



Annual
Sustainability Report
2021



Grupo
Águas do Brasil

The Águas do Brasil Group believes that sanitizing the country is possible.

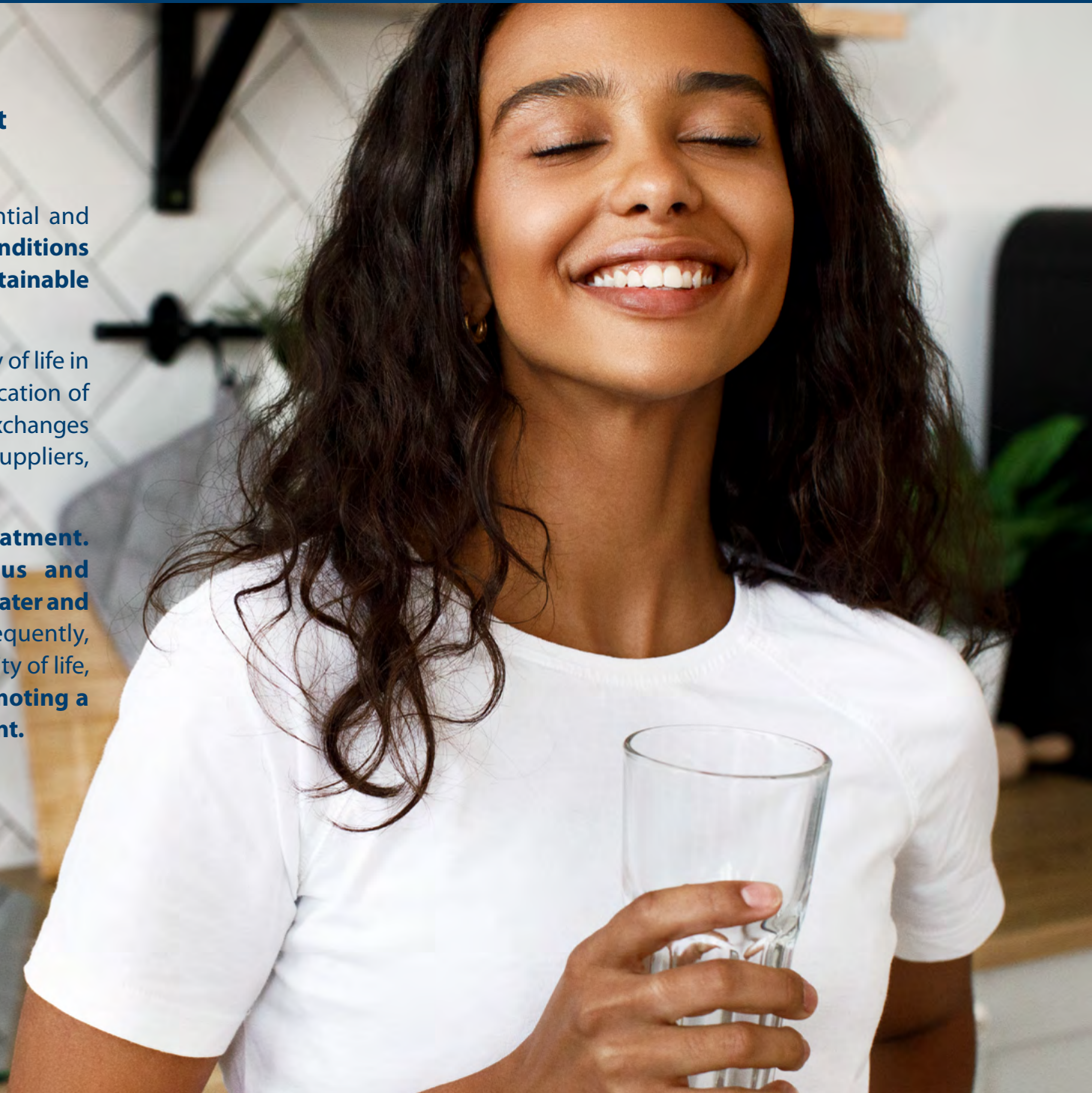
More than that: we believe sanitation is essential and indispensable to **establishing decent living conditions for all people and ensuring a healthy and sustainable future for Brazil.**

We contribute every day to improving the quality of life in the areas where we operate, based on the dedication of our employees, investments in operations, and exchanges with the entire relationship chain: customers, suppliers, regulators, and the granting authority.

We seek **excellence in the water cycle treatment.** Therefore, we round the clock with **focus and determination to deliver world-class quality water and wastewater collection and treatment.** Consequently, we transform water into health, well-being, quality of life, environmental quality, and opportunities, **promoting a positive legacy for society and the environment.**



Life flows better around here!



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Presentation

Commitment to sustainability

We are one of the largest private sanitation companies in Brazil, and we know our responsibility as agents fomenting sustainable practices in our country. Throughout our history, we have always sought alignment with good environmental, social, and governance practices (ESG). We understand that this emphasizes our reliable performance and is also a necessary commitment to promoting business continuity and relationships of trust with our stakeholders, minimizing risks to the organization.

In 2021, Águas do Brasil Group made several notable advances in sustainability management. Among them is the adequacy of our Annual Report to the guidelines of the Global Reporting Initiative (GRI). This international organization proposes a reporting model that helps understand business's impact on ESG aspects. Thus, we emphasize management and transparency about the impacts of our operations on the environment, economy, and society in general, strengthening engagement with stakeholders and reaffirming our commitment to building a sustainable future.

Transparency in reporting

When drafting this document, we considered the premises established in our ESG Strategy, the principles of the United Nations (UN) Global Compact and its Sustainable Development Goals (SDGs), as well as the results of the materiality process carried out with our stakeholders. Thus, we have identified the priority topics that guide the content presented.

Throughout the document, the six material themes are set out in four thematic chapters, which follow the pillars of our ESG Strategy and bring together the developments of the Group's organizational, social, and environmental initiatives. More information about the materiality process and the preparation of this report is available in the [About this report](#) section. **102-44**

The Águas do Brasil Group and the Sustainable Development Goals



Priority SDGs

3
GOOD HEALTH
AND WELL-BEING



Implementing the water distribution service in the municipality of Paraty (RJ), conducted by our utility company, was fundamental for reducing diseases among the population. Before the concession was implemented, waterborne diseases in the city reached 56 cases per thousand inhabitants. These numbers have decreased dramatically with water treatment, reaching almost zero in 2019. In 2021, our main actions aimed at fighting the Covid-19 pandemic through the Crisis Committee established to propose health measures to employees and customers. Externally, the Niterói (RJ) utility company participated in a scientific study in 2021, in an agreement signed between the city of Niterói and the Oswaldo Cruz Foundation (Fiocruz), to quantify the inert viral load of SARS-Cov-2 in the municipality's wastewater networks. The follow-up helped the Health Department to monitor the progress of the virus.

5
GENDER
EQUALITY



Through our Diversity and Inclusion Committee, we work to meet the goals of women in senior leadership and as members of strategic committees. For 2021/2022, the Group has three new women on its board of directors and several others as superintendents, managers, coordinators, specialists, and other technical and operational positions. The Águas do Brasil Group joined the Empresa Cidadã Program (Citizen Company Program), which provides the extension of maternity leave from 120 days to 180, entitled to full compensation.

6
CLEAN WATER
AND SANITATION



The Água de Valor program prevented an annual loss of 17.5 million m³ of water in less than three years, enough to supply a city of 260 thousand inhabitants, leaving our utility companies with losses lower than the country's average. In July 2021, we reached the universal sanitation in Jaú (SP), which became part of a very restricted group of Brazilian municipalities with 100% distribution of treated water and wastewater collection, sedimentation, and treatment. In Pará de Minas (MG), our utility company took the municipality to the fifth position in drinking water and basic sanitation in the 2021 ranking of the 17 Sustainable Development Goals (SDGs) of the United Nations Organization (UN), prepared by the Center for Public Leadership (CPL). In seven years of activities in the city, we went from a scenario of water shortage to being a reference in the country. In 2012, Votorantim (SP) had 62% of its municipal wastewater collected and treated; today, our utility company performs the collection and sedimentation of 99.37% of the city's wastewater and supplies 100% of the population with treated water.

8
DECENT WORK AND
ECONOMIC GROWTH



In the municipality of Araruama (RJ), we promote social actions, such as EcoFibras, a pioneering initiative in the country that encourages manual weaving from aquatic plant residues from a treatment plant. There is also the Lagunarte project, which provides extra income for the fishing families of the Araruama lagoon by training women in felt crafts. In March 2022, the project was extended to the municipality of Saquarema.

Priority SDGs



We look at more efficient new wastewater treatment possibilities, paying particular attention to air quality and waste management. An example is the implementation of the Maria Paula and Sapê (Niterói/RJ), and Esplanada and Lagoa do Vigário (Campos dos Goytacazes/RJ) wastewater treatment plants. Through hybrid vertical bioreactor technology, the process consumes the gases emitted in the treatment anaerobic phase, reducing the emission of gases and odor to the community.



In 2021, we structured a risk matrix for supplier management, increasing the proximity with suppliers of critical products, such as chemicals and water meters. In addition, we made the evaluation, selection, and monitoring process more robust to avoid supply disruptions and manage groups of materials that need more specific tracking. We also take care of local communities by engaging our suppliers. With the Third Party Code of Conduct, we seek to ensure that they carry out their operations with a high degree of integrity and in a socially and environmentally responsible manner. In 2021, 99.78% (449/450) of new suppliers were selected considering social and environmental criteria by adhering to the Code at the time of their approval.



In 2021, we reached 79% of electricity consumption from renewable sources, using distributed generation and purchasing energy from the free market. Renewable energy acquired in the free market has already avoided the emission of the equivalent of 22 thousand tons of CO₂ into the atmosphere. The scope of GHG and climate change management, part of the ESG Strategy, will cover the realization of GHG emissions inventories for all utility companies, fully covering the operational and administrative units for direct and indirect emissions.



Annually, we prepare a risk matrix to assess and create compliance risk mitigation mechanisms, which includes 12 concessions, also subject to the area's processes and procedures. Specific policies are made for each risk identified, such as contracting third parties and forming a commercial partnership. In addition, we strengthened our governance structure and maintained ISO 37001 and ISO 19600 certifications, demonstrating our commitment to ethics and compliance requirements. The publication of our first report using the GRI model is another step toward organizational transparency. Our commitments were recognized, in December 2021, by our adhesion to the United Nations (UN) Global Compact Network Brazil.

Message from Management

102-14

Strategy developments and sustainability

By providing our services, we become part of the lives of millions of people, and, inevitably, the 2020 and 2021 exceptional periods confronted us with challenges never faced before. The soundness of our business and our ability to learn and adapt were fundamental attributes for us to overcome obstacles and maintain excellence in our work.

In 2021, we had another year of assertive budgeting and earnings very much in line with forecasts, with an 11% growth in Ebitda compared to the previous year. We maintained cost discipline and managed our investments intelligently, in full compliance with contracts and attainment of goals. Fitch's reaffirmation of our AAA rating keeps us as the only sanitation company to have this distinction.

We have further strengthened our focus

on sound environmental, social, and governance (ESG) practices by formally developing our ESG Strategy. We brought together the initiatives already part of our portfolio and structured projects, actions, indicators, and targets to continue improving our reliable performance regarding critical resources for the planet and services fundamental to the population's dignity.

We strengthened our governance structure and maintained ISO 37001 and ISO 19600 certification, demonstrating our commitment to ethics and compliance requirements. The publication of our first report using the GRI model is another step on the path to organizational transparency. Our commitments were recognized, in December 2021, by our adhesion to the United Nations (UN) Global Compact Network Brazil.

We believe that the search for sustainability cannot be treated sporadically. On the contrary, it is a journey that involves the uniformity of procedures and the sharing of knowledge to reduce losses and impacts, preserve water security, and establish fair and lasting relationships among all stakeholders. These elements are directly related to our growth strategy, which is aligned with a crucial issue for Brazilian society: universal basic sanitation.

For that matter, we are technically prepared and financially healthy to be part of this country's transformation. In this spirit, we celebrate our victory in the auction for the second phase of the basic sanitation concession in Rio de Janeiro. Cedae's Block 3 involves 19 cities in the state of Rio de Janeiro, including 22 districts in the city of Rio de Janeiro, adding 2.7 million consumers to the group, and should receive investments of BRL 4.7 billion over a 35-year contract period. In this area, universal sanitation will be reached as early as 2033.

These achievements result from effective management and especially the dedication of our employees, who make daily efforts to impact the lives of the population positively. In 2021, Águas do Brasil Group was certified by Great Place to Work (GPTW), which recognizes the best work environments in 109 countries.

Satisfaction with our advances in the year does not suspend our care for what is yet to come. We are attentive to economic movements and the worsening of climate change, and we remain vigilant to the unfolding health crisis caused by the pandemic. Consequently, we have not renounced the responsible and sustainable growth strategy: our business continues to be driven by execution and delivery of excellence.



João Pedro Backheuser
Chairman of the
Board of Directors

Seriousness and quality in the operation

We have partnered with our customers and communities to promote better access to sanitation, one of humanity's primary rights and essential service for all Brazilians. Through permanent investments, we have increased the coverage of our services and maintained excellent standards of water quality and treated effluents, attention that has become even more important in the face of the Covid-19 pandemic. By taking care of our employees and offering more

affordable conditions to our customers, we have overcome the period together, confident that these relationships are fundamental to our performance.

We introduce innovation in commercial management, with the customer's vision at the center of the strategy, by creating positive experiences through digital transformation and meeting consumer needs and demands as support for the loyalty process and, consequently, the generation of value for the business. As a result, we preserved payment stability, ensuring the continuity of services to the population, which is reflected in our feasibility with guaranteed revenue in all our utility companies even in a period of intensified economic crisis.

We have established a robust information, prevention, and monitoring program for employees on health-related issues during the pandemic. We have encouraged zeal with physical and mental health, promoting vaccination, which reached 99% of employees in the year. We have reinforced the management of work safety issues, through the GAB+Seguro initiative, following a movement that has significantly reduced our number of work accidents over the past years.

To promote sustainability and better resource management, we have invested in operational efficiency. In less than three, the Água de Valor program has avoided the annual loss of 17.5 million m³ of water. In addition, we have reached the 2020 Distribution Losses Index (IPD) target, with all our utility companies presenting lower rates than the national average.

Aware that the energy factor has great relevance in our operations, we have intensified the initiatives aimed at efficiency through actions that increase the presence of renewable energy in our portfolio. We continue to invest in the reuse of waste from the treatment of effluents in partnerships with universities and institutions to seek increasingly sustainable alternatives that benefit our communities.

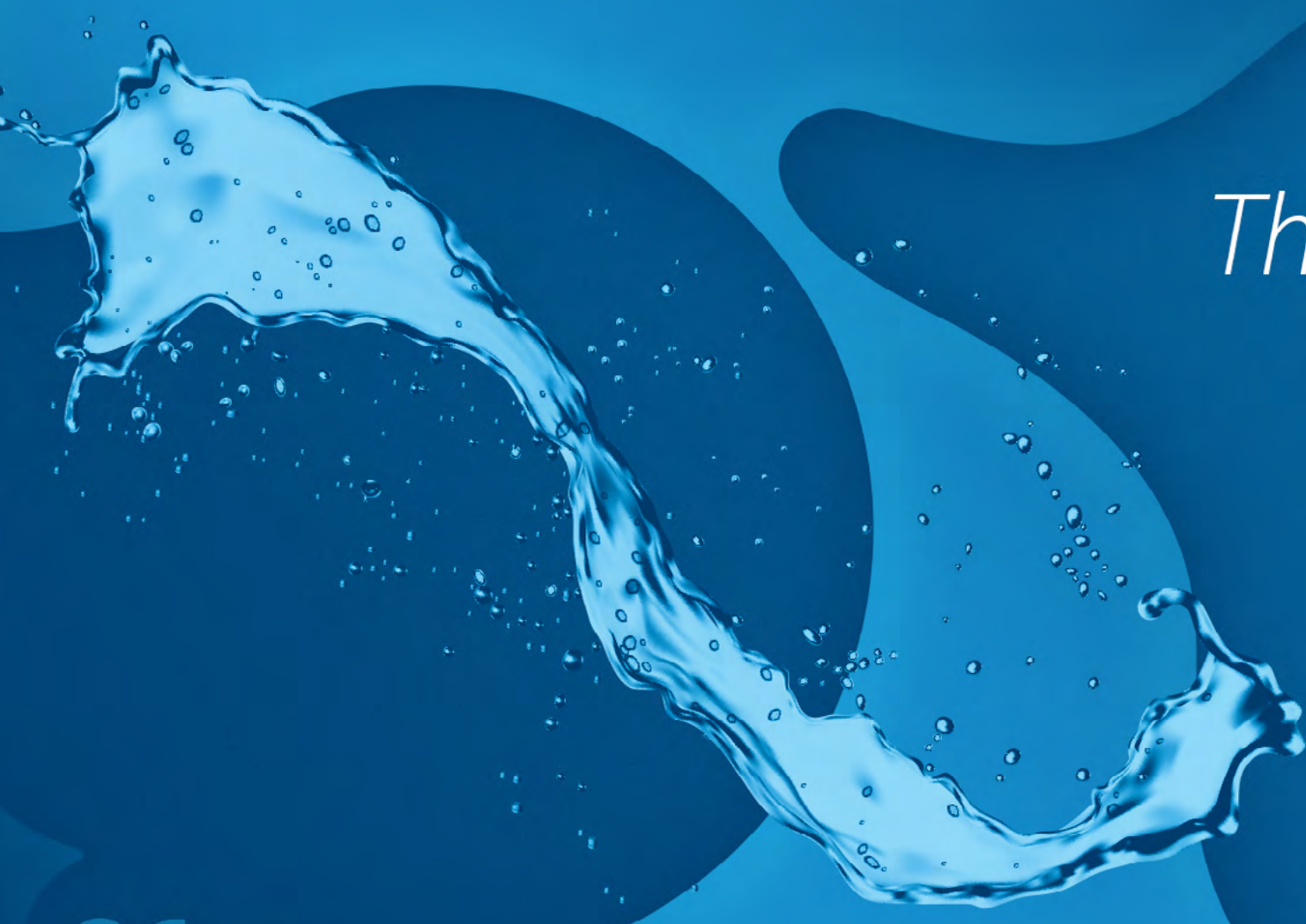
The preservation of water sources is essential to our service provision. In addition to the search for efficiency, which reduces resource withdrawal, we provide social and environmental education activities, engaging the population with their surroundings through the Olhar Ambiental program.

Águas do Brasil Group has a consistent history of responsibility, efficiency, and operational quality, proven by the recognition of our utility companies in the National Sanitation Quality Award in 2021. We believe that our primary role in terms of sustainability is to continue providing efficient and quality services. In addition to expressing our seriousness and our commitment to conserving natural resources, we deliver health to our consumers' homes on a daily basis.

Aware that the energy factor has great relevance in our operations, we have intensified the initiatives aimed at efficiency through actions that increase the presence of renewable energy in our portfolio.



