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All that matters

One of the great challenges now facing society is millions of people’s lack of access to water and sanitation around different parts of the world, which the United Nations has again included among the Sustainable Development Goals for our world.

Managing water resources is a strategic activity in social and economic development, creating an environment conducive to all kinds of activities and enabling the sustainable growth of urban centres. In this way, our activity also helps generate wealth and produces a positive impact on society as a whole.

With that being said, it is also a highly specialised sector that requires expert involvement at all stages of the comprehensive water cycle. This calls for adequate infrastructure and facilities, not to mention professionals who have been specifically trained for this purpose. In this regard, and thanks to our high degree of innovation and professionalism, Aqualia has successfully implemented major international projects. In 2015, we were awarded the biggest contract in our history; the design, construction and operation of the Abu Rawash treatment plant located in Cairo (Egypt). This plant will serve over five and a half million people, making it one of the biggest plants of its kind in the world. In 2015 we were also awarded our third largest contract in Arabia, which entails the management of the two wastewater treatment plants in Mecca.

It is important to note that we approach each and every one of our projects with clear environmental awareness. Upholding our commitment to protect the environment and tackle climate change comes first in our activities. Aqualia has measured its carbon footprint for all its activities worldwide, making it the first operator in Spain to undertake such a challenge. Another major feat from last year was the calculation of Cantabria’s water footprint, which was the first of its kind to be carried out in Spain. This activity was the result of Aqualia’s collaboration with the Botín Foundation, the Department of the Environment of the Regional Government of Cantabria, the University of Cantabria and the Complutense and Polytechnic Universities of Madrid.

We translate this dedicated commitment to the environment to the work we do in every single municipality. This can be demonstrated by our participation in the underwater clean-up of the Estany des Peix, a lagoon located to the north of Formentera in the Ses Salines Natural Park.

We care about the environment and we care about the citizens, the people. We have created, and continue to create, mechanisms in partnership with different municipalities to ensure access to drinking water and sanitation to those who genuinely cannot afford these services. We have supported different local organisations nationwide to commemorate the International Day of Persons with Disabilities. We are also concerned about the employment prospects of young people in the areas we work in; this is why we have joined the Alianza para la Formación Profesional Dual [Partnership for Dual Vocational Training], offering our expertise to facilitate their insertion into the job market.
Being a specialised company operating in very varied countries gives us unique experience, which allows us to provide the best solutions, technology and service in each particular municipality, for the specific infrastructure involved. Each one of our actions is translated into a more comprehensive citizen service, which Aqualia fosters to ensure it is approachable, transparent and adaptable. And to do this, we work all year round on contributing to the development of the towns in which we operate, involving our people in local social causes through sporting, cultural and training activities. In addition, we include our dedicated social commitment in all our business decisions.

We have also taken a stand against gender-based violence. All Aqualia employees in Spain have joined the “Yo-Contigo” [I’m With You] campaign to raise awareness of this social scourge. Our bottom-up approach to educating children on responsible water consumption has remained one of our concerns. The latest International Children’s Contest, (our 13th!) on the occasion of World Water Day once again proved a success in terms of participation and, most importantly, it enabled us to demonstrate to thousands of children the importance of taking care of water, explaining why and how water reaches their homes, as well as the enormous work lying behind their taps and drains; our work.

I wanted to give the presentation of Aqualia’s tenth CSR Report the title of the moving story by Jan Goldstein, which calls for a reflection on the value of life and the little things and minor details that make living worthwhile. And I have highlighted just some of the different actions we have been carrying out with citizens, with people, who are what matters to us. We are aware that we still have a long way to go. In these pages, we wanted to show the effort that Aqualia makes every day with its activities to contribute to minimising or solving the problems facing citizens. It’s the small things in our day-to-day lives, the everyday effort to try to improve our surroundings... those are all that matter.

Félix Parra Mediavilla,
General Manager of Aqualia
People who work for people
Aqualia is the leading company in end-to-end water management in Spain, third in Europe and sixth worldwide, * in terms of efficiency and protection of natural resources. It has a solid know-how in end-to-end water management, as well as in the design, construction and operation of urban and industrial water facilities.

The social objective of Aqualia focuses on the collection of water, its adaptation for human consumption, distribution and after-treatment, to ultimately return it to nature in adequate volume and quality, carrying out an efficient and sustainable usage of the resources and materials used in the process.

In a short time the company has secured its position as a benchmark brand in the sector on account of its high level of innovation and specialisation thanks to an experienced and committed team that seeks ultimate efficiency in production processes.

Aqualia is present in more than 1,100 municipalities in 21 countries and serves a population of over 23.5 million people worldwide.*

The high degree of specialisation and experience enables the company to offer the best technology solutions and provide an approachable, transparent and adaptable service to citizens.

The company’s responsibility to society does not falter either; this is why we work to develop the towns in which we operate, involving employees in solidarity initiatives through sporting, cultural and training activities, and mainstreaming our social commitment into all business strategies.

In Spain, Aqualia provides a service to over 850 municipalities and more than 12 million people (36% of the national market).*

*According to 2014 Global Water Intelligence report.
### Aqualia’s main financial indicators* (*Figures in million euros)

<table>
<thead>
<tr>
<th>Economic sustainability</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Direct financial value generated</td>
<td>2,542.3</td>
<td>2,559.7</td>
<td>↑ 2,587.1</td>
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<tr>
<td>Economic value distributed</td>
<td>851.0</td>
<td>863.6</td>
<td>↑ 987.4</td>
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<tr>
<td>Operating costs</td>
<td>512.0</td>
<td>503.8</td>
<td>↑ 552.1</td>
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<tr>
<td>Personnel expenses</td>
<td>241.9</td>
<td>246.8</td>
<td>↑ 249.9</td>
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<tr>
<td>Payments to governments -taxes-</td>
<td>37.2</td>
<td>42.3</td>
<td>↑ 55.1</td>
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<tr>
<td>Payments to capital suppliers</td>
<td>37.3</td>
<td>47.1</td>
<td>↑ 102.35</td>
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<tr>
<td>Grants</td>
<td>8.4</td>
<td>12.2</td>
<td>↑ 26.1</td>
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<tr>
<td>Infrastructure investment</td>
<td>22.5</td>
<td>23.1</td>
<td>↑ 27.5</td>
</tr>
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<td>Investment in R&amp;D&amp;I</td>
<td>3.0</td>
<td>3.1</td>
<td>↓ 2.8</td>
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<table>
<thead>
<tr>
<th>Service</th>
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<tr>
<td>Managed network length (km)</td>
<td>65,489</td>
<td>69,522</td>
<td>↓ 66,387</td>
</tr>
<tr>
<td>Water collected-bought (mill. m³)</td>
<td>763.8</td>
<td>653.9</td>
<td>↓ 618.8</td>
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<tr>
<td>Number of Water Treatment Centres (WTC)</td>
<td>215</td>
<td>203</td>
<td>↑ 209</td>
</tr>
<tr>
<td>Number of Water Repumping Centres (WRC)</td>
<td>892</td>
<td>892</td>
<td>↑ 1,080</td>
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<tr>
<td>Drinking water tanks</td>
<td>2,606</td>
<td>2,595</td>
<td>↑ 2,709</td>
</tr>
<tr>
<td>Number of Seawater Desalination facilities (SDF)</td>
<td>6</td>
<td>6</td>
<td>↓ 6</td>
</tr>
<tr>
<td>New contracts awarded (Spain)</td>
<td>155</td>
<td>151</td>
<td>↑ 216</td>
</tr>
<tr>
<td>New contracts awarded (International)</td>
<td>5</td>
<td>12</td>
<td>↓ 6</td>
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<table>
<thead>
<tr>
<th>Staff</th>
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<tbody>
<tr>
<td>Total payroll (employees)</td>
<td>7,125</td>
<td>7,639</td>
<td>↑ 7,764</td>
</tr>
<tr>
<td>% of women on payroll</td>
<td>22.42%</td>
<td>22.80%</td>
<td>↓ 21.72%</td>
</tr>
<tr>
<td>Permanent contracts</td>
<td>2,014</td>
<td>2,175</td>
<td>↑ 5,065</td>
</tr>
<tr>
<td>Turnover rate</td>
<td>0.94%</td>
<td>1.29%</td>
<td>↓ 1.08%</td>
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<tr>
<td>Training hours per employee</td>
<td>9.79</td>
<td>10.23</td>
<td>↓ 9.65</td>
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<tr>
<td>Investment in training (euros)</td>
<td>503,911</td>
<td>538,250</td>
<td>↓ 518,279</td>
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<tr>
<th>Society</th>
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<tbody>
<tr>
<td>Investment in social action (euros)</td>
<td>387,968</td>
<td>416,700</td>
<td>↑ 333,649</td>
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<thead>
<tr>
<th>Environment</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (GJ)</td>
<td>1,955,051</td>
<td>2,018,449</td>
<td>↓ 1,957,178</td>
</tr>
<tr>
<td>Direct CO₂ emissions (TEQ)</td>
<td>9,191.70</td>
<td>21,487</td>
<td>↑ 21,165</td>
</tr>
<tr>
<td>Indirect CO₂ emissions (TEQ)</td>
<td>127,601.50</td>
<td>82,335</td>
<td>↓ 127,683</td>
</tr>
</tbody>
</table>

7,475,077 m³ of drinking water produced.

45,498 km of managed networks.

27.5 million euros of investment in infrastructure.

More than 1,100 municipalities serviced and over 760 wastewater treatment plants managed.

840,446 water quality determinations conducted in labs.

7,764 people hired.

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1 Data from Aqualia GIA and SmVak
2 Data only for Spain
3 Emissions related to activities carried out by Aqualia GIA
Service quality and close relationship with clients

Aqualia’s strategy is guided towards the end consumer with a particular emphasis on the quality of the supplied product. This is why the company focuses on making sure that the water reaches the user with maximum quality by conducting thorough analyses in the company’s laboratories.

Another strategic pillar is the close relationship we have with our clients. For this purpose, Aqualia has set up a multi-channel system that offers completely interactive communication channels (face-to-face, telephone and online).

New organisational structure

Throughout 2015, Aqualia adapted its organisational structure to meet new needs primarily due to the company’s significant international growth. This new structure helps consolidate the company’s national leadership position and boosts its expansion into uncharted markets.

All of Aqualia’s activity is streamlined into one single production line for all business models.
With regard to the new structure of Corporate Departments, it is worth highlighting the creation of the Water Engineering and Technology Management division, which is responsible for designing urban and industrial water treatment systems, as well as planning and implementing individual projects, in coordination with territorial organisation, both nationally and internationally.

Economic and Finance Manager
Isidoro Marbán

Human Resources Manager
Carmen Rodríguez

Legal Affairs Manager
Elena Barroso

Development Manager
Antonio Vassal’lo

Communication and CSR Manager
Juan Pablo Merino

Studies and Operations Manager
Pedro Rodríguez

Water Engineering and Technology Manager
Javier Santiago

Client Management and IT Manager
Manuel Castaño

Aqualia’s Senior Management
Félix Parra

Aqualia primarily engages in the management of municipal water services and the operation of major Building, Operate and Transfer projects.

The company has also opted for diversification, becoming the only company in Spain, and one of the few in the world, capable of providing any service related to the different uses of water.

These services include the design and construction of wastewater and desalination treatment plants, where due to our technological development, experience on project management and excellent service quality Aqualia is regarded as one of the global benchmark companies, with major projects over the length and breadth of Spain as well as in other countries such as Algeria, Egypt, Czech Republic or Mexico.

Aqualia also offers global solutions and operational capacity to design, develop and manage turnkey projects and facilities, whilst adapting them to the needs and requirements of each client and country.

Aqualia provides a service to more than 23.5 million people.

INTEGRATED MANAGEMENT OF PUBLIC SERVICES

Municipal water services.

High value-added services Public management support.

Water infrastructure design and construction.

Operation and maintenance.

Water infrastructure concession.

WATER INFRASTRUCTURES
Aqualia in Spain

Aqualia’s presence in Spain is illustrated below:

Aqualia worldwide

Aqualia currently provides a service to around 23.5 million users in 21 countries: Spain, Italy, Portugal, Czech Republic, Poland, Romania, Montenegro, Bosnia, Mexico, Chile, Uruguay, Algeria, Egypt, the United Arab Emirates, Saudi Arabia, Serbia, Kosovo, Tunisia, India and Colombia.

Thanks to our high degree of innovation and professionalism, Aqualia has successfully implemented major international projects.

As a company specialised in the design, construction and operation of all types of sanitation infrastructure, Aqualia manages more than 700 wastewater treatment plants over four continents.
The company has a strong presence in countries such as Spain, Italy, Portugal or the Czech Republic thanks to the concession of public water services and has been consolidated as the third largest private end-to-end water management company in Europe.

In its endeavours to secure a greater presence in other European countries, Aqualia works on new innovative projects. This was the case in France, where in 2015 it began business activity and took part in the first tender for the public service delegation of water supply and sanitation in Arles.
Main projects and activities at European level

Czech Republic

- As a sign of trust from Aqualia’s international development investors, SmVak (the Czech subsidiary of Aqualia) has launched a 7-year bond issue, exclusively in the Czech Republic and in the international water market.
- SmVak has secured two new 10-year contracts in its area of influence: VelkeLosiny and Vratimov.

Italy

- The Sicilian company Caltaqua, a subsidiary of Aqualia, provides service to 22 municipalities in the province of Caltanissetta, covering more than 270,000 people. It has 4 treatment plants and 20 wastewater treatment plants.
- Caltaqua has made a record investment in its integral water service for 12 million euros.
Portugal

- Aqualia launched in Portugal in 2007. It is currently in charge of the end-to-end water management in the municipalities of Abrantes, Campo Maior, Elvas, Cartaxo and Fundão, providing services to more than 120,000 citizens and managing over 770 km of a water distribution network, 81 reservoirs, 36 water treatment plants, 12 water pumping stations, 24 wastewater pumping stations and 40 wastewater plants.

- In 2015, the Aqualia-led services in Campo Maior and Cartaxo were awarded the Quality Seal for Public Water Supply for the second year running.

Insofar as Aqualia’s progress throughout the rest of Europe is concerned, it is worth pointing out the implementation of 7 contracts for the construction of treatment plants in the Balkans.

Aqualia’s International Client Manager was appointed as the Spanish representative for the EurEau General Assembly, an association with European scope that rallies water management operators, both public and private, and the national associations in the sector.

America

Aqualia runs important operations in some of the major South American countries. Throughout 2015, it invested heavily in the expansion of this market, possibly leading to a significant boost in the company’s development in the medium to long term.

The company has strengthened its position in the main countries of this continent by participating in water infrastructure design and construction tenders in Mexico, Panama, Colombia and Ecuador, as well as exploring and taking part in industrial-use water projects in Chile, Mexico and Peru.

Aqualia has been awarded two new contracts for mining activity and wastewater treatment worth 27 million euros.

Aqualia took part in the Eurocity event in Lisbon where it made reference to the Eurocity citizen services collaboration model between Badajoz and Elvas, two cities in which Aqualia manages the water cycle.
Chile

- Aqualia has been awarded the contract worth more than 10 million euros to perform groundwater treatment services for the Ovejería hydraulic barrier in Huechún, Metropolitan Region. The project entails the engineering, construction and commissioning of a nanofiltration plant with a production capacity of 100 litres per second, as well as its operation and maintenance for a 12-year period. The aim is to ensure quality water intake with a low dissolved salt content.

- Meanwhile, the Colina and Batuco communities, to the north of the Santiago de Chile metropolitan area, will benefit from the construction of the new Cadellada wastewater treatment plant to be built by Aqualia. The new plant, with a treatment capacity of 330 litres per second, will handle the needs of nearly 150,000 residents. This turnkey project, valued at 15 million euros, includes the design, equipment, construction, commissioning and temporary operation to take place over a year and a half.

Mexico

- Aqualia has secured two new contracts worth 81 million euros for the supply of water to Mexico City and the petrochemical plant of Pemex:
  - The Cutzamala project faces the challenge of expanding their supply grid with another line in order to guarantee the supply of drinking water to areas on the outskirts of Mexico City. The project is considered one of the largest civil engineering works worldwide.
  - The Mexican corporation Pemex has awarded Aqualia the contract to modernize the intake system in the Mezcalpa River, which is used to supply water to the Cactus and Nuevo Pemex gas processing centres. A budget of 15 million euros has been allocated to this project, which involves completely renovating the mechanical, electrical and automation systems.
With respect to Aqualia’s operations in the USA and Brazil, it is worth mentioning the beginning of market research, exploring and detecting new business opportunities. To this end, a sales office has been opened in Miami and an Aqualia subsidiary set up in America.

**Middle East**

The Middle East is a strategic pillar for Aqualia’s activity. In addition to the company’s experience in Saudi Arabia and the United Arab Emirates, it secured a contract in Qatar to manage the Al Dhakhira sanitation network.

**Main projects and activities in the Middle East**
Saudi Arabia

- The National Water Company (NWC) of Saudi Arabia has continued to collaborate with Aqualia by extending the Riyadh contract to cover the sectioning of the DMZ (District Metric Zones) as well as flow and pressure control. The project consists of using insertion flowmeters and pressure recorders that obtain real-time data to be able to control the sectors making up Riyadh. When Aqualia finishes the works, the Saudi capital will have a continuous flow distribution system along a 15,000 km-long network.

- For a period of three years, Aqualia will also be in charge of operating and maintaining the two main wastewater treatment plants in Mecca that each produce 250,000 m³ per day. Alkhorayef Water and Power Company and Aqualia will be responsible for the management of facilities and their treatment units.

- Aqualia was also awarded the corresponding contracts in 2015 for the water and sanitation services of lines 4 and 5 of Riyadh Metro.

United Arab Emirates

- Aqualia has been operating in Abu Dhabi for more than three years thanks to being awarded the contract for the sanitation system and water purification management in the area. The contract has a term of seven years, until 2019, and is worth 76.3 million euros.

Qatar

- Aqualia is continuing to work on the 10-year construction and operation project of the Al-Dhakhira wastewater treatment plant. This contract involves the design, construction, operation and maintenance of wastewater treatment facilities, wastewater pumping stations, transfer pumping stations and associated collectors of the city. The new plant will treat an average water flow of 56,200 m³ per day and will serve a population of more than 200,000 people.

Aqualia’s presence in other countries

Egypt

An Aqualia-led consortium has been awarded the tender for the design, construction and operation of the Abu Rawash treatment plant located in El Cairo (Egypt). The Abu Rawash plant will be one of the largest worldwide, will treat 1.6 million m³ daily and will provide service to more than 5.5 million people. It is the largest contract awarded in Aqualia’s history, considering that it will involve a business portfolio for the consortium worth 2.4 billion euros.

The Abu Rawash treatment plant is the largest contract in the history of Aqualia and the second PPP tender in the country.
India

Aqualia, in collaboration with the company SPML, one of the leading water companies in India, will manage the residential water distribution in five towns in the state of Karnataka. The contracts are worth a total of 65 million euros and are effective for a period of 5 years.

With the arrival of Aqualia, the cities of Bellary, Hospet, Raichur, Haveri and Gadag, with a total population of 1.2 million people, will benefit from a project that aims to guarantee the continuous supply of water.

Participation in international events

One more year, and thanks to Aqualia’s recognition both nationally and internationally, the company was invited to participate in the most important international events on water management where it has been able to share its experience with all interested parties.

Aqualia once again had a strong presence in the 2015 International Water Summit (IWS), one of the largest events held in the Middle East. Organised by the publication MEED, the event is a fantastic platform to showcase and exchange sustainable technologies and identify new opportunities.

Aqualia’s participation in the IWS in Abu Dhabi reaffirms its interest and positioning in the Middle East.

The company was also given the chance to present its efficient solutions with a stand and the presentation “Water Management Efficiency Increase Solutions for the Kingdom” in the Saudi Water Power Forum, held in Riyadh (Saudi Arabia), which is the country’s most prominent water and energy conference that connects professionals and key players from the Saudi government. During the sessions, the company presented some of the milestones reached in recent years and disclosed its future plans in these two key sectors, water and energy.

The company’s aim is to “strengthen our position on major projects and grow on other medium-sized projects for the private and industrial sector”.

This contract secures Aqualia’s position in one of the largest global economies, the third with the largest Gross Domestic Product (GDP), according to the International Monetary Fund.
At the 12th edition of the **IWA Conference (Leading Edge Technology)** of Hong Kong, which gathered 300 experts in water technology, Aqualia presented developments on the implementation of the ELAN® process (Autotrophic Nitrogen Removal) on the industrial effluents of the Galician canning company Friscos.

