

#Realsustainability



2017 Corporate Social
Responsibility Report

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Message from the CEO



A new age

At Aqualia, we are aware that we are living in a new age, one in which everything changes incredibly quickly. As such, every organisation must rapidly identify and address these essential issues as a condition for survival. In this regard, Aqualia's twelfth Corporate Social Responsibility Report explains how the company that I manage has identified its priorities and taken steps throughout 2017 to rise up to the challenge of helping achieve the 17 Sustainable Development Goals (SDG) that the UN has set for 2030.

We believe that ethics and transparency based on actions instead of words are critical for our everyday operations from the added value perspective: managing the water service for over 22.5 million people worldwide. We will have succeeded when the citizens for whom we serve feel proud of our work, share our values and join our efforts to achieve the United Nations' Sustainable Development Goals. In recent years, terms such as re-municipalisation, globalisation and marketization have tested the limits of the

public-private partnerships that have reported and continue reporting benefits for citizens in different parts of the world.

In this edition of our Corporate Social Responsibility Report, we intend to show our real commitment to citizens. The following pages contain the main economic, social and environmental milestones that we've reached.

The world-renowned newspaper, the Financial Times, in partnership with the International Finance Corporation (IFC), has acknowledged this commitment through selecting one of Aqualia's flagship projects, the New Cairo Wastewater Treatment Plant in Egypt, as a finalist in its Transformational Business Awards.

In addition, this project was chosen by the United Nations to elaborate a Public-Private Partnership reference Case Study, which can be downloaded from the United Nations Economic Commission for Europe website. The results of this study have

demonstrated that this Project has generated very significant positive impacts in 10 of the 17 United Nations Sustainable Development Goals.

We took a multidimensional approach in 2017 to roll out the “Myths about water management” campaign, widely appreciated in the sector. “Myths about water” is intended to inform company stakeholders of the reality of end-to-end water cycle management and the role of public and private operators. The campaign was conceived as a constructive way to tackle the most common misconceptions about the sector.

Turning to the concept of connecting with citizens, the fifteenth edition of the annual international children’s digital drawing contest, launched on World Water Day, is intended to help children become familiar through games and education with the entire water cycle. In 2017, the contest was focused on wastewater treatment, reaching over 160,000 people, including students, teachers, employees, local governments and media.

Our company shares its concern for the environment with all society, and therefore it is a key part of our mindset when establishing our corporate objectives.

Aqualia currently leads the sector in terms of e-billing. More than 330,300 citizens have chosen to receive only digital copies of their invoices avoiding a significant waste of paper.

Another example of this environmentally responsible philosophy is Aqualia’s first carbon footprint certificate, issued by the Spanish Climate Change Office, proof of the firm commitment of the company to identifying and quantifying direct and indirect emissions released into the atmosphere with a view to reducing them.

The EU Climate Action Commissioner inaugurated the final full-scale All-Gas Project: two hectares of algae cultures and a 2,700 m3 digester. The All-Gas Project is the world’s first algae biofuel plant already supplying vehicles.

In a local context, and with a view to showcasing the quality of tap water, an event was organised for the 50th anniversary of Bilbao’s water utility, CABB. All Bilbao residents were invited to take a test to identify their city’s water. The event tried to exemplify the numerous advantages of tap water, resulting from both its quality and its environmental and economic benefits.

A further example of our commitment to sustainability is the campaign for responsible use in Ibiza and

Formentera under the umbrella of the Alliance for Sustainable Water Management (an organisation made up of representatives from public institutions, private entities, civil society organisations and the farming sector).. The campaign earned the “Communication and Awareness” award within the “Sustainable Living in Cities” initiative of the Forética Association.

In line with our internal commitment to creating a working environment where professionals can develop further, we became a certified family-friendly enterprise in partnership with the Más familia Foundation. We also continued implementing our second Equality Plan (2015-2018) in 2017 and secured an extension of the Equality Seal for another 3 years. The Ministry of Health, Social Services and Equality granted this seal in recognition of the company’s commitment to diversity and equal opportunities for men and women.

The book “Mujeres en primera persona” (“Women in First Person”) was published with a view to turning the spotlight on the role that women have in the water management sector. It describes the daily professional experiences of over 60 women working for the company or representing the local public administration.

I would not like to finish this letter without congratulating our outstanding team of professionals at Aqualia. Our team consists of over 7,000 people whose knowledge, hard work, perseverance and passion for a well done job are continuously present in their close engagement with the municipalities they work for.

We will face a lot of challenges in the years to come. The consensus and involvement of the entire company will prove to be crucial. Aqualia is prepared and ready to meet the challenge. We shall remain focused on the essential and resolved in our efforts to continue being a company built around people and for people.

Sincerely,
Félix Parra Mediavilla
Chief Executive Officer



> 2013





17<



02

Moments

8. Aqualia in 2017

01 January

The value of water management

Aqualia's campaign to dispel the false myths about comprehensive water management.

Environmental Education Programme

Lleida elected officials from different political parties visited the city's WWTP to learn its role in the framework of Lleida's environmental education programme.

02 February

Saudi Water & Environment Forum

Aqualia participates in the Saudi Water & Environment Forum 2017, a benchmark event for the water sector in Saudi Arabia.

Healthy Company

Lleida blood drive. The initiative is part of the Healthy Company programme.

03 March

Children's drawing contest

Launch of the fifteenth edition of the international children's digital drawing contest.

Mentoring Programme

Closure of the second edition of the Mentoring Programme.

07 July

Partnership with Local Governments

Aqualia and the Bilbao consortium undertake various actions within a campaign to showcase the value of tap water.

Together in catastrophes

Exemplary engagement of Aqualia employees during the Doñana wildfires.

08 August

Commitment to Caritas

Aqualia donates an amount equivalent to the water service bills in the different centres located in up to 80 towns throughout Spain where it carries out service.

Recognition by Forética of Aqualia's communication plan for Ibiza and Formentera

Aqualia's 2015/2020 Communication Plan for Ibiza and Formentera has been recognised by Forética for its contribution to sustainability on the islands.

09 September

Study on services

The water supply, the service most appreciated by citizens. Aqualia stands to benefit from a study conducted by the consultant Ipsos for the Urban Services Observatory (OSUR) in Spain's 30 most populated cities.

Family business

Conclusion of the drawing contest open to the children, grandchildren, nieces and nephews of employees.

04 April

World Water Day

Extensive participation in different activities organised by Aqualia for WWD.

Occupational health and safety

Reading of the letter for occupational health and safety.

05 May

e-billing

Aqualia, water company with the highest number of customers signed up for e-billing in Spain.

New Cairo Project

The United Nations accepted the case study that the IESE business school and Aqualia drew up for the New Cairo treatment plant project.

06 June

AEAS 2017

Aqualia participates in AEAS 2017.

Stela Awards

Award for commitment to workplace integration presented by the Down Syndrome Foundation.

10 October

Pioneers in emissions management

The Spanish Climate Change Office of the Ministry of Agriculture, Fishing, Food and the Environment validated Aqualia's carbon footprint certificate for all its activities in 2016.

Fight for equality

The Ministry of Health, Social Services and Equality has renewed Aqualia's distinctive "Equality at Work" seal.

Women in the First Person

Presentation of a book on the experiences of over 60 women in their daily lives.

11 November

"Yo, Contigo" Campaign

On November 25, we joined our voices to say NO to Gender-related Violence. In this case, Aqualia joined the voices of employees and associates from the Administration to say NO to this social problem through www.aqualiacontigo.com

Agreement between Thames Water and Aqualia

The major British water utility has opted to test the innovative and sustainable technology ELAN®, developed and patented by Aqualia in partnership with the University of Santiago de Compostela.

12 December

All-Gas Project

European Commissioner for Climate Action and Energy, Miguel Arias Cañete, inaugurated the new stage of the All-Gas Project at the El Torno treatment plant in Chiclana (Cadiz).

iAGUA Awards

Aqualia recognised as the year's top company in the water sector.

EFR Certification

Aqualia is the first national water operator to certify reconciliation with the EFR seal issued by the Másfamilia Foundation.

A Truly Merry Christmas

Aqualia partnered with the Mensajeros de la Paz association to ensure that 65 families in vulnerable situations would not go hungry during the holiday season.





03

Experts in water management

- 14. Efficient comprehensive water cycle management
- 18. Worldwide presence
- 24. Participation in forums
- 29. Recognitions

Main figures at Aqualia

Economic sustainability	2015	2016	2017
Direct economic value generated (M€)	1,004.90	999.83	↑ 1,055.80
Economic value distributed (M€)	979.15	903.20	↑ 1,348.87
Economic value retained (M€)	25.75	96.63	↓ -293.08
Staffing costs (M€)	239.10	248.94	↑ 255.84
Payments to governments -taxes- (M€)	52.02	50.96	↑ 63.73
Payments to providers (M€)	557.42	535.16	↑ 555.84
Grants (M€)	25.80	10.80	↑ 15.90
Business portfolio (M€)	13,221	14,343	↓ 13,673
EBITDA (M€)	215.00	226.80	↑ 237.21

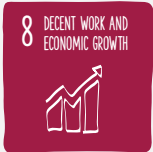
Service	2015	2016	2017
Produced drinking water (m³)	607,837,297	536,743,873	↑ 634,890,955
Supply network (km)	45,498	45,472	↑ 68,529
Number of drinking water treatment plants (DWTP)	209	208	↓ 205
Number of wastewater treatment plants (WWTP)	>760	760	↑ 807
Number of drinking water pumping stations (DWPS)	1,080	1,094	↓ 1,077
Number of drinking water tanks	2,709	2,714	↓ 2,690
Number of seawater desalination facilities (SDP)	6	6	↓ 3
New awarded contracts (Spain)	216	-	↓ 113
Number of awarded contracts (international)	6	-	↑ 9

Exemplary performance	2015	2016	2017
Total staff (employees)	7,764	7,952	↓ 7,877
Percentage women on staff	22.00%	22.07%	↓ 21.21%
Indefinite contracts	63.23%	76.69%	↑ 82.45%
Voluntary turnover rate	1.08%	2.30%	↓ 2.07%
Employee training hours (Spain)	9.65	12.15	↓ 10.40
Investment in training (€)(Spain)	518,279	553,000	↑ 569,498
Investment in social action (M€)	488	873	↓ 830

*Increased values following incorporation of international data in 2017

Smart services	2015	2016	2017
Consumed energy (GJ)	1,852,168	1,960,612	↑ 3,700,757*
Volume of water collection for management (M m³)	620.99	621.74	↑ 840.34*
Scope 1 CO ₂ Emissions (t eq)	21,165	22,001	↑ 46,158*
Scope 2 CO ₂ Emissions (t eq)	91,714	70,423	↑ 345,200*
Scope 3 CO ₂ Emissions (t eq)	35,967	33,390	↑ 35,121*
Direct investment in R&D&I (M€) (Spain)	2.80	3.20	↑ 4.10

*Increased values following incorporation of international data in 2017



In 2017, Aqualia increased its direct economic value generated by 2.8% and staffing costs by 1.4%. The company strives to provide its entire staff with quality jobs and seeks to stimulate the economy without damaging the environment.

Our vision

VISION

To be **world leaders** in comprehensive citizen-oriented water management. We want citizens to actually see the value of living in a city with water managed by Aqualia because we contribute an extra benefit wherever we have operations. **A specialised company that provides a public service and manages a public asset.**

MISSION

To connect with the population, where citizens are at the centre. To meet to the needs of our current society and anticipate the needs of the future. To ensure the involvement of citizens in the rational use of water.

VALUES

Proximity. Commitment. Service. Transparency. Efficiency. Innovation. Involvement. Professionalism.

3.1

Efficient comprehensive water cycle management



+22 million

inhabitants
served worldwide



68,529 km

managed
networks



634,890,955 m³

drinking water
produced



22

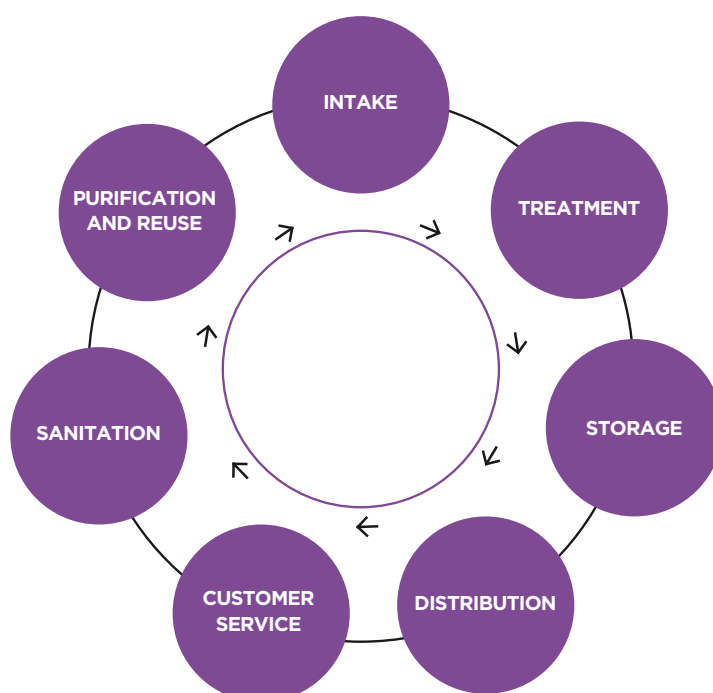
countries

Aqualia is Europe's fourth largest private water company in terms of population served and ranks among the top ten worldwide¹. We've achieved this by rendering full service capable of providing solutions that satisfy the needs of public and private entities and organisations throughout all phases of the water cycle, regardless of whether the purpose is for **human, farming or industrial use**.

Aqualia's corporate purpose is to obtain and adapt water for human consumption according to strict quality controls, and the distribution and subsequent treatment of that water to return it to nature in the appropriate quantity and quality levels with an efficient and sustainable use of the resources and materials employed throughout the process.

The company's main activity is the management of municipal water services.

1. Global Water Intelligence (GWI) 2017.



Aqualia

The company is a benchmark in the sector and stands at the vanguard as a specialised, transparent and innovative entity. Thanks to a committed team with extensive experience, we are constantly striving to improve efficiency in production processes and optimise resources, clearly orienting our actions and policies around citizens.

Our way of working, the continuous advances in innovation and use of new technologies have enabled the company to fortify our leadership in the national market, which also appears in the international market with a strategy defined for

solidifying the company's international presence. Sustainable development has a distinctively intrinsic role in Aqualia's business model: the ability to combine the generation of a social benefit and fair profit yield for its activities puts the company in a privileged situation in the water management sector.

Aqualia's commitment and responsibility vis-à-vis the municipalities where it carries out its activities go beyond merely rendering a service: Aqualia seeks to always contribute to improve the well-being of people and, in particular, the most vulnerable groups.

Aqualia was selected as among the world's best water management companies during the Global Water Awards ceremony held within the framework of the Global Water Summit, a benchmark event in the sector. The "Distinction Award" recognises the excellent performance of the Aqualia team throughout 2017.

Aqualia controls every last detail for all the phases in the comprehensive water cycle, seeking resource optimisation to achieve sustainable development.

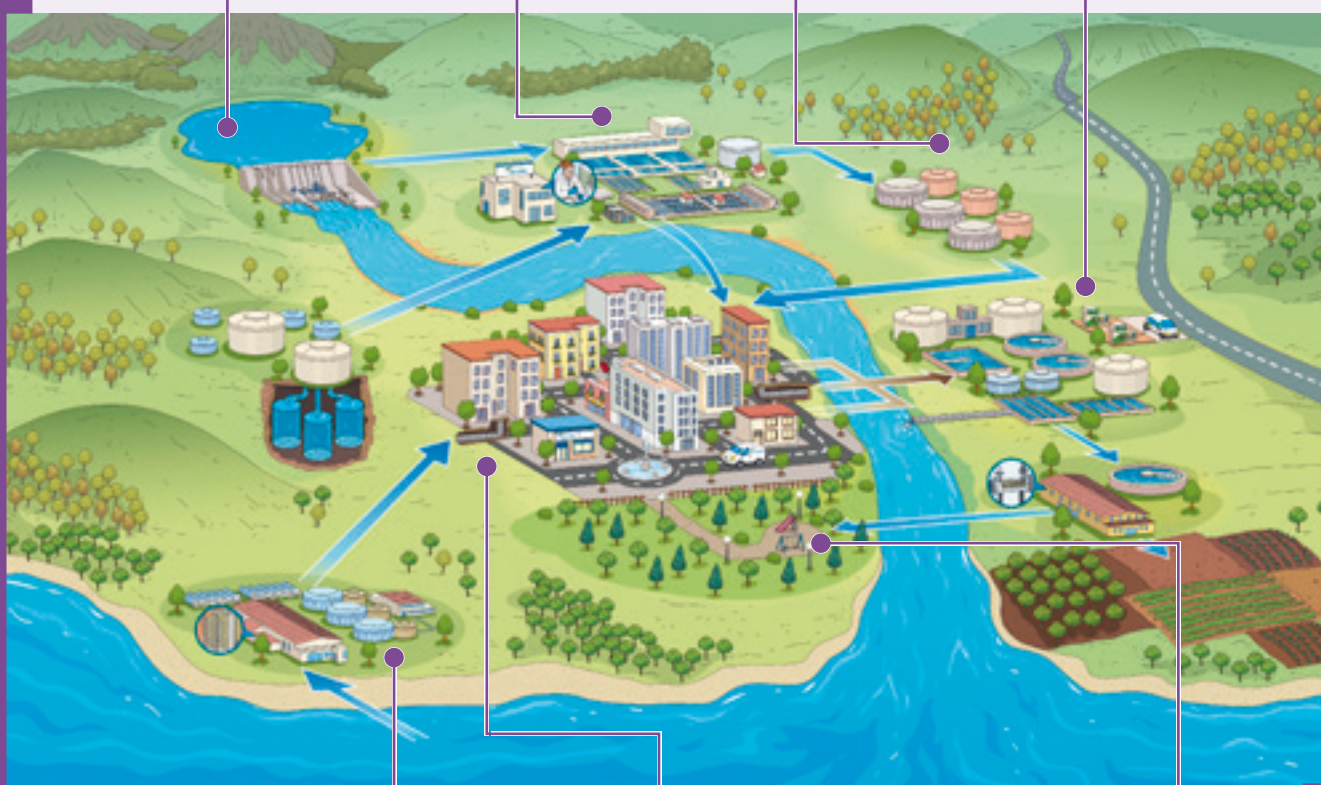


840 million m³
water collection

205 Drinking
water stations

2,690
Water tanks

807
Wastewater
treatment plants



Presence
in over **1,100**
municipalities

3
Seawater
desalination
facilities

42,788 km
Supply
network

1,077
Drinking
water pumping
stations

25,741 km
Sewage
network



Aqualia guarantees effective sanitation by developing new technologies and investing in infrastructure renovation.



Comprehensive public service management

Aqualia manages each phase of the comprehensive water cycle, entailing the capture, treatment, purification and distribution of water and including the subsequent capture of used water, and its subsequent treatment to return to the environment in optimum conditions.

Accumulated experience and extensive knowledge in the operation and management of built infrastructures are guarantees for the efficient use of public and private resources allocated for investments in new infrastructures.

The solid implementation of Aqualia in all areas of the comprehensive water cycle enables the company to further develop its capacity to hold concessions, since it integrates the four essential tasks that are normally required:



Water infrastructures



DRINKING WATER

Design and construction of drinking water treatment plants.

**205
drinking
water
stations**



DESALINATION

Design and construction of desalination plants for seawater and brackish water, including pumping stations and waterworks.

3 facilities



PURIFICATION

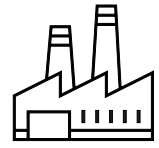
Design and construction of municipal wastewater treatment plants. Pumping stations and waterworks.

**807
stations**



REUSE

Design and construction of tertiary treatment facilities for recycling wastewater.

