to identify and make use of the opportunities arising in connection with this strategy.

The key areas on which PVK's management focuses in this respect include:

Occupational health and safety (OHS)

Employee health and safety is one of the main priorities of Veolia Group as a whole, as evidenced by the numerous programmes and initiatives dedicated to this topic. The main commitment is to ensure a healthy and safe working environment, which includes the regular reporting and assessment of safety, fire, and environmental risks at PVK workplaces. PVK's management focuses on full compliance with the obligations stemming from certification of the occupational health and safety management system under ČSN ISO 45001, which the Company holds. In this spirit, PVK organises regular OHS training and holds an annual Health and Safety Week, focusing on employee education and the practical application of OHS principles in everyday working life. It also systematically monitors individual workplaces, both through senior employees and through a dedicated OHS committee. In 2025, as part of workplace accident prevention, PVK intensified the identification and reporting of near misses, i.e. critical points and any risk events that occurred with a potential risk of a workplace accident. A total of 301 near misses were reported in 2025.

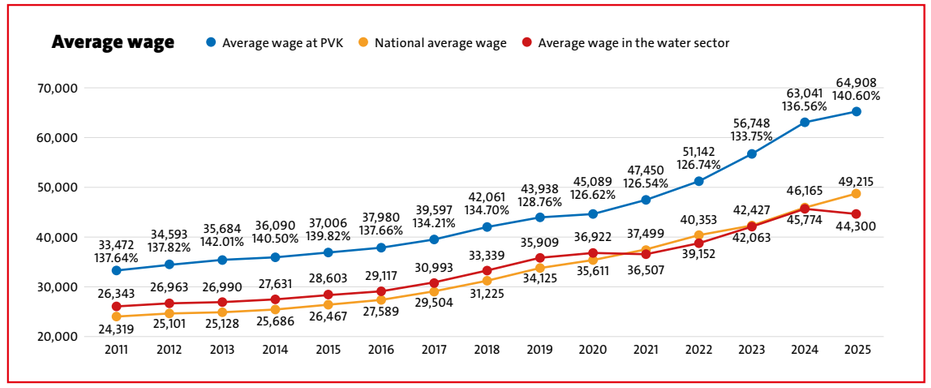
The result is a very low number of workplace accidents (four in 2025), and a low number of days lost due to workplace accidents (342 days in 2025).

Employee health

In the field of mental health care, PVK offers its employees not only a range of awareness-raising events, lectures, and webinars, but also access to free consultations and/or therapy with specialist psychologists. Following an audit, PVK received the "Health Promoting Enterprise, Level II" award for its approach to employee health care. This recognition brings with it a commitment to continue systematically developing employee health care.

Employee incentives

PVK monitors labour market developments and, in order to attract and retain a qualified and experienced workforce, has long maintained an above-standard level of remuneration for its employees, despite the strong price regulation in the water sector. This is evidenced by higher average wages compared with both the national economy and the water sector average (see chart). In 2025, the average wage of a PVK employee was CZK 64,908, 46.5% higher than the national average in the water sector.



PVK also offers its employees a range of financial and non-financial motivational benefits, such as reduced working hours, six weeks' leave, 13th and 14th salaries, a meal voucher contribution, a contribution to life insurance/pension insurance, above-standard preventive medical care, a psychological support programme, enhanced mobile and data services, training through online services, the organisation of corporate events for employees and their families, Veolia Cares with above-standard family leave, specialised medical check-ups, pharmacy vouchers, advantageous telephone plans for family members, rewards for blood donors, rewards on work anniversaries and personal jubilees, a contribution to the birth of a child, and numerous other benefits. In 2025, PVK invested CZK 59.8 million in welfare programmes for its employees.

Ethics Guide

As part of its activities, PVK places an emphasis on ethical and socially responsible conduct, not only towards employees, but also towards the Company's wider environment. It regularly assesses the level of respect for human rights, eliminates discrimination risks, and promotes the development of employees' skills. All this contributes to the Company's competitiveness and business sustainability. The Ethics Guide defines the Company's moral and ethical standards, including professionalism, loyalty, and respect for the environment. The Guide also includes anti-corruption principles and procedures. Through regular courses, PVK seeks to provide ongoing training for its employees in this area and, at the same time, to establish control mechanisms for compliance with these rules.

Employee work-life balance

PVK's management is aware that employees' work-life balance has a positive effect on their satisfaction, productivity, and loyalty to the Company. Through various measures, it therefore seeks to minimise the impact of work on family life, e.g. through flexible working-time arrangements, various forms of leave, support for parents with children, support for employees and their family members in difficult life situations, and access to interest-free loans, among other measures. It also organises events for families and supports events organised by trade unions or by employees themselves.

In 2025, PVK employees were also able to make use of the benefits offered under the Veolia Cares programme, which includes extended parental leave, childcare support, volunteering days, financial assistance during maternity and parental leave, special leave to care for ill family members, and other benefits.

Social dialogue (employee commitment)

The views of Pražské vodovody a kanalizace's own workforce have a fundamental influence on decisions and activities aimed at managing the actual and potential impacts of PVK's activities on its employees and the surrounding environment. PVK promotes social dialogue, which contributes to employee engagement and enables employees to express their views and comments. These can then be taken into account when formulating PVK's internal strategies, targets, and policies.

