

# Aqualia Sustainability Policy

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# Introduction

Aqualia has had a vocation to care for people and the environment for a long time. This has enabled us to make major decisions from a realistic perspective, while keeping our feet on the ground, that have tied us to environmental, social and governance (ESG) and economic sustainability criteria, and to the United Nations Sustainable Development Goals (SDG). These were brave decisions based on our analytical vision, without shirking the responsibility and active personality that are hallmarks of our company. This Policy for sustainable management in Aqualia is a true representation of this.

The growth of our company's business is inextricably linked to the major challenge of efficient management of water use. This is something we do with the objective of helping to mitigate and adapt to the effects of climate change, contributing to a positive future. This commitment is reflected in the lines of action set out in our Strategic Sustainability Plan, which provides a roadmap that guides us in achieving our purpose: caring for water, people and the planet.

Aqualia is not immune to the constant changes the business world is experiencing, with an unprecedented open-mindedness and focus on people and more transparent management. We have been committed to this for many years, both from an organisational perspective and in our values and culture. This has enriched our business awareness and governance, considering the ecosystem the company impacts.

We have always adapted to the crises that have arisen. This has made us more aware of our environment as a company, especially in the places where we operate. At the same time, we have not allowed ourselves to get carried away by a model of endless growth with no vision of where we want to get to. This is even more important when resources are either scarce or suffer from climate change, as is the case with water.

Our area of action has also grown. We not only manage the water cycle and facilitate the universal right of access to water and sanitation – serving over 45 million people – but we also care about the needs of the local environment where we operate to make an overall contribution. We inevitably impact society and the environment. How we do this is determined by conscious governance that makes the most of the situation and overcomes adverse circumstances.

This is where Aqualia's identity is rooted today. Because managing the end-to-end water cycle is a source of life for people, and nothing is more important than that. That is why our business activity and social impact go hand in hand in everything we do, leading the sector through our experience and innovative and realistic solutions.

The operation, maintenance, management and renewal of infrastructure, innovation in the service we provide, and the development of new technologies are fields where Aqualia has experience and is trusted, despite them requiring greater investment and understanding in partnerships with national and local governments. In other words, the path towards sustainable development requires substantial investment, but the actions involved – such as production and service provision, innovation, digitalisation of the process, water saving, promoting the circular economy and local employment, and good relations with local suppliers and the third sector – are performed with a long-term vision. This work has generated rewards that are reflected in our management and, ultimately, the well-being of people.

This is why our company is firmly established in the sector. We have demonstrated our reliability over the years, through our ability to innovate and adapt to environmental, social and geopolitical changes. And we have always managed to maintain and implement our values through our Code of Ethics, Compliance Model and commitment to anti-corruption and due diligence, everywhere we operate.

Many channels contribute to our performance, in complex work that favourably impacts our major partnerships with public and private entities, and on our care for the environment and service to our customers, or, to put it another way, on caring for people.

# About our Policy

This Policy sets out how Aqualia behaves. It expresses our commitment to sustainability and summarises our ESG actions, which are further developed in various documents, such as Aqualia's Strategic Sustainability Plan. It also sets out our responsibility towards everyone who is part of our company, and our compliance in the performance of our duties in all professional areas where we represent the organisation.

This Policy applies to Aqualia and all investee companies over which Aqualia has operational control. In those investees over which Aqualia does not have operational control, we promote the principles set out in this Policy and other key documents for our international operations, such as the Code of Ethics and Due Diligence.

We apply the objectives, principles and commitments in this Policy to all our stakeholders – employees, customers and users, suppliers, public and private partners, shareholders, regulatory entities and the media – to the extent that our activity relates directly or indirectly to them.

This document sets out **our principles and purpose, guidelines and criteria for action**, and their **implementation, monitoring and governance model**.

# Our principles and purpose

Aqualia's activity is linked to the dignity of people and their well-being and social progress because we manage an essential asset that is vital for life - water - and the universal right to access it. We are fully aware of the importance of this, so it forms the basis for our values, attributes and future aspirations. This is our main purpose: caring for people through efficient management of water.

This is a challenge we address through many current, specific and active fronts that guide our purpose and business culture, guiding everyone in the company and all activities linked to Aqualia. We make these words and desires tangible through specific actions thanks to our:

**Experience and specialisation in every stage of end-to-end water cycle management**

Looking after water and its management is our speciality. It is why we exist. Wherever we operate, we provide environmental, social and financial measures that are viable and necessary for communities in order to provide a quality service throughout the end-to-end water cycle and generate positive social and environmental impact.

**A people-centric approach - which is at the core of our purpose  
- caring for their present and future well-being**

We are people who work for the wellbeing of people. The professionalism, talent and care of everyone in Aqualia enables continuous improvement of the quality of the services we provide and the development of innovative projects that can improve and help people's lives. We promote the processes and mechanisms needed for compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises by our people and everyone who works in our value chain.