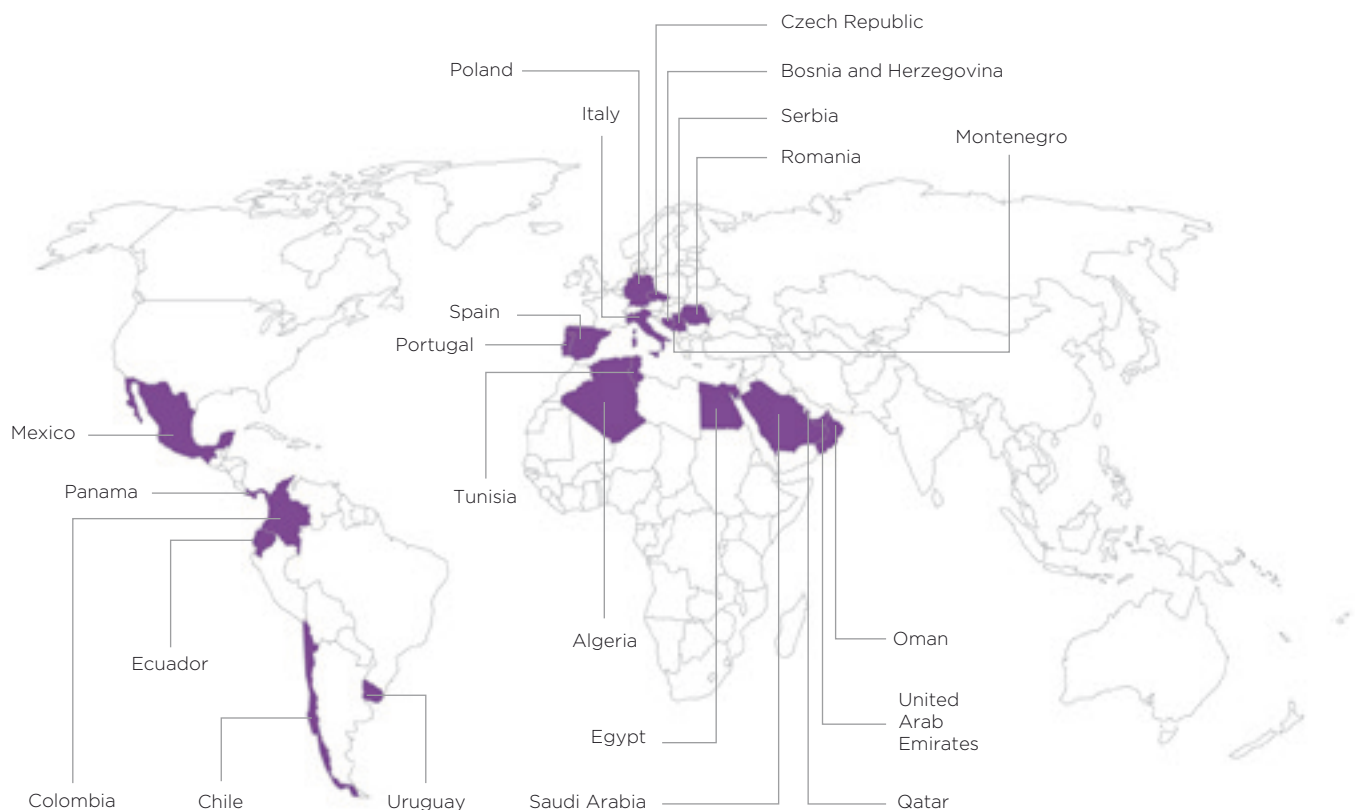


INDUSTRY

Providing industry with an extensive range of water solutions.

3.2 Worldwide presence

Aqualia operates in 22 countries throughout Europe, Latin America, the Middle East and North Africa, with services reaching a population of over 22.5 million people across the globe.



At a national level, strides were taken in 2017 to extend Aqualia's presence in Operation and Maintenance (O&M) for facilities (WWTP - wastewater treatment, DWTP - drinking water purification, SWDF - desalination, network management), Smart City services and in the Technology and Networks sector.



Aerial view of the Burgos WWTP.

Salient new national contracts awarded in 2017

Site	Project	Impact
Mogán (Las Palmas)	Comprehensive water service management for Taurito.	15 years 17.5 M€
Burgos	WWTP operation and maintenance service and city sewerage network cleaning service.	4 years 10.4 M€
Madrid	Emergency response service to renovate and repair supply and regenerated water networks for Canal de Isabel II Gestión, S.A.	2 years 6.2 M€
Madrid	Operation and maintenance service for peripheral sanitation networks in the Culebro region.	1 year
Castillo de Bayuela (Toledo)	Comprehensive wastewater treatment operation, maintenance and conservation service management.	15 years 1.2 M€
Valle de Zalabí (Granada)	Comprehensive water service management.	10 years
Cabeza de Horno (Salamanca)	Drinking water supply services to the Cabeza de Horno Community of Municipalities.	10 years
Luarca (Asturias)	CADASA wastewater treatment plant management.	4 years
Huelva	Meter reading for Huelva Community of Municipalities (GIAHSA - Gestión de la Mancomunidad de Aguas de Huelva).	4 years
Villaviciosa (Asturias)	Sporting facility maintenance.	From 1 to 3 years
Oleiros (A Coruña)	Sporting facility maintenance.	From 1 to 3 years
Redondela (Pontevedra)	Sporting facility maintenance.	From 1 to 3 years
Bilbao (Vizcaya)	Supply network maintenance for Udal Sareak (Consorcio de Aguas de Bilbao).	2 years
Huesca	Huesca wastewater treatment plant management.	3 years
Puerto de Mallorca	Installation of the remote meter reading system at the Port.	218 meters 3 port zones

Some of the prominent renovations, extensions and renewals of contracts managed by Aqualia at a national level in 2017 included:

Site	Project	Impact
Algodor River Community of Municipalities (Toledo)	Water service management for the municipalities in the community.	20 years 67.3 M€
San Pedro del Pinatar (Murcia)	Water supply, sanitation and treatment service management.	15 years 60 M€
Louro (Pontevedra)	Comprehensive water management for Consorcio del Louro water treatment plant.	3 years 8.3 M€
La Guardia (Toledo)	Municipal water supply service management.	20 years 5.6 M€
Villanueva de Alcardete (Toledo)	Municipal water supply and sewerage service.	20 years 4.8 M€
Sant Antoni de Portmany (Balearic Islands)	Municipal water supply and sewerage service management.	1 year 3.9 M€
Port of Santa María (Cádiz)	Maintenance and conservation service for the city's WWTP and sewerage system.	1 year 3.5 M€
Oviedo (Asturias)	Maintenance and conservation service for the Malpica WWTP and a further 29 wastewater treatment stations.	30 years 3.5 M€
Santa Eulària des Riu (Balearic Islands)	Municipal water supply and sanitation service management.	1 year 3.2 M€
Güimar (Santa Cruz de Tenerife)	Municipal water supply and sanitation service management.	1 year 2.2 M€
Aqualia remains the leader in wastewater treatment for the dairy industry.	capacity of over 120,000 population equivalents.	treatment capacity to double the processing flow to reach 90,000 population equivalents.
CAPSA FOOD reconfirmed its trust in Aqualia to extend the industrial treatment plants for two of its factories, which will have a processing	QUESOS DEL DUERO, S.A. , part of the Lácteas García Baquero Group, has commissioned Aqualia to expand its industrial wastewater	

Main

international projects in 2017

In line with the established course, international activity gained traction in comparison with the previous year in terms of Aqualia turnover, **which reached 44.06% of the total.**

The portfolio of international projects rose to €6,517 million, a figure that complements the €8,275 million in the solid portfolio of national projects.

44.06% of the turnover corresponds to international activities, which is 2.6% more than the 2016 turnover.

Egypt

Design, construction and operation of the Abu Rawash WWTP in Cairo (Egypt). The construction work in collaboration with FCC Construcción will entail the **construction of a plant** capable of processing 1.6 million m³

of water daily that will provide service to 6 million people. The initial maintenance management period will be three years and the Egyptian government is bearing all the costs. This contract shores up Aqualia's position in the country.

Service will be provided to
6 million people
1.6 million m³
of water a day

Saudi Arabia

At the end of 2017, Aqualia renewed the **operation and maintenance contract for the Haddah and Arana**

plants, each one processing 250,000 m³/day, and extended the treatment capacity at the Arana plant.

250,000 m³/day
every day

Algeria

An important agreement was signed with the Sonatrach desalination plant in Mostaganem to **build a new capture facility** to increase the plant's production capacity. The construction work is

scheduled to commence in the second half of 2018 and should last 2 years. Two agreements were also signed concerning the **operation and maintenance of the Mostaganem and Cap Djinet** plants that would

regularise concepts for which the client has not been billed since commissioning and also increase the profitability of both projects.

Romania

Bucharest selected the consortium comprising Aqualia, FCC Construcción and Suez to **modernize and expand the Glina Wastewater Treatment Plant (WWTP).**

The facilities represent the largest public tender contract in the sector in Europe in 2017. Upon conclusion it will provide service to 2.4 million people. The contract was financed with European cohesion funds and is scheduled to be commissioned in 2019.

Service will be provided to
2.4 million people

Oman

Aqualia entered the country with a 78.9 million **comprehensive water cycle management contract for the**

Sohar port area for 20 years in association with the Omani government-owned company Majis.

Italy

With a view to fortifying the position of Aqualia's Italian subsidiary Caltaqua, the company unveiled an ambitious plan to connect all of its urban users to the sanitation service through four specific projects funded

through the Italian government's "Pact for the South" programme. The budget surpasses fifteen million euros and the most significant action will be the **improvement and adaptation of the Contrada Cammarella treatment plant.**

10 years
certifying
service quality at
Caltaqua

€15 million
budget

United Kingdom

With the positive results of the pilot plant for **recovering nutrients from sludge dewatering** for Thames Water

in 2017, the contract was extended for another 6 months.

Panama

Engineering, construction and 10-year operation project contract award for the

Arraiján wastewater treatment plant, which will purify water for 130,000 people.

Water treatment for 130,000 people

Colombia

Commencement of the development of the El Salitre WWTP project in

Bogotá and the San Silvestre WWTP project in Barrancabermeja (Colombia).



Aqualia invests heavily in infrastructures in Spain and internationally in countries lacking water infrastructures, where needing an effective management of their existing resources, such as in Latin America, or with serious water access issues, such as Egypt. These are only a few of the examples of the areas where the company is allocating its financial and technological resources to foster social stability and improve the quality of life of people at all corners of the globe.

3.3

Participation in forums

The company has increased its international presence at strategic events and forums with a view to solidifying its position as a sector benchmark for innovative solutions that meet the challenges of the future and new public-private partnership models.

SIGA Trade Fair 1st Edition

Aqualia had a strong presence at the first Trade Fair for Innovative Water Management

Solutions with a stand and several presentations.

Smart Water Summit 1st Edition

Aqualia participated in the first Smart Water Summit, a forum held at the headquarters of the Botín Foundation (Madrid), presenting the omnichannel

strategy to adapt to digital transformation. The company viewed the event, which was organised by iAgua publishing, as useful in shoring up its

position as a modern benchmark committed to designing 360° strategies forged to provide full customer satisfaction.



Aqualia stand at SIGA.



Maria Angeles Vicente during her talk at Smart Water Summit.



Authorities visiting the Aqualia stand during the 34th AEAS Technical Seminars.

34th AEAS Technical Seminars

The 34th AEAS Technical Seminars were held in Tarragona in 2017. In addition to a stand

and water technical room, Aqualia had a prominent spot on the technical programme.

Eleventh European Benchmarking Cooperation (EBC)

Aqualia participated in the workshop of the Eleventh European Benchmarking Cooperation (EBC) together

with 47 companies from 20 countries, and was salient in aspects such as quality water service, low number of

complaints and good energy efficiency in distribution.

Fourth Encounter on Sustainable Cities

Menéndez Pelayo International University (UIMP) hosted the “Fourth Encounter on Sustainable Cities”, in which

Aqualia showcased its projects in Egypt, Vigo and Santander as success cases.

The company also participated in other important international events that have helped Aqualia in fortifying its international presence and spreading the word about its developments in areas such as sustainability, circular economy, seawater desalination and customer management.

The company has participated in the following relevant national and international events.

2017 Events

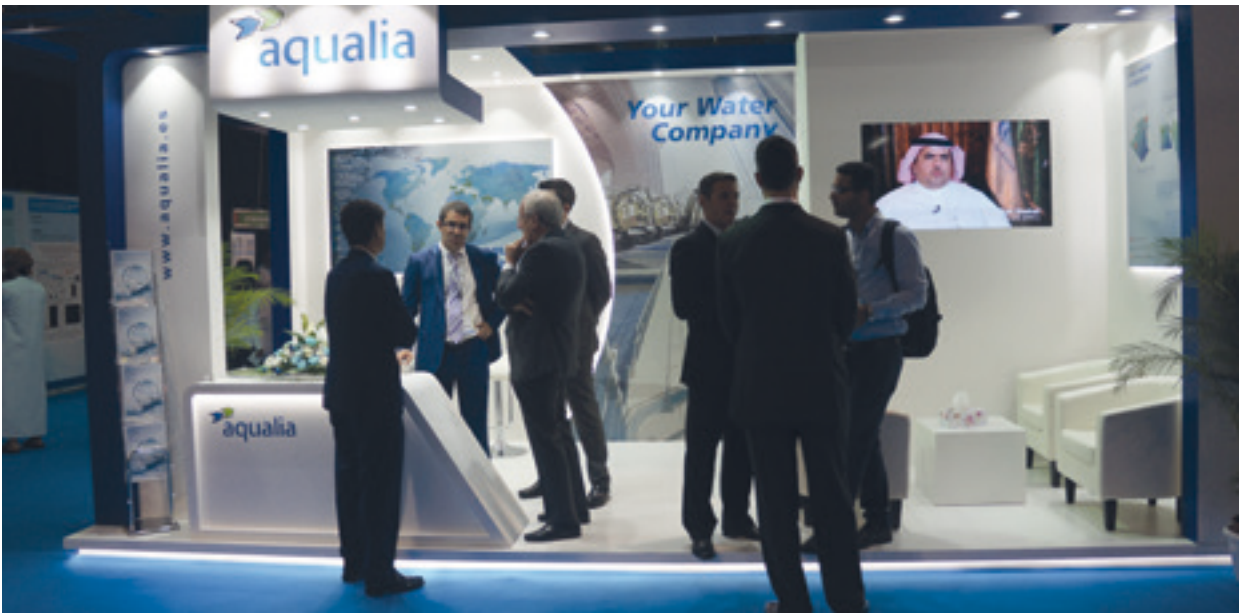
Saudi Water Environmental Forum	Riyadh, Saudi Arabia
Global Water Summit	Madrid, Spain
Oman Energy and Water Exhibition and Conference	Muscat, Oman
34th AEAS Technical Seminars	Tarragona, Spain
AEDYR Seminars on water recycling for industry: Technologies, legislation and success cases	Madrid, Spain
WATEC Italy, Water Technology and Environmental Control	Palermo, Italy
Eleventh Canagua International Energy Trade Fair	Las Palmas in Gran Canaria, Spain
Oman Water & Wastewater	Muscat, Omán
ENEG, Meeting of National Water and Sanitation Managers	Évora, Portugal
ANEAS Annual Convention and Expo	Puebla, Mexico
American Water Summit (AWS)	Austin, Texas (USA)
Technical conferences “Technology in the service of water in the Canary Islands	Adeje, Tenerife
Seminars on “Water, driving employment and social sustainability”	Merida, Toledo and Benalmádena, Spain
World Water-Tech Innovation Summit	London, United Kingdom
European Algae Industry Summit (ACI)	Nice, France
SWAN 7th Annual Conference	London, United Kingdom
REGATEC 2017	Verona, Italy
IWA Leading Edge Technologies 2017	Florianopolis, Brazil
The BIG Phosphorus Conference - Removal & Recovery	Manchester, United Kingdom
IWA Membranes for Water & WW Treatment	Singapore
EIP Water Conference	Oporto, Portugal
World Congress of Chemical Engineering	Barcelona, Spain
IDA 2017 World Congress on Water Reuse & Desalination	São Paulo, Brasil
European Nutrient Event ESPP	Basel, Switzerland
Future of Biogas Europe 2017 (ACI)	London, United Kingdom
AlgaEurope 2017	Berlin, Germany



Global Water Summit 2017 held in Madrid.



Jose Ram3n V3zquez during his talk at WATEC Italy.



Oman Energy and Water Exhibition and Conference.

Participation in business associations

International associations

Czech Society for Trenchless Technology (CZSTT)

Water Supply and Sewerage Association of the Czech Republic (SOVAK)

Latin American Association of Desalination and Water Reuse (ALADYR)

National Association of Water and Sanitation Utilities of Mexico (ANEAS)

Association of Portuguese Companies for the Environment Sector (AEPSE)

Portuguese Association for Water Distribution and Drainage (APDA)

Water Resources Association of the Czech Republic (SVH)

Moravian-Silesian Regional Development Association

Czech-Polish Chamber of Commerce

National Chamber of the Construction Industry (CMIC)

Saudi Power & Water Forum Advisory Committee (Saudi Arabia)

Ditchley Foundation Water Advisory Committee (UK)

EUREAU

Italian Federation of Energy and Water Utilities (Federutility)

International Desalination Association (IDA)

International Water Association (IWA)

Smart Water Networks Forum (SWAN)

National associations

Andalusia Water Supply and Sanitation (ASA)

Group of Water Services in Catalonia (ASAC)

Spanish Water Supply and Sanitation Association (AEAS)

Community of Valencia Water Supply and Sanitation Association (AVAS)

Canary Islands Association of Urban Water Management Companies (ACEGUA)

Basque Cluster Association of Environmental Industries (ACLIMA)

Association of Employers of the Water Industry in the Balearic Islands (ASAIB)

Spanish Association for Desalination and Reuse (AEDyR)

Spanish Association of Urban Water Services (AGA)

Business Association of the Water Sector of Andalusia (AESA)

Spanish Association of Manufacturers of Capital Goods (SERCOBE)

Spanish Association for the Defence of Water Quality (ADECAGUA)

Centre for New Water Technologies (CENTA Foundation)

Water and Sanitation Cooperation Fund

Canary Islands Water Centre Foundation (FCCA)

Moderna Foundation

IMDEA-AGUA

Spanish Biomass Technology Platform (BIOPLAT)

SEOPAN-AGUA

ZINNAE: Urban Cluster for Efficient Water Use



Different global actors must work together in alliances, partnerships and collaborations in order to achieve these Sustainable Development Goals. Partnerships fostered on the same principles and values with common goals.

3.4 Recognitions

Nominated in seven categories and awarded in six of them, Aqualia triumphed at the awards ceremony of sector benchmark publication iAgua magazine. In addition to being honoured as the Company of the Year, Aqualia was also recognised in five other categories, namely Best App (Smart aqua), Best Advertising Campaign (#informacionrealdelagua), Best Presentation (Maria Ángeles Vicente, IT Director), Best Video (Comprehensive water cycle management as you've never seen it before) and Best Contract (Abu Rawash WWTP).

Aqualia selected as the “Company of the Year” by iAgua.

During the Global Water Summit, one of the sector's benchmark annual meetings, Aqualia was selected as among the world's best water management companies during the Global Water Awards ceremony. The “Distinction Award” recognises the excellent performance of the Aqualia team throughout 2017.

The company received the “Distinction Award” in recognition of its excellent performance.

As a finalist for the Transformational Business Awards conferred by the world-renowned newspaper, the Financial Times, in

partnership with the World Bank's International Finance Corporation (IFC) for Achievement in Sustainable Development, with a focus on Food, Water and Land, Aqualia was recognised for the transformational effective of its New Cairo WWTP. The company's drawing contest for children was also shortlisted as a finalist for the “Tubos de Ouro” (Golden Pipes), an award conferred by the Portuguese APDA at the ENEG, sponsored by the Portuguese Water and Waste Services Regulation Authority (ERSAR).

Aqualia, Transformational Business Awards finalist.



Aqualia works together with different public and private organisations to promote the efficient consumption of resources such as water. Our recognition as Transformational Business Awards finalist in the category of Achievement in Sustainable Development, with a focus on Food, Water and Land is proof of our efforts. Aqualia provides support through technical assistance in the construction of sustainable infrastructures with an approach of reducing the risk of drinking water access problems and of fighting against the effects of climate change.



Aqualia team with six awards conferred by iAgua magazine.



1 NO POVERTY



7 AFFORDABLE
CLEAN ENERGY



2 ZERO HUNGER



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION

5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



12 REFORMS
AND



7 AFFORDABLE AND
CLEAN ENERGY



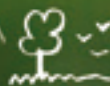
8 DECENT WORK AND
ECONOMIC GROWTH

9 INDUSTRY
INNOVATION
INFRASTRUCTURE



13 CLIMATE
ACTION

14 LIFE BELOW
WATER



15 LIFE
ON LAND

04

Aqualia's real commitment

- 32. CSR at Aqualia
- 33. 2030 Agenda. SDG
- 35. Dialogue with stakeholders

10 REDUCED
INEQUALITIES



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



16 PEACE AND JUSTICE
STRONG INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS

THE GLOBAL GOALS
FOR
SUSTAINABLE
DEVELOPMENT

Our Vision

AQUALIA'S REAL COMMITMENT

- Guarantee upstanding, honest and transparent conduct and behaviour.
- Extend our corporate values throughout the value chain.
- Maintain an active dialogue and respond to stakeholders.

