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2020 Sustainability Report

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Versare means to turn, to change, to go around. The prefix *con* tells us that we have to do it together. So, to converse implies the existence of a group of people who exchange words and questions, who seek answers and decide together which direction to take.

At a time when monologues prevail, Aqualia is committed to talking and pooling knowledge and opinions that will enable us to build bridges between everyone.

Would you like to join in the conversation?

understand
Words enable us to understand each other,

flow
to enable life to flow like water.

converse
After listening to us, it is time to converse.

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Would you like to know more?

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"Our experience and results guarantee our ability to respond to the demands of citizens and authorities and ensure that water is not a problem anywhere in the world"

During the most difficult period of lockdown, Aqualia's employees set an example of dedication and vocation to service to ensure that we always had water at home. Whether being exposed to the virus on the front line or working remotely from their homes, they completed the essential mission of guaranteeing water and sanitation as essential goods and services. Among the many lessons learned, the pandemic confirmed for us that, in order for us to be healthy, we also need a planet that is healthy, and we are all responsible for making this happen. At Aqualia, listening to the environment is always at the forefront, thereby ensuring fluid conversation with society and allowing us to share what we learn as we travel together along the path heading to the future.

Let's talk...

Félix Parra
Aqualia CEO



The pandemic established the agenda for the whole of society in 2020. What were the main challenges for Aqualia in this scenario?

The situation tested our ability to react and adapt. Right from the very beginning, the company's main concern was to ensure that the water supply and sanitation service was available to all citizens in all municipalities, while at the same time ensuring the health and safety of our employees. We have also remained at the disposal of the authorities and public administrations to help contribute to detecting the virus in wastewater. Our employees have always shown that they are highly dedicated to public service; and today we can say that, thanks to this spirit of public service, we have managed to respond to the problems that have arisen within our scope of action due to one of the greatest challenges that humanity has ever faced.

The challenges we took on were very significant. One example of these challenges was being able to launch the service in thirteen municipalities in Colombia, in the midst of a pandemic, where we were already providing service to over 450,000 inhabitants. The start-up was completed remotely for the very first time, with a team of professionals in lockdown in Spain, Panama, the United States and Colombia who provided support to 450 local employees. Their work is proof of the resilience of both the company and its members. It also clearly showed that the digital transformation plays a key role in water management.

How can we combine this new reality, marked by the challenges created by the coronavirus, with the long-term strategy and purpose linked to sustainability that you had already outlined?

Aqualia seeks to provide environmental, social and financial solutions that are feasible and acceptable, and it strives to provide high-quality service in all phases of the end-to-end water cycle, while preserving water resources and the environment and improving management efficiency. We do this according to the four cornerstones on which our strategy is based: international growth, financial profitability, the integration of all areas in the value chain and the sustainability of our business model. 2020 highlighted the importance of protecting the environment as a key factor in the health of the planet and its inhabitants. It has been shown that degradation of the ecosystem is a catalyst for the spread of viruses that cause pandemics like the one we are experiencing today.

Despite the difficulties caused by COVID-19, we are working on more than twenty R&D&i projects related to the transformation of waste into resources, the circularity of water and carbon neutrality. A good example of this is the H2020 Mides project, which has developed a unique desalination system in the world that has no energy cost, given that it is supplied by its own energy coming from wastewater treatment. Or the *Life Metamorphosis* project, which can reduce energy demand by up to 73% and the CO₂ emissions associated with the process by 80%.



The company's strategy and purpose have, for years, been guided by a master plan called the 2030 Agenda. In 2020, the Strategic Plan followed the foundations of ESG. Why did you decide to adopt them? How is Aqualia preparing to respond to the demands of society while at the same time responding to those of its shareholders?

Although Aqualia's global outlook points to 2030, our long-term plans are compatible with specific short- and medium-term objectives that will enable us to measure the impact of our actions. The 2021-2023 Strategic Sustainability Plan, on which we have been working intensively this year, is based on adapting to and minimising climate change, on culture and the well-being of people, on ethics and on social impact. The plan also advocates promoting technology for integrated management, communication and strategic alliances as areas that promote change and the transition to sustainability. The implementation of this plan represents a milestone for the company, given that it defines projects, actions and performance indicators that allow measuring Aqualia's contribution to meeting the Sustainable Development Goals in each of these lines of work. Today the traceability that this plan provides is more necessary than ever, not only to measure our progress and be accountable to the Board of Directors, but also to respond to society's demands and be able to continuously improve.

Following this ambition, in December 2020 Aqualia became a full member of the Global Compact, after a period of indirect membership as a part of FCC Group. This way the company has been integrating horizontally, for several years now, the commitment with the Ten Principles as a basic pillar for our decision-making process.

The approval of the 2021-2023 Strategic Sustainability Plan is a milestone that will allow us to chart and measure our contribution to achieving the SDGs

2020 was a very complicated year, in which we had to address the health emergency without neglecting the climate emergency, about which citizens and institutions are so concerned. Clearly this trend of concern for the environment is globally unavoidable, with numerous examples to choose from, including the sustainability criteria for aid for European reconstruction and the Climate Change Law. It is imperative that we adapt to the effects of climate change, as well as prepare the economy for the challenges we will face in upcoming years. With the promotion of green financing and other instruments that will facilitate the transition to the new system, Aqualia is committed to accelerating this unstoppable and necessary transformation.

Responding to water scarcity while meeting the growing demand for supply and sanitation, fighting the climate emergency, reducing our water and carbon footprint... What are the company's biggest challenges when it comes to meeting environmental goals?

Speeches on sustainability often focus on reducing emissions. Clearly, decarbonisation is essential, but there will be no *Green Deal* without a *Blue Deal*: without responsible management of the water cycle. Becoming more sustainable is a major long-term challenge, and at Aqualia every day we are taking steps towards that ultimate goal, working on the management of more than five thousand installations (water treatment plants, desalination plants, tanks, pumping stations, treatment plants). The experience gained from many years of work shows that public-private collaboration is the best option for responding to the growing demand, not only for the supply of water and improved quality, but also for the sanitation service. It is a question of reaching major goals, such as 100% circularity of water, efficiency and investment in high-performance infrastructures, or the implementation of technology for smart cities applied to the water cycle.

When Aqualia works in coordination with public administrations, the results are excellent. The Balearic Islands are a clear example of this. We installed a new surveillance and remote control system for the high-pressure drinking water distribution network on the island of Ibiza. The system monitors the interconnection of the three desalination plants, and it has allowed us to optimise operations and considerably increase the performance of the networks, while reducing the breakdown rate by half, improving efficiency and helping to combat water scarcity.



“

We have the duty to take advantage of all the possibilities that technology offers in order to improve the service we provide to citizens”

The coronavirus has shown the interdependence of human beings and the importance of caring for and reinforcing the common good, which we also do through our work. What have you learned from employees and suppliers during these months?

A large part of the Aqualia workforce worked on the front line during the toughest months of the pandemic. At the beginning of lockdown, water supply and wastewater sanitation services were deemed to be essential services in order to guarantee suitable levels of health and hygiene. We are very proud of the recognition we received from the population, which valued our work very highly, and from various entities such as iAgua, which in 2020 awarded us with the Best Company prize.

Despite the circumstances, our hard work to ensure the well-being of our employees was successful. The *Be Aqualia* plan, which encompasses our entire HR policy, was reinforced during these months through various significant actions. We should point out, for example, the renewal of our certificate as a Family Responsible Company. The pandemic and telecommuting tested not only the measures implemented to achieve work-life balance – 86% of our employees think that positive steps have been taken over the last three years in this regard – but also the fluidity of our communication channels with users and employees. We are people who take care of people, and our employees have proved this.

How do you continue to build a company that you are proud of, while also making it increasingly inclusive and diverse?

It is essential to listen to your employees, while at the same time facilitating fluid conversation between everyone, where empathy is the common denominator, not only with employees but also with customers and suppliers. To achieve this, Aqualia gives top priority to assessing the degree of satisfaction of employees and customers through participatory listening. The surveys conducted revealed that a high percentage of end customers and institutional customers are satisfied with the service provided: 81.4% and 83.3% in Spain, respectively, and over 88% in other countries (such as France and Portugal).

In view of the exceptional circumstances experienced in recent months, it is also necessary to highlight the role that the business sector can play in building fairer societies where no one is left behind. With this in mind and within its field of action, Aqualia is working with municipalities so that anyone who needs access to water, has it: In 2020 we maintained almost 200,000 beneficiary contracts, through tariffs, vouchers and subsidies, in Spain and internationally.

Communicating the desire to improve is one of the gestures that citizens value the most when it comes to believing in the honesty of a company. What aspects would Aqualia like to improve?

Surveys show that our customers highly value our work, but also that there is room for improvement, and we need to work on this. We try to be honest without ceasing to be demanding, and the results obtained show us the areas in which we need to work the most. We are especially proud of the fact that our staff services office has the highest percentage of satisfaction (85.2%), and we are also proud of the high rating given to the Aqualia contact channel (97%). In a year in which remote service played a leading role, our app was used by 27% more users.

As we work to raise these percentages, we are also listening to other stakeholders and suppliers. According to the latest *Global Water Intelligence (GWI)* ranking, we are the fourth-largest water management company in Europe and the ninth in the world by population served, providing service to almost 30 million people in

17 countries. These data endorse our ability to respond to the demands of governments anywhere in the world. Our presence at the conference table is necessary to be able to provide solutions where public administrations, due to their own idiosyncrasies, are unable to reach decisions with the agility demanded by citizens.

The pandemic has accelerated the digital transformation in all sectors, including yours. Smart cities, data analysis and processing, etc.: Aqualia had already integrated this technology into its strategy. What are the main objectives as far as the digital transformation is concerned?

Technology offers new opportunities to improve services for citizens and strengthen all our action guidelines. During the 2020 business year we modified our digital transformation programme and redirected our priorities. As an example, we ventured heavily on developing and deploying the *Water Analytics (WA)* tool to manage water more intelligently in cities and thus reduce the water footprint, and we implemented systems that optimise meter reading times. Regarding this point alone, during the last business year we invested close to two million euros in the development of technological tools.



“Thanks to our employees’ dedication to public service, we managed to rise to the occasion in a very difficult year”

Your company is working with other large entities to develop projects that, within the end-to-end water cycle, are driving the company towards the goal of being carbon neutral by 2050, as well as achieving 100% water circularity, among other measures. Where do you see the greatest technological transfer? What projects represent the greatest response to the challenges facing the 2030 Agenda and citizens?

Aqualia is a promoter of global health, given that guaranteeing access to water and sanitation reduces disease, increases life expectancy and improves health indicators, especially in those countries and areas that are most vulnerable. The great challenge is also to ensure that Wastewater Treatment Plants (WWTP) become true biofactories and actively contribute in the fight against the climate emergency. This is why we value wastewater as a raw material, and we are consequently developing lines of research to recover materials, transform waste and convert organic matter into by-products that can have a new life.

There has been significant technological transfer in all these processes. Years of research have brought truly enriching results, and Aqualia is working to include them in the proposals we make to public administrations. As a whole, all this work is an important asset that we can place at the service of citizens and that enables society as a whole to advance towards the common goal established in the 2030 Agenda.

We are well into the Decade of Action. Beyond the laws and requirements demanded by public administrations, Aqualia is undertaking great work that has a social impact and involves social commitment. What are your main ambitions?

The decade is beginning now, but Aqualia has already been taking action for a number of years. The road we are taking requires the commitment of workers, who have shown in recent months that they are committed, and of citizens, who have placed their trust in us, but our business activity also depends on the willingness of institutions. As an example, since July 2018 Spain has paid a European Commission sanction of 10 million euros every six months for non-compliance with Directive 91/271/EEC concerning urban wastewater treatment. Aqualia, which is responsible for managing over 800 treatment plants, could help solve this problem and avoid those fines, as well as contribute more to the health of the environment. We are all in service to the same society and need to care for the health of the same planet, and we should all be a part of the same conversation. This is just one example: contributing to building a more solid and efficient social infrastructure that is adapted to the needs of citizens is a global task. It is a titanic challenge, but Aqualia has the determination and the ability to respond.

Aqualia's horizon

- Business Model and Strategic Outlook
- Value creation, the best starting point
- Water circularity and management of the end-to-end cycle
- 2020 growth in numbers
- What the pandemic could not stop: Key milestones in 2020 and the response to COVID-19
- Aqualia's presence in Spain and in the world

It is in the middle of a storm when sailors show that they know how to sail. As a benchmark entity that guarantees access to water, the pandemic reinforced Aqualia's commitment to guaranteeing efficient, sustainable and fair management everywhere on the planet.

What is Aqualia here for?

"Good management of water not only represents a good service for citizens with regard to each and every one of the phases of the water cycle, but it also contributes to the generation of wealth and has a positive impact on society as a whole"

AQUALIA EMPLOYEE



Our identity: Business Model and Strategic Outlook

Aqualia collaborates with Public Administrations, city councils and municipalities to guarantee access to water in accordance with the Sustainable Development Goals.

Aqualia is one of the main international specialist operators seeking efficient answers and solutions to the different countries' needs with regard to water supply, sanitation and purification.

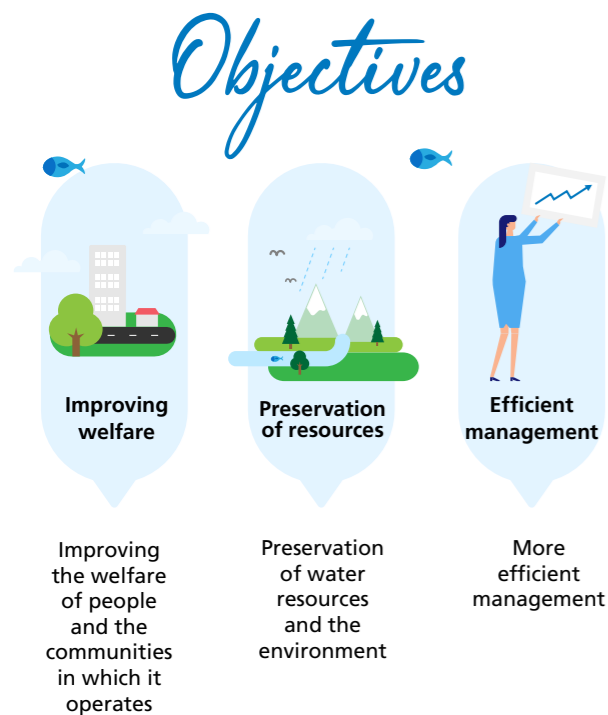
Wherever it is present, the company improves access to water and sanitation and optimises this scarce resource, contributing technical solutions and providing high-quality services in all phases of the end-to-end water cycle.

Aqualia's business model focuses on the management of its activity in specific geographical areas, where its actions are always guided by the objective of sustained and sustainable growth. To achieve this, the company's criteria are the achievement of reasonable profitability and the integration of all its capabilities in all areas of the water cycle value chain.

This is what makes Aqualia a benchmark company that collaborates with Public Administrations, city councils and municipalities to guarantee access to water, in accordance with the Sustainable Development Goals established by the UN and with the existing legal frameworks in each geographical area.

To meet its commitment to society, the organisation is fully integrated into the different regions where it operates, endorsing the unique characteristics and needs of the communities that inhabit them. Aqualia encourages people around it to be better informed and aware of environmental and social problems relating to water management.

Whether through educational tools, by promoting sports or supporting organisations that defend causes within its sphere of influence, Aqualia acts as a transforming agent, always with an eye towards improving the quality of life for each community where it has a presence.



Main collaborators in the end-to-end management of the water cycle

Municipalities Municipal associations Regions Communities Governments

These should guarantee *universal access to water*

Aqualia collaborates to provide this public service with full satisfaction



Business model

Geographical areas



Municipal concessions for the management of the end-to-end water cycle public service

Aqualia's main activity is to ensure access to water through the management of public services such as abstraction, treatment, purification, distribution, sanitation and purification, as well as analysing the quality of the water.



Infrastructure concessions in BOT model contracts¹

Aqualia designs, builds, finances and operates long-term infrastructures, treatment plants (purification, filtration and desalination) or re-use installations.



O&M services

The company operates, maintains and exploits infrastructures.



EPC Models

Aqualia creates design and construction projects (Engineering, Procurement and Construction).

Aqualia focusses on certain geographical territories to avoid dispersion and to take advantage of synergies in:

Europe

Especially in municipal concessions, by maintaining high rates of renewal of their contracts and by taking advantage of opportunities that may appear both in organic growth and in acquisitions that contribute value.

Latin America (LATAM)

By consolidating long-term contracts for both municipal concessions and infrastructure concessions as well as iconic design and construction projects.

Middle East and North Africa (MENA)

By developing a consolidated position in infrastructure concession and O&M contracts with high added value.



Main strategic axes

International growth and expansion that responds to global needs for clean water and sanitation for everyone, with the appropriate human resources and technology.

Financial profitability that enables reasonable and sustainable growth.

Integration of all areas of the value chain into the water cycle.

¹ BOT: Build, Operate and Transfer.

Value creation, the best starting point

Aqualia's value creation model is based on the business model. This model follows a sequence from the entry of key assets, which Aqualia manages or owns, to the way in which Aqualia adds value to these assets. This is how value is created for all the interested parties. All elements of the business and the value created for our shareholders are explained in this annual report.



Specialised global experience in the management of the end-to-end water cycle

People committed to client orientation and to the objective

Ethics and integrity in business management

High-quality and efficient service

NATURAL CAPITAL

SDG 6.1

Drinking water collected for management (m³)
924,153,976 ↑ 8.3%

Consumed energy (GJ)
4,564,397 ↑ 7.6%

FINANCIAL CAPITAL

SDG 8.1

EBITDA
€282.93 Million ↑ 0,43%

HUMAN CAPITAL

SDG 8.1

Employees
10,525 ↑ 10.7%

Women in the workforce
1,963 ↑ 7.6%

Employees with indefinite contract
8,029 ↑ 9,5%

Environmental involvement, awareness and dissemination

Solvency and financial consistency

Social involvement

Innovation

CAPITAL STOCK/RELATIONAL CAPITAL

SDG 6.b

Investment in social actions in communities
€2.9 Million ↑ 7.4%



Capitals

from some values...

INDUSTRIAL CAPITAL MANAGED

SDG 11.1
SDG 12.2

Km of supply network
46,370 ↑ 0.8%

Drinking water tanks
2,855 ↑ 4.6%

Drinking water pumping stations
1,191 ↓ -0.2%

Km of sewage network
34,786 ↑ 2.7%

Drinking water treatment plants (DWTP)
238 ↑ 9.2%

Wastewater treatment plants
827 ↓ -3%

SWDP
26 ↑ 4%

TECHNOLOGICAL CAPITAL

SDG 6.4

Total investment in technology
€1,603,839 ↑ 424%

Measuring equipment
€160,180

INTELLECTUAL CAPITAL

SDG 6.4

R&D **€5,124,362** ↑ 19.4%

Active projects **21** ↑ 5%

Patents in force² **17** ↑ 30%

² These include 12 patents, 4 trademarks and a utility model. 4 of them were awarded in 2020.

Aqualia's leadership position has been strengthened by the current context, which is very positive for the sector, due to expected regulatory development and the adaptation of the different countries to current environmental regulations. To this should be added the new opportunities arising from the need to improve the efficiency of the urban water cycle and to renew the infrastructures that accommodate it.

Value created and shared

ENVIRONMENT

SDG 12.2
SDG 13.2

Purified water returned to its natural environment
631,518,905 m³
↑ 8.8%

Carbon Footprint Calculation
480,043 Tn CO₂ eq
↑ 13.03%



CLIENTS, USERS AND COMPANIES

SDG 6.2

Access to water for users
29.6 Million ↑ 16%

Drinking water produced
664,214,708 m³ ↑ 5.8%

No. of drinking water quality controls
1,019,780 ↓ -11%

Rating of Customer Service
81.4%
↑ 3 pp compared to 2018

Quality of Customer Service:
Complaints index
0.32% Spain
1.40% international



IMPACT ON SOCIETY

SDG 8.1
SDG 16.5

Economic value generated
€1,266.02 Million ↑ 0.28%

Economic value distributed
€1,051.22 Million ↓ -8.42%

Capital suppliers and shareholders
€50.33 Million ↓ -62.75%

Payments to suppliers
€648.33 Million ↑ 0.51%

Government taxes
€42.06 Million ↓ -45.9

Implementation of good governance as a result of the compliance model
100% in companies owned by Aqualia



COMMUNITY ACCESS TO WATER

SDG 6.1

Help the most vulnerable:
139 Cáritas charity centres benefitted with **€55.390**

Collaborative outlook:
Dialogue with **+50** Spanish and international sectoral associations

Access to drinking water and sanitation:
191,953 benefited through tariffs, bonuses or subsidies



EMPLOYEES

SDG 4.3
SDG 8.3

Employee training
€614,941 ↓ -32%

Salaries and benefits
€309.2 Million ↑ 7.11%



The particular situation experienced in 2020 led to the interested parties being listened to more actively: Public Administrations, users, employees, consumer organisations, NGOs, suppliers, the media and shareholders, and there was an increase in information provided online. In those difficult times, Aqualia opted for a constant, useful and responsible communication strategy with the citizen by means of its digital channels. Some examples of the most dynamic channels in the year are the following:

Stakeholders



Aqualia: Listens and dialogues with all interested parties

EMPLOYEES

Employees surveyed in 2020 on the Voice of the Employee:
545 employees

100% of those interviewed consider that Aqualia responded suitably or very suitably to COVID-19

86% felt that in the last 3 years progress has been made with regard to work-life balance



INSTITUTIONAL CLIENTS AND PUBLIC ADMINISTRATIONS

Interviews with institutional clients

24 persons in charge of local administrations were interviewed by telephone

4.12 out of 5 satisfied with the service provided by the company

Through initiatives such as StepbyWater, the Global Compact, the Diversity Charter and more than fifty associations, Aqualia contributes through alliances to meet the Sustainable Development Goals



SHAREHOLDERS

Boards of directors, committees and regular meetings, management reports and other internal documents

Information flashes, corporate networks, etc.



CLIENTS, USERS, COMPANIES AND SOCIETY



On social networks there was a significant increase in the numbers following Aqualia accounts during 2020:

Twitter (@aqualia)
6,100 followers ↑ 26%

LinkedIn
17,500 followers ↑ 90%

Corporate website (www.aqualia.com)
2.6 Million visits, mainly in matters relating to the management of Customer Service

+2 minutes average duration of connections

YouTube (https://www.youtube.com/user/aqualiaGestion)
500,000 views
↑ 49%

2020 Satisfaction Survey for clients in Spain and France:

140,033 contacts by phone
1,500 surveys
47,727 online surveys sent
1,825 replies received

Rating of the service provided
↑ 81.4% Spain
↑ 88.1% France

Surveys on Aqualia contact

6,287 surveys (Spain)
↑ 97% of users satisfactorily rated these channels

Complaints index on Aqualia contact:
0.32% Spain
1.40% international

No. of complaints:
16,180 received
Response time:
10 days in Spain
11 days internationally

Water circularity and management of the end-to-end cycle



Priority commitments for its activity



Corporate commitments

E+ Water-energy interaction

6 12
Drinking water treatment plants (DWTP)
238 ↑ 9.2%

3 6
Drinking water produced
664.2 Million m³ ↑ 5.8%

6 12 14
Desalination plants managed
26 ↑ 4%

6
Water consumed in the purification and desalination process
176.4 Million m³ ↑ 20.4%

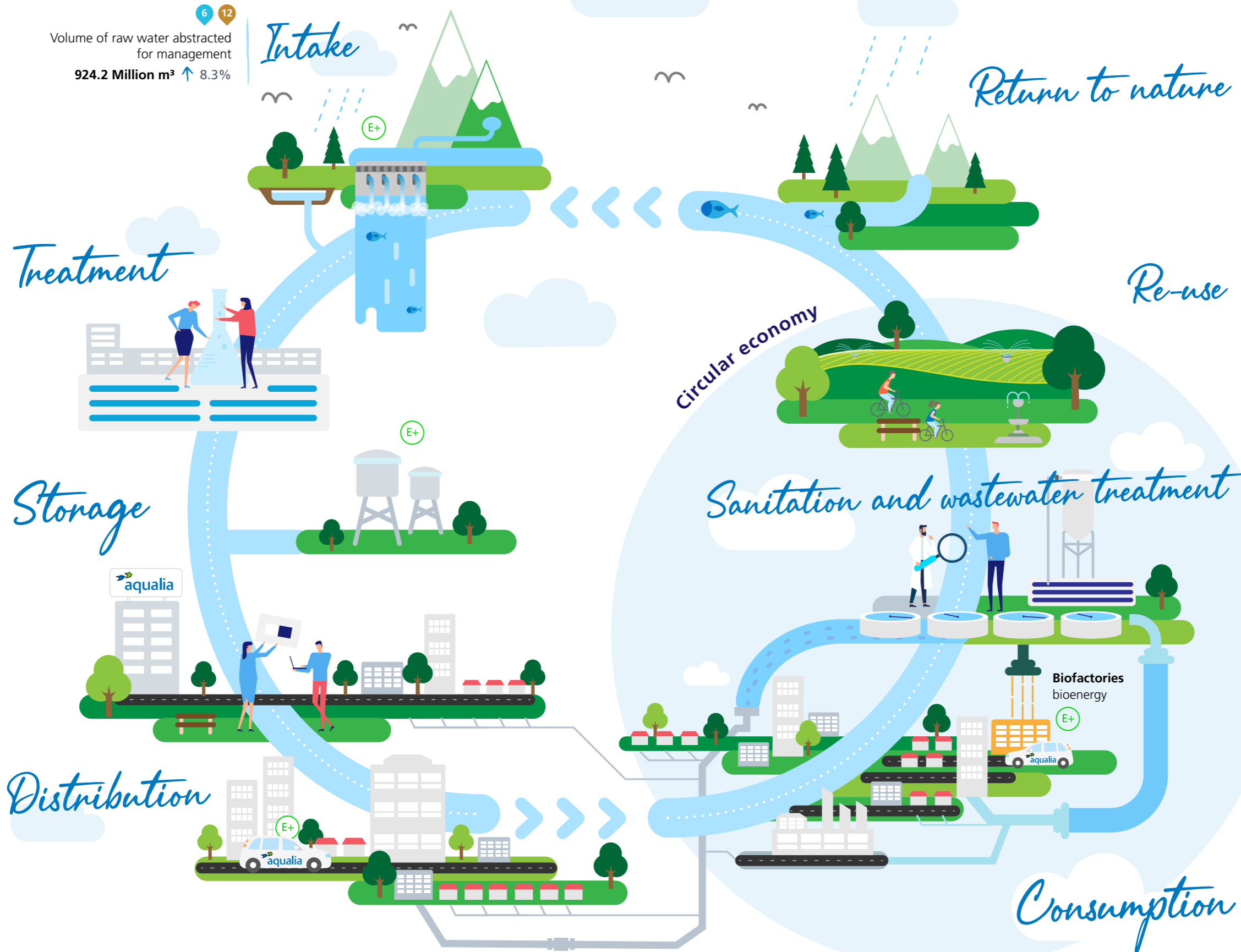
6
Drinking water deposits/tanks
2,855 ↑ 4.6%

3 6
Water quality: Parametric settings
1,019,780 ↓ -11%

6 11
Supply network
46,370 km ↑ 0.8%

3 6 11
Water distributed
673.7 Million m³ ↓ -0.1%

6 11
Drinking water pumping stations (DWPS)
1,191 ↓ -0.2%



6 14 15
Purified water returned to its natural environment:
631.5 Million m³ ↑ 9.0%

6 12
Re-used water
56.4 Million m³ ↑ 10.9%

6 7 9 12 13
Wastewater treatment plants
827 ↓ -3.0%

6 9 12 13
Treated water
687.9 Million m³ ↑ 9.0%

6 12
Sewage network
34,786 km ↑ 2.7%

3 6 11
Total citizens served
29.6 Million ↑ 16%

2020 growth in numbers

In 2020, despite the impact produced by the COVID-19 agenerated globally, compared to 2019, by 0.28%. And, even though turnover in Spain decreased by -2.49%, international business increased by 5.62%. This is why the percentage of the international share over Aqualia's total business shows an increase of 34%.



↑ 5.62%
International business
increased compared
to 2019

Direct economic value generated (total consolidated for the group) Thousands of €

	2019	2020
Net business revenue	1,186,881	1,188,348
Other operating income	38,012	39,731
Financial income	37,579	37,940
TOTAL DIRECT ECONOMIC VALUE GENERATED	1,262,472	1,266,019

Perimeter: FCC Aqualia Law.

Economic value distributed Thousands of €

	2019	2020
Operating costs	645,069	648,329
Procurement	475,302	474,435
Other operating expenses	169,781	173,888
Changes in inventory of finished products and those being manufactured	-14	6
Employee wages and benefits	288,689	309,205
Staff expenses	288,689	309,205
Capital suppliers	135,103	50,331
Dividends	90,000	0
Financial expenses	45,800	47,405
Change in fair value of financial instruments	285	0
Differences in exchange rates	-982	2,926
Payments to governments (taxes)	77,744	42,056
Corporate income tax	45,905	33,338
Other tax payments (except VAT)	31,839	8,718
Investments in the community	1,022	1,297
Donations and other investments in the community	1,022	1,297
Donations and sponsorships		
TOTAL ECONOMIC VALUE DISTRIBUTED	1,147,627	1,051,218

Economic value withheld Thousands of €

	2019	2020
Total economic value generated	1,262,472	1,266,019
Total economic value distributed	1,147,627	1,051,218
TOTAL ECONOMIC VALUE WITHHELD	114,845	214,801

Breakdown of taxes by country Thousands of €

Country	Corporate income tax	Other taxes	Total
Saudi Arabia	189	0	189
Algeria	2,104	673	2,776
Bosnia	1	0	1
Colombia	806	1,509	2,315
Ecuador	47	24	71
Egypt	1,732	160	1,892
UAE		19	19
Spain	23,251	3,630	26,882
France	434	1,358	1,791
Italy	731	37	769
Kosovo	12	8	19
Mexico	145	209	354
Panama	12	3	15
Portugal	269	54	324
Czech Republic	3,547	1,056	4,603
Romania	-10	5	-5
Tunisia	16	-27	-11
Uruguay	51		51
GENERAL TOTAL	33,338	8,718	42,056

Grants Million €

	2019	2020
Total subsidies³	35.3	14.2
Amount of operating grants for R&D&i projects	2.1	2.9
Amount of capital grants for R&D&i	0.2	0

It should be noted that in 2020 a total of €5,124,362 was invested in R+D+i to respond to the global challenges facing the market and the water sector, which represented a growth of 19% over 2019.

Furthermore, the increase in equity produced throughout the year for an amount of net income after taxes similar to that of the previous year, led to a two point decrease in the return on equity⁴, going from 19.20% in 2019 to 17.03% in 2020. The level of indebtedness at the end of the year stood at 51.42%.

³ Amount received in public subsidies.

⁴ ROE: Profit after taxes on net assets.

What the pandemic could not prevent: Key milestones in 2020 and the response to COVID-19

Despite the outbreak of the pandemic in March, Aqualia continued with its activities to guarantee access to water, as well as implementing protocols for sanitary controls of the sanitation network and measures for the welfare of its employees in the workplace.



March

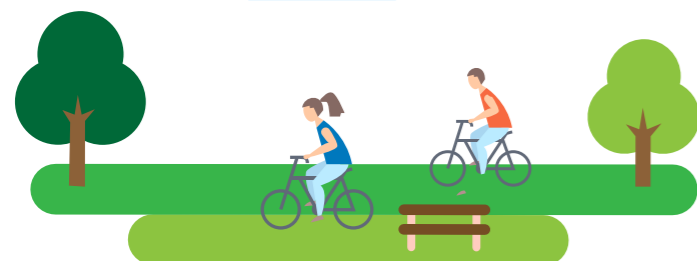
- Aqualia faced the COVID-19 with solidarity, adaptation and a vocation for service.
- New contract to manage the cleaning and maintenance services for Zaragoza's sewerage network.
- The company activated the Contingency Plan for health emergencies, including protection measures aimed at clients and employees, including: The preparation of technical guidelines on protection measures and the suspension of supply cut offs in the event of non-payment by users.
- All branches were closed and new electronic management tools were made available to clients.
- Acquisition of the assets of the SWDP in Mar de Alborán, in Almería, a territory with high water stress, contributing a turnover of €15.9 Million/year.
- Launch of the first measures to adapt to the situation as a result of COVID-19. The implementation began of a number of Contingency Plans, adapted to the situation at any given time.

January

- The University of Almeria and Aqualia teamed up to disseminate and research the water cycle.
- The company joined the International Federation of Private Water Operators (Aquafed).
- Aqualia acquired 51% of the Qatara and Haaisco companies from the prestigious Saudi Arabian group Ali Reza.

February

- New contracts to provide purification services to more than 130,000 people in the Aragon region.
- The Aqualia team received more information on ethics and integrity.

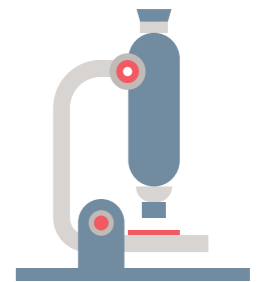


April

- Aqualia was voted "Best Company of 2019" by the readers of iAgua, the leading medium in the sector in Spain and Latin America.
- A globally unique bio sanitary protocol against COVID-19 enabled the resumption of work on the Salitre WWTP in Bogota (Colombia).

May

- The Badajoz Water Service achieved the highest rating in the European Benchmarking Cooperation (EBC).
- The Association of Communication Managers (DIRCOM) distinguished Aqualia's CSR Report as one of the three best of the year.



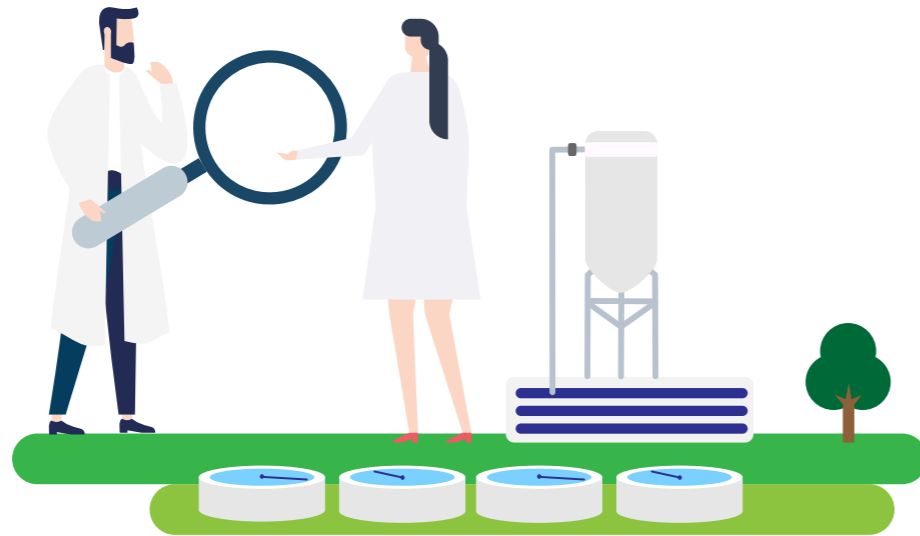
June

- Launch of the StepbyWater initiative together with other large companies, the public sector and some NGOs. This was the first major alliance formed in Spain to develop United Nations SDG 6. The initiative was supported by the Government of Spain.
- ACUAES once again entrusted Aqualia with the management of Zaragoza's water supply capture.
- Certification of the Asset Management System by AENOR. Scope: Management of the end-to-end water cycle in the port area through its subsidiary Oman Sustainable Services Company.
- Aqualia initiated the water service for 450,000 users, for 12 concession contracts in the Department of Córdoba, as well as the management of the municipality of Villa del Rosario, Colombia.



July

- Ecosistemas Morelos (EMSA) was purchased enabling the company to strengthen its presence in Mexico.
- A new edition of the "Switch to e-billing" campaign resulted in over 450,000 users subscribing to Aqualia's digital billing service.
- Aqualia was awarded the design, construction and operation of an industrial effluent treatment plant in Tarragona.



October

- Recognition of best practices in preventive culture in Aqualia's contracts.
- The documentary Brave Blue World, featuring Aqualia's All-gas project, was premiered and is available on Netflix in 191 countries.
- The El Salitre WWTP at 92% completion. Despite the difficulties caused by the pandemic, construction continued on a wastewater treatment plant planned for a flow of 7 m³/second, equivalent to 250 Olympic swimming pools/day.
- Aqualia launched a custom website for 450,000 users in Colombia.

