

WE MAKE THE DIFFERENCE IN THE LIVES OF PEOPLE

SUSTAINABILITY REPORT 2022



"WE MAKE THE DIFFERENCE IN THE LIVES OF PEOPLE"

GRUPO ÁGUAS DE PORTUGAL

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1.

THE

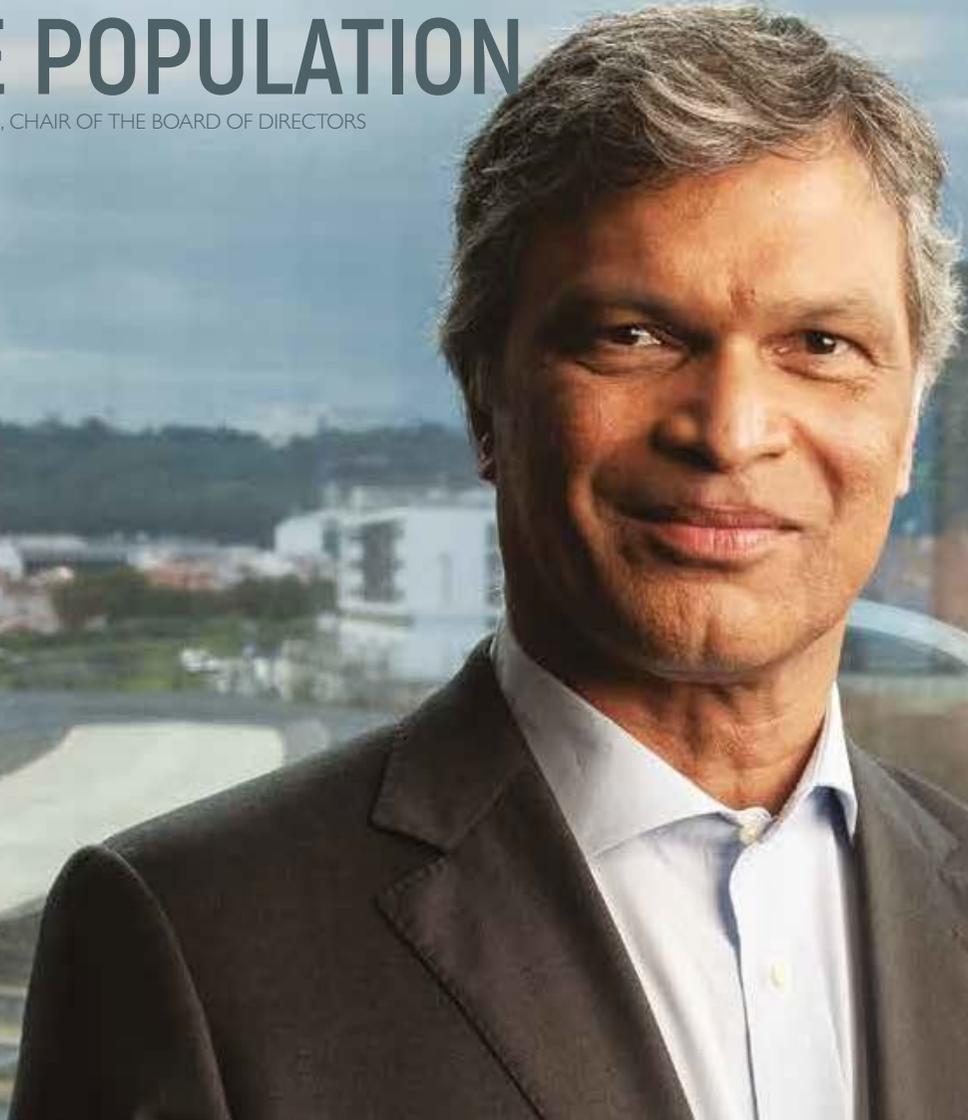
ÁGUAS DE PORTUGAL GROUP

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WE MAKE A DIFFERENCE EVERY DAY IN THE LIVES OF THE POPULATION

JOSÉ FURTADO, CHAIR OF THE BOARD OF DIRECTORS



I.1. MESSAGE FROM THE CHAIR: 2030 COMMITMENTS

The global challenges that we face, stemming from climate changes, resource depletion and the degradation of ecosystems and environmental pollution establish a new pattern of demands on the way we live and act on this planet.

The environment emerges as the core stage for this change in paradigm that emerges as fundamental according to the sustainable development objectives, especially as regards access to water, the most precious and essential asset for life.

At the Águas de Portugal Group, we are, this year, celebrating three decades of operations. We commemorate this landmark through reviewing the past trajectory and share our enormous satisfaction at what we have achieved in the meantime in managing water throughout the national territory.

Aware of the impact of our activities on the health and wellbeing of people, on environmental quality and economic development, in this transition to a new cycle, this is the moment to reaffirm our ambition of continuously and consistently complying with the goal that we assume of “making a difference in the lives of people”.

In these 30 years, Portugal registered notable progress in the water management sector. The investments made throughout the country in building the water supply today guarantee excellent quality water supply throughout the country to the entire population. In terms of sanitation services, that covered 31% of the population in 1993, they have today attained a rate of 86%, with clear benefits both for the quality of coastal bathing waters and the quantity of blue flags attributed to beaches in Portugal, above the average for European Union member states.

In the management of water, the work is never-ending and, especially in this essential public service sector, there is the enormous responsibility for pre-empting scenarios, evaluating risks, developing solution and acting to appropriately implement them. We therefore maintain a very well-define path to meet the demands inherent to climate changes, especially as regards water scarcity, the control of pollution, the preservation of ecosystems and the efficient usage of resources.

The Portuguese may be certain about continuing to count on the dedication and professionalism of the Águas de Portugal Group teams of staff, even when

facing extremely severe contingencies and restrictions as was so very clear during the worst phases of the pandemic, always demonstrating their real commitment to the public interest in the provision of services essential to life, public health and the environment.

Our 2010 adhesion to the United Nations Global Compact and the Global Compact Network Portugal, as well as the SDG Ambition program, serve to highlight our commitment to contributing towards the United Nations development agenda, with water constituting one of the 17 Sustainable Development Goals (SDGs) of the Agenda 2030 and plays a central and transversal role to all the other SDGs. In 2022, we subscribed to the United Nations "Sustainable Ocean Principles", joining the group of 150 companies around the world that commit to evaluating their impacts on the ocean and integrate ocean sustainability into their general strategy.

In this same context, reference needs making to the AdP Group contribution to the High level Symposium on Water organised by Portugal in 2022 within the framework of the United Nations Oceans Conference, contributing to the reflection on how to improve and strengthen the coordination between freshwater and ocean policies, strengthening partnerships and grasping how the sustainable management of water and wastewater treatment services provided for under SDG 6 may impact on the implementation of SDG 14.

On the internal front, this was a year when we took important steps to strengthening our ESG indicators, advancing firmly down the path towards sustainable development.

We may congratulate ourselves on recognition of our ethical framework by the APEE – the Portuguese Association of Business Ethics, thus strengthening our dedication towards nurturing a governance model based on the highest ethical standards, transparency, responsibility and excellence in public management.

Our organisational ethical framework is based on the Principles of Good Governance and aligned with the OECD recommendations on Public Integrity and the Principles of the United Nations Global Compact,

especially the 10th Principle that fosters the combat of corruption in all its forms and with the goals of SDG 16 - Peace, Justice and Efficient Institutions.

The AdP Group 2022-2025 Sustainability Commitment strives to deepen our ambitions as regards the principles of efficiency, innovation and service quality within the scope of business, environment and social responsibility in accordance with our established strategic direction.

Our sustainability ambitions align with the SDGs and focus on the purpose of our work, action in defence of the climate, the circular economy, valuing and recovering the territories, innovation with impact, cooperation for the sustainable management of water at the international level and educating for sustainability.

In order to attain these ambitions, the Águas de Portugal Group is dedicated to implementing an extremely demanding investment program in terms of both the scale and complexity of the infrastructures located throughout the national territory to respond to the challenges of climate change, both in terms of adaptation and in mitigation, fostering the circular economy in the urban water cycle and the innovation and digitalisation that greatly enables the return of positive results.

The strategic direction that we have taken pays particular attention to the robustness of the governance model and strengthening the alignment of these principles and best management practices, safeguarding the commitment to integrity, valuing people and incentives for their knowledge and innovation. We also seek to foster the dedicated involvement of all our stakeholders both at the internal and as regards the collective mobilisation of society, the different productive sectors and the public actors for the value of water, the sponsor of life!



José Furtado
Chair of the Board of Directors



GOVERNANCE OF BUSINESS SUSTAINABILITY AND LEADERSHIP

Criterion 19:

Commitment of the CEO and the Leadership

Criterion 20:

Adoption of Management and Supervision

in "Information on the Progress in the United Nations Global Pact"

1.2 THE BIG NUMBERS

3 742
EMPLOYEES

43%
OF WOMEN IN SENIOR
MANAGEMENT POSITIONS

585 MILLION M³
WATER
ABSTRACTION

517 MILLION M³
TREATED
WASTEWATER
RETURNED TO THE
ENVIRONMENT

7 MILLION M³
WATER FOR
REUTILISATION

93.37%
PRODUCED WASTE
RECOVERED

742.7
MILLION EUROS
IN TURNOVER

38.5
GWh
OF RENEWABLE ENERGY PRODUCED

5%
ENERGY SELF-SUFFICIENCY

100%
OF COMPANIES CERTIFIED
IN QUALITY MANAGEMENT

100%
OF COMPANIES CERTIFIED
IN ENVIRONMENTAL
MANAGEMENT

88%
OF COMPANIES CERTIFIED
IN WORKPLACE HEALTH
AND SAFETY MANAGEMENT

65%
OF COMPANIES CERTIFIED
IN ENERGY MANAGEMENT

53%
OF COMPANIES CERTIFIED
IN SOCIAL RESPONSIBILITY

47%
OF COMPANIES CERTIFIED
IN MANAGEMENT SYSTEM
FOR THE RECONCILIATION OF
PROFESSIONAL, FAMILY AND
PERSONAL LIFE

1.3 LOOKING BACK AT 2022



IN WATER MANAGEMENT, THE WORK NEVER ENDS AND, ESPECIALLY IN THIS SECTOR OF ESSENTIAL PUBLIC SERVICES, THE ENORMOUS RESPONSIBILITY OF PRE-EMPTING SCENARIOS, ASSESSING RISKS, DEVELOPING SOLUTIONS AND ACTING ACCORDINGLY STANDS OUT. THIS IS OUR TASK.

According to the Portuguese Institute for the Ocean and Atmosphere (IPMA), 2022 “stands out as one of the most severe hydrological droughts of this century due to its combination of unusual temperature ranges and low precipitation”.

2022 displayed its own idiosyncrasies: it resulted from an accumulation of five years of below average rainfall and covered Portuguese regions that usually do not come into the spotlight in such situations, such as north regions. It was also a very particular year, post-COVID but with the invasion of Ukraine, Portugal was faced with shortages of two of especially key resources: water and energy. The flooding that came at the end of the year was also historic in incidence. We would conclude by recalling that, as part of the Mediterranean basin, Portugal is a region strongly conditioned by the effects of climate change. The Águas de Portugal Group prepared for this situation in line with that done during the pandemic occurring in 2020/2021 and early 2022, when we ensured the essential water supply services without a single failure. The Drought Task Force was set up with the participation of every Group water supply companies. We strengthened the work of our teams from the north to the south of the country, ensuring close monitoring of the information on availability at the sources of the systems under Group management and the identification of critical situations as well as the respective contingency and mitigation measures, especially those require coordinated articulation with other entities.

In order to continue to ensure the service of excellence we provide, we continued to work on system resilience in the context of drought and water scarcity, scenarios that are increasingly demanding in terms of quality, quantity and safety.

WE SHALL CONTINUE TO PLAY OUR ROLE IN THE INTEGRATED AND SUSTAINABLE MANAGEMENT OF WATER RESOURCES, MAKING A DIFFERENCE IN PEOPLE'S LIVES.

Furthermore, during 2022, several communication and media campaigns took place in the most critical regions to complement the operational work and encourage reductions in water consumption. The AdP Group, in partnership with APA – the Portuguese Environment Agency and ERSAR – the Regulatory Authority for Water and Waste Services and with funding from the Environment Fund, developed the national campaign “Let’s turn the tap on drought”, addressing the general worsening in the contingency situation.



WE CONTINUED TO INVEST IN THE CONTINUOUS IMPROVEMENT OF OUR PROCESSES

By the end of 2022, 100% of the Group companies have guaranteed their certification in Quality - ISO 9001, 100%, in Environment - ISO 14001, 88% in Safety - ISO 45001/ OSHAS 18001, 53% in Social Responsibility - SA8000, 65% in Energy ISO 50001 and 38% (of the 13 operating companies) in Asset Management -ISO55000 and 47% in Reconciliation Management NP 4552:2016.

WE EXTENDED OUR AREA OF OPERATION

The bulk level sanitation service in Setúbal Municipality is now managed by SIMARSUL, the Águas de Portugal Group company responsible for the management and operation of the multi-municipal wastewater sanitation system in the Setúbal Peninsula, with its actions in the territory making a decisive contribution to the preservation of water resources and ecosystems.

WE MANAGED THE RISKS INHERENT TO GROUP ACTIVITIES IN THE FACE OF CLIMATE CHANGE

In order to manage the effects of the 2022 drought and to reinforce the work of the operational teams, guarantee the monitoring of water availability and to identify critical situations and contingency and mitigation measures, a Task Force was created with the participation of all AdP Group water supply companies. In order to reinforce contingency measures, there were warning and awareness raising campaigns for the reduction of water consumption targeting different user types.



WE INVESTED IN INNOVATION

The Group’s Innovation Agenda was presented, fulfilling the Group’s 360° innovation strategy and, simultaneously, launching the AdP Group’s Innovation Fund, with funding of one million euros and the goal of financing, through a competitive tender process, strategic innovation projects at the AdP Group. In November, the first tender call for funding for Group company innovation projects in the areas of system and infrastructure efficiency and resilience, the circular economy and energy and carbon neutrality was opened.



WE HEADED FURTHER ALONG THE PATH TOWARDS ACHIEVING DECARBONISATION

• In the context of the targets set by the various national policies approved within the plan to combat climate change and decarbonisation, Order no. 77/SEAENE/2022, of 9 November, signed by the Deputy Secretary of State for the Environment and Energy, authorised the investments in the AdP Group Energy Neutrality Program (ZERO Program).



• Following this approval, ZERO Program investments began within the scope of achieving energy neutrality in 2030, involving every Group company and activity through reducing energy consumption and sharply increasing the in-house production of 100% renewable energy. We would here highlight the design/construction contracts for photovoltaic plants at Águas do Norte, Águas do Tejo Atlântico and EPAL, telemetry infrastructures, and the Energy and Emissions Control Centre and hydroelectric production, both at EPAL.

• The decarbonisation process of the AdP Group company operating fleets was approved within the framework of implementing a Green Fleet. To achieve this (part of the ZERO Program), there was approval of the Council of Ministers Resolution no. 136/2022 of 26 March that authorises the Environmental Fund to provide support to AdP Group companies in this area.



• Decree-Law no. 15/2022 of 14 January, which establishes the organisation and operation of the National Electricity System, transposing Directive (EU) 2019/944 and Directive (EU) 2018/2001, provides for the constitution of a Renewable Energy Community (REC) by the AdP Group, national in scope to allow surplus energy to be transferred between infrastructures whether in the producing company, in other Group companies or in partner entities.

• In terms of digitalisation, the AdP Group undertook various initiatives, in particular the digitalisation of operations, in terms of automation and remote-management, through a Working Group that produced a diagnosis of the degree of digitalisation of the various different operations spread throughout the territory coupled with an action plan to achieve a transition aligned with the demands of service quality.

• We would here highlight the earliest stages in the AdP Group circularity strategy, which aims to bring together the various dimensions of the circular economy in which the Group is involved. Of particular note in this context is the ApR – Water for Reutilisation strategy, the action plan for integrating recycled materials into new Group construction projects, strengthening means of recovering biogas and producing eco-reagents.

• We are furthermore taking significant steps towards energy neutrality, continuing to work on actions specifically contributing to achieving the targets set out in the energy neutrality program and the carbon neutrality plan, including:

- Energy efficiency, including actions to reduce water losses and undue inflows,
- 100% renewable energy production,
- Electricity storage pilot project,
- Building a water energy community,
- Wastewater treatment hydrogen production pilot project, and
- AdP Group GHG Inventory - Scope 1, 2 and 3.



WE CONTINUED ALONG THE PATH OF THE SDGS



- In 2022, all Group companies joined the United Nations Global Compact (UNGC), thus participating in that considered the largest global corporate responsibility initiative. Launched by the United Nations in 2000, this seeks to bring together stakeholders based on universally accepted principles: the Universal Declaration of Human Rights, the Declaration of the International Labour Organisation on the Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development. The Águas de Portugal Group companies thus reaffirm their commitment to fully respect the ten principles enshrined by the United Nations in this Global Compact, which involve Human and Labour Rights, Environmental Protection and Anti-Corruption Mechanisms. AdP - Águas de Portugal, SGPS, S.A. has been a signatory of the UNGC since 16/08/2010, and is also a member of the local UNGC network and the Alliance for Sustainable Development Goals.
- Various partnership and cooperation projects are currently underway, particularly with the World Bank under the Utilities of the Future program and with a protocol signed to deepen these institutional partnership activities in the year under review.



- We subscribed to the United Nations “Sustainable Ocean Principles” and stand among the 150 companies worldwide committed to assessing their impacts on the ocean and integrating ocean sustainability into their overall strategy. The AdP Group’s role fundamental stems from our sanitation and water treatment activities. Contributing to substantial improvements in the quality of the water returned to the waterways represents a specific goal for this sector of our activities.
- We participated in the High-Level Symposium on Water that Portugal organised under the auspices of the United Nations Oceans Conference, held in Lisbon in June, thus contributing to reflections on how to improve and strengthen coordination between freshwater and ocean policies, reinforce partnerships and understand how the sustainable management of water and wastewater services envisaged in SDG 6 impacts on the implementation of SDG 14.



- SDG 17 calls for partnerships and the Águas de Portugal Group has responded both in terms of knowledge and innovation management as well as in the field of social responsibility. We correspondingly collaborate with several entities, from the Portuguese Network of the United Nations Global Compact, the Alliance for SDGs, the BCSD, the IGEN Forum, the Portuguese Charter for Diversity, GRACE, APDDI, among others, all aligned towards the path for sustainable development.

- In 2022, we joined the Observatory of Sustainable Development Goals at Portuguese companies, a CATÓLICA-LISBON initiative in partnership with BPI Fundação la Caixa.



WE INVESTED IN THE MOTIVATION AND WELL-BEING OF OUR WORKERS

- In order to improve the Collective Labour Agreements, a new cycle of negotiations was initiated with the trade unions. In 2022, there was a general salary increase of 1.2% across the AdP Group (authorised by Order no. 110/2022-SET of 28/01/2022) and alongside updating the length of career service calculation.
- The corporate scholarship program, contributing to the development and learning of the descendants of our Group's employees represents an internal Social Responsibility program with great impact. In 2022, 76 scholarships were awarded for the 2022/2023 school year, 35 for children and young people with special education needs and 41 for young persons attending higher education. Therefore, this year saw a record number of scholarships awarded, which fills us with great pride! The scholarship program for the children of Águas de Portugal Group employees was launched in the 2013/2014 academic year, having now already awarded a total of 409 scholarships.



- In the field of health and well-being, and in keeping with our Reconciliation policy, we continued with the Gymnastics program, with three sessions per week for staff on a post-labour timetable, and in addition to making psychological support appointments available to all members of staff and their families.
- We subscribed to the Workplace Mental Health Pact in an initiative set up by the CATÓLICA-LISBON Center for Responsible Business & Leadership, which challenges organizations to accept their responsibility towards adopting measures to mitigate the problems posed by the fragility of mental health in working environments.



- One of our guiding principles is equality and respect for diversity. We actively promote the combating of discrimination and regard ethics as paramount to our performance. In 2022, we continued to play a role in several projects promoting gender equality and inclusion and alleviating poverty and social exclusion.
- The AdP Group has implemented a sustained gender equality policy. In addition to this specific policy, the existence of a set of non-discriminatory Human Resources policies, the Group's own Code of Ethics and Conduct and certifications in the SA8000 Social Responsibility standards and the Reconciliation between Work and Family Life standard all serve to consolidate this issue. The AdP Group also features among the eight Portuguese "Flagship Companies" leading the way towards achieving 40% representation of women in decision-making positions by 2030, having signed the National Goal for Gender Equality in 2021, an act that reiterates the goal of promoting equal treatment and opportunities and the balanced participation of men and women in professional activities. In 2022, we fulfilled our Equality Plan and renewed our commitment to iGen – the Forum for Organisational Equality.



WE GENERATE IMPACT

- This year AdP welcomed Flávia, a trainee in the CHANGE project run by the GIRL MOVE Academy. GIRL MOVE is a foundation with the mission to create a movement of life, support and empowerment for women in Mozambique, through their education and establishing human networks of mutual help and cooperation between peers, intergenerationally and internationally. Its main objective is thus to empower young women, through education and cooperation, in order to combat early school dropout, marriage and pregnancy as well as combating gender violence. In addition, within the framework of our partnership, we participated in the CHANGEMAKER LAB program. We adapted our AQUAQUIZ game to the local reality to enable its playing in schools, thereby contributing to increasing student knowledge about water and promoting best practices for protecting resources and public health.



- As part of its Social Responsibility strategy, the Águas de Portugal Group provides support for national social inclusion actions and, in 2022 we continued to serve as partners of Paralympic sport, sponsoring the Portuguese Paralympic Committee (CPP) on its way to the Paris 2024 Paralympic Games and fully aware of the impact and pride that this partnership elicits in all AdP Group members of staff.



WE CONTINUE TO EDUCATE FOR SUSTAINABILITY

Environmental education is a transversal strategic initiative of the Águas de Portugal Group with the objective of actively contributing towards implementing activities strongly oriented towards more aware environmental education in order to beginning of able to nurture the adoption of more sustainable behaviours as regards the value of water as a scarce resource and essential to life and every facet of human activities. AdP Group companies maintain close relationships and partnerships with their respective local communities. Fostering greater awareness in the population over the sustainable usage of water and sanitation services represents a constant across Group companies, in particular through campaigns and activities. In 2022, we designed and ran developed the campaign “Let’s turn the tap on drought” in partnership with municipalities throughout the country. The core goal was to raise awareness about the spartan usage of water, especially throughout a period of drought.





LEADING AWARDS AND DISTINCTIONS IN 2022

- The Ethical Standards of the Águas de Portugal Group were recognised by the APEE – the Portuguese Association for Business Ethics in the 2nd edition of its Code of Ethical Compliance, with an award in the “Ethics and Compliance Leadership” category



- The AdP Group was honoured with the “Fleet of the Year 2022” award by Fleet Magazine.
- Águas de Santo André was distinguished by ERSAR with the Exemplary Water for Human Consumption Quality Seal.



- ERSAR also awarded EPAL the Efficient Use of Water Quality Seal and the Public (Consumer) Water Supply Service Quality Seal.



- EPAL also picked up the Digital Transformation 2022 Award in the Organisational Effectiveness/ Efficiency category for the WONEApp project.



- Águas do Douro e Paiva was awarded the PME Sustainability Seal by Porto Business School under its Sustainable Action project that seeks to recognize the merit of national companies standing out for their adoption of sustainable management practices and corresponding implementation of sustainability tools and methodologies.



- Águas do Norte was, for the second time, a finalist in the Portugal Digital Awards 2022, on this occasion for the “Barragens na Palma da Mão” project.



- At the 8th Edition of the Recognition of Social Responsibility and Sustainability Practices, promoted by APEE – the Portuguese Association for Business Ethics, EPAL was with the Social Responsibility and Sustainability Strategy Award and with 4 honourable mentions for the “Get Connected” (in the Community category), the “Impact of Social Networks “ (Communication category), for the work carried out with non-governmental environmental organizations (Quality Education category) and the “Circular Chefs” project (in the Sustainable Consumption and Production category). Águas do Tejo Atlântico received two Honourable Mentions to the projects “Indigenous Fish - Monitoring and raising awareness to protect rivers in the Western region and the native ichthyofauna living in them” (SDG 15 - Protect Terrestrial Life) and “Discovering and Valuing Water – one way of commemorating World Environmental Education Day” - (SDG 4 - Quality Education - Environmental Education).



- EPAL was the winner of the APCE Award in the Communications Excellence category for the project “Here I drink tap water: Lisbon Restaurants”. This initiative, run by the APCE – the Portuguese Association of Corporate Communication, annually distinguishes projects in the areas of institutional and environmental communication, sustainability, events, publications, among others.



- Águas do Tejo Atlântico was shortlisted for the “Water Europe Innovations Awards” for the Hidrogasmov project, which aims to produce 100% renewable biomethane through the purification of biogas generated by sludge produced in the Frielas Water Factory, contributing to decarbonising the natural gas network and the transport sector. Hidrogasmov is a project taking place under the auspices of the collaboration protocol signed between Águas do Tejo Atlântico and DouroGás Renovável. Águas do Norte was selected for the Water Europe Innovation Awards 2022 for the CAN - Alerts and Notifications Centre project.



- AdP Internacional received an honourable mention in the PALOPs Special Award Category - VISÃO Green Awards for best water management practices in Portuguese-speaking African Countries for the Service Contract for the Management, Operation and Maintenance of Water Supply Systems to the Province of Huíla (Angola).



1.4 THE GROUP PROFILE

A photograph of a woman with long brown hair, smiling warmly at the camera. She is holding a clear glass filled with water in front of her. The background is softly blurred, showing what appears to be a window with greenery outside.

OUR PURPOSE

Make the difference in the lives of people.

OUR VISION

To be one of the most efficient and sustainable international operators in water management through focusing on excellence in client service, innovation, resilience, energy and carbon neutrality and the circular economy.

OUR MISSION

To design, build, operate and manage water supply and wastewater treatment systems within a framework of economic, financial, technical, social and environmental sustainability with a high level of competence capable of responding effectively and efficiently to the great challenges currently facing Portugal and the world in the environment sector.

OUR VALUES

- Sustainability in the usage of natural resources and the preservation of water as a strategic resource essential to life
- Preservation of water as a strategic resource essential to life
- Balance and improvement of environmental quality,
- Equal access to basic services,
- Promoting wellbeing by improving the quality of life of citizens.

**ACCESS TO DRINKING WATER AND
BASIC SANITATION IS A HUMAN RIGHT
ESSENTIAL TO LIFE**

THE STATE AND THE MUNICIPALITIES ENTRUSTED AdP GROUP WITH A CENTRAL ROLE IN MEETING NATIONAL CHALLENGES IN ENVIRONMENTAL TERMS, WITH OUR PERFORMANCE HAVING GREATLY CONTRIBUTED BOTH DIRECTLY AND INDIRECTLY, TO NATIONAL DEVELOPMENT.

With its operations spanning three decades, the Águas de Portugal Group is an exclusively state-owned company that serves as the state instrument for advancing with its public policies across the domains of water supply and wastewater sanitation. Its activities constitute services in the general economic interest, crucial to the well-being of the population, the development of economic activities and to protecting the environment.

Through its regional subsidiaries, the Group has been fundamental to obtaining national objectives through implementing the measures defined and stipulated by the strategic plans defined for the sector.

Over the last 30 years, the AdP Group has invested a total of around EUR 8 billion which, together with its planning and execution capacity, its experience in operational and financial management, the development of innovative solutions and the strong commitment and dedication of its staff, has enabled improvements to these essential public services, with positive and tangible impacts on environmental quality, public health, service levels and overall sector sustainability.

By integrating sustainability into the foundations of its management strategy, the Group has become a means of creating value for all our stakeholders. The management of our core company businesses is based on the pillars of universality, continuity, service quality, efficiency and price equity.

The Group's response to these challenges clearly emerges through the expansion in the coverage rates of all its different systems, as well as in the quality of service indicators.

The AdP Group's objectives are determined by government policies for the sector, through guidelines handed down in the strategic plans applicable to its operating areas, general instructions issued by ministerial order and in addition to any specific shareholder guidelines.

OVER THE LAST THREE DECADES, THE GROUP HAS CONTRIBUTED TO PROFOUNDLY TRANSFORMING THIS SECTOR IN PORTUGAL.

AdP - Águas de Portugal, SGPS, S.A. is the holding company for the Group. On December 31 2022, the Group consisted of 19 companies, of which 13 are water supply and wastewater treatment system management companies, four are instrumental companies and with two international companies located outside Portugal.

The Group currently provides services to over 8 million Portuguese people, around 80% of the population, serving more than 200 municipalities and with 3,742 employees.

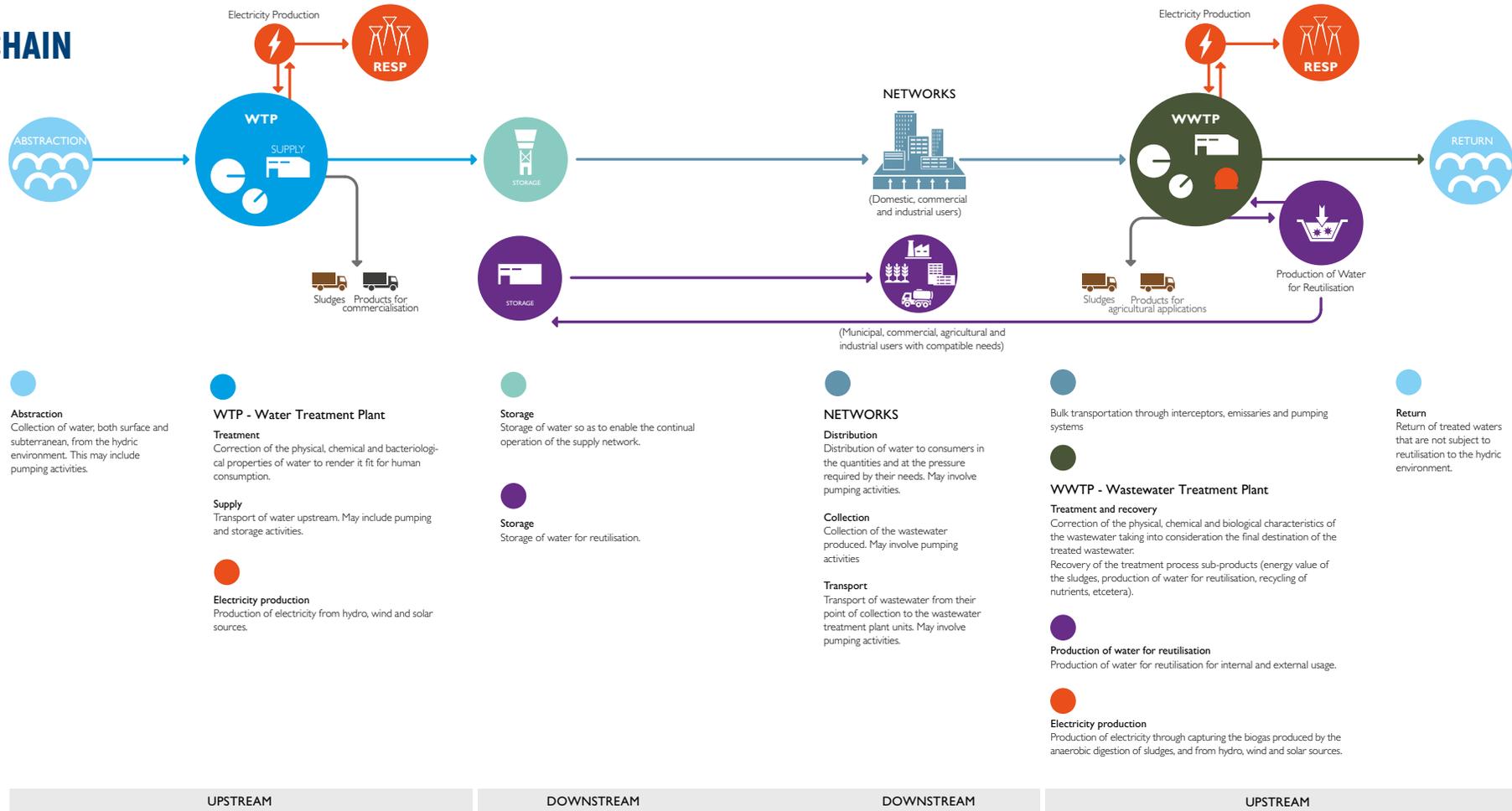
The core activity of the AdP - Águas de Portugal Group is the integrated management of the urban water cycle throughout all of its phases, ranging from catchment, treatment and distribution of water for public consumption, collection, transport, treatment and the rejection of urban and industrial wastewaters, including the production of water for reutilisation. These constitute public services essential to the wellbeing of the population, public health, social and economic development and the protection of the surrounding environment.

The AdP Group also operates in the renewable energy sector, with the objective of maximising the returns from the energy potential of its assets and endogenous resources, and in international markets through the provision of services in association with local partnerships or Portuguese companies in the sector.



THE AdP GROUP'S BUSINESS FOCUS IS THE ENVIRONMENT AND COMMUNITY SERVICES. AT THE BULK LEVEL, THE GROUP EXTRACTS NATURAL RESOURCES AND DISTRIBUTES THEM TO THE COMMUNITY. AT THE RETAIL LEVEL, THE COMMUNITY GENERATES WASTEWATERS THAT THE GROUP THEN TREATS, ENHANCES AND RETURNS IN AN ENVIRONMENTALLY APPROPRIATE MANNER TO THE RECIPIENT ENVIRONMENT.

VALUE CHAIN



THE ÁGUAS DE PORTUGAL GROUP

- Ensures the basic services required for the economic and environmental development, the functioning of different sectors of activity and the eco-innovation of society.
- Provides a fundamental contribution to more resilient, safe and equitable societies in their access and usage of hydric resources, to environmental protection and sustainable development.
- Constitutes a professional benchmark of reference for engineering, innovation and the creation of knowledge as demonstrated by the decentralised system of competences based on the regionalised structure of the Group's 3,742 professionals.
- Maintains proximate and constructive relationships with shareholders and clients within the framework of safeguarding high levels of satisfaction of the needs and expectations of final users.



IMPLEMENTATION OF THE 10 STRATEGIC AND OPERATING PRINCIPLES

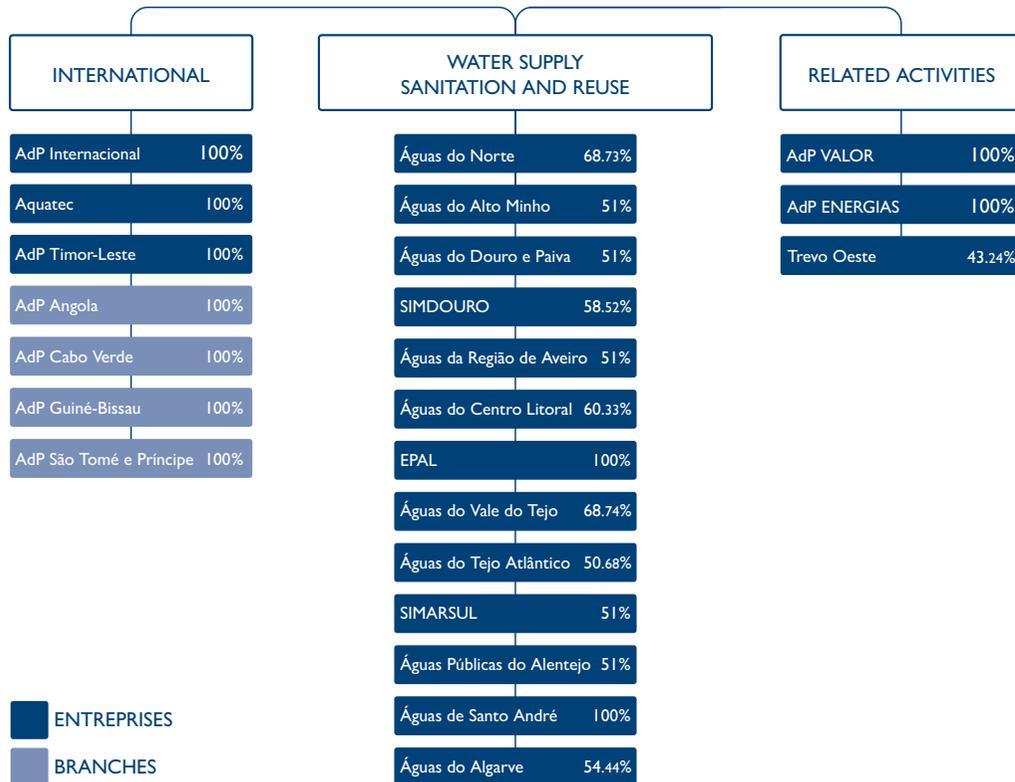
Criterion 2: Description of the implementation of the chain of value.

in "Progress Information on the United Nations Global Pact"

THE FOCUS OF THE AdP GROUP BUSINESS IS THE ENVIRONMENT AND SERVING THE COMMUNITIES.

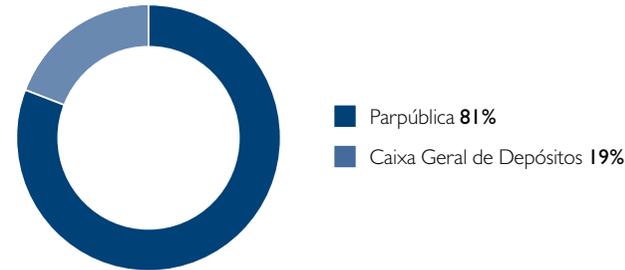
In an increasingly demanding society, the reliability levels of the services provided are obtained daily, whether from the point of view of continuity or of quality, through ownership and management of a portfolio of holdings of companies predominantly concessionaires of multi-municipal systems.

These companies, emerging out of partnerships between the state and the municipalities, may take on either the model of concessionary companies for state owned systems – multi-municipal systems or the municipal system management company model under a public partnership regime, with the equity capital majority held by AdP SGPS on behalf of the state.



ENTREPRISES
BRANCHES

The ownership structure is held by Parpública - Participações Públicas, SGPS, S.A. (81%) and by Caixa Geral de Depósitos (19%).



The Municipalities are shareholders in the concessionary companies while also simultaneously in the position of clients. We work in close collaboration with these municipalities in constructing solutions aggregating retail operations and applying its know-how to implementing the most efficient outcomes and with fairer prices for providing populations with water supply and sanitation services.

The regulation of activities carried out by the AdP Group falls under the auspices of ERSAR – the Regulating Entity for Water and Waste Services. ERSAR oversees and inspects the design, construction, management and operation of the systems as well as the respective management entities and ensures the regulation of the respective sectors and the balance between the economic sustainability of the systems and the quality of the services provided in order to safeguard the interests and rights of citizens in the provision of essential goSDG and services. ERSAR monitors and evaluates the quality of the services provided through a set of indicators, carrying out benchmarking among the various water and waste sector management entities and annually publishing the results. Ever since 2004, the year when ERSAR launched its service quality evaluation, there has been the Annual Report on the Water and Waste Sectors in Portugal, in which Grupo companies have received positive evaluation of their service quality.

The APA – Portuguese Agency for the Environment accompanies the environmental regulations to which the water service management companies in the AdP Group are subject to.

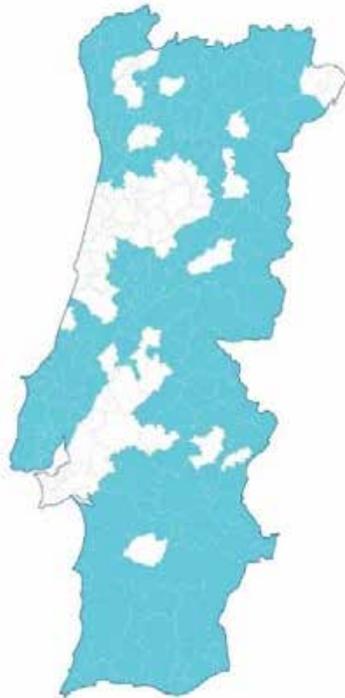


1.5 WHERE WE ARE

WE DIRECTLY IMPACT ON TERRITORIAL DEVELOPMENT AND THE GENERAL QUALITY OF LIFE.

The AdP Group, through its 13 operating companies, spans a major proportion of mainland Portugal, from the north to the south, delivering services to around 80% of the Portuguese population.

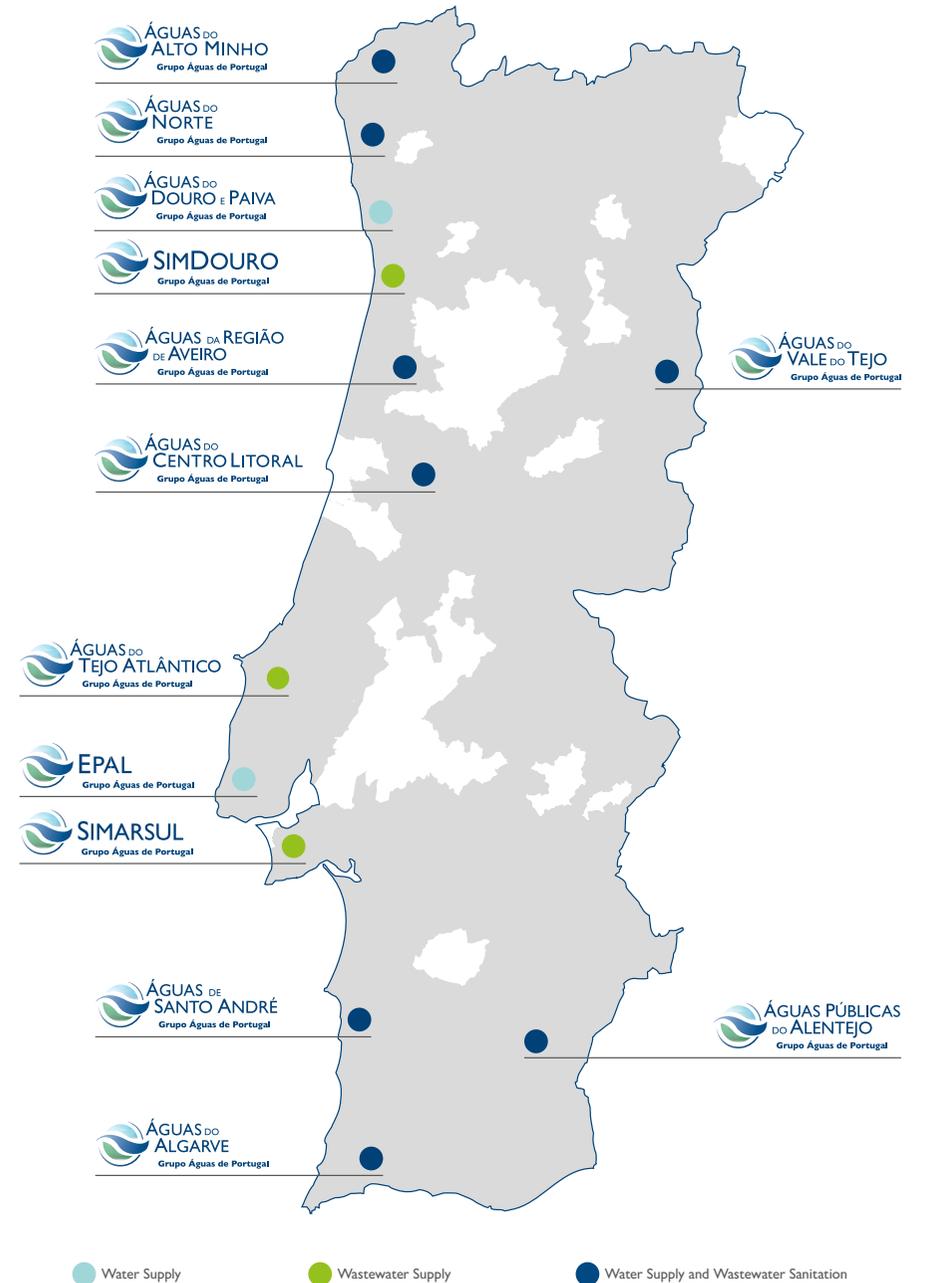
BULK WATER SUPPLY



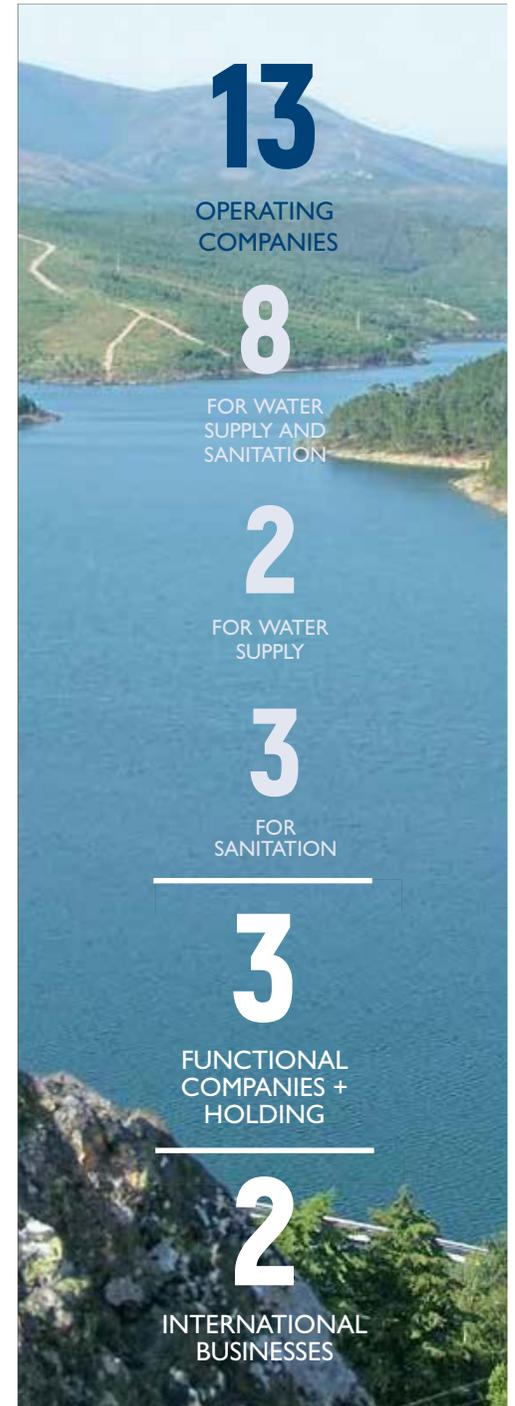
BULK WASTEWATER SANITATION



RETAIL WATER SUPPLY AND SANITATION SERVICES



AdP WORLDWIDE





1.6 GOVERNANCE

The Group draws upon a robust model of government based on ethics and transparency, fully respecting the Principles of Good Governance for State Sector Companies and a business strategy that seeks to meet national needs guarantee the sustainability of operations, efficiency and the quality of the service and the generation of value for Shareholders and other Stakeholders.

The AdP Group governance incorporates:

- The implementation of a professionalised management philosophy, based on appropriate skills and on increasing production capacity, in accordance with the most demanding quality parameters, in order to fulfil its mission;
- The adoption of best management practices, according to the Principles of Good Governance for Companies in the State Business Sector;
- The development of an organisational culture aimed at excellence of performance, through deploying a set of benchmark reference business practices, fundamentally based on a management philosophy that takes fully into account the economic, environmental, social and ethical dimensions.

It is worth highlighting that in 2022, training in Corporate Governance was provided to every Águas de Portugal Group manager, undertaken in partnership with the Portuguese Institute of Corporate Governance, which fostered a greater alignment among all companies as regards promoting and disseminating good corporate governance practices as an essential tool for economic efficiency, sustainable growth and financial stability, with the manager participation rate attaining approximately 90%.

1.6.1 GOVERNING BODIES

Following deliberation by the General Assembly (AG) on 4 May 2020, and for the 2020-2022 triennium, the Board of Directors of the AdP Group (AdP SGPS) contains six directors (five executives and one non-executive), with a chair, a vice-chair and the remaining members who undertake three year mandate susceptible for re-election. The current management was delegated to the Executive Commission made up only of executive directors – one chair, one vice-chair and four directors.

UNTIL 23 AUGUST 2022

BOARD OF DIRECTORS

Chair José Carlos Athaíde dos Remédios Furtado

Vice-Chair José Manuel Leitão Sardinha

Director Catarina Isabel Clímaco Monteiro d'Oliveira

Director Carla da Conceição Afonso Correia

Director João Pedro Moura Castro Neves

Non-executive Director Jaime Serrão Andrez (representing Parpública)

EXECUTIVE COMMISSION

Chair José Carlos Athaíde dos Remédios Furtado

Vice-Chair José Manuel Leitão Sardinha

Director Catarina Isabel Clímaco Monteiro d'Oliveira

Director Carla da Conceição Afonso Correia

Director João Pedro Moura Castro Neves

AS FROM 23 AUGUST 2022

BOARD OF DIRECTORS

Chair José Carlos Athaíde dos Remédios Furtado

Vice-Chair José Manuel Leitão Sardinha

Director Catarina Isabel Clímaco Monteiro d'Oliveira

Director Carla da Conceição Afonso Correia

Director Pedro Manuel Amaro Martins Vaz

Non-executive Director Jaime Serrão Andrez (em representação da Parpública)

EXECUTIVE COMMISSION

Chair José Carlos Athaíde dos Remédios Furtado

Vice-Chair José Manuel Leitão Sardinha

Director Catarina Isabel Clímaco Monteiro d'Oliveira

Director Carla da Conceição Afonso Correia

Director Pedro Manuel Amaro Martins Vaz

OTHER GOVERNING AND SUPERVISORY BODIES AND THE EXTERNAL AUDITOR

BOARD OF THE GENERAL ASSEMBLY

Chair Isabel Sofia Sousa Santos Albuquerque

Vice-Chair Maria Helena Dias Duarte

Secretary José Espírito Santo Menezes e Teles

SUPERVISORY BOARD

Chair Carla Maria Lamego Ribeiro

Director Mário José Alveirinho Carrega

Director Rui Manuel Mendes Cabeças

OFFICIAL CHARTERED ACCOUNTANT

Grant Thornton & Associados, SROC, Lda,
represented by Pedro Miguel Raposo Lisboa Nunes, ROC

COMPANY SECRETARY

Permanent Cristina Rebelo Pereira

Alternate Ricardo Cortes Ribeiro

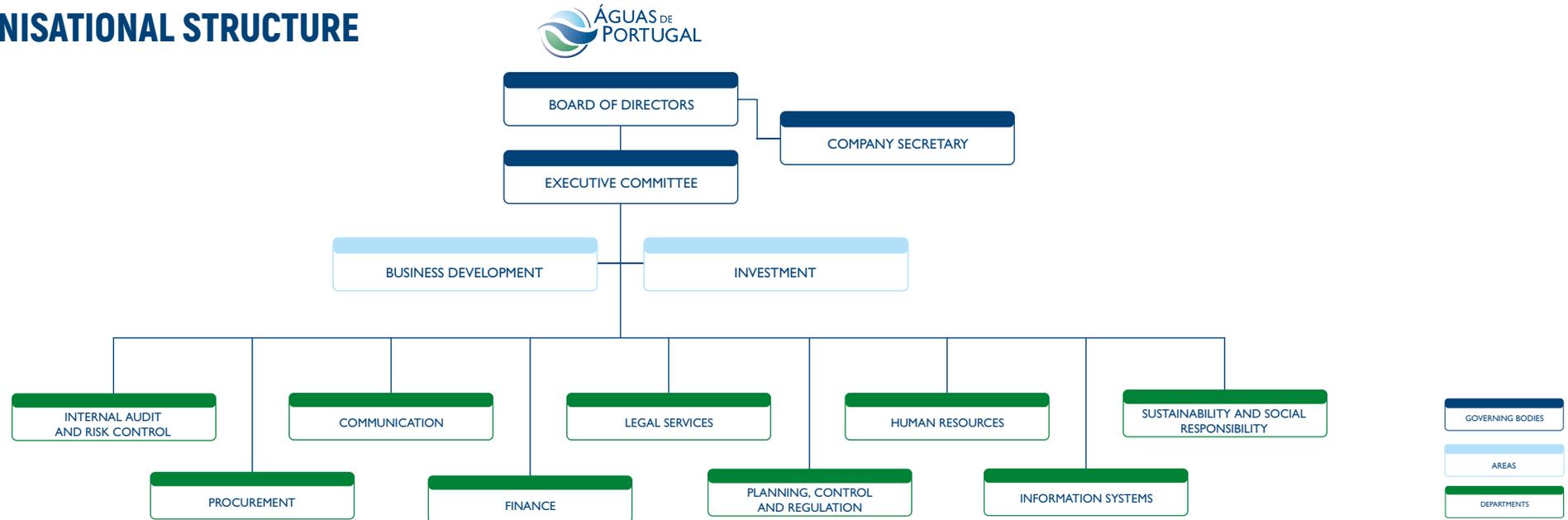
EXTERNAL AUDITOR

Pricewaterhousecoopers, SROC, Lda.

In 2022, the AdP SGPS Board of Directors met on 9 (nine) occasions and the Executive Commission 56 (fifty-six) times.

The management of the AdP Group companies is ensured by a Board of Directors (BD), with its Chairs and members elected by the General Assembly (GA). It is also the responsibility of the GA to elect a Supervisory Board and an Official Chartered Accountant to guarantee oversight of the company. The composition of the BD provides for the distinction between executive directors and non-executive directors.

1.6.2 ORGANISATIONAL STRUCTURE



FUNCTIONAL BODIES

The organisational structure of the Águas de Portugal Group spans two levels of organise and decision-making with distinctive competences: i) Group (strategic), ii) Group Companies (operational).

The Group Companies, endowed with their own means and holding responsibility for the results returned, run decentralised management structures even while functioning within a system of planning and control handed down by the holding company. The latter correspondingly defines, in a participative and interactive approach, the strategic orientations, the business and investment plans, the annual objectives and budgets and periodically undertaking their revision and control.

The organisational structure also incorporates a set of functional bodies that support Group management, responsible for the definition and implementation of policies, managing corporate resources and evaluating and controlling the group companies.