**Efficiency in our service, always pursuing the goal of water quality**

Our responsibility is intimately linked with providing quality water to our customers and users, complying with all legal requirements, quality parameters and customer needs, and with efficient and sustainable use and supply of water resources. This commitment to our customers and users means we always have a long-term vision, and we live by and for the constant development of innovative solutions capable of regenerating, improving and helping people's lives.

### Financial consistency

Our national and international leadership, underpinned by our global risk management model, leverages the opportunities offered by the water sector and meets the demands of investors, regulation and our other stakeholders. Aqualia is recognised as an established, well-known and respected company in every country where it operates.

### Innovation

We regard the challenges of the technological era as an important ally for us. We take full advantages of everything R&D+i offers for management of the end-to-end water cycle. Our commitment to technology stems from a search for solutions, from the outset, in systems, equipment and processes, enhancing our role in the new circular-economy model.

We adapt our technologies to the current needs of the sector and implement our knowledge in all the countries in which we operate.

### Environmental commitment

We respect our environment. We avoid and prevent any possible water, soil and air pollution and any negative effects on biodiversity. We are continuously improving our environmental, energy and climate performance. We believe in an integrated and circular water cycle that is capable of turning the places we inhabit into eco-friendly spaces, balancing the relationship between the environment and people. We strive for wastewater treatment that helps to protect the environment and the quality of the water returned to nature, increasing circularity rates, while always being mindful of our carbon footprint and greenhouse gases, which we work to avoid generating. As experts in this field, we want to communicate our sense of responsibility, bringing knowledge about water management closer to the public, so that they are informed and become aware of the vital nature of the service and environmental problems.

### Social awareness and involvement

We are part of the communities we serve, and we are aware of their different situations. Starting from the premise that water is vital for everyone, we are working every day to contribute to a fairer, more diverse and inclusive society that offers the same opportunities to all. We strive ceaselessly we achieve our purpose: guaranteeing universal access to water as a basic right wherever we operate. We are aware that we are also agents of change. We invest efforts and resources in raising awareness about the importance of looking after water, emphasising that every small gesture of responsible use of water and sanitation helps to improve the health of our planet. We do this through awareness-raising campaigns and communication.

### Ethics and transparency

We are private managers of a public asset. This means we have a duty to the public. That is why we operate with the highest standards of business integrity, ethics and transparency. The company works to maintain relationships of respect, trust and equal opportunities with all of our collaborators and stakeholders.

### Business integrity

Aqualia has been a full member of the Global Compact since 2020, taking on the responsibility of upholding its ten principles related to human rights, labour rights, the environment and the fight against corruption. Aqualia also contributes to achieving the United Nations Sustainable Development Goals and its resolution on the universal right of access to water and sanitation.

### Compliance

We pursue and uphold the requirements established in international, national, regional and local legislation and regulations. We also respect the requirements of our customers, the regulations of applicable management systems, our shareholders and the agreements signed by Aqualia. We achieve this by complying with and operating under the FCC group's regulatory compliance model.



# Aqualia's guidelines and criteria for action

Aqualia's commitment to sustainable business and the fight against the effects of climate change is pursued through our Strategic Sustainability Plan, which provides a roadmap that guides our purpose and culture based on sustainability, regeneration and circularity. This Plan provides seven guidelines - which we refer to as strategic lines - through which we channel our objectives, goals and specific projects, as the highest expression of the company's present and future activity.

This Policy sets out the company's main guidelines for sustainable development in the following areas:

- ◆ The climate emergency and planet preservation
- ◆ Technology for integrates management
- ◆ People management
- ◆ Financial and business strategy
- ◆ Ethics and compliance
- ◆ Strategic communication
- ◆ Partnership for the generation of positive impact



## CLIMATE EMERGENCY AND PLANET PRESERVATION

At Aqualia, we are environmentally aware, and we demonstrate this through our actions every day. We do not put off important decisions that contribute to sustainability because we believe in an integrated end-to-end water cycle that can make cities environmentally respectful spaces. To achieve this, we are committed to:

- ◆ Implementing initiatives that: achieve the decarbonisation objectives for the economy set by international institutions; contribute to the mitigation of climate change through energy-efficiency measures, the replacement of fossil-fuel energy sources by renewable energies and the implementation of new technologies to reduce emissions, so as to achieve our decarbonisation objectives and reach Net Zero carbon by 2050; and adapt the company for the consequences of climate change, reducing impact on the natural environment.
- ◆ Protecting natural resources, biodiversity and ecosystems by fostering initiatives to restore environments and prioritising solutions based on nature.
- ◆ Using processes, practices and materials that prevent, reduce and control pollution and pollution risks, focusing on prevention to achieve improvements in environmental performance, resource consumption, management of biodiversity, and energy and climate performance.
- ◆ Identifying the actual and potential impacts of suppliers, contractors and business partners on the environment and energy to prevent any possible negative impacts.
- ◆ Managing water efficiently, implementing management practices to optimise usage and minimise losses to ensure not a drop is wasted.





