

EXPANDED VERSION

INTEGRATED REPORT

2020



Sanitation Heroes



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MANAGEMENT STATEMENT



Management Statement

(102-14; 102-15)

Sanitation Heroes:

we are in the front line to transform our customers' lives and renew the water and sewage service sector.

2020 was a challenging year. The scenario of global restriction, due to the COVID-19 pandemic, brought the necessity of a differentiated performance by the organizations, with reflections and structural actions in the business model, governance, cash management and relationship with several strategic stakeholders.

For Iguá, this context reflected in the adoption of integrated strategies for facing the impacts generated by COVID-19, with the implementation of coordinated

measures, focused, above all, on caring for the employees and in the maintenance of provision of quality services to our customers.

We implemented new governance structures and processes to manage the Company's several dimensions, and also expanded our institutional responsibility network and the commitments with sustainable development. Among the initiatives, we highlight the calling upon the Crisis Committee and its intense performance, Iguá's adhesion, as a whole, to the Do Not Dismiss Movement, donation actions and distribution of personal care products, individual face masks and food, in addition to toys and school material. From the cash management point of view, Iguá raised almost 1 billion BRL in

the market to reinforce its liquidity and maintain its investment obligations.

In this cycle, we defined new strategic guidelines for the Company, aligned with the new moment that Iguá and the water and sewage service sector is living after the new regulatory framework:

- i. **Inorganic growth and development of new businesses;**
- ii. **Effectiveness in the regulatory agenda management;**
- iii. **Efficiency in the allocation of operating capital; and**
- iv. **Intensification of the ESG (Environmental, Social and Governance) agenda.**

To ensure the compliance with the new strategic guidelines, we also proposed a new organizational structure focused on the principles of scalability, simplicity, integration, transparency, and consistency with Iguá's DNA. The Development of New Business and Regulatory and Institutional Issues executive boards were upgraded to C-level, thus providing more robustness and assertiveness to these agendas. Both teams were also reinforced so as to give more quality and amplitude to its performances. We integrated the financial and the administrative areas and separated, within the vertical integration, the following themes: customers, sustainability, and engineering, in addition to a specific cell focused on innovation. Finally, we redivided the attributions of our regional officers and established new governance dynamics to reflect a new organization structure as a whole.

Following the same train of thought, we expanded the integration and the network distribution of sustainability guidelines in the institutional and operating scopes. The ESG Committee was reinforced, and the Sustainability Management was restructured, in order to expand the coordination of efforts and the capacity of implementation, measurement and management of the ESG actions and outcomes at Iguá. In 2020, we began to improve our SERR strategy – formally established in March/21 - contemplating its unfolding in impact projects and the intensification of our performance to reach global targets of sustainable development, materialized by the 2030 Agenda. We reinforce our commitment to the compliance with national and international protocols for sustainability, highlighting Iguá Group's joining the UN Global Compact Brazil Network.

In July/20, along with 37 other companies, we also signed a letter sent to the president of Conselho Nacional da Amazônia Legal (National Council for the Legal Amazon) requesting actions to fight deforestation in the Amazon.



We were ranked for the fourth consecutive year in the list of the best companies to work in Brazil (Great Place to Work), highlighting Iguá's top position in the ranking, since 2017. This achievement does not only reflect our DNA regarding care, acknowledgment, and development of our employees, it also involves a strong engagement and energy of our Sanitation Heroes for the generation of social, environmental, and economic value, as well as for the positive transformation of the sector. We also obtained a historical score in relation to our customers' satisfaction regarding Iguá's service, measured by the NPS (Net Promoter Score) methodology, implemented as pioneer in the sector since 2017.

After a positive year end for the Company, we begin 2021 with an agreement for the entrance of CPPIB (Canada Pension Plan Investments), one of the largest pension funds in the world, as Iguá's new investor. Its entrance strengthens our capital structure and reinforces our capacity to grow, and it is aligned with our purpose to be the best water and sewage company in the country. The effective entrance of CPPIB in the shareholding structure of the Company is in its final approval phase.

All these outcomes demonstrate the robustness and resilience of the business in facing adverse situations, such as the global context of the Covid-19 pandemic. They also demonstrate Iguá's capacity and agility in adopting structured strategies and initiatives with the flexibility necessary to manage internal and external changes and to prepare itself for the future, generating value and perennity for the organization. Additionally, they demonstrate that Iguá is a Company that knows where it is heading and is not afraid of adapting itself to achieve its goals. The dynamics is reflected in the achievement of an even more positive financial performance than in the previous year, made evident by indicators like EBITDA, which moved from 288.4 million BRL in 2019 to 315.5 million BRL in 2020, an increase of over 9% right in the middle of a pandemic year.

Finally, the crowing achievement of this success path since 2017, is that Iguá has just executed an Investment Agreement to receive the entrance of a new investor, the Canadian group CPP Investments. The new shareholder will, initially, invest around 500 million BRL in our Company, a value which will support not only our current operations but also the development of new businesses, like competing for concessions and public-private partnerships. CPP Investments is one of the largest pension funds in the world and one of the largest global investors in infrastructure. It now joins IG4 Capital, AIMCo and BNDESPAR in Iguá's shareholding structure, which continues to be controlled by IG4 Capital. Today, Iguá is already one of the major private companies in the water and sewage service sector in the country, and this new partnership is one more sign of how investors, in Brazil and abroad, acknowledge the integrity of the work we perform and believe in Iguá's potential and in our purpose. We continue seeking to be the best water and sewage service company for Brazil, and the completion of this transaction represents a major step towards also becoming, who knows, the largest private water and sewage service company in the country.



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INTRODUCTION AND PRESENTATION



Iguá

(102-1; 102-2; 102-3; 102-6)

Iguá Saneamento S.A. is a water and sewage service company working in the management and operation of water supply and sanitary sewage systems.

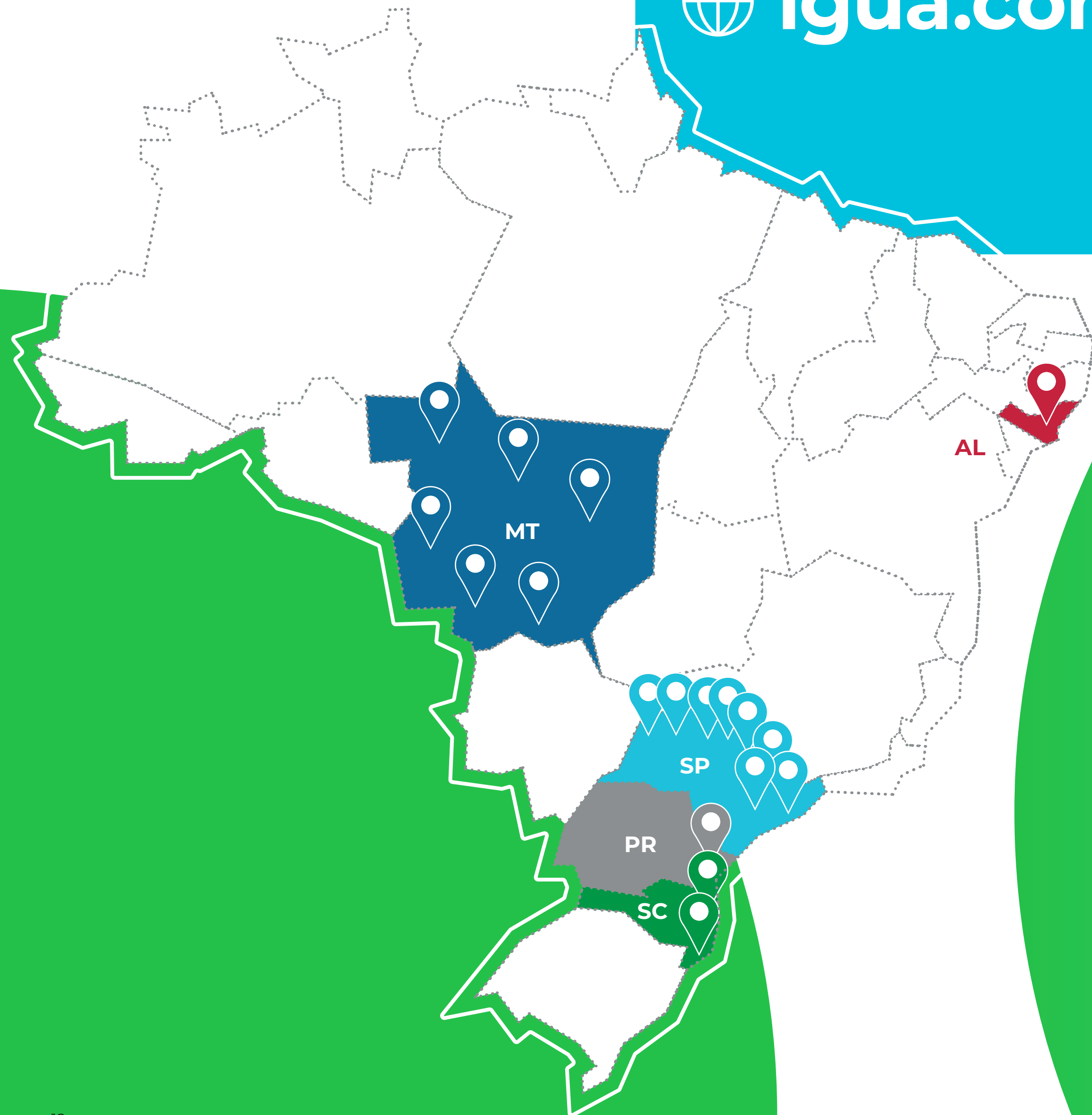
Its service volume places it among the main private companies in the water and sewage service sector in the country.

It is present in 37 municipalities in five Brazilian states: Alagoas, Mato Grosso, Santa Catarina, São Paulo and Paraná.

Consisting of 18 operations, 14 of which are concessions and 4 are public private partnerships, and together provide service to over 16 million people, in different sized communities. Currently it employs around 1.5 thousand people..

Further information can be found in the site:

 igua.com.br



18

 **+6 million**
operations benefited people

37

municipalities receiving the service



1,5 thousand

employed people



WATER TREATMENT AND COLLECTED WASTEWATER TREATMENT

102-2

In tupi guarani (native indigenous language) iguá means water. Water is the core, the reason for our care and focus of the business. We work to guarantee the excellence of the service pro... VERSION and for the water, which comes from the treatment facilities, to fully meet the standards set forth by the Brazilian legislation

Treatment, Quality and Access



1

COLLECTION

The water collection is performed in surface and groundwater sources.

2

WATER TREATMENT

Next, the water is sent to the treatment plants, where it goes through processes of coagulation, sedimentation, and filtration, which, with the addition of specific chemical products, ensure the production of quality drinking water.

3

WATER DISTRIBUTION

After treating the water, it is distributed to the customers by means of a system consisting of water pipe ducts, distribution networks, lift stations, boosters and monitored reservoirs. The reading of the hydrometer is done on monthly basis for the calculation of consumption and issue of the water bill.

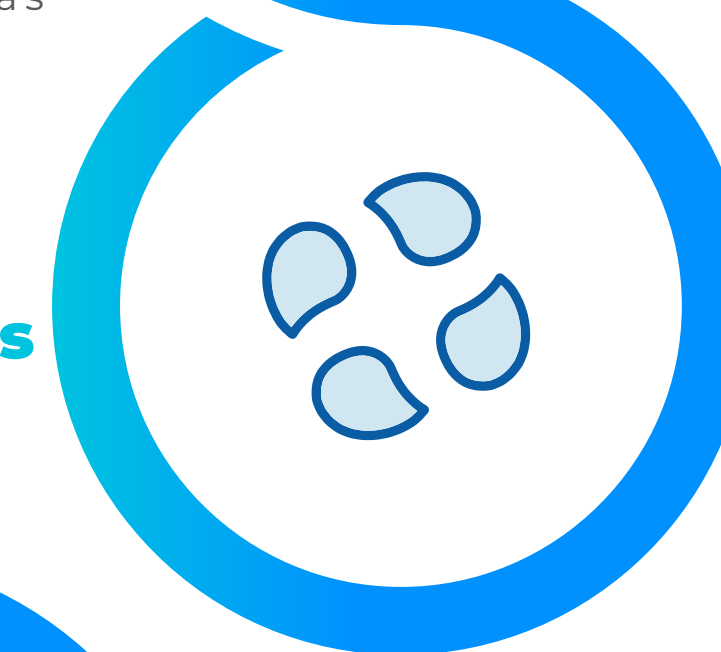
4

CHECKING

During the water treatment process and distribution, we collect samples that go through physicochemical and bacteriological controls in Iguá's own laboratories and accredited laboratories the company has partnership with.

Annually, **900 thousand tests** are performed to guarantee the drinking standard of the water distributed by Iguá **for human consumption.**

Analyses indicate a compliance of **99,3%**



5

WASTEWATER COLLECTION AND TREATMENT

The wastewater generated in the residences is collected and taken in pipes and lift stations to the treatment plants. There it goes through a process for the removal of solids and impurities, remaining in a condition so that it can be returned to the environment.

6

MONITORING

The monitoring of the wastewater treatment plants' efficiency is performed in compliance with the requisites of Conselho Nacional do Meio Ambiente - CONAMA (National Environment Council).

SEWAGE/WASTEWATER QUALITY PROGRAM

600 thousand annual analysis indicate:

89,4% ✓

quality rate of sewage/wastewater treatment Iguá



SHAREHOLDING STRUCTURE

(102-5)

Iguá Saneamento's shareholders are (i) Fundo de Investimento em Participações Multiestratégia (FIP Iguá), holding interest of 63.48% in the Company, (ii) MAYIM Fundo de Investimento em Participações Multiestratégia (FIP MAYIM), holding 24.01% , (iii) Banco Nacional de Desenvolvimento Econômico e Social Participações (BNDESPar), with 10.89%, (iv) Cyan Fundo de Investimento Multimercado Investimento no Exterior, with around 1.55% and (v) IG4 Water Investments LP with 0.08%. The Company's control block is performed by FIP Iguá and MAYIM, both managed by IG4 Capital Investimentos.

Subsequent Event: CPP Investments

In March 2021, Iguá, its controlling shareholders and Canada Pension Plan Investment Board ("CPP Investments") executed an Investment Agreement, through which CPP Investments committed itself, subject to certain precedent conditions typically set forth in similar operations, (i) to make an investment in the Company of 514 million BRL, through subscription of new common stocks issued by the Company; and (ii) to acquire interest from the Company's minority shareholders through the acquisition of common stocks issued by the Company and FIP Iguá's representative ownership units. The Company control will continue to be held by FIP Iguá, managed by IG4 Capital Investimentos Ltda., therefore no change in the control due in the transaction.

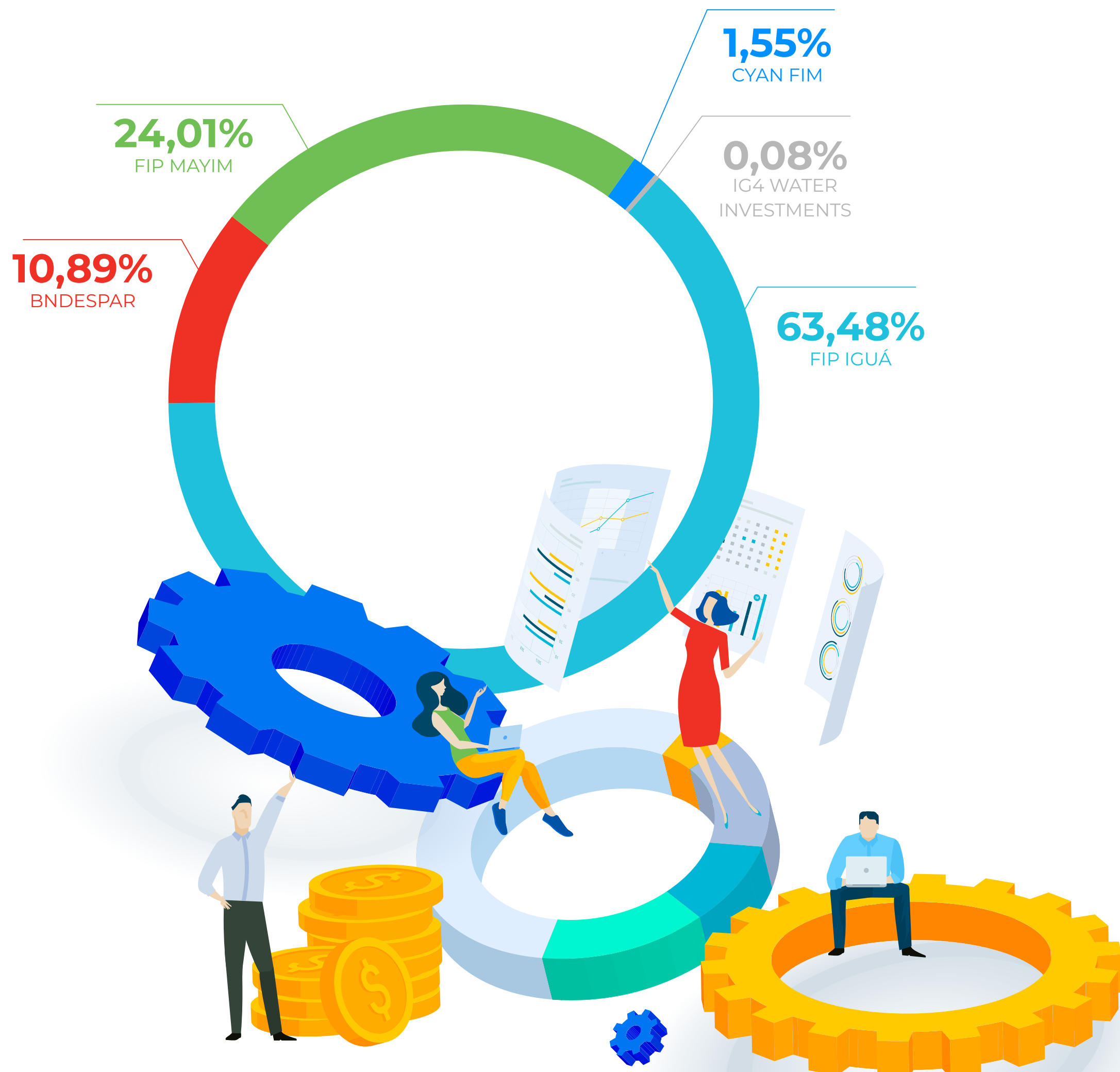


Values, principles, standards, code of practice

(102-16)

To be the **best** water and sewage company for Brazil

PURPOSE





2006 — 2013

COMPANY CONSTITUTION

MIRASSOL, PARANAGUÁ, GUARATINGUETÁ AND SPAT

The Company began to work in Mirassol through Sanessol. Paranaguá Saneamento S.A. assumed the water supply and sewage services in the Municipality of Paranaguá. The company Guaratinguetá Saneamento S.A. began the operation of the sewage system in the City of Guaratinguetá, in São Paulo. The constitution of SPAT Saneamento S.A. is carried out for the expansion of Produtor Alto Tietê System and the respective provision of supplementary services for SABESP, also in the State of São Paulo.

BNDESPAR, CUIABÁ, ITAPOÁ, TUBARÃO, AGRESTE AND ATIBAIA

BNDES Participações S.A. ("BNDESPAR") began to integrate the shareholding structure, through the acquisition of 33.42% of our capital.

Three more full concessions of water and sewage were assumed in the cities of Cuiabá (MT), Itapoá (SC) and Tubarão (SC) and two new administrative PPP, Agreste Saneamento S.A., in Alagoas, and Atibaia Saneamento S.A., in São Paulo.

2007 2008 2009 2010 2011 2012 2013

PALESTINA

ESAP S.A. assumed the water and sewage treatment services in the Municipality of Palestina, in São Paulo.

COLÍDER, ALTA FLORESTA, PONTES E LACERDA AND COMODORO

Four more concessions for water supply and/or sewage collection and treatment, in the State of Mato Grosso, in the cities of Colíder, Alta Floresta, Pontes and Lacerda and Comodoro, are incorporated into the Group.

PIQUETE, CANARANA, ANDRADINA AND CASTILHO

The Company assumed four new concessions, expanding the operations to the cities of Piquete (SP), Canarana (MT), Andradina (SP) and Castilho (SP). Currently, Castilho is one of the few cities in the country that has achieved universalization of water supply and sewage for its citizens.



2014 — 2017

RESTRUCTURING



2017

A NEW COMPANY



October 2018

PRIVATE INVESTMENTS

2014 2015 2016 2017 2018

NEW INVESTMENTS

Execution of the Investment Agreement for the restructuring of our financial debt. Allocation of 70 million BRL in the new investment fund in interests, controlled by RKP BRL Investments I LLC, renamed IG4 Water Investments LP ("IG4 Water").

FIP IGUÁ

Restructuring of the shareholder model and the beginning of a new business model and governance. New plan for strategic initiatives.

EXPANSION OF THE SHAREHOLDING STRUCTURE, INSTITUTO IGUÁ AND IGUÁ LAB

Expansion of the shareholders' interest in six operations of the group in the State of Mato Grosso.

Allocation of almost 400 million BRL addressed to investments for the compliance with the agreed goals and to seeking new opportunities in the water and sewage service sector nationwide.

Constitution of Instituto Igua de Sustentabilidade ("Instituto Igua"), a non-profit private law association, seeking ways to contribute to the universalization of water and sewage service in Brazil, by means of promoting innovation and education for sustainable development.

Creation of Igua Lab and its acknowledgement as the most innovative idea of the year in the PPP Awards, the most relevant PPP award in the country.



2019 in progress

GROWTH PHASE

GREEN AND SOCIAL BONDS, RESTRUCTURING AND GLOBAL COMPACT

Pioneer with the issue of the first green and social bonds.

In the second semester of 2020 Igua went through a new restructuring, a reflection of its growth strategy and seeking new operation biddings brought by the commitment of the New Sanitation Legal Framework, approved in July in the same year.

Igua joins the Global Compact Brazil Network, reinforcing its commitment to sustainable development.

2019 2020 2021 2022 2023

CEBDS

Admission of Igua to the Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (Brazilian Business Council for Sustainable Development).



The Report

(102-48; 102-49; 102-50; 102-51; 102-52; 102-53; 102-54)

This report refers to the year of 2020. The most recent report, that of 2019, was prepared under the category “referenced to GRI”. In this version we adopted the modality “according to the GRI”, following the regulation guidelines in the comprehensive option.

Global Reporting Initiative – GRI – is an international entity, a pioneer in the development of sustainability reports and its initiatives have been consolidated as a global standard used by organizations to translate their environmental, social, economic, and sustainable actions.

The comprehensive option sets forth some obligations to report disclosures with more complete information, and this places Iguá at a level of comparison in sustainability with other organizations, according GRI's objective.



In this report, the Integrated Report model was also adopted, based on the rules of the International Integrated Reporting Council (IIRC). The IIRC is an approach which assists in the preparation of company reports with conciseness and guidance. More than a Report, the integration of IIRC's guidelines is created as an institutional communication framework. The adoption of this standard is aligned with the compliance with Resolution No. 14 of Comissão de Valores Mobiliários – CVM (Securities and Exchange Commission of Brazil).

In view of the situation experienced by the world in 2020, actions for facing the reflections and impacts of COVID-19 were considered relevant and will be addressed transversally along the report. In view of the situation experienced by the world in 2020, actions for facing the reflections and impacts of COVID-19 were considered relevant and will be addressed transversally along the report.

Should you have any doubts, suggestion and other questions about the report, contact us:

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STRATEGIC MATERIALITY



Materiality

(102-31; 102-40; 102-42; 102-43; 102-44; 102-46; 102-47)

Materiality is the principle that determines which themes are relevant, so that the report disclose information on matters that affect, in a material manner, the capacity of the organization to add value to the society and the environment.

Not all material topics have the same importance, and the emphasis of the report should reflect its priority. Materiality is developed by means of listening and involving the people and organizations that operate with Iguá or that are affected by its operations.

Although the reports are annual, Iguá's materiality studies are developed every two years. Consequently, in 2020 we took into consideration the results of the consultations performed in 2019.

In the last quarter of 2019, Iguá developed a process of identification and selection of the stakeholders, for a later consultation and analysis of the relevant themes, for the preparation of the materiality matrix. The task was conducted by an in-house team at Iguá with the support of an external independent consulting firm.

The first stage of this process focused on the priority of people and organizations that would be included in the consulting on material and non-material themes. Having selected the main groups, Iguá moved on to the active listening and documentary research phase.

The analysis of the results enabled the identification and hierarchization of themes of greater relevance to the groups, regarding Iguá's operations and its externalities.

In December 2019, with the previous materiality matrix established, new studies and analysis were developed for its final validation. We used several methodologies for the intensification of the collected results, such as individual and group listening approaches (face-to-face and online), public comment and events.



EMPLOYEES

Employees of all company areas and levels were heard during the 3rd Seminar of Company Innovation and Best Practices.

- ✓ Water Supply;
- ✓ Wastewater collection and treatment;
- ✓ Employees' working conditions;
- ✓ Company finance;
- ✓ Relationship with suppliers;
- ✓ Customer communication;
- ✓ Protection of the rivers;
- ✓ Production efficiency;
- ✓ Customer service;
- ✓ Community engagement for sustainability issues;
- ✓ Population awareness on water consumption;
- ✓ Emissions management;
- ✓ Investment in infrastructure.



CUSTOMERS

Online research application, with link distributed via e-mail to customer database. Participation of 119 respondents

- ✓ Water supply;
- ✓ Wastewater collection and treatment;
- ✓ Electrical Energy Saving
- ✓ Anti-Corruption Policy;
- ✓ Employees' working conditions;
- ✓ Company finance;
- ✓ Customer service;
- ✓ Relationship with suppliers;
- ✓ Customer communications;
- ✓ Community engagement in sustainability issues;
- ✓ Transparency in tariff collection;
- ✓ Protection of the rivers, sources and drainage basins;
- ✓ Population awareness on water consumption



PRESS

Analysis of articles in the national mainstream media vehicles, in a period of six months. Altogether 1096 articles containing water and sewage related themes were assessed.

- ✓ Water;
- ✓ Fighting leaks;
- ✓ Employees' working conditions;
- ✓ Jobs;
- ✓ Finance and revenue;
- ✓ Infrastructure;
- ✓ Water and Sewage Construction Projects;
- ✓ Awards and acknowledgements;
- ✓ Water quality;
- ✓ Relationship with the community;
- ✓ Iguá releases;
- ✓ Social responsibility;
- ✓ Water and Sewage Service;
- ✓ Technology.



INVESTORS

Consultation with the Company's main shareholder, IG4. IG4 is a private equity management company that allocates its investments to complex projects.

- ✓ Use of Funds;
- ✓ Water quality;
- ✓ Quality of wastewater treatment;
- ✓ Compliance;
- ✓ Law enforcement;
- ✓ Job creation;
- ✓ Employees' quality of life;
- ✓ Water losses



PUBLIC AUTHORITY AND REGULATORY AGENCY

Analysis of regulatory documents and water and sewage service concession agreements. In this process legality guidelines and governmental priorities on the company's theme were identified.

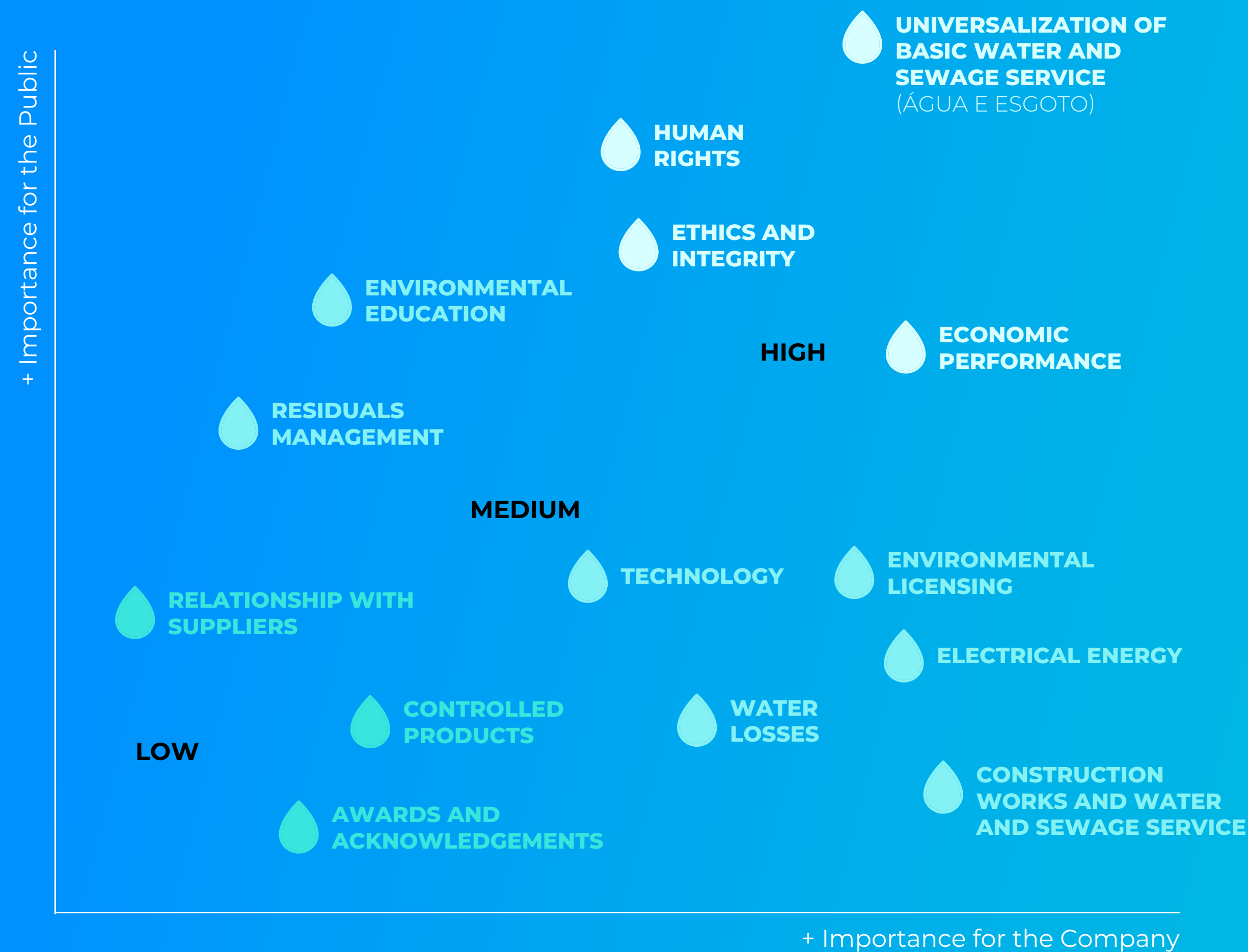
- ✓ Environment;
- ✓ Solid waste;
- ✓ Deforestation;
- ✓ Land Use;
- ✓ Wastewater collection and treatment;
- ✓ Conservation of natural resources;
- ✓ Effluents;
- ✓ Safe drinking water and Health;
- ✓ Water quality;
- ✓ Customer communication;
- ✓ Protection of the employee rights;
- ✓ Controlled products

Definition of the report content and limits of topics

14
Themes developed from the business strategy

The results obtained in the consulting process were analyzed in an integrated manner for giving priority to the matrix themes, from 14 themes developed from the business strategy. **The priority topics, both for the company and for the stakeholders, are considered of high materiality and are the focus of the company strategy, management, relationship and communication.**

MATERIALITY MATRIX



Themes with more relevance for Iguá



Iguá's contribution to the **Sustainable Development Goals** and to the Paris Agreement and the alignment with the global sustainability matrices.



In a great collective effort, agreed by the 193 member states of the UN, the document **“Transforming Our World: the 2030 Agenda for Sustainable Development”** was prepared. One of the greatest advancements and challenges of the agenda lies in its proposal of unity and universality. There is a great call for actions to be adopted by all countries and organizations.

Another relevant international effort that guides the Organization's actions and strategy is the Paris Agreement. **This agreement was executed by 195 countries, during the 21st Conference of the United Nations on Climate Changes – COP 21, in 2015.** Its main goal is the reduction of greenhouse gases – GHG, with the purpose of holding back the average increase in global temperature.

As innovation for the Report 2020, Iguá developed the alignment of the material topics with the following international protocols:

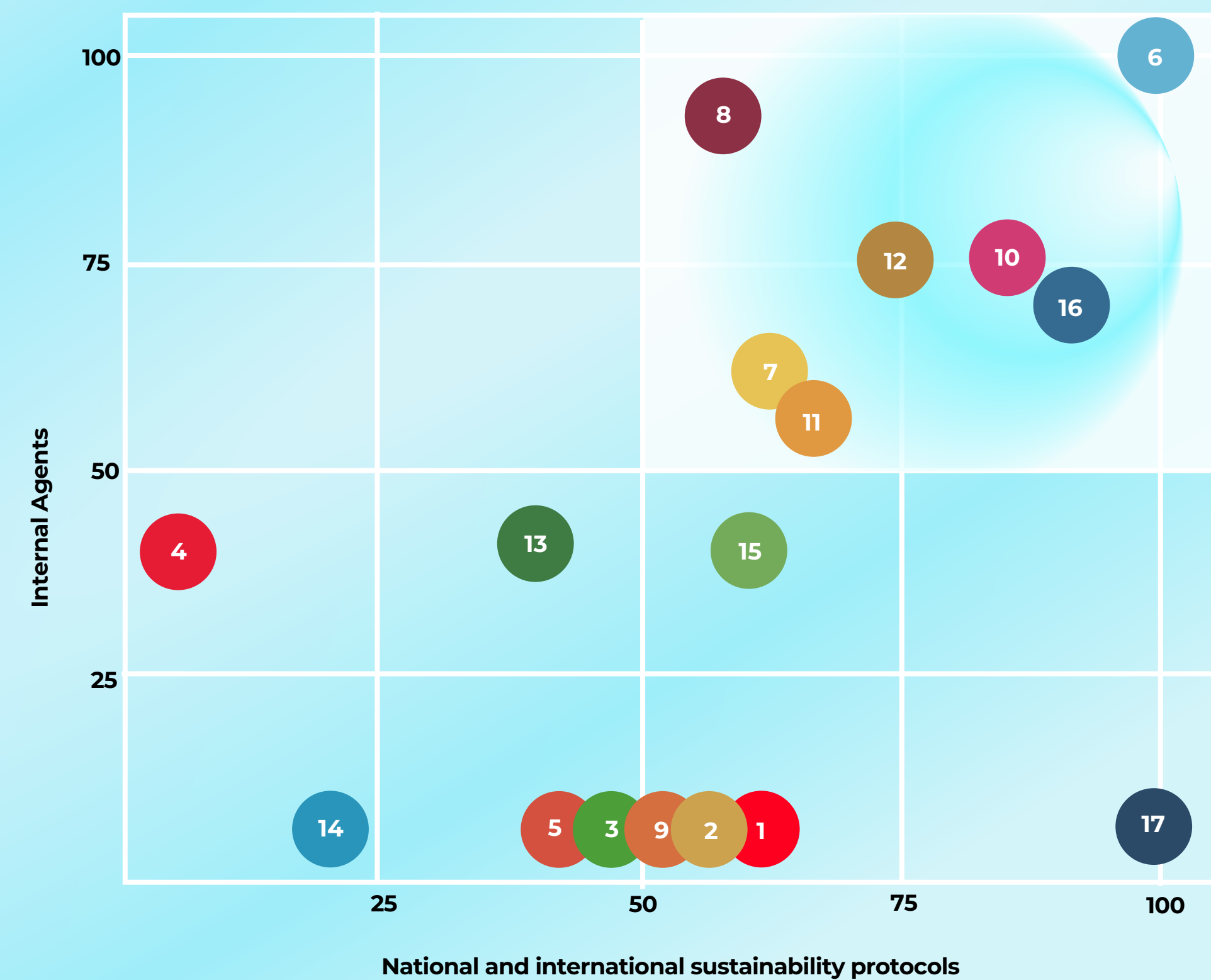


The guidelines of the 2030 Agenda and of the protocols of sustainability and responsible investments form the guiding axis for Iguá's differentiated performance. This strategy reflects the Company's engagement with the achievement of global goals for sustainability and its alignment with several responsible organizations, seeking a more inclusive and prosperous development.

The integration of the Sustainable Development Goals – SDGs with the company's sustainability strategy enabled the company to **align its operation and the translation of its results into a global language,** making it feasible the measurement of its contribution to achieve these common goals.

