



Annual
SUSTAINABILITY REPORT
2021

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2021



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MESSAGE FROM

Management

1





MESSAGE FROM THE *Management*


GRI 102-14



Our work benefits more
than 21 million people in
154 cities

In 2021, we wrote another chapter of a successful history, which started eleven years ago. We are positioned as the leader in private sanitation in Brazil, with a 49.5% private market share and benefiting over 21 million people in 154 cities. We conduct our business based on the commitment to moving lives through sanitation, guided by financial discipline, governance, performance, social development and environmental responsibility. Driven by this mission, which is so important for life and the development of the country, we prevented over 200 billion liters of sewage – the equivalent of roughly 80,000 Olympic-sized swimming pools – from being dumped to the nature in 2021 by collecting and treating the effluent. Our rate of water loss dropped from 53.8% to 48.9%, which translates into 39 billion liters of water saved: enough to supply 970,000 people for a year.

At the same time that we have taken care of people and nature, we have also improved in terms of financial performance - the pillar that sustains our business and reinforce our role as a Platform for Shared Prosperity. We posted net revenues of R\$ 2.9 billion for the year, representing an increase of 27% compared to 2020, and EBITDA of R\$1.8 billion, 45% higher over the same comparison, which reduced our financial leverage to 2.76x compared to 3.06x in 2020.



From the corporate governance standpoint, we updated ISO 37001 – Anti-bribery Management Systems certification – the result of a solid compliance program, and Itaúsa became a shareholder, strengthening our corporate governance and the capital structure in partnership with Equipav and GIC shareholders. During the year, we raised approximately R\$ 5 billion in capitalizations including capital increases and sale of minority interests, thereby reinforcing our ability to execute investments in the various concessionaires we operate.

In a move that significantly boosted our growth path, we initiated three new sewage operations for 3.8 million people: the Ambiental Cariacica (state of Espírito Santo), Ambiental Metrosul (state of Rio Grande do Sul) and Ambiental MS Pantanal (state of Mato Grosso do Sul) public-private partnerships (or PPPs). We won blocks 1 and 4 of the auction held by Companhia Estadual de Águas e Esgotos do Rio de Janeiro (Water and Sewage Company of the State of Rio de Janeiro, or Cedae), benefiting 9.8 million people through the Águas do Rio concessionaire, whose commitments involve contributing significantly to the depollution of the Guandú River, Rodrigo de Freitas Lagoon and Guanabara Bay, in addition to universalizing access to treated water and sewage.

Over the year, we continued to work on ensuring inclusion in the sanitation, with a particular focus on the vulnerable

population. We have benefited over 1 million people with the Tarifa Social (Social Tariff – a benefit granted by the Federal Government to low-income people) and rolled out the Vem com a Gente (Come with Us) program at Águas do Rio, traveling street by street, regularizing connections, mapping and connecting houses to the network and bringing access to sanitation to low-income families. For many of them, the connection to the network also means their first proof of residence – a prerequisite, for example, to access banking services and credit.

During the year, a total of R\$ 775.9 million were invested, an increase of 48.5% compared to the previous year. One of the highlights was the expansion of water and sewage coverage, which are both essential for population health and environmental preservation. We reached more than 80% of sewage coverage in Águas Guariroba (state of Mato Grosso do Sul) and Prolagos (state of Rio de Janeiro), which helped to reduce about 64% of hospitalizations due to diarrhea¹, as well as to clean up Lagoa Araruama – the largest hypersaline lagoon in a permanent condition in the world –, where fishing and tourism activities were resumed.

We have a solid business platform and have employed more than 8,000 people over the year. Seeking to better reflect the characteristics of the population we serve, we reinforced our diversity and racial equality program, offering opportunities, training and hiring initiatives in slums (favelas)

and local communities. For many people, this was their first formal job opportunity. Our goal is to leave a legacy of development for the municipalities we operate.

In 2021, we doubled the number of people served, consolidating our leadership position in the private sector. In this role as a leader, we seek to inspire by example: since 2016 we have been signatories of the United Nations (UN) Global Compact and in 2021 we became institutional supporters and also acted in the coordination of the Action for Water and Ocean Platform, with the objective of developing projects aligned with the goals of SDG 6, to ensure the availability and sustainable management of water and sanitation for all by 2030.

We began 2022 by renewing our purpose and active role in universalizing sanitation after winning the public bid for sanitary sewage and commercial management services in Crato (state of Ceará). We remain confident about the future, not only due to our ability to overcome challenges but also due to the sector's movements, which we closely monitor in order to continue expanding our operations based on investments aligned with our business model, with discipline and financial solidity.

The Management

¹ Source: City of Campo Grande (MS). Data from the IT department of the Brazilian Unified Health System (DATASUS) for the period from 2010 to 2019.





ABOUT THIS

Report

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ABOUT THIS *Report*

Since the beginning of our activities, we have published Annual Sustainability Reports. In this 11th consecutive year of reporting, we have hired the audit services of Ernst & Young (EY) to reinforce the transparency with which we communicate our ESG (Environmental, Social and Governance) progress linked to our operating and financial results. Through this document, we reassert our commitment to transparency among all of our stakeholders: employees, business partners, granting authorities, regulatory officials, customers, creditors, shareholders and many others. [\[GRI 102-40, 102-42, 102-52\]](#)

In accordance with best practices, this publication, which follows the guidelines of the International Integrated Reporting Council (IIRC), was also prepared in line with the 'Essential' option of the Standards of the Global Reporting Initiative (GRI), a framework for sustainability reports with a substantial

adherence in Brazil, and observes the principles of the United Nations (UN) Global Compact, of which we have been a signatory since 2016. [\[GRI 102-54\]](#)

The information reported refers to the period from January 1 to December 31, 2021. It was assessed and verified internally by a multidisciplinary working group, with the approval of the Senior Management, and subsequently submitted to external verification by EY. [\[GRI 102-45, 102-50, 102-56\]](#)

Questions regarding this publication can be forwarded to the Investor Relations (IR) area via email (ri@aegea.com.br) or telephone (+55 11 3818-8150). [\[GRI 102-53\]](#)

Enjoy the reading!



CREDITS

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In preparing this document, we considered the goals linked to the SDGs

ESG AGENDA AND MATERIALITY

[GRI 102-21, 102-40, 102-43, 102-46]

The topics addressed in this report were determined based on the review process of our Materiality Matrix, which was supported by an external consulting firm and interviews conducted with key stakeholders, including suppliers, communities, investors, employees and administrators. The following was analyzed in this report:

- The materiality of peers in the sector (public and private, in Brazil and abroad) and of other organizations that are leaders in their respective fields;
- The global frameworks for sustainability reporting, including those from the GRI and the Sustainability Accounting Standards Board (SASB);
- Public assessments of ESG aspects: FTSE4Good Index, S&P Global Corporate Sustainability Assessment (CSA), Dow Jones Sustainability Index (DJSI), among others; and
- The targets linked to the Sustainable Development Goals (SDGs).

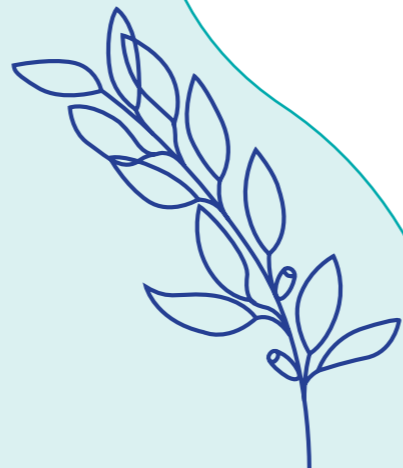
In 2021, continuing our mapping of material topics (especially those related to the ESG agenda), we conducted an extensive diagnosis with the support of a specialized independent consulting company. Over the eight months of work, we have held virtual interviews with customers, investors, shareholders, senior management members, key executives, capital market analysts and representatives from entities in the sanitation sector. We also benchmark with companies in the sector and best-in-class companies on various topics related to ESG.

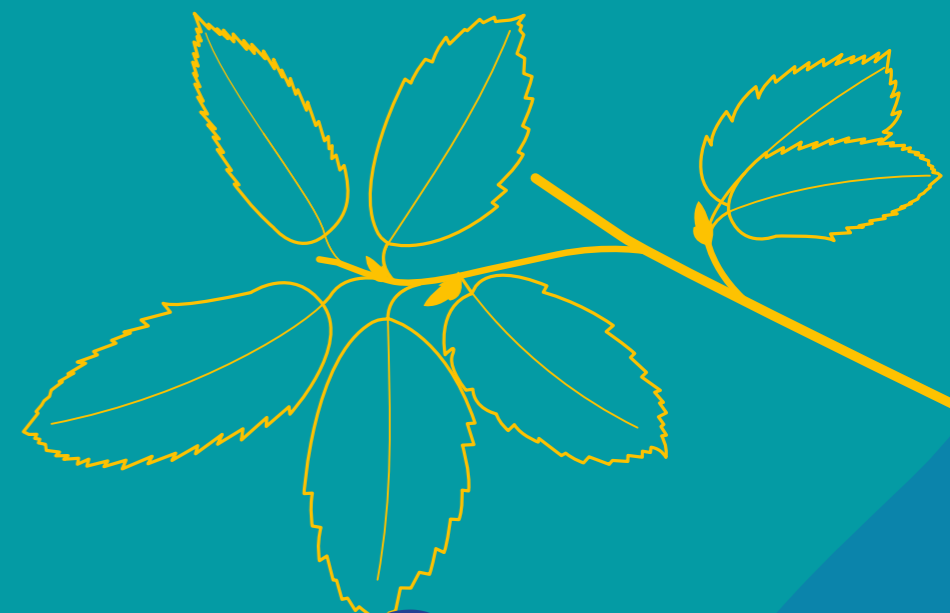
As a result of cross-referencing the ESG diagnosis with the materiality queries, the following material topics were selected and validated by the senior management.



Material Topics

[GRI 102-44, 102-47]





ABOUT

Us

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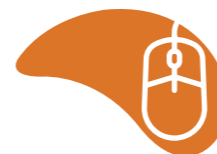


ABOUT *Us*

We are Aegea Saneamento e Participações S.A., leader in private sanitation in Brazil, with a 49.5% market share. We are working to reverse the deficit in basic sanitation in Brazil assuming a leading role in the segment. We provide quality sanitation through our concessionaires, which work in the entire water cycle process – from water collection, treatment and supply to sewage collection and treatment, thereby creating a legacy of health for people and the environment. [\[GRI 102-1, 102-2, 102-5\]](#)

In 2021, we celebrated some significant achievements, including the start of operations for Águas do Rio, an affiliated company and responsible for water supply and sanitation in 27 municipalities in the State of Rio de Janeiro, including 124 neighborhoods throughout the capital. Águas do Rio represented an important advance in our growth strategy by having practically doubled our operations – we will now be serving more than 21 million people at the end of 2021; there were 11.2 million in 2020. [\[GRI 102-10\]](#)

We also employed 8,047 employees¹ and reached R\$ 2.9 billion in net revenue and EBITDA of R\$ 1.8 billion for the year. [\[GRI 102-7\]](#)




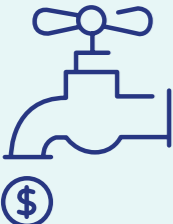
For more information, please visit our website, [here](#).

1. Accounts the members of the Board of Directors and does not include apprentices, interns and trainees.


HIGHLIGHTS OF 2021 | GRI 102-7|


ACTIVE HOUSEHOLDS²
 **3.7 million**


EBITDA²
 **R\$ 1.8 billion**
 a 44.6% rise

NET INCOME²
 **R\$ 586.7 million**
 a rise of 49.2%

POPULATION SERVED¹
 **21.2 million people**

EBITDA MARGIN²
 **62%**
 an expansion of 7.5 percentage points.

NET REVENUE²
 **R\$ 2.9 billion**
 a growth of 27.1%.

CAPEX²
 **R\$ 775.9 million**
 an increase of 48.5%

1. Includes the population served by Águas do Rio.

2. Does not include Águas do Rio, an affiliated company of Aegea. Aegea's interest in Águas do Rio is 52% of the total capital and 20% of the voting capital and Águas do Rio results are not consolidated into Aegea's Financial Statements, but rather recognized under equity income.



OPERATIONAL MAP

[GRI 102-2, 102-4, 102-6]

Where are we

We operate through our public concessionaires in a number of states from the north to the south of Brazil. With a consistent growth, we went from six municipalities covered in 2010 to 154 in 13 states: Amazonas, Espírito Santo, Ceará, Maranhão, Mato Grosso, Mato Grosso do Sul, Pará, Piauí, Rio de Janeiro, Rio Grande do Sul, Rondônia, Santa Catarina and São Paulo.

[GRI 102-4, 102-6]

ÁGUAS DE ARIQUEMES
 ÁGUAS DE BURITIS
 ÁGUAS DE PIMENTA BUENO
 ÁGUAS DE ROLIM DE MOURA

ÁGUAS DE BARRA DO GARÇAS
 ÁGUAS DE CAMPO VERDE
 ÁGUAS DE CARLINDA
 ÁGUAS DE CLÁUDIA
 ÁGUAS DE CONFRESA
 ÁGUAS DE DIAMANTINO
 ÁGUAS DE GUARANTÃ
 ÁGUAS DE JANGADA
 ÁGUAS DE JAURU
 ÁGUAS DE MARCELÂNDIA
 ÁGUAS DE MATUPÁ
 ÁGUAS DE NORTELÂNDIA
 ÁGUAS DE PARANATINGA
 ÁGUAS DE PEDRA PRETA
 ÁGUAS DE PEIXOTO DE AZEVEDO
 ÁGUAS DE POCONÉ
 ÁGUAS DE PORTO ESPERIDIÃO
 ÁGUAS DE PRIMAVERA
 ÁGUAS DE SANTA CARMEM
 ÁGUAS DE SÃO JOSÉ
 ÁGUAS DE SINOP
 ÁGUAS DE SORRISO
 ÁGUAS DE UNIÃO DO SUL
 ÁGUAS DE VERA

ÁGUAS DE NOVO PROGRESSO

ÁGUAS DE MANAUS

AMBIENTAL MS PANTANAL

ÁGUAS GUARIRÓBA

AMBIENTAL METROSUL

ÁGUAS DE SÃO FRANCISCO

ÁGUAS DE TIMON

ÁGUAS DE TERESINA

AMBIENTAL CRATO

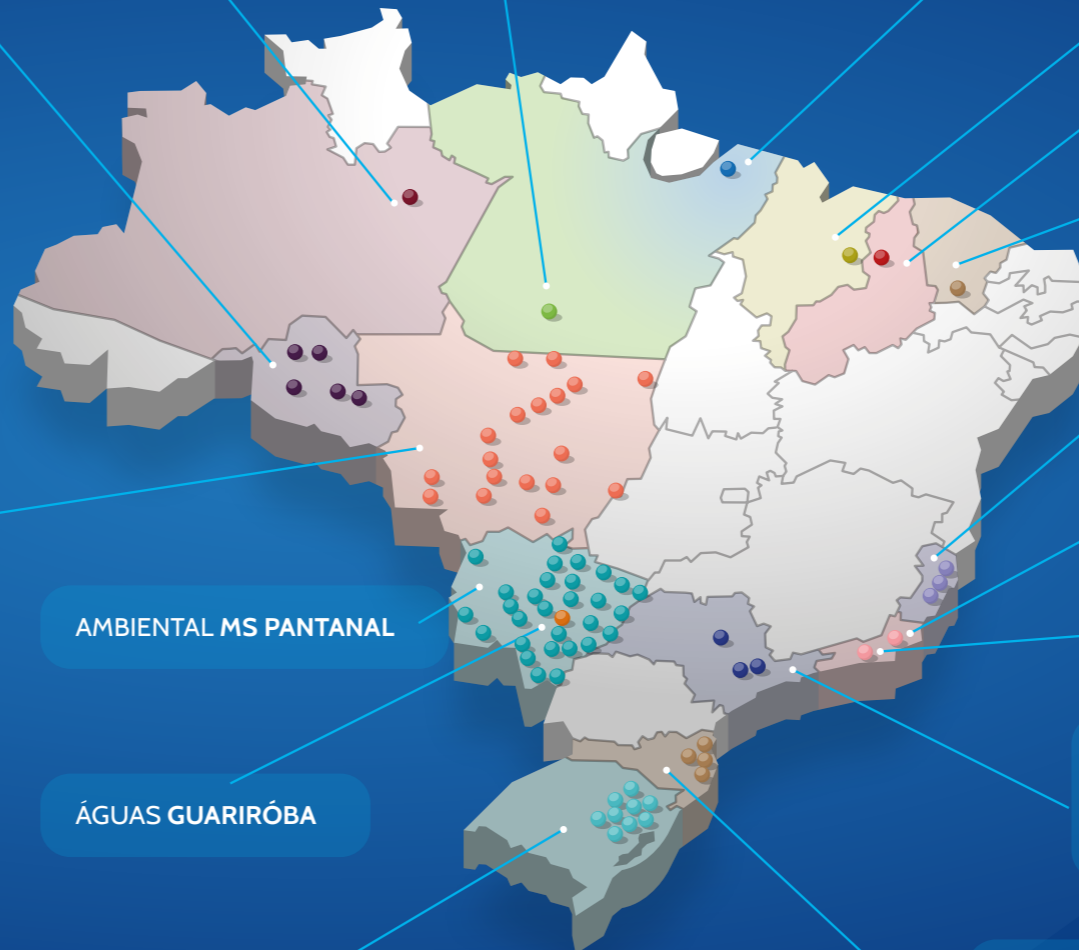
- AMBIENTAL SERRA
- AMBIENTAL VILA VELHA
- AMBIENTAL CARIACICA

ÁGUAS DO RIO

PROLAGOS

ÁGUAS DE HOLAMBRA
 ÁGUAS DE MATÃO
 MIRANTE

ÁGUAS DE BOMBINHAS
 ÁGUAS DE PENHA
 ÁGUAS DE CAMBORIÚ
 ÁGUAS DE SÃO FRANCISCO DO SUL



GROWTH TRAJECTORY

Concessions



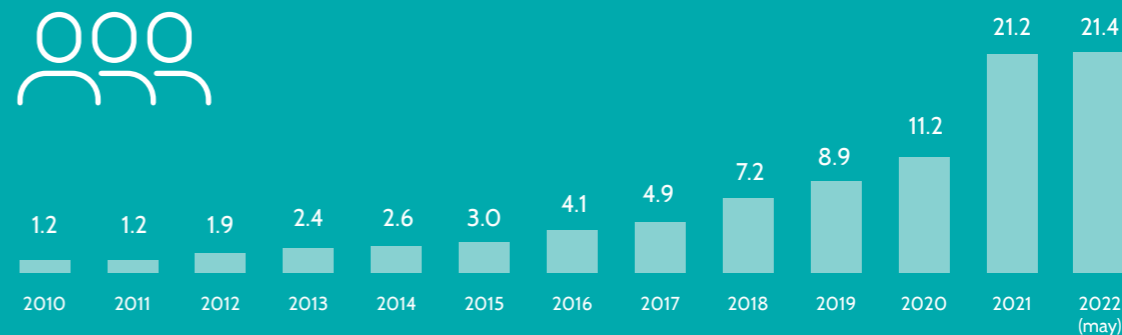
1. The acquisition of these concessions occurred before our incorporation as Aegea Saneamento e Participações S.A. The Águas Guariroba water concessionaire in the municipality of Campo Grande (state of Mato Grosso do Sul) was acquired in 2005, and Prolagos, covering five municipalities in the state of Rio de Janeiro, was acquired in 2006.

2. Referring to our Águas do Rio 1 SPE S.A. and Águas do Rio 4 SPE S.A. affiliates, whose results are not consolidated in Aegea's our Financial Statements, but recognized under equity income.

3. Subsequent to the period covered by this report.

Águas do Rio is the largest concession in the private sanitation sector

POPULATION SERVED (IN MILLIONS)



Águas do Rio

In April 2021, through a consortium established with our shareholders – Grupo Equipav, Singapore Sovereign Fund (GIC) and Itaúsa – we were successful in the Ceda’s auction for the concession of water supply and sanitary sewage services in blocks 1 and 4, which cover the south, north and center regions of the city of Rio de Janeiro and 26 cities in the state of Rio de Janeiro. As a result, we constituted Águas do Rio, the largest water and sewage private concessionaire in Brazil, which serves 9.8 million people.

Over the next few years, Águas do Rio will invest to universalize sanitation in the concession area, including infrastructure projects and improvements in slums and communities, while promoting improvement of environmental conditions contributing to the recovery of the Guanabara Bay.

AWARDS AND HONORS



Gold in the *Época Negócios 360* yearbook award, in the category Water and Sanitation sector.



1st place in the Water and Sanitation category in the *Valor 1000*, a ranking that awards the best companies in each sector.



For the second year, listed in *Valor Grandes Grupos*, a ranking that awards the 200 largest organizations in the country, taking 8th place in the Equity Profitability category.



Listed in the 7th edition of the *Valor Inovação* (Innovation Value) award.



Certification in ISO 37001:2017 Standard, for its Anti-bribery Management, renewed in March 2021.



One of the winners of the 2021 IIA May Brasil, an award by Instituto de Auditores do Brasil (Brazilian Auditors Institute) that is part of a global campaign analyzing and recognizing companies that have shown, in the best way, the value and importance of internal auditing.



Second best score in the Best Annual Report Award, by Abrasca, for its 2020 document.



3rd Innovation Award – by ACIBALC (Business Association of Balneário Camboriú), awarded to the Águas de Camboriú (SC) concessionaire for the programs *Rio Camboriú sem Plástico* (Rio Camboriú without Plastic), developed in partnership with the Municipal Environmental Foundation (Fucam), and Saúde Nota 10 (Exemplary Health), carried out in conjunction with the Municipal Department of Education.



2nd Inovainfra Award – by Revista O Empreiteiro, which highlighted our *Infra Inteligente* Program.



Incredible Places to Work Award – by UOL and FIA, awarded to the concessionaires Águas de Teresina, Águas Guariroba, Águas de Primavera, Águas de Sinop, Águas de Ariquemes, Águas de Manaus, Prolagos, Ambiental Serra, Ambiental Vila Velha, Águas de Holambra, Águas de Matão and Águas do Mirante.



Sustainability Award – by Abcon/Sindcon (Brazilian Association and Union of Private Concessionaires Providing Public Water and Sewage Services), for the initiatives Programa Bacia Monitorada (Monitored Basin Program) and Programa Lodo Sustentável (Sustainable Soot Program) by Águas Guariroba concessionaire, in the Ecosystem Protection and Restoration category.



STRATEGIC DRIVERS

Our Purpose [GRI 102-16]

Our mission is to move the lives of people and the cities where we operate through universal access to basic sanitation.

In order to make sure that the team is committed to this objective, we strengthen and disseminate **our talents** within the company, which are elements that reflect our operating model, our beliefs, ambitions and our culture. As such, we continue to be even more convinced that “**Our nature drives life**”.

Our talents



Ambassadors
of Health

The commitment to life: taking care of people's health and the environment.



Masters in
Brasicidades

The understanding of the various *Brasis* (Brazilian Lands): respect and work according to the characteristics of each region



Professionals
Who Go Above
and Beyond
Engagement

Engagement with a mission: striving for healthier, happier and fuller lives – both inside and outside the corporate environment.



Engineers
of the Order
Maintenance

Maintenance of the sustainable cycle: working with commitment and organization, so that everything is in its place.



Agents of
Dignity

A commitment to equality and future generations: to act legitimately, providing dignity to people.



Our Manifesto

We are passionate about water.
After all, we live off of it.
It provides us well-being, sustaining cities, environmental reserves and better lives.
Through water, we fight for healthier and happier lives.
That's our real nature.
We respect the order of the environment and the rights of the people, for more dignified stories, for more sustainable cities, for bluer futures.
Because we know the value of clean water, treated water, water that refreshes, water that oxygenates communities and makes us even better.

Attentive to differences, we shape ourselves to the multiple Brasis, the multiple Brazilian lands.
We understand the beauty of every fountain, every city, and every corner of our country.
That's why we go beyond what's expected.
We work towards providing quality of life to families, restoring humankind's pure alliance with their surroundings and reconstituting life as it should be.
The life of water and people.
Because our nature is to work hard, from sunrise to sunset, for lives that are richer in citizenship.





To deliver sanitation solutions through excellence and entrepreneurial security, helping to improve the quality of life of the stakeholders served.



To be recognized as a global benchmark and the best company in the viability and management of sanitation solutions in Brazil.



- Accessibility
- Austerity
- Collaboration
- Continuous evolution
- Social responsibility
- Transparency

LEADERSHIP ROLE IN THE SECTOR AND COORDINATION OF SDG 6

We are working towards the universalization of basic sanitation in Brazil, which includes coordinating and establishing dialogs with entities and public officials in the sector, particularly on the universalization guidelines and goals defined in the New Legal Framework of Sanitation, enacted in 2020 (Law No. 14,026).

