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2021 Sustainability Report

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WOULD YOU LIKE TO KNOW MORE?

Use your mobile device to scan the codes that you will find throughout the Report to access more information.



#act

When looking at the etymology of the term, act comes from the Latin for *acturare* which comes from *agere*, which means to move forward. It is all about taking action.

The best interpreters are those who are most credible, both on and off the scene. Standing for the truth is always the most convincing form of doing something. In the Decade of Action, Aqualia is well aware that its actions demonstrate that its commitment is real, not a mere fiction reflected in words on a piece of paper.

Are you willing to take action with us?

Change requires the ability to listen, converse and, most importantly, take action.

We are well aware of our role, we understand the backdrop.

We are ready: now is the time to act.

“We are in a period of uncertainty in which events previous considered unthinkable are happening at a frightening pace. The outbreak of war in Ukraine, when we were still to put the full effects of the pandemic behind us, has combined with sustainability challenges that we face as people and professionals”

Water, a vital resource, and sanitation, a critical service, are by no means exempt from this context that is putting us to the test. The correct management of its end-to-end cycle has an impact on many global challenges we are facing as a society: environmental challenges, such as adapting to climate change, protecting biodiversity or accessing renewable energy; social challenges, such as water access for vulnerable people and families and social awareness about caring for water and its quality; and economic development, given that the optimisation of the end-to-end water cycle, its quality and availability help us to improve the development and quality of life of millions of people.

Q. In the 21st century, universal access to water should be consolidated. However, now more than ever, our right of access to this vital resource is under threat because of climate change and water stress, pollution, a lack of awareness about water user, etc. How is Aqualia facing this turbulent time?

A. In a scenario like the one we currently face, the only possible response is to take action. At Aqualia, acting from our position as an industry leader means being aware about how the way we do things and how we approach our management duties has a direct impact on everybody's well-being.

At this pivotal moment, a change is needed that makes it possible to rediscover the balance that we need as a society. Undoubtedly, the weight of the geopolitical perspective and the European global strategy, through the recovery funds, reflect the mobilisation

ACT

FÉLIX PARRA
AQUALIA CEO



"The change cannot just be green and digital, we insist that it must be blue too. The Blue Deal places an emphasis on the value of one of the most transversal elements of the 2030 Agenda: water"

Q. In addition to the pandemic, what has defined the agenda for the year? How would you reflect on 2021?

of public capital that, combined with investments by companies in the sector, today focus their interest on transformational projects. The change cannot just be green and digital, we insist that it must be blue too. The Blue Deal places an emphasis on the value of one of the most transversal elements of the 2030 Agenda: water.

And we are striving to speed up this change in our contracts and as members of the Global Compact, forging public-private partnerships, like StepByWater, or those in place with different NGOs with which we collaborate to expand the positive impact on the municipalities in which we are present. In short, as you will discover over the coming pages, we do by assuming our leadership role with commitment and determination.

To this end, integrating an ethical perspective is essential. In this respect, it fills me with pride to know that all members of Aqualia are constantly aware that we are people who work for people and towards a common good. At Aqualia, we are conscious of the fact that our daily actions are key to the development and in some cases the survival of communities.

[#Empathy](#) [#LocalCommitment](#) [#Interdependence](#) [#Ethics](#)
[#SystematicPerspective](#)

A. It is impossible to reflect on 2021 without mentioning that it has been a year that represents the end of one chapter and the start of a new one. Our 2019 report (Listen) reflected on the process of actively listening to our stakeholders. In the 2020 report (Talk), we embarked upon an in-depth materiality study, which gave rise to Aqualia's 2021-2023 Strategic Sustainability Plan (PESA). This trilogy comes to an end with this report in 2021 (Act). It has been an action packed year, but it has also been a year of reflection, which drives us towards a new cycle of even greater sustainability, if that is possible, involving everybody that forms part of Aqualia in the 17 countries in which the company operates.

In line with the commitment to take action, this year we have extended the active listening process with a new, broader strategic materiality process, which encompasses all the areas in which we operate: Europe, Latin America, the Middle East and North Africa. We have conducted interviews and surveys amongst our employees, suppliers, public administrations, associations, the media, NGOs, clients and users, to evaluate our impact and adapt it to each area, through our 2021-2023 Strategic Sustainability Plan. In total, we have analysed a total of 5,713 responses to detect common objectives and shared goals as well as generating value for those who accompany us and who we coexist with.

[#Context2021](#) [#Trilogy](#) [#Act](#) [#GlobalMateriality](#)

"Digitalisation represents a key pillar in the present and for the future of Aqualia and is closely related to sustainability by optimising and improving the management of the end-to-end water cycle"

Q. Which have been the company's main challenges and accomplishments in 2021?

A. When it comes to milestones, I would say that without a doubt, the consolidation of our activity in Spain, renewing practically all maturing contracts thanks to the trust placed in us by our customers, and our continued internationalisation. Furthermore, the new contracts signed in France for the management of the water supply in 16 towns in Mantes-la-Ville, in the Île-de-France region, very close to Paris are worth particular note; this is in addition to the award of the contract for the operation and maintenance of the desalination plant and drinking water distribution system in the Jizan industrial area (Saudi Arabia) or the expansion of our presence in Colombia, which pays testament to our ability to take our talent and offer solutions in all phases of the end-to-end water cycle to wherever we set our minds on.

Another milestone is the digital transformation of the company, which must be of benefit to all stakeholders involved, both for employees and the services offered to our customers.

Digitalisation represents a key pillar in the present and for the future of Aqualia and is closely related to sustainability by optimising and improving the management of the end-to-end water cycle; as a result, we are able to reduce or prevent losses in water distribution networks, in addition to optimising all processes related to the internal organisation of the company and customer service. To this end, we have invested more than 5 million euros, which have been allocated to the development of our Aqualia Water Analytics platform or improvements at our Customer Service Centre.

Keeping ahead of the trend is critical. Both digitalisation and having a sustainable management model help to

[#Challenges2021](#) [#Milestones2021](#) [#DigitalTransformation](#)
[#Digitalisation](#)

keep us more efficient, agile and capable of providing better answers and solutions to the major challenges we face both today and those awaiting us in the future, not only as a company, but as a society. Everybody at the organisation is aware of this opportunity to make a contribution and achieve excellence. There is no other approach that could project us towards a better future.

Q. Recent global events have demonstrated the change in the way that companies interact with their customers. How has this business awareness demanded by stakeholders been reflected in Aqualia's 2021-2023 Strategic Sustainability Plan?

A. We are in the Decade of Action and although our global outlook points to 2030, the current uncertainty has made the near future a unique period in which to establish achievable and real targets that can contribute to creating value.

The current 2021-2023 Strategic Sustainability Plan works as the perfect period for Aqualia to work on ESG aspects. We do this by implementing the strategic lines established, based on the adaptation and mitigation of climate change, culture and people's well-being, ethics and social impact, the promotion of technology for integrated management, digitalisation and communication with all stakeholders.

Aqualia's culture and values determine the way in which it does business and are present in all our commercial relations. As an example of our know-how in this field, the PESA contemplates the implementation of the demanding compliance model in its entirety at all companies in which we hold a majority stake internationally by 2023. Currently, this is 96% complete.

[#ESG](#) [#Governance](#) [#Transparency](#) [#Ethics](#)

"The pursuit of a diverse workforce is important to Aqualia, which is why we have signed up to the #CEOPorLaDiversidad partnership"

Q. As regards the creation of a quality work environment, Aqualia is renowned for being a pioneer in the industry on account of its commitment to diversity and equality. What milestones would you highlight in this area, and what targets have been set?

A. At Aqualia, our priority is people. One of the seven strategic lines of the 2021-2023 PESA is dedicated to everybody who forms part of our team, to them and their well-being.

Concerning our excellent team of professionals, I would like to reflect on their excellent performance and commitment, even at the most challenging times of the pandemic. These efforts have been reflected in the campaign "¿Quién hay detrás del agua que usamos en casa?" ("Who is behind the water we use at home?"), which won the Purpose Driven Communications (COVID-19) category at the European Excellence Awards (EEA).

In terms of this strategic line that focuses on people, in 2021, we have remained at the cutting-edge of the sector, with relevant milestones including the implementation of the 3rd Equality Plan with the main trade unions in Spain, to give added impetus to equal opportunities at our company. To this end, we have also renewed our Family Responsible Company (EFR) certificate. It should be noted that 80% of employees interviewed stated that their work-life balance had improved since the first time the company received its certification.

In response to the international growth we have experienced, we believe it is critical to spread this EFR culture to the other countries we operate in, as well as training our teams and encouraging mobility. For this purpose, we have implemented the Be International campaign, to raise awareness about the relevance of and opportunities for professional career development that the company offers abroad.

The pursuit of a diverse workforce is important to Aqualia, which is why we have signed up to the #CEOPorLaDiversidad partnership, a pioneering initiative in Europe led by the Adecco Foundation and the CEOE Foundation, to unite businesses and the people who lead them around the values of diversity, equity and inclusion. Aqualia is the only company in our industry to be part of this organisation.

Finally, I would like to highlight the efforts made to care for the mental health of our employees and their relatives. We have embarked upon an initiative, aimed at the more than 7,000 company employees working in Spain, as part of the Be Aqualia project, which makes it possible to assess mental health. As a result of this, we have provided a pack of mental health measures to those identified as being in need and their relatives.

[#WorkEnvironment](#) [#Diversity](#) [#Equality](#)

"We have a commitment to measuring our carbon footprint in all countries we operate in. In Spain, for example, we have been doing this since 2014"

Q. One of the strategic lines addresses climate change, a challenge that threatens the future of the planet and, in terms of water, this is reflected in the lack of rainfall, water emergencies, pollution and over-exploitation. How does Aqualia's environmental commitment translate into actions?

A. Undoubtedly, water is a synonym for survival and all actions must be structured around preserving it. This is an immense challenge and we approach it through defined projects and measurable objectives that contribute to fighting the main three challenges facing the planet: pollution and climate change, water scarcity, and circular economy.

One of the lines of work is to reduce water consumption, taking action through the Aqualia Water Analytics platform, which is available to the administrations and citizens to facilitate the smart management of the end-to-end water cycle and more efficient consumption.

Another critical area is the protection and recovery of ecosystems, identifying protected spaces and developing initiatives, such as the protection of wetland in Lleida or Ciudad Real, recovery of wildlife in Mexico or the detection of areas eligible for protection in the Czech Republic.

The optimisation of energy consumption and reduction of emissions is also a priority. In 2021, we have worked towards achieving our main objective by 2030: 50% of energy being supplied by renewable energy sources. Along these lines, worth particular mention is the pioneering long-term power purchase agreement signed by Aqualia, the first of its kind in the water industry. As regards the optimisation of energy, we have a commitment to measuring our carbon footprint in all countries we operate in. In Spain, for example, we have been doing this since 2014. Aqualia currently holds the "Reduzco" seal issued by the Spanish Office for Climate Change, based on the data submitted over the past four years.

Finally, as regards the technology transfer, we have focussed on converting our WWTPs into circular stations or biofactories capable of retrieving, transforming and valuing waste into usable resources for agricultural uses or for energy recovery. Examples of this can be seen in the BBI Deep Purple project, developing innovative solutions to prevent microplastics reaching the sea, or the Sabana project, which uses natural methods to eliminate nutrients as part of wastewater treatment processes and sewage sludge.

[#InnovativeTechnologies](#) [#SustainableSolutions](#) [#ClimateChange](#) [#CircularEconomy](#)

"Our aim is to generate value and well-being, promoting social cohesion, collaborating in the transformation of cities into smart and sustainable spaces"

Q. In addition to all the environmental actions that are reflected in social aspects, another challenge assumed as part of the 2021-2023 PESA is the contribution to society. How is this reflected?

A. The social impact is reflected in our commitment to guaranteeing access to water, as a universal right, for people in the regions that we operate in. That nobody is left without water on financial grounds. Our aim is to generate value and well-being, promoting social cohesion, collaborating in the transformation of cities into smart and sustainable spaces and assuming our educational role. We live in a scenario in which we are progressively more interdependent on one another.

To that end, collaboration is essential. At Aqualia, we have focussed our efforts to step up our intentions and capacities with different institutions, organisations and associations in the organisation, management and development of projects involving public-private collaboration.

Globally, since 2016, Aqualia has collaborated with the PPP Centre for Cities, a UN initiative whose case studies in 2021 include the impact generated by Aqualia in Almeria (Spain) through the concession agreement to manage the end-to-end urban water cycle.

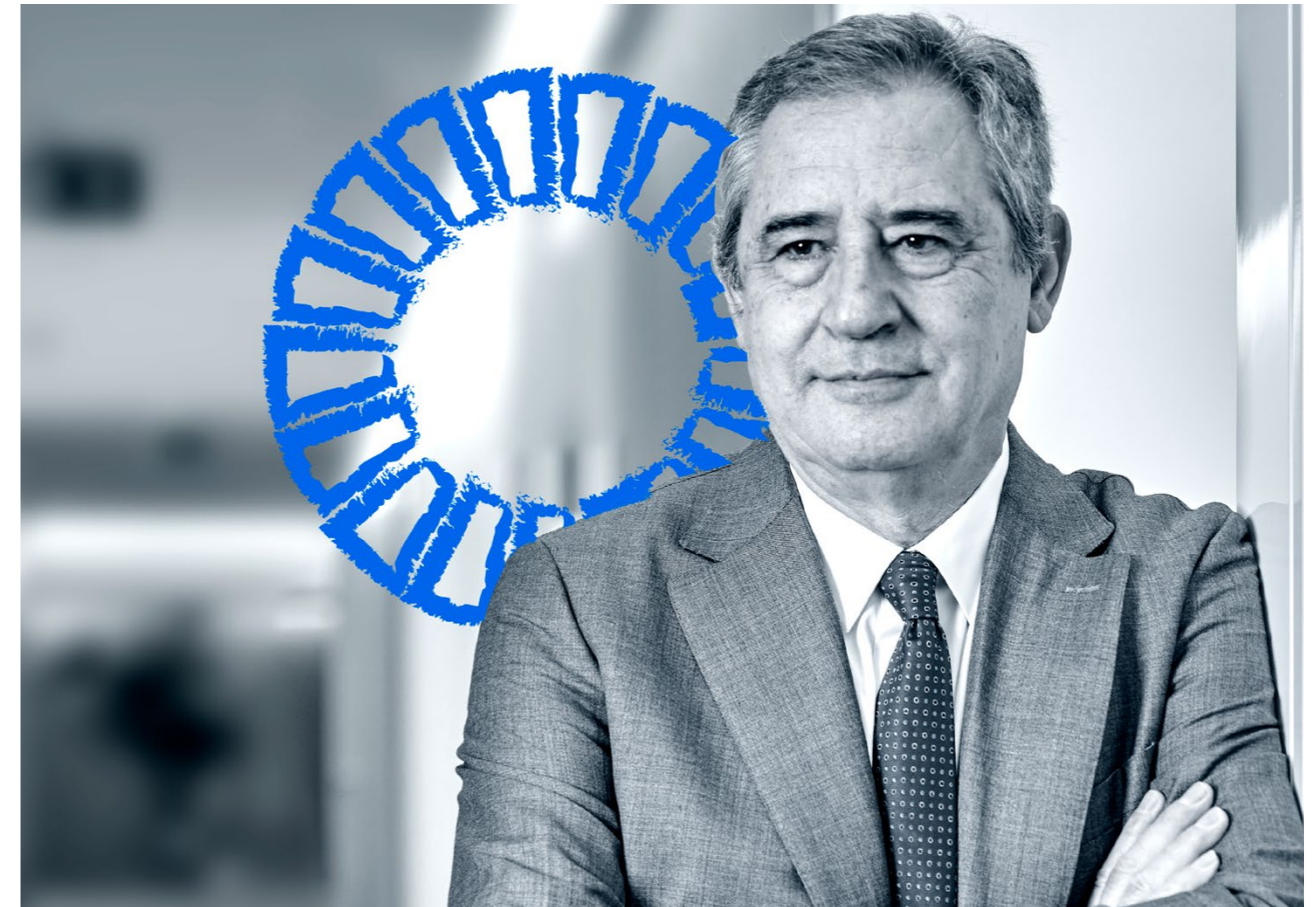
From the perspective that Aqualia is made up of people who care for others, the company also strives to improve coordination with municipal social services to protect users at risk of vulnerability or social exclusion. We do so through mechanisms such as social discounts and tariffs, which reduce or postpone our customer's bills and through solidarity funds for families.

None of this would be possible without the valuable collaboration of NGOs. From internationally renowned organisations, like UNHCR or Cáritas, to those with a more local scope. In cooperation with them, we offer our knowledge in the scope of infrastructures that provide access to water. For example, the construction of a well measuring 40 metres in depth, driven using a solar-powered pump providing the residents of Nandoumary, in Senegal, with water all year around.

Furthermore, the strong relationship we build with the communities in which we work, to whom we maintain a staunch service commitment in the face of critical situations, requires that we also assume a responsibility to transfer knowledge and raise awareness to educate more conscious citizens who are more respectful in their use of water.

Worth special mention should be made of are our efforts at educational centres via aqualiaeduca.com and through the Children's Drawing Contest, an initiative that provides an education about values, through which we have been training future generations for 20 years, recognised in 2021 as the best integral co-responsible communication strategy at the 12th edition of the Premios Corresponsables.

[#Regeneration](#) [#Commitment](#) [#SustainableDevelopment](#)
[#RoleofAqualia](#)



Q. Looking to the future, which global challenges do you believe are a priority for the sector and will the company address in the coming years?

A. We look towards the future from a position of uncertainty; however, in the framework of the ambitious Strategic Sustainability Plan, we will be able to tackle the multiple major challenges that the context poses, such as the increase in energy prices, the unsustainable and growing social gap or the regeneration of natural capital, with determination and the ability to adapt even to scenarios that might sound more like fiction than reality.

Aqualia is flexible enough to adapt to major challenges, it has defined the path to be followed and assumes an inescapable commitment to the digital transition and sustainability to meet the expectations of 21st century society.

[#GlobalChallenges](#) [#Future](#) [#DigitalTransition](#) [#Sustainability](#)

"Aqualia is flexible enough to adapt to major challenges, it has defined the path to be followed and assumes an inescapable commitment to the digital transition and sustainability"

Aqualia at a glance

BUSINESS MODEL
AND STRATEGIC
OUTLOOK

GLOBAL PROVIDERS OF
ESSENTIAL SERVICES TO
CITIZENS

MAIN
MILESTONES
IN 2021

CREATING VALUE
FOR SOCIETY: MAIN
FIGURES



Aqualia is a leader in the water management industry.

This year, the company's internationalisation has

been one of our main milestones, together with

its digitalisation, which represents a key pillar in

the present and for the

future of Aqualia given

its close relationship with

sustainability.

INTERNATIONALISATION

OUTLOOK

Business model and strategic outlook

Aqualia is one of the main international specialist operators seeking efficient answers and solutions to the water supply, sanitation and purification needs of each community. Wherever it is present, the company tirelessly strives to improve access to water and sanitation and optimises this scarce, basic natural resource, contributing technical solutions and providing high-quality services in all phases of the end-to-end water cycle.

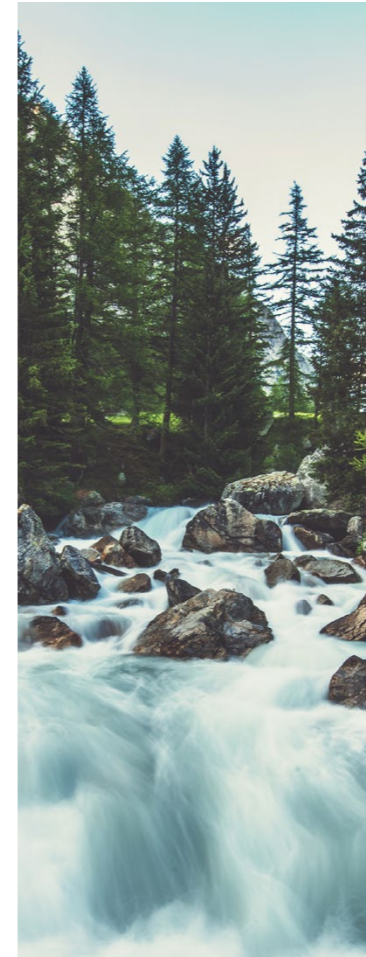
Aqualia's business model focuses on the management of its activity in specific geographical areas, where its actions are always by the premise of achieving sustained

and sustainable growth. To achieve this, its criteria are the achievement of reasonable profitability and the integration of all its capabilities in all areas of the value chain.

Over more than thirty years of experience, Aqualia has demonstrated, as a manager of the end-to-end urban water cycle, its high commitment to environmental sustainability and its contribution to the UN Sustainable Development Goals. This is reflected in its 2021-2023 Strategic Sustainability Plan and the pillars on which its business rests.



PILLARS ON WHICH AQUALIA'S BUSINESS RESTS



SUSTAINABILITY

Aqualia has set itself targets in relation to its activities to achieve the goals established by the 2030 Agenda. Specifically, concerning the use of water as a scarce resource, the fight against environmental pollution by properly treating wastewater or collaborating in the fight against climate change by reducing its footprint.

All of this combined with its dedication to cross-cutting action and integrating these targets progressively more into the company's activities.

DIGITALISATION AND TECHNOLOGY

The company's digital transformation and the employment of technological solutions in its processes represent a key pillar to present day Aqualia and its future. The development of these areas will allow the company to optimise and improve the end-to-end water cycle. As a result, Aqualia will be able to reduce or prevent losses in supplied water distribution networks and optimise all processes related to the internal organisation of the company and customer service.

INTERNATIONALISATION

The company's actions are closely related to sustainable growth and international expansion that responds to the global needs of clean water and sanitation, in particular in Europe, America and MENA.

Aqualia applies these pillars in the management of each phase of the end-to-end water cycle, comprising the abstraction, treatment, wastewater treatment and distribution of water, and including the subsequent capture of urban water and its subsequent treatment to return to the environment in optimum conditions.

Aqualia's international activity in the end-to-end water cycle

Aqualia's value chain entails a series of phases and activities, as shown below:

Aqualia operates in 17 countries in Europe, Latin America, the Middle East and North Africa. Its value chain, which includes the abstraction, treatment, distribution and customer management, sanitation, wastewater treatment, re-use and construction services, form part of the business model that the company deploys in each of these regions. In line with its commitment to sustainable development, Aqualia was the first company in the sector to certify its strategy for the contribution to achieving the 2030 Agenda.

This certification entails defining how, as part of the different activities in the value chain, the company contributes to the different SDGs in all the countries in which it operates.

MAIN SDGS WITH AN IMPACT ON THE DIFFERENT ACTIVITIES IN AQUALIA'S VALUE CHAIN

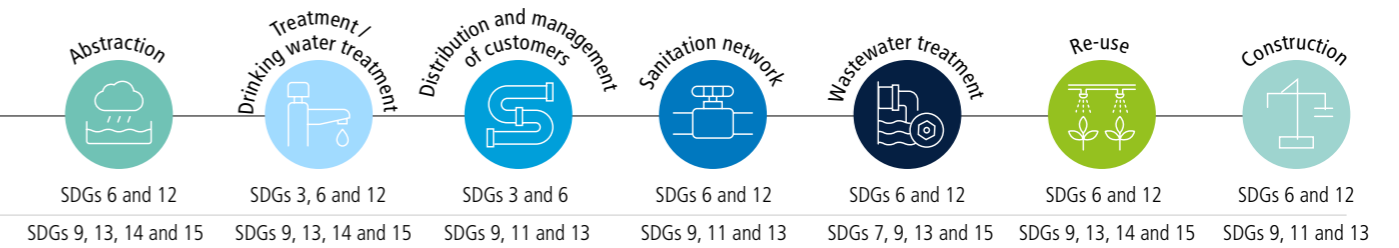


ACTIVITIES UNDERTAKEN

INTERNATIONAL VALUE CHAIN

Direct SDGs

Transversal and corporate SDGs



LATAM REGION

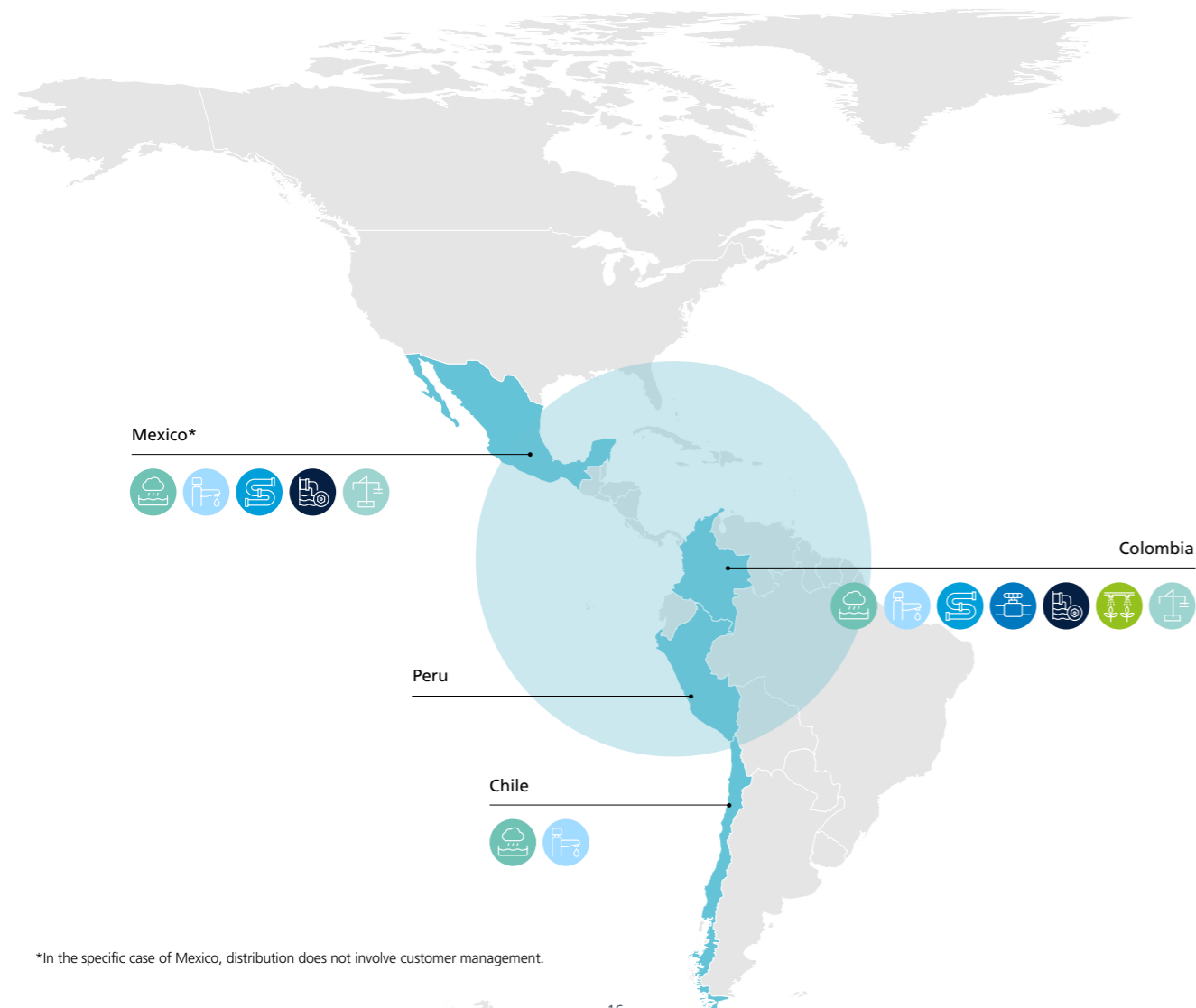
Mexico, Colombia, Peru and Chile.

EUROPE REGION

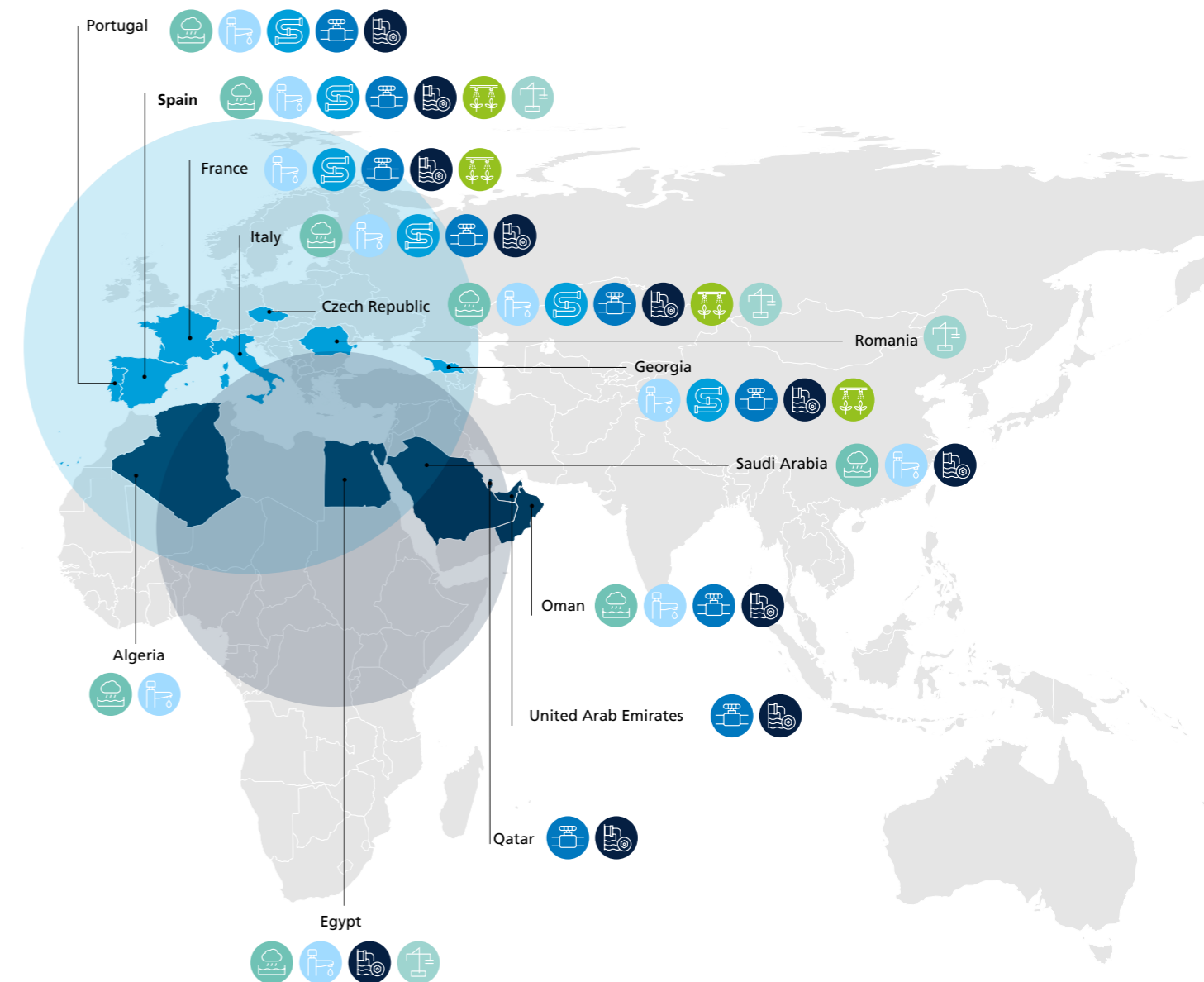
Spain, Portugal, France, Italy, Czech Republic, Romania and Georgia.

MENA REGION

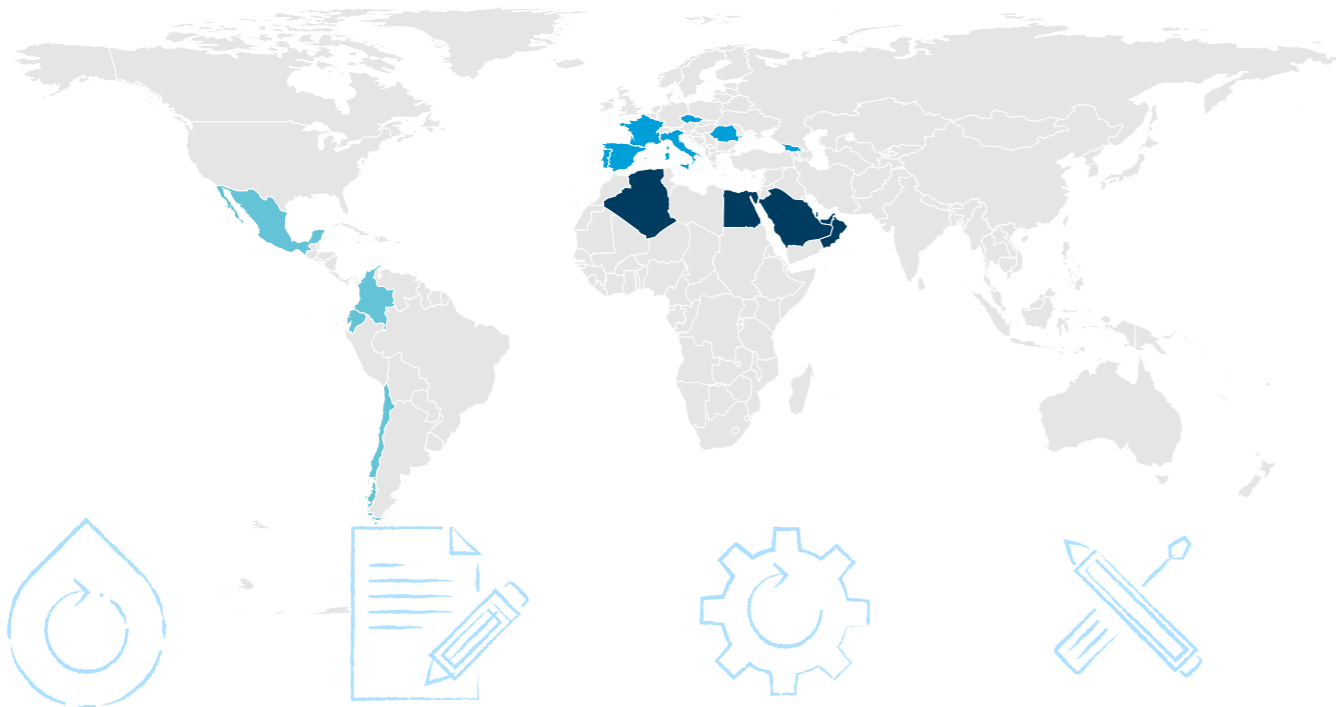
Algeria, Egypt, Qatar, Oman, United Arab Emirates and Saudi Arabia.



*In the specific case of Mexico, distribution does not involve customer management.



Given these phases, the business models deployed in the different geographical regions are:



MUNICIPAL CONCESSIONS

For the management of the public end-to-end water cycle service. This is Aqualia's main activity: ensuring access to water through the management of public services, such as abstraction, treatment, purification, distribution and sanitation, as well as the analysis of the quality of water.

At present, Aqualia operates municipal concessions in Spain, Portugal, Italy, France and Colombia, and owns assets in the Czech Republic and Georgia.

INFRASTRUCTURE CONCESSIONS (BOT)

As part of which Aqualia designs, constructs, finances and operates infrastructures, treatment plants (purification, treatment and desalination) or re-use facilities in the long term, via BOT agreements and take or pay mechanisms, as part of which the recovery of the investment associated with the infrastructure is guaranteed, without assuming the demand risk.

These formulas, which make it possible to combine technical know-how with the ability to structure complex financing are increasingly demanded by public operators and agencies and industrial corporations in emerging countries.

Aqualia concentrates its activity on this business model in Spain, LATAM (Mexico, Chile) and MENA (Saudi Arabia, Algeria, Egypt).

HYDRAULIC INFRASTRUCTURE OPERATION AND MAINTENANCE (O&M) SERVICES

This service makes it possible to ensure the continuity of high-quality water, which requires the dedication, technology, professionalism and experience required to achieve maximum excellence in the end-to-end water cycle processes.

Aqualia has implemented these business models in UAE and LATAM (Mexico).

EPC (ENGINEERING, PROCUREMENT AND CONSTRUCTION)

This corresponds to the models as part of which Aqualia undertakes design and construction projects, without assuming responsibility for their operation once the construction phase is complete.

The company has EPC agreements in Europe (Romania), LATAM (Colombia) and MENA.

Global providers of essential services to citizens

Aqualia provides services to 29.6 million people in 17 countries: Spain, France, Italy, Portugal, Czech Republic, Romania, Colombia, Mexico, Chile, Peru, Algeria, Saudi Arabia, Egypt, United Arab Emirates, Oman, Qatar and Georgia. Thus, it boasts a presence in Europe, Latin America, the Middle East and North Africa.

The company is an international leader in end-to-end water cycle management. Furthermore, it is the fourth largest operator in Europe in terms of people served and ranks among the top ten worldwide*. Furthermore, it is the only company in the sector to accredit its contribution to the SDGs by integrating management systems into its international policy.

In 2021, Aqualia had a turnover of €1,169.45 million (€1,188.35 million in 2020). 70% of this (66% in 2020)

corresponded to the domestic market (Spain) and 30% (34% in 2020) to the international market. Of these, invoicing in the different areas was as follows: Europe (16.6%), Latin America (4.1%) and the Middle East and North Africa (MENA) (9.6%).

Furthermore, it had a business backlog of €15,361 million (€15,025.89 million in 2020). 46.5% of this (48% in 2020) corresponded to the international market and 53.5% (52% in 2020) to the domestic market (Spain).

With an EBITDA of €298.911 million in 2021 (€282.93 million in 2020), Aqualia maintains a business strategy focussed on traditional markets (based on concessions). This year, the company also achieved significant growth in the volume of international activity.



*According to the ranking published by Global Water Intelligence.

MILESTONES

Main milestones in 2021

In 2021, the effects of the COVID-19 pandemic have continued to be felt, although to a lesser extent. The state of alarm was not lifted in Spain until May. In terms of the main milestones this year, worth particular mention are the following:

JANUARY

The Mar de Alborán project begins as a second sustainable opportunity for the Rambla Morales desalination plant (Almería)

The Mar de Alborán desalination plant poses a technical and management challenge, becoming the first major water production infrastructure owned by Aqualia in Spain.



FEBRUARY

Solidarity Social Fund to guarantee access to drinking water

Renewal of the Solidarity Fund Agreement with the municipality of Chipiona and Aqualia to contribute €10,000 to the payment of water, sanitation and wastewater treatment bills of people with financial difficulties.



MARCH

Extended presence in Saudi Arabia through the water supply agreement for one of the main industrial complexes in the country

Aqualia is selected for the operation and maintenance of the desalination plant and drinking water distribution system in the industrial area of Jizan (Jizan), in the southwest of Saudi Arabia.

APRIL

The 1st StepbyWater Conference defines water as a key element in the ecological transition in Europe
StepbyWater holds the first European Conference, with the participation of the Commissioner for the Environment, Oceans and Fishing, Virginijus Sinkevičius, the Minister for the Ecological Transition and the Demographic Challenge, Teresa Ribera, and different sustainability agents from public and private institutions.



MAY

New contract to improve the water supply network serving Baja California's main tourist area, Los Cabos (Mexico)

Aqualia expands its presence in Mexico with the aware of the comprehensive improvement project for the Los Cabos supply network in Baja California Sur. The contract includes the modernisation, equipment, operation and maintenance of hydraulic infrastructures for ten years.

JUNE

A report on detecting COVID-19 in wastewater receives the 5th Aqualia Journalism Award

Aqualia holds the 5th edition of the Aqualia Journalism Awards. The article "A la caza de un rebrote del coronavirus en las aguas residuales", published in La Gaceta de Salamanca by journalist Rosa María Domínguez, wins first prize.



JULY

Technology serving people

Aqualia presents its Technology Centre in Denia (Alicante), the management of which is fully digital, making the Municipal Water Service a national leader. The control centre brings together all water management in a single platform, controlling 571 million pieces of data per year. Furthermore, the largest deployment of smart-metering in Spain is enabled (96%).

AUGUST

Aqualia achieves 6,000 hours of digital training with the Digital Children's Drawing Contest

The Aqualia Digital Children's Drawing Contest is selected as the "best integrated communication strategy" at the 12th Premios Corresponsables Iberoamérica 2021 awards.



SEPTEMBER

In Spanish the saying goes that all parts of a pig can be used... and the same can be said of treatment plants

The Guijuelo biofactory receives second prize at the first edition Innovation Awards organised by the Spanish Biomass Association (AVEBIOM) for transforming the

waste generated by the water treatment plant and the local agri-food industry into energy, bio-fuel, biofertiliser and biodegradable plastics.

OCTOBER

Vigo starts to construct its new drinking water treatment plant demonstrating a clear commitment to the sustainability of the service

The municipality of Vigo and Aqualia break ground at the city's new drinking water treatment plant (DWTP), with an estimated investment of around €23 million. This DWTP will use ultrafiltration membranes to improve the quality of water as part of the drinking water treatment process.



NOVEMBER

Sixteen French municipalities place their trust in Aqualia to manage their water service

Aqualia, through its French subsidiary SEFO, is selected to manage the water supply of 16 municipalities around Mantes-la-Ville in the Île-de-France region.



DECEMBER

A tangible contribution to the SDGs

Aqualia presents its 2021-2023 Strategic Sustainability Plan and shares with its stakeholders the firm target of including triple sustainability as a transversal aspect of its strategy to be followed in the coming years to trace and measure SDG performance, establishing short, medium and long term goals.

Creating value for society: main figures

Aqualia is a company that creates value for society. As such, the goal of preserving the wealth of the area in which it operates and its natural and social resources forms part of its business model.

natural capital, workforce, social and financial capital, etc. and continues as part of the process by which the company transforms these assets and generates value for all stakeholders.

Thus, the creation of value by the company begins with the assets or key capital in Aqualia's management, its

Each element of the business and the value created for the different stakeholders are explained in this annual report.

	2020	2021	Chg. 20/21
Financial capital			
EBITDA (million euros)	282.93	298.911	
Industrial capital managed			
Kilometres of supply network	46,361	45,399	-2%
Kilometres of sewage network	34,787	35,753	3%
DWTP No.	238	239	0%
No drinking water tanks	2,855	2,867	0%
SWDP No.	26	28	8%
No. treatment plants	827	866	5%
No. drinking water pumping stations	1,191	1,194	0%
Natural capital			
Drinking water collected for management (m ³)	924,153,976	988,938,615	7%
Consumed energy (GJ)	4,407,302.03	4,263,767.75	-3%
Human capital			
Employees	10,525	9,818	-7%
Employees/women	1,963	1,982	1%
Employees with indefinite contract	8,029	8,174	2%
Technological capital			
Total investment in technology	€1,603,840	€5,328,670	232%
Capital stock/relational capital			
Investment in social actions in communities (social action investment and awareness raising)	€2.9 million	€2.67 million	-8%

BASED ON OUR VALUES

- Specialised global/local experience in managing the end-to-end water cycle.
- People committed to client orientation and purpose.
- Ethics and integrity in business management.
- Quality and efficiency of the service.
- Environmental involvement, awareness and dissemination.
- Solvency and financial consistency.
- Social involvement.
- Innovation.

Value created and shared

The values that characterise Aqualia's culture, the company's vision and strategy, risk management and opportunities as well as its performance, entail the creation of value for all its stakeholders and society.

Furthermore, its current position of leadership has been consolidated from a positive long-term perspective, on account of regulatory developments and the adaptation of countries and governments to environmental regulations, in addition to the new opportunities resulting from governments becoming more aware of the need to improve efficiency and renew infrastructures involved in the urban water cycle.

IMPACT ON THE COMPANY (€ THOUSAND)

	2020	2021	Chg. 20/21
Revenue	1,188.35	1,169.45	-2%
Other operating income	39.73	47.56	+20%
Financial income	37.94	36.93	-3%
Economic value generated	1,266.02	1,253.94	-1%
Supplies	474.44	446.88	-6%
Other operating expenses	173.89	172.8	-1%
Changes in inventory of finished products and those being manufactured	0.006	-0.147	-2,550%
Operating costs	648.33	619.53	-4%
Staff expenses	309.21	316.01	2%
Employee salaries and benefits	309.21	316.01	2%
Dividends	-	60	
Financial expenses	47.41	49.21	4%
Differences in exchange rates	2.93	-1.66	-157%
Capital suppliers and shareholders	50.33	107.55	+114%
Corporate income tax	33.34	42.86	29%
Other tax payments (except VAT)	8.72	8.38	-4%
Fines and penalties	0.12	0.1	-13%
Payments to governments*	42.17	51.34	+22%
Donations and other investments in the community	1.3	0.88	-32%
Investments in the community	1.3	0.88	-32%
Economic value distributed	1,051.34	1,095.32	+4%
Economic value retained	214.68	158.62	-26%

*Accrual criteria for corporate tax and payments of other levies, fines and sanctions according to the cash approach.

COMPLIANCE

Implementation of good governance as a result of the compliance model

PROPERTY

100% in companies owned by Aqualia

INTERNATIONALISATION

96% of its investees at an international level

Leading indicators in 2021

CLIENTS, USERS AND COMPANIES

USER ACCESS TO WATER

29.6 million

29.6 million in 2020 (0% chg)



DRINKING WATER PRODUCED

708,279,045 m³

666,842,917 m³ in 2020 (6% chg)

No. OF DRINKING WATER QUALITY CONTROLS

1,021,192

1,019,780 in 2020 (0% chg)

RATING OF THE CUSTOMER SERVICE DEPARTMENT*

81.4%

*Satisfaction surveys performed in 2020

CUSTOMER SERVICE: COMPLAINTS INDEX

0.25% 1.71%

Spain 0.32% in 2020 (-0.07 pp) International 1.40% in 2020 (+0.31 pp)

COMMUNITY ACCESS TO WATER

HELP THE MOST VULNERABLE

139 Cáritas charity centres benefitted with **€56,315**

In 2020: 139 Cáritas centres, 22,066 beneficiaries and an investment of €55,390



COLLABORATIVE OUTLOOK

50 Dialogue with more than 50 Spanish and international sectoral associations

50 associations in 2020 (0% chg)

WATER AND SANITATION SERVICE

2,640,519 people with access to subsidised rates

In 2020, 2,103,575 beneficiaries (26% chg)



IMPACT ON THE ENVIRONMENT

PURIFICATION

695,277,335 m³

In 2020, 687,943,351 m³ (1% chg)

Purified water returned to its natural environment



CARBON FOOTPRINT

441,708 tCO₂eq

458,419 tCO₂eq in 2020 (-4% chg)

EMPLOYEES

TRAINING

€800,029

€614,941 in 2020 (30% chg)

SALARY AND BENEFITS

€316 million

€309.2 million in 2020 (2% chg)

GROWTH IN 2021 BY COUNTRIES

Country (millions of €)	2020		2021		Chg. 20/21	
	Pre-tax profit	Payments to governments (taxes)*	Pre-tax profit	Payments to governments (taxes)*	Pre-tax profit	Payments to governments (taxes)*
Saudi Arabia	3.04	0.19	3.5	0.48	15%	152%
Algeria	20.97	2.78	23.37	3.62	11%	31%
Bosnia	-	0.001	-	-	-	-
Qatar	-	-	0.7	0.041	-	-
Colombia	-0.495	2.32	3.22	2.06	-749%	-11%
Ecuador	-	0.071	-	0.028	-	-61%
Egypt	1.46	1.9	2.1	0.217	44%	-89%
United Arab Emirates	3.69	0.019	2.93	-	-21%	-
Spain	92.46	26.88	95.89	34.36	4%	28%
United States of America	-0.910	-	-1.12	0.001	24%	-
France	3.68	1.8	3.13	1.61	-15%	-10%
Italy	6.31	0.769	8.84	2.02	40%	162%
Kosovo	-	0.019	-	-	-	-
Mexico	4.33	0.354	3.26	1.21	-25%	240%
Montenegro	-0.039	-	-0.121	-0.151	210%	-
Oman	0.256	-	0.398	-	55%	-
Panama	-	0.015	-	0.005	-	-67%
Netherlands	-0.094	-	0.071	0.035	-176%	-
Portugal	3.66	0.32	3.3	0.33	-10%	2%
Czech Republic	18.5	4.6	22.17	5.02	20%	9%
Romania	-	-0.005	-	0.039	-	-880%
Serbia	0.315	-	-0.094	0.024	-130%	-
Tunisia	-	-0.011	-	-	-	-
Uruguay	-	0.051	-	-	-	-
Total	157.13	42.06	171.52	51.24	9%	22%

*Accrual criteria used. Furthermore, this considers both the sum of tax payments in the country and branches consolidated in Spain.

	2020	2021	Chg. 20/21
Aspect (millions of €)*			
R&D&I operating subsidies	2.90	3.13	8%
Subsidies for investments and operation and other types of relevant subsidies**	11.30	23.27	106%
Total subsidies***	14.20	26.40	86%

*99.88% in Spain.