4.1 CSR at Aqualia

Aqualia views Corporate Social Responsibility as an integral and essential part of our organisation. So much so, in fact, that the Aqualia business model does not conceive the pursuit of profitability and competitiveness without considering its contribution to sustainable development.

As part of the FCC Group, Aqualia is able to achieve this profitable and committed business model with the support of the model developed by the group, which, at the end of 2017,

approved its fourth Corporate Social Responsibility Master Plan for the 2020 horizon, structured on three lines of action: **Connecting with citizens, Smart Services and Exemplary Conduct.**

The new CSR Master Plan was drawn up on based on an analysis conducted for social and environmental needs, and trends for the long and medium terms. These pervading aspects, namely the recent legislative and regulatory developments, Sustainable Development Goals (SDG) identified in

the 2030 Agenda, sector demands, and a clear purpose to bring value to the business have permeated the definition of the action programmes in the plan.

This CSR Plan constitutes the cornerstone for framing the new 2018-2020 CSR Master Plan that Aqualia is currently drawing up.

Aqualia has been publishing its annual CSR report since 2006.



CSR Master Plan

LINES OF ACTION	Connecting with Citizens	Smart Services	Exemplary conduct
GOALS	Strengthen the company's ties with its immediate community and society in general, earning trust and credit through valueenhancing and added-value initiatives via social action, dialogue and the transfer of knowledge and experience.	Contribute significantly to the fight against climate change and reducing the impact on the environment and society. Boost innovation in sustainability and the company's role in the new circular economy model.	Hone the company's culture, endowing the organisation with exemplarity, skills, trust and pride, Xand mobilising our present and future employees around the strategic objectives of the Group.

4.2

The 2030 Agenda.

Sustainable Development Goals



On 25 September 2015, world leaders adopted a set of global goals to end poverty, protect the planet and assure prosperity for all as part of a new sustainable development agenda known as the **Sustainable Development Goals**. There are 17 goals, and each one has specific targets

to achieve within the coming 15 years.

Aqualia has joined this initiative, implementing its principles internally and, through the present report, presents the progress made in this regard throughout 2017. The organisation has a

role through SDG as an agent of development, positively affecting its local community and society as a whole, with particular emphasis on impacts related to water sustainability:

Sustainable Development Goals Aqualia Contribution

	1. No poverty	• Guaranteeing service access to citizens unable make payments for economic or social exclusion reasons.
	3. Good health and well-being	• Applying healthy lifestyle measures among employees. • Assuring citizen access to quality drinking water and sanitation networks.
	4. Quality education	• Support for employability. • Commitment to training young people. • Sensitisation seminars. • Development of educational tools. • Educating from the start.
	5. Gender Equality	• Leading equality in the sector. • Encouraging talented women. • Family-Friendly Enterprise. • Developing awareness-raising campaigns.
	6. Clean Water and Sanitation	• Strict analytics on supplied water. • Infrastructure investments. • Social investments directly in the community. • Responsible consumption sensitisation measures and campaigns.
	7. Affordable and clean energy	• Renewable energy production and consumption.
	8. Decent work and economic growth	• Applying quality employment policies (professional development, equality plans, EFR measures, healthy lifestyle promotion, etc.). • Developing CSR plans.
	9. Industry, innovation and infrastructure	• Developing innovation projects to improve infrastructures and service. • Building and improving in countries that lack water infrastructures or have water access problems.
	11. Sustainable cities	• Providing a public service from the perspective of efficiency and innovation. • Building and improving in countries that lack water infrastructures or have water access problems.
	12. Responsible consumption and production	• Managing the entire water cycle and applying the best techniques conceived during innovation projects focused on sustainable production. • Maintaining and improving sanitation networks with a view to reducing leaks and uncontrolled use. • Establishing measures and conducting responsible consumption sensitisation measures and campaigns. • Publishing annual sustainability reports.
	13. Climate actions	• Calculating our own carbon footprint to determine what measures will reduce emissions. • Energy management system for reducing consumption. • Developing R&D projects for recycling and creating new products from wastewater.
	17. Partnerships for the goals	• Creating public-private partnerships with civil groups, the public sector, academic organisations and other companies for projects that contribute to achieving SDGs.

Note: each sustainable development goal has its own chapter in the report.

New Cairo Wastewater Treatment Plant

The New Cairo Wastewater Treatment Plant project in Egypt is further proof of Aqualia’s partnership with different organisations contributing to improve access to a common good such as water.

The New Cairo WWTP was the first public-private water project partnership

for Egypt, where Aqualia was awarded the concession of a plant that served a million residents.

The new WWTP project has had a highly positive impact in relation to the Sustainable Development Goals (SDG), particularly in Goal 12, i.e. responsible consumption and production.

In 2016, the UN accepted the wastewater treatment plant project that Aqualia developed for New Cairo (Egypt) as an international benchmark for public-private partnerships in the water management sector.



New Cairo Wastewater Treatment Plant.

4.3 Dialogue with stakeholders

Aqualia believes that communication with its stakeholders is an essential pillar in developing its SCR policy, since communication with them is the only way of ascertaining the interests of different company publics and their opinion on our performance.

Aqualia Stakeholders



To do so, Aqualia periodically conducts specific studies to ascertain aspects or topics that are relevant for its stakeholders concerning the company's economic, social or environmental management.

The materiality study conducted in 2015 was expanded by directly dialoguing with stakeholders and an alignment with the FCC Group's 2017 CSR Plan. The most important matters for internal stakeholders were ascertained through focus groups, where company employees shared their opinions and concerns, and, for external stakeholders, through personal interviews held with representatives of each group. The identified relevant topics were included and developed throughout the present report.

	Relevant Topics	Report (GRI Indicators/Chapter)
EXTERNAL STAKEHOLDERS	Aqualia strategy definition	102-14 102-15
	Social performance	413-1 to 413-2
	Organisation and presence at forums	"Participation in forums" in the Chapter "Experts in Comprehensive Water Management"
	Customer service	"Customer service" in the Chapter "Quality service within reach"
	Environmental management	301-1 to 301-2 302-1 to 302-5 303-1 to 303-3 305-1 to 305-5 R&D + innovation projects in "Smart Services"
INTERNAL STAKEHOLDERS	Quality employment: reconciliation, equality, diversity, professional development and occupational health and safety.	403-1 to 403-4 404-1 to 404-3 405-1 to 405-2
	Customer service	"Customer service" in the Chapter "Quality service within reach"
	Environmental awareness and sensitisation	"Social sensitisation" campaigns in the Chapter "Aqualia in the community"
	Water quality	417-1 "Certified quality" in the Chapter "Quality service within reach"
	Emissions (Carbon footprint calculation)	305-1 to 305-5
	Organisation and presence at forums	"Participation in forums" in the Chapter "Experts in Comprehensive Water Management"

Communication

Dialogue with the identified stakeholders is the key to achieving each one of the goals set in the CSR Plan, primarily with citizens in their capacity as users of the service, society insofar as contribution to the immediate

community, and employees as representatives of the company in everything they do.

With this purpose, the 2017 Communication Plan included five strategic lines concerning stakeholders that have

influenced end users (consumers), institutional customers, the media and employees.

Communication plan

Forge a citizen perception of Aqualia as a company that brings value to their region/country	Institutions feel satisfied to work with Aqualia	Extend the company's influence on local media outlets and new media channels
Transform the Company into a sector benchmark insofar as technology, innovation, sustainability and communication	Foster a sense of pride among employees, showing appreciation for their daily work, their approach to their tasks and the positive consequences of their jobs on society, linked to values of progress, the environment and the creation of wealth in their regions	

Press/Media. The most important initiative undertaken in 2017 directly focused on the media in its dual role as reporters of information and citizens who use the public services that Aqualia provides.

Video has been the new medium for sending journalists and the general public alike messages containing

information that the company considers to be necessary to convey to society. Two examples of this medium were “La gestión del ciclo integral del agua como jamás te la habían contado” (Comprehensive water cycle management as you’ve never seen it before), which had nearly 9,000 views and received the iAgua award

for the Year’s Best Video, and “Campaña de promoción del agua de grifo de Bilbao” (Bilbao tap water promotional campaign), which tallied approximately 13,000 views.

The company also organised meetings with journalists at facilities, workshops and open days in the different regions and sites where Aqualia furnishes its services.



170,000

Minutes viewing the Aqualia Youtube channel



II Aqualia Journalism Awards

“La gestión del agua en los municipios” (Municipal water management)

To streamline external communications with end users, we improved 33 local websites, of which 3 correspond to municipal water services in Portugal, and the remaining 30 in Spain. We also launched 3 new websites.

Aqualia has reinforced its online position by adapting its websites to a new model centred around end-users. The websites contain more visual content and are compatible with all mobile devices.

Internally, the company communicates with its employees through the Aqualia ONE intranet, news flashes that employees receive via e-mail and Your Flash, the hardcopy newsletter distributed among personnel without online access. More information of interest was sent to employees by e-mail in 2017. Throughout the year, the company launched a total of 133 articles concerning daily production activities,

the business and different company areas, in addition to the different CSR-related actions and campaigns.

www.aqualia.com had over 1.3 million visits in 2017.
133 internal communications regarding Aqualia activities.



Corporate webpage home: www.aqualia.com.





05

Connecting with citizens

43. Quality service within reach
52. Aqualia in the community



Our vision

CONNECTING WITH CITIZENS

- Quality of service and proximity to customers.
- Integrate social commitment in all company decisions.
- Contribute to the development of the municipalities where the company operates.
- Involve employees in social causes through the participation in sporting, cultural and training events.

Main figures

Year	2015	2016	2017
Issued e-bills	675,500	1,019,611	↑ 1,666,100
Contracts with e-billing	174,500	296,499	↑ 333,220
Received calls	-	729,282	↑ 769,233
Laboratory quality controls	840,446	865,790	↑ 978,586
Investment in social action (M€)	488	873	↓ 830



5.1

Quality service within reach

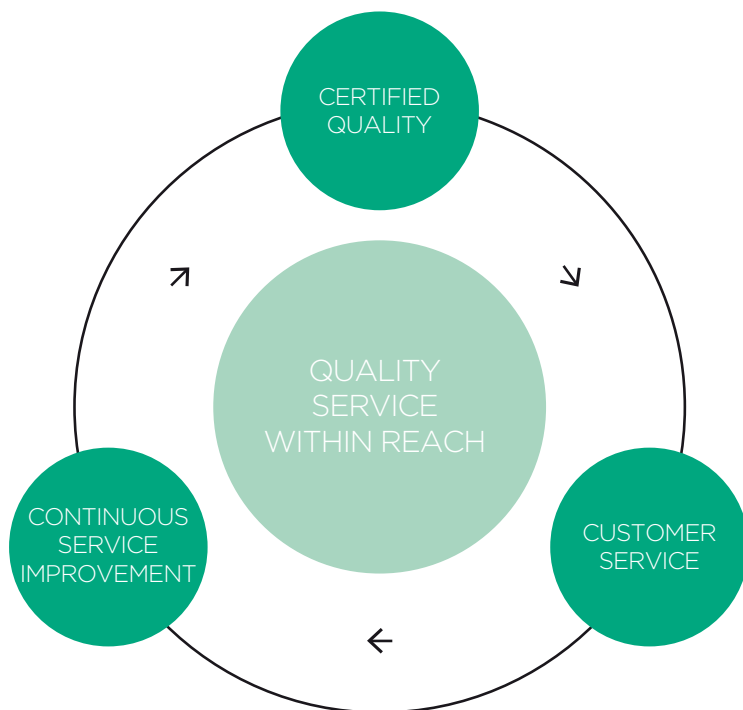
Aqualia has pledged its excellence in customer service to society. To honour this pledge, the company provides a highly personalised service according to the needs of its users.

In a customer-satisfaction based strategy, where the quality of the channels of interaction proves to be a vital element, Aqualia proposes an omnichannel system to guarantee full interaction across its channels of

communication (in person, telephone and internet), enabling proximity with the customer at all times.

Progress continued in 2017 to place end users at the core of the strategy with particular attention given to the quality of channels in place for engaging interaction.

2017 Action plan



Certified quality



94.30%

of the volume produced in Spain is ISO-9001 certified



73.5%

of the volume produced internationally is ISO-9001



978,586

Quality controls with 99.68% compliance



Aqualia's strategy is centred around the end users, with particular attention to the quality of the supplied product. To do so, the company focuses its efforts on ensuring the best quality of water to consumers, guaranteed by extensive testing at company laboratories.

The public information on the quality controls carried out are posted for consumers on the SINAC website and local website wherever we operate.

We began a laboratory reorganisation project back in 2016 that continued into 2017 to take further steps in adapting to the new Commission Directive (EU) 2015/1787 on the quality of water intended for human consumption, whose transposition into Spanish law is scheduled for 2018. This directive requires that water analyses follow Standard EN ISO/IEC 17025

and are audited by an national accreditation body.

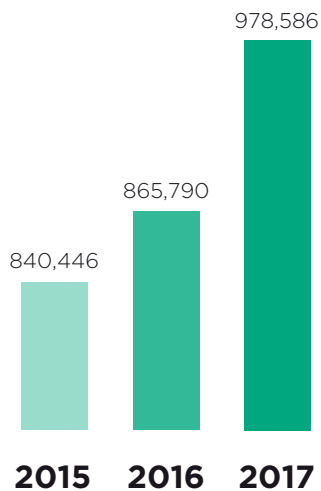
In this regard, the company's Spanish network of 27 laboratories will consolidate into 7 accredited laboratories and 2 certified laboratories with a significantly higher production capacity than the present laboratories and broader scope of accreditation, including analytical techniques that previously had to be done by external laboratories.

In this new configuration, our currently accredited laboratories analysed an overall total of 24,388 samples

in 2017 for a total of 978,586 quality controls that resulted in **99.68% compliance**.

On World Quality Day 2017, Aqualia celebrated the 20-year anniversary of its first ISO 9001 quality management certification in 1997. Two years later, the company secured its first ISO 14001 environmental management certificate. The company joined the celebration organised by the Spanish Association for Quality (AEC) under the slogan "Liderar en tiempos de cambio" (Leading in times of change) with a retrospective of the major milestones achieved over the past 20 years.

5 laboratories in Spain and 2 in the Czech Republic are accredited under UNE-EN 17025.

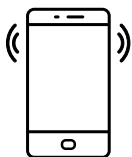


Laboratory quality controls



Customer service

769,233



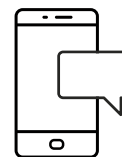
Calls received

0.38%



of the effective calls received were complaints

8,905



App users

In a reality where customers hold high expectations for the service they receive from companies, Aqualia continues making progress on the path it began in 2016 to provide all its customers with an omnichannel experience in their relationships with the company. In-person office, online office, telephone support and mobile device channels have been integrated to provide real-time service. Customers who begin a communication in any of these channels can therefore continue on another channel without having to begin again from square one and provide information all over again.



Service	Languages	Impact
Telephone support through the Customer Service Centre (Aqualia Contact) , letting users carry out any process without having to visit an office in person.	Spanish	
	Galician	769,233 calls received.
	Catalan	98,158 surveys completed: 73,239 of which rate Aqualia as excellent, 14,465 as very good and 6,713 as good.
	English	
	German	0.38% of the effective calls received were complaints.
	French	
Corporate website www.aqualia.com	Spanish	
	Galician	1.3 million visits in 2017.
	Catalan	40% of the interactions were made through Customer Service.
	English	The average duration of the connections, 85% of which came from Spain, was longer than 2 minutes.
	German	
	French	
Local websites Aqualia Online	Local Language	3 local websites were published: 30 corresponding to services in Spain and 3 in Portugal.
		142,347 requests.
		1.67% of the requests were complaints.
Smart Aqua, App for mobile devices , to carry out processes related to the services provided by Aqualia whenever the customer wants.		8,905 users.
		9,312 management actions made through the App.

The creation and management of local websites is a service that provides added value to the communities where Aqualia carries out activities. These websites let consumers access the virtual office to carry out customer service processes, search for a nearby office, get relevant local alerts and catch up on the news concerning their local Municipal Water Service.

The content of each website is adapted to the particulars of each zone and service, and available in the official languages of the region. The websites are all AENOR certified, which ensures compliance with Level AA accessibility requirements according to Standard UNE 139803.

In addition to digital channels and telephone support, Aqualia provides in-person customer service at its offices.

Aqualia has reinforced its online position by adapting its websites to a new model centred around end-users. The websites contain more visual content and are compatible with all mobile devices. All websites are accessible and AENOR certified, provide service-specific content and are available in the official languages of the zone.

Adaptation to the new Italian water sector regulations

Aqualia's efforts to adapt its Italian call centres to the country's new legislation has enabled the company to improve its time and Customer Service ratios.



The Smart Aqua, Aqualia Contact and Aqualia Online channels are certified according to Standard UNE- ISO 27001 "Information Security Management Systems", fulfilling the security objectives stipulated by law and ensuring Aqualia's commitment to safeguarding customer data, integrity, availability and confidentiality.

Aqualia began to adapt to the new Data Protection Regulations back in 2017, and over 800 company employees have already received training in this regard.

Aqualia will take the social media leap in 2018 and complete the CRM 360° project for full omnichannel coverage.

Aqualia safeguards the privacy and personal data of its customers.

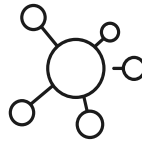


Continuous service improvement



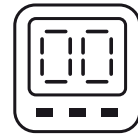
1,666,100

Issued e-bills



115,204

Channels available to expand
meter reading



62,150

Installed
smart meters

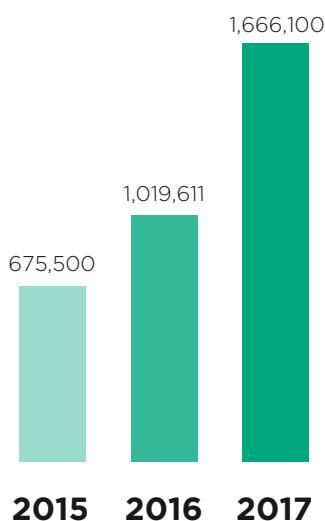
Geographic Information System

Aqualia has had a geographic information system (GIS) in place since 2005 for efficiently managing its water and sewerage networks in terms of operation and planning. In light of the company's emerging needs, a new tool adapted for managing

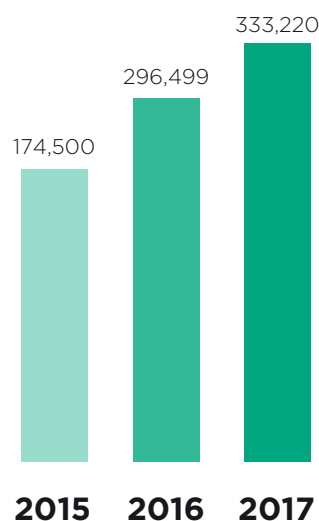
business assets was developed in 2017 and provides clear competitive advantages in comparison with similar tools on the market.

Aqualia_GIS guarantees greater accessibility, better connectivity, integration and compatibility with other GIS tools for direct fieldwork.