We believe that it needs to stimulate the partnership between the public sector and the private sector, helping to shift the basic sanitation issue in Brazil: 100 million people lacking sewage collection and treatment, and 35 million without treated water.

The new law establishes an Interministerial Committee on Basic Sanitation, chaired by the Ministry of Regional Development. This committee seeks to improve the institutional coordination between the federal agencies that are active in the sector. The role of editor of the general guidelines for sanitation was conferred to the National Water and Sanitation Agency (ANA), which needs to standardize best practices and create benchmark standards for local regulatory agencies, improving and modernizing the levels of legal assurance for the sector.

Since 2017, we have in Aeagea the Vice-Presidency for Institutional Relations, which coordinates our integration with sector entities. Our executives also take part in the following associations: Trata Brasil Institute, Brazilian Association of Infrastructure and Basic Industries (Abdib), Brazilian Association of Private Concessionaires Providing Public Water and Sewage Services (Abcon) and Brazilian Association of Sanitary and Environmental Engineering (Abes). We believe that the universalization of water and sewage services will step up based on advances in legislation and models of cooperation between the public and private sectors. [IGRI](#)

102-13]

In addition to regulatory issues, our actions converge to improve the quality of life of residents in the municipalities we serve, given that access to services is directly linked to positive social impacts. A study by the **Trata Brasil Institute**¹, for example, points out that, even before the effects of Covid-19 in Brazil, the lack of basic sanitation was already overloading the public health system with 273,403 hospitalizations for waterborne diseases in 2019 – an incidence of 13.01 cases per 10,000 inhabitants, resulting in expenditures of R\$108 million for the country, according to DataSUS².



1. "Sanitation and water-borne diseases - year base 2019", available [here](#).

2. Health Ministry Portal which follows the registers of hospitalizations, deaths and other events related to public health in Brazil.

We are the coordinators of the Global Compact Water Action Platform

Our goal is to actively contribute to achieving the goals of SDG 6 – Clean Water and Sanitation and SDG 14 – Life Below Water.



In 2021, we reinforced our participation in Global Compact Network Brazil, as institutional supporters for the next four years.

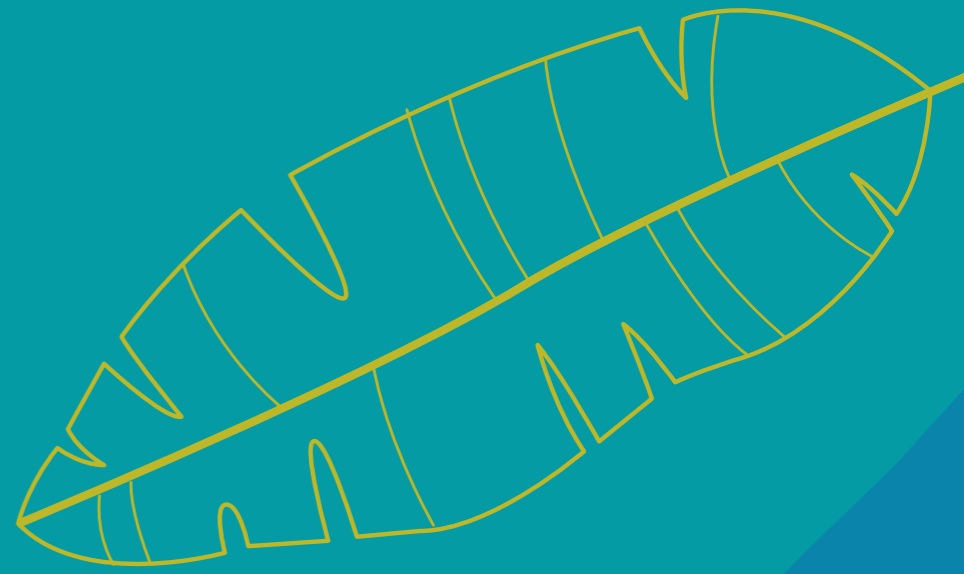
We have been a signatory to the Global Compact since 2016.

WE HAVE BEEN A SIGNATORY TO THE GLOBAL COMPACT SINCE 2016.

We have been a signatory of the United Nations (UN) Global Compact since 2016. The initiative encourages companies to align their strategies and operations with the ten universal principles in the fields of Human Rights, Labor, Environment, and Anti-Corruption, and take on activities that contribute to addressing society's challenges. In 2021, we stepped up participation for the next four years as an exclusive institutional supporter of the sanitation industry. We also remain focused on moving closer to the UN 2030 Agenda, adding the Sustainable Development Goals (SDGs), especially SDG 6 (Clean Water and Sanitation), into our business strategy. In the Global Compact Network Brazil, we have coordinated the Action for Water and Ocean platform, which develops initiatives to achieve the SDG 6 targets ([learn more here](#)).

[GRI 102-12]

We also joined the World Economic Forum in 2021. Created in 1971, the forum is an independent and impartial international organization that assembles the most relevant stakeholders and leaders of society – politicians, companies and institutions – in an effort to promote a positive impact in the face of global challenges by means of thematic platforms. [GRI 102-12]



CREATION OF VALUE

Strategy

4



CREATION OF VALUE

strategy

We aspire to become a global leader in the provision of basic sanitation services in a sustainable, competitive and innovative way, with a continuous focus on the needs of our customers and generating value by providing universal access to treated water and sewage and promoting health and environmental recovery.

We have expanded and created value by gaining concessions or public-private partnerships (PPPs), increasing the efficiency of our operations and growing our water and sewage networks. We maintain a diversified portfolio of assets composed of mature concessionaires - where we have already universalized the water supply and/or achieved sewage coverage of more than 80% - and concessions in the development stage.

We have a consistent history of concessions that have been won in public bids and through acquisitions, growing from six municipalities covered in 2010 to 154 cities in 2021. Our successful track record in conducting the integration of new sewage and sanitation assets is anchored by the Aegea Operating Model (MOA) that is focused on increasing operational efficiency, the quality of services provided and expanding water and sewage coverage networks. (learn more [here](#)).



Our strategy of value creation is sustained by the following strategic pillars:

Quality in the provision of services and universalization of the access to treated water and sewage – When we take on a new contract, we prioritize quality in the provision of services and gradually expand the coverage networks, aiming to universalize the sanitation services, with contractual milestones used as a reference.

Focus on the customer and ensuring accessibility to sanitation services – From the start, the customer is at the center of our strategy. Accordingly, besides making sure that the quality of support and services is met, we strengthen ties with local communities to understand and address their demands and ensure accessibility to our services, especially for vulnerable populations.

Increased operational efficiency – We implement measures to increase the operational efficiency of the assets we operate. Within this scope are investments in improving systems, optimizing processes and capturing synergies, among others. Under this pillar, we rely on investments in technology and innovation to improve the management of assets through a reduction in costs and expenses, automation, streamlining operational processes and implementing integrated planning.

See more about our technology and innovation programs in the Technology and Innovation topic.

Legacy of sustainability and value creation in the locations where we operate – Our management model is anchored in ESG best practices. We promote the sustainable use of natural resources, working towards leaving a legacy of inclusion and development in the areas we are active in.

Growth based on financial discipline – Our goal is economic and financial growth based on financial discipline and value creation for our entire chain. By means of a governance structure based on best practices, we are supported by our shareholders and access diversified sources of funds, making it possible for us to grow in a sustainable manner.

Employee Development – We recognize the importance of attracting, training and retaining talent, helping our growth and implementation of our business model in the concessions in which we operate. We are especially focused on hiring local labor, promoting diversity along with training and succession programs supported by the Aegea Academy.





TECHNOLOGY AND INNOVATION

Technology and innovation are essential to deploying our strategy because they contribute to the reliability of the operations and services we provide, in addition to driving the increase in operational efficiency, the integration of assets and ongoing improvements to the provision of sanitation services.

THE TECHNOLOGY AREA OPERATES WITH A FOCUS ON SIX STRATEGIC PILLARS:

Operations | Concentrated on water production and distribution, sewage collection and treatment, and loss management. This pillar centers the technologies that support control centers, automations, treatment plants and lift stations, among others. It also covers the collection of information that feeds the models of hydraulic simulation and artificial intelligence, plus augmented reality. Field service optimization systems are also managed by this pillar.

Services | Focus on systems that support administrative activities. This pillar seeks a cost-per-transaction reduction, automation and continuous governance. This scope includes the purchasing, financial and accounting processes, and others managed through systems that are market standards, such as SAP, ARIBA, Guepardo and Projuris.

Customers | The customer journey in our ecosystem is the focus of this pillar, which covers the call center, service stores, virtual agency and the commercial system.

Analytics and Artificial Intelligence (AI) | Consisting of a datalake with data coming from all our systems, allowing us to cross-reference information and plan through artificial intelligence.

Platform and Cyber | Our entire systemic landscape is supported by a robust platform that melds cloud structures with private structures and follows the best cyber security practices.



Some cases of innovation and digital transformation applied in 2021 include:

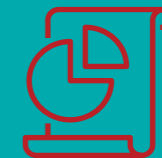
Customer service innovations



Customer Journey

Integration of customer service channels: 0800, WhatsApp, Chat, Facebook Messenger, Virtual Agency, Instagram and physical stores. We now have an historical record of all contacts with customers. This helps improve the consumer experience, making it possible to create studies and behavior patterns to better assist each segment.

Innovations in analytics



Innovation in analytics and Artificial Intelligence (AI),

like the structuring of our Integrated Base (datalake) in a cloud environment, BI dashboards for a number of internal areas, allowing decision-making based on cross-sectional data, coding and Machine Learning processes.

Platform and cyber innovations



Centralization of cyber security management,

with immediate standardization of all rules and settings. The over 160 firewalls constitute a security compliance plan that significantly expands monitoring and detection of any threats.



Innovations in operations



Takadu technology®

for leak detection, algorithms identify the expected behavior for operational variables of flow, pressure and reservoir level, indicating when and at what point the Operational Control Center operator should initiate an investigation. The technology can also identify non-visible leaks in pipes or connections.

Infra Inteligente

Approximately five years ago, under the Infra Inteligente program, we conducted a survey of assets and sanitation systems using drones, helping to virtually carry out operational management based on the current and future behavior of pressure and flow variables. By using Bentley's WaterSight software, hydraulic network simulations are performed, including potential pipe ruptures, identifying which registers should be closed for repair and how customers would be affected.

Oracle Field Services (OFS),

a new field service order management tool with cloud architecture that allows real-time monitoring of field teams and the progress of services, and employs artificial intelligence for automatic routing of services, with more efficient routing, providing additional accuracy in the execution of services.

Integrated Operations Center

Platform that integrates several internal structures, such as operations, maintenance, commercial management and customer and press relationship, with the most current in technology, such as Datalake systems, Field Services app, CMMS, LYMS, GIS, Hydraulic Modeling, Analytics, BI and others. It is possible to monitor and control supply systems, treat anomalies, interpret indicators, trigger negotiations and make decisions based on data analysis and cross-sectional indicators from the integrated platform. By applying analytics, the platform will be able to facilitate autonomous operation or be guided by artificial intelligence models and hydraulic modeling. These differentials have resulted in gains in operational efficiency, cost reductions and improved customer experience.

GISAegea Ecosystem

which uses geotechnology concepts and tools to standardize processes and centralize the storage of data from the internal technical record, including water and sewage networks maps, services and operations heat maps, cadastral coherence geoanalysis, and feasible sewage connections georeferencing, allowing greater integration and spatial intelligence for the entire group.



STRUCTURE FOR FOSTERING INNOVATION

We encourage all employees to take part in the transformation journey through the Aegea Innovation Program. In order to strengthen governance on the subject, we created an executive committee in 2021. It was tasked with fostering, supervising, leading and defining innovation priorities in line with our strategic planning, plus selecting projects and ensuring that necessary resources would be allocated to help develop the initiatives. The committee reports directly to the CEO and is made up of representatives from the areas of Technology, Engineering and Special Projects. We also initiated an innovation strategy over the year based on three fronts:

Internal innovation – Intra-entrepreneurship (developed by our employees) –

Inovae is a platform that allows employees to submit their ideas within an integrated and collaborative environment in a gamification format. We received almost 500 contributions, of which more than 200 were implemented. Inovae is the gateway to the Aegea Innovation award, which recognizes the best ideas put into practice and with proven results.

Co-innovation (developed with partners) – Employees can make suggestions and propose solutions in Inovae, supplying data of the partner company, deadlines and planning for the execution of the proposal. The idea is to involve in-house employees in the search for opportunities to modernize our processes.

Open innovation (developed by startups) – In 2021, for the second straight year, we sponsored “Selo iLmpact”, the largest mapping and recognition project for startups that generate solutions with a positive impact in Latin America. The initiative is developed by Innovation Latam and Dom Cabral Foundation. In addition to incorporating some solutions into the business, we also developed the Aegea Hub, a program to attract projects that foster innovation and development, boost business and help reduce the deficit in sanitation.

INTEGRATED OPERATION

Águas Rio, even before the beginning of operations, invested R\$ 10 million in one of the most modern operations centers in the sanitation sector, the Integrated Operations Center. The unit operates daily, 24 hours a day, analyzing more than 24,000 pieces of data per day. The goal is to detect potential problems and act preventively, and is also for monitoring operations. The structure is responsive, with thousands of water pressure sensors, plus equipment and software dedicated to operational efficiency and service consistency. Dataloggers were installed at strategic points in the network. This is equipment that delivers information on the operation's variables to the Integrated Operation Center, identifying any changes in the water and sewage systems, allowing operation teams to be called immediately to perform preventive measures or quick repairs. The Integrated Operation Center also enables remote activation of pumps, valves, floodgates and other equipment. Depending on the demand, field agents may not need to be sent to the location.






ESG AGENDA AND CORPORATE SUSTAINABILITY GOALS

We believe that ESG pillars are at the core of the decisions we make and provide guidance to the business in a process of economic growth with solid governance, social development and environmental responsibility.

In an effort to reinforce the permanent attention to ESG principles in the evolution of our business and to accentuate the discussions on the subject within the scope of the main long-term strategic lines, which will contribute to our continuity and the environment we influence, we created the ESG Executive Committee in 2021. It is composed by senior management and cross-functional members, such as members of the Finance, Management Support, Sustainability and New Business teams.

Throughout the year, the committee conducted ESG diagnostics and ratings and structured an integrated action plan, with the objective of strengthening the practices that had been implemented and our progress on the topic. A number of initiatives were adopted out of this plan, including a definition of ambitious corporate ESG targets that represent solid long-term commitments.

The targets set go beyond those that have been established in concession contracts. They are part of our business, such as reducing water losses and expanding water and sewage coverage. Accordingly, demonstrating our commitment to the increasingly efficient use of natural resources in our activities and to the topic of diversity and inclusion, the following goals were defined:



A 15% reduction
in specific energy consumption,
measured in kWh per cubic
meter, by the end of 2030;

45% of women
in leadership positions by the end
of 2030; and

**27% of black
employees** in leadership
positions by the end of 2030.





Currently, 94% of the energy we acquire comes from renewable sources, and we are committed to a significant reduction in our specific consumption of this input, which is essential in the process of producing and distributing water and collecting and treating sewage. We already have an extensive Energy Efficiency and Water Loss Reduction Program, and we intend to accomplish this goal by combining investments in technologies with measures to increase the efficiency of the assets we operate.

From the point of view of diversity, as service provider company, our goal is to mirror the racial and gender diversity of the Brazilian population in our headcount, reinforcing society's confidence in our activities. In order to reach this goal, we will have the support from Aegea Academy, which trains and develops careers and prepares for leadership positions.

As an outcome of the corporate sustainability goals that have defined and reinforcing our progress in the ESG agenda, we accessed the international capital market in April 2022 through the issuance of bonds linked to sustainability goals, the Sustainability-Linked Bonds (SLB). As a result, we are the first company in the sanitation industry in Latin America to issue a bond characterized as an SLB (i.e., with sustainability goals) and the first company in Brazil to issue an SLB with a goal of increasing diversity and racial inclusion in leadership positions.

SUPPLY CHAIN AND BUSINESS PARTNER DEVELOPMENT

We roughly doubled in size in 2021, serving more than 21 million people, and we reinforced the supply area, mapping the suppliers, processes, systems and people that will need to be developed to ensure the supply of essential inputs to our business.

We count on tools like the Kraljic Matrix, which helps us manage the supply chain, dividing the purchasing process into four categories (non-critical, leverage, bottleneck and strategic items) according to the degree of risk and importance of the procurement or supplier. We also map the key macroeconomic components that our inputs are exposed to, such as inflation levels, interest rates, commodity prices, exchange rate variations and others. This helps us to understand the process for setting prices by suppliers and to drive more effective negotiations and contracts.

With this progress over the past year, we have been able to further our understanding of the processes and how we can develop products, services, and suppliers. One of the results from this work included contracts for the supply of strategic raw materials at a pre-established price – protecting our operations from inflationary pressures. And with an ESG perspective, we began to incorporate elements like recycling and reverse logistics of materials and components (including plastics and metals used in water meters) into our bid processes, and we are developing other initiatives, such as recycling textiles used in our employees' uniforms and PPE.



Find out more in the “Waste and the circular economy” section.



The processes began to align with aspects of the ESG Agenda



INTANGIBLE ASSETS

We make investments in order to manage and strengthen intangible assets that support our strategy, drive operations and contribute to the generation of shared value. Some of those include:

SOCIAL LICENSE TO OPERATE.

Social License to Operate (SLO) is the permission to act in a territory, assigned by the society that trusts in our ability to perform services and our commitment to inclusion, environmental responsibility and social development.

More than an achievement, it is consistently pursued by us and it shapes the way we relate to the residents and customers of the locations we serve. We work to leave a legacy generated through our operations, focusing on transforming the people and communities where we operate, what we call the “Shared Prosperity Platform”. This process involves the high-quality provision of our services and customer service (legitimacy); a transparent and honest dialog with local and national stakeholders, which facilitates a close relationship with the community in each territory, understanding their true needs (credibility); and investments in improving the population’s quality of life, contributing to local development not only through our activities, but also through social and environmental impact initiatives (trust).



We operate long-term contracts that provide essential services to the population: treated water and sewage. This requires an ongoing relationship with customers and the community. As such, one of the fundamental pillars of our business strategy is strengthening our social license – from the first time we take on a concession or PPP, we carry out actions and establish a plan to draw closer to the population, listen to the needs of the local community, and offer excellent service.

Supporting this important pillar, our socio-environmental action strategy considers aspects of the Municipal Human Development Index (HDI-M) in the municipalities we are active in, as well as topics related to racial and gender equity and environmental protection for the creation of social projects and the establishment of partnerships with civil society institutions. The initiatives are adapted to each region's reality in order to have them respond to social demands, while tightening the relationship and strengthening dialogs with local audiences. We also have a Private Social Investment Policy that focuses our corporate guidelines on the subject (learn more [here](#)).





We invest in aligning people with our principles and purposes

INTERNAL TALENTS

We aim to establish efficient and competitive ways to attract, retain, develop and motivate internal talent – one of our most valuable intangible assets and the strategic pillar of our activity. We need people aligned with our principles and purpose, and who are properly prepared for leadership, in order to execute our business plan and to enable our readiness for growth through the incorporation of new assets. As such, continuous investments in training and building skills is one of our strategic vectors of expansion.



[Click here for more information on training and the development of internal talent..](#)



AEGEA OPERATING MODEL (MOA)

Our successful path of growth is based on our proven ability to replicate the Aegea Operating Model (MOA, in Portuguese) in varied locations throughout the country. The MOA comprises our guidelines for operating sanitation assets with efficiency and to manage contracts and relationships with stakeholders.

The MOA is like a guardian of learning. It's a repository where tried-and-true processes are documented and recorded, including lessons learned. It is, as such, a key element in our growth strategy, ensuring that new assets are integrated with excellence and efficiency while, at the same time, boosting the creation of shared value.

The MOA also includes an online platform, where registrations are made. We are consistently upgrading and looking at examples from the international market, adapting them to the Brazilian environment and, more specifically, to the municipalities we serve. In addition to being available for reference, these lessons are shared in the employees integration process, as well as in training sessions for leaders and trainees, and other initiatives.

BUSINESS MODEL

We are leaders in private sanitation in Brazil and we want to continue our role as protagonists in the sector, expanding access to quality sanitation for even more people and leaving a legacy of health for individuals and the environment. This, along with other generated and shared values, is our key legacy and the most important link in our chain. Our business model, developed according to the guidelines and concepts of the International Integrated Reporting Council (IIRC), demonstrates this process.



**Our operating model
accelerates the creation
of shared value**



INTELLECTUAL

Capitals

Reflects the way we operate, innovate and use new technologies with a focus on operational efficiency and top-notch quality in the services provided



MANUFACTURED

Composed of our fixed assets: Water Treatment Plants (WTPs), Sewage Treatment Plants (STPs), buildings, equipment, service units and other operational structures managed through concession contracts and operational processes



FINANCIAL

Financial resources, allowing for investments and ensuring a return for financiers and other stakeholders

Internal environment

- Aegea Operating Model (MOA)
- Executive Committee on Innovation, Efficiency & Technology and Innovation Program
- Solid corporate governance structure for defining strategies and decision making
- Permanent assessment of risks, opportunities and impacts

- Contracts for full or partial concessions or sub-concessions
- Public Private Partnerships (PPPs)

- Systematization of processes that help identify, classify and prioritize investments
- Shareholders supporting growth
- Diversification of funding sources

Generated-value in 2021

- Over 100 initiatives focused on the pursuit of solutions that improve services encompassing the integral water cycle, generating more efficiency, lower costs and enhanced coverage
- Increased operational efficiency, reflecting the reduction in specific energy consumption and other costs and expenses

- 3.7 million l water meters served with water and sewage
- More than 200 billion liters of treated sewage, the equivalent of 80,000 Olympic swimming pools
- 641.1 billion liters of treated water, helping to reduce waterborne diseases
- Network expansion in existing concessions, ensuring access to sanitation for about 900,000 people

- 44.6% increase in consolidated EBITDA for 2021 compared to 2020.
- Net Income of R\$ 586.7 million
- Capital contributions in the amount of R\$ 4.2 billion
- R\$ 9.4 billion in funding for the year, including the R\$ 7.8 billion raised by Águas do Rio





Human

Capitals

Employees trained for their duties, prepared for succession and mobilized by our purpose and elements that constitute our identity (learn more [here](#))



SOCIAL

Ethical and transparent relationships with our stakeholders and social license to operate (learn more [here](#))



NATURAL

Natural resources that are properly managed and used responsibly in an effort to foster positive impacts for the communities served and the environment

Internal environment

- Aegea Academy
- Talent succession program
- Diversity and inclusion program
- Workshops to prepare for the labor market in favelas and local communities

- Code of Conduct and independent Ethics Channel 24x7
- Delivering high-quality services is a priority and comes even before billing for the services provided
- Increasing the number of beneficiaries in the Social Tariff beyond contractual obligations
- Social and environmental programs that are suited to the reality of the population of each region

- Sustainability policy
- Loss Reduction Program
- Integrated Environmental, Health and Safety Management System;
- Projects for the reuse of sludge (circular economy)

Generated-value in 2021

- Over 8,000 direct jobs
- Prioritizing the hiring of local labor, such as from favelas and local communities
- 32% of women and 17% of black employees in leadership positions in 2022 (from managers to CEO), with a target of 45% women and 27% black employees in leadership positions by 2030

- 369,500 families benefited by the Social Tariff
- R\$9.3 million in Private Social Investment
- Reduction of diseases caused by the lack of sanitation

- 641.1 billion liters of treated water
- 211.1 billion liters of treated waste
- 94% of the renewable energy matrix and a 15% reduction target in specific energy consumption (kWh/m³) by 2030
- Reduction of the loss rate representing 39 billion liters of water saved, enough to supply 970,000 people for a year





INTEGRATED ESG

Management

5



INTEGRATED ESG Management

CORPORATE GOVERNANCE

We are a private limited company, with defined control, not listed in the stock exchange, which voluntarily adopts the best governance practices and is registered as a publicly-held company at CVM. [\[GRI 102-5\]](#)

We adopt the best corporate governance practices, with the highlight to the segregation of the positions of Chairman of the Board of Directors and Chief Executive Officer; the Integrity and Audit, Risks and Internal Controls departments, reporting to the Board of Directors; composition of a majority of independent members on the Board of Directors; an independent 24x7 ethics channel, and ISO 37001 certification in Anti-Bribery Management systems, attesting to our Integrity Program.