PVK employees are actively involved in key areas of the Company's activities, including target-setting, performance monitoring, and process optimisation. To obtain feedback and employees' views, PVK's management uses a number of communication channels. Through regular meetings and other forms of engagement, employees may submit suggestions and comments both in writing and in individual interviews with their line managers. A key element of social dialogue is the extensive involvement of the trade-union organisation in the formulation of internal policies, which PVK's management considers the most effective way of reflecting employees' views in the Company's governance strategy. Other tools that support communication between management and employees and enable employee feedback include regular employee satisfaction surveys, training, workshops, informal meetings with employees, and, not least, the ethics hotline and trust boxes.

Employee training and employability

PVK's management invests considerable energy and resources in expanding employees' qualifications, as it recognises that the time and resources invested in this way are returned to the Company many times over in the form of higher quality and greater efficiency in the work performed. In addition to mandatory training, it therefore creates and promotes training programmes for employees, primarily in cooperation with the Institute of Environmental Services. PVK also encourages employees to continue their self-education. All PVK employees are involved in training and skills development. In 2025, the total volume of training exceeded 40,000 hours, representing an average of 32.5 hours per employee. Total costs for the further training of PVK employees amounted to more than CZK 17 million in 2025.

Diversity

In this area, PVK adopts Veolia Group's strategy and implements measures aimed at a discrimination-free personnel policy, including with regard to gender equality, age, disability, education, and similar factors. It thereby creates equal opportunities for everyone, irrespective of gender, ethnic origin, or social background. At the same time, it provides equal access to professional development and training programmes. This strategy not only creates an inclusive working environment, but also broadens the Company's perspective in various areas, bringing innovative solutions and increasing work efficiency. The Company can also become a more attractive employer for a wide range of talented people, strengthening its competitiveness in the labour market.

To ensure the stability of this approach, PVK has various internal rules in place, particularly under its Ethics Guide. It actively seeks to support employees and adapt their working environment so that any disadvantage they may have, whether linguistic, physically or mentally health-related, or family-related, does not affect their work performance or job satisfaction.

However, the scope for diversity in PVK employees' working conditions is limited in core areas of activity. This follows from the very nature of those activities, as most operational roles are technical in character and place high demands on expertise, health, physical fitness, and employees' time and physical availability, among other requirements.

Social protection

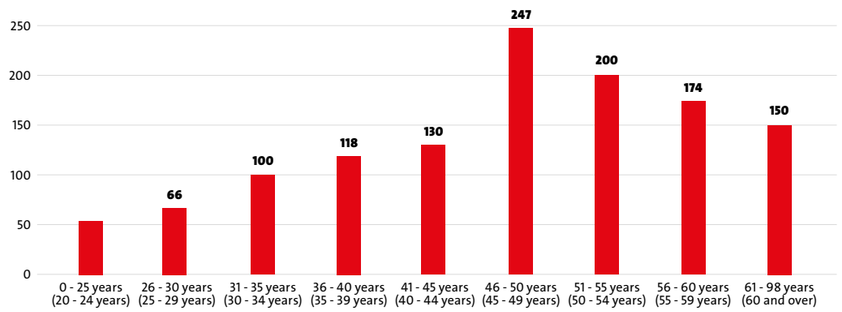
Pražské vodovody a kanalizace (PVK) has implemented systematic social protection for all employees against the effects of extraordinary life situations, such as loss of income due to illness, workplace accident, disability, parental leave, retirement, and similar circumstances. This protection extends the basic legislative framework with additional elements in the remuneration system, benefits, and other programmes, projects, and initiatives that ensure employees' financial stability in various life situations, with a direct impact on their working and personal lives. This approach to social protection reflects modern trends in employee care and social security.

In addition to these main priorities, PVK has implemented a number of sub-policies and measures designed to minimise the negative impacts of PVK's activities on employees and maximise their positive perception of the benefits arising from employment at PVK.

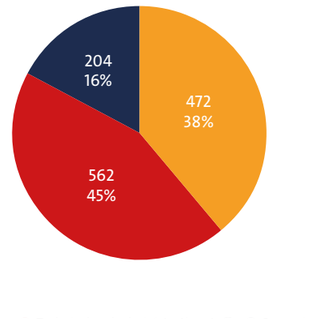
Characteristics of PVK's employees

At the end of 2025, PVK had a total of 1,239 employees. The specific focus of PVK's activities requires a high level of expertise in individual professions and, in many cases, also the physical capacity to perform them. This is reflected in the demographic structure of employees (see the charts attached):

