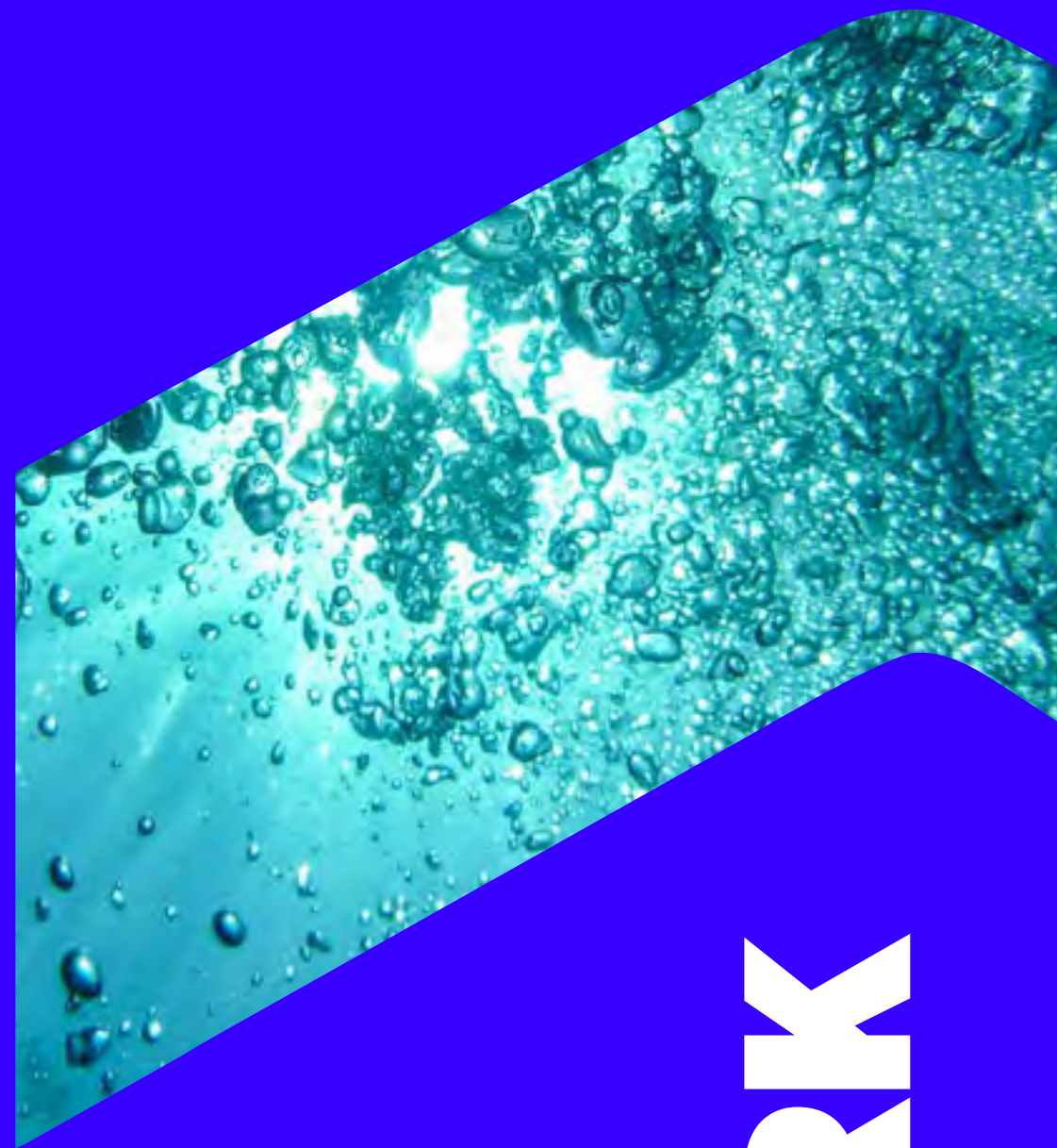


ESG Report 2021



BRK

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Presentation

Since 2017, we at BRK have been working with the purpose of transforming people’s lives. We created and consolidated a company with a resilient business model, which integrates the generation of long-term financial value, positive impacts on the environment, social and economic development for society, and health and quality of life for the population of the municipalities where we operate.


To publicize and strengthen our strategy, we annually publish our ESG Report, which summarizes management of Environmental, Social and Corporate Governance aspects. In this publication, customers, investors, government agencies and society as a whole can understand how our company seeks to make a difference in the lives of thousands of people in the more than 100 municipalities we serve.

In addition to the ESG Report, our social networks and communication channels disclose information about our performance, good practices, and the connection of our business with the sustainable development agenda.

Please access to learn more



Sustainability Portal

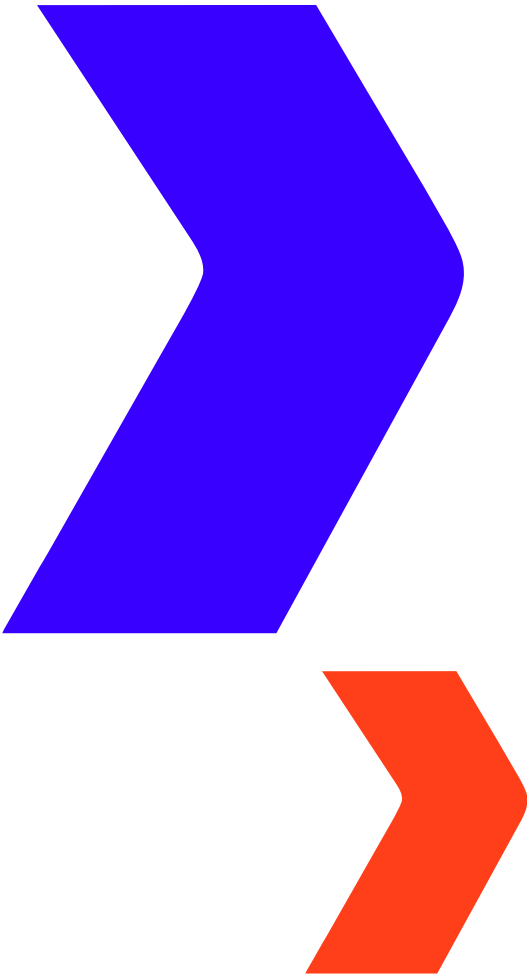


Saneamento em Pauta Blog



comunicacao@brkambiental.com.br
if you have any questions, comments and suggestions about the Report and our ESG strategy

Message from the CEO



In early 2022, we received at BRK the result of the ESG Risk Ratings prepared by Sustainalytics, one of the world’s most relevant organizations in ratings and ESG solutions that are accessed by over 15,000 companies worldwide. Our company was evaluated as the best in the Americas and the fourth best in the world, in the sanitation sector, regarding the management of social, environmental and corporate governance risks.

With a solid overall score and a low risk rating, we achieved one of the main goals announced in the last ESG Report published by us: to be recognized by leading international platforms as a company that creates value and promotes development through its business.

This result was only possible thanks to the journey we started in 2017, when we implemented a growth strategy that is broadly connected to the sustainability agenda. Over the years, we have established operational goals that

increase our efficiency and directly contribute to improving the quality of life of the population in the municipalities we serve.

We have been successful, for example, in continuously reducing the rate of water losses in distribution. Each year we reduce our losses by 2 percentage points, a figure above the industry in Brazil. We ended 2021 with a total loss level of 35%, and our goal is to reach a maximum level of 25% by 2030.

We have established a commitment to eliminate our greenhouse gas emissions by 2040, through a strategy that involves the financial and engineering team, with monitoring by the Board of Directors and, as from this year, by the Executive Board. As part of this strategy, last year we established that at least 50% of electricity supplied by renewable sources by the end of 2021. We ended the period with a rate of 54% and our goal is to reach 70% by 2030.



Teresa Vernaglia,
CEO of BRK



Our diversity program, in addition to being a purpose aligned with our values, is a key factor in attracting and retaining talent, as Generation Z and Millennials consider this topic a key factor when choosing where to work. In terms of gender equality, we advanced 2 percentage points, ending the year with 30% women in leadership positions, and continued the steadfast development of our programs to reach our goal of 40% women in leadership by 2024. Another relevant point on this front was the advancement of gender equality in senior leadership. Today, 45% of my direct reports are women. In terms of racial equity, in 2021, we agreed on a target of 40% of black or mixed race workers by 2025, and today, we already have 36% occupying positions of supervisors and above.

We started the operation of the unit that serves 13 municipalities in the Maceió Metropolitan Area, the first concession made after the approval of the New Sanitation Regulatory Framework.

In 2021, we evolved in our purpose of going “beyond the basics” and promoting, based on sanitation, a real transformation in people’s lives.

BRK is at a new moment in its history. We met the goals we set for business management at the beginning of our trajectory. We now have even greater goals of increasing operational efficiency and contributing to the country’s development. In 2022, BRK celebrates five years, with a solid journey that has allowed us, as mentioned earlier, to achieve the result of the ESG Risk Rating and obtain, for example, the ISO 37001 certification, which reinforces ethics and integrity in the way we do business. We reinforced our innovation agenda and have, for example, eight startups being accelerated, as well as patent application processes in progress.

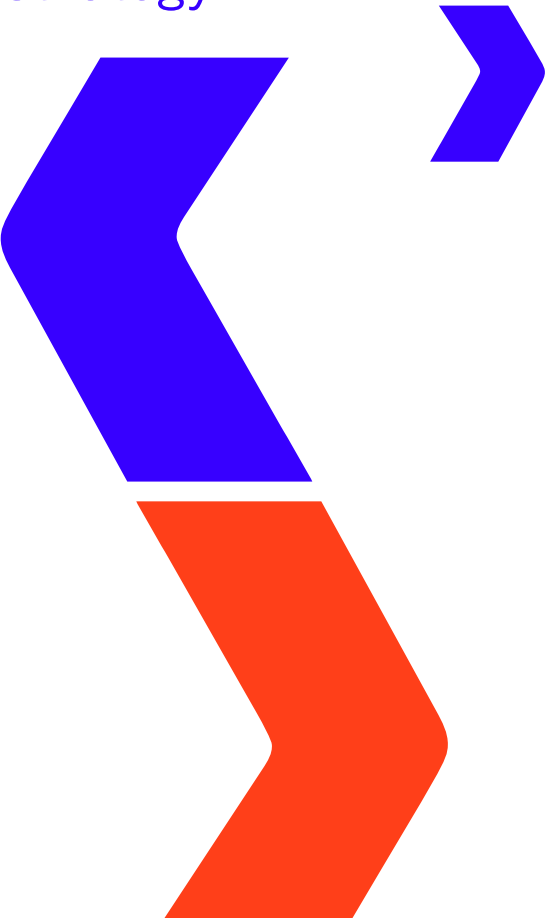
People were also the core of our attention. Over 1,600 professionals were promoted, and 430 leaders

underwent training at the Leader Academia. The highlights of this trajectory were our shareholders, who gave us the foundation and confidence we need to keep moving forward; our customers, a fundamental part of our purpose, who inspire us to do more than just basic sanitation; our partners and suppliers, who, in line with our values, help us to efficiently expand services; and, of course, our team of qualified professionals aligned with our culture, who are fundamental for us to continue this trajectory and materialize our purpose in each city in which we are present.

Thank you all,

Teresa Vernaglia,
CEO of BRK

As a signatory to the Global Compact, BRK includes universal principles and the Sustainable Development Goals in its ESG-oriented strategy



About BRK

For us at BRK, sanitation is just the beginning of a prosperous and healthy society. Present in more than 100 municipalities in 13 different states, across the entire Brazilian territory, we work to promote positive social and environmental impacts that go beyond the expansion of water supply and sewage systems.



Sustainability is in our DNA, in our way of doing business and leads us to work alongside communities to transform the lives of the more than 16 million people we serve, across all regions of the country.

In 2021, with the consolidation of management and governance processes, we developed our corporate culture and presented our new positioning.

Our purpose
is to transform
people’s lives
by taking
sanitation far
beyond the
basics.

Our values
represent who
we are and
what we believe
in, to overcome
the challenges
of sanitation in
Brazil.

Act with integrity

We follow our code of conduct, internal policies & procedures, laws and regulations. We respect the environment and our stakeholders: clients, suppliers, public authorities, employees, communities and shareholders.

Commitment to the client

We work for satisfaction and development of those impacted by our services. We act in a positive and transparent way, focusing on building relationships with each interaction.

Act safely

In our work, life preservation comes first. We assure a behavior consistent with our commitment to provide a service with quality, which directly impacts people’s health as well as the environment.

Ensure operational excellence

We provide service with quality, meeting expectations of our clients and professional colleagues, seeking efficient and innovative solutions, as well as continuous improvement.

Respect people

We value empathy. We treat each individual as we would like to be treated. We create opportunities for personal and professional development. We value diversity and inclusion.

Business oriented

We honor commitments and focus on exceeding our goals. We recognize that all of us contribute to the strategic objectives of the company, both in the short and long term.



BRK, the number one in sanitation in the Americas

BRK has been recognized as the #1 company in the Americas according to the Sustainalytics ESG Risk Ratings.

The ESG Ratings evaluated over fifty BRK environmental, social and governance indicators related to emissions, effluents, waste, community relations, land use, biodiversity, human capital, and governance. Additionally, we highlight our goal of achieving zero greenhouse gas emissions by 2040, ten years ahead of the deadline set by the UN, as well as reaching an average level of water losses of 25% by 2030. This recognition reflects our commitment with the purpose of taking sanitation far beyond the basics for everyone.

Sanitation is just the beginning

*April 2022 data. Available at www.sustainalytics.com

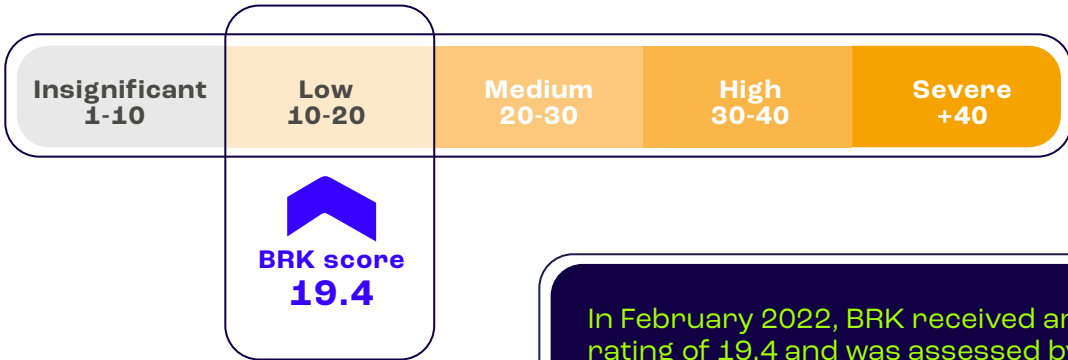
Number 1 in the Americas



In 2021, our company was rated the fourth best in the world and the first in the Americas in the water and sewage industry in the ESG Risk Ratings prepared by Sustainalytics, one of the leading companies in the development of research and analysis on ESG management. The independent assessment looks at the policies and practices of nearly 15,000 companies across a variety of industries worldwide.

At the end of the process, we reached a score of 19.4, on a scale from 0 to 100. The lower the score, the better the evaluation. This result reflects the solidity of the governance and management model implemented since 2017, focusing on building a resilient company from a financial perspective that integrates ESG aspects into its strategy and in its decision-making process.

Risk Grade – ESG Risk Rating Sustainalytics



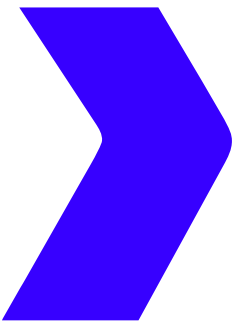
In February 2022, BRK received an ESG Risk rating of 19.4 and was assessed by Sustainalytics as having a low risk of being financially impacted by ESG factors.

Click here



to learn more

Our figures



23
business units

360
Wastewater Treatment Plants (WWTPs)

52
Water Treatment Plants (WTPs)

6K
other structures (lifts, reservoirs, wells, etc.)

+ 100
municipalities served

15K
kilometers of water networks

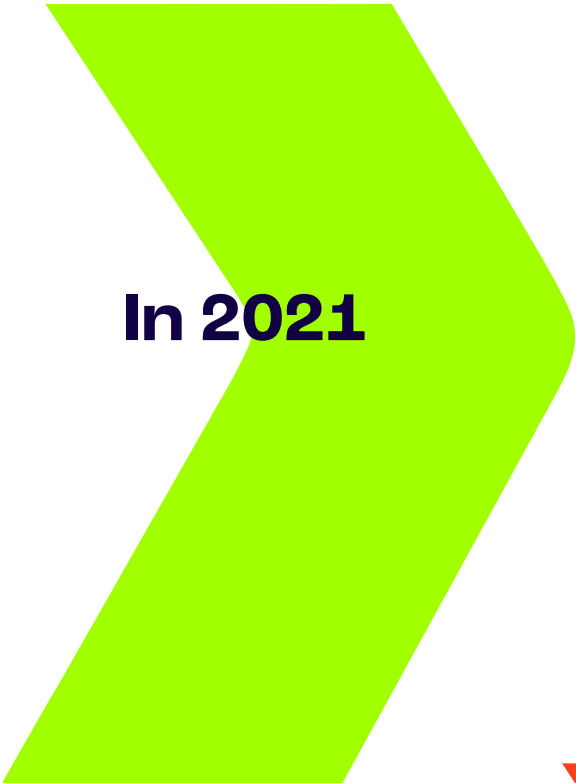
17K
kilometers of sewage networks

30
dams

18K
electromechanical equipment units registered

13
different states, in all regions of Brazil

+ 16
million people benefited



In 2021

R\$ 3.5* billion
in net revenue

R\$ 1.3* billion
in investments made

R\$ 955* million
in EBITDA

222 million
cubic meters of treated water

265 million
cubic meters of sewage collected

19.4
was our Sustainalytics ESG Risk Ratings score. Our company was elected #1 in the Americas in the sanitation sector

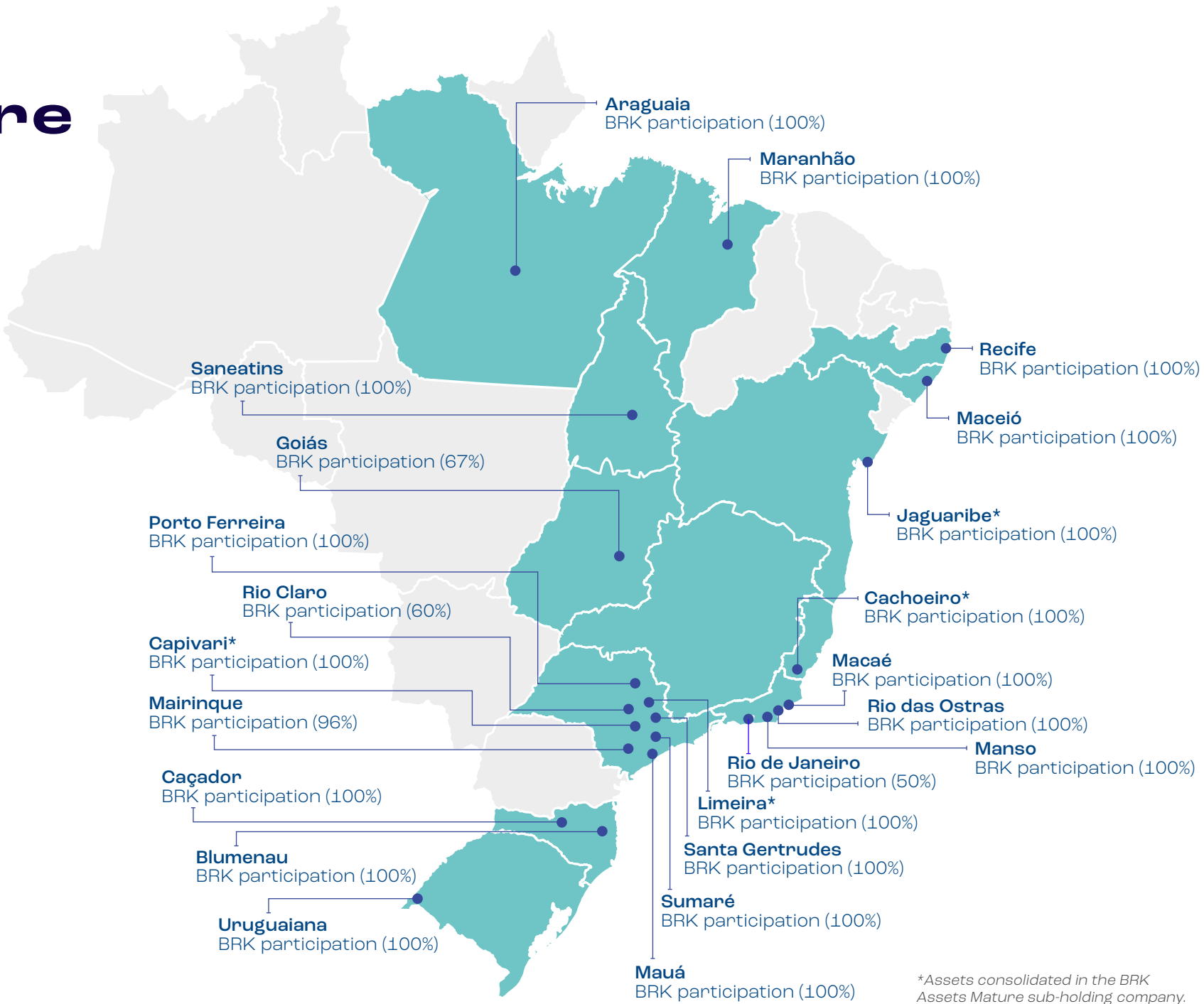
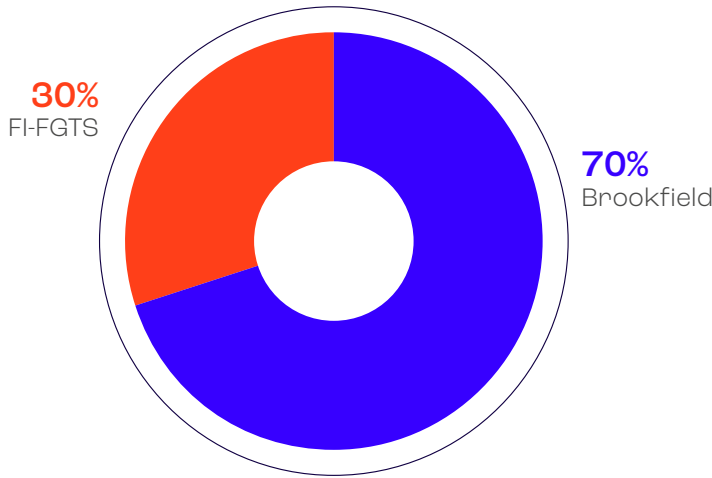
**The financial data presented follow the accounting consolidation criteria in IFRS (International Financial Reporting Standards). Operating data consider all subsidiaries and jointly-controlled companies.*

Where we are

Our company has two shareholders: Brookfield, a Canadian group with a presence in over 30 countries and which has been operating in infrastructure in Brazil for over 120 years, and the FI-FGTS (Investment Fund of the Severance Indemnity Fund), the largest infrastructure investment fund in Latin America. Our headquarters and central office are located in the city of São Paulo, while the units are distributed throughout all regions of Brazil.