There were subsequently another two conferences organised by the **WEF (Water Environment Federation)** in Washington DC, one on waste and biosolids and the other on water and energy. More than 1,500 people gathered to analyse the method to avoid the generation of waste and maximise resource recovery from wastewater. Aqualia played a prominent role, which included coordinating a workshop on the production of biomethane with anaerobic membrane reactors, which will be part of the project **Life Memory**.

Meanwhile, for the first time, the company took part in the **American Water Summit (AWS)**, held in the city of Denver (Colorado), which is considered by many as the main event in the water sector calendar in North America.

Also in the USA, Aqualia’s International Development Manager gave a speech at the breakfast meeting organised by the Spanish Trade Commission of Chicago for responsible Spanish water management companies in the American public sector.

In terms of the company’s participation in conferences and forums in Latin America, it is worth mentioning the stand that the company set up in the **XXIX edition of the ANEAS Annual Convention and Expo**, which took place in Mexico and gathered specialists, academics, entrepreneurs and professionals from the drinking water and sanitation sector in Europe and America. The stand received many delegates and visitors who were interested in finding out about the company’s comprehensive solutions for the integral water cycle for public and private companies and bodies.

In 2015, Aqualia also took part in **Exponor**, the International Trade Fair for Mining Industry, setting up a stand where it displayed some of the significant projects it has implemented in Latin America.

Meanwhile, the **European Federation of National Associations of Water Services** held its 40th anniversary in 2015. Among other commemorative activities, it held a set of conferences discussing the most burning issues faced by the sector. The international client manager at Aqualia engaged in the round table on “**Water matters for cities and tourism**”.

Last but not least, the manager of the Balkans local office recently participated in the **conference “Western Balkans Regional Conference”** on Public Procurement. The conference, which took place in Sarajevo, was organised by the European Bank for Reconstruction and Development and Aqualia seized the opportunity to talk about its experience with public tender bidding.
In a national context, the Spanish Association of Water Supply and Sanitation (AEAS) held the thirty-third edition of its Technical Conferences which, as usual, paired up with an exhibition space, in this case the Salón Tecnológico del Agua [Water Technological Showroom]. Aqualia once again set up a corporate stand. These conferences, which took place in Burgos, had participation from various water management companies, suppliers and institutional clients, making it the premier forum for the urban water sector in Spain.

As leader of the water management sector in Spain, Aqualia had a strong overall presence, organising significant and innovative activities in all aspects of the conferences (speeches, stand, recreational events, etc.). For example, as part of the program this year, Aqualia gave presentations on the water footprint; European regulation; and the implementation of R&D&I projects in production.

At Aqualia’s stand, representatives from the company alongside Fernando Morcillo, chairman of AEAS; José Carbonell, secretary of AEAS; Javier la Calle, Mayor of Burgos; Juan Antonio de Miguel, Agua de Burgos manager; and Carline Blanco, Agua de Burgos president.

**Aqualia involvement in business associations**

<table>
<thead>
<tr>
<th>International associations</th>
<th>National associations</th>
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</thead>
<tbody>
<tr>
<td>International Desalination Association (IDA)</td>
<td>Spanish Association of Water Supply and Sanitation (AEAS)</td>
</tr>
<tr>
<td>International Water Association (IWA)</td>
<td>Water and Sanitation Supply of Andalusia (ASA)</td>
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<tr>
<td>EUREAU</td>
<td>Water Services Group of Catalonia (ASAC)</td>
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<td>Smart Water Networks Forum (SWAN)</td>
<td>Spanish Desalination and Reuse Association (AEDyR)</td>
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<td>Association of the Water Supply and Sanitation Sector in the Czech Republic (SOVAK)</td>
<td>Spanish Association of Water Services to Populations (AGA)</td>
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<td>Association for Water Management in the Czech Republic (SVH)</td>
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<tr>
<td>Czech Society for Trenchless Technology (CZSTT)</td>
<td>Spanish Association for the Defence of Water Quality (ADECAGUA)</td>
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<tr>
<td>Czech-Polish Chamber of Commerce</td>
<td>National Association of Manufacturers of Capital Goods (SERCObE)</td>
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<td>Association for the Development of the Moravia and Silesia Region</td>
<td>IMDEA-AGUA</td>
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<tr>
<td>Operators Association of Supply and Sanitation in the Czech Republic</td>
<td>Cooperation Fund for Water and Sanitation</td>
</tr>
<tr>
<td>Power and Water Forum Arabia Advisory Committee (Saudi Arabia)</td>
<td>Business Association of the Water Sector of Andalusia (AESAl)</td>
</tr>
<tr>
<td>Water Advisory Committee Ditcheley Foundation (UK)</td>
<td>Association of Employers of the Water Industry in the Balearic Islands (ASAIB)</td>
</tr>
<tr>
<td>National Association of Water and Sanitation of Mexico (ANEAS)</td>
<td>Association of Water Supply and Sanitation in the Community of Valencia (AVAS)</td>
</tr>
<tr>
<td>National Chamber of the Construction Industry (CMIC)</td>
<td>Company Association of Urban Water Management in the Canary Islands (ACEGUA)</td>
</tr>
<tr>
<td>Latin American Association of Desalination and Water Reuse (ALADYR)</td>
<td>Canary Islands Water Centre Foundation (FCCA)</td>
</tr>
<tr>
<td>Federazione Italiana delle imprese dei servizi idrici, Energetici e Vari (FEDERUTILITY)</td>
<td>Basque Country’s Environmental Industry’s Cluster Association (ACLIMA)</td>
</tr>
<tr>
<td>Associação Portuguesa de Distribuição e Drenagem de Águas (APDA)</td>
<td>Modern Foundation</td>
</tr>
<tr>
<td>Associação das Empresas Portuguesas para o Sector do Ambiente (AEPSA)</td>
<td>Spanish Biomass Technology Platform (BIOPLAT)</td>
</tr>
<tr>
<td></td>
<td>Urban Cluster ZINNAE for Efficient Water Use</td>
</tr>
<tr>
<td></td>
<td>Centre of New Water Technologies (CENTA Foundation)</td>
</tr>
</tbody>
</table>
Corporate Social Responsibility

Our vision

- Ensuring complete, honest and transparent behaviour.
- Extending corporate values to the entire value chain.
- Maintaining an active dialogue and responding to stakeholders.

Aqualia regards Corporate Responsibility (CR) as the implementation of a business model that, as well as adding value to the company and guaranteeing the necessary profitability and competitiveness, actively boosts the company’s progress, and instils trust and drums up support among its main stakeholders: Public administrations, organisations, media, users, suppliers, employees and society in general.

The company defines its model based on the principles of action of the FCC Group to which it belongs: connecting with the public, implementing intelligent services and engaging in exemplary conduct by the company and all of its employees.

Based on these commitments and in conjunction with the needs and expectations analysis of stakeholders, Aqualia has established its own lines of action that are incorporated to the company’s operations:

1. Connecting with the public
2. Transforming institutions into the key players of a sustainable city.
3. Promoting our social initiatives.
4. Innovative and sustainable services.
5. Conduct in line with the company’s values.
The identified stakeholders are the individuals, organisations and institutions that influence or become influenced by the company’s decisions, ranging from Public Administrations to employees.

### Active dialogue with stakeholders

With the aim of identifying the most significant economic, social and environmental aspects for stakeholders, Aqualia regularly conducts studies on each one of them.

The latest study involved issuing all employees with a survey and organising several focus groups where the representatives of the external stakeholders were given the chance to freely express their concerns and interests.

The issues identified form part of the company’s Corporate Responsibility strategy and are incorporated to its plans of action.

Aqualia implements its Corporate Responsibility principles on all activities it carries out with the aim of securing sustainable management and guaranteeing a positive impact on society. To this end, it requires its employees to comply with its Ethical Code and its suppliers to know about and understand it.

### External stakeholders

- Setting Aqualia’s strategy.
- Dialogue with stakeholders:
- Objectives and degree of compliance.
- Definition of the company’s activity.
- Information on social performance.

### Employees

- Initiatives to improve water quality.
- Actions to facilitate professional development.
- Improvements in customer service.
- Measures to ensure equality and diversity.
- Actions to improve occupational health.

### Less relevant aspects

- Information on corporate governance.
- Information on financial performance.
- Information on performance in managing the team.

### External stakeholders

- Actions to promote the sport.
- Collaborative efforts with universities and promotion of culture.
- Initiatives to improve transparent billing and monitoring of consumption.
People who work for people
03

AQUALIA MOMENTS

26 Aqualia moments 2015
January

The Portuguese regulator recognises the quality of the services provided by the company in Campo Maior and Cartaxo.

Launch of One, the new corporate intranet.

February

Eurocity as an example of collaboration on citizen services.

Training workshops for journalists in collaboration with APIA.

March

Launch of the “Fill your world with life” competition. We celebrate World Water Day.

Presentation of the Water Footprint and Virtual Water study in Cantabria.

April

The desalination plant in Ibiza is the place chosen to present the campaign to raise awareness of the consumption of drugs and alcohol, launched by the Health and Safety Department, to the heads of service, plant staff and foremen on the Balearic island.

XXXIII AEAS Conferences in Burgos.

May

Clean-up of the Estany des Peix in Formentera, an example of the company’s commitment to the environment and society.

Caltaqua distributes the “Aqualia Educational Booklet” to children at the walk-in workshop held in Caltanissetta (Italy).

June

1st Mentoring Program comes to a close.

Launch of the SMART Green Gas project, which researches the energy value of waste and effluents by obtaining biomethane.
New contract for the two main wastewater treatment plans in Mecca, third largest contract in Arabia.

Awarded the contract for the Abu Rawash treatment plant, Egypt. Largest contract in the history of the company.

SmVak launches an ambitious project to encourage people to drink tap water and promote restaurants that offer it.

The Municipal Council of Molins de Rei and Aqualia set up a Solidarity Fund to guarantee access to services like water and sanitation to all citizens.

Remotely Piloted Aircraft System (RPAs) technology now being used on various activities in Oviedo related to the municipal water service provided by Aqualia.

Students from the UNESCO master’s degree interested in our management.

International Day of Persons with Disabilities. Aqualia collaborated with five organisations operating in Oviedo, Segovia, Jerez, Villena and Formentera/Ibiza in favour of disabled persons.

Aqualia is recognised by the publication iAgua as the most influential company in the ranking of the 100 main organisations in the water sector.

Pityuses together for water. Aqualia gathered councillors in charge of the municipal water services it manages on the island to analyse the water and present a responsible consumption campaign.

Everybody united against gender-based violence.

Boosting youth employment by signing up to the Partnership for Dual Vocational Training.

For three days, Jerez de la Frontera hosts the European Benchmarking Cooperation Workshop (EBC), a comparison and improvement activity of the water cycle management models, which gathers representatives from 21 countries.
People who work for people
Service

30 Innovation and close relationship with clients
31 Lines of Action 2015
32 Water quality
33 Clients: multi-channel system
38 Transparent bill
42 Innovation in the water cycle
49 Specific actions to improve the service
51 Challenges 2016
Innovation and close relationship with clients

Our vision

- Providing the best service according to the needs of citizens.
- Ensuring maximum quality of the water and service provided.
- Betting for transparency in the information provided to users.
- Maintaining the commitment to innovation and new technologies.

### Main figures

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home water supply*</td>
<td>7,296,656</td>
<td>7,436,343</td>
<td>7,475,077</td>
</tr>
<tr>
<td>Sanitation*</td>
<td>2,896,980</td>
<td>2,915,643</td>
<td>2,850,401</td>
</tr>
<tr>
<td>Drinking water produced*</td>
<td>752,507,106</td>
<td>615,463,970</td>
<td>607,837,297</td>
</tr>
<tr>
<td>Supply network*</td>
<td>45,259</td>
<td>48,537</td>
<td>45,498</td>
</tr>
<tr>
<td>Sewage system*</td>
<td>20,230</td>
<td>20,985</td>
<td>20,889</td>
</tr>
<tr>
<td>Water quality determinations</td>
<td>1,194,432</td>
<td>1,085,781</td>
<td>840,446</td>
</tr>
</tbody>
</table>

*Data for Spain and SmVaK.

### Compliance with 2015 challenges

<table>
<thead>
<tr>
<th>2015 Commitment</th>
<th>Level of compliance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of a client support virtual office in an app.</td>
<td>100%</td>
<td>Entirely developed in 2015. Roll-out took place in February 2016.</td>
</tr>
<tr>
<td>Promoting and participating in new Smart Water projects.</td>
<td>100%</td>
<td>The Santander Smart Water Project has been expanded by 1,172 meters (Phase II).</td>
</tr>
<tr>
<td>Continuing to participate in international projects.</td>
<td>100%</td>
<td>The Urban Water Project in Almeria was launched with a range of 1,000 reading points.</td>
</tr>
<tr>
<td>Having a car running on biomethane from waste water.</td>
<td>100%</td>
<td>The first NGV car by Volkswagen arrived at Chiclana on 17/11/2015.</td>
</tr>
<tr>
<td>Ensuring operation of the first ELAN industrial facility.</td>
<td>100%</td>
<td>The ELAN process in the Guillareí plant kicked off with a 115 m³ reactor in September 2015.</td>
</tr>
<tr>
<td>Having a smart project management area outside Spain.</td>
<td>100%</td>
<td>A smart management system has been launched in Janovice (Czech Republic) with 570 meters.</td>
</tr>
</tbody>
</table>
The actions carried out by Aqualia in 2015 were geared towards the end client with a particular emphasis on the quality of communication channels. The completely interactive nature of these channels (face-to-face, telephone, online) allows the client to communicate through whichever means and have their needs attended to in real time.

The company also upholds a solid commitment to citizens to continually improve the quality of service provided, comprehensively monitoring all activities and working towards improving the quality of supplied water and towards implementing innovative projects that represent considerable progress in the service and its sustainability.

**Lines of Action 2015**

- Intelligent management.
- Sustainability.
- Quality.
- Certified quality
- Actions to improve the service.
- Commitment to quality throughout the value chain.
- Transparent bill.
- Remote meter reading.
- Smart meters.
- Multi-channel system.

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**Innovation**

**Water quality**

**Billing and Consumption**

**Client support**

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**Service** 31
Aqualia’s main aim is to make sure that a sufficient volume of quality water reaches the client, ensuring environment sustainability throughout the whole cycle. To achieve this aim, Aqualia has drawn up a Strategic Quality Plan that seeks to provide a service to clients with the maximum levels of quality and efficiency. This plan includes several lines of action that fall into four categories: quality of water supplied, efficiency of service, technical performance of the network and level of client support.

**Certified quality**

In order to guarantee a water supply with maximum quality, the Aqualia team adheres to the regulations and controls established by public administrations and applicable to this activity. With this approach the company has ensured that 98.3% of its facilities in Spain are certified according to the standards UNE-EN ISO 9001:2008 of quality management, and UNE-EN ISO 14001:2004 of environmental management, exceeding the 70% in the case of international facilities.

<table>
<thead>
<tr>
<th>% certified facilities</th>
<th>ISO 9001</th>
<th>ISO 14001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqualia Spain</td>
<td>98.3%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Aqualia (worldwide, Spain included)</td>
<td>79.3%</td>
<td>74.1%</td>
</tr>
</tbody>
</table>

Aqualia’s management system marked its 18th anniversary on World Quality Day. Since 1997, the Management System has been evolving, adapting to meet the organisation’s needs and steering towards a single, integrated and efficient system.

The water quality is verified through comprehensive analyses conducted by AqualiaLAB (Aqualia’s laboratories), which play a prominent role in the control and follow-up of water quality. The quality of supplied water is guaranteed in these labs by carrying out annual inspections through 840,446 parametric determinations, 99.7% of which were compliant. These labs are accredited according to standard UNE-EN ISO 17025 on testing and calibration laboratories.

The aim of this system is to store information on the water collection, treatment and storage infrastructures, as well as laboratories for water quality control, for the purpose of identifying the quality of drinking water that is supplied to the Spanish public. This helps to detect possible failures and risks associated with drinking water that may affect the population, providing basic information to citizens concerning supply areas and the quality of the water in the same areas.

By doing so, citizens have public information on controls on SINAC’s website (http://sinac.msn.es) and local websites where Aqualia offers its services (also available on www.aqualia.com).
Commitment to quality throughout the value chain.

Aqualia understands that responsible management is only possible with the collaboration from all stakeholders and, particularly, those most affected by the company: suppliers. As a result, Aqualia involves its suppliers in the company’s mission, vision and values and implicates them in the shared aim of improving sustainability and quality throughout the entire value chain. To this end, Aqualia has established a monitoring and evaluation procedure of suppliers that ensures compliance with the requirements deriving from the company’s values and policies.

<table>
<thead>
<tr>
<th>Technical quality</th>
<th>Compliance with minimal environmental impact</th>
<th>Compliance with risk prevention</th>
<th>Compliance with labour regulations</th>
<th>Code of Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Necessary to be able to assess the offer.</td>
<td>Environmental compliance in all of its activities.</td>
<td>Control and monitoring of the suppliers’ compliance with the legislation on prevention and safety in the workplace.</td>
<td>Procurement procedures according to the legislative framework and provision of occupational insurance.</td>
<td>To be aware of and understand Aqualia’s ethical code and comply with the ten principles of the Global Compact promoted by the United Nations.</td>
</tr>
</tbody>
</table>

Clients: multi-channel system

The clients are the company’s greatest asset and increasing their satisfaction and loyalty is the aim. To this end, Aqualia runs an accessible and personalised client support service that listens to their concerns, responds and offers solutions in a flexible, quick, simple and effective manner.

The company offers a comprehensive multi-channel service that meets all of its client needs. The face-to-face, telephone and online channels allow the client to choose their preferred method to get in touch and seek a solution to their needs. The multi-channel system offers the best service, shorter response times, better relationship with the client in turn enhancing their trust, flexibility in the resolution of incidents and an increased value of communication.
Clients can find about the Aqualia Client Support channels at:
The telephone service, via the Client Support Centre (Aqualia contact), gives clients the opportunity to carry out all formalities without having to travel to the offices. It is also open 24 hours a day, 365 days a year, reducing the maximum response time to resolve breakdowns in distribution networks with subsequent savings on water. A reduced waiting time to notify about a breakdown facilitates a quick and effective resolution for all types of incidents in the network, which leads to an improved performance of water distribution.

This client support service received around 750,000 calls last year and provided assistance in 6 different languages: Castilian, Galician, Catalan, English, German and French.

Calls received in 2015

- Queries: 79.68%
- Requests: 27.59%
- Breakdowns: 13.90%
- Claims: 0.33%

Only 0.33% were claims, 38.69% of which concerned billing issues.
AqualiaOnline

80,254 cases were handled in 2015 without the need to travel or make phone calls, at the time and place chosen by the clients.

Aqualia has a corporate website available in 5 languages that offers general information about the company. There are also different local websites for municipalities where Aqualia provides service. These include more precise and localised information about the company’s services in the specific area.

These Aqualia websites, both corporate and local, offer access to the virtual office, AqualiaOnline, where clients can carry out the same tasks concerning the service that can be done face-to-face or over the telephone.

Requests via AqualiaOnline in 2015

The use of new technologies on client support channels is crucial for Aqualia’s communication with its clients.
Evolution of registered contracts on AqualiaOnline

<table>
<thead>
<tr>
<th>Year</th>
<th>5,921</th>
<th>20,666</th>
<th>31,774</th>
<th>55,237</th>
<th>123,954</th>
<th>175,679</th>
<th>225,361</th>
<th>269,508</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
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<td>2009</td>
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<tr>
<td>2010</td>
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<td></td>
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<td>2011</td>
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<td>2012</td>
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<tr>
<td>2013</td>
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<td>2014</td>
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<tr>
<td>2015</td>
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</table>

The efficiency of these communication channels has once again reduced the number of claims from clients.

For the purpose of supporting and even improving this service, more than 300 employees from the client support department were trained on data protection throughout 2015.

Face-to-face assistance

Aqualia's client support office is a comfortable and modern space designed to offer individual assistance and facilitate client management.

In addition to telephone and internet support, clients can visit the company’s offices to carry out their formalities or submit queries.

In 2015, with the aim of providing excellent client support, 650 employees responsible for office, telephone and online assistance received specific training.

New client support offices were set up in 2015 in Salobreña (Granada) and Guareña (Badajoz). It is worth mentioning the express reopening of the Vélez-Malaga office after suffering fire damage. In only five days the Aqualia employees were able to get the face-to-face client support service back up and running, illustrating a clear example of the public service mission that defines the organisation’s activity.