Responsible billing



Issued e-bills



Customers with e-billing

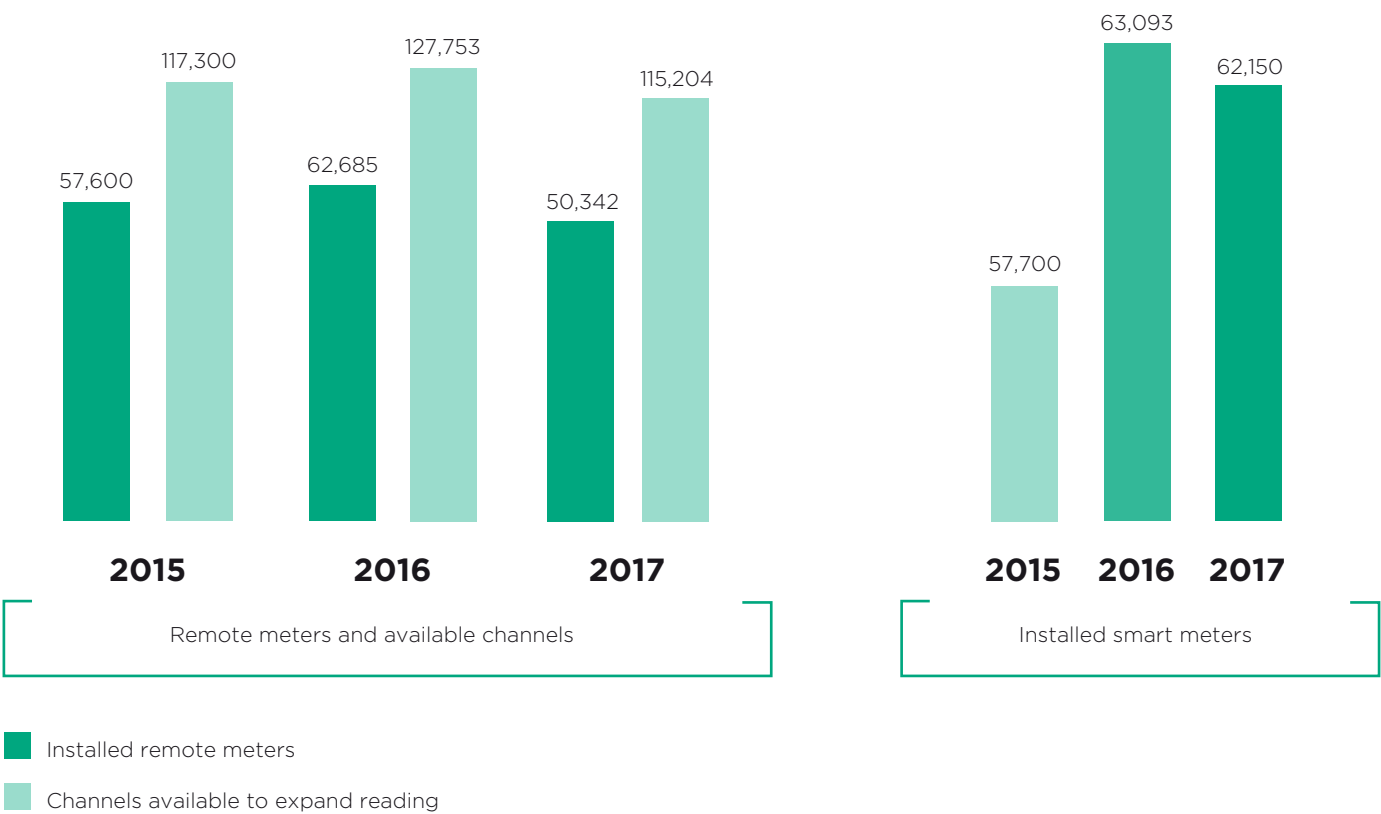
Aqualia provides its customers with personalised consumption billing that structures information simply and transparently. Doing so simplifies consumer interpretation of their bills and thus improves the quality of the provided service. Concern for the environment and sensitisation regarding the correct use of water are still among Aqualia’s main lines of action. “Get e-billing”, Aqualia’s mobile app promotion: Smart Aqua, and further information and awareness-raising campaigns have all been successful. Proof of this success lies in the 63% increase in e-bills issued compared with last year, and that 12% of our customers have signed up for the service.

The bills are also a useful communication channel with customers. The company uses this medium to sensitise users of the importance of efficiently managing water, involving them in responsible consumption.

Aqualia is at the vanguard among major operators in number of users signed up to the e-billing service in Spain.



Remote and smart meters



Aqualia has continued making progress throughout 2017 in the installation of remote meters. These meters render more reliable and accurate readings on the actual consumption.

The company presently has 50,342 remote meters installed with a total of 115,204 channels available to expand reading. These figures are slightly lower than the data reported last year because of the withdrawal of some obsolete meters equipped with radio

transmission systems in several regions.

The reduced number of smart meters installed this year was also because of the same reason. These meters provide accurate and personalised information regarding consumption habits, rates, and service on the consumer network.

Several projects have now begun to improve the remote reading system to enable readings from Aqualia centres.

The pilot project commissioned for Formentera in 2017 entailing the installation of 250 smart remote meters is scheduled to cover the entire island in 2018. The remote reading project initiated for large hotels and key consumers in Adeje covers approximately 50% of the municipality's consumption.

Smart network management platform

Implementation of the TaKaDu platform, the advanced smart supply network management system, began in 2016 through a LIFE project. TaKaDu is an integrated event management system for improving water management through a water network data analysis system with the following essential objectives:

- Reduced water losses.
- Increased network visibility and control.

- Optimised efficiency of network operation and management processes.
- Improved service to customers by implementing smart city services.

We continued implementing this platform for the Níjar (Almería) and Sant Josep (Ibiza) contracts in 2017.

Aqualia also rolled out a similar tool, LakeFinder, in 2017. Similar to TaKaDu insofar as event

reports, it is also capable of generating virtual sectors, which renders LakeFinder particularly ideal for heavily meshed networks. The tool is currently still in the testing stage in the Alcalá de Henares contract.

TaKadu detects water distribution network event incidents through predictive models.



Aqualia achieves continuous improvement by implementing innovation projects that enable the company to enhance its service and become more sustainable by reducing management incidents such as water loss.

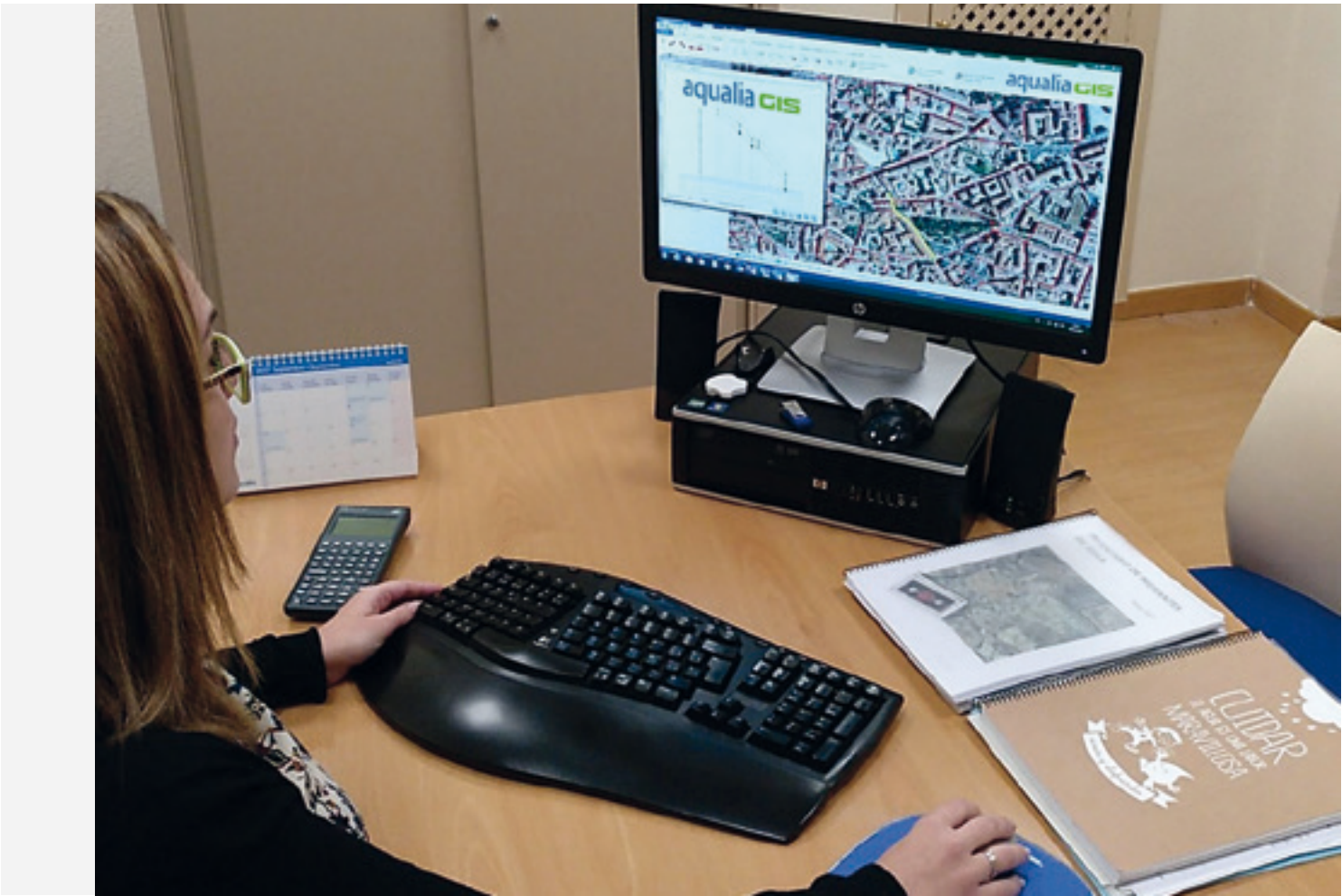
Work order mobility project

This project began back in 2017 and entails an upgrade of the work order tool on the Aqualia GESRED platform. The project provides mobile devices to connect field operators to work order management centres.

The first pilot is already underway for the Salamanca contract and the project is awaiting final rollout for contracts requiring this service in 2018.

This project enables faster and more efficient management for resolving fieldwork.

In 2017, we continued taking steps in the fight against fraud by improving the tracking and inspection system, detecting irregular supplies, and statistically monitoring the situation in the network by zones or municipalities.



5.2

Aqualia in the community



€824,000

In social investments



57%

Of social investments went to cultural activities



28.57%

Of social investments went to social action

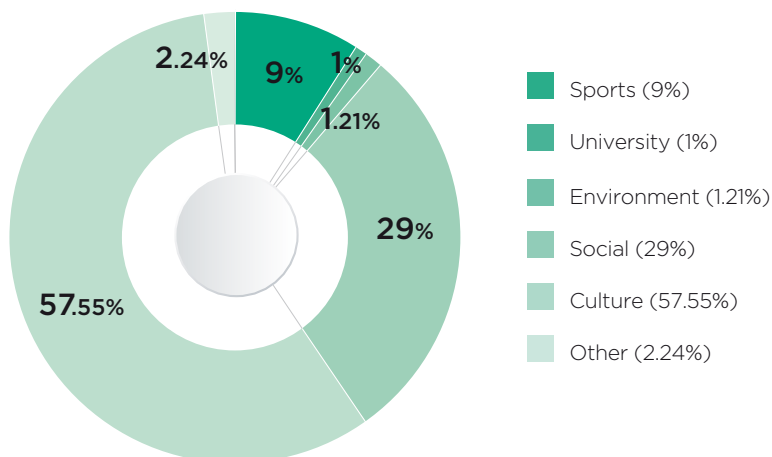
Aqualia’s policy is strongly rooted in creating value for the municipalities where the company carries out its activities. To do so, the company underlines the importance of its activities and guarantees comprehensive

water cycle management that is efficient and sustainable financially and socially.

The company’s commitment to society shines bright in over one hundred cultural, sporting and environmental

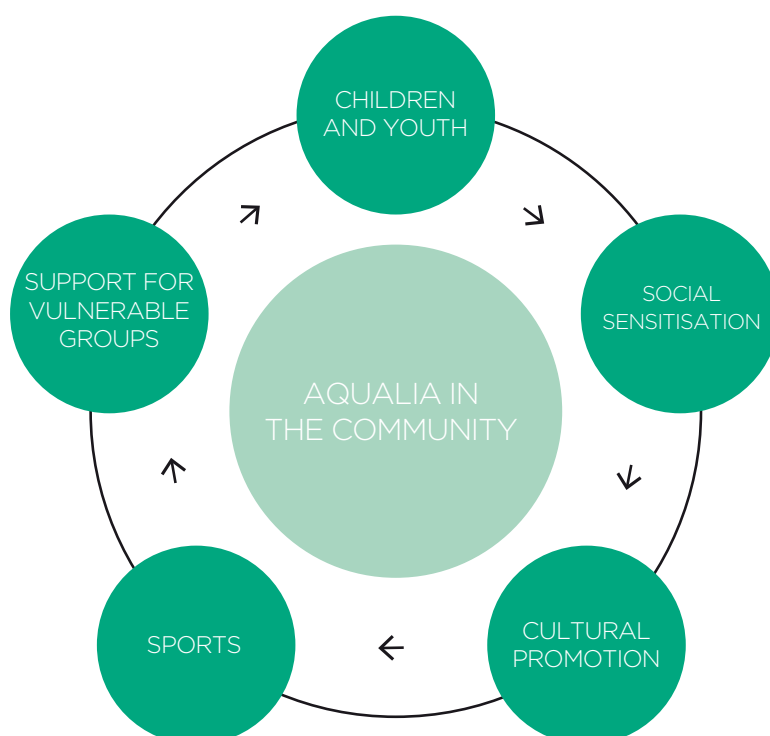
collaborations that reflect the company’s efforts to engage in communities and be recognised as an agent of change that, in its relationships with citizens and consumers, helps create a more equitable society.

Investment in social action



Student visit to a DWTP in Oviedo.

2017 Action plan



Children and youth

Aqualia pays particular care to children and youth when developing its social actions and prioritises education as the effective means to developing our communities. The company raises the awareness of the youngest members of our society regarding the importance of being sustainable and responsible, particularly regarding the water consumption and the proper use of sanitation network through creative and fun activities. The following initiatives are some of our most prominent:



Progress is a prevailing equation in the context of water management. Educating society to become more sensitive and aware about water consumption and responsible use is a commitment that Aqualia has assumed and developed for over 30 years as a management company.

Fifteenth Edition of the International Children's Drawing Contest



The fifteenth edition of the international children's digital drawing contest was presented on World Water Day. Similar to previous editions, a specific microsite fostered children's use of new technology and contributed to sustainable

development as a paperless contest.

Participants were able to trace the path that the water follows from when it is used in their homes until its return to the environment after treatment and the different uses of wastewater at www.misiondepuracion.es.



This year, in addition to the educational nature of the contest, we developed a video and didactic comic book whose message was estimated to have reached 150,000 school children, 6,800 teachers, 2,000 employees, 1,000 local governments and 850 media outlets.



Nearly **8,500** contest participants



10 Individual winners **1** Group winner
250 Finalists

Eighth Edition of the Toddler-Artists Contest

The International Toddler-Artists Contest was created to teach young children responsible and sustainable natural resource consumption habits and give them an idea

of the work that their relatives do in the different stages of the comprehensive water cycle. The stars of this year's interplanetary challenger were the children, grandchildren,

nephews and nieces of Aqualia employees. Keeping the planet clean, purifying and recycling used water.



Over **100** contest participants



1 Toddler cat. winner **1** Child cat. winner
10 Finalists

Students and youth awareness-raising

Aqualia conducts awarenessraising campaigns for children and young people, managing open day workshops and visits to facilities so that they can get a firsthand view of the comprehensive water cycle management and tips on how they can use water responsibly every day. In Écija (Seville), for instance, schoolchildren visited the Wastewater Treatment Plant where they learned how dangerous waste such as paper towels that we often toss into drains or flush down toilets can actually be. Activities of this sort are further proof of Aqualia's commitment to the environment by educating from the start.

The Valverde del Camino wastewater treatment plant (Huelva) welcomed first-year secondary school visitors. The pupils learned about the local comprehensive water cycle and received indications on making a responsible use of the sanitation system

In Sant Antoni (Ibiza), Aqualia organised an educational trip for 200 pupils in the third year of secondary school. Under the slogan "taking care of our water to build a better world", the children participated in workshops and were treated to a magic show to learn about the desalination process, an essential activity for the island's water resources.

In Dénia (Alicante), we partnered with the local government to organise visits for 218 local schoolchildren to the Beniadiá Drinking Water Treatment Plant (DWTP). The purpose of the visit was to give students a firsthand glimpse of the process that water undergoes from capture to tap and, especially, the drinking water purification process.

50 third and fourth year pupils from Primaria de Fraga (Huesca) visited the facilities at the Drinking Water Treatment Plant managed by

the city. The pupils were thus able to see how the plant's dual stage filtering systems with continuous scrubbing filters actually works.

Oviedo students also visited the Malpica Wastewater Treatment Plant, where they saw a demonstration of a camera-equipped robot internally inspecting the sewerage network.

SmVak held its third straight "The tree of life", an annual interactive environmental education and awarenessraising programme for schools.

These activities were designed to teach schoolchildren and instil a sense of responsibility in that society as a whole should progress with respect to the use of water and sanitation.



Open day workshops with pupils at the Ávila Wastewater Treatment Plant.

Social sensitisation

Moreover, and closely linked with our daily activities, Aqualia has rolled out several awarenessraising initiatives on the responsible use of water and caring for the environment, including:



Sustainability and sensitisation are two key factors for the company. Aqualia believes that the efficient management of natural resources, and especially water, is essential. The company has developed responsible use campaigns throughout the year for drinking water and the sanitation network.

World Water Day

Aqualia opened the doors to its facilities on “World Water Day” for everyone, from school groups to associations of women, homeowners and the disabled. Company personnel led educational visits to give visitors a practical overview of how water treatment systems work and why they are so important for the environment. Local governments praised the initiative for its pedagogic value.

The star of the 2017 edition was wastewater, and a total of 42 open days were organised for the treatment plants (WWTP) operated by the company. Some of the most popular visits took place in Cudillero (Asturias), La Bañeza (León), Cangas de Morrazo (Pontevedra), Toledo, Medina del Campo (Valladolid), El Burgo de Osma (Soria), Ávila, Aranda de Duero (Burgos), Hellín (Albacete),

Alcázar de San Juan (Ciudad Real), Lleida, Merida (Badajoz), Ronda (Málaga), Linares (Jaén), Barbate (Cádiz) and Jaén.

42 Open Days.

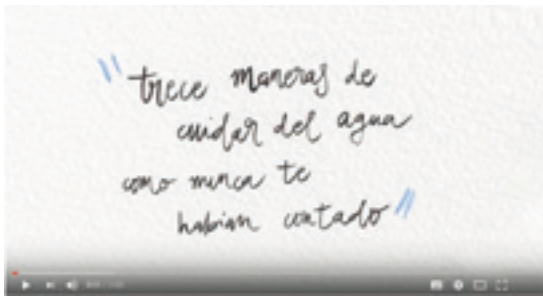


Celebrating World Water Day in Jerez de la Frontera.

Thirteen ways of taking care of water that nobody every told you about

For many places in Spain, 2017 was an exceptionally dry year. With a view to promoting responsible consumption and raising the awareness of consumers, we developed a campaign that also

prominently includes the very didactic video “Trece maneras de cuidar del agua como nunca te habían contado” (Thirteen ways of taking care of water that nobody every told you about).



“Thirteen ways of taking care of water that nobody every told you about” video.

Benefits of drinking tap water

In commemoration of the 50th anniversary of Bilbao’s water utility, the CABB (Consortio de Aguas de Bilbao Bizkaia) and with a view to showcasing the quality of tap water, we organised an event to invite all Bilbao residents to take up an interesting challenge. Over 2,000 Bilbao residents

had to taste the difference between their city’s tap water and another type of water. The action resulted in numerous advantages for citizens consuming tap water, not only because of its quality, but also for the environmental and economic benefits of doing so.



Showcasing tap water at a CABB anniversary commemoration information stand in Bilbao.

Responsible use campaign in Ibiza and Formentera

The **responsible use campaign in Ibiza and Formentera** is another example of citizen sensitisation. In 2017, the Forética Association recognised this campaign, which primarily aims to promote integrated freshwater

management, for pertaining to the “**Sustainable Living in Cities**” initiative under the “**Communication and Sensitisation**” category.



Juan Pablo Merino, Communications and CSR Director, and Eduardo del Castillo, Balearic Island Delegation Director, accepting the recognition from the Fóretica Association.

Second Aqualia Journalism Awards

With a view to shoring up Aqualia’s relationship with information professionals, whose contribution entails publicly conveying the importance of comprehensive water cycle management for the development and

well-being of municipalities, the company launched the **Second Aqualia Journalism Awards “Municipal water management”**. The results will be announced in the first half of 2018.



Promotional image of the Second Aqualia Journalism Awards.

Sensitisation seminars

Aqualia also participated in over 100 seminars and workshops with different groups in 2017 (housewives, retirement groups, journalists, etc.). Visitors learned about how the comprehensive water cycle management is carried out in a company like

Aqualia and were likewise informed about proper resource use: responsible consumption, toilet use, oil management, etc., to safeguard our natural communities and a clear covenant to protecting the environment.



During a sensitisation workshop.

True water information

Our **False Myths about Water** launched in 2017 was an initiative aiming to dispel the false myths surrounding comprehensive water cycle management and the role of water operators by giving company stakeholders solid reasoning and facts, and the reality regarding water management, regardless of the service provider.