– Ownership structure –



*Assets consolidated in the BRK Assets Mature sub-holding company.

Strategy and ESG

To take sanitation far beyond the basics, we have built and consolidated a resilient business model from a financial perspective that expands social inclusion and positive impacts on the environment, with governance practices that strengthen ethics and transparency in the provision of an essential public service for the whole of society.

With the commencement of the New Legal Framework for Sanitation (Act 14,026/2020), the industry received an impetus to grow and increase investments focusing on the universalization of water and sewage services by 2033. As one of the largest private sanitation firms in the country, we have the ambition to be leaders in this journey of transformation in Brazil.

As part of our business growth strategy, we have made commitments to the sustainability agenda. Focusing on efficiency and quality, we set corporate goals connected to the Sustainable Development Goals (SDGs) and the main demands of Brazilian society.



Our ESG goals

> Environmental

Climate change and energy efficiency

- To achieve net zero greenhouse gas emissions by 2040, with intermediate reductions of 10% by 2025 and 30% by 2030
- To have 70% of total electricity consumption supplied by renewable sources by 2030

Water security

- To reduce water distribution losses to a ceiling of 25% by 2030



> Social

Diversity and inclusion

- To have 40% women in leadership positions by 2024
- To have 40% of self-declared black or mixed race employees in leadership positions by 2025



Click here



Learn more about our initiatives and action plans related to these goals on our ESG Portal.

ESG-driven purpose and decision making



ESG targets aligned to the SDGs



Leadership in the water and sewage sector in Brazil



A diverse portfolio of units with predictable cash flow



Organic growth in current contracts



Opportunities for inorganic growth with the New Sanitation Regulatory Framework

A success story

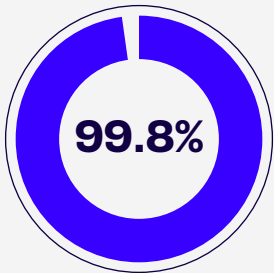
The evolution of health and quality of life indicators materializes our purpose guided by ESG aspects. The municipality of **Cachoeiro de Itapemirim**, in the state of Espírito Santo (ES), where we have been operating since 1998, is an example.

In 2021, the city was ranked first in the Basic Sanitation Rankings of Espírito Santo Municipalities (RSBMC). The survey is carried out by the Court of Auditors of Espírito Santo.

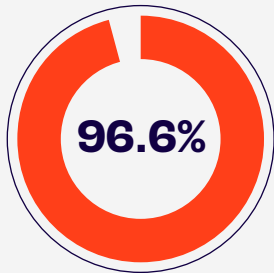
The scores given to cities are based on indicators of total/urban drinking water supply and sewage collection/treatment, aspects of improving service efficiency, investments and other aspects.

See on page 14 how we promote transformation, taking sanitation far beyond the basics.





of the population served with water supply



of the population served with sewage collection

ZERO

deaths from waterborne diseases*

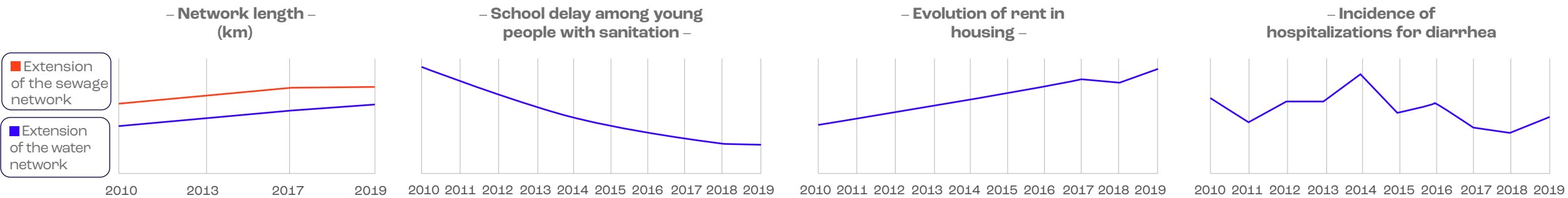
*In the years 2017, 2018 and 2019.

R\$ 1.04 million

invested in social projects*

*In the years 2017 to 2021.

The evolution of health and development indicators in Cachoeiro de Itapemirim is an example of how we can go beyond sanitation



Source: Brazilian Sanitation Panel – panelsaneamento.org.br

Other highlights

The city of **Limeira** (São Paulo) ranked **first** in the category of loss reduction in the Sanitation Rankings published by Instituto Trata Brasil. The municipality has a rate of **18.9%**, the lowest in Brazil.

The municipality **Aparecida de Goiânia** (Goiás) advanced **15 positions** in the rankings. In the city, the volume of treated sewage over the water consumed jumped from 54.0% to **70.5%**.

A history of success



In January 2022, we approved our ESG Policy. The document strengthens the integration of sustainability concepts, the principles of the Global Compact and the Sustainable Development Goals (SDGs) in our strategic planning.

Click here



to access the full ESG Policy.

In addition to the work developed at the internal level to boost the management of ESG aspects, our company's engagement in voluntary initiatives contributes to this positive assessment. Through these actions, we identify external trends, map scenarios and develop our strategy to respond to the main challenges of the sustainability agenda.



**United Nations
Global Compact**



We are signatories to the Global Compact and the Global Compact's Brazil Network, adhering to the SDGs and participating in work groups and actions to promote the goals. Our CEO is the spokesperson for SDG 6 on the Leadership with Impact platform.



cebds



We are members of the Brazilian Business Council for Sustainable Development (CEBDS), integrating the Council of Leaders and acting in the Thematic Chambers. Some of the main CEBDS initiatives endorsed by us include the Brazilian Business Commitment to Water Security, the Commitment to Biodiversity, and the Business Movement for the Amazon.



We were the first private sanitation company to sign the Women's Empowerment Principles (WEPs) with UN Women and the Global Compact.



We are partners and part of the Board of Trustees of Instituto Trata Brasil.




In 2021, we became members of the Tent Partnership for Refugees, an action that mobilizes companies to support the humanitarian cause around the world and joined the Forum of Companies with Refugees, an initiative of the Brazil Network of the Global Compact and the UN Agency to Refugees (UNHCR).



We received the Great Place to Work seal, which recognizes great companies to work for. This certification is the result of BRK's commitment to a positive work environment that respects people and promotes good management practices.

Innovation

Innovation accelerates the delivery of sanitation benefits to the population and increases efficiency in the provision of water and sewage services. In 2021, we created BRK Inova, a governance structure for innovation that organizes and expedites the various investments, ideas and projects in our units, established through partnerships with startups and external entities.

Click here  to access the BRK Inova website to learn more

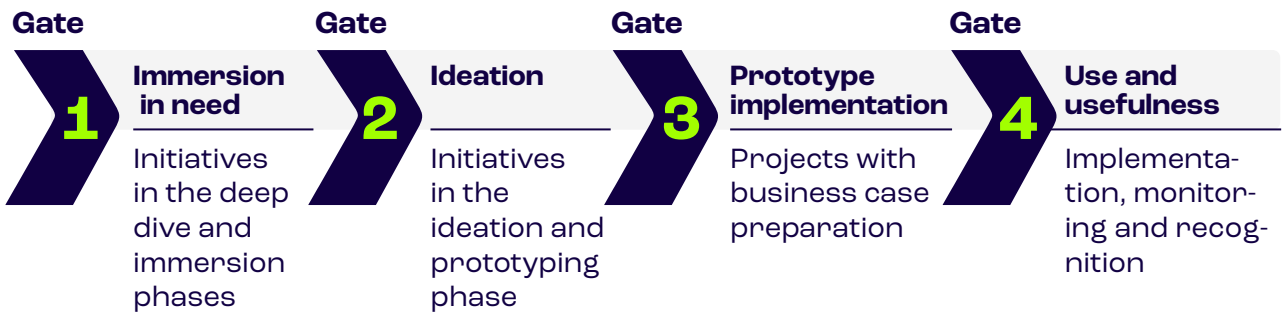
Internal innovation

Our professionals are aware of the challenges and innovate in the day-to-day operations. BRK Inova leverages this capability and strengthens the company's culture of innovation through calls for ideas, innovation journeys, ideation workshops, solution prototyping, and a methodology to validate and scale innovative initiatives that solve complex problems.

Internal innovations are mapped through the BRK Transforma Award, ideation sessions or the continuous channel for

capturing ideas. Afterwards, they are validated in the Innovation Forums, which bring together managers and leaders to deliberate on the continuity of projects through the four gates of the innovation funnel (see below).

In 2021, based on the BRK Inova methodology, we approved 17 internal innovation projects for development. These include initiatives that were born within our units and are ready to be replicated in other regions.



- 4 Innovation Forums held in 2021
- 35 innovation topics, in 8 different categories
- 359 ideas analyzed
- 140 initiatives analyzed
- 17 projects evaluated and approved

Know your hydrometer

The project, created by the team at the Sumaré, São Paulo unit, consists of a magnetic device that facilitates the opening of the iron cover from the Inspection Shaft to the sewage collection network. Before this innovation, professionals had to make a great physical effort to remove the part. The idea also helps to reduce the risk of injuries and contributes to ergonomics in field activities.

Inspection Shaft Magnetic Lifter

The idea was born at the Porto Ferreira unit, in São Paulo. A model of the water network shows customers how a water meter works and how equipment deterioration is detrimental to the entire sanitation system. The project contributes to increasing customers' knowledge and understanding of the importance of activities such as the exchange and modernization of measurement equipment.

Open innovation

Our open innovation strategy is structured on five fronts, which organize projects and investments according to the maturity level of ideas. Thus, we set challenges that can be addressed to startups, universal, and research centers.

Pillars and Objectives of the Open Innovation Process



Within the Ideation pillar, in 2021, we held the **Datathon | Data for sanitation beyond the basics**. The event brought together data scientists and multidisciplinary teams to promote the development of solutions for analyzing large volumes of data in five challenges related to **SDG 6 – Drinking Water and Sanitation**.

BRK Challenge
Data for sanitation beyond the basics



TOPICS

- Public/Private Investment
- Impact of Sanitation on Quality of Life
- Operational Efficiency Applied to Sanitation
- Population Engagement for Conscious Use
- Scenarios and Parameters for Management, Actions, and Economic Development

169 subscribers

36 teams

21 speakers

68 hours of mentoring

2 workshops

Through **BRK Acelera**, we encourage the acceleration of startups with innovations for sanitation. In 2021, we launched six challenges and selected seven partners for acceleration at different stages. The initiative is carried out in partnership with Canada-based NGO Waterlution and CESAR (Center for Advanced Studies and Systems of Recife).

We also established partnerships with innovation hubs, with the purpose of mapping startups in Brazil and abroad with water and sanitation innovation projects. InovaBRA, 100 Open Startups and ISLE (international) are part of this connection network, with the aim of identifying scale-ups with more mature projects that can be tested on a large scale.

BRK Open innovation

92 selected startups
34 startups interviewed
12 Pitch Day BRK Acelera
7 startups in acceleration

InovaBRA
Scale-up mapping
Click here to learn more

100 Open Startups
Executive training for relationship with startups
Click here to learn more

ISLE
Mapping startups and scale-ups
Click here to learn more

Environment

Sanitation drives the preservation and recovery of rivers, streams, and springs. It reduces the pollution of water bodies and improves the population's quality of life, reducing the risk of waterborne diseases.

We have the ambition to go further. We work and innovate to reduce our environmental footprint: increased efficiency to reduce water losses, use of new technologies to reduce carbon emissions, and diversification of the energy matrix with the adoption of more renewable energy in our business.

Learn more about how our environmental management makes a difference in transforming people's lives in the cities where we operate.

3

GOOD HEALTH
AND WELL-BEING



6

CLEAN WATER
AND SANITATION



9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11

SUSTAINABLE CITIES
AND COMMUNITIES



13

CLIMATE
ACTION



15

LIFE ON
LAND

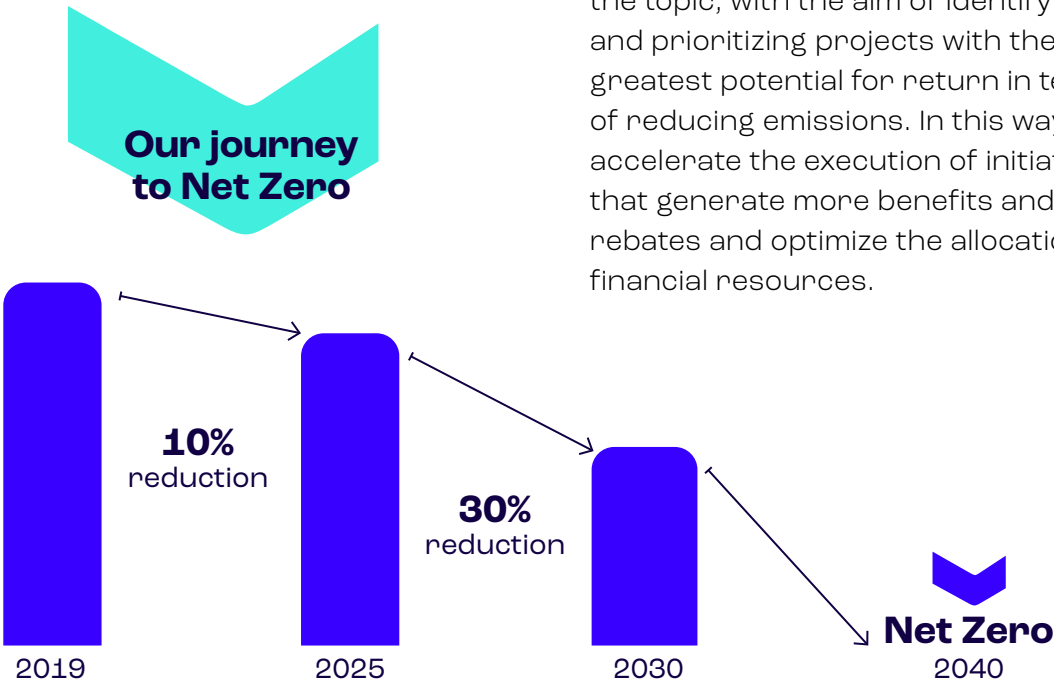


Climate change

We are committed to having zero greenhouse gas emissions by 2040. The journey to Net Zero is based on investments to reduce emissions in sewage treatment processes and for self-generation of electricity from renewable sources, with intermediate reduction targets.

The reduction strategy was based on an in-depth analysis of the emissions inventory that we carry out annually, following the guidelines of the Brazilian GHG Protocol Program. We account for direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions from all business units.

In 2020, we structured an internal carbon pricing model, according to an international methodology for the topic, with the aim of identifying and prioritizing projects with the greatest potential for return in terms of reducing emissions. In this way, we accelerate the execution of initiatives that generate more benefits and rebates and optimize the allocation of financial resources.



Nereda® technology

An innovation created in the Netherlands and brought to Brazil exclusively by our company, the Nereda® technology is a revolutionary system for sewage treatment. It uses granular aerobic biomass in the process, eliminating the need to add chemicals, reducing energy consumption, and allowing the construction of WWTPs with smaller sizes when compared to traditional systems.

[Click here](#)

to learn more about this innovation

The portfolio of projects to reduce emissions is divided into four main types:

➤ **Efficient sewage treatment plants, with the potential to abate 90% of emissions compared to conventional treatment systems**

➤ **Solar sludge dryers**

➤ **Biogas burners**

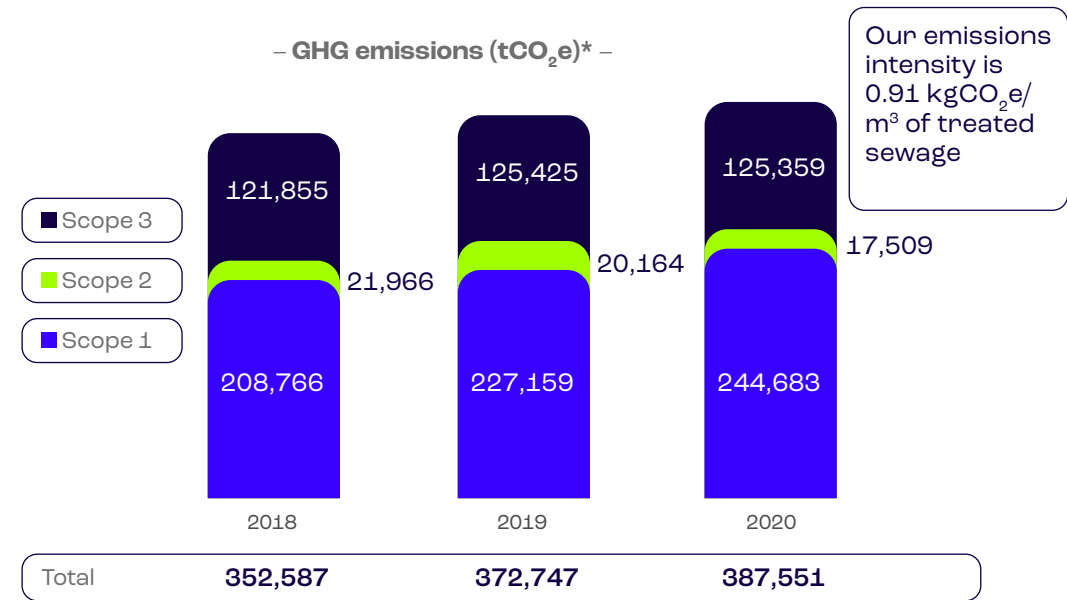
➤ **Self-generation of electricity from renewable sources**

In 2021, 54% of our company's total electricity consumption was provided by renewable sources. This index is 4 percentage points above the target we set in 2019 – reaching 50% of renewable energy supply. This performance was due to the implementation of self-generation photovoltaic plants and the purchase of certified renewable electricity in the free market.

Fuel consumption is another opportunity to improve environmental performance combined with operational efficiency. The consumption of diesel, used in trucks, heavy construction equipment and combustion generators accounted for 48.5% of the total energy generated by fuel consumption in 2021. Conversely, ethanol still has a 7% share.

By 2030, our goal is to ensure that **70%** of the total electricity we consume comes from carbon-free generating sources





*The 2021 base year emissions inventory was in the process of being prepared as of the date of publication of this Report and updated data will be presented on the company’s website.

➤ The growth in emissions is driven by Scope 1 (direct emissions) and is due to the increase in treated sewage and increased efficiency in the removal of organic matter (the source of greenhouse gases). In turn, the reduction in untreated sewage volumes generates a decrease in Scope 3. As of 2022, with the implementation of the emission reduction projects approved in the portfolio, total emissions will be reduced, according to the estimated low-carbon scenarios.