**Includes: training subsidies (subsidised training courses; by nature, this item corresponds to staff expenses) plus capital subsidies for non-R&D projects and operating subsidies for non-R&D projects

***Accrual criteria.



Aqualia in the market context

Domestic market (Spain)

In 2021, Spain continued to feel the effects of the COVID-19 pandemic. The state of alarm was not lifted nationwide until May. Subsequently, different regions embarked upon a staggered de-escalation process.

Despite Spain seeing two significant waves of infections, in summer and in December, Aqualia has adapted its contingency plans in force to the health situation at the time. In 2021, the plan in force was adapted to the legal provisions set out by the health and occupational authorities in each region, maintaining adequate workplace measures (social distancing, supply of PPEs). Currently, the provision of Aqualia's services is practically normal.

Aware of its status as a provider of essential services, Aqualia has maintained the company's effectiveness and quality standards while, at the same time, preserving the levels of health and workplace safety for its employees.

In this connection, during the year, various protection measures were fomented, such as technological solutions that made it possible to work from home efficiently, stock controls were enhanced for essential products as were special measures for action at sports centres, non-face-to-face customer service channels were reinforced (specific communication campaigns with customers and municipalities), in addition to all the necessary hygiene and health measures being implemented.

This aim of continuing activity also led to the Urban Water Cycle Committee being convened, with the presence of the Ministry, business associations, trade unions and users. These meetings saw the request being made to create the Spanish Urban Water Observatory, which was ultimately approved in the first six months of 2022 and that is included in the Recovery, Transformation and Resilience Plan (PERTE).

This Plan is expected to transform and modernise the water management system, both when it comes to the urban water cycle and irrigation and industrial uses, to which end around €3 billion is due to be invested between 2022 and 2026. According to the Plan, MITECO

has also approved €2 billion for WWTP construction, energy transition and flood prevention projects.

Increasingly greener regulatory framework

As regards the regulatory environment, the suspension of the application of the Budget Stability Law in 2021 was maintained, which enables municipalities with cash surpluses to allocate the surpluses to making investments. This suspension will last into 2022.

In terms of the environment, in May, the Spanish Congress approved the Climate change and energy transition law, which prioritises green electricity sources and reducing CO₂ emissions. In turn, the Government approved the third version of the Basin Hydrology Plan for 2022-2027, with an expected investment of €21 billion.

Finally, in September 2021, a drought was declared in the Guadalquivir basin, which was deemed as likely as extending to the Guadiana basin and other basins in Andalusia. This development is of concern to Aqualia, although it is not expected to affect its water distribution capacity, as urban water takes priority over agricultural, sporting and industrial uses.

New contracts in Spain

In 2021, as was the case in 2020, there was limited public contracting activity and contracts for infrastructure operation and maintenance services gave remained more active.

Across Spain, new contracts, renewals and extensions of contracts already managed by Aqualia were awarded. Worth mention is the renewal of 354 contracts, the backlog of which is worth €873 million.

Prominent projects

- The most prominent projects include the five-year extension of the management of the water, protection and maintenance supply service for the water deposit and distribution network in Adeje in Santa Cruz de Tenerife.



Wastewater Treatment Plant (WWTP) in Lagares, Vigo, Pontevedra, Spain.

International

- The contract with Salamanca for the management of the end-to-end water cycle and the contracts in Vigo and Pontevedra, all for an additional five years, were renewed. In the case of Pontevedra, an agreement was reached to improve the infrastructure to the city's supply service.

- Güímar Town Council, in Santa Cruz de Tenerife, awarded the city's supply and sewerage management contract for a non-renewable period of 25 years. In this case, the investment plan proposed includes €5.1 million in improvements to be undertaken during the first three years of the contract, in addition to the renewal of infrastructures, for the sum of €500,000, to be performed every three years effective the fourth year of the contract.

Furthermore, during the first year, a smart-meter system will be implemented in all of the town's 12,000 meters, which represents an investment of €2 million. Aqualia has provided services to Güímar, and its 20,000 residents, since 1995. This new contract represents an unmistakable display of the high degree of trust and satisfaction with the company's level of competitiveness and effectiveness.

When looking to the European markets, in 2021, the COVID-19 pandemic affected consumption in Europe, reducing the supply volume to residential and non-residential clients in Portugal and reducing the high-pressure water supply in the Czech Republic. However, Aqualia was able to maintain quality and continuity levels in the service without any notable impact on operations.

France

The French market has been largely reliant on the takeover bid involving two of the biggest water and environment groups in the world. Despite this, the company made progress with consolidating its business in France and its complete cultural and operational integration, to improve the service to more than 140,000 residents who currently enjoy the water supply and sanitation network management services offered by Aqualia.

Czech Republic

In the Czech Republic, the political and social debate surrounding public action to guarantee the water supply remains as lively as ever. This debate began some years ago in the wake of frequent droughts and floods continued. It is promoted politically by advocates of public water management opposed to the creation of economic incentives for operators.

Amongst its powers, the Ministry of Finance has approved a review of the tariff framework for the 2022 to 2026 period, in line with the other provisions on the matter being pursued by different areas of the public sector. The review has focussed on the adjusted calculation, using the replacement value, of investment needs, regulatory capital and the associated regulatory benefit.

Italy

In Italy, there have been no major developments year on year as at a regulatory and commercial level, the market is awaiting the outcome of the corporate transaction between the two major global operators, who have a significant exposure to the Italian market.

Portugal

In Portugal, following the 2021 municipal elections, it is expected that different infrastructure development projects and improvements to the end-to-end water cycle management will take hold as part of a strong Portuguese concessional framework.

Romania

The pace at which work is being performed to expand the Glina treatment plant in Romania was affected by the restrictions imposed by authorities to combat COVID-19. However, Aqualia has managed to make progress with the works plan, bringing forward the performance of civil engineering works and the contracting of equipment to minimise the impact of the pandemic and the subsequent crisis.

Balkans

In the Balkans, for causes attributable to customers, the contracts for the Berane and Pljevlja projects, which were completed and operational, were terminated. At the same time, the established dispute resolution and settlement mechanisms were initiated for both plants. Furthermore, the handover certificate was obtained for the Prziren project and it is under the assisted operations and guarantee period.

Algeria

In Algeria, the initial operation phase of the Mostaganem desalination plant installation was completed, meaning the plant has increased its real capacity and it has been

protected from the impact of adverse sea conditions. It is now at full capacity following the execution of the works on the new seawater abstraction and provisional acceptance has been obtained.

As for the operation of the desalination plants, despite the enormous impact of the epidemic, and thanks to the dedication and good planning of the plants' management team, the two desalination plants, Mostaganem and Cap Djinet, have maintained continuous operation at full capacity and without significant incidents, thereby providing a critical service to the local population.

Egypt

The year ended on a very positive note in Egypt, where Aqualia completed the year of guaranteed operation of the El Alamein desalination plant, with 150,000 m³/day of capacity. Furthermore, the company obtained an extension of this contract until 2022.

The El Alamein contract is a first class benchmark for new projects included in the desalination plan of the Egyptian government, the aim of which is to reduce the country's water stress in the Mediterranean and Red Sea coastal areas.

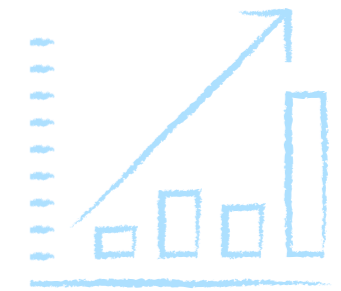
As for the implementation of the Abu Rawash wastewater treatment plant project, despite the impact of the pandemic, Aqualia has continued works at a good pace on the plant, which is expected to enter into the initial operation phase in 2022.

Saudi Arabia

In Saudi Arabia, in March, and through its investee company HAAISCO (Haji Abdullah Alireza & Co. Integrated Services Ltd.), Aqualia was awarded the contract for the operation and maintenance of the desalination plant and the drinking water distribution system in the industrial area of Jizan (Jizan City for Primary and Downstream Industries - JCPDI), in the southwest corner of Saudi Arabia. This plant has the capacity to produce 60,000 m³ of desalinated water per day, both of drinking water and service water, which will be supplied to the industries operating from the complex.

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

In the country, the process of modernization and provision of hydraulic infrastructures is expected to continue,



In the MENA region, Aqualia secured billing of €112.3 million in 2021, accounting for almost 10% of total global income.

promoted by the Government in the Vision 2030 programme, by means of public-private collaboration. It is expected that infrastructure concession contracts tendered in 2020 will be definitively awarded. Thus, in 2022, Aqualia will start operations as part of the new sanitation agreement in Abu Dhabi and WWTP operations in Al Dhakira, in Qatar.

United Arab Emirates

In the United Arab Emirates, the company's subsidiary, Aqualia MACE, continued to provide services without incident and at full capacity despite the pandemic. Thus, it maintained assets and provided operation and maintenance services for the collector networks as well as pumping stations and wastewater treatment plants in the geographical area of Al Ain and the city of Abu Dhabi.

Oman

The company also operated without incident in Oman in 2021. Despite the pandemic, it continued to operate without incident the management of the end-to-end cycle for the Sohar port area through the subsidiary, Oman Sustainable Services Company. As a significant milestone, this year Aqualia's asset management system was certified by AENOR, a certification that very few water management companies in the world have.



Sea Water Desalination Plant (SWDP) in Mostaganem, Algeria.



Wastewater Treatment Plant (WWTP)
El Salitre, Bogota, Colombia.

Qatar

In Qatar, Aqualia started work on the Al Dhakhira wastewater treatment plant in the north of the country, executed by Hyundai with a capacity of 55,000 m³/d, which will be operated by Aqualia MACE. Staying in the same country, a joint venture led by Aqualia and with the participation of reputable local partners was also set up to develop projects to improve the sewerage, water treatment and re-use network, which will provide services to the Qatari Ministry of Public Works and Sanitation.

Thus, in 2021, the total value of the contracts currently managed by Aqualia in the Arabian Peninsula (Saudi Arabia, UAE, Qatar and Oman) exceeds €600 million. Most are for concessions and respond to the need to establish public-private partnership models. Through these, the company provides its services to some six million of the region's inhabitants.

Mexico

2021 has been a good year for Aqualia in Latin America, consolidating its presence in Mexico and becoming a leading company in the sector with a highly diversified asset portfolio.

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

The Guaymas desalination plant, awarded in 2018 by the Sonora State Water Commission, and the execution of which has been slightly delayed by the pandemic, is almost completed and will come into operation for a period of 20 years during 2022.

drinking water service with the proper pressure, quantity and quality. To do so, it will involve the replacement of equipment, the implementation of well automation and optimised readings to recover drinking water flows that are currently lost due to the obsolescence of the infrastructure, deficiencies in the measurement of consumption and unregulated intakes.

Colombia

In Colombia, Aqualia continued with the construction of the El Salitre WWTP (Wastewater Treatment Plant) in Bogota, on which the pandemic of the pandemic on the implementation was limited due to the strict protocols in place. This collection of measures placed Aqualia at the forefront with regard to sanitary safety in hydraulic infrastructure works, and has been recognised by public bodies and the multilateral banking sector.

In relation to the services acquired in 2020 in the Department of Córdoba (Aguas de Sinú, Uniaguas and OPSA, as well as in the municipality of Villa del Rosario), Aqualia has included them fully in its management, despite the difficulties posed by the COVID-19 pandemic.

Given the state in which the company discovered the infrastructures in March 2021, a works and investment plan was implemented to improve the service in Córdoba, which will result in service improvements.

New contracts abroad

At an international level, Aqualia was also very active as part of tenders in different areas. Worth special mention were the procedures organised in France, where new contracts were added for the management, operation and renewal of water and sewerage networks or in the Czech Republic. In total, the nine new contracts translated to 269 new recruits into the workforce.

There was also intense activity in Latin America, with the contracting of management in Los Cabos worth particular mention, including investment, operation, conservation and maintenance, as part of a public-private association scheme. As a result, the number of people recruited at Aqualia came to 270.

The MENA region, although smaller in number, accounted for 168 new recruits in 2021.

Sustainable and transparent governance

TRANSPARENCY AND GOOD GOVERNANCE / RESPONSIBLE SUPPLY CHAIN / TRANSPARENT COMMUNICATION AND DIALOGUE WITH STAKEHOLDERS / MATERIALITY ANALYSIS



In recent years, Aqualia has strengthened ESG aspects through the creation of the Coordination Committee, which transversally addresses the different areas of sustainability (social, environmental and good governance) in which the company is active.

GOOD GOVERNANCE

At Aqualia, the governing bodies are responsible for the proper performance of the company and the implementation of the applicable culture of ethics that extends to all members and involves the full integration of ESG matters in each and every decision taken by all teams, to ensure the creation of long-term value and conscious leadership in the performance of all its activities.

In recent years, Aqualia has strengthened ESG aspects through the creation of the Coordination Committee, which transversally addresses the different areas of sustainability (social, environmental and good governance) in which the company is active.

The Board of Directors is the most senior body responsible for representing and managing the company, delegating its duties to the CEO. In collaboration with the Managing Committee, the CEO manages and addresses the most specific matters through the different committees, such as the Information Technology, Management, Innovation and Coordination Committees, which transversally address the different areas of sustainability (social, environmental and good governance) in which the company is active.

In Aqualia, the Communications Department is also the CSR Department. Therefore, this department unifies the responsibility of involving all areas of the company in the responsible governance of the company with a view to sustainable development that is respectful of natural resources and people.

The Regulatory Compliance Department is responsible for the implementation of a proper culture of ethics and for overseeing good governance at Aqualia.

TRANSPARENCY

Transparency and good governance: sustainable growth guarantee

Governing bodies

Aqualia's Board of Directors consists of directors IFM. As at 31 December 2021, the situation was as follows: representing shareholdings of 51% of FCC and 49% of

P: President, S: Secretary, V: Voting member	Investment Committee	Appointments and Remuneration Committee	Audit and Control Committee	Regulatory Compliance Delegate Committee
Members of the Board of Directors				
<i>Position on the Board</i>				
Aboumrád González, Alejandro <i>President</i>	V			
Amantegui Lorenzo, Javier <i>Secretary (non-director)</i>				
Azzouzi Maanan, Samir <i>2nd Deputy Secretary (non-director)</i>				
Bespolka, Lars <i>Voting member</i>	P	V		P
Cerro, José Fernando <i>1st Deputy Secretary (non-director)</i>	S (non-voting member)	S (non-voting member)	S (non-voting member)	
Colio Abril, Pablo <i>Voting member</i>	V		V	V
Kuri Kaufmann, Gerardo <i>Voting member</i>		P		
Longhurst, Scott <i>Voting member</i>		V	V	
López Barranco, Cristina <i>3rd Deputy Secretary (non-director)</i>				
Rodríguez Torres, Juan <i>Voting member</i>		V	P	V
Villén Jiménez, Nicolás <i>Deputy Chairman</i>			V	V
Siles Fernández-Palacios, Jaime José	V			
Jesús Ortega CCO*				S (non-voting member)

*Chief Compliance Officer.

ORGANISATION CHART

CEO
Félix Parra



TERRITORIAL DIVISIONS

SPAIN
Director
Santiago Lafuente

ZONE I
Juan Carlos Rey

ZONE II
Juan Luis Castillo

ZONE III
Lucas Díaz

INTERNATIONAL
Director
Luis de Lope

EUROPE REGION
Guillermo Moya

MENA REGION
José Enrique Bofill

AMERICAS REGION
José Miguel Janices

CORPORATE DIVISIONS¹

Legal Counsel Dep.
Elena Barroso

Procurement Dep.
Alberto Andérez

Communications and CSR Dep.
Juan Pablo Merino

Regulatory Compliance Dep.
Jesús Ortega

Economic and Finance Dep.
Isidoro Marbán

Studies and Operations Dep.
Pedro Rodríguez

Customer management Dep.
Miguel Perea

Water engineering and technology Dep.
Javier Santiago

People and culture Dep.
Carmen Rodríguez

I.T. Dep.
M^a Ángeles Vicente

¹ This organisation chart corresponds to 2022, as in December 2021, Antonio Vassal'lo (Development Director) retired.

Values, culture and Code of Ethics and Conduct

Society needs humanist and ethical companies that set the bases for the constitution of peaceful societies where sustainable development, justice and well-being for all citizens are possible. Aqualia's values inspire its culture and code of ethics and conduct. Guided by the pace set by the company, the pact at which it acts, the entire team takes these values to the countries in which they operate.

A testament to Aqualia's commitment to sustainable development is that since the end of 2020, the company has been a full member of the Global Compact, the United Nations benchmark institution for promoting respect for human rights and good practices in companies and other social-economic entities.

This membership involves complying with and promoting the ten principles of action that constitute the management guidelines with regard to issues in relation to human rights, occupational regulations, the environment and anti-corruption.

Throughout this report you will see all the policies, measures and actions undertaken by Aqualia in 2021, in line with this commitment to the Ten Principles of the Global Compact, as well as its contribution to the Sustainable Development Goals.

The Code of Ethics and Conduct includes the basic principles that all providers, partners and collaborators must comply with in relation to:

- **Corruption, bribery and fraud:** Ethical conduct in its commercial relationships.
- **Human and employment rights:** Protection of the Universal Declaration of Human Rights and International Labour Organisation.
- **Commitment to occupational health and safety:** Commitment to occupational health and safety standards.
- **Sustainable environmental management:** Respect for and prevention of damage to the environment.

Compliance model

SL5 ETHICS AND COMPLIANCE

As part of this strategic axis, Aqualia undertakes a series of actions to implement the culture of ethics across all its activities and countries in which it operates.



Line of work	Development of the compliance model			Training in the culture of ethics
Action plan	Approval of policies and procedures in 100% Aqualia companies	Approval of policies and procedures in joint ventures	Implementation of controls to mitigate corruption risks	Actions to train and raise awareness among online employees
Performance in 2021	100% of companies that are fully owned by Aqualia have a compliance model in place.	96% of companies that at which Aqualia shares ownership with other partners have a compliance model in place.	100% of companies fully owned by Aqualia and 96% of companies that at which Aqualia shares ownership with other partners have implemented controls to mitigate corruption-related risks.	76% of Aqualia's online employees* have received information on the culture of ethics.
	OBJECTIVE 100% in 2021		OBJECTIVE 100% in 2022 Objective in 2021: 50%	OBJECTIVE 85% in 2021
Sustainable development	Goal 16.5			

*Online employees are employees who, given their profile at the company, have access to corporate email.

In 2021, the most significant risks relating to corruption and identified through risk evaluation are bribery, business corruption, influence peddling, fraud, illegal financing of political parties, embezzlement, price fixing in bids and auctions and money laundering. To prevent of all of these, Aqualia established a compliance model, which is complemented with a control system.

This model helps, by identifying risks and implementing due diligence procedures, to make for fairer, more humane societies in all countries in which Aqualia undertakes its activities.

The company has been working on the implementation of this compliance model at all companies at which it exercises operational control for a number of years now. At all of them, it has implemented controls to mitigate corruption risks.

Another area where Aqualia has worked intensively is the international expansion of the compliance function. To this end, it has appointed local Compliance Officers in America, the Czech Republic, France and Portugal. They all report to the Chief Compliance Officer at Aqualia.

Despite the fact that some of the countries in which Aqualia operates have less developed regulations, the company implemented a global compliance model which enables supervision of the activity that affects all countries. The company applies international standards at a corporate level (FCPA, UK Bribery Act, ISO 37001, ISO 37301, etc.) so it has its own regulation.

Compliance policies and procedures

In 2021, Aqualia's Compliance Division implemented the Criminal Risk Assessment Procedure, which defines the methodology for performing criminal risk analyses. It also approved the procedure for selecting and contracting agents, which implements the Agents Policy and establishes the categories of agents with which relationships can be established, in addition to the suitability analysis before entering into any contract with third parties.

Furthermore, the following procedures with an impact on the model and controls aimed at mitigating compliance risks were updated:

- Sponsorship and donation management and control procedure
- Selection procedure for domestic and international staff
- Selection procedure for domestic and international purchases
- Cash management procedure
- Procedure for the generation of purchase orders/delivery notes in SAP
- Procedure for managing open orders
- Procedure for incidents involving the quality of water for human consumption

In terms of sponsorship and donation management and control, it is worth noting that the procedure has been expressly brought in line with the Group's Code of Ethics and Conduct, which establishes a broader definition

of the terms Sponsorship and Donation, in addition to expressly prohibiting making donations to candidates, political parties or members of the public office.

Work was also performed to update the third party due diligence procedure in relation to compliance, with a view to extending the due diligence analyses to private customers and providers where the need for an enhanced diligence analysis is identified during the supplier approval process or during the M&A processes.

As regards the processes for ensuring the prevention and mitigation of conflicts of interest at senior governing bodies, Principle 6 of the Code of Ethics and Conduct establishes that directors and executives must be aware of and apply trade law and the Board of Director Regulations in matters of conflict of interest. Furthermore, reference should also be made to Principle 6 when applying the duty of loyalty as regards related transactions.

Finally, in the performance of their jobs or in a position or responsibility, employees may not carry out actions that entail the future benefit for themselves or related persons.

In this sense, members of the Board of Directors are required to inform the secretary to the Board of any case in which there is a conflict of interest. To ensure compliance with the provisions indicated above and prevent or mitigate possible conflicts of interest, the company has established an annual conflicts of interest declaration for directors of Aqualia subsidiaries or investees, their legal representatives and employees who can enter into contracts on behalf of Aqualia or have decision-making powers at the company. Once the annual declaration is made, the conflicts of interest identified are handled.

Risk assessment and control system

In 2021, 100% of corruption risks were subject to assessment, considering the 23 processes that the company had identified as part of its activities and operations.

Based on the risk assessment undertaken and the controls established to mitigate these risks, as is the case every year, during 2021 two certifications were carried out on the implementation of controls by their control and process owners. As part of both of these certifications, all control owners have assessed the execution of their controls, compiling evidence that the activity has been carried out and, therefore, the corresponding risk was being mitigated. Furthermore, all process owners verified the information provided by the owners of each control that make up the different processes.

Based on the information provided by the control and process owners during certification, the Compliance Department conducts an analysis, the results of which are relayed to the corresponding process owners so they could work on the improvements detected.

Acque di Caltanissetta, SmVAK and Aqualia France were included in the anti-corruption control self-assessment performed in November and December 2021.

At the same time as the certification process, the Regulatory Compliance Department monitored the processes assessed by the control owners and revised by the process owners, analysing whether the risks were covered and highlighting the gaps detected, which were also reflected in meetings held with the process owners.

Whistleblowing Channel

Aqualia has a Whistleblowing Channel on its website that is accessible to public of interest, clients, suppliers and employees, with accessibility for the latter via Intranet

One. This channel may be used to report anything with regard to labour well-being, compliance with regulations, quality of customer service and environmental impact. These reports are then classified by the FCC Group's Compliance Committee, which assesses them and proceeds to classify them for the record or takes the necessary measures to resolve them.

All notifications corresponding to Aqualia received through the Whistleblowing Channel are notified to Aqualia's Director of Regulatory Compliance, who then proceeds to undertake a follow-up.

During 2021, a total of 53 alerts were received via the Whistleblowing Channel, up from the 34 received in 2020. Worth particular mention were matters related to clients. This increase can be traced to the fact that over the course of the year, an awareness raising campaign was held to improve awareness of the Whistleblowing Channel amongst employees, in addition to more widespread use by end customers.

Aspect	2020	2021	Chg. 20/21
Number of alerts	34	53	56%
Regarding labour disputes	8	2	-75%
Issues relating to client management	9	11	22%
Non-fulfilment of internal regulations	3	1	-67%
Issues that may affect public or environmental health	1	3	200%
Issues relating to supplier management	0	0	
IT Incidents	0	0	
Health and safety	0	1	
Harassment	0	2	
Non-material or irrelevant	23	33	43%
Total	34	53	56%



In 2021, 4,731 employees were informed about the company's corruption policies and procedures (47%) and 3,672 employees received training on this matter (37%).

Further information: Annex 7, GRI 205-2.

Training on compliance

Aqualia believes that ethical leadership begins by involving members of management through training and information. Leading by example in taking a responsible approach to business is the only way for executives to relay the culture of ethics and compliance to the rest of the company. Therefore, members of Aqualia's governing bodies are the first to actively participate in the implementation and development of the organisation's anti-corruption policies and procedures.

Furthermore, the online courses imparted via the Training Campus have made it possible to speed up the implementation and development of the compliance model in Spain and internationally. Specifically, in 2021, adaptations were made into Italian, Portuguese, French and Czech, making it possible to impart training to employees in these countries. Furthermore, via the corporate training campus, online training was imparted under the header "6 keys for shock-free tendering" to employees who participate directly or indirectly in tender processes.

In 2021, training continued to be given on the Code of Conduct and Ethics. Training was also imparted on anti-corruption: "Relationship with public officials at the FCC Group".

Training in ethics and compliance is reflected both in the responsible actions of Aqualia's teams with its stakeholders and the company's financial results.

On the Code of Ethics and Conduct

All new recruits who joined Aqualia in 2021 who speak Spanish, English, French, Portuguese and Czech and had online access, were invited to attend Code of Ethics and Conduct training. Acque di Caltanissetta also imparted this training in-person to new recruits.

Furthermore, and on account of the COVID-19 restrictions put in place, digital platforms (Teams) were used for direct training to key employees, as in the case of the training imparted by the Chief Compliance Officer on the Code

of Ethics and Conduct to Senior Management at Aqualia France, which they attended from their workstations at the offices in Andrésy (France).

The percentage of online employees receiving online training on the Code of Ethics and Anti-Corruption came to 76%.

Anti-corruption

For employees in Spain, Portugal, France, the Czech Republic and Latin America, who may come into contact with public officials as part of their duties, training was imparted on the basic regulatory principles collected (Criminal Code and international standards: FCPA, UK Bribery Act, World Bank Integrity Guidelines) to combat corruption and bribery.

The new process and control owners were given training in anti-corruption which also explained the purpose and functioning of the crime prevention model adopted by the company.

Furthermore, following the approval of the due diligence procedure with third parties in relation to compliance, all employees who form part of the Communication and CSR department, the Legal Advice Department and departments that may be related to business parties, received training to understand the measures that must be taken to ascertain the alignment of third parties with Aqualia's ethical principles and values before establishing relationships with them.

It should be noted that based on the due diligences undertaken with the business parties (third parties with which Aqualia establishes contractual relationships, when a low culture of compliance is detected in these analyses, key employees who are going to have a relationship with Aqualia are invited to receive Code of Ethics and Conduct Training. In some cases, they are also invited to participate in anti-corruption training to disseminate the Group's ethical values and principles as well as international anti-corruption standards. In 2021, a total of 60 people from business parties received training.

GOOD PRACTICE

Awareness raising amongst employees

As part of the awareness raising activities among employees regarding compliance, an e-mail was regularly sent out with so-called Compliance Tips, containing the advice used as a basis for preparing the main compliance policies. In addition to other matters, it explains what the compliance system is, what a conflict of interest is, the gifts and hospitality policy, measures for preventing and eradicating harassment, who sits on the Compliance Committee and what its duties are, in addition to the procedure for selecting and contracting agents or the appropriate use of the Aqualia brand. To commemorate "International Anti-Corruption Day", on 9 December, Compliance Tips were sent with information on the recent European Whistleblower Protection Directive.

The aim was also to reach offline staff for national activity as part of the dissemination of Compliance Tips on the BeAqualia app.

Compliance tips

In the face of corruption, don't wash your hands



We tell you why it is important to celebrate this Day and how Aqualia acts to prevent corruption in [this video](#).

Commitment to good practice, our daily responsibility 

Due diligence with third parties

During 2021, the company continued with the Aqualia third-party analysis activities in relation to compliance, consolidating the application and knowledge of the entire organisation of the due diligence measures set out in the procedure approved in June 2020, by inviting the different requesting departments to participate in internal training courses on this matter.

The third-party assessment is performed following the principle of proportionality and with a focus on risk. Having identified the different types of business parties (partners, agents, collaborators, unique providers, etc.), the third party's risk level is determined (high, medium or low) in the context of the project, industry and country in which the activities are performed. The scope of the analysis for the final risk assessment is established based on the initial risk, using the basic information provided by the requesting department and involves activities ranging from consulting sanctions

lists to requesting a background check from the FCC Intelligence department.

As regards the scope of the due diligence measures, Aqualia has worked to establish analysis criteria for Aqualia's private clients and, also, the supplier approval process with FCC, providing the minimum requirements to certify the suitability of the third parties in relation to compliance.

As at 31 December 2021, the due diligence process had been initiated for 116 third parties identified in 45 projects. Of these 116 business parties, a final assessment report was obtained for 71% of the total.

From the final assessment reports issued by the Compliance Department, 23% of third parties have been classed as high risk; 57% as medium risk and 20% as low risk. Depending on the risk levels, different mitigation measures are applied.



Taxation

In tax matters, the company complies with the Ministry of Finance's Code of Good Tax Practices, which establishes the principles of transparency and mutual trust, as well as good faith and loyalty between the parties, guaranteeing a more effective relationship without legal uncertainty.

Aqualia adheres to the tax regulations of all the jurisdictions of the countries in which it operates, following tax governance and the same control frameworks established by the FCC Group. Additionally, to minimise the risks derived from tax breaches, FCC has its own Code of Tax Conduct, which is mandatory for all persons linked to any Group company. This document, in line with the values established therein, establishes

the basic principles of the FCC Group in tax matters, including rigour and compliance with the applicable tax regulations, respect for the Framework Regulation on the Control of the Tax Area and ensuring that senior management reviews significant decisions on tax matters and the promotion of transparency.

Furthermore, as indicated previously, Aqualia has a Whistleblowing Channel through which stakeholders can report any inappropriate practice in terms of taxation. Furthermore, the process of active listening has made it possible to detect the importance that stakeholders place on tax transparency as a value that makes the company stand out.

RESPONSIBLE

Responsible supply chain



Management of the supply chain is becoming progressively more relevant in the economic and social context. This is because of both the growing regulatory pressure in relation to sustainability and pressure from the investment community. This is particularly true of a company like Aqualia, that each year becomes more renowned on an international scale.

Amongst the international regulations, worth particular mention is the proposed European Commission Directive on the due diligence of companies in relation to sustainability, with a view to encouraging sustainable and responsible business conduct throughout global supply chains.

This Directive, applicable to the in-house activities of companies, their subsidiaries and their supply chains, must be transposed in the coming two years by EU countries. It will require that companies determine and, as necessary, prevent, tackle or mitigate the adverse effects of their activities on human rights (for example, child labour and exploitation of workers) and on the environment (for example, pollution and loss of biodiversity). To achieve this duty of due diligence, companies must integrate diligence into their strategies.

Aqualia's 2021-2023 Strategic Sustainability Plan involves relaying the culture, ethical values and compliance to the supply chain, in addition to the impact of the company on its providers, integrating them into its strategic priorities.

The integrated framework for guaranteeing responsible purchasing is characterised by:

- Compliance with the basic principles of the FCC Group Code of Ethics and Conduct, which must be adhered to by all suppliers, partners and collaborators, as well as compliance with the principles of transparency, competitiveness and objectivity.
- Commitment to access and comply with the ethical clauses, including Aqualia's Anti-Corruption Policy.

Supplier approval process

In 2021, Aqualia implemented and developed the FCC Group provider management system, which included supplier approval. This development was initially rolled out in Spain.

The approval process consists of a study of possible risks associated with the information provided by the supplier in question. Providers must fill in their record on the Group's platform to be considered as suppliers eligible for approval. Once this record is complete, the provider must sign a responsible declaration in relation to anti-corruption, receiving and offering gifts, conflicts of interest and human rights.

The supplier shall respond to a series of questionnaires, including matters related to social, environmental and governance criteria, with the following worth particular mention:

- Documentation in relation to identification, powers of attorney, articles of association, tax ID number, insurance, debt clearance certificates, real ownership, etc.
- Human resource information: Workforce data, including number of workers, percentage of women, average age and average seniority of workers, in relation to quality plans, disability, etc.
- Information relating to the prevention of risks at work system.
- Certifications and information in relation to the quality systems and environmental management, understood as the means through which management of the

optimisation of environmental resources, the forecast and prevention of environmental impacts that may lead to the generation of waste and control of the environment's ability to absorb impacts are all verified.

- Data protection, including the appointment of a Data Protection Officer, data protection certification, location of data, procedure for reporting data breaches, commitment to confidentiality of data managers, risk analysis and security measures, sanctions received and sanction proceedings initiated by the Control Authority and certifications of companies and their employees in relation to cybersecurity, protecting the privacy of employees and support for local communities.
- Compliance, including their own Code of Ethics and acceptance of the FCC Group's Code of Ethics, the criminal prevention model, the whistleblowing channel, the appointment of a Compliance Officer, the anti-money laundering and counter terrorist financing policies as well as any sanctions or convictions for corruption, bribery or influence peddling.
- Corporate social responsibility, declaration of respect for human rights, anti-discrimination policy, adhesion to the Global Compact, certification of the social/ethics management system, communication on the sustainability policy, etc.

GOOD PRACTICE

With transparency and responsible contracting

Following the 2020 implementation of the service in Colombia, in February 2021, a contracting section was created on the website for this country to raise awareness amongst all interest groups of calls for tender, supplies and vacancies. The aim of this was to demonstrate the commitment to transparency and responsible contracting.



Suppliers in figures

Supplier type	No. of suppliers				% No. of suppliers			
	2019	2020	2021	Chg. 20/21	2019	2020	2021	Chg. 20/21
Global suppliers	228	252	246	-2%	2%	2%	2%	0%
Local suppliers	14,137	13,921	14,220	2%	98%	98%	98%	0%
Total	14,365	14,173	14,466	2%	100%	100%	100%	0%

Supplier type	Amount (€)			Chg. 20/21
	2019	2020	2021	
Global suppliers	35,646,309	32,686,994	24,621,170	-25%
Local suppliers*	429,366,899	431,792,448	421,181,349	-2%
Total	465,013,208	464,479,442	445,802,519	-4%

*Local suppliers are those that are geographically located in the same territories in which Aqualia is providing its service. This means that Aqualia achieves local development in those areas where it is implemented.

Total amount invoiced by supplier type (€)	2020	2021	Chg. 20/21
Consultancy and general services	64,727,640	64,561,047	0%
Supply of materials and equipment	43,132,806	39,483,655	-8%
Maintenance supplies and equipment	37,248,365	37,464,551	1%
Machinery and auxiliary equipment	21,698,475	8,845,820	-59%
Transport and logistics services	3,841,641	3,792,542	-1%
Energy, fuel and water	207,453,001	207,597,364	0%
Subcontracted services	86,377,513	84,057,540	-3%
Total	464,479,442	445,802,519	-4%

Supplier due diligence process

All new providers selected by the Purchasing department are assessed and selected based on the criteria established in the provider selection process. Depending on the risk initially determined by the Compliance area, in some cases, enhanced due diligence may be required to verify flags that may have been triggered during the approval process. Based on the conclusions obtained during the due diligence process, the Purchasing department decides whether the provider should be approved or not, and the corresponding conditions, establishing preventive or corrective measures accordingly.

All new providers (eligible for approval²) are assessed and selected based on the environmental and social criteria established by Aqualia. In 2021, a total of 411 providers were assessed in relation to these criteria.

% SUPPLIER ASSESSMENTS UNDERTAKEN



² Present in Spain with billing of more than €10,000, in addition to others.

Transparent communication and dialogue with stakeholders

The huge impact of COVID-19 over the past two years has placed even greater emphasis on the importance of guaranteeing sustainable water services from a social, economic and environmental perspective, not only as a first line of defence against the pandemic, but also as a basic element for progress.

Aqualia has faced this particular situation on two fronts. On the one hand, performing more active listening aimed at all stakeholders: Public administrations, users, employees, consumer organisations, NGOs, suppliers, the media and shareholders. On the other, increasing information offered to these stakeholders, in particular via its digital channels. In addition to orienting its efforts at maintaining water cycle services, the company has committed to enhancing its continued, useful and responsible communication strategy as is to be expected of operators of an essential public service.

Thus, in 2021, Aqualia has undertaken a study to update its stakeholders at a corporate level and in all regions in which the company operates, i.e.: Spain, the rest of Europe, Latin America and the Middle East and North Africa. Following the study, the company has defined a ranking to determine the relevance of each of these, with a view to appropriately managing the actions and channels of communication with different groups.

This entailed the identification of stakeholders, as well as the subgroups that each of these falls into in the different countries and regions in which Aqualia operates, depending on the affected value chain.

This identification has been performed as part of a listening process in the different countries in which Aqualia operates.

Material issues, channels and stakeholders: Actively listening to more than 5,700 people

SCOPES ● ENVIRONMENTAL ● GOVERNANCE ● PEOPLE ● SOCIAL

The data set out in this table are the result of the global listening process performed over a 6-month period involving all stakeholders at the company.

STAKEHOLDER SUBGROUPS	CUSTOMERS AND USERS	REGULATORY BODIES	SOCIETY	SUPPLIERS	BUSINESS PARTNERS	SHAREHOLDERS	PEOPLE
DIALOGUE CHANNELS	Sustainability Report News on the corporate website aqualia.com Events, meetings, breakfasts and open days Other Aqualia websites and campaigns News on specialist websites Social media	Sustainability Report News on the corporate website aqualia.com Events, meetings, breakfasts and open days Other Aqualia websites and campaigns News on specialist websites Social media	Events, meetings, breakfasts and open days Specialist websites Social media Sustainability Report Other Aqualia websites and campaigns News on the company website aqualia.com	Sustainability Report LinkedIn News on specialist websites News on the company website aqualia.com Other Aqualia websites and campaigns Events, meetings, breakfasts and open days Social media Aqualia work-related WhatsApp groups	Sustainability Report LinkedIn News on specialist websites News on the company website aqualia.com Other Aqualia websites and campaigns Events, meetings, breakfasts and open days Social media Aqualia work-related WhatsApp groups	Corporate reports Sustainability Report E-mail: Information flashes and e-mailing Website Aqualia ONE Intranet Social media	Institutional dialogue and meetings with the Council / Committees / Administration Aqualia ONE Intranet Be Aqualia employee app Work-related WhatsApp groups Sustainability Report Events, meetings, breakfasts and open days Social media
PRIORITY ISSUES AND STAKEHOLDER EXPECTATIONS*							
Climate change and responsible energy consumption	●	●	●	●	●	●	●
Innovative and eco-friendly solutions	●		●	●	●	●	●
Environmental awareness and raising awareness on how to sustainably use resources	●	●	●	●	●	●	●
Biodiversity	●	●	●	●	●		●
The circular economy of water and efficient natural-resource management	●	●	●	●	●	●	●
Transparency		●	●	●	●		●
Developing the ethical-management model (compliance) and ethical-culture training			●	●	●	●	●
Supplier relationships, assessment and approval		●		●	●	●	
Professional development and technological employability			●	●	●		●
Employee safety, occupational health and well-being	●		●	●	●	●	●
Equal opportunities, diversity and work/life balance	●		●	●	●	●	●
Having the infrastructure and management adapted to the challenges posed by present-day society	●	●	●	●	●	●	●
Using technology to improve water quality	●	●	●	●	●	●	●
Access to water	●	●	●	●	●	●	●
Promoting and respecting human rights, and creating stable employment	●	●	●	●	●		●
Collaboration and public-private partnerships					●		●
Social action, local development and company involvement in local initiatives	●	●	●	●	●		●

84.1% CUSTOMERS AND REGULATORY BODIES
58% USERS
65% BUSINESS PARTNERS
 Considers the **Sustainability Report** as useful or very useful tool of information

54.4% CUSTOMERS
68% SOCIETY
 Considers **open days and events** a useful or very useful tool for keeping informed about the company

64% SUPPLIERS
 Considers the **Aqualia LinkedIn channel** a useful or very useful tool for keeping informed about the company

91% EMPLOYEES
89% DIRECTORS
 Considers **corporate e-mail** (information flash, e-mail and press summary) a useful or very useful tool for keeping informed about the company

Transparency is one of the commitments on which Aqualia bases its relationship with the millions of end users in the communities where it manages the end-to-end urban water cycle, whether in full or in part. This transparency also extends, as is to be expected, to all stakeholders, based on the conviction of aiming the company's actions at common goals that drive the creation of shared value.

As an example of this, in April, an active listening process was undertaken in Mexico, as faults were detected in the Realito project, with a view to monitoring and managing the media.

Furthermore, in May, a client satisfaction survey was rolled out in 13 of the towns and cities in which the company operates in Colombia, in addition to a study of the media scope assessment in different areas.

Communication on social media

Social media platforms are an excellent channel for direct communication with Aqualia's users and customers. With a view to improving this channel of communication, this year, the "Social media user manual for employees" was launched.

This guide defines the guidelines for the correct and ethical use of publications by users identified as Aqualia employees on their profiles.

The campaign drives home the message "Respect, professionalism and commitment. These are the premises to which we must give consideration when we participate on social media, more so if we identify as members of Aqualia".

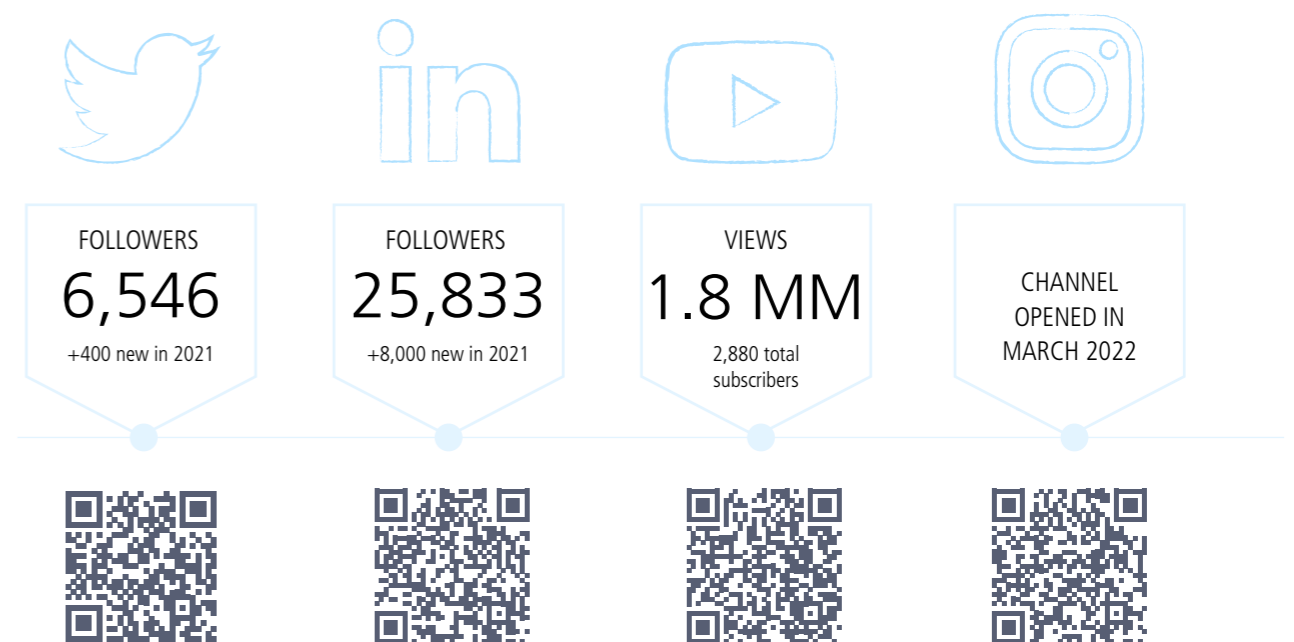
The aim of the manual is to promote a responsible culture online and in coordination with the Aqualia Code of Ethics and will apply to the entire organisation.

All the information is available on Aqualia's website, along with the original document signed by the CEO and that sets out the company's official commitment to make progress towards ethical participation on social media.



Transparency is one of the commitments on which Aqualia bases its relationship with the millions of end users.

THE NUMBER OF FOLLOWERS HAS GROWN SIGNIFICANTLY OVER THE COURSE OF THE YEAR



MATERIALITY analysis: Action and listening as a strategic base

In 2021, Aqualia updated and expanded the scope of the materiality process embarked upon in 2020, including material issues in its international strategy, adapting them in line with the relevance of each issue in the different areas.

This materiality is the basis on which Aqualia will work to determine the main axes and commitments of its 2021-2023 Strategic Sustainability Plan at an international level, which is due to be updated in 2022, including this global scope.

Methodology

The starting point for the preparation of this strategic materiality was a qualitative analysis phase to identify the national and international context, the main risks and opportunities and the sector trends and relevant aspects. Based on this, the list of material issues identified by the company was updated.

Qualitative analysis

To correctly undertake the qualitative analysis, secondary sources were researched, such as the Green Deal, the European water policies, the 2021 global risks of the World Economic Forum or the 2050 global vision defined by the WBCSD. Furthermore, OECD and UNESCO documents in relation to water governance were subject to analysis. In total, 40 external references and 20 internal documents submitted by Aqualia were subject to analysis.

Furthermore, interviews were held with internal and external sources with a view to discovering their perception of the company's performance, in addition to ascertaining their expectations as regards the company as a social player.

In-depth qualitative interviews held with:

a) Internal stakeholder: Employees

Objective: Finding out more about material issues and current and potential impacts on the company, in addition to employee expectations and the issues that the company should report on.

- 10 executives from the company in Spain, MENA, LATAM, Europe and the United States.

- 30 employees participating in the focus group from Spain, MENA, LATAM, Europe and the United States.

b) External stakeholders: Public administrations, customers, users, employees, suppliers, the media and NGOs.

Objective: Discovering more about the status of sustainability and working on the strategic lines of the 2021-2023 Strategic Sustainability Plan and the impacts that the company has in different areas at an international level.

- 11 in-depth qualitative interviews with stakeholders from Spain, the Middle East, Europe and LATAM (public Administrations, users, suppliers, the media, NGOs and shareholders).

Quantitative analysis

Once the issues have been identified, and as part of the prioritisation phase, different surveys were performed:

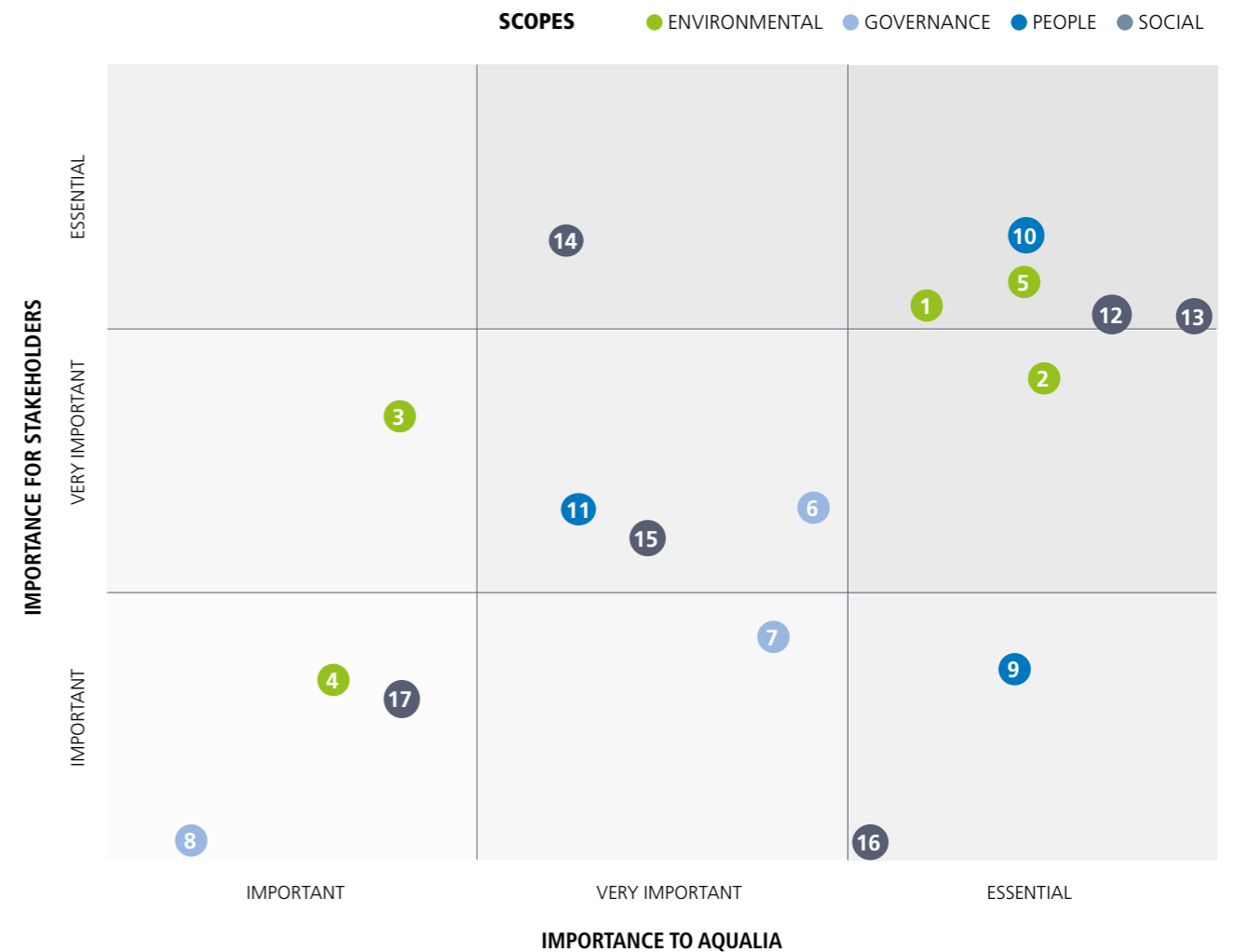
a) Internal stakeholder: Employees from the different areas in which Aqualia operates responded to a survey adapted to the language they speak (Spanish, Czech, English, French, Italian and Portuguese) and area of activity. In total, 715 responses were analysed.

b) External stakeholders: Public administrations, customers, users, employees, suppliers, the media and NGOs in the different countries and regions in their respective languages: Spanish, Czech, English, French, Italian and Portuguese also responded to the survey. In total, 4,998 responses were analysed.