False Myth	#informacionrealdelagua	False Myth	#informacionrealdelagua
 Water is infinite	Water is a limited resource. Properly and effectively managing water will guarantee its availability in quality and quantity.	 Keep drinking water at home	Comprehensive water cycle management is a complex process entailing the capture, treatment, purification and distribution of water and including the subsequent capture of used water, and its subsequent treatment to return to the environment in optimum conditions.
 Tap water is expensive	For a country with scarce water supply in many areas, the average cost represents only 0.9% of a family's monthly expenses, which is much lower than the costs for other services. For the price of one glass of beer at the bar, we pay the equivalent of more than two and a half days of water consumption in a three-member family home.	 Water is a right and should therefore be free	The right to water does not mean that it should be free. In fact, the United Nations points out that users should bear the costs of water services together.
 Companies set water prices	Only local governments may change water prices because only they own the service. That's the law.	 If you cannot pay, they cut off your water at the drop of a hat	No modern Spanish company will cut off the water supply to citizens who can justify that they cannot pay their water bills.
 Water should only be managed by the government	The United Nations has stressed that governments should guarantee the right to water regardless of who is delegated to provide the service. The United Nations and several NGOs agree that the private sector has an essential role to achieve the 2015-2030 Sustainable Development Goals.	 Delegating service management means privatising water	Water cannot be privatised, it always belongs to everyone. While local governments select the service management model, direct or indirect, they cannot renounce their ownership or exercise any control over it.
 Companies are only looking for profits	By obtaining a legitimate benefit, companies (public or private) can guarantee the social and financial sustainability of the service. Aqualia is engaged and participates in social, cultural and educational initiatives throughout the communities where it has activities.	 Companies are run with little transparency	Water is a public service subject to greater supervision. Administrations subject operators to controls for aspects, namely sanitary, technical, financial, tariff-related, etc.
 Tap water is worse than bottled water	Tap water is subject to more stringent analytical controls than bottled water. It therefore can be supplied to the entire population with a full guarantee.	 Private water management undermines employment	When working with municipalities, companies have qualified professionals on staffed adapted to the needs of the service. The companies also partner with universities and organisations to foster the integration of young graduates into job market.

Cultural promotion

Aqualia honours its commitment to the municipalities where it carries out activities by contributing to their social and cultural development. Proof of this support includes the campaigns and celebrations carried out in 2017, of which the following are particularly noteworthy:

2017 Holy Jubilee Year Promotion

As a finishing touch on the promotional campaign for the Holy Year that the company carried out during 2016, over a hundred Aqualia workers in Murcia made the pilgrimage to Caravaca de la Cruz for the Jubilee Year 2017 and enjoyed a beautiful day full of companionship and teamwork.

Aqualia actively supports the promotion of this celebration, which is an international event and powerful driver for the municipality and tourism in Murcia, since it represents culture, local heritage and natural, active and rural tourism in benefit to the local economy.



Promotional image for the Holy Jubilee Year in Caravaca de la Cruz.

Partnership with the University of Almería

Aqualia collaborated with the University of Almería as a lecturer for the summer course “Water in Almería, analysis, problems and solutions”.

During the course, Aqualia gave students recyclable water glasses and jars to reduce the consumption of bottled water plastic.



University of Almería summer course “Water in Almería, analysis, problems and solutions”.

The following are some of the more salient festivals and gatherings at which the company participated in 2017:

MUECA International
Street Art Festival
(Puerto de la Cruz)

Cadaqués International
Music Festival

Platja d'Aro Jazz
Nights Festival

Mallorca Jazz Sa
Pobla Festival

Olmedo Classical
Theatre Festival

Tarifa-Tangier African
Film Festival

National digital
marketing conference
in Badajoz



MUECA Festival at Puerto de la Cruz.

Training leaders

Aqualia is aware of the importance of spreading the knowledge of water management in universities and sector-specific associations. Proof of this includes our participation in the **Eighteenth University of Almería summer course** “Water in Almería, analysis, problems and solutions”, and the **Fourth Encounter on Sustainable Cities** “The management of environmental assets and their impact on the resilience of cities” organised by **Menéndez Pelayo International University (UIMP) in Santander**, where we shared Aqualia success cases in Egypt, Vigo or Santander.

EOI Partnership

Aqualia partnered with the School for Industrial Organisation (EOI) for another year in the Master of Engineering and Water Management to train professionals in water management.

The company provided teachers and technical facilities for organising student visits.

Support for the International Master “Water Treatment Plant Operation and Maintenance” at the University of Oviedo

The local government and Aqualia observed the Third International Water Week during the Master “Water Treatment Plant Operation and Maintenance” at the University of Oviedo by carrying out an interpretive visit to the Cabornio Drinking Water Treatment Plant.

Training university students

Linaqua, a mixed company for managing the Linares Municipal Water Service, welcomed twenty-four university students studying Mechanical Engineering and Energy Resources at the Linares Advanced Technical College. The students visited

the facilities of the Drinking Water Treatment Plant (DWTP) and Wastewater Treatment Plant (EDAR) that the company manages in the region.

With initiatives such as this for our younger generation, the Local Government and Linaqua

demonstrated their willingness and commitment to explain all the work that goes on not only behind the water tap but also in order to return used water to the nature in optimum conditions.



Group of students from the master’s degree “operation and maintenance of water treatment plant” during their visit to the Oviedo DWTP.

Participation in Company Day

Aqualia’s RH team participated in the School for Industrial Organisation’s Company Day, an event dedicated to integrating post-graduate master students into the labour market.

María Almeida and Carlos Escribano, from Aqualia HR Departament on the Company Day.



Sports

Beyond water management and as part of our commitment to society, Aqualia promotes the education of values through sport and the healthy use of free time in the communities where the company works.

Aqualia supports numerous sporting events and activities every year either through financial or material sponsorships or through the participation of its employees and advertising. The most relevant are listed below:

Athletics for all ages in Dénia

Aqualia partners with the Dénia local government to provide leisure and sporting activities that promote a healthy lifestyle. These activities are conceived to promote the broad range of options available for all ages at the Municipal Sports Centre.

Gymnastics for seniors

The Villena Sports Centre offers gymnastics classes for senior citizens. The gymnastic classes are designed for senior citizens with a view to preventing the

functional decline in the elderly. Gymnastics also help dynamics in basic motor skills, stimulate sensory and functional capabilities, reduce depression

and favour the overall sensation of well-being.

Spartan spirit

Approximately 50 Spartans participated this past Saturday in the Third SpartanSGX Junior organised by the Dénia Sports Centre and Aqualia for Mother's Day, aptly naming the event **SpartanMOM**. Entire families

had fun negotiating with a circuit of obstacles, including monkey bars, netting and walls, etc., and even a rain simulator.



50

Participants in the third edition

Real Madrid Foundation Sports School

The Real Madrid Foundation Sports School in Mazarrón, which was founded following an agreement between Real Madrid, the local government of Mazarrón (Murcia) and

Aqualia, tripled the number of enrolled since it first opened its doors in 2013. The school provides grants to 75% of its students.



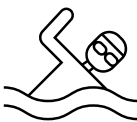
70

Enrolled students in 2017. 7 girls

Dénia swimming championship

The Dénia Sports Centre hosted the popular and highly anticipated 4th Swimming League Day. The event at the pools in Ondara, Pego, Benissa, Poble Nou, Tonus-Vergel and Dénia Sports Centre had the participation

of 170 children divided into age groups from 6 to 18.



170

Children participated in the 4th Swimming League Day



Aqualia also partners with different teams and clubs such as the Diocesan Youth Team in the Ávila Honour Division, Sóller Volleyball Club, Talavera de la Reina little league soccer and the Mideba Basketball Club in Badajoz.

Support for vulnerable groups

As a matter of CSR policy, Aqualia engages the community beyond merely providing a public service. Through donations and support to social activism for groups considered to be vulnerable or at risk of exclusion, the company does its part in our common goal to improve society.

The following actions are some of our most prominent:

Assistance to people in situations of vulnerability or exclusion

Aqualia has renewed the agreement with Cáritas Española by virtue of which it undertakes to collaborate in water-cycle related matters for people in situations of vulnerability or exclusion, through local Social Services organisations. The company thus arranges special rates for water bills in certain situations.

Through this agreement, the company also undertakes to make an annual donation matching the water service amount at Cáritas centres in the cities where Aqualia provides its service.

Aqualia's 2017 donation matched the water service bill for 94 Cáritas centres.



Félix Parra (Aqualia CEO) and Sebastián Mora (Cáritas Española Secretary General) renew the agreement.

Social and vocational integration for people with disabilities

As a company dedicated to managing water, as a public good, Aqualia has an additional responsibility to society. In this regard, the company collaborated in different actions in 2017 for the social and vocational integration of people with disabilities. Proof of this includes our participation in Barbate (Cádiz) with the “**I am prepared**” programme

organised by the **Down Barbate A.Si.Qui. Pu Association**, helping improve the employability of young people with intellectual disabilities through company internships.

Aqualia's work was recognised by the Madrid Down Syndrome Foundation (Down Madrid) through a 2017 Stela Award, which is given to companies who hire workers with intellectual disabilities.

2

New colleagues in 2017



Carmen Rodríguez, HR Director; Camino Martínez, Training Area in the RH Department; Juan Pablo Merino, Communications and CSR Director; and Carlos Escribano, RH Department.

Awareness-raising campaign for people with disabilities

Aqualia has joined the Adecco Foundation's sensitisation campaign **#Nohaylímites** to eliminate the stereotypes impairing the professional development of people with disabilities. Juan Manuel Montilla "El Langui" stars in the campaign's main video, which shares the

difficulties that people with disabilities go through at their first day of work.

The campaign uses the humour in the video as an invitation to think about inequality regarding opportunities and access to the job market for people

with disabilities. A message aligned with Aqualia's social responsibility policy, which commits to normalising disabilities.



AOPA Partnership

Aqualia has collaborated with the non-profit AOPA association, which helps and provides orientation for families with children and young people with PDD-ASD (Pervasive developmental disorders – Autistic Spectrum Disorder), by equipping the therapy room.



We guarantee access to the drinking water service

We launched a series of initiatives in 2017 to guarantee access to the drinking water and sanitation service for citizens who are unable to pay their water bills for economic or social exclusion reasons. Thus, services such as Barbate (Cádiz), Dénia (Alicante), Jaén, Molíns de Rei (Barcelona), Sant Andreu de la Barca (Barcelona) and Vigo (Pontevedra) are just a few examples of this initiative with which Aqualia intends to bring to every location where it works.



The goal is to ensure that no citizen lacks water supply for economic reasons in partnership with the service owner (local government) and pertinent social services.

Donation to the Mensajeros por la Paz Association

Aqualia has made a donation to the Mensajeros por la Paz Association so that families in Asturias and the Community of Madrid in a situation of vulnerability can get a food care package this Christmas.



65 families will not go hungry this Christmas season



Juan Pablo Merino, Communications and CSR Director, and Carmen Rodríguez, HR Director, together with Father Ángel.

Further sensitisation and awareness-raising campaigns

The following company-backed campaigns are particularly noteworthy in this section: World Breast Cancer Awareness Day and Domestic Violence Awareness Day. In this regard, many municipalities including Alcoy (Alicante), Ávila, El Vendrell (Tarragona) and Sant Joan (Ibiza) have held several events to raise the public's awareness of this social stigma. Aqualia has participated in activities such as a balloon release, symbolic dyeing some of the local fountains, candlelight vigils for the victims

of misogynist violence and a rally with signs reading “Yo, contigo” (I’m with you).

The company also invited all its workers to gather at office entrances to read a manifest condemning violence against women and expressing solidarity with the victims.

A blood drive was carried out in Oviedo. The campaign slogan was: “What can you do?”, with the following secondary message: “Donate blood. Donate now. Donate often”.

The Local Government and Aqualia also collaborated with the Blood Donors Association of the Principality of Asturias by dyeing some of the most emblematic ornamental fountains in the city red, namely: the Escandalera and Plaza América Fountains for the purpose of stirring up visual impact and raising the public's awareness of the need for blood donations.



Domestic violence awareness event in Ávila.



Oviedo fountains coloured pink for Breast Cancer Awareness Day.



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





06

Smart services

- 70. Innovation in the water cycle
- 82. Environmental impact management
- 86. Circular economy approach

Our Vision

INNOVATION AND ENVIRONMENTAL CARE

- Maintain our commitment to innovation and new technologies.
- Engagement to care for the environment and fight against climate change.
- Commit to sustainable development with measures to prevent and reduce environmental impact.
- Sensitise society regarding the importance of responsible water use.

Main figures*

		2015	2016	2017
R&D&I	Direct R&D&I investment (M€)	2.80	3.20	↑ 4.10
Environmental impact management	Scope 1 CO ₂ Emissions (t eq)	21,165	22,001	↑ 46,158
	Scope 2 CO ₂ Emissions (t eq)	91,714	70,423	↑ 345,200
	Scope 3 CO ₂ Emissions (t eq)	35,967	33,390	↑ 35,121
	Consumed electricity (GJ)	1,763,943	1,890,048	↑ 3,347,591
	Consumed renewable energy (GJ)	57,225	70,564	↑ 125,294
Circular economy	Volume of water captured for management (M m ³)	620.99	621.74	↑ 840.34

* For the first time, 2017 data is available for all the countries where the company has activities.



Smart Services

Citizens are the priority cornerstone of Aqualia activity. The provision of services contributing to social wellbeing entails new challenges that require the incorporation of innovative technologies capable of bringing added value to comprehensive water cycle management.

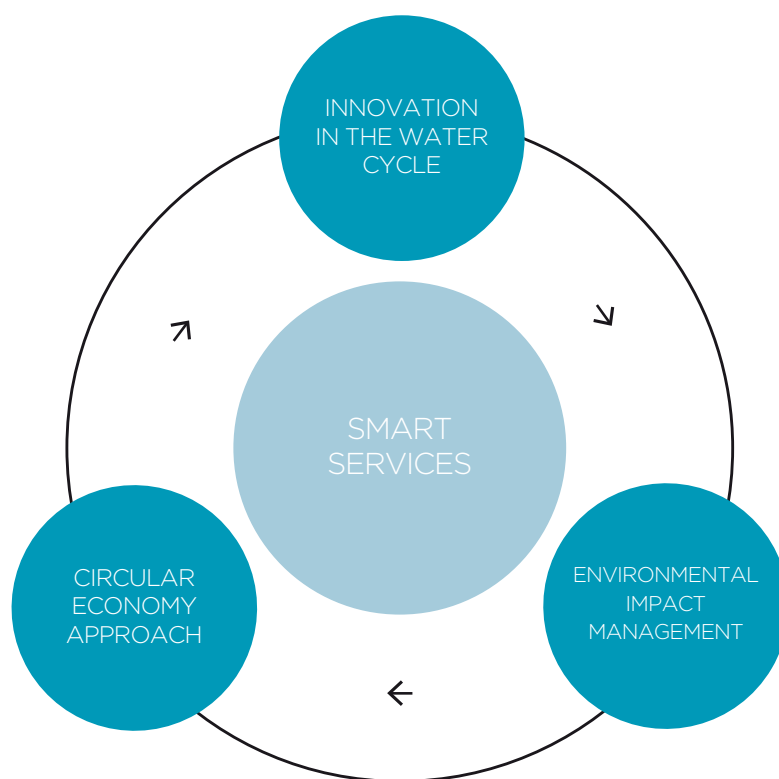
In this context, Aqualia incessantly strives to develop

Smart Services to render our processes more efficient and innovative.

Moreover, as we understand that these Smart Services must be built upon the new concept of circular economy, Aqualia seeks not only to reduce resource consumption and waste generation but also improve user satisfaction. Doing so minimises the impact

that the activity has on the environment, contributes to the fight against climate and shores up in innovation in the water cycle, thus positioning Aqualia as a sector benchmark.

2017 Action plan



6.1

Innovation in the water cycle



20

Active RD&i projects



€4,100,302

Direct RD&i investment



10

Patents



Aqualia harnesses innovation projects to achieve quality water for everyone.

The company participates in the main water management-related European, national and regional research, development and innovation (RD&i) programmes. Co-financing from the Spanish Government or the European Union (7th PM, LIFE, H2020, Eco-Innovation, etc.) has helped Aqualia endow its projects with the best resources.

RD&i activities hold a prominent role in the company, since the permanent search for and use of technologies to render the process more sustainable proves to be critical for managing an asset as essential as water. Continuous contact

with different sector agents and the collaboration and teamwork of Aqualia personnel has enabled us to identify opportunities for developing new projects that fall within the work lines along which the company organises

its Research, Development and innovation (RD&i) activities. quality, sustainability, smart management and ecoefficiency. The purpose of these four lines of action is as follows:

Sustainability

Developing innovative technologies and responsible solutions for the comprehensive water cycle to expand the sustainability of the processes environmentally and economically.

Converting waste (wastewater) into several value-added products while significantly reducing energy consumption. To achieve such an ambitious goal, we are developing several water treatment projects based on microalgae and bacteria.

Eco-efficiency

Development and implementation of cost-efficient technologies, processes and strategies for ecological operation capable of guaranteeing the effectiveness and quality of services, and reducing material and energy resource consumption.

Promoting efficiency in the water cycle management, primarily in wastewater treatment, drinking water purification and desalination, with greater respect for the environment and increasing the value of products and services.

Quality

Improved water quality, guaranteeing the operational efficiency and optimisation of municipal and industrial facilities related with the comprehensive water cycle.

Ensuring service quality with advanced and interactive controls, enabling the efficient use of resources and consumer participation.

Smart Management

Smart services enable greater transparency vis-à-vis consumers in the water service, increasing user satisfaction through knowledge and aware-raising.

Optimised management includes energy-efficient processes and continuous monitoring, event detection and prediction as a decision-making support.



LIFE BIOSOL Team.

For each work area, the following projects were continued (completion date indicated for each one) and two new ones were launched in 2017 (RIS3 IDEPA Valorastur and H2020 Run4Life):

Sustainability	Eco-efficiency	Quality	Smart Management
FP7 All-gas (2018) LIFE Biosol water recycling (2018) H2020 Incover (2019) H2020 Sabana (2020)	ECO Inno Cleanwater (2017) RETOS Renovagas (2017) CIEN SmartGreenGas (2018) LIFE Answer (2019) RIS3 IDEPA Valorastur (2019) H2020 Mides (2020)	INNOVA E3N (2017) CDTI BESTF2 Biowamet (2018) LIFE Memory (2018) CONECTA PEME Medrar (2018) WATERWORKS Pioneer (2018) LIFE Methamorphosis (2019)	CDTI WATER JPI Motrem (2017) Virtual CSIC (2019) LIFE icirbus4industries (2020) H2020 Run4Life (2021)

Project name	Purpose and brief description
RENOVAGAS CHALLENGES (2017)	Methane enrichment of the biogas produced during the treatment process with catalytic reactors and next-generation online instrumentation. Biogas can be enriched to be used a fuel.
ECO-INNOVATION CLEANWATER (2017)	Testing a new way of producing hypochlorite onsite to disinfect water treatment plants.
JPI MOTREM (2017)	Assessment of new technologies for controlling and processing contaminants in urban wastewater recycling plants.
INNPULSA INNOVA E3N (2017)	Optimisation of membrane aeration with a pilot installed at the San Claudio WWTP (Asturias) for the purpose of using this technology in compact water purifiers.
CIEN SMART GREEN GAS (2018)	Implementation of new methodologies to increase biomethane yield and quality in purification plants to improve the generation of electricity or fuel vehicles, and asses the conditions for injecting gas in the natural gas network.
LIFE BIOSOLWATER (2018)	Solar-based water disinfection for recycling and recovering organic waste produced in the process.
LIFE MEMORY (2018)	Direct conversion of organic material contained in the wastewater into biogas thanks to a Anaerobic Membrane Bioreactor (AnMBR) and the reuse of water and nutrients.
BESTF2 BIOWAMET (2018)	Application of an Anaerobic Membrane Bioreactor at small-scale WWTP to obtain bioenergy and water for reuse with real implementation in Tortosa.
WATERWORKS PIONEER_STP (2018)	Search for processes to improve the elimination of micro-contaminants while improving ELAN technology (anammox) and struvite formation for reusing water and nutrients.
CONECTA PEME MEDRAR (2018)	Development of compact automatic purification modules for rural areas with low installation and maintenance costs and minimum environmental impact.