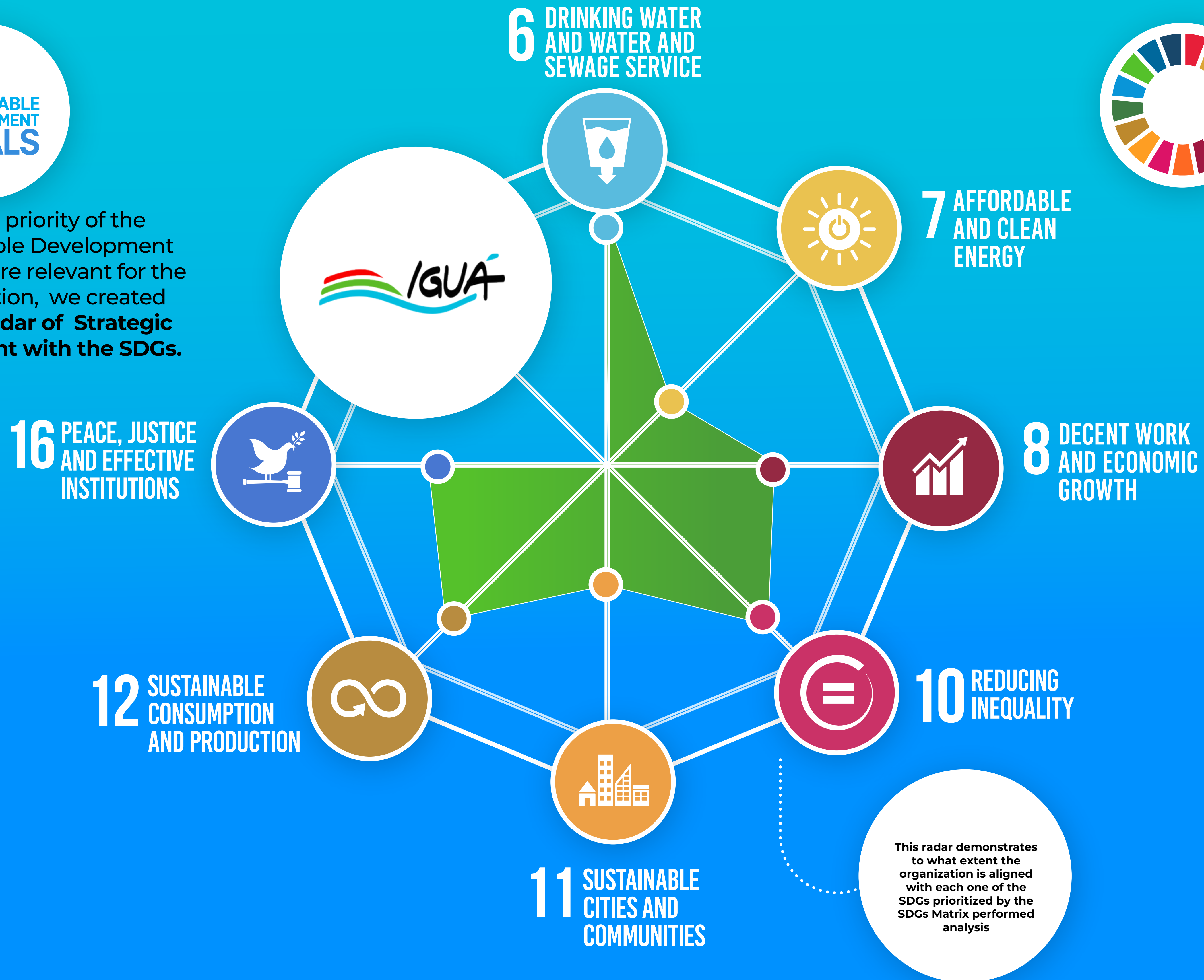
The SDGs are goals that guide Iguá's operation and **restates its commitment with sustainable development** and corporate responsibility.

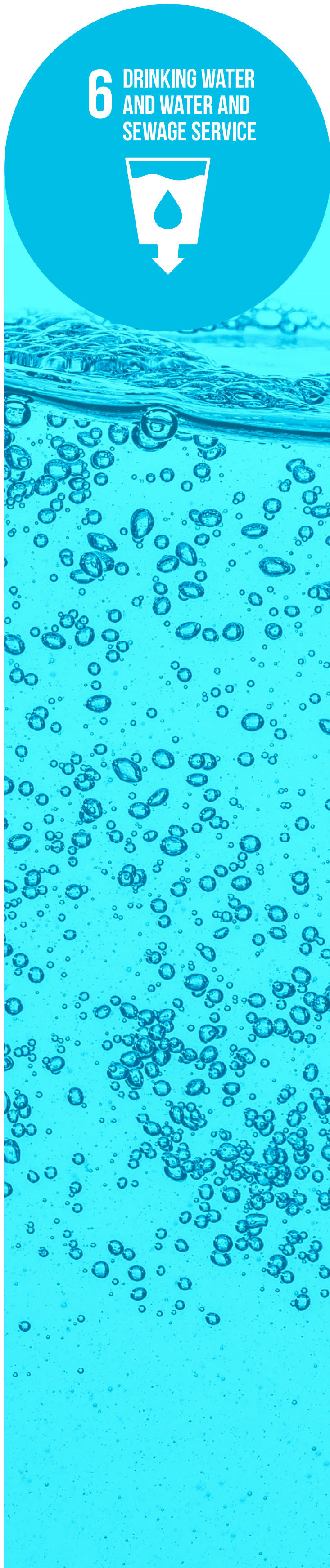
These alignments and interconnections also allow us to visualize the results with a greater comparative potential and clarity of the possible ways and strategies for sustainable development. The result of this process, produced a matrix aligned with the protocols and priority of the themes regarding UN's Sustainable Development Goals:





From the priority of the Sustainable Development Goals more relevant for the organization, we created Iguá's Radar of Strategic Alignment with the SDGs.





6 DRINKING WATER AND WATER AND SEWAGE SERVICE



6.1

By 2030, achieve universal and equitable access to safe and affordable drinking water for all

6.2

By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.

6.3

By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

6.4

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.5

By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate

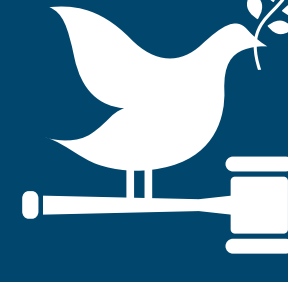
6.b

Support and strengthen the participation of local communities in improving water and sanitation management of its operation and the translation of its results into a global language, making it feasible the measurement of its contribution to achieve these common goals.

A preview of the results with a greater comparative potential and clarity of the possible ways and strategies for sustainable development.



16 PEACE, JUSTICE AND EFFECTIVE INSTITUTIONS



16.7

Ensure responsive, inclusive, participatory, and representative decision-making at all levels.

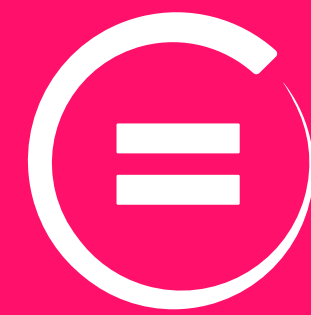
16.b

Promote and enforce non-discriminatory laws and policies for sustainable development.

16.6

Develop effective, accountable, and transparent institutions at all levels.

10 REDUCING INEQUALITY



10.2

By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.4

Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

10.3

Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard.

8 DECENT WORK AND ECONOMIC GROWTH



8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 % gross domestic product [GDP] growth per annum in the least developed countries.

8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead.

8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6

By 2020, substantially reduce the proportion of youth not in employment, education, or training.

12 SUSTAINABLE CONSUMPTION AND PRODUCTION



12.2

By 2030, achieve the sustainable management and efficient use of natural resources.

12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

12.4

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

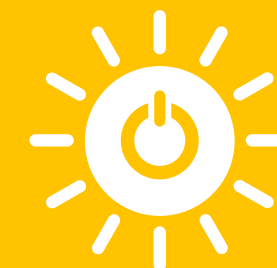
12.6

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7

Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



7.3

By 2030, double the global rate of improvement in energy efficiency.

11.1

By 2030, ensure access for all to adequate, safe, and affordable housing and basic services and upgrade slums.

11.6

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



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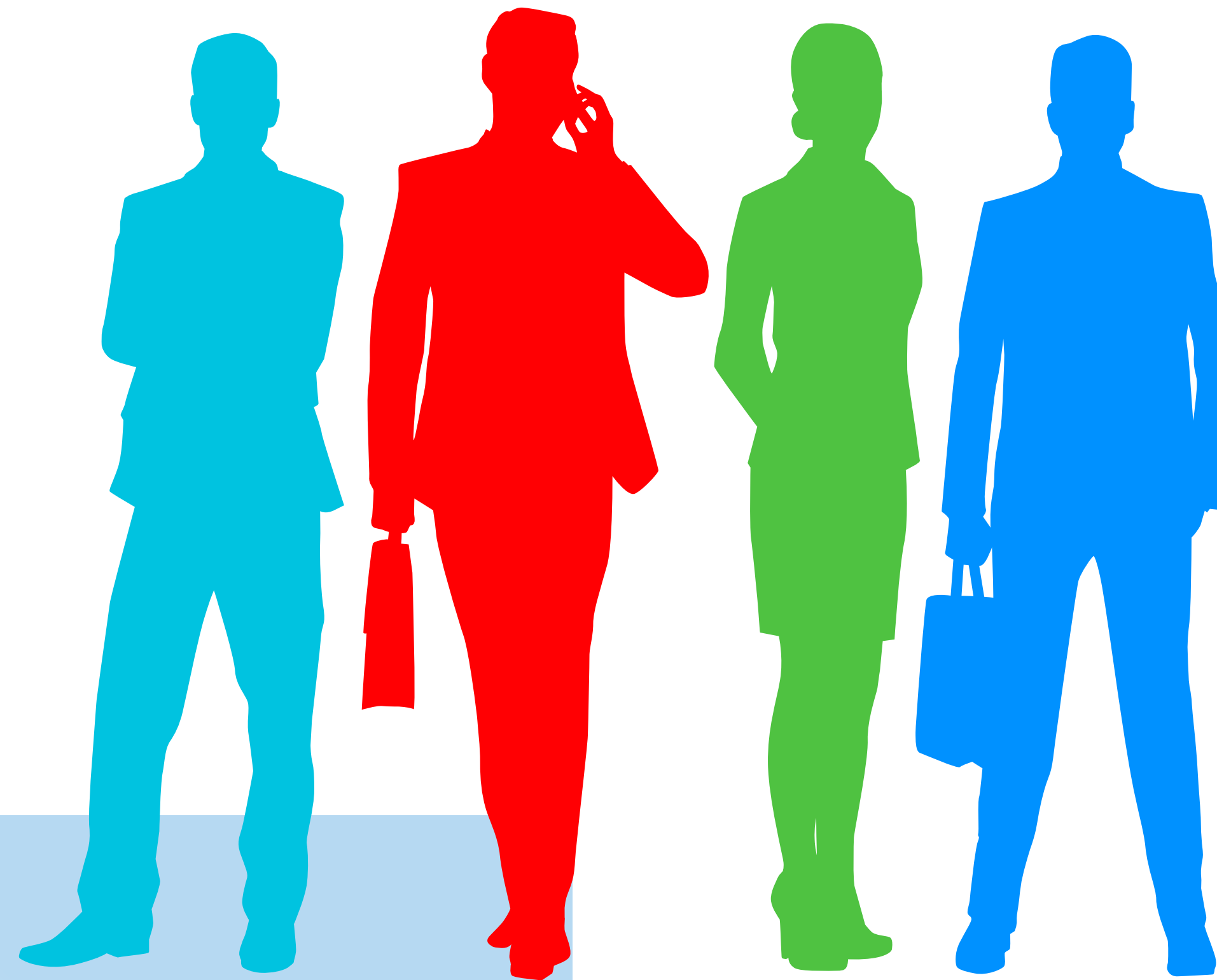
GOVERNANCE



Ownership Structure

(102-18; 102-22; 102-23; 102-24; 102-26)

Iguá is managed by a Board of Directors and Executive Board, with executive function, both with attributions and powers defined in the Company's Articles of Incorporation and in the Shareholders' Agreement. The Board of Directors has a collegiate strategic function and organizes committees, with an assistance role, to assist the Board in the performance of its activities.



Board of Directors

ATTRIBUTIONS

It is the Board of Directors' responsibility to approve Iguá's current, and future plans, and the changes that are proposed, annual budget and its and of its controlled companies investment projects, agreements with related parties, consolidated annual financial statements, alienation of the company's interest and of its controlled companies, among other activities.

MEMBERS

Paulo Todescan Lessa Mattos

CHAIRMAN

Hélcio Tokeshi

VICE-CHAIRMAN

Vital Meira de Menezes Júnior

PERMANENT MEMBER

Gustavo Nickel Buffara de Freitas

PERMANENT MEMBER

Jerson Kelman

PERMANENT MEMBER

Vanessa Cristina Resende Viana

PERMANENT MEMBER

Gesner José de Oliveira Filho

INDEPENDENT MEMBER

The Board has **seven members with commission expiring on 30 May, 2021.**

They are elected by the General Assembly, and with an independent director, according to provisions in Article 9 of the Articles of Incorporation in force and according to definition in the Listing Regulation of the New Market of BM&FBOVESPA (Stock Market) or of the listing regulation of a higher level of corporate governance of BM&BOVESPA, in case it is established in the future ("Independent Director").

Additionally, article 9 defines that members will be appointed by the shareholders in accordance with their interest in the Capital. **The Board of Directors has unified commission of 2 (two) years, considering each year as a period between 2 (two) Annual Meetings of Shareholders, and re-election is allowed.**

The chairman is appointed by the shareholders representing the majority of Iguá's capital and does not have casting vote in case of a tie in the Board's resolutions. The chairman of the Board does not perform executive functions in the Company.

Committees

(102-32)

The Board of Directors can establish committees to assist them in the performance of their activities defining the themes and their respective members. Currently, Iguá has the following committees:

AUDIT COMMITTEE

Provides the Board with support in corporate governance issues, managing risks and implementing anti-corruption practices. It is a permanent body with no provision in the articles of incorporation.

MEMBERS

Heraldo Gilberto de Oliveira
(COORDINATOR/INDEPENDENT MEMBER)
Rafael Mattoso Maia Machado
Gustavo Nickel Buffara de Freitas
Jean Paul Cabral Veiga da Rocha
Vital Meira de Menezes Junior

SUSTAINABILITY COMMITTEE

Supports the Board of Directors in dealing with issues regarding sustainability with emphasis in risk management associated with environment and occupational health structural issues. There is a constant interaction with professionals from different business units, responsible for the management of several programs developed by the Company. It is the Committee's responsibility the approval of the Integrated Report, prepared by the Sustainability Executive Board. It is a permanent body with no provision in the articles of incorporation.

MEMBERS

Helcio Tokeshi (COORDINATOR)
Gema Esteban Garrido
Vanessa Cristina Resende Viana
Vital Meira de Menezes Júnior

PERSONNEL AND COMPENSATION COMMITTEE

Tem como objetivo promover a eficiência das operações da Iguá por meio de instrumentos de gestão de capital humano, como engajamento, políticas de remuneração e avaliação de desempenho dos executivos estatutários. É um órgão não estatutário de caráter permanente.

MEMBERS

Gustavo Nickel Buffara de Freitas (COORDINATOR)
Heraldo Gilberto de Oliveira
Maria Luisa Kober Nickel
Paulo Todescan Lessa Mattos
Vital Meira de Menezes Júnior

INVESTMENT COMMITTEE

The Committee's objective is to assist Iguá's Board of Directors in the decision making in themes related to the developed studies, strategies and new businesses propositions and investments which are or will be assessed by the Company.

MEMBERS

Gustavo Nickel Buffara de Freitas (COORDINATOR)
Jerson Kelman
Vital Meira de Menezes Júnior

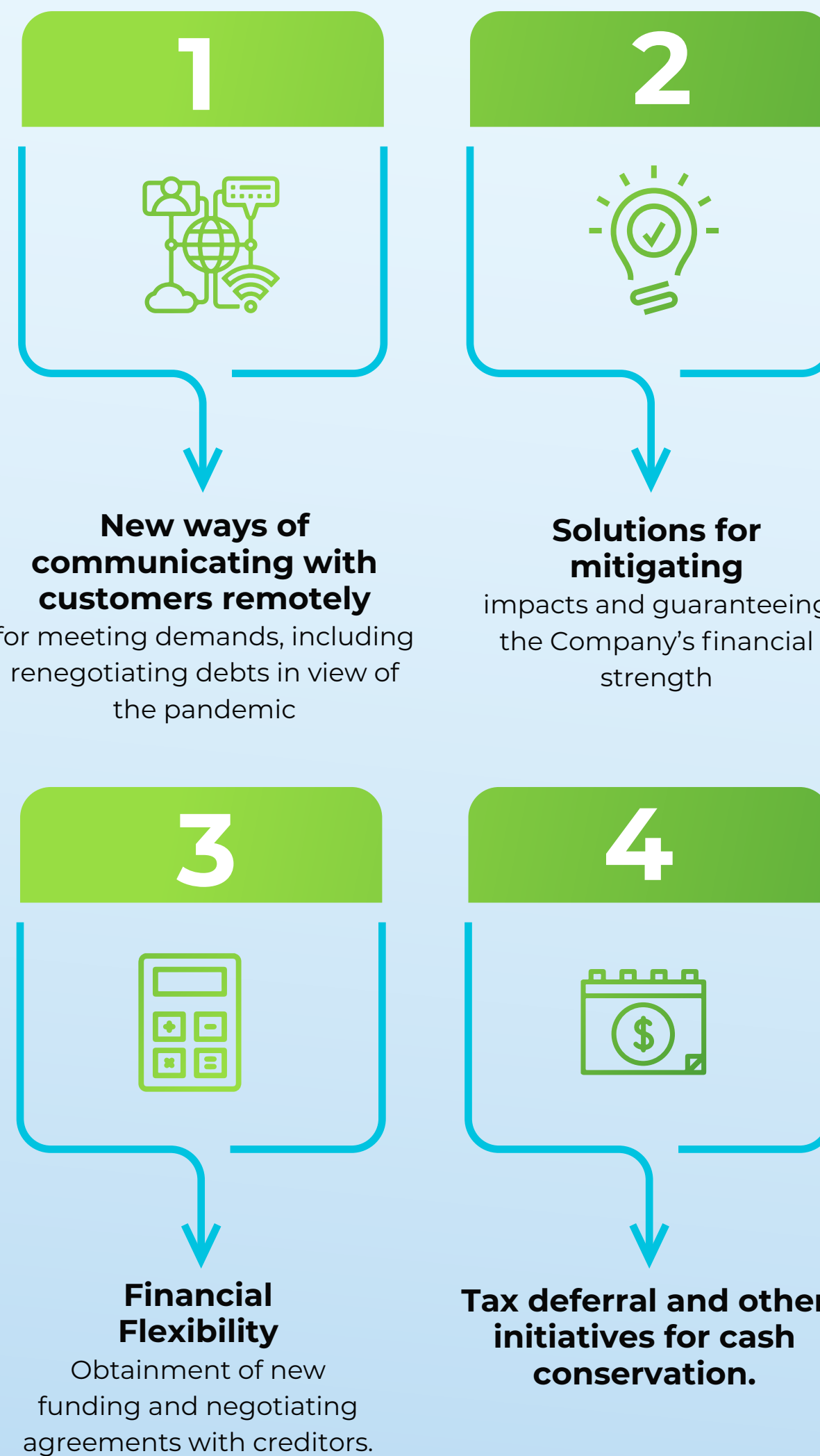
CRISIS COMMITTEE
(102-33; 102-34)

In the event that there is a crucial concern the Crisis Committee is called upon, supported by the Compliance, Communication, Sustainability, Financial and Legal areas.



R\$200mil
thousand BRL investment in initiatives for fighting the pandemic

Among the highlights of the **actions approved by the COVID-19 Crisis Committee:**



In 2020, the **COVID-19** pandemic demanded greater attention and to respond to it the **Crisis Committee** was called upon, in compliance with the published **Crisis Policy Management in force.**





Executive Board

The Executive Board is responsible for the business management, formulating and proposing strategic planning and operation plans to the Board of Directors. They must ensure compliance with the law, with Iguá's Articles of Incorporation, and shareholders' agreement, in addition to enforcing the resolutions of the General Assemblies, of the Board's meetings and of their own meetings.

Currently, the Executive Board consists of six officers, all of them elected by the Board of Directors for a commission of two years, until 18 June, 2021.

Carlos Augusto Machado Pereira de Almeida Brandão
CHIEF EXECUTIVE OFFICER

Felipe Rath Fingerl
CHIEF FINANCIAL AND RELATIONSHIP WITH INVESTORS OFFICER

Péricles Sócrates Weber
CHIEF OPERATION AND TRANSFORMATION OFFICER

Talita Caliman
CHIEF REGULATORY AND INSTITUTIONAL OFFICER

André Gustavo Salcedo Teixeira Mendes
CHIEF BUSINESS DEVELOPMENT OFFICER

Paulo Roberto Gozzi
CHIEF LEGAL OFFICER

Sustainability Management

(102-19; 102-20; 102-32)

The responsibility for financial, environmental, and social topics is defined in several governance levels. It is the Chief Operation and Transformation Officer's responsibility the sustainability management, and the Sustainability Executive Board reports directly to him.

The economic topic is supported by the Chief Financial and Relationship with Investors' Officer, reporting directly to the Chief Executive Officer and to the Board of Directors.

The Board of Directors has a ESG Committee, which assists the Board in the analyses and decisions regarding social and environmental themes.

The Integrated Report is prepared by the Sustainability Executive Board and approved by the ESG Committee.

Ethics and Integrity

(102-16; 103-1; 103-2; 103-3)

The ethical principles and values which guide Iguá's and all its employees' performance are:



These principles and values must be complied with in any activity performed by the Company or by its employees, including, but not limited to contract, agreement negotiations, proposals of amendment to the articles of incorporation and of company policies.

They must also be complied with in any place or situation by third parties, in the relationship with different publics and stakeholders.

DNA AND ORGANIZATIONAL CULTURE



Being different is a path for being better

The motto for this DNA attitude is Innovation. Annually, we invest around 5% of our revenue to accelerate the transformation of the sector and the universalization of water and sewage services in Brazil. We are committed to the creation and introduction of innovative solutions, so as to bring efficient, agile water and sewage initiatives and which improve our service provision to the sanitation sector.



Sustainability is the basis

All our actions are conducted so as to connect the business economic feasibility to the quality and efficiency of the work, and to respecting the environment and the people. To ensure a sustainable future, we perform as protagonists based on four axes: water security, efficiency in water production and distribution, responsibility in wastewater collection and treatment and respect to people.



Create value for the business, in all the choices

At Iguá, we are committed to excellence in business management and service provision to create value and social impact throughout our operation chain.



Take responsibility for your action, defend, and disagree in favor of the goal

We believe that fostering the value of water and sewage service is essential for producing the transformations necessary for the evolution of the sector in the country. That is why, we stimulate our employees so that they have a critical sense and an accurate vision on sanitation, the provided services, and the goals we aim to achieve.



Understand the customer

The work performed by Iguá benefits over 6 million people in five Brazilian states. In an unprecedented transformation movement, we restructure the teams and services based on a daily exercise of understanding our customers' needs. Understanding and mesmerizing is what conducts our performance.



Two wrongs do not make a right

We stimulate our employees to assume risks. We recognize that making mistakes is part of the improvement process, not implying repeating the error. With this attitude, we incite our employees' continuous development and evolution, strengthening them as protagonists of Iguá' success.



One who wastes time loses one's sense

The agility and sense of emergency conduct our performance throughout all the business processes. We believe that the provision of essential services, like water and wastewater treatment, must be performed with efficiency and priority.



Say no, prioritize. Find the Solution!

Our employees have the freedom and the responsibility to make decisions aiming to provide the best service, generating positive impact in customers' lives. We encourage the feeling of belonging and we defend the idea that we are all owners of the business.



In relation to Iguá’s Ethics and Integrity management, the Audit Committee is in highlight regarding the theme.

It is their responsibility to assess, from time to time, the Company’s performance, and their own activities, always seeking to identify possibilities of improvement. In addition to the Committee, there is a whole framework of rules and conducts that support the dissemination of Ethics and Integrity practice in our organization:

ANTI-CORRUPTION POLICY

REPORTING CHANNEL MANAGEMENT POLICY

CONFLICT OF INTEREST POLICY

GIFT AND SPONSORSHIP POLICY

CONSOLIDATION, ACQUISITION AND OTHER CORPORATE TRANSACTION POLICY

DISCIPLINARY MEASURES POLICY

CORPORATE GIFT GIVING AND RECEIVING POLICY

TRAVEL AND ENTERTAINMENT

RELATIONSHIP WITH PUBLIC AUTHORITY POLICY

RELATIONSHIP WITH THIRD PARTIES POLICY

POLICY ON RELATED PARTIES’ TRANSACTIONS

POLICY ON INTEGRITY DUE DILIGENCE

COMPLIANCE POLICY

POLICY ON POLITICALLY EXPOSED PERSONS

ANTITRUST POLICY

CRISIS MANAGEMENT POLICY

RISK MANAGEMENT AND INTERNAL AUDIT POLICY

Compliance Management

(205-1; 102-17)

Iguá Group has an active Compliance area in charge of following up and assessing all the Company’s 18 operations in Brazil. Its role is to identify, permanently monitor and deal with corruption risks and frauds. No case has been identified internally.

Whistleblower Channel

Available 24 hours

For internal and external public, through access to the internet linhaetica.com.br/etica/iguasaneamento, telephone **0800 713 0051**, e-mail iguasaneamento@linhaetica.com.br and **Caixa Postal (P. O. Box): 79518, CEP 04711-904- São Paulo/SP**. The Whistleblower Channel management is independent, once it is managed by an external company, including the development of a complaint reception system.

The complaints that demand shared decision and that are considered serious are taken to the Ethics Committee, consisting of the CEO and the Compliance, Legal and Personnel Management managers. The Ethics Committee was created by the Executive Board to deal with internal themes in a way that the stakeholders could jointly contribute to the conflicts identified at Iguá.

Conflicts of Interest

(102-25)

Iguá has a policy guiding all the employees regarding.

Conflicts of Interest. Among the guidelines addressed encompassing: from the relationship with public administration and the performance of parallel activities to affective relationship between employees and hiring relatives.

To ensure the dissemination of policies and to update information regarding the Group’s Conflict of Interest theme, Iguá annually requests its employees, officers, directors, and Committee members to fill in Conflict of Interest forms. Upon admission of any employee, officer, director, or Committee member in the Company staff, it is also necessary to register awareness about the policies, through forms.

In the Executive Board, the Board of Directors and Committees’ scope it is set forth that any employee, director, or member having a private interest conflicting with those of the Group, must promptly communicate and abstain from participating in discussions and decisions regarding matters related to the theme.

It is part of Iguá’s Group Integrity Program the Policy on Related Parties’ Transactions, which sets forth the guidelines and it guides employees, officers, directors, Committee members and service providers’ conduct in transactions with related parties.

Fighting Corruption

(205-2; 205-3)

The Iguá Group developed an Anti-Corruption Policy aiming to make its chain fully aware of the Anti-Corruption Act 12.846/2013. Since the implementation of the Integrity Program, clauses regarding anti-corruption, slavery and child labor prevention were included in all the Company's agreements.

All the major points in the Code of Conduct like gift giving and receiving, relationship with third parties, involvement with public authority, among other points, in addition to anti-corruption and anti-bribery policies are detailed to the Board of Directors' members, Officers, Managers, Coordinators and Specialists. In the year of 2019, 80% of the employees were trained, including executives and members of the board of directors, on the fighting corruption theme. These qualifications do not have a defined calendar for their performance, they take place when needed. Whenever there is a change in the Policy there is an effort to communicate in order to ensure that everyone becomes aware. In 2020, no specific trainings were held on the theme.

The Iguá Group has a Whistleblower Channel available 24 hours, for the internal and external public, with access through the internet or by phone (0800), e-mail and P. O. Box. The management of the Whistleblower Channel is independent, it is performed by an external company, since the development of the whistleblowing system.

The complaints that are considered serious or request a reply or action from the Company are taken to the Ethics Committee, consisting of the CEO and the Compliance, Legal and Personnel Management managers. The Ethics Committee was created by the Executive Board to deal with internal themes in a way that the stakeholders could jointly contribute to the conflicts identified at Iguá.

In 2020 no confirmed corruption incidents occurred.

Analyzing economic, environmental, and social topics

(102-27; 102-31)

Impacts, risks, and opportunities resulting from economic, environmental, and social themes, are dealt with, and followed up by the Iguá's governance bodies. The performance in relation to achieving the goals proposed by the Company, is addressed at the Audit Committee's meeting, held on a monthly basis, with the participation of the Company's executive officers. Action plans are prepared for all the indicators that did not achieve the expected outcomes. The goals are reviewed annually aiming to promote the continuous improvement of the processes.

The communication of the results is done by using the online Power BI, with interactive visualization and data analysis, and all the Group's leaders have access to it. The main challenge is to improve the communication process between the leaders and the led so that information is effectively distributed throughout the organization.

The mechanisms for monitoring the efficiency of the management program may include internal and external audit and verification. The internal audit, the external audit of the financial revenues, controllership area for checking the accounting and financial data, the Audit Committee, the People Committee, and the Board of Directors are the main control bodies and instances.

Code of Conduct

All the other policies and rules are mentioned in the company's Code of Conduct and can be examined in Iguá's site on the ethic and conduct page, available at: www.igua.com.br/etica-e-conduta.

The measurement and management system of these results is monitored by means of the KPIs of the organization.

Each indicator makes it feasible the control and disclosure at different levels of the organization, and the operation indicators focused on the execution positions (analysts, specialists, etc.), the tactic ones at supervision and coordination levels and the strategic ones for management and executive positions. There are several control and analysis dashboards, however the strategic KPIs are concentrated in one single visualization platform (Power BI).

The external performance assessments, considering that Iguá is a publicly held company, are performed by means of audited financial statements,

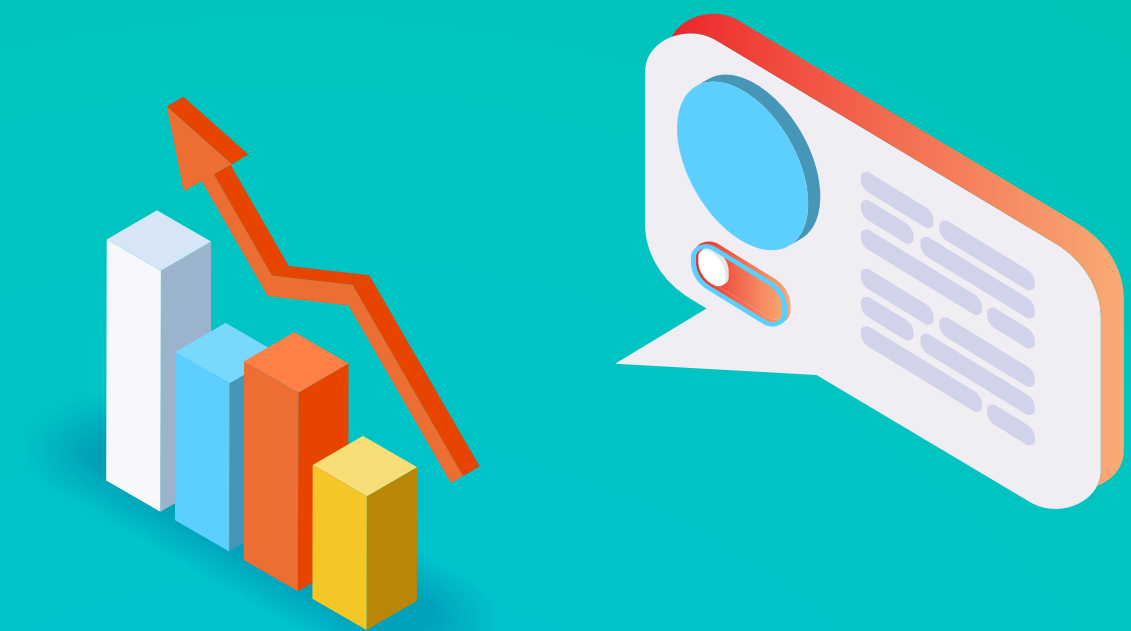
administration report and Integrated Report.

To follow up and assess the best market practices in the innovation sector, Iguá continuously uses its benchmarking strategy.

This strategy compares the company's revenues with those of other publicly held companies on a quarterly basis, in addition to the financial performance, the sustainability practices, operation performance and annual revenue with the National System of Information on Water and Sewage Service (Sistema Nacional de Informações sobre Saneamento) – SNIS.

Iguá has a feedback collection strategy of the stakeholders. There are weekly interaction moments between the shareholders and the senior administrators (Chief Executive Officer and Chief Financial and Relationship with Investors Officer) and Committees' meetings (Sustainability, Audit and Compensation and People) are held on a monthly basis.

CAPITAL



FINANCIAL



**OPERATION AND
STRUCTURAL**



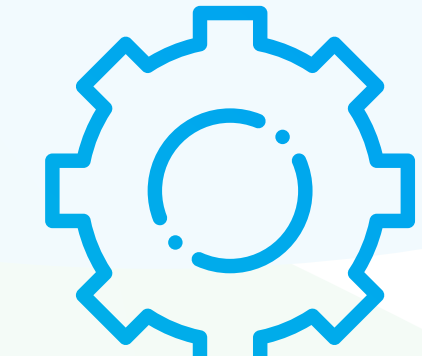
**UNIVERSALIZATION
OF BASIC
SANITATION**



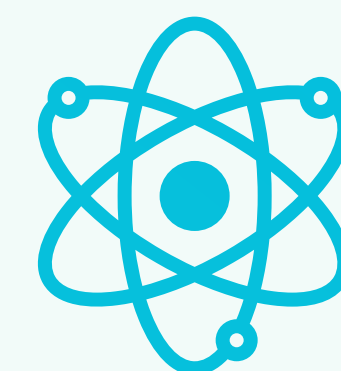
HUMAN



**SOCIAL AND
REGARDING
RELATIONSHIP**



INTELLECTUAL



NATURAL



EXPANDED VERSION

INTEGRATED
REPORT 2020

2020

5

FINANCIAL



(102-15; 102-45; 203-2)

Business Model Risks and Opportunities

Iguá has a unique business model. Its expertise in the sector, with proven history of deliveries and performance, and a portfolio with a balance between mature operations, and with great development potential ensure a solid growth opportunity for the Company. At the same time, the Company stands out due to its unique approach in relation to **innovation**, always seeking new and better paths in relation to the advance of new businesses, to engineering solutions used, in the way it relates to customers and in the ESG aspects.

Additionally, the Company is inserted in a sector with great growth potential, mainly in reference to the space available for greater participation in the private sector; above all with the New Sanitation Legal Framework (Act No. 14.026) entered into force, approved in July/2020, which will enable large investments by private companies, in addition to greater legal security in the concession agreements.

Concomitant with the new framework, BNDES has also been boosting the sector through projects for concession of water and sewage service in several states, generating attractiveness, and consequently, they contribute to the advancement of sanitation in Brazil.

It is in this scenario of major changes and advances for the country's infrastructure, that Iguá has also been preparing for its growth: with a favorable regulatory environment and advantages for the expansion of the participation of the private companies, whether by means of concessions, public-private partnerships or privatizations.



ORGANIZATION AND FINANCIAL MANAGEMENT STRUCTURE

Iguá's financial area consists of two management groups:

1 Financial Structuring and Relationship with Investors

The Financial Restructuring and Relationship with Investors management is responsible for the company's capital optimization, including the relationship with the financial institutions, negotiation, and obtainment of funding for the group's companies, as well as capital allocation among the companies. It is also in charge of the treasury processes management, which are in the great majority centralized in its shared services center, Centro de Excelência Iguá (CEI) – (Iguá Excellence Center). Additionally, the management encompasses the area of Relationship with Investors, which performs the interface with the major capital market stakeholders

2 Planning and Control

The Planning and Control Management is responsible for the development and annual review of the Company's Strategic Planning. Internally, the controllership is in charge of monitoring the results of the several financial and operating KPIs and of the accounting and tax assistance, including the company's tax planning.



BUSINESS MODEL AND MONETIZATION BASED ON PRODUCTS AND SERVICES

(103-1; 103-2; 103-3)

The contract and tariff structures of the sanitation sector in Brazil are regulated by law and set forth in the municipal and state spheres, so that the concession agreements are granted by means of a competitive process conducted by the respective granting power.

Currently Iguá has 18 operations, divided between 14 concessions and 4 Public-Private Partnerships – PPPs. The Company' revenue results from the water and sewage services provided, as set forth in each agreement.

RISK MANAGEMENT

(102-30)

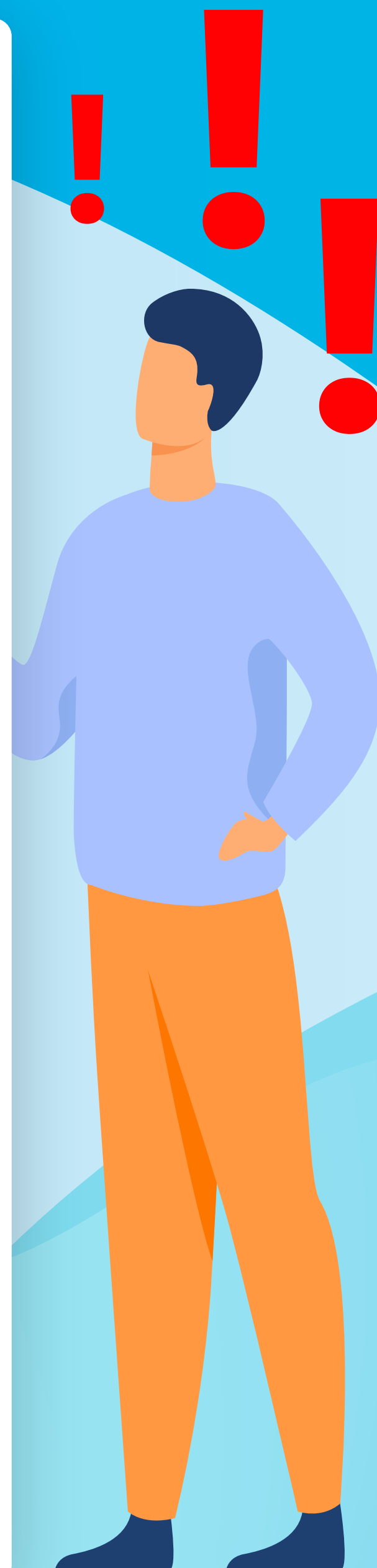
We do not have a specific formalized policy for market risk management. However, with the purpose of establishing principles, guidelines and responsibilities to be observed in the risk management process inherent to the Company's activities, Iguá adopted a Risk Management and Internal Audit Policy, which was formally authorized by the Board of Directors on 31 August, 2020 (Risk Management Policy), whose objective is to understand, assess and define response actions so that eventual losses be foreseen and reduced, aiming to maintain risks at acceptable levels. Risk analysis should assist the decision-making process of the several management levels.