Claudio Bechara Abduche
CEO



The Águas do **Brasil Group**



Grupo
Águas do Brasil

01

The Águas do Brasil Group in numbers

102-7

4
million people
served

13
utility companies
+ 2 operating companies

Concession
of
**Cedae's
Block 3**
(dec/21)

Water
connections:
685,293
Savings:
992,819

Wastewater
connections:
872,417
Savings:
1,312,544

Water
coverage:
99.7%

Sewer
coverage:
88.8%

Wastewater
treatment:
92.3%

79
Water
treatment
plants

86
Wastewater
treatment
plants

Ebitda:
**R\$ 495.1
million**

Ebitda
Margin:
39.81%

Net income:
**BRL 224.9
million**

Net debt:
**R\$ 667.8
million**

Gross
Operating
Revenue:
**BRL 1.6
billion**

AAA
rating (bra)
awarded by
**Fitch
Ratings**

ISO 37001
and
ISO 19600
certifications

Adhesion to
the Brazilian
Business Pact for
**Integrity
and Against
Corruption**

**Great Place
to Work Seal
(GPTW)**

Adhesion
to the **Global
Compact
Brazil
Network**



Learn more

www.grupoaguasdobrasil.com.br

Profile

The Águas do Brasil Group – Saneamento Ambiental Águas do Brasil is a closed corporation, holding company of private sector utility companies for water distribution and wastewater collection and treatment. Founded in 1998, it is among the largest companies in the country's utility sector, and its operations bring life quality and health to millions of people. [102-1](#) | [102-2](#) | [102-5](#)

With an experienced technical staff and investments in innovation and implementation of new facilities, the Group aims to contribute to solving the challenge of basic sanitation in Brazil, making services universal. To this end, throughout its history, it has accumulated significant experience in the management and operation of utility companies in municipalities with different geographical, economic, and social conditions. In the private sector, the Group also manages the treatment of water and industrial effluents, contributing to the sustainability chain of companies.

Its operational presence in Rio de Janeiro, São Paulo, and Minas Gerais focuses on serving individuals and companies in the residential, commercial, industrial, and public scope. In Rio de Janeiro, the Group operates nine concessions distributed in 11 municipalities: Resende, Niterói, Nova Friburgo, Paraty, Petrópolis, Campos dos Goytacazes, Paraíba do Sul, Rio de Janeiro, Araruama, Saquarema, and Silva Jardim. In São Paulo, there are three concessions in three municipalities: Araçoiaba da Serra, Votorantim, and Jaú. In Minas Gerais, it operates an utility company in the city of Pará de Minas. [102-4](#) | [102-6](#)

With Cedae's Block 3, granted in an auction held in December 2021, the company will assume, in the second half of 2022, the sanitation services of 19 more Rio de Janeiro municipalities: Bom Jardim, Carapebus, Carmo, Itaguaí, Macuco, Natividade, Paracambi, Pinheiral, Piraí, Rio Claro, Rio das Ostras, Rio de Janeiro AP-5, São Fidélis, São José de Ubá, Sapucaia, Seropédica, Sumidouro, Trajano de Moraes, and Vassouras. The Group has been operating in the Planning Area 5 (AP 5) since 2012, through the utility company Zona Oeste Mais Saneamento. [102-4](#) | [102-10](#)

MISSION

Provide treated water distribution and wastewater collection and treatment services, prioritize service to our customers, value our professionals and shareholders' interests with operational excellence, grow sustainably, and contribute to the population's quality of life.

VISION

Be recognized for excellence in providing basic sanitation services, through the quality and efficiency of all its businesses, with strict social and environmental responsibility, contributing to the population's health and well-being.

VALUES

[102-16](#)

ETHICS

Transparency, legality, coherence, and justice in everything it does.

SIMPLICITY

Discretion and guarantee of uncomplicated and effective solutions.

RESPECT

Acceptance of differences, listening, and empathy.

LONG TERM VISION

Forward thinking and business sustainability.

COMMITMENT

Motivation, commitment, and responsibility to the organization.

EFFICIENCY

Excellence in processes, technology, and people.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Social and environmental awareness to support future generations.

Operating units

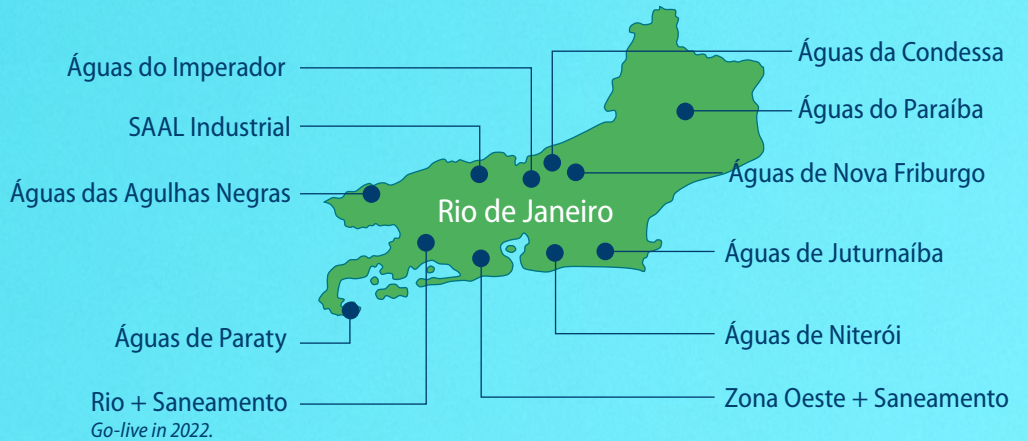
Utility companies

102-7



Minas Gerais

Águas de Pará de Minas



Águas do Imperador

SAAL Industrial

Águas das Agulhas Negras

Águas de Paraty

Rio + Saneamento
Go-live in 2022.

Águas da Condessa

Águas do Paraíba

Águas de Nova Friburgo

Águas de Juturnaíba

Águas de Niterói

Zona Oeste + Saneamento



São Paulo

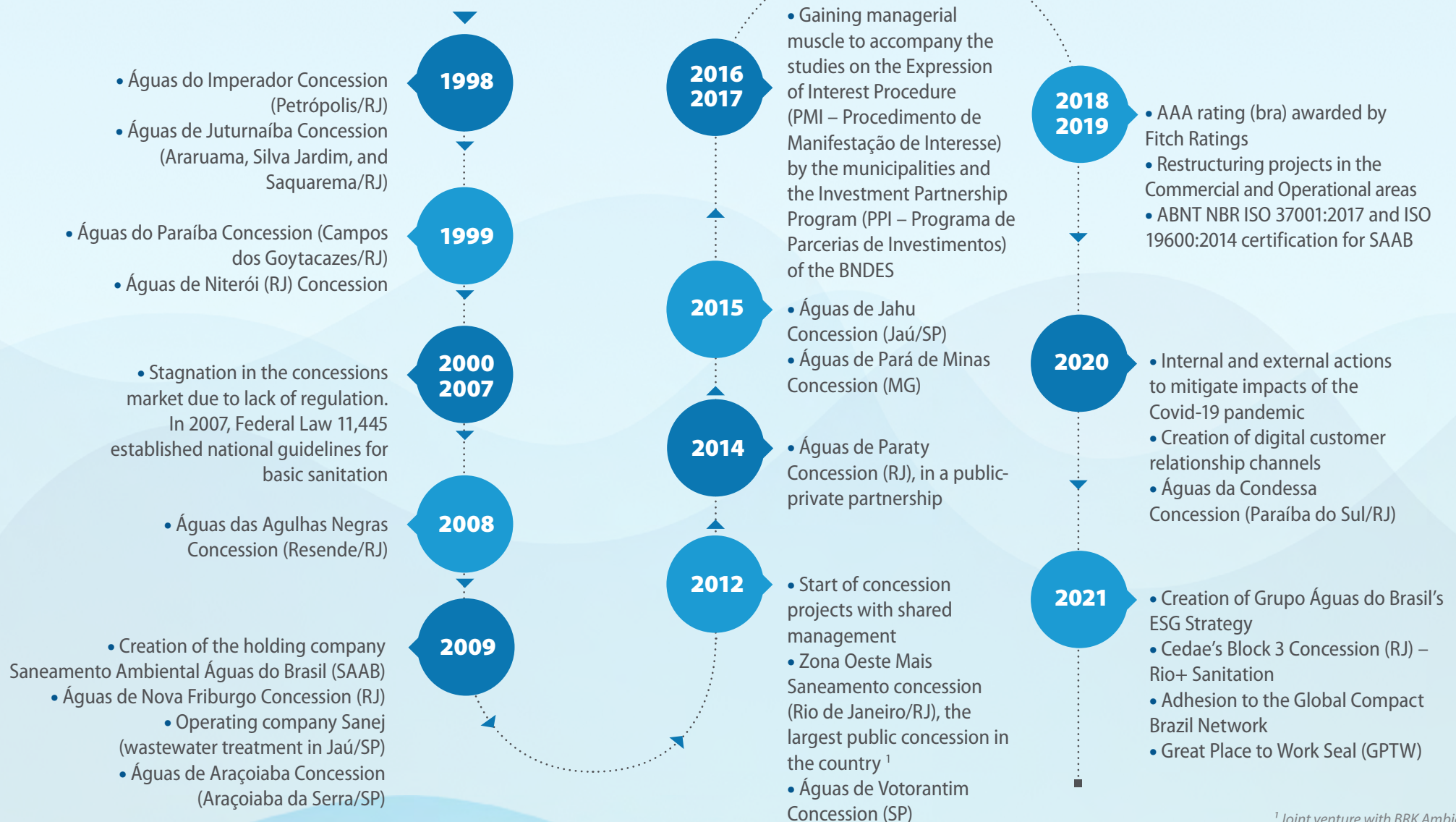
Sanej

Águas de Jahu

Águas de Votorantim

Águas de Araçoiaba

Timeline 1998 – 2021



¹ Joint venture with BRK Ambiental.

Awards



National Sanitation Quality Award (PNQS - Prêmio Nacional de Qualidade em Saneamento)

The award, promoted by the Brazilian Association of Sanitary and Environmental Engineering (Abes), recognized four of the Group's utility companies in the "Best in Environmental Sanitation Management (AMEGSA)" category. Águas do Paraíba received the Gold Quíron Trophy - Level II, and Águas de Juturnaíba, Águas de Pará de Minas, and Águas de Niterói won the Bronze Quíron Trophy - Level I (see [Sector performance](#) for more information).



Firjan Environmental Award

The Revivendo Águas Claras project, developed in Lagoa de Juturnaíba, was recognized in the 8th edition of the award in the "GHG (Greenhouse Gases) and Energy Efficiency" category, marking its presence among the best sustainable development projects in the state of Rio de Janeiro.



Companies that Best Communicate with Journalists Award

The Group's Communication area stood out in the award for the seventh consecutive year in the "Sanitation" category. The recognition results from an annual survey conducted with 25,000 journalists from all over Brazil and assesses the access, availability, and ease of verification of business, industry, and general information.



Ranking 100 Open Startups 2021

The company received the TOP 5 Sanitation award in the Ranking 100 Open Startups 2021, which recognizes the leading corporations in open innovation with startups, providing and enhancing innovation in the country.

Corporate strategy and value generation

Grupo Águas do Brasil's Strategic Plan for the 2017-2022 cycle was drawn up corporately to prepare the company for sustainable growth over the period. Based on the strategic guidelines, 12 programs were developed to guide the activities in the five-year period and allow the Group to maintain its leadership in the sector with financial discipline, efficient management, and delivery of consistent results. The review of the Strategic Planning for the next cycle started in 2021.

With operational excellence and low indebtedness, the company is healthy and able to take advantage of the opportunities of new concessions opened by the New Legal Framework for Basic Sanitation. The matrix structure consolidated in the period, associated with strict efficiency controls and the refinement of governance and compliance structures, enables growth with responsibility, employee appreciation, customer satisfaction, and return for shareholders.

This process was recognized by the Cedae's Block 3 concession in an auction held in December 2021, which presents great synergy with the existing businesses and a model with appropriate profitability within the Group's strategy (see [Operation and growth](#) for more information).

Economic-financial performance | 103-2, 103-3 | 201 |

The results obtained in 2021 show the assertive execution of the budget planning for the year. After the impacts on revenue brought about by the initial period of the pandemic, the company maintained financial control and efficiency in the cost structure, with intelligent management of capital expenditures and increases in the commercial front with technology and digitalization. This allowed for a recovery in the collection, driven by actions in the commercial area to make life easier for customers and guarantee payment.

These measures led to revenue and Ebitda growth and allowed Fitch Ratings to reaffirm its AAA rating, recognizing the quality of the portfolio and discipline in management. The performance reaffirms the Group's robust financial profile and conservative leverage strategy.

Considering the proportional consolidation of its interests, the results recognized in 2021 totaled a gross revenue of BRL 1.6 billion, Ebitda of BRL 495.1 million, and net income of BRL 224.9 million. The Ebitda margin was 39.81%. The restated net debt is BRL 667.8 million, consistent with the size of the business.

ÁGUAS DO BRASIL GROUP STRATEGIC PROGRAMS



ÁGUA DE VALOR - LOSS REDUCTION



OPERATIONAL EXCELLENCE



BUSINESS EXCELLENCE



HUMAN CAPITAL MANAGEMENT



ESG MANAGEMENT



INOVÁGUAS - INNOVATION



WWTP Camboinhas

Economic-financial indicators

Asset turnover:

63.68%

*Gross Operating
Revenue:

**BRL 1.6
billion**

Ebitda Margin (without
construction revenue):

39.81%

Capex:

**BRL 242.9
million**

Return on
Equity:

22.62%

Net income:

**BRL 224.9
million**

Ebitda:

**BRL 495.1
million**

Net debt:

**BRL 667.8
million**

Operating
income:

**BRL 471.8
million**

Added Value Distribution 201-1

RESTATED

	12/31/2020	12/31/2021
Revenue	1,310,541	1,556,991
Added value distribution	781,611	887,793
Personnel	197,858	225,654
Taxes, fees, and contributions	279,038	306,419
Return on third-party equity	80,971	130,822
Return on equity	223,744	224,898

*Without construction revenue.

ESG Strategy

The global restriction scenario, generated by the Covid-19 pandemic and climate change, brought about the need for an unprecedented performance by organizations in 2021, with reflections and structural actions on the business model, governance, operations, cash management, and climate crisis. Aware of these challenges, the Águas do Brasil Group established integrated strategies to face the pandemic's impacts by implementing measures focused primarily on caring for employees and maintaining the provision of quality services to customers. This movement has intensified the improvement and creation of governance processes, institutional responsibility, and commitments to sustainable development.

The enhancement of the environmental, social, and governance (ESG) practices aligned with the global United Nations (UN) Sustainable Development Goals (SDGs) was a strategy defined by the company in 2021. This commitment was materialized in the year with the adhesion to the Brazil Network of the Global Compact and unfolded with the Group's ESG Strategy review, carried out with the support of an external consultancy. **102-12**

As the focus of action of the ESG Strategy, in direct relation to the business focus, is SDG 3 – Health and well-being and SDG 6 – Clean water and sanitation. The company also contributes directly to SDGs 5 (Gender Equality), 8 (Decent employment and economic growth), 11 (Sustainable cities and communities), 12 (Responsible consumption and production), 13 (Action against global climate change) and 16 (Peace, justice and effective institutions). More information on the actions developed in each pillar is available in the next chapters of this report.

Esg strategic pillars

Integrity and transparency

Follow the best governance, business integrity, and transparency practices.



Foster universal access to sanitation

Serve and increasingly deliver solutions and development to the whole society through the distribution of quality water and wastewater collection and treatment.



Efficient water cycle

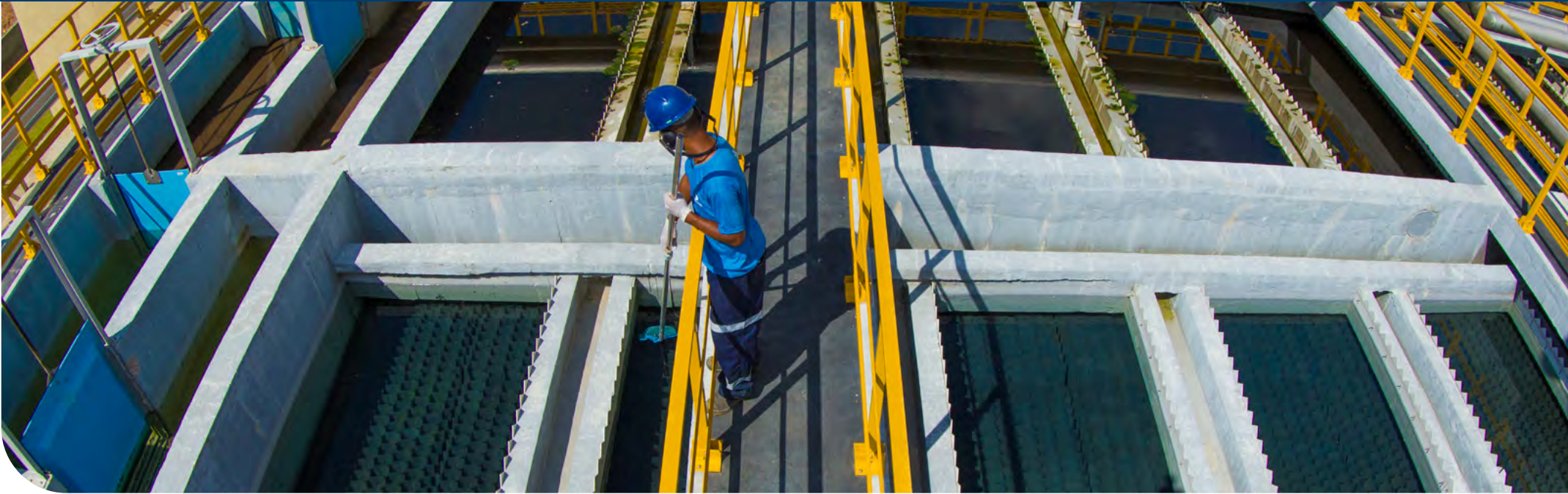
Accelerate the development agenda through sanitation (water and wastewater) and society's awareness of the water cycle.



Water security and climate change

Evaluate the water security of operations, contributing, through best practices, to the recovery of water bodies and their biodiversity.





WWTP Conselheiro Paulino

Quality, Safety, Health, Environment, and Sustainability Management

The Águas do Brasil Group's Quality, Health, Safety, Environment, and Sustainability Management Program is supported by the Integrated Management System (IMS), developed based on the requirements of the management standards of ISO 9001:2015 – Quality Management System, ISO 45001:2018 – Occupational Health and Safety Management System, and ISO 14001:2015 – Environmental Management System. The main objectives of the IMS are the deployment of the corporate strategy in the day-to-day activities of the utility companies, the management of processes, the guarantee of good governance practices, and the support to the utility companies in monitoring their compliance.

This structure provides guidance and guidelines for all the Group's utility companies, follows legal and regulatory parameters, and internalizes sectorial issues to establish support for the business in risk management. The relationship with stakeholders and its improvement are essential inputs to consider in structuring, formalizing, operating, analyzing, and improving the IMS and its work standards, incorporated from the data and information obtained through the various communication channels available. **102-43**

At the end of 2021, the IMS was implemented in 10 utility companies, and progress was also made in the corporate areas (Sustainability, Commercial, and Logistics Management). Another significant development was the contracting of external audits to evaluate the management

of control of legal requirements. This evaluation includes quality, safety, health, and environment in the five largest utility companies of the Group, which received a certificate of compliance with the ISO 14000 and ISO 45000 standards – internal audits are carried out annually in all business areas involved.