FINANCIAL

Responsible for defining and coordinating the Group financial policy. Guaranteeing the accountancy and fiscal management of the Group, especially harmonising criteria, procedures and practices in accordance with the national norms.

PLANNING, CONTROL AND REGULATION

Responsible for ensuring the provision of the correct management information to the decision-makers for their appropriate interpretation alongside the implementation of corrective measures and coordinating the regulatory strategy, including tariff related issues and maintaining the relationship with the Regulatory Entity, identifying the key issues for minimising regulatory risks and their respective impacts on the scope of AdP Group assets.

HUMAN RESOURCES

Responsible for defining the Group human resource policies and strategies as well as managing these resources.

INTERNAL AUDIT AND RISK CONTROL

Responsible for the identification of the risks inherent to the Group's businesses, carrying out internal audits of companies in which the Group holds a majority stake, defining the key factors for control necessary to minimising or eliminating their impact and undertaking compliance tests to evaluate the results.

COMMUNICATIONS

Responsible for defining the communications strategy and policy for the Group and providing direct consultancy to the Board of Directors on these issues.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Responsible for planning, coordinating and implementing the sustainability policy and the AdP Group social responsibility program, thereby ensuring the organised implementation of the vision, strategy and commitment to the principles of sustainable development set by the Group.

BUSINESS DEVELOPMENT

Responsible for identifying, studying and developing new businesses, contributing to detecting and analysing the new market opportunities and the development of new management models and/or improving on existing solutions.

INVESTMENT

Responsible for supervising the annual planning process for investments by companies and their respective implementation over the course of the year; coordinating the technical components of funding applications submitted to the European Investment Bank and the corresponding reporting to the bank and closure of projects, thus centralising diverse procedures, across the internal and external levels, relative to AdP Group investments.

LEGAL SERVICES

Responsible for ensuring the provision of legal consultancy services to the Group in accordance with the defined strategy, thereby defending the interests of AdP and compliance with the law.

PROCUREMENT

Responsible for undertaking the negotiations for contracting supplies for the Group, seeking to maximise the cost/benefit ratio with the best quality existing in the market in order to thus contribute towards Group results.

INFORMATION TECHNOLOGY SYSTEMS

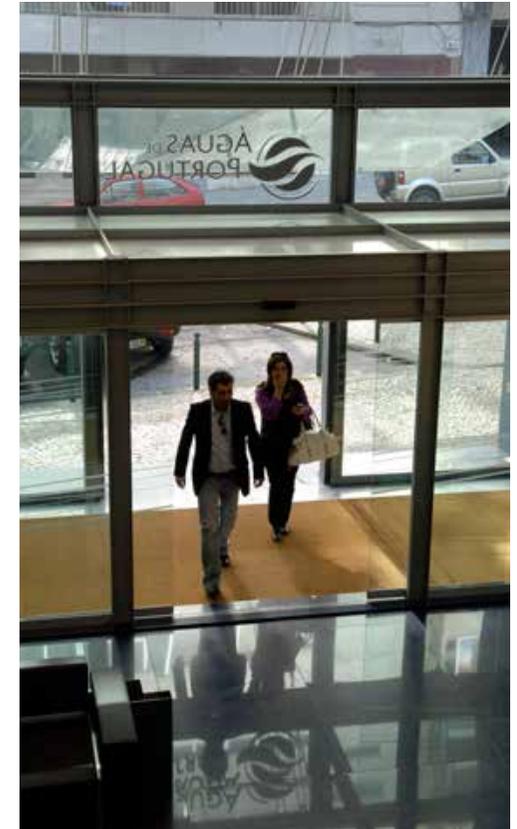
Responsible for supporting the definition and ensuring the implementation of strategies related to information and communication technology systems, seeking to provide the greatest level of operating and functioning capacity to the Group/Companies and thereby contributing to their results.

DATA PROTECTION OFFICER

The DPO assists those responsible for handling or outsourcing all of the questions related to personal data protection. Specifically, the DPO is to: **(i)** inform and advise those responsible for this handling or outsourcing, as well as the respective members of staff, on meeting their respective obligation in terms of the data protection law; **(ii)** control compliance by the organisation with all the legislation interrelating with data protection, especially the audits, awareness raising activities and training of staff involved in information processing operations; **(iii)** provide advice whenever carrying out an Impact Evaluation on Data Protection and supervise its implementation; **(iv)** act as a point of contact for requests from persons regarding the handling of their personal data and exercising their rights; **(v)** cooperate with the Data Protection Authorities and act as a point of contact for data related questions.

COMPANY SECRETARY (ART. 446 B CSC)

As responsabilidades do Secretário da Sociedade são, entre outras matérias que lhe sejam especialmente atribuídas pelo órgão de administração da Sociedade, as resultantes do disposto no art.º 446-B do Código das Sociedades Comerciais e sgts., competindo-lhe, nomeadamente, o apoio às reuniões dos órgãos sociais e o seguimento/acompanhamento das respetivas deliberações junto da estrutura interna da sociedade, das empresas participadas e respetivos gestores.



IMPLEMENTATION OF THE 10 STRATEGIC AND OPERATING PRINCIPLES

Criterion I: Description of the current principles of corporate and business unit functions.

in "Progress Information on the United Nations Global Pact"

GROUP COMPANIES

EMPRESA PORTUGUESA DAS ÁGUAS LIVRES (EPAL)

A centenary company that has been 100% owned by AdP - Águas de Portugal, SGPS, S.A. since 1993. Its mission is to provide water services and the sustainable management of the urban water cycle throughout the sequence of its activities and businesses. The company is responsible for the bulk supply of water, directly or indirectly, to 35 municipalities on the north bank of the River Tagus and the household delivery across Lisbon Municipal Council, where there are around 360,000 direct clients, globally accounting for a population of around 2.8 million citizens, about one-quarter of the Portuguese population. The operation and management concession of the Vale do Tejo water supply and sanitation multi-municipal systems was awarded to Águas do Vale do Tejo and with EPAL – Empresa Portuguesa das Águas Livres, S.A., its delegated manager.

ÁGUAS DO NORTE (AdNORTE)

Bulk activity - AdNorte is the management entity for the Bulk Multi-municipal System of the Norte Region, correspondingly responsible for the bulk water supply and wastewater treatment activities. Following Decree-Law no. 16/2017, of 1 February, there was a demerger process that resulted in the establishing of the new Multi-municipal Water Supply System for South Greater Oporto and the new Sanitation System for South Greater Oporto, which led to alterations in terms of the territorial scope of the system.

Retail activity - AdNorte is the management entity operating, under a public partnership regime, the water distribution system for the Noroeste region.

ÁGUAS DO ALGARVE (AdA)

AdA is the management company of the bulk multi-municipal system for the Western and Eastern regions of the Algarve, responsible for bulk water supply and wastewater treatment activities.

ÁGUAS DA REGIÃO DE AVEIRO (AdRA)

AdRA is the management company, under a public partnership regime, of the retail water and sanitation services in the Aveiro metropolitan region.

ÁGUAS DE SANTO ANDRÉ (AdSA)

AdSA manages and operates the Santo André system, supplying water of appropriate quality and quantity to the local population and collecting and treating wastewater in the same area. This company is simultaneously responsible for meeting the drinking water, industrial water and wastewater and industrial waste needs of the industries located in the Sines Industrial and Logistics Area (ZILS).

ÁGUAS DO DOURO E PAIVA (AdDP)

AdDP is the managing company for the multi-municipal water supply system of South Greater Oporto and results from the demerger of the multi-municipal water supply and sanitation system of the Norte region of Portugal that took place following the publication of Decree-Law no. 16/2017 of 1 February.

SIMDOURO

SIMDOURO is the management company for the multi-municipal sanitation system of Greater Oporto and results from the demerger of the multi-municipal water supply and sanitation system of the Norte region of Portugal following the publication of Decree-Law no. 16/2017, of 1 February.

ÁGUAS DO CENTRO LITORAL (AdCL)

AdCL is the management company for the bulk multi-municipal system for the Centro region, responsible for bulk water supply and wastewater treatment and results from the merger of Águas do Mondego, SIMLIS and SIMRIA in June 2015.

ÁGUAS DO VALE DO TEJO (AdVT)

AdVT is the management entity responsible for the bulk multi-municipal water supply and sanitation system for the Tagus Valley and results from the demerger of the multi-municipal water supply and sanitation system for Lisbon and the Tagus Valley, which correspondingly resulted in the establishment of two multi-municipal wastewater sanitation systems: the Greater Lisbon and West system and the Setúbal Peninsula system. Following the publication of Decree-Law no. 34/2017, of 24 March, which brought about the aforementioned demerger, the company was renamed and with its territorial scope subject to substantial change.



ÁGUAS DO TEJO ATLÂNTICO (AdTA)

AdTA is the management company of the multi-municipal wastewater sanitation system for the Greater Lisbon and West region resulting from the demerger of the multi-municipal water supply and sanitation system for the Lisbon and Tagus Valley region following the publication of Decree-Law no. 34/2017, of 24 March.

SIMARSUL

SIMARSUL is the management company of the multi-municipal wastewater sanitation system for the Setúbal peninsula resulting from the demerger of the multi-municipal water supply and sanitation system for Lisbon and the Tagus Valley system following the publication of Decree-Law no. 34/2017, of 24 March.

ÁGUAS PÚBLICAS DO ALENTEJO (AgdA)

AgdA is the management company, under a public partnership regime, of the bulk water and sanitation services for the Baixo Alentejo region.

ÁGUAS DO ALTO MINHO (AdAM)

AdAM is the management company of the water system for the Alto Minho region, providing both water supply and wastewater treatment services. The AdAM partnership and system management contracts were signed on 2019 and remain in effect for a 30-year period.

AdP ENERGIAS

Set the objective of undertaking activities within the scope of environmental management, specifically the production, usage and delivery to external consumers diverse forms of renewable energy, establishing systems for collecting, transport, treating and valuing sludges and their application or final destination for the development of processes and installations for improving energy efficiency and consultancy and the provision of services in the same areas, as well as accessory and complementary fields and other sectors of the environment industries.

AdP VALOR

Attributed the mission to drive strategic innovation throughout the AdP Group, dynamically managing the network of critical competences available, launching and managing new sustainable businesses aligned with Group priorities and structured around the principles of the circular economy, managing strategic technical processes that aggregate the potential for value creation and successfully meeting the challenges of the Group as well as providing specialist engineering and operational services within a context of sustainability and valuing the urban water cycle.

AdP INTERNACIONAL (AdPI)

AdPI brings together the companies with the activities ongoing outside of Portugal and holds the mission of leading and managing the AdP Group businesses outside of its domestic market. This highlights the role of economic sustainability as a fundamental driver of the activities developed but while also playing a leading role in the field of cooperation in keeping with how some of the activities under development, or in providing continuity to others, contain an underlining perspective of cooperation and social responsibility to the detriment of any exclusively commercial logic.

With its activities oriented towards a logic of economic and environmental sustainability of the projects and missions engaged in, AdP Internacional deploys the following main lines of guidance:

- Consolidation of existing projects, favouring the expansion into new regions, in markets where there is either already a significant presence or relevant experience;
- Sustaining growth in the sector, obtaining new businesses within a logic of minimising investment risks and within from a fee-based perspective;
- Strengthening the organisational structure, focusing on managing the creation of value for shareholders and consequently the development of new economically sustainable businesses;
- Support for the internationalisation of other Portuguese companies in the environmental sector.



SPECIALIST COMMITTEES

The holding group Board of Directors nominates multidisciplinary teams to manage and supervise the transversal Group projects.

Strengthened in 2021, under the auspices of the adjustments that have been introduced in terms of the governance model, the corporate structure and valuing the multipolar network of Group competences that function as junctions for the convergence of knowledge, experiences and awareness, especially for personal enrichment, improving decision-making processes and greater Group consistency. Designed to endow greater efficiency in implementing the transversal norms, ensuring fluidity in the communications processes, studying the proposals for process/function integration and sharing the best practices of the companies making up the Águas de Portugal Group.

The Specialist Committees are composed of directors and the managers of functional areas in each of the companies on nomination by their respective Boards of Directors. The coordination of each Committees is undertaken by one of its members nominated by the respective Committees and with rotation encouraged on a 3 (three) month basis. Currently, the following committees are sitting:

- Procurement
- Communication
- Engineering
- Financial
- Asset Management
- Retail Commercial Management
- Accredited Laboratories
- Maintenance
- Operation Supply
- Sanitation Operations
- Planning, Control and Regulation
- Human Resources
- Legal Services
- Information Systems and Cybersecurity
- Sustainability and Responsibility
- Media and Communications

1.6.3 INSTRUMENTS OF GOOD GOVERNANCE

In advancing with our public service mission, we manage a strategic resource essential to life and human development. A mission of the greatest responsibility, internalised by all representatives of the management bodies and by all staff who, in their daily activities, comply with the functions effectively and responsibly.

The priority attributed to the close management of companies underpins the principles of transparency and credibility based on ethical values and integrity. The daily concerns, striving for efficiency or economic growth cannot be detached from ethical and responsible behaviours.

We have adopted information and internal control systems appropriate to our size and complexity and covering all relevant known risks

The Águas de Portugal Group, as an aggregator of public companies that provide public services to over 8 million people, has always been convinced that its daily concerns over with efficiency and economic growth cannot be dissociated from ethical and responsible conduct. To this end, the Group believes that the achievement of its long-term interests, in line with Agenda 2030, is necessarily based on strict compliance with the highest standards of ethical conduct. Every party interrelating with AdP Group companies, whether in their commercial, institutional or social activities, hold a legitimate interest in the transparency, dialogue and ethical attitudes of the Group's companies and their staff.

OUR MISSION IS BASED ON A LONG TERM VISION, A ROBUST ORGANISATIONAL MODEL AND A STRONG ETHICAL CULTURE.

AdP GROUP ETHICAL VALUES AND ACTION PRINCIPLES

The values and principles guiding the actions of the AdP Group establish a core ethical framework that shapes the behaviour of employees in their daily activities.

As central values, the AdP Group strives for:

- Excellence
- Integrity
- Responsibility
- Rigor

And is governed by the following principles:

- Compliance with all legislative and regulatory requirements in addition to other subscribed declarations
- Respect and protection of human rights
- Combat of corruption
- Contributing towards sustainable development

INTEGRITY COMMITMENT

INTEGRITY POLICY

VALUES AND PRINCIPLES [ETHICAL CRITERIA]



- Code of Ethics and Conduct
- Prevention Plan for Risks of Corruption and Similar Infringement
- Voluntary Whistleblowing Regulation
- General Regime Public Procurement Manual
- Procurement Manual
- Manual of Best Practices and Public Procurement
- Jury Scholarship



The AdP Group Integrity Commitment, subscribed to by every company, was publicly presented in December 2021 and represents our commitment towards implementing the integrity model and all the associated instruments in order to ensure the Águas de Portugal Group culture of integrity.

The AdP Group Integrity Policy sets out our vision on ethics and integrity, consolidating the commitment of constituent companies to the governance model based on the highest ethical standards, transparency, responsibility and excellence in public management practices.

The Policy, which described the integrity model that guarantees the ethical quality of the Group's decisions and options based on the three axes that structure the actions into prevention of inappropriate or inadequate behaviour, mechanisms for detecting potential situations in violation of the ethical framework and instruments and mechanisms for resolution, action and evaluation.

INSTRUMENTS

We share the vision on transparency and public integrity of international institutions such as the UN, the OECD and the European Union and we review our actions according to the OECD Recommendations on Public Integrity, which *"recognise as priority the promotion of a culture of public integrity consistently aligned to the values, principles and shared ethical norms for sustaining and prioritising the public interest over private interests in the public sector"*.

We have provided an ethical framework based on the values and principles enshrined in the Code of Ethics and Conduct, the Principles of Good Governance that require the Group to align with the 10th Principle of the United Nations Global Compact, anti-corruption and in alignment with the targets of Sustainable Development Goal 16 - Peace, Justice and Strong Institutions of the United Nations Agenda 2030.

WE SUPPORT



HUMAN RIGHTS

- Principle 1**
Businesses should support and respect the protection of internationally proclaimed human rights; and.
- Principle 2**
make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3**
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4**
the elimination of all forms of forced and compulsory labour;
- Principle 5**
the effective abolition of child labour; and
- Principle 6**
the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7**
Businesses should support a precautionary approach to environmental challenges;
- Principle 8**
undertake initiatives to promote greater environmental responsibility; and
- Principle 9**
encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10**
Businesses should work against corruption in all its forms, including extortion and bribery.

In 2019, all AdP Group companies respond to the Anti-corruption Call to Action issued by the UN Global Compact, correspondingly subscribing to the Portuguese Anti-corruption Campaign.

The ethical framework receives backing from the norms of conduct and a set of other internal policies and procedures that guarantee conformity with the different instruments regulating Group activities and actions. The Policy serves to confirm how this set of principles establish harmonised criteria for decision-making processes, at the internal level and the relationships with interested parties.

Framed in the first pillar of the Strategic Framework of Commitment, Group Culture, the Policy serves to contribute to strengthening the remaining two, Service Excellence and Social Utility and serving to support the twelve strategic challenges.

The internal means of implementing these ethical commitments, including the scope of compliance and other interrelated legal obligations, are:

- Code of Ethics and Conduct;
- Plan for the Prevention of Risks of Corruption and Related Infractions;
- Regulation on Voluntary Whistleblowing;
- Manual of General Regime Public Procurement;
- Guide to Best Practices in Public Tenders;
- Scholarships Jury.



INSTRUMENTS

- Code of Ethics and Conduct
- Prevention Plan for Risks of Corruption and Similar Infringement
- Voluntary Whistleblowing Regulation
- General Regime Public Procurement Manual
- Procurement Manual
- Manual of Best Practices and Public Procurement
- Jury Scholarship

INSTRUMENTS

THE AdP GROUP CODE OF ETHICS AND CONDUCT

The Code of Ethics and Conduct, revised in 2021, serves to express the AdP Group commitment to ethical conduct in its internal and external relationships within the objective of strengthening the ethical standards applicable and nurturing a working environment that fosters respect, integrity and equity.

More than a commitment, this Code of Ethics and Conduct reflects the will to advance along a path of continuous improvement of a business Group that accepts as structural principles for its actions, respect for the rights of workers, the responsibility for defending and protecting the environment, transparency in its relationships with the exterior and contributing towards sustainable development.

The observance of this code is overseen by the AdP Group Ethics Commission. The Code of Ethics and Conduct is available for consultation at www.adp.pt.

THE GOVERNANCE MANUAL

The Governance Manual seeks to endow AdP Group with a document that enables greater rigor, transparency and control over the governance of companies, concentrating the norms, deliberations and regulations, sharing knowledge of the fundamental materials of company governance with every interest party and improving the governance practices.

MANUAL OF BEST PRACTICES AND PUBLIC PROCUREMENT

Identifies the set of best practice recommendations for the field of public procurement that mitigate the risks existing and prevent the violation of the principles of transparency, equality and competition within the scope of ensuring the public interest.

PREVENTION PLAN FOR RISKS OF CORRUPTION AND SIMILAR INFRINGEMENTS

The Prevention Plan for Risks of Corruption and Similar Infringements identifies the key area that may potentially be subject to acts of corruption as well as the respective risks thereby resulting and the controls enacted by the company within the framework of their mitigation and reducing the likelihood of their occurrence. This also seeks to strengthen the culture of the Group and its respective employees as regards ethical behaviours and best practices as regards commercial relationships with clients, suppliers and other entities. This plan complies with the CPC recommendation of 1 July 2009 as well as with the RGPC – the General Regime for the Prevention of Corruption established by Decree-Law 109-E/2021 of 9 December.

In order to comply with the recommendation of the Corruption Prevention Committee of 7 November 2012 for the management of conflicts of interest in the public sector, AdP Group companies implement Declarations of Conflicts of Interest, subscribed by the Directors and members of staff in positions potentially subject to the occurrence of acts of corruption. Approval of expenses incurred by members of administrative bodies always requires the signature of another director. Members do not participate in the approval of their own expenses. The approval of expenses incurred by the other corporate bodies, when existing, always require signing off by a director. Furthermore, members of administrative bodies do not participate in deliberations that may result in direct or indirect conflicts of interest, concerning either possible expenses they incurred or other matters related to the provisions of no. 7 of article 22 of the Public Manager Statute.

All AdP Group companies communicate/make available the Prevention Plan of Corruption and Related Infractions on their websites.

VOLUNTARY WHISTLEBLOWING REGULATIONS

The Regulation on Voluntary Whistleblowing sets out the internal procedures for receiving voluntary reports of deviations from the AdP Group's ethical standards, as well as providing a tool for raising internal awareness of anti-corruption and bad governance procedures and informing employees of their rights and duties through establishing a whistleblower protection scheme.

Whenever a report is received that refers to infringements that may amount to crimes, the details are forwarded to the competent entity.

The mechanisms and procedures for receiving, retaining and processing the complaints/reports covered by these Regulations comply with the data protection rules in force as well as the information security rules.

PROCUREMENT MANUAL

The Procurement Manual aims to systematise the rules to be complied with in the procurement process, ensuring the standardisation of procedures and controls, compliance with the legislation and the regulations in force, and promoting observance of the principles of transparency, equality and competition.

THE INTEGRITY LINE

The AdP Group maintains a specific channel of communication directly to the Ethics Committee, called the Integrity Line, available via every AdP Group company website, with the core purpose of receiving all communications regarding ethical issues that may jeopardize the integrity, whether of the Group or any one of its companies, notified by internal or external stakeholders. The Integrity Line aggregates all communications reporting whatever may, in whatever form, violate the principles and essence of the Integrity Policy in effect at the AdP Group. This is available at www.adp.pt.

The governance of ethics is entrusted to two bodies with distinct and complementary attributions:

- The Ethics Council, a consultative body with an independent status, strives to promote the very highest ethical standards in the Águas de Portugal Group in terms of culture, conduct and behaviour and with the mission of advising and reflecting on excellence in ethics at the AdP Group;
- The Ethics Committee, an executive body with an independent status, undertakes the analysis of whistleblowing reports, questions and ethical dilemmas reported through the channels of communication, purpose established, confidential and safe, particularly as regards the reporting of irregularities.

The implementation of the principle of transparency takes place through the regular release on information about the performance and initiatives, both internally and externally, and both by the holding group and Group companies.



ANTI-CORRUPTION

10th Principle: Businesses should work against corruption in all its forms, including extortion and bribery.

Criterion 12: Existence of robust commitments, strategies or policies for anti-corruption

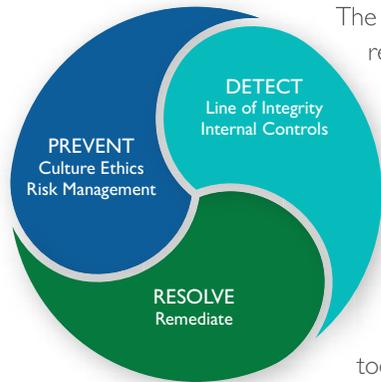
Criterion 13: Effective management by the AdP Group in order to integrate the anti-corruption principles

Criterion 14: Effective monitoring and evaluation of the anti-corruption management mechanisms

in "Information on Progress in the United Nations Global Pact"

THE AdP GROUP INTEGRITY MODEL

The AdP Group integrity model derives from the application of structural values and principles across three fundamental axes: preventing, detecting and resolving, which integrate all the support mechanisms and instruments and deployed through a governance structure that includes two bodies with distinct statutes and attributions, the Ethics Committee and the Ethics Commission.



The “**Prevent**” axis rests on the assumption of integrating ethical reflection, thus, every decision and option taken by managers and staff incorporate criteria based on compliance with the legislation in effect and that apply to the companies in the state business sector, the defined values and principles, the external commitment in this domain and the norms of internal conduct. This pillar results from the continuous investment in awareness, open dialogue, coherence between what we defend and our actions, and that results in the culture of integrity that characterises us. In 2022, five training courses took place on Ethics and the AdP Group’s Integrity Policy, involving all the Group’s directors and managers in addition to an e-learning course on “Ethics and Conduct in the AdP Group” provided for all Group employees within the scope of raising the general awareness of ethical issues.

The “**Detect**” axis serves to frame the different internal mechanisms for identifying situations and areas of risk, deviations from procedures or conducts, ethical dilemmas or anomalous circumstances and the definition of corrective measures. The Group makes available channels for collecting situations that may involve internal or external interlocutors and also endowing the bodies with the appropriate responsibilities and authority for defining the measures necessary for application.

The “**Resolve**” axis integrates the measures for implementation, the remediation methodologies that guarantee the depth and reach of the model and the evaluation of the Group ethical performance in accordance with the ethical performance indicators.

An assessment was carried out at the end of 2022 on the state of implementation of the Group’s Integrity Policy involving a self-assessment process undertaken by each of the Group’s seventeen companies in Portugal.

93%

DEGREE OF IMPLEMENTATION OF THE INTEGRITY POLICY

The methodology incorporated the application of maturity scales whereby the company established its position in relation to the degree of implementation of each of the documents making up the Integrity Policy. These scales were designed to evaluate three dimensions:

1. Knowledge and understanding of the Integrity Policy objectives;
2. Ethical Culture;
3. Risk Management.

The overall results display a 93% level of Policy implementation, highlighting certain aspects for improvement as regards the Code of Ethics and Conduct and the Integrity Line, which includes the Voluntary Whistleblowing Regulation.

However, we would point out that this result is only an output from a self-assessment exercise without the collection and analysis of evidence from the management teams to provide more concrete data even though some companies did also provide links to such evidence in their response documents.

Degree of Implementation of the integrity policy in the AdP Group

The integrity policy entire strategic objectives. Action plans were outlined to implement the commitment and responsibilities were assigned. Various instruments included in the policy were implemented.

The integrity policy was appropriated by the company Integrated in the internal documentation. The teams working on policy issues are aware of the policy and are working on implementing the instruments.

The commitment was communicated internally to the teams, and the form of implementation was outlined, but it is still at an early stage.

No specific communication actions were developed on the assumed commitment to integrity as the teams were not involved in its implementation.

1.7 Risk Management

AdP Group activities are subject to events that may adversely affect performance, particularly in the contexts of accelerated change that we are today experiencing. It therefore becomes necessary for organisations to be able to develop strategies capable of dealing with uncertainties, especially pre-empting any threats as well as through identifying the opportunities arising that may shape the achieving of Group objectives.

The AdP Group dedicates a great deal of attention to the risks inherent to its activities, which reflects in the regular monitoring activities of the core risks resulting from the daily operations of all its companies.

THE MANAGEMENT OF RISK SHOULD CONSTITUTE A COMPANY GOVERNANCE TOOL INCORPORATED INTO EVERY INTERNAL PROCESS AND THEREBY POSING A TRANSVERSAL CHALLENGE TO EVERY GROUP MEMBER OF STAFF.

INTERNAL CONTROL SYSTEM

In 2022, the implementation of the Group project for an Internal Control System, based on the internationally accepted COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology continued to advance.

This model returns a direct correlation between the objectives the organisation is striving to achieve across three categories (Operation, Reporting and Compliance), and the five components (Control Environment, Risk Management, Control Activities, Information and Communication and Monitoring Activities), which represent those necessary to achieving the objectives set.



Control Environment

This should reflect the importance of internal controls and establish the discipline and structure of the other ICS components. This encapsulates the set of rules, processes and structures that provide the basis for the performance of internal control in the organisation. This defines the spirit of the organisation, influencing the awareness employees hold of the risks. This constitutes the foundations for all other components of the ICS.

Risk Evaluation

Intended to identify, evaluate, monitor and control all the risks that may influence the strategy and objectives defined by the institution, ensuring that they are met and that the necessary actions are taken to respond appropriately to undesired deviations.

Risk is defined as the possibility of an event occurring and affecting (positively or negatively) the achievement of the defined organisational objectives. This involves dynamic and interactive processes to identify and analyse risks that may impact on attaining the company's objectives with the findings providing the foundations for understanding how risks are to be managed. Objectives are defined at different levels of the organisation, consistently and categorically for operations, reporting, and compliance, with sufficient clarity to be able to identify and analyse the risks to those objectives.

Control Activities

Activities designed to prevent or reduce the adverse impact of risks, for example recurring process control activities. Control activities are actions established by policies and procedures that help ensure management directives for mitigating risks in achieving objectives are duly implemented. Control activities are performed at all levels of the organisation and at various stages of the business process and technological environment. Control activities can be preventive or detective in nature and can encompass a range of manual and automated activities, such as authorisations and approvals, verifications, reconciliations and business performance reviews. The segregation of duties is typically incorporated into the selection and development of control activities. When the segregation of duties is not possible, the management should develop and apply alternative control activities.

Information and communications

Procedures established to ensure the capture, processing and exchange of relevant, comprehensive and consistent data, within a timeframe and in a manner that enables the effective and timely performance of the management and control of the company's activities and risks. Such information is necessary for companies to comply with its IC responsibilities in support of achieving its objectives. The management obtains and/or generates and applies relevant and quality information from internal and external sources to support the functioning of the IC system. Communication is the ongoing process that enables staff to understand the responsibilities of internal controls and their importance to achieving the objectives. This may take place both internally and externally and provides the company with the information necessary to implementing controls on a daily basis. Internal communications constitute the means by which information is disseminated throughout the company, flowing throughout the organisation in every direction. This enables all employees to clearly receive messages from management conveying the importance of appropriately undertaking control responsibilities. External communications serve a dual purpose: this enables relevant external information to flow inwards while providing information to third parties in response to requirements and expectations.

Monitoring Activities

These are performed with a view to ensuring the appropriateness and effectiveness of the ICS itself over time, which furthermore ensures the timely identification of any deficiencies or opportunities for improvement. Ongoing, one-off/independent, or a combination of both, serve to determine whether each of the five internal control components, including the controls that apply the principles within each component, are present and functioning.

- Ongoing assessments, incorporated into business processes across different company levels, providing timely information.
- Periodic one-off/independent evaluations that vary in scope and frequency, depending on the respective risk assessment, the effectiveness of ongoing evaluations and other management considerations.

- Results are assessed in accordance with the criteria established by regulators, the recognised standards bodies or the Board of Directors and shortcomings are reported, in a timely manner, to the company's Board of Directors, the most relevant of which are then also reported to the Group's Board of Directors.

Within the scope of implementing the Group's Internal Control System (ICS), the following activities were carried out in 2022:

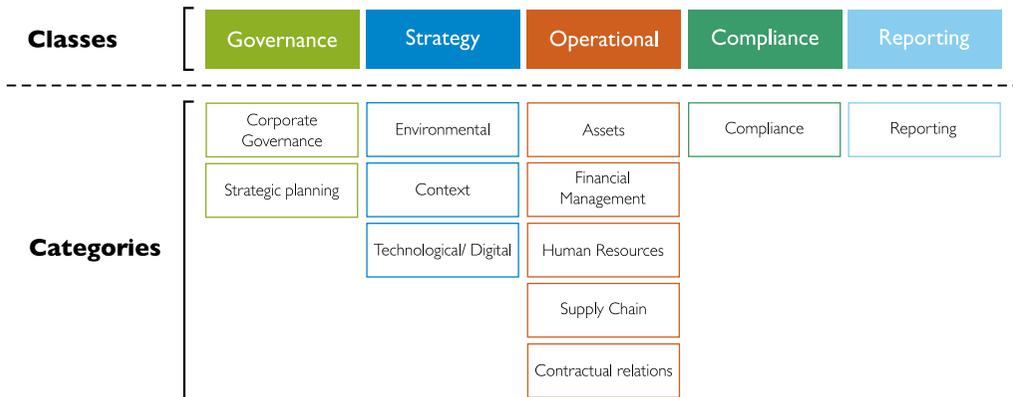
- Completion of any still outstanding PHASE I process mapping by the remaining companies;
- Beginning of project Phase 2 with the pilot companies mapping the remaining processes identified as critical, which included, among other activities, the preparation of **i)** flowcharts, enabling the swift understanding of the activities developed, and **ii)** Risk and Control Matrices (CRM) identifying the risk events and the controls, either in place or for implementation, mitigating them;
- Phase 2 kick-off meetings were held in the other Group companies, which included defining the process mapping schedule based on the information prepared by the pilot companies and which are due for completion by the end of 2023;
- Adaptation and approval, by most companies, of the AdP Group's basic Internal Control Manual, incorporating the CRMs already drawn up and the metrics approved.
- Testing of the pilot company defined indicators and metrics for evaluating the internal control systems of companies, which enables their assessment and the production of information on the functioning of the five internal control components;
- Continuation of the joint review of the CRMs completed by companies in order to ensure the consolidation of systematised information and improvements on the contents presented;



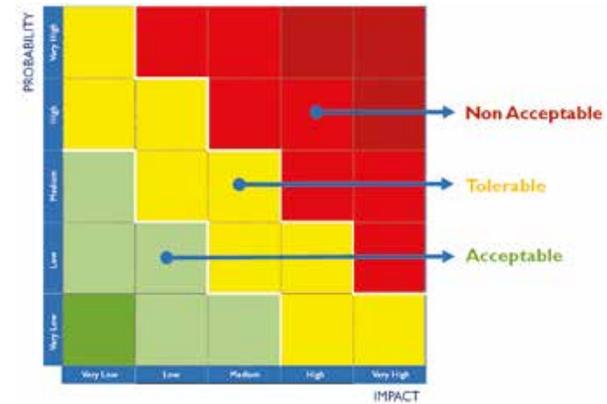
- vii. Conclusion of the audit tests and assessment of the effectiveness of the controls applied to accounts payable processes ongoing in Group companies based on the CRMs they prepared;
- viii. Beginning the audit tests and assessment of the effectiveness of the controls applied to salary processing processes ongoing in Group companies, based on the CRMs they prepared.

The suitability of the ICS aligns with the risk management model and is subject to adjustment whenever; following risk assessment procedures, risks are identified that fall within a level deemed unacceptable or there are shortcomings and/or failures detected in the analysis carried out by the underlying controls.

The corporate risk management model currently implemented in the AdP Group, also defined according to the COSO methodology, presents the risks organised according to a structure of defined classes and categories, as set out below:



Risk assessment is made based on the probability and impact of events occurring, considering the respective inherent and residual risks. Hence, we try to ascertain the efficiency of the ICS as devised to maintain the level of risk at thresholds deemed acceptable in accordance with the following matrix:



Risk assessment from the perspective of impact analysis includes the following analytical dimensions:

- Financial;
- Reputation;
- Legal or regulatory; and
- Level of alignment with business goals.

The probability of risk occurrence is also evaluated according to a wide range of factors, including:

- Existence and effectiveness of controls;
- Previous occurrence of the risk;
- Complexity of the risk; and
- Installed capacity to manage risk (people, processes, systems).

The Internal Audit and Risk Control Department is the AdP SGPS department responsible for identifying the risks to AdP Group businesses, pinpointing the key control factors required to minimise or eliminate their impacts, undertaking compliance tests to assess the results and performing internal audits of those subsidiaries in which it holds a majority interest.

Reporting directly to the AdP SGPS Board of Directors, the department's independence is strengthened in relation to the management of the audited companies and correspondingly

experiencing an appropriate degree of autonomy to carry out its work, optimising the resources available and avoiding any duplication of structures.

In managing business risk, those risks related to the categories of governance, strategy and planning, compliance and reporting are both handled directly and monitored at the Group company level while periodically examined by AdP SGPS in its capacity as majority shareholder. Operational and infrastructure risks are addressed not only by the Group companies and their governing bodies but also by the majority shareholder's centralised monitoring and control units, which are responsible for both identifying and managing the main risks.

Whenever risk assessment deems an aspect intolerable or unacceptable, Risk Treatment Plans (RTPs) are prepared, approved and adopted as mitigation measures and stipulated the corrective actions for implementation as well as the treatment strategy that they derive from (avoid, accept, reduce or share risks), the associated regularity of treatments and those responsible for each action.

Similarly, risk assessment exercises result in the identification of potential opportunities for AdP Group companies, then leveraged by Opportunity Implementation Plans (OIPs) which, like the RTPs, also present actions to be taken, the implementation deadlines and identify those responsible.

In keeping with the operational maturity of the companies, the ageing of the Risk Management Model implemented across the AdP Group and the continuous improvement required to respond to the growing demands on risk-related matters, 2022 saw the launch of a project to revise the model that included the following activities:

- The review and/or updating of the AdP Group's existing risk matrix
- The review and/or updating of the AdP Group's existing risk assessment methodology
- The review of the Company Risk Management Manual
- The integration of the Company Risk Management Model into the Internal Control Model

This project, in order to ensure its credibility and suitable to the realities prevailing in the AdP Group, involves not only the contributions of eight Águas de Portugal pilot companies but also the collaboration of an external consulting team, and is due for completion during 2023.

Given the aforementioned review of the risk management model, no risk assessment procedures were carried out during 2022.

At the end of 2022, as foreseen in the risk management model, the monitoring of the formally defined RTPs was carried out by companies within the scope of the risk assessment exercise relating

to 2021. This analysis demonstrated and verified that the company monitored the implementation of the respective company RTPs.

Taking into consideration the risk evaluation process carried out in 2021, some of the core risk exposure faced by the Group are the following:

- Extreme climate events - Loss of human life, damage to ecosystems, extinction of species, destruction of property and/or financial loss on a global scale as a result of extreme weather events: cold fronts, fires, floods, heat waves, extreme drought, storms and tornadoes, etcetera.
- Information security - Risk of loss of confidentiality, integrity and availability of information systems, resulting from a non-existent or inadequate definition of information security policies.
- Foreign exchange and commodities - Risk of the Organisation's financial statements being affected by its exposure to changes in commodity costs, specifically the costs of energy and reagents.
- Losses in retail supply - Risk of water resource losses along the retail supply chain, with a consequent reduction in supply capacity and financial losses, resulting from malfunctions and failures not detected in time or from ageing infrastructures.
- Bulk sanitation infiltrations - Risk of infiltrations along the bulk sanitation chain with a resulting reduction in treatment capacity and financial losses due to undetected malfunctions and faults, ageing infrastructures and the absence of network separation.

In addition to identifying the main risks inherent to Group activities, this also mapped the main trends at the global and sector levels that may emerge as threats or opportunities for the Group.



2. OUR STRATEGIC POSITIONING

2.1 A benchmark reference Group in the environment sector
2.2 Strategic Framework of Commitment
2.3 Embracing the SDGs
2.4 Our Stakeholders
2.5 Our Sustainability Commitment 2022-2025

**WE GUARANTEE THE IMPLEMENTATION OF
SECTORAL POLICIES CONSOLIDATING THE
GROUP AS A BENCHMARK REFERENCE IN
THE ENVIRONMENT SECTOR**



2.1 A BENCHMARK REFERENCE GROUP IN THE ENVIRONMENT SECTOR

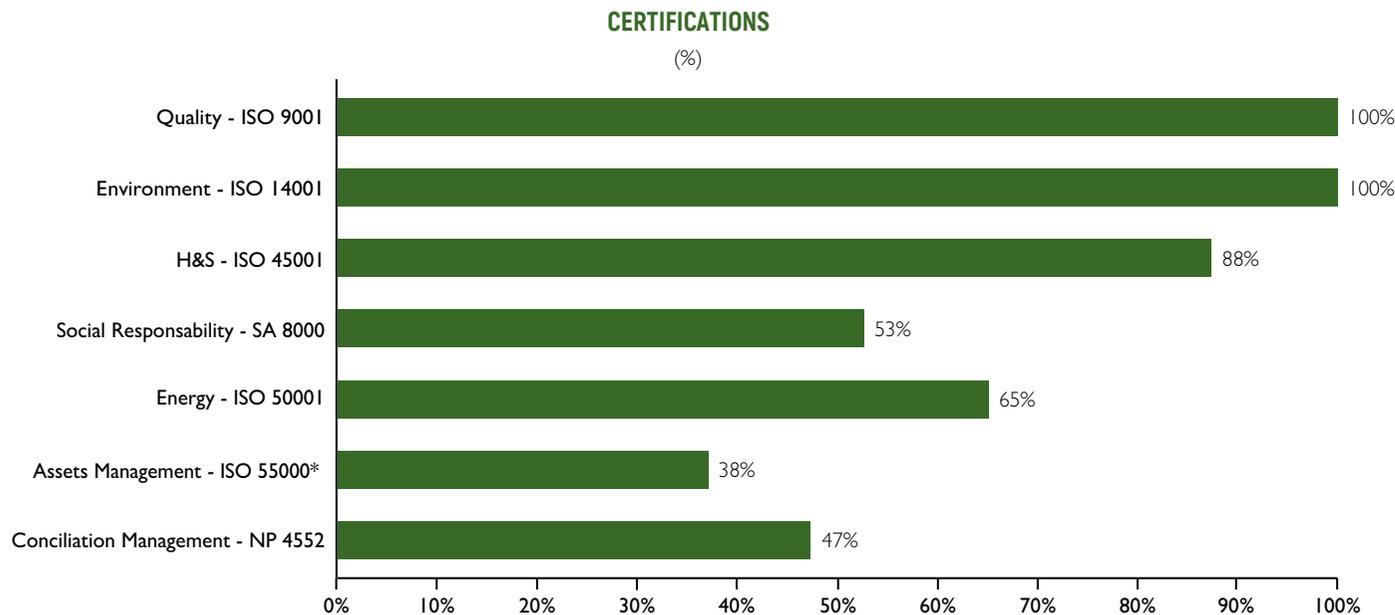
The AdP Group, as a corporate actor playing an active role in society and the environment, is committed to appropriately managing its resources to foster the more efficient operations that ensure better quality services at more economical rates for our communities.

With our track record spanning three decades, we have greatly contributed, both directly and indirectly, to developing the country.

The State budget, the rules in effect for good governance in the State Business Sector and the instructions issued by the Supervisor and the Shareholders form the foundations for the AdP Group management model and based on coordinating the highly demanding management objectives and principles of sustainability.

The AdP Group deals with many different challenges in responding to its shareholders and other stakeholders: technical, economic and financial efficiency, leveraging synergies from economies of scale and transparency in management models. Furthermore, such technical, economic and financial rigour must always be conciliated with raising the standard of our environmental performance.

The subsequent challenge for continuously improving levels of performance requires the monitoring of business processes, which has contributed substantially to the certification of Group company management systems.



The Group deploys various tools for prevention, implementation and control that strive to align all actions in accordance with the principles and values of the Group.

The AdP Group Manual of Sustainability Indicators guarantees the consistency of the indicator collected, ensuring reliability in the consolidation of information referring to the entire Group.

Management model functional control mechanisms:

- Audits of the accounts by external entities;
- Legal certification of the accounts;
- Audits of the concession contracts, supply and collection contracts and holding company contracts for the delivery and reception of wastes;
- Audits of investments carried out by the holding company;
- ERSAR regulatory audits evaluating service quality;
- Audits accompanying the public procurement processes for subcontracting project subject to EU financing through the cohesion fund;
- Audits of the corporate responsibility systems (quality, environment, hygiene, health and safety, social responsibility, asset management, energy management, reconciliation of professional and personal lives) by the certifying entities;
- Inspections by external entities (mostly carried out by IGAMAOT and ACT).



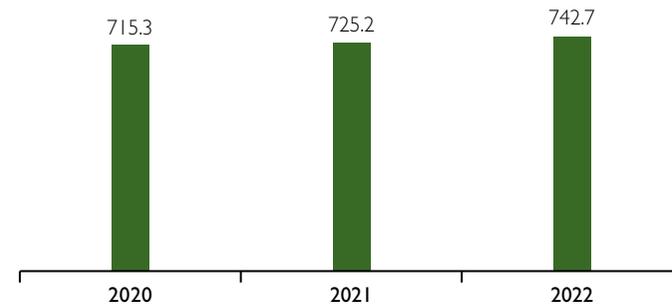
THE GROUP CONTINUES TO ROBUSTLY RESPOND TO THE DEMANDS OF ITS SHAREHOLDERS AND OTHER STAKEHOLDERS

The AdP Group closed the 2022 financial year with a net profit of around EUR 100.3 million, which represents growth of 20.5% compared to the previous year.

The shareholders play a fundamental role in the business model as they value the diverse interests in different ways and create a reconciliation challenge for the management. The municipalities, one of the leading stakeholders, stand out simultaneously as shareholders and clients.

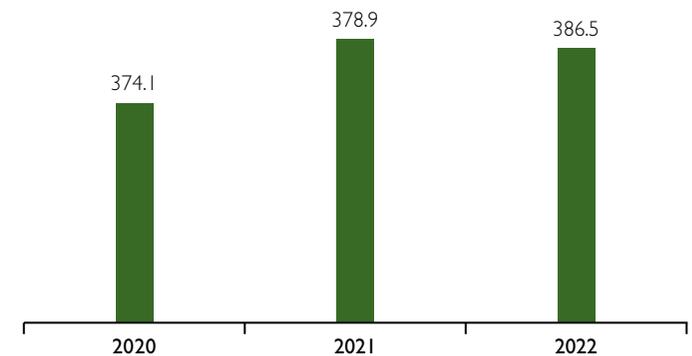
TURNOVER

(million EUR)



EBITDA

(million EUR)



WE CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

As an entirely state owned public limited company, the AdP Group strives to engage in actions that generate values for its stakeholders through the continuous improvement of the services provided and the adoption of cost rationalisation measures and financial risk management policies. In particular, this implements measures for Group financial consolidation leading to a strengthening of the financial structures of the managed entities and the mitigation of liquidity and interest rate risks with negative repercussions for tariffs and the Group's capacity to generate free cashflow.

The AdP Group management pays particular attention to economic-financial sustainability taking into consideration the specific characteristics of each operation and seeking to offset both exogenous and endogenous risks to the activities as well as other economic factors, such as ageing infrastructures and the need to expand public service coverage to regions with lower demographic densities and greater orographic difficulties.

ECONOMIC VALUE DIRECTLY GENERATED, DISTRIBUTED AND ACCUMULATED:

Directly generated economic value	951 330 041.45 €
Directly distributed economic value	894 070 319.11 €
Directly retained economic value	57 259 722.34 €

THE GENERATION OF ECONOMIC VALUE FOR GROUP STAKEHOLDERS RESULTED IN THE FOLLOWING DISTRIBUTION:

Operating costs	604 216 325.00 €
Employees	117 413 139.00 €
Payments to providers of capital	64 044 492.00 €
State	66 860 995.00 €
Donations	497 260.00 €



2.2

STRATEGIC FRAMEWORK OF COMMITMENT

BUILDING THE FUTURE, LEVERAGING THE KNOWLEDGE, THE EXPERIENCE AND THE COMMITMENT OF THE MANAGEMENT AND THE PEOPLE THAT MAKE OUR COMPANIES" WAS THE PREMISE UNDERLYING THE ESTABLISHMENT OF THE STRATEGIC FRAMEWORK OF COMMITMENT

The Strategic Framework of Commitment (QEC) expresses our ambition in our permanent search for best practices, seeking to establish a mobilising path and that enables the consolidation of our shared and affirmative vision of creating value for all stakeholders.

“The response capacity to deal with climate changes, anticipate the dynamics driving decarbonisation, enable the digital transformation and incorporate the principles of the circular economy requires a redoubled agility and alignment.”

in Message from the Chair, Strategic Framework of Commitment



As the Águas de Portugal Group stands out as one of the most efficient and sustainable water management operators internationally due its focus on excellence in client service, on innovation, resilience, energy and carbon neutrality and the circular economy, the Group has established a path to sustainability that led to the identification of three core axes for priority action approaching the People and Organisation (GROUP CULTURE), the Client and User (SERVICE EXCELLENCE) and the Environment and Society (SOCIAL UTILITY) – have established 12 strategic challenges implemented through action program for the 2020-2022 triennial (FSC 2020-2022) in accordance with the Agenda 2030 (available at www.adp.pt).

**A COMMITMENT WITH THREE AXES,
12 STRATEGIC CHALLENGES
AND IMPLEMENTED THROUGH 60 INITIATIVES**



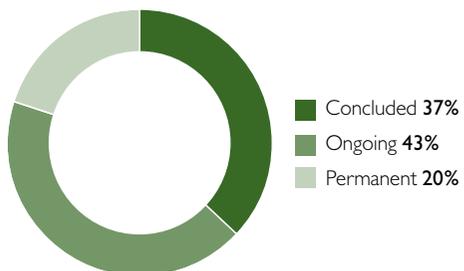
DEGREE OF IMPLEMENTATION OF INITIATIVES FORESEEN IN THE QEC COMPLETED AND CONSTANT INITIATIVES¹

PILLAR I
ORGANIZATION CULTURE



- ✓ Multipolar organization capitalizing on decentralized and transversal competences
- ✓ Risk management orientation and culture with SQAS requirements
 - _ Digitization and dematerialization of the Group's procedures
- ✓ Organizational alignment for synergies in knowledge management
 - _ Strategic, tactical and operational functions framed in new paradigms
- ✓ Study of the organizational climate
- ✓ Human Resources Diagnosis
 - _ New Human Capital Management Policy
- ✓ Safety and well-being at work
- ✓ Boosting "We AdP"
- ✓ Competence Centers
 - _ Accessible and updatable knowledge management platform
 - _ Water Academy
- ✓ Intergenerational synergies in the transmission of knowledge
- ✓ Connection to universities and entrepreneurship centers
- ✓ Integrated and participatory Global Communication Plan
 - _ Identification of best practices existing in the Group
 - _ Environmental Education Plan
 - _ Symbiosis with municipal partners for sustainability
- ✓ Group Sustainability Diagnosis

STATUS ON THE LEVEL OF IMPLEMENTATION OF THE QEC



¹ The others remain ongoing.

PILLAR II SERVICE EFFICIENCY



PILLAR III SOCIAL UTILITY



Integration of water sources to guarantee service continuity

- _ Interoperability, redundancy and reliability of systems
- _ Infrastructure asset management

- ✓ Articulation and alignment between stakeholders for systems resilience
- _ Digitization of operations to support risk management and decision-making

_ Capitalization of know-how in managing losses and undue inflows and energy

- ✓ Institutionalization of benchmarking as a driver of performance improvement
- ✓ Automation of infrastructural systems and facilities
- ✓ Cybersecurity Committee in the Group
- ✓ Improving the efficiency and safety of logistics processes

_ Synergies and integration of systems certification processes

- ✓ Collaboration between stakeholders to reduce undue inflows
- ✓ Collaboration with environmental regulators to preserve the quality of water bodies
- _ Continuity of service in risk scenarios
- _ Digital customer service solutions adapted to crisis scenarios

_ Streamlining investment planning and approval processes

- ✓ Diversification of the Group's activity
- ✓ Debt control of service users
- _ Update of the Group Procedures Manual integrated into a knowledge center
- ✓ Capturing intragroup synergies with greater added value

✓ Collaborative processes with municipalities for new partnerships

- ✓ Improved performance and synergies between bunk and retail systems
- ✓ Guarantee of equity in physical and economic accessibility to services
- ✓ Promoting the value of water and environmental challenges in communities
- ✓ Collaborative business culture with key partners

✓ Energy neutrality program and carbon neutrality plan for the urban water cycle

- ✓ Group sustainable mobility
- ✓ Valorization of sludge and other by-products
- ✓ Increased water production potential for reuse
- _ Convergence plan for green purchasing

✓ Allocation of a percentage of the Group's turnover volume to innovation projects

- ✓ Group Innovation Agenda
- _ Promotion of Water SIMPLEX through digital transformation
- _ Positioning of the Group as a reference for products and services in the sector
- _ Promotion of national and international partnerships for innovation (INOVAp)

✓ Strengthening the international area as an instrument to support foreign policy

- ✓ Adaptation of the Group's HR Policy to the expansion objectives of the international area
- ✓ Identification of strategic projects with multilateral institutions
- ✓ Increased international activity through new business models
- ✓ Partnerships with agents in the sector's value chain to increase national competitiveness

2.3

EMBRACING THE SDGS



SDG6 – Water and sanitation for all lies at the core of the Águas de Portugal Group and the purpose for which we work every day. This SDG emerges as transversal to all other simply because “without water, there is no life”, which endows the AdP Group with a fundamental role of the greatest responsibility for achieving this SDG, in Portugal and internationally.

ACCESS TO WATER AS WELL AS SANITATION, ARE HUMAN RIGHTS RECOGNISED BY THE UNITED NATIONS

Water is an essential good for life, peace and social wellbeing. According to the Sustainable Development Goals, water scarcity may cause the displacement of 700 million people by 2030, 3 million people worldwide do not have access to basic infrastructures that enable them to conveniently wash their hands and 61% of countries around the globe lack the financing to achieve the objectives defined for covering basic needs in terms of access to water and sanitation.

Water and water security are at the core of the SDGs. According to the World Bank, without improving the management of water resources and ensuring global access to quality water supply and sanitation services, it will not be possible to successfully face the major challenges of the 21st century – human development, habitable cities, climate changes, food security and energy security.

SDG6 IS NOT ONLY TRANSVERSAL TO EVERY OTHER SDG BUT IS ALSO CRITICAL TO ACHIEVING THEM.



SDG 1 – NO POVERTY

Safe drinking water and sanitation have a direct impact on reducing poverty. Water is fundamental to food production and increases access to education and employment.



SDG 2 – ZERO HUNGER

Water in quantity and quality is fundamental to sustainable agriculture producing food with high nutritional value. Therefore, sustainable water management practices are crucial to ensuring common access to safe, sufficient and nutritious food.



SDG 3 – GOOD HEALTH AND WELL-BEING

Access to safe water and sanitation is essential to preventing the spread of disease, reducing child mortality rates and improving the quality of health.



SDG 4 – QUALITY EDUCATION

Access to water and sanitation services in schools is essential because this contributes to well-being and reduces school dropout rates.



SDG 5 – GENDER EQUALITY

In some societies, women and girls are primarily responsible for managing water for domestic purposes and it is they who walk long distances to fetch it. With the time wasted walking, they are unable to engage in school and receive quality education for their personal development. Providing safe water and sanitation generates a direct impact on promoting fair and equitable opportunities. By ensuring universally safe water and sanitation, this boosts the quality of health, education and career progression and, consequently, gender equality.



SDG 6 – CLEAN WATER AND SANITATION

Water accounts for all life on the planet and is a catalyst for sustainable development. Sustainable water management practices, which ensure the provision of safe and clean water and appropriate sanitation facilities accessible to all, are therefore crucial to achieving the Sustainable Development Goals and improving the overall well-being of individuals and communities worldwide.