BEST PRACTICES FOR CORPORATE GOVERNANCE

- ISO 37001 – Anti-Bribery Management System, renewed twice in a row.
- 24x7 independent ethics channel.
- Code of ethics for employees and business partners.
- Segregation of duties of the Chairman of the Board of Directors (CA) and the Chief Executive Officer.
- Majority of independent members on the Board of Directors.
- Advisory committees to the Board, coordinated by independent directors.
- Governance Officer reporting to the Chairman of the Board of Directors.
- Periodic evaluation of the Board of Directors, committees and Governance Officer.
- Integrity Board with direct report to the Board of Directors.
- Integrity Program with 19 policies.
- Internal Audit, Risks and Internal Controls Board, with a fixed reporting schedule to the Audit Committee and Board of Directors.
- Risk Management Policies and Risk Map approved by the Board of Directors.
- Succession Plan for the Executive Board periodically assessed by the People Management Committee and Board of Directors.
- A dedicated Investor Relations Area, focusing on transparent and timely communication with the capital market, following the best practices of the market.
- Quarterly earnings call in Portuguese and English.
- Active participation in conferences and meetings with analysts and investors.
- Portuguese and English published versions of the Financial Statements, earnings releases, presentations, material facts and announcements to the market.
- Audited Annual Report.

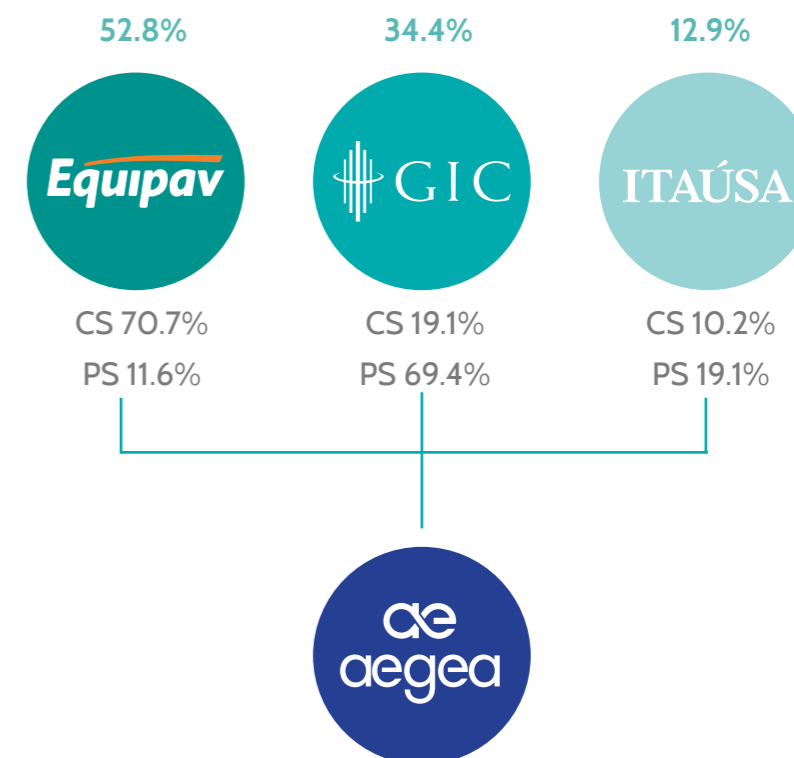


SHAREHOLDING COMPOSITION

In 2021, we further reinforced our capital and governance structure with the entry of a new shareholder, Itaúsa, the largest Brazilian investment holding company. Itaúsa joined as a shareholder through the acquisition of 8.32% of the common shares held by Equipav at an amount of R\$1.085 billion.

Subsequently, we carried out a capital increase through the issuance of common and preferred shares totaling R\$3.6 billion with the contribution of our three shareholders. The increases in capital helped reinforce our capital structure and represented a source of financing for the payment, by our affiliated Company Águas do Rio, of the first and second installments of the grants for blocks 1 and 4 of the Cedae auction.

CORPORATE STRUCTURE

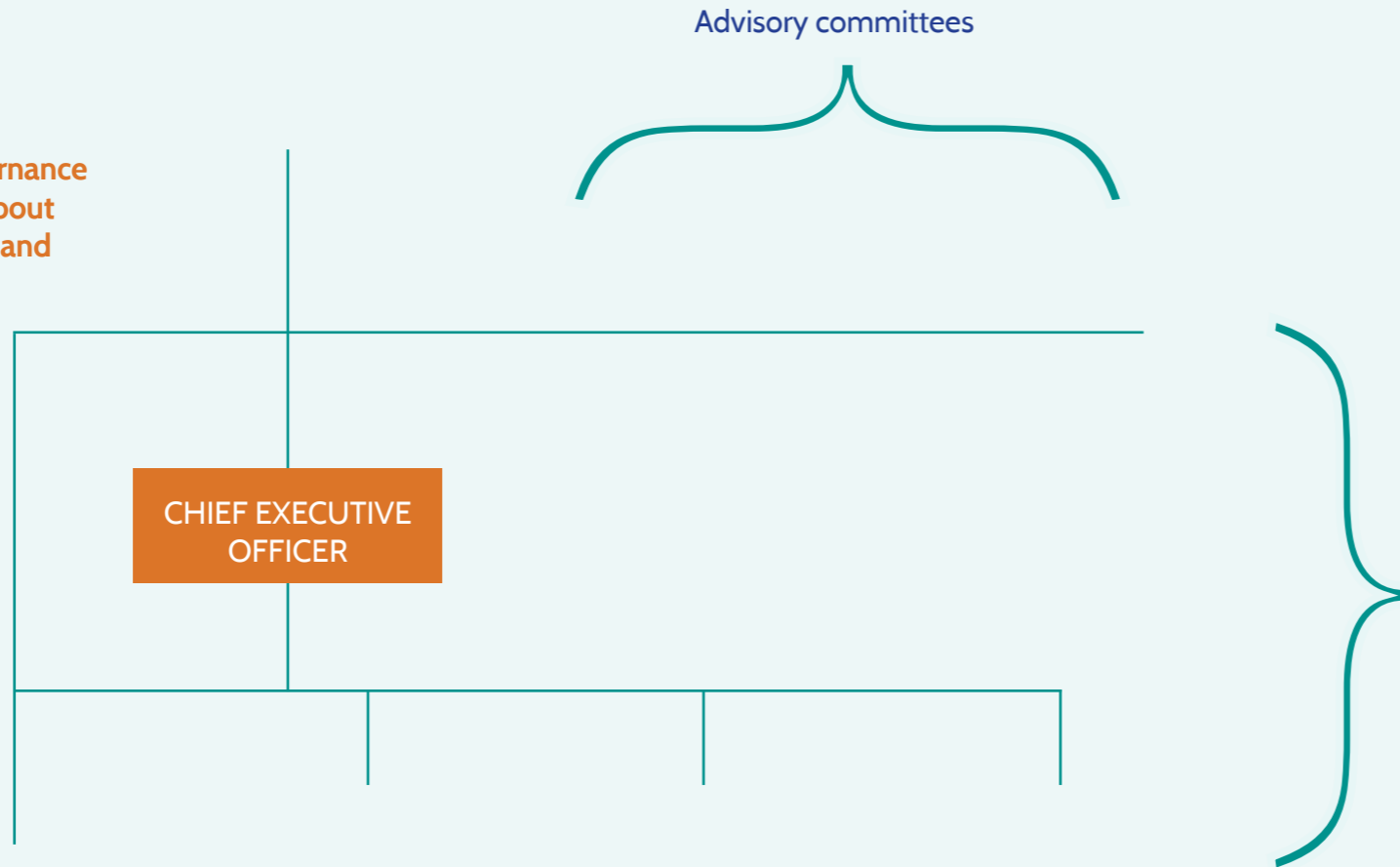


GOVERNANCE STRUCTURE

[GRI 102-18,102-22, 405-1]



Click on the governance bodies to learn about their attributions and compositions



ASSESSMENT OF GOVERNANCE BODIES

The Board of Directors performs an evaluation of the functioning and efficiency of the governance bodies every two years. The last assessment in 2020 looked at the following dimensions: strategic focus of the Board of Directors; independence of the Board of Directors and diligence; decision-making process; effectiveness of the Board of Directors and advisory committees; work performed by the Governance Officer; and performance of the Chairman of the Board. The result was consolidated and translated into an action plan for improvement and refinement. [GRI 102-28]



Learn more about the diversity among members of governance bodies [here](#)

[GRI 405-1]



ETHICS AND INTEGRITY

The Integrity Board reports directly to the Board of Directors, and the renewal of the international certification ISO 37001 – Anti-Bribery Management Systems – attests its strength.

In 2021, we restructured the staff on the Integrity Board. Multidisciplinary and interconnected teams have begun to implement a job rotation process so that all professionals could get an idea of our Integrity Program and were able to act as multipliers of best practices, especially to acquire new businesses. The area began to operate in five pillars:

1 **Preventive:** aims to ensure that all employees, suppliers and business partners act in accordance with laws and regulations applicable to the business and internal guidelines. To this end, it works on the publication of policies, guidelines and documents, such as the Code of Conduct. Revised on an ongoing basis, the material applies to all employees, including directors and members of the Board of Directors and business partners (there is an edition specifically for these stakeholders). As such, everyone is encouraged to conduct their activities in a manner that adheres to our principles. We also have 19 policies that deepen our guidelines on specific topics. [GRI

102-16]

INTEGRITY POLICIES [GRI 102-16, 205-2]

- Compliance with the Code of Conduct
- Anti-bribery and anti-corruption
- Relationship with the Public Authorities
- Money laundering
- Ban on facilitation payments
- Antitrust and relationship with competitors
- Preventing and combating bullying and sexual harassment
- Conflict of interests
- Contract drafting and management
- Relationship with business partners
- Giveaways, gifts, and hospitality
- Donations, contributions and sponsorship
- Handling of information
- Use of company assets
- Bookkeeping
- Ethics Channel
- Consequences and disciplinary measures
- Compliance with laws and regulations
- Transactions with Related Parties

2 Cultural: dedicated to building and strengthening the culture of integrity through the training and development of employees. Throughout 2021, the Integrity Board conducted activities that included Compliance Day and the Campaign against Harassment in order to promote the tenets of compliance among staff members, raising awareness on the rules of the Code of Conduct. We also have two new virtual employees: Norma, an employee in the Engineering area, and Justo, of Operations. They work jointly as compliance influencers, sharing their knowledge on ethics and integrity with other professionals.

In 2021, all members of the Board of Directors were notified and trained on our anti-corruption procedures and policies. Similarly, 100% of the other employees were given instructions, and 76% of them received training on the subject. In relation to business partners, 4,800 were made aware of our anti-corruption practices ([learn more here](#)). [GRI 205-2]

Specifically on human rights, training sessions were completed by 7,821 employees (77.27% of the total) who took on 59,549 hours of training for the year.

[GRI 412-2]

3 Reputational: Due Diligence of Integrity (DDI) of 100% of suppliers, regardless of the value of the contract and the service provided. We have advanced tools that delve deeper into queries, contributing to security throughout the contracting chain, from small to major suppliers. We also work with a system that cross-references the information database in risk analysis, rating suppliers as high, medium or low risk. Our exclusively dedicated team in this pillar performs an average of 400 to 500 DDIs per month. Internally, we are regularly audited as to our practices for compliance with legislation and respect for human rights. [GRI 412-1]



4 Investigative: our Independent Ethics Channel is available 24/7 to employees, suppliers, users, authorities, public officials and other stakeholders we interact with. Aligned with best practices, the tool works on an external and independent company platform, responsible for consolidating and categorizing contacts. Formal complaints are submitted for analysis by our Assessment Group, composed of members of the Board of Directors, which meets monthly and is accompanied by a member of the Board of Directors, in order to ensure the suitability of the work conducted in any investigations. The Independent Ethics Channel can be accessed via phone (0800 591 0923) and at www.canaldeetica.com.br/aegea. In 2021, the channel registered 303 complaints, 27 of which were founded and 22 partially founded – all of which were verified in the year. [GRI 102-17]

5 Strategic: dedicated to studying the adoption of new technologies for compliance. For example, we made progress on the DDI automation process in 2021, seeking partners to integrate systems like Compliance Risk Management (CRM) with SAP, creating a more robust platform. The team within this pillar is also responsible for collecting the compliance indicators, which are presented monthly to the Board of Directors and Audit Committee.



RISK MANAGEMENT AND INTERNAL CONTROLS

[GRI 102-30]


Internal Audit, Risks and Internal Controls Board (DARC)
 – Reporting directly to the CEO and the Board of Directors via Audit Committee. The DARC is governed by an Operational Policy that includes guidelines for mapping processes, identifying, analyzing and evaluating risks and controls.

We are one of the winners of the Instituto de Auditores do Brasil (Brazil Auditors Institute) award, IIA May Brasil 2021, a global campaign that analyzes and recognizes companies that have shown, in the best way, the value and importance of internal auditing

THREE LINES OF DEFENSE STRATEGY

- ↑ Accountability, reporting
- ↓ Delegate, orient, resources, supervision
- ↕ Alignment, communication, coordination, collaboration





We adopted the BIA system to support our control measures.

DARC IS FORMED BY TWO BRANCHES:




Risk management and internal controls: responsible for mapping risks and adopting the proper controls for minimization and mitigation. The process, adapted from ISO 31000 (Risk Management), challenges all departments of the team to identify internal or external factors that may have an impact on the financial and operational results, including our brand image and accomplishing the objectives outlined in the strategic planning. The processes need to be named, described and mapped in order to understand the chain of activities and the interrelation between the various departments. This work reinforces the engagement of the first line of defense, the managers who own the risks.

Internal Audit Management: in a joint action with the Integrity Board, guides and supports the managers of the first line.

The risks inherent to each operation are listed, categorized, analyzed and assessed in an attempt to identify causes, consequences and control measures to be adopted. This work is conducted through the Business Impact Analysis (BIA) system, an impact analysis tool. As such, we map the risks in the following categories:



CATEGORIES AND TYPES OF RISKS [GRI 102-15]

TYPES OF RISK		
CATEGORY	TYPE OF RISK	DESCRIPTION
 Compliance	Fraud	Risks related to business ethics, fraud and corruption committed by managers and employees, including suppliers and service providers (joint and several liability), who damage the Integrity Program and/or the Code of Conduct.
	Improper relationship with the Public Authorities	Risks arising from favoritism, collusion or improper interactions with government officials, which do not comply with compliance laws and best practices in the market.
	Corporate image	Risks related to corporate, company or group image, including: leaked information and negative news in any media vehicle (newspapers, magazines, radio, TV, social media and others) affecting the reputational pillars adopted internally: legitimacy, credibility and trust.
	Corporate governance/internal standards	Risks linked to non-compliance/violation of policies and other regulatory documents, including Code of Conduct, which injure corporate governance practices.
	General regulations	Risks associated with non-adherence or questionable practices as to applicable regulations (legal, tax, accounting, fiscal, environmental, etc.)
 Politics	Uncertainty in the political landscape	Risks related to uncertainties in the political landscape at the federal, state and municipal levels, which may compromise the results.
	Granting authority, public authorities, contractual	Risks involving an adverse political-economic context that imply unfavorable conditions for running and managing concession contracts, such as: suspension/reduction in the application of charges and tariff readjustments or contractual rebalancing; intervention by the Court of Auditors in bidding processes; questioning of third parties and/or competitors in current contracts; hostile actions by the Public Prosecution Service, Public Defender's Office, associations and unions; installation of Parliamentary Inquiry Commission (CPIs) and Special Inquiry Commission (CEIs) (Legislative Power), and others.
 Legal	Sector regulation/ judicial inquiries	Risks related to changes in sanitation laws at the federal, state and municipal levels; representations before City Councils, Public Prosecutor's Offices, Court of Auditors, regulatory agency and the Judiciary; consumer rights issues addressed via the Consumer Protection and Defense Program (Procon) or lawsuits; action by idealistic "lone wolves" or hired by politicians, competitors and other stakeholders, etc.
	Management of legal situations	Risks related to any failure to keep track of lawsuits (labor, civil, litigation, criminal, and others).
	Management of concession agreements	Risks related to the concession contract, including: inefficiency in running and/or managing the obligations in the concession contract, including liabilities and imbalances, as well as Consent Decree (TAC) and other signed agreements.






TYPES OF RISK

CATEGORY	TYPE OF RISK	DESCRIPTION
 People	Succession plan	Risks related to any shortcomings in the management of successors and new talent, as well as in the hiring, compensation, development and retention of key employees.
	Effective framework	Risks related to the absence of internal labor, at any level, due to lack of qualified professionals in the market and / or strategic decisions that reflect on the staff.
	Training and development	Risks related to the absence of technical training and/or development to perform their duties, as well as any deficiency in the management of roles/ positions, considering inherent attributions in relation to required competencies.
 Operational	Management of inputs	Risks related to inputs, including the labor force, such as: a sharp increase in the cost of raw materials and labor and/or unavailability of any consumables from suppliers, inventory control, storage and use of inputs.
	Material damage	Risks related to the physical integrity of fixed and movable assets, including: damage to the infrastructure of treatment plants and dams, connections, pipelines and other fixed assets that are essential to operational processes (machinery and equipment), whether coming from sabotage, theft, robbery, vandalism, human error, misuse or as a result of adverse factors.
	Vendor and service management	Risks related to business partners and services performed, including: shortcomings in the approval, procurement and performance management of suppliers, improper relationship, measurements, and others.
	Asset Management	Risks related to asset management, including: monitoring of the unit's assets, the maintenance plan, replacement of obsolete equipment, and others.
	Process and end-product management	Risks related to executing processes and the final product obtained. This includes: contamination of treatment plants or distribution networks, delivery of water that does not conform to standards, poor execution of activities and/or errors in the process.
 Financial, tax and accounting	Price/ financial figures	Risks related to interest volatility, inflation variation and exchange rate variation, causing increased interest on debt.
	Credit/access to capital	Risks related to covenant indicators that influence rating agencies lower than market standards; restrictions on funding sources arising from external factors (closed market).
	Revenue	Revenue-related risks, including: concealment of revenue through the reduction of the volume consumed due to unforeseen factors and/or guaranteed in the concession contract, as well as improper billing or illegal water connections.
	Non-payment	Risks related to insufficient financing to honor commitments, operational failures that cause payment delays, etc.
	Loan loss provisions and liquidity	Risks related to an increase in the total volume and/or the settlement period of past-due customer accounts, directly impacting the provision for doubtful loans and liquidity.



TIPOS DE RISCO

CATEGORIA	TIPO DE RISCO	DESCRIÇÃO
 <p>Financial, tax and accounting</p>	Unforeseen expenses	Risks related to un-budgeted expenses, including: an increase in overhead expenses due to unforeseen expenses (interest on late payments, lawsuits against us, emergency hiring and/or acquisitions, application of fines, etc.)
	Budgetary management	Risks related to budget management, including: an increase in overall expenses as a result of inadequate departmental budget management or planning, as well as strategic planning, increase in electricity expenses, etc.
	Account classification and reconciliation	Risks related to inconsistent accounting entries, including: wrong account entry, reclassification of entries, balance variations, and others.
	Tax management	Risks related to mismanagement of payment and collection of taxes, involving accounting for invoices, calculation and clearing of taxes, reclassification of taxes, and others.
 <p>Technology and systems</p>	Security, protection and privacy of information	Risks related to information management in the technological field, including: inadequate routine protection, monitoring and storage of systems, data and information, allowing access to privileged and/or sensitive information by unauthorized persons that are of internal and/or external origin.
	Equipment and technology	Risks related to equipment and technologies, including: use of obsolete technologies and equipment that could reduce productivity and/or result in a loss of administrative quality, facilitate the violation of security features used, and others.
	System downtime	Risk of partial or total downtime for internal systems and resources, including those provided by third parties, in one or more units, due to technical/operational failures or cyber attacks.
 <p>Environmental, health and safety</p>	Health and safety at work	Risks related to occupational health and safety, whether in-house or external, including: exposure of employees to situations that could pose a threat to their physical and mental integrity, as well as damage caused to the community and their assets.
	Externalities and climate change	Risks related to external factors that may affect the operation, personnel and assets, including: unfavorable weather conditions that impair performance (including construction) or cause increased expenses in the processes of treatment and water supply, water source condition, accidents involving electrical surges, and others.
	Environment	Risks related to damages that can be caused to the environment, including: contamination of water bodies, spills of chemical products that flow into external areas, irregular disposal or destination of residues and tailings, flooding of areas or air, water or soil pollution, causing damage to the environment (fauna, flora and other organisms/microorganisms).
 <p>Strategic planning/growth</p>	Due diligence	Risks stemming from points that had not been identified during the due diligence process, implying the assumption of unforeseen risks and expenses.
	Asset status	Risks that the actual status of the assets does not correspond to what has been described in the public notice and the concession contract.
	Competition	Risks related to the decrease in our representativeness in the private sanitation market.



The identified and evaluated risks are allocated in a matrix, heat map, between the axes of **probability and impact**, and classified as **acceptable, manageable, mitigatable or intolerable**. In general, handling risks may involve one or more of the following options:

- **Prevent:** decision not to start or continue with an activity that is the cause of the risk;
- **Remove:** decision to eliminate any causes of risk;
- **Reduce the probability:** adoption of prevention measures;
- **Reduce the impact:** adoption of protection measures;
- **Share:** decision to distribute the effects of risk (through insurance, for example); and
- **Retain/ assume:** decision to continue with the risk, even aware of its effects.

Our risk management methodology adheres to Brazilian legislation and international best practices. This includes the US law against bribery of public officials abroad, the Foreign Corrupt Practices Act (FCPA) and the UK anti-corruption law, the UK Bribery Act.





In 2021, one of DARC's key actions was based on the Aegea Operating Model (MOA), specifically in mapping the water delivery macroprocess. As a result, we visited our units and assessed equipment, maintenance conditions, processes, risks for fires and conditions of chemical product pipelines, among others. We identify all the strategic risks of the business that are relevant and could compromise the way the services function in some way. During the year, we also began an analysis of the Sewage Treatment macroprocess, to be completed in 2022. The intention is to gradually move on to the other MOA macroprocesses: Business relationship; Institutional/regulatory relationship; Social license; Performance planning/control; Business conditions; and ESG.

The mapping of risks and internal controls provides inputs for the Internal Audit, our third line of defense, responsible for identifying which processes need new controls or have deficiencies in those that are in place. In recent years, the area has gone through a modernization process. This includes the implementation of the ACL Analytics system, a software for continuous data auditing that uses robots to monitor all

processes in real time, eliminating the need for an analysis by using random samples (traditional model) and broadening the assurance of internal controls.

The year was also noted for an extensive internal campaign. Through WhatsApp messages, email marketing and other communication channels with employees, information on the role of the internal auditor as a professional who conducts evaluations and monitoring to continuously improve internal processes and related indicators was provided. In addition to accelerating the improvement of processes and controls, the campaign was spotlighted at IIA May Brasil 2021 – an initiative by the Instituto de Auditores do Brasil (IAA Brazil) that awards companies based in Brazil that carry out the top actions to raise awareness of the profession during Internal Audit Awareness Month (May). Due to the progress in Internal Auditing, we are anticipating getting an Internal Auditor Certification (CIA) in 2022, the primary certification for internal auditors, and the IIA-recommended designation for all internal auditors.

ENVIRONMENT

SEWAGE TREATMENT: RECOVERY AND PRESERVATION OF NATURAL SPRINGS |GRI 303-2|

Our concessionaires and PPPs treat more than 200 billion liters of treated sewage, the equivalent of 80,000 Olympic swimming pools.

Through the proper treatment and disposal of effluent, we are helping to preserve and recover water resources. An example of the positive impact provided by our activities is the recovery of the world's largest hypersaline lagoon, Lagoa de Araruama, in the Região dos Lagos (lakes region), Rio de Janeiro, which in 2021 registered:

- A record fish yield: species such as carapeba and perumbaba were once again found in high quantities, according to the region's fishermen's association.
- Seahorses once again inhabited the lagoon: 100 animals cataloged since then through the Seahorses Project.
- A resumption in sports championships such as WindSurfing and Swim Crossing.

Recovery of the largest hypersaline lagoon in the world, which was in an advanced state of environmental degradation, through the performance of Prolagos

We treat sewage by means of a lagoon system, upflow anaerobic sludge blanket (UASB) reactors, physical-chemical treatments, septic tanks and activated sludge, among other methods. The minimum standards for the disposal of effluents in our activities are established by the relevant environmental agencies through state or municipal resolutions, environmental licenses to operate and/or ordinances granting the right of use. In regions without specific requirements for disposal, the minimum standard is established by resolutions 430/2011 and 357/2005 of the National Council for the Environment (Conama), respecting the most restrictive standard applicable.

Internally, through the Interact Program, we share our environmental guidelines, including regulatory standards involving sewage treatment and disposal activities and defining tools for monitoring compliance and dealing with possible variants.