By 2022, the implementation of the IMS should reach 100% of the utility companies. The goal is to obtain ISO 14001:2015 certification in all operations by 2024 (excluding Cedae's Block 3, which is being structured).

A large, dynamic splash of water in shades of blue, with many droplets and ripples, set against a dark blue background with abstract shapes.

Integrity and **transparency**



Grupo
Águas do Brasil

Follow the best governance, business integrity, and transparency practices.

Governance 102-22

The Group's governance structure is defined by the Bylaws and the Internal Regulations of the Board of Directors of the holding company, documents publicly available on the institutional website. The holding company's management is composed of a Board of Directors and a Board of Executive Officers. The Board of Directors has three statutory advisory committees, whose members are members of the Board of Directors and support the Board in its decision-making: Strategic Finance Committee, Legal and Integrity Committee, and People and Social Responsibility Committee. 102-18

According to the Bylaws, the directors, including the president, are elected and removable, at any time, by the Shareholders' Meeting, with a unified term of office of one year, reelection being allowed. The directors must have an unblemished reputation and meet the other legal requirements, observing the provisions of the company's Integrity Program. The directors and officers are chosen among well-known market professionals with a distinguished reputation. The chairman of the Board of Directors is not an officer of the Group. 102-23 | 102-24

It is incumbent upon the Board of Directors, as per the Bylaws, to establish the general direction of the business, elect, dismiss, and supervise the management of the officers and call the Shareholders' Meeting, among other duties related to financial and governance aspects. These duties also include establishing and updating the Group's companies' social and environmental responsibility policy. Additionally, the statutory committees also advise the Board on economic, social, and people management matters. The Board of Executive Officers undergoes an annual evaluation and has pre-set goals specifically for each of the areas/positions for profit-sharing purposes. 102-26 | 102-28

Following the precepts brought by the new ESG Strategy, the Company will review the Bylaws, Internal Regulations, and internal policies in 2022. The purpose is to adapt to best governance practices, including express rules for appointing and evaluating senior management positions. Although some existing goals (economic, environmental, and social) already include ESG aspects, they will be reviewed in 2022 to intensify the organization's commitment to this matter.

MEMBERS OF THE BOARD OF DIRECTORS

João Pedro Backheuser (**chairman**) – **architect**

Carlos Henrique da Cruz Lima (**director**) – **civil engineer**

Genilson Silva Melo (**director**) – **administrator**

Ricardo Bacellar Wuerkert (**independent director**) – **engineer**

Francisco Ubiratan de Sousa (**director**) – **accountant**

Silvia Cortes de Lacerda Ribeiro (**director**) – **lawyer**

Strategic Finance Committee: João Pedro Backheuser, Genilson Silva Melo, and Francisco Ubiratan de Sousa (directors), with technical advice from Bernardo Machado Alves Gonçalves and Carlos Werner Benzecry (officers).

Legal and Integrity Committee: Francisco Ubiratan de Sousa, Silvia Cortes de Lacerda Ribeiro (directors), and João Carlos Backheuser Mambrini (lawyer – indirect shareholder), with technical advice from Maria Fernanda Goston Tisi Ferraz (legal manager).

People and Social Responsibility Committee: João Pedro Backheuser, Ricardo Bacellar Wuerkert (directors,) and Anna Maria Lessa Backheuser (indirect shareholder), with technical advice from Luciana Barbosa Ramos Reis and Marcelo Augusto Raposo da Mota (officers).

Executive Board: Claudio Bechara Abduche (CEO), Marcelo Augusto Raposo da Mota (Administrative-Financial Officer), Leonardo das Chagas Righetto (Operations Officer), and Jayme Filgueiras Aguiar (Engineering Officer).

GOVERNANCE ADVANCES IN 2021

- ✔ New Board of Directors, with the admission of two new directors, one independent director, and a lawyer who specialized in governance and compliance.
- ✔ At the end of the year, the Board consisted of five male members (83%) and one female member (17%), four members over the age of 50 (67%), and two members between the ages of 30 and 50 (33%). A new chairman was elected. **405-1**
- ✔ Board meetings are now held bi-monthly, with a scheduled agenda.
- ✔ The committees were restructured, and all are made up of directors. This brought greater formalization of governance structures, strengthening the Board's action.
- ✔ Increased transparency and availability of information to the market.
- ✔ To recognize the role of the executives in the management of the utility companies, the superintendents are now accountable as officers, reinforcing their duties in the local conduct of business and their institutional representation before the municipalities and regulatory agencies.
- ✔ In line with the vision of continuity and future growth, the Group's holding company acquired Queiroz Galvão Desenvolvimento de Negócios' equity interest (12.30%) in December 2021. Thus, the company ended the year with Developer S.A. (80.84%) and New Water Participações (19.16%) as shareholders. **102-10**

Management of the utility companies

The refinement of governance, compliance and management structures is an ongoing process in the organization and is part of the basis of its corporate license to operate. The Group's main strategic decisions are taken collectively at the highest level of its management, based on the planning approved by the Board of Directors. Once the strategic decisions have been made, the corporate boards are responsible for implementing them with the utilities.

Compliance and risk management

| 102-15, 103-2, 103-3, 205-1 | 419

With a solid track record in managing operational, administrative-financial, legal, and compliance risks and managing quality, health, safety, and environmental risks, the Group seeks to unify risk management structures to improve the system.

Annually, the company prepares a risk matrix to assess and create compliance risk mitigation mechanisms, which include 12 concessions², also subject to the area's processes and procedures. Specific policies are created for each risk identified, such as those related to contracting third parties and forming a commercial partnership.

The company was the first private sanitation company in Brazil to obtain certification in accordance with the ABNT NBR ISO 37001:2017 – Anti-Bribery Management Systems and certification of ISO 19600:2014 – Compliance Management System. There were no significant administrative or judicial sanctions for non-compliance with laws and regulations in the socioeconomic area in the three-year period 2019 to 2021. **419-1**

In 2021, in line with the requirements and good practices of transparency and integrity of the market, Grupo Águas do Brasil completed the second wave of the Risk Management and Internal Controls (GRCI) project. The project aims to develop routines that allow the correct and timely identification of risks inherent to corporate processes and the deliberation of necessary corrective actions. Among the risks assessed are those of an environmental, financial, legal, and operational nature, in addition to compliance and strategic risks.

The implementation of the model, which continues with the third wave in 2022, is aligned with strategic programs and, mainly, with the strategic guidelines for efficient and sustainable growth, in the dissemination of the risk management culture. Independent and linked to the

² Does not include Zona Oeste Mais Saneamento.

Compliance Committee, the model meets the technical requirements of ISO Standard 31000 – Risk Management and responds to the best market practices described by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It also follows the three lines of defense established in the Institute of International Auditors (IIA) model, revised in 2020.

GRCI's main responsibilities include:

- disseminate the risk management and internal controls culture and train facilitators;
- implement the model based on the best market practices;
- continuous monitoring of internal controls and established improvement action plans.



More information on quality, health, safety, and environmental risk management can be found in [Environmental impact](#).

General Data Protection Law

103-2 | 103-3 | 418

To implement the project for compliance with the General Data Protection Law (LGPD), since 2019, the Group has relied on external consultancy, which has assisted in the review of internal processes, mapping of activities with personal data, and paths taken concerning the collection, processing, and use of this data, and the mitigation of any risks found.

There was also the creation of a Privacy Office and the appointment of a Data Protection Officer to address information security and legal aspects. This hub is the external and internal communication channel with controllers, data

subjects, and the National Data Protection Agency. Internal policies and procedures related to data protection have been created and widely disseminated throughout the organization. In addition, to promote the culture of privacy and data protection, strategic corporate and concession operators' ambassadors were appointed and underwent specific training to become spokespersons for the project and pay attention to new initiatives that may involve personal data. Furthermore, new employees will be introduced to the topic in their first contact with the company through a specific lecture on their integration day.

As for external measures, the commitment to the public was reinforced through the implementation of an External Privacy Policy – available on digital customer relationship channels – and a specific and detailed questionnaire submitted to providers prior to contracting. The company addresses compliance with the LGPD internally and with all its players. In 2021, the company received no complaints from external parties or regulatory agencies regarding the breach of customer privacy, leaks, theft, or loss of customer data. **418-1**

Ethics and institutional relations 102-16

The values, principles, standards, and behaviors of Grupo Águas do Brasil are guided by its Code of Ethical Conduct, which controls and regulates the performance of all employees (effective, temporary, interns, officers, and members of the Board of Directors), and all subsidiaries, controlled companies, affiliates, and concession operators, including third parties with which commercial relations are maintained. The Code, published in Portuguese, is available on the Conexão Ética website and the Group's intranet and expressly forbids situations that may constitute a conflict of interest. **102-25**

- Created in 2008, the Code of Ethical Conduct undergoes

continuous improvement. All employees receive a copy of the Code and sign a commitment affirming they know the content and rules they must follow. In 2015, Águas do Brasil Group implemented the Conexão Ética program, which includes a risk matrix and an outsourced reporting channel. Our Internal policies encompass anti-bribery, gifts, presents, hospitality, conflicts of interest, antitrust, relations with third parties, donations and sponsorship, and information security topics.

- Administrative employees have access to an e-learning tool for training on the policies of the Conexão Ética program. The tool provides access to a summary of the Code and internal compliance policies, including evaluating the effectiveness of the training to evidence the employee knowledge of the available content.

- Working toward communicating ethical conduct, the Group appointed employees to support the dissemination of compliance actions. Together with the internal auditors, such employees form the Group's team of Ethics Ambassadors.

- The Third-Party Code of Conduct, prepared in 2018, represents the commitment to promote sustainable relationships to ensure that business partners maintain ethical standards, adhering to the Group's social and environmental responsibilities. Partner companies become aware of the Third-Party Code of Conduct when they accept the Group's supplier platform.

Reporting channel³ 102-17

In 2021, 56 complaints were received in the ethics channel. Of this total, 18 complaints (32%) were considered valid, 16 complaints (29%) were considered groundless, and 1 complaint (2%) was considered partially valid. The other complaints were either inapplicable to the channel or were under investigation as of December 31, 2021. Among the complaints, 49 (87%) were made via the website, 6 (11%) were made via telephone, and 1 (2%) was received via the application.

Fight against corruption 103-2, 103-3 | 205

Within the continuous improvement of the anti-corruption practice, in 2019, the Group's Compliance

and Anti-Bribery Management System obtained certification under the ABNT NBR ISO 37001:2017 – Anti-bribery management systems – Requirements, which contains guidelines for use and a declaration of conformity concerning ISO 19600:2014 – Compliance management system – Guidelines. For the risk related to the contracting of third parties and the formation of commercial partnerships, the Group established specific policies and a due diligence procedure for suppliers and partners with two-step verification.

All new employees are trained by the Compliance area upon admission and take a content absorption test, for which the minimum score is 70%. In 2021, the Group trained 561 employees (20%) in anti-corruption, 363 from the administrative area and 198 from the Group's utility companies. Anti-corruption policies and procedures are

communicated to 100% of employees through the Code of Ethical Conduct, and 99.78% of new suppliers adhere to the Third-Party Code of Conduct upon their approval. All employees (100%) receive, at least once a month, communications about the Compliance area and the best practices on the subject. No cases of corruption were recorded in the organization during the year. **205-2 | 205-3**

In January 2022, Águas do Brasil Group joined the Ethos Institute's Business Pact for Integrity and Against Corruption. The pact is a voluntary commitment by private and public companies to promote a more upright and ethical market and reduce different corruption practices. **102-12**



Reporting channel

Complaints and reports are received through the ethics channel at 0800 601 6904 and www.con-tatoseguro.com.br. Suggestions can be forwarded to the email compliance@grupoaguasdobrasil.com.br.

The Águas do Brasil Group's reporting channel receives anonymous or non-anonymous complaints made by employees, customers, partners, and the community about any illicit act, behavior, or procedure that needs adjustment.

Upon receiving the report, the case is forwarded to the Group's Compliance Committee, which initiates the analysis to deal with each case. Complaints are dealt with on a confidential basis.

The company does not tolerate any retaliation against the employee who has made a complaint in good faith. All those who engage in acts of retaliation will be subject to the same sanctions that apply to those who commit violations.

Measures are taken in cases where misconduct is determined. All complaints are answered, regardless of the conclusions in each case.

³ Does not include Zona Oeste Mais Saneamento.

Sector performance 102-13

Active participation in the sanitation sector's agenda is part of Águas do Brasil Group's Strategic Planning. This is a constructive interaction with the leading civil society entities that operate in themes related to basic sanitation, enriching the debate on key topics for the sector and promoting the exchange of experiences.

The company maintains its ethical stance with public authorities, both in terms of concession contracts and regarding regulatory bodies. The search for contractual balance in concessions is carried out by taking into account regulatory guidelines, the interests of customers, the granting authority, and the company's shareholders. In the regulatory aspect, the main counterparts are the National Water Agency, the State Environmental Institute of the State of Rio de Janeiro, the Environmental Company of the State of São Paulo, the Minas Gerais Institute for

Water Management, and the National Information System on Sanitation. The Group does not receive financial support from governments. **201-4**

With relevant participation in the Association and the National Union of Private Utility Companies of Water and Wastewater Services (Abcon/Sindcon), the company was present in the entity's interaction with the government to define the New Legal Framework for Basic Sanitation. In 2021, seven cases of the Group were highlighted in the eighth edition of the Panorama da Participação Privada no Saneamento (Overview of Private Participation in Sanitation), a publication of the Abcon/Sindcon system.

At the Brazilian Association of Sanitary and Environmental Engineering (Abes), promoter of the National Sanitation Quality Award (PNQS), the company is part of the National Quality Committee, the Thematic Technical Chamber of Performance Indicators for Environmental Sanitation, and,

in 2021, participated in the Technical Nucleus to review the evaluation criteria of the Excellence Model in Environmental Sanitation Management. In addition to the trophies received in the PNQS Best in Environmental Sanitation Management (AMEGSA) category, the Group had two cases selected in the Environmental Sanitation Management Innovation (IGS) and Environmental Sanitation Operational Efficiency Award (PEOS) categories.

The company also collaborates with study commissions fostered by the Brazilian Association of Technical Standards (ABNT) to prepare Brazilian standards. In addition, it is a member of the Environment Business Council of the Federation of Industries of the State of Rio de Janeiro (Firjan) and the Working Groups of Air Emissions and Environmental Licensing. With active participation in all Watersheds Committees of its utility companies, the Group also participates in the State Council of Water Resources of the State of Rio de Janeiro.

Headquarters





Fostering universal **access to sanitation**



Grupo
Águas do Brasil

Increasingly deliver solutions and development to the whole society through the distribution of quality water and wastewater collection and treatment.

Universal basic sanitation 102-15

With the entry into force of the New Legal Framework for Basic Sanitation (Law 14,026/2020), the federal government's goal is to achieve universalization of services by 2033, when 99% of the Brazilian population should have access to drinking water and 90% to wastewater treatment and collection. The New Framework also provides for the implementation of actions to reduce water waste, the end of program contracts signed with state companies without bidding, opening space for the participation of private companies, and the possibility of losing the concession of services in cases of non-compliance with the established targets.

In July 2021, the Jaú (SP) utility achieved universal sanitation in the municipality, joining a very restricted group of Brazilian cities with 100% treated water distribution and wastewater collection, sedimentation, and treatment. The utility company has already invested approximately BRL 65 million in the city's water and wastewater systems since the beginning of the concession. According to information from the National Sanitation Information System (SNIS), by 2019, only seven of the 5,570 Brazilian municipalities had achieved universal access to water and wastewater systems.

In seven years of the Group's activities in Pará de Minas (MG), the city came out of a water scarcity scenario and became a reference in the country. During this period, with more than BRL 100 million invested, the company

transformed the basic sanitation scenario: 100% of the population receives quality treated water, and 99.4% has wastewater collection and treatment. The city ranked 5th in terms of Brazilian municipalities with drinking water and basic sanitation in the 2021 ranking of the 17 Sustainable Development Goals (SDGs) of the United Nations (UN), prepared by the Center for Public Leadership (CLP).

With more than BRL 83 million invested since 2012, when it took over the municipality's water and wastewater services, the utility company in Votorantim (SP) has reached universal water distribution. Furthermore, it is close to achieving universal wastewater collection, sedimentation, and treatment. To supply 100% of the population, substantial investments were made to modernize the water treatment plants, replace the main water mains, expand and improve the distribution networks, and implement the Operational Control Center. In 2012, 62% of wastewater was collected and treated. Today, the utility collects, sediments and treats 99.37% of the city's wastewater.

When Águas de Niterói took over the basic sanitation services in the municipality in 1999, water only reached 72% of the population. Today, with investments exceeding BRL 1.3 billion, the utility company has started supplying 100% of the population with the same volume of water and 95.5% with wastewater collection and treatment, moving towards universal basic sanitation.



Jaú (SP) Utility reached universal sanitation in the municipality in July 2021.



With more than 1.3 billion in investments, Águas de Niterói supplies 100% of the city's population.

Social impact

103-2, 103-3 | 408, 409, 411

Access to water supply and wastewater collection and treatment services is a citizen's right, which gives them dignity and adequate health conditions. The services provided by the company are essential to the population, a right assured by the Federal Constitution and one of the millennium goals established by the United Nations. Respect for all those served by guaranteeing their rights as consumers and citizens allows us to contribute to society.

More than 100 diseases linked to the lack of basic sanitation generate increased cases of infant and adult mortality, increased hospitalizations, and put communities at risk. The health impacts are reflected in education and income generation by increasing absenteeism among school-age children and youth, as well as workers. Areas without sanitation also suffer from real estate devaluation, impacting economic development.

The implementation of the water supply service in Paraty was fundamental for reducing diseases among the population. The rate of waterborne diseases in the city plummeted, reaching almost zero in 2019.

Social responsibility is a premise of the Group's operations to build relationships with local communities and leave a development legacy

for the municipalities served. To this end, in addition to striving for excellence in the levels of service provided, it seeks to maintain a close and transparent relationship with society, seeking opportunities to contribute to local development not only through its operations but also through social and environmental education actions. All utility companies (100% of operations) carry out engagement actions and programs aimed at the local community (see [Social and environmental actions](#) for more information).

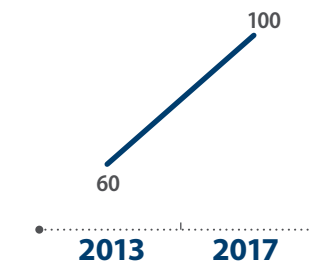
In 2021, the company's main actions were geared toward tackling the Covid-19 pandemic. The Crisis Committee was implemented to propose sanitary measures for employees and customers. Externally, the Niterói (RJ) utility company participated in a scientific study under an agreement signed between the city of Niterói and the Oswaldo Cruz Foundation (Fiocruz) to quantify the inert viral load of SARS-Cov-2 in the municipality's wastewater networks. The follow-up helped the Health Department to monitor the advance of the virus in several regions of the city.