Project name	Purpose and brief description
H2020 SABANA (2020)	Construction of a 5 ha demonstration facility for microalgae cultivation to produce new bio-fertilisers and bio-pesticides.
H2020 INCOVER (2019)	Expanding the use of algae biomass in higher value products such as biofertilisers and bioplastics while improving water recycling.
FP7 ALL-GAS (2019)	The project establishes and operates 2 hectares of algae cultures and a 2,700 m ³ digester, the world's first algae biofuel plant. The project has been renewed to demonstrate operation of a sustainable WWTP and move several vehicles over a long distance.
LIFE METHAMORPHOSIS (2020)	Use of Anaerobic Membrane Bioreactors, the ELAN (Autotrophic Nitrogen Removal) and biogas scrubbing to convert urban waste leachates into biomethane usable as a vehicle fuel for injection into the natural gas network.
H2020 RUN4LIFE (2021)	Implementation of new nutrient recovery concepts based on the separation of gray and black waters. Parallel developments will be made for new ways of harnessing the water-energy nexus and controlling decentralised systems at 4 different sites.
VIRTUAL CSIC UAB (2020)	Digital modelling of multi-agent systems to identify challenges, opportunities and possible consequences in water management.
LIFE ICIRBUS (2020)	Recycling effluents from purification/treatment plants and biomass plants for construction materials and biofertilisers.
H2020 MIDES (2020)	Reducing desalination energy costs by a factor of 10 compared with conventional reverse osmosis. Microbial desalination cell (MDC) technology is employed, activating bacteria with residual organic material to move salts through membranes without using external energy.
LIFE ANSWER (2019)	Application of Microbial Fuel Cell (MFC) technology in a beer factory to save energy in the process and recycle residual can aluminium through electrocoagulation-based pre-treatment.
RIS3 IDEPA VALORASTUR (2019)	Implementation of advanced solutions for dynamic WWTP management that can optimise the energy ratio and reactive consumption while minimising slurry generation.



Life Memory Team.

In their progress reports, the EU tracking entities favourably assessed Cleanwater implemented at El Toyo WWTP (Almería); Life Answer at the Mahou brewery in Guadalajara; and Life Biosol at CENTA (Sevilla); which Aqualia has been developing to move towards a sustainable purification model by recovering valuable resources and energy from wastewater in the form of biogas and electricity.

Outstanding Projects in 2017

Life Memory Project

The LIFE Memory Project demonstrates the technical and economic feasibility of an innovative and environmentally friendly Submerged Anaerobic Membrane Bioreactor (SAnMBR) to treat urban wastewaters and produce disinfected and fertilizer-rich reuse water.

Submerged Anaerobic Membrane Bioreactor (SAnMBR) technology is based on the synergy between anaerobic treatment and ultrafiltration membrane technology, producing bioenergy in the transformation of the organic material and also avoiding the

generation of CO₂ associated with oxidation in aerobic processes. The produced biogas becomes heat and electricity that can be used directly in the plant or refined into biomethane for use as a biofuel.

€2,102,327

Total budget

€955,899

Aqualia

Aqualia

Leader

Location

Alcázar de San Juan
(Ciudad Real)

Duration

4 years
1/7/14-30/6/18

Participants

Koch Membrane System
University of Valencia
Technical University of Valencia

OBJETIVOS

↓ **70%**

Energy consumption
per m³ of treated water

↓ **80%**

CO₂ emissions of
organic material

↓ **80%**

Biosolid waste
production

Life Answer Project

ANSWER (Advanced Nutrient Solutions With Electrochemical Recovery) was a project conceived to demonstrate a resource recovery system from wastewater based on electrocoagulation processes and bioelectrochemical reactors. ANSWER will enable validation of the bioelectrogenic fluidised bed

system developed by Aqualia during the ITACA project in partnership with the University of Alcalá.

In addition to reusing the water while producing energy, the project proposes recycling waste aluminium from cans as a flocculating agent when pre-treating electrocoagulation.

The project is a fresh boost to the market of new technological solutions in the food and beverage industry, which is among the highest consumers of water, with potential applications in other sectors for recovering resources and energy.

€973,408

Total budget

€265,172

Aqualia

Mahou San Miguel

Leader

Location

Mahou Alovera Factory
(Guadalajara)

Duration

3 years
1/9/16-31/5/19

Participants

Aqualia Recuperaciones
Tolón, S.A., University
of Alcalá

GOALS

**Reduce consumption
from 2.8 kWh/m³ to 1.8 kWh/m³**

And avoid water loss

2020 Run4Life Project

Run4Life proposes an alternative strategy for improving nutrient recovery rates and material qualities based on a decentralised treatment of segregated black water, kitchen waste and grey water. Developments

include ultra-low water flushing vacuum toilets yielding highly concentrated black water, hyper-thermophilic anaerobic digestion as one-step process for fertilisers production and bio-electrochemical systems for nitrogen recovery.

Managements systems for multiple plants are also optimised to sustainably run multiple units to produce fertilisers, bioenergy and reuse water.

€7,720,900

Total budget

€1,189,358

Aqualia

Location

Vigo (Spain)
Sneek (Netherlands)
Ghent (Belgium)
Helsingborg (Sweden)

Duration

5 years
1/6/17-30/6/21

Participants

Aqualia • DESAH BV • University of Santiago de Compostela • Sveriges Lantbruksuniversitet • LEAF BV • LEITAT • Nordvastra Skanes Vatten OCh Avlopp AB • Water Environment & Business Development • Consorcio de la Zona Franca de Vigo • ECOMOTIVE AS • Isle Utilities Limited Clean energy Innovative Projects • Formarmers Corporate Services BV ASB grunland Helmut Aurenz GMBH

GOALS

100%

nutrient
recovery

90%

water
reuse

H2020 Incover Project

This project was conceived to transform wastewater into a source of value-added products, primarily biomethane, bioplastic, biofertilisers and reuse-quality

water. The project will include the use of DSS (Decision Support System) technology to select the most efficient treatment solution technically, socially and economically, and

monitoring through optic and virtual software sensors.

€8,431,385

Total budget

€903,625

Aqualia

Aimen

Coordinator

Location

EDAR El Toyo (Almería)
El Torno WWTP, Chiclana
de la Frontera (Cádiz)

Duration

3 years
1/6/16-31/5/19

Participants

Aqualia • Aarhus Universitet • Universitat Politècnica de Catalunya • UFZ • Future intelligence erevna tilepikinoniakon ke pliroforiakon systimaton epe • Gregersen Peder Simbiente, Engenharia e Gestao Ambiental Ida University of Valladolid Solarspring gmbh • Teknologisk Institut • Autarcon gmbh • Instituto de Biología Experimental e Tecnológica • Renergie Systeme gmbh & Co kg • Biotrend • Office International de l'Eau • Isle Utilities Limited • Iclei European Secretariat gmbh

GOALS

Biomethane, bioplastic, biofertilisers

Transform wastewater into value-added products

2020 Mides Project

The MIDES (microbial desalination for low energy drinking water) project was conceived for developing a unique and innovative system to produce drinking water with advanced desalination processes at no energy cost.

The desalination system will run on energy created from wastewater treatment processes through equally new technology: microbial fuel cell. In this biological reactor, bacteria use the organic material in the wastewater

to create electricity and also permit the migration of salts through selective membranes.

The project also explores several desalination pre- and post-treatment concepts.

€8,069,593

Total budget

€2,696,993

Aqualia

Aqualia

Coordinator

Location

Dénia (Alicante)
Canary Islands
Chile

Duration

4 years
1/4/16-31/3/20

Participants

Fujifilm • IMDEA Agua • SGL Carbon • LEITAT • Mikrolin Hungary • Oncontrol Technologies Simtech Simulation • Technology • UNESCO-IHE • University of Gabès

GOALS

Desalination cost

Opening of a new market for low-cost desalination at decentralised low- and medium-capacity plants for simultaneously permitting wastewater treatment and a positive energy balance

Proyecto 2020 Sabana

SABANA develops an industrial scale microalgae-based bio-refinery for producing biostimulants, biopesticides, feed additives, biofertilisers and biomass for aquaculture through the use of marine water and

nutrients from wastewater (black water, pig manure).

The main advantages of the project are:

- Process sustainability.
- Recovery of nutrients from wastewater

- Production of reuse water with no energy consumption.
- Socioeconomic benefits from the relevance of bioproducts in agriculture and aquaculture.

€10,646,705

Total budget

€2,552,812

Aqualia

University of Almería

Coordinator

Location

Almería

Duration

4 years
1/12/16-30/11/20

Participants

Aqualia • GEA Wesfalia Separator Group • A.I.A. • CIB • Biorizon Biotech • Università Degli Studi di Milano • Universidad de las Palmas de Gran Canaria • Széchenyi István University • Karlsruher Institut fuer Technologie • Mikrobiologický Ústav

GOALS

0 Waste

Prototype demonstration up to 5 ha of a zero-waste process that is economically and environmentally sustainable



Incover Project in El Toyo WWTP (Almería).

Patents

Through the efforts and exclusive dedication to innovation of a team of more than 30 highly specialised and committed professionals, Aqualia has secured numerous patents, primarily in the field of

sustainability. In particular, in 2017 we secured a European patent for producing and refining biomethane (EP 15382087.3 - scrubbing biogas and elimination of H₂S and CO₂) with the corresponding ABAD Bioenergy®

(Absorption- Adsorption Bioenergy) trademark. Together with the University of Valladolid, we also filed patent application EP 17382699.1 on the pressurised digestion to obtain methane-enriched biogas.

10

Patents secured

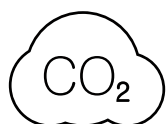
7

Patents pending

	Patents	Holder	Status
SUSTAINABILITY	Improvements in the wastewater aeration system.	100%	GRANTED
	Water distribution system and scrubbing of the filtering medium for continuous scrubbing filter.	100%	GRANTED
	System for extracting and filling of water of an anaerobic water treatment system by lots.	100%	GRANTED
	Carbonation system for microalgae cultures in open reactors (Spain).	100%	GRANTED
	Carbonation system for microalgae cultures in open reactors (Europe).	100%	GRANTED
	Open reactor for the cultivation of microalgae.	100%	GRANTED
	Pulse wastewater injection and mixing device and wastewater injection method for anaerobic reactors.	100%	GRANTED
	Device and method for simultaneous hydrogen sulphide removal and biogas upgrading.	100%	GRANTED
QUALITY	Method to start and control a biological process to eliminate ammonium through the action of autotrophic bacteria in wastewaters (Spain).	USC 60% AQ 40%	GRANTED
	Method to start and control a biological process to eliminate ammonium through the action of autotrophic bacteria in wastewaters (Europe).	USC 60% AQ 40%	GRANTED
	Anaerobic procedure with filtering process for wastewater treatment at room temperature (SAnMBR).	UV 25%, UPV 25% AQ 50%	PENDING
	Method for starting up and controlling a biological process for ammonium removal at low ammonium concentrations and low temperature through the use of a two stage autotrophic nitrogen removal process.	USC 50% AQ 50%	PENDING
	Procedure and system of struvite crystallisation to recover phosphates in wastewaters.	USC 50% AQ 50%	PENDING
ECO-EFFICIENCY	Method for Treating Wastewater in a Fluidised Bed Bioreactor.	USC 60% AQ 40%	PENDING
	Method for enhancement of simultaneous desalination and wastewater treatment in microbial desalination cells (MDC).	IMDEA Agua 50% AQ 50%	PENDING
	Anaerobic photobioreactor for highly active biomass cultivation: wastewater treatment, nutrients recovery, energy production and value products synthesis (ADVANSIST).	100%	PENDING
	Procedure and installation for the production of methane-enriched biogas (pressurised reactor).	100%	PENDING



6.2 Environmental impact management



426,479 t.

CO₂ emissions from
the comprehensive cycle



3,347,591 GJ

Consumed
electricity



177,460 GJ

Produced
renewable energy



Aqualia carries out all its activities in consideration of environmental protection according to the principles laid out in the FCC Group SCR Master Plan insofar as sustainability, the fight against climate change and minimising environmental impact.

Market demands regarding sustainable management guides the company's commitment to developing more efficient services and with less environmental impact.

Aqualia's environmental commitment is embodied through two essential channels:

Environmental Management System, implemented in 94% of the activities in Spain and 100% in Portugal, Czech Republic, Abu Dhabi and Mexico.

The Quality Management and Environmental System at the international level was adapted in 2017 to the new 2015 versions of standards UNE-EN ISO 9001 and 14001.

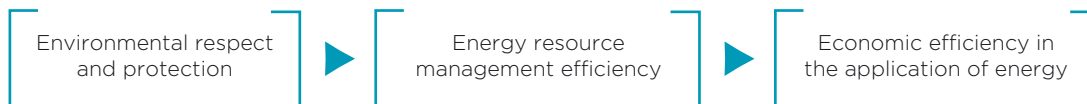
The new standards reinforced environmental risk analysis and the management approach in consideration of the entire service lifecycle.

Energy and Climate Change Management Strategy.

Environmental Management System implemented in 100% of the activities in Portugal, Czech Republic, Abu Dhabi and Mexico.

Energy and climate change management strategy

In 2017, the company continued taking on projects to improve the efficiency and rational use of energy with the following goals:



The new tools that we have incorporated to reduce and control energy consumption are examples of this.

Tools incorporated in 2017 to reduce energy consumption

IT application

Computer applications for controlling e-billing, enabling:

- Contract power capacity adjustment.
- Reactive energy consumption control.
- Retailer offer analysis.
- Automatic e-bill adjustment check against related contract.

Creara and MC2

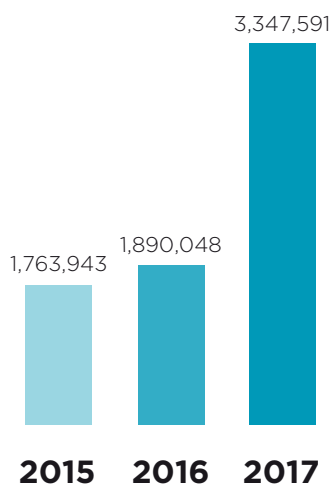
Statistical monitoring of operating periods, enabling the contract manager:

- Continuous supervision of the demanded power in relation to the contract and undesired reactive energy consumption.

Professionals made incredible efforts in this period to keep a record of electricity and fuel consumption from all the regions where Aqualia operates. This is the reason for the spike in consumption data

in the following charts, since compared with the 2015 and 2016, which only report data from Spain, Italy, Portugal and the Czech Republic, the figures from 2017 encompass all activities of

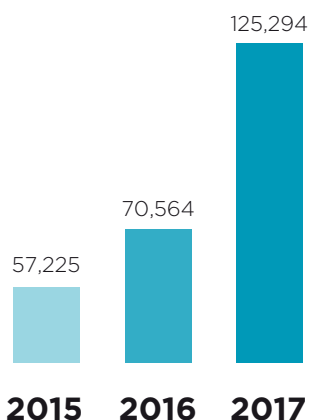
the company. The increase in renewable energy consumption was due to new managed facilities in Spain with an elevated production of biogas.



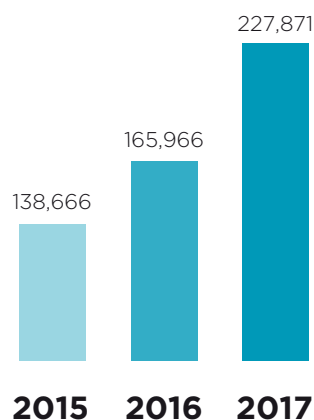
Indirect energy consumption (GJ)

177,460 GJ of renewable energy were produced in 2017, 82% in Spain.

28,653 tonnes of reactive energy were consumed in 2017.



Direct renewable consumption (GJ)
(Generated biogas and electricity)



Direct fuel consumption (GJ)

The measures that Aqualia carried out to control and reduce these consumptions are supported by the company's ISO50001-certified Energy Management System.

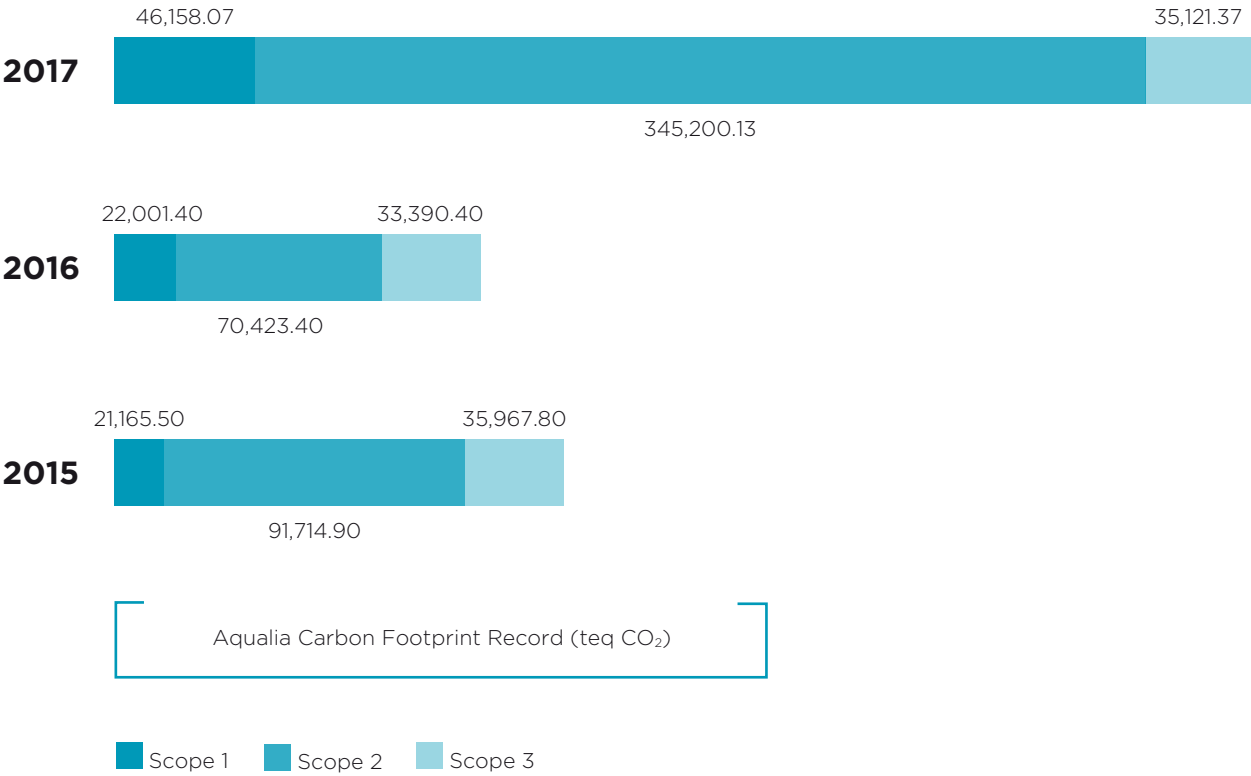
The company's main goals in the fight against climate change include reducing greenhouse gas emissions as contemplated in the 2017-2019 Aqualia

Activity Carbon Footprint Reduction Plan. To do so, the company has calculated its carbon footprint again this year, verifying the activity data for Spain and, as an addition for 2017, the activity data for Portugal.

The Spanish Climate Change Office of the Ministry of Agriculture, Fishing, Food and

the Environment (MAPAMA) validated Aqualia's carbon footprint certificate for all its activities in 2016. The Ministry's MAPAMA seal is recognition of a job well done by the entire team as the company continues trailblazing global emissions calculation in the water management sector.





* 2017 data concerns all countries where Aqualia has a presence versus 2015 and 2016 data which only concern Spain. The increase in scope 2 is a result of the incorporate of Algeria data and the elevated energy consumption required by desalination.

Aqualia has established the following goals to reduce its carbon footprints:

↓ **1.7%**
**REDUCTION
OF ENERGY
CONSUMPTION**

- Reduction of energy consumption.
- Selection of an electricity provider with a low emission factor.
- Reduction of total nitrogen concentration.

↑ **2.5%**
**INCREASED
FIXED
EMISSIONS**

- Increased fixed emissions: increased slurry destination with agricultural purposes.

↑ **2.5%**
**INCREASED
AVOIDED
EMISSIONS**

- Increased avoided emissions: better performance of biogas consumption for the boiler and performance from the produced electricity.

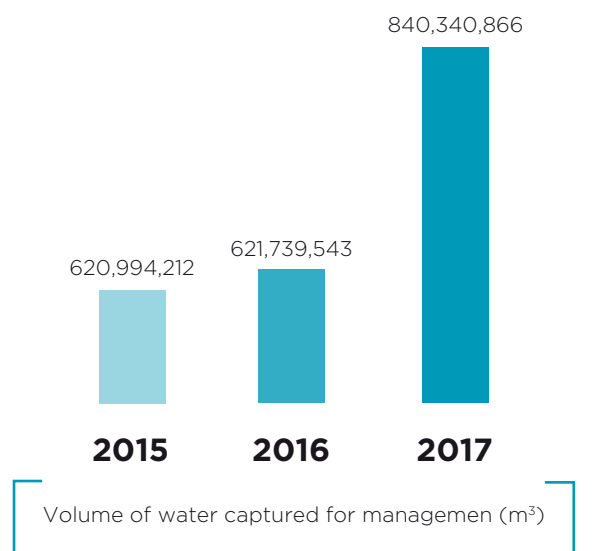


Alfilarios Reservoir, Oviedo.