## TECHNOLOGY FOR INTEGRATED MANAGEMENT

We are aware of the importance of digitalising water management. Therefore, we adapt our technologies to the current needs of the sector and contribute our knowledge to all the countries where we operate. Our commitment to research helps us:

- ◆ Manage our own and client installations and assets, through design, delivery, risk management, control, maintenance, legal compliance and renewal.
- ◆ Develop water analysis techniques using uniform and verifiable working methodologies that guarantee the objectivity and impartiality of the results for the quality of the water treated and distributed.
- ◆ Achieve technology that enables efficient use and management of water resources so that everyone can enjoy access to water and sanitation guaranteed by Aqualia.
- ◆ Implement digitalisation throughout the end-to-end water cycle, helping to accelerate global digitalisation projects.
- ◆ Implement the BIM (Building Information Modelling) methodology for infrastructure construction and management, incorporating digital models into the design and life cycle of installations.
- ◆ Strengthen the cybersecurity commitments arising from the digitalisation process in which the company is immersed, both in the processes in the end-to-end water cycle and in the management of customers and employees. Protect information from loss of availability, confidentiality and integrity, and from unauthorised access.
- ◆ Guarantee customer satisfaction, regardless of their nature and location, and that of other stakeholders by delivering services, products and projects that meet the specified requirements.
- ◆ Foster omnichannel communication with customers (telephone support, SMS, apps and virtual office) that facilitates relationships with Aqualia from anywhere on any device.
- ◆ Provide employees with an app that enables two-way communication with information relevant to them (payroll, health and safety, news, awareness raising, etc.).





## PEOPLE MANAGEMENT

We are people who work for the wellbeing of people. Our mission as professionals drives us to train to seek new horizons.

We demonstrate our commitment to public service every day as we take on the present and future challenges of water. For this reason, we are there when they need us, and we resolve problems and generate trust. Our talent is committed to the health of people and the planet. In implementing our culture in Aqualia, we undertake to:

- ◆ Contribute to comprehensive health objectives (one health) for the company's employees, appreciating that emotional well-being is as important as physical well-being. And we encourage consultation on health and employment well-being, fostering the participation of workers and their representatives.
- ◆ Promote and implement measures that facilitate healthy working environments, fostering coexistence and personal and professional development and training, with health and well-being representing a core element of our corporate culture.
- ◆ Do not accept and we penalise discrimination of any type based on gender, race, condition, religion, ideology, politics, marital status or any other personal or social circumstance.
- ◆ Foster working conditions, equal treatment and opportunities and other employment rights in suppliers, contractors and partners.
- ◆ Promote and facilitate Aqualia's "Zero harm to workers" project.
- ◆ Analyse knowledge and satisfaction of the employee experience, create spaces for training and cultural transformation projects, and promote well-being to foster the retention of talent.





## FINANCIAL AND BUSINESS STRATEGY

Aqualia focuses the management of its activity on specific geographical areas, in which it always acts to achieve sustainable and sustained growth. To achieve this, its criteria are the achievement of reasonable profitability and the integration of all its capabilities in all areas of the value chain.

The development and objectives of this strategic line are set out in Aqualia's Strategic Business Plan, in order to provide the company with the resources needed to achieve its sustainable-business goals.



 **ETHICS AND COMPLIANCE**

As private managers of a public asset, we are acutely aware of our duty to the public. This respect for the public is why we operate with the highest standards of integrity, ethics and business transparency. We therefore undertake to:

- ◆ Communicate Aqualia's culture, ethical values and compliance to the entire company and its value chain.
- ◆ Implement our compliance model in every company in which Aqualia has operational control, and promote it in companies not controlled by Aqualia.
- ◆ Foster commitment to the non-tolerance and punishment of any form of corruption in our value chain, in line with the principles of the United Nations Global Compact.
- ◆ Involve our value chain in our commitment to mitigate real and potential impacts on the environment.