Aware of human rights issues, the Águas do Brasil Group does not allow in its operations the hiring of child labor, young people exposed to hazardous work, forced or slave-like work, and monitors these risks in its supply chain. It also has never identified, in the operations, situations of violations of indigenous peoples' rights. **408-1 | 409-1 | 411-1**

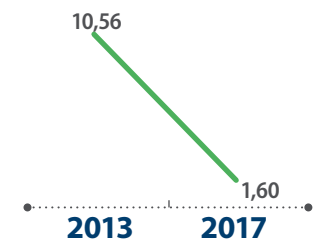


HEALTH SITUATION IN PARATY-RJ COMPARISON 2013-2017

Urban water supply index (%)
National System of Information
on Sanitation (SNIS) 2011-2018

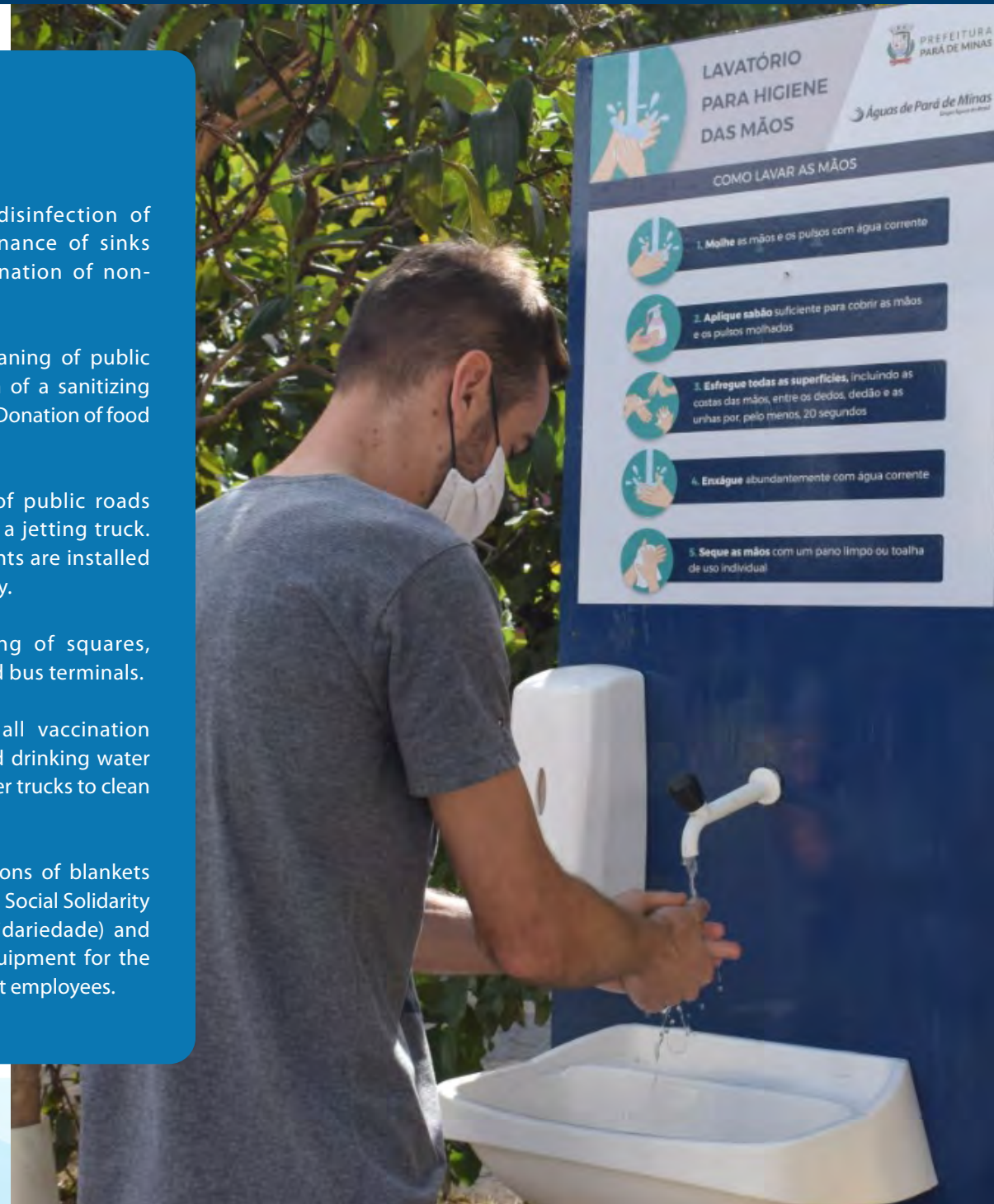


Infant Mortality
(deaths per thousand live births)



Donations and actions to fight Covid-19

- **Araçoiaba da Serra (SP):** cleaning of central public spaces with a large circulation of people and neighborhoods that had a higher rate of contamination.
- **Araruama, Saquarema e Silva Jardim (RJ):** donation of more than 28 thousand basic food baskets (425 thousand kilos of food) to families in social vulnerability.
- **Campos dos Goytacazes (RJ):** delivery of more than 1,092 basic food baskets to the municipal government and more than 600 kilos of food to charities. Assistance in the renovation of public restrooms.
- **Jaú (SP):** donation of 1,000 basic food baskets to the municipal government's social department for distribution to needy families.
- **Niterói (RJ):** donation of 1,000 basic food baskets to the Niterói Solidária campaign and to families in the region. Group employees also donated more than 350 basic food baskets to vulnerable people.
- **Pará de Minas (MG):** disinfection of areas of the city, maintenance of sinks for handwashing, and donation of non-perishable food.
- **Paraíba do Sul (RJ):** cleaning of public places with the application of a sanitizing solution using a water truck. Donation of food to charities.
- **Paraty (RJ):** sanitation of public roads and high-traffic areas with a jetting truck. Hand and arm hygiene points are installed at strategic points in the city.
- **Petrópolis (RJ):** cleaning of squares, hospitals, health clinics, and bus terminals.
- **Resende (RJ):** support all vaccination drive-thrus with refrigerated drinking water fountains and the use of water trucks to clean public places.
- **Votorantim (SP):** donations of blankets and basic food baskets to the Social Solidarity Fund (Fundo Social de Solidariedade) and 166 personal protective equipment for the Municipal Health Department employees.



Operation and growth 103-2, 103-3 | 203

Operational excellence, based on the capacity to execute and deliver water and sanitation services, is an aspect that characterizes the company’s trajectory. Facing the pandemic scenario, established in 2020 and continued through 2021, the company maintained its guidelines. It sustained the quality standard of its operations even when pressed by the challenges presented in the period.

The policies and guidelines for investments go beyond the goals established in the concession contracts in effect, always aligned to generate value for the company and society. In the 2019-2021 period, the Group invested more than BRL 800 million in its utility companies, mainly aimed at the well-being of the population served by expanding the distribution of treated water and the collection and treatment of wastewater in the cities in which it operates. In 2021, the Group invested BRL 332 million⁴ in the operation of its utility companies, an amount of BRL 133 million more than in 2020. This increase reflects the resumption of investments after a year of many challenges brought on by the pandemic to ensure the continuity and quality of the services provided to the population, as well as the fulfillment of contractual goals and responsibilities.

203-1

In December 2020, the Group won the bidding process for the full water and wastewater concession in the municipality of Paraíba do Sul, in Rio de Janeiro. In less than a year, the utility company reached a 99% rate of treated water distributed and reduced distribution losses (see [Our utility companies](#) for more information).

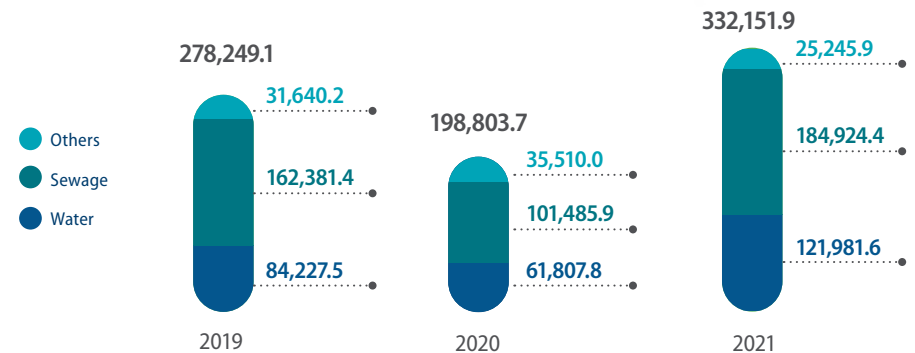
In December 2021, the company won the auction for the second phase of the basic sanitation concession of the Rio de Janeiro State Water and Sanitation Utility (Cedae), with a bid of BRL 2.2 billion. The concession, referred to as Rio+ Saneamento, has synergy with the Group’s activities, which serve municipalities bordering its existing operations and provide services to a significant region of the city of Rio de Janeiro, where it already operates through Zona Oeste Mais Saneamento.

⁴ Considering 50% interest in Zona Oeste Mais Saneamento, and 60% interest in the Águas de Votorantim utility company.



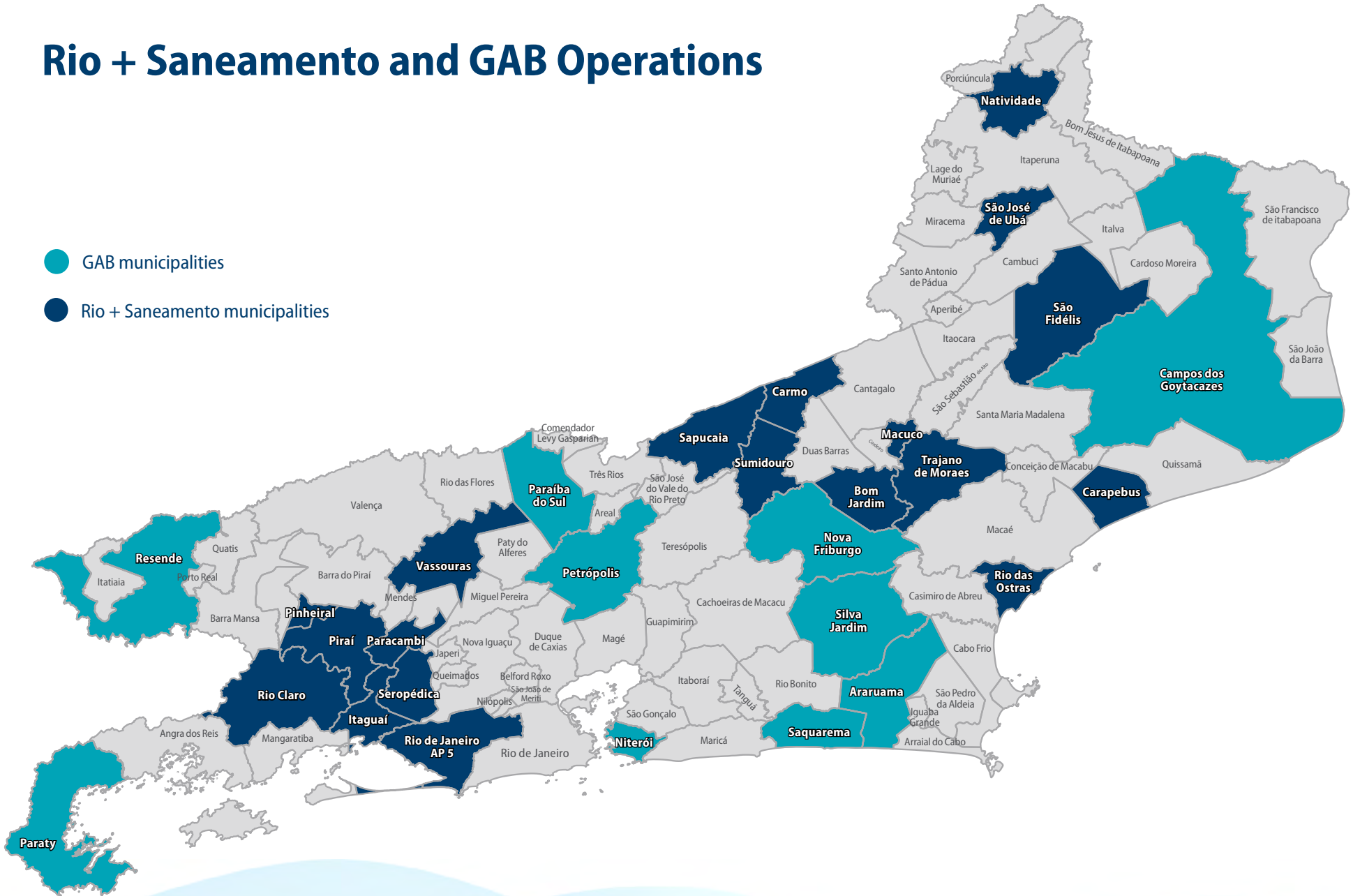
WWTP Conselheiro Paulino

INVESTMENT IN UTILITY COMPANIES (\$ THOUSANDS)



Rio + Saneamento and GAB Operations

- GAB municipalities
- Rio + Saneamento municipalities





With the customer's vision at the center of its strategy, the Águas do Brasil Group advances in the quality of services.

Customer service

The Águas do Brasil Group operates with the customer's vision at the center of its strategy to build a solid relationship between company and consumer, seeking to offer a positive experience and meet their demands. This supports customer satisfaction and compliance, generating business value. This focus was enhanced in 2021 with new digital relationship channels and payment methods that are more assertive, agile, secure, and bring greater customer comfort.

New payment methods were implemented in 2021, in line with market availability and customer expectations: PicPay, Pix, active enrollment in automatic debit, and an agreement with Sicoob, aiming to expand the list of collection agents.

- ✔ ***The digital customer relationship channels – WhatsApp, the Cliente Águas application, and interactive chat – accounted for 71% of the total number of complaints received.***
- ✔ ***The proportion of cases handled without the need for human intervention (e-service retention and automation) increased during the year, from 12% in 2020 to 21% in 2021.***

GABi



A pioneering artificial intelligence tool supports the company's internal processes with innovation and technology in the service of digital channels. GABi Virtual Attendant is a Robotic Process Automation (RPA) that handles the automation of processes, monitoring activities, algorithms, and simulators that generate customized solutions for each customer. The program case was highlighted in the PNQS Environmental Sanitation Management Innovation category in 2021. The results offered by the tool include the generation of more agile and assertive information, personalized customer experience, optimization of 4,097 hours with automation, mitigation of 32% of mapped risks, assurance of 16% of revenue, and 1.8% reduction in the default rate.

Focus on timely payments

The special and reduced tariffs (social tariffs) benefit thousands of families and communities that fit the defined criteria. The Group also carries out business actions to maintain an open, direct, and close contact with the communities, considering their needs and promoting timely payment. Special installment payment conditions and exemption from interest and late payment fines are offered by the utility companies in actions and events that promote proximity with the population and the updating of customer records. Campaigns such as Saldão de Dívidas, Black Friday, and Conta em Dia are designed to make negotiations more flexible and maintain compliance.

Recupera is an expert system that executes and monitors the necessary collection actions. Its main objectives to direct and execute the actions of the collection ruler in an automated way, based on the best strategy to reduce accounts receivable and increase collection, in addition to generating performance reports on these actions.

In 2021, the company's collection management increased the negotiated volume by 34%, the equivalent of 545,000 additional negotiations per month. Four campaigns with flexible negotiation conditions offered ease of payment to customers and recovered, until November 2021, BRL 20.7 million.

Customer satisfaction

Customer satisfaction is measured on an ongoing basis to assess opportunities for improvement and to strengthen the relationship. When being served in any channel,

customers are encouraged to respond to a survey that records whether the request was answered and their satisfaction with the service provided by the attendant and with the provision of the service.

In addition to the survey, there are processes for monitoring the assistance provided and feedback from the areas to increase satisfaction, with continuous improvement of processes and enhancement of the experience. Occasional demands related to the services of the utility companies are proactively addressed by the relationship area, which informs the customers. In 2021, the systemic functionality

was improved to include information on preventive and corrective maintenance and supply problems.

In Zona Oeste Mais Saneamento, the percentage of positive customer evaluation for the year 2021 was 77%.

In 2021, 83% of the services provided received a positive evaluation.



Communication and engagement

102-40 | 102-43 | 102-44

Establishing a relationship of trust and proximity with society, especially the population it serves, is essential to the Águas do Brasil Group. The main objective is to offer transparency and solve issues quickly, providing a personalized service capable of accelerating the response to requests, both in face-to-face and digital relationships.

The main stakeholders identified are customers, employees, suppliers, granting authorities, regulators, investors and shareholders, top management, and non-governmental organizations (NGOs). Engagement with stakeholders is carried out mainly through service channels, internal and external media, satisfaction surveys, organizational climate surveys, the Conexão Ética program, intranet, and codes of Ethical Conduct and Third-Party Conduct, as well as in meetings held with different institutional audiences. To prepare this report, a materiality matrix was also prepared (see [About this report](#)) for more information.

2021 Interactions

74 marketing/
endomarketing
campaigns

3,746 citations in
the press

591 marketing
e-mails sent

248 articles
published on
the institutional
website

Social networks in 2021



100% of employees on the intranet
6,797 likes and 472 comments



<http://www.linkedin.com/company/grupo-aguas-do-brasil>



<https://www.instagram.com/grupoaguasdobrasil/>



<https://www.facebook.com/grupoaguasdobrasiloficial/>

Relationship channels

- 0800 phone numbers
- Águas Customer Application
- WhatsApp Business
- [Group Website](#)
- Chat (site and application)
- Facebook, Instagram, and LinkedIn
- Compliance Program
- [Contact us](#)
- In-person assistance

Internal Media

- Conexão Águas Digital
- E-mail marketing
- Indoor TV
- Posters
- Banners
- Conexão Águas Informa (printed)
- Wallpaper
- Águas Comunica (Teams channel)

External Media

- Website
- SMS
- E-mail marketing
- Mailing
- Newspapers
- Magazines
- Online Portals
- Folders
- Account space
- TV
- Radio
- Banners in stores
- Outdoors
- Sound Cars
- WhatsApp

A large, dynamic splash of water in shades of blue, forming a circular shape on the left side of the page. The water droplets are captured in mid-air, creating a sense of movement and freshness.

Water security **and climate** *change*



Grupo
Águas do Brasil

Evaluate the water security of operations, and contribute to mitigating the causes of climate change, through best practices, and the recovery of water bodies and their biodiversity.