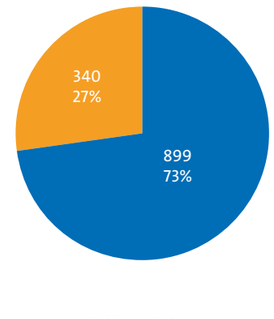
Employee structure by age



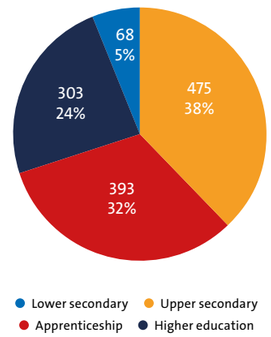
Employee structure by category



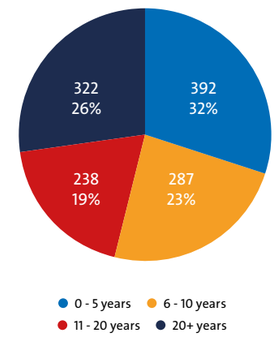
Employee structure by gender



Employee structure by highest level of education attained



Employee structure by length of service



The nature of PVK's activities and its responsible personnel policy are reflected in the stability of its workforce, as confirmed by the employee turnover rate, which stood at 5.1% in 2025.

ESRS S3 – AFFECTED COMMUNITIES

Stakeholders affected by PVK's activities can be divided into several groups. PVK communicates and cooperates with all of them with the aim of integrating their needs into decision-making processes.

- Customers
- Shareholders
- Employees
- Local communities that may be affected by the Company's activities in the vicinity of its operations
- Municipalities and state authorities
- Civil society and non-profit organisations

The list of stakeholders alone shows the society-wide impacts of PVK's activities. In this context, we are aware that our prosperity is based on being useful to everyone, which is why we seek to develop and cultivate cooperation with all public and private entities.

The effectiveness of this communication must be assessed at various levels, and the means of communication selected according to the specific target audience. The same attention is paid to each of these levels, and each requires compliance with the same high standards.

The Marketing and Communication Department, in cooperation with the Customer Department and Commercial Department, plays the main role within PVK in engaging communities in the process of communicating information about impacts, risks, and opportunities, and subsequently addressing them. Their activities in this area, as well as further communication, are determined by the Company's management, headed by the Chief Executive Officer.

Positive impacts on affected communities are at the heart of our business. This means supplying customers with high-quality drinking water in sufficient quantities and ensuring the trouble-free collection and treatment of wastewater, thereby providing a healthy environment for people, fauna, and flora in the area operated.

Pražské vodovody a kanalizace (PVK) focuses on identifying and managing risks associated with water supply and the impact on individual communities. As part of its ESG reporting and strategy, PVK prepares analyses aimed at identifying hazards and assessing risks that may affect individual communities in certain areas or when specific activities are carried out.

In this way, PVK systematically examines the risks to which different communities may be exposed and the steps that can be taken to protect them and minimise potential harm.

The risk assessment shows that negative impacts arising in connection with PVK's activities occur in the event of potential failures on the water supply and sewerage networks or technological failures, particularly at wastewater treatment plants. In 2025, PVK dealt with a total of 4,616 water supply network failures, 3,882 sewer network failures, and 748 technological failures.

The most significant negative impact of PVK's activities on affected communities is interruption to water supply, with the most vulnerable communities in this area including healthcare and social care facilities, food industry operators, catering and accommodation facilities, schools, and similar institutions. To reduce the negative consequences arising in connection with the phenomena described, we focus on shortening repair times and on timely and systematic communication with the affected public. The website and customer service line are used for this purpose. A high-quality and rapid alternative drinking water supply, whether in the form of tankers or supplies of packaged water for particularly vulnerable persons, is also a priority. Differences in the materiality of impacts and potential risks for individual communities are also reflected in the preferences applied, for example in emergency supply to healthcare facilities with dialysis units, cooperation with wastewater hauliers in cases involving more heavily polluted wastewater, and similar cases.

The quality of the drinking water supplied is monitored and assessed on the basis of analyses performed. In 2025, this involved more than 7,000 samples. The quality of the drinking water supplied is monitored continuously throughout the calendar year, both by laboratory analyses and by online monitoring probes installed at strategic points in the water distribution system. An important supplement to water source quality control, as a first barrier, is the biological indication of water toxicity (BIT) using rainbow trout. Some parameters are determined directly in the field when samples are taken, primarily water temperature, chlorine content, and, where applicable, iron and turbidity. Other indicators are then analysed in PVK's accredited laboratories. Each year, the laboratories analyse more than 15,000 water samples, taken both in the water supply network and at water treatment plants.

The results of the analyses are available on the PVK website under the Water Quality Map tab, together with other information on drinking water, wastewater, and rainwater (on PVK website under Everything about water: **https://www.pvk.cz/vse-o-vode/**).

Based on the published information, the public can participate in decision-making processes through consultations and information meetings.

The preparation of the sustainability statement of Pražské vodovody a kanalizace is based on the integration of various aspects of sustainability into its operations and strategy. This includes:

1. **Environmental sustainability:** PVK focuses on reducing environmental impacts, which includes water resource management, reducing emissions, and recycling waste.

2. **Corporate social responsibility:** the Company addresses CSR matters such as promoting community projects, ensuring safe and healthy working conditions, and promoting diversity and inclusiveness.

3. **Governance:** PVK applies transparent and ethical business practices, which means compliance with legislation, ethical conduct, and fair corporate governance.