Additionally, considering that the operational outcome may be affected by macroeconomic changes, mainly in relation to the short- and long-term interest rate, inflation rate and exchange policy, the Company continuously seeks to identify, assess and define response actions so that eventual losses be foreseen and reduced, aiming to maintains risks at acceptable levels.

For this purpose, Iguá monitors, from time to time, possible financial and accounting impacts resulting from market variations in distinct scenarios; adopting different strategies for risk mitigation or transference, such as (i) adequacy of the contract indexes; (ii) balance between our financial assets and liabilities; (iii) analysis of alternatives for pricing of suppliers' agreements; and (iv) use of financial instruments.

The Company prioritizes risk mitigation through indexes balance between asset and liability contracts, pursuing actively the balancing of exposures resulting from non-financial and non-derivative financial instruments.

We do not use derivative financial instruments for speculative motive. Currently, we have no derivative contract in force.



CONSOLIDATED FINANCIAL STATEMENTS

The Company's financial statements are verified by its independent auditors. These agents do not provide, during the assessment period, other services other than the ones related to external audit, to ensure that there is no conflict of interest or loss of independence. The statements regarding the 2020 fiscal year were audited by EY (Ernst & Young Independent Auditors).

TAX APPROACH

(207-1; 207-2; 207-3)

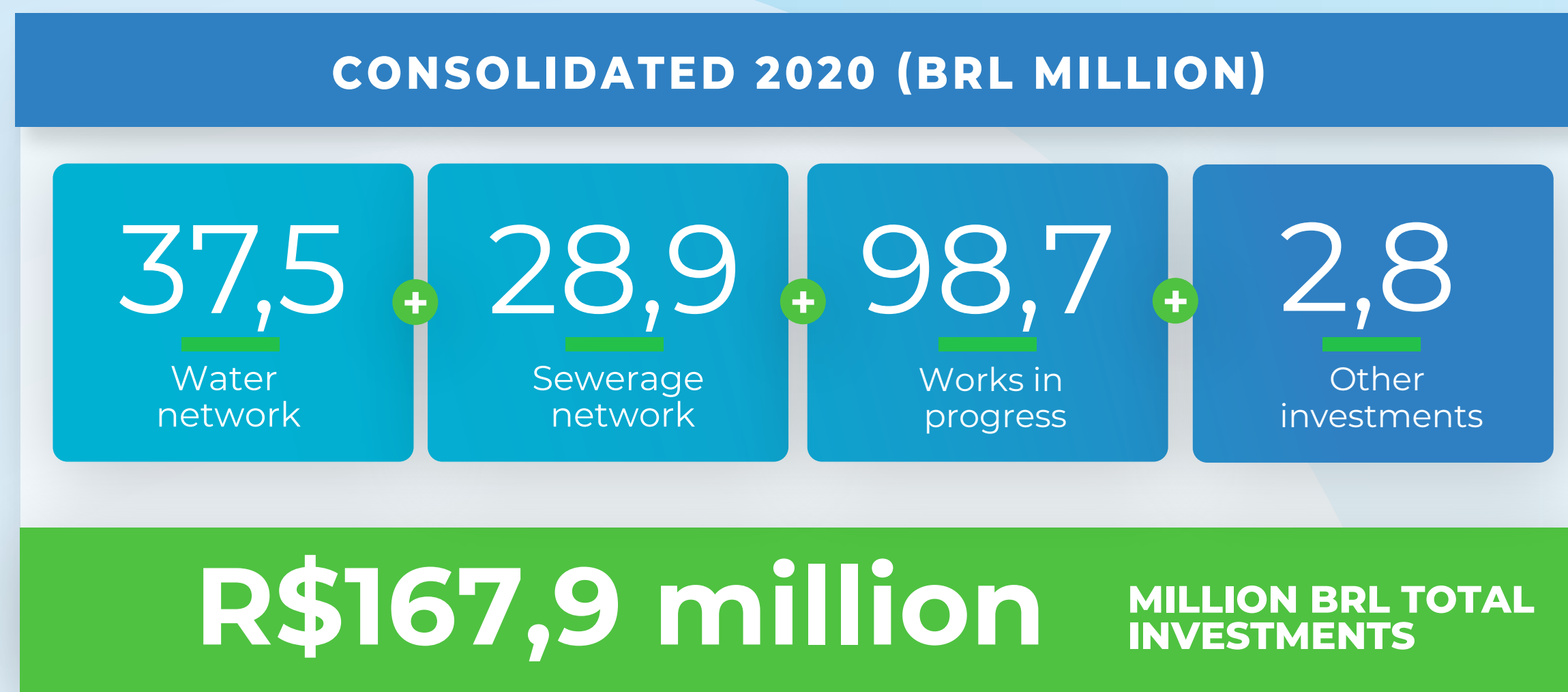
Iguá has a tax strategy, developed jointly with legal consultants, which aims at identifying opportunities for the application of tax legislation, in a licit, ethical, and responsible manner aiming at the reduction or deferment of the Company's tax obligations. The tax risks are mapped and controlled by the risk management area that is under the Compliance area's responsibility. In the committee's meetings tax indicators and tax efficiency increment opportunities of the Company are discussed, as well as risk mitigation.

SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INVESTMENTS IN INFRASTRUCTURE AND SUPPORT TO SERVICES

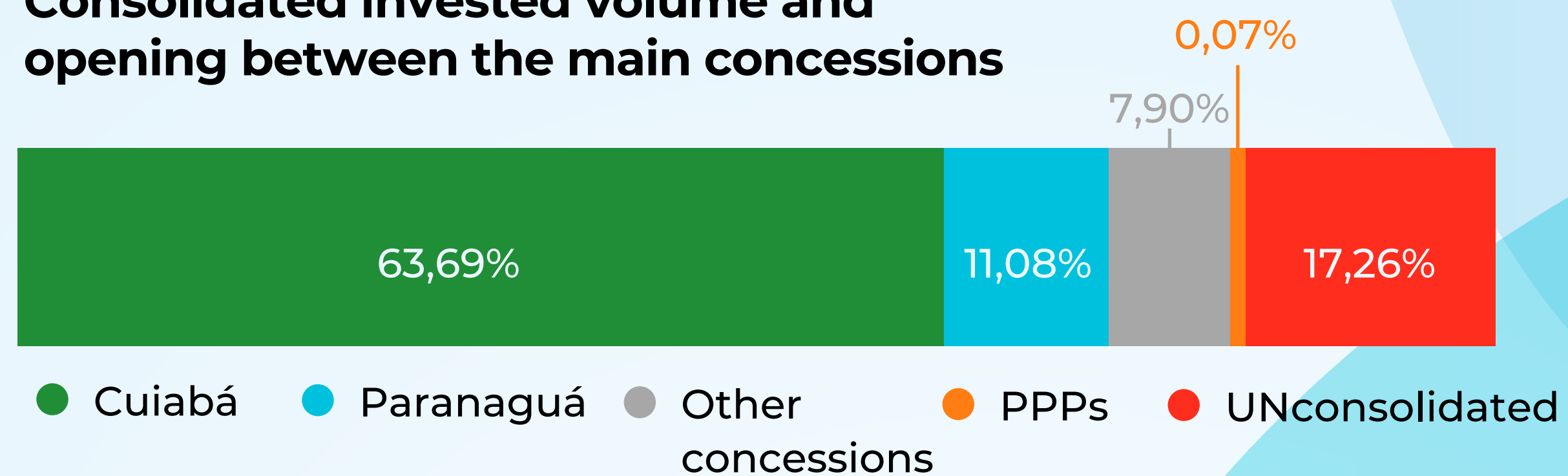
(203-1)

In the past three years, we invested over 800 million BRL in our concessions, mainly aiming at the welfare of the served population, by means of expansion of treated water distribution and sewage collection and treatment in the municipalities where we operate.

Our commitment goes beyond the agreement goals: the investments are aligned with our purpose of creating value to the Company and to the society. In 2020, Iguá made investments in the amount of approximately 168 million BRL, as presented below:



Consolidated invested volume and opening between the main concessions



CREDIT RATINGS

Iguá's performance is monitored, and the Company has its risk rating issued by Moody's and Standard&Poors agencies, which assess the capacity of the Company to comply with its financial obligations in the established term.

The ratings attest our credit quality, reflection of Iguá's solid operations and financial strategy:

Long Term Corporate Ratings.

AGENCY	NATIONAL SCALE RATING	GLOBAL SCALE RATING	PERSPECTIVE
Moody's	Aa3.br	Ba2	Stable
S&P	AA	-	Stable



ECONOMIC PERFORMANCE

(102-29)

FINANCIAL HIGHLIGHTS

Net revenue
R\$757,7
million BRL

Gross Profit
R\$336
million BRL in 2020

Increase
5,6%
compared to 2019

Adjusted EBITDA
R\$315,5
million BRL in 2020

Increase
9,4%
in relation to 2019

EBITDA margin of
45,1%

Leverage ratio, measured
by EBITDA Net Debt *
4,0X
(*Adjusted excluding other effects)

91%
of the Company's indebtedness
is in the long-term



ECONOMIC PERFORMANCE - FINANCIAL

(201-1; 201-4)

IGUÁ SANEAMENTO S.A.	Consolidated (BRL thousand)		Variance	
	2020	2019	Δ R\$ mil	Δ %
Net operating income	757.661	898.502	(140.841)	-15,7%
Total costs	(421.677)	(580.295)	158.618	-27,3%
Gross Profit	335.984	318.207	17.777	5,6%
Operating expenses	(174.907)	(139.360)	(35.547)	25,5%
Equivalence	5.815	13.631	(7.816)	-57,3%
Operating profit before financial result	166.892	192.478	(25.586)	-13,3%
Net financial result	(150.429)	(115.668)	(34.761)	30,1%
Earnings before taxes	16.463	76.810	(60.347)	-78,6%
IR (Income Tax)/CSLL (Social Contribution on Net Income)	(21.168)	(32.086)	10.918	-34,0%
Result of the Period	(4.705)	44.724	(49.429)	-97,9%

NET OPERATING INCOME

Consolidated Net Income (BRL thousand)	2020	2019	Δ %
Water Services	294.621	283.430	3,9%
Sewage Services	137.283	119.562	14,8%
Other Services	212.653	197.722	7,6%
(=) Water and Sewage Services and Other Services Income	644.557	600.714	7,3%
Construction	206.434	390.706	-47,2%
Deductions	(93.330)	(92.918)	0,4%
(=) Net Operating Income	757.661	898.502	-15,7%

The revenue from water services, sewage services and other related services (income from water and sewage services and other services) is the measurement which presents the sales revenue related to the main scope of Iguá's operations. In 2020, the revenue from water and sewage services and other services amounted to 644.6 million BRL, with a 7.3% growth in relation to the previous year.

Net Revenue **BRL757,6 million**

Revenue from Water and Sewage Services and Other Services

BRL
600,7
million
2019

BRL
644,6
million
2020

Increase
7,3%

Revenue from construction presented a decrease of 47.2% in relation to the previous year, in view of lower volume of investments made, a reflection of adopting a conservative investment policy as a response to the scenario of uncertainties proposed by the emergence of the COVID-19 at the beginning of the year.

It is important to mention that this reduction does not jeopardize the schedule of compulsory investments for the compliance with the targets in the concession agreements. In this sense, investment deferral and reallocation prioritizing the creation of value for the Company.

It is important to highlight that the income from construction reflects the application of rule IFRIC12 (ICPC 01-R1) with a greater impact in the PPPs' result. The financial asset income results from the updating of rights to be billed consisting of revenue of the financial asset regarding construction, corresponding to the public concession agreements. The calculation is done based on the discount rate specific in the agreement, which was set forth considering the respective risks and premises of the provided services. The revenue of the Financial Asset is included in the Construction value.

DETAILED REVENUE

Net Revenue (BRL thousand)	Cuiabá			Paranaguá		
	2020	2019	Δ %	2020	2019	Δ %
Water Services	191.698	181.525	5,60%	47.261	51.286	-7,8%
Sewage Services	79.974	68.449	16,80%	24.901	22.481	10,8%
Other Services	5.566	15.791	-64,80%	2.021	4.644	-56,5%
(=) Revenue of Water and Sewage Services and Other Services	277.238	265.765	4,30%	74.183	78.411	-5,4%
Construction	106.783	238.054	-55,10%	18.602	48.349	-61,5%
Deductions	(45.501)	(48.682)	-6,50%	(10.004)	(9.757)	2,5%
(=) Total Net Revenue	338.520	455.137	-25,60%	82.781	117.003	-29,2%

Net Revenue (BRL thousand)	Demais Concessões			PPPs		
	2020	2019	Δ %	2020	2019	Δ %
Water Services	55.662	50.619	10,00%	-	-	-
Sewage Services	32.408	28.632	13,20%	-	-	-
Other Services	3.253	3.734	-12,90%	199.894	171.673	16,4%
(=) Revenue from Water and Sewage Services and Other Services	91.323	82.985	10,00%	199.894	171.673	16,4%
Construction	13.016	18.506	-29,70%	68.033	85.797	-20,7%
Deductions	(11.969)	(10.037)	19,20%	(25.280)	(23.895)	5,8%
(=) Total Net Revenue	92.370	91.454	1,00%	242.647	233.575	3,9%

INCOME HIGHLIGHTS OF WATER AND SEWAGE SERVICES AND OTHER SERVICES BETWEEN THE YEARS OF 2019 AND 2020

Cuiabá:

Sewage Services revenue recorded an increase of 16.8%, mainly encouraged by the increase of 5.2 thousand new economies;
Other Services revenue recorded a decrease of 64.8% as a result of measures and decrees imposed by the municipality and by the impossibility of performing on-site services due to the COVID-19 pandemic.

Paranaguá:

Sewage Services revenue recorded an increase of 10.8%, encouraged by the increase of 1.3 thousand new sewage economies;
Other Services revenue recorded a decrease of 56.5% as a result of measures and decrees imposed by the municipality and by the impossibility of performing on-site services due to the COVID-19 pandemic.

Other Concessions:

Water and Sewage Services revenue presented respectively, increase of 10.0% and 13.2% in relation to the previous year, and added up contributed to an increase of 8.8 million BRL in 2020, mainly in view of (i) increase of 7.6 thousand new water economies and 2.3 thousand new sewage economies; and (ii) adjustments used in the period.

COSTS AND EXPENSES

(201-2; 204-1; 201-4)

Costs and Expenses (BRL thousand)	2020	2019	Δ %
Personnel	(113.330)	(102.818)	10,2%
Third party services	(79.814)	(69.087)	15,5%
Electrical energy	(52.278)	(46.204)	13,1%
Equity method	5.815	13.631	-57,3%
Other costs	(100.734)	(83.816)	20,2%
Subtotal	(340.341)	(288.294)	18,1%
Amortization and depreciation	(72.006)	(62.518)	15,2%
Subtotal	(412.347)	(350.812)	17,5%
Construction cost	(178.422)	(355.212)	-49,8%
TOTAL	(590.769)	(706.024)	-16,3%

The costs and expenses, presenting a reduction of 115.3 million BRL or 16.3% in relation to the previous year, mainly in view of the reduction of 49.8% of the construction cost, is a consequence of the readaptation of the plan of investments made in the year.



Excluding the costs and expenses with amortization, depreciation and construction costs, the Company presented an increase of 18.1% or 52.0 million BRL, mainly in view of the costs and expenses presented below, which represent 72.1% of the total costs and expenses in 2020:

PERSONNEL

In 2020, costs and expenses with personnel amounted to 113.3 million BRL, an increase of 10.5 million BRL or 10.2% in relation to the previous year, mainly in view of costs associated to the Company's internal restructuring, including renewal of part of the executive board.

THIRD-PARTY SERVICES

Costs and expenses with third-parties services was 79.8 million BRL in 2020, representing an increase of 10.7 million BRL or 15.5% in comparison with the previous year, resulting mainly from hiring legal consulting and assistance services.

ELECTRICAL ENERGY

In the year, costs and expenses with electrical energy reached 52.3 million BRL, an increase of 13.2% or 6.1 million BRL mainly due to:

- (i) tariff adjustment pass-through by electricity distribution companies;
- (ii) 7% growth in the consumption resulting from new treatment plants and consequent expansion of the wastewater collection system in Cuiabá;
- (iii) the reduction of tariff subsidy of water and sewage services.

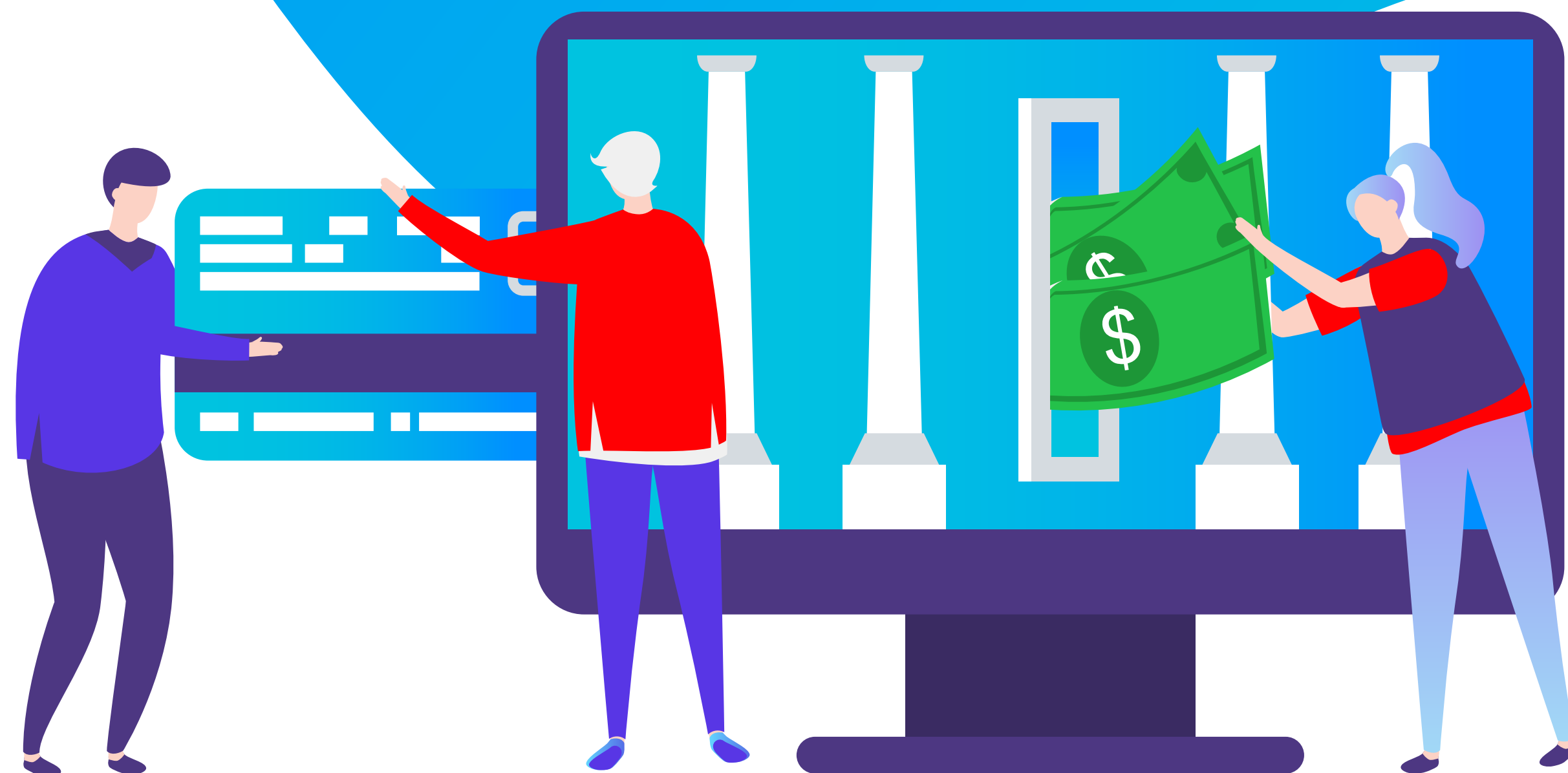
FINANCIAL RESULT

Resultado Financeiro (R\$ mil)	2020	2019	Δ R\$	Δ %
Interest of financial investments, other investments, and linked bank deposits	9.441	15.896	(6.455)	-40,6%
Interest on customer accounts receivable	10.589	9.607	982	8,625
Interest on adjustment for inflation of tax recoverable	1.182	2.033	(851)	-
Obtained discounts	280	1.160	(880)	-75,9%
Revenues of transactions with related parties	723	1.113	(390)	-35,0%
Revenues of debentures with related parties	-	-	-	-
Adjusted present value	447	843	(396)	1,239
Other	1.264	351	913	-
Financial revenues	23.926	31.003	(7.077)	-23%
Interest on loans, financing, and debentures	(153.845)	(118.196)	35.649	30,2%
Other	(10.260)	(13.983)	(3.723)	-26,6%
Tax on financial operations	(302)	(3.554)	(3.252)	-91,5%
Bank fees and commissions	(8.202)	(10.032)	(1.830)	-18,2%
Adjusted present value	(1.353)	(800)	553	-
Operating expenses with related parties	(393)	(106)	287	-
Financial Expenses	(174.355)	(146.671)	27.684	18,9%
Financial Result	(150.429)	(115.668)	(34.761)	-23,1%

The financial result was an expense of 150.4 million BRL, representing a reduction of 23.1% in relation to 2019.

The financial revenues amounted to 23.9 million BRL, presenting a reduction of 22.8% mainly in view of the reduction in the interest item of financial investments, other investments, and linked bank deposits.

The financial expenses amounted to 174.4 million BRL in the year. There was an increase of 27.7 million BRL resulting mainly from the increase of 35.6 million BRL of the expenses with interest on loans, financing, and debentures in view of (i) a greater debt inventory of the group; and (ii) costs related to early settlement of debentures (1st Issue of Paranaguá Saneamento and 1st Issue of Águas Cuiabá) occurred in the year.



EARNINGS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION

Earnings before Iguá's taxes was

BRL16,5
million BRL in 2020

Net income assessed in 2019: 44.7 million BRL
Net income assessed in 2020: -4.7 million BRL



ADJUSTED EBITDA EXCLUDING OTHER EFFECTS

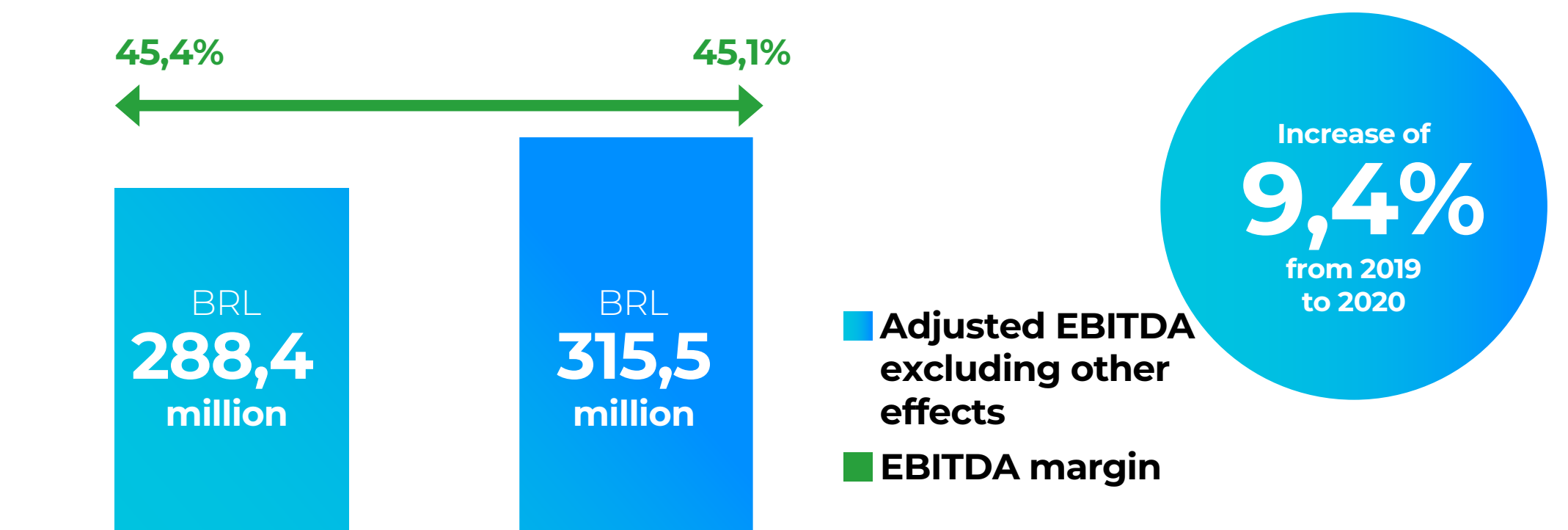
Earnings/Adjusted EBITDA	Total (IFRS) (BRL thousand)		Adjustments (BRL thousand)		Total adjusted (BRL thousand)	
	2020	2019	2020	2019	2020	2019
Receita líquida	757.661	898.502	(57.460)	(263.129)	700.201	635.373
Custo total	(421.677)	(580.295)	89.769	274.195	(331.908)	(306.100)
Lucro bruto	335.984	318.207	32.309	11.066	368.293	329.273
Despesas operacionais	(169.092)	(125.729)	(7.071)	(22.600)	(176.163)	(148.329)
Financeiras líquidas	(150.429)	(115.668)	(7.840)	(24.827)	(158.269)	(140.495)
Resultado antes IRPJ e CSLL	16.463	76.810	17.398	(36.361)	33.861	40.449
(+) Amortização / Depreciação	72.006	62.519	51.412	44.931	123.418	107.450
(+) Financeiras líquidas	150.429	115.667	7.840	24.828	158.269	140.495
EBITDA	238.898	254.996	76.651	33.398	315.549	288.394
Margem EBITDA	31,50%	28,4%			45,10%	45,40%

The adjusted EBITDA was prepared by the Company aiming to enable a better interpretation of Iguá's operating performance, business model, and cash conversion.

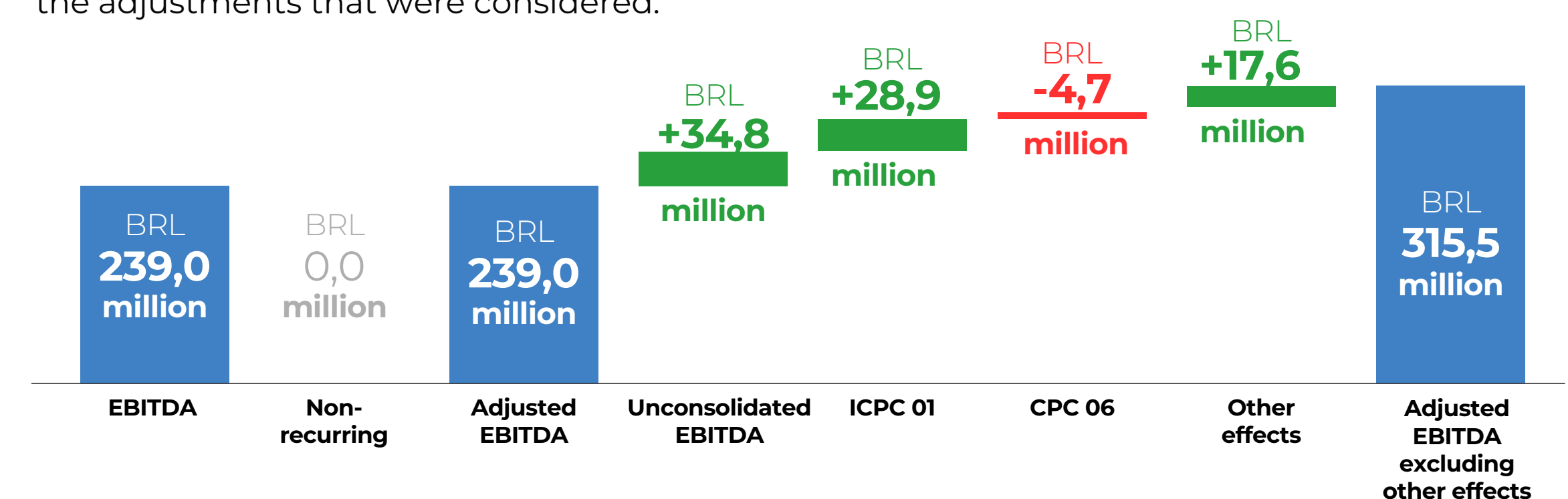
We highlight that the adjusted EBITDA is a non-accounting measure, and it is the Company's responsibility to inform its criteria, in compliance with CVM (Securities and Exchange Commission of Brazil) 527 rule:

- 1 Elimination of non-recurring revenues and expenses effect (including accounting effects resulting from impairment, or reversal of impairment of assets) if any.
- 2 Additionally, to provide greater adherence to the Company's generating cash flow, we understand it is important to also disregard other effects, namely:
- 3 Elimination of accounting effects occurred by considering IFRS rules applied to the Company (especially IFRIC12 / ICPC-01, which refers to disregarding Revenues and Costs of Construction, as well as composition of Financial Asset).
- 4 Full consolidation of the Group's companies that have minority shareholder or sharing of control.

Thus, we also disclose the Adjusted EBITDA excluding other effects, which we consider to be the adequate measure of the Company's financial performance.



For more clarity, Iguá presents the detailing the effects of the adjustments that were considered.



Unconsolidated inclusion: full addition of the group's unconsolidated companies' EBITDA in the Financial Statements.
ICPC 01: exclusion of the effects generated by the application of the CPC 01 on construction costs, construction revenue, and financial asset.
CPC 06: exclusion of the effects related to the book recording of lease-purchase agreements.
Other Effects: accounting effects resulting from the exclusion of the application of the CPCs 08, 10, 47 and 48.
We highlight that in the Adjusted EBITDA we added the full EBITDA of the concessions in which Iguá has sharing of control (Castilho and Andradina - 70%, and Tubarão and Itapoá - 50%).

Resource allocation and debt management

The Company combines the proportion between its own capital, through our shareholders' capital distribution, and capital of third-parties for working capital financing and investments in non-current assets. As part of the capital structure strategy, Iguá uses loans and financing to make investments.

Through state-owned banks, especially Caixa Econômica Federal and BNDES – which have long-term lines of credit specifically for the sanitation sector – the Company has been funding part of the subsidiaries' investments with costs and terms which contribute to the strength of its capital structure.

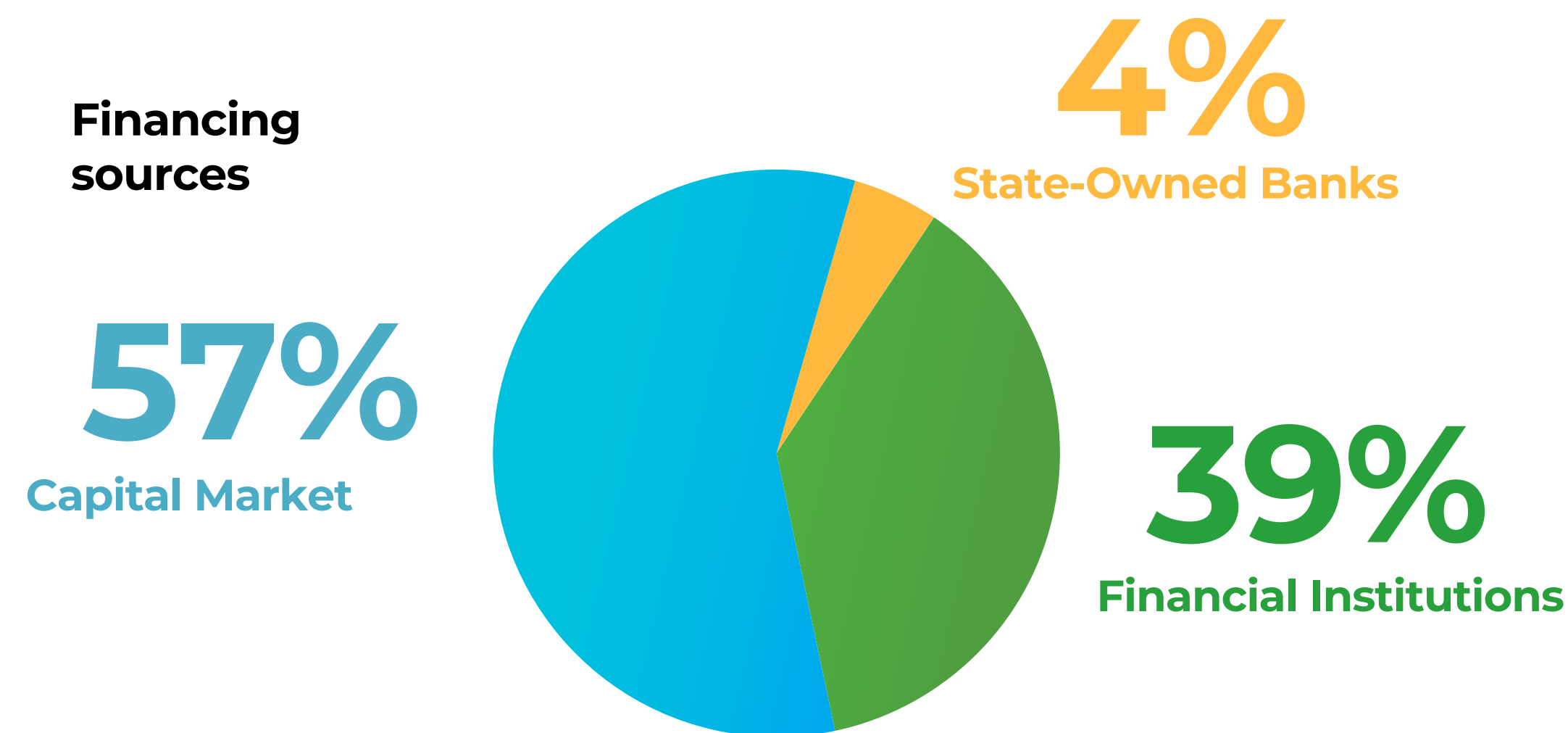
Iguá also has relationship with several financial institutions which have been supporting the financing requirements for working capital and/or complementary funding to the long-term financings provided by public institutions.

As part of the financing sources diversification strategy, the Company also accesses capital markets by means of issuing debentures.

This year, Iguá made the two largest issue of debentures for investment in private water and sewage infrastructure in Brazil, in the total amount of 880 million BRL. Additionally, we highlight that they are **sustainable debentures**, restating Iguá's commitment with ESG criteria, and under act 12.431/11.

Iguá was the first company to issue sustainable debentures in the sanitation sector in Brazil, confirming its environmental, social and market commitment.

The funds raised with the issues will be allocated to the expansion project of the water supply system and the sewerage system in the cities of Cuiabá and Paranaguá.