Environmental impact

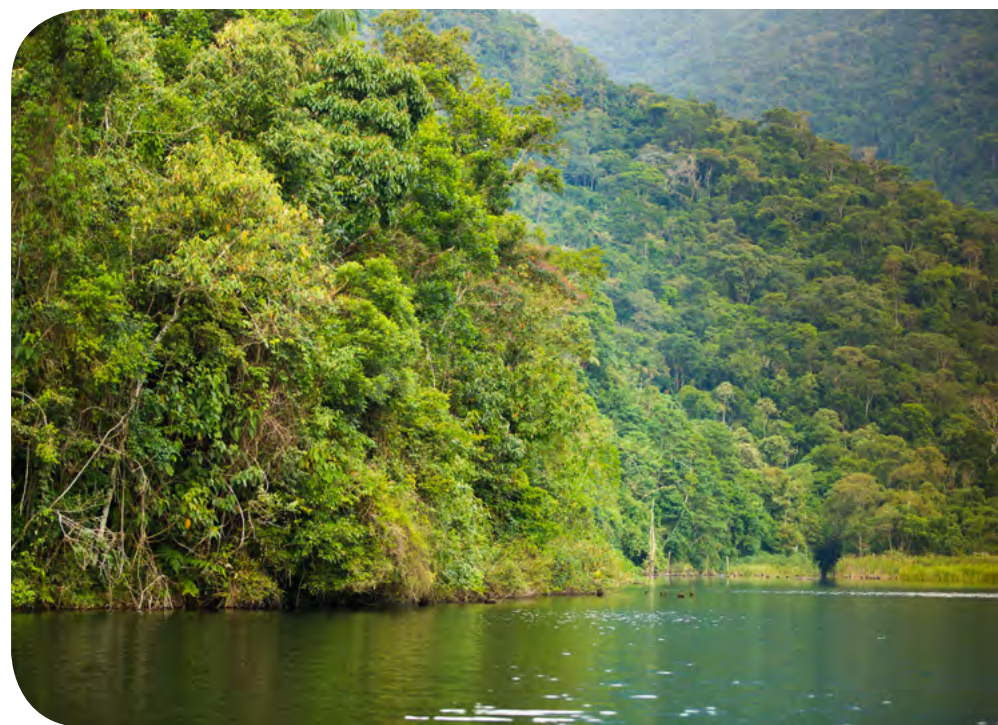
103-2, 103-3 | 307

The contribution of the utility companies to universal sanitation in the communities where they operate generates positive environmental impacts. Wastewater collection and treatment are key to reversing the degradation of water quality and biodiversity and to reducing greenhouse gases (GHG). Likewise, the more efficient use of water for public supply, one of the Group's focuses, reduces demand on water sources by increasing water availability, contributing to climate change mitigation.

In addition to contributing to the universal basic sanitation, the Group works with objectives and targets to mitigate possible negative environmental impacts. These objectives and targets include the reduction of water losses in the treatment and distribution process, the management and reuse of waste, and attention to climate change through projects involving the rationalization of energy consumption and the use of renewable energies. Renewable energy acquired in the free market has already avoided the emission of the equivalent of 22 thousand tons of CO₂ into the atmosphere. In 2021, the volume of water lost at the Group's utility companies plummeted by more than 6 million cubic meters.

With more sustainable actions and operations, which consider the preservation of springs, the efficient use of water, and respect for the surrounding communities, the company seeks to play its role in maintaining water security, which is fundamental to the business. Care for water sources is supported by contingency plans, high technology, and strict quality treatment processes aimed at preserving the resource's availability and managing the risk of contamination of springs, rivers, and reservoirs.

The treatment of adverse social and environmental impacts resulting from operations is carried out through the Survey of Environmental Aspects, Impacts, Hazards, and Risks (LAIPR) within the scope of Quality, Health, Safety, Environment, and Sustainability. The precautionary principle or approach is applied with the implementation of practices and procedures that help prevent environmental degradation, whether arising from business or related to adverse events. All concessionaires (100% of operations) perform environmental impact assessments and continuous monitoring. **102-11 | 413-1**



Debossan WTP watershed

Safety in Dams

The Group carries out in-depth dam safety protocols, which undergo regular inspections, following population and supply safety perspectives. The company was a pioneer in assessing the stability of dams at all its units, evolving into safety plans and results reported to the environmental agency and civil defense in a contact that strengthened ties with local communities.

The Environmental Strategy Project was planned in 2021 and will be implemented throughout 2022, within the environmental pillar of the ESG Strategy, with the definition of objectives, targets, and indicators in line with the company's operations. The project also aims to advance the value proposition for the relevant environmental issues identified, engage employees and stakeholders, and implement specific programs. The elaboration and structuring of the environmental strategic planning foresee the joint analysis of internal and external gaps concerning the main environmental issues, as well as the development of specific programs for each environmental theme considered relevant.

In 2021, the company recorded no significant fines and sanctions resulting from environmental non-compliance. See [Social and Environmental Actions](#) for more information on impact management. **307-1**

Emission Reduction

To reduce air emissions, the Águas do Brasil Group is analyzing new possibilities for more efficient wastewater treatment. An example is the implementation of the Maria Paula and Sapê (Niterói), and Esplanada and Lagoa do Vigário (Campos dos Goytacazes) wastewater treatment plants. Through hybrid vertical bioreactor technology, the process consumes the gases emitted in the treatment, reducing the emission of gases and odor to the community.

Management of environmental risks and impacts

**With hazard analysis and risk assessment (HARA) and Emergency Response Plans, activities are mapped and analyzed to identify possible emergency scenarios and operational and management control measures.*

**When identifying the absence of a control measure or some activity with insufficient control, adequacy action plans are established covering all activities to reduce risks.*

**Environmental guidelines are communicated to all stakeholders and shared among the utility companies for knowledge multiplication and process standardization.*

**The same management of control measures and risk reduction is adopted in implementing units and new business plans. Basic and executive projects are evaluated, and all control measures are implemented to minimize risks.*

Water and wastewater management **103-2, 103-3 | 303**

Water is a fundamental input in the operations of the Águas do Brasil Group, from its abstraction from a surface or underground source, treatment for public distribution, to the collection of wastewater and release of treated effluent into a receiving water body. The main positive impact of this use is the guarantee of basic sanitation for the population, a right foreseen in the Federal Constitution, providing the population with water that meets the quality standards (see [Water Quality](#)).

If not properly managed, the negative impacts of water use can be the reduction of the available natural resource, the change in water quality with the release of untreated effluents, and the quantitative change in water flow with the use of dams. To eliminate or reduce these impacts, the company encourages the reduction of water losses, toning down the demand for treatment (see [Efficient water cycle](#)) and investing in more efficient wastewater treatment technologies, with solid monitoring of the quality of the treated effluent. To this end, in 2021, 16,249 tons of chemicals were used by the Águas do Brasil Group in water and wastewater treatment. **103-2, 103-3 | 303**

As water is a shared resource, the Group acts directly in all Watersheds Committees in which the utility companies have a voice and participates in the State Council of Water Resources of Rio de Janeiro (CERHI-RJ).

WATER ABSTRACTION BY SOURCE (2021 - MEGALITERS)

303-3

Surface water	123,313
Groundwater	6,826
Third-Party Water	63,811
Total	193,950

Treated wastewater volume (2021)

303-4

103,881,454 m³

The National and State Water Resources Policies instituted by Federal Law 9,433/97 and State Law 3,339/99, respectively, allow for the billing of water resources as a water management instrument. Billing is the economic system of water resources policies. It aims to demonstrate to water users the monetary value of this natural resource and make them aware of its finiteness, encouraging its efficient use.

Águas do Brasil Group operates in states that are advanced in implementing water resources policy, in which billing has been introduced at the federal and state levels. The company honors the payment of water use charges, either through the abstraction of raw water or the release of treated effluents in springs subject to such charges.

The proceeds finance the programs and interventions contemplated in the water resources plans, including

sanitation. They are reinvested in the watershed they relate to, aiming to improve the quality and quantity of water for future uses. In 2021, the Group paid BRL 8,769,507.24 for the use of water resources from state watersheds, contributing to their improvement.

Waste management 103-2, 103-3 | 306

The Group manages all its solid waste according to the Solid Waste Management Plan (PGRS) developed internally. Thus, all utility companies have their PGRS prepared in accordance with the corporate document and a technical manager who manages the waste generated and disposed of monthly. The topic is managed with a focus on circularity, aiming to connect the waste generated with the production of other chains so that such waste can be more nobly used.

The most significant waste generated comes from the processes of capture, treatment, and discharge of effluents. Even if not considered hazardous in its characterization, the most critical waste is the sludge from water and wastewater treatment due to the large and persistent volume generated. Material inputs refer mainly to the chemicals and raw materials used in the treatment processes. The outputs comprise the result of the production and treatment processes, such as grating waste, sludge, sand, chemical product packaging, and all the administrative processes that support the Group's core business.

Innovation projects developed for waste management in partnership with Universidade Estadual do Norte Fluminense (UENF) and Universidade Federal Fluminense (UFF), include:

- composting of wastewater treatment plant sludge, previously sent to the landfill;
- agricultural use of sanitary sewage sludge-derived biochar;
- analysis of the ecotoxicity of compost obtained from wastewater treatment plant sludge, using effective microorganisms during the composting process;
- biotechnologies applied to the bioconversion of waste from water and sewage treatment plants for application in agriculture.

Agricultural fertilization

Nova Friburgo started to give a new destination to the sludge generated in the city's wastewater treatment plants. Since June 2021, part of the waste has been sent for composting and turned into fertilizer. The organic fertilizer resulting from the process will be used to recover degraded areas and to plant trees. In addition to being a cleaner and more environmentally friendly destination, the proposal presents a significant reduction in transport and disposal costs.

Brickmaking

To make the disposal more environmentally correct and less costly, the city of Juturnaíba incorporated the sludge into the brick manufacturing process. In the first month of disposal, the local ceramics company managed to produce more than 1 million pieces, saving 360 m³ (area of 720 m²) in a sanitary landfill. The use of sludge reduces the demand for clay, whose exploitation strongly impacts the environment. The project is also under development at other companies of the Group.

Waste by destination

(Tons)

Recycling	59.95
Incineration	36.45
Landfill	171,657.17
Class I Landfill	6.14
Re-refining	3.95
Blending for Co-processing	5.00
Composting	1,126.04
Incorporation	691.80
Others	44,148.17
Total	217,734.66

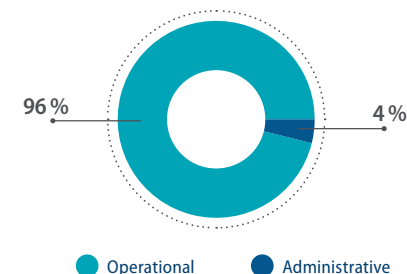
COLETIVA PROGRAM

306-3 | 306-4 | 306-5

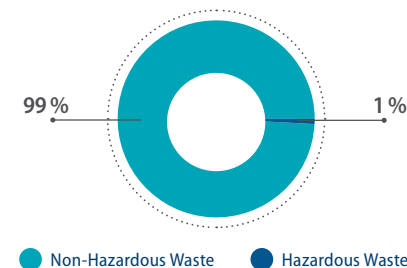
The Coletiva Program is responsible for the Group's waste management, which aims to mitigate the social and environmental impacts caused by the waste generated, with employees' awareness to reduce consumption, reuse materials, and properly dispose of waste, encouraging local social development. With monthly managed indicators, the program encompasses the measurement of the generated volume and controls the third parties contracted to transport and carry out the final disposal.

In 2021, management tools were improved, with the development of a management panel to control the waste generated and the costs and investments required for the topic. During the year, 217,734.66 tons of waste were generated and disposed of.

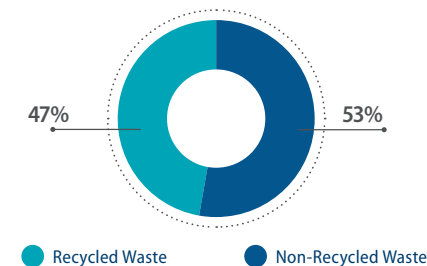
Waste Origin



Class of Waste Generated



Total Recyclable Waste*



*Civil Construction Waste (CCW) is not included.

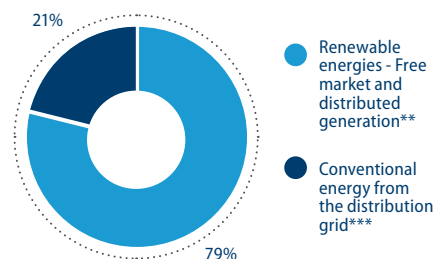
Energy management

103-2, 103-3 | 302

Since 2019, the Águas do Brasil Group has been investing in actions to increase the share of energy generated by renewable sources to operationalize its activities. Environmentally responsible for saving resources and emissions, these projects strengthen business efficiency since electricity is one of the main operating costs in companies in the sanitation sector. Energy generated by clean sources has already avoided the emission of 22,000 tons of CO₂ into the atmosphere (or 735,000 trees planted), and distributed generation has reduced 856 tons of CO₂ equivalent emitted into the atmosphere (or 28,494 trees planted). This energy is enough to supply 4,665 homes with an average consumption of 300 kWh/month for a year.

In addition to the energy supplied by regional operators, predominantly produced by hydroelectric plants, the Group entered into a 10-year contract to purchase clean energy on the free market in some regions. Also, within a distributed generation model, the Group has been leasing power plants through distributed generation contracts in partnerships with investors since 2019. Currently, it has a production capacity of 20,000 MWh/year, generated by various sources such as biogas (from landfills), photovoltaic, and hydropower, supplying clean energy for

Águas do Brasil Group energy consumption*



* Does not include Zona Oeste Mais Saneamento.

** Photovoltaic, biogas, hydroelectric power plant, and small hydropower plants (PCH).

*** The Brazilian energy matrix has an 84% share of renewable energies.

the operations of the low voltage units in the states of Rio de Janeiro and Minas Gerais. In 2021, the Group extended this initiative to operations in São Paulo, and as a result, there will be an increase in generation capacity to 23,500 MWh/year by the end of 2022, which will represent approximately 61% of the energy needed to meet the demands of the low voltage units of the entire Group.

Other projects that have a significant impact are the studies of the largest energy-consuming units responsible for a considerable portion of electrical energy consumption.

Total energy consumption within the organization (GJ)* 302-1

Type	2019	2020	2021	Δ% 2021 x 2020
Electricity	543,162	544,917	544,642	-0.1%
Non-renewable fuel (diesel – GMG)**	3,086	2,283	3,579	56.8%
Renewable fuel (biogas – injected energy)	1,031	20,475	28,283	38.1%
Total	547,279	567,675	576,504	1.6%

* The utility company Zona Oeste Mais Saneamento, not included in the table, consumed 31,419.34 GJ in 2021, of which 17,141.85 GJ came from renewable sources in the free energy market.

** Diesel used in generator sets.

Energy intensity* 302-3

	2019	2020	2021	Δ% 2021 x 2020
Total energy consumption in the organization (GJ)	547,279	567,675	576,504	1.6%
Volume of water produced (m ³)	197,880,860	198,319,390	200,256,321	1.0%
Energy intensity of water (GJ/m ³)	0.003	0.003	0.003	0.6%
Wastewater treated volume (m ³)	108,514,300	107,199,080	103,881,454	-3.1%
Wastewater energy intensity (GJ/m ³)	0.005	0.005	0.006	4.8%

* The utility company Zona Oeste Mais Saneamento, not included in the table, treated 24,764,834.27 m³ of wastewater with an energy intensity of 0.001 in 2021.

Automation projects for energy efficiency

Projects	Investment (BRL)
Pump efficiency	3,562,031.92
Automation in distribution	478,684.94
Automation in WTP – dosage and quality	86,725.60
Total	4,127,442.46

GHG management 103-2, 103-3 | 305

Since 2016, the Group has carried out an inventory of greenhouse gas (GHG) emissions from its wastewater treatment plants located in Rio de Janeiro. The inventory is made following the specifications of the Brazilian GHG Protocol Program, with the calculation of emissions produced through the GHG Protocol's calculation tool, and also in accordance with the ISO 14064:2007-1, which details and guides organizations for quantifying and reporting GHG emissions and removals.

Because of the pandemic, in 2020 and 2021, the company performed the inventories only of the five Rio de Janeiro units that fall into classes 4, 5, and 6 or have a license condition, in line with the provisions of the state resolution. In addition to the inventories, the documents and information reported were verified by a third-party company, which issued the Greenhouse Gas Emissions Inventory Verification Statement.

GHG emissions inventory*

Year	Units	tCO ₂ eq emissions				Biogenic tCO ₂		
		Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 3	Total
2019	5	3,225.511	289.235	3,210.541	6,725.29	8.38	30.19	38.57
2020	5	6,552.938	406.467	410.75	7,370.14	18.57	310.49	329.06

* The gases covered follow the Kyoto Protocol guidelines (CO₂, CH₄, N₂O, SF₆, PFCs, and NF₃). Scope 1 considers emissions directly related to the company's operations and activities (direct stationary combustion; direct mobile combustion; fugitive emissions; liquid effluents). In Scope 2, indirect emissions, considering the purchase, generation, and use of electricity. Scope 3, which assessment was exclusively carried out at WWTP Icaraí, in Neterói, in 2019 and 2020, covered emissions from transport of waste, freight, receipt of material, and commuting of employees from home to work. Does not include Zona Oeste Mais Saneamento.

By 2022, the scope of GHG and climate change management, part of the ESG Strategy, will cover the realization of GHG emissions inventories for all utility companies, fully covering the operational and administrative units for direct and indirect emissions (Scopes 1, 2 and 3) regarding 2021.

Attention to biodiversity

103-2, 103-3 | 304

The Group's efforts in favor of universal sanitation have an extremely positive impact on the protection of biodiversity, whether by reversing the degradation of water bodies and creating better conditions for the preservation of aquatic life or by protecting and reclaiming the forest cover of headwaters, springs, and wetlands on which many species of fauna and flora depend.

Furthermore, in its operations, the Group objectively analyzes the potential impact, albeit rare, of the main threats to biodiversity to propose alternatives for reconciling environmental protection and the provision of basic sanitation to the population. To this end, standard procedures are established for each situation.

Control of impacts on biodiversity

- In the construction of new plants and units, interventions are only carried out after authorization from the environmental agencies, with occasional compensation for the impacts through initiatives defined in the environmental licensing processes.
- The monitoring carried out in the effluent treatment and receiving bodies enable the frequent analysis of the discharges made to ensure that there are no significant changes or impacts on the quality of the water bodies.
- Emergency generators maintain operation if the power grid fails, and buffer tanks contain leaks to prevent the overflow of untreated wastewater into the environment. There are also awareness campaigns for the population to avoid the disposal of solid waste in the collection networks.

- The Group has a system for controlling black smoke emissions in automotive vehicles, machinery, and equipment owned, leased, or from third parties that use diesel as fuel and conducting periodic equipment inspections.
- Reservoirs and water dams are only implemented after studies, modeling, and approval by the responsible environmental agencies. Dams built for water catchment are monitored for safety and operational reliability, through the Dam Safety Plan and the Emergency Action Plans, according to the National Dam Safety Policy.

More life in Nova Friburgo

With the investments made by our Nova Friburgo utility company in sanitation in recent years and the actions developed for environmental preservation, the Bengalas River, the city's main postcard, came back to life. Recently, several animals such as otters, ducks, herons, and capybaras have been seen roaming along the riverbanks.

Habitat reclamation

Thanks to the Petrópolis Watershed Cleanup Plan, started by our utility company in 2000, those who pass by the banks of the city's rivers can see the return of carp, herons, ducks, and capybaras families. After the cleanup, with 85% of urban wastewater treated in the 26 wastewater treatment plants installed by the utility company, these animals returned to their natural habitat.