November

- Aqualia's Advisor project was included among the 101 most innovative initiatives in 2020 to tackle climate change.
- The municipality of Lleida and Aqualia created a Social Solidarity Fund to guarantee access to water for families at risk of exclusion.
- In collaboration with several Italian regional governments and in alliance with the University of Palermo, Caltaqua launched a programme for the early detection of the SARS-CoV-2 virus by sampling and analysing wastewater.



August

- The Aqualia-led Mides project operated in Dénia (Alicante) and Guía de Isora (Santa Cruz de Tenerife), the world's first two desalination plants with no external energy consumption.
- An agreement was signed for supply to the municipalities of Guía de Isora and Santiago del Teide in Tenerife through the Fonsalía desalination plant. With a capacity to produce 14,000 m³/day and ready to increase to 21,000 m³/day.
- New patents were registered for more efficient water management. With these new registrations, Aqualia now holds 17 patents. They are all focussed on the efficient use of water resources.



September

- The El Alamein plant (Egypt) was chosen as one of the three desalination plants of the year at the Global Water Awards.
- The IFM fund selected two projects submitted by Aqualia for its international programme of social and environmental grants.
- The Podhradí mini-hydroelectric water treatment plant, operated by SmVak, a subsidiary of Aqualia in the Czech Republic, reached a figure of 10 Million KWh of green electricity produced while avoiding the emission of 23,000 Tn CO₂ to the atmosphere.



December

- The campaign entitled "¿Quién hay detrás del agua que usamos en casa?" ("Who is behind the water we use at home?") developed by Aqualia in the context of COVID-19, was a winner at the European Excellence Awards (EEA).
- Aqualia joined the United Nations Global Compact as a full member.
- The concession contract for the city of Vigo was extended for 5 years. During this time, an ambitious €40.2 million investment plan for service improvements will be developed in the city.

Aqualia's presence in Spain and in the world

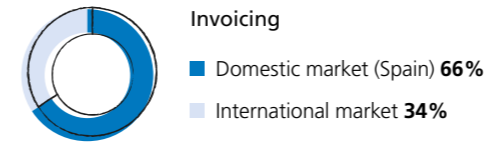
The Aqualia network currently serves over 29 million users in 17 countries.

17 countries | **29.6 Million users**

The company currently provides services to over 29.6 million people in 17 countries: Algeria, Saudi Arabia, Colombia, Chile, Ecuador, United Arab Emirates, Spain, France, Italy, Mexico, Oman, Portugal, Qatar, the Czech Republic, Romania and Tunisia.

#9 in the world | **#4 in Europe**

According to the latest Global Water Intelligence ranking (March 2021), it is Europe's fourth largest water company in terms of population served and ranks amongst the top ten worldwide.



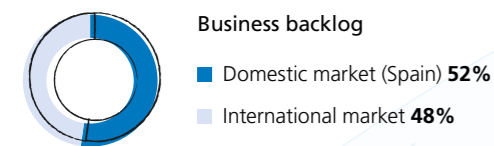
€1,188.35 Million invoicing

In the 2020 business year, the company had a turnover of €1,188.35 million. 66% of this corresponded to the domestic market (Spain) and 34% to the international market. Of these, invoicing in the different areas was as follows: Europe (15%), Latin America (5%) and the Middle East and North Africa (MENA) (14%).

Billing by area		
	2020	chg. 2019
Latin America	€57,255 Million	-34%
Middle East and North Africa (MENA)	€163,248 Million	+44%
Rest of Europe	€183,528 Million	+0.3%
Spain	€784,317 Million	-0.2%

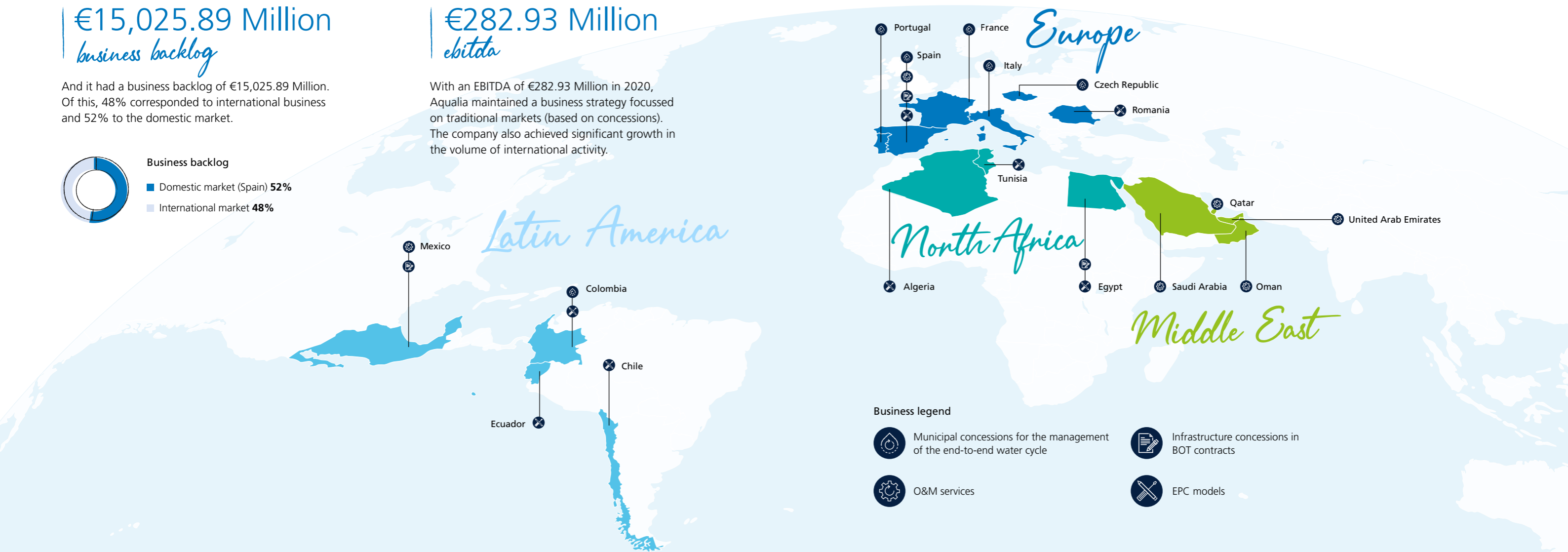
€15,025.89 Million business backlog

And it had a business backlog of €15,025.89 Million. Of this, 48% corresponded to international business and 52% to the domestic market.



€282.93 Million ebitda

With an EBITDA of €282.93 Million in 2020, Aqualia maintained a business strategy focussed on traditional markets (based on concessions). The company also achieved significant growth in the volume of international activity.



Business legend

- Municipal concessions for the management of the end-to-end water cycle
- Infrastructure concessions in BOT contracts
- O&M services
- EPC models

2020

Market in Spain

Change of government in Spain

Official declaration of the global pandemic due to COVID-19

Service in municipalities

↑ 600 

Extensions and renewals represent a backlog of €338,000 Million, close to 100%.



Invoicing in Spain

€784.32 Million
↓ -2.49% compared to 2019



Efficient operational management

Reinforcement in the reduction of variable costs (energy and water purchase) to reduce the drop in margins linked to the drop in consumption due to the pandemic.



This has made it possible to maintain EBITDA ratios

2021



With regard to the **Recovery, Transformation and Resilience Plan (Spain)**, sponsored with European Funds, transversal proposals **with the collaboration of public-private figures** are being developed (digitalisation and energy efficiency) as well as local and regional proposals, which will be presented in the first half of 2021.

Economic and legal context

Economic



According to the DBK sector report for the water distribution sectors, there is expected to be strong pressure on profitability:

- Companies in the sector are facing a growing need for investment as a result of environmental requirements and the processes for digital transformation and adaptation to new technologies.
- A concentration of income and higher operating costs due to the health crisis.

The development of technological innovations took on special significance, both for the proper maintenance of the network, and for the improvement of relationships with clients.

The protection of disadvantaged groups is also a priority, as a result of which several companies have announced a freeze in tariffs in 2021.

Legislation



Major developments in legislation are envisaged by Spain's Ministry of Ecological Transition and Demographic Challenge:

- Preparation of the Green Water Book
- Approval of the 2020-2030 Climate Change Adaptation Plan
- Approval of the 2020-2030 Energy and Climate Plan
- Submission to public information of the Water Treatment and Re-use Plan
- The Urban Water Cycle Committee was convened, with the presence of the Ministry, Business Associations, Trade Unions and Users, as the basis for a future Spanish Urban Water Observatory.
- Suspension of the application of the Budget Stability Law in 2021 and 2022, which will enable municipalities with cash surpluses to allocate the surpluses to making investments. This will speed up investments in the hydraulic field.

A Contingency Plan was also established to minimise any financial and non-financial impact that may arise from this crisis.

An amendment to the current Sector Agreement (2018- 2022), was signed with the Trade Unions, to set the wage increase in 2021 at 1.5%, halving that initially envisaged in the Agreement, given the extraordinary situation we are going through.

In 2020 Royal Decrees were also passed in Spain to protect the vulnerable population, including:

- Royal Decrees-Law 11/2020 of 31 March, 26/2020 of 7 July and 37-2020, of 22 December. These adopted urgent measures to address situations of social and economic vulnerability caused by the

pandemic. Guaranteeing the supply of basic services and establishing that the water supply may not be suspended for consumers catalogued as severely vulnerable or at risk of social exclusion, as defined in articles 3 and 4 of Royal Decree 897/2017, of 6 October.



Main projects and contracts in Spain in 2020

In Spain, Aqualia acquired the assets of the SWDP, irrigation ponds and distribution network for Mar de Alborán in Almería. This infrastructure, after the investment work for upgrading and initial operation to be carried out in 2021, will enable the distribution of desalinated water to the cities of Almería and Níjar and to the irrigation communities in the area. At full capacity, it will enable the distribution of 20 Hm³/year of water in a territory with high water stress, contributing turnover of €15.9 Million/year.

It should also be mentioned that Aqualia was awarded the contract for the design, construction and operation of an industrial effluent treatment plant at the Tarragona petrochemical estate, with a contract value of €35.6 million. The plant will have a capacity of 1,800,000 litres/hr 24 hours

a day. In its commitment to the integrated management of waste treatment, Aqualia initiated an experimental pilot plant last year to define the features of the future treatment plant.

It was also awarded the management of the supply abstraction for approximately, 800,000 citizens in 39 municipalities in Zaragoza, with the management of hydraulic installations that supply an average of 3 Million m³/day⁵.

Finally, there should be special mention for Aqualia's integration into the territorial and legal structure, for the contracts the company acquired in 2019, Agua y Gestión C.I., S.A.

⁵ ACUAES (Sociedad Estado de Aguas de las Cuencas de España), depending on the Ministry of Ecological Transition and the Demographic Challenge awarded this concession to Aqualia.

International market: Context and activity

In the international arena, Aqualia concentrated its activity during the 2020 business year in Europe, North Africa and the Middle East (MENA) and Latin America (LATAM). The same challenge was present in all countries: Being able to optimally administrate the sanitary crisis and the management of the end-to-end water cycle for all Aqualia's clients.

In Europe the following deserve special mention:

Czech Republic

For the period 2022 to 2026, the Ministry of Finance is promoting a review of the tariff framework, which is being evaluated in different areas of the public sector. This review focusses on the maximum tariff growth and the adjusted calculation, depending on the replacement value, investment requirements, regulatory capital and the associated regulatory profit.

SmVak, a local subsidiary of Aqualia, has bid for several end-to-end water cycle tenders and included new municipalities in the eastern part of the country in the backlog of contracts.

France

Aqualia continued to expand its water market development perspective in western and south-central France.

In this regard in 2020, work to integrate the new business in France and to adapt it to Aqualia's standards was maintained so as to improve the water supply service and sanitation network management for more than 140,000 citizens. New contracts were also added for the management, operation and renovation of water and sanitation networks in the Ile-de-France region.

Italy

At the beginning of 2020, the debate on public intervention in the Italian regulatory agency and the tariff structure was reignited. The situation finally stabilised following the replacement of managers in the Italian regulatory agency and the removal of incentives for the most efficient regulators in the purchase of water, such as Aqualia.

Portugal

Although no new municipal concessions have been tendered, there have been several corporate moves by financial investors because of the imminent local elections. The high risk profile of the buyers demonstrates a strong interest in the concessional framework and confidence in the future growth potential for the country's water market.

Romania

Despite the restrictions imposed by the authorities in order to address COVID-19, it has been possible to make progress in the works to extend the Glina treatment plant and the contracting of equipment to minimise the impact on the works plan.

The Balkans

The contracts for the Berane and Pljevlja projects, whose works were completed and are now in operation, were terminated. The Prziren project is finished and awaiting temporary receipt to start assisted operations.

In MENA, activity in the seawater desalination and wastewater treatment areas continues:

Saudi Arabia

In January Aqualia acquired 51% of Qatrat and Haaisco from the prestigious Saudi Arabian group Ali Reza. Since they were acquired, all the plants have been operating at full capacity to provide an essential service to citizens during the pandemic.

Aqualia also continued with the execution of diversion and adjustment works in the supply and sanitation services affected by the Riyadh Metro, where Aqualia is executing the diversion of services and provisional and definitive connections on Lines 5 and 6.

The company also undertook work on the development of other lines of commercial activity within the framework of the VISION 2030 programme for the improvement of infrastructures, such as projects for new wastewater treatment plants, contracts for the restoration, operation

and maintenance of existing treatment plants and contracts for the provision of services for comprehensive water management throughout the country.

Algeria

Aqualia managed to maintain continuous operation at full capacity and without significant incidents in the two desalination plants, Mostaganem and Cap Djinet, thus providing a critical service to the population in the area.

Egypt

Aqualia completed a year of guaranteed operation at the El Alamein desalination plant, with 150,000 m³/day of capacity, and obtained an extension of this contract until 2022. And the Abu Rawash wastewater treatment plant project continued at a good pace despite the impact of the pandemic, and initial operations are expected in 2021.

United Arab Emirates

In 2020, the Aqualia subsidiary company, MACE, provided operation and maintenance services for the

collector networks, pumping stations and wastewater treatment plants in the geographical area of Al Ain and the city of Abu Dhabi.

Oman

Despite the pandemic, Aqualia continued to operate without incident the management of the end-to-end cycle for the Sohar port area through the subsidiary, Oman Sustainable Services Company.

Qatar

With regard to activity in Qatar, in 2020 work began on the initial operation phase for the Al Dhakhira wastewater treatment plant in the north of the country, built by Hyundai, with a capacity of 55,000m³/d and that will be operated by Aqualia MACE once it fully enters into service in 2021.

A joint venture led by Aqualia and with the participation of reputable local partners was also set up to develop projects to improve the sewerage, water treatment and re-use network, which will provide services to the Qatari Ministry of Public Works and Sanitation.



El Alamein Desalination Plant: A high-level referral

The El Alamein desalination plant is a first class benchmark for new projects in the desalination plan designed by the Egyptian government with the aim of reducing the country's water stress in the Mediterranean and Red Sea coastal areas.

USA

In 2020 Aqualia saw its commercial activity in the United States strengthened.

Water scarcity, the obsolescence of hydraulic infrastructures and low penetration of private operators in the sector are the source of the main growth opportunities for Aqualia in certain states. However, the COVID-19 crisis, the general elections and the turbulent political transition led to a general slowdown in the economy and, in particular, for water and sanitation projects.

LATIN AMERICA

The lack of water infrastructures and the search for efficiency in the existing ones are two factors that strengthen Aqualia's growth possibilities in Latin America.

Mexico⁶

In 2020 Aqualia consolidated its presence in Mexico, becoming a leading company in the sector with a highly diversified asset portfolio.



The experience acquired in the BOT (Build, Operate, Transfer) contracts for Aqueduct II in Querétaro and Realito in San Luis de Potosí enabled us to put forward similar projects to institutional clients, where the technical and financial skills involved give Aqualia an advantageous position in the country.

The Guaymas desalination plant, which was expected to be completed in 2020, will come into operation during 2021.

In June, Aqualia acquired 100% of the shares of Ecosistema Morelos (EMSA), the purpose of which is the concession for the Cuernavaca WWTP. With this transaction, Aqualia completed a cycle of activities in the country by adding wastewater treatment in Cuernavaca, desalination in Guaymas and drinking water supply in Querétaro and San Luis de Potosí.

Last June, Aqualia took control of the AQUOS (Realito) concessionary company by acquiring an additional holding, bringing its total shareholding to 51%, a concession in which Aqualia had previously held a minority shareholding.

Colombia

In 2020 construction of the El Salitre WWTP in Bogotá continued, with a minimal impact by the pandemic on the execution as a result of the strict protocols implemented.

This collection of measures placed Aqualia at the forefront with regard to sanitary safety in hydraulic infrastructure works, and has been recognised by public bodies and the multilateral banking sector.

In March 2020, the acquisition of 12 municipal concessions in the Córdoba Department was completed, which together with the concession awarded in Villa del Rosario in the Santander Department, which started in May, consolidated Aqualia's presence in the country as an integral management operator.

Peru

The State is in the process of evaluating the efficiency of its public supply services in order to assign to private initiatives in those areas with the worst management indicators.

In 2020, the company also presented a private initiative for desalination in the municipality of Ilo, which was declared significant and has begun to be developed. Aqualia is currently studying different projects both as a provider of services for Public Companies as well as for financing, designing, building and operating large hydraulic infrastructures.

Panama

Aqualia withdrew from the assistance and advisory contract for the operational and commercial management of IDAAN (Panama) due to the long period of time elapsed from the award to approval by the comptroller's office. In this same country, a contract for the engineering, construction and 10-year operation of the Arraiján WWTP was also terminated early due to non-payment by the client.

Regarding the population served, at an international level, Aqualia increased by 13.5% the number of municipalities in which it provides different services and by almost 76% the number of inhabitants to whom the end-to-end water service is provided.

International activity		
End-to-end cycle		
Concession	No. of municipalities	No. of inhabitants with supply service
End-to-end cycle ⁷	109	1,361,040
Supply		
Concession	No. of municipalities	No. of inhabitants with supply service
Distribution	33	274,884
Registration	1	433,076
BOT ⁸	6	2,158,600
Sewerage system		
Concession	No. of municipalities	No. of inhabitants with sewerage service
Sewerage system	13	219,261
O&M	2	2,033,125
Purification		
Concession	No. of municipalities	No. of inhabitants with purification service
WWTP ⁹	4	1,091,010
O&M	3	2,162,725

⁷ Colombia is included for the 12 municipal districts of Córdoba and Villa del Rosario. The population data were estimated from the information obtained from the Due Diligence undertaken for the acquisition of the contracts.

⁸ Includes Saudi Arabia with a population of 157,500 inhabitants: It is the equivalent population that was estimated for the KAIA desalination plant.

⁹ A population of 400,000 for the Cuernavaca WWTP is included here.

⁶ The environmental data for activities in this country are not consolidated in this report.

As clear as water. Sustainable and transparent governance

The value of
transparency

Committed to guaranteeing
responsible supply

Ethics and transparency are two pillars that companies should practise and communicate to guarantee their survival, but also to contribute to the expansion of best practices inside and outside their company. From supporting local suppliers to the implementation of compliance programmes, Aqualia is committed to creating solid and shared relationships with all the steps in the value chain.

What does it mean to work in a company committed to integrity, honesty and transparency?

“Aqualia’s goal is to be excellent, so that our management is undertaken showing respect for values such as ethics, integrity and social involvement. The implementation of a compliance model throughout the value chain enables us to progress along the right path to achieve this”

AQUALIA EMPLOYEE



The value of transparency

In 2020, Aqualia succeeded in implementing its Criminal Prevention Model in Italy, the Czech Republic, Colombia, Mexico, Portugal and France.



Aqualia's organisation chart

Governing Bodies

Aqualia's Board of Directors consists of directors representing shareholdings of 51% of FCC and 49% of IFM. As at 31 December 2020, the situation was as follows:

Members of the Board of Directors	Investment Committee	Appointment & Remuneration Committee	Audit & Control Committee	Regulatory Compliance Delegate Committee
Alejandro Aboumrad González President	●			
Nicolás Villen Jiménez Vice President			●	●
Juan Rodríguez Torres Voting member		●	● ^P	●
Lars Bespolka Voting member	● ^P	●		● ^P
Gerardo Kuri Kaufmann Voting member		● ^P		
Scott Longhurst Voting member		●	●	
Pablo Colio Abril Voting member	●		●	●
Javier Amantegui Lorenzo Secretary (non-director)				
José Fernando Cerro Deputy Secretary (non-director)	● ^S (non-voting member)	● ^S (non-voting member)	● ^S (non-voting member)	
Samir Azzouzi Maanan 2nd Deputy Secretary (non-director)				
Cristina López Barranco 3rd Deputy Secretary (non-director)				
Jesús Ortega CCO*				● ^S (non-voting member)

*Chief Compliance Officer.

●^P President ●^S Secretary ● Voting member

CEO Félix Parra

Territorial divisions

Spain

Director
Santiago Lafuente

Zone I
Juan Carlos Rey

Zone II
Juan Luis Castillo

Zone III
Lucas Díaz

International

Director
Luis de Lope

Europe
Guillermo Moya

MENA
José Enrique Bofill

America
José Miguel Janices

Corporate divisions

Legal Advice Department
Elena Barroso

Purchasing Department
Alberto Andérez

Director of Communication and CSR
Juan Pablo Merino

Director of Regulatory Compliance
Jesús Ortega

Development Department
Antonio Vassal'lo

Economic and Finance Department (CFO)
Isidoro Marbán

Studies and Operations Department
Pedro Rodríguez

Client Management Department
Miguel Perea

Water Engineering and Technology Department
Javier Santiago

People and Culture Department
Carmen Rodríguez

IT Department
M^a Ángeles Vicente

The Board of Directors delegates to the CEO. The latter, together with the Managing Committee, manages and addresses more specific matters through different committees, such as Information Technology, Management, Innovation and ESG. The latter was renamed that way to replace the CSR Committee in 2019, in accordance with the instructions of the CNMV's Good Governance Code, reviewed in 2020. In this way it seeks to highlight the transversal role of the CSR in the different social, environmental and good governance areas in which the company operates. In 2021 the Coordination Committee was also created, which assumes the functions of this ESG committee.

In Aqualia, the Communications Department is also the CSR Department. Therefore, this department unifies the responsibility of involving all areas of the company in the responsible governance of the company with a view to sustainable development that is respectful of natural resources and people. The Regulatory Compliance Department is responsible for all matters relating to the implementation of ethics and good governance in the company.



Implementation of the company's compliance model

One of the milestones reached in 2020 was the international expansion of the compliance model to those countries in which Aqualia has a presence with participation in all or practically all of its shareholding.

Despite the fact that some of the countries in which Aqualia operates have less developed regulations, the company implemented a global compliance model which enables supervision of the activity that affects all countries. So, even though some are not suitably developed, Aqualia applies international standards (FCPA, UK Bribery Act, ISO 37001, ISO 19600, etc.) so it has its own regulation.



Policies and procedures with regard to compliance

In 2020 the Aqualia Board of Directors approved the Bidding Policy that sets out the principles for action with regard to bidding processes.

The Board of Directors also approved the modification of the Criminal Prevention Manual, the Agent Policy, the FCC Group Compliance Committee Regulations, the Whistleblowing Channel Procedure and the Investigation and Response Procedure. The main aim of this approval was to include the disciplinary measures applicable to variable remuneration in the event of non-compliance with the Code of Ethics and Conduct, as well as current legislation and any internal regulations.

The Protocol for the prevention and eradication of harassment was also approved and updated to establish the different types of harassment that may occur in the workplace. The protocol also contemplates providing training for employees, as well as the establishment of disciplinary measures in the event of an act of harassment being committed within the company.

With regard procedures involving the compliance model, the following procedures were approved by the corresponding area managers:

- Procedure for the management and control of sponsorships, donations and collaboration (Communication and CSR Department)
- Procedure for the payment of expenses, allowances and mileage (Economic Department)
- Cash management procedures for both domestic and international activity (Economic Department)
- Procedure for contracting external lawyers (Legal Advice Department)
- Procedure for due diligence with third parties regarding compliance (Regulatory Compliance Department)
- Procedure for compliance risk assessment

The bidding management procedure was also updated to adapt it to the principles and values established in the Code of Ethics and Conduct and the Bidding Policy.

Risk assessment and control system

The most significant risks relating to corruption and identified through risk evaluation are bribery, business corruption, influence peddling, fraud, illegal financing of political parties, embezzlement, price fixing in bids and auctions and money laundering. To prevent of all of these, Aqualia established a compliance model and control system.

100%

of control owners made a self-assessment of the execution of their controls



In 2020, two self-assessments were undertaken on the execution of controls by those who own the control and process. In both cases, all control owners made a self-assessment the execution of their controls, compiling evidence that the activity was undertaken and as a result the corresponding risk is being mitigated.

was sent to the corresponding process owners so they could work on the improvements detected.

Furthermore, all process owners verified the information provided by the owners of each control that make up the different processes.

At the same time as the certification process, the Regulatory Compliance Department monitored the evidence presented by the control owners (on a sample of controls for each certification period), analysing whether the risks were covered and highlighting the gaps detected that were also reflected in meetings held with the process owners.

Based on the information provided by the control and process owners during certification, the Regulatory Compliance Department conducted an analysis that



Whistleblowing Channel

Aqualia hosts a Whistleblowing Channel on its website that is accessible to public of interest, clients, suppliers and employees, with accessibility for the latter via Intranet One. This channel may be used to report anything with regard to labour welfare, compliance with regulations, quality of customer service and environmental impact. These reports are then classified by the FCC Group's Compliance Committee, which assesses them and proceeds to file them for the record or takes the necessary measures to resolve them. All notifications corresponding to Aqualia received through the Whistleblowing Channel are notified to Aqualia's

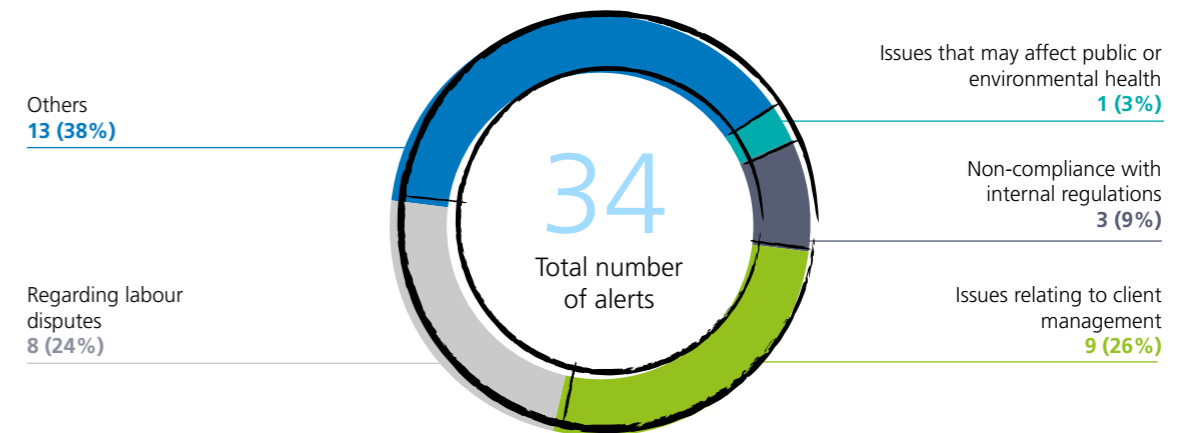
Director of Regulatory Compliance, who then proceeds to undertake a follow-up.

In 2020 a total of 34 alerts were received on the Whistleblowing Channel, 29 from Spain and 5 of international origin.



Alerts on the Whistleblowing Channel

29 from Spain and 5 of international origin



This year, an increase was observed in alerts with regard to client management that were considered to be irrelevant and should have been submitted via the Aqualia contact service. This increase may be due to the

effects of the COVID-19 pandemic, since the inability of clients to visit offices has led them to seeking online communication channels for their complaints and/ or claims.

Training on compliance



16.5 Goal

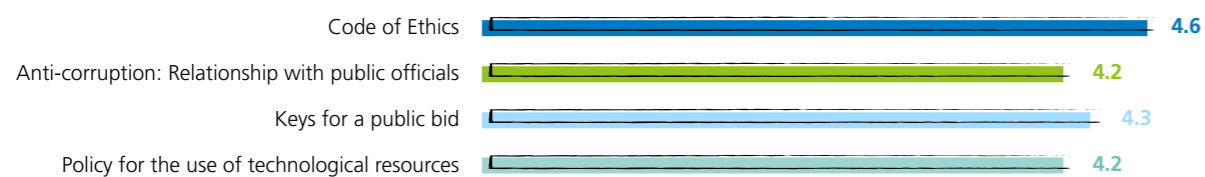
5 Strategic line

In 2020, all members of Aqualia's governing bodies (27) of 1,789 participants were trained on these policies and procedures to fight corruption. In this regard a total

1,789 participants | 27 members of governing bodies



Level of satisfaction with what was learned on the course (5 being the maximum score)



On the Code of Ethics and Conduct



All new recruits who joined Aqualia (in Spain and in Colombia), who had online access, were invited to attend Code of Ethics and Conduct training that can be undertaken via the Training Campus.

The Regulatory Compliance Department also provided training on the Code of Ethics and Conduct to Aqualia México staff at the Querétaro offices, at the site for the execution of the works in the Guaymas project and to staff in Italy¹⁰.

Some suppliers were also included in the training plan on the Code of Ethics due to the sensitivity of the relationship with public officials inherent in their activity, especially significant in Aqualia's reputational management. These suppliers were summoned to an online course on the Code of Ethics, as well as a specific online course on correct relationships with members of public institutions.

Bidding processes and the fight against corruption and bribery



16.5 Goal

5 Strategic line

For key employees who are already directly involved in bidding processes, training was given in which the principles established in the Bidding Policy were explained in detail, as well as the best way to put the provisions of the bidding management procedure into practice.

For employees in Spain who in their work may have a relationship with public officials, training was undertaken that included the basic regulatory principles for the fight against corruption and bribery (Penal Code and international standards such as FCPA, UK Bribery Act and World Bank Integrity Guidelines).

The new process and control owners were given training in anti-corruption which explained the Crime Prevention Model adopted by the company.

At the same time, the aim was to reach offline staff by means of a dissemination campaign in Aqualia work centres. This involved showing a video in which the company's commitment against corruption was reiterated and provided a summary of the principles and values included in the Code of Ethics and Conduct.

Compliance Tips



Communication as an essential feature of ethical culture

As part of the awareness raising activities among employees regarding compliance, in 2020 an e-mail was regularly sent out with so-called Compliance Tips, containing the advice used as a basis for preparing the main compliance policies, explaining what a conflict of interest is and how to use the Whistleblowing Channel, etc.

On 9 December, International Anti-Corruption Day, a video was presented on the Code of Ethics and Conduct with its main axes.

¹⁰ In 2020, only these face-to-face training sessions were given since from March onwards, with the beginning of the pandemic, travel was suspended.

Due Diligence with third parties



16.5 Goal

5 Strategic line

There was explanatory training on the operation and implementation of the due diligence procedure with third parties with regard to compliance. The recipients were those employees who were part of production departments that may have been related to business partners, since they needed to know what measures to take to measure the alignment of third parties


with Aqualia's ethical principles and values before establishing relationships with them.

The number of business partners who were informed about the organisation's policies and procedures to fight corruption was as follows, broken down by business partner type and region:



In 2020 Aqualia set out to conduct due diligence activities with third parties - agents and business partners - with regard to compliance, to understand the background and the alignment of strategic partners, agents and suppliers with Aqualia's ethical principles and values.

Depending on the level of the initial risk identified using the basic information provided by the department making the request, subsequent actions are determined to better understand the third party, ranging from the completion of a survey by the third party to a request to the FCC Security Department for screening (a background check).

Achievement 2020 

Of the 180 Due Diligence operations completed in 2020, 63% obtained a final assessment report of their risk level, 22% corresponded to projects that were cancelled and 15% are still in the analysis phase (delays in projects, problems with the submission of documentation by third parties, analysis in progress, etc.).

Committed to guaranteeing responsible supply

Aqualia is aware of its role as a transforming agent capable of promoting positive changes in the different environments of its stakeholders, especially those with whom it can operate directly, as is the case of suppliers, collaborating agents and partners.

This commitment is of great importance in the case of suppliers, since Aqualia operates in 17 countries around the world, where it generates economic relationships with almost 14,000 local suppliers and whose global value in 2020 was estimated at €431.79 million.

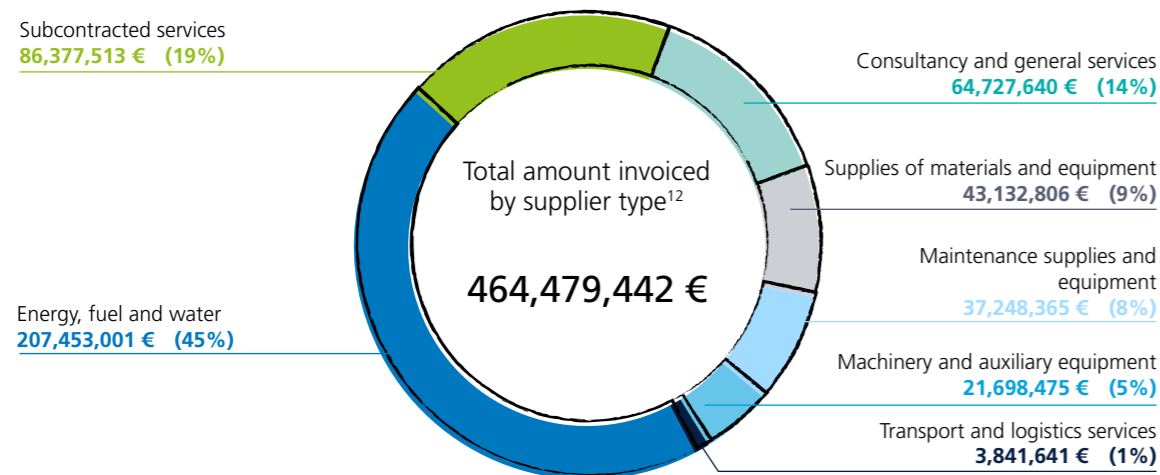
The relationship between them should always seek collaboration and mutual enrichment with regard to ethics and sustainability. In this way, the sector develops favourably and contributes to the achievement of the Sustainable Development Goals, a global guide to achieving major results based on a triple impact: Economic development, social justice and environmental balance.

Over 98.2% of contracted suppliers were local, promoting the development of these businesses and the economy of each country, especially in a period in which the SARS-CoV-2 pandemic generated a serious economic crisis throughout the world and significantly reduced income in many companies, even forcing them to close down.

