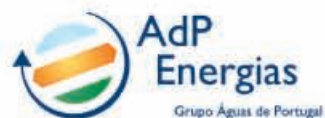


Sustainability Report **2013**



20
years
in the sustainability path







Águas de Portugal Group 20 years in the sustainability path.





The Sustainability Report 2013

Since 2008 AdP SGPS has published its annual sustainability report in a consolidated balance sheet of the entire activities of the Group, following the Global Report Initiative (GRI) Guidelines.

In this sixth year, we build on the prior editions by maintaining the same symbiosis report structure, in accordance with the positioning, principles and commitments assumed by the AdP Group regarding sustainability issues.

The sustainability report is published on an annual basis, making previous editions an integral part of this document.

Scope

The report provides information about sustainability performance between January and December 2013 and encompasses the entire spectrum of the AdP Group, including the Holding Company and the remaining 39 companies majority owned by AdP SGPS. The companies Aquatec, AdPTimor Leste and AdP Imobiliária had no activity in 2013 (therefore, only 37 companies were considered for the indicators).

The data consolidation was based on the indicators defined in the “Handbook of Sustainability Indicators” of the Group, which creates its content according to GRI references and the performance indicators outlined by the sector regulating entity - Water and Waste Services Regulator (ERSAR).

Application level

The report was prepared following the Global Reporting Initiative Guidelines, self-declared application level A.

This year we did not use external verification given the constraints imposed in terms of cost reduction for the entire state business sector.



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Chairman's message

A Group that provides essential public services in environmental areas which are linked by symbiosis to all dimensions of a society has the responsibility to make it its mission to contribute to sustainable corporate development and to the development of the regions where it is present, of the people that it serves, of the country where it is based and of the global ecosystem. Honestly, if "sustainability" has no corporate or political borders, "responsibility" does have them and at the AdP Group, we are committed to the responsibility of following a path of sustainability in its economic, financial, environmental and social forms.

Throughout the first two decades of activities of Águas de Portugal this was reflected in the responsibility with which we chose to face decisions and necessary actions to enhance the services we provide, directly or indirectly, to almost 80% of the Portuguese population with increasing quality standards and with increasingly scarce resources.

This year we celebrate our 20th anniversary, in addition to providing a statement of the activities of the companies of the Group, according to the guidelines of the Global Report Initiative. We would like this report to convey, by means of celebration, notes about the path we are embarked on, not in the sense of reducing it to the feeling of a mission accomplished, but above all to reaffirm our responsibility as the largest business group in the environmental sector in Portugal. This responsibility translates to a relentless search for balance between more efficient management and more effective operation because from north to south we know that to "be a sustainable business Group" is neither an eternal nor a definitive principle, but rather a dynamic path of contributing, day after day, to present developments that ensure future capabilities.

It is important to bear in mind for the next 20 years that changes occur in the medium and long term and will guarantee continuity and the necessary sustainability. The greatest asset of the AdP Group

for accomplishing this is its personnel. It is through their professionalism and commitment that paths and strategies are designed which, with shareholder guidance, allow us to guarantee the adoption of best technical and operational practices for the reduction and prevention of risk, in promoting innovation for new efficiency, for equality in access to services, for environmental equilibrium and for social awareness and involvement.

By enhancing the value of our resources, we enhance that of the Group and the environment. The challenges that our employees face and resolve on site every day, once recognised and internalised as competencies and distinctive knowledge, allow us to create a cumulative capital of experience that, being unique and invaluable, is

placed at the service of value creation, environmental enhancement and prevention of environmental impacts, contributing to well-being and to quality of life.

It is also within this commitment to sustainability and to the future, that we confirm once again that the strategies and policies of the Águas de Portugal Group fully comply with the United Nations' Global Compact, which include principles of Human and Labour Rights, Protection of the Environment and Anti-corruption mechanisms.



Afonso Lobato Faria
Chairman of the Board of Directors

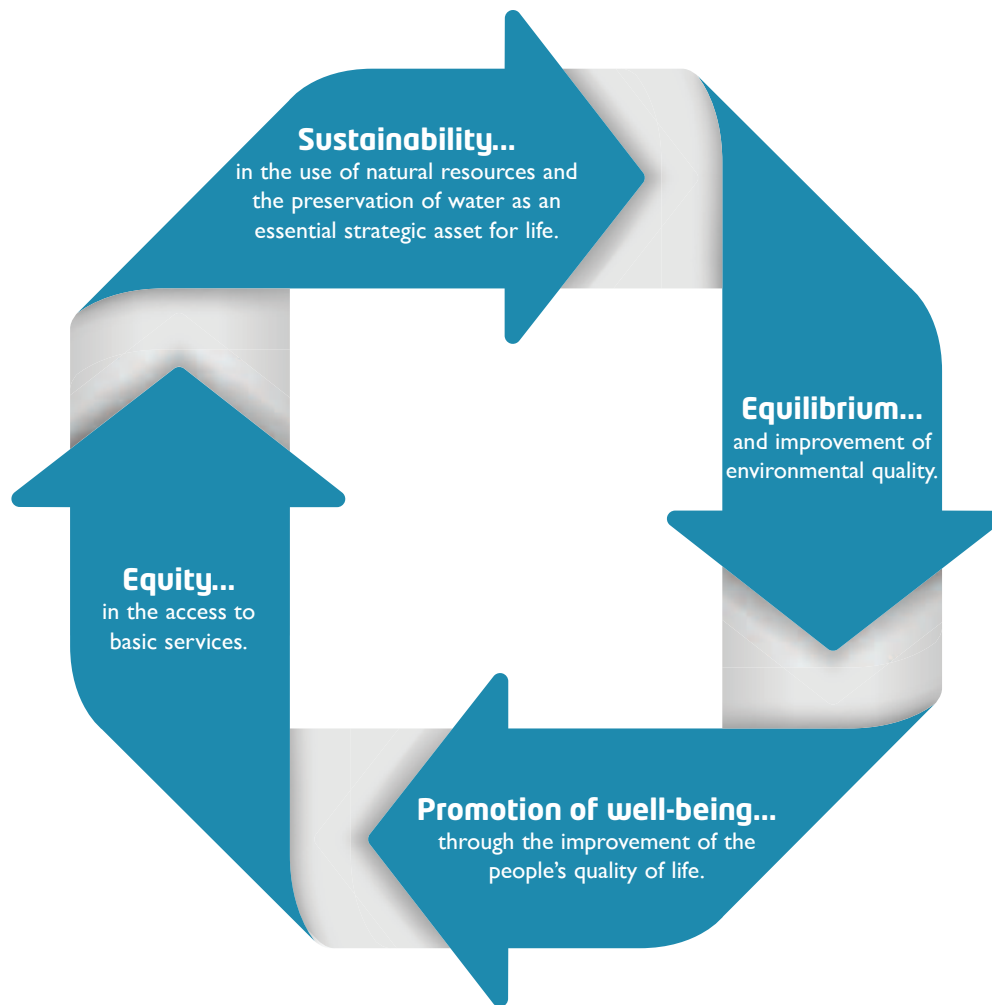


1. The Águas de Portugal Group



20 years experience, 40 companies from north to south.

1. The Águas de Portugal Group



"The right to one's own quality drinking water and to sanitary facilities
is a human right, essential to the **full enjoyment of the right to life.**"

in the United Nations General Assembly

Our core business is **sustainability** by definition.

1.1. The Reason for our Existence

- Decisively contribute to solving national problems in the environmental sector, particularly in the fields of water supply, wastewater sanitation and waste treatment and valorization, by becoming a business tool essential to the National Environmental Policy and for Policies of Local and Regional Development;
- Provide public services in our areas of activity, with absolute respect for the operating rules necessary for carrying out their inherent economic and social missions of public interest, within a sustainability framework.

Mission

Design, construct, operate and manage water supply systems, wastewater sanitation systems and waste treatment and valorization systems. All within a frame of economic, financial, technical, social and environmental sustainability, while developing a strong and highly efficient Portuguese business Group.

Vision

To become a leading business group in the environmental sector; in order to promote the universality, continuity and quality of services, the sustainability of the sector and the protection of environmental values.

Values

- Sustainable use of natural resources;
- Preservation of water as a strategic resource essential for life;
- Equilibrium and improvement of the quality of the environment;
- Equity in access to public services;
- Well-being through the improvement of people's standards of living.

Key figures



816 million euros

turnover



4,988 employees

active



553.5 million m³

captured water



514 million m³

Wastewater returned
to water streams



3.1 million tons

Waste sent to final destination



92% companies

with ISO 14001 Environmental
Management certification

86% companies

with OHSAS 18001 Occupational
Health and Safety certification

41% companies

with SA8000 Social
Accountability certification

95% companies

with ISO 9001 Quality certification



20 years of history of a Group that changed the country

In Portugal the water and waste sectors present a dynamic historical evolution and a constant search for the most appropriate model to achieve the national objectives. This model allows the coexistence of various institutional solutions, as opposed to a single model for the entire country. This has favoured the extension of services to the vast majority of the Portuguese population as well as improvements in the quality of the water supply, in the wastewater sanitation and in the management of urban waste.

Until the mid-twentieth century, the sector in Portugal was characterised by a frequent use of water bodies regardless of their regeneration capacity, notably leading to an over-exploitation of some aquifers and rivers and to the quality deterioration of surface waters. Water supply management traditionally prioritized the provision of water, often sacrificing quality for quantity.

Regarding waste management, until the end of the twentieth century, waste disposal was largely done inappropriately, with uncontrolled dumps multiplying in most municipalities.

Similarly to other countries, the water supply, the wastewater sanitation and the waste management always fell under the municipality's fields of competence. In Portugal, in the early 1990s, EPAL - Empresa Portuguesa de Águas Livres, S.A., was the only company responsible for Lisbon's water supply and for that of around 20 other municipalities in of the Greater Lisbon area.

EPAL | Centenary company

1868 | Creation of the Companhia das Águas de Lisboa (CAL) which later on gave rise to EPAL.

1910 | Water Museum is declared National Monument.

1975 | The Decree-Law no. 553-A/74 creates the public company EPAL (Empresa Pública de Águas de Lisboa).

1981 | EPAL extends coverage to other municipalities apart from Lisbon. It is renamed Empresa Portuguesa de Águas Livres.

1991 | EPAL becomes a Limited Company of solely public capital.

1993 | Integration of EPAL in the corporate structure of AdP.

The end of the past century brought an entire new level of quality, characterised by more efficient management and greater environmental awareness. The effort made for the implementation of the strategic plans of the sector and for the entry-into-operation of the integrated systems for the large metropolitan areas of Lisbon and Porto, contributed decisively to this paradigm shift.

The entry into the European Economic Community in 1986 represents a powerful push towards modernisation for the country, not only in the fields of economic activities, but also in the area's infrastructure for development support.

In 1993 the situation in our country was the most backward in the European Union regarding the population served by domiciliary networks of drinking water and sanitation.

At that time, the Portuguese State received the financial means to carry out investments in the environment sector, implying therefore, more responsibilities regarding compliance with the obligations arising from Community Law provisions.

In 20 years we invested 7,5 billion euros

From the creation of the AdP Group to our time



1993

Legislative amendment in the area of operation management of water supply systems, of wastewater sanitation and of collection and treatment of urban solid waste. Creation of the first multi-municipal systems. Creation of the IPE - Águas de Portugal, SGPS, S.A. (IPE-AdP). Allocation by the State to EGF (created in 1947) of the development of multi-municipal systems of urban solid waste treatment, along with AdP.

1994

First invitation to tender for municipal concessions.



1995

Establishment of concessionary companies for the multi-municipal systems created in 1993.

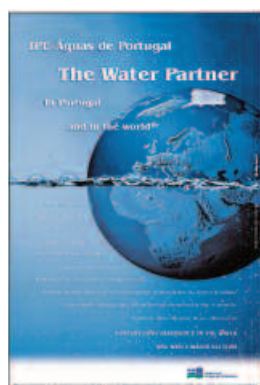
1996

Increase and intensification of IPE-AdP activities. Beginning of the formation of a Portuguese business group - the Águas de Portugal Group.



1997

Publication of the Strategic Plan for Solid Urban Waste I (PERSU I). Creation of AQUAPOR for operation in the municipal concessions market in partnership with the private sector:



1998
1999

Creation of new Multi-Municipal Systems (MMS). Internationalization, namely in Mozambique, Cape Verde and Brazil.



2000

Implementation of a new organizational structure. Integration of EGF into the AdP Group. Merging of the Barlavento and Sotavento systems, giving rise to Águas do Algarve. Creation of the first integrated systems (water supply and wastewater sanitation). Publication of the Strategic Plan for Water Supply and Wastewaters Sanitation 2000-2006 (PEAASAR). Assessment of PERSU I. Beginning of regulation by the Institute for the Regulation of Water and Solid Waste (currently the Waste and Water Services Regulation Authority). Directive no. 2000/60/CE, establishes the bases and the institutional frame for sustainable water management.



2002

Eradication of garbage dumps and leverage of other businesses.



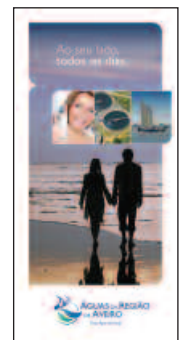
2005

Law no. 58/2005, 29th December, establishing the framework for the management of surface waters. Participation of the Group in an awareness campaign to minimize the effects of drought.

2006
2007

Divestment of Aquapor and other companies in complementary activities. Publication of PEAASAR II 2007-2013 and of PERSU II 2007-2016. Publication of the Decree Law no. 178/2006, of 5th September, legal regime for waste management.

Publication of the National Strategy for Agricultural and Agro-Industrial Effluents.



2009
2010

Creation of the first partnerships between the State and the local governments. Merging and broadening of MMS – Águas do Noroeste. Publication of the Decree-Law nº. 90/2009, of 9th April, establishing the basis for partnerships between the State and the local governments in the areas of exploitation and management of municipal systems of public water supply, of urban wastewater sanitation and of waste management.

2012
2014

Reorganization of the water sector: Systems aggregation, Tariff harmonization; Integrated service management; Autonomisation of the UN Waste. PENSAR 2020. PERSU 2020.

It was in this context that, in 1993, IPE - Águas de Portugal, SGPS, S.A. (IPE-AdP) was created to become one of the corporate instruments of public policies in the areas of water supply and wastewater sanitation. These policies aimed to significantly and sustainably increase, both in quantity and quality, the scope of services for the population in these areas. This made it possible for the government to delegate the responsibility for multi-municipal systems development.

At this point, the participation in the social capital of EPAL was transferred to IPE-AdP. Simultaneously, the IPE decided to allocate the mission to plan and manage the market shares of solid waste to the existing Empresa Geral de Fomento (EGF), thereby becoming the key player in this sector.

The creation of multi-municipal systems of water supply and of wastewater sanitation was intended to tackle the shortages of water supply systems for public consumption and to improve the service levels of wastewaters sanitation systems.

At the IPE General Assembly, held in September 2000, the Government, exercising its function as State stakeholder, defined a set of strategic guidelines that concentrated all direct and indirect participation of the IPE in the environment sector, particularly in the sectors of water supply, wastewater sanitation and waste treatment and valorisation in AdP - Águas de Portugal, SGPS, S.A. (new designation assumed since).

Regarding waste treatment and valorisation, this consolidation resulted in the transfer to AdP of the entire share of social capital of the Empresa Geral do Fomento (EGF), IPE's sub-holding for this domain of activity.

In this context, the AdP Group became the State's business instrument for the environmental sector in the three domains. Additionally, the multi-municipal system model was extended to most of the country.

EGF | Empresa Geral do Fomento

1947 | Creation of Empresa Geral do Fomento, S.A.R.L.

1973 | Complete adjustment of the statutes, proof of the project study and planning activities.

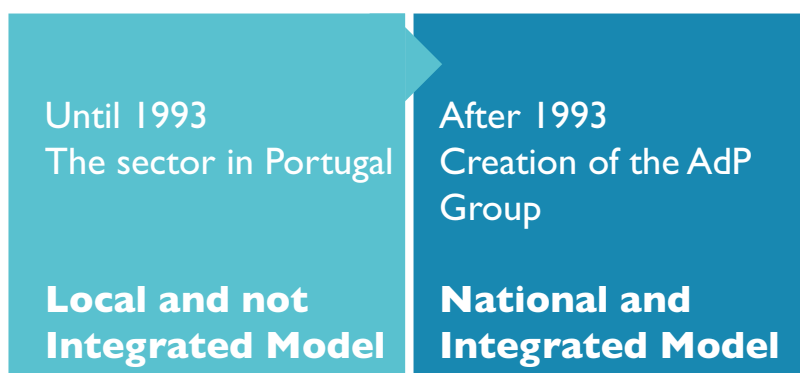
1993 | Beginning of the creation of multi-municipal systems and amendment of the delimitation of sectors law.

2000 | Integration of EGF into the AdP Group.

2002 | Closure of the garbage dumps in the EGF area of intervention.

2012-2014 | Autonomisation process

Further developments in the period following the establishment of the Group relate to the management model implemented, which allowed the provision of these services to the vast majority of the Portuguese population.





2000: The Águas de Portugal brand

"Friends for life"

In 2000 the need to renew the Group's image for its identity to reflect and convey the new strategic guidelines and its new mission was a determining factor for the definition of the Group's communication policy. Furthermore, the repositioning of the new holding company with a new statute and with a broad set of responsibilities turned it into an instrument for change. In this context, the design of a new identity integrates a new communication strategy coherent with that repositioning. This is how the brand Águas de Portugal was born. Strong, distinctive and revealing of the new strategic goals of the new AdP - Águas de Portugal, SGPS, S.A. The new Águas de Portugal brand combines the main environmental elements – earth, water and air – upon which it acts through its areas of activity. Additionally, maintaining the symbolic colours of the company – blue and green – the new brand takes on various symbolic values, closely linked to the company's objectives. Sustainability, equilibrium, equity and well-being.



A unique brand for the Group

The need to construct an identity that would give cohesion to the Group was a key factor for the development of the communication strategy that was essential to the Group's modernisation and growth process. Using the holding company's logo and its basic components as a foundation, a positive differentiation was created for the subsidiaries through a regional icon. This allowed the brand to remain present in the entire line of subsidiaries, attracting and ensuring the loyalty of those familiar with the image. This competitive factor was also established at the international level, where the symbolic colours of each country were replaced by the colours of the AdP – Águas de Portugal holding company's logo, while maintaining their design and presentation.



1.2. A Glance at the Group in 2013

We invest in corporate responsibility

We innovate

We believe in partnerships

- **Studies and projects directed towards the restructuring of the sector** were carried out, namely for the implementation of the aggregations of the current water supply and wastewater sanitation multi-municipal systems, as well as for the privatization of the EGF, in strict compliance with the Government's guidelines.
- Drafting of the **Strategic National Plan of Water Supply and Wastewater Sanitation - PENSAAR** for 2014-2020 was initiated. Similarly, the revision process of the **Strategic Plan for Solid Urban Waste (PERSU)** for 2013-2020 was initiated.
- **Studies were developed for the materialization of downstream partnerships** and the **management and partnership contract for Noroeste** was concluded.



- In the area of Research and Development (R&D) several projects were developed in various companies of the AdP Group, from new technologies for water and wastewater treatment to the optimisation of the operational management of the water and waste companies, sustainable water use, integration of new information systems and implementation of innovative systems of support for decision making. The AdP Group stands out as being classified in the **official ranking of the 100 companies with the highest investment in R&D three years running**.

We monitored the reorganization of the sector

We promote development

We believe in constant improvement

We expanded our scope of action

- In the international arena, the year 2013 was marked by the development of **new projects of technical support in Angola**, financed by the European Union, the African Development Bank, the World Bank and the Angolan Government. In Mozambique, following the reorientation strategy pursued for their businesses in 2013, AdP international oriented the activities of **Aquatec**, a key company for the Mozambican market, towards the area of technical support consulting services for the water supply, wastewater sanitation and waste sectors. Additionally, a project of reactivation of the activities of the AdP Group in **East Timor** was carried out, namely by supporting the implementation of the “**Master Plan of Sanitation and Drainage of the Díli**”. Highlights also include the project for **Technical Assistance for the Direction of Water Supply and Sanitation of the State Secretary of Waters, Ministry of Energy and Water (DNAAS) in Angola**, in partnership with the companies Ogimatech and Tese, financed by the European Union.



- Studies have commenced for the eventual development of a **telecommunication infrastructure profitability project**.
- The strategy advocated for **AdP Energias** was reinforced to enable it to become the vehicle of the AdP Group for the energy sector. This applies both to the areas of renewable energy, by maximizing the utilisation of endogenous resources of the AdP Group, streamlining energy consumption and reducing or compensating Greenhouse Gas (GHGs) Emissions through the creation of an **Integrated Energy Efficiency Plan (PIEE)**.

- Regarding **purchase processes**, 2013 was marked by a strengthening of relations with the Entity of Shared Services of the Public Administration (ESPAP), particularly regarding categories of general scope. The process of centralised negotiation in the insurance sector was concluded, with an expected benefit for the Group estimated at 12% compared to last year due to the scale effect, while the negotiation value increased by approximately 48% (5 million euros/year). The total value of centrally negotiated purchases under contract reached 82.487.527 euros, with an **estimated direct benefit for the subsidiaries of 13.991.787 euros; equivalent to 17%**.
- The AdP Group invested in the training of the managing board of the Group and of the active professionals, as well as of youth with an interest in the water and environment market through the **creation of the Águas Livres Academy**, which receives significant financial support from the Institute of Employment and Vocational Training (IEFP).



- Foremost in the area of sustainability is the **maintenance of certification standards** in the areas of quality, environment, hygiene and security and social responsibility; ISO 9001, ISO 14001, OHSAS 18001 and SA 8000 respectively. Also of note is the **increasing support for the initiative launched by the United Nations** with the objective of aligning business and civil society strategies and policies with the ten universal principles of Labour and Human Rights, Environment Protection and Anti-corruption Mechanisms (Global Compact).
- In terms of social responsibility, the creation of the **corporate project of scholarship awards** for higher education for children of employees of the AdP Group (ten scholarships were awarded in 2013) and the development of a project to support children of AdP employees with special educational needs are worth mentioning.



- Also noteworthy is the realization of the **first initiative within the frame of the AdP Corporate Volunteering Program** at the Casa do Gaiato, stimulating the voluntary participation of employees in beneficial actions for the community, contributing their time and knowledge.



- EPAL implemented the **Social Tariff**, an initiative of utmost importance and unprecedented in the 145 years of history of the company. The **WONE®** is EPAL's control system for water loss and leakage. It received national and international recognition in **2013 by being awarded three prizes**. Additionally, EPAL launched an **innovative service**, the **Waterbeep®**, which provides information on water consumption directly to customers, allowing them to track its development over time. It also issues alerts for abnormal consumption.



- **Entry into operation of the mechanical treatment** of the MBT – Mechanical and Biological Treatment units of the companies Valorlis and Suldouro. Reclassification of the mechanical treatment of the MBT unit of Riba d'Ave of the company Resinorte. In the area of energy valorisation of biogas from landfills. Valorlis' **unit of efficient energy use of also entered into operation.**

1.3. Main Awards and Distinctions

AdP Group

Companies of the AdP Group awarded with quality seals and prizes

The seventh annual Quality Awards for Water and Waste Services was held within the frame of the 2013 Water ExpoConference. These awards are granted by the ERSAR and the journal Água & Ambiente.

As in previous years, there were companies from the Águas de Portugal Group among the winners, namely, Simria, in the category of "Quality of Service in the Urban Wastewater Sanitation" and EPAL, in the open category "Knowledge of Infrastructures in the Water Services Networks". Other companies in the final list of nominees were Águas do Douro e Paiva, in the category of "Exemplary Quality of Drinking Water" and Águas do Algarve in the category of "Quality of Public Water Supply Service".



On this occasion Quality Seals for Drinking Water were awarded to 61 entities that ensured an exemplary quality of water provided for human consumption in the last year of regulatory review. Among the award-winning management companies were EPAL, Águas do Algarve, Águas do Centro, Águas do Centro Alentejo, Águas do Douro e Paiva, Águas do Mondego, Águas do Noroeste, Águas do Oeste, Águas de Trás-os-Montes e Alto Douro, Águas do Zêzere e Côa and Águas da Região de Aveiro.

These initiatives are supported by the Associação Portuguesa de Distribuição e Drenagem de Águas (APDA), the Associação Portuguesa de Engenharia Sanitária e Ambiental (APESB), the Associação Portuguesa dos Recursos Hídricos (APRH) and the Laboratório Nacional de Engenharia Civil (LNEC).



AdRA - Águas da Região de Aveiro

AdRA voted one the 100 best companies to work for

For the second consecutive year of its three year existence, the company AdRA is again among the 100 Best Companies to Work for according to a study carried out by the magazine Exame in partnership with Accenture Portugal. After having occupied the 90th place in the ranking in the 2011 edition, now AdRA sees its position rising to the 74th place.



Águas do Mondego

Águas do Mondego receives honourable mention in the “Tubos de Ouro”

At the time of the gala and the “Tubos de Ouro” prize-giving ceremony, AdM was awarded an honourable mention in the category of “Best institutional and corporate information”, for its book “Águas do Mondego e a sua História – Tradição e Inovação na captação e tratamento de água”¹, released in November 2013.



Águas de Santo André

Águas de Santo André distinguished with the Excellence Award

Águas de Santo André was distinguished by the Casa de España – Centro Español de Lisboa as one of the best SMEs of Alentejo. The distinction was awarded at the first Excellency Awards for the Best Companies that this entity is promoting in several regions of the country.



Amarsul

Amarsul distinguished in the Summit Creative Awards

Amarsul was given distinction within the frame of the Summit Creative Awards, an international competition that aims to distinguish marketing and communication projects. More than five thousand submissions from 25 countries were received in 2013. Ecofashion, a fashion show that promotes the re-use and recycling of materials for the creation of pieces of clothing and accessories, was awarded with a silver medal in the category of Other Green Marketing. Amarsul was also awarded with a bronze medal for the redesign of their logo on occasion of the 15th anniversary of the company.



¹ “Águas do Mondego and its history.Tradition and innovation in water collection and treatment.”

WONE® distinguished in the “Wex Global Awards for Innovation”

EPAL was distinguished in Madrid at the Wex Global Awards for Innovation, an initiative that promotes the global recognition of innovative practices related to activities in the areas of water and energy management.

The prize awarded to EPAL in the category “Innovation in Operations” refers to WONE® - Water Optimization for Network Efficiency, a technological system developed entirely by EPAL for intelligent management of networks and control of water leakages.



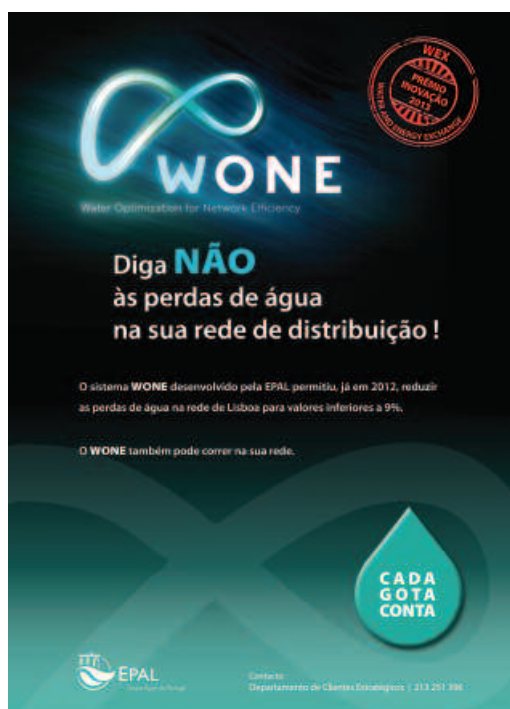
EPAL was recognised for its efficient resource management

EPAL was one of the big winners of the 6th Green Project Awards in the category of Efficient Resources Management for the development of the WONE® – Water Optimization for Network Efficiency system that operates in the areas of water loss control within the network.



APCE awards EPAL

EPAL was awarded by the Portuguese Association for Corporate Communication (APCE) within the frame of the Sustainability Report 2011, joined by the distinction awarded to the itineraries to support school visits to the EPAL Water Museum.



APCE grants the prize “Communicator of the Year” to the Communications Director of Valorsul

Ana Loureiro, director of communication, image and documentation of Valorsul was awarded the prize ‘Communicator of the Year’ of the Portuguese Association for Corporate Communication (APCE), which annually honours the best professionals and projects in the area of corporate communication. Among the most emblematic projects is the program EcoValor, which was reformulated to meet the needs of 19 municipalities and their education community, from nurseries to universities, including senior universities.



Video “Valorsul, Cuidamos do Ambiente” selected by the magazine Meios e Publicidade.

The institutional video “Valorsul, Cuidamos do Ambiente”² was awarded a distinction in the category of Activity Sectors – Environment and Energy by the magazine Meios e Publicidade. Released in April 2012, the video creatively illustrates the valorisation of waste from 1.6 million people that live and work in the area of intervention of Valorsul, with a total of 19 municipalities. One particularity of the film is that the participants are the employees of the company.



² “Valorsul, we care about the environment”



1.4. Who We Are

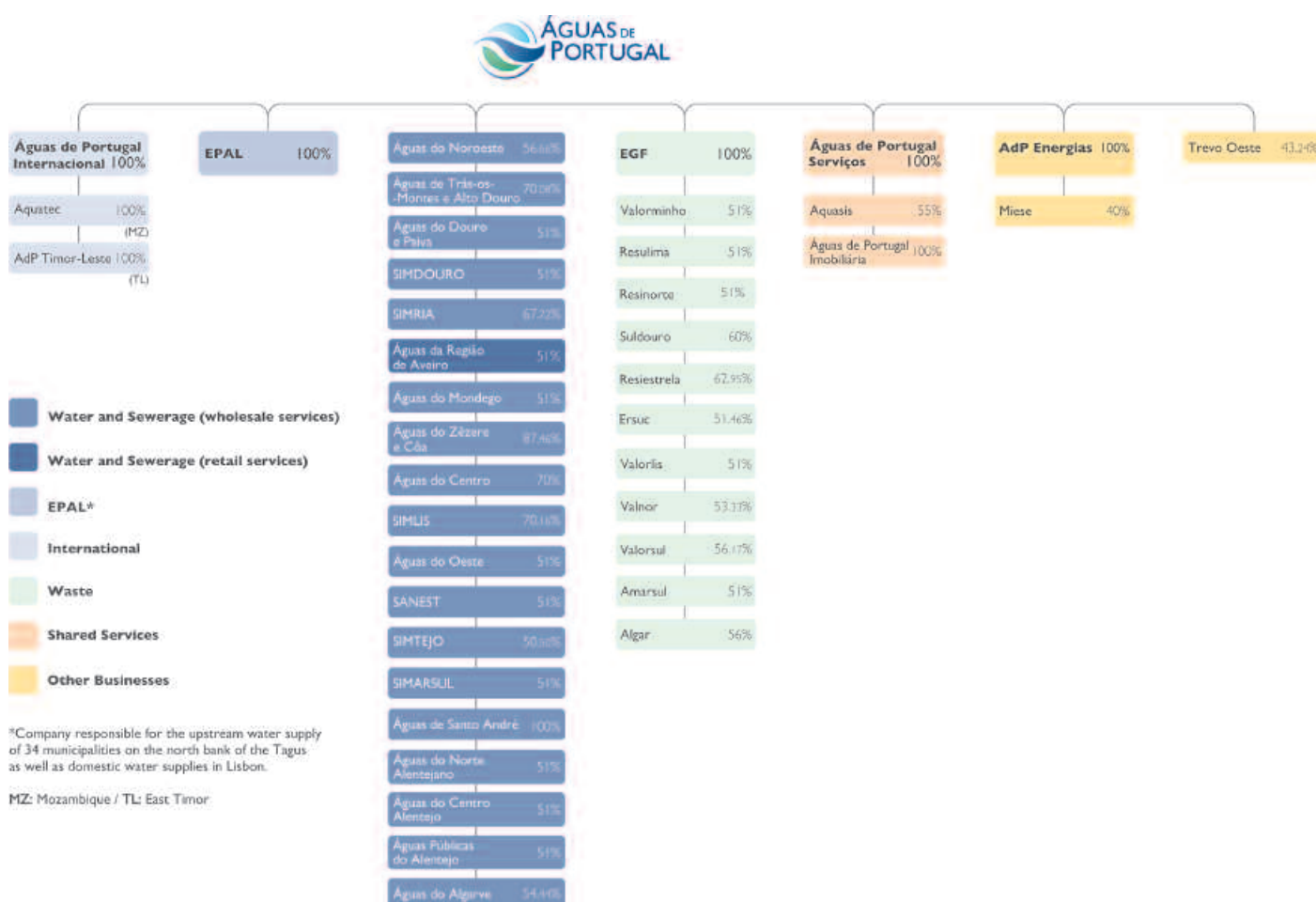
AdP is a business group with purely public capital. It works as an instrument for pursuing public policies in the domains of water supply, wastewater sanitation and urban waste management (through its holding subsidiary EGF). The role of the Group in the areas of water supply, wastewater sanitation and waste treatment and valorisation services through the implementation of measures defined in the Sector Strategic Plans (PEAASAR e PERSU) has been essential for the achievement of the national objectives in the environmental sector:

The main activities of the AdP Group (provision of public services of water supply, wastewater sanitation and waste treatment and valorisation) are services of general of economic interest, essentials to the well-being of the population, to the development of economic activities and to the protection of the environment.

The AdP Group, since its creation, has had a strategic role in achieving the operational objectives set out in the country's sectorial strategic plans:

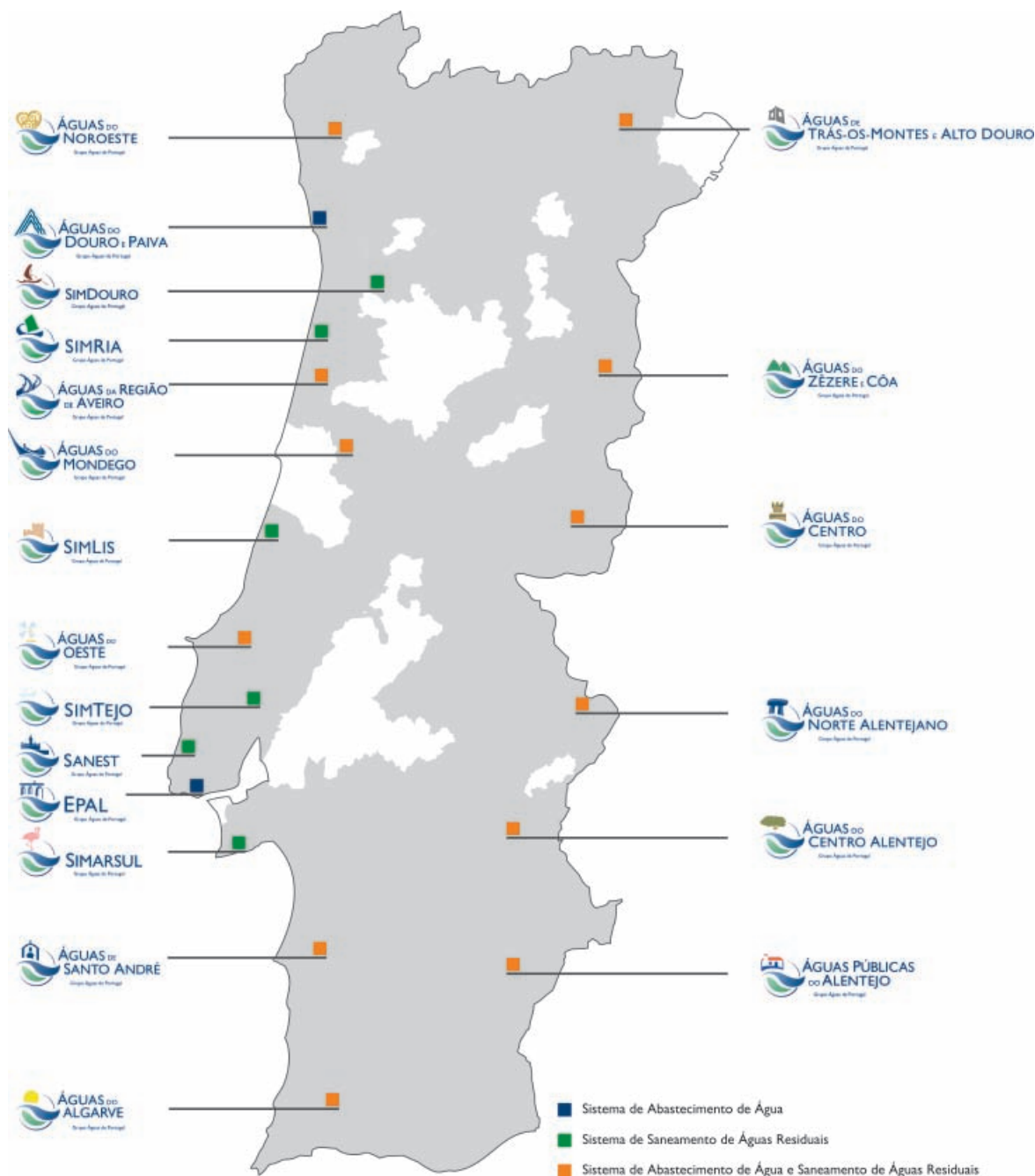
- Provide public water supply systems to about 95% of the population.
- Provide public urban wastewater sanitation systems to about 90% of the population.
- Implement a new model of sustainable waste management in order to reduce landfill usage and increase the selective collection of packaging and of biodegradable urban waste.

AdP - Águas de Portugal, SGPS, S.A. is the holding company of the Group. Currently, the AdP Group consists of 41 companies, 39 of which are majority-owned.



A Group present from north to south.

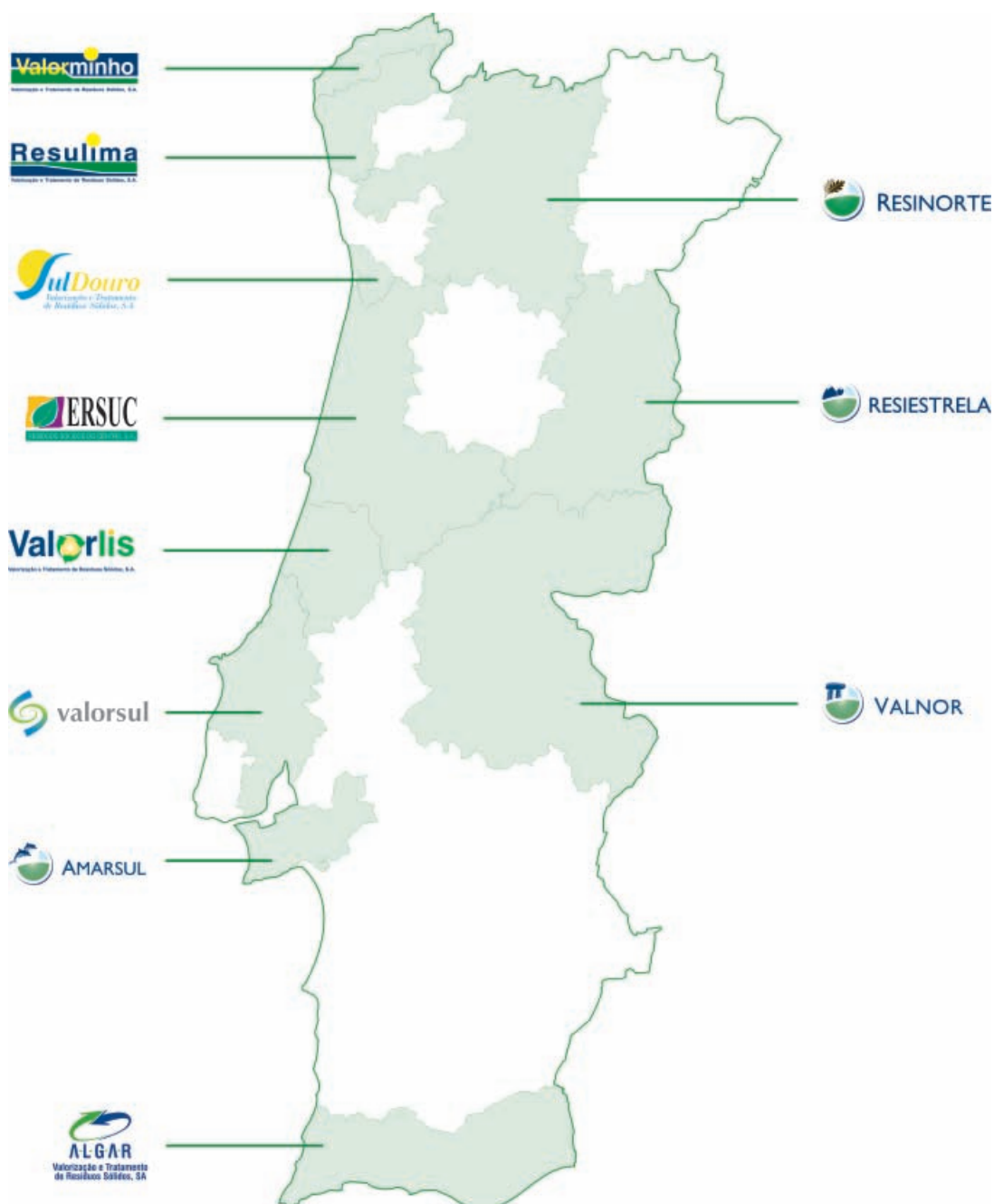
Water supply and wastewater sanitation



Water

- 2 companies of water supply
- 6 companies of wastewater sanitation
- 12 companies of water supply and wastewater sanitation

Waste management



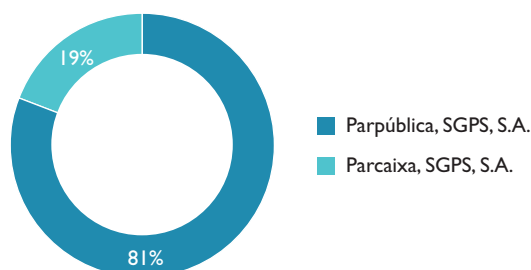
Waste

- 11 companies of waste management

Holding companies

- 9 companies

The stakeholder structure of AdP – Águas de Portugal, SGPS, S.A. is entirely comprised of public entities and, since January 2013, presents the following stakeholder structure: Parpública – Participações Públicas, SGPS, S.A., with 81%, and Parcaixa, SGPS, S.A., with 19%.



The stakeholder function is framed within the guidance of the Ministry of Finance and the Ministry of Environment, Spatial Planning and Energy (MAOTE). The Minister responsible for the environmental supervision possesses, in relation to the managing entities of multi-municipal systems, "powers of supervision, direction, authorization, approval and termination of their activities". At a higher level, this guidance communicates the management directives to the administrative board of the holding company, which in turn delegates their implementation to the executive committee.

The objectives of the AdP Group are determined by the government policies for the sector, through strategic plans that are applicable to the Group's areas of intervention and through general guidelines in the form of ministerial orders and specific instructions from the stakeholders.

The regulation of the activities developed by the AdP Group is exerted by the Waste and Water Services Regulation Authority (ERSAR). The ERSAR monitors and supervises the design, implementation, management and operation of the systems, as well as the activities of the management entities. It also ensures the regulation of each sector and the balance between the system's economic sustainability and the quality of the services provided in order to safeguard the citizens interests and rights to the provision of essential goods and services.

ERSAR monitors and evaluates the quality of the services provided by way of a set of indicators and benchmarking between several managing entities of the water and waste sectors, annually publishing the results. Since 2004, when the ERSAR initiated the evaluation of service quality, published in the annual report on water and waste services in Portugal, the Group's companies have obtained a positive evaluation of the service quality as well as favourable developments.

The APA – Portuguese Environment Agency monitors the environmental regulation to which the managing entities of water and urban waste services of the AdP Group are subject.



Sustainability is a central value for the AdP Group, as well as a strategic option.

1.5. The Strategy

In 2013, the AdP Group continued to develop its public service activities in a context of growing restrictions imposed on the State Business Sector within the scope of the Economic and Financial Adjustment Programme. Nevertheless, the Group continued on its path, adapting its internal processes so as not to compromise its respect for the principle of universal access to water; the quality of its services or the efficiency and equity of its prices. Additionally, throughout 2013, a number of legislative initiatives were adopted which had a direct impact on the scope and activities of the AdP Group. Furthermore, a set of structuring measures were implemented in the area of sector restructuring, in order to:

- Allow private waste management (amendment of the Delimitation of Sectors Law – Law 35/2013, of 11th June);
- Plan the aggregation of multi-municipal systems (new operation and management regime for multi-municipal systems – DL 92/2013, of 11th July);
- Develop the elaboration processes for PENSAAR 2014-2020 and PERSU 2020.
- A new legal regime was published for the State Business Sector (DL 133/2013, of 3rd October).

The current development phase of the sector and the recent position of the European Union are proof of a paradigm shift towards sustainability and efficiency, in addition to the increase of environmental requirements and strengthening of the monitoring mechanisms, apparent in the foreseen set of significant ex-ante and ex-post constraints.

After the infrastructural interventions follows a new type of effort in the improvement, consolidation and reinforcement of the existing assets without prejudice to the compliance with the present environmental requirements of the European Union's position on services. Moreover, parallel with these efforts, it will be necessary to create conditions to allow the managing bodies to evolve towards more efficient and skilled organisational levels.

These actions were determinant for the Group as the main actor:



Strategy, Governance and Engagement

Criterion 1: Key aspects of the company's high-level sustainability strategy in line with Global Compact principles.

Criterion 2: Effective decision-making processes and systems of governance for corporate sustainability.

Criterion 3: Engagement with all important stakeholders.

in "Progress information for the United Nations Global Compact"

Guidelines of the government's restructuring programme for the water and waste sector:

- Reorganise the water supply and wastewater sanitation sector, giving priority to its economic and financial sustainability;
- Continue with the identification and solution of the tariff deficit, the revision of the tariff system, the opening of the participation to public state and municipal entities (as well as private entities) in system management, the promotion of efficiency, the vertical integration and merging of demanding systems, the adequate maintenance of old networks and equipment and the prevention of unnecessary construction;
- Give autonomy to the waste sub-sector within the Águas de Portugal Group and implement the necessary measures for its opening to the private sector.

For the 2012-2014 term **the specific strategic guidelines** of the AdP - Águas de Portugal, SGPS, S.A., as a business tool for the pursuit of public policies and of the national objectives in the environment domain are:

- To ensure the pursuit of sector specific policies within its area of activity and the creation of stakeholder value, with a special focus on efficient risk management and mobilisation of financial assets;
- To promote the rationalization of the necessary investments for the provision of services, focusing on the adequate sizing of the new infrastructures and on the conservation of the existing ones;
- To reorganise the water supply and wastewater sanitation sector, giving priority to the economic and financial sustainability of the operations in these domains and to the efficiency improvement of the provision of services;
- To continue promoting efficiency by reinforcing the merging of systems and advocating integrated solutions for the management of the urban water cycle;
- To develop conditions for the participation of private entities in systems management;
- To continue identifying solutions to resolve the tariff deficit, from a sustainability perspective;
- To give autonomy to the waste business unit of the AdP Group and to implement the necessary measures for its opening to the private sector;
- To contribute to sustainable development, fostering solutions for efficient use of local assets and resources, of rationalization of energy consumption and of reduction or offsetting of emissions;
- To capitalise on the competencies and skills available in the Group, contributing to the implementation of projects in the international markets;
- To promote the development of an integral R&D strategy in line with the national objectives for this area;
- To continue with other relevant projects according to the explicit guidelines of the sector's supervision.



2013 marked 20 years since the creation of the Águas de Portugal Group and symbolised a year full of activity, in terms of restructuring the sectors in which we are active.

In the AdP Group and in order to comply with the **specific strategic** guidelines:

- Work continued with views to the privatisation of EGF, which concluded with the publication, in 2014, of the Decree-Law no. 45/2014, of 20th March, following the resolution of the Council of Ministers no. 30/2014, of 8th April, defining the privatisation terms.
- Noteworthy in terms of restructuring for the sustainability of the AdP Group, is the work related to studying the merging of upstream systems and the integration of upstream and downstream systems, with the signing of partnership and management of Noroeste.
- In regards to the activities undertaken, the following are worth mentioning:
 - The ERSAR awarded the Drinking Water Quality Seal to 11 companies of the AdP Group;
 - National and international awards granted to the WONE® and the release of the Waterbeep®, as well as to the implementation of a social tariff by the EPAL;
 - At the international level, the development of new technical support projects in Angola and Mozambique and the reactivation of activities in East Timor;
 - Turnover growth of Aquasis and recovery of a net profit;
 - Increased benefits (approximately 14 million euros) resulting from the centralised expenses negotiation by AdP Services, with a particular focus on insurance and energy;
 - Strategy definition and creation of an R&D and Innovation network for the AdP Group;
 - Creation of a project to award scholarships for higher education to employees' children;
 - Reduction of the number of employees by 4.9%, despite the turnover increase.
- In terms of economic and financial indicators, there are several noteworthy items:
 - Reduction of the ratio between the total costs and the turnover, resulting in a savings of 32 million euros in activity compared to 2011;
 - Increased income coming from the customers, especially from municipalities, allowing customer's debt to remain roughly at the 2012 levels;
 - Registered yearly tariff deficit with a lower annual value than in 2012;
 - Achievement of a historic net profit.