THE RESPONSIBLE USE AND PRESERVATION OF WATER RESOURCES IS ANOTHER PILLAR OF OUR WORK, WITH A FOCUS ON REDUCING LOSSES | GRI 303-1

Water collection and security: the total volume of water treated and distributed by our concessionaires in 2021 was 641.1 billion liters. We operate in areas with decent water availability and collect it from surface and underground springs for treatment at our stations and subsequent distribution to the population served in the municipalities under our concession.

We maintain a Water Security Plan to ensure supply in the regions we operate in, which includes:

- Monitoring the volume and capacity of the natural springs;
- Monitoring and updating the Operational Risks Matrix;
- Geophysical studies to detect viable points for groundwater collection; and
- Consultations from specialized companies and meteorological forecasts for the next 30 years based on historical statistics and on planning for any interventions needed to guarantee water security.

Monitoring the degree of water risk includes a complex assessment that accounts for a number of factors, including climatic indicators in the region, forecasts related to waterfalls, expected water demand, levels of natural water sources and the capacity of water bodies at catchment sites, among others.

The entire system for collecting and disposing into water bodies is carried out in compliance with legal standards and conditions related to grants and environmental licenses. Our concessionaires are part of the River Basin Committees and share hydrological data from their respective locations with municipal administrations, universities and other companies.





RISKS OF CLIMATE CHANGE [GRI 201-2]

We are mindful of the risks arising from climate change, with one of the most significant for our operations related to periods of water shortages.

Attentive to the uncertainties stemming from the latest water crises and rainfall below historical levels in many watersheds, we have been executing initiatives and projects geared towards increasing the water security of our operations and the resilience of surface or underground water bodies in the cities and regions where we are active.

We invested around R\$50 million in preventive engineering projects for water security in 2021. This included reducing water loss, drilling wells and identifying catchment points.

Other initiatives in this area were:

- Ongoing investments in increasing efficiency and reducing clean water losses, whether by preventing leaks or reducing fraudulent activities;
 - Monitoring water risk in municipalities and developing an action plan to guarantee water supply;
 - Hydrogeological and surface water and groundwater modeling studies of watersheds;
 - Construction of reservoirs and groundwater collection wells; and
 - Recovery plans for forests and riparian forests in watersheds.
- 

		Total water withdrawal, broken down by sources (in ML) GRI 303-3					
		2019		2020		2021	
		All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Surface water	Total	507,228.02 ML	112,567.82 ML	560,049.05 ML	127,083.92 ML	573,217,37	119,438,14
	Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	507,228.02 ML	112,567.82 ML	560,049.05 ML	127,083.92 ML	573,217,37	119,438,14
	Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	-	-	-	-
Groundwater/ water tables	Total	126,971.18 ML	63,535.55 ML	146,168.05 ML	75,986.26 ML	155,591,85	80,391,75
	Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	126,971.18 ML	63,535.55 ML	146,168.05 ML	75,986.26 ML	155,591,85	80,391,75
	Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	-	-	-	-
Sea water	Total	-	-	-	-	-	-
	Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	-	-	-	-	-	-
	Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	-	-	-	-

		Total water withdrawal, broken down by sources (in ML) GRI 303-3					
		2019		2020		2021	
		All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Produced Water	Total	559,985.04 ML	131,654.06 ML	627,031.12 ML	152,083.68 ML	663.320,51	154.839,14
	Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	559,985.04 ML	131,654.06 ML	627,031.12 ML	152,083.68 ML	663.320,51	154.839,14
	Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	-	-	-	-
Third-party water	Total	8,768.19 ML	-	8,934.91 ML	-	8.934,91	-
	Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	8,768.19 ML	-	8,934.91 ML	-	8.934,91	-
	Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	00 ML	-	-	-
Total	1,202,952.43 ML	307,757.43 ML	1,342,183.13 ML	355,153.86 ML	1.401.064,64 ML	354.669,03 ML	



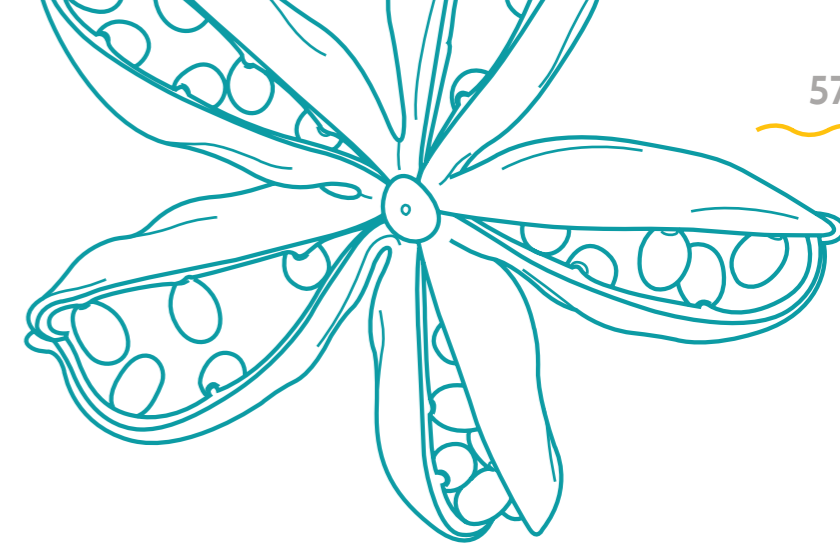
In 2021, there was a 16% increase in total water disposal compared to the previous year, which is due to the greater number of units and Sewage Treatment Plants. [\[GRI 303-4\]](#)

Total Water Disposal (ML) ¹ [GRI 303-4]						
	2019		2020		2021	
	All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Surface water, including wetlands, rivers, lakes and oceans	166,692.58 ML	10,791.78 ML	173,466.73 ML	10,816.90 ML	228,309,72 ML	48,559,44 ML
Total	166,692.58 ML	10,791.78 ML	173,466.73 ML	10,816.90 ML	228,309,72 ML	48,559,44 ML

Total water disposal, broken down by ¹ [GRI 303-4]						
	2019		2020		2021	
	All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Fresh water ($\leq 1,000$ mg/L of total dissolved solids)	166,692.58 ML	10,791.78 ML	173,466.73 ML	10,816.90 ML	228,309,72 ML	48,559,44 ML
Other waters ($> 1,000$ mg/L total dissolved solids)	-	-	-	-	-	-

1. The effluents generated by the Sewage Treatment Plants present in our database (Viridis) were considered.





In 2021 we avoided the loss of 39 billion liters of water – enough to supply 970 thousand people during a year

Reduction of water losses: seeking the highest efficiency in the use of natural resources, we have a broad structured Loss Reduction Program. We are working on measures aimed at reducing losses through integrated systems and other technologies that monitor the network remotely and in real time, from the output in the treatment plant to the customers. In 2021 alone, we prevented the loss of 39 billion liters of water – enough to supply 970,000 people for a year – which reduced our water loss rate from 53.8% in 2020 to 48.9%.

This reduction reflected our efforts focused on mitigating physical and commercial losses in distribution, particularly Águas de Teresina and Águas de Manaus, more recent concessions with higher loss rates than more mature assets. Taking just the units that have been in our portfolio longest, the index falls to 32.1%, below the national average (40%)¹.

1. Fonte: Sistema Nacional de Informações sobre Saneamento - SNIS 2020.

WATER DISTRIBUTION LOSS RATE²

Aegea – Aggregate

53.8%

48.9%

Aegea – Excluding
Aegea Teresina and
Aegea Manaus

32.5%

32.1%

4Q20

4Q21

2. INO49 (SNIS) – Calculation of the Distribution Loss Index (%): $(\text{Vol. of Produced water (m}^3\text{)} + \text{Vol. of Imported Treated water (m}^3\text{)} - \text{Vol. of Service water (m}^3\text{)} - \text{Vol. of Consumed water (m}^3\text{)}) / (\text{Volume of Produced water (m}^3\text{)} + \text{Volume of Imported Treated water (m}^3\text{)} - \text{Vol. of Service Water (m}^3\text{)})$



WE HAVE CONTRIBUTED POSITIVELY TO THE CLIMATE AGENDA

Electricity: the primary input in the processes of capturing and distributing water and for the collection and treatment of sewage.

Focused on reducing energy costs and increasing efficiency in consumption, we rely on Energy and Energy Efficiency management, linked to the Technology Center. The projects are divided into the following fronts:

- **Budget management and planning** | Monitors the performance indicators related to energy management, as well as projections for the short, medium and long term.
- **Energy efficiency management** | Includes actions focused on the design phase of operations. This applies when, for example, more efficient equipment and the correct scaling for systems are chosen, among other criteria, as well as the performance of existing units, in an effort to boost efficiency.
- **Costing management** | Comprises a broad program to expand the purchase of energy in the Free Contracting Environment (ACL, in Portuguese).

In 2021, 4,102,488.00 GJ of energy was consumed, with 94% of this amount derived from a renewable source. Some of the alternatives for applying renewable energy in operations include projects where we generate our own energy, such as Distributed Generation (using a photovoltaic solar source) and purchasing energy from partners in the Free Contracting Environment (generated mostly in wind farms).

The increase in consumption compared to the previous year (3,689,496.00 GJ) mainly reflects the initiation of operations in Águas do Rio. However, improvements in the conservation and efficiency of systems stemming from the Energy Audits¹ and Hydro-energetic Diagnosis programs saved 21,240.00 GJ of consumption in the year .|GRI 302-1, 302-4|

Strengthening our commitment to efficient use of inputs (and thereby minimizing our impacts on the environment) we have a target of getting a 15% decrease of specific energy consumption (measured in kWh/m³) for water treatment and distribution and sewage collection and treatment by 2030. In 2021, our specific energy consumption, including operations at Águas do Rio, was 0.39 kWh/m³.

In 2021, 94% of the energy we consumed was from renewable sources

ENERGY CONSUMPTION WITHIN THE ORGANIZATION |GRI 302-1|

	Total de energia consumida (GJ)		
	2019	2020	2021
Energy consumption within the organization	205,416.00	132,662.88	118,827.00
Combustíveis de fontes renováveis	1,578,780.00	1,712,085.12	1,932,417.00
Energia consumida	1,784,196.00	1,844,748.00	2,051,244.00
Total	3,568,392.00	3,689,496.00	4,102,488.00

1. In the Águas de Manaus, Prolagos and Águas do Mirante units.



GHG EMISSIONS [GRI 305-1, 305-2]

Last year, we compiled our first Greenhouse Gas Inventory (GHG) with the support of the KPMG consultancy firm. This was an important step in the ESG diagnosis performed in 2021, helping to monitor the main sources of GHG emissions, plus pinpoint opportunities for reduction. At the beginning of 2022, we joined the Brazilian GHG Protocol Program, and our next steps are to ensure that there is an Emissions Inventory and to obtain the Gold seal. We are taking a closer view of data on GHG emissions in processes involving water treatment and distribution and sewage collection and treatment, and we are working on projects to reduce them.



In order to reduce or offset emissions, we are running the following studies/initiatives:

- Implementation of the Low Carbon Engineering area, which is responsible for carrying out studies and feasibility analysis of projects. It is also tasked with researching the best and newest technologies to reduce the emission of gases in the sanitation sector;

- Studies related to the installation and maintenance of flares in anaerobic treatment plants (UASB reactor);
- Analysis of the technical and economic feasibility and of the impacts and benefits of converting existing STPs from anaerobic to aerobic processes, as well as implementing new STPs aerobic process;
- Studies and projects for the use of biogas generated in anaerobic stations (such as UASB reactors);
- Projects for sludge reuse, thereby preventing the disposal of sludge via sanitary landfill, in the concept of circular economy; and
- Reforestation and biodiversity conservation projects with carbon sequestration.

The topic has consistently been discussed at meetings of the ESG Committee, which includes members from the Senior Management.



Our direct emissions (Scope 1) totaled 311,424.964 tons of CO₂ equivalent in 2021. This figure includes::

I. New operations: three PPPs of sewage and Águas do Rio, which commenced operations in 2021, in addition to a growth in the volume of sewage treated over the year in the other operations.

II. Increased GWP (Global Warming Potential) of methane, according to new factors provided by the international GHG Protocol.

Indirect emissions (Scope 2), from the acquisition of energy, totaled 100,101,226 tons of CO₂ equivalent. The following changes occurred in relation to 2020:

I. Revision of the emission factor used in the calculation of emissions, which increased by 105% in 2021. According to the Ministry of Science and Technology of Brazil (MCTIC), the change comes from an increase in thermoelectric energy consumption in the captive market to supply the energy demands from hydroelectric plants, which had gone through a drought in 2021. Of the total energy we consume, 94% comes from clean sources.

II. New operations, which had their consumption (from the months of operation) extrapolated to the entire year of 2021, as determined by the methodology for calculating emissions.

[GRI 305-1, 305-2]

Direct emissions of greenhouse gases (tons of CO₂ equivalent) [GRI 305-1]

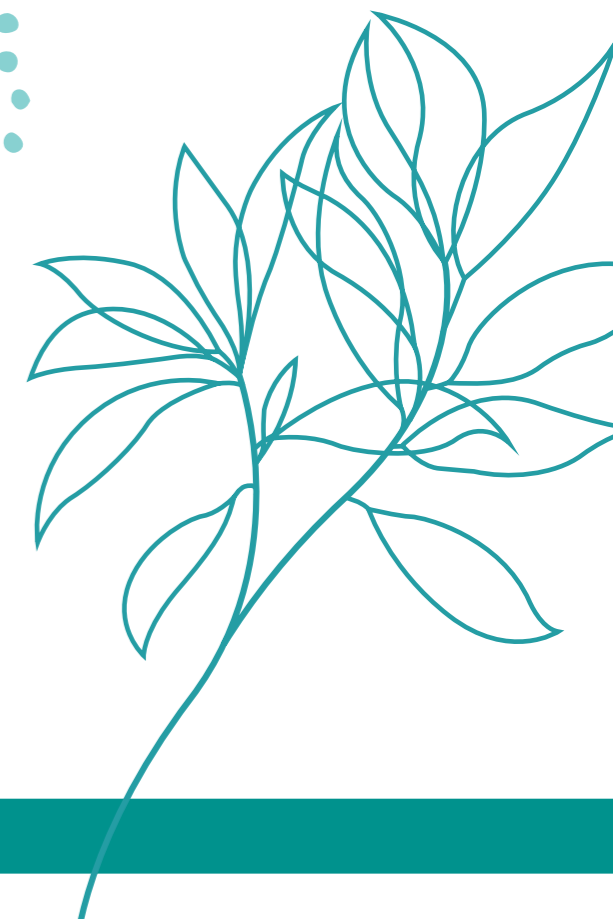
	2021
Total emissions by stationary combustion	1,955.196
Total emissions by mobile combustion	14,652.086
Total Fugitive emissions of Scope 1	1,106.528
Total emissions of liquid effluents of Scope 1	293,710.076

Direct emissions of greenhouse gases (tons of biogenic CO₂) [GRI 305-1]

	2021
Total emissions by stationary combustion	247.292
Total emissions by mobile combustion	2,681.983
Effluents biogenic emissions	2,688.047

Biogenic CO ₂ emissions (tons of CO ₂ equivalent) [GRI 305-1]	2020	2021
	4,232.88	5,617.45

Indirect emissions from energy acquisition (tons of CO ₂ equivalent) [GRI 305-2]	2020	2021
	32,174.22	100,101.226



After conducting the first Greenhouse Gas Emissions Inventory in 2021, we did a complete revision of the calculation methodology, particularly for sewage treatment operations. We have adopted the specs from the GHG Protocol – developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and, when applicable, the calculation guidelines indicated in the Guidelines for National GHG Inventories of the Intergovernmental Panel on Climate Change (IPCC) – the 2006 version and its update in 2019.

The gases considered were: carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄) and hydrofluorocarbons. The sources of emission factors used are based on the GHG emissions calculation tool of the Brazilian GHG Protocol Program, made available in March of 2022. The rates of global warming potential (GWP) used were changed, according to the Fifth Assessment Report: Climate Change, 2013 (or AR5): Methane (CH₄) = 28 and Nitrous Oxide = 265 – on CO₂ emission.

1. The 2020 and 2021 Greenhouse Gas Emissions Inventories have not been audited by EY.

BIODIVERSITY [GRI 304-2]

The nature of our business means that the positive environmental impacts are the most representative of our operations, which involves taking treated water and sewage. This, in turn, is beneficial to the ecosystem and the population served. Thus, our activities have a low negative impact and are of a limited duration, and are possibly caused by excavations in the ground, use of landfills and suppression of vegetation. These occurrences are mitigated by management measures and action through environmental authorizations and licenses, in addition to other requirements from the relevant environmental agencies at the municipal, state and federal levels.

Our environmental guidelines are promoted in-house through the Interact Program. Coordinated by the HSE (Health, Safety and Environment) management, the initiative encompasses a number of procedures, including normative instructions and organizational and operational guidelines, which cover not only activities dedicated to the environment, but also to occupational health and safety. In addition to improving the performance of existing units, Interage ensures that new concessions rapidly adapt to the prevailing best practices and legislation in HSE.





WASTE AND THE CIRCULAR ECONOMY

Our units have been improving waste management, most notably for sludge, which is the main by-product in the water and sewage treatment process. The first step is mapping the generation processes and collect information regarding the transport and final disposal, which we carry out via Waste Inventory. After that, we developed and applied projects for the reuse of waste, especially those attempting to reduce the volume of sludge disposed of at landfills and to promote the circular economy, including:

- **Transformation of sludge into fertilizer in Águas do Mirante unit**, by adding structuring material (waste from tree pruning and grass cutting in the city) and nitrogen.
- **Transformation of sludge into compost at Ambiental Metrosul**, by applying the “plots” method or mixing sludge with soil and sawdust/pruning residue.
- **Reuse of sludge in the manufacture of bricks at the Santa Catarina units.**

- **Transformation of sludge into biofuel and charcoal in Prolagos**, through slow pyrolysis technology to the reactive drum, generating biofuel and biochar – a charcoal used for correction of degraded soils and carbon sequestration.
- **Use of sludge from STPs in Rio de Janeiro**, an ongoing study for the production of electricity from the sludge of the six largest STPs in the Rio de Janeiro Metropolitan Region, focusing on the most efficient technological solution.

We also maintain initiatives for reverse logistics and recycling of plastics and metals (present in water meters) and fabrics (used in uniforms), under development with our suppliers.

Based on feasibility studies considering positive externalities, the projects are replicated at the group's units.

Types of activities leading to significant amounts of waste generation or hazardous waste [GRI 306-1]

Activities	Amount of waste generated
Hazardous Waste	0.2%
Recyclable wastes	0.1%
Implementation of construction	36.9 %
Sanitary sewage treatment process	40.2%
Water treatment process	8.4%
Other waste	14.2%
Total geração de resíduos não perigoso	100%





In 2021, 102,233 tons of waste were generated, a volume that was higher than what was posted in 2020 (92,582 tons). The increase is due primarily to the grating and desanders at the Águas do Rio, Águas Guariroba and Ambiental Serra units due to rainfall, population behavior and equipment maintenance. There was also a large amount of waste disposed from cleaning the public drainage networks by Prolagos, because maintenance of the single urban drainage and sanitary sewage system (dry weather collection system) was done by the unit itself; and non-hazardous waste generated by a housekeeping program conducted by Águas de Manaus. Almost all waste generated (99.98%) is characterized as non-hazardous type waste.

On the other hand, the volume of sludge generated between 2020 and 2021 decreased due to operational improvements in drainage before final disposal. Including the new operations, we concluded that the amount of waste generated remained stable compared to the previous year.

As for the amount designated for final disposal, there was an 82% rise reflecting the disposal of waste awaiting

allocation in 2020 and an improvement in the traceability of information by the units resulting from the training for the local environment and operation teams. They were reinforced in 2021 with a focus on environmental awareness, a sense of responsibility and, above all, promoting new control tools. [\[GRI 306-5\]](#)

Waste by composition, in metric tons [GRI 306-3]		
	2020	2021
Class I - Hazardous	106.25	176.63
Sludge from the water clarification process	5,839.61	8,632.49
Sludge from the sewage treatment process	46,469.89	41,100.89
Waste from implementation/ maintenance projects	36,044.24	37,714.56
Recyclable	79.22	111.03
Other non-hazardous waste	4,042.79	14,497.40
Total	92.582	102,233

Waste destined for disposal per disposal operation, in metric tons ¹ GRI 306-5							
		2020			2021 ²		
		Within the organization	Outside the organization	Total	Within the organization	Outside the organization	Total
Hazardous wastes	Incineration (with energy recovery)	0	0	0	0	0	0
	Incineration (without energy recovery)	0	5.4	5.4	0	11.77	11.77
	Landfill Containment	0	13.61	13.61	0	16.31	16.31
	Other operations of disposal	0	40.91	40.91	0	145.77	145.77
	Total hazardous waste	0	59.92	59.92	0	173.84	173.84
Non-hazardous waste	Incineration (with energy recovery)	0	0	0.00	0	0	0
	Incineration (without energy recovery)	0	3.21	3.21	0	0	0
	Landfill containment	0	23,476.23	23,476.23	0	30,610.54	30,610.54
	Other operations of disposal	25,733.8	6,197.94	31,931.74	23,768	46,128.12	69,896.12
	Total non-hazardous waste	25,733.8	29,677.38	55,411.18	23,768	76,738.66	100,506.66
Total	25,733.8	29,737.3	55,471.10	23,768	76,912.5	100,680.5	

1. The consolidated information was taken from the annexes ANO2-IN001-MAM99 – Annual Solid Waste Inventory for each unit, completed by the operation and validated by the environmental areas of the units. For waste that was disposed of outside the units, the survey was carried out by accounting for the data contained in the Waste Transport Manifests (MTRs, in Portuguese), controlled by the operations.

2. The difference in total value between the GRI 306-3 and 0 306-5 indicators is due to a small part of waste, which was retained in the unit awaiting final disposal.

USE OF SLUDGE AS COMPOST AND AGRICULTURAL FERTILIZER

Our concessionaires have been developing innovative solutions, promoting the circular economy and seeking to reduce the volume of waste generated. The Ambiental Metrosul PPP, for example, is helping to develop a solution for the use of sludge as agricultural fertilizer by adding sawdust and pruning waste to the sludge in a semi-solid state.


The use of sludge for fertilization and correction of cultivable soils is already common in countries in Asia, Europe and North America. The by-product of sewage treatment may contain nutrients such as nitrogen, potassium, and phosphorus.

SOCIAL: TAKING CARE OF PEOPLE AND EXPANDING ACCESS TO BASIC SANITATION

ACCESSIBILITY TO SANITATION | GRI 203-1

Making sanitation universal throughout the country means ensuring access to services for all citizens, especially those who need it most. This is why we have adopted programs such as “Vem com a Gente” (Come With Us), for itinerant assistance to standardize basic sanitation services, and the Social Tariff, which is designed to increase the inclusion of low-income families in our customer base.

Vem com a Gente was launched in 2018 in Águas de Manaus and was focused on regularizing and expanding access to treated water for families living in stilt houses, shanty towns, Igarapés communities and others. In the capital of Amazonas, our concessionaire has already increased the number of households served by 24%, that is, by more than 100,000, the number of families with access to treated water. The same program has been implemented since the beginning of operations in Águas do Rio.



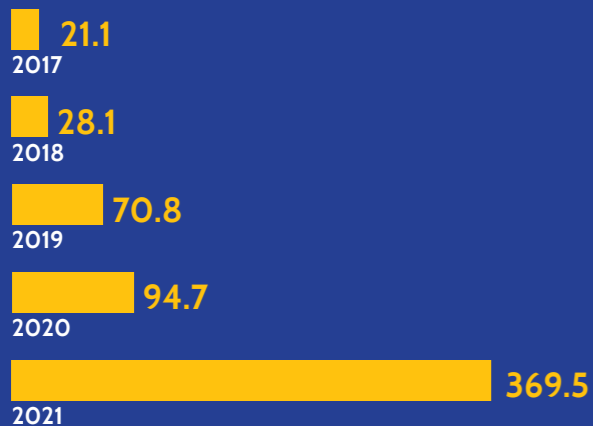
As “Agents of Dignity”, we believe that basic sanitation is a universal right, which means ensuring accessibility to services for all citizens

SOCIAL TARIFF: MORE SAVINGS FOR THOSE WHO NEED IT MOST

Basic sanitation is a universal right and it implies ensuring that all citizens have access to services, including the low-income population and/or the socially vulnerable population.

To accomplish this, we increased the number of beneficiaries over the year in the Social Tariff program, which grants discounts of 50%, on average, on water and sewage bills. Our goal is to expand the Social Tariff beyond the limit provided for in the concession agreements and ensure accessibility to our services.

Number of families benefited by the Social Tariff (thousands)



RELATIONSHIP WITH CUSTOMERS

Our concessionaires are responsible for direct customer service. Each unit has its own multichannel platform, which includes a website, social networks and telephone service, all supported by printed materials and interpersonal relationships in physical stores.