In total, responses were analysed from people in the 17 countries in which the company operates, making it possible to prioritise by topics, which were weighted based on the study of stakeholders and their prioritisation in the value chain.

The results of the surveys were compared together with the Aqualia team to give a suitable reply to the different stakeholders in this Sustainability Report.

AQUALIA GLOBAL MATERIALITY MATRIX



MATERIAL ISSUES	
1	Climate change and responsible energy consumption
2	Innovative and eco-friendly solutions
3	Environmental awareness and raising awareness on how to sustainably use resources
4	Biodiversity
5	The circular economy of water and efficient natural-resource management
6	Transparency
7	Developing the ethical-management model (compliance) and ethical-culture training
8	Supplier relationships, assessment and approval
9	Professional development and technological employability
10	Employee safety, occupational health and well-being
11	Equal opportunities, diversity and work/life balance
12	Having suitable infrastructure and management to tackle the challenges posed by present-day society (such as climate, technological, digital and social challenges)
13	Using technology to improve the quality of the water service
14	Access to water
15	Promoting and respecting human rights, and creating stable employment
16	Collaboration and public-private partnerships
17	Social action, local development and company involvement in social initiatives

Sustainability as a global challenge: taking action in the Decade of Action

ANTICIPATION AS THE KEY FOR DETECTING OPPORTUNITIES:
WATER MARKET IN THE CLIMATE EMERGENCY

MASTER SUSTAINABILITY PLAN: MILESTONES,
OBJECTIVES AND COMMITMENTS



The path to sustainability involves identifying the main risks that affect the entire international community and that Aqualia, as a company with a presence in 17 countries, must face and manage employing a vision and employing an international perspective, while connected to local communities at the same time.

ANTICIPATION

Anticipation as the key for detecting opportunities: Water market in the climate emergency

The path to sustainability involves identifying the main risks that affect the entire international community and that Aqualia, as a company with a presence in 17 countries, must face and manage employing a vision and employing an international perspective, while connected to local communities at the same time.

interconnected with one another, while, at the same time, Aqualia's local approach and role is critical when it comes to addressing them.

This risk identification process is necessary to select the material issues that Aqualia has worked on.

The challenge is immense: being capable of transforming risks into business opportunities, anticipating them, minimising their impact, establishing appropriate defence mechanisms through precise mitigation measures, procedures or policies in each region, area, country and community. Because, there is no room for doubt, an international presence entails global risks that are

The gap between the importance given by stakeholders to each issue and the perceived performance of the company in each issue has served as a basis for understanding the aspects that need to be reported on and which should be considered a strategic priority to Aqualia.



SCOPES



ENVIRONMENTAL CHALLENGES

Scope/Risks	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Pollution and climate change 	Exposure to risks caused by global warming of more than 1.5 °C, such as rising sea levels or progressively more destructive natural disasters.	<ul style="list-style-type: none"> - Aqualia's 2020-2022 Carbon Footprint Reduction Plan. - Integrated environmental management systems, such as ISO 14001, 14064 or 50001, that identify and manage environmental risks. - Assessment and control through the projects, initiatives and indicators of the 2021-2023 Strategic Sustainability Plan. - Aqualia is committed to green hydrogen to drive a sustainable and decarbonised economy. 	<ul style="list-style-type: none"> - 50% of the company's total energy to be renewable by 2030. - Calculation of the carbon footprint in 100% of the countries in which Aqualia operates. - 100% low-emissions fleet. - Energy recovery at desalination plants and biogas production.
Water scarcity as a result of climate change 	Desertification and water stress as a result of global warming. UNESCO estimates that by 2030, almost half of the world's population will live in water-stressed areas.	<ul style="list-style-type: none"> - Aqualia constantly invests in improving the distribution network with a view to minimising water loss throughout the entire cycle, as well as implementing measures and raising awareness among citizens to encourage responsible water consumption. - Environmental management systems for the efficient management of scarce resources. - Circular economy techniques that encourage the re-use of wastewater and improve the way in which water is harnessed. 	<ul style="list-style-type: none"> - Development of proprietary monitoring and measurement programs integrated into the Aqualia LIVE modular integrated management platform, with a view to achieving an unregistered water volume of less than of 27% of the total amount distributed by 2023. - Promotion of water optimisation and re-use practices.
Spill management and caring for the planet 	The impact of spills and hazardous waste on biodiversity can have consequences that, in practice, are comparable to climate change. It is estimated that around 25% of animal and plant species are threatened and approximately one million species are at risk of extinction, meaning that the loss of biodiversity would represent a reputational, regulatory and financial risk.	<ul style="list-style-type: none"> - Periodic spill reviews, procedures and controls. - Biofactory innovation and development projects at WWTPs that transform the waste generated by society, together with sludge from the plant, into energy, biofuels, bioplastics, biofertilisers, etc. - Agreements with the value chain to reuse products. - Public-private collaboration for the construction and renewal of adequate infrastructures. 	<ul style="list-style-type: none"> - Circular economy model. - Aqualia has signed up to the Circular Economy Pact. - Transfer of projects in the innovation phase to the production phase. - Promotion of projects around the care for biodiversity.



SOCIOECONOMIC CHALLENGES

Scope/Risks	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Global pandemics ●	The outbreak of the pandemic around the world demonstrated just how vulnerable society is; however, it has also driven other positive transformations that have made us aware of the level of interdependence between people worldwide.	<ul style="list-style-type: none"> - In 2021, Aqualia maintained appropriate protocols for protecting employees and clients by activating contingency plans and systems for workers, clients, users, etc. - The company guaranteed users high-quality tap water, which remained subject to the usual, normal disinfection treatments, provided by companies in the sector, both public and private. - Quality management systems. 	<ul style="list-style-type: none"> - The 2019-2021 Strategic Health and Safety Strategy and commitment to employee well-being. - Water quality and commitment to clients.
Geopolitical tensions and uncertainty ●	Geopolitical tensions cause changes in international relationships that have economic consequences, including the increase in energy prices, the depletion of raw materials and the increase in costs or changes to international regulations.	<ul style="list-style-type: none"> - Efficient energy management in the purchase of energy, combined with fixed-price contracts with future purchases and PPA contracting (leaving a minimum percentage exposed to fluctuations in market prices) is an effective mechanism for overcoming these uncertainties. 	<ul style="list-style-type: none"> - Installation of photovoltaic panels. - 50% of the company's total energy to be renewable by 2030.
Publicly managed economic and social models versus collaborative models ● ● ●	In relation to public-private partnerships to collaboratively resolve the water supply and sanitation needs in different towns and cities worldwide, the implementation of exclusivity models in public management can result in a loss of technification and a problem as regards the legal void that this can entail for employees.	<ul style="list-style-type: none"> - Collaborative models are a key aspect of sustainability that Aqualia promotes. Public-private partnerships strengthen the links between different interdependent agents in society and establish a common language between them that facilitates understanding between people and organisations, administrations and entities. - The involvement of Aqualia in the territories in which it operates is an indicator of its social commitment. 	<ul style="list-style-type: none"> - The 2021-2023 Strategic Sustainability Plan proposes the creation of value through partnerships and collaborations, in addition to a social impact that promotes projects to guarantee access to water.
Efficient management for service excellence ● ● ●	<p>The lack of infrastructure, or the poor condition of infrastructure, pose risks to maintaining the quality levels of supply, sanitation and treatment services, as well as to efficient water management.</p> <p>The deficit in investments in infrastructures is having a negative impact on the sustainability of the system. Increasing the cost of maintenance operations or contributing negatively to environmental objectives. This means it is not possible to incorporate technological improvements that enhance efficiency.</p>	<ul style="list-style-type: none"> - Public-private collaboration models (private management at the service of public assets) are an adequate solution for constructing these technologically advanced sanitation infrastructures. - Construction and investment plans for maintaining the excellence of the service. - The implementation of technological innovations facilitates the adequate maintenance of networks. - Active listening initiatives with interest groups and communication plans. 	<ul style="list-style-type: none"> - Agreements and partnerships to achieve these joint goals. - Transparent and fluid communication with stakeholders to seek joint and collaborative solutions. - Commitment to the client to provide innovative and decisive solutions.



TECHNOLOGY AND COMPLIANCE

Scope/Risks	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Cybersecurity ● ● ●	<p>Cybersecurity can entail different risks, such as potential damage to the environment, infrastructures and water management services, associated with online control systems and computer networks. Therefore, such events can lead to contamination, deterioration, saturation or closure of physical or digital infrastructures.</p> <p>Furthermore, a potential attack could compromise clients' privacy.</p>	<ul style="list-style-type: none"> - Aqualia understands the importance of possible cybersecurity-associated risks and, to this end, develops new technologies through which it can prevent potential risks. 	<ul style="list-style-type: none"> - Commitment to the cybersecurity of citizens. - Cybersecurity training imparted to Aqualia employees.
Digital and technology divide. Digitalisation ●	<p>New technologies create new jobs, but also destroy them, leading to an increase in unemployment. Furthermore, they pose a risk of the unequal distribution of wealth, breaches of intimacy, discrimination, etc.</p> <p>In turn, digitalisation is an asset in the fight to slow down climate change.</p>	<ul style="list-style-type: none"> - The investment in technological development being made at Aqualia aims to improve the efficiency and competitiveness of services; to implement digitisation processes in management, communication and operations projects from a human and environmentally friendly perspective; and to promote more sustainable, social and connected cities. Investment with a priority purpose: offer citizens a better service. 	<ul style="list-style-type: none"> - Aqualia LIVE, the company's modular and integrated platform, houses all the digital services provided by the company, converting information into knowledge through what is known as big data and sound computing. - Campus for company training (school of knowledge). - Presence at strategic forums, fairs and reference debates.
Regulatory compliance ● ● ●	<p>Legislation, regulations and administrations in the different countries should also adapt to the increasingly strict regulatory requirements of international organisations in terms of water cycle management requirements, water stress, governance, or climatic and financial requirements.</p> <p>European Directive 2020/2184, on water intended for human consumption, requires transparency and access to information on water quality parameters, to achieve increased client confidence and greater consumption of tap water.</p>	<ul style="list-style-type: none"> - Innovation at Aqualia is a key factor in the water sector, which should meet regulatory requirements by promoting projects related to the application of new technologies to the management of the end-to-end water cycle, its use and re-use, etc. - Companies like Aqualia should ensure the quality of this resource via a risk management system. To do this, risk assessments and control need to be carried out by means of Water Safety Plans, which start in the abstraction area and continue as far as the home distribution system. Operational supply control programmes also need to be prepared. 	<ul style="list-style-type: none"> - Once again, the different innovations to be undertaken require large investment and public-private collaboration. - During 2021, Aqualia has submitted a series of projects to Spanish authorities with a view to receiving financing from the Next Generation Funds, for the approximate amount of €434 million.
Corporate governance and ethics ● ●	Fight against corruption, bribery and money laundering, in connection with relationships with public officials, suppliers and other authorities.	<ul style="list-style-type: none"> - Criminal Offence Prevention Model - Regulatory Compliance Committee - Corporate Anti-Corruption Policy - Code of Ethics and Conduct 	<ul style="list-style-type: none"> - Commitments assumed under the Strategic Plan in relation to ethics and compliance.

SUSTAINABILITY

Master Sustainability Plan: milestones, objectives and commitments

Our commitment to sustainability


Aqualia promotes and integrates the Ten Principles of the United Nations Global Compact into its company culture and is aligned with the Sustainable Development Goals (SDGs). Thus, the 2021-2023 Strategic Sustainability Plan focuses on achieving the goals established in the 2030

Agenda, calling for multilateral action insofar as these goals are linked to the company's activities.

The guidelines of Aqualia's Management System Policy include achieving the Sustainable Development Goals.

Priority objectives



Importance of the SDGs for the business	Goals to which it contributes	Some examples of target-oriented projects
	6.1 Access to drinking water Between now and 2030, achieve universal and equitable access to safe and affordable drinking water for all.	Social action projects to guarantee access to water and sanitation
	6.2 Access to sanitation and hygiene services Between now and 2030, achieve access to adequate and equitable hygiene and sanitation services for everyone and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.	Reduction of water consumption Raising awareness for the responsible use of water and sanitation
	6.3 Water quality. Pollution and wastewater Between now and 2030, improve water quality, reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe re-use globally.	
	6.4 Efficient use of water resources By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	
	6.A Creation of management capacities By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and re-use technologies.	
	6. B Participation of local communities Support and strengthen the participation of local communities in improving water and sanitation management.	

Importance of the SDGs for the business	Goals to which it contributes	Some examples of target-oriented projects
	12.2 Efficient use of natural resources Between now and 2030, achieve the sustainable management and efficient use of natural resources.	Transferring R&D&i projects on water circularity to production
	12.4 Management of waste and chemical products Between now and 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	
	12.5 Prevention, reduction, recycling and re-use of waste Between now and 2030, substantially reduce the generation of waste through prevention, reduction, recycling and re-use activities.	
	17.17 Public-private partnerships Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Projects and partnerships with third parties in the field of the SDGs
	9.4 Modernise infrastructure, clean technology Between now and 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Aqualia LIVE projects for efficient water management
	11.B Reduction of the disaster risk in cities Between now and 2020, substantially increase the number of cities and settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for 2015-2030 Disaster Risk Reduction, holistic disaster risk management at all levels.	Implementation of the hydraulic balance: network modelling
	3.3 Transmittable illnesses Between now and 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.	Projects to measure the impact of projects in countries: PPP for Cities
	13.2 National policies, strategies and plans Include climate-change related measures in national policies, strategies and planning.	Energy efficiency and reduction of emissions
	7.2 Renewable energy Between now and 2030, increase substantially the share of renewable energy in the global energy mix.	32% of renewable energy produced 50% of renewable energy
	15.1. Conserve and use ecosystems in a sustainable manner Between now and 2020, ensure the conservation, restoration and sustainable use terrestrial and inland freshwater ecosystems and their services, in particular, forests, wetland, mountains and dryland, in line with obligations under international agreements.	Initiatives with the surrounding area to promote biodiversity

A plan for the Decade of Action

The Sustainable Development Goals also represent a point of reference to devise a strategic sustainability plan that determines the SDGs to which Aqualia contributes and includes in quantification and reporting.

In line with the company's strategy and with the 2030, the 2021-2023 Strategic Sustainability Plan establishes lines of action and proposes specific initiatives aimed at maximising Aqualia's contribution to sustainable development. The document includes risk mitigation, taking into account the potential significance of a "water crisis" such as the one described by the World Economic Forum in its annual report on global risks.

Aqualia's 2021-2023 Strategic Sustainability Plan has been designed to help the company overcome its weaknesses and enhance its strengths, so that it is able to prevent threats and make the most of opportunities. To this end, it has worked on the plan's strategic lines, establishing projects and actions necessary to achieve the goals of each one. The different chapters of this report define each of these.

Training actions have been launched to communicate and implement the Strategic Sustainability Plan to members of management and the communication and CSR team, both in Spain and abroad.




The projects that make up each of the strategic lines make it possible to achieve the commitments assumed. Furthermore, there is a series of social and geopolitical circumstances that characterise the different areas.

2021-2023 STRATEGIC SUSTAINABILITY PLAN

Strategic lines




SL1 STRATEGIC COMMUNICATION

Storytelling consistent with Aqualia's purpose and mission.

SDG	Objective	Main projects				
Direct  Transversal and corporate  Framework 	Convey the value contributed by Aqualia as managers of the public water service.	Aimed at unifying a consistent narrative and developing the educational role of the brand, raising awareness amongst communities of relevant risks both internally and externally.				
Scopes of work by zone in SL1	MENA priority	Europe priority	LATAM priority	Spain priority		
	The idiosyncrasy of this region maintains communication standards that are suited to the needs of companies.	Transparent communication and channels of communication with stakeholders are necessary in Europe. Both information about activities and information on financial and non-financial performance submitted to authorities and investors.	The law requires transparent communication, empowers companies and promotes client trust in the company.	Transparent communication is key to transmitting clear messages. Aqualia takes a proactive approach to communication and transparent dialogue.		




SL2 CLIMATE EMERGENCY AND CARE OF THE ENVIRONMENT: MITIGATION, ADAPTATION TO CLIMATE CHANGE

Reduction of consumption and impacts and commitment to innovation.

SDG	Objective	Main projects					
Direct  Transversal and corporate  Framework 	Promote initiatives aimed at minimising and adapting to climate change.	Aimed at: - Reduction of water consumption. - Optimising energy efficiency and reduction of emissions. - Protecting and recovering the ecosystem. Biodiversity. - Technologically transferring solutions obtained as part of R&D&i projects to production.					
Scopes of work by zone in SL2	MENA priority	Europe priority	LATAM priority	Spain priority			
	In recent years, there have been an increase in the number of events with a high environmental impact. However, there is still space for raising awareness and implementing mitigation and adaptation plans at a country level.	Greater awareness as regards energy consumption, harnessing resources, responsible consumption and circular economy. Matters such as the obsolescence of infrastructures or drought, which affect the availability of water, are cause for concern.	The priorities of this region include access to water, the efficient use of water, without waste, and raising awareness and managing natural resources.	Aqualia is staunchly committed to caring for the planet. Although there is still a long way to go to embed it in the culture of the company's employees.			



SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

Digitalise the end-to-end water cycle to improve customer service and efficiently manage resources under the Aqualia LIVE platform.

SDG	Objective	Main projects					
Direct  Transversal and corporate  Framework 	Achieve a technology that enables the efficient use of resources and efficient management so that citizens can enjoy access to water that is guaranteed by Aqualia.	Aimed at implementing all those tools that improve and streamline management and customer service. Special mention for those aimed at: - Omnichannel customer service. - Asset management and maintenance. - Water Analytics platform. - Management efficiency. - Communication with members of the workforce. - Cybersecurity is increasingly relevant.					
Scopes of work by zone in SL3	MENA priority	Europe priority	LATAM priority	Spain priority			
	Technology and digitalisation of processes will be reflected in cost reduction and more competitive prices.	Relevance of technology, both to improve water quality and to face global challenges. Cybersecurity is a progressively more relevant topic for the company and clients.	The technology transfer for the purposes of efficiency in the management of scarce resources, in addition to reducing costs and offering higher quality is particularly relevant in countries like Colombia and offers benefits to citizens.	Aqualia provides clients with technology to optimise resources and improve water quality.			



SL4 PEOPLE MANAGEMENT

Make progress with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.

SDG	Objective	Main projects			
Corporate  Framework 	<p>Continue to contribute mainly to the objectives of health and well-being, equality and diversity, and dignified, healthy employment.</p>	<p>Aimed at continuing to make progress with:</p> <ul style="list-style-type: none"> - Reconciliation, awareness raising in relation to diversity. - Promotion of health and security, development of psychosocial and emotional projects. - Positioning of Aqualia as employer branding. - Expatriate support plan. - Training and creation of meeting spaces. 			
Scopes of work by zone in SL4	MENA priority	Europe priority	LATAM priority	Spain priority	
	<p>Aqualia employees transfer the company's culture to these countries. Training and transferring know how to employees is particularly important.</p>	<p>The European regulations promote equality, diversity and social inclusion. Retaining talent and a concern for and care for people is particularly relevant.</p>	<p>Achieving equality, in addition to applying innovation and technology to the business entails offering training and implementing career plans.</p>	<p>The European regulations promote equality, diversity and social inclusion. Retaining talent and a concern for and care for people is particularly relevant.</p> <p>Salaries are an emotional aspect that demonstrate Aqualia's commitment to its employee's well-being.</p>	




SL5 ETHICS AND COMPLIANCE

Alignment for decision-making and dissemination of good practices.

SDG	Objective	Main projects			
Corporate  Framework 	<p>To transfer to the entire company, and to the supply chain, Aqualia's culture, ethical values and compliance through 360° implementation.</p>	<p>Aimed at developing the compliance model, training in ethical culture and the official approval of suppliers.</p>			
Scopes of work by zone in SL5	MENA priority	Europe priority	LATAM priority	Spain priority	
	<p>Implementation of the compliance model with business partners and expats.</p>	<p>The compliance models and policies for ethical performance implemented have an impact on the company's legitimacy and social reputation.</p> <p>The involvement of suppliers in responsible business is crucial to move forwards together.</p>	<p>There is a clear roadmap that orients the efforts made to implement the Code of Ethics with third parties.</p>	<p>The culture of ethics and compliance is implemented at the company through training.</p>	


SL6 SOCIAL IMPACT

Social action programmes and systems to guarantee access for everyone to water, as well as measuring the impact of projects.

SDG	Objective	Main projects			
Direct  Transversal and corporate  Framework 	<p>Define the efforts made by Aqualia to guarantee access to water and strengthen the link with the communities.</p>	<p>Aimed at social action programmes and systems to guarantee access to water for everyone, as well as establishing mechanisms for the measurement of the impact of Aqualia's projects in the countries where it provides services as an end-to-end manager of the water cycle.</p>			
Scopes of work by zone in SL6	MENA priority	Europe priority	LATAM priority	Spain priority	
	<p>In these countries, Aqualia contributes to the creation of employment during the validity of contracts, in addition to local technical staff who can undertake the projects.</p>	<p>In Europe, there are payment plans and water access plans in place, in addition to the creation of stable employment in the areas in which it operates.</p> <p>Once again, social integration entails social legitimisation and reputation.</p>	<p>Accessibility to water through social and stratified tariffs in line with people's economic capacity. In addition to the creation of stable employment in areas in which they operate.</p>	<p>Aqualia is guided by principles of contributing to the locations in which it operates in terms of recruiting people and local suppliers, collaboration in Dual FP education or access to water for the entire population, leaving nobody behind.</p>	

SL7 STRATEGIC PARTNERSHIPS

Projects and partnerships with third parties in the field of the SDGs.

SDG	Objective	Main projects			
Framework 	<p>Contribute to Aqualia's SDGs through strategic alliances.</p>	<p>Aimed at establishing partnerships with third parties in the field of academics, technology, business, industry, society, etc. to achieve a real contribution to the SDGs.</p>			
Scopes of work by zone in SL7	MENA priority	Europe priority	LATAM priority	Spain priority	
	<p>Local business partners with who business collaborations are pursued.</p>	<p>Social involvement through business alliances, in addition to social alliances to achieve greater involvement.</p>	<p>The collaboration of local partners makes it possible to make a bigger local contribution.</p>	<p>Social involvement through business alliances, in addition to social alliances for greater involvement and social legitimacy.</p>	

Decade of Action to care for the planet: mitigation and adaptation to climate change

A MANAGEMENT SYSTEM FOR INTEGRATED SUSTAINABILITY / REDUCTION OF WATER CONSUMPTION / ENERGY EFFICIENCY AND REDUCTION OF EMISSIONS / ECOSYSTEM PROTECTION AND RESTORATION, BIODIVERSITY / RAISING AWARENESS AMONGST CITIZENS: COMMUNICATION AND SENSITIVITY CAMPAIGNS / INNOVATION TO PROTECT ECOSYSTEMS AND COMBAT CLIMATE CHANGE



We are in the Decade of Action, although our global outlook points to 2030; the current uncertainty has made the near future a unique period in which to establish achievable and real targets that can contribute to creating value.

Aqualia is working to care for and satisfy the needs of its clients, contributing to their welfare, preserving the value of water resources, respecting nature and minimising the environmental impact of its activity.

Aqualia's environmental commitment is reflected not only in the efficient and responsible management of the end-to-end water cycle, but also in the implementation of policies and initiatives to mitigate the impact of its activities and contribute actively to fighting climate change. Aqualia structures the management of its environmental impact through the 2021-2023 Strategic Sustainability Plan, reflecting its fight against climate

change in the strategic line entitled "Climate emergency and caring for the planet". This line consists of four main lines of work with the respective action plans and performance indicators to facilitate monitoring.

Through this strategic line, Aqualia contributes to the major global challenges in relation to the environment:

- Pollution and climate change.
- Water scarcity as a result of climate change.
- Circular economy and care for the planet.

Aqualia's main environmental impact, generated as part of its activity, is related mainly to the consumption of reagents, the generation of hazardous and non-hazardous waste and energy consumption. Furthermore, Aqualia's Policy includes a commitment to the principle of preventing pollution, which entails a risk that can be ascertained in advance and measures can be adopted to neutralise it. In relation to the principle of precaution,

the company has implemented the Environmental Management System and actively manages risks.

As part of the implementation of the Environmental Management System, the operational control of significant environmental aspects and legal requirements applicable via procedures and technical instructions are defined⁴.

MANAGEMENT





A management system for integrated sustainability

Aqualia reflects its efficient and sustainable environmental management through its Integrated Management System, which is certified in relation to the Environment (ISO 14001), Energy (ISO 50001)³ and Quality (ISO 9001), and also boasts an integrated policy.

This Integrated Management System allows the company to know and measure its environmental impacts to

respond to the expectations of its stakeholders, ensuring efficient and sustainable environmental management that makes it possible to face the major environmental challenges of our era. Specifically, and with a view to responding to the climate challenge, the company verifies its carbon footprint (ISO 14064-1).

MAIN ASPECTS TAKEN INTO ACCOUNT AND CONTROLS ESTABLISHED

 Consumption of reagents	 Waste	 Energy consumption	 Carbon footprint
<ul style="list-style-type: none"> • R&D&i in solutions for supply areas affected by water scarcity. • Circular economy solutions for efficient natural resources. 	<ul style="list-style-type: none"> • Storage and final management of hazardous and non-hazardous waste in accordance with current legislation. • Agricultural use for WWTP sludge. 	<ul style="list-style-type: none"> • Energy reviews in accordance with ISO 50001 and RD 56/2016. • Improved measurement. • Calculation of energy performance by pumps. • Optimisation and improvement of processes. • Production equipment and installations. • Optimisation of the purchase of energy (power). • Maintenance and improvement of the network's hydraulic performance. 	<ul style="list-style-type: none"> • Carbon footprint reduction plan for Aqualia activities, 2020 – 2022. • All countries in which Aqualia operates calculated their carbon footprint in 2021*.

*The carbon footprint is measured in MWC and BOT contracts in place for 3 years or more in which Aqualia has a majority share. Base year 2020. Adjusted variable perimeter.

MINIMUM REQUIREMENTS SET OUT IN THE INTEGRATED MANAGEMENT SYSTEM

				
Identification and assessment of environmental aspects.	Identification and monitoring of legal and contractual requirements.	Operational control of the environmental aspects, of the main uses and of energy consumption (undertaken according to the requirements of the Quality Management System).	Identification and assessment of environmental risks and the establishment of preventive and response measures for possible incidents/accidents.	Improvement of objectives and review of the management system.

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

Aqualia does not have specific provisions to deal with environmental contingencies, as the existence of significant eventualities in the matter is not considered. In any case, as a company that belongs to the FCC Group, it is covered by the Group's third-party liability policy for general and environmental accidents, damage or risks caused in the form of accidental contamination of the environment.

³ Since 2016, and every four years, the company has been subject to energy audits (in accordance with the ISO 50001 regulation-Energy Management Systems) in a group of production installations that are responsible for more than 85% of the company's total energy consumption in Spain.

⁴ GA-203 Environmental risks; ITG-GA-01 Waste; ITG-GA-02 Hazardous waste; ITG-GA-03 Non-hazardous waste; ITG-GA-04 Water treatment sludge; ITG-GA-06 Noise assessment; ITG-GA-12 Biodiversity; IT-ESP-SG-01 Legal requirements and inspections.

As regards objectives, the Management Committee, through the Management System Committee, establishes the global objectives for the Management System (such as, for example, projects for reducing energy and the carbon footprint, the use/production of renewable energy, etc.) as well as strategic lines that define specific objectives for contracts defined and approved by the production areas.

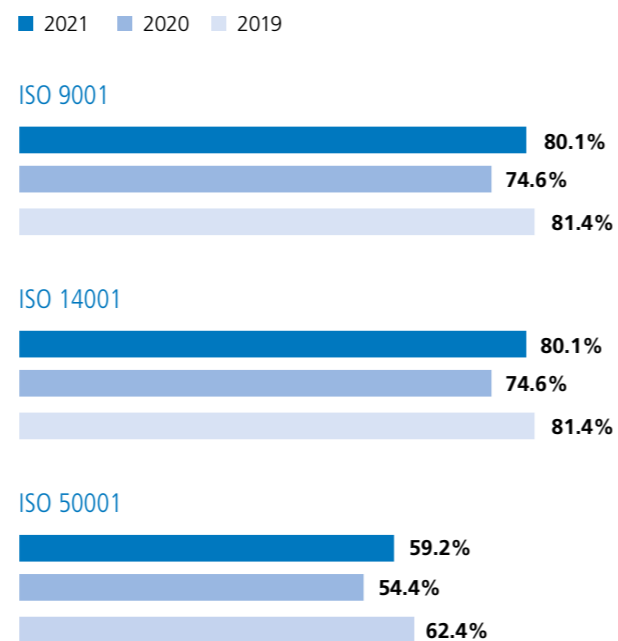
CERTIFIED SUSTAINABLE MANAGEMENT



MILESTONES ACHIEVED

Amongst the certification milestones achieved in 2021, the following are worth particular mention:

- Aqualia was the first company in the sector to certify the Strategy for the Contribution of the Sustainable Development Goals, by AENOR included in the Annual Sustainability Report, subject to GRI criteria.
- Accreditation of the Vigo laboratory by A-LAB.
- EMASER and TRAINASA (ISO 9001 and ISO 14001).
- Abu Dhabi Island (new AqualiaMACE contract): ISO 9001 and ISO 14001.



Efficient end-to-end water cycle management

The efficient and responsible management of the end-to-end water cycle is the cornerstone of Aqualia's performance when it comes to protecting the environment. As a company specialising in the design, construction and management of all types of hydraulic infrastructures, excellence in this management helps to ensure compliance with the strategic goals of guaranteeing the optimisation of public and private resources and promote the sustainable development of communities.

Furthermore, it provides all kinds of water solutions for the industrial sector and its processes. To this end, it designs, constructs and operates installations, offering a service adapted to each client, both in the form of turnkey plants as well as the supply of equipment accompanied by the technical assistance required.

REDUCTION

Reduction of water consumption

SL2 CLIMATE EMERGENCY AND CARING FOR THE PLANET

REDUCTION OF WATER CONSUMPTION

In this strategic line, Aqualia develops the following action plans to reduce water consumption.



Action plan	Reduction of the volume of non-revenue water	Improvement of the efficiency of water distribution networks
Performance in 2021	29.3% of the volume of non-revenue water divided by the total volume of water introduced into the distribution network. OBJECTIVE 27% in 2023*	12.1 m ³ /km/day of volume of non-revenue water per kilometre of network and day. OBJECTIVE 12 m³/km/day in 2023*
Sustainable development	Goal 6.6	Goal 6.3
Potential impact metrics	<ul style="list-style-type: none"> Annual water savings Annual volume of wastewater treated or avoided 	<ul style="list-style-type: none"> Treatment and elimination of sludge from wastewater Re-use of sludge from wastewater

*Contracts dating back more than 5 years, base year 2020. Adjusted variable perimeter.



Water footprint: the key to fighting desertification

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

Efficient management of water not only represents an essential service for citizens, it also contributes to the economic and social development of society as a whole. The huge impact of COVID-19 over the past two years

has placed even greater emphasis on the importance of guaranteeing sustainable water services from a social, economic and environmental perspective, not only as a first line of defence against the pandemic, but also as a basic element for progress.

Directive (EU) 2020/2184 on the quality of water intended for human consumption sets out the problem of leakage in distribution networks and establishes a period of three years for an assessment to be made.

With a view to responding to this requirement, and continuing with the innovation for the continuous improvement of the service, Aqualia develops its own monitoring and measurement programs, built into its modular integrated management platform (Aqualia LIVE) with a view to achieving a volume of non-revenue water divided by the total water introduced into distribution networks will be equal to or less than 27% by 2023.

These smart measurement systems include the development of a geographical information program (GEO), NOW (a platform that integrates asset management, mobility and meter reading module) or Water Analytics (aWA), which are available to administrations and citizens to provide greater control and more efficient consumption.

NATURAL RESOURCE (m³)

Further information: Annex 7. Natural capital.

	2020	2021	Chg. 20/21
Gross volume of water abstracted for management	924,153,978.22	988,938,615.00	7%
Drinking water produced	666,842,916.54	708,279,045.00	6%
Treated water	687,943,351.00	695,277,335.00	1%
Raw water purchased	206,052,232.00	210,297,997.00	2%
Treated water purchased	265,717,202.00	259,080,825.00	-2%

The water collected by Aqualia is always extracted at catchments under a concession granted by the competent authorities for hydraulic and/or sanitation matters. These concessions specify a series of conditions that guarantee

that the extraction of water does not cause environmental damage (harmful reduction in waterways, impact on the level of aquifers, etc.).

WATER ABSTRACTED BY EXTRACTION SOURCE (m³)

Further information: Annex 7. GRI 303-3.

	2020		2021		Chg. 20/21	
	All areas	Water stressed areas*	All areas	Water stressed areas*	All areas	Water stressed areas*
Surface water (total)	353,314,947	296,510,503	394,523,341	337,674,546	12%	14%
Groundwater (total)	219,642,783	209,131,195	229,164,586	219,313,425	4%	5%
Seawater (total)	334,167,643	334,167,643	340,953,808	340,953,808	2%	2%
Brackish water (total)	15,239,269	15,239,269	22,600,766	22,600,766	48%	48%
Other water	1,789,336		1,696,114		-5%	-
Third party water (total)	265,717,202	264,768,860	259,080,825	258,216,764	-2%	-2%
Total water abstraction	1,189,871,180	1,119,817,470	1,248,019,440	1,178,759,309	5%	5%

WATER RECYCLED OR RE-USED (m³)

	2020		2021		Chg. 20/21	
	All areas	Water stressed areas*	All areas	Water stressed areas*	All areas	Water stressed areas*
Water recycled or re-used (m ³)	56,424,446	56,424,446	64,164,186	64,164,186	14%	14%

*Water-stressed areas have been defined as per the provisions at the following link: <https://www.wri.org/data/aqueduct-30-country-rankings> and associated at a country level.

The territories in which special water stress conditions are in place set network efficiency improvement targets in addition to the general targets set as part of the Management System.

Discharged water complies with the conditions established in the waste disposal authorisations granted by the competent authority for hydraulic matters. Aqualia respects the conditions established in these authorisations, thus guaranteeing that there is no significant environmental impact.

Controlled water discharges

The wastewater treatment stations managed by Aqualia have the waste disposal authorisations approved by the competent authority for hydraulic matters. These waste

disposal authorisations include quality and quantity requirements in relation to discharged water, often including more demanding specific requirements than those stipulated in the legislation, depending on the characteristics of purified water and the receiving medium.

No treatment stations have been identified that lack waste disposal authorisations or applicable legislation in terms of water discharges into nature, which would require that Aqualia establish minimum waste disposal criteria.

Regardless of the country where an installation is built, Aqualia uses European technology that needs to meet high standards with regard to discharge levels. This ensures that in most countries the minimum levels established by regulatory requirements are exceeded.



Aqualia performs a variety of circular economy actions with a view to improving the conservation of this resource.

WATER DISCHARGE (m³)

Further information: Annex 7. GRI 303-4

	2020		2021		Chg. 20/21	
	All areas	Water stressed areas*	All areas	Water stressed areas*	All areas	Water stressed areas*
Fresh water (total dissolved solids ≤ 1,000 mg/l)	657,319,461	599,824,953	680,340,767	628,532,078	4%	5%
Other waters (total dissolved solids > 1,000 mg/l)	162,011,975	162,011,975	166,821,758	166,821,758	3%	3%
Total	819,331,436	761,836,928	847,162,525	795,353,836	3%	4%

*Water-stressed areas have been defined as per the provisions at the following link: <https://www.wri.org/data/aqueduct-30-country-rankings> and associated at a country level.

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

As will be see later on, Aqualia has taken numerous circular economy actions with the aim of improving the protection of the resource, these include the use

of recycled water for ecosystem retrieval and the transformation of effluents into water suitable for irrigation, etc.

Furthermore, Aqualia participates in different forums and industry work groups with a view to exchanging knowledge and good practices. During 2021, AENOR's Waste Disposal Work Group, that Aqualia forms part of, met for the first time.



Sea Water Desalination Plant (SWDP) El Alamein, Egypt.

GOOD PRACTICES

Efficiency in distribution networks



Use of alternative resources



Official approval of hydraulic devices

During 2021, work began to define a system for the official approval of materials and devices to be used in supply networks. This undertaking is significant given that the average life of networks is increasing, with very low renovation rates, meaning that the use of materials that are more hard wearing and with better features should be encouraged.

Likewise, laboratories and collaborators are being analysed to implement this activity, in addition to the production of official approval flows.

Underwater Ibiza system

In the supply networks of Ibiza's desalination plants, a performance of 99.6% has been achieved thanks to an innovative early leak detection system: in 2021, these have been reduced to 0.4%.

This system, known as an underwater system, consists of a spherical electronic device that freely roams the transport network, gathering acoustic information; when combined with sophisticated algorithm-based software, it detects possible water leakages in the network based on changes in sound, with a margin of error of just half a metre.

In 2021, this technology has made it possible to identify the exact location of a leak that was difficult to pinpoint that was generating losses of 200,000 m³ of water per year, equivalent to the consumption of 2,800 residents between Sant Antoni and Sant Rafael.

New algae-based biofertilisers: H2020 Sabana

Led by the University of Almeria, the consortium of eleven entities from five countries (including the Czech Republic and Hungary) includes three large companies: Aqualia, Westfalia (Germany) and the Italian food group Veronesi.

The project has optimised the production of new biofertilisers and biostimulants from algae, and two biorefineries based on algae cultivation have been implemented in the WWTPs managed by Aqualia in Mérida (Badajoz) and Hellín (Albacete), totalling five hectares.

Combatting water stress: El Alamein desalination plant

In Egypt, Aqualia completed the year of guaranteed operation of the El Alamein desalination plant, with 150,000 m³/day of capacity, and obtained an extension of this contract until 2022.

The completion of the El Alamein desalination plant to the client's complete satisfaction is a first class example for new projects in the desalination plan designed by the Egyptian government to reduce the country's water stress in the Mediterranean and Red Sea coastal areas.

EFFICIENCY

Energy efficiency and reduction of emissions



Spain, having ratified the Paris Agreement is required to comply with the commitments assumed in relation to global warming and decarbonisation. This commitment was made official in 2020 in the form of the Climate and Environmental Emergency Declaration and Law 7/2021, of 20 May, on climate change and energy transition. The preparation and publications of the Integrated National Energy and Climate Plan (2021-2030) and a Long-Term Decarbonisation Strategy by the Ministry for Ecological Transition and Demographic Challenge (MITERD) represents a roadmap for Spanish companies to design their decarbonisation strategies with their sights set on 2050 and the interim milestones in 2030 and 2040.

In 2021, Aqualia reduced costs, in particular on account of the decrease in variable consumption (energy and purchase of water), which has helped to improve efficiency ratios, measured as the gross result of activities in relation to turnover.

Since the start of the year, the Spanish electricity market saw an increase in tariffs of 145% year on year. The theoretical impact that this could have had on the company was partially offset by the efficient management of energy purchases, which has been undertaken combining fixed-price contracts (18%), future purchases (41%) and PPA contracting (17%), leaving just 23% exposed to the market, which must be reflected in tariffs depending on contractual mechanisms.

Against this backdrop of growing regulations and policies promoting the protection of the climate, Aqualia has gone one step further in its ambitious commitment to the climate, aware of the potential that the paradigm shift represents when it comes to strategic partnerships and resources. This ambition is reflected in the 2021-2023 Strategic Sustainability Plan, which defines the path for achieving Aqualia's environmental commitments entered into with stakeholders.



In 2021, Aqualia achieved a 4% reduction in GHG emissions.

SL2 CLIMATE EMERGENCY AND CARING FOR THE PLANET ENERGY EFFICIENCY AND REDUCTION OF EMISSIONS

In this strategic line, Aqualia develops the following action plans to achieve energy optimisation and reduce emissions.



Action plan	Calculation of the individual carbon footprint per country	Transformation of the vehicle fleet	Improving energy efficiency	Use of renewable energy
Performance in 2021	All countries where the carbon footprint* is calculated divided by the total countries in which Aqualia operates. OBJECTIVE 100%	7% of vehicles with low CO ₂ emissions divided by the total vehicle fleet in Spain. OBJECTIVE 100% in all countries in 2030*	<ul style="list-style-type: none"> Reduction of the % of kWh/m³ of energy used in drinking water ad-duction, treatment and distribution processes by 0.54 kWh/m³. Reduction of 3.57% in 2021 compared to the base year, 2020. OBJECTIVE 3% in 2023* Reduction of % of kWh/kg COD removed, energy used in wastewater treatment and sanitation 0.70 kWh/kg. Reduction of 7.89% in 2021 compared to the base year, 2020. OBJECTIVE 3% in 2023* 	32% of renewable energy used generated by own facilities, PPAs or acquisition, divided by the total energy consumed. OBJECTIVE 50% in 2030*
Sustainable development	Goal 7.2	Goal 13.2	Goal 13.2	Goal 13.2
Potential impact metrics	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent GHG emissions intensity 	<ul style="list-style-type: none"> Absolute annual GHG emissions (gross) in tCO₂eq Number of eco vehicles deployed Estimated reduction in fuel consumption 	<ul style="list-style-type: none"> Capacity of renewable power plants constructed or rehabilitated in MW Power density: W/m² 	<ul style="list-style-type: none"> Annual renewable energy generation in MWh/GWh and GJ/TJ Capacity of renewable power plants constructed or rehabilitated in MW

*The carbon footprint is measured in MWC and BOT contracts in place for 3 years or more in which Aqualia has a majority share. Base year 2020. Adjusted variable perimeter.



Energy consumption and management

Energy management of production installations has been a strategic line of action for the company since its inception, with the optimisation of energy consumption being an objective for continuous improvement.

Aqualia is responding to the climate challenge with energy management based on optimisation through following action guidelines that form part of the different measures undertaken each year: calculation of the individual carbon footprint per country, improvement in the energy efficiency of facilities, use of renewable energy and transformation of the vehicle fleet.

This is reflected in the company's carbon footprint in relation to its operations, calculated pursuant to ISO guidelines, where it is possible to see the impact of energy management (scope 2) in the 7% year-on-year reduction.

Every four years since 2016, Aqualia has undergone energy audits (in accordance with ISO 50001-Energy Management Systems) in a collection of production installations that consume more than 85% of the company's total energy consumption. To monitor the improvement opportunities detected in these audits, the company has a computer tool that will be integrated with the reporting/analysis tool (AqualiaRT/AqualiaBI) that will enable the actions and results obtained to be monitored.



FOSSIL FUELS

-12% In 2021, there was a 12% fall in fossil fuel consumption across the organisation.

ENERGY CONSUMED

-3% In 2021, there was a 3% reduction in energy consumed. The ratio over turnover fell by 2%.

ENERGY CONSUMPTION*

Energy consumption within the organisation (GJ)	2020	2021	Chg. 20/21
Fossil fuels	274,117.00	241,325.49	-12%
Petrol	4,102.00	18,083.27 ⁵	341%
Diesel/Diesel oil	242,651.00	215,206.65	-11%
LPG	-	961.44	-
Natural gas	27,364.00	7,064.54 ⁶	-74%
LNG	-	9.60	-
Renewables	696,907.41	600,262.50	-14%
Biogas burned in boilers without electricity generation	192,615.48	202,171.75	5%
Biogas burned in engines or turbines with electricity generation	486,440.29	375,132.41	-23%
Biomethane service stations.	-	558.00	-
Self-produced, photovoltaic panels	-	3,299.93	-
Self-produced, turbines	17,851.64	19,100.40	7%
Direct energy consumption	971,024.41	841,587.99	-13%
Renewable energy	136,674.00	272,360.50	100%
Non-renewable energy	3,299,603.62	3,149,819.25	-5%
Indirect energy consumption	3,436,277.62	3,422,179.75	0%
Total energy consumed (GJ)	4,407,302.03	4,263,767.75	-3%
Turnover	€1,188,348 thousand	€1,169,450 thousand	-2%
Ratio of energy over turnover, GJ/thousand €	3.71	3.65	-2%
Ratio of renewable energy over turnover, GJ/thousand €	0.70	0.75	6%

*The conversion factors used are taken from DEFRA: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>.
⁵Increase as in 2020 only information for petrol consumed in Spain was reported. The data for 2021 includes all countries that report in AqualiaRT.
⁶Drop because in 2020 gas consumed at sports centres was reported. In 2021, only gas consumed at WWTPs was reported.

Energy consumption by country

Further information: Annex 7. GRI 302-1, 2.

In 2021, energy reviews have been performed pursuant to ISO 50001 and RD 56/2016. Furthermore, different measures have been taken to optimise and improve processes and measurements. As part of the actions performed to reduce energy consumption and improve technical management, worth particular mention are:

- Energy optimisation system at offices and warehouses, initially to be performed at seven locations, with a view to rationalising the use of energy on lighting and climate control at these administrative centres.
- Improved energy monitoring by connecting the new electricity billing control platform, Synergica to the technical reporting platform. Thanks to this measure, it is possible to monitor the ratios of the different energy-dependent variables, eliminating the potential for human error.
- Initial operation of the centralised monitoring and control platform for proposals and improvement objectives of the different contracts, relating to efficiency.

- Activation of an Energy Efficiency Work Group, whose main responsibility will be to focus on the publication of best practices and the official approval of high efficiency devices.

A breakdown of energy consumption per country is included in the annex.

Carbon footprint calculation and action plan to reduce GHG emissions in 2020-2022

During 2021, different measures were implemented to reduce the carbon footprint, details of which will be provided in the following sections. The outcome of these measures is reflected in the increased follow-up and monitoring of carbon emissions.

The carbon footprint in the different countries has been calculated applying the internal AENOR-validated methodology for verifying the company's carbon footprint in Spain and Portugal.

The emissions report prepared by Aqualia encompasses scopes 1, 2 and 3.

The main emissions are generated by electricity consumed during processes and total diffuse methane at treatment plants.



EMISSIONS

-4% Total emissions fell by 4% in 2021.

EMISSIONS*

Further information: Annex 7. GRI 305-1, 2, 3 and GRI 305-7.

	2020	2021	Chg. 20/21
Scope 1 emissions (tCO₂eq)	97,339.1	102,711.0	6%
Fossil fuels	17,320.9	16,828.4	-3%
Water management complexes	80,018.2	85,882.6	7%
Scope 2 emissions (tCO₂eq)	323,559.9	300,149.3	-7%
Electricity or steam acquired from third parties	323,559.9 ⁷	300,149.3	-7%
Scope 3 emissions (tCO₂eq)	37,520	38,848.1	4%
Purchased items and services	17,082.7	18,396.9	7%
Waste generated in operations	20,273.6	20,451.2	1%
Total	458,419	441,708.37	-4%
Turnover	€1,188,348 thousand	€1,169,450 thousand	-2%
Emissions ratio over turnover	0.39 tCO ₂ eq / thousands of €	0.38 tCO ₂ eq / thousands of €	-2%

*Some countries are launching their reporting system, while, the scope of reporting only extends to the end-to-end water cycle (excluding construction activities and others).
⁷A breakdown of scopes per country is included in the annex.
⁸Fuel emission factors have been taken from the document: *Factores de emisión, registro de huella de carbono, compensación y proyectos de absorción de dióxido de carbono* issued by MITECORN on 17 April 2021.
⁹The potential global warming of the different greenhouse gases is taken from: Global warming potential. IPCC Fifth Assessment Report, 2014 (AR5).