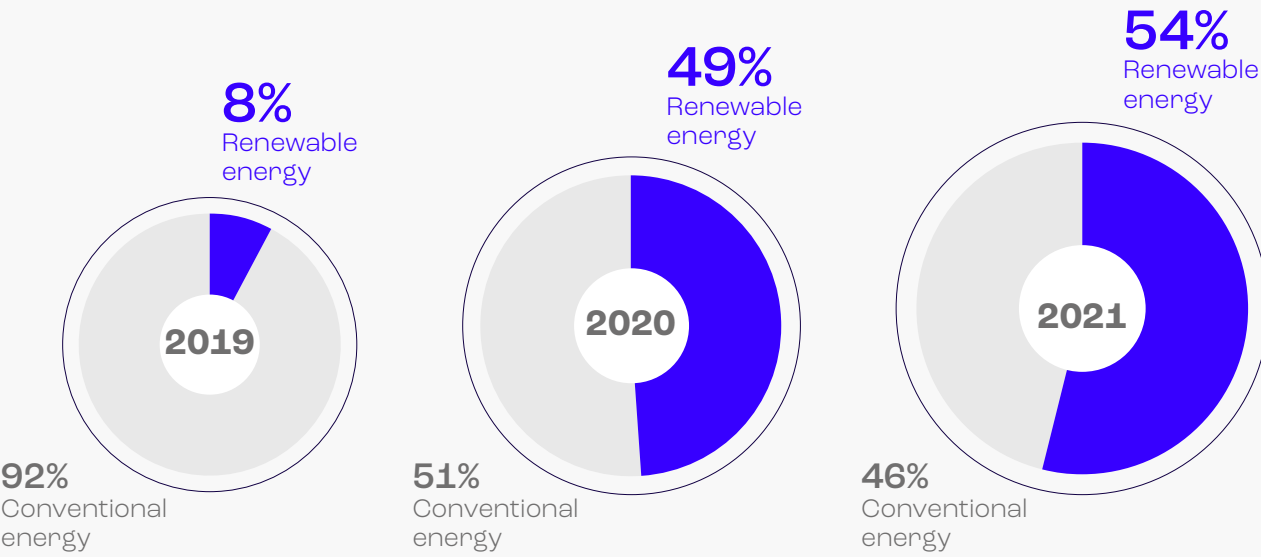
Click here ➤ to learn more about GHG emissions management.

Energy consumed (GJ)

	2021	2020	2019
a. Fuels*			
Ethanol	14,360.05	12,151.0	14,485.9
Diesel	100,645.7	88,794.5	81,108.4
Gasoline	68,333.2	60,378.6	64,715.2
LPG	23,943.3	24,956.8	22,083.8
Subtotal	207,282.25	186,280.8	182,393.3
b. Electricity			
Acquired – Captive Market	137,170.0	141,406.0	241,702.0
Renewable (Self-generation + Free Market)	158,014.0	134,610.0	19,897.0
Total (a+b)	502,466.25	462,296.90	443,992.30

*Only ethanol is considered renewable, representing 7% of the total energy generated by fuel consumption in the year.

– Evolution of renewable sources in the electricity matrix –





Water

In the period 2017-2021, we avoided wasting 21 billion liters of water. This volume is equivalent to 8,400 Olympic swimming pools or guarantees the supply of a city of 380,000 inhabitants for 1 year

Water is the raw material of our business. Water availability is essential for serving the population in the municipalities, with water supply and sanitary sewage services. Therefore, we manage water risks with internal efficiency programs, actions to combat losses, and online monitoring of water and effluent quality.

Capturing water from surface and underground springs is the beginning of the cycle of positive impacts and transformation that we generate for people. In 2021, total withdrawal (including third-party water) was 288.9 million cubic meters in the units where we provide water services, a volume 26% higher than in the previous year. At the unit that serves the Maceió Metropolitan Area (RMM), water collection and production activities remained under the responsibility of Companhia de Saneamento de Alagoas (CASAL) in 10 of the 13 municipalities covered by the Concession – Barra de São Miguel, Coqueiro Seco, Maceió, Messias, Murici, Paripueira, Pilar, Rio Largo, Santa Luzia do Norte, and Satuba. In the others, BRK is responsible for the entire water supply process, including water collection and production.

The increase in harvesting is accompanied by an extensive effort to increase operational efficiency in all our units.

We have the **Loss Reduction Program**, an integrated action to identify and correct leaks in the network, avoiding the waste of water resources. By 2030, our loss index will reach a maximum of 25% – in 2021, we achieved a reduction to 35%. Learn more about our performance on page 25.

Initiatives to reduce losses involve investments in technologies and systems that sectorize the networks and measure the difference between the volume of water distributed and consumed. Data analysis identifies areas where there are significant differences, allowing prioritization of actions for network maintenance and replacement.

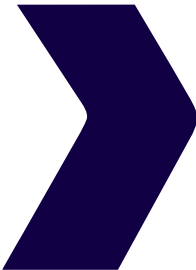
Another initiative we work on is the **Water Safety Plan** (PSA) in the municipalities we serve. The project consists of mapping the entire supply system, from collection to distribution, with a focus on identifying risks and defining action plans to ensure safety and quality in supply. By the end of 2021, a total of nine municipalities had their PSAs concluded or in progress. The company plans to implement the PSA in 100% of eligible locations by 2026.

The last stage of our business is the collection and treatment of sewage, before disposing of effluents into water bodies. With the extension of the collection network and the addition of new businesses, we increased the direct benefits for the preservation of water bodies.

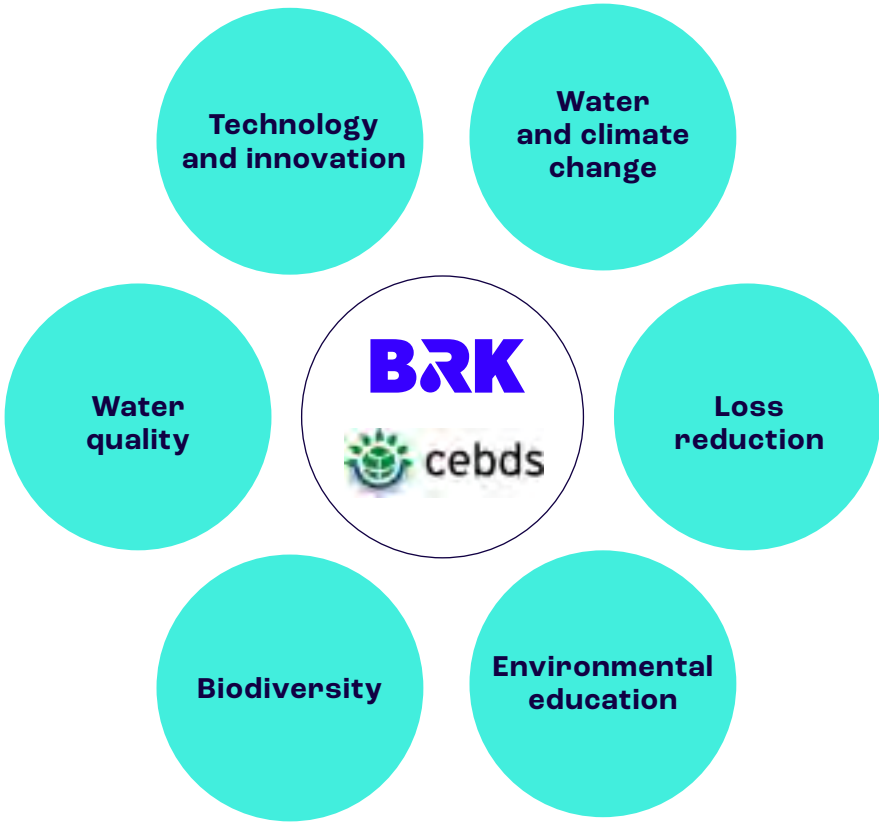
Risk factors for water availability


- Degradation, pollution or contamination of water abstraction sources/springs
- Absence of alternative supply sources
- Losses in the process of capturing, treating and distributing water
- Regional drought

In 2021, the volume of effluents discarded by our units increased by 12% compared to the previous year. The growth is mainly due to the incorporation of the Maceió unit, responsible for around 7% of the total volume of effluent treated in 2021. All effluent undergoes some level of treatment (primary, secondary, or tertiary) before being discarded in surface or underground water bodies.

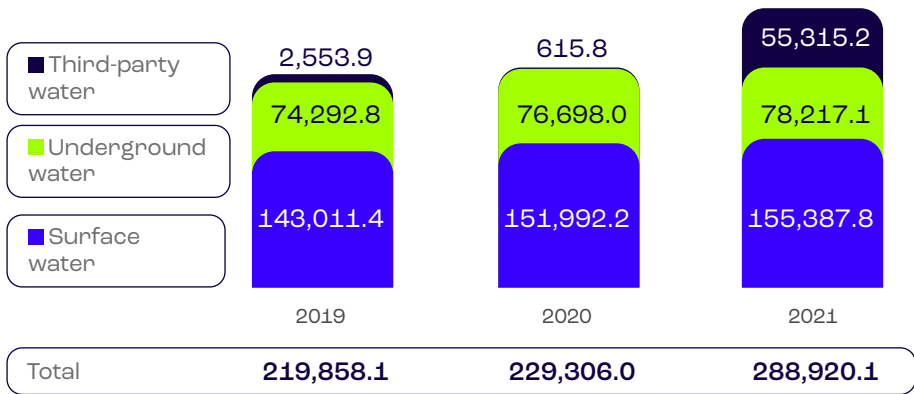


Since 2018, we have been signatories to the Brazilian Business Commitment to Water Security, proposed by the Brazilian Business Council for Sustainable Development (CEBDS). The platform encourages the strategic integration of actions, projects and business goals for the conservation and protection of water resources on six strategic fronts.



Click here  to learn more about how we manage water risks

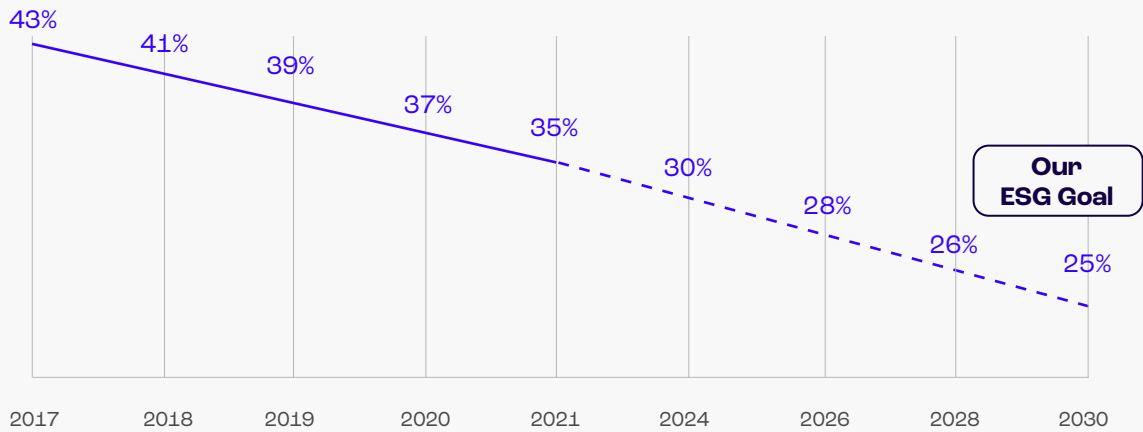
– Water abstraction (thousand m³)* –



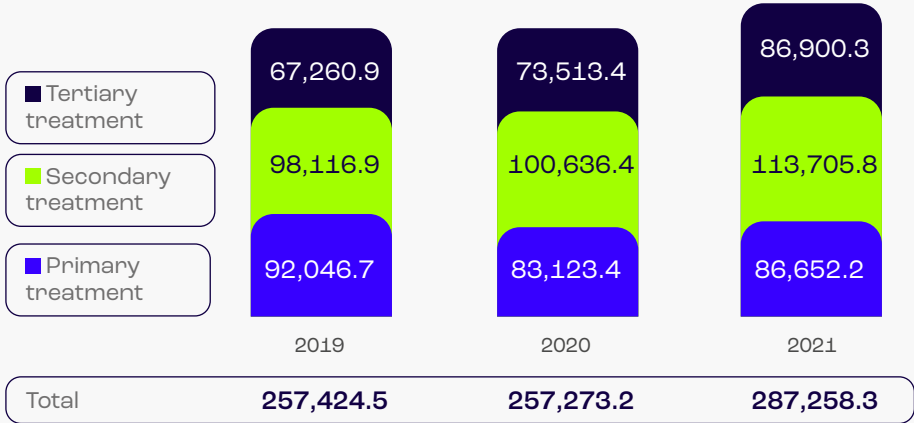
*All water abstracted has a total dissolved solids concentration of less than 1,000 mg/l, and there was no discharge in water-stressed areas (WRI's Extremely High overall risk rating in the Aqeduct Water Risk Atlas platform).

The increase in the volume of water supplied by third parties is due to the start of the operation to serve the population of the Maceió Metropolitan Area. The collection of water to the Water Treatment Plants (WTPs) is managed by Companhia de Saneamento de Alagoas (CASAL), and therefore, the volume is accounted for in this way.

– Evolution of the loss index –



– Water discharge, by type of treatment (thousand m³)* –



Water discharge (thousand m³)*

	2021	2020	2019
By destination			
Surface water	212,860.8	202,248.9	202,669.4
Sea water	74,397.5	55,024.3	54,755.1
Total	287,258.3	257,273.2	257,424.5

*All discharged water has a total dissolved solids concentration of less than 1,000 mg/l, and there was no discharge in water-stressed areas (WRI's Extremely High overall risk rating in the Aqeduct Water Risk Atlas platform).

Conformity indices of the quantity of samples (samples analyzed/minimum required)


	2021	2020	2019
IN079: Residual chlorine	121.2%	121.0%	124.1%
IN080: Turbidity	115.4%	115.4%	120.5%
IN085: Fecal coliforms	101.4%	101.2%	101.9%

Water quality

Technology and digitalization increase the effectiveness of our water and effluent quality monitoring processes. In treatment plants (WTPs and WWTPs), we use digital sensors to monitor the critical quality parameters required by legislation virtually in real time.

The collected samples are also referred to third-party laboratories, integrated to our database through the LIMS (Laboratory Information Management System) platform. The insertion of information, therefore, occurs in an automated and digital way in SISAGUA, the information system for monitoring the quality of water for human consumption of the Brazilian Ministry of Health.

In 2021, one of our priorities was the operational and cost adaptation of the quality management processes to Ordinance No. 888/21, of the Ministry of Health. The regulation changed the criteria for existing parameters (such as turbidity and coliform bacteria) and the frequency of analyses, included new investigation methods and added 31 new parameters for controls and analyses. At the end of the year, 100% of the units had action plans agreed with the responsible agencies.

Click here  to learn more about our quality management processes

Central analysis laboratory

As of 2024, we will have our own laboratory to carry out the most complex assessments of the quality of the water we distribute and the effluents we treat, for 100% of our units.

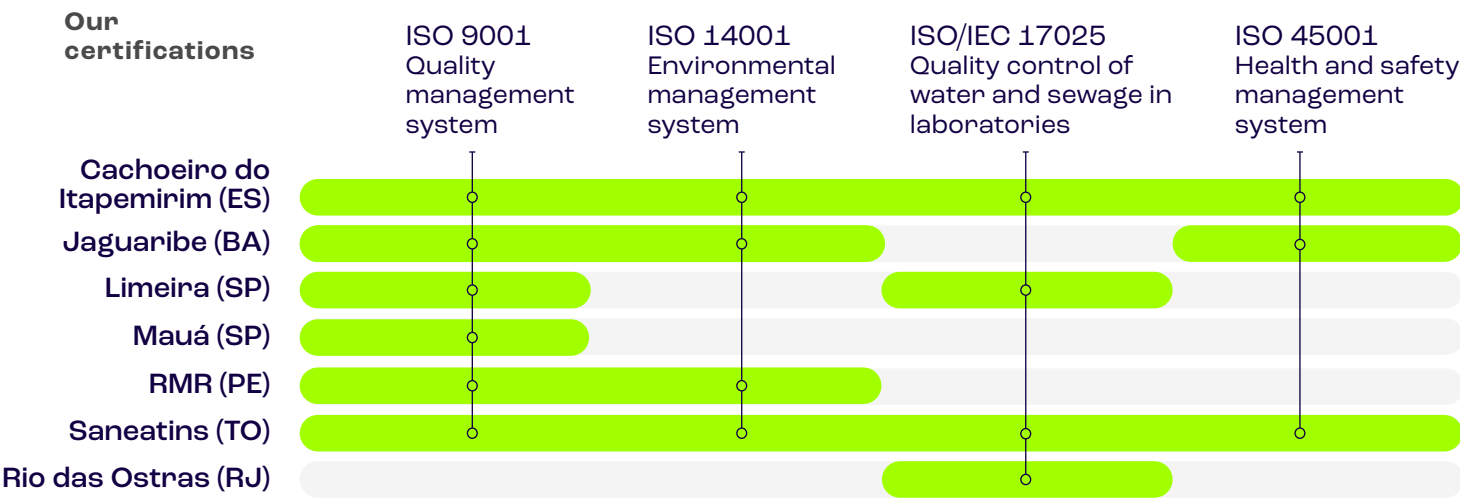
Our central laboratory will be accredited according to ISO/IEC 17025 and will have processes to guarantee the isonomy and reliability of the assessments and reports issued. In 2024, the new structure will be functional, but its operation will be concomitant with that of contracted laboratories, in order to guarantee the standardization and effectiveness of the procedures.



Quality, efficiency and protection

The quality in the provision of water and sewage services is ensured through the management systems that we implement in a standardized way in 100% of our units. All systems were developed with the aim of guaranteeing compliance with legal requirements and quality procedures, environmental management, and protection of the health and safety of employees.

The implementation of management systems in operations is the responsibility of each business unit, accompanied and monitored by the matrix areas of the corporate office. In the most relevant units for generating net operating revenue (NOR), we invest in certifications in accordance with ISO standards.



Click here to learn more about how our management systems work

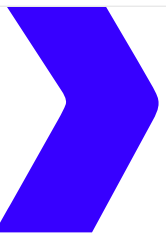
Environmental licenses

The management of licenses and conditions required by environmental agencies is one of the most important activities covered by the environmental management system. Currently, the company has over 1,300 environmental documents necessary for its operations, totaling more than 12,000 conditions to be managed. Since 2018, this management has been carried out through a digital system for monitoring and managing

these obligations, ensuring alignment and compliance with legal requirements. The software used by us makes it more effective to monitor the expiration of conditions, execution of action plans, and the validity of the licenses themselves. The platform also issues early warnings to ensure compliance with deadlines, in addition to assisting in the consolidated analysis of current conditions.

356 documents issued in 2021, including licenses, grants, and authorizations

72% of the most relevant units for the company's net revenue generation are compliant and certified according to the ISO standards



Waste

The correct and efficient management of waste, with innovations to reduce both generation and disposal to sanitary landfills, means bringing sanitation to a new level of quality and sustainability. On this front, we seek innovation and establish standardized processes across all units.

The main waste generated by operations is sludge from WTPs and WWTPs. This inert material (non-hazardous waste) has up to 80% water in its composition, and therefore, we invest in technologies to promote drying and reuse. In this way, we reduce shipments to landfills and minimize the need for new disposal sites.

At the Jaguaribe unit, in Salvador, Bahia (BA), all sand resulting from drying is sent for reuse in the manufacture of ceramic blocks. We also developed a pilot project to use the material as a fertilizer for the recovery of areas degraded by mining activities.



**Click
here**



to learn more
about our waste
management



In administrative units, we encourage waste sorting and referral of waste to recycling. At the central office in São Paulo, the building administration (LEED¹) is responsible for waste management and maintains agreements with companies that dispose of it correctly and refer it to recycling.

The approval and monitoring of partners who receive and transport the waste are carried out through digital software that organizes all the necessary documentation for the management of this front.

¹Leadership in Energy and Environmental Design is a certification for sustainable buildings, designed by the non-governmental organization United States Green Building Council, with the aim of promoting and encouraging sustainable building practices, meeting criteria for green construction.

494.1K
metric tons of waste were generated in 2021

4.1K
metric tons of waste from the operation (sludge and sand) were reused and no longer sent to landfills

282.7
metric tons of recyclable material were referred to reuse

195.1K
metric tons of construction waste (rubble, excavation soil, scrap, etc.) were reused

318.6
metric tons of hazardous waste treated in accordance with the National Solid Waste Policy (PNRS)

Waste type (t)	2021*	2020
WTP sludge	2,556.53	712.49
WWTP sludge	94,755.73	49,193.57
Work/Maintenance	383,563.43	320,056.14
Others	12,625.37	20,690.40
Hazardous	318.62	7,440.63
Recyclables	282.68	1,669.93
Overall total	494,102.36	399,763.16

*Increase of 24% compared to 2020 due to waste generated by the works and sludge generation (efficiency in wastewater treatment plants).




Biodiversity

The preservation of biodiversity is one of the essential factors to guarantee water availability and water quality. The ecosystem balance and the protection of natural areas, in all biomes, contribute to the maintenance of springs, rivers, and springs.