The chapters "Symbiosis with the Environment", "Symbiosis with Stakeholders", "Symbiosis with Employees" and "Symbiosis with the Community" show the Group's performance in relation to the proposed objectives.



As mentioned before, the year 2013 was marked by the beginning of the Group's restructuring process, which obviously implies new commitments and goals for the group beginning in 2014.

In 2013 we decided to maintain and answer to the responsibilities previously assumed.



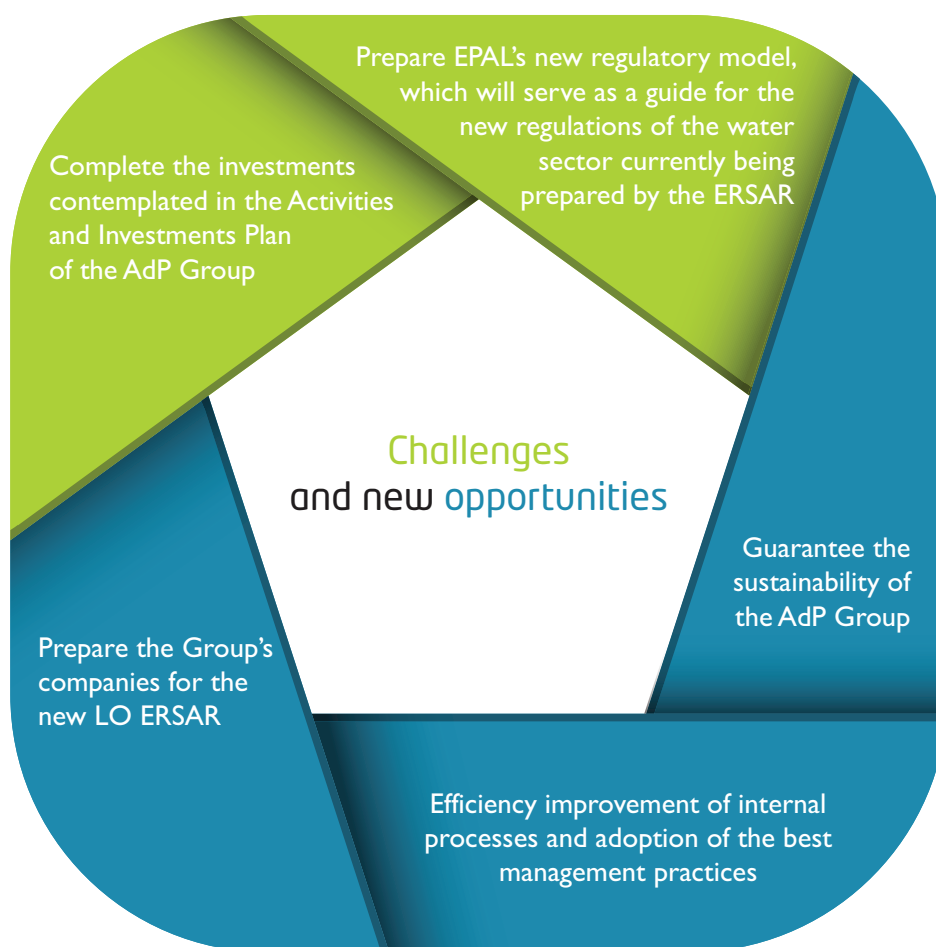
Objectives and goals

Criterion 4: Actions taken in support of broader UN goals and issues.

in "Progress information for the United Nations Global Compact"

In implementing its business strategy, the AdP Group faces several challenges, seen as new opportunities for 2014, namely:

Success in answering these challenges is directly related to the standard of living of the citizens. Communication and discourse of the Group with its stakeholders - municipalities, citizens, consumers and economic agents, suppliers and business partners is essential.



To implement the strategy while integrating the best sustainable practices is the AdP Group's greatest commitment.

1.6. The Sustainability Path

The **Reason** for sustainability in companies whose main activity is intrinsically related to the concept of sustainability.

For the AdP Group, sustainability represents a central value, a strategic choice of the highest relevance for bringing the great challenge of guaranteeing the universality and continuity of the services provided to fruition.

The areas of activity of the AdP Group are upstream and downstream from all other economic activities, at the beginning and end of all value chains. The involvement of the AdP Group in the Portuguese economy is key for the construction of a green economy.

The stakeholders are at the heart of our sustainability strategy. Its success depends on the involvement of the companies with society, incorporating its needs and expectations. The concept of symbioses, mutual synergy, arises from the idea of sustainability. The answer to the question "company sustainability for whom?" is "for everybody". For its employees, for its customers, for its stakeholders, for the entire society directly or indirectly related to the Group and for those who, directly or indirectly, benefit from these symbioses. Sustainability aims to reach groups with active voices, people, groups and organizations, as well as those interests without a voice such as the environment and future generations. Sustainability goes beyond national borders and has a global impact.

Given its size and weight in society, its environmental and social impact, the AdP Group assumes its responsibility in meeting the objectives of the National Strategy for Sustainable Development (ENDS).

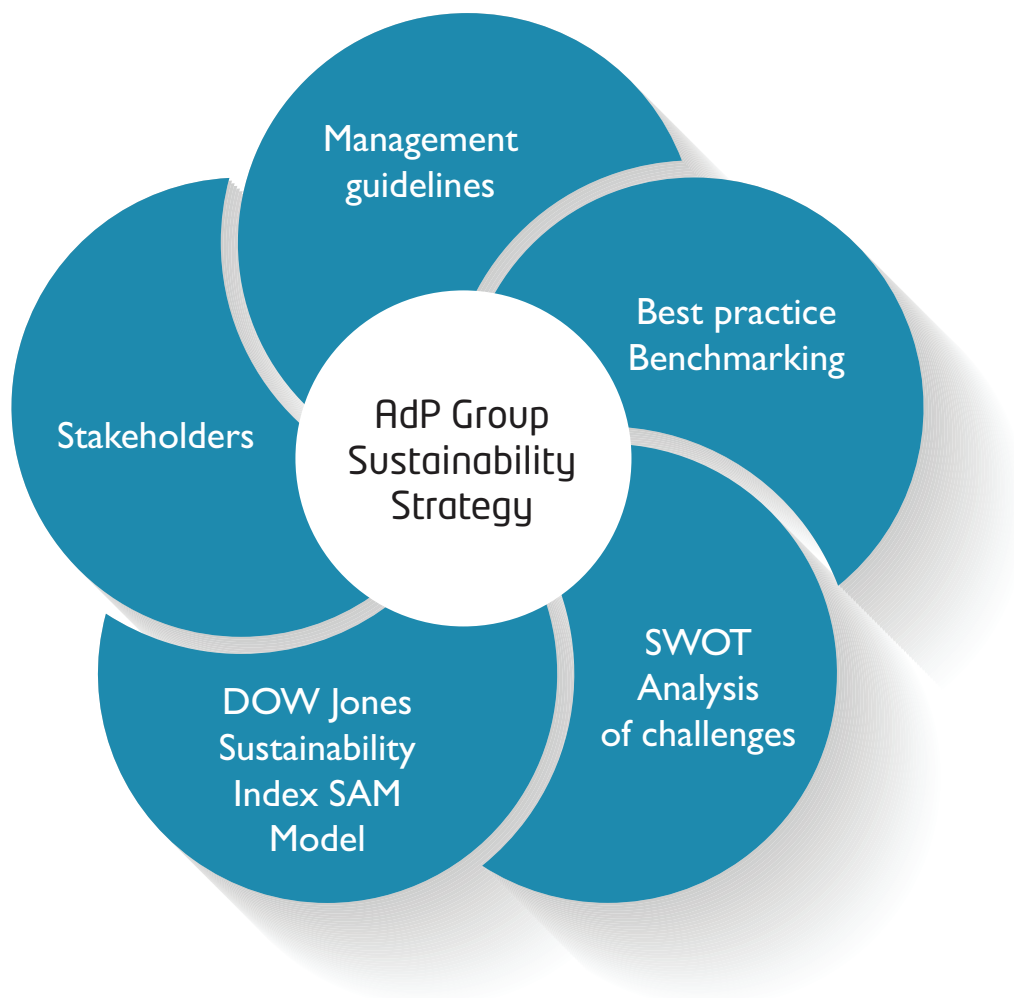
In 2008 the AdP Group systematically defined the strategy that turned it into a key actor in the sustainability arena. We outline the path and define ambitious objectives in the field of sustainability.

The basis of our strategy lays in the concept of symbiosis, from which we assume our principles and responsibilities. We believe that sustainability is achieved by creating symbioses with stakeholders and employees, with other interested parties and with the environment, with which there is a close interdependent relationship.

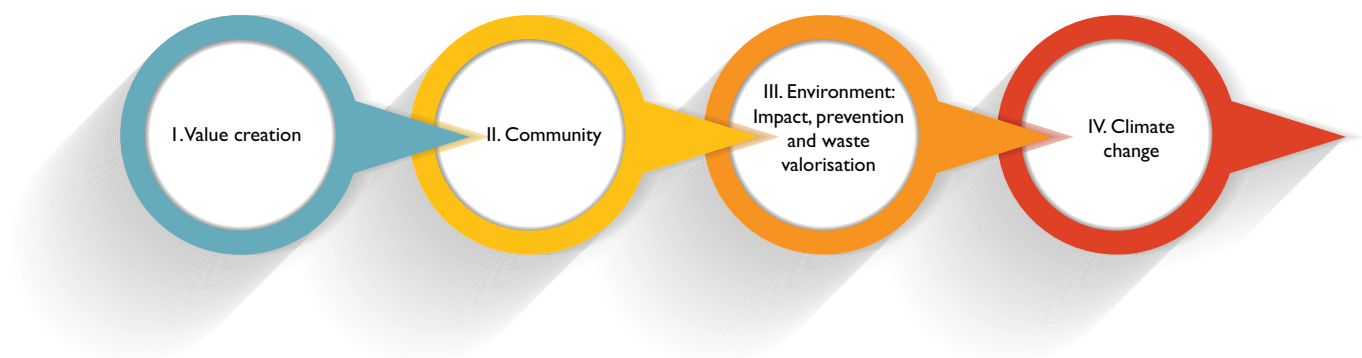


Symbiosis is a mutually beneficial relationship between two or more living organisms of different species. In a symbiotic relationship, organisms actively act together for the mutual benefit.

The strategy inputs



Identified challenges



The symbioses

Symbiosis with the Environment

Contributing to the protection of the environment, reconciling urban cycles with the cycles of nature, managing and protecting resources, integrating best practices and promoting new activities.



Challenges:

- Environmental impact prevention;
- Management and protection of resources;
- Adoption of best available practices;
- Innovation and technological development;
- Environmental education and awareness;
- Management of climate change related risks;
- Promotion of use and production of renewal energy;
- Introduction of measures to reduce and offset GHG emissions.



Principles and commitments:

Resource Conservation and Valorisation:

We commit ourselves to:

- Promote resource management and protection;
- Implement measures of monitoring and control;
- Increase the valorisation of waste and sub-products deriving from treatment processes;
- Improve the eco-efficiency of the facilities.

Combating Climate Change:

We commit ourselves to:

- Take advantage of the energy potential of the facilities;
- Mobilize the use of waste and its sub-products as sources of renewable energy;
- Improve energy efficiency while reducing/offsetting emissions.

Nature and Biodiversity Protection:

We commit ourselves to:

- Promote the betterment of the environment, to value the landscape and to protect biodiversity.

Symbiosis with stakeholders

Guaranteeing the economic sustainability of the Group and value creation for stakeholders and other interested parties, ensuring business development and meeting set goals.



Challenges:

- Value creation for stakeholders and other interested parties;
- Compliance with the guidelines and objectives laid down in the sector strategies.



Principles and commitments:

Ensure the Economic Sustainability of the Group and to Create Value for Shareholders and other Stakeholders:

We commit ourselves to:

- Promote the adoption of a management model able to create a leading business group in the environmental sector;
- Promote the credibility and transparency;
- Promote the technical, financial and economic efficiency of the Group;
- Promote economies of scale;
- Create new subsidiary and complementary areas of business.

Symbiosis with employees

To value human capital as a leading success factor essential to the maintenance of service excellence, and considering equal opportunities, performance assessment, training, skill development and hygiene, health and safety at work as primary challenges.



Challenges:

- Qualification and enhancement of human resources;
- Promotion of health and safety at work.



Principles and commitments:

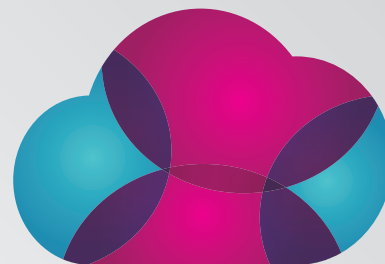
To Value the Relationship with the Employees:

We commit ourselves to:

- Guarantee equal opportunities;
- Motivate and recognize good employee performance;
- Improve internal communication channels;
- Develop the knowledge and potential of employees by providing the necessary training;
- Reduce risks to which employees may be exposed to at the workplace.

Symbiosis with the community

Guaranteeing an increasingly comprehensive and high quality public service, investing in the relationship with stakeholders, with local communities and with suppliers while focusing on research.



Challenges:

- Provision of a universal and constant public service of water supply, wastewater sanitation and treatment of urban solid waste, at a socially acceptable tariff and with appropriate quality levels.



Principles and commitments:

Service Quality:

We commit ourselves to:

- Expand and create partnerships with municipalities and other entities;
- Increase the degree of coverage and customer service;
- Increase the quality and reliability of the services.

Relation to Interested Parties:

We commit ourselves to:

- Promote increased closeness to the community;
- Contribute to the development of the regional business sector and of local employment;
- Invest in the relationship with suppliers

Promotion of Research & Development:

We commit ourselves to:

- Use the best available technology;
- Create cooperation partnerships with the academic and business sectors in order to promote R&D and to collaborate in technology demonstration projects;
- Focus on innovation as a factor promoting competitiveness and sustainability;
- Bolster knowledge exchange and technology transfer.

20 years on sustainability stage



The AdP Group has done great work in furthering sustainable governance, of qualification and internal involvement through focal points and in performance management (through monitoring the sustainability indicators in the entire Group).

Since 2008, the annual Sustainability Reports of the Group have presented the performance and best practices associated with each and every assumed commitment.

Our consolidation efforts throughout the years were verified in 2009 and 2010 by an external entity, however, due to the cost constraints of recent years, we have no longer been able to perform an external verification.

To the best practices of the subsidiaries we can add a group vision that promotes internal synergies and has established a strong internal positioning.



Águas de Portugal complies with the “United Nations Global Compact” (UNGC) on 16/08/2010, currently integrating the Global Compact Network Portugal.

The corporate citizenship initiative launched by the United Nations in 2000, brings together all interested parties and is based on universally accepted principles: Universal Declaration of Human Rights, Declaration of the International Labour Organization regarding Fundamental Principles and Rights at Work, Rio Declaration on Environment and Development.

In addition to active participation in favour of sustainable development, with this compliance we are committed to respecting the Ten Principles of the Global Compact in the areas of human and labour rights, protection of the environment and anti-corruption mechanisms.

In 2013 we continued to demonstrate transparency in proving that we stand by the commitments we set ourselves.

Within the frame of the Global Compact Network Portugal (GCNP) we participated in the working group COP that prepared the Practical Guide to Communication on Progress (COP).

The benefits of complying with this initiative for the Águas de Portugal Group are:

- Show leadership on issues of corporate social responsibility;
- Develop practical solutions for resolving problems related to globalization, sustainable development, corporate social responsibility and those relating to its stakeholders;
- Have a proactive attitude towards risk management in addressing the most critical issues;
- Collaborate with the United Nations in the pursuit and transmission of these objectives together with governments, the business sector, the civil society and other stakeholders;
- Promote best practices and learning;
- Have access to the United Nations' vast knowledge in matters related to development;
- Improve company/brand management, productivity and the motivation of its employees while improving operational performance efficiency.



The Global Compact is an initiative launched by the United Nations that aims to align business strategies and policies and civil society with the ten universal principles in the areas of human rights, labour, environment and anti-corruption mechanisms and has the support of more than 8 thousand organisations from over 145 countries.

By becoming members of the Global Compact Initiative we **commit ourselves** to fully respect these principles in our business strategies and policies.



Human Rights

Principle 1

- Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2

- Make sure that they are not complicit in human rights abuses.

Labour

Principle 3

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

- The elimination of all forms of forced and compulsory labour;

Principle 5

- The effective abolition of child labour;

Principle 6

- The elimination of discrimination in respect of employment and occupation.



Environment

Principle 7

- Businesses should support a precautionary approach to environmental challenges;

Principle 8

- Undertake initiatives to promote greater environmental responsibility;

Principle 9

- Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10

- Businesses should work against corruption in all its forms, including extortion and bribery.





BCSD PORTUGAL
CONSELHO EMPRESARIAL PARA O
DESENVOLVIMENTO SUSTENTÁVEL

Founding member of the BCSD Portugal – Business Council for Sustainable Development Águas de Portugal

Águas de Portugal is part of the core of 34 founding members of the BCSD Portugal – Business Council for Sustainable Development, an organization of business leaders with a vision of the future who aim to galvanize the business community to create a sustainable world for business, society and the environment.

Together with the member companies, BCSD Portugal acts as a catalyst for leadership and the defence of common interests and for the creation of solutions and shared actions. Leveraged by the strong ties with the various stakeholders, the BCSD fosters changes in public policies in favour of sustainable development.

BCSD Portugal is a member of the regional network of WBCSD – World Business Council for Sustainable Development, established in 1992 within the frame of the Rio 92 Summit. It is the largest international business organisation working in the area of sustainable development. At the international level, the WBCSD is one of the most reliable entities among the main sustainability advocacy organisations.





We actively support the Social Entrepreneurship Águas de Portugal

"Social entrepreneurship is the process of pursuit and implementation of sustainable and innovative solutions to neglected and important problems of society which is translated into social innovation whenever more efficient answers are created (in relation to current alternatives) for the problem at stake."³

The IES mission: to inspire and train for a better world through social entrepreneurship.

Created in 2008, the IES – Social Entrepreneurship Institute is a centre for training and research on social entrepreneurship, whose objective is to stimulate innovation, efficiency and impact growth of transformative projects that break the cycles of problems in our society. It works to identify, support, create, promote and bring together initiatives of high social entrepreneurship potential with exceptional organisations and individuals committed to change the world in a more efficient and innovative manner.

Águas de Portugal is a Premium Associate of this non-profit organisation, supporting it in various initiatives.



In Portugal, approximately 50 initiatives are already recognised as good practices of Innovation and Social Entrepreneurship. Here are a few examples:



³ "A positive theory of social entrepreneurship" (Journal of Business Ethics, Dec 2012, Vol 111, Issue 3, pp 335-351), Filipe M. Santos



Companies of the Group celebrate Water Cooperation

Although many are unaware, almost 11% of the world population lacks safe access to drinking water and 37% have no basic sanitation services! It is a sad reality. All of us can and must contribute to changing this reality. This was one of the main reasons why, in July 2010, the UN – United Nations – declared that safe access to drinking water and basic sanitation services are essential human rights and, in December of the same year, declared 2013 the International Year of Water Cooperation.

As usual, the companies of the Águas de Portugal Group complied with this initiative by promoting activities that involved the population of its serviced municipalities across the country. The engagement of all stakeholders in the promotion of these activities took on a special significance in 2013 and looked to raise awareness of the importance of access to water supply and wastewater sanitation services for the population's quality of life as well as for responsible management and use of resources within a perspective of sustainability.

The activities organised by the companies of the Group ended with events on World Water Day, celebrated on 22nd March.

In terms of school public, we highlight several initiatives:

- The Environmental Education Centre of Águas do Douro e Paiva in partnership with the municipalities of Oliveira de Azeméis, Felgueiras and Paços de Ferreira, organised a series of initiatives that included visits of the Centre to schools and school visits to the facilities of Águas do Douro e Paiva, with the goal of raising awareness of sensible water management.
- Within the frame of the contest directed at young university students launched by EPAL at the beginning of the school year to find the best ideas for a poster on the topic “Drink Tap Water”; the company has released the winner: a student from the Faculty of Fine Arts of the University of Lisbon. The goal of this contest was to raise awareness among the youngest consumers, in educational institutions and throughout society for the consumption of tap water, combining creativity with the importance of water and its responsible use. The award ceremony and the opening of the exhibition of the best work selected by a jury took place at the Water Museum on 21st March.
- Simarsul organised visits to the Barreiro/Moita WWTP in March and April, with a total of 358 visitors from primary and secondary schools.





Initiatives directed at the general public:

- EPAL celebrated World Water Day with a communication campaign, sharing the awarding of the Innovation Award of WEX Global - "Water and Energy Exchange", for the WONE® system of network management and loss control with customers and citizens of Lisbon.
- The EPAL's Water Museum guaranteed free entry to all of its museum centres between 10:00 and 17:00. The Museum, which celebrated its 25th anniversary in 2012, brings together a vast and rich historical heritage, using landmarks like the Águas Livres Aqueduct (1748), the Mãe d'Água Reservoir in Amoreiras (1752), the Patriarchal Reservoir (1864) and the Barbadinhos Pumping Station (1880) to help us understand the history of water supply in the city of Lisbon.
- SIMRIA and AdRA - Águas da Região de Aveiro, in partnership with EPA-Escola Profissional de Aveiro, celebrated World Water Day at the Aveiro Forum inviting the general population to participate in a special kind of day, with several activities for kids and adults in a day dedicated to water.
- Águas do Oeste opened the doors of the Alpedriz/Pataias WWTP with an initiative whose main goal was to show the importance of water to the interested population, from its collection in nature to its discharge in rivers and the ocean, and the critical role of the water management institutions (SMAS of Alcobaça and Águas do Oeste) for proper management of the Urban Water Cycle and, therefore, for the preservation of water resources in water basins of the Alcoa and Baça rivers.
- "Come and plant a tree" was the invitation that Simarsul sent to the community and its employees and their families. This activity was included in the initiatives of the municipality of Palmela and had the goal of raising awareness of "the role of the forest in terms of sustainability, of its regulation of the water cycle, its support of diversity and its carbon sequestration capacity as well as wealth production". This action took place on 23rd March at 10:00 in Pinhal Novo.
- During the entire month of March, Águas do Algarve opened the doors of both its largest water treatment plants, Alcantarilha and Tavira, to all visitors who were interested in learning more about the processes involved in drinking water treatment, from its collection to the taps of our houses.



“One of the central strategic objectives of AdP is to ensure that the **excellence of its management** is aligned with **sustainability best practices**”

in Sustainability Report 2011

1.7. Governance Model

The AdP Group's governance is based on:

1. The implementation of professional approaches to management, based on the appropriate competencies and on the improvement of productive capacity according to the highest quality standards for the achievement of its mission;
2. The adoption of management best practices, according to Good Governance Principles for the companies of the State Business Sector;
3. The development of a corporate culture oriented towards performance excellence, through the application of a set of leading business practices that allow the company to succeed on the path to corporate sustainability. These are based fundamentally on a management philosophy that incorporates economic, environmental, social and ethical dimensions.

1.7.1. Governing Bodies

Board of Directors

The Board of Directors of the holding company of the AdP Group (AdP SGPS) currently consists of six members (five executives and one non-executive). By resolution of the General Assembly of 2nd February, 2013 for the three year period 2013/2014, the board includes a chairman and the remaining members who hold office for three years and may be re-elected. The current management has been delegated to the Executive Committee that consists solely of executive directors - a chairman and four members.

Board of directors for the three-year period 2013/2014

Chairman	Afonso José Marçal Grilo Lobato de Faria
Member	Álvaro António Magalhães Ferrão de Castello-Branco
Member	Gonçalo Ayala Martins Barata
Member	Manuel Joaquim Barata Frexes
Member	Manuel Maria Pereira Fernandes Thomaz
Member	José Manuel Barros, appointed by indication of the stakeholders Parública, SGPS, S.A. and Parcaixa, SGPS, S.A.

Executive Committee

				
Member Manuel Joaquim Barata Frexes	Member Álvaro António Magalhães Ferrão de Castello-Branco	Chairman Afonso José Marçal Grilo Lobato de Faria	Member Gonçalo Ayala Martins Barata	Member Manuel Maria Pereira Fernandes Thomaz

The supervision of the corporation is guaranteed by a Supervisory board and a Statutory External Auditor. Other governing bodies are the members of the Board of the Annual General Meeting and the Company's Secretary.

Supervisory Board

Chairman	Paulo Alexandre Santos Ferreira
Member	Mário José Alveirinho Carrega
Member	Ana Luisa Videira Gomes
Reserve member	Graça Maria V.N. Montalvão Fernandes

Statutory External Auditors

Alves da Cunha, A. Dias & Associados, Society of Statutory External Auditors, represented by José Duarte Assunção Dias, ROC.

Board of the Annual General Meeting

Chairwoman	Ana Cristina de Menezes Pereira Paes Sequeira Rodrigues
Vice-chairwoman	Maria Fernanda Joanaz Martins
Secretary	Manuel Bruno Rossi Ruano Gouveia Pereira

Company's Secretary

Effective	Ana Cristina Rebelo Pereira
Reserve	Ricardo Cortes Ribeiro

External auditor

Ernst & Young Audit & Associados SROC, S.A.

In 2013 the board of directors of the AdP SGPS met seven times and the executive committee, forty eight times.

The management of the subsidiaries of the AdP Group is guaranteed by a board of directors (BD), whose chairmen and members are elected in the General Assembly (GA). The GA also elects a supervisory board and a statutory external auditor in order to ensure the supervision of the company. The composition of the BD considers the distinction between executive and non-executive members.

In 2013, the Board of Directors of the subsidiaries met 15 times on average and the Executive Committees 32 times/ year.



1.7.2. Organisational Structure

The organisational structure of the Águas de Portugal Group is based on the critical processes of the business and on three organisational and decision-making levels, with different competences and different models of infrastructural relationship: i) Group (strategic), ii) Business units and iii) Companies (operational).

Organised into seven Business Units (BU), each with independent means and responsibilities for their results and with decentralised operational management but within the frame of a planning and monitoring system conducted by the holding company. The holding company defines, in a participative and interactive way, the strategic guidelines, the business and investment plans, the annual objectives and budgets, subject to periodic revisions and controls.

The organisational structure also incorporates a set of functional bodies that support the management of the Group and of each of the business units while being responsible for policy definition and implementation, for corporate resource management and for the monitoring of the business units and of the subsidiaries.



Business Units

BU Water - Production and Depuration (UNA-PD)

Consists of the 19 managing companies of the multi-municipal systems and of state-local authority partnerships. Its mission is to guarantee the provision of water supply (collection, treatment, intake and storage) and wastewater sanitation (collection, treatment and disposal) services to the municipalities served by the systems in Portugal. It also includes the Aveiro region partnership.

The strategic guidelines of the UNA-PD are based on the pursuit of the objectives defined in the PEAASAR II – Strategic National Plan for Water Supply and Sanitation of Wastewater for the period of 2007-2013 and embodied in the construction of the necessary infrastructures to improve national coverage and in the implementation of public services to be able to provide 95% of the population with reliable water supply services, both in quantity and quality, and 90% with drainage and wastewater treatment, actively contributing to the country's economic and social development.

At the end of 2013 the companies of the UNA-PD had been incorporated into 227 of the 308 municipalities in Portugal.

Of the municipalities mentioned, 207 are integrated into water supply systems and 211 are involved in wastewater sanitation systems, covering a population of 5.5 million and 8 million people, respectively.

In terms of the population actually provided with the services, during 2013, the values are 4.9 million and 6.9 million for water supply and wastewater treatment services, which represents an increase of approximately 1.0% and 1.7%, respectively.

BU EPAL

This BU is embodied in the centenary company EPAL that has been 100% owned by AdP - Águas de Portugal, SGPS, S.A since 1993.

Its mission is the provision of water services and the sustainable management of the urban water cycle throughout its business activities.

It is responsible for upstream water supply, directly or indirectly, to 34 municipalities on the northern bank of the Tagus river, and for domestic distribution to the city of Lisbon, where it has about 350 thousand direct customers, covering a population of around 2.9 million people.

Outside Lisbon, water is provided to municipal managing companies that guarantee the distribution to the final customer.

BU Water – Distribution and Collection (UNA-DR)

Includes the companies operating in the national market with mainly retail services in the water supply and wastewater sanitation sector.



BU International (UNI)

Includes companies with activities based outside Portugal and with the mission of leading the management of the AdP Group's businesses outside the national territory.

AdP International is the company that carries out the international strategy of the Group.

It is worth mentioning that sustainability is the fundamental driver of the international activity, however, there is a relevant cooperation component. Hence, in supporting some of the promoted initiatives or in fostering their continuity, there is an underlying cooperation and social responsibility factor, detrimental to a purely commercial perspective.

Following the logic of economic and environmental sustainability for the execution of all its projects and missions, AdP International obeys the following main guidelines:

- Consolidation of the existing projects, focusing on the expansion of new business in markets where it already has a significant presence or relevant experience;
- Support of area growth in obtaining new business, within a logic of risk minimisation and a fee-based perspective.
- Strengthening of the organisational structure, focusing management on value creation for stakeholders and, consequently, on the development of new economically sustainable business.
- Internationalisation support for other Portuguese companies in the environmental field.

BU Waste (UNR)

Integrates the Empresa Geral do Fomento, S.A., sub-holding of the Águas de Portugal Group, responsible for UNR's strategy and 11 companies that manage multi-municipal systems. Its activity focuses on the domain of waste treatment and recovery, within a framework of economic and environmental sustainability.

The management of waste treatment and recovery is carried out by the concessionary companies created in partnership with the serviced municipalities. These companies process around 3.1 million tons of municipal solid waste (MSW) annually, produced in 174 municipalities, serving about 60% of the Portuguese population.

Playing a key role in supporting the creation and definition of environmental policies in the waste area, EGF's priority is to contribute to compliance with the national and community strategies for the sector, especially focusing on the increase of selective collection of multi-material packaging and a reduction in the disposal of biodegradable urban waste in landfills.



BU Other businesses (UNON)

This business unit encompasses the development of activities in the field of environmental management, namely in the production and use of various forms of renewable energy, in the establishment of collection systems, transportation, treatment and recovery of sludge and its application or final destination, and in the development of processes or facilities for the improvement of energy efficiency.

The activities of the AdP Group in the field of renewable energy is centralised in the company AdP Energias – Energias Renováveis e Serviços Ambientais, S.A., which realizes the structural objectives of the Group for this area:

- To develop the business while maximising the use of assets and endogenous resources of the Group;
- To contribute to the sustainable development of group companies, streamlining their energy consumption and reducing or offsetting their GHG emissions.



BU – Shared services (UNSP)

The UNSP is the unit responsible for the Group's shared services and includes the companies in complementary areas of support. Its mission is to provide services to every company and business unit of the Group, facilitating economies of scale, providing technologically advanced solutions, incorporating management best practices and ensuring the achievement and standardisation of the corporate objectives.

AdP - Águas de Portugal, Serviços Ambientais, S.A. (AdP Serviços) is especially oriented towards providing common support services essential for the operations of Business Units and companies of the Group. The provision of these services is ensured by a set of seven functional directives that simultaneously carry out corporate activities and shared services and by a staff body - Planning and Operations - that supports the board of directors.



Aquasis - Sistemas de Informação, S.A. is a shared services company of the AdP Group, whose mission is to develop and consolidate information technologies in order to promote solutions and services regarding information technologies (geographic information systems, systems of asset management and maintenance, systems of integrated management of operation and remote management, among others) devoted to technical management, operation and maintenance of systems of water supply, wastewater and rainwater sanitation and waste collection, treatment and recovery.

Aquasis' main areas of expertise are:

- Asset management and maintenance information systems (SMGA);
- Operational integrated management information systems (SIGIO);
- Automation, control and communication network systems (Remote management);
- Geographic information systems (GIS).

The activity of the company AdP Imobiliária is currently suspended.

Functional Structures

Corporate Finance

Its mission is to define and coordinate the Group's financial policy. It ensures the Group's accounting and fiscal management while matching criteria, proceedings and practices to the national regulations.

Business Development and Regulation

Its mission is to plan, control, manage and regulate the relation to stakeholders with the main goal of supporting the strategy defined for the Group and for the various BUs and analysing the performance of the Group, the BU and the companies based on management indicators and information. Furthermore, it is responsible for the pursuit of an appropriate basis for the relationship with the main stakeholders, particularly in regards to the fulfilment of information duties and to the monitoring of the regulatory activities in matters related to capital costs, rate settings and interactions with the regulatory authority (ERSAR).

Corporate Human Resources

Its mission is to define the Group's human resources policies and strategies, as well as the management of its resources.

Internal Audit and Risk Control

Its mission is to identify the risks inherent to the Group's businesses, to conduct internal audits of majority-owned subsidiaries, to identify the key control elements necessary for minimising or eliminating their impact and to carry out compliance tests and analyse the results.

Image and Communication

Its mission is to define the Group's communication and image strategies and policies as well as to directly advise the board of directors on these matters.

Research and Development

Its mission is to support innovation in areas of knowledge relevant to the Group, as well as to develop, coordinate and promote research projects with national and international external entities.

Sustainability and Social Responsibility

Its mission is to design, coordinate and execute the sustainability policy and the social responsibility program of the AdP Group, realising the vision, strategy and commitment of sustainable development defined by the Group.

Company's secretary

The responsibilities of the Company's secretary are based on Art.446-B of the Commercial Companies Code, namely, support in the meetings of the governing bodies, certification of the company's documents, authentication of the signatures of the board of directors members, issue of minutes summaries, following the deliberations of the board of directors and compliance with the official books of the company.

Specialized Commissions

The Group has an Ethics Committee whose goal is to impartially and independently monitor the disclosure and fulfilment of the Code of Conduct and Ethics in all the companies of the Group. The committee consists of 5 members and can be contacted through the email eticaadp@adp.pt.

The board of directors regularly appoints multidisciplinary teams for the management and monitoring of Group's transversal projects.

1.7.3. AdP Group's Code of Conduct and Ethics

The Águas de Portugal Group, as a business group of public companies, is convinced that its daily concerns with efficiency or economic growth cannot be dissociated from ethical and responsible behaviour. Hence, it believes that the fulfilment of its long-term interests is necessarily founded on strict compliance with the highest standards of ethical conduct. All those involved with the Group's companies in their commercial, institutional and social activities, have a legitimate interest in the transparency, dialogue and ethical behaviour of the AdP Group's companies and employees.

The Code of Conduct and Ethics is an expression of the AdP Group's commitment to ethical behaviour in its internal and external relationships and is intended to strengthen applicable ethical standards and create a working environment that fosters respect, integrity and equality.

More than a commitment, the Code of Conduct and Ethics reflects a desire for a path of permanent improvement by a business group whose activities' guiding principles are respect for the rights of employees, responsibility for defending and protecting the environment, transparency in its external relations and contribution towards sustainable development.

The compliance with this code is monitored by the Ethics Committee of the AdP Group.



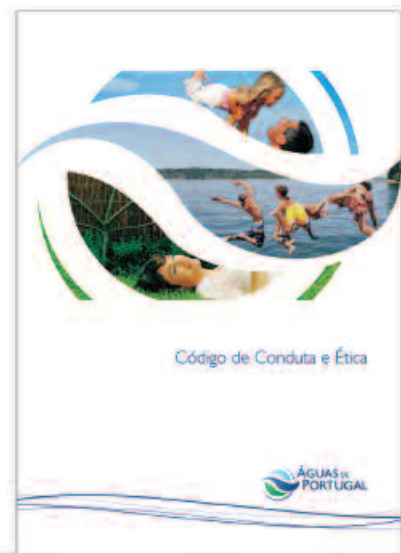
The AdP Group's ethical values and guiding principles

The core values of the AdP Group are:

- Spirit of service
- Excellence
- Integrity
- Responsibility
- Rigour

And is governed by the following guiding principles:

- Respect and protection of human rights
- Respect of the employees' rights
- Fight against corruption
- Eradication of all forms of exploitation
- Eradication of all discriminatory practices
- Responsibility in the defence and protection of the environment
- Contribution to a sustainable development



The Code of Conduct and Ethics is available for consultation at the website www.adp.pt under the following link: <http://www.adp.pt/content/index.php?action=detailfo&rec=2180&t=Codigo-de-Conduta-e-Etica>.

1.7.4. Governance Handbook

The governance handbook was developed in order to provide the AdP Group with a document aimed at providing more rigour, transparency and control in the governance of the companies, as well as concentrating norms, resolutions and regulations, sharing knowledge fundamental to the governance of the subsidiaries with all stakeholders and improving its governance practices.

1.7.5. Risk Management

The AdP Group's activities are subject to events that may adversely affect it, especially in today's context of accelerated changes. It is, therefore, necessary that organisations are able to develop strategies for dwelling with uncertainty, anticipating threats that can affect the achievement of their objectives and identifying opportunities.

The AdP Group devotes great attention to the risks inherent to its activities through regular monitoring of the main risks resulting from the daily operations of its companies.

In 2013 works on the project of business risk management continued, the main results of which were an integrated risk assessment of the AdP Group and a consolidation of its risk culture.

Risks are organised based on a structure of classes and categories defined in accordance with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology, as illustrated below:



The risk evaluation is executed on the basis of a perspective of occurrence and impact probability, taking into consideration both the inherent and the residual risks. Evaluation thus strives to ascertain the efficiency of the internal control system set up to maintain the risk level within a level deemed acceptable.

Risks are evaluated by considering several dimensions of each risk such that, when their impact is evaluated, the process takes into account several dimensions of each risk, particularly:

- Financial;
- Reputation;
- Legal or regulatory; and
- Level of alignment with business objectives.

The probability of risks occurring is also evaluated according to a broad set of factors, namely:

- Existence and efficiency of controls;
- Previous occurrence of risk;
- Risk complexity; and
- Established risk management capacity (people, processes, systems).

Risk management should represent a tool of corporate governance, incorporated into each and every internal process and become **a challenge for all employees** of the Group.

The mission of Internal Audit and Risk Control is to identify risks inherent in the businesses of the AdP Group, to conduct internal audits in companies majority-owned by the Group, to determine the key control elements necessary for minimising or eliminating their impact and to carry out compliance tests to evaluate the results.

Risks related to governance classes, strategy and planning, compliance and reporting are dealt with and monitored by each individual company, and periodically assessed by the board of directors of AdP SGPS. The approach to risks of the operational and infrastructure class, besides being covered directly by each individual company, is complemented by centralised monitoring and activity control structures, which are responsible for the identification and management of the main risks.

Within the current context, the main risks to which the AdP Group is exposed are:

- Political, economic and financial
- Economic and financial sustainability
- Liquidity and interest risk
- Regulatory risk
- Environmental risk
- Reputation and image
- Catastrophe
- Fraud



The existing risk management system is guaranteed:

- by the actors involved in the daily operations/ transactions;
- by risk management secured by those responsible for each process/ activity;
- by the activities carried out by the internal audit and risk control sector;
- through the maintenance of the business responsibility systems certification (95% quality, 92% environment, 86% hygiene and security, 41% social responsibility), through which legal and regulatory compliance is guaranteed and monitored.

Corruption related risks

The AdP Group has several prevention, implementation and control tools that ensure that its performance is in accordance with its principles and values, such as the Code of Conduct and Ethics, the Social Responsibility Management Systems and the Plan for Controlling Corruption and Related Risks.

The Ethics Committee of the AdP Group, established in 2010, is responsible for monitoring, impartially and independently from the corporate governing bodies, the disclosure and compliance with the Code of Conduct and Ethics in all the companies of the Group.

The plans for controlling corruption and related risks, prepared by the companies of the Group, identify areas that could potentially be subject to the occurrence of corruption acts, as well as the main risks arising from such acts. Furthermore, they identify the controls introduced to mitigate those risks and their probability of occurring.



10th Principle

Businesses should work against corruption in all its forms, including extortion and bribery.

Criterion 17: Robust commitments, strategies or policies in the area of anti-corruption.

Criterion 18: Effective management systems to integrate the anti-corruption principle.

Criterion 19: Effective monitoring and evaluation mechanisms for the integration of anti-corruption.

Criterion 20: Key outcomes of integration of the anti-corruption principle.

In April, 2013 the annual report on compliance with the Prevention Plans for Corruption and Related Risks for all companies of the AdP Group was submitted to the Prevention of Corruption Council.

Financial implications and other risks and opportunities for the organisation's activities due to climate change

Environmental concerns within the AdP Group arise from their mission. The constant evolution of knowledge, particularly in relation to the impact of the developed activities on the environment, make for more demanding day-to-day environmental concerns in a constant improvement process in order to guarantee the availability of resources in the long term, social awareness and transparency in the relationship with consumers, partners and the community.

The main related risks factors are: contamination of water resources, of the soil or excessive emissions of greenhouse gases, directly or indirectly resulting from the water supply, wastewater sanitation or treatment of urban solid waste treatment (e.g.: accidents, failures, techniques used), from natural causes such as floods or droughts in collection points or resulting from serious pollution accidents, inadequate control of the waste produced and products or services acquisition without regards to their environmental dimensions as well as breach of legislation. The control and monitoring of these risks is achieved through: appropriate waste disposal, monitoring of resource consumption, acquisition of products and services while taking into account their environmental impact (e.g.: energy consumption); certification of the Group's companies within the NP EN ISO 9001 (quality), NP EN ISO 14001 (environmental) regulations.



The AdP Group is guided by its belief in **rigorously informing all interested parties** that, directly or indirectly, accompany it on its important mission.

1.8. Involvement with Stakeholders

In 2013 the dialogue of the AdP Group with the stakeholders focused especially on the Ministry, the municipalities (stakeholders/customers) and with the regulatory authority ERSAR, in order to follow up the strategic implementation of reorganization of the water sector; as well as the granting of autonomy to the waste business unit.

In 2013 several regular meetings took place with the Unions and other stakeholders where specific issues were addressed.

Involvement with stakeholders represents an essential pillar of the Group's activities, which, directly or indirectly, has an impact on a broad universe: around 5,000 employees and 8 million Portuguese citizens covered by the services provided by the AdP Group.

Our stakeholders

For a Group that provides an essential service to the community and that faces major environmental challenges, its involvement with the groups of stakeholders is essential due to the important contributions that these bring for the achievement of the Group's mission.

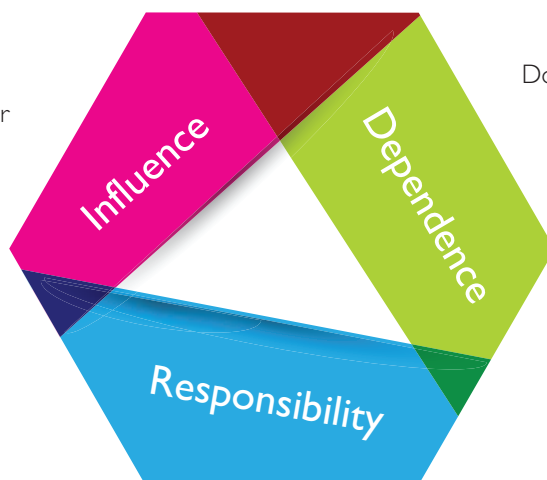
The AdP Group has identified its stakeholders as the following groups:



In order to attain a greater rigour in information collection and in strategy definition, all stakeholders are classified according to the AA1000 Accountability Principles Standard regulation, along three lines:

INFLUENCE

Has or may the stakeholder have influence or decision-making power on the Group's performance?



DEPENDENCE

Does the stakeholder have interactions, long-term or daily dependence relationships with the Group?

RESPONSIBILITY

Does the Group have or may have legal, financial or operational responsibilities for the stakeholder?

The relationship between the stakeholders and the companies is based on a **transparency principle**: "Duty to render accounts, in an open and clear manner, to all those who hold a legitimate interest in knowing - the stakeholders".



How do we communicate with the stakeholders?

Throughout the year, the AdP Group kept up regular communication with its stakeholders through various channels, listening to their opinions and involving them in the strategy.

Forms of involvement, both in the individual companies or in the Group as a whole:



Involving the stakeholders allows us, on the one hand, to inform them about the outputs of our activities and, on the other, to receive input related to their expectations. This exchange and sharing of information contributes to continuous improvement in the quality of our service.



20th anniversary celebrations

AdP Group

In 2013 the Águas de Portugal Group celebrated its 20th anniversary, making the occasion with a programme of diverse activities, the objective of which was to involve most of the stakeholders that interact with the Group.

“Together we can” was the slogan associated with the celebrations, seeking to demonstrate that the results achieved in two decades of the Group's activities were thanks to the collective work of a great variety of actors: employees, several administrations, municipalities (stakeholders and customers), funding bodies and the general population.

The initiatives programme included:

- Open guided tours to more than 60 facilities from north to south of the country in the first weeks of October;

- An editorial partnership with the Expresso Journal for six editions published between October and November, covering topics such as innovation, the value of water in its various dimensions, efficient water use and water quality and public health;



ÁGUAS do ALGARVE
Grupo Águas de Portugal

INSTALAÇÕES COM PORTAS ABERTAS EM MARÇO:

- ETA de Távora** - Dia 21
Reservas: fcarapuca@aguasdoalgarve.pt
- ETA de Alcantarilha** - Dia 24
Reservas: fcarapuca@aguasdoalgarve.pt
- ETAR de Almargem** - Dia 25
Reservas: m.martins@aguasdoalgarve.pt
- Barragem de Odelouca** - Dia 25
Reservas: d.rachado@aguasdoalgarve.pt

Faça favor de entrar

No mês em que se comemora o **Dia Mundial da Água, 22 de Março**, vamos promover várias visitas às nossas instalações.

Serão duas visitas por dia, com início às 10h00 e outra às 15h00. Duração prevista de cada visita: 2h30

As visitas terão número de participantes limitados, pelo que a inscrição prévia é obrigatória.

- Release of a film about the contribution of the AdP Group to the advances in the environmental sphere in Portugal over the past two decades;

Expresso

ESPECIAL **Mundo da água**

594 milhões de m³ de água produzida para consumo em 2012
7,5 milhões de m³ de água produzida para consumo em 2013
13.782 milhões de m³ de água produzida para consumo em 2014
918 milhões de m³ de água produzida para consumo em 2015

O grande salto das águas

Quem paga a água? Este é o primeiro de seis artigos dedicados a esta temática que o Expresso vai publicar ao longo das próximas semanas.

O sector evoluiu muito em 20 anos, mas falta eficiência e equilíbrio tarifário

Por **João Carlos Correia**

Em 1993, quando a Águas de Portugal nasceu, o país estava a viver uma situação de crise económica e social. A água era considerada um recurso escasso e a sua distribuição era feita através de uma rede de abastecimento que não estava adaptada às necessidades da população. Hoje, a situação é muito diferente. A água é considerada um recurso essencial e a sua distribuição é feita através de uma rede de abastecimento que está constantemente a ser melhorada. No entanto, apesar dos avanços, ainda há muito trabalho a fazer para garantir a eficiência e o equilíbrio tarifário do sector.

- Commemorative conference with the participation of key actors in the water and waste sectors. The conference took place on 15th October, relating in particular to the environment ministers of the past two decades, the board of directors of Águas de Portugal since its creation in 1993, the main public institutions with responsibilities in the environmental sector in terms of regulation, licensing and monitoring, stakeholders and funding institutions, industry and government associations and boards of directors of the Group's companies. The conference offered a presentation by Anthony Cox, responsible for the Climate, Biodiversity and Water Division of the OECD and a round-table about the value of the water cycle and of waste for society.



- Also on 15th October, a meeting of all the directors of all of the Group's subsidiaries took place;



- Internal communication campaign carried out simultaneously in all the subsidiaries of the Group, with the subject "Together we can" aimed at involving the employees and valuing their work. Within this context, on 30th September, all employees received a printed message from the Chairman, Afonso Lobato de Faria, accompanied by a pin.