⁷ The scope 2 data provided has been obtained by verifying the carbon footprint for Spain and Portugal in 2020. This verification was performed in October 2021 and resulted in the electricity emission factor for Spain being changed (a more recent figure was available) as was some data for Portugal.

Once again, Aqualia's carbon footprint in Spain has been registered with the Spanish Office for Climate Change, obtaining recognition for the reduction achieved compared to the 2017-2019 period.



OECC SEAL: CALCULATE, REDUCE AND OFFSET

Obtaining the OECC seal represents a reinforcement of Aqualia's firm commitment to the fight against climate change. This seal distinguishes three levels: Calculate, Reduce and Offset.



Use of renewable energy

During 2021, work has continued on the projects launched in 2020:

- The PPA (Power Purchase Agreement) to acquire 76 GWh/year of renewable energy (photovoltaic) over the coming 9 years, and which is estimated will lead to a reduction in emissions of around 15,200 t CO₂eq/year.
- The project to install 3.2 MWp of peak capacity photovoltaic panels, which will supply 26 consumption points, with an expected annual production of 5 GWh/

year, which will result in a reduction of GHG emissions of about 1,000 t CO₂e/year.

In 2021, work also began on the second phase of installing solar panels, the aim of which is to achieve a reduction of a further 820 tCO₂eq/year, by installing 3.14 MWp of solar panels, supplying 52 consumption points. To this end, worth particular mention is the installation of a photovoltaic plant of 0.84 MWp in the La Cartuja WWTP in Jerez de la Frontera.

The long-term power purchase agreement signed by Aqualia is a pioneer in the water industry: supply of green energy to switch to a decarbonised model.



Improved energy efficiency in energy generation and facilities

The ratio of energy intensity over turnover is 3.65 GJ/ thousand €. This represents a decrease of 0.06 GJ/ thousand € over the ratio for 2020 (3.71 GJ/thousand €). Furthermore, renewable energy consumption has increased, up from 18.9% in 2020 to 20.5% in 2021.

GOOD PRACTICE

At the cutting-edge of innovation: Zeppelin and Eclasion

Aqualia has been selected to lead two new Spanish innovation projects, Zeppelin and Eclasion with the purpose of researching the production of green hydrogen and biomethane from waste and wastewater. Both projects have been subsidised by the Centre for the Development of Industrial Technology (CDTI), within the framework of the 2021 call of the Science and Innovation Missions Programme (Recovery, Transformation and Resilience Plan). Both are supported by the Ministry of Science and Innovation and funding from the European Union through the Next Generation EU Fund.

These two projects have a direct impact on the 2030 Agenda, guaranteeing an affordable and high quality water and sanitation service (SDG 6), optimising its energy balance (SDG 7) and avoiding its impact on climate (SDG 13) through the development of renewable energies. In turn, the employ new production models and responsible consumption (SDG 12) structured around the circular economy.

ZEPELIN

OBJECTIVE
Produce green hydrogen with alternatives to electrolysis, promoting the circular economy. Propose the revaluation of wastes and by-products from different sectors.

ESTIMATED REVALUATION OF:
+99 MTn waste
50 MTn municipal wastewater

DIRECT JOBS

145
PEOPLE

CREATION OF EMPLOYMENT

25
NEW JOBS

- Development of energy optimisation tools:
- Eco-efficient, flexible and **smart consumption systems** with machine learning
 - **Electricity networks** with renewable energies

ECLASION

OBJECTIVE
Create new materials, technologies and processes for the generation, storage, transport and integration of renewable hydrogen and biomethane, generated from urban and agri-food biowaste and sewage sludge.



Wastewater Treatment Plant (WWTP) in Algeciras, Cádiz, Spain.



GOOD PRACTICE

Production of clean energy at mini-hydro plants in Moravia-Silesia (Czech Republic)

By operating mini-hydro plants, Aqualia offers an ecological solution while improving economic performance thanks to the savings made on the purchase of electricity. In comparison to thermal power plants, power produced using water does not generate atmospheric emissions, minimising the negative impact on the environment.

Mini-hydro plants are built in enclosures at treatment plants in pipelines that transport raw water to valley reservoirs. Efficient operation is achieved employing a constant flow and sufficient drop of the water supplied. Lower performance facilities are installed in drinking water pipelines with adequate parameters. The electricity generated is consumed mainly and directly at the site and any surplus is sent to the network.

Three small hydro plants owned by SmVaK Ostrava are located on the premises of drinking water treatment plants, with four installed next to the water tanks. Electricity generated by biogas (and heat) is also produced by eleven cogeneration units at the eight largest wastewater treatment plants.



Wastewater Treatment Plant (WWTP) in Třinec, in the district of Frýdek-Místek in the region of Moravia-Silesia, Czech Republic.

Performance and impact in 2021

In 2021, work was completed to modernise the machinery and technology equipment at the Nová Ves water treatment plant, which was executed for approximately CZK 130 million (€5,319,802), with the different units subsequently put into operation. The original small hydro-plant with two 200 kW generators was replaced with a flow turbine with a generator of 465 kW; this replacement has resulted in an almost 2.5 times increase in energy, up to 1.885 GWh.

Furthermore, electricity production by the equipment located in the raw water inlet from the Šance reservoir surpassed consumption by 18%. The second water treatment plant located in the Beskydy mountains in Vyšní Lhoty, in the district of Frýdek-Místek, produced double its annual electricity consumption (594 MWh) at a small hydro plant, also double what it would have consumed for its services. The production of electricity by equipment located in the largest water treatment plant owned by SmVaK Ostrava, in Podhradí u Vítkova, surpassed the consumption necessary for the treatment of drinking water from the Kružberk reservoir by 7%.

Twelve cogeneration units at wastewater treatment plants that use the biogas generated by sludge produced 5.1 MWh of electricity in total in 2021, a year-on-year increase of 400 MWh, in addition to the heat used for the heating systems in the corresponding towns.



7 MINI-HYDRO PLANTS

at water treatment plants and water deposits in the High Pressure Water System and DWTP in the Ostrava area owned by SmVaK Ostrava

ELECTRICITY GENERATED

5.1 GWh

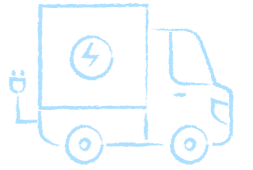
+400 GWh year-on-year increase

12 COGENERATION UNITS

at wastewater treatment plants using the biogas obtained from sludge



Electric vehicle of a Municipal Water Service.



ELECTRIC VAN

FUEL
1,000 l
consumption/year of saving

EMISSIONS
1 Tn
of CO₂ avoided

Transformation of the vehicle fleet

In relation to the energy efficiency measures implemented as part of the plan to reduce the carbon footprint, the transport line is key on account of its major impact on climate change. To this end, Aqualia is immersed in the progressive switch of its fleet to greener vehicles to meet the objective set for 2022: the renewal of 90 vehicles.

Furthermore, during 2021, innovations have continued to be developed to decarbonise the fleet:

AD-VISor project: generation and supply of biomethane for vehicles

In 2021, the AD-VISor project, which facilitates the revaluation of fatty waste from the livestock industry by transforming it into high-added value bio-products came to an end. The increased biogas production during this process, and its enrichment with the ABAD Bioenergy® process, has made it possible to supply biomethane to service vehicles.



Vehicle from the AD-VISor project in Guijuelo, Salamanca, Spain.

Climate Project for a sustainable economy

It is worth noting that, in 2021, a third verification of the Climate Project was performed (Carbon Fund for a Sustainable Economy, FES-CO₂, MITECO), "Programa FCC Aqualia de Obtención de Combustible vehicular a partir de agua residual: Proceso ABAD BIOENERGY", assigned code FES-CO₂ 068/2017.

Innovation in municipal vehicles

Electric van

A new electric vehicle was incorporated into the fleet of the Municipal Water Service in the municipality of Muro. This 100% electric Nissan van has an autonomy of 250 km.

The inclusion of these vehicles in the public water service forms part of the sustainable services that Aqualia offers to its clients like the municipality of Muro, which is committed to increased protection of the environment.



New electric vehicle of the Municipal Water Service in the municipality of Muro, Balearic Islands, Spain.

BIODIVERSITY

Ecosystem protection and restoration. Biodiversity

End-to-end water cycle activities are integrated into the natural environment, making environmental care an intrinsic part of the daily running of these services and entailing responsible actions aimed specifically at protecting and restoring ecosystems.



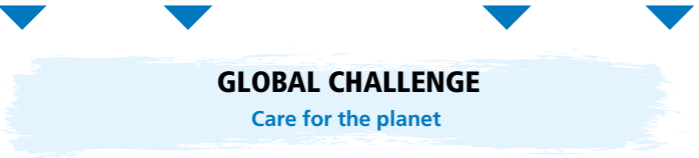
Parque Metropolitano at the Wastewater Treatment Plant, El Salitre, Bogotá, Colombia.

SL2 CLIMATE EMERGENCY AND CARING FOR THE PLANET ECOSYSTEM PROTECTION AND RESTORATION. BIODIVERSITY

In this strategic line, Aqualia develops the following action plans to protect and recover ecosystems.



Action plan	Identification of protected spaces (biodiversity) for the performance of ecosystem protection and recovery projects
Performance in 2021	143 biodiversity areas identified in 2021. Further information: Annex 7. GRI 304-1.
	OBJECTIVE 100% each year
Sustainable development	SDG 15



Aqualia manages operational centres that it owns or leases next to protected areas and areas with great value from the point of view of biodiversity. The care and protection of these areas and their ecosystems is part of Aqualia's commitment, which, together with other environmental organisations, promotes different initiatives for their protection.



To the left, Parque Metropolitano in El Salitre, Bogotá, Colombia.

To the right, reforestation in the municipalities of Cereté, Sahagún, Planeta Rica and Loricá, Colombia.

Outstanding projects in biodiversity

Project NICE, Spain

The increase in torrential rain, water stress and the fact that 55% of the world's population lives in urban areas demonstrates the need to take care with the management of urban water. Under this premise, and with the ultimate aim of improving the quality of life of citizens, in June 2021, Aqualia presented the European H2020 NICE project, which seeks to demonstrate the feasibility of using natural systems like green roofs and walls, infiltration gardens, artificial wetlands and sustainable drainage systems, all part of the urban water cycle and the architectural landscape or major urban hubs.

The project, led by the CETIM technology centre with 14 partners across nine countries, has received five million euros of funding as part of the European Commission's H2020 programme. Algeciras will play host to one of the demo spaces. Demo sites will also be implemented in Benalmádena (Málaga), Talavera de la Reina (Toledo), as a support for LIFE INTEXT; and in the Zona Franca de Vigo (Pontevedra), as a continuation of the Run4Life project. Partners from Colombia and Egypt are also participating to extend Aqualia's R&D activity at an international level.

This project represents one more step taken by Aqualia in the development of initiatives that contribute to protecting environmental resources and preserving the biodiversity and ecosystems of the territories where it provides its services, aligning its activities with the UN Sustainable Development Goals. In this case, specifically, H2020 NICE has a direct impact on SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Land).



Restoration and awareness in Córdoba, Colombia

In 2021, several initiatives were implemented with a focus on protecting biodiversity in the areas where Aqualia operates in Colombia. These initiatives deserve special mention:



REFORESTATION PROJECTS

TREES
800 800 trees were planted in the municipalities of Cereté, Sahagún, Planeta Rica and Loricá, contributing to the fight against climate change at the same time as restoring biodiversity.



CAMPAIGNS: CLEAN SEAS

CAMPAIGNS
3 Three campaigns organised in the municipality of San Antero: beach cleaning workshops, collection of plastic waste and awareness raising about caring for the ocean and its ecosystems, thus helping to preserve the largest biodiversity reserve in the municipality.



RESTORATION OF PARKS

PARK
1 Worth particular mention is the eco-park in the municipality of Sahagún, which was restored in cooperation with the local council.

Restoration of mangroves in San Antero, Colombia

As part of its contribution to the local community and the objective of working to raise environmental awareness, Aqualia participated in mangrove cleaning and recovery workshops in Playa Blanca, in the municipality of San Antero. The aim of this action was to maintain these ecosystems free from solid waste and help to conserve the wildlife in this habitat. Furthermore, notices were set up in strategic locations with messages about protecting and conserving the ecosystem for the ecosystem to become a common practice in the population.

El Salitre Water Treatment Plant, Colombia

Aqualia forms part of the consortium of companies at the WWTP in El Salitre that is currently working on a Sanitation and Recovery Plan for the River Bogotá. This project is of great importance to the community and the environment, as it will handle a volume of 7.0 m³ of water per second and prevent an average of 450 tonnes of rubbish per month reaching the river. The project will be decisive in decontaminating the River Bogotá.

During 2021, work was also completed on the construction of the WWTP El Salitre and progress continued to be made in the planting of trees of native

species, of medium and small size, in areas affected by construction of Parque Metropolitano.

As part of the commitment to protecting biodiversity, the project takes an inventory of rescued species, performs a variety of actions in relation to environmental awareness and benefits from initiatives like the *plantometer*, which registers native plant species and the planting of new trees.

Insect hotels in the Czech Republic

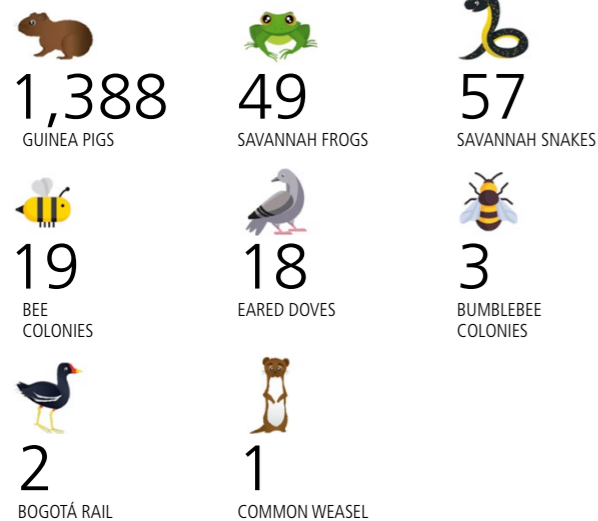
Over the past three years, and in 2021, SmVaK Ostrava has selected several areas eligible for protection because they contain significant biological value. The main aim is to increase biodiversity in these locations by implementing construction elements and other procedures related to caring for the environment and the balance of ecosystems to oversee the variety of species.

As part of this initiative, employees at the supply network centres proposed interesting insect hotel solutions, in line with the company's strategy of incorporating elements to support diversity in the selected locations. Materials were provided and with a view to encouraging participation, a cash prize offered for the best ideas put into practice.



The winner was the insect hotel built by workers at the centre in Nový Jičín, which was installed in the vicinity of the Skalky water tank and the water tanks upstream of the city of Odry. In second place, and in receipt of a special prize for their originality, were workers from Místek, whose initiative was installed directly on-site at their supply centre. Also worth note were the designs submitted by employees from Karviná and Opava, whose projects were set up in the vicinity of the Havířov service centre, or in the vicinity of the Kateřinky water tank, next to the elevated water deposit in the Předměstí neighbourhood in Opava.

RESCUED ANIMALS



PLANTOMETER



WOULD YOU LIKE TO KNOW MORE?

Visit the project's website:
<https://ptarsalitre.com.co/>

Recovery of the Rufeá wetlands, Lleida

In Lleida, Aqualia continues to cooperate intensively with the actions implemented by the city council in relation to water and sustainability in the city: the Environmental Forum, Agenda 21 and the Water Forum, to name just a few. The company is currently collaborating on the Empresas Lleida Verd 2022 project. As part of this work, it promotes different awareness raising projects and environmental education with a view to involving citizens in habits that are respectful of the environment, in collaboration with the Department of Culture, City and Ecological Transition in Lleida.



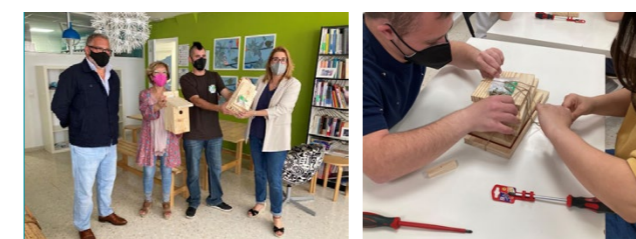
As part of the project, in 2021, Aqualia participated in a project to restore the Rufeá wetlands. The recovery of this natural space has enabled the municipality to commit to this natural environment by building observation and biodiversity towers and a floating walkway so that people can visit and enjoy the Rufeá Aiguamolls wetlands.

SOS Gorriones in Jerez

Aquajerez, a subsidiary of Aqualia, has entered into an agreement with the environmental association, Faunatura, to carry out a project to support the repopulation of sparrows in the urban and peripheral area of Jerez.

This project aims to respond to the progressive disappearance of this species from the urban landscape, which has dropped by up to 20% over the past ten years on account of factors including noise pollution, herbicides or pesticides.

The project will consist of manufacturing wooden nest boxes in collaboration with associations of persons with disabilities, schools or the elderly in the city. These



to be installed by students from Aspanido as an educational measure, will be mounted across dozens of educational centres in Jerez, coinciding with an environmental awareness talk.

Next boxes will also be installed at the Guadalete treatment plan, where a webcam will be installed to spy in real-time on the nesting of sparrows and their incubation process, which will be broadcast live on the association's YouTube channel, accessible via a link directly from the Aquajerez website.

Caring for wildlife at the Ávila WWTP

The Ávila WWTP is located on the right-hand side banks of the River Adaja, in the Ambles valley, an area that is home to the upper and central stretch of the river and is considered as a single unit when it comes to environmental action.

In this area, Aqualia cares for biodiversity, offering a powerful purification system: an innovative treatment system that, given its features, is capable of leaving the surrounding area unaffected. Furthermore, with this system in mind, work has been undertaken with a resilience capacity, eliminating any impact and converting them into positive, such as the hydrological impact of waste disposal.

As a result, it has been possible to control the pollution and eutrophication that was affecting the Las Cogotas reservoir. The first impact of the improvements made to treatment was the disappearance of certain opportunistic species, such as cyanobacteria, which, utilising the circumstances, dominated the system and reduced biodiversity. And so, the improvement in the quality of the water has led to an increase in diversity. Finally, mention must also be made that the quality of the permeate water is much higher than required in the WWTP's waste disposal authorisation.

Based on the fact that the best way of protecting the environment is enhancing the quality of water, several lines of action have been pursued with a view to achieving this. The first is internal control at the WWTP, supported by rigorous analytical control and a powerful maintenance system. This has given rise to waste disposal of an extraordinary quality, outshining even the quality of the River Adaja itself.

Soil regeneration in Ávila

Another R&D&i project in progress, also in Ávila, is structured around the regeneration and bioremediation of soils using sludge from the WWTP. Depending on the results, it will be possible to improve the habitat and increase biodiversity at the same time.

AWARENESS-RAISING

Communication and awareness-raising campaigns as part of the end-to-end water cycle with a direct impact on SDG 6

Each year, Aqualia embarks upon different local and global awareness-raising actions about the appropriate use of this resource and the promotion of sustainable consumption to help protect the environment. The most noteworthy carried out in 2021 were as follows:



SIX STEPS TO DRIVE SDG 6

Aqualia involved its employees worldwide, asking them to collaborate in making progress in the six key steps to achieving SDG 6.



TIPS TO KEEP FROST AT BAY

The company offers information about how to avoid breakages, material damages and unnecessary water consumption when there are drops in temperature that can cause incidents at facilities.

PROMOTING THE USE OF OMNICHANNEL PLATFORM

Aqualia is committed to online customer service channels, adapting to their needs, avoiding travel and reducing the consumption of paper, which helps to reduce CO₂ emissions.

SUSTAINOMETER

Aqualia has activated a simple test that can be used by anybody to calculate how sustainable they are in their daily lives and reflect on the habits they could correct and how to do about doing so.

SWITCH TO TAP WATER

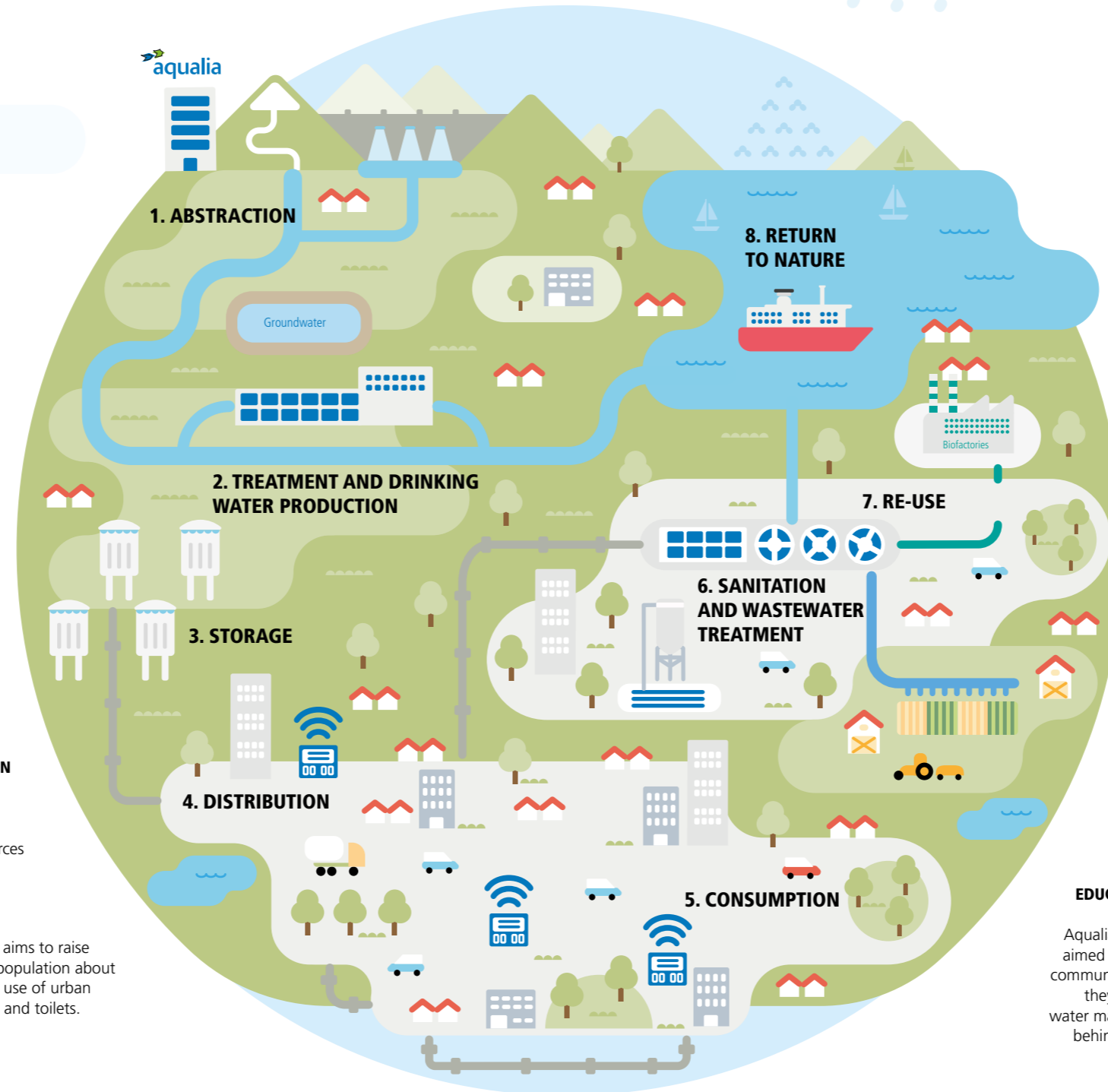
Initiative that seeks to encourage the consumption of tap water, providing information on all the quality controls it undergoes before it reaches our homes.

RESPONSIBLE CONSUMPTION

The company undertakes campaigns to promote the responsible and sustainable consumption of water resources all year around.

#NOLOTIRES

This informational campaign aims to raise awareness and educate the population about daily habits in relation to the use of urban sanitation: washbasins, sinks and toilets.



WORLD DAY FOR THE REDUCTION OF CO₂

On 28 January, attention was brought to this key occasion to reflect on and make decisions that benefit caring for the planet. Furthermore, Aqualia reported on the progress achieved as part of its decarbonisation plan.

EARTH HOUR

Aqualia participates in Earth Hour, organised by the World Wide Fund for Nature (WWF), launching messages on its social media profiles with a view to raising awareness about climate change and its impact on the environment. Furthermore, a number of its facilities switched the lights off between 8:30 p.m. and 9:30 p.m., a symbolic gesture to raise awareness about the need to make progress towards a more sustainable model of society.

EARTH DAY

On 22 April, Aqualia organised a tree planting day in Colombia, in the surrounding areas of different water sources in the municipalities in which the company operates.

PROMOTING THE USE OF E-INVOICING

The company is committed to e-invoicing with a view to help caring for the environment by reducing the amount of paper produced and the CO₂ emissions associated with the process of producing and sending invoices.



EDUCATIONAL CAMPAIGNS AT WWW.AQUALIAEDUCA.COM

Aqualia develops educational content aimed at boys and girls, the educational community and citizens in general, where they can discover about the world of water management, the work and people behind it and how to use this resource responsibly.

DIGITAL DRAWING CONTEST FOR CHILDREN

As part of this contest, the company's aim is to raise awareness amongst children about the importance of water and the work that goes into providing high-quality water at the turn of a tap, in addition to providing information about the 2030 Agenda and the Sustainable Development Goals.



Promotion of responsible consumption amongst citizens

Campaign on Tips to keep frost at bay

Aqualia organises informational campaigns when there are drops in temperature that can cause incidents involving household facilities with water meters or outdoor pipes that are not sufficiently insulated.

This helps to reduce breakages, material damages and unnecessary water consumption. The campaigns are undertaken via social media, media outlets, the corporate website, videos, information on invoices, banners in local media, etc.

Responsible consumption campaign

With a view to contributing to a society that is more sensitive to water scarcity, the company organises campaigns throughout the year to promote responsible consumption.

One of Aqualia's main concerns is resource optimisation and sustainable development. Promoting efficiency to guarantee the responsible and sustainable management of water resources is one of the strategic pillars that defines the company's daily activities. That is why raising awareness amongst citizens, in particular amongst future generations, is a critical task.

Throughout the year, informational campaigns are organised via social media, media outlets, the corporate website, videos, etc. in addition to campaigns in towns and cities in the form of leaflets, information on invoices, banners in local media, etc.

#NoLoTires campaign

The aim of this campaign is to raise awareness and educate the population about daily habits in relation to the use of urban sanitation: washbasins, sinks and toilets.

The waste that is sometimes disposed of in domestic drains and reaches the urban sewerage network can cause significant environmental and economic harm. The health crisis caused by coronavirus has aggravated this situation. Protection items, like masks, should be disposed of correctly to avoid them being abandoned in natural environments. We mustn't forget that these can become sources of infection and should never be disposed of down the toilet.

In April 2021, to commemorate Earth Day, Aqualia once again launched the #NoLoTires (#Don't throw it away) campaign to raise awareness amongst the population of the small actions in our daily lives that can have a negative impact on the end-to-end water cycle.



Consumir agua con responsabilidad, un esfuerzo de todos

Today, like all year round, TAKE CARE OF WATER

Heute, wie das ganze Jahr über, PFLEGE FÜR WASSER

En el baño mejor ducha que bañera.

In the bathroom, better a shower than a bath.

Besser duschen als baden.



En la cocina, lava los alimentos en un recipiente.

In the kitchen, wash fruit and vegetables in a bowl of water.

Waschen Sie Obst und Gemüse in einer Schüssel mit Wasser.



En el jardín riega a primera o última hora del día.

In the garden water early or late in the day.

Gießen Sie früh oder spät am Tag.



Making a change in consumption habits: Switch to tap water

The aim of this campaign is to encourage the consumption of tap water, providing citizens with information on all the quality controls that water undergoes before it reaches our homes. In this way, Aqualia contributes to mitigating the climate emergency by eliminating plastics, reducing the carbon footprint, etc.



Campaigns promoting global events

Aqualia organises a variety of campaigns to coincide with World Days, with a view to enhancing the visibility of the main environmental challenges we face, as well as recognising internal or external initiatives that contribute to fighting climate emergencies, protecting the environment or efficiently managing water.

WORLD DAY FOR THE REDUCTION OF CO₂ EMISSIONS

28 JANUARY

Attention is brought to this key occasion to reflect on and make decisions that benefit caring for the planet and provide details of the progress made by Aqualia towards decarbonisation.



EARTH HOUR

26 MARCH

The Mutxamel desalination plant, one of the most advanced facilities in terms of energy efficiency, signed up to the World Wide Fund for Nature (WWF) initiative in 2021.



EARTH DAY

22 APRIL

The company organised a tree planting day in Colombia, in the surrounding areas of different water sources in the municipalities in which the company operates.





Six measures to drive SDG 6

To mark the sixth anniversary of the adoption of the SDGs, a milestone that is celebrated every 25 September, Aqualia joins the initiative #apoyamoslosODS driven by the United Nations Global Compact Spain to promote the dissemination of the SDGs and raise awareness of the Decade of Action among its stakeholders.

Aqualia therefore involved its employees worldwide, asking them to collaborate in making progress on six key steps to achieve SDG 6. Over the course of this week, twelve employees acted as loudspeakers for the rest of the workforce and starred in six videos in which they explain, in a very simple way, the measures that all areas of society should pursue (institutions, companies, citizens, etc.) to promote the achievement of SDG 6: improving infrastructures, reducing pollution, investing in research, combating water scarcity, raising public awareness

and establishing partnerships are the six priority goals that mark Aqualia's roadmap for contributing to this sustainable Development Goal.

All these videos were published on social media using the hashtag #apoyamoslosODS.

Educational campaigns

The sustainability of the resource involves transmitting responsible habits with respect to water, in particular to younger generations, both with regard to consumption and a return to the natural environment. Aqualia develops educational content where boys and girls as well as the educational community and citizens can discover about the world of water management, the work behind it and how to use this resource responsibly.

Some examples of these actions include the Digital Children's Drawing Contest, the aqualiaeduca.com website, videos like *The SDGs as they have never been explained to you*, talks and educational visits to our facilities, events, etc.

Sustainometer

During 2021, work has been undertaken on an initiative ultimately launched in January 2022: the Sustainometer, the first meter for sustainable contact and habits that



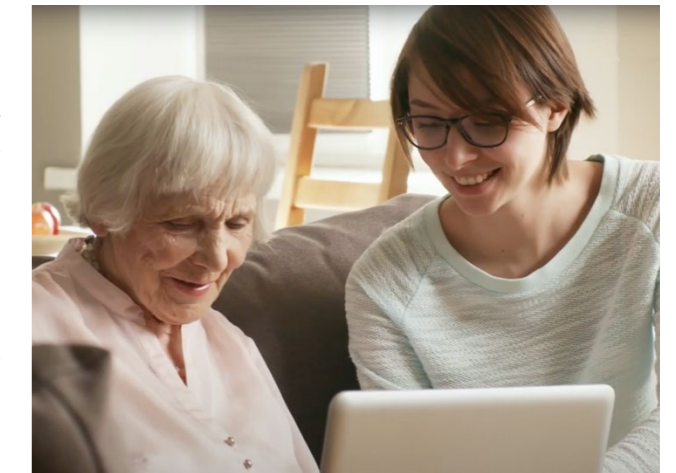
can be used by citizens. This simple, 10-question test allows users to calculate how sustainable they are in their daily lives, which will help them, based on the results obtained, to reflect on the habits they could correct and how to do about doing so. To this end, it features a battery of questions meaning that users can repeat the test as many times as they like.

The climate threat and the COVID-19 pandemic have increased society's concern about environmental issues. There is, without a doubt, a clear trend towards living a more conscious lifestyle, encouraging us to reflect on the social and environmental importance of what we buy and what we consume.

Against this backdrop, the Sustainometer seeks to make the concept of sustainability accessible to everybody, for them to integrate more sustainable habits in their daily lives, reflecting on the consistency of their actions and their values to contribute to the major challenges facing the world through their actions.

Digitalisation of environmental protection processes
Promoting the use of e-invoicing

The company continues to promote the use of e-invoicing with a view to help caring for the environment and reduce the amount of paper produced and the CO₂ emissions generated as part of the process of producing and sending paper invoices.

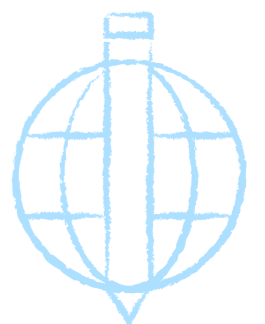


Promoting the use of omnichannel platform

Aqualia is committed to telematic customer service channels, adapting to their needs, thus avoiding travel and reducing the consumption of paper, which helps to reduce CO₂ emissions. Furthermore, the company encourages clients to make contact immediately to quickly resolve any incident in the network, which helps to reduce action times and prevent unnecessary losses of water.

With this in mind, one such initiative involves rolling out the digital signature of documents by customers.

In 2021, Aqualia signed a collaboration agreement with API, the Association of Environmental Information Journalists, with a view to promoting the dissemination of accurate information about sustainable development and the conservation of the environment and ecosystems.



INNOVATION

Innovation to protect ecosystems and combat climate change



European policies for the transition towards a decarbonised economy provide the roadmap to be followed by Aqualia in the development of innovative circular economy and ecoefficiency solutions as well as smart management tools for the efficiency of water resources throughout the entire cycle, with particular

attention paid to the biodiversity of the phases with the greatest potential impact.

As part of this search for sustainable solutions, Aqualia articulates the impact of these solutions to contribute to ensuring that the company satisfies its commitment to the 2030 Agenda in relation to its different impacts:



In 2021, the figure dedicated to R&D came to €5,093,646, an investment that reflects Aqualia's staunch commitment to technology.

SL2 CLIMATE EMERGENCY AND CARING FOR THE PLANET

TECHNOLOGICAL TRANSFER OF SOLUTIONS OBTAINED AS PART OF R&D PROJECTS TO PRODUCTION

In this strategic line, Aqualia develops the following action plans to transfer technological solutions obtained as part of R&D projects into production.



Action plan	Portfolio of innovative solutions for the fight against climate change	Mechanisms for the transfer of technology from R&D to production	Awareness raising amongst the workforce
Performance in 2021	4 new R&D projects launched during the year that include the development of innovative solutions to combat climate change. 01/06 - H2020 NICE 01/09 - Life Reseau 01/11 - Eclasion Missions 01/11 - Zeppelin Missions	Actions for the transfer of technology from R&D to production.	Actions to raise awareness amongst the workforce during the year.
Sustainable development	SDG 12, 9, 13	SDG 12, 9, 13	SDG 12, 9, 13

GLOBAL CHALLENGE
Circular economy and care for the planet

PARTICIPATION IN THE FIRST AEDYR DIGITAL CONFERENCE

In 2021, Aqualia presented its R&D activities at the fifth session of the first Digital Conference organised by the Spanish Association for Desalination and Re-use (AEDyR). At this meeting, information was provided on the strategic lines of innovation at the company and the latest projects in the areas of Quality, Sustainability, Smart Management and Ecoefficiency were presented.

Photograph of the award-winners (from left to right): Jordi Palatsi (Jury second prize), Patricio Hermosilla (winner) and Andrés Sanabria (Employees' second prize).



Aqualia i4U Innovation Awards

In the framework of the 2021-2023 Strategic Sustainability Plan, raising awareness amongst the workforce about technology transfer and environmental innovation issues is included in the corresponding action plans. With a view to promoting human talent and innovative culture among its teams, in 2021, Aqualia launched the Aqualia i4U Innovation Awards. This initiative, aimed at the entire workforce worldwide, will make it possible to identify possible innovative solutions to improve the quality of processes and services, the preservation of health and respect for the environment. These awards have involved more than 10,000 budding innovators and 48 proposals were submitted as part of the first edition.

Through the implementation of initiatives such as the i4U Awards, Aqualia contributes to the generation of structural changes in its production model and culture, directly involving its employees and managers, in line

with SDG 6 (Clean water and sanitation), SDG 9 (Industry, innovation and infrastructure) and SDG 12 (Responsible production and consumption).



Wastewater Treatment Plant (WWTP) in Lleida, Catalonia, Spain.

Circular economy: key to decarbonisation

Aqualia's business model incorporates the concept of circular economy, by providing abstraction, treatment, storage, distribution, sanitation and wastewater treatment services, including the re-use and reinsertion of water into the natural cycle. Additionally, and to reduce negative impacts on the environment, the water resources used in operations are purified, eliminating waste and guaranteeing the best conditions when returning water to nature. In this way, and given the scarcity of this resource, Aqualia plays a fundamental role in the use and sustainable management of water.

The European Strategy for Plastics in a Circular Economy (Strasbourg, September 2018) and the Circular Economy Action Plan (Brussels, March 2020) sets out the major global challenges in relation to the circular economy in Aqualia's area of activity. Furthermore, specific regulations have been set out, such as Regulation (EU) 2020/741 on minimum requirements for water re-use with a view to the re-use of water in agriculture.

In response to these global challenges, Aqualia has developed a circular economy model in line with

European principles and requirements, developing lines of research oriented at recovering and transforming organic matter to convert it into bio by-products that can have a new life. In this regard, Aqualia's objective is to convert WWTPs into circular stations or biofactories capable of retrieving, transforming and valuing waste into usable resources, allocating them to agricultural uses or for energy recovery. The following lines deserve special mention:

- Development of innovative solutions to prevent microplastics from reaching the sea through alternative effluent treatment systems at WWTPs > [BBI Deep Purple Project, 2019-2023.](#)
- Natural methods for eliminating nutrients in wastewater treatment processes, preventing the production of sludge at wastewater treatment plants > [Project Sabana, completed in 2021.](#)
- Use of innovative technologies to recover water resources and make environmental improvements > [Life Intext Project, 2019-2023.](#)

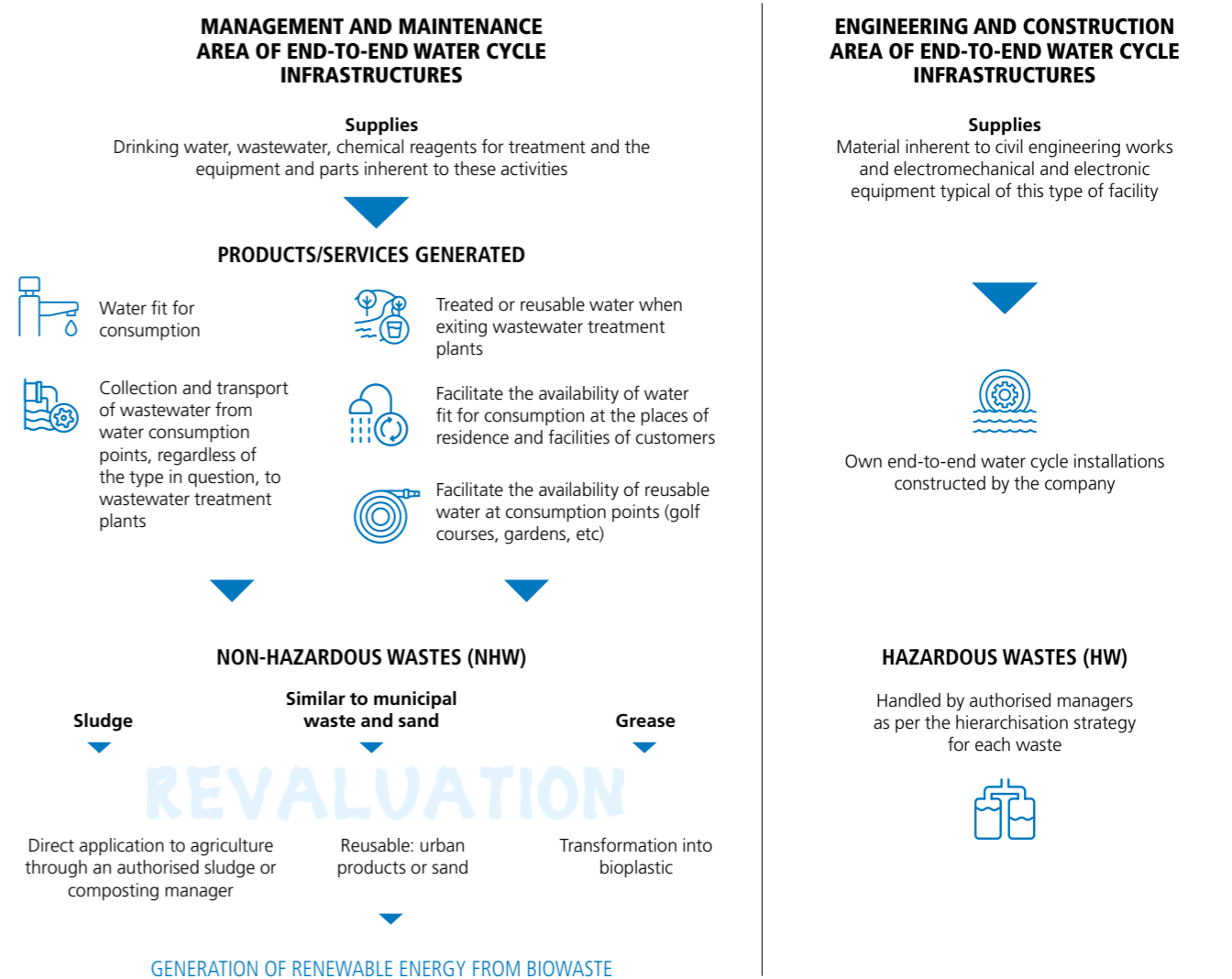
CIRCULAR ECONOMY MODEL AT AQUALIA*

Action guidelines	Use of the minimum natural resources required to satisfy the needs identified at any given time	Select resources smartly, avoiding non-renewable sources and critical raw materials, encouraging the use of recycled materials	Efficiently managing the resources used, maintaining them and reintroducing them into the economic system for as long as possible, generating less waste and avoiding the unnecessary use of resources
Circular economy initiatives at Aqualia	<ul style="list-style-type: none"> • Reduction of measured water consumption • Promotion of responsible water consumption amongst citizens • Reduction of specific consumption at water treatment plants 	<ul style="list-style-type: none"> • Use of alternative resources to water • Use of renewable energy 	<ul style="list-style-type: none"> • Generation of energy through the management of the urban water cycle • Implementation of agreements with the value chain to reuse products • Obtaining value-added products during water treatment processes

Reduces environmental impacts

Makes it possible to restore natural capital and encourage its regeneration

*Based on the inclusive definition of the circular economy. CONAMA.



HAZARDOUS AND NON-HAZARDOUS WASTE

Non-hazardous waste generated and disposal (Tn)	Removal	Revaluation	Total	% Removal	% Revaluation
WWTP Grease	149.57	46.85	196.42	76%	24%
Waste containing asbestos (fibre cement)	72.08	6.63	78.71	92%	8%
Used oils	15.33	18.35	33.68	46%	54%
Empty contaminated containers	7.66	11.60	19.26	40%	60%
Other	115.50	21.31	136.81	84%	16%
WWTP Sludge	14,728.80	0.00	14,728.80	100%	0%
Total	15,088.94	104.74	15,193.68	99%	1%

Hazardous waste generated and disposal (Tn)	Removal	Revaluation	Total	% Removal	% Revaluation
WWTP Sludge	10,688.80	317,112.30	327,801.10	3%	97%
Debris and rubble	8,449.42	38,462.79	46,912.22	18%	82%
WWTP Waste (grinding + sand)	11,621.62	5,389.05	17,010.67	68%	32%
Soil	4,475.34	7,588.45	12,063.79	37%	63%
DWTP Sludge	245.27	2,539.13	2,784.39	9%	91%
Other	2,790.92	3,056.36	5,847.28	48%	52%
Total	38,271.37	374,148.08	412,419.45	9%	91%

Environmental innovation to combat climate change

Aqualia's innovation is guided by European Green Deal policies to reduce the carbon footprint to zero, thanks to the transition to a circular economy with no environmental impact.

The company develops new tools and technology solutions that are transferred to projects structured around quality, smart management, ecoefficiency and sustainability.

During 2021, three projects came to an end:

- 1 Interconecta project (Feder): [AD-VISor](#)
- 2 projects as part of the EU H2020 framework programme: [Sabana](#) and [Run4Life](#)

The development of 14 other ongoing projects has also continued:

- 1 JPI WATERWORKS project [MarAdentro](#) (extended until June 2022)

- 1 regional RIS3 Idepa project in Asturias: [ReCarbon](#)
- 5 European LIFE programme projects: [IntExt](#), [Ulises](#), [Infusion](#), [Phoenix](#) and [Zero Waste Water](#)

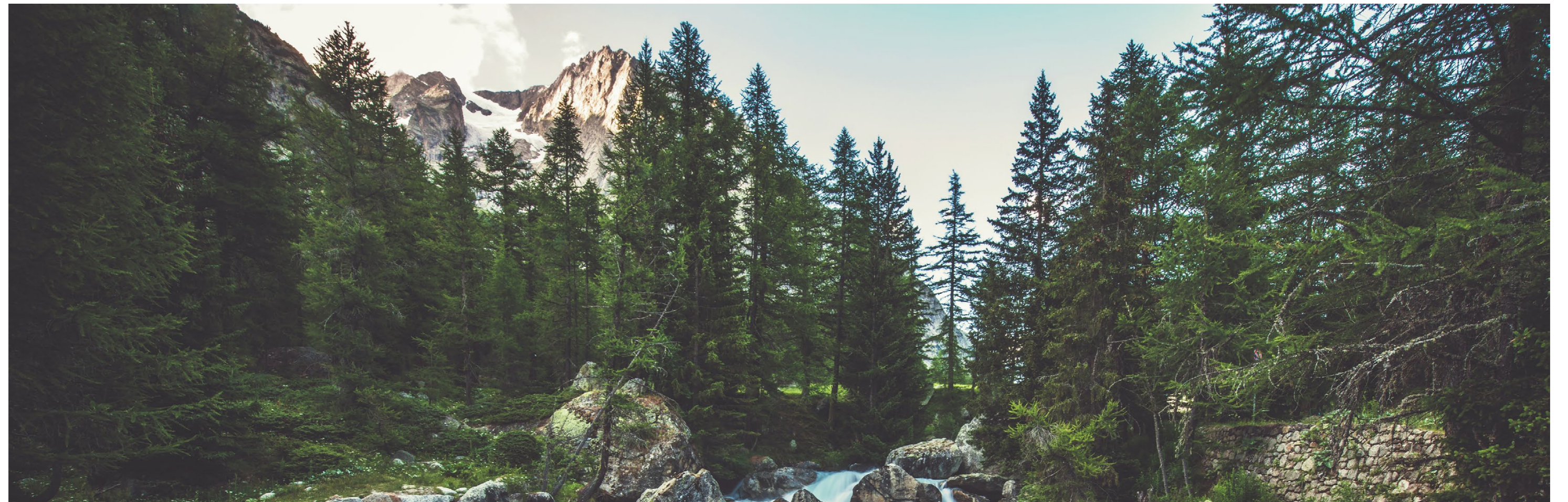
- 2 Bio-Based Industries (BBI)/EU common Initiative projects: [B-Ferst](#) and [Deep Purple](#)

- 4 EU H2020 programme projects: [Scalibur](#), [Rewaise](#), [Sea4Value](#) and [Ultimate](#)

- 1 Marie Skłodowska Curie training project (MSCA): [Rewatergy](#)

Thanks to the public calls for proposals for 2020, two new projects have begun in 2021:

- 1 European LIFE programme project: [Reseau](#)
- 1 EU H2020 programme project: [NICE](#)
- And 2 Spanish projects as part of the Missions initiative: [Zeppelin](#) and [Eclosion](#)



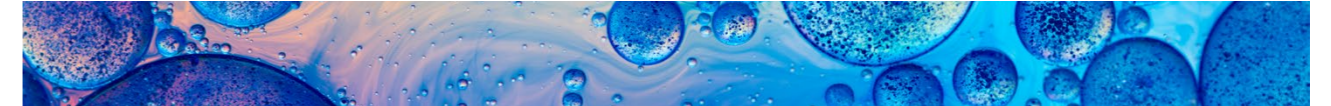


LINES OF WORK



- L1. Improvement wastewater treatment
- L2. New processes for the recovery of wastewater
- L3. Desalination, improvement of conventional processes and development of new solutions
- L4. Generation of value-added products (circular economy)
- L5. Energy
- L6. Environmental protection

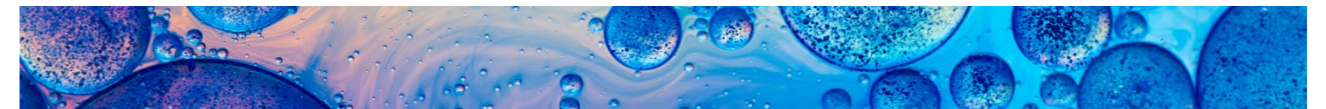
Lines of work	Main projects	Objectives relating to the end-to-end water cycle	Objectives relating to climate change	Project milestones in 2021	
		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050	
L1, L2	Life Zero Waste Water (2024) Started in 2020 Programme type: European	Demonstrating the combined treatment of Urban Waste Water (ARU) and the Organic Fraction of Municipal Solid Waste (FORSU) with the AnMBR anaerobic reactor.	Biomethane production.	Reduction of electricity consumption.	The Portuguese SME Simbiente has signed up to the initiative for the development of an advanced management system, combined with online monitoring of microbiological quality by the Austrian SME VWS (Vienna Water Systems).
L1, L2	Life Infusion (2024) Started in 2020 Programme type: European	Preparing design parameters for future AMB resource recovery plants and evaluating technologies.		Replacement of electricity.	The leachate digestion system is optimised with Aqualia, AnMBR and ELAN technologies, with the addition of an ammonium stripping system from the Belgian SME Detricon. Two waste management entities, Cogersa in Asturias and AMIU in the region of Genoa/Italy are also participating to evaluate the options for implementing the solutions in their plants.
L1, L6	Life Reseau (2025) Programme type: European	Advanced biofilm system that multiplies the biological treatment capacity: improves the reaction of the WWTP to changes in flow and limits the necessary space.		Reduction of electricity consumption.	A 500 m ³ aerobic granular reactor will be built at the Moaña WWTP to treat up to 2,000 m ³ /d of wastewater.
L1, L2, L4, L6	H2020 Run4Life (2021) Programme type: European Phase: Final	Nutrient retrieval from the separation of grey and black water.	Bioenergy production.	Self-generated energy.	(Zona Franca de Vigo) Various nutrient recovery options have been tested, followed by advanced oxidation to remove viruses and emerging pollutants to encourage re-use. A larger-scale prototype installation has been prepared in Balaidos. (Sneek) New vacuum toilets have been installed in some 30 houses, with minimal water consumption, facilitating direct thermophilic digestion of sewage in a novel bioreactor that allows direct production of a fertiliser.