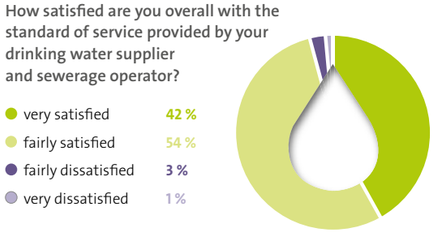
The sustainability statement is based on specific data and information that reflect these activities and initiatives, and is presented in a way that is understandable for all stakeholders.

A customer satisfaction survey is carried out every year in cooperation with an external expert partner.

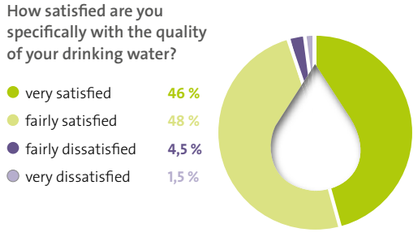
Pražské vodovody a kanalizace

A customer satisfaction survey is carried out every year in cooperation with an external expert partner.

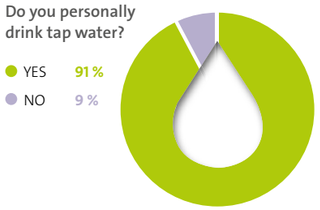
How satisfied are you overall with the standard of service provided by your drinking water supplier and sewerage operator?



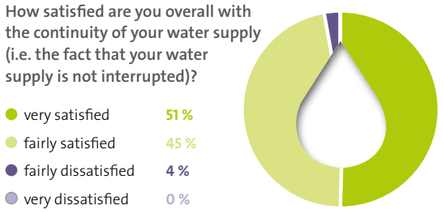
How satisfied are you specifically with the quality of your drinking water?



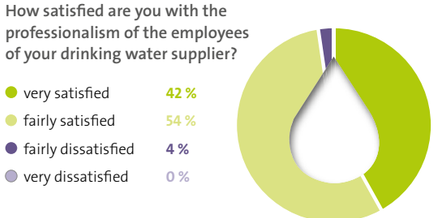
Do you personally drink tap water?



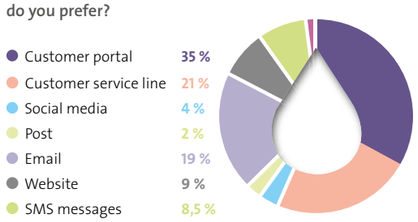
How satisfied are you overall with the continuity of your water supply (i.e. the fact that your water supply is not interrupted)?



How satisfied are you with the professionalism of the employees of your drinking water supplier?



Which of the following non-contact methods of handling customer requests do you prefer?



The survey was carried out by the external company IBRS – International Business and Research Services s.r.o. in autumn 2025.

VEOLIA PVS

ESRS S4 – CONSUMERS AND END-USERS

S4.SBM-3 Strategy

The main mission of Pražské vodovody a kanalizace is to supply drinking water and collect wastewater for all customers in the City of Prague and parts of the Central Bohemian Region. The Company provides its services to almost 1.4 million customers, with indirect effects on approximately 200,000 additional customers. This entails significant responsibility and major risks with potentially extensive impacts connected with meeting basic human needs, public health, the operation of key institutions and industrial enterprises, environmental quality, etc. This is a material matter for PVK.

In defining the strategy for its customer activities, PVK seeks to maintain and further develop the standard of its services for all customers, minimise negative impacts on their lives and activities, and, at the same time, make use of the opportunities offered by its line of business.

PVK also seeks to adapt its services to the specific needs and requirements of different customer groups and to take into account the impacts of extraordinary events on the continuity and quality of the drinking water supplied and the collection of wastewater. In providing its services, PVK pays particular attention to sensitive customer groups, such as healthcare and social care facilities, the food industry, critical infrastructure components, waste hauliers, accommodation and catering facilities, seniors, and persons with disabilities.

As part of its customer strategy, Pražské vodovody a kanalizace implements policies focused on accessibility, solidarity, protection of rights, and the provision of information, which ensure the fair provision of services. These policies are set out in the Customer Service Commitments document, which is available on the PVK website: **https://www.pvk.cz/zakaznici/zavazky-zakaznici/**

1. **Accessibility policy:** from the perspective of accessibility, PVK focuses on the continuous supply of drinking water to customers and the collection of wastewater, and seeks to further improve its distribution management system and minimise outage times in extraordinary situations.
2. **Solidarity policy:** PVK applies equal access and non-discrimination for individual customers and customer groups, primarily through the uniform setting of contractual terms and equal treatment in the provision of its services.
3. **Customer rights protection policies:** PVK complies with ethical standards and legislation, including the protection of human rights, and uses a certified integrated management system according to ISO standards, including anti-bribery management. These initiatives promote transparency and respect for human rights.
4. **Communication policies:** PVK's communication policies include the use of all available forms of effective communication so that customers always have access, wherever they are, to information on current developments in water supply at their consumption point, as well as scope for feedback and for any complaints and claims.

   The policies also include special measures for vulnerable customer groups, such as persons with reduced mobility and parents with children.