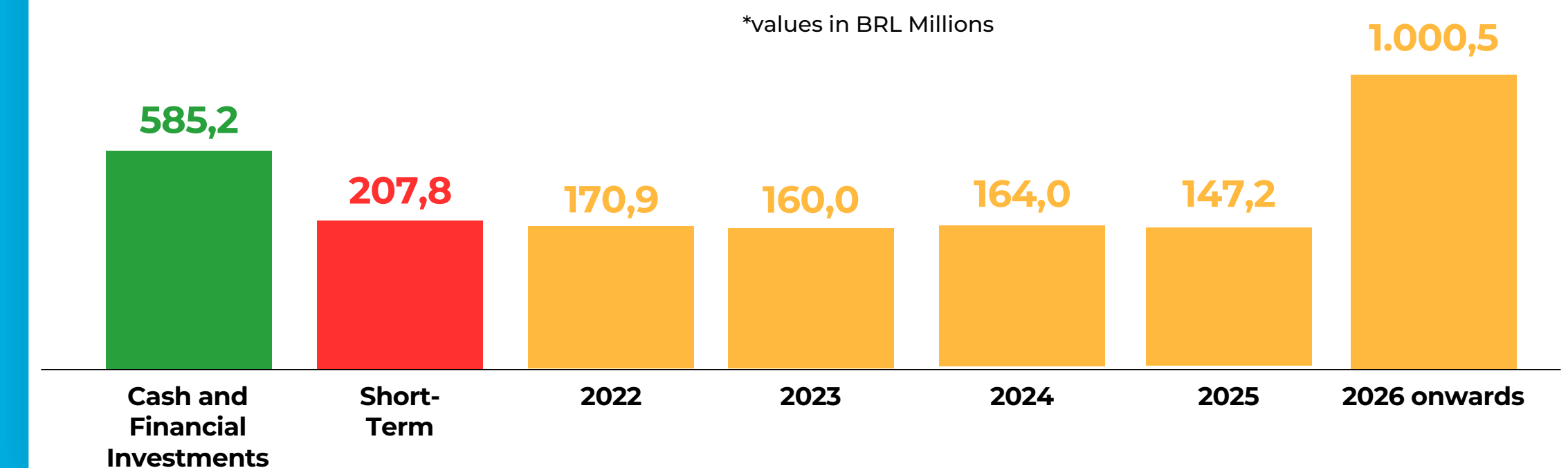


Indebtedness (BRL thousand)	2020	2019	Δ %
Gross Debt	1.773.794	1.338.160	32,6%
(-) Cash and Financial Investments	(569.077)	(306.507)	85,8%
Net debt	1.204.717	1.031.653	16,7%
(+) Gross debt – Unconsolidated	76.602	78.235	-2,1%
(-) Cash and Financial Investments - Unconsolidated	(15.953)	(30.617)	85,7%
Net debt – Including Unconsolidated	1.265.366	1.079.271	16,8%
Adjusted EBITDA excluding other effects	315.549	288.394	9,4%
Net debt / Adjusted EBITDA excluding other effects	4,0x	3,7x	

In the year, the Company's gross debt presented an increase of 32.6%, in view of the 5th issue of Iguá Saneamento's debentures in August/2020, in the amount of 620.5 million BRL, and of the 2nd issue of Paranaguá Saneamento's debentures, in August/2020, in the amount of 259.8 million BRL. The amount was partially offset by early settlement of the 1st issue of Paranaguá Saneamento's debenture and of the 1ST issue of Aguás Cuiabá's debentures.

AMORTIZATION SCHEDULE

*values in BRL Millions



The cash and financial investments balance offers comfort for the short-term debt amortization obligations.

91%
of the long-term
indebtedness

5,3 YEARS
average period
of the debt

Other information

OFFICERS' OPINION ON ACCOUNTING FINANCIAL STATEMENTS

The Officers declared that they revised, discussed, and agreed with the 2020 Financial Statements, and the conclusions expressed in the independent auditors' report, under article 25 of the CVM Instruction No. 480/09.

SERVICES PROVIDED BY THE INDEPENDENT AUDITOR

In compliance with CVM Instruction No. 81, the Company informs that its independent auditors, Ernest & Young Independent Auditors S/S, did not provide other services other the ones related to external audit during the period ending on 31 December, 2020. The Company's policy in hiring other services, which are not those of external audit, ensures that there is no conflict of interests nor loss of the auditors' independence.

DISCLAIMER

Future considerations, if included in this document, are exclusively related to the business perspectives, estimates of operating and financial results, therefore not meaning Company's guarantee of performance or future results. These considerations are merely projections, and as such, based exclusively on the expectations of the Company's management in relation to the future of the business and its continuous access to capital for funding its business plan.

These future considerations depend, substantially on changes in market conditions, governmental rules, competition pressures, of the performance of the sector and of the Brazilian economy, among other factors, in addition to risks presented in the disclosure documents filed by the Company, and they are, therefore, subject to changes without previous warning. Additional information not audited or revised by the audit company herein reflect the Company Administration's interpretation on the information arising from its annual information and its respective adjustments, which were prepared in compliance with market practices, and for exclusive purpose of a more detailed and specific analysis of the Company's results. Thus, such considerations and additional data must also be analyzed and construed in an independent manner by the shareholders and market agents, who should make their own analysis and conclusions on the results disclosed herein.

No data or interpretative analysis performed by the Company Administration should be dealt with as performance guarantee or future result, but merely illustrative of the Company Administration's view on its results. The Company Administration is not liable for the compliance and accuracy of the management financial information discussed in the present report. Such management financial information should be considered only for informative purposes and not in a way that it would replace the analysis of the individual and consolidated annual financial information revised by independent auditors for the purpose of decision making or any other purpose.





EXPANDED VERSION

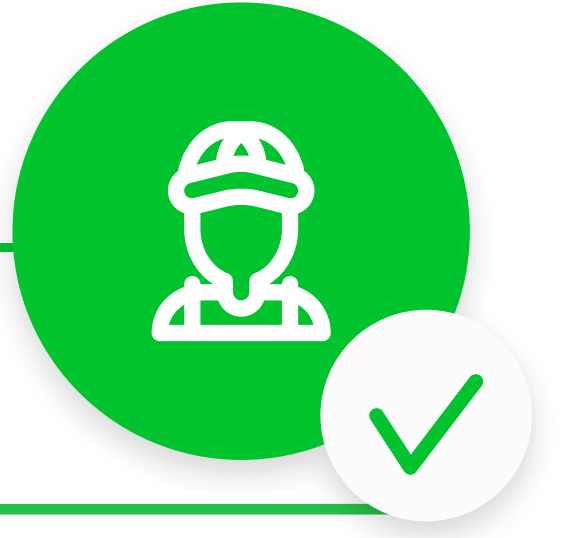
INTEGRATED
REPORT 2020

2020

6

OPERATION AND STRUCTURAL





MAIN DELIVERED WORKS 102-4

Atibaia (SP)



Sewage Treatment Plant – STP Caetetuba – with capacity of 70l/s and respective outfall for discharging treated sewage effluent



Investments

In the year 2020, the pandemic caused by COVID-19 brought a new context for the operation of the companies, absent in all the planning scenarios. The challenges were huge, from the creation of secure working conditions for its employees to the reallocation of investments. All of this for also guaranteeing the continuity and quality of the water and sewage services for the population, and ensuring, the maximum, the compliance with the goals and contractual agreements.

Even with the reduction of the rhythm of the construction works, **Iguá planned and worked in several projects and improvement interventions**, aiming to minimize the COVID-19 pandemic impacts, besides preparing itself for resuming in 2021.

Total investments made in 2020 was of

BRL 167,9 million

203-1



Completion of the pumping system of the Final Sewer Pumping Station (SPS) of the Sewage Treatment Plant (STP) Caetetuba

16km of wastewater collection network

335 new sewer connections



Completion of Pouso Sewer Pumping Station (SPS) Capacity of 53L/s of the Estoril Sewerage system

Itapoá (SC)



Expansion of untreated water collection in over 120l/s, totaling 470l/s of installed capacity

- ✓ Increase of the untreated water collection substation from 150kVA to 300kVA



Electrical expansion of the Treated Water Pumping Station of the Maria Catarina Water Treatment Plant (WTP)

- ✓ Implementation of a diesel engine pump set for increasing the reliability of the Treated Water Pumping Station

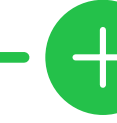


Inland (MT)



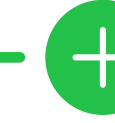
Colíder

- ✓ New Tank (Tower TC (Tank Capacity) of 1.000m³)



Pontes e Lacerda

- ✓ Altos da Glória Water Pressure Booster Pump with capacity of 9m³/h



Alta Floresta

Implementation of power generator sets in Almeida Prado, Boa Nova, Ayrton Senna and Sector C SPSs for increasing reliability and availability of the systems

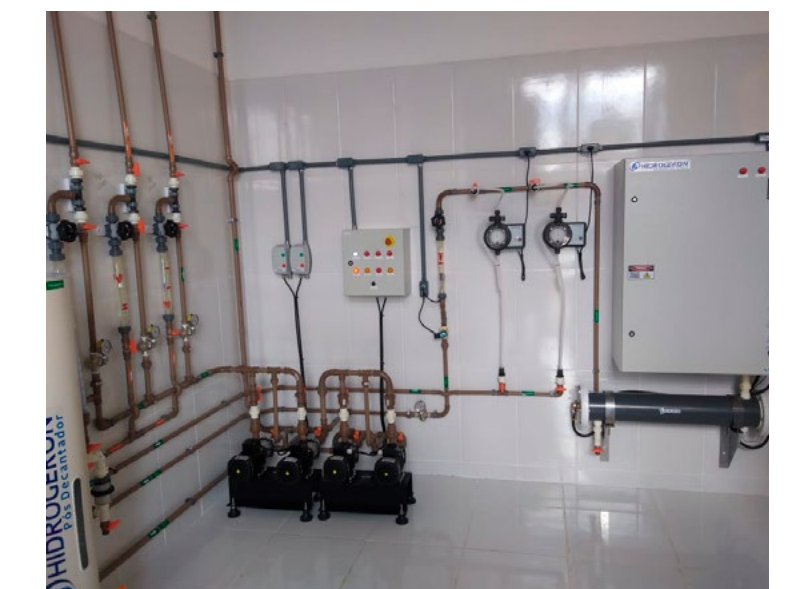
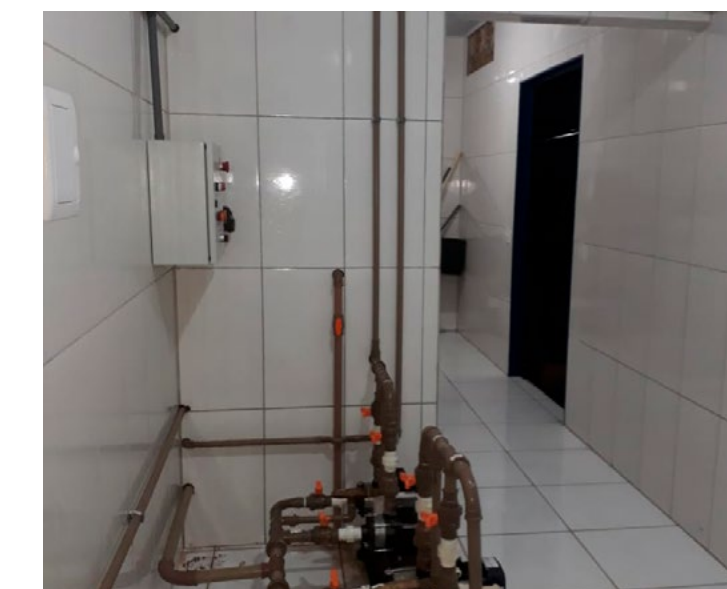
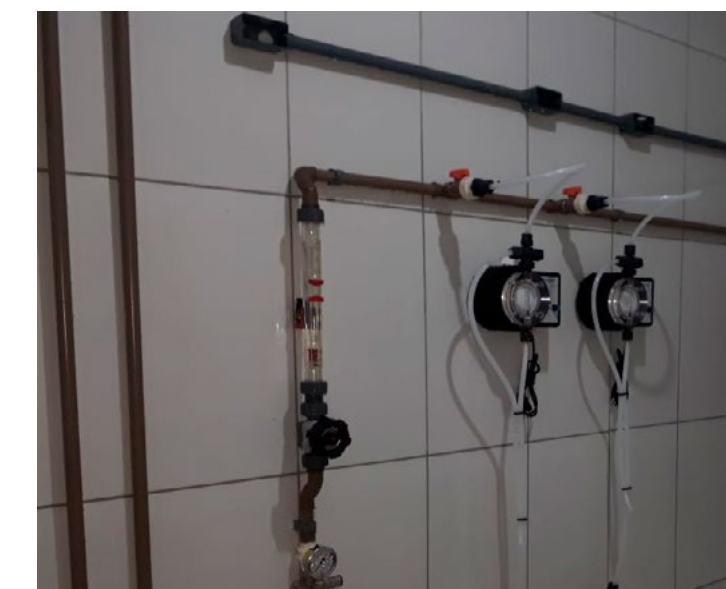


- ✓ Improvements in the wastewater treatment process with lagoon sludge dredging and dewatering.



All

Implementation of systems of sodium hypochlorite generators to ensure water disinfection in the WTPs in Pontes e Lacerda, Colíder, Alta Floresta, Canarana, and Comodoro.



6km
of new water
distribution
networks

1110
new water
connections

2km
of wastewater
collection
networks

120
new sewer
connections

4km
of new water
distribution
networks

1762
new water
connections

182m
of wastewater
collection
networks

365
new sewer
connections

Paranaguá (PR)



Mercado SPS Automation



Electric power and automation adequacies of the SPSs 7.03 and 7.13



Automation of the existing Sewage Pumping Stations (SPSs) (5 stations) of the Emboguaçu Sewerage system (SS), for improving safe operation



Drilling of 01 new artesian well at Colônia WTP as part of improvement actions of the water safety plan in the water supply system (increase of 20l/s)



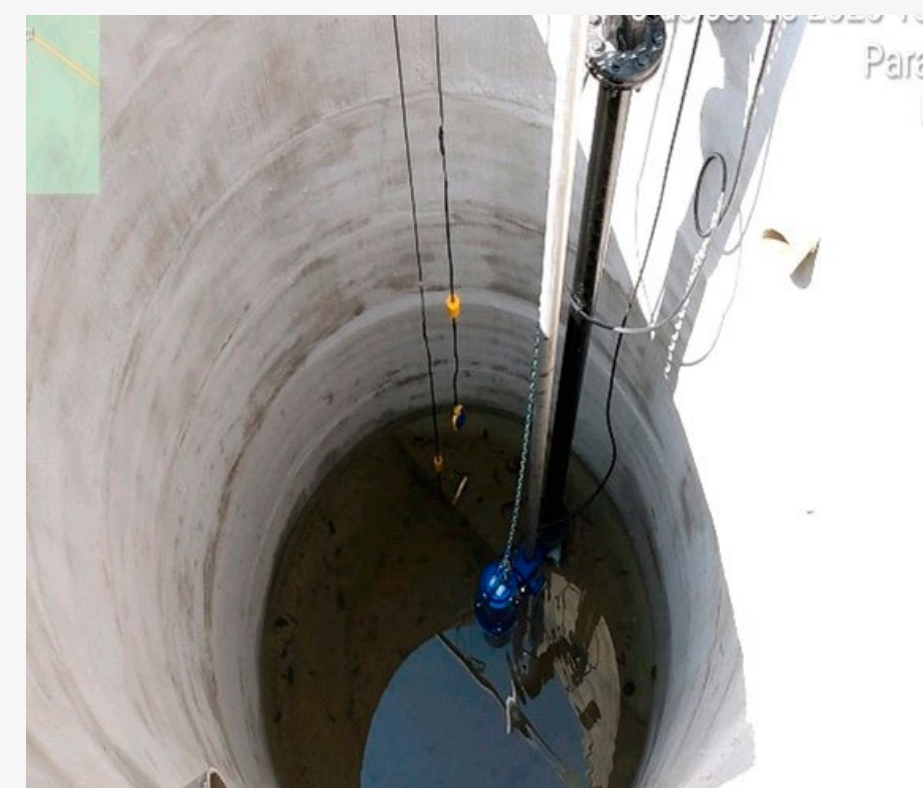
Waterproofing of Alexandra WTP collection tank







Implementation of Fortaleza Water Pressure Booster Pump in Ilha do Mel



Implementation of Filter Backwash Water Recycling (FBWR) at Alexandra WTP



 5km of new water distribution networks	 1472 new water connections	 4km of wastewater collection networks	 764 new sewer connections
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Cuiabá (MT)



Zoning of Water Supply Systems (WSS) in the South and Central Regions with implementation of valves, application of MCZ (measurement and control zones) and PRVs (Pressure Reducing Valves)



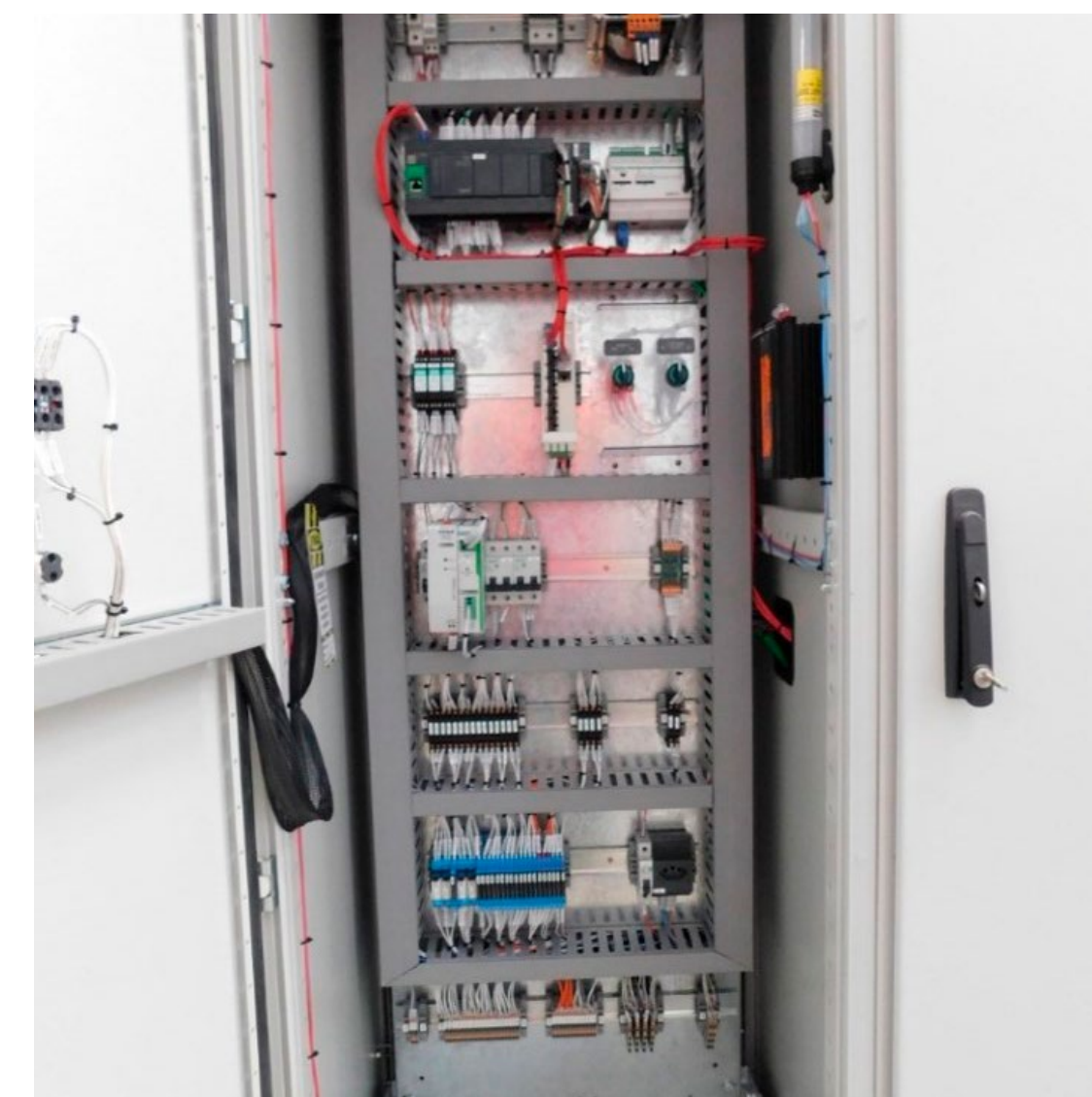
Systematic examination of leakage detection for reducing loss rates in the Water Supply System



Improvement works in the water networks jointly with systematic examination of leakage detection



Improvements and automation of the Sewage Pumping Stations (SPSs) of Lipa Sewerage System (SS) (12 stations), Dom Aquino SS (08 stations), Tijucal SS (35 stations) and Sul SS (13 stations) totaling 68 stations



18km
of new water
distribution
networks

3019
new water
connections

19km
of wastewater
collection
networks

1554
new sewer
connections

SPAT (SP)



Completion of Taiapuèba WTP landfill cell with capacity of 56,500m³



Update of the 81CCM panel of Phase 2 of the main substation of Taiapuèba WTP



Tubarão (SC)



RTreated Water Pumping Station Rehabilitation Itaitu



Implementation of Marcolino Sewage Pumping Station (SPS) with capacity of 12l/s and respective pumping system



Details of the inner part (on the left) and of the door (on the right) of the SPS control panel



Implementation of Zapelini Sewage Pumping Station (SPS) with capacity of 25l/s and respective pumping system



Implementation of the reverse station of Tubarão river to Morto river, to meet the environmental license conditions



Reverse station pump floater/buoy

9km
of new water
distribution
networks

1138
new water
connections

19km
of wastewater
collection
networks

1405
new sewer
connections

Agreste (AL)



Structural rehabilitation of Morro do Gaia water tank



Structural rehabilitation of Parshall gutter of Arapiraca WTP



Implementation of collection amphibious pump in Morro do Gaia



Replacement of 2,000m of treated water main at Feira Grande



Interconnection of new untreated water main for supply to industry customer



Replacement of chlorine gas technology by sodium hypochlorite generation system at Arapiraca WTP for disinfection of treated water, aiming to ensure occupational and operating safety of the system



Old chlorine gas system



New hypochlorite generator system



Expansion of the electrical power substation to 2,500Kva (replacement of 02 transformers) at Morro do Gaia Treated Water Pumping Station



New transformer of the TWPS (Treated Water Pumping Station) 02



New Transformer of collection Traipu

Piquete (SP)



Adaptation of macro-measurer in the WTP to provide better control and optimize management of the produced water



igua.com.br

2,9km
km of new water distribution networks

119
new water connections

Palestina (SP)



Implementation of Jurupeba STP with capacity of 2.5l/s



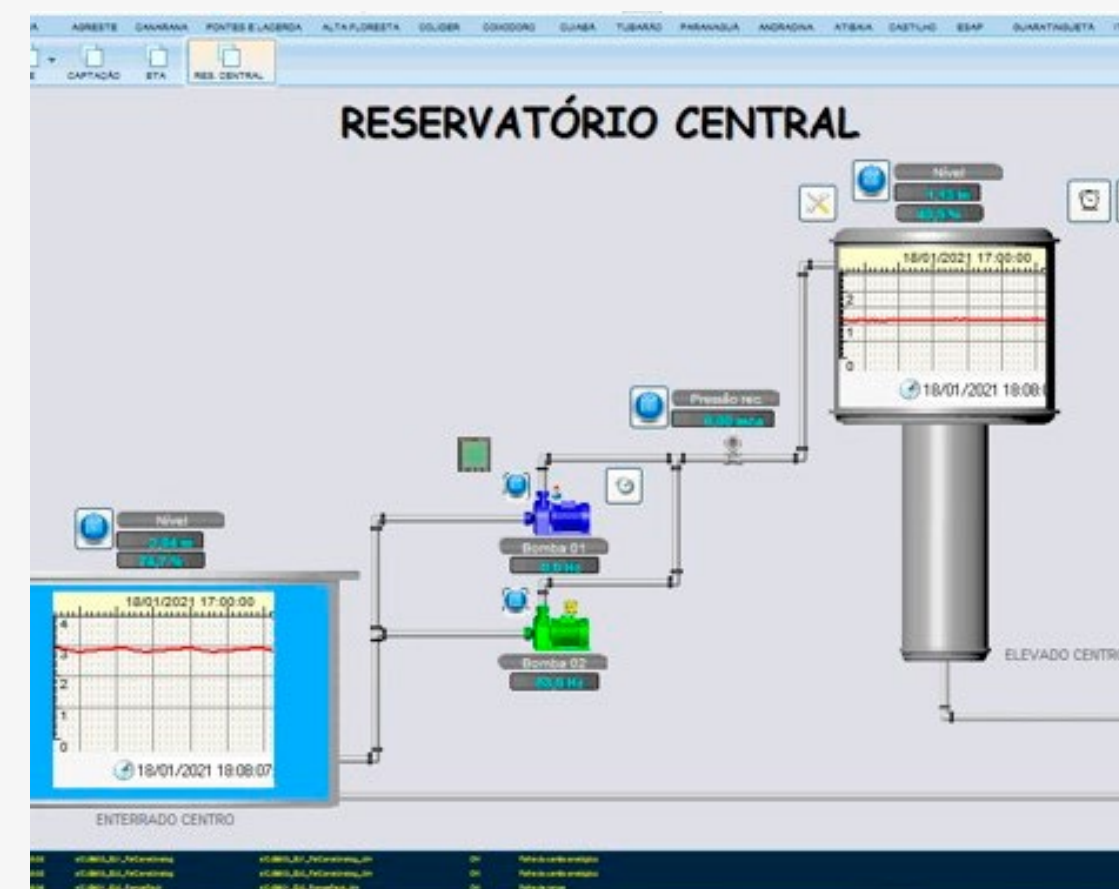
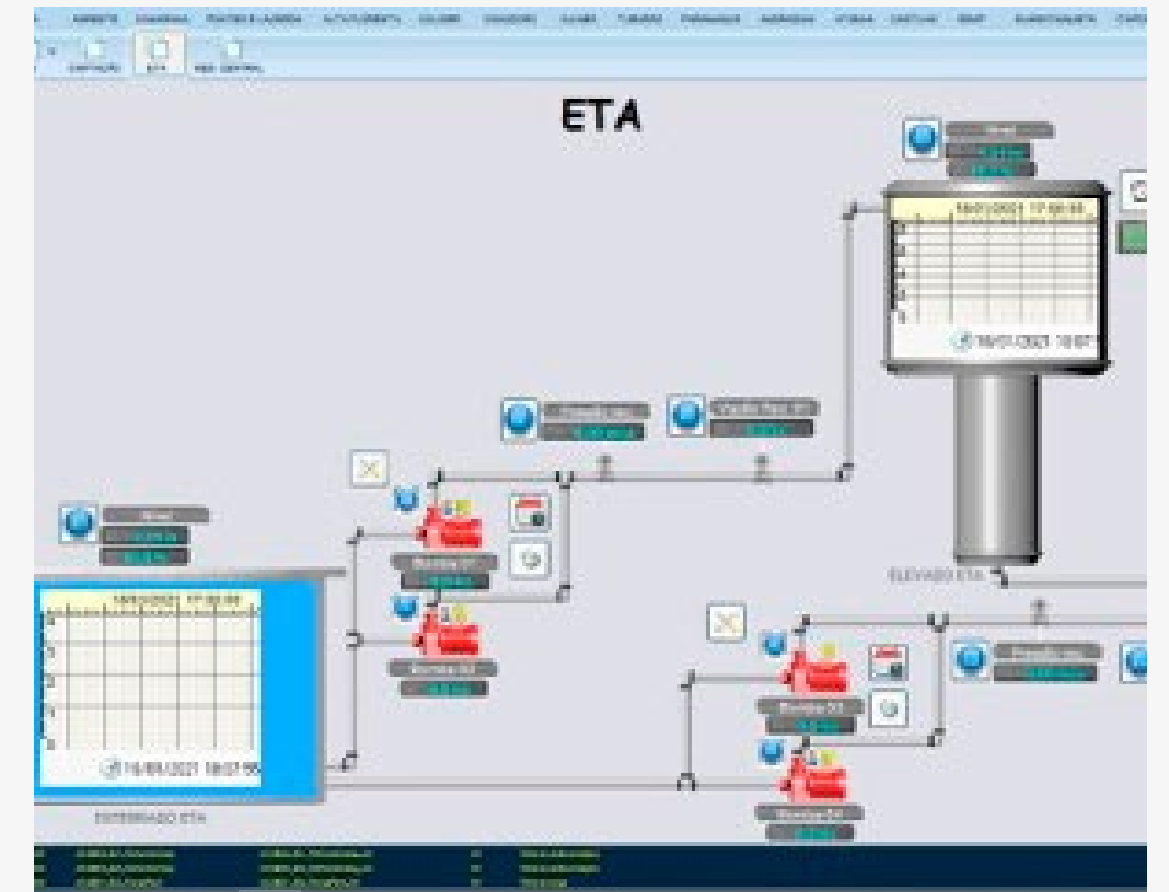
Mirassol (SP)



Drilling of CDHU Well with outflow of 20m³/h



Collection automation of Centro WTP



Andradina (SP)

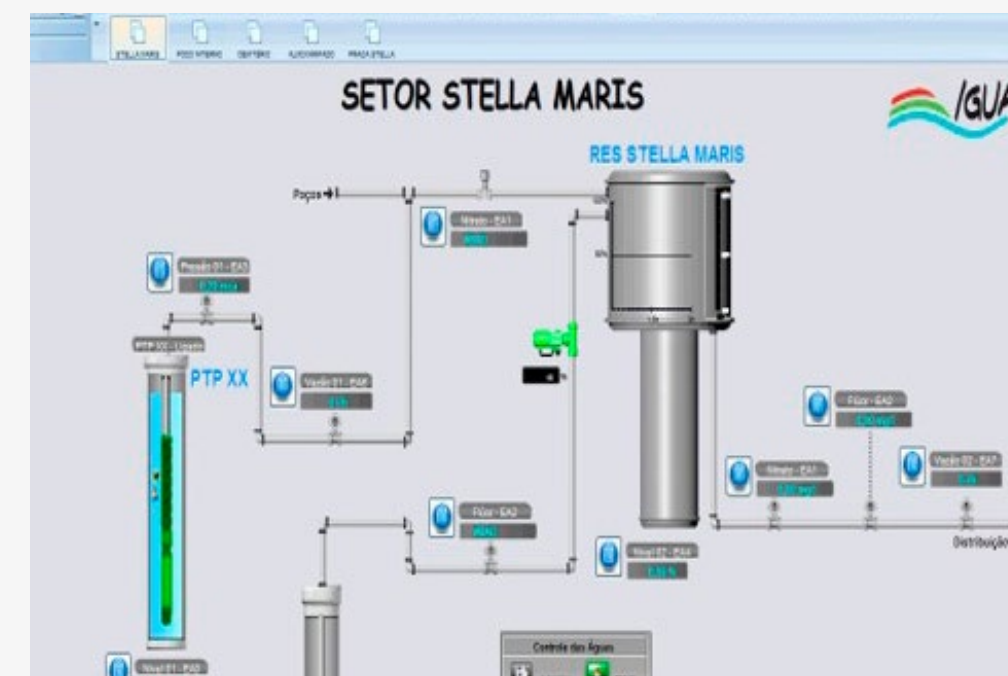
+ Implementation of new technology for nitrate removal for water quality improvement



+ Implementation of Figueira Sewage Pump Station (SPS) with capacity of 30l/s

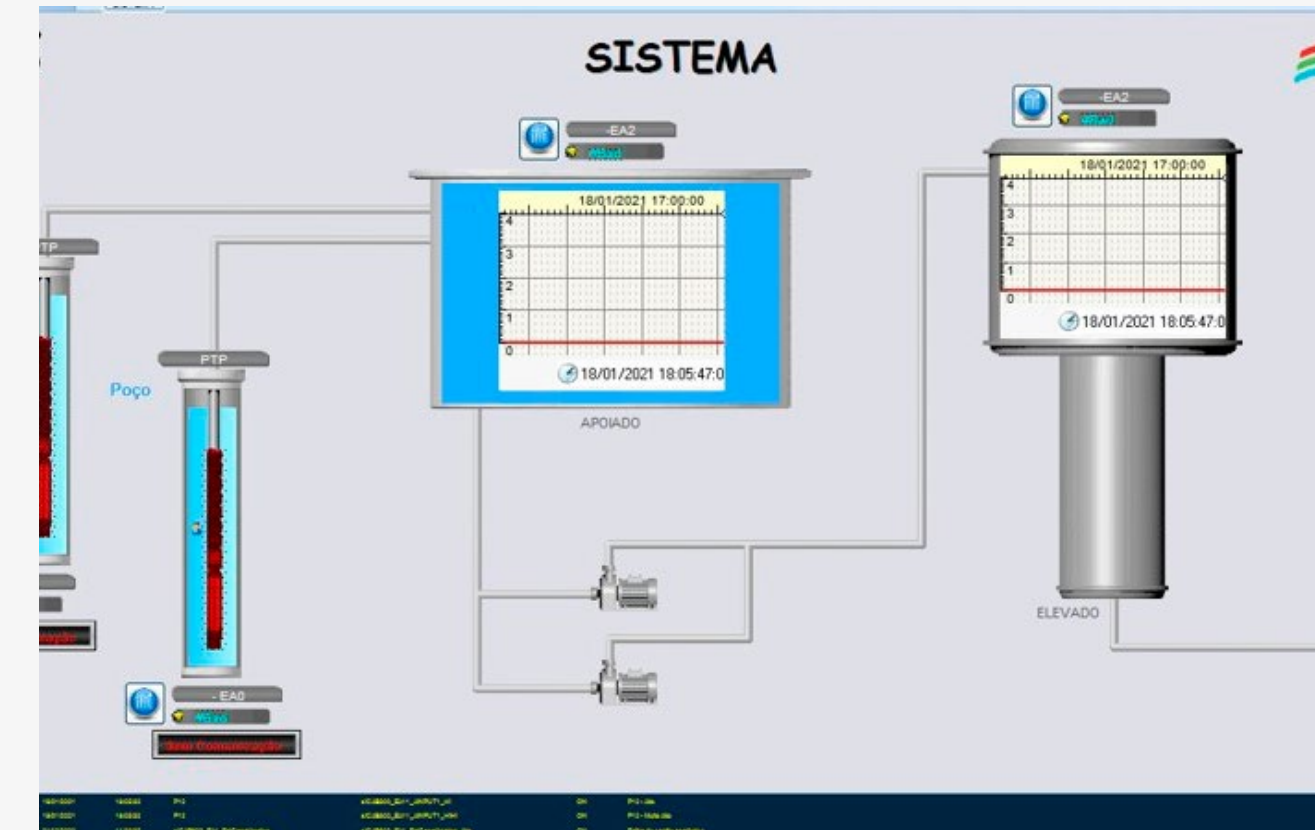


+ Implementation of automation of the Stella Maris System (water) and distribution network reinforcement to mitigate effects of dry spells



Castilho (SP)

+ Water system automation



+ Water tank rehabilitation



+ For the 04 Concession Units SP:

5km
of new water
distribution
networks

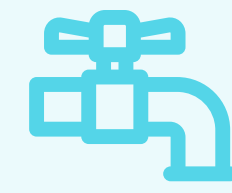
1401
new water
connections

2km
of wastewater
collection
networks

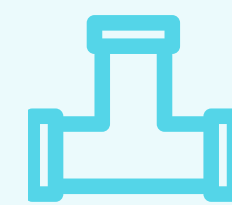
1270
new sewer
connections



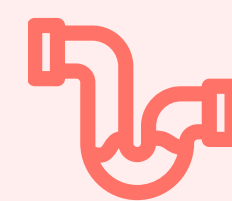
In 2020 the following was added in total:



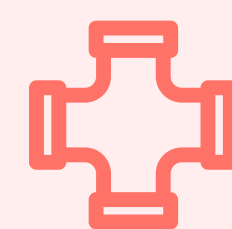
+50km
of new water
distribution networks



+10 thousand
new water
connections



+63km
of wastewater
collection



6 thousand
new sewer
connections

MAIN PROJECTS UNDERTAKING AND/OR IN PROGRESS:

1

Undertaking of implementation of Lipa STP in Cuiabá (MT), with capacity of 270l/s

2

Undertaking of Centro STP in Itapá (SC), with capacity of 270l/s

3

Construction of 10 SPSs in Itapoá (SC) – 1st phase

4

Expansion of Estoril STP (2nd phase for 300l/s) in Atibaia (SP)

5

Evolution in the implementation of the Caetetuba system in Atibaia (Sp): 82% Final SPS, 93% Santo Antonio SPS, 56% Estrada Municipal SPS and 70% Gerônimo de Camargo SPS

6

Improvement in the sludge dewatering system Maria Catarina WTP in Itapoá (SC): 91% completed

7

Implementation of Guarani SPS (SES Emboguaçu) in Paranaguá (PR): 64% completed

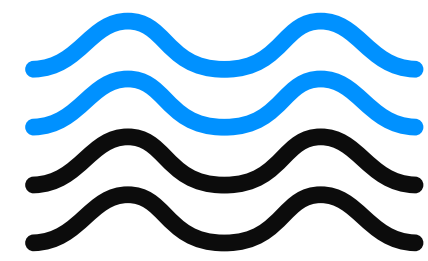
8

Implementation of Colônia WTP generator set in Paranaguá (PR): 70% completed

9

Environmental Licensing for the implementation of the Sewerage system and expansion of Ilha do Mel WTPs in Paranaguá (PR)



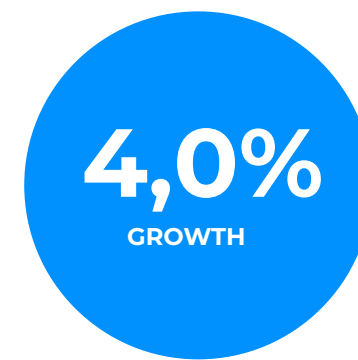


Committed with the development and continuous improvements, Iguá uses its operating indicators to record the evolution of the Company's operating performance.

It is possible to observe the advances in the past year, as follows:

Note: considering Atibaia and Guaratinguetá PPPs economies

Number of **water economies** reached



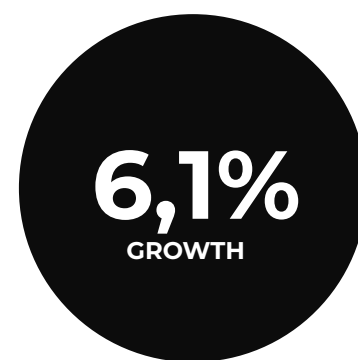
19 thousand, mainly in view of the growth of the economies in Cuiabá and Paranaguá.