## STRATEGIC COMMUNICATION

Management of the end-to-end water cycle is a very complex activity that requires specialised professionals with a great vocation for service. Listening and dialogue with its stakeholders is strategic for Aqualia. In order to convey this message and reinforce our communication strategy as a private operator of an essential public service, we:

- Communicate Aqualia's commitment to society to our stakeholders by providing quality services in all phases of the end-to-end water cycle.
- Ensure that the information disclosed by the company meets the most demanding quality, reliability, clarity and integrity standards, ensuring that the requirements of applicable legislation and Aqualia's corporate standards are met.
- Foster awareness of Aqualia and its credibility among institutional clients and with stakeholders through transparency, participation and active listening.
- Ensure that all Aqualia brands communicate our corporate purpose and values, highlighting their contribution to the generation of value, thus enhancing their reputation.
- Commit to excellence in the services provided to ensure the satisfaction of institutional and end customers.

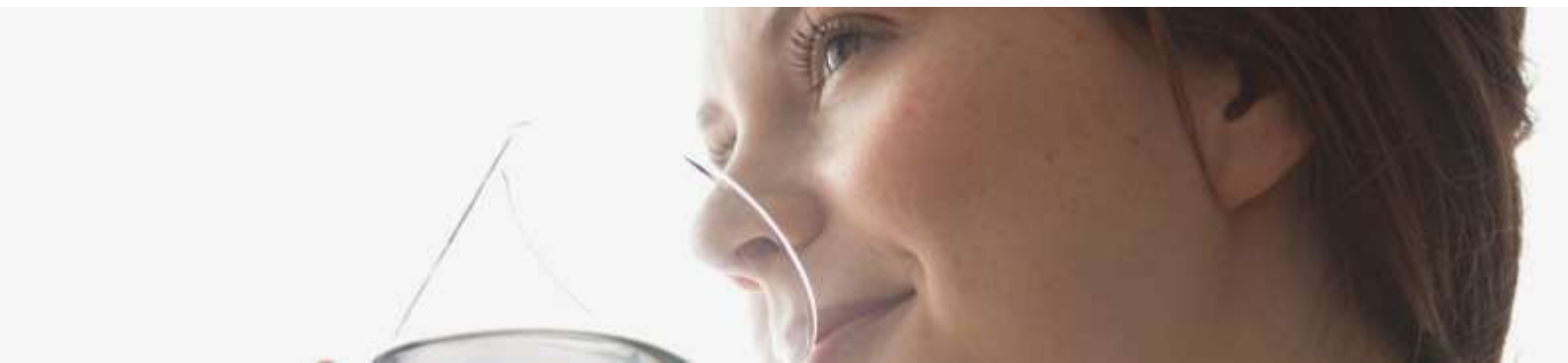




## PARTNERSHIPS FOR THE GENERATION OF POSITIVE IMPACT

We are part of those communities where we provide our services, so we really understand our customers and their needs. Through our broad and committed vision, we are contributing to creating a fairer society that is more diverse and inclusive every day, through the following objectives:

- ◆ Contribute to the major global challenges set in the Sustainable Development Goals through collaborative leadership that fosters alliances of trust that generate positive impact.
- ◆ Collaborate actively with local, regional, national and supranational institutions to provide access to water and sanitation that enhance the dignity of people's lives.





# Implementation, monitoring and governance

Aqualia manages its operations in accordance with its principles, commitments and procedures for action in the countries where it operates. It does this through an efficient and unique Integrated Management System based on the management of processes and their associated risks. This Integrated Management System covers the management of quality and assets, the competence of testing laboratories, innovation, environmental and energy management, employment health and well-being, the BIM methodology and management of information security for management of the end-to-end water cycle, water-quality laboratories, design and construction of treatment plants for all types of water and effluents, and concessions for hydraulic works.

Our commitment is defined by striving for continuous improvement of all the activities in our Management System, through monitoring and analysis of data, communication management and accessibility to information, and the application of quality tools and innovation techniques.

This involves identifying the business risks in these areas and in all the stages in our value chain. This enables us to take appropriate measures to prevent, mitigate and evaluate potential impacts - including criminal impacts - that may arise from our business operations and activities.

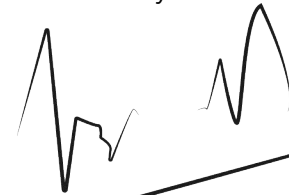
We encourage participation and consultation across the organisation and dialogue with external stakeholders in these areas. We also encourage our stakeholders to apply similar standards of conduct and values to those set out in this policy.

At Aqualia, we are continually establishing, developing and adapting short, medium and long-term objectives, goals and improvement actions. Every year, we review our systems and the participation of people in Aqualia's activities, providing our teams with the resources and tools they need, and the training needed to motivate them, raise awareness and ensure they have the required skills.

We undertake to promote and communicate this policy and our objectives internally and externally with our stakeholders and at all levels of the organisation, which will help us achieve our objectives.

**This policy will be reviewed regularly.** However, this document is subject to changes in the environment that may lead to ad-hoc reviews.

Monday 7 October 2024



Santiago Lafuente Pérez-Lucas  
CEO