Since 2011, the Aqualia contact and AqualiaOnline channels have been certified according the standard UNE 27001 on "Information Security Management Systems", protecting the security of client data, as well as their integrity, availability and confidentiality.

20 years "At the service of citizens" in Benalmádena

The Sailing Club of the Benalmádena Marina hosted the 20th anniversary of Emabesa, joint venture for the water management of Benalmádena (Malaga) to which Aqualia belongs. The ceremony, inaugurated by the Mayoress of Benalmádena and Chairperson of Emabesa, paid recognition and tribute to the company’s employees who have provided a basic service with maximum quality to the citizens of the town in Malaga.

The workshop’s program included two speeches: "Communication, key factor in citizen service", given by the head of communication and marketing at Aqualia, and "The supply aquifer at Benalmádena", presented by Bartolomé Andreo, professor of hydrology at the University of Malaga.
Aqualia understands that a quality service must entail a clear and customised bill for clients. Along these lines, the company has maintained a full yet simple bill design that can be easily understood by all clients. The designs have been customised for each type of user, with the information displayed to facilitate easy understanding.

As part of Aqualia’s social commitment, bills are used as a way to spread social and environmental awareness messages related to the public nature of water and which aim to secure more efficient and sustainable public or private management (in financial and social terms), whilst enhancing the attributes of approachability, involvement and professionalism.

Aqualia’s bills come with a side explanation and contain the following information:

2. Relevant data.
3. Publication of rates.
5. Description of consumption blocks and prices.
6. Detail of billed items and amount.
7. Consumption histogram.
8. Details for controlling data collection.
9. Payment deadline.
10. Total amount.

**DOES AQUALIA SET THE WATER PRICING?**

No. Only the local council can set and amend the water tariffs according to what is established by Law.
Types of bill at Aqualia

The company issues three types of bills, according to the preferences of each customer:

- Normal itemised bill
- Summarised bill
- Summarised bill by concepts

**WHAT ITEMS ARE INCLUDED ON THE WATER BILL?**

The cost of the end-to-end water management cycle (supply, sewerage and purification). At certain times, also local or regional taxes and charges that have nothing to do with the water service.
Electronic bill

Our clients become part of our environmental commitment.

<table>
<thead>
<tr>
<th>Aspect</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of electronic bills issued</td>
<td>532,260</td>
<td>650,000</td>
<td>675,000</td>
</tr>
<tr>
<td>No. of clients with electronic bill</td>
<td>132,000</td>
<td>132,600</td>
<td>174,500</td>
</tr>
<tr>
<td>Remote access to meter reading</td>
<td>52,600</td>
<td>55,000</td>
<td>57,600</td>
</tr>
<tr>
<td>No. of channels available to expand the reading</td>
<td>111,000</td>
<td>113,400</td>
<td>117,300</td>
</tr>
<tr>
<td>No. of monitored high consumption clients</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>No. of regulated irregular situations of uncontrolled consumption</td>
<td>7,000</td>
<td>5,907</td>
<td>6,369</td>
</tr>
</tbody>
</table>

The number of electronic bills issued in 2015 increased by 3.85% against 2014, which equates to a 31.60% growth of clients with this type of bill.
Quality meters

Aqualia chooses the most reliable meters to make sure that its clients are billed for what they have consumed. In order to choose the meters, the company works alongside three accredited metrological laboratories that carry out tests to check the quality of the equipment. Meanwhile, new suppliers must undergo audits by Aqualia to check the quality and capacity of supply. By doing so, before a new type of meter can be installed, these tests and controls must be passed. After this first phase, a certain number of meters is installed for end clients, conducting a follow-up and analysis of their performance.

Remote meter reading

Working with meter readings directly benefits users, as they receive bills that reflect their exact consumption. To this end, Aqualia has installed another 2,600 remote meters in 2015 against the previous year, and there are 3,900 more channels to expand the reading to other users in the future.

In 2015, remote meter readings have increased by 4.73% and the channels available to expand the reading by 3.44% compared to 2014.

The company continued to thoroughly monitor more than 1,200 high consumption clients to adapt supply to their actual consumption and report any potential incidents.

In 2015, 6,369 cases of fraud and uncontrolled consumption were regulated, which corresponds to a 7.82% increase as opposed to 2014.
Smart meters

The installation of smart readers provides Aqualia with accurate data and consumption trends for each client. These smart devices have a cutting-edge electronic system that allows Aqualia to check daily consumption patterns, rates and network data services at all times, which can generate suggestions for improving the consumption habits for each client through personalised advice.

Aqualia installed 57,700 smart meters in 2015, 5.10% more than the previous year.

### Innovation in the water cycle

Aqualia meets its social and environmental responsibility by developing an R&D&I strategy that looks after water, an asset that is vital for life.

For Aqualia, innovation is the main tool to guarantee sustainability, efficiency and competitiveness. The company focuses its R&D&I efforts on improving the quality of supply, optimising operating conditions and minimising the environmental impact, aims which are linked to the business model and value chain. Through innovation, Aqualia also seeks new business opportunities that could arise in the water sector.

To implement these projects, Aqualia has resorted to own funding and grants from different organisations to promote R&D&I.
From 2009, Aqualia’s projects have been allocated a total budget of more than 100 million euros.

The company’s R&D&I activity is carried out by a highly skilled team that works alongside the production team and has support from national and international research centres and universities.

In line with its strategic planning, Aqualia’s activity during the 2015 financial year gained momentum through the addition of new European R&D&I projects related to water management in each one of the three development areas: **Sustainability, Quality and Intelligent Management**.

Aqualia has an innovative management system in place that has been certified according to standard UNE 166002.

### Strategic lines

**Quality**

- Control of emerging contaminants
- Wastewater treatment for small population clusters.
- New treatment processes using membranes.
- Advanced anaerobic processes
- Advanced seawater desalination processes.
- Wastewater reuse processes.
- Technology for industrial water treatment.

**Sustainability**

- Energy efficiency in catchments and distribution networks.
- Energy efficiency in wastewater treatment processes.
- Improving biogas production
- Biofuel and biofertiliser production.
- Wastewater purification with microalgae.
- Optimisation of the water, energy, carbon footprint assessment nexus.
- Renewable energy use in treatment processes.
- Sustainable underground water extraction.

**Intelligent management**

- Useful life models for infrastructure.
- Predictive systems of intelligent network management.
- Water meter reading
- Data management integration in municipal platforms.
- Support systems for making decisions in treatment plants.
- Predictive systems for consumption curve behaviour.
- Integration of citizen participation in water management.
- Risk management in providing water services.
Aqualia maintains permanent contact with the different stakeholders to enhance and improve its R&D&I activity. These innovation projects involve the participation and involvement of the entire organisation, from identifying opportunities to their final implementation, and are designed to improve three specific areas: quality, sustainability and intelligent management.

R&D&I Activities

Permanent dialogue → Stakeholders

R&D project selection

Quality

- MIMAM MBBR Hybacs (2010*)
- INCITE MBR Trainasa (2012)
- INCITE ELAN Trainasa (2012)
- CDTI ELAN Vigo aqualia (2013)
- INNPACTO Filene (2014)
- ININTERCONECTA Alegria (2014)
- INNPRONTA ITACA (2014)
- LIFE Remembre (2015)
- INNOVA Impactar (2015)
- ECO Innovation Cleanwater (2016)
- CDTI BESTF2 Biowamet (2017)
- INNOVA E3N (2017)
- LIFE Memory (2018)
- LIFE Biosol water recycling (2018)
- LIFE Methamorphosis (2019)

Sustainability

- CDTI Sólidos Sostenibles (2012)
- FP7 SWAT (2013)
- CENIT VIDA (2014)
- IDEA Regenera (2015)
- INNPACTO Downstream (2015)
- RETOS Renovagas (2016)
- FP7 All-gas (2018)
- CIEN SmartGreenGas (2018)
- MEC Mantenimiento Predictivo (2012)
- INNPRONTA ISIS (2014)
- ININTERCONECTA Smartic (2014)
- FP7 UrbanWater (2015)
- CDTI WATER JPI Motrem (2017)
- LIFE icirbus4industries (2019)
- Client innovation projects (Smartwater Santander, SIC, Grandes clientes, Simtar, etc.)

Intelligent management

- ME mantivento Predictivo (2012)
- INNPRONTA ISIS (2014)
- ININTERCONECTA Smartic (2014)
- FP7 UrbanWater (2015)
- CDTI WATER JPI Motrem (2017)
- LIFE icirbus4industries (2019)
- Client innovation projects (Smartwater Santander, SIC, Grandes clientes, Simtar, etc.)

( ) completion date or expected completion date.

R&D&I projects in 2015: international consolidation

Aqualia’s innovative activity has gained international momentum by expanding the European scope of its projects, not only by securing grants from international bodies but also by collaborating with European research centres and companies.
Improving water management efficiency is essential due to the growing exposure of European countries to water shortage and periods of drought.

Among the European projects implemented in 2015, the following stand out for their innovative capacity and implementation possibilities: FP7 Urban Water, Eco Innovation CleanWater, Life Remembrance and Life Methamorphosis.

**FP7 UrbanWater**

_UrbanWater_, international project with backing from the EU and lead by Aqualia, proposes the development of a platform based on information and communication technology that helps to optimise water management through innovative systems aimed at detecting leaks, decision support systems, consumption predictions and water availability.

The project uses advanced remote reading and measuring solutions, which are made available to users on the UrbanWater website, allowing them to check their water consumption in real-time and change their habits to achieve a more optimised and mindful use of water. This platform benefits both citizens and public services by helping to reduce water loss in the distribution network, dropping energy and maintenance costs, and optimising the end-to-end water management service by adjusting the supply to the demand.

The project has been tried and tested in Almeria and Janovice (Czech Republic), and has been implemented by a consortium made up of 11 companies and universities from Spain, Czech Republic, France, Denmark, UK, Portugal and Croatia.

Location: Almeria (Spain) and Janovice (Czech Republic)  
Duration: 01/12/2012 to 30/11/2015  
Budget: €4,806,216 (Aqualia: €349,674; OVOD: €387,812)  
Participants:  
Leader: Aqualia (Spain)  
Sagemcom Energy & Telecom (France)  
Hydrometeorological Innovative Solutions (Spain)  
University of Zagreb (Croatia)  
Red Skies Limited (UK)  
RedkneeGmbH (Germany)  
Serious Games Interactive (Denmark)  
Aqualogus (Portugal)  
Taviraverde - Empresa Municipal De Ambiente (Portugal)  
AtekneaSolutionsCatalonia (Spain)  
OvodSpol (Czech Republic)

_UrbanWater_ is Aqualia’s most international project with participation from research centres, companies and organisations from 8 European countries.
**Eco Innovation CleanWater**

CleanWater, a project implemented through the EU’s Eco-Innovation program, is a system for safe water disinfection by an innovative ion exchange membrane.

The project entails an industrial-scale demonstration of a new water disinfection system with three applications: water for human consumption, water reuse and desalination plants.

The system, which was designed by the French SME CeramHyd, offers an alternative method to the current chlorination systems.

Aqualia, as a Spanish company that offers end-to-end water cycle management, takes part in the project as the end user of the technology, offering CeramHyd its experience, support and facilities for laboratory and industrial tests.

- Location: EDAR El Toyo, Almería (Reuse)
- EDAR Racoens-Denia, Alicante (Desalination)
- ETAP La Fresneda-Valdepeñas, Ciudad Real (Water consumption)
- Duration: 01/07/2014 to 31/12/2016
- Budget: €1,666,901 (Aqualia: €684,773)
- Participants: Aqualia – CeramHyd (leader)

**Life Remembrane**

Project to recover reverse osmosis membrane modules at the end of their life cycle, supported by the EU’s Life program.

The objective of the Remembrane project is to extend the life of membranes used in the reverse osmosis process, giving value to what are now waste products by reusing them in other applications, such as osmosis processes for water treatment.

It is expected that the results of the Remembrane project will lead to significant progress in the operating of large desalination and drinking water conditioning plants, as well as in reducing the investment and operating costs of tertiary water reuse systems.

- Location: Denia (Alicante) and Talavera de la Reina (Toledo)
- Duration: 01/09/2012 to 30/06/2015
- Budget: €1,903,767
- Participants: Aqualia (leader) – LEITAT– TECNOMA– AMBICAT– Agencia de Residuos de Cataluña

**Life Methamorphosis**

Supported by the EU’s Life Program, Life Methamorphosis is a project to recover energy from organic solid waste from both urban and agricultural livestock sources to obtain alternative and sustainable fuels.

The application of this innovative treatment line in the ECOPARC2 plant in Barcelona will maximise energy recovery from municipal waste and provide significant environmental improvements in its treatment. The expectations are for a 70% reduction in energy demand by the treatment process and an 80% reduction in CO2 emissions associated with the process, compared to the aerobic membrane technology currently installed at the plant.

The project will contribute to the overall objective of moving towards a resource-efficient economy and the protection and improvement of environmental quality.

- Location: Denia (Alicante) and Talavera de la Reina (Toledo)
- Location: Ecoparc2 in Barcelona
- Duration: 16/07/2015 to 30/06/2019
- Budget: €3,642,167
## List of R&D&I projects carried out in 2015

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>OBJECTIVES</th>
<th>PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><em><em>INNPACTODOWNSTREAM (2015</em>)</em>*</td>
<td>Improvement of the separation, processing and use of algal biomass as a source of energy.</td>
<td>Leader: Aqualia. Other partners: University of Cadiz, Tecnalia, Technological Institute of the Canary Islands.</td>
</tr>
<tr>
<td><strong>QUALITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em><em>INNOVA IMPACTAR (2015</em>)</em>*</td>
<td>New integrated and compact hybrid biological reactors as decentralised and automatic solutions for small plants.</td>
<td>Leader: Aqualia.</td>
</tr>
<tr>
<td><em><em>LIFE REMEMBRANE (2015</em>)</em>*</td>
<td>Recovery of reverse osmosis membrane modules from desalination to transform waste into a resource (for example, in water reuse applications).</td>
<td>Leader: Aqualia. Other partners: LEITAT Technological Center, TECNOMA S.A., AMBIGAT Consulting S.L.L., Agencia de Residuos de Catalunya.</td>
</tr>
<tr>
<td><em><em>INTERCONNECTA GALICIA ALEGRIA (2015</em>)</em>*</td>
<td>Algae and energy for the recovery of effluents from the Galician food industry.</td>
<td>Leader: Trainasa. Other partners: Otto, ASM, Frinova, Gestión del Valor y Soluciones.</td>
</tr>
<tr>
<td><strong>LIFE MEMORY (2016)</strong></td>
<td>Demonstration of an industrial prototype and the technical and financial viability of an innovative piece of technology - the Anaerobic Membrane Bioreactor - which allows for organic matter in wastewater to be converted into biogas.</td>
<td>Leader: Aqualia. Other partners: UPV, UV, Kochmembrane.</td>
</tr>
<tr>
<td><strong>LIFE BIOSOL (2016)</strong></td>
<td>Demonstration of an advanced treatment plant with microalgae for water reuse and energy use.</td>
<td>Leader: HPT. Other partners: Aqualia, CENTA, COLDEF.</td>
</tr>
<tr>
<td><strong>CIP CLEANWATER (2016)</strong></td>
<td>On-site assessment of a new hypochlorite generator with ceramic membranes used for three different purposes (purification, reuse and disinfection/desalination).</td>
<td>Leader: CeramHyd S.A. Other partners: Aqualia.</td>
</tr>
<tr>
<td><strong>INNOVA E3N (2017)</strong></td>
<td>Energy efficient nitrogen removal. As a continuation of the Innova Impactar, the pilot implemented in the Santander sewage system will be optimised to demonstrate compact and decentralised treatment systems.</td>
<td>Leader: Aqualia.</td>
</tr>
<tr>
<td><strong>BIOWAMET BESTF2 (2017)</strong></td>
<td>Synergy creation with the LifeMemory project on anaerobic reactors with membranes, which allow bioenergy to be obtained from wastewater.</td>
<td>Leader: Aqualia. Other partners: TU Delft, University of Southampton, Fairfield Control Systems Ltd.</td>
</tr>
<tr>
<td><strong>LIFE METHAMORPHOSIS (2019)</strong></td>
<td>Implementation of three developed technologies in the Ecoparque de Besós: the AnMBR, ELAN (autotrophic Nitrogen removal) and a biogas cleaning system. The product will be a biomethane that is fed into the natural gas network or used as car fuel.</td>
<td>Leader: Aqualia. Other partners: Área Metropolitana de Barcelona (AMB), Metropolitan Area of Barcelona, FCC, Gas Natural, SGS SA Instituto Catalán de Energia (Catalan Energy Institute), SEAT technical centre.</td>
</tr>
<tr>
<td><strong>INTELLIGENT MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em><em>URBANWATER (2015</em>)</em>*</td>
<td>An innovative interactive platform with intelligent technology, integrating models for decision-making, real-time data management, and leak detection to improve comprehensive water management in urban areas, which has been incorporated to Aqualia operations in Almeria and Janovice (the Czech Republic).</td>
<td>Leader: Aqualia. Other partners: Hydrometeorological Innovative Solutions, University of Zagreb, Red Skies Orga Systems, Serious Games Interactive, Aqualogus, Taviraverde, Aqualia, Ovod Spol, Ateknea Solutions Catalonia Sagemcom.</td>
</tr>
<tr>
<td><strong>JPI MOTREM (2017)</strong></td>
<td>Development of integrated processes for monitoring and removing emerging contaminants, especially for water reuse.</td>
<td>Leader: URIC. Other partners: Aqualia, University of Helsinki, University of Torino, Bruker Española S.A.</td>
</tr>
<tr>
<td><strong>LIFECIRBUS (2020)</strong></td>
<td>Reusing treatment plant waste as construction materials and biofertilizer production.</td>
<td>Leader: Intromac. Other partners: Aqualia, Agenex, Ctaex, Disaim, Ence, Gestiona, GM.</td>
</tr>
</tbody>
</table>

* (*) Project completed on date given. ( ) Expected completion date.
**Smart Cities**

The smart city must be capable of adequately addressing the basic needs of institutions, companies and the citizens themselves, both in economic terms, as well as in operating, social and environmental aspects.

**Smart Water**

The Smart Water project came about with the aim of creating an intelligent water management service in urban settings where citizens can engage in its management via their tablet, PC or smartphone. With this aim, Smart Water currently allows citizens to access a mobile application, developed on the am+ platform, with which they are able to know their consumption in real time, inform or be informed of any incident in the service, detect fraud, optimize energy management, access news on supply and sanitation, in addition to monitoring sanitation networks for possible flooding.

Following the first phase implemented in the Nueva Montaña area in Santander, the Smart Water project rolled out a second phase in the city centre in 2015, adding improvements to the system and the development of its mobile application. This new phase has involved the installation of around 1,300 sensors that have benefited 4,000 citizens in the area. The positive level of acceptance and success has meant that the City Council, the University of Cantabria and Aqualia signed an extension of the agreement in April 2015. This will help draw up a Comprehensive “Smart Water” Plan to ensure the project reaches the whole city, providing a service to its 178,500 inhabitants.

**Participation in congresses and scientific events.**

The Aqualia research team becomes more prominent each year in relevant national and international scientific events. The team was heavily active at congresses in 2015 both in terms of attendance and participation, in turn enhancing its international presence. This will be given a boost in the 13th IWA Leading Edge Technology Conference to be held in Jerez de la Frontera in June 2016, in which Aqualia is one of the organisers and sponsors.

**XXXIII AEAS Conferences in Burgos (Spain)**

Aqualia presented ELAN (autotrophic nitrogen removal system), and Microbial Desalination Cell, a desalination system via microbial cells.

**12th IWA Leading Edge Technology 2015 in Hong Kong**

Presentation of the work by Friscos (ELAN in terms of industrial water). The IWA Leading Edge Technology 2016 will be held in Jérez de la Frontera (Spain) with Aqualia as co-organiser.
Washington DC

WEF (Water Environment Federation) held two events in Washington DC, one on waste and biosolids and another on water and energy, in which 5 presentations by Aqualia were chosen about the cultivation and digestion of algae, and the AnMBR bioreactors. Aqualia was also selected to organise a workshop on AnMBR, and lead the session about Anammox.

SMARTURBAN CONFERENCE in Badajoz (IV Iberian Expo-Conference)

The speech on "Smart water management for the development of cities" was presented alongside companies and research centres such as Iberdrola, Cellnex, CIEMAT and the City Council of Badajoz.