Cuiabá and Paranaguá

Responsible for **60,2%** of the total increase

This increase was motivated by the increase of the served population and by the regularizations of the hydrometers.

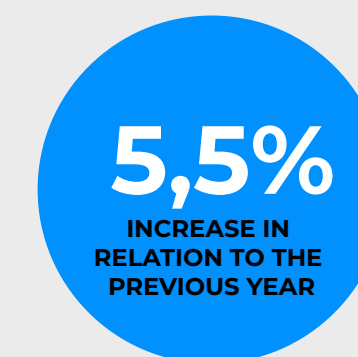
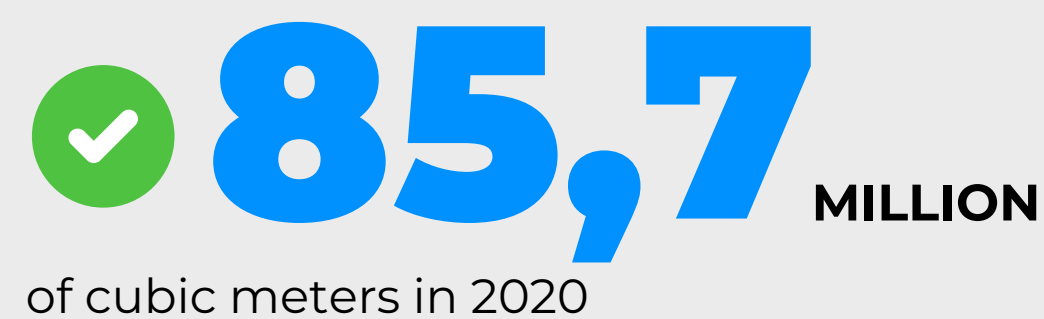
Number of **wastewater economies** reached



Or 18,9 thousand new economies.

Note: volume in m³. Considering the PPPs (Atibaia and Guaratinguetá)

Water **volume billed** reached

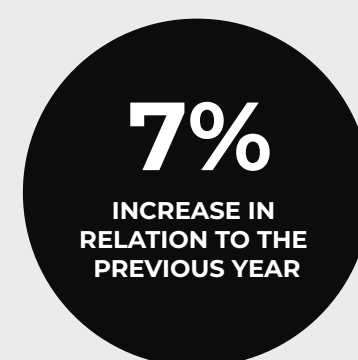


Mainly in view of the volume increase in Cuiabá

Cuiabá

Responsible for **59,3%** of the consolidated growth

Wastewater volume billed reached



Mainly resulting from the increase in Cuiabá

Cuiabá

Responsible for **75,5%** of the increment of the total volume in the period

The increase of the total volume billed results mainly from the growth of the active economies, a reflection of the investments performed by Iguá in the increase of the water and sewage backup coverage in its subsidiaries.

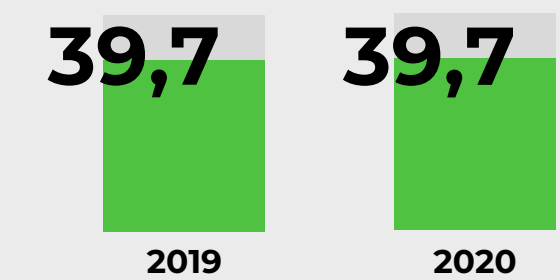
LOSSES

The efficiency and reduction of the losses are goals that the follow the management.

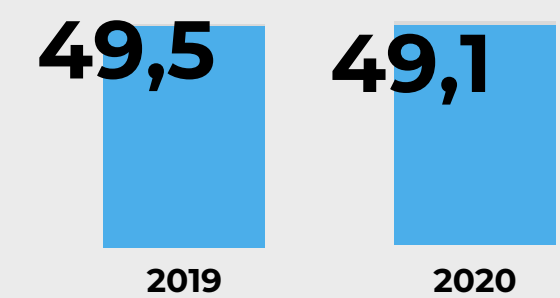
In the year of 2020, the Company recorded a fall in the loss indicators in the distribution.

The loss rate in the sales revenue*, or water not billed, which assesses in percentage how much of the water produced by the supply system was not billed, presented stability in 2020 in comparison with the previous years.

Losses in the sales revenue (%)



Losses in the distribution (%)



*Definition of the Rate of Losses in the Sales Revenue (IPFT) and of the Rate of Losses in the Distribution (IPD) according to SNIS.

DEFAULT

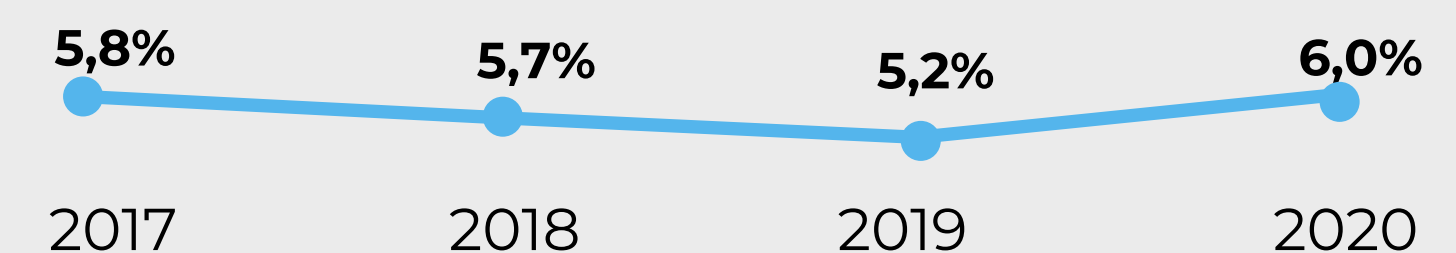
Historically, Iguá has used as the main indicator of default the rolling average (12 months) over 180, that is, delays above 180 days after maturity.

This methodology is used due to understanding that it is the best reference for structural default of the business.

The Company's goal is the default reduction by caring for the quality of the provided service, by maintaining a clear and prompt communication with the customers and by providing differentiated ways of settling pending issues.

In 2020, the 180 days default indicator (considering the rolling average of the previous 12 months) was of 6.0%*, an increase of 0.8% in relation to the previous year, due to the effects of the pandemic which interrupted the consistent course of decrease along the past periods.

180 days (%)



*The percentage of historical default was altered in relation to the published one due to alteration in the calculation: now the rolling average is used for the disclosure of the default.



EXPANDED VERSION

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2020

7

UNIVERSALIZATION OF BASIC SANITATION



(102-7, 103-1, 103-2, 103-3)

Iguá is present in 37 municipalities, with service in 5 states through 18 operations. The Company's goal is to ensure water and sewage service to all the served population and to contribute for Brazil to achieve universalization of water and sewage services. The activities are performed in different sized communities, 14 concessions and 4 public-private partnerships. This model provides the opportunity to work in different sanitation realities. It is a technical and operations challenge.

Iguá operates in the states of São Paulo, Mato Grosso, Paraná, Santa Catarina, and Alagoas.

The municipalities served by Iguá represent 0.66% of all the municipalities in the Brazilian territory.



The New Sanitation Legal Framework establishes goals of universalization that offer access of 99% (ninety-nine per cent) of the population to drinking water and of 90% (ninety per cent) to sewage treatment, by 31 December, 2033.

Pursuant to the projection executed by IBGE, currently the Brazilian population is of 212 million inhabitants, approximately.

Iguá's operations serve 6 million people, that is, 2.83% of the total population in Brazil, and it participates with 3.10% for the goal regarding wastewater collection and treatment in the New Legal Framework.

To contribute to the compliance with the goals set forth by the New Framework, Iguá operates in compliance with the agreements executed in each operation, investing in new treatment facilities, water distribution and wastewater collection networks, in addition to other improvements which ensure the achievement of universalization in the municipalities where it operates.

Iguá's concern in meeting the universalization of its systems is reflected in the achievement of 100% of treated water coverage and in the constant progress of the collected and treated sewage coverage.

The SERR strategy

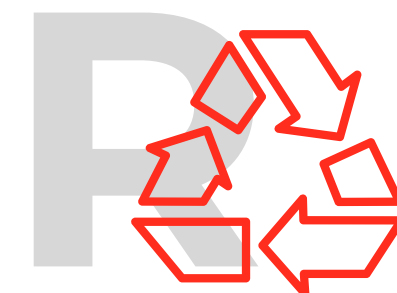
(103-3)



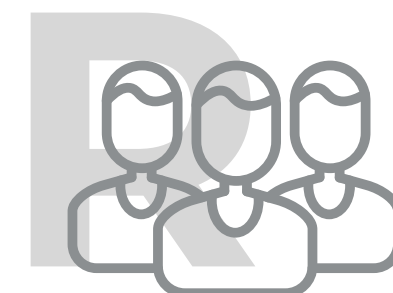
Safety of the Water



Efficiency in the Water Cycle Management



Responsibility in the Wastewater Collection and Treatment



Respecting people

The SERR strategy was launched in 2018 by Iguá with the purpose of inserting the Sustainability agenda in each of the business areas and structuring the organization for the ESG model. Since then, there has been a sustainability model refinement process. In 2020, the improvement stage began by aligning the axes and related projects, as well as the respective associated Sustainable Development Goals (SDG). The objective is to develop projects and actions related to the SDGs more adherent to the Company's business models, with measurements for the monitoring of its efficiency. The restructuring of the SERR strategy will be launched in the World Water Day on 22 March, 2021.

We understand that sustainability is not only a company commitment, but a factor inseparable from our business, which enables the transformation of people's lives. Iguá's management in relation to universalization of basic sanitation is based on 4 operation axes.

This and other initiatives reflect the Environmental Management System which guides Iguá in the path to becoming the best water and sewage service company for Brazil.

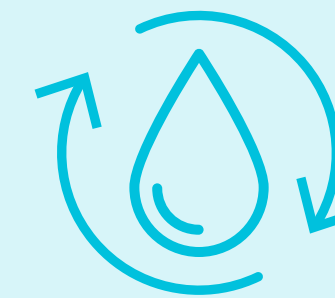
SAFETY OF THE WATER



With the increase in the demand for water, resulting from population growth, intensive and extensive farming, and consumption levels per capita, the pressure on water sources has also increased – surface and underground freshwater sources used for human consumption and for the development of economic activities. This pressure exposes the sources to risks, due to inadequate use of soil and water, overexploitation of water resources, removal of the vegetation cover (e.g.: ciliary forest), erosion and silting of rivers and streams, among other issues.

Aware of this scenario, we reconfirm our commitment to water safety, that is, seeking to ensure sustainable access to quality freshwater, by means of conserving and preserving the terrestrial and aquatic ecosystems, adapting to climate changes, reducing pollution and other practices that contribute to the maintenance of the availability of this precious resource.

EFFICIENCY IN THE WATER CYCLE MANAGEMENT

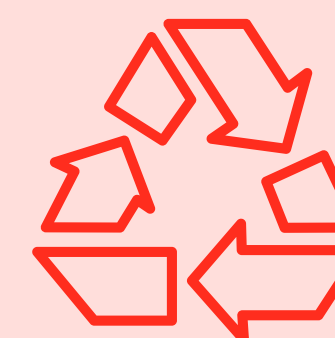


We have as one of our performance pillars the efficiency in the collection, production, and distribution processes. For this purpose, we continuously seek to guarantee water is delivered with quality, within the drinking standards defined by Consolidation Administrative Rule No.5, of 2017 of the Ministry of Health. The guarantee of water quality is a fundamental issue and not liable to negotiation for us, in all the operations.

We are also working to reduce the use of electrical power in all the water distribution system chain, to optimize the application of chemical products in the treatment and to reduce real and apparent losses to sustainable levels, seeking rational and balanced use of natural resources to guarantee the regularity in the supply.

To make our management even more robust, we associated ourselves to the Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável – CEBDS (Brazilian Business Council for Sustainable Development).

RESPONSIBILITY IN THE WASTEWATER COLLECTION AND TREATMENT



Being responsible for the wastewater collection, treatment, and destination, for us this means constantly improving effluents' treatment, contributing to the recovery of the water course and expanding wastewater collection and treatment coverage, aiming at universalization of the services and better public health conditions.

During the wastewater collection, treatment, and destination, the commitment to the quality of the treated effluent and waste management is also present in Iguá's sustainability strategy.

RESPECTING PEOPLE



Our success results from the professionalism and dedication of over 1.5 thousand employees who work in the 18 operations around Brazil. To enable the development of a modern and innovation-oriented company, we are developing an organizational culture based on the protagonist role of each employee and in their transformation role in all scopes. In 2020, we were elected as a great place to work for the fourth consecutive year by the consulting company Great Place to Work (GPTW).

By means of socioenvironmental projects and customer management that we conduct in the municipalities where we operate, we have strengthened our relationship with the communities.

The restructuring of the SERR sustainability strategy, begun in 2020, uses as one of its guidelines an even closer proximity of Iguá to the communities, increasing its contribution to sustainable development of the municipalities where we operate.

SAFETY OF THE WATER

Conservation of the Water Sources

Conservation and protection of terrestrial and aquatic biodiversity

Adaptation to climate changes

Pollution reduction

Universalization of collection and treatment services of domestic sewage.

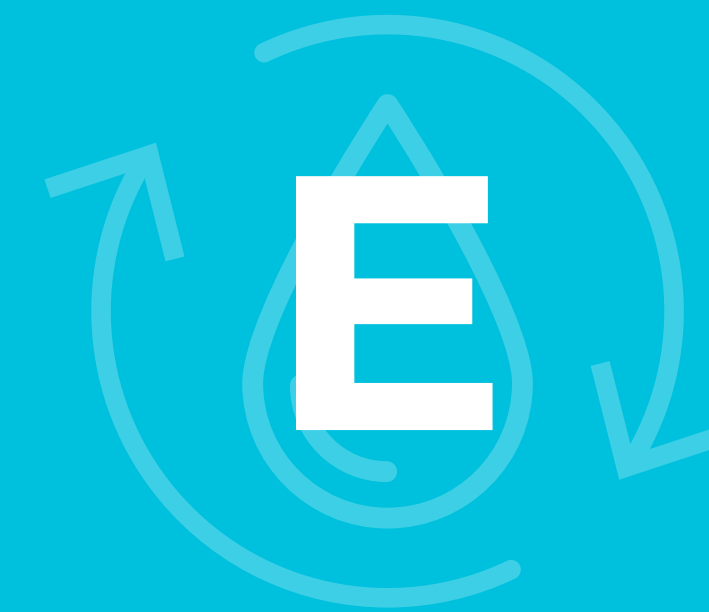
Guarantee of treated effluents' quality

Safety in the operation of sewage collecting system

Residuals Management

Subtitle

Strategic Commitments Programs



EFFICIENCY IN THE WATER CYCLE MANAGEMENT

Optimization of water collection, production, and distribution

Environmental Management System

Loss Management

Pollution reduction

Guarantee of treated water supply and regularity in the supply

Safety in the operation of water treatment, distribution, and storage

Universalization of access to treated water

Guarantee of the quality of distributed water

Water Safety Plan

Subtitle

Strategic Commitments Programs

RESPECTING PEOPLE

Transparency and communication

Information disclosure system

Monitoring and complying with agreements, formalized and public

Business ethics

Integrity Program

Guarantee of safe and healthy environment for the employees

Qualification and development

Diversity, inclusion, and respect for human rights

Acknowledgment and compensation

Occupational Health and Safety

Environmental Management System

Enlightenment of customers

Accessibility to services (and prices)

Acknowledging customer's opinion

Transformation of the communities where we operate

Socioenvironmental education

Community engagement

Supplier Management

Innovation



RESPONSIBILITY IN WASTEWATER COLLECTION AND TREATMENT

Optimization of the wastewater collection and treatment

Environmental Management System

Pollution Reduction

Universalization of the domestic wastewater collection and treatment

Guarantee of treated sewage quality

Safety in the operation of the wastewater collection system

Waste management

Subtitle

Strategic Commitments Programs

Subtitle

Strategic Commitments Programs

Water as shared resource

(303-1, 303-2, 303-3, 303-4)

Iguá monitors water quality on a daily basis.

By means of these analyses, we manage to detect the presence or absence of substances harmful to the served population and propose treatment and efficient mitigation measures for each case. Thus, we can ensure the compliance with quality requirements. In addition to this monitoring, risk analyses of the processes and of water systems are performed from time to time, aiming to mitigate or eliminate the identified risks. Each operation works according to the scope of the concession agreement, setting forth actions and deadlines for dealing with the risks.

Iguá's operations perform the analyses of the effluents on a weekly basis, to guarantee that the minimum quality standards for discharge were met, according to the parameter set forth by environmental agencies of each state, and this can vary according to the respective environmental agency. As an improvement process, Iguá controls with more frequency some parameters, identified as critical for ensuring treated sewage quality.



(303-3, 303-4)

Distribution and Collection

99,3% of the distributed water in conformity, according to Iguá's quality standards.

The water is distributed by means of a system consisting of mains, pumping stations, boosters, distribution networks and reservoirs, the water is sent to each one of our customers. We highlight that the water is monitored during each phase of the process fully meeting the legal requirements force.

The monitoring of water quality is performed through an online tool of analysis management. All the information is compiled in our operational and strategic BI, so as to have a transparent management and agile monitoring of all systems.

In the year of 2020, Iguá was responsible for the total collection of 160,932 (thousand m³) of water, 91.7% of collected from surface water and 8.3% collected from groundwater.

10,59%

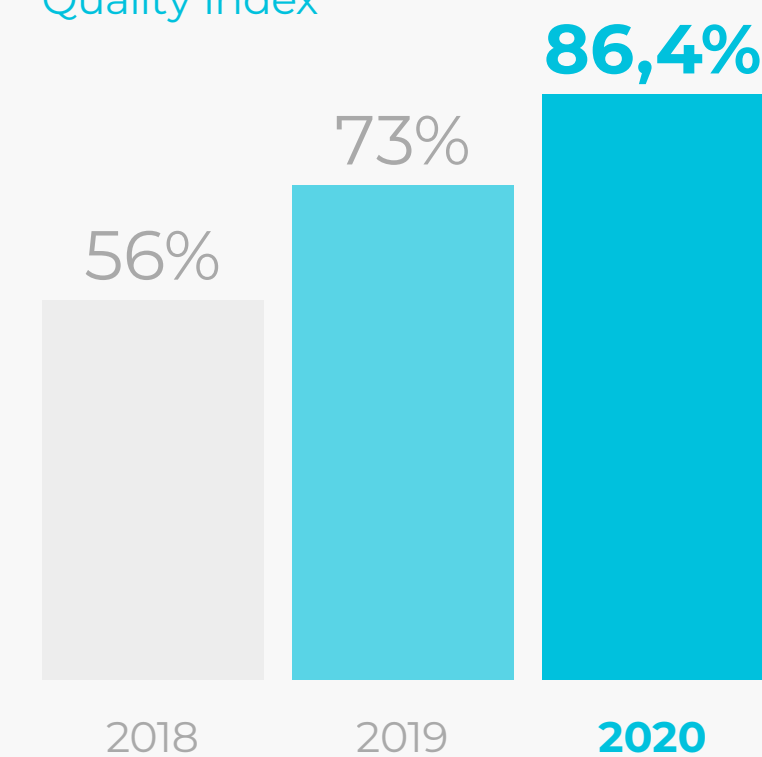
of the water collected in municipalities under water stress, 98.6% from surface water and 1.4% from groundwater

Treated water in 2020:
160.932 thousand m³

46.020 thousand m³ of collected effluent
40.085 thousand m³ Of treated effluent in 2020
100% of the effluent is discharged in freshwater

Effluents

Iguá Wastewater Treatment Quality Index



The collected wastewater is transported through pipelines and pumping stations for treatment, in the municipalities that have sewage treatment plants. After this stage, we move on to the removal of solids and impurities leaving the effluent in condition to be returned to the environment. The monitoring of the efficiency of the sewage treatment plants is done in compliance with the requisites of the Environment National Council (Conama). However, Iguá makes use of an indicator which considers different weights for some quality parameters, contributing to a better-quality management of the treated sewage.

Instituto Iguá

(103-2)

By understanding the Brazilian reality, Instituto Iguá de Sustentabilidade emerged from the intention of Iguá Saneamento to make a difference in the sector, promoting the expansion of social impact in this activity. For this purpose, it assumed an ambitious mission: contribute to universalization of sanitation in Brazil, by means of promoting innovation and education for sustainable development.

We believe that operating in the water and sewage service sector goes far beyond treating and supplying water and collecting and treating sewage. Working with water and sewage services means providing dignity, health, and future perspective for thousands of Brazilians. We stimulate awareness in relation to nature cycles and operate in full harmony with them, enabling the preservation of natural resources and sustainable development.

Our main goals are to **promote innovation** in the sector and education for sustainable development.



For further information check website:

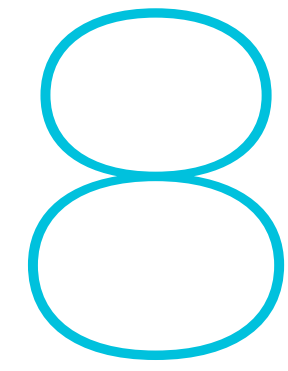
institutoigua.org.br



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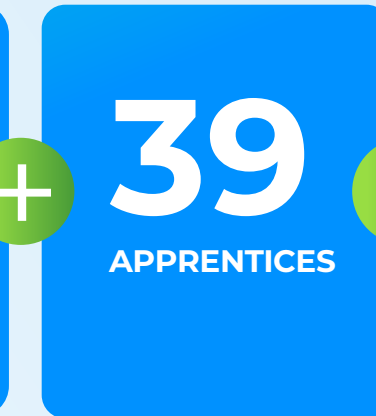


HUMAN



Our people

(102-8; 401-1; 401-2; 401-3; 201-3; 405,1; 405-2)

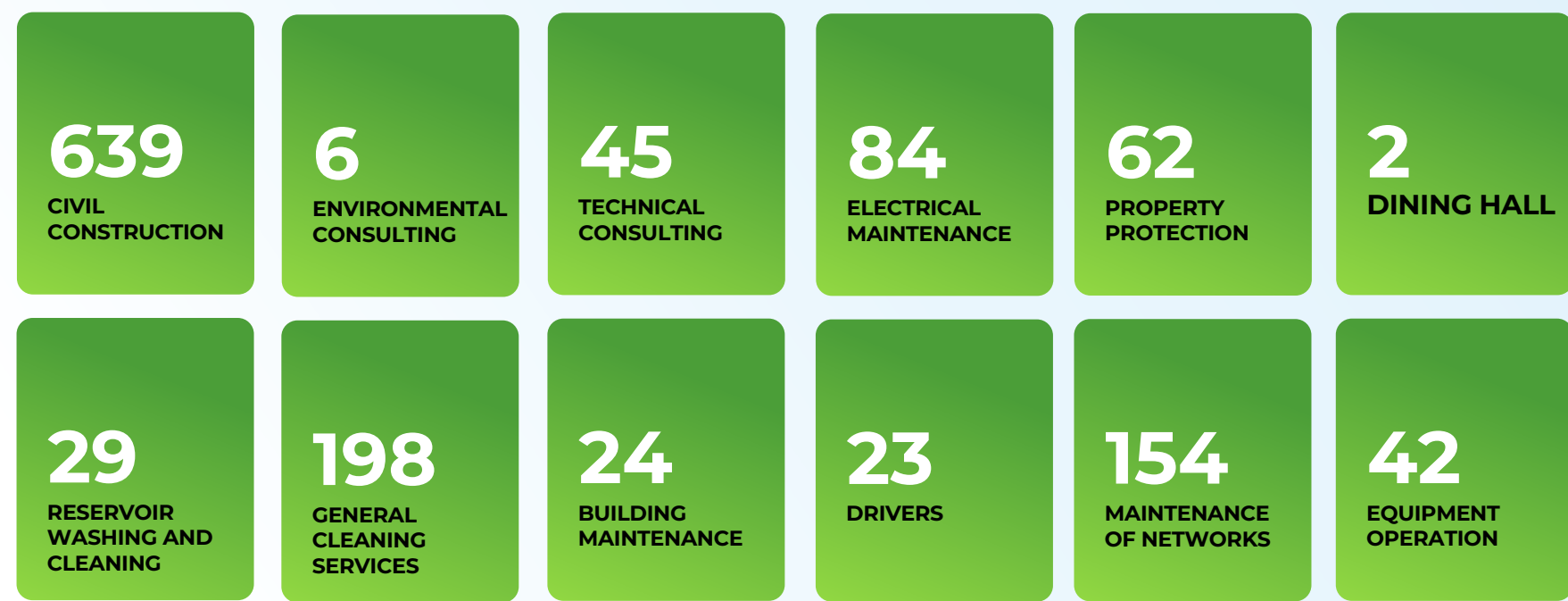


3.022

DIRECT AND INDIRECT EMPLOYEES

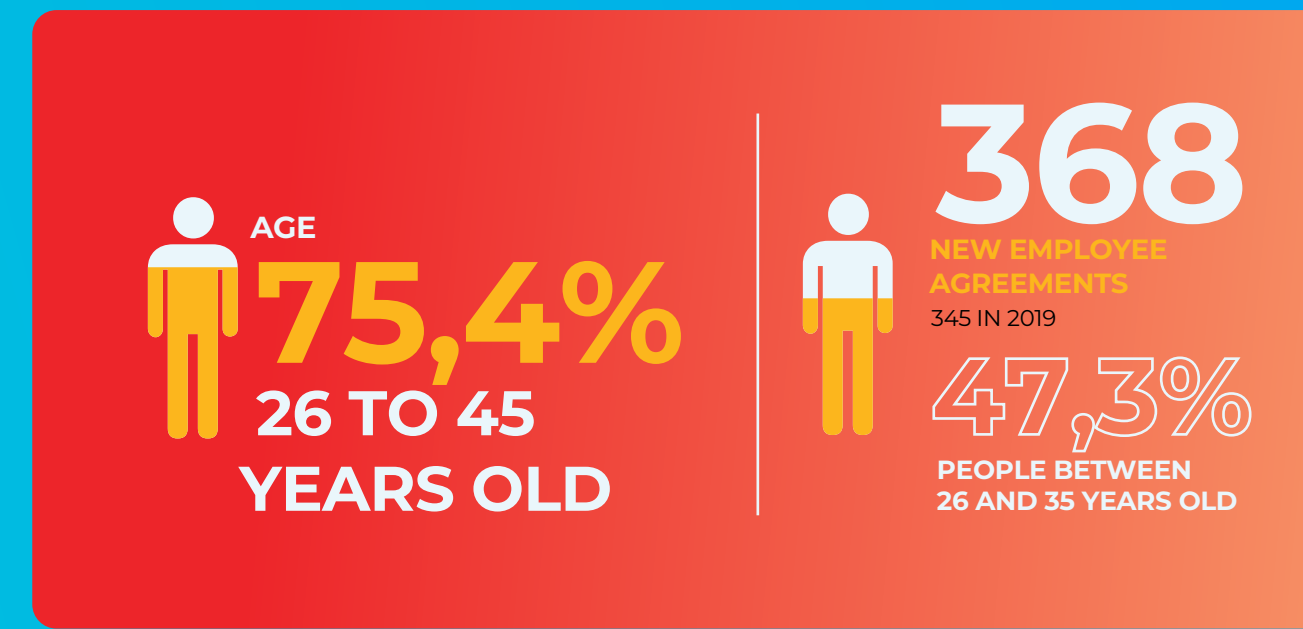
IGUÁ CONTRIBUTES TO PROVIDING 1.390 INDIRECT JOBS

ACTIVITIES AND PEOPLE BENEFITED INDIRECTLY

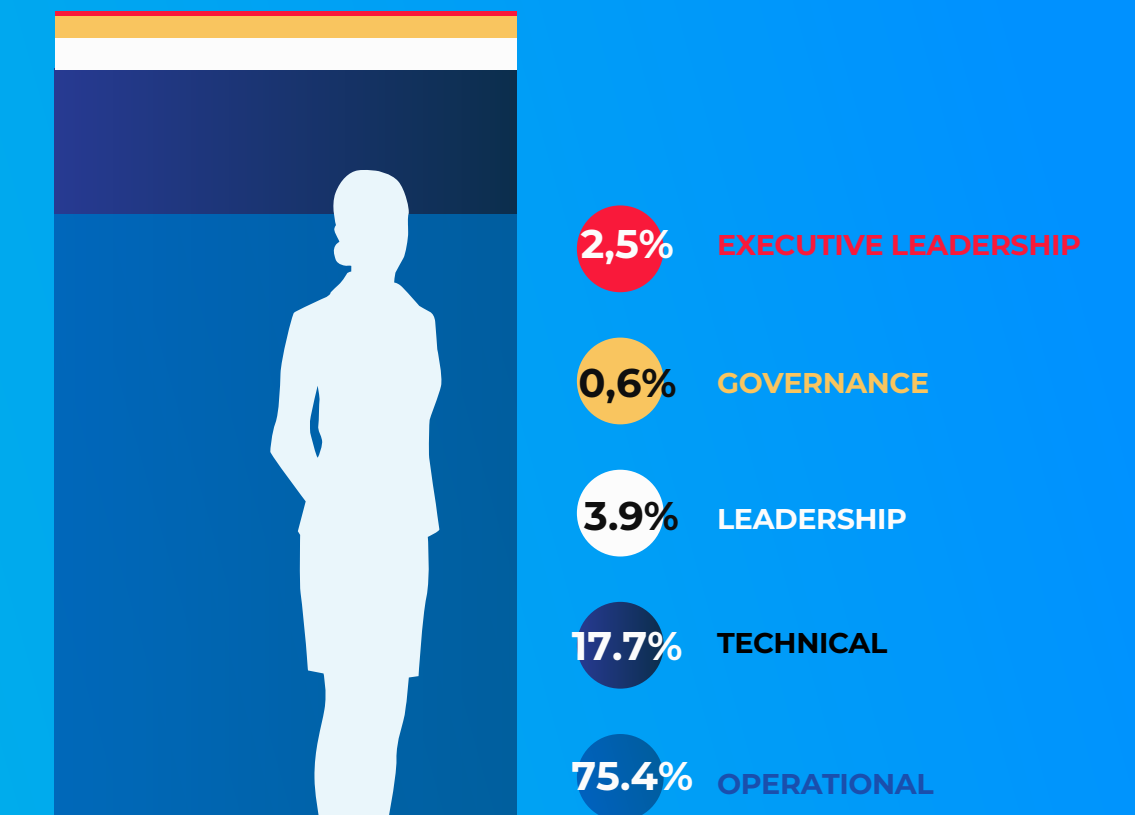


Workforce Profile

IN 2020



Workforce profile per position category



77,8%
MEN

22,2%
WOMEN

Remarks: apprentices, trainees, board directors, committees, and statutory officers were not considered

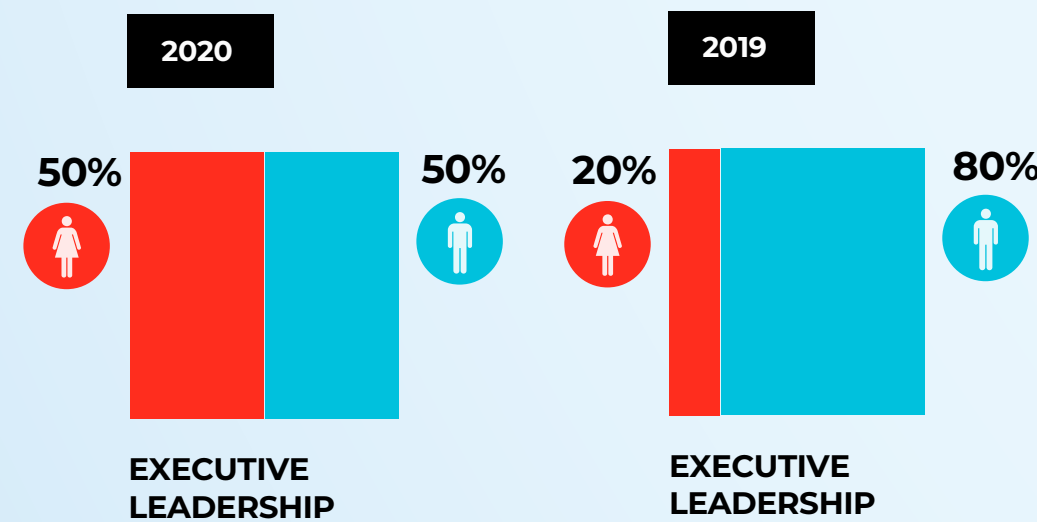
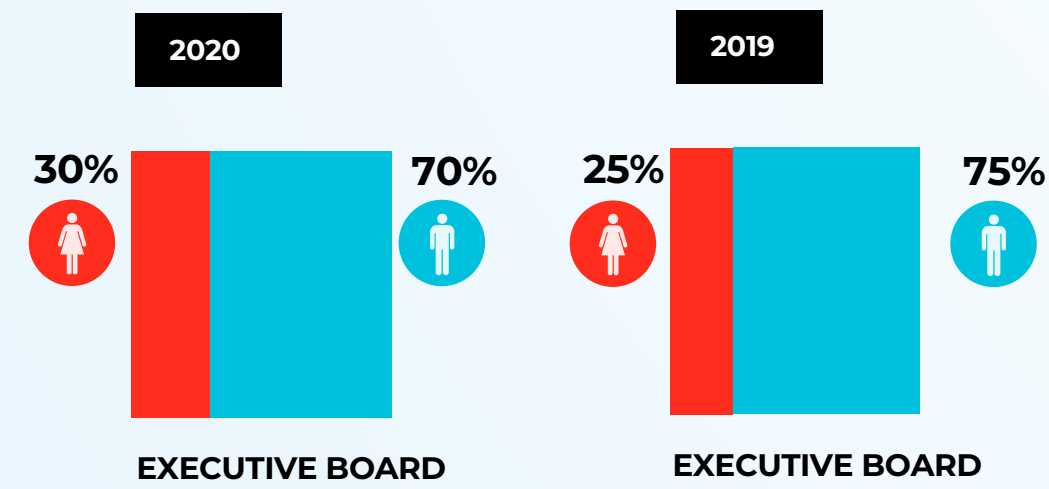
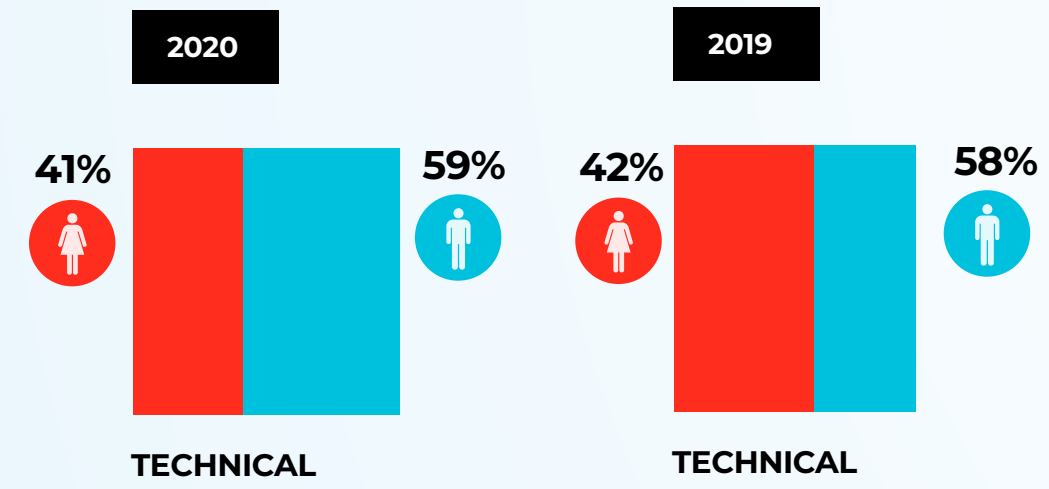
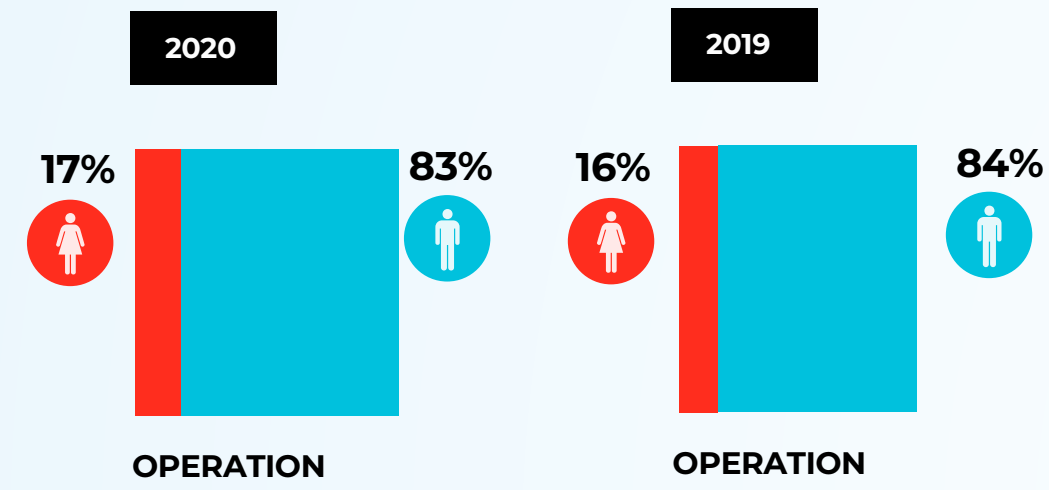
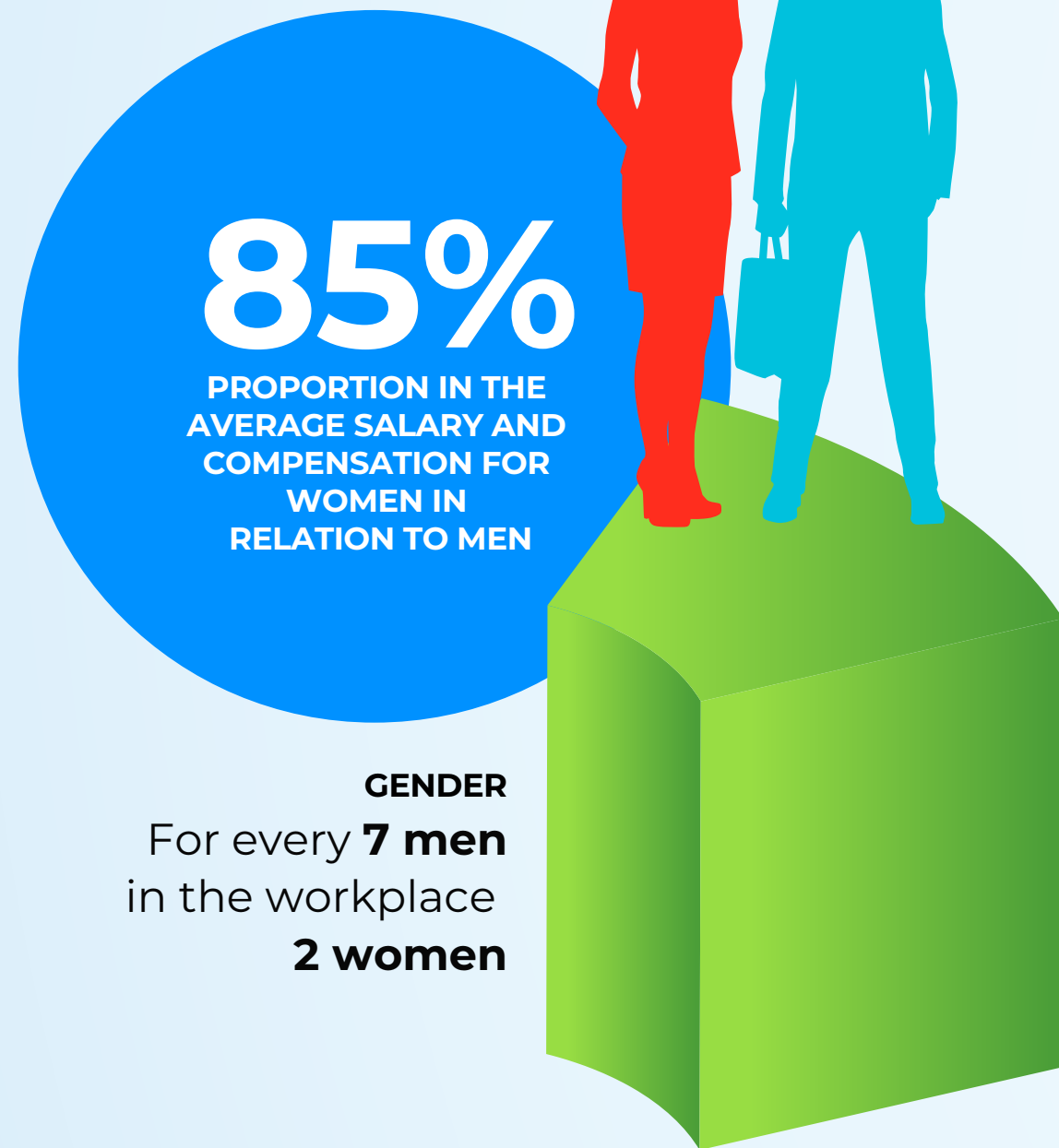
345