SDG 7 – AFFORDABLE AND CLEAN ENERGY

Water treatment requires energy and water itself provides an affordable and renewable source of energy production. Increasing the production and usage of renewable energy and implementing energy efficiency measures produces impacts including reducing greenhouse gas emissions, promoting the transition to a more sustainable and decarbonised economy and contributes to reducing water scarcity and minimising water pollution.



SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Safe drinking water and sanitation services, in addition to creating employment opportunities, are crucial to protecting public health, reducing the spread of disease, improving school and employment participation and attendance rates. Thus, access to safe drinking water and sanitation produces direct impacts on inclusive and sustainable economic growth and full and productive employment for all. Agriculture is also a fundamental foundation for economic growth in many countries, generating millions of jobs and represents the leading water-consuming activity.



SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURES

Many livelihoods worldwide directly depend on water, such as the food and beverage industry, energy and agriculture. Innovation in the development and application of smart technologies contributes to more resilient and efficient water infrastructures. Water is central to achieving more sustainable industries, innovations and infrastructures and with these, in turn, contributing to the more efficient management of the water resources available.



SDG 10 – REDUCE INEQUALITIES

Promoting accessible water and sanitation services meets basic needs and promotes a healthy and productive life. Thus, equitable access to sufficient, safe and affordable water and efficient sanitation services contributes to social equality.



SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES

For cities and communities to be safe and resilient to the effects of climate change, it is essential that they foster sustainable growth. Safe water and sanitation are fundamental to many aspects of urban life, including agriculture, transport and industry, and progress in water management is corresponding critical to developing sustainable cities and communities.



SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

Water is fundamental to producing everything we need daily. Ensuring safe water and sanitation provision enables sustainable consumption patterns, particularly in agriculture and food, reducing dependence on abusive water practices and unbridled consumption and alongside saving water resources.



SDG 13 – CLIMATE ACTION

Efficient water management is key to adapting communities to climate change and reducing the impacts on production, health, education, employment and quality of life.



SDG 14 – LIFE BELOW WATER

Oceans are the largest ecosystem on the planet. They cover more than 70% of the Earth's surface, contain 97% of all the planet's water and play a fundamental role for humanity: they regulate the natural water cycle, influence climate and weather conditions, stabilise temperature and are home to the greatest diversity of species, producing the food, jobs, mineral and energy resources necessary for life on Earth. Preventing the discharge of untreated sewage into aquatic environments is fundamental to protecting marine life, people's health and the planet's environmental quality.



SDG 15 – LIFE ON LAND

Healthy water systems are key to protecting biodiversity. Wetlands and estuaries are large ecosystems that are severely affected by pollution and water scarcity.



SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

Access to water is a cause for conflict as water resources are indispensable to our survival. Scarcity and unequal distribution of water resources are two factors that foster social instability and inequality, resulting in conflicts and wars. Efficient water management and sanitation policies are key to mitigating conflicts, ensuring peace, justice and efficient institutions.



SDG 17 – PARTNERSHIPS FOR THE GOALS

Cooperation partnerships are essential to implementing the best practices for sustainable development. As water cuts across all the Sustainable Development Goals, protecting water helps in addressing today's greatest global challenges.

As SDG 6 forms the core of our business, we understand how our performance impacts on all 17 SDGs, of which we would highlight:

- The high coverage rates of water supply and sanitation services,
- The quality of drinking water and proper wastewater treatment, making a decisive contribution both to socioeconomic development and to improving public health and the surrounding ecosystems.
- The retail company adoption of social tariffs provides access to basic services to disadvantaged members of the population.
- The efficient management and protection of water resources coupled with increasing system resilience.
- The leveraging of reused water for purposes that do not require drinking water standards, such as irrigation, washing public areas, among many others, will ensure the greater availability of this resource.
- The impact that the quality of water supply and sanitation services have on public health, especially in reducing water-borne diseases, is today a reference point in public health policy.
- Our non-discrimination policy, our commitments to gender equality and our role in the international arena, with major efforts in the PALOPs, contributes decisively to greater equality between men and women within the water sector.
- The management of energy and a reduction in the costs associated with water constitutes another strategic priority for the AdP Group within the scope of deepening levels of efficiency that guarantee the eco-efficiency and sustainability of its water supply and wastewater sanitation operations. Within this framework, the ZERO Program stands out as the AdP Group means of reducing its energy consumption and sharply boosting its own output of 100% renewable energy with the objective of obtaining energy neutrality in 2030. The effective implementation of this program shall enable the Group to take up a position as one of the first on an international level to achieve energy neutrality in all its national and international activities.
- Our investments in innovation, the building of sustainable and resilient infrastructures, as well as the adoption of sustainable technologies and industrial processes.
- The change in the paradigm from waste to subproduct, fostering the circular economy.

- Education in the value of water makes the Group an active agent in fostering change in environmental values.

In the vanguard of global trends, the AdP Group joined the Alliance for the Sustainable Development Goals in 2016, and with the Group a member of the General Board, deepening its commitment to people and the environment. In 2017, the Group became an ambassador in the Alliance for SDG6 – Drinking Water.



As regards promoting the Sustainable Development Goals and strengthening the commitment to people, to public health and the environment, among the different initiatives staged nationally and internationally, particular attention should go to the Águas de Portugal Group membership of the initiative “Joint Statement on the Right to Sanitation”, launched by a set of European entities and through which the European Commission introduced legal stipulations for the review of the Directive on the Treatment of Urban Wastewaters in order to guarantee the best possible access to sanitation service across the entire European continent in keeping with the provisions of human rights.

In 2022, we joined the Observatory of the Sustainable Development Goals at Portuguese Companies, a CATÓLICA-LISBON initiative in partnership with BPI Fundação la Caixa. This far-reaching project sets out to study how large, small and medium-sized companies in Portugal are incorporating the 2030 Agenda into their business strategies. Our investments in the reutilisation of recycled water for the irrigation of golf courses and public gardens and in the digital transition have contributed to better water management and these Group innovation projects were highlighted in the Observatory's 1st Report on the Sustainable Development Goals (SDGs), produced by the Católica-Lisbon School of Business & Economics providing analysis of the Portuguese context in relation to the challenges faced in meeting the targets set in SDG6 - Drinking Water and Sanitation.



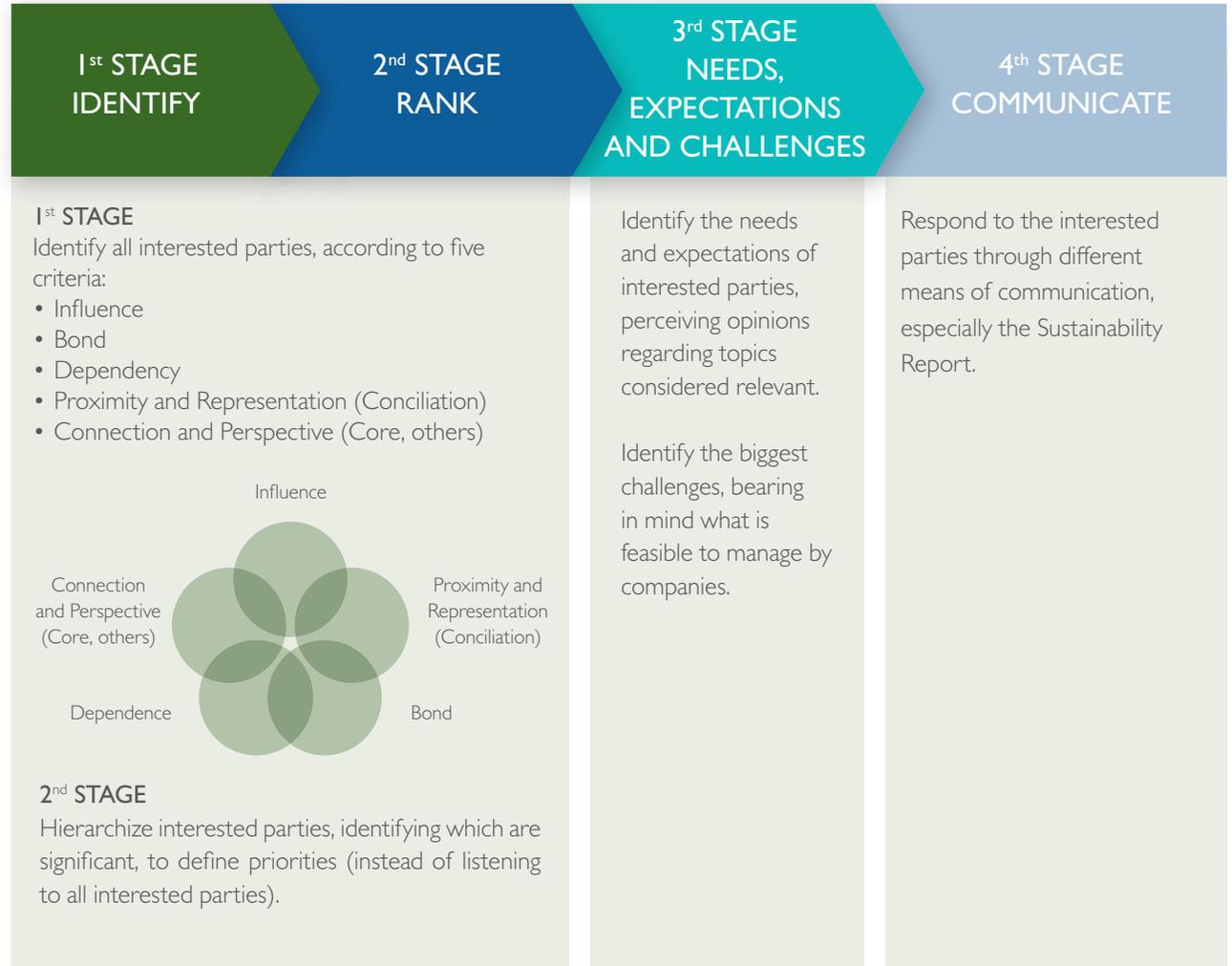
2.4 OUR STAKEHOLDERS

Stakeholder relations in the AdP Group account for a strategic priority. The AdP Group communicates continuously with its stakeholders through a variety of channels, listening to their opinions and incorporating them into its strategy. The principle of transparency, based on the duty to provide clear and open accounts to all those with a legitimate interest in knowing, establishes a fundamental pillar of the relationship between AdP Group companies and their stakeholders.

The involvement with stakeholders, on the one hand, enables them to grasp the outputs of our activities and, on the other hand, the Group receives inputs as regards their expectations. This exchange and sharing of information contribute to continually improving service quality.

We daily count on the commitment of 3742 members of staff, with 237 partner municipalities, an extensive network of suppliers and with a strong group of other stakeholders dispersed across the extent of the country within the scope of our service to around 8 million Portuguese citizens.

The AdP Group has a methodology, already implemented, for identifying and sounding out interested parties and stakeholders that are defined into four stages:



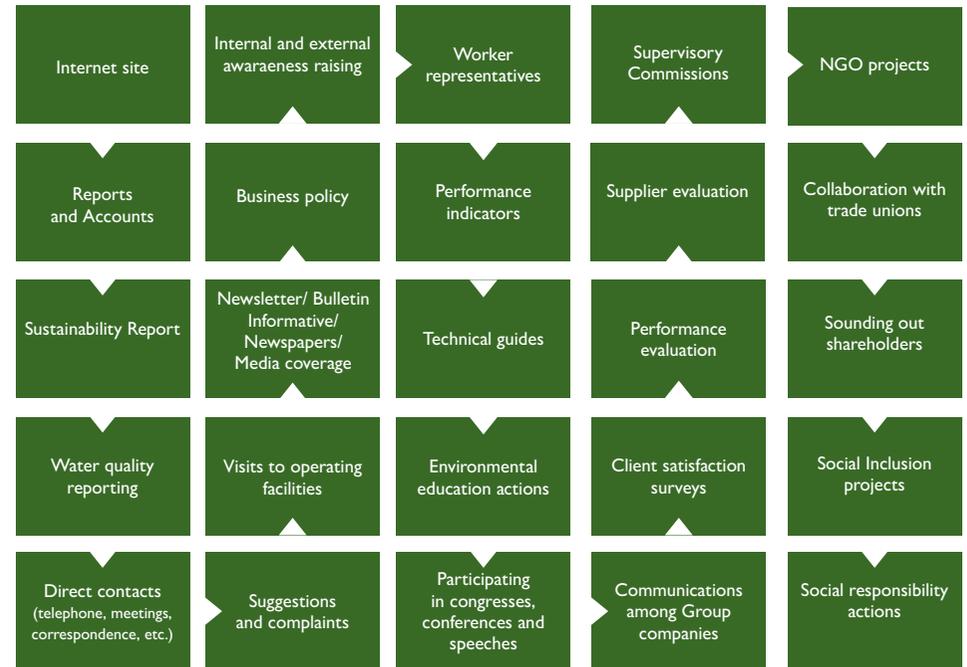
² 3,661 in active employment.

The AdP Group identified the following groups as its stakeholders:



Communication with stakeholders is ongoing through multiple channels, direct and indirect, with the Sustainability Report representing the main document expressing and implementing the transparency policy.

In 2022, stakeholder communications developed in accordance with precedence through the diverse means of involvement deployed, both by the companies individually and by the Group as a whole, across multiple channels, direct and indirect.



The Group receives diverse inputs from stakeholders, in particular through the collective and participative consultation processes across the entire AdP Group universe; consultations with the Sustainability Committee, Communications Committee, Human Resources Committee and NGOs in the scope of the fulfilment of the Sustainability Commitment; Consultation with Trade Unions (negotiation meetings and Joint Committee); Workers, periodic consultations within the scope of the management systems; consultations with the Community, among others.

As a result, the themes considered most relevant were:

- Valuing our employees
- Workplace safety
- Circular Economy
- Community
- Climate Emergency
- Innovation
- Environmental Education
- Sustainable Consumption of Water
- Resilience

According to the National Study on the Attitudes and Behaviours of the Portuguese towards Water in 2021, five key findings stand out:

- Citizens are sensitive to environmental issues, receptive to communications and information on this theme.
- Water falls within the scope of the environment framework, suffering negative consequences particularly associated with scarcity.
- Citizens consider water as a resource with a significant level of waste.
- The willingness to restrict water consumption is dependent on the involvement of citizens. This prevails among those who perceive a strong trend towards shortage and considers the human being plays an important role in this.
- The reutilisation of water is considered as the most relevant action and with impact for mitigating scarcity

The inputs gathered from different stakeholders over the course of the year have strengthened and continuously improved our action plans defined for each of the ambitions reflected in the Sustainability Commitment.



**GOVERNANCE OF BUSINESS
SUSTAINABILITY AND LEADERSHIP**

Criterion 21: Involvement with stakeholders.

in "Information on Progress in the United Nations Global Pact"

2.5

OUR SUSTAINABILITY COMMITMENT 2022-2025



The Sustainability of the AdP Group is an integral part of its management strategy to the extent the Group sustains its actions on a commitment to improving the natural and human capital and to the benefit of current populations and future generations.

In 2021, the Group redefined its Sustainability Commitment for 2022-2025, setting ambitions in line with the principles of efficiency, innovation and quality of service within the framework of corporate, environmental and social responsibility established under the strategic auspices of the objectives pursued with the goal of making a difference in the lives of people.

These sustainability ambitions align with the Sustainable Development Goals of the United Nations Agenda 2030 and focus not only on the core purpose of our work but also action for the climate, the circular economy, enhancing the territories, innovation with impact, cooperation for sustainable water management at the international level and education for sustainability.

WE SUPPORT



ÁGUAS DE PORTUGAL SERVES AS A MEMBER OF THE UN COMPACT NETWORK PORTUGAL BOARD.

Every Group company has signed up to the "United Nations Global Compact" (UNGC). Águas de Portugal serves as a member of the UN Global Compact Network Portugal Board. Through this membership, we commit to actively striving for sustainable development while fully respecting the ten principles of this Global Compact, which involve human and labour rights, environmental protection and anti-corruption mechanisms.

The benefits of this membership for the Águas de Portugal Group are:

- Displaying leadership on corporate social responsibility issues.
- Developing practical solutions for solving problems related to globalisation, sustainable development, corporate social responsibility and adjoining issues with different stakeholders.
- Taking a proactive attitude towards risk management and solving the most critical issues.
- Collaborating with the United Nations in attaining and conveying these objectives to governments, the business world, civil society and other stakeholders.
- Fostering best practices and learning.
- Accessing the vast knowledge of the United Nations on development issues.
- Improving company/brand management, employee productivity and motivation, as well as increasing operational performance efficiency.



HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses.



ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.



LABOUR

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.



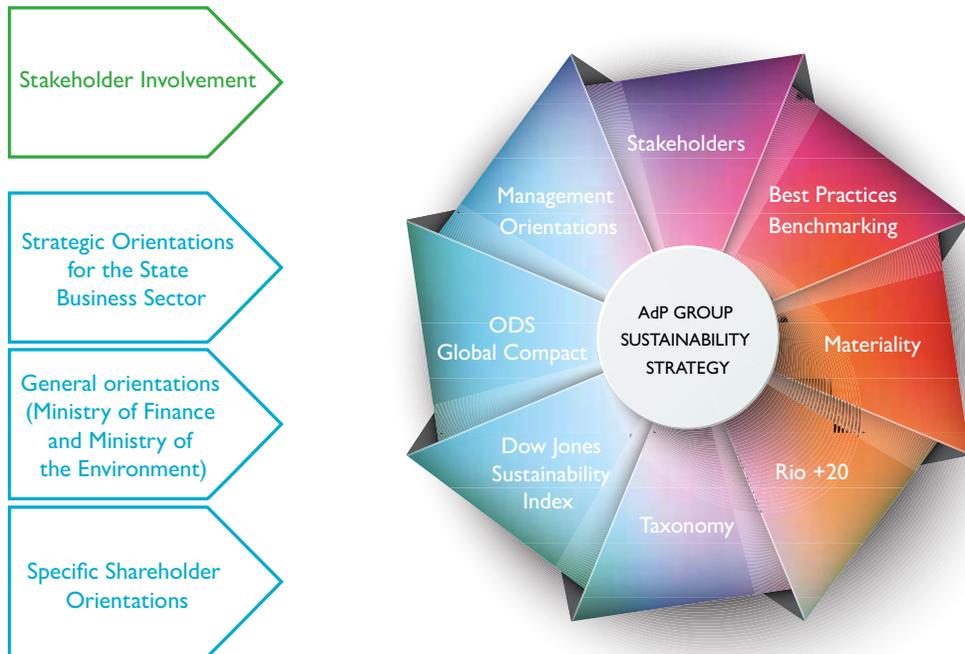
ANTI-CORRUPTION

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

WE STRIVE TO GUARANTEE THE QUALITY OF OUR FUTURE: THE FUTURE OF PEOPLE; THE FUTURE OF THE ECONOMY; THE FUTURE OF THE PLANET.

This Sustainability Commitment 2022-2025 resulted from analysis of the management orientations and the business strategy, reflection on the expectations of the stakeholders, consolidation of the best existing practices, the commitments taken on according to the principles of the Global Compact, under the auspices of the United Nations and the 17 Sustainable Development Goals.



OUR AMBITIONS

THE 7 AMBITIONS OF THE GROUP AdP UNTIL 2025

WORK WITH PURPOSE

TAKING ACTION FOR THE CLIMATE

ACCELERATING THE CIRCULAR ECONOMY OF WATER

ENHANCING THE VALUE OF TERRITORIES

INNOVATING TO IMPACT

ENSURING WATER AND SANITATION ACROSS BORDERS

EDUCATING FOR SUSTAINABILITY

Based on the AdP Group purpose “Making the difference in the lives of people”, the Sustainability Commitment reflects the dedication of AdP to its populations and stakeholders. Leveraging our foundations, as a Group with a public service mission, the ambitions of the Sustainability Commitment seek to ensure the implementation of sectoral policies and consolidating the Group’s position as a benchmark reference in the environment sector.

**ENSURE THE PURSUIT
OF SECTORAL
POLICIES,
CONSOLIDATING A
BUSINESS GROUP OF
REFERENCE IN THE
ENVIRONMENT
SECTOR.**

OBJECTIVES AND TARGETS FOR 2025

AMBITION

WORK WITH PURPOSE

To value the relationship with employees, encouraging their professional and personal evolution

PILLAR: GROUP CULTURE

40% of women in decision-making position by 2030

100% of companies certified in work life balance management

OBJECTIVES	GOALS	INSTRUMENTS
Invest in the professional and personal development of our employees	<ul style="list-style-type: none"> Establish a new global human resource policy for the AdP Group Implement an internal mentoring program focused on sharing experience and knowledge Implement the development and learning plan Expand the range of training at the AAL – the Águas Livres Academy by 20% Guarantee the participation of all Group employees in AAL training actions and initiatives Guarantee training to all employees at a level of >25% over the minimum number of hours stipulated in the labour legislation 	Human Resource Policy and Processes Manual
Guarantee equal opportunities and promote diversity and inclusion	<ul style="list-style-type: none"> Design a program to promote diversity and inclusion across the Group Guarantee compliance with the annual Gender Equality Plan Ensure 40% of women in decision-making roles by 2030 Raise the awareness of all Group members of staff about diversity and inclusion 	Plan for Gender Equality Portuguese Charter for Diversity National Target for Gender Equality – UN Global Compact
Ensure occupational health and safety	<ul style="list-style-type: none"> Implement a culture of safety across the Group and guarantee zero serious accidents Guarantee 8 hours/year of safety training to all members of staff Undertake the evaluation of psycho-social risk every two years 	Integrated Management System Águas Livres Academy
Promote a balance between work, family and personal life	<ul style="list-style-type: none"> Promote the implementation of work life balance management systems for managing professional, family and personal lives across all Group companies 	
Ensure transversal and effective internal communications	<ul style="list-style-type: none"> Promote dialogue through consultation of the organisational climate every two years Implementation of a new AdP Group intranet 	



AMBITION

TAKING ACTION FOR THE CLIMATE

Reducing GHG emissions, mitigating our impacts, adapting operations to climate change

20% of renewable energy by 2025

Raise energy self-sufficiency by 30% by 2025

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY

OBJECTIVES	GOALS	INSTRUMENTS
Ensure energy neutrality and self-sustainability	<ul style="list-style-type: none"> • Increase the production of 100% renewable energy by 20% • Reduce the consumption of electricity by 5% • Boost energy self-sufficiency by 30% 	
Reduce GHG emissions	<ul style="list-style-type: none"> • Calculate the Group's carbon footprint by 2022 • Draft the Group carbon neutrality contribution by 2023 	<p>PEAAC – Strategy Plan for Climate Change Adaptation</p> <p>ZERO – Energy Neutrality Program</p>
Promote the Group's sustainable mobility	<ul style="list-style-type: none"> • Train 100% of users in eco-driving • 15% of the fleet with less polluting vehicles 	<p>Move+ Fleet Certification</p> <p>NEUTRO – Carbon Neutrality Program</p>
Promote system resilience and guarantee the availability, quality and safety of the service and the product	<ul style="list-style-type: none"> • Raise by 100% the companies with Water Safety Plans by 2022 • Raise by 100% the companies with PEAAC by 2023 • Ensure the continuity in the water supply and wastewater sanitation services, guaranteeing compliance with renovation plans, in terms of expansion in the bulk and retail water supply and wastewater sanitation systems and water for reuse networks 	



AMBITION

ACCELERATING THE CIRCULAR ECONOMY OF WATER

Managing the urban water cycle in balance with nature, ensuring the transition to a circular economy

PILLAR: SERVICE EXCELLENCE

70% of wastewater sludges recovered by 2025

Raise the reutilisation of treated wastewater by 10%

OBJECTIVES	GOALS	INSTRUMENTS
<p>Conserve and enhance water bodies</p>	<ul style="list-style-type: none"> • Achieve a minimum of 90% of internal reutilisation for wastewater sanitation activities • Respond, in terms of supply, to the existing demand for ApR in communities served by AdP Group • Reduce inappropriate affluences in the wastewater drainage network • Identifying and reducing 20% of the physical water losses in the bulk and retail networks • Monitoring the water quality in source and receptor environment 	<p>Reutilisation Action Plan</p> <p>Wastewater Sludge Management Action Plan 2020-2030</p>
<p>Minimise waste produced and recover it as a by-product</p>	<ul style="list-style-type: none"> • Guarantee 70% recovery of supply system sludges • Promote the recovery of 70% of wastewater treatment sludges • Reduce the production of wastewater treatment sub-products by 45% 	<p>ZERO – Energy Neutrality Program</p>



AMBITION

ENHANCING THE VALUE OF TERRITORIES

Providing a public service of excellence, with a direct impact on improving the population's quality of life

Implementing green procurement plan

Developing loss reduction projects with municipalities

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES	GOALS	INSTRUMENTS
Enhance the relationship of proximity and dialogue with customers and municipal partners	<ul style="list-style-type: none"> • Develop 3 water loss reduction pilot projects with Municipalities/Managing Entities • Develop 5 inappropriate affluence pilot projects with Municipalities/Managing Entities • Implement a common system for evaluating the services provided by retail companies 	
Contribute to the development of a responsible economy	<ul style="list-style-type: none"> • Draft and implement a Green Procurement Plan 	Integrated Management System CCDesert – Observatory for Combating Desertification
Invest in the relationship and the sharing of values in the supply chain	<ul style="list-style-type: none"> • Promote the Group's values in the supply chain (companies) through 20 awareness raising actions/year • Promote the Group's values in the supply chain (companies) through 15 audits of suppliers/year • Promote the development of greenhouse gas emission inventories in the supply chain: 3 actions 	Gota a Gota, Mudamos Vidas (Drop by Drop, we change lives) Program
Be an integral part of the communities in which we operate	<ul style="list-style-type: none"> • 10,000 hours of volunteering/year • 5 corporate volunteer projects 	Águas sem Fronteiras (Water without borders) Program ZERO – Energy Neutrality Program
Protect and restore biodiversity and ecosystems	<ul style="list-style-type: none"> • Mapping the protected areas in the Group and designing the respective plans for their biodiversity and ecosystems 	ENIPSSA – National Strategy for Homeless Persons
Water as an essential factor in deepening the protection of public health	<ul style="list-style-type: none"> • Guarantee 99.5% of bulk and retail water quality • Guarantee compliance with the discharge licences (compliance with discharge limitations and regular monitoring) in the bulk and retail networks 	



AMBITION

INNOVATING TO IMPACT

Fostering open, collaborative innovation that creates value for the AdP Group and its companies

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

Increasing the number of IRD projects by 10%

Implementing the Group's strategic digital plan

OBJECTIVES	GOALS	INSTRUMENTS
Develop RDI projects aligned with the strategic areas of innovation and the needs of AdP Group companies	<ul style="list-style-type: none"> • Boost the number of IRD projects by 10% • Investment by AdP SGPS of 0.1% of turnover in innovation projects undertaken by Group companies • Launch innovation competitions inside the AdP Group 	
Develop and launch innovative products, services and processes	<ul style="list-style-type: none"> • Boost the number of Group developed products by 25% 	Group Innovation Agenda
Develop open innovation based on a multi-polar network of competences	<ul style="list-style-type: none"> • Raise by 10%/year internal and external partnerships (national and international) in the RDI context 	
Promote the digital transformation of the AdP Group	<ul style="list-style-type: none"> • Implement the Group's strategic digitalisation plan 	

AMBITION

ENSURING WATER AND SANITATION ACROSS BORDERS

Cooperating internationally to promote sustainable water management

- Increase by 20% the countries covered by the know-how of AdP Internacional
- Implement cooperation projects in all PALOPs + East Timor

PILLAR: SOCIAL UTILITY

OBJECTIVES	GOALS	INSTRUMENTS
Share knowledge through capacity building projects and technical support	<ul style="list-style-type: none"> Raise by 20% the countries covered by the know-how of AdP Internacional 	
Promote mutual aid in water, sanitation and climate related activities and programs in developing countries	<ul style="list-style-type: none"> Implement cooperation projects in the PALOPs 	AdP Group Internationalisation Strategy Águas sem Fronteiras (Water without Borders) Program
Operate in a geography of reference	<ul style="list-style-type: none"> 1 international operation 	



AMBITION

EDUCATING FOR SUSTAINABILITY

To be a benchmark actor in education for sustainable development

Produce a strategic plan for education in sustainable development

National campaigns/ year

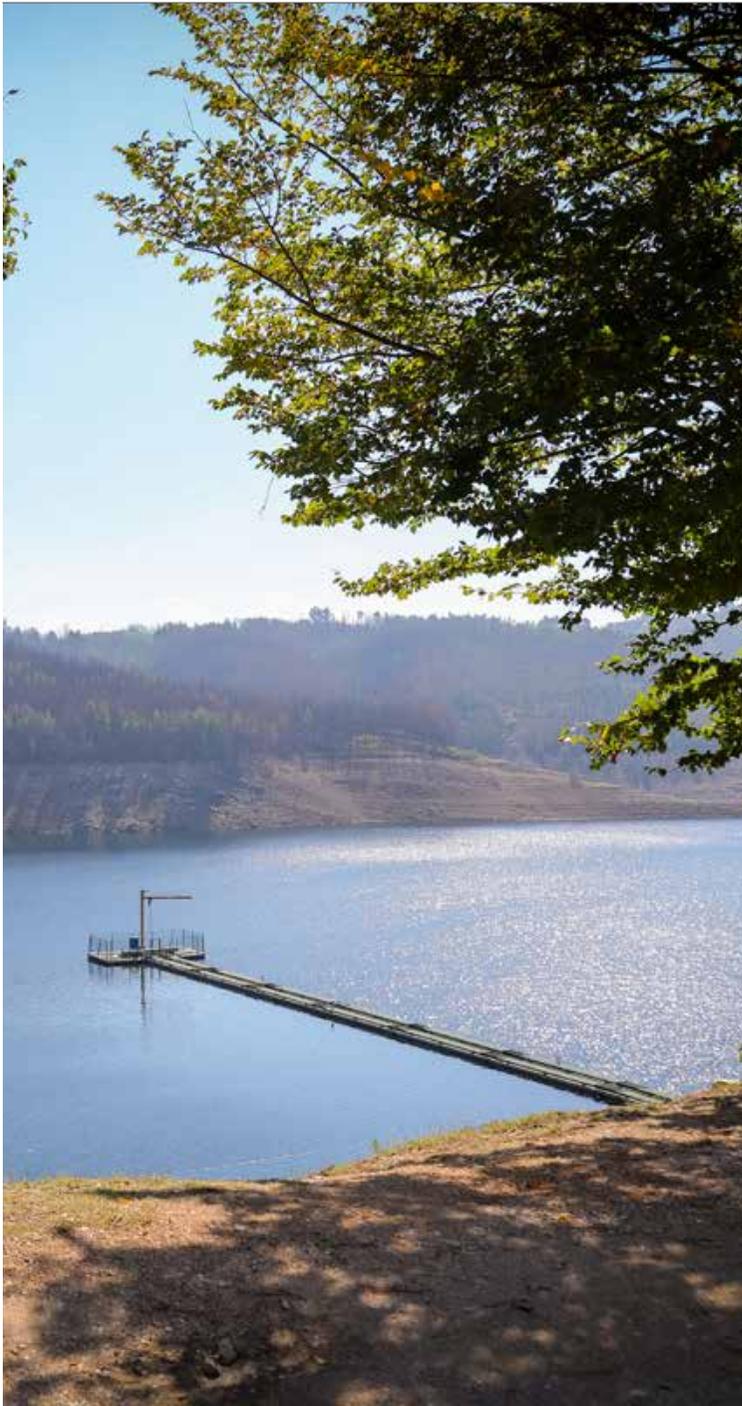
PILLARS: SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES	GOALS	INSTRUMENTS
Promote education for sustainable development	<ul style="list-style-type: none"> • Draft a strategic plan for education for sustainable development I • > 1,000 visits to installations/year and > 40,000 visitors/year 	
Promote the rational usage of water and the consumption of tap water	<ul style="list-style-type: none"> • I national campaign/ year 	
Promote the sustainable usage of the sanitation network	<ul style="list-style-type: none"> • I national campaign/ year 	Água a 360° AQUAQUIZ
Encourage the usage of ApR	<ul style="list-style-type: none"> • I national campaign/ year featuring good examples of green spaces and industrial and commercial activities and even best practices for water use at home 	Museum of Water Global communications plan
Promote the circular economy and energy neutrality	<ul style="list-style-type: none"> • Promote best practices, such as sustainable energy usage, the new products and materials produced in water and wastewater treatment plants and the new organic bio-fertilisers demonstrating the effects of Group activities on society 	
Promote innovation	<ul style="list-style-type: none"> • Campaign focused on the population and stakeholders featuring best practices in innovative processes, products and service developed and commercialised by the AdP Group 	



GUARANTEE THE IMPLEMENTATION OF SECTOR POLICIES, CONSOLIDATING A BENCHMARK BUSINESS GROUP IN THE ENVIRONMENT SECTOR

OBJECTIVES	GOALS	INSTRUMENTS
<p>Guarantee Group sustainability, creating value for the interested parties</p>	<ul style="list-style-type: none"> • Compliance with the infrastructure investment plans. • Compliance with the Investment Plans for carbon neutrality; the circular economy and the adaptation and mitigation of climate changes. • Group financing through means of sustainable financial instruments 	<p>10 principles of the UN Global Compact/ Global Compact Network Portugal</p> <p>Group Integrity Policy</p>
<p>Guarantee the credibility, ethics, transparency and rigor of the Group management model</p>	<ul style="list-style-type: none"> • Optimise the risk management process by 2023. • Guarantee the training in risk control, behaviour and ethics for all members of staff. 	<p>Alliance for the 17 SDGs</p> <p>Public business sector principles of good governance</p>



The Group has undertaken significant work to deepen the governance of sustainability. In 2015, the Sustainable Functional Group was launched made up of all Group operating companies, guaranteeing greater alignment in the policies and efficiency in the implementation of sustainability goals consistent with the image and spirit of the Group and the capacity for measuring the social impact. The best practices of Group companies combined with the vision that enables internal synergies and establishes a strong position at the external level.

In 2022, the AdP Group carried out a diagnosis of its ESG performance using the Dow Jones Sustainability Index (DJSI), submitting it at the end of the year to Standard and Poor's (S&P) for evaluation. Our objectives were as follows:

- Evaluate the AdP Group's performance in terms of sustainability.
- Identify the AdP Group's areas of excellence and potential areas for improvement, which relate situations where there are more pronounced gaps in relation to the best global practices in the sector.

These efforts to apply the DJSI underpin continuous improvement in the definition of clear and precise objectives for sustainable activities, establishing unmistakable rigour across the Group and in every sphere of action, thereby enhancing and consolidating the reputation of the Águas de Portugal Group and nurturing stakeholder confidence.

In the end, the Group will be better positioned to manage and anticipate the challenges and opportunities arising from sustainable development, reflecting its commitment to advance with its mission, aligning its growth to the fulfilment of the most demanding practices in terms of sustainability.

OUR RESPONSES TO THE TARGETS SET FOR OUR AMBITIONS ARE REPORTED IN CHAPTER 3 - OUR PERFORMANCE



BROADER SUPPORT MEASURES FOR THE UN OBJECTIVES AND QUESTIONS

Criterion 15: Contribute to the central United Nations objectives and questions

Criterion 16: Social and philanthropic investment strategy

Criterion 17: Defence and involvement in public policies

Criterion 18: Collective partnerships and actions

in "Information on Progress in the United Nations Global Pact"

3. OUR PERFORMANCE

3.1 Work with Purpose
3.2 Taking action for the climate
3.3 Accelerating the circular economy of water
3.4 Enhancing the value of territories
3.5 Innovating to impact
3.6 Ensuring water and sanitation across borders
3.7 Educating for sustainability



WE HAVE TAKEN IMPORTANT STEPS TO STRENGTHEN OUR ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) INDICATORS, CONTINUING FIRMLY ALONG THE PATH OF SUSTAINABLE DEVELOPMENT



WE CREATE VALUE ACROSS EVERY STAGE OF THE URBAN WATER CYCLE.

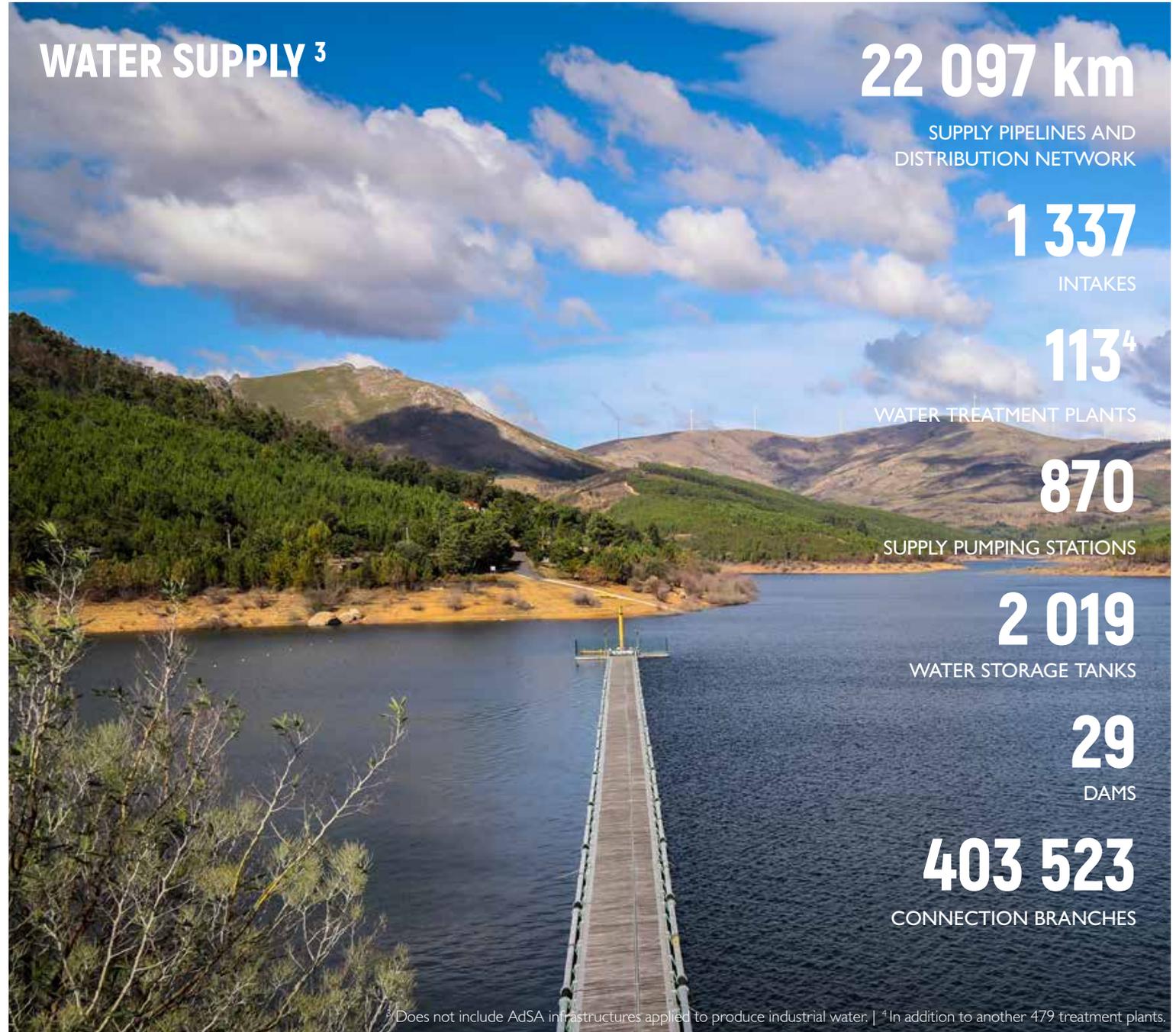
The supply of water in quantity and quality is essential for the well-being of populations and for public health.

The Águas de Portugal Group contributes through the operation and maintenance of water supply and wastewater treatment systems as well as through the rehabilitation and construction of infrastructures so that the simple act of turning on a tap and receiving quality water at all times has become a reality that society can no longer imagine itself deprived of.

In 2022, the AdP Group undertook investments of EUR 237.8 million of which EUR 170.6 million went into the construction or renovation of supply or sanitation infrastructures.

We take on the dual responsibility for the continuous supply of drinking water to populations and extracting only the essential water flows (minimising waste), thus preserving and valuing bodies of water as a natural resource.

WE CARRIED OUT INVESTMENTS OF EUR 237.8 MILLION



THE AdP GROUP CONTRIBUTES SIGNIFICANTLY TO THE POSITION PORTUGAL HOLDS IN THE RANKINGS OF COUNTRIES THAT BEST RESPECT THE RIGHT TO WATER.

The path to the sustainable development of water resources increasingly involves extracting only the quantities necessary, recourse to surface capture points and by cutting the real losses of water. Daily management of water capture is undertaken in order to avoid reducing the water availability in the surface and subterranean reserves and to guarantee the maintenance of minimum flow levels to safeguard the ecosystems that depend upon them.

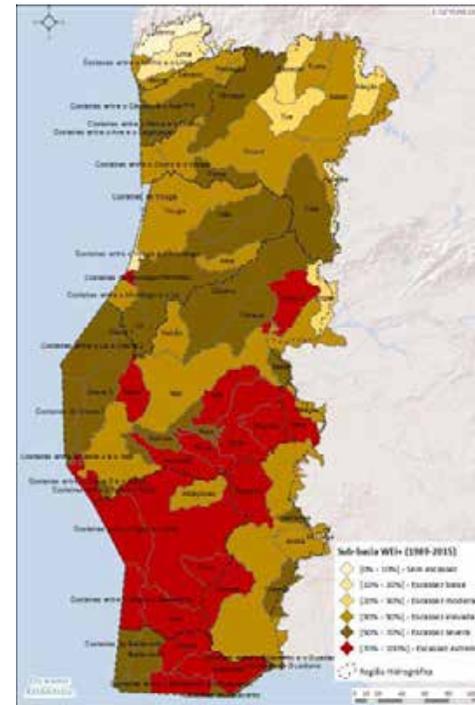
RESPONSE TO WATER SCARCITY UNDER CLIMATE CHANGE SCENARIOS

Notwithstanding the above, the asymmetries in Portugal, from the north to the south, in themselves impose different challenges for supplying more than 8 million people in the 214 municipalities indirectly or directly served. The conditions imposed by climate variability, especially the increasing occurrence of droughts, bring about challenges to supply. Long-term planning, greater adaptation to uncertainties, in addition to strategic risk management and actions for the rational and conscious utilisation of water rank as some of the main actions undertaken by the Group to ensure water security for the populations in the municipalities served. In water management, especially in this essential public service sector, there is enormous responsibility over pre-empting scenarios, assessing risks, developing solutions and acting accordingly.

In 2022, the AdP Group set up the Drought Task Force involving the participation of all our water supply companies, strengthening the work of our teams right across the country, ensuring the close monitoring of information on availability at the sources of Group managed systems and identifying both critical situations and their respective contingency and mitigation measures, especially those involving coordination with other entities. We would highlight the concerted, integrated and innovative efforts of the various actors in the water sector in order to prepare for the short-, medium- and long-term scenarios.

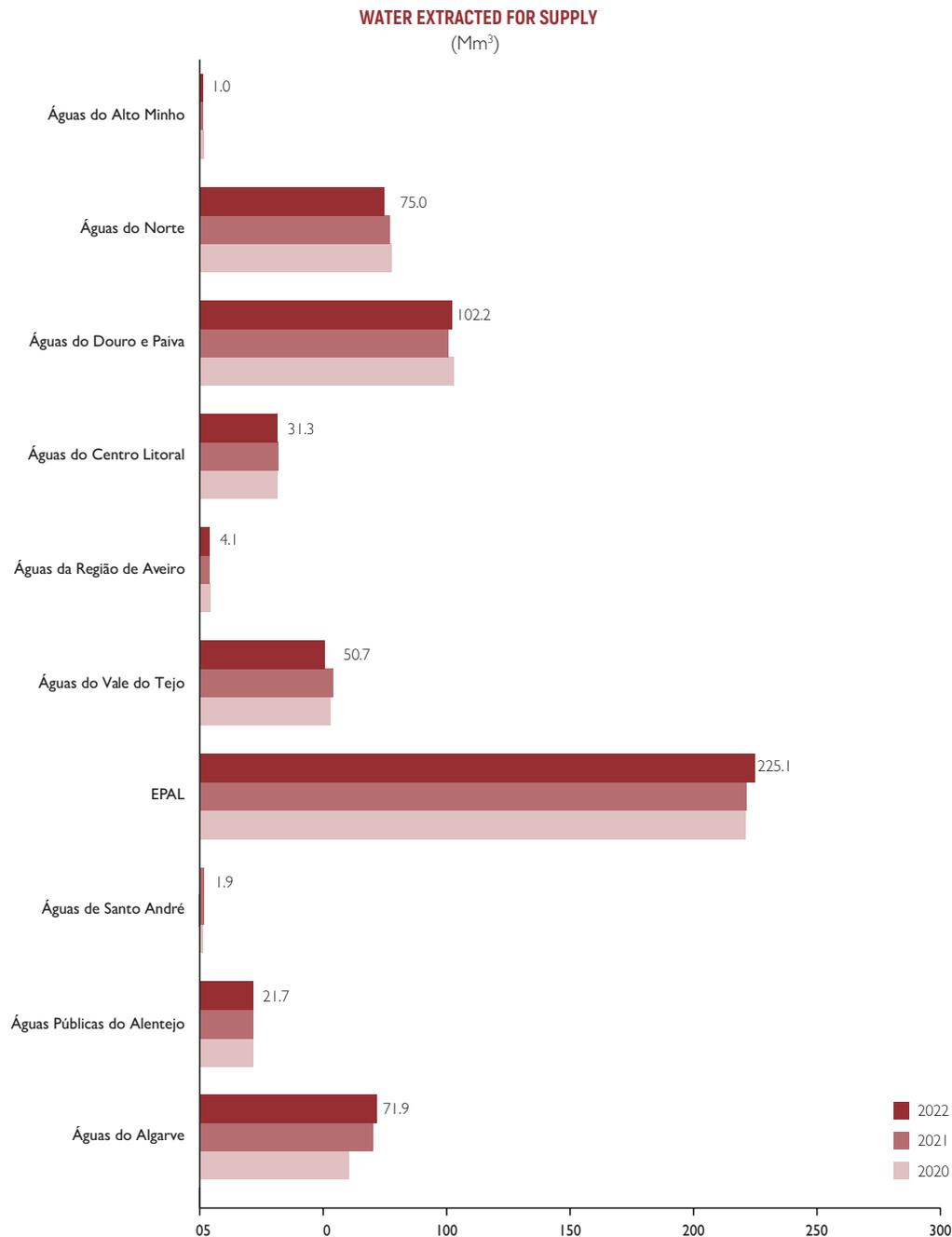
TO CONTINUE TO ENSURE THE EXCELLENCE OF THE SERVICE WE PROVIDE, WE CONTINUE TO WORK ON SYSTEM RESILIENCE IN THE CONTEXT OF DROUGHT AND WATER SCARCITY, INCREASINGLY DEMANDING SCENARIOS IN TERMS OF QUALITY, QUANTITY AND SECURITY.

The AdP Group deploys the information available in the WEI+ index to monitor the assessment of scarcity indices in its geographic areas of catchment and compares water availability with demand. This tool adds to the WEI (Water Exploitation Index), an index that corresponds to the ratio between average annual water demand and the long-term average resource availability and enables the assessment of the water stress a region is experiencing. The WEI+ aims to complement the WEI through incorporating the calculation of vulnerability to situations of scarcity, the returns of water to the water environment, as well as the ecological environmental flows.



Índice escassez WEI+	
Classes	
WEI+ inferior a 10%	Sem Escassez
WEI+ entre 10% a 20%	Escassez Baixa
WEI+ entre 20% a 30%	Escassez Moderada
WEI+ entre 30% a 50%	Escassez Elevada
WEI+ entre 50% a 70%	Escassez Severa
WEI+ superior 70%	Escassez Extrema

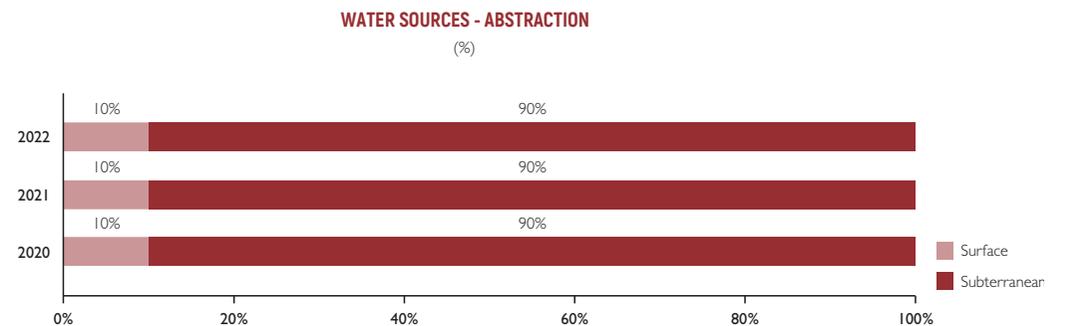
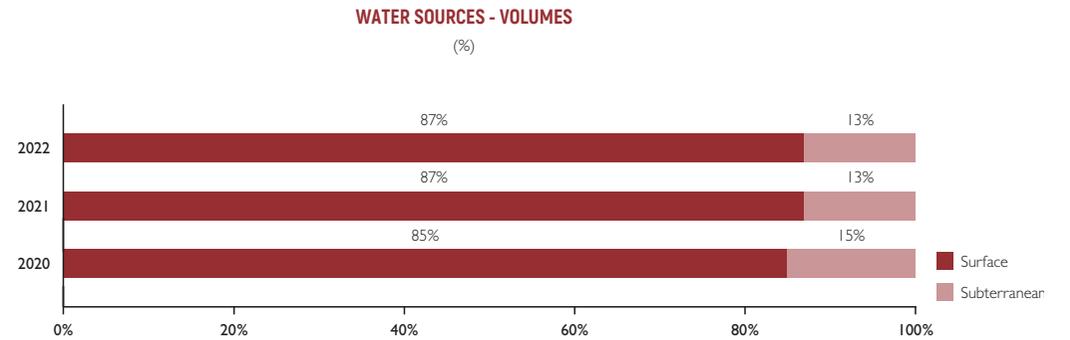
As the map displays, with a few exceptions in the north of Portugal, most of the country is experiencing high to extreme drought conditions. As the most extreme situations are found in the south, the companies Águas do Algarve, AgdA - Águas Públicas do Alentejo and Águas do Vale do Tejo are those most affected.



In 2022, 585⁵ million m³ of water were captured, which represents a 0.15% decrease compared with 2021, to supply 214 municipalities.

Respect for the limitations set by the licences issued by the competent authorities guarantees the sustainable utilisation of resources. Currently, 92% of the water was abstracted under licence (with the remainder under the process of licencing). In 2022, 51% of the maximum volumes defined by the licences was abstracted.

In 2022, the number of surface abstraction points (137) accounted for 87% of the total volume abstracted, the same level as in 2021. The number of subterranean abstraction points declined from 1 223 to 1 200. The greater surface abstraction capacity existing at Group companies enables the preferential usage of this water source to the detriment of subterranean catchment and thereby guaranteeing high levels of replacement and safeguarding subterranean aquifers to better conserve the water resources the volume of water obtained via surface abstraction stood at 508 Mm³ and against 77 Mm³ from subterranean sources.



⁵ Water obtained from AdP Group company own intakes or those under their management. In 2022, Águas de Santo André abstracted 10.4 million m³ from the Sado river to feed the Morgavel reservoir (this figure is not included in the graph as it is not water for human consumption), from where 17.8 million m³ were sourced for industrial water production.

MEASURES ADOPTED TO COMBAT LOSSES

- Continuously monitoring the flow and pressure (by remote inspection);
- Carrying out load tests on the pipes and storage tanks;
- On site periodic inspection routines (e.g.: areas with pipes, storage facilities);
- Verification and ascertaining the flow levels;
- Renovating storage facilities and replacing pipes at the end of their working life spans;
- Undertaking monthly water balance reports;
- Specialist teams;
- Investment in technology.
- Telemetry



THE RELIABILITY AND RESILIENCE OF OUR WATER SYSTEMS ENSURE THE CONTINUITY AND QUALITY OF SUPPLY.

Another fundamental aspect for the conservation of water bodies is to minimise inefficiencies. In addition to the economic facet of this question, the reduction of real water losses is a matter of environmental concern. The AdP Group is duly attentive and has been investing continually to this end, especially the real losses in the transport and distribution of water. In 2022, the Group verified that the bulk system experienced a decrease in real losses from 3.9% to 3.6%. In the retail systems, real losses also decreased, down from 12.9% to 11.2%.

The reduction in leaks through preventive maintenance and the renovation of networks, the existence of specialist teams for such purpose associated with the technological investment has contributed efficiently to improving the AdP Group results in water resource management.

INDUSTRIAL WATER

Águas de Santo André supplies industrial water, in addition to drinking water for human consumption. The Industrial Water System includes abstraction from the Sado River, in Ermidas do Sado, followed by the channelling of water over about 40 km to the Morgavel lagoon, where the water is then elevated and transported to the Morgavel Water Treatment Plant.