14th World Congress on Anaerobic Digestion in Viña del Mar (Chile)

Results were presented from the three European projects LifeMemory, LifeBiosol and FP 7 All-gas.

WATEC Conference in Tel Aviv (Israel)

Speeches were given in the Spain-Israel Seminar "Building Water Innovation Partnerships" and in the Infoday "Bringing Israel’s WATER Innovation to the EU".

Specific actions to improve the service

The professionals at Aqualia, committed to citizens and the environment, work daily to improve the quality of the service provided. It is worth highlighting the following improvement actions:

Construction of a roof for the filtration system of the La Montaña tank at Puerto de la Cruz in Tenerife in July 2015 with the aim of improving the quality of water for citizens.
In May 2015, Aqualia optimised the infrastructures of El Rocío so that 800,000 visitors could enjoy the pilgrimage. In just one weekend, 52 million litres of drinking water were consumed. Aqualia tuned the water infrastructures of the municipality that witnesses its population increase by almost 800 in several days.

In January, new active carbon filters were installed in the treatment plant to enhance the water quality, which required an investment of 754,000 euros. The aim of these filters was to improve the organoleptic properties of the water and to prevent the possible presence of pesticides in the supplied water, which at times are used on olive groves.

Aguas de Alcázar, company that manages the municipal service of Alcázar de San Juan in Ciudad Real, presented its Sustainable Management Plan that was launched with the general aim of optimising the volumes of supplied water. This plan includes three line of action: improve the infrastructures, systematic monitoring of the networks, and citizen awareness.

Improved water quality in San Lorenzo del Escorial thanks to the expansion of the Water Treatment Centre (WTC) that was designed, built and is managed by Aqualia. The project involves increasing the treatment, decantation and filtration capacity for a flow of 4,000 m³ a day to guarantee an excellent quality flow for a nearby population of 20,000 people and a large transient population.

Aqualia presented the local authorities of Llucmajor (Mallorca) with the new sewage tanker that will help improve the municipal water service. It will work daily on scheduled cleaning and preventive maintenance works of the 103 kilometres of drainage and rainwater networks and their 20 wastewater pumping stations. The new vehicle will also be used to attend and resolve incidents that may arise along the sanitation network.

In Ávila, Aqualia has carried out complex re-floating and improvement works on the anchorage of the floating intake located on the Voltoya reservoir, where the water supply from Ávila is collected. The floating intake is a mechanism used to collect surface water in reservoirs, designed to be able to operate at different heights for the purpose of collecting better quality water.

Aqualia has been improving the water service in Sóller (Mallorca) for 10 years. During this time, more than 6 million euros have been invested in improving the water infrastructures and in renewing the supply and sanitation network of the municipality. The supply has decreased from 1,832,694 m³ to 967,012 m³, which means a 47% reduction in the water required for the service. In addition, performance has increased from 40% in 2005 to currently 84%, and electricity consumption has been reduced by 63%.
The mayor of Puente Genil inaugurated the new San Pancracio deposit built by Aqualia. This deposit has two vessels, each with a storage capacity of 4,500 m³, something that is justified both by technical regulations and maintenance to avoid the absence of flow. This increase in capacity helps to avoid supply disruptions by solving pressure problems and it could have the potential to supply a population of more than 30,000 people for a few days.

Meanwhile, the following measures will be carried out:

**Aqualia is to build the new wastewater treatment plant at Albuñol in the Costa Tropical of Granada.**

The project to build the sewer mains and the new treatment plant, which will provide a service to the 14,645 people living in Albuñol in the Costa Tropical of Granada, has been awarded by the Council for the Environment and Territorial Planning to the joint venture made up of Aqualia and FCC Construcción. The project, due to be completed in the next 2 years, is worth 3.6 million euros.

The works will entail building a WWTP that will treat wastewater from the towns of Albuñol, La Rábita and Pozuelo. It also includes the construction of new pumping stations in El Pozuelo and La Rábita and their corresponding impulsion pipelines and a WPS to which the pipes from the towns will be connected and that will send the wastewater to the treatment plant.

**WHAT ADVANTAGES DOES PUBLIC-PRIVATE COLLABORATION HAVE FOR THE WATER CYCLE?**

It enables projects to be carried out in a shorter space of time and with cost savings, taking advantage of the technical knowledge and experience of companies.

#12verdadesSobreAgua

Challenges 2016

<table>
<thead>
<tr>
<th>CLIENTS</th>
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</thead>
<tbody>
<tr>
<td>Roll-out of client support app.</td>
<td></td>
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<tr>
<td>Analysis of multi-channel tools and training of client support personnel.</td>
<td></td>
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<tr>
<td>Redesign bills to enhance transparency.</td>
<td></td>
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<tr>
<td>Promote the use of electronic billing as a sustainability tool.</td>
<td></td>
</tr>
<tr>
<td>Improve transparency with citizens by improving access to the tax regulations and ordinances website (transparency in rates).</td>
<td></td>
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<tr>
<td>New Smart Water projects and expansion of the current ones.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INNOVATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability: first cars with biomethane from wastewater.</td>
<td></td>
</tr>
<tr>
<td>Quality: first AnMBR demonstrator in operation.</td>
<td></td>
</tr>
<tr>
<td>Intelligent management: establish agreements / implement pilot development of network optimisation tools, leak detection, monitoring, metering and software development.</td>
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</tr>
</tbody>
</table>
People who work for people
People: our greatest asset

Our vision

- Encouraging the development of human potential.
- Strengthening a culture that encourages appropriate measures to improve the organisational climate based on mutual respect and teamwork conditions.
- Ensuring commitment to diversity and gender equality.
- Ensuring a safe and healthy workplace.

<table>
<thead>
<tr>
<th>Main figures</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>7,125</td>
<td>7,639</td>
<td>7,764</td>
</tr>
<tr>
<td>% of permanent contracts*</td>
<td>28.26</td>
<td>28.47</td>
<td>79.29</td>
</tr>
<tr>
<td>Voluntary turnover*</td>
<td>0.94</td>
<td>1.29</td>
<td>1.08</td>
</tr>
<tr>
<td>% of women on payroll*</td>
<td>22.42</td>
<td>22.80</td>
<td>21.72</td>
</tr>
<tr>
<td>Total hours of training*</td>
<td>60,670</td>
<td>63,003</td>
<td>60,108</td>
</tr>
<tr>
<td>Training hours per employee*</td>
<td>9.79</td>
<td>10.23</td>
<td>9.65</td>
</tr>
<tr>
<td>Investment in training*</td>
<td>503,911</td>
<td>538,250.20</td>
<td>518,279</td>
</tr>
<tr>
<td>Accident frequency rate</td>
<td>8.87</td>
<td>11.07</td>
<td>11.56</td>
</tr>
<tr>
<td>Incident severity rate</td>
<td>0.42</td>
<td>0.35</td>
<td>0.39</td>
</tr>
</tbody>
</table>

*Data for Spain.

Throughout 2015, Aqualia sought to meet the challenges it set to continue making progress in the professional development of its employees, prevention and equal opportunities. The level of compliance of each one is set out below:
Compliance with 2015 challenges

<table>
<thead>
<tr>
<th>Challenges 2015</th>
<th>Level of compliance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance evaluation of the degree of effectiveness of the activities and responsibilities of workers.</td>
<td>50%</td>
<td>In 2015, it was carried out on levels up to middle management.</td>
</tr>
<tr>
<td>Redefinition of the training process.</td>
<td>50%</td>
<td>As it stands today, the process to detect training changes has been changed.</td>
</tr>
<tr>
<td>Organisation and selection of training options and career paths of heads of service.</td>
<td>50%</td>
<td>In 2015, the critical training areas were determined.</td>
</tr>
<tr>
<td>Eliminating the wage gap between men and women.</td>
<td>20%</td>
<td>In 2015, the wage gap between men and women was analysed and a report was drawn up.</td>
</tr>
<tr>
<td>Reduction of temporary contract workers in the water division.</td>
<td>100%</td>
<td>The percentage of permanent contracts has increased significantly to 65.23%.</td>
</tr>
<tr>
<td>Diagnosis and evaluation of the company’s safety culture, as well as the implementation of improvements with the active participation of the ”Charter for Occupational Health in Aqualia” internal body.</td>
<td>100%</td>
<td>The second phase of the Preventive Culture project was completed, designing an Action Plan for improvement to be implemented over the next three years.</td>
</tr>
</tbody>
</table>

Note: throughout 2016, we will continue to work on the challenges that we did not complete in 2015.

Lines of Action 2015

Aqualia has developed four main lines of action in the area of Human Resources: professional development, internal communication, occupational health, and equality and diversity.

- No to gender-based violence.
- Support for female talent.
- Equality Plan.
- Recognition.
- Implementation of preventive management.
- Drop in work-related absenteeism.
- Support for Dual Vocational Training.
- Support for employment.
- Competence-based selection.
- Training.
- Aqualia ONE.
- News flashes.
- "Your Flash" Newsletter
Staff

In 2015, Aqualia secured its position as the main national company specialised in the comprehensive water cycle, which lead to a 1.6% increase in staff to reach 7,764 employees.

This consolidation is demonstrated in the company’s presence in the international market, which has increased the percentage of workers in other countries, namely in Mexico which noted a 290% increase against the previous year.

The average age of employees is 44 years, with an average length of service in the company of 12 years.

In addition, throughout 2015 and as a result of the commitment undertaken by the company to reduce the number of temporary contracts, a total of 5,056 permanent contracts for employees were created, which equates to 65.23% of payroll.

% Geographical distribution of staff

Spain 77.76%

NB: *Other countries: United Arab Emirates, China, Egypt, Montenegro and Qatar.

In addition, throughout 2015 and as a result of the commitment undertaken by the company to reduce the number of temporary contracts, a total of 5,056 permanent contracts for employees were created, which equates to 65.23% of payroll.

<table>
<thead>
<tr>
<th>NUMBER OF EMPLOYEES:</th>
<th>% ROTATION</th>
<th>% OPEN-ENDED CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,125</td>
<td>0.94</td>
<td>28.26</td>
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<td>7,764</td>
<td>1.08</td>
<td>65.23</td>
</tr>
</tbody>
</table>

2013 2014 2015

Staff turnover is calculated with leave statistics for Spain in relation to the total number of staff, including international.
I have always loved to travel, to discover new cultures and come face-to-face with new settings; this is why I signed up as soon as I heard about the launch of Aqualia’s international mobility project, as I had been waiting some time for a similar opportunity.

My international experience began in 2009, and after spending three years in Algeria I have been working in the Balkans area for the last four.

When you embark on an expat project like this you face hurdles at the beginning. In my case, the main challenge was the language considering that, despite being able to carry out my work in English or in French, I could not speak the official language of the countries where I worked. During the first few weeks, you also compare the experiences you are having with your life back in Spain, but as you get used to the country you start living by the saying “when in Rome, do as the Romans do”. Each country is different, and adjusting to the same situation in different countries makes you grow on both a personal and professional level.

I think that an international experience like this is a fantastic work opportunity to personally develop and I would love to be able to keep doing it. Every region that I visit preserves its national identity, which enriches you by having the opportunity to experience new ways of thinking, living and facing daily life. This makes you more flexible when tackling situations you are faced with, acquiring new knowledge in many professional fields. Nowadays, thanks to new technology, we can also stay in touch with our family and friends at all times, which makes us feel less isolated.

I would without a doubt recommend this experience to other people, because on top of developing personally and professionally, when you return to Spain, in my case for holidays, you appreciate things that in the past you took for granted.

Juan José Jiménez Díaz  
Balkans Head of Administration  
7 years living abroad

My international experience began when the company offered me the position of Italy country manager.

After having worked for different companies belonging to the group for 19 years, a proposal like this meant starting over again, but the person who asked me and the team that I was going to be working with made me decide to go for it. If you are needed, you are needed.

Luckily I have not been faced with many challenges to adapt to the new country; Italian is very similar to Spanish, so with a little bit of effort it is easy to get better.

The Sicilian and Andalusian characters are also slightly similar, which significantly helped me adjust. It is a family and personal sacrifice, as well as a career risk, but it tends to make you grow on a professional level and this is valued by companies.

Despite hoping to return to Spain in the future to continue offering the company my professional best, I currently live each day as it comes and tackle the important task we are given.

I think that an international experience like this is an exciting work opportunity that is full of challenges to overcome and I urge other colleagues to try it out.

Antonio Gavira  
Country Manager Italy  
6 months living abroad
Staff diversity and equal opportunities are the basic principles of Aqualia’s Human Resource Policy which, through commitment from the whole company and support from senior management, enable this message to spread to and penetrate all areas within the company.

This endeavour is recognised by the Ministry of Health, Social Affairs and Equality, which granted an extension to Aqualia, until 2016, of the Equality in the Workplace accolade (DIE), first awarded in 2011.

In 2015, the equality policy was illustrated through a set of actions to back staff diversity and, in particular, to promote gender equality within the company.

Equality Plan

Aqualia and the two main national trade unions (UGT and CCOO) have signed their II Equality Plan until 2018. This plan includes a range of specific measures regarding access to work, promotion, training, salaries, conciliation, prevention of harassment and other informative actions, which intend to raise awareness and incorporate equal opportunities into the company’s policies.

The negotiating table of this Equality Plan was also set up, whereby the groundwork was laid to reinforce measures to promote equality in job opportunities, training and promotion. These negotiations had involvement from representatives from the company, the Federation of Industry and Agricultural Workers (FITAG – UGT), the Federation of Citizen Services (comprehensive water cycle) and Trade Union Confederation of Workers’ Commissions (CCOO – FSC – CIA).

By doing so, the company reaffirms its commitment to fight against gender-based inequality.

Support for female talent

In line with its Equality Plan, Aqualia has implemented measures with the aim of promoting and improving female access to positions of responsibility by reducing inequalities and imbalances that may be present within the company.

*Data for Spain.
Executive development programme for women with high potential

The Executive development program for women with high potential by the EOI Business School aims to offer comprehensive and structured training to women with “high potential” in the organisation to take on executive responsibilities.

Three female employees of Aqualia took part in the 2015 edition, which will give them the chance in the near future to assume greater management responsibilities in the company and thus contribute, in equal terms, to the development of Aqualia.

I Mentoring Program

The Mentoring Program, which launched in 2014, is a program aimed at promoting female talent by providing advice, training and guides from people with more experience, the designated mentors, to each one of the participants (mentees). With this initiative, Aqualia seeks to achieve a cultural shift in the company in favour of gender equality, guiding and furthering the professional career of its female employees. The program also recognises the talent of mentors who share their experience and knowledge with the mentees.

With this initiative, Aqualia seeks to contribute to a cultural shift in the company in favour of gender equality, guiding and furthering the professional career of female employees with high potential.

Executive Program for Women in Senior Management Positions

Another initiative that has been implemented to reinforce the company’s equality policy is the participation of Aqualia managers in the Promote Project (Executive Program for Women in Senior Management Positions). This initiative, launched by the Ministry of Health, Social Services and Equality, aims to improve female access to executive positions, management committees and Boards of Directors in companies, and to continue fostering progress towards joint leadership.
The company remains committed to spreading messages among its employees and clients which seek to raise awareness and stand up to gender-based violence.

On the International Day for the Elimination of Violence against Women, Aqualia launched a new edition of the “Yo, con-tigo” campaign, which aims to raise awareness of this social scourge amongst employees and society. The campaign was promoted on Twitter using the hashtag #AqualiadiceNoalaViolenciadeGénero.

Over the course of the week in which the campaign was implemented, close to 150 photos and videos were received from 60 services and were used for the campaign’s poster and messages against gender-based violence.

As part of this initiative, various activities were implemented in different cities to raise awareness: in Archidona, primary six pupils took part by writing messages that were displayed on a huge mural; in Denia, Ronda and Oviedo, they stuck hearts with messages around offices and launched purple balloons to promote awareness.

In Ávila, Santiago Lafuente, national manager of Aqualia; and Carmen Rodríguez, human resources manager of Aqualia, took part in a round table in which, under the general topic “What can we do to avoid this scourge?”, they discussed initiatives that companies, schools and institutions in general can implement to tackle this issue. The debate was part of a full day of activities that kicked off by launching balloons in the city’s main square.

Aqualia has collaborated in promoting the “Speak up. There is a way out of gender-based violence” campaign that received the prize for the best campaign in the Advertising – Public Services category from the Internet Users Association. The campaign, which focuses on detecting the first signs of abuse and the importance of a supportive environment, is aimed at preventing gender-based violence among the adolescent population.
Aqualia encourages the professional and personal development of its staff by making a solid commitment to employee training.

Training

The training program is structured into two levels: Transversal training plan, at FCC Group level, and a business-specific training plan.

The training for executives and staff with high potential, implemented through the FCC Group training plan, is transversal and multi-disciplinary (corporate values and processes, skills, languages and office software). Meanwhile, Aqualia manages its own specific training plan that focuses mainly on concrete technical training on the water sector.

Included among the courses given in 2015 was the second edition of the Ciclo Otto Walter, a program intended for middle management aimed at transforming Aqualia's leadership style towards a more interactive people management model that catalyses talent and which reinforces team cohesion using a common language shared by all.
General data from the 2015 Aqualia Training Plan are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of courses given</td>
<td>353</td>
<td>398</td>
<td>384</td>
</tr>
<tr>
<td>No. of participants on the courses</td>
<td>4,287</td>
<td>5,372</td>
<td>5,326</td>
</tr>
<tr>
<td>Total hours of training</td>
<td>60,670</td>
<td>63,003</td>
<td>60,108</td>
</tr>
<tr>
<td>Hours of training/participant</td>
<td>14.15</td>
<td>11.72</td>
<td>11.22</td>
</tr>
<tr>
<td>Hours of training/employee</td>
<td>9.79</td>
<td>10.23</td>
<td>9.65</td>
</tr>
<tr>
<td>Investment in training (€)</td>
<td>503,911</td>
<td>538,250</td>
<td>519,245</td>
</tr>
</tbody>
</table>

NB: Data for Spain.

Due to changes to the legislation on training systems at work, with the publication of Royal Decree-Law 4/2010 in March 2015, it has been necessary to adapt the training processes and procedures, which in turn has affected the planning and implementation of some courses and thus a drop in ratios in relation to previous years.

### TRAINING BREAKDOWN BY THEMES 2015 (IN €)

<table>
<thead>
<tr>
<th></th>
<th>Hours</th>
<th>Cost / participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>School of Administration</td>
<td>12.00</td>
<td></td>
</tr>
<tr>
<td>School of Processes</td>
<td>101.79</td>
<td></td>
</tr>
<tr>
<td>Language School</td>
<td>530.79</td>
<td></td>
</tr>
<tr>
<td>School of Knowledge</td>
<td>64.79</td>
<td></td>
</tr>
<tr>
<td></td>
<td>89.55</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.28</td>
<td></td>
</tr>
</tbody>
</table>

### Training by category and gender 2015

<table>
<thead>
<tr>
<th></th>
<th>Hours</th>
<th>No. employees trained</th>
<th>Hours/employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Managers</td>
<td>1,432</td>
<td>3,705</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>238.67</td>
</tr>
<tr>
<td>Middle management</td>
<td>2,073</td>
<td>9,088</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21.15</td>
</tr>
<tr>
<td>Technicians</td>
<td>1,359</td>
<td>5,043</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17.88</td>
</tr>
<tr>
<td>Skilled workers</td>
<td>6,836</td>
<td>11,642</td>
<td>310</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22.05</td>
</tr>
<tr>
<td>Low-skilled workers</td>
<td>5,806</td>
<td>13,124</td>
<td>334</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17.38</td>
</tr>
<tr>
<td>Total</td>
<td>17,506</td>
<td>42,602</td>
<td>824</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21.25</td>
</tr>
</tbody>
</table>

NB: Data for Spain.
In addition to the courses given internally, external courses were also organised with the Technological Water Institute (ITA) of the Polytechnic University of Valencia to train employees in the technical area. The ITA has professors and lecturers from the university who are specialised in the water sector.

Logra Program

In 2015, executives at Aqualia took part in the Logra Program, which aims to provide the knowledge and tools to work towards the growth and development of company employees. The program also intends to raise awareness, encourage reflection and provide the appropriate action tools to first-level executives, who are considered as the necessary lever to propel the company towards tackling the challenges arising in coming years. The Logra Program was lead by internationally prestigious specialists in leadership, self management and conflict management.