TERMINATIONS OF CONTRACT
IN 2019 THERE WERE 372

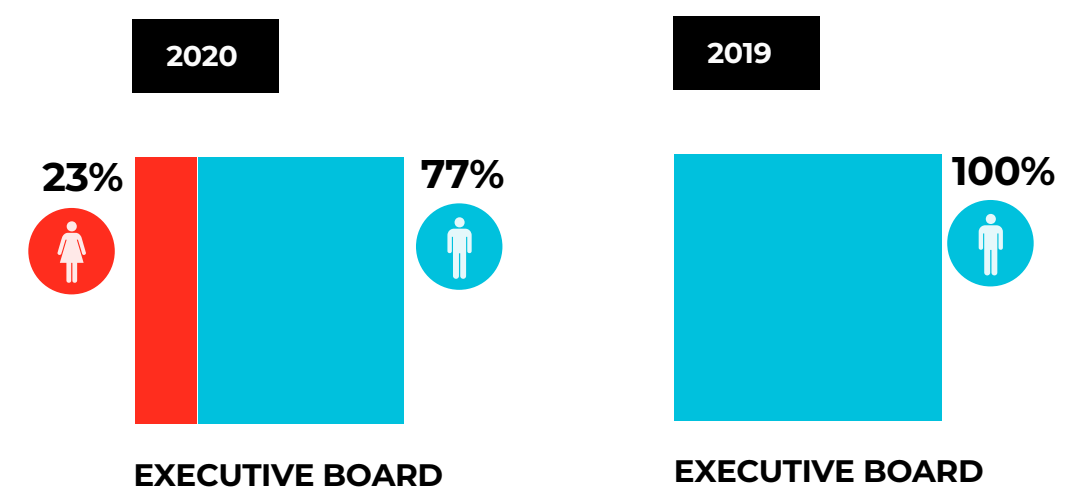
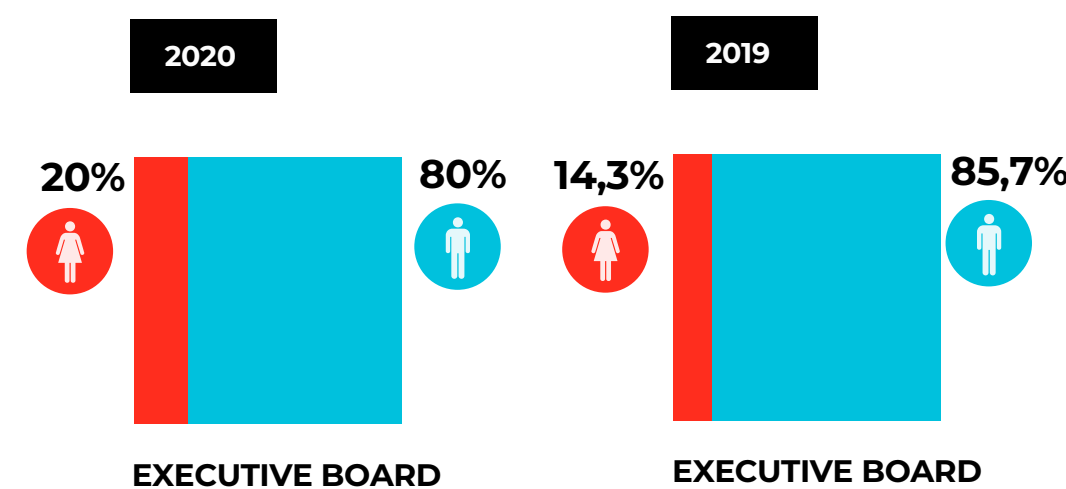


Diversity

(405-1; 405-2)



Governance



Concerning maternity and paternity leaves

(401-3)

48 people
went on maternity/paternity leave during the period of 2020.

Retention Rate:

(that is, continued to be employees twelve months after their return to work)

86%
among women

100%
among men

Iguá is a company that respects the differences and has a strong commitment to goal 5 of the Sustainable Development Goals: Gender Equality. Despite the fact that the proportion of women employees did not present significant changes from 2019 to 2020, there was a significant increase of women in leadership positions.

PROPORTION BETWEEN MEN AND WOMEN

OPERATION
Almost **5 men per woman** in the workplace

EXECUTIVE LEADERSHIP
4 men per woman IN 2019
There is already a gender parity between men and women in leadership positions in Iguá IN 2020

TECHNICAL SECTOR
The difference between the quantity of men and women is **low**.

GOVERNANCE
Before women used to have **3 out of the 30 chairs**. Now they occupy **8 chairs** with power to make decisions among the 38.
10% women IN 2019 **20% women IN 2020**

AGE

447
under 30

971
30 to 50

94
over 50

Concerning the diversity in relation to age, at Iguá 1 person holds a leadership position before age 30.

PEOPLE WITH DISABILITIES

Iguá has a hiring and recruitment management to guarantee the compliance with the defined quotas for People with Disabilities, in proportion to the number of employees.

In Cuiabá operation the quota is of 4%, with 20 hired people. In Paranaguá and in Agreste, the quota is of 2%, with a total of 3 hired employees in Agreste, and 4 in Paranaguá. Thus, these operations are complying with the legislation. After the increase in personnel in November, the CEI (Social Security Specific Registration) began to be adopted, with a quota of 2%.

Out of a total of 2 hired employees with disabilities, required by the quota, 1 was still in the hiring process in December 2020.

New admissions and turnover

(401-1)

Rate of 1.06 between new admissions and contract terminations. This means that even during a year full of adversities due to the pandemic, Iguá hired more than dismissed people.

During the pandemic, one of the Company's actions was to join the

Campanha #NãoDemita.
(Campaign #Do Not Dismiss)

igua.com.br/juntos/igua-adere-ao-movimento-naodemita

The turnover rate was of 23.6% considering all the operations*

$$\text{Turnover rate} = \frac{\text{Contract Termination} + \text{Admissions}}{2}$$

Total Employees

*The operation which had the highest rate of turnover was in Canarana, from a total of 12 employees, during the year of 2020, 11 people terminated their contracts and 10 were hired.

Benefits offered to employees

(401-2; 401-3; 201-3)

LIFE INSURANCE

LUNCHEON OR MEAL VOUCHER

DENTAL PLAN

HEALTH PLAN

EXTENSION VMATERNITY/PATERNITY LEAVE*

FOOD BASKET**

*Except for Tubarão, Itapoá, Sanessol, ESAP, Andradina and Castilho Companies

**Only Itapoá and Paranaguá There are no pension plans offered to the employees

(201-3)



Special actions related to the COVID-19 pandemic

In 2020 the COVID-19 pandemic impacted companies worldwide.

Iguá assumed the commitment to continue offering its services with the same quality and safety, preserving its employees' health and life.

Preservation and risk containment measures were adopted:

- ✓ All the employees in the administrative area began to work remotely, only the employees in the operation area remained on-site;
- ✓ Employees in risk groups began to work remotely on a compulsory basis;
- ✓ People with balance in their comp time were exempt from working; Some employees had their vacation anticipated;
- ✓ We formalized an amendment to the employment contract, regarding the remote work regime during the pandemic period;
- ✓ We created a Sanitary Protocol and a guideline booklet on the new COVID-19 and how to prevent it;
- ✓ In the operations, the sanitization of the sites and tools was executed, as well as the vehicles used;
- ✓ We monitored the positive and suspected cases of COVID-19;
- ✓ All the employees who had contact with the ones tested positive for COVID-19, had to be sent home according to the health authorities' determination;
- ✓ A guideline on the remote work regime was created;
- ✓ We did not have reduction in the working hours and neither salary reduction.

CARING FOR WATER IS OUR WAY OF CARING FOR YOU

Acknowledging the employees

(404-1; 404-2; 404-3; 102-35; 102-36; 102-37; 102-38; 102-39)

Iguá considers that, in addition to the benefits offered, development opportunities and fair compensation are ways of giving value and acknowledging the contribution of its employees.

Sanitation Heroes

Knowing the importance of our employees' work during the COVID-19 pandemic, **Iguá launched a campaign Sanitation Heroes, acknowledging the protagonist role of these professionals** who maintained their activities to ensure the supply of water and sewage treatment for the population.

Learn more at:
igua.com.br/juntos/essenciais-profissionais-do-saneamento-seguem-na-ativa-durante-a-pandemia

Human Development and Training

(404-2; 404,1; 404-3)

In the year of 2020, Iguá offered some courses addressed to the improvement of technical and behavioral skills of our employees. Also, training on internal policies and procedures were carried out, especially on the code of conduct and governance policies.

16 **24.630**

AVERAGE OF HOURS OF QUALIFICATION PER EMPLOYEE

TOTAL HOURS TRAINING HHGG

(404-1)



SOME SPECIFIC TOPICS THAT DESERVE TO BE HIGHLIGHTED

- ✓ SOCIOEMOTIONAL SKILLS DEVELOPMENT PROGRAM FOR THE CUSTOMER TEAM
- ✓ BUSINESS PARTNER COURSE FOR THE HUMAN RESOURCES TEAM
- ✓ INSTALLING AND MAINTENANCE OF WATER NETWORKS FOR PLUMBERS
- ✓ EXCEL FOR PARTE OF THE ADMINISTRATIVE PERSONNEL
- ✓ CODE OF CONDUCT AND GOVERNANCE POLICIES

Concerning performance, Iguá's employees are assessed directly by their leaders for their company goals and for behavior. In 2020, the Executive Board was assessed by the CEO regarding the same aspects.

(404-3)

Compensation

(102-35; 102-36; 102-38; 102-39; 102-41)

We have a Management Compensation Policy (Compensation Policy), formally approved on 31 August, 2019, and it can be checked at the website (<http://ri.iguasaneamento.com.br/>).

BOARD OF DIRECTORS

The compensation of the Board of Directors members and of the Committees' members is fixed annually, consisting of compensation for work, divided into monthly instalments and benefits (direct and indirect).

The members of the Board of Directors who are also members of the Executive Board, statutory or non-statutory, shall have the right exclusively to the compensation received in the position of Officers. The members of the Committees, statutory or non-statutory, who are also members of the Board of Directors or Officers, statutory or non-statutory, may be entitled to an accrual of compensation for work or another compensation element in view of their participation in the Committees, under what is defined by the Board of Directors.

EXECUTIVE BOARD

The compensation of the executive board is fixed annually, consisting of compensation for work or salary, according to the individual negotiation, guided, among other factors, by salary research in our activity segment; and of benefits (direct and indirect).

The officers may be entitled to receiving a variable compensation, allowing us to offer an additional retribution for their performance and behavior, reflecting at the same time, the profitability and financial situation of the organization. Such compensation is linked to the compliance with the financial goals, the results, and the individual goals. The Officers may also be eligible to participate in the Employee Stock Option Plan, approved in the Annual Shareholders' Meeting and Special Shareholders' Meeting held on 27 April, 2018, or any other long-term incentive plan, with compensation based on stocks, including restricted stock units, options or other modalities and instruments which may be established by us in the future.

AUDIT COMMITTEE

The members of the Audit Committee, if and when established, shall have their compensation set forth by the Shareholders' Meeting, under the applicable law.

Average Salary

Function category	Men	Women	Average	Salary Proportion between Men and Women
Operation	1.688,08	1.935,34	1.729,90	114%
Technical	5.568,39	4.614,33	5.171,15	83%
Leadership	13.255,27	13.668,02	13.379,09	103%
Executive Leadership	31.277,33	24.200,00	27.738,67	77%
TOTAL	12.947,27	11.104,42	12.004,70	85%

The annual average salary is 45,266.61 BRL. (Sum of the earnings of all the employees except the best paid/total employees) (102-38)

Total annual percentage increase was 11.31% (102-38)

92% of the employees are protected by collective negotiation agreements; (102-41) the other 8% are individual agreements

Iguá's operation sector has an average salary of 1.729.90 BRL while the average salary in operation positions in Brazil was 1,472.75 (CNN Brazil, 2020). **That is, Iguá's compensation is 1.17 times above the average for around 75% of the organization's employees.** This reinforces the commitment to acknowledgement of our employees.

It is important to point out that the compensation values are defined based on technical studies performed by external consulting firms which support us with market research, and compensation strategies, as well as the Compensation and People Committee which resolves on decisions regarding compensation. (102-36, 102-37)

Whenever there is need for termination, the payment is made based on the clauses of the signed agreement between the parties, which may be more specific regarding the high-ranking executives.

Upon contract termination the payments set forth in these executed contracts are discussed, as well as payments related to Company's variable compensation programs, provided the executive is entitled to it.

Respecting Human Rights

(103-1; 103-2; 103-3; 406-1; 412-1; 412-3; 408-1; 409-1; 412-2)

The main mechanism of complaints regarding Iguá's performance in Human Rights is Iguá's Whistleblower Channel, available for the internal and external public by means of telephone service, internet, e-mail, and postal box. The Whistleblower Channel management is independent, once it is managed by an external company, including the development of a complaint reception system. Since it is a theme connected to several areas of the Company, Iguá does not have a specific instance of Human Rights management.

The monitoring and the dealing with this theme occur in all the areas that relate to internal and external public.

Iguá has not received any complaints of discrimination or human rights violation cases since the implementation of the Whistleblower Channel, including 2020.

(406-1)



Information on the Whistleblower Channel:

TELEPHONE SERVICE:

0800 713-0051.

INTERNET: www.linhaetica.com.br/etica/iguasaneamento

E-MAIL: iguasaneamento@linhaetica.com.br

P.O.BOX: 79518, CEP 04711-904, São Paulo – SP.

As a commitment to respecting Human Rights, Iguá incorporates the Code of Conduct, which deals with the theme, in all the agreements entered with third parties.

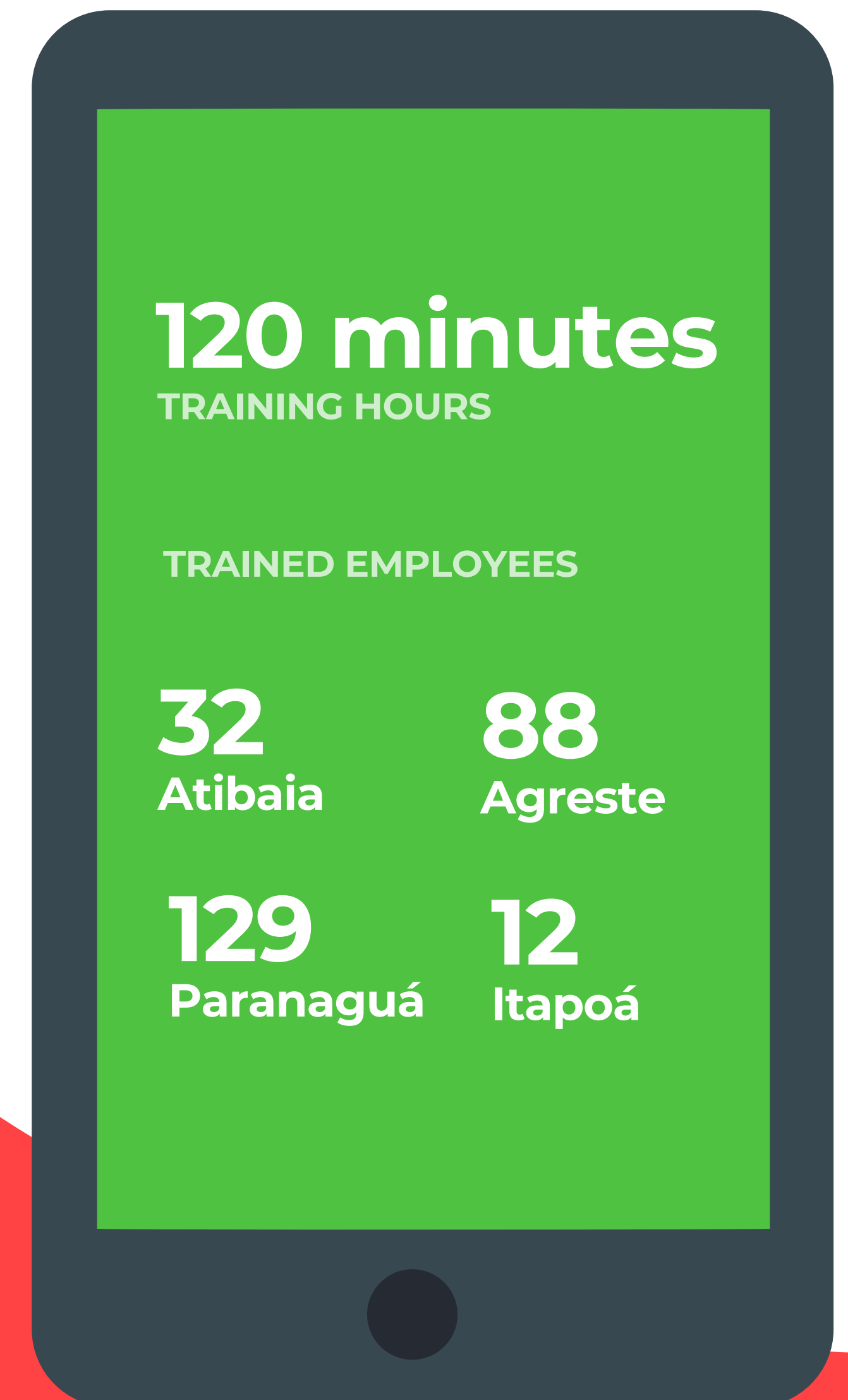
Among the agreements executed in 2020, 100% presented a clause which sets forth the express statement of the parties, ensuring that they do not breach or violate their respective purposes and company activities, nor any rules of legal, regulatory, administrative, judiciary, conventional or contractual nature. During the year of 2020, Iguá did not identify any cases in which suppliers could offer any risk of violation of Human Rights, neither did it receive any complaints informing suspicions.

(412-1; 408-1; 409-1; 412-3)

Education in Human Rights policies or procedures

(412-2)

In 2020, the Compliance area performed a training to disseminate the Code of Conduct and governance policies. In view of the COVID-19, this training was only held in Atibaia, Agreste, Paranaguá and Itapoá operations.



Occupational Health and Safety

Occupational health and safety management system

(403-1)

Iguá has been working to transform its health and safety management into a reference in the water and sewage service sector. In 2020, the Company implemented new policies, procedures, and tools aligned with best market practices and with the set of regulatory standards.

One of the operations, SPAT Saneamento, already has the OHSAS 18001 Certification (Occupational Health and Safety Assessment Series), in addition to the ISO 9001 in its most recent version, of 2015. Also in 2020, Iguá carried out the replacement of the hired consulting firm to manage the occupational health and safety of the group, as a reflection of its constant concern in continuously improving its management system.

For activities considered as risk activities (like working at height, in confined spaces and activities in contact with electric power network, for example), the Company developed a specific mitigation plan, encompassing, from basic issues, such as the use of Individual Protection Equipment, to safety technical and specialized training.

All the employees are included in the occupational health and safety management system. The professionals in the Occupational Health and Safety area are direct employees. In the event that there is infrastructure construction works (investments) the operations require from the service providers the allocation of occupational safety professional, as established by law.

(403-6, 403-7, 403-8)



Iguá has a Wellbeing Program, addressing themes and projects vastly disclosed, focused on the health benefit and Wellbeing of the employee.



Incentive to practicing physical activity



Workplace exercise



Mapping health issues at Iguá for guiding program actions



Incentive campaigns for the maintenance of healthy habits



Incentive to the practice of sports and sponsorship in running and walks



Wellbeing Week

100% of the workers have a health plan* and a dental plan.



(403-8)

*The occupational health and safety management system is based on legal requirements and Brazilian standards. The outsourced employees are managed by the outsourcing companies themselves and inspected by Iguá's own teams. All the employees are analyzed and verified according to the internal legislation and procedures.

Hazard identification and risk assessment

(403-2)

All the risks inherent to each activity are listed in the Environmental Risk Prevention Programs (PPRA) of the respective units, administrative or operation. These risks were established by means of qualitative analysis (physical, biological, ergonomic, chemical, or concerning accidents) and quantitative.

PRACTICES FOR MINIMIZING RISKS



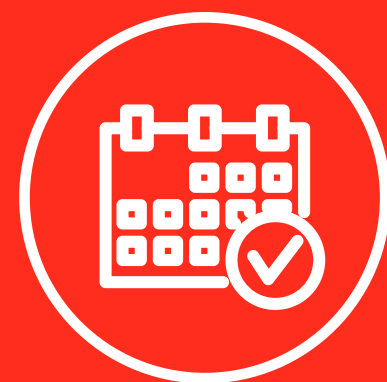
IUS NATURA TOOL
Checks the legal compliance, assisting the group in **identifying which requisites need to be worked on or improved.**



CHECKING LIST:
pointing out deviations in relation to internal procedures and action plans for the correction of non-compliance, in addition to identifying improvement opportunities in the management processes

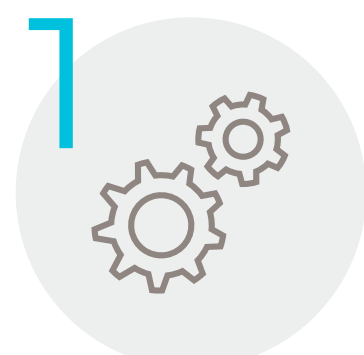


BEST PRACTICES SEMINAR:
Disseminating best practices between the operations in all the areas, including occupational health and safety.



ATP - Annual Training Plan:
Planning of trainings necessary for the correct, adequate, and safe execution of the operating activities.

Continuous improvement in the assessment processes and risk mitigation



1
Risk assessment associated to the activities daily



2
Preparation of the PRA (Preliminary Risk Analysis)



3
Execution of protection measures for accident mitigation



4
Identification of improvements in processes and procedures

In addition to establishing a process for the exact risk identification and mitigation, Iguá has specific actions which assist in the employees' safety and integrity maintenance. These actions include:



Trainings in PRA



Independent Whistleblower Channel



Monitoring of safety indicators in compliance with the International Labor Organization (ILO)

In 2020, Iguá began a pilot project for the application of PRA forms and safety inspections through a cell phone app, already in use by all the operations in 2021. Through the app it is possible to forward the identified actions during the analysis to the people in charge and to monitor the action plans prepared based on the forms. Consequently, the tracking of field checks and the monitoring of actions necessary to improve employees and third-parties' safety are easier, more agile and accessible to leadership.

Occupational health services

(403-3)

In addition to Iguá's maintaining the Occupational Medical Health Control Program (PCMSO) in each unit, it has a contract with an outsourced company that operates directly throughout all the establishment, and implementation process of occupational health of all the group's employees.

PCMSO + PPRA:

Integrated operation in the identification and risk mitigation associated to the activities. Establishing which exams and monitoring must be performed to guarantee the employee's health and integrity.

Workers' participation, consulting, and communication on Occupational Health and Safety

(403-4)

- ✓ Daily dialogs on safety (DDS)
- ✓ Company campaigns in favor of the employee's health
- ✓ Accident Prevention Week (SIPAT): Preventing Alcohol Use, Preventing Tobacco Use, Preventing Road Traffic Accidents, Preventing STIs (Sexually Transmitted Infections).
- ✓ Occupation health and safety campaigns: breast and prostate cancer prevention (Pink October and Blue November, respectively), road traffic injury prevention (Yellow May), actions addressing mental health and preventing suicide (Yellow September).



Work-related injuries

(403-9)

0 occupational fatality

	Own Employee		Outsourced Employee*	
	Work-related accident leave	Occurred accidents	Work-related accident leave	Occurred accidents
Number	19	82	6	9
Frequency Rate (FR)	4,9	21,2	2,7	4,1

*Commuting accidents and the material ones occurred with outsourced employees are not reported.
 The most significant accidents recorded in 2020 are related to road traffic accidents and accidents with hands and feet.
 Man-hours (MH) of outsourced employees in 2020: 6,087,938.50 hours Iguá monitors accident processes, requiring a WAIR (Work Accident/Injury Report), including for the service providers.
 The frequency rates were calculated based on 1,000,000 hours.

BRL 27,8 Accident Costs with Pecuniary Damage

Training workers in occupational health and safety

(403-5)

The employees had training courses in 2020 on occupational health and safety, addressing specific risks related to work, activities, and hazardous situations. The Annual Training Plan – ATP, creates the training plan necessary for the correct, adequate, and safe execution of the activities. One of these trainings is the Preliminary Risk Analysis (PRA) offered to the professionals in the occupational health and safety area (TST) and other leaders.

Hours of Occupational Health and Safety Training:

23.985h

Hours of Occupational Health and Safety Training per employee:

15h52min

(Considering 1512 direct employees)

0 registrations in 2020 of deaths and diseases of employees requiring compulsory communication*

(403-9; 403-10)

*There was no exclusion of workers in the information previously presented.



EXPANDED VERSION

INTEGRATED
REPORT 2020

2020

9

SOCIAL AND RELATIONSHIP



Reputation and Values





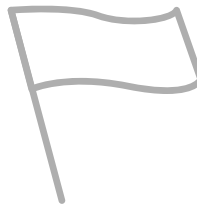









(102-16; 102-21; 413-1; 413-2)

Reputation is one the social capital components of a company.

The way it is perceived by its stakeholders contributes to its perennity and to a greater quality service for the strategic publics.

The construction and maintenance of Iguá's reputation encompasses sharing its values and purposes to this public and a performance addressed to guarantee that its managers, employees and third parties operate in compliance with them.

For this purpose, we developed a set of policies which make the Company's expectations clear in relation to the adopted behaviors, define procedures to be practiced and consequences in case of non-compliance: Namely:

 Anticorruption Policy	 Whistleblower Channel Management Policy	 Conflict of Interests Policy	 Donations and Sponsorships Policy
 Mergers, Acquisitions and Other Corporate Operations Policy	 Disciplinary Measures Policy	 Offering and Receiving Gifts, Trips and Entertainment Policy	 Relationship with Public Authority Policy
 Relationship with Third Parties Policy	 Integrity Due Diligence Policy	 Compliance Policy	
 Politically Exposed People Policy	 Antitrust Policy	 Crisis Management Policy	 Risk Management and Internal Audit Policy

Approved by officers, members of the Audit Committee and directors, these policies were disclosed by means of the Communication Channel. Then, the Organization developed internal on-site training to disclose its content, through the Code of Conduct.

The content of these policies is available to all employees, third parties and external public in the site of the Group's companies, and exclusively to the employees, through the control platform Soft Expert.

Consulting stakeholders in economic, environmental, and social topics issues.

(102-21)

The Board of Directors closely monitors the social, environmental, and financial topics and can rely on the presence of independent outside directors, both within its own structure and in the Committees. In these Committees, reports are disclosed, consulting and alignment with the implementation of the Company's strategy and operation are carried out. Economic contents, more specifically, are dealt with in the Audit Committee, and the social, environmental and governance themes in the Sustainability Committee. Both Committees have outside directors, with acknowledged knowledge and practice in the theme. They are supporting structures for the Board of Directors, who work on the three aspects in a wholistic manner.

Iguá Group's companies conduct, from time to time, research and listens to their stakeholders and make communication hotlines available for complaints, suggestions, and information.

Iguá also has the opportunity to listen to the community and the utility Granting Authority when it participates in public hearings. In 2020, there were four events: 3 in Cuiabá and 1 in Paranaguá.

Relationship with customers and communities

In a water and sewage service company, customers and community overlap in the dealing with issues that do not touch the consumption relationships. The Company acknowledges the relationship with these agents and develops activities addressed to mitigation of possible impacts which they may cause in the community.

One of the strategies of impact minimization is the use of direct and proactive communication with the population. This action causes Iguá to think ahead and develop a dialogue with the community. One example of these actions is in Cuiabá. Along the year of 2020, a mobile service was offered in some of the city's neighborhoods, where the consumer has the opportunity to carry out their record updating, request consumption analysis, new connections (water and sewage), issue of second copy of an invoice and place orders regarding other services from the utility company. Additionally, Águas Cuiabá performs weekly communication on the works to neighborhood leaders with the schedule of the intervention sites.

We also promote campaigns for saving water and fighting losses, including guidance on how to detect leakages and on the maintenance of the networks and equipment inside the residences.

More than troubleshooting we have a commitment to our DNA of Perceiving the Customer. We know that a great part of our reputation comes from a passive culture in relation to the customer, natural of a mentality of seeing sanitation as engineering.

Aiming to create a more committed culture to customer's experience, we created in 2019 our Enlightened Customer program. We stimulate our employees to go beyond resolving and to create more emotional connections at each service provided, each contact, and surprise our public. Actions such as apologizing when we make a mistake, understanding the moment the customer is living, creating a new way of being noticed by our communities. The program allows for autonomy for specific actions (dozens of stories per month) and monthly recognizes the best connections. More than creating enlightened customers, we are building a differentiated culture around this relationship.

These stories became a great source of internal pride. In

2019 we were finalists in CX Prêmio Experiência do Cliente (a customer relationship award), placing the water and sewage service sector among other major brands and complying with our purpose to be the Best for Brazil, and to set an example.

igua.com.br/noticias/igua-saneamento-ganha-cx-premio-experiencia-do-cliente-2020

These actions demonstrate Iguá's commitment to serving its customers better and better

Active Listening / NPS

(416-1; 416-2)

Always at the vanguard of innovation in the sector, in 2017 Iguá began to use the Net Promoter Score (NPS) methodology. This method is, above all, a well-established tool of continuous listening to the customer, for the improvement of the service level.

In 2020, 13,894 customers' opinions were collected.

The level of reputation in 2020 service/company is in the improvement zone, totaling 10 points.

Iguá acknowledges the importance of understanding and delivering good service to the customer. The collection of perceptions is a core element for the positioning of a service provider company.

Impacts in health and safety

(416-1, 416-2)

On a regular basis, Iguá assesses risks associated to its activities and studies the possible impacts, mitigating the most significant ones. This process has the contribution from various areas of the business, including the operation areas. Based on this risk analysis, mitigating actions emerge aiming to minimize potential negative impacts. One of these actions is the water and sewage quality management. Thus, the distributed water and the treated sewage in the operations are frequently monitored by laboratory tests, generating quality indicators. By means of these analyses, it is possible to detect the presence of substances harmful to the population and to the effluents' discharge in the water bodies and consequently propose efficient mitigation measures for each case.

In 2020, the received notifications were duly dealt with and did not generate episodes of non-compliance in relation to impacts in health, caused by the Company's services.

The real negative impacts of the operations in the communities are related to odor production and methane emissions in the anaerobic processes in the wastewater, which can cause discomfort and even atmospheric pollution.

In addition to these impacts, there are also activities of suppression of vegetation in small areas, resulting from new facilities. The effects regarding suppression of vegetation are remedied by means of planting again in the same site or in an area adjacent to the undertaking. The duration and reversibility of the suppression are proportional to the time of growth of the seedlings.

Whereas the potential negative impacts refer to possible errors in the treatment procedure of water and effluents. Situations such as overflow of the pumping stations and/or sewage treatment stations, adverse climate conditions (torrential rain, waterspouts), derangements due to infrastructure works and error in chemical dosing, which may produce consequences in the water and/or wastewater treatment processes, resulting in potential pollution in the water body, and, consequently, it may affect water supply to the population. It is important to highlight that many units are in remote sites, that is, they are inserted in sites far from the population, which minimizes possible impacts in the surrounding community

When an impact materializes, depending on the agent, it may cause bigger or smaller damage to the population. Considering the hardships regarding water quality, produced by inefficient treatment, they may also cause shortage of supply to the communities. Normally, this situation is solved in a timely manner. In relation to the impact in the receiving body, due to inefficient wastewater treatment, its duration can be longer, as well as its reversibility.

There are no indications that imply effects on the population's reproductive health, regarding the use of hazardous substances (chemical products), and the risk is restricted to the effects in the environment, and it may generate mortality of the local fauna and flora and alteration in the water resource quality..

The presence of Iguá in the communities generates direct and indirect labor and contributes, by means of socioenvironmental programs, to the development of the municipality in which it is inserted.

Engagement of the local community, impact assessments and development programs

(413-1)

In 2020, due to the pandemic, not all scheduled socioenvironmental projects were made feasible. The Company's main actions were addressed to facing COVID-19 pandemic.

In view of this scenario, Iguá called upon the Crisis Committee consisting of different areas and positions. It was responsible for preparing a program with guidelines and procedures in the financial and internal and external social fields.



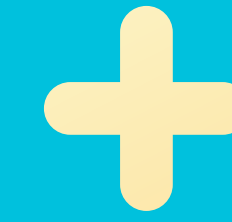
Donation Day

Iguá promotes several donation actions directly or based on collection campaigns.

The objective is to motivate our employees to be more and more engaged in donation campaigns, creating a collaboration culture, which promotes a more generous and supportive country, by connecting people with causes, but also seeking to minimize the necessities of the communities where they operate. And does it by celebrating the pleasure to help and the habit of donating all the time.

An action that stimulates the donation culture was performed by several operations in the month of December.

On the Donation Day, we collected from food and cleaning products to toys and school material. All of them, were later distributed to institutions which are part of social projects in the cities where Iguá operates.