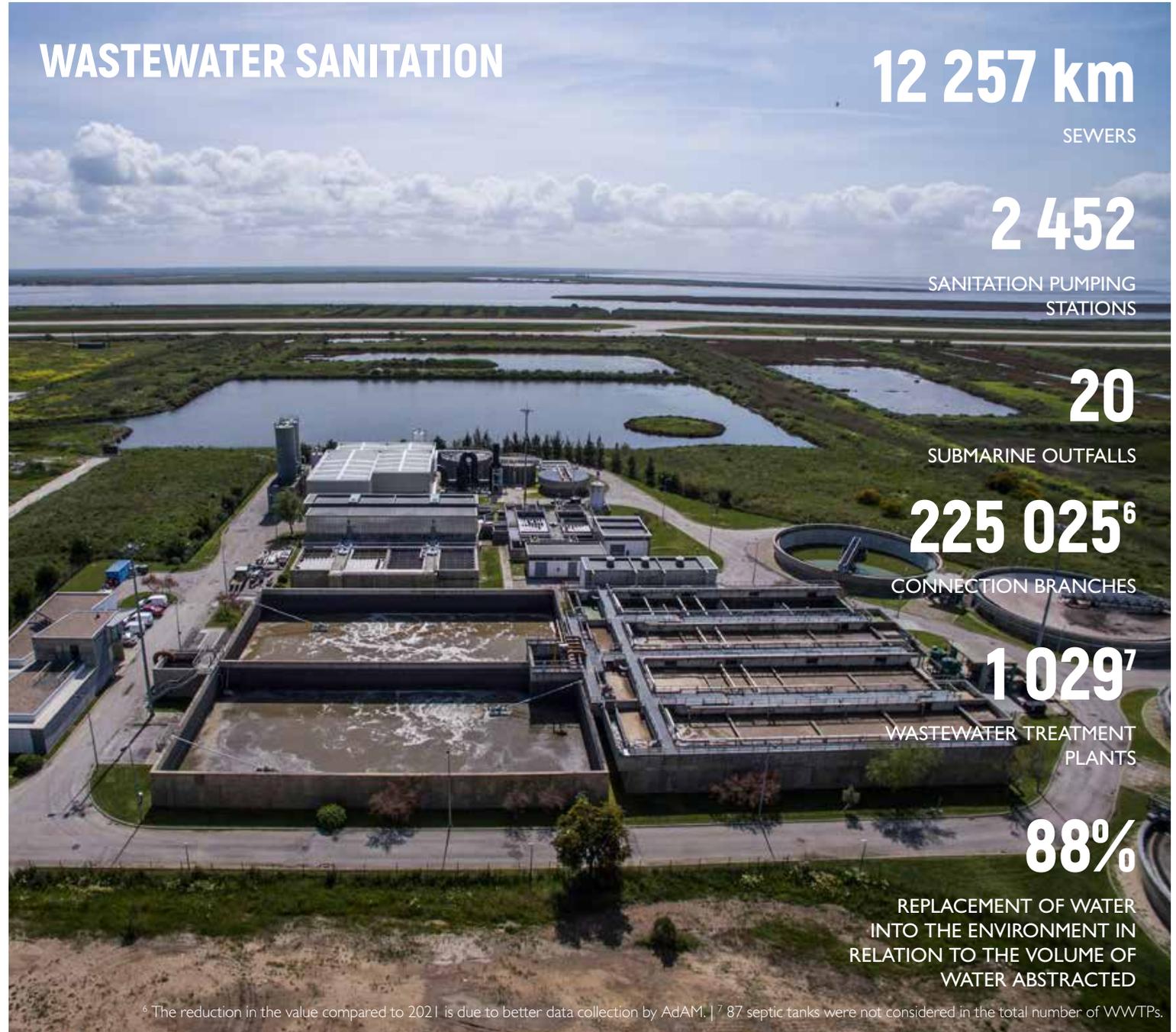
After treatment, the water is sent to the reservoir at Monte Chãos (50,000 m³), from where it is gravity distributed to the industries in the Sines Industrial and Logistics Zone (ZILS) through its own specific distribution network, independent from drinking water supply system although running along parallel routes.



SANITATION PLAYS A KEY ROLE IN PROTECTING BOTH THE ENVIRONMENT AND PUBLIC HEALTH.

The conservation and valuation of bodies of water intrinsically interconnects with the operation of sanitation systems and conveying the company commitment towards people, public health and the environment.

The effective collection, treatment and discharge of wastewaters safeguards the quality of the receptor environments and their respective ecosystems. Compliance with the limits defined in the licences issued by the competent authorities enable the sustainable utilisation of resources for their own respective purposes. Improving the quality of bodies of water as a result of the impacts of AdP Group activities enables the national economy. For example, we may point to the consequences of depolluting beaches and watercourses for the tourism activities ongoing in Portugal.

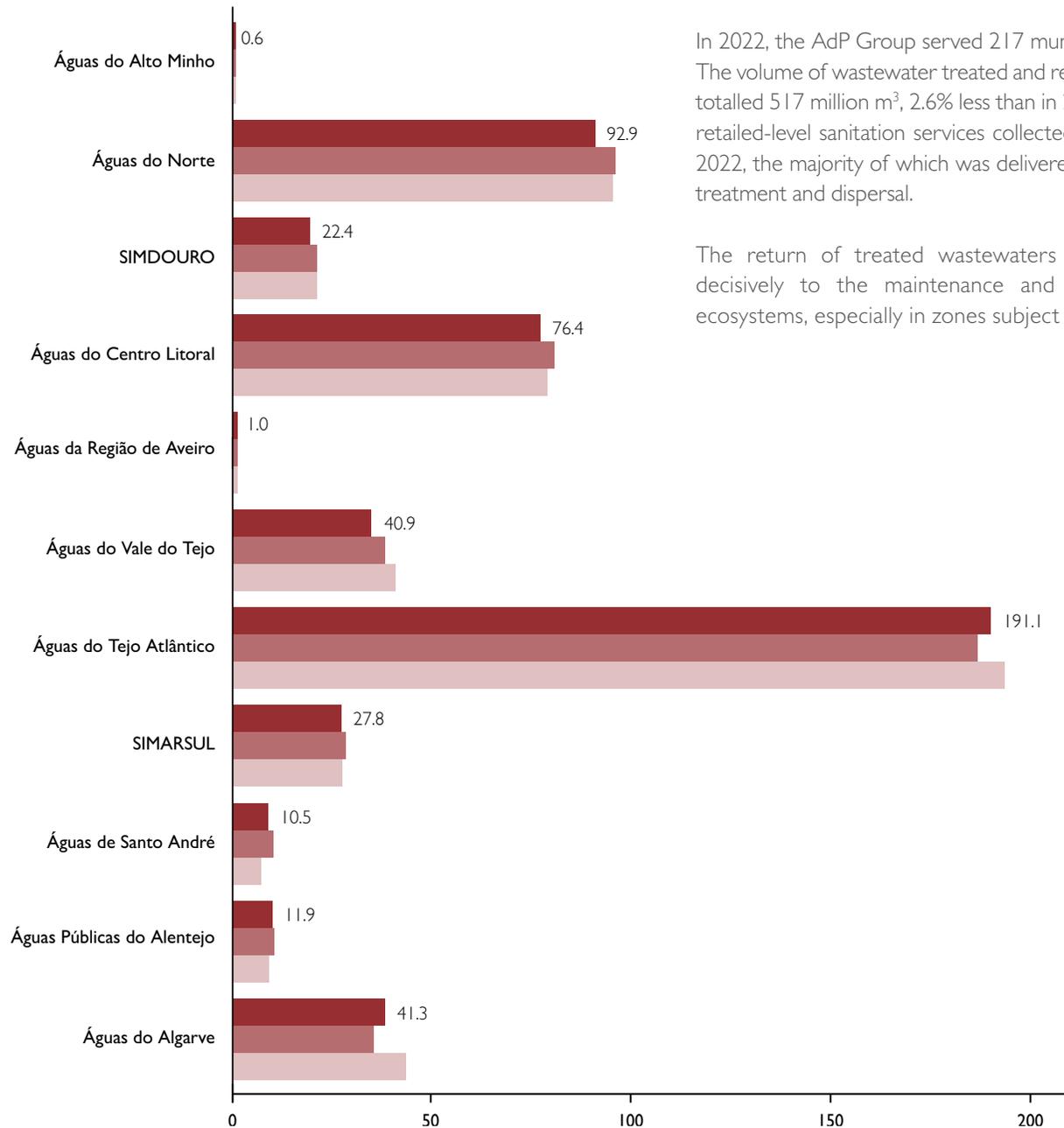


⁶ The reduction in the value compared to 2021 is due to better data collection by AdAM. | ⁷ 87 septic tanks were not considered in the total number of WWTPs.

**PORTUGAL SAW
393 BEACHES AWARDED
THE BLUE FLAG IN 2022.**



TREATED AND DISCHARGED WASTEWATERS
(Mm³)



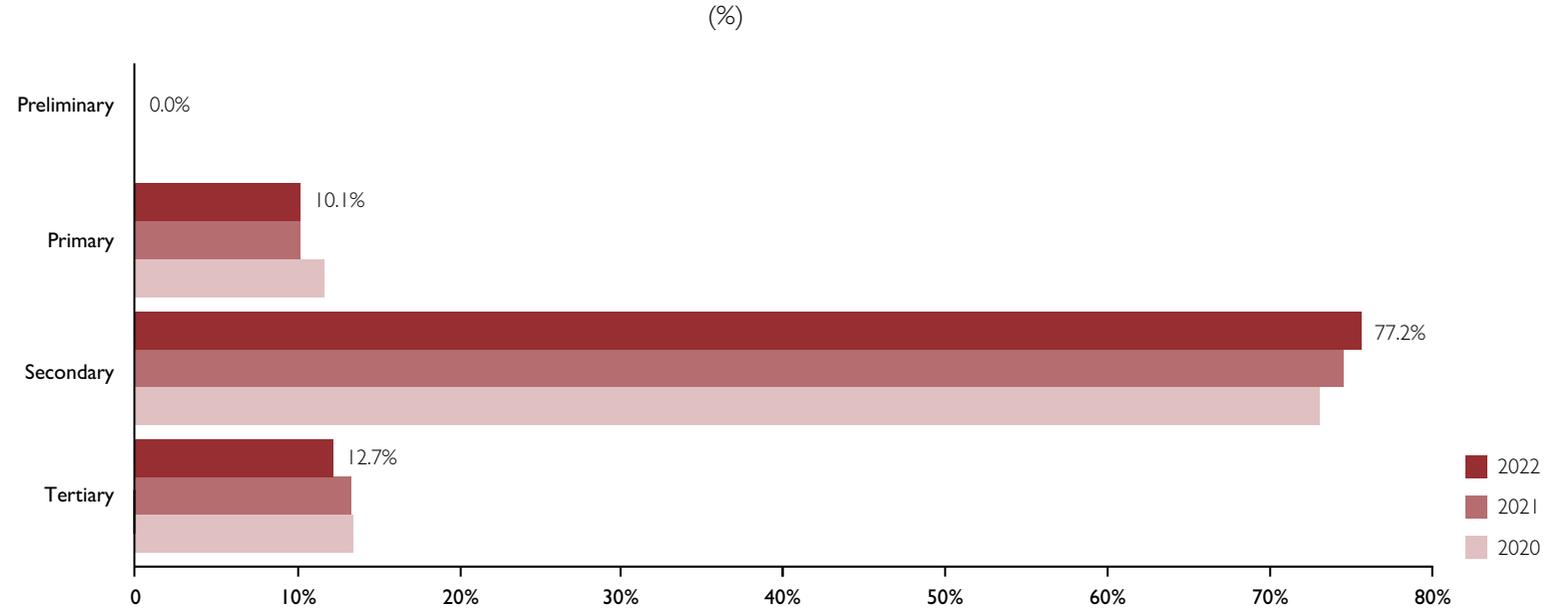
In 2022, the AdP Group served 217 municipalities with sanitation services. The volume of wastewater treated and returned to the hydric environment totalled 517 million m³, 2.6% less than in 2021. AdP Group companies with retailed-level sanitation services collected 42 million m³ of wastewater in 2022, the majority of which was delivered to the bulk-level companies for treatment and dispersal.

The return of treated wastewaters into watercourses contributes decisively to the maintenance and safeguarding of the riverside ecosystems, especially in zones subject to long dry seasons.

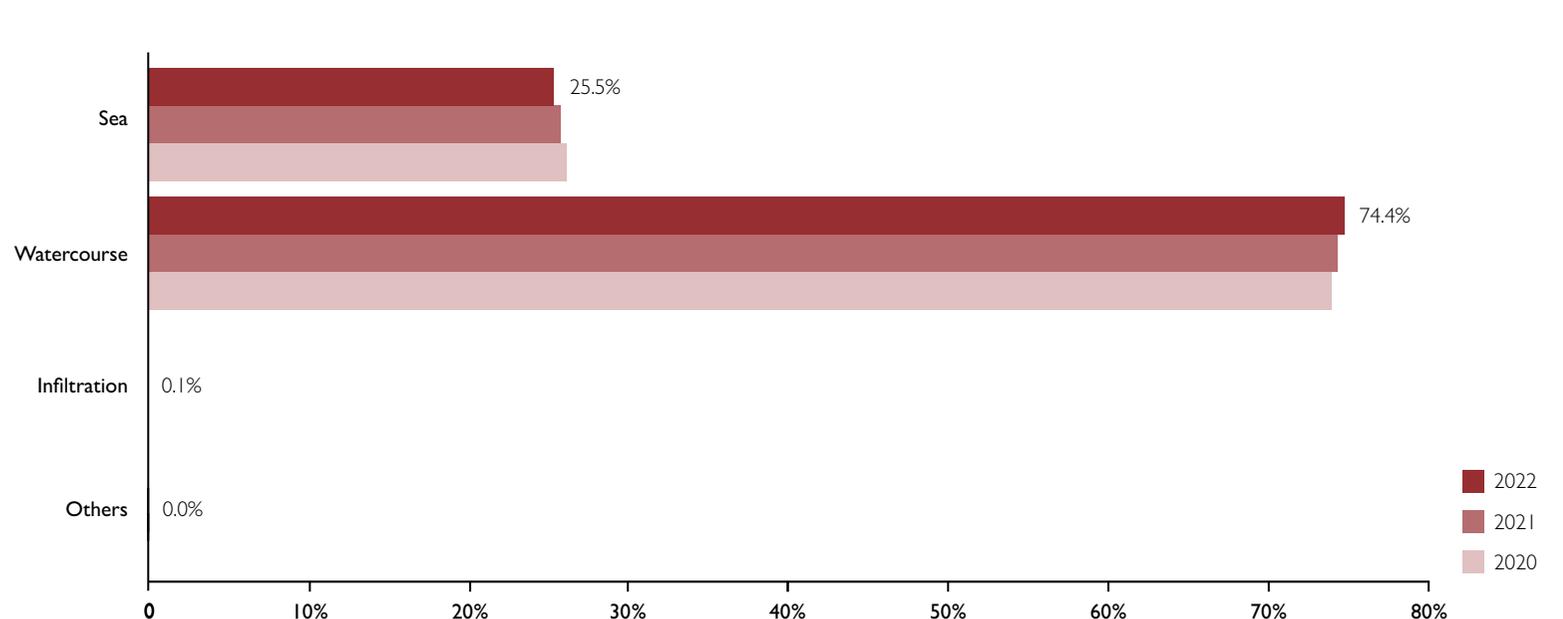
The high-quality level required by diverse uses in receptive environments needs different types of wastewater treatment. The predominant treatment ongoing at AdP Group installations is secondary. In particular situations, defined in the discharge licences, wastewaters are additionally subject to tertiary treatment for the removal of nutrients, particularly nitrogen and phosphorus.

Watercourses are the preferred sites for the discharge of treated wastewaters (74% of effluent) given their proximity to treatment installations followed by rejection through underwater emissary into the sea (26%).

LEVEL OF WASTEWATER TREATMENT (%)



LOCATION FOR DISCHARGE OF TREATED WASTEWATERS (%)



517

MILLION M³

TREATED WATER RETURNED TO THE WATER ENVIRONMENT

The environmental management systems provide an important contribution to the appropriate management and valuation of the resources, enabling the minimisation of risks and the elimination of wastes, bringing added value to the Group and to the societies we operate in. 100% of AdP Group companies are certified by the ISO 14001 norm.

The scope of certification, with 15 of the 17 certified companies, reflects their entire business across every infrastructure. Only two companies now hold only partial certification, hence, the target of reaching 100% of fully companies certified has almost been achieved.

**WE GENERATE A POSITIVE IMPACT
ON CURRENT SOCIETY AND FOR
GENERATIONS TO COME**

NEGATIVE IMPACTS

- Large volumes of water abstracted
- Consumption of energy (electricity and fuels)
- Emissions
- Production of waste
- Impacts on biodiversity
- Alterations to the discharge environments
- Impacts on the local population (construction works, operating infrastructures)

POSITIVE IMPACTS

- Preservation of natural resources
- Preservation of ecosystems
- Promotion of alternative sources of energy
- Protection of public health
- Promotion of the economy through wealth creation at the regional and national levels
- Posts of employment (direct and indirect)
- Tourism (raising the standards of watercourses and soils)
- Environmental education



ENVIRONMENT

7th Principle: Businesses should support a precautionary approach to environmental challenges;

Criterion 9: Existence of robust commitments, strategies and policies for environmental management.

Criterion 10: Management systems effectively integrate environmental principles.

Criterion 11: Effective monitoring and evaluation of environmental management mechanisms.

in "Information on Progress in the United Nations Global Pact"



PURSUING OUR AMBITIONS

WORK WITH PURPOSE

TAKING ACTION FOR THE CLIMATE

ACCELERATING THE CIRCULAR ECONOMY OF WATER

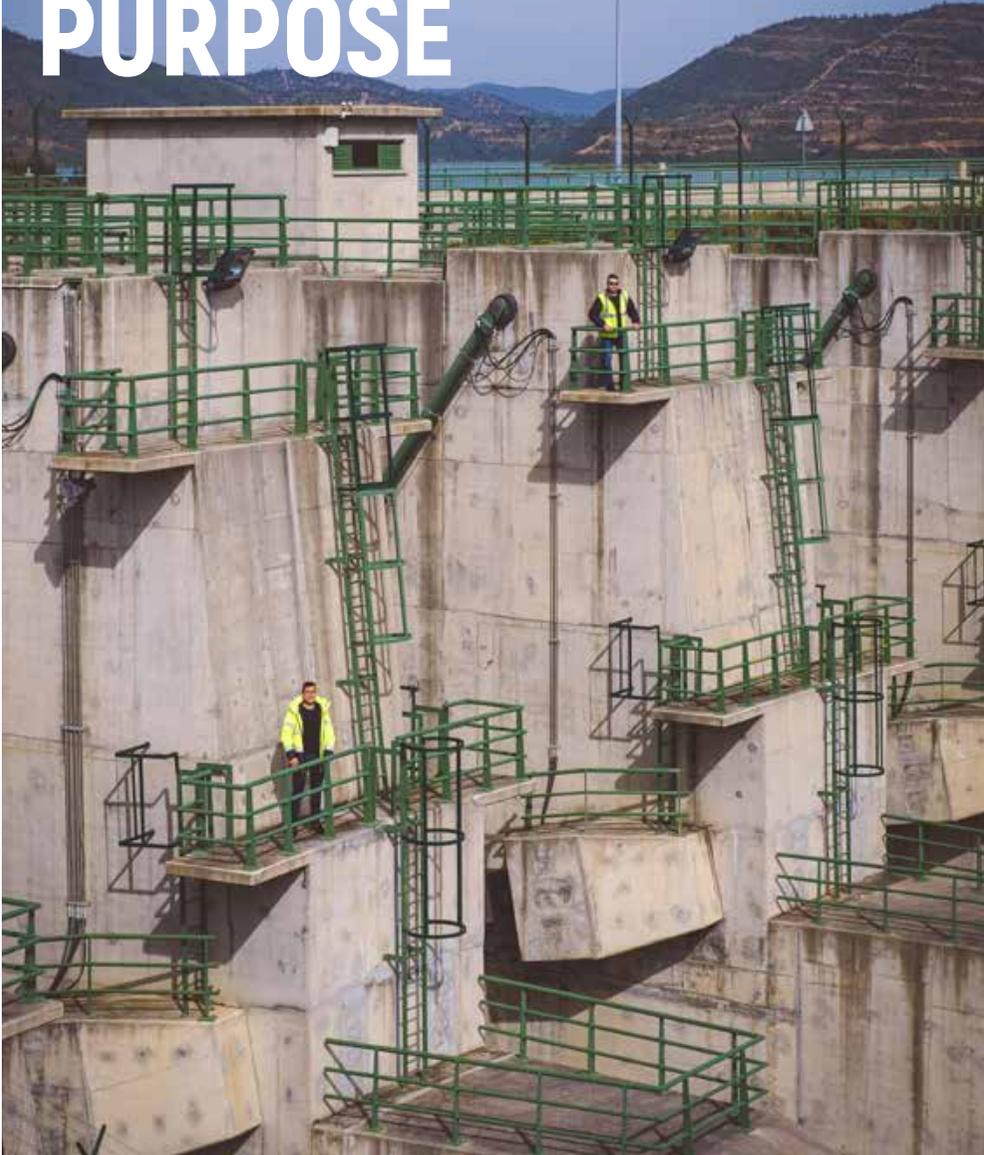
ENHANCING THE VALUE OF TERRITORIES

INNOVATING TO IMPACT

ENSURING WATER AND SANITATION ACROSS BORDERS

EDUCATING FOR SUSTAINABILITY

3.1 WORK WITH PURPOSE



TO VALUE THE RELATIONSHIP WITH EMPLOYEES, ENCOURAGING THEIR PROFESSIONAL AND PERSONAL EVOLUTION

PILLAR: GROUP CULTURE

OBJECTIVES:

- Invest in the professional and personal development of our employees
- Guarantee equal opportunities and promote diversity and inclusion
- Ensure occupational health and safety
- Promote a balance between work, family and personal life
- Ensure transversal and effective internal communication

GOALS

- Establish a new global human resource policy for the AdP Group
- Implement an internal mentoring program focused on sharing experiences and knowledge
- Implement the development and learning plan
- Expand the range of training at the AAL - Águas Livres Academy by 20%
- Guarantee the participation of all Group employees in AAL's training actions and initiatives
- Guarantee training to all employees at a level of >25% over the minimum number of hours stipulated in the labour legislation
- Design a program to promote diversity and inclusion across the Group
- Guarantee compliance with the annual Gender Equality Plan
- Ensure 40% of women in decision-making positions by 2030
- Raise the awareness of all Group employees about diversity and inclusion
- Implement a culture of safety across the Group and guarantee zero serious accidents
- Guarantee 8 hours/year of safety training for all employees
- Undertake the evaluation of psycho-social risks every two years
- Promote the implementation of work life balance management systems for managing professional, family and personal live across all Group companies
- Promote dialogue through consultation of the organisational climate every 2 years
- Implementation of the new AdP Group intranet

ACTIVELY FOSTER THE CONTINUOUS DEVELOPMENT AND VALUATION OF ALL EMPLOYEES AND THEREBY CONTRIBUTING TO THEIR INVOLVEMENT AND COMMITMENT

Considering human capital as a factor that drives success and is decisive for ongoing service excellence, the AdP Group bases its relationship with its employees on trust and valuing their skills. The main challenges that we face are motivation and satisfaction, the qualification and valuation of work, equal opportunities and the guarantee of working conditions with a major focus on workplace health and safety.

In 2022, we focused on social dialogue, with meetings and intense interactions among the social partners, embarking on a new cycle of negotiations, constantly striving to improve the existing Collective Labour Agreements and enhancing the salaries of our people, having applied, by management decision, a general salary increase of 1.2% across the AdP Group. The work carried out with the parity committees continued, under the auspices of the Collective Labour Agreements, striving to clarify any questions that might arise in terms of interpreting the respective clauses. In this context, it was possible to reclassify workers in those Group companies that received approval for their respective Activity Plans and Budgets.

3 742

TOTAL NUMBER
OF EMPLOYEES

47⁸

SENIOR
MANAGEMENT
POSITIONS

The AdP Group, which currently has 3 742 employees⁹, 3 661 in active employment, has greatly contributed to boosting employment and local economies, strongly assisting in combating the desertification of the inland regions of Portugal. In 2022, 305 new members of staff joined AdP Group companies and 142 left, corresponding to churn rates of 8.3% and 3.9% respectively.

WE LEVERAGE LOCAL EMPLOYMENT

Total number of employees per company	2020	2021	2022
AdAM	149	154	176
AdNorte	589	588	590
AdDP	140	138	148
SIMDOURO	80	78	77
AdCL	218	234	235
AdRA	273	272	281
EPAL + AdVT	998	1 019	1 047
AdTA	370	383	406
SIMARSUL	98	96	119
AdSA	59	57	66
AgdA	123	145	152
AdA	163	177	195
Holding and Instrumental Companies ¹⁰	151	160	169
Total	3 411	3 501	3661



HUMAN RIGHTS

1st Principle

Businesses should support and respect the protection of internationally proclaimed human rights; and

2nd Principle

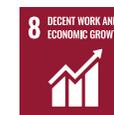
Companies guarantee their non-participation.

Criterion 3: Existence of robust commitments, strategies and policies for human rights.

Criterion 4: The AdP Group management effectively integrates the principles of human rights.

Criterion 5: Effective monitoring and evaluation of the management mechanisms for human rights.

in "Information on Progress in the United Nations Global Pact"



⁸ Positions held on the company bodies. In absolute terms, there are 38.

⁹ Refers to the total of employees as at 31 December 2022, including employees with suspended contract. Throughout the chapter "Giving purpose to work" the ratios presented relate to the active number of employees.

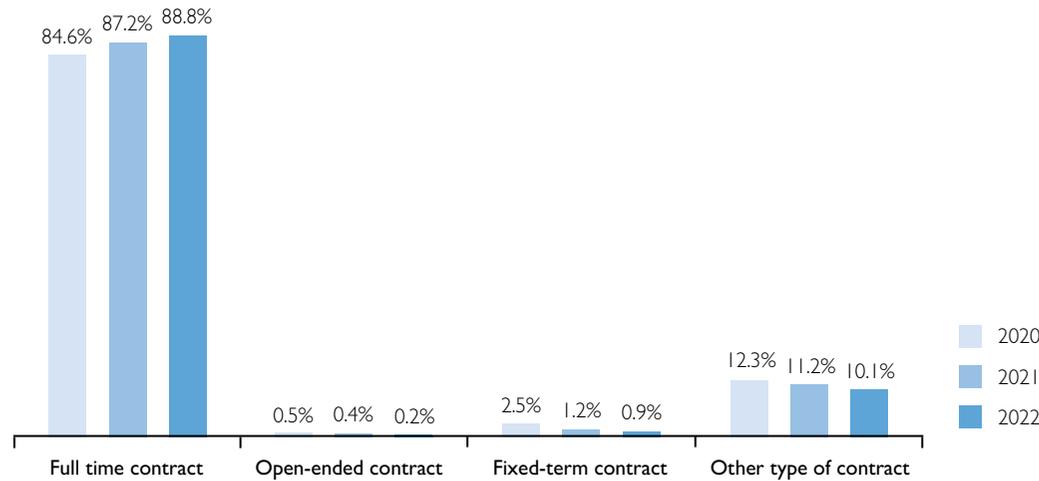
¹⁰ Includes branches and subsidiaries of AdP Internacional.

CHARACTERISTICS OF GROUP HUMAN RESOURCES

The Group Human Resource policy rests on the pillars of trust, integrity, responsibility and respect for employees and prioritising stable and lasting working relationships reflected in the fact 89% (87% in 2021) of contracts are open-ended. Workers under an occasional loan regime between Group companies, or loaned in the public interest to other state organisms, are represented in the graph as "other type of contract" and are contractually bound to their companies of origin, with open-ended contracts.

EMPLOYEES BY TYPE OF WORKING CONTRACT

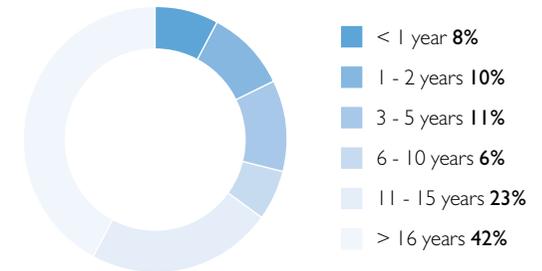
(%)



Around 6% of Group employees have a length of service record of between 6 and 10 years while 42% have been with the Group for over 16 years. The average length of Group service stands at 13 years.

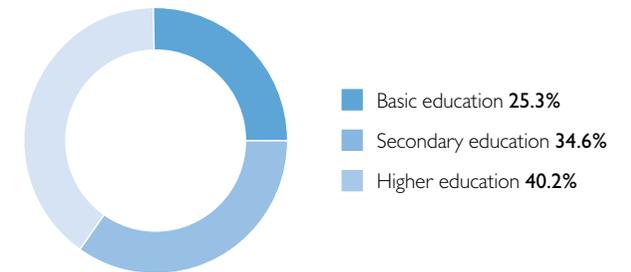
LENGHT OF SERVICE

(%)



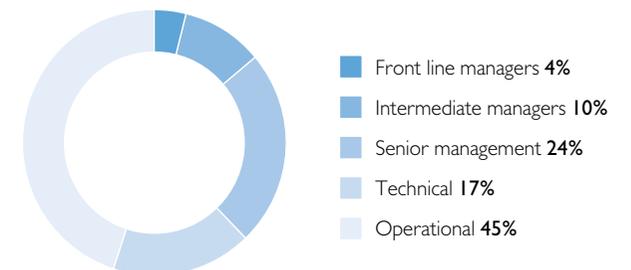
EDUCATION LEVELS

(%)



EMPLOYEES BY SEGMENT

(%)



3 661

ACTIVELY EMPLOYED STAFF MEMBERS OF WHOM:

88.8%

HOLD OPEN ENDED CONTRACTS

42%

WITH OVER 16 YEARS OF COMPANY SERVICE

44.8%

OPERATIONAL STAFF



INVESTING IN THE DEVELOPMENT OF OUR PEOPLE

Professional and Personal Valuation and Development

The AdP Group Human Resource Strategy is leveraged on compliance with the objectives of excellence in our core business through the individual contributions of our members of staff. Efforts are deployed within the scope of fostering their motivation and the development of their competences. Our mission is to guarantee the personal and professional growth of our staff, within a climate of trust, respect, resilience and agility while promoting the well-being of all. Motivation and satisfaction, the qualification and valuation of work, equal opportunities and the guarantee of working conditions with a major focus on workplace health and safety are crucial facets to our vision of people management.

One of the AdP values is the contribution of employees through the acquisition of competences and life long learning. Members of staff are correspondingly encouraged to participate in Post-Graduate, Master's and Doctoral Degree programs in fields directly related with their activities and that unquestionably contribute to raising their intellectual capital. The participation in Professional Class Associations that contribute to professional recognition or that align with the objectives of the company is also encouraged and supported.

Training and Development

Encapsulating the culture of continuous improvement, we understand that it is fundamental to empower our human resources with the competences necessary to enable them to achieve all their potential, thus contributing towards the success of AdP. Hence, the training of staff represents a core priority for Human Resource Management Policy.

The training planning, management and evaluation processes seek to respond to the training needs identified and guarantee the quality, effectiveness and appropriateness of the programs.

In 2022, we stepped up the transversal and strategic training actions within the objective of nurturing organisational development as well as

strengthening and consolidating the shared and aligned working values for joint development. In this context, a transversal training plan was designed for the Águas de Portugal Group in order to respond to the challenges proposed by the Group under both its Framework of Strategic Commitment and its Sustainability Commitment and thus aligning the knowledge identified as critical to the business and the development of our staff at every Group Companies, correspondingly highlighting the following topics: Ethics and Conduct in the AdP Group, Cybersecurity and Corporate Governance. We would note here that this transversal AdP Group training plan, having launched in 2022, is due to continue throughout 2023 in order to not only deepen and disseminate some of the knowledge and best practices in the topics listed above but also to foster the development and alignment of other key Group skills, as is the case of Public Procurement, Digital Literacy and Internal Control.

This was also a year of great investment in the qualification of our people through various advanced training courses as well as strongly focusing on specialist skills, such as the Power BI course and the pedagogical training of trainers, having initially certified 12 workers with a view to constituting an internal pool of trainers.

WE INVEST IN THE POLICIES AND PRACTICES FOR HUMAN RESOURCE MANAGEMENT THAT FOSTER THE ACQUISITION OF THE COMPETENCES NECESSARY TO ACHIEVE OUR STRATEGIC OBJECTIVES AND THE PERSONAL AND PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES.



In 2022, 90,000 hours of training were provided in the AdP Group. Members of staff received about 89,000 hours of training¹¹, 18% more than in 2021 and with the executive governing bodies accounting for about 900 hours. The number of training hours and trainees has been consistently rising as the AdP Group recognises that investment in training brings about improvements both to individual and to group performance.

AVERAGE ANNUAL TRAINING HOURS

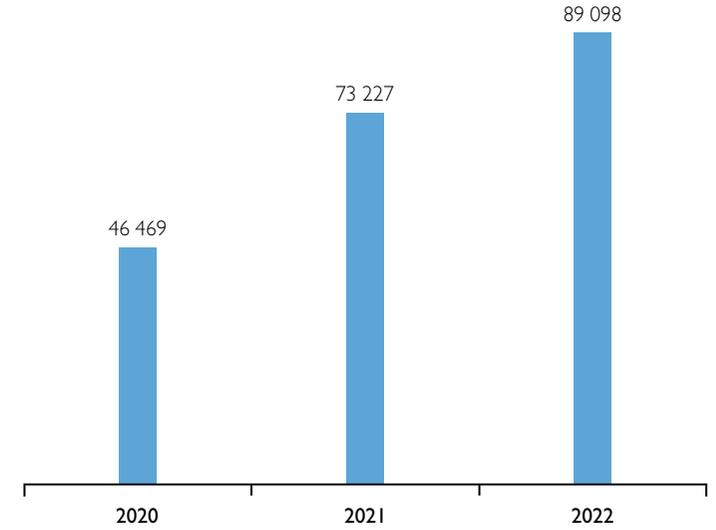
21

HOURS/MALE EMPLOYEES

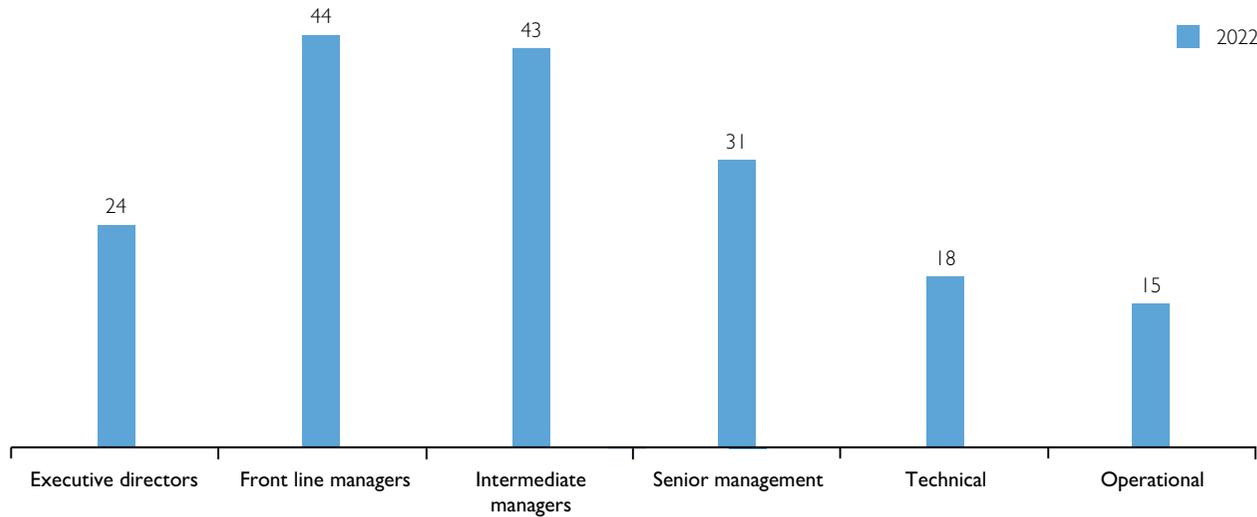
29

HOURS/FEMALE EMPLOYEES

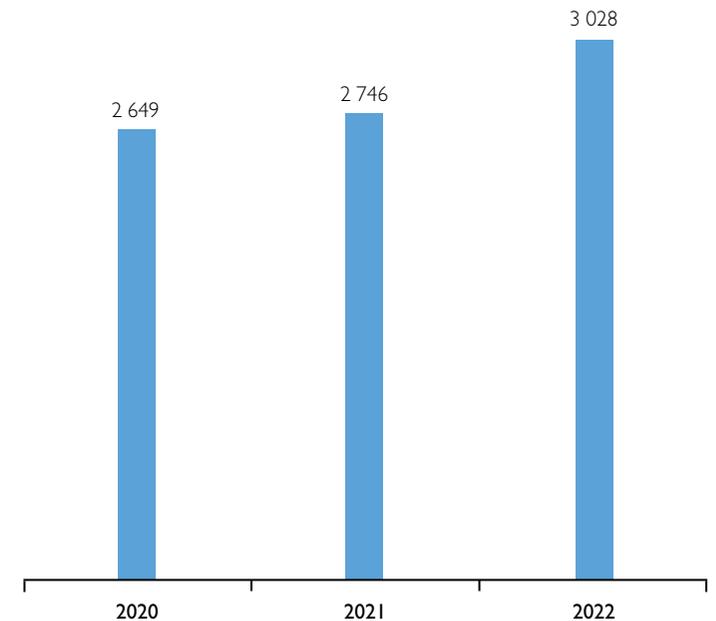
NUMBER OF TRAINING HOURS



AVERAGE NUMBER OF ANNUAL HOURS OF TRAINING FOR STAFF AND EXECUTIVE DIRECTORS BY SEGMENT



TRAINEES



¹¹ Includes 2,673 hours of training for employees suspended on 31 December and who left during the year under review. This does not include directors.

ACADEMY OF ÁGUAS LIVRES (AAL) - EPAL

The Academy of Águas Livres was set up by EPAL in 2013, following the identification of a shortcoming in Portugal in terms of the provision of training for technical and operational staff in the Water and Environment sector. Thus, and within the scope of EPAL's certification as a training entity by the General Directorate of Employment and Labour Relations (DGERT), this seeks to respond to the needs of this Sector, which is experiencing constant evolution and growth, requiring increasing levels of theoretical qualifications in conjunction with the skills acquired in business environments.

Its main objectives and benefits are to develop and enhance the management, technical and behavioural skills specific to managers and technicians who work or come to work for entities in the Water and Environment sector. The objective involves standing out as the national benchmark reference for the development and sharing of the knowledge necessary to all those either preparing or already intervening in the diversity of organizations and institutions integrated into this sector. The recognised experience of the Academy of Águas Livres and the reputation of its technicians and trainers enables it to provide organisations and their workers with a set of differentiated and appropriate training solutions tailored to their specific needs, contributing to strengthening the qualifications and skills of all those working in this sector.

Among the most significant training programs run in 2022, the following advanced courses took place: the Postgraduate Degree in Water Technologies and Management, PERSA – the Advanced Program for Renewable Energy in the Water Sector and the Specialist Technical Course on Wastewater Treatment Plant Sludge Thickening. Additionally, contributing towards the objective of acquiring and developing skills, the main Continuing Vocational Training intervention areas were as follows: Quality Control; Personal Development; Management and Operation of Water Systems; Infrastructure Asset Management; Water System Maintenance; Operational Maintenance; Safety; Management Systems; Information Systems; Operational Information Processing and Complementary Training Areas.

Primarily catering for technical staff in the Water and Environment Sector, since its foundation through to the end of 2022, the Academy of Águas Livres has provided 701 training programs, with the participation of 9 647 trainees and a total of 211 040.5 hours of training.

In 2022, 89 training program were carried out, attended by 1 263 trainees (574 participants) and totalling 27 117.5 hours of training.

In summary, there is the following distribution of training programs per functional focus: Complementary Training Areas - 9%; Quality Control - 11%; Personal Development - 4%; Management and Operation

of Water Systems - 17%; Infrastructure Asset Management 1%; Maintenance in Water Systems - 6%; Operational Maintenance - 2%; Security - 10%; Management Systems - 6%; Information Systems - 11%; Operational Information Processing - 11%; Workshops 12%.

As regards the reaction evaluations provided by trainees, the results, on a scale of 1 to 4, were as follows: Complementary Training Areas – 3.37; Quality Control – 3.36; Personal Development – 3.68; Management and Operation of Water Systems – 3.63; Water System Maintenance – 3.72; Operational Maintenance – 3.49; Customer Relations – 3.27; Safety – 3.53; Management Systems – 3.77; Information Systems – 3.42; Operational Information Processing – 3.72.



CYBERSECURITY, A TOPICAL ISSUE

Cybersecurity is recognised as a highly topical, urgent and important issue. The AdP Group is aware of this reality and has made an e-learning course available to everyone in the Group - "Cyber-safe Citizen", raising general awareness of this issue across the domestic, professional and public contexts.

About 1,500 employees have already completed this training program that is now available on the Águas Livres Academy platform.

For 2023, new actions are planned to deepen the overall knowledge on this topic.



THE AdP GROUP PROMOTES TRAINING IN CORPORATE GOVERNANCE

This program, designed for all Águas de Portugal Group managers, was developed in partnership with the Portuguese Institute of Corporate Governance to bring about greater alignment between all Group companies in their efforts to promote and disseminate good corporate governance practices as an essential tool for economic efficiency, sustainable growth and financial stability. The manager participation rate attained approximately 90%.

Performance Management

Ensuring employee involvement, integration, participation and motivation through recognising their performance represents a key component of the AdP Group Human Resources Management Policy. The Performance Assessment Process aims to manage and develop individual contributions in order to ensure performances align with the company's strategy and objectives and foster continuous improvement. The Performance Assessment System ensures such assessment is not an isolated act but rather part of a permanent and continuous process, which includes the observation, monitoring, evaluation and development of employees.

WE ADVOCATE EFFECTIVE RECOGNITION AND ANALYSIS OF JOB PERFORMANCE, LEADING NOT ONLY TO IMPROVEMENTS IN EMPLOYEE EXPECTATIONS BUT ALSO PROVIDING THE MEANS OF VALUING THEIR SKILLS AND THEIR PERFORMANCE IN THE AdP GROUP.

This system was revised and clarified, maintaining the focus on continuously improving the process through training actions that foster a mentality of growth and responsibility, raising awareness of unconscious biases in order to make this process increasingly robust, objective and consistent.

In 2022, all eligible members of staff¹² were subject to evaluation.



¹² The performance appraisal applies to all employees who register an effective performance record of over six months (with the exception of employees with less than six months of effective work due to parental leave).

DIVERSITY, EQUALITY AND INCLUSION

WE ACTIVELY PROMOTE THE FIGHT AGAINST DISCRIMINATION AND REGARD ETHICS AS A PARAMOUNT VALUE IN OUR PERFORMANCE.

One of our guiding principles is equality and respect for diversity. We promote equal opportunities and equal treatment regardless of the individual political, social or economic backgrounds. We believe that diversity creates value and strengthens the organisational culture. The existence of a set of non-discriminatory human resource policies, including the Gender Equality Policy, the Code of Ethics and Conduct, the Collective Labour Agreement, certification under the SA 8000 social responsibility standards and the Reconciliation of Professional, Family and Personal Life standard, strengthens the AdP Group's position in this field, enhancing its corporate culture and social cohesion. The AdP Group is a signatory of the international conventions on social relations and working conditions adopted by the International Labour Organisation (ILO).

43% WOMEN IN DECISION-MAKING POSITIONS IN 2022

The AdP Group is also among the eight Portuguese flagship corporations leading the objective to obtain 40% of women in decision-making position by 2030, having in 2021 subscribed to the National Target for Gender Equality, an act that reiterates the objective of promoting gender equality in treatment, opportunities and the balanced participation of men and women in professional activities. This figure has already been exceeded in 2022, with 43%¹³ of women in decision-making positions.

In 2022, we also fulfilled our Gender Equality Plan, renewed our commitment to the iGen - Forum for Organisational Equality, which we have been members of since 2017, and reinforced our commitment towards promoting gender equality and improving sustainability, organizational justice and employee satisfaction. Following this renewal, the AdP Group undertakes to continue its actions to promote gender equality, committing to improving dimensions that incorporate the principles of equality and non-discrimination between men and women at work and in employment, as well as reconciliation between professional, personal and family life and parental protection. We have furthermore joined the Portuguese Association for Diversity and Inclusion, set up to manage and ensure the sustainability and development of the Portuguese Charter for Diversity and Inclusion and GRACE - the Responsible Companies Association.

¹³ Executive positions held by women (with female directors serving in more than one Group company). The absolute number stands at 39%.



GENDER EQUALITY POLICY

Equality between women and men means equal opportunities for their participation in every sphere of public and private life. This is consecrated in the Constitution of the Portuguese Republic, in article 13, and establishes a fundamental principle in European law under the auspices of article 2 of the European Community Treaty.

In terms of the workplace, this principle reflects in:

- Equality of opportunities in the access to labour, employment, professional training and career progression.
- Balanced participation of men and women in professional and family life, especially as regards the need for leave of absence on the occasion of maternity and/or paternity and to provide care for dependents.

The core Policy guidelines are the following: Strategy, Mission and Values; Equality of Treatment and Opportunities; Reconciliation of Professional, Family and Personal Life; Prevention of workplace harassment; Social Dialogue and Participation; Initial and Continuous Training; Communications and Image.

The Águas de Portugal Group, recognising the importance and added values from the balanced participation of the genders in professional activities as well as in family life aims, with this policy, to make an active contribution towards implementing best practices in promoting equality in society.

Gender Equality Plan

Incorporating the principles declared in the Gender Equality Policy, the AdP SGPS Plano seeks to implement a set of measures aiming at obtaining effective equality in treatment and opportunities between men and women, eliminating discrimination and enabling the reconciliation between personal, family and professional lives.

This Equality Plan is structured into seven aggregating dimensions:

- Strategy, Mission and Values;
- Equality in access to employment;
- Initial and continuous training;
- Equality in workplace conditions;
- Protection of parenthood;
- Reconciliation between personal, family and professional lives;
- Prevention of workplace harassment.

Furthermore, the Sustainability Commitment of the AdP Group for 2022-2025 takes on the objectives of “Guaranteeing equality of opportunity and fostering diversity and inclusion” and “Fostering the balance between professional, family and personal lives” and setting out four targets to be applied in every Group company:

- Drafting a program nurturing diversity and inclusion in the Group
- Guaranteeing compliance with the annual Plan for Gender Equality
- Achieving 40% of women in decision-making roles by 2030
- Raising the awareness of all Group members of staff as regards diversity and inclusion

Their implementation takes place through, among other measures, the Gender Equality Plans.



As the main initiatives in 2022 that strived to comply with the Equality Plans, we would highlight here:

- The AdP Group annually publishes its Business Report and Accounts and the corporate Sustainability Report with relevant information on human resources, broken down by sex (awareness by companies). The Sustainability Report is sent to the leading stakeholders and made available on the Group and company websites as well as over the intranet.



- Membership of the Portuguese Association for Diversity and Inclusion, established to manage and guarantee the sustainability and development of the Portuguese Charter for Diversity and Inclusion.
- Monitoring of the explicit and measurable objectives of the Corporate Responsibility Management System and the definition of new targets within the scope of repositioning the Sustainability of the AdP Group.
- Consulting the Group's employees about their level of satisfaction with the policies and measures implemented in the field of diversity and equality, ethics, non-discrimination and balancing and reconciling professional, family and personal life.
- Staging training actions targeting all members of staff with the objective of mitigating the risk of unconscious bias in processes of performance evaluation: "Evaluation with Purpose" and disseminating the support document "Unconscious bias – a practice guide to evaluating with purpose."

- Participation in the project “Engineers for a day”. This project promotes among non-higher education students the option for engineering and technology, deconstructing the idea that these are male domains.



- Participation in the CHANGEMAKER LAB program, a Girl Move Academy initiative in Mozambique, where Girl Movers put their talent, energy and creativity at the service of the planet and humanity and together with specialist partners from different areas, they seek to implement solutions that allow facing social and economic challenges in Mozambican communities. In this context, we support the development of an educational game to promote water protection and the adoption of healthy hygiene habits based on AQUAQUIZ.



- Carrying out a study of the psycho-social risks with the results referring to the non-existence of tendencies towards gender based discriminatory practices.
- Internal promotion of the Guide to the Parenting Rights.

- All the indicators relevant to gender equality are made annually available in the AdP Group Sustainability Report.

- Once again this year welcoming a female intern participating in the Girl Move female entrepreneurship project, promoted by the Foundation of the same name with its mission to establish a movement of life, support and empowerment for women in Mozambique, through education and building human networks of mutual help and cooperation between peers, intergenerationally and internationally.



Continuous improvement of the social responsibility and reconciliation management systems that also contribute towards ensuring the adoption of best working practices in AdP Group companies, with 53% and 47% of companies respectively certified under the SA 8000 and NP 4552 standards.

CORE REQUISITES CONSIDERED UNDER SA 8000:

- Child labour;
- Disciplinary practices;
- Forced labour;
- Working timetables;
- Health and safety;
- Remunerations;
- Discrimination;
- Management systems.
- Freedom of association and the right to collective bargaining;

EQUALITY OF OPPORTUNITY AND FOSTERING A BALANCE BETWEEN PERSONAL AND PROFESSIONAL LIFE

40%

SENIOR MANAGERS AGED BETWEEN 36 AND 45

25%

FRONT LINE MANAGERS AGED BETWEEN 36 AND 45

61%

SENIOR FEMALE MANAGEMENT

100%¹⁴

RETURN AFTER PARENTAL LEAVE

29

WORKERS WITH OTHER NATIONALITIES

20¹⁵

FEMALE DIRECTORS



LABOUR

6th Principle

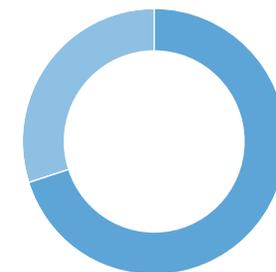
The elimination of discrimination in respect of employment and occupation.

in "Information on Progress in the United Nations Global Pact"

In the Group holding and instrumental companies, there is a balance between the number of male and female workers. At operating companies, given the greater emphasis on physical activities and taking into account the characteristics of the inherent types of function, there is a naturally greater representativeness of the male gender. Both genders are present in every professional category.

GENDER DISTRIBUTION

(%)

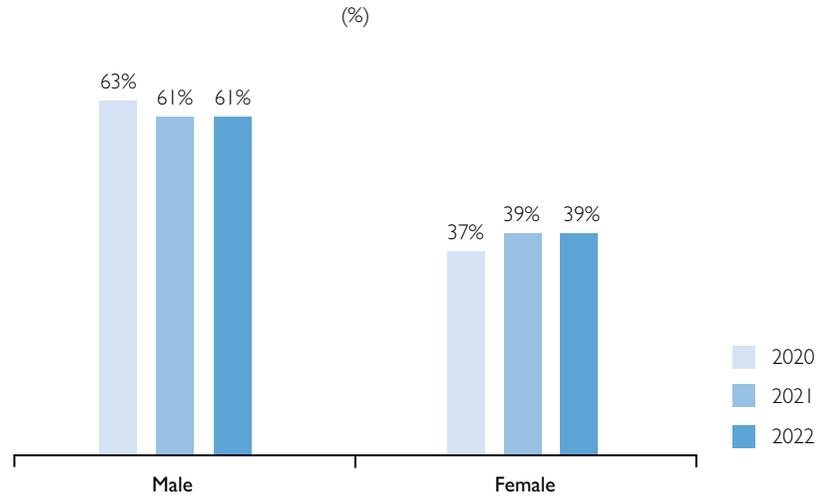


- Male 70%
- Female 30%

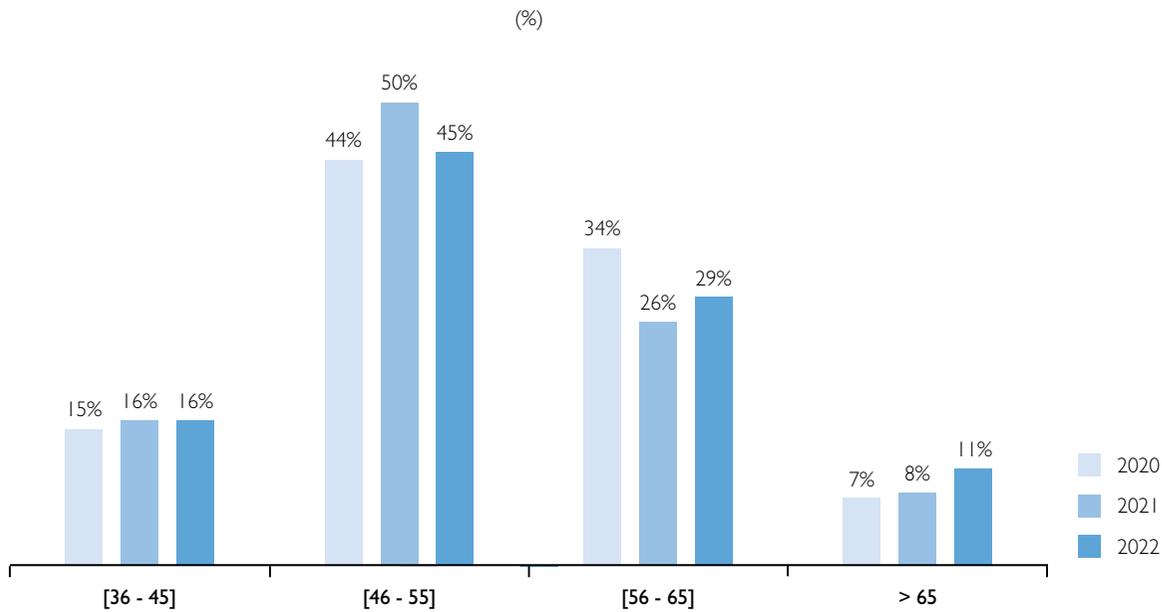
¹⁴ In 2021 and 2022, 17 employees left the AdP Group after having taken parental leave in the last 12 months: 15 departures were on the employee's own initiative, 1 member of staff corresponds to the termination of a fixed-term contract and another to a death.

¹⁵ Executive positions held by women.