- Local suppliers **+ 98.2%**
of suppliers recruited in 2020 were local, promoting business development and groups severely affected by the pandemic.
- Total no. of local suppliers **13,921**
- Countries **17**
- Global value **€431.79 Million**

Supplier type

Supplier type	No. of suppliers			Amount in € ¹¹		% Purchase	
	2019	2020	% sb total	2019	2020	% sb total	20/19
Global suppliers	228	252	1.78%	35,646,309	32,686,994	7.04%	-8.3%
Local suppliers	14,137	13,921	98.22%	429,366,899	431,792,448	92.96%	0.6%
GENERAL TOTAL	14,365	14,173	100.00%	465,013,208	464,479,442	100.00%	-0.11%



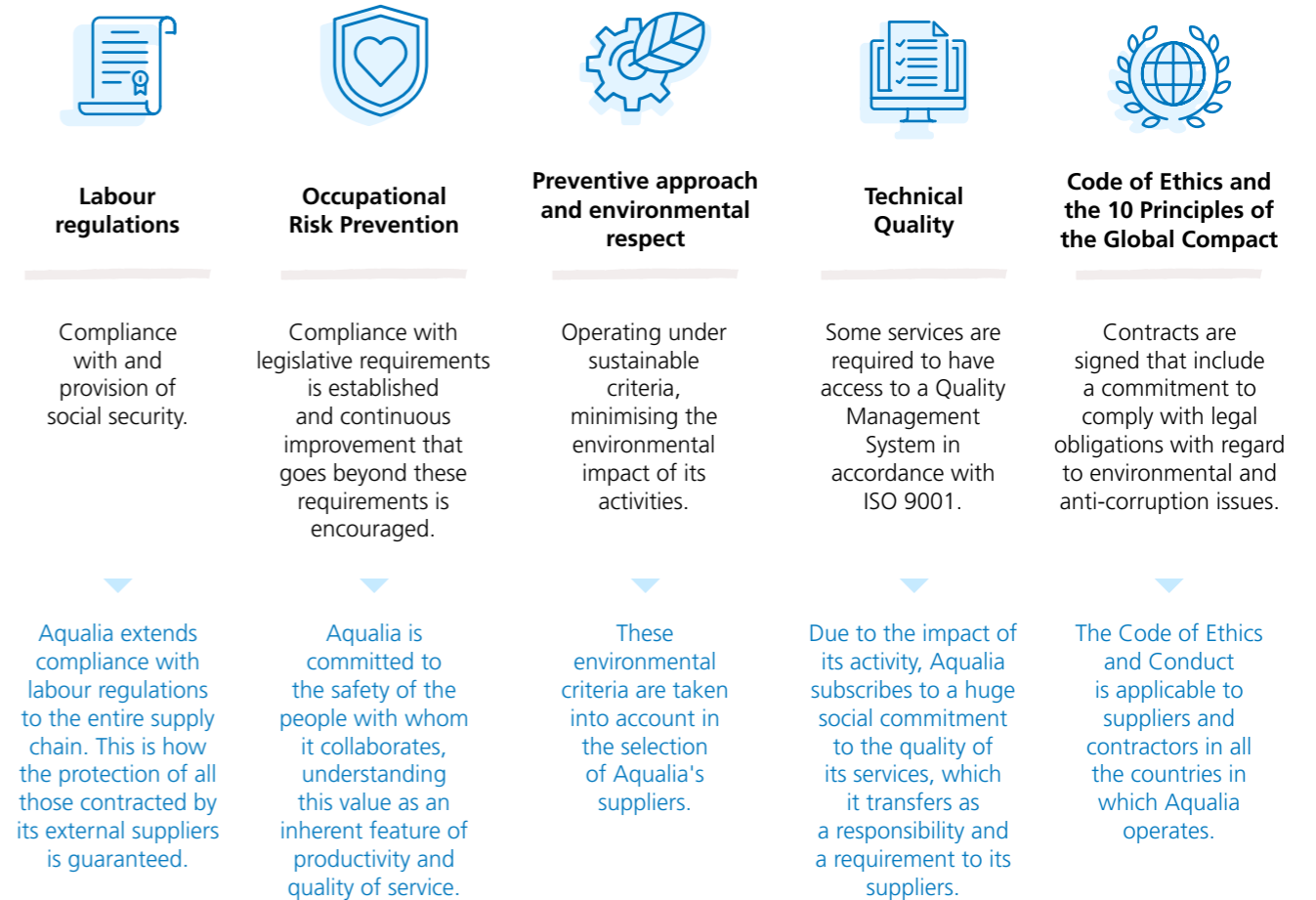
Suppliers are an essential link in Aqualia's value chain and therefore should be an integral part of the company's sustainability strategy. In 2020, with this in mind a Due Diligence procedure was initiated by the Regulatory Compliance Department with third parties

(commercial agents, partners and suppliers, if necessary during the official approval process) for the purpose of analysing the level of risk presented by collaborators with regard to ethics and compliance.

Criteria for the selection of supplier and contractors

Aqualia is aware of its social-economic and environmental impact and so it has established a supplier and contractor selection model consistent with its values and strategic objectives based on five fundamental criteria that are applied in a multi-jurisdictional manner:

5 essential criteria



¹¹ Companies managed through SAP.

¹² Calculation from the weighting for each type of expense over the total acquired from third parties.

Supplier assessment

In its relationships with suppliers, partners and contractors, Aqualia starts from the basis of shared understanding, built on the pillars of integrity, transparency and mutual trust; these allow for easy communication and generate stable relationships over time.

In 2020, Aqualia began with the update of its supplier official approval system that foreseeably will begin to be applied in 2021 with the aim of achieving full implementation in 2022.



Selection of suppliers

Non-financial criteria

Before considering the economic factors for each operation, Aqualia takes criteria for quality, ethics and sustainability into account.

Compliance

An exhaustive analysis is made of compliance with the requirements for the operation, taking its volume and prior knowledge of the supplier into account.

Utmost severity

Major operations with new suppliers require utmost severity and may involve a visit to their installations.



Assessment follow-ups

Aqualia conducts internal client satisfaction surveys in order to gain in-depth understanding of the performance of all its suppliers during operations.

These assessments are then used as selection criteria for future purchasing processes.



System for official approval

Aqualia controls and supervises suppliers' compliance with regard to financial, technical and data protection and compliance issues.

Depending on the assessments made by the purchasing and technical departments, strategic suppliers are selected and a list of specially monitored suppliers is drawn up for them to be supervised or even vetoed.

Best practices

Strategic alliances between suppliers and Aqualia

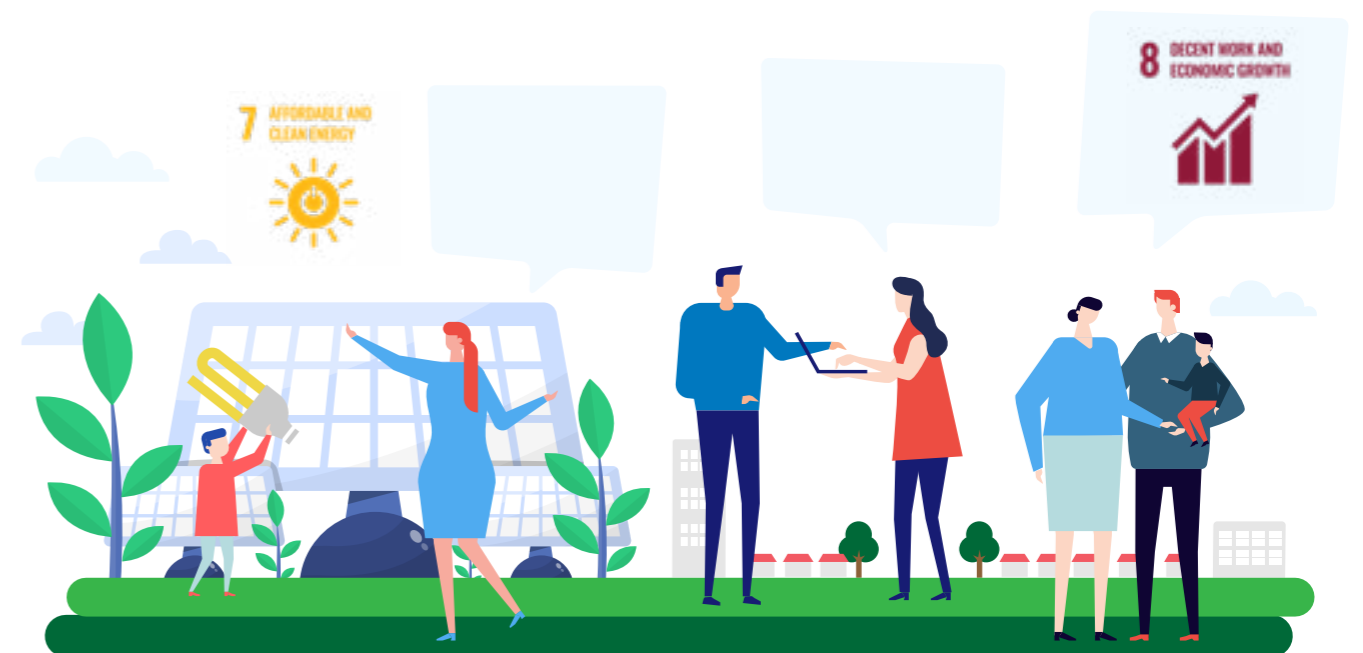
Renewable energy purchase and sale agreement with Alpiq AG

Aqualia was the first company in Spain specialising in the management of the end-to-end water cycle to sign a long-term renewable energy purchase and sale agreement (PPA, Power Purchase Agreement, in English). The agreement was signed with the Swiss company Alpiq AG, for a period of 10 years and a consumption of 76 GWh per year (equivalent to requirements for 20,000 households).

Contracts with special employment centres

In 2020, contracts for cleaning in work centres were made via special employment centres in 297 municipalities in Spain.

297 municipalities



Global challenge

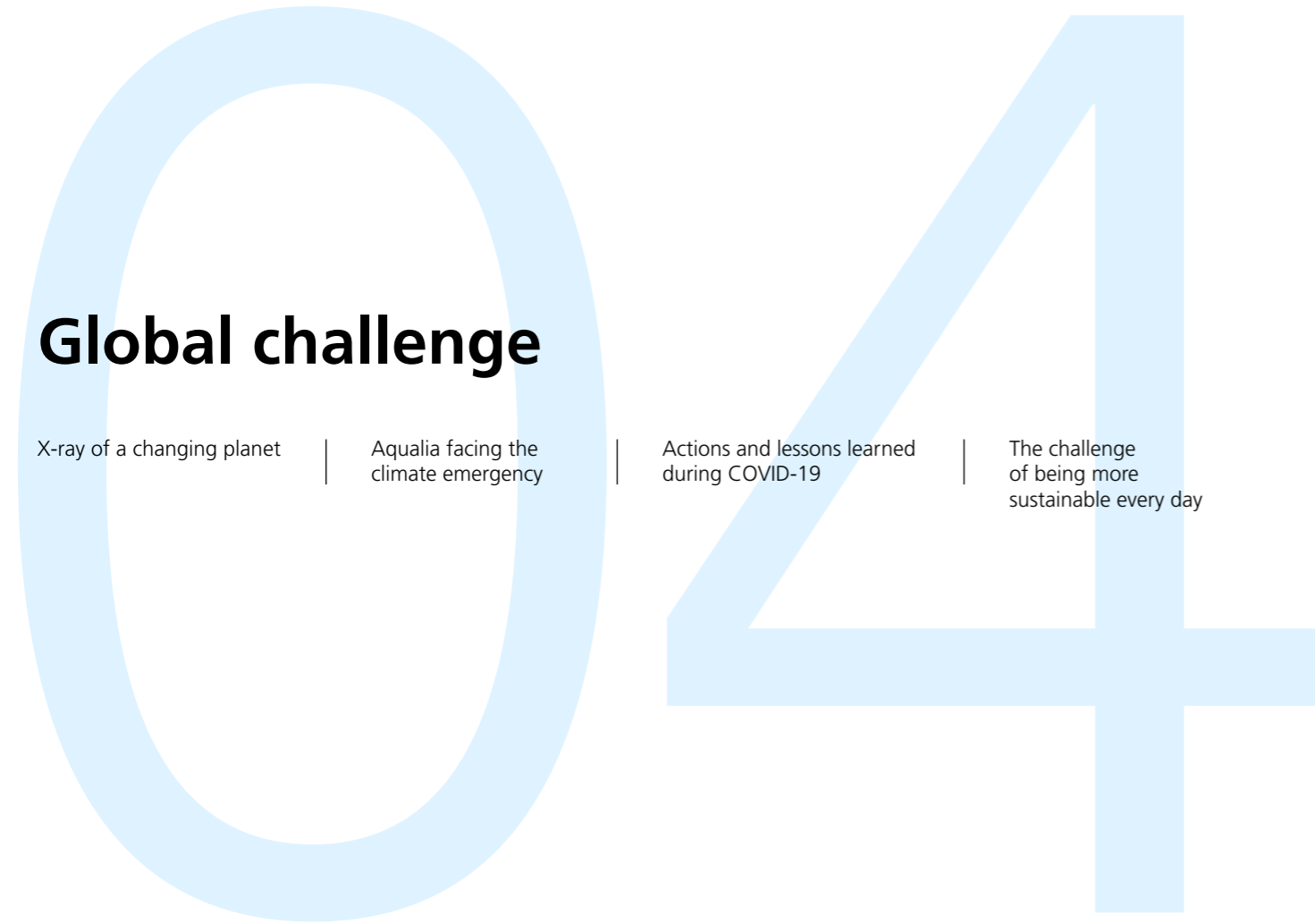
X-ray of a changing planet

Aqualia facing the climate emergency

Actions and lessons learned during COVID-19

The challenge of being more sustainable every day

Ensuring the welfare and progress of the people in the communities where it operates is the main commitment of Aqualia and of all those who are part of it. This year, in addition to continuing the work to alleviate the effects of the climate emergency and to comply with the 2030 Agenda, the company faced the worst pandemic in recent decades. The lesson to be learned is clear: Only by listening and building bridges between people will we be able to overcome the global challenges of today and tomorrow.



How does Aqualia contribute to everyone's welfare?

"Water is a basic need and therefore a human right that should be guaranteed for everyone. Aqualia proposes mechanisms that will enable us to bring water to people and countries in need and with greater water stress. So we need to ensure that no one is deprived of this ensure resource because of the climate or for economic reasons"

AQUALIA EMPLOYEE



X-ray of a changing planet: risks and opportunities in the water market and established policies to address them

The health crisis caused by COVID-19 has been the driving force behind a greater commitment by businesses to society. The priorities of organisations now include facing challenges such as the climate emergency, inequality and lack of access to technologies.

■ Main risks ■ Associated opportunities, policies and derived actions



Global health crisis

COVID-19 entered the global risk landscape in 2020, showing firstly the vulnerability of society to a pandemic and, secondly, acting as a catalyst for the many changes already in the making.

In the wake of the health crisis there is an economic and social crisis, as well as systemic changes in the labour market, accelerated by technological advances.

Another of the terrible consequences was the shut-down in the global economy, which could return 150 million people living in developing countries to extreme poverty¹³.

So the health crisis appeared like an authentic black swan, leaving us with an important issue to be resolved: How to face the multiple challenges that have arisen in an increasingly interdependent world.

150 Million

people could return to extreme poverty as a result of the crisis caused by COVID-19



Aqualia guarantees access to water

During the most critical moments of the pandemic, Aqualia ensured the provision of the necessary services so that all citizens had access to water. To do this, the company even suspended water cuts that had already been envisaged.

Aqualia is all about people who take care of people

Protocols were strengthened to protect employees and clients by activating prevention and contingency systems: Contingency plans for workers, clients, users, etc.

Strengthening of public-private collaboration

Aqualia helped in the fight against the virus by collaborating with the authorities in the early detection of infections by detecting the presence of COVID-19 in wastewater.

The company also guaranteed users high-quality tap water, which remained subject to the usual, normal disinfection treatments, provided by companies in the sector, both public and private.



Desertification and water stress

The climate emergency is having an enormous effect on the scarcity of water resources. In this regard, one of the problems that will most affect the population will be the decrease in the volume of water in rivers and other sources of access. UNESCO estimates that 47% of the world's population will live in water-stressed areas by 2030.

47%

of the world's population will live in water-stressed areas by 2030



Concentration of population growth in urban areas

Globally, population growth is increasingly concentrated in urban areas. It currently represents 55% of the world's population and is expected to reach 68% by 2050.

68%

of the world's population will live in urban areas by 2050



Saving and efficiency in water consumption

Faced with the climate emergency, policies for saving and efficiency in water consumption, like those that are beginning to be approved in Europe, are critical. A prominent example is European Directive 2020/2184, on the quality of water intended for human consumption. The directive highlights the European problem of leakage in distribution networks for which it complete an assessment within three years. Based on the results, a threshold will be established below which the countries will have to prepare an Action Plan to reduce leakage levels.

Circular economy

These water stress risks will also be mitigated by circular economy techniques that encourage the re-use of wastewater.



Smart Cities & 4.0 Industry

Given this growing concentration, there is a clear commitment at a global level to Smart Cities, where there is a trend for 4.0 Industry as the way of doing business.

Fourth Industrial Revolution

This involves advanced production techniques and smart technologies for interconnected companies that are changing the rules of the game.

Smart Water / 4.0 Water

In the water sector, this "Smart Water" concept (Smart Water/4.0 Water), includes such features as applied artificial intelligence, Big Data, IoT and robotics.



Efficient management

Obsolete infrastructures pose risks to maintaining the quality levels of supply, sanitation and treatment services, as well as to efficient water management.

That is why the infrastructure investment deficit has such a severe impact on the sustainability of the system in different ways: It makes maintenance operations more expensive, contributes negatively to environmental objectives and prevents the incorporation of technological improvements that increase efficiency¹⁴.

The development of technological innovations took on special significance, both for the proper maintenance of the network, and for the improvement of relationships with clients.



Management models serving the public interest

Management models serving the public good are a suitable solution to meet these challenges. Public-private collaboration is crucial for these technologically advanced sanitation infrastructures to be built.

Cost recovery principle

European legislation also established the principle of recovering the cost of water services in cities, industry and agriculture, so that we citizens pay not only for the service but also for the construction and renovation of infrastructures.



Regulatory and administrative compliance

Legislation, regulations and administrations in the different countries should also adapt to the increasingly strict regulatory requirements of international organisations in terms of water cycle management requirements, water stress, governance, as well as climatic and financial requirements.

European Directive 2020/2184, on water intended for human consumption, requires transparency and access to information on water quality parameters, to achieve increased client confidence and greater consumption of tap water.

The EU's energy and climate objectives are leading to investment in sustainable projects and activities. In June 2020, Regulation EU/2020/852 on establishing a framework to facilitate sustainable investment was published. This included a classification system (taxonomy) that establishes a list of environmentally sustainable economic activities.

In Spain, the state continues to pay a fine to the EU of 10 million euros every six months. This sanction by the European Commission is due to non-compliance with Directive 91/271 / EEC on wastewater treatment, due to the lack of treatment plants in a number of urban agglomerations. Another outstanding national issue is investment in water infrastructures to comply with the Water Framework Directive (184/014081).



Innovation in the water sector

Innovation is a key factor in the water sector, which should meet regulatory requirements by promoting projects related to the application of new technologies to the management of the end-to-end water cycle, its use and re-use, etc.

In this regard, companies like Aqualia should ensure the quality of this resource via a risk management system. To do this, risk assessments and control need to be carried out by means of Water Safety Plans, which start in the abstraction area and continue as far as the home distribution system. Operational supply control programmes also need to be prepared.

Once again, the different innovations to be undertaken require large investment and public-private collaboration. There is great potential for reducing GHG emissions, for example in the case of the water and sanitation sector.

To achieve this and to encourage activities that contribute to mitigating or adapting to climate change, companies such as Aqualia will be looking to access international finance, so they need to explain their innovative initiatives from an environmental perspective, taking into account energy consumption and other significant metrics.



Inequality in access to technologies

The WEF 2021 Global Risk Report published how COVID-19 increased inequality in education and access to technology, creating a growing digital gap. It also warned about job losses.



Telecommuting

Telecommuting policies implemented by companies have been a catalyst for change in the labour market.

For the first time in Aqualia's history, the service was implemented in 12 states in Colombia, showing the essential role that new technologies and digitalisation play in the activities of a water management company.

Global risk management

The company has a compliance model and a control and assessment system for its strategic risks which are those that may affect the company's positioning: Reputational, social-political, economic, etc-; operational risks, those that may have an impact on the provision of services

or their feasibility, and financial risks, those that may affect the financing of the company to a greater or lesser degree and therefore the future of the business, as well as the regulatory compliance risks mentioned above and managed by the Regulatory Compliance Department.

¹⁴ Report made by PWC. "Water management in Spain. Analysis and challenges for the urban water cycle".

Aqualia facing the climate emergency

Aqualia's environmental commitment does not end with responsible water management. In 2020 the company worked on new policies and initiatives to reduce its carbon footprint and protect biodiversity in the areas where it operates.



Management approach

Aqualia is responding to the climate challenge and the expectations of its stakeholders and society through efficient and sustainable environmental management, which enables it to understand and measure environmental impacts. For this, it has an Integrated

Management System certified within the Environmental (ISO 14001), Energy (ISO 50001)¹⁵ and Quality (ISO 9001) scope. The company also verifies its Carbon Footprint (ISO 14064-1). The requirements established by this management are as follows:

Identification and assessment of the environmental aspects.

Identification and follow-up of contractual and legal requirements.

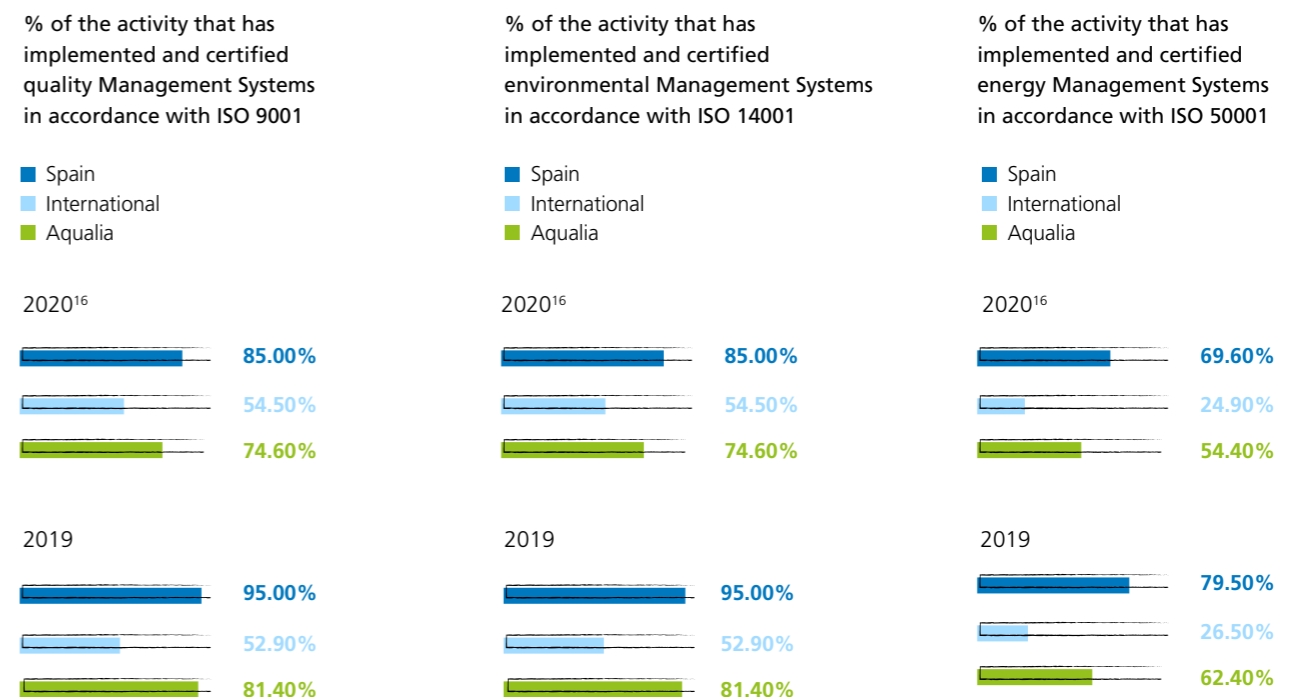
Operational control of the environmental aspects, of the main uses and of energy consumption (undertaken according to the requirements of the Quality Management System).

Identification and assessment of environmental risks and the establishment of measures for preventing and responding to possible incidents/accidents.

To be improved: Objectives and review of the Management System.

¹⁵ Since 2016, and every four years, the company has been subject to energy audits (in accordance with the ISO 50001 regulation-Energy Management Systems) in a group of production installations that are responsible for more than 85% of the company's total energy consumption.

Degree of implementation of management systems in the company



¹⁶ The reduction in the Scope of the ISO 9001, ISO 14001 and ISO 50001 Certificates in Spain is due to the fact that Contracts for fewer than 10,000 inhabitants and Sports Centres are eliminated from the certificate, with the exception of Zones, contractual requirements, commercial conditions and/or contracts affected by RD 56/2016, 85% energy consumption.

The main aspects taken into account and controls established are the following:

Waste

- Storage and final management of hazardous and non-hazardous waste in accordance with current legislation.
- Agricultural use for WWTP sludge.

Energy consumption

- Energy reviews in accordance with ISO 50001 and RD 56/2016.
- Improved measurement.
- Calculation of energy performance by pumps.
- Optimisation and improvement of production processes, installations and equipment.
- Optimisation of the purchase of energy (power).
- Maintenance and improvement of the network's hydraulic performance.

Carbon footprint

- Calculation and verification of the Carbon Footprint for all Aqualia's activities in Spain and Portugal.
- Review of the Carbon Footprint Reduction Plan for Aqualia's Activity and verification of the emissions avoided in the Climate Project.

Aqualia and the climate change¹⁷

Aqualia is responding to the climate challenge with energy management based on optimisation, which is demonstrated in the following action guidelines:

Reduction of emissions from energy consumption

- 1 Use of renewable energy**
 - Signing PPA projects for the acquisition of renewable energy with a Green Certificate.
 - Installation of photovoltaic solar energy panels.
 - Installation of micro turbines in the distribution systems.
- 2 Generation of energy in water cycle management**
 - Hydroelectric operations in catchment basins.
 - Installation of micro turbines in the distribution systems.
 - The use of biogas produced in the wastewater treatment process to generate electricity or heat.
- 3 Reduction in electricity consumption in WWTPs**
 - Replacement of existing equipment with more energy-efficient equipment.
 - Development of wastewater treatment technologies with low energy consumption.
 - Electrodialysis: low energy consumption desalination processes.
- 4 Transformation of the vehicle fleet**
 - Incorporation of LPG (liquefied petroleum gas) vehicles in the fleet of sewer cleaning lorries.
 - Incorporation of vehicles powered by the biogas generated in the WWTPs.
 - Incorporation of electric vehicles.

For the management of environmental risks, general environmental risk sheets are available and adaptable by contract to the specific circumstances. These sheets contain the preventive measures to be taken in case of risk and the response to be made in case the risk materialises. Here are some examples of preventive measures: Covered storage for identified chemicals and hazardous wastes, with bunds and absorbents to collect spillage, chlorine gas escape detection systems, etc.

With regard to the objectives, the Managing Committee, via the Management System Committee, shall establish the "global" objectives of the Management System (eg: Energy and carbon footprint reduction projects, use/production of renewable energies, etc.), as well as the strategic lines that are detailed in specific objectives for the contracts defined and approved by the production areas.

With regard to the scope of energy management and climate change, in 2020 the following was worked on:

- Monitoring contracts with energy review.
- Calculation and verification of the Carbon Footprint for all Aqualia's activities in Spain and Portugal.
- Registration of the Carbon Footprint in the OECC (Spanish Office for Climate Change) depending on the MITECO (Ministry for Ecological Transition) for all Aqualia's activity in Spain.
- Review of the Carbon Footprint Reduction Plan for Aqualia's activity.
- Verification of the emissions avoided in the MITECO OECC Climate Project that was approved in 2018 for the use of alternative fuels corresponding to the company's activity and in motor vehicles.
- Follow-up on the project for the Implementation of the Energy Management System in all activities in Spain, in compliance with RD 56/2016.

Use of renewable energy

In 2020 two projects were launched with the aim of reducing GHGs:

- A PPA (Power Purchase Agreement) was signed for 76 GWh/year of renewable energies (photovoltaic), which came into operation in July and will reduce emissions by about 15,200 t CO₂e/year.
- The project to install 3.2 MW of peak capacity photovoltaic panels, which will supply 26 consumption points, with an expected annual production of 5 GWh/year, which will result in a reduction of GHG emissions of about 1,000 t CO₂e/year.

Best practices

The Podhradi DWTP in the Czech Republic accumulates 10 M KWh of green energy produced

Since it began operating in 2014, the mini-hydraulic plant at the Czech SmVak water treatment plant has prevented the combustion of 10,000 tons of coal, equivalent to 23,000 tCO₂e into the atmosphere.

In 2019, the energy generation of the seven mini hydroelectric plants was 4 GWh, representing 107% of the total consumption in the towns.



¹⁷ In this section, construction services were not included as they are not relevant with regard to other services. With regard to countries included in the report, the data for Colombia were not included since activity began in 2020. Neither were the energy data for Oman, nor the environmental data for the activities in Mexico. For all these cases, the reporting system has not yet been established.

Generation of energy in water cycle management

	2019	2020	19/20
Energy produced. Renewable biogas (GJ)	824,146	888,193 ¹⁸	7.8%
Energy consumed. Renewable biogas (GJ)	824,146	1,002,687	21.7%
TOTAL ENERGY CONSUMED (GJ)	4,241,485	4,564,397	7.6%
% renewable biogas energy compared to total energy	19%	22%	-
Energy intensity ratio: Total non-renewable energy consumed/turnover (GJ/thousand €)	2.88	3	4.2%

¹⁸ For the calculation of the renewable energy produced and consumed, the criterion was changed giving the data for the consumption of biogas used to generate the electricity that is consumed.



The ratio of energy intensity over turnover is 3.00 GJ/ thousand €. This represents an increase of 0.12 GJ/ thousand € over the ratio for 2019 (2.88 GJ/thousand €). The increase in renewable energy was 22% compared to 19% in 2019.

This increase in energy intensity was mainly due to an increase in desalinated water in Algeria and Saudi Arabia, which was very intensive in energy consumption.

Best practices

Since 2018, Aqualia has been working on the Advisor Project, for the revaluation of waste from the livestock industry, with which new control systems are used to increase the capacity for treatment and in this way guaranteeing the efficiency of the process. Use can be made of fatty waste by transforming it into bioplastics with high added value.

The increase in biogas production is exploited with an ABAD Bioenergy® system for the upgrading of biomethane and a dispenser to feed a specific vehicle in the WWTP followed by EnergyLab, which has already travelled 27,000 km.



Reduction of energy consumption

Every four years and since 2016, Aqualia has subjected its installations to energy audits. To monitor the improvement opportunities detected in these audits, there is a computer tool that will be integrated with Aqualia's technical reporting/analysis tool (AqualiaRT/ AqualiaBI) that will enable the actions and results obtained to be monitored.

In 2020, the office building in Las Tablas, where Aqualia has its headquarters, was certified in terms of energy management. Consumption is expected to be optimised in this building that, as in the case of the rest of the offices, has a much lower impact on the company's carbon footprint than the production installations, but which are Aqualia's showcase for its end-clients and for all its employees to whom in this way the company's environmental commitment can be transferred.

Energy consumption

Consumption of energy and reagents	2019	2020	19/20
Consumption of reagents (Tn)	36,125	29,821	-17.5%
Electricity consumed (GJ ¹⁹)	3,157,427	3,416,448	8.2%
Combustible energy (GJ ²⁰)	259,912	281,936	8.5%
TOTAL ENERGY CONSUMPTION (a+b)	3,417,339	3,698,384	8.2%

¹⁹ The data correspond to the electricity purchased from third parties.

²⁰ The data correspond to non-renewable fuels purchased from third parties.

Total energy consumption	2019	2020	19/20
Direct energy consumption (GJ)	1,084,058	1,147,949	5.9%
Indirect energy consumption (GJ)	3,157,427	3,416,448	8.2%
From non-renewable sources (GJ)	3,417,339	3,561,710	4.2%
From renewable sources (GJ)	824,146	1,002,687	21.7%
TOTAL (SUM)²¹ (GJ)	4,241,485	4,564,397	7.6%

²¹ A change of criteria is included to account for total energy consumption: Including that from renewable and non-renewable sources. Only non-renewable energy was included in the 2019 report. The renewable fuel used to produce electricity and not the electricity produced is included in the sum. Ref. GRI 302-1.

Total energy consumption by type	2019	2020	19/20
TOTAL ENERGY CONSUMPTION (GJ)	4,241,485	4,564,397	7.6%
Electricity purchased GJ	3,157,427	3,416,448	8.2%
Gas (GJ ²²)	48,755	27,364	-43.9%
Diesel installations (GJ ²³)	9,985	7,548	-24.4%
Diesel fleets (GJ ²⁴)	197,899	242,651	22.6%
Petrol fleets (GJ)	3,274	4,102	25.3%
Biogas	809,801	847,365	4.6%
Hydroelectric	14,345	17,852	24.4%
Loss of energy for sale	-	797	-

²² Decrease in activity in sports installations due to COVID-19.

²³ Decrease in activity in sports installations due to COVID-19.

²⁴ The increase is due to new contracts in the Emirates and increased mobility in Spain.



Energy consumption by country

Country	GJ
Spain	2,613,416
Algeria	1,113,436
Czech Republic	259,374
Egypt	48,212
Italy	38,518
Portugal	22,941
United Arab Emirates	217,483
France	23,775
Saudi Arabia	227,242

The following improvements were implemented in 2020 for the management and optimisation of energy consumption:

- Launching a centralised monitoring and control platform for proposals and objectives for the improvement of the different contracts relating to energy efficiency, under the ISO 50001-Energy Management Systems standard.
- The change to a new energy invoicing control platform (Synergica) which is much more powerful and enabled more immediate and comprehensive control of the energy costs invoiced by the retailer.
- Initial operation of the SILICE platform for the collection of data on gas production and its destination in the WWTPs managed, in order to be able to make a centralised declaration of the data required for the settlement of the Hydrocarbon Tax on the Spanish Tax Authority's platform.

Challenge for Aqualia's contribution to climate change. Carbon Footprint Reduction Plan

Aqualia has calculated and verified the Carbon Footprint for all the company's activity in Spain and Portugal. The organisation has also registered its Carbon Footprint in the OECC (Spanish Office for Climate Change) under the MITECO (Ministry for Ecological Transition) for all Aqualia's activity in Spain.

	2019	2020	19/20
CO ₂ emissions from the end-to-end cycle (tCO ₂ e)	424,711	480,043	13.03%
Scope 1 emissions (tCO ₂ e)	91,817	97,787	6.50%
Scope 2 emissions (tCO ₂ e)	288,609	344,736	19.45%
Scope 3 emissions (tCO ₂ e)	44,285	37,520	-15.28%
Turnover	1,186,889,341	1,188,348,000	0.12%
Ratio of emissions over turnover (tCO₂e/mill €)	0.36	0.4	



Main objectives of the Carbon Footprint Reduction Plan for Aqualia's activity (2020-2022)

01

Reduction of greenhouse gas emissions

02

Increase in emissions avoided

03

Compensation for emissions

01
Emission reduction objectives

Renewal of the fleet to electric vehicles

In line with the proposals established by the Draft Law on Climate Change, Aqualia will renew its fleet of vehicles, in which electric vehicles will replace combustion engines in cities with fewer than 50,000 inhabitants.

Aim



Renewal of **90 vehicles** from 2020-2022

10 vans

100% electric



that stop emitting

16,000

kCO₂ into the atmosphere each year (2020 data)

Objectives for the consumption of electricity

- 2.5% reduction in energy consumption.
- 1% reduction in the consumption of energy acquired from third parties due to an increase in generation from 6 GWh in 2021 and 8.5 GWh in 2022.
- Purchase of renewable energy from retailers for a total of 62 GWh, 4.4% of the consumption for the period.
- Purchase of renewable energy through PPAs, which will represent 16% for the period (76 GWh/year).

Objectives for increasing avoided emissions

02



Recovering energy in desalination plants

Aqualia proposes to recover the energy in the desalination plants through the turbines and pressure exchange equipment. This would represent a 4% reduction in emissions as a result of the electrical energy.

The Mides project has been able to make desalination installations independent with regard to energy.

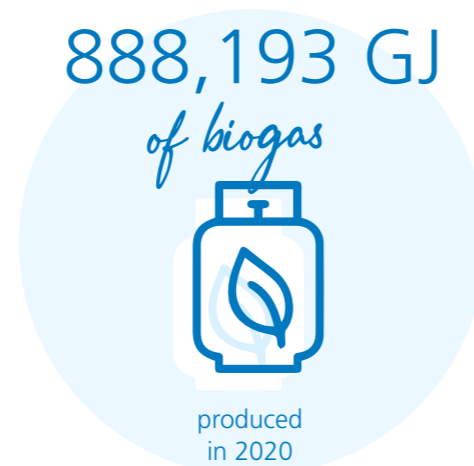
Increasing biogas production

The company is looking to increase the production of biogas by anaerobic digestion in WWTPs used to generate electricity and heat. The target for growth in the 2020-2022 period is 50%. This milestone can be reached due to the fact that Aqualia manages a greater number of treatment plants that use this process and equipment that can use the energy produced.

Best practices

The Mides project already operates in the first two desalination installations in the world without external energy consumption at the plants in Racons (Dénia, Alicante) and Fonsalia (Guía de Isora, Santa Cruz de Tenerife), obtaining energy contained in wastewater.

These two pilot units desalinate 3.6 m³/day each, which enables supply to be provided for 25 people and a saving of more than 3 kWh of electrical energy per m³, with the resulting reduction in the carbon footprint.



Objectives for offsetting emissions

03

ABAD Bioenergy® technology

The Ministry for Ecological Transition has endorsed the ABAD Bioenergy® technology in the fight for decarbonisation.

This system is a pioneer in the water sector and has been selected in a competition for Climate Projects as one of the best initiatives that contribute to reducing greenhouse gas emissions (GHG) in Spain.

The initiative, promoted by the Spanish Office of Climate Change of the MITECO, represents a 100% bonus on GHG emissions prevented by Aqualia in 2018.