Procedures for cooperating with consumers and end-users with regard to addressing impacts

Pražské vodovody a kanalizace focuses on cooperation with its customers with the aim of identifying and minimising the negative impacts of its activities on customers and, at the same time, identifying and making use of opportunities that can help improve the services provided and overall customer comfort and satisfaction. PVK focuses on engaging consumers and end-users through various communication channels and initiatives. It uses a range of communication channels to ensure that customers can choose the form most convenient for them. It ensures and guarantees the availability of communication channels for its customers 24 hours a day, 7 days a week. The basic communication channels include the customer service centre for in-person contact with customers, the call centre for telephone contact, email communication, and the customer portal for electronic communication. Customers may also use traditional written communication. To convey information to customers, PVK also uses communication tools such as SMS messages, the website, advertising, email, a customer magazine, press releases, and information enclosures sent with invoices.

If customers are dissatisfied, they may submit a complaint or claim. PVK has a certified process in place for their subsequent handling and resolution, which guarantees resolution within 30 days of submission of the complaint or claim.

As part of its compliance programme, PVK has also introduced a customer protection system to ensure that customers' rights are protected and to eliminate the risk of harm to customers or discrimination against them on the basis of the information received.

To obtain structured feedback from customers, PVK conducts a regular annual survey of a representative sample of customers, the main purpose of which is to assess their satisfaction with the services provided and obtain suggestions for their further development.

PVK uses the findings from customer feedback as the starting point for joint consideration of the optimal measures to be adopted in order to improve the quality of the services provided and thereby further increase customer satisfaction.

Action in response material impacts on consumers and end-users

In line with its strategic targets, Pražské vodovody a kanalizace has allocated substantial financial and human resources to managing material impacts and implementing measures to mitigate them, particularly in the areas of technological innovation and improving customer services. The main priorities addressed by PVK through its measures encompass public health, including the protection of children, continuity of water supply, open communication, and non-discriminatory access to services.

1. **Public health:** going beyond applicable legislation, PVK continues to develop water quality monitoring, focusing on new substances that may be hazardous to public health, and also on measures for the early detection of potential hygiene defects. In terms of wastewater, it provides above-standard care for the sewerage network and improves its operation to continue minimising the risk of contamination of the environment in which customers live.

2. **Continuity of supply:** the main measures adopted by PVK to ensure the continuity of drinking water supply and wastewater collection for customers include:

    a) **Further development of the SWiM system:** PVK continuously develops and improves the internal SWiM system for water supply and sewerage network management, which is used for the intelligent management of water-management infrastructure in order to detect and efficiently rectify extraordinary situations quickly. In this respect, it is also improving the system of alternative drinking water supply. PVK has effective communication with customers in place for extraordinary situations.

    b) **Crisis management:** as part of critical infrastructure, PVK plays an active role in the City of Prague crisis task force and has detailed plans in place to ensure supplies to the population of the City of Prague in extraordinary crisis situations, such as blackouts, floods, major failures, contamination of drinking water and wastewater, and similar events.

    c) **Preventive measures against failures:** in cooperation with PVS, PVK continues to seek the maximum renewal of water-management infrastructure in order to minimise the occurrence of extraordinary situations in the future. At the same time, it continuously monitors the condition of the water supply and sewerage networks and seeks to identify points where there is a potential risk of a serious failure and to eliminate this risk.

3. **Education and information:** through new information campaigns, the organisation of training and awareness-raising events, and public education in the water sector, PVK seeks to increase awareness of ways to reduce negative impacts. At the same time, it ensures that customers have continuous access to information on extraordinary situations that have arisen or are planned, not only across Prague as a whole, but also at the customer's consumption point. PVK seeks to improve existing communication channels and introduce new ones, such as the customer portal, SMS info, the water quality map on its website, and similar tools. Going beyond its obligations, PVK also offers an assistance service for dealing with emergency situations associated with water leakage downstream of the water meter, thereby further helping to reduce the risk of problems with the drinking water supply.

4. **Innovation and digital transformation:** PVK implements advanced technologies to improve the efficiency and quality of services. Examples include Smart Metering, i.e. a smart metering system that helps to identify and respond quickly to extraordinary situations and maintain the continuous supply of drinking water to the people of Prague. At the same time, it provides customers with online information on developments at their consumption point, thereby protecting them against extraordinary events.

These and many other measures form part of PVK's broader strategy aimed at improving the quality of services for customers, minimising negative impacts, and increasing the sustainability of the Company's activities.

The effectiveness of these measures is regularly assessed by the Company's management and responsible employees through internal audits and the monitoring of key performance indicators (KPIs). At the same time, the Company monitors and evaluates the success of the measures implemented as part of its assessment of direct customer feedback.

Responsibility in this area lies with the Customer Department, supported in the survey by the Communication and Marketing Department.