Competence-based selection

With the aim of guaranteeing equal opportunities, the company implemented the skills-based selection method in the staff hiring process throughout 2015. This procedure helps measure and compare the suitability of different candidates on equal terms. The skills and level required for the job are identified for each process. Afterwards, a questionnaire is drawn up for the purpose of measuring the candidates' level of compliance with each one of the requirements. All candidates answer the same questions, making it possible to compare their suitability for the position through graphs and in a non-complicated way, as well as to easily identify who is best fitted to the post.

Support for Dual Vocational Training

In 2015, Aqualia signed up to join the Partnership for Dual Vocational Training, which involves direct support from the company on initiatives that promote a new learning system that helps improve young people's chances to enter the job market and reduce the high youth unemployment rate. As part of this partnership, the company has signed a collaboration agreement with the Pere Martell Institute of Tarragona to promote, propel and develop, in an alternating scheme and with dual vocational training, the Vocational Training Program in Water Networks, Installations and Treatment Stations. Aqualia also took part in the I Partnership Forum in Palma de Mallorca, which was organised under the title "Dual Vocational Training in Spain: Cooperating to Train". During the forum, issues were discussed such as quality, system regulation, return of investment in apprentices, the importance of collaborating with PYMES, international success stories or the role of company tutor. Partnership for Dual Vocational Training is made up of a state network of institutions and companies that are committed to developing quality dual vocational training in Spain.
Support for employment

Aqualia signs professional internship agreements with more than thirty national and international universities for the purpose of providing students with an employment opportunity, promoting job training and fostering the future entry of new graduates into the job market. Throughout 2015, these internship programs helped 37 young people take advantage of their first professional job opportunity.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>24</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>7</td>
</tr>
<tr>
<td>Vocational Training</td>
<td>5</td>
</tr>
<tr>
<td>University Degree</td>
<td>1</td>
</tr>
</tbody>
</table>

Internal communication

With the aim of ensuring all Aqualia employees have up-to-date information on the company and its projects, different internal communication initiatives were implemented throughout 2015.

Aqualia ONE

In January 2015, Aqualia launched its new intranet Aqualia ONE, an internal communication tool that contains all current information on the company, its special characteristics and services. The new intranet replaced the former version that launched in 2002.

News flash

Established as one of the main communication tools within the company, the internal News Flash gives a brief account of the key developments and projects being carried out. 210 flashes were released in 2015, the highest amount so far, making sure that Aqualia staff stay well informed.

“Your Flash” Newsletter

“Your Flash” was created to inform employees who do not have a corporate email address. It is a printed monthly newsletter that provides an overview of the company’s most relevant events and is handed over to every employee along with their payslip.
One of the company’s aims is to create a work environment that protects, promotes and supports the physical, mental and social well-being of its employees. In addition, employees are made aware of and are trained on occupational safety, ensuring compliance with current legislation. To this end, throughout 2015, various measures were adopted to reduce the most significant rates; however, despite these efforts, a slight increase was noted for all of them. When interpreting the data it is important to take into account that the figures given are within the confidence intervals of a statistical trend, therefore, it would not be correct to discuss improvements or downturns. Meanwhile, absenteeism in Spain increased in 2015 as a result of the socio-economic conditions and as a counterbalance to the sharp decline recorded in the last 5 years.

### Accident and Absenteeism Rate

- **Accident frequency rate:** number of work accidents occurring per million hours worked a year.
- **Accident severity rate:** number of working days lost due to accidents per thousand hours worked a year.
- **Incidence rate of accidents at work:** number of accidents per thousand people exposed.
- **Absenteeism:** total hours lost in relation to the total hours worked a year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Accident Frequency Rate</th>
<th>Accident Severity Rate</th>
<th>Incident Rate of Accidents at Work (%)</th>
<th>Absenteeism (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>11.56</td>
<td>13.55</td>
<td>16.44</td>
<td>4.2</td>
</tr>
<tr>
<td>2014</td>
<td>11.13</td>
<td>0.39</td>
<td>19.66</td>
<td>3.9</td>
</tr>
<tr>
<td>2013</td>
<td>8.88</td>
<td>0.42</td>
<td>21.57</td>
<td>3.19</td>
</tr>
</tbody>
</table>

### Accident Frequency Rate

- **Total:** 11.56
- **Domestic:** 0.39

### Accident Severity Rate

- **Total:** 13.55
- **Domestic:** 0.50

### No. of Incidents of Leave Due to Work Accidents

- **2013:** 149
- **2014:** 165
- **2015:** 179

With the aim of improving risk prevention at work management, various actions were implemented over the course of 2015, involving different departments within the company.
Drop in work-related absenteeism

The company has taken different measures to improve the work-related absenteeism rate, including:

Visit schedule to contracts with high accident rate

After a thorough study of the frequency rates, a visit schedule to contracts with high accident rate has been drawn up. It will provide a detailed insight into the conditions that could be causing the accidents in order to establish a series of measures to be adopted.

"Preventive Culture" Action Plan

The second phase of the Preventive Culture project, which launched in 2014, was completed in the last quarter of 2015 through the implementation of a range of actions. These measures are aimed at detecting the critical points that are most likely to increase employee risks. Identifying and treating the risks helps raise employee’s awareness on a personal and collective level of the guidelines to carry out a safe task under whichever circumstances.

The strategic aims of the Action Plan are:

- To clearly illustrate the company’s commitment to prevention.
- To promote greater operational involvement in prevention.
- To reduce the prominence of unsafe practice.
- To assess and monitor preventive action.
- To uphold the Continuous Improvement policy by learning from errors and applying fairness in behavioural assessment.

Several measures were adopted in 2015: Aqualia drafted a Communication Plan, a Safety Visit Plan by managers and middle management, weekly 5 minute safety meetings and refresher training, all of which will be implemented over the course of 2016.

Implementation of Road Safety Campaign

Proper prevention management of road safety risks at work creates social and economic benefits for workers in general and especially the company. This management helps reduce the number of accidents, cut direct and indirect costs, and promote safe driving practices that enhance safety at work.

To this end, several measures were adopted in 2015 with the aim of implementing a Road Safety Campaign. These measures included drawing up a comprehensive record of road accidents at work to identify the risk groups, primary causes and recurring working groups in order to prioritise actions and establish measures to be taken.

A Road Accident Prevention Guide was drawn up and a vehicle inspection campaign was designed as well.
Health and Safety at Work Management System

In addition to renewing the Health and Safety at Work Management System in Spain, for the first time Aqualia has obtained the international certification, in compliance with standard OHSAS 18001, for almost all company locations, including Mexico, Uruguay, Chile, Montenegro, Portugal, Italy, Czech Republic, Algeria and Saudi Arabia.

Implementation of preventive management

Likewise, in 2015, the department of health and safety’s IT application to enhance preventive management at Aqualia was made fully operational. A module has been developed that can be used by the entire company via the web application, managing to computerise a considerable percentage of preventive management, which leads to more effective and efficient control and follow-up by the department of health and safety.

Recognition

Throughout 2015, Aqualia received various awards and acknowledgements that recognise the efforts made by the company to reduce the number of workplace accidents.

The project “Reduction at source of the formation of hydrogen sulphide in wastewater facilities” was awarded second prize in the “Best Practice for Risk Management” category in the 3rd Edition of the Asepeyo awards for Best Preventive Practices. It was also awarded by the Valencian Institute of Occupational Health and Safety (INVASSAT).

The mutual insurance company Asepeyo, together with the Directorate General of Health and Safety at Work, awarded a diploma certificate for zero accidents to Codeisa, the consortium responsible for desalination in Ibiza made up of Aqualia and Acciona. This certificate honours its exemplary business track record after two years without any work-related accidents with leave or occupational diseases. The success of this zero rate is based on good management and the collective effort made by employees, both through the implementation of preventive measures, policies and practices, as well as training and research on accidents.

The consortium made up of Aqualia and the local United Arab Emirates construction company MACE was put forward as a candidate for the Daman Health & Safety Awards. The Aqualia-Mace option was based on specific actions carried out to achieve the aim of “zero accidents”.

Challenges 2016

Starting to roll out the Road Safety Campaign designed in 2015.

Undertaking the Psychosocial Risk Assessment project for the entire company.

Implementing the first phase of the Action Plan to improve the Preventive Culture project.

Designing a comprehensive plan of action to create a healthy company.

Designing and implementing the new selection and grants procedure.

Campaigns to raise awareness of diversity and co-responsibility.
People who work for people
06

ENVIRONMENT

70 Sustainable Environmental Management
71 Lines of Action 2015
73 Adequate environmental management
74 Concern for the environment and society
75 Challenges 2016
Sustainable Environmental Management

Our vision

- Upholding our commitment to protect the environment and combat climate change.
- Striving to achieve sustainable development with measures to reduce the environmental impact.
- Efficiently managing all natural resources, especially water.
- Sensitizing the public about the importance of responsible water use.

### Main figures

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct CO₂ emissions</td>
<td>-</td>
<td>21,486.80</td>
<td>21,165.5 teq</td>
</tr>
<tr>
<td>Indirect CO₂ emissions</td>
<td>-</td>
<td>82,335.50</td>
<td>127,682.70 teq</td>
</tr>
<tr>
<td>Reagent consumption</td>
<td>28,005</td>
<td>30,257</td>
<td>27,933 t</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>1,955,051</td>
<td>2,018,449</td>
<td>1,957,178 GJ</td>
</tr>
<tr>
<td>Renewable energy consumed</td>
<td>134,141</td>
<td>106,825</td>
<td>57,225 GJ</td>
</tr>
</tbody>
</table>

Note 1: Since 2014, the emission value has been obtained from the AENOR Carbon Footprint verification, both for Aqualia GIA and SmVak. For this reason, the emission value for 2013 is not given.

Note 2: The emission value concerns activities carried out by Aqualia GIA. The other values correspond to the activities carried out by Aqualia GIA and SmVak.

Note 3: The drop in renewable energy consumption is because Aqualia stopped managing the biogas-run treatment plant in Añarbe (Guipúzcoa) in 2015.

### Compliance with 2015 challenges

<table>
<thead>
<tr>
<th>2015 Commitment</th>
<th>Level of compliance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculating and verifying the carbon footprint in all of Aqualia’s activities.</td>
<td>100%</td>
<td>In 2015, Aqualia measured its carbon footprint on all of its activities worldwide.</td>
</tr>
<tr>
<td>Implementation and certification of an Energy Efficiency System, based on the UNE-EN ISO 5000: 2011, in all areas of Aqualia.</td>
<td>20%</td>
<td>In 2015, 15 contracts were certified and another 30 are expected to be certified in 2016.</td>
</tr>
</tbody>
</table>
Aqualia recognises the economic, social and, above all, environmental value of water, the element at the core of the company’s activity; this is why one of its main aims is to ensure this resource is managed with special care and respect for the environment in order to achieve sustainability.

To make sure this aim is met, the company strategically implements best environmental practices in its daily work, and develops actions aimed at adequately protecting the environment while carrying out its activity, such as the offsetting of the carbon footprint, monitoring energy consumption and promoting the importance of the water footprint, among others.

Environment Management System

Through the Integrated Management System implemented in Aqualia, which includes environmental management according to standard ISO 14001, continuous improvement of activity is sought.

In order to properly monitor management it is crucial to measure and control the most significant environmental aspects so that important variations or deviations can be identified. The development of these aspects over the last 3 years is as follows:

- **Carbon footprint.**
- **Water Footprint.**
- **Compliance with Energy Efficiency Directive.**

98% of Aqualia’s activity in Spain and more than 74% worldwide is carried out with the Environmental Management System that has been certified according to standard ISO 14001.
### Energy (GJ)

#### Indirect Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN8</td>
<td>1,658,148</td>
<td>1,645,130</td>
<td>1,658,148</td>
</tr>
<tr>
<td>G4-EN9</td>
<td>114,857</td>
<td>118,813</td>
<td>114,857</td>
</tr>
</tbody>
</table>

#### Renewable Direct Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>222,583</td>
<td>101,812</td>
<td>91,017</td>
<td>14,926</td>
</tr>
</tbody>
</table>

#### Fuel Direct Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>108,000</td>
<td>23,872</td>
<td>22,919</td>
<td>22,967</td>
</tr>
</tbody>
</table>

Note 1. Indirect energy consumption: electricity, steam or other forms of energy purchased from third parties.

### Reagents (t)

(GiA Aqualia and SmVaK)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>28,005</td>
<td>30,257</td>
<td>27,933</td>
<td></td>
</tr>
</tbody>
</table>

### Emissions (teq CO2)

(GiA Aqualia)

#### Direct Emissions (Scope 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,486.80</td>
<td>21,165.50</td>
<td></td>
</tr>
</tbody>
</table>

#### Indirect Emissions (Scope 2)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>54,352.80</td>
<td>91,714.90</td>
<td></td>
</tr>
</tbody>
</table>

#### Indirect Emissions (Scope 3)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>27,982.70</td>
<td>35,967.80</td>
<td></td>
</tr>
</tbody>
</table>

Note 3. The direct and indirect emissions are derived from the activities carried out by Aqualia GiA, and were obtained from the carbon footprint verification report.

Note 4. The variation that occurred in the emissions of Scope 3 are due to the change of the electric service provider’s emission factor (which went from 0.12 to 0.21 kg CO2/kWh). This factor change is common in all electric service providers in Spain. There are no changes regarding production or electricity consumption that influence this scope.

Note 5. The variation that occurred in Scope 3 is due to the N2O emissions in the discharge of treated water, and particularly to the change in value of the concentration of nitrogen in the discharged effluent (which rose from 13.8 to 22.8 mg/l), considering that the changes to the discharge flow are not relevant.

### Collection

#### GiA

- **553,608,859 m³**
- 0.21% Unknown
- 22.94% River/Canal
- 1.56% Seawater
- 13.60% Reservoir/Lake
- 2.57% Gallery/Dug well
- 0.04% Rain
- 8.70% Natural spring
- 50.37% Tube well

#### SmVak

- **67,354,000 m³**
- 5% Well and natural springs
- 95% Reservoirs

Note 2. The different types of collection are linked to the managed facility, therefore their selection does not depend on Aqualia.
Aqualia wants to position itself as a socially and environmentally responsible company that carries out its work with the aim of improving the quality of life in towns where it operates.

The company has carried out several actions to reduce the impact and optimise resource management at all stages of the comprehensive water cycle, from its collection to the moment it is returned to nature.

Carbon Footprint

In 2015, the project to calculate GHG emissions with the calculation of the carbon footprint for the “end-to-end water management” activity carried out by Aqualia (conveyance, distribution, client management, sewerage and purification) was completed.

In addition, the carbon footprint was calculated for activity related to the design and construction of water treatment, purification and desalination plants conducted by the company.

By obtaining the certification in both companies, Aqualia takes on the challenge of informing its different partners about the importance of reducing emissions.

The aims that are sought through this initiative are:

- To be aware of and assess the company’s GHG emissions to identify opportunities to reduce and/or offset the carbon footprint.
- To participate in voluntary GHG programs.
- To ensure corporate GHG information is available.
- To improve the position with stakeholders, upholding the responsible commitment to continuous improvement.

Aqualia is the first operator to calculate its carbon footprint for the whole company and all of its activities.

Water Footprint

One of the major feats from last year was the calculation of the water footprint of Cantabria, which was the first of its kind to be carried out in Spain. The activity was the result of Aqualia’s collaboration with the Botín Foundation, the Department of the Environment of the Regional Government of Cantabria, the University of Cantabria and the Complutense and Polytechnic Universities of Madrid.

The water footprint study was presented in the head office of the Botín Foundation, highlighting Cantabria’s status as a net exporter of virtual water.

Santiago Lafuente, manager of Aqualia in Spain, during the presentation of the water footprint study in the Botín Foundation.
This study analysed the water footprint of the community (considered as the volume of freshwater consumed in human activity), establishing the impact of using water resources and identifying the trends. It also sought to quantify the impact of consuming water incorporated in the goods and services produced and traded by Cantabria, and to determine the water footprint generated in the area. This will help identify and boost activity sectors with optimal social, environmental and economic profitability.

**Energy Management Systems**

Aqualia has set itself an ambitious 3-year plan to certify the whole organisation with standard ISO 50001 on energy efficiency. To this end, 15 contracts were certified in 2015, another 30 are expected to be certified in 2016 and some more in 2017. The contracts chosen were those with a consumption higher than 1,300,000 kWh/year, which make up 80% of the overall consumption. This project complies with EU Directive 2012/27/EU of December 2015 on energy efficiency. This plan involves thoroughly monitoring the energy, controlling the installed power and the evolution of the power consumption in the production facilities. To this end, actions have been geared towards:

- Improving measurement by purchasing process, energy and maintenance equipment.
- Calculating the energy performance of pumps.
- Optimising and improving processes, facilities and production equipment.
- Purchasing equipment with higher energy efficiency, namely those related to RD 187/2011 on establishing the ecological design requirements applicable to energy-related products.
- Optimising and centralising the purchase of energy.
- Adequately maintaining infrastructures.
- Improving the hydraulic performance of the network, which will lead to less consumption of water and thus power.
- Developing innovative projects.

**Concern for the environment and society**

Part of Aqualia’s business strategy is to offer solutions that contribute to a more sustainable use of water. To this end, it must encourage users to utilise all means within their reach.

For this purpose, the organisation took part in various activities throughout 2015, which enabled the message about the importance of sustainable resources to directly reach clients, workers and society in general.

**We do not want to leave a footprint.**

In conjunction with the United Nations Climate Change Conference in Paris (COP21), Aqualia has drawn up a report with the key concepts on climate change and the carbon footprint to raise awareness among the general public and staff within the company.

Furthermore, by joining the initiative “One million commitments for the climate”, launched by the Ministry of Agriculture, Food and Environment (MAGRAMA) and the Ecology and Development Foundation (ECODES), Aqualia has made a commitment to log and reduce the carbon footprint of all activities it carries out. This involves measuring and reducing the total amount of CO₂ and other greenhouse gas (GHG) emissions caused directly or indirectly by the company.

Since 2007, when Aqualia began operating in Santander, water supplied to the network has dropped by 23%, installed electric power by 28% and the CO₂ emission to the atmosphere by 23%.
In line with its environmental and social policy, the company carried out an **underwater clean-up of the Estany des Peix**, a lagoon located to the north of Formentera in the Ses Salines Natural Park. Over the three days of clean-up, a large amount of plastic, sailcloths, bottles, tyres and wreckage were retrieved.

On this island, Aqualia also implements other environmental awareness initiatives, such as the International Children’s Drawing Contest and collaboration with the local radio to spread messages that encourage responsible water consumption.

Initiatives like this demonstrate that public-private collaboration is essential to promote action geared towards raising awareness among citizens of the importance of looking after the environment.

With the aim of raising awareness among the entire population of Ibiza and Formentera of the problems caused by drought, the overexploitation of lagoons, the increase of consumption and restriction of drinking water production, Aqualia launched a **campaign on responsible consumption** by distributing an advice leaflet to users.

This campaign was presented to local media in a ceremony which had participation from Aqualia managers and representatives from the municipalities managed on the islands: Ibiza, Sant Joan, Santa Eulària, Formentera and Sant Antoni.

With this initiative the company once again demonstrates its **eagerness to work towards improving the service** it offers on the Pityusic Islands via its technical, training and informative solutions.

The first follow-up meeting of the Life Memory project took place in 2015 and was led by Aqualia, alongside the German company Koch Membrane Systems, the University of Valencia and the Polytechnic University of Valencia.

This project, which will be industrially implemented in a treatment plant run by Aqualia, assesses the technical and economic viability of an innovative technology: the **Immersed Anaerobic Membrane Bioreactor (SAnMBR)** to convert urban wastewater into energy.

The SAnMBR technology combines anaerobic digestion with membrane ultrafiltration, enabling the organic matter contained in wastewater to be converted into biogas. Furthermore, the final effluent produced is 100% suitable for reuse as irrigation or industrial refrigeration water.

It is anticipated that Life Memory will: **reduce power consumption** capitalising on the biogas produced, **reduce CO₂ emissions by up to 80%** and **sludge production by 50%**, and **reduce the space taken up** by the facility by 25% compared to a conventional WWTP.

More information on the Life Memory Project can be found in the section on R&D&I projects.

**Challenges 2016**

<table>
<thead>
<tr>
<th>Adaptation of ISO 14001 to the 2015 version.</th>
<th>Carbon footprint offsetting project.</th>
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<tr>
<td>Business continuity project (simulation as critical operator)</td>
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People who work for people
07

SOCIETY

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87 Challenges 2016
Serving society

Our vision

- Incorporating social commitment into all company decisions.
- Contributing to the development of municipalities where the company operates.
- Ensuring citizens see us as company that provides value to their town.
- Involving employees in social causes through participation in sporting, cultural and educational activities.