EXECUTIVE DIRECTORS BY GENDER



EXECUTIVE DIRECTORS BY AGE



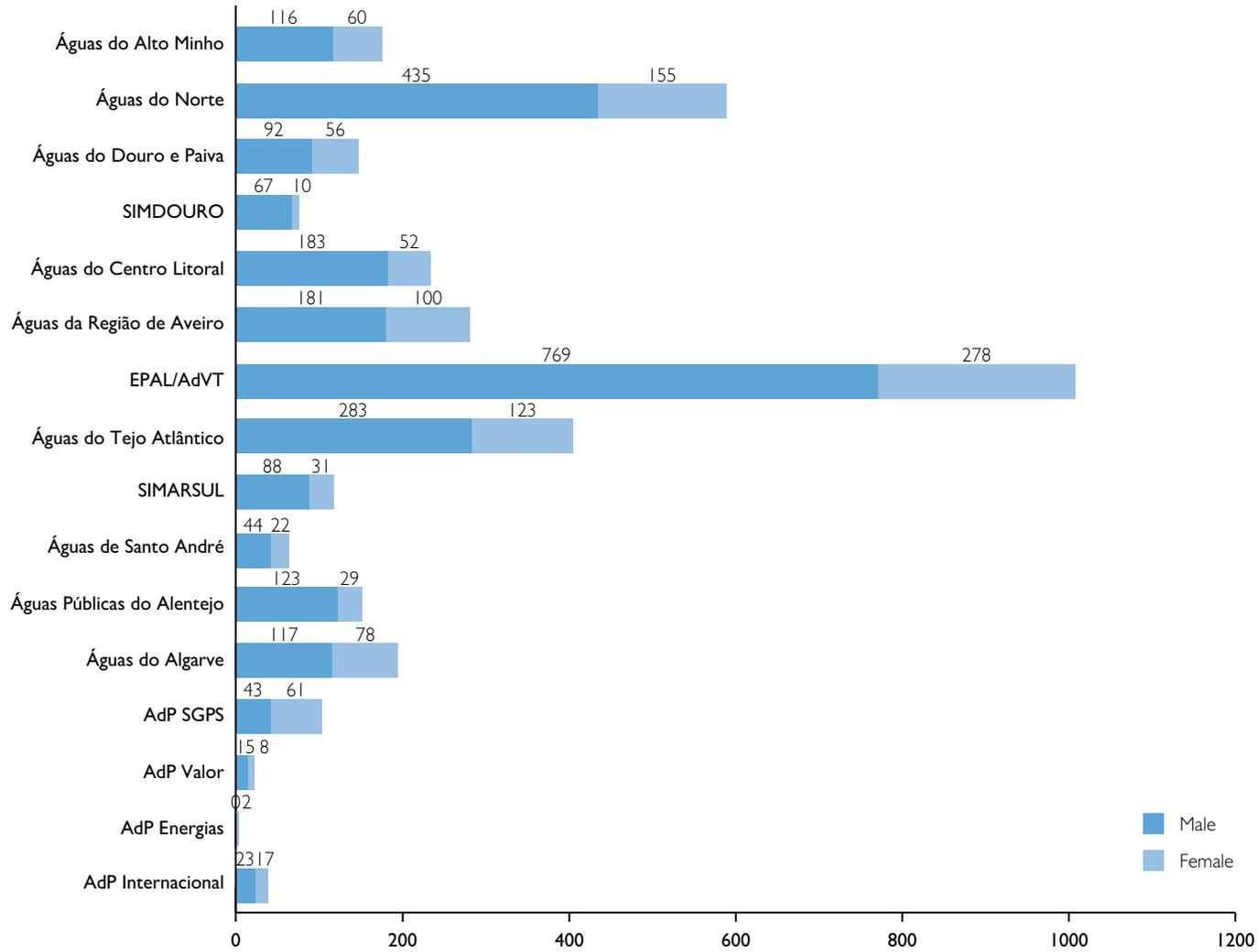
ACROSS THE GROUP, THERE ARE 47 EXECUTIVE DIRECTORS¹⁶, 27 MEN AND 19 WOMEN.



¹⁶ Executive positions held (with directors holding positions in more than one company). The statistics refer to the absolute number of directors: 23 Men and 15 Women.

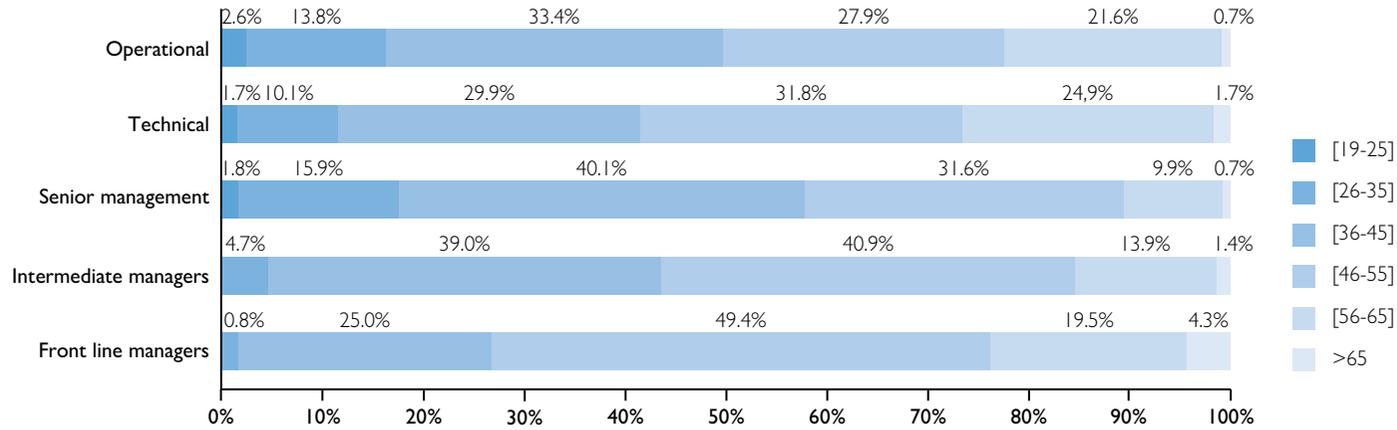
MALE VS. FEMALE COMPANY MEMBERS OF STAFF

(n.º)



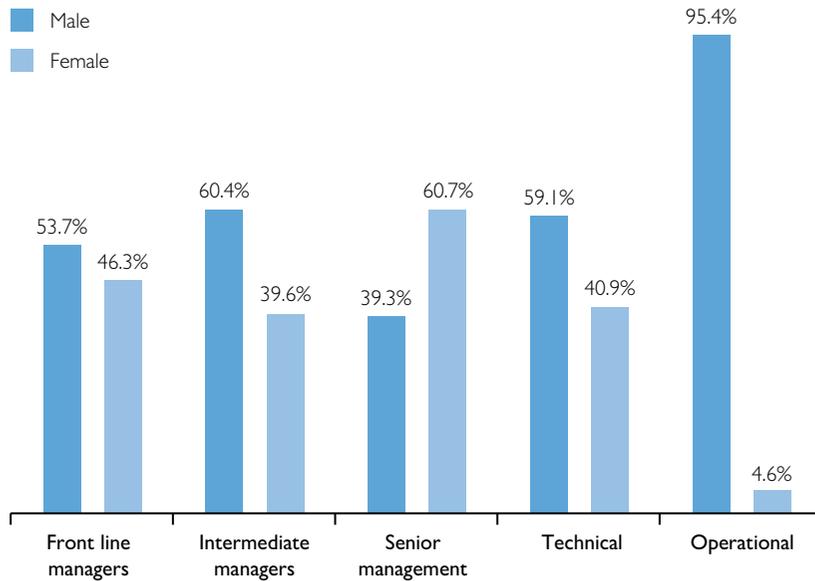
EMPLOYEES BY SEGMENT AND AGE GROUP

(%)



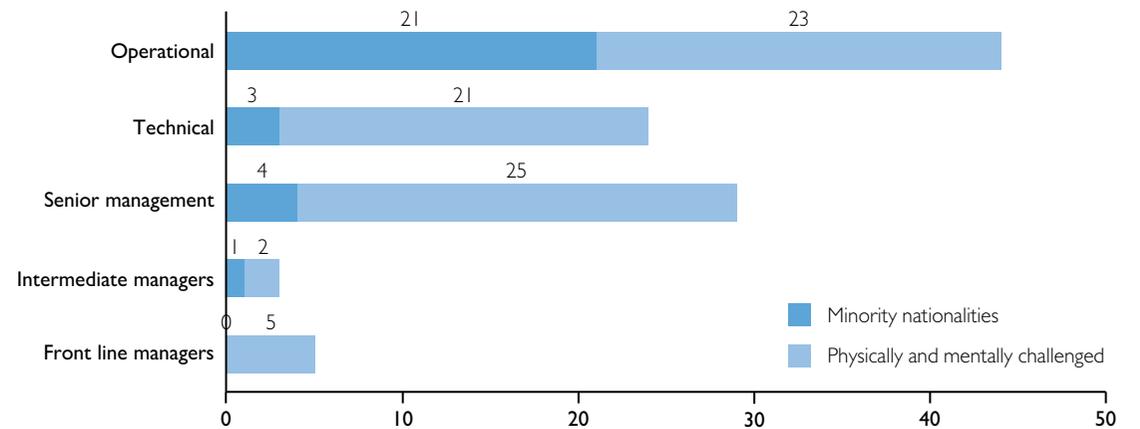
EMPLOYEES BY SEGMENT BY GENDER

(%)



DIVERSITY AND INCLUSION

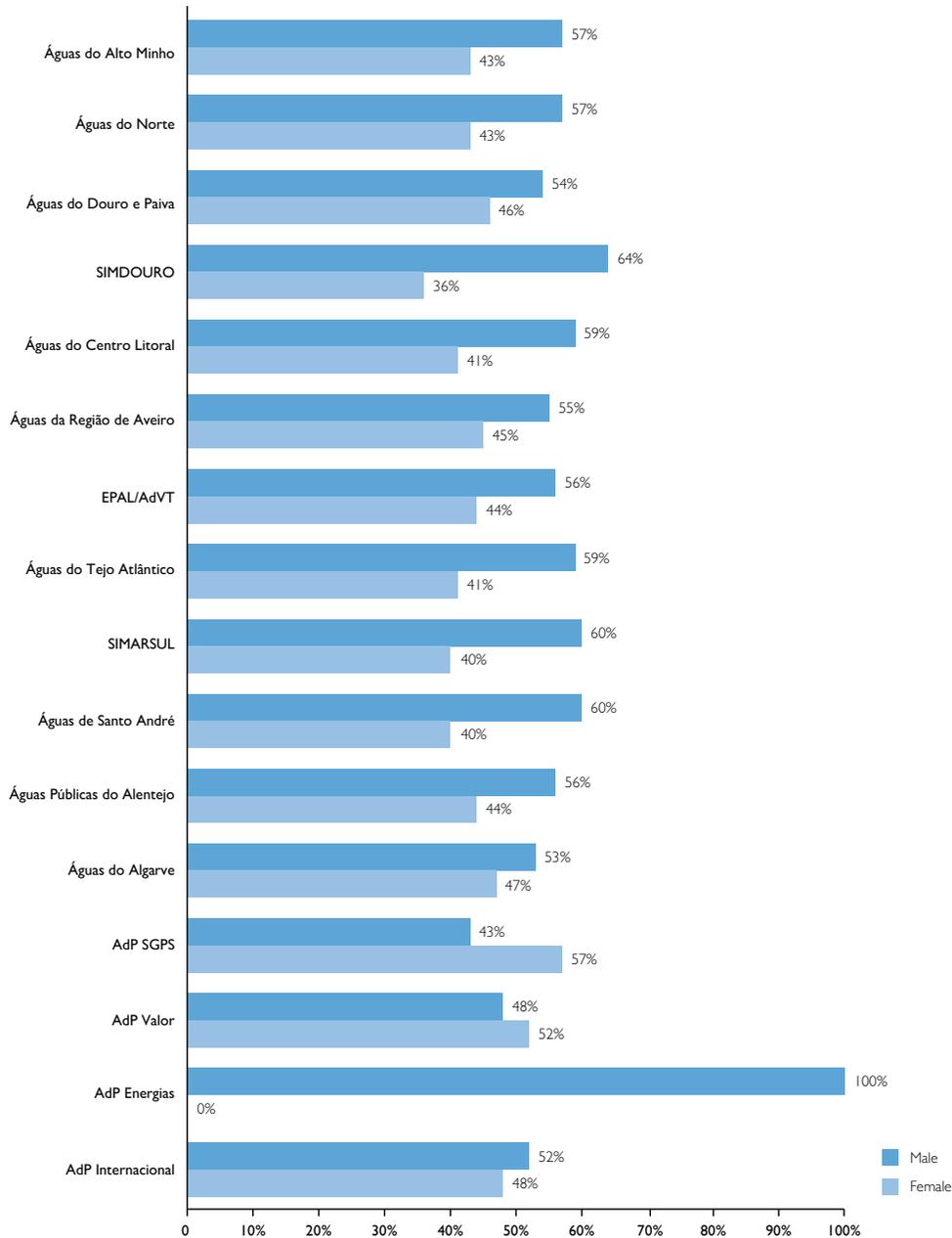
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**WE CURRENTLY EMPLOY 29
NON-NATIONAL MEMBERS OF STAFF.**

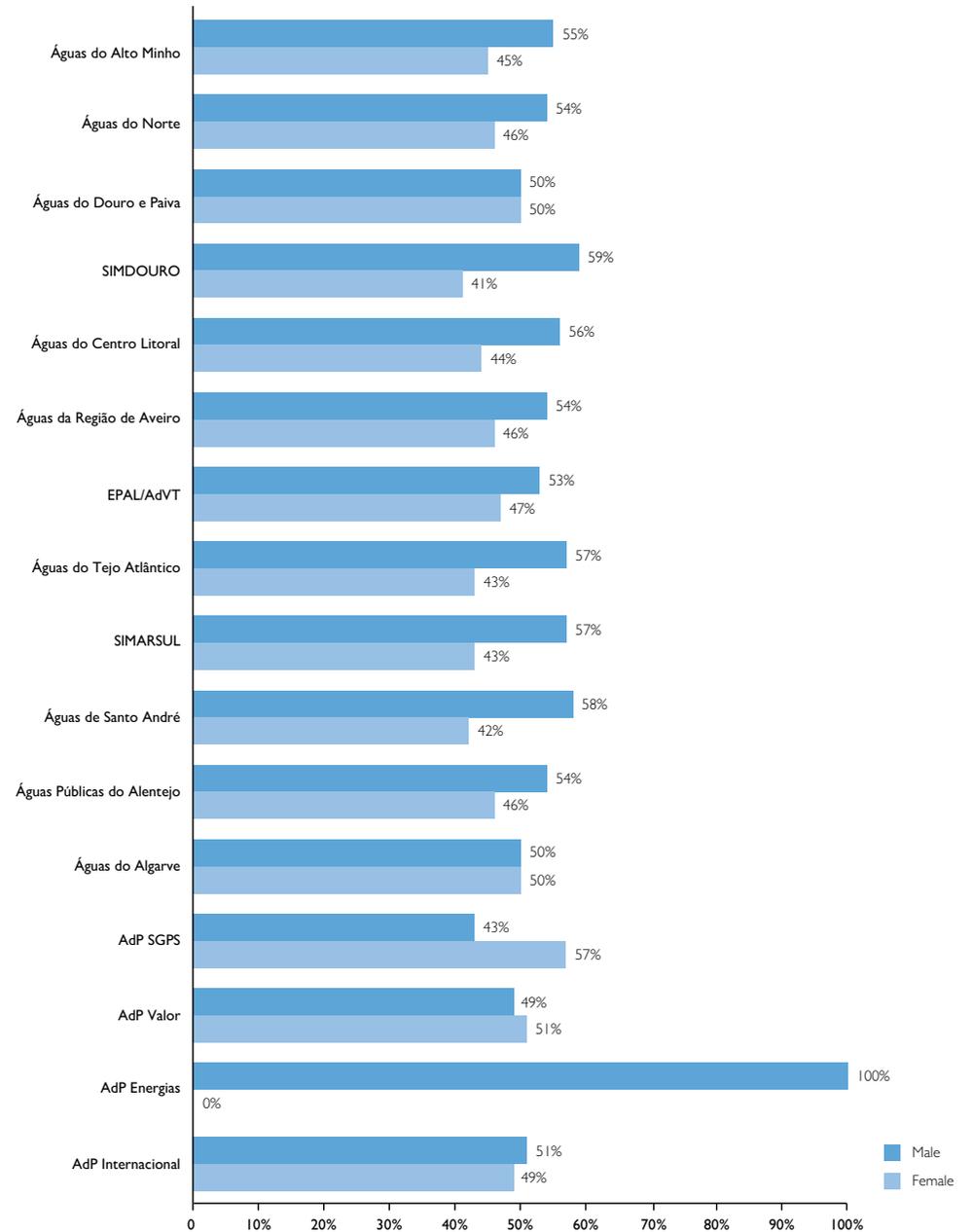
AVERAGE BASE MONTHLY WAGE BY GENDER AND BY COMPANY

(%)



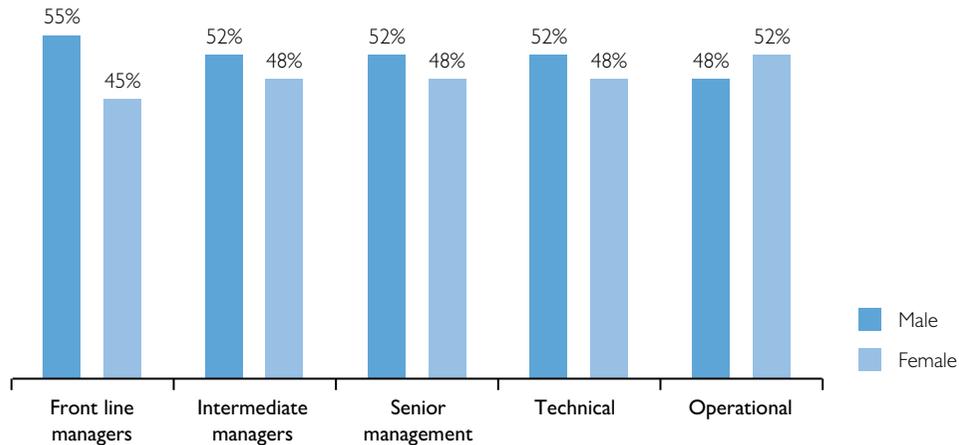
AVERAGE TOTAL MONTHLY WAGE BY GENDER AND BY COMPANY

(%)



AVERAGE BASE MONTHLY WAGE BY GENDER AND BY SEGMENT

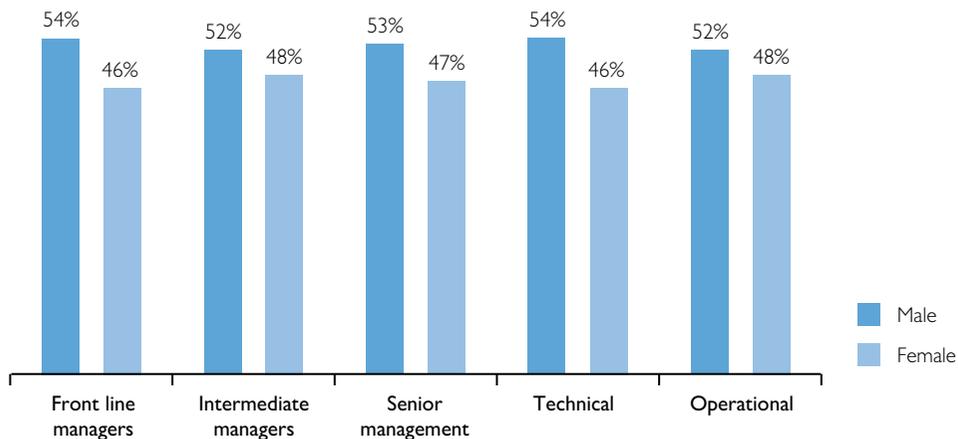
(%)



IN THE AdP GROUP, THERE IS EQUALITY BETWEEN MEN AND WOMEN IN BOTH BASIC AND TOTAL REMUNERATION.

AVERAGE TOTAL MONTHLY WAGE BY GENDER AND BY SEGMENT

(%)



RECONCILIATION BETWEEN PROFESSIONAL, FAMILY AND PERSONAL LIFE

Águas de Portugal is one of the flagship organisations for the Reconciliation Pact, with eight of the 17 companies already certified according to the standard NP 4552: 2016 - Management System for the Reconciliation of Professional, Family and Personal Life. At the AdP Group, reconciling professional, family and personal life is a commitment assumed towards its employees, correspondingly prioritising time management and establishing priorities to improve the quality of life of staff members and their emotional availability and thereby consequently raising their professional performance and productivity. In 2022, we continued to deploy our reconciliation management system under standard 4552 and advanced with our goal of extending this certification to 100% of AdP Group companies.



CONCILIATION

representing a means of managing professional responsibilities with family commitments and personal development.

THE IMPLEMENTATION OF BEST PRACTICES TO RECONCILE PROFESSIONAL AND FAMILY OBLIGATIONS, ALLOWS FOR BETTER USAGE OF HUMAN RESOURCES AND THE NECESSARY EVOLUTION OF SOCIETIES.

Internal staff mobility across Group companies constitutes a strategic option that contributes, on the one hand, to the optimisation of human resource management and, on the other hand, to professional development through the sharing of experiences and/or better balancing the personal and professional lives of members of staff. The internal recruitment of professionals for allocating to projects and/or to overcome needs for specific know-how represents a process that adds value to the AdP Group and enables the exposure of employees to new contexts and challenges that foster their acquisition of new learning and competences in both national and international contexts.

AdP Group mobility	2020	2021	2022
Temporary mobility among Group company workers	46	28	15
Temporary mobility of employees for Group company bodies	19	22	21
Definitive mobility, with contract termination in the company of origin ¹⁷	68	11	20

The complementary benefits made available by the AdP Group reflect the priority attributed to social policies in our companies and while also contributing to the reconciliation of professional and personal life.

COMPLEMENTARY BENEFITS ¹⁸

- Health insurance, extended to the household unit
- Life insurance
- Transport allowances
- Discounts at sports facilities
- Workplace gymnastics
- Protocols with pharmacies
- Holiday camps for staff children
- Discounts at culture institutions
- Birthdays
- Christmas hampers
- Baby giftsets
- Support for complementary training
- Study grants for the children of employees
- Workplace distribution of fresh fruit

¹⁷ The figure for 2020 includes workers transferred from AdP Valor to AdP SGPS during the corporate reorganisation process.

¹⁸ These benefits are not the same for all AdP Group companies.

A HEALTHY MIND IN A HEALTHY BODY. STAY HEALTHY!

The physical and psychological well-being of our employees is an Águas de Portugal Group commitment. Physical exercise is essential to maintaining good health.

Hence, to encourage physical activity and promote healthy habits, gym classes are available. The training plan was designed to be accessible to all staff and seeks to assist in keeping Group staff healthy and active.



HOLIDAYS FOR THE CHILDREN OF EMPLOYEES AT AdDP AND SIMDOURO

SIMDOURO and AdDP resumed the practice of organizing holiday camps for employee children aged from 6 to 12 years old. Various activities were held at the AdDP Environmental Education Centre between July 4 and 8, including puppet theatre, hip-hop dancing, ergo-coaching for children, games and creative and educational workshops on topics such as the arts, the environment, science, sustainable cooking and health. These activities contributed to the acquisition of knowledge through a playful approach and socialisation and sharing among children. The companies believe that organising holiday camps for employee children contributes to the reconciliation between professional and family life as well as nurturing the group spirit, good performance and maintaining a good working environment.



WE GUARANTEE WORKPLACE HEALTH AND SAFETY



It is our responsibility at the AdP Group to guarantee the safety of our workers and correspondingly provide safe and healthy places to work in. Balanced and healthy life styles sustain long and rewarding careers and also help us retain our talents.

The health and safety area is a constant concern at the core of Group activities with the approach to these questions essential to guaranteeing the physical and psychological integrity of our members of staff.

In 2022, the "AdP Group Safety Culture" project was developed by the Sustainability Committee, and is due for implementation in 2023. This project represents one facet of the strategy adopted by the Group to prevent and reduce workplace accidents.

The deployment of occupational safety management systems, which integrate the identification and evaluation of working conditions, at our companies aims to obtain safer working environments, bringing about a reduction in the potential risks to which employees are daily exposed. Hence, this enables the implementation of control and prevention measures and the provision of means designed for collective and individual protection. The existence of emergency plans, regularly tested through simulations, aims to evaluate the respective responses in terms of human resources, internal procedures and the equipment available.

In 2022, Group companies carried out 190 drills and provided 20,650 hours of training in occupational safety and health. 3,274 workers were ensured representation on issues relating to workplace hygiene, health and safety at work. These representatives constitute an important vehicle of information between the management, the specialist workplace hygiene, health and safety staff and employees generally.

88% OF AdP GROUP COMPANIES HAVE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS CERTIFIED TO ISO 45001

Despite the increase in 2022 when compared to 2020 and 2021, atypical years given the pandemic, we did reduce accidents in comparison with 2019.

* Notified to the insurer, excluding those unduly reported to the insurer.

** With medical leave in excess of six months and potential IPP. Definition aligned with GRI standards (the CLA recommended definition is applied in the Single Report).

*** In addition to ten with less than six months sick leave and potential IPP.

	2019	2020	2021	2022
Number of accidents *	233	168	180	206
Frequency rate (based on the no. of accidents)	41	30	31	35
Total of accidents require medical leave	139	122	125	186
Total of serious accidents **	1	1	8	10***
Rate of serious accidents	0.18	0.18	1.38	1.69
Number of employees with professional diseases	6	6	11	17
Rate of professional diseases	1.06	1.08	1.90	2.87
Rate of seriousness	717	561	487	1 070
Rate of absenteeism	4.95%	5.09%	10.89%	6.74%
Number of workplace accident fatalities	0	2	0	0

SAFETY AT WORK: STRATEGY DEBATED BY THE SSR COMMITTEE

The existence of suitable protection and prevention measures and emergency management procedures is extremely important to implementing the Safety at Work Strategy and was subject to discussion at a meeting of the AdP Group's Sustainability and Social Responsibility (SSR) officers in Viana do Castelo. Fátima Borges, the AdP Group Director of Sustainability and Social Responsibility, took the opportunity to stress that "the scope of our commitment is ambitious and requires a great deal of effort, but we have the will and determination to achieve what we set out to do".



SAFETY DAYS WITH "ESCAPADOURO" AND SAFETY CHAMPIONS, AdDP AND SIMDOURO

After a two-year break due to the COVID-19 Pandemic, AdDP and SIMDOURO once again dedicated exclusive days to safety. This year, in an innovative model and using gamification strategies, several staff teams were set the challenge of responding to an emergency and overcoming mechanical and digital obstacles in order to extract themselves from an Escape Room, the "Escapadouro", as quickly as possible.

In addition to consolidating knowledge (training in operational emergency situations in accordance with the requirements of Decree-Law no. 220/2008, of 12 November, as amended by Decree-Law 224/2015, of 9 October, as amended by Law 123/2019, of 18 October, and the RT-SCIE - Technical Regulations for Fire Safety in Buildings as set out in Ordinance no. 1532/2008, 29 December, amended by Decree no. 135/2020, 2 June), the objective was for this training to take place in an environment of healthy competition and thus the teams competed against each other for the prize "Safety Champions 2022". In the end, the prize was awarded to the group with the best time and each member received an Individual Award.



PSYCHOLOGICAL SUPPORT HELPLINE

The AdP Group provides psychological support to its employees. This support is provided by specialised professionals. Everybody goes through moments of anxiety, panic, insomnia or depression and when this happens, we should not hesitate to make recourse to professional support.



PACT FOR MENTAL HEALTH

In 2022, the Group signed up to the Workplace Mental Health Pact, an initiative promoted by the CATÓLICA-LISBON Center for Responsible Business & Leadership that challenges organisations to assume their responsibility over adopting measures capable of mitigating the problems posed by the fragility of workplace mental health.



PODIATRY! A HEAD SERVICE FOR THE FEET, AdDP AND SIMDOURO

Aimed at the diagnosis, prevention and treatment of injuries and pathologies that affect the feet, within the framework of improving staff health and quality of life, through constant wearing of safety footwear, and also at a personal level, AdDP, in partnership with the Portuguese Podiatric Association, launched a pilot project of podiatry appointment.

Feet are essential in our daily lives, accompanying all our walks, efforts and campaigns. Even when careful, it sometimes becomes necessary to access some specialist support. In carrying out activities inherent to the job, workplace well-being can be affected if our feet are under pressure, encounter friction or develop pathologies that cause pain and physical discomfort. A worker experiencing pain symptoms may adopt less correct body postures and necessarily feel more fatigue. In this assessment, the objective was to identify feasible improvement strategies and analyse the prevalence of dermatological and structural alterations of the feet and, in the case of wearing safety footwear, which factors may link to certain podiatric alterations, whenever necessary defining recommendations for improvement.

BE BETTER PROGRAM, ÁGUAS DO NORTE

Águas do Norte considers that the assessment of the stress and well-being factors of its male and female staff should constitute a strategic action so that all employees can improve their workplace quality of life.

2022 was marked by initiatives dedicated to Safety at Work and Environment related themes with special emphasis on those arising from the Intervention Plan resulting from the diagnosis of psycho-social risks carried out in 2021. This plan, which integrates into the Be Better Program, includes actions to promote occupational health, customised and specific to each Department/Section, taking the right steps to achieve organisational well-being and contributing to enhancing the quality of workplace life.

The Be Better Program challenges AdNorte employees to build their own paths to improvement in terms of health and well-being, promoting their participation in initiatives dedicated to various dimensions. The entire program goes dynamic through the application of a purpose-designed platform accessible via mobile phone and/or PCs.

Various activities were carried out, including:

- Face-to-face training sessions on managing and mitigating psycho-social risks designed for Senior and Middle Management.
- Webinars aimed at the entire AdNorte universe addressing topics such as Work-Family Reconciliation, School-Family, Becoming a Team, and Team Cohesion and Consensus.
- Outdoor activities - hiking and barbequing.

These activities received strong participation from AdNorte staff and coupled with very positive feedback.



WE GUARANTEE TRANSVERSAL AND EFFECTIVE INTERNAL COMMUNICATIONS

The Group pays particular attention to social dialogue within the scope of its human resource policies. Social cohesion is a highly important factor to the good performance of companies.

Transversal communications within our organisation, given the scale and geographic dispersion of the Group, are of the greatest importance, enabling employees to accompany the evolution of their own companies and the Group business.

We feel the need to invest in the continuous improvement of our internal channels of communications, both at the company level and at the Group level. The internal website, a tool for intra and inter company communications, is currently available at all AdP Group companies. We take regular internal soundings as we believe the opinions of our staff are fundamental for developing working environments capable of boosting results and ensuring motivated and satisfied teams and people.

In 2022, nine Group companies ran Social Performance Teams, ensuring staff representation on matters of social responsibility and thereby prioritising communication between management and employees. Internal mechanisms were developed so that employees can present suggestions and recommendations, thus contributing to improvements to company performance and the satisfaction of employees and their expectations.

THE AdP GROUP RESPECTS FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE NEGOTIATION AT THE GROUP AND COMPANY LEVELS.



888

EMPLOYEES
(24% OF TOTAL)
BELONG TO TRADE UNIONS

99%

EMPLOYEES COVERED
BY COLLECTIVE LABOUR AGREEMENTS



LABOUR

3rd Principle

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

in "Information on Progress in the United Nations Global Pact"

3.2

TAKING ACTION FOR THE CLIMATE



REDUCING GHG EMISSIONS, MITIGATING OUR IMPACTS, ADAPTING OPERATIONS TO CLIMATE CHANGES

PILLARS: SERVICE EXCELLENCE AND SOCIAL UTILITY

OBJECTIVES:

- Ensure energy neutrality and self-sustainability
- Reducing GHG emissions
- Promote the Group's sustainable mobility
- Promoting system resilience and guarantee the availability, quality and safety of the service and the product

GOALS

- Increase the production of 100% renewable energy to 20%
- Reduce the consumption of electricity by 5%
- Boost energy self-sufficiency by 30%
- Calculate the Group's carbon footprint by 2022
- Draft the Group carbon neutrality contribution by 2023
- Train 100% of fleet drivers in eco-driving
- 15% of the fleet with less polluting vehicles
- Raise by 100% the companies with Water Safety Plans by 2022
- Raise by 100% the companies with PEAAC by 2023
- Ensure the continuity in the water supply and wastewater sanitation services, guaranteeing compliance with renovation plans, in terms of expansion in the bulk and retail water supply and wastewater sanitation systems and water for reuse networks



THE AdP GROUP IS A SIGNATORY TO THE UNITED NATIONS GLOBAL COMPACT "BUSINESS AMBITION FOR 1.5° C" COMMITMENT TO REDUCE GREENHOUSE GAS EMISSIONS AND CONTRIBUTE TO PLANETARY SUSTAINABILITY, AN INITIATIVE THAT REINFORCES ITS COMMITMENT TO THE LOW CARBON ECONOMY TRANSITION.

COMPANIES PLAY HAVE A DECISIVE ROLE IN CLIMATE CHANGE MITIGATION AND ADAPTATION ESPECIALLY THROUGH THEIR POTENTIAL FOR INNOVATION, KNOWLEDGE AND INVESTMENT.

Water takes on an increasingly high profile within the framework for the urgency of climate change actions with a transversal importance to the Sustainable Development Goals (SDG) of Agenda 2030, even while the effects of climate change call into question its availability in quantity and quality and therefore one of the great challenges facing the AdP Group. The rise in the temperature and the heatwaves, torrential rain or the absence of precipitation and the consequent period of extended droughts have extraordinary impacts, affecting the health and quality of life of people, the environment and the sustainability of the Planet.

The AdP Group has incorporated into its mission the rationalisation of energy consumption, the maximisation of usage of its assets and endogenous and renewable resources and the reduction or compensation for the greenhouse gas emissions of AdP Group companies within a framework of economic, social and environment

sustainability. The Group, from very early on, adopted energy efficiency measures and, consequently, measures to reduce greenhouse gas emissions, aware that the activities inherent to the production and distribution of water, the collection and treatment of wastewater and the production of water for reutilisation (ApR) are highly energy consuming, and consequently generate high greenhouse gas emissions, particularly of CO₂. We therefore accepted our responsibility towards climate adaptation, emphasising the resilience of systems, establishing a circular economy model to advance water efficiency, water recycling and the valuation of other by-products of high ecological value (see chapter "Accelerating the circular economy of water") in addition to raising awareness about the value of water and its efficient usage (see chapter "Educating for sustainability").

In parallel, we hold clear objectives to mitigate our impacts, which translate into achieving energy neutrality by the end of 2030, through the ZERO program, involving every Group company, activity and facility and integrating the reduction of energy consumption into sharply increasing the in-house production of 100% renewable energy. Combating climate change also includes NEUTRO, a program aiming at complete GHG emission neutrality within the nationally established timeframe.

AdP Energias' objective is to maximize the use of assets and endogenous and renewable resources, namely in the production, use and delivery to consumers of different forms of renewable energy, the rationalization of energy consumption through the development of processes or installations to improve energy efficiency, promote electric and/or sustainable mobility and reduce or compensate greenhouse gas emissions from AdP Group companies

The AdP Group is committed to Energy and Carbon Neutrality (as we are a State Business Sector Group, we align with the national commitments, particularly PNEC2030). As such, we are currently completing the AdP Group-wide emissions inventory project, which we will subsequently submit to the SBTi - Science Based Targets Initiative.

In short, the AdP Group's climate strategy will necessarily involve the implementation of measures and actions that lead to:

- Reducing consumption, as a result of the implementation of operational, structural and other management measures, promoting energy efficiency in infrastructures and operations,
- Reducing costs, further improving the energy purchase process, optimising levels of tension, reducing the contracted potential, eliminating reactive energy, adjusting the consumption profile of the networks in accordance with the tariff periods and the functional cycles for the efficient management of energy,
- Raising the internal production of energy for self-consumption through means of leveraging the endogenous potential (in particular, enabling the production of biogas and the corresponding co-generation and taking advantage of the piezometric declines existing in micro-hydraulic installations) and the renewable sources (solar and wind), enabling a reduction in the consumption of national grid supplied energy and, consequently, reduced dependence on the markets, and
- Setting up the AdP Group's Renewable Energy Community (REC) with a view to boosting the production and consumption of the 100% renewable energy produced to the detriment of its sale to the national grid.

ELECTRICITY

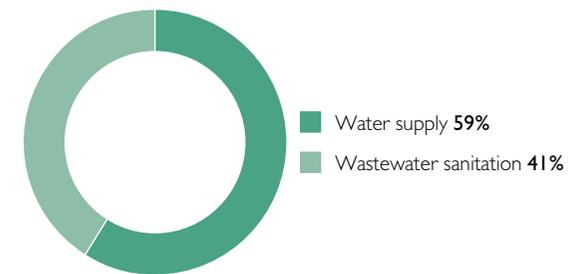
In every phase of the urban water cycle, from the production and distribution to the pumping and collection and treatment of wastewater, from water production to water for reuse production, the consumption of electricity is constant. Electricity consumption is therefore inherent to the activities of the Águas de Portugal Group. The better utilisation of the resources available both in terms of boosting the efficiency of their utilisation and by the production of energy through renewable sources represent essential measures for reducing the dependence on external energy sources and the emission of pollution and of corresponding importance to combating climate change.

In 2022, the AdP Group's electricity consumption amounted to 752.57 GWh¹⁹ (with a total level including "other consumption"²⁰ of 778.07 GWh). Of these, 725.21²¹ GWh were consumed from the national electricity grid (RESP), which corresponds to an increase of 1.3% compared to 2021, and 27.35 GWh from self-consumption generated by from endogenous and renewable sources, which reflects a 4.0% year-on-year increase.

The AdP Group's RESP consumption in 2022 by voltage level was 22.1% of high voltage (HV), 68.2% of medium voltage (MV), 4.0% of special low voltage (SLV) and 5.7% of normal low voltage (NLV), which conveys the slight rise in the year-on-year consumption in high and medium voltage, reflecting lower grid losses and consequently greater efficiency.

The greatest contribution to electricity consumption stems from water supply services.

ELECTRICITY CONSUMPTION ²²
(%)



ENERGY MANAGEMENT IS ONE OF THE AdP GROUP'S STRATEGIC PRIORITIES IN PROMOTING THE ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY OF ITS WATER SUPPLY AND WASTEWATER SANITATION OPERATIONS.

¹⁹ Amount corresponding to RESP consumption plus self-consumption of energy produced.

²⁰ "Other consumptions" stems from the outsourcing supply by the AdNorte and the AdCL municipalities. In 2022, outsourced energy consumption represented 25.36 GWh.

²¹ The value results from the sum of the energy supplied by suppliers (730.69 GWh) with the balance resulting from participation in the Regulatory Reserve pilot project developed by REN (supply of +0.14 GWh and reduction of -5.62 GWh).

²² Includes other consumption.

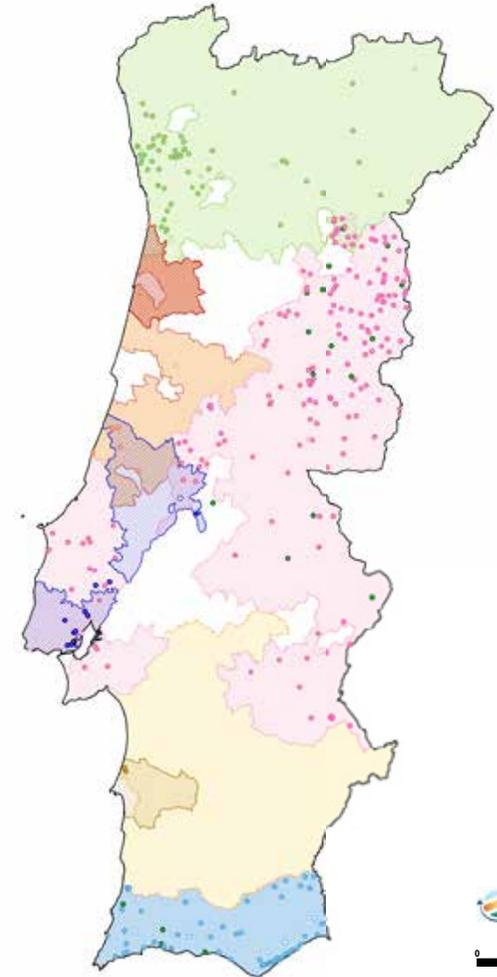
Within the scope of its efforts to improve energy efficiency, the AdP Group continued to implement and certify its energy management systems according to ISO 50001. At the end of the year, 126 infrastructures at 11 companies were certified (47 were included in the internal mandatory criteria). As regards energy audits under Decree-Law 68-A/2015 of 30 April, the consumption verified in 2020 (and at the infrastructures existing in that year) was updated in 2022 to cover 1,122 Group infrastructures, which account for 90% of total consumption and correspond to 261 infrastructures with energy audits in accordance with the provisions of the aforementioned law. In 2022, 35 more energy audits were carried out in Group companies, to result in a total of 386 completed audits; however, some of these do not contribute to full compliance with Decree-Law 68-A/2015 as they are over concentrated in the same stratum. Thus, 36 more energy audits are planned in order to ensure the AdP Group fully complies with legislation in effect.

THE AdP GROUP HAS BEEN FOLLOWING NEW TRENDS IN WATER MANAGEMENT, INCORPORATING THE USAGE OF RENEWABLE ENERGY SOURCES INTO ITS SUPPLY AND SANITATION SYSTEM OPERATIONS IN ORDER TO MITIGATE GREENHOUSE GAS EMISSIONS AND CONSEQUENTLY SLOW CLIMATE CHANGE.

Climate change represents one of the great challenges that the AdP Group faces with the focus on renewable energy production a core priority. Through valuing the energy potential of its facilities and with the goal of reducing the GHG emissions of its activities, the Group has been increasingly investing in its own production of 100% renewable energy. The AdP Group runs a set of water supply, wastewater sanitation and water for reutilisation infrastructures that source their power from internal energy generation plants which also produce surpluses for sale to the public electricity grid (RESP), whether from biogas cogeneration, hydro or solar photovoltaic energy production.

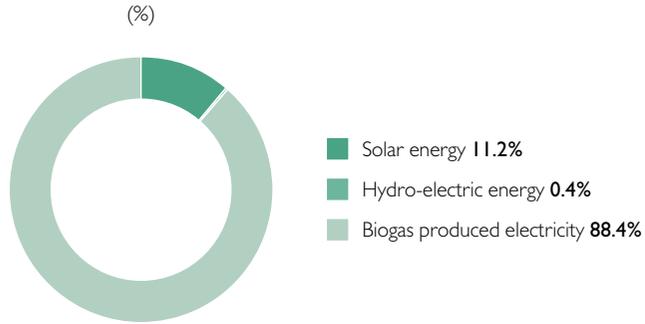


LEGENDA	
Biogás - Venda RESP	Biogás - Autoconsumo
◆ AdN	◇ AdN
◆ AdCL	◇ AdCL
◆ AdLVT	◇ AdLVT
◆ AdA	
Hídricas - Venda RESP	Hídricas - Autoconsumo
■ AdNorte	□ AdA
Mini Produção Solar - Venda RESP	Mini Produção Solar - Autoconsumo
● AdLVT	○ EPAL
● AdA	○ AdA
Micro Produção Solar - Venda RESP	Área de Intervenção
● AdNorte	■ AdN
● AdCL	■ AdLVT
● AdLVT	■ AdCL
● EPAL	■ AgdA
● AdP	■ AdRA
● AdSA	■ EPAL
● EGF	■ AdSA
● AdA	■ AdA



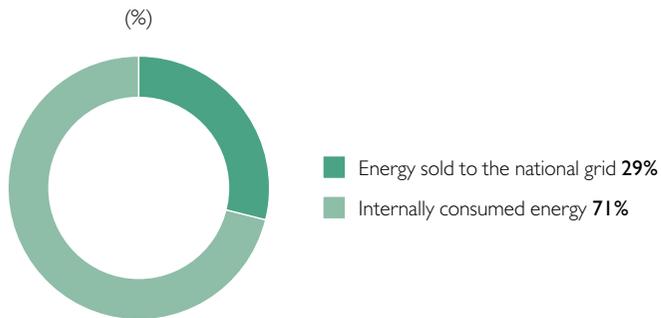
In 2022, the Group produced 38.54 GWh²³, an annualised increase of 5.3%.

ENERGY PRODUCED BY SOURCE



Energy production for self-consumption stood at 27.35 GWh (4.0% higher than in 2021) and energy for sale to the RESP totalled 11.19 GWh (8.5% higher than in 2021). In 2022, the AdP Group attained a self-sufficiency rate of 5%.

DESTINATION OF ENERGY PRODUCED



Despite efforts taken to reduce electricity consumption in recent years, through implementing energy efficiency measures/actions, and increasing the in-house production of energy, in order to exceed the energy self-sufficiency values of around 5% registered between 2020 and 2022, the AdP Group is deploying the ZERO Program that provides for significant and decisive investments in the areas of energy efficiency and renewable energy production. The ZERO Program spans two investment periods (through to 2025 and then until 2030), differentiated as follows:

²³ Includes energy produced for self-consumption and injection into the electricity grid.

- Period 1 - Energy efficiency and energy production facilities in infrastructures with higher self-consumption, and
- Period 2 - Other energy production facilities, taking advantage of the potential of endogenous resources available in the territory.

ENERGY PRODUCTION UNITS FOR SELF-CONSUMPTION, ÁGUAS DO DOURO E PAIVA

AdDP licensed four Self-Consumption Production Units (UPAC), which were installed in the Escariz and Cunha Pumping Stations, respectively, in the Seixo Alvo Reservoirs and in the Castelo de Paiva Water Treatment Plant.

These four UPACs correspond to 70 solar panels with an installed power that reaches 25.9 KW (kilowatt peak), which will allow AdDP to produce about 37.4 MWh, contributing to a 5.6 ton reduction in CO₂ emissions²⁴.

The installation of further UPAC is underway with the respective materials current under tender.

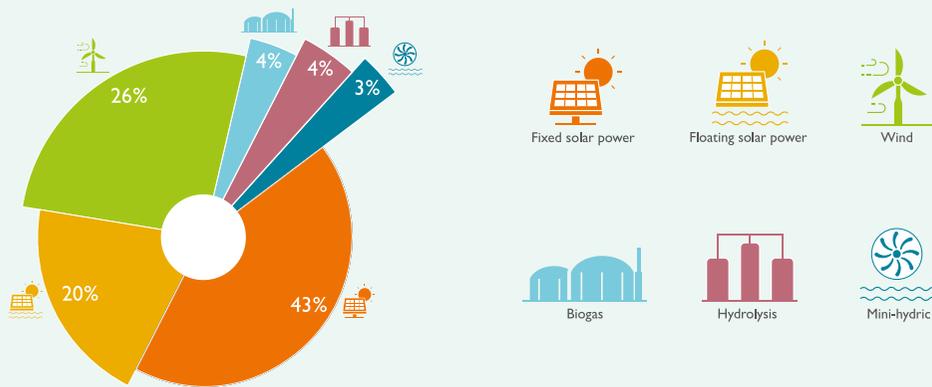
The installation and commissioning of these energy production units has been carried out using the company's internal resources and has counted on crucial logistic support from SIMDOURO staff and equipment, the company with which AdDP operates shared services.



²⁴ Conversion factor of 0.216 kCO₂/KWh

THE AdP GROUP'S ENERGY NEUTRALITY PROGRAM

ZERO, the AdP Group's Energy Neutrality Program, seeks to reduce the energy consumption of water supply and wastewater sanitation infrastructures and alongside other non-operational facilities while strongly increasing the Group's in-house production of 100% renewable energy, primarily for self-consumption, with the aim of achieving energy neutrality by 2030 and turning the Group into the first in the global water sector to implement an energy neutrality and self-sustainability project.



This plans for an integrated production mix taking into account systems based on solar photovoltaic (on-shore and floating), wind (on-shore), hydro (water and wastewater pipelines, reservoir intakes, dams) and cogeneration using biogas exploited for electricity and thermal production, promoting the maximisation of self-consumption and, whenever possible, energy storage through adjusting infrastructure operation procedures.

The Program also promotes the maximisation of energy produced for self-consumption through changes/adjustments to operating pattern, incorporating the production and storage of energy into the core of the supply, sanitation and reutilisation activities, undertaking the reengineering of systems and processes to increase efficiency, leveraging the asset renewal cycle to invest in more efficient solutions, enhancing technical solutions for innovation and increasing the sustainability and resilience of our systems, together constituting an opportunity to implement reengineering, invest in digitalisation and in the professional requalification of our teams, as well as regional development and social support, promoting reutilisation and reindustrialisation and enhancing the competitiveness of regional economies while nurturing value for the country, and contributing to differentiating the competences of the Portuguese water sector in international markets.

The management of energy flows looms as one of the core challenges for the ZERO Program: dealing with intermittent production technologies (wind, solar, among others) requires the development of sophisticated forecasting tools and requires greater flexibility in consumption (which also varies from infrastructure to infrastructure).

The AdP Group ZERO Program foresees the launching of a Renewable Energy Community (REC).

In addition, Program implementation brings about reductions of 185,070 tons/year of CO₂ emissions (in 2031), totalling around 2,776 million tons in the 15 subsequent years of the project (from 2031 to 2045).

The investment foreseen in the ZERO Program amounts to 363 million euros covering not only the implementation of energy efficiency and renewable energy production measures but also extending to the investments in digitalisation oriented towards the integrated management of consumption.

LAUNCHING THE AdP GROUP RENEWABLE ENERGY COMMUNITY

As mentioned above, ZERO Program integrates into its structural design the founding of an AdP Group Renewable Energy Community (REC), national in scope, to enable the consumption of surplus energy whether by other company production infrastructures or those belonging to other AdP Group companies or to partner entities.

The constitution of this AdP Group Renewable Energy Community, whether independently or eventually in partnership with stakeholders, will enable energy transactions between the production and consumption points among the community members, in addition to mechanisms to support the most disadvantaged populations, combating energy asymmetries, ensuring that Group energy production becomes a factor of cohesion and territorial enhancement, factors that have always belonged in our DNA.

Decree-Law no. 15/2022, of January 14th - that establishes the organization and functioning of the National Electricity System, transposing Directive (EU) 2019/944 and Directive (EU) 2018/2001 -, frames the scope for AdP Group to implement a national REC.

FUELS

In the provision of water supply and wastewater sanitation services, frequent visits to the infrastructures are necessary to perform routine operation and maintenance actions. These are responsible for most of the AdP Group's diesel and petrol fuel consumption but there are also other sources of operational consumption (digester heating, emergency generators, among others), laboratory and administrative facilities.

Fuels	2020	2021	2022
Petrol (m ³) (fixed and mobile consumption sources)	55	91	141
Diesel (m ³) (fixed and mobile consumption sources)	2 435	2 711	2 849
Liquified Gas (m ³)	7 144	1 711	0.15 ²⁵
Natural Gas (m ³)	104	180	160
Propane (ton)	1.09	3.58	2.40

The AdP Group's vehicle fleet totals 1,526 vehicles: of which 131 are electric, 16 hybrid and/or plug-in vehicles and 1,379 combustion-powered vehicles.

In 2022, the AdP Group combustion vehicles consumed around 2.99 million litres of fuel (diesel and petrol), which represents an increase of 6.7% when compared to 2021, when there was the consumption of 2.80 million litres. In average terms, the AdP Group registers overall consumption of 8 190 l/day (7 676 l/day in 2021).

In terms of distances, the AdP Group's vehicle fleet covered in 2022 about 39.1 million km (which represents about 975²⁶ times the Earth's circumference).

ELECTRIC MOBILITY

In 2022, the 131 100% electric vehicles (an increase of three compared to 2021) incorporated into the AdP Group's service fleet covered over 2.0 million kilometres while avoiding the consumption of over 172,000 litres of fossil fuels. The associated electricity consumption was 291 MWh. In terms of CO₂ emissions, the reduction achieved compared to combustion engine vehicles was -394 tonnes (-86.2%).

In the next few years, the process of renewal and decarbonisation of the AdP Group vehicle fleet will continue, a process integrated into the Energy Neutrality Program with a view to implementing a Green Fleet that consists entirely of non-polluting vehicles, including zero-emission vehicles. The AdP Group correspondingly foresees the growth of its electric fleet aligned with its awareness that despite the increase in electricity consumption through recourse to electric vehicles (depending on the increase in their number), their effects are always more relevant in reducing greenhouse gas emissions and reducing fossil fuel consumption than increasing electricity consumption.



²⁵ The Group company that consumed the most liquified gas for heating purposes underwent renovation and stopped using this energy source.

²⁶ Considering the earth's perimeter of 40 075km.

AdP WAS AWARDED THE "FLEET OF THE YEAR 2022" PRIZE BY FLEET MAGAZINE

This award reflects a long process of continuous improvement, undertaken by a large team with complementary multidisciplinary skills who, throughout the year, ensure compliance with the defined strategic guidelines, responding not only to the legal and environmental requirements but also the operational needs of every Águas de Portugal Group company.



ENERGY CERTIFICATION OF THE SERVICE FLEET

In 2022, the AdP Group company fleets, which together account for 1,526 vehicles - 131 of which are electric, 16 hybrid and/or plug-in and 1,379 combustion engine vehicles - maintained the Energy Certification of their service fleets, which, including conventional fuel vehicles and 100% electric vehicles, achieved energy efficiency classes between A and C, on a scale from "F" (least efficient) to "A+" (most efficient).

Three years of this certification process have generated significant strong contributions towards:

- Demonstrating, simply and clearly, our commitment to reducing the fleet's ecological footprint;
- Actively contributing to reducing Group company CO₂ emissions;
- Seizing opportunities to optimise costs (fuel, etc.) and reduce CO₂ emissions;
- Improving the fleet vehicle procurement process, attributing greater relevance to vehicle energy and environmental efficiency;
- Motivation of employees, clients, suppliers and partners towards more sustainable mobility.

The Group's decarbonisation strategy foresees achieving energy class "A" by 2030.



TOTAL ENERGY CONSUMED BY THE AdP GROUP

In brief, the total of energy consumed in the AdP Group in 2022 stood at 2,914,097 GJ.