GOVERNANCE

ESRS G1
GOVERNANCE

In the context of the ESG Report, governance provides the basic framework for how the Company is managed, how decisions are taken, and how transparency and accountability towards stakeholders are ensured. This area includes not only the structure of corporate bodies and their responsibilities, but also ethical standards, risk management, personal data protection, relationships with partners and suppliers, cybersecurity, and the quality of the information disclosed. **Well-established governance and management principles are essential for long-term sustainability and the trust of all stakeholders.**

Role of corporate, management, and supervisory bodies

The corporate, management, and supervisory bodies of Pražské vodovody a kanalizace (PVK) play a key role in ensuring ethical business conduct, corporate management, and compliance with all ethical standards.

The Company's highest body is the General Meeting (which is composed of all shareholders). Among its other duties, the General Meeting elects and removes members of the Supervisory Board, the Company's oversight body. The Supervisory Board currently has nine members.

Operational management of the Company is provided by specialist directors and expert managers headed by the Chief Executive Officer. All Company bodies address ESG-related matters within their respective areas of competence. Within the management and sustainability system, the Board of Directors performs the following main roles:

- Sets the strategic direction of ESG: approves long-term targets in climate, energy, biodiversity, circular economy, and employment matters.
- Approves policies and internal frameworks: the Ethics Guide, the OHS policy, the environmental policy, the risk management policy, personal data protection rules, and related internal standards.
- Oversees the integration of ESG into the Company's management: ensures that ESG forms part of risk management, investment decisions, planning, innovation, and infrastructure development.
- Is responsible for risk management, including double materiality: assesses key ESG risks (climate, operational, reputational, and legislative risks), and approves mitigating measures.
- Approves budgets and investments with ESG impacts: energy measures, climate change adaptation, digitalisation, and plans for the modernisation of water-management infrastructure.
- Ensures oversight of the internal control system: fraud prevention, compliance, and the ISO management system (9001, 14001, 45001, 37001, 50001).
- Is responsible for transparency and reporting: approves the ESG report and its compliance with the CSRD, ESRS E1–E4, and the EU Taxonomy.
- Strengthens a culture of ethics and responsible leadership: promotes responsible conduct, equal treatment, and a safe working environment.

Strategic documents relating to the ESG agenda also include the Codes of Conduct:

the Ethics Guide, the Code of Occupational Safety, and the Anti-Corruption Code of Conduct. All are available on the website: **https://www.pvk.cz/o-spolecnosti/etika-bezpecnost/**

The Supervisory Board provides independent oversight of management, control, and the performance of the Board of Directors, including in the area of ESG:

- Monitors the pursuit of the ESG strategy: assesses whether the Board of Directors acts in accordance with approved targets and policies.
- Assesses the effectiveness of ESG risk management: regularly evaluates risk reporting and the adequacy of the measures adopted.
- Reviews the quality of internal control mechanisms: the compliance system, anti-corruption measures, occupational safety management, and environmental management.
- Oversees the accuracy, completeness, and credibility of ESG reporting: monitors the data collection process, quality control, and compliance with legislation.
- Requires regular information from the Board of Directors: fulfilment of plans, climate and energy indicators, audits, incidents, and their resolution.
- Assesses potential investments and projects with an ESG impact: in particular climate adaptation, energy projects, digitalisation, and infrastructure modernisation proposals.
- Evaluates management performance in relation to ESG: may recommend changes in management, responsibilities, or the organisation of the ESG agenda.

The Company's executive management is responsible for the operational management of the Company, which includes the ESG agenda, and its results are reported regularly to the Board of Directors and the Supervisory Board. Through the media and its website, the Communication and Marketing Department focuses on promoting the corporate culture and disseminating information about its values and initiatives in the field of corporate culture. The effectiveness of these activities is regularly assessed through internal audits and satisfaction surveys among both employees and customers of the Company. The results of these assessments are used to set further targets for improving the Company's internal processes and culture.

The Company's targets also include ESG targets that promote ecological transformation and diversity. In line with the Company's targets, the performance of managers is also assessed. Requirements under specific ISO standards are also met systemically, with the functionality of the system reviewed annually by external audits.

PVK has implemented and certified an integrated management system (https://www.pvk.cz/o-spolecnosti/) in accordance with the requirements of the following standards:

- quality management system as per ČSN EN ISO 9001:2016
- occupational health and safety management system as per ČSN ISO 45001:2018
- environmental management system as per ČSN EN ISO 14001:2016
- energy management system as per ČSN EN ISO 50001:2019
- anti-bribery management system as per ISO 37001:2016

The ISO certificates are supplemented by:

- certification according to the ISCC EU standard – biofuel sustainability certificate
- accreditation for drinking water and wastewater sampling and analysis

Another governance pillar is **risk management**. The process for identifying material impacts, risks, and opportunities is embedded in internal guidelines. These documents use the collective term "risks", even though material impacts and opportunities are also involved. Functional directors and senior employees contribute to the preparation and review of the Risk Register, according to the activities for which they are responsible under the Organisational Rules.

The management systems in place, based on the ISO standards listed above, already cover many of the requirements imposed by ESRS. Owing to these standards, a number of areas have already been addressed and implemented, and their performance is regularly assessed through internal and external audits; it is therefore not necessary to describe them again in detail.

From the perspective of payment practices, specific statistics on the average time taken to pay invoices by or after the due date are not disclosed, as the Company considers them to be strategic data. The same payment terms apply to each supplier and are included in internal contract templates.