Main figures

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>€</th>
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<tbody>
<tr>
<td>Investment in social activities*</td>
<td>387,968</td>
<td>416,700</td>
<td>333,649</td>
<td></td>
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<tr>
<td>Collaborations on sporting activities</td>
<td>31,940</td>
<td>71,105</td>
<td>52,108</td>
<td></td>
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<tr>
<td>Collaborations with universities</td>
<td>8,200</td>
<td>8,200</td>
<td>2,440</td>
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</tr>
</tbody>
</table>

* Corresponds to sponsors and collaborations, always in line with the company’s sponsor policy. Does not include donations or costs of materials used to organise social activities.

The United Nations estimates that 66% of the global population will live in cities by 2050, 12% more than the current scenario. This growth will lead to a 55% increase in the global demand for water.

Aqualia, aware of its role in water management, works to mitigate the supply problems that may occur as a result of this increase in demand, focusing efforts on improving the infrastructures and technological innovation. Management companies of such a valuable and essential resource have a significant responsibility to help enhance society’s sensitivity to and awareness of responsible consumption and use of water.

In 2015, Aqualia set several objectives geared towards improving its social commitment; their level of compliance is as follows:

<table>
<thead>
<tr>
<th>2015 Commitment</th>
<th>Level of compliance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>To back new social projects (NGOs, associations, etc.) in response to stakeholders.</td>
<td>100%</td>
<td>Throughout 2015, Aqualia increased its involvement in social action, which is demonstrated through donations, co-funding of projects, solidarity funds for destitute families, etc.</td>
</tr>
<tr>
<td>To strengthen the support and collaboration with universities.</td>
<td>100%</td>
<td>Aqualia continued to collaborate with universities and on the Master’s Degree.</td>
</tr>
<tr>
<td>To strengthen support for sporting activities.</td>
<td>100%</td>
<td>Throughout 2015, Aqualia continued to support sport in the municipalities where it operates.</td>
</tr>
</tbody>
</table>
Beyond end-to-end water management, in 2015 Aqualia launched actions geared towards connecting with the citizen-centred population, creating value and addressing the needs of today’s society and anticipating the needs of society in the future. Activities that raise awareness among the general population and the youngest generations in particular with the aim of guaranteeing the sustainability of such a valuable resource. The company has also focused its attention on supporting sport and the most vulnerable and needy groups. Some of the lines of action implemented throughout 2015 include:

**Lines of Action 2015**

- Organisation, participation and promotion of sporting events.
- Committed to society.
- Education and raising awareness.
- Participation in forums and seminars and collaborating with educational institutes and universities.

**IS THE RIGHT TO WATER GUARANTEED?**

Aqualia guarantees the Human Right to Water in line with what is stated by the UN: water must be sufficient, safe, acceptable, accessible and affordable.

#12verdadesSobreAgua
The children and young people of today are the adults of the future; for this reason, Aqualia has been sharing knowledge and raising awareness among kids for more than 34 years so that they acquire responsible habits in the proper use of water, both with regard to its consumption and its return to the natural environment via treatment processes. In order to sustain this commitment, the company organises and takes part in a range of activities in which children play the leading role.

**Drawing contests**

To mark World Water Day in March 2015, Aqualia organised the XIII International Drawing Contest with the slogan “Fill your world with life”. The contest asks primary 3 and 4 pupils in Spain and Portugal to depict how efficient water management contributes to environmental sustainability in their surroundings.

With the intention of enhancing children’s grasp of new technology, the contest was organised through the website www.llenatumundodevida.es. This tool allows teachers and pupils to participate in and gain access to not only the creative activities but also the Teaching Area, which offers a range of learning content that helps enhance knowledge of the management and responsible use of water. As a new feature of this edition, the school children were given bookmarks and cut-outs related to the theme so that they could “bring” the contest home and share it with their families.

The Colegio San Real in Ibiza was the winner in the group category and received 1,000 euros worth of educational materials. The 10 winners in the individual category all received a tablet.

In summer 2015, Aqualia organised the 6th Edition of the Internal Drawing Contest "Little Artists", which was aimed at the children and grandchildren of Aqualia employees in Spain, Portugal, Italy, Czech Republic, Mexico, Chile, Uruguay, United Arab Emirates and Saudi Arabia. On the website www.llenatumundodevidaenaqualia.com, the little artists were able to provide water to people, animals and plants, demonstrating what their parents’ or grandparents’ company does on a daily basis.
**Summer schools**

Aqualia worked with the *XVI Campus Mista de fútbol y fútbol sala* [football and futsal] in Caravaca de la Cruz, well established in the region of Murcia due to its quality teaching method and recreational activities program, in which a hundred kids between the ages of 5 and 15 took part. The activity is intended to promote grassroots sport and the values of friendship and team spirit. The campus has an experienced team of instructors made up of trainers, practising footballers, physical education teachers and physiotherapists, all working under the guidance of the trainer and local ex-footballer Miguel Ángel Ferrer “Mista” and coordination from Pepe Tudela.

Aqualia also organised for ten children at risk of exclusion to participate in the Summer School at the Cabezo de Torres Sports Centre, thanks to the agreement signed between Aqualia and the *Fundación Secretariado Gitano in Murcia*.

In conjunction with the Fundación Caja Canarias, Aqualia took part in the campaign *“Ningún niño sin saber nadar”* [All children to know how to swim], which gave children from underprivileged families the chance to learn how to swim.

This initiative once more illustrates Aqualia’s engagement with society and its responsibility when it comes to addressing social needs, especially those of the most underprivileged, far beyond the simple management of water infrastructures.

**Education**

More than 100 open-door workshops were organised in Aqualia’s facilities in 2015 with different collectives (housewives, retirees, journalists, etc.) as well as 50 visits from 15,000 school children. Attendees were given information on how a company like Aqualia carries out its end-to-end water management and were trained on the correct use of the resource: responsible consumption, proper toilet use, oil management, etc. The aim of these workshops was to encourage participants to nurture their surroundings and to make a clear commitment to the environment.

Furthermore, with the intention of raising awareness among little kids and thus their parents, a new communication tool was designed in 2015: *Aqualia Educational Handbook*. In a simple and fun manner, the booklet describes the water process from its collection to the moment it is returned to the natural environment. This tool, which came about as a result of an initiative by Caltaqua, a subsidiary of Aqualia on the island of Sicily, has been adopted in other countries, Spain included, as an ideal means to interact with young kids.
Aqualia is aware of the importance of sharing the knowledge of water management acquired on its projects; this explains its rapidly growing participation in courses and workshops organised by universities and associations in the sector.

**University and training**

Over the course of 2015, Aqualia took part in various courses and a Master’s Degree with a focus on the water cycle and its management.

**UNESCO Master’s Degree:** Ten students from different countries visited the facilities used to manage the supply services offered by Aqualia to the City Council of Almeria and the Community of Bajo Andarax.

**Summer course in the University of Cantabria:** As part of the course “Sustainable Development and Wastewater: Experiences and New Challenges in Water Management”, Aqualia took part in two sessions on the Smart Water Santander project and R&D in water management.

**Advanced Course in Public Procurement:** The company played a prominent role in the course organised by IFAES in Madrid. Participants included major companies in the water and construction sectors, both public and private, as well as companies in the field of concessions.

**Vocational Course “PPP Opportunities in the Water Sector”:** The treatment plant in New Cairo was highlighted in Barcelona as a success story in terms of PPP projects. At the time, it became the first contract tendered out in Egypt for a public-private partnership project in the water management sector and was a worthy recipient of several awards from the prestigious international magazine Global Water International (GWI).

**Third Universidad Rey Juan Carlos Human Rights meeting**, which was held under the theme “The Human Right to Water and Sanitation”. The event, co-sponsored by Aqualia, was divided into two sessions that addressed the issue from both an international and localised perspective. Aqualia collaborated with the URJC Human Rights Program (the event organisers) to facilitate the debate attended by more than fifty students and lecturers from the university.

**Congresses and forums**

Aqualia also attended and had greater involvement in more forums and professional conferences.
On top of other events in 2015, Aqualia notably took part in the XXII AEAS Conference (Spanish Association of Water Supply and Sanitation), the main forum in the industry, where the company had a strong overall presence, organising significant and innovative activities in all aspects of the conference, and with presentations on the water footprint, European regulation or the implementation of R&D&I projects in production.

It is also worth highlighting the company’s presence in the I Catalan Water Congress, a debate forum to analyse the global water problems that dominate current concerns. Organised by the Amics de l’Aigua, the congress gathered representatives from governments, universities, researchers, social players and companies specialised in water management.

Aqualia also actively participated in the European Benchmarking Cooperation Workshop (EBC) in Jerez, through work groups and presentations in which the company explained the Spanish concession model using the Aquajerez service as an example.

The company also collaborated with the Professional Association of Civil Engineers of Madrid on several technical workshops: The Present and Future of Remote Control Solutions in the Water Sector and the II Materials Workshop “Use of New Products and Materials in Desalination and Reuse”.

In 2015, Aqualia took part in the conference Boosting efficiency and quality of water management, organised by the Department of Environment, Territorial and Urban Planning of the Regional Government of Cantabria and MARE, where they addressed issues including the differences between public and private management or the need for a regulatory body in the sector.

Meanwhile, Aqualia took part in forums that primarily intended to explain the comprehensive water cycle and how it should be managed to a range of collectives including politicians and media representatives. These included the II Responsible Planet Conference in which Aqualia took part under the theme “The Miracle of Water”, explaining the important work behind the action of turning on a water tap; the XI APIA Congress (Association of Environmental Information Journalists) where journalists, politicians, universities, NGOs and companies gathered to discuss the treatment of environmental issues in the media; and lastly the Encuentro Territorio.es, collaborating under the slogan “A new management, a new city model”, which had participation from representatives from municipalities, universities, media, citizen associations and companies.

Social action: committed to society

In 2015, among its responsibilities, Aqualia took on the obligation to address the social needs of the most underprivileged by taking part in different initiatives.
Support for disabled persons

**Donations:** as part of its CSR and HR policies, Aqualia works all year round with the Ministry of Health, Social Services and Equality. This collaboration takes the form of donations to entities that operate in municipalities where the company provides a service and which work with disabled persons to enhance their quality of life.

In 2015, the company donated 10,000 euros to the Association of Cerebral Palsy and Similar Disabilities of Segovia (ASPACE) to buy different play equipment adapted for disabled children. The Association for People with Special Needs of Ibiza and Formentera (APNEEF) also received 12,000 euros from the company to help implement their projects.

It is also worth mentioning the donation of 3,000 euros to the Asturian Association of Multiple Sclerosis (AADEM) in Oviedo.

In Jerez, Aqualia collaborated on the purchase of a special mobility vehicle for the Association of people with physical disabilities (ADIFI).

Furthermore, as part of Aqualia’s general policy of supporting small projects with a social and/or educational spirit, Caltaqua delivered customised sports equipment to a group of young disabled sports enthusiasts, from the ages of 4 to 16 years, who practice swimming as a form of therapy.

SmVaK, Aqualia’s subsidiary that operates in the Czech Republic and Poland, co-financed a vehicle designed especially to be used by children and adults with mental and/or physical disabilities, which was donated to the social services in the province of Karviná (Sociální služby Karviná).

**Respect for diversity**

**Reflection forum on indigenous towns and Spanish companies:** a forum was held on February 2015 in order to present best practices for companies that implement projects in indigenous areas of Latin America. Aqualia was the only representative from the water sector.

Two tools were presented in the forum: firstly, the Interactive Case Study Map for prior consultations, and secondly, the Observatory of Actions of Spanish Organisations in the Indigenous World. Both tools will provide information on the experiences of organisations that have complied with the international and local legal framework of protecting and promoting the rights of indigenous towns.
Social awareness

**International Breast Cancer Day**: for the second year running, the City Council of Oviedo and Aqualia joined the initiative implemented by the Spanish Association against Cancer by dying the main fountains in the city pink. The action aimed to raise awareness of the disease and raise funds for research.

**International Day for the Elimination of Violence against Women**: Aqualia organised its most successful mobilisation of staff on 25 November last year. The campaign, which launched under the slogan “Yo, con-tigo”, saw hundreds of employees playing a part and proved hugely successful thanks to the participation and involvement of everyone.

**“Dreams beyond the end of the world”**: Joan Lara, manager of Aqualia’s sports centres in El Vendrell (Tarragona), walked 1,250 km in 15 days as part of the Camino de Santiago pilgrim route to deliver the dreams of children suffering from cancer in the Hospital de la Valld’Hebron to Finisterre.

The challenge consisted of collecting the hospitalised children’s dreams written down on paper and carrying them to the end of the world, and once there, dropping the dreams in the sea to let them take their course. In doing so, Joan Lara raised 3,751 euros for the AFANOC (Association of Relatives and Friends of Children with Cancer of Catalonia).

Committed to the community

**Collaboration with groups at risk of exclusion**: Aqualia signed an agreement with Cáritas española whereby it commits to helping vulnerable people or those at risk of exclusion on issues concerning the water cycle and in collaboration with municipal social services. It also commits to making an annual donation to cover the cost of water services in the Cáritas centres in cities where the company operates.

**Solidarity fund for destitute families**: Aqualia, in collaboration with the councils of several towns where it operates, has created a solidarity fund to guarantee access to drinking water and sanitation to all citizens who are unable to pay for the service.

**Banco de Alimentos (Spanish food bank charity)**: employees at Aqualia donated thousands of kilos of food to the Banco de Alimentos as part of the “Operation Kilo” campaign.

**Girl Power Program in Talavera de la Reina (Toledo)**: Aqualia collaborated on a work day in which a total of 35 female entrepreneurs took part. The aim was to help the women create and develop their own business ideas by capitalising on new technology.
IS WATER CUT OFF FOR FAMILIES AT RISK OF EXCLUSION?

Water is not cut off for anyone who genuinely cannot pay for it. Aqualia and the local councils have different mechanisms in place to help destitute families.

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Sport

Promoting values education through sport is one of the aims sought through Aqualia’s collaborations in the municipalities where it operates. The company helps organise sporting events by providing funds, materials or through the active participation of employees as well as their promotion.

Collaboration on sporting events

Aqualia collaborated on the “III Swimming Crossing in the Sea at Denia”, in which more than 200 swimmers tread 1,500 metres in open waters. The child category had participation from 17 children from the Denia Sports Centre race team, which was runner-up last season.

In 2015, the San Pedro del Pinatar and Los Alcázares sports centres in Murcia organised, alongside the Municipal Sports Association of San Javier, the 1st School Swimming League of the Mar Menor, which over the course of three days had participation from more than 650 swimmers.

Along these same lines, in June 2015, over 250 swimmers from the sports centres that Aqualia manages in Levante competed in the Inter-centre Swimming Championship, held in Los Alcázares (Murcia). The winning centre of this edition was from Denia (Alicante). The centre celebrated its 5 year anniversary in April with an event that was attended by more than 300 people.

Basketball Tournament in Memory of Juan José Gómez and Luis Cestero

Of particular note was Aqualia’s sponsorship for the eleventh year running of the Basketball Tournament in Memory of Juan José Gómez and Luis Cestero in Badajoz, in which four of the most important teams from Spain and Portugal competed. During the semi-final, there was a tribute paid to Juan José Gómez and Luis Cestero, player and trainer respectively of the club in Badajoz, who both died in a road accident.
“For Aqualia it is a pleasure to have been involved in organising this event since it first began. As a company connected to Extremadura and in particular Badajoz, we are thrilled to support projects that foster values like the development of culture and sport amongst the youngest generations”.

TranspyrEst Mountain Bike Race

The head of service for Roda de Tur and Anglès, Jesús Coma, competed in TranspyrEst on behalf of the Aqualia corporate team. It is a mountain bike race through the Catalan Pyrenees covering 360 kilometres and more than 7,500 metres of total vertical gain, known as one of the most exciting worldwide.

Supporting the Asturian capital’s football team

The main ornamental fountains in Oviedo, managed by Aqualia, were died blue to show support for the Oviedo football team in their promotion play-off. With this symbolic action, the City Council and the company join the list of initiatives that have been carried out in the city.

Challenges 2016

- Ensuring citizens see Aqualia as a company that adds value to their town.
- Supporting social projects locally and worldwide.
- Collaboration with universities.
- Enhance educational activities.
People who work for people
ABOUT THIS REPORT

90 About the Corporate Responsibility Report
About the Corporate Responsibility Report

Coverage and scope

This is the tenth year in which Aqualia releases its Corporate Responsibility Report to provide information on its sustainability commitments from an economic, social and environmental perspective.

For more than three years, this report has been following the criteria defined by the Global Reporting Initiative G4 guide in accordance with the GRI G4 guidelines in the comprehensive option, and it has been checked by an external and independent body (AENOR).

The contents of this report correspond to the period between 1 January 2015 and 31 December of the same year, and cover all Aqualia activities prioritising material information, without omitting any relevant information.

Substance:

The substance or relevance of the contents of this report have been determined from Aqualia’s studies and information received from stakeholders through different established channels of communication as set out in the ‘Corporate Social Responsibility’ section of the report.

Each relevant substantial aspect has been analysed to identify its correspondence with the content and specific indicators of the GRI G4 Guide, and those sections that address the expectations of stakeholders and Aqualia’s strategy have been selected. Additionally, other G4 sections have been voluntarily addressed which, although not crucial to the organisation, contribute to greater transparency and understanding of the company’s activity.

All variations in the scope and coverage of information are given in the report in the corresponding section. Where applicable, all changes to the formulas used to calculate the data provided are explained.
## EXTERNAL STAKEHOLDERS

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## EMPLOYEES

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G4’s selected parameters can be identified by blue colours in the GRI’s index to this report.
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GRI Index

STRATEGY AND ANALYSIS

G4-1 Statement by the main decision-maker of the organisation about the importance of sustainability for the organisation and its strategy in order to address it.

G4-2 Description of key impacts, risks and opportunities

ORGANISATION PROFILE

G4-3 Organisation name.

G4-4 Most important brands, products and services.

G4-5 Location of the organisation’s headquarters.

G4-6 Indicate in how many countries the organisation operates and name the countries where the organisation conducts significant operations or operations which have any specific relevance to sustainability issues addressed in the report.

G4-7 Describe the nature of ownership and legal form.

G4-8 Indicate what markets it is served from (with a geographical breakdown by sectors and types of customers and recipients).

G4-9 Determine the size of the organisation, including: number of employees; number of operations; net sales; capitalisation, broken down in terms of debt and equity and quantity of products or services offered.

G4-10

- Number of employees by work contract and gender.
- Number of permanent personnel by type of contract and gender.
- Size of workforce by employees, external workers and gender.
- Size of the workforce by region and gender.
- Indicate whether a substantial part of the work of the organisation is carried out by legally recognised self-employed workers, or people who are not employees or external workers, such as the employees and subcontracted workers of contractors.
- Communicate any significant change in the number of workers.

G4-11 Percentage of employees covered by collective agreements.

G4-12 Describe the organisation’s supply chain.

G4-13 Report any significant changes that may have taken place during the reporting period regarding size, structure, shareholding ownership or supply chain of the organisation.

G4-14 Indicate how the organisation approaches, where appropriate, the precautionary principle.

G4-15 Make a list of letters, principles or other external initiatives of financial, environmental and social nature that the organisation has subscribed to or adopted.

G4-16 Make a list of national or international promotion associations and organisations to which the company belongs and in which it holds a position, participates in projects or committees, makes a significant fund contribution or believes that membership is a strategic decision.

MATERIAL ASPECTS AND COVERAGE

G4-17

- Make a list of the entities included in the consolidated financial statements of the company and other equivalent documents.
- Indicate if any of the entities included in the consolidated financial statements of the organisation and other equivalent documents are not listed in the report.

G4-18 Describe the process followed to determine the contents of the report and the coverage of each aspect.

G4-19 Make a list of the material aspects that were identified during the process of defining the contents of the report.

G4-20 Indicate the coverage of each material aspect within the organisation.

G4-21 Indicate the limit of each material aspect outside the organisation.

G4-22 Describe the consequences of the restatements of information provided in earlier reports and their causes.

G4-23 Indicate any significant changes in the scope and coverage of every aspect compared to previous reports.

PARTICIPATION OF STAKEHOLDERS

G4-24 Make a list of stakeholders linked to the organisation.

G4-25 Indicate the basis for the selection of stakeholders with whom we work.