In order to collaborate to the protection of these areas, we carefully manage the assets that are located in conservation areas. Only 14% of our infrastructure is located in Permanent Preservation Areas (APPs). These comprise reservoirs and catchment areas, pumping and treatment stations, and other types of structure.

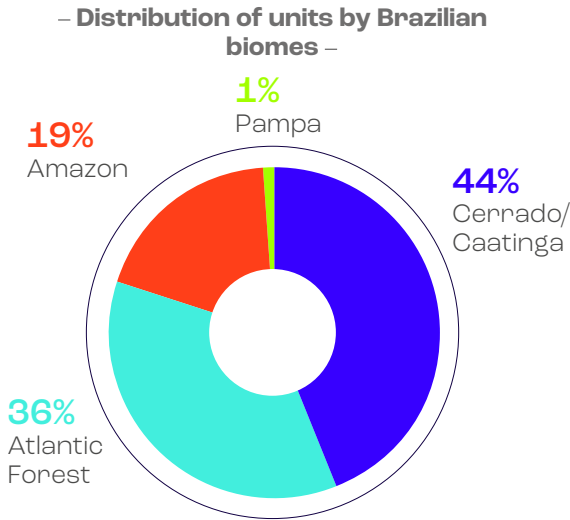
To expand our positive impact, we joined the international initiative Business for Nature – Call to Action, aimed at engaging governments around the world in the fight against biodiversity loss. In Brazil, the action is promoted by the Brazilian Business Council for Sustainable Development (CEBDS), the Nature Conservancy (TNC), WWF, and the International Chamber of Commerce in Brazil (ICC Brazil).

Click here  to learn more about the Business for Nature – Call to Action initiative



In 2021, we maintained 40 hectares of APPs in our units. Moreover, we promoted the restoration of 54.3 hectares in the period. Of this total, 19.4 hectares were considered fully restored after verification by the relevant licensing agencies, while another 34.9 hectares were still in the process of restoring biodiversity, being monitored by our teams.

Reforestation activities involve planting of seedlings by the units, beekeeping projects integrated to preserved areas, environmental education initiatives, and campaigns aimed at communities, including collective actions for the donation of seedlings.



44% of the municipalities served by BRK are located in the Cerrado biome, considered the “water tank of Brazil,” as it shelters sources of rivers that are important for the country’s drainage basins

Biodiversity preservation

Through the participation of our CEO, we are also committed to the **nine goals** of **Brazilian Business Commitment to Biodiversity**, promoted by CEBDS.

- 1 To insert the topic of biodiversity into the company's business strategy.
- 2 To apply the mitigation hierarchy, prevent, mitigate, recover and offset impacts on biodiversity, throughout the life cycle of the projects.
- 3 To promote and strengthen best practices that favor the rational use of biodiversity resources.
- 4 To develop and encourage studies, research projects, technology and innovation that contribute to the conservation of biodiversity and ecosystem services.
- 5 To know the biological diversity of the company's areas of operation and, where possible, monitor and measure impacts and dependencies.
- 6 To make the information collected publicly available, in order to collaborate with the management of the region's biodiversity and make this information transparent to society.
- 7 To disseminate knowledge related to biodiversity and ecosystem services within the scope of its activities and value chain.
- 8 To enhance conservation and recovery actions in the regions where the company is located, seeking a positive net impact on biodiversity.
- 9 To engage communities located in the regions where the company operates in order to strengthen their involvement with the conservation of biodiversity and maintenance of ecosystem services.

People and society

When we arrive at a municipality, we establish a long-term, trusting relationship with the communities. Our concessions have average contracts of 30 years, and therefore, we are privileged to accompany generations of Brazilians.



Our ambition is to contribute to the growth and development of these people. We have a Private Social Investment (ISP) strategy that boosts the generation of employment and income and encourages citizenship and respect for human rights. We promote diversity and inclusion, inside and outside our company, to transform lives and territories.





Safety first

Acting safely is a value of our company, and preserving life is at the forefront of our strategy. That's the purpose of our Safe Work Management System (SWMS*), which covers 100% of the units. Since 2019, we have been working on implementing the SWMS pillars and structuring elements and strengthening the safety culture among leaders and employees.

The main goal of the SWMS is to eliminate and mitigate high-severity incidents by identifying activities with the greatest potential for injury or fatalities and implementing safety barriers. With five pillars and 20 structuring components, the System defines safety control means with daily planning of activities involving employees and contractors, as well as safety planning for new projects.

**Safe Work Management System.*


In 2021, the Severity Rate (TG) recorded a 38% decrease compared to 2017. This evolution demonstrates the effectiveness of the implementation SWMS action and the importance of communication actions, training and engagement of our professionals

The SWMS, developed in Canada by the specialized consulting firm Utility Risk Management (URM), was brought to Brazil to be implemented in our company's sanitation operations. The URM is responsible for the implementation of the program, as well as for evaluating the implementation and verifying the procedures through audits in the units.

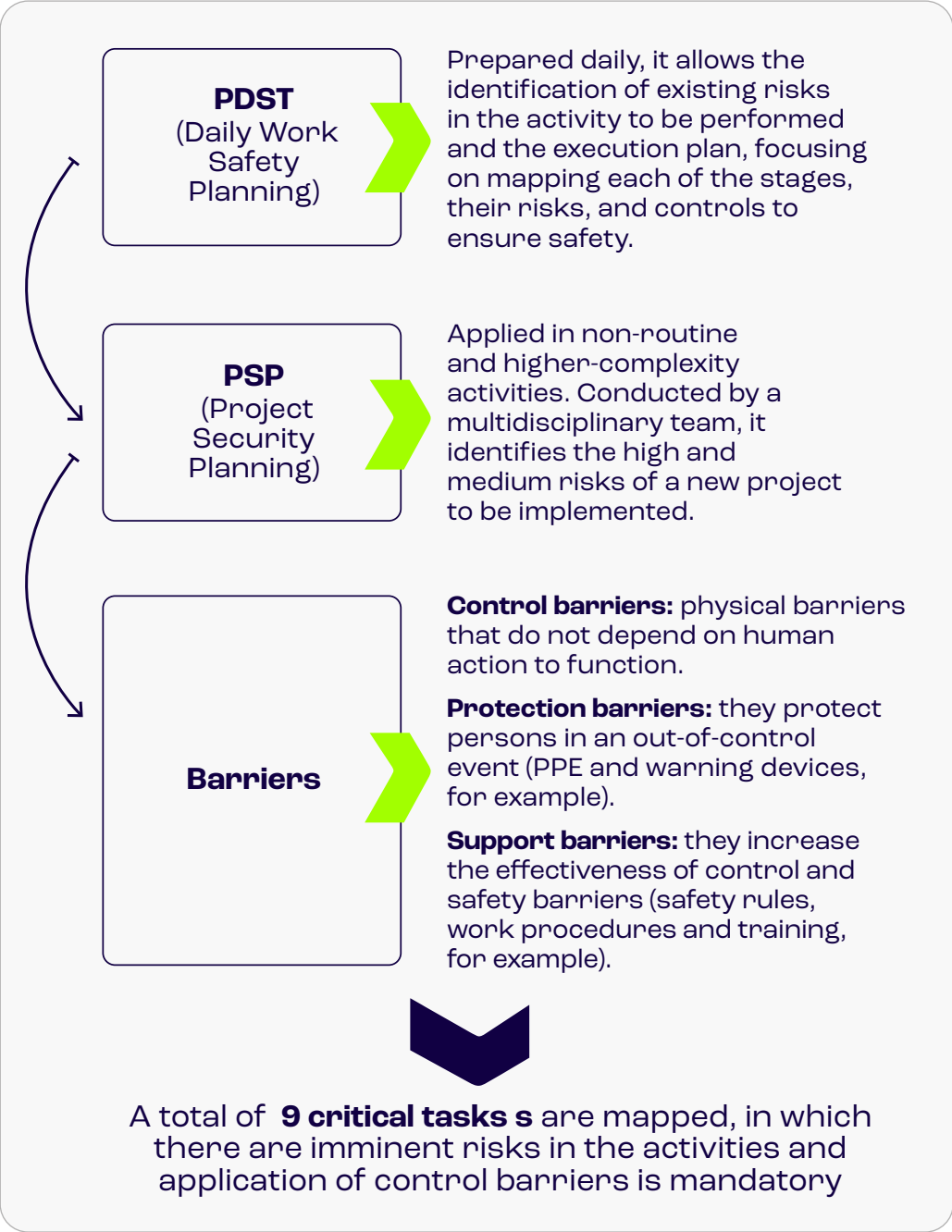
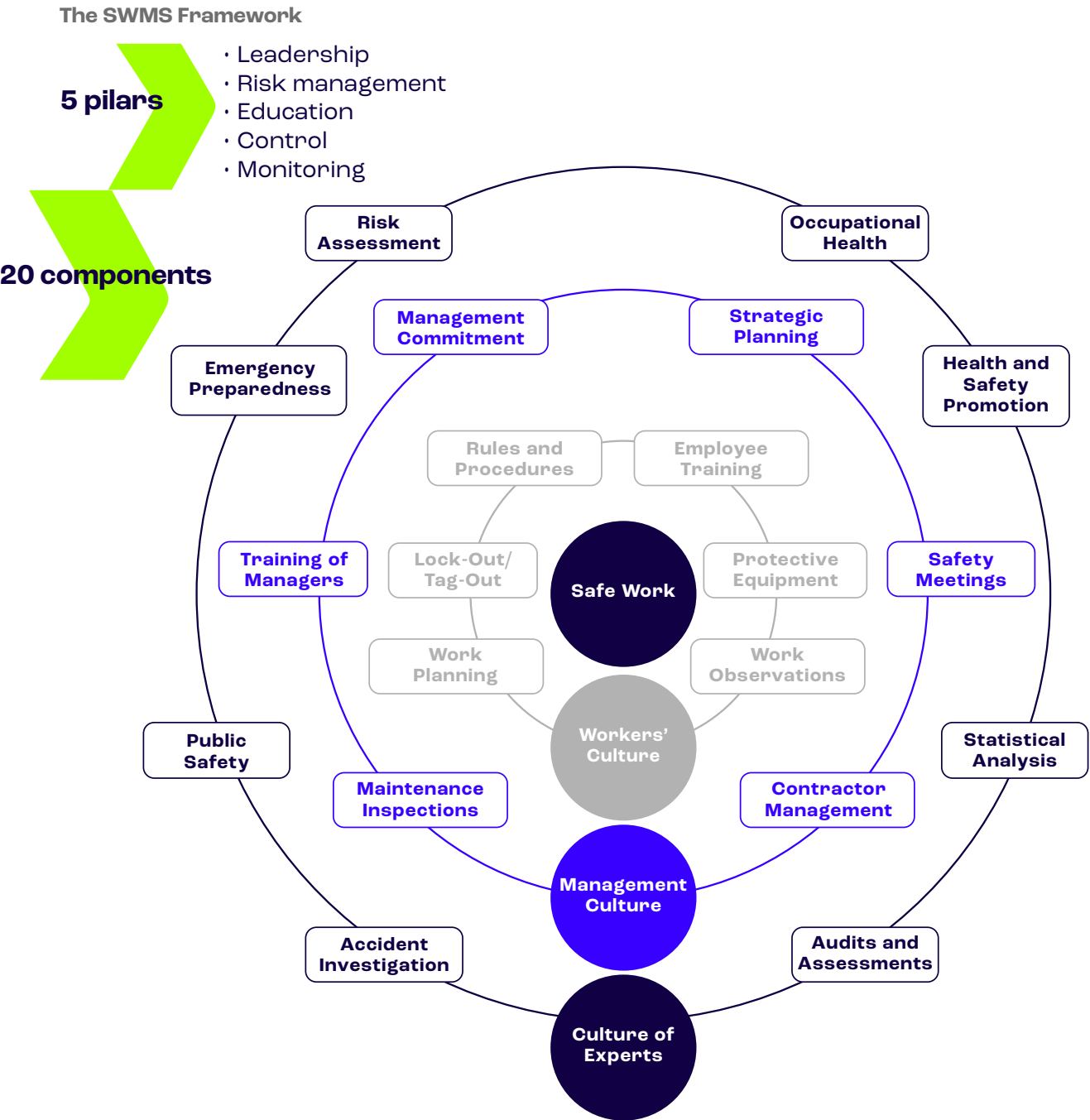
Operational safety management constitutes ongoing work. In the last year, we recorded 145 accidents with our teams, a reduction of 36% compared to 2017.

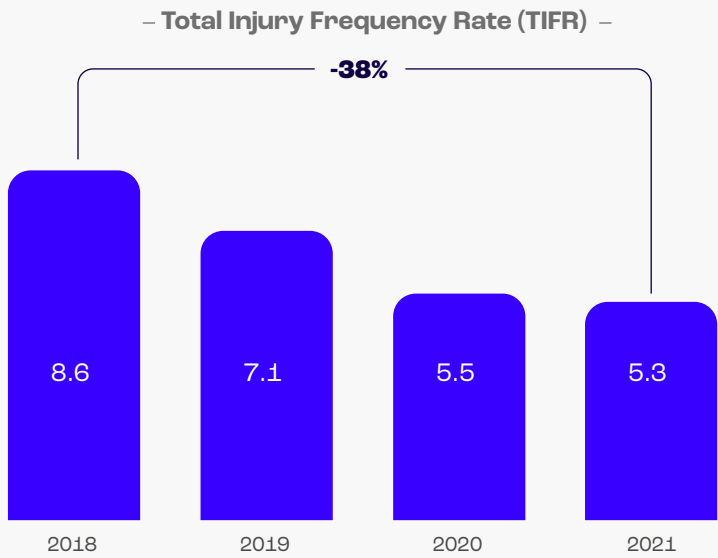
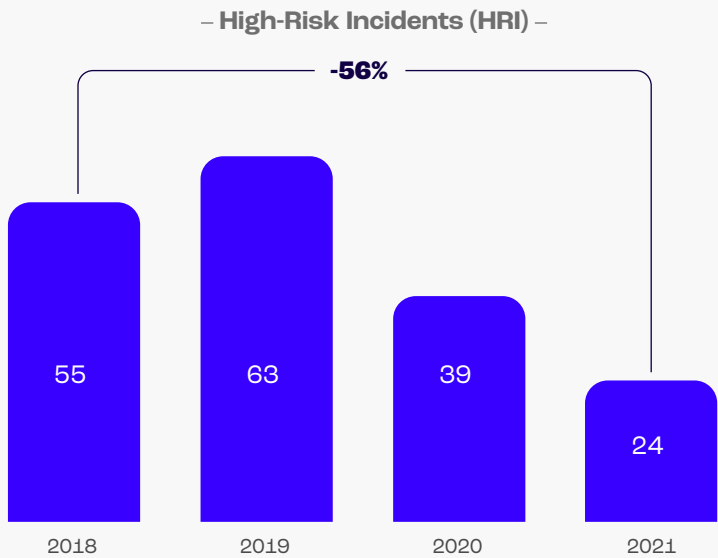
SWMS procedures and practices are consolidated in a set of 36 work safety guidelines and another 9 to be applied to critical tasks, which have greater complexity. Third parties who work at our units or in field activities are guided by the Health, Safety and Environment (HSE) Manual for Contracted Companies and, before starting work, undergo a document evaluation process and face-to-face integration with our team.

Additionally, periodic communication campaigns and training reinforce the safety culture in our company. Every year, we hold the Internal Workplace Accident Prevention Week (SIPAT), one of the main forums for raising awareness among employees and third parties.

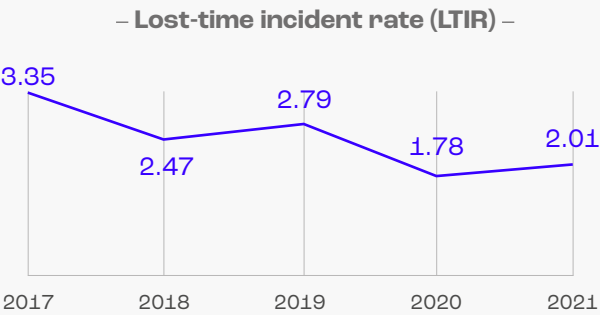
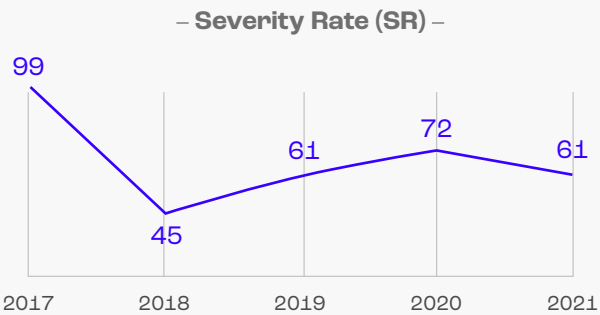
Click here  to learn more about our security management system







➤ The high-risk incident rate (HRI) and the Total Frequency Rate (TIFR) had significant reductions between 2018 and 2021. In the same period, investments in units (CAPEX) **increased by 125%**, with more activities in the field



Occupational safety indicators*

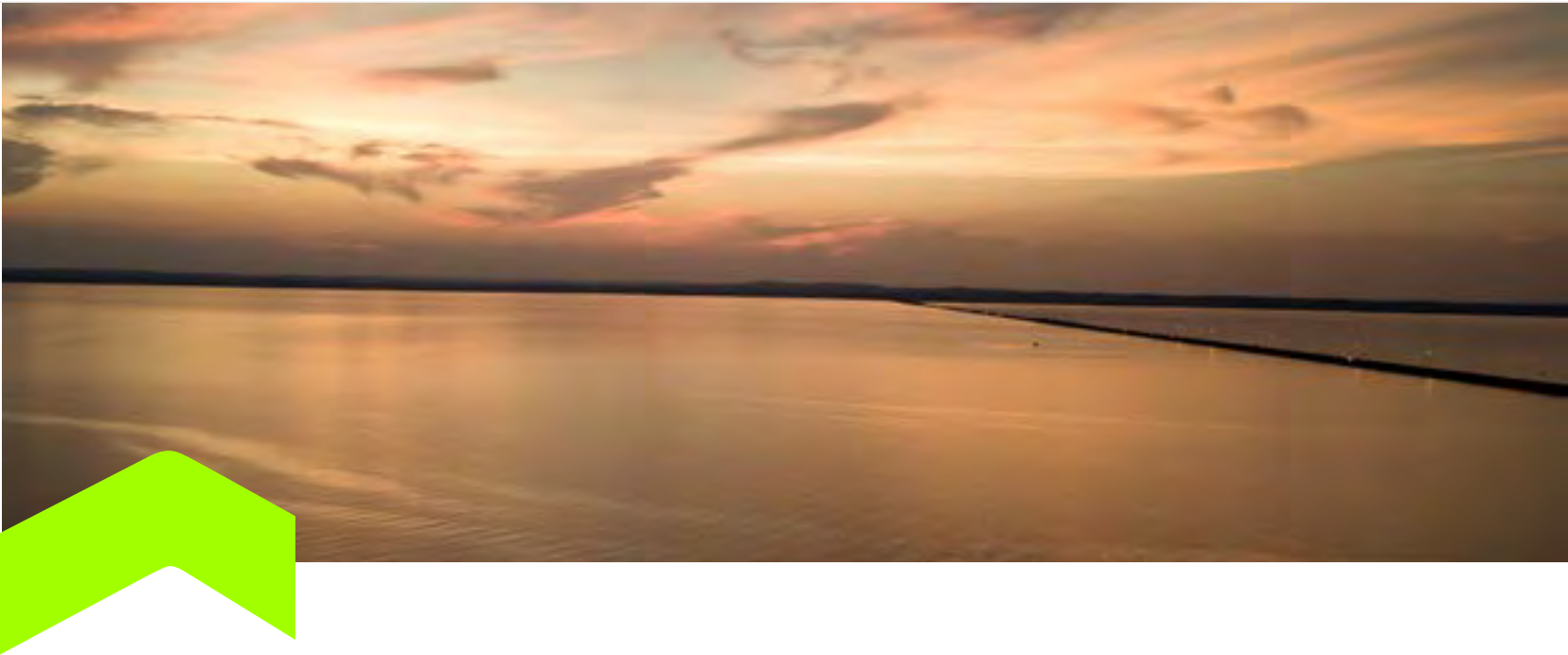
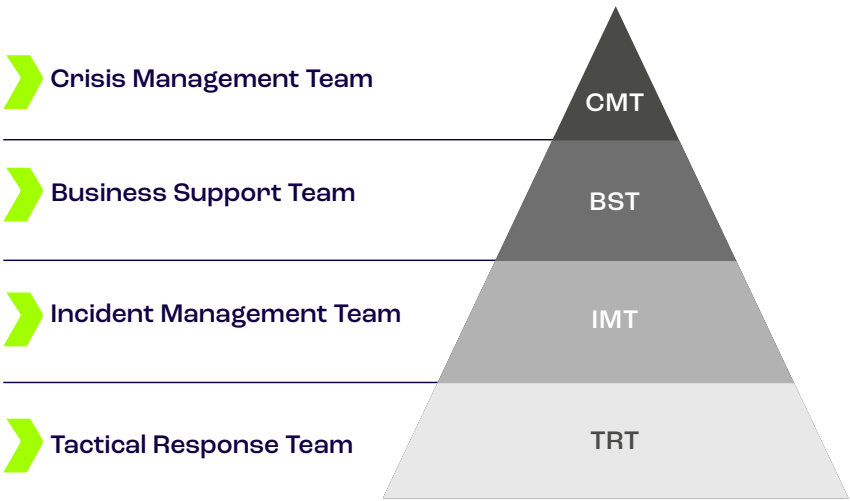
	2021	2020	2019
Total man-hours worked	27,373,384	24,104,187	26,543,000
Number of recordable accidents	145	133	186
Number of accidents with severe consequences (except death)	7	5	11
Recordable accident frequency rate	5.3	5.5	7.1
Frequency rate of accidents with severe consequences	0.26	0.21	0.41
Incident severity rate	61	72	61

*No fatal accidents were recorded in the three-year period. Rates are calculated with a factor of 1 million man-hours worked.