In customer services, by contrast, the Company publishes detailed information on its official website about payment practices relating to billing, advance payments, payment methods, and the handling of any receivables.

APPENDIX 1

DOUBLE MATERIALITY ANALYSIS

BY THE PARENT COMPANY VEOLIA ENVIRONNEMENT

OUR IMPACTS, RISKS, AND OPPORTUNITIES

	Value creation for stakeholders		Mitigation of negative impacts and financial risks		
Decarbonization to limit climate change					
Alignment of Veolia's GHG emissions trajectory with the 1.5 °C target	**E1 -ST-3** Attractiveness for financial players due to decarbonization	**E1 -ST-5** Reduction of OpEx by increasing the energy efficiency of our installations	**E1- ST-1** Significant GHG emissions (scopes 1, 2 and 3) requiring the implementation of a transition plan	**E1- ST-4** Additional costs resulting from increased regulatory requirements for GHG emissions	**E1-ST-2** Gradual exclusion by the financial sphere If not exiting coal-based energy production
Increase in erased[2] GHG emissions for the value chain	**E1 -ES-6** Increase in the volume of erased GHG emissions for our value chain: material recycling, decarbonization of clients, etc.	**E1- ES-7** Development of solutions to reduce clients' GHG emissions, in particular: energy efficiency, flexibility, local decarbonizing energy			
Depollution and preservation of nature					
Development and deployment of depollution solutions	**E2-ES-2** Development of depollution activities for our clients in line with the new requirements (emerging pollutants in water, micropollutants, endocrine disruptors, etc.)		**E2-ST-1** Pollution generated by our own activities (air, water, soil, hazardous waste, etc.)		
Increase and improvement of hazardous waste (HW) treatment	**E2-ES-3** Increased capacity of hazardous waste treatment in the different treatment technologies, in order to meet the growing needs of clients	**E5-ST-3** Commercialization of innovative solutions to regenerate resources from hazardous waste (e.g. battery recycling)			
Preservation of biodiversity on our sites and in our value chain	**E4-ES-1** Contribution to the preservation of biodiversity and ecosystems through depollution		**E4-ST-2** Impact of our sites and value chain on ecosystems and biodiversity		
Resource sparing use and regeneration					
Sustainability of the water resource	**E3-ES-2** Development of activities to reduce freshwater withdrawals: seawater desalination, reuse of treated wastewater, reduction of leaks in municipal networks	**E3-ES-3** Support to industrial clients for a sustainable use of water resources	**E3-ES-4** Gap between customer expectations around responsible use of drinking water and current volumebased remuneration models	**E3-ST-1** Pressure exerted on the resource by water withdrawals	
Recovery of secondary raw material and/or energy in waste	**E5-ES-2** Development of activities for the recovery of certain materials due to pressure on resources and the need to limit the use of virgin resources	**E5-ES-4** Energy recovery of non-recyclable waste (SRF-RDF), contributing to decarbonization	**E5-ST-1** Adaptation to changes in the waste value chain, resulting in the need for technical and commercial innovation at Veolia		

(1) Conclusion of the double materiality analysis as of July 17, 2024. (2) See the definition of "erased emission" in the standard ESRS E1, section 4.1.2.1.

	Value creation for stakeholders		Mitigation of negative impacts and financial risks	
Safe and resilient essential services for territories				
Local development of territories through access to essential services and value creation	**S3-ST-1** Contribution to local wealth and employment in the territories (value chain)	**S3-ST-3** Inclusive measures adapted to different types of contexts, including access to essential local services such as water		
Resilience of environmental services	**S4-ST-2** Continuity and quality of essential services thanks to the safety of our operations	**S3-ST-4** Resilience to severe environmental crises (climate change, health crisis) in order to ensure an essential minimum service	**G1-ST-2** Cost of remediating a large scale cyberattack (operational control systems and personal data), associated with image loss	**E1 -ST-8** Operational risks related to climate change (direct and supply chain)
Stakeholders engagement in ecological transformation				
Dialogue with stakeholders in the service of a sustainable transformation	**S3ES6** Veolia's pedagogical role with stakeholders to proactively explain the respective levers of each of the players to achieve ecological transformation		**S3-ST-5** Risk of challenge and dispute by a stakeholder based on its perception of our activities	
Responsible management of the supply chain	**S3-ST-2** Contribution to develop the local economic fabrics through local purchasing and sourcing		**S2-ST-1** Reputational risk in the event of serious incidents in the supply chain (human rights, labour law, environmental damage, etc.)	
Satisfaction of clients and endusers	**S4-ST-1** Consumer and end-user satisfaction through the quest for quality in the services provided	**S4-ES-3** Renewal and gain of new contracts based on recognition of our operational know-how		
Ethical practices and proper business conduct			**G1- ST-1** Loss of contracts or defense costs related to controversies overunethical or non-compliant practices with our customers, suppliers, communities and employees	
Attractiveness, safety, and fairness of the company				
A healthy and safe work environment for employees	**S1- ST-2** Promotion of well-being at work through appropriate mechanisms		**S1 -ST-1** Exposure of employees to physical or psychological risks incurred as a result of the activities carried out	
Attraction, retention, and development of competencies	**S1-ST- 3** Base of minimum social guarantees for all Veolia employees	**S1- ST-4** Strengthening employees' engagement and attracting new talents by sharing our purpose, values and strategy with them	**S1- ST-5** Risk of high turnover which could lead to difficulties in fulfilling our contractual commitments	**S1 -ST-6** Commercial risk which could bevery costly in the event of failure to mobilize the special skills necessary to implement certain large-scale complex projects
Responsible social policy, promoting inclusion and diversity	**S1- ST-8** Promotion and enhancement of social dialogue around the world to encourage employees to adopt the collective project		**S1 -ST-7** Potential exposure of employees to discrimination, harassment or prejudice in their workplace, by requiring the implementation of listening and whistleblowing systems	