Lines of work	Main projects	Objectives relating to the end-to-end water cycle	Objectives relating to climate change	Project milestones in 2021	
		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050	
L1, L5	H2020 Rewaise (2025) Started in 2020 Programme type: European	Recovery of materials from brines, re-use of wastewater and its transformation into by-products, and simulation of water quality, processes and networks.	Transformation of wastewater into energy.	Sustainable desalination and new membranes.	Together with 7 SMEs and several universities in Croatia, Italy, Poland, Czech Republic, Sweden, and UK, new circular economy and digital management solutions are implemented in living labs.
L2, L4, L5	Interconecta AD-VISor Programme type: National Phase: Final	Converting industrial waste into bioenergy.	Biofuel is produced for WWTP vehicles from the residues of the meat industry. The increase in biogas production is exploited with an ABAD Bioenergy@ biomethane upgrading system.	Reduction in the cost of waste transportation that allows for the production of biofuel.	The self-sufficiency of the treatment plant has been increased. Biogas production, and its enrichment with the ABAD Bioenergy@ process, has made it possible to supply biomethane to service vehicles. There was a demonstration of the ELSAR process, a new anaerobic reactor with bio-electrochemical intensification. An assessment was performed on the transformation of waste grease into bioplastic The fertilising value of by-products has been demonstrated in collaboration with farmers from the region.
L6	JPI WATERWORKS Maradentro (2022) Started in 2019 Programme type: National	A 400 m ² infiltration system will be built at the Medina del Campo WWTP for the advanced treatment of treated water and its re-use in recharging aquifers.		With the scientific institutes, system design and simulation tools will be developed, optimising the operation and costs of processing contaminant removal compared to conventional tertiary treatment.	Development of system design and simulation tools to optimise the operation and costs of emerging pollutant removal.
L5, L6	RIS3 IDEPA Recarbon (2022) Programme type: National Phase: Final		The feasibility of Biochar for cleaning biogas was tested at the Jerez, Chiclana and Lleida WWTPs and for deodorising at the San Claudio and Luarca WWTPs.		Development of advanced methods for the analysis of micro-pollutants to evaluate the new activated carbon absorption units optimised from Biochar.



Lines of work	Main projects	Objectives relating to the end-to-end water cycle	Objectives relating to climate change	Project milestones in 2021
		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050
L1	H2020 Scalibur (2022) Started in 2019 Programme type: European	WWTP sludge treatments. Converting organic matter into by-products.	Converting waste into energy value through the production of biomethane and its use as a fuel for vehicles.	Energy recovered from WWTPs and urban solids for vehicle fuel. Aqualia has implemented new sludge risk management at the Estiviel WWTP (Toledo), testing improvements in thickening and dual two-stage digestion, and simplifying sludge stabilisation without heated concrete structures. The project has facilitated first innovation activities at SmVaK in the Czech Republic to convert organic matter into by-products and bioenergy, and prototypes are being built at the Karviná WWTP.
L6	H2020 MSCA REWATERGY (2023) Started in 2020 Programme type: European	Research at the University of Cambridge, focussed on production of hydrogen from ammonia in wastewater.	Ulster University, development of photo- and electro-disinfection processes to remove micropollutants from drinking and waste water.	
L2, L5	H2020 BBI Deep Purple (2023) Started in 2019 Programme type: European	Developing bio-refinery works to produce and recover cellulose and plastics using organic matter from wastewater and municipal wastes.	Treatment of wastewater treatment and municipal wastes to generate new materials and biofuels with no contribution from external fossil fuels.	European patent granted on 12/08/2020 together with the Rey Juan Carlos University. A first prototype is already operating in Toledo-Estiviel. A reactor that is 10 times larger is planned for the Linares WWTP. Parallel activities are also being prepared at the SmVaK WWTP in the Czech Republic.
L4	H2020 BBI B-Ferst Started in 2019 Programme type: European	Developing and assessing new biofertilisers from municipal wastes and purification by-products.	Avoiding the energy required to generate artificial fertiliser (urea).	Reduction of the carbon footprint in the production of fertilisers. Analysis of the potential of raw materials recovered from municipal waste and effluents as fertilisers in Spain, Italy and Czech Republic. Construction of a struvite precipitation at the WWTP in Jerez.
L3, L4	H2020 Sea4Value (2024) Started in 2020 Programme type: European	Recovery of resources from concentrated brines in seawater desalination stations (SWDPs). Alternative to traditional mineral extraction, generating new raw materials and a new source of income for desalination. Reduces discharges and emissions.		The implementation of pilot units in a number of SWDPs operated by Aqualia will be analysed, with an analysis of the technical and economic impact. Work is being done on the solar concentration of brine, selective precipitation of magnesium, obtaining chlorine dioxide, and optimising the remineralisation of permeate with micronised calcite, reducing CO ₂ consumption, turbidity and the size of the installation.



Lines of work	Main projects	Objectives relating to the end-to-end water cycle	Objectives relating to climate change	Project milestones in 2021
		On the transformation of waste into resources and biofactories/ circularity	Renewable biofuel energy	Carbon Neutral Target by 2050
L2, L5	H2020 Ultimate (2024) Started in 2020 Programme type: European		Comparison of FBBR (Elsar) and AnMBR anaerobic reactors at 20 m ³ /h scale to recover biomethane and feed a fuel cell.	At the Mahou WWTP in Lérida, operated by Aqualia, a fluidised anaerobic reactor (FBBR / Elsar) is being installed on an industrial scale, which will later be compared to an AnMBR to recover biomethane and feed a fuel cell. Yeast co-digestion is also being studied, together with support for another project partner, Aitasa in Tarragona, where Aqualia is building a new industrial effluent treatment plant.
L2, L5	Life IntExt (2023) Started in 2019 Programme type: European	Simplifying water re-use with decentralised solutions.	Assessing and adapting low-cost purification technologies to minimise energy costs.	Adapts low-cost purification technologies to minimise energy cost, the carbon footprint and waste, trying to provide sustainable and economic solutions. The technology demonstration platform was started up at the Talavera WWTP, which will allow a tailor-made offer to isolated urbanisations.
L1, L2, L4	Life Ulises (2022) Started in 2019 Programme type: European	Promoting the re-use of water at the WWTP outlet.	Transforming a conventional WWTP into an "energy production factory".	Improves digestion with hydrolysis and biogas and using the biogas to eliminate the carbon footprint of WWTPs. Anaerobic pre-treatment with the PUSH reactor has been implemented at the WWTP in El Bobar, Almería. To improve the energy balance, digestion with hydrolysis is intensified to use biomethane as a vehicle fuel with an ABAD BioEnergy® refining system and a dispenser.
L2, L5	H2020 Sabana (2021) Programme type: European Phase: Final	Production of new biofertilisers and biostimulants.	Using algae to produce oxygen without electricity.	Reduction of the carbon footprint. It has optimised the production of new biofertilisers and biostimulants from algae, and two biorefineries based on algae cultivation have been implemented in the WWTPs managed by Aqualia in Mérida (Badajoz) and Hellín (Albacete), totalling five hectares.
L4	Life Phoenix (2024) Started in 2020 Programme type: European	Optimises tertiary treatment to achieve the most ambitious objectives of the new European water re-use regulation (EU 2020/741).		Three mobile plants have been designed: one for the physical-chemical treatment of 50 m ³ /h, filtration of 30 m ³ /h and ultrafiltration of 20 m ³ /h.

People committed to citizens

STRUCTURED AROUND GENERATING A QUALITY
WORK ENVIRONMENT AND WELL-BEING

EQUALITY AND
DIVERSITY

EMPLOYABILITY AND PERSONAL
DEVELOPMENT FOR OUR PROFESSIONALS

PREVENTIVE
LEADERSHIP



People, their personal well-being and their professional development are the main objective of the People and Culture department at Aqualia. Be Aqualia, the company's cultural transformation project, is structured around them.

Structured around generating a quality work environment and well-being

GOAL 8.5



TOTAL OF EMPLOYEES AND % INCREASE COMPARED TO 2020

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of employees	8,562	1,963	10,525	7,836	1,982	9,818	-8%	1%	-7%



AVERAGE AGE
45.50
years



WOMEN IN THE WORKFORCE
18.65% 20.19%
in 2020 in 2021



SENIORITY
12.14
years



CLASSIFICATION BY WORKING DAY AND GENDER

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. full-time employees	6,924	1,624	8,548	6,999	1,663	8,662	1%	2%	1%
No. part-time employees	342	339	681	328	319	647	-4%	-6%	-5%
No. Employees with unallocated working hours ⁸	1,296	0	1,296	509	0	509	-61%	0%	-61%

⁸ ABU RAWASH works contracts: no details available.

CLASSIFICATION BY TYPE OF CONTRACT AND GENDER

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. permanent employees	6,330	1,699	8,029	6,436	1,739	8,174	2%	2%	2%
No. temporary employees	2,227	260	2,487	1,392	240	1,633	-37%	-8%	-34%
No. permanent seasonal employees	5	4	9	8	3	11	60%	-25%	22%
No. Employees with unguaranteed hours	-	-	0	-	-	0	-	-	0

The workforce contracted by 7% in 2021, to 9,818 employees in total. This can be attributed to the completion of works as part of phase 1-A of the ABU RAWASH plant.

As a result, 68% of the company's employees are currently located in Spain.

NEW HIRES

Further information: Annex 7. GRI 401-1.

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
New hires	1,073	283	1,356	825	277	1,102	-23%	-2%	-19%
Below 35	348	139	487	404	177	581	16%	27%	19%
Between 35 and 55	568	137	705	385	95	480	-32%	-31%	-32%
Over 55	157	7	164	36	5	41	-77%	-29%	-75%
Total new hires aged below 35	30%	36%	32%	34%	43%	36%	3.84	6.86	4.67
Total new hires aged 35 to 55	10%	10%	10%	7%	7%	7%	-2.12	-2.86	-2.27
Total new hires aged over 55	11%	3%	10%	2%	2%	2%	-8.46	-1.29	-7.58
Total new hires rate	13%	0.36%	13%	10%	14%	11%	-2.07	13.61	-1.71

STAFF TURNOVER RATE

Further information: Annex 7. GRI 401-1.

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Voluntary turnover rate	138	73	211	222	109	331	61%	49%	57%
Below 35	49	38	87	92	47	139	88%	24%	60%
Between 35 and 55	78	33	111	119	59	178	53%	79%	60%
Over 55	11	2	13	11	3	14	0%	50%	8%
Turnover rate age range 1	4%	10%	6%	8%	11%	9%	3.55	1.53	3.08
Turnover rate age range 2	1%	2%	2%	2%	4%	3%	0.99	2.00	1.23
Turnover rate age range 3	1%	1%	1%	1%	1%	1%	-0.02	0.31	0.03
Total turnover rate	2%	0.1%	2%	3%	2%	3%	1.22	2.27	1.37

EQUALITY AND DIVERSITY: DISTRIBUTION BY AGE, GENDER AND PROFESSIONAL CATEGORY

	2020			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of directors	115	9	124	104	7	111	-10%	-22%	-10%
Percentage of the total	1.50%	0.12%	1.61%	1.35%	0.09%	1.45%	-10%	-22%	-10%
Below 35	2	-	2	1	-	1	-50%	-	-50%
Between 35 and 55	80	8	88	69	6	75	-14%	-25%	-15%
Over 55	33	1	34	34	1	35	3%	0%	3%
No. of managers	843	217	1,060	887	219	1,106	5%	1%	4%
Percentage of the total	10.98%	2.83%	13.80%	11.55%	2.85%	14.39%	5%	1%	4%
Below 35	77	36	113	96	38	135	25%	7%	19%
Between 35 and 55	556	162	718	582	158	740	5%	-2%	3%
Over 55	210	19	229	209	22	231	0%	16%	1%
No. of technicians	1,259	538	1,797	1,223	596	1,819	-3%	11%	1%
Percentage of the total	16.39%	7.00%	23.40%	15.92%	7.76%	23.68%	-3%	11%	1%
Below 35	342	144	486	338	178	516	-1%	24%	6%
Between 35 and 55	709	358	1,067	671	379	1,050	-5%	6%	-2%
Over 55	208	36	244	214	39	253	3%	7%	4%
No. of administrative clerks	361	797	1,158	354	867	1,221	-2%	9%	5%
Percentage of the total	4.70%	10.38%	15.08%	4.61%	11.29%	15.90%	-2%	9%	5%
Below 35	70	119	189	66	139	205	-5%	17%	9%
Between 35 and 55	219	594	813	216	621	837	-2%	5%	3%
Over 55	72	84	156	72	107	180	0%	28%	15%
No. in other positions	5,984	401	6,385	5,268	293	5,561	-12%	-27%	-13%
Percentage of the total	1	0	1	1	0	1	-12%	-27%	-13%
Below 35	666	83	749	682	54	736	2%	-35%	-2%
Between 35 and 55	4,397	256	4,653	3,628	178	3,806	-17%	-30%	-18%
Over 55	921	62	983	958	61	1,020	4%	-1%	4%
Total	8,562	1,962	10,524	7,836	1,982	9,818	-8%	1%	-7%

EQUALITY AND DIVERSITY: REMUNERATION BY AGE, GENDER AND PROFESSIONAL CATEGORY. GAP IN SPAIN

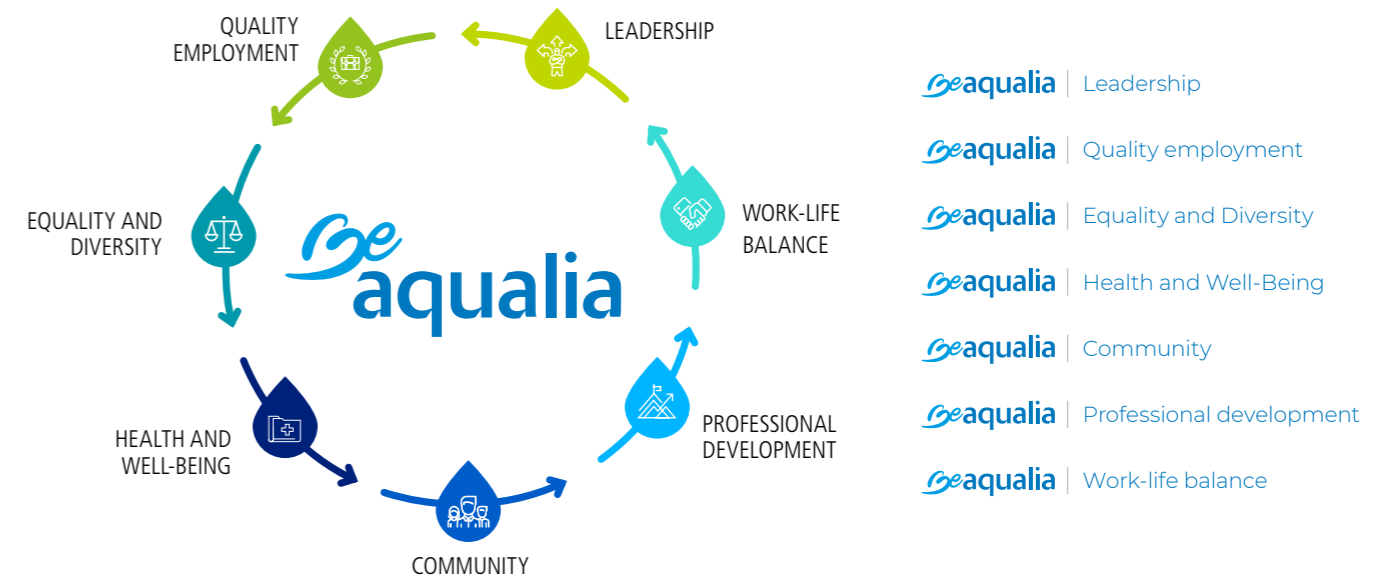
	2020			2021			Chg. 20/21		
	Men	Women	Gap*	Men	Women	Gap*	Men	Women	Gap*
Executives	120,467	110,701	-8%	125,077	124,139	-1%	4%	12%	7.36 pp**
Middle management	44,697	37,828	-15%	44,275	39,621	-11%	-1%	5%	4.86 pp
Technicians	32,951	28,011	-15%	32,474	28,045	-14%	-1%	0%	1.35 pp
Administrative clerks	27,697	24,218	-13%	27,349	23,921	-13%	-1%	-1%	0.03 pp
Other positions	25,378	16,750	-34%	26,172	17,430	-33%	3%	4%	0.60 pp

*The wage gap is calculated as follows: (average remuneration for women – average remuneration for men) / average remuneration for men. The difference in remuneration is attributable to the receipt of benefits associated with circumstances of specific positions, such as being on call, night shifts, retainers, duty shifts, etc. that are most commonly assumed by men. The % employment by gender in water activities, according to data from the National Statistics Institute, is correlative to the % distribution by gender and performance of these tasks by men vs. women.
 **Percentage points. A percentage point is the unit used to measure the arithmetical difference of two percentages.

Action approach

People, their personal well-being and their professional development are the main objective of the People and Culture department at Aqualia. Be Aqualia, the company's cultural transformation project, is structured around them; this initiative is relayed to all Aqualia employees in all countries in which the company operates.

In line with the Strategic Plan and the company's business vision, Be Aqualia is run by the People department and addresses the following seven blocks of action, identified as "health assets":



With a view to becoming a healthy organisation, in 2021, Be Aqualia has continued working on each of these areas, each of which has their own lines of action. Furthermore, work was carried out to roll out policies, projects and initiatives to contribute to the objective of continuing to make progress in terms of the work-life balance, diversity, promotion of health and safety, expat support and creation of meeting spaces, identified in the People axis

of the 2021-2023 Strategic Sustainability Plan. This line consists of seven lines of work with the respective action plans and performance indicators to facilitate monitoring.

Through this strategic line, Aqualia contributes to the main global challenges in terms of employment, which are: training, employability, equality, diversity, social inclusion and human rights.



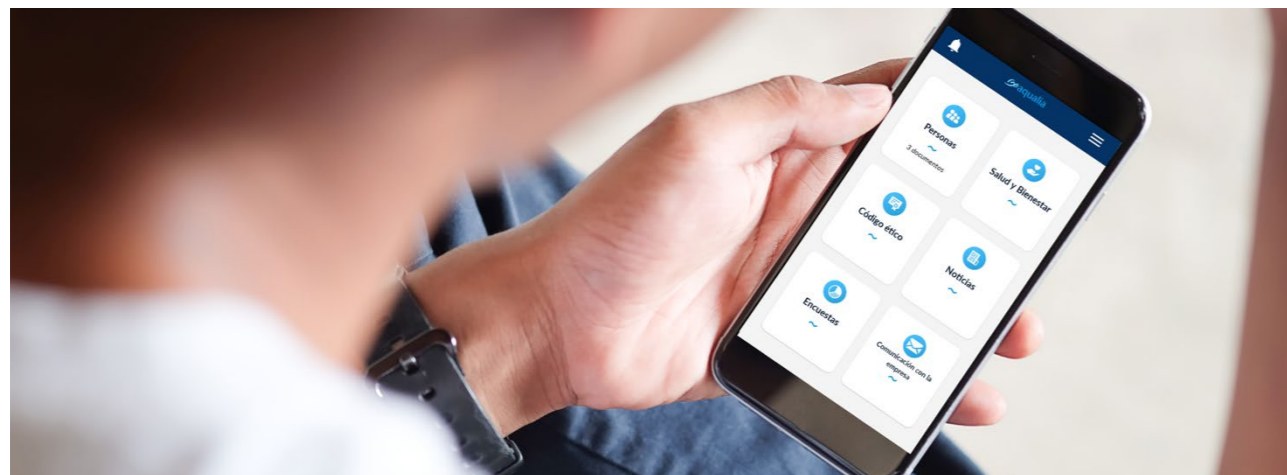
Tools for dialogue with employees

Involving employees in Aqualia's objectives as an organisation, and knowing their expectations, is critical for the company. As a result of the situation caused by the pandemic, communication acquired a status of utmost importance, given the need to convey all kinds of information to the entire Aqualia workforce through the different channels and formats available, both online and offline. As a result, the company has different communication tools to be used by people who form part of the company.

E-MAILING
86

INFORMATION FLASHES
169

In 2021, 169 information flashes were sent via email in addition to 86 e-mailings, plus 42 other communications via the Be Aqualia app.



Global survey on the work climate

As part of its commitment to listening, in 2021, Aqualia organised a work climate survey. This survey, which is organised every two years, analyses ten areas: communication, company vision, culture, work-life balance, processes, organisation, development, relations, management, involvement, in addition to eight key questions related to the current situation generated by the pandemic that began in 2020 and whose effects are still being felt.

The participation rate was 66.8%, gathering opinions from employees in Spain, Mexico, Colombia, the Czech Republic, Egypt, France, Italy, Oman and Portugal in 2021. The number of persons surveyed was higher than in 2019, when only the opinions of employees in Spain were gathered. Professional development and internal promotion are notable as areas for improvement, in addition to information on the company's performance.

2021 MAIN RESULTS

95.1%
of those interviewed assert that they enjoy their work.

88.7%
of those interviewed report feeling proud to work at Aqualia.

80.3%
of those interviewed report feeling accompanied and supported by the company during lockdown.

OPPORTUNITIES

Equality and diversity

Aqualia is committed to a diverse workforce and equal opportunities

Aqualia's staunch commitment to equality and diversity and inclusion is understood in the most plural sense. The company, a full member of the Global Compact since 2020, is staunchly committed to the defence of people's identity, dignity and equality, both inside and outside the company.

SL4 PEOPLE MANAGEMENT

As part of this strategic pillar, Aqualia proposes continuing to make progress with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.



Line of work	Continuous improvement in relation to the work-life balance and diversity	
Action plan	Training, awareness raising on life-work balance in the chain of suppliers and communication of Be Aqualia measures adapted to different groups	Awareness raising actions according to types of diversity, collaboration agreements, volunteering actions and promotion of the culture of diversity in the value chain
Performance in 2021	18.6% of women in executive and middle management positions.	86.6% overall satisfaction in the Aqualia climate survey.
	OBJECTIVE As per the 3rd Equality Plan in force	OBJECTIVE Increase this year on year
Sustainable development	Goal 5.5	Goal 8.5



Diversity and social inclusion

Beyond the factors required by legislation, Aqualia handles diversity through collaboration agreements with different associations, entered into with a view to creating a workplace environment that has different profiles and that is capable of attracting and nurturing people who offer innovation, creativity, different points of view and knowledge of the cultural diversities on the market.

Concerning these agreements, the participation of the company in the Diversity Charter is worth particular mention, having signed up in 2018 and renewed its commitment in 2021. This demonstrates Aqualia's respect for the regulations in force as regards equal opportunities and anti-discrimination and assumes the following basic principles:

- **Raising awareness:** the principles of equal opportunities and respect for diversity must be included in the company's values and promoted amongst employees.
- Make progress to build a **diverse workforce**.
- Promote **inclusion**.
- Consider **diversity in all people management policies**.
- Promote **work-life balance** by achieving the adequate work, family and leisure time balance.
- Extend and communicate the **commitment to stakeholders**.

Another example of Aqualia's determination to promote a quality work environment that meets the expectations of its employees, is its adherence to the #CEOPorLaDiversidad partnership, signed by Félix Parra in March. This is a pioneering initiative in Europe led by the Adecco Foundation and the CEOE Foundation to unite businesses and the people who lead them around the values of diversity, equity and inclusion, with Aqualia being the only company in its industry to have signed up to the agreement.

At an international level, all measures are relayed to employees via the channels of communication and are managed via Be Aqualia.

Aqualia extends its commitment to diversity to all its employees, to make them see first hand the benefits of a diverse company. This year, the following training has been imparted:

Training on diversity and management strategies

Imparted by the Adecco Foundation and aimed at 21 people from the People and Culture department, with a view to raising awareness about co-responsibility in relation to managing diversity. Furthermore, participants acquired tools to define a strategy of diversity and implement initiatives and projects that respond to the targets set.

Awareness raising in relation to diversity and inclusion, imparted the entire workforce

As part of this action, employees were able to familiarise themselves and reflect on the concepts of equality, uniqueness and unity, to make progress with Aqualia's commitment to diversity.

All employees were able to access the campaign via the training campus. What's more, for employees with no access to a computer, action is being undertaken via posters in different countries, translated into English, Italian, Portuguese and Czech.

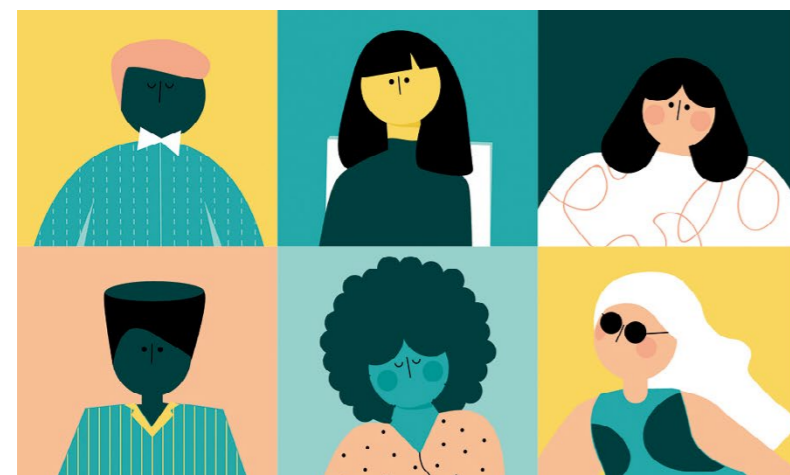
In total, 1,960 people have completed the first part of the training, which will continue in 2022 and seeks to:

- Promote an **inclusive culture and leadership**, where diversity is managed bearing in mind its four dimensions.
- Extend the inclusive culture and leadership in countries where Aqualia is present, provided that it is in line with the legislation and culture of each country. As part of this challenge, Aqualia also contributes to **sustainable development**.
- Reduce **unconscious gender bias and discrimination** amongst people involved in selection processes. The aim is to organise objective selection processes, based on the requirements of the position and not based on subjective personal bias.

AWARENESS RAISING

1,960

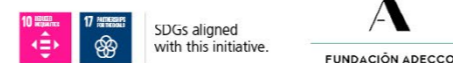
people have completed the first part of the training to raise awareness about diversity and inclusion, which will continue in 2022.



aqualia | Equality and Diversity

Are you joining the diversity party?

We will learn how to develop the concepts of equality, uniqueness, and unity.



To the left, paralympic athlete Desirée Vila. Above, members of Asociación Abriendo Puertas in Moguer, Huelva, responsible for delivering water bills in the town.

GOOD PRACTICES

Online meeting in support of diversity

As part of the company's commitment to raising awareness and contributing to improving the life of people with disabilities, Aqualia arranged an online meeting in support of diversity, in cooperation with the People and Culture department and the Adecco Foundation, at which paralympic athlete Desirée Vila was present, delivering a talk specially designed for people to attend as a family, structured around young people aged 12 to 18. Vila, a leading Spanish paralympic athlete, offered a motivational talk on the importance of values like overcoming difficulties, efforts and remaining positive.

In support of workplace inclusion in Moguer

This year, Aqualia has also entered into an agreement with Asociación Abriendo Puertas in Moguer (Huelva) for young people with disabilities to deliver bills every two months that are sent to clients in the town.

In 2021, together with the Adecco Foundation, Aqualia has continued to develop the Family Plan aimed at the children of employees with a certified disability equal to or greater than 33%. It also maintains the collaboration agreement with the Down Syndrome Foundation and with FSC Inserta run by the Spanish National Organisation for the Blind (ONCE).



Equality: Aqualia, the top company in the water sector

As a pioneering company in the sector when it comes to measures to promote gender equality (SDG 5), and to reduce inequalities (SDG 10), in 2021, Aqualia has continued to implement its Second Equality Plan, under which both the company and the majority unions at state level confirmed their commitment to equal opportunities between men and women.

Aqualia also signed and registered its Third Equality Plan for 2021-2025, demonstrating its ambition to keep making progress to this end.

By signing this plan, Aqualia has become a pioneer in the sector when it comes to enforcing equality plans. This position has seen it earn recognition including the "Equal opportunities in the company" badge from the Ministry for Equality, which it has held since 2010.

This new plan is applicable to and binding upon all workers who provide services at any of Aqualia's work centres, in addition to all subsidiaries with 50 or more employees and in which Aqualia directly or indirectly holds a stake of more than 50%.

Training in equality

The initiatives implemented by the company in relation to equal opportunities include training imparted to 72 participants in programmes to promote female talent since 2012, an initiative that during the pandemic continued under a mixed format.

Furthermore, in 2021, 5,478 participants received training in issues including equality, work-life balance, diversity and managing interpersonal conflicts.

Furthermore, the company demonstrates its concern for equality by committing to matters that most affect its employees, getting involved in them.

Campaigns: Women's Day, Gender Violence, etc.

The company continues to show its commitment against gender violence through implementation and participation in the different awareness and sensitivity campaigns organised in different municipalities and always with the collaboration of Aqualia staff.

Management Development Programme for Women with High Potential

In 2021, a new edition of the School of Industrial Organisation's (EOI) Management Development Programme for Women with High Potential was held with the participation of three members of the Aqualia staff. Participation in this programme is part of the Equal Opportunities Policy for men and women promoted by the company.



PARTICIPANTS

5,478

participants received training in 2021 on issues including equality, work-life balance, diversity and managing interpersonal conflicts.



Tree planting in Talavera de la Reina, Toledo, to commemorate International Women's Day.



Aqualia signed and registered its Third Equality Plan for 2021-2025, demonstrating its ambition to keep making progress to this end.

EQUALITY CASE STUDIES

Who is behind the management of the end-to-end water cycle?

This year, International Women's Day has been marked by the health crisis. Under the slogan "Who is behind the management of the end-to-end water cycle? Women too" Aqualia aimed to recognise the work of women working in the water sector and put them in the spotlight, as they deserve. To this end, the company set up the website, aqualiaigualdad.com for employees, sector professionals and the general public to share their photos and messages of support for gender equality, using the hashtag #Aqualiaigualdad.

By the end of the campaign, the website had registered 3,546 sessions by 2,115 users in Spain, Colombia and the United States. And in total, 464 photos were published. Messages were also published on social media, with an impact of 21,480 impressions on Twitter (number of times users saw the tweet on Twitter) and 6,325 impressions on LinkedIn.

#Aqualiaigualdad. Women too

Another of the company's noteworthy undertakings was the online forum held with the presence of around 200 people under the slogan "#Aqualiaigualdad. Women too", attended by the former Minister for Social Affairs (1988-1993) during the Spanish transition, Matilde Fernández. At the event, Fernández relayed her firm conviction about continuing to make progress as a society in relation to equality and highlighted the efforts of Aqualia to guarantee two basic human rights: water and sanitation.

Furthermore, on Monday 8 March, International Women's Day, Aqualia's CEO participated at the event "Coffee with Félix Parra" along with a group of women who represent the female talent of the different business areas at the FCC Group.

At the event, Félix Parra highlighted that equality is both an ethical and economic aspect, emphasising the fact that encouraging women in the workplace must be based on their talent, with it being essential to ensure that equality policies make it possible to identify this talent and promote it to positions of responsibility at the company.

Against gender violence

Furthermore, Aqualia has financed an employment workshop camp aimed at women who have suffered gender violence and their children, to be held in summer 2022. Over the course of one week, these women can focus on searching for employment, while their children, aged between 4 and 12, enjoy days of leisure and free time.

This campaign is in addition to the campaign organised under the slogan "Take the leap" to put an end to gender violence, which encouraged all citizens to participate in the challenge of achieving equality, jumping from the height of the world's highest waterfall: Angel Falls, a waterfall measuring almost a kilometre in height.

To get involved, participants had to share a photo of them jumping at the aqualiacontigo.com website and share it on Twitter using the hashtag #AqualiaContigo. The massive response to this year's campaign has seen administrations in different towns and cities and different countries, with the corresponding mayors and councillors at the head of the initiative, joining the cause and making it their own.



"Coffee with Félix Parra" event.

#EmploymentForAll

Aqualia works in cooperation with the Adecco Foundation to achieve a sustainable, equal future. Each year, this work is reflected in the preparation of the #EmpleoParaTodas (#EmploymentForAll) report by the Adecco Foundation, with the eighth edition of the report published in 2021. Thanks to the agreement between the two entities, in 2021, Aqualia has supported an employment workshop for women in the logistics industry. Of the eight women at risk of social exclusion who participated in this initiative, five are currently in work.



Aqualia contact call centre.

Work-life balance: We make progress with our commitment to our employees' quality of life

At Aqualia, the search for a balance between the professional and personal life of its employees is a priority, a commitment that is maintained and reflected in its certification as a Family Responsible Company (EFR).

In addition to this certification, the company has also worked on its own work-life balance targets for 2021-2023. These objectives, which encompass all employees in all countries where the company operates, have been approved by company management and are as follows:

- Analysing and segmenting the "Be Aqualia Measures Catalogue" with a view to adapting it to the real needs of different groups.

- Communicating the "Be Aqualia measures" effectively by groups.
- Extending the work-life culture/leadership in all areas in which the company operates.
- Extending the EFR culture to the value chain in all countries in which the company operates.

Psychoeducational Health and Well-being Training Campaign

With a view to raising awareness of the benefits of a work-life balance and fomenting the well-being of employees, Aqualia organised a Psychoeducational Health and Well-being Training Campaign, imparted by Affor and communicated via email and via the Be Aqualia app.

GOOD PRACTICE

Commemoration of Family Day

This is a special event for families at Aqualia's Customer Service Centre (CAC), which forms part of the company's EFR (Family Responsible Company) plan. Family Day involved a visit to the Estiviel treatment plant in Toledo, during which parents and their children were given an insight into how the plant works. Afterwards, the group participated in a scavenger hunt involving different educational tests that sought to teach participants about different aspects of the water cycle and how we can care for it. The thirty participants were very positive about the event's organisation.



EMPLOYABILITY

Employability and personal development for our professionals

SL4 PEOPLE MANAGEMENT

As part of this strategic pillar, Aqualia proposes continuing to make progress with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.



Line of work	Knowledge management	Expatriate support plan	Meeting spaces and training
Action plan	Company's training campus	Expatriate communication plan	CEO visits, forums and meeting workshops
Performance in 2021	No. of training hours per person and year: 10.45 Spain 12.17 International 11 Total No. of training hours per person and year	Be International communication plan	Internal events and workshops
Sustainable development	Goal 8.5	Goal 8.8	Goal 8.8



Training to overcome the future challenges facing the sector

At Aqualia, training is linked to the company's strategic objectives, to improving the performance of workers' functions and to ensuring their health and well-being.

The unstoppable nature of technological innovation and digitalisation at a company like Aqualia, combined with the internationalisation of its teams, makes employee training a critical aspect of the company's strategy. With a view to promoting this area, work is ongoing in the development of training adapted to the requirements for each of the positions within the company.

MAIN NATIONAL AND INTERNATIONAL TRAINING FIGURES

	2020			2021			Chg. 20/21		
	Spain	International	Total	Spain	International	Total	Spain	International	Total
Courses completed	460	878	1,338	503	1,058	1,561	9%	21%	17%
Participants trained	31,222	4,912	36,134	16,704	7,718	24,422	-46%	57%	-32%
No. women trained	10,871	997	11,868	5,771	518	6,289	-47%	-48%	-47%
No. men trained	20,351	3,921	24,272	10,933	7,200	18,133	-46%	84%	-25%
% absenteeism	15%	2%	9%	16%	3%	13,6%	7%	50%	51%
No. hours received	68,880	26,113	94,993	73,784	31,513	105,297	7%	21%	11%
Average hours of training (of total employees by gender)	10.26	14.73	9	10.45	12.17	11	2%	-17%	22%
Training costs (€)	491,728	123,213	614,941	538,504	261,525	800,029	10%	112%	30%

This year, on account of the situation caused by the pandemic, the criteria pursued by Aqualia to implement the 2021 Training Plan up until September has been to impart mandatory training and training that could be imparted effectively using online methodologies and remote training via online platforms, such as the corporate training campus.

Globally, in all countries in which Aqualia operates, 1,561 training courses have been organised in 2021 for a total of 24,422 participants (18,133 men and 6,289 women), who, in total, have received 105,296 hours of training. It should be noted that the company has placed a special emphasis on equality and diversity, with 5,260 hours dedicated to this subject.



	2020*			2021			Chg. 20/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managerial training hours	4,210	680	4,890	3,744	703	4,447	-11%	3%	-9%
Middle management training hours	12,511	4,524	17,035	19,547	7,191	26,738	56%	59%	57%
Technician training hours	9,375	6,761	16,136	18,277	16,038	34,315	95%	137%	113%
Administrative clerk training hours	2,169	7,721	9,890	2,412	5,579	7,991	11%	-28%	-19%
Other positions training hours	19,159	1,770	20,929	30,841	965	31,806	61%	-45%	52%
Average managerial training hours	37	76	39	36	100	40	-2%	33%	2%
Average middle management training hours	15	21	16	22	33	24	49%	58%	50%
Average technician training hours	7	13	9	15	27	19	101%	114%	110%
Average administrative clerk training hours	6	10	9	7	6	7	13%	-34%	-23%
Average other positions training hours	3	4	3	6	3	6	83%	-25%	74%

*In 2020, only training hours were included for Spain, meaning that the figures are not comparable.



The job market is evolving at an ever-increasing pace. That's why Aqualia believes it is essential to accompany and help the organisation's professionals grow, preserving their motivation and resilience, in an increasingly digital, multicultural and international context.

Worth particular note is the cybersecurity training imparted to 2,155 people, aimed at raising awareness amongst workers about their critical role in relation to information security. Through this, the company aims to promote its security culture and lay down the foundations for the protection of its confidential information and that of its customers and suppliers.

Furthermore, courses have continued to be delivered on the Office 365 tools necessary for the digital transformation process, attended by 490 people.

To strengthen the connections between all teams, in October 2021, the company published its new Language Training Policy, the main objectives of which were:

- Determining profiles as per the need to use the language at Aqualia.
- Expanding multilingual learning options in line with the international expansion of Aqualia.
- Analysing the real language learning needs of current students based on the scope of their position, determining their profile.
- Establishing different methodologies in such a way that more language resources and specific training plans are offered.

- Increasing motivation, professional development and harnessing of classes.

Compliance, part of the culture at Aqualia

Furthermore, in 2021, training continued to be given on the Code of Conduct and Ethics and anti-corruption. As part of the course "Relationship with public officials at the FCC Group", the aim was to address the importance of keeping relations with public officials clear and identifying the type of actions or activities that should be avoided, taking the action guidelines established in the Code of Ethics and Conduct as a guide.

Furthermore, Aqualia promotes specific training, in certain cases, based on the position in question and the needs identified. In the case of Aqualia-Salitre (Bogotá, Colombia), spokesperson training was imparted to the Country Manager and the project manager.

We strengthen personal capacities to shape the professionals of tomorrow

A working environment adapted to people

With the eruption of teleworking at companies, the digital disconnection has taken on particular importance. Aware of and committed to compliance with the working day and determined to avoid its employees working for longer than their established working hours, Aqualia has offered digital disconnection training, with 2,496 employees in attendance.

The objective of this training has been to contribute to promoting the right to digital disconnection: to refrain from using or connecting to online company resources



outside of working hours and to prevent technological stress amongst employees.

Leadership befitting of a 21st century company

With a view to training leaders at the organisation, who motivate and inspire other employees, the Leading Programme has been rolled out, the contents of which are structured around:

- People, emotions and their place in the work environment.
- The purpose that unites the team, communication and team management and new leadership.

At the most recent edition, the programme included a new module about the importance of diversity and inclusion in the business environment.

Accreditation of professional skills

Aqualia continues to promote and develop accreditation processes for professional skills in the areas of energy and water as well as safety and the environment.

Attracting and retaining talent

Responsibility for the selection and retention of talent at Aqualia falls to the Department of Selection and Professional Internships, which uses different sources and methods and guarantees objectivity and equal opportunities as part of all selection processes and recruitment of candidates to the company.

In addition to calls for applications and open processes and the promotion of the Aqualia brand as an employer, this department is also responsible for reinforcing the sense of pride of belonging to the workforce.

In response to the company's growth in recent years, new staff selection procedures have been implemented at Aqualia in 2021, including the changes required to adapt to the different areas and businesses at Aqualia.

Another action performed by the company was the preparation of the Standard Jobs Manual. To this end, detailed descriptions of all jobs at the organisation have been developed by professional families, distinguishing between each job.

Employer Branding strategy and Attraction of Talent 4.0 project

Furthermore, in 2021, work has been undertaken on the Aqualia's employer brand image when it comes to publishing vacancies, investing in the Employer Branding service in channels in which the company regularly posts employment (Infojobs, LinkedIn and The Key Talent platform), structured around the Attraction of Talent 4.0 project, in particular for people with STEM profiles (adaptation of Aqualia to the climate emergency, new technologies, renewable energies, etc.).

In addition to the CV of candidates and their skills, the company seeks talent that adjusts to the key values and skills, defined in advance by the company.

Promoting global job careers

Aqualia encourages internal mobility as a source of recruitment and publishes all the positions required in the company on the Internal Mobility channel to which all FCC Group workers have access. Work is also under way on action plans to feed the database taken from Aqualia's website, redirecting candidates who arrive via other channels.

- **External publications:** Average of around 70 publications per month on national matters and the company's central services (national and international).

- **Selection processes:** Average of 150 selection processes per year by national area and the company's central services (figure includes production and structure selection processes).

Investing in future talent

In terms of the recruitment of young talent, in 2021, changes have been made to the Professional Internship Procedure that will be definitively implemented in 2022, with a dual purpose:

- Improving the incorporation procedure and processes for interns who represent future talent.
- Collaborating with the workplace insertion of young people in projects with a clear future considered necessary for achieving a sustainable world.

The recruitment of young talent is a priority of the Recruitment Department, which is currently working on the company's Recruitment Plan for Young People. With this in mind, a number of notable actions have been taken to date:

Agreements with universities, vocational training and internships

In 2021, Aqualia renewed all agreements with universities with which it has collaborated for years and signed others with new schools, universities and vocational training centres in different communities (including CUNEF, University of Castile-La Mancha and the University of Malaga).



GOOD PRACTICE

Be International

In 2021, in response to the increase in the company's business volume outside Spain, Aqualia's People and Culture department embarked upon its internal Be International campaign to raise awareness amongst employees of professional development opportunities in the different international projects that the company has abroad.

LEADERSHIP

Preventive leadership

SL4 PEOPLE MANAGEMENT

As part of this strategic pillar, Aqualia proposes continuing to make progress with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.



Line of work	Healthy company, mental health and preventive leadership		
Action plan	Promotion, assessment and improvement of health	Psychosocial and mental health projects	Preventive leadership
Performance in 2021	Health initiatives.	Mental health psycho-pack. Service for relatives of employees.	Senior management safety walks.
Sustainable development	Goal 3	Goal 8.8	Goal 8.8



Occupational health and safety and well-being

The priority actions in the area of Health and Well-Being follow the lines established in the 2019-2021 Strategic Plan. Furthermore, during 2021, international technical

instructions were developed in the countries in which Aqualia operates to integrate Health and Well-Being into the management system, pursuant to ISO 45001.



LINES OF ACTION OF THE 2019-2021 STRATEGIC PLAN

01

PRODUCTION
Improvement and integration of preventive activity

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

02

DEPARTMENT OF HEALTH AND WELL-BEING
Improvement and modernisation

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

03

MANAGEMENT
Implementation of a preventive culture

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



Workers in Salamanca, Spain.

In general, in 2021, the actions of the company, guided by the Strategic Plan, have been affected by the current situation, the different scenarios and the requirements and responsibilities generated by and required to limit and minimise the impact of COVID-19 at Aqualia, always under the criteria of:

- Protecting people, guaranteeing the safety of all Aqualia staff, their relatives, friends and everyone with whom they interact on a daily basis, including collaborators and subcontractors, providers and everyone who works to ensure the effectiveness of end-to-end water cycle management procedures. And collaborating with the authorities with the main aim of controlling and limiting the outbreak of the virus, defining all containment and confinement measures that are compatible with the fulfilment of our activities.
- Guaranteeing water supply and sanitation services. Safeguarding Aqualia activities and critical assets, such as the facilities and assets of the plants managed by the company, and also our business units (supply, production, distribution, etc.).
- In line with its objectives and guidelines in terms of health and safety and the permanent need for evolution and improvement, Aqualia follows these strategic pillars:

- » Effectively and efficiently manage the pandemic, protecting the health and well-being of people at Aqualia.
- » Increase the integration of preventive activity through direct collaboration with the production areas of the zones and the promotion of coordinated actions against critical risks (asbestos, ATEX, road safety, etc.).
- » Establish guidelines, actions and tools for promoting organisational learning, thus improving the effectiveness of preventive activities through the digitisation of processes, resources and technical development.
- » Improve preventive management and specialised assistance at construction sites, which has entailed strengthening the Health and Well-Being team.
- » Design and implement a new policy for the management of contractors and suppliers, from the initial approval process through to the supervision and control of how work is performed, with a view to improving performance in terms of health and safety.

**Leading indicators:
absenteeism and accident rates**

In 2021, the AFR frequency index calculated by dividing the number of accidents resulting in sick leave by the number of hours worked, has maintained the slight but continuous downward trend, which seemed to stabilise towards the end of the year at around 8.44. In 2020, the AFR was 6.64.

	2020	2021	Chg. 20/21
Deaths due to occupational accidents	1	0	-100%
Serious accidents*	25	29	16%
Total accidents	219	246	12%
Types of injury	27% Blows against objects 21.7% Falls to the same level (tripping up, etc.) 12.9% Causes external to company activities	26.9% Blows caused by objects and tools 23.7% Falls 11.7% Overexertion	
No. of hours worked	34,687,316	29,152,955	-16%
Death rate	0.03	0.00	-100%
Serious accident rate	0.72	0.99	38%**
Total accident rate	6.31	8.44	34%⁹

*Includes accidents involving knock-on effects and possible disability and extended leave (60 days).
**Only global data for the entire company can be provided as it is not possible to separate internal and external employee data at a national level. Internationally, although this is possible, information on injury type for external employees cannot be gathered. The data is global (Spain, international, internal and subcontracted employees).

⁹ The increase in accidents in 2021 can be attributed to the low level of occupational activity due to the lockdowns declared to fight COVID-19 in 2020, with the number of accidents increasing with the return to higher volumes of work.

Aspect*	2020	2021	Chg. 20/21
Deaths due to occupational illness or disease	0	0	-
Occupational illnesses and diseases	2	3**	50%
Types of occupational illnesses and diseases		One case of exposure to asbestos and two cases of tennis elbow	

*At an international level, it is not currently possible to gather information on occupational diseases.
**Two new occupational illnesses in 2021 and one relapse.

During this period, there were three serious accidents (from a health perspective). To date, two of the workers have recovered, without any repercussions as a result of the accidents, with only one outstanding. This person went on sick leave in November and remains on leave.