Secure asset management

Our security management is also focused on protecting assets and mitigating the risk of incidents at our units. In December 2021, we completed the update of our Emergency and Crisis Management plan, which establishes processes and actions to be taken in situations that require immediate responses.

For the preparation of the plan, we used the international methodology ICS (Incident Command System) as a basis and structured a hierarchy of multidisciplinary teams to be formed according to the type of emergency.



One of the main areas of action in asset management is dam safety. These structures are essential to guarantee the population's water supply, and the focus of management is the prevention of accidents, such as the overtopping of reservoirs.

Our Dam Safety Program has a Safety Plan and Emergency Action Plans (PAEs), developed in accordance with the National Dam Safety Policy. These investments serve for continuous monitoring and to ensure greater operational safety and reliability.

The monitoring of dams is carried out through digital tools and an online platform, which allows real-time monitoring of technical indicators

obtained in regular field inspections. In this way, we have established action plans for the preventive maintenance of these structures.

We also have a Safety and Civil Structures Plan, aimed at assessing risks and ensuring safety in over 6,000 structures operated by our company (WTPS, WWTPs, reservoirs, pumping stations, and other types).

The management of operational risks is carried out centrally by a management that ensures the application of best practices. For each group of risks assessed, we generate action plans that are monitored and followed up through a central PMO (Project Management Office).

Operational risk management

Structures Core

Dam Safety Program

- 30 dams
- 85 sewage ponds

Security Program Civil Structures

- + 6K structures
- 996 structures inspected in 2021
- Development of manuals and technical procedures
- Systematized routine inspections

Operational Continuity Core

Operational Integrity and Process Safety

- Process safety management in each operation
- 20 units assessed between 2020 and 2021
- 10 process risk studies
- 879 risk events analyzed
- 40% of action plans completed

Sewage Extravasation Management

- Focus on reducing overflows in sewer systems
- 95% reduction in sewage return cases
- 7% reduction in extravasations
- 20% reduction in Network Obstruction Index (IORC)
- 38% growth in preventive network cleaning

Forced Conduit Safety

- Assessment of physical and hydraulic risks in the main water and sewage lines
- 289 kilometers of network inspected in 2021
- 435 risk events analyzed

Water Security

- Risk management associated with water scarcity and climate change
- Water Resource Management Plans for key systems
- Meteorological intelligence services
- Level Forecast Models for Dams and Springs

Centralized PMO

Management of action plans

- 87 action plans in follow-up
- 30 action plans planned for 2022
- Centralized management in digital software

Click here  to learn more about asset management

Click here  to learn more about emergency management

Talent management

In the current scenario of the sanitation sector, in particular with the new Regulatory Framework, people management is even more relevant to support the company's growth and winning of new business. Therefore, our human capital development strategy is based on three pillars:

- **Training to attract, develop and retain talent**
- **Strengthening commitment and engagement**
- **Leveraging performance**

Our internship and trainee programs open up opportunities for young talents, aligned with our values and engaged with the sustainability agenda, to start their professional journeys in the sanitation sector and participate in our purpose of transforming people's lives.

In 2021, we opened registration for the first edition of the BRK Transformadores Trainee Program, with vacancies available in all regions of Brazil for recent graduates in various specialties. Transformadores has a duration of 18 months, and the selection process boosted the formation of a diverse group, with different traditions and experiences.

The internship program is another platform for attracting promising young people to our company. In the 2021 edition, we filled 80 vacancies with university students from different regions of Brazil, and we have already reached a 42% rate of effectiveness. In early 2022, we opened registration for a new edition of the program, now with 105 vacancies.



The topic of Diversity and Inclusion is a pillar of our people management, as it is directly connected to our corporate purpose. The solidity of our actions increases the attraction and retention of young talents, strengthening our human capital in the long term.

BRK Transformadores Trainee Program

33%
of those selected declare themselves to be black and mixed race

20%
of the people selected are LGBTQ+



Leader training

Our leaders are protagonists in the dissemination and strengthening of our values and commitments to safety, efficiency, and sustainability. The training and preparation of these employees, with the promotion of engagement in our corporate culture, is carried out on an ongoing basis through platforms and training programs.

In 2021, in partnership with Fundação Getulio Vargas, we created the first MBA in Sanitation in the in-company format. The first group has 42 employees, who will be trained in 19 different subjects, divided into 3 modules – Sanitation and Infrastructure, Economic Regulation, and Applied Management.

We also conducted internal leadership training programs, focusing on improving organizational skills and preparing for business growth. Through the Academia de Líderes, we promote training and actions for the development of skills related to communication with the team, people’s emotional intelligence, and people management.

For employees who have assumed leadership positions for the first time or have this potential in the short term, we conduct the First Leadership Acceleration Program, aimed at developing the skills and abilities of managing teams and people.

The Succession Journey is the program that complements our leadership preparation cycle. The platform is aimed at employees with the potential to assume management positions, identified through performance appraisal cycles. Our goal is to train people mainly for the management of current business units and new businesses to be developed as the company grows.



In 2021, 2,090 people were recognized (for promotion and/or merit) at BRK, with 223 for leadership roles

Other initiatives

Saber BRK

With a focus on employee development, the company has created an integrated knowledge platform to consolidate online training. Training is carried out in areas such as security, business, and communication.

Scholarships

The company encourages its employees to always seek new knowledge. Therefore, it offers educational subsidies for technical, undergraduate, graduate, and Master's programs, in addition to language courses.

BRK Attitude program

The project is aimed at operations and aims to strengthen the company's culture. The initiative trains leaders and followers for professional development in line with BRK's values.

Network – Knowledge that Generates Value

An initiative for the exchange of knowledge among the employees themselves, through an online platform, on technical aspects of the operation and various skills (photography, music, and other skills). It encourages well-being, quality of life, and interaction among employees.

Engagement and culture

In 2021, we completed the digitization and modernization of our people management tools. One of the main advances on this front was the formatting of a single platform (Success Factor) for all HR processes.

We also adopted a new climate management tool that sends engagement surveys on a weekly basis, classifying BRK in various pillars, from alignment with the company's purpose to the relationship with the team. We want to look at the challenge of our employees and adopt action plans that can support our day-to-day actions.



Employees who conducted performance appraisals*

	20/21 cycle	19/20 cycle	18/19 cycle
By gender			
Men	93.3%	95.9%	95.9%
Women	95.1%	93.9%	94.0%
By functional level			
Executive Board	100.0%	100.0%	100.0%
Management	100.0%	100.0%	100.0%
Coordination	99.5%	99.0%	99.0%
Supervision	99.1%	100.0%	100.0%
Administrative	97.3%	99.0%	99.0%
Operational	94.6%	97.5%	97.5%
Total	94.7%	98.0%	95.1%

*Considers only permanent employees.

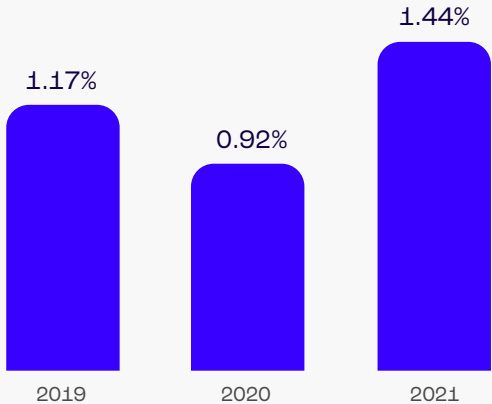
Performance management is an ongoing process aimed at identifying, measuring and developing employee performance in line with the organization’s strategic objectives.

At BRK, this process has 5 phases:

- 1. Definition of BRK indicators
- 2. Definition of individual indicators
- 3. Assessment of BRK competencies
- 4. Determination of Results
- 5. Feedback and definition of the Individual Development Plan

Every employee hired by 9/30 must agree on their goals in the system.

– Turnover rate* –



*In 2021, global economic activity was resumed following the COVID-19 pandemic, with and the recovery of the basic sanitation market.

Diversity and inclusion

Respect for people is a value of our company, and the promotion of a positive work environment, with diversity and inclusion, is directly linked to our purpose. We create opportunities and value each individual. Our diversity program is a key factor in attracting and retaining talent from Generation Z and Millennials in our units, as these groups take this issue into consideration when choosing where to work, and it also serves as an incentive for our value chain.

The **DiversifiK Program** was created to structure our actions while focusing on plurality and diversity. The actions carried out across the company strengthen the topic in our ESG Strategy and promote the engagement of all employees.

DiversifiK has its own monitoring committee, led directly by the CEO and featuring the participation of other leaders. This collegiate board interacts with the four thematic groups, composed of two leaders and six employees who volunteer to participate.

One of the main benefits of the development of DiversifiK has been the inclusion, in the corporate ESG Strategy, of targets related to diversity. By 2024, we intend to reach a rate of 40% of women in leadership positions and, by 2025, we aim to have 40% of self-declared black or mixed race leaders.

To achieve this goal, we structured the **Black Women's Acceleration Program**. The project carries out online workshops that talk about topics on ancestry, self-knowledge, and self-esteem. As of November 2021, 37 black employees had participated in the Program and 40% of them had been promoted.

Another important action is the **Reinventar Project**, which promotes the professional training for women to work as hydraulic technicians. Two classes of Reinventar, offered in partnership with the Brazilian National Service for Industrial Training (SENAI), have already been held – one in Recife, Pernambuco (PE) and another in Maceió, Alagoas (AL). A total of 50

women were benefited, 29 of which are Venezuelan refugees and 5 are indigenous people in situations of social vulnerability. The other 16 beneficiaries are Brazilian. The initiative also had the support of the Global Compact Brazil Network, Instituto Aliança and the State University of Ceará (UECE). This action is carried out within the scope of our Private Social Investment (ISP) strategy.



37

participants of the Black Women Acceleration Program



37.5%

of them were promoted

45%

of women in top leadership*

*CEO and Directors.



30%

of women in leadership roles*

*Supervision and above.

50

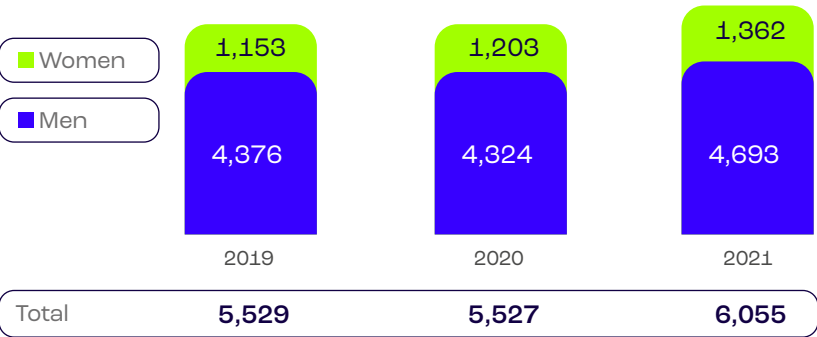
women trained in the Reinventar Project



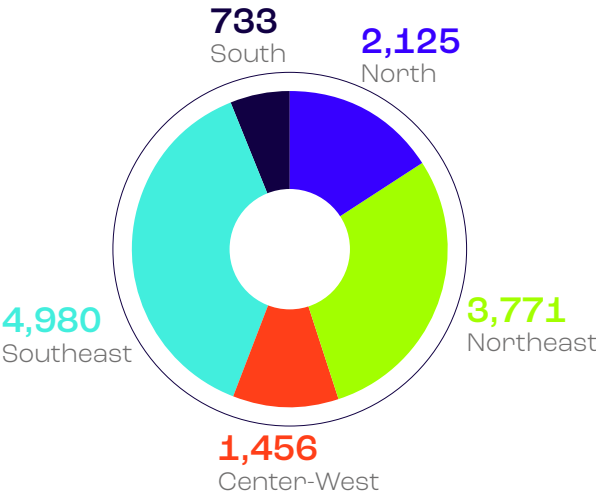
44%

of them were hired by BRK and partners

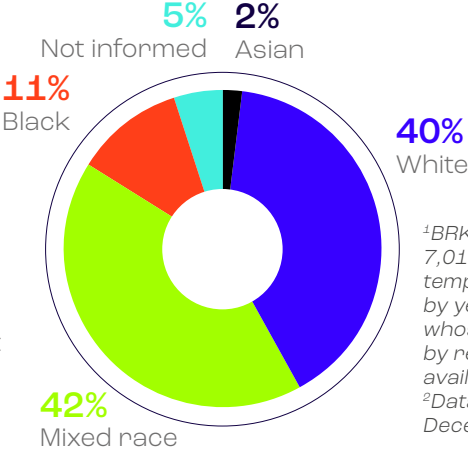
– Employees with a permanent contract by gender¹ –



– Employees distribution by region¹–



– Employee distribution by race² –



¹BRK also had 7,010 employees on temporary contracts by year-end 2021, whose segmentation by region is not available.
²Data referring to December 2021.

Employees by gender

	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
By employment contract						
Permanent	4,693	1,362	4,324	1,203	4,376	1,153
Fixed term*	7,010		4,485	441	4,701	358
By job type						
Full time	4,693	1,362	4,324	1,203	4,376	1,153
Part time	na	na	na	na	4,701	358

*Gender segmentation of employees with temporary contracts is not available.

Employees by region

	2021		2020		2019	
	Fixed Term	Permanent	Fixed Term	Permanent	Fixed Term	Permanent
North	964	1,161	435	411	435	399
Northeast	2,038	1,733	1,262	1,258	1,518	1,302
Center-West	999	457	644	1,227	729	1,219
Southeast	2,591	2,389	2,324	2,331	2,117	2,330
South	418	315	261	300	260	279
Total	7,010	6,055	4,926	5,527	5,059	5,529



Health and well-being

Between 2020 and 2021, the COVID-19 pandemic made attention to the health and well-being of our team an even more central aspect of our work. Along with the care we already practiced with benefits and assistance programs, we added new safety protocols and operational procedures.

In 2021, we consolidated the Remote Work Standard to guide the performance of employees when activities are not being carried out in the company's offices and units. The distance work scheme was adopted as an emergency measure in 2020, when the first cases of COVID-19 were detected in Brazil, following the recommendations of authorities and medical experts.

In early 2022, with the advancement of vaccination in the country, we resumed face-to-face work in a hybrid way, maintaining the possibility for

employees to fulfill two days of their weekly journey at their homes or other locations.

Field activities, especially maintenance of networks and treatment plants, were maintained during the last two years. Different additional safety protocols were adopted and maintained to minimize the risk of contamination of employees and third parties, such as a new procedure for putting on and removing protective clothing.

Throughout 2021, we also kept the Crisis Management Committee in operation to monitor scenarios and define priorities. With this structure and constant communication with the units, we monitored the progress of the pandemic in the different regions where we operate, the evolution of security protocols and took actions to protect people and the population.

Health programs

Our company also has programs to promote the health of employees, which include educational and communication campaigns, monitoring of medical exams and guidelines for adopting healthy habits.

Some of the initiatives developed internally include the Hearing Protection and Conservation Program, the Respiratory Protection and Conservation Program, procedures for special activities, the Ergonomics Program, annual health and flu vaccination campaigns and periodic exams that surpass those required by legislation. Moreover, we have procedures for acting in cases of emergencies and first aid.

Regarding third-party management, we require contractors to present the Occupational Health Medical Control Program (PCMSO) and the Occupational Health Certificates (ASOs) of the professionals involved in our operations. Corporate ergonomics programs, special activities and emergency procedures are also extended to this audience.



Customers

Innovation and digitalization improve the relationship with our customers and make revenue collection more efficient in the municipalities we serve. With the implementation of new tools and processes, in 2021, we overcame the challenges brought by the COVID-19 pandemic and managed to guarantee the quality of service and the generation of value for the company.

In 2021, we started a project to remotely measure the water meters of customers with high levels of consumption – mainly industries and commerce. In addition to greater efficiency in the billing process, with the reduction in the risk of errors and delays, this innovation allows customers to have more knowledge about their consumption habits and seek efficiency actions.

We also started using drones and georeferencing systems to conduct analysis and re-registration of the customer base at our units. With the use of software and validation algorithms, we have been able to ensure a more



assertive detection of properties that may have undergone changes in their profile and which should be reclassified into their consumption ranges, such as residences that have become businesses or subdivisions in which new residences have been built.

One of the main fronts on which we work with clients consists of actions to reduce default, through negotiations on overdue invoices, collection communications, and other initiatives.

Over the course of 2021, restrictions on cutting off supplies to defaulting borrowers were gradually lifted, leading to a decrease in default levels.

In addition to this factor, initiatives to segment customers, according to their payment habits, contributed. Collection actions started to be directed through different channels and with different periodicities, according to the history identified through the algorithms and registration systems.

We started to send, for example, notifications via WhatsApp or SMS to customers who tend to forget the due date of their invoices and pay a few days later. For those who prefer to use the telephone service, communications are now carried out by the Audible Response Unit (URA).

Cashback on payment of invoices

In 2021, BRK and the payment platform PicPay entered into a partnership to encourage the payment of water and sewage bills digitally. The campaign allowed a percentage of invoices paid or overdue debts negotiated to be returned to the account of registered users. Cashback could reach up to R\$700, depending on payment terms.

Microcredit

The Microcredit Program for Low-Income Communities, developed in partnership with Water.org, expands families’ access to sanitation. Around 4,300 families have already benefited from the initiative, which provides financial loans through the Prospera (Santander) platform, aiming to finance works to connect homes to the sewage collection network.

In 2020, the Microcredit Program took place in a pilot format in the states of Maranhão, Tocantins, and Santa Catarina. In 2021, the initiative was replicated in the West Zone of Recife (Pernambuco), benefiting the community in the district of Torrões.

With around 32,000 inhabitants, only 28% of customers in the region have sewage collection and removal correctly installed, even though the collection network has already been taken to the site – which causes the incidence of diseases caused by the lack of sanitation.

The project involved carrying out a local socioeconomic diagnosis and identifying the factors that delay the universalization of sanitation in Torrões.

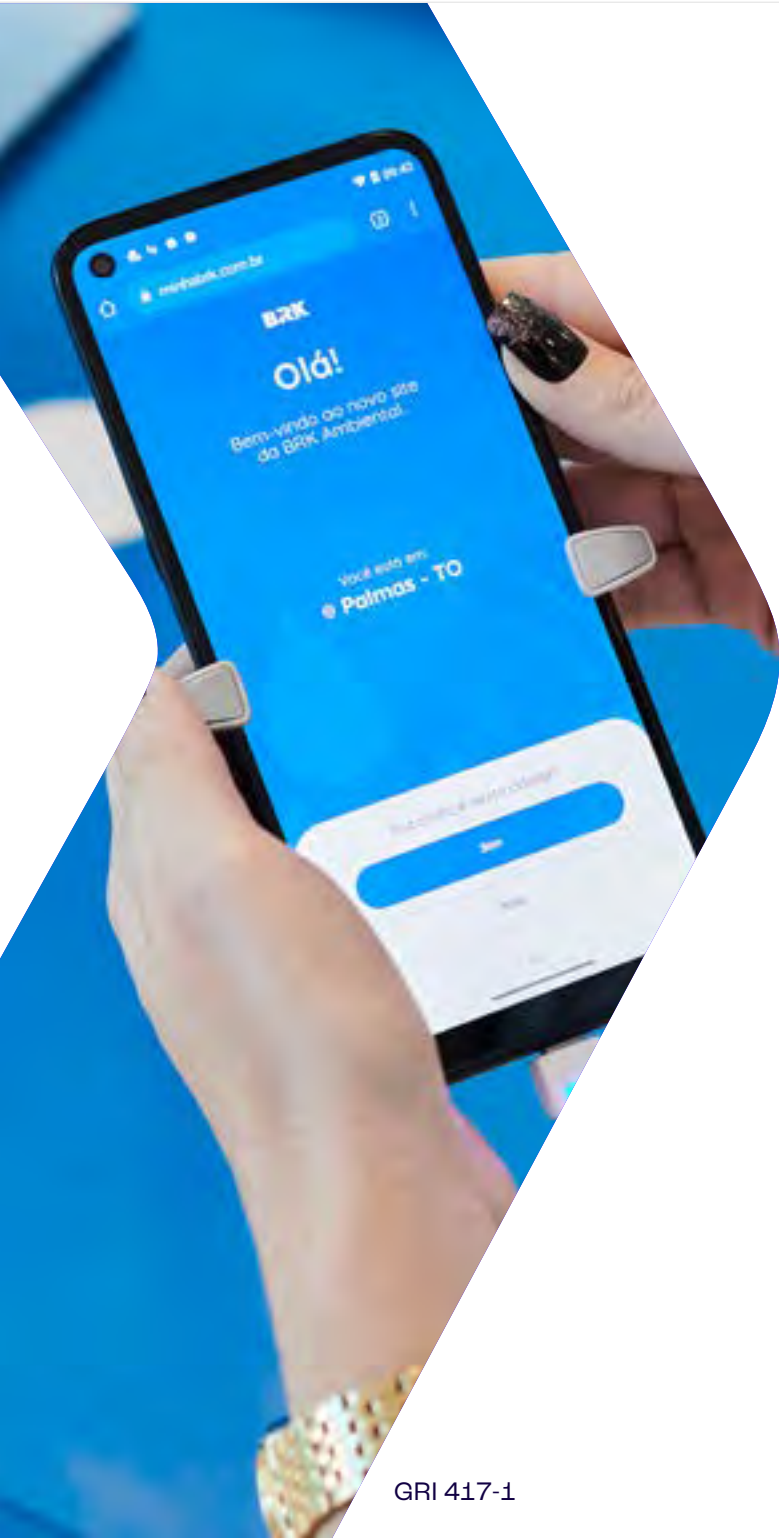


Based on this diagnosis, we seek to offer possibilities, through partnerships, for access to resources (between R\$200 and R\$2,200) that enable the adaptation of the necessary infrastructure for the sewage connections in houses and buildings.