Total energy consumption in GJ	2020	2021	2022
Electricity (RESP)+Others	2 687 905	2 658 371	2 702 568
Diesel	87 405	97 312	102 263
Petrol	1 810	2 991	4 612
Natural gas	3 956	6 814	6 065
Liquified gas	670	161	0
Propane	51	167	112
In-house electricity production	89 164	94 679	98 476
Electricity sold	39 259	37 133	40 283
Total ²⁷	2 870 961	2 860 495	2 914 097



²⁷The total does not include electricity sold to the grid.

²⁸ It should be noted that, in view of the 2021 Sustainability Report, the 2021 emission factor was revised from 0.218 kg CO₂/kWh to 0.237 kg CO₂/kWh, based on the commonly applied methodology. The values for 2022 were calculated based on the emission factors for 2020 and 2021 (0.258 and 0.237 kg CO₂/kWh respectively) in accordance with the RNC 2050 and the report "Energy in Numbers" (published by the Energy Observatory, DGEG, ADENE and APA, for 2019, 2020, 2021 and 2022).

²⁹ Result obtained through the production 38.54 GWh and the 2022 electricity emission factor, 0.216 kg CO₂/kWh.

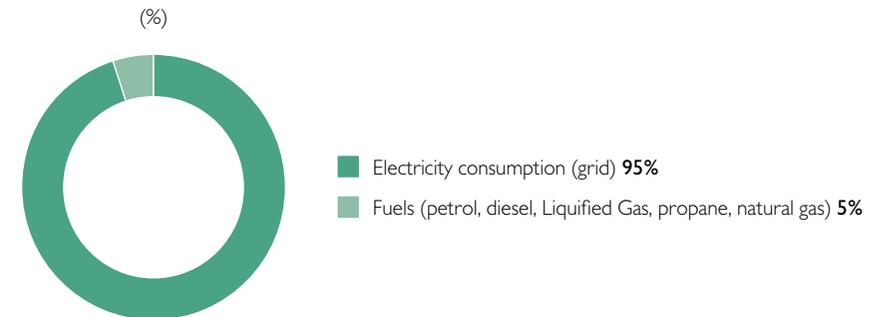
GREENHOUSE GAS EMISSIONS

In 2022, AdP Group companies emitted 170,000²⁸ tons of CO₂ from electricity consumption and fuels, a 6.8% reduction on the previous year.

Emissions CO ₂	2020	2021	2022
Electricity (RESP) + Others (Scope 2)	191 140	175 010	162 154
Petrol (Scope 1)	126	207	320
Diesel (Scope 1)	6 476	7 210	7 577
Liquified gas (Scope 1)	42	10	0
Propane (Scope 1)	3	11	7
Natural gas (Scope 1)	254	437	389
Total	198 041	182 885	170 447

Greenhouse gas emissions associated with electricity consumption clearly account for the largest share of total emissions.

ORIGINS OF EMISSIONS



In 2022 the AdP Group registered a year-on-year reduction of about 12 thousand tons of CO₂ emissions, which corresponds to a 6.8% cut.

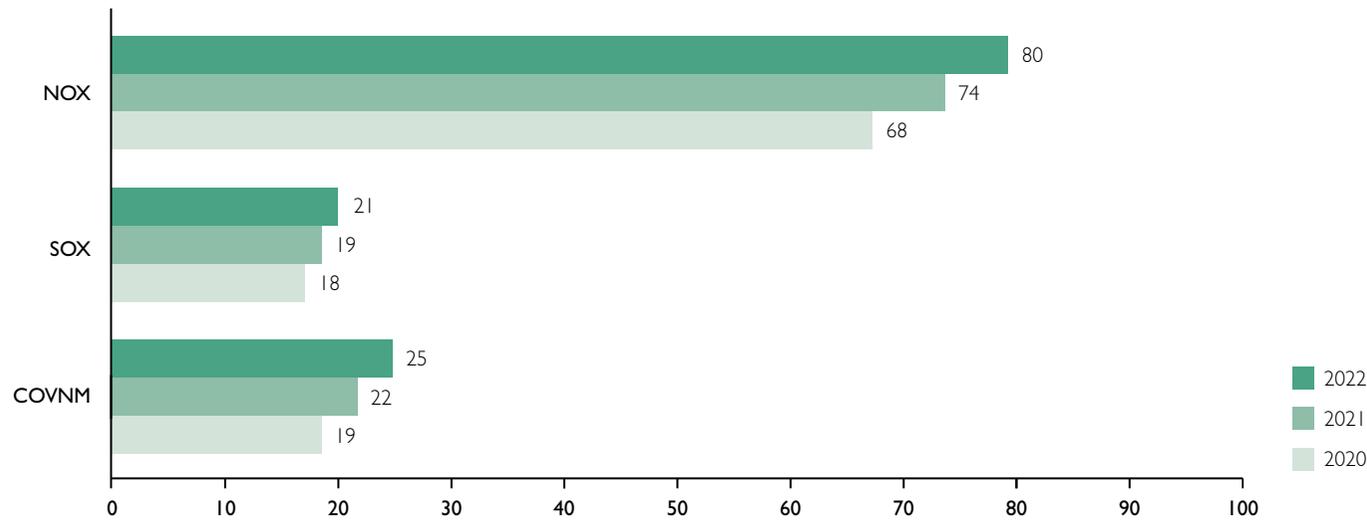
Its internal energy production enabled a reduction of 8,326 tons of CO₂²⁹, a decrease of 352 tons avoided in relation to 2021 (-4.1%). In terms of CO₂ emissions, the reduction achieved in relation to combustion vehicles was -394 tonnes.

NOx, SOx AND NMVOC EMISSIONS

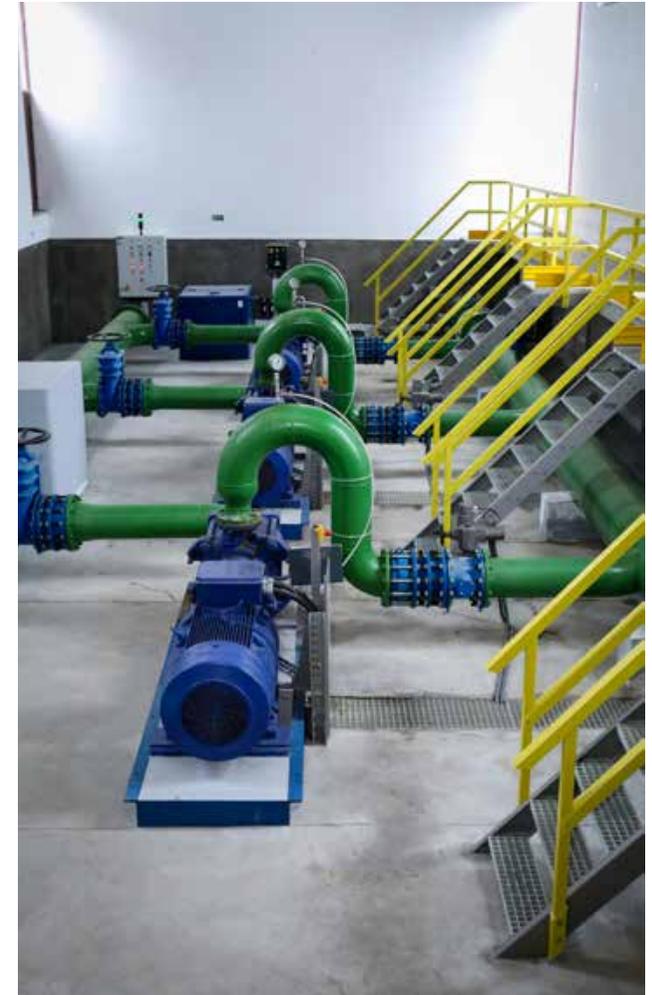
Associated to the consumption of petrol and diesel from the service vehicle fleet, Group company vehicles also emit NOx, SOx and NMVOCs.

EMISSIONS OF OTHER POLLUTANTS³⁰

(Kg)



³⁰ The 2021 and 2020 values in previous reports had a units error.



Notwithstanding the data presented, in order to increase the accuracy of emissions calculations, 2022 saw continuity in the development of a carbon footprint inventory tool to ensure the definition of a common methodology for all AdP Group companies. This process will, on the one hand, make it possible to obtain greater rigour in obtaining Scope 1 and 2 emissions and, on the other hand, include Scope 3 emissions. The Group also carried out a mobility survey of members of staff with the objective of estimating the emissions resulting from commuting (category 7 of the Greenhouse Gas Emissions Inventory Scope 3).

Calculating the AdP Group's carbon footprint underpins the effectiveness of the Group's Carbon Neutrality Program - NEUTRO – due for subsequent implementation at each company in addition to drafting a multi-year budget for carbon neutrality. We would here note that the NEUTRO Program represents an essential component of the Group's financing plans, allowing access to green bond lines designed to raise support for climate and environmental projects and the sustainability of businesses and companies.

NEUTRO - PROGRAMA DE NEUTRALIDADE CARBÓNICA DO GRUPO AdP

The AdP Group was one of the Portuguese entities signing up to the United Nations Global Compact for the Sustainable Development Goals and developing actions and initiatives capable of ensuring a reduction of at least 50% in the CO₂ emissions registered in 2010 as a means of preventing the global average rise in temperature on the planet from exceeding 1,5° C.

The AdP Group's Carbon Neutrality Program (NEUTRO) sets out to implement the different measures capable of reducing greenhouse gas emissions.

One of the Program objectives is to develop a tool to guide and support the periodic production of an inventory that establishes the physical basis of the annual greenhouse gas (GHG) inventories of the AdP Group and its companies.

Following the development of this tool, due for completion by the end of the first quarter of 2023, a set of measures will be implemented, by company, with a view to reducing emissions over forthcoming years and aligned with the reduction targets in effect at the AdP Group.



HIDROGASMOVE

The Hidrogasmove project arises from the collaboration protocol between Águas do Tejo Atlântico and Dourogás Renovável that aims to produce 100% renewable biomethane through the purification of biogas generated by sludges produced in the Frielas Water Plant, contributing to the decarbonization of the natural gas network and the transport sector.

The project aimed to demonstrate the feasibility of producing biomethane from Water Factory sludge biogases through high-level purification that enables its usage either as fuel for vehicles or for injecting into the natural gas network. Under the protocol signed between Águas do Tejo Atlântico and Dourogás Renovável, a "METHAGEN" unit was installed with a maximum capacity of 500 Nm³/h of biogas and capable of producing a maximum of 324 Nm³/h of biomethane.

This project involved the participation of Dourogás Renovável (project coordinator), Sysadvance, the University of Trás-os-Montes and Alto Douro (UTAD), Prestiteca, Redeteca, Tecamobil and the National Laboratory for Energy and Geology (LNEG). Simultaneously, Dourogás Renovável is advancing with the Solargasmove project that seeks aimed to demonstrate the viability of water hydrolysis in the production of green hydrogen and subsequently boosting the biogas produced in the Hidrogasmove project (by recombination with the CO₂ removed from the biogas purification process). The electricity required by hydrolysis would be generated on site from solar energy. The Solargasmove technology has not yet been subject to testing in Frielas.





3.3

ACCELERATING THE CIRCULAR ECONOMY OF WATER



MANAGING THE URBAN WATER CYCLE IN BALANCE WITH NATURE, ENSURING THE TRANSITION TO A CIRCULAR ECONOMY

PILLARS: SERVICE EXCELLENCE AND SOCIAL UTILITY

OBJECTIVES:

- Conserve and enhance water bodies
- Minimise waste produced and recover it as a by-product

GOALS

- Achieve a minimum of 90% internal reutilisation for wastewater sanitation activities
- Respond, in terms of supply, to the existing demand for ApR in communities served by AdP Group
- Reduce undue inflows in the wastewater drainage network
- Identifying and reducing 20% of physical water losses in the bulk and retail networks
- Monitoring the water quality in source and receptor environments
- Guarantee 70% recovery of supply systems sludges
- Promote the recovery of 70% of WWTP sludges
- Reduce the production of WWTP subproducts by 45%.

IT IS NOW THE TIME TO EVOLVE INTO A NEW PARADIGM, WITHIN THE LOGIC OF A CIRCULAR ECONOMY FOR THE WATER CYCLE IN WHICH ATTRIBUTING THE MAXIMUM VALUE TO RESOURCES CONSTITUTES ONE OF THE KEY PRIORITIES.

Water, as any raw material, has traditionally been viewed linearly, reflected in a vision of Catch-Use-Discharge. Managing water resources for long-term sustainability represents the answer to the challenges that growing demands for water and its declining availability already pose today. Through the circular economy, we are able to extract all the value of water, as a service, as a raw material, as an energy supplier, as a vehicle for nutrients and other materials, decisively contributing to balancing the management of its urban cycle with nature. This new way of thinking about water undoubtedly brings benefits to society and the environment and arises from a restorative and regenerative economy.

On the path we have been following, towards increasingly efficient water and energy management, with lesser environmental impacts and greater resilience in extreme situations such as water scarcity, circular economy practices are present with the Group investing in and strengthening its positioning in the production of water for reutilisation (ApR hereafter) and valuing the subproducts resulting from water treatment processes, including the sludges and nutrients for example, as well as making energy usage of the assets and endogenous resources on route to carbon neutrality (theme approached in the “Taking action for the Climate” chapter).

WATER IS, BY ITS VERY NATURE, A CIRCULAR RESOURCE AND ITS MANAGEMENT SHOULD ENSURE A SUSTAINABLE MODEL FOR WATER RESOURCES THAT MAXIMISES EFFICIENT USE, MINIMISES WASTE AND AVOIDS POLLUTION AND ENVIRONMENTAL DEGRADATION.

Of note in 2022 was the launch of development of the circularity strategy, which aims to bring together the various dimensions of the circular economy the Group is involved in and where it seeks to expand its scope of action. Key to this dimension is the – ApR – Water for Reutilisation strategy, the action plan for the integration of recycled materials in new AdP Group projects, and actions in terms of biogas and eco-reagent recovery. The Group has therefore been promoting and implementing a set of initiatives that, taken collectively, strive to induce a paradigm shift from a linear to a circular economic system and correspondingly grouped into the following priority areas:

Integrated management of water(s), contemplating the strands of:

- Usage; through reusing treated wastewater at various different AdP Group company facilities as well as for irrigating agricultural crops, watering gardens, cleaning urban environments and industrial or service facilities.
- Conservation; through incentive programs for the reduction of consumption in conjunction with interventions leading to the reduction of losses and control of undue inflows.

Nutrient recycling and organic fertiliser production by transforming wastewater treatment plant sludge into value-added products for agricultural fertilisation and energy production.

Materials harnessing subproduct streams generated by water and wastewater treatment and transforming them into circular raw materials for other sectors of activity, such as recycling inert materials for application in the ceramics and construction sectors.

Production of green reagents by harnessing renewable material flows and gases for application in water and wastewater treatment processes.

Training and capacity building of the Group's employees and other stakeholders to leverage the opportunities for incorporating circularity into their respective areas of activity and operations.



IN A CIRCULAR ECONOMY, WATER IS PERCEIVED AS A FINITE GOOD. ITS CONSUMPTION SHOULD BE SPARING, ITS RESOURCES REUSED, NEGATIVE EXTERNALITIES ANTICIPATED AND MITIGATED, THE IMPACTS OF ITS MANAGEMENT MINIMISED, AND ECOSYSTEMS MAINTAINED AND RESTORED.

WATER FOR REUTILISATION - ApR

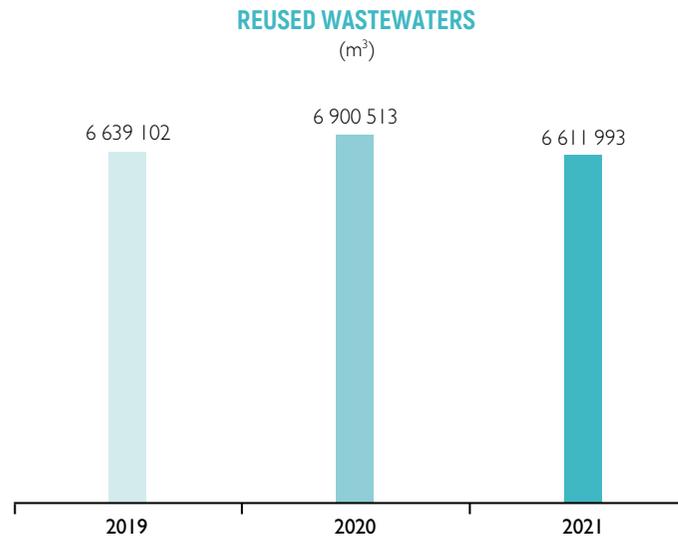
Water is essential to life and although it is constantly renewed, it is limited and cannot be either manufactured or replaced by other resources.

Aware of the great needs for water conjugated with increasingly inconstant and/or reduced periods of precipitation requires the search for alternative solutions, the Group perceives in the reutilisation of treated wastewaters a source with enormous potential for usages that do not require drinking water standards and also originating in sources without significant oscillations in availability and a vehicle for nutrients and micronutrients essential to the growth of vegetation. This is not any new utilisation, especially for the washing of equipment, the cleaning of public spaces, irrigation green areas, among other purposes with lower quality requirements, as well as their application for refrigeration systems and the production of green hydrogen. At the beginning of 2021, the production of water for reutilisation (ApR), deriving from the treatment of wastewater, was integrated into the core activities of the wastewater sanitation multi-municipal systems.

Hence, the Group seeks to reach out and meet the needs of the societies and communities where it operates, furthermore contributing to the sustainable utilisation of water resolution enabling the maintenance of water in the environment and the respective preservation of future uses while safeguarding the present usage in accordance with the principles of the circular economy. One example stems from our Action Plan for Reutilisation that fosters an increase in the circularity of the utilisation of water and the improvement of water efficiency, involving diverse projects for the production of water for reutilisation (ApR) at around 50 installations across the Group - and regional plans that seek to study the viability of water reutilisation within the context of each operating company and defining concrete measures for each region, having already

developed diverse and different reutilisation projects on different scales and in regional contexts – for example, for agricultural irrigation, watering golf courses and urban green spaces, industrial washing and usages, among others -, which have contributed to raising knowledge, enabling innovation and development to create synergies among stakeholders, overcoming barriers and developing safe and appropriate solutions. Leveraging the development of the Group reutilisation strategy still lacks approval by an appropriate legal framework.

The disinfection of treated wastewaters corresponded to 33% of the total effluent flow treated in 2022. Of the 161 million m³ disinfected, around 7 million m³ were reutilised internally and externally (the same level as 2021), which enabled the minimising of network water consumption and contributing to the active preservation of natural resources.



PURPOSES OF WASTEWATERS TREATED FOR REUTILISATION:

- Irrigation for agriculture, green spaces and forests
- Reutilisation for recreational purposes
- Reutilisation for environmental purposes
- Reutilisation for industrial purposes
- Reutilisation for the production of renewable gases

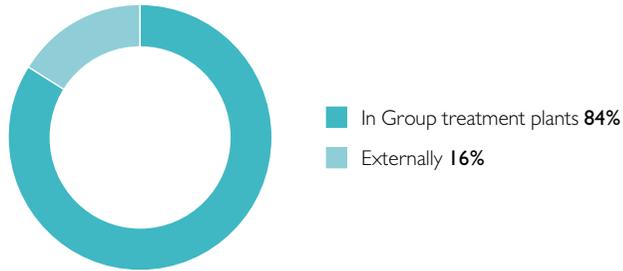
EXAMPLES:

- Washing facilities pavements, equipment and treatment components;
- Irrigation of green spaces (private and public, including golf courses);
- Refrigeration cooling systems;
- Municipal usages, such as washing vehicles, streets and containers;
- Discharge of sanitary facilities;
- Firefighting.

THE UTILISATION OF TREATED WASTEWATERS CONSTITUTES AN ADAPTATION MEASURE TO CLIMATE CHANGES AND BEST PRACTICE IN WATER MANAGEMENT, SPECIFICALLY TO RESPOND TO THE RISE IN THE FREQUENCY AND INTENSITY OF THE PERIOD OF DROUGHT AND WATER SCARCITY, THEREBY ALSO ENABLING INCREASED SYSTEM RESILIENCE.

IN THE AdP GROUP, WASTEWATER IS REGARDED AS A RAW MATERIAL RICH IN RESOURCES THAT MUST BE RATIONALISED, USED, REUSED, RECYCLED AND RECOVERED.

REUTILISATION OF TREATED WASTEWATERS
(%)



AdA CONCLUDES ApR LICENSING PROCEDURES

AdA has been working on the development of ApR solutions, particularly in the Vila Real de Santo António, Quinta do Lago, Vilamoura, Albufeira Poente and Boa Vista systems.



GREEN HYDROGEN PRODUCTION

The diverse reutilisation projects developed by the Águas de Portugal Group, on different scales and in different regional contexts, have contributed to raising awareness, creating synergies among stakeholders, overcoming barriers and developing safe and appropriate solutions in terms of cost-benefits, based on the fit-for-purpose approach and risk evaluations enabling proportional solutions tailored to the forecast usages and any specific prevailing conditioning factor.

FIRST PRODUCTION AND CONSUMPTION LICENCES ÁGUA+

On World Water Day, March 22nd, Tejo Atlântico and Lisbon City Hall implemented the irrigation plan for the northern section of Parque das Nações with água+ produced at the Beirolas Water Factory, a project in which the APA environment agency also participated. The implementation of this sustainable irrigation represents one example of the plans for circularity within the framework of the vision of the future cities, reducing their consumption of raw materials and reusing treated wastewaters.

In addition to launching the água+ irrigation project, the respective Production and Consumption Licenses were also delivered by the APA, and with the signing of the "Technical Collaboration Protocol for the Application of Drought Combat Measures" by the APA and the Lisbon City Council, and by the APA and Águas do Tejo Atlântico.



FROM WASTE TO SUBPRODUCT

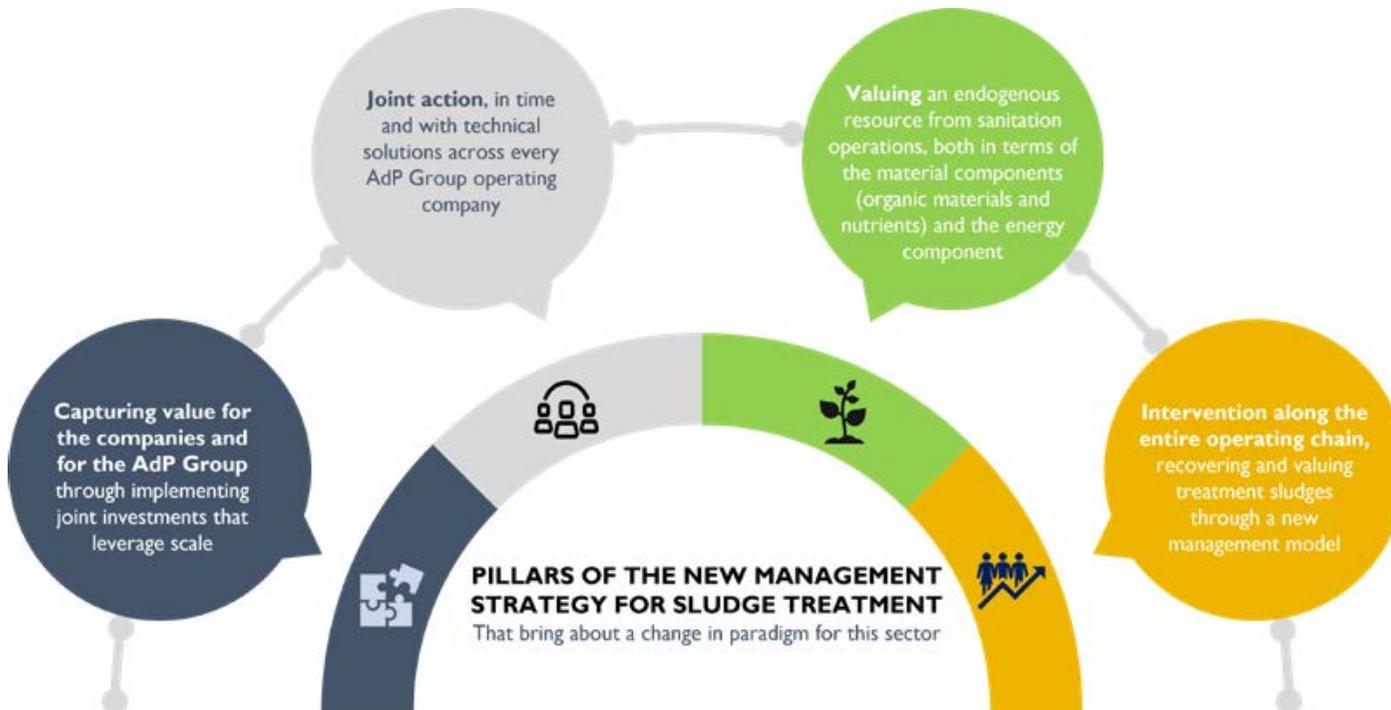
The waste generated in the processes of water and wastewater treatment, as they cannot not be produced, have to be minimised through the selection of the best technologies available to the Group, thereby acting on the indirect impacts of its activities.

Alongside this reduction, the AdP Group has focused on demand and implement robust solutions for valuing these wastes even while they may be considered the subproducts of other activities, thus actively fostering the circular economy. Examples include the incorporation of sludges deriving from water treatment processes into the cement and ceramics industry as well as valuing the wastewater treatment plant sludges as a source of organic materials, nutrients and energy.

The current context seeks to create the opportunity to rethink the wastewater treatment plant sludge management models in the Group

in addition to rendering investments in sludge treatment installation viable, raises the importance of innovating in the internal management model on the AdP Group agenda, benefitting from scale and based on the principles of efficiency, valuing resources and the circular economy while simultaneously strengthening the environment control over the chain of value of this waste. To this end, the AdP Group seeks to act on managing the chain of value wastewater sludges through its strategy reflected in the AdP Group Sludge Plan that foresees an evolution in the paradigm based on the principles of circular economy and the valuing of the effects of scale provided by the dimension and organisation of the AdP Group.

The AdP Group Sludge Management Strategy incorporates the following pillars:



CIRCULARITY PERFORMS A PREPONDERANT ROLE IN THE TRANSFORMATION OF WASTES INTO SUBPRODUCTS WITH SIGNIFICANT SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACTS.

THE SLUDGE MANAGEMENT STRATEGY AIMS TO:

- Reduce by half the quantity of sludges sent from AdP Group facilities to final destinations
- Reduce by half the annual sludge management costs
- Build resilience into the solid phase treatment facilities
- Set targets for the recovery of sludge/ similar products for all AdP Group companies
- Reduce CO₂ emissions in sludge management processes

AdSA MANAGES INDUSTRIAL WASTE

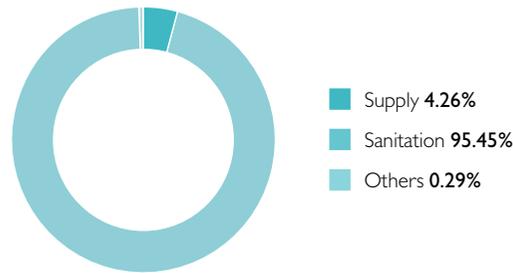
AdSA is the only AdP Group company operating in the field of industrial waste from industries located in the Sines Industrial and Logistics Zone (ZILS).

The industrial waste landfill, covering a total area of 59 ha, includes four different waste areas, a support infrastructure area and a network deploying 13 piezometers for monitoring groundwater quality.

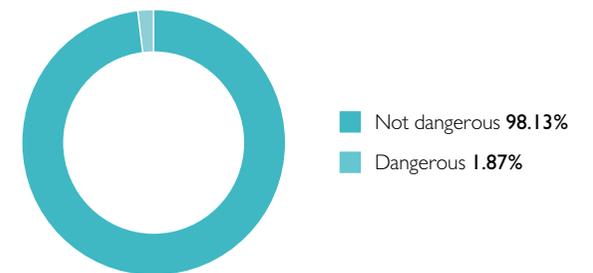


425,101 tons of waste were produced in 2022³¹, which corresponds to a year-on-year increase of 2.7% compared to 2021. 26,777 e-GAR were generated, referring to the transportation of all waste produced by 598 infrastructures and forwarded to final destinations (recovery and disposal). The largest portion (95%) derives from Group sanitation activities.

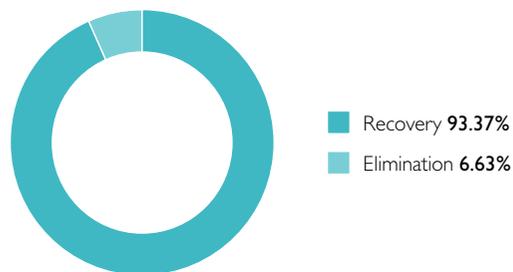
WASTES (%)



WASTES PRODUCED (%)



FINAL DESTINATION (%)



"WE NEED TO CHANGE THE WAY WE ARE AND LIVE, ADOPTING BEHAVIOURS THAT CONTRIBUTE TO THE CIRCULAR ECONOMY THUS FOSTERING THE DECARBONISATION OF OUR SOCIETIES AND ECONOMIES."

in AdP Energias' 2022 Annual Report

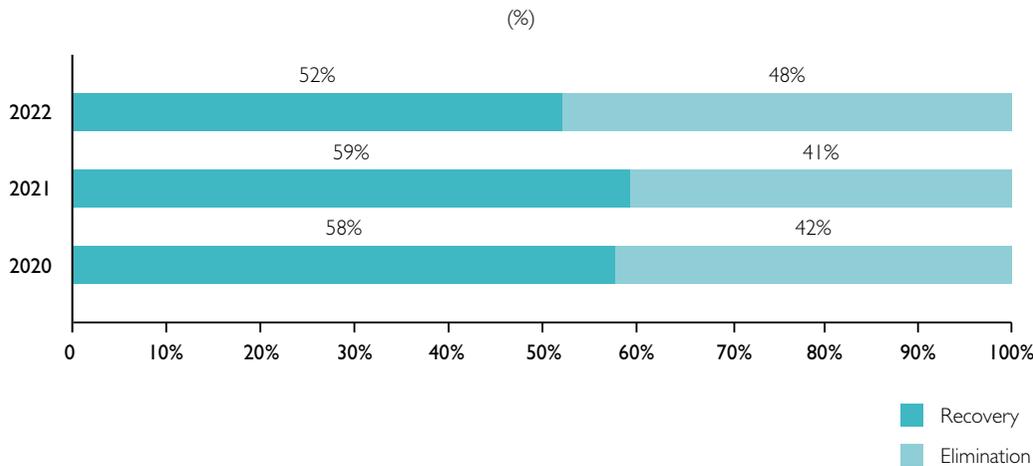
³⁰ Does not include waste from AdSA's Waste Management activities. Includes waste produced at the AdSA's Morgavel Water Treatment Plant. Does not include waste under the management and responsibility of Service Providers.

WATER SUPPLY

In 2022, treatment for water supply processes led to about 18 092 tonnes of waste being sent to final destination (recovery/disposal) (19.2% less than in 2021), with 99% sludge deriving from water clarification processes. Of this, 52% was recovered predominantly for application in the cement and ceramics industries, thus transforming this waste into a by-product. The AdP Group, aware of the high potential that clarification sludges hold as by-products, is focused on their recovery by incorporating them as a raw material into manufacturing processes, thereby promoting the circular economy.

Process wastes – water supply	2020	2021	2022
Screenings (ton)	15	10	2
Sands (ton)	137	138	14
Sludges (ton)	18 388	22 250	18 076
Total	18 539	22 398	18 092

RECOVERY AND FINAL DESTINATION OF WATER SUPPLY SLUDGES

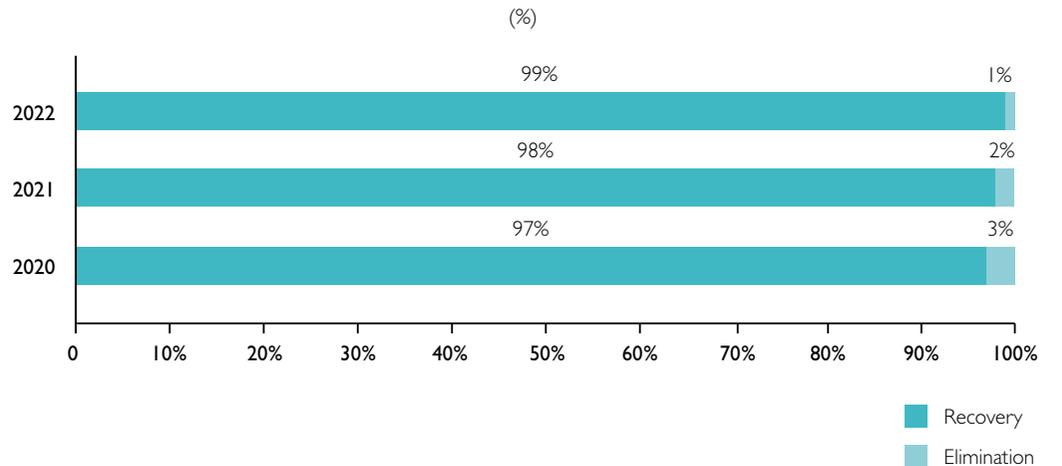


WASTEWATER SANITATION

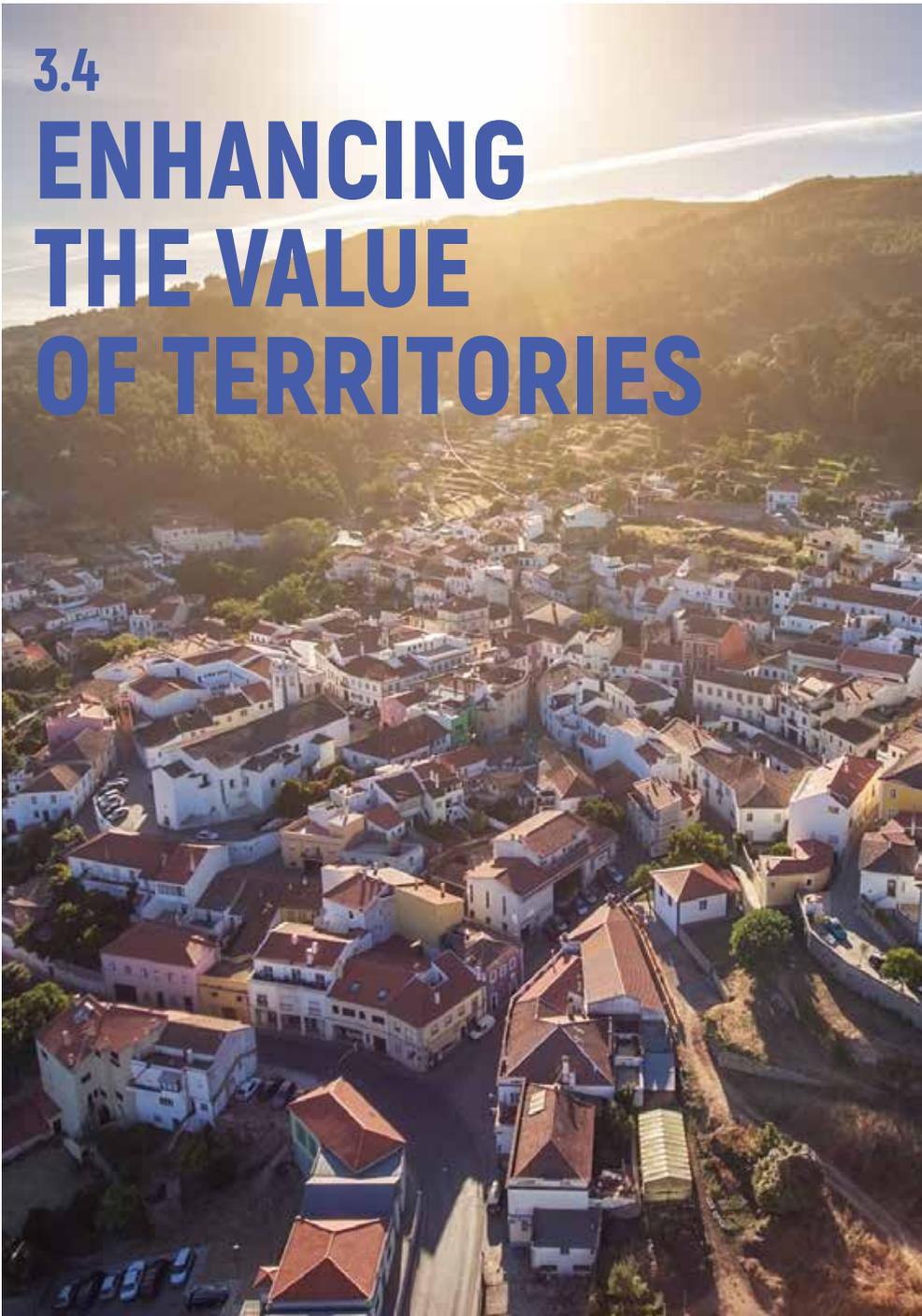
The wastewater treatment processes in 2022 resulted in the sending to a final destination (valuation / elimination) of 405 764 tons of waste, 4% up on in 2021, with 93% made up of sludges. With the recovery of waste products one of the major concerns of the AdP Group, there has been major consistency in the values reported over the course of the years. Of the 378 254 tons of sludge produced, 98% were recovered.

Process wastes – wastewater treatment	2020	2021	2022
Screenings (ton)	8 663	9 516	9 262
Sands (ton)	9 461	10 744	9 130
Fats (ton)	3 715	3 658	3 956
Sludges (ton)	333 950	360 388	378 254
Others (ton)	2 795	5 851	5 163
Total	358 584	390 157	405 764

RECOVERY AND FINAL DESTINATION OF SANITATION SLUDGES



3.4 ENHANCING THE VALUE OF TERRITORIES



PROVIDING A PUBLIC SERVICE OF EXCELLENCE, WITH A DIRECT IMPACT ON IMPROVING THE POPULATION'S QUALITY OF LIFE

PILLAR: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

- Enhance the relationships of proximity and dialogue with customers and municipal partners
- Contribute to the development of a responsible economy
- Invest in the relationship and sharing of values in the supply chain
- Be an integral part of the communities in which we operate
- Protect and restore biodiversity and ecosystems
- Water as an essential factor in deepening the protection of public health

GOALS

- Develop 3 water losses reduction pilot projects with Municipalities/Management Entities
- Develop 5 pilot projects to reduce undue inflows with Municipalities/Management Entities
- Implement a common system for evaluating the services provided by retail companies
- Draft and implement a Green Purchasing Plan
- Promote the Group's values in the supply chain (companies) through 20 awareness raising actions/year
- Promote the Group's values in the supply chain (companies) through 15 audits of suppliers/year
- Promote the development of GHG emissions inventories in the supply chain: 3 actions
- 10,000 hours volunteering/year
- 5 corporate volunteering projects
- Mapping the protected areas in the Group and designing the respective plans for their biodiversity and ecosystem
- Guarantee 99.5% of bulk and retail water quality
- Guarantee compliance with discharge licences (compliance with discharge limitations and regular monitoring) in the bulk and retail networks

Water is an essential factor to the socioeconomic development of regions. Its utilisation spans the entire range from the most basic needs for human consumption through to industry, agriculture, tourism and the ecosystems as a whole.

Companies and their employees are one of the greatest forces for change in societies, performing a fundamental role in the construction of a more equitable and, above all, a more sustainable world.

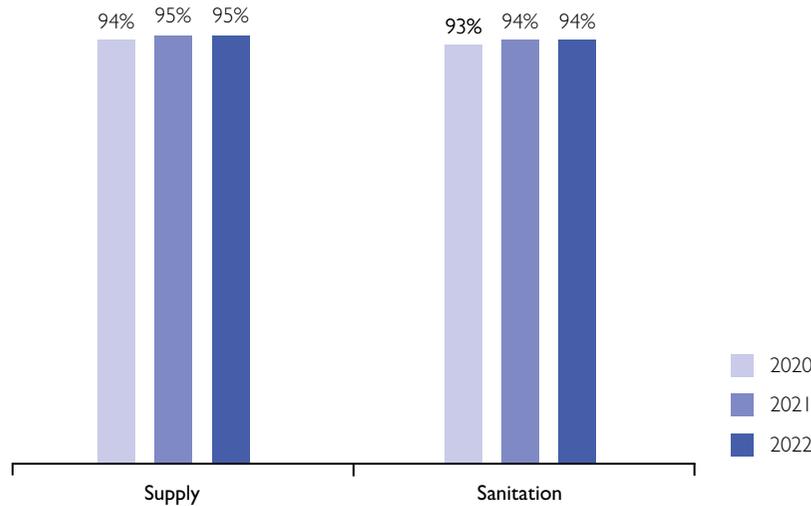
Based on these two assumptions, the AdP Group works daily, from the north to the south of the country, across 237 municipalities, to create value and thereby positively impact on the territories that host its activities and/or its businesses have direct or indirect consequences.

WITH 3,742 EMPLOYEES AND COVERAGE OF 237 MUNICIPALITIES, WE CONTRIBUTE TO DYNAMICALLY BOOSTING EMPLOYMENT AND THE ECONOMY AND COMBATING THE DESERTIFICATION OF PORTUGAL INLAND REGIONS.

We guarantee the accessibility of water and sanitation services, ensuring social justice and the quality of life of populations. We guarantee efficient technical-financial management, ensuring high rates of water supply and sanitation coverage³² through the appropriate scaling of new infrastructures and the maintenance of those already in operation.

³² In the bulk activity, translating the percentage of the total number of houses foreseen in the managing entity contracts connected to bulk infrastructures or with the feasibility of connection to the retail system. In retail activities, expressed in terms of supply to the percentage of the total number of households located in the management entity area of intervention for which the water distribution service infrastructures are available and in terms of sanitation by the percentage of the total number of households located in the management entity area of intervention for which the Moravec collection and drainage service infrastructures through fixed networks are available or for which individual wastewater sanitation solutions controlled by the management entity exist (with the sludge and/or effluent removal service run by the management entity) in locations without available fixed network infrastructures.

COVERAGE OF BULK SERVICE
(%)



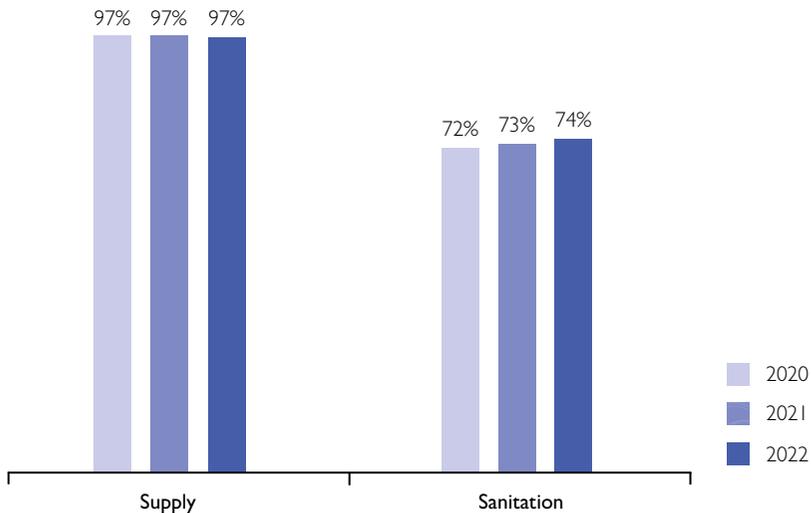
214

MUNICIPALITIES SERVED BY WATER SUPPLY SERVICES

217

MUNICIPALITIES SERVED BY WASTEWATER SANITATION SERVICES

COVERAGE OF RETAIL SERVICE
(%)



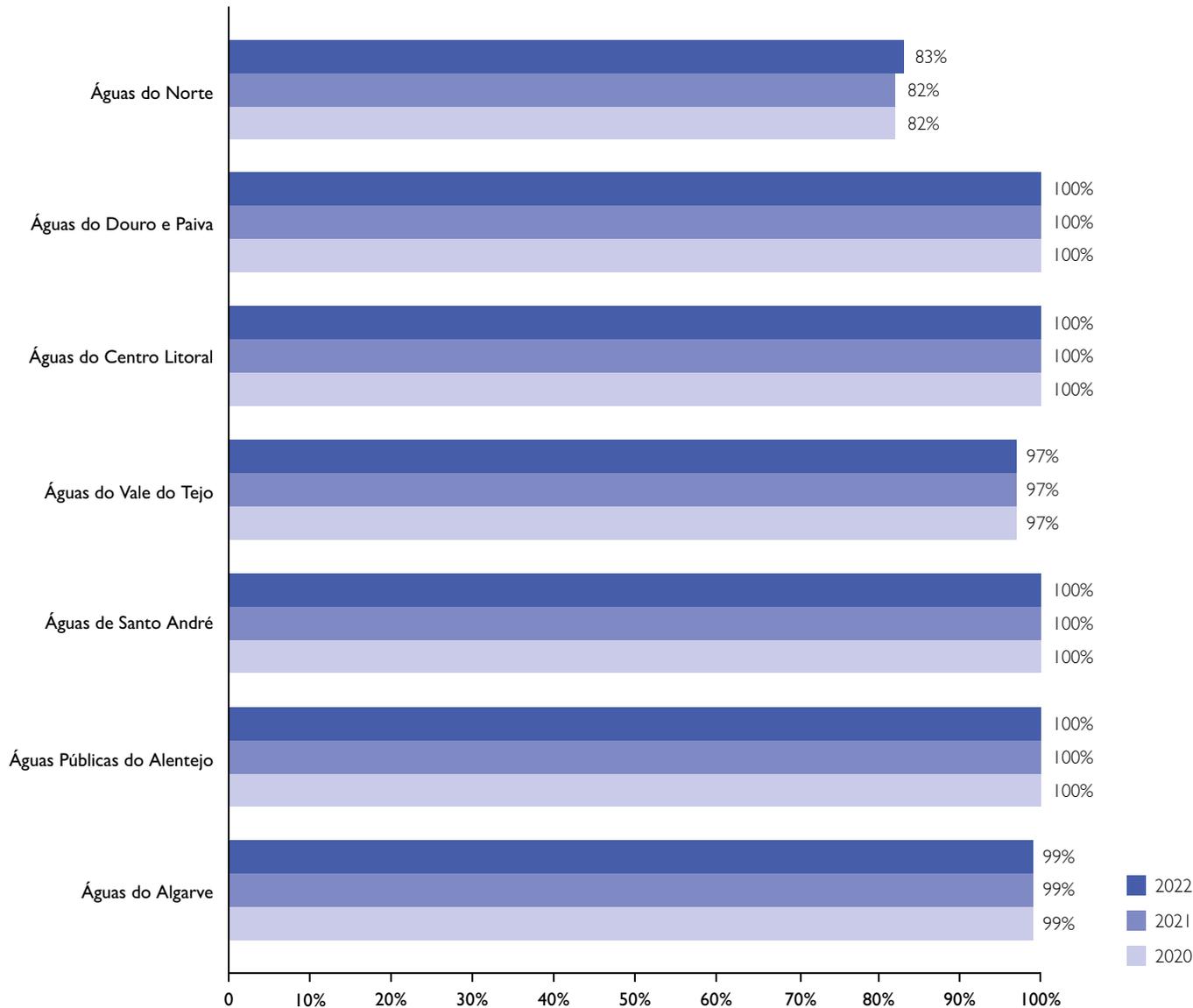
689 632

DIRECT CLIENTS (RETAIL – WATER SUPPLY)

288 949

DIRECT CLIENTS (RETAIL – WASTEWATER SANITATION)

COVERAGE OF BULK SUPPLY SERVICE
(% of households served)



PROGRESS IN MANAGING WATER RESOURCES IS ESSENTIAL FOR TERRITORIAL DEVELOPMENT.

95%

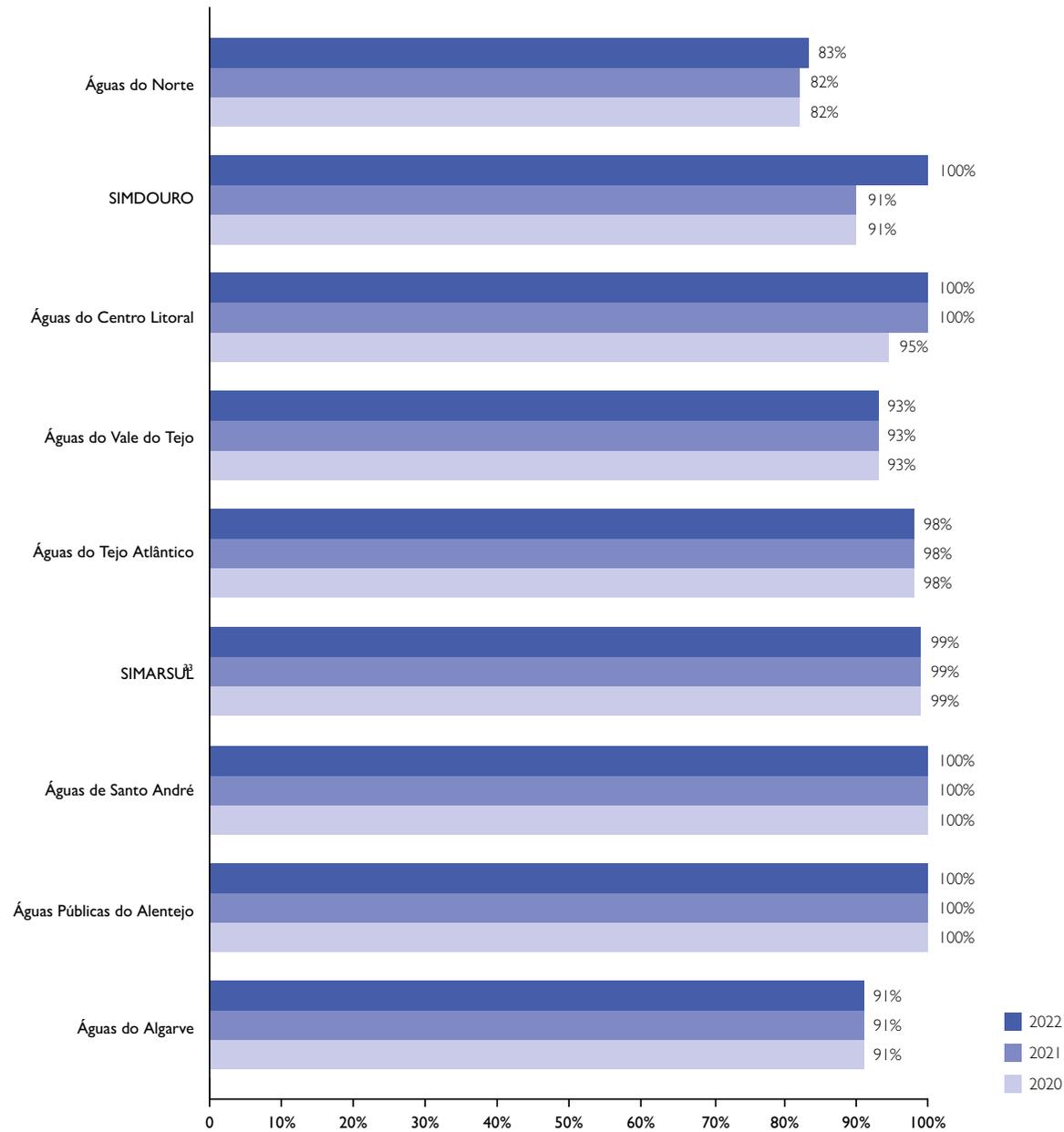
RATE OF BULK WATER SUPPLY COVERAGE



■ 2022
■ 2021
■ 2020

COVERAGE OF BULK SANITATION SERVICE

(% of households served)



94%

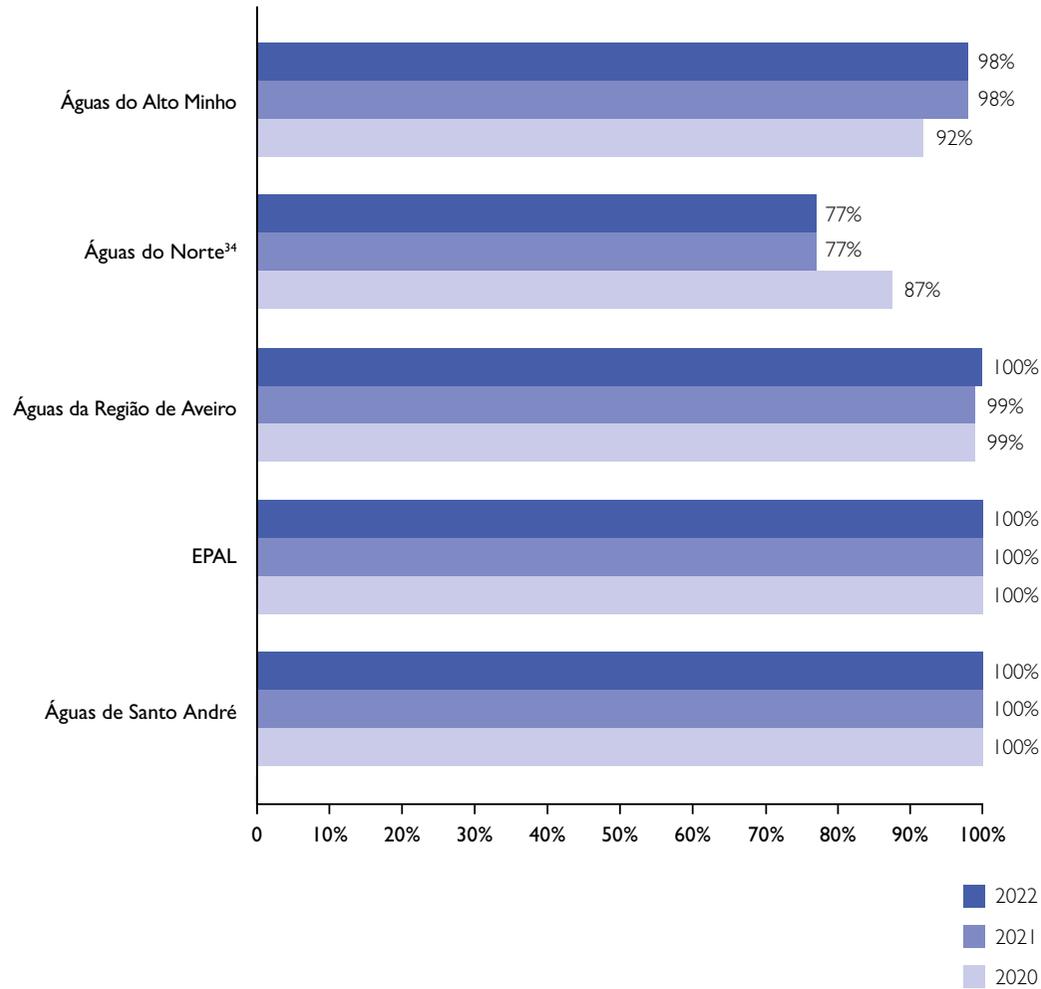
RATE OF BULK
WASTEWATER TREATMENT COVERAGE



³³ A taxa de cobertura da SIMARSUL referente a 2020 foi alterada, de acordo com a entidade reguladora.