Customer satisfaction is measured periodically through surveys (annually or every two years). The registered contacts allow concessionaires to identify opportunities for improvement in commercial and operational services.

RELATIONSHIP WITH COMMUNITIES

Since our activities began, we have run the *Afluentes* Program, an initiative to promote the relationship of our concessionaires with local leaders. This gives us the opportunity to understand the needs, suggestions and opinions of the communities in order to continuously improve the provision of services. The program also allows us to take stock of the investments made and the actions taken in each region. In 2021, there were 4,579 meetings and 6,113 leaders engaged.

In Águas do Rio, which ramped up operations in November 2021, the *Afluentes* Program was able to map out and connect with nearly 3,000 community leaders. In Espírito Santo, in addition to the periodic conversations, a survey was conducted with more than 100 leaders in order to chart regional demands. We use research data analysis to quantify and qualify demands and organize actions according to priorities. The Social Responsibility department oversees the services and initiatives performed, identifying the neighborhoods with the highest number of interactions and the topics addressed by the leaders.

SOCIAL PROJECTS AND PROGRAMS

Our social activities are driven by the pillars that make up the Human Development Index (HDI) of the municipalities where we operate, with a specific focus on socially vulnerable populations, and adheres to the guidelines of our Private Social Investment Policy. As such, we are coordinating and supporting projects, using our own and incentivized resources¹, that are capable of promoting a long and healthy life, access to knowledge and a decent standard of living.

The initiatives are tailor-made, respecting the local characteristics and, above all, the needs identified in the outreach stage ([learn more here](#)). Our portfolio of social programs combines projects of different sizes and scales in an attempt to address the needs of the population we serve. In addition to our proprietary initiatives, we implement projects in partnership with civil society organizations on the national and local level, as well as partner companies and suppliers. This is done to expand the reach and impact of social and environmental actions.

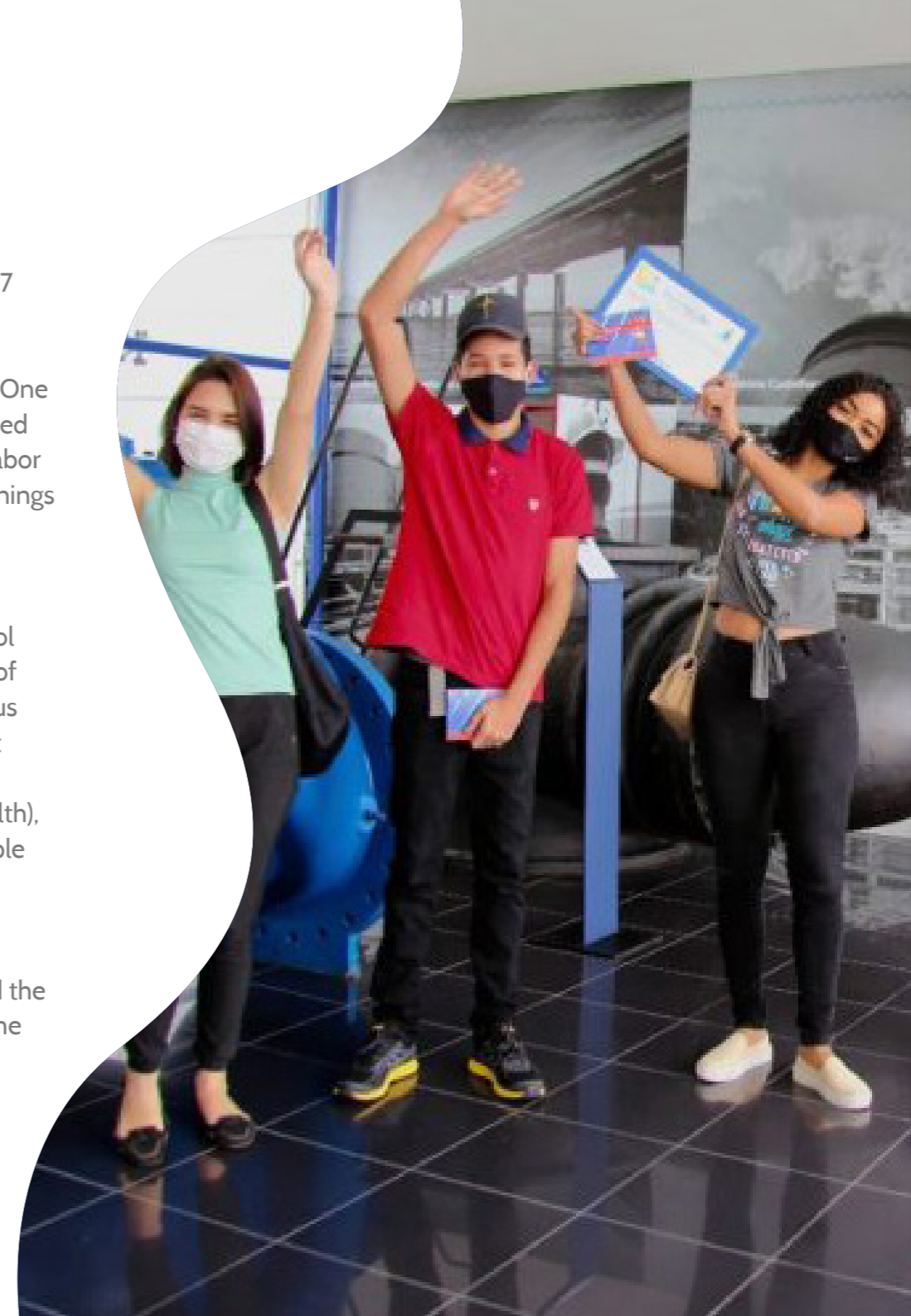
For example, through a partnership with Digital Innovation One (DIO) in 2021, we offered full scholarships to professional development programs in the technology field.

By March 2022, there were 3,608 enrollments, and 1,277 course completion certificates awarded.

Another prominent partnership during the year was the One Million Opportunities program established with the United Nations Children's Fund (Unicef) and the International Labor Organization (ILO) in order to generate 1 million job openings for vulnerable teenagers and young people.

Another of our top initiatives was the Pioneiros Project. This program engaged over 180 young public high school students from northern to southern Brazil with the aim of broadening knowledge on the work performed by various professions in the sanitation sector and having them get involved in solving community challenges. One further noteworthy endeavor is Saúde Nota 10 (Exemplary Health), which involves environmental education for young people and children in the public school system and which, in 2021, saw 284 teachers and 7,855 students from 94 schools participate, and the Olho no Óleo (Eye on Oil) Program, which collected 2,015 liters of oil and prevented the contamination of over 50,000 liters of water through the collection and proper disposal of waste.

1. By means of the following legislations: Culture Incentive Law (Rouanet Law), Audiovisual Law, Sports Incentive Law, Municipal Funds for Children and Adolescents, Municipal Funds for the Elderly, Pronon (National Program of Support to Oncological Care) and Pronas/PcD (National Program of Support to the Health Care of People with Disabilities).



For projects supported by the Culture Incentive Law and the Sports Incentive Law, we continued the governance structure to ensure that the selection process is transparent. Accordingly, we have a committee responsible for evaluating projects to be benefited by the transfer of tax deduction resources from our concessionaires, while observing their alignment with the Private Social Investment Policy and equal opportunities. Due to the restrictions imposed by the Covid-19 pandemic, some proposed projects planned for 2020 could only be implemented in 2021. In addition, R\$2.4 million was invested over the year in resources incentivized by the Culture and Sport Incentive Laws in the following initiatives that will be implemented throughout 2022: Olho D'água [A Look at Water] – 2nd Edition, by 3 Apitos Marketing; Água de A a Z [Water from A to Z], by Arquiprom Ltda.; Respeito às Diferenças [Respect to Differences], by Flamingo Comunicação Eireli; Higiene Básica – Teatro Itinerante [Basic Hygiene – Itinerant Theater], by Buzum Produções; Futebol de Rua pela Educação [Street Football for Education], from the Instituto Futebol de Rua (Street Football Institute); and Desenvolvendo Pessoas Através do Esporte [Developing People Through Sports], from the Instituto Jovem Promessa (Young Promise Institute).

Projects promoted (2021 execution) ¹		
Draft	Abstract	Municipalities benefited
O Caminho das Águas [The Way of Water]	A multimedia environmental education project that offers information about the water treatment process, with an emphasis on the importance of conserving water resources.	36
Olho D'Água [A Look at Water]	Audiovisual itinerant exhibition presented on a truck and featuring the topic “water cycle and its importance”.	17
Arte nos Muros [Art on the Walls]	Workshops on art and graffiti, with a selection of designs on the topic “Water” that are made into graffiti arts at schools.	3
Desvendar Esporte [Unraveling Sports]	Sports workshops using recyclable materials for the construction of devices.	4
Collaborative Biographies	Financial support and training provided to five women entrepreneurs who will have their stories turned into a book.	1 (Águas de Manaus)
Sustainable Culture	Teaching videographic techniques to produce documentaries on the topic “Sustainable Culture” using cell phones.	3

¹ Approved in 2019 and 2020.

VOLUNTEERING

Our Volunteering Program celebrated two years of service in 2021 with a successful track record, totaling roughly 90 educational, environmental and support initiatives for communities in vulnerable situations. Among their many accomplishments, these volunteers have worked on things such as a renovating a community library (amid other activities) in the Região dos Lagos (RJ), involvement in school tutoring activities for children and young people in Manaus (AM), plus initiatives like donations of blood, coats and assistance during the pandemic – which includes the distribution of basic food baskets, hygiene products and hospital materials – at all our units.

EMERGENCY ACTIONS

The year saw the start of vaccination campaigns against Covid-19 in a number of Brazilian states. We have added our efforts to the United Movement for the Vaccine and allocated R\$ 397,376.17 to 12 locations in Rio de Janeiro, plus R\$ 40,467.35 to Buritis, in Rondônia. These funds facilitated the distribution and transport of immunobiologicals from the National Immunization Program (PNI).

INSTITUTO AEGEA

The main goal of Instituto Aegea is to serve as a social intelligence hub that monitors initiatives in Brazil and around the world in the field of social investment and impact businesses, while providing us with guidance on directing social investments aligned with best practices.

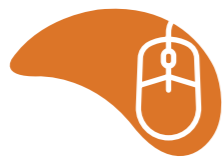
Instituto Aegea's activities will begin to step up in 2022 with the arrival of Edison Carlos, who will assume the role as president of the entity and director of Sustainability. The executive, who has served as the head of the Trata Brasil Institute over the last 11 years, has amassed extensive knowledge on the sanitation sector, including the needs of the Brazilian population and the impacts on the environment. As a member of our team, Edison's mission will be to expand the sustainability agenda and to coordinate the continuity of actions that have been conducted in the social and environmental protection areas.





EMPLOYEES

We concluded 2021 with 8,264 employees on our team, 77% of which were men and 23% were women¹. Except for interns and apprentices, employees are hired on a full-time basis for an indefinite period, and are covered by a collective bargaining agreement – which corresponds to 97.4% of our staff. [\[GRI 102-41\]](#)



1. Does not include members of the Board of Directors, and includes apprentices, interns and trainees.





INCLUSION AND DIVERSITY

Our goal is, by 2030, to increase the representation of women from 32% to 45%, and the participation of black employees in leadership positions from 17% to 27%.

From the point of view of diversity, as a service provider company, our goal is to mirror the racial and gender diversity of the Brazilian population in our headcount, reinforcing society's confidence in our activities.

In this sense, we have set ambitious diversity and inclusion goals to be achieved by 2030. We will be supported by Aegea Academy, which provides guidance for the career development of employees through technical and behavioral training and preparation for leadership positions. We have been recognized since 2017 for our racial diversity initiatives, conducted under the scope of the Respeito Dá o Tom (Respect Sets the Tone) program, which promotes equity in opportunities for access to our team and professional growth for black employees.

The initiative is recognized by the Instituto Identidades do Brasil (ID_BR) as one of the top racial equality programs in the country, and is certified with the Yes to Racial Equality Seal - which reflects our commitment to promoting racial equality in all units. We are the only company to bear the Engagement level seal, awarded to companies that have been working on racial equity actions for at least two years. [\[GRI 102-12\]](#)



RESPECT SETS THE TONE PROGRAM

Operational pillars

1. Employability: A focus on generating opportunities.

2. Development: works towards providing improvement courses.

3. Relationship: works on raising awareness through activities and actions to publish content related to racial issues to all employees, in addition to making partnerships and taking part in external business initiatives to promote the issue.

EMPLOYEES WHO HAVE DECLARED THEMSELVES BLACK OR MIXED

- 57% of our workforce
- 50% of supervisors
- 42% of trainees
- 17% of leaders (from managers to CEO)

WOMEN AT AEGEA

- 23% of our workforce
- 22% of supervisors
- 68% of trainees
- 32% of leaders (from managers to CEO)



Reinforcing our diversity and inclusion initiatives and positive social impact in the locations where we operate, and through a dedicated recruitment and training process, the population residing in favelas and local communities was prioritized in hiring in Águas do Rio, which recruited more than half of the employees in these locations. Workshops are held using a specialized consulting firm for this group, teaching everything from formatting a resume to how to act in job interviews, in addition to the training provided by Aegea Academy.

Former inmates and ex-prisoners are also provided job opportunities and a fresh chance to join our team. Until the publishing of this report, we hired 44 employees in the State of Rio de Janeiro and 19 in Espírito Santo.



RECRUITING, TRAINING AND RETAINING TALENT

In 2021, we increased our workforce from 6,000 to more than 8,000 Professionals Who Go Above and Beyond Engagement. Most are located in Rio de Janeiro, where the Águas do Rio concessionaire took over water and sewage services in 27 cities. The forecast is to fill up to 5,000 direct job openings and another 15,000 indirect positions in the state of Rio de Janeiro ([click here](#) for more information on new employee indicators and turnover). [GRI 401-1]

Our Trainee Program stands as an entry point. It is structured to recruit recent graduates from various academic fields and prepare them for leadership positions. We also offer opportunities to enter the labor market for young people aged 14 to 24 years old through the Young Apprentice program, based on the Federal Government's Learning Act.

We have operated Aegea Academy since 2014, responsible for organizing technical and behavioral training sessions to the

staff and third parties. The courses cover operational aspects of activities, business relationships, occupational safety, ethics and innovation. There are also language, computer, financial education and other courses available to help improve a number of different skills required in the job market.

In 2021, over 400 online courses and video classes were part of the academy's portfolio, which has been 100% digital since 2018. This helped ensure that people development programs were able to continue during the period of social distancing. We also posted an increase in the number of hours of training in 2021, which jumped from 165,877 in 2020 to 168,063, which translates into 16.61 hours per employee, with 21.12 hours among women and 15.31 hours among men. 10,121 professionals were trained, among employees and third parties. [GRI 404-1]

Hours of training by gender <small>[GRI 404-1]</small>			
	Average training hours		
	2019	2020	2021
Men	89,455	115,964	120,513
Women	35,927	49,913	47,550
Total	125,382	165,877	168,063

Average hours of training per employee and by gender <small>[GRI 404-1]</small>			
	Average training hours		
	2019	2020	2021 ¹
Men	26.84	29.47	15.31
Women	29.64	40.95	21.12
Total	27.59	32.18	16.61

1. In 2021, the count includes outsourced employees.





We pioneer a degree program for the sector

Some features of our training and development programs include a **Degree in Management Processes with an Major on Sanitation** and an **MBA in Sanitation**.

We are the first basic sanitation company in Brazil to invest in a customized undergraduate program for the sector. The undergraduate program was developed in partnership with the Centro Universitário de Jaguariúna (UniFAJ) and its goal is to train professionals specialized in sanitation. We are in the second round of the course, with 50 students. The initiative includes selection via a placement test and approval by MEC.

We have also started an MBA in Sanitation program in partnership with Fundação Getulio Vargas (FGV in Company). The first class of the course, lasting 432 hours, began in 2022. Thirty-five employees from different operating units were selected.

The academy has also provided programs for training executive leaders in the Sou + Lider (I am + a Leader) Program, which is designed to develop the technical and behavioral skills identified in the Talent and Succession Management Program, in place since 2015, in order to identify and prepare internal talents in a structured, systemic, and continuous manner at all leadership levels of our team: coordinators, managers, officers, vice presidents, and CEOs.

HEALTH & SAFETY [GRI 403-1, 403-2]

Our crisis committee continued in 2021 to be active in the implementation and maintenance of measures and procedures to ensure the physical and mental integrity of employees. This included detailed health protection protocols, particularly for operational and field staff, who perform activities on-site and are dedicated to ensuring that sanitation services are provided – essential for the population.

All employees received a Care Guide with good health and wellness practices and ways to prevent contamination by Covid-19, including care to be taken in routines at home and at work, among other guidelines. We also maintained the telemedicine platform in addition to other institutional initiatives to ensure the health of our professionals.

In an effort to restrict the flow of people on our premises, travels, events, and in-person training were suspended whenever possible. The professionals whose duties could be performed from home continued to work remotely. The new work format has even boosted productivity due to the technological resources offered.



In addition to the precautions taken due to the pandemic, we adopted strict procedures to identify and prevent risks to the employees' health, which included monitoring working conditions, occupational examinations and promoting practices geared towards improving well-being and quality of life. The practices took place via the Interage Program, developed according to the ISO 45001:2018 Standard – Occupational health and safety management system, which is aimed at preventing occupational injuries and illnesses by providing safe and healthy workplaces.

The Interage guidelines are applicable to 100% of employees, each according to activity, workstation, equipment and products handled and exposure time. We have created a risk matrix on probability and severity in which the risk level is defined and control measures are prioritized in accordance with legislation. We require the establishment of the Environmental Risk Prevention Program (PPRA) and the List of Occupational Hazards and Risks (LPRO) from any companies we have contracted according to the Regulatory Norms (NR) that supplement the Consolidation of Labor Laws (CLT).





All activities need to be planned and executed with the objective of reducing risks to acceptable levels or completely eliminating them. The identified hazards, classified risks and defined action plans are logged in spreadsheets for analysis, reviews, monitoring and audits, thereby ensuring the quality of the process. Employees can formally report hazards during meetings and safety dialogs. If you do not wish to identify yourself, you can visit the Ethics Channel to report identified hazards and dangerous conditions. Activities involving working at heights, confined spaces, excavations and electricity all require very specific care and attention so that safety measures are effective and accidents are prevented. Employees have the right to refuse to carry out these activities if any risk is discovered, as outlined in the Interage guidelines. [\[GRI 403-4\]](#)

We designed a questionnaire in 2021 to assess adherence with HSE management at the units. The end report includes the quantification of regularities/conformities, and the results were submitted to the professionals responsible for handling any non-conformities.

The executive directors have HSE goals, including executing 80% of the action plans from the HSE surveys referring to 2019 (with the exception of Engineering); performing at least 12 field inspections via application with corrective actions handled within 90 days; conducting accident investigation processes within 10 days after the occurrence, with the formal creation of an action plan within 90 days (if there is an injury, communicate and open the appropriate documentation); guarantee of employee participation above 90% in training on regulatory standards; a 20% reduction in the rates of serious speed violations and 30% of serious speed violations (compared to the fourth quarter of 2020); and maintenance of monthly documentation updates in the SOC System - integrated software for occupational and safety management.

For the regional directors, the HSE targets are related to reducing the region's accident rate by 20% in relation to the 2020 cumulative rate, ensuring that accidents with injuries are reported within 24 hours with the opening of Work Accident Reports (CATs, in Portuguese).

In accordance with Interage guidelines, all operational units include safety executive committees. These professionals meet at least once a month to discuss and monitor action plans and pertinent matters under the management of the executive directors. The concessionaires also establish Internal Accident Prevention Commissions (CIPA, in Portuguese), which were scaled based on the number of employees in each concession and supporting all professionals and third parties. [|GRI 403-4|](#)

Specialized occupational safety and workplace medical services, which include engineers, occupational safety technicians, doctors and nursing technicians, according to the Regulatory Standard No. 4, approved by the Ministry of Labor based on the number of employees. [|GRI 403-3|](#)

In 2021, we saw a 6.5% reduction in reportable accident rates compared to the previous year, even with a 22% increase in man-hours worked over the same comparison - which means that there were fewer accidents reported even though there were a larger people performing their activities.





OPERATIONAL
PERFORMANCE,
INVESTMENTS
AND FINANCIAL

results

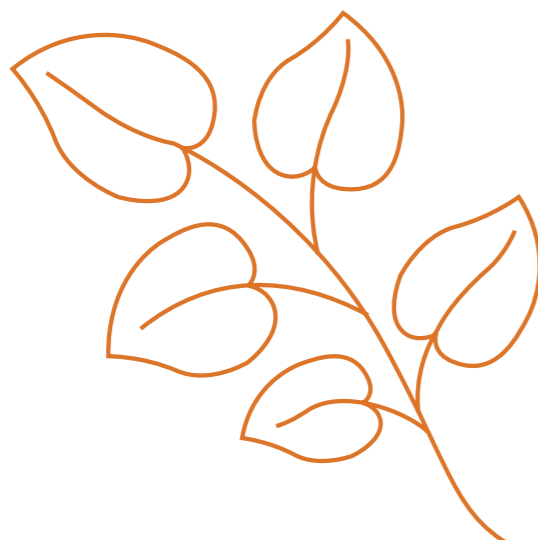
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OPERATIONAL PERFORMANCE, INVESTMENTS AND FINANCIAL

results



We are focused on growing with sustainability and generating value for our chain. Both the operational performance and our financial results reflect our ongoing pursuit of increased efficiency, solidity and financial discipline.

The operational and financial results, as consolidated in the Financial Statements, excludes the income from Águas do Rio, an affiliated company of which we hold 52% of the total capital and 20% of the voting capital. This company's results are booked using the equity income method. [\[GRI 102-10\]](#)

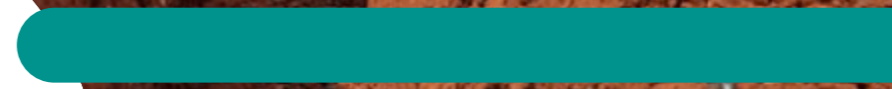
However, Águas do Rio represents a significant advance in our growth strategy by having practically doubled our operations. We will now be serving more than 21 million people at the end of 2021 (there were 11.2 million in 2020). For this reason, we will present below some highlights of our ecosystem, which consists of our results plus those of Águas do Rio.

2021 Highlights			
	Aegea	Águas do Rio	Aegea + Águas do Rio
Active Savings (thousand)	3,694	3,618	7,312
EBITDA (R\$ millions)	1,762.7	305.6	2,068.3
Net Income (R\$ million)	536.4	141.1	677.4

Águas do Rio primary challenges are to provide treated water and sewage to people in vulnerable communities and to contribute to despollution from a lack of sanitation in some of the country's landmarks, such as Guanabara Bay and Rodrigo de Freitas Lagoon. Around R\$ 24 billion will be invested over the next 35 years to provide better health and quality of life to communities in Rio de Janeiro.