- Action at the entrance of the headquarters building – wall decoration in the background of the entrance of the building with a panel and the 20 year logo and with phrases submitted by the employees with the subject "Wishes for the next 20 years"

- Challenge launched on the Intranet of the companies in the headquarters building, based on a quiz with the objective of encouraging knowledge of the major historical milestones and achievements of Águas de Portugal over the past 20 years.





2. The performance of the AdP Group

Symbiosis with the Environment





Principles and commitments:

Resource conservation and valorisation:

We commit ourselves to:

- Promote resource management and protection;
- Implement measures of monitoring and control;
- Increase the valorisation of waste and sub-products deriving from treatment processes;
- Improve the eco-efficiency of the facilities.

Combating climate change:

We commit ourselves to:

- Take advantage of the energy potential of the facilities;
- Mobilize the use of waste and its sub-products as sources of renewable energy;
- Improve energy efficiency while reducing/offsetting emissions.

Nature and biodiversity protection:

We commit ourselves to:

- Promote the betterment of the environment, to value the landscape and to protect biodiversity.

It is necessary to **find a balance between the service to the community and the preservation of the environment**, which currently translates into a big challenge.

2.1 Symbiosis with the Environment

It is with the commitment to current and future generations that the AdP Group develops its activity.

The Group identifies three strategic principles, which are: the **conservation and recovery of resources**, the **nature and biodiversity protection** and the **fight against climate change**.

The Group faces several environmental requirements, such as: safeguarding the soil and water resources exploited, the ecosystems, the reduction and compensation of atmospheric emissions.

In all the cases is applied the principle of “think globally, act locally”. There are many examples of practices that prove that the Group operates under strict environmental rules in all its facilities.

Conscious of the economic, environmental and social context in which it operates, the Group enhances the positive impact of the activities it develops by indirectly fostering transversal activities and minimising possible negative impacts. Thus, sustaining its commitment to current and future generations.



We act on the prevention of environmental impact

We provide essential services

We manage and value the natural resources properly

We reduce GHG emissions

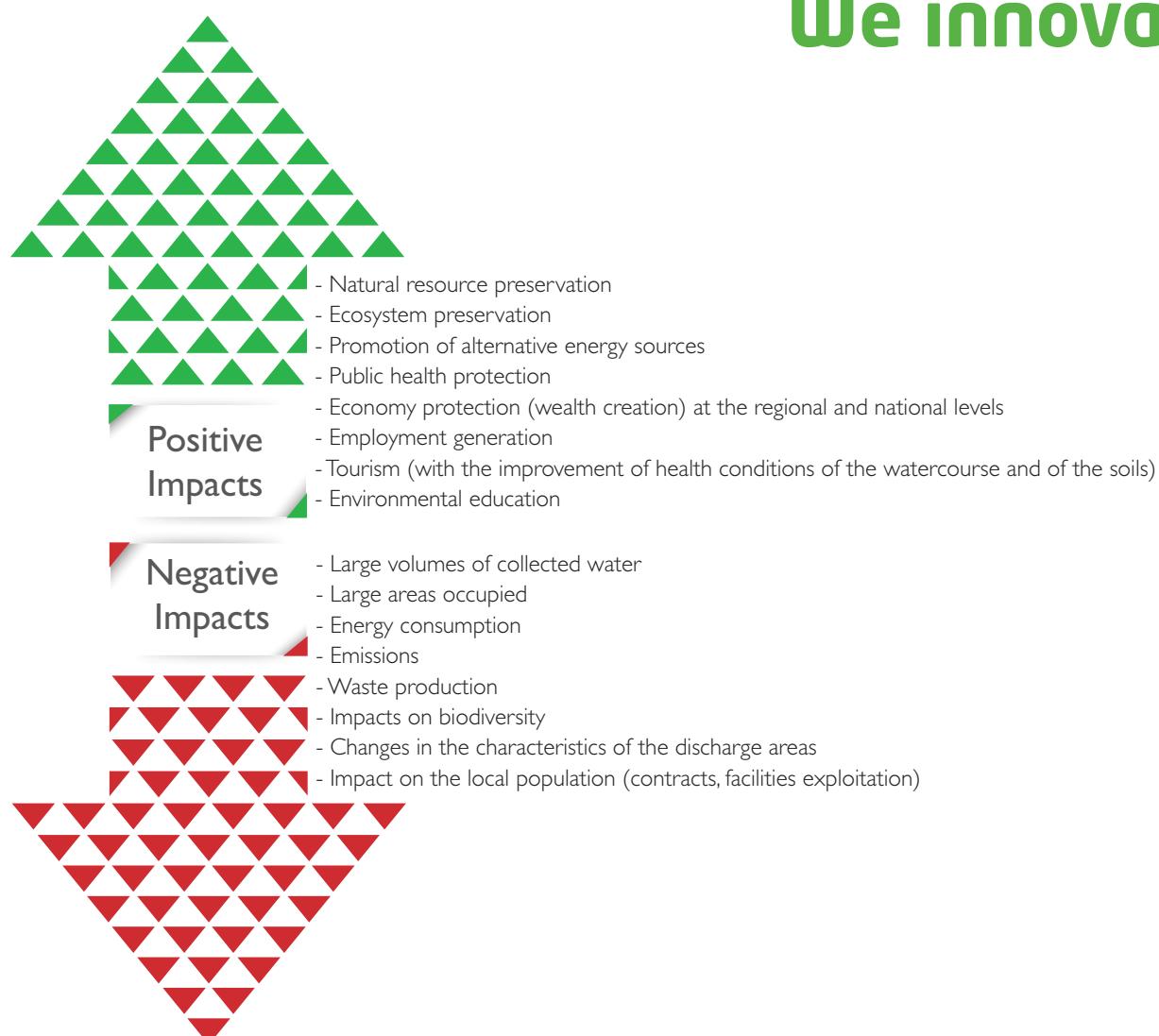
We invest in renewable energies

We optimise the use of water resources

We explore the best available technology

We transform waste into alternative energy sources

We innovate



We contributed to the **protection of the environment** and to the **well-being of citizens** across the country.

The rigour of the Group's processes on behalf of the environment is translated into its concern with the implementation of environmental management systems in almost 100% of the subsidiary companies. In 2013, 34 companies of the Group are certified according to the environmental regulation ISO 14001.



Environment

7th Principle

Businesses should support a precautionary approach to environmental challenges.

Criterion 13: Robust commitments, strategies or policies in the area of environmental stewardship.

Criterion 14: Effective management systems to integrate the environmental principles.

Criterion 15: Effective monitoring and evaluation mechanisms for environmental stewardship.

Criterion 16: Key outcomes of integration of the environmental principles.



92% of the companies

certified according to the environmental regulation ISO 14001



Millennium Goals

Promote sustainable development, reduce biodiversity loss and halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation.

We are committed to **rigour in our processes** on behalf of the environment.



[P] Resource Conservation and Valorisation

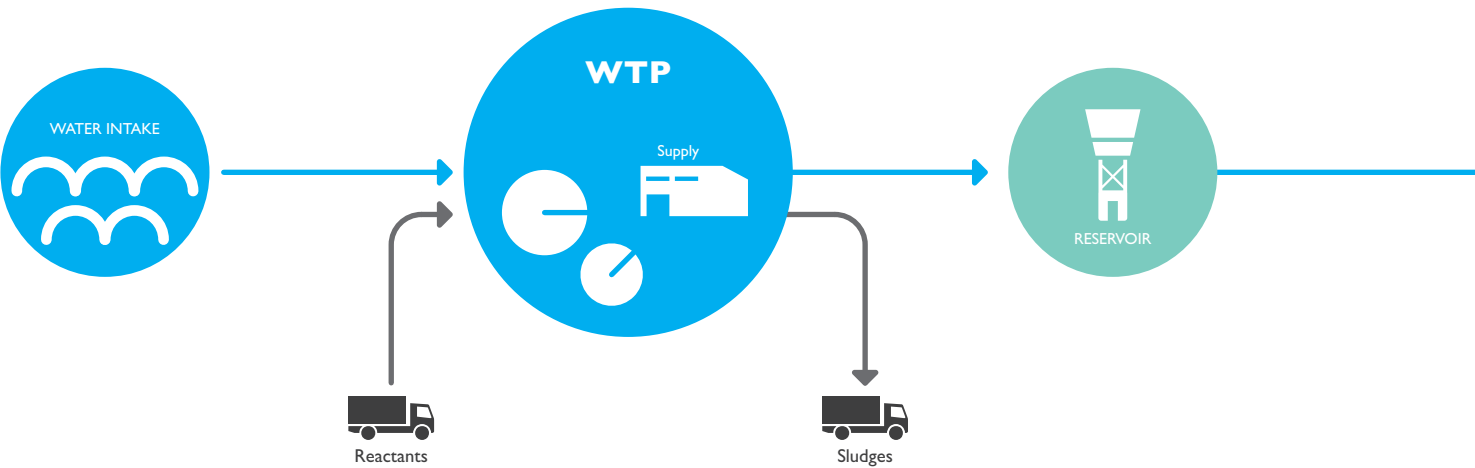
[C] We commit ourselves to promote resource management and protection, to implement measures of monitoring and control, to increase the valorisation of waste and sub-products deriving from treatment processes and to improve the eco-efficiency of the facilities.

Natural resources are the “raw materials” that support the activity of the AdP Group, thus ensuring an efficient public service, both in terms of quality and quantity.



Water Management

The AdP Group carries out an integrated management of the urban water cycle within the Group, including all its faces, from the water supply (collection, treatment, storage and distribution) to the wastewater sanitation (collection, transportation, treatment and disposal), in balance with the cycles of nature.



1

Water Intake

Intake of surface or groundwater. It can include the water elevation activity.

Treatment

Correction of water's physical, chemical and bacteriological characteristics to make it proper for water consumption.

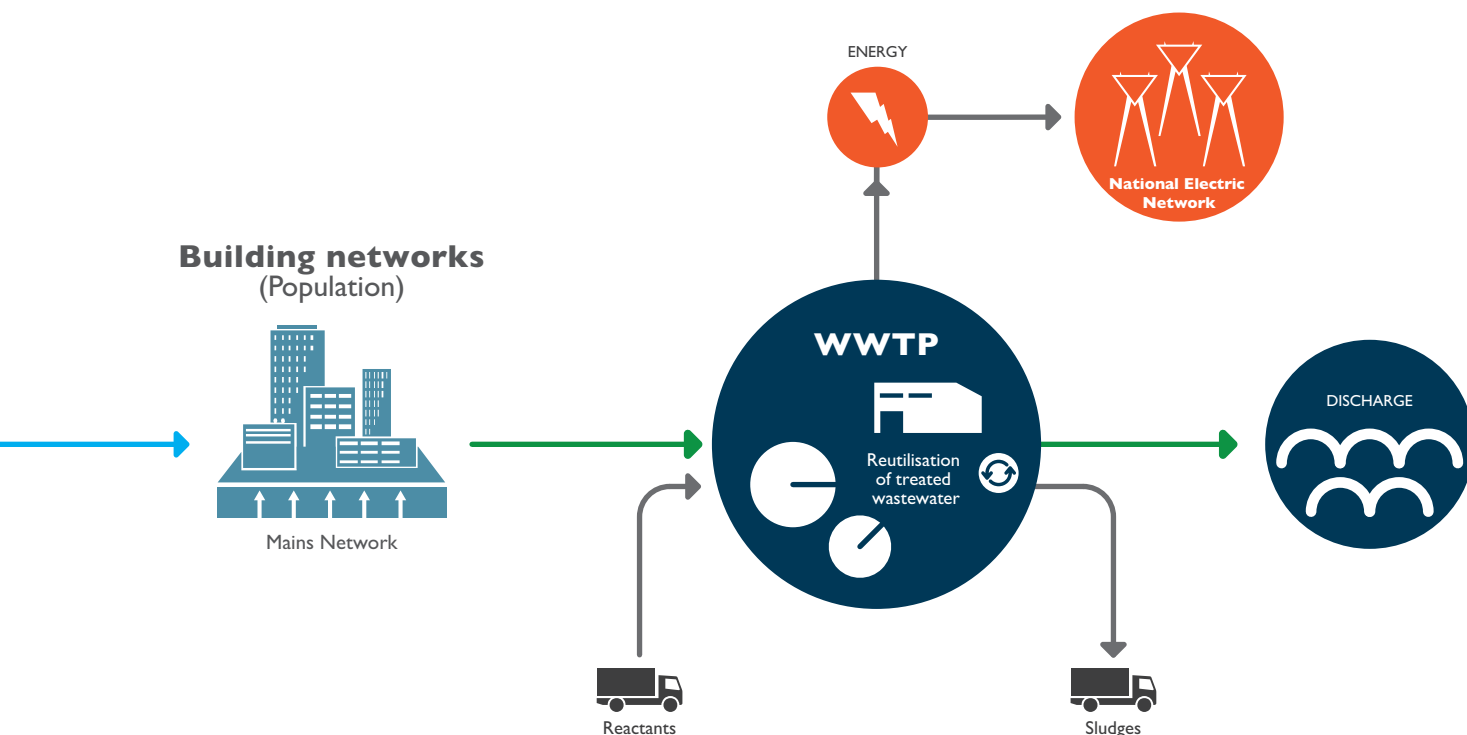
Supply

2

Storage

Water storage to guarantee the continuous supply.

The AdP Group has a **key role in the efficient management** of the urban water cycle.



3

Distribution

Water distribution to consumers in quantity and pressure to satisfy their needs. It may include the water elevation.

Collection

Collection of produced wastewater. It may include wastewater elevation activity.

Transportation

Transportation of wastewater from the collection point to the wastewater treatment station. It may include the wastewater elevation activity.

4

Treatment and Discharge

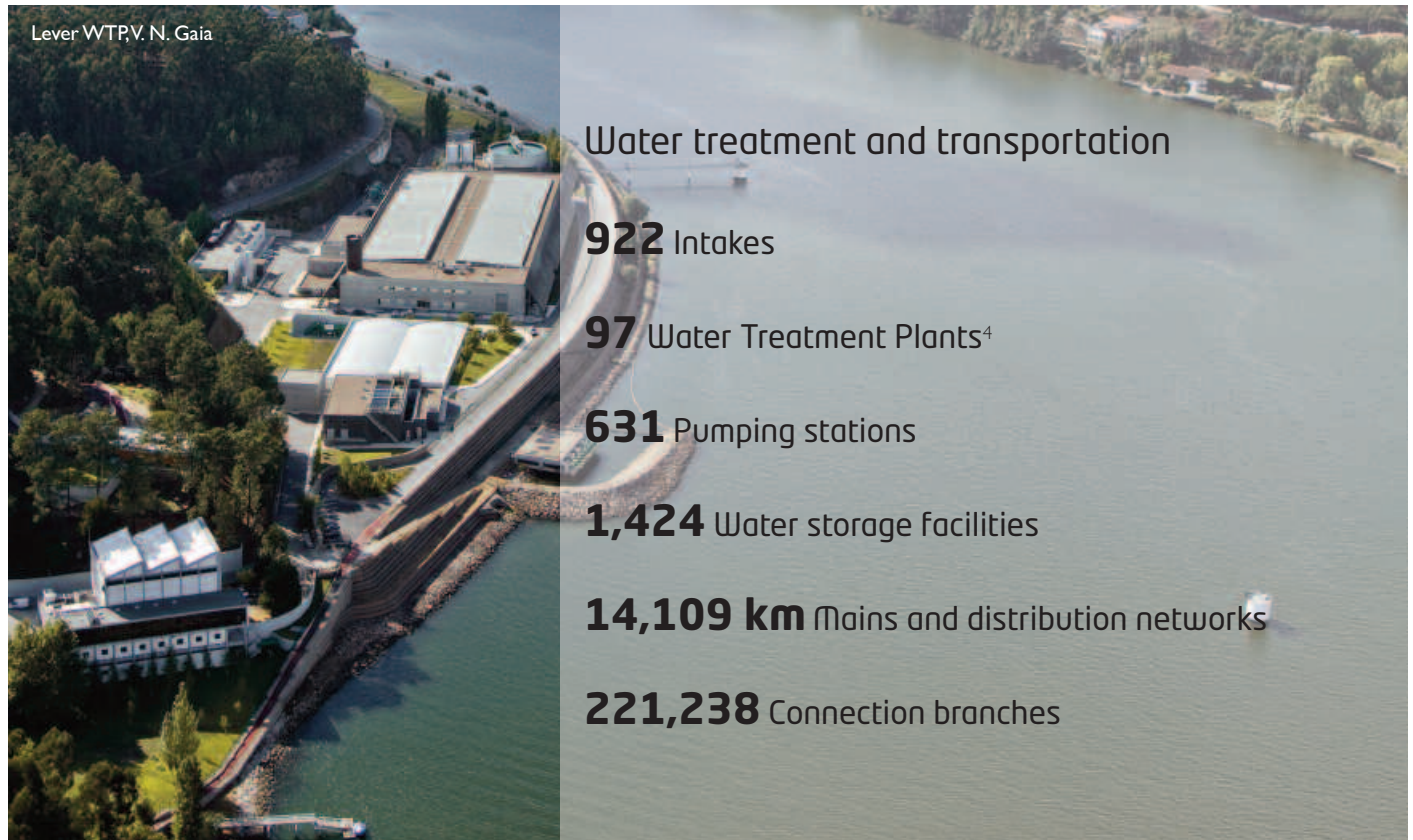
Correction of wastewater's physical, chemical and biological characteristics considering the final discharge location. It may include bacteriological correction. Find discharge of treated wastewater.

5

Energetic Valorization of Treatment Sludges

Water Supply

The AdP Group, aware of its role in the environment and in the rational use of resources, manages its water collections in order to avoid a water availability reduction in the surface and groundwater reservoirs and to guarantee the maintenance of minimum flows, safeguarding the ecosystems that depend of them. The Group also respects the water collection limits defined in the licenses issued by the competent authorities, thus guaranteeing a sustainable use of the resource for the water supply, while ensuring the essential flow necessary to minimise losses. In 2013 the collection amount increased – 38 more - in relation to 2012, mainly due to the integration of new municipalities into the Águas Públicas do Alentejo.



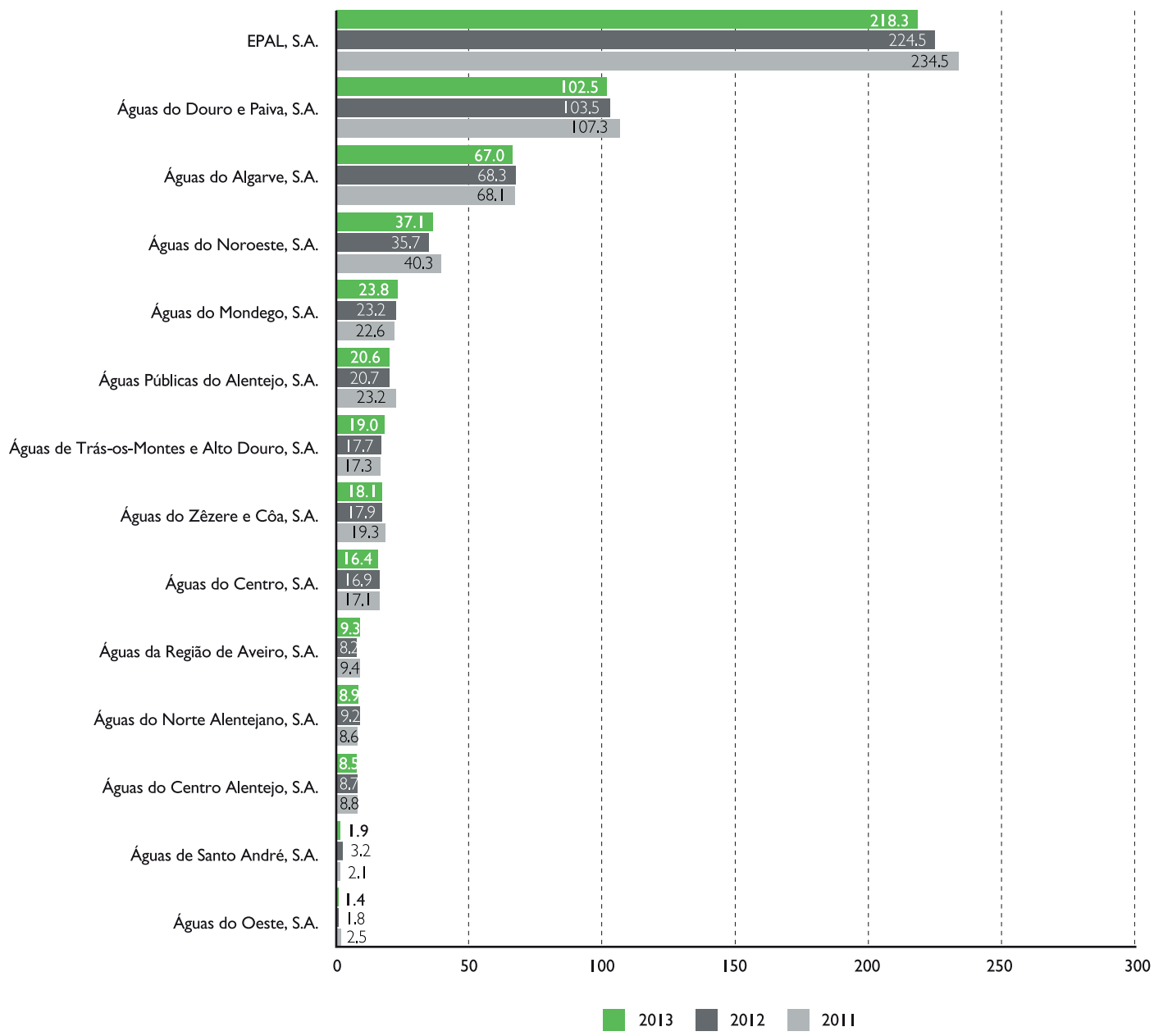
In 2013, 553⁵ million m³ of water were collected for supply, which represents a decrease of 6 million m³ compared to 2012. The consumption decline, which is not unrelated to the current economic situation, reflects the efforts made by the AdP Group in terms of losses prevention and in terms of raising awareness for a more rational use of water.

Natural resources are of **great economic, environmental and social value**, and they are essential for subsistence and well-being of populations and ecosystems.

⁴ AdP Group has also 281 small treatment facilities

⁵ Águas de Santo André collected, in 2013, 9.6 million m³ for industry supply (value which is not shown in the chart because it is not water for human consumption). Some companies receive treated water from other companies of the Group, such as Águas do Oeste, who produced, in 2013, 24.73 million m³ of water for supply mainly from EPAL (and a small part from their own intakes - only this value is shown in the chart).

Collected water for supply (Mm³)

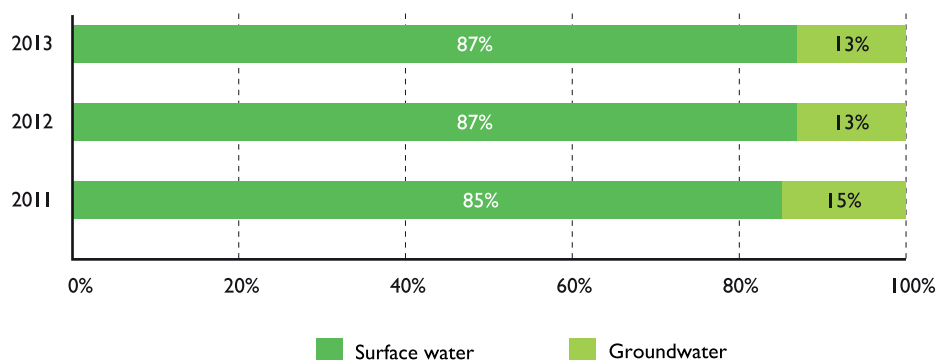


Ponte da Bateira intake, Castelo de Paiva

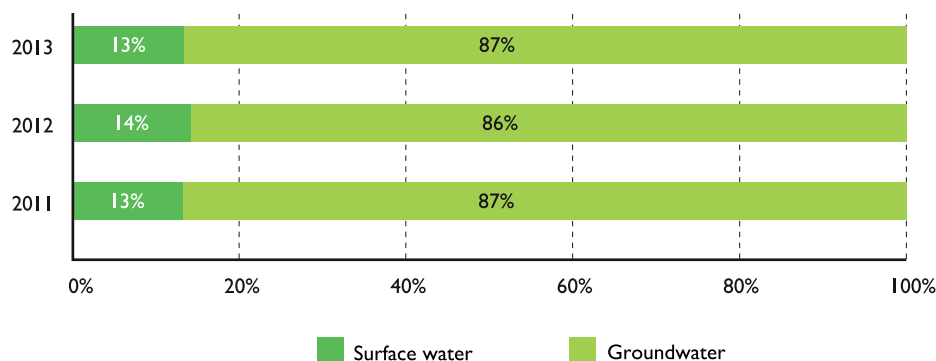
The path to a **sustainable exploitation of water resources** is increasingly related to superficial abstraction and to solely extracting of the necessary quantities.



Water source - volume
(%)



Water source - intakes
(%)



In 2013, the amount of surface water collection decreased from 124 to 122, representing, however, the same 87% of the total collected amount (481 million m³), which was the same in 2012. The number of groundwater collections slightly increased due to the aggregation of 29 new abstraction points (+2 municipalities). Also in 2012, 16 less groundwater abstraction points from the EPAL were reported by mistake. The AdP Group's concern with giving a preferential use to surface intakes of larger capacities instead of groundwater intakes contributes more and more to ensuring higher levels of replacement as well as to the protection of groundwater aquifers, thus guaranteeing a more sustainable use of the resources.

In terms of transportation and distribution of the water supply, the concern of the Group with minimising inefficiencies is noteworthy. In 2013 it was observed that losses in upstream systems were 3.82%. In downstream systems, the losses were 9.67%. These figures are slightly below the ones observed in 2012.

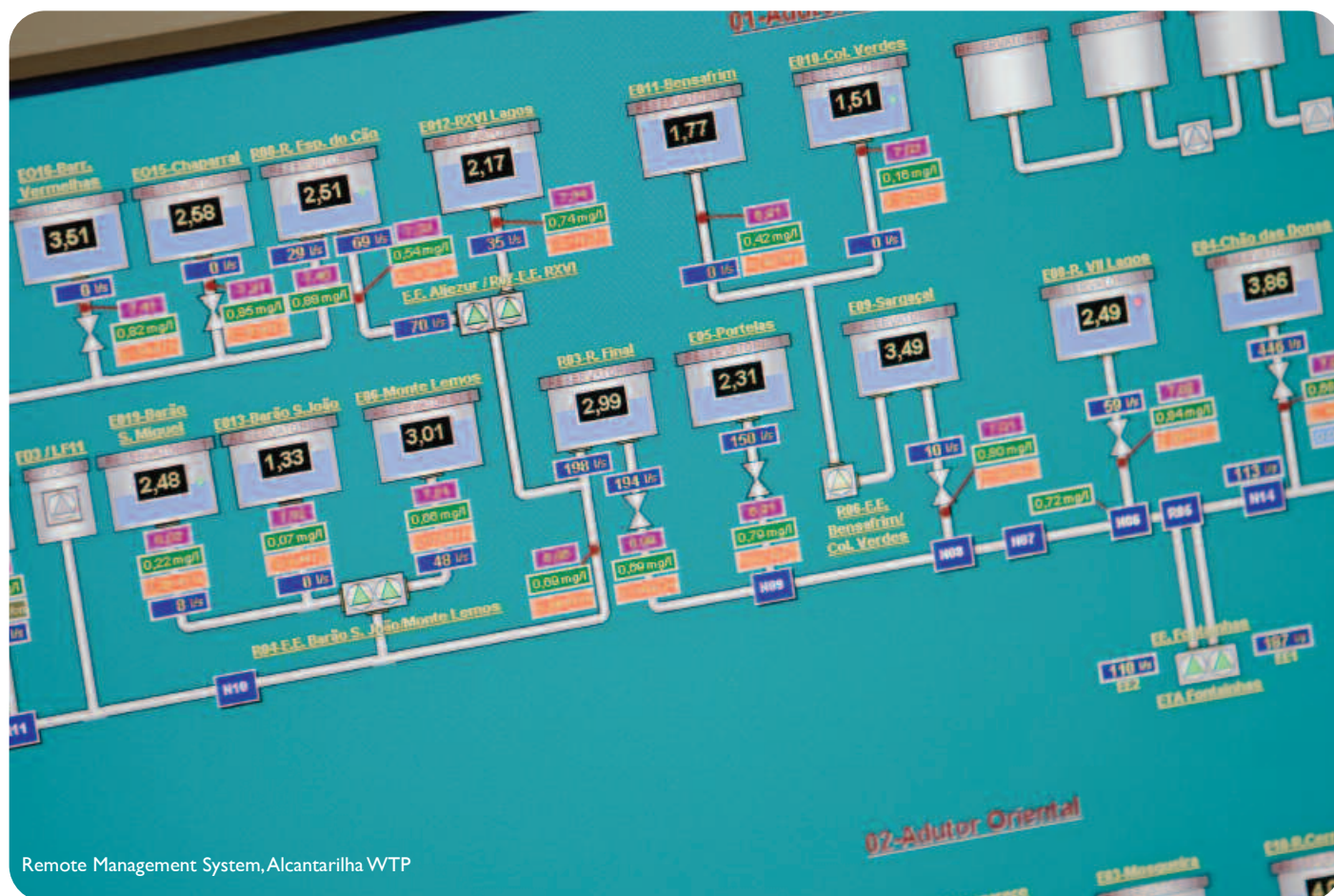
3.82%
Water losses
in upstream systems

9.67%
Water losses
in downstream systems



Measures adopted to combat water losses

- Continuous flow and pressure monitoring (through remote management)
- Execution of loading tests for pipelines and storage facilities
- Routine periodic on site inspections (e.g.: location of pipelines, storage facilities)
- Verification and calibration of flowmeters
- Rehabilitation of storage facilities
- Replacement of pipelines at the end of their service life
- Execution of a monthly water balance



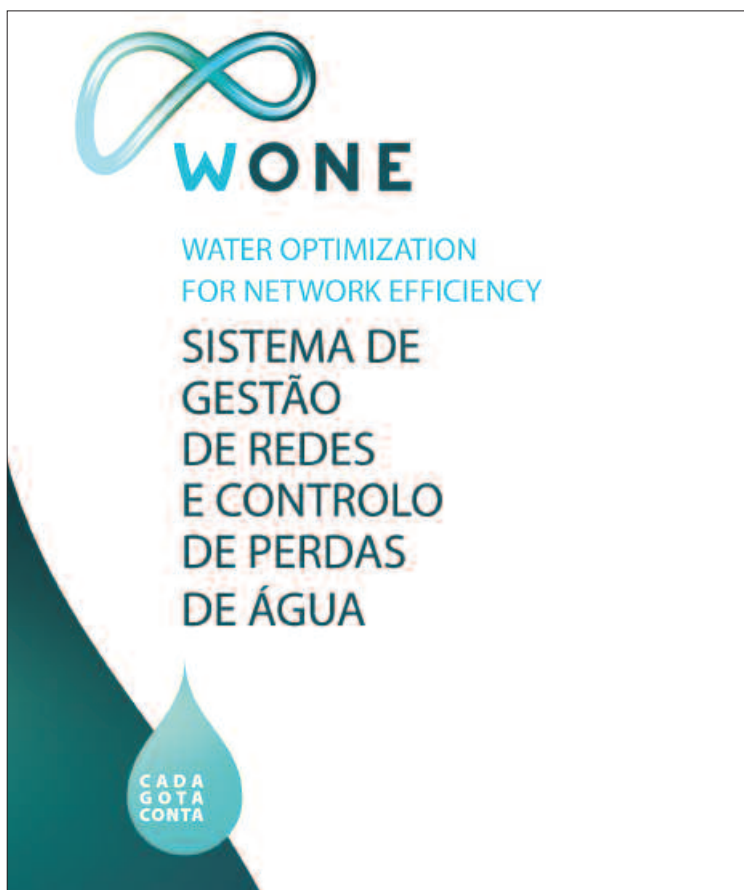


WONE® Water Optimization for Network Efficiency EPAL

The WONE® system is an innovative approach to the permanent management and monitoring of the distribution network, which improves the identification of performance indicators from various zones of the network. Additionally, it allows quick detection of hidden (invisible) leakages, thus proving itself essential for reducing the amount of water lost in the distribution network.

With this system, EPAL was able to reduce its levels of water losses (not invoiced) in the Lisbon distribution network to 7.9 in 2013, significantly below the target of 20% established by the National Programme for the Efficient Use of Water (PNUEA) for 2020 for the domestic distribution systems. WONE® is a technological system developed entirely by EPAL for intelligent network management and water loss control.

WONE® received national and international recognition by being awarded three prizes in 2013.



We protect ecosystems by restoring water levels in water sources through the discharge of treated wastewater.

Wastewater Sanitation

Tourism is a decisive factor for the country's economic development supported by the environmental remediation of beaches promoted by the AdP Group. Similarly, the replacement of treated wastewater into water streams contributes to the maintenance and safeguarding of coastal ecosystems, particularly in areas of severe drought. Furthermore, the decontamination of water streams allows for the possibility of irrigation of several crops leading to increased agriculture.

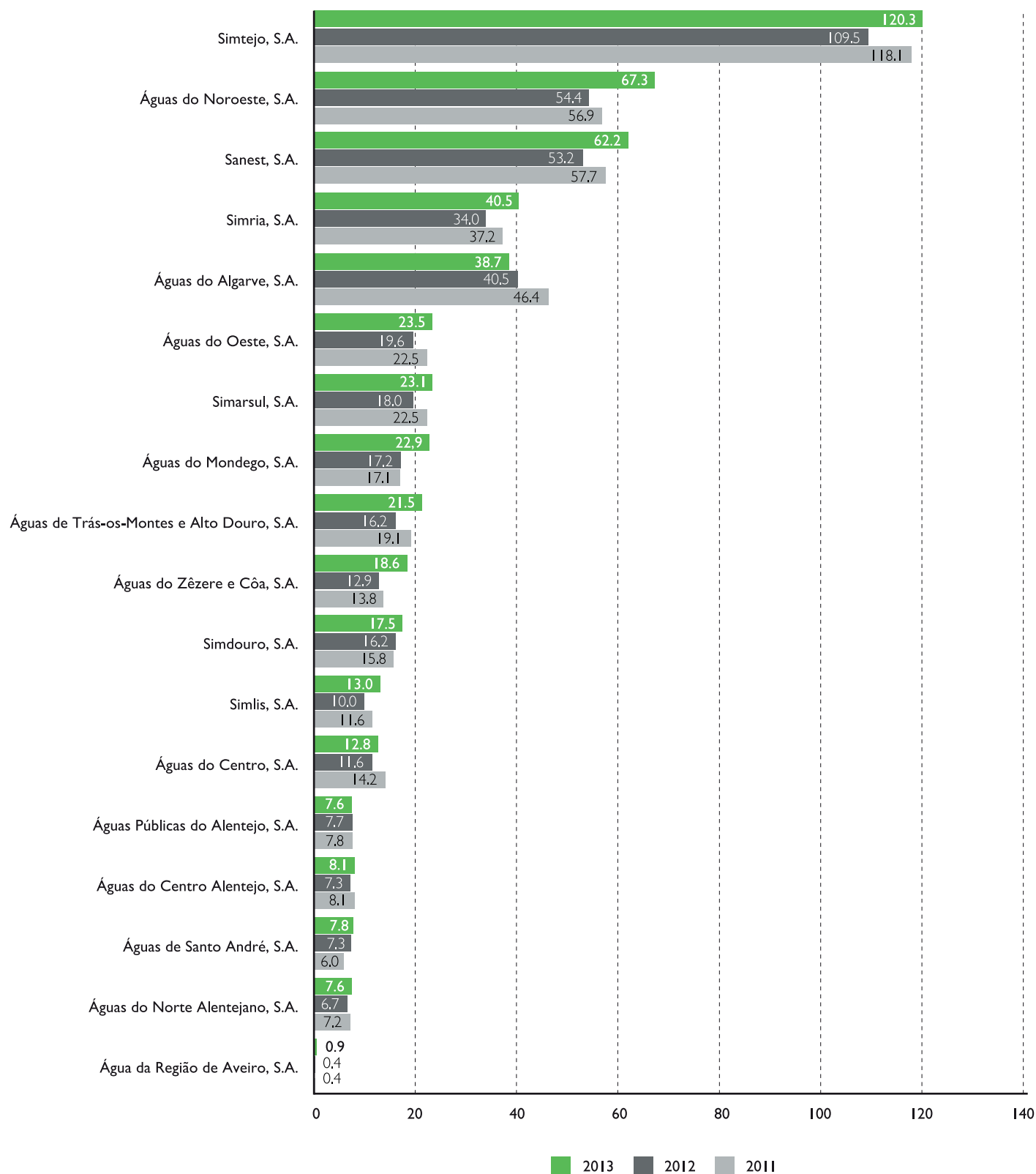


In 2013, the volume of wastewater treated and replaced into water sources was 514 million m³, 71 million m³ more than in 2012, showing a clear increase in wastewater treatment activities.

514 million m³
Wastewater treated
and discharged

93%
Water replaced into the water streams
in relation to the collected water.

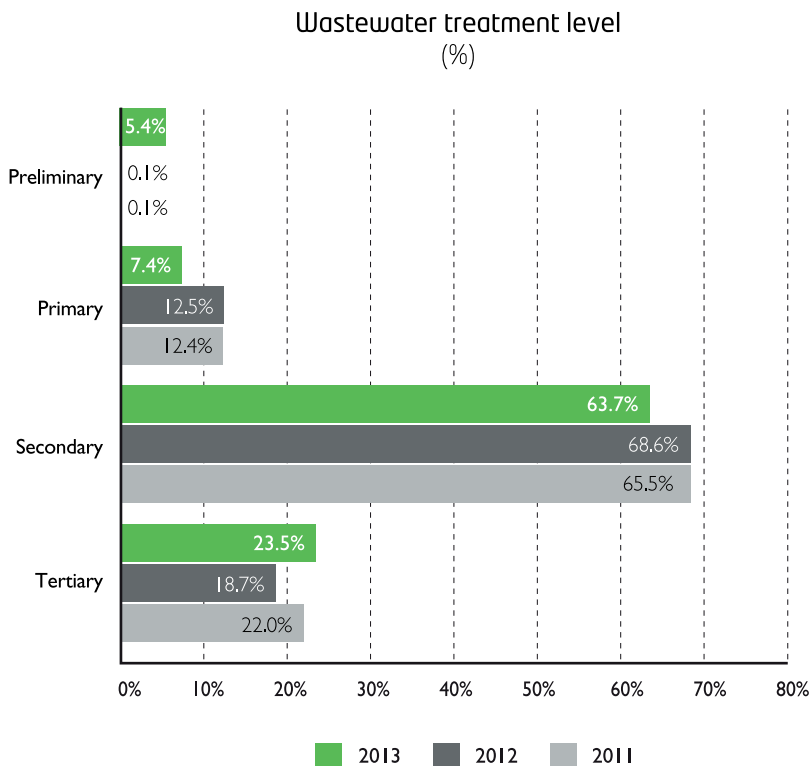
Wastewater treated and discharged (Mm³)



In 2013, Portugal had 298 blue flags,
18 in rivers and 17 in marinas and recreational ports



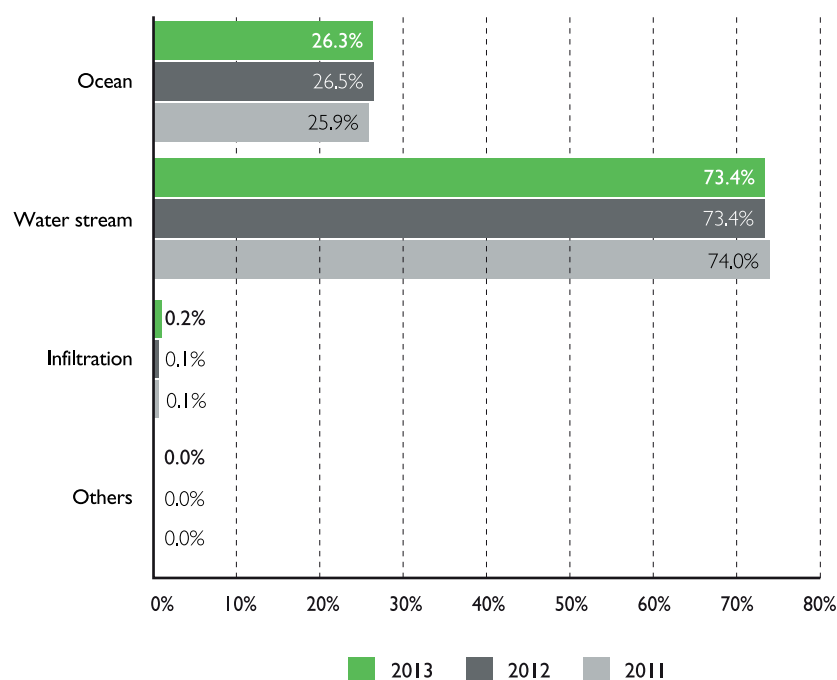
The uses of water from the discharge areas are a determining factor in the selection of the treatment type to be applied to the wastewater. In the treatment facilities of the AdP Group there are various types of treatment, secondary treatment being the predominant type. In 2013 the final disinfection of the effluent corresponded to 26% of the total treated, 3% less than in 2012. The marginal decline is due to the decline in water consumption in urban areas covered by disinfection treatments. A portion of the disinfected water is re-used for several purposes, both internal uses (irrigation, cleaning floors and equipment, etc.) and for external institutions.



Preliminary treatment increased in comparison to 2012 due to one of the Group's WWTP having executed solely preliminary treatments from January to April because of an intervention. This situation was duly coordinated with the relevant authorities.

26%
Disinfected effluent

Location of discharge of the treated wastewater
(%)



Similarly to previous years, it may be observed that the water stream is the preferred discharge area for treated wastewater (73.4% of the effluent) given its proximity to the treatment facilities, followed by offshore marine outfalls (26.3%).

73.4%
Treated wastewater discharged
into the water stream

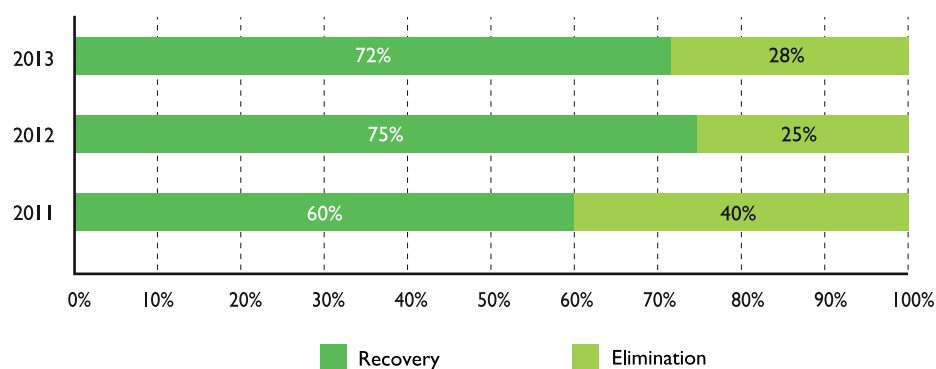


Waste from the Water Supply and Wastewater Sanitation Processes

For the selection of technology in water and wastewater treatment and transportation processes, the AdP Group takes into account the minimisation of waste production. However, since it is not possible to completely avoid waste, recovery solutions are prioritised instead of disposal ones, given that some wastes present a large potential and can be considered by-products and used in other activities.

In treatment processes for water supply, small amounts of sand and grit and larger amounts of sludge are produced. In 2013, 13,971 tons of process waste were produced. 13,953 tons of sludge were dispatched to final destination and recovery, 72% being recovered mainly in the cement industry and a small portion in the ceramic industry (bricks).

Recovery and final destination of water supply sludges (%)



72%
Of the sludge produced
in the water supply treatment
was recovered

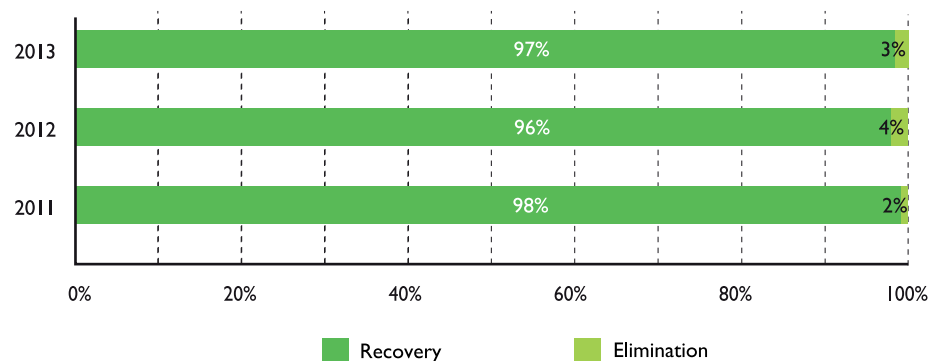
Since the restructuring of sludge management at EPAL in 2011, the recovery and disposal levels have been maintained with small variations between 2012 and 2013.

In wastewater treatments grit, sand, fat and sludge are produced. In 2013, 342,656 tons of process waste was produced.

	Unit: tons		
	2011	2012	2013
Grit	9,025	8,654	7,920
Sand	13,765	9,791	11,108
Fat	3,585	2,837	2,124
Sludge	297,807	328,692	317,699
Others	-	1,983	3,806
Total	324,182	351,957	342,656

The seeming inconsistency between the increase of treated flow between 2012 and 2013 and the decline of sludge production is due to the entry into operation of a WWTP in Águas do Centro Alentejo without the respective production and dispatch of sludge for treatment.

Recovery and final destination of wastewater treatment sludges (%)



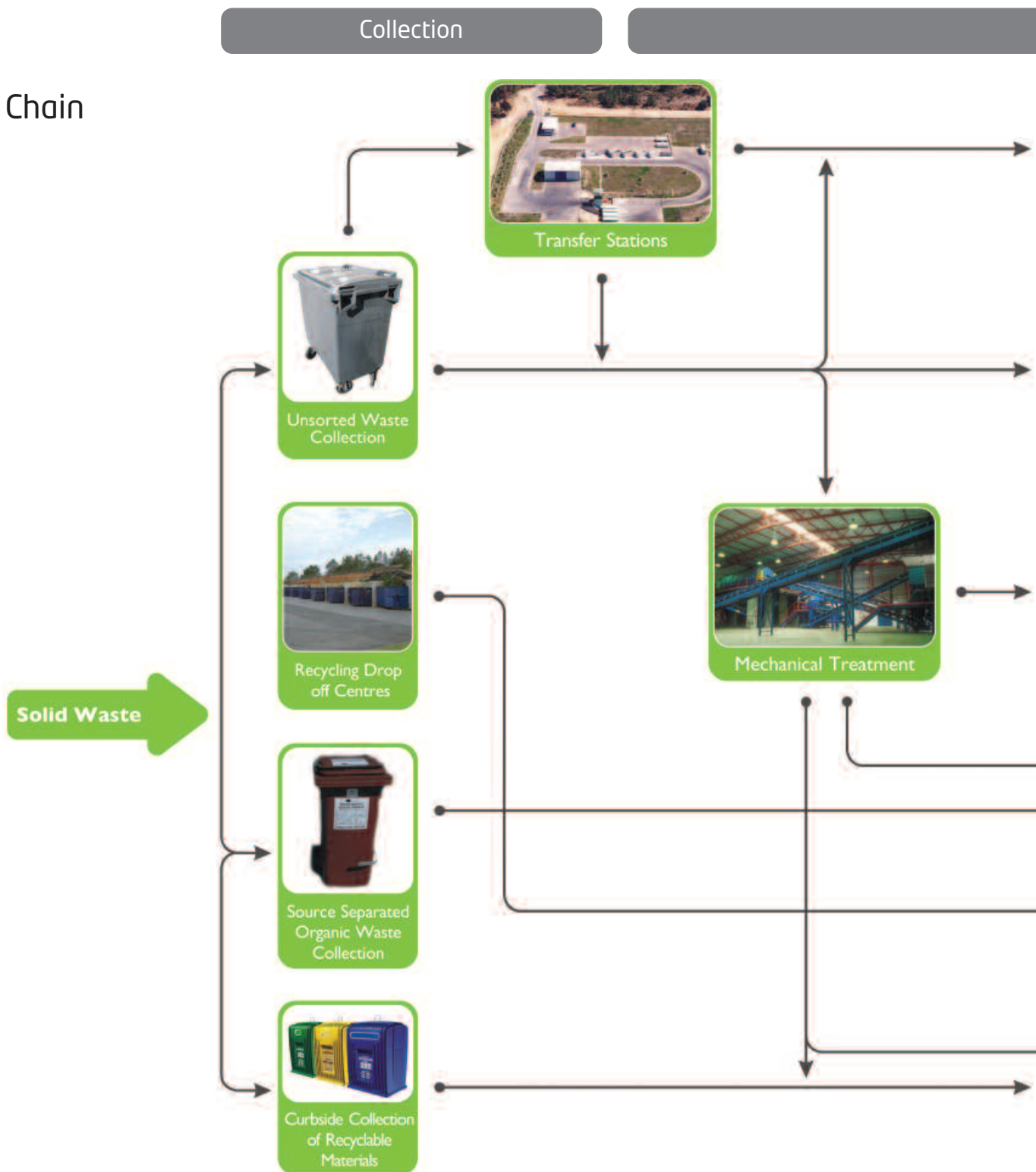
Since the recovery of produced waste is one of the biggest concerns of the AdP Group, a high degree of consistency can be observed in the presented figures, with marginal annual variations. Of the 317,699 tons of produced sludge, 97% was recovered as agricultural compost. This recovery constitutes one of the major focuses of the AdP Group in terms of final destination of waste produced in wastewater treatment processes.