In all the cities we serve, the replication of the Microcredit Program has the potential to benefit around 500,000 people.

Social tariff

The implementation of the social tariff for low-income customers is one of the changes proposed by the new Legal Framework for Sanitation, which are still in the regulatory phase. In our units, we already practice the benefit.



Minha BRK

In 2021, we launched a new version of the “Minha BRK” (“My BRK”) virtual agency, a customer relationship channel that allows the request for services and digital service. The platform provides more than 15 services, such as requesting duplicates, scheduling face-to-face services, and registration of cards for the payment of bills, among other possibilities. The new virtual agency makes the customer experience more intuitive and agile on devices with iOS or Android operating systems.

In addition to Minha BRK, accessible via Web or app, customers can use social media, WhatsApp and toll-free phone numbers to receive service digitally. In stores, we also provide totems to encourage the use of digital channels.

BRK Explica

On the BRK Explica (“BRK Explains”) portal, launched in 2021, our customers and employees now have access to different information about

our services and operations. The area available on the company's website features explanatory content on billing, water meter, conscious consumption, sustainable disposal, water quality, and sanitation.

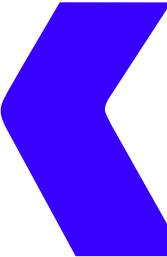
BRK Explica also provides details on the quality of the water distributed, parameters analyzed by the utility company, and the importance of treatment.

This information is also available on the invoices sent, as provided by Ordinance No. 2,914/2011 of the Ministry of Health, in addition to fiscal, financial and identification information on each consumer unit and on measured volumes. In addition to legal requirements, we include in the invoices the channels for contacting the company (address and opening hours of the stores and the Customer Service Center) and the regulatory agencies, facilitating customer access to mechanisms for clarification and consultation.

Each year, we send our customers the Annual Water Quality Report. In accordance with the requirements of Federal Decree No. 5,440/2005, this publication discloses information on water quality in the region, harvesting sources, and the treatment processes carried out by us, in addition to information on the improvements made in operations and the investments planned.

Click here  to learn more about the BRK Explica portal

In 2021, we did not record any cases of impact on the health and safety of customers related to the quality of the water supply and sanitary sewage services provided by us





Social investment

Much more than expanding water supply and sewage treatment, our businesses have the potential to promote the socioeconomic development of the municipalities where we operate. In the more than 100 cities we serve, our Private Social Investment (PSI) strategy helps make sanitation synonymous with growth and prosperity.

Our corporate ambition is based on the concept of mobilizing society to exercise citizenship and promote sustainable development. Therefore, our strategy establishes standardized criteria and processes for allocating financial resources and supporting social projects, tailored by the units according to local vocations and potential.

Through the Ayrton Senna Institute, 45,000 teachers from public schools in 25 states and the Federal District were trained in social and emotional skills



The fifth edition of the initiative led by Canada-based NGO Waterlution presented an innovative dynamic, with a journey with actions held between May 2021 and March 2022

As part of our strategy, we are supporters of WIL Brasil, an innovation laboratory for engaging young people and potential leaders on the challenges of water and sanitation.

One of the main initiatives supported was the Volta ao Novo project – the Social and Emotional Skills Development Program, created by Instituto Ayrton Senna. The action promoted training and shared information related to social and emotional skills essential for personal development, such as emotional resilience, kindness,

openness to experience, engagement with others, and self-management. The proposal is that the teachings be shared with the teaching units to assist in the process of welcoming the school community after the possible effects of social isolation for the well-being of students and educators.

Between July and November 2021, we supported the Máscara + Renda initiative, which benefited 40 seamstresses from the municipalities of Aparecida de Goiânia and Trindade, in Goiás. The project involved making materials available and paying these women to make facemasks, which were donated to charities to strengthen measures to combat the new coronavirus.

Participants from 11 states were involved in the InspirÁgua Festival, which marked the beginning of the journey of knowledge, creation and prototyping of solutions for water security and climate change challenges. The 16 development sessions focused on five territories covered by WIL Brasil 2021, with the support of mentorships.

WIL Brasil
2021

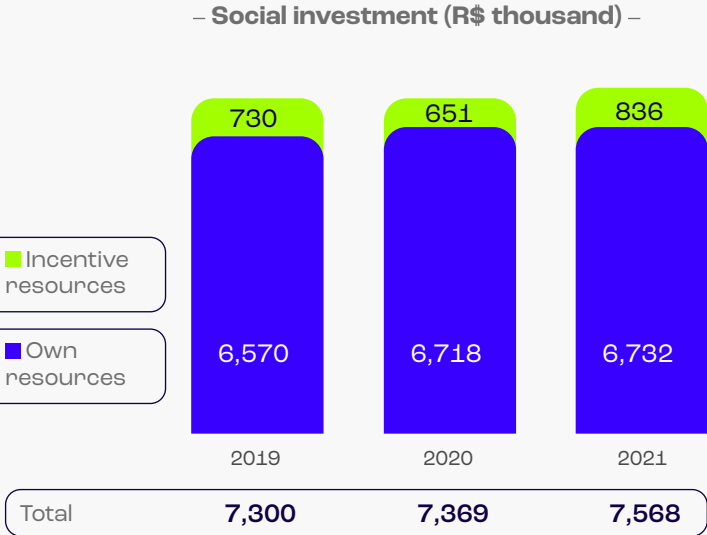


16
mentoring development
sessions

5
territories



- Maceió (Alagoas)
- Salvador (Bahia)
- Foz do Rio Doce (Espírito Santo)
- Morro do Preventório (Rio de Janeiro)
- Tekoa Guyra Pepo Indigenous Reserve (São Paulo)



Máscara
+ Renda



R\$ 108K
income generation

60K
facemasks produced

36 institutions received the
donations, benefiting
30,000 people

Project Volta
ao Novo
by Instituto
Ayrton Senna



45K
trained
educators

1,454
municipalities
covered

Governance

Guided by the purpose of transforming people's lives, we know how to make sanitation go beyond the basics. With ethics and transparency, we have built a resilient business model that creates investment opportunities, generates financial value, and improves the provision of an essential public service for society.

Our decisions are guided by the search for sustainable growth in the long term. Our leadership recognizes the importance and works actively in the management of social and environmental risks and opportunities, promoting modern management supported by the ESG pillars.



Governance structure

Our company is a publicly traded corporation that has a corporate governance structure aligned with the best practices to ensure the conduct of business with efficient risk management and capture of opportunities. The corporate strategy is guided by the Board of Directors, a collegiate body composed of seven members and their respective alternates.

The members of the Board of Directors are appointed by the shareholders at the General Meeting and serve a two-year term, with the possibility of being reelected at the end of that period. In line with the recommendations of the Brazilian Corporate Governance Code, no director performs an executive role in the company.

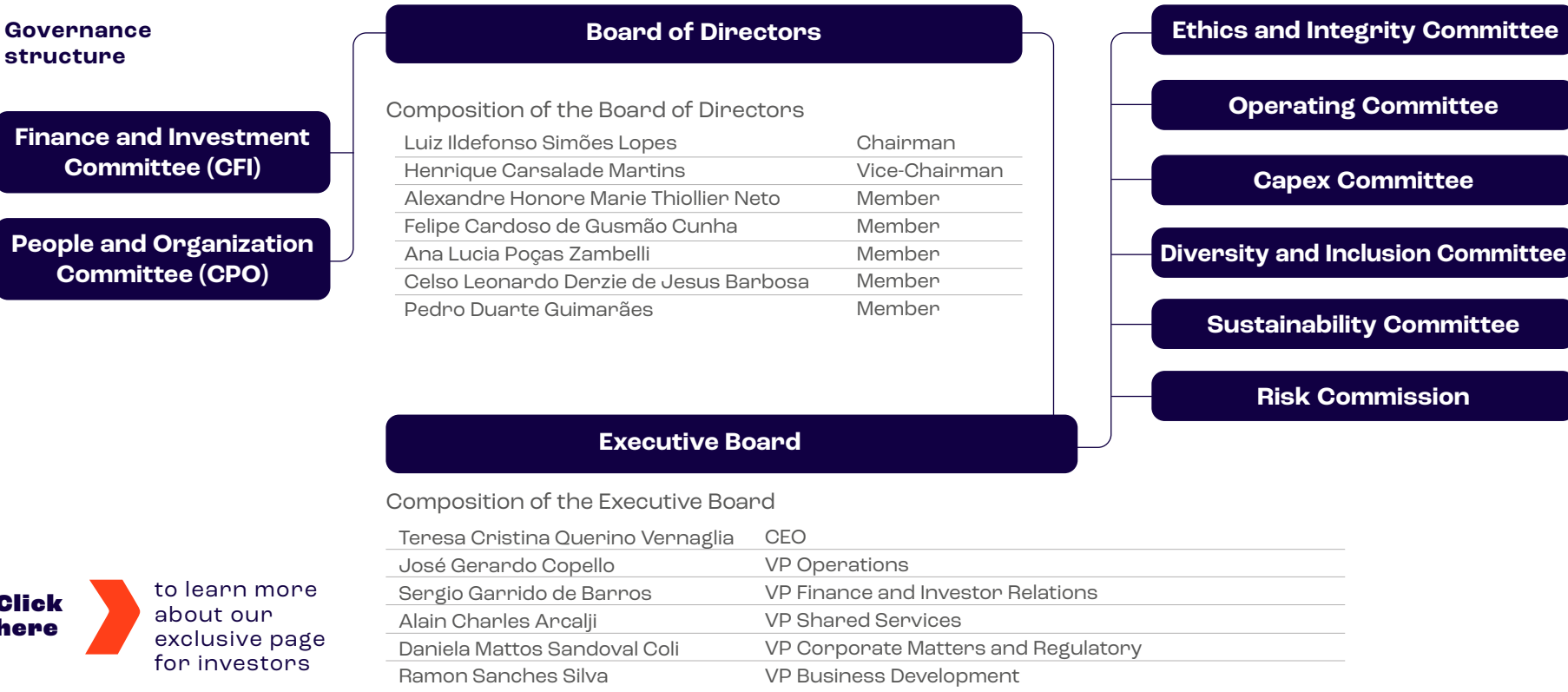
We also have advisory committees that review matters relevant to their scope of action and issue opinions to contribute in the deliberations by the Board of Directors: the Finance and Investments Committee (CFI) and the People and Organization Committee (CPO) issue opinions to contribute to the deliberations of the Board of Directors.

The execution of the corporate strategy is led by the Executive Board, which is composed of six executives with experience in the sanitation sector. Two women are part of this leadership group – one of them has been the company’s CEO since 2017.

The company is registered as a publicly-held company in category B with the Securities and Exchange Commission of Brazil (CVM), which allows for the issuance of securities to the investors’ market without trading shares. In 2022, we requested the conversion of the company’s securities issuer registration at the CVM from category B to category “A”.

To strengthen transparency in the relationship with this audience, we have an Investor Relations area and make all regulatory information and documentation available on our website.

Click here  to view more details about our governance



Risk management

In our governance model, the management of corporate risks and ESG aspects are integrated. The Risk Management Policy, built throughout 2021 with the aim of formalizing the guidelines already practiced by the company, was approved by the Board of Directors in early 2022. The management of risk management processes was incorporated into the Sustainability and Risk Board.

With this new structure, we consolidated the risk management process already carried out by the various areas of BRK and began to act in an integrated manner. Throughout the year, with the involvement and engagement of the leaders, we reviewed the main risks that could have an impact on the business, classified them according to the impact and probability rules, and evaluated the action plans and existing controls.

With this management structure, which also includes the Risk Committee – an advisory group composed of senior BRK professionals – we intend to accelerate the

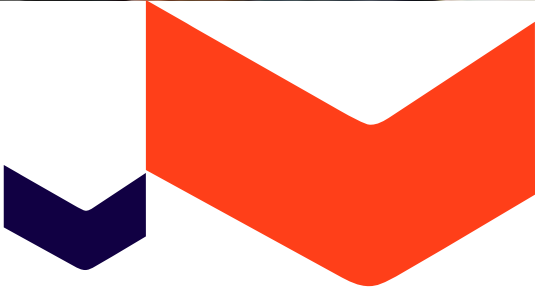


integrated view of operational, financial and ESG risks for the business. Social and environmental aspects are analyzed in an integrated manner and covered by action plans and indicators followed up and monitored by management.

With the internal control processes, implemented since 2017, we ensure that our company is in line with the requirements of the Sarbanes-Oxley Act (SOX), focusing on preventing, detecting and connecting any potential noncompliance related to the financial information of our business.

The Internal Audit area, in turn, conducts the independent and systematic assessment of the effectiveness of risk management, control and governance processes.

The area reports directly to the Vice President of Audit of Brookfield (majority shareholder) and functionally report to the company's CEO, operating guided by an annual work plan that focuses on identifying opportunities for improvement.

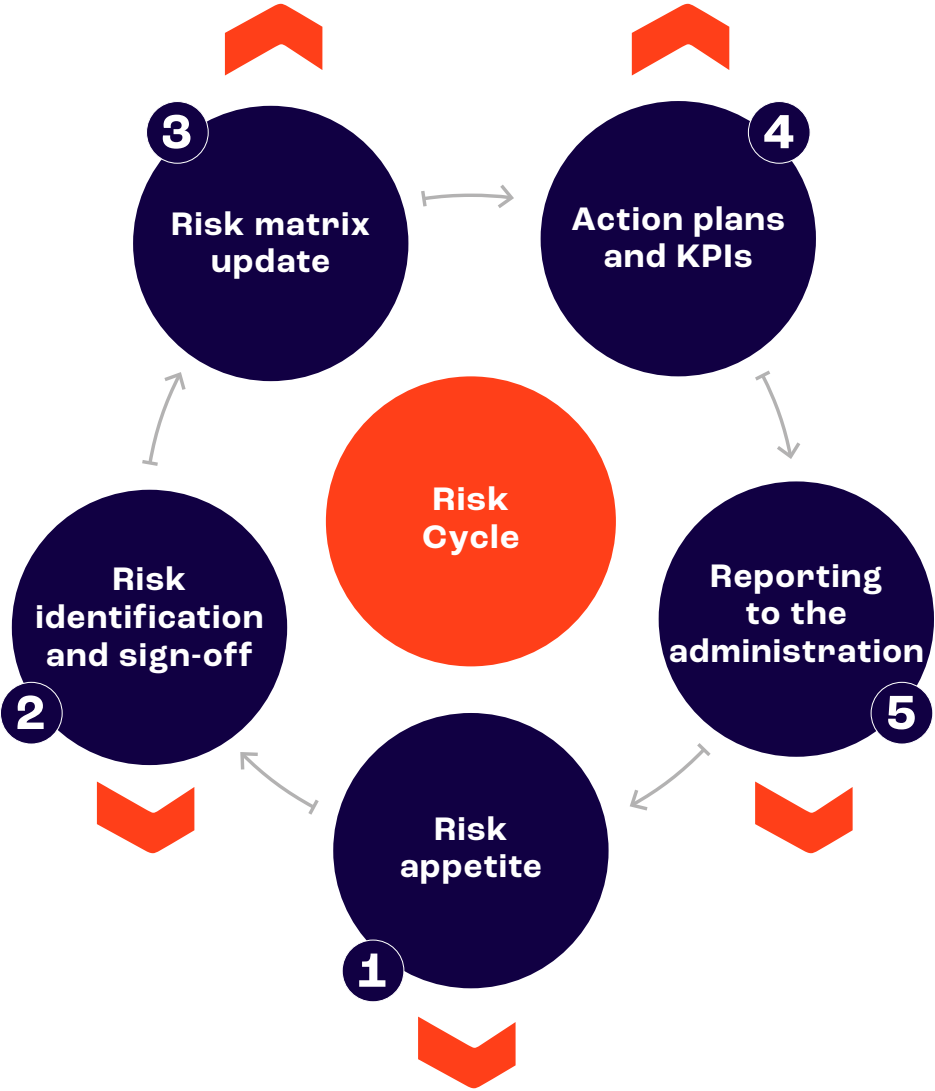


Our risk management process has been improved and now follows the parameters of the Enterprise Risk Management Framework (COSO ERM)

Business Continuity Plan

The corporate risk matrix enables the structuring of the Business Continuity Plan. This document establishes the guidelines, parameters and actions aimed at preparing the company for events and situations that lead to the interruption of operations.

Click here to learn more about how we manage crises and emergencies



Cyber risks

In a context in which organizations are increasingly dependent on distributed computing environments and operations use an increasing mass of digital data, the risks of cyberattacks become even more relevant for business governance.

To respond to this context, we developed our Information Security Program (PDSI), in line with the strategic objectives of the business and the best practices of the National Institute of Standards and Technology (NIST).

The role of the cybersecurity team is to identify and report risks, provide advisory support to the business areas in the design of new projects, adopt the best security technologies, and follow best practices to protect, monitor and respond in a quick and effective manner to security incidents, while ensuring business continuity.

Compliance program

When conducting our business, we apply the highest standards of ethics and transparency. The Compliance Program consolidates all initiatives aimed at strengthening the culture of integrity and preventing and combating illegal acts, corruption, and fraud.

The guiding principles and values of our work are established by the Code of Ethical Conduct, and the Compliance Program provides the instruments for their materialization in our activities, in a standardized and comprehensive way for 100% of the units.

The supervision of the Compliance Program is a joint assignment of the Board of Directors and the Executive Board. The administrators are supported by the Ethics and Integrity Committee, a collegiate body composed of seven company executives, in addition to the compliance officer of the company's majority shareholder, Brookfield.


The Compliance area is responsible for implementing the Program and, among its duties, drafting a calendar of annual training and capacity building programs, which covers 100% of the employees.

As part of the onboarding process for new employees, we provide training on the Code of Ethical Conduct, conflict of interest, and anti-corruption. For professionals who already work at the company, the contents provided cover topics such as ethics, conflict of interest, anti-corruption, participation in public tenders, and interaction with the government.

For external audiences, we make our main regulatory instruments publicly available on our institutional website – in Portuguese and English. Third parties classified as high risk in our assessment process also have mandatory training in ethical conduct and practices to prevent and fight corruption, which must be carried out before hiring and at each renewal of the risk assessment, as necessary.

Additionally, we are signatories of the Business Pact for Integrity and against Corruption, of the Ethos Institute, and participate in the Brazil Network of the Global Compact, which promotes the sustainable development agenda in companies, including aspects of the fight against corruption.



Click here  to learn more about our Compliance Program

In recognition of the strength and maturity of the Compliance Program, in 2021, we were awarded the Pro-Ethics Seal, from the Ministry of Transparency, Inspection and Comptrollership of the Federal Government (CGU).



Confidentiality Channel

The Confidentiality Channel is one of the main tools provided by the Compliance Program. The platform, available 24 hours a day, seven days a week, receives communications and reports of cases that are in disagreement with our policies, values, or the legislation.