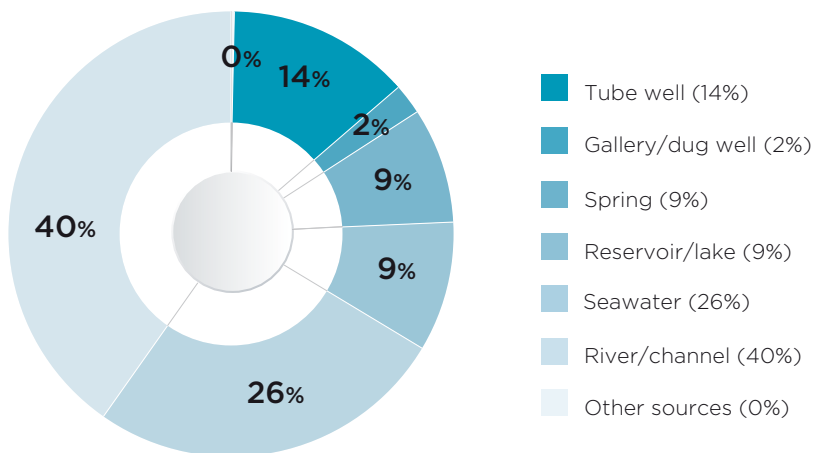
Comprehensive water cycle efficiency

A limited and scarce natural resource, water is essential for life on a planet where only 1% of it is accessible and drinkable. Aqualia is doing its part to ensure a circular, efficient and sustainable water cycle through innovation and awareness-raising actions.

The company thus aims to contribute to the transition towards a model that reduces water scarcity and drought problems, providing access to resources in limited zones and projecting future panoramas (since water consumption is expected to double by 2050) through responsible consumption.



840,340,866 m³ of water captured in the countries where Aqualia is present, compared to 600,000 m³ in 2015 and 2016, which only includes data for Spain, Portugal, Italy and the Czech Republic.



Water captured for management by capture source

Note: The seawater capture increase, which rose from 1.20% in 2016 to 26% in 2017, is due to the inclusion of capture data from Algeria, where the company has two large desalination plants.

In the municipality of Sant Josep (Ibiza), Aqualia implemented the first advanced pressurised-network management solution to reduce water loss and improve operating efficiencies. The solution has prevented water loss.

Wastewater treatment and reuse

Aqualia is a benchmark in developing innovative solutions as demonstrated by our projects for reusing and transforming wastewater into new products, thus contributing to the circular economy.

In 2017, Aqualia joined the Spanish Chamber of Commerce's Circular Economy Commission and workgroups for Natural and Renewable Resources and Public-Private Partnerships.



Aerial view of Chiclana WWTP.

New anaerobic technologies, waste recovery and organic wastewater treatment can be harnessed to produce reuse water and biomethane for the transport sector. FP/ All-gas and LIFE Methamorphosis are

exemplary of the efforts made by several organisations led by Aqualia for recovering wastewaters.

Aqualia has been selected in a CLIMA Project of the

Spanish Climate Change Office of the Ministry of Agriculture, Fishing, Food and the Environment (MAPAMA) for the use of alternative fuels related to the company's activity for automobiles.

FP7 All-Gas Project

The All-Gas Project is a change in wastewater treatment. A positive energy balance can be created without high electricity input because only a small part of the energy inherent to the

wastewater is used in the internal needs of the process. Moreover, all the produced biomass (over 20 g/m²t/day) is available for other uses such as fuel for vehicles (biomethane),

lipidbased products or biofertilisers. Wastewater is converted into a resource instead of a burden for the public.

€11,820,564

Total budget

€8,098,099

Aqualia

Aqualia

Leader

Location

El Torno WWTP,
Chiclana de la
Frontera (Cádiz)

Duration

7 years
1/5/11-9/7/18

Participants

BDI Bio Energy International
• Hygear B.V. • University of
Southampton Fraunhofer

GOALS

Sustainable Biofuel

Demonstrate sustainable large-scale biofuel production based on a low-cost microalgae culture



The European Commissioner for Climate Action and Energy, Miguel Arias Cañete, filling up a car with the biogas obtained in the All-Gas project.

LIFE
MethaMORPHOSIS Plant.



MethaMORPHOSIS Project

The LIFE+ Methamorphosis Project aims to draw energy from solid organic waste (including organic municipal, farming and livestock waste) to produce sustainable alternative fuels. The first goals entails optimising the energy in water treatment from the processing of the organic fraction of urban solid waste by implementing innovative anaerobic and autotrophic processes applied in series:

- 1) AnMBR system (anaerobic membrane bioreactor) and
- 2) Autotrophic nitrogen removal system (ELAN®).

The application of this innovative treatment sequence at the ECOPARC2 in Barcelona will enable us to maximise energy recovery from urban waste and entail environmental improvements in processing such waste.

In parallel, new water absorptionbased systems (ABAD in ECOPARC2) and membranes (METHAGRO system at a livestock-farming plant) will be harnessed to produce biomethane from biogas for direct use in the transport sector.

€3,642,167

Total budget

€837,049

Aqualia

Aqualia

Leader

Location

Barcelona
Ecoparc2

Duration

4 years
16/7/15-30/3/20

Participants

FCC • AMB • Gas Natural
ICAEN • SEAT

GOALS

↓ 70%

Energy demand for
the treatment process

↓ 80%

Associated CO₂
emissions

The project will contribute to the transition towards an economy that is efficient in the use of resources and also protect and improve environmental quality

♀ = ♂





07

Exemplary performance

- 93. Human capital
- 96. Equality and diversity
- 101. Quality employment
- 104. Occupational Health and Safety
- 109. Responsible supplier and contractor management

Our Vision

THE SEARCH FOR LABOUR WELL-BEING

- Foster the development of human potential.
- Equality and diversity of our staff.
- Safe and healthy working environment.
- Quality of life and work-family balance.
- Open and fluid communication with workers.

Main figures*

	2015	2016	2017
Employees	7,764	7,952	↓ 7,877
Percentage of permanent contracts	65.23%	76.69%	↑ 82.45%
Voluntary turnover rate*	1.08%	2.30%	↓ 2.07%
Percentage of women on staff	22%	22,07%	↓ 21.21%
Total training hours*	60,108	68,062	↓ 63,785
Training hours per employee*	9.65	12.15	↓ 10.40
Investment in training*	€518,279	€553,000	↑ €569,498
Accident frequency index	11.56	12.05	↓ 11.74
Accident severity index	0.39	0.41	= 0.41

* Data for Spain

96,980

Total hours/training
(national + international)

12.31

Training hours/employee
(national + international)

€733,946

Investment in training
(national + international)

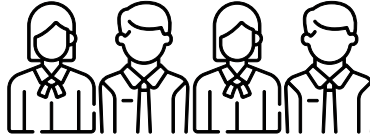
7.1

Human capital



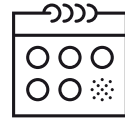
82.45%

Fixed workers



7,877

2017 Staff



45

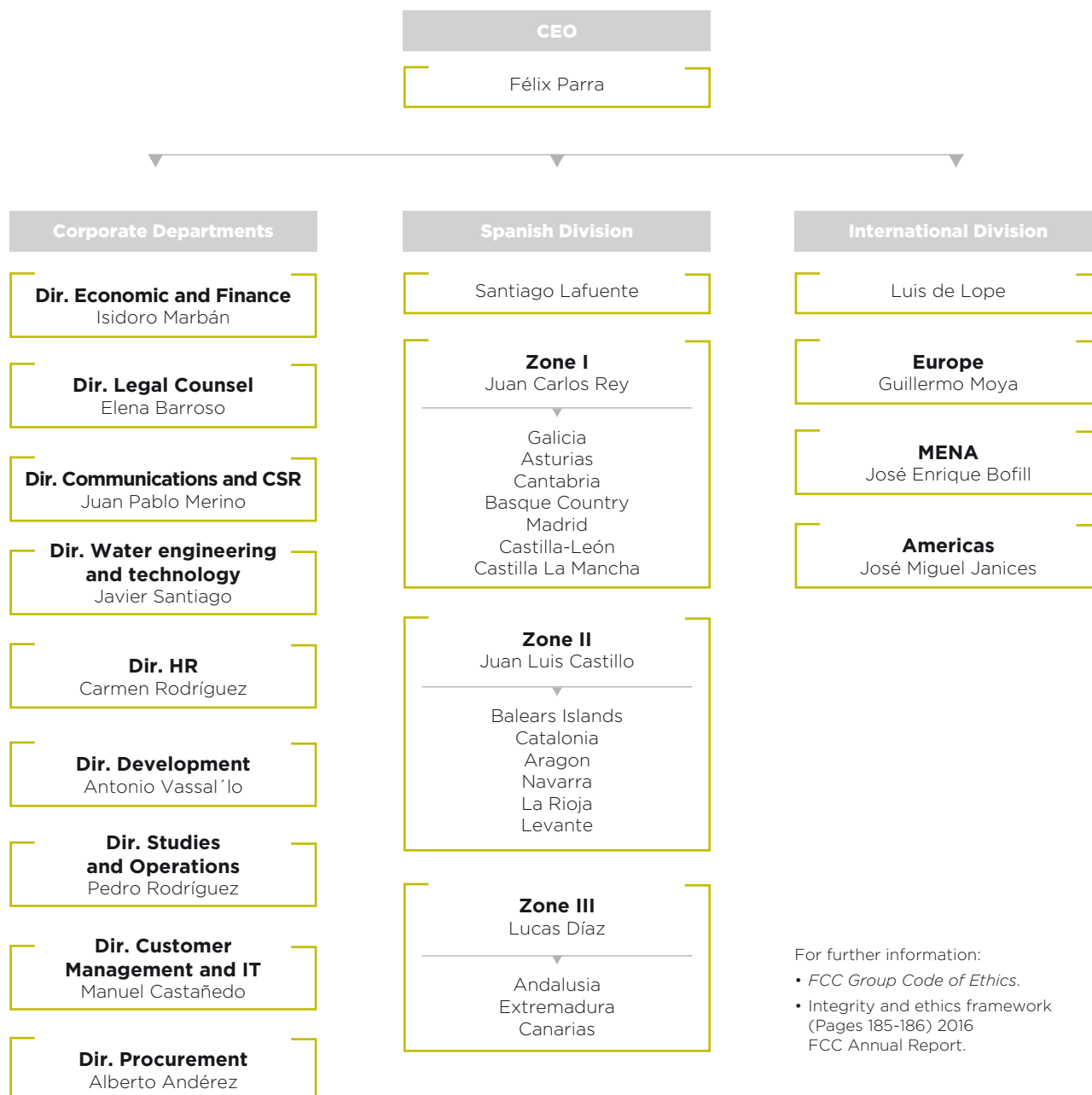
Average age

Every day at their jobs, Aqualia's professionals contribute to making the company the benchmark and bellwether in managing water resources globally.

In this regard, the organisation has made headway in 2017 to consolidate its organisational structure at national and international levels. We therefore have two management divisions: one based in Spain and broken down into regional zones, and the other international.



Aqualia staff in Al Ain (Abu Dhabi).



In light of the decentralisation of management and a growing international presence, Aqualia must safeguard the integrity of its compliance with the FCC Group Code of Ethics, which establishes the principles that all personnel in every company in the group must follow, thus consolidating a uniform culture and guidelines for engagement and conduct that everyone must accept and observe. Ethics-related, social and environmental matters, and questions and

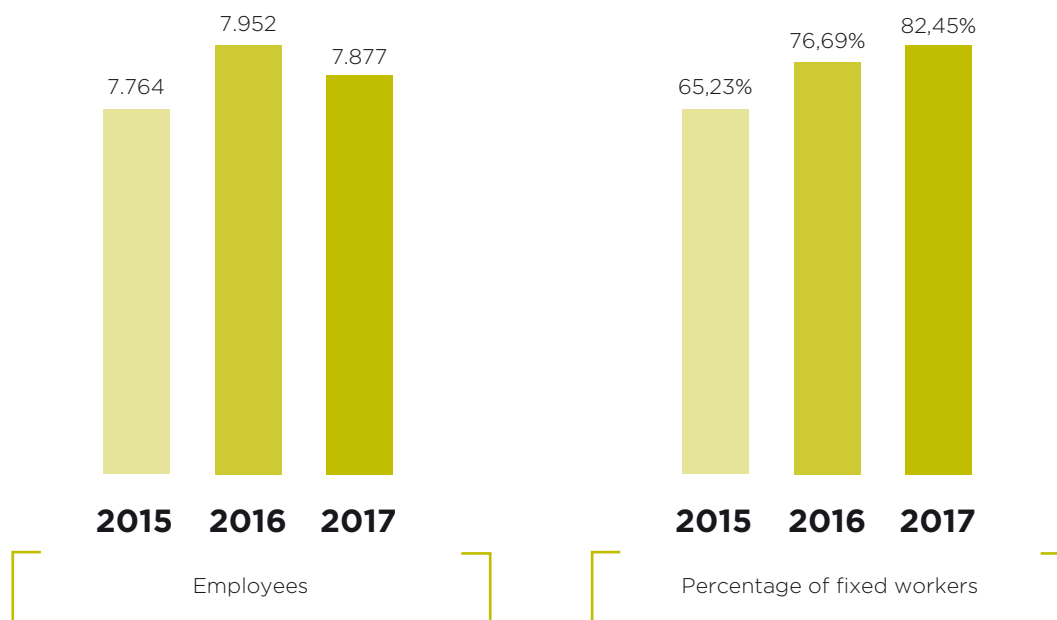
issues concerning the protection of human rights, prevention of corruption or bribery, and even health and safety concerns for personnel, etc. emanate from the Code of Ethics.

Aqualia has remained Spain's largest company specialised in the comprehensive water cycle. The company's international expansion strategy has enlarged its international staff (outside Spain) by 7.5%, passing from 1,621 to 1,743 employees. Countries such as the

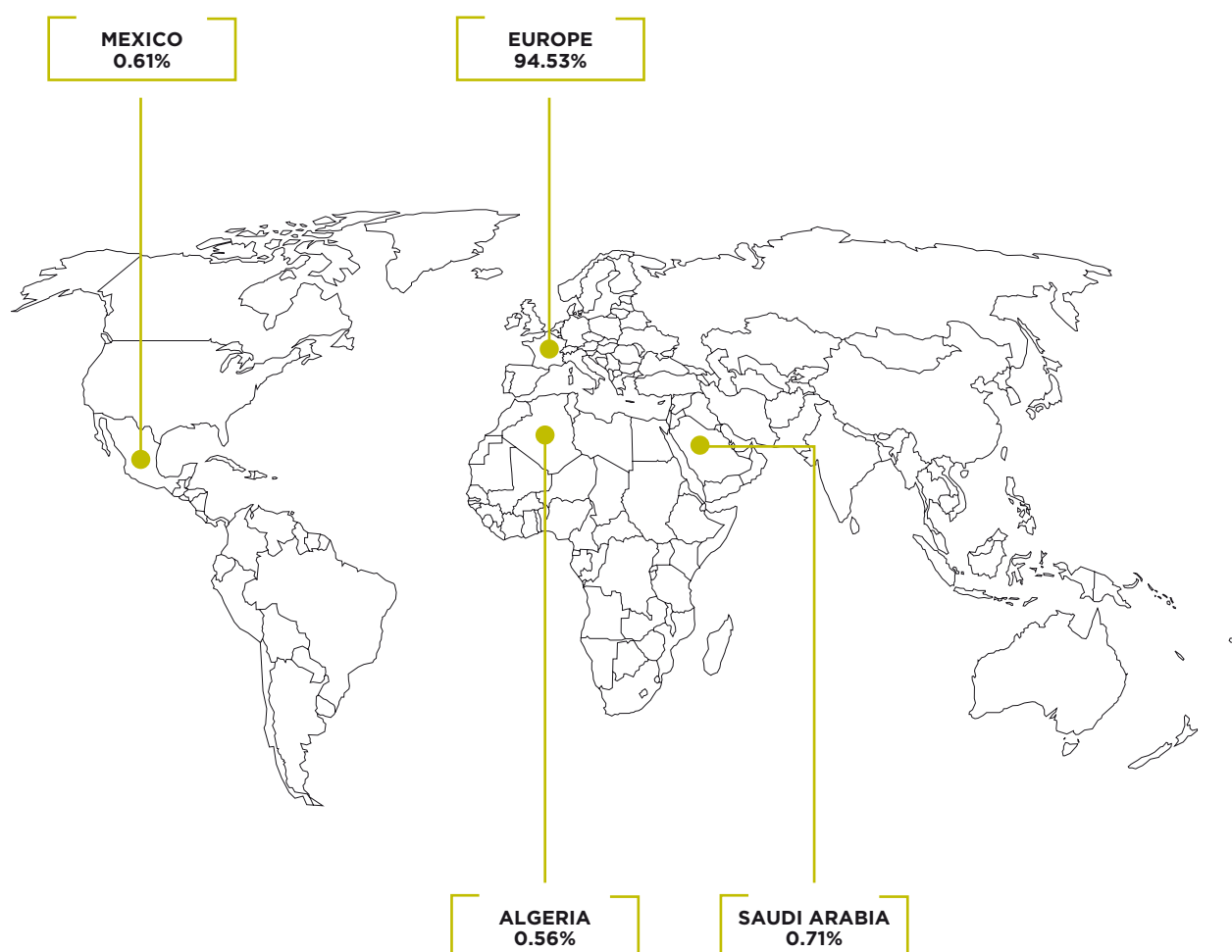
Czech Republic, Italy or Portugal have hired new professionals.

A sign of the efforts made at the company to retain talent, the 2017 voluntary turnover figure was 10% less than the 2016 figure.

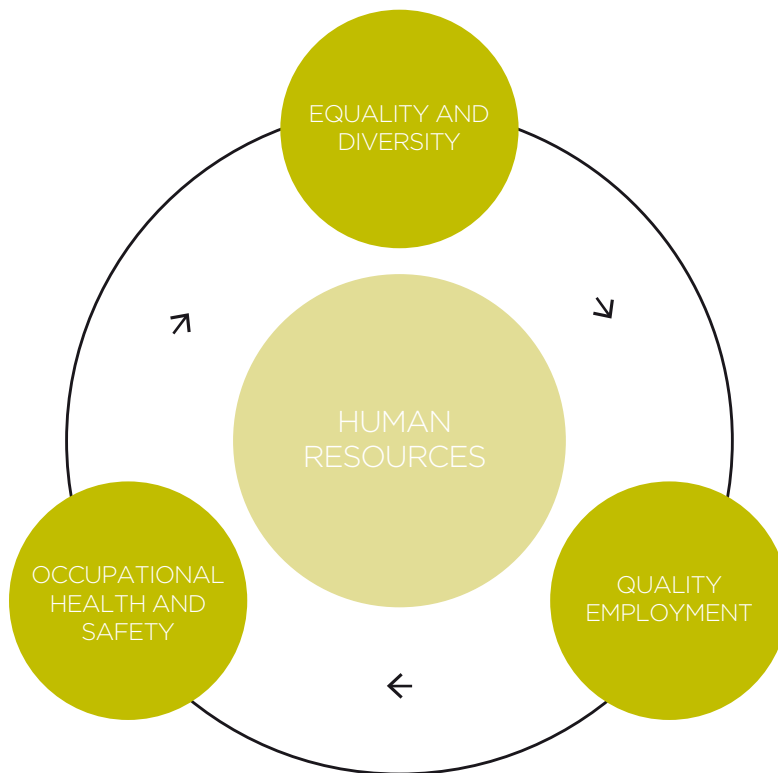
77.87% of the staff is in Spain.



Geographic distribution of staff



2017 Action plan



7.2 Equality and diversity



21.21%

Women on staff



46

Women in executive posts



850

Women who participated in training programmes



Aqualia believes that the success of the organisation depends on the skills, capabilities, efforts and talents of all its professionals, regardless of their race, gender, religion, nationality, sexual orientation, disability, etc. In this regard, the company uses its strong resolve for equal opportunities in all its talent management processes.

Aqualia has made a second renewal of the Equality Seal. The Ministry of Health, Social Services and Equality has approved the Company's application to renew the seal that was initially granted back in 2010 as recognition of Aqualia's commitment to strike a gender balance.



Closure of the Mentoring Programme.