Solid Waste Management

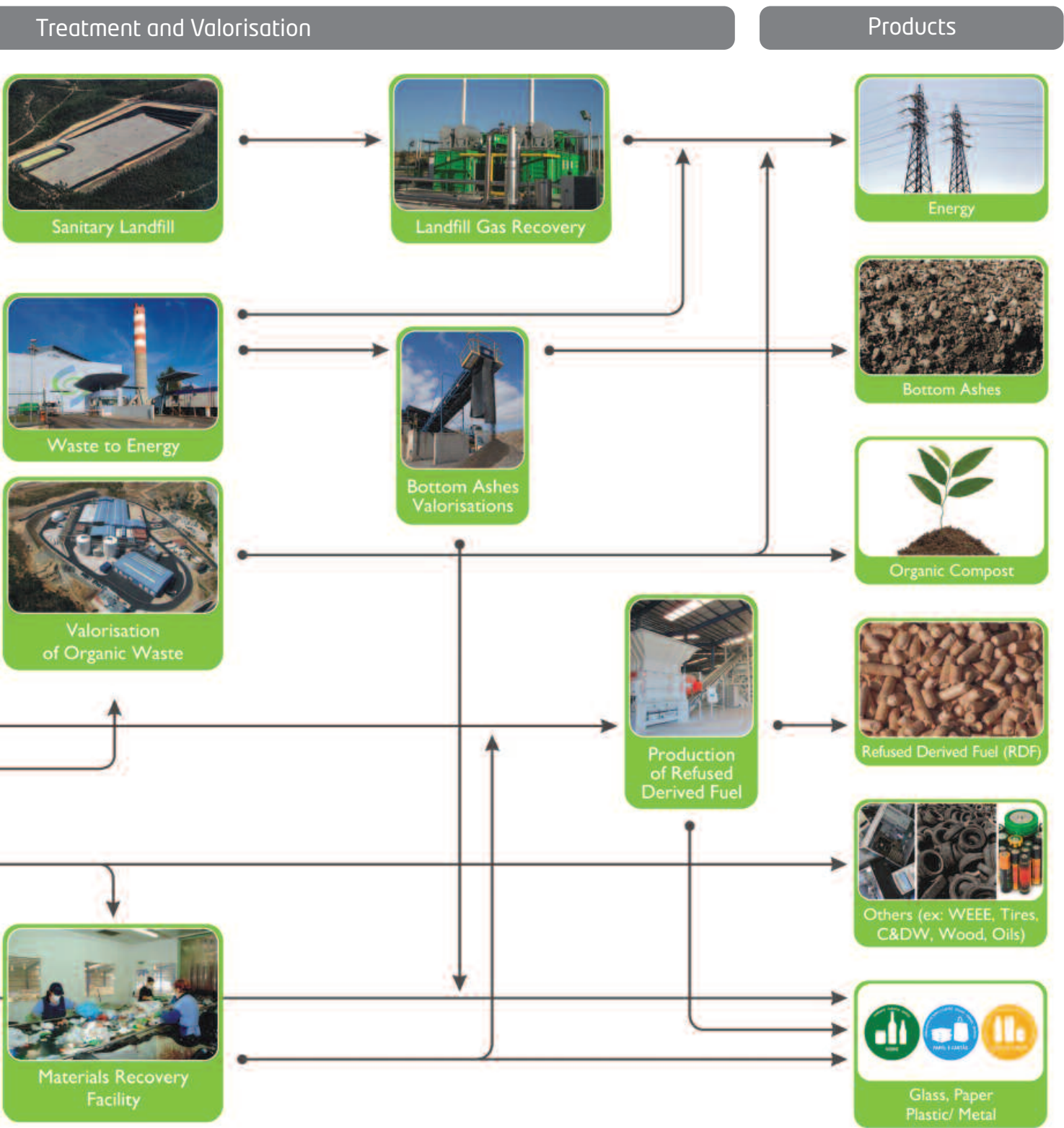
The AdP Group, through the subsidiary Empresa Geral do Fomento (EGF), is responsible for the integrated and sustainable management of urban waste produced by approximately 60% of the population of Portugal.

The activities of collection, transportation, storage, sorting and disposal of the produced waste are ensured by the 11 subsidiaries of EGF, whose integrated urban waste management systems have been undergoing progressive adaptation processes resulting from the EU requirements and strategic successes.

Value Chain

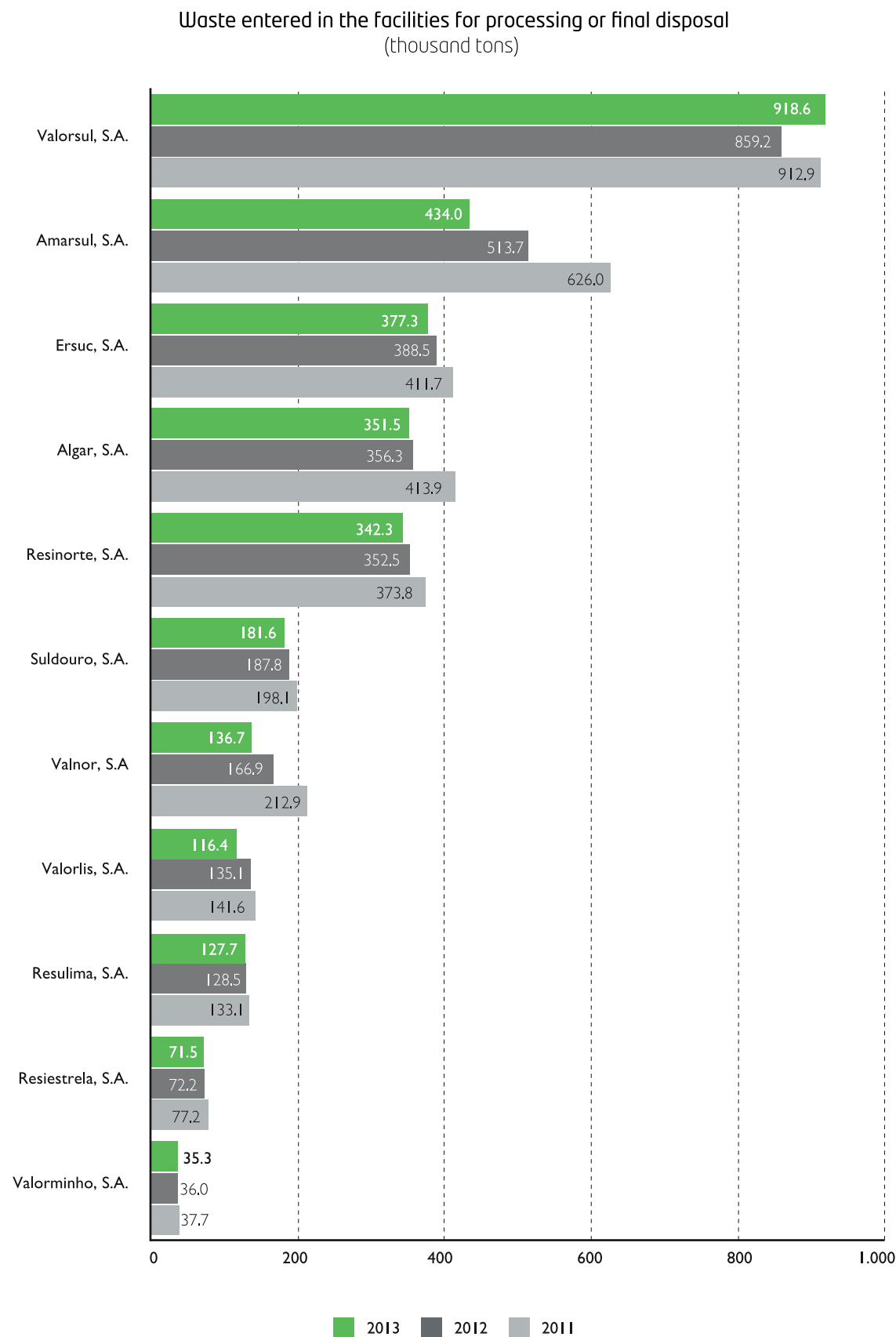


After an initial period in which the priority in waste management was its eradication in garbage dumps by means of controlled disposal of waste in sanitary landfills, currently the main challenges are the reduction of biodegradable waste disposal in landfills and an increase in selective collection of material. Thus, the paradigm has shifted and nowadays technological solutions promote the preservation of natural resources, safeguarding the environment. dos recursos naturais, salvaguardando o ambiente.



In 2013, 3.1 million tons of waste entered the AdP Group's waste management companies (this represents a reduction of around 1% in comparison to 2012). The observed reduction can be explained by the decline in consumption resulting not only from the economic situation of the country, but also from the actions to raise awareness for the prevention of waste production, carried out by the multi-municipal systems of the EGF.

3.1 million tons
Waste entered the
multi-municipal systems of EGF



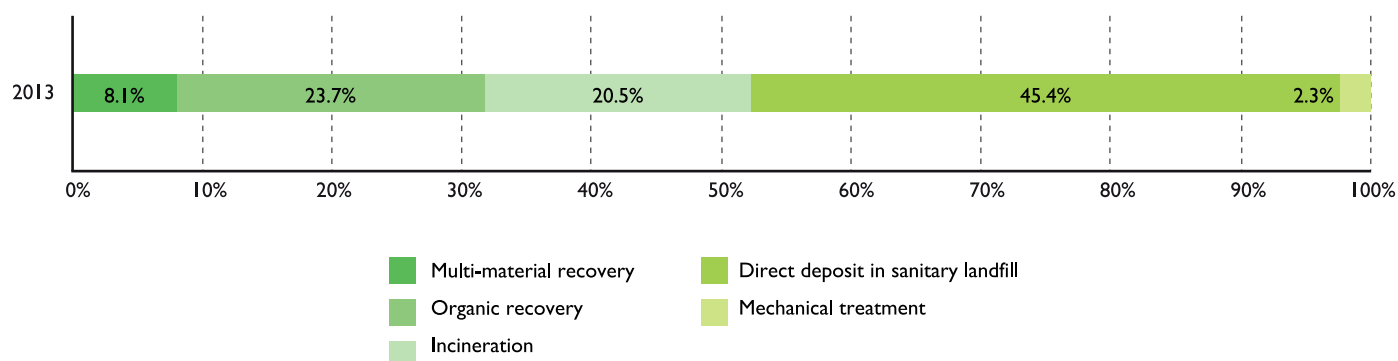
EGF has a **structuring, catalysing and innovating** role in the solid waste treatment and recovery sector.

The AdP Group currently possesses facilities for organic waste recovery, multi-material recovery, energy recovery and mechanical treatments that contribute to the diversion of biodegradable and recyclable materials away from landfills, thus allowing technical processing of urban waste.

In 2013 there was a significant increase in the quantity of waste treated by organic recovery, a significant reduction of waste treated by multi-material recovery, a substantial increase of waste treated by incineration and by mechanical treatment and a reduction of technical processing (in absolute figures). The received waste was processed as follows:

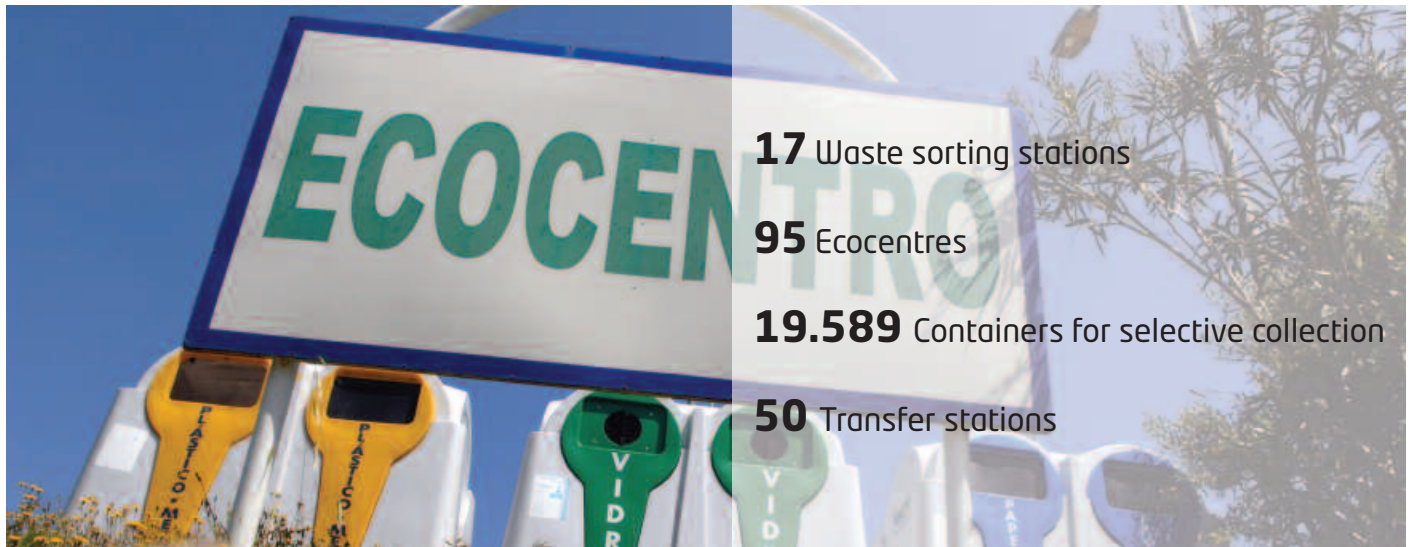
Waste treated by processing units and final destination	Multi-material recovery	Organic recovery	Incineration	Direct deposit in landfills	Mechanical treatment	Total
2013	245,081	720,326	622,706	1,378,320	69,073	3,035,506 ⁶
2012	320,229	465,723	410,660	1,786,433	13,268	2,996,313

Waste treated by processing and final destination units types (%)



⁶ The value doesn't consider internal waste recovery.

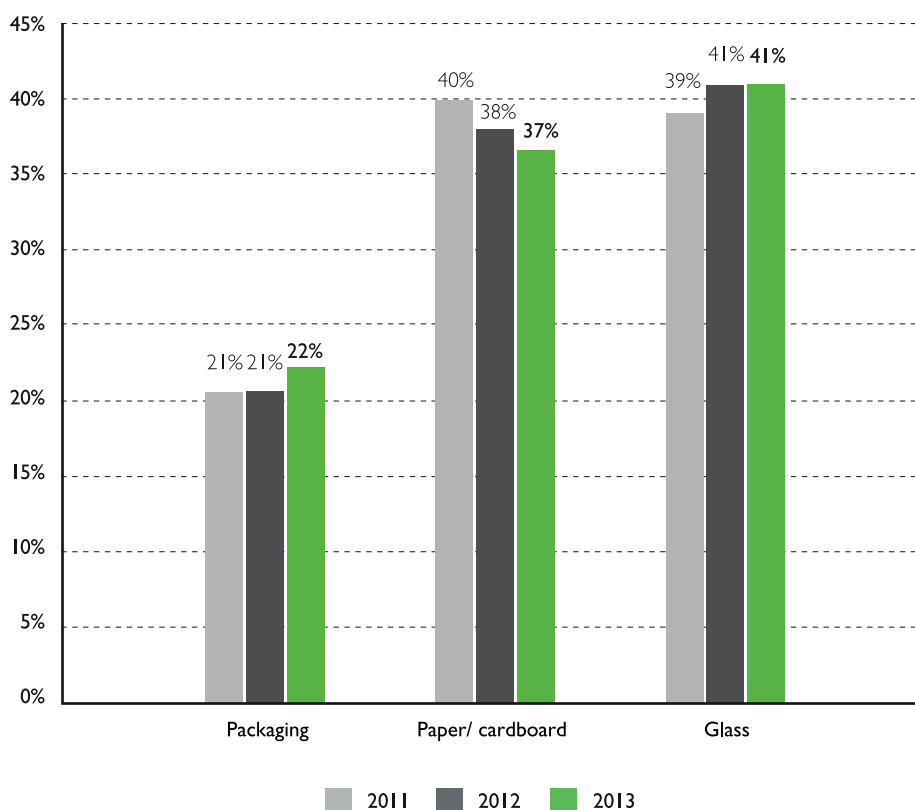
Since not all materials can be recycled, we use **state of the art technology** in their treatment with an environmental guarantee.



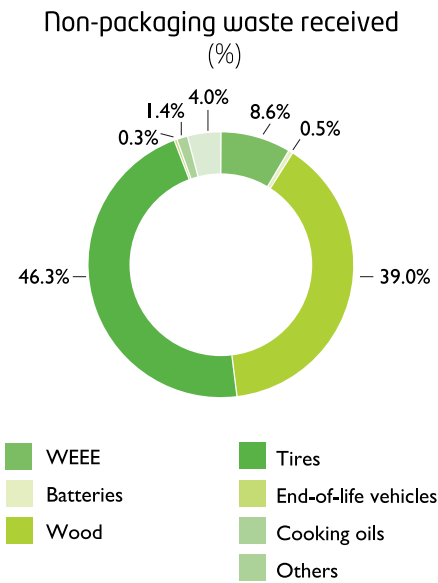
In 2013, 245.1 thousand tons of packaging and non-packaging waste were received for multi-material recovery.

Of this figure, 233.3 thousand tonnes came from packaging resulting from selective collection that was sent for sorting. Paper/cardboard and glass were the materials with the highest degree of selective collection in 2013. The market took back almost 100% of this material from the recycling companies. In plastic and metallic packaging, the retake percentage was 86%.

Selectively collected waste (%)



Wood and tires constituted the largest portion of non-packaging waste received in the facilities.



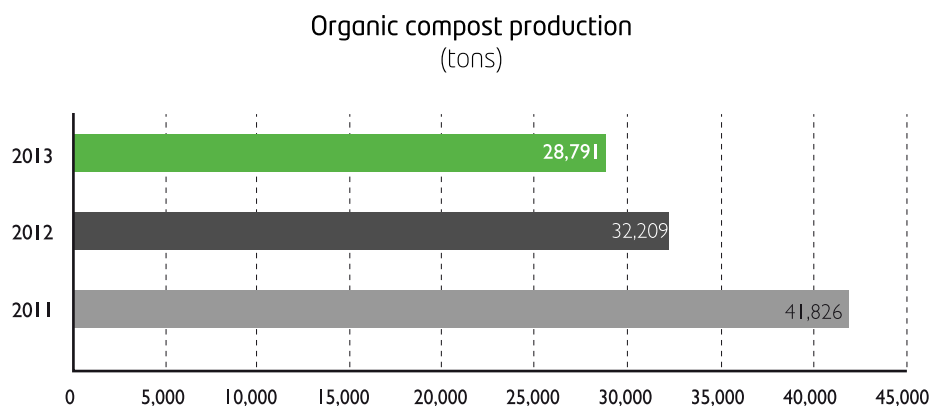
As a result of the country's current situation, Construction and Demolition Waste (C&DW) reached approximately 12.7 tons, an amount substantially below the one registered in 2012. This is recovered as construction material in the sanitary landfills, used as casing material and in the construction of access roads.



In 2013, approximately 720.3 thousand tons of waste were dispatched to organic recovery plants, thus registering an increase of around 35% over the previous year. This increase mirrors the Group's investment (Waste business unit, EGF) in organic recovery, as installed units of organic recovery reached cruising speed.

We invest in maximising the recovery
of waste as a resource.

The compost resulting from the organic recovery of biodegradable waste can be used as organic soil corrective⁷. In 2013, we produced 28.8 thousand tons of organic compost. This amount is lower than the amount produced in 2012 by around 3.4 thousand tons and reflects a sustained reduction of compost production since 2011. This is due to a break in waste reception by Valnor and to the requalification of the mechanical treatment at Resinorte, which led to only 30% of the received waste being subjected to organic recovery and resulted in a decrease in the production of compost. Both these companies represent the largest compost producers of the Group.



1 Waste to Energy Plant

622.7 thousand tons Waste dispatched for energy recovery

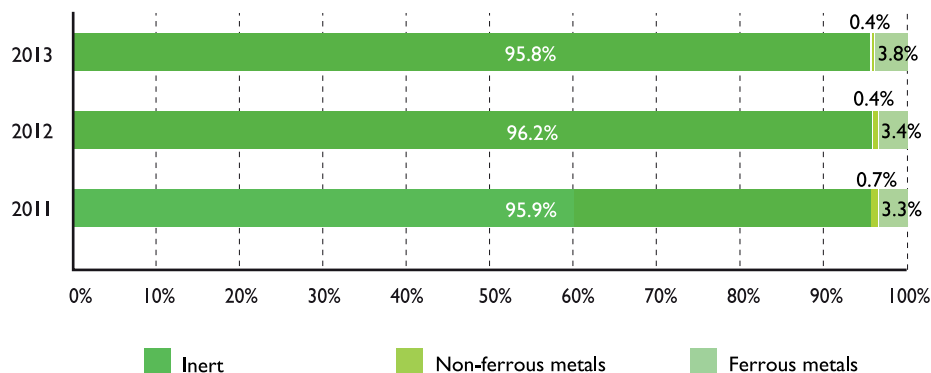


In 2013, 622.7 thousand tons of waste was dispatched for energy recovery, thus representing an increase of 34% in relation to 2012. This increment is due to an increase in the amount of waste received from an external institution (Tratolixo).

51.1 thousand tons of ashes and 128.3 thousand tons of bottom ashes were produced in the process of burning the mentioned waste. Ferrous and non-ferrous metals, 5.4 thousand tons in 2013, were separated via mechanical processes and sent for recycling. The remaining portion of bottom ashes was subjected to a maturation process in order to allow its use in the daily coverage of waste deposited in landfills. The inert fly ash is deposited in landfills.

⁷ The graph shows figures for the amounts of compost that left the facilities in 2013.

Bottom ashes composition
(%)



26 Sanitary landfills (21 in operation and 5 closed)

1.4 million tons Waste dispatched for sanitary landfills



Currently, the AdP Group has 21 landfills in operation and 5 which are closed, all of them equipped with environmental protection systems. 1.4 million tons of waste were received in sanitary landfills, 0.4 million tons less than in 2012. To this value should be added the materials rejected by eco-centres, sorting, organic recovery, incineration, mechanical treatment, refuse-derived fuel (RDF) preparation units and construction and demolition waste, adding up to a total of 473.5 thousand tons.

This decrease results from the waste management strategy at EGF, which is to recover rather than discard.

The closed installations continue to be monitored using various environmental indicators (namely leachate, groundwater and biogas), enabling control of the environmental impact and ensuring the protection of the environment. Additionally, treatment of the biogas and leachate produced is promoted.

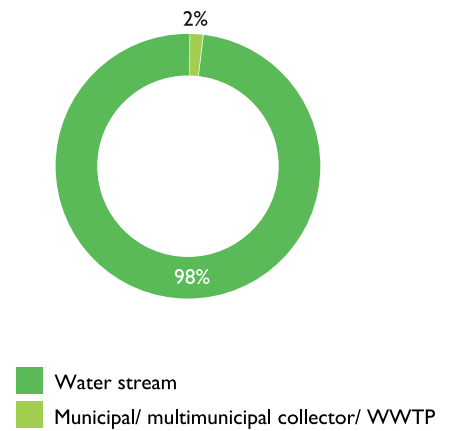


Leachate, a by-product resulting from the degradation of waste, is the most important in terms of control and, simultaneously, the most demanding one in terms of treatment.

In 2013, about 1.2 million m³ of leachate was produced (this amount contains a small amount of wastewater produced in the facilities).

The liquid effluents resulting from the processes of organic recovery and engineered waste confinement are treated or pre-treated within the waste treatment facilities, depending on their destination: water streams or the municipal/multi-municipal collectors or a WWTP.

Leachate discharge location (%)



5 Mechanical Treatment Units

69 thousand tons Waste dispatched for mechanical treatment

2 Refused Derived Fuel (RDF) production facilities



Mechanical Treatment Unit, Palmela

In 2013, 69 thousand tons of waste was dispatched for mechanical treatment. This treatment technology enables the recovery of materials from urban waste, particularly plastics. The inorganic portion resulting from the mechanical treatment, given its high temperature combustion level, can be used for the production of a type of fuel called Refused Derived Fuel (RDF), commonly used in industry as secondary fuel.

In addition to the waste dispatched for RDF produced by Amarsul, RDF is also produced in Valnor, by the company's mechanical and biological treatment units. As a result, 21.2 tons of RDF were produced in 2013, derived from 45.3 thousand tons of waste.

The operation of the renewable energy area aims to **maximise the energy utilisation** of the assets and of the endogenous resources, to **rationalise energy consumption** and to **reduce or offset GHG emissions**.



[P] Combating Climate Change

[C] We are committed to take advantage of the energy potential of the facilities, to mobilize the use of waste and its sub-products as sources of renewable energy and to improve energy efficiency while reducing/offsetting emissions.

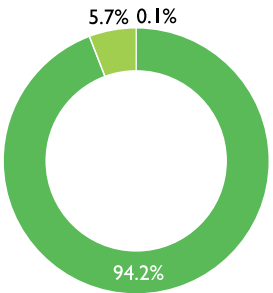
The AdP Group consumes energy in the form of electricity and fuel. The promotion of energy efficiency and of the advantages of renewable energy and the resulting reduction of GHG emissions are the main challenges the Group has taken on in order to combat climate change. One of the paths towards accomplishing this is through the maximisation of facilities' assets and the endogenous resources.

Electrical Energy

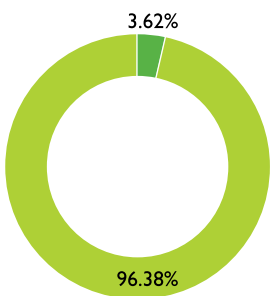
701,055 MW/h of electrical energy was consumed in 2013. Currently there are 68 intensive energy consuming facilities in the operating companies, 85% of which belong to the water supply and wastewater sanitation sectors. In these sectors electricity consumption is higher due to the need for pumping water and wastewater.

The use of endogenous resources and assets, allows the production of alternative energy, helping to decentralize electricity and fuel production, while using non-fossil sources of energy. The waste management companies are the ones that contribute most to the production of energy from renewable sources.

Electricity consumption (%)



Electricity production (%)



- Water supply and wastewater sanitation
- Waste treatment
- Holding and Instrumental Companies

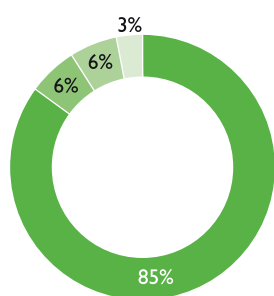
In 2013, dependence on external energy was only 18%. **Around 82%** of the total energy consumed was produced.

Biogas simultaneously allows a significant **reduction in GHG emissions** through the production of **green energy** rather than using fossil fuels and through the elimination of methane gas.

With the commissioning of new combined cycle equipment, the production of electricity from biogas grew in comparison to 2012, with the creation of 203,818 MWh/year. In 2013, 116 million m³ of biogas were processed, 1.9 million m³ less than in 2012, creating, by combined cycle, electrical energy that was mostly sold to the national electric network or, in a small percentage, directly used in the thermal energy facilities. A portion of the biogas, that cannot be used for technical reasons, is flared. The electrical energy is produced in the wastewater sanitation and waste management companies (in the anaerobic processes in sanitary landfills, in the digesters of the organic fraction of urban waste and in the sludge digesters from the wastewater treatment) through processes of combined cycle using biogas as fuel.

	2012	2013
Biogas for the production of electricity sold to the national electric network (m ³)	93,714,190	98,794,741
Biogas for the production of electricity consumed in the company's facilities (m ³)	6,826,032	7,032,441
Biogas for the production of thermal energy (m ³)	9,830,656	6,658,161
Biogas burnt in flaring (burner) (m ³)	7,728,797	3,711,935

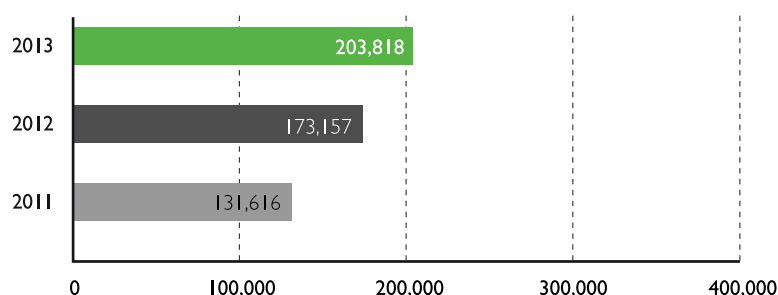
Use of biogas
(m³/year)



- Biogas for the production of electricity sold to the national electric network
- Biogas for the production of electricity consumed in the company's facilities
- Biogas for the production of thermal energy
- Biogas burnt in flaring (burner)

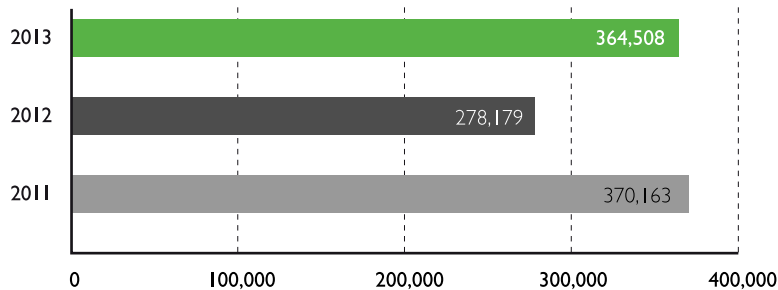


Electric energy produced from biogas
(MWh/year)



The production of electrical energy at the Waste to Energy Plant ofValorsul currently represents the largest portion of energy produced from endogenous sources. In 2013, 364,508 MWh/year were produced, a substantial increase since 2012 and similar to the amounts produced in 2011. This difference is due to the fact that in 2012 there were some technical issues at the plant.

Electric energy produced through energy recovery at incineration plants
(MWh/year)



The production of energy from urban waste either by incineration or by the use of biogas from landfills and organic recovery facilities, has greatly contributed to the economic sustainability of companies and to reducing the country's energy dependence.



Waste to Energy Plant, S. João da Talha



Negreiros Storage facility, Barcelos

In 2013, there are solar (PV) panels installed in 68% of the Group's companies, in around 389 facilities. 78% of the Group's companies have solar panels for water heating.

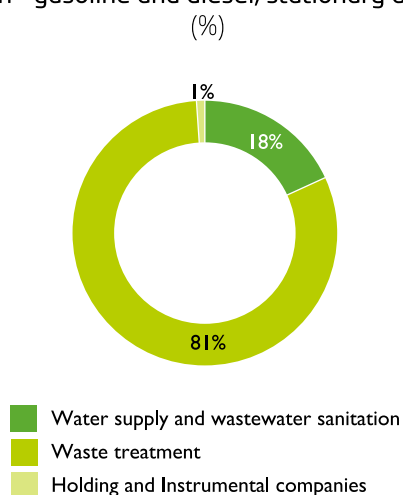
	2012	2013
Electrical energy produced by mini and micro (PV) solar panels MWh/year	2,360	2,534
Electrical energy produced by hydro peaks and micro hydro plants MWh/year	4	6
Electrical energy produced by wind power MWh/year	0	0
Electrical energy produced by the Organic Rankine Cycle MWh/year	1,913	1,970

Fuels

Fuel consumption – gasoline and diesel – in the Group's companies is caused mainly by the service vehicle fleet consumption (including the vehicles of waste collection and transportation) and, to a lesser extent, by the equipment used in the facilities. In the waste sector, fuel consumption is higher due to waste collection and transportation. The companies also consume other types of fuels, such as Liquefied Petroleum Gas (LPG), natural gas and propane.

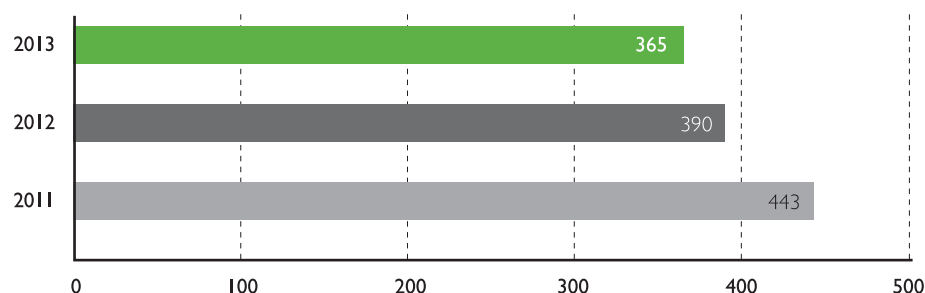
	2012	2013
Gasoline consumption - mobile sources (m ³)	92	73
Diesel consumption - mobile sources (m ³)	11,873	11,710
Gasoline consumption - stationary sources (m ³)	4	4
Diesel consumption - stationary sources (m ³)	164	167
Propane (kg)	14,373	34,055
LPG (m ³)	8,974	10,257
Natural gas (thousand m ³)	2,161	4,310

Fuels consumption - gasoline and diesel, stationary and mobile sources



The replacement of fossil fuels by more environmentally friendly fuels, particularly those produced from waste (used cooking oils – UCO), have been a standard at Valnor. In 2013 the company produced approximately 92,000 litres of pure biodiesel from UCO, equivalent to 365,000 litres of blend fuel (30% biodiesel/ 70% diesel). This was used in the vehicle fleet, allowing a reduction in GHG through the use of green energy.

Biodiesel consumption (m³)



The lower consumption observed as well as the constant reduction since 2011 is essentially due to the companies' increased attention to route management, to the fill percentage of the containers for selective collection and to the knowledge of its historical data as well as to the management of travel abroad.

The **organic recovery of waste** allows a reduction of GHG emissions and promotes the production of electricity from endogenous sources.

Greenhouse Gas (GHG) Emissions and Other Emissions

GHG emissions

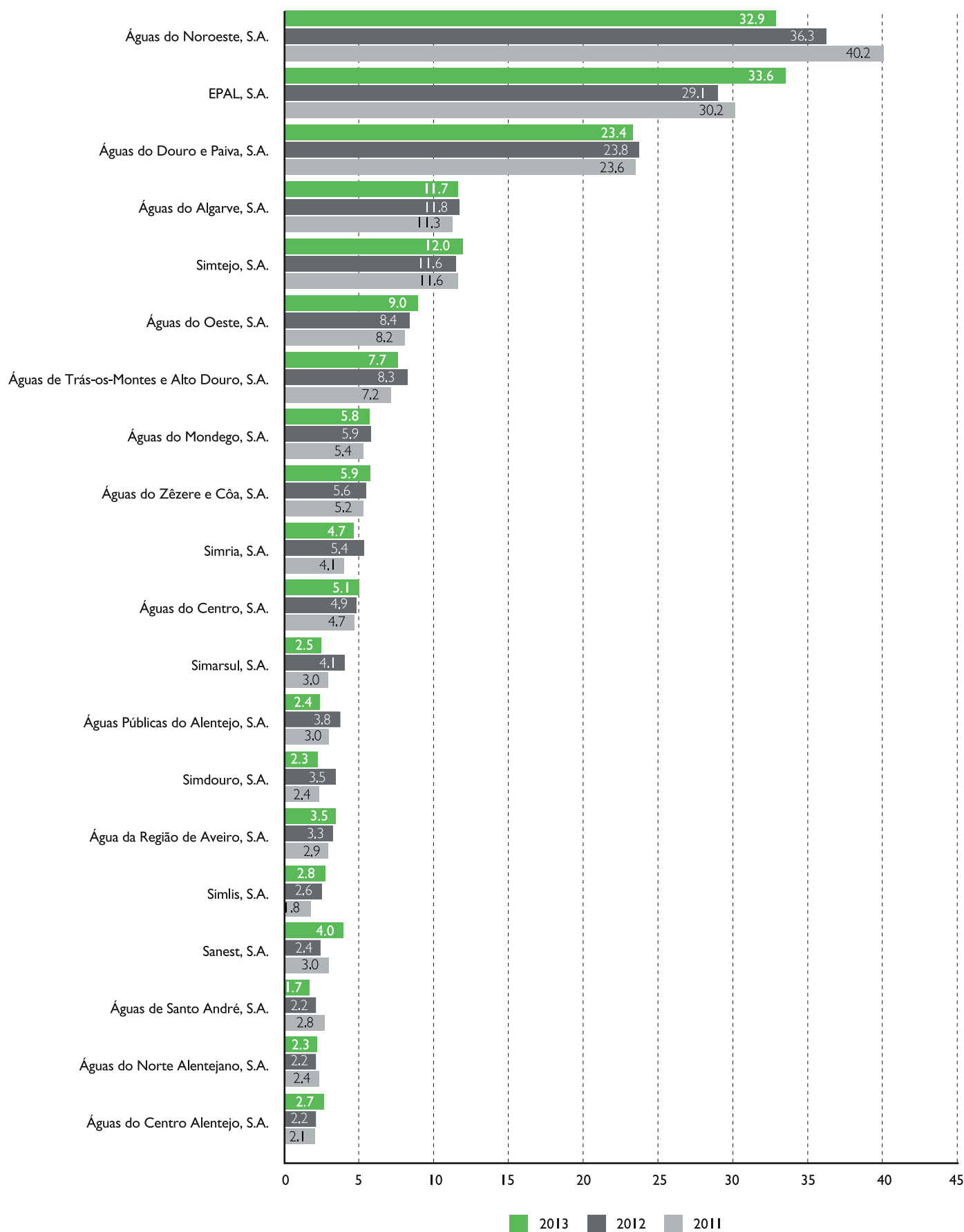
In 2013, the companies emitted approximately 219.5 thousand tons of CO₂. 80.22% of the value presented corresponded to the sector of water supply and wastewater sanitation.



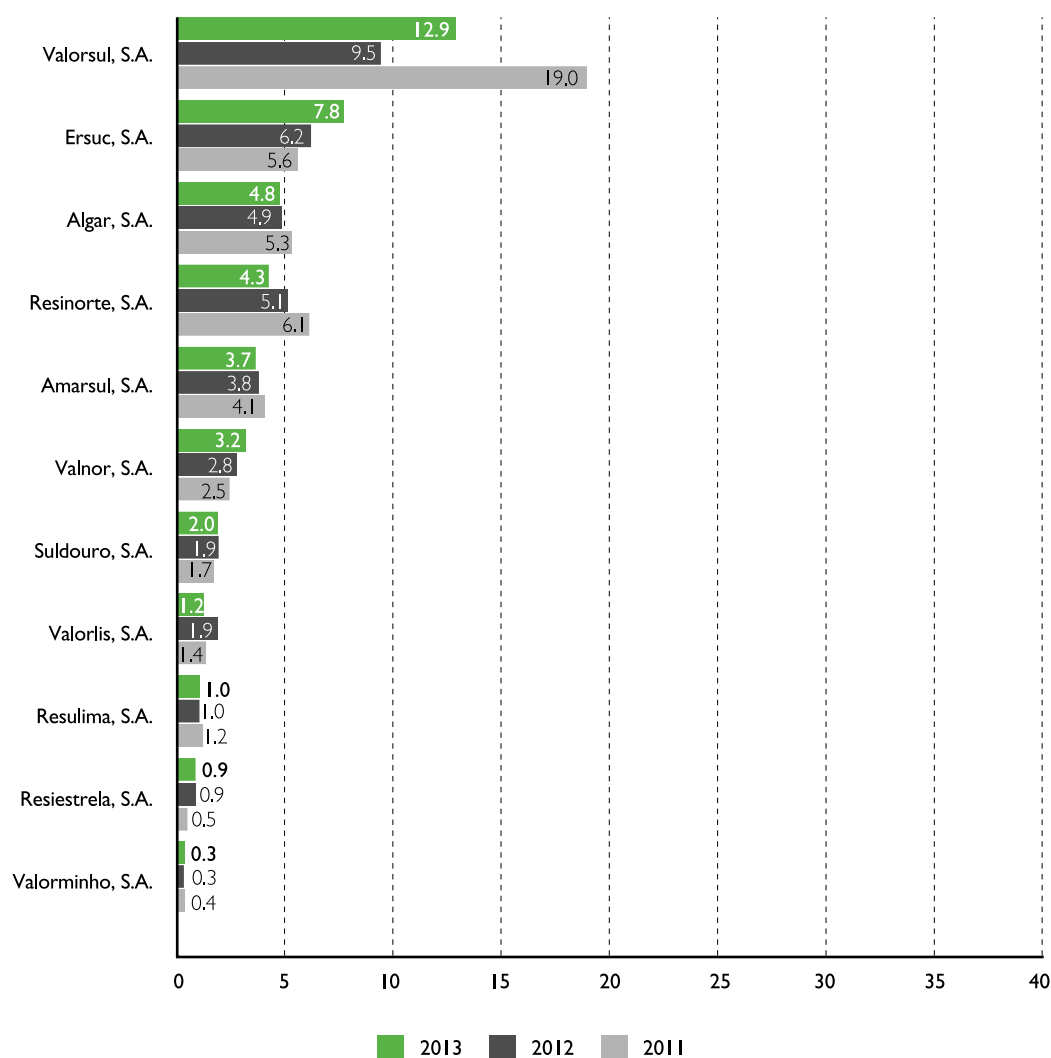
Faro Noroeste WWTP, Faro



GHG emission by water supply and wastewater sanitation company
(thousands of tons of CO₂)



GHG emission by waste management company
(thousands of tons of CO₂)



To the aforementioned CO₂ emissions should be added the uncounted emissions associated with water and waste treatment (non-point emissions), with the execution of contracted jobs, with support activities and operation of the facilities – such as transportation of produced waste and reactants, waste transportation by external recycling companies, maintenance activities, among others – transportation of goods and services as well as the trips of employees in their own vehicles and in public transportation, namely home-work/ work-home.

Since it is impossible to eliminate all GHG emissions, various emission offsetting projects have been developed by the Group's subsidiaries.



Reforestation in the surrounding areas of the Reservoir of the Castelo de Bode Dam EPAL

To commemorate Native Forests Day, celebrated on 23rd November, EPAL and Quercus promoted a reforestation activity in the areas surrounding the Reservoir of the Castelo do Bode Dam.

This initiative aimed at contributing to the restoration of areas devastated by summer fires with the plantation of 625 autochthonous trees and shrubs, namely Portuguese oak (*Quercus faginea*), common hawthorn (*Crataegus monogyna*), Montpellier maple (*Acer monspessulanum*) and honeysuckle (*Lonicera implexa*).

Involving the presence of EPAL and Quercus employees, the event took place within the frame of a partnership established between both institutions that aims to promote water quality protection of the Castelo do Bode Reservoir, which is the country's most important strategic reservoir and EPAL's main area of water abstraction.

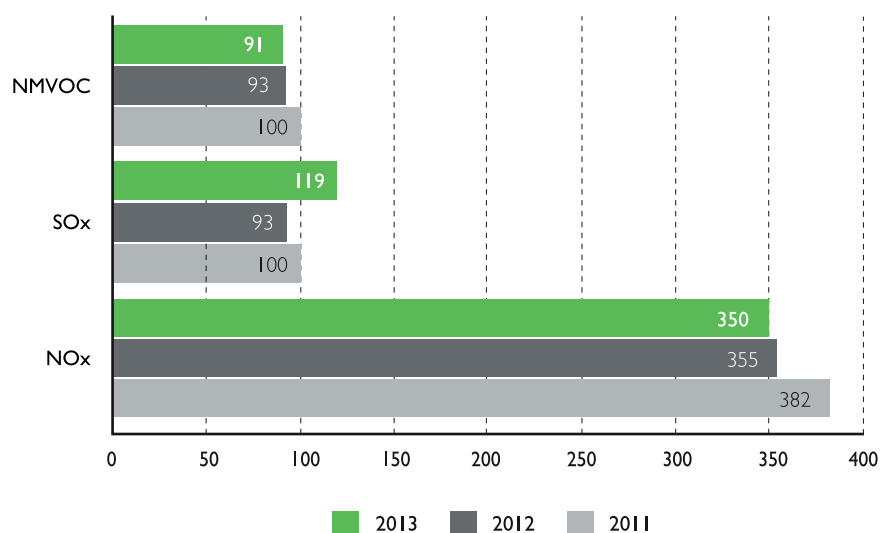
With this initiative EPAL aims to help reduce its carbon footprint by investing in the restoration of the natural biological balance of the native forest and in the sustainability of the ecosystems surrounding the Castelo do Bode reservoir.



NOx, SOx and NMVOC

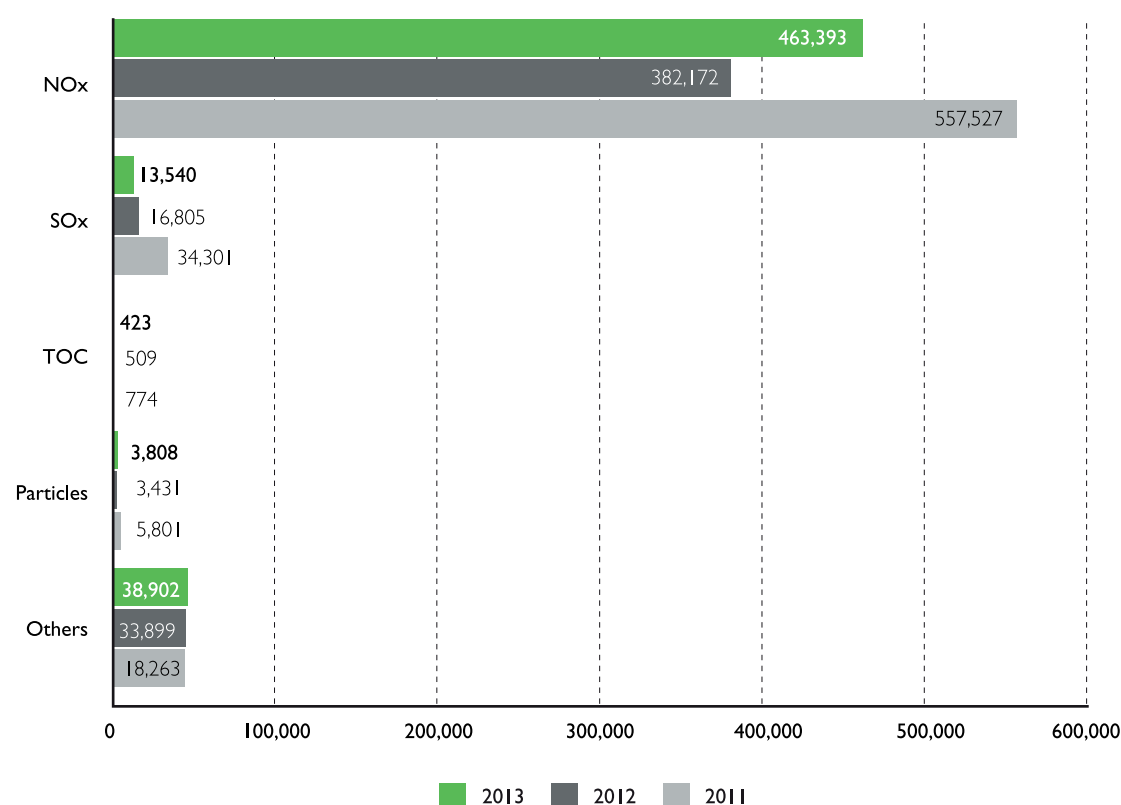
The companies of the AdP Group emit NOx, SOx and NMVOC associated with the consumption of gasoline and diesel from the service vehicle fleet.