With regard to absenteeism, the following actions have been taken by Aqualia:

- The improvement of the process for investigating incidents through the implementation and application of the new Accident Communication and Investigation procedure.
- The promotion of organisational learning through the implementation of initiatives including but not limited to:

- » The implementation of general measures and actions including:
 - Detailed analysis based on relevant features.
 - Development of tools for organisational learning in relation to relevant accidents.
 - Centralised management of measures for the prevention of incidents (development of new training, etc.).
- » Regular dissemination of "Lessons learned" and "Things to know" through the Be Aqualia app.

A year affected by the handling of the evolving COVID-19 crisis

From the outbreak of the health crisis, Aqualia's main objective has been to establish a line of action throughout the company to limit and minimise the impact of this situation on Aqualia's employees, on its assets (ensuring the continuity of the activity) and to ensure users and customers are provided with a correct service.

Thanks to its reaction, planning and organisational capacity, the company has been able to face the uncertainty generated by the health crisis secure in the knowledge that it was carrying out the necessary measures to protect its workers, their families and to ensure the continuity of an essential service as is the case of end-to-end water management, in the face of a sudden, unprecedented situation.

The company has maintained a very low infection rate across the entire workforce. It is worth noting that no service has had to be interrupted at any time and there has been no workplace outbreak.

Against the backdrop of the health crisis that affected a large part of the agenda for 2021, Aqualia continued to offer coronavirus training for employees who had yet to take the course: in total, 372 people completed the course this year. The aim of this training was to provide the organisation with specific and updated information about the organisational, hygienic and technical measures implemented by the company, making it possible to create habits that ensure optimum professional performance in times of crisis.

Aqualia's has been staunchly committed to updating the measures in place since the onset of the health crisis. Between 15 March 2020 and the present, Aqualia has prepared a total of 9 contingency plans and a preventive action protocol to adapt the technical and health measures proposed to the social circumstances at all times, as well as the different regulations and guidelines set out by the health authorities under the firm commitment to adopt all the organisational and preventive measures to promote a safe work environment against COVID-19.

The most relevant milestones in relation to the pandemic include the management of more than 2,600 COVID-related incidents in 2021.



As part of the development and provision of content through the mobile app, Be Aqualia, it has been possible to relay this directly to the more than 7,000 employees in Spain.

GOOD PRACTICE

Health and emotional well-being project "Challenge: COVID-19"

Placing a special emphasis on the more humane face of the pandemic, the People and Culture area has aimed to place an emphasis on people's mental health, reinforcing and focusing in a very particular way on the emotional well-being of all the company's workers and their closest relatives, thus promoting synergies focused both on joint responsibility and the contribution to SDG 3, in addition to Aqualia's corporate social responsibility in line with the current health and socioeconomic conditions.

In light of the possible "COVID-19 impact" on people's health and emotional well-being, Aqualia has conceived and developed strategies aimed at boosting the way in which people emotionally adapt to the situation (using a proactive approach), avoiding the potential negative impacts associated with the pandemic in the short, medium and long term.

Visibility of tools to improve emotional well-being:

- Individual gift for each employee with information to promote the well-being tools.
- Adaptability and accessibility of the emotional well-being tools in the app: access to 7,000 workers at Aqualia Spain.
- Dissemination and Training Campaign on Emotional Well-Being Tools.

Employee well-being

With a view to contributing to the well-being of its employees, Aqualia has maintained the measures set out in the Be Aqualia Psycopack initiative in 2021:

Psychomet

Aqualia makes available to all employees this tool that enables them to check their level of mental and emotional well-being, helping the workforce to make early identification of any problem of a psychological order that they may be experiencing. Instructions for accessing this tool may be found on the individual card delivered with the Psycopack. All information is treated anonymously and confidentially.

Employee Aid Programme (PAE)

Psychological care service offered by expert psychologists who will help employees resolve any possible psychological and emotional distress that they are experiencing, both personally and professionally. The psychological care service is available 24 hours a day, 7 days a week. There is no need to make an appointment and its use is unlimited. Instructions for accessing this tool may be found on the individual card delivered with the Psycopack. All information is treated anonymously and confidentially. In 2021, its use was extended to direct relatives.

Campaigns and workshops on emotion management

Over the course of 2021, an awareness-raising strategy was launched about the psychological and emotional support available as part of the Employee Aid Programme. One of the key actions is the dissemination of psychological-educational campaigns every two months, with topics of current interest; the dual purpose of this initiative is to disseminate information and enhance the visibility of matters considered taboo until now at organisations, with a view to promoting a sense of trust and psychological and emotional support amongst Aqualia employees. Another initiative, although much more practical in nature, that provides personal resources to help with managing emotions, is the series of practical workshops that employees can sign up to voluntarily and anonymously.

Procedure for managing interpersonal conflicts

This aims to be an effective tool for the management and resolution of conflicts arising in the workplace via mediation (voluntary process in which the parties to a conflict try to reach an agreement by themselves with the assistance of an impartial and neutral third party called a mediator). The present procedure complements the action protocol for bullying situations already adopted by Aqualia.

Furthermore, an interpersonal conflict management course has been imparted, taken by 2,411 people.

Healthy leadership campaign and commitment to emotional well-being

- Leading programme for senior management.
- Healthy leadership campaign.

Motivation, emotional salary and healthy company

- Letter and video from the CEO thanking workers for their efforts.
- Corporate campaign paying homage to essential workers.
- Subsidy of programmes that encourage people to give up toxic habits.
- Healthy route, nutrition, cycling to work, etc.

Promotion of health via sport

Aqualia committed to urban sport in Tenerife

The company has sponsored Phe Sports, a section of the Phe Festival that includes regional skate and BMX championships, as well as workshops and exhibitions, and that forms part of the parallel activities on the festival's music line up, such as Phe Gallery and Phe Yoga. This demonstrate Aqualia's staunch commitment to sport and urban culture, bringing sports closer to those attending Phe Festival, as well as local residents and visitors to Puerto de la Cruz.

In addition to contributing to SDG 3, this activity aims to guarantee a healthy lifestyle and promote the well-being of people of all ages, with Aqualia installing 400 metres of pipes and water stations across the facilities.

“Los Palomos-Aqualia” diversity run in Badajoz

Once again, Aqualia sponsored the “Los Palomos-Aqualia” diversity race, in support of the sexual freedom and inclusion of the LGBTI community in the city of Badajoz. All the details of the run were shared with the media at a breakfast press conference at which representatives from Fundación Triángulo (promoters), Patrocina un deportista (organisers), the City Council (collaborator), the Local Government of Badajoz (collaborator) and Aqualia (main sponsor) were all present. More than 200 participants signed up for the race, held in March.

GOOD PRACTICE

SAFETY WEEK: Your safety and well-being comes first at Aqualia

Amongst the most notable actions in 2021 in terms of preventive leadership is "Safety Week", as part of which a large number of activities to promote health were organised. Under the slogan "Your safety and well-being comes first at Aqualia. Participate in Safety Week and help us to build a real culture of prevention!", the company organised different activities to promote well-

being at different company sites to coincide with 28 April, World Day for Safety and Health at Work.

One of the most significant events was the handing over of the 2019 and 2020 Prevention Effort Awards, a blended event at which the finalists all connected to the ceremony via Zoom and presided over from Aqualia's central office in Madrid by

the CEO, Félix Parra, and the directors of the National and International areas: Santiago Lafuente and Luis de Lope. The winners were the services provided in Tomelloso (Toledo), Ibiza and SmVaK.

Furthermore, a new Health and Well-Being section was launched on the Be Aqualia app, with renewed content in the fields of Well-Being, Health and Safety, as well as multimedia information on aspects including remote working, ergonomics and emotional well-being. This section includes Psychomet, a tool for people to check up on their own emotional well-being.

Quality employment: collective bargaining, labour relations and personnel administration

Yoga classes for members of Aqualia's workforce during Safety Week at head office in Las Tablas, Madrid, Spain.



We consolidate the collective bargaining agreements

In terms of collective bargaining, worth particular mention is the agreement reached in Spain in December 2020 between the signatories of the 6th State Water Agreement amending the expected increase for 2021 by 50% as a result of the impact of the pandemic on the economy and industry. This agreement reflects the stability and fluid collaboration between the most representative trade union organisations (UGT and CC. OO.) and the companies involved in the representation of the sector at the lever of employers (AGA) and trade unions, extending the duration of the 6th Agreement for another year. This extension ensures and demonstrates the stability of the sector in relation to trade unions and companies and further strengthens occupational relations between workers and companies in the sector, keeping the conflict at the work centres at which it applies to a minimum.

In terms of occupational relations, the legislation in each country is adhered to. This means that in Spain all employees are subject to a collective agreement. In Europe, all countries have a collective bargaining agreement in place, with the exception of Portugal, where there is no specific agreement for the water industry. In MENA, there is no trade union representation or collective bargaining agreements in any country, with the exception of Algeria. America also complies with the corresponding legislation.

In relation to compliance with the regulations regarding staff with different capacities, the Aqualia Group fully complies with these regulations, maintaining the required 2% of personnel with different skills in companies employing more than 50 workers and in the cases of FCC Aqualia S.A. and Aguas de Alcalá UTE, through the corresponding alternative measures.

Technology and digitalisation for an integrated service

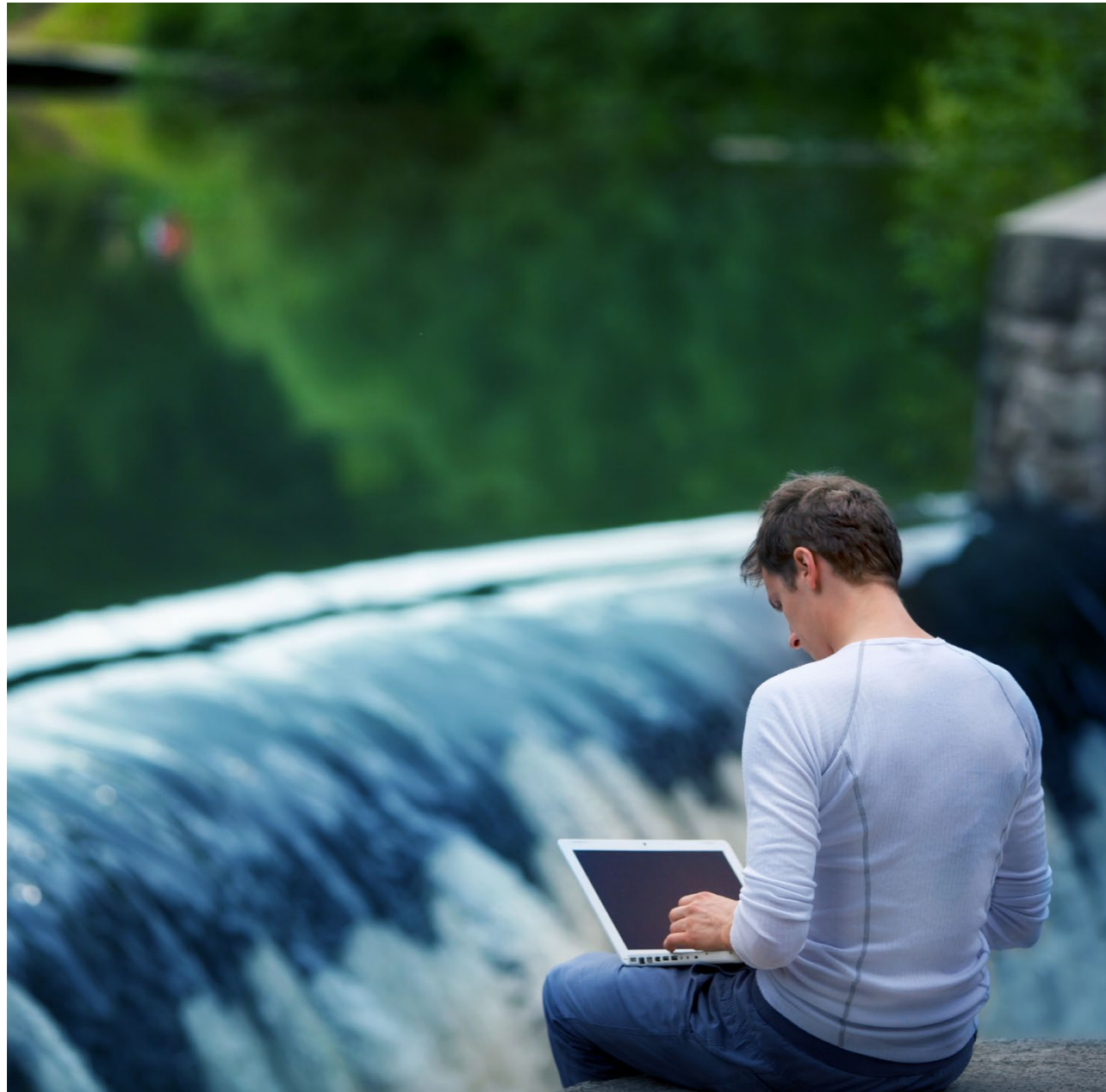
DIGITALISATION AS
PART OF END-TO-END
WATER MANAGEMENT

DIGITAL TRANSFORMATION
OF THE COMPANY'S INTERNAL
PROCESSES



Aqualia strives to develop and implement technologies that make it possible to optimise the performance of water distribution networks and through solutions that guarantee efficient and safe water supply and treatment, contributing to the sustainable development of the management of water resources.

TECHNOLOGIES



DIGITALISATION

Digitalisation as part of end-to-end water management

In recent years, Aqualia has made a clear commitment to digitalisation, as it represents a key tool for overcoming the different sustainability challenges, reducing the environmental impact and continuously improving the customer service.

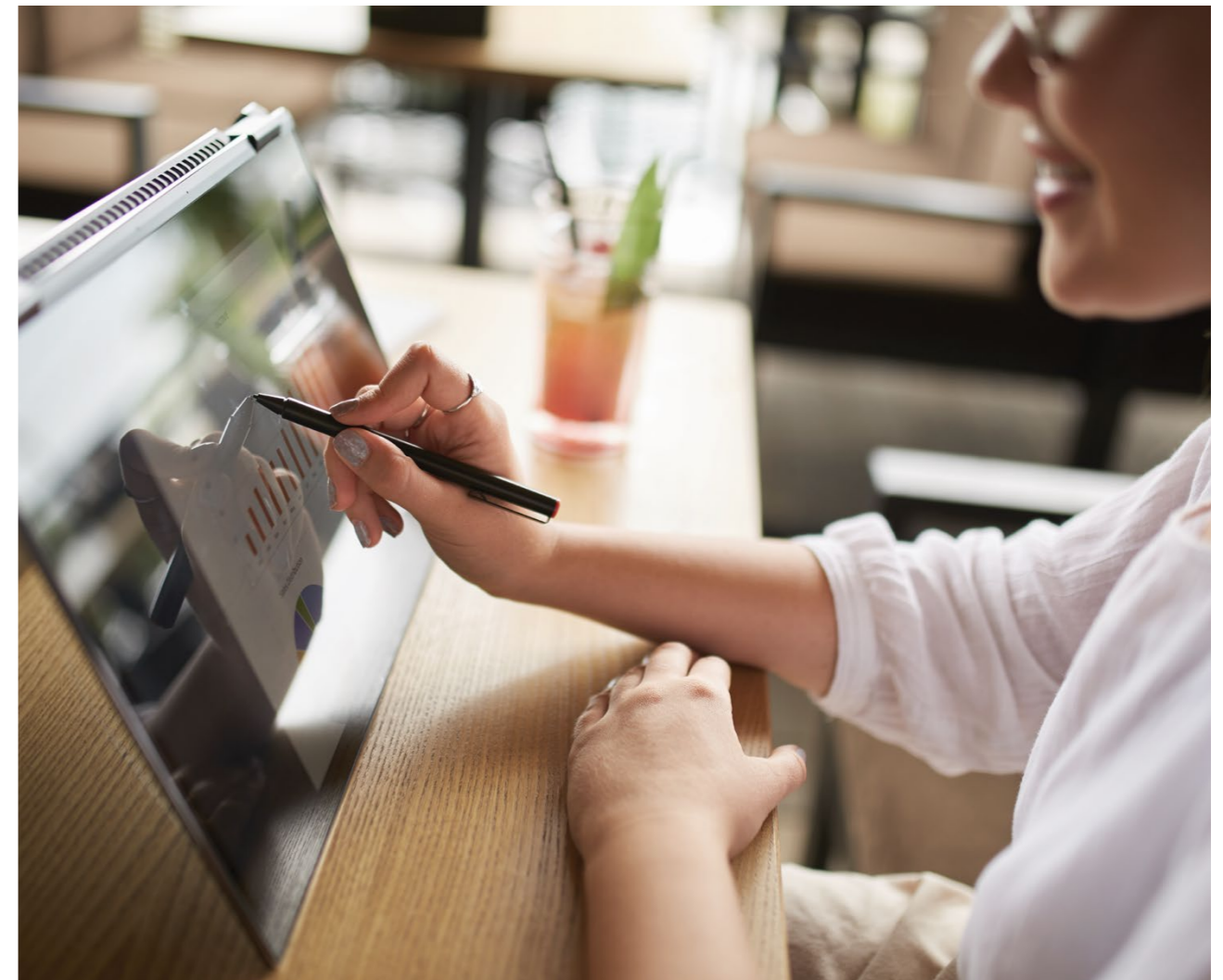
With this in mind, at Aqualia, the digital transformation of the end-to-end water cycle began years ago and has now become a reality. The company, as a global water operator, is in a privileged position to offer comprehensive an integral, flexible solution to the current and future problems facing the service. All this within the framework of the highest cybersecurity standards.

INVESTMENT IN DIGITAL TRANSFORMATION

2020	2021	VARIATION 20/21
1,603,840 EUROS	5,328,699.59 EUROS	232%

The constant evolution of technology has led to the generation of a hyperconnected society, in addition to new challenges and opportunities in which digitalisation represents a key factor in the decarbonisation of the economy, as reflected in the Law on Climate Change or in the investment trends under Next Generation: 33% of the budgets for EU funds received by Spain are allocated to digitalisation projects.

As part of its adaptation to this new reality, Aqualia strives to develop and implement technologies make it possible to optimise the performance of water distribution networks and through solutions that guarantee efficient and safe water supply and treatment, contributing to the sustainable development of the management of water resources, the construction of smart cities on the foundations of the circular economy and the protection of biodiversity. Technology is being integrated across the company, both in the form of smart solutions in the different phases of the management of the end-to-end water cycle to ensure greater control and sustainable consumption for its customers, and internally for the organisation and management of processes and equipment. This integration is laid down in one of the lines of the 2021-2023 Strategic Sustainability Plan.



Management approach: Aqualia LIVE


Industry 5.0 is the new reality of the companies that operate the end-to-end water cycle; it is the revolution resulting from digitalisation and the adoption of new technologies in industrial processes. This revolution disrupts traditional management processes, transforming the way in which companies operate and creating new challenges and opportunities. New technologies improve connectivity and, therefore, accessibility to relevant data (IoT), turning information into knowledge much faster (Big Data and Cloud Computing). Furthermore, it is helping with decision-making tasks, management and process monitoring (AI/ML).

Aqualia LIVE integrates these technologies to offer a modular and integrated platform, which provides managers of the end-to-end water cycle with the latest tools for more efficient and sustainable process management, in addition to providing citizens with a better service.

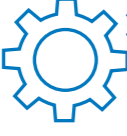
The platform consists of independent, fully integrated modules to cover all management needs. The platform's design has been structured around Aqualia's experience in the water sector and the use of the most advanced technology to the benefit of the management of the end-to-end water cycle.

There are three strategic projects as part of Aqualia LIVE, under which these actions are implemented

P1
Omnichannel customer service
 (Aqualia LIVE)



P2
Asset management and maintenance
 (Aqualia LIVE)



P3
Water Analytics (aWA)
 (Aqualia LIVE)





Image of the Aqualia LIVE platform.

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

CYBERSECURITY

Cybersecurity

In this context of the digital revolution, cybersecurity plays a critical role both in the security of citizens and the protection of their personal data, and ensuring that the network information offered by the devices is not affected by cyber-attacks.

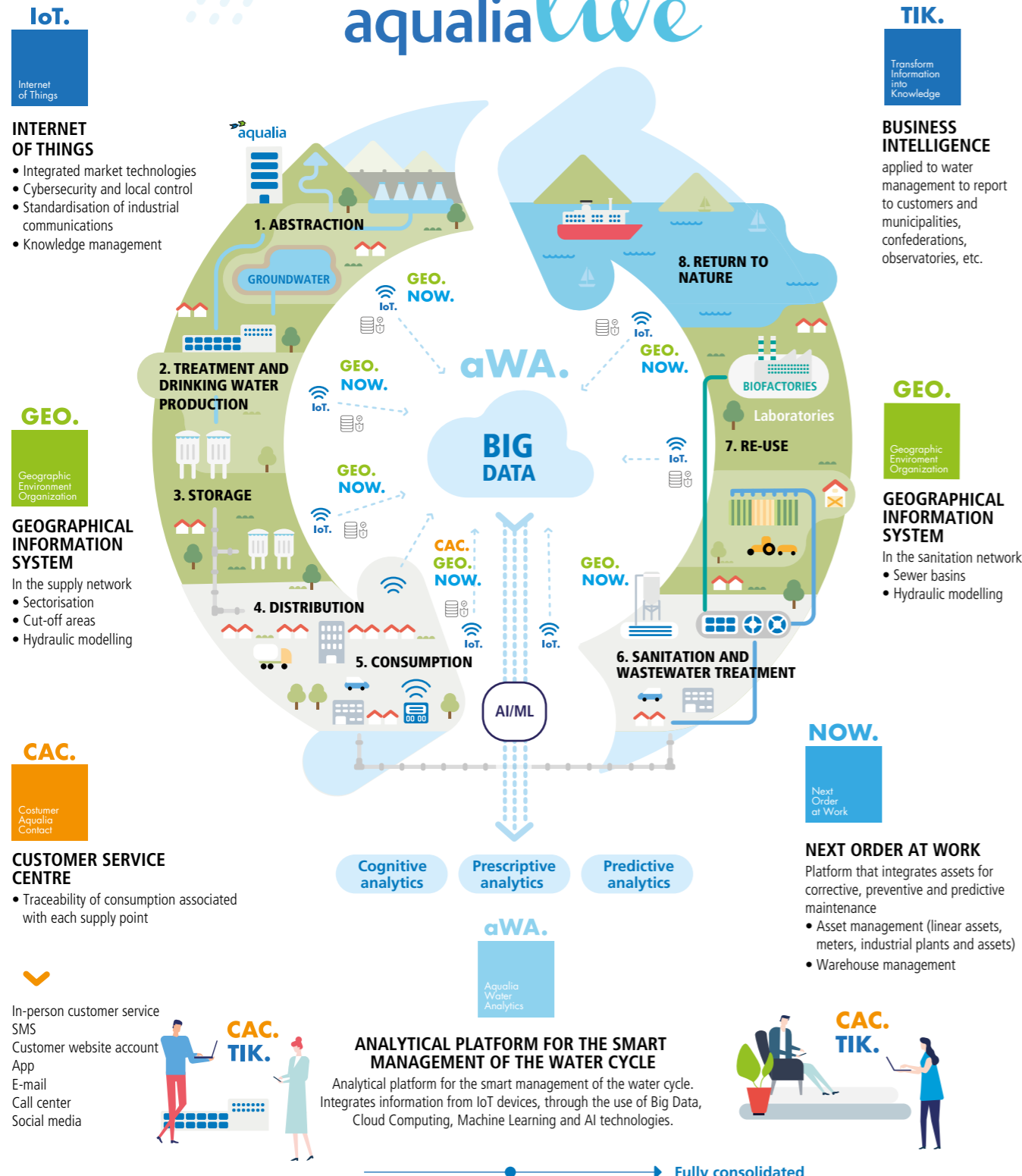
During 2021, the main cybersecurity initiatives developed by Aqualia were as follows:

- Identify and develop the cybersecurity capacities and knowledge needed in the different phases and promote a culture of cybersecurity across all levels of the organisation.

- Implement and prioritise cybersecurity measures based on the analysis of risks and threats, placing an emphasis on the systems that support the critical infrastructures and essential services.

- Establish mechanisms to supervise the status of cybersecurity across different areas of the company and guarantee compliance with the applicable internal and external regulations.

SMART CITY



Technology centres

In 2021, the Toledo and Dénia technology centres came online. These centres are responsible for the Aqualia Live integrated water services digital management tool,

which makes it possible to manage water networks, incidents, work orders, asset management and meters in an integrated manner.



Toledo technology centre

The most advanced facility in the sector, a fully functional centre that allows centralised, online access to all Aqualia information. At these facilities, specialising in the management of supply and sanitation networks, Aqualia Water Analytics is an analytical platform for the smart management of the water cycle and forms part of the Aqualia LIVE platform.



Dénia Technology Centre

The Dénia technology centre, specialising in smart-meters has converted Dénia into a national benchmark for having 96% of smart-metering. This far exceeds the 16.7% average penetration of smart-metering in the main Spanish cities. Furthermore, Denia combines the most innovative communications technologies, LoRaWAN and NB-IoT (5G), all managed by Aqualia Water Analytics within Aqualia LIVE.

As well as smart-metering, the Dénia technology centre includes real-time monitoring of the urban water cycle, from collection to sanitation. This data is available due to the sensors installed and distributed across the more than 500 kilometres of supply networks, and other facilities.

Furthermore, Aqualia is in the phase of implementing another six regional centres in Spain. Each of these provides services to dozens of towns and cities through a network of hubs. The progress made in this field will make it possible to face the major digitalisation of the

water sector being promoted by the Spanish government through the PERTEs (Strategic Projects for the Economic Recovery and Transformation) in very favourable conditions.

Aqualia Water Analytics (aWA): Water measurement for smart management

SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

AQUALIA WATER ANALYTICS (aWA)

As part of this strategic pillar, Aqualia develops the technology required for the smart management of all phases of the end-to-end water cycle.



Action plan	Use a platform for intelligent management of the end-to-end water cycle	Capture and standardise the data from the different devices (GPRS, LoraWan, NarrowBand, etc.)	Use Big Data, Cloud Computing, Machine Learning, and AI technologies	Have hydraulic balancing in real-time, smart-meters, energy efficiency, digital twin
Performance in 2021	136,945 smart-meters	39 services working with Big Data and Artificial Intelligence (aWA)		
Sustainable development		Goal 11.b		

Aqualia Water Analytics is the smart water cycle management analysis platform.

The information of the IoT devices of the water cycle is captured from this platform, turning it into knowledge and business intelligence, through the use of big data, cloud computing, machine learning, and AI technologies.

This platform encompasses the entire data cycle, from the acquisition in IoT devices, real-time processing, enrichment and transformation, and the generation of business intelligence, allowing process automation and integration with other Aqualia technological solutions.

The technological environment of aWA has been designed taking into account a multi-ecosystem of connected devices, including communication technologies and field technology solutions. Therefore, aWA allows Aqualia to achieve a greater adaptability and flexibility for the prescription of IoT solutions, based on the specific needs of each location.

aWA is the analytical tool that offers Aqualia a transversal analysis of the end-to-end water cycle, allowing the analysis of OT and IT information, as well as external sources of information. All this within a secure framework following strict cybersecurity policies.

By applying AI/ML techniques, the aWA platform offers Aqualia's users smart management tools in an analytical environment designed to provide the best user experience.

A quality, efficient service

The commitment to digitalisation and the implementation of new technologies at Aqualia facilitates improved operations, an increase in efficiency, the optimisation of assets and the predictive maintenance of these. All this translates into an improvement in the quality of water service and a more efficient use of resources.

The technologies employed in relation to water quality and the efficiency of their management, as part of the framework of Aqualia Water Analytics (aWA), include:

- **WaterQuality**, which offers the possibility of conducting an agile and detailed analysis of water quality through measurements in Aqualia SCADA. This provides users with information on the performance of water quality signals, making comparisons between different areas, the global averages and the minimum/maximum levels recorded depending on the supply areas.
- **Next Order at Work (NOW)**, which makes it possible to process a high volume of work orders each month, greatly optimising day-to-day activities and assigning tasks to the service team, both in relation to maintenance actions and incidents. The system rolled out provides constant GPS data for the vehicle fleet, helping to optimise routes and assignment allocations.

DESIGN UNDER THREE PILLARS

Geospatial analytics

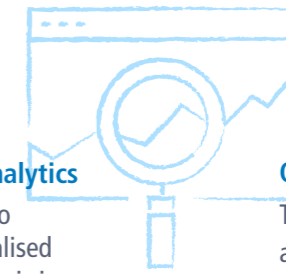
GPS analytics on maps that include navigation and interactive data viewing features.

Comparative analytics

Allows the user to generate personalised queries and analysis in interactive charts.

Operational control

Through AI/ML, advanced analytics tools are provided.



THE FOLLOWING WATER MANAGEMENT PROGRAMMES COME UNDER THESE LINES



WaterNetwork	WaterQuality	SmartMeters	HydraulicBalance
Information of the network sensors (SCADA Aqualia). Analysis of flows and pressures.	Information of the network sensors (SCADA Aqualia). Water quality indicator analysis (pH, chlorine, turbidity, etc.)	Smart-meter information generated by fixed networks, meter level analysis, consumption patterns, fixed network geopositioning, etc.	Hydraulic balance with smart-metering based on the analysis of information cross-referenced between the data obtained from smart-metering and the data obtained by SCADA or smart-meters read in the sector.

With a view to ensuring the highest quality standards in its services, Aqualia continuously submits its activities to international certification.

Given that the average life of networks is increasing, with very low renovation rates, it is essential to encourage the use of materials that are more hard wearing and with better features. With this in mind, in 2021, a system was implemented for the official approval of hydraulic devices to be used in supply networks. Furthermore, laboratories and collaborators have been analysed to implement this activity, in addition to the production of official approval flows.

Minimise the difference between the volume of water supplied to the network and the actual amount consumed is a basic aim for Aqualia. To achieve this, in addition to using sophisticated smart network monitoring systems and upgrading those networks that become obsolete

in order to avoid leaks as much as possible, plans are designed to detect fraudulent actions or uses of drinking water. An example of this can be seen in the training imparted by the company in relation to fraud detection, which made it possible to significantly increase the number of cases detected.

CASES 20,304 FRAUD DETECTED	RENEWED METERS 360,913 IN DIFFERENT CONTRACTS
--	--

€4.6 million
FRAUDULENT CONSUMPTION

Water quality

Aqualia has a network of 10 accredited laboratories distributed between Spain, Italy and the Czech Republic. They all have a structure that responds to the need for laboratories to be able to decide independently as required by the EN ISO/IEC-17025 standard, article 4.1, and to the analytical needs of contracts managed by Aqualia, in accordance with regulations¹⁰. In 2021, the most recent ENAC accreditation was obtained for water consumption laboratory in Vigo.

Also in 2021, considerable efforts were made by Aqualia to monitor COVID-19 by analysing wastewater in different municipalities in Levante, Andalusia and the Balearic Islands. This work was performed in collaboration with the CSIC (Higher Council of Scientific Research). Likewise, the agreement with this institution included the training of company staff and inter-comparison exercises to fine-tune a PCR technique that will make the Oviedo laboratory's offer comprehensive.

Cleaning of tanks to ensure the excellence of tap water

Tank cleaning is a key task in guaranteeing the quality of water that reaches our taps. To this end, Aqualia cleans and disinfects the tanks in El Tempul (Jerez), Els Poblets (Alicante) and Pronillo (Santander); these undertakings are critical to ensuring the high quality of the water supplied to citizens.

In total, the company is responsible for managing 2,855 drinking water tanks around the world; cleaning tasks can take a number of weeks and have to be undertaken without affecting the supply of this resource. By cleaning them and through the more than one million analytical results obtained per year, we are able to guarantee the quality of water for human consumption supplied to household taps.



Inform citizens about the importance of these tasks is critical in showcasing the work that Aqualia does and promoting tap water consumption.

Parametric results with regard to drinking water	2020	2021	Chg. 20/21
Parametric results with regard to drinking water	1,019,780	1,021,192	0%
% compliant results	99.89	99.91%	0.02 pp
Non-compliance	1,140	874	-23%



Active Pressure Management System in Salamanca

In 2021, work has continued to renew the drinking water distribution network in Salamanca, with a view to preventing the breakage of tubes and to improve the quality of the service offered to citizens. As part of the renewal works, the Active Pressure Management System (GAP) has been deployed; this smart system regulates network pressure when there is less demand for water and optimises the pressure in line with demand.

Following the implementation of this system, breakdowns have been reduced by 62%, beyond the initial forecast of 40%. In 2020, there were 73 breakdowns affecting pipes across Salamanca, down by six year on year and less than half of the 194 recorded in 2017, before implementing the Active Pressure Management System.

In addition to reducing breakdowns, this system has increased the useful life of pipelines by 16 years and contributed to minimising water leakages: in addition to preventing the drinking water plant in Salamanca from having to produce water, it helps to make average annual savings of 500,000 m³, the equivalent to the average annual consumption of a population of 15,000 inhabitants.

The GAP is controlled from the drinking water plant, where Aqualia's professionals coordinate this smart system to obtain, each day, more than 10,000 pieces of information, making it possible to permanently monitor the network to improve the quality of the service, preventing malfunctions, minimising losses and the sectors affected, in case of breakdowns.

16
YEARS
Increased useful life of pipelines

500,000 m³
CONSUMPTION SAVINGS
CUTTING-EDGE TECHNOLOGY: ASSET PRESSURE MANAGEMENT

+10,000
PIECES OF INFORMATION PER DAY

WORKS ON THE NEW DRINKING WATER TREATMENT PLANT (DWTP) IN VIGO

In 2021, work began on the construction of the new Drinking Water Treatment Plant (DWTP) in Vigo. This project involves an estimated investment of €23 million and is expected to last 18 months, making it possible for the city to go beyond the requirements of the new European Directive on water for human consumption as part of a clear commitment to the future.

This is a revolutionary project, as the use of ultrafiltration membranes to improve the quality of water as part of the drinking water treatment process in a large city like Vigo represents a technological milestone. Furthermore, one of the major challenges posed by the project is continuing to treat and distribute water to more than 500,000 citizens across the five municipalities served by this plant, while the new DWTP is constructed in the same location.

€2 million
INVESTMENT

500,000
CITIZENS

5
MUNICIPALITIES

CUTTING-EDGE TECHNOLOGY: ULTRAFILTRATION MEMBRANES

¹⁰ European regulations transposed into Spanish law through Royal Decree 902/2018 of 20 July, which establishes the sanitary criteria for the quality of water for human consumption.

Asset management and maintenance

SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

ASSET MANAGEMENT AND MAINTENANCE (AQUALIA LIVE)

Aqualia provides its workforce with the necessary technological tools for them to go about their daily undertakings as efficiently as possible.



Action plan	Provide workers in the field with a mobile app with all of the features they need for their daily work	Implement a tool that plans and optimises facility maintenance, both plants and networks	Infrastructure design, planning and construction with BIM methodology
Performance in 2021	<h1>451</h1> <p>services that use the mobility app (NOW)</p>		
Sustainable development	Goal 9.4		

In 2021, work began to deploy a new Asset and Maintenance Management tool which will enable the standardisation of maintenance activities, depending on the size and purpose of the service provided. This is in addition to an improved centralised control of the inventory of assets managed, which will facilitate not only awareness of the status and updated value of the

inventory, but also developing and planning "Smart" proposals for the renewal and/or extension of the infrastructure operated by the company.

Once installed in different locations in Spain, work began to roll out the tool in France and Italy.

Mobility solutions for fast and efficient service

In 2021, the ambitious NOW Meter Reading Mobility Project, launched in 2019-2020 came to an end. The aim was to update the mobility solution implemented for taking meter readings, providing it with online and offline features with the current DIVERSA commercial system implemented in Aqualia. The solution will be implemented through smartphones, for the purpose of providing functionalities relating to the taking and management of meter readings.

With this project, Aqualia intends to improve the current processes for taking and managing readings, and to achieve efficiency in the shortest possible time and with the least economic impact.

Following the success of the pilot in 2020, it was rolled out to the rest of the company. As of December 2021, a total of 451 services had been rolled out in Spain, Italy and Portugal.

Smart-meters

Smart-meters are a key element of the digitalisation process. The Spanish government has set a deadline of 2025 to replace devices that are more than 12 years old, with a view to ensuring the accuracy of readings and the efficiency of consumption.

Smart-meters:

1) Provide data and information:

- Store and transfer information in real-time.

- Constantly monitor water networks, making it possible to ascertain how they are performing.

2) Provide consumers with a clearer invoice, making it possible to shorten billing cycles. They also detect changes in consumption and make it possible to determine consumer conduct patterns.

3) They offer greater transparency to administrations, who are provided with real-time information about network performance.

4) Their installation reduces the need for travel thanks to the use of smart-metering, providing a clear example of the role of digitalisation in the decarbonisation of the economy.

As well as being innovative and efficient, smart-metering enhances service management and allows the user to check their water consumption at any time. State-of-the-art technology is used, with detailed access to online information through Aqualia Contact, Aqualia's app for citizen water management.

This gives citizens access to an internal leak alarm system to know instantly if they are losing water when they detect very high consumption. Possible leaks can therefore be solved early and reduce the risk of receiving high consumption bills.

BIM METHODOLOGY: AN INDISPENSABLE TOOL FOR THE END-TO-END WATER CYCLE



Phase 1
Engineering



Phase 2
Construction



Phase 3
Operation and maintenance of the installations

Since 2018, Aqualia has implemented the BIM methodology (Business Intelligence Model) in all its processes, offering major benefits when it comes to overcoming market demands, improving productivity and access to new technologies. Aqualia has established a federated model, the results of which include technical planning and measurements, setting the bases for the definitive adoption of BIM.

Following the success of projects at the SWDP in Guaymas and Glina or at PTE Aitasa, which achieved a wide range of digitalisation options, in 2021, the main challenge has been to combine the integrated models to implement the digital twin and BIM, which represents significant progress in the water industry, including: accelerating decision-making, increasing operational efficiency by facilitating process automation, reducing times and speeding up data management by facilitating asset management by customers through digitalisation.

MANAGEMENT OF ASSETS CERTIFIED BY AENOR PURSUANT TO ISO 55001

There are only 280 entities worldwide certified with regard to asset management, of which only 59 are in the field of water. Since 2020, Aqualia and Majis have been AENOR ISO 55001 asset management certified for the management of the water infrastructures in the port of Sohar (Oman). Thanks to this certification, Aqualia is now part of the select club of companies concerned with increasing the value of their assets by aligning them with the company's strategic objectives.

This certification is the first obtained by Aqualia in this field and the first that AENOR has issued in the field of asset management for an Oman-based company. This recognition acknowledges Aqualia's ability to obtain value from its assets by applying a proper risk management approach and by correctly prioritising its investments.





AQUALIA CONTACT*



CUSTOMER SERVICE CENTRE
CALLS IN 2021
1,203,947



SMS HANDLED
915,097
NOTIFICATION OF INVOICES WITH INCIDENTS AND WARNINGS REGARDING NETWORK BREAKDOWNS

Omnichannel approach for service excellence

SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

OMNICHANNEL CUSTOMER SERVICE (AQUALIA LIVE)

As part of this strategic pillar, Aqualia coordinates, through its omnichannel services, its relationship with clients, to offer greater information and autonomy for their arrangements.



Action plan	Consistent client relationship through the different channels	New online office for clients with more information and giving them more autonomy to carry out procedures	Give the client the option of signing their contracts digitally	Promote the use of e-invoicing
Performance in 2021	308,144 clients using the new Virtual CSC Office	638,507 contracts with e-invoicing		
Sustainable development	Goal 9.b	Goal 12.5		

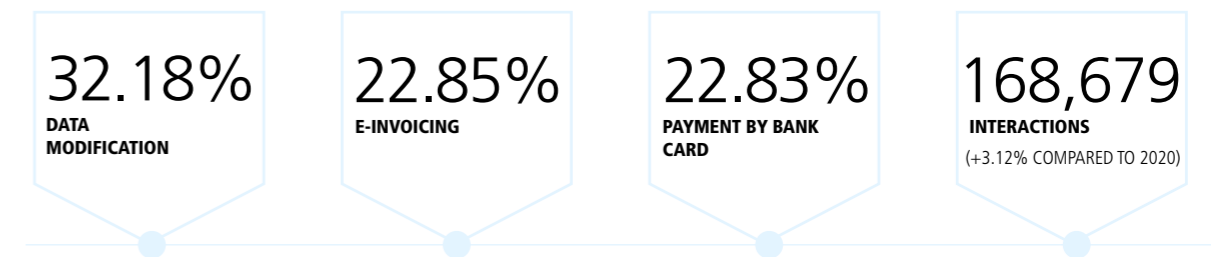
New technologies applied to hardware and software help Aqualia to change the customer experience and the way in which services are offered. To this end, the company aims to create value for its stakeholders by developing innovative solutions adapted to the needs of its users.

In 2021, the commitment to process digitalisation resulted in a reduction in costs associated with customer management: policies to prosecute fraud in the measurement of consumption, encouraging e-invoicing,

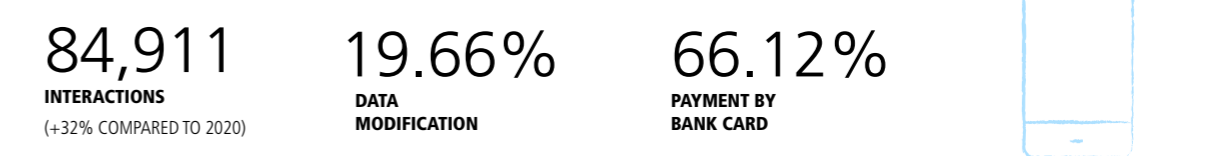
increase in direct debits, control of bank commissions, reduction of face-to-face customer service and transfer to other channels (telephone, social networks, internet).

Furthermore, during 2021, Aqualia continued to make progress in a strategic orientation towards the end customer, with a special emphasis on the quality of the interaction channels with its users, fostering technological investment especially in this year where the world was affected so much by the pandemic.

ONLINE OFFICE



APPLICATION FOR MOBILE DEVICES



TWITTER @AQUALIACONTACT
1,107
USER MESSAGES HANDLED



E-INVOICING
90,234
CLIENTS ASKED FOR E-INVOICING TO BE ACTIVATED (+16% COMPARED TO 2020)

*Information for Spain.

In order to respond to the high expectations of our clients with regard to the service offered Aqualia will continue to progress towards providing a high-quality omnichannel experience in their interactions with the company.

The Presence (Evolutio) solution, allows the Customer Service Centre to offer continued, uninterrupted assistance.

Appointment management service provided by the Telephone Customer Service Centre to provide a faster, more effective and pleasant telephone service with full health guarantees.

Targets and performance in 2021 for the omnichannel approach to the service

1. Integration of all channels

In 2021, work has continued with the implementation of the new Microsoft Dynamics CRM project, that will go into production in the first half of 2022. This will enable all channels to be interrelated in real-time with greater accessibility, availability and integrity in the information corresponding to the interactions.

A new customer service model has been implemented, structured around the use of Microsoft Dynamics CRM 365. This solution provides a unified overview of customers, technological innovation as well as improvements in business processes.

The solution includes a new website for clients (which will replace the current online office) and for users of the call centre, covering all operations and with the corresponding adaptations of the CRM currently in progress. Furthermore, it speeds up the service and makes it more pleasant for clients.

The tests of by technical and operating team were carried out in 2021 with satisfactory results, and the solution is due to come online in the first quarter of 2022.

2. More satisfactory and higher quality client experience

- Any operation from any channel.
- Unique processes for all channels.

The customer experience is at the heart of Aqualia's digital transformation strategy, including the omnichannel approach to provide the user with online information about their consumption or their supply point via new channels: smartphones, tablets, social media, etc. As part of this service offered to citizens, the Aqualia Contact app is worth particular mention, developed to facilitate all matters associated with the services provided by Aqualia being handled using the application.

3. More responsive and capable attention

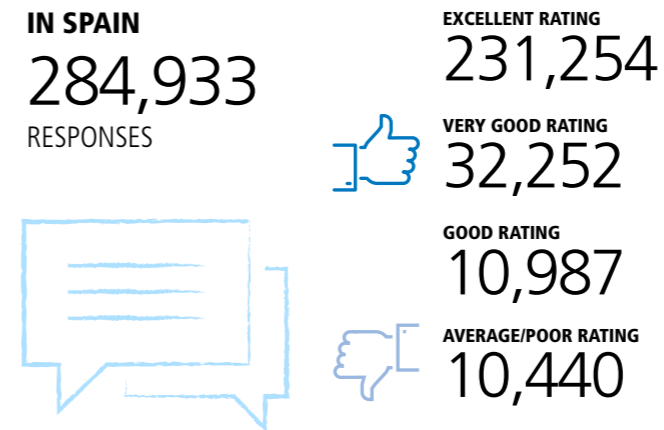
- Multi-platform service to adapt to the client.
- Development of different communication functions and interaction between the channels.

The efficiency of all client relationship channels enables us to have a very low complaints rate: 0.43% in 2021 (0.45% in 2020), with a maximum average response time to claims of 15 calendar days. It is also worth mentioning the maximum average installation time for a meter (from the time the request is recorded), established as five calendar days.

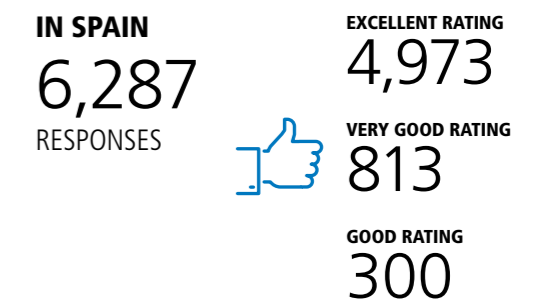


According to the most recent surveys performed at the end of 2020, a positive overall assessment of the customer service provided by Aqualia Contact was obtained:

ASSESSMENT OF CALLS HANDLED VIA THE CALL CENTRE (2021)



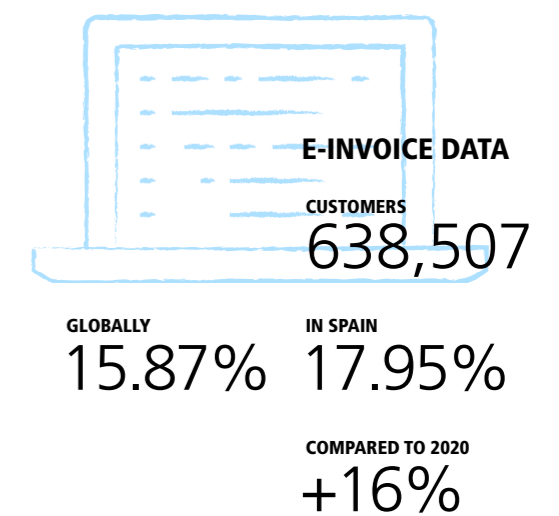
ASSESSMENT OF CALLS HANDLED VIA THE CALL CENTRE (2020)

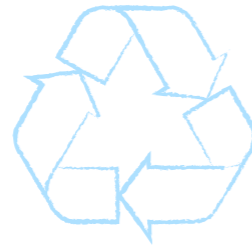


Promotion of the use of e-invoicing

During 2021, Aqualia has continued its campaign to promote the use of e-invoicing and progressively reduce the number of invoices issued on paper until they are eradicated. The campaign was launched in 2020, with the pandemic making digitalisation necessary; according to a study undertaken by the SERES Group, the initiative generated estimated savings of €200,000 per year in time, management and environmental protection.

This action has enabled an increase of 16% in 2021 when compared to 2020 in the number of electronic invoices issued, reaching a global ratio of 17.9%, in Spain and an accumulated total of 15.9%, thus contributing to the fight to preserve the environment, reaching 638,507 clients who opt for receiving this type of invoice.





During 2021, Aqualia has continued its campaign to promote the use of e-invoicing and progressively reduce the number of invoices issued on paper until they are eradicated.

Digital signature of documents

The face-to-face contracting process performed at Aqualia's offices involves the client signing different documents, which are scanned and stored in a online repository. With a view to optimising this manual process, the advanced digital signature document has been developed, which includes two types:

- **Biometric signature:** The customer signs the document using an electronic device that collects their signature and biometric data.

- **One-Time Password signature:** A signature system consisting of a personal password and one-time code, sent to the client via SMS, to sign documents digitally.

This process is associated with the signature operation document, which contains all electronic evidence of the signature process. This document is signed digitally with a certificate that guarantees the integrity of the document.

TRANSFORMATION

Digital transformation of the company's internal processes

SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT INCREASED MANAGEMENT EFFICIENCY.

In this line, Aqualia defines and implements, via technological solutions, new processes to improve internal communication and management.