G4-26 Describe the focus of the organisation on the participation of stakeholders, or indicate whether the participation of a group specifically occurred in the process of preparing the report.

G4-27 Point out what key issues and problems have arisen from the participation of stakeholders and describe the assessment made by the organisation, among other things, throughout its report. Specify which stakeholders raised each of the key issues and problems.

REPORT PROFILE

G4-28 Period covered by the report.

G4-29 Date of last report.

G4-30 Reporting cycle.

G4-31 Provide a point of contact to resolve any doubts that may arise regarding the report’s contents.

G4-32

- Indicate which option “in accordance” with the Guide has the organisation chosen.
- Facilitate GRI index of the selected option and the reference to the External Verification Report.

G4-33

- Describe the policy and practices of the organisation with respect to the external verification of the report.
- If not mentioned in the verification report accompanying the sustainability report, indicate the scope and rationale for external verification.
- Describe the relationship between the organisation and verification suppliers.
- Indicate whether the highest governing body or senior management have been involved in seeking external assurance for the organisation’s sustainability reports.
### PAGE/ANSWER

#### NO IMPROVEMENT

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<tr>
<td>The company has been called FCC Aqualia since early 2014.</td>
<td>YES, 109</td>
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<td>B-12</td>
<td>YES, 109</td>
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<tr>
<td>Av. del Camino de Santiago, 40 28050 Madrid, España.</td>
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</tr>
<tr>
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<td>YES, 109</td>
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<tr>
<td>FCC Aqualia S.A. is 100% owned by the FCC Group.</td>
<td>YES, 109</td>
<td></td>
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<td>8-20</td>
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<tr>
<td>54, 56, 58</td>
<td>YES, 109</td>
<td></td>
</tr>
<tr>
<td>There are no significant differences in the type of recruitment by gender. External and self-employed workers do not represent a significant part of the company, so a control that allows the breakdown by gender is not established.</td>
<td>YES, 109</td>
<td></td>
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</table>

All employees are subject to collective agreement. | YES, 109 |
33 | YES, 109 |
No significant change has taken place in 2015. | YES, 109 |
19 -20 21 47 82-83 | YES, 109 |

#### PAGE/ANSWER

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<td>23, 30-91</td>
<td>YES, 109</td>
<td></td>
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<tr>
<td>23, 91 The identified material aspects have been considered for all FCC Aqualia.</td>
<td>YES, 109</td>
<td></td>
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<tr>
<td>23, 91 Aspects identified as material aspects have been considered by all external stakeholders and for all FCC Aqualia.</td>
<td>YES, 109</td>
<td></td>
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<tr>
<td>90 The changes are explained in every corresponding section.</td>
<td>YES, 109</td>
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<td>90, Annual.</td>
<td>YES, 109</td>
<td></td>
</tr>
<tr>
<td>FCC Aqualia Av. del Camino de Santiago, 40 28050 Madrid, España <a href="http://www.aqualia.com">www.aqualia.com</a></td>
<td>YES, 109</td>
<td></td>
</tr>
<tr>
<td>90, 94, 109: This report has been verified by AENOR with Comprehensive level.</td>
<td>YES, 109</td>
<td></td>
</tr>
<tr>
<td>This report has been verified by AENOR with Comprehensive level. FCC Aqualia, declares its independence from AENOR. This report is also sent to the Plenary of the National Council of Corporate Social Responsibility (CERSE). The FCC Aqualia’s CSR Committee approves the decisions regarding the report, including verification.</td>
<td>YES, 109</td>
<td></td>
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This report has been verified by AENOR with Comprehensive level. FCC Aqualia, declares its independence from AENOR. This report is also sent to the Plenary of the National Council of Corporate Social Responsibility (CERSE). The FCC Aqualia’s CSR Committee approves the decisions regarding the report, including verification.
GOVERNANCE

GA-34 Describe the organisation's governance structure, mentioning also the highest governing body committees. Indicate which committees are responsible for making decisions on financial, environmental and social issues.

GA-35 Describe the process by which the highest governing body delegates its authority on senior management and certain employees regarding financial, environmental and social issues.

GA-36 Indicate whether there are executive or responsible positions in the organisation regarding financial, environmental and social issues, and if their holders are directly accountable to the highest governing body.

GA-37 Describe the consultation process between stakeholders and the highest governing body on financial, environmental and social issues. If such consultation is delegated, please state to whom it is delegated and describe the processes for exchanging information with the highest governing body.

GA-38 Describe the composition of the supreme governing body and its committees: both executive and non-executive; independence; seniority in the position; number of other significant positions and activities, gender, members from under-represented social groups; skills related to financial, environmental and social effects and representation of stakeholders.

GA-39 Indicate if the person who presides over the highest governing body is also in an executive position. If so, describe their executive duties and the reasons for this arrangement.

GA-40 Describe the nomination and selection process of the highest governing body and its committees, as well as the criteria the nomination and selection of members of the former is based upon; among others: if diversity is being taken into account; the independence; the expertise and experience in the financial, environmental and social spheres and if stakeholders are involved and how.

GA-41 Describe the process by which the highest governing body prevents and manages potential conflicts of interest. Indicate whether conflicts of interest are communicated to stakeholders. Indicate at least membership of various boards; shareholding of suppliers and other stakeholders; existence of a controlling shareholder and information to disclose about related parties.

GA-42 Describe the functions of the highest governing body and its departments in the development, approval and updating of the purpose, values or mission statements, strategies, policies and objectives relating to financial, environmental and social impacts of the organisation.

GA-43 Indicate what measures have been taken to develop and improve the collective knowledge of the highest governing body in relation to financial, environmental and social issues.

GA-44 • Describe the process of evaluating the performance of the highest governing body in relation to the governance of financial, environmental and social issues. Indicate whether the assessment is independent and how often it is performed. Indicate whether it is a self-assessment.
  • Describe the measures taken as a result of the performance assessment of the highest governing body in relation to the management of financial, environmental and social issues; among other things, indicate at least if there have been changes among the members or organisational practices.

GA-45 • Describe the function of the highest governing body in the identification and management of impacts, risks and financial, environmental and social opportunities. Also indicate what is the role of the highest governing body in the application of due diligence processes.
  • Indicate if consultations are carried out with the stakeholders in order to use the work of the highest governing body in identifying and managing impacts, risks and financial, environmental and social opportunities.

GA-46 Describe the function of the highest governing body in the analysis of the effectiveness of risk management processes of the organisation with regard to financial, environmental and social issues.

GA-47 Indicate how often the highest governing body analyses financial, environmental and social impacts, risks and opportunities.

GA-48 Indicate which is the committee or the position of greatest importance which reviews and approves the organisation's sustainability report and ensures that all material aspects are represented.

GA-49 Describe the process for transmitting important concerns to the highest governing body.

GA-50 Indicate the nature and number of important concerns that were transmitted to the highest governing body; also describe the mechanisms used to address and evaluate them.

GA-51 • Describe the compensation policies for the highest governing body and senior management, according to the following types of remuneration: fixed remuneration and variable remuneration; remuneration in shares; bonuses; deferred share units or transferred shares; bonuses or incentives to recruitment; severance pay; refunds; pensions, taking into account the difference between benefit schemes and types of remuneration of the highest governing body, senior management and all other employees.
  • Match the performance criteria affecting the remuneration policy with financial, environmental and social objectives of the highest governing body and senior management.

GA-52 Describe the processes for determining remuneration. Indicate whether consultants are used to determine remuneration and if they are independent from the management. Indicate any other relationship that such consultants on remuneration may have with the organisation.

GA-53 Explain how it is requested and if the opinion of the stakeholders with regard to the remuneration is taken into account, including, where appropriate, the results of voting on policies and proposals related to this issue.

GA-54 Calculate the relationship between the total annual remuneration of the highest paid person in the organisation in each country where they carry out significant transactions with the average annual remuneration of all personnel (not counting the best paid person) in the pertinent country.

GA-55 Calculate the percentage increase ratio between the total annual remuneration of the highest paid person in the organisation in each country where they carry out significant transactions with the percentage increase of the average annual remuneration of all personnel (not counting the best paid person) in the pertinent country.

ETHICS AND INTEGRITY

GA-96 Describe the values, principles, standards and rules of the organisation, such as codes of conduct or ethical codes.

GA-97 Describe the internal and external advisory mechanisms towards ethical and lawful conduct, and issues related to the integrity of the organisation, such as helpines or consultation.

GA-98 Describe internal and external complaint mechanisms of unethical or illegal conduct and matters relating to the integrity of the organisation, such as stopped notification to managers, whistleblowing mechanisms or hotlines.

INFORMATION ON MANAGEMENT APPROACH

GA-DNA • State why the issue is material. Point out what impacts make this aspect material.
  • Describe how the organisation manages the material aspect or its effects.
  • Facilitate the assessment of management approach, including other mechanisms for evaluating the effectiveness, the results of the evaluation and any related change to the management approach.

GA-EC FINANCIAL PERFORMANCE

MANAGEMENT APPROACH: FINANCIAL PERFORMANCE

GA-EC1 • Indicate the direct financial value generated and distributed under the accrual basis, taking into account inter alia the basic elements for the international operations of the organisation listed below. If the data are presented on cash basis, justify and describe the following basic components: direct financial value generated (income); financial value distributed (operating expenses); salaries and employee benefits; payments to capital suppliers; payments to government (by country, see instructions below); investments in communities and retained financial value (according to the "Direct financial value generated" minus "Distributed financial value" formula).
  • To better assess local financial impacts, expand the direct generated and distributed financial value by country, region or market, where significant. Explain the criteria that have been used to determine its significance.
Describe the values, principles, standards and rules of the organisation, such as codes of conduct or ethical codes.

Calculate the relationship between the total annual remuneration of the highest paid person in the organisation in each country where they carry out significant transactions with the average annual remuneration of all personnel (not counting the best paid person) in the pertinent country.

Explain how it is requested and if the opinion of the stakeholders with regard to the remuneration is taken into account, including, where appropriate, the results of voting on policies and proposals related to this issue.

Indicate which is the committee or the position of greatest importance which reviews and approves the organisation's sustainability report and ensures that all material aspects are represented.

Describe the function of the highest governing body in the analysis of the effectiveness of risk management processes of the organisation with regard to financial, environmental and social issues.

Describe the process by which the highest governing body prevents and manages potential conflicts of interest. Indicate whether conflicts of interest are communicated to stakeholders. Indicate at least membership of the committee or the position in which conflicts have been identified.

To better assess local financial impacts, expand the direct generated and distributed financial value by country, region or market, where significant. Explain the criteria that have been used to determine its significance.

Match the performance criteria affecting the remuneration policy with financial, environmental and social objectives of the highest governing body, senior management and all other employees.

Describe the compensation policies for the highest governing body and senior management, according to the following types of remuneration: fixed remuneration and variable remuneration; remuneration in shares; and other forms of remuneration, such as grants or awards.

State why the issue is material. Point out what impacts make this aspect material.

Indicate if consultations are carried out with the stakeholders in order to use the work of the highest governing body in identifying and managing impacts, risks and financial, environmental and social opportunities.

Indicate whether there are executive or responsible positions in the organisation regarding financial, environmental and social issues, and if their holders are directly accountable to the highest governing body.

Describe the organisation's governance structure, mentioning also the highest governing body committees. Indicate which committees are responsible for making decisions on financial, environmental and social issues.

Consolidated Financial Statements 2015 FCC Group

Relationship between the average salary of the FCC Group senior management and the average spending on FCC Aqualia’s personnel: 12.3

In 2015 there were no salary increases.
Given the nature of FCC Aqualia's business, the collected or bought water is considered to come from a renewable source. Other consumption is comparatively

NG-EN8 Describe the nature of the direct and indirect impacts on biodiversity, referring to at least one of the following: construction or utilization of factories, mines and transport infrastructures; pollution (introduction of substances that do not occur naturally in the habitat from specific and diffuse sources); introduction of invasive species; pests and pathogens; reduction of the number of species; habitat conversion; changes in ecological processes outside the natural range of variation (e.g., salinity changes or changes in groundwater levels).
Describe the nature of the direct and indirect impacts on biodiversity, referring to at least one of the following: construction or utilization of factories, mines and transport infrastructures; pollution (introduction of substances that do not occur naturally in the habitat from specific and diffuse sources); introduction of invasive species, pests and pathogens; reduction of the number of species; habitat conversion; changes in biodiversity; type of operation (office, manufacturing or production, mining); size of operational site in km² and biodiversity value based on: lists of area protection (for example, UICN management categories of protected areas, Ramsar Convention, national laws).

Provide the following information for operational sites owned, leased, managed, which are adjacent, contain or are located in protected areas and unprotected areas of high biodiversity value: geographic location; MANAGEMENT APPROACH: BIODIVERSITY; MANAGEMENT APPROACH: WATER; MANAGEMENT APPROACH: MATERIALS; MANAGEMENT APPROACH: PROCUREMENT PRACTICES; MANAGEMENT APPROACH: INDIRECT FINANCIAL IMPACT; MANAGEMENT APPROACH: MARKET PRESENCE.

Indicate what percentage of recycled materials was used to manufacture the main products and services of the organisation.

Indicate the total weight or volume of materials used to produce and pack the main products and services of the organisation during the period covered by the report.

Point out what risks and opportunities from climate change could cause significant changes in operations, revenues or expenses. Among others:

- Given the nature of business of FCC Aqualia, the water it recycles is not for the organisation’s internal use but rather for discharge and use by third parties (see indicator G4-EN22).

No pension plans available.
GA-EN13  • Indicate the size and location of all protected or restored habitat areas and indicate whether the success of restoration actions was or is being verified by independent external professionals.
• Indicate whether partnerships exist with third parties to protect or restore habitat areas other than those where the organisation has overseen or implemented restoration or protection measures.
• Describe the state of the area at the end of the period covered by the report.
• Explain what standards, methods and assumptions were applied in the calculation.

GA-EN14  Indicate the number of species on the IUCN Red List and national conservation lists with habitats in areas affected by operations, by level of endangered species:
• critically endangered; endangered; vulnerable; near threatened or least concern.

MANAGEMENT APPROACH: EMISSIONS

GA-EN15  • Indicate gross direct GHG emissions (Scope 1) in metric tons of CO2 equivalent, excluding emission trading, i.e., purchase, sale or transfer of rights and compensation.
• Indicate which gases are included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, N3 or all of them).
• Indicate biogenic CO2 emissions in metric tons of CO2 equivalent, regardless of gross direct GHG emissions (Scope 1).

GA-EN16  • Indicate gross indirect GHG emissions (Scope 2) in metric tons of CO2 equivalent, excluding emission trading, that is, purchase, sale or transfer of rights and compensation.

GA-EN17  • Indicate any other gross indirect GHG emissions (Scope 3) in metric tons of CO2 equivalent, excluding indirect emissions from electricity generation, heating, cooling and steam that the organisation acquires and consumes (these indirect emissions are contained in the GA-EN16 Indicator). Trade allowances should not be considered, in other words, the purchase, sale or transfer of rights and compensation.
• If possible, indicate which gases have been included in the calculation.
• Indicate biogenic CO2 emissions in metric tons of CO2 equivalent, regardless of other gross indirect GHG emissions (Scope 3).
• Indicate which other categories of indirect emissions (Scope 3) and activities are included in the calculation.

GA-EN18  • Indicate the intensity of GHG emissions.
• Explain what measurement (the denominator of the fraction) has the organisation used to calculate the ratio.
• Indicate what types of GHG emissions are included in the calculation of the intensity - direct (Scope 1), indirect for power generation (Scope 2) and other indirect emissions (Scope 3).
• Indicate which gases have been included in the calculation.

GA-EN19  • Point out what reductions of GHG emissions are a direct result of initiatives to that end (in metric tons of CO2 equivalent).
• Indicate which gases are included in the calculation (CO2, CH4, N2O, HFCs, PFCs, SF6, N3 or all of them).
• Indicate what base year or benchmark has been used and why.
• Explain what standards, methods and assumptions were applied in the calculation.
• Indicate whether the reductions occurred in the direct GHG emissions (Scope 1), indirect emissions for power generation (Scope 2) or other indirect emissions (Scope 3).

GA-EN20  • State the production, imports and exports of ozone-depleting substances (ODS) in metric tons of CFC-11 equivalent.
• Indicate which substances have been included in the calculation.
• Explain what standards, methods and assumptions were applied in the calculation.
• Indicate which source has been used to calculate emission factors.

GA-EN21  • Indicate the number of significant emissions in kilograms or multiples of kilogram of: NOx, SOx, persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), particulate matter (PM) and other standardized categories of emissions identified in the relevant legislation.
• Explain what standards, methods and assumptions were applied in the calculation. Indicate which source has been used to calculate emission factors.

MANAGEMENT APPROACH: EFFLUENTS AND WASTE

GA-EN22  • Indicate the total volume of water discharges, forested and unforested, broken down by: destination; water quality, including the method of treatment and whether it was reused by another organisation.
• Explain what standards, methods and assumptions were applied in the calculation.

GA-EN23  • Enter the total weight of hazardous and non-hazardous waste, according to the methods of disposal: reuse; recycling; composting; recovery, including energy recovery; incineration (mass burning); deep well injection; landfill; storage site; and others (which must be specified by the reporting organisation).
• Explain how the disposal method was determined:
  - the reporting organisation took over directly, or directly confirmed;
  - the contractor in charge of the waste removal provided the information;
  - default procedures from the waste removal contractor.

GA-EN24  • Indicate the number and total volume of recorded significant spills. For each of the spills included in the financial statements of the organisation, provide the following information: location of the spill; volume of the spill; material spilled into the following categories: oil spills (oil or water surfaces); fuel spills (oil or water surfaces); waste spills (oil or water surfaces); chemical spills (mainly soil or water surfaces) and others (which must be specified by the reporting organisation).
• Describe the consequences of significant spills.

GA-EN25  • Provide the total weight of: transported hazardous waste; imported hazardous waste; exported hazardous waste and treated hazardous waste.
• Indicate the percentage of hazardous waste transported internationally.

GA-EN26  Indicate which water bodies and related habitats have been significantly affected by water discharges, according to the criteria described in the Compilation (below) section and provide data on:
• size of the body of water and related habitat; if the mass of water and related habitats are classified as national or international protected areas and value in terms of biodiversity (e.g., number of protected species).

MANAGEMENT APPROACH: PRODUCTS AND SERVICES

GA-EN27  • Report quantitatively the degree of mitigation of the environmental impacts of products and services during the period covered by the report.
• If use-oriented figures are given, indicate the underlying assumptions regarding consumption patterns or normalization factors.

GA-EN28  • Indicate what percentage of the products and their packaging materials is regenerated in each product category.
• Explain how the data for this indicator were obtained.

MANAGEMENT APPROACH: REGULATORY COMPLIANCE

GA-EN29  • State significant fines and non-monetary sanctions in terms of: total monetary value of significant sanctions; number of non-monetary sanctions and procedures brought before arbitration institutions.
• If the reporting organisation has not identified any breach of legislation or regulations, just a brief statement to this effect will be enough.

MANAGEMENT APPROACH: TRANSPORTATION

GA-EN30  • Describe the significant environmental impacts of transporting products and other goods and materials used for the activities of the organisation as well as the transport of personnel. If quantitative data are not provided, explain why.
• Explain how the environmental impacts of transporting products, members of personnel of the organisation and other goods and materials are being mitigated.
• Describe the criteria and methods that have been used to determine which environmental impacts are significant.

MANAGEMENT APPROACH: GENERAL

GA-EN31  Report on environmental protection expenditures broken down by: costs of waste treatment and emission treatment and restoration, and prevention and environmental management costs.

MANAGEMENT APPROACH: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

GA-EN32  Percentage of new suppliers that were examined based on environmental criteria.
FCC Aqualia does not undertake habitat restoration. YES, 109

NOT APPLICABLE

70 YES, 109
70, 72 YES, 109

Emissions due to the transport of employees are not considered significant. YES, 109

Emission intensity (t CO2e/employee) is obtained by dividing the emissions between the number of employees (6,037)
- Direct Emissions (Scope 1): Aqualia (Spain): 3.51
- Indirect Emissions (Scope 2): Aqualia (Spain): 15.19
- Indirect Emissions (Scope 3): Aqualia (Spain): 5.96

GHG emissions are set out on pages 70-73. MATERIAL is not considered YES, 109

NOT APPLICABLE

NOT APPLICABLE

70 YES, 109

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<td>Non-hazardous [kg]</td>
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There have been no spills. YES, 109

FCC Aqualia does not import, export or treat hazardous waste as outlined in the Basel Convention. YES, 109

There has been no water bodies and habitats affected by discharges. YES, 109

70 YES, 109
72-75 YES, 109

Water, the product marketed by FCC Aqualia has no packaging. YES, 109

70 YES, 109

€20,981.33 YES, 109
Of which, €13,981,33 are sanitary and €7,000 from environmental performance.