Emissions of other pollutants - mobile sources
(tons)



Emissions from combined cycle systems and from biogas burning are monitored at intervals, according to the licenses and according to the judgement of the competent institutions, with very low figures observed. The emissions from waste incineration processes are continuously monitored.

Emissions of other pollutants - stationary sources
(kg)





[P] Nature and Biodiversity Protection

[C] We are committed to promote the betterment of the environment, to value the landscape and to protect biodiversity.

Environment improvement, landscape appreciation and contribution to the protection of biodiversity

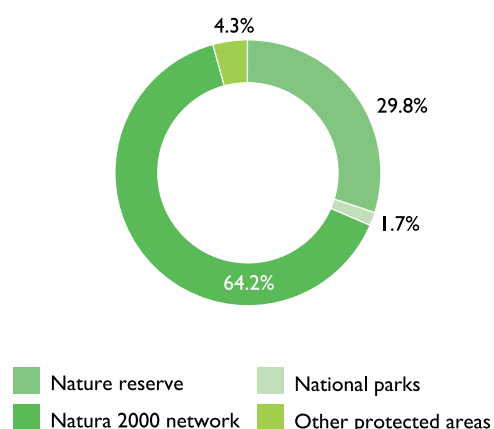
The development of the Group's activities, namely through the controlled abstraction from streams for water supply, the discharge of treated wastewater and the appropriate treatment of waste, will allow the soil, the phreatic zones and the aquatic environment to retain adequate characteristics for the development of biodiversity and ecosystems.



In 2013, the size of the protected area occupied by the Group was 386 ha. The 307 ha increase, in comparison to 2012, is due to Águas de Trás-os-Montes e Alto Douro, and the construction of the Alto Sabor water supply system as well as the Veiguiñas dam, in National Parks and Natura 2000 Network, respectively.

The location of infrastructures in these areas (namely in the water supply and wastewater sanitation sector; due to its proximity to the water streams) is one of the sensitive aspects identified, controlled and minimised by the Group.

Occupation of protected areas (%)



There are currently in force in the Group 22 Environmental Impact Assessment. In infrastructures covered by the legal regime of environmental impact assessment, due to their location or dimension, studies are carried out to ensure the protection of the environment through the application of monitoring and impact minimisation measures, throughout the life cycle of facilities.

For infrastructures of smaller dimensions and/or located in non-protected areas, the Group a set of best practices, identifying the controllable and influential environmental aspects arising from its activity, and defines control measures to minimise impacts caused in relevant areas (air, water, soil, noise, among others), which follow a path of landscape appreciation and biodiversity safeguarding.



“Projeto Rios”

Águas do Oeste

Integrated into its Environmental Education Plan, Águas do Oeste continued in its areas of service with the implementation of the “Projeto Rios” (“Rivers Project”) in 2013. This project is one of the company's investments in the area of Environmental Education.

By accompanying about two dozen teams in the Western Region, 24 field trips took place in 2013 (2 per team), with more than three hundred participants monitoring the water balance in the streams of the Western and the Tagus river banks. The field trips had the support of Águas do Oeste, of the PATO Association, of the Centres of Environmental Education of Azambuja and Torres Vedras, both of whom were partners in this project.

Aside from accompanying field trips, 2013 was important for two activities on 5th June and 1st October.

The increase in the number of teams that Águas do Oeste accompanied in 2013 as regional coordinator of this project resulted in an increase in the number of monitored water streams in its areas of service and a nearer involvement of the population, with the consequent awareness of the importance of the preservation of water resources and opportunity to show the key role of the company in the environmental remediation of drainage basins.





Photo contest “ESPELHO D’ÁGUA - A nossa Região aos seus Olhos - Ria de Aveiro”⁸

Simria

Images are worth a lot more than a thousand words! Simria launched a photo contest “ESPELHO D’ÁGUA – A nossa Região aos seus Olhos – Ria de Aveiro”, on the 1st October 2013, National Water Day. The company decided to proceed with the search for images that would reflect the current well-being of the Ria de Aveiro ecosystem, which is largely due to the work it carries out daily.



Águas do Algarve and Faro City Hall together to “Limpar a Ria Formosa”⁹

Águas do Algarve

Águas do Algarve supported an initiative launched by the City Hall of Faro, entitled “Limpar a Ria Formosa”. This cleaning activity aimed to raise awareness among the population of the importance of preservation of the natural resources present in the Ria Formosa, by establishing cooperation between various institutions and through the involvement of all volunteers in the planned activities.

The event also included activities of environmental education of the blue flag programme in the council of Faro.



Amarsul Eco Photo

Amarsul

Amarsul Eco Photo is a photo contest launched by Amarsul, with the support of Casio Portugal. Its main goal is to launch new challenges of environmental awareness and to stimulate creativity through the art of photography among students of late primary and secondary schools of the area covered by the company.

The best photos are awarded in the categories of: Reduce, Reuse, Recycle, Recover and Open Subject. There is also an award for the best photo of the contest.



⁸ “WATER MIRROR - Our region through your eyes - Ria de Aveiro”

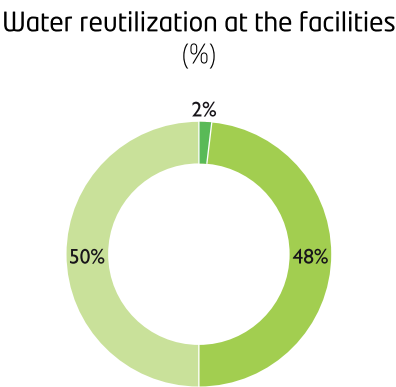
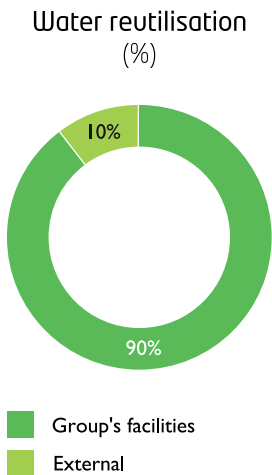
⁹ “Clean the Ria Formosa”

Best practices

In a context of eco-efficiency, there are **consumption savings best practices** in the Group, which span all activities. We minimise water, energy and material consumption by always using alternative reuse and recycling solutions.



Water



12 million m³ reused water





Best practices of Saving, Recycling and Reusing Water

- Consumption reduction in buildings and operating facilities:
 - Installation of flow regulator systems on taps and hoses
 - Acquisition of taps with timers
 - Water capacity reduction in the flush water tanks and installation of dual flush toilets
 - Choice of exterior improvements that don't require watering for the facilities (e.g.: covering with pine bark)
 - Installation of rain sensors in landscaped areas
 - Preventive maintenance of water equipment
- Reuse of treated wastewater, of supply process water and of rainwater
- Use of water from company wells

Uses of the treated wastewater:

- Floor cleaning at the facilities as well as equipment
- Irrigation of green spaces (private and public, including golf courses)
- Preparation of reactants
- Fly ash and bottom ashes extractors inertisation
- Irrigation of compost piles
- Unclogging of pumps
- Unloading of sanitary facilities
- Municipal uses, such as cleaning roads and containers
- Use in deodorisation
- Biogas purification
- Cooling of refrigeration systems





Electrical Energy



Best practices for Saving Electricity

- Installation of double glazed windows
- Placement of external shutters in administrative buildings and laboratories
- Self-closing devices on doors
- Reduction of external illumination
- Illumination through LED technology
- Modification of rates and cycles in order to reduce energy consumption
- Reduction of reactive power
- Consumption management, prioritising off peak periods of electricity use
- Preventive maintenance of equipment
- Installation of hot water storage units (with clocks)
- Acquisition of more efficient electric and electronic equipment
- Execution of energy audits
- Substitution of switches with motion detection cells for lighting, preferably photovoltaic cells
- Acquisition of adjustable speed drives (in electric pumps groups)
- Execution of drainage systems, preferably gravitational
- Frequent initiatives to raise awareness and to provide information of best practices
- Signs and signals in key spots of the buildings, alluding to saving electricity





Materials and Consumables



Best practices for Saving, Recycling and Reuse of Materials and Consumables

- Use of recycled paper
- Use of mechanical rather than wooden pencils
- Use of glass cups rather than plastic materials
- Use of rechargeable batteries
- Use of recyclable ink cartridges
- Use of biodegradable ink to print
- Set printers, by default, in economic mode, black and white, front and back and/or more than one page per sheet
- Installation of printers networks rather than individual printers
- Acquisition of multifunctional equipment with individual ink cartridges (one per colour)
- Shipment of empty ink cartridges and toners for refilling and reuse
- Use of electronic means or consultation points for disclosure of documents of general interest
- Distribution of monthly payslip per email, rather than paper
- Availability of documents in digital format in meetings
- Creation of electronic, rather than paper files
- Discouraging printing through a message in the email footer
- Implementation of document management systems of entry and exit of documents through software tools
- Internal reuse of office material (envelopes, document files, scratch paper for notes or printing).
- Training through e-learning
- Raising employee awareness of reducing consumables

Our management/purchase of goods is oriented towards:

- Saving raw materials, reducing the consumption of natural resources and limiting the ecological impact
- Saving energy
- Reducing the production of hazardous and poorly degradable waste, giving preference to biodegradable materials
- Reducing waste production (reusing materials and recycling them)



"EcoAtitude AdP" Campaign Águas de Portugal Group

The campaign "EcoAtitude AdP - Sensibilização para a Ecoeficiência" ("EcoAttitude AdP - Awareness for Eco-efficiency"), was launched at the end of 2012. In line with the sustainability strategy and the system of corporate responsibility, this campaign aimed to:

- Stimulate the environmental awareness of employees;
- Focus on actions that can be adopted on a daily basis for a more efficient use of energy and a reduction in electric energy consumption;
- Promote the efficient use of water and adequate waste management;
- Promote a better use of multifunctional printers and the reduction of paper usage;
- Promote ecodriving, with the resulting reduction in CO₂ emissions and fuel consumption;
- Reduce the costs associated with the above mentioned consumption – electricity, fuel, water, paper.

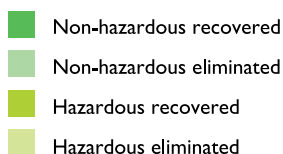
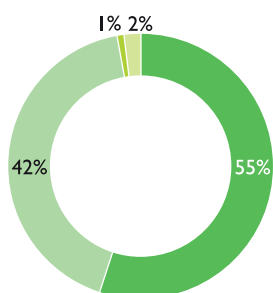
Following the success achieved, the campaign was adopted by other subsidiary companies.



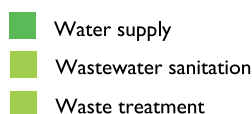
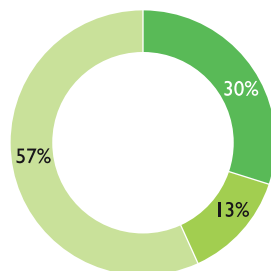
Produced waste

In 2013, 21,064¹⁰ tons of waste were produced in administrative and operational activities (including lab and maintenance).

Produced waste
(%)



Consumption of reactants
(%)



97%
of the produced waste
is classified as
non-hazardous

¹⁰ The reported amount takes into account the waste produced at the companies of the AdP Group and that left the facilities with waste tracking guides or at the waste management companies that treated their own waste (excluding waste resulting from treatment processes and waste produced by service providers). In 2011, only waste that left the facilities with waste tracking guides was taken into account.

Symbiosis with Stakeholders





Principles and commitments:

Ensure the economic sustainability of the Group and to create value for shareholders and other stakeholders:

We commit ourselves to:

- Promote the adoption of a management model able to create a leading business group in the environmental sector;
- Promote the credibility and transparency;
- Promote the technical, financial and economic efficiency of the Group;
- Promote economies of scale;
- Create new subsidiary and complementary areas of business.

We are committed to reorganising the water supply and wastewater sanitation sector, giving priority to the economic and financial sustainability of the operations in these domains and for improved efficiency in service delivery.

in Strategic Guidelines for the Term 2013-2014

2.2 Symbiosis with Stakeholders

The State and the municipalities have entrusted the AdP Group with a central role in the solution of national challenges in the environmental sphere. Thus, the Group's performance has greatly contributed, either directly or indirectly, to the economic growth of the country. This relationship has developed in an atmosphere of transparency and reliability.

The technical, economic and financial efficiency, the synergies of profits in economies of scale and the transparency of the management models are the main challenges which the AdP Group faces in answering to its stakeholders and interested parties. This technical, economic and financial rigour must always be reconciled with excellence in environmental performance.

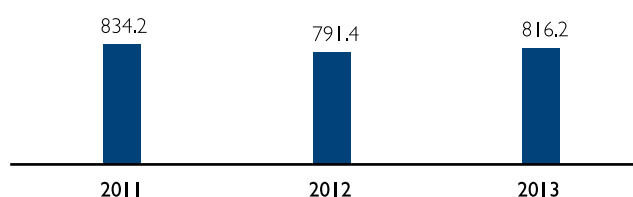
The answer of the Group to these challenges is clearly reflected in the evolution of the coverage rates of the integrated systems, whose operation and management are under its responsibility for the resolution of environmental liabilities as well as for the indicators of service quality.

During the year 2013, the Group focused on the pursuit of economic and financial sustainability through cost reduction, municipal debt regularisation and tariff challenges. In terms of investments and due to the economic situation, the Group has rescheduled them. Nonetheless, the limit to the reductions is set to guarantee the legal and contractual obligations, including quality and reliability of the provision of essential public service to the population

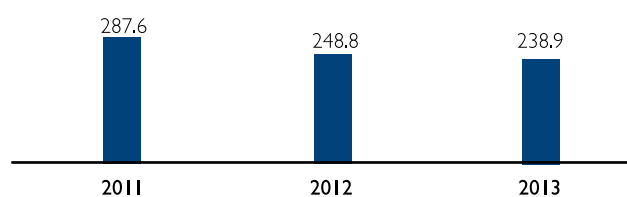
Despite difficulties in 2013, the consolidated liquid results of the AdP Group amounted to approximately 104.7 million euros, representing an increase of 10.9 million euros in relation to the financial year 2012. Thus, the Group continues to respond to its stakeholders and interested parties.

The AdP Group, as an active actor in society and the environment, is committed to the appropriate management of its resources in order to promote more efficient operation that will guarantee a the high quality of the service delivered at better rates for the community.

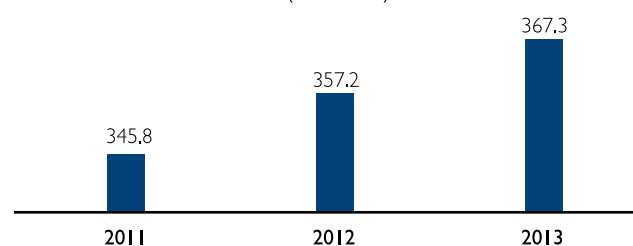
Turnover
(€ million)



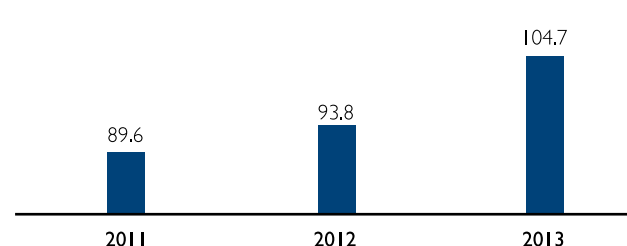
Operating Income
(€ million)



EBITDA
(€ million)



Net income for the year
(€ million)



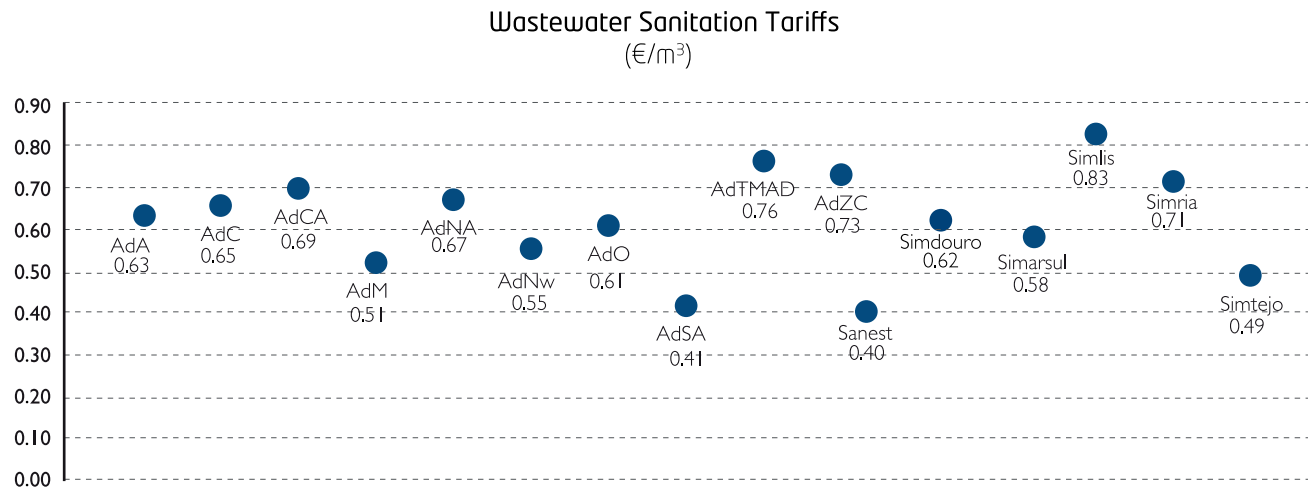
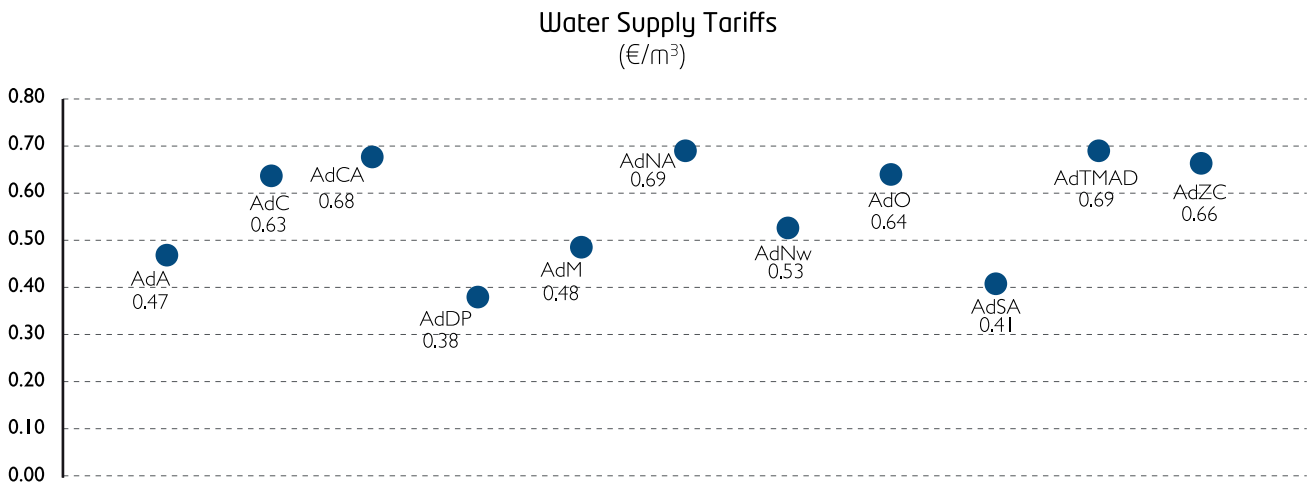
The water and waste sector shows a dynamic historic evolution and a constant search for the most adequate model for the achievement of the national objectives in order to ensure the continuation of sector policies that rule its activities and the creation of stakeholder value, focusing on prudent risk management and the mobilisation of financial resources.

The State Budget, Principles of Good Governance for companies of the State Business Sector and the guidelines of the inspecting authority underlie the AdP Group's management model and are based on the articulation of objectives and sustainability principles of demanding management.

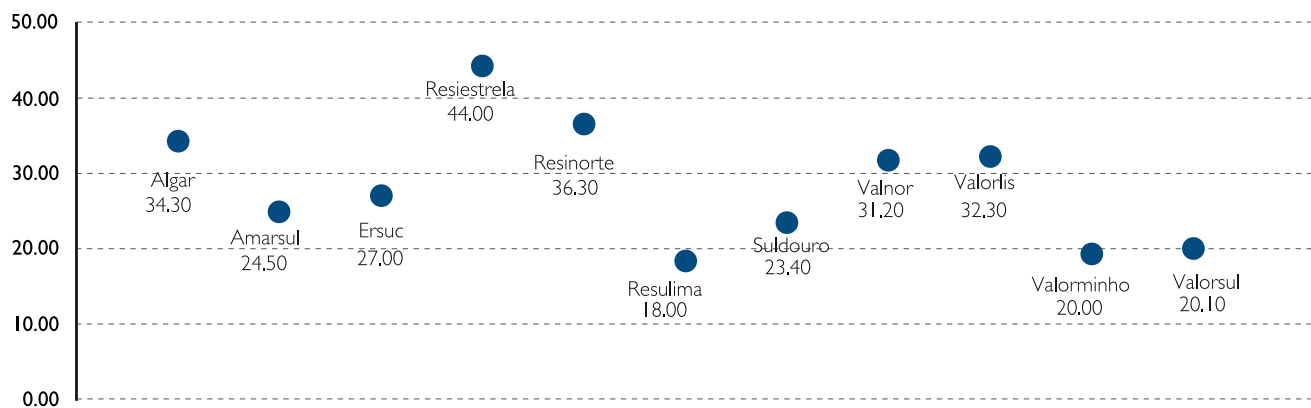
The companies of the AdP Group that belong to the State Business Sector follow a management structure in compliance with the Decree-Law no. 558/99, of 17th December; with the corresponding amendments of the Decree-Law no. 300/2007, of 23rd August and have the status of public sector manager; approved by the Decree-Law no. 71/2007, of 27th March.

In this context, defined by the concession model, the power of supervision, direction, authorisation, approval and suspension of activities are the State's responsibility, including the authorisation of new investments, the approval of tariffs and of operational, investment and financial budgets.

The tariffs charged are a result of the conditions associated with each system, namely the prospective investment volume and the population covered.

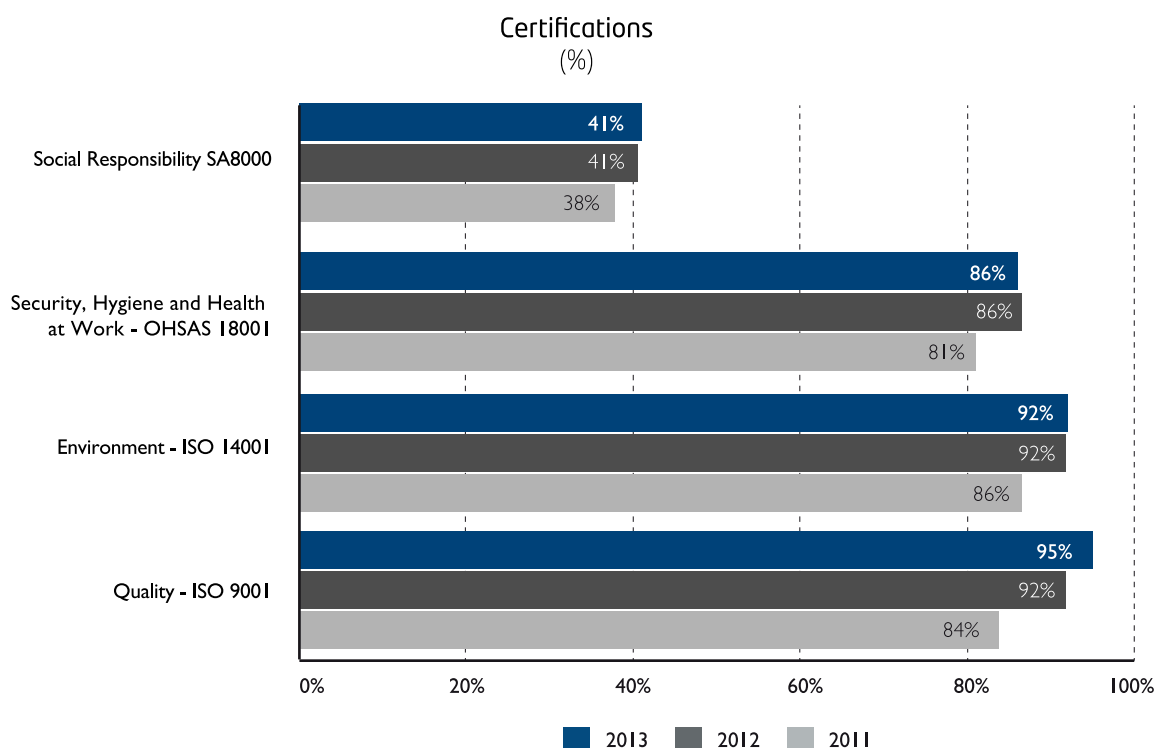


Waste Treatment Tariffs (€/t)



The AdP Group believes that development and constant improvement of its processes, the provision of quality public services and the diversification within a perspective of increased efficiency are the essential foundation of what make it the leading Group in the environmental sector. For this reason it has focused on obtaining Quality, Environment, Safety and Social Responsibility certifications, following a logic of transparency and credibility.





The focus on rigorous management of the companies ensures the principles of transparency and credibility, based on values of integrity and ethics. The daily concerns with efficiency or economic growth cannot be dissociated from ethical and responsible behaviour:

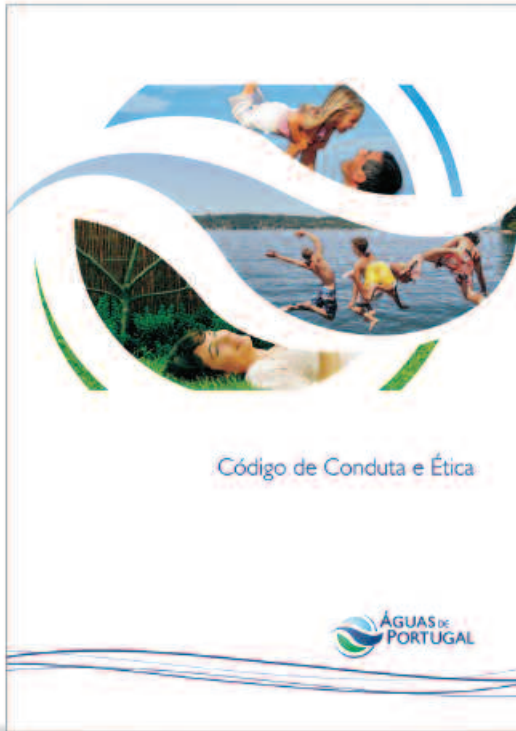
The Group has various prevention, implementation and control tools that ensure that its performance is in accordance with its principles and values.

Among the prevention tools related to the ethical conduct of employees and suppliers in the companies of the Group are: the Code of Conduct and Ethics of the AdP Group, Prevention Plans for Corruption and Related Risks, the suppliers' regulations and the implementation in 15 companies of the Social Responsibility regulation SA8000 (tools already mentioned in the first chapter).

**“Businesses should work against corruption
in all its forms, including extortion and bribery.”**

in Principle Anti-Corruption, UN Global Compact

Rigour and transparency is our motto.



The Code of Conduct and Ethics is an expression of the AdP Group's commitment to ethical behaviour in its internal and external relationships and is intended to strengthen applicable ethical standards and create a working environment that fosters respect, integrity and equality. The code is endorsed by all employees of the Group. More than a commitment, the Code of Conduct and Ethics reflects a desire to follow a path of permanent improvement by a business group whose activities' guiding principles are respect for the rights of employees, responsibility for defending and protecting the environment, transparency in its external relations and contribution towards sustainable development.

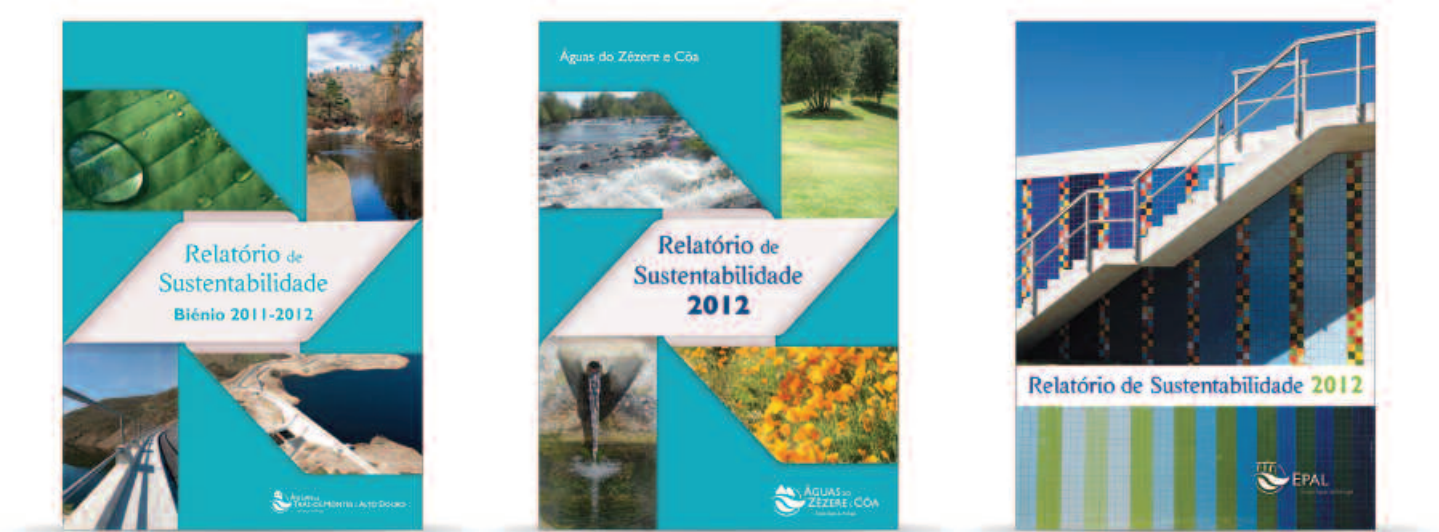
The Ethics Committee of the AdP Group, established in 2010, is responsible for monitoring, impartially and independently from the corporate governing bodies, the disclosure and compliance with the Code of Conduct and Ethics in all the companies of the Águas de Portugal Group. The committee consists of 5 members and can be contacted through the email eticaadp@adp.pt.

The materialisation of the principle of transparency is achieved through regular disclosure of information, both internally and externally, regarding performance and initiatives by the holding company and all the subsidiary companies.

All the Group's companies publish their financial reports annually.



Additionally, reports on best practices in sustainability performance have become an increasingly common procedure in the companies of the AdP Group.



Handbook of Sustainability Indicators

The Handbook of Sustainability Indicators of the AdP Group guarantees uniformity in the collection of indicators, allowing reliable information consolidation related to the entire Group.



The adoption of a Prevention Plan for Corruption and Related Risks in accordance with the Recommendation for the Companies of the State Business Sector by the companies of the AdP Group is also noteworthy. This Plan identifies potential areas where acts of corruption are liable to occur, as well as the main risks involved, the established controls aimed at mitigating them and the probability of occurrence. The annual report on compliance with the Prevention Plan for Corruption and Related Risks is submitted each year to the Corruption Prevention Committee.

Additionally, when in 2010 the United Nations Global Compact was endorsed, the AdP Group committed to fully respect the 10 principles of this Global Compact in all its strategies and policies, highlighting the principle of Anti-Corruption (Principle 10), where it is stated that "Businesses should work against corruption in all its forms, including extortion and bribery."

The Internal Audit and Risk Control Board is the guarantor of the entire process, since it is responsible for the identification of risk factors in relation to the main business activities and of the corresponding key controls to reduce or eliminate their impact.

The **management of risks** inherent to the Group's activities takes on the highest importance.



Control mechanisms for the management models operation:

- Financial audits in the companies by external institutions
- Legal certification of the accounts
- Audits of concession agreements, supply and collection agreements and waste delivery and reception agreements by the holding company
- Audits of investments by the holding company
- Audits of the service quality by the ERSAR
- Follow-up audits of the procurement procedures for contract jobs that are marked for community support by the Cohesion Fund
- Audits of the corporate responsibility systems (quality, environment, hygiene, health and safety, and social responsibility), by certifying institutions
- Inspections by external institutions (mainly carried out by the General Inspectorate of Environment and Territorial Planning (IGAOT) and the Authority for Working Conditions (ACT))

The national guidelines for the sector are based on the articulation of sustainability objectives and principles, in a context of demanding management and with the aim of achieving rates within socially acceptable limits. These reflect the cost of water supply, wastewater sanitation and waste management, taking into account the desired service levels. The companies of the AdP Group manage their systems from the design, planning and construction phases, to the operation phase, by making efficient use of their resources.

As a public service company, the AdP Group seeks to ensure appropriate management of its subsidiary companies through cost optimisation, in order to guarantee their economic sustainability, quality of the services provided to the customers and the minimisation of their impact.

Technical, economic and financial efficiency is essential for the materialisation of the management guidelines established by the stakeholder.

Direct economic value generated, distributed and accumulated

The creation of economic value for the stakeholders of the Group resulted in the following distribution:

- **Clients:** €867,837,756
- **Suppliers:** €522,605,611, including external services
- **Employees:** €144,249,946, including salaries and benefits
- **Funders:** €127,664,360, as providers of capital
- **State:** €70,407,969, corresponding to tax payment, income tax and deferred taxes
- **Community:** €348,326, including donations, support for the construction of infrastructures and social program costs



The main objective of the Águas de Portugal Group is to guarantee that the essential public services continue to be provided to the Portuguese population **universally and equitably**, with **quality and at controlled costs**.

“We are committed to continue **promoting efficiency**, by reinforcing the merging of systems and advocating integrated solutions for the management of the urban water cycle”

in Strategic Guidelines for the Term 2013-2014

The performance of the public service provided by the companies of the AdP Group is directly related to the efficiency of operations and the maintenance of the systems.

Any disruption of water supply, failure in the collectors or malfunctions in the heavy equipment can have consequences for the service provided to the population. Therefore, our responsiveness is fundamental in these situations. The maintenance of equipment and infrastructure, from a corrective or a preventive perspective, is essential for service management.

The Group pursues an increasingly proactive approach, focusing on the rehabilitation or replacement of existing mains, branches and collectors, as an essential measure contributing to the operational efficiency of the systems.



30 hours Reserve capacity in upstream water supply systems

35 hours Reserve capacity in downstream water supply systems

48 interruptions Upstream water supply

123 interruptions Downstream water supply

62 failures Upstream collectors

13 failures Downstream collectors

Operational sustainability and efficient management are the most important objectives of this Board of Directors and as such, the basis for the strategic choices of the AdP Group. The gains from economies of scale and scope resulting from the aggregation and optimisation of processes, which in turn stem from the integrated management of municipal systems, will enable reduced costs of water supply and wastewater sanitation services with advantages to the final consumer. Furthermore, the implementation of more efficient processes will also enable a reduction in losses and promote the economic and environmental efficiency of downstream services.

In 2013, studies regarding aggregations of upstream systems and the integration of upstream-downstream systems were carried out, with the aim of obtaining gains from productive and technical efficiency and contribute to a rationalisation of the tariffs. In this context, the studies presented to the inspecting authority concerned the aggregation of Norte and Centro Litoral (upstream), the partnership and management contracts of Noroeste (downstream) and other studies were conducted in relation to new downstream partnership.

The regulating body, now independent and with enhanced powers, will have a decisive role in the success of public policies in our domain of activities. The same applies to our partner municipalities, whose collaboration is crucial in building a more efficient sector for the provision of services which are essential for the population's standards of living.

These initiatives fall within a cycle strongly marked by the sustainability challenge that suggests closer ties of regional cohesion that will bring benefits arising from economies of scale and that will ease the burden on the population.

We are committed to contributing to [sustainable development](#), fostering solutions for efficient use of endogenous assets and resources, for the rationalization of energy consumption and for the reduction or offsetting of emissions"

in Strategic Guidelines for the Term 2013-2014

The expansion of the AdP Group towards business areas complementary to its core business has been clear, particularly through the exploitation of its energy production from resources generated in its own business. This subject is elaborated in the section Symbiosis with the environment.

Symbiosis with the Employees





Principles and commitments:

To value the Relationship with the Employees:

We commit ourselves to:

- Guarantee equal opportunities;
- Motivate and recognize good employee performance;
- Improve internal communication channels;
- Develop the knowledge and potential of employees by providing the necessary training;
- Reduce risks to which employees may be exposed to at the workplace.

2.3 Symbiosis with the Employees

The Group believes that the right people with the right qualifications focused on the excellence of the core business in the water and waste sector are the decisive factor for the provision of quality service to the customers.

Description of the Group's Human Resources

With 41 companies located across the country and 5,217 current employees¹¹, 4,988 active and 229 with suspended contracts, the AdP Group has greatly contributed to boosting employment and the local economy with a strong input in the fight against the desertification of the country's interior. However, during 2013 there was a decrease of 4.9%.

5,217 Employees

62 Executive Directors

The Group has 15 companies certified according to the social responsibility regulations, which shows a great commitment to its employees.



Requirements underlying the SA 8000:

- Child labour
- Forced and compulsory labour
- Health and safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management system



Human Rights

1st Principle

Businesses should support and respect the protection of internationally proclaimed human rights.

2nd Principle

Businesses should make sure that they are not complicit in human rights abuses.

Criterion 5: Robust commitments, strategies or policies in the area of human rights.

Criterion 6: Effective management systems to integrate the human rights principles.

Criterion 7: Effective monitoring and evaluation mechanisms of human rights integration.

Criterion 8: Key outcomes of human rights integration.



Labour

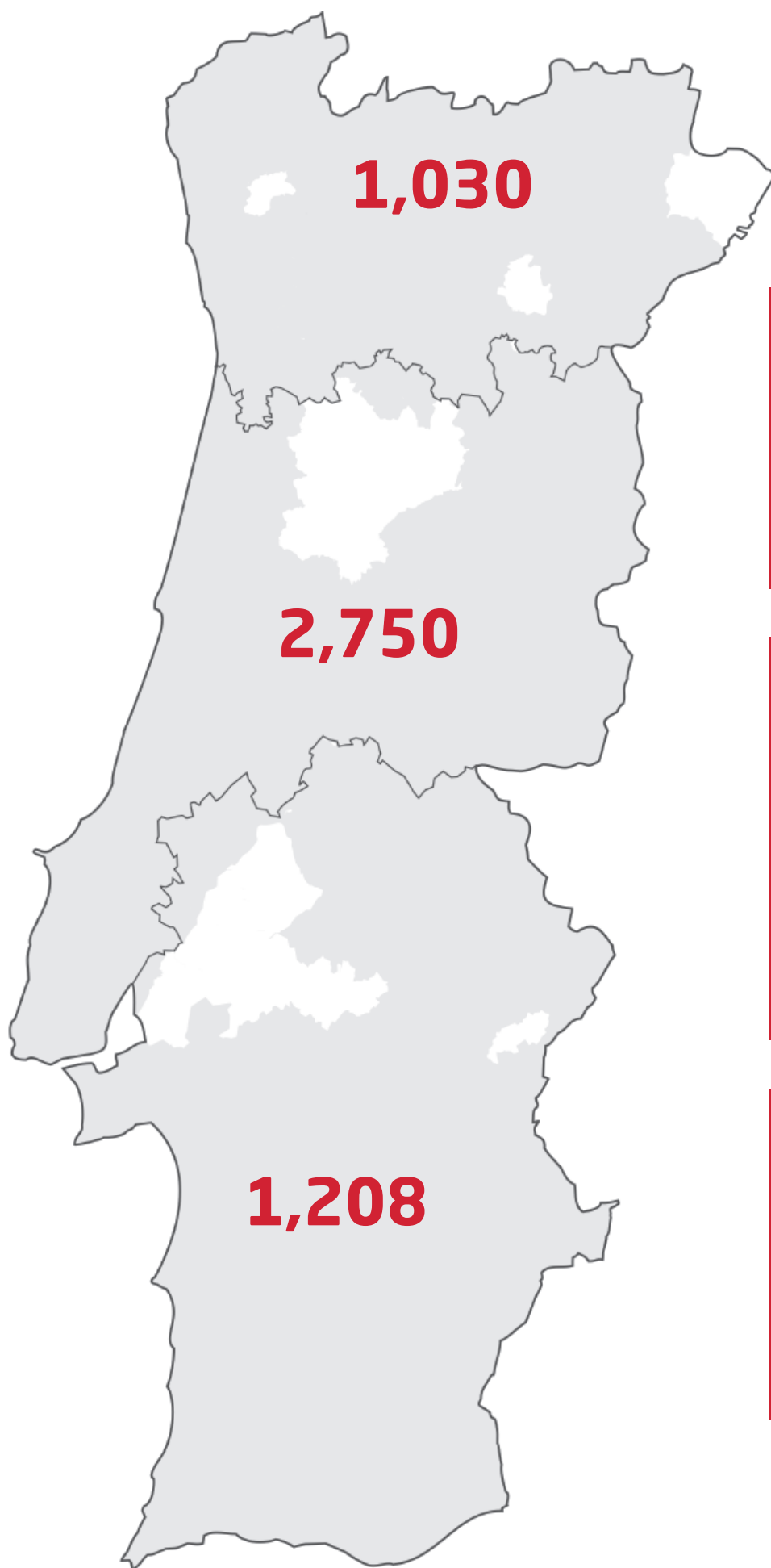
4th Principle

Businesses should uphold the elimination of all forms of forced and compulsory labour.

5th Principle

Businesses should uphold the effective abolition of child labour.

¹¹ Total amount of employees to 31st December 2013, including employees with suspended contracts. Throughout the section "Symbiosis with the employees" the ratios are presented based on the amount of active employees.



NORTH - 20.65%

Águas do Noroeste, Águas de Trás-os-Montes e Alto Douro, Águas do Douro e Paiva, Simdouro, Valorminho, Resulima, Resinorte, Suldouro.

CENTRE - 55.13%

Holding, Instrumental companies, Simria, Águas da Região de Aveiro, Águas do Mondego, Águas de Zêzere e Côa, Águas do Centro, Simlis, Águas do Oeste, Sanest, EPAL, Simtejo, Resiestrela, Ersuc, Valorlis, Valorsul.

SOUTH - 24.22%

Simarsul, Águas do Norte Alentejano, Águas do Centro Alentejo, Águas de Santo André, Águas Públicas do Alentejo, Águas do Algarve, Valnor, Algar, Amarsul.

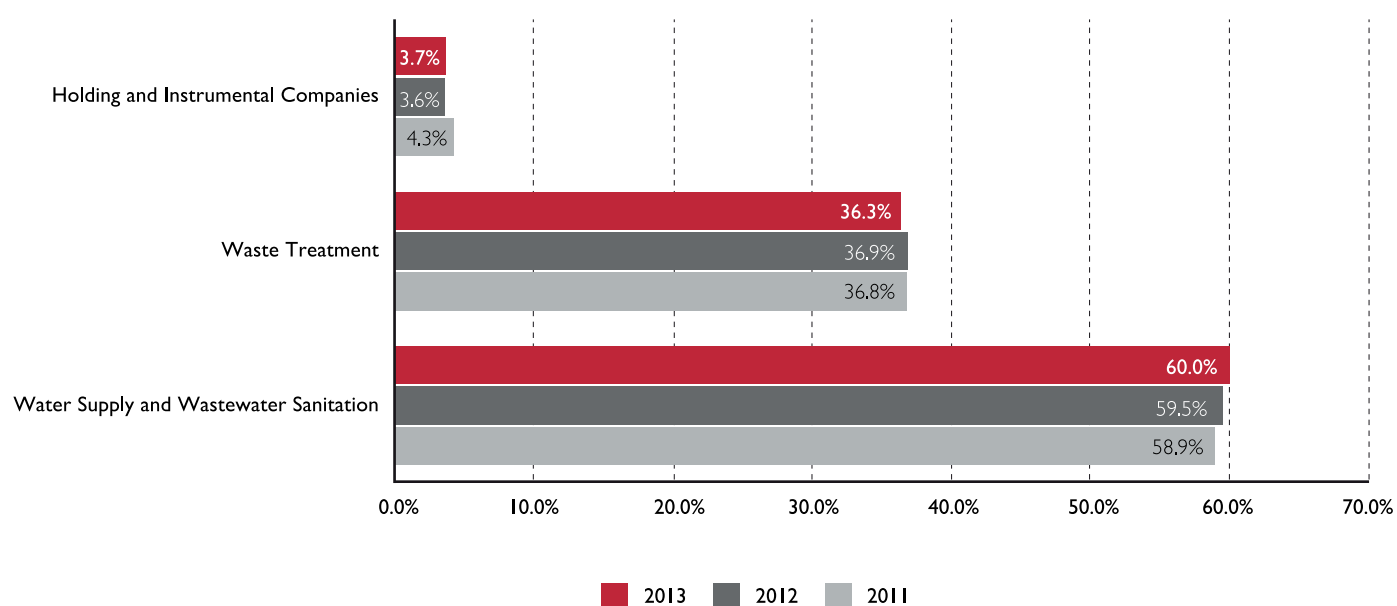


Number of employees by region	2012	2013
North	1,092	1,030
Centre	2,897	2,750
South	1,255	1,208
Total	5,244	4,988

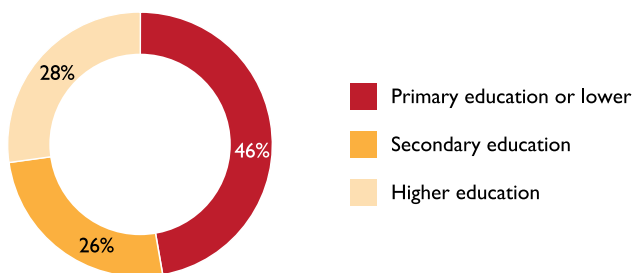
Active employees by business area	2011		2012		2013	
	Nº	%	Nº	%	N ^a	%
Water Supply and Wastewater Sanitation	3,122	58.9%	3,122	59.5%	2,992	60.0%
Waste	1,952	36.8%	1,933	36.9%	1,813	36.3%
Holding company and Instrumental companies	226	4.3%	189	3.6%	183	3.7%
Total	5,300	100%	5,244	100%	4,988	100%

In 2013, 60% of the AdP Group's employees are allocated to the water and wastewater sector and 36.3% to the waste sector.