Reproduction of seahorses

With the sanitation expansion work in the cities surrounding the Araruama lagoon, there was a significant improvement in the quality of the water body in the region, which provided a favorable environment for the adaptation and reproduction of seahorses. The susceptibility of this species to sudden changes in water quality is therefore considered a bioindicator of environmental health. In addition, the area has regained its tourism, economic, and sports potential thanks to the improved water quality.



The improvement in the quality of the water body in the region has provided for the reproduction of seahorses

Social and environmental action

103-2,103-3 | 413

As an opportunity to work on all significant social and environmental aspects and impacts, the Águas do Brasil Group has developed the Olhar Ambiental program. The program aims at both employees and external stakeholders of the organization and, since its implementation, has already reached more than 178 thousand people.

In partnership with various sectors of society, the actions promote and support environmental education initiatives involving water supply and sanitary wastewater processes, environmental conservation practices, waste management, and universal basic sanitation.

The programs developed by Zona Oeste Mais Saneamento focus on informing, raising awareness, and gaining customer adherence to the implementation of the sanitary wastewater system. The Circuito Móvel project consists of models and banners with information on environmental awareness presented rovingly. The actions focus on serving all publics and are carried out in places of high circulation of people and squares. Promoted in partnership with a company that recycles materials to produce cleaning products, the Educação Socioambiental Olho Vivo project offers access to appropriate points for the disposal of cooking oil and promotes awareness lectures. Other social and environmental initiatives were suspended in 2020 and 2021 due to the pandemic and should be resumed in the next period.

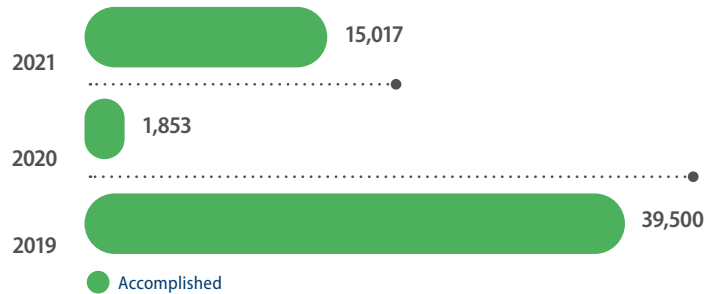


Águas na Escola Project



Olhar Ambiental Program

Audience served by the Olhar Ambiental program¹



Zona Oeste Mais Saneamento Social and Environmental Programs				
	2019	2020	2021	Total
People served	3,831	390	916	5,137



Trata Óleo

The Group's utility companies foster the Trata Óleo program, which aims at environmental education and correct waste disposal. Improper disposal of frying oil causes environmental degradation and hampers the operation of the sanitary wastewater system. Recycling centers aimed at the correct disposition of oil are made available at focal points in the cities and utility companies' units. Present in five utility companies, the initiative should be taken to other operating units in 2022.

7. In 2020, the activities were limited due to the Covid-19 pandemic, which reduced the number of people impacted by the program.

Revivendo Águas Claras

The Revivendo Águas Claras project received the Firjan Environmental Award in 2021. The project, created in 2014, has already reforested more than 10 hectares of forest on the banks of the springs of the São João river basin and the Juturnaíba Lagoon watersheds. This initiative resulted in the capture and neutralization of carbon promoted by the replanted green area; return of native fauna; increase in the volume of water in the region's water bodies; protection of the dam's banks; reduction of erosion; and, consequently, a decrease in the siltation of the Juturnaíba dam and its contributors.

Water in Schools

The project, carried out in Niterói, promotes recreational activities for children aged 6 to 12, in the public and private school facilities and in Parque das Águas, a forest preservation area of the Niterói municipal government that can hold these activities.

Amigos da Água

Cultural contest conceived in Nova Friburgo, in partnership with the Municipal Department of Education, the project marks the celebrations of World Water Day. In its 12th event in 2021, the contest awarded municipal students who participated with drawings, collages, and texts on the theme and recognized teachers for lesson plans and participating schools.





Efficient **water cycle**



Grupo
Águas do Brasil

Accelerate the development agenda through sanitation (water and wastewater) and society's awareness of the water cycle.

Operational efficiency and loss management

Operational efficiency is an essential aspect of achieving national universalization goals and global objectives for water access and preservation, with consequent mitigation of climate change. By reducing losses, it is possible to produce less water, which reduces energy consumption and the addition of chemicals, having less impact on the water sources.

The Água de Valor program seeks to increase the efficiency of water distribution systems, in addition to improving measurement and control to meet the population's water supply needs and guarantee this right to future generations. In less than three years, the Água de Valor program avoided an annual loss of 17.5 million m³, enough to supply a city of 260 thousand inhabitants, leaving our utility companies with losses lower than the country's average.

The results of Água de Valor were materialized in 2021 with the achievement of the 2020 Distribution Loss Rate (DLR) target. The volume of water lost at the Group's utility companies plummeted by more than 6 million cubic meters. The program was given due prominence in 2021 in the Environmental Sanitation Operational Efficiency Award, which is part of the National Sanitation Quality Award (PNQS).

Distribution Loss Rate (DLR)

Utility Company	Realized			
	2018	2019	2020	2021
Águas de Araçoiaba	28.8%	20.9%	18.2%	20.3%
Águas das Agulhas Negras	22.3%	26.5%	25.6%	24.8%
Águas da Condessa*	-	-	48.4%	31.6%
Águas do Imperador	22.3%	22.0%	24.5%	24.1%
Águas de Juturnaíba	30.9%	32.7%	31.3%	30.8%
Águas de Jahu	46.4%	42.5%	39.5%	36.9%
Águas de Niterói	31.9%	30.0%	27.2%	28.8%
Águas de Nova Friburgo	36.8%	31.4%	30.5%	26.7%
Águas do Paraíba	42.5%	49.1%	44.5%	43.4%
Águas de Pará de Minas	19.0%	19.5%	18.3%	20.6%
Águas de Paraty	50.0%	46.7%	44.7%	40.9%
Águas de Votorantim	20.7%	18.1%	18.6%	18.3%
Grupo Águas do Brasil**	33.5%	33.9%	31.5%	31.1%

* 2021 assumption.

** Disregarding volumes of Águas da Condessa between 2018 and 2020. Does not include Zona Oeste Mais Saneamento.

Petrópolis in the spotlight

While Brazil wastes, on average, 39.2% of all the drinking water distributed, enough to supply more than 63 million Brazilians in one year, Petrópolis has a low loss rate, with 24.1% of water losses in the 2021 distribution. In relation to the rate per connection, the city has a loss of 131 liters per day, well below the standard established by the New Legal Framework for Basic Sanitation of 216 liters. The numbers are from an unprecedented study by the Trata Brasil Institute, based on public data from the National Sanitation Information System (SNIS) for 2019. The city ranks 1st among Rio de Janeiro's municipalities and 7th nationally in relation to the loss rate. With the implementation of the Água de Valor Program in 2018, the utility intensified actions to combat and reduce losses. In 2019, the Hydraulic Modeling of the Petrópolis Water Supply System was updated and served as a guide for implementing Macrometers – an instrument capable of measuring large flows. These macrometers were placed in all Water Treatment Plants (WTPs) and at strategic points of the networks, creating the so-called Districts of Measurement and Control (DMCs). Thus, it is possible to establish the management of pressures and flows in areas of smaller coverage, making control easier.

Water quality 103-2, 103-3 | 416

The quality of treated water and wastewater is part of the population’s health assumptions, and for this reason, the Águas do Brasil Group acts with responsibility and excellence in its operations. The quality control processes are part of the monitoring of the Integrated Management System of the Quality, Health, Safety, Environment, and Sustainability Program (see [Quality, Safety, Health, Environment, and Sustainability Management](#)). Eighty-three (83%) of all water produced has a hypochlorite generation system that generates less operational and environmental risks than chlorine gas.

Two of the Group’s laboratories are accredited by the Environmental Institute of the State of Rio de Janeiro (INEA). In addition, the contracted laboratories are approved by Inmetro and have ABNT ISO/IEC 17025:2017 certification. The audit program at external quality analysis laboratories is conducted every two years, with a scope based on ISO/IEC 17025:2017, to ensure that all partners perform their activities according to the levels set in the standard.

The complaints received in the customer service system regarding water quality were duly addressed and did not generate non-compliance regarding impacts on the population’s health caused by the company’s services. **416-2**

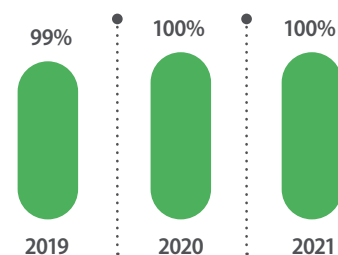
Quality Indicators 416-1

In 2021, 1,715,700 analyses were carried out for operational control and water quality and to comply with current legislation. The analyses for controlling water quality showed that the company was 100% compliant with the potability standards foreseen in the Ministry of Health basic parameters.

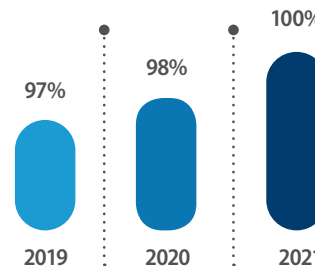
Regarding wastewater treatment, 851,066 analyses guaranteed the qualitative control of the plants, and 100% of the treated volume reached the legal standard of efficiency in the removal of Biochemical Oxygen Demand (BOD) stipulated by the pertinent legislation.

The Group publishes monthly on its website the results of the water analysis of each distribution system and, annually, delivers to customers the annual water quality report, which aggregates information on the source, processes, and water distribution.

% of Distributed Water Compliance



% BOD Compliance



* In 2021, the quality target for Biochemical Oxygen Demand (BOD) in the effluents was 98%, reaching 100% compliance and continuing to evolve over the years.

Leadership in Rio de Janeiro

The top three cities in the state of Rio de Janeiro in the 2022 ranking of Instituto Trata Brasil have sanitation concessions operated by Águas do Brasil Group. Niterói remains in first place statewide among the 100 largest Brazilian cities, followed by Petrópolis and Campos dos Goytacazes. The ranking shows the challenges the country still faces in fulfilling national and international treated water, sewage collection, and treatment commitments.

Innovation

With investments directed to innovation and continuous improvement for more than 15 years, Águas do Brasil Group believes that innovation goes beyond the development of new technologies. It needs to be in line with the transformations in water and sanitation services and the demands of the market, customers, and the global scenario, which may change and qualify the business.



The company stood out in the Top 5 Sanitation of the Ranking 100 Open Startups 2021 due to open innovation projects developed with three startups. Held for the sixth year, this event of the ranking attracted more than 3,334 corporations and 2,344 startups, rewarding corporations in 25 market sectors. The company focuses on innovation with potential growth companies, universities, startups, and research centers, challenging the ecosystem and bringing quality, benefit, and efficiency to the population.

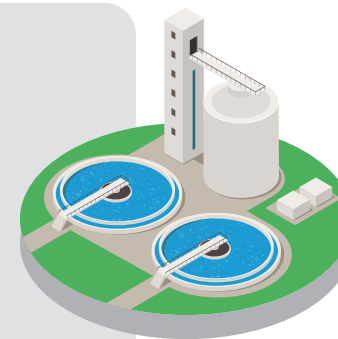
InovÁguas

In 2021, the Group intensified the internal cultural change to promote advances in digital transformation innovation. Through the exchange of experiences, training, and the benchmarking process, the Group evaluated the possibilities for generating value based on new practices. This is how InovÁguas emerged, a program that encompasses work fronts to develop the strategy and actions related to the topic to accelerate the Strategic Planning programs in all areas.

The introduction of awareness and presentation of concepts focused on developing digital transformation and innovation culture started with workshops aimed at corporate leaders and utility companies. In this first year of the project, the Group worked on the perspective of cultural change and the establishment of strategic drivers. With the creation of an integrated management system regarding the topic, InovÁguas will continue to develop in 2022, considering the possibilities of the open innovation ecosystem and contributing to the survival of the business in the face of new market and regulatory scenarios and social and environmental needs.

Modernization in reading and billing

The Nova LIS Project, which started in February 2021, aims to implement a new market solution for reading water meters and invoicing in the field, replacing the current solution and enabling better performance by utility companies. The project foresees the replacement of the handheld data collectors with a solution with online communication, which allows reading data and occurrences via smartphone. One of the differentials of the tool, developed in partnership with the supplier EOS, is the improvement in the management of teams in the field and agility in the analysis and billing management processes. Nova Friburgo was chosen as the project pilot.



Automation

To provide operational safety and efficiency, over the last few years, the Group has been adopting several actions in the automation area, following the industry 4.0 trends. Besides the innovative initiatives adopted in the commercial and environmental areas, there is a strategic focus on operational automation to offer high reliability, safety, and productivity standards.

The communication standards, instrumentation, and automation equipment suppliers, among other items, are gathered in the organization's portfolio. All Operations Control Centers are visually standardized, with standardized screens and structuring of the back end and database, allowing the supervisory systems to be the largest data supplier to the operations sector.

The solutions are connected to the maintenance area, facilitating the monitoring and control of the units and collecting information from the motors through sensors that analyze the vibration of the equipment and its temperature. They also interact with loss management by monitoring network volumes and pressures and favor the reduction in energy consumption with various control loops deployed in the distribution system.

Automation of WTPs

The project for automation of the water treatment plants was featured in the Panorama da Participação Privada no Saneamento (Overview of Private Participation in Sanitation), published by the Abcon/Sindcon system in 2021. The automation aims to monitor the quality of treated and filtered water and allow the automatic dosing of chemical products at the plants. The initiative also includes, in Nova Friburgo, remote operation with automatic shutdown of the entire WTP in case the quality parameters reach defined critical values. With the instruments, the measurement of quality data occurs every 5 minutes, allowing the operators to dedicate the time of bench analyses (which used to be done every 2 hours) to more important water treatment actions.

People management 103-2, 103-3 | 405

Employees are at the heart of the people management strategy, with a clear policy and structured actions throughout their entire life cycle in the organization. The objective is to ensure teams' well-being and provide meaning to work, based on inspiring leadership, through an organizational culture and internal environment that promote growth.

The People Management Policy assumes as guidelines the respect for human rights, differences, and compliance with legislation, collective bargaining agreements, and contracts, in addition to contributing to the achievement of the Sustainable Development Goals (SDGs), encouraging inclusive, sustainable, complete, and productive employment, protecting labor rights, and promoting a safe and healthy work environment for all.

The year saw the launch of Join RH, a cloud-based tool that brings together the main people management practices, bringing agility and efficiency to day-to-day routines. The system allows managers to have a unified view of their teams and facilitates access to information and human resources indicators, streamlining the movement of people and the preparation of management reports for the teams.

By decision of the Board of Directors, since 2021, the company can count on a People Management Board, reinforcing the strategic nature of the topic, with the hiring of a director to lead the area, which also brought more diversity to the company's management board.



In 2021, the Group received the Great Place to Work certification seal, which indicates the best companies to work from the employees' perspective through a survey that evaluates the work environment, organizational climate, and people management criteria. The company obtained 1,778 responses in its first participation, representing an adhesion of 64%. The overall rate obtained was 75% positive, especially within the "Pride" scope, in which 91% of the interviewees said they were proud to tell other people that they work at Águas do Brasil Group.



Levi

After GABI's success, the electronic customer attendant, the Group created Levi, the virtual attendant for internal company matters via WhatsApp. The initiative further strengthened the relationship of the employees with the information technology, occupational health, and human resources sectors. The tool uses an artificial intelligence system, allowing the virtual attendant to learn about the employee with each interaction. To carry out the project, 50 people from these areas were involved in training and understanding how to structure the internal customer relationship platform in the company.





Profile of employees 102-8 | 405-1

Employees by gender

	Permanent	Temporary
Female	670	16
Male	2,786	75
TOTAL	3,456	91

Employees by region

Region	Permanent	Temporary
MG	136	0
RJ	2,964	83
SP	356	8
TOTAL	3,456	91

Employees by functional category (age)

Functional category	Under 30		From 30 to 50		Over 50	
		%		%		%
Administrative	182	5.27%	242	7.00%	30	0.87%
Analyst	113	3.27%	242	7.00%	23	0.67%
Coordinator	1	0.03%	85	2.46%	11	0.32%
Director	0	0.00%	8	0.23%	11	0.32%
CEO	0	0.00%	0	0.00%	1	0.03%
Specialist	2	0.06%	26	0.75%	5	0.14%
Manager	0	0.00%	36	1.04%	11	0.32%
Operational	319	9.23%	1,331	38.51%	299	8.65%
Executive Director	0	0.00%	5	0.14%	6	0.17%
Supervisor	10	0.29%	78	2.26%	23	0.67%
Technician	56	1.62%	259	7.49%	41	1.19%
Partial total	683	19.76%	2,312	66.90%	461	13.34%
Grand total	3.456					

Employees by functional category (gender)

Functional category	Female	%	Male	%
Administrative	230	6.66%	224	6.48%
Analyst	215	6.22%	163	4.72%
Coordinator	34	0.98%	63	1.82%
Director	1	0.03%	18	0.52%
CEO	0	0.00%	1	0.03%
Specialist	10	0.29%	23	0.67%
Manager	22	0.64%	25	0.72%
Operational	75	2.17%	1,874	54.22%
Executive Director	4	0.12%	7	0.20%
Supervisor	39	1.13%	72	2.08%
Technician	40	1.16%	316	9.14%
Partial total	670	19.39%	2,786	80.61%
Grand total	3.456			

Note: The activities are mostly carried out by permanent, full-time employees, with no significant seasonal variations. The information was taken from the payroll with reference to the last day of 2021. Interns, apprentices, and those on leave were not considered in this survey.

Attracting talent 103-2, 103-3 | 401

The company promotes a diverse and non-discriminatory work environment, with opportunities for inclusion and development of people with disabilities and encouraging equal opportunities between genders. In the hiring and selection processes, the company uses specific tools to diagnose the best candidates, regardless of origin, belief, ethnicity, gender, sexual orientation, union membership, political or ideological conviction, social class, disability, marital status, or age. There were no reported cases of discrimination by employees in 2021. 103-2, 103-3 | 406

The Viva Bem Águas program brings together the organization's quality of life initiatives, from corporate check-ups to family and financial planning. Among the actions included in the program are activities involving the health of pregnant women, emotional health, and campaigns against drug use.

The Group is aware of the water and sanitation sector heating up due to the increase in the number of services under concession to the private sector. There was no significant increase in the company's turnover in the year, nor were there any losses to the operation. This result was achieved thanks to the internal talent development, retention policies, and the performance and succession management mechanism.

The company also promotes young people's access to their first job through the Internship Program and the Young Apprentice Program and attracts talent through its trainee program.

Total hires 401-1

Gender	Hired	Hiring rate*
Female	94	17.84%
Male	309	13.28%
Age group		
Under 30	192	36.02%
30 to 50	197	10.32%
Over 50	14	3.39%
Region		
MG	43	31.62%
RJ	305	12.91%
SP	55	15.45%
TOTAL	403	14.12%

Turnover 401-1

Gender	Admission	Dismissals	Turnover**
Female	94	57	2.64%
Male	309	277	10.24%
Age group			Turnover
Under 30	192	71	4.60%
30 to 50	197	216	7.22%
Over 50	14	47	1.07%
Region			Turnover
RJ	43	263	9.93%
MG	305	21	1.12%
SP	55	50	1.84%
TOTAL	403	304	4.83%

* Hiring rate = hired in the year/total headcount in December 2021.