Type of IRO *Positive impact* *Financial opportunity* *Negative impact* *Financial risk*

Boxes with entity-specific topics are branded with broad lines

APPENDIX 2

OTHER INDICATORS REVIEWED

ENVIRONMENTAL PERFORMANCE	UNIT	2025	2026
Water stewardship			
Total volume of groundwater extracted	thousands of m³	17,782.35	N/A
Total volume of surface water extracted	thousands of m³	14,174.41	N/A
Total volume of drinking water imported	thousands of m³	83,710.20	N/A
Volume of drinking water produced	thousands of m³	30,183.16	N/A
Volume of drinking water introduced into supply networks	thousands of m³	96,266.92	N/A
Volume of industrial water	thousands of m³	967.47	N/A
Volume of water exported	thousands of m³	17,626.44	N/A
Drinking water losses	%	14.82	N/A
Volume of wastewater treated	thousands of m³	117,182.62	N/A
Total waste generated	thousands of t	178.02	N/A
from municipal wastewater treatment	%	55.00	N/A
construction waste generated during repairs of water supply and sewerage systems	%	45.00	N/A
GHG emissions			
Total of direct and indirect emissions	kt CO_2e	187.87	N/A
Direct GHG emissions (Scope 1)	kt CO_2e	103.25	N/A
Indirect greenhouse gas emissions associated with energy purchases (Scope 2)	kt CO_2e	46.30	N/A
Main indirect GHG emissions (Scope 3)	kt CO_2e	38.31	N/A
Emissions of GHG avoided	kt CO_2e	29.23	N/A
Consumption of energy			
Energy consumption – electricity and heat	MWh	195,179.11	195000
Consumption of energy from RES	MWh	116,118.93	129700
Share of renewable or recovered energy	%	59	66.51282051
Energy used for drinking water production and distribution	MWh	49,164.48	49000
Electricity used for drinking water production and distribution	MWh	41,581.09	42000
Electricity purchased and used for drinking water distribution	MWh	20,654.60	20600
Electricity purchased and used for drinking water distribution	MWh	20,019.69	20000
Electricity used for drinking water production	MWh/m³	21,371.56	21400
Specific electricity consumption for drinking water production	MWh	0.71	0.706014318
Electricity consumed for wastewater collection and treatment	MWh	68,185	68400
Electricity consumed for wastewater treatment	MWh	65,909.53	66000
Electricity consumed for wastewater collection	MWh	2,275.31	2400
Energy purchased and consumed	MWh	89,685.63	89,000.00
Energy production			
Energy production (thermal and electrical)	MWh	120,943.50	121,000.00
Of which heat production	MWh	83,562.99	83500
Of which electricity production	MWh	37,380.51	37500
Share of renewable or recovered energy produced	%	62	0.617948718
Energy production from renewable sources	MWh	120,224.57	120500
HUMAN RESOURCES PERFORMANCE			
Total headcount on December 31	number	1,239	1258
Annual full-time equivalent workforce	number	1,196	1214
Share of workforce with permanent contracts (FTE)	%	89	89
Workforce in non-management positions (incl. mid- and lower-management)	%	84	83
Employee turnover rate	%	5.1	5
Lost time injuries	number	4.00	4
Percentage of employees who participated in OHS training	%	100.00	100
Percentage of employees who participated in at least one training	%	100.00	100
Average number of training hours per employee per year	CZK	14,359	14000
Rate of coverage by a social dialogue body	%	100	100
Female representation rate	%	27	27
Female representation rate (management roles)	%	21	21
Percentage of employees with disabilities	%	1.6	1.6
SOCIAL PERFORMANCE			
Number of findings of non-compliance with internal regulations detected by internal audit	number		0
Number of whistleblowing alerts	number		N/A
Rate of whistleblowing alerts resolved	%		100
Number of compliance incidents detected	number		0
Identified cases of violations of the Anti-corruption Code of Conduct	number		0
Business lines covered by corruption risk mapping	%		100
ISO 37001 certification	Y/N		Y

Printed on environmentally considerate paper: Alga Carta (300 g) – an uncoated ecological paper made from algae,
the abnormal spread of which was damaging the fragile ecosystem of the Venetian Lagoon;
and RecyStar® Nature (100 g) – a natural white, uncoated offset paper made from 100% recycled fibres.

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