

ANNUAL REPORT

2020





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● MESSAGE FROM MANAGEMENT



The services offered by Águas do Brasil Group are considered essential and, in this sense, even with the very strong impact of the pandemic in 2020, which devastated and continues to devastate the planet, they were not disrupted, not even for an instant, remaining uninterrupted 24 hours a day, 7 days a week. Our employees, in addition to ensuring the continuous supply of drinking water, as well as the collection and treatment of sewage, maintained the quality of services.

The Group, through various control measures, guaranteed the health and safety of all employees at all times, promoting job security, thus demonstrating its commitment to the Staff theme. Quickly adjusting to the new demands imposed by the virus, the Group created around 1,000 positions for remote work (home office) with the use of cutting-edge technology, in addition to the urgent purchase of a large number of equipment and software.

For the safety and comfort of our customers, our relationship with them has substantially increased, so they do not need to leave their homes to obtain any service, with the creation of "Cliente Águas", "WhatsApp Business" and "Interactive Client" channels, among others.

As for Compliance, the Group maintained its ISO 37000 Certification and ISO 19600 Attestation, confirming its full adherence to the theme.

In 2020, Águas do Brasil Group won the bid for the full concession of water and sewage in the municipality of Paraíba do Sul-RJ, conducting its activities through Águas da Condessa concessionaire.

In recognition of its austere stance and the resulting economic and financial solidity of its businesses, the Group received an AAA (triple A) rating from Fitch Ratings, as the only Group in the public or private sanitation market to obtain such a degree.

We continued intensive training programs, including those focused on Leader Development, Talent Retention and Assessment, aiming at the succession process, which is especially important within the Organization.

In 2020, the QSSMAS pillars gained a lot of strength, especially those aimed at preventing accidents and meeting numerous legal requirements.

Finally, it is important to highlight the countless donations made by the Group to the vulnerable communities in which it operates, of basic grocery packages, medical-hospital supplies, cleaning kits, equipment and public washing stations, as well as sanitizing/disinfecting streets, avenues, squares, stores, external areas of health units and points of greatest concentration of people.

With the approval of the Marco Regulatório do Saneamento framework in July 2020, private participation in Brazil is expected to grow and, in this sense, the Group, through a substantial increase in its management and governance fronts, is prepared to grow responsibly through viable contracts, disowning, as it always has, the impulse to grow at any cost or risk.

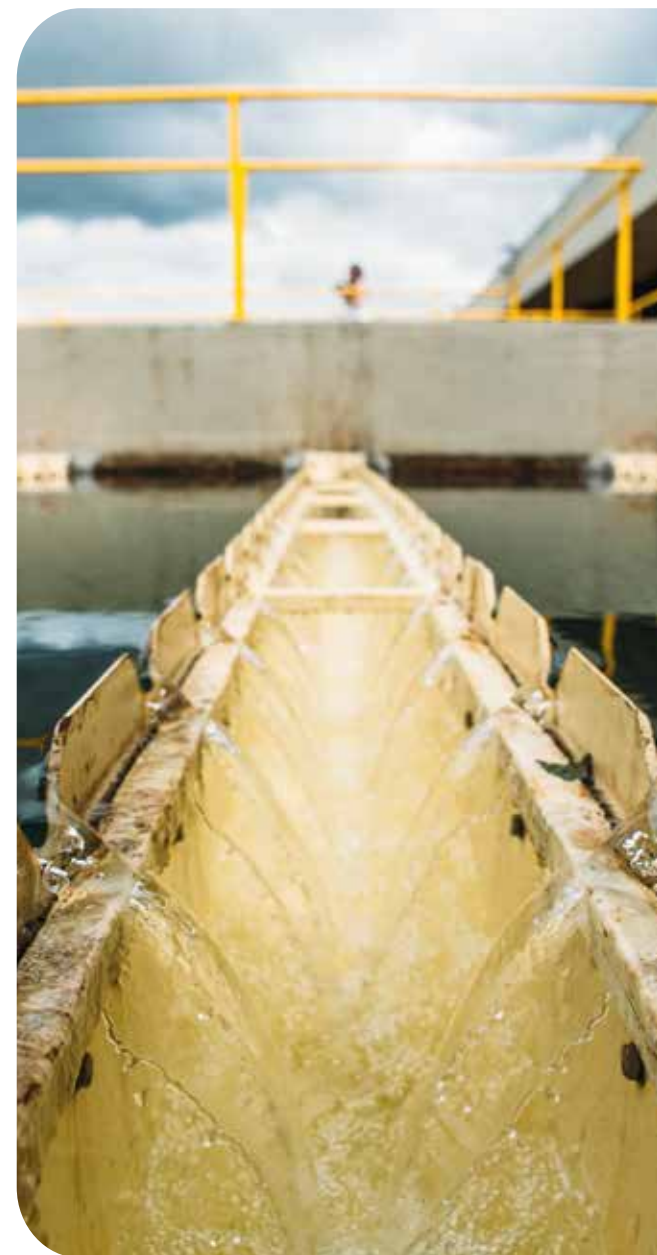
*Carlos Henrique da Cruz Lima,
Chairman of the Board of Directors of Águas do Brasil Group*

STATUTORY BOARD

Cláudio Bechara Abduche
Marcelo Augusto Raposo da Mota
Leonardo das Chagas Righetto
Jayme Filgueiras de Aguiar

BOARD OF DIRECTORS

Carlos Henrique da Cruz Lima
André de Oliveira Cândia
Genilson Melo
Geraldo Rola
João Pedro Backheuser





● INTRODUCTION

We created this report in order to present Águas do Brasil Group's strategies and results from January 1st to December 31st, 2020.

In this report, we disclose quantitative and qualitative data, as well as innovative projects and investments which have allowed us to be in a unique position in our country's sanitation industry.

● ABOUT US

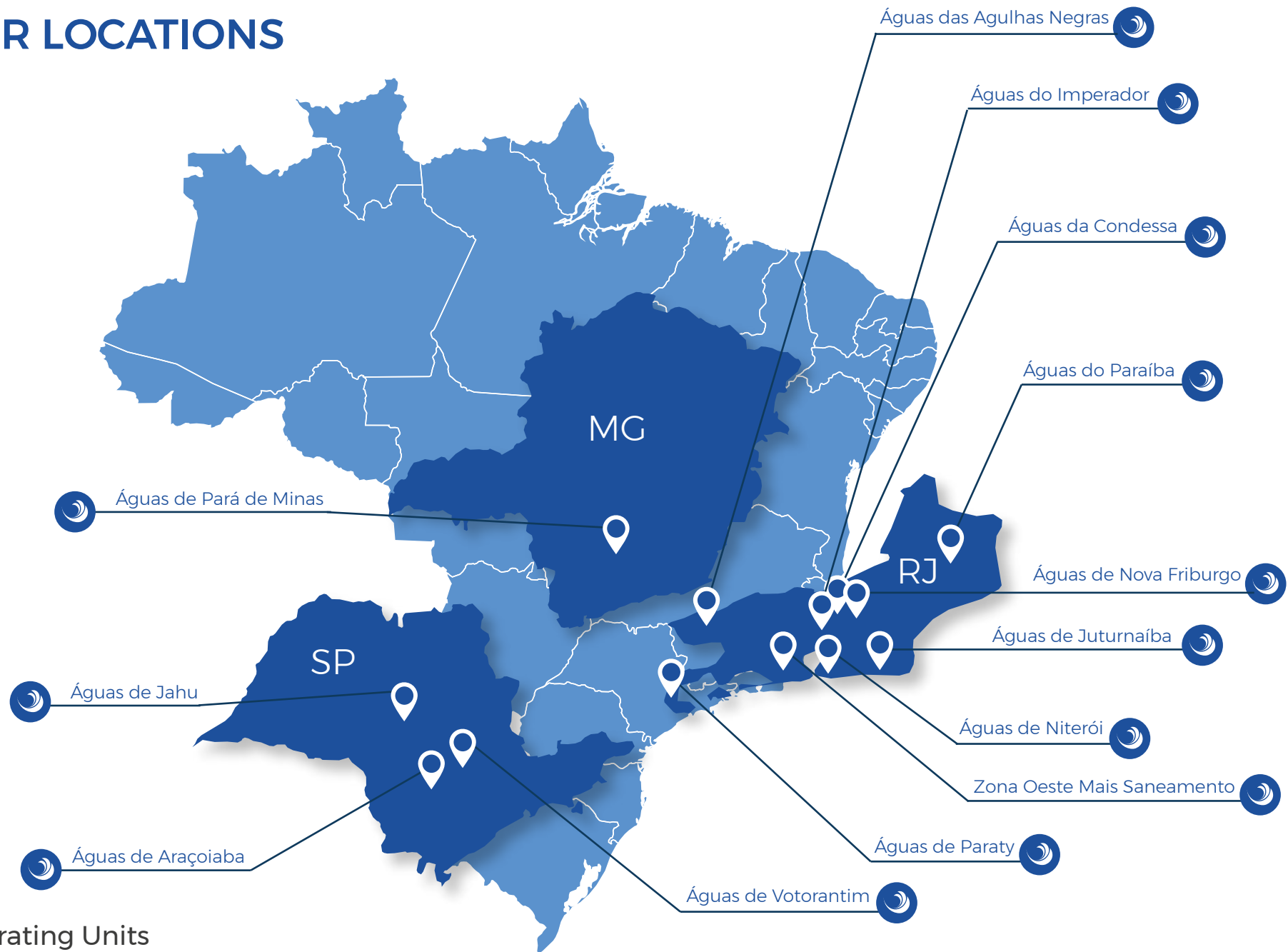
Águas do Brasil Group – Saneamento Ambiental Águas do Brasil (SAAB) is a company in the private concession sector of water supply, sewage collection and treatment services in Brazil. With an experienced technical staff and large investments in innovation and implementation of new facilities, its 13 concessionaires provide more quality of life and health to over 4 million inhabitants.

In operation since 1998, Águas do Brasil Group aims to help address the challenge of basic sanitation in Brazil, by universalizing services. The Group manages concessions in 15 municipalities in Rio de Janeiro, São Paulo and Minas Gerais, with its headquarters located in Niterói (RJ).

Through successful partnerships with private companies, local government and other public bodies in the municipalities in which it operates, the business group stands out among the country's main organizations in the industry.



OUR LOCATIONS



Operating Units
(Concessionaires)

● ABG IN NUMBERS

Number of concessionaire:
13



Municipalities served:
15



Population served:
over 4 million



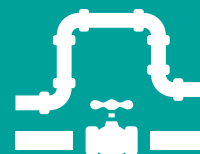
Water connections:
over 600 thousand



WTPs:
80



STPs:
84



Sewer connections:
over 800 thousand



Water and effluent treatment
management in two
industrial plants in the state
of Rio de Janeiro.

OUR TRAJECTORY

On January 1st, Águas do Brasil Group took over water and sewage management services in the city of Petrópolis through Águas do Imperador concessionaire.

Two months later, Águas de Juturnaíba concessionaire took over the sanitation services for the municipalities of Araruama, Silva Jardim and Saquarema.

1998

1999

The Group expanded its operations in September, through the implementation of Águas do Paraíba, in Campos dos Goytacazes.

In November, Águas de Niterói concessionaire began operating.

Due to lack of regulation, the concession market was stagnant until 2007, when Federal Law 11,445 was enacted, which established national guidelines for basic sanitation, creating conditions for this market's development in the country.

2000
a 2007

In January, the Group began operating in Resende, through Águas das Agulhas Negras concessionaire.

2008

This year was marked by the creation of Saneamento Ambiental Águas do Brasil (SAAB) Holding.

In January, the Group started its activities in the city of Nova Friburgo, with Águas de Nova Friburgo concessionaire, and expanded its operations in new companies in the state of São Paulo.

Sanej concessionaire began its sewage treatment service in the municipality of Jaú.

In December, the Group took over management of water supply, collection and sewage treatment activities in the city of Araçoiaba da Serra, in São Paulo, with the implementation of Águas de Araçoiaba concessionaire.

2009

2012

This year, Águas do Brasil Group began developing concession projects with shared management, expanding its operations to new states.

In Rio de Janeiro, Zona Oeste Mais Saneamento was created, the largest public concession in the country, responsible for operating the sanitary sewage system and commercial water management in the AP-5 region, which comprises 22 districts in the West Zone of the municipality of Rio de Janeiro.

In June, the Group started to serve the municipality of Votorantim, in São Paulo, through Águas de Votorantim concessionaire, managing water supply, collection and sewage treatment services.

2014

In February, Águas de Paraty took over water supply and sanitary sewage services in the urban area of the city of Paraty. The concession is a Public-Private Partnership (PPP), leveraging the concessionaire's own resources, in addition to counterpayments from the municipality, the Fundo Estadual de Conservação Ambiental e Desenvolvimento Urbano (FECAM) fund and Eletronuclear.

2015

In April, the Group started its water supply and sanitary sewage activities in the municipality of Jaú, in the state of São Paulo, through Águas de Jahu concessionaire.

In the same month, the holding company arrived in the city of Pará de Minas, in the state of Minas Gerais, through Águas de Pará de Minas concessionaire. The company became responsible for the city's water supply and sewage services.

2016
a
2017

The years of 2016 and 2017 were marked by significant gain in managerial structure to support the PMI (Procedimento de Manifestação de Interesse - Manifestation of Interest Procedure) studies conducted by the municipalities and the BNDES' PPI (Investment Partnership Program), which increased the number of bids in the second semester of 2018, expanding private participation in sanitation.

2018
a
2019

The Group maintained its prominent position in relation to the expansion of the industry, especially in private concession processes, by achieving in 2018 and 2019 the AAA(bra) rating awarded by Fitch Ratings, one of the largest risk rating agencies in the world.

These years were also marked by restructuring projects for the Commercial department - with a new management model seeking excellence, especially in relation to customer relations - and the Operational department, with the Energy Efficiency Program, and the Group's Water Loss Reduction Program, Água de Valor.

In 2019, Saneamento Ambiental Águas do Brasil (SAAB) Holding received certification under the ABNT NBR ISO 37001:2017 and ISO 19600:2014 standards, joining a select team of Brazilian companies to adopt an international standard of best Compliance and Anti-bribery practices.

2020

In a year marked by the Covid-19 pandemic, the Group adopted several measures to preserve the health and safety of its employees, as well as the continuity of water and sewage provision services. The concessionaires also developed external actions to minimize the impacts of the coronavirus on the cities where they operate.

To further strengthen the relationship with customers and enable all customer services to be carried out quickly, easily and with customers staying safe in their own homes, the Group has implemented three new relationship channels: WhatsApp, an Interactive Chat tool and the Cliente Águas app.

In December, the Group started to serve the municipality of Paraíba do Sul (RJ), through the concessionaire Águas da Condessa, managing water supply, sewage collection and treatment services.

STRATEGIC PLANNING



Águas do Brasil's Strategic Planning development process for the 2017-2022 cycle was conducted in a corporate and inclusive manner, through the service of our Strategic Planning Committee, composed of its Administrative-Financial Directorate, the Commercial Directorate, the QSSMAS Superintendence and a representative of the Board of Directors.

Our Mission, Vision and Values statements are adopted by all the Group's concessionaires, who are responsible for communicating them to all interested (internal and external) parties.



MISSION

Provide treated water supply and sewage collection and treatment services, prioritizing customer service, acknowledging our professionals and the interests of our shareholders, through operational excellence, sustainable growth and contributing to the population's quality of life.



VISION

To be recognized for excellence in providing basic sanitation services, through the quality and efficiency of all our businesses, with strict socio-environmental responsibility, contributing to the health and well-being of the population.



VALUES

Ethics, Simplicity, Respect, Long-Term Vision, Commitment, Efficiency, Socio-environmental Responsibility.

Based on our strategic guidelines, 12 strategic programs were created and implemented:

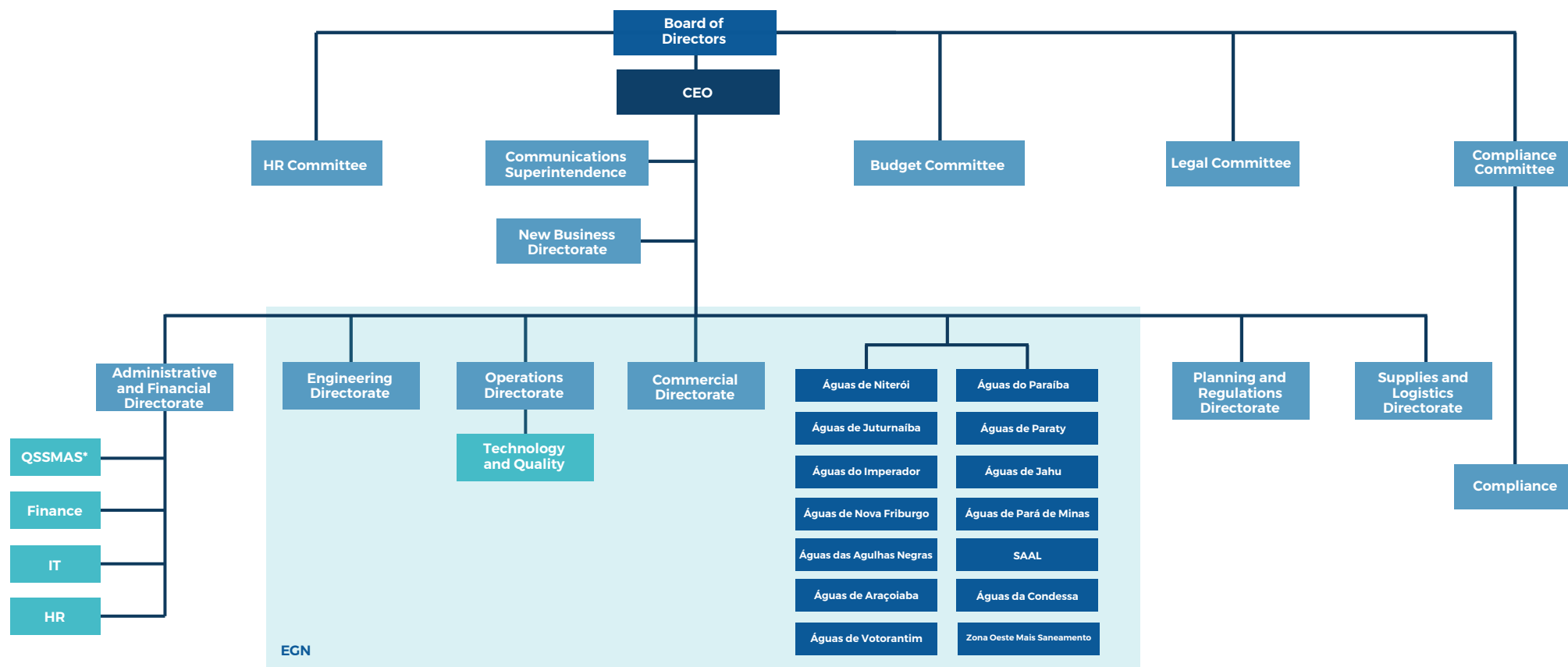
- | | | |
|----------------------------------|---------------------------------|--|
| 1. LOSS REDUCTION PROGRAM | 5. ENERGY EFFICIENCY PROGRAM | 9. QSSMAS MANAGEMENT PROGRAM |
| 2. LOGISTICS EXCELLENCE PROGRAM | 6. AUTOMATION PROGRAM | 10. CAPEX EXCELLENCE PROGRAM FOR GROWTH SUPPORT |
| 3. REGULATORY EXCELLENCE PROGRAM | 7. CORPORATE MANAGEMENT PROGRAM | 11. HUMAN CAPITAL MANAGEMENT PROGRAM |
| 4. COMMERCIAL EXCELLENCE PROGRAM | 8. DATA INTELLIGENCE PROGRAM | 12. PROGRAM FOR ACTIVE PARTICIPATION IN THE SANITATION INDUSTRY'S AGENDA |

Growing sustainably is a great challenge, but we believe it to be the only path to business success and what will guide the company to better serve our customers, value our employees and defend the interests of our shareholders, with constant excellence and contributing to the quality of life of the population we serve.

CORPORATE GOVERNANCE



GOVERNANCE MODEL



* Qualidade, Saúde, Segurança, Meio Ambiente e Sustentabilidade - Quality, Health, Security, Environment and Sustainability

Águas do Brasil Group uses the matrix concept in managing its concessionaires. The corporate areas are responsible for strategic guidelines, procedural standards, manuals and work instructions that guide action at the tactical and operational levels carried out in each location, and ensuring the standardization of activities in the Group's companies.

In addition to the standards related to day-to-day activities of our concessionaires, innovations and technological improvement needs are also implemented by each corporate area, in addition to controlling the key performance indicators, which aim to improve management processes and meet customer needs.

The concessionaires are responsible for carrying out the activities, conducting all the control and monitoring for the processes according to defined goals. The process is periodically measured through audits, which make it possible to review risks and implement improvements to increase the value perceived by customers and other stakeholders.

COMMITTEE STRUCTURE SUPPORTING THE MANAGEMENT PROCESS



COMPLIANCE COMMITTEE:

Responsible for ensuring the application of current legislation and internal guidelines, through guidance, recommendations, instructions and actions to be taken to make the Compliance Program effective, including enforcing our Code of Ethics and its policies.

Reports to the Board of Directors.



LEGAL COMMITTEE:

Established in 2019 by the Board of Directors, it aims to monitor the organization's tax and legal proceedings along with the board and shareholders.



BUDGET COMMITTEE:

Established by the Board of Directors, its purpose is to monitor the development and observance of budgets over time, reporting its results to the Board.



HR COMMITTEE:

Reports to the Board of Directors and is responsible for the strategic definitions and monitoring of actions related to human capital.



COMPLIANCE



Águas do Brasil Group's Compliance and Anti-Bribery Management System obtained the ABNT NBR ISO 37001: 2017 certification and ISO 19600: 2014 attestation, which demonstrates its integrity mechanisms are in line with the laws, requirements and recommendations developed by the International Organization for Standardization – ISO.



Despite all of the challenges caused by the Covid-19 pandemic, the Compliance and Anti-Bribery Management System has been continuously improved through the following actions:

- New guidelines;
- Resource optimization;
- Performance indicators;
- Monitoring;
- Critical analysis;
- Internal and external communications;
- Bribery risk mapping by corporate areas;
- Remote internal audit;
- Audit performed by the certifying body, for the purpose of maintaining ABNT NBR ISO 37001: 2017 certification and ISO 19600: 2014 attestation.



HUMAN CAPITAL

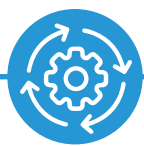


● STAFF

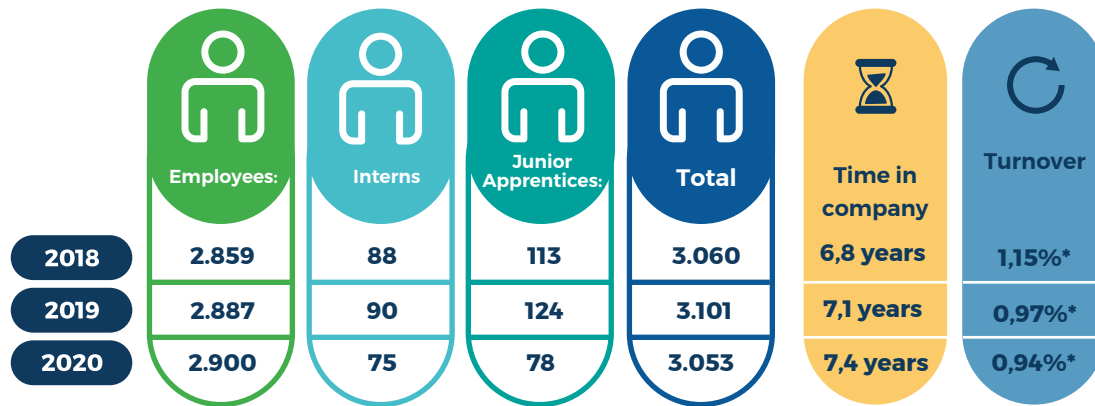
In the midst of the Covid-19 pandemic, which plagued the world in 2020, Águas do Brasil Group went to great lengths to maintain essential service to the population and ensure the safety of its employees and family members. Care towards people was a priority, evidenced in all the initiatives and measures implemented in the fight against the new coronavirus.

Remote work (home office) was adopted as an emergency and temporary situation to reduce internal circulation, and demonstrated how the company was prepared for this new way of working, which brought agility, reduced barriers and broke paradigms.

Additionally, human capital management, which was the goal for our 2017-2022 Strategic Planning, remained the focus of action, seeking the development of leaders, job security and a positive experience for employees, continuously improving the organizational climate and generating even more productivity.

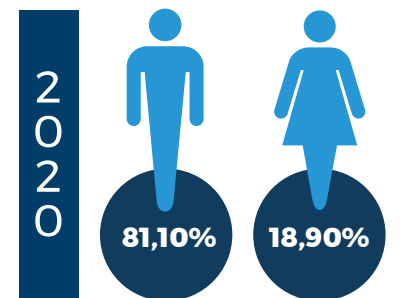
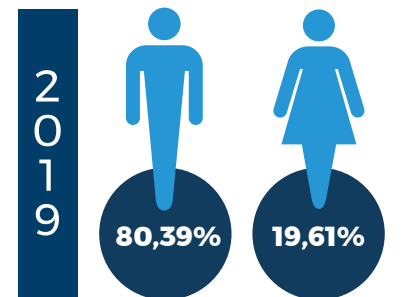
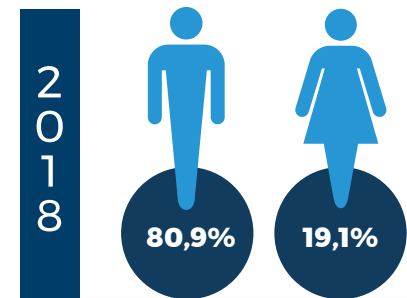


OUR STAFF



* excludes Interns and Apprentices.

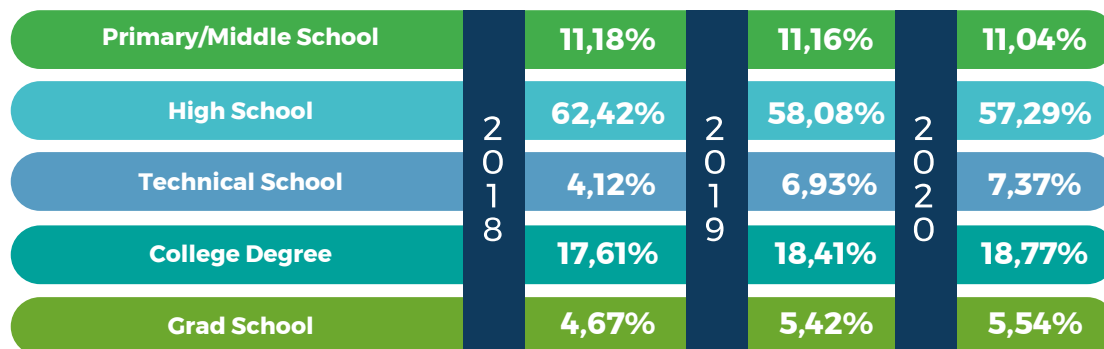
STAFF PROFILE



MANAGEMENT POSITIONS



STAFF PROFILE

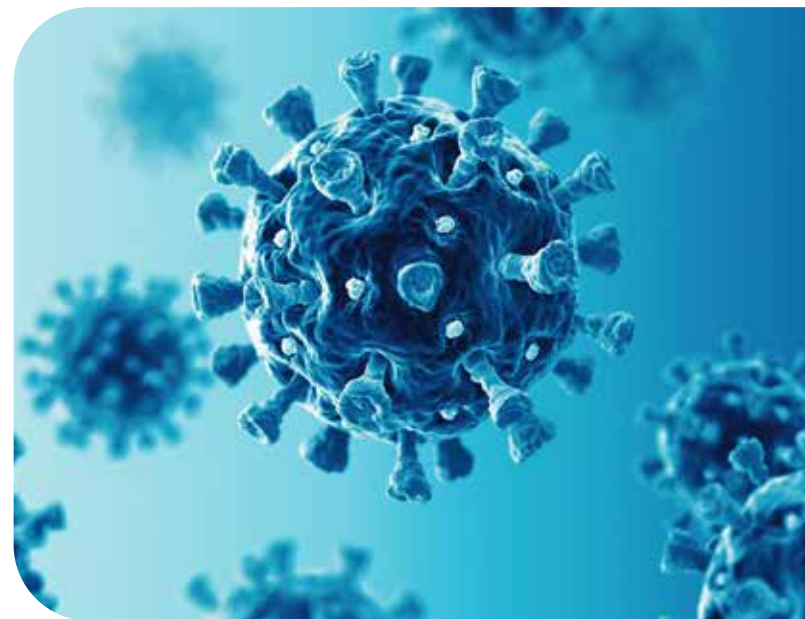


● CRISIS MANAGEMENT COMMITTEE – COVID-19

The Committee was implemented to propose preventive measures regarding Covid-19 and to carry out all health management, monitoring and support for employees, in addition to consolidating HR initiatives for work approaches during the pandemic, which sought to reduce the impact of the crisis and promote job security.

The Committee also directed efforts towards the implementation of new technologies, systems and tools used to control and support follow-ups.

Composed of members from Legal, QSSMAS, HR and IT departments, the committee took care of people, treating physical and emotional health.



● JEITO ÁGUAS DE SER



An organization's culture plays the same role that identity plays for an individual and aims to create a sense of cohesion and internal alignment, essential for building a strong brand. For this reason, the Jeito Águas de Ser Program was created to translate the Group's values, seeking greater understanding, alignment and practice of the behaviors expected by employees on a daily basis.

In 2020, the program focused on managers and trained 230 people, with the goal of aligning organizational values and broadening leaders' view of themselves, reinforcing their role as a model for expected behavior. In 2021, all employees will be trained.

VALUES EMBODIED IN THE JEITO ÁGUAS DE SER PROGRAM

ETHICS

Transparency, legality, consistency and fairness in everything you do.

SIMPLICITY

Discretion and ensuring uncomplicated and effective solutions.

RESPECT

Acceptance of differences, listening and empathy.

LONG-TERM VISION

Thinking about the future and business sustainability.

COMMITMENT

Motivation, commitment and responsibility towards the organization.

EFFICIENCY

Excellence in processes, technology and people.

SOCIO-ENVIRONMENTAL RESPONSIBILITY

Socio-environmental awareness to sustain future generations.

LEADER DEVELOPMENT

In constant search for developing leaders, Águas do Brasil Group carried out several initiatives to promote learning, updating and continuous improvement on topics relevant to the management challenges in the current scenario. The protagonism was evidenced in the presentation of School of Leaders cases, as well as in the development of skills such as empathy and active listening, and communication and influence, in the leadership journey. The triad of autonomy, trust and empowerment was also developed, and training in tools for remote management of teams was offered. The training reached 272 leaders and potential successors.

● SUCCESSORY PROCESS

With the market expansion enabled by the new Marco Regulatório do Saneamento framework, the positive growth expectation for Águas do Brasil Group makes it even more essential to prepare professionals to take on new positions within the organization. In 2020, the company invested in carrying out the assessment to identify possible promotions for senior management positions and potential successors, named in the succession map.

The goal of this initiative was to assess people's potential and readiness level, as well as generating an individual development plan for improving gaps mapped for each professional.

● INVESTMENT IN YOUNG TALENT



Águas do Brasil Group's Internship Program aims to train young talents in line with the organization's culture and values. In 2020, the company focused on online initiatives, to connect interns from all concessionaires and corporate, generating even more knowledge and expertise exchange. The agenda was composed of topics such as career management and personal marketing.

The development and presentation of an individual internship project is also worthy of note. The project is to be carried out every semester, when the intern completes one year in the company. With a focus on the trainee's area of expertise, the project aims to implement improvements based on the day-to-day experience of each department. The initiative seeks to contribute to the development of young talent at the early stages of their careers

● HEALTH AND QUALITY OF LIFE

The changes imposed by the pandemic – which led to social isolation, the adoption of new work methods, extra care with hygiene and cleanliness, among other aspects, such as fear, insecurity and uncertainty – have had a direct impact on people's emotional health. To assist with these factors, the company prepared preventive awareness materials for its employees and family members, and created channels with support and guidance services. The 1st edition of the Viva Bem Águas Circuit, in partnership with Firjan, was another initiative, which promoted a week of lectures on topics focused on mental health and nutrition, with the goal of improved quality of life for all.

In addition, for the process to continuously improve benefits offered to employees, the company also changed health care and dental plans. The change enabled access to a more complete network of professionals with nationwide coverage, especially considering our new partner's quality and solidity, recognized in the insurance and medical-hospital care plans market.



● HR PROCESS AUTOMATION

One of the issues with highest favorability rate (95%) in the last Climate Survey was “I have easy access to HR”. Maintaining and improving this result more and more is one of the goals for the department, with a more digital HR strategy for the future.

To this end, in 2020, HR invested in efforts to automate processes, facilitating all control and reporting, in order to enable gap analysis and improvements in services provided to employees. Such automation has come to reduce operational work, allowing more time for close and dedicated service to employees, in addition to agile contact with managers, supporting decision making with data and indicators. For 2021, the expectation is to launch Join RH, a system which will support the management of the department's processes.



QSSMAS



● QUALITY, HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY

● INTEGRATED MANAGEMENT SYSTEM POLICY

With one unified area to manage all issues regarding Quality, Workplace Safety, Occupational Health, Environment and Sustainability, we have developed an Integrated Management system, responsible for defining guidelines, planning and developing management practices and supporting concessionaires in the implementation of these practices and in monitoring their compliance.



● MANAGEMENT OF LEGAL REQUIREMENTS

The management of legal requirements is carried out through an electronic legal advisory system, in which legal requirements are displayed based on the previously defined profile of each concessionaire and, after the technical team's assessment, such requirements are considered in our legal basis. Then, concessionaires assess their compliance and, if necessary, define actions to achieve compliance.

In 2020, we achieved 98% compliance with all legal obligations regarding quality, environment, social responsibility, occupational health and safety.

● LEGAL COMPLIANCE IMPROVEMENT

Always seeking to continuously improve processes, we perform an annual QSSMAS Internal Audit Program, in which we assess compliance with legal requirements regarding Quality, Safety, Occupational Health and Environment, as well as with standards required by the corporation.

In 2020, due to the pandemic, we adjusted our audit process and, to guarantee the safety of our employees, we trained our integrated management system auditors to perform remote audits, so all concessionaires were audited remotely, using the appropriate technologies and guaranteeing quality.

Through measures to correct this process by the concessionaires to resolve the identified non-compliance, Águas do Brasil Group continuously improves its management of legal compliance.



● DOCUMENT MANAGEMENT

Águas do Brasil Group promotes the dissemination of knowledge and the standardization of activities for the entire organization through the Electronic Document Management (Gestão Eletrônica de Documentos - GED) system, enabling ISO certification processes (9001 and 37001), lab certifications, internal and external audits, and continuous improvement processes to take place in a more agile and assertive manner. Currently, our system stores 1,949 documents, which can be accessed by all the Group's employees.

● PNQS AWARDS

In 2020, Águas do Brasil Group actively participated in the PNQS through an intense performance in the Câmara Temática de Indicadores de Desempenho para o Saneamento Ambiental (CTIDSA), responsible for technical advice and institutional policy at ABES, with a mission to “maintain a system of performance indicators aligned with the best practices of environmental sanitation management in Brazil and worldwide”.

The Group was also present at the award, in the Sanitation Management Innovation (Inovação da Gestão em Saneamento - IGS) category, serving as judge in evaluating the finalist cases' presentations in the category.

We postponed our participation in the AMEGSA category of the PNQS to 2021 due to the pandemic, to preserve the safety of our employees.

Aligned with the 2017-2022 Strategic Planning, the implementation of the Integrated Management System is part of the QSSMAS Management Program, which is expected to be concluded in all concessions in 2021, upgrading the Group's Sustainability significantly.

ENVIRONMENTAL DOCUMENTS

We control all documentation relevant to the Environmental Management System and, in 2020, we continued to evolve with the planned results:

- All projects initiated were licensed by environmental agencies and 99% of operational units have valid environmental licenses.
- All points of water collection and discharge of treated effluent are duly registered with environmental agencies, contributing to the Management of Water Resources in the locations where we operate;
- 100% of concessionaires required to obtain the Certificado de Registro Cadastral (CRC) and the Certificado de Licença de Funcionamento (CLF), issued by the Federal Police, and to obtain the Registration Certificate from the Brazilian Military have valid documents.

GREENHOUSE GASES

Since 2016, we have performed Sewage Treatment Plants (STP) Greenhouse Gas Emissions Inventory for the concessionaires located in the state of Rio de Janeiro. In 2020, 5 units participated in the preparation and verification of the GHG Inventory: Icaraí STP (Niterói), Imperial STP (Campos dos Goytacazes), Bacaxá STP (Saquarema), Caju STP (Silva Jardim) and Ponte dos Leites STP (Araruama).

SOLID WASTE MANAGEMENT

The management of solid waste generated, transported and destined by Águas do Brasil Group is executed by the Coletiva program, currently undergoing an update process. In 2020, as part of this process, on-site inspections were carried out on 7 concessionaires, and visits to 4 concessionaires are pending, due to the Covid-19 outbreak. The surveys carried out generated reports where findings are noted, as well as recommendations for the correction of identified deviations. In all, 102 improvement opportunities were identified in the 7 inspected concessionaires.

● SOCIO-ENVIRONMENTAL ACTIONS

● OLHAR AMBIENTAL PROGRAM

Developed by Águas do Brasil Group, it allows for the planning and management of Environmental Education actions conducted by the Group and its concessionaires. Since the program was implemented, more than 160 thousand people have been benefited. In 2020, we reached 1,853 people, adjusting some of the activities proposed by the program, valuing the safety of participants and the teams involved in the face of the Covid-19 pandemic.

In addition to activities defined by specific objectives for the Olhar Ambiental program, a variety of projects were also conducted at the concessionaires, of which we highlight:

AMIGOS DA ÁGUA PROJECT

Cultural contest created by Águas de Nova Friburgo concessionaire in partnership with the Municipal Education Secretariat of Nova Friburgo, in the state of Rio de Janeiro, which marks the celebration of World Water Day. Annually, around 10,000 students from the municipal school system participate in the project. In 2020, the project started with a Training Course for 40 teachers and directors of the municipal education network, taught by facilitators Clara Trevia and Paolo Martins, from the Non-Governmental Organization (NGO) Sustentarte. However, the project was paused with the suspension of classes, due to the Covid-19 pandemic.

SCHOOL AGRICULTURE PROJECT

Its objectives are to boost local sustainable development and strengthen the relationship with the local population, through the pedagogical approach with the children of a model school located in the municipality of Silva Jardim, in the state of Rio de Janeiro, in which a vegetable garden was cultivated by the students, allowing them to learn the importance of water for agriculture and human consumption.

S.O.S. LAGOA DE JUTURNAÍBA PROJECT

The project brings together boatmen, residents and employees of Águas de Juturnaíba concessionaire to clean the Juturnaíba Lagoon, located between the municipalities of Araruama and Silva Jardim, in the state of Rio de Janeiro. Annually, about 150 volunteers engage in the project.

REVIVENDO ÁGUAS CLARAS PROJECT

The project aims to raise awareness about the activities of protection, recovery and socio-environmental improvement, and to enhance the role of education for cultural and social changes that assist in the process of environmental recovery of the territory, through afforestation and revitalization of degraded areas in the São João River Basin and on the banks of the Juturnaíba dam and the main rivers that feed it. The project involves students from the municipal education network of the municipalities served by the concession, as well as the environmental agency INEA. In its previous editions, since 2016, the project has already reforested over 6.5 hectares. With the reforestation initiated in 2020, the concessionaire estimates that about 10 hectares will be reforested.

WATER IN SCHOOLS PROJECT

Playful activities regarding socio-environmental topics for children from ages 6 to 12, on the premises of the public or private school to welcome the initiative, or even in Parque das Águas park, a forest preservation area under the Municipality of Niterói's responsibility, in the state of Rio de Janeiro.

● SIPATMA ON-LINE

Águas do Brasil Group's traditional event for Health, Safety and Environment aims to generally raise awareness, focusing on the perception of risks and safe behavior in the internal and external work environment, always regarding environmental impacts brought about by human activities. In 2020, due to the Covid-19 pandemic, it brought employees together for virtual activities. We had a total of 12 employees registered for the Cultural Contest, around 300 employees in the two live streams held during the week of the event and 325 employees participated in the Online Quiz prepared from the newsletters that were made available daily by email and by other media, such as WhatsApp.



ACTIONS TO FIGHT THE CORONAVIRUS

DONATIONS

- To help fight the spread of the coronavirus, Águas do Brasil Group donated kits with a total of 80 thousand liters of bleach and 100 thousand soaps to vulnerable communities in the cities where it operates. The cities' Health and Social Assistance departments were responsible for distributing the material to the population.
- Águas do Imperador (RJ) concessionaire donated 700 basic grocery packages to the Social Action Department of the city of Petrópolis, as well as medical-hospital supplies, 4 computers, and bed and bath sets for 20 additional beds at the Nelson de Sá Earp Hospital, also in the municipality.
- Águas de Votorantim (SP) concessionaire donated cleaning supplies and 100 basic grocery packages to the Votorantim Municipal Commission for Social Assistance, Health and Education (Comissão Municipal de Assistência Social, Saúde e Educação - COMASSE), which delivered them to vulnerable families assisted by the commission.
- Águas do Paraíba (RJ) concessionaire, in partnership with the Barcelos Group (Super Bom Supermarket Chain), donated 18,000 meals to the most vulnerable in the municipality of Campos dos Goytacazes.

INSTALLATION OF WASHING STATIONS

- Águas do Imperador concessionaire (RJ) donated 15 portable hand washing stations to be installed in specific points, to assist in hand hygiene in public environments in the city of Petrópolis.
- Águas de Paraty (RJ) concessionaire installed public washing stations for hand hygiene in areas of greater circulation and concentration of people, such as Caixa Econômica bank, the bus terminal and the INSS station in the municipality of Paraty.
- Águas de Pará de Minas (MG) concessionaire installed a hand hygiene spot at Praça Padre José Pereira Coelho, in the municipality of Pará de Minas.



● SANITIZATION/DISINFECTION

- Águas de Nova Friburgo (RJ) concessionaire, in partnership with the Municipality of Nova Friburgo, cleaned the streets, avenues and points of greatest concentration of people in the city, in order to reduce the risks of contamination by the new coronavirus.
- Águas de Pará de Minas (MG) concessionaire, in partnership with the Municipality of Pará de Minas, disinfected streets, squares, storefronts and external areas of health units in the city.
- Águas de Votorantim (SP) concessionaire disinfected the 24-hour Emergency Care Unit (UPA) in the Jataí neighborhood and the entire neighborhood of Chave, where the number of coronavirus infections were increasing.
- Águas de Juturnaíba (RJ) concessionaire, which serves the municipalities of Silva Jardim, Saquarema and Araruama, performed the disinfection of areas with the highest flow in the cities served, as a way to fight the spread of the coronavirus.
- Águas de Araçoiaba (SP) concessionaire supplied all the water necessary for the Araçoiaba da Serra City Hall to perform the disinfection of several points of the city, in the fight against Covid-19.
- Águas de Jahu (SP) concessionaire disinfected its surroundings, the parking lot and the entrance to Santa Casa and Amaral Carvalho Hospital in the municipality of Jaú, as a way to help fight Covid-19.
- Águas de Paraty (RJ) concessionaire supported the City of Paraty with its water jet truck, to wash and clean the city.
- Águas do Imperador (RJ) concessionaire performed the disinfection of streets and external areas of hospitals in the city of Petrópolis.
- Águas de Niterói (RJ) concessionaire cleaned the streets in the neighborhoods of Centro, Itaipu, Sapê, Maria Paula and Jurujuba, as additional support for actions in the fight against the new coronavirus in the city of Niterói.



● HEALTH AND SAFETY AT WORK

● WORKPLACE SAFETY INSPECTIONS

Since 2019, the Workplace Safety team has implemented the online safety project SOL in all concessionaires of the Group. All inspections are conducted through a digital platform (tablet), in which managers receive a copy of the inspection at the same time it is completed, in order to increase effectiveness, and to optimize the communication process and potential deviation corrections. In 2020, the SOL Project was restructured and reviewed with the goal of including more items of inspections, considering the suggestions for improvement identified by the concessionaires themselves.

● CRAM - CARTÃO DE REGISTRO DE ANOMALIAS E MELHORIAS

CRAM (anomalies and improvement registration card) offers employees the opportunity to communicate, contribute and report potential deviations, which will then be appropriately corrected and treated, while also allowing process improvements, providing an increasingly safe work environment for everyone.

● 2020 INDICATORS

A frequency rate of 6.5 accidents with leave per million man-hours of risk exposure was reached at the Águas do Brasil Group concessionaires, reiterating the evolution of the prevention tools implemented.



● AWARENESS CAMPAIGNS

JANUARY Awareness of obesity and physical activity.	FEBRUARY Awareness of alcoholism and its consequences.	MARCH Bowel cancer awareness/prevention.	APRIL Combating high blood pressure. Importance of prevention and adherence to treatment.	MAY Combating high cholesterol. Importance of early diagnosis and adherence to treatment.	JUNE Awareness of diabetes mellitus and its health consequences.
JULY Awareness and fight against smoking.	AUGUST Importance of oral hygiene.	YELLOW SEPTEMBER Suicide awareness/prevention.	PINK OCTOBER Women's health and fight against breast cancer.	BLUE NOVEMBER Prostate cancer awareness.	DECEMBER Skin cancer awareness.

● ANNUAL FLU VACCINATION

In 2020, all the Group's concessionaires engaged in the vaccination campaign, with a total of 2,462 employees participating, that is, 79.2% adherence.

● QUALITY MANAGEMENT

Our water quality control labs work to achieve excellence in their processes and use the ISO/IEC 17025:2017 standard as a reference. Currently, two of our labs are accredited by INEA, while contracted labs are approved by INMETRO and have ABNT ISO/IEC 17025:2017 certification. In 2020, we performed the audit program in external quality analysis labs, with a scope based on ISO/IEC 17025:2017. The initiative aimed to ensure that all of our partners in the analyses were compliant with the standards, thus guaranteeing the quality and reliability of the results presented.

● QUALITY INDICATORS

WATER

In 2020, 1,645,210 analyses of operational control and water quality, as well as of compliance with current legislation, were conducted. Águas do Brasil Group achieved 100% compliance with the results of water quality control analyses, considering the potability standard provided for the basic parameters of the Ministry of Health.

SEWER

In 2020, the qualitative monitoring of our Sewage Treatment Plants showed that 98% of the volume treated at the units complied with the legal standard for the removal of Biochemical Oxygen Demand (BOD) stipulated by the relevant legislation.





BUSINESS PERFORMANCE



- Águas do Brasil Group expanded its relationship channels as of April 2020, aiming to further improve customer service experiences:



Interactive Chat tool and WhatsApp were made available to our customers.



GABi was launched as a virtual customer attendant, further strengthening our relationship with the customer.



Consultation and several services were automated through GABi, such as duplicate bills, payment of debts, information on supply and status of work orders.



An Omnichannel platform was implemented, unifying the management of all digital channels (emails, WhatsApp and Interactive Chat tool) in one single system.

MAIN RESULTS FOR THIS PROJECT:



Average of **22% of digital customer service** provided through GABi.



Increase of **25 percentage points** in use of digital channels in 2020.



Average of **75% of all customer service** provided through **digital channels**.












79% of customers say they will **continue to use digital channels** after the pandemic.

CUSTOMER RELATIONS AND COMMUNICATION



In order to foster an increasingly transparent and assertive relationship with our public, we connect to our internal and external audiences in person and virtually.

OUR MEDIA

-  0800 phone numbers for all concessionaires
-  Interactive Chat tool (available on our website and app)
-  "Cliente Águas" app
-  WhatsApp Business
-  Official website: www.grupoaguasdobrasil.com.br (virtual services, important announcements, news about the concessionaires, data on supply and sewage collection and treatment, guided visits, sustainability measures and more)
-  LinkedIn profile: www.linkedin.com/company/grupo-águas-do-brasil
-  Compliance Program: www.grupoaguasdobrasil.com.br/conexao-etica/
-  Contact Page: www.grupoaguasdobrasil.com.br/atendimento/fale-conosco/
-  In-person customer service

COMMUNICATION AND ENGAGEMENT



LINKEDIN

Águas do Brasil Group's LinkedIn profile had expressive numbers for followers, page views, unique visitors, posts, clicks, reactions, comments and shares.

From Jan. 1st to December 31st, 2020

TOTAL PAGE VIEWS:
26.846

TOTAL FOLLOWERS:
19.202

CLICKS:
18.309

SHARES:
1.394

TOTAL UNIQUE VISITORS:
13.578

IMPRESSIONS:
661.487

REACTIONS:
22.203

NEW FOLLOWERS:
7.937

NUMBER OF POSTS:
169

COMMENTS:
480



WEBSITE

On our concessionaire websites and on our official Águas do Brasil Group website, we had a total of **166 articles published**.



INTRANET

On "Conexão Águas Digital", Águas do Brasil Group's intranet system, we had a total of **169 articles published, 7,416 likes and 404 comments**.



PRESS

In 2020, from January to December, Águas do Brasil Group companies were mentioned in **2.059 publications**.



MARKETING

71

campaigns

24

marketing
actions

187

graphic
projects

6

brands/logos



INTERNAL MEDIA

- "Conexão Águas Digital"
- Email marketing
- Indoor TV
- Posters
- Banners
- "Conexão Águas Informa" (print)
- Desktop background image



MÍDIAS EXTERNAS

- Website
- Web portals
- SMS
- Email marketing
- Mailing
- Newspapers
- Magazines
- Folders
- Space on the bill
- TV
- Radio
- Banners in stores
- Outdoors
- Announcement car
- WhatsApp



OUR CONCESSIONAIRES



ÁGUAS DO IMPERADOR CONCESSIONAIRE

Petrópolis - RJ



STP Piabanha

ESTABLISHED IN:
1998

POPULATION:
306 MIL

TREATED WATER:
96%

WTPS:
7

TREATED SEWAGE:
85%

STPS:
8

Petrópolis comes in 2nd place in sanitation in the state and in 20th place nationwide, according to Instituto Trata Brasil's ranking. Constructions have started on Araras WTP, the city's eighth water treatment plant, which will add 9.5 million liters/day to the system. The city has also renovated Palatinato STP and implanted two more water reservoirs. Petrópolis has 10 biodigesters, which are an international reference in basic sanitation. Deployed in regions of rugged topography and disorderly occupation, they treat sewage where it is generated and, at the end of the process, the treated effluent is returned to rivers with up to 85% purity in relation to the initial organic load.

ÁGUAS DE JUTURNAÍBA CONCESSIONAIRE

Araruama, Saquarema e Silva Jardim - RJ



WTP Juturnaíba

ESTABLISHED IN:
1998

POPULATION:
239 MIL

TREATED WATER:
98,8%

WTPS:
1

TREATED SEWAGE:
77,8%

STPS:
7

Responsible for increasing the sewage treatment rate from 1% to 77% in the three municipalities of the Baixada Litorânea Fluminense region, Águas de Juturnaíba dedicated the year of 2020 to the expansion and improvement of its services. Last year, the company completed the construction of Jacarepiá STP and invested in the expansion of Itaúna STP, in Saquarema, and Ponte dos Leites STP, in Araruama. In Silva Jardim, Caju STP underwent optimization of its processes, with the goal of improving effluent treatment. Additionally, the company started the installation of Phase II of the sewerage system in Novo Horizonte in Iguabinha, Bananeiras and Lakeview the neighborhoods.

ÁGUAS DO PARAÍBA CONCESSIONAIRE

Campos dos Goytacazes - RJ



STP Esplanada

ESTABLISHED IN:
1999

POPULATION:
503 MIL

TREATED WATER:
100%

WTPS:
41

TREATED SEWAGE:
94%

STPS:
8

Campos dos Goytacazes comes in 3rd place in sanitation in the state of Rio de Janeiro, according to Instituto Trata Brasil's ranking. In 2020, the eighth sewage treatment plant was inaugurated, the Lagoa do Vigário STP, helping the city get even closer to the universalization of sanitation, with a system that has 1,000 kilometers of collecting networks and interceptors, in addition to 264 lift stations. Before the concessionaire, Campos had no sewage treatment and the water reached the population intermittently. Today, the population is served by 41 water-producing systems, which supply 70 locations through 1,257 kilometers of water pipelines and networks.

ÁGUAS DE NITERÓI CONCESSIONAIRE

Niterói - RJ



STP Itaipu

ESTABLISHED IN:
1999

POPULATION:
511 MIL

TREATED WATER:
100%

TREATED SEWAGE:
95,3%

STPS:
9

Niterói comes in 1st in sanitation among the state's municipalities, according to Instituto Trata Brasil's 2020 ranking. When Águas de Niterói took over services for the city, water only reached 72% of the population. In just three years of service, the concessionaire started supplying the entire population with the same volume of water. In terms of sewage collection and treatment, the city jumped from 35% to 95.34%. In 2020, the concessionaire began construction work for the Badu Lift Station (SLS). With the new lift station, the concessionaire will serve three more neighborhoods in the city, helping Niterói advance towards universal sanitation.

ÁGUAS DAS AGULHAS NEGRAS CONCESSIONAIRE

Resende – RJ



STP Alegria

ESTABLISHED IN:
2008

POPULATION:
130 MIL

TREATED WATER:
100%

WTPS:
7

TREATED SEWAGE:
72%

STPS:
10

Resende is the city that most treats sewage in the Southern Fluminense Region. The concessionaire increased the city's sewage collection and treatment rate from 3% to 72%, and is investing in constructions to expand its system to 90% coverage for sewage treatment in the next two years, with the implementation of the Ipiranga Sewage Treatment Plant (STP). Service with drinking water is universal throughout the urban area of the municipality, with a production capacity of more than 700 liters of water per second.

ÁGUAS DE NOVA FRIBURGO CONCESSIONAIRE

Nova Friburgo - RJ



WTP Debossan

ESTABLISHED IN:
2009

POPULATION:
191 MIL

TREATED WATER:
99,82%

WTPS:
12

TREATED SEWAGE:
92,43%

STPS:
4

Since taking over the treated water supply, sewage removal, collection and treatment services in 2009, the concessionaire went from zero to over 8 billion liters of treated sewage per year, and currently provides quality water for almost 100% of the municipality's urban population.

With investments made in constructions to expand and upgrade water supply systems, install sewage treatment units, extend water and sewage networks, and apply new technologies, Nova Friburgo has made significant progress in sanitation.

ÁGUAS DE ARAÇOIABA CONCESSIONAIRE

Araçoiaba da Serra – SP



STP Vacariú

ESTABLISHED IN:
2009

POPULATION:
35 MIL

TREATED WATER:
98%

WTPS:
1

TREATED SEWAGE:
47%

STPS:
1

Jundiaquara Water Treatment Plant (WTP), responsible for producing 92% of the water distributed in the municipality, has been increasingly improving its control and automation system, which generates water efficiency with a loss of 4.5% in the process of treatment, which makes it an example of sustainable operation, in comparison to international standards.

ZONA OESTE MAIS SANEAMENTO

RJ



STP Constantino Arruda Pessoa

Responsible for the operation and maintenance of the domestic sewage collection and treatment system in Planning Area 5 in the city of Rio de Janeiro, it also performs commercial management of water and sewage in the region, serving 22 neighborhoods in the West Zone (1.8 million people). R\$ 732 million have already been invested in the construction of 440 kilometers of sewage networks in an absolute separator type system, in addition to reactivating and recovering 20 Sewage Treatment Plants and 23 Sewage Lift Stations, totaling 50 thousand new connections to the system. In regard to social responsibility, the Qualifica Mais project is worthy of note, having won the Jornal O Globo's Faz Diferença award. Residents of AP-5 took a professional course in Hydraulic Firefighting, certified by Firjan, SESI and SENAI.

ESTABLISHED IN:
2012

STPS:
20

ÁGUAS DE VOTORANTIM CONCESSIONAIRE

Votorantim – SP



WTP Central

ESTABLISHED IN:
2012

POPULATION:
122 MIL

TREATED WATER:
100%

WTPS:
4

TREATED SEWAGE:
99,4%

STPS:
2

Águas de Votorantim has increased sewage coverage from 62% to 99.4% and continues to expand its treatment capacity, preparing the city for vegetative growth. The water loss rate, which in 2012 was higher than 58%, was reduced to approximately 20% with the implementation of a strict control program and the installation of macro-meters in stations and reservoirs. The water reserve capacity was increased by 5.4 million liters, increasing the safety and quality of the supply system.

ÁGUAS DE PARATY CONCESSIONAIRE

Paraty – RJ



WTP Pedra Branca

Águas de Paraty concessionaire has continued constructions for new treated water supply networks, has standardized its water connections, intensified the monitoring of leaks through geophoning and started installing flow macro-meters to implement DMCs (Distrito de Medição e Controle, measurement and control districts). Since it began its operations, it has implemented two Water Treatment Plants (WTPs) – Pedra Branca and Corisquinho, renovated dams, reservoirs and pipelines, built the booster in Condado neighborhood, which normalized water supply in the city. These investments guaranteed supply coverage of 100% of the concession area with treated water, even during the months with the highest flow of tourists.

ESTABLISHED IN:
2014

POPULATION:
42 MIL

TREATED WATER:
100%

WTPS:
2

ÁGUAS DE JAHU CONCESSIONAIRE

Jaú – SP



STP Potunduva

ESTABLISHED IN:
2015

POPULATION:
150 MIL

TREATED WATER:
100%

WTPS:
2

TREATED SEWAGE:
99,8%

STPS:
3

Jaú has three sewage treatment plants. In addition to Sanej STP, two others have been implemented in 2019 (Potunduva and Pouso Alegre STPs), leaving only Vila Ribeiro STP left to be built, which should be completed in 2021, so that the municipality becomes one of the few in the country to reach the mark of 100% collection and treatment of sewage, in addition to the mark of 100% distribution of treated water already achieved. The concessionaire's investments also contributed to the recovery of the Jaú River, the city's main water resource.

ÁGUAS DE PARÁ DE MINAS CONCESSIONAIRE

Pará de Minas – MG



WTP Nossa Senhora das Graças

ESTABLISHED IN:
2015

POPULATION:
95 MIL

TREATED WATER:
100%

WTPS:
1

TREATED SEWAGE:
99,1%

STPS:
9

The city is a reference in basic sanitation in the state of Minas Gerais, with water and sewage rates above average for most Brazilian municipalities, and a water loss rate of 19%, a figure below the national average. When the Group took over the concession, in just five months, it built the Paraopeba Supply System, solving the water supply problem. In 2019, water withdrawal from Paraopeba river was interrupted due to the tailings contamination resulting from the rupture of the dam in Brumadinho. Unable to operate its main source, through good management, the company has guaranteed supply for the entire city for two years without interruptions, and has maintained its commitment to monitor and inspect constructions for the Pará River Supply System, built by Vale, to reinstate withdrawal from Paraopeba River.

ÁGUAS DA CONDESSA CONCESSIONAIRE

Paraíba do Sul – RJ



WTP Principal

ESTABLISHED IN:
2020

POPULATION:
44 MIL

TREATED WATER:
99%

WTPS:
1

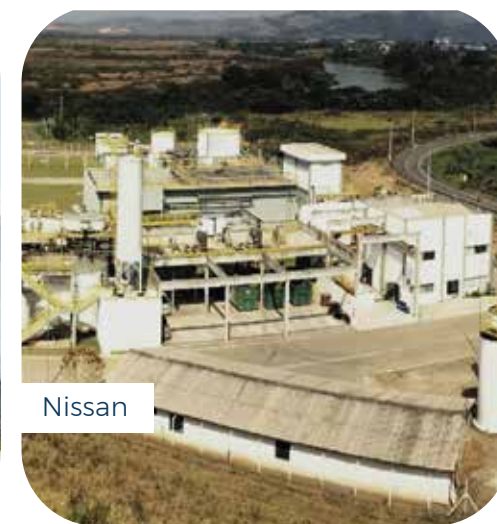
The concessionaire started its activities in the city on December 26th. With an investment of approximately R\$ 85 million for the concession period of 35 years, considering R\$ 24 million for the first five years, the company will bring full and quality supply to the region, mainly to the highest parts of the municipality, which have had constant lack of water. In the sewage collection and treatment system, currently non-existent, the concessionaire will move towards 25% coverage in the first five years of service, preventing untreated sewage from being discharged into the Paraíba do Sul River basin.

INDUSTRIAL SEGMENT

Resende and Itatiaia – RJ



Jaguar



Nissan

SAAL Industrial operates in the industrial hub of the cities of Resende and Itatiaia, in the countryside of Rio de Janeiro state. The segment's activities are centered in the production of industrial and drinking water, and in industrial and sanitary effluent treatment, meeting the automotive industry customers' specific requirements for each production process.

ESTABLISHED IN:
2013

WTPS:
2

STPS:
2

ECONOMIC AND FINANCIAL INDICATORS



- Saneamento Ambiental Águas do Brasil (SAAB) ended the year with positive results, maintaining its robust financial profile and its conservative leverage strategy.

The results for 2020, considering the proportional consolidation of its interests, were R\$1.6 billion in gross revenue, EBITDA of R\$445 million and net income of R\$216 million. The EBITDA margin was of 35.1%. Consolidated net debt was of R\$ 637 million, which was compatible with the business size.

PROFIT SHARE
PROFITABILITY:

18,2%

EBITDA:

R\$ 445.391

EBITDA Margin
(minus construction
revenue)

35,1%

GROSS
OPERATING
REVENUE:

R\$ 1.606.829

OPERATING
RESULT:

R\$ 371.117

NET INCOME:

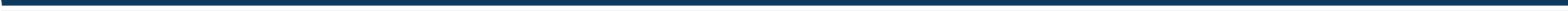
R\$ 216.147

ASSET
TURNOVER:

0,56

NET DEB:

R\$ 637.026



Rio de Janeiro

Águas das Agulhas Negras
Águas da Condessa
Águas do Imperador
Águas de Juturnaíba
Águas de Niterói
Águas de Nova Friburgo
Águas do Paraíba
Águas de Paraty
Zona Oeste Mais Saneamento

São Paulo

Águas de Araçoiaba
Águas de Jahu
Águas de Votorantim

Minas Gerais

Águas de Pará de Minas



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