Agreste

ACTION

Collection of **food and cleaning products**

INSTITUTIONS

Fundação Antônio Jorge da Silva



Andradina

ACTION

Collection of **food and cleaning products.**

INSTITUTIONS

APAE



Atibaia

ACTION

Employees' mobilization to **make donations of school material**

INSTITUTIONS

Projeto Curumim



CEI

ACTION

Collection of **food baskets and personal care products**

INSTITUTIONS

AEIUZ and Pastoral Povo em Situação de Rua and Missão Gabriela Rodrigues



Cuiabá

ACTION

Collection of **food, toys, and personal care products**

INSTITUTIONS

Associação de apoio à criança com câncer and Fundação Abrigo do Bom Jesus



ESAP

ACTION

Collection of **food and personal care products**

INSTITUTIONS

Associação Lar de Palestina





Guaratinguetá

ACTION

The action consisted of mobilizing the employees to make donations of **personal care products**

BENEFICIADOS

Instituição Lar São Francisco de Assis de Guaratinguetá



Holding

ACTION

Collection of **food baskets and products for dogs**

BENEFICIADOS

Instituto Meninos de São Judas Tadeu – IMSJT
ONG Amigos de São Francisco



Itapoá

ACTION

Collection of **cleaning material and personal care products**

BENEFICIADOS

Instituição Asilo Reviver



Paranaguá

ACTION

Collection of **cleaning material and personal care products**

BENEFICIADOS

Instituição Asilo São Vicente de Paulo



Piquete

ACTION

The action consisted of mobilizing the employees to **make donations of food products**

BENEFICIADOS

Liga Piquetense de Combate ao Câncer



Sanessol

ACTION

Collection of **cleaning material and food**

BENEFICIADOS

Vila Vicentina



SPAT

ACTION

Donation of **cleaning material and food**

BENEFICIADOS

APAE Suzano



Tubarão

ACTION

Collection of **food and toys** for the institutions that make the deliveries

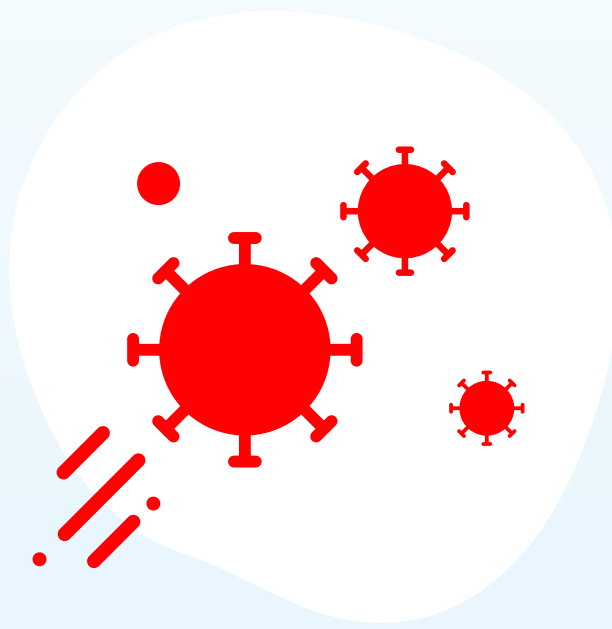
BENEFICIADOS

Fórum das Entidades, Combemtu and Grupos de Voluntariados



TOGETHER AGAINST
COVID-19

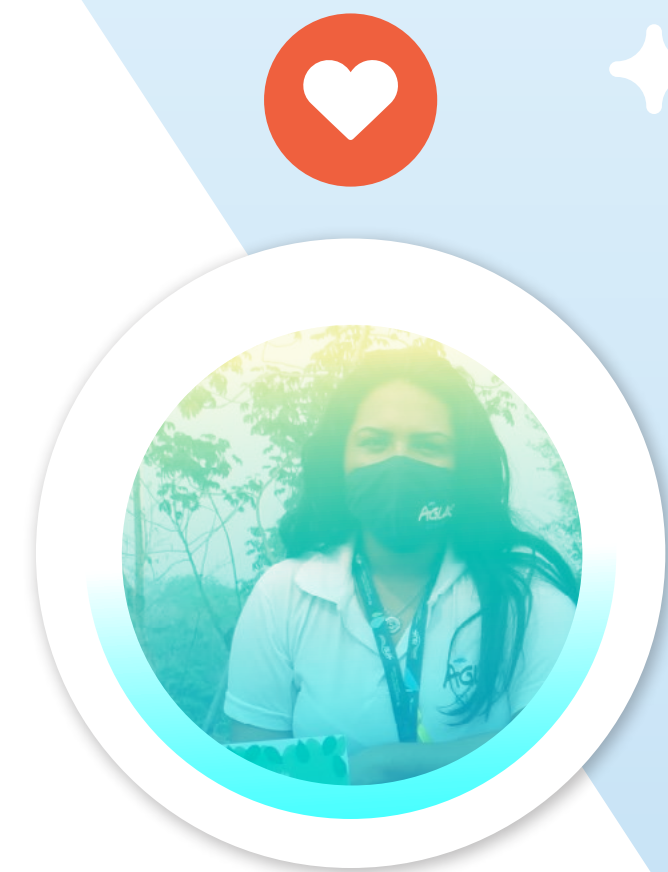
DONATION



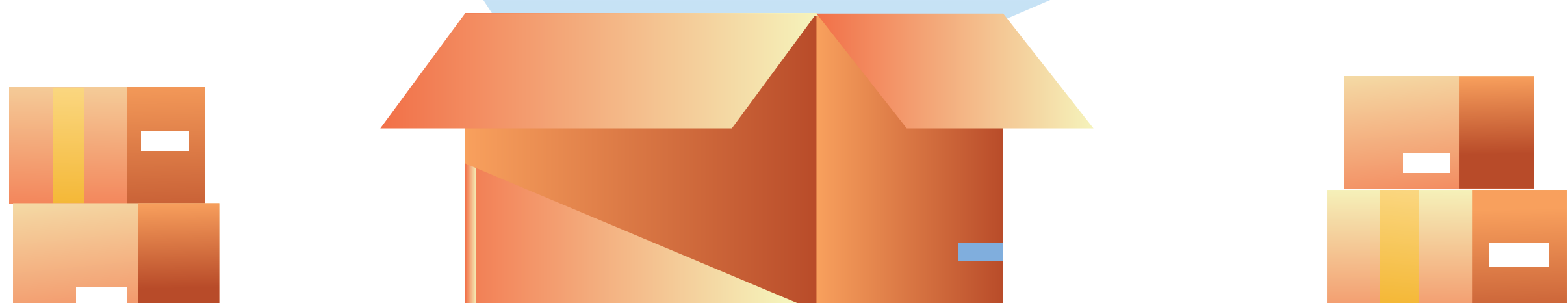
In 2020, we made donations which contributed to reducing the impacts of COVID-19 pandemic.

ONE OF THE ACTIONS, PERFORMED IN MAY, WAS THE DONATION OF SOAP

Its goal was to contribute to the control of the COVID-19 pandemic by means of an educational and support action, intensifying the preventive measures to avoid the proliferation of the virus.



250
THOUSAND SOAP



DONATION OF SOAP
to social welfare entities of the municipality registered in the utility company, to customers who visited the customer service shop and to several neighborhoods in the city.

MT INLAND TOWNS
Alta Floresta, Canarana, Colíder, Comodoro and Pontes e Lacerda

Together, these operations donated

33.984
SOAP

to family in social vulnerability situation, customers who were served in the customer service shops, charity entities and community health centers.

CONCESSÕES SP
Andradina, Castilho, Sanessol and ESAP.

These operations were responsible for the donation of

81.144
SOAP

to social welfare institutions, to customers who visited the customer service shop, to elderly care homes and neighborhoods in the cities.

OPERATION
Cuiabá

160mil

THOUSAND SOAP DONATED
to families in social vulnerability and families that participate in the Company's Programa Tarifa Social.

OPERATION
Piquete

3mil

THOUSAND SOAP DONATED
to people in vulnerable situation.

In addition to donations of soap, articulated by Iguá group, some operations performed specific actions to meet specific needs identified in each community.

Águas Alta Floresta performed an awareness campaign on COVID-19 at a sanitary inspection barrier installed by the Municipal Health Department at the city's entrance.

✓ 1680 Delivery of soap and leaflets containing guidelines on correct handwashing and conscious use of water.

SPAT made a campaign to collect food and personal care products for the food and personal care product baskets, through a project maintained by Associação São Vicente de Paula, in Biritiba Mirim. The entity intensified the collection project considering the exposure brought to the families in vulnerable situation by the pandemic.

The collection and donation of cleaning material were also carried out for elderly care home institutions, which was Piquete's case, donating sodium hypochlorite (disinfectant) to the local elderly care home, aimed at disinfecting the environment. In **Piquete**, safety masks were also delivered.

Andradina, Castilho and Sanesssol donated hypochlorite for cleaning the municipalities' streets.

In order to assist its internal public, Iguá Group acquired, in a unique manner, cloth face masks. These items benefitted all the operations' employees and made its use compulsory in fighting COVID-19 pandemic. **They were purchased from a women sewing cooperative in Atibaia, supporting the maintenance and generation of jobs and income to the producers.**



Other campaigns

Children's Day

OPERATION Cuiabá	ACTION Doação de brinquedos em comemoração ao dia das crianças.	INSTITUTIONS Instituição Casa da Criança Cuiabana 2
DATE 10/12/20		

Pink October Campaign

OPERATION Itapoá	ACTION Incentive to all Company's employees to contribute and assist the institutions in the region.	INSTITUTIONS Rede Feminina de Combate ao Câncer
DATE 23/10/20		

Pink October Campaign

OPERATION Paranaguá	ACTION Incentive to all Company's employees to contribute and assist the institutions in the region	INSTITUTIONS Instituto Peito Aberto
DATE 23/10/20		

Winter Solidarity Campaign

OPERATION Piquete	ACTION Collection of blankets donated by our employees and later sent to Piquete Municipality, responsible for the campaign	INSTITUTIONS Local community
DATE 1/7/20		

Winter Solidarity Campaign

OPERATION Guaratinguetá	ACTION Collection of blankets donated by our employees and later sent to Guaratinguetá Municipality, responsible for the campaign	INSTITUTIONS Local community
DATE 1/7/20		

Christmas Solidarity Campaign

OPERATION SPAT	ACTION Collection of one item of clothing, one pair of shoes and one toy for a social institution	INSTITUTIONS Instituição Viva a Vida Suzano
DATE 18/12/20		

Donation Campaign

OPERATION SPAT	ACTION Donation of food and personal care products	INSTITUTIONS Instituição Sociedade São Vicente de Paula
DATE 17/4/20		

Blood Donation

OPERATION SPAT	ACTION Mobilization of a group of volunteers from SPAT Saneamento to donate blood.	INSTITUTIONS Hospital Santa Casa de Misericórdia
DATE 1/9/20		

Environmental awareness

204-1

In scope of its relationship with the communities, Iguá develops awareness actions which contribute to the improvement of environmental conditions.

Donations of native seed to Rio Tanguro Basin

OPERATION
Canarana

DATE
9/1/2020

DONATION OF
61,5kg ✓

CERRADO NATIVE SEEDS

to Canarana Environment Department (SMA).

THE ORGANIC MATERIAL WAS USED IN THE PRODUCTION OF

25 thousand seedlings

AIMED AT THE PRESERVATION OF THE TANGURO RIVER BASIN.

Águas Canarana executed the planting at the collection site, while the planting along the river banks continues in progress by SMA.

INSTITUTIONS
Community in general



Tree Day

OPERATION
Cuiabá

ACTION
Development of employees and community's awareness on the benefits of preserving and planting trees.

BENEFICIARIES
Local community and in-house employees

DATE
21/Sept/2020

Tree Day

OPERATION
ESAP

ACTION
Donation of tree seedlings, contributing to urban afforestation and population awareness on the importance of a healthy and balanced environment.

BENEFICIARIES
Local community

DATE
18/Sept/2020

Tree Day

OPERATION
Sanessol

ACTION
Drive thru donation of tree seedlings, contributing to urban afforestation and population awareness on the importance of a healthy and balanced environment.

INSTITUTIONS
Local community

DATE
19/Sept/2020

Agreste Itinerante

OPERATION
Agreste

ACTION
Promote environmental education and incentive to sustainable practices through drama performance (musicals, theater plays, parodies, puppet shows, dance performances and storytelling) addressing themes such as water treatment processes performed by Arapiraca WTP and the rational use of water resources.

BENEFICIARIES
Children from 1st to 8th grades, age range between 6 and 12 years old.

DATE
30/Sept/2020

Zero Trash Week

OPERATION
Cuiabá

ACTION
Collection of 600kg of electronic waste among employees

BENEFICIARIES
In-house Employees

DATE
30/Sept/2020

Adopt a spring

OPERATION
Alta Floresta

ACTION
Promoting the engagement of public authority, institutions, and citizens, for the recovery of native vegetation in the Permanent Preservation Areas (PPAs), of springs and water courses in degradation status, as well as protection of ciliary forests existent in the municipality. Águas Alta Floresta, like a Godfather, gives support, funding and collaborates with actions regarding protection and conservation of the area.

BENEFICIARIES
Community in the surroundings of Parque das Nascentes

DATE
26/June/2020

Tree Day

OPERATION
Andradina

ACTION
Drive thru donation of tree seedlings, contributing to urban afforestation and population awareness on the importance of a healthy and balanced environment.

BENEFICIARIES
Local community

DATE
18/June/2020

Tree Day

OPERATION
Castilho

ACTION
Planting native tree seedlings, contributing to afforestation in our facilities and employees' awareness on the importance of a healthy and balanced environment.

BENEFICIARIES
In-house employees

DATE
17/Sept/2020

Plantio de mudas

OPERATION
Pontes e Lacerda

ACTION
Planting seedlings donated by Municipal Agriculture Department

BENEFICIARIES
In-house employees

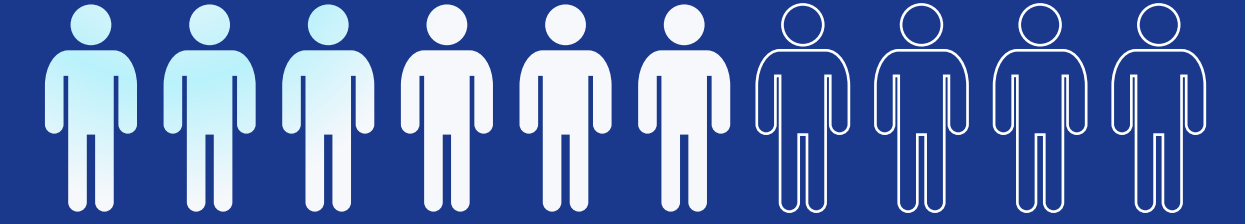
DATE
1/June/2020



Iguá supports local development through its social actions, generating employment and local purchasing.

The Supply of Services is performed by using:

+60%
OF LOCAL WORKFORCE



For the acquisition of materials, this figure is close to 20%, still low, however justifiable due to the plants' remoteness.

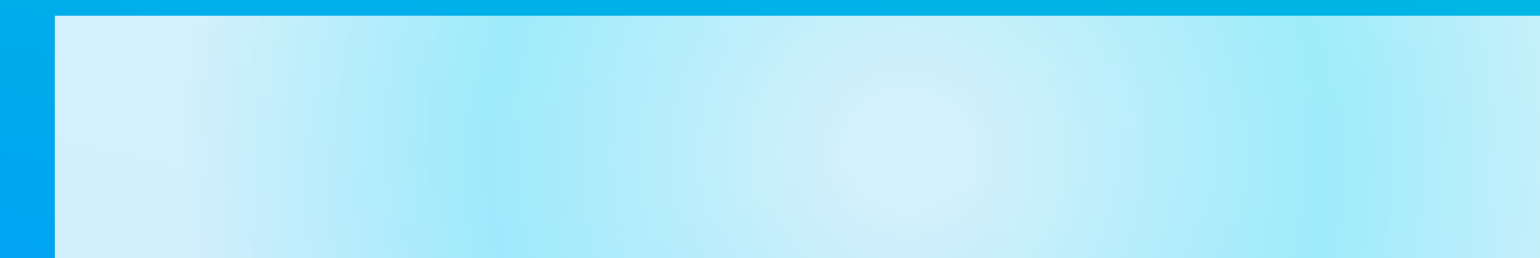
All the Group's donations are approved by the Compliance Management, which analyzes the **integrity of the institutions**, including the relationship with stakeholders.

Suppliers and supply chain

(102-9; 102-10; 102-11; 204-1; 308-1; 308-2; 414-1; 414-2)

CHAIN OF SUPPLIERS

2019



1.800
Active suppliers

2020



2.300
Active suppliers

Most of the expenses are concentrated on materials and services for the expansion of water and sewage activities: providers of civil construction works, sewage networks, piping, chemical products for water and sewage treatment, electric power supply, among other activities.

Relationship with suppliers

102-11

Iguá's relationship with its suppliers is governed by the Procurement and Acquisition Policy and the Code of Conduct.

The Procurement and Acquisitions Policy contemplates requirements relative to technical, financial, legal, compliance, occupational health and safety analyses. All the agreements have a standard clause, setting forth the compliance with labor, social security, civil, tax and environmental legislations, as well as occupational health and safety rules. These guidelines are reinforced by the Code of Conduct which is attached to the agreements.

The procurement, acquisition and contract process follows the established procedure, ensuring ethics and transparency along all the cycle, from goods and service specification to request for price quotation and contract. For this purpose, we use market tools for quotations, which ensure isonomy and reliability both for the chain and for Iguá.

Iguá's procurement area is responsible for managing demand for goods and services until its delivery to the requester. The process aims at the assertiveness in serving internal customers, optimizing the Company's capital employed. The procurement strategy includes integration of all chain links, generating value and perception of partnership for the internal customer and for suppliers.



INTEGRATION OF SUPPLY CHAIN

The integration of the Supply chain, from generating demand to data feedback, going through supplies, cleaning and base unification and inventory optimization.



OPTIMIZATION OF LOW COMPLEXITY PROCUREMENT

Creation of mechanisms which allow internal customer to operate independently (when Supply Management has already executed major agreements) optimizing human resources and time (SLA).



OPTIMIZATION OF VALUE CHAIN PARTNERSHIPS

Understanding and optimization of the internal partnerships (customers) and external ones (suppliers) to generate value and build the image of the area and the brand.



CAPTURE GAINS DUE TO DECREASING CAPITAL EMPLOYED

Improvement of existing resources for optimized use of inventory with financial gains (less capital employed) to improve the service level with less fixed assets.



INCREASE OF PERFORMANCE AGREEMENTS

Understand and expand performance agreements in TCO/TCA, allowing us to invest effort in core business and in managing them, including improvement of maturity of the hired projects.

Procurement of Goods and Services Policy sets forth the procedures and rules to be followed in the suppliers' registration and contract process.

The procurement area assesses data, and the Compliance area supports the process, analyzing specific information at the moment of executing the contract. The goods and services strategic for the operations are classified as category "A". Some of the items that are placed in this profile are construction work materials, chemical products, electric power, services by contractors, hydrometers, pipes, and other items. Currently, category "A" suppliers fill in a socioenvironmental form addressed to qualification of the goods and services. However, there is still no continuous and constant monitoring on the negative impacts, whether they are environmental or social, generated by these third parties.

IN 2020 CATEGORY "A" SUPPLIERS REPRESENTED
20%
OF THE TOTAL NUMBER OF SUPPLIERS

80%
OF THE TOTAL FINANCIAL VOLUME OF THE TRANSACTIONS

Precautionary principle or approach

(102-11)

It is the Compliance's team responsibility to integrate practices of corporate assessment, risk management, and risk tolerance, rules, responsibility policies, procedures and monitoring. It is also this area's responsibility to strengthen and activate internal control systems to meet the demands of good corporate governance, causing compliance with laws, policies, guidelines, and regulations established by the most varied instances.

In 2020, there was mapping updating of potential risks indicated by the operations' leaders (officers). In view of the possible risks involved, precautionary approach guides management procedures, prioritizing actions to remove causes and their mitigation.

Institutional Relationship

(102-12; 102-13; 416-1; 416-2)

The Company is associated to the Global Compact, CEBDS, Pró-Ética, ABCON-Sindcon and is a member in Instituto Trata Brasil.

Iguá became an associate of the Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável – CEBDS (Brazilian Business Council for Sustainable Development) in 2019 and of the Global Compact in 2020.

Through CEBDS Iguá, in 2020, adhered to the Comunicado do Setor Empresarial Brasileiro (Communiqué from the Brazilian Business Sector), reconfirming the Board and its associated companies' commitment to the sustainable development agenda, in view of the uncertain scenario brought by COVID-19 pandemic.

The adhesion to the Global Compact was a way to publicly ratify Iguá's commitment to being a responsible company in all sustainability aspects, making it explicit to its stakeholders (shareholders, customers, employees and interested parties).

Through Pró-Ética, Iguá adhered to the Pacto Empresarial pela Integridade e contra a Corrupção (Business Covenant for Integrity and against Corruption).





EXPANDED VERSION

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INTELLECTUAL



Knowledge Generation and Innovation Culture

Since 2017, Iguá has been developing an internal innovation journey, an initiative aiming to qualify its employees for solving problems through development of projects connected to the Organization's major branches of activities. By means of collaborative activities, meetings, and mentorships, the participants develop the proposed works, expand their knowledge, and techniques and discuss several improvement opportunities that may be adopted.

In 2020, the internal Innovation journey cycle was more robust. Based on the lessons from previous years, we sought a format of selection process of more induced and more guided works, with more curatorship. We also created a qualification agenda in a co-creation process with Design Thinking involving employees from all our operations.

The restrictions due to the pandemic also catalyzed an even greater desire to participate without prejudice to the operations' daily routine, by means of a remote event. Our IV Seminar on Innovation and Best Practices was held during 4 days with a spaced schedule on the day, allowing more people to participate without prejudice to the activities.

By doing so, we expanded over 130% the distribution of the event.

This event is an important part of our construction of innovation culture. Themes related to Customers, Management, Sustainability and Engineering were discussed, as well as the presentation of efforts derived from the Design Thinking and Open Innovation agenda.

Significant Participation:

599 people

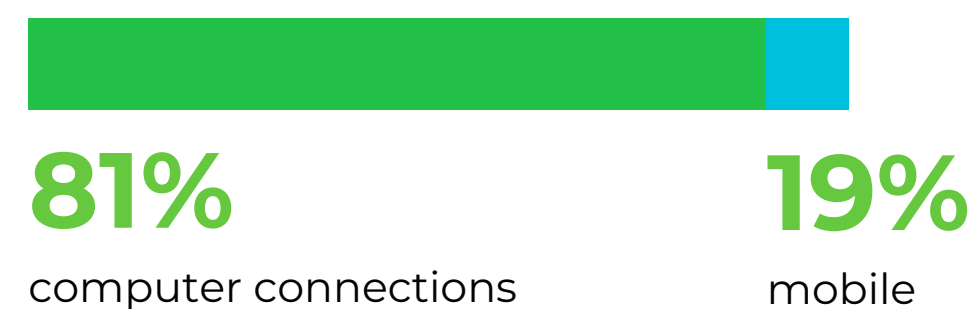
followed the IV Seminar on Innovation and Best Practices, 79% with Iguá's e-mail

312 people

in average followed one of the sessions

13 hours

in average of connection per person



NPS of 79, 88 and 91 of the event of days 1, 2 and 3 respectively (an average of 112 respondents per day)

FOCUS

Over 95%

Scored works with application to the business

PRODUCTIVITY

40 works presented by 107 people involved

AVAILABLE INFORMATION

Works and content made available and with possibility of being seen after online event.

Several ideas were raised at this event and some will be implemented along 2021 to improve Iguá's processes and results.

The Seminar was positively assessed.

The majority of the participants prefer onsite interaction (75%), however they all understood the need of distancing. On the other hand, the adopted model favored the participation of the more remote operations.

The participants from the State of São Paulo represented the most part of the participants, responsible for 61% of the connections.

Iguá Lab: our strategy of open innovation

Iguá Lab is Iguá's open innovation program. The program aims to connect startups' ecosystem to water and sewage service challenges, seeking solutions to transform the sector. We were pioneers in the operation of this agenda in the water and sewage service sector, and the 1st corporate program in the sector. Since 2018, we have been complying with our purpose of being the Best for Brazil, inspiring and fostering the transformation movement in the sector. We saw, from 2018 to 2020, the creation of other initiatives in the sector, as well as maturity of solutions and interactions of innovative solutions and water and sewage service companies in Brazil.

Our open innovation program consisted of an annual publication model in the 2018 and 2019 cycles. We learned from these two initial cycles that volume and value of interactions with the innovation ecosystem goes beyond specific moments of the publications. We also observed the need of a greater protagonist role by the Company with the creation of a movement for sanitation, and this movement being greater than the one for Iguá.

In this sense, in the 2020 cycle we assumed the innovation role as a process, and this also applied to the open innovation agenda. We structured a dedicated team and articulated the creation of a Grand Challenge "Sanitation: water as service" with 1000 Open Startups. The creation of this Grand Challenge comes in the effort line of acknowledging the sector. Other areas like electric power, construction, health, and retail have a greater weight and importance in the agenda of the startups' ecosystem and part of our agenda challenge is to awaken greater interest and acknowledgment of these startups regarding sanitation. The Grand Challenge is sponsored by Iguá and encouraged in a collaborative manner involving other players in the sector, including other utility companies.

Assuming open innovation as a process meant changing the context of an annual publication to a continuous process of interaction with the solutions. In practice, this movement already occurred in the previous cycles parallel to the publication, however without an incentive and specific management. We created monitoring reports of these interactions, of the opportunities regarding the tests of the proposed solutions. We also encourage and qualify a group of executives in the open innovation qualification (the value of interacting and the way of operating with this startups ecosystem).

All our effort of being pioneers in the sector in the open innovation agenda had already been acknowledged as the most innovative Idea in 2018 by the PPP Awards, as well as best practice management by Abcon in the sustainability award, and it was crowned with the acknowledgment of being Top 20 Open Corps. More than being the Top1 or Top100, our aim is to be among the open corps in Brazil, which means having in the interaction with the startups' ecosystem relationships that generate value, with solutions that assist the business in the daily routine.

GOAL

Motivate creative solutions to increase efficiency in the water and sewage service sector, whether in the support area, with training, or in core activities areas, such as consumption measurement and loss reduction.

2018



90 startups.

Six were hired. Two were tested and discontinued.

Four continued as partners for communication solutions and training with employees, reduction of non-compliance and more sustainable treatment.

2019



60 registrations assessed, two winners for the development of an unprecedented pilot program in the sector, aimed at financial education and acknowledgement of water.

Other eight projects remain in joint development with the startups for the promotion of innovative solutions in basic sanitation in the country.

374 startups assessed.

75 matches of contact person in the interest of the executives

41 startups selected for active monitoring of Iguá's innovation team.

2020



Iguá's Services: our agenda for practicing new business models

Also, in the innovation agenda line we have Iguá Serviços, a company to support the new business models laboratory for our operations, and mainly in the service improvement agenda with our customers.

Along 2020 we progressed in the modelling and development tests of a business line of service provision inside the customer's house. Going beyond regulated role, the thesis involves the importance of adding value to the relationship between the water and sewage service and the community. We know that the habit of cleaning water tanks is low, it is the citizen's obligation and crucial for the consumed water quality. We understand that part of this culture involves lack of good level service provision, with standard, and in a more professional relationship (the market is still very informal).

The structuring of this business model encompasses validation of theses on the manner of provision, relationship and effort to create a vending machine. It is an exploratory agenda and with high impact learning in order to change the image and value of water service.

Our efforts are still embryonic, having been impaired by the pandemic context, however, continue in progress in the 2021 cycle.

In this exploration line we also performed through this vector of services the pilot test of remote measurement and incorporation of new technologies for this important process in fighting against losses, with more efficiency in the system and in a more transparent relationship with customers.

In 2020, we validated
3 product lines which will
begin activities in 2021.



Better use of the spaces using floating solar panels in STPs.



Neutral website for negotiating debts



CRM software (1st case of sanitation in Brazil)



Sludge Thermal Drying



Develop equipment and App to create a new manner for people to relate to the act of filling up a bottle/glass of water



Investments

Iguá has already invested +32million BRL since 2020, 82% in best practices and 18% in new water and sewage services for Brazil.

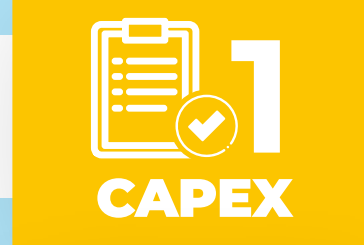
In best practices there are initiatives to apply already tested and proven technologies in Iguá's business processes so as to improve themes like treatment efficiency, loss reduction, relationship with customers and other themes.

In our services Iguá created bases for test and innovative solutions in the sector, accelerating ideas and incubating best practices from other sectors in order to also have fertile soil in sanitation.



Innovation at Iguá until 2020 +32million BRL

invested in 16 initiative in the areas of:



Soil stabilizer for repaving



Loss management system

Development of smart measuring tools and sensors

Leak detection · 2 initiatives

Sludge Thermal Drying



App with translation in Brazilian sign language

Software for reputation and customer satisfaction KPI management

Software for triggered messaging and service provision online

App for centralizing monthly bills in one sole date.

Neutral website for negotiating debts

CRM software · 1st case of sanitation in Brazil

Develop equipment and App to create a new manner for people to relate to the act of filling up a bottle/glass of water.



Implementation of Cominese STP and Caetetuba STP

Usage of phosphorous deriving from treated sewage

Better use of the spaces using floating solar panels in STPs



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NATURAL



ENVIRONMENTAL MANAGEMENT

(307-1)

The quality of Iguá's environmental management is a factor inseparable from the Company's business.

In 2018, we developed a Sustainability strategic plan, SERR Strategy, based on the understanding that sustainability is in essence of its activities. It continuously guides the Company's practices.

This work defined priorities, which were transformed in four operating axes:

- ✔ **Safety of the water**
- ✔ **Efficiency in water production and distribution**
- ✔ **Responsibility in wastewater collection and treatment**
- ✔ **Respecting people**

The Company performs legal compliance due diligence using the Ius Natura tool.

Despite these concerns, Iguá is currently party in 27 environmental lawsuits which question its compliance with applicable laws and regulations.

(304-2)

Examples of activities with potential negative impacts:

- 1 Construction of new water and sewage treatment plants invariably requires some kind of vegetation suppression;
- 2 The discharge of treated effluents in water bodies containing chemical substances used in the treatment processes, even at acceptable levels and permitted by the legislation in force, may produce some imbalance in the fauna and flora of the recipient water bodies;
- 3 The construction of new facilities may drive away some fauna species existent there;
- 4 The use of inputs and waste production may generate the reduction of natural resources.

IMPACT MANAGEMENT

The significant impacts resulting from basic water and sewage activity are associated to water collection processes, water and sewage treatment, and discharge of effluents in the water bodies.

The Company objectively analyzes potential impact of main threats to biodiversity, in order to offer conciliation alternatives between environment protection and provision of basic water and sewage service to the population.

The impacts resulting from the construction of plants are compensated by initiatives defined in the licensing processes

The impacts considered positive in the biodiversity are:

- 1 Conservation of ciliary forests, in the process of collection, avoiding soil erosion processes;
- 2 Treatment of domestic effluents before their discharge in water bodies contribute to the maintenance of the local biota;
- 3 Discharge of effluents, in some cases, with levels better than the recipient body itself, results in improvement in the water quality, thus impacting the local biota.

Some of Iguá' units are inserted in environmental protected areas. There are restoration measures of these areas being implemented by some operations.

One of the most complete examples is the program Adopt a Spring, in Alta Floresta, promoted by the Office of the State Prosecutor (MPE-MT) in a partnership with Alta Floresta Municipality and the participation of the Company and its employees. The program aims to promote the commitment of public authorities, institutions and citizens for the recovery of the native vegetation of the Permanent Preservation Areas (APPs), of springs and water courses in degradation status and the preservation of ciliary forests existent in the municipality.



Areas of environmental protection and high-value biodiversity areas

(304-1; 304-3)

Summary table | **CUIABÁ**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM²)	VALUE OF BIODIVERSITY
Collection Sucuri	15°33'12.07"S 56°09'57.58 W	In the area	Extractive	0,00000	Fresh water
Collection ETA Tijucal	15°36'47.75"S 56°00'41.80"W	In the area	Extractive	0,000050	Fresh water
Collection N. S. Guia	15°21'09.46"S 56°13'32.12"W	In the area	Extractive	0,00000	Fresh water
Collection Aguaçu	15°16'31.88"S 56°07'25.87"W	In the area	Extractive	0,00000	Fresh water
Collection ETA Sul	15°39'23.09"S 56°04'08.88"W	In the area	Extractive	0,001418	Fresh water
Collection Parque Cuiabá	15°39'39.15"S 56°04'14.39"W	In the area	Extractive	0,000023	Fresh water
Collection Coxipó do Ouro	15°27'06.30"S 55°58'49.53"W	In the area	Extractive	0,00000	Fresh water
Collection Porto	15°36'57.98"S 56°06'32.28"W	In the area	Extractive	0,000180	Fresh water
Collection Cophema	15°38'39.15"S 56°04'11.57"W	In the area	Extractive	0,000030	Fresh water
Collection Ribeirão do Lipa	15°34'40.09"S 56°07'54.80"W	In the area	Extractive	0,000200	Fresh water
Discharge Point Altos do São Gonçalo STP	15°38'21.14"S 56° 01'1.56" W	In the area	Production	0,000030	Fresh water
Discharge Point Dom Aquino STP	37°07.3"S 56°05'36.3"W	In the area	Production	0,000002	Fresh water
Discharge Point Florais STP	37°07.3"S 56°05'36.3"W	In the area	Production	0,000030	Fresh water
Discharge Point Ilza Picolli STP	15°32'55,49"S 56°1'39,15"W	Adjacent	Production	0,000030	Fresh water
Discharge Point Tijucal STP	15°37'36,32"S 56°0'27,74"W	In the area	Production	0,000030	Fresh water
Discharge Point Lagoa STP	15°34'34,08"S 56°2'18,66" W	Adjacent	Production	0,000015	Fresh water

SUMMARY TABLE | **PALESTINA (ESAP)**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
Discharge Duplo Céu STP	650577 E 7760079 N	In the area	Production	0,0000114	Fresh water
Discharge Piau STP	668019 E 7746096 N	In the area	Production	0,0000112	Fresh water

SUMMARY TABLE | **ANDRADINA**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
Discharge Pereira Jordão STP	458389 E 7686001 N	In the area	Production	0,0000175	Fresh water
Discharge São Pedro I STP	464012 E 7690014 N	In the area	Production	0,0000151	Fresh water
Discharge São Pedro II STP	464004 E 7690049 N	In the area	Production	0,0000149	Fresh water
Discharge Saudade STP	464028 E 7692069 N	In the area	Production	0,0000145	Fresh water

SUMMARY TABLE | **MIRASSOL (SANESSOL)**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
Collection	648035 E 7697096 N	In the area	Extractive	0,00396	Fresh water
Discharge Piedade STP	660008 E 7694097 N	In the area	Production	0,0000171	Fresh water
Discharge Fartura STP	464004 E 7690049 N	In the area	Production	0,0000116	Fresh water
Fundão STP 655096 E	655096 E 7700015 N	In the area	Production	0,0000121	Fresh water

SUMMARY TABLE | **CASTILHO**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
Discharge Bairro 17 STP	4456620 E 7694134 N	In the area	Production	0,0000115	Fresh water
Discharge Laranjeiras STP	448614 E 7688620 N	In the area	Production	0,0000117	Fresh water



SUMMARY TABLE | **PARANAGUÁ**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM²)	VALUE OF BIODIVERSITY
Collection Ribeirão	7162240 N 740175 E	In the area	Extractive	0,002035	Fresh water
Collection Santa Cruz	7164976 N 736257 E	In the area	Extractive	0,000512	Fresh water
Collection Miranda	7164813 N 737129 E	In the area	Extractive	0,01193	Fresh water
Collection Cachoeira do Athanásio + ETA Alexandra	7171012 N 734313 E	In the area	Extractive e Production	0,00393599	Fresh water
Collection Poço 01 - Alexandra	7171275 N 734651 E	Adjacent	Extractive	0,000049	Fresh water
Collection Aroeira - Encantadas	7168529 N 766422 E	In the area	Extractive	0,00016465	Fresh water
Collection Bento Alves - Encantadas	7169457 N 770025 E	In the area	Extractive	0,000075	Fresh water
Well 1 - Encantadas	7168821 N 766428 E	Adjacent	Extractive	0,000024	Fresh water
Well 2 - Encantadas	7168468 N 766412 E	In the area	Extractive	0,000024	Fresh water
Well 3 - Encantadas	7168772 N 766434 E	Adjacent	Extractive	0,000024	Fresh water
Collection Bento Alves - Brasília	7170199 N 770177 E	In the area	Extractive	0,0001	Fresh water
Well 2 - Brasília	7168296 N 766387 E	In the area	Extractive	0,000024	Fresh water
Well 3 - Brasília	7168424 N 766389 E	In the area	Extractive	0,000024	Fresh water
Well 4 - Brasília	7168549 N 766392 E	In the area	Extractive	0,000024	Fresh water
Well 5 - Brasília	7168704 N 766452 E	In the area	Extractive	0,000024	Fresh water
Well 6 - Brasília	7168411 N 766387 E	In the area	Extractive	0,000024	Fresh water
Discharge Cominese (outfall)	7169505 N 746035 E	In the area	Production	0,000050	Fresh water
Discharge Emboguaçu (outfall)	7174504 N 746324 E	In the area	Production	0,000050	Fresh water
Discharge Costeira (canal do Chumbo)	7176081 N 751086 E	In the area	Production	0,000000	Sea water/ Fresh water
Discharge Samambaia (outfall)	7171304 N 744908 E	In the area	Production	0,000000	Fresh water
Discharge Valadares (outfall + STP)	7174016 N 750445 E	In the area	Production	0,00211051	Fresh water

SUMMARY TABLE | **ITAPOÁ**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM²)	VALUE OF BIODIVERSITY
Collection Saí Mirim	26°1.5'6S E 48°37'48.07"O	In the area	Extractive	0,00111009	Fresh water

SUMMARY TABLE | **ATIBAIA**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM²)	VALUE OF BIODIVERSITY
STP Estoril	7443491 N 339702 E	Covering parts of the area	Production	0,02634	Fresh water
STP Caetetuba	7442992 N 337623 E	Adjacent	Production	0,025	Fresh water
Discharge Caetetuba STP	7443695 N 337916 E	In the area	Production	0,000000	Fresh water
SPS Alvinópolis II (IIB)	7442085 N 338450 E	In the area	Production	0,000171	Fresh water
SPS Coqueiros	7444140 N 341668 E	Adjacent	Production	0,000005	Fresh water
SPS Pinheiros	7443550 N 344059 E	In the area	Production	0,00012	Fresh water
SPS Pouso	7439295 N 342013 E	In the area	Production	0,0001	Fresh water
SPS Refugio	7438382 N 341659 E	In the area	Production	0,000251	Fresh water



SUMMARY TABLE | **GUARATINGUETÁ**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
STP Pedrinhas	7482619 N 463522 E	In the area	Production	0,00774174	Fresh water
Discharge STP	482757 N 463878 E	In the area	Production	-	Fresh water
STP Campo do Galvão	7477647 N 479415 E	In the area	Production	0,00276	Fresh water
Discharge STP Campo do Galvão	7477694 N 479395 E	In the area	Production	-	Fresh water
STP Vila Bela	7481459 N 484569 E	Covering parts of the area	Production	0,02354927	Fresh water
Discharge STP Vila Bela	7481555 N 484557 E	In the area	Production	-	Fresh water
STP Pedregulho	7477750 N 478287 E	Covering parts of the area	Production	0,096	Fresh water
STP Primavera	7479460 N 481732 E	In the area	Production	0,0052	Fresh water
EEE Jardim do Vale	7479633 N 481480 E	Covering parts of the area	Production	-	Fresh water
EEE Retiro	7479942 N 474721 E	In the area	Production	0,00072	Fresh water
EEE Centro	7477142 N 480383 E	Covering parts of the area	Production	-	Fresh water
EEE Santa Luzia	7477338 N 475246 E	Adjacent	Production	-	Fresh water
EEE Rony 2	7477976 N 478271 E	In the area	Production	-	Fresh water
EEE Jardim do Vale 3	7479618 N 481468 E	Covering parts of the area	Production	-	Fresh water

SUMMARY TABLE | **TUBARÃO**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
Collection Rio Tubarão	6849135 S 698461 E	In the area	Extractive	0,01497	Fresh water
STP Tubarão	6844783 S 697811 E	In the area	Production	0,0000215	Fresh water

SUMMARY TABLE | **PIQUSTP**

UNIT	GEOGRAPHICAL LOCATION	PROTECTED AREA POSITION	TYPE OF OPERATION	SIZE (KM ²)	VALUE OF BIODIVERSITY
ETA Piquete	7502394 N 478392 E	Covering parts of the area	Extractive	0,0120741	Fresh water
Reservatório Santa Isabel	7498873 N 482988 E	In the area	Production	-	Fresh water



ENERGY

(302-1; 302-2; 302-3; 302-4)

Iguá seeks in a permanent manner energy efficiency of its operations, controlling and monitoring electric energy consumption of its facilities by means of the Sig Energy tool.