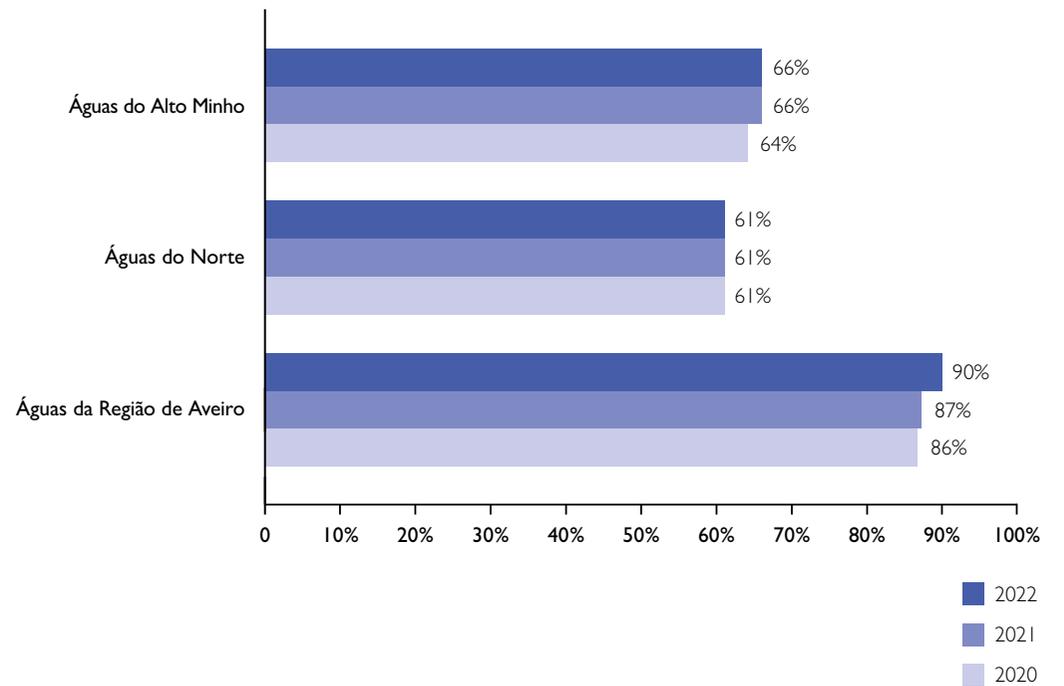
COVERAGE OF RETAIL SUPPLY SERVICE

(%)



COVERAGE OF RETAIL SANITATION SERVICE

(%)



³⁴ The decrease in AdNorte, from 2020 to 2021, following an ERSAR audit, results from the calculated value being corrected to 82% in 2020, a decrease that was reinforced in 2021 by the Addenda to the Partnership and Management Contracts providing for the integration of the water supply system to Vale do Leça, in the municipality of Santo Tirso, signed in June 2021.



WITH OUR CUSTOMERS, WE PROMOTE A CULTURE OF PROXIMITY, ACTING AND INNOVATING TO SIMPLIFY THEIR ACCESS TO WATER AND SANITATION SERVICES.

The Group public services, which are increasingly comprehensive and continuous, high quality and with socially acceptable tariffs, ensures we are able to increase the trust and confidence of our customers.

The continuous implementation of a culture of customer proximity and transparency in the information provided, allows for simplifying access to water and sanitation services, raising the level of user trust and satisfaction, which furthermore ensures greater stability in usage of the territory. Hence, this approach enables us to meet the needs and expectations of our customers.

There is furthermore a relationship of proximity prevailing between Group companies and the Municipalities (clients for bulk service and also shareholders). The existence of open channels of communication heightens the transparency and trust established. The bilateral relationships, that take place daily across various different levels, both in institutional and in technical terms, allows for the alignment of objectives and improvement to the supply and sanitation services received by the final consumer.

At companies providing retail services, the major Group challenge, due to the high number of direct clients, focuses on ensuring the provision of services to the entire universe of potential clients. Company websites incorporate exclusive areas for clients with the provision of relevant information and means of direct contact for further clarification.

In promoting dialogue with clients and the ways we perceive their opinions, Group companies periodically (usually biannually) evaluate the satisfaction of bulk and retail users of water supply and sanitation services, with seven companies having undertaken such evaluations in this period.

In 2022, the Group received 496 complaints from bulk clients, a lower figure than in 2021 (516) and 5,957 complaints from retail clients, a lower figure than in 2021 (9,758). The rate of response within the legally stipulated deadlines remained at 98% for bulk services and rose to 99% (2021 66%) for retail services³⁵.

³⁵ The decrease in the number of retail complaints and the increase in the response rate, is mainly due to the regularisation of the unbilled amounts in AdAM at the beginning of 2021 and the stabilisation of the billing process in the company, which originated a significant reduction in the number of complaints and the increase in the response capacity, transmitting greater confidence to AdAM customers. The figure for 2021 was corrected from 9 717 to 9 758

THE H₂O QUALITY APP AVAILABLE IN 10 LANGUAGES QUALITY

H₂O Quality is a free application and a pioneer in the water sector worldwide, which works by georeferencing, and allows any citizen or tourist to access the results of the water quality in Lisbon, relative to the place where they are, with daily updated information.

The app, which was already available in Portuguese and English, is now available in 10 languages, with the addition of Ukrainian, Spanish, French, German, Italian, Arabic, Japanese and Mandarin in order to cater both for the better integration of foreign residents and the tourists daily visiting Lisbon.

The pioneering H₂O Quality application positions Lisbon as the first city in the world where the transparency of this information is accessible to all demonstrating EPAL's confidence in the work done each and every day.



AdSA LAUNCHES A CONTACT CENTRE THAT GUARANTEES 24H/DAY SERVICE

AdSA launched a new customer care service, which will operate constantly, 24 hours a day. The Contact Centre represents an important investment by the company designed to serve customers more effectively and efficiently and thus ensuring a better service



MYAQUA IN THE AdP GROUP

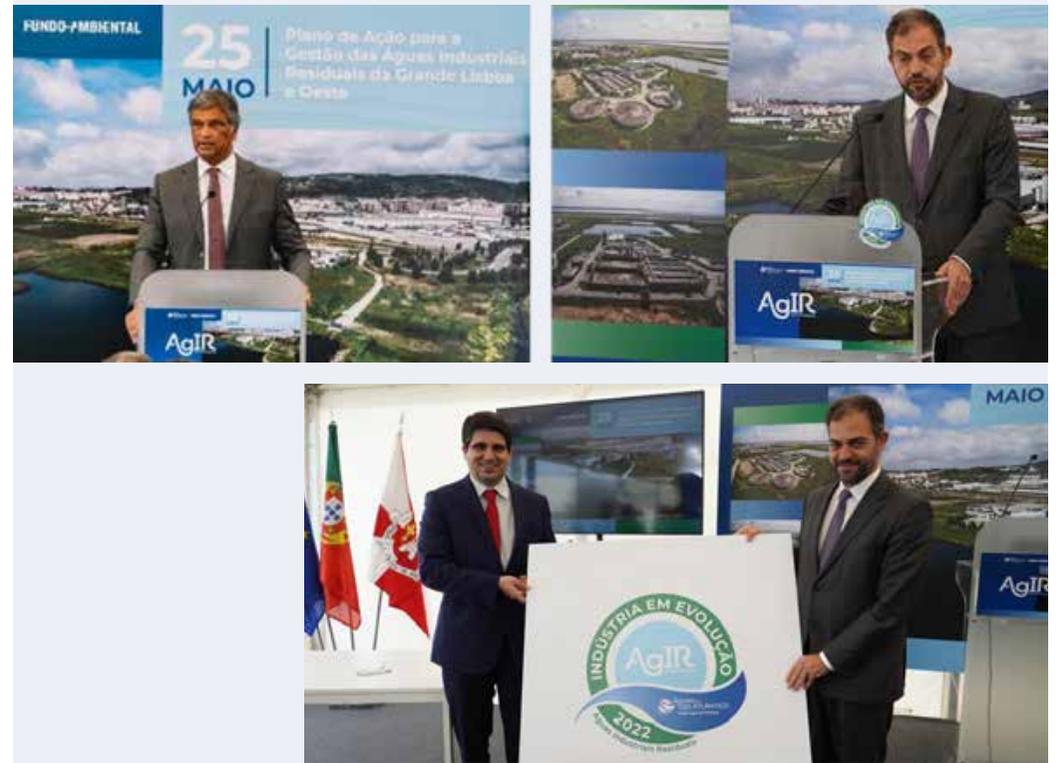
myAQUA® is a free application for smartphones, developed by EPAL, which allows the Customer to consult and manage their contract data, communicate readings according to their preferences, consult water bills, and much more. It also allows access to more than one contract, being able to consult and manage the information related to several places of consumption in a simple, convenient way and with a single access code. At the Group, this application is currently available to EPAL, AdSA and AdAM customers.



PARTNERSHIP BETWEEN AdTA AND MUNICIPALITIES TO ERRADICATE UNDUE INFLOWS

The result of the partnership between Águas do Tejo Atlântico and the 23 municipalities participating in the multi-municipal sanitation system of Greater Lisbon and West, this project has received technical and financial support amounting to EUR 4.4 million from the Environmental Fund for the eradication of undue industrial wastewater inflows. This four-year plan aims at eradicating undue inflows - industrial wastewater without proper pre-treatment - in the collection, treatment and recovery systems of the Águas do Tejo Atlântico Wastewater Treatment Plant (WWTP).

The Minister for the Environment and Climate Action, Duarte Cordeiro, presented on the occasion of the project presentation the “Industry in Evolution” Seal of Quality that will annually distinguish the environmental performance of industries that have excelled in working together with Tejo Atlântico and the municipalities in the field of industrial effluents. These seals will contribute to recognition of the municipalities and their industries as promoters and co-responsible for better protection of the environment and a circular society.



The improvements made to the quality of life of populations stemming from the evolution in water supply and sanitation services become particularly clear in the higher levels of public health indicators. The government, which designs and promotes new public policies that impact on the sector; the regulator, independent, which accompanies and monitors our activities as well as our partner municipalities, with their collaboration of fundamental importance, play determinant roles within the scope of efficiency in the sector; the quality of provision of these services essential to the quality of life of the populations and to the success of public policies in our fields of activity.

The quality of the water supplied by Group companies is ensured by regular product monitoring in accordance with the Water Quality Control Plans approved by the regulator, ERSAR.

In 2022 there were 91 670 (94 729 in 2021) and 44 907 (46 438 in 2021) water analysis tests carried out on the bulk and retail systems respectively. The results of this analytical control are regularly published, enabling consumers to access the water quality information and the compliance with the legal parameters. Furthermore, companies also operate internal monitoring plans ensuring more demanding analytical control and again guaranteeing the quality of the water supplied.

In 2022, nine of the ten AdP Group operating companies (in 2021, there were six) engaged in supply activities had implemented water safety plans, boosting the response capacities of their systems to situations that may jeopardise the integrity of supply safety and correspondingly raising the trust of consumers and the other entities involved in the consumption water production process.

WATER SUPPLY CONTROL AND MONITORING MEASURES

- Continuous measuring of the process parameters (flow, pressure, levels of storage water; pH, chlorine, among others);
- PCQA – Water quality control plans;
- Water quality operating control plans;
- Monitoring plans for infrastructures operated by service providers;
- Water safety plans;
- Control and monitoring of hydrological characteristics of water supply sources;
- Control of water losses;
- Implementation of operating and maintenance software.

99.6%

OF COMPLIANCE WITH
THE WATER CONTROL PARAMETERS
FOR BULK SUPPLY SYSTEMS

99.4%

OF COMPLIANCE WITH
THE WATER CONTROL PARAMETERS
FOR RETAIL SUPPLY SYSTEMS



The collection and effective treatment of wastewaters prevents the discharge of untreated effluents, safeguarding watercourses, preserving ecosystems and avoiding contamination of the soils. The maintenance of watercourses enables the community to safely enjoy that water resource and all its diverse usages ranging from enjoyment of the landscape, bathing, irrigation, abstraction for water supply purposes, among others.

Across the Group, the analytical control of treated wastewaters takes place regularly in accordance with that stipulated in the discharge licences and the legislation in effect. In 2022, there were a total of 98 670³⁶ analytical tests of the bulk and retail systems. The results of this monitoring are regularly published to enable users to gain access to information on the quality of the wastewaters returned to hydric environments and the compliance with legal parameters. Furthermore, the companies also deploy internal monitoring plans, providing more demanding analytical control and guaranteeing the quality of discharged wastewaters.

98.12%

OF COMPLIANCE WITH
DISCHARGE LICENCES BY
BULK WASTEWATER SYSTEMS

98.24%

OF COMPLIANCE WITH
DISCHARGE LICENCES
BY RETAIL WASTEWATER
SYSTEMS

WASTEWATER SANITATION CONTROL AND MONITORING MEASURES:

- Analytical control plans in accordance with the discharge licences;
- Operational analytical control plan;
- Underwater emissary monitoring plan;
- Continuous measurement of pH, of potential redox, of oxygen;
- Gaseous emissions monitoring plan;
- Monitoring plan for treated wastewater discharge environments;
- Monitoring plans for infrastructures operated by service providers.



³⁶ Analyses carried out on infrastructures with discharge permits.

25

HOURS OF RESERVE CAPACITY IN BULK WATER SUPPLY SYSTEMS

Taking an increasingly proactive approach, the Group is advancing with the rehabilitation of the already existing pipes, interconnections and collectors and in need of replacement as an essential measure contributing to the operational efficiency of systems. Supply failures and collapses in collectors may have consequences for the services provided to populations and hence the response capacity for such situations is fundamental. The maintenance of equipment and infrastructures, from both reactive and preventive perspectives, is crucial to service management.

The water reserve capacities of multi-municipal systems contribute to the continuity of the supply service. In 2022, the bulk system reserve capacity was 25 hours (24 in 2021) and 37 hours in the retail system. The number of service interruptions³⁷ was 45 and 249 in the bulk and retail systems, respectively.

The number of structural collapses in the sanitation collection network was 53 in bulk and 38 in the retail system.

37

HOURS OF RESERVE CAPACITY IN RETAIL WATER SUPPLY SYSTEMS

53

STRUCTURAL COLLAPSES IN BULK SANITATION SYSTEMS

38

STRUCTURAL COLLAPSES IN RETAIL SANITATION SYSTEMS



³⁷ In 2022, this considers interruptions in the supply to users lasting 4 hours or longer. In previous years, interruptions of 6 hours or longer were considered.

WE PROTECT AND RESTORE BIODIVERSITY AND THE ECOSYSTEMS

Good ecological functioning strongly contributes to the mitigation, resilience and adaptation to climate changes, to the protection of biodiversity, to fair and equitable access to food and drinking water and consequently to improving health and wellbeing as well as to the social and economic balance and the territorial revitalisation, themes that intrinsically interlink with the Sustainable Development Goals.

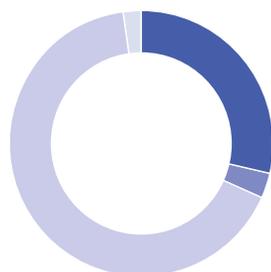
THE AdP GROUP CORE BUSINESS HAS, IN ITS OWN RIGHT, A POSITIVE IMPACT ON THE NATURAL RESOURCE OF WATER, WHICH EVERY LIVING BEING DEPENDS ON

At the AdP Group, the commitment to the conservation of biodiversity and fostering ecosystem services represents a daily activity in the supply of water through the controlled abstraction of water flows and the appropriate treatment of wastewaters. The maintenance of minimal flows, the prevention of pollution of watercourses and the sea and the depollution that has taken place due to operation of wastewater collection and treatment systems, guaranteeing the hydric environment displays the quality and quantity of water necessary for the conservation and development of biodiversity. We may thus affirm that the sustainable management of the urban water cycle preserves the soils, the water tables and the hydric environment to nurture the conservation of biodiversity and the effective functioning of ecosystem services.

In 2022, the protected area occupied by Group infrastructure covered 347 ha. The location of infrastructures in these areas (in particular, in the water supply and wastewater sanitation sector due to the need to be close to watercourses) accounts for one of the sensitive aspects that the Group identifies, controls and minimises.

OCCUPIED PROTECTED AREAS

(%)



- Natural parks **28.8%**
- National parks **3.0%**
- Natura network **66.2%**
- Other protected areas **2.0%**



THE PROMOTION OF HEALTHY MARINE AND TERRESTRIAL ECOSYSTEMS ENABLES THE IMPROVEMENT AND/OR MAINTENANCE OF THE PRODUCTIVITY AND CAPACITY THAT ECOSYSTEMS HOLD TO RESPOND TO THE NEEDS OF SOCIETIES.

ÓBIDOS BIO-LAGOON PROJECT

Developed by the PATO Association, in partnership with Águas do Tejo Atlântico and the Municipality of Óbidos, this project will create a website dedicated to waterbirds in the Lagoon, monthly waterbird counts at fixed points along the Lagoon alongside data analysis.

In 2022, field trips were held for public and environmental education initiatives carried out for 1st cycle students in the Municipality of Óbidos.



SIMARSUL HIGHLIGHTS WORLD WETLANDS DAY

SIMARSUL, as part of commemorations of World Wetlands Day, produced this initiative dedicated to 12th grade students and teachers, which brought together about 60 participants. The action sought to raise awareness about the importance of wetlands in Portugal and the need to guarantee water for these ecosystems, which are decisive both in regulating the hydrological cycle and in protecting biodiversity.

The day was celebrated in the salt pans in Moita and on Rosário Beach.

WE CONTINUE TO CONTRIBUTE TO DYNAMICALLY SUPPORT THE REGIONAL BUSINESS SECTOR AND LOCAL EMPLOYMENT

Taking into account the value of water and recognising its role as a leverage for regional development and the affirmation of local power, AdP Group activities generate a dynamism in the business sectors (national and local), due to their potential for sustaining growth in every economic sector. This highlights how, through the provision of our water supply and sanitation services, we have greatly contributed towards valuing the respective territories, especially through the development of local/national tourism and therefore contributing to the creation of direct and indirect employment and for the creation of value in the regions. Portugal has registered significant improvements in the quality of its bathing waters, especially as a result of the development of the water sector. These improvements hold a great of relevance to public health, the enjoyment of the natural environment and contributing to highly positive results for economic activities, especially in the tourism sector.

The relationship with suppliers and the local community are also axes of action not only within the scope of the Group mission but also as the means of enabling its role in national development across the social, environmental, economic and technological levels. We promote partnerships essential to the implementation of our core business, in the majority with local and national suppliers, thus reflecting our commitments towards social responsibility.

The selection of our goods and service suppliers takes place rigorously, under the auspices of the principles of transparency, equality and competition in accordance with the legislative in force for state owned companies.

We currently count on an external network of suppliers with a great diversity in their scope of actions, from the north to the south of Portugal, from the coast to the inland border. Hence, we dynamically support the economy, generating employment at the local level while reflecting at the

national level with an impact above all in more remote, inland regions. In 2022 the AdP Group maintained relationships with 6,799 and around 99.39% of our acquisitions of goods and services are made with national suppliers.

This individual and collective change in behaviours disseminates best environmental and social practices in keeping with the policies established by the Government and fosters the creation of value to society. Today, it is universally recognised that it is clearly insufficient for companies to act only according to an internal logic. There is a need for a proactive attitude along the chain passed on from supplier to supplier.

Aware of the importance of this principle, the AdP Group has embedded the continuous promotion of the alignment between the social and environmental principles, behaviours and ethics with its chain of supply as well as disseminating the commitments assumed under the United Nations Global Pact in a continuous approach throughout the goods/service supply chain.

WITH WHOM WE WORK

AdP Group counts on 58 service providers associated with its core business of operating infrastructures. In 2022, these partnerships contributed to the existence of 796 positions of employment.

ETHICS AND TRANSPARENCY IN THE SUPPLY CHAIN

The pre-contractual procedures obey the rules and objective criteria seeking to maximise utility to the Group, optimising the binomial quality/price for all its acquisitions and always taking into consideration the effects of externalities in the sense of encouraging economic actors to also be more efficient at the environmental and social level within a framework of shared effective responsibilities.

29

SUPPLIER AUDITS

106

AWARENESS ACTIONS FOR SUPPLIERS/SERVICE PROVIDERS



THE EXCELLENCE OF SERVICE PROVISION, CONTINUALLY AND WITH QUALITY BY THE AdP GROUP IS CLOSELY BOUND UP WITH THE SUCCESS OF ITS SUPPLY CHAIN PARTNERSHIPS

This has been the path down which the Group has been advancing, deploying various tools that seek to ensure greater commitment from suppliers. Such examples include the supplier regulations, the declaration of social responsibility, the Code of Ethics and Conduct, the national ecological procurement strategy, audits, awareness raising actions and

supplier evaluation processes. In 2022 we carried out 29 audits of suppliers and held 106 awareness raising sessions.

The dissemination of best social and environmental practices in the supply chain is essential to ensuring a better society.

BCSD PORTUGAL CHARTER OF PRINCIPLES

In 2017, the Group subscribed to the BCSD Portugal Charter of Principles, which encourages subscribers to adopt and develop the principles guiding good business management according to ethical, social, environmental and quality standards, applicable to any context in the global economy. The Charter of Principles represents a document establishing the principles that constitute these guidelines for good business management and seek to established a reference framework voluntarily adopted by companies on various scales. Its objective is to encourage the massification of sustainable management practices based on six principles: (1) Legal Compliance & Ethical Conduct, (2) Human Rights, (3) Labour Rights, (4) Prevention, Health and Safety, (5) Environment and (6) Management. We also committed to inviting our most relevant suppliers to subscribe to the Charter.



HUMAN RIGHTS

1st Principle

Businesses should support and respect the protection of internationally proclaimed human rights; and

2nd Principle

make sure that they are not complicit in human rights abuses.

in "Progress Information on the United Nations Global Pact"

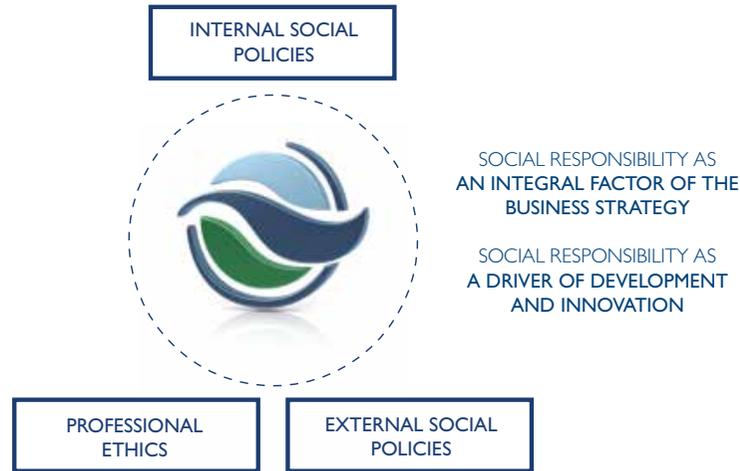
KEY POINTS IN THE SOCIAL RESPONSIBILITY NORM APPLICABLE TO THE AdP GROUP AND ITS SUPPLIERS:

- Child labour
- Forced labour
- Health and safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working timetables
- Remunerations
- Management systems

WE HAVE SOLID AND TRANSPARENT RELATIONSHIPS WITH OUR SUPPLIERS.

AT THE AdP GROUP, SOCIAL RESPONSIBILITY IS A DRIVER OF DEVELOPMENT AND INNOVATION.

The AdP Group plays a leading role in the quality of life of populations. The creation of value and relationships with society are bound by compliance with our mission and the values inherent to our social responsibility policy.



There are diverse initiatives that the AdP Group has been developing and/or subscribing to over recent years and that have strengthened the alignment of its Social Policy, internally and externally, with its management policies, especially in key areas such as human rights, labour practices, environmental protection and transparency.

WE GUARANTEE CONSISTENT SOCIAL POLICIES IN RESPONSE TO THE TERRITORIES WE OPERATE IN.

AdP STUDY GRANTS

The corporate study grant program seeks to contribute to the development and learning of the children of members of staff and represents an internal Social Responsibility program with high impacts.

Eligible for these scholarships/grants are the children of staff applying to/attending Higher Education, with the best academic results and the lowest financial resources. In 2014, this program expanded to include the children attending Special Education establishments. The program awarding study grants to the children of employees was first launched in the academic year of 2013/2014, and with 409 Higher Education or Special Education study grants hitherto awarded.

In 2022, the year with the largest number of applications submitted, a total of 76 study grants were awarded (up 12 on the preceding year), 41 Higher Education scholarships and 35 grants for special needs education, each for the amount of 1,200 euros.

Together, we all make a difference in the future of the children and young people who benefit from this support as, for each electronic Christmas card sent by Group employees, €0.50 is donated to this internal social responsibility project that unites us.



AdP GROUP IS A PARALYMPIC SPORTS PARTNER

In 2022, the AdP Group continued its partnership with Paralympic sports, supporting the Portuguese Paralympic Committee on its way to the Paris 2024 Paralympic Games. We are aware of the impact and pride that this partnership with the Portuguese Paralympic Committee elicits in all AdP Group employees.



IES - INSTITUTE OF SOCIAL ENTREPRENEURSHIP

In 2022, we continued with our strong investment in social entrepreneurship ecosystems with the AdP Group a member of the IES – Institute of Social Entrepreneurship ever since 2009. In terms of its Social Responsibility Policy, the theme of social innovation is clearly stated among the commitments assumed within the scope of fostering a growing proximity with the communities served and to contribute towards compliance with the SDGs. We are going to continue investing in social innovation as a means of responding to social problems in sustainable and long-lasting approaches.



GIRL MOVE

Once again, we this year welcomed an intern participating in the Girl Move female entrepreneurship project, promoted by the Foundation of the same name, whose mission is to create a movement of life, support and empowerment for women in Mozambique, through their education and the creation of human mutual help and cooperation networks among peers, inter-generationally and internationally. Its main objective is to empower young people, through education and cooperation in order to combat early school dropouts, early marriages and pregnancies and gender violence, problems that afflict the young Mozambican female population and hinder their attainment of basic human rights and the opportunity to achieve their full human potential. One of the programs developed is called "Change" and is aimed at young female graduates aged between 20 and 30, who undertake a one-year "life placement" with the support of the project's partner entities. In this context, in 2022, we welcomed the young Mozambican Flávia.



ENIPSSA - NATIONAL STRATEGY FOR THE INTEGRATION FOR PERSONS FACING HOMELESSNESS

In 2022, the Águas de Portugal Group continued to be an integral member of ENIPSSA – the National Strategy for the Integration of Persons Facing Homelessness, participating in the interventions and communications groups of the aforementioned strategy.



DROP BY DROP, WE CHANGE LIVES!

There was continuity to the Corporate Volunteering Program, "Drop by Drop, We Change Lives" that encourages the voluntary participation of Group members of staff in community actions, contributing with their time, solid technical knowledge but, above all, with enormous generosity. Within the framework of the Group Social Responsibility Policy, this Volunteers Program strengthens our corporate culture in keeping with the commitment to the wellbeing of the populations.



WATER WITHOUT BORDERS

The Voluntary Program for Water Supply and Wastewater Sanitation (A&S) specialists seeks to provide a response to requests for humanitarian assistance and international cooperation. This represents an emergency humanitarian aid program under the auspices of which a Rapid Response Unit for Emergency Situations was set up with the voluntary participation of AdP Group workers with the mission to re-establish A&S services in the wake of natural catastrophes. This program plans for the establishment of partnerships with NGOs and emerges as an important source of motivation and sharing of employee know-how, called in to reinforce their determinant role as social actors and agents of change.



CEO GUIDE ON HUMAN RIGHTS

In 2019, the Chair of Águas de Portugal Group was one of the 38 national business leaders who joined together to support the promotion of human rights by subscribing to the CEO Guide on Human Rights. This Guide, launched by BCSD, identifies important aspects regarding human rights that challenge companies to act, advocating for the greater involvement of company management in improving the living conditions of employees and communities.

WATERS FOR PEACE – THE AdDP AND SIMDOURO SOLIDARITY CAMPAIGN FOR THE UKRAINIAN PEOPLE

Once again, AdDP and SIMDOURO employees united to change the lives of those who need it most.



The internal campaign to collect essential goods to support Ukrainian people was a success!

They delivered two vehicles full of goods to the #somostodosucrania initiative, promoted by the municipalities of Oporto, Gaia and Matosinhos. They also donated, via Clube Douro e Paiva, 1,000 euros in gift cards.

The donated goods supported people relocated from Ukraine, who were in refugee reception centres and/or in homes lent by the community, in the municipality of Matosinhos. Once again, with the solidarity that characterises us, we came together to make a difference in the lives of those who need so much.

THE AdP GROUP AND SDG 17

SDG 17 appeals for partnerships and the Águas de Portugal Group has adopted this path both for the management of knowledge and innovation and for social responsibility. We collaborate with various entities ranging from the Portuguese Network for the United Nations Global Pact, the Alliance for the SDGs, BCSD, the iGEN Forum, the Portuguese Charter for Diversity, among others, all aligned towards sustainable development



SOCIAL RESPONSIBILITY - CUSTOMERS

We would highlight the Social Water Tariff that provides support to domestic end users with low income and at risk of poverty and social exclusion. This also highlights the EPAL service for the Deaf Community through sign language in a partnership with Serviin - Deaf Citizen Portal allowing for a more personalized service through video calls enabling this public to communicate with EPAL through sign language. The same service has been implemented for visually impaired customers since 2006 providing water bills in Braille as well as a useful information leaflet also in Braille.



INTEGRATION INTO SOCIETY



The AdP Group maintains close ties with professional, technical and industrial associations, adhering and accompanying trends in relevant themes to the companies.

ASSOCIATIONS / INSTITUTIONS/ ORGANISATIONS

ABS - Baía do Seixal Association
AdEPorto - Oporto Energy Agency
AES - Sines Business Association
AIDA - Industrial Association of the District of Aveiro
Alliance for the Sustainable Development Goals
AMESEIXAL - Seixal Municipal Energy Agency
ANQIP - National Association for Building Installation Quality
APCE - Portuguese Association of Communications Companies
APDA - Portuguese Association of Water Distribution and Drainage
APEE - Portuguese Association of Business Ethics
APESB - Portuguese Association of Sanitation and Environmental Engineering
APQ - Portuguese Association for Quality
APRH - Portuguese Association of Hydric Resources
APSEI - Portuguese Association of Safety
APMI - Portuguese Association of Industrial Maintenance
APPDI - Portuguese Association for Diversity and Inclusion
AREAL - Regional Energy and Environment Agency of the Algarve
Humanitarian Association of the Voluntary Fire Brigade of Coimbra
ASPEA - Portuguese Association of Environmental Education
Aspiring Geoparque of Oeste
ATL - Tourism Association of Lisbon
BCSD Portugal - Business Council for Sustainable Development
Camões - Institute of Cooperation and for the Portuguese Language
CASPAE - Parents and Friends of the School Centre of Social Support
CATIM - Centro of Technological Support for the Metal Working Industry
CCDesert - Centre of Compensation in the Campaign against Desertification
CEBAL - Centre of Agricultural Biotechnology and Agro-foodstuffs of the Alentejo
CEEP-PORTUGAL - European Centre of Publicly Owned and/or Interest Companies
 General Economy.

CESAB - Centre of Environmental Services
CIAB - Court of Consumer Arbitration
CPA - Port Community of Aveiro
COMSINES - Council of Sines Communities
Consultive Council of the Polis Company of Ria de Aveiro
Consultive Council of the Nature Reserve of Paul de Tornada – a Local Area of Protected Landscape
Consultive Council of the World Surf Reserve of Ericeira
CVR - Centre of Water Recovery
EPIS - Business Owners for Social Inclusion
Enerarea - Regional Energy and Environment Agency of the Interior
Energaia - Energy Agency of the South Metropolitan Area of Oporto
ENIPSSA - National Strategy for the Integration of Persons Facing Situations of Homelessness
Serralves Foundation
FUTURESEA - Social, Economic and Environmental Sustainability
Global Compact Network Portugal
GRACE - Socially Responsible Companies
IAREN - Norte Region Institute of Water
IES - Institute of Social Entrepreneurship
IGen - Organisational Forum for Equality
IPQ - Portuguese Institute of Quality
IHRH - Institute of Hydraulic and Hydric Resources
IWA - International Water Association
Lisboa E-Nova - Municipal Agency for Energy and the Environment
NERA - Business Association of the Algarve Region
NERBE - Business Association of the Baixo Alentejo and Litoral
NERGA - Business Centre of Guarda Region
NERLEI - Business Association of the Leiria Region
Oeste Sustentável - Oeste Regional Agency of Energy and the Environment
OIKOS - Cooperation and Development
PPA - Portuguese Partnership for Water
PSAT - Association for Promoting the Safety of Technical Assets
PWN Lisbon - Professional Women's Network
RELACRE - Association of Accredited Laboratories of Portugal
S. Energia - Regional Energy Agency of the Councils of Barreiro, Moita and Montijo
SWAN - Smart Water Network Forum
UN - Global Compact
WAMU-NET - Water Museums Global Network
Water Footprint Network
WRE - Water Reuse Europe
WSMART - Water Security Management Assessment, Research & Technology

3.5

INNOVATING TO IMPACT



FOSTERING OPEN AND COLLABORATIVE INNOVATION THAT CREATES VALUE FOR THE AdP GROUP AND ITS COMPANIES

PILLAR: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

- Develop RDI projects aligned with strategic areas of innovation and the needs of AdP Group companies
- Develop and launch innovative products, services and processes
- Develop open innovation based on a multi-polar network of competences
- Promote the digital transformation of the AdP Group

GOALS

- Boost the number of RDI projects by 10%
- Investment by AdP SGPS of 0.1% of turnover in innovation projects undertaken by Group companies
- Launch innovation competition inside the AdP Group
- Boost the number of Group developed products by 25%
- Raise by 10%/year internal and external partnerships (national and international) in the RDI context
- Implement the Group's strategic digitalisation plan



ENVIRONMENT

9th Principle

Encourage the development and diffusion of environmentally friendly technologies.

in "Progress Information on the United Nations Global Pact"



The AdP Group has incorporated into its mission the promotion and acceleration of innovation as the natural means of adapting continuously to an ever-changing environment that demands quick responses to cope with the new global challenges.

In a context of accelerating extreme weather events, economic uncertainty and geopolitical instability, water displays an increasing value and potential in areas such as health, the energy sector or even recreation. The potential value of water becomes increasingly evident as societal challenges intensify. The AdP Group guarantees its relevance through the training of its employees, its technological strategy and the incorporation of the planet's needs in its innovation objectives.

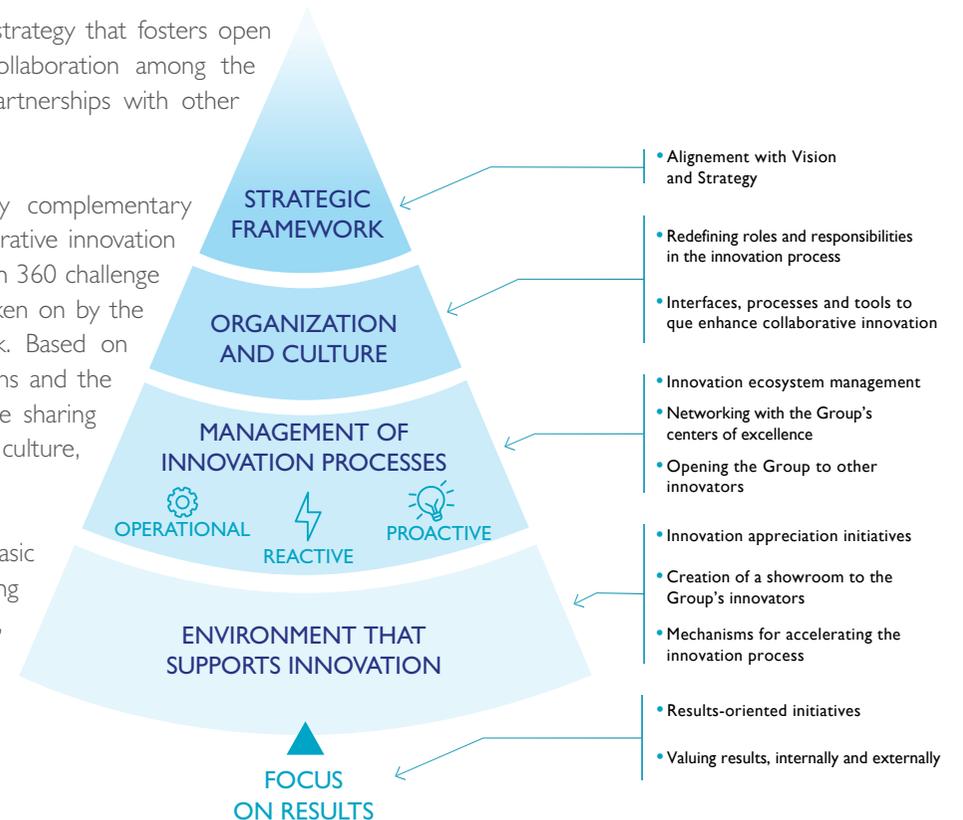
INNOVATION IS THE ANSWER TO THE STRATEGIC CHALLENGES OF THE FUTURE.

The mobilisation of society, the growing demands of users of water supply and wastewater sanitation systems, the know-how of our employees, the networking we maintain with all our stakeholders, the duty to share knowledge with lesser developed countries and learning from the best examples lead the AdP Group to increasingly invest in innovation on the path to a better future.

The AdP Group path leads to the Innovation 360 strategy that fosters open innovation, sustainable, leveraging synergies and collaboration among the diverse Group centres of excellence, prioritising partnerships with other external entities.

Implementing this strategy involves three mutually complementary dimensions: proactive innovation, reactive or collaborative innovation and operational or organic innovation. The Innovation 360 challenge is transversal to all the other strategic challenges taken on by the Group from the outset in its strategic framework. Based on optimising existing solutions, developing new solutions and the digital transformation of the Group, this enables the sharing of knowledge and mobilises workers for a new AdP culture, more open, innovative and collaborative.

The Innovation 360 strategy incorporates the basic principle of coordination and cooperation both among Group companies and with entities outside the Group, both in the water sector and in related sectors.

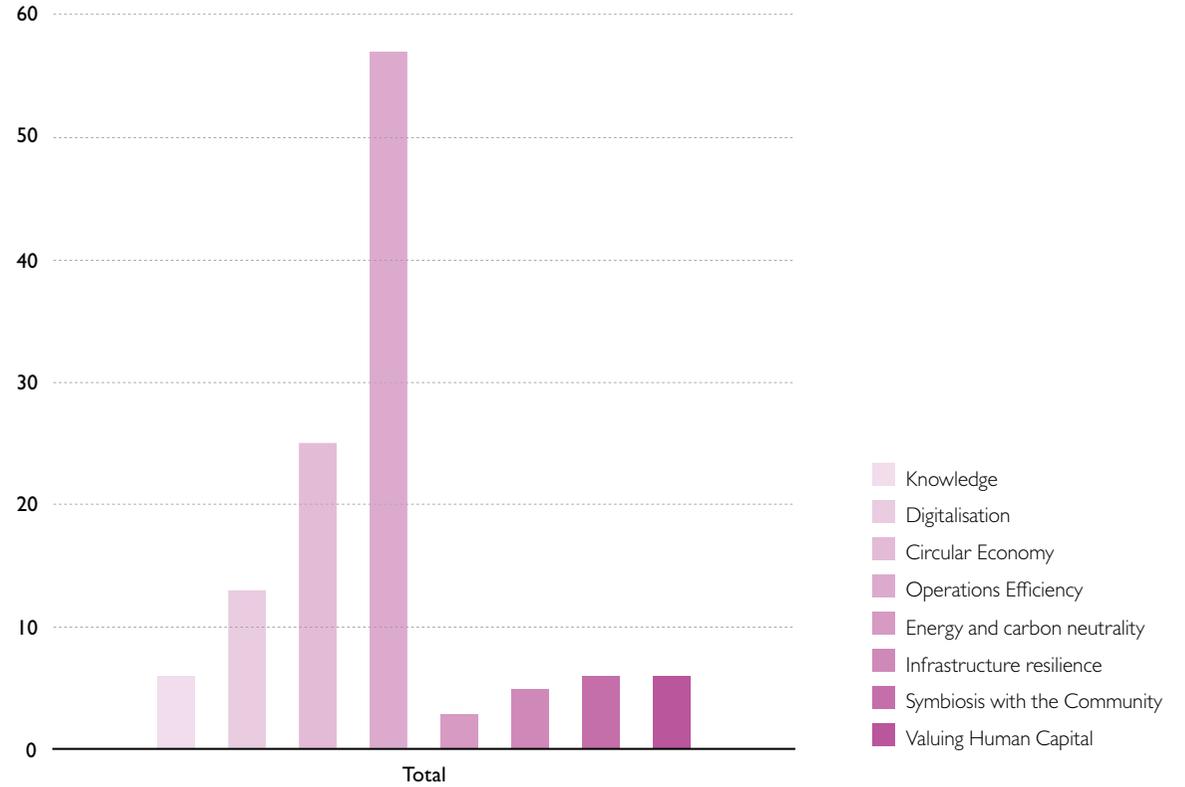


INNOVATION COMBINED WITH THE SUSTAINABLE DEVELOPMENT GOALS PROVIDES THE APPROPRIATE MEANS OF CREATING A RESILIENT AND PROSPEROUS ENVIRONMENT.

The Innovation Agenda, which aims to fulfil the Innovation 360 strategy, is structured into seven strategic areas:



In 2022, there are more than 120 active innovation projects, involving total investment of around EUR 2 million in collaboration with a network of more than 100 international partners.



INNOVATION IN THE AdP GROUP ASSUMES AN AGGREGATING ROLE IN WHICH WATER REPRESENTS THE COMMON FACTOR.

INNOVATION PROVIDES AN ACCELERATOR FOR THE GROUP ON ITS PATH TO BECOME MORE RESILIENT, MORE EFFICIENT AND MORE SUSTAINABLE IN MANAGING THE URBAN WATER CYCLE

AdP PROACTIVE INNOVATION TENDER

In October 2022, the AdP Group launched the first tender in its Innovation Contest exclusively for its subsidiary companies. With a total budget of EUR 1 million, this initiative challenged Group companies to propose new products and services within collaborative models and meeting three strategic objectives: the circular nature of the business, the resilience of infrastructures and the energy intensity of activities. The competition attracted entries from every Group company with the 16 applications submitted accounting for total investment of more than EUR 2 million.



EPAL AND AdVT PIONEERS IN THE CERTIFICATION OF INFORMATION SYSTEMS

EPAL and Águas do Vale do Tejo have just received their certification under ISO 27001, which recognises best practices in the management and security of information systems. These are the first two companies in the water sector in Portugal to achieve this certification, which determines the capacity of the information security management system to ensure compliance with the applicable statutory, regulatory and contractual requirements and expected results.

AdP contributed to various projects during 2022.

THE INTERREG ECOVAL AND AdTA

The Interreg Sudoe ECOVAL aims to overcome the legal, technological, social and cultural barriers to enable the development of business models for the commercialisation of high added value by-products (volatile fatty acids - VFA and fertilizers) obtained from WWTP sludges and the bio-waste generated in urban environments in Sudoe. The ECOVAL consortium, formed by AdTA, CETAQUA, USC, FEUGA, PA - Porto Ambiente, NEREUS, and INSA - Institut National des Sciences Appliquées de Toulouse, will also focus on demonstrating the technical, economic and environmental feasibility of biotechnological processes for the production of VFA and fertilizers.

This also extends to designing business models for the commercialisation of high added value by-products (volatile fatty acids - VFA and fertilizers) obtained from wastewater treatment plant sludges.



GOC - BUDGET AND PROCUREMENT MANAGEMENT

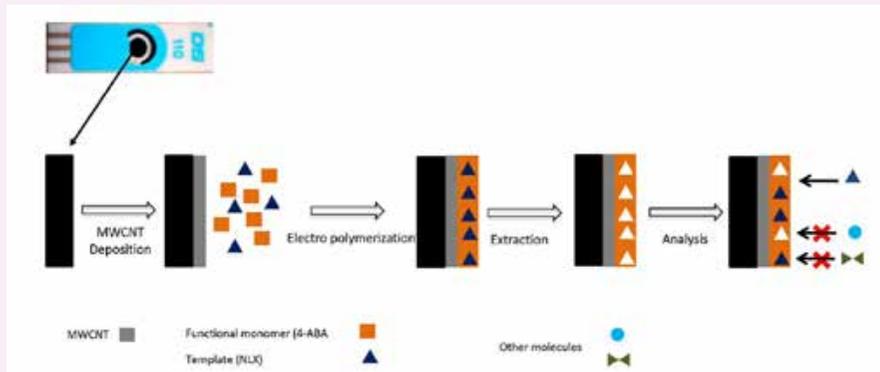
A computer application that controls the budget through commitments, the PAC (Annual Purchasing Plan), the registration of CCP limits per supplier and cash expenses, all in real time. This also interconnects with SAP to compare commitments with invoicing and thereby improves information sharing; online analysis; simplicity; rigour and discipline; budget transparency; efficiency and speed. The project involves AdDP, SIMDOURO, AdTA and AdAM.

FARMASENSE - INNOVATIONS IN THE DETECTION AND TREATMENT OF DRUGS IN SIMDOURO WASTEWATERS

To develop an analytical methodology for the detection of drugs in wastewater and investigate a new technology for their treatment. The analytical methodology to be developed will gain the advantages of being more expedient and economical when compared to conventional analytical methodologies that serve as the routine methodology for the environmental control of water and effluent quality. As regards the technologies for treating these pollutants, this project aims to investigate the application of non-thermal plasma-based technology as a safe, effective and competitive alternative for the advanced treatment of effluents.

- To develop a prototype electrochemical molecularly imprinted sensor (MIP) of high selectivity and sensitivity for the rapid detection and quantification of 2 selected drugs present in wastewaters.
- To investigate sample pre-treatment strategies to raise the sensitivity of the analytical methodology based on the MIP sensor developed, allowing for the detection of drugs present in wastewaters in a concentration range that makes commercial applications feasible.
- To characterise and optimise the capacity of an innovative non-thermal plasma-based treatment, per se, and, in combination with other technologies, to remove pharmaceuticals from wastewater.

The consortium is composed of WEDOTECH, AST, ISEP and SIMDOURO.



“SEEWATER - 360° VIRTUAL REALITY & DRONE AERIAL IMAGING - A NEW WAY OF SEEING RISK”

The SeeWater project consists of a platform developed by Águas do Douro e Paiva, which allows access, through 360° virtual reality, to all its infrastructures.

This innovation, using 360° surveys of the interior of the infrastructures, as well as aerial surveys with a drone, constituted a significant advance in the way of assessing risks and working conditions and infrastructures.

This project made it possible to make virtual visits and go through any of AdDP's infrastructure via computer, as well as the creation of new orthophoto maps. In just 3 months of use, 518 remote visits to AdDP facilities have already been recorded.



H2DRIVEN

An energy sector project that is evaluating the production of green methanol, a subject of increasing importance to several of our scientific partners.

The H2DRIVEN consortium has adopted a strategic plan that aims, by 2035, to develop and implement in phases a new value chain in Portugal focused on the production of green methanol and oxygen recovery, obtained from multiple endogenous and renewable resources: biogenic CO₂ captured in forest biomass boilers, recovered and purified water and green electricity produced by solar radiation, wind and hydropower. The consortium, of which SIMDOURO is a member, is coordinated by Efacec, and composed of: Bondalti, Dourogás, Capwatt, Navigator, LightsourceBP, APDL, Sonae Arauco, FEUP, BIOREF, AmnisPura and Sea+Tech.

AdP Group companies play an active role in disseminating innovation by participating in various forums as well as generally promoting the sector's agenda.

ENGINEERING DAYS

In these two days of sharing experiences, networking, presentation of best practices and new projects with the first day open to the public, as well as the academic community, and the second exclusively for Águas de Portugal Group employees.

In addition to the presentation of other digital products developed by the Group's companies, WICCE® received its public launch, a web-based app developed and framed within the digitalisation strategy of the AdP Group produced by AdP VALOR.



ÁGUAS DO NORTE AND UTAD - UNIVERSITY OF TRAS-OS-MONTES E ALTO DOURO SIGNED TWO SCIENCE AND TECHNOLOGY COOPERATION PROTOCOLS.

Under these agreements, Águas do Norte will grant seven ARQUIMEDES scholarships for five master's and two doctoral degree students at the university. These grants will allow students the opportunity to complement the theoretical side of the course with an enriching practical experience associated with the business sector in addition to meeting the tuition fees charged for the respective study cycle. Águas do Norte will monitor the research activities associated with the master's or doctoral degree project in the field of environmental sciences and biochemistry, or other areas of interest.

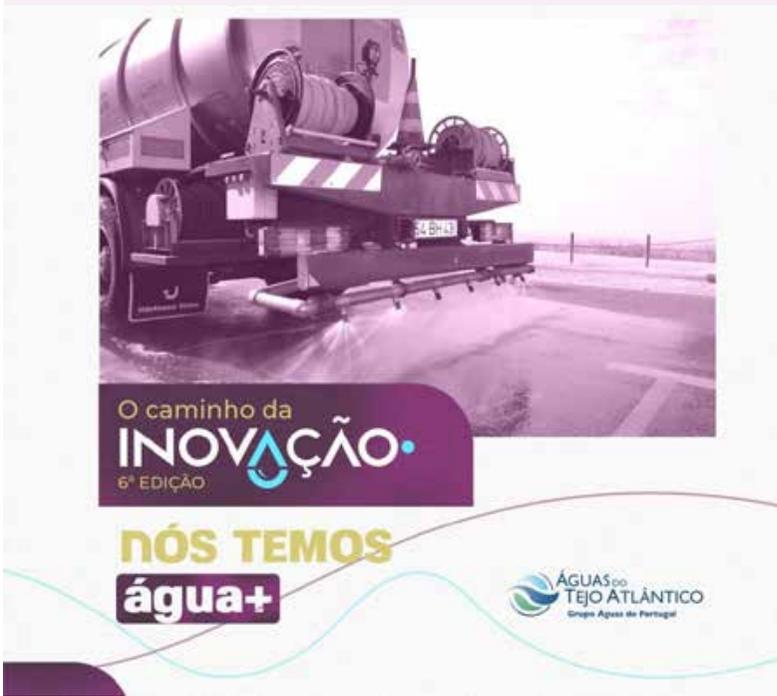


THE 2022 PATH OF INNOVATION WAS A SUCCESS!

"We have água+" was the theme of the sixth "Path of innovation" event run by Águas do Tejo Atlântico in the Alcântara Water Factory. This was an edition that took place again in a face-to-face format, after two years of online events, welcoming many professionals and colleagues from our companies.

In addition to the Expo & Networking, the event featured a wide range of national and international experts in the innovation sector, in particular Luísa Prista, from Water Europe, Chloé Meyer, from Bluefield Research and David Smith, from Water Environment & Business for Development.

On this occasion, the Group's Chairman, José Furtado, referenced the relevance of the work developed over the years and the commitments we have assumed towards the future. The Minister of the Environment and Climate Action, Duarte Cordeiro, emphasised that increasing amounts of water had to be reused, specifically: "Reduce losses, reduce consumption, make better use of water catchments and accelerate reuse".



3.6

ENSURING WATER AND SANITATION ACROSS BORDERS



COOPERATING INTERNATIONALLY TO PROMOTE SUSTAINABLE WATER MANAGEMENT

PILLAR: SOCIAL UTILITY

OBJECTIVES:

- Share knowledge through capacity building projects and technical support
- Promote mutual aid in water, sanitation and climate-related activities and programs in developing countries
- Operating in our geography of reference

GOALS

- Raise by 20% the countries covered by the know-how of AdP International.
- Implement cooperation projects in the PALOPs + East Timor
- 1 international operation

Further developing the AdP Group capacities and competences in both national and international markets enables the leveraging of its experience, know-how and technological solutions for its international goals. AdP Internacional collaborates with the multilateral institutions, governments, aid agencies, non-governmental organisations, public and private entities of relevance to the water sector, with various cooperation, empowerment and technical support projects and initiatives currently ongoing in diverse countries.

AdP INTERNACIONAL CAPITALISES ON THE GROUP'S KNOWLEDGE, EXPERIENCE AND TECHNOLOGICAL SOLUTIONS TO CONTRIBUTE TO THE INTERNATIONAL PROFILE OF THE PORTUGUESE WATER SECTOR IN ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS 2030, ESPECIALLY SDG 6 ON WATER AND SANITATION.

AdP Internacional activities take place in the competitive market environments in which it operates, with the majority of contracts resulting from international tenders launched by international funding institutions, in particular the World Bank, the African Development Bank, the Asian Development Bank, and the European Union, among others. Within the scope of this international cooperation, AdP Internacional has also been playing an important role in supporting certain specific initiatives from a perspective of cooperation and social responsibility rather than an exclusively commercial logic.

WE ARE DEDICATED TO EXPANDING INTERNATIONAL COOPERATION AND SUPPORTING THE EMPOWERMENT OF ACTIVITIES AND PROGRAMS INTERRELATED WITH WATER, SANITATION AND ENERGY.