The ABAD Programme will last six years and has the following goals:

- Decarbonisation of activities
- Making use of renewable energy sources
- Use of biofuel in the vehicle fleet



The ABAD Bioenergy® system has already been implemented in the water treatment plants managed by Aqualia in La Gavia (Madrid), Lleida, Chiclana and Jerez (Cádiz), and produces enough biomethane to power 200 vehicles.

In 2020, three new installations/WWTPs: Guijuelo (Salamanca), Valdebebas (Madrid) and the Czech Republic, were added to the production of biomethane.

Participation in other compensation projects

Aqualia is aware of the role it plays in reducing GHG emissions in other sectors of activity.

Because of its status as a company in the water and sanitation sector, that is why it focusses all its activities

on improving efficiency and contributing to the reduction of GHG emissions. It maintains a philosophy of continuous innovation and is open to new projects whose aim is to offset the Carbon Footprint.

Water footprint, a matter of collaboration

6.3 Goal
2 Strategic line

56.4 Million m³
recycled water ↑ 10.9% in 2019

Aqualia is working to care for and satisfy the needs of its clients, contributing to their welfare, preserving the value of water resources, respecting nature and minimising the environmental impact of its activity. It also favours an environment that establishes clear basic principles that enable the measurement and guarantee of the social, environmental and financial sustainability of the end-to-end water cycle, and this involves the public and private sectors to overcome the challenges presented.

Reduction of water consumption



Promotion of responsible consumption amongst citizens

- Smart measurement systems to provide online information for citizens regarding consumption.
- Citizen awareness campaigns, visits to installations, contests for citizens, etc.
- Adaptation of drought plans in contracts, in accordance with the Administration.



Reduction of unregistered water

- Improving hydraulic performance in the water distribution networks.
- Elimination of fraud.
- Control and reduction of municipal consumption.



Use of alternative resources

- Re-use of wastewater.
- Desalination of seawater and salty water.
- Recharging aquifers for use as an alternative resource.

Smart metering systems and a reduction of unrecorded water

Aqualia is investing in technology and innovation with the aim of achieving smart management. In this regard, the development of monitoring and measurement programmes such as Aqualia GIS, Aqualia GESRED and the Scada Platform, which are available to administrations and citizens, enables greater control and more efficient consumption.

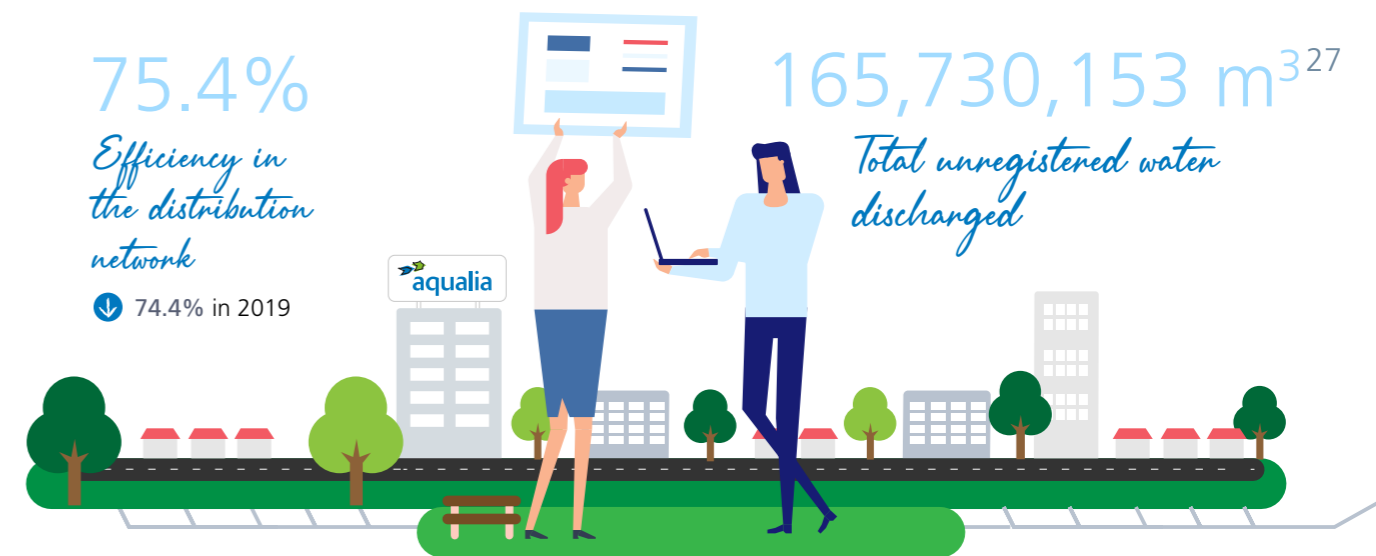
Collaboration with the Public Water Service

These smart monitoring and management programmes enable Aqualia to collaborate with Public Administrations to solve the problem of leaks in the water distribution networks raised by European Directive 2020/2184 with regard to the quality of water intended for human consumption.

	2019	2020	19/20
Total water consumed in the purification and desalination processes (m ³)	146,456,771	176,378,292	20.4% ²⁵
Volume of water distributed (m ³)	674,285,310	673,699,808	-0.1%
Volume of raw water abstracted for management (m ³)	853,187,434	924,153,976	8.3%

²⁵ The increase is mainly due to the desalination plants in Algeria and Saudi Arabia.

Efficiency in global water distribution networks²⁶



²⁶ It takes into account the total water recorded on clients' meters (m³)/total water distributed (m³).

²⁷ The water discharged represents an 11% increase over 2019. This was due to an increase in the water discharged by the new desalination plants in Algeria and Saudi Arabia, but the volume of treated water in the managed WWTPs also increased (687 Hm³ in 2020 vs 631 Hm³ in 2019).

Circularity in the water cycle

Circularity initiatives in the water cycle also contribute to reducing water consumption. However, they are only possible with the collaboration of citizens and Public Administrations, essential in the installation of

the necessary infrastructures and the implementation of suitable consumption habits. In any case, 2020 was the year of COVID-19 and it had an impact on activity.

Natural resource	2019	2020	19/20
Volume of raw water abstracted for management (m ³)	853,187,434	924,153,976	8.3%
Drinking water produced (m ³)	627,890,891	664,214,708	5.8%
Treated water (m ³)	631,224,578	687,943,351	9.0%
Raw water purchased (m ³)	218,663,738	206,052,232	-5.8%
Treated water purchased (m ³)	250,391,606	265,717,202	6.1%



Water abstracted by extraction source	%	2020	Water abstraction from areas under water stress
Surface waters (wetlands, rivers, lakes, collected rainwater and other water sources) (m³)	38.2%	353,314,947	84%
Sea water (m³)	36.2%	334,167,643	100%
Salty water (m³)	1.6%	15,239,269	100%
Underground water (m³)	23.8%	219,642,783	95%
Other water resulting from extraction, processing or uses of raw materials (m³)	0.2%	1,789,336	0%
TOTAL		924,153,976	

	2019	2020	19/20	% in areas under water stress
Water recycled or re-used (m³)	50,890,362	56,424,446	10.9%	100%

In 2020 the production of recycled water increased again, due to an increase in treated water at the New Cairo WWTP, where treated water is used for irrigation. In 2019, the amount was 50,890,362. This was an increase of 10.9%.

Aqualia has taken numerous actions with the aim of improving the protection of the resource, these include the use of recycled water for ecosystem retrieval and the transformation of effluents into water suitable for irrigation, etc.

Best practices

Water reduction: Monitoring leaks in the Czech Republic

The implementation of a leak monitor and an online monitoring system, which collects data and evaluates the calculated leaks based on the minimum nightly flow rate, enables rapid leak repair which minimises water losses.

This monitor provides a global tool for the monitoring, assessment and management of leaks in the supply network. It started in 2018 in the supply for Orlová and in 2019 it was extended to all SmVak distribution networks. This network monitoring software provides 110,000 daily data from more than 800 monitoring centres through 1,000 sensors.

In 2020, drinking water leakages during distribution to end clients remained at

12.3%

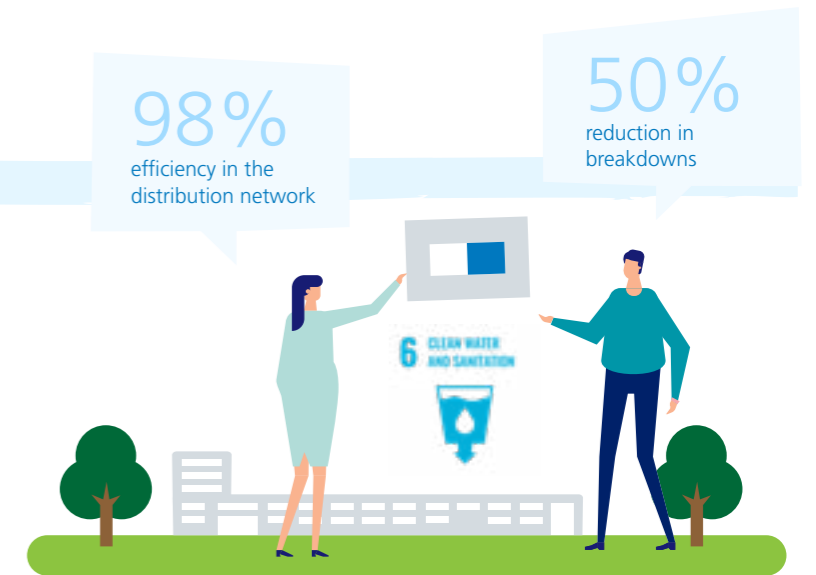


Best practices

Government of the Balearic Islands

In December, the Balearic Islands Government authorities visited the new supervision and remote control system for the drinking water distribution network in operation on the island of Ibiza and which monitors the interconnection of the three desalination plants.

With an investment exceeding €850,000, this control and surveillance system has achieved a network performance of 98% and reduced the breakdown rate by half. The investments have made it possible to optimise the performance of the network in operation and to modernise its operation.



For the first time in the history of the islands, the integrated management of the desalination plants has succeeded in supplying a greater volume of desalinated water from the wells, thus protecting the island's underground water masses.



Commitment to biodiversity

15 UN SDG
15.1 Goal
2 Strategic line

145 identified biodiversity areas



Protection and recovery of the ecosystem



Obtaining value-added products in the water treatment process

- Process for obtaining biofuel when treating wastewater.
- Process for obtaining biofertilisers when treating wastewater.
- Process for obtaining bioplastics when treating wastewater.
- Metals and reagents from the brine in the desalination plants.



Recovery of the key ecosystem in the water cycle

- Identification of the protected spaces within the perimeters where Aqualia operates as manager of municipal services.
- Establishing specific programmes or agreements with environmental associations (e.g. Lagunas de Medina del Campo).
- Recharging aquifers for use as an alternative resource.

Aqualia manages operational centres that it owns, leases or manages next to protected areas and areas with great value from the point of view of biodiversity. The care and protection of these areas and their ecosystems is

part of Aqualia's commitment, which, together with other environmental organisations, promotes initiatives in some of these areas.

The following projects for the protection of diversity deserve special mention:

El Salitre Water Treatment Plant, Colombia

Reforestation

Throughout the park there have been

6,000 native species of trees planted
1,233 pending plantation



The forest area 13 hectares extension

A lake 3,030 m³ capacity for observing the birds of Bogotá

In the Metropolitan Park, progress is being made in the planting of trees of native species, of medium and small size, in areas affected by construction.

Guaymas Desalination Plant, Mexico

Wildlife rescue plan

This recovery plan included field trips to capture specimens of wild fauna that may be affected by the project, especially those that are subject to some degree of protection.

During the second half of 2020, a total of eight individuals of wildlife were rescued and relocated, five of them belonging to two protected or threatened species: *Heloderma suspectum* and *Crotalus atrox*.

For their relocation and rescue the following was taken into account:

- The destination site had to have suitable conditions and resources for their survival.
- It needed to be as close as possible to reduce the stress on the species to be relocated and the site had to be suitably protected or inaccessible in order to minimise the disturbance for specimens or for people if it involved poisonous species.



8 wildlife individuals rescued and relocated

5 protected or threatened species

SmVak installations, Czech Republic

Protection of flora and fauna

Aqualia has selected several areas eligible for protection because they contain significant biological value.

In the selected areas, small ponds have been constructed or meadows of flowers have been created at the locations where wastewater is treated. After consultation with specialised NGOs, it was established that flower meadows are areas that should be protected. So in SmVak, five locations were established that will be part of the building renovation plan in order to adapt Aqualia's installations to enable coexistence with the flora and fauna.



Medina del Campo WWTP (Valladolid)

Creation of habitat for migratory birds

In 2020, the Australian company IFM investors, shareholders of 49% of Aqualia, awarded two grants to the projects presented by the NGO SEO Birdlife for the creation of habitat for migratory birds in the WWTP

in Medina del Campo (Valladolid). This grant will be awarded through the Medina del Campo service and involves aid of more than € 20,000.



Collaboration with the Lleida Municipality

Recovery of the Rufeá wetlands

In Lleida, Aqualia participated in a project to restore the Rufeá wetlands. The recovery of this natural space has enabled the Lleida Municipality to commit to this natural environment by building observation and biodiversity towers and a floating walkway so that people can visit and enjoy the Rufeá Aiguamolls wetlands.

In fact, on March 21 on the occasion of the DMA, the Municipality held an open day so the entire population could discover the natural values of the area and the recently completed improvements for environmental and public use.

Actions and lessons learned during COVID-19

As part of its work to protect public health, Aqualia actively collaborated with all Administrations to detect possible traces of coronavirus in wastewater.

Context and approach for the pandemic

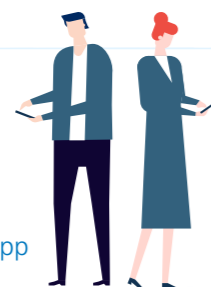
2020 represents a milestone in Modern Times. An unprecedented challenge, accompanied by extreme complexity that affected politics, paralysed the economy and changed social customs around the world, caused by the emergence of a virus of unknown origin, detected in China. It was SARS-CoV -2, known as COVID-19, highly contagious, with flu-like symptoms but with much higher mortality.

Due to the dynamics of globalisation, the virus spread rapidly through many countries and the World Health Organization classified it as a pandemic in March 2020. This fact forced all countries to take a strong position in order to guarantee public health and to mitigate

the pandemic. This led to measures being taken based on restricting the free movement of citizens, with the resulting effect on businesses in different sectors.

For some time activity was virtually restricted to those activities considered essential, including the management of the end-to-end water cycle undertaken by Aqualia. For this reason, throughout the entire period, the company increased its efforts to guarantee drinking water and suitable sanitation to all citizens in those areas where it is present, as this is seen as an essential right and it was the key to the correct management of the situation created by the virus.

60,000
active users
on Aqualia's website and mobile app



As a first important measure, Aqualia closed all its customer service offices from 15 March, one day after the state of alarm was declared in Spain. As it became necessary, the company applied this policy of closure in other countries.

Contingency Plan

Priority objectives



Limit and minimise the impact generated by the coronavirus crisis on its activity



Guarantee the continuity of end-to-end water cycle services to all citizens, especially the most vulnerable



Protect the health of both employees and users

It also communicated that it would suspend cutting off supplies due to user non-payment to help them cope with the severe economic situation.



Aqualia encouraged its clients to use electronic channels and tools to make their enquiries and manage procedures. They were able to guarantee the same quality of service because workers were quick to adapt. This new measure was very well received by clients, and in a few weeks there were already over 60,000 active users on the website and the mobile app.

However, health and access to water for all citizens were not Aqualia's only priority issues. In its fight against the virus, the company began to work hand-in-hand with institutions and unions to guarantee safety measures for its workers, especially those who had to continue to work outside their homes and who were therefore more exposed. Technical guidelines were prepared, constantly reviewed and updated with regard to:

- Organisational measures
- Cleaning, disinfection and ventilation
- Management and follow-up of cases among the staff
- Management of telecommuting

A number of training sessions were given on general issues concerning the disease, protection measures were also provided and telecommuting was implemented as a containment measure. Employees were also given advice on physical activity, nutrition and emotional management.

Aqualia vs COVID-19

Employees

- Training regarding general questions about the disease and protective measures
- Telecommuting to prevent contagion
- Strengthening the **Be Aqualia** internal communication channel
- First Contingency Plan to **protect health and safety**
- Advice on **physical activity, nutrition and emotional management**

Users and citizens

- Ensuring the **supply of** and access to water for everyone and maintaining the guarantee of **tap water quality**
- Increase in **electronic billing** and **digital communication channels**

Institutions

- Collaboration with Public Administrations and institutions for the **early detection of COVID-19**
- Appeal to the EU to establish the **human right to water and sanitation**
- Collaboration to ensure **public health and access to water as an essential right**

Society

- Raising awareness role
- Communication campaign **Who is behind the water we use at home?** on the importance of staying at home

Public-private collaboration for the early detection of COVID-19

During the pandemic Aqualia demonstrated the capacity of WWTPs as safe installations and "lookouts" for the control of Public Health.

During the pandemic, different studies revealed the existence of genetic material (RNA) corresponding to the SARS-CoV-2 virus, in wastewater. This occurs because it has its origin in biological fluids and faeces from people infected with the virus. In this regard, early identification in wastewater can serve as a warning of a reappearance of COVID-19 in the population.

This is why Aqualia, in collaboration with Hispano-Luso Agrarian Research Centre (CIALE in Spanish) and the Technological Research and Development Centre for Water (CIDTA in Spanish) launched a study at the Salamanca WWTP where the best conditions for taking samples and analysis were defined (points and times for sampling, preservation of samples, method calibration).

The company also participated in a Spanish Government project promoted by the Ministry for Ecological Transition and the Demographic Challenge and the Ministry of Health, to monitor the COVID-19 alert in wastewater. This project was developed in different towns and cities,

including Salamanca, Ávila, Medina, Aranda, Guijuelo, Lleida, Dénia, Novelda, Villena, Morón de la Frontera, Chipiona, Ronda, Algeciras (Emalgesa), Almería and El Puerto de Santa María (Apemsa).

At an international level there should be special mention for the performance of Caltaqua (Aqualia's Italian subsidiary) in the analysis of wastewater jointly with the University of Palermo, to follow the development of the coronavirus in Sicily. The agreement, signed by both parties, contemplated taking water samples at the entrance to the treatment plants managed by the company and their subsequent analysis and establishing the viral load in the educational centre's laboratory.

The initiative was included in the SARI programme (Monitoring of Environmental Waste in Italy) implemented on a national scale by the Istituto Superiore di Sanità (ISS), in collaboration with a number of regional governments, research centres and 50 water service operators.

Aqualia's awareness-raising role

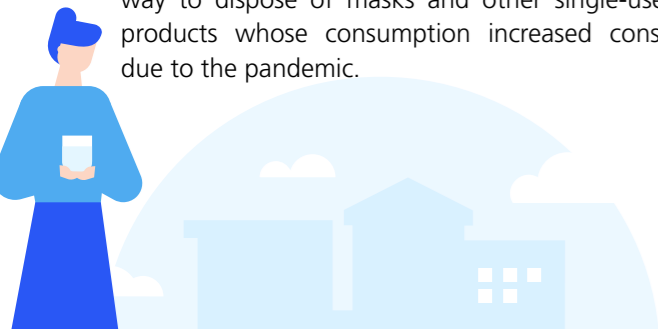
Closely linked to its daily activities, Aqualia implemented a number of awareness-raising initiatives on the responsible use of water and caring for the environment. As an example, on World Sanitation Day, Aqualia joined the call by the European Union to establish access to water and sanitation as a basic human right in EU legislation.

Also with the aim of raising awareness on the care of the sanitation network, a campaign was undertaken under the slogan #nolotires (#dontthrowitaway) to inform the population and make people aware of the correct way to dispose of masks and other single-use health products whose consumption increased considerably due to the pandemic.

In this regard, the presence of Aqualia as a significant agent in the sector was demonstrated by its participation in events like the "Corporate Water Leaders Panel" conference, held by Global Water Intelligence in order to address the crisis generated by the new coronavirus and its repercussions on global water management. This digital event addressed strategic issues relating to the pandemic, such as the contingency plans implemented by the utilities, the changes generated in the corporate culture by COVID-19 and the formulas for success to guarantee the sustainability of the sector after the crisis. The event was remotely attended by almost 1,000 viewers and there was also participation by important companies in the sector, such as Suez, Acciona and Dupont.



The early identification of genetic material for the virus in wastewater may serve as a warning that COVID-19 is reappearing in the population



Who is behind the water we use at home?



Pedro and Juan

Jaime and Pablo cleaning and disinfecting

Teresa controlling water quality

There are people like Pablo, Juan, Teresa, Pedro... Aqualia workers who, now that we have to stay at home, continue working so that every time you switch a tap on you have good quality water in your home.

For all these reasons, and so many more, we do not rest, not even now. This is how we take care of you.

People who work for people



Who is behind the water we use at home?

Finally, the most significant initiative developed in 2020 was the corporate campaign entitled, Who is behind the water we use at home?, in which Aqualia assumed its role as an agent for change in society. This campaign was created with a view to showing the important work that Aqualia undertook, despite the COVID-19 crisis, so that no home was left without water and, once used, it continued returning to the natural environment in ideal condition. The company also wished to raise awareness in those areas where it is present on the importance of staying at home to stop the spread of the virus, for the purpose of guaranteeing the survival and welfare of the maximum number of people possible.

This campaign was acknowledged in the "Communications with a Specific Purpose (COVID-19)" category in the European Excellence Awards (EEA) which since 2007 have been recognising the most outstanding

campaigns and projects in Europe in the field of public relations and communications.

In support of the institutional work in the management of the pandemic, Aqualia also joined the "Call to Action" campaign promoted by the international Sanitation and Water for All (SWA) association. The initiative highlighted the importance of ensuring access to water and sanitation services to stop the spread of the virus. This association consists of governments from more than 60 countries, the United Nations, UNESCO, UNICEF, the World Bank, the Inter-American Development Bank, CEO Water Mandate, International Water Centre (IWC), Global Water Partnership (GWP), International Water Association (IWA), and companies and associations of all kinds. Aqualia joined this association both individually and in its capacity as a partner of Aquafed, the International Federation of Private Water Operators.



+67,000
viewings of the campaign on YouTube



SWA: #Teaser 1
World leaders Call to Action on water, sanitation and hygiene & COVID-19



15 Million
impressions on banners inserted in digital media



SWA: World Leaders' Call to Action: Message from Michelle Bachelet, UN Human Rights Chief



Published in Portugal, Italy and France



SWA: Leaders' Call to Action: Message from Catarina de Albuquerque, SWA CEO



Success story

End-to-end water cycle service, Colombia

With the aim of providing service for 450,000 inhabitants in 13 Colombian municipalities²⁸, Aqualia launched the end-to-end water cycle service in less than a month and in the midst of the global crisis due to the pandemic.

For the first time initial operations were completed remotely with a team of professionals under lockdown in Spain, Panama, US A and Colombia, which gave support to the 450 local workers who are now part of Aqualia's workforce in Colombia.

The involvement and coordination of the responsible team enabled the remote

implementation of technical studies to improve the installations. Training courses and technical support were also given on fraud control, detecting leaks, billing and analysis of software.

The launch of Aqualia's new services in Colombia in the midst of the COVID-19 crisis was a great example of the company's capacity for resilience and the enormous involvement of its workers. The essential role played by new technologies and digitalisation in the activity of a water management company also became clear.

 13 municipalities

 450,000 inhabitants

28 13, 12 in Córdoba and 1 in Villa del Rosario.



Asking the group's stakeholders: Aqualia and COVID-19

With the aim of discovering the degree of satisfaction amongst citizens with regard to the provision of services and the actions taken by Aqualia during the months of COVID-19, in the last quarter of 2020, the company conducted a survey amongst its groups of interest.

The increase in the degree of satisfaction, which was 81.4% regarding the service provided by Aqualia and 77% regarding the response to COVID-19, shows that both the end client and the institutions value the effort made by Aqualia to maintain a basic service in a context of high uncertainty and vulnerability.

What do end and institutional clients think about the provision of the service provided by Aqualia?

41.6%
of end clients
rated Aqualia's service as excellent and very good

↑ 27.7% compared to the rating obtained in 2018



The challenge of being more sustainable every day

In 2020 Aqualia continued to conduct materiality analysis. Studies and surveys were undertaken to determine needs of stakeholders and to make them active agents in the conversation and in order to maintain transparent communication with them.

Materiality in Aqualia

2020, one step forwards in the identification of material issues and

social, environmental and economic impacts

In 2020, the materiality analysis continued through two independent phases: Firstly, research on secondary sources and secondly, conducting surveys amongst end and institutional clients.



Analysis phases for materiality



Analysis of secondary sources

- Benchmark sector website.
- Main news collected by the company and communicated through internal channels.
- Review of parliamentary questions from the Spanish Congress of Deputies.
- Meetings with the company's main executives in which new significant issues were identified as a result of Spanish and international regulations that could have affected the sector and the company in 2020.

Ad hoc research: External analysis

End clients

3,325 *surveys*
 1,500 by telephone
 1,825 online

Institutional clients

24 *interviews*
 in depth



01 Research of secondary sources using the content analysis technique

Methodology

Content analysis is a methodology that focusses on the study of the contents of communication

This phase had the following steps:

- 01 Collection of information relating to the company published in secondary sources:
 - News on sector websites²⁹, main news collected by the company and published on internal channels, parliamentary questions about the sector.
 - Together with company executives, collection of information regarding regulations that affect Aqualia in national and international issues³⁰.
- 02 Preparation of a document with all the information: body.
- 03 Analysis and classification of all the information in the body, in accordance with the type of material subject to which they refer (governance, labour, environmental or social).
- 04 These new significant topics have been prioritised in accordance with how often they appear in the media, Spanish and international trends and regulations, as well as their ability to impact on one or more stakeholders. A higher score is given to those topics that appear more often and have an impact on the groups.

Main conclusions

After research on secondary sources, the following issues became important:

- The health and safety not only of employees but also of citizens acquires special significance, as does the company's measures to prevent infections. Water quality and transparent information become paramount issues within the context of COVID-19.
- The right of access to water and sanitation for vulnerable people, which is a regulatory requirement.
- Efficient resource management is primarily a regulatory requirement, relating to water scarcity and the demand for water. Also includes environmental issues relating to climate change and water circularity.

²⁹ Sector websites from which the main news was extracted during the year included: iAgua, Smart Water Magazine, Aguasresiduales, Retema, Tecnoaqua, Futureviro, El Ágora, Municipal Engineering, Sustainable City, Renewable Energies and Global Water Intelligence.

³⁰ Meetings were held with the departments responsible for establishing the 7 strategic sustainability lines for the 21-23 plan.

02

External analysis with the aim of discovering the degree of satisfaction, assessing material issues and understanding the image that Aqualia's clients have of the company

Quantitative methodology

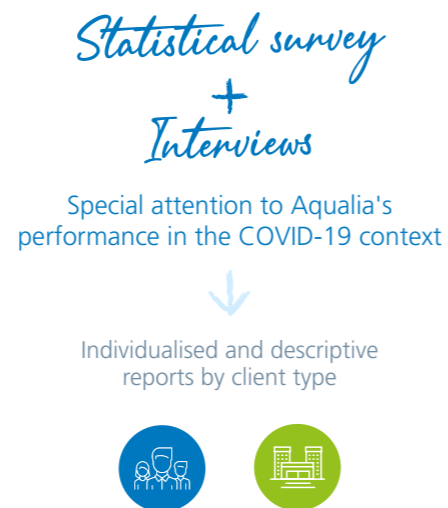
through telephone and online surveys to end clients and mixed methodology (qualitative and quantitative) through telephone interviews and filling in an institutional client survey

This phase had the following steps:

- 01 Integration of questions related to attributes of the company's image in the statistical survey and in the scripts for the interviews. Questions about the company's performance in the COVID-19 context were also added: Performance, degree of satisfaction as an end user, etc.
- 02 Conducting 3,325 end client surveys (1,500 telephone and 1,825 online) and conducting telephone interviews with heads of 24 local administrations (mayors, councillors and technicians) in the municipalities where Aqualia, or any of its subsidiaries, manage the municipal water service.
- 03 Preparation of individualised and descriptive reports for each type of client, in the different geographical areas. These reports were also compared with the results from consultations in other years.

Main conclusions

As a result of this analysis, it was possible to verify that in general terms clients are satisfied, although there is room for improvement and the results are in line with the significant issues resulting from the materiality analysis.



Materiality matrix

The result gave the ratings given by end and institutional clients for the attributes associated with Aqualia. The following was specifically observed:



End clients

Evaluate water and service quality as the most significant issues, followed by environmental commitment. Transparency and specialisation are ranked third and fourth in importance.



Institutional clients

Evaluate the quality of the water, the quality of the service, specialisation and efficiency above the rest of material aspects (> 90%), as well as client proximity and orientation and Aqualia's ethics and transparency.

To prepare the general matrix and make a quantitative weighting, both the results of the content research and those of the satisfaction survey were taken into account. As has already been stated, there should be special

mention for the importance of water quality, quality of service and ensuring supply, as well as a fast, agile and efficient client experience, as indicated in the Annex to this report.

COVID-19 context and Aqualia

In the consultations with end and institutional client, the company's behaviour during COVID-19 was investigated. Ensuring supply, ensuring water quality and facilitating client management appear as the most significant material issues.



End clients

84%

of clients pointed out that Aqualia helped them to guarantee their water supply.

55%

Ease of completing procedures was the second-most valued feature of Aqualia for clients, with 55%.

77%

of clients stated that they were satisfied with Aqualia's actions in the COVID-19 context.



Institutional clients

96%

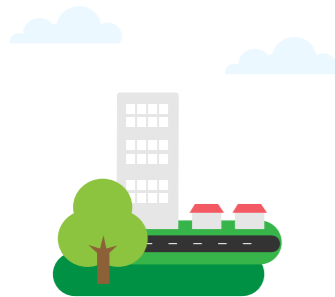
of institutional clients felt that guaranteed water supply and quality and the ease of undertaking procedures were aspects in which Aqualia was of great help.

92%

This was followed by the second-most valued feature, with 92%, which was the company's ability to provide clients with useful information.

Milestones, objectives and commitments

In 2020, Aqualia continued working on the three axes of its 2018-2020 Sustainability Master Plan to respond to the needs of its stakeholders



Citizen connections

Aqualia is committed to proximity and close contact with the communities where it operates and undertakes its activities

- It collaborates in social improvement in the cities where it operates.
- It educates and raises citizen awareness.
- It collaborates with municipalities in social improvement.
- It measures the impact on the municipalities where it operates.



Smart services

Adapting its services to constant change, in the context of scarcity, protection of resources and the natural environment

- It acts against climate change.
- It develops innovative circular economy projects (Aqualia Circular).
- It addresses water stress by implementing processes to minimise consumption and promote water re-use.
- It is committed to the protection of the natural environment in the places where it is present.
- It promotes innovation as essential for making progress in sustainable water management.



Exemplary performance

It operates under standards of integrity and business ethics in all the jurisdictions where it is present

- It maintains relationships based on respect, trust and equal opportunities with its employees and suppliers.

Be Aqualia

Comprehensive People and Culture Policy

- Equality
- Attracting talent
- Female talent
- Diversity and social inclusion
- Training and development
- Occupational health and safety and welfare
- It is a benchmark for ethical management
- It applies ethical criteria to third parties

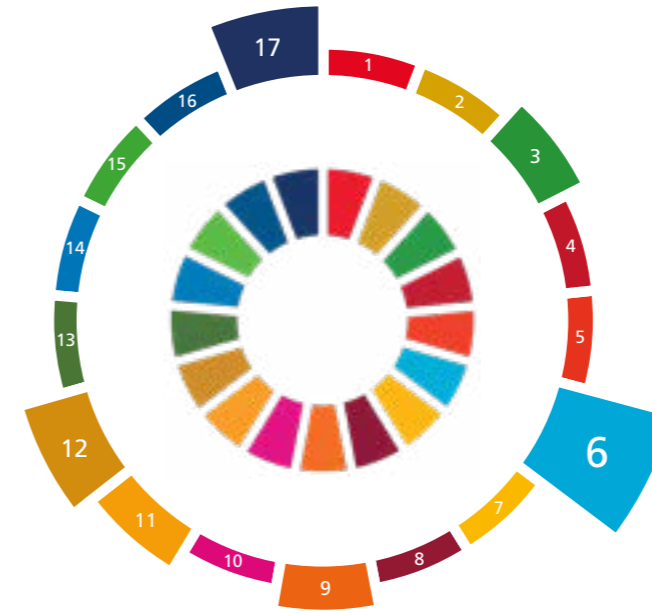


Thanks to the work done by all departments together this year a Strategic Sustainability Plan 2021-2023 was approved that reinforces the company's commitment to the common and global future of the Agenda 2030

Strategic Plan for Sustainability

2021-2023

Aligned with the 2030 Agenda and the SDGs in strategy and management



Aqualia promotes and integrates the Ten Principles of the United Nations Global Compact into its company culture and is aligned with the Sustainable Development Goals.

This year, the company has taken one step further in its commitment to the Global Compact by becoming a full member. Until now, Aqualia belonged to the Global Compact through FCC.

2021-2023. During the last quarter of 2020 and the first of 2021, work was also done on the strategic lines that will determine this plan and the necessary projects and actions to achieve each of them were established. And all this aligned with the main Sustainable Development Goals to which the company contributes.

Following the materiality analysis completed in 2020, Aqualia worked on a Strategic Sustainability Plan for

Strategic lines*	Objectives	Main projects	SDGs
1 <i>Strategic communication</i>	To be able to communicate the value contributed by Aqualia as Managers of the Public Water Service.	Aimed at having a narrative story consistent with Aqualia's purpose and mission.	6, 12, 17
2 <i>Climate emergency and care of the environment: Mitigation, adaptation to climate change</i>	To promote initiatives aimed at minimising and adapting to climate change.	Aimed at: <ul style="list-style-type: none"> Reducing water consumption. Optimising energy efficiency and reduction of emissions. Protection and recovery of the ecosystem. Transfer of R&D&i projects to production. 	6, 7, 13, 15, 12, 17
3 <i>Technology for integrated management</i>	To achieve a technology that enables the efficient use of resources and efficient management so that citizens can enjoy access to water that is guaranteed by Aqualia.	Aimed at implementing all those tools that improve and streamline management and customer service. Special mention for those aimed at: <ul style="list-style-type: none"> Developing Aqualia Water Analytics (AWA) for smart water management in cities; implementing mobility in the management of processes in the end-to-end cycle for an improvement in times, greater team efficiency and the integration of platforms. 	6, 9, 11

* In the different chapters and sections mention is made of these lines for the 2021-2023 Strategic Sustainability Plan, specifying to which SDG and which SDG goal they are contributing.

Strategic lines*	Objectives	Main projects	SDGs
4 <i>People management</i>	To continue to contribute mainly to the objectives of health and welfare, equality and diversity, and dignified, healthy employment.	Aimed at progressing with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.	3, 5, 8
5 <i>Ethics and compliance</i>	To transfer to the entire company, and to the supply chain, Aqualia's culture, ethical values and compliance through 360° implementation.	Aimed at the development of the compliance model, training in ethical culture and the official approval of suppliers.	16
6 <i>Social impact</i>	To define the efforts made by Aqualia to guarantee access to water in a way that strengthens the link with the communities.	Aimed at social action programmes and mechanisms to guarantee access to water for everyone. As well as establishing mechanisms for the measurement of the impact of Aqualia's projects in the countries where it provides services as an end-to-end manager of the water cycle.	6
7 <i>Strategic alliances</i>	To contribute to Aqualia's SDGs through strategic alliances.	Through partnerships with third parties, Aqualia can contribute to the achievement of the 2030 goals.	17

* In the different chapters and sections mention is made of these lines for the 2021-2023 Strategic Sustainability Plan, specifying to which SDG and which SDG goal they are contributing.

Committed to people

Promoting a good work environment | Building a better society

As John Donne said, no person is an island: We are part of a whole and the water that surrounds us has to be a point of union. Aqualia is committed to the welfare of those who work with the company to build a more just, diverse and inclusive society; but also to that of those people to whom it guarantees access to an essential right.



“I am part of the generation that is making Aqualia an egalitarian company, and that achievement will always accompany me on each of the peaks that I will crown”

AQUALIA EMPLOYEE



8.5 Goal

4 Strategic line

Promoting a good work environment

Almost nine out of ten employees surveyed declared that, over the last three years, there has been progress with regard to work-life balance in Aqualia.



Rate of turnover for personnel³¹

Average turnover	Men	Women	Total
Spain	1.6%	3.1%	1.9%
International	0.9%	0.3%	1.2%

³¹ Rate of turnover: leave without pay and resignations compared to the total number of workers.

Contract types by region and gender

	2019			2020			%
	Men	Women	Total	Men	Women	Total	
TOTAL EMPLOYEES	7,679	1,825	9,504	8,562	1,963	10,525	10.7%
TOTAL FOR SPAIN	5,163	1,435	6,598	5,227	1,484	6,711	1.7%
Indefinite contracts	4,406	1,270	5,676	4,493	1,290	5,783	1.9%
Temporary contracts	748	160	908	729	190	919	1.2%
Fixed seasonal contracts	9	5	14	5	4	9	-
Indefinite contracts	85.51%	88.84%	86.23%	85.96%	86.93%	86.17%	-
Temporary contracts	14.49%	11.16%	13.76%	13.95%	12.80%	13.69%	-
Fixed seasonal contracts	0.17%	0.35%	0.21%	0.10%	0.27%	0.13%	-
INTERNATIONAL TOTAL	2,516	390	2,906	3,335	479	3,814	31.2%
Indefinite contracts	1,318	339	1,657	1,837	409	2,246	35.5%
Temporary contracts	1,198	51	1,249	1,498	70	1,568	25.5%
Indefinite contracts	52.37%	86.95%	57.01%	55.09%	85.43%	58.89%	-
Temporary contracts	47.63%	13.05%	42.98%	44.91%	14.57%	41.11%	-

Classification by working day and gender in 2020

	Contract type	Type of working day	Men	Women	Total
Spain	Seasonal	Full-time	5	4	9
		Part-time	4,372	1,056	5,429
	Fixed	Part-time	121	234	355
		Total Indefinite	4,498	1,294	5,793
	Temporary	Full-time	514	95	609
		Part-time	215	95	310
	Total Temporary	729	190	918	
TOTAL FOR SPAIN			5,227	1,484	6,711
INTERNATIONAL TOTAL	Full-time		2,033	469	2,502
	Part-time		6	10	16
	Unassigned		1,296		1,296
INTERNATIONAL TOTAL			3,335	479	3,814

Classification by contract type, gender and age

Type of contract	Age range	Spain		International		TOTAL RESULT
		Men	Women	Men	Women	
Fixed	≤25 years	26	8	70	18	
	26 to 35 years	449	156	315	73	
	36 to 45 years	1,462	525	547	133	
	46 to 55 years	1,687	480	535	115	
	≥55 years	869	121	371	70	
Total fixed contracts		4,493	1,290	1,837	409	8,030
Temporary	≤ 25 years	52	19	29	13	
	26 to 35 years	151	70	62	24	
	36 to 45 years	211	51	68	20	
	36 to 45 years	128	41	1,322	12	
	≥ 55 years	186	10	17	1	
Total temporary contracts		729	190	1,498	70	2,486
Seasonal	≤ 25 years	1	2			
	26 to 35 years	4	1			
	36 to 45 years		1			
Total seasonal contracts		5	4			9
TOTAL RESULT		5,227	1,484	3,335	479	10,525

In 2020, the number of Aqualia employees grew by 10.7% due to an increase in personnel in three regions. The first was Egypt, where it increased by 32.3% to 1,330 employees, which represents 34.9% of the total international workforce, compared to 2019. The number of employees has also increased in Colombia;

in this case by 840.3% to 496, which represents 13.0% of the international total. Finally, there was also an increase in the workforce in Saudi Arabia, where growth was 293.0% to 169 employees, representing 4.4% of the international total.



Employment figures by country: Increase and diversity

Workers by country	2019			2020		
	Men	Women	Total	Men	Women	Total
International total	2,516	390	2,906	3,335	479	3,814
Czech Republic	696	289	985	707	282	989
United Arab Emirates	323	6	329	303	5	308
Egypt	1,003	2	1,005	1,328	2	1,330
Italy	181	23	204	192	23	215
Portugal	82	19	101	88	20	108
France	52	17	69	59	18	77
Algeria	52	5	57	51	5	56
Colombia	36	17	53	385	111	497
Saudi Arabia	40	3	43	166	3	169
Mexico	19	7	26	32	8	40
Chile	12	0	12	9	0	9
Montenegro	11	0	11	1	0	1
Ecuador	6	2	8	4	0	4
Peru	0	0	0	3	1	4
Romania	2	0	2	3	0	3
Kosovo	1	0	1	2	0	2
Panama	0	1	1	0	1	1

Equality and diversity: Distribution by age, gender and professional category

	2019			2020		
	Men	Women	Total	Men	Women	Total
	7,679	1,825	9,504	8,562	1,963	10,525
No. of directors	104	8	112	115	9	124
%	93%	7%		93%	7%	
< 35 years	1	-	1	2	-	2
35 and 55 years	77	7	84	80	8	88
> 55 years	26	1	27	33	1	34
No. of middle managers	815	195	1,010	843	217	1,060
%	81%	19%		80%	20%	
< 35 years	72	23	95	77	36	114
35 and 55 years	545	153	697	556	162	718
> 55 years	199	19	218	210	19	229
No. of technicians	905	502	1,407	1,259	537	1,796
%	64%	36%		70%	30%	
< 35 years	279	139	418	342	144	486
35 and 55 years	512	335	847	709	358	1,067
> 55 years	114	28	142	208	36	244
No. of administrative clerks	337	761	1,098	361	798	1,159
%	31%	69%		31%	69%	
< 35 years	53	101	154	70	119	190
35 and 55 years	216	586	803	219	594	813
> 55 years	68	73	141	72	84	157
No. in other positions	5,518	359	5,878	5,984	401	6,385
%	94%	6%		94%	6%	
< 35 years	1,428	79	1,507	666	83	749
35 and 55 years	3,260	229	3,488	4,397	256	4,653
> 55 years	831	52	883	921	62	983

31.2%
total variation in international

Selecting and attracting talent: New recruitment in Spain and Internationally by gender

	2020		
	Men	Women	Total
No. of new recruitments in Spain	375	143	518
< 35 years	137	62	199
35 and 55 years	218	76	294
> 55 years	20	5	25
No. of new recruitments internationally	698	140	838
< 35 years	211	77	288
35 and 55 years	350	61	411
> 55 years	137	2	139
TOTAL NEW RECRUITMENTS³²	1,073	283	1,356

³² The average corporate percentage of women hired was 21%: 28% in Spain and 17% internationally.

Professional development: Training

participants
 31,222 in Spain
 4,912 internationally

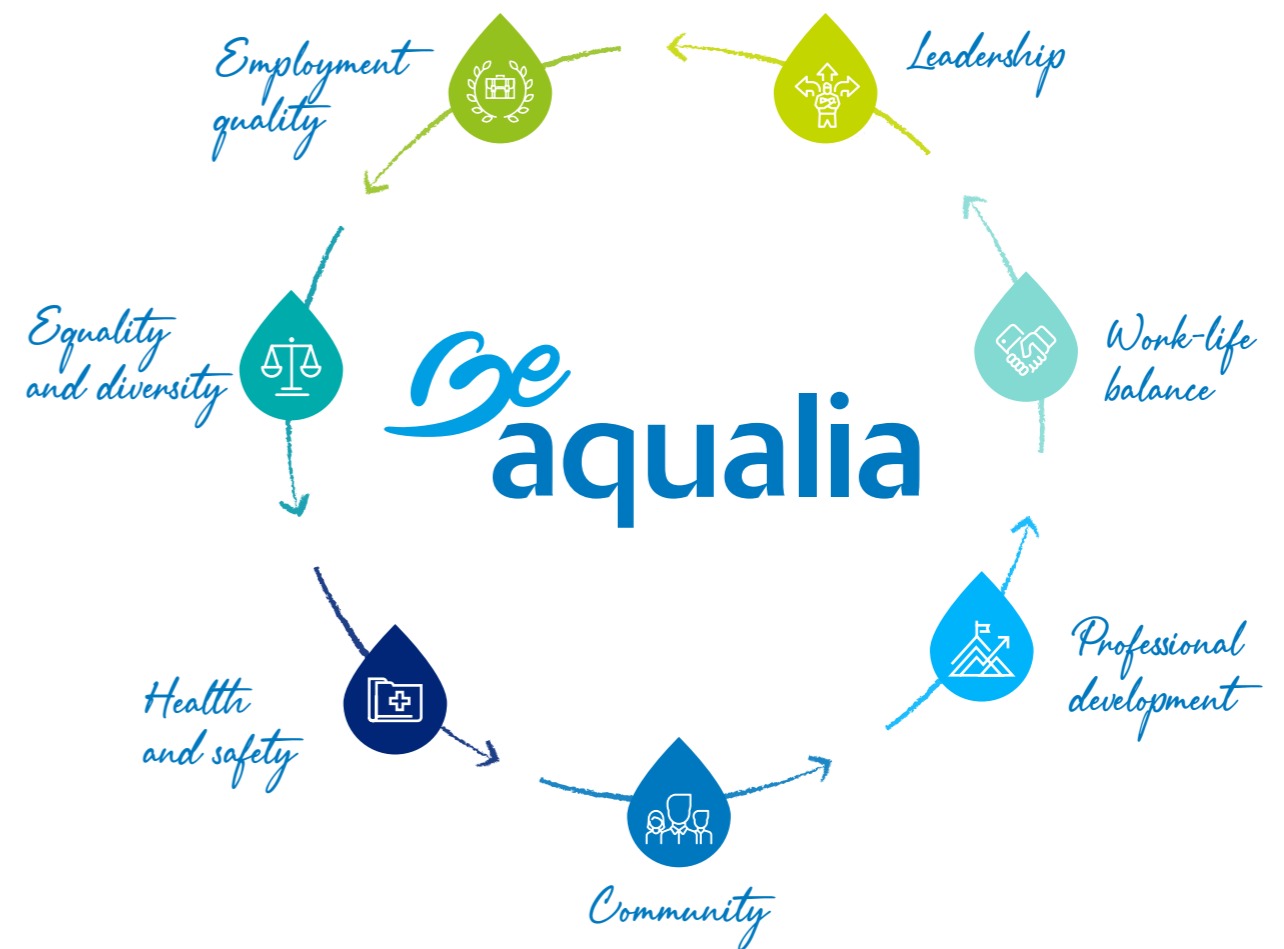
costs
 614,941 €
 for training

Main training figures in Spain and internationally	2019			2020			%
	Total	Spain	International	Total	Spain	International	
No. courses held	1,697	697	1,000	1,338	460	878	-21.15%
No. participants trained	17,519	9,872	7,647	36,134	31,222	4,912	106.26%
No. women trained	3,519	2,586	933	11,868	10,871	997	237.25%
No. men trained	14,001	7,286	6,715	24,272	20,351	3,921	73.36%
% absenteeism	9%	14%	1%	-	15%	2%	-
No. hours received	114,413	76,799	37,614	94,993	68,880	26,113	-16.97%
No. hours received/worker	12	11.64	12.94	9	10.26	6.85	-
Training costs	906,323 €	706,524.48 €	199,798.29 €	614,941 €	491,728.37 €	123,212.63 €	-32.15%

Action approach

Be Aqualia is the company's cultural transformation project. Designed in line with Aqualia's strategic plan and business outlook, the initiative articulates the activity of the People and Culture department, responsible for talent management in the organisation.

Led by the directors of the company, Be Aqualia is guided by a common motto: People who work for people with the aim of achieving a healthy organisation. The project is structured around the following axes:



In 2020 Aqualia continued working on each of the seven previous action blocks, identified as "health assets". The company also began to work on a specific, cohesive and interrelated Strategic People and Culture Plan, which focusses on internal (interdepartmental) and external dialogue (with the rest of the stakeholders), with the aim of establishing synergies and creating value.

Regarding the implementation of the Plan, the pandemic slowed down its development due to the redefinition of management priorities in the short term. In this regard, one of the aspects that were prioritised was internal communication, since the extremely severe situation required the transmission of information to the entire workforce and through different channels and formats, both online and offline.

The most important milestones of the year included:



 **6,593**
active users

Launching the Be Aqualia app

This application for mobile devices, the app is intended for all company employees, especially those who are deskless, employees who do not have a corporate email account and, therefore, until now received less information. Using the new app, employees can keep up to date with current affairs at Aqualia, participate in surveys, give their opinion and join new campaigns and challenges organised by the company.



3,600
viewings

on the YouTube channel

Video of Aqualia's CEO

To thank them for the work undertaken by all the company's staff, Félix Parra, CEO of Aqualia, sent a video to all the employees. In it, he showed his support for those who had suffered from the disease and explained the measures implemented by Aqualia to preserve the health of everyone and to guarantee the continuity of the service. A thank you letter was also sent to all the staff at the end of 2020.

With subtitles in English, Italian, French, Portuguese and Czech, this video was viewed 3,600 times on the company's YouTube channel. It was also sent out by e-mail, WhatsApp and on the Be Aqualia app.



Communication of Corporate Social Responsibility (CSR)

In October 2020, Aqualia participated in a study regarding the communication of Corporate Social Responsibility on social networks. The initiative took an in-depth look at the impact that this communication has on employee identification and welfare. The study was conducted at the University of Warwick (United Kingdom) and involved the participation of 250 workers from different areas and departments of Aqualia who gave their opinion.

Work-life balance, focus and results

Aqualia took 55 work-life balance measures that affected job quality, flexibility in time and space, support for employees' families, personal and professional development and equality of opportunities. Monitoring these measurements was undertaken through the EFR managing system³³, which constituted the engine for continuous improvement in work-life balance.

During the 2020 business year Aqualia promoted knowledge and use of the EFR catalogue measures amongst employees through different awareness and communication actions. In this way, 4,155 people were made aware of work-life balance and the use of the Be Aqualia measures by means of an online course.



Aqualia maintains its certification as an **EFR (Family-Friendly Company)** which it obtained in 2017. In February 2021, a renewal audit was conducted with satisfactory results, so it was renewed until November 2023.

4,155
people

received training in work-life balance



8.5 Goal

4 Strategic line

With the aim of knowing the employees' opinion of work-life balance in Aqualia and to be able to improve management, in September the Employee Voice Survey 2020 was launched³⁴, which received 422 replies. There were also 15 interviews with employees complete the process. When selecting the sample for the organisation all positions and all personal/family situations were taken into account, as well as different age ranges.

80%
interviewees

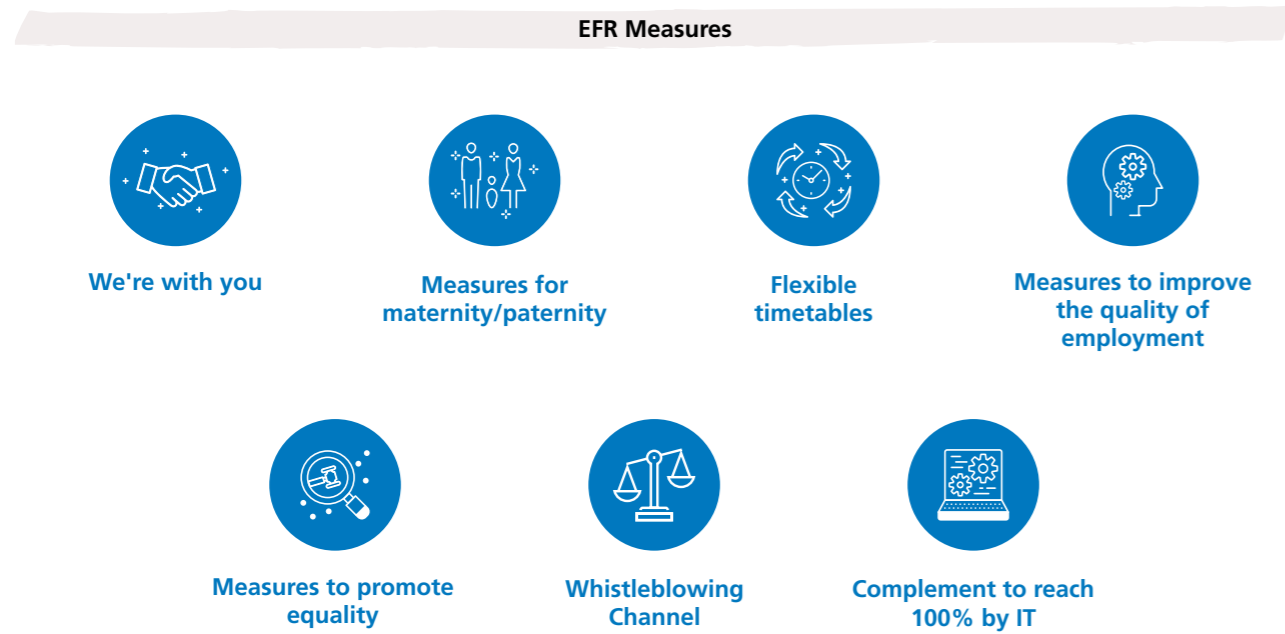
felt their managers supported work-life balance



³³ Scope in Spain.

³⁴ Scope in Spain.

The measures most valued by the interviewees were:



450 managers within the organisation

whose teams were telecommuting during the pandemic believe that performance was not affected.

A survey entitled "How did you feel about your team's performance when working from home?"³⁵ was also sent out in order to analyse the impact and results of telecommuting during the last months of the pandemic and from the perspective of managers³⁶.

With regard to telecommuting, Aqualia gave its workers guidelines to make it easier to manage the new situation as best as they could. These included tips on how to maintain a correct ergonomic posture to avoid injury or fatigue and also a series of tips for the correct emotional management of the pandemic and confinement situation. It also made available to all employees a free professional psychologist service which they could access online at any time using the Mypsico app.

³⁵ Scope in Spain.

³⁶ The percentage of participation was 57%.

Diversity and equality

Aqualia has collaboration agreements with a number of associations and foundations and is a member of the Diversity Foundation's Diversity Charter. In December 2020 the company also became a full member of the United Nations Global Compact³⁷.

Together with the Adecco Foundation, Aqualia is developing a Family Plan, aimed at the children of employees who have a recognised disability greater than or equal to 33%. It also has a Collaboration Agreement with the Down Syndrome Foundation and with FSC Inserta de la Once (The Spanish Association for the Blind³⁸).

In 2020, 1,398 employees participated in the Diversity and Disability course, conducted by the Adecco Foundation, aimed at raising awareness among Aqualia employees in this area.

In the Czech Republic, Aqualia's subsidiary SmVak is promoting the inclusion of people with different capabilities through the local NGO Trianon, which employs people with different capabilities to undertake recycling tasks at the Nová Ves water treatment plant.

8 DECENT WORK AND ECONOMIC GROWTH
8.5 Goal
4 Strategic line

20,000 €
Allocation

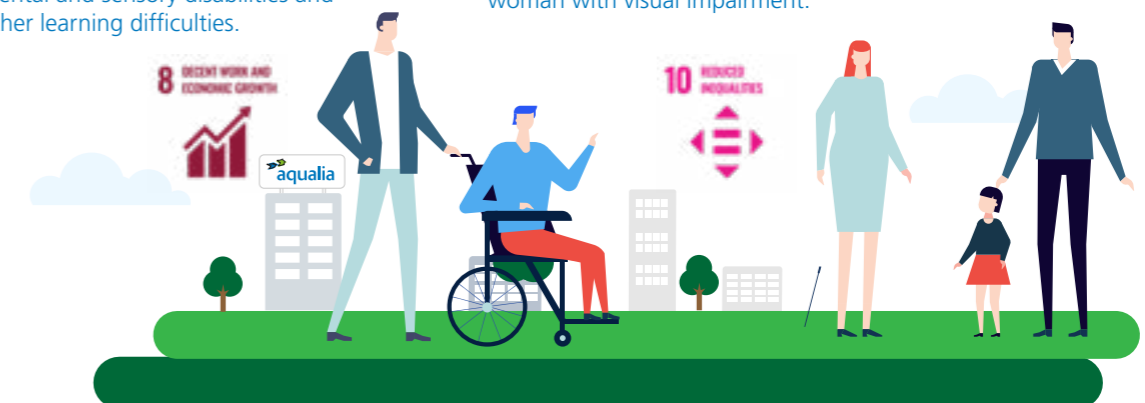
from the IFM grant received by the Czech association Trianon to promote the employment of people with disabilities within its Ostrava activity.

Best practices

With the campaign entitled "I give something special, Aqualia makes it easy for me", the Association of People with Disabilities, "El Mago Merlin", delivers Aqualia's bills in the town of Hinojos in Huelva. This is how Aqualia contributes to labour insertion for people with physical, mental and sensory disabilities and other learning difficulties.

Diversity Week

Aqualia organised Diversity Week with the aim of raising awareness and involving all employees in contributing to improving the lives of people with disabilities. So from 30 November to 4 December a number of awareness activities were organised: an interactive game, "Rosco de la Inclusión" #PorLaInclusiónJugamosTodos; the dissemination of the "Vulnerables" campaign video organised by the Adecco Foundation; and a virtual meeting with María Petit, a young woman with visual impairment.



³⁷ Since 2007, Aqualia has been represented by the FCC Group.

³⁸ The number of workers with disabilities in Spain is 129. This represents 1.92% of the total number of workers.

Equality

In 2020 Aqualia continued with the implementation of its Equality Plan II, in which both the company and the majority unions at state level reiterated their commitment to equal opportunities for men and women. In February, the Negotiating Committee for Aqualia's Equality Plan III was set up and an assessment was made of the situation required to start negotiations.

Due to recent legislative developments, training on the new Equality legislation was provided to all members of the Negotiating Committee. The aim of this course, given by an external consultancy firm, was to learn about the regulations in force in Spain with regard to equality plans.

In accordance with the different objectives and action guidelines, the following actions were undertaken in 2020:

Aim	Action guidelines	Actions in 2020
<i>To guarantee the same opportunities between men and women at all levels</i>	Guaranteeing non-discriminatory selection and the incorporation of women in those areas, groups and positions where their representation is lower, based on the company's selection policy and process.	<ul style="list-style-type: none"> Implementation of a selection-by-skill model to encourage the incorporation of the candidates most suitable for the position, regardless of their gender. Training in equal opportunities: 455 people.
<i>To promote and improve women's prospects of accessing positions of responsibility</i>	Promoting the training of women and encouraging promotion to positions of responsibility within the company.	<ul style="list-style-type: none"> Initiation of the 4th Mentoring Programme to Boost Female Talent, with the aim of promoting the presence, visibility and participation of women in the company's organisation, thereby making it easier for them to develop their professional careers. The 2020 edition saw the participation of seven mentees, three male mentors and four female mentors. This programme will continue to be developed in 2021. In 2020, a new edition of the School of Industrial Organisation's (EOI) Management Development Programme for Women with High Potential was held with the participation of 5 members of the Aqualia staff. An Aqualia executive also participated in the 2020 edition of the Promociona Programme organised by ESADE with support from the Spanish Confederation of Employer Organisations (CEOE) and Ministry of Health, Social Services and Equality, with the aim of improving access for women to executive positions and to continue to create shared leadership.

Aim	Action guidelines	Actions in 2020
<i>To foster a salary system that prevents gender discrimination</i>	Since establishing Aqualia's wage gap in 2019, the company has been working to eliminate any barriers that may lead to discrimination.	<ul style="list-style-type: none"> The most up-to-date data on the salary gap is that provided in 2019 and calculated by KPMG, which resulted in a gap with respect to total normalised salary of 10%. In 2021 the data is being updated in order to provide the greatest possible transparency in the information given to its stakeholders.
<i>To disseminate a corporate culture committed to equality</i>	It develops and participates in initiatives to raise awareness of equality.	<ul style="list-style-type: none"> Training in equal opportunities. Training in diversity. Internal and external communication campaigns. Collaboration with foundations such as Adecco, Down Madrid. The company is committed to the fight against gender violence and each year implements a number of awareness and sensitivity campaigns organised in different municipalities and with the collaboration of Aqualia staff.
<i>To guarantee rights relating to work-life balance</i>	<p>Actions to promote a balance between male and female employees in accordance with established legal criteria and that this should not mean losing opportunities either in promotion or in access to training, etc.</p> <p>Raise awareness of co-responsibility.</p>	<ul style="list-style-type: none"> Manager training in EFR. Work-life balance training for the entire workforce (4,155 people). Voice of the Employee Survey. FR Certification. Communication actions to disseminate EFR measures and their use. Transfer of the commitment to work-life balance to the value chain.
<i>Actions with regard to the prevention of sexual harassment and due to gender</i>	Strengthening the procedure for action with regard to the prevention of sexual harassment and for reasons of gender guaranteed by whistleblowing channels and their confidential treatment.	<ul style="list-style-type: none"> Preparation of a conflict management procedure. Training in prevention of workplace and sexual harassment (2,063 people). Updating the group's sexual harassment procedure.

Awareness-raising campaigns on equality, gender violence and diversity



Generation Equality

On 8 March Aqualia joined to the United Nations Generation Equality campaign, giving a voice to three company workers from different generations to make first-hand analysis of the progress and changes experienced with regard to equal opportunities. The www.aqualiaigualdad.com website and the video produced by Aqualia to vindicate women's rights and an equal future, regardless of gender or age, without leaving anyone behind, include statements by them.

Intergenerational dialogues

With the aim of raising awareness and involving all citizens in the change towards real equality, Aqualia coordinated "Intergenerational Dialogues" in a number of towns and cities where it manages the end-to-end water cycle. Santander, Lleida and Almería hosted a number of workshops to enhance the visibility of the different realities that women face in our society and promote the creation of more inclusive work systems, share experiences and discuss how to eliminate barriers and accelerate progress towards gender equality.

#EmploymentForAll

Once again Aqualia collaborated with the Adecco Foundation in the preparation of the #EmpleoParaTodas (#EmploymentForAll) report, entitled "Women at risk of exclusion 2020". The analysis focusses on older women as the undisputed protagonist of the new labour market, in which they are gaining increasing weight. Through the spot entitled "The Social Elevator", the Adecco Foundation reflected on the reality of more than four million women in Spain who are at risk of exclusion.



#Aqualiaequality video.
Join the Equality Generation.
Without leaving anybody behind

Coinciding with the International Day of Women and Girls in Science, which the United Nations celebrates on February 11 to promote access and full and equitable participation of women and girls in science, Aqualia shared the testimony of one of its employees:



Patricia Zamora, project manager for the Eco-efficiency area in the Innovation and Technology Department



#AqualiaContigo

The International Day for the Elimination of Violence against Women was held this year within the unprecedented context marked by COVID-19. The pandemic restricted the organisation of commemorative events normally held at a local level and in which Aqualia traditionally collaborates with municipalities.

In any case, there was massive support for the #AqualiaContigo campaign. A number of Administrations, mayors and councillors formed part of a huge virtual chain that encouraged people to publish their photos on social media "with open arms". A total of more than 1,000 people contributed to forming a chain measuring more than 2,000 metres. Hundreds of citizens and professionals from the sector supported the Aqualia initiative by sharing it on social media in Spain and Colombia.

Collaboration with the Adecco Foundation

Aqualia also collaborated with the Adecco Foundation in the preparation of the report it produces every year to commemorate the International Day for the Elimination of Violence against Women. The document, entitled "Employment against violence", seeks to enhance the visibility of women who have suffered gender violence, giving rise to initiatives aimed at their inclusion in the workplace.

As a result of this collaboration, a project was also launched for the training and job placement of ten women who had been victims of gender violence in a sector with high demand such as the logistics sector. Those selected were also provided with skills and abilities to search for employment within a continuous process of mentoring and accompaniment.



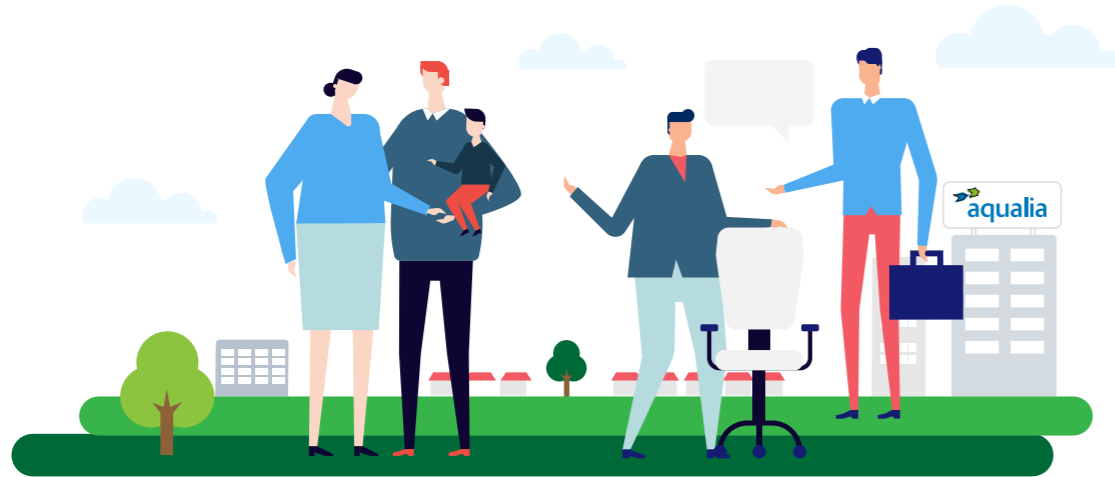


4.3 Goal

4 Strategic line

Leadership and professional development

The seventh edition of the Otto Walter Cycle was held in 2020, this time in a virtual classroom format. The programme is aimed at middle managers, with the aim of continuing with the transformation of Aqualia's leadership style and with a transition towards a more participative, talent catalyst management model that strengthens team cohesion and is supported by a common language shared by all.



Personal development

In 2020, within the area of personal development, the measures included in the Be Aqualia Psycopack that seek the welfare of employees were maintained:



Psychomet

Aqualia makes available to all employees this tool that enables them to check their level of mental and emotional welfare, helping employees to make early identification of any problem of a psychological order that they may be experiencing.



Employee Aid Programme (PAE)

24/7 Psychological care service offered by expert psychologists who help employees resolve any possible psychological and emotional distress that they are experiencing, both personally and professionally.



Procedure for managing interpersonal conflicts

Effective tool for the management and resolution of conflicts arising in the workplace through a mediation process. The present procedure complements the protocol for action with regard to bullying situations already adopted by Aqualia.

Professional development

Training at Aqualia is linked to the company's strategic objectives, to improving the performance of workers' functions and to ensuring their health and welfare. With this in mind, training is developed that is adapted to the requirements for each of the positions within the company.

In April, within the framework of the health crisis, Aqualia launched a training course to address coronavirus³⁹. The training was aimed at all employees and sought to provide the entire organisation with specific and updated information on the organisational, hygienic and technical measures implemented by the company. The course also promoted creating habits for high professional performance in times of crisis. It was completed by 6,285 people.

This training was contemplated in two modalities:



Online

One for employees who were telecommuting



In-person

Another for employees of the Services who attend the work centres in person

Despite the difficulties posed by the pandemic, the company continued to commit to the training and professional development of workers in the remaining areas. To do this, the resources and tools available were adapted to be able to make use of a virtual classrooms or online platforms, like the Campus FCC.

So in 2020, 1,338 courses were organised (460 in Spain and 878 internationally) and a total of 36,134 participants (31,222 in Spain and 4,912 internationally) were given 94,993 hours of training (68,880 in Spain and 26,113 internationally).

A total of 94% of male employees and 97% of female employees participated in the different training courses.



1,338
total courses



36,134
total participants



94,993
total hours

♂ 94%

♀ 97%

³⁹ Scope in Spain.

Training by professional category⁴⁰

Training hours	Men	Women
Executives	4,210	680
Middle management	12,511	4,524
Technicians	9,375	6,761
Qualified workers	2,169	7,721
Low qualification	19,159	1,770

⁴⁰ Scope in Spain.

Attendance at training courses increased in 2020, favoured by the use of online tools. A total of 36,034 people received training: 31,122 in Spain and 4,912 Internationally.

The use of tools favouring online training led to the total number of participants in courses increasing by 106% compared to the previous year. And the number of participants in Spain by 216%.

With regard to training, courses were given on the Office 365 tools necessary for the digital transformation process, attended by 7,886 participants.

Other training given in 2020 included that for the position's specific risks, in which a total of 455 people were trained. In 2020 training continued to be given on the Code of Conduct and Ethics.

Accreditation of professional skills

In 2020, two calls were made in Girona and Tarragona for the accreditation process, approved in the 2nd Agreement signed with the Department of Education in Catalonia. A total of 55 workers from Catalonia, Aragon, La Rioja and Navarra participated. Of these, 81.82% achieved full certification and 18.18% partial certification in the following professional skills:

- Assembly and maintenance of water networks
- Organisation and control of assemblies and maintenance of water and sanitation networks and installations
- Operation of water treatment plants.
- Energy and water

Aqualia is also cooperating with the Regional Government of Valencia to promote accreditation processes in this region; and as a result, the first call for applications aimed at those responsible for water networks was launched. It was expected to finish in the first quarter of 2021 and 13 workers from Aqualia registered for it.



2nd Agreement
signed with the Department of Education in Catalunya


55
workers participated from Catalonia, Aragon, La Rioja and Navarra

81.8%
obtained full certification

18.2%
obtained partial certification in different professional skills



Selecting and attracting talent



8.5 Goal

4 Strategic line



1,356 people joined the company

In 2020, 1,356 people joined the company (1,709 in 2019) as part of the activity in Spain and internationally.

new information registration platform, Share Point 365, where all of Aqualia's selection processes are registered.

During this period, Aqualia worked on improving personnel selection procedures, both in Spain and internationally, through two channels: The modification of mandatory documents and formats to guarantee homogeneity and equality, and the implementation of a

Those involved in personnel selection processes were given training on how to improve the way they publish vacancies and shortlist candidates.

With regard to attracting young talent, the following actions taken deserve special mention:

The renewal of all agreements with universities with which Aqualia collaborates that required approval for new periods of validity.

Signing new agreements with other schools, universities and vocational training centres in different communities (Francisco de Vitoria University, IES, Erasmus Project-Internships in companies).

The inclusion of five student interns at the La Paloma Institute in Madrid for the 2019-2020 Higher Degree in Water Management course and the Intermediate Degree in Water Treatment Networks and Stations course as part of the Dual Professional Development promoted by Canal de Isabel II.

Signing a pilot agreement with an Occupational Training Centre in Gijón (Asturias), under which an Erasmus student from Slovakia will work for a month at the Oviedo Laboratory.

Finally, it should be pointed out that since 2017 there has been a General Protocol for the Design, Implementation and Valuation of an Anonymous Curriculum Vitae Project for the selection of personnel, signed with the FCC Group. The aim of this protocol is to establish a general framework for working with the State Secretariat for Social Services and Equality to promote the implementation of depersonalised recruitment processes with regard to the managerial group so as to avoid possible gender biases in staff selection processes and, where applicable, employee promotion.

Best practices

Aqualia supported the Sondersland young talent festival that virtually brought together thousands of young people from all over the world so that they could discover the most significant trends that would shape their careers, at a decisive time for a generation that has seen its future become more uncertain due to the COVID-19 pandemic. Aqualia participated with the presentation of "Water, not magic". This underlined that the vocation for service of all professionals in water management makes the day-to-day life of citizens much more comfortable.



Health, safety and welfare

The safety, health and welfare area follows the lines established in the 2019-2021 Strategic Plan.

This plan consists of three lines of action that represent the company's most significant areas.



Lines of action for the 2019-2021 Strategic Plan

01

PRODUCTION Improvement and integration of preventive activity

- 1.1. Analysis of actions against critical and/or significant risks.
- 1.2. Integration of work medicine.
- 1.3. Healthy company.
- 1.4. Simplification and invoicing of preventive tasks.

02

DEPARTMENT OF HEALTH AND WELFARE Improvement and modernisation

- 2.1. Training and motivation for Health and Safety Technicians.
- 2.2. Digitalisation of the department.
- 2.3. Facilitating and promoting knowledge.

03

MANAGEMENT Implementation of a preventive culture

- 3.1. Be Aqualia management culture.
- 3.2. Increased participation in preventive activity.

Due to the COVID-19 circumstances, there was a slowdown in the execution of the 2019-2021 Strategic Plan, which completed 25% of the projects and 75% are outstanding or being executed.

Throughout 2020, the Health and Welfare management system was subject to a complete review, to adapt it to ISO 45001:2018 and incorporate it into Aqualia's other management systems. There are procedures to guarantee the identification and elimination of hazards, minimise risks, define those responsible for the different processes and guarantee safety and health at work.

The tools implemented for employees to identify work-related hazards are a physical mailbox in each work centre, a virtual mailbox in the corporate Health and Welfare SharePoint and on the Be Aqualia app (specific access for incidents and hazards). In the first case, the measure is transferred to the contract prevention plan; in the second, the corresponding treatment is given. So where a danger or incident is local, the affected contract is transferred and proceeds as in the first case; if it is a general incident, it is processed from the

company's central services. In the case of the app, a record is opened and managed as in the previous point, depending on whether it is a local or general problem. This information is anonymous, unless the worker wishes to sign voluntarily.

Those responsible for the contracts, the technicians and the Health and Welfare coordinator are also responsible for ensuring compliance with and monitoring procedures, assessing corrective measures if necessary, and designing preventive policies.

Workers also have communication tools and specific mailboxes in each business line and a specific button on the Be Aqualia app, through which they can send incidents, dangers, etc. with regard to occupational safety.

Main health and safety indicators

All accident rates fell during 2020 compared to the previous period, both in Spain and internationally. Special mention should be made of the fall in the accident incidence rate compared to the previous year since in Spain it decreased by 92% and internationally by 93%. The frequency rate also fell by 19% and 56% in Spain and Internationally respectively, the accident severity rate by 16% and 21%, and the absenteeism rate by 74% and 81%.

Accident rate				
Accident rate indicators ⁴¹	2020		Change for Spain	Change internationally
	Spain	Internationally		
Accident frequency index	11.41	4.10	-19%	-56%
Accident severity index	0.55	0.12	-16%	-21%
Accident incidence index	1.97	1.48	-92%	-93%
Accident absenteeism index	0.30	0.14	-74%	-81%

⁴¹ These indicators provide information on own staff for Spain and own staff and subcontracted personnel internationally.

Frequency index: (Number of accidents with sick leave/Number of hours worked) * 1,000,000.

Severity index: (Number of days lost/Number of hours worked) * 1,000,000.

Incidence index: (Number of accidents with sick leave/Number of workers) * 100.

Accident absenteeism index: (No. days lost/No. workers).

Preventive culture in times of pandemic

Undoubtedly in 2020 the situation created by the COVID-19 pandemic forced all areas to rethink some of their processes to guarantee the safety of all workers and their families. In this regard, from the Health and Safety area, two important measures were implemented:

Measures



International health surveillance

Specific action guidelines were prepared for expatriate personnel and frequent travellers, including a dedicated position for health surveillance. At the same time, a study of the situation in each country in which Aqualia operates was initiated with regard to the pandemic, with the aim of diagnosing the situation and promoting the homogenisation of decisions relating to the corporation, always within the specific legislative and governmental remits for each country.



The Health and Welfare button on the Be Aqualia app

On this new internal communication channel, a number of services relating to welfare and prevention against the virus were integrated:

- Instant communication system for incidents and dangers.
- COVID recommendations.
- Videos with warm-up and stretching exercises, depending on the position.

Finally, and with the aim of improving the performance of the area with regard to subcontractors, a workshop with senior management, suppliers and contractors was held and in which a series of decisions regarding the future were taken:



Participation of the Health and Welfare area

The area will participate in the selection of new subcontractors for certain special activities during the purchasing processes.



Subcontractors

Subcontractors currently contracted will also be assessed by the Health and Welfare area.



Health and Welfare technicians

Technicians will provide their control activities (inspections, training, talks, etc.) to the subcontractors for special activities.



All subcontractors

Both in the selection phase and in the contracting and execution phase, should be registered on the Nalanda platform (or similar for International subcontracting) and should have fitness certificates issued on the platform itself.

As a result of the effort to keep the company's preventive culture up-to-date and active, some of the services of the Aqualia delegations in the Canary Islands, Italy, Chile and Oman received an award for the best preventive practices: SWDP Fonsalía and Adeje (Canary Islands), Caltaqua (Italy), Huechún (Chile) and OSWS (Oman).

Building a better society



6.1
Goal

6
Strategic line



55,391 €

Help for vulnerable people through 139 Caritas centres

Important figures

6.3% cultural and academic

2.9% sports

12.5% social

6.1% Awareness-raising environmental and education

1.6% others



70.6% Communication and dialogue with stakeholders

Our role as a management company is not only to provide a good service, but also together with the Public Administrations, to guarantee social sustainability



Contracts benefitting through tariffs



78,717 Spain

3,912 internationally

82,629 total

Households benefiting from social discounts or subsidies



3,973 Spain

3,024 internationally

6,997 total

Guaranteed access to water and sanitation (Colombia)⁴³

102,327 total beneficiaries



⁴² In 2019 the criteria for calculating the amount of social investment varied, including the direct activities undertaken by the company with regard to raising awareness, diversity, sports, culture, image, communication with stakeholders, as well as donations and collaborations. It does not include social funds or other contributions through tariffs and social bonds.

⁴³ Data derived from subsidies in Colombia.

Guaranteeing access to water

Water is a basic need and, therefore, a human right that should be guaranteed for everyone. Aqualia proposes mechanisms that enable the service to be provided for people in need, thus ensuring that no one may be deprived of this asset for financial reasons. The company's role is not only to provide a good service, but also together with the Public Administrations, to guarantee social sustainability.

For Aqualia, the guarantee of access to drinking water and a correct sanitation network constitute the highest service priority for all citizens in the areas in which it is present. For this reason, each year it launches a number of initiatives dedicated to ensuring supply and protecting the rights of the most vulnerable, in order to reduce inequalities caused by socio-economic issues. This year, more than ever, these initiatives have been most crucial,

as the living conditions of millions of people around the world have deteriorated considerably due to the pandemic.

In this regard, Aqualia not only dedicates its greatest efforts to the modernisation of infrastructures, innovation and the quality of the service, but also collaborates with different institutional and social entities to support those who are having enormous difficulties in overcoming inequalities. and maintaining a quality of life similar to that of the rest of their community.

That is why in 2020, the purpose for which Aqualia was created, to respond to a social demand to improve the quality of life with the management of the end-to-end water cycle, continued to be the driving force for all those who work in the company.

Bonds and social tariffs

Although the capacity to set tariffs and regulate the provision of services in the end-to-end water cycle in Spain is the exclusive responsibility of the Administration, Aqualia actively promotes social action mechanisms in tariffs and solidarity funds for the most disadvantaged users. The company has also worked to improve coordination with municipal social services to protect clients at risk of vulnerability or social exclusion. Access to water is also guaranteed to all vulnerable people and payment deadlines have been extended for all clients affected by the pandemic.

Internationally Aqualia collaborates with the governments of those countries with which it works to provide water and sanitation services for those at the most disadvantaged social levels. The Colombian model deserves special mention as the most developed: Six

Achievement 2020

6.2 Goal

To provide access to suitable and equitable sanitation and hygiene services for everyone, especially those in vulnerable situations.

types of tariffs have been established that correspond to social levels and the lowest strata receive subsidies from the state to guarantee water for all.

Ensuring the quality of water during COVID-19

6.1 Goal 6.2 Goal 6 Strategic line

In 2020 guaranteeing the quality of tap water was maintained with total normality, since the usual disinfection treatments applied by the company are totally effective in eliminating the virus, as recognised by the WHO technical report, "Water management, sanitation, hygiene and waste for COVID-19", published last March 2020.

Aqualia's experience, as well as its investment in efficient and responsible solutions that ensure water quality, enables it to face the crisis and guarantee water quality for all citizens.



Solidarity Social Fund

As an example of this, the Lleida Municipality and Aqualia signed an agreement to create a Social Solidarity Fund that guarantees access to drinking water to citizens who cannot pay the bill for reasons of social exclusion. The financial endowment for this Fund for one year is €100,000, of which 75,000 will be paid by Aqualia and the other 25,000 by the Lleida Municipality. This decision represents a great help for all those families in the area that have been severely affected by the economic situation aggravated by the pandemic that played a leading role in 2020.

This same procedure was followed in other municipalities, such as San Andreu de la Barca and Chipiona. In both cases, a fund of €10,000 was earmarked for citizens who cannot pay their bills. Other examples can be found in Cassa de la Selva, Dénia, Novelda, Alboraya, etc.

Following the measures included in the Contingency Plan against SARS-CoV-2 activated on March 13, 2020, and with the same purpose of helping citizens to continue accessing water as a basic need for the community, and in accordance with RD 11/2020, 26/2020 and 37/2020, supply cuts as a result of non-payment by users who are in a situation of economic vulnerability were suspended.



Social action

In its commitment to society in those areas where it is present, Aqualia has launched a series of actions, within the framework of its CSR policy, focussed on improving people's lives and promoting the social-economic development of the communities in different countries.

Cáritas and the Spanish Committee of UNHCR

In line with the approach for other years, in 2020 Aqualia renewed its collaboration with Cáritas and the Spanish Committee of UNHCR to support their initiatives in Spain.

fight against COVID-19, it also donated €20,000 to Cáritas for its social emergency fund against the disease.

There has been support for Cáritas since 2015, in order to help any citizen living in conditions considered to be at risk of social exclusion to have access to good-quality drinking water as part of their basic rights. In this regard, Aqualia collaborates to reduce the poverty figures in Spain and the associated inequalities that make it very difficult for the people who suffer from this to escape from their situation by themselves.

In 2020 Aqualia donated €55,391 to Cáritas for care and support programmes for people at risk of social exclusion in Spain. As part of Aqualia's support in the

Since 2019 Aqualia has maintained its support to the Spanish Committee of UNHCR for humanitarian actions. It focuses especially on those initiatives dedicated to bringing drinking water to the most disadvantaged.



1,200
refugees
have access to water in the Bolomoni region of Uganda, thanks to a donation made in 2019

After the donation of €30,000 made at the end of 2019 to the NGO for a water access project in the Bolomoni region of Uganda, the organisation was able to install a solar pumping system with a backup diesel generator. Thanks to this, access to water can be guaranteed for 1,200 refugees, out of a total of 6,000 who live there.

With this programme, the Spanish UNHCR Committee was able to completely eliminate the transportation of water by tanker lorries in Bolomoni and the Bolomoni Health Centre can now function without problems with a constant water supply and absenteeism amongst school children has been reduced as they no longer need to fetch drinking water.



Córdoba, Colombia

In 2020 Aqualia also contributed to helping reduce the effects of poverty in the diet of hundreds of vulnerable families.

An example was the donation of food lots in the town of Córdoba, Colombia, for the population at risk of social exclusion. This action had the active participation of a number of employees, who went personally to deliver the lots to those families who had difficulty moving from their home to the reference point.

A total of more than a thousand food lots with basic foods, such as flour, oil and rice were distributed in the twelve municipalities of the town of Córdoba. The mayors and neighbourhood councils, also collaborated under strict security measures to prevent coronavirus infections.



Strategic line



#Ningúnhogarsinalimentos

Along the same lines, Aqualia, as part of the FCC Group, participated in the #Ningúnhogarsinalimentos (#Nohomewithoutfood) campaign together with the La Caixa Foundation and Caixabank to support the Spanish Food Bank. The objective was to raise funds for the 54 centres throughout Spain. Through this campaign, FCC encouraged its employees to make a donation of €6 via SMS and made a commitment to donating the same amount on behalf of the entity.



Strategic line

Red Cross

For Aqualia, poverty not only affects food and access to water, but also includes problems related to the use of energy as a basic tool for maintaining daily life as an essential part of the "welfare state", which is taken for granted in many countries like Spain. This is why in 2020 it collaborated with the Red Cross by donating a lot of household appliances for vulnerable families in Talavera de la Reina, Toledo, together with training sessions on home economics and energy efficiency and the renovation of homes with outdated and dangerous installations.



Strategic line

The Beskydy seven

Aqualia also participated in a traditional Trail race in the Moravian-Silesian region of the Czech Republic, known as "Beskydy seven". As a supplier of drinking water tanks for the correct hydration of all the participants in the race, it showed its support for sport as a healthy way of life and the protection of the natural environments through which the company's most precious asset flows, water.



Strategic line

Spanish Rubinstein-Taybi Syndrome Association (AESRT)

Through Aqualia workers who organised the Development Programme for the Management of High Potential Women in 2020, the company collaborated with the Spanish Rubinstein-Taybi Syndrome Association (AESRT) to finance a book of solidarity stories with which the non-profit entity aspires to raise awareness for this syndrome, raise funds for research and to support families with children diagnosed with RTS. The storybook was entitled "Friends with big hands."

The Rubinstein-Taybi syndrome is of genetic origin, it is rare and involves a number of congenital anomalies with which these boys and girls are born. These include broader thumbs and big toes which is why it is popularly known as the big hand syndrome. SRT has an approximate incidence of 1 for every 125,000 births.



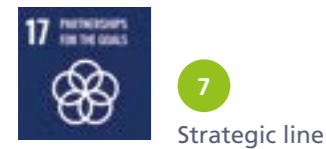
Impact on society: Helping governments through public-private collaboration

As part of its commitment to contributing to reaching the SDGs, Aqualia has been collaborating since 2016 with the PPPs Centre for Cities, an initiative of the United Nations through the UNECE Regional Commission, in the development of the "UNECE People-first PPP Evaluation Methodology". This is the first United Nations tool for the quantitative assessment of PPPs in terms of their contribution to reaching the SDGs.

In accordance with this methodology, Aqualia has since elaborated case studies for projects such as WWTP El Salitre, in Colombia; New Cairo Treatment Plant, Egypt, etc., projects highlighted by the benefits they bring to the community, citizens and countries. The company is

currently working on the impact of the management of the end-to-end water cycle in Almería, where the impact on SDGs in the territory is being measured in accordance with this methodology.

Aqualia is also collaborating with this centre, which is an international benchmark in the preparation of best practices and standards in accompanying and helping governments in the implementation of public-private collaboration projects. Specifically, in 2020 Aqualia was part of both the General Working Group and the Working Group that was responsible for the economic efficiency and fiscal sustainability aspect of the methodology.



Participation in forums

Aqualia is a member of a multitude of associations around the world dedicated to researching and acting on the public water service. The following is a list of these associations with the SDGs to which they contribute as a result of this collaboration:

Scope	Association	SDG
Spain	Spanish Water Supply and Sanitation Association - AEAS	6, 17
	Spanish Association of Urban Water Services - AGA	6, 17
	Spanish Association for Desalination and Re-use - AEDyR	6, 12, 17
	Spanish Chamber of Commerce	17
	National Water Council - CNA	17

Scope	Association	SDG
Spain	Association of Infrastructure Construction and Concessionary Companies -SEOPAN-WATER	17
	Spanish Association for the Defence of Water Quality - ADECAGUA	9, 17
	Madrid Institute for Advanced Studies - IMDEA	6, 9, 17
Catalonia	Catalonia Water Services Association - ASAC	6, 17
	Water Supply Association - AAA	6, 17
	Catalan Water Partnership - CWP	17
Balearic Islands	Associació Industrial per la Producció Neta - AIPN	9, 17
	Association of Water Industry Employers in the Balearic Islands - ASAIB	17
Autonomous Community of Valencia	Ibiza and Formentera Water Alliance	17
	Community of Valencia Water Supply and Sanitation Association - AVAS	17
Aragon	ZINNAE Urban Cluster for the Efficient Use of Water	6, 9, 17
	Andalusian Water and Sanitation Association - ASA	6, 17
	CENTA Foundation	6, 9, 17
Andalusia	Business Confederation of the province of Almería	17
	Asinal	4, 17
	Almería Chamber of Commerce	17
	Association of Merchants and Entrepreneurs of Benalmádena - ACEB	17
Canary Islands	Confederation of employers in the province of Cádiz - CEC	17
	Canary Islands Water Centre Foundation - FCCA	6, 9, 17
Extremadura	Canary Island Association of Urban Water Distribution and Treatment Employers in the Province of Las Palmas - ADITRAGUA	6, 17
	Confederation of business organisations in the province of Badajoz - COEBA	17

Scope	Association	SDG
International	International Desalination Association - IDA	6, 9, 17
	International Water Association - IWA	6, 17
	Smart Water Networks Forum - SWAN	6, 9, 17
	Associates of the International Federation of Private Water Operators - AquaFed	6, 17
	Specialist Centre on PPPs in Smart and Sustainable Cities	9, 11, 17
	Isle Utilities TAG (Technology Approval Group), World Water Innovation Fund (WWIF) and Water Action Platform	6, 9, 17
Europe	European Federation of Water and Sanitation Associations - EUREAU	17
	Ditchley Foundation Water Advisory Committee	17
Portugal	Portuguese Association of Water and Wastewater Services - APDA	6, 9, 17
	Portuguese Companies Association for the Environment Sector - AEPESA	13, 17
Italy	Federation of Energy, Water and Environmental Services - UTILITALIA	17
	Association Scientifique et Technique pour l'Eau et l'Environnement	6, 11, 17
France	Fédération des Distributeurs d'Eau Indépendants	6, 17
	Fédération Professionnelles des Entreprises de l'Eau	6, 17
	Water Supply and Sewerage Association of the Czech Republic - SOVAK	6, 17
	Water Management Association of the Czech Republic - SVH	6, 17
	Czech Society for Trenchless Technology - CZSTT	9, 17
	Moravian-Silesian Regional Development Association	17
	Water Supply and Sewerage Association of the Czech Republic - APROVAK	6, 17
	Confederation of Industry of the Czech Republic	17
Czech Chamber of Commerce	17	
America	National Association of Water and Sanitation Utilities of Mexico - ANEAS	6, 17
	Latin American Association of Desalination and Water Re-use - ALADYR	6, 9, 17
	Water Environment Federation - WEF	6, 9, 17
	Association of Public Services of Colombia - ANDESCO	6, 17

Best practices

In 2020 the company was present at strategic events and forums of international importance with a view to solidifying its position as a sector benchmark for innovative solutions that meet the challenges for the future and respond to new public-private collaboration models.

Since March 2020 the events have been held in digital format through webinars on different platforms. These have enabled Aqualia to participate in events such as a virtual meeting with the ministers of Foreign Affairs and Industry, Trade and Tourism of the Government of Spain;



the Corporate Water Leaders panel, organised by Global Water and a webinar entitled "A day at the Salitre WWTP", developed with ALADYR, the Latin American Association for Desalination and Water Re-use.



I Andesco Congress (Gremial Association of Domiciliary Public Services of Colombia)

Aqualia's participation as a sponsor of the 1st Andesco Congress (Asociación Gremial de Servicios Públicos Domiciliarios de Colombia) in October in a 100% virtual format deserves special mention. The Congress was inaugurated by the President of the Republic of Colombia, Iván Duque.

The company was also highlighted in the catalogue presented by ICEX, under the slogan "Spain, a world benchmark in the management and use of water". The document, which clearly shows the leadership of Spanish companies in the sector worldwide, refers to the cases of the Mostaganem (Algeria) and Djerba (Tunisia) desalination plants, as well as the New Cairo (Egypt) and El Salitre (Colombia) treatment plants. The catalogue also presents a successful model for public-private collaboration in the projects in Algeria and Egypt, the contribution to social and economic growth and the size and important environmental value that the company contributes to the project in Colombia.



SWAN Congress (Smart Water Networks Forum)

Aqualia also participated in the SWAN Congress (Smart Water Networks Forum), organised by the Smart Water Networks Forum, which focussed on the digitalisation of the water sector and the generation of value from big data.

At this event Eva Martínez, Section Manager for Smart Services in the Aqualia Innovation and Technology department, participated by presenting the H2020 RUN4LIFE project, whose objective is the development of resilient processes and infrastructures through data transmission. In the presentation, it was explained that the objective is to offer a better water service to citizens.

In her speech, within the panel denominated "A holistic approach to the integration of networks (citizens, mobile phones, cybersecurity)", Martínez stressed that "data is an ally for current and future uncertainties; the challenge is to be able to transfer the real value of water to our clients".

Commitment and technology serving our clients

Service quality

Water quality

Mobility solutions for fast and efficient service

Smart cities serving citizens

Global client management

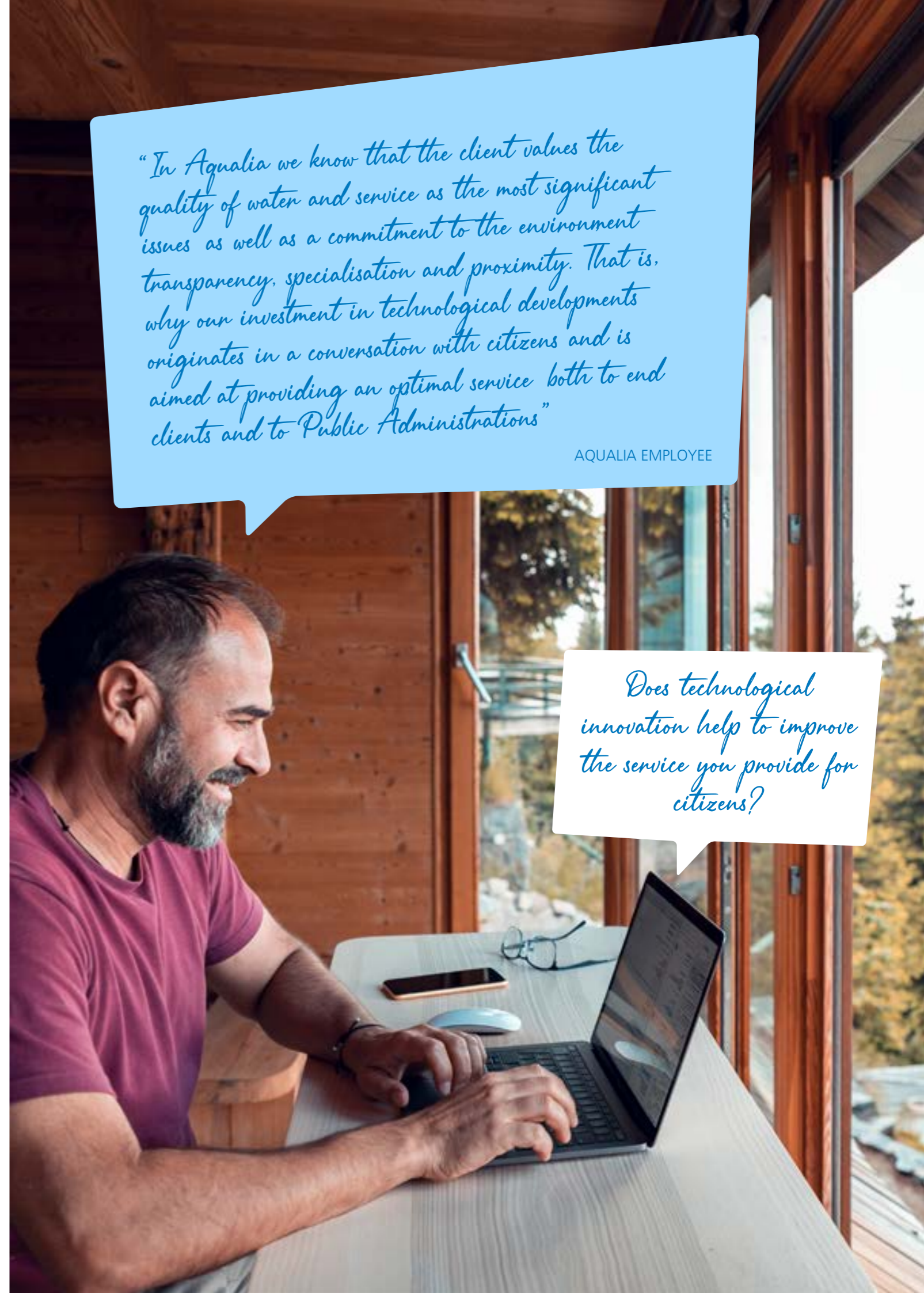
Customer Service Channels

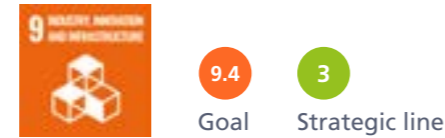
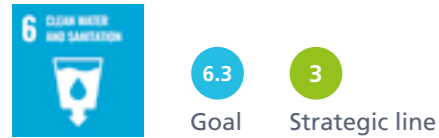
Agile and effective communication with employees, suppliers and clients is key to meeting their needs and those of all citizens. That is why Aqualia uses all available technologies to reach them and anticipate the issues that are already on their agenda, such as digitalisation and smart cities.

“In Aqualia we know that the client values the quality of water and service as the most significant issues as well as a commitment to the environment transparency, specialisation and proximity. That is, why our investment in technological developments originates in a conversation with citizens and is aimed at providing an optimal service both to end clients and to Public Administrations”

AQUALIA EMPLOYEE

Does technological innovation help to improve the service you provide for citizens?



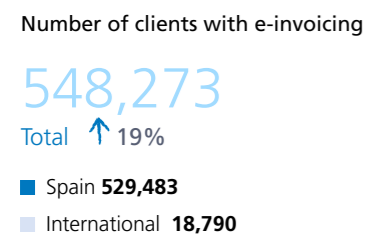
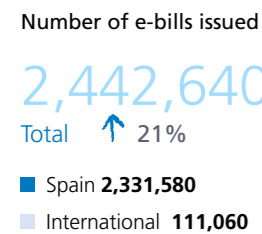


Improving water quality

Modernising infrastructures to make them more sustainable and efficient.



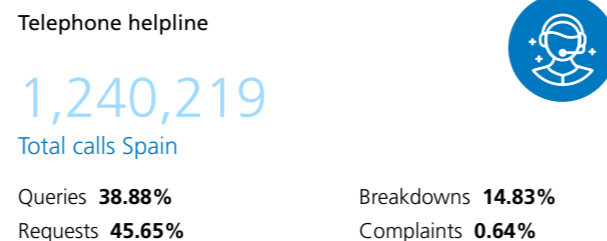
Electronic invoice



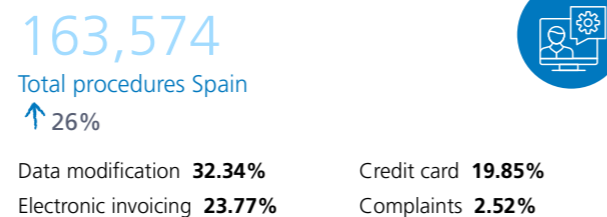
Installed smart meters



Aqualia contact



Service through a virtual office



Excellent rating: 4,973
Very good rating: 813
Good rating: 300

Aqualia's commitment to its clients leads the company to constantly seek innovative solutions that make life easier for all its users. This was experienced with particular intensity during the difficult times faced in 2020 due to the outbreak of COVID-19. In response, Aqualia made different actions and protocols available to all clients, using the channels available to them, to guarantee excellence in the treatment and care provided.

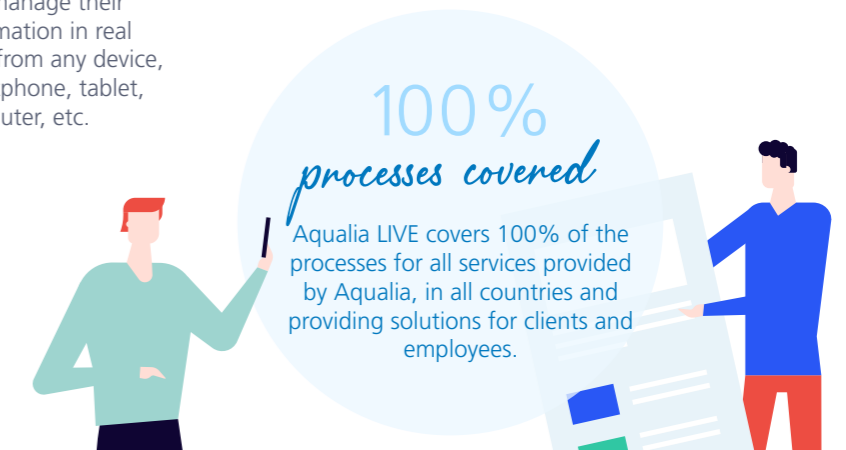
Digital transformation in Aqualia was designed with the main aim of providing the best service for the company's clients and technicians. To do this, it was developed around four pillars: Integrated solutions for global efficiency, omnichannel platforms to improve customer service, mobility solutions for technicians and artificial intelligence serving employees and clients with the help of big data.

Quality of service

Aqualia LIVE: technologies serving people

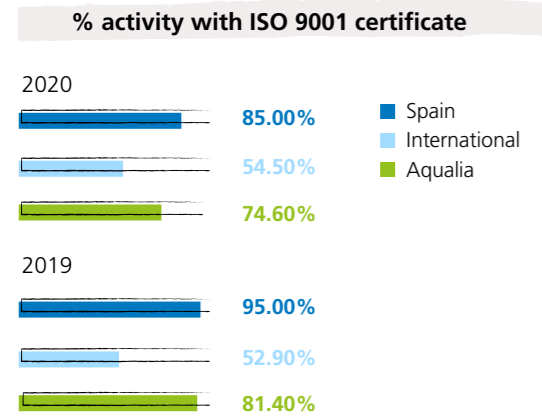
The value of technologies in Aqualia is understood to the extent that they create value for clients. That is why the new Aqualia LIVE technology platform was created for the global digitalisation of the end-to-end water cycle using the latest technologies for efficient water management and providing better service to citizens. The main features are:

Technological suitability	Mobility	Modularised solution	Adaptability	Proven experience
<ul style="list-style-type: none"> Choosing the best technology applicable to water management. 	<ul style="list-style-type: none"> Solutions designed for efficient field management, with user experiences focussed on technical personnel. It enables citizens to understand and manage their information in real time from any device, smartphone, tablet, computer, etc. 	<ul style="list-style-type: none"> Global management through specialised modules, integrated to provide a global vision. 	<ul style="list-style-type: none"> It is adapted to the specific needs of Aqualia's services, generating efficiency in each individual case. 	<ul style="list-style-type: none"> It covers all processes in all the services provided by Aqualia in different countries and provides a solution for clients, citizens and workers.



44 100,157 in Spain, 12,700 in France and 1,091 in the Czech Republic.

In 2020, the following activity percentages were certified in accordance with ISO 9001:



In 2020 the consortium formed by Aqualia and the Omani company Majis for the management of the water infrastructures in the port of Sohar (Oman), OSWS (Oman Sustainable Water Services SAOC), obtained the AENOR ISO 55001 asset management certification.

There are 280 entities worldwide certified with regard to asset management, of which only 59 are in the field of water. So with this certification, Aqualia is now part of the select club of companies concerned with increasing the value of their assets by aligning them with the company's strategic objectives.



Water quality

The company has a network of accredited laboratories distributed between Spain, Italy and the Czech Republic. They all have a structure that responds to the need for laboratories to be able to decide independently as required by the EN ISO/IEC-17025 standard, article 4.1, and to the analytical needs of contracts managed by the Aqualia Group, in accordance with regulations⁴⁵.

to analyse the wastewater in a number of municipalities Castile León, Galicia and Castile-La Mancha.

The agreement also includes the training of company staff and inter-comparison exercises to fine-tune a PCR technique that will make the Oviedo laboratory's offer comprehensive.

Aqualia's commitment to water quality has taken on special importance this year in which special mention should go to the company's activity with regard to monitoring of COVID-19 by the company's expert staff, in collaboration with the CSIC (Spanish National Research Council) with whom an agreement was signed

In collaboration with several Italian regional governments and in alliance with the University of Palermo, Caltaqua, an Italian subsidiary of Aqualia, launched a programme for the early detection of the SARS-CoV-2 virus by sampling and analysing wastewater.

Best practices

High-quality service

Despite the circumstances this year, Aqualia has continued to serve as true guardians of water.

The service in Badajoz participated in the European Benchmarking Cooperation programme, which analysed 330 service supply and sanitation indicators, awarding a 3-Star certificate (the highest category) to the Aqualia service in Badajoz. Special mention was given to aspects including the effort to improve efficiency, good coverage of services, energy efficiency and hydraulic performance. In short, the management of the public services in the end-to-end water cycle. Areas for improvement were also detected, such as the need to renew the networks, especially those for sanitation.

The contingency plans that were put in place in the Czech Republic to address the emergency situation that occurred as a result of torrential rains and floods is just one example that enables Aqualia employees to be classified as the guardians of water.



Guardians of water

Photo: Pablo González Cebrián.

Parametric results with regard to drinking water

	2019	2020
No. parametric results with regard to drinking water	1,148,044	1,019,780
% compliant results	99.93%	99.89%
No. non-compliant results	804	1,140

⁴⁵ European regulations transposed into Spanish law by Royal Decree 902/2018 of 20 July, which establishes the sanitary criteria for the quality of water for human consumption.

Mobility solutions for fast and efficient service

Achieving mobility solutions is now a key element in the improvement of service to citizens, and is therefore one of the main lines of action the Aqualia LIVE platform.

This is why since 2019 Aqualia has been developing an ambitious project in the field of work orders and meter reading, applying computer technologies and the geolocation of processes.

Precisely in this regard, in the third quarter of 2019 a mobility project for meter reading was initiated which uses smartphones to manage service user meter reading by geolocating the reading points and managing the whole process online.

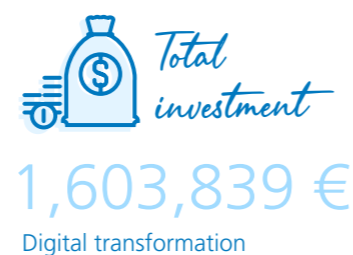
In this way, coverage is given to all processes involving Aqualia's workers, both work orders like meter reading and reporting incidents, etc. As there is only one mobile application for all processes, work productivity is improved as a result of this, as is service to citizens.

End-user field tests were optimally completed in December. The pilot scheme scheduled for January 2020 was a successfully launched, with the corresponding deployment for other operations taking place gradually.



Data for investment in digital transformation

Item	Amount (€)
GIS (Incorporations and tools)	237,184.00
WO (Mobility and desktop)	372,953.90
Asset management	393,926.24
Water Analytics	248,206.00
Readings Module	122,175.00
Asset management	158,424.00
WO Mobility	70,970.63



Remote Reading Project: Intelligent management in Dénia is already a reality

Nearing completion, this project is already showing its great potential. It is undoubtedly an initiative that unites us with our users, whether they are institutional or end clients, and that provides synergies that go beyond the management of the resource itself. In a short space of time, this technology will become indispensable for water management.

From the point of view of technical environmental sustainability, the project enables us to optimise available resources. The possibility of managing breakdowns in real time, not only in the networks we manage, but also at user level. In this way, remote reading meets one of the main demands of society and the residents of Dénia: The disappearance of bills due to leakage or unused water. It also substantially increases transparency in management, providing information to clients and the Administration with regard to network incidents.

Another issue to take into account is the use that the Administration could make of it, making it an integral part of the system and applying it to tourism, social services, ecological transition, with other contracting, etc.

Remote control in Caltaqua, Aqualia's Italian subsidiary, to gain efficiency and improve service to citizens

The Italian subsidiary of Aqualia presented an ambitious project with which it intends to monitor supply, its system's main hydraulic hubs and the treatment plants it manages.

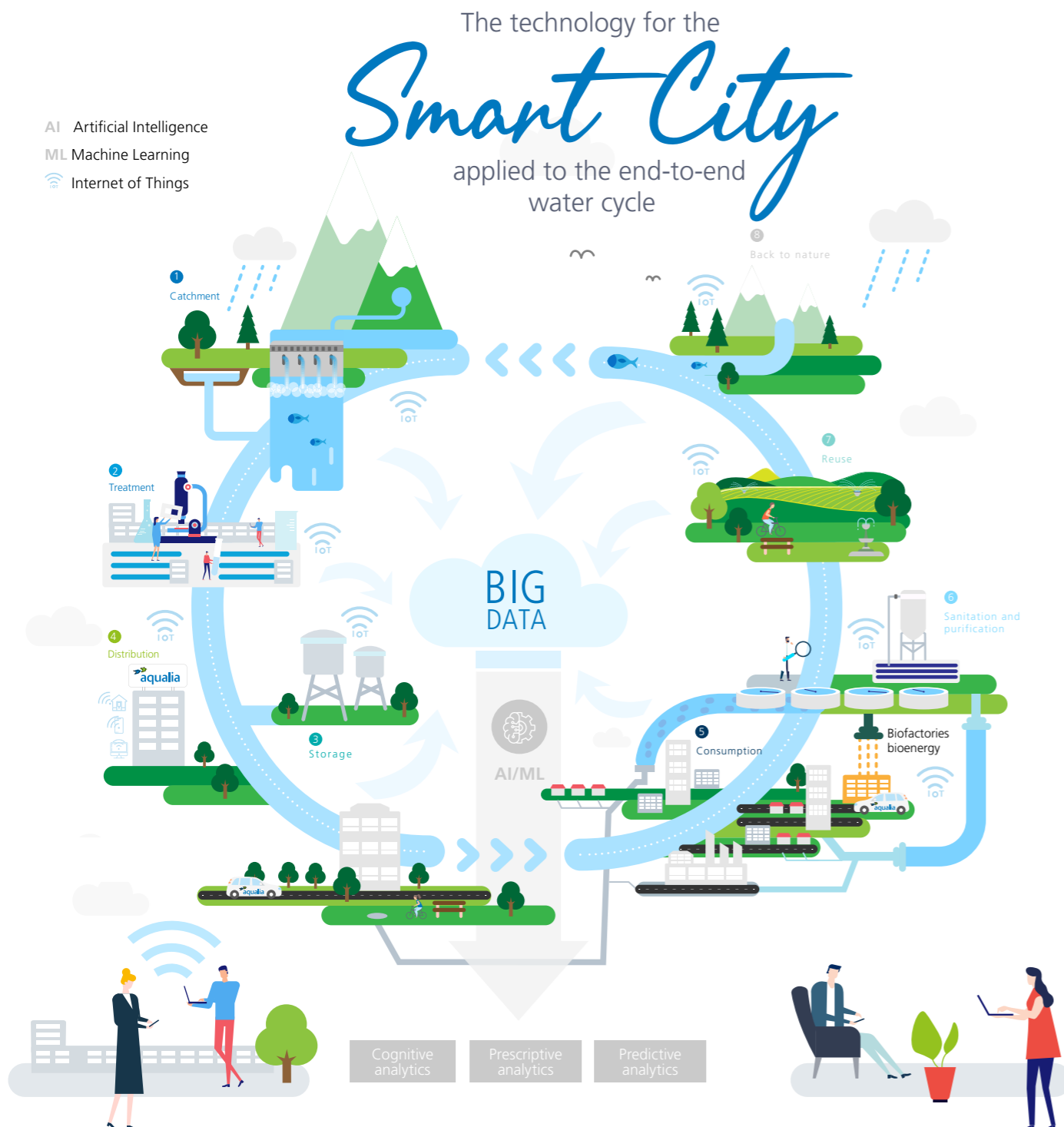
With a total investment of slightly more than one million euros, the project was born with the aim of increasing the efficiency of the network and improving the service to citizens.

The initiative is based on the taking, transmission in real time, recording and computational analysis of recorded data, through sensors located in sensitive points in the network. The availability of historical data will also enable further processing, which will be undertaken to identify critical problems not visible during normal system operation and to perform actions such as leakage detection.

The initiative is highly valued in the region, where one of the most prestigious specialised media in Italy, Servizi a Rete, reported on the project and published a detailed article explaining all the benefits it will bring to the inhabitants of the region.

Smart cities serving citizens

With regard to smart cities, Aqualia has an ambitious Aqualia Water Analytics (AWA) project, dedicated to the smart management of water in cities. This initiative will enable Aqualia to put a number of processes at the service of citizens, such as the digitalisation of network information and consumption on telemetry meters, which is undertaken using big data, and the application of advanced analytical techniques and artificial intelligence, which seeks to optimise management and improve efficiency.



Global client management using CRM Microsoft Dynamics

The pillars of digital transformation in Aqualia are being more efficient, improving customer service and putting artificial intelligence at the service of employees and clients.

Aqualia is continuing to progress in order to offer all its clients a high-quality omnichannel experience in their interactions with the company. With the aim of achieving the total integration of all the channels, this project for implementing Microsoft Dynamics CRM will enable all channels to be interrelated in real time with greater accessibility, availability and integrity in the information corresponding to interactions.

availability and access to information through guided processes.

The solution includes a new website for clients that will replace the current virtual office, covering all operations and with the corresponding adaptations of the CRM currently in progress.

The project will also integrate customer service with other management systems, such as the Diversa commercial system. With this, the company seeks to provide sufficient flexibility and guarantee fast

In the last quarter of 2020 the technical team and the business team conducted tests that showed it to be satisfactory. Development is expected to be completed in February 2021, with testing in March and April and implementation in May 2021.



Customer Service Channels

Due to the state of alarm, the closure of the on-site offices and other health measures taken, the Customer Service Centre received 54% more calls last year compared to the previous year (1,240,219)⁴⁶.

The specialised, proactive and efficient attention of Aqualia managers during these months, performed using the Presence (Evolutio) system, enabled clients to be attended continuously and without interruptions via a number of customer service channels (Aqualia contact): Telephone customer service centre, virtual office, app, Twitter and e-mail.

After the gradual opening of on-site offices and the end of the state of alarm, sanitary measures including social distancing, use of face masks, disinfection of areas, etc., came into force.

To avoid collapse in the offices, the Telephone Customer Service Centre made the "Appointment Management" service available to clients, improving not only the telephone service but also offering a faster and more efficient face-to-face service with full health guarantees.

Aqualia maintained customer service via the Twitter platform. Messages sent by users are handled and managed through the @aqualiacontact account. SMS messages can also be sent for the notification of invoices with incidents and warnings regarding network breakdowns. 51.5% more interactions were managed via Twitter in 2020 compared to 2019.

The efficiency of all client relationship channels enabled us to have a very low complaints rate of 0.45% to December 2020, with an average time for response to claims of less than 11 days. It is also worth mentioning the average installation time for a meter (from the time the request is recorded), established as seven days.



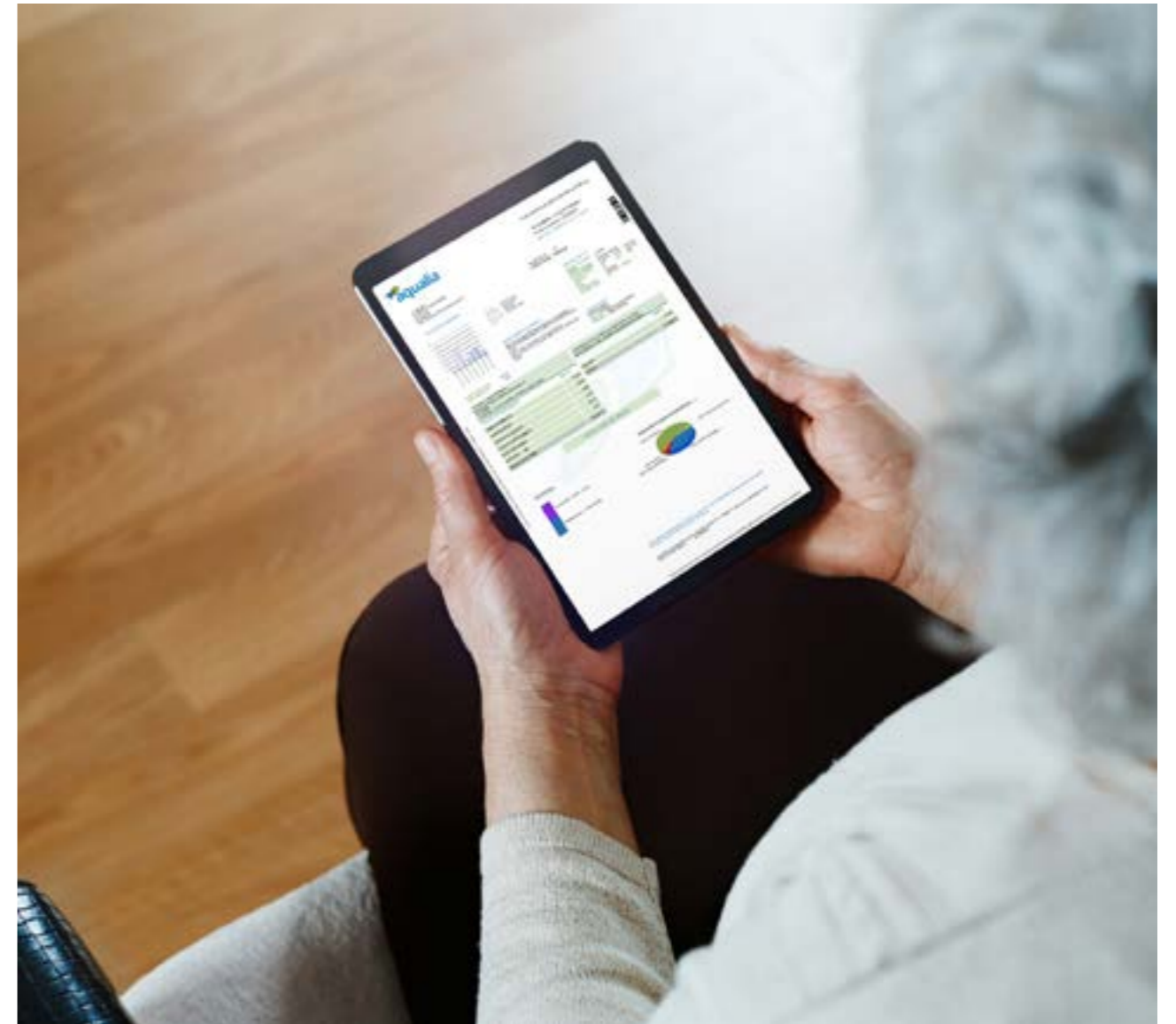
Talking with our clients: Satisfaction survey

Aqualia conducted a customer satisfaction survey in 2020. The very positive results showed that 8 out of 10 clients are satisfied with the service provided by Aqualia. The percentage of clients who rate this service as excellent or very good is increasing and amounts to 41.6% of the total. This represents an increase of 14 percentage points over the results obtained in 2018.

In France, a satisfaction survey was also conducted with regard to the service provided by SEFO and CEG in which the company obtained a score of 3.22 points

out of 4, which represents an increase of more than two tenths compared to the last survey conducted in 2019. The aspects most valued by users were the personal treatment of employees, customer service channels and repair and improvement work undertaken in homes.

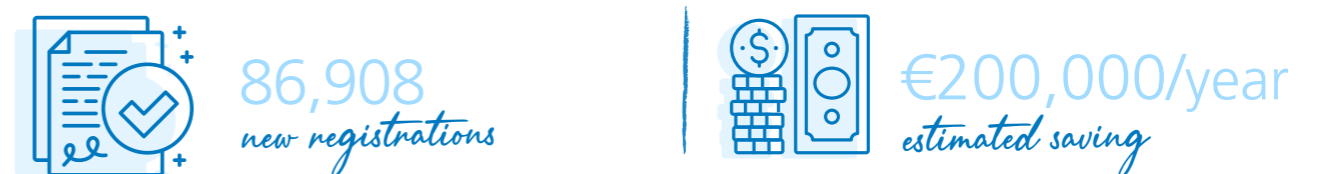
Clients in the Czech Republic also received a score higher than 9 in the satisfaction surveys recently conducted amongst its end, institutional and industrial clients. Specifically, 92% of end clients rated water quality as good and 94% rated water cycle management as good.



Electronic invoicing

The health emergency, caused by COVID-19, revealed that digitalisation is the only option to keep economic dynamics safe from the risk that the management of a pandemic poses in the business environment. So in April Aqualia launched a campaign to promote electronic invoicing that resulted in more than 30,000

new registrations for this mode of invoicing. In total there were 86,908 new registrations in 2020. According to a study by the SERES Group, the environmental, time and management savings that this entails are estimated to be worth €200,000 a year.



⁴⁶ Data for Spain.

A decade for us to transform

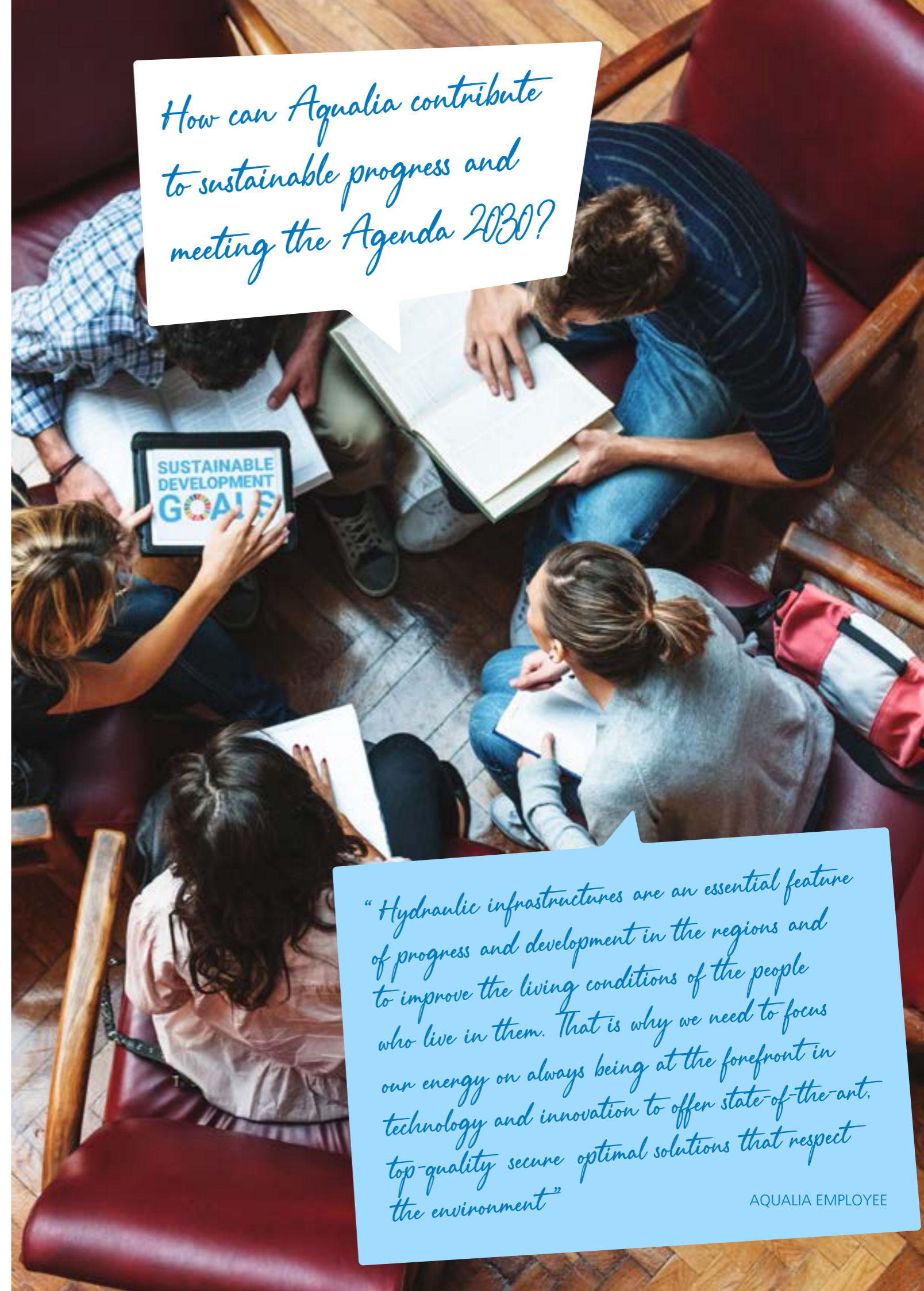
Research today to know tomorrow

The circularity of a drop of water

Collaboration to go further

Call for the responsible use of water and sanitation

Less than a decade remains until 2030, the deadline for meeting the commitments made in the Sustainable Development Goals. Although Aqualia has been working for years to meet them, and despite the complications arising from the pandemic, in recent months it has stepped on the accelerator so that the Decade of Action can also be one of social and environmental transformation.



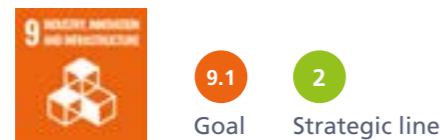
How can Aqualia contribute to sustainable progress and meeting the Agenda 2030?

“Hydraulic infrastructures are an essential feature of progress and development in the regions and to improve the living conditions of the people who live in them. That is why we need to focus our energy on always being at the forefront in technology and innovation to offer state-of-the-art, top-quality secure optimal solutions that respect the environment”

AQUALIA EMPLOYEE

Research today to know tomorrow

In 2020 six new projects were initiated to put innovation and technology at the service of quality, eco-efficiency, smart management and sustainability. Investment in R&D has increased more than 19% compared to 2019.



Aqualia's innovation activity is in line with European policies for transition to a circular economy with a zero carbon footprint, seeking the development of new smart management tools and new proposals for sustainable services and smart management tools. In this way, the Department of Innovation and Technology is supporting the company in meeting the United Nations Sustainable Development Goals (SDGs) in different points, guaranteeing an affordable and high quality water and sanitation service (SDG 6), optimising its energy balance (SDG 7) and avoiding its impact on climate (SDG 13) through responsible consumption (SDG 12).

The projects developed in 2020 strengthen Aqualia's technological commitment, which increased the amount dedicated to R&D⁴⁷ by 19.4% compared to the previous business year, which represents 0.43% of turnover.

As a result of the knowledge obtained in innovation, clients can obtain better services for more efficient water cycle management. This year Aqualia's commitment has been strengthened with a new tool to generate more sustainable products, activities and processes.

⁴⁷ The total invested in 2020 is the sum of the R&D&I grants (€2,346,093 in 2019 and €2,892,722 in 2020) + net investment made by Aqualia (€1,945,386 in 2019 and €2,231,640 in 2020).

In 2020

Five projects were completed

- 2 European Life projects
Methamorphosis, Icirbus4Industries
- 1 Interconecta project (Feder)
Advisor (extended until March 2021)
- 1 regional RIS3 Idepa project
ValorAstur
- 1 EU H2020 framework programme project
Mides

The development of ten other ongoing projects has continued

- 1 regional RIS3 Idepa project
Recarbon
- 2 Life programme projects
Intext, Ulises
- 1 Water Joint Project Initiative (ERA-NET) project
MarAdentro
- 2 Bio-Based Industries (BBI) Initiative projects
B-Ferst, Deep Purple
- 1 Marie Skłodowska Curie training project (MSCA)
Rewatergy
- 3 H2020 programme projects
Run4Life, Sabana, Scalibur

And as a result of public calls made in 2019

It has been possible to start six new projects

- 3 Life projects
Infusion, Phoenix, Zero Waste Water
- 3 H2020 programme projects
Rewaise, Sea4Value, Ultimate

Success stories

Life Methamorphosis



2020 saw the completion of the Life Methamorphosis project, in which the application of an innovative treatment train enabled energy recovery from municipal wastes to be maximised, achieving significant environmental improvements. It was also possible to reduce energy demand for the treatment process by 73% and save 74% in associated CO₂ emissions compared to currently installed aerobic membrane technology.



Learn more about the Life Methamorphosis project

H2020 Mides

The Mides (microbial desalination for low-energy drinking water) project was also completed in 2020 and involved developing a unique and innovative system to produce drinking water with advanced desalination processes at no energy cost. This avoids the electricity consumption found in conventional desalination plants, which amounts to 4 kWh/m³.

The system runs on energy created from wastewater treatment processes through an equally new technology: The microbial desalination cell.



In this biological reactor, bacteria use the organic material in the wastewater to create electricity, which in turn enables the migration of salts through selective membranes.

The result of the project opens a new market for low-cost desalination in decentralised low-medium capacity plants, since it makes it possible to treat wastewater and obtain a positive energy balance. This is a significant milestone in the conception of the cities of the future: It enables the establishment of integrated stations that generate energy, purify wastewater and act as desalination plants with low energy consumption and with smart management and control systems.



Learn more about the H2020 Mides project

Interconecta Advisor

The management of waste from the meat industry is a significant challenge and entails a high cost in certain regions. The Advisor project proposes an alternative with the development of environmentally and economically sustainable solutions. With the support of the Guijuelo Municipality, this waste can be used beneficially, taking advantage of the anaerobic digesters in the WWTP.

A new thermal pre-treatment and new control systems increase treatment capacity and guarantee the efficiency of the process to obtain valuable products, enabling vehicles to be supplied with renewable bioenergy.



Learn more about the Advisor project

H2020 Rewaise

This ambitious project (Resilient Water Innovation for Smart Economy) was launched in 2020, with a budget of more than €18 million (€15 million grant) and is developing a digital framework for sustainable water management with a zero footprint. It addresses technological, financial, legal and social issues and involves all stakeholders in the comprehensive water cycle.

H2020 Rewaise takes into account three key components of the economic and social value generated by the end-to-end water cycle:

Value in the water: Promoting efficient use and re-use, while recovering energy and materials present in untreated water streams and waste water.

Value of the water: It expresses the importance of water in economic activities and companies related to the sector.

Value through water: It underlines the social, health and welfare functions of water, which enables us to undertake almost all of our economic activities.

With four other companies and partners from 11 countries, Rewaise demonstrates in real conditions the effectiveness of technological innovations and new models for water governance, which will reduce water consumption by more than 30% and develop a self-sufficient energy cycle. New value chains in the production of minerals and fertilisers from water will generate employment and new commercial activities in the circular economy.



Learn more about the H2020 Rewaise project

Aqualia project types	Main projects ⁴⁸	Objectives relating to the end-to-end water cycle	Goals relating to climate change	Achievements in projects completed in 2020	
<p>Quality</p> <p>Developing innovative technologies, maximising the efficiency and reliability of uninterrupted water service (24 h/d and 365 d/year) to guarantee the highest quality.</p>	<p>Life Methamorphosis ●</p> <p>Final (2020)</p>	<p>On the transformation of waste into resources and biofactories/circularity</p> <p>Transforming waste into value.</p>	<p>Renewable biofuel energy</p> <p>Converting leachate from municipal waste and slurry to biomethane.</p>	<p>Carbon Neutral Target by 2050</p> <p>Reduce energy consumption and the carbon footprint.</p>	<p>Using biomethane in cars and lorries.</p>
	<p>Life Infusion (2024) ●</p> <p>Started in 2020</p>	<p>Preparing design parameters for future AMB resource recovery plants and evaluating technologies.</p>		<p>Replacing electricity.</p>	<p>Start-up.</p>
	<p>Life Zero Waste Water (2024) ●</p> <p>Started in 2020</p>	<p>Demonstrating the combined treatment of Urban Waste Water (ARU) and the Organic Fraction of Municipal Solid Waste (FORSU) with the AnMBR anaerobic reactor.</p>	<p>Producing biomethane.</p>	<p>Reducing electricity consumption.</p>	<p>Signing the agreements.</p>
<p>Smart management</p> <p>Improving the integral management of water resources with smart technologies.</p> <p>Increasing the safety and resilience of infrastructures by controlling and planning the processes.</p> <p>Providing information that is transparent and suitable for the service.</p>	<p>Life Icirbus ●</p> <p>Final</p>	<p>Generating construction materials and biofertilisers.</p>		<p>National patent with co-holders (INTROMAC CTAEX, DISAMIN)⁴⁹.</p>	
	<p>H2020 Run4Life ●</p> <p>Final</p>	<p>Recovering nutrients from the separation of grey and black water.</p>	<p>Producing bioenergy.</p>	<p>Producing self-generated energy.</p>	<p>Water for toilets and irrigation in the ZFV gardens.</p>
	<p>H2020 Rewaise (2025) ●</p> <p>Started in 2020</p>	<p>Implementing new circular economy and digital management solutions in nine LivingLabs: Recovery of materials from brines, re-use of wastewater and its transformation into by-products, and simulation of water quality, processes and networks.</p>	<p>Transforming wastewater into energy.</p>	<p>Promoting sustainable desalination and new membranes.</p>	

⁴⁸ The vast majority of grants are for EU Life and H2020 projects. The exceptions are Advisor, MarAdentro and Valorastur/Recarbon, which are administered by the CDTI. But they also come from the European ERDF and RIS3 funds.

⁴⁹ No. 201930876 (requested 08/10/2019).

Aqualia project types	Main projects ⁴⁸	Objectives relating to the end-to-end water cycle	Goals relating to climate change	Achievements in projects completed in 2020	
<p>Eco-efficiency</p> <p>Developing advanced technologies that optimise the use of renewable resources.</p> <p>Avoiding the generation of waste in the company's processes and services.</p> <p>Finding solutions that enable growth in all water markets in accordance with eco-efficiency requirements.</p>	<p>H2020 Scalibur (2022) ●</p> <p>Started in 2020</p>	<p>On the transformation of waste into resources and biofactories/circularity</p> <p>WWTP sludge treatments.</p> <p>Converting organic matter into by-products.</p>	<p>Renewable biofuel energy</p> <p>Converting waste into energy value through the production of biomethane and its use as a fuel for vehicles.</p>	<p>Carbon Neutral Target by 2050</p> <p>Energy recovered from WWTPs and urban solids for vehicle fuel.</p>	<p>First project with the participation of SmVaK in the Czech Republic.</p>
	<p>BBI Deep Purple (2023) ●</p> <p>Started in 2019</p>	<p>Developing bio-refinery works to produce and recover cellulose and plastics using organic matter from wastewater and municipal wastes.</p>	<p>Generating new materials and biofuels through the treatment of wastewater and municipal wastes with no contribution from external fossil fuels.</p>	<p>Solar and self-generated energy.</p>	<p>European patent granted on 12.08.20 together with the Rey Juan Carlos University. A first prototype is already operating in Toledo-Estiviel. A reactor that is 10 times larger is planned for the Linares WWTP.</p>
	<p>BBI B-Ferst (2023) ●</p> <p>Started in 2020</p>	<p>Developing and assessing new biofertilisers from municipal wastes and purification by-products.</p>	<p>Avoiding the energy required to generate artificial fertiliser (urea).</p>	<p>Reducing the carbon footprint in the production of fertilisers.</p>	<p>Prototype under construction at Jerez WWTP.</p>
<p>H2020 Mides ●</p> <p>Final</p>	<p>Using organic material from wastewater as fuel.</p>	<p>Implementing desalination with no contribution from external electricity.</p>	<p>The microbial desalination cell (MDC) reduces the energy cost of desalination tenfold.</p>	<p>Reduction of energy cost x10. European patent for the microbial desalination cell (MDC). Granted on 26.08.20.</p>	
<p>RIS3 Valorastur ●</p> <p>Final</p>	<p>Reducing the generation of waste that is transformed into new resources.</p>	<p>Implementing processes to optimise the nutrient elimination process in the S. Claudio WWTP.</p> <p>Cost reduction in electricity; minimising the purchase of iron salts.</p>	<p>Applying eco-efficient purification with control of energy consumption.</p>	<p>Delivery of new drying equipment at the WWTP in Grado.</p> <p>Development of new low-cost absorption materials from dried sewage sludge.</p>	

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		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050
	Interconecta Advisor (2021) ● Final	Converting industrial waste into bioenergy.	Biofuel is produced for WWTP vehicles from the residues of the meat industry. The increase in biogas production is exploited with an ABAD Bioenergy@ biomethane upgrading system.	Reducing the cost of waste transportation with the production of biofuel. Implementing a biogas refuelling area in the WWTP. Energylab is analysing the performance of a specific vehicle that has already travelled 27,000 km.
	JPI Maradentro (2021) ● Started in 2020	A 400 m ² infiltration system will be built at the Medina del Campo WWTP for the advanced treatment of treated water and its re-use in recharging aquifers.		Developing system design and simulation tools to optimise the operation and costs of processing contaminant removal compared to conventional tertiary treatment.
	RIS3 IDEPA Recarbon (2021) ● Final		Testing the feasibility of Biochar for cleaning biogas at the Jerez, Chiclana and Lleida WWTPs and for deodorising at the San Claudio and Luarca WWTPs.	Developing advanced methods for the analysis of micro-pollutants to evaluate the new activated carbon absorption units optimised from Biochar.
	H2020 MSCA REWATERGY (2023) ● Started in 2020	Research at the University of Cambridge, focussed on production of hydrogen from ammonia in wastewater.	University of Ulster, development of photo and electro-disinfection processes to eliminate micro-pollutants in drinking and waste water.	

Eco-efficiency

Developing advanced technologies that optimise the use of renewable resources.

Avoiding the generation of waste in the company's processes and services.

Finding solutions that enable growth in all water markets in accordance with eco-efficiency requirements.

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		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050
	H2020 Sea4Value (2024) ● Started in 2020	The project focuses on recovering resources from concentrated brines in seawater desalination stations (SWDPs). Alternative to traditional mineral extraction, generating new raw materials and a new source of income for desalination. Reduces discharges and emissions.		Assessing the implementation of pilot units in a number of SWDPs operated by Aqualia, with an analysis of the technical and economic impact.
	H2020 Ultimate (2024) ● Started in 2020	Comparing FBBR (Elsar) and AnMBR anaerobic reactors at 20 m ³ /h scale to recover biomethane and feed a fuel cell.	Studying the co-digestion of yeast.	

Eco-efficiency

Developing advanced technologies that optimise the use of renewable resources.

Avoiding the generation of waste in the company's processes and services.

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		On the transformation of waste into resources and biofactories/circularity	Renewable biofuel energy	Carbon Neutral Target by 2050	
	Life Intext (2023) ● Started in 2019	Simplifying water re-use with decentralised solutions.	Assessing and adapting low-cost purification technologies to minimise energy costs.	Adapting low-cost purification technologies to minimise energy cost, the carbon footprint and waste, trying to provide sustainable and economic solutions.	Demonstration platform for these technologies at the Talavera de la Reina WWTP.
	Life Ulises (2022) ● Started in 2019	Promoting the re-use of water at the WWTP outlet.	Transforming a conventional WWTP into an "energy production factory".	Improving digestion with hydrolysis and biogas and using the biogas to eliminate the carbon footprint of WWTPs.	Biomethane cleaning with the ABAD Bioenergy® process to provide vehicular biofuel with a biomethane dispenser.
	H2020 Sabana (2021) ● Started in 2016	Producing new biofertilisers and biostimulants.	Using algae to produce oxygen without electricity.	Reducing the carbon footprint.	Designing two new algae production plants.
	Life Phoenix (2024) ● Started in 2020	Optimising tertiary treatment to achieve the most ambitious objectives of the new European water re-use regulation (EU 2020/741).			Three mobile plants were designed, one for the physical-chemical treatment of 50 m ³ /h, filtration of 30 m ³ /h and ultrafiltration of 20 m ³ /h.

Sustainability

Developing state-of-the-art technologies that promote the sustainability of the company whilst protecting the environment and biodiversity.

Improving energy efficiency in the company's solutions and services.

Evaluating by-products from the end-to-end water cycle.

Number of projects by type



⁴⁸ The vast majority of grants are for EU Life and H2020 projects. The exceptions are Advisor, MarAdentro and Valorastur/Recarbon, which are administered by the CDTI. But they also come from the European ERDF and RIS3 funds.

Best practices

Communication with stakeholders

Aqualia has informed researchers from all over the world with regard to the progress and results of its latest projects in a number of webinars and virtual events.

For example, in a digital presentation organised by the prestigious German institute FZ Jülich, one of the most prestigious research institutions in Europe, the enormous potential that microalgae have in sustainable wastewater treatment and in the circular economy was reported.

This virtual event is part of an online conference cycle on research with microalgae that the German institution promoted during lockdown. Aqualia collaborated with this institution, which focusses its activities on the fields of health, energy and the environment, and regularly brings together scientists and specialists from around the world to disseminate knowledge on the potential of algae.



The circularity of a drop of water



9.1
Goal

2
Strategic line

As a result of investment in new technologies capable of converting wastewater into new materials and energy sources, Aqualia is prepared to help many industries and Public Administrations to work on the transition from a linear to a circular economy.

In a world where resources are increasingly scarce and the population is growing, it is necessary to adopt strategies focussed on a circular economy to increase the use of energy, raw materials and secondary materials.

Aqualia has been developing this line for several years in different parts of the world, enabling the water sector to be seen as a key factor in the economic future of any country.

Water plays a very significant role in the success of the circular economy in other productive sectors that use the minerals and materials resulting from its treatment. New technologies, capable of converting wastewater into new materials and using it as an energy source, have led many industries to work on the transition from a traditional linear economy to a circular model.

Wastewater treatment is the operation that presents the greatest opportunities within the end-to-end water cycle. That is why Aqualia focusses on accelerating efforts to transform WWTP stations into circular stations or biofactories.

Circular stations or biofactories

The aim of the main projects for converting WWTPs into circular stations or biofactories is to:



Avoid, recover, transform and evaluate

the residues in usable resources so they can be used for agricultural purposes or for energy recovery.



Produce renewable energy

so they are able to be self-sufficient and generate surpluses.



Regenerate water

for subsequent re-use for agricultural, urban, industrial and environmental purposes.



Best practices

Technological transfer

The Run4Life project, led by Aqualia, proposes a wastewater treatment system that does not require connection to sewerage networks and seeks to re-use 100% of grey water.

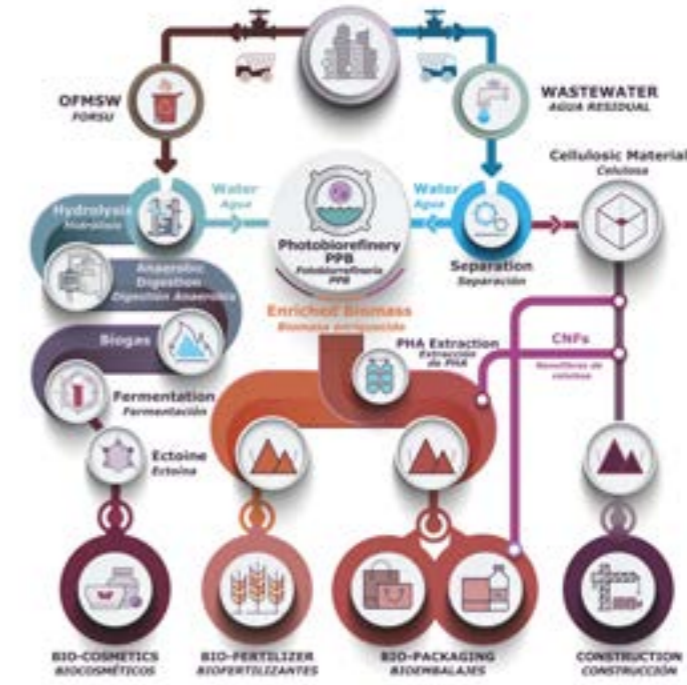
During the project's development phase, in the Vigo Duty-Free Zone and its Nigrán Business Park, they analysed the perception and social acceptance of this technology as a solution to face climate change and other environmental challenges.

The recovery of resources on-site represents new commercial opportunities for Aqualia and strengthens its contribution to SDG 6 (Clean Water and Sanitation), SDG 11 (Sustainable Cities and Communities), and SDG 12 (Responsible Production and Consumption).



Another outstanding initiative in 2020 that promotes the circular economy was the Deep Purple Project, developed in the European Union's Horizon 2020 Research and Innovation Framework Programme. Under Aqualia's leadership and supported by 13 partners from six countries, the project proposes an integrated synergistic treatment for the recovery of three types of bio-waste: the organic fraction of municipal solid waste (FORSU), sludge from wastewater treatment plants (WWTP) and urban wastewater.

Through a multiplatform photo-biorefinery based on phototrophic purple bacteria (PPB) in anaerobic carousels, solar energy is used to purify wastewater without aeration. Biomass transforms the organic content of sewage and municipal waste into raw materials for biofuels, plastics, cellulose and new base materials in the chemical and cosmetic industry. Within the framework of the Deep Purple project, a photo-biorefinery is already under construction at the Estivel WWTP (Toledo) and the construction of another in Linares is planned for 2021.



Low-cost purification technologies for sanitation in small towns

With the ultimate aim of improving citizens' quality of life, Aqualia presented the Life Intext project in Talavera de la Reina, Toledo at the beginning of the year.

In Spain only 65% of municipalities with between 2,000 and 10,000 inhabitants have suitable water treatment. The problem particularly affects Castile-La Mancha, where 1,300 new suitable sanitation installations are required. This project addresses the problem of wastewater in small towns, with the development of new technologies and the improvement and optimisation of existing ones. As part of its presentation, a media event was held that was attended by a number of regional, local and business figures from the autonomous community.

Water quality and wastewater reuse

Another leading project in 2020 was the Life Phoenix project which is being developed in Andalusia and Portugal to address the re-use of wastewater at a European level. It also enables us to face the growing threat posed by emerging pollutants and microplastics in our waters.

The Esquilón II Deposit in Puerto de la Cruz (Tenerife) also hosted the presentation of a demonstration unit to combat nitrates in water, a project that will resolve a historical problem in the municipality, which had been restricting the recommendation to consume tap water by pregnant women and babies aged under 6 months.

Production of new biofertilisers and biostimulants in WWTPs

At the end of December Aqualia presented the H2020 Sabana R&D project which is being undertaken together with the Mérida Municipality. The company will build one of the largest microalgae-based wastewater treatment plants in the world in the city of Mérida. The aim is to study the possibility of cultivating microalgae from nutrients contained in wastewater to obtain biomass and subsequently use this as a biofertiliser, biostimulant and/or biopesticide of high agronomic value.

Intext



Pioneer purification project in Europe. The treatment of wastewater in small towns is addressed through a combination of intensive and extensive technologies.



Collaboration to go further

Aqualia has joined the Spanish StepbyWater alliance, a network of companies, institutions and social organisations to promote responsible water management.



17.6
Goal

7
Strategic line

An important change in the production processes entails the collaboration of all the agents involved. This is why Aqualia constantly seeks new synergies and

alliances with scientists, companies and institutions that can help develop practical solutions for the water sector and other sectors.


StepbyWater




From a collaborative standpoint, one of the company's major milestones was its adhesion to and promotion of the Spanish StepbyWater alliance. This network of companies, institutions and social organisations combine forces to address the responsible management of water and contribute to the achievement of the goals and targets of the 2030 Agenda, especially SDG 6 (Clean water and sanitation) and SDG 17 (Partnerships to achieve the objectives).

Loyal to its commitment to the sustainable management of water services and to all initiatives that guarantee their protection, Aqualia joined this alliance to exclusively represent companies specialising in the management of the end-to-end water cycle. The alliance also boasts more than twenty leading organisations in the field of sustainability, including Coca Cola, Unilever, L'Oréal, Cosentino, Mahou-San Miguel and Capsa Food, with ambassadors including Olympic champion Carolina Marín and Nacho Dean, a naturalist, explorer and influencer.


This project was widely reported in the media who recognised the importance of this collaboration to highlight the importance of water.



150,000
professionals



850
Million
users



+190
countries

The impact of StepbyWater has taken on a global dimension, with a potential network of more than 150,000 professionals and 850 million users and consumers in more than 190 countries.

Events

"World Water Tech North America"

In 2020, Aqualia participated in an event in the US entitled "World Water Tech North America" together with a group of more than 250 executives from companies in the sector in 17 countries from around the world. The thematic axes addressed were digital

transformation and change management, water quality, wastewater re-use and energy consumption, all geared towards the One Water Resilience concept, which is based on a holistic water resources management strategy.

Water management in the future: Sustainability, investment and CSR



With regard to its commitment to offering citizens a smart service, special mention should be given to Aqualia's speech at the *Water management in the future: Sustainability, investment and CSR* event organised by El Correo Vasco together with the Bilbao Bizkaia Water Consortium (CABB), involving an analysis of the water services management sector and the main

challenges facing the industry in the short, medium and long term. The speakers addressed issues such as public-private collaboration, the impact of COVID-19 on the provision of services, the social commitment of operators, Next Generation funds and their impact on the water sector and the involvement of the industry in meeting the SDGs and the 2030 Agenda.

Public-private collaboration

Public-private collaboration is essential to emerge stronger from this pandemic. This is the conclusion reached in the "Reconstruir Castilla y León" programme produced by the Autonomous Television channel for Castile-León (RTVCyL).

This programme was recorded at the Avila DWTP, an installation managed by Aqualia. Representatives of the local administration, the company and a group of engineers shared ideas and agreed on the need to join forces to emerge stronger from the crisis generated by COVID-19.

In 2020, Aqualia also participated in the preparation of a Circular Economy Master Plan for Castile-La Mancha,

presenting several initiatives on circular economy applied to the water cycle that the company has launched since 2015. These included the above-mentioned Deep Purple, the Scalibur project, which seeks to reduce and recover organic waste to transform it into bioenergy and other by-products, and the Life Intext project, to support European SMEs working to optimise low-cost treatment technologies in small towns.

Caltaqua, Aqualia's Italian subsidiary, signed a collaboration agreement with the University of Palermo to study solutions that minimise the production of sewage sludge.



The Spanish Association for Desalination and Re-use (AEDyR) held a meeting to report on the actions contemplated for the water sector within the European Union's Recovery, Transformation and Resilience Plan. The event was attended by Teodoro Estrela, General Director of Water at the Ministry for Ecological Transition and Spain's Demographic Challenge, as well as by heads

of the main companies in the sector and international organisations in the field of desalination, such as IDA (International Desalination Association), Aladyr (Latin American Desalination and Water Re-use Association) and EDS (European Desalination Society).

Brave Blue World Documentary

With regard to the dissemination of the company's innovative actions, Aqualia participated in the *Brave Blue World* documentary, which presented the All-gas project as one of 12 sustainable solutions worldwide for overcoming water scarcity. It is a striking, optimistic documentary that aims to promote a positive change in the culture of water and sanitation worldwide. It


is available on Netflix, so it has a potential audience of 193 million people worldwide. Filmed in five continents, *Brave Blue World* looks at how mankind is developing innovations and new technologies to rethink water management in the face of an uncertain scenario involving water stress and the unequal distribution of drinking water.



Another example of Aqualia's collaboration with its stakeholders was the call for the IV Edition of the Aqualia Journalism Award, with the aim of promoting public awareness and sensitivity.

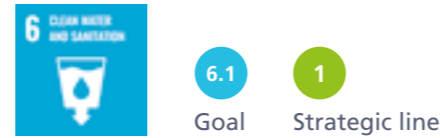
How to give water a second life was the theme selected for this year and the winner was Paco Rego, who won the award for a report on the All Gas project and its possibilities to build more resilient towns and cities. It was published in the newspaper El Mundo.

IV Edition of the Aqualia Journalism Award



for in-depth analysis of end-to-end water circularity.

Call for the responsible use of water and sanitation



In October, Aqualia signed an appeal for the European Union to guarantee access to decent sanitation for the ten million Europeans who still lack it.

Water is a scarce commodity, but it is essential for the survival and development of communities. That is why it is everyone's responsibility to protect it and use it responsibly to ensure its future.

Water scarcity currently affects more than 40%⁵⁰ of the world population, which increases the risk of diseases

and infant mortality, impoverishes biological diversity and slows down economic growth in underdeveloped countries, enabling social inequalities to remain. That is why Aqualia makes a special effort to educate the population about how to consume water and protect it in the best possible way.

Call to action

The company was one of the organisations that signed an appeal on 21 October for the European Union to guarantee better access to sanitation for the 10 million Europeans who still lack a decent sanitation service.

By signing this document, Aqualia once again demonstrated its staunch commitment to achieving the human rights to water and sanitation and adhering to SDG 6, which requires public-private collaboration, research and investment to optimise available resources and ensure clean sanitation without leaving anyone behind.



Public awareness

Since Aqualia began its activity as an operator for the end-to-end water cycle in 12 municipalities in the department of Córdoba, in northern Colombia, the company has been developing a specific Social Responsibility plan for the area.

Due to the expansion of the pandemic, the company used virtual channels to raise awareness amongst the population. During these months there have been a total of 68 talks regarding the end-to-end water cycle, as well as 45 workshops on efficient use and saving of water, as well as social and environmental aspects based on the SDGs, with special emphasis on SDG 6 (Clean water and sanitation).

With regard to this, throughout 2020 Aqualia once again launched the #NoLoTires (#Don'tthrowitaway) campaign in collaboration with different institutions, with the aim of making the population aware of those small actions that can have a severe negative impact on the water cycle. On this occasion, the campaign focussed especially on those objects that should not be flushed down the toilet because their elimination makes the work of the sanitation network more difficult.

Since the pandemic began, there has been a significant increase in the number of gloves, masks, and sanitary towels that reach the sewer after being flushed down the toilet rather than deposited in the corresponding rubbish container. To avoid this, Aqualia provided information through images and videos on the correct way to dispose of these and other polluting waste.



Video #NoLoTires - Gloves, masks and sanitary towels never go down the toilet

On 22 March, World Water Day, Aqualia invited people to reflect on the strength and resilience of the urban water supply and sanitation services, which were profoundly affected by the pandemic. Despite the seriousness of the sanitary emergency, which paralysed daily activity around the world, urban water services generally continued to be provided normally and helped to prevent the situation from being worse. This was a key factor in its work in these crucial moments and the central axis of Aqualia's appearances in the media.

50 Official United Nations information: https://www.un.org/sustainabledevelopment/es/wp-content/uploads/sites/3/2016/10/6_Spanish_Why_it_Matters.pdf



There should be special mention for an action undertaken by Aqualia's subsidiary in Tenerife, Entemanser, together with the Granadilla de Abona Municipality, to publicise the services of the sanitation network and raise awareness among young people about the importance of not contaminating this resource.

To coincide with World Sanitation Day, the night work of the Entemanser service at the Wastewater Pumping Plant was filmed in the presence of the first deputy mayor (Marcos González) and the general services delegate councillor (Marcos Rodríguez). Information posters were also hung in the town's fourteen education centres of the town and a drawing contest was held on sewer covers to make the campaign visible on the street.

The campaign ended with a video by the Municipality produced to raise awareness amongst the whole town's about the proper use of the toilet and the appropriate means for depositing waste.



Video
Granadilla #Nolotires campaign 'World Sanitation Day'

www.aqualiaeduca.com

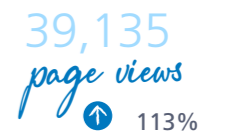
Educational channel

The most important tools used by Aqualia in 2020 included the www.aqualiaeduca.com web campaigns and initiatives, aimed at children of all ages so they could acquire knowledge about this valuable resource and learn that we all need to act consciously to protect it. This website has access to exclusive content to learn while having fun and become aware of the need for responsible consumption, as well as appreciating the work of those who ensure that drinking water reaches their homes.

During the months of lockdown, Aqualia activated a wide dissemination campaign on its educational platforms to help parents combine telecommuting with care for their children and give them an opportunity to learn how to appreciate water.



Between March and April, 141% more users were registered than in the same months in the previous year.



The figures for the online channel reveal its consolidation as an educational source of reference for teachers and families. The number of visits was especially high in Spain, Mexico, Peru, Colombia and Argentina.



Campaigns and initiatives on the www.aqualiaeduca.com website



18th Edition of the international children's drawing contest

Guardians of water

In 2020 Aqualia launched the 18th edition of the Digital Children's Drawing Contest. This contest invited boys and girls in Spain and Portugal in the 3rd and 4th years at Primary School in the municipalities where it provides services to participate. On this occasion, on the fifth anniversary of the Sustainable Development Goals, Aqualia wanted to help children to get to know them, inviting them to become guardians of water by designing a poster that reflects their vision of the water cycle and how to use it sustainably.

The children in the house are not the only ones who need to learn how to take care of such a valuable asset. So throughout the summer of 2020, a campaign was conducted with the hashtag #ConsumoResponsable in which tips were given on how to save water in daily tasks like washing the car and watering plants. The campaign was published on all the company's channels using messages and short videos to create social awareness.

+ 86,000
viewings



Video
The SDGs as you have never been told

22,149
sessions

11,670
visits to the website

129,300
page views

+6,600
participants

The participants, mostly young people and children, dedicated
3,800 hours
to digital training on the end-to-end water cycle.



Public awareness-raising



Water consumption is not the only problem that Aqualia is involved with, but a large part of the work to maintain water quality is directed towards the proper management of sanitation. In this regard, one of the main axes of Aqualia's communication is the awareness of citizens to put an end to the bad practice of using the toilet as a wastebasket.

Annexes

About this report

Material issues

Aqualia's commitment to the Ten Principles of the Global Compact

Table of GRI contents

In response to the requirements and expectations of the different stakeholders, and in accordance with the company's commitment to establishing basic sustainability pillars on which to work and internalise the reporting culture, transparency and corporate responsibility management, Aqualia has prepared a Corporate Social Responsibility Review every year since 2009.



About this report

This report, which includes the organisation's management and commitments regarding the most significant financial and non-financial issues in 2020, was prepared in accordance with the comprehensive option of the 2016 GRI Standards. In the case of standard 303 and 403, the 2018 version was applied. The information on two indicators for the company's activity is also maintained (AQ AH2O and AQ CyS 1)

and the indicator for AQ CT is included. This report was verified by an independent external entity (AENOR).

In follow-up for the guidelines established by GRI the following principles were complied with, so the requirements demanded by the standard are guaranteed:



Inclusion of stakeholders

The company established different two-way communication channels with its stakeholders, as described in the section on *Value creation*, where this year the main channels of dialogue promoted by health situation are included.



Sustainability context

This report was conceived as an instrument that reflected the activity and performance of the company, with the integration of the three main axes for sustainability: Economic development, social justice and environmental balance.



Materiality

In order to identify important issues, the last three reports have involved active listening to Aqualia's different stakeholders. In the section regarding *The challenge of becoming more sustainable every day* the added value for each of the phases is explained and the material issues are listed in the annex.



Comprehensiveness

In the preparation of this report, the collaboration of the company's main management areas was requested, with the intention of gathering together all the organisation's significant and strategic issues.

The application of the GRI principles that determine the quality of the report were also taken into account: accuracy, balance, clarity, comparability, reliability and timeliness.

The reporting methodology was based on the application of the methodology proposed by the International Integrated Reporting Council (IIRC) to prepare integrated reports from the perspective of identifying the capital that the organisation has or manages and using them to explain how value is created for society.

Throughout the document, national data refer to the territory of Spain where the company's head offices are

located. The data provided in the different areas include 100% of the consolidated information for dependent entities, for joint-venture operations (only JVs and EIGs) in proportion to the shareholding and do not include information for those companies in which there is no control.

Changes in calculations and the scope of the information are commented on in each particular case.

Finally, it should be said that the report responds to the need to communicate the 2021-2023 Strategic Sustainability Plan to the entire Aqualia staff and to all stakeholders.



VERIFICATION OF SUSTAINABILITY REPORT

VMS-2021/0015

AENOR has verified the Sustainability Report by the organization

FCC AQUALIA, S.A.

Title: INFORME DE SOSTENIBILIDAD AQUALIA 2020. CONVERSA.

Reporting period: 2020

In accordance with GRI Standards option: **Comprehensive**

Issue date: **2021-06-04**

Rafael GARCÍA MEIRO
Chief Executive Officer















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Material issues

In 2020, the most significant issues for stakeholders were as follows:

 Environmental
  Governance
  Labour
  Social

Issue	Scope	Explanation of materiality
Water quality		GRI 416
Efficient management of the shortage of natural resources		GRI 303
Climate change: contribution to environmental impact mitigation and risk management plans		GRI 305
Innovation in the environment: development of R&D&i		GRI 103-3
Circular economy of water: re-use of waste to minimise negative environmental impacts		GRI 303/306
Environmental awareness and raising awareness on the sustainable use of resources		GRI 413 AQ CyS1
Responsible energy consumption: degree of energy consumption and plans for the development of environmentally friendly energy		GRI 302
Biodiversity: sustainable use of terrestrial ecosystems in the territories in which the company operates		GRI 304
Ethics and integrity (compliance)		GRI 205
Systems for prevention and mitigation of corruption		GRI 205
Good Governance: the company has suitable mechanisms for the identification and management of its risks and opportunities		GRI 201/205
Transparency: making information on the company's different management areas and their results available to stakeholders		GRI 205 AQ CT

Issue	Scope	Explanation of materiality
Safety, occupational health and welfare of the employee: COVID- oriented		GRI 403
Equal opportunities, diversity and work-life balance		GRI 401/405
Professional development: policies, training plans and actions aimed at the professional development of the employee		GRI 404
Access to water: the company makes it easier to access water for all people including those in vulnerable situations		GRI 413 AQ AH20
Client experience: In 2020, geared towards the care of the client's health and safety		GRI 103-3
Transparent communication: the company maintains transparent communication including easy and transparent access to its tariffs		AQ CT
Social action - local development: The company's proactive and reactive involvement in local community initiatives in response to specific demands		GRI 413
Promotion of and respect for essential Human Rights		GRI 412
Technological development		GRI 203
Creation of stable employment: Company's capacity to create jobs in the communities where it distributes and supplies		GRI 401
Collaboration and public-private partnerships		GRI 413

Aqualia's commitment to the Ten Principles of the Global Compact



Since its creation Aqualia has assumed a commitment to all its stakeholders, together with a constant desire to improve that marks the path towards sustainable development. As proof of this, since the end of 2020 it has been a full member of the Global Compact, the United Nations benchmark institution for promoting respect for human rights and best practices in companies and other social-economic entities. This membership involves complying with and promoting the ten principles of action that constitute the management guidelines with regard to the following issues: Human rights, labour standards, the environment and the fight against corruption.

Throughout this report you will see all the policies, measures and actions undertaken by Aqualia in 2020 and that reflect its commitment to the principles of the Global Compact, as well as its contribution to the global achievement of the Sustainable Development Goals, also promoted by this institution. This commitment also comes from the company's own management, which assumes as its own the challenges that world society will face over the next ten years, when an optimal scenario is expected to have been created to mitigate and reverse the effects of climate change, as well as to have established a more just and egalitarian society around the world, and to have laid the foundations for the most vulnerable countries to achieve prosperous and sustainable economic development over time.

Subject	Principles of the Global Compact	Chapter for the associated report
Human rights	1. Protection of Human Rights 	5.1: Promoting a good work environment 7.4: Call for the responsible use of water and sanitation
	2. Non complicity in the violation of Human Rights 	3.1: The value of transparency
Labour regulations	3. Freedom of affiliation and right to collective bargaining 	3.1: The value of transparency 4.4: The challenge of being more sustainable every day
	4. Elimination of forced labour 	3.1: The value of transparency
	5. Eradication of child labour 	4.4: The challenge of being more sustainable every day
	6. Fight against discrimination in employment 	5.1: Promoting a good work environment
Environment	7. Preventive approach 	4: Global challenge
	8. Environmental responsibility 	4: Global challenge
	9. Technologies that respect the environment 	4: Global challenge 6: Commitment and technology serving our clients 7: A decade for us to transform
Anti-corruption	10. Fight against corruption, extortion and bribery 	3: As clear as water. Sustainable and transparent governance

Table of contents: GRI Standards



GRI 102: General Content 2016

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
Organisational profile				
102-1	Name of the organisation	FCC Aqualia S.A. In the document, this name will be replaced by the Aqualia trademark.		
102-2	Activities, brands, products, and services	Pages 6-11 and 14-15 The local websites can be found in the Aqualia link https://www.aqualia.com/es/webs-locales		
102-3	Location of headquarters	Avda. del Camino de Santiago 40. 28050 Madrid. Spain		
102-4	Location of operations	Pages 28-29		
102-5	Ownership and legal format	FCC Aqualia SA is owned by FCC (51%) and IFM Investors (49%)		
102-6	Markets served	Pages 15 and 28-35		
102-7	Scale of the organisation	Pages 16-18 and 22-23		
102-8	Information on employees and other workers	Pages 96-98 In approximately 90% of activities relating to civil engineering works that require specialised machinery, labour needs to be subcontracted.		8.5 10.3
102-9	Supply chain	Pages 47-51		
102-10	Significant changes to the organisation and its supply chain	Pages 6-11; 16-18; 24-27; 48		
102-11	Precautionary principle or approach	Pages 40-46 and 57		
102-12	External initiatives	Pages 92-93; 105; 158; 174-175		
102-13	Membership of associations	Pages 126-128		
Strategy				
102-14	Statement by senior executives responsible for making decisions	Pages 6-11 The local websites can be found in the Aqualia link https://www.aqualia.com/es/webs-locales		
102-15	Key impacts, risks and opportunities	Pages 6-11 and 54-57		
Ethics and integrity				
102-16	Values, principles, standards and rules for behaviour	Pages 17; 40-46		16.3
102-17	Mechanisms for advising and ethical concerns	Pages 40-46		16.3

* Contribution of GRI standards to the goals of the SDGs, according to the document prepared by GRI, Linking the SDGs and the GRI Standards.

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
Governance				
102-18	Governance structure	Pages 38-40		
102-19	Delegating authority	Pages 38-40		
102-20	Executive-level responsibility for economic, environmental and social issues	Pages 6-11 and 40		
102-21	Consulting stakeholders on economic, environmental and social issues	Pages 86-88; 172-173		16.7
102-22	Members of the highest governance body and its committees	Pages 38-39		16.7
102-23	President of the highest governance body	Page 38		16.6
102-24	Nominating and selecting the highest governance body	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C.1.16. Page 36)		5.5 16.7
102-25	Conflicts of interest	Pages 42-45		16.6
102-26	Role of the highest governance body in selecting objectives, values and strategy	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (F. Internal Risk Control and Management Systems relating to the process of issuing Financial Information. F.1.2. Page 82)		
102-27	The highest governance body's collective knowledge	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C. Structure of the Company's Administration. C.1.3. Page 22)		
102-28	Assessing the highest governance body's performance	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C. Structure of the Company's Administration. C.1.17. Page 38)		
102-29	Identifying and managing economic, environmental and social impacts	Pages 6-11; 54-57		16.7
102-30	Effectiveness of the risk management processes	Pages 40-42; 57		
102-31	Assessment of economic, environmental and social issues	Pages 89; 172-173		
102-32	Highest governance body's role in the preparation of sustainability reports	Pages 6-11		
102-33	Communicating critical concerns	Pages 6-11; 86-89; 172-173		
102-34	Nature and total number of critical concerns	Pages 172-173		
102-35	Remuneration policies	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C. Structure of the Company's Administration. Page 20)		

* Contribution of GRI standards to the goals of the SDGs, according to the document prepared by GRI, Linking the SDGs and the GRI Standards.

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
102-36	Process for determining remuneration	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C. Structure of the Company's Administration. Page 20)		
102-37	Stakeholders' involvement in remuneration	2020 Corporate Governance Report https://www.fcc.es/en/informe-anual-de-gobierno-corporativo (C. Structure of the Company's Administration. Page 20)		
Stakeholder engagement				
102-40	List of stakeholders	Page 19 Ref. Pages 32 and 33 of the 2019 Sustainability Report		
102-41	Collective bargaining agreements	The legislation for each country applies. This means that in Spain all employees are subject to a collective agreement. In Europe, all countries have a collective agreement, except Portugal, where there is no specific agreement for water. In the MENA area, there is no union representation or collective bargaining in any country except Algeria. America also complies with the legislation corresponding to each country.	8.8	
102-42	Identifying and selecting stakeholders	Page 19 Ref. Pages 32 and 33 of the 2019 Sustainability Report		
102-43	Approach to stakeholder engagement	Page 19 Ref. Pages 32 and 33 of the 2019 Sustainability Report		
102-44	Key issues and concerns raised	Pages 86-89; 172-173		
Practices for preparing reports				
102-45	Entities included in the consolidated financial statements	https://www.aqualia.com/informacion-financiera/cuentas-anuales		
102-46	Defining report content and what the issue involves	Pages 86-89; 172-173		
102-47	List of material topics	Pages 86-89; 172-173		
102-48	Restating information	About this report		
102-49	Changes in the preparation of reports	About this report		
102-50	Reporting period	About this report		
102-51	Date of most recent report	2019		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	www.aqualia.com		
102-54	Statement on preparation of the report in accordance with GRI Standards	About this report		
102-55	Table of GRI contents	Pages 176-189		
102-56	External verification	About this report		

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GRI 200: Economic Standards

GRI 103: Management Approach

Associated material issues: Risk management, ethics and integrity, corruption prevention and mitigation systems, transparency, technological development

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
103-1	Explanation of the material issue and what it involves	Pages 172-173		
103-2	The management approach and its components	Economic Performance: 22-23 and 28-34; Risk management: 42 and 57; Corruption prevention systems: 40-46; Supply chain: 47-57; Technological development: 132-140.		
103-3	Assessment of the management approach	Pages 22-23; 40-46; 48-51; 57; 132-140		

GRI 201: Economic Performance 2016

Associated material issues: Risk management, good governance

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
201-1	Direct economic value generated (VEG) and distributed (VED)	Pages 18; 22-23		8.1 8.2 9.1 9.4 9.5
201-2	Financial implications and other risks and opportunities due to climate change	Pages 30; 54-57		
201-3	Defined benefit plan obligations and other retirement plans	There are no retirement plans		
201-4	Financial assistance received from government	Page 23		

GRI 203: 2016 Indirect Economic Impacts

Associated material issues: Risk management, technological development

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
203-1	Investments in infrastructure and services supported	Pages 31-34; 136-139		9.1
203-2	Significant indirect economic impacts	Pages 6-11; 18; 126 Ref. 2019 Sustainability Report, page 119		1.4 8.2 8.3 8.5

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GRI 204: Procurement practices 2016

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
204-1	Proportion of expenses in local suppliers	Page 48 Local suppliers are those that are geographically located in the same territories in which Aqualia is providing its service. In this case, local will be defined as CCAA. This means that Aqualia achieves local development in those areas where it is implemented.		8.3

GRI 205: Anti-corruption 2016

Associated material issues: Ethics and integrity, good governance, corruption prevention and mitigation systems, transparency

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
205-1	Operations assessed for risks relating to corruption	There was a total of 22 company operations relating to corruption risks and 100% of them were assessed to identify the risks. Page 42		16.5
205-2	Communication and training on anti-corruption policies and procedures	Pages 44-46		16.5
205-3	Confirmed cases of corruption and the action taken	In 2020, no cases relating to corruption were reported via the Whistleblowing Channel.		16.5
AQ CT	Transparent communication: The company maintains transparent communication including easy and transparent access to its tariffs	Page 140 Aqualia informs regarding the different prices established by the proper authority on the different local websites.		

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GRI 300: Environmental Standards

GRI 103: Management Approach

Associated material issues: Responsible energy consumption, efficient management of natural resources, biodiversity, climate change, environmental innovation

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
103-1	Explanation of the material issue and what it involves	Pages 87-89; 172-173		
103-2	The management approach and its components	Energy: Pages 58-61; Water: 68-71; Biodiversity: 72-75; Emissions: 64-67; Circular economy: 68-69; 154-157; Innovation: 144-145		
103-3	Assessment of the management approach	Energy: Pages 61-64 Water: 69-71; Biodiversity: 72-75; Emissions: 64-67; Circularity: 69-70; 146-152; Innovation: 135-138; 144-152		

GRI 302: Energy 2016

Associated material issue: Responsible energy consumption

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
302-1	Energy consumption within the organisation	Pages 61-64		7.2, 8.4, 12.2, 13.1
302-2	Energy consumption outside the organisation		This information is unavailable	
302-3	Energy intensity	Page 62. Covers consumption within the organisation		7.3, 8.4, 12.2, 13.1
302-4	Reduction of energy consumption	Pages 63-64		7.3, 8.4, 12.2
302-5	Reduction in energy requirements for products and services	Pages 64; 146-152		7.3, 12.2, 13.1

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GRI 303: Water 2018

Associated material issues: Efficient resource management, circular water economy

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
303-1	Interactions with water as a shared resource	Pages 5; 54-57; 68-71; 92-93; 135-138 Environmental management approach		6.3, 6.4, 6a, 6b, 12.4
303-2	Management of impacts relating to water discharges	Regardless of the country where an installation is built, Aqualia uses European technology that needs to meet high standards with regard to discharge levels. This ensures that in most countries the minimum levels established by regulatory requirements are exceeded.		6.3
303-3	Water abstraction	Pages 69-70		
303-4	Water discharge	a) Total: 821,959,643 m ³ (There is no breakdown of water discharges according to destination type (surface waters, marine, etc.) Ref. 303-4, a).iv: Ref. Page 70. Re-used water. b) Total discharge of water with high salinity: 162,011,975 m ³ (Spain: 14,531,872; Saudi Arabia: 17,927,470 Algeria: 135,630,302) c) Water discharges in areas under water stress: 764,465,135 m ³ and in areas without water stress: 57,494,508; Ref. 303-4, d.i: Ref. Page 80. Covid Ref. 303-4, d.ii: in accordance with the legislation in each country. Ref. 303-4: Data on fines is provided in Standard GRI 307-1.		6.3
303-5	Water consumption	The consumption of water coincides with the total amount of water captured from abstraction sources. Ref. Page 69-70.		

GRI 304: Biodiversity 2016

Associated material issue: Biodiversity

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
304-1	Operational centres owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Total installations in protected areas or areas of great value for diversity: Spain + International: 145;		6.6, 15.1, 15.5
304-2	Significant impacts of activities, products and services on biodiversity	Pages 72-75		6.6, 14.2, 15.1, 15.5
304-3	Protected and restored habitats	Pages 72-75		6.6, 14.2, 15.1, 15.5
304-4	Species on the IUCN Red List of Threatened Species and national preservation lists whose habitats are in areas affected by the operations		This information is unavailable	

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GRI 305: Emissions 2016

Associated material issue: Climate change

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
305-1	Direct GHG emissions (scope 1)	Page 64		3.9, 12.4, 13.1
305-2	Indirect GHG emissions when generating energy (scope 2)	Page 64		3.9, 12.4, 13.1
305-3	Other indirect GHG emissions (scope 3)	Page 64		3.9, 12.4, 13.1
305-4	GHG emission intensity	Page 64		13.1, 14.3, 15.2
305-5	Reduction of GHG emissions	Pages 64-67		13.1, 14.3, 15.2
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable		
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to the air	72.05 tNOx 0.03 tSOx		3.9, 12.4

GRI 306: Effluents and waste 2016

Associated material issue: Circular economy of water

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
306-1	Water discharge depending on quality and destination	Ref. 303		6.3, 6.4, 6.6, 12.4, 14.1
306-2	Waste by type and disposal method	Total volume of water discharges, expected and unforeseen m³ 2019: 743,878,473; 2020 Total: 864,321,643 Variation: 11.14%. Increase due to the new desalination plant in Saudi Arabia. Total waste generated (Tn) **: 2019: 546,854.7; 2020: 544,107.9. Variation: -0.5% ** In 2020 the consolidated data were calculated from December 1, 2019 to November 30, 2020. Data for France, Algeria and the Czech Republic are not included.		3.9, 6.3, 12.4, 12.5

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GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
306-2	Waste by type and disposal method	By type and disposal method** Total hazardous wastes (Tn): 2019: 4,490.1; 2020: 5,885.4 Variation: 31.1% Disposal 2019: 4,368.7; 2020: 5,775.0; Variation: 32%; Revaluation (Tn) 2019: 121.4; 2020: 110.00; Variation: -9.4% Total non-hazardous wastes (Tn)**: 2019: 542,364.5; 2020: 538,222.0; Variation: -0.8% Disposal 2019: 152,125.6; 2020: 58,172.0; Variation: -61.8% Revaluation 2019: 390,238.9; 2020: 480,050; Variation: 23.0% Of the total revalued: Recycled 100.0% ** In 2020 the consolidated data were calculated from December 1, 2019 to November 30, 2020. Data for France, Algeria and the Czech Republic are not included.		
		Total in 2020: 0 Significant spills; Total in 2019: 5. A significant spill is understood to be one that leaves our installations (because they are not able to contain or collect them) and that produces impacts on soil/water.		
		Total in 2020: 12; Total in 2019: 3.		

GRI 307: Environmental Compliance

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
307-1	Noncompliance with environmental laws and regulations	Fines or sanctions for environmental performance amounted to 113,696.99. Scope: Spain and Italy		

GRI 308: Supplier Environmental Assessment 2016

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
308-1	New suppliers that were screened and selected under environmental criteria	Pages 48-50		
308-2	Negative environmental impacts on the supply chain and actions taken	3 suppliers were detected for which special monitoring was undertaken.		

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GRI 400: Social Standards

GRI 103: Management Approach

Associated material issues: Employee safety, health and welfare, equal opportunities, diversity and work-life balance, professional development, water quality, public-private partnerships, job creation, social action, work-life balance and environmental awareness on the sustainable use of resources, access to water, transparent communication, promotion and respect for human rights, client experience

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
103-1	Explanation of the material issue and what it involves	Pages 172-173 Pages 86-89		
103-2	The management approach and its components	Creation of employment: 114; Equal opportunities, diversity and work-life balance: 103-109; Health, safety and welfare: 115-117; Human Rights: 40-46; Access to water: 120-123; Social action: 122-125; Transparent communication: 140-141; Sensitivity and awareness-raising: 160-167; Client experience: 120, 135; Public-private partnerships: 9, 54-57; 126-129.		
103-3	Assessment of the management approach	Pages 18; 96-100; 118-126; 126-129; 132-137; 140; 144-147; 162-167		

GRI 401: Employment 2016

Associated material issues: Creation of employment, equal opportunities, diversity and work-life balance

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
401-1	New employee recruitment and staff turnover	Page 96: Staff turnover and Page 100: New recruitment International workers also enjoy benefits		
401-2	Benefits enjoyed by full-time employees that are not given to temporary or part-time employees	Pages 103-104 Social benefits are independent of the working day and include the following: Subsidised loans, life insurance, accident insurance and family aid		

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GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
401-3	Parental leave	<p>Data for Spain: Employees with maternity leave: 47 Employees with paternity leave: 174 100% of the affected employees returned to work after maternity leave. The remaining requested paid leave to care for children and returned to work afterwards. 100% of the affected employees returned to work after paternity leave. 100% of the affected employees who returned after maternity/paternity leave were still employed 12 months after they returned to work, except those cases where the works were completed or replaced. All those employees who became mothers or fathers requested maternity or paternity leave.</p>		5.1

GRI 403: Occupational Health and Safety 2016

Associated material issues: Safety, occupational health and welfare of the employee

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
403-1	Occupational health and safety management system	Page 115		8.8
403-2	Hazard identification, risk assessment and the investigation of incidents	Pages 115-116		8.8
403-3	Occupational health service	Pages 115-116		8.8 Goal 3.3
403-4	Worker participation, consultation and communication regarding occupational health and safety	In all contracts there are mechanisms that facilitate consultation and participation in health and safety issues. The tools implemented are a physical mailbox in each contract, a virtual mailbox at the Health and Welfare sharepoint and on the APP (specific access to incidents and dangers), talks on safety, etc.		8.8 16.7
403-5	Training of workers on occupational health and safety	Pages 110-111		8.8
403-6	Promoting the health of workers	Pages 77; 78-79 (COVID-19), 116		3.8
403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through commercial relationships	Page 117		8.8

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GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
403-8	Workers covered by a prevention of risks at work system	Spanish legislation requires that all ORP measures be extended to all employees on the staff or subcontracted (100% in Spain) who work in the organisation's installations. 100% covered by the certificate.		8.8
403-9	Work-related injuries	<p>Page 116 Number of occupational accidents with sick leave: Spain: 131/ International: 88. Total: SP + International: 219 Number of accidents without sick leave: Spain: 207/ International: 102. Total: 309 During the 2020 business year there were no serious accidents involving own staff. With regard to subcontracted staff, there were two serious accidents and regrettably one resulted in death. Number of hours worked: Spain: 11,480,336/International: 21,489,531/ Total 32,969,867</p>		3.9 8.8 16.1
403-10	Occupational illnesses and diseases	In 2020 there were 2 cases confirmed as disease		3.9

GRI 404: Training and Teaching 2016

Associated material issue: Professional development

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
404-1	Average hours of training per year per employee	Pages 100; 111		4.3 4.4 4.5 8.2 8.5 10.3
404-2	Programmes for improving employee aptitudes and transition aid programmes	Pages 110-112		8.2 8.5
404-3	Percentage of employees receiving regular performance and career development assessment	Project stopped due to health crisis.		5.1 8.5 10.3

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GRI 405: Diversity and Equal Opportunities 2016

Associated material issues: Equal opportunities, diversity and work-life balance

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
405-1	Diversity in governance bodies and employees	Pages 38-39; 99; 105		5.1, 5.5, 8.5
405-2	Comparison of women's basic salary and remuneration to that of men	Page 107		5.1, 8.5, 10.3

GRI 412: Human Rights Assessment 2016

Associated material issue: Promotion of and respect for Human Rights

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
412-1	Operations subjected to human rights reviews or impact assessments	Pages 49-50 All operations with Aqualia's suppliers and subcontractors are subject to the Ten Principles of the Global Compact. 3 suppliers were detected for which special monitoring was undertaken.		
412-2	Employee training on human rights policies and procedures	Pages 44-46		
412-3	Significant investment agreements and contracts that include human rights clauses	100% of contracts with suppliers.		

GRI 413: Local communities 2016

Associated material issues: Social action, public-private partnerships, access to water, awareness and environmental awareness

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
413-1	Operations with local community engagement, impact assessments and development programmes	Pages 118-129; 158-167		
413-2	Operations with significant actual or potential negative impacts on local communities	There are no operating centres that have or could have significant negative impacts on local communities.		2.3
AQ AH20	Actions to achieve access to water for everyone	Pages 118-126		
AQ CyS 1	Sensitivity and awareness-raising campaigns	Pages 163-167		

GRI 414: Social Assessment of Suppliers 2016

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
414-1	New suppliers that were screened and selected under social criteria	Pages 49-50 Fully implemented in Spain. Internationally, work is being undertaken to cover 100% of suppliers.		5.2, 8.8, 16.1
414-2	Negative social impacts on the supply chain and action taken	Pages 49-50. No impact. 3 suppliers were detected for which special monitoring was undertaken.		5.2, 8.8, 16.1

GRI 416: Client Health and Safety 2016

Associated material topic: Water quality

GRI STANDARD	DESCRIPTION	PAGE/2020 DIRECT RESPONSE	OMISSIONS	SDG*
416-1	Assessment of health and safety impacts in the product and service categories	100%		
416-2	Incidents of noncompliance concerning health and safety impacts on products and services	Fines for health issues: €4,570 Scope in Spain		16.3

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