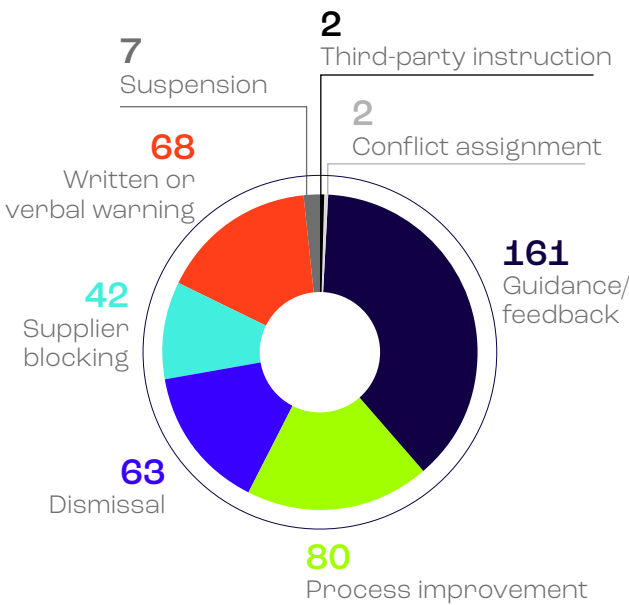
Whistleblowers can make communications anonymously if they so desire. Those who identify themselves are guaranteed the secrecy and confidentiality of their data.

The reports are forwarded by the external company, manager of the Confidentiality Channel and verified internally. If the complaint is successful, the legal and disciplinary measures to be taken are defined by the company's Ethics and Integrity Committee.

In 2021, seven complaints received on the Confidential Channel were classified as cases of discrimination. All cases have already been investigated, with three being deemed valid, generating corrective actions – verbal guidance, written warning, and dismissal. The investigation of two other cases could not be continued due to lack of data and information, and two other complaints were deemed unfounded.



– Actions taken in the Confidentiality Channel communications –



Confidentiality Channel

- 24 hours/day
7 days/week
- 0800 777 8006
- canalconfidencial@brkambiental.com.br
- www.canalconfidencial.com.br/brkambiental


Click here to learn more about how the Confidentiality Channel works

Anti-Bribery Management System

Certified in accordance with ISO 37001 (holding company and subsidiaries), our Anti-Bribery Management System (SGAS) is based on our Compliance Program. The processes and tools implemented follow the parameters of the Anti-Corruption Act (Act 12,846/2013), the United States Foreign Corrupt Practices Act (FOPA), and the United Kingdom Bribery Act.

The SGAS, structured based on the guidelines of the Program and the Anti-Bribery and Anti-Corruption Policy, provides instruments to prevent, identify and combat cases of corruption and bribery both in the holding company and in the business units.

Each year, employees are trained on topics relevant to the SGAS, including the Code of Conduct and the Anti-Corruption Policy. In addition to training, 100% of professionals are required annually complete the Declaration of Conformity with the Code of Ethical Conduct and the Anti-Bribery and Anti-Corruption Policy.

Click here  to learn more about the Anti-Corruption and Anti-Bribery Program



Main regulatory instruments of the Compliance Program

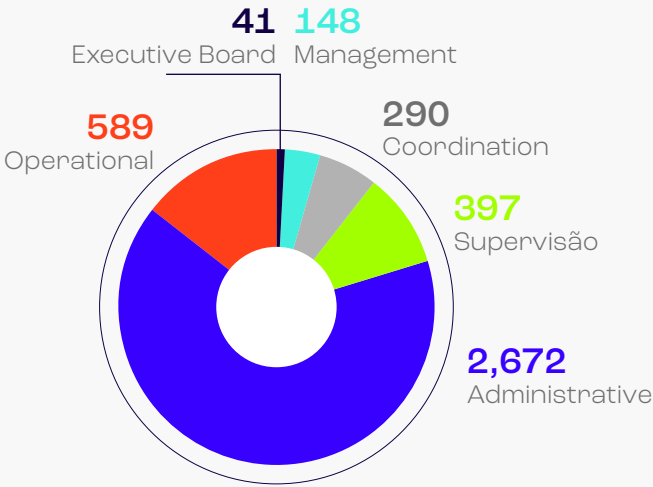


- Code of Ethical Conduct
- Code of Ethical Conduct for Suppliers
- Anti-Bribery and Anti-Corruption Program and Policy
- Transactions with Related Parties Policy
- Free Competition Protection Policy
- ESG Policy

Employees trained in anti-corruption policies and practices by region

	2021	2020	2019
Center-West and North	1,106	804	1,610
Northeast	1,315	522	1,353
Southeast	1,466	1,129	1,704
South	250	154	264
Total	4,137	2,609	4,931

Employees trained in anti-corruption policies and practices by functional level –



Research on the Compliance Program



- **99%** of employees believe in BRK’s commitment to ethics and integrity
- **98%** of employees believe that BRK has an adequate level of compliance
- **96%** of employees stated that there are frequent campaigns and communications on compliance issues



- Periodically, we conduct a survey to assess the maturity of the Compliance Program across the company. This assessment is conducted by a specialized auditing firm and considers a set of nine different criteria.
- Among the nine criteria analyzed, we achieved the maximum score in “People and Structure,” “Policies,” “Training and Communication,” and “Internal Investigations and Ethics Line.”
- **4.6** was the overall rating obtained in the 2021 assessment.

Value chain

The economic impact provided by investment in water and sewage infrastructure is one of the main benefits of universal sanitation. In 2021, our expenditure on contracting services and purchasing materials amounted to almost R\$2.2 billion, expediting production chains and generating employment and income across all regions of Brazil.

Service providers responsible for the maintenance and expansion of water networks and sewage treatment represent the majority of our contracts (roughly 75% of the expenses incurred). As of the end of 2021, approximately 5,000 outsourced workers worked in our operations.

We have approximately 5,500 registered and active suppliers in our base. These companies

are categorized into two groups: Service Providers and Manufactured Product Suppliers (Materials, Chemicals, and Hazardous Materials). They are also classified by criticality according to the scope of supply, invoiced value, technical requirements, size, service region, and other aspects related to exclusivity in supply.

Approximately 40% of the base is composed of critical suppliers, mostly large and medium-sized companies. The other 60% of the base are suppliers considered non-critical, with a list of smaller companies. Critical suppliers are responsible for around 98% of our spending.



Our suppliers are classified into two categories

Critical

Not critical

Types of suppliers

Services



- Contracts and labor for expansion and maintenance of networks
- Leasing of vehicles for field staff
- Leasing of machinery and equipment for network expansion and maintenance
- Outsourcing for connection, disconnection and supply metering services

Materials



- Water meters, tubes and connections
- Chemicals for water and sewage treatment

All suppliers, before contracting, undergo an approval process, which consists of a detailed documentary and reputational assessment carried out by a contracted company. The information is made available on a digital platform. We also carry out periodic monitoring based on this procedure.

In 2021, no risks of using child labor or compulsory labor practices were identified at our suppliers. Companies engaged in activities that may present risks of corruption undergo a careful verification process, in addition to training and engagement actions in our Compliance and Anti-Corruption Program and Anti-Bribery Management System.

To improve the relationship with our suppliers and optimize the fulfillment of regionally consolidated demands, we have operated, since 2019, with 5 regional hubs. Throughout 2021, we improved our management processes, in addition to increasing and training teams, while providing more analysis tools that focused on the application of best practices in procurement and contracting, in line with our business strategies.

The Supplies area, considering the challenges imposed by the post-pandemic scenario, continuously monitors the supply market for the main inputs that have an impact on operations in the basic sanitation sector (Chemicals, Hydrometers and PVC Materials, concrete, steel and oil byproducts, among others), with the aim of mitigating risks related to the drop in the production capacity of suppliers, possibilities of shortages, and price volatility. This monitoring directly contributes to the formatting of trading strategies and enables long-term contracts.



Projects



Performance Appraisal

The supplier performance appraisal project continues to advance. With the increase in participation, around 250 contracts have already been evaluated.



Third Party Document Management

In 2021, the Saneatins Unit joined the Third Party Management process with 119 companies, 1,158 outsourced workers, 229 equipment units, and 130 vehicles, as well as over 20,000 documents analyzed by the contracted company, providing greater security in the labor field to outsourced workers.



Structured Inventory Management

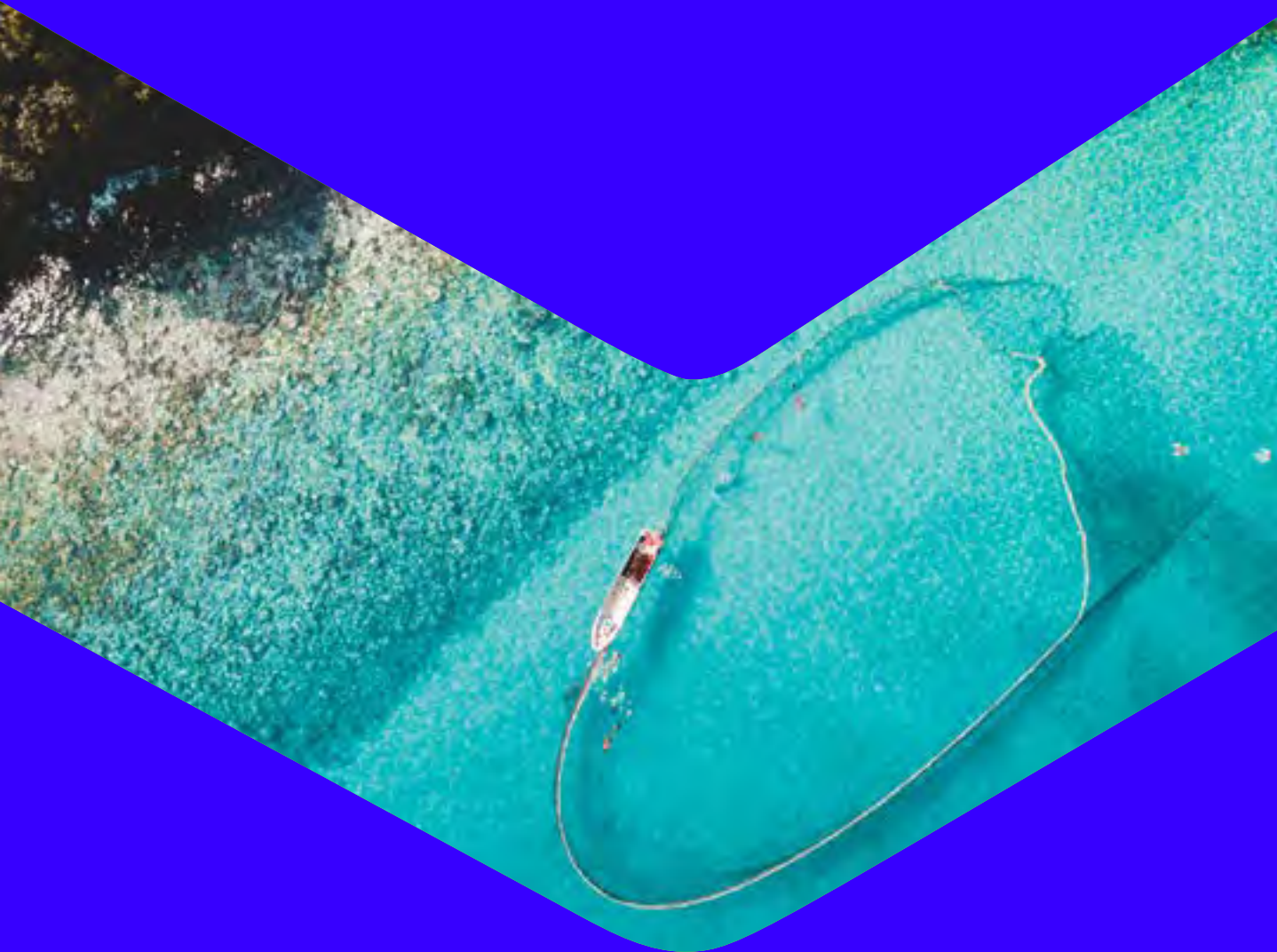
In 2021, the Inventory Management Pilot Project was started, being carried out at the Saneatins unit, which addresses an audit plan agreed alongside Brookfield and encompasses the physical structuring of warehouses, improvements to materials planning processes, and standardization of the model for carrying out inventories and material handling processes. The main actions of the project were the creation of procedures and training, physical and structural assessment of warehouses and segregation of activities and profiles. The good practices will be taken to the other units in 2022.



Fleet Management

The Fleet Management project was designed to meet the demands related to the management of fleet and fuel contracts through the issuance of reports, controls, and behavioral support for drivers. The initiative is being piloted at the units in Recife, Limeira, and Sumaré, in partnership with Ecar Fleet, and has already shown gains in efficiency indicators in the use of the fleet.

Performance



and the future

New business

On July 1, 2021, we started the operation of the unit responsible for supplying water and sewage services to 13 municipalities in the Maceió Metropolitan Area (RMM), in Alagoas. Approximately 1.5 million people will benefit from the improvement and expansion of sanitation services.

The RMM was the first concession granted to the private sector following the enactment of the New Sanitation Framework. We were awarded the operation in the auction held in September 2020 and, during the first six months of 2021, carried out an assisted operation alongside Companhia de Saneamento de Alagoas (CASAL), the former manager of water and sewage assets in the region.



In the first six months, over 1,200 vacancies were opened, including direct and outsourced jobs, for administrative, technical and operational roles.

In 2021, the total investment made in RMM was R\$144 million. The funds were intended mainly for the regularization of structures and networks and the maintenance of assets.

The goals of the RMM

The concession agreement has a duration of 35 years and was signed with goals to increase efficiency and improve service provision.

To universalize (100%)
water supply in six years

To serve **90%** of the
population with sanitary
sewage in up to 16 years

To reduce loss index from the
current 59% to a maximum of
25% within 20 years



Financial performance

In 2021, we maintained consistency in the delivery of results, and, for the third consecutive year, we presented double-digit growth in EBITDA. The evolution was 43% compared to 2020, reaching R\$955 million. This performance is mainly thanks to the execution of our investments in network expansion, the continuous evolution of the Operational Efficiency Program, especially through revenue management and cost optimization initiatives, as well as the reduction of total water losses, ensuring our strong organic growth.

Total Net Revenue reached R\$3,454 million in 2021, a 45% growth compared to 2020. Operating Revenue (R\$2,153 million in 2021) grew by 37% on the same basis of comparison. Without considering the effects of BRK Ativos Maduros (BRK-MA*) and the RMM, given the start of operations from July 2021, our Net Operating Revenue increased by 10% in the comparison between the years 2020 and 2021.

During the period, our company added 618,000 new active savings, one highlight being the 476,000 savings added following the start of operations in the RMM concession.

Costs and expenses decreased by 1% compared to 2020, excluding the effects of RMM and BRK-MA. This performance reflects the success of the Operational Efficiency Program, which includes the optimization and productivity increase in personnel costs, third-party services, in addition to the implementation of energy efficiency programs, reduced water losses, and combating delinquency.

**BRK-MA – BRK Ativos Maduros, a sub-holding company consolidated on September 30, 2020, following the corporate reorganization. Therefore, the year 2020 includes only three consolidated months. It controls the concessionaires: BRK Ambiental – Limeira S.A., BRK Ambiental – Cachoeiro de Itapemirim S.A., BRK Ambiental – Capivari S.A., and BRK Ambiental – Jaguaribe S.A.*

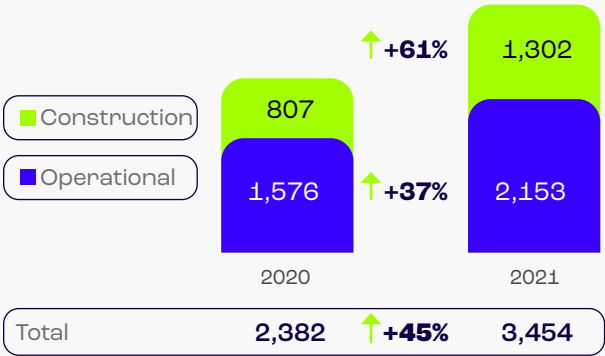
Click here  to view more details of our financial results

Financial indicators (R\$ million)

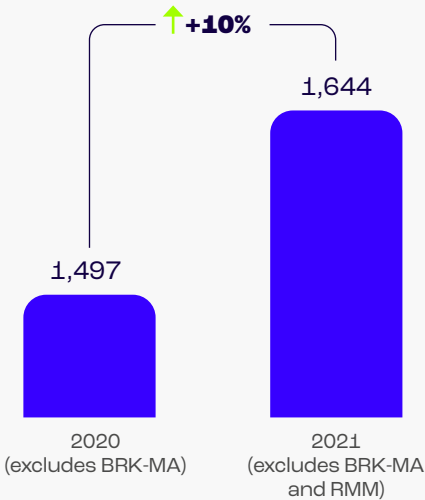
	2021	2020	Δ (%)
Net Revenue	3,454	2,382	45%
Net Operating Revenue	2,153	1,576	37%
Construction Net Revenue	1,302	807	61%
Costs and Expenses	-2,824	-1,958	44%
Costs and Expenses	-1,223	-925	32%
Costs of Services Provided	-748	-536	39%
General and Administrative Expenses	-476	-389	22%
Construction Costs	-1,275	-790	61%
Depreciation and Amortization	-325	-242	34%
Financial Result	-476	-316	51%
Equity Result	-3	6	-145%
Income Tax/Social Contribution on Net Profit (current + deferred)	-60	-59	3%
Continued Net Operating Income	91	55	65%
Discontinued Net Operating Income	2	-7	-131%
Net Income	93	49	91%
Continued Operating EBITDA	953	673	42%
Discontinued Operating EBITDA	2	-7	-132%
EBITDA	955	666	43%
Continued Operating EBITDA Margin*	44%	43%	1 p.p.

*EBITDA Margin = EBITDA / Net Operating Revenue.

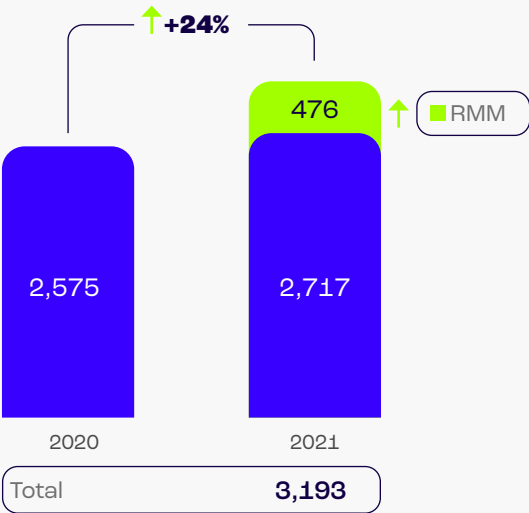
– Net revenue (R\$ million) –



– Net operating revenue (R\$ million) –



– Active savings (thousand) –



Business Cycle



The sanitation project cycle involves three phases:

- Development: study and achievement of the project.
- Investment: intensive investment and, subsequently, high leverage for universalization to be achieved.
- Maturity: the project has an EBITDA margin of over 45%, distributes dividends to shareholders consistently and has a lower volume of investments to be made, leading to a natural deleveraging process.

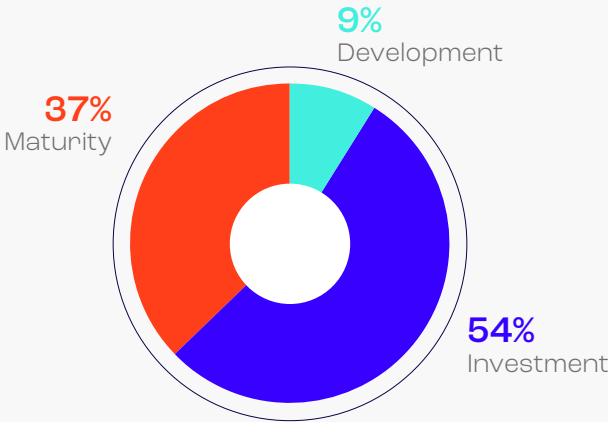
In December 2021, SPE BRK Goiás reached the Maturity stage, totaling 9 mature assets, representing 37% of the 2021 Net Operating Revenue. The operations in the Development and Investment stage, which concentrate the greatest growth potential in the sanitation business, together total 63% of the Company's Net Operating Revenue.

Leverage



BRK's current leverage level of 7.5x reflects the maturity level of the company's portfolio, which considers the recent achievement of RMM, in the Development phase. This unit was issued R\$1.8 billion in debentures in December 2020 and began operations on July 1, 2021.

– Operating net revenue in 2021 by Cycle –



Indebtedness (R\$ million)

	2021	2020	Δ (%)
Gross debt	8,316	7,187	16%
Availability	1,179	2,489	-53%
Net debt	7,137	4,697	52%
Net Debt/EBITDA UDM ¹	7.5x	6.1x	1.4x

¹For comparison purposes, it considers EBITDA LUM from BRK-MA in 2020. Excluding net debt and EBITDA from the RMM, a recently started operation, leverage in 2021 would be 5.6x.

Value-Added Distribution



Value-added distribution grew by 32.4% during the year, mainly due to the increase in revenue, totaling R\$1.5 billion. The most significant portions in the distribution of this amount are related to the payment of financiers (40%) and personnel and changes (30%). Additionally, the tax payment (taxes, fees, and contributions) represents a significant portion of this amount (24%). Most of the taxes paid are intended to the Federal Government – IRPJ, COFINS, PIS/PASEP, and CSLL, among other mandatory contributions.

All taxes, fees and contributions levied on activities and profit generation are due and paid in Brazil. The company, headquartered in the city of São Paulo, does not have operations in offshore territories.