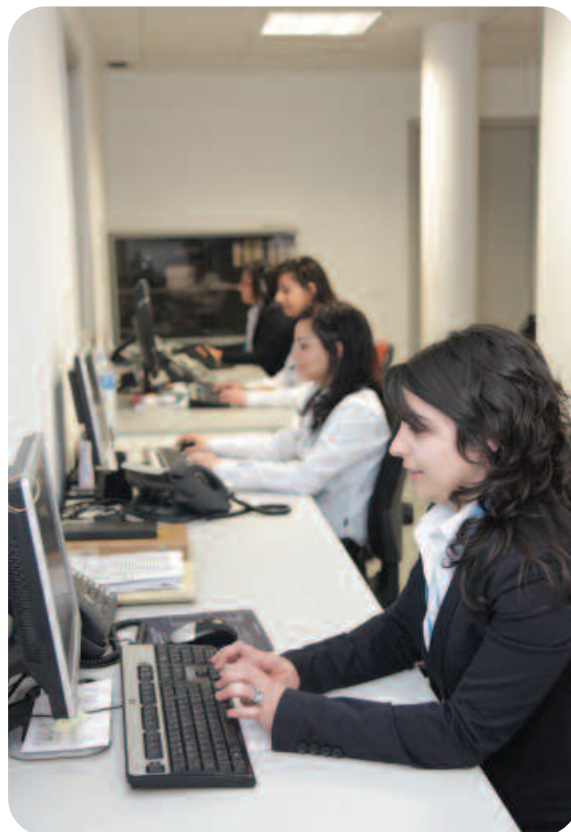
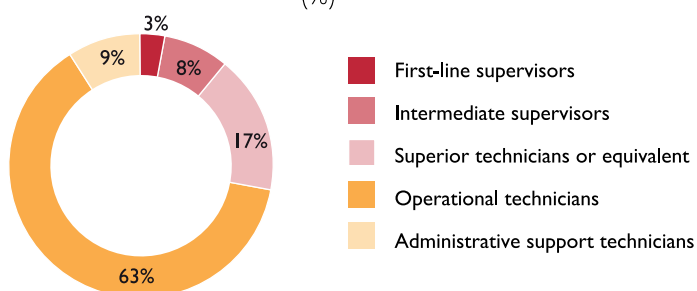
Employees per Business Area
(%)



Employees' educational qualifications (%)

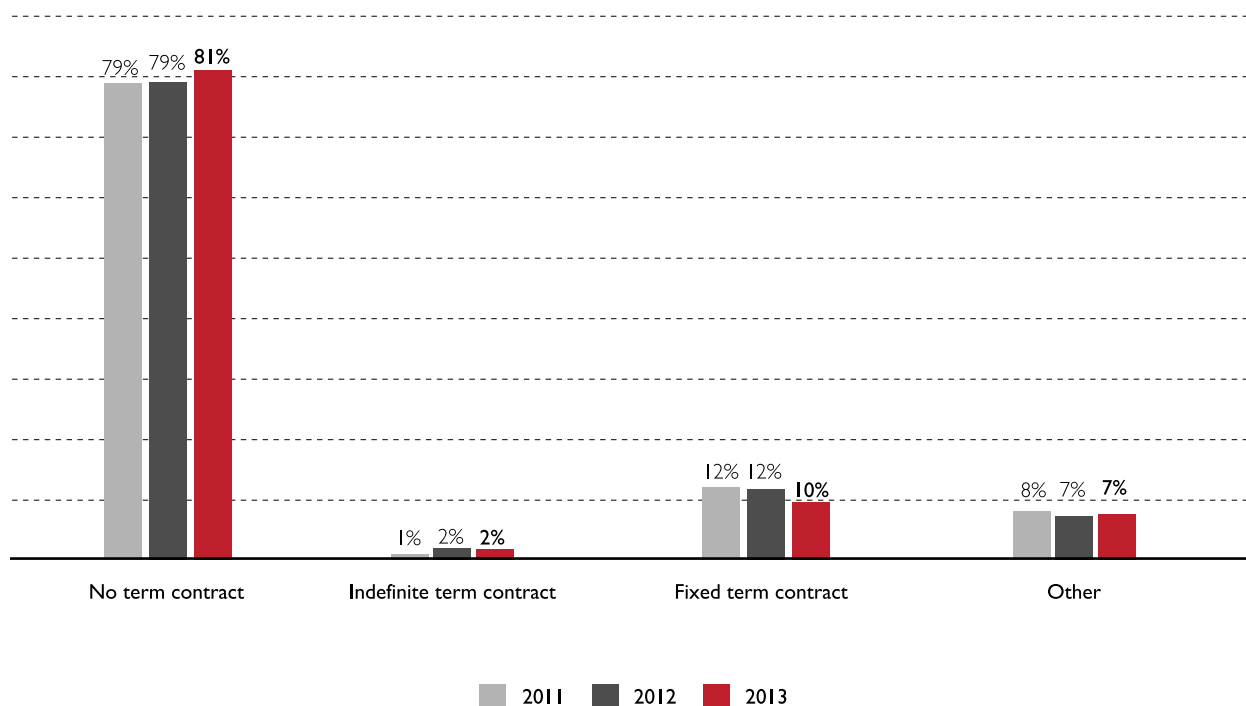


Description of employees by categories (%)



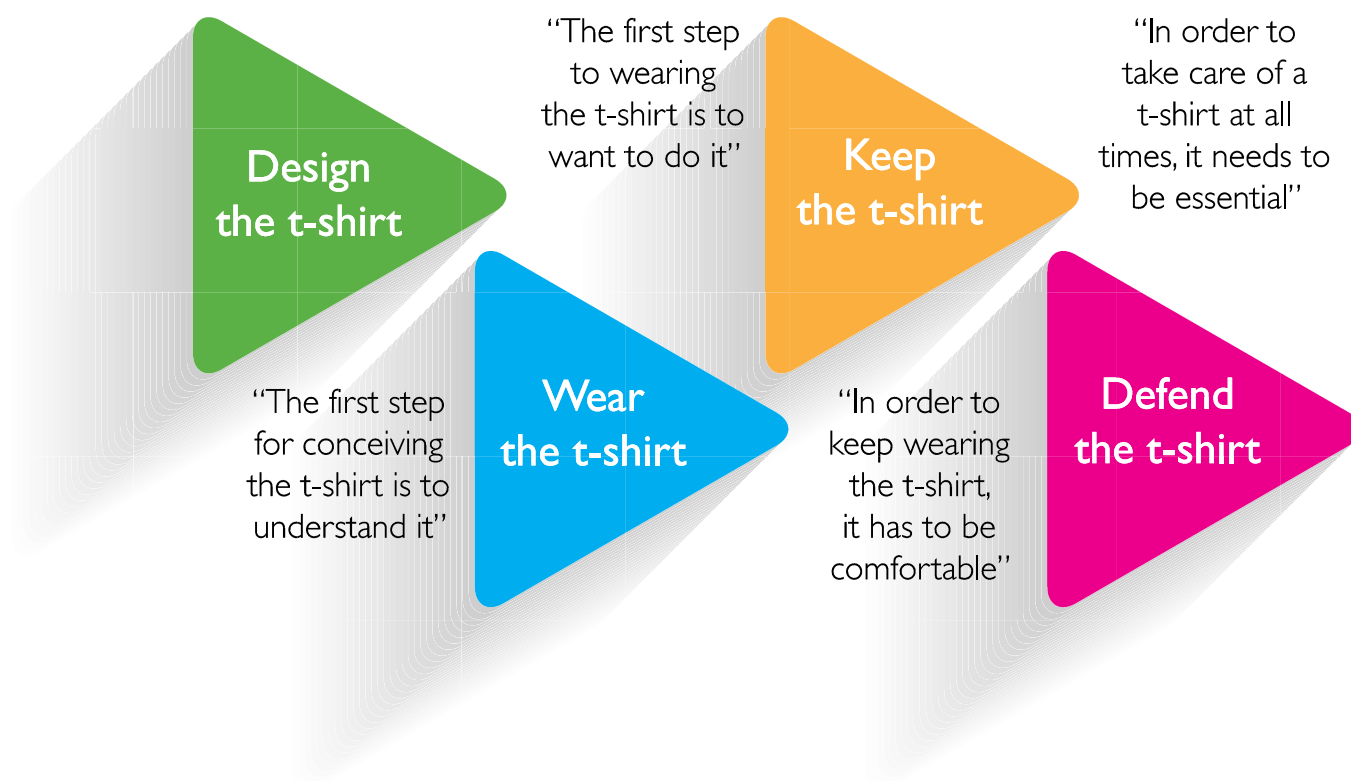
In 2013, 81% of employees are effective workers of the Group¹².

Distribution of employees by contract type (%)



¹² Contracts included in "other types" are, mainly, required employees of municipal companies, namely operational technicians.

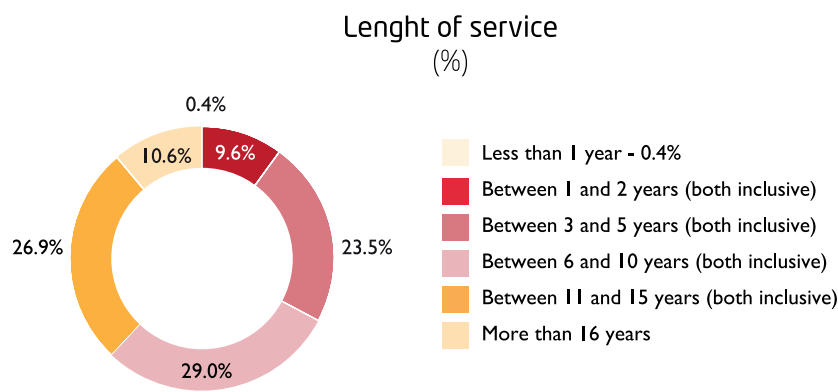
The defined policies, supported by the processes, underlie the design of the **AdP t-shirt**.



Internal recruiting is one of the personal and professional employee development tools, offering them exposure to new situations and challenges that promote learning and the acquisition of new skills and abilities.

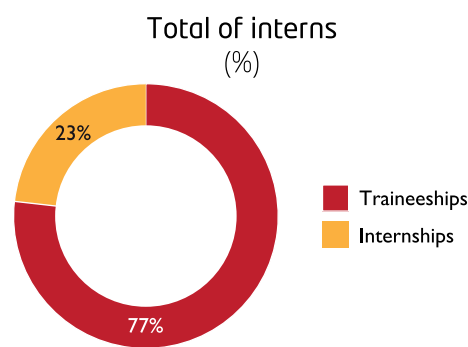
Almost 56% of the employees have a length of service between 6 and 15 years.

The AdP Group is a young group and its stable and lasting relationships with its employees mirror the principles of reliability, integrity, responsibility and respect for their well-being, aligned with the human resources long term management strategy. The average length of service of the Group is 10.09 years.



In 2013, internal mobility continued to increase, to the extent that the companies of the AdP Group have been conditioned by the State Budget 2013 in terms of external hiring. The internal mobility within the Group has been a strategic choice, contributing on the one hand to the optimisation of human resources management and, on the other, to the professional development of employees, the exchange of experiences and/or a better balance of personal and professional life for the employees. Internal procurement of professionals to allocate to projects and/or to cover specific know-how needs is a process that adds value to the AdP Group and offers employees new situations and challenges that promote learning and the acquisition of new skills.

In 2013, the policies of integration of young people in companies of the Group provided 76 traineeships and 23 internships, offering young people contact with the labour market.



The human resources policy of the Group ensures respect for diversity and equal opportunities, enriching the corporate culture and social cohesion within the Group. Equal opportunities at work is guaranteed regardless of gender, age, race, religion, disability and/or sexual orientation.

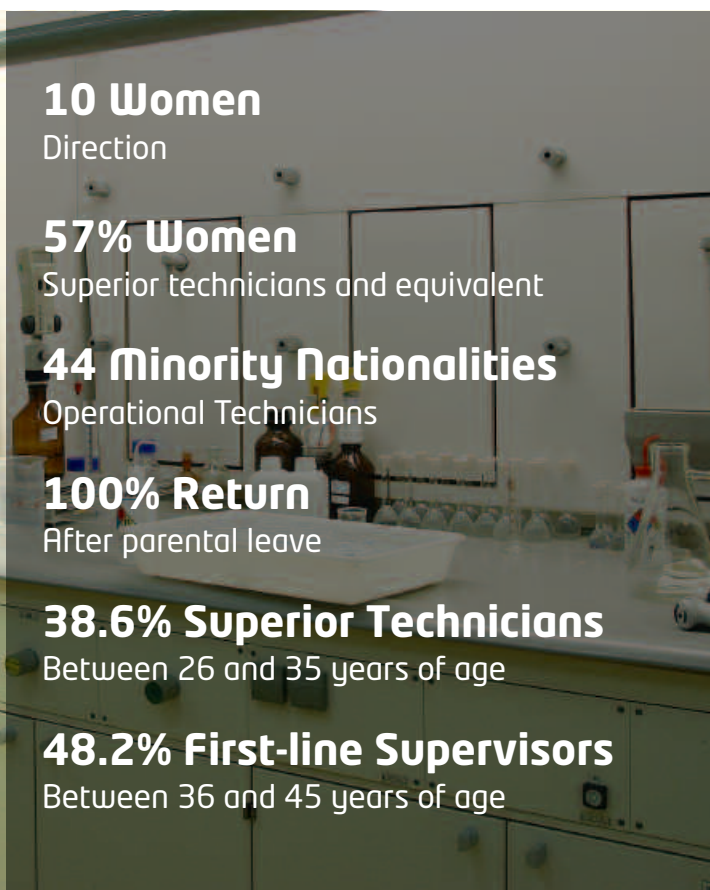

"Non-discriminatory employment: in the selection and recruitment process, equal conditions must be guaranteed to all applicants."

in Employment Policy of the AdP Group



6th Principle

Businesses should uphold the elimination of discrimination in respect of employment and occupation.



10 Women
Direction

57% Women
Superior technicians and equivalent

44 Minority Nationalities
Operational Technicians

100% Return
After parental leave

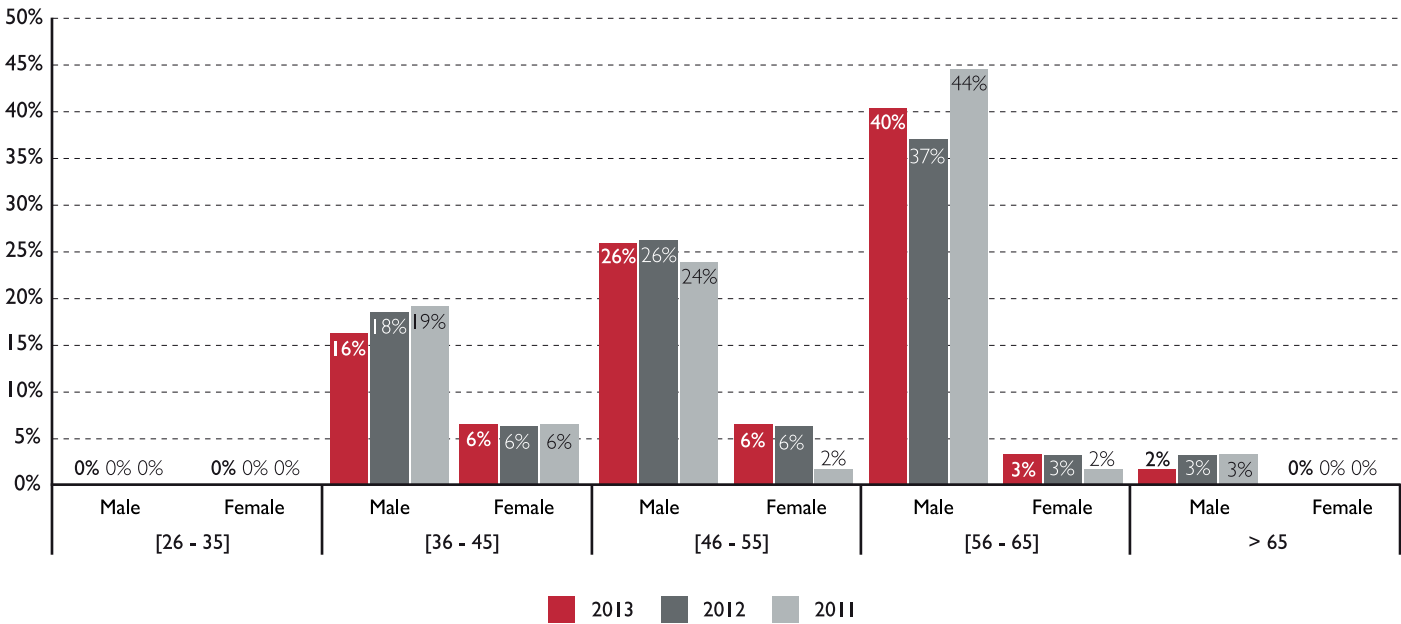
38.6% Superior Technicians
Between 26 and 35 years of age

48.2% First-line Supervisors
Between 36 and 45 years of age

The principle of equal opportunities creates a competitive culture of “employment value”.

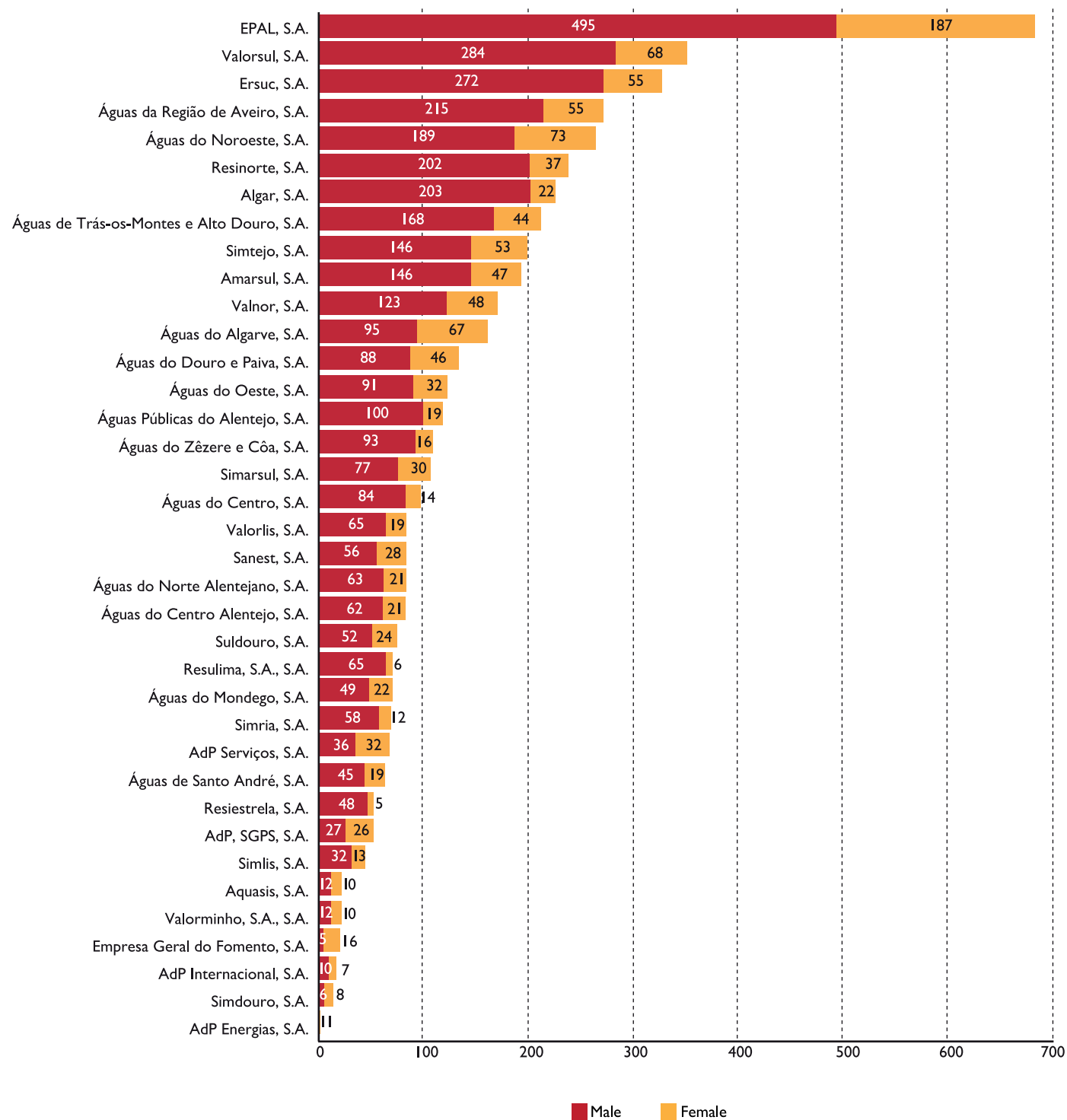
There are 62 directors in the Group, 52 men and 10 women.

Executive directors by age group and gender (%)

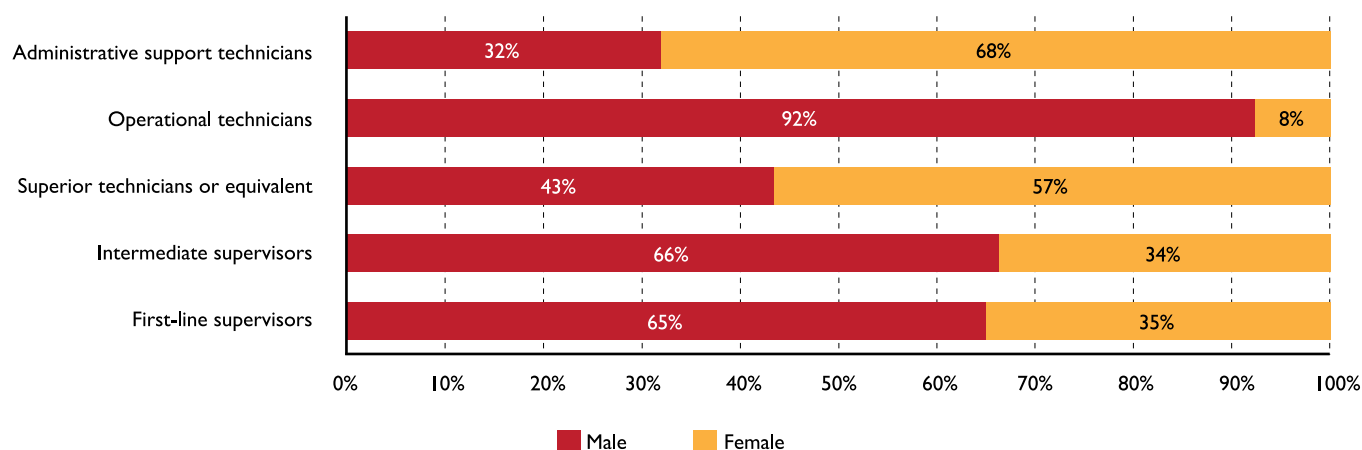


In the Group there is a balance between the amount of female and male employees. In subsidiary companies, given that the exploitation operations entail the most significant activity and given the characteristics of the inherent duties, male employees are naturally more strongly represented. In all the professional categories there are employees of both genders.

Employees by company and gender
(no.)

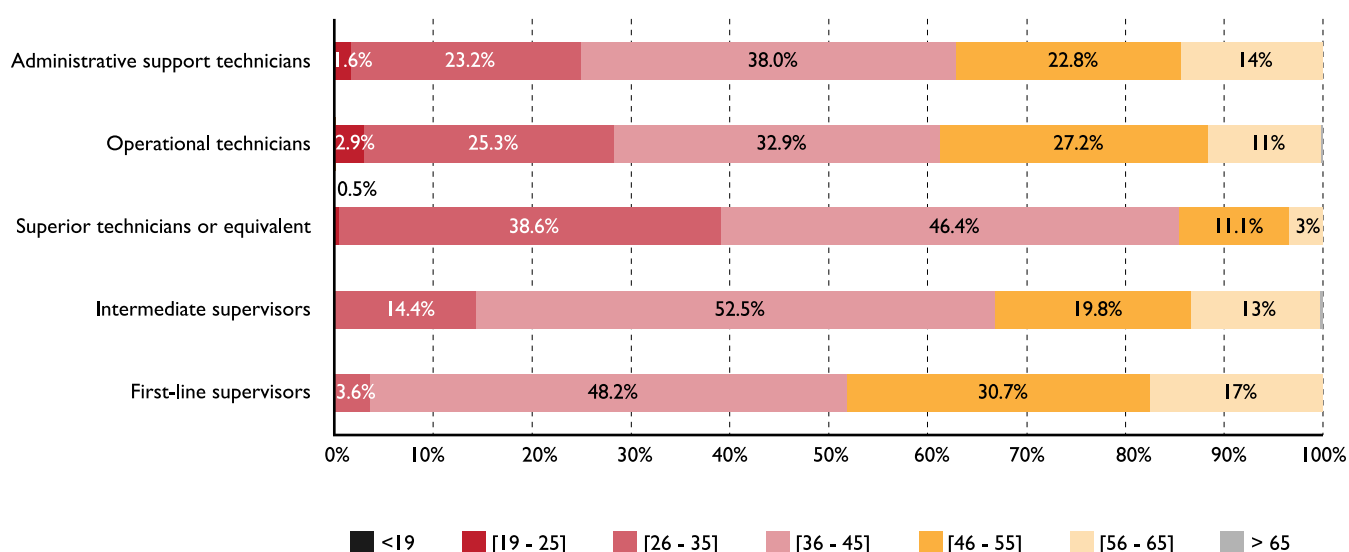


Employees by professional category and gender
(%)

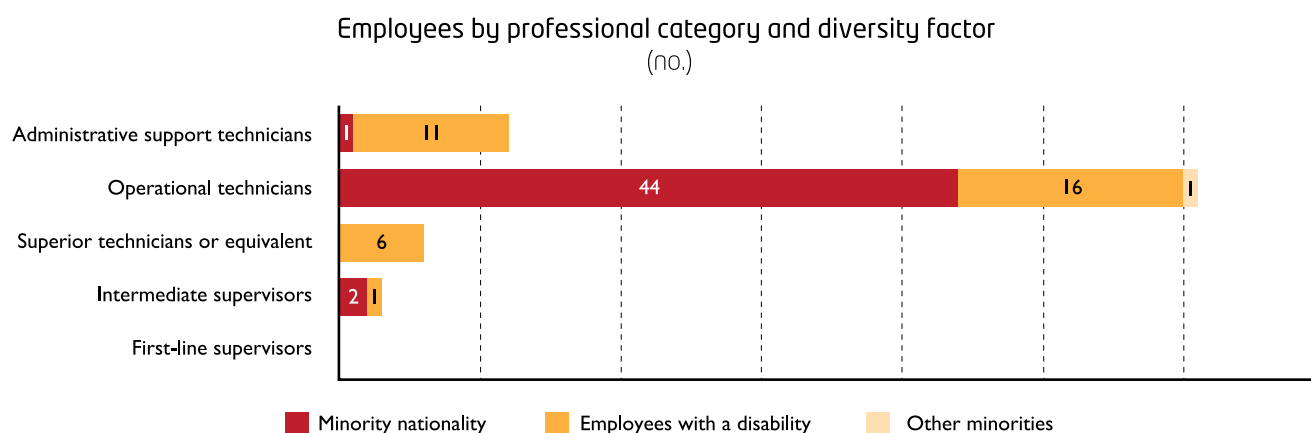


It is worth noting that the AdP Group, a young Group, includes the EPAL, a centenary company, that influences the average of almost all variables. The presence of a large diversity of ages in the various professional categories demonstrates the Group's policies of non-exclusion. During recruitment processes, and when the position allows it, the Group gives the opportunity of entering the labour market to candidates younger than 19 years of age. In general terms, the age range of 26 to 35 years is predominant in all categories. Employees aged between 56 and 65 are present in all professional categories, with a higher incidence in the first-line supervisors category. The average length of service of the Group's employees is 10.09 years. Employees with 6 and 10 years of service represent 29% of the total. EPAL presents the highest average length of service among the business units.

Employees by professional category and age group
(%)



Currently, 1.6% of the AdP Group's employees belong to minority groups which reflects the principle of equal opportunities and non-discrimination within the Group.



Training sessions about HIV and AIDS in a work context for waste operators

AdP Group

In 2013, Águas de Portugal Group commissioned SER+ to organise training sessions due to the identified need to educate its employees in the category of waste operators about the HIV infection, particularly in terms of analysing transmission risks related to their professional activities.



Between January and March 2013 four training sessions took place for 110 employees of Valorsul and, in December, another four training sessions were conducted for 48 employees of Amarsul.

The final verdict from these sessions was highly positive. Even after being “recruited” for training sessions about topics not directly related to their work, the participants accepted it well and internalised the key messages. Based on the questionnaire results, it can be generally stated that the level of knowledge of the participants about HIV infection increased and that they opted for behaviours and attitudes more adequate for dealing with those living with the disease and promoting their integration in the work context.

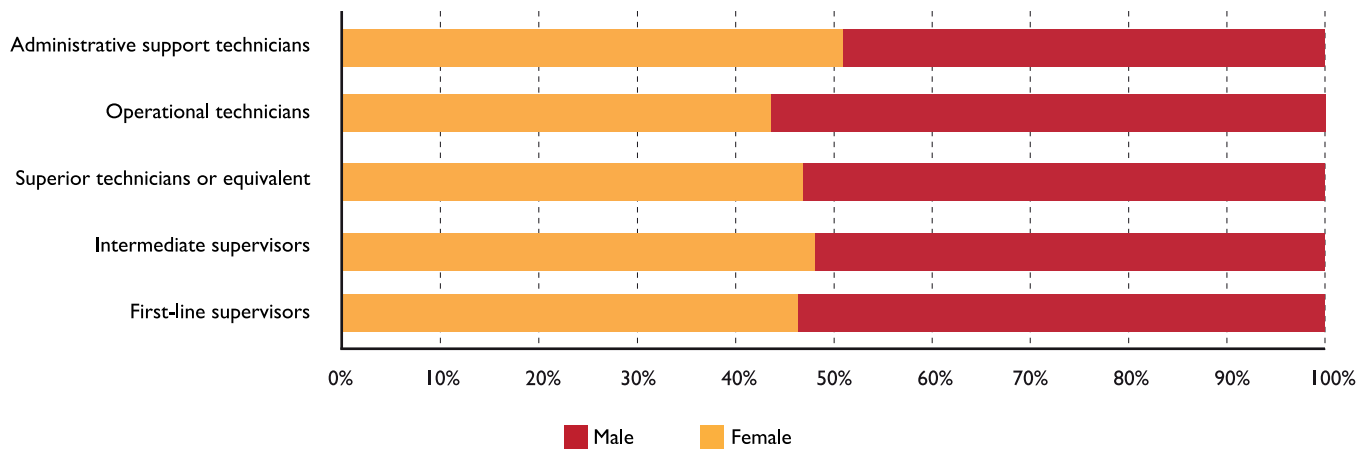
This educational project met the principles contained in the “Corporate Code of Conduct and HIV”, signed by the companies of the AdP Group in 2009, which aims to guarantee the equality and non-discrimination of any employee who carries the disease. Additionally, this initiative is within the frame of the SER+ Association's project HIV Anti-Discrimination Centre, funded by the Directorate-General of Health through the Programme ADIS/SIDA. The sessions were developed within the protocol established with the Labour Platform Against AIDS.



The Group's Code of Conduct and Ethics strengthens our position in relation to equal opportunities regulated by the Ethics Committee of the AdP Group. In terms of the non-discrimination policies our position was reinforced when, in 2009, all the companies of the Group adhered to the Code of Company Conduct and HIV, promoted by the labour platform against AIDS.

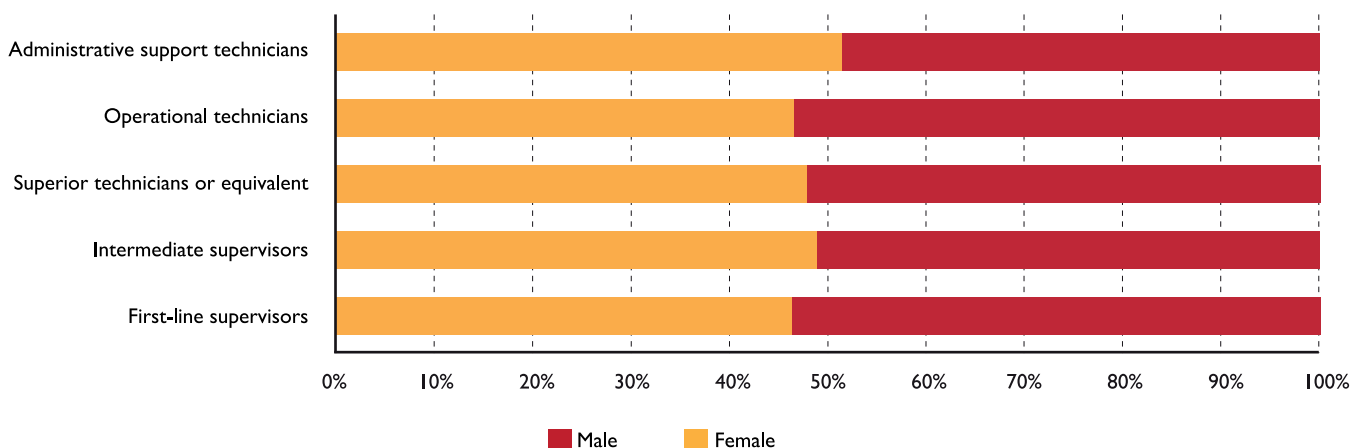


Average monthly total remuneration by gender (%)



In the AdP Group there is equality between men and women in terms of the remuneration received. In 2013, the base salary and the total monthly salary of women was slightly higher than that of the men in the category "Administrative support technicians". In 2013, 144.2 million euros were spent in salaries and benefits.

Average monthly base remuneration by gender (%)

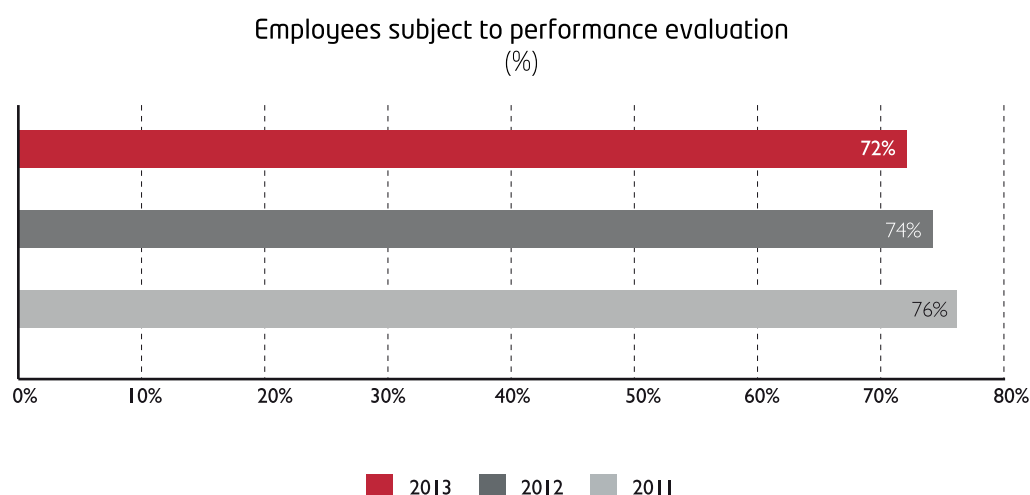


We believe in policies and human resources management practices that promote the **acquisition of the skills** necessary for the materialisation of our strategic objectives and for the **personal and professional development** of the employees.

Employees performance

The strategy of the Corporate Human Resources Department is based on compliance with the core business excellence objectives through the individual contribution of the employees. Efforts are designed to promote their motivation and the development of their skills. Within the current climate of economic restraint of the companies, this challenge becomes ever greater.

In 2013, 72% of the employees were subject to performance evaluations. Most of the subsidiary companies have their own performance evaluation process, which is consolidated and aligned with the guidelines of the Corporate Human Resources Department.



The directors of the Group are evaluated annually according to the achievement of objectives stated in their management contracts.

The inputs necessary for the definition of individual training plans, embodying the culture of continuous improvement of the Group's strategy stem from these performance evaluations.

In 2013, the employees of the Group received approximately 103,772 hours of training. The training plans, prepared annually by the company, aim to meet the identified training needs. Additionally, comprehensive strategic training initiatives are developed, in order to promote organisational development.

It is essential to provide the employees with the skills necessary to **improve efficiency levels** of the results obtained.



Additional benefits that represent our companies' belief in social policies:

- Health insurance, extended to family members
- Life insurance
- Transport allowance
- Agreements with gyms
- Agreements with pharmacies
- Holiday camps for children of staff
- Agreements with cultural institutions

Note: These benefits are not homogeneous within the companies of the AdP Group



AdP awards scholarships to children of employees

AdP Group

In 2013, The AdP Group, in developing its social responsibility policy and with the objective of contributing to the learning and development of employees' children, started a programme that grants scholarships for higher education.

The funding of this project partly affected the expenses earmarked for the corporate Christmas card project developed by the AdP Group in 2012. This allowed the award of 10 scholarships of 1.200,00 Euros each in the academic year 2013/2014.

The scholarships in the academic year 2013/2014 were awarded to children of employees of the following companies: Algar, Águas do Centro, AdRA - Águas da Região de Aveiro, AgdA - Águas Públicas do Alentejo, EPAL, Ersuc and Valorlis.





Holiday camp for children of employees

Águas do Douro e Paiva

Since opening in 2007, the Environmental Education Centre (CEA) has been promoting activities for holiday camps for the children of employees of Águas do Douro e Paiva.

In 2013, the theme of the activities was focused on the recycling of material and the reuse of cooking oil. These initiatives intended to teach children, aged between 5 and 12, to create 100% environmentally friendly products, in addition to contributing to the increased internal motivation of employees.



Prevention, health and safety of employees

The area of health and safety is a permanent concern within the Group's activity. Addressing these issues is essential for guaranteeing the physical and psychological integrity of the employees.

In 2013, 32 companies of the Group had their own management systems for hygiene and safety at work, stemming from a constant standing position of risk prevention. In 2013, despite the constant focus on rigorous control of dangers and risks inherent to the companies' activities, the number of work accidents reached 621 and traffic accidents, 132 (reported to the workplace accident insurance).

Quadro índices de sinistralidade

	2013
Frequency rate	69
Number of accidents	621
Rate of occupational diseases	0.6
Severity rate	1,689
Absenteeism rate (%)	4.5%
Number of deaths	0

1,439

Hours of training in eco-driving



The emergency plans developed are regularly tested by performing simulations that aim to evaluate the responses in terms of human resources, internal procedures and available equipment..



Company celebrates the National Day of Prevention and Safety at work

Águas do Oeste

In 2013, Águas do Oeste celebrated the National Day of Prevention and Safety at work with a seminar held in Óbidos, at the Convent de S. Miguel das Gaeiras.



The corporate responsibility certification of the Águas do Oeste management system incorporates the dimensions of quality and environment in addition to health and safety at work. For this reason, the seminar was extended to cover each of the three areas in which the company is certified, focusing on the following theme: "Integrated management systems of corporate responsibility in water supply and wastewater treatment activities– Quality, Environment, Health and Safety at Work". The work developed on these subjects was presented and knowledge exchanged with other institutions.

The seminar was attended by more than a hundred participants, focusing on integrated management systems of corporate responsibility and the certification in the areas of Quality, Health and Safety at Work and Environment. This initiative made it possible to exhibit the work carried out by the company within the frame of integrated management system to all its stakeholders, employees and visitors to Águas do Oeste.

Social dialogue

The AdP Group respects the **freedom of association** and the **right to collective bargaining**.



3rd Principle

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

The Group pays particular attention to social dialogue in its human resources policy. Social cohesion is an important factor for proper company performance. The Group's size, in terms of number of employees and companies, as well as the geographic dispersion of its facilities, create the necessity of investing in a continuous improvement of the internal communication channels, both within the companies and at Group level.

In 2013, 12 companies of the Group had elected an Employees Representative. 2,123 employees saw themselves represented in matters of hygiene, health and safety at work. The Employee Representatives are an important vehicle for information between the boards of directors, the superior hygiene, health and safety technicians and the employees.

In 2013, 8 companies of the Group, 749 employees, elected an Employee Representative, assuring their representation in matters related to social responsibility, resulting in improved communication between the boards of directors and the employees.

The AdP Group committed to adherence with the UN Global Compact on 16th August 2010. The Group is in line with the international conventions on social relations and work conditions, adopted by the International Labour Organisation (ILO)



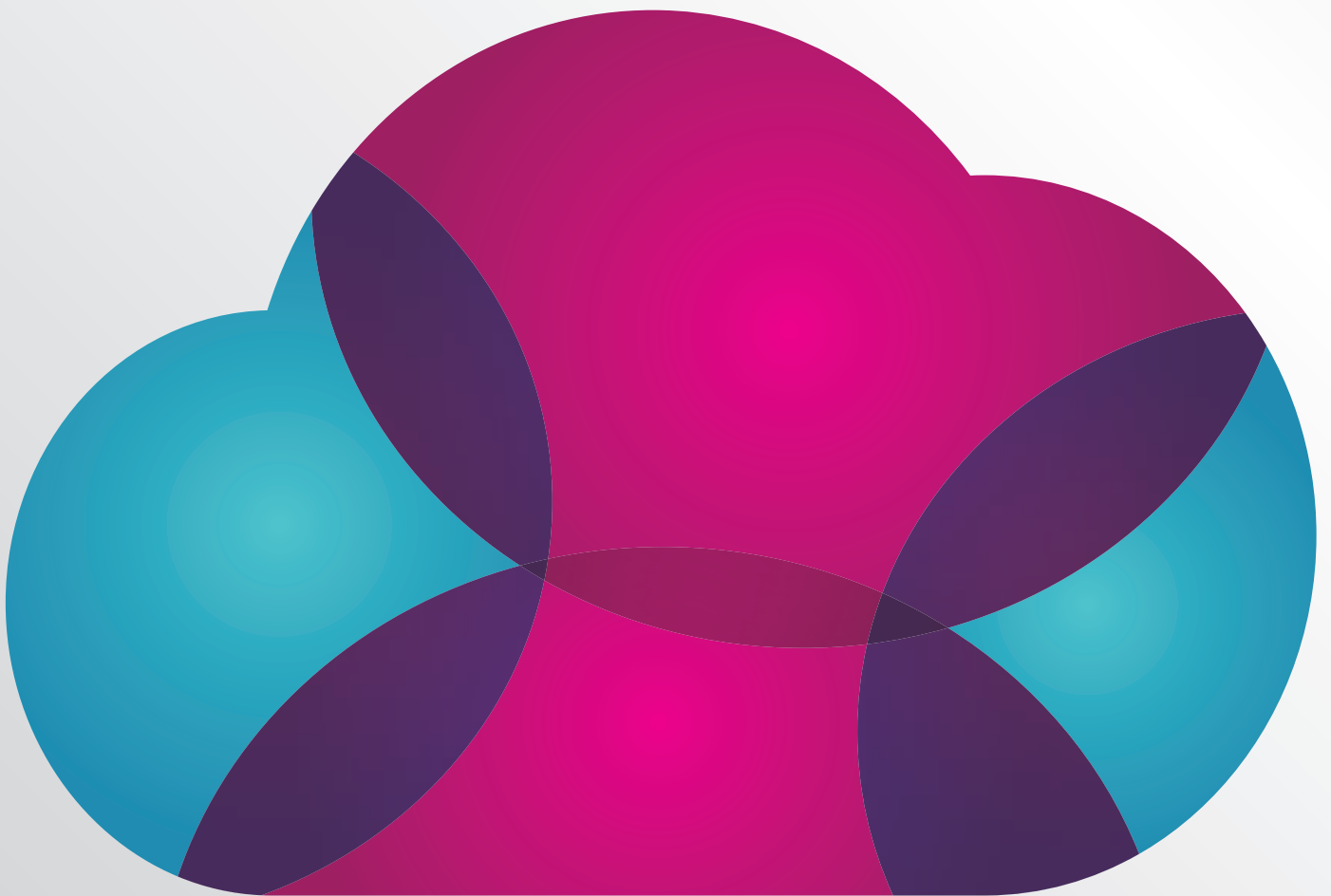
The internal communication channels most commonly used are **newsletters** and the **intranet** of the Group and the companies.



Internal mechanisms have been developed in order to allow employees to present suggestions and recommendations, thus contributing to an improvement in corporate performance and to the satisfaction of employees and their expectations.

In 2013, 11 companies carried out surveys to sound out the organisational climate. Companies assess the satisfaction of its employees and identify improvement opportunities on a regular basis.

Symbiosis with the Community





Principles and commitments:

Service Quality:

We commit ourselves to:

- Expand and create partnerships with municipalities and other entities;
- Increase the degree of coverage and customer service;
- Increase the quality and reliability of the services.

Relation to Interested Parties:

We commit ourselves to:

- Promote increased closeness to the community;
- Contribute to the development of the regional business sector and of local employment;
- Invest in the relationship with suppliers.

Promotion of Research & Development:

We commit ourselves to:

- Use the best available technology;
- Create cooperation partnerships with the academic and business sectors in order to promote R&D and to collaborate in technology demonstration projects;
- Focus on innovation as a factor promoting competitiveness and sustainability;
- Bolster knowledge exchange and technology transfer.

The Group's social responsibility is closely linked to its **public service** mission.

2.4 Symbiosis with the community

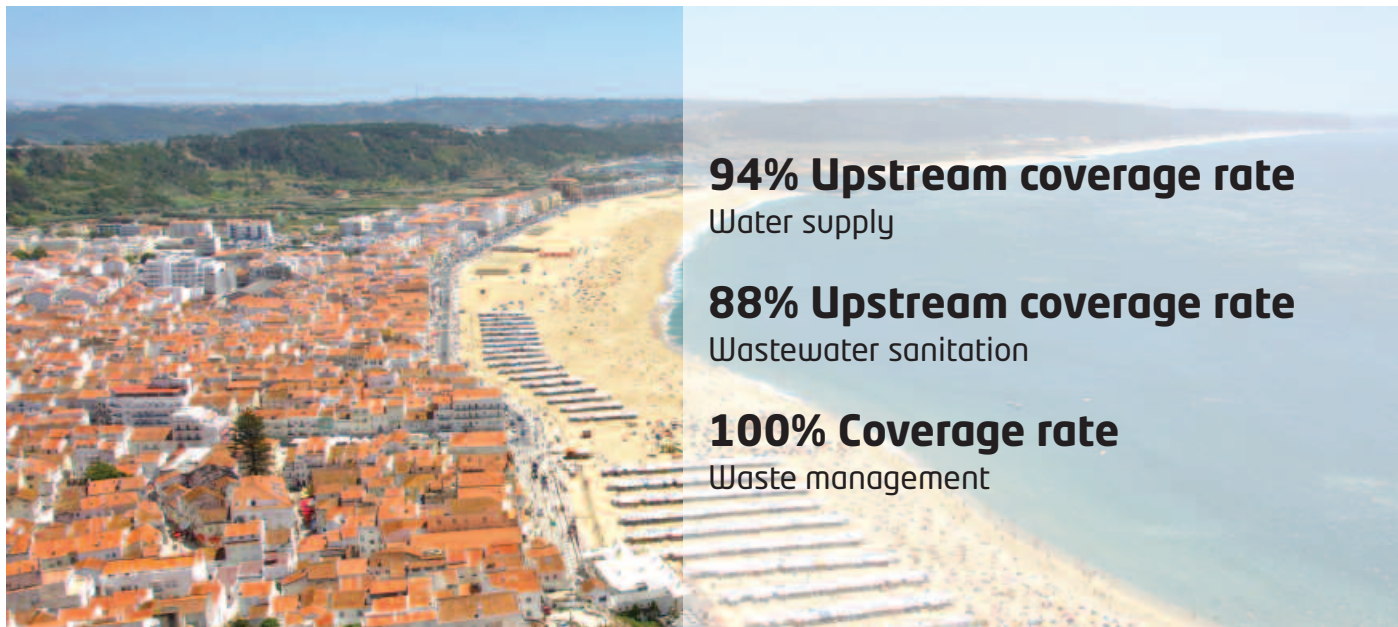
The AdP Group, as the leading actor in the provision of basic services to the community in the water and waste sectors, guarantees an improvement in the standards of living of the community and enables greater local development.



[P] Service Quality

[C] We commit ourselves to expand and create partnerships with municipalities and other entities and to increase the degree of coverage and customer service.



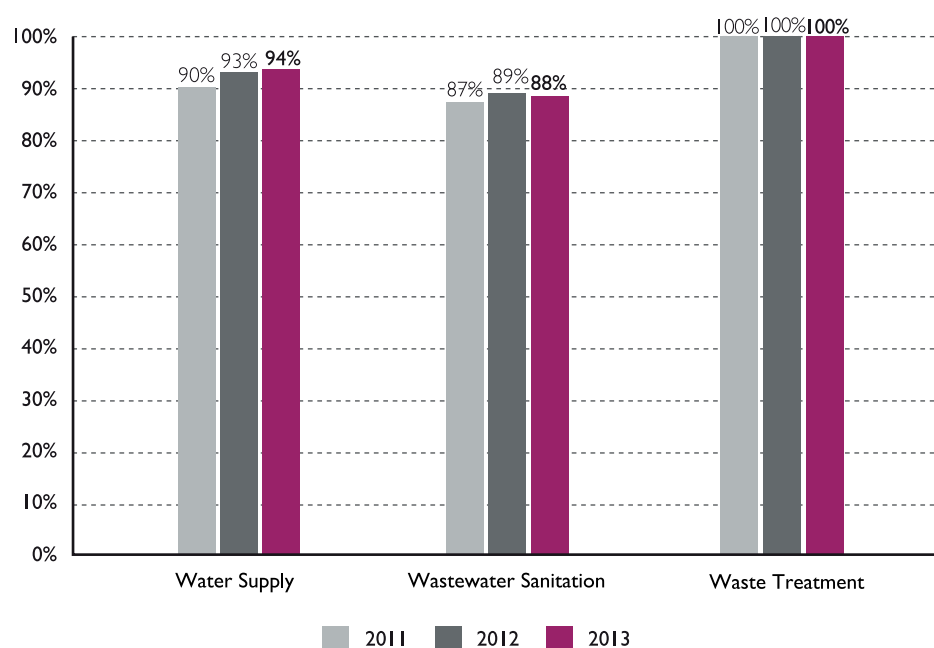


The activity of the Group has grown and become increasingly comprehensive with the entry into operation of new infrastructures. In 2013, the Group increased its water supply coverage rates by 1% and reduced the wastewater sanitation coverage rate by 1%¹³. Águas do Centro Alentejo is now serving more municipalities and Simarsul includes one more municipality as part of the concession, which is not yet being served.

The construction/ rehabilitation of new infrastructures and the expansion of the concession areas contribute to the growth of the systems' coverage rates.