Action plan	Process analysis (ASIS)	Definition of the new processes (TOBE)	Adapting and implementing processes
Sustainable development	Goal 9.b	Goal 9.b	Goal 9.b

BE AQUALIA APP FOR COMMUNICATION WITH THE PEOPLE WHO MAKE UP THE WORKFORCE

Action plan	Provide staff who do not have a corporate email account with an app that allows two-way communication	Digital information point at offices (totem)
Performance in 2021	6,697	members of the workforce who have downloaded the Be Aqualia app
Sustainable development		Goal 9.4

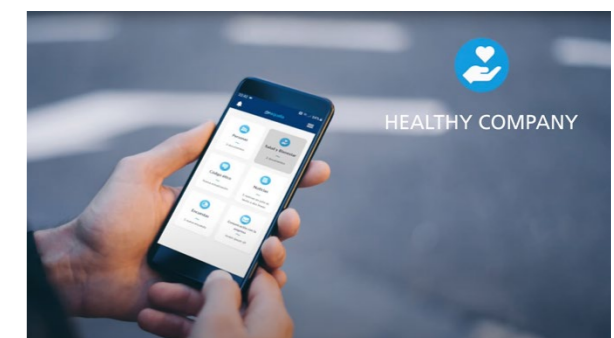
The Be Aqualia app is an application for mobile devices that is intended for all company employees, especially those who do not have a corporate email account and, therefore receive less information. Via this app, employees can keep up to date with current affairs at Aqualia, participate in surveys, give their opinion and join new campaigns and challenges organised by the company.

The different activities undertaken in 2021 using this channel include the development of a new Health and Well-Being button.

Members of Aqualia's team are a key part in the digital transformation of the organisation. Both multidisciplinary teams, consisting of experts, and the different areas (traditional business, water treatment, distribution, wastewater treatment or new technologies) have the resources, spaces and channels required to promote open innovation and two-way, fluid communication.

NOTABLE FOR AQUALIA IN RELATION TO DIGITAL MATURITY: DIGITAL OPPORTUNITY ASSESSMENT

In 2021, Aqualia was subject to a Digital Opportunity Assessment by an external consultant. As part of this analysis, it was awarded a digital maturity score that is above average for utilities companies (electricity, gas and water firms).



Social impact and creation of partnerships

GUARANTEEING ACCESS TO WATER. GUARANTEEING SOCIAL SUSTAINABILITY / COMMITMENT TO SOCIETY AND USERS / TOGETHER TOWARDS SUSTAINABLE WATER MANAGEMENT / SOCIAL ACTION: SOCIAL ACTION PLAN



Access to water is key to helping some communities develop, maintaining their quality of life and even ensuring their survival. Aware of this, Aqualia adopts an active commitment to all the challenges that threaten this universal right.

COMMUNITIES

The nature of Aqualia's activities, water management and sanitation, place the company in a situation of great responsibility in the eyes of society. Access to this basic resource is key to helping some communities develop, maintaining their quality of life and even ensuring their survival. Aware of this, the company adopts an active commitment to all the challenges that threaten this universal right.

Committed to ensuring the proper management of this basic resource, Aqualia has included a specific line, Social Impact, in its 2021-2023 Strategic Sustainability Plan, which guides the company's contribution through different projects and specific and measurable actions. The aim of this is to reduce, insofar as possible, the lack of social cohesion caused by the impacts of climate change, population growth or the pandemic, in addition to other factors.

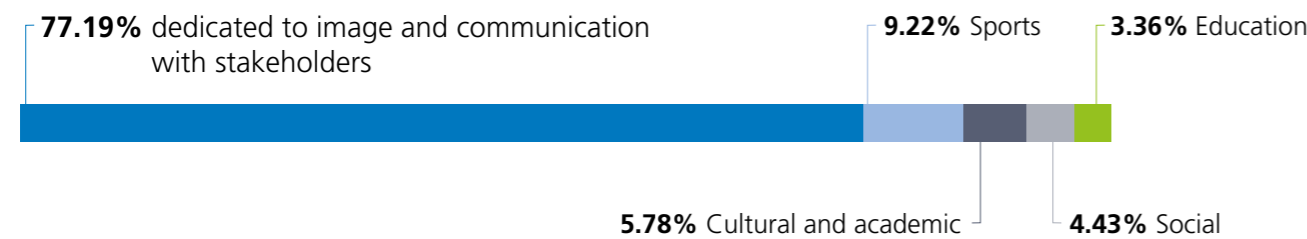
IMPORTANT FIGURES

Aqualia has promoted activities in Spain, as a socially committed company, through the renewal of agreements with ACNUR and Cáritas.



€86,315.25
invested in water for vulnerable people through ACNUR and Cáritas

€2.67 million in social investment¹¹



Schools visiting the La Caleta Sea Water Desalination Plant (SWDP) in Adeje, Santa Cruz de Tenerife, Spain.

¹¹ The calculation of the amount of social investment includes the direct activities undertaken by the company with regard to raising awareness, diversity, sports, culture, image, communication with stakeholders, as well as donations and collaborations. It does not include social funds or other contributions through tariffs and social bonds.

GUARANTEE

Guaranteeing access to water. Guaranteeing social sustainability



Water access is a priority for Aqualia. To ensure that nobody is deprived of access to this natural resource, the company organises social action programmes and mechanisms to guarantee that everybody has access as well as to measure the impact of projects. Under the

perspective that these actions must also ensure access to future generations, Aqualia aims to guarantee social sustainability in all the communities in which it operates.

SL6 SOCIAL IMPACT

The aim of this strategic line is to disseminate the efforts made by Aqualia to guarantee access to water by strengthening the link with communities.



Line of work	Pricing systems to guarantee access to water and sanitation	Social action projects linked to: • Rate reductions and subsidies • Identification of vulnerable clients • Access to water and/or sanitation for all people		
Action plan	Classification and monitoring of clients based on the pricing systems	Classification and monitoring of clients in vulnerable situations who are guaranteed access to water and sanitation	International: Identification of the number of subsidy recipients who are guaranteed access to water and sanitation	International: Identification of the number of bond, tariff or subsidy recipients who are guaranteed access to water and sanitation
Performance in 2021	2,217,238 clients in Spain who have access to subsidised rates for the water and sanitation service.	45,616 clients in Spain who receive rate reductions and subsidies.	110,831 clients in Colombia who have access to subsidised rates for the water and sanitation service.	312,450 clients in Italy, Portugal, France and the Czech Republic who have access to subsidised rates for the water and sanitation service.
	OBJECTIVE 2,000,000 in 2023	OBJECTIVE 24,000 in 2023	OBJECTIVE 115,000 in 2023	OBJECTIVE 180,000 in 2023
Sustainable development	3 collaborations with NGOs to develop projects to give people access to water and/or sanitation (8.3.1).			4 OBJECTIVE in 2023
	Goal 6.1			

Bonds and social tariffs

Aqualia is made up of people who take care of people. From this perspective, the company strives to improve coordination with municipal social services to protect clients at risk of vulnerability or social exclusion.

Although in Spain, powers for setting tariffs and regulating the provision of services in the end-to-end water cycle is the exclusive responsibility of the Administration, Aqualia actively promotes social action mechanisms in tariffs and solidarity funds. Information on social bonds and tariffs are published on Aqualia's website and are available to all users. Furthermore, Aqualia reports on notifications sent to clients about the option of setting up deferred payment plans. This year, more than 6,906 deferred payment plans have been made.

As part of its social commitment, in 2021, the company renewed its collaboration agreement with Caritas Española, which has been in place since 2015, and with UNHCR, dating to 2019, to support the initiatives of this humanitarian organisation in Spain. As part of these agreements, access to water is also guaranteed to all vulnerable people and payment deadlines have been extended for all clients affected by the pandemic.

Internationally Aqualia collaborates with the governments of those countries with which it works to provide water and sanitation services for those at the most disadvantaged social levels. The Colombian model deserves special mention as the most developed: six types of tariffs have been established that correspond to social levels and the lowest strata, based on which they receive subsidies to guarantee water for all.



Aqualia is made up of people who take care of people. From this perspective, the company strives to improve coordination with municipal social services to protect clients at risk of vulnerability or social exclusion.

Solidarity funds for funds in collaboration with public institutions

In Spain, Aqualia aims to collaborate and coordinate with town and city councils increasingly more. One example of this can be seen in the renewal of the social fund in Chipiona, Cádiz, contributing €10,000 to a fund for people with financial difficulties with a view to provide support with the payment of water, sewerage, and wastewater treatment. The agreement entered into with the town's mayor and the person in charge of the Local Office at Aqualia in Cádiz sought to ensure that the donation, from the company's own funds, is made available to the town's Local Office for Social Welfare to cover situations of need, subject to a prior analysis.

In Albal, Valencia, a social fund agreement has been signed for the six consecutive year to guarantee the supply of water to all citizens. It has been specially designed for those who are unable to pay their water and sewerage invoices. New funds have also been set up in Novelda, Alicante, and Llagostera, in Girona.

These actions seek to provide families that have been severely affected by the economic situation aggravated by the pandemic with help and demonstrate the close local ties that Aqualia has with people in the communities it operates in.

Clean water all year around in Senegal

At an international level, worth particular mention is an agreement with the University of Huelva to build a well in Senegal, with the company donating the amount required to drill a deep water well. The work will take place in the Senegalese town of Nandoumary, in the region of Kedougou, where the university's International Cooperation Department has been working for eight years to improve the living conditions of the town's residents.



Neighbourhood of La Esperanza, in the mountainous region of Villa del Rosario, Colombia, home to the launch of the pilot project known as "Pilas Públicas, Agua para todos".

The well, which will measure 40 metres in depth, will be driven using a solar-powered pump and will provide the residents of Nandoumary with water all year around. This will help to prevent illnesses brought on by lack of hygiene and dehydration as well as meaning that women and children will no longer have to walk three kilometres to obtain water. Furthermore, the well will allow residents to farm the land to produce food, offering them a more varied diet and improving their health; perform domestic chores like washing fabrics or recipients; and the production of construction material like mud and cement to improve the quality of their places of residence.

Aqualia will not only provide economic support to the project, it will also offer its extensive experience as a water management specialist, advising the University of Huelva about the process helping local professionals in relation to the materials, methods and technical solutions.

This agreement forms part of Aqualia's Corporate Social Responsibility Policy and, in particular, its involvement in the United Nations 2030 Agenda. This project reflects the company's commitment to contributing, through its activities, to the Sustainable Development Goals (SDGs) and, in particular, access to clean water and sanitation (SDG 6).

Water for everybody in Villa del Rosario

In Villa del Rosario, Colombia, Aqualia has launched a project entitled *Water for everybody*, which will be rolled out in the town as a solution for providing access to drinking water in areas affected by technical and legal limitations. This project, known as "Pilas Públicas" (public water fonts), aims to provide drinking water to residents of Villa del Rosario located in the regions of Montevideo, Nariño, 20 de Julio, Navarro Golf, Turbay Ayala, Páramo and Primero de Mayo And, starting in La Esperanza, where the pilot project will take place, more than 128 families will benefit, improving their quality of life. This social responsibility project is the first of its kind at the company and, once fully deployed, will be replicable in other areas of both Colombia and any other country that has areas with similar needs.

This is another example of Aqualia's commitment to compliance with the SDGs, contributing, in addition to SDG 6, to SDG 17 on promoting public-private partnerships.

COMMITMENT

Commitment to society and users

SL6 SOCIAL IMPACT

The aim of this strategic line is to disseminate the efforts made by Aqualia to guarantee access to water by strengthening the link with communities.



Line of work	Measurement of social impact by an external consumer motivator. Water management projects		Impact on local suppliers (country)
Action plan	Studies with an external consumer motivator	Dissemination and communication of the economic impact + ESG of the cases	Identification of local suppliers
Performance in 2021	Case study: impact generated by Aqualia in Almeria (Spain) (IESE UNECE).	6% of information flashes referred to social impact content.	98% of local suppliers hired (country). OBJECTIVE 98.22% in 2023
Sustainable development	SDG 6		SDG 8

Access and quality in critical situations

Public services are one of the foundations of the welfare state in modern societies. These include urban services (supply and sanitation of water, electricity, gas or waste collection), which are most identifiable to the public and necessary to maintain the level of quality of life and daily routine. Aqualia is aware of the huge responsibility that comes with providing basic public services such as those inherent to the end-to-end water cycle. Fortunately, the company has an excellent, highly qualified human team with an unquestionable dedication to services.

No time to rest after a cold drop strikes Toledo and Lepe

In September, the torrential rain and flooding caused by the cold drop had a significant impact on Cobisa, Layos and Argés, three towns in Mancomunidad del Río Guajaráz, managed by Aqualia in the province of Toledo. In response to this situation, the company's operators worked non-stop to guarantee supplies and clear public roads to allow other public services to move around, helping those affected with cleaning and clearing up tasks. Furthermore, 400 manhours were dedicated to fixing damage to supply networks.

The same happened in Lepe, where up to 150 litres of water per hour were registered, causing significant material damage, leaving 1,500 people affected and vacating 700 properties. Staff worked intensively to remove sludge, revise facilities or resolve supply faults with the help of colleagues from nearby services, such as Almonte, Moguer and Bollullos.



Work after the cold drop in Toledo, Spain.

Aqualia is aware of the huge responsibility that comes with providing basic public services such as those inherent to the end-to-end water cycle.



Troubleshooting during a heatwave

During the middle of a summer heatwave, the main water supply pipeline to the city of Écija (Seville) broke one weekend, affecting 85% of the town and leaving 35,000 with no access to water.

Workers from Aqua Campiña, a subsidiary of Aqualia, didn't think twice about working more than 13 hours non-stop at temperatures of up to 47 °C to fix this serious

problem. Écija is commonly known as "the frying pan of Andalusia" given the high temperatures it registers in summer. Finally, thanks to sophisticated work involving the operation of 20 valves that directed water from other pipes to the emergency tank, they were able to reduce the time that residents were left without water to just three hours.

CASE STUDY DURING SARS-COV-2

Since the onset of the pandemic, Aqualia has contributed its experience and its investment in efficient and responsible solutions to guarantee water quality. Even during the height of the pandemic, the company's professionals worked tirelessly to maintain water and sanitation services.

In appreciation of and to place value on the involvement of its professionals, the company organised the campaign "¿Quién hay detrás del agua que usamos en casa?" ("Who is behind the water we use at home?"), receiving an award for the initiative at the 13th edition of the European Excellence Awards (EEA). These awards seek to acknowledge the best practices performed by companies and communication agencies in the field of corporate communication.

Who is behind the water we use at home?



Pablo, Juan, Teresa, Pedro... Aqualia professionals who continue working so that every time you turn on the tap you have quality water in your home. You'd better stay at home, at Aqualia we take care of the water for you. People who work for people.

#StayAtHome



Innovation for the water balance

Innovation in relation to the assessment, detection and treatment of water is as crucial to Aqualia as access itself. To this end, the company is constantly innovating and considers innovation as a transversal value that forms part of its corporate culture. Furthermore, the company supports external projects as part of which it is able to contribute its knowledge as a specialist in the area in question.

One example of this can be seen in the agreement with the Autonomous University of Madrid for providing early alerts and efficiently eliminating toxic cyanobacteria in supply waters for the technological transfer of results obtained as part of the AIGenTEC research project. Cyanobacteria are micro-organisms that proliferate massively in aquatic ecosystems and are capable of producing very diverse toxic chemical substances (cyanotoxins) that affect human health through our use of water. It is expected that climate change and growing eutrophication (increase in the concentration of nutrients in a river or lake ecosystem) will increase the magnitude and intensity of these proliferations

worldwide. In Spain, blooms, or uncontrolled growth, of cyanobacteria are a common phenomenon and it is estimated that they regularly affect more than 30% of the country's reservoirs.

Another action that has continued in 2021 is the Life Phoenix project, proposed as a solution to the growing challenge of emerging pollutants and microplastics, which cause problems in today's treatment systems, as they are difficult to eliminate and often end up in rivers and seas, posing a serious environmental risk.

This action is aligned with Aqualia's commitment to achieving the Sustainable Development Goals (SDGs) and, in particular, SDG 6 (clean water and sanitation) and SDG 12 (responsible production and consumption). The regeneration and re-use of wastewater is vital to guaranteeing the water balance: providing wastewater with a second life should not be an option, but an obligation, ensuring quality and security.



Transfer of knowledge for a more conscious society

[Education as a key tool to care for water](#)

One of Aqualia's most powerful tools in emphasising the importance of caring for water is its educational channel, which in 2021 reached 9,821 users. The website [aqualiaeduca.com](#), aimed at children of all ages, features resources for generating a positive impact on them, for them to understand the careful process that this ever-present resource in our lives undergoes as well as the importance of using it responsibly and consciously.

Also aware that education is a transversal value and of its impact on future generations, Aqualia has expanded the scope of this course, translating its website [aqualiaeduca.es](#) for French students.

Going by the name [aqualiaacademie.fr](#), the adaptation of the website's language and context offers a powerful training tool on water management and an interesting

platform for raising awareness about the value and importance of this resource.

This action demonstrates the company's commitment to the United Nation's SDG 4 (Quality education) and to raising awareness about the environment in the regions in which it operates.

AQUALIAEDUCA.COM

25,973
PAGE VIEWS

11,919
SESSIONS



CASE STUDIES

20 years informing future generations about water

Aqualia's digital children's drawing contest celebrated its 20th birthday in 2022. This benchmark initiative provides an education as regards values and its success can undoubtedly be traced to the efforts and commitment shared with hundreds of schools, teachers and global corporations that support this project each year.

Each year, the contest is held on a dedicated online platform using characters and environments adapted to children, helping them to take this knowledge on board in a playful format.



As part of the 2021 edition, held under the motto "Destination planet 2030", the platform received 24,045 visits, 46,877 sessions and 315,406 page views. These figures pay testament to the more than 10,450 participants who have dedicated 6,250 hours to digital training on the end-to-end water cycle.

Furthermore, as part of the commitment to preparing future generations for the challenge posed by the United Nations 2030 Agenda and its Sustainable Development Goals (SDG), in recent years, emphasis has been placed, in particular, on SDG 6 (Clean water and sanitation) and the website [aqualiaeduca.com](#).

Winners of the Premios Corresponsables awards (12th edition of the Premios Corresponsables Iberoamérica awards, held in 2021)

Aqualia's digital children's drawing contest has been selected as the "Best Integrated Communication Strategy" at the 12th Premios Corresponsables Iberoamérica awards in 2021.

In total, since it was first launched, this educational initiative has taught more than 250,000 students from different generations about the responsible use of water. This edition alone has seen more than 7,000 hours of digital training.



Workshops to raise awareness about the management of the end-to-end water cycle in Colombia.

Expo Agua Educativa Sunass 2021

In 2021, Aqualia participated in a roundtable in Peru under the title "Contributions to shaping education and a culture of valuing water", as a guest of SUNASS, the water sector regulator in Peru.

This activity was held as part of Expo Agua Educativa Sunass 2021, an institutional event aimed at the educational community in general, ranging from directors and teachers to students across all levels (early, primary and secondary) of basic regular, special and alternative education. The event organised involving Aqualia was under the header "Caring for water. A 360 communication action".

Workshops to offer training on the end-to-end water cycle in Colombia

In 2021, Aqualia imparted 367 workshops in Colombia on the end-to-end water cycle. The aim of these training actions was to raise awareness about responsible use and the importance of saving this resource. In total, 2,493 people participated in these workshops, involving citizens, government institutions and users in general.

Furthermore, the company held more than 620 community meetings and training and awareness-raising workshops, educating more than 7,000 people in Colombia on topics related to the management of the end-to-end water cycle, care for the environment, etc.

It is important to point out that, through these social, environmental and training actions performed in the different municipalities, 80% of the education community has been affected.

Celebrating the "Governors 2021" Programme

With a view to contributing to the expansion of knowledge and skills amongst leaders committed to strengthening the State, democratic governance and territorial cohesion, Aqualia has participated in the "Governors" Programme.

As part of his intervention on behalf of the company, Rafael Pérez Feito, the Director of International Operations, shared with the attendees the company's broad international experience in the development of public-private partnership projects. At a round table on "Public services and their role in the economic revitalisation of the country", Aqualia shared its case studies in Realto and Almeria, both backed by the corresponding publication by the prestigious International University IESE as part of the United Nations PPP For Cities programme.

Aqualia Chair of the end-to-end Water Cycle at the University of Almeria

After years of collaborating on different research projects, the relationship between Aqualia and the University of Almeria has given rise to the creation of the Aqualia Chair of the end-to-end Water Cycle. This action reflects its focus public-private collaboration.

The agreement has been entered into for a period of two years, extendable for a further two years, and its aims are to research the use of solar power in the different processes of the water cycle. In particular, microalgae purification, regeneration, energy from wastewater, energy optimisation in the desalination and treatment process, including renewable energies and treatment through solar disinfection. Other aspects will also be promoted, such as the smart management of the end-to-end water cycle, the recovery of waste from wastewater, implementing the concept of the circular economy, as well as any other activity related to the end-to-end water cycle.

The educational and research tasks as part of this initiative aim to align with the UN's Sustainable Development Goals, prioritising research that can help to achieve them. Through the contribution of this Chair, Aqualia contributes directly to SDG 6, which guarantees the availability and sustainable management of water and sanitation, and to SDG 17 in the search for partnerships between institutions and companies.

TOGETHER

Together towards sustainable water management

Aqualia is a full member of the United Nations Global Compact and has signed up to the 10 universal principles on human rights, occupational standards, the environment and the fight against corruption.

Signing up to the Global Compact ratifies Aqualia's commitment to ESG criteria (Environmental, Social and Governance).



SL7 STRATEGIC PARTNERSHIPS

PROJECTS AND PARTNERSHIPS WITH THIRD PARTIES IN THE FIELD OF THE SDGS

The aim of this pillar is to contribute to the SDGs linked to Aqualia through strategic partnerships.



Action plan	Agreements and partnerships with the corresponding entities	Identification of agreements based on their contribution to the SDGs				
		In the world of academic and universities	Technological agreements	With suppliers	With business associations	Public-private contracts
Performance in 2021	Actions/ partnerships/ initiatives/ events entered into through academic agreements.	Actions carried out through technology agreements.	Suppliers with which agreements/ partnerships have been signed to make progress on the SDGs.	Actions carried out through associations.	Contracts with public entities to carry out activities.	
Sustainable development		SDG 17				

Public-private partnerships to guarantee water for everybody

At Aqualia, public-private partnership is key to sustainable water management. To this end, it collaborates with different institutions, organisations and associations with a view to providing support and collaborating with public administrations in the organisation, management and development of projects involving public-private collaboration to transform cities into smart and sustainable spaces.

Globally, since 2016, Aqualia has collaborated with the PPP Centre for Cities, a UN initiative whose case studies in 2021 include the joint action with Aqualia in relation to water management in Almeria or the project undertaken in El Realito in Mexico.

Furthermore, the company is a member of a range of associations that are dedicated to researching water management around the world.

Further information: Annex 7. GRI 2-28 MEMBERS OF ASSOCIATIONS.

CASE STUDY

End-to-end water cycle in the city of Almeria

Aqualia has extended its water management agreement in Almeria, which has been in place since 1993, for an additional 20 years. This long relationship pays testament to how public-private collaboration really is worthwhile, bearing in mind that Almeria is currently one of the most efficient provinces in the world when it comes to water management.

The investments made in Almeria between 1993 and 2020 come to €84,751,030 (financed entirely by the concession holder) and have been distributed as follows:

- Between 1993 and 2006, a total of €28,525,248: €21,512,358 of investment in infrastructures and €7,012,890 for the advance fee due.
- Between 2006 and 2020, a total of €56,225,782: €41,883,920 of investment in infrastructures and €14,341,862 for the annual fee due.

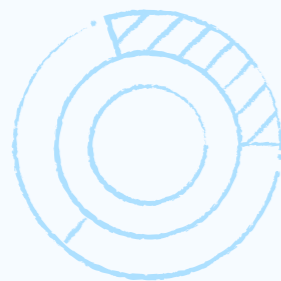
In total, the €84,751,030 invested in Almeria have helped to increase the total output of the Andalusian economy by €191.49 million, 0.11% of Andalusia's GDP in 2019 and 1.18% of the province of Almeria's GDP.

Thanks to the project, which is aligned with the EU taxonomy in relation to environmental matters to ensure compliance with the Green Deal, the environmental impact has been minimised by reducing the volume of water supplied by 44.85% (from 29.1 hm³ in 1993 to 16.05 hm³ in 2018), despite the population having grown by 23% during this period (from 162,316 inhabitants in 1993 to 199,650 in 2019).

INVESTMENT

84,751,030

EUROS



MINIMISE THE ENVIRONMENTAL IMPACT

44.85%

reduction of water supplied

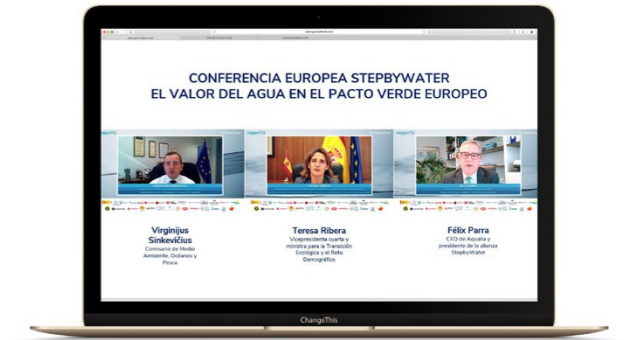
23%

simultaneous increase in the population

Participation in events

The company aims to serve as an active point of reference in supporting and managing projects in cooperation with the public administrations; to this end, it participates in different events each year.

One of the milestones reached in terms of partnerships is the combination of blue water with green initiatives, as a crucial part of the ecological transition in Europe; this was a central topic at the first StepbyWater European Conference, promoted by Aqualia to contribute to speeding up compliance with the targets and goals of the UN's SDG 6 and making progress with two crucial human rights: clean water and sanitation.



The speech to open the conference was given by Aqualia CEO Félix Parra, in his capacity as President of the StepbyWater partnership; he took this opportunity to emphasise the need to consider water as a strategic axis of the recovery and for promoting a more social and sustainable economy.

The value of water, as a key aspect in Europe's recovery plan, was a central topic at this European conference promoted by StepbyWater, with the participation of the Commissioner for the Environment, Oceans and Fishing, Virginijus Sinkevičius, the Minister for the Ecological Transition and the Demographic Challenge, Teresa Ribera, and different sustainability agents from public and private institutions.

To this end, the participation of Aqualia at the Global Water Network series in North America is also worth particular mention; this represents one of the most important international events and was held in digital format. 300 people were in attendance at this workshop, including representatives from organisations with more than \$20 billion to invest in projects.

During 2021, in Spain, Aqualia has worked to strengthen its relationship with the Association of Water Management Companies in Spain (AGA) and the management of the AEAS, which group together public and private companies operating in the sector. Its objectives include raising awareness amongst society of the high social commitment of the business agencies as well as the existence of very significant technological transfer worldwide, and the affordability of tariffs in Spain for family economies, still low when compared with those of other OECD countries.

Furthermore, Aqualia has also participated in the Water Management: Sustainability and Climate Change event, as part of a debate on the sustainability of management, organised by the Technical Committee for Water, Energy and Climate Change at the Professional Association of Civil Engineers of Madrid. At this event, the head of International Operations at Aqualia participated, presenting the long-term vision when it comes to water management as part of public-private collaboration, based on the company's experience gained managing concessions in towns and cities across Spain.



One of the milestones reached in terms of partnerships is the combination of blue water with green initiatives, as a crucial part of the ecological transition in Europe.



SOCIAL

Social action: Social action plan

SL7 STRATEGIC PARTNERSHIPS

PROJECTS AND PARTNERSHIPS WITH THIRD PARTIES IN THE FIELD OF THE SDGS

The aim of this pillar is to contribute to the SDGs linked to Aqualia through strategic partnerships.



Action plan	Identification of agreements with NGOs based on their contribution to the SDGs
Performance in 2021	€214,000 in donations allocated to agreements with NGOs with an impact on the SDGs.
Sustainable development	SDG 17

The actions undertaken in 2021 to create partnerships capable of making progress towards a more sustainable water sector include the formalisation of Aqualia's silver sponsorship of Investagua, an industry event organised by iAgua, held online. The event, at which important industry figures were present, addressed topics directly or indirectly related to the economic recovery associated with the necessary investment in the end-to-end water cycle: supply, sanitation, treatment, re-use, desalination, climate change, energy efficiency and epidemiology.

Furthermore, with a view to promoting the dissemination of accurate information about sustainable development and the conservation of the environment and ecosystems, Aqualia has signed a collaboration agreement with API, the Association of Environmental Information Journalists.

Furthermore, the company is collaborating to construct a sustainable future as a member of a range of associations that are dedicated to researching water management around the world.

Caritas and the Spanish Committee of UNHCR

The collaboration with Caritas and the Spanish Committee of UNHCR, which Aqualia originally signed up to in 2015, encompasses both support for initiatives in Spain and support for humanitarian action with a view to supplying water to those most in need.

In 2021, Aqualia has supported 139 centres in 27 diocesan Caritas that provide care and accompaniment programmes for people in situations of exclusion. In particular, these Caritas centres opened their doors to a total of 22,066 people in 2021. In 2021, the donation made to Caritas came to €56,315.25.



DONATION TO CARITAS

€56,315

to care for and support people at risk of social exclusion and to provide them with access to quality drinking water as part of their basic rights

GOOD PRACTICE

5th Aqualia Journalism Award

The aim of the Aqualia Journalism Award is to encourage the media to convey the importance of end-to-end water cycle management as part of daily life and recognise the informative efforts made by journalists as part of their work to increase the culture of water as a scarce, valuable resource.

Rosa María Domínguez, from La Gaceta de Salamanca, received the top award, for her article about the joint efforts of university researchers and Aqualia to understand the viral load of the coronavirus in water at treatment facilities and warning about a possible outbreak.



Winner and finalists of the 5th Aqualia Journalism Award.

#SedSolidarios

With a view to reducing the number of refugees suffering from poor access to water, Aqualia, in cooperation with the Spanish Committee of UNHCR, has launched its www.sedsolidarios.com campaign once again in 2021 to show solidarity. This project has helped to improve and facilitate refugees in South Sudan with access to drinking water at thirteen different camps, villages and settlements in Chad, Central Africa.

As part of this initiative, Aqualia collaborates in the water and sanitation programme organised by the Spanish Committee of UNHCR at refugee camps in Chad, which play host to 368,781 refugees from Sudan.

The programme forms part of the maintenance and repair of water points for particularly vulnerable people, improving pumping systems, expanding the supply network, replacing tanks and building dams to improve water storage and enhance the oversight and control of water quality.

Furthermore, in cooperation with UNHCR, Aqualia has promoted physical exercise as a challenge for collaborating in the donation of resources to refugee camps, setting the target of participants running 15,000 km. This target was reached in May 2021, with the company donating €30,000 to the cause as a result.



SPANISH COMMITTEE OF UNHCR

368,781 Sudanese refugees in camps across Chad

DONATION

€30,000 after participants in the challenge ran 15,000 km



Delivery of material donated by Aqualia to the El Mago Merlín association in Huelva, Spain.

Charitable donations in support of diversity in Huelva

Aqualia has collaborated with two associations for people with disabilities in the province of Huelva: El Mago Merlín in Hinojos and ASPANDLE in Lepe.

Aqualia has been collaborating with El Mago Merlín since 2019 to distribute water bills in the town. Furthermore, this year, Aqualia also supported the association by purchasing materials with a worth of €954 that the association needed to continue providing services to people with a physical, mental, sensorial disability or to those with learning difficulties.

ASPANDLE, the Association of Parents and Guardians of Disabled Adults and Children in Lepe, works tirelessly to support and integrate more than 140 children and young people with disabilities through arts, drama, occupational therapy and physiotherapy workshops, in addition to early assistance or pedagogical and speed re-education. In recognition of these efforts, Aqualia has donated €1,000 to the association, which will be used to cover part of the costs of the expansion work under way at the centre, consisting of the construction of two early assistance classrooms and a toilet.

Delivery of the IFM grant

The Czech association, Trianon, was the winner of a transport vehicle thanks to the grants scheme organised by IFM Investors, a 49% shareholder in Aqualia, for its subsidiaries.

Trianon works closely with SmVaK, Aqualia's subsidiary in the Czech Republic, to dismantle and recycle industrial facilities, employing people with disabilities in the Český Těšín region of Moravia-Silesia. The car will help this NGO to continue developing its social enterprise programmes as part of the circular economy and digitalisation.



Anatol Pšenička, managing director of SmVaK, handing over the vehicle to representatives from Trianon.

CASE STUDY

iAqua Award for the Best Company in the sector in the year of the pandemic

Aqualia has also been chosen as "Best Company of 2020" by the readers and followers of iAqua magazine, a leading publication in Spain and LATAM. The award recognises the company's efforts to reach the general targets for the water sector.

The iAqua Awards have been handed out at the Investagua event, which brought together the main players from the municipal water cycle in Spain and LATAM, with Aqualia actively participating in the session on "Water treatment and Sanitation" as part of a forum on re-use and at the Top Executive Roundtable.

Santiago Lafuente, Director of Aqualia Spain, had the honour of collecting the award online. In his speech he emphasised the importance of "working well and communicating well" to be capable of relaying the enormous value that the sector has to offer citizens as a whole.

Award for the Guijuelo biofactory, Salamanca, Spain

The 2021 Innovation Awards, organised by the Spanish Biomass Association (AVEBIOM) has awarded a second prize to Aqualia's biofactory at the Guijuelo wastewater treatment plant, classifying Aqualia's facilities as one of the three best initiatives for the recovery of renewable gases.

This acknowledgment received by the WWTP Guijuelo pays testament to its transformation of the traditional concept of treatment plants: converting these plants into biofactories with a marked impact on the regional economy, by converting waste from the WWTP and the agri-food industries into biofertilisers, bioplastics, and biomethane for car usage.

The awards were handed out at the first edition of the Renewable Gas Show, which took place as part of the Expobiomasa convention in Valladolid, which brought together the professional sector across Spain related to biomass as a sustainable resource for the future.

Aqualia earns the "10th Business Initiative Award" from the General Council of ASEMPAL

The Almeria Business Confederation grants Aqualia "10th Business Initiative Award" in 2021. This award recognises the commitment made by Aqualia in Almeria to smart and sustainable water management, both in terms of the environment and the economy and society. At the awards ceremony, particular mention was made of the significant investment by Aqualia to bring the Mar de Alborán desalination plant online, in addition to innovations projects to foster the circular economy.

Annexes

ANNEX 1: ABOUT THIS REPORT / ANNEX 2: MATERIAL ISSUES / ANNEX 3: VERIFICATION REPORT / ANNEX 4: GRI STANDARDS CONTENT INDEX / ANNEX 5: GRI-SASB REFERENCES / ANNEX 6: GLOBAL COMPACT / ANNEX 7: DATA BREAKDOWN BY COUNTRY



In accordance with the company's commitment to establishing basic sustainability pillars on which to work and internalise the reporting culture, transparency and corporate responsibility management, Aqualia has prepared a **REPORT Corporate Social Responsibility Report every year since 2009.**

ANNEX 1

About this report

In response to the requirements and expectations of the different stakeholders, and in accordance with the company's commitment to establishing basic sustainability pillars on which to work and internalise the reporting culture, transparency and corporate responsibility management, Aqualia has prepared a Corporate Social Responsibility Review every year since 2009.

This report, which includes the organisation's management and commitments regarding the most significant financial and non-financial issues in 2021, has been prepared in accordance with GRI Standards, applying the version indicated in the GRI Content Index. This has entailed the inclusion of indicators such as GRI 2-24 (Inclusion of policy commitments) pursuant to which the company reports on the 2021-2023 Strategic Sustainability Plan and the commitments set out therein. Furthermore, due to the removal of the core and comprehensive option, the reformulation of the former GRI 103 strengthens the importance granted to GRI 3-1 (Process for determining material issues), 3-2 (List of material issues) and 3-3 (Management of material issues) and represents an exercise of transparency by the company. This report was verified by an independent external entity (AENOR).

In follow-up for the guidelines established by GRI the following principles were complied with, so the requirements demanded by the standard are guaranteed:

- **Inclusion of stakeholders:** The company has prioritised the different groups and subgroups of interest pursuant to the Mitchell method and has two-way channels of communication with them, as described in section 3.3, where this year the stakeholders and main channels of dialogue are included by geographical region.
- **Sustainability context:** This report was conceived as an instrument that reflected the activity and performance of the company, with the integration of the three main axes for sustainability: economic development, social justice and environmental balance.

- **Materiality:** To identify the 17 important issues, the most recent reports have involved active listening to Aqualia's different stakeholders, which in 2021 has been expanded to all geographical regions in which Aqualia operates. This is as expressed in the methodology indicated in section 3.4 "Materiality analysis: action and listening as a strategic base", which explains the added value for each of the phases and the material issues are listed in the annex.

- **Comprehensiveness:** In the preparation of this report, the collaboration of the company's main management areas was requested, with the intention of gathering together all the organisation's significant and strategic issues.

The application of the GRI principles that determine the quality of the report were also taken into account: accuracy, balance, clarity, comparability, reliability and timeliness.

In line with the past two years, the reporting methodology has been enriched by applying the methodology proposed by the International Integrated Reporting Council (IRC) to prepare integrated reports from the perspective of identifying the capital that the organisation has or manages and using them to explain how value is created for society.

In relation to 2021, Aqualia has made efforts to report on its performance in the different countries it operates in, providing activity indicators for all of them. This is reflected throughout the document, in which total consolidated data is provided for Aqualia in relation to the different standards and breakdown by country.

The quantitative information provided in the different areas include 100% of the consolidated information for dependent entities, for joint-venture operations (only JVs and EIGs) in proportion to the shareholding and do not include information for those companies in which there is no control. Changes to calculations and the scope of the information are commented on in each particular case.



It should be noted that in 2021, correspondence has been included between the Standard 2021 GRI Content Index and SASB sectoral indicators, maintaining the table of compliance with the Principles of the Global Compact of which Aqualia is a full member and which is presented every year in its progress report. Unlike other years, reference has been made to the specific chapters and sections in which information can be found.

Finally, it should be noted that the report has been structured pursuant to the 2021-2023 Strategic Sustainability Plan. This publication responds to the need to communicate the 2021-2023 Strategic Sustainability Plan and its performance in 2021 to the entire Aqualia staff and to all stakeholders.

ANNEX 2

Material issues

In 2021, the most significant issues for stakeholders were as follows:

SCOPES



ENVIRONMENTAL



GOVERNANCE



LABOUR



SOCIAL


Issue	Scope	Explanation of materiality	Strategic lines	SDG and goals associated with the strategic lines
Climate change and responsible energy consumption		GRI 302 GRI 305	SL2P2.1 SL2P2.2 SL2P2.3 SL2P2.4 SL2P2.5	SDG 7.2 SDG 13.2
Innovative and eco-friendly solutions		GRI 302, 303, 304, 305, 306 GRI 203	SL2P4.1 SL2P4.2	SDG 6.3 SDG 6.4 SDG 9.1 SDG 12.4 SDG 13.1
Environmental awareness and raising awareness on how to sustainably use resources		GRI 413	SL2P4.3 SL1P1.1	SDG 12.8 SDG 13.3
Biodiversity		GRI 304	SL2P3.1 SL2P3.2	SDG 6.6 SDG 15.5
The circular economy of water and efficient natural-resource management		GRI 303 GRI 306	SL2P1.1 SL2P1.2 SL2P4.1 SL2P4.2	SDG 6.3 SDG 6.4 SDG 9.1 SDG 12.4 SDG 13.1
Transparency		GRI 201 GRI 207	SL1P1.1 SL1P2.1 SL1P3.1 SL1P3.2	SDG 12.8 SDG 13.3 SDG 16.6
Developing the ethical-management model (compliance) and ethical-culture training		GRI 205	SL5P1.1 SL5P1.2 SL5P2.1 SL5P2.2 SL5P2.3	SDG 16.5 SDG 16.6
Supplier relationships, assessment and approval		GRI 204 GRI 308 GRI 412 GRI 414	SL5P3.1 SL5P3.2 SL5P3.3 SL6P3.1 SL7P1.3	SDG 8.3 SDG 16.6

Issue	Scope	Explanation of materiality	Strategic lines	SDG and goals associated with the strategic lines
Professional development and technological employability		GRI 401 GRI 404 GRI 405	SL4P4.1	SDG 8.5
Safety, occupational health and well-being of the employee		GRI 403	SL4P3.2	SDG 8.8
Equal opportunities, diversity and work-life balance		GRI 405 GRI 406	SL4P2.1 SL4P3.1	SDG 5.5 SDG 8.5
Having suitable infrastructure and management to tackle the challenges posed by present-day society (such as climate, technological, digital and social challenges)		GRI 413 GRI 203	SL3P1.1 SL3P1.2 SL3P2.1 SL3P3.1 SL3P3.2 SL3P5.1 SL1P2.1	SDG 9.9b SDG 9.4 SDG 12.5 SDG 11.b SDG 12.8 SDG 13.3
Using technology to improve the quality of the water service		GRI 416	SL3P1.1 SL3P1.2 SL3P2.1 SL3P3.1 SL3P3.2 SL3P5.1 SL1P2.1	SDG 6.4 SDG 9.9b SDG 9.4 SDG 12.5 SDG 11.b SDG 12.8 SDG 13.3
Access to water		GRI 303 GRI 413	SL6P1.1.1 SL6P1.2.1 SL6P1.2.2 SL6P1.2.4	SDG 6.1
Promoting and respecting human rights, and creating stable employment		GRI 401 GRI 412	SL6P3.1 SL7P1.3	SDG 8.3
Collaboration and public-private partnerships		GRI 413	SL7P1.4 SL7P1.2 SL7P1.36 SL7P1.5 SL7P1.6	SDG 17.5 SDG 17.7 SDG 17.14 SDG 17.17
Social action, local development and company involvement in social initiatives		GRI 203 GRI 413	SL6P1.2.4 SL7P1.1 SL7P1.2 SL7P1.4 SL7P1.6	SDG 6.1 SDG 6.2 SDG 17.5 SDG 17.7 SDG 17.14 SDG 17.17

ANNEX 3

Verification report

AENOR
Confía




VERIFICATION OF THE
SUSTAINABILITY REPORT

VMS-2022/0016


AENOR has verified that the organisation's Sustainability Report

FCC AQUALIA, S.A

Report title: 2021 AQUALIA SUSTAINABILITY REPORT. ACT.
Reporting period: Period: 2021
Issue date: 2022-05-27



AENOR INTERNACIONAL S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 60 00.- www.aenor.com



Rafael GARCÍA MEIRO
Director General



ANNEX II

GRI Standards Content Index

GRI 2 – General contents

GRI Standard	Description	Associated chapter	Omissions	SDG
The organisation and its reporting practices				
2-1	Details of the organisation	FCC Aqualia, S.A. In the document, the Aqualia trademark will be used. The company's head office is located at Avda. del Camino de Santiago 40, 28050, Madrid. Spain 2.1. Business model		
2-2	Entities included in the organisation's sustainability report	https://www.aqualia.com/documents/14152670/14224464/FCC+Aqualia+Consolidadas+Audit+2021.pdf/0c2c75b7-5d92-2d59-09ee-31785caa2e49?t=1646998329901		
2-3	Reporting period, frequency and point of contact	Annual Annex 1. About this report www.aqualia.com		
2-4	Restatements of information	Changes to calculations and the scope of the information are commented on in each particular case		
2-5	External guarantee	Annex 1. About this report		
Activities and workers				
2-6	Activities, value chain and other business relations	Chap. 2. Section 2.1: Business model and strategic outlook		
2-7	Employees	6.1. Structured around generating a quality work environment and well-being		8.5 10.3
2-8	Subcontracted workers	In approximately 90% of activities relating to civil engineering works that require specialised machinery, labour needs to be subcontracted.		8.5 10.3
Governance				
2-9	Governance structure and members	Chapter 3. Section 3.1: Transparency and good governance		16.7
2-10	Appointment and selection of the highest governance body	The by-laws in force at FCC Aqualia have been entered into the Companies Register and are in the public domain.		16.6 5.5 16.7
2-11	Chair of the highest governance body	Chap. 3. Section 3.1: Transparency and good governance		
2-12	Role of the highest governing body in the supervision of impact management	The by-laws in force at FCC Aqualia have been entered into the Companies Register and are in the public domain.		16.7
2-13	Delegation of responsibility for impact management	Chap. 1. Interview with the CEO		

GRI Standard	Description	Associated chapter	Omissions	SDG
2-14	Role of the highest governing body in sustainability reporting	Outstanding Chap. 1. Interview with the CEO		
2-15	Conflicts of interest	a) 3.1 Transparency and good governance: sustainable growth guarantee) "The declaration made by the secretary to the Council, pursuant to Art. 229 of the Spanish Limited Liability Companies reports on the identification of conflicts of interest reported in relation to points i and ii; this declaration is included in the annual financial statements. As regards cases ii and iii, the conflicts of interest detected are reported internally to those responsible for managing them." c) Compliance model		16.6
2-16	Communicating critical concerns	Chap. 1. Interview with the CEO Chap. 3. Section 3.4: Materiality analysis		
2-17	Collective knowledge of highest governance body	Chap. 1. Interview with the CEO Chap. 3. Section 3.4: Materiality analysis		
2-18	Assessment of the highest governing body's actions	The by-laws in force at FCC Aqualia have been entered into the Companies Register and are in the public domain.		
2-19	Remuneration policies	Article 22: Aqualia's by-laws: Directors do not receive any remuneration for their management activities.		
2-20	Process for determining remuneration	Article 22: Aqualia's by-laws: Directors do not receive any remuneration for their management activities.		16.7
2-21	Ratio of total annual remuneration	This information has not been provided as by publishing this ratio, it would be possible to calculate the salary of the company's CEO, which is currently confidential.		
Strategy, policies and practices				
2-22	Declaration on the sustainable development strategy	Chap. 1. Interview with the CEO Chap. 4. Section 2: Master Sustainability Plan		
2-23	Policy commitments	4.1. Anticipation as the key for detecting opportunities 4.2.1. Our commitment to sustainability		16.3
2-24	Inclusion of policy commitments	4.2.1. Our commitment to sustainability		
2-25	Processes for remediating negative impacts	4.1. Anticipation as the key for detecting opportunities 7.1. Digitalisation as part of end-to-end water management		

GRI Standard	Description	Associated chapter	Omissions	SDG
2-26	Mechanisms for requesting advice and expressing concerns	3.1.3.c. Whistleblowing channel		16.3
2-27	Compliance with the laws and regulations	In 2020: €113,697 in environmental fines. In 2021: €88,728 in environmental fines. In 2020: €4,570 in health and social care fines. In 2021: €14,346 in health and social care fines. In 2021, no fines or monetary sanctions were received (incapacity).		16.3
2-28	Membership of associations	Annex 7.		
Participation of the interested parties				
2-29	Approach to stakeholder engagement	3.3. Transparent communication and dialogue with stakeholders 3.4. Materiality analysis: action and listening as a strategic base		
2-30	Collective bargaining agreements	6.4.1.c) Quality employment: Collective bargaining, Labour Relations and Personnel administration		8.8

GRI 3 – Material aspects

GRI Standard	Description	Associated chapter	Omissions	SDG
The organisation and its reporting practices				
3-1	Process for determining material aspects	3.4. Materiality analysis: action and listening as a strategic base		
3-2	List of material aspects	3.4. Materiality analysis: action and listening as a strategic base		
3-3	Management of material aspects	Annex 2: Material issues		

GRI 200 – Economic standards

GRI Standard	Description	Associated chapter	Omissions	SDG
201 Economic performance 2016 Associated material issues: Transparency				
3-3	Management of material aspects	3.2. Transparency and good governance 3.3. Transparent communication		
201-1	Direct economic value generated (VEG) and distributed (VED)	2.4. Creating value for society: main figures		8.1 8.2 9.1 9.4 9.5
201-2	Financial implications and other risks and opportunities due to climate change	4.1. Anticipation as the key for detecting opportunities: The water market in the climate emergency		
201-4	Financial assistance received from government	2.4. Creating value for society: main figures		
203 Indirect economic impacts 2016 Associated material issues: Innovative and eco-friendly solutions; Having suitable infrastructure and management to tackle the challenges posed by present-day society (such as climate, technological, digital and social challenges, etc.); Social action, local development and company involvement in social initiatives.				
3-3	Management of material aspects	5.6. Innovation to protect ecosystems and combat climate change 7.1.1. Management approach: Aqualia LIVE 8. Social impact and creation of partnerships		
203-1	Infrastructure investments and services supported	7.1. Digitalisation as part of end-to-end water management		9.1 11.2
203-2	Significant indirect economic impacts	8.2. Commitment to society		1.4 8.2 8.3 8.5
2016 Procurement practices Associated material issues: Supplier relationships, assessment and approval				
3-3	Management of material issue	3.2.1. Supplier approval process		
204-1	Proportion of spending on local suppliers	3.2. Responsible supply chain		8.3
2016 Anti-corruption Associated material issues: Developing the ethical-management model (compliance) and ethical-culture training				
3-3	Management of material issue	3.1.3. Compliance model ; 3.1.3. d) Compliance training		
205-1	Operations assessed for risks related to corruption	3.1. Transparency and good governance: sustainable growth guarantee		16.5