FCC Aqualia activity does not produce significant environmental impacts from transportation. YES, 109

70 YES, 109

Consolidated Financial Statements 2015 FCC Group

33 YES, 109
100% YES, 109
GA-EN33 • Indicate the number of suppliers whose environmental impact has been assessed.
• Indicate how many suppliers have been determined to have a real significant negative impact on the environment.
• Indicate what real or potential significant negative environmental impacts have been discovered in the supply chain.
• Indicate the percentage of suppliers with significant actual and potential negative environmental impacts and which improvements have been agreed on after evaluation.
• Indicate the percentage of suppliers with significant actual and potential negative environmental impacts and with which the relationship has been terminated as a result of the evaluation, and explain the reasons.

MANAGEMENT APPROACH: MECHANISMS FOR ENVIRONMENTAL CLAIMS
GA-EN34 • Indicate the total number of complaints about environmental impacts that have occurred through formal grievance mechanisms during the period covered by the report.
• Indicate how many of the claims were addressed in the period under the report and how many were resolved in the period covered by the report.
• Indicate the total number of complaints about environmental impacts occurred before the period covered by the report and resolved in that period.

GA-LA SOCIAL PERFORMANCE: WORK PRACTICES AND DECENT WORK
MANAGEMENT APPROACH: EMPLOYMENT
GA-LA1 • Indicate the number and rate of new work contracts in the period covered by the report, broken down by age, gender and region.
• Indicate the number and rate of employee turnover in the period covered by the report, broken down by age, gender and region.

GA-LA2 • Detail which of the following benefits are offered to all employees in full-time work but not to part-time or temporary employees, broken down by relevant activity locations. At the very least, please include the following benefits: life insurance; health insurance; disability or invalidity coverage; maternity or paternity coverage; pension fund; shares and others.
• Provide the definition used to establish “places with significant operations”.

GA-LA3 • Indicate the number of employees, broken down by gender, which were entitled to maternity or paternity leave.
• Indicate the number of employees, by gender, exercising their right to maternity or paternity leave.
• Indicate the number of employees who returned to work after the end of their maternity leave or paternity leave, by gender.
• Indicate the number of employees who returned to work after the end of their maternity or paternity leave and retained their jobs twelve months following their return, broken down by gender.
• Provide the return to work rates and retention of employees who exercised maternity or paternity leave, broken down by gender.

MANAGEMENT APPROACH: RELATIONSHIP BETWEEN WORKERS AND MANAGEMENT
GA-LA4 • Indicate the minimum number of weeks notice for workers and their elected representatives that is commonly used before implementing significant operational changes that could substantially affect them.
• If the organisation has a collective agreement, indicate whether this period of notice and the provisions for possible consultation and negotiation are specified.

MANAGEMENT APPROACH: HEALTH AND SAFETY AT WORK
GA-LA5 • Indicate at what level each of the formal joint health and safety committees for management and employees usually operate.
• Indicate the percentage of workers who are represented in formal joint health and safety committees.

GA-LA6 • Indicate the type of injury, the rate of accidents with injuries, the rate of occupational diseases, lost day rate, the rate of absenteeism and fatalities related to the work carried out by all workers (i.e. employees and workers hired, broken down by region and gender).
• Specify the types of injury, injury accident rate (IR), rate of occupational diseases (ODR), lost day rate (LDR), absenteeism rate (AR) and fatalities (F) related to the work of independent contractors working on site for whose general overall safety the organisation is responsible, broken down by gender.
• Indicate which regulatory system is applied for recording and reporting accidents.

GA-LA7 Indicate whether there are workers who perform professional activities with a high risk or incidence of certain diseases.

GA-LA8 • Indicate whether local or international formal agreements with unions cover issues related to health and safety.
• If so, indicate what percentage of issues related to health and safety is covered in such formal agreements.

MANAGEMENT APPROACH: TRAINING AND EDUCATION
GA-LA9 Indicate the average hours of training that employees in the organisation received during the period covered by the report, broken down by gender and job category.

GA-LA10 • Indicate the type and scope of the programs that have been carried out and the assistance provided to enhance the skills of employees.
• Describe transition assistance programs aimed at promoting the employability of workers and management of the end of their careers, either through retirement or termination of employment.

GA-LA11 Indicate what percentage of employees has received a regular assessment of their performance and the evolution of their career during the period covered by the report, broken down by gender and professional category.

MANAGEMENT APPROACH: DIVERSITY AND EQUAL OPPORTUNITIES
GA-LA12 • Indicate what percentage of people belonging to the following diversity categories is part of the governing bodies of the organisation: gender, age: under 30, between 30 to 50, over 50; minority groups and other diversity indicators, as appropriate.
• Indicate what percentage of employees belong to the following categories of diversity: gender, age: under 30, between 30 to 50, over 50; minority groups and other indicators of diversity as appropriate.

MANAGEMENT APPROACH: EQUAL PAY FOR MEN AND WOMEN
GA-LA13 • Indicate the relationship between base salary and remuneration of women in comparison to men for each job category, by significant locations of operation.
• Provide the definition used to establish “places with significant operations”.

MANAGEMENT APPROACH: EVALUATION OF SUPPLIER WORK PRACTICES
GA-LA14 Percentage of new suppliers that were examined in accordance with criteria relating to work practices.

GA-LA15 • Indicate the number of suppliers whose impact on work practices has been evaluated.
• Indicate how many suppliers have real or potential negative impacts on work practices.
• Indicate what real and potential significant negative impacts have been discovered in the work practices of the supply chain.
• Indicate the percentage of suppliers with significant actual and potential negative impacts in the work practices and which improvements have been agreed on after evaluation.
• Indicate the percentage of suppliers with significant actual and potential negative impacts on work practices and with which the relationship has been terminated as a result of the evaluation, and explain the reasons.

MANAGEMENT APPROACH: GRIEVANCES MECHANISMS ON WORK PRACTICES
GA-LA16 • Indicate the total number of complaints about work practices that have occurred through formal grievance mechanisms during the period covered by the report.
• Indicate how many of the claims were addressed in the period under the report and how many were resolved in the period covered by the report.
• Indicate the total number of complaints about work practices that occurred before the period covered by the report and resolved in that period.

GA-HR HUMAN RIGHTS INDICATORS
MANAGEMENT APPROACH: INVESTMENT
FCC Aqualia suppliers, given their activity, do not have significant environmental impacts, however 100% compliance with environmental criteria is required when they apply. p. 33

71

There have been no claims of an environmental nature referred to in this section.

54

Number of employees with maternity leave: 43
Number of employees with paternity leave: 153
72% were reincorporated to work after their maternity leave finished, the rest apply for a leave of absence to look after their children, following which they return to work.
100% were reincorporated to work after their paternity leave finished (only 1 employee took a leave of absence following paternity leave).
100% of those reincorporated to work after their maternity/paternity finishes remain in their jobs for 12 months after their return to work.

61

Notice periods are defined in the agreement. Collective agreements include conditions for consultation and negotiation.

41% of Aqualia employees in Spain are represented in Health and Safety Committees. H&S Committees are mainly constituted in FCC Aqualia services.

62

There is only a residual risk of occupational disease, although there was no case in 2015 thanks to preventive actions.

100% were reincorporated to work after their paternity leave finished (only 1 employee took a leave of absence following paternity leave).
100% were reincorporated to work after their maternity/paternity finishes remain in their jobs for 12 months after their return to work.

58

Base salaries are set by collective agreements and there are no differences between men and women.


58

There have been no performance evaluations.

FCC Aqualia suppliers, taking into account their activity, have no relevant actual or potential impacts on work practices.

54

In 2015, a communication regarding work practices was received from FCC Aqualia through the Ethics Channel, which has subsequently been settled.
GA-HR1 Indicate the number and percentage of contracts and significant investment agreements that include human rights clauses or that have undergone an analysis regarding human rights.

GA-HR2 Indicate the number of hours spent during the reporting period on training policies and procedures concerning aspects of human rights relevant to the operations of the organisation.

MANAGEMENT APPROACH: NO DISCRIMINATION

GA-HR3 Indicate the number of discrimination cases that occurred during the period covered by the report.

MANAGEMENT APPROACH: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GA-HR4 Indicate the number of centres and suppliers in which freedom of association and the right to collective bargaining of employees may be infringed or threatened, in terms of: type of facility (e.g. a factory) and supplier, and countries or regions where it is considered that the activities present a risk of this nature.

MANAGEMENT APPROACH: CHILD LABOUR

GA-HR5 Indicate centres and suppliers with a significant risk of incidents of child labour and young workers exposed to hazardous work.

GA-HR6 Indicate centres and suppliers with a significant risk of incidents of child labour, in terms of type of institution (e.g. a factory) and supplier and countries or regions where it is considered that the activities present a risk of this nature.

MANAGEMENT APPROACH: FORCED LABOUR

GA-HR7 Indicate the percentage of centres with implemented development programs, impact assessments, and participation in local communities using, inter alia:

GA-HR8 Indicate the percentage of suppliers with significant actual and potential negative impacts regarding human rights and which improvements have been agreed after evaluation.

MANAGEMENT APPROACH: RIGHTS OF INDIGENOUS PEOPLE

GA-HR9 Indicate the number of cases of violation of the rights of indigenous peoples that have been identified in the period covered by the report.

MANAGEMENT APPROACH: EVALUATION

GA-HR10 Indicate the number of discrimination cases that occurred during the period covered by the report.

GA-HR11 Indicate the number of suppliers whose impact on human rights has been evaluated.

GA-HR12 Indicate the total number of complaints about human rights that have occurred through formal grievance mechanisms in the period covered by the report.

MANAGEMENT APPROACH: CLAIM MECHANISMS IN THE FIELD OF HUMAN RIGHTS

GA-HR13 Indicate the percentage of suppliers with significant actual and potential negative impacts regarding human rights and with which the relationship has been terminated as a result of the evaluation, and explain the reasons.

MANAGEMENT APPROACH: SAFETY MEASURES

GA-HR14 Indicate what percentage of security personnel has received formal training on specific policies or procedures of the organisation on human rights and their application to safety.

GA-HR15 Indicate whether training requirements are also required from other organisations from which security personnel is hired.

MANAGEMENT APPROACH: EVALUATION OF SUPPLIERS IN THE FIELD OF HUMAN RIGHTS

GA-HR16 Indicate the number of cases of violation of the rights of indigenous peoples that have been identified in the period covered by the report.

GA-SO1 Indicate the percentage of centres with implemented development programs, impact assessments, and participation in local communities using, inter alia:

– Social impact assessments, such as impact assessments with a gender perspective, based on participatory processes.
– Evaluation and constant monitoring of the environmental impact.
– Publicisation of the results of the evaluations of the environmental and social impacts.
– Development programs of local communities based on their needs.
– Stakeholders’ participation plans based on their geographical distribution.
– Processes and advisory committees with the local community involving vulnerable groups.
– Company committees, occupational health and safety committees and other bodies representing employees to manage the impacts.
– Formal grievance processes from local communities.

MANAGEMENT APPROACH: LOCAL COMMUNITIES

GA-SO2 Indicate which operations centres have had or can have significant negative impacts on local communities, referring to the location of the centres and the centres’ significant actual and potential impacts.

MANAGEMENT APPROACH: FIGHT AGAINST CORRUPTION

GA-SO3 Indicate the number and percentage of centres that have evaluated the risks related to corruption.

GA-SO4 Indicate the number and percentage of centres where the organisation has taken measures to prevent and combat corruption, broken down by region.

GA-SO5 Indicate the number and nature of confirmed cases of corruption.

– Indicate the number of confirmed cases of corruption for which an employee has received a warning or has been fired.
– Indicate the number of confirmed cases in which a contract has been terminated or not renewed with a business partner due to violations related to corruption.
– Indicate the number of complaints made against the organisation or its employees in the period covered by the report and the outcome of each case.
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<th>PAGE</th>
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<tr>
<td>74-75, 80-87</td>
<td>YES, 109</td>
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There have been no investment agreements which have been required to include clauses on human rights.

**84.** As it is not considered a material aspect for FCC Aqualia given its activity, no training related to human rights has been carried out.

**47-48**

There have been no cases of discrimination.

**GRI Index**

FCC Aqualia and its suppliers, taking into account their activity and internal and external regulations applicable to them, are not at risk of freedom of association and the right to collective bargaining of employees may be infringed or threatened.

**GRI Index**

FCC Aqualia and its suppliers, taking into account their activity and internal and external regulations that apply, do not have a significant risk for incidents of child labour and young workers exposed to hazardous work.

**GRI Index**

FCC Aqualia and its suppliers, taking into account their activity and internal and external regulations, have no risk of forced labour.

**GRI Index**

FCC Aqualia has no security personnel on its payroll and the subcontracted personnel receives 100% related training.

**GRI Index**

There have been no cases of violation of the rights of indigenous peoples due to the activity of FCC Aqualia or its suppliers.

**GRI Index**

FCC Aqualia, taking into account their activity and internal and external regulations, do not consider there is a risk of non-compliance with human rights, so no assessments are conducted.

**33**

FCC Aqualia believes that its suppliers have no risk of human rights non-compliance so no assessments are made, although they are obliged to comply with an Ethics Code. p. 33

FCC Aqualia believes that its suppliers have no risk of human rights non-compliance so no assessments are made.

**GRI Index**

In those countries where local legislation does not ensure human rights such as the right of association or the prevention of child labour and forced labour, FCC Aqualia always respects the principles defined in the Universal Declaration of Human Rights, the provisions of the International Labour Organization, as well as the Tripartite Declaration, on the Guidelines for Multinational Enterprises of the OECD and the United Nations Global Compact. FCC Aqualia complies with current legislation in each the places where it operates, and always under the Group’s Ethics Code.
FCC Aqualia believes that its suppliers do not have negative social impact risks, so there were no assessments.

FCC Group Ethics Code. YES, 109

MANAGEMENT APPROACH: REGULATORY COMPLIANCE

GA-SO8 Indicate the monetary value of significant fines for breaking the rules or legislation concerning the provision and use of products and services. YES, 109

GA-SO7 Indicate whether the organisation sells products banned in certain markets and/or questioned by stakeholders or which are the subject of public debate.

GA-SO6 Indicate the percentage of categories of significant products and services whose impacts on health and safety have been evaluated in order to promote improvements.

GA-SO5 Indicate the number of incidents arising from non-compliance with regulations and voluntary codes concerning health and safety of products and services in the period covered by the report, broken down by breaches of the regulations which led to a fine or punishment, breaches of the regulations which led to a warning and breaches of voluntary codes.

GA-SO4 Indicate how the organisation has responded to questions or reservations about these products.

GA-SO3 Indicate the financial value of the monetary or in kind political contributions directly or indirectly carried out by the organisation, broken down by country and recipient.

GA-SO2 Indicate whether the organisation's procedures concerning information and labelling of their products require the following information: Source of the components of the product or service; content, especially with regard to substances which may have some environmental or social impacts; safety instructions on the product or service; product disposal and environmental or social impact or other (explain).

GA-SO1 Indicate the total number of complaints about social impacts that occurred before the period covered by the report and resolved in that period.

GA-PRI7 Indicate the number of cases of non-compliance or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, broken down by: breaches of the regulations which led to a fine or punishment and regulations which led to a warning and breaches of voluntary codes.

GA-PRI6 Indicate whether the organisation sells products banned in certain markets and/or questioned by stakeholders or which are the subject of public debate.

GA-PRI5 Provide the results or key conclusions of client satisfaction surveys (based on statistically relevant samples) which have been carried out during the period covered by the report on: the organisation as a whole; a major category of goods or services and significant operations centres.

GA-PRI4 Indicate the number of breaches of regulation and voluntary codes concerning information and labelling of products and services, broken down by: breaches of the regulations which led to a fine or punishment; breaches of the regulations which led to a warning; and breaches of voluntary codes.

GA-PRI3 Indicate whether the organisation's procedures concerning information and labelling of their products require the following information: Source of the components of the product or service; content, especially with regard to substances which may have some environmental or social impacts; safety instructions on the product or service; product disposal and environmental or social impact or other (explain).

GA-PRI2 Indicate the number of incidents arising from non-compliance with regulations and voluntary codes concerning health and safety of products and services in the period covered by the report, broken down by breaches of the regulations which led to a fine or punishment, breaches of the regulations which led to a warning and breaches of voluntary codes.

GA-PRI1 Indicate the percentage of categories of significant products and services whose impacts on health and safety have been evaluated in order to promote improvements.

GA-PR9 Indicate the number of breaches of regulation and voluntary codes concerning the provision and use of products and services, in which the involvement of the organisation has been revealed.

GA-PR8 Indicate the main results of such complaints, including rulings or decisions.

GA-PR7 Indicate the number of cases of non-compliance or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, broken down by: breaches of the regulations which led to a fine or punishment and regulations which led to a warning and breaches of voluntary codes.

GA-PR6 Indicate whether the organisation sells products banned in certain markets and/or questioned by stakeholders or which are the subject of public debate.

GA-PR5 Provide the results or key conclusions of client satisfaction surveys (based on statistically relevant samples) which have been carried out during the period covered by the report on: the organisation as a whole; a major category of goods or services and significant operations centres.

GA-PR4 Indicate the number of breaches of regulation and voluntary codes concerning information and labelling of products and services, broken down by: breaches of the regulations which led to a fine or punishment; breaches of the regulations which led to a warning; and breaches of voluntary codes.

GA-PR3 Indicate whether the organisation's procedures concerning information and labelling of their products require the following information: Source of the components of the product or service; content, especially with regard to substances which may have some environmental or social impacts; safety instructions on the product or service; product disposal and environmental or social impact or other (explain).

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GA-PR1 Indicate the percentage of categories of significant products and services whose impacts on health and safety have been evaluated in order to promote improvements.

There have been no defaults relating to marketing. YES, 109

General Management Approach: Linear Competition Practices

GA-PR9 Indicate the number of breaches of regulation and voluntary codes concerning the provision and use of products and services, in which the involvement of the organisation has been revealed.

GA-PR8 Indicate the main results of such complaints, including rulings or decisions.

GA-PR7 Indicate the number of cases of non-compliance or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, broken down by: breaches of the regulations which led to a fine or punishment and regulations which led to a warning and breaches of voluntary codes.
Indicate the number of breaches of regulation and voluntary codes concerning information and labelling of products and services, broken down by: breaches of the regulations which led to a fine or punishment; which led to a reprimand and breaches of voluntary codes.

If the organisation has not identified any breach of legislation or regulations, just a brief statement to this effect will be enough.

There have been no fines due to regulatory or legislative non-compliance.

FCC Aqualia does not make contributions of this type.

FCC Group Ethics Code.

FCC Aqualia has not received complaints related to unfair competition behaviour or similar.

FCC Group Ethics Code.

FCC Aqualia has not received regulatory fines or penalties due to non-compliance.

There have been no social impact claims referred to in this section.

There have been no incidents of non-compliance with regulations and voluntary codes concerning health and safety of products and services.

FCC Aqualia does not sell products banned or challenged by stakeholders. While certain concessions in the previous process have been questioned in the Spanish municipalities, once FCC Aqualia started operations, there has been no problem.

There have been no defaults relating to marketing.

There have been no complaints about the violation of privacy and loss of customer data.

There have been no breaches of the rules relating to service information.

FCC Aqualia conducts client satisfaction surveys every 2 years. In the 2014 version (see CSR Report 2014), the institutions gave the provided service a score of 3.91 out of 5 and 89.8% of end clients are satisfied with the quality of service.
People who work for people
SUSTAINABLE VERIFICATION REPORT

VMS-N° 019/16

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

FCC AQUALIA

Entitled: CORPORATE SOCIAL RESPONSIBILITY REPORT 2015. PEOPLE WHO WORK FOR PEOPLE

Legal deposit number: M-23108-2016

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report.

This external assurance is in accordance with the Exhaustive Option of the G4 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 16th June, 2016 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR’s written notification and according to specific terms of the contract-application n° 2015/04189R1 2016 dated 23rd February, 2016 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate FCC AQUALIA, in the “GRI Reports List” which is published in its Web http://www.globalreporting.org/GRIReports/GRIReportsList.

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www.aqualia.com

Information about the FCC Group
www.fcc.es

Information on the Global Reporting Initiative:
www.globalreporting.org

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