** Turnover = (number of admissions in the year + number of dismissals in the year) / 2 / total headcount in December 2021.

*** Does not include Zona Oeste Mais Saneamento.

Compensation and benefits

The company adopts the concept of total remuneration, which considers the total amounts paid as fixed compensation plus the variable compensation (PSP) and the benefits offered to employees. The compensation and benefits package follows the best market practices.

The fixed compensation offered is in line with the activities performed, professional performance, and competence, guaranteeing internal equity. The variable compensation from the Profit Sharing Program (PSP) compensates the individual and collective effort, considering the goals and the business results achieved. The company makes no distinction when establishing the base salary and the compensation due to the gender of the professionals in any of its operations. 405-2

The benefits offered favor the quality of life and well-being of employees and their families, contributing to the continuous improvement of the organizational climate. These benefits are available to all employees at all the Group's operating units, except for school supplies, which are negotiated in a collective bargaining agreement and have not yet been included in the contracts of the São Paulo companies. 401-2

Benefits

- Life insurance
- Health plan
- Meal/food vouchers
- Coffee voucher
- Basic food basket
- Transportation voucher
- Private pension plans
- Daycare allowance
- Children with disabilities support
- Educational support
- Maternity/paternity leave
- Dental plan
- Gympass
- Functional Health (pharmacy card)
- School supplies

Training and development 103-2, 103-3 | 404

Training and development priorities are mapped out and offered according to the education paths provided for in the UniÁguas corporate university. Managers are permanently encouraged to seek self-development, with continuous improvement in topics relevant to management challenges through the School of Leaders. UniÁguas contains technical tracks to guarantee the efficiency of the professionals' performance in the business area.

The Jeito Águas de Ser program translates the Group's values, seeking greater understanding, alignment, and practice of the behaviors expected from all employees on a daily basis to create a sense of cohesion and internal alignment. In 2021, the Group conducted multiplier training, leadership training, Values Practice workshop, and training for all employees. The program was included in the institutional track for new employees, and there was an internal campaign to reinforce the values.

The Performance Management by Competencies program is a critical management and career alignment instrument. It is carried out annually to assess and follow up on each employee's performance, identifying strengths and points for improvement.

All effective employees (100%), regardless of gender or position, participate annually in the online performance evaluation. In line with matrix management principles, local representatives from corporate areas are evaluated by the regional manager and the corporate manager. **404-3**

The Águas do Brasil Group has a succession plan that identifies professionals to take on future opportunities. It is also responsible for the reuse rates of internal labor, which have grown over the last three years, from 24% in 2019 to 45% in 2020, and 51% in 2021.

Average hours of training by gender* 404-1

	Total number of employees	Training hours	Average training hours
Male	2,327	33,865	14.55
Female	527	8,882	16.85
TOTAL	2,854	42,747	14.97

Average hours of training by functional category* 404-1

	Total number of employees	Training hours	Average training hours
Administrative	333	2,924	8.70
Analyst	348	6,525	18.75
Coordinator	84	3,211	38.22
Director	18	143	7.90
CEO	1	2	2.00
Specialist	25	803	32.12
Manager	39	1,200	30.76
Operational	1,553	16,065	10.34
Executive Director	11	658	59.81
Supervisor	108	3,656	33.85
Technician	334	7,585	22.70
TOTAL	2,854	42,772	14.98

* Note: Data referring to permanent employees and training carried out in 2021. Does not include Zona Oeste Mais Saneamento.



Labor relations 103-2, 103-3 | 407

The Group recognizes the union entities as legitimate representatives of its employees and, according to the Code of Ethical Conduct, guarantees the freedom of association to any legitimately constituted class entities and recognizes the effective right to collective bargaining. In force with six labor unions in 2021, the collective bargaining agreements cover all employees, with 100% of the workforce under union representation. The company has no history of strikes. **102-41**

In 2021, The Group did not identify any situations that could jeopardize the freedom of association and negotiation since it respects and recognizes the representativeness of union entities, maintains an ethical and professional relationship with all unions with which it negotiates, and ensures compliance with the agreements entered into. **407-1**

Occupational health and safety 103-2, 103-3 | 403

Health and safety management is one of the Group's competitive edges. The Occupational Health and Safety Management System covers all the organization's employees (100%), as well as the non-employee workers who perform activities for the Group. Implemented based on the international standard ISO 45001:2018,

the system includes several tools to prevent and mitigate possible impacts on workers' health and safety and preserve the facilities and the continuity of operations, with monthly monitoring of performance indicators.

For outsourced employees, there is a Third Party Management process, which establishes the necessary health and safety requirements according to the companies' scope of activities. This process is monitored during the term of the business relationship.

In 2021, occupational health and safety audits were carried out with an external company to verify compliance with legal requirements. To minimize the impacts and risks of the pandemic, the audit was conducted 100% remotely.

Training

The workers of Grupo Águas do Brasil are specifically trained on aspects of health and safety at work, according to the risks of the job and activity performed. Accordingly, the prevention and training programs are specifically defined according to the position. In 2021, leadership and safety professionals at the utility companies were trained in the Behavioral Observation Tool, covering a total of 206 workers.

GAB+SEGURO

The GAB+Seguro Program was structured and implemented in 2021 at the utility companies to strengthen the safety culture and promote safe and conscious behavior by implementing risk perception tools to eliminate dangerous stances and conditions to avoid occupational accidents and diseases. The implementation of the program in all the utilities is scheduled to occur by the first half of 2022, initially with the following actions:

- workshops with leaders and Quality, Health, Safety, Environment, and Sustainability teams (action aimed at raising awareness of organizational safety culture);
- safety culture diagnosis and action plan development (research to diagnose the organization's safety culture and outline actions for improvement);
- implementation of the Behavioral Observation Program (a tool that promotes and develops safe behavior in the organization);
- implementation of the Golden Rules of Safety (fundamental, non-negotiable safety guidelines to be adopted in all activities on a daily basis);
- implementation of the Falando de Segurança Program (a tool that promotes the habit of talking about safety in all sectors).



Occupational accidents 403-9

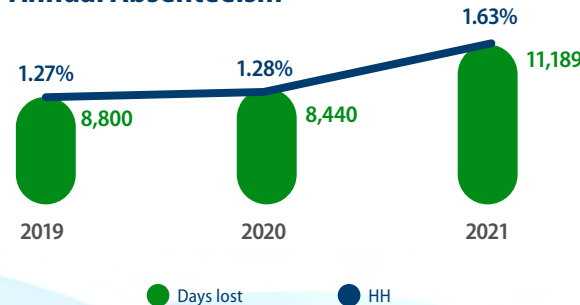
In 2021, the Group recorded the lowest work accident frequency and severity rates in the last seven years (2014-2021), demonstrating the progress and efficiency of the prevention measures adopted.

Although the management of third-party health and safety requirements was already conducted in the past, the system for controlling and monitoring the frequency and severity rates of occupational accidents for contractors was established in 2021. The third-party accident frequency rate was 3.5, and the third-party accident severity rate was 18.7.

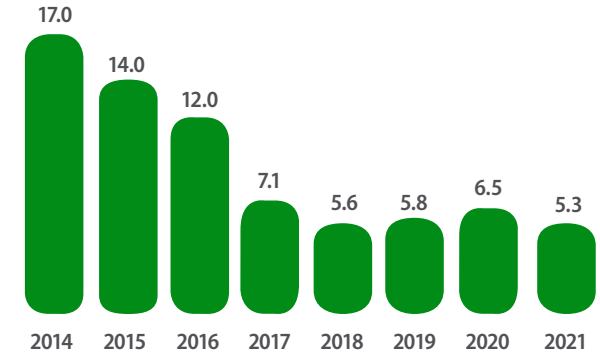
The most significant risk scenarios in the company's business are concentrated in the activities performed in confined spaces, at height, in services with excavations, and with intervention in electricity, in addition to driving a motorcycle, which represents the major occurrences. In 2021, 33 work accidents were recorded with their own employees and 13 with third parties, with no deaths.

As far as absenteeism is concerned, the performance of occupational exams contributes to the prevention or mitigation of possible impacts on the employees' workforce.

Annual Absenteeism

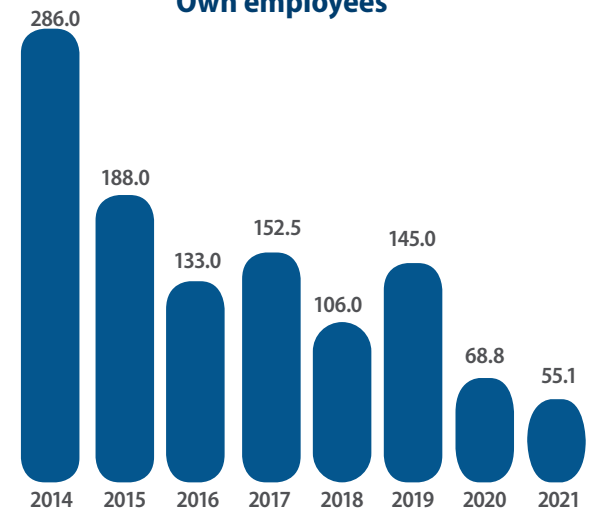


Accident Frequency Rate Own employees



Accident Frequency Rate = (Number of Occupational Accidents x 1000,000)/HH * Zona Oeste Mais Saneamento – Accident frequency rate of own employees in 2021: 7.59.

Accident Severity Rate Own employees



Accident Severity Rate = ((Nº Days Lost+Days Debited) x 1000,000)/HH * Zona Oeste Mais Saneamento – Accident severity rate of own employees in 2021: 364.89

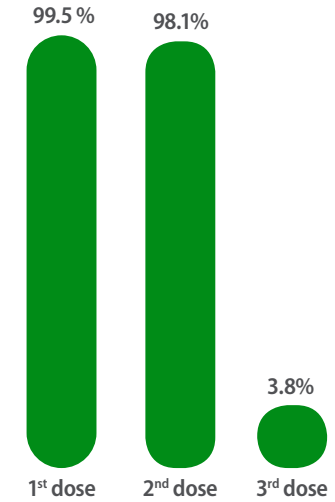
Sipatma

The Internal Week for Prevention of Work and Environment Accidents (Sipatma) of the Águas do Brasil Group aims to promote employees' awareness by focusing on risk perception and safe behavior in the internal and external work environment. The program also supports environmental conservation among the employees, given the environmental impacts of human activities. In 2021, the event was held in digital and in-person format, adopting all Covid-19 prevention health measures, reaching a total audience of 2,190 participants, divided into virtual (583 people) and in-person activities (1,607 people). Sipatma is organized together with the Internal Commissions for Accident Prevention (Cipas), composed of representatives from the Group's companies and elected employees. [413-1](#)

Awareness campaigns

January	White January – Mental health
February	STD/AIDS – Carnival campaign
March	Tuberculosis
April	Influenza prevention (vaccination campaign)
May	Oral health
June	Fight against drugs and alcoholism
July	Eye health
August	Tobacco use
September	Yellow September – Suicide prevention
October	Pink October – Breast cancer
November	Blue November – Prostate cancer
December	Orange December – Skin cancer

Partial accumulated vaccination against Covid-19 of employees until 12/31/2021 - %



Actions to fight Covid-19

- Preparation of a protocol for the search and identification of suspected/positive cases, tracking contacts, indication of diagnostic tests (at no cost to the employee), daily clinical monitoring, absence from work for quarantine purposes, and discharge to return to work. More than 7,000 medical appointments and 4,000 tests were performed.
- Preparation and dissemination of guidelines for returning to face-to-face activities.
- Awareness campaigns about care and behavior protocols to prevent the spread of the virus.
- Recommendation and availability of tetra-valent influenza vaccine.
- Availability for employees and dependents up to 21 years of age of the Apoio Pass benefit, which offers legal, psychological, social, and financial support.
- Support is available to answer questions about Covid-19 and its symptoms through the communication channels of Occupational Health and the Health Center.
- Campaign with guidelines on maintaining emotional health during quarantine and providing contact channels with the company (social assistance and psychology). Monitoring people who have had emotional losses or issues and performing a mental health diagnosis.
- Campaign with guidelines on adapting to work at home during the pandemic.
- Providing information on how cases of suspects, contacts, travelers, and Covid-10 cases are being handled in the Group.
- Information on the availability of telemedicine by Bradesco Saúde.
- Daily temperature check for employees at headquarters and stores.
- Sending an online health questionnaire three times a week by e-mail/WhatsApp to collect up-to-date information on the health status of all employees who accepted the sending.
- Daily monitoring of all cases considered as close contacts/suspected/positive carried out by the Occupational Health team to monitor the evolution of cases and provide guidance.
- Availability of cell phone app to identify contacts at work with suspected/positive cases.
- Guidance campaign regarding travel, communication, and necessary quarantine.
- Hiring of a consultancy in infectious diseases, beginning in March 2021, for discussion of clinical cases and protocol reviews.



Supplier management

103-2, 103-3 | 308, 408, 409, 413, 414

The Group's values are shared with more than 8,000 suppliers that form a healthy ecosystem. Through the Supplier Assessment, Selection, and Monitoring policies, a reliable and competitive supply base is formed, capable of supporting everything from implementation to business maturity.

The use of local suppliers and support to increase the performance and capacity of these commercial partners to meet the utility company's demand for quality products and services within the municipality aims to foster economic development and the growth of micro, small and medium-sized companies, including individual micro-entrepreneurs. Consequently, it reduces informal work in the local economy, promotes tax collection, and increases public revenue.

In 2021, a supplier management risk matrix was structured, with a formal evaluation of what was already done, strengthening the process. Approaching the suppliers of critical products, such as chemicals and hydrometers, gave robustness to the evaluation, selection, and monitoring processes, focusing on avoiding ruptures in supply and managing groups of materials that need more specific follow-ups. Even in the face of the pandemic, there was no disruption or disruption of services due to this process.

The Group also cares for local communities by engaging its suppliers. The Third Party Code of Conduct seeks to ensure that the suppliers carry out their operations with a high degree of integrity and in a socially and environmentally responsible manner. In 2021, 99.78% (449/450) of new suppliers were selected considering social and environmental criteria by adhering to the Code at the time of their approval. These premises are also guaranteed by the internal supplier evaluation and selection procedure. 308-1 | 414-1

In 2021, 249 suppliers were contracted under labor assignment, which could consequently present significant risks of child labor, young people exposed to hazardous work, and forced or compulsory labor, representing 492 (10%) of the 4,849 contracts carried out. These risks are subject to documentary controls, consultation of government lists, third-party integration and management actions, contractual clauses, and evaluation questionnaires, and no cases were recorded. During the year, 372 suppliers were investigated, with one provider identified as causing potential negative impacts. The contract was monitored until its termination after the situation was identified, without subsequent rehiring. 408-1 | 409-1 | 414-2

In 2021, 99.78% (449/450) of new suppliers were selected considering social and environmental criteria, by adhering to the Third-Party Code of Conduct at the time of their approval.





Our utility **companies**



Grupo
Águas do Brasil

Águas do Imperador (Petrópolis/RJ)



Petrópolis ranks 1st among the cities of Rio de Janeiro with respect to loss rates and is among the ten best Brazilian cities, occupying the 7th national position. In 2021, the Araras WTP work was underway, which will add 9.5 million liters/day to the system, 89% completed by the end of the year. The new WTP consolidates the concept of sustainable sanitation: equipped with the most advanced technology and fully automated processes, operationalized, and controlled by a state-of-the-art Operational Control Center (OCC), it will be possible to reuse the processed water and resulting waste in all respects.

- ✔ **Operating since: 1998**
- ✔ **City population: 307 thousand**
- ✔ **Water coverage: 99.1%**
- ✔ **Number of WTPs: 7**
- ✔ **Sewer coverage: 89.1%**
- ✔ **Treated wastewater: 80.9%**
- ✔ **Number of WWTPs: 8**

Águas de Juturnaíba (Araruama, Saquarema and Silva Jardim/RJ)



This year, the company implemented the Araruama/Saquarema duct, which is 19 km long, and promoted the expansion of the Bacaxá booster, 95% completed by the end of 2021. The social and environmental project Revivendo Águas Claras, of reforestation of the riparian forest for the recovery of the spring, was the winner of the Firjan Environmental Award in the category "GHG (Greenhouse Gases) and Energy Efficiency." As part of the project, students from three municipalities planted native vegetation seedlings on the shores of the Juturnaíba Lagoon.

- ✔ **Operating since: 1998**
- ✔ **Cities population: 251 thousand**
- ✔ **Water coverage: 98%**
- ✔ **Number of WTPs: 1**
- ✔ **Sewer coverage: 78.1%**
- ✔ **Treated wastewater: 100%**
- ✔ **Number of WWTPs: 7**

Águas do Paraíba (Campos dos Goytacazes/RJ)



In 2021, the Arthur Bernardes 1 (163.5 l/s) and Arthur Bernardes 2 (48.8 l/s) sewage pumping stations were completed. Before the arrival of the utility company, Campos had no wastewater treatment, and the water reached the population intermittently. Today, the population is served by 40 water production systems, which supply 102 locations through 1,798 kilometers of water mains and networks.

- ✓ **Operating since: 1999**
- ✓ **City population: 516 thousand**
- ✓ **Water coverage: 100%**
- ✓ **Number of WTPs: 40**
- ✓ **Sewer coverage: 95.5%**
- ✓ **Treated wastewater: 100%**
- ✓ **Number of WWTPs: 9**

Águas de Niterói (Niterói/RJ)



For the fourth consecutive year, the city of Niterói was well evaluated in the basic sanitation indexes of the Ranking of Universal Sanitation of the Brazilian Association of Sanitary and Environmental Engineering (Abes). The municipality rose two positions in the ranking of large cities in terms of sanitation, moving from 26th to 24th position, and consolidating itself as the best in sanitation in Rio de Janeiro. Badu's sanitary wastewater system – Collector Network, Sewage Pumping Stations, and New Sewage Connections – ended the year with 25% of the work completed. An in-person service store was opened in the city center, with computerized self-service and integrated and dynamic space.

- ✓ **Operating since: 1999**
- ✓ **City population: 517 thousand**
- ✓ **Water coverage: 100%**
- ✓ **Sewer coverage: 95.6%**
- ✓ **Treated wastewater: 100%**
- ✓ **Number of WWTPs: 9**

Águas das Agulhas Negras (Resende/RJ)



WWTP Ipiranga – with a capacity of 160 l/s – had 14% of its work completed during the year, expanding the sanitary wastewater system that should take the utility to 90% coverage for wastewater treatment by the end of 2022. In 2021, the utility also introduced its virtual tour of the city's main water treatment plant, WTP Alegria. The initiative allows full immersion in the WTP environment, showing all the processes used to make the water from the Paraíba do Sul River fit for consumption.

- ✓ **Operating since: 2008**
- ✓ **City population: 134 thousand**
- ✓ **Water coverage: 100%**
- ✓ **Number of WTPs: 7⁸**
- ✓ **Sewer coverage: 99.8%**
- ✓ **Treated wastewater: 71.8%**
- ✓ **Number of WWTPs: 10**

8. 5 WTPs in operation. The Nova Liberdade and 31 de Março WTPs had their processes unified with the Alegria WTP.