GRI Standard	Description	Associated chapter	Omissions	SDG
205-2	Communication and training about anti-corruption policies and procedures	3.1. Transparency and good governance: sustainable growth guarantee Breakdown by country Annex tables		16.5
205-3	Confirmed incidents of corruption and actions taken	In 2021, no cases relating to corruption were reported via the Whistleblowing Channel.		16.5
2019 Taxes				
Associated material issues: Transparency				
3-3	Management of material issue	3.1.3. Compliance model. f) Taxation. And ref. FCC Group Report 2021.		
207-1	Tax approach	3.1.3. f) Taxation. Special care must be paid with payments and collections from 0, whose destination is bank accounts, persons or entities domiciled in tax havens (Aqualia's Code of Ethics)		8.8
207-2	Tax governance, risk control and management	3.1.3. f) Taxation. Senior management at the FCC Group reviews the relevant decisions in relation to taxation and promotes transparency		
207-3	Participation of stakeholders and management of tax concerns	3.1.3. f) Taxation		

GRI 300 – Environmental standards

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Energy				
Associated material issues: Climate change and responsible energy consumption, Innovative and eco-friendly solutions				
3-3	Management of material issues	5.1. A management system for integrated sustainability 5.3. Energy efficiency and reduction of emissions 5.6. Innovation to protect ecosystems and combat climate change		
302-1	Energy consumption within the organisation	5.3.3. Improved energy efficiency in energy generation and facilities Breakdown by country in Annexes		7.2 7.3 8.4 12.2 13.1
302-2	Energy consumption outside the organisation	5.3.3. Improved energy efficiency in energy generation and facilities		
302-3	Energy intensity	5.3.3. Improved energy efficiency in energy generation and facilities		7.3 8.4 12.2 13.1

GRI Standard	Description	Associated chapter	Omissions	SDG
302-4	Reduction of energy consumption	5.3.3. Improved energy efficiency in energy generation and facilities		7.3 8.4 12.2
302-5	Reduction in energy requirements of products and services	5.3.3. Improved energy efficiency in energy generation and facilities		7.3 12.2 13.1
2018 Water				
Associated material issues: Innovative and eco-friendly solutions, Circular water economy and efficient natural-resources management, Access to water				
3-3	Management of material issues	5.2.1. Water footprint: the key to fighting desertification 5.6.1. Circular economy: key to decarbonisation 5.6.2. Environmental innovation to combat climate change 7.1.1. Management approach: Aqualia LIVE		
303-1	Interactions with water as a shared resource	5.2. Reduction of water consumption		6.3 6.4 6.a 6.b
303-2	Management of impacts relating to water discharges	5.2. Reduction of water consumption		6.3
303-3	Water abstraction	5.2. Reduction of water consumption		
303-4	Water discharge	5.2. Reduction of water consumption		6.3
2016 Biodiversity				
Associated material issues: Innovative and eco-friendly solutions. Biodiversity				
3-3	Management of material issue	5.4. Ecosystem protection and recovery. Biodiversity 5.6.2. Environmental innovation to combat climate change		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5.4. Ecosystem protection and recovery. Biodiversity Expanded breakdown in Annexes		6.6 15.1 15.5
304-2	Significant impacts of activities, products and services on biodiversity	30/08/2021: 1 spill outside the permitted parameters at WWTP Prados, located in the special conservation area of the River Miera (ES1300015: River Miera)		6.6 14.2 15.1 15.5
304-3	Habitats protected or restored	5.4. Ecosystem protection and recovery. Biodiversity		6.6 14.2 15.1 15.5

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Emissions				
Associated material issues: Climate change and responsible energy consumption, Innovative and eco-friendly solutions				
3-3	Management of material issues	5.3.1. Energy consumption and management		
305-1	Direct GEI emissions	5.3.1. Carbon footprint calculation and Action plan to reduce GHG emissions in Spain in 2020-22		3.9 12.4 13.1
305-2	Indirect (scope 2) GHG emissions when generating energy	5.3.1. Carbon footprint calculation and Action plan to reduce GHG emissions in Spain in 2020-22		3.9 12.4 13.1
305-3	Other indirect (scope 3) GHG emissions	5.3.1. Carbon footprint calculation and Action plan to reduce GHG emissions in Spain in 2020-22		3.9 12.4 13.1
305-4	GHG emissions intensity	5.3.1. Carbon footprint calculation and Action plan to reduce GHG emissions in Spain in 2020-22		
305-5	Reduction of GHG emissions	5.3.1. Carbon footprint calculation and Action plan to reduce GHG emissions in Spain in 2020-22		
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions	2020: 84.1 t NOx and 36.2 t SOx 2021: 68.8.1 t NOx and 9.2 t SOx		3.9 12.4
2020 Waste				
Associated material issues: Innovative and eco-friendly solutions, Circular water economy and efficient natural-resources management				
3-3	Management of material issues	5.6.1. Circular economy: key to decarbonisation 5.6.2. Environmental innovation to combat climate change		
306-1	Waste generation and significant waste-related impacts	5.6.1.a) Circular economy: key to decarbonisation		6.3 6.4 6.6 12.4 14.1
306-2	Waste generation and significant waste-related impacts	5.6.1.a) Circular economy: key to decarbonisation		3.9 6.3 12.4 12.5
306-4	Waste not disposed of	5.6.1.a) Circular economy: key to decarbonisation		3.9 6.3 12.4 12.5
306-5	Waste disposed of	5.6.1.a) Circular economy: key to decarbonisation		3.9 6.3 12.4 12.5

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Supplier environmental assessment				
Associated material issues: Supplier relationships, assessment and approval				
3-3	Management of material issue	3.2. Responsible supply chain		
308-1	New suppliers that were screened using environmental criteria	3.2. Responsible supply chain In 2021, 2.84% of Aqualia suppliers passed the official approval process implemented recently.		3.9 12.4 13.1
308-2	Negative environmental impacts in the supply chain and actions taken	3.2. Responsible supply chain In 2021, the company ceased collaborating with a company that posed a high quality and environmental risk.		3.9 12.4 13.1
2016 Employment				
Associated material issues: Professional development and technological employability; Promoting and respecting human rights, and creating stable employment				
3-3	Management of material issues associated with the 400	3.1.2. Values, culture and Code of Ethics 3.2. Responsible supply chain 6.3. Employability and personal development for our professionals 8.2.1. Access and quality in critical situations		
401-1	New employee hires and employee turnover	6.1. Structured around generating a quality work environment and well-being		5.1 8.5 8.6 10.3
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits are independent of the employment arrangement and include the following: Subsidised loans, life insurance, accident insurance and family aid		3.2
401-3	Parental leave	Annex 7		5.1
2018 Occupational health and safety				
Associated material issues: Safety, occupational health and well-being of the employee				
3-3	Management of material issue	6.4. Preventive leadership		
403-1	Occupational health and safety management system	6.4. Preventive leadership		8.8
403-2	Hazard identification, risk assessment and the investigation of incidents	6.4. Preventive leadership		8.8
403-3	Occupational health service	6.4. Preventive leadership		3.3 3.7 8.8

GRI Standard	Description	Associated chapter	Omissions	SDG
403-4	Worker participation, consultation and communication regarding occupational health and safety	6.4. Preventive leadership		8.8 16.7
403-5	Training of workers on occupational health and safety	6.4. Preventive leadership		8.8
403-6	Promoting the health of workers	6.4. Preventive leadership		3.8
403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through commercial relationships	6.4. Preventive leadership		8.8
403-8	Workers covered by a prevention of risks at work system	6.4. Preventive leadership		8.8
403-9	Work-related injuries	6.4. Preventive leadership		3.9 8.8 16.1
403-10	Occupational illnesses and diseases	6.4. Preventive leadership		3.9
2016 Training and teaching				
Associated material issues: Professional development and technological employability				
3-3	Management of material issue	6.3. Employability and personal development for our professionals		
404-1	Average hours of training per year per employee	3.1.3. f) Taxation. Special care must be paid with payments and collections from 0, whose destination is bank accounts, persons or entities domiciled in tax havens (Aqualia's Code of Ethics)		4.3 4.5 8.2 8.5 10.3
404-2	Programs for upgrading employee skills and transition assistance programs	3.1.3. f) Taxation. Senior management at the FCC Group reviews the relevant decisions in relation to taxation and promotes transparency		8.2 8.5
404-3	Percentage of employees receiving regular performance and career development reviews	Project stopped due to health crisis		5.1 8.5 10.3

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Diversity and equal opportunities				
Associated material issues: Professional development and technological employability; Equal opportunities, diversity and work/life balance				
3-3	Management of material issue	6.2. Equality and diversity 6.3. Employability and personal development for our professionals		
405-1	Diversity of governance bodies and employees	6.1. Structured around generating a quality work environment and well-being		5.1 5.5 8.5
405-2	Ratio of basic salary and remuneration of	6.1. Structured around generating a quality work environment and well-being		5.1 8.5 10.3
2016 Non-discrimination				
Associated material issues: Equal opportunities, diversity and work-life balance				
3-3	Management of material issue	3.1. Transparency and good governance: sustainable growth guarantee c. Compliance model		
406-1	Incidents of discrimination and corrective actions taken	3.1. Transparency and good governance: sustainable growth guarantee c. Compliance model		
2016 Human rights assessment				
Associated material issues: Supplier relationships, assessment and approval; Promoting and respecting human rights, and creating stable employment				
3-3	Management of material issue	3.2. Responsible supply chain		
412-1	Operations that have been subject to human rights reviews or impact assessments	3.2. Responsible supply chain Section: Supplier due diligence process		
412-2	Employee training on human rights policies or procedures	3.1. Transparency and good governance. C. Compliance training		
412-3	Significant investment agreements and contracts that include human rights clauses	All contracts with suppliers		

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Local communities				
Associated material issues: Environmental awareness and raising awareness on how to sustainably use resources; Having suitable infrastructure and management to tackle the challenges posed by present-day society (such as climate, technological, digital and social challenges, etc.); Access to water; Collaboration and public-private partnerships; Social action, local development and company involvement in social initiatives				
3-3	Management of material issues	5.5. Raising awareness amongst citizens 5.6.2. Environmental innovation to combat climate change 8.1. Guaranteeing access to water/Guaranteeing social sustainability 8.2.4. Public-private partnerships to guarantee water for everybody 8.3. Social action: Social action plan		
413-1	Operations with local community engagement, impact assessments and development programmes	8. Social impact and creation of partnerships 8.2. Commitment to society and users Transfer of knowledge for a more conscious society. Public-private partnerships to guarantee water for everybody.		2.3
413-2	Operations with significant, actual or potential, negative impacts on local communities	There are no operating centres that have or could have significant negative impacts on local communities.		
2016 Supplier social assessment				
Associated material issues: Supplier relationships, assessment and approval				
3-3	Management of material issues	3.2. Supply chain		
414-1	New suppliers that were screened using social criteria	3.2. Supply chain Suppliers in figures In 2021, 2.84% of Aqualia suppliers passed the official approval process implemented recently.		5.2 8.8 16.1
414-2	Negative social impacts on the supply chain and action taken	In 2021, the company ceased collaborating with a supplier that appeared on the ASNEF list as having filed for bankruptcy.		5.2 8.8 16.1

GRI Standard	Description	Associated chapter	Omissions	SDG
2016 Customer health and safety				
Associated material issues: Using technology to improve the quality of the water service				
3-3	Management of material issues	7.1. Digitalisation as part of end-to-end water management		
416-1	Assessment of the health and safety impacts of product and service categories	100%		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2020: €4,570 2021: €14,346	Spain	16.3
Customer privacy				
3-3	Management of material issues	7.1. Digitalisation as part of end-to-end water management		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of cases of customer data leaks, losses or theft identified 2020: 10 2021: 6	Spain and Portugal	

ANNEX 5

GRI-SASB references

Issue	Indicator	Description	GRI
Inherent to activity	IF-WU-000.B	Total water obtained, percentage by source	303-3
Inherent to activity	IF-WU-000.E	Length of (1) water pipelines and (2) sewerage pipes	N/A, own
Energy management	IF-WU-130a.1	(1) Total energy consumed, (2) network electricity percentage, (3) percentage of renewable energy	302-1 302-2
Distribution network efficiency	IF-WU-140a.2	Volume of real, non-remunerated water losses	N/A, own
Effluent quality management	IF-WU-140b.1	Number of non-compliance incidents relating to water quality permits, standards and regulations	GRI 2-27 GRI 416
Effluent quality management	IF-WU-140b.2	Analysis of emerging interest effluent management strategies	GRI 303-2
Affordability and access to water	IF-WU-240a.4	Analysis of the impact of external factors on the affordability of water for customers, including financial conditions in the region in which the service is provided	GRI 303-1
Quality of drinking water	IF-WU-250a.1	Number of infractions in relation to drinking water that are (1) major in relation to health (2) minor in relation to health and (3) unrelated to health	GRI 416
Quality of drinking water	IF-WU-250a.2	Analysis of emerging interest drinking water pollutant management strategies	GRI 303-2
Efficient end use	IF-WU-420a.1	Percentage income from water services related to tariff structures designed to promote conservation and the recovery capacity of income	GRI 413
Resilience of the water supply	IF-WU-440a.1	Total water from regions with high or extremely high initial water stress, percentage acquired externally	GRI 303-3
Resilience of the water supply	IF-WU-440a.2	Volume of recycled water supplied to clients	GRI 303-3
Resilience of the water supply	IF-WU-440a.3	Analysis of quality-related risk management strategies and availability of water resources	GRI 303-1
Network resilience and the effects of climate change	F-WU-450a.4	Description of the efforts to identify and manage risks and opportunities related to the effects of climate change at distribution and wastewater infrastructures	GRI 303-1

ANNEX 6

Global Compact

Subject	Principles of the Global Compact	Chapter for the associated report
Human rights	1. Protection of human rights	6.1. Structured around generating a quality work environment and well-being (page 104)
		5.5. Raising awareness amongst citizens (page 86)
		8.1. Guaranteeing access to water. Guaranteeing social sustainability (page 149)
Labour regulations	2. Non-complicity in the violation of human rights	8.3. Together towards sustainable water management (page 157)
		3.1. Transparency and good governance: sustainable growth guarantee (page 34)
		3.1. Transparency and good governance: sustainable growth guarantee (page 34)
Environment	3. Freedom of affiliation and right to collective bargaining	6.4. Preventive leadership (page 120)
		4. Elimination of forced labour
		3.1. Transparency and good governance: sustainable growth guarantee (page 34)
Anti-corruption	4. Eradication of child labour	6.4. Preventive leadership (page 120)
		5. Eradication of child labour
		3.1. Transparency and good governance: sustainable growth guarantee (page 34)
Environment	6. Fight against discrimination in employment	6.4. Preventive leadership (page 120)
		6.2. Equality, diversity (page 109)
		4.1. Anticipation as the key for detecting opportunities: the water market in the climate emergency (page 54)
Environment	7. Preventive approach	5.1. A management system for integrated sustainability (page 66)
		4.1. Anticipation as the key for detecting opportunities: the water market in the climate emergency (page 54)
		5.1. A management system for integrated sustainability (page 66)
Anti-corruption	8. Environmental responsibility	5. Decade of Action to care for the planet: mitigation and adaptation to climate change (page 64)
		7. Technology and digitalisation for an integrated service (page 126)
		3. Sustainable and transparent governance (page 32)
Anti-corruption	9. Technologies that respect the environment	10. Fight against corruption, extortion and bribery
		3. Sustainable and transparent governance (page 32)
		3. Sustainable and transparent governance (page 32)

ANNEX 7

Data breakdown by country

GRI 2-28 MEMBERS OF ASSOCIATIONS

ASSOCIATION	SCOPE	SDG
Spanish Water Supply and Sanitation Association - AEAS	Spain	6
		17
Spanish Association for Desalination and Re-use - AEDyR	Spain	6
		12
Spanish Association of Urban Water Services Management Companies - AGA	Spain	6
		17
IMDEA	Spain	6
		9
		17
Spanish Chamber of Commerce	Spain	17
National Water Council - CNA	Spain	17
Association of Infrastructure Construction and Concessionary Companies -SEOPAN-AGUA	Spain	17
Spanish Association for the Defence of Water Quality - ADECAGUA	Spain	9
		17
Oviedo Chamber of Commerce	Asturias	17
Catalonia Water Services Association - ASAC	Catalonia	6
		17
Water Supply Association - AAA	Catalonia	6
		17
Catalan Water Partnership - CWP	Catalonia	17
Industrial Association for Net Production - AIPN	Catalonia	9
		17
Association of Technical and High-Pressure Cleaning (ALTAP)	Catalonia	6
		17
Association of Employers of the Water Industry in the Balearic Islands - ASAIB	Balearic Islands	17
Ibiza and Formentera Water Alliance	Balearic Islands	17
Community of Valencia Water Supply and Sanitation Association - AVAS	Autonomous Community of Valencia	17
ZINNAE - Urban Cluster for the Efficient Use of Water	Aragón	6
		9
		17
Andalusian Water and Sanitation Association - ASA	Andalusia	6
		17
CENTA Foundation	Andalusia	6
		9
		17

ASSOCIATION	SCOPE	SDG
Business Confederation of the province of Almeria	Andalusia	17
Asinal	Andalusia	4
		17
Almeria Chamber of Commerce	Andalusia	17
Association of Merchants and Entrepreneurs of Benalmádena - ACEB	Andalusia	17
Confederation of employers in the province of Cádiz - CEC	Andalusia	17
		6
Canary Islands Water Centre Foundation - FCCA	Canary Islands	9
		17
Canary Island Association of Urban Water Distribution and Treatment Employers for the Province of Las Palmas - ADITRAGUA	Canary Islands	17
Confederation of business organisations in the province of Badajoz - COEBA	Extremadura	17
International Desalination Association - IDA	International	6
		9
International Water Association - IWA	International	17
		6
European Federation of Water and Sanitation Associations - EUREAU	Europe	17
Smart Water Networks Forum - SWAN	International	6
		9
International Federation of Private Water Operators - AquaFed	International	17
		6
Ditchley Foundation Water Advisory Committee	Europe	17
Isle Utilities TAG (Technology Approval Group), World Water Innovation Fund (WWIF) and Water Action Platform	International	6
		9
Portuguese Association of Water and Wastewater Services - APDA	Portugal	17
		6
Portuguese Companies Association for the Environment Sector - AEPSA	Portugal	9
		13
Federation of Energy, Water and Environmental Services - UTILITALIA	Italy	17
Water Supply and Sewerage Association of the Czech Republic - SOVAK	Czech Republic	6
		17
Water Management Association of the Czech Republic - SVH	Czech Republic	6
		17
Czech Society for Trenchless Technology - CZSTT	Czech Republic	9
		17

ASSOCIATION	SCOPE	SDG
Moravian-Silesian Regional Development Association	Czech Republic	17
Water Supply and Sewerage Association of the Czech Republic - APROVAK	Czech Republic	6 17
Confederation of Industry of the CR	Czech Republic	17
Czech Chamber of Commerce	Czech Republic	17
Association Scientifique et Technique pour l'Eau et l'Environnement	France	6 11 17
Fédération des Distributeurs d'Eau Indépendants	France	6 17
Fédération Professionnelles des Entreprises de l'Eau	France	6 17
National Association of Water and Sanitation Utilities of Mexico - ANEAS	America	6 17
Latin American Association of Desalination and Water Re-use - ALADYR	America	6 9 17
Water Environment Federation - WEF	America	6 9 17
Association of Public Services of Colombia - ANDESCO	America	6 17

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST GOVERNING BODIES

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	27	27	27	100%	100%
2021	27	27	27	100%	100%
2020	0	27	27	0%	100%
20/21	-	0	0	-	0 pp

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST EMPLOYEES

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	3,179	2,795	7,297	44%	38%
Saudi Arabia	-	1	156	0%	1%
Czech Republic	736	405	1,010	73%	40%
Chile	-	3	10	0%	30%
Colombia	411	104	588	70%	18%
Egypt	-	-	93	0%	0%
United Arab Emirates	-	-	316	0%	0%
France	78	65	96	81%	68%
Italy	216	215	218	99%	99%
Mexico	-	34	83	0%	41%
Montenegro	3	-	3	100%	-
Panama	-	1	1	0%	100%
Peru	4	4	4	100%	100%
Portugal	102	45	102	100%	44%
Romania	2	-	4	50%	0%
2021	4,731	3,672	9,981	47%	37%
2020	3,235	1,789	10,525	31%	17%
20/21	46%	105%	-5%	16.66 pp	20 pp

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST DIRECTORS

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	37	37	37	100%	100%
Czech Republic	7	7	7	100%	100%
Colombia	2	2	2	100%	100%
Italy	1	1	1	100%	100%
Portugal	1	1	1	100%	100%
2021	48	48	48	100%	100%

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST TECHNICAL STAFF

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	666	629	928	72%	68%
Saudi Arabia		-	115	0%	0%
Czech Republic	124	131	167	74%	78%
Chile	-	3	3	0%	100%
Colombia	301	41	390	77%	11%
Egypt	-	-	3	0%	0%
United Arab Emirates	-	-	210	0%	0%
France	21	19	25	84%	76%
Italy	36	36	36	100%	100%
Mexico	-	16	21	0%	76%
Montenegro	2	2	2	100%	
Peru	2	2	2	100%	100%
Portugal	10	7	10	100%	70%
Romania	-	-	2	0%	0%
2021	1,162	900	1,932	60%	47%

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST ADMINISTRATIVE CLERKS

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	911	888	960	95%	93%
Saudi Arabia		-	25	0%	0%
Czech Republic	122	132	152	80%	87%
Colombia	24	30	52	46%	58%
Egypt		-	21	0%	0%
United Arab Emirates		-	11	0%	0%
France	18	16	21	86%	76%
Italy	45	45	46	98%	98%
Mexico		10	11	0%	91%
Montenegro	1	-	1	100%	0%
Panama		1	1	0%	100%
Portugal	18	16	18	100%	89%
Romania	1	-	1	100%	0%
2021	1,140	1,126	1,320	86%	85%

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST OTHER POSITIONS

Country	Persons informed about policies and procedures at the organisation to combat corruption	Persons receiving training about policies and procedures at the organisation to combat corruption	Total persons in the category	Percentage receiving information	Percentage receiving training
Spain	608	329	4,288	14%	8%
Czech Republic	430	76	622	69%	12%
Chile		-	7	0%	0%
Colombia	58	9	86	67%	10%
Egypt		-	60	0%	0%
United Arab Emirates		-	91	0%	0%
France	33	24	43	77%	56%
Italy	131	130	132	99%	98%
Mexico		2	45	0%	4%
Portugal	68	16	68	100%	24%
2021	1,328	581	5,442	24%	11%

GRI 205-2 COMMUNICATION AND TRAINING WITH REGARD TO ANTI-CORRUPTION POLICIES AND PROCEDURES AMONGST BUSINESS PARTNERS

Country	Business partners receiving information about policies and procedures at the organisation to combat corruption	Agent	Industrial client	Provider (not included in Nalanda)	Partner	R&D partner	Leading partner
Spain	34	3	1	6	15	3	6
Egypt	4				4		
United Arab Emirates	1				1		
USA	2			1	1		
Montenegro	1			1			
Peru	3	1		1	1		
Portugal	2	1			1		
Korea	1				1		
Norway	1				1		
United Kingdom	3			2	1		
2021	52	5	1	11	26	3	6

GRI 302-1, 2 ENERGY CONSUMPTION

	Saudi Arabia	Algeria	Czech Republic	Egypt	United Arab Emirates	Spain	France	Italy	Portugal	Total
2020										
Fossil fuels GJ	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Petrol	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Diesel/Diesel oil	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
LPG (Liquefied Petroleum Gas)	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Natural gas	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Liquefied natural gas (LNG)	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Renewables			109,516.72			587,390.70				696,907.41
Renewable fuel	-	-	91,665.07	-	-	587,390.70	-	-	-	679,055.77
Biogas burned in boilers without electricity generation	-	-	28,383.52	-	-	164,231.96	-	-	-	192,615.48
Biogas burned in engines or turbines with electricity generation	-	63,281.56	-	-	423,158.74	-	-	-	486,440.29	-
Biomethane service stations,	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Self-produced renewable energy			17,851.64							17,851.64
From photovoltaic panels										
Using hydraulic turbines			17,851.64							17,851.64
Electricity	227,242.07	1,113,436.26	92,156.91	48,211.96	145,139.17	1,739,701.48	21,271.68	33,924.64	15,193.44	3,436,277.62
Renewable						136,674.00				136,674.00
Non-renewable	227,242.07	1,113,436.26	92,156.91	48,211.96	145,139.17	1,603,027.48	21,271.68	33,924.64	15,193.44	3,299,603.62
Renewable energy										
Non-renewable energy										
2021										
Fossil fuels GJ	-	-	30,212.24	-	66,876.48	137,335.89	1,015.80	4,885.71	999.37	241,325.49
Petrol	-	-	4,972.42	-	2,201.96	10,901.98	-	-	6.91	18,083.27
Diesel/Diesel oil	-	-	18,175.28	-	64,674.51	125,462.88	1,015.80	4,885.71	992.46	215,206.65
LPG (Liquefied Petroleum Gas)	-	-	-	-	-	961.44	-	-	-	961.44
Natural gas	-	-	7,064.54	-	-	-	-	-	-	7,064.54
Liquefied natural gas (LNG)	-	-	-	-	-	9.60	-	-	-	9.60
Renewables	-	-	97,385.95	-	-	502,648.81	-	221.04	6.70	600,262.50
Renewable fuel	-	-	78,625.64	-	-	499,236.53	-	-	-	577,862.16
Biogas burned in boilers without electricity generation	-	-	20,863.53	-	-	181,308.22	-	-	-	202,171.75
Biogas burned in engines or turbines with electricity generation	-	-	57,762.11	-	-	317,370.31	-	-	-	375,132.41
Biomethane service stations,	-	-	-	-	-	558.00	-	-	-	558.00
Self-produced renewable energy	-	-	18,760.32	-	-	3,412.28	-	221.04	6.70	22,400.33
From photovoltaic panels	-	-	-	-	-	3,072.19	-	221.04	6.70	3,299.93
Using hydraulic turbines	-	-	18,760.32	-	-	340.09	-	-	-	19,100.40
Electricity	217,998.31	1,078,073.89	91,095.08	47,678.32	63,528.25	1,856,131.39	21,066.11	32,785.01	13,823.39	3,422,179.75
Renewable						272,360.50				272,360.50
Non-renewable	217,998.31	1,078,073.89	91,095.08	47,678.32	63,528.25	1,583,770.90	21,066.11	32,785.01	13,823.39	3,149,819.25
Renewable energy										
Non-renewable energy	217,998.31	1,078,073.89	121,307.32	47,678.32	130,404.72	1,721,106.79	22,081.91	37,670.72	14,822.77	3,391,144.75

GRI 303-3 EXTRACTION OF WATER (m³)

	Saudi Arabia	Algeria	Czech Republic	Egypt	United Arab Emirates	Spain	France	Italy	Portugal	Total
2021										
Surface water (total)			56,804,444			296,223,997			286,505	353,314,947
Groundwater (total)			1,140,962			203,589,788	9,370,626	3,716,381	1,825,027	219,642,783
Seawater (total)	36,956,304	241,505,246	-	-	-	55,706,093	-	-	-	334,167,643
Brackish water (total)	-	-	-	-	-	15,239,269	-	-	-	15,239,269
Other water resulting from extraction, processing or uses of raw materials			1,789,336							1,789,336
Third party water (total)	-	-	-	-	-	244,506,168	948,342	16,511,281	3,751,411	265,717,202
Surface water (total) + Groundwater (total) + Seawater (total) + produced water (total) + third-party water (total)	34,317,065	243,800,247	59,699,258	-	-	879,927,400	9,560,873	15,274,958	5,439,639	1,248,019,440
2020										
Surface water (total)			56,848,795			337,674,546				394,523,341
Groundwater (total)			1,696,925			213,529,492	8,154,236	3,714,743	2,069,190	229,164,586
Seawater (total)	34,317,065	243,800,247	-	-	-	62,836,496	-	-	-	340,953,808
Brackish water (total)	-	-	-	-	-	22,600,766	-	-	-	22,600,766
Other water resulting from extraction, processing or uses of raw materials			1,153,538				542,576			1,696,114
Third party water (total)	-	-	-	-	-	243,286,100	864,061	11,560,215	3,370,449	259,080,825
Surface water (total) + Groundwater (total) + Seawater (total) + produced water (total) + third-party water (total)	36,956,304	241,505,246	59,734,742	-	-	815,265,315	10,318,968	20,227,662	5,862,943	1,189,871,180

WATER RECYCLED OR RE-USED

	Saudi Arabia	Algeria	Czech Republic	Egypt	United Arab Emirates	Spain	France	Italy	Portugal	Total
Total 2020				52,828,829		3,595,617				56,424,446
Total 2021				55,917,293	4,394,661	3,852,232				64,164,186

GRI 303-4 WATER DISCHARGE (m³)

	Saudi Arabia	Algeria	Czech Republic	Egypt	United Arab Emirates	Spain	France	Italy	Portugal	Total
2020										
Fresh water (total dissolved solids ≤ 1000 mg/l) m ³	0	0	57,654,028	1,914,229	6,595,191	579,218,226	-159,520	8,400,009	3,697,299	657,319,461
Other waters (total dissolved solids > 1000 mg/l) m ³	17,927,470	135,630,302	0	0	0	8,454,203	0	0	0	162,011,975
	17,927,470	135,630,302	57,654,028	1,914,229	6,595,191	587,672,429	-159,520	8,400,009	3,697,299	819,331,436
2021										
Fresh water (total dissolved solids ≤ 1000 mg/l) m ³	0	0	52,278,846	8,886,459	1,737,043	604,747,653	-470,157	9,470,695	3,690,228	680,340,767
Other waters (total dissolved solids > 1000 mg/l) m ³	18,998,316	139,075,911	0	0	0	8,747,531	0	0	0	166,821,758
	18,998,316	139,075,911	52,278,846	8,886,459	1,737,043	613,495,184	-470,157	9,470,695	3,690,228	847,162,525

NATURAL CAPITAL: INPUT

	Saudi Arabia	Algeria	Czech Republic	Egypt	United Arab Emirates	Spain	France	Italy	Portugal	Total
2020										
Gross volume of water abstracted for management	36,956,304	241,505,246	59,734,742	0	0	570,759,147	9,370,626	3,716,381	2,111,532	924,153,978
Drinking water produced	19,028,834	105,874,944	57,914,481	0	0	468,829,148	9,530,146	3,553,832	2,111,532	666,842,917
Treated water	0	0	55,833,767	52,828,829	6,294,456	561,468,101		8,047,894	3,470,304	687,943,351
Raw water purchased	0	0	59,734,742	0	0	145,951,862	365,628	0	0	206,052,232
Treated water purchased						244,506,168	948,342	16,511,281	3,751,411	265,717,202
Total water consumed in the purification and desalination processes	17,927,470	135,630,302	1,820,261			18,531,572	-159,520	0	0	173,750,085
Volume of water distributed	0	0	61,879,826			577,712,790	8,887,052	19,615,948	5,604,190	673,699,806
WWTP input water			55,833,767	54,743,058	6,595,191	572,736,473		8,400,009	3,697,299	702,005,797
2021										
Gross volume of water abstracted for management	34,317,065	243,800,247	59,699,258	0	0	636,641,300	8,696,812	3,714,743	2,069,190	988,938,615
Drinking water produced	15,318,749	104,724,336	57,856,605	0	0	515,597,526	9,166,969	3,545,670	2,069,190	708,279,045
Treated water			50,820,821	64,496,512	5,689,720	562,184,223		9,138,079	2,947,980	695,277,335
Raw water purchased	0	0	59,699,258	0	0	150,056,100	542,576	0	63	210,297,997
Treated water purchased	0	0	0	0	0	243,286,100	864,061	11,560,215	3,370,449	259,080,825
Total water consumed in the purification and desalination processes	18,998,316	139,075,911	1,842,653			23,769,354	-470,157	0	0	183,216,077
Volume of water distributed	0	0	37,422,685			578,366,619	8,542,946	18,428,061	5,085,396	647,845,707
WWTP input water			50,436,193	64,803,752	6,131,704	593,578,062		9,470,695	3,690,228	728,110,634

GRI 304-1 LIST BIODIVERSITY AREAS

Contract/Work	Name of the installation	Protected species or area affected?	Affected areas/species
Ávila	WWTP	Yes	ES4110103: Holm oak woods of the Rivers Adaja and Voltoya / ES0000190: Holm oak woods of the Rivers Adaja and Voltoya
La Bañeza	La Bañeza Bombeo Wastewater Pol. Villadela	Yes	ES0000366: Valdería-Jamuz
Rábade	WWTP Rábade	Yes	ES1120003: Parga - Ladra - Támoga
Monforte de Lemos	DWTP Ribasaltas + DWPS	Yes	ES1120016: River Cabe
Monforte de Lemos	WWTP Urbana Piñeira (+ fringe pumping)	Yes	ES1120016: River Cabe
Monforte de Lemos	WWPP Malecón	Yes	ES1120016: River Cabe
Louro	PUMPING Orbenlle - Porriño	Yes	ES1140011: Gándaras de Budiño
Louro	PUMPING A Granxa - Porriño	Yes	ES1140011: Gándaras de Budiño
Louro	PUMPING AREAS II (O ATRIO) - Tui	Yes	ES0000375: Esteiro do Miño
Louro	PUMPING Remesal - Tui	Yes	ES1140005: Monte Aloia
Redondela JV	WWPP Rande	Yes	ES1140016: Enseada de San Simón
Redondela JV	WWPP Puerto Cesantes	Yes	ES1140016: Enseada de San Simón
Redondela JV	WWPP ELEVACIÓN 1	Yes	ES1140016: Enseada de San Simón
Redondela JV	WWPP ELEVACIÓN 2	Yes	ES1140016: Enseada de San Simón
Redondela JV	WWPP ELEVACIÓN 3	Yes	ES1140016: Enseada de San Simón
Redondela JV	EDAR Redondela + Office	Yes	ES1140016: Enseada de San Simón
COSMA	WWPP Malde Vizoso	Yes	ES1110013: Xubia - Castro
COSMA	WWPP O Val	Yes	ES1110002: Costa Ártabra
COSMA	WWTP Pedroso	Yes	ES1110013: Xubia - Castro
Aguas de Alcázar	WWTP	Yes	ES4250010: La Mancha wetlands / ES0000091: La Mancha wetlands
FCC AQUALIA, SA (NIGRÁN)	WWPP Foz	Yes	ES1140003: A Ramallosa
FCC AQUALIA, SA (NIGRÁN)	WWPP Ramallosa	Yes	ES1140003: A Ramallosa
Matalascañas / El Rocío / Almonte / Polígono Industrial Matalagrana	WWTP El Rocío	Yes	ES0000024: Doñana
Matalascañas / El Rocío / Almonte / Polígono Industrial Matalagrana	WWPP Boca del Lobo El Rocío	Yes	ES0000024: Doñana

Contract/Work	Name of the installation	Protected species or area affected?	Affected areas/species
Matalascañas / El Rocío / Almonte / Polígono Industrial Matalagrana	WWPP Tamborilero El Rocío	Yes	ES0000024: Doñana
Matalascañas / El Rocío / Almonte / Polígono Industrial Matalagrana	WWPP El Toruño El Rocío	Yes	ES0000024: Doñana
Cabeza del Torcón Community of Municipalities	DWTP Torcón	Yes	ES4250005: Montes de Toledo / ES0000093: Montes de Toledo
Gestión Cangas JV	WWPP Nerga Playa	Yes	ES1140010: Costa da Vela
Gestión Cangas JV	WWPP Viñó nº1	Yes	ES1140010: Costa da Vela
Gestión Cangas JV	WWPP Viñó nº2	Yes	ES1140010: Costa da Vela
La Adrada	DWTP La Adrada	Yes	ES4110115: Valle del Tiétar / ES0000184: Valle del Tiétar
Piedralaves	DWTP Piedralaves	Yes	ES4110115: Valle del Tiétar / ES0000184: Valle del Tiétar
Piedralaves	WWTP Piedralaves	Yes	ES4110115: Valle del Tiétar / ES0000184: Valle del Tiétar
Algeciras	DWTP Bujeo	Yes	ES0000337: Strait
Algeciras water treatment	WWTP El Faro	Yes	ES0000337: Strait
Valdés	WWTP Brieves	Yes	ES1200027: River Esva
Moguer		Yes	ES6150014: Tinto Riverbanks and Marshes
Hinojos contract	WWPP Las Dueñas	Yes	ES6150009: Doñana North and West
Hinojos contract	WWTP Hinojos	Yes	ES6150009: Doñana North and West
Hinojos contract	WWTP Trebejil	Yes	ES6150009: Doñana North and West
San Juan Del Puerto	WWPP El Puente	Yes	ES6150014: Tinto Riverbanks and Marshes
San Juan Del Puerto	WWPP El Recinto Ferial	Yes	ES6150014: Tinto Riverbanks and Marshes
San Juan Del Puerto	WWPP Intermedio (WWPP Colegio)	Yes	ES6150014: Tinto Riverbanks and Marshes
San Juan Del Puerto		Yes	ES6150014: Tinto Riverbanks and Marshes
San Juan Del Puerto	WWPP P.I. Dominicano	Yes	ES6150014: Tinto Riverbanks and Marshes
DWTP Levinco	DWTP Levinco	Yes	ES1200054: River Negro and River Aller
Isla Nublar		Yes	ES6110001: Albufera de Adra / ES6110003: Sierra Maria, Los Velez / ES6140004: Sierra Nevada / ES0000506: Bahía de Almería
Caltaqua	Gela - Sollevamento Acropoli	Yes	ITA050011: Torre Manfreda
Caltaqua	Serradifalco - Sollevamento Largo San Giuseppe	Yes	ITA050003: Lago Soprano
FCC Aqualia Oviedo JV	Barrio Cataluña - Trubia	Yes	ES1200052: River Trubia
Depurteruel	WWTP Albarracín	Yes	ES2420142: Sabinar de Monterde de Albarracín

Contract/Work	Name of the installation	Protected species or area affected?	Affected areas/species
Depurteruel	WWPP Manzanera Los Cerezos	Yes	ES2420129: Sierra de Javalambre II
WWTPs municipalities in Cantabria	WWTP Pomaluengo	Yes	ES1300010: River Pas
WWTPs municipalities in Cantabria	WWTP Los Prados	Yes	ES1300015: River Miera
WWTPs municipalities in Cantabria	WWTP Selaya	Yes	ES1300010: River Pas
Cartaya	WWTP El Rompido	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Caño La Culata	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Las Dunas	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP San Miguel	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Urano	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Embarcadero	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Paseo Marítimo	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP El Faro	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP H. Fuerte	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP Marina	Yes	ES6150006: River Piedras wetlands and Flecha del Rompido
Cartaya	WWPP P.I. La Barca	Yes	ES6150028: River Piedras Statuary
Cartaya	WWPP El Corchuelo	Yes	ES6150028: River Piedras Statuary
Cartaya	WWPP La Ribera	Yes	ES6150028: River Piedras Statuary
Danone	WWTP Danone	Yes	ES3110004: Manzanares River basin
Granadilla de Abona	WWPP Los Abrigos	Yes	ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP La Roca	Yes	ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP Sotavento	Yes	ES7020049: Montaña Roja / ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP La Tejita	Yes	ES7020049: Montaña Roja

Contract/Work	Name of the installation	Protected species or area affected?	Affected areas/species
Granadilla de Abona	WWPP Los Balos	Yes	ES7020049: Montaña Roja / ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP El Muelle	Yes	ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP Los Martínez	Yes	ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP Médano Beach I	Yes	ES7020116: Sebadales del Sur de Tenerife
Granadilla de Abona	WWPP Médano Beach II	Yes	ES7020116: Sebadales del Sur de Tenerife
Municipal Water Service of Lena Town Council	WWTP Jomezana	Yes	ES1200011: Peña Ubiña
Municipal Water Service of Lena Town Council	WWTP and Septic Tank Espinedo	Yes	ES1200011: Peña Ubiña
Cañón del Río Lobos	WWTP Talveila	Yes	ES4170135: Cañón del Río Lobos
Madrigal de las Altas Torres	WWTP Madrigal	Yes	ES0000204: Tierra de Campiñas
Cañón del Río Lobos	WWTP Casarejos - Vadillo	Yes	ES4170135: Cañón del Río Lobos
Louro	PUMPING O Cerquido - Salceda	Yes	ES1140011: Gándaras de Budiño
Monforte de Lemos	WWPP Levamos	Yes	ES1120016: River Cabe
Sant Joan de Labritja	WWTP Portintax	Yes	ES5310033: Xarraca
Agua de Langreo S.L.	DWTP Lorenzo Velasco (Entralgo)	Yes	ES1200039: Cuencas Mineras
Santa Cruz de Bezana	WWPP San Juan de la Canal	Yes	ES1300004: Lienres dunes and River Pas estuary
Santa Cruz de Bezana	WWPP Playa San Juan de la Canal	Yes	ES1300004: Lienres dunes and River Pas estuary
Santa Cruz de Bezana	WWPP Covachos	Yes	ES1300004: Lienres dunes and River Pas estuary
Water supply and sewerage service contract in Formentera	WWPP Estany Pudent Petit	Yes	ES0000084: Ses Salines d'Eivissa i Formentera

GRI 305-1, 2, 3 SCOPE EMISSIONS

	Spain	Algeria	Czech Republic	Egypt	Italy	Portugal	United Arab Emirates	Saudi Arabia	France	Total
2020										
Scope 1 emissions (tCO₂eq)	78,971.2	0.0	6,916.6	4,672.2	823.5	551.8	5,232.1	0.0	171.7	97,339.1
Fossil fuels	9,984.7	0.0	1,671.6	0.0	315.1	214.4	4,963.4	0.0	171.7	17,320.9
Water management complexes	68,986.5	0.0	5,245.0	4,672.2	508.4	337.4	268.7	0.0	0.0	80,018.2
Biogenic fuels	27,558.9	0.0	4,107.3	0.0	0.0	0.0	0.0	0.0	0.0	28,854.7
Scope 2 emissions (tCO₂eq)	63,437.0	178,118.9	12,377.2	7,656.3	2,667.8	1,098.6	22,295.0	35,563.4	345.7	323,559.9
Electricity or steam acquired from third parties	63,437.0	178,118.9	12,377.2	7,656.3	2,667.8	1,098.6	22,295.0	35,563.4	345.7	323,559.9
Scope 3 emissions (tCO₂eq)										37,520
Purchased items and services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	17,246.4
Waste generated in operations	17,099.8	0.0	1,113.3	1,444.9	419.9	193.1	2.6	0.0	0.0	20,273.6
Total	159,508.0	178,118.9	20,407.1	13,773.4	3,911.2	1,843.5	27,529.7	35,563.4	517.4	458,419.00
2021										
Scope 1 emissions (tCO₂eq)	82,409.7	0.0	7,506.5	5,899.1	798.1	972.9	4,982.2	0.0	142.5	102,711.0
Fossil fuels	9,420.2	0.0	1,590.8	0.0	334.8	755.8	4,584.2	0.0	142.5	16,828.4
Water management complexes	72,989.5	0.0	5,915.7	5,899.1	463.3	217.0	398.0	0.0	0.0	85,882.6
Biogenic fuels	27,558.9	0.0	4,107.3	0.0	0.0	0.0	0.0	0.0	0.0	31,666.2
Scope 2 emissions (tCO₂eq)	65,253.1	164,046.9	10,718.9	7,853.7	1,444.9	768.6	9,373.9	40,372.1	317.2	300,149.3
Electricity or steam acquired from third parties	65,253.1	164,046.9	10,718.9	7,853.7	1,444.9	768.6	9,373.9	40,372.1	317.2	300,149.3
Scope 3 emissions (tCO₂eq)	33,095.3	300.6	2,546.5	1,830.9	498.7	205.4	2.0	364.6	4.1	38,848.1
Purchased items and services	16,107.1	300.6	1,463.3	11.1	89.9	56.0	0.2	364.6	4.1	18,396.9
Waste generated in operations	16,988.2	0.0	1,083.2	1,819.8	408.8	149.4	1.8	0.0	0.0	20,451.2
Total	180,758.1	164,347.5	20,771.9	15,583.7	2,741.7	1,946.9	14,358.1	40,736.7	463.8	441,708.37

GRI 305-7 ATMOSPHERIC EMISSIONS

	Spain	Algeria	Czech Republic	Egypt	Italy	Portugal	United Arab Emirates	Saudi Arabia	France	Total
2020										
T NOx	46.44	0	7.85	0	1.45	2.24	25.33	0	0.77	84.1
T SOx	20.5	0.0	3.4	0.0	0.7	1.0	10.2	0.0	0.4	36.2
2021										
T NOx	40.3	0	6.5	0	1.5	0.3	19.9	0	0.3	68.8
T SOx	7.3	0.0	1.3	0.0	0.3	0.1	0.3	0.0	0.1	9.2

GRI 401-1 RECRUITMENT BY GENDER, AGE AND REGION

2021	Spain			Europe			MENA			Latin America		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
New hires	574	161	735	97	51	148	77	7	84	77	58	135
Below 35	257	99	356	43	28	71	56	7	63	48	43	91
Between 35 and 55	290	57	347	47	23	70	20	-	20	28	15	43
Over 55	7	5	32	7	-	7	1	-	1	1	-	1

GRI 401-1 VOLUNTARY STAFF TURNOVER BY GENDER, AGE AND REGION

2021	Spain			Europe			MENA			Latin America		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Voluntary turnover rate	130	63	193	38	19	57	33	4	37	21	23	44
Below 35	49	23	72	8	6	14	25	4	29	10	14	24
Between 35 and 55	76	38	114	26	13	39	8	-	8	9	8	17
Over 55	5	2	7	4	-	4	-	-	-	1	1	3

GRI 401-3 NUMBER OF EMPLOYEES WITH RIGHT TO PARENTAL LEAVE BY GENDER

Aspect*	2020			2021			% chg. 21/20		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees who have had right to parental leave	174	47	221	184	39	223	6%	-17%	1%
Employees who have taken parental leave	174	47	221	184	39	223	6%	-17%	1%
Employees returning to work after taking parental leave	174	47	221	184	39	223	6%	-17%	1%
Employees returning to work after taking parental leave and remain employees 12 months after returning	174	47	221	180	38	218	3%	-19%	-1%
Return rate	100%	100%	100%	100%	100%	100%	-	-	-
Retention rate	100%	100%	100%	98%	97%	98%	-0.02	-0.03	-0.02

*Exclusive data in Spain.

BREAKDOWN OF STRATEGIC LINES BY COUNTRY

SL2P1.1 % of the volume of unregistered water divided by the total volume of water introduced into the distribution network (contracts dating back more than 5 years).

SL2P1.2 Volume of unregistered water per kilometre of network and day (for contracts that are more than 5 years old).

Indicator	Target year	Target	Spain	Czech Republic	France	Italy	Portugal	Total
SL2P1.1	2023	<= 27%	30.3%	13.4%	15.7%	37.7%	31%	29.3%
SL2P1.2	2023	<= 12	13.5	3	5.8	20.3	3.9	12.1

SL2P2.2 % renewable energy used generated by own facilities, PPAs or acquisition divided by the total energy consumed (MWC and BOT contracts dating back more than 3 years).

SL2P2.3 Reduction of the % kWh/m³ energy used in the adduction, treatment and distribution of drinking water processes (calculation weighted using the m³ managed in each of the three processes) (MWC and BOT contracts dating back more than 5 years).

SL2P2.4 Reduction of % of kWh/kg COD eliminated for energy used in wastewater treatment and sanitation processes (average value corresponding to MWC and BOT contracts dating back more than 5 years).

SL2P2.5 % vehicles with low CO₂ emissions divided by the total vehicle fleet.

Indicator	Target year	Target	Spain	Czech Republic	France	Italy	Portugal	Saudi Arabia	Algeria	Egypt	United Arab Emirates	Total
SL2P2.2	2030	50%	55.5%	28.5%	0	0	0	0	0	0	0	32
SL2P2.3	2023	3% (vs 2020)	0.38	0.13	0.33	0.63	0.36	1.25	0.86	N/A	N/A	0.54
SL2P2.4	2023	3% (vs 2020)	0.66	0.75	N/A	2.4	0.98	N/A	N/A	0.57	15.9	0.7
SL2P2.5	2030	100%	7%	ND	ND	ND	ND	ND	ND	ND	ND	ND