In the last twelve years, the Águas de Portugal Group has managed more than 30 contracts in 24 countries across four continents. This internationalisation process began in the CPLP countries, with a special focus on Angola and East Timor. Activities have progressively expanded to North Africa and West Africa, to French-speaking countries such as Morocco, Tunisia and Ivory Coast, and also to India (Goa State). AdP Group activities have thus directly impacted on the quality of life of more than 12 million inhabitants in those countries that directly benefited from the technical assistance contracts managed by the AdP Internacional teams.

2022 saw the launching of new projects in both Angola and Goa and the further expansion of the international presence into new countries in the Middle East, in this year in Lebanon. We are therefore present in Angola, Brazil, Cape Verde, Ivory Coast, Goa, Grenada, Guinea-Bissau, Lebanon, Malawi, Mozambique, East Timor and Tunisia.



AdP Internacional participated in various different projects over the course of 2022³⁸, with the mission of contributing across borders to improving the supply and sanitation services provided to the population, not only fostering the sustainability of the companies we support but also providing continuous training for the teams in the various countries where we operate.

AdPI PARTNERS WITH ANGOLA

In Angola, AdP Internacional maintained its specialist technical assistance activities to EPAS – the Provincial Water and Sanitation Companies for the provinces of Bengo and Cunene through two projects financed by the African Development Bank since 2019.

In Huíla Province, southern Angola, AdPI advanced with the Management, Operation and Maintenance Services of the Water Supply Systems in Huíla Province, started in June 2021. This contract, with the National Water Directorate of the Ministry of Energy and Water of Angola, is funded by the World Bank.



Furthermore, in 2022, AdPI continued with implementing specialized consulting services to the National Water Directorate (DNA) of the Ministry of Energy and Water (MINEA) of Angola over the implementation of parallel financing from the European Investment Bank (EIB) for the Second Project in the Institutional Development of the Water Sector (PDISA-2). AdPI is responsible for setting up the Financing Management Unit, providing a multidisciplinary technical team responsible for ensuring all procurement, contracting and monitoring of contracts due to be financed by the EIB to support the development of the Water and Sanitation sector in the three provinces targeted for financing, thus Luena, Lunda Sul and Namibe.

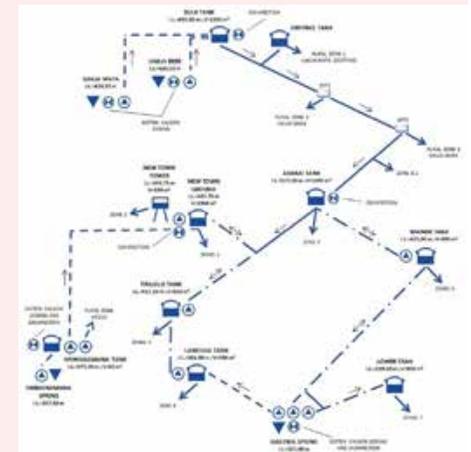
AdPI STUDYING A PILOT CIRCULAR ECONOMY PROJECT IN THE CAPE VERDE URBAN WATER CYCLE

AdPI is collaborating with Cape Verde in studies to assess the potential for water reutilisation in Santiago, particularly focusing on the Santa Cruz Wastewater Treatment Plant. Within close proximity of this WWTP are agricultural holdings that display great potential as consumers both of the water and the fertilizers potential generated from the WWTP sludges. The results of this study will point out the best practical solutions for implementation to ensure adequate treatment levels and the sustainable utilisation of these resources by the agricultural sector.

This project, financed by the MAAC Environmental Fund in 2020, has already produced a diagnosis of the current operating conditions at the Santa Cruz WWTP, detailing the types of existing treatment, the state of conservation and functionality of the equipment and civil construction infrastructures well as identifying the respective effluents produced. This also assessed eventual changes to the WWTP inflow conditions (increases in the population served) forecast over the short and medium term as well as the necessary volumes of treated wastewater and the quality requirements necessary for reutilisation in agricultural irrigation.

The next stages in the project are:

- Assessment of the suitability of this WWTP for additional treatments to ensure improvements to the quality of the treated effluent within the scope of reutilisation for agricultural purposes.
- Advancing with the implementation project coupled with assessing and prioritising the investments required.



³⁸ The Annual Report and Accounts of AdP Internacional contains a brief description of all the projects ongoing in 2022.

AdPI BEGINS DRAFTING SANITATION MASTER PLANS IN ANGOLA

AdPI began work on drafting the Sanitation Master Plans for the cities of Luena, Huambo, Cuito and N'dalatando in consortium with the companies COBA/COBA Angola/Artelia.

Within the scope of this project, we carried out a survey of the current state of the sanitation sector and the goals to be achieved alongside defining the technical solutions and respective financial models and the strategic plan necessary to achieving these defined goals.



AdPI TIMOR-LESTE PROVIDES CONSULTANCY SERVICES FOR THE DEVELOPMENT OF WATER AND SANITATION MASTERPLANS

In 2022, the AdP Timor-Leste/Engidro consortium completed the technical assistance phase for the development of Masterplans for the Water and Sanitation sector in the Municipal Capitals of Ainaro, Maliana and Suai.

These Plans define a strategic plan for the development of future water and sanitation systems, taking into account the needs of an estimated population of 86,000 inhabitants in 2040, with an investment cost of USD 75 million.

As a strategic document, in addition to the strong technical component of these plans, the environmental component, the characterization and social impact, the management of water resources and system operation and maintenance are all of the utmost importance to the eventual decision maker.

AdPI TIMOR-LESTE PROVIDES CONSULTANCY SERVICES FOR DEVELOPING WATER SUPPLY INFRASTRUCTURAL PROJECTS

In 2022, the AdP Timor-Leste/Engidro consortium continued with its consultancy services seeking to develop solutions in terms of implementing water and sanitation systems for the capital cities of the Baucau, Lospalos, Same and Viqueque regions.

These solutions will bring about continuously available access to drinking water with the quality appropriate for human consumption and availability to a population of 150,000 inhabitants.



AdPI IN THE IVORY COAST

AdPI is currently drafting two projects in the Ivory Coast, financed by the Environmental Fund: The Sanitation and Health Communication Plan, for development by the Ministère de l'Assainissement et de la Salubrité (MINASS) and the Sanitation Systems Training and Capacity Building project.

These projects start in the 2nd quarter of 2023.

AdPI ENTERS TUNISIA TO WORK ON A SANITATION SYSTEM MANAGEMENT CONCESSION CONTRACT

In 2022, AdPI signed a 10-year Sanitation System Management Concession Contract for the Meliana Northern Tunis Region. The project, financed by the World Bank, begins in the second half of 2023.



AdPI IN ATTENDANCE AT THE 9TH WORLD WATER FORUM IN DAKAR

AdPI was present at the 9th World Water Forum in Dakar, Senegal, which addressed the theme "Water Security for Peace and Development". This was the first time this Forum took place in Sub-Saharan Africa.

The Águas de Portugal Group formed part of the working group organized by the Ministry of Environment and Climate Action to boost the Portuguese presence at the largest global event dedicated to this sector.



AdPI SUPPORTS THE UTILITIES OF THE FUTURE

Throughout 2022, AdPI maintained its technical support to the World Bank under the "Utilities of the Future - UoF" project set up to promote and implement comprehensive and effective plans to transform and prepare utilities for new and growing challenges and increasingly demanding climate, social and demographic changes.

The concept underlying the UoF involves not only digital transformation and technological modernisation but also new business processes, innovative organisational structures and cultural changes.

In 2022, we would highlight the support provided by AdPI technical staff to two water and sanitation utilities, specifically SEDAPAL - Servicio de Agua Potable y Alcantarillado de Lima (Peru), OTASS - Organismo Técnico de la Administración de los Servicios de Saneamiento (Peru).



AdPI STARTS PROJECT WORK IN GOA

AdPI began its activities in Goa in 2022 with the Technical Assistance to the Public Works Department-PWD – the Operational Efficiency of Goan Water Systems project. The objective is to strengthen the efficiency of Goa's main WTP, support the design of wastewater treatment systems as well as bringing about a reduction in manganese in another WTP.

This project follows the signing of the Memorandum of Understanding (MoU) for Technical Cooperation, between the Government of Goa (through the Department of Public Works) and the Ministry of Environment of the Portuguese Republic (through Águas de Portugal) on September 29, 2018, having started in December 2022, after an almost two-year suspension due to the COVID 19 Pandemic.

AdPI IN COOPERATION WITH BRAZIL

AdPI signed technical cooperation protocols with the Associação Pró-Gestão das Águas da Bacia Hidrográfica do Rio Paraíba do Sul and the Comité das Bacias Hidrográficas dos Rios Guandu, da Guarda e Guandu-Mirim, in Brazil, both with the objective of sharing experiences and know-how in the areas of wastewater treatment, reutilisation, energy and technical training.

The protocol provides for technical meetings to share best practices already implemented in AdP Group companies in the identified areas, as well as training sessions for Brazilian municipal technicians.

The protocol was signed during a visit to Portugal by a delegation from these companies to take part in the Oceans Conference.



CONFEDERACIÓN ANDINA DE FOMENTO VISIT PORTUGALL

AdPI hosted the Confederación Andina de Fomento (CAF), and together made several technical tours of the AdP Group's supply and sanitation infrastructures, in particular the Guia WWTP, the Alcântara WWTP and the Mãe Água Reservoir.

In partnership with the PPA – the Portuguese Water Partnership - a workshop was held on AdP's premises attended by several Portuguese companies in the sector.



3.7

EDUCATING FOR SUSTAINABILITY



WE PROMOTE EDUCATION FOR SUSTAINABLE DEVELOPMENT, ENCOURAGING MORE SUSTAINABLE BEHAVIOUR IN THE CONSUMPTION AND USAGE OF ESSENTIAL WATER AND SANITATION SERVICES.



TO BE A BENCHMARK ACTOR IN EDUCATION FOR SUSTAINABLE DEVELOPMENT.

PILLAR: SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

- Promote education for sustainable development
- Promote the rational usage of water and the consumption of tap water
- Promote the sustainable usage of the sanitation network
- Encourage the usage of ApR
- Promote the circular economy and energy neutrality
- Promote Innovation

GOALS

- Draft a strategic plan for education for sustainable development
- > 1,000 visits to facilities/year and > 40,000 visitors/year
- 1 national campaign/year
- 1 national campaign/year
- 1 national campaign/year featuring good examples of green spaces and industrial and commercial activities and even the best practices for water use at home
- Promote best practices, such as sustainable energy usage, new products and materials produced from WTP and WWTP by-products as well as new organic bio-fertilisers raising the visibility of Group activities in society
- Campaign focused on the population and stakeholders featuring best practices in innovative processes, products and service developed and commercialised by the AdP Group

WE PROMOTE THE SUSTAINABLE USAGE OF ESSENTIAL WATER AND SANITATION SERVICES

Education for sustainability is a transversal strategic initiative of the Águas de Portugal Group with the objective of actively contributing towards implementing activities strongly oriented towards more aware environmental education in order to beginning of able to nurture the adoption of more sustainable behaviours as regards the value of water as a scarce resource and essential to life and every facet of human activities. Raising environmental awareness spans an increasingly large scope, ranging from wastage of network supplied water; the undue disposal of waste (the wastewater treatment plants annually remove thousands of tons of waste disposed of through the domestic sanitation networks and equipment and in addition to the large quantities that are not retained in the wastewater transport and treatment systems and end up in the watercourses and oceans).

Group companies maintain close relationships and partnerships with local communities, fostering and raising the population's awareness of the importance of the sustainable usage of water and sanitation services. The more sustainable people's attitudes towards water usage are, the more efficient the AdP Group's activities will become. Awareness of the role that each and every one of us plays in the various phases of the urban water cycle will enable effective changes in behaviour.

The Group has played a preponderant role in environment focused awareness campaigns across diverse target publics. These have conveyed the rational usage of water supply, avoiding waste and the appropriate disposal of urban wastewaters. These actions, whether individually developed or in partnership (municipalities, associations and other entities), have had strong national impacts.

As regards raising the environmental awareness among the active and retired populations, this aims to transmit the values associated with best practices that enable environmental and economic sustainability with positive and clear consequences for the quality of life prevailing.

THE 360° WATER CENTRE

The 360° Water Environmental Education Centre was set up with the aim of pursuing the National Environmental Education Strategy, in particular the guiding principles and thematic axes: Decarbonising Society, Building the Circular Economy and Enhancing the Territory and is correspondingly dedicated to raising awareness through the different activities developed that focus on the value of water across its different dimensions as well as loaning various educational materials incorporating the latest generation of technology that has itself emerged as a multiplier of message and information by modern and technologically advanced methods. Hence, technological innovation constitutes the main vehicle for learning and fun, with deeply engaging activities for visitors structured around the water cycle and environmental values and disseminating the role of water (SDG6) in the sustainable development goals.

Through an application that runs on a mobile phone inserted into 3D glasses, visits fully incorporate virtual reality in a detailed approach conveying (online) the physical space of the main water infrastructures (WWTP and WTP), ensuring visitors receive a truly immersive experience, without ever leaving the Centre. This trip is accompanied by an explanation that emphasises environmental preservation and sustainability as well as appealing to individual sensitivity regarding the unique and exhaustible good that is water and its preservation.



ENVIRONMENT

8th Principle

Undertake initiatives to promote greater environmental responsibility; and

in "Information on Progress of the United Nations Global Pact"

WE WANT TO HIGHLIGHT THE VALUE OF WATER, THE MANAGEMENT OF THE URBAN WATER CYCLE AND THE IMPACT THAT GROUP ACTIVITIES HAVE ON THE CONSERVATION OF WATER BODIES.

THE NATIONAL AQUAQUIZ COMPETITION RETURNED IN 2022

In 2022, the AQUAQUIZ, a game developed by the Águas de Portugal Group to promote knowledge and awareness of the value of water, went into its 3rd edition.

Designed to be played in classroom environments in a "Virtual Board" format, the AQUAQUIZ consists of a quiz with questions on the different dimensions of water, covering subjects on the syllabus of two teaching cycles grouped into four categories: Blue Planet, Aqua Lab, Water Factories and Efficient Usage.

The virtual board game can be played face-to-face, in a classroom or family environment, or remotely, in groups of two to five people.

Since its launch on 1 February 2019, AQUAQUIZ has recorded more than 6,000 users and around 600 schools. To date, more than 45,000 games (133,021 board games and 18,679 battles) have been played.

Co-funded by the Environmental Fund under the National Strategy for Environmental Education, the AQUAQUIZ game is one of the tools made available to teachers and educational communities by the Águas de Portugal Group in order to support the development of participatory, creative and dynamic teaching practices that nurture the value of water within the context of the Sustainable Development Goals (SDGs).

The game remains available at www.aquaquiz.pt (in the board format) for anyone wishing to test their knowledge about water.



AQUAQUIZ GAME ARRIVES IN MOZAMBIQUE (2022)

In 2022, and with the objective of educating for sustainability across borders, the following challenge arose:

How can a game promote the sustainable usage of water and better hygiene habits?

It was to answer this question that we agreed to participate in this year's edition of CHANGEMAKER LAB, a Girl Move Academy initiative. Four young Mozambican women collected information in the field about the knowledge and habits of the children involved in the project and their communities regarding water and sanitation. Once the gaps had been identified, the next step was to adapt the AQUAQUIZ to the local reality so that it could be played in schools and contribute to increasing student knowledge about water while promoting good practices that protect both this resource and public health.



THE CONTINUED INITIATIVES OF THE AdP GROUP, ESSENTIALLY THROUGH ITS COMPANIES, BROUGHT TOGETHER SCHOOL AGE POPULATIONS, THE FUTURE OPINION MAKERS, WITH THE OBJECTIVE OF LEVERAGING CHANGE FOR A BETTER WORLD.

GREEN AWARDS (PRÉMIOS VERDES) TO CELEBRATE THE ENVIRONMENT

In order to promote the recognition and dissemination of best practices and examples of excellence, initiatives representing valuable contributions to ensuring the environment and sustainable development, Visão Magazine launched the Green Awards (Prémios Verdes) in partnership with the Águas de Portugal Group.

Out of more than 150 applications to the 10 categories, the jury distinguished a total of 25 actions, technologies, initiatives and personalities, before delivering 11 awards and 14 honourable mentions.

The award ceremony was held at the Alcântara Water Factory, a landmark infrastructure in the city of Lisbon, with a green roof unique in Europe that is an example of ecological sustainability and sustainable irrigation and itself awarded the 2013 Valmor Prize.

In addition to the many personalities who stand out in the area of environment and sustainability, the session was attended by the Minister for the Environment and Climate Action, Duarte Cordeiro, the Mayor of Lisbon, Carlos Moedas, and also received a message from the President of the Republic, Marcelo Rebelo de Sousa.



LET'S TURN THE TAP ON DROUGHT

With the appeal "Let's turn the tap on drought", the Águas de Portugal Group and the Portuguese Environment Agency, in partnership with the Water and Waste Services Regulatory Authority and with funding from the Ministry of Environment and Climate Action's Environment Fund, launched a communications campaign aimed at promoting the reduction of consumption and the efficient usage of water within the drought context experienced in Portugal.

Exploring the concept of "time", the multi-media campaign reinforces how tap left running for one minute can consume up to 12 litres of water, enough to guarantee the basic daily needs of 1 million citizens.

"One minute a day, let's turn the tap on drought" represents the main slogan appealing for awareness conveyed through outdoor billboards, press, digital and social networks.

This awareness campaign comes within the framework of measures set out in the Prevention, Monitoring and Contingency Plan for Drought Situations approved by the Permanent Commission for the Prevention, Monitoring and Follow-up of the Effects of Drought.

**Não controlamos o tempo
que faz, mas podemos
controlar o que fazemos
com o tempo.**



**Um minuto por
dia, vamos fechar
a torneira à seca.**



THE AdP GROUP SUBSCRIBES TO THE SUSTAINABLE OCEAN PRINCIPLES

The AdP Group became a signatory member of the United Nations Global Compact Sustainable Ocean Principles in 2022. Contributing to substantial improvements in the quality of water returned to the waterways reflect a goal constantly pursued across the Group, especially in the sanitation sector. Hence, we held no hesitations over signing up to the United Nations Sustainable Ocean Principles, joining the group of 150 companies worldwide that committed to assessing their impact on the ocean and integrating ocean sustainability into their overall strategy. The commitment made by the AdP Group demonstrates its willingness to support SDG 14.

The world depends on a healthy, productive and resilient ocean to ensure food security, climate mitigation and economic livelihoods. Climate change, overfishing, pollution and unsustainable and uneven development are undermining the health of our oceans and seas.



HUMAN INGENUITY AND ENERGY AT THE 2022 SOCIAL RESPONSIBILITY WEEK

The 17th edition of the Social Responsibility Week, run by APEE – the Portuguese Association for Business Ethics and the UN Global Compact Network Portugal, took as its theme "Human Ingenuity & Energy", based on human ingenuity in the different areas of sustainability, technological development and in the progress of renewable energies, with a growing focus on self-consumption and cogeneration.

The AdP Group commemorated the event at its facilities by highlighting the 17 Sustainable Development Goals which water is fundamental to achieving.

We also presented an exhibition by the artist Nuno Antunes with his SeaArt project transforming the rubbish he collects at sea and on beaches both into objects that come to life again and into very special photographs.



FOSTERING A CHANGE IN ATTITUDES AND BEHAVIOURS TOWARDS THE ENVIRONMENT WILL BRING ABOUT A SOCIETY BETTER PREPARED FOR AWARE, DYNAMIC AND INFORMED CITIZENSHIP AS REGARDS THE CURRENT ENVIRONMENTAL PROBLEMS.

CAMPAIGN CHALLENGE: HOW MUCH WATER CAN YOU SAVE? ÁGUAS DO ALGARVE

Águas do Algarve launched a new community challenge in the format of a Glory Game that seeks to raise awareness among families (especially their youngest members) over the importance of rationally consuming water under the title "How much can you save?".

Through this initiative, Águas do Algarve highlighted Water Monitoring Day, held on September 18.

This "How much can you save?" challenge represents one dimension to the social and environmental responsibility project "Water Challenge - Saving Without Borders", which began this year and seeks to raise awareness, especially among young people in the 1st to 3rd cycle of schooling of the importance of valuing water.



ÁGUAS DO NORTE PROMOTES THE EE PAINTING OF CEPÃES, ESPOSENDE

This activity falls under the auspices of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, a commitment made by Esposende Ambiente, Águas do Norte and Esposende City Council.



ÁGUA DO CENTRO LITORAL AND COLORADD IMPLEMENT UNIVERSAL COLOUR CODING FOR COLOUR BLIND PEOPLE ON RIVER BEACHES.

In this bathing season, Águas do Centro Litoral (AdCL) joined the European Blue Flag Association (ABAE) and the Municipalities of Arganil, Cantanhede, Góis and Lousã to participate in the traditional ceremony of raising the Blue Flag and Accessible Beach flags. This year, the meetings were marked by the arrival of a new flag on the river beaches of these municipalities: the ColorAdd insignia.

The occasion gained in significance when considering these were the first Portuguese river beaches to receive the ColorAdd project, which implements a system of colour identification symbols on the flags for the colour blind.

This seal of quality and accessibility is signalled at the entrances to the beaches, where the project's institutional flag can be found. ColorAdd equipment - flags and stickers for Ecopoints - were donated by Águas do Centro Litoral to the five municipalities that accepted AdCL's challenge and also joined this project.

These municipalities, Arganil, Cantanhede (which has implemented the ColorAdd code since 2018), Góis, Lousã and Marinha Grande joined this project, positioning their beaches as more accessible and inclusive spaces, with a total of 18 beaches receiving the ColorAdd colour blind identification system.



EPAL PROMOTES A CAMPAIGN TO PUBLICISE THE VALUE OF WATER IN RESTAURANTS

EPAL and Zomato established a partnership to communicate the value of tap water to the community.

In 2022, the partnership focused on the digital and social media. To mark World Water Day, a giveaway campaign was launched on Zomato's Instagram page, which received an excellent response from the public. Later, a new campaign took place via Zomato's e-newsletters, this time raising awareness about the efficient usage of water, with tips from the campaign "Let's Turn the Tap on Drought".



AdRA AND BANCO ALIMENTAR: UNITED AGAINST HUNGER

Under the motto "Better for the Customer, Better for the Environment and Better for the Community", AdRA joined the Banco Alimentar, challenging its customers to join the Digital Invoice and AdRAnet (online Digital Counter) donating €0.50/ subscription to the Banco Alimentar - Aveiro. By subscribing to these more comfortable, paperless and convenient services, customers are contributing, at no cost to themselves, to the fight against Hunger and to preserve the environment. The result of this wave of solidarity benefited the region's social solidarity institutions that work with this institution and the community.

AdRA Customers enthusiastically joined this initiative. More than 8,000 families in our district joined the initiative, with €4,300 donated to Banco Alimentar - Aveiro.



OPORTO FIRE SERVICE VISIT THE LEVER WTP

A group of about 40 recruits from the Oporto Fire Brigade visited the Lever Water Treatment Plant. The recruits and other personnel had the opportunity to watch AdDP technicians explaining the treatment process at the Lever Water Treatment Plant and the water quality control processes ongoing in the Laboratory. This visit represents one component in the Internal Training Course for Fire Service Recruits and strengthens the skills of these professionals in the protection of people, goods and the environment across the municipality of Oporto. Given that the Lever WTP is the infrastructure supplying the city of Oporto, the Fire Brigade began integrating this visit into the curricular unit of "Water Sources and Sources of Water" to provide recruits with greater knowledge about the water supply.



AdSA COMMEMORATES WORLD ENVIRONMENTAL EDUCATION DAY SIMULTANEOUSLY WITH WORLD WETLANDS DAY

The simultaneous celebration of World Environment Education Day and World Wetlands Day took place through a joint action with Águas de Santo André (AdSA) and Quercus, under the Cooperation Protocol, through the planting of trees in one of AdSA's facilities (Santo André Pumping Station) and supported by a young audience, children from the 1st cycle of Santo André Primary School No. 2. This action received fundamental support from its partners, the Santo André Fire Brigade and ICNF.

EPAL FOSTERING SUSTAINABLE IN HOTEL ACTIVITIES

EPAL and Hotel Double Tree by Hilton Lisbon - Fontana Park joined forces to save water and enhance sustainability.

In celebration of National Water Day, an awareness campaign focused on environmental sustainability took place at the Hotel DoubleTree by Hilton Lisbon - Fontana Park, which offered guests a personalized EPAL bar of soap with the engraving "I save tap water", a bookmark and a card inviting them to "Tea Time", with a teabag, a recipe and tips for drinking more water from the tap.

The guests expressed their appreciation for the concern of EPAL and the Hilton chain in raising awareness over water saving and safety in tap water consumption. On their return home, guests took with them a reminder of the universality of the water saving message.



THE MUSEUM OF WATER EDUCATION SERVICE IN 2022

The initiatives and actions undertaken by the Water Museum - Education Service aimed at different types of public and returned a positive impact on valuing and safeguarding cultural heritage as well as promoting the 2030 Agenda for Sustainable Development, contributing to SDG4, SDG11 and SDG13.

- 111 506 Visitors received;
- 11 173 Students visited the museum;
- 13 500 Students covered by the external program activities - "Museum out of doors" - holding seminars, exhibitions and awareness-raising activities associated with water education, environmental education and heritage education.
- 840 Guided tours involving 18 173 visitors;
- 7 Temporary exhibitions;
- 3 Travelling Exhibitions - "Water and the SDGs" - 15 travelling exhibitions; "Water for All" - 5 travelling exhibitions; "Aqueducts of Portugal" - 8 travelling exhibitions;
- 15 New thematic guided tours;

The Water Museum - Centre for Historical and Technical Documentation (MDA-CDHT) contributed to the development of SDG6, SDG9 and SDG11 through cooperating with the efficient management of the supply and sanitation infrastructural systems and enabling the

reusage of documents in projects related to energy and environmental sustainability, participating in the performance of innovation, infrastructure resilience and sustainability operations by Group companies.

The international presence of the Water Museum, carried out through two projects, allowed for contributing to the safeguarding of world heritage (SDG11, goal 11.4) and enabled the sharing of knowledge, research and dissemination of world water heritage:

- Production of a study and historical and heritage consultancy for the musealisation project of the Historic Aqueduct of Genoa, Italy: development of the musealisation program, and associated museographies, for the historic aqueduct of the city of Genoa (partnership with the Municipality of Genoa, Genoa University, Liguria Fine Arts Secretariat and private associations);
- Participation in the global digital exhibition "I remember Water" - Between past and future water management: memories of our relationship with water, the Global Network of Water Museums (WAMU-NET), presented at the United Nations World Water Conference.



AgdA SUPPORTED THE HANDBALL SUPER CUP FINAL

On the 10th and 11th of September, the Final Four of the Men's Handball Super Cup, which took place in Serpa, was supported by AgdA - Águas Públicas do Alentejo. AgdA took its drinking fountain to the Pavilion and distributed canteens to the players and work teams. The Municipality of Serpa and the Portuguese Handball Federation joined forces with the "Let's Close the Drought Tap" campaign and during breaks in the games it was possible to listen to the campaign's radio spot.



THERE'S ART IN THE WATER FACTORIES - AdTA

An external communication project deploying urban art that, in an irreverent and original approach, raises awareness about a poorly-visible activity but an essential wastewater treatment service with a positive impact on the environment and public health. This urban art project, with mural paintings, included the Monte Estoril, Paço de Arcos and Conde de Óbidos Choupal Pumping Stations and the Torres Vedras Waterworks (Varatojo), the last two integrated into the Rio Sizandro Eco Path.



AdP GROUP COMPANIES SUPPORT MOVIMENTO S

Water is fundamental to our health and well-being!

In 2022, AdP Group companies supported Movimento S, an initiative launched to combat childhood obesity and that seeks to build a chain capable of mobilising children, parents and teachers to adopt healthy lifestyles by changing their eating habits and including physical exercise in their routines, with drinking tap water and good environmental practices playing fundamental roles.

Movimento S involves four major initiatives: a film, a TV program with several episodes and a national road show with activities both in schools and among the general population. The AdP Group was present and supported these initiatives both as a specialist in water for human consumption and sanitation and also addressing relevant issues related to the circular economy and the preservation of water resources and biodiversity.



Lisbon, 10 May 2023

The Board of Directors,



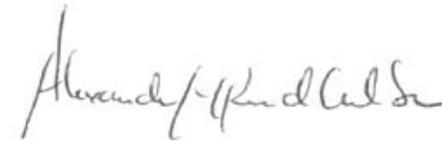
José Carlos dos Remédios Athaíde Furtado
Executive Chair



José Manuel Leitão Sardinha
Executive Vice-Chair



Catarina Isabel Clímaco Monteiro d'Oliveira
Executive Director



Alexandra Maria Martins Ramos da Cunha Serrab
Executive Director



Pedro Manuel Amaro Martins Vaz
Executive Director



Jaime Serrão Andrez,
em representação da Parpública, SGPS, S.A.
Non- Executive Director

ANNEXES

- [About the report](#)
- [Analysis of materiality](#)
- [Monitoring the Sustainability Commitment](#)
- [GRI content index](#)
- [Abbreviations](#)
- [Declaration of external verification](#)



ABOUT THE REPORT

Ever since 2008, the Group has published its Sustainability Report, which integrates a consolidated balance of all Group activities, reporting on their performance and detailing the strategies adopted, the level of compliance with the targets set and the best practices under implementation at operating companies that span the country from north to south and from coast to inland border. This publication enables the deepening of relationships with all stakeholders. Communications with interested parties take place through multiple channels, direct and indirect, with the Sustainability Report the leading document expressing this policy of transparency.

In this fifteenth year, we continued with the previous edition, maintaining the new ambitions-based reporting structure defined in 2021 in keeping with the principles and commitments assumed by the AdP Group for the field of sustainability.

The AdP Group Sustainability Report is published annually with the reports published in previous years an integral component of this present document.

This report enables us to comply with the legal requirement introduced by Decree Law no. 89/2017, of 28 July, as, according to the terms of article 508.º-G of the Companies Code, the Non Financial Consolidated AdP Group Report.

SCOPE

The Report details the sustainability performance between January and December 2022 and spans the entire AdP Group universe as at 31 December 2022.

The consolidation of the details took place based on the indicators defined in the “Manual of Sustainability Indicators” of the Group with their content based on the GRI reference framework and the performance indicators defined by the sector regulator – ERSAR.

LEVEL OF CLASSIFICATION

The report was drafted according to the GRI Standards issued by the Global Reporting Initiative, in accordance with the option “Agreement – wide reaching”. The present Report was subject to independent external verification by Ernst & Young Audit & Associados, SROC, SA according to a limited guaranteed level of reliability.



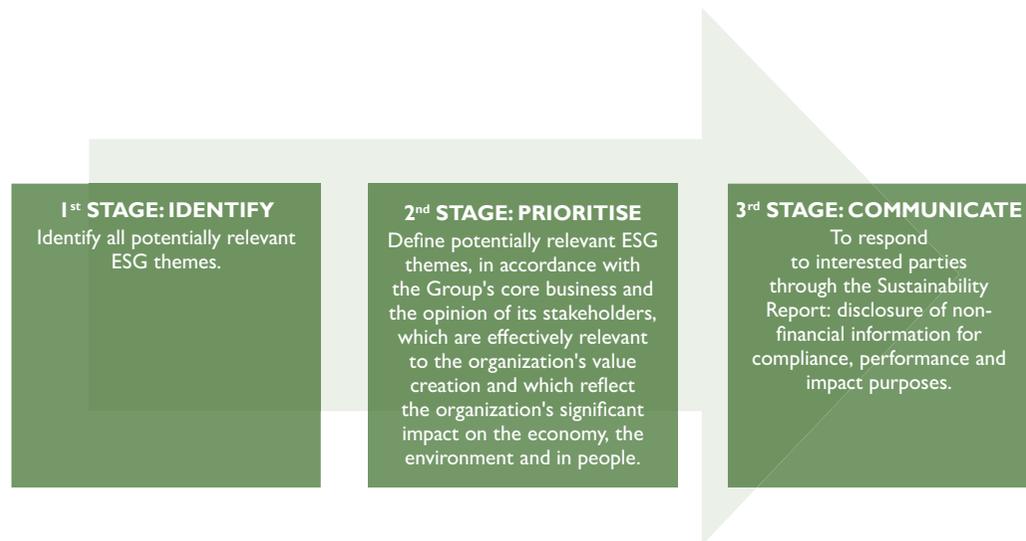
MATERIALITY ANALYSIS

From very early on, the AdP Group understood the importance of its stakeholders and their involvement in the performance of its activities.

To continuously improve the quality of service and meet their expectations, the AdP Group prioritises the exchanging and sharing of information with stakeholders.

The cross-referencing of the themes of greatest relevance to stakeholders, obtained periodically through various forms of consultation, together with media publications and the AdP Group's own perception of the importance of its core business, has enabled the identification of the AdP Group's material issues, which were once reflected in the AdP Group's Sustainability Strategy and currently approached through the Sustainability Commitment.

The materiality analysis of ESG issues is fundamental to any organisation and serves as the basis for selecting the priority issues from a reporting and strategic perspective. The materiality analysis process (and reviews) is structured into 3 phases:



In this methodology, the concept of double materiality is implicit in the 2nd stage: this aims to demonstrate how risks and opportunities can be material both from a financial point of view and from the impact point of view, i.e., relevant issues or information from an environmental and social point of view generate financial consequences in the present or future of organisations.

Stakeholder contribution to materiality analysis took place through multiple channels and correspondingly receiving various inputs, in particular in the collective and participatory consultation processes across the entire AdP Group universe for the preparation of the CSF; Consultation with the Sustainability Committee, the Communications Committee and NGOs under the Sustainability Commitment; Consultation with Trade Unions (meetings of the Joint Committee); Employees within the scope of the Organizational Climate 2021, periodic consultations within the scope of the management systems; consultations with the Community, for example within the scope of the National Study on Portuguese Attitudes and Behaviours towards Water, among others.

As a result of the dual materiality assessment carried out, the inputs from the soundings and the benchmarking produced, the Group undertook the updating of this materiality analysis, which now underpins its Sustainability Commitment:

AdP GROUP MATERIAL ISSUES

- Professional and personal development of staff
- Equal opportunities, diversity and inclusion
- Health and safety at work
- Balance between professional, family and personal life
- Climate change
- Service resilience
- Product and service safety and quality
- Conservation and enhancement of water resources
- Circular economy of water (ApR, waste into by-products and energy)
- Economic and financial sustainability of the management model
- Supply chain
- Community (relationships)
- Ecosystems and biodiversity
- Innovation
- Capacity building and international cooperation in the fields of water and energy
- Education for sustainable development (sustainable water consumption)
- Business Ethics
- Data privacy and security
- Information security
- Human Rights/Social Justice in accessing water and sanitation services
- Anticipation and management of risks and crises

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Group Culture	Valuing human capital "NÓS AdP"; Knowledge; Organisation and operation	"(1) Professional and personal development of staff (2) Equal opportunities, diversity and inclusion (3) Health and safety at work (4) Balance between professional, family and personal life"	Work with Purpose	To value the relationship with employees, encouraging their professional and personal evolution	Invest in professional and personal development of our employees	Establish a new global human resource policy for the AdP Group	Ongoing
						Implement an internal mentoring program focused on sharing experience and knowledge	Ongoing
						Implement the development and learning plan	Implemented in 2022
						Expand the range of training at the AAL - the Águas Livres Academy by 20%	Ongoing
						Guarantee the participation of all Group employees in AAL training actions and initiatives	Ongoing
						Guarantee training to all employees at a level of >25% over the minimum number of hours stipulated in the labour legislation	23,6h/worker (by Law 40h/year)
					Guarantee equal opportunities and promote diversity and inclusion	Design a program to promote diversity and inclusion across the Group	-
						Guarantee compliance with the annual Gender Equality Plan	100% of the companies with Plans for Gender Equality
						Ensure 40% of women in decision-making roles by 2030	43% (of positions held. In absolute numbers -39%)
						Raise the awareness of all the Group members of staff about diversity and inclusion	-

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Group Culture	Valuing human capital "NÓS AdP"; Knowledge; Organisation and operation	"(1) Professional and personal development of staff (2) Equal opportunities, diversity and inclusion (3) Health and safety at work (4) Balance between professional, family and personal life"	Work with Purpose (cont.)	To value the relationship with employees, encouraging their professional and personal evolution	Ensure occupational health and safety	Implement a culture of safety across the Group and guarantee zero serious accidents	10 (With discharge of more than six months and potential IPP. Definition in line with GRI standards (in the preparation of the Single Report, the definition recommended by the ACT is used. Add 10% with discharge of less than six months and potential IPP.)
						Guarantee 8 hours/year of safety training to all members of staff	5,6 h/worker (average)
						Undertake the evaluation of psycho-social risk every two years	Implemented
					Promote a balance between work, family and personal life	Promote the implementation of work life balance management systems for managing professional, family and personal lives across all Group companies	47% of the companies
						Ensure transversal and effective internal communications	Promover o diálogo através da auscultação de clima organizacional de 2 em 2 anos
					Implementation of a news AdP Group intranet		-

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Service Excellence; Social Utility	Infrastructure Resilience; Operation Efficiency; Service quality; Circular Economy; Structural Efficiency	"(5) Climate change (6) Service resilience (7) Product and service safety and quality"	Taking action for the Climate	Reducing greenhouse gas emissions, mitigating our impacts, adapting operations to climate changes	Ensure energy neutrality and self-sustainability	Increasing the production of 100% renewable energy to 20%	In 2022, the Group produced 38.54 GWh, an annualized increase of 5.3%. This includes energy produced for self-consumption and for injection into the grid.
						Reducing electricity consumption by 5%	Increase of 1.3% compared to 2021
						Increasing energy self- sufficiency to 30%	5% self-sufficiency by 2022
					Reduce GHG emissions	Assessing the Group's carbon footprint up to 2022	Ongoing
						Drawing up the Group's contribution program for carbon neutrality by 2023	- (to be drawn up after completion of the AdP Group emissions inventory).
					Promote the Group's sustainable mobility	Training 100% of fleet drivers in eco-driving	Ongoing
						15% of the fleet with less polluting vehicles	9.6% (electric+hybrid); 8.6% (electric)
					Promote system resilience and ensuring the availability, quality and security of the service and the product	Raising the number of companies with Water Safety Plans to 100% by 2022	90% of the companies
Increasing the companies with PEAAC to 100% by 2023	Ongoing						

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Service Excellence; Social Utility	Infrastructure Resilience; Operation Efficiency; Service quality; Circular Economy; Structural Efficiency	"(5) Climate change (6) Service resilience (7) Product and service safety and quality"	Taking action for the Climate (cont.)	Reducing greenhouse gas emissions, mitigating our impacts, adapting operations to climate changes	Promote system resilience and ensuring the availability, quality and security of the service and the product	Ensuring the continuity of the supply service and the collection and disposal of wastewaters, guaranteeing compliance with renovation plans, in terms of expansion in the bulk and retail level supply systems, sanitation and ApR networks	Ongoing
						Achieve a minimum of 90% internal reuse in wastewater activities	80% (includes consumption in AA and AR installations)
Service Excellence	Operation Efficiency; Service Quality; Circular Economy	"(8) Conservation and enhancement of water resources (9) Circular economy of water (ApR, waste into by-products and energy)"	Accelerating the circular economy of water	Managing the urban water cycle in harmony with nature, guaranteeing the transition to a circular economy	- Conserving water bodies	Respond, in terms of supply, to the demand for water for reuse existing in the communities served by the AdP group	Ongoing
						Reducing undue inflows from wastewater sanitation networks	Ongoing
						Preventing and reducing 20% of the physical water losses from bulk and retail systems	Bulk real losses up 3.6%. Retail real losses 1.2%
						Monitoring water quality in the source and recipient environments	Ongoing
						Promoting 70% recovery of wastewater treatment plant sludges	48.1%
						Promoting 70% in-house recovery of wastewater treatment plant sludges	99% (external recovery)
						Reducing the production of wastewater treatment plant subproducts by 45%	This increased by 4% compared to 2021

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Social Utility; Service Excellence; Group Culture	Structural Efficiency; Circular Economy; Service quality; Symbiosis with the Community	"(10) Economic and financial sustainability of the management model (11) Supply chain (12)Community (relationships) (13) Ecosystems and biodiversity"	Enhancing the value of territories	Providing a public service of excellence, with a direct impact on improving the quality of life of populations	- Enhancing relationships of proximity and dialogue with customers and municipal partners	Developing 3 pilot projects to reduce water losses with Municipalities/ Management Companies	-
						Developing 5 pilot projects to reduce unauthorised inflows with Municipalities/ Management Companies	AgIR Project – Action Plan for the Management of Industrial Wastewater in the Greater Lisbon and Western Region
						Implementing a common system for evaluating the services provided by retail companies	-
					- Contributing to the development of a responsible economy	Drawing up and implementing the Green Purchasing Plan	Ongoing
						Promoting the Group's values in its supply chain (companies) through 20 awareness raising actions/year	106 actions
					- Investing in relationships and sharing value in the supply chain	Promoting the Group's values in the supply chain through 15 supplier audits per year	29 audits
						Promoting the development of supply chain GHG emissions inventories: 3 actions	-
					- Playing an integral role in the communities we operate in	10,000 hours volunteering/year	-
						5 corporate volunteering projects	0 (projects were developed in companies)

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Social Utility; Service Excellence; Group Culture	Structural Efficiency; Circular Economy; Service quality; Symbiosis with the Community	"(10) Economic and financial sustainability of the management model (11) Supply chain (12)Community (relationships) (13) Ecosystems and biodiversity"	Enhancing the value of territories	Providing a public service of excellence, with a direct impact on improving the quality of life of populations	- Protecting and restoring biodiversity and ecosystems	Mapping Group managed protected areas and designing the respective biodiversity and ecosystem plans	-
					- Water as an essential factor in deepening the protection of public health	Guaranteeing 99.5% of safe water in both the bulk and retail sectors	99.6% bulk; 99.4% retail
						Ensuring compliance with discharge licences (both with limits and regularity of monitoring) at both the bulk and retail levels	98.12% bulk; 98.24% retail
Social Utility; Group Culture; Service Excellence	360° Innovation; Organisation and operation; Valuing human capital; Knowledge; Infrastructure resilience; Operation efficiency	(14) Innovation	Innovating to impact	Driving open and collaborative innovation that generates value for the AdP Group and its companies	- Developing RDI projects aligned with areas of strategic innovation and the needs of AdP Group companies	Increase the number of RDI projects by 10%	Ongoing
						Investment by AdP SGPS of 0.1% of turnover in innovation projects carried out in Group companies	-
					- Developing and launching innovative products, services and processes	Innovation competition launched within the AdP Group	Launched in 2022
						Increasing the number of products developed within the Group by 25%	Ongoing
- Developing open innovation based on a multipolar network of skills	Increasing by 10%/year internal and external partnerships (national and international) in the RDI context	Ongoing					

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Social Utility; Group Culture; Service Excellence	360° Innovation; Organisation and operation; Valuing human capital; Knowledge; Infrastructure resilience; Operation efficiency	(14) Innovation	Innovating to impact	Driving open and collaborative innovation that generates value for the AdP Group and its companies	- Promoting the digital transformation of the AdP Group	Implementing the Group's strategic digitalisation plan	Ongoing. In terms of digitalisation, the AdP Group carried out a diagnosis of the level of digitalisation of its various operations throughout the country and an action plan to achieve a transition in line with the requirements of service quality.
Social Utility; Group Culture	Business and International Cooperation; Symbiosis with the Community	"(15) Capacity building and international cooperation in the fields of water and energy (20) Human Rights/Social Justice in accessing water and sanitation services"	Ensuring water and sanitation across borders	Cooperating internationally for promoting the sustainable management of water	- Sharing knowledge through capacity building projects and technical support	Increasing the countries served by AdP Internacional know-how by 20%	10% (Lebanon and Goa)
					Promoting mutual aid in water, sanitation and climate-related activities and programs in developing countries	Implementing cooperation projects in the PALOP countries + East Timore	"AdPl signed technical cooperation protocols with the Associação Pró-Gestão das Águas da Bacia Hidrográfica do Rio Paraíba do Sul and the Comité das Bacias Hidrográficas dos Rios Guandu, da Guarda e Guandu-Mirim, in Brazil, both with the objective of sharing experiences and know-how in the areas of wastewater treatment, reutilisation, energy and technical training "
					- Operating in our reference geography	I international operation	Lebanon

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Group Culture; Social Utility	Symbiosis with the Community; Structural Efficiency	(16) Education for sustainable development (sustainable water consumption)	Educating for sustainability	Being a benchmark actor on issues relating to education for sustainable development		Development of a strategic plan for education on sustainable development	Ongoing
					Promoting education for sustainable development	> 1,000 visits to facilities/ year and > 40,000 visitors/ year	583 visits to the facilities; 30,902 visitors. In addition, 840 guided tours of the Museum involved 18,173 visitors; 13,500 pupils were involved in the external activities program - "Museum out of doors"; 11,173 pupils visited the museum; 111,506 visitors to the Museum
					Promoting rational usage of water generally and tap water specifically	1 national campaign/year	"Let's turn the tap on drought!" Campaign
					Promoting sustainable usage of the sanitation network	1 national campaign/year	(campaigns were developed in the companies)
					Promoting recourse to ApR	1 national campaign/year setting out best practices for green spaces and industrial and commercial activities, and as well as best domestic water usage practices	(campaigns were developed in the companies)

MONITORING OF THE SUSTAINABILITY COMMITMENT

Framework of Strategic Commitments 2020-2022				Sustainability Commitment 2022-2025			Monitoring 31/12/2022
Pillar	Strategic Challenge	Materiality	Ambition	Sustainability Commitment	Objective	Goals	
Group Culture; Social Utility	Symbiosis with the Community; Structural Efficiency	(16) Education for sustainable development (sustainable water consumption)	Educating for sustainability	Being a benchmark actor on issues relating to education for sustainable development	Promoting the Circular Economy and Energy Neutrality	Promoting best practices, such as sustainable energy production, new products and materials produced from WTP and WWTP by-products as well as new organic bio-fertilisers raising the visibility of Group activities in society	-
					Promoting Innovation	A campaign directed at the population and stakeholders with good examples of the innovative processes, products and services developed and marketed by the AdP Group	-

GRI CONTENT INDEX

Declaration of usage	The AdP Group reported in accordance with the GRI Standards for the period 1 January to 31 December 2022
Version used	GRI: Foundation 2021
Applicable GRI Sector Standards	NA on the date of this report's publication

GRI STANDARD		VALUE
GRI 2 General Contents 2021		
The organisation and its reporting practices		
2-1	Organisation profile	
2-1 a.	Juridical name	AdP - Águas de Portugal, S.G.P.S., S.A.
2-1 b.	Corporate structure and legal status	AdP - Águas de Portugal, S.G.P.S., S.A. is the Group management company for its shareholdings.
2-1 c.	Location of headquarters	Rua Visconde de Seabra n. 3; 1700-421 Lisbon
2-1 d.	Countries operated in	Portugal (AdP Internacional was present in Angola, Brazil, Cape Verde, Ivory Coast, Goa, Grenada, Guinea-Bissau, Lebanon, Malawi, Mozambique, East Timor, Tunisia) in 2022.
2-2	Names of all the entities included in the sustainability report	Águas de Portugal SGPS; AdP Internacional; AdP Energias; AdP Valor; AdAM; AdNorte; AdDP; SIMDOURO; AdRA; AdCL; AdTA; EPAL; AdVT; SIMARSUL; AdSA; AgdA; AdA
2-3	Reporting period, frequency and contact point	Annexes and Reverse Cover
2-4	Changes in assumptions relative to previous reporting periods	In 2022, there were no changes to the assumptions considered in the preparation of the 2021 report.
2-5	External verification	External verification report issued by EY

GRI STANDARD		VALUE
Activities and Workers		
2-6	Activities, Value Chain and Other Business Relationships	
2-6 a.	Detail the sector of activity	State owned business company for the water sector
2-6 b.	Description of the chain of value (products and/or services; chains of supply; upstream and downstream entities)	The AdP Group's main activity is the integrated management of the urban water cycle, comprising all of its stages, from the collection, treatment and distribution of water for public consumption, to the collection, transport, treatment and disposal of urban wastewater, including the production of water for reutilisation. These constitute core public services, essential to the well-being of the population, public health, social and economic development and environmental protection.
2-6 c.	Report other relevant business relationships	
2-7	Employees	-
2-7-a.	Total number of employees by gender and region	Total = 3742; Total active = 3661: 1082F/2579M (active) - We consider the country as a "region". However, in the SR, we present a map of Portugal with workers per company.
2-7 b.i	Permanent, broken down by gender and region	3661 (active)
2-7 b.ii	Temporary, broken down by gender and region	Total active = 3621: Open ended contract – 1004F / 2248M; Contract other type of contract – 60F / 309M
2-7 b.iii	No guaranteed workload, broken down by gender and region	0
2-7 b.iv	Full-time broken down by gender and region	1078F / 2579M
2-7 b.v	Part-time, broken down by gender and region	4F / 0M
2-7 d.	Report contextual information necessary for the understanding of the data disclosed above	The data presented refers to active workers (who, on 31 December, had an active contract with one of the AdP Group companies).
2-7 e.	Significant fluctuations in the number of employees during the reporting period	There were no significant fluctuations in the number of employees during the reporting period.
2-8	Employees who do not belong to the company	138

GRI STANDARD		VALUE
Governance		
2-9	Governance structure and its composition	
2-9-a	Describe the company Governance structure	"By resolution of the General Assembly (GA) Meeting of 4 May 2020, and for the three-year period 2020-2022, the Board of Directors of the holding company of AdP Group (AdP SGPS) is composed of six directors (five executives and one non-executive), including a chair, a vice-chair and the remaining members, who serve for three-year periods and may be re-elected. The day-to-day management was delegated to an Executive Committee composed only of executive directors - a president, a vice-president and three members. The management of the AdP Group's subsidiary companies is ensured by the respective Boards of Directors (BoD), elected by the General Assembly (GA). The GA is also responsible for electing a Supervisory Board and a Statutory Auditor to ensure company supervision. The composition of the BoD distinguishes between executive and non-executive directors."
2-9-b	List the various bodies responsible for making decisions and overseeing the management of the organisation's impacts on the economy, the environment and people	Board of Directors; Executive Committee. Board of the General Assembly; Supervisory Board; Statutory Auditor; Company Secretary and External Auditor.
2-9-c	Describe the composition of the most senior Governance body	RGS 2022
2-9-c-i	Executive or non-executive functions	Board of Directors: 6 Directors of which 5 were elected as executive managers, in particular the Chairman and Vice-Chairman + 2 executive members + 1 non-executive Director; Executive Committee: Chairman + 1 Vice-Chairman + 3 executive members
2-9-c-iii	Mandate of the members of the most senior Governance body	3 years – current mandate 2020-2022
2-9-c-iv	No. of other important positions and commitments of each member as well as the nature of these commitments	José Manuel Leitão Sardinha: Executive Vice-Chairman of the Board of Directors of AdP - Águas de Portugal, SGPS, S.A., Executive Chairman of the Board of Directors of EPAL, S.A. and Executive Chairman of the Board of Directors of Águas de Lisboa e Vale do Tejo, S.A.; Assistant Professor at Nova University of Lisbon and FCT and Coordinator of the Southern Regional Board of the Portuguese Engineers Association. Jaime Serrão Andrez: Executive Chairman of the Board of Directors of Parública, SGPS, S.A; Lecturer at the Higher Institute of Economics and Management, University of Lisbon; Executive Chairman of the Board of Directors of Circuito do Estoril; Non-executive Director of the Board of Directors of EPS - EFACEC POWER SOLUTIONS, SGPS
2-9-c-v	Gender	BoD: 4M + 2W e CE: 3M + 2W
2-9 c.vii	Relevant skills and organisation impacts	RGS 2022

GRI STANDARD		VALUE
Governance (cont.)		
2-9 c.viii	Stakeholder representation	RGS 2022
2-10	Nomination and selection of the company's governance members	RGS 2022
2-11	Chair of the Board of Directors	RGS 2022
2-12	Role played by the Executive Committee in overseeing the management of impacts	The Board of Directors aligned with the government's program and complied with the strategic guidelines defined.
2-13	Delegation of responsibilities in impact management	RGS 2022
2-14	Role of the highest governance body in sustainability reporting	RGS 2022
2-15	Conflicts of Interest	
2-15 a.	Describe the role played by the EC in developing, approving and updating the value statements or the mission, strategies, policies and objectives related to sustainable development	Following the recommendation of the Council for the Prevention of Corruption on 8 January 2020, concerning the management of conflicts of interest in the public sector, the company has implemented Declarations of Conflict of Interest, signed by the Directors and employees with functions in areas potentially subject to acts of corruption. The approval of expenses of the members of the Board of Directors always requires the signature of another director. Members of the management body do not intervene in the approval of their own expenses. The approval of expenses of other corporate bodies, when existing, always requires the signature of a director. Furthermore, the members of the administrative body do not participate in deliberations that may result in direct or indirect conflicts of interest, concerning either eventual expenses they incurred or other matters related to the provisions of paragraph 7 of Article 22 of the Public Manager Statute
2-16	Critical concerns communicated to senior management	Chapter on "Governance"
2-17	Global knowledge of the Board of Directors	RGS 2022
2-18	Evaluation of the Board of Directors performance	RGS 2022
2-19	Remunerations policies	RGS 2022
2-20	Remuneration determination process	RGS 2022

GRI STANDARD		VALUE
Governance (cont.)		
2-21	Proportion of Total Annual Remuneration	
2-21 a.	Proportion of the annual total remuneration of the highest paid individual in the company and the average annual total remuneration of all employees (excluding the highest paid)	4,29
2-21 b.	Proportion of the percentage increase in the annual total compensation of the highest paid individual in the company and the average percentage increase in the annual total compensation of all employees (excluding the highest paid)	The highest paid individual received no salary increase in 2022
Strategies, Policies and Best Practices		
2-22	Declaration of the sustainable development strategy	Message from the Chair
2-23	Sustainable development strategy statement	Chapter on "Governance"; RSG 2022
2-24	Commitment Policies	Chapter on "Governance"; RSG 2022
2-25