Águas de Nova Friburgo (Nova Friburgo/RJ)



89% of the structural recovery of the Bengalas River interceptor, which is 740 meters long and has three sewage pumping stations, was completed during the year. Since taking over the services of treated water supply, sedimentation, collection, and treatment of wastewater in 2009, the utility has increased from zero to more than 8 billion liters of treated wastewater per year and, currently, provides quality water to almost 100% of the urban population of the municipality.

- ✓ **Operating since: 2009**
- ✓ **City population: 191 thousand**
- ✓ **Water coverage: 99.9%**
- ✓ **Number of WTPs: 12**
- ✓ **Sewer coverage: 96.4%**
- ✓ **Treated wastewater: 97.3%**
- ✓ **Number of WWTPs: 4**

Águas de Araçoiaba (Araçoiaba da Serra/SP)



The WWP Vereadora Valquiria Di Tata, with a water catchment from the Sarapuí River and 15 l/s capacity, was delivered to the population in 2021. The new plant expands the municipality's water collection and treatment capacity, which had only the Jundiaquara WWP, with the Pirapora River as its only source. The existing station, WWP Jundiaquara, has a loss of only 4.5% in the treatment process and is an example of sustainable operation in terms of international standards.

- ✔ **Operating since: 2009**
- ✔ **City population: 35 thousand**
- ✔ **Water coverage: 100%**
- ✔ **Number of WTPs: 2**
- ✔ **Sewer coverage: 48.5%**
- ✔ **Treated wastewater: 100%**
- ✔ **Number WWTP: 1**

Águas de Votorantim (Votorantim/SP)



In 2021, the utility company started to count on the Monte Sião water main, which is 1.6 km long. The water loss rate, which in 2012 was over 58%, was reduced to less than 20% with the implementation of a strict control program and the installation of macrometers at the plants and reservoirs. The water reservoir capacity was increased by 5.4 million liters, increasing the safety and quality of the supply system.

- ✔ **Operating since: 2012**
- ✔ **City population: 125 thousand**
- ✔ **Water coverage: 100%**
- ✔ **Number of WTPs: 4**
- ✔ **Sewer coverage: 99.4%**
- ✔ **Treated wastewater: 90.3%**
- ✔ **Number WWTP: 2**

Águas de Paraty (Paraty/RJ)



With 100% of the concession area being supplied with treated water, even during the months with the highest flow of tourists, the utility has completed the work of its Operational Control Center (OCC). In seven years of concession, Paraty advanced in the construction of new supply networks with the implementation of two Water Treatment Plant (WTP) – Pedra Branca and Corisquinho, renovated dams, reservoirs, and water mains, built the booster for the Condado neighborhood, and, as a consequence, normalized the water supply in the city.

- ✔ **Operating since: 2014**
- ✔ **City population: 44 thousand**
- ✔ **Water coverage: 100%**
- ✔ **Number of WTPs: 2**

Águas de Jahu (Jaú/SP)



Jaú concluded, in early July, the implementation works of the WWTP Vila Ribeiro, with a capacity of 1.5 l/s. With the new WWTP, the municipality reaches the universal sanitation services and joins a very selective group of Brazilian municipalities with 100% treated water distribution and wastewater collection, sedimentation, and treatment. The concessionaire has already invested about R\$ 65 million in the city's water and sewage systems since the beginning of the concession, solving water shortage problems that had existed for decades in several neighborhoods and reaching a 100% rate of wastewater treatment through the Potunduva, Pouso Alegre and Vila Ribeiro WWTPs.

- ✔ **Operating since: 2015**
- ✔ **City population: 154 thousand**
- ✔ **Water coverage: 100%**
- ✔ **Number of WTPs: 1**
- ✔ **Sewer coverage: 100%**
- ✔ **Treated wastewater: 100%**
- ✔ **Number of WWTPs: 4**

Águas de Pará de Minas (Pará de Minas/MG)



Reference of basic sanitation in Minas Gerais, the utility has water and wastewater rates above the standard of most Brazilian municipalities and a water loss rate below the national average. Upon taking over the concession, it built the Paraopeba Supply System in five months, solving the water supply problem. Faced with the spring's contamination due to the dam's rupture in Brumadinho, the company guaranteed the distribution to the entire city without interruptions for two years. In 2021, 57% of the work to adapt the sludge treatment at WWTP União, with a capacity of 180 l/s, was completed.

- ✔ **Operating since: 2015**
- ✔ **City population: 95 thousand**
- ✔ **Water coverage: 100%**
- ✔ **Number of WTPs: 1**
- ✔ **Sewer coverage: 99.4%**
- ✔ **Treated wastewater: 100%**
- ✔ **Number of WWTPs: 9**

Águas da Condessa (Paraíba do Sul/RJ)



In one year of service, the company reached a 99% rate of treated water and reduced distribution losses. Among other actions, it implemented 2,600 meters of network in several neighborhoods, 1,000 new water connections, and replaced 4,400 water meters. Neighborhoods that previously suffered from a constant shortage of water ended 2021 with continuous distribution. The utility company carries out studies on the sanitary wastewater system to cover 25% of the city's properties in the first five services. The system will contribute to cleaning up the Paraíba do Sul river. The WWTP Centro, with a capacity of 15 l/s, ended the year in the contracting phase.

- ✔ **Operating since: 2020**
- ✔ **City population: 44 thousand**
- ✔ **Water coverage: 99%**
- ✔ **Number of WTPs: 1**

Zona Oeste Mais Saneamento (Rio de Janeiro/RJ)



Responsible for the operation and maintenance of the domestic sewage collection and treatment system in Planning Area 5 of the city of Rio de Janeiro, it also carries out the commercial management of water and wastewater in the region, which serves 22 neighborhoods in the West Zone (1, 8 million people).

- ✔ **Operating since: 2012**
- ✔ **Sewer coverage: 75%**
- ✔ **Treated wastewater: 75%**
- ✔ **Number WWTPs: 122**
25 wastewater treatment plants
97 wastewater treatment plants related
to the *Minha Casa Minha Vida* Program

Industrial Segment (Resende and Itatiaia/RJ)



SAAL Industrial operates in the industrial hub of the cities of Resende and Itatiaia, in the interior of the state of Rio de Janeiro. The segment's operations are focused on producing industrial and drinking water and the treatment of industrial and sanitary effluents, meeting the specific requirements of each production process of its customers in the automotive industry.

- ✔ **Operating since: 2013**
- ✔ **Number of WTPs: 2**
- ✔ **Number of WWTPs: 2**



About this report*

[102-42](#) | [102-43](#) | [102-44](#)

This annual report, referring to the 2021 activities, was developed based on interviews with the main executives of the Águas do Brasil Group and on the organization's environmental, social, and governance indicators. Published in Portuguese and English, it also contains additional information available in institutional documents (policies, codes, regulations, and standard operating procedures), internal communications, and promotional materials. [102-50](#) | [102-52](#)

The publication is the first made by the Group following the premises of the Global Reporting Initiative (GRI), and the content was prepared according to the GRI Standards: Essential option. In consolidating the content, the premises of narrative cohesion, the balance of themes, content clarity, and scope were considered. The information has also been aligned with the corporate report published in the previous cycle, referring to 2020, with no changes in the data sequence.

[102-48](#) | [102-49](#) | [102-51](#) | [102-54](#)

Environmental, social and governance indicators are managed internally, with the approval of senior management, and the financial statements are audited externally by EY. The companies included in the consolidated financial statements are Saneamento Ambiental Águas do Brasil S.A. (parent company); Águas de Niterói S.A.; Águas de Juturnaíba S.A.; Águas do Paraíba S.A.; Águas do Imperador S.A.; Águas das Agulhas Negras S.A.; Águas de Nova Friburgo S.A.; Águas de Araçoiaba S.A.; Saneamento de Jahu Ltda.; SAAB Participações e Novos Negócios; Soluções Ambientais Águas do Brasil Ltda.; Águas de Paraty S.A.; Águas de Jahu S.A.; Águas de Pará de Minas S.A.; Dotum Participações S.A. (dormant); Gadugi Participações S.A. (dormant); Águas da Condessa S.A. The Águas do Brasil Group has two companies that are not consolidated in the financial statements: Águas de Votorantim S.A. and FAB Zona Oeste S.A. [102-45](#) | [102-56](#)

**Note: Some data may be corrected or adjusted throughout the year cycle of this report.*

Materiality [103-1](#)

A materiality process was carried out to define the content of this report through internal and external engagement, document analysis, and evaluation of the context and performance scenario. The 2017-2022 Strategic Plan and the Group's ESG Strategy were also considered.

In selecting the consultation themes, benchmarks from the water and sanitation sector, the utility sector, and the financial sector were considered, as well as the parameters of the Sustainability Accounting Standards Board for Water Utilities & Services. To confront organizational issues with contemporary global challenges and align with the international sustainability agenda, the World Economic Forum's 2021 Global Risk Report and the United Nation's Sustainable Development Goals (SDGs) were also part of the materiality process.

Thus, 14 consultation themes were identified:

- **Social and environmental impact**
- **Ethics, governance, and institutional relations**
- **Water security and climate change**
- **Customer relationship**
- **Universal basic sanitation**
- **People management and development**
- **Economic-financial performance**
- **Innovation and technology**
- **Waste management**

- **Energy management**
- **Occupational health and safety**
- **Operational efficiency**
- **Water quality**
- **New business**

The audiences interviewed to prioritize the themes included executives and managers of Águas do Brasil Group, financial institutions, suppliers, government representatives, NGOs, investors, and customers, consulted through virtual interviews conducted in December 2021.

[102-40](#) | [102-44](#)

The process allowed the unification of sustainability and business topics, as well as the identification of improvement opportunities in strategies and practices. The topics prioritized by stakeholders point to information relevant to the company, with an analysis of impact and influence on environmental, social, and economic aspects, and guide the communication made in this report, emphasizing material topics in chapters and subchapters.

Material themes 102-46 | 102-47 | 103-1

Topic	Material topics	GRI disclosures	SDG	Global Compact Principles	Topic limit*	
					inside	outside
Social and environmental impact	Risks and opportunities	102-15				
	Water and effluent catchment	303-3; 303-4	6	7, 8		
	Biodiversity	304-2	6, 14, 15	7		
	Waste	306-1; 306-2; 306-3; 306-4; 306-5	3, 6, 12, 14, 15	7, 8		x
	Environmental compliance	307-1	16	7, 8		
	Impact on the supply chain	308-1; 407-1; 414-1; 414-2	5, 8, 16	2, 8		
	Human rights impacts	408-1; 409-1; 411-1	2, 8, 16	4, 5		
Ethics, governance, and institutional relations	Ethics and integrity	102-16; 102-17	16	10		
	Governance	102-18; 102-22; 102-23; 102-24; 102-25; 102-26; 102-27; 102-28; 405-1	5, 8, 16	6		
	Assistance received from governments	201-4				
	Non-discrimination	405-2; 406-1	5, 8, 10	6	x	x
	Fight against corruption	205-1; 205-2; 205-3	16	10		
	Customer privacy	418-1	16			
Water quality	Socioeconomic compliance	419-1	16			
	Consumer health and safety	416-1; 416-2	16			x
Universal basic sanitation	Infrastructure investments	203-1	5, 9, 11			x
	Local development	413-1				
Water security and climate change	Climate change adaptation measures	201-2	13	7		
	Water stress	303-1; 303-2	6, 12	7, 8	x	x
	Emissions	305-1; 305-2	3, 12, 13, 14, 15	7, 8		
Operational efficiency	Economic performance	201-1	8, 9			
	Materials	301-1	8, 12	7, 8		
	Energy	302-1; 302-3; 302-4	7, 8, 12, 13	8, 9		
	Employment	401-1; 401-2	3, 5, 8, 10	6	x	
	Occupational health and safety	403-1; 403-5; 403-7; 403-8; 403-9	3, 8, 16			
	Training and education	404-1; 404-3	4, 5, 8, 10	6		

* The topic boundary indicates where impacts for each material topic occur, inside or outside the organization..

GRI Summary



Grupo
Águas do Brasil

GRI Summary

GRI 101: Fundamentals 2016

GRI 102: General Contents 2016	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
Organizational profile					
	102-1: Organization name	11			
	102-2: Activities, brands, products, and services	11			
	102-3: Location of the organization's headquarters	77			
	102-4: Place of Operations	11			
	102-5: Nature of ownership and legal form	11			
	102-6: Markets served	11			
	102-7: Size of the organization	10, 12			
	102-8: Information about employees and other workers	49		6	8
	102-9: Supply chain	56			
	102-10: Significant changes in the organization and its supply chain	11, 21			
	102-11: Precautionary principle or approach	35			
	102-12: External initiatives	17, 23			
	102-13: Participation in associations	24			
Strategy					
	102-14: Top executive statement	7			
	102-15: Key impacts, risks, and opportunities	21, 26, 27, 35, 42			
Ethics and integrity					
	102-16: Values, principles, standards, and codes of behavior	11, 22		10	16
	102-17: Mechanisms for ethical guidance and concerns	23		10	16

GRI 102: General Contents 2016	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
Governance					
	102-18: Governance structure	20			
	102-22: Composition of the highest governance body and its committees	20			5, 16
	102-23: Chairman of the highest governance body	20			16
	102-24: Selection and appointment to the highest governance body	20			5, 16
	102-25: Conflicts of Interest	22			16
	102-26: Role of the highest governance body in defining purpose, values, and strategy	20			
	102-28: Evaluation of the highest governance body's performance	20			
Stakeholder engagement					
	102-40: List of stakeholder groups	33, 65			
	102-41: Collective bargaining agreements	52		3	8
	102-42: Stakeholder identification and selection	65			
	102-43: Approach to stakeholder engagement	18, 33, 65			
	102-44: Main concerns and topics raised	4, 33, 65			
Reporting practice					
	102-45: Entities included in the consolidated financial statements	65			
	102-46: Defining report content and topic boundaries	66			
	102-47: List of material topics	66			
	102-48: Restatements of information	65			
	102-49: Changes in reporting	65			
	102-50: Reporting period	65			
	102-51: Date of the most recent report	65			
	102-52: Reporting cycle	65			
	102-53: Contact for questions about the report	77			
	102-54: Reporting statements in accordance with the GRI Standards	65			

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
	102-55: GRI Content Summary	68			
	102-56: External verification	65			
GRI 201: Economic performance 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	15		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	15			
	201-1: Direct economic value generated and distributed	16			2, 5, 7, 8, 9
	201-2: Financial implications and other risks and opportunities arising from climate change	35, 39		7	13
	201-4: Financial support received from the government	24			
GRI 203: Indirect economic impacts 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	29		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	29			
	203-1: Infrastructure investments and support services	29			2, 5, 7, 9, 11
GRI 205: Fight against Corruption 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	21		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	21			
	205-1: Operations assessed for risks related to corruption	23		10	16
	205-2: Communication and training in anti-corruption policies and procedures	21		10	16
	205-3: Confirmed cases of corruption and actions taken	21		10	16
GRI 301: Materials 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	36		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	36			

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
	301-1: Materials used, broken down by weight or volume	36		7, 8	8, 12
GRI 302: Energy 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	39		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	39			
	302-1: Energy consumption within the organization	39		7, 8	7, 8, 12, 13
	302-3: Energy intensity	39		8	7, 8, 12, 13
GRI 303: Water and Effluents 2018					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	36		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	36			
	303-1: Interactions with water as a shared resource	36		7, 8	6
	303-2: Management of impacts related to water disposal	46		8	6
	303-3: Water catchment	37			
	303-4: Water Disposal	37		8	6
GRI 304: Biodiversity 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	40		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	40			
	304-2: Significant impacts of activities, products, and services on biodiversity	40		8	6, 14, 15
GRI 305: Emissions 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	40		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	40			
	305-1: Direct emissions (Scope 1) of greenhouse gases (GHG)	40		7, 8	3, 12, 13, 14, 15
	305-2: Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	40		7, 8	3, 12, 13, 14, 15

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
GRI 306: Waste 2020					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	37			
	103-2: Management approach and its components	37		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	37			
	306-1: Waste generation and significant waste-related impacts	37		8	3, 6, 12, 15
	306-2: Management of significant waste-related impacts	37		8	3, 6, 12
	306-3: Waste generated	38		8	3, 6, 12, 15
	306-4: Waste diverted from disposal	38		8	3, 12
	306-5: Waste directed to disposal	38		8	6, 15
GRI 307: Environmental compliance 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	35		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	35			
	307-1: Non-compliance with environmental laws and regulations	36		8	16
GRI308: Supplier environmental assessment 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	56		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	56			
	308-1: New suppliers selected based on environmental criteria	56		8	
GRI 401: Employment 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	50		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	50			
	401-1: New hires and employee turnover	50		6	5, 8

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	50			8
GRI 403: Occupational Health and Safety 2018					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	52			
	403-1: Occupational health and safety management system	52			8
	403-5: Worker training on occupational health and safety	52			
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	52			
	403-8: Workers covered by an occupational health and safety management system	52			
	403-9: Work-related injuries	53			
GRI 404: Training and Education 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	51			
	103-2: Management approach and its components	51		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	51			
	404-1: Average hours of training per year, per employee	51		6	4, 5, 8
	404-3: Percentage of employees receiving regular performance and career development reviews	51		6	5, 8
GRI 405: Diversity and equal opportunity 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	48		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	48			
	405-1: Diversity in governance bodies and employees	21, 49		6	5, 8
	405-2: Ratio of basic salary and remuneration of women to men	50		6	5, 8, 10

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
GRI 406: Non-discrimination 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	50		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	50			
	406-1: Incidents of discrimination and corrective actions taken	50		6	5, 8, 16
GRI 407: Freedom of association and collective bargaining 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	52		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	52			
	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	52		3	8
GRI 408: Child labor 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	27, 56		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	27, 56			
	408-1: Operations and suppliers at significant risk for incidents of child labor	27, 56		5	8, 16
GRI 409: Forced or compulsory labor 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	27, 56		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	27, 56			
	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	27, 56		4	8
GRI 411: Rights of indigenous and traditional peoples 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	27		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	27			

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
	411-1: Cases of violation of indigenous peoples' rights	27		1	2
GRI 413: Local communities 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	42, 56		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	42, 56			
	413-1: Operations with local community engagement, impact assessments, and development programs	27, 35, 42, 54, 56		1	
GRI 414: Supplier social assessment 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	56		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	56			
	414-1: New suppliers that were screened using social criteria	56		2	6, 8, 16
	414-2: Negative social impacts in the supply chain and actions taken	56		2	6, 8, 16
GRI 416: Consumer health and safety 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	46		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	46			
	416-1: Assessment of the health and safety impacts of product and service categories	46			
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	46			16
GRI 418: Customer privacy 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	22		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	22			
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	22			16

Material topics	Content	Page number and/or URL(s)	Omission	Global Compact	SDG
GRI 419: Socioeconomic compliance 2016					
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	65, 66			
	103-2: Management approach and its components	21		1, 8	1, 5, 8, 16
	103-3: Evaluation of management approach	21			
	419-1: Non-compliance with laws and regulations in the social and economic area	21			16

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GRI indicators consultancy, writing, design and review

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