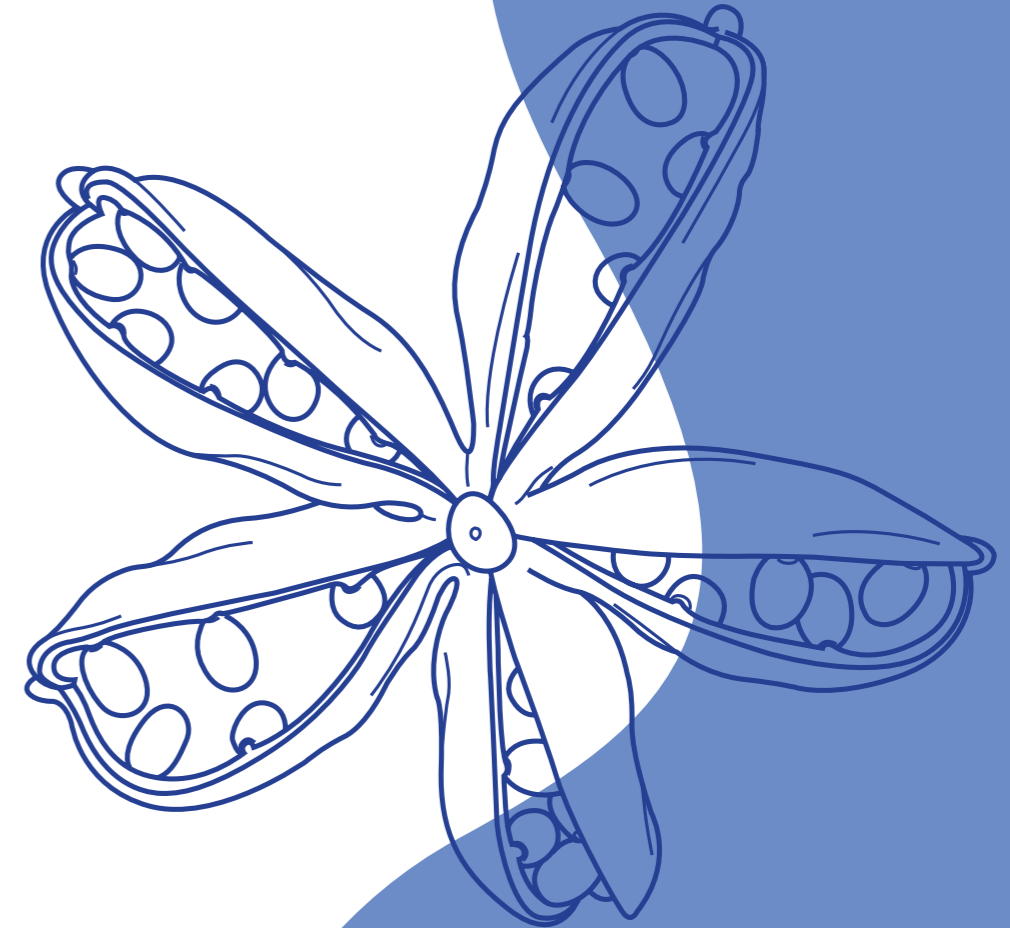
OPERATIONAL PERFORMANCE [GRI 203-1]

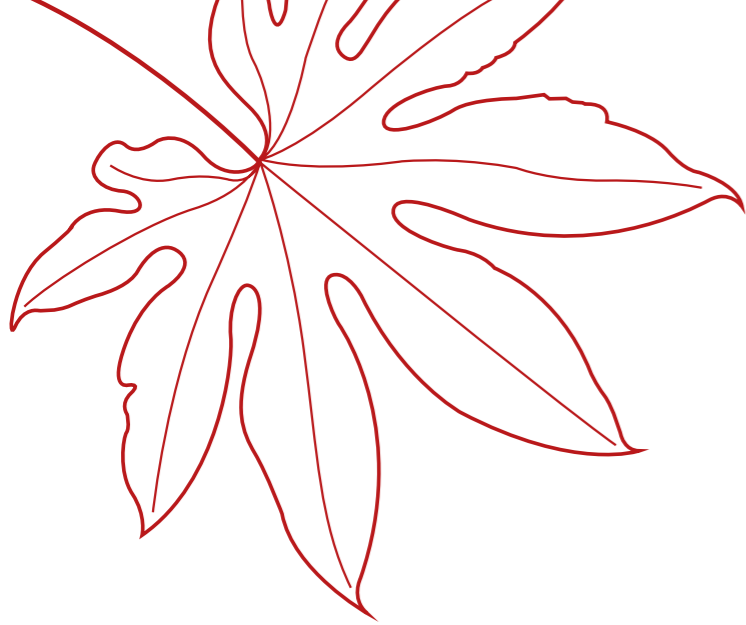
We ended 2021 with 3.7 million households served compared to 3.2 million in the previous year. Out of this total, 1.9 million refers to the connections to the water supply network, and 1.8 million to sewage collection. The billed volume, in the same comparison, grew 15.4%. This result was positively impacted by the start of operations of three new sewage PPPs, Ambiental Metrosul, Ambiental Cariacica, and Ambiental MS Pantanal, which together serve 78 cities.



FINANCIAL RESULTS [GRI 201-1]

Value-Added Statement (VAS)			
	2021	2020	2019
Revenue	3,943,145	3,009,272	3,004,617
Materials purchased from third-parties	(1,857,528)	(1,346,105)	(1,496,195)
Gross value added	2,085,617	1,663,167	1,508,422
Amortization and depreciation	(325,943)	(261,631)	(243,713)
Net value added produced by the Company	1,759,674	1,401,536	1,264,709
Value added received in transfer	1,214,943	1,138,845	819,664
Equity Income	63,674	-	-
Financial income	1,151,269	1,138,845	819,664
Total value added to be distributed	2,974,617	2,540,381	2,084,373
Value added distribution	2,974,617	2,540,381	2,084,373
Labor	280,315	255,390	307,724
Taxes, charges and contributions	608,269	478,714	476,217
Debt remuneration	1,499,305	1,277,063	1,006,020
Equity remuneration	586,728	529,214	294,412





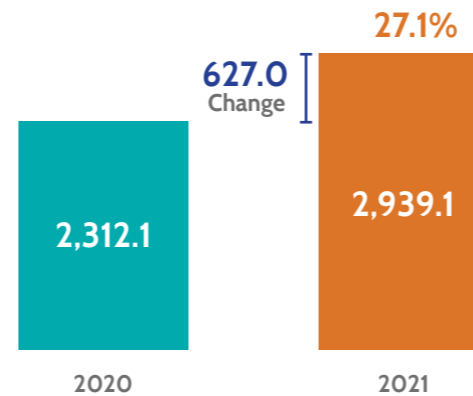
NET REVENUE

Net operating revenue reached R\$2,939.1 million, an increase of 27.1% compared to 2020 due to:

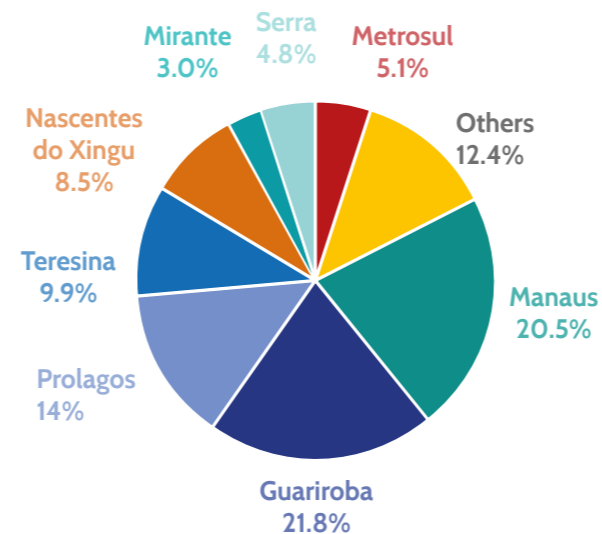
- The increase in the billed volume (reflecting the growth of households served);
- The growth in revenue from public-private partnerships (PPPs) due to the greater volume of investments to expand sewage coverage;
- Tariff adjustments in the period.

1. A single occupancy property or subdivision of property with independent occupancy, equipped with a private facility for the use of a water supply or sewage collection services.

Evolution of net revenue (R\$million)



Revenue Breakdown by Company in 2021



Net Operating Revenue (R\$ thousand)			
	2021	2020	Change (%)
Net operating revenue ²	2,939,143	2,312,095	27.1
Revenue from water	2,230,326	1,985,214	12.3
Revenues from sewage ³	692,641	512,530	33.3
Other revenue	34,509	-	0.0
Revenue from consideration of PPPs ⁴	278,183	40,316	589.0
Tax deductions	(296,516)	(233,025)	27.2

² Net operating revenue reported in the Interim Financial Statements (IFS), note 18, less construction revenue with a margin close to zero (OCPC05) and with no cash effect (R\$772.0 million and R\$524.4 million) in 2021 and 2020 respectively.

³ Does not consider the revenues from construction intangible assets with a margin close to zero

⁴ Construction revenues - PPP of the Ambiental Serra, Ambiental Vila Velha, Ambiental Cariacica and Ambiental Metrosul concessionaires (CPC47); sum of the financial asset compensation lines and financial assets from construction revenues of notes 9 and 19 of the Financial Statements.



DELINQUENCY RATE¹

The delinquency rate in 2021 was 3.8%, in line with the figure from the previous year (3.7%), mainly due to customer recovery programs, such as Vem com a Gente and Água Legal, and the resumption of cuts at concessionaires, which helped keep the delinquency rate below 4%.

COSTS AND EXPENSES

Costs and expenses totaled R\$1,180.5 million, an increase of 12.2% (R\$ 128.4 million) compared to 2020. These figures do not consider the non-recurring effect in Aguas de Manaus and the construction costs without margin. Even excluding the positive impact on the other operational earnings from interim dividends at Águas do Rio, costs and expenses increased by 18% (R\$ 189.6 million).

When analyzing costs and expenses in *Reais* per cubic meter, the reduction is 0.1% compared to the previous year, with costs and expenses per cubic meter of R\$ 347.2, reflecting an increase in the efficiency of our processes and disciplined financial management.

1. Calculating non-payments (delinquencies) (gross revenue excluding cancellations / costs and expenses from Expected Losses in Doubtful Accounts) excludes the PPPs of Serra, Vila Velha, Cariacica, Metrosul, MS Pantanal and Mirante.

Costs and expenses (R\$ thousand)			
	2021	2020	Variação
Labor	(323,850)	(303,375)	6.7%
Outsourced services	(196,028)	(181,507)	8.0%
Maintenance	(35,994)	(39,372)	-8.6%
Materials, equipment and vehicles	(37,104)	(22,978)	61.5%
Concession cost	(34,711)	(30,078)	15.4%
Electricity	(274,095)	(239,486)	14.5%
Chemicals	(47,471)	(39,673)	19.7%
PDA	(100,944)	(85,520)	18.0%
Provision for lawsuits	(16,253)	(38,374)	-57.6%
Construction costs	(113,743)	(19,112)	495.1%
Taxes, charges and social contributions	(7,563)	(4,467)	69.3%
Others	7,249	(48,180)	-115.0%
Subtotal non-recurring effect	(1,180,507)	(1,052,122)	12.2%
PIS/COFINS tax credit - Águas de Manaus	-	72,211	-100.0%
Subtotal	(1,180,507)	(979,911)	20.5%
Depreciation and amortization	(325,943)	(261,631)	24.6%
Total	(1,506,450)	(1,241,542)	21.3%



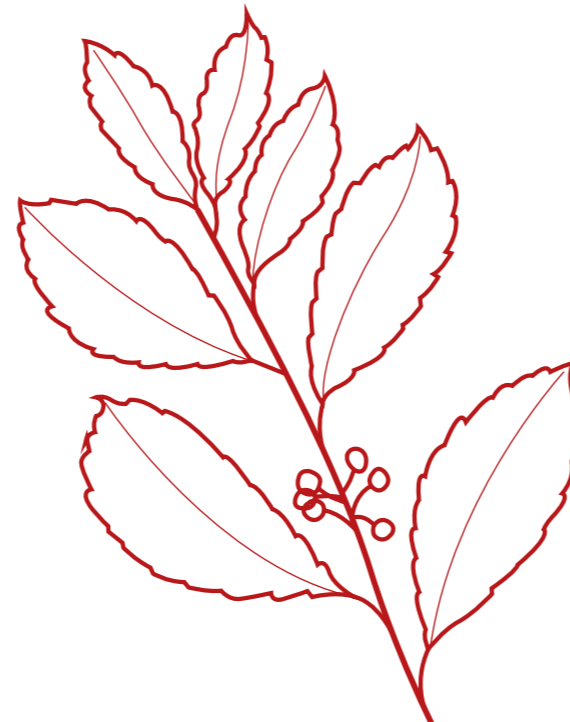
The key factors impacting costs and expenses were:

- Labor (6.7% hike) and outsourced services (growth of 8.0%) mainly due to the operational costs of the new PPPs, Ambiental Metrosul, Ambiental MS Pantanal and Ambiental Cariacica.
- Expected Losses in Doubtful Accounts (PDA), which resulted in an expense of R\$100.9 million, 18.0% higher than in 2020 due to the higher volume of provisions in Águas de Manaus.
- Electricity, which totaled R\$274.1 million, an amount 14.5% higher compared to 2020 due to the new PPPs, responsible for the increase of R\$10.0 million or 29.0% of the total increase, and also the change in the dynamic tariff structure. At the end of 2020, the Brazilian Electrical Energy Agency (ANEEL) adopted the green tariff flag as an emergency measure to help consumers and the power industry due to the pandemic, which did not recur in 2021. In addition, in August 2021, the Agency created the water scarcity flag. These events were partially offset by our strategy of increasing the share of electricity purchased in the free market, which rose from 59.9% in 2020 to 66.0% in 2021, combined with the beginning of use of distributed generation electricity in 2021, responsible for 1.3% of our consumption ([learn more here](#)).

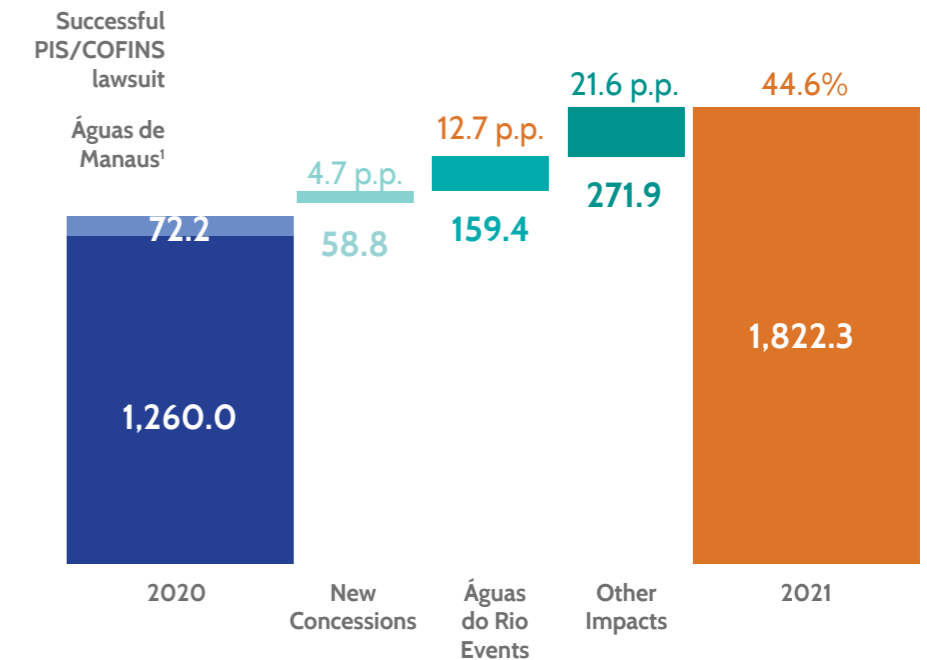
EBITDA

EBITDA in 2021 was R\$1,822.3 million, an increase of 44.6% compared to 2020. This result shows an increase in revenues and, equity income and interim dividends declared by Águas do Rio. The result excludes the non-recurring effect related to the success of the PIS/Cofins lawsuit in Águas de Manaus, which had a favorable impact on 2020 EBITDA of R\$72.2 million.

In the same comparison, the EBITDA Margin grew 7.5 percentage points (excluding non-recurring effects), reaching 62.0%..



Evolution of EBITDA between 2020 and 2021 (R\$ million)



1. Regarding the success of the PIS/Cofins process of Águas de Manaus.



EBITDA (R\$ thousand)			
	2021	2020	Varição
Net Income (non-recurring effect)	586,728	393,268	49.2%
(+) PIS/COFINS tax credit - Águas de Manaus	-	72,211	-100.0%
(+) Inflation adjustment PIS/ Cofins tax credit	-	63,734	-100.0%
Net Income	586,728	529,213	10.9%
(+) Financial result	599,041	303,182	97.6%
(+) Income Taxes	310,598	238,158	30.4%
(+) Depreciation and amortization	325,943	261,631	24.6%
EBITDA	1,822,310	1,332,184	36.8%
(-) PIS/COFINS credit - Águas de Manaus	-	72,211	-100.0%
EBITDA (non-recurring effect)	1,822,310	1,259,973	44.6%
EBITDA Margin	62.0	57.6	4.4 p.p.
EBITDA Margin (non-recurring effect)	62.0	54.5	7.5 p.p.



FINANCIAL RESULT

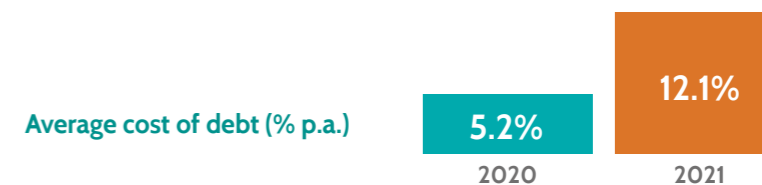
The financial result in 2021 was an expense of R\$ 599.0 million, R\$ 232.1 million higher than the previous year, excluding the monetary readjustment (Selic) of the tax credit related to the successful outcome of the lawsuit related to PIS/Cofins at Águas de Manaus, which had a positive impact on financial income in 2020 by R\$ 63.7 million. The rise in the rate of indexers that remunerate debt (e.g., CDI, IPCA and TJLP) and higher gross debt are other factors that explain the increase of net financial expense.

The average cost of debt was 12.1% per year, an increase of 6.9 percentage points compared to the previous year, mainly due to the increase in the CDI and IPCA (indexers).



Financial result (R\$ thousand)			
	2021	2020	Variação
Financial Income	1,151,269	1,138,845	1.1%
Financial Expense	(1,750,310)	(1,442,027)	21.4%
Total (non-recurring effect)¹	(599,041)	(366,916)	63.3%
(+) Inflation adjustment PIS/Cofins tax credit	-	63,734	-100.0%
Total	(599,041)	(303,182)	97.6%

1. Excludes the positive effect related to the success of the lawsuit in Águas de Manaus concerning the unenforceability of PIS/Cofins amounting to R\$ 63.7 million in 2020 in financial revenues with monetary restatement.



NET INCOME

We registered a net income in 2021 of R\$ 586.7 million, an increase of 10.9% compared to the R\$529.2 million from the previous year. Disregarding the non-recurring effects, the growth was 49.2% compared to the result reported in 2020. This growth is primarily due to the positive impacts on revenue, which offsetted the increase in costs, plus the positive impacts from Águas do Rio.

DEBT

Our gross debt, including derivative instruments, saw an increase of R\$ 820 million at the end of 2021 and totaled R\$ 7,659.9 million¹, due to new funding operations. The balance of cash, cash equivalents and financial investments was in R\$ 2,537.14 million, 4.8 times higher than our short-term debt. Net debt totaled R\$ 5,032.5 million, 23.3% higher than in the previous year. The financial leverage, calculated by the ratio of Net Debt/EBITDA, decreased from 3.06x in 2020 to 2.76x in 2021, mainly due to the 36.8% increase in EBITDA

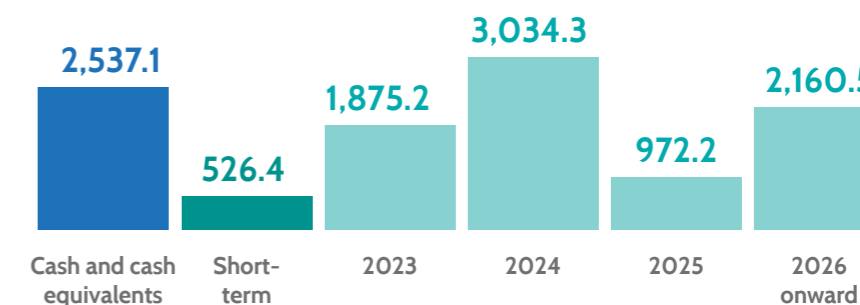
1. The Gross Debt calculation excludes the effects of the mark-to-market of the debt in a swap operation for Reais for R\$ 195.3 million, according to Note 22 of the Financial Statements, and the Cash and Cash Equivalents balance includes restricted cash in the amount of R\$ 59.0 million on the date that the Financial Statements are reported..

Debt (R\$ thousands)			
	2021	2020	Variação
Net Debt	5,032,478	4,080,323	23.3%
(+) Gross debt ¹	7,569,909	6,749,321	12.2%
(-) Cash and cash equivalents	(2,537,431)	(2,668,998)	-4.9%
EBITDA (12 months)	1,822,310	1,332,184	36.8%
Net Debt/EBITDA	2.76x	3.06x	-0.30x

1. The Gross Debt calculation excludes the effects of the mark-to-market of the debt in a swap operation for Reais for R\$ 195.3 million, according to Note 22 of the Financial Statements, and the Cash and Cash Equivalents balance includes restricted cash in the amount of R\$ 59.0 million on the date that the Financial Statements are reported.

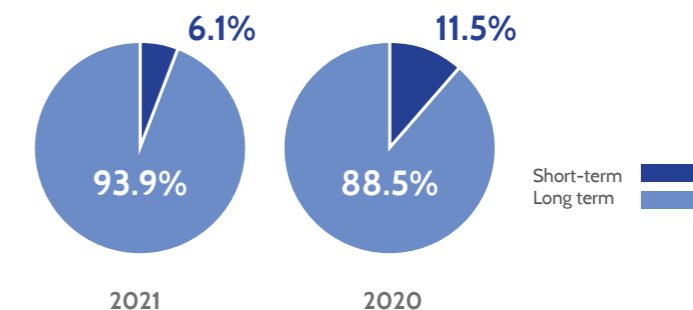
At the end of the year, the average maturity of the debt was 3.5 years. Short-term debt represented 6.1% of total debt and 20.7% of the balance of cash and financial investments.

Cash and debt maturity schedule (R\$ million)³



3. The amortization schedule does not consider the derivative financial instruments assets and liabilities, and includes the mark-to-market effects in the amount of R\$195.2 million.

Debt distribution





INVESTMENTS

During the year, investments made by all our concessionaires totaled R\$ 775.9 million, a new record for Aegea and an increase of 48.5% in relation to the previous year.

We executed the investment plans guided by the frameworks of the concession agreements aimed at providing universal access to sanitation services.

INVESTMENTS IN WATER TREATMENT AND SUPPLY SYSTEMS

In 2021, we supplied treated water to 119,000 new households, which is equivalent to over 345,000 people connected to the water supply network. In addition to investments in expanding the coverage networks by 400 km, we built new Water Treatment Stations and increased the production capacity of existing stations; expanded the flow capacity in water supply by replacing pumps and motors; installed new water mains and lift stations; and made improvements to the existing facilities.

Through the Vem Com a Gente Program, Águas de Manaus operated in around 55 neighborhoods in 2021, including stilt houses, and invested around R\$96 million. 16,000 new water connections were installed, benefiting around 80,000 people, and other services such as water distribution network extensions, re-registering, inspection and expansion of Social Tariff to around 350,000 people were the other initiatives.

Also notable are investments in water security, which totaled around R\$50 million in the year and include the transposition of the basin in Confresa (Mato Grosso) as well as investments in drilling and improvements of wells; duplication of water mains; expansion of treatment capacity of Water Treatment Stations; expansion of capacity of reservoirs and investments in loss reduction.



INVESTMENTS TO REDUCE LOSSES

In 2021, we reduced the consolidated loss rate of Aegea by 4.9 percentage points, from 53.8% to 48.9%.

To reduce physical losses, we installed pressure meters throughout the supply network; exchanges and replacements of water supply networks and technologies, and systems and equipment to detect losses. To reduce commercial losses, we invested in inspection programs and re-registering of clients; installation and replacement of water meters, improvements in supply networks and standardization of connections.

INVESTMENTS IN SEWAGE COLLECTION AND TREATMENT SYSTEMS

In 2021, we took sewage collection and treatment to 153,000 new households, benefiting around 445,000 people, notably through investments to expand the network by 855 km, improve existing networks and construct new sewage collection networks; construction of new Sewage Treatment Stations (ETE) and recovery and improvements in existing structures; construction of new Sewage Lift Stations, discharge lines and interceptors and improvements in existing structures; maintenance of treatment ponds and cleaning of decanters and clearing and cleaning of pipes.

In 2021, we started operations at 2 new sewage PPPs – Ambiental MS Pantanal and Ambiental Cariacica, which provided sewage collection services to 339,000 new households, which corresponds to around 1 million people now served by Aegea. In both PPPs, the goal is to provide universal access to sewage in 10 years.



GRI
annexes

7



GRI ANNEXES

INFORMATION ABOUT EMPLOYEES AND OTHER WORKERS¹ [GRI 102-8]

Number of employees by gender [GRI 102-8]			
	2019	2020	2021
Men	3,415	3,853	6,190
Women	1,139	1,112	1,857
Total	4,554	4,965	8,047

Number of employees by region [GRI 102-8]			
	2019	2020	2021
North	1,161	1,735	1,622
Northeast	732	713	843
Central-west	1,159	1,026	1,404
Southeast	1,334	1,222	3,826
South	168	269	352
Total	4,554	4,965	8,047

Number of employees by region [GRI 102-8]			
	2019	2020	2021
Executive Board	70	40	62
Management	65	79	130
Leadership/coordination	230	236	410
Technician/supervisor	331	335	572
Administrative	1,150	1,100	1,795
Operational	2,697	3,167	5,064
Board of Directors	11	8	14
Total	4,554	4,965	8,047

¹ Accounts for the members of the Board of Directors and does not include apprentices, interns and trainees.



COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES [GRI 205-2]

Total number of employees¹ who have received information and training on the anti-corruption policies and procedures adopted by the organization per employee category [GRI 205-2]

Functional Category	2019		2020		2021	
	Announcements	Trainings	Announcements	Trainings	Announcements	Trainings
Executive Board	70	49	40	32	62	58
Management	65	42	79	51	130	90
Leadership/coordination	230	199	236	187	458	286
Technician/supervisor	331	297	335	215	562	386
Administrative	1,150	1,040	1,100	712	1,549	1,136
Operational	2,697	2,218	3,167	2,213	5,272	2,989
Trainees	9	9	8	7	28	24
Total	4,552	3,854	4,965	3,417	8,061	4,969

1. These figures exclude board members, interns and junior apprentices.

Percentage of employees¹ who have received information and training on the anti-corruption policies and procedures adopted by the organization per employee category [GRI 205-2]

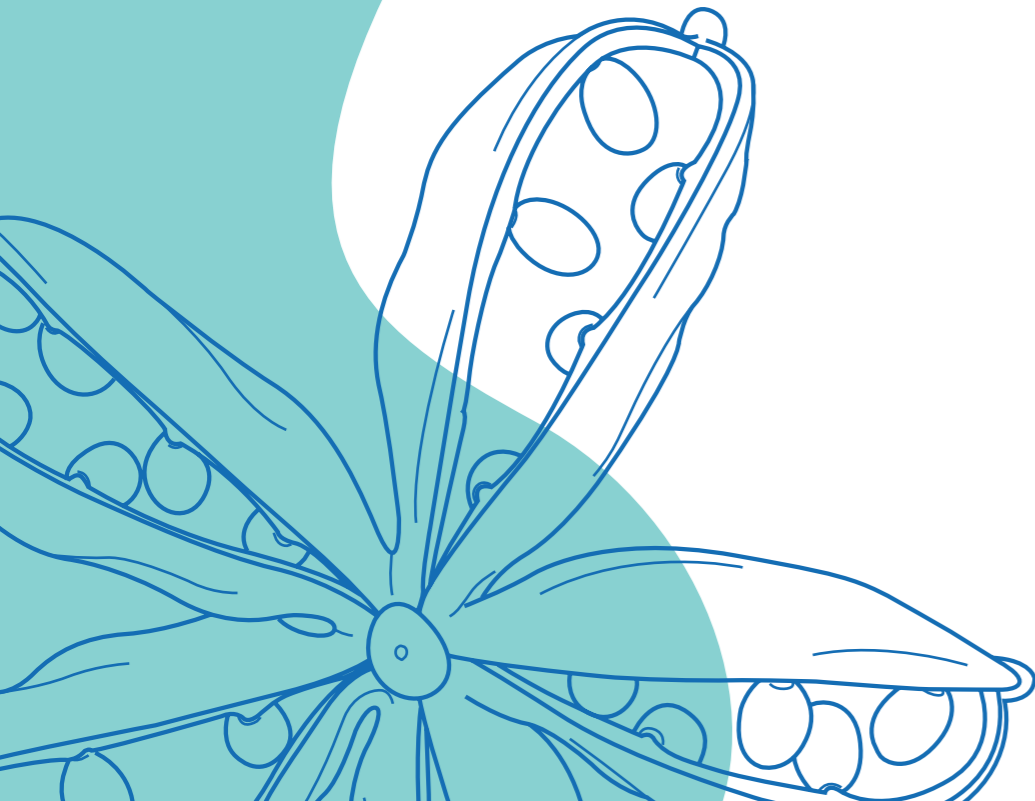
Functional Category	2019		2020		2021	
	Comunicados	Treinados	Comunicados	Treinados	Comunicados	Treinados
Executive Board	100%	70%	100%	80%	100%	94%
Management	100%	65%	100%	65%	100%	69%
Leadership/coordination	100%	87%	100%	79%	100%	62%
Technician/supervisor	100%	90%	100%	64%	100%	69%
Administrative	100%	90%	100%	65%	100%	73%
Operational	100%	82%	100%	70%	100%	57%
Trainees	100%	100%	100%	88%	100%	86%
Total	100%	85%	100%	69%	100%	62%

1. These figures exclude board members, interns and junior apprentices.

NEW EMPLOYEE AND TURNOVER RATES [GRI 401-1]

Total number and rate of new hires, by age group [GRI 401-1]

	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Under 30 years old	1,044	0.66	911	0.53	1,961	0.77
Between 30 and 50 years old	737	0.28	743	0.25	2,647	0.54
Over 50-years old	18	0.05	10	0.03	287	0.48
Total	1,799	0.40	1,664	0.36	4,895	0.61



Total number and rate of employees hired, by gender [GRI 401-1]

	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Men	1,250	0.37	1,356	0.35	3,757	0.61
Women	549	0.48	308	0.28	1,138	0.61
Total	1,799	0,40	1,664	0,34	4,895	0,61

Total number and rate of employees hired, by region [GRI 401-1]

	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
North Region	668	0.58	990	0.57	549	0.34
Northeast Region	260	0.36	100	0.14	291	0.35
Central-west Region	422	0.36	201	0.20	842	0.60
Southeast Region	370	0.28	202	0.17	3,011	0.79
South Region	79	0.47	171	0.64	202	0.57
Total	1,799	0.40	1,664	0.34	4,895	0.61

Total number and rate of employees who left the company, by age group [GRI 401-1]

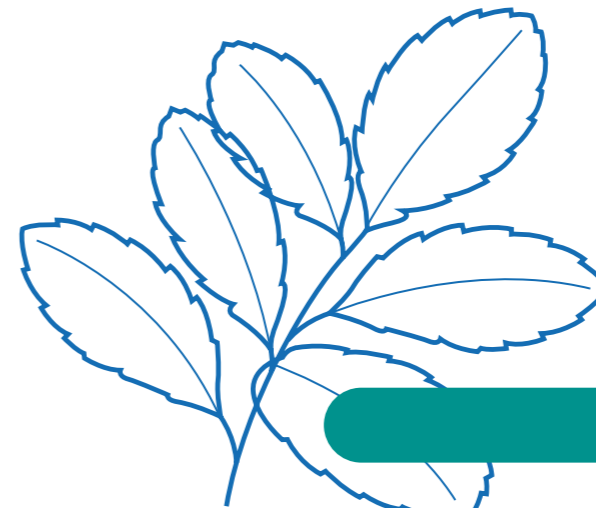
	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Under 30 years old	550	0.35	595	0.35	792	0.31
Between 30 and 50 years old	618	0.23	605	0.21	887	0.18
Over 50-years old	48	0.14	54	0.17	69	0.11
Total	1,216	0.27	1,254	0.25	1,748	0.22

Total number and rate of employees who left the company, by gender [GRI 401-1]

	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Men	815	0.24	920	0.24	1,400	0.23
Women	401	0.35	334	0.30	348	0.19
Total	1,216	0.27	1,254	0.25	1,748	0.22

Total number and rate of employees who left the company, by region [GRI 401-1]

	2019		2020		2021	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
North Region	278	0.24	397	0.23	653	0.40
Northeast Region	217	0.30	145	0.20	126	0.15
Central-west Region	297	0.26	330	0.32	447	0.32
Southeast Region	66	0.05	309	0.25	415	0.11
South Region	358	2.13	73	0.27	107	0.30
Total	1,216	0.27	1,254	0.25	1,748	0.22



WORK-RELATED INJURIES

Rates and figures related to employee health and safety ¹			
Rates	2019	2020	2021
Number of fatalities as a result of work-related injuries	2	0	1
Rate of fatalities as a result of work-related injuries	0.23	0.00	0.077
Number of high-consequence work-related injuries (excluding fatalities)	85	70	88
Rate of high-consequence work-related injuries (excluding fatalities)	9.72	7.38	6.75
Number of reportable work-related injuries	147	111	117
Rate of reportable work-related injuries	16.80	11.70	8.98

1. Considers the following numbers of hours worked: 2,131,940.35 (2019); 2,491,583 (2020); 3,196,219 (2021). Rates were calculated considering 1,000,000 hours

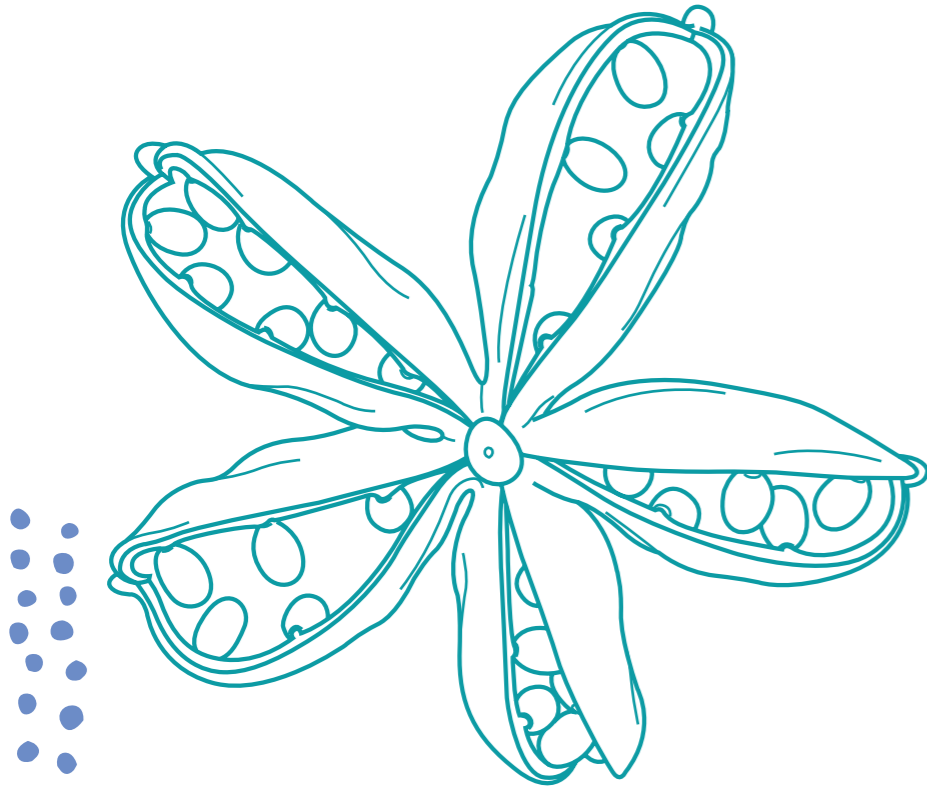


DIVERSITY IN GOVERNANCE BODIES AND EMPLOYEES [GRI 405-1]

Percentage of members of the Board of Directors, by gender [GRI 405-1]			
		Number	Percentage ²
2019	Men	8	72.73
	Women	3	27.27
	Total	11	100.00
2020	Men	7	87.50
	Women	1	12.50
	Total	8	100.00
2021	Men	14	100.00
	Women	0	0.00
	Total	14	100.00

1. Percentages were calculated based on the total number of employees in the same category.





Percentage of members of the Board of Directors, by Age group [GRI 405-1]

			Percentage ¹
2019	Under 30 years old	0	0.00
	Between 30 and 50 years old	4	36.36
	Over 50-years old	7	63.64
	Total	11	100.00
2020	Under 30 years old	0	0.00
	Between 30 and 50 years old	2	25.00
	Over 50-years old	6	75.00
	Total	8	100.00
2021	Under 30 years old	0	0.00
	Between 30 and 50 years old	5	35.71
	Over 50-years old	9	64.29
	Total	14	100.00

1. Percentages were calculated based on the total number of employees in the same category. In 2021, there were no board members with disabilities or who declared themselves black.

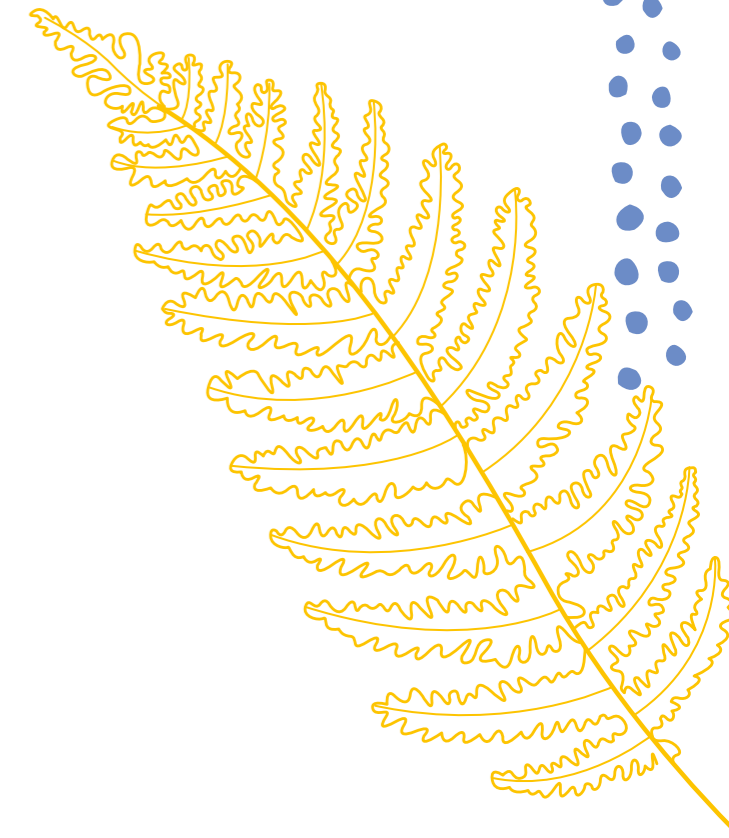
Number of employees, by functional category, by gender ^[GRI 405-1]

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	58	12	70	33	7	40	50	12	62
Management	46	19	65	53	26	79	81	49	130
Leadership/coordination	148	82	230	154	82	236	267	143	410
Technician/supervisor	258	73	331	265	70	335	447	125	572
Administrative	627	694	1,321	587	668	1,255	878	1,120	1,998
Operational	2,340	357	2,697	2,811	356	3,167	4,522	542	5,064
Trainees	5	4	9	5	3	8	9	19	28
Total	3,482	1,241	4,723	3,908	1,212	5,120	6,254	2,010	8,264

Percentage of employees, by functional category, by gender¹ ^[GRI 405-1]

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Executive Board	83	17	83	18	81	19
Management	71	29	67	33	62	38
Leadership/coordination	64	36	65	35	65	35
Technician/supervisor	78	22	79	21	78	22
Administrative	47	53	47	53	44	56
Operational	87	13	89	11	89	11
Trainees	56	44	63	38	32	68
Total	74	26	76	24	76	24

1. Percentages were calculated based on the total number of employees in the same category.



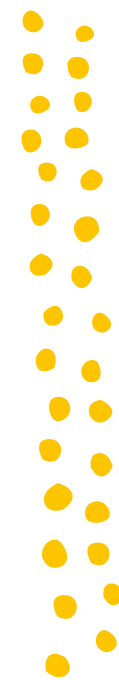
Number of employees, by functional category, by age group [GRI 405-1]

	2019				2020				2021			
	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total
Executive Board	2	46	22	70	0	28	12	40	0	44	18	62
Management	4	53	8	65	5	66	8	79	6	114	10	130
Leadership/ coordination	42	177	11	230	44	178	14	236	67	305	38	410
Technician/ supervisor	77	222	32	331	63	240	32	335	101	412	59	572
Administrative	690	575	56	1,321	645	553	57	1,255	726	969	100	1,795
Operational	934	1,567	196	2,697	1,116	1,856	195	3,167	1,485	3,153	426	5,064
Trainees	7	2	0	9	6	2	0	8	27	1	0	28
Total	1,756	2,642	325	4,723	1,879	2,923	318	5,120	2,412	4,998	651	8,061

Percentage of employees, by functional category, by age group¹ [GRI 405-1]

	2019				2020				2021			
	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total	Under 30 years old	Between 30 and 50 years old	Over 50-years old	Total
Executive Board	2.86	65.71	31.43	100.00	0.00	70.00	30.00	100.00	0	70.97	29.03	100.00
Management	6.15	81.54	12.31	100.00	6.33	83.54	10.13	100.00	4.62	87.69	7.69	100.00
Leadership/ coordination	18.26	76.96	4.78	100.00	18.64	75.42	5.93	100.00	16.34	74.39	9.27	100.00
Technician/ supervisor	23.26	67.07	9.67	100.00	18.81	71.64	9.55	100.00	17.66	72.03	10.31	100.00
Administrative	52.23	43.53	4.24	100.00	51.39	44.06	4.54	100.00	40.45	53.98	5.57	100.00
Operational	34.63	58.10	7.27	100.00	35.24	58.60	6.16	100.00	29.32	62.26	8.41	100.00
Trainees	77.78	22.22	0.00	100.00	75.00	25.00	0.00	100.00	96.43	3.57	0.00	100.00
Total	37.18	55.94	6.88	100.00	36.70	57.09	6.21	100.00	29.92	62	8.08	100.00

1. Percentages were calculated based on the total number of employees in the same category.



Number of black employees, by functional category | GRI 405-1

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	7	0	7	6	0	6	11	0	11
Management	7	2	9	9	3	12	12	9	21
Leadership/coordination	49	22	71	52	23	75	99	38	137
Technician/supervisor	149	47	196	146	47	193	217	70	287
Administrative	377	316	693	360	318	678	462	511	973
Operational	1,688	237	1,925	2,041	235	2,276	2,878	359	3,237
Trainees	3	4	7	3	3	6	3	9	12
Total	2,280	628	2,908	2,617	629	3,246	3,682	996	4,678

Percentage of black employees, by functional category¹ | GRI 405-1

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	12	0	10	18	0	15	22	0	18
Management	15	11	14	17	12	15	15	18	16
Leadership/coordination	33	27	31	34	28	32	37	27	33
Technician/supervisor	58	64	59	55	67	58	49	56	50
Administrative	60	46	52	61	48	54	53	46	49
Operational	72	66	71	73	66	72	64	66	64
Trainees	60	100	78	60	100	75	33	47	43
Total	65	51	62	67	52	63	59	50	57

1. Percentages were calculated based on the total number of employees in the same category.



Number of asian employees, by functional category [GRI 405-1]

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	2	1	3	1	1	2	1	1	2
Management	0	1	1	0	1	1	0	2	2
Leadership/coordination	2	6	8	3	6	9	6	7	13
Technician/supervisor	3	2	5	3	3	6	7	5	12
Administrative	10	18	28	12	15	27	16	34	50
Operational	38	12	50	39	9	48	89	16	105
Trainees	0	0	0	0	0	0	2	0	2
Total	55	40	95	58	35	93	121	65	186

Percentage of asian employees, by functional category¹ [GRI 405-1]

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	3	8	4	3	14	5	2	8	3
Management	0	5	2	0	4	1	0	4	2
Leadership/coordination	1	7	3	2	7	4	2	5	3
Technician/supervisor	1	3	2	1	4	2	2	4	2
Administrative	2	3	2	2	2	2	2	3	3
Operational	2	3	2	1	3	2	2	3	2
Trainees	0	0	0	0	0	0	22	0	7
Total	2	3	2	1	3	2	2	3	2

1. Percentages were calculated based on the total number of employees in the same category.

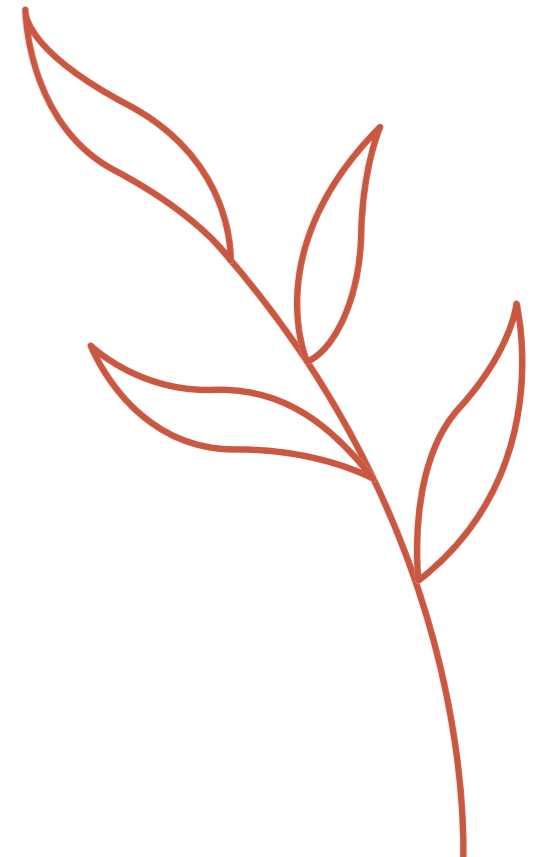
Number of indigenous employees, by functional category [GRI 405-1]

	2021		
	Men	Women	Total
Executive Board	0	0	0
Management	1	0	1
Leadership/coordination	3	1	4
Technician/supervisor	1	0	1
Administrative	3	9	11
Operational	36	0	36
Trainees	0	0	0
Total	44	10	54

Percentage of indigenous employees, by functional category¹ [GRI 405-1]

	2021		
	Men	Women	Total
Executive Board	0	0	0
Management	1	0	1
Leadership/coordination	1	1	1
Technician/supervisor	0	0	0
Administrative	0	1	1
Operational	1	0	1
Trainees	0	0	0
Total	1	0.5	1

1. Percentages were calculated based on the total number of employees in the same category.



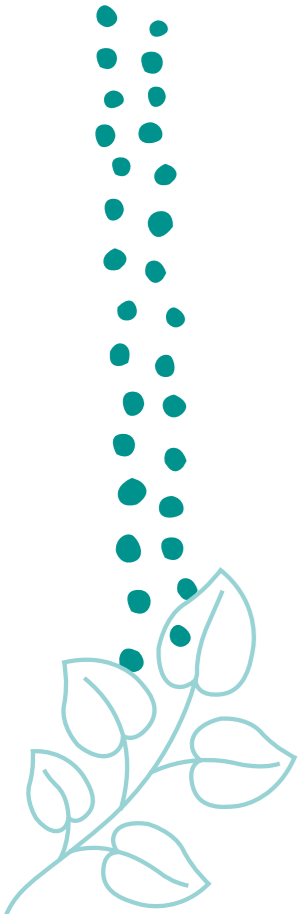
Number of people with disabilities (PwDs) among employees, by functional category ^[GRI 405-1]

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	0	0	0	0	0	0	0	0	0
Management	1	0	1	1	0	1	1	0	1
Leadership/coordination	0	0	0	1	0	1	1	0	1
Technician/supervisor	1	1	2	1	1	2	0	1	1
Administrative	17	17	34	16	19	35	53	51	104
Operational	33	14	47	35	13	48	31	14	45
Trainees	0	0	0	0	0	0	0	0	0
Total	52	32	84	54	33	87	86	66	152

Percentage of people with disabilities (PwDs) among employees, by functional category¹ ^[GRI 405-1]

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	0	0	0	0	0	0	0	0	0
Management	2	0	2	2	0	1	1	0	1
Leadership/coordination	0	0	0	1	0	0	0	0	0
Technician/supervisor	0	1	1	0	1	1	0	1	0
Administrative	3	2	3	3	3	3	6	5	5
Operational	1	4	2	1	4	2	1	3	1
Trainees	0	0	0	0	0	0	0	0	0
Total	1	3	2	1	3	2	1	3	2

1. Percentages were calculated based on the total number of employees in the same category.

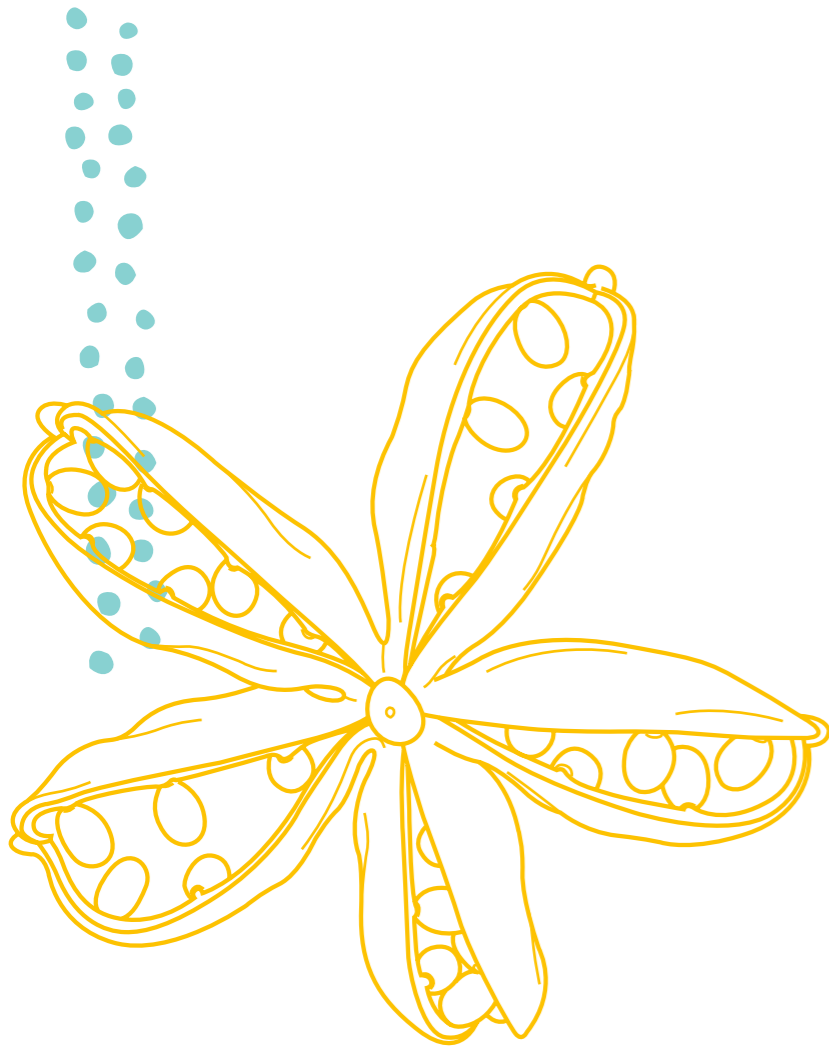


MATHEMATICAL RATIO OF SALARY AND REMUNERATION BETWEEN MEN AND WOMEN [GRI 405-2]

Mathematical ratio between basic salary for women and men in each functional category¹ [GRI 405-2]

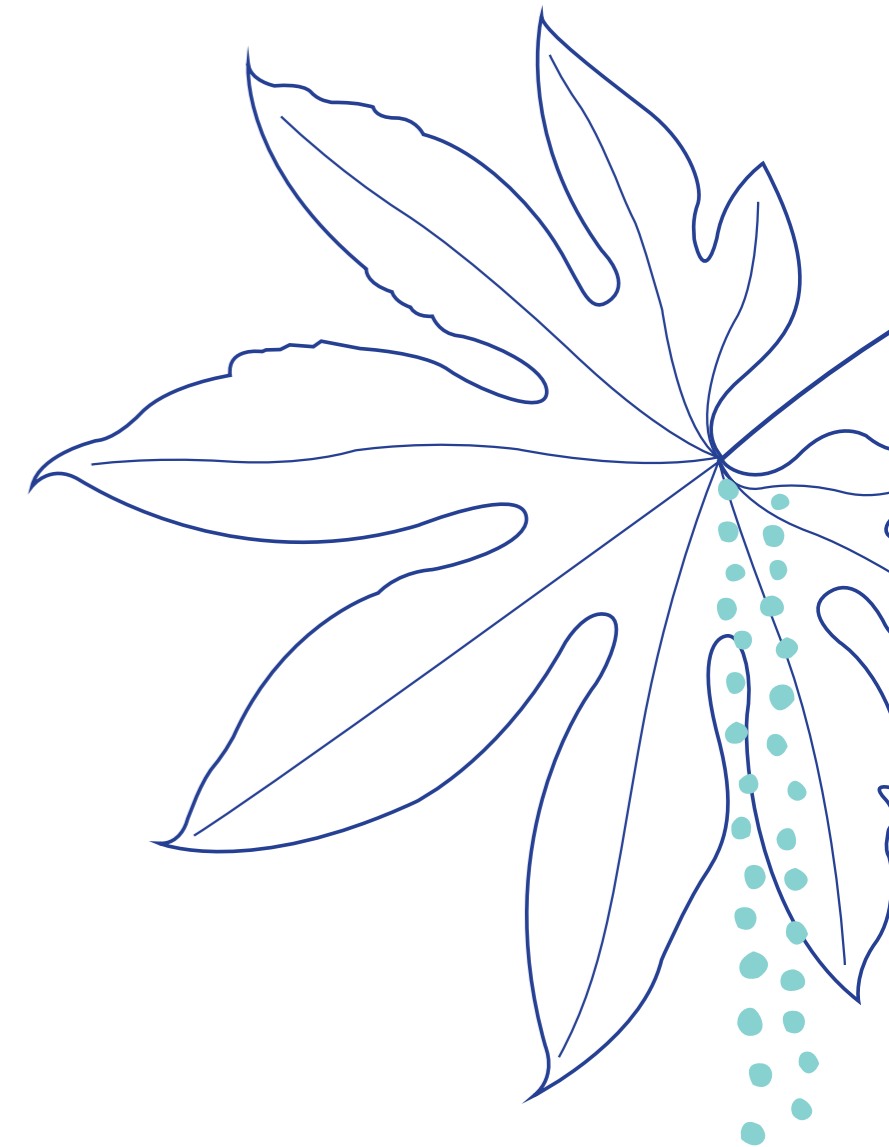
Operation Unit		2019		2020		2021	
Functional Category	Base Salary (R\$)	Mathematical ratio	Base Salary (R\$)	Mathematical ratio	Base Salary (R\$)	Mathematical ratio	razão matemática
Executive Board	women	R\$ 29,761.03		R\$ 45,678.39		R\$ 51,586.73	
	men	R\$ 24,556.49	121%	R\$ 53,366.17	86%	R\$ 47,156.51	109%
Management	women	R\$ 18,944.84		R\$ 17,767.46		R\$ 19,007.19	
	men	R\$ 18,026.41	105%	R\$ 18,297.18	97%	R\$ 19,798.73	96%
Leadership/coordination	women	R\$ 7,007.35		R\$ 7,029.41		R\$ 8,800.01	
	men	R\$ 8,229.82	85%	R\$ 8,548.09	82%	R\$ 9,521.43	92%
Technician/supervisor	women	R\$ 3,474.70		R\$ 5,216.77		R\$ 3,736.58	
	men	R\$ 3,594.78	97%	R\$ 5,343.61	98%	R\$ 3,689.42	101%
Administrative	women	R\$ 2,667.37		R\$ 2,238.36		R\$ 2,767.03	
	men	R\$ 3,036.29	88%	R\$ 2,544.53	88%	R\$ 3,587.60	77%
Operational	women	R\$ 1,698.57		R\$ 1,323.25		R\$ 1,410.95	
	men	R\$ 1,669.19	102%	R\$ 1,516.84	87%	R\$ 1,584.09	89%
Trainees	women	R\$ 5,042.83		R\$ 5,042.83		R\$ 5,223.82	
	men	R\$ 5,042.83	100%	R\$ 5,042.83	100%	R\$ 5,206.77	100%
Total	women	R\$ 68,596.69		R\$ 84,296.47		R\$ 92,532.30	
	men	R\$ 64,155.81	107%	R\$ 94,659.25	89%	R\$ 90,544.55	102%

1. We used the actual cost in November 2021 to identify the figures. The averages of the base salaries and the total compensation (salary + benefits) were included.



Mathematical ratio between compensation for women and men in each functional category ¹ [GRI 405-2]							
Operation Unit		2019		2020		2021	
Functional Category		compensation (R\$)	Mathematical ratio	compensation (R\$)	Mathematical ratio	compensation (R\$)	Mathematical ratio
Executive Board	women	R\$ 54,675.26	128%	R\$ 131,899.00	117%	R\$ 123,724.42	116%
	men	R\$ 42,725.39		R\$ 112,385.76		R\$ 106,388.41	
Management	women	R\$ 39,209.66	98%	R\$ 36,818.29	95%	R\$ 38,626.77	93%
	men	R\$ 39,816.97		R\$ 38,622.74		R\$ 41,559.04	
Leadership/coordination	women	R\$ 13,768.67	86%	R\$ 13,507.12	81%	R\$ 16,899.81	89%
	men	R\$ 15,956.37		R\$ 16,588.16		R\$ 18,970.42	
Technician/supervisor	women	R\$ 6,694.77	89%	R\$ 9,727.34	91%	R\$ 7,610.56	91%
	men	R\$ 7,537.41		R\$ 10,726.64		R\$ 8,356.27	
Administrative	women	R\$ 5,736.63	87%	R\$ 4,784.46	87%	R\$ 6,011.66	77%
	men	R\$ 6,608.53		R\$ 5,515.55		R\$ 7,804.78	
Operational	women	R\$ 4,225.11	95%	R\$ 3,307.18	81%	R\$ 3,734.93	83%
	men	R\$ 4,465.38		R\$ 4,064.46		R\$ 4,510.38	
Trainees	women	R\$ 9,492.65	100%	R\$ 6,687.28	74%	R\$ 9,786.77	100%
	men	R\$ 9,481.33		R\$ 8,980.86		R\$ 9,798.90	
Total	women	R\$ 133,802.75	106%	R\$ 206,730.67	105%	R\$ 206,394.92	105%
	men	R\$ 126,591.38		R\$ 196,884.17		R\$ 197,388.19	

1. We used the actual cost in November 2021 to identify the figures. The averages of the base salaries and the total compensation (salary + benefits) were included.

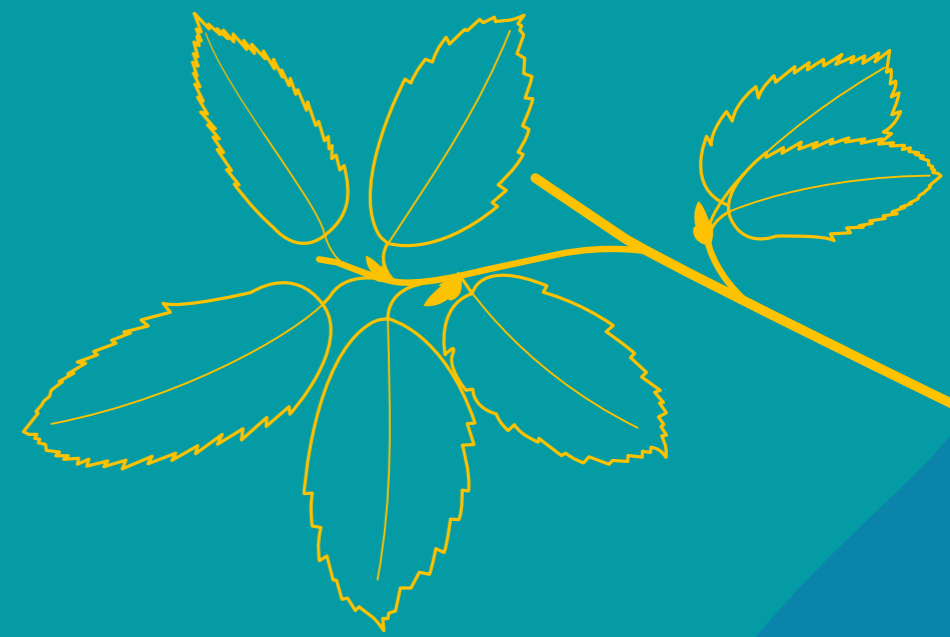


OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT PROGRAMS, IMPACT ASSESSMENT AND LOCAL DEVELOPMENT [GRI 413-1]

Percentage of operations with local community engagement, impact assessments and development programs [GRI 413-1]

Type of Initiative	Number of operations that each initiative has					
	2019		2020		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
Social impact assessments, including gender impact assessments, based on participatory processes	45	100.00	126	100.00	153	100.00
Environmental impact assessments and ongoing monitoring	We do not survey the population on the environmental impacts of our activities, except when the environmental agency solicits the population's opinion for a given facility. Environmental impact studies would include this information, but our activities are under no obligation to do so (only if required by the agency).					
Public report on the results of environmental and social impact assessments	-	0.00	-	0.00	-	0.00
Local development programs based on the needs of local communities	45	100.00	126	100.00	153	100.00
Stakeholder engagement plans based on mappings them	45	100.00	126	100.00	153	100.00
Committees and processes for extensive consultation with the local community, including vulnerable groups	45	100.00	126	100.00	153	100.00
Labor councils, occupational health and safety committees, and other employee representative entities to discuss impacts	45	100.00	126	100.00	153	100.00
Formal complaints and grievance processes by local communities	45	100.00	126	100.00	153	100.00





GRI
content
INDEX

8





GRI CONTENT INDEX [GRI 102-56]

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG	
GRI 101: Foundation 2016						
GRI 102: General Disclosures 2016						
GRI 102: General Disclosures 2016	102-1	Organization name	11			
	102-2	Activities, brands, products and services	11			
	102-3	Headquarters location	109			
	102-4	Location of operations	13			
	102-5	Ownership and legal form	39			
	102-6	Markets served	13			
	102-7	Size of organization	11, 12			
	102-8	Information about employees and other collaborators	70, 90			8.5, 10.3
	102-9	Suppliers chain	Our supply chain is structured to make sure that materials are available to carry out water collection, treatment and supply services and sewage collection and treatment services in order to fulfill contractual investment targets for pipeline expansion and maintenance of the entire system. In 2021, we issued purchase orders to 3,697 suppliers. These POs totaled approximately R\$ 1.9 billion and were allocated mainly for the acquisition of chemical and laboratory products, water meters, polyvinyl chloride (PVC) and high-density polyethylene (HDPE) pipes, cast iron, electrical materials, machinery and equipment.			



GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG	
GRI 102: General Disclosures 2016	102-10	Significant changes in the organization and its supply chain	In addition to successful bids in the auction for two blocks in the concession of water and sewage services in the State of Rio de Janeiro, we conducted a shift in the supply chain over the year due to the activation of the new units (Ambiental Cariacica, Ambiental Metrosul, Ambiental MS Pantanal and Águas do Rio).			
	102-11	Precautionary principle or approach	We apply the Precautionary Principle (or precautionary approach) when surveying and complying with environmental legal requirements, and acting in accordance with the discharge standards of treated effluents. We also comply with the conditions imposed by the regulatory environmental bodies and those responsible for the units, plus the assessment processes for the Integrated Management System, provided for in the Interage HSE Management Program, and the application of resources to train the teams responsible for this management.			
	102-12	External Initiatives	21, 71			
	102-13	Membership in association	20			
	102-14	Statement from the organization's top executive	4			
	102-15	Main impacts, risks and opportunities	46			
	102-16	Values, principles, standards and norms of behavior	17, 42			16.3
	102-17	Ethical advice and concern mechanisms	43			16.3
	102-18	Governance structure	41			
	102-21	Consultation with stakeholders on economic, environmental and social topics	8			16.7
	102-22	Members of the highest governance body and its committees	41			5.5, 16.7

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
GRI 102: General Disclosures 2016	102-28	Evaluating the highest governance body's performance	41		
	102-30	Effectiveness of risk management processes	44		
	102-40	Stakeholders list	7, 8		
	102-41	Collective bargaining agreements	70		8.8
	102-42	Identifying and selecting stakeholders	7		
	102-43	Approach to stakeholder engagement	8		
	102-44	Main topics and concerns raised	9		
	102-45	Entities included in the consolidated financial statements	7		
	102-46	Defining the content of the report and the boundary of topics	8		
	102-47	List of material subjects	9		
	102-48	Reformulation of information	In 2021, we retained KPMG to prepare our first Greenhouse Gas (GHG) Emissions Inventory to not only identify the main emitting sources, but to also find opportunities to reduce them and provide more transparency about the impacts of our activities. This is why we understand the importance of resubmitting the information for 2019 and 2020, as noted on page 59 to 61 of this report.		

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
GRI 102: General Disclosures 2016	102-49	Changes in reporting	There was none.		
	102-50	Period covered by the report	7		
	102-51	Date of last report	We published the report for our fiscal year in 2020 in May 2021.		
	102-52	Report emission cycle	7		
	102-53	Contact point for questions about the report	109		
	102-54	Statement of compliance report with GRI Standards	7		
	102-55	GRI content summary	108		
	102-56	External verification	7		
Material topics: Compliance, ethics and anti-corruption measures					
"GRI 103: Management Approach 2016"	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	42	2, 4, 5, 8, 10	5, 8, 16
	103-3	Evaluation of the management approach			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	42, 43, 91	10	16.5
GRI 206: Anti-competitive behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There was none.	1, 5	16.3

GRI Standard	Disclosure		PAGE/ANSWER	Omission	Global Compact Principles	SDG
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	There were no significant fines in 2021. In order to respond to this indicator, we adopted the criterion of financial relevance defined by our Reference Form (R\$ 2 million).		7, 8, 9	16.3
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	There were no operations or suppliers reported with any significant risk for the presence of child labor. We work in a preventive way, establishing clear guidelines and declaring that we have zero tolerance for child labor. The guidelines are described in our Codes of Conduct. We also include an anti-corruption clause in all established contracts that mentions intolerance to the subject. Partners, upon signing contracts with us, complete an integrity due diligence form where they self-declare their opposition to child labor and understanding of the law.		1, 2, 6	5.2, 8.7, 16.2
GRI 409: Forced labor or analogue to slaves 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no operations or suppliers reported with any significant risk for the presence of forced work or slave-like labor. We work in a preventive way, establishing clear guidelines and declaring that we have zero tolerance for child labor. The guidelines are described in our Codes of Conduct. We also include an anti-corruption clause in all established contracts that mentions intolerance to the subject. Partners, upon signing contracts with us, complete an integrity due diligence form where they self-declare their opposition to of forced work or slave-like labor and their understanding of the law.		1, 2, 3	5.2, 8.7
GRI 412: Human rights assessment	412-3	"Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening"	The Company and its subsidiaries entered into investment agreements, guaranteeing the participation of minority investors in the capital stock either of the Company itself or of certain subsidiaries. In such contracts there are declarations and/or obligations related to items related to human rights, as indicated in this report. Although the Company does not have specific goals related to human rights issues, as they are not applicable in isolation to the contracts signed, the companies with which Aegea has a relationship undergo an audit process carried out by the compliance team, which assesses the suitability of such companies. During the year, nearly 5,000 business partners were approved. 100% of our business partners are evaluated by the Integrity Board through the Due Diligence report.			
GRI 415: Public policies	415-1	Contributions to political parties	We do not make donations to political parties or individual candidates, following current legislation and our compliance policies, which prohibit the practice.			16.5

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data There was none.			16.3, 16.10
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area There was none.		10	16.3
Material topics: Economic-financial performance					
"GRI 103: Management Approach 2016"	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	79		8, 9
	103-3	Evaluation of the management approach			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	81		8.1, 8.2, 9.1, 9.4, 9.5
	201-2	Financial implications and other risks and opportunities due to climate change	53		13.1

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
Material topics: Greenhouse Gas Emissions					
"GRI 103: Management Approach 2016"	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	59	7, 8	3, 12, 13, 14, 15
	103-3	Evaluation of the management approach			
GRI 305: Greenhouse gas emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	59, 60	7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
	305-2	Direct greenhouse gas emissions (Scope 2)	59, 60	7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
Material topics: Operational efficiency management					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	23	7, 8	7, 8, 12, 13, 14, 15
	103-3	Evaluation of the management approach			
GRI 303: Water and Effluents 2018	303-2	Management of water dischargerelated impacts	51	8, 9	6.3
	306-1	Waste generation and significant waste-related impacts	62	7, 8, 9	3.9, 6.3, 11.6, 12.4, 12.5
GRI 306: Waste 2020	306-3	Waste generated	63, 64	7, 8, 9	3.9, 11.6, 12.4, 12.5
	306-5	Waste directed to disposal	63, 64	7, 8, 9	3.9, 11.6, 12.4, 12.5

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
Material topics: Energy management					
"GRI 103: Management Approach 2016"	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	58	8, 9	7, 8, 12, 13
	103-3	Evaluation of the management approach			
GRI 302: Energy 2016	302-4	Reduction of energy consumption	58		7.3, 8.4, 12.2, 13.1
Material topics: People management					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	34	1, 6	4, 5, 6, 8, 10
	103-3	Evaluation of the management approach			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	73	1, 6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity in governance bodies and employees	41, 72, 95 a 103		5.1, 5.5, 8.5
	405-2	Ratio of basic salary and remuneration of women to men	104, 105		5.1, 8.5, 10.3
GRI 412: Human rights assessment	412-2	Training employees in human rights policies or procedures	43		

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
Material topics: Risk Management					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	44	7	13
	103-3	Evaluation of the management approach			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	58		7.2, 7.3, 8.4, 12.2, 13.1
GRI 303: Water and Effluents 2018	303-2	Management of water discharge related impacts	51	8, 9	6.3
	306-1	Water discharge by quality and destination	62	7, 8, 9	3.9, 6.3, 11.6, 12.4, 12.5
GRI 306: Waste 2020	306-3	Significant spills	63, 64	7, 8, 9	3.9, 11.6, 12.4, 12.5
	306-5	Water bodies affected by water discharges and/or runoff	63, 64	7, 8, 9	3.9, 11.6, 12.4, 12.5

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
Material topics: Innovation and technology					
"GRI 103: Management Approach 2016"	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	25	9	
	103-3	Evaluation of the management approach			
Material topics: Water production and sewage collection and treatment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	52	7, 8	6, 8, 10
	103-3	Evaluation of the management approach			
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	54, 55	8, 9	6.4
	303-4	Water discharge	56	8, 9	6.3
Material topics: Customer health and safety, water quality and contaminants					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	66		16
	103-3	Evaluation of the management approach			

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
GRI 416: Customer health and safety 2016	416-2	<p>Incidents of non-compliance concerning the health and safety impacts of products and services</p> <p>Non-compliance is related to the impacts caused by products and services on health and safety, or any concerns from users about the quality of the water that resulted in penalties or fines. Considering the wide portfolio of users served in 154 municipalities, only five results were mapped with the application of possible penalties. We are analyzing the causes of such claims and working on ways to manage the liabilities, such as agreements with Consumer Protection and Defense Programs (PROCONs).</p>			16.3
Material topics: Occupational health and safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	75		3, 8, 16
	103-3	Evaluation of the management approach			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	75		8.8
	403-2	Hazard identification, risk assessment, and incident investigation	75		8.8
	403-3	Occupational health services	77		8.8
	403-4	Worker participation, consultation, and communication on occupational health and safety	76, 77		8.8, 16.7

GRI Standard	Disclosure	PAGE/ANSWER	Omission	Global Compact Principles	SDG
Material topics: Universalization of basic sanitation					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries			
	103-2	The management approach and its components	20	7, 8	5, 6, 9, 11, 12
	103-3	Evaluation of the management approach			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	52	8, 9	6.3, 6.4, 6.A, 6.B, 12.4
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	65		5.4, 9.1, 9.4, 11.2
Other non-material indicators monitored and reported					
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	61	8, 9	6.6, 14.2, 15.1, 15.5
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	73, 93, 94	6	5.1, 8.5, 8.6, 10.3
GRI 411: Indigenous peoples' rights	411-1	Incidents of violations involving rights of indigenous peoples	There is no record of any cases related to the violation of the rights of indigenous people.		
GRI 412: Human rights assessment	412-1	Operations subject to human rights impact assessment or analysis	43		
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	106		

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Independent Auditors' Limited Assurance Report on the Aegea Saneamento e Participações S.A. Annual Integrated Report, base year 2021

To the Shareholder, Advisers and Directors of
Aegea Saneamento e Participações S.A
São Paulo – SP

Introduction

We were engaged by Aegea Saneamento e Participações S.A (“Company” or “Aegea”) management to present our limited assurance report on the Holding's indicators contained in the Annual Sustainability Report based on Global Reporting Initiative (“GRI Standards”) and the International Integrated Reporting Council (IIRC) Framework, for the twelve-month period ended December 31, 2021 (“Report”).

Management and governance responsibilities for the Report

Aegea's management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – “Core”), and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error, and in accordance with the IIRC Framework.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the Aegea's Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon Nº 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from Aegea who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Aegea. The procedures comprised:

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Independent auditors' responsibility – continuation

- (a) the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- (b) the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;
- (c) the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- (d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI Standards and the IIRC Framework, applicable in the preparation of the information contained in the Aegea's Report.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, Aegea's internal controls were not part of our limited assurance scope.

Only the Holding's information contained on the indicators was part of the scope of our limited assurance work. Thus, we perform limited assurance procedures exclusively on such information.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

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Conclusion

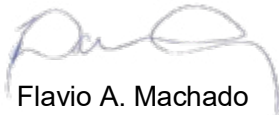
Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the Report, for the twelve-month period ended December 31, 2021, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI's based on requirements of the Global Reporting Initiative – Standards (In accordance – “Core”) and the IIRC Framework.

São Paulo (SP), June 20th, 2022.

Ernst & Young
Auditores Independentes S.S
CRC-2SP015199/O-6



Leonardo Masseli Dutra
Sustainability Partner



Flavio A. Machado
Partner – CRC-1MG 065.889/O-2



CORPORATE *Information*

[GRI 102-1, 102-3, 102-53]

Aegea Saneamento e Participações S.A.

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Credits

General coordination | Aegea (Investor Relations department)

Materiality | blendON

Consulting on indicators (GRI) | Avesso Sustentabilidade

Editing | KMZ Conteúdo

Graphic design and layout | Ara Comunicação

Translation | Global Translations.BR

Photography | Aegea Collection