The coverage rates in waste management cover 100% of the population in the concession areas of the AdP Group. The improvement in service is related not only to new state of the art technology in treatment infrastructures, but also to the increase in the amount of available containers for selective collection, providing greater convenience to the population.

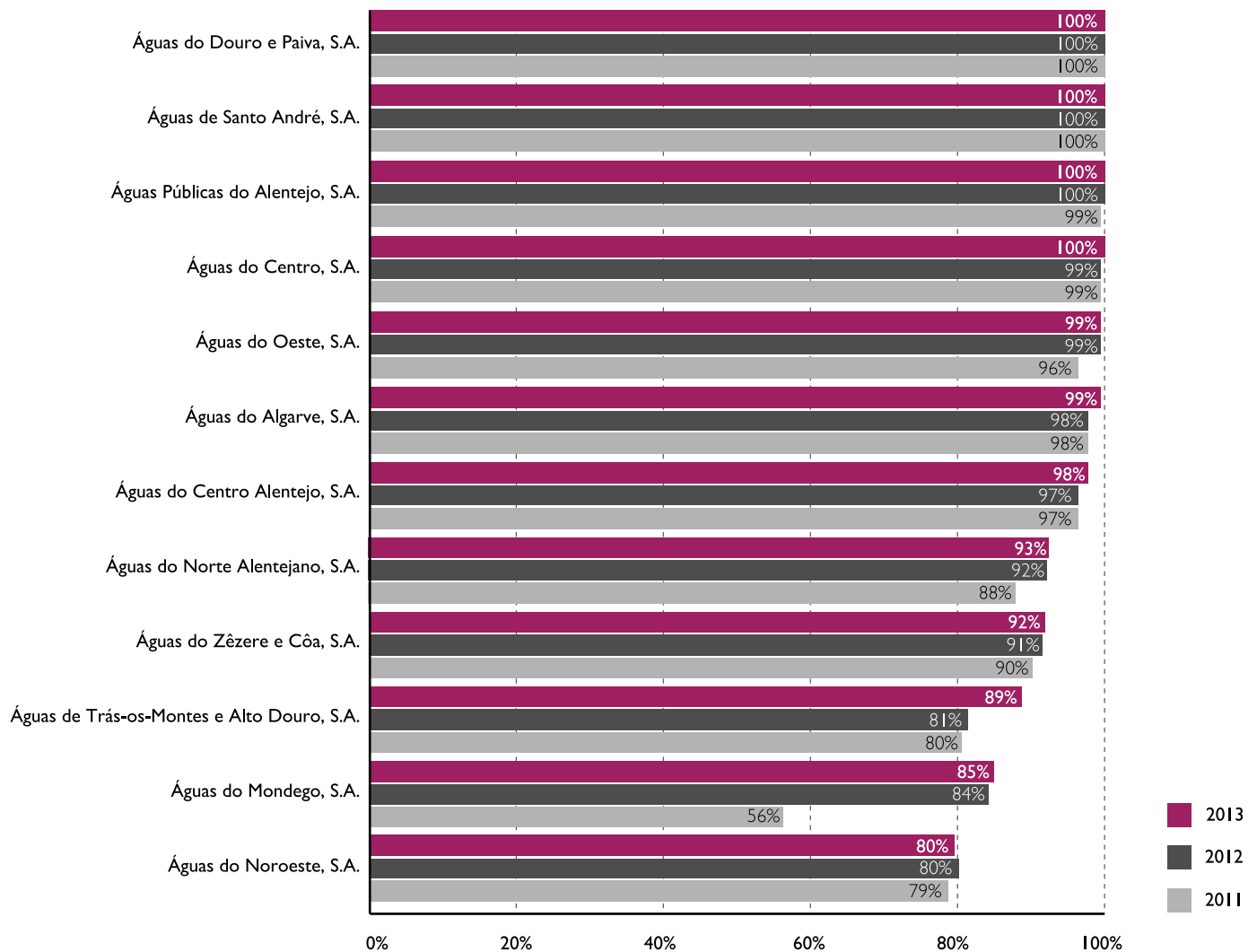
Upstream service coverage
(%)



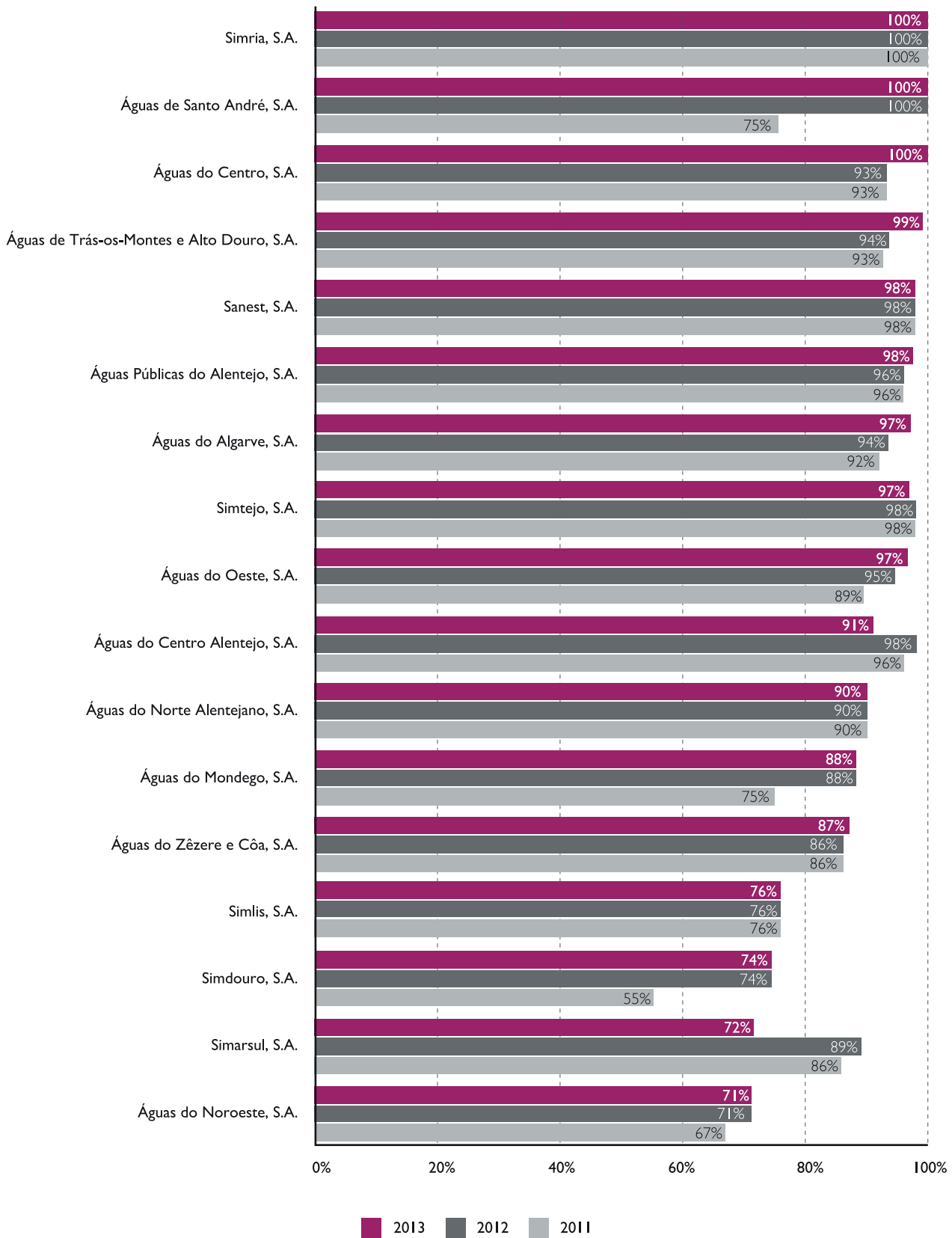
¹³ The coverage rates reflect the availability of the service in delivery and collection points in each municipality. Nonetheless, each downstream network may not effectively cover the total intervention area of the systems.

The AdP Group provides the community with **high quality essential public services**.

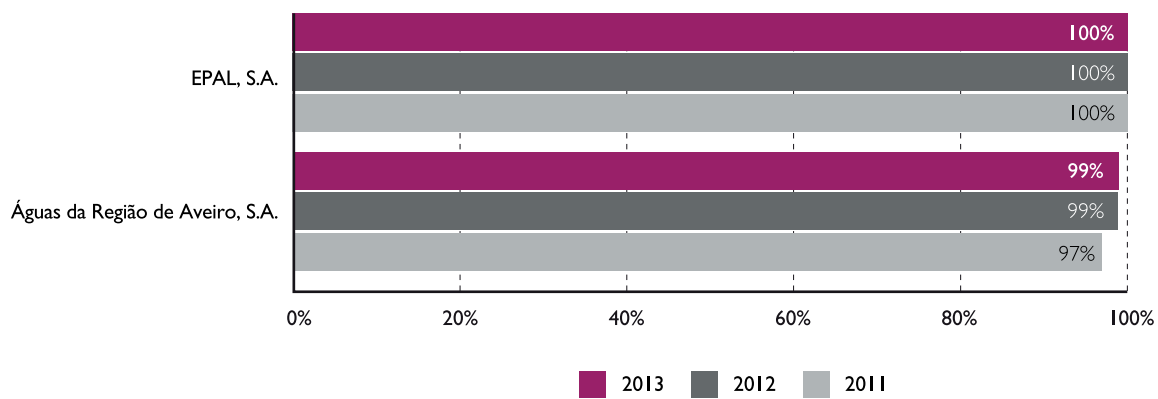
Upstream water supply service coverage
(% housing served)



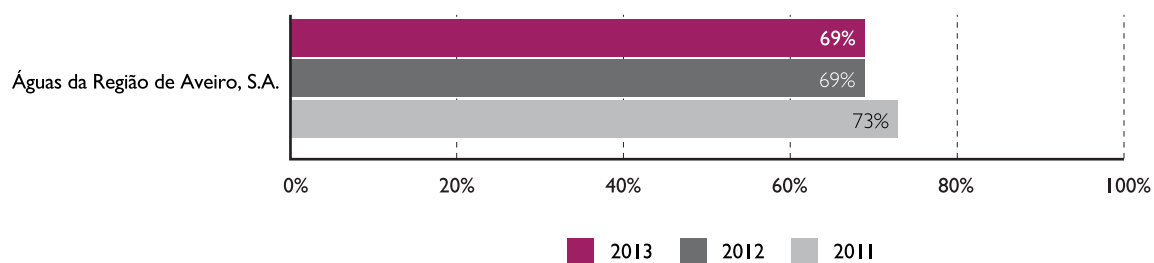
Upstream wastewater sanitation service coverage
(% housing served)



Downstream water supply service coverage



Downstream wastewater sanitation service coverage¹⁴



¹⁴ The value of 2012 was corrected after the ERASAR audit, from 70% to 69%.



[C] We commit ourselves to increase the quality and reliability of the services.

Service quality and reliability

In an increasingly demanding society, the AdP Group intends to rise to the daily challenges by adopting the best technical solutions for the design and operation of multi-municipal systems. The reliability of the service provided has evolved, both from the point of view of continuity and of the quality achieved.

In the AdP Group, service quality and discerning budget management give the use of state of the art technology a key role in the daily operation of its companies. The access to relevant tools is necessary in order to achieve improvements in process management, with advantages both at operational and environmental levels.

We have mobilised our **experience and innovation** for the development of solutions that optimise water and waste cycle management.

Supply

The water reserve capacity of multi-municipal systems contributes to the continuity of the water supply service. In 2013, a reserve capacity of 1,888,838 m³ in upstream systems and 502,441 m³ in downstream systems was observed. There were 48 and 123 service interruptions in upstream and downstream systems, respectively.



The AdP Group provides a **completely reliable** public service to the community.



AQUAField increases citizens' trust in the water sector

Aquasis

The operational management of water supply demands interventions in the networks, for the repairs of breakages and damages which require by law that service to be interrupted. The interventions, embodied in Work Orders (WO), present a life cycle (opening, inspection, execution and closing) and require adequate planning. With the aim of optimising this process, Aquasis and Águas do Sado have developed AQUAField. Its implementation reduces water losses through the use of optimised valve fasteners, reducing the number of affected customers, the duration of the supply interruption and minimisation of trips to the site, with a resulting reduction of fuel consumption and of CO₂ emissions.



The quality of the water supplied is guaranteed by the companies of the Group through regular monitoring of the product in accordance with the Water Quality Control Plans approved by the regulatory authority ERSAR. In 2013, 67,525 and 23,294 water analyses were carried out in upstream and downstream systems respectively. The results of the analytical inspections are published regularly, granting consumers access to information about water quality and its compliance with the legal requirements. Additionally, the companies have internal monitoring plans for more exacting analytical inspections, guaranteeing the quality of the supplied water.



**100% compliance,
67,525 executed analyses**

Inspection parameters of water quality
in upstream supply systems

**99% compliance,
23,294 executed analyses**

Inspection parameters of water quality
in downstream supply systems



Water Safety Plans

The implementation of Water Safety Plans (WSP) improves the systems' response capacity in situations that can undermine the safety of the water supply.

In 2013, five companies of the AdP Group had implemented water safety plans, increasing the trust of consumers and of other institutions involved in the production of water for consumption. Approximately 5 million people in Portugal are being supplied with water controlled by Water Safety Plans.

Águas de Portugal created a specialised group that provides technical support to water systems management companies for developing and implementing WSP, nationally and internationally.

Water supply monitoring and inspection measures

- Continuous measurements of process parameters (flow, pressure, water level in reservoirs, pH, chlorine, among others)
- Water Quality Control Plans
- Water Quality Operational Control Programmes
- Plans to monitor infrastructures under operation by service providers
- Water Safety Plans
- Inspection and monitoring of hydrological conditions of the water supply sources
- Water loss control
- Implementation of operation and maintenance software



Module SIG¹⁵ G/InterAqua Water Quality Control Plan Aquasis

Aquasis developed the module SIG G/InterAqua Water Quality Control Programme, enabling Managing Entities (ME) of the sector to monitor process execution, complementing the programming information and its implementation with the possibility of obtaining georeferences through the SIG G/InterAqua. This allows the types of control to be executed to be defined in each sample location, in each Water Quality Control Programme, to georeference the sample locations used, to import the programming and implementation with the corresponding process information and to generate reports and maps of each Water Quality Control Programme, including particular queries of the sample locations and analytical inspections executed, or statistical summaries of them.



¹⁵ Geographic Information System (GIS)

Wastewater sanitation is a matter of **public health**.
The quality of the water environment promotes
the local economy (namely tourism).

Sanitation

The effective collection of wastewater prevents the discharge of untreated effluents and network breakdowns, safeguarding the water lines and soil contamination, thus guaranteeing an improvement in the population's standards of living. The maintenance of water lines allows the community to safely enjoy water resources in their various uses, from bathing, irrigation to collection for water supply activities.



The analytical inspection of treated wastewater is carried out periodically and in accordance with the regulations established in the permits and in current legislation. In 2013, 60,503 analyses were executed in upstream and downstream systems. The results of the inspections are published periodically, granting users access to information about the quality of the wastewater discharged in the water environment and its compliance with the legal parameters. Additionally, the companies have internal monitoring plans for more exacting analytical inspections, guaranteeing the quality of the wastewater.

The guarantee of **high quality service provision**, based on professionalism, integrity and on transparency towards the customers.



Wastewater sanitation monitoring and inspection measures:

- Analytical inspection plans in accordance with the discharge licenses
- Analytical plan of operational
- Monitoring plan of offshore marine outfalls
- Continuous measurements of pH, of redox potential, of oxygen
- Monitoring of gaseous emissions plan
- Monitoring plan of treated wastewater discharge areas
- Plans to monitor infrastructures under operation by service providers

Waste

The quality and continuity of the AdP Groups' urban waste management protects the quality of the soil and water environment, safeguarding the public health of the communities in which they operate. Additionally, the convenience for the population includes proximity of the containers for selective collection, their cleanliness, the schedules and the routes of the waste transportation. Odour control and leachate treatment are two essential complementary aspects of the activities in terms of waste management.



Monitoring and control tools in waste management

The waste management companies have undertaken efforts to equip their systems with monitoring and control tools that will enable more efficient activity management:

- Plans to monitor surface and groundwater
- Plans to monitor leachate
- Plans to monitor waste mass settlement in landfills
- Optimisation systems for waste collection routes
- Continuous measurements of atmospheric emissions
- Plans to monitor infrastructures operated by service providers

The more **sustainable** the behaviour of the citizens,
the more **efficient** the AdP Group's activity.



[P] Relations with Interested Parties

[C] We are committed to promoting increased closeness to the community.

**A strong commitment
to environmental communication**

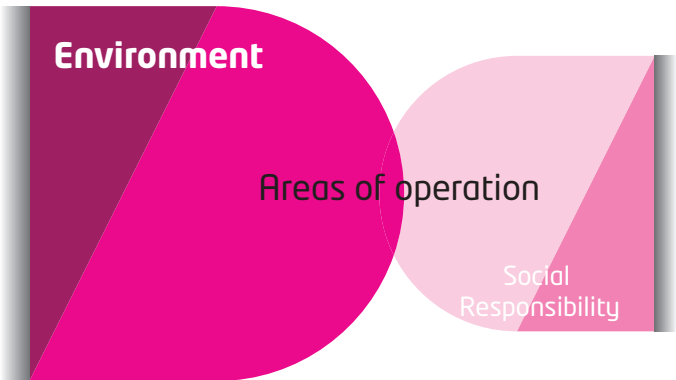
The AdP Group is integrated into the community, actively sharing its sustainability principles on which its strategy is based.



Environment

8th Principle

Businesses should undertake initiatives to promote greater environmental responsibility.



The Group has had a leading role in the environmental awareness initiatives directed at a diverse audience. These have focused on sensible water use for supply in order to avoid waste, in the proper discharge of wastewater and the correct separation of waste. These initiatives, developed individually or through partnerships (municipalities, associations or other institutions) have had a great national impact.

96,554 visitors
at AdP Group's facilities

2,092 visits



"Open doors" across the country

AdP Group

How does the water reach our taps and what are the treatments that it receives before it has the quality to be consumed? What happens to water after it is used in our houses and companies? What are the conditions in which it is returned to its natural sources? Where does the solid urban waste go after it is thrown away or deposited in the containers for selective collection? Is it possible to produce energy or agricultural fertilizers from waste? These are some of the questions that were answered by the "open doors" programme that the Águas de Portugal Group carried out during October 2013 to commemorate its 20th anniversary.

Water treatment plants and wastewater treatment plants, reservoirs used for water collection, waste recovery and treatment plants, sanitary landfills, among other infrastructures managed by the companies of the Group were included in the programme of open doors and gave guided tours that were accessible to the general public in the first week of October.

The ultimate goal of this initiative was to give people insight into the complexity of the activities and processes developed by the companies of the AdP Group to ensure the drinking water supply, the treatment of wastewater and the treatment and recovery of urban waste. Though highly relevant to the quality of life of the population and provided continuously and with high quality, these essential public services can almost become invisible.



ETAR de Torres Vedras de Portas Abertas

Horário:
09h00 | ponto de encontro
09h30 | partida.

**Dia Mundial da Água
22 de março de 2014**

Uma Estação de Tratamento de Águas Residuais (ETAR) é um dos equipamentos do ciclo urbano de água, indispensável ao tratamento de água e à proteção dos recursos hídricos.

No âmbito da comemoração do **Dia Mundial da Água 22** do município convidamos os seus munícipes a visitar a Estação de Tratamento de Águas Residuais (ETAR) da Cidade de Torres Vedras.

Esta atividade terá início junto à Expores, de onde os participantes seguirão de bicicleta por uma pequena paisagem, pelo eco-caminho, até à ETAR.

Não faltará realizado uma visita guiada ao equipamento.

Esta atividade exige o número mínimo de 15 participantes.

Reservas:
inscrever-se até 15 de março, pelo e-mail: etar@torresvedras.pt

Logos: AGUAS DE TORRES VEDRAS, AGUAS DE LISBOA, AGUAS DE COIMBRA, AGUAS DE VISEU, AGUAS DE AVEIRO, AGUAS DE BEJA, AGUAS DE FARO, AGUAS DE GUARDA, AGUAS DE LEIRIA, AGUAS DE PORTO, AGUAS DE SANTO ANDRÉ, AGUAS DE SETÚBAL, AGUAS DE TAVIRA, AGUAS DE VILA REAL, AGUAS DE VIMIEIRA, AGUAS DE VILA VERDE, AGUAS DE VIMIEIRA, AGUAS DE VIMIEIRA.

ÁGUAS de SANTO ANDRÉ
Grupo Águas de Portugal

Portas Abertas

5 de Outubro

A pensar em si
e no ambiente!

A Águas de Santo André, S.A. Abre portas de 4 instalações no dia 5 de outubro.

Visite-nos nesse dia e comemore, na nossa companhia, os 20 anos do Grupo Águas de Portugal.

Inscreva-se nos seguintes horários de visitas:

ETA de Morgovél	Centro Operacional de Santo André - Sede	ETAR Ribeira de Moimelos	RESIM - Alvario de Santo André
Das 10:00 às 11:30 e das 14:30 às 15:30	Das 11:30 às 12:00 e das 16:00 às 18:30	Das 10:00 às 10:30 e das 14:30 às 15:00	Das 11:30 às 12:00 e das 16:00 às 16:30

Para se informar contactar os serviços do número 249 708 340 ou através do e-mail: geral@aguasdesantoandre.com.pt

Logos: AGUAS DE PORTUGAL, 20 ANOS, AGUAS DE LISBOA, AGUAS DE COIMBRA, AGUAS DE VISEU, AGUAS DE AVEIRO, AGUAS DE BEJA, AGUAS DE FARO, AGUAS DE GUARDA, AGUAS DE LEIRIA, AGUAS DE PORTO, AGUAS DE SANTO ANDRÉ, AGUAS DE SETÚBAL, AGUAS DE TAVIRA, AGUAS DE VILA REAL, AGUAS DE VIMIEIRA, AGUAS DE VIMIEIRA.

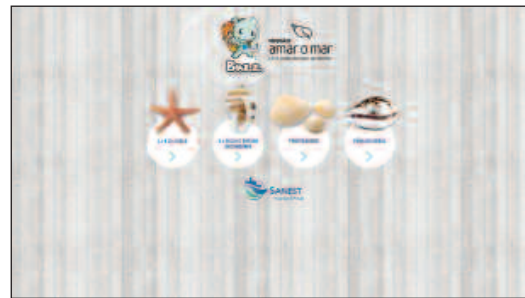


New site of environmental education Sanest

To commemorate National Water Day, Sanest launched a site dedicated to environmental education, whose main target audience is the student population.

Environmental awareness and education are the main objectives of Sanest in its relationship with the community, aiming to contribute to the adoption of good practices by the youth.

This platform will also allow teachers to collect information and subjects related to the environment to be discussed throughout the year in projects of this area.



Hora da Troca¹⁶ Algar

Within the frame of the European Prevention of Waste Production Week, from 16th to 24th November 2013, Algar developed the initiative “Hora da Troca”. This initiative consists in stimulating schools, companies and other institutions of the region to organise object exchange fairs, promoting a direct exchange of goods such as CDs, books, toys and other materials that are still in good condition to be used by other people.

Algar also implemented this initiative internally among its employees.



¹⁶ “Time to Exchange”



Virtual Water Museum

Águas de Trás-os-Montes e Alto Douro

The virtual water museum is a sort of memory book, dedicated to water, which is supported by 31 municipalities of the AdTMAD area of intervention. The main goal is for each school to participate in the museum, by completing the section of the “album” dedicated to their municipality, introducing pictures, videos, audio files, documents, for the Museum to represent a collective memory of the region on the subject of water. This project aroused great interest within the community for its way of addressing the subject of water and its impact in societies throughout history and in the most varied aspects.



Project Aqua Criativa

Águas do Zêzere e Côa

Since 2008 Águas do Zêzere e Côa, in partnership with the Educational Department of the Municipal Theatre of Guarda, has developed the project Aqua Criativa. The main objective of this project is to link the subject of water as a resource essential to life with cultural, artistic and educational activities and events directed at a diverse audience, from students to the general population, adjusting the activities to each group's specificities.

To this end, the project was created with a varied programme aiming to raise awareness of the need to preserve environmental and ecological values in a constantly changing world. In 2013, National Water Day was commemorated with the release of an animation film on environmental issues, called “O Poder da Água”¹⁷. At the beginning of the release session, there was a conference on the topic “Water”, where several experts in the environmental field took part.

At the end of the year, the DVD “O Poder da Água” was distributed to all schools in the 16 municipalities covered by the company.



¹⁷ The Power of Water

The focus on environmental education in schools hits its target which are the future opinion leaders of change for a better world.



Participation in Greenfest 2013 Sanest

Sanest was present again in the Greenfest, the country's biggest sustainability event which celebrates the best in terms of sustainability in Portugal in the areas of environmental, social and economic sustainability. The stand promoted awareness activities for children and adults.



Water Olympics Águas Públicas do Alentejo

Águas Públicas do Alentejo sponsored the Water Olympics in Cuba on 4th, 11th, 18th and 25th June 2013, where more than 60 people participated each day. With this initiative, the company was pursuing the following objectives:

- Promote the consumption of tap water;
- Present the urban water cycle;
- Carry out water tests;
- Raise awareness of the various issues involving water and promote good practices of use;
- Raise awareness of the individual and collective responsibility in the management of a common good to humanity: the water;
- Promote environmental awareness and education, for a more sustainable use of water resources.



Company reveals "Aquedutos de Portugal" Águas do Mondego

Within the context of National Water Day, Águas do Mondego joined Águas de Coimbra and the Municipal Museum of Coimbra for the inauguration of the exhibition "Aquedutos de Portugal - água e património"¹⁸. Water and heritage are promoted through 21 pictures of the most traditional water distribution systems, the aqueducts.



¹⁸ "Aqueducts of Portugal – water and heritage"



World Water Day celebrations Simria and Águas da Região de Aveiro

Simria and AdRA - Águas da Região de Aveiro, in partnership with EPA – Escola Profissional de Aveiro¹⁹ and the Forum Aveiro, commemorate World Water Day, on 22nd March, inviting the general public to participate in a different kind of day, with several activities for young and old in a day dedicated to water. Whoever took part had the chance to enjoy a fun day and between games, creative activities and lab experiences, learn a little bit more about the precious resource that is water and about the challenges that all of us, as individuals and as members of our communities, have to face in the future in order to ensure its preservation and the continuity of life.



Águas do Mondego

Águas do Mondego, in partnership with the Loja Social da Mealhada, celebrated World Water Day with dozens of children, aged 3 to 10. In addition to the presentation of the urban water cycle, the children also came to know the importance of a sensible use of water.



Sanest

Sanest commemorated World Water Day with fun, but also with strong awareness and an educational message for children. They participated in a series of activities covering general environmental subjects and related to Sanest' activities. The participation of the mascot "Buzz" in this activity added a special colour to the event and created strong empathy with the children.



¹⁹ Professional School of Aveiro



Amarsul Eco Fashion

Amarsul

The Amarsul Eco Fashion 2013 took place in September 2013 and it glittered with creations by young Portuguese designers and by the established Storytailors. The current collections were produced from recyclable materials, embodying the objectives of the Amarsul Eco Fashion in its four editions and contributing to the recovery of urban solid waste produced in the Setubal Peninsula. This is considered an event of excellence and obtained national and international recognition by the Portuguese Association for Corporate Communication and the Summit International Award, respectively.



The role of the community in the sustainable use of natural resources is reflected in the efficiency and the cost of the AdP Group's operations.



Travelling exhibition "Água para Todos"²⁰ EPAL

In 2013, the travelling exhibition of the Water Museum "Água para Todos" visited 13 schools, reaching approximately 7.812 students from pre-school to secondary education.

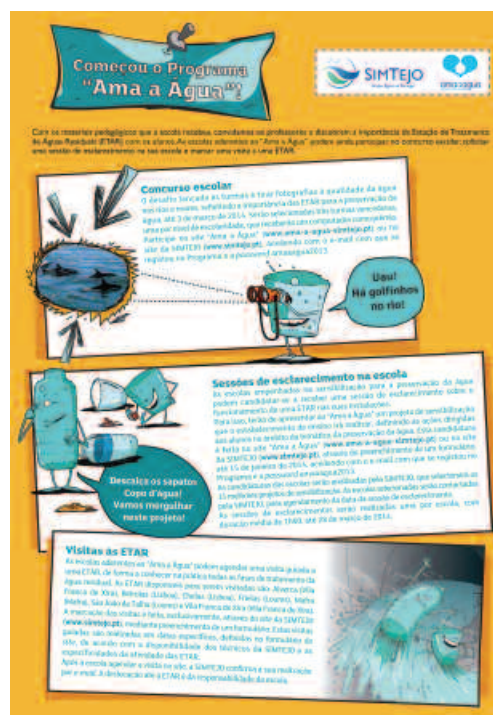
"Água para todos" invites students and teachers to explore and reflect about important subjects such as water distribution on earth, the cycle of water, water as an essential resource for life, its properties and characteristics, the urban cycle of water, pollution, sustainability and the importance of sustainable management of water resources.

The goal of this exhibition was also to raise awareness among future generations of the importance of sustainable development, leading them not only to reflect about the subjects presented in the exhibition, but also to act.



Programme "Ama a Água"²¹ Simtejo

In collaboration with GEOTA and the town halls of Amadora, Lisboa, Loures, Mafra, Odivelas and Vila Franca de Xira, Simtejo developed the programme "Ama a Água" aiming to contribute to the awareness and preservation of water resources. This programme is directed at primary and secondary schools and to the general public and it includes various initiatives: pedagogic material, school contests, information sessions and the "Hidrobox".



²⁰ "Water for Everyone"

²¹ "Love Water"



Environmental Awareness Project "O cano é que paga!"

Simlis



The project "O cano é que paga!" was developed by Simlis and consists in the implementation of an environmental awareness campaign, whose main objectives are: inform and alert the public about the consequences of depositing waste in collectors; alert them of the damages and service interruptions caused by blockages and obstructions; raise awareness about the adoption of good practices; appeal to a sensible management of these type of waste and finally, reduce the number of blockages and obstructions in the sanitation facilities.

The big challenge of this project was to find a creative and appealing way of sending the message to the public. In this context, a concept well known in the Portuguese culture was used, it is part of a song "O corpo é que paga" by António Variações, and the lyrics were adapted to the message to be sent. The song, linked to a karaoke video clip is available on youtube and on the facebook page of the campaign, and it serves as a base for several messages through the integration of a QRCode.

This project was included in a series of initiatives, among which were an online campaign, a media campaign and an outdoor campaign, events and activities on the street, exhibitions, activities for the community's youth and children and graphic support for their promotion.

The campaign featured several partnerships, namely with the municipalities of the Simlis area of intervention, the Leiria shopping centre, ROCA and SMAS of Leiria and with the collaboration of Renova, the Philharmonic Association of the town hall of Leiria, Instituto Politécnico de Leiria (IPL)²², the Musical Arts Society of Pousos (SAMP), Valorlis and Bruno Gaspar.



Programme "Os Sêniiores e a Reciclagem"²³

Valnor

Valnor organised the programme "Os Seniores e a Reciclagem" in 2013, with the goal of raising awareness among the elderly of environmental issues and waste treatment. Within that context, Valnor organised guided tours of the Integrated Centre of Solid Waste Recovery and Treatment as well as conferences about good environmental practices in Private Social Solidarity Institutions, homes and care centres, and senior's universities, among others.

²² Polytechnic Institute of Leiria

²³ "Senior Citizens and Recycling"



16th consecutive "Águas Livres" Contest"

EPAL

"Drinking water for a feasible future" was the topic of the 16th consecutive "Águas Livres" contest for the academic year 2012/2013 that EPAL's Águas Livres Pedagogic Service organises each year for primary and secondary schools in 1,508 educational institutions.

The chosen topic aimed to frame this year's edition within the celebration of the International Year of Water Cooperation and also as a part of the Decade of Education for Sustainable Development.

Its main goal was to promote reflection about the importance of access to safe drinking water, both in the daily lives of students in their homes and in schools, 2012/2013's contest challenged the schools involved to carry out an advertising campaign for the preservation of this resource.



Special campaign 2013 - "Em busca do Baú Amarelo"²⁴

Valorlis

The campaign "Em busca do Baú Amarelo" brought children, youth and adults together in a common goal: to promote the collection of used plastic and metal packaging, valued for their multiple recycling possibilities. This campaign included the following initiatives:

- Photo contest "Entra na Aventura dos Eco-piratas"²⁵, directed at primary school students, where students were invited to decorate the hat of a pirate provided by Valorlis, and then carried out a photo session with the entire class;
- For primary school students the challenge was to stage and film the theatre piece "Entra na Aventura dos Eco-piratas". There were prizes for the best performances and the most creative stages.
- Secondary school students were invited to participate in the contest "Enriquece o Baú Amarelo"²⁶ through taking photos of the yellow recycling banks and posting them on Valorlis' facebook page;
- In the contest "Mostra o Teu Tesouro"²⁷, students of middle and secondary schools were challenged to create decorative pieces, jewellery and other valuable objects with recycled plastic and metal packaging.



²⁴ "Searching for the Yellow Container"

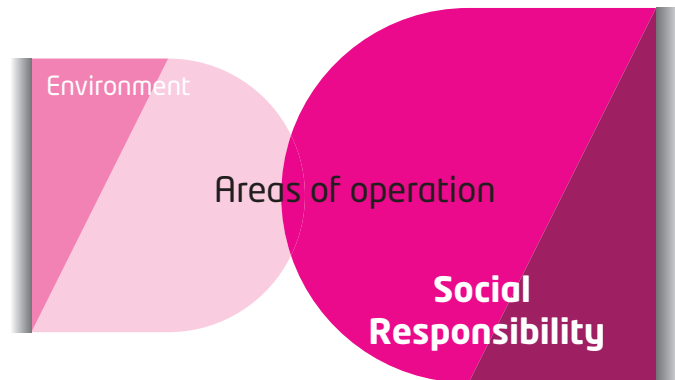
²⁵ "Enter the Adventures of the Eco-pirates"

²⁶ "Enrich the Yellow Container"

²⁷ "Show your Treasure"

The AdP Group believes that the creation of **partnerships** with external entities contributes more broadly to the **society's sustainability**.

Social Responsibility



ECO Movement - companies against fires. Portugal without fires depends on all of us AdP Group

Every year the country is plagued by wave of wildfires caused by humans.

With the goal of contributing to minimising the number, extent and impact of wildfires through active protection of the forest, in 2007 the ECO movement – companies against fires started. This movement brings together efforts of the civil society and several companies and organisations in order to reach as many citizens as possible with messages that will lead to a change in risky attitudes and behaviour.

The Águas de Portugal Group, within the frame of its Sustainability Strategy, is committed to the protection of natural resources and the respect of the environment. Therefore, it complies with the ECO movement, engaging all its companies in the dissemination, through all its communication channels, of messages of awareness regarding risky behaviours and in the promotion of specific actions for the defence of our forests.





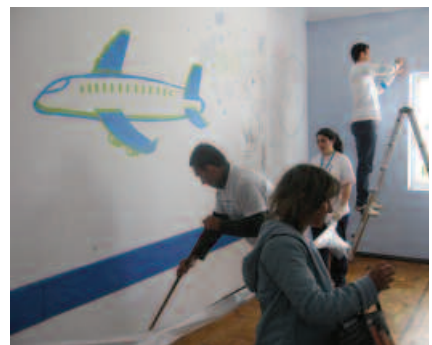
“Gota a Gota mudamos vidas”²⁸

The first event of the AdP Volunteer Programme took place in May 2013 at the Casa do Gaiato of Santo Antão do Tojal, involving 36 volunteers in a “day full of paint, dust and soap but, above all, full of joy and satisfaction”.

It quickly became clear that much more than painting walls and renovating spaces, the day promised to transform the lives of those kids. Always around, the teens saw their rooms gain new colours, better health and more cosiness – in short, a touch of “mother’s hand” that promises to give even more joy to the stories, talents and dreams that the kids shared during the day with the volunteers.

The event also relied on the collaboration and dedication of partner organisations: Sotécnica, Beta List, Associação Novos Rostos... Novos Desafios and LuísTrans.

Mission accomplished!



²⁸ “Drop by drop we change Lives”



AdP hosted the UNICEF Christmas sale

The employees in the AdP headquarters could do their Christmas shopping at the UNICEF Christmas sale. The funds raised went to support projects developed by UNICEF, which aim to ensure that all children and youth in the world have access to health, education, nutrition, water and sanitation, as well as to support them in cases of emergency, war or catastrophes.

UNICEF could count on our solidarity!



Running or walking, together for a good cause

Around 12 thousand people ran for Breast Cancer in the "Sempre Mulher"²⁹ Marathon at the Parque das Nações. Águas de Portugal joined this solidarity initiative with one participant in the competitive marathon and twelve participants in the leisure/walking marathon, all females.

The 85,190 euros raised with through initiative was donated to the Portuguese Association for Support of Women with Breast Cancer.



"Tampinhas Mágicas"³⁰

Águas do Noroeste

Within the frame of the campaign "Tampinhas Mágicas", Águas do Noroeste donated a wheelchair to a 10 year-old boy suffering from Spina Bifida attributed a 78% disability.

Starting in 2006, this social responsibility initiative has consisted in collecting plastic caps and sending them for recycling to the sanitary landfill of Lustosa – Ambisousa, EIM.

Since the beginning of the project to this day, 53 tons of plastic caps have been collected, equivalent to 34 thousand euros, allowing the donation of a widely varied range of orthopaedic material, benefiting several social solidarity associations as well as individual citizens.

With this initiative Águas do Noroeste, within a context of social sustainability, contributes to the betterment of population's quality of life.



²⁹ "Always a woman"

³⁰ Magic caps

The Group is integrated into its community,
actively participating in social, environmental and local issues.



Participation in campaigns of the Food Bank Against Hunger AdP Group

Several companies of the AdP Group participated in 2013 in food collection campaigns promoted nationwide by the Food Bank Against Hunger. The companies intend to repeat this experience, aiming to strengthen their relations with the community and conscious of the cohesion and positive atmosphere that this type of experience provides for the personal development of employees.

Employees of Simdouro, which participated in this type of initiative for the first time, collected 1,708 kg of food.

Employees of Águas do Douro e Paiva, which has promoted participation in these events since 2009, collected 1,501 kg of food in a single day.

EPAL promoted a campaign amongst its customers to collect milk for the Food Banks Against Hunger. This initiative consisted in a challenge for customers to approve online invoicing, avoiding the waste of natural resources and helping those in need. For each approval, EPAL donated 4 Euros in milk. "Milk, just like water, is an essential food for quality of life" explained José Manuel Sardinha, chairman of EPAL. The 44,629 litres of milk obtained were distributed between the 400 institutions that support the neediest families in Lisbon.

Resiestrela, with the support of SPV, launched the campaign "Nesta Causa Portuguesa Fica Bem... Pão e Vidro sobre a Mesa"³¹, where for every 10 tons of glass collected in their containers for selective collection, 20 euros were donated to the Food Bank Against Hunger of Cova da Beira.



³¹ Adapted lyrics of a Portuguese song



Companies collaborate with the campaign "Pirilampo Mágico - Ilumina o teu Mundo"³²

AdP Group

The pirilampo mágico is currently one of the greatest, if not the greatest, social solidarity symbols in Portugal. The social cause with which it is associated: support for children and youth with intellectual disabilities and/or multiple disabilities; the great country wide work of the CERCI; and the familiarity and affective bonds created with the Portuguese population over more than two decades give this icon recognized credibility and media impact that has greatly contributed to its cause through fundraising. In 2013, several companies of the AdP Group collaborated with the Pirilampo Mágico Campaign, which this year assumed the motto "Ilumina o teu Mundo".



Partnership with AMI in a solidarity campaign Amarsul

Amarsul, in partnership with AMI, launched a solidarity campaign for the collection of cooking oils.

This campaign sought to give continuity to social responsibility policy and to inform the population about the recycling of cooking oils.

The initiative took place from 15th December 2013 to 1st February 2014 and consisted of the Biocanter donating €0,20 to AMI for every litre of cooking oil delivered by the population to any of the containers for selective collection of Amarsul.

Biocanter will produce biodiesel from the cooking oil, a biofuel that is a substitute for conventional diesel and that emits less CO₂.



"Vamos ajudar a Joaquinha"³³

Águas de Trás-os-Montes e Alto Douro

Always attentive to its community and to the problems that affect all those in it, AdTMAD helped to promote the cap collection campaign of under the name "Vamos ajudar a Joaquinha", which collected 4 tons of caps in 2013, allowing little Joana to undergo physical therapy treatment and gain more autonomy. AdTMAD will continue to collect caps to continue supporting the costs of these treatments, which must be ongoing.



³² "Magic firefly - Light your world"

³³ "Let's help Joaquinha"

For 20 years we have fought against the country's desertification and contributed to the **development of local economies**.



[C] We commit ourselves to contribute to the development of the regional business sector and of local employment and to invest in the relationship with suppliers.

Spread across the country, the subsidiary companies of the Group promote the development of economy and create jobs locally, which is later reflected at a national level and has a special impact in the interior areas of the country. In 2013, around 94% of our acquisitions of goods and services were of Portuguese origin.

On equal terms and notwithstanding the current legislation and acquisitions policy of the AdP Group, preference is given to local suppliers, which translates into a socio-economic asset for the region.

Contracted external institutions are subject, not only to the clauses on mandatory legal compliance included in all executed contracts, but several environmental requirements, of safety and human rights, which the Group has in place that aim to ensure the adoption of good practices.

The Group has various support tools to ensure that our commitments are also those of the supply chain, namely the existence of social responsibility statements and codes of conduct and ethics subscribed to by the suppliers, audits, awareness initiatives and evaluation processes for our suppliers, contributing to the alignment of principles and to the improved performance of suppliers, with consequences not only for the quality of the Group's companies' performance but for the entire supply chain.



We evaluate suppliers according to the **specific criteria** existing in the Group's companies.



Key points of the social responsibility regulations applicable to the AdP Group and its suppliers:

- Child labour
- Forced and compulsory labour
- Health and safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management system



[P] Promotion of Research & Development

[C] We commit ourselves to use the best available technology and to focus on innovation as a factor promoting competitiveness and sustainability.

The Group, as leading service provider in the water and waste sectors in Portugal, holds a larger responsibility in the areas of innovation, research and development associated with its core business. With a double role in the collaboration in partnerships, it is simultaneously, provider and customer of the resulting synergies, providing resources and information for the development of science and receiving new knowledge and technologies for the improvement of its activities.

The **focus on efficient solutions enhances business sustainability and provides a higher quality of service for the population, companies and community.**

The increasingly complex challenges resulting not only from political, economical, social and technological changes, but also from the growing demands of users, give rise to management strategies ever more based on innovation and process efficiency solutions. In order to face these challenges, in 2013 the AdP Group defined its Research, Development and Innovation (I&D+I) Strategy as well as the associated objectives and processes. In this context, a R&D and Innovation network was created for the Group, consisting of technicians from various subsidiaries.

During 2013 several applications were submitted to European funds (LIFE2013+, Ecoinnovation and WaterJPI), for which the competent companies still await an answer. Also during this year, six applications were submitted to the 7th Framework Programme, which approved the Aquavir project, with the participation of EPAL and Simtejo, whose objective is to develop online probes for detecting viruses in water supply systems, wastewater and recreational water, as well as the validation of a virus quantification method.

Innovation, research and development have played a key role in the AdP Group's response to its challenges, contributing to the sustainability of its business.



The AdP Group develops I&D projects nationally and internationally, based on:

- motivating the search for knowledge and furthering innovative solutions based on AdP Group's knowledge;
- identifying potential areas for large-scale optimisation;
- securing, disclosing and exchanging good practices between companies;
- developing and implementing innovation solutions, with a special focus on the operational management optimisation of water supply and wastewater sanitation systems of the AdP Group;
- implementing institutional innovation projects;
- strengthening the links between national research institutions and the AdP Group;
- fostering the realization of PhDs in the area of environmental business.

Management support tools:

- Financial
- Human Resources
- Documentary
- Legal requirements identification
- Operation
- Maintenance
- Routes of the service vehicle fleet
- Geographic information
- Corporate responsibility systems



New challenges

The Strategic Implementation Plan (SIP) of the European Innovation Partnership on Water defines priority areas of investment in innovation until 2020:

- water reuse and recycling;
- water and wastewater treatment, including recovery of resources;
- water-energy nexus;
- flood and drought risk management;
- ecosystems service;
- water governance;
- decision support systems and monitoring;
- smart technologies.

AdP is, **for the third consecutive year** in the official ranking of the **100 companies with the largest investment** in R&D.



Water consumption monitoring system

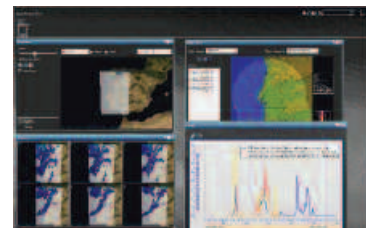
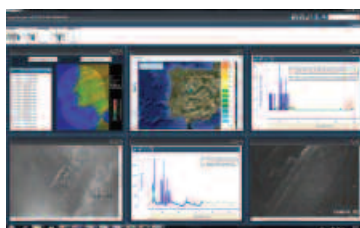
EPAL

The Waterbeep® is a service launched by EPAL that allows information to be collected about customers' water consumption in homes, commercial or industrial spaces or offices, and allows the development of water consumption to be monitored. Additionally, this service includes alerts for abnormal consumption.

Waterbeep® promotes the sensible consumption of water while alerting the customers of possible water leakages. There are several subscription options for this service, while the basic monitoring version is completely free.



Award winning platform Aquasafe Simtejo



Simtejo participated in the Aquasafe project under the QREN programme led by Hidromod. The objective of this project was the development of the Aquasafe tool for Simtejo.

The Aquasafe tool was applied particularly to the subsystem of Beirolas. This platform allows data management from different sources (SCADA, data bases, modems, internet). The advantage for diagnosis and prognosis of the drainage system behaviour is notable.

The application of the Aquasafe platform to the Beirolas subsystem case study was selected, from among 37 competing projects, as the finalist of the Be Inspired Bentley Awards 2011, in the category Innovation in Water, Wastewater and Stormwater Networks.

In May 2012, the Aquasafe project was awarded the Honour Award of the IWA Project Innovation Awards Europe & West Asia Regional Awards 2012 in the category Operations & Management.



Integrated Energy Efficiency Plan in companies of UNA-PD **AdP Energias**

AdP Energias, in line with the National Action Plan for Energy Efficiency and with national objectives, presented an action plan for Energy Management in the Águas de Portugal Group to the UNA-PD that suggests the performance of audits and energy diagnostics of relevant the facilities in order to obtain measurements to make facilities more efficient in terms of energy and the implementation of photovoltaic mini-production centres.

This plan essentially aims to harness the facilities' full potential and make them more energy efficient, both in terms of consumption and of production of energy.



Implementation of the Energy Rationalisation Plan at the ETAR of Vila Real **Águas de Trás-os-Montes e Alto Douro**

The Energy Rationalisation Plan at the ETAR of Vila Real started in 2013, following an energy audit that classified the facility as a Intensive Consumer of Energy.

The measures taken consisted in raising operational awareness in order to adjust the process to minimise or optimise the energy consumption, as well as the implementation of a decentralised system to monitor electrical variables, which served to obtain a profile of the consumption at the facility as well as to identify abnormalities. In 2013, the ETAR of Vila Real was no longer a Intensive Consumer of Energy, since the overall energy consumption was below 500 toe³⁴, registering a reduction of around 20%, while the treated flow increased by 6%.



[C] We commit ourselves to create cooperation partnerships with the academic and business sectors in order to promote R&D and to collaborate in technology demonstration projects.

The know-how resulting from innovation and research processes developed in partnership with the scientific community and the academic and business sectors is an important tool for the development of national technology, sometimes, with export potential.

In 2013 several contacts were made with institutions of higher education in order to formalise a cooperation protocol, with the goal of developing technical training, conducting research studies about water supply, wastewater sanitation and waste management, focusing on nine priority areas: reuse of water; water and wastewater treatment, waste treatment processes, water and wastewater transportation, recovery of by-products, water-energy connection, risk management in relation to floods and droughts, decision support and monitoring systems and smart technology.

In 2014 we will boost R&D and Innovation in the AdP Group, promoting the development of a culture of innovation implemented in projects with clear objectives, taking advantage of the existing knowledge within the Group.