Goals principles of the equality plan

Guarantee the same opportunities for men and women at all levels

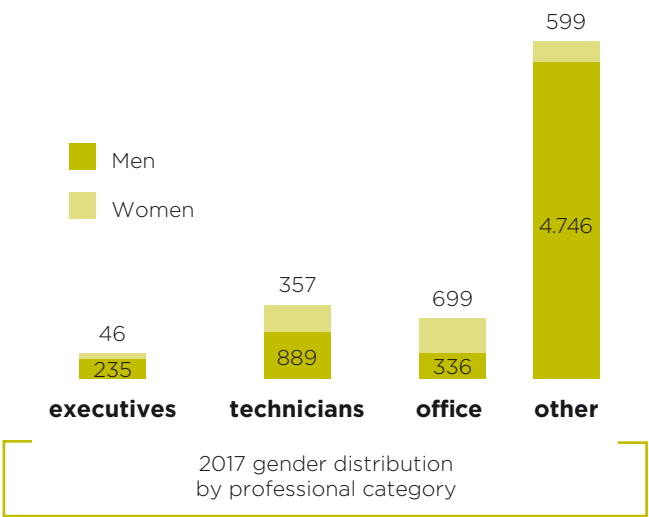
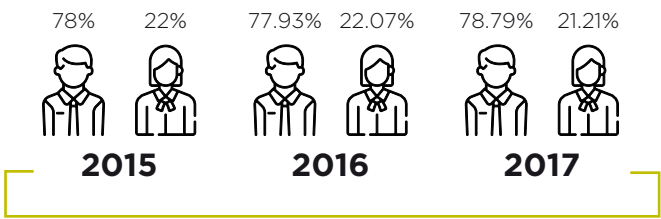
Improve the gender balance

Promote and improve the possibility of access of women to management posts

Establish a pay system to prevent gender wage discrimination

Instil a corporate culture committed to equality

Mujeres en primera persona



The company has been undertaking numerous actions in recent years to boost gender equality. Aqualia professionals have expressed their appreciation of the training, mentoring, workshops and informational campaigns to address domestic violence.

Women with high potential

One of the objectives pursued by the organisation entails encouraging women to assume posts of greater responsibility. In this regard, the 2017 edition of the Executive Development Program for **Women with High Potential** once again helped coach participants in executive skills. Three Aqualia employees successfully completed this training held at the School for Industrial Organisation (EOI).

Additionally, an Aqualia executive participated in the Promociona Program run by ESADE with support from the Spanish Confederation of Employer Organisations (CEOE) and Ministry of Health, Social Services and Equality. This programme is conceived to empower and improve the potential of women to achieve executive positions and create shared leaderships.



The three Aqualia employees in the programme (from the left) Marta Rovira, M^a Ángeles Polo and Ana Escribano, together with HR Director Carmen Rodríguez.

Second Mentoring Plan

Aqualia concluded the second edition of its Mentoring programme and commenced the third in 2017. The programme was put in place to foster female talent, increase the presence, visibility and participation of women in the organisation and

thus simplify their career development at the organisation.

As a new addition to this third edition, newly hired service managers will receive active integration.



Participants in the Third Edition of the Mentoring Programme.

Impersonal hiring processes

The equality of opportunities in the job market faces its first stumbling block in recruitment and hiring processes. For this reason, Aqualia and the FCC Group signed a General **Anonymous Curriculum Vitae Project Design**,

Implementation and Assessment Protocol for staff selection. The protocol lays out a general framework for working with the State Secretariat for Social Services and Equality to promote the implementation of impersonal

hiring processes for executives and managers and thus preclude possible gender biases when hiring or promoting staff.

Mujeres en primera persona

Proof of the company's commitment to gender equality and the cultural change enabling the professional advancement of women, Aqualia has presented the book "**Mujeres en primera persona**" (Women in the First Person) in 2017. This book is an account of the experiences of over 60 women getting about their daily jobs as employees of Aqualia or representing the local public administration.



Eduardo del Castillo, Balearic Island Delegation Director at Aqualia; Elena López, Ibiza Councillor of Territory and Public Roads; Antonia Picó, Santa Eulària Councillor of Environmental Affairs, Sustainability, Citizen Participation and Civil Protection; and Montserrat García, Ibiza Councillor of Environmental Affairs, at the presentation of "Women in the First Person" in Ibiza.

WomenIn

Three Aqualia representatives spoke at the WomenIn Entrepreneurship Programme for women organised by Cabildo de Tenerife, the School for Industrial Organisation (EOI), and the Tenerife Association of Young Entrepreneurs (AJE) to foster business ideas on the island and offer greater visibility to women in the field of entrepreneurship, management and holding positions of responsibility.

All the participants have confirmed that they will continue mentoring the projects select in the next six months to support and guide women entrepreneurs in Tenerife as they develop their new businesses.

**3 Aqualia
representatives
are on the team
of women mentors.**

Celebrating Women's Day

To celebrate **International Women's Day**, Aqualia launched an online campaign www.aqualiaigualdad.com to showcase women at the workcase. The campaign was designed as a forum so that company workers can send messages and images of support.

In addition to the campaign, Aqualia also organised several special local activities in solidarity and support of gender equality in the municipalities where the company provides services.



Website home www.aqualiaigualdad.com.



Activities in Caravaca de La Cruz on International Women's Day.



Domestic Violence Awareness Day in Alcoy.

No to domestic violence

Aqualia has continued its yearly pledge to join the commemorative acts on **International Domestic Violence Awareness Day** and give a voice to hundreds of employees and collaborators in the local government to say “NO” to gender violence within the company’s “**Yo, contigo**” (I’m with you) campaign.

This year, hundreds of employees and representatives

of the local government from central services to the different units in the municipalities where the company provides services made video messages as a sign of solidarity against this social problem.



Website home www.aqualiacontigo.com.

Working for diversity

Adecco Family Foundation Plan
Programme intended for employee children with a certified disability of at least 33%.

The programme provides professional guidance and resources to improve their autonomy and independence, development, education, training and even their occupation and integration in the labour market.

16

Beneficiaries in 2017

Integration for people with disabilities

Commitment with the Madrid Down Syndrome Foundation to permanently integrate individuals with disabilities into work teams in the organisation.

2

People occupationally integrated in 2017

7.3

Quality employment



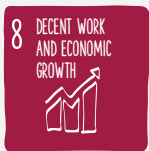
96,980

Total training hours in 2017
(national + international)



€733,946

Annually in direct training costs
(National + International)



Aqualia has reconciliation measures, social benefits, objectives and tools in place to provide the right solution so that its employees can balance their personal/family lives with their professional lives.

Work-life balance

Aqualia began the EFR familyfriendly enterprise certification at the beginning of 2017. This certification recognises organisations involved in the generation of a new working culture by incorporating a comprehensive management system to establish a harmonious work-life balance.

Human Resources led the project with the support of senior management with a view to improving the personal and professional development of all company employees.

Summer office hours,
internal communication,

off days on December 24
and 31, indefinite contracts
and flexible working hours
are the most popular
measures with Aqualia staff.

Spain's first public
water services
operator to secure
the EFR seal.

Numbers and type of measures efr 2017

Quality employment	14
Flexible Work Time and Location	2
Support for Families	7
Personal and Professional Development	3
Equal Opportunities	4
Leadership and Management Styles	4

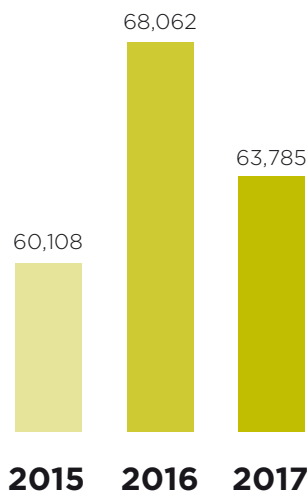
This management system stresses the sensitisation of executives and managers in reconciliation. In this regard, three different seminars were organised to address “**the importance of reconciliation and the family-friendly enterprise model**”.

Three reconciliation sensitisation seminars were organised for executives and managers in 2017.



Félix Parra, Aqualia CEO, receiving the EFR family-friendly enterprise certificate from Roberto Martínez, Másfamilia Foundation Director.

Talent Development



Annual training hours

* Data for Spain

€733,946 invested in training during 2017 nationally and internationally.

Talent training and development is one of the most important aspects in staff management and therefore a strategic priority for Aqualia.

The company has made a substantial investment in training its workers and designing and implementing its annual training plan in order

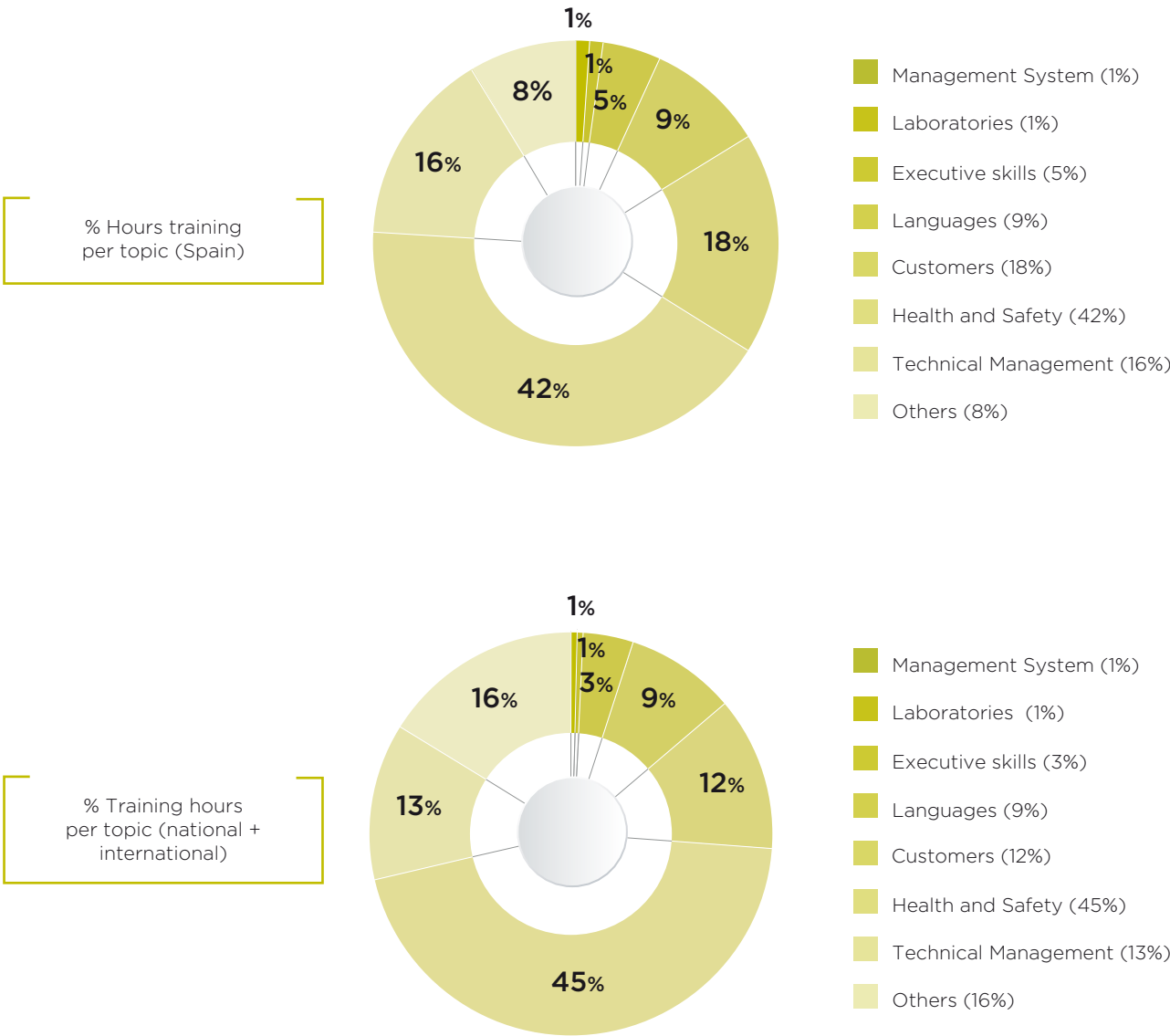
to get mature and productive professionals.

A total of 2,592 courses were carried out in 2017 with 14,330 students participating nationally and internationally.

During 2017, Aqualia employees received 96,980 training hours in Spain and other countries for

improving their performance and above all focused on improving occupational health and safety.

2017 Training by category and gender (Spain)	Hours		Trained employees		Hours/employee	
	Women	Men	Women	Men	Women	Men
Executives	307	829	3	24	102.3	34.5
Middle management	4,199	10,560	130	357	32.3	29.6
Technicians	2,722	6,790	112	354	24.3	19.2
Qualified workers	4,447	14,276	294	973	15.1	14.7
Unqualified workers	4,602	15,053	335	1,291	13.7	11.7
TOTAL	16,277	47,508	874	2,999	18.6	15.8



Galvanising leaders

At Aqualia, directors have an important role in developing their teams. The fourth edition of the Aqualia leadership programme, the **Otto Walter Cycle**, was held in 2017. The programme was designed to transform leadership style into a more participative model and

management, promoting talent and galvanising team cohesion based on a common language shared by all company managers.



36

Participants in 3 groups

Integrating young talent

Aqualia is committed to its young talent and therefore hires students trained in subjects related to the water sector:

Partnerships for integrating young people into the labour market

Master in Engineering and Water from EOI

We hired individuals in 2017 who had studied the Master in Engineering and Water at EOI (School for Industrial Organisation), with whom Aqualia has a partnership agreement.

3

New hires in 2017

Dual Professional Training

Aqualia maintained its adhesion to the Dual Professional Training Alliance. Profesional Dual.

7.4

Occupational Health and Safety



0.41

Annual accident severity index

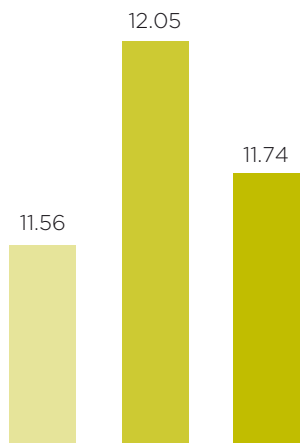


11.74

Annual accident frequency index



Aqualia is also concerned about the health of its staff as a matter of the company's Occupational Safety Policy. For this reason, we promote a series of measures to be a healthier company.



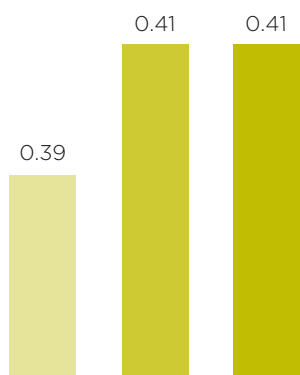
2015 2016 2017

Annual accident frequency index

Given that Occupational Risk Prevention is an inherent part of Aqualia management, the organisation undertakes to guarantee safety and healthy working conditions.

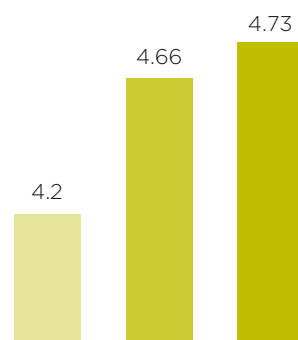
In 2017, the Occupational Health and Safety Department was more effectively reorganised for operation and to better harmonise with production areas.

Aqualia invested approximately €3,400,000 in safety and protection in 2017.



2015 2016 2017

Annual accident severity index



2015 2016 2017

Annual absenteeism index

Fully aware of its growing international presence, Aqualia is revising its Corporate Health and Safety Management System to have consistent and uniform procedures in every country where the company is present.

The Occupational Health and Safety Management System Certification was renewed at the global level in 2017.



Moment during an ORP team training event for Aqualia International.

The Health and Safety area has carried out a series of management improvement programmes and activities in different fields:

Reduced accident rate

Investigation of 410 incidents that entailed no injury with a view to precluding injuries, learning from errors and establish preventive measures.

12 visits to contracts with an elevated accident rate (9 national and 3 international)

to provide and implement specific work lines.

For the first time in five years, the annual accident frequency index is no longer increasing. The index for the international activity also remained constant at 6.30.

2015-2018 Preventive Culture Improvement Plan

Aqualia has made substantial efforts in recent years to improve its culture of prevention, focusing in particular on preventive conduct, leadership improvement and especially on changing the culture for people at all organisational levels.

The following activities continued throughout 2017:

1. Safety walks with company executives to improve the preventive mindset.

2. Implementation of the “Safety Conversations” tool for all contracts.

3. Refresher training: training events using audiovisual material recorded at Aqualia facilities to reduce the number and frequency of unsafe conduct and actions among workers.

4. Implementation of the “Safety Observations” tool, where ORP technicians set up a learning process on the causes leading workers to make unsafe decisions and manage conduct changes.

5. Design of new positive prevention indicators.

6. Workshops: workshop on the new accident investigation

methodology and achievement recognition system.



Moment during one of the training programmes in the Preventive Culture Improvement Plan.

Aqualia has improved the preventive culture of all its international contracts:

The company organised four seminars with theoretical training and practical workshops for the purpose of developing shared knowledge for every international contract. Company professionals from Italy, Mexico, Chile, Algeria, Saudi Arabia, Egypt, the United Arab Emirates and Kosovo met in Spain to participate in these seminars.

Road Safety

After drawing up the new Health and Safety Policy furthering Aqualia's commitment to road safety and gleaning all

the information regarding traffic accidents in 2016, informational and educational materials were created and distributed across all contracts in 2017.

Aqualia promotes safe driving through education.

Psychosocial risk study

We took a step forward in the psychosocial risk assessment project that began in 2016 with a successful participation in 2017 of staff who completed

the risk questionnaires. The results are currently being examined.

44,313 employees completed the 2017 psychosocial risk questionnaire.

Occupational Health and Safety Charter

Work continued in 2017 on the Occupational Health and Safety Charter, in which representative of the majority trade unions and company management worked together to improve safety conditions through dialogue and designing good practices. The following changes have been made this year:

- Area HR managers were included as members of the work forum.

- We jointly worked on the proposals and solutions to specific technical questions, thus increasing participation options.

Area HR managers had a greater role in the Occupational Health and Safety Charter.



Reading the occupational health and safety charter at Sant Josep de Sa Talaia.

Healthy company

Aqualia has taken a step further in its Health and Safety Policy and has set its goals on becoming a healthy organisation. In this regard, aspects such as reconciliation (work-life balance), equality, work organisation, health and safety, etc., will be intertwined and coordinated under a

common goal to galvanise a more productive and satisfied organisation.

To kick off the project, a general health dissemination and promotion campaign was rolled out together with an examination of H&S management at the company,

which will assess available H&S data (accidents, sick leave, medical checkups, epidemiological studies, etc.) and policies in place for improving health and safety in the organisation.

MEASURES FOR PROMOTING HEALTH

HEALTH INSURANCE

Subsidised health insurance for employees and their families.

HEALTHY COMPANY PROGRAMME

Healthy Company Pilot in Lleida for promoting physical activity, sports, proper eating and other healthy lifestyle habits.

SOLIDARITY RUNS

Sponsorship of solidarity runs.



Responsible supplier and contractor management



14,238

2017
Suppliers



€527 million

Allocated
to pay suppliers

Aqualia extends its responsible commitment to the vendors (suppliers and service providers) and contractors with whom we work to forge relationships based on integrity, transparency and mutual trust. In 2017, the company worked with 14,238 suppliers, of which 14,024 were local vendors.

The procurement area ensures that our suppliers are in line with the values and objectives of the organisation, making them a part of Aqualia’s mission, vision and values. To do so, we have a supplier assessment and tracking procedure in place that addresses quality and sustainability criteria.

Technical Quality

ISO 9001-certified
Quality Management Systems.
Initial assessment before
assessing the offer.



Minimum Environmental Impact

Possible minor environment impact.



Occupational Risk Prevention

Occupational risk prevention legislation
compliance control and tracking.



Labour legislation compliance

Hiring processes according to the legislative
framework and labour insurance availability.



Code of Ethics

Aqualia Code of Ethics Compliance.
Compliance with 10 principles of the United
Nations Global Compact.





08

About this report

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8.1

About this Report

This is the twelfth straight year that Aqualia has published its Corporate Social Responsibility Report, which was drawn up following the comprehensive option in the 2016 Global Reporting Initiative (GRI) sustainability reporting guidelines to GRI standards and verified by an independent external entity (AENOR).

The analysis of the material content, index of GRI content and verification report are available at:

<http://www.aqualia.com/en/web/aqualia-en/responsabilidad-social/memorias-rsc>, 2017 report.

In this report, Aqualia conducts a review of its commitments in sustainability from an economic, social and environmental approach and transparently for its stakeholders.

The report pays particularly attention to issues identified as relevant in the materiality analysis, whose results appear in the **Corporate Social Responsibility Chapter**. Additionally, Aqualia has also voluntarily responded to other sections of GRI Standards that, while not relevant for the organisation, nevertheless contribute to the transparency and understanding of Aqualia's activities.

The content of the present report refer to 2017 and encompass all company activities in the order of priority yet without omitting any relevant information.

Changes in calculations or scope of the information herein compared to previous years are commented upon in each particular case.



#Realsustainability

2017 Corporate Social
Responsibility Report

 **aqualia**
Your water company

8.2

Aqualia

Data

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