In the calculation of the energy intensity, we take into consideration information on water production and sewage treatment, obtained from the operations, and information on the consumption of electric energy, received by the electricity utility companies.



	2018 KWh/m ³	2019 KWh/m ³	2020 KWh/m ³
WATER	0,597	0,617	0,610
SEWAGE	0,246	0,232	0,250

There was no reduction in the electric energy consumption in 2020, once Iguá opened new facilities, expanding the coverage of water and sewage services, and increasing the total electric energy consumption.

The discrimination of electric energy consumption per source demonstrates a greater participation of **energy sources from renewable origin**, whose contribution was of **53,4% in 2020.**

ENERGY CONSUMPTION 2020

Nonrenewable sources

68.036.023 kWh

244.929,7 GJ

Renewable sources

79.785.773 kWh

287.228,8 GJ

Total

147.821.796 kWh

532.158,5 GJ

WASTE

306-1; 306-2; 306-3; 306-4; 306-5

The most significant waste, generated by Iguá, derives from collection processes, treatment, and discharge of effluents.

The most significant waste, generated by Iguá, derives from collection processes, treatment, and discharge of effluents.

The entries of materials at Iguá mainly refer to chemical products and raw materials used in the water and effluents treatment. The exits encompass the result of the production and treatment of water and effluents processes, like waste of the screens, sludge, sand, chemical product packages and all administrative processes which support Iguá's core activity.

The irregular disposal of the generated waste (exits) may result in several types of contamination, like: soil, groundwater, water resources, air, reduction of the biodiversity, and also the presence of vectors.

Some waste generated by the operations are hazardous (class I), resulting from raw materials used in treatment processes, like reagents and chemical products, and have inflammability, corrosive, reactivity, and toxicity features.

The quantity of waste generated by Iguá varies according to the type of water or sewage treatment, to the seasonality and to the quantity of municipalities served by the Utility Company.

Iguá manages its waste by means of the Solid Waste Management Plan (PGRS), existent in every operation. In these plans, the units classify generated waste in all the stages of the water and wastewater production and/or treatment process. The classification of the waste is an essential tool in the management process, because it enables us to identify with more precision the types of waste and the adequate destination which generates lower risk and impacts on the environment and on the society.



On a monthly basis, the information on waste from the operations is consolidated, with main data: type of waste, class to which it belongs, unit, ways of final disposal and quantity generated per year.

(306-5)

Iguá's Solid Waste Management is fed with this information and establishes a set of actions (procedures, guidelines, and control) which have as core purpose, the elimination and management of environmental impacts, linked to waste production and disposal. Managing adequately the waste minimizes, and may avoid environmental impacts, providing improvement in the quality of life, public health, and social well-being.


The new treatment plants are being designed to optimize the processes and consequently are more efficient in relation to the production of generated waste.

As a way of increasing the useful life of sanitary landfills, in Agreste and Canarana units, the sludge generated in the water treatment process is used for making ecological bricks, whereas in Tubarão, the sludge is sent to compost. Atibaia sends part of the sludge from sewage treatment process to compost, contributing to pollution reduction.



1.365,8 tons
of waste were destined to
Recycling and Reuse

Waste generation

DESTINATION	CLASS I (TON)	CLASS II (TON)	% TOTAL
Controlled Landfill	0,000	0,018	0,00%
Sanitary Landfill	1,440	25.157,013	91,24%
Co-processing	0,971	196,103	0,27%
Composting	0,000	833,350	1,15%
Incineration	19,293	0,000	0,03%
Ecological bricks	0,000	665,660	0,92%
Recycling	0,010	694,264	0,96%
Refining	0,927	0,000	0,00%
Reuse	0,000	5,861	0,01%
Total	22,642	27.552,269	
% Total	0,08%	99,92%	

GRAND TOTAL 27.574,911

(306-4)

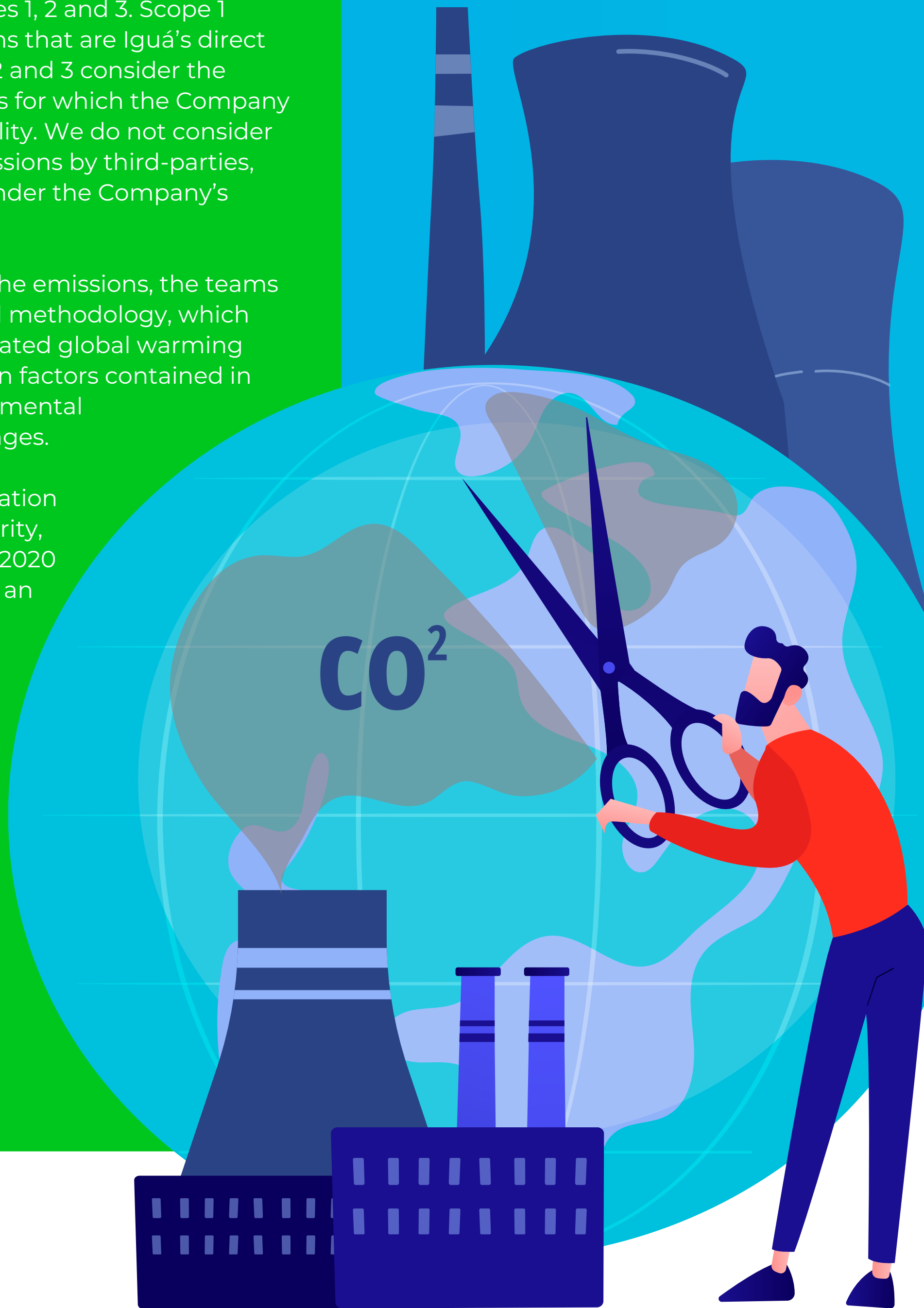
Waste Class I: they have inflammability, corrosivity, reactivity, toxicity, and pathogenicity
 Waste Class II – non-hazardous – inert and non-inert (waste not destined to landfills)
 We do not have waste outside of the organization

EMISSIONS

Iguá is concerned about being a differentiated company, analyzing and planning its actions so as to contemplate the evaluation of the impacts of its activities. Since 2019, we have been preparing the Greenhouse Gas – GHG inventory. The process consists of obtaining information regarding the emissions contemplated in Scopes 1, 2 and 3. Scope 1 contemplates emissions that are Iguá's direct responsibility. Scopes 2 and 3 consider the emissions from sources for which the Company has indirect responsibility. We do not consider in the records the emissions by third-parties, whose control is not under the Company's management.

For the calculation of the emissions, the teams used the GHG Protocol methodology, which employs the most updated global warming potentials and emission factors contained in the IPCC – Intergovernmental Panel on Climate Changes.

Always seeking information transparency and security, Iguá is submitting the 2020 emissions Inventory to an external independent audit. This audit ensures, by limited assurance, that the information is in compliance with the ABNT NBR ISO 14064-3:2007 rule, and consequently, with the national and international standards of GHG emissions inventories.

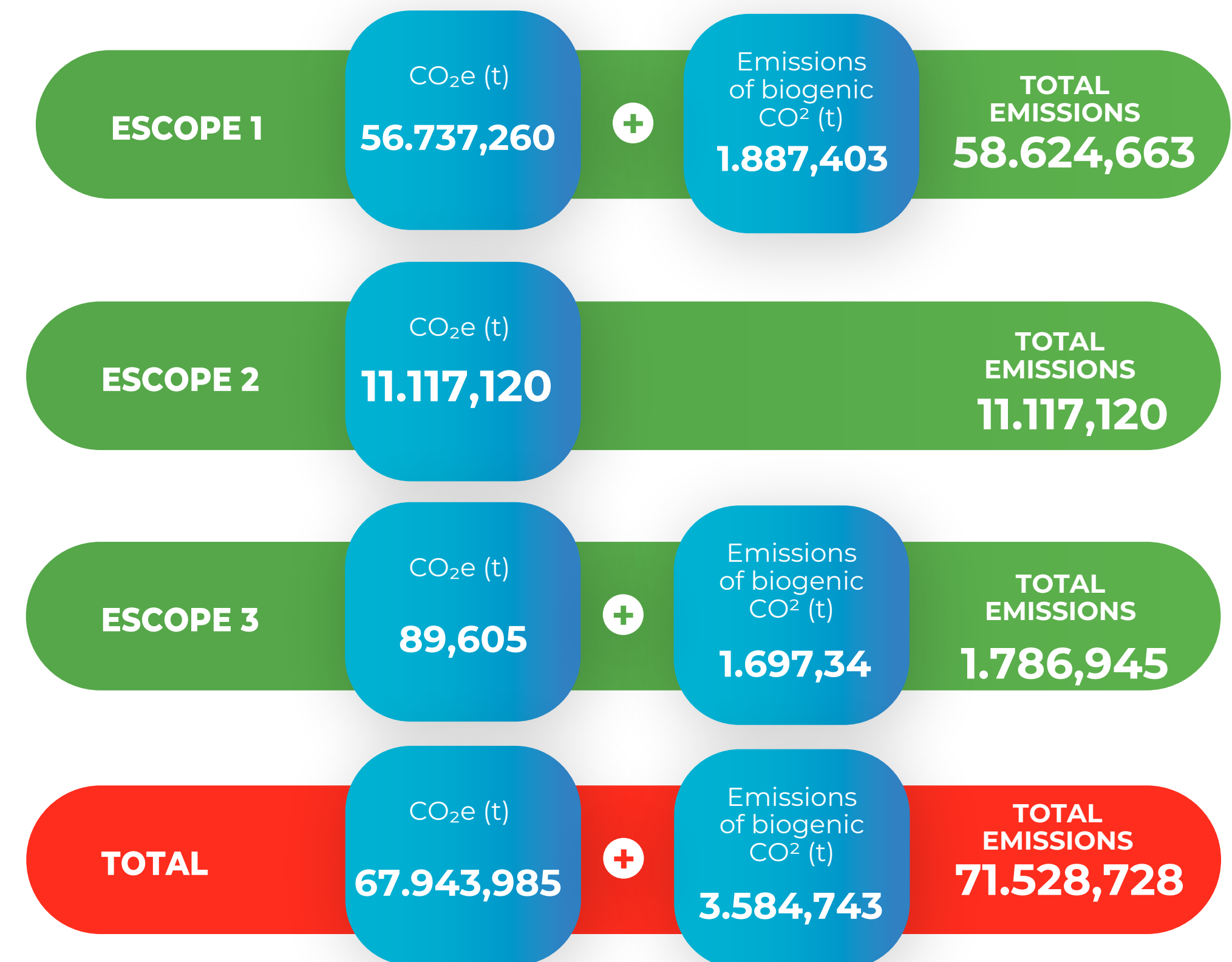


(305-1; 305-2; 305-3)

The inventory identified that the units were responsible for emitting the following Gases:

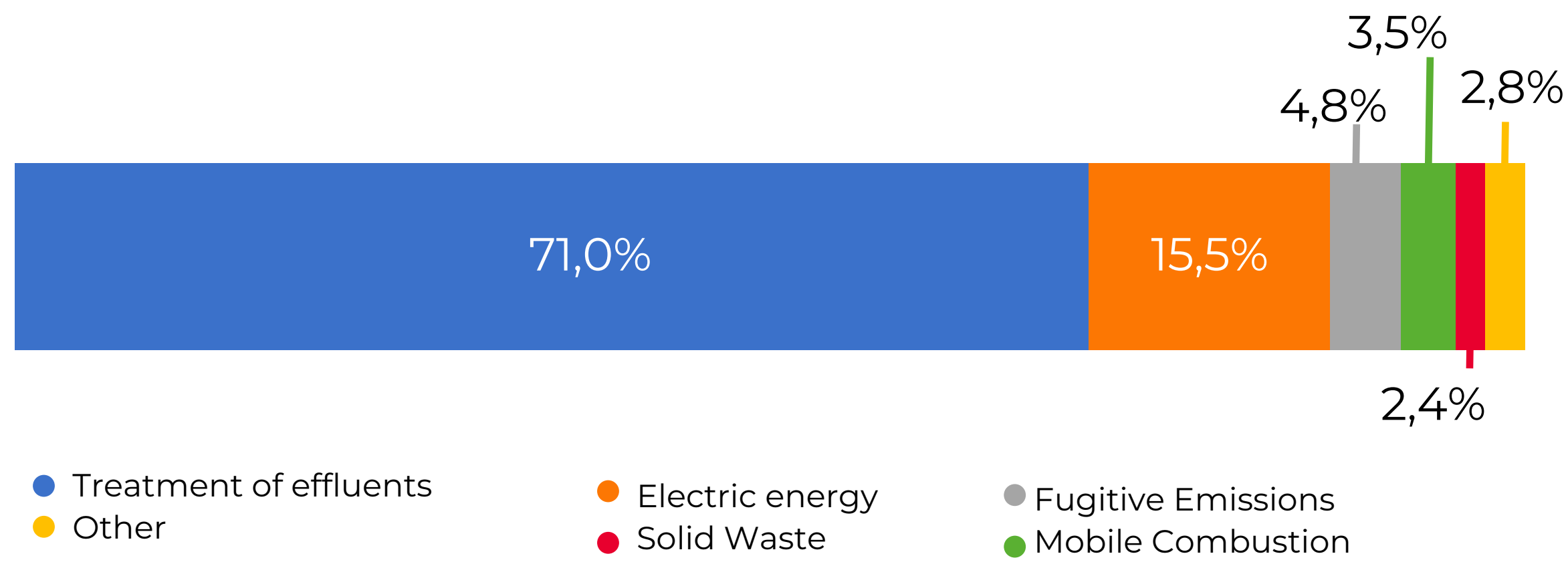
ESCOPE 1		ESCOPE 2		ESCOPE 3	
2.496,198	CO ₂ (t)	11.117,120	CO ₂ (t)	85,984	CO ₂ (t)
42.969,875	CH ₄ (t)			3,025	CH ₄ (t)
7.649,660	N ₂ O (t)			0,596	N ₂ O (t)
3.399,365	HFCs (t)				

Emissions of greenhouse gases in equivalent terms of quantity of carbon dioxide (CO₂) and CO₂ biogenic CO₂



A large part of the emissions, in the Company's operations are directly related to the effluents' treatment, which is responsible for the largest portion of the methane produced.

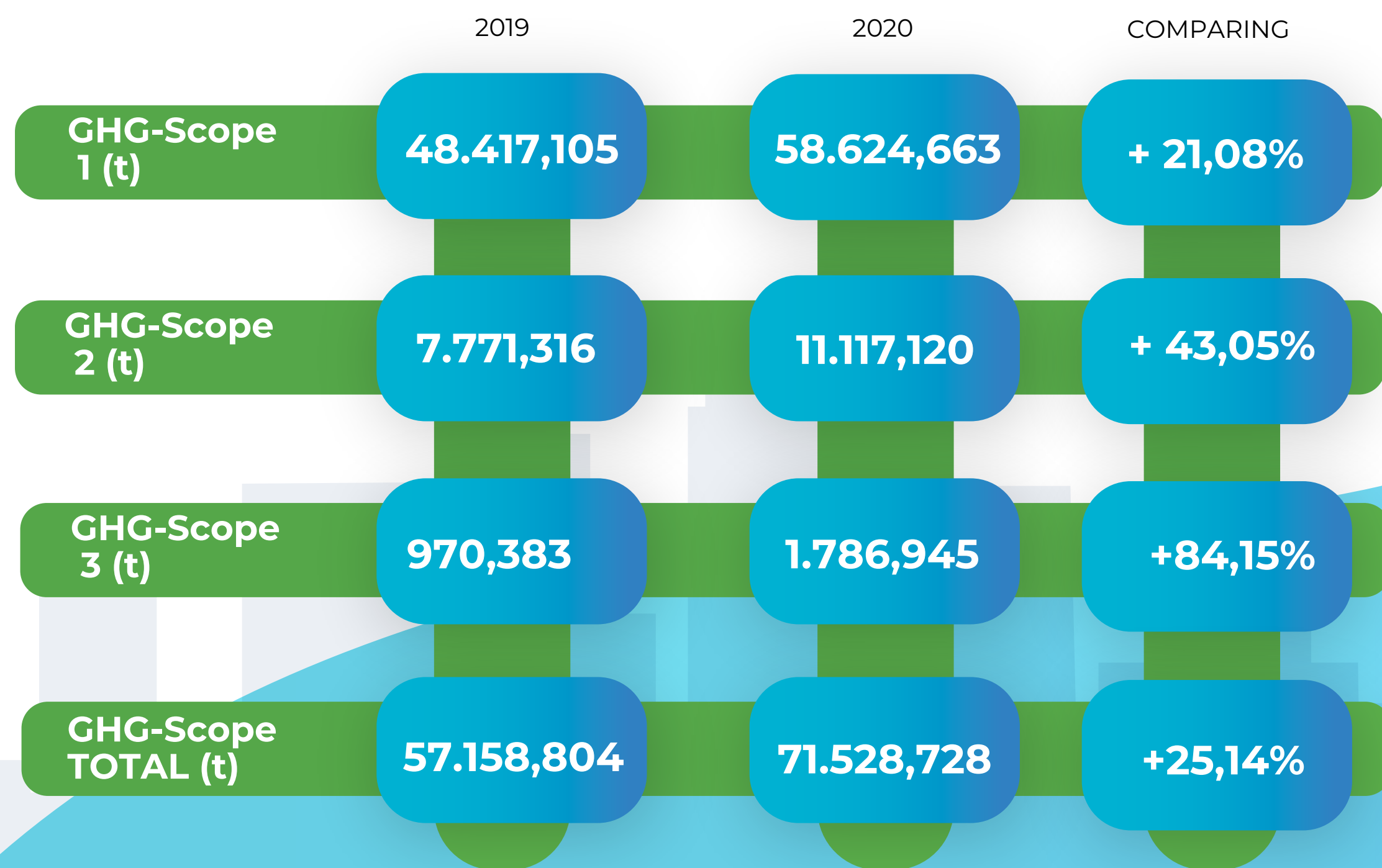
In 2020, over 70% of the emissions had their origin in this process.



Always seeking improvements in its processes and services, in 2020 Iguá analyzed the data regarding the 2019 emissions inventory. Thus, identifying the need to readapt methodologies and calculations of gthe previous year. The table below rectifies the presented information on the total GHG and the emission scopes.

Evolution of GHG emissions

(305-5)



Comparing the results obtained in 2019 and 2020, there was an increase in Iguá's total emissions. Iguá attributes part of the increase in the informed values to the upgrading of internal controls, which were improved from 2019, when we prepared the first inventory, to 2020.

The inventory also identified the emission of substances which destroy the ozone layer. The detected gases were the hydrofluorcarbonates (HFCs), with a total of 3.399.365 (t): HFC-32: 549.599 (t); and HFC-125: 2,849.766 (t). (305-6)

Sulphur oxide (SOX) and other significant air emissions were not emitted. The total nitrous oxide (N2O) emitted was of 7,650.256 (t). (305-7)

INTENSITY OF EMISSIONS

(305-4)

Aiming to offer more transparency and comparability, Iguá discloses its GHG intensity emission indexes, per type of activity. The intensity of the emissions expresses the quantity of GHG per activity unit. The defined units were the total volume of water produced and sewage treated.

WATER + SEWAGE

0.32t/m³

We highlight that the preparation process of Iguá's GHG inventory has been improving along the years, as well as the management of its controls and surveys. In 2020, information regarding the stationary combustion item (generators) was contemplated, as well as the inclusion of the number of travels by employees in each operation. This reinforces Iguá's commitment to the continuous improvement of its processes.





EXPANDED VERSION

INTEGRATED
REPORT 2020

2020

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FINAL CONSIDERATIONS



Challenges and uncertainties to continue with the strategy

The year of 2021 still presents much uncertainty for the world and for the business environment.

Although this represents a great challenge, Iguá maintains the conviction that the restructuring performed in 2020 places the Company in condition to respond to the challenges in an adequate and timely manner, keeping its commitments to making the lives of the current and future customers, employees, suppliers and shareholders better.

Maximizing the creation of value through the efficiency of our investments and management of assets demands complex decisions made based on the respect for the contract goals, the positive impact for the served population, however, not forgetting about economic and financial return regarding the projects and the adequate return of allocated capital. These guidelines are used in the preparation of the Company' Business Plan and its implementation leads to a set of actions creating a culture of commitment to the wholistic view of the several aspects and impacts of Iguá's operation. Our business context is not final data, but it is articulated with the capacity to understand it, influence it, and transform it.

The integration among the operations, the local institutional and corporate areas is essential for this purpose. It is based on dialog, on the use and analysis of reliable information and, when necessary, on adjusting strategies to adapt to each municipality reality. This virtuous cycle of engagement and exchange of views is essential for the success of the Company's business, transforming decisions into processes and routine which gain maturity and are constantly improved.

The Company's growth strategy is also related to the development of the water and sewage service sector and to bidding processes of new operations, waiting for them to happen in view of the commitments to the new legal framework, approved in July 2020. Iguá strongly believes in the competitiveness in new projects and in its capacity of operation development, as well as the commitment to meeting the established goals and to the increment in the population's quality of life.



COMMITMENT TO THE FUTURE

Iguá's commitment to the future is aimed at being the best water and sewage service company for its employees, its customers, and its shareholders.

For this purpose, we understand and respect the strategic value of the resource we operate, water, not only for Iguá, but for the Brazilians and mankind.

Iguá has a strong belief that only thus shall we achieve our purpose.



EXPANDED VERSION

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2020

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GRI SUMMARY

GRI MATERIALITY DISCLOSURES SERVICE





According to the Materiality Disclosures Service, the GRI content index was reviewed and the references to the contents from 102-40 to 102-49 are clearly presented and aligned with the report sections.

SUMMARY OF THE GRI CONTENT

GRI MATERIALITY DISCLOSURES SERVICE

(102-55)

GENERAL DISCLOSURES

MATERIAL THEME	DESCRIPTION	WHERE IT OCCURS [103-1]	GRI	SDG	
ECONOMIC PERFORMANCE	Transparency in the management of contracts and in the collection of tariffs, investment with focus on social impact, excellence in serving customers	• Community	201	12 16	
		• Financial market	203		
		• Society	204		
			308		
			207		
			102		
			205		
ETHICS AND INTEGRITY	Positive impact, compliance, anti-corruption, transparency in the tariffs	• Society	102	16	
			205		
UNIVERSALIZATION OF BASIC SANITATION (WATER AND SEWAGE)	Universalization of access to water quality and sewage service for the communities served by the Company; population's awareness in relation to the consumption of water; population's quality of life; water safety; climate changes; preservation of water resources; public health	• Water sources and environment	302	7	
		• Served communities	303	6	
		• Operational units	304	15	
		• Society in general	305	13	
		• Consumers	306	16	
		• Employees	307	16	
HUMAN RIGHTS	Generating employment and income, sustainable development of communities, employees' quality of life, diversity	• Employees	401	414	8
		• Community	403	402	4
		• Operational units	404	409	10
			405	410	16
			406	415	12
			408	416	11
			412	418	
		413	419		

ORGANIZATIONAL PROFILE

GRI 101: FOUNDATION 2016

No disclosures .

STANDARD	CONTENT	PAGE (S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
102-1	Name of the organization	6	-	-
102-2	Activities, brands, products and services	13	-	-
102-3	Location of headquarters	24	-	-
102-4	Location of the Organization's operations	12, 75	-	-
102-5	Organization's ownership, legal form, and legal structure	16	-	-
102-6	Markets served	12	-	-
102-7	Scale of the organization	96	-	-
102-8	Information on employees and other workers	108	-	-
102-9	Supply chain	145	-	-
102-10	Significant changes to the organization and in the supply chain	145	-	-
102-11	Precautionary principle or approach	145	-	-
102-12	External initiatives	148	-	-
102-13	Membership of associations	148	-	-
102-16	Values, principles, standards, and norms of behavior	43	-	-

GRI 102: GENERAL DISCLOSURES 2016

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
GOVERNANCE				
GRI 102: GENERAL DISCLOSURES 2016	102-18 Governance structure	38		-
	102-19 Delegating authority	42		-
	102-20 Executive-level responsibility for economic, environmental, and social topics	42		-
	102-21 Consulting stakeholders on economic, environmental, and social topics	128, 129		16
	102-22 Composition of the highest governance body and its committees	38		16
	102-23 Chair of the highest governance body	38		16
	102-24 Nominating and selecting the highest governance body	38		16
	102-25 Conflicts of interest	47		16
	102-26 Role of highest governance body in setting purpose, values, and strategy	38		16
	102-27 Collective knowledge of highest governance body	49		-
	102-28 Evaluating the highest governance body's performance	60	Unavailable. The Performance Evaluation of the highest governance body is being review due to the change in the chairmanship	-
	102-32 Highest governance body's role in the integrated and the sustainability reporting	39		-
	102-33 Communicating critical concerns	40		-
	102-34 Nature and total number o critical concerns	40		-
STRATEGY				
GRI 102: GENERAL DISCLOSURES 2016	102-14 Statement from highest governance decision-maker	6		-
	102-15 Key impacts, risks, and opportunities	6		-
	102-31 Review of economic, environmental, and social topics	24		-

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Stakeholder engagement				
GRI 102: GENERAL DISCLOSURES 2016	102-40 List of stakeholder groups	24		-
	102-42 Identifying and selecting stakeholders	24		-
	102-43 Approach to stakeholder engagement	24		-
	102-44 Key topics and concerns raised - Materiality	24		-
Reporting practice				
GRI 102: GENERAL DISCLOSURES 2016	102-46 Defining report content and topic Boundaries	24		-
	102-47 List of material topics	24	Human Rights, Ethics and Integrity, Economic Performance and Universalization of Basic Sanitation	-
	102-48 Restatements of information	20		-
	102-49 Changes in reporting	20	In 2020, the Sustainability Report began to be presented in Integrated Report format following the IIRC standards	-
	102-50 Reporting period	20	2020	-
	102-51 Date of most recent report		2019	-
	102-52 Reporting cycle		Annual	-
	102-53 Contact point for questions regarding the report or its disclosures	20	riigua@igua.com.br	-
	102-54 Claims of reporting in accordance with the GRI Standards	20	This report was prepared in accordance with the GRI Standards: Comprehensive Option	-
	102-55 GRI contente index	189		-
	102-56 External assurance	20	This report does not have external audit certification	-

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Emissions				
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	179		3, 12, 13, 14
	305-2 Energy indirect (Scope 2) GHG emissions	179		3, 12, 13, 14
	305-3 Other indirect (Scope 3) GHG emissions	179		3, 12, 13, 14
	305-4 GHG emissions intensity	181		13, 14, 15
	305-5 Reduction of GHG emissions	180		14
	305-6 Emissions of ozone-depleting substances (SDG)	181		3, 12, 13
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	181		3, 12, 13, 14
Energy				
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	172		7, 8, 12, 13
	302-2 Energy consumption outside of the organization	172		7, 8, 12, 13
	302-3 Energy intensity	172		7, 8, 12, 13
	302-4 Reduction of energy consumption	172		7, 8, 12
Biodiversity				
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	165		14, 15
	304-2 Significant impacts of activities, products, and services on biodiversity	162		14, 15
	304-3 Habitats protected or restored	165		14, 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	-	Not applicable to the organization	

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Waste				
GRI 306: WASTE 2020	306-1 Waste Generation and significant waste-related impacts	174		-
	306-2 Waste by type and disposal method	174		3, 6, 12
	306-3 Waste generated	174		-
	306-4 Waste not directed for final disposal	174		3, 12
	306-5 Waste directed to final disposal	174, 175		-
Occupational health and safety				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	120		-
	403-2 Hazard identification, risk assessment, incident investigation	122		-
	403-3 Occupational health services	123		8
	403-4 Worker participation, consultation, and communication on occupational health and safety	124		8
	403-5 Worker training on occupational health and safety	124		-
	403-6 Promotion of worker health	120		-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to Iguá's products and services	120		-
	403-8 Workers covered by an occupational health and safety management system	120		-
	403-9 Work-related injuries	125		-
	403-10 Work-related ill health	125		-

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Training and education				
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	115		4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	114		8
	404-3 Percentage of employees receiving regular performance and career development reviews	115		5, 8

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Remuneration				
GRI 102: GENERAL DISCLOSURES 2016	102-35 Remuneration Policies	116		-
	102-36 Process for determining remuneration	116		-
	102-37 Stakeholders' involvement in remuneration	116		16
	102-38 Annual total compensation ratio	116		-
	102-39 Percentage increase in annual total compensation ratio	116		-
	102-41 Collective bargaining agreements	116		8

MATERIAL TOPICS

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
HUMAN RIGHTS				
Approaching material themes				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	118		16
	103-2 The management approach and its components	118		16
	103-3 Evaluation of the management approach	118		16

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Diversity and Equal Opportunity				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees:	110		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	110		5, 8, 10

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Employment				
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	108		5, 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	108		-
	401-3 Parental leave	108		5

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Local Communities				
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	128		-
	413-2 Operations with significant actual and potential impacts on local communities	128		1, 2

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Human rights				
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-1 Operations that have been subject to human rights review or impact assessments	118		8
	412-2 Treinamento de funcionários sobre políticas ou procedimentos de direitos humanos	119		-
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	119		-

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Non-discrimination				
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	118		5, 16
Child labor				
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	119		-
Forced or compulsory labor slave-like				
GRI 409: TRABALHO FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	119		8
ETHICAL AND INTEGRITY				
Approaching material themes				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	43		16
	103-2 The management approach and its components	43		16
	103-3 Evaluation of the management approach	43		16
General				
GRI 102: GENERAL DISCLOSURES 2016	102-16 Values, principles, standards, and norms of behavior	43		16
	102-17 Mechanisms, advice and whistleblower system and monitoring on organizational ethic and integrity	47		16
Anti-corruption				
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	47		16
	205-2 Communication and training about anti-corruption policies and procedures	48		16
	205-3 Confirmed incidents of corruption and actions taken	48	In 2020, no corruption incidents were identified	16

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
ECONOMIC PERFORMANCE				
Approaching material themes				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	56		16
	103-2 The management approach and its components	56		16
	103-3 Evaluation of the management approach	56		16
Economic performance				
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	60		2, 8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	63		13
	201-3 Defined benefit plan obligations and other retirement plans	112		-
	201-4 Financial assistance received from government	63		-
Indirect Economic Impacts				
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	58, 74		2, 9
	203-2 Significant indirect economic impacts	54		2, 3, 8, 10, 17
General				
GRI 102: GENERAL DISCLOSURES 2016	102-29 Identifying and managing economic, environmental, and social impacts	60		16
	102-30 Effectiveness of risk management processes	56		-
	102-45 Entities included in the consolidated financial statements	54		-
Suppliers				
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	63, 145		12

STANDARD	CONTENT	PAGE(S)	INFORMATION AND REASONS ON THE OMISSION	ALIGNMENT WITH THE SDGS
Tax				
GRI 207: TAX 2019	207-1 Approach to tax	57	-	-
	207-2 Tax governance, control, and risk management	57	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	57	-	-
UNIVERSALIZATION OF BASIC SANITATION				
Approaching material themes				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	96	-	16
	103-2 The management approach and its components	96, 104	-	16
	103-3 Evaluation of the management approach	98	-	16
Organizational profile				
GRI 102: GENERAL DISCLOSURES 2016	102-7 Scale of the organization	96	-	-
Water, effluents, and waste				
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	102	-	6
	303-2 Management of water discharge-related impacts	102	-	6
	303-3 Water withdrawal	103	-	6, 8, 12
	303-4 Water discharge	103	-	-

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