³⁴ Ton of oil equivalent



9th Principle

Businesses should encourage the development and diffusion of environmentally friendly technologies.

The **information repository** of companies, along with the availability of **spaces for pilot tests**, are resources that can be mobilised for the **technological development of the sector**.



Engineering students from Algarve pay a technical visit

Águas do Algarve

Águas do Algarve received, in October, 70 students of Geological Engineering and Civil Engineering of the University of Évora and the University of Algarve, for a visit to the ETA of Alcantarilha and the Odelouca Dam. The objective was to allow the students to acquire knowledge about the infrastructures of water supply and management.

In order to achieve the set goals, in addition to the detailed visit to the facilities of the WTP and of Odelouca, the students had the opportunity to attend sessions on the following topics: “Asset Management of Infrastructures” in Águas do Algarve” and “Algarve Watershed Management Plan”.



Tracking white storks with GPS/GSM technology

Valnor

At the University of East Anglia, PhD research is being conducted with GPS/GSM technology concerning the movements of white storks in the Alentejo province. Access to food in the sanitary landfills is very important for this species, so much so that large breeding colonies have been established in the areas surrounding these facilities, which has altered their migratory behaviour during the winter; remaining in ever greater numbers in the Iberian Peninsula. This research aims to analyse the habitats visited by adult birds to collect food for their offspring and whether or not the birds that mostly depend on the sanitary landfills during the winter end up nesting nearby these facilities.

Valnor supports this project, at zero cost, by allowing technical visits of students that found several storks in the sanitary landfill of Avis.



The companies of the Group collaborate with educational institutions by supporting the development of school projects, master dissertations, post-graduate research and PhD theses. This cooperation is seen as an opportunity to develop mutually beneficial partnerships.



"Menos Lixo, Mais Futuro"³⁵ - Handbook "Como implementar um Plano de Gestão de Resíduos"³⁶

Valorsul



Valorsul released the handbook "Como implementar um Plano de Gestão de Resíduos" with advice and practical tips on how organisations can start a process to improve their waste management, with environmental, social and economic advantages. The handbook also provides a list of useful links for those who want to further explore the subject or see the examples of other companies and groups that implemented these measures.

The release of this handbook follows the programme "Menos Lixo, Mais Futuro", another initiative of Valorsul that supported dozens of technicians of companies and institutions in its aim to improve the prevention and treatment of waste.



Company promotes technical meeting concerning Drinking Water Quality and Safety in the Algarve Águas do Algarve



The company Águas do Algarve promoted a technical meeting with the title "Drinking Water Quality and Safety". The goal of this technical meeting was to hold a discussion with managing companies, commercial actors, and members of the catering and hotels sector in Algarve about the excellent quality of the water distributed in the area and the need to divulge best practices for the sector in order to guarantee the safety of the water to the tap of the consumer.

The event was attended by experts, who explained the various directions that this topic can follow to the participants. Representatives from the following institutions were present: Regional Health Administration of Algarve, Regulatory Authority of Water and Waste Services, Portuguese Certification Association, Food and Economic Safety Authority, AHETA and Inframoura.

³⁵ "Less Waste, More Future"

³⁶ "How to implement a Waste Management Plan"



Company was present at the workshop “Água e Saúde”³⁷

Águas do Noroeste

Águas do Noroeste participated in the workshop “Água e Saúde”, organised by the University of Minho, with the presence of the director José Tentúgal Valente, who conducted a presentation on the topic "Practical aspects of quality control of water supply through Water Safety Plans".

This initiative was jointly organised by the Faculty of Health and Engineering Sciences (Department of Civil Engineering) and took place on 4th June at the auditorium of the Faculty of Health Sciences of the University of Minho. The main theme for debate was “Drinking water safety”. The event addressed the issue of quality control of drinking water and its implication for public health, especially in Portugal and Brazil, presented by leaders of the entities responsible for health surveillance and water quality control in these two countries.



The AdP Group, individually or in partnerships, participates in conferences, congresses and seminars as a vehicle of knowledge exchange with the interested parties.

Integration in society

The AdP Group has a close relation with professional, technical and industrial associations, adhering to and following the relevant trends in topics of interest to the companies.

Associations/ Institutions/ Organisations

APDA - Associação Portuguesa de Distribuição e Drenagem de Águas
APEE - Associação Portuguesa de Ética Empresarial
APESB - Associação Portuguesa de Engenharia Sanitária e Ambiental
APAS Floresta - Associação de Produtores Florestais
APMEP - Associação de Mercados Públicos
APMI - Associação Portuguesa de Manutenção Industrial
APQ - Associação Portuguesa para a Qualidade
AEA - Associação Empresarial de Alentejo
Associação dos Amigos do Coliseu do Porto
APVGN - Associação Portuguesa de Veículos a Gás Natural
AREAL - Agência Regional de Energia e Ambiente
AVALER - Associação de Entidades de Valorização Energética de RSU
Associação dos Amigos do Museu do Douro
AREAL - Agência Regional de Energia e Ambiente do Algarve
ATTCEI - Associação de Transferência de Tecnologia e Conhecimento para Empresas e Instituições
CEBAL - Centro de Biotecnologia do Alentejo

³⁷ “Water and Health”

Associations/ Institutions/ Organisations

BCSD - Conselho Empresarial para o Desenvolvimento Sustentável
Bombeiros Voluntários de Óbidos
Comissão Municipal de Proteção Civil
CATIM - Centro de Apoio Tecnológico à Indústria Metalomecânica
CESAB - Centro de Serviços do Ambiente
CNESA - Clube Náutico das Águas de Santo André
ENA - Agência de Energia e Ambiente da Arrábida
CPA - Comunidade Portuária de Aveiro
Conselho Consultivo da Sociedade Polis da Ria de Aveiro
CEEP - Centro Europeu das Empresas com Participação Pública e/ou de Interesse Económico Geral
IAREN - Instituto Água Região Norte
EWA - European Water Association
Fundação Serralves
IWWG - International Waste Working Group
IPQ - Instituto Português da Qualidade
ISWA - International Solid Waste Association
IWA - International Water Association
Oeste Sustentável - Agência Regional de Energia e Ambiente do Oeste
Lisboa E-Nova - Agência Municipal de Energia e Ambiente
NERA - Associação Empresarial da Região do Algarve
NERBE - Associação Empresarial do Baixo Alentejo e Litoral
NERGA - Núcleo Empresarial da Região da Guarda
NERLEI - Associação Empresarial da Região de Leiria
PPA - Parceria Portuguesa para a Água
PREWIN Network - Performance, Reliability and Emissions Reduction in Waste Incinerators
RELACRE - Associação dos Laboratórios Acreditados de Portugal
RSO - Rede Nacional de Responsabilidade Social
ENERAREA - Agência Regional de Energia e Ambiente do Interior
S.Energia - Agência Regional de Energia do Barreiro, Moita, Montijo e Alcochete
TMG - Teatro Municipal da Guarda
UEVM - União Empresarial do Vale do Minho
UN - Global Compact
EPIS - Empresários pela Inclusão Social
IES - Instituto de Empreendedorismo Social
TESE - Associação para o Desenvolvimento

3. Annexes

3.1 Goals

Goals

Symbiosis with the Environment

PRINCIPLE: Promote resource conservation and recovery

To promote studies to evaluate the impact of water intakes on the water availability of the sources through partnerships with universities	4 partnerships	page 181
To design plans for leakage detection programmes throughout the water supply system	5 partnerships	page 27
To implement systems of selective waste collection in the offices	100% of companies	page 47

PRINCIPLE: Contribute to the protection of nature and biodiversity

To promote studies of biodiversity profiling through partnerships with universities	4 studies 6 studies	pages 110, 111, 112
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PRINCIPLE: Contribute to combating climate change

To promote the production of wind energy	Production of 31,500 MWh	(-)
To promote the production of photovoltaic energy, through investing in micro-photovoltaics and CPV (Photovoltaic Concentration)	Production of 15,000 MWh	page 103
To promote the production of energy through hydro-electric harnessing in micro and mini hydric plants	Production of 6,000 MWh	page 103
To increase the production of energy through biogas combustion	Production of 140,000 MWh	page 102
To promote efficiency in the energy consumption of buildings through energy efficiency plans and audits in the facilities	100% of companies	pages 117, 25
Training of employees on "ecodriving"	50% of employees	page 146

Symbiosis with Stakeholders

PRINCIPLE: Guarantee the economic sustainability of the Group and the creation of value for stakeholders and other interested parties

To increase the engagement level of non-executive directors (presence in specialised committees)		page 61
To improve the disclosure of risk management (scope and exposure to identified risks)		pages 56, 126
Standardise the Code of Conduct and Ethics for all the companies of the Group	100% of companies	pages 62, 124
To train employees in Codes of Conduct and Ethics standardised for all companies of the Group	50% of companies	page 124
To publish a Sustainability Report	100% of operational companies	page 125
To review the concession agreements of multi-municipal systems	50% of companies	
To increase operational profit from other areas	10% increase	

Symbiosis with Employees

PRINCIPLE: Value the relationship with employees

Standardise processes for hiring employees	100% of companies	page 137
To promote training in Code of Conduct and HIV	50% of employees	page 142
To obtain certification according to the SA8000 regulations	50% of companies	page 123
To apply the system of performance analysis and career development	100% of the Group's companies	page 144
To create the Intranet system of the Group	100% of companies	page 149
To apply the survey of organisational climate of satisfaction	50% of companies	page 149

Symbiosis with the Community

PRINCIPLE: Provide a high quality public service with socially acceptable tariffs, increasingly comprehensive and constant

To cover multi-municipal water supply systems	95% of the served population	page 153
To cover multi-municipal wastewater sanitation systems	95% of the served population	page 153
Customer service for the population in each wastewater drainage and treatment public system	70% of the served population	page 156
To develop a water safety plan	50% of companies	page 159
To implement a Customer Management System through the definition of indicators and metric evaluation measurements	50% of companies	

PRINCIPLE: Share sustainability principles with stakeholders and interested parties

To promote awareness initiatives for suppliers	once a year	page 177
To define an ecological shopping policy		page 26

PRINCIPLE: Promote R&D within a perspective of strengthening national abilities

To organise events and/or meetings in order to encourage sharing knowledge among the Group's employees	One event per year; up to 2015	pages 178, 184
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3.2 Acronyms

A

ACT – Authority for Working Conditions

AdP – Águas de Portugal

APA – Portuguese Environment Agency

B

C

CDR – Construction and Demolition Waste

CO₂ – Carbon Oxide

COSO – Committee of sponsoring organization of the treadway commissions

D

DGEG – Directorate-General for Energy and Geology

E

ERSAR – Waste and Water Services Regulation Authority

ERSE – Energy Services Regulatory Entity

F

G

GHG – Greenhouse Gases

GIS – Geographic Information System

GRI – Global Report Initiative

H

I

IGAOT – General Inspectorate of Environmental and Territorial Planning

IPCC – Intergovernmental Panel on Climate Change

IWA – International Water Association

J

K

L

LPG – Liquefied Petroleum Gas

M

MBT – Mechanical and Biological Treatment

N

NOMVOC – Non-methane Volatile Organic Compounds

NO_x – Mono-nitrogen oxide

NP EN ISO 14001: 2008 – Environmental management standard

NP EN ISO 9001: 2008 – Quality management standard

O

OHSAS 18001 – Occupational Health and Safety Management System

ORC – Organic Rankine Cycle

OUW – Other Urban Waste

P

PEAASAR – Strategic Plan for Water Supply and Wastewater Sanitation

PERSU – Strategic Plan for Urban Solid Waste

PESOMAS – Strategic Plan for Operation and Maintenance Services in Multimunicipal Water Supply and Wastewater Sanitation Systems

POVT – Thematic Territorial Enhancement Operational Programme

Q

R

R&D – Research & Development

RFD – Refused Derived Fuel

S

SA 8000 – Social Accountability Standard

SER – Corporate Responsibility System

SO_x – Sulphur Oxide

SUW – Solid Urban Waste

T

TOC – Total Organic Carbon

U

UNGC – United Nations Global Compact, often referred to as GC

UW – Urban Waste

V

W

WEEE – Waste from Electrical and Electronic Equipment

WSP – Water Safety Plan

WTP – Water Treatment Plant

WWTP – Wastewater Treatment Plant

X

Y

Z

3.3 GRI Summary

GRI Summary	
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GRI Summary

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Indicator

Value
2013

Economic Indicators - EC

Management Approach

ASPECT: Economic Performance

EC1	Direct economic value generated and distributed	Direct economic value generated	€ 867,837,756.20
		Direct economic value distributed	€ 865,276,212.75
		Operating costs	€ 522,605,611.00
		Employee wages and benefits	€ 144,249,946.47
		Payments to providers of capital	€ 127,664,359.85
		Payments to government	€ 70,407,969.43
		Community investments	€ 348,326.00
		Economic value retained	2,561,543.45
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		
EC3	Coverage of the organization's defined benefit plan obligations	Contributions to remuneration or social security	
EC4	Financial assistance received from government	Benefícios financeiros reconhecidos	€ 74,091,884.23

ASPECT: Market Presence

EC6	Policy, practice and proportion of expenses in the local community	Local suppliers (%)	94%
EC7	Procedures for local hiring and proportion of senior management hired from the local community		

ASPECT: Indirect and Economic Impacts

EC8	Development and impact of infrastructure investment and services supported, especially for the public benefit through commercial, in-kind or non-profit investments		€ 5,776,493.83
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Formula

Observations

Page

EC1

127

The reported value is underestimated since some of the investments were not separated from the core business of companies.

EC2

65, 159

EC3

145

EPAL and EGF have a system of social benefits for their employees, which includes the payment of a supplementary retirement fund (for old-age or disability), further supporting the responsibilities resulting from early retirement situations. The system of benefit with pensions of the company is embodied in two types of pension plans: by defined contribution or by defined benefits. This information is available in the R&C of AdP SGPS.

EC4

(-)

EC6

177

Vendors whose headquarters are in Portugal were considered as local suppliers.

EC7

132, 133

EC8

127, 172-176

The value is underestimated since some of the investments were not separated from the core business of companies.

Indicator

Value
2013

Environmental Indicators - EN

Management Approach

ASPECT: Materials

EN1	Materials consumption	Total reactant consumption (ton)	144,403
		Paper consumption (ton)	98,3
EN2	Materials used that are recycled input materials		(-)

Formula

Observations

Page

EN1		The increase in comparison to the figures reported in 2012 is due mainly to greater rigour in the figures reported within the companies of waste management. The figures correspond to the quantity of reactants necessary for the processes of water treatment (liquid to solid phases), of wastewater (liquid, solid to gaseous phases) and of waste (including the treatment at the Leachate Treatment Plant and the gaseous phase). The figure corresponds to the infrastructures under direct operation and outsourced infrastructures.	117
		This figure reports the total quantity of office paper purchased during the year analysed (including reams of A4 and A3 papers, as well as printing paper for plotters and other consumable material, such as envelopes, business cards, etc.) The figure is underestimated since some companies have no record of paper consumption or of "other consumable materials". The increase in comparison to the previous year is due to the inclusion of 21 tons of paper resulting from invoice envelopes from EPAL. This figure was not reported in 2012.	(-)
EN2		In relation to the use of recycled waste from external sources, good practices have been implemented in the Group's companies, highlighting the use of recycled paper. There are diverse good practices implemented in the different companies: use of outdated reactants by introducing them into the processes and/or into the preparation of new solutions; use of damaged pallets after trituration in the process or organic recovery; reuse of oils in the biogas compressors; use of mineral oils used in the operation of existing equipment in the facilities, as lubricant for the wire that ties the bales of paper and cardboard waste and of plastic packaging; incorporation of recycled material in construction sites; use of retreaded tires; acquisition of recycled consumption goods; use of construction and demolition waste as landfill cover or paving material. Some companies contribute by sending waste toners for recycling.	(-)

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Energy

EN3	Direct energy consumption, by primary source	Gasoline (GJ/year)	2,618
		Diesel (GJ/year)	427,556
		Biogas (GJ/year)	2,498,241
		LPG (GJ/year)	276,927
		Propane (GJ/year)	418
		Natural gas (GJ/year)	166,381
		Biodiesel (GJ/year)	11,678
		Total (GJ/year)	3,383,819
EN4	Indirect energy consumption, by primary source	Electricity (GJ/year)	2,523,797
		Primary energy consumption (GJ/year)	2,406,440
EN5*	Energy reduction resulting from conservation and efficiency initiatives		
EN6*	Initiatives to provide products and services of low energy consumption, or that use renewable resources, and energy consumption reduction resulting from those initiatives		

* Complementary indicators

Formula

Observations

Page

EN3	= Gasoline consumption l/year \times 0.034 GJ/l		(-)
	= Diesel consumption l/year \times 0.036 GJ/l		
	= Biogas consumption m ³ /year \times 0.0215 GJ/m ³	Biogas consumption for production of electric energy, for production of thermal energy and flaring.	
	= LPG consumption l/year \times 0.027 GJ/l		
	= Propane consumption kg/year / 0.5 l/kg \times 0.024 GJ/l		
	= Natural gas consumption m ³ /year \times 0.0386 GJ/m ³		
	= Biodiesel consumption l/year \times 0.032 GJ/l	Consumption of biodiesel produced by Valnor from used cooking oil. This value corresponds to the mixture of biodiesel with gas (30%:70%).	
		Note: The amount of fuel used by the services' vehicle fleet of the Group's companies excludes the service vehicle fleet of service providers. The remaining fuel consumption deriving from outsourced facilities are included in this report.	
EN4	= total electricity consumption MWh/year \times 3.6 GJ/MWh	The value presented corresponds to the consumption in facilities managed by companies of the Group and in outsourced facilities.	(-)
	= (Total electricity consumption MWh/year \times 3.6 GJ/MWh) \times 1.6291 GJ primary energy/GJ electricity	The value presented corresponds to the consumption in facilities managed by companies of the Group and in outsourced facilities.	
EN5*			115
EN6*			101-104, 115

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Water

EN8	Water consumption by source	Surface water (supply process) (m ³ /year)	480,983,844
		Ground water (supply process) (m ³ /year)	71,818,340
		Internal consumption in administrative and operational buildings (m ³ /year)	1,875,217
		Own water collections for internal use (m ³ /year)	19,533,820
		Total (m³/year)	574,211,221
EN10*	Percentage of water recycled and reused	For internal use (m ³ /year)	10,754,589
		Provided to an external institution (m ³ /year)	1,244,820
		Total (m³/year)	11,999,409

ASPECT: Biodiversity

EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Total (ha/year)	386
EN12	Significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		(-)
EN13*	Habitats protected or restored		(-)
EN14*	Strategies, current measures and future plans for managing impact on biodiversity		(-)

* Complementary indicators

Formula

Observations

Page

EN8

The reported figure refers to the collected water for the core business of the companies, in facilities of direct operation and in outsourced facilities.

The reported figure refers to the collected water for the core business of the companies, in facilities of direct operation and in outsourced facilities.

The reported figure refers to the consumption in operational and administrative buildings, in facilities managed by companies of the Group and to the consumption in outsourced facilities. The estimation is obtained through invoiced and measured figures. This figure may include the flow collected for internal use in own collection sources for the water supply of the buildings.

82, 83, 84

EN10*

Volume referring to the water used in water supply, wastewater sanitation and waste management facilities of direct operation or outsourced.

Volume referring to transferred/sold for the use of institutions external to the Group.

113

EN11

The reported figure refers to facilities in Natural Parks, protected areas and landscapes. Mains, pipelines, collectors and outfalls are not included in the reported figures. The increase in comparison to 2012 is due to the entry into operations of other facilities.

110

EN12

110-112

EN13*

110-112

EN14*

110-112

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Emissions, Effluents and Waste

EN16	Total Greenhouse Gas emissions, direct and indirect, by energy source	Gasoline (ton/year)	180
		Diesel (ton/year)	31,682
		LPG (ton/year)	17,446
		Propane (ton/year)	118
		Natural gas (ton/year)	9,334
		Electricity (ton/year)	161,243
		Total (ton/year)	220,003
EN17	Other indirect greenhouse gas relevant emissions		(-)
EN18*	Initiatives of greenhouse gas emissions reduction and achieved reduction		(-)
EN19	Emissions of ozone-depleting substances (ODS)		(-)

* Complementary indicators

Formula

Observations

Page

ENI6	= Gasoline consumption l/year x 0.034 GJ/l x 0.0686 ton CO ₂ /GJ	Source: DGEG website, Committee decision n°. 2007/589/CE of 18 th July and order 17313/2008 of 26 th June.	105, 106, 107
	= Diesel consumption l/year x 0.036 GJ/l x 0.0741 ton CO ₂ /GJ	Source: DGEG website, Committee decision n°. 2007/589/CE of 18 th July and order 17313/2008 of 26 th June.	
	= LPG consumption l/year x 0.027 GJ/l x 0.063 ton CO ₂ /GJ	Source: DGEG website, Committee decision n°. 2007/589/CE of 18 th July and order 17313/2008 of 26 th June.	
	= Propane consumption kg/year/ 0.51 l/kg x 0.024 GJ/l x 0.0737 ton CO ₂ /GJ	Source: DGEG website, Committee decision n°. 2007/589/CE of 18 th July and order 17313/2008 of 26 th June.	
	= Natural gas consumption l x 0.0386 GJ/l x 0.0561 ton CO ₂ /GJ	Source: DGEG website, Committee decision n°. 2007/589/CE of 18 th July and order 17313/2008 of 26 th June.	
	= Electricity consumption KWh/year x 230 g CO ₂ /KWh x 10 ⁻⁶ E	The presented figure refers to the greenhouse gases emissions resulting from electricity consumption in facilities managed by companies of the Group and outsourced facilities. Source: ERSE website	
		Note: The presented emissions values are associated to the consumption of electricity of all facilities under direct operation or under operation of Service Providers (excluding the produced electricity that is produced by the company itself) and to the consumption of fuels by the service vehicle fleet of the Group's companies (excluding the service vehicle fleet of service providers) and to mobile and stationary sources existing in facilities directly operated or under the operation of service providers. They don't include the emissions resulting from energy recovery by Valorsul or by the sanitary landfills and WWTP.	
ENI7			107
ENI8*			99, 101-104, 108, 115
ENI9		The companies of the AdP Group do not use ozone-depleting substances in their activities. The only existing sources are associated to equipment of air conditioning, chillers, refrigerators and other cooling systems, such as heaters, air treatment units, etc. Most of the Group's companies prepared or are preparing a survey of the existing equipment and a plan for gas replacement, whenever necessary and in accordance with current regulations. In order to ensure the correct operation of such equipment, maintenance and leak detection actions take place. Work on this equipment is done by technicians with the appropriate qualifications according to current regulations.	(-)

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Emissions, Effluents and Waste

EN20	NOx, Sox, and other significant air emissions	Stationary sources - NOx (kg/year)	463,393
		Stationary sources - SOx (kg/year)	13,540
		Stationary sources - TOC (kg/year)	423
		Stationary sources - Particules (kg/year)	3,808
		Stationary sources - Other pollutants (kg/year)	38,902
		Mobile sources - NOx (kg/year)	349,994
		Mobile sources - SOx (kg/year)	119,347
		Stationary sources -NMVOC (kg/year)	90,888
EN21	Total water discharge by quality and destination	Wastewater treated and discharged into water streams (m ³ /year)	377,314,667
		Wastewater treated and discharged into the ocean (m ³ /year)	135,364,826
		Wastewater treated and discharged by soil infiltration (m ³ /year)	1,150,573
		Leachates treated and discharged into water streams (m ³ /year)	21,040
		Leachates treated and discharged into municipal/ multi-municipal collectors (m ³ /year)	1,156,472
		Total (m ³ /year)	515,007,576

Formula

Observations

Page

EN20		Only continuous measurements were taken into account. The majority of the companies perform occasional measurements, according to current valid legislation, often every three years, according to instructions by the competent authority. These measurements show very low emission figures.	109
	= Gasoline consumption l/year x 0.034 GJ/l x 0.6 kgNOx/GJ + Diesel consumption l/year x 0.036GJ/l x 0.8 kgNOx/GJ	Source: IPCC 2006 The reported figures include the gas and gasoline consumption of the service vehicle fleet of the AdP Group's companies (excluding the service vehicle fleet of service providers) and other mobile sources.	
	= Gasoline consumption l/year x 0.034 GJ/l x 0.075 kgSOx/GJ + Diesel consumption l/year x 0.036 GJ/l x 0.21 kgSOx/GJ		
	= Gasoline consumption l/year x 0.034 GJ/l x 1,5 kgNMVOC/GJ + Diesel consumption l/year x 0.036 GJ/l x 0.2 kgNMVOC/GJ		
EN21		This figure includes the total of water discharged into water streams by the Group's companies (treated within the company or by an external institution)	88, 89, 90, 100
		This figure includes the total of water discharged into the ocean by the Group's companies (treated within the company or by an external institution)	
		This figure includes the total of water discharged by soil infiltration by the Group's companies (treated within the company or by an external institution)	
		The presented figure includes the discharge of treated leachates , produce in landfills and in organic recovery processes. Wastewater produced in administrative facilities of the core business' infrastructures may be included in this figure.	
		The presented figure includes leachates produced in landfills and in organic recovery processes. Wastewater produced in administrative facilities of the core business' infrastructures may be included in this figure. It includes leachates transported by tankers for treatment outside the facilities. The mentioned leachates are subsequently treated in the Group's treatment plants or in external ones, and later on discharged.	
		The figure includes wastewater treated in facilities under direct operation and outsourced facilities and leachates. This figure is residually increased by the domestic effluents produced in the facilities that have a kitchen and/or sanitary facilities, which are routed to the public sanitation networks.	

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Emissions, Effluents and Waste

EN22	Total waste volume by type and disposal method	Hazardous waste (ton/year)	611
		Recovery (R codes) (ton/year)	188
		Disposal (D codes) (ton/year)	423
		Non-hazardous waste (ton/year)	20,452
		Recovery (R codes) (ton/year)	11,577
		Disposal (D codes) (ton/year)	8,875
		Recovery - Waste routed for selective collection (ton/year)	245,080
		Recovery - Waste routed for organic recovery (ton/year)	720,326
		Disposal - Waste routed for incineration (ton/year)	622,706
		Disposal - Quantity of urban waste directly deposited in landfills (ton/year)	1,378,320
		Sludge sent to final destination – water supply (ton/year)	13,953
		Disposed sludge - water supply (ton/year)	10,049
		Disposed sludge - water supply (ton/year)	3,905
		Sludge sent to final destination - wastewater sanitation (ton/year)	317,699
		Recovered sludge - wastewater sanitation (ton/year)	307,343
		Disposed sludge - wastewater sanitation (ton/year)	10,356
		Grit - Wastewater sanitation (ton/year)	7,920
		Sand - Wastewater sanitation (ton/year)	11,108
		Grease - Wastewater sanitation (ton/year)	2,124
		Others - Wastewater sanitation (ton/year)	3,806
		Grit - Water supply (ton/year)	0.04
		Sand - Water supply (ton/year)	18
		Produced ashes (ton/year)	51,093
		Bottom Ashes - Ferrous metals (ton/year)	4,894
		Bottom Ashes - Non-ferrous metals (ton/year)	538
		Bottom Ashes - Inert (ton/year)	122,852

Formula

Observations

Page

EN22

The reported values refer to produced waste that left the AdP Group's facilities through waste monitoring guides. For this reason, a waste stock stored from the previous year may be included. For the same reason, small amounts produced in 2013 may be included, which were stored and in transit for 2014.

In relation to recyclable waste (paper, glass and packaging) and unsorted waste, produced mainly in administrative buildings. These are routed to recycling banks and containers of mixed waste. Not all companies keep a registry of these volumes.

The reported figure refers to the final destination of waste managed within the companies' core business. The figure may include a portion of waste stock stored from the previous year. For the same reason it may not include small portions of waste received in 2013 that are stored and in transit for 2014.

The reported value refers to sludge produced in facilities under direct operation or outsourced facilities. In 2012 there was a peak in the quantity of supply sludge produced sent to final destination by EPAL. In 2013, in a regular situation, the quantities decreased. Compared to the figures of 2011, there was an increase in the production of sludge and an increase in its recovery.

The reported figure refers to sludge produced in facilities under direct operation and outsourced facilities.

The reported figure refers to waste produced in facilities under direct operation and outsourced facilities.

The reported figure refers to waste produced in facilities under direct operation and outsourced facilities.

90, 91, 94, 95, 96,
97, 98, 99, 117

Indicator

Value
2013

Environmental Indicators - EN (Cont.)

Management Approach

ASPECT: Emissions, Effluents and Waste (cont.)

EN23	Total number and volume of significant spills	Number (n.º)	4
		Volume (m³)	0.2

ASPECT: Products and Services

EN26	Initiatives of environmental impact mitigation of products and services as well as impact reduction		(-)
EN27	Percentage of products and their packaging materials that are reclaimed		Not applicable

ASPECT: Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		€ 0
EN30	Total environmental protection expenditures and investments by type	Costs - Management of produced waste	€ 7,777,508
		Costs - Environmental responsibility insurance	€ 102,650
		Costs - Environmental audits (internal and external)	€ 207,089
		Costs - Environmental education/awareness (€)	€ 222,150
		Other costs	€ 1,636,855

Formula

Observations

Page

EN23

(-)

EN26

77, 82, 84-87, 89-91, 94,
95, 98-103, 108, 111,
112, 162-171

EN27

Not applicable

EN28

In 2012, 15 environmental inspections were executed in 26 facilities.

(-)

EN30

Figure associated with the treatment and discharge of produced
waste and by-products.

(-)

Indicator

Value
2013

Social Indicators - Labour - LA

Management Approach

ASPECT: Labour

LAI	Total number of employees by employment type (full or part time), contract type (permanent or temporary), region and gender	Total number of employees (n.º)		5,217
		Total of active employees (n.º)		4,988
		M		3,775
		F		1,213
		Permanent	M	59.8%
			F	21.4%
		Contract of indefinite duration	M	1.5%
			F	0.1%
		Fixed-term contract	M	7.9%
			F	1.7%
		Other contract type	M	6.4%
			F	1.1%
		Full time	M	75.6%
			F	24.3%
		Part time	M	0.1%
			F	0.0%
		Reduced hours	M	0.02%
			F	0.02%
		North		20.7%
		Centre		55.1%
		South		24.2%

Formula

Observations

Page

LAI

It does not include interns, service providers, governing bodies (executive and non-executive). It includes 229 employees, who as of 31st December 2013 had their contracts suspended (including employees on unpaid leave and employees absent due to sickness and/or work-related accidents, whose sick leave was for longer than 1 month as of 31/12/2011). The following indicators are calculated taking into account the number of active employees.

It does not include interns, service providers, governing bodies (executive and non-executive), employees on unpaid leave and employees absent due to sickness and/or work-related accidents, whose sick leave was for longer than 1 month as of 31/12/2013.

132-135

AdDP, AdTMAD, AdNoroeste, Simdouro, Valorminho, Resulima, Resinorte, Suldouro.

Holding Instrumental Companies, AdC, AdM, AdRA, Sanest, Simlis, Simria, Simtejo, AdO, AdZC, EPAL, Ersuc, Resiestrela, Valorlis, Valorsul.

AdA, AdSA, AdCA, AdNA, AgdA, Simarsul, Algar, Amarsul, Valnor.

Indicator

Value
2013

Social Indicators - Labour - LA (cont.)

Management Approach

ASPECT: Labour (cont.)

LA2	Total number and rates of new employee hires and turnover rate by age group, gender and region	Total entries (n.º)	8
		Total exits (n.º)	277
		Global turnover rate	4.0%
			1.5%
		Entry rate	0.2%
		<19	0.06%
			0.0%
		[19-25]	0.02%
			0.0%
		[26-35]	0.04%
			0.02%
		[36-45]	0.0%
			0.02%
		[46-55]	0.0%
			0.0%
		[56-65]	0.0%
			0.0%
		>65	0.0%
			0.0%
		Exit rate	5.5%
		<19	0.06%
			0.02%
		[19-25]	0.16%
			0.06%
		[26-35]	0.80%
			0.42%
		[36-45]	1.00%
			0.60%
		[46-55]	0.46%
			0.10%
		[56-65]	1.40%
			0.30%
		>65	0.16%
			0
		Entry rate	
		North	0.1%
		Centre	0.1%
		South	0.0%
		Exit rate	
		North	1.1%
		Centre	3.4%
		South	1.0%

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Observations

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LA2

132, 137

Turnover rate = no. exits/ total
active employees

Resulima.

AdP International, Valorsul.

Amarsul.

Rate calculated in relation to the total number of active employees.

AdDP, AdTMAD, AdNoroeste, Resulima, Resinorte, Suldouro.

Holding, Instrumental Companies, AdC, AdM, AdRA, Sanest, Simria, Simtejo,
AdO, AdZC, EPAL, Ersuc, Resiestrela, Valorlis, Valorsul.

AdA, AdSA, AdCA, AgdA, Simarsul, Algar, Amarsul, Valnor.

Indicator

Value
2013

Social Indicators - Labour - LA (cont.)

Management Approach

ASPECT: Labour (cont.)

LA15	Return to work and retention rates after parental leaves by gender	Total number of active employees that took parental leave in 2013	M	150
			F	91
		Total number of active employees who returned to work after parental leave ended in 2013	M	137
			F	73

ASPECT: Labor/ Management Relations

LA4	Employees included in agreements of collective hiring	Percentage of employees represented by unions	26.3%
LA5	Minimum number of weeks notice typically provided to employees and their representatives prior to the implementation of significant operational changes and whether these are included in collective bargaining agreements		

ASPECT: Occupational Health and Safety

LA6*	Percentage of employees represented in occupational health and safety committees	Percentage of employees represented by formal worker committees on health, safety and hygiene at work.	42.6%
LA7	Rate of injury, occupational sickness, lost days, and absenteeism, and total number of work-related fatalities at work	Frequency rate (-)	69
		M	61
		F	8
		Occupational sickness rate (-)	0.6
		M	-
		F	0.6
		Severity rate (-)	1,689
		M	1,388
		F	301
		Absenteeism rate (%)	4,5%
		M	3,2%
		F	1,3%
		Fatalities (n.º)	0
		M	0
		F	0

* Complementary indicators

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LA15

After 12 months of returning to work, 100% of the employees stayed in the Group.

138

LA4

Employees who directly pay from their salaries were considered.

148

LA5

The AdP Group's companies have not internally defined a minimum period of notice in relation to operational changes, in compliance with current regulations, with the exception of EPAL. There having been no changes in the agreement between EPAL and the unions representing the company's employees, the agreement established by chapter VII of the BA remains unchanged. This chapter defines a notice period of 48 hours for changes related to the area or work location. It also determines the need for agreement with the employee for geographical changes in the location of work within the same area.

(-)

LA6*

The reported figure represents the number of employees working in companies of the Group, where there is one or more employees' representative for issues of Health, Hygiene and Safety at Work. In 2013 we had 37 employees elected in 12 companies of the Group. Some companies of the Group also have representatives for issues relating to social responsibility who represent 749 employees of the Group.

148

LA7

= Total number of accidents/
number of effective hours
of work x 1.000.000

All accidents that resulted in health insurance notifications were considered. The number of effective working hours includes hours performed in regular schedule or in overtime.

= Number of occupational
sicknesses/ number of effective
hours of work x 1.000.000

Occupational sicknesses are sicknesses or injuries resulting from the work situation or activity. The number of effective working hours includes hours performed in regular schedule or in overtime.

= Total number of days not
worked/ Potential hours
of work hours x 1.000.000

The number of days not worked result from work-related accidents or occupational sickness. The days lost count only for working days and, in the case of accidents, the calculation should start the day following the accident.

= Total number of hours
of absence/ Potential number
of work hours x 100

Includes absence of employees due to impossibility of working due to accidents and sickness (occupational or not). It excludes allowed temporary absences such as bank holidays, study leave, parental leave or bereavement.

146

Indicator

Value
2013

Social Indicators - Labour - LA (cont.)

Management Approach

ASPECT: Occupational Health and Safety (cont.)

LA8	Education programmes, training, counselling, prevention and risk control programmes for serious sicknesses for employees, their families and other members of the community		
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ASPECT: Training and Education

LA10	Average hours of training per year per employee, by gender and by employee category	Total n°. of training hours		103,087
			M	70,585
			F	32,502
		N.° of hours per employee		21
			M	14
			F	7
		Executive directors (h/employee)	M	8
			F	26
		First-line supervisors (h/employee)	M	32
			F	30
		Intermediate supervisors (h/employee)	M	26
			F	29
		Superior technicians and equivalent (h/employee)	M	24
			F	31
		Operational technicians (h/employee)	M	17
			F	13
		Administrative support technicians (h/employee)	M	17
			F	29
LA12	Percentage of employees receiving regular performance and career development reviews	Employees receiving regular performance and career development reviews (%)		72.0%
			M	53.0%
			F	19.0%

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Observations

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LA8

The companies of the AdP Group have occupational medicine services. Within this frame, periodical visits are performed by doctors in the working sites in order check the on-site working conditions of the employees. This allows potential health risks to which the employees are subject to be identified and action plans for prevention to be defined. Adherence to the "Code of Conduct and HIV", prepared within the frame of the Labour's platform against AIDS, where companies are the privileged interlocutors in the response to HIV infections at the work place, particularly in the areas of non-discrimination, prevention and access to treatment.

142, 147

LA10

144

LA12

144

Indicator

Value
2013

Social Indicators - Labour - LA (cont.)

Management Approach

ASPECT: Diversity and Equal Opportunity

LA13	Composition of governance bodies and employees per professional category according to gender; age group, minority group membership and other indicators of diversity	Executive directors		62
		Executive directors [26 - 35[	M	0.0%
			F	0.0%
		Executive directors [36 - 45[	M	16.1%
			F	6.5%
		Executive directors [46 - 55[	M	25.8%
			F	6.5%
		Executive directors [56 - 65[	M	40.3%
			F	3.2%
		Executive directors >65	M	1.6%
			F	0.0%
		Executive directors – minority nationality	M	0
			F	0
		Executive directors – with disabilities	M	2
			F	0
		Executive directors – other minorities	M	00
			F	
		First-line supervisors		0.0%
		First-line supervisors <19	M	0.0%
			F	0.0%
		First-line supervisors [19 - 25[	M	0.0%
			F	1.2%
		First-line supervisors [26 - 35[	M	2.4%
			F	27.1%
		First-line supervisors [36 - 45[	M	21.1%
			F	21.7%
		First-line supervisors [46 - 55[	M	9.0%
			F	15.1%
		First-line supervisors [56 - 65[	M	2.4%
			F	0.0%
		First-line supervisors >65	M	0.0%
			F	0.0%
		First-line supervisors – minority nationality	M	0.0%
			F	0.0%
		First-line supervisors – with disabilities	M	0.0%
			F	0.0%
		First-line supervisors – other minorities	M	0.0%
			F	

Formula	Observations	Page
LA13		138-142

Indicator

Value
2013

Social Indicators – Labour – LA (cont.)

Management Approach

ASPECT: Diversity and Equal Opportunity (cont.)

LA13	Composition of governance bodies and employees per professional category according to gender, age group, minority group membership and other indicators of diversity	Intermediate supervisors	
		Intermediate supervisors <19	M 0.0%
			F 0.0%
		Intermediate supervisors [19 - 25[	M 0.0%
			F 0.0%
		Intermediate supervisors [26 - 35[	M 7.4%
			F 6.9%
		Intermediate supervisors [36 - 45[	M 32.4%
			F 20.0%
		Intermediate supervisors [46 - 55[	M 15.6%
			F 4.2%
		Intermediate supervisors [56 - 65[	M 10.6%
			F 2.5%
		Intermediate supervisors >65	M 0.2%
			F 0.0%
		Intermediate supervisors – minority nationality	M 1
			F 1
		Intermediate supervisors – with disabilities	M 0
			F 1
		Intermediate supervisors – other minorities	M 0
			F 0
		Superior technicians and equivalent	
		Superior technicians and equivalent <19	M 0.0%
			F 0.0%
		Superior technicians and equivalent [19 - 25[	M 0.2%
			F 0.2%
		Superior technicians and equivalent [26 - 35[	M 14.9%
			F 23.7%
		Superior technicians and equivalent [36 - 45[	M 19.6%
			F 26.8%
		Superior technicians and equivalent [46 - 55[	M 5.9%
			F 5.2%
		Superior technicians and equivalent [56 - 65[	M 2.9%
			F 0.6%
		Superior technicians and equivalent >65	M 0.0%
			F 0.0%
		Superior technicians and equivalent – minority nationality	M 0
			F 0
		Superior technicians and equivalent – with disabilities	M 2
			F 4
		Superior technicians and equivalent – other minorities	M 0
			F 0

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Indicator

Value
2013

Social Indicators – Labour – LA (cont.)

Management Approach

ASPECT: Diversity and Equal Opportunity (cont.)

LA13	Composition of governance bodies and employees per professional category according to gender, age group, minority group membership and other indicators of diversity	Operational technicians	
		Operational technicians <19	M 0.03%
			F 0.0%
		Operational technicians [19 - 25[	M 2.8%
			F 0.2%
		Operational technicians [26 - 35[	M 23.0%
			F 2.3%
		Operational technicians [36 - 45[	M 30.5%
			F 2.5%
		Operational technicians [46 - 55[	M 25.1%
			F 2.1%
		Operational technicians [56 - 65[	M 10.8%
			F 0.6%
		Operational technicians >65	M 0.2%
			F 0.03%
		Operational technicians – minority nationality	M 38
			F 6
		Operational technicians – with disabilities	M 16
			F 0
		Operational technicians – other minorities	M 1
			F 0
		Administrative support technicians	
		Administrative support technicians <19	M 0.0%
			F 0.0%
		Administrative support technicians [19 - 25[	M 1.4%
			F 0.2%
		Administrative support technicians [26 - 35[	M 7.7%
			F 15.5%
		Administrative support technicians [36 - 45[	M 11.3%
			F 26.8%
		Administrative support technicians [46 - 55[	M 6.8%
			F 16.0%
		Administrative support technicians [56 - 65[	M 4.7%
			F 9.6%
		Administrative support technicians >65	M 0.0%
			F 0.0%
		Administrative support technicians – minority nationality	M 1
			F 0
		Administrative support technicians – with disabilities	M 5
			F 6
		Administrative support technicians – other minorities	M 0
			F 0

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Indicator

Value
2013

Social Indicators - Labour - LA (cont.)

Management Approach

ASPECT: Diversity and Equal Opportunity (cont.)

LA14	Proportion of remuneration by gender and professional category	Ratio of average basic monthly remuneration (M/F)	
		Executive directors	1.00
		Supervisors	0.86
		Intermediate supervisors	0.96
		Superior technicians and equivalent	0.92
		Operational technicians	0.87
		Administrative support technicians	1.06
		Ratio of average total monthly remuneration (M/F)	
		Executive directors	1.05
		Supervisors	0.87
		Intermediate supervisors	0.96
		Superior technicians and equivalent	0.88
		Operational technicians	0.78
		Administrative support technicians	1.04

Social Indicators - Human Rights - HR

Management Approach

ASPECT: Investment and Procurement Practices

HR1	Total number and percentage of significant investment agreements that include human rights clauses or that underwent human rights screening	Established agreements that include human rights clauses (%)	84%
HR2	Percentage of hired companies, suppliers and other business partners that underwent human rights screenings and resulting measures	Number of audits	30
HR3*	Total hours of employee training on human rights policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Training hours by employee (h/employee)	0.19
		Percentage of employees	4%

* Complementary indicators

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Observations

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LA14

143

HR1

The reported figure includes the number of significant investment agreements that include a declaration of respect for human rights (however; the definition of "significant investment agreements" is not consistent for all companies of the Group, therefore the figure may not represent the reality). Nonetheless, the Code of Conduct and Ethics that includes 100% of the Group's employees defines the general guidelines that must guide the conduct of the management and of the employees in the internal relationships as well as in the market.

(-)

HR2

The reported figure refers to audits performed by third parties in the area of social responsibility. The evaluation process of suppliers includes the verification of clauses related to human rights.

177

HR3*

(-)

Indicator

Value
2013

Social Indicators - Human Rights - HR (cont.)

Management Approach

ASPECT: Non-Discrimination

HR4	Total number of incidents of discrimination and corrective measures taken	Total number of discrimination incidents (n°)	0
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ASPECT: Freedom of Association and Collective Bargaining

HR5	Operations in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Number of operations that do not comply with freedom of association and collective bargaining rights	0
-----	---	--	---

ASPECT: Trabalho Infantil

HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Number of operations with risk of child labour (n°)	0
-----	---	---	---

ASPECT: Forced or Compulsory Labour

HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Number of operations with significant risk of forced or compulsory work (n°)	0
-----	---	--	---

Social Indicators - Society - SO

Management Approach

ASPECT: Community

SO1	Nature, scope and efficacy of any programmes and practices to evaluate and manage the impact of operations on communities, including the start, operation and ending of activities		(-)
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Observations

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HR4

(-)

HR5

Audits in the areas of social responsibility are performed in the companies certified with SA 8000 and their suppliers, which allows compliance with human rights regulations to be verified.

(-)

HR6

Audits in the areas of social responsibility are performed in the companies certified with SA 8000 and their providers, which allows the compliance with human rights regulations to be verified.

(-)

HR7

Audits in the areas of social responsibility are performed in the companies certified with SA 8000 and their providers, which allows the compliance with human rights regulations to be verified.

(-)

SO1

67-71, 77, 110-112, 153,
158-161, 162-176

Indicator

Value
2013

Social Indicators - Society - SO (cont.)

Management Approach

ASPECT: Anti-corruption

SO2	Percentage and number of business units assessed for risks related to corruption		(-)
SO3	Percentage of employees trained in the organisation's policies and procedures related to anti-corruption	Executive directors and supervisors trained in the organization's anti-corruption policies and procedures (%)	0.2%
SO4	Measures taken in cases of corruption incidents		0

ASPECT: Public Policy

SO5	Positions taken in relation to public policies and participation in their elaboration and lobbies		(-)
-----	---	--	-----

ASPECT: Concordância

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Nº of inspections Fines (€)	8 8,231
SO9	Operations with potencial or actual significative negative impact in local communities		(-)

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Observations

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SO2

48, 65, 123, 126

SO3

Despite the presented figure on training, the companies of the Group have a Code of Conduct and Ethics (that includes 100% of the employees) where aspects related to anti-corruption are safeguarded. This position is reinforced by companies certified with SA 8000.

(-)

SO4

26, 48, 49, 62, 65,
123, 126,

SO5

38, 39, 58

SO8

(-)

SO9

77

Indicator

Value
2013

Social Indicators - Product Responsibility - PR

Management Approach

ASPECT: Customer Health and Safety

PR1	Phases of the life cycle of products and services whose impacts on health and safety are assessed, with the goal of implementing improvements, and percentage of products and services subject to these assessments		
PR2*	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Quality of the water (%) - Upstream	99.8%
		Quality of the water (%) - Downstream	99.4%
		Quality of discharged wastewater (%) - Upstream	95.6%
		Quality of discharged wastewater (%) - Downstream	49.1% ^(A)
		Water supply interruptions (n.º) - Upstream	48
		Water supply interruptions (n.º) - Downstream	123
		Structural breakdowns in collectors (n.º) - Upstream	62
		Structural breakdowns in collectors (n.º) - Downstream	13

ASPECT: Product and Service Labelling

PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of products and service categories subject to such information requirements	Not applicable	(-)
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ASPECT: Advertising

PR6	Programmes for adhering to laws, patterns and voluntary codes related to marketing communication, including advertising, promotion and sponsors		(-)
-----	---	--	-----

ASPECT: Compliance

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Nº of inspections	128
		Fines (€)	€ 10.334

* Complementary indicators

(A) The value of 2012 was mistakenly reported as 86.3‰ instead of 52%.

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PR1

157-161

= (analyses performed on the quality of drinking water required by law/ analyses required by quality of water) × (compliance with water analyses/ analyses performed to the quality of the water)

The definition of the compliance percentage refers to quantitative and qualitative aspects of the performed analyses.

PR2*

= Equivalent of the population with satisfactory treatment/ equivalent of the population served by treatment plants

157, 160

PR3

(-)

PR6

According to current valid legislation

(-)

PR9

(-)

Note: The indicators do not include figures in relation to facilities and infrastructures in pre-startup phase. The infrastructures with only maintenance duties were not included.

Contacts

The responsibility for the preparation of this report lies on the Sustainability and Social Responsibility Board of the AdP SGPS. For more information about the published data please access www.adp.pt.

Should you want to send us your comments, please do not hesitate to contact us at sre@adp.pt.

Your contribution is very important for us!

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