Click the links



and view more details about our results and management

Release

Ratings

FRE

Click here



to view more details about the results

Click here

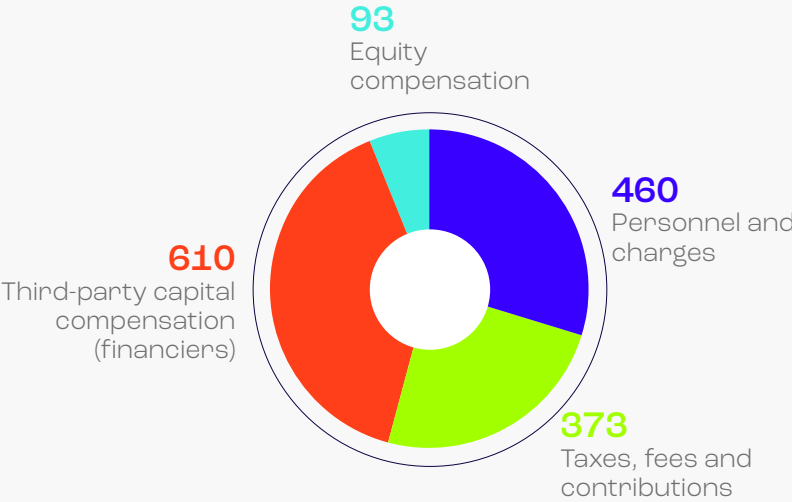


to learn more about our tax planning and control procedures

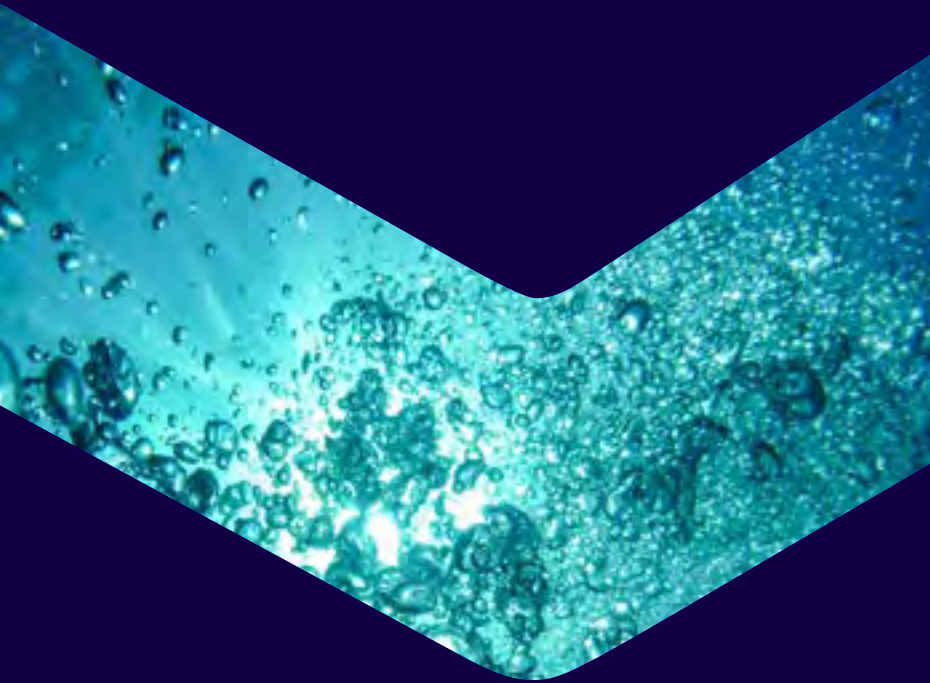
Value-added distribution (R\$ million)

	2021	2020	2019
Personnel and changes	460	406	374
Taxes, fees and contributions	373	296	258
Third-party capital compensation (financiers)	610	408	369
Equity compensation	93	49	337
Total	1,536	1,159	1,338

– Value-added distribution (R\$ million) –



Report annexes



Sustainable debentures

In 2020, our company carried out the 8th Issuance of Debentures, classified as “sustainable debentures” based on the opinion of an independent company. The emission analysis methodology considers the requirements of the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines, among other sustainability standards.

Completed in October 2020, the issuance raised R\$1.1 billion, in two series – R\$795 million and R\$305 million, respectively.

The funds from the first series (R\$795 million) were used to extend debts and improve the company’s capital structure in the context of investments made in expanding the coverage of water and sewage services. As of 2021, 100% of this amount has been allocated for this purpose, as shown in the table below.

Resource Allocation |
1st Series Sustainable Debentures

	Debt extension (R\$)	Structure improvement (R\$)
Extension of debts contracted for water and sewage service projects (1st, 5th and 6th issues)	316,877,000.00	-
Extension of debts contracted for water and sewage services projects (7th issue)	450,313,000.00	-
Improvement of the capital structure related to investments made in expanding service coverage	-	27,810,000.00
Total allocated	767,190,000.00	27,810,000.00
% Total raised	96.5%	3.5%

The resources of the second series (R\$305 million) are aimed to the financing of projects, carried out in 11 different business units, providing the following benefits, recognized by the Green Bond Principles and the Social Bond Principles:

- Prevention of contamination of water bodies and soil
- Biodiversity conservation
- Sustainable environmental management of water bodies
- Promotion of basic infrastructure for populations in situations of poverty and vulnerability

The projects financed and submitted to independent evaluation were classified into three categories, according to their nature of the service provided.



Sanitary
Sewage



Water
Supply



Institutional
Development

As of 2021, 54.6% of the total raised in the second series of sustainable debentures has been allocated to projects, as shown in the following table.

Resource Allocation |
2nd Series Sustainable Debentures
Total R\$305,000,000.00

Unit	County	Project (category)	Total allocated (R\$)
AP5	Rio de Janeiro	Water supply	7,589,615.72
Blumenau	Blumenau	Sanitary sewage	1,933,044.69
		Development	116,682.69
Goiás	APGO	Sanitary sewage	48,716,623.28
	Trindade	Sanitary sewage	564,722.34
	Rio Verde	Sanitary sewage	25,343,604.57
	Jataí	Sanitary sewage	12,100,685.68
Macaé	Macaé	Sanitary sewage	5,836,330.06
Mairinque	Mairinque	Water supply	66,158.63
		Losses	44,139.20
		Development	9,428.96
Maranhão	São José do Ribamar	Water supply	5,727,581.34
	Paço do Lumiar		
Porto Ferreira	Porto Ferreira	Water supply	128,833.26
		Sanitary sewage	117,758.51
		Development	33,768.81
Uruguaiiana	Uruguaiiana	Water supply	323,500.27
		Sanitary sewage	1,235,948.92
RMR	Recife	Sanitary sewage	36,832,575.34
Sumaré	Sumaré	Water supply	2,121,248.12
		Sanitary sewage	747,911.26
		Development	148,896.60

Unit	County	Project (category)	Total allocated (R\$)
Saneatins	Palmas	Water supply	4,065,770.06
		Sanitary sewage	43,301.48
	Araguaina	Water supply	1,125,698.38
		Sanitary sewage	3,171,744.98
	Porto Nacional	Water supply	896,366.90
		Sanitary sewage	500,707.98
	Guaraí	Water supply	76,071.25
		Sanitary sewage	36,564.47
	Xinguara	Water supply	420,830.56
	Gurupi	Water supply	562,393.63
		Sanitary sewage	2,668,740.64
	Dianópolis	Water supply	81,761.26
		Sanitary sewage	79,929.18
	Miracema	Water supply	38,391.42
		Sanitary sewage	624,692.80
	Colinas	Water supply	149,583.02
		Sanitary sewage	953,052.38
	Aguiarnópolis	Sanitary sewage	126,628.97
	Taguatinga	Sanitary sewage	1,066,669.54
	Peixe	Sanitary sewage	5,469.98
	São Miguel	Water supply	5,519.91
Total			166,438,947.00
Total 2 nd series			305,000,000.00
			54.57%



The projects financed promote a positive environmental impact and improve the health of the population served. These social and environmental benefits are monitored through a series of indicators followed up by the company.

Operation monitoring indicators

	Water	Sewage
Treated volume (m³)	219,257,032	208,039,720
Population served by the service (#)	3,556,225	6,363,865
Average percentage of the population of the municipalities served by the service (%)	95%	64%
Households served by the service (#)	1,320,750	2,172,981
Treatment efficiency (%)	na	76%
Loss percentage (%)	37%	na
Percentage of municipalities with infant mortality rates above the national rate (%)	59.70%	59.70%
Average hospitalizations for diarrhea in the municipalities (per 1,000 inhabitants)	2.51	2.51

Socioeconomic indicators of the municipalities served

	%
Average percentage of the population earning less than 1/2 minimum monthly wage (%)	36%
Average monthly salary of formal workers (minimum wage)	2.48

Social and environmental indicators of the projects

	Water	Sewage
Added treatment volume	16,619 m³/h	4,542 l/s
Population benefited by the projects	1,756,640	4,764,436
Households benefited by the projects	619,173	1,571,969
Average proportion of the population of the municipalities covered by the service	97%	49%
Increase in the average percentage of the population served	0.20%	4%
Average treatment efficiency	na	83%

Management of adverse social and environmental impacts

The company identified the main environmental and social impacts of the projects associated with its status, as well as risk mitigation actions, at the level of each project, as shown in the tables below.

Water supply

BRK Ambiental - Porto Ferreira S.A.
BRK Ambiental Sumaré S.A
SANEATINS - Companhia de Saneamento do Tocantins S.A.
BRK Ambiental – Uruguaiana S.A
BRK Ambiental - Maranhão S.A
SANEAQUA MAIRINQUE S.A

Project description:

The projects focus on water treatment, resource distribution, and loss reduction in the supply network.

Valid Licenses	Location (Federal Unit)
All environmental licenses are valid, demonstrating compliance with applicable social and environmental legislation	Porto Ferreira – SP
	Sumaré - SP
	Anaguaná – TO
	Colinas do Tocantins – TO
	Dianópolis - TO
	Guaraí - TO
	Gurupi - TO
	Miracema do Tocantins - TO
	Palmas - TO
	Paraíso do Tocantins - TO
	Porto Nacional - TO
	Tocantinópolis - TO
	Xinguara - PA
	São Miguel do Tocantins - TO
	Uruguaiana – RS
	São José do Ribamar – MA
	Paço do Lumiar – MA
	Mainique - SP

Positive impacts:

With the advancement of the projects, the quality of the service provided and access to the water supply network by the population are expected to improve, reflecting on an improvement in the quality of life and a reduction in health problems such as diarrhea and malnutrition. Moreover, the evolution of the efficiency in the use of resources is expected following the reduction of water waste in operations.

Related SDGs:

3 and 6.

Main risks:

Monitoring of water quality, monitoring and control of the degradation of the physical condition and functional performance of the system, monitoring of losses, control of access for people and animals, and disposal of sludge from the WTPs.

Mitigation actions:

The projects implement the respective conditions related to licensing.

Sanitary sewer

BRK Ambiental - Porto Ferreira S.A.
BRK Ambiental - Região Metropolitana do Recife/Goiana SPE S.A.
BRK Ambiental Macaé S.A
BRK Ambiental Sumaré S.A
SANEATINS - Companhia de Saneamento do Tocantins S.A.

BRK Ambiental - Blumenau S.A
BRK Ambiental - Uruguaiana S.A
F.AB. Zona Oeste S.A.
BRK Ambiental - Goiás S.A
SANEAQUA MAIRINQUE S.A

Project description:
The projects focus on the management of sewage collection, removal, treatment, and final disposal.

Valid Licenses	Location (Federal Unit)
All environmental licenses are valid, demonstrating compliance with applicable social and environmental legislation.	Porto Ferreira – SP
	Região Metropolitana de Recife - PE
	Macaé - RJ
	Sumaré – SP
	Anaguaína – TO
	Colinas do Tocantins - TO
	Dianópolis - TO
	Guaraí - TO
	Gurupi - TO
	Minacema do Tocantins - TO
	Palmas - TO
	Paraíso do Tocantins - TO
	Porto Nacional - TO
	Aguiarnópolis - TO
	Peixe - TO
	Taguatinga – TO
	Blumenau - SC
	Uruguaiana – RS
	Rio de Janeiro – RJ
	Aparecida de Goiânia – GO
	Jataí – GO
	Rio Verde – GO
	Trindade - GO
	Mairinque - SP

Positive impacts:

With the advancement of the projects, the quality of the service provided and access to the water supply network by the population are expected to improve, reflecting on an improvement in the quality of life and a reduction in health problems such as diarrhea and malnutrition. Moreover, the evolution of the efficiency in the use of resources is expected with the reduction of water waste in operations.

Related SDGs:

3 and 6.

Main risks:

Monitoring of water quality, monitoring and control of the degradation of the physical condition and functional performance of the system, monitoring of losses, control of access for people and animals, and disposal of sludge from the WTPs.

Mitigation actions:

The projects implement the respective conditions related to licensing.

GRI content index

GRI Standard	Disclosure	Page/answer	Omissions	Global Compact	SDG
GRI 101 Foundation 2016					
General disclosures					
GRI 102 General disclosures 2016	Organizational profile				
	102-1 Name of the organization	6	-	-	-
	102-2 Activities, brands, products, and services	6	-	-	-
	102-3 Location of headquarters	69	-	-	-
	102-4 Location of operations	10	-	-	-
	102-5 Ownership and legal form	10 and 55	-	-	-
	102-6 Markets served	6 and 10	-	-	-
	102-7 Scale of the organization	9	-	-	-
	102-8 Information on employees and other workers	45	-	6	8 and 10
	102-9 Supply chain	62	-	-	-
	102-10 Significant changes to the organization and its supply chain	65	-	-	-
	102-11 Precautionary Principle or approach	38, 56 and 57	-	-	-
	102-12 External initiatives	16	-	-	-
	102-13 Membership of associations	Brazil Global Compact Network, Brazilian Business Council for Sustainable Development (CEBDS), American Chamber of Commerce (Amcham), Brazilian Association of Infrastructure and Basic Industries (ABDIB), Brazilian Association of Private Concessionaires of Public Water and Sewage Services (AB-CON), Association of State Basic Sanitation Companies (AESBE) and Instituto Trata Brasil.	-	-	-
	Strategy				
	102-14 Statement from senior decision-maker	4 e 5	-	-	-
	102-15 Key impacts, risks, and opportunities	11, 12, 56 and 57	-	-	-
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	7 and 58	-	10	16
	102-17 Mechanisms for advice and concerns about ethics	59	-	10	16
	Governance				
	102-18 Governance structure	55	-	-	-

GRI Standard	Disclosure	Page/answer	Omissions	Global Compact	SDG
GRI 101 Fundamentos 2016	Stakeholder engagement				
	102-40 List of stakeholder groups	Financial institutions, government representatives, community leaders, investors and customers were the stakeholders engaged by BRK to prepare its materiality matrix.	-	-	-
	102-41 Collective bargaining agreements	All BRK employees are covered by collective bargaining agreements, except for apprentices (1.4% of the workforce), whose employment contract follows the provisions of the Apprenticeship Law.	-	3	8
	102-42 Identifying and selecting stakeholders	The identification of stakeholders was carried out by BRK's managers, with the support of a specialized consultancy.	-	-	-
	102-43 Approach to stakeholder engagement	Engagement was done through an online quantitative survey.	-	-	-
	102-44 Key topics and concerns raised	They are reflected in the material topics (see GRI 102-47).	-	-	-
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	Our Report covers all administrative and operational units of BRK Ambiental in Brazil, following the same scope of information and data as the financial statements presented to the market.	-	-	-
	102-46 Defining report content and topic Boundaries	The materiality process was conducted in 2018. For more information, access page 73 of BRK's 2020 ESG Report (https://www.ri.brkambiental.com.br/en/esg/sustainability-annual-report/).	-	-	-
	102-47 List of material topics	Universalization of sanitation and opportunities; Investments and operational efficiency; Water and biodiversity; Ethical conduct; Governance and people; and Private social investment.	-	-	-
	102-48 Restatements of information	There wasn't.	-	-	-
	102-49 Changes in reporting	There wasn't.	-	-	-
	102-50 Reporting period	January 1st to December 31st, 2021.	-	-	-
	102-51 Date of most recent report	Published in 2021, referring to the year 2020.	-	-	-
	102-52 Reporting cycle	Yearly	-	-	-
	102-53 Contact point for questions regarding the report	comunicacao@brkambiental.com.br	-	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	-	-	-
	102-55 GRI content index	76, 77, 78, 79 and 80	-	-	-
	102-56 External assurance	Only financial data are subject to external verification.	-	-	-
GRI 102 General disclosures 2016					

GRI Standard	Disclosure	Page/answer	Omissions	Global Compact	SDG
Material topic Universalization of sanitation and opportunities					
GRI 103 Management approach 2016 ¹	103-1 Explanation of the material topic and its Boundary	11, 12, 13 and 14	-	-	-
	103-2 The management approach and its components	11, 12, 13 and 14	-	-	-
	103-3 Evaluation of the management approach	11, 12, 13 and 14	-	-	-
GRI 415 Public policy 2016	415-1 Political contributions	We do not make donations to political parties or to individual politicians and candidates for public office.	-	10	16
GRI 417 Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	50	-	-	12
Material topic Investments and operational efficiency					
GRI 103 Management approach 2016 ²	103-1 Explanation of the material topic and its Boundary	17, 20, 21, 22, 65, 66, 67, 68 and 69	-	-	-
	103-2 The management approach and its components	17, 20, 21, 22, 65, 66, 67, 68 and 69	-	-	-
	103-3 Evaluation of the management approach	17, 20, 21, 22, 65, 66, 67, 68 and 69	-	-	-
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	69	-	-	8 and 9
GRI 302 Energy 2016	302-1 Energy consumption within the organization	22	-	7 and 8	7, 8, 12 and 13

1. The management approach refers to all GRI topics in the material topic "Universalization of sanitation and opportunities."
2. The management approach refers to all GRI topics in the material topic "Investments and operational efficiency."

GRI Standard	Disclosure	Page/answer	Omissions	Global Compact	SDG
Material topic Water and biodiversity					
GRI 103 Management approach 2016 ³	103-1 Explanation of the material topic and its Boundary	23, 24, 25, 26, 27, 30, 31 and 32	-	-	-
	103-2 The management approach and its components	23, 24, 25, 26, 27, 30, 31 and 32	-	-	-
	103-3 Evaluation of the management approach	23, 24, 25, 26, 27, 30, 31 and 32	-	-	-
GRI 303 Water and effluents 2018	303-1 Interactions with water as a shared resource	23, 24, 26 and 27	-	8	6 and 12
	303-2 Management of water discharge-related impacts	23, 24, 26 and 27	-	8	6
	303-3 Water withdrawal	25	-	7 and 8	6
	303-4 Water discharge	25	-	7 and 8	6
GRI 304 Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	30, 31 and 32	-	8	6, 14 and 15
	304-3 Habitats protected or restored	31	-	8	6, 14 and 15
Material topic Ethical conduct					
GRI 103 Management approach 2016 ⁴	103-1 Explanation of the material topic and its Boundary	58, 59, 60, 61, 62 and 63	-	-	-
	103-2 The management approach and its components	58, 59, 60, 61, 62 and 63	-	-	-
	103-3 Evaluation of the management approach	58, 59, 60, 61, 62 and 63	-	-	-
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	58 and 61	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were identified in the company in 2021.	-	10	16
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	59	-	6	5 and 8
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	63	-	5	8 and 16
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	63	-	4	8

3. The management approach refers to all GRI topics in the material topic "Water and biodiversity."

4. The management approach refers to all GRI topics in the material topic "Ethical conduct."

GRI Standard	Disclosure	Page/answer	Omissions	Global Compact	SDG
Material topic Governance and people					
GRI 103 Management approach 2016 ⁵	103-1 Explanation of the material topic and its Boundary	34, 35, 36, 37, 40, 41, 42, 43, 44, 45, 46 and 47	-	-	-
	103-2 The management approach and its components	34, 35, 36, 37, 40, 41, 42, 43, 44, 45, 46 and 47	-	-	-
	103-3 Evaluation of the management approach	34, 35, 36, 37, 40, 41, 42, 43, 44, 45, 46 and 47	-	-	-
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	34 and 36	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	35 and 36	-	-	8
	403-3 Occupational health services	36, 46 and 47	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	35 and 36	-	-	8 and 16
	403-5 Worker training on occupational health and safety	35 and 36	-	-	8
	403-6 Promotion of worker health	36, 46 and 47	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36 and 46	-	-	8
	403-8 Workers covered by an occupational health and safety management system	34	-	-	8
	403-9 Work-related injuries	37	-	-	3, 8 and 16
GRI 404 Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	43	-	6	5, 8 and 10
Material topic Private social investment					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	51, 52 and 53	-	-	-
	103-2 The management approach and its components	51, 52 and 53	-	-	-
	103-3 Evaluation of the management approach	51, 52 and 53	-	-	-
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	51, 52 and 53	-	1	-

5. The management approach refers to all GRI topics in the material topic "Governance and people."

Credits

General Coordination

BRK Sustainability and Risk
Department

Support

BRK Communication Department

Content, consulting and design

usina82

Photos

BRK image bank and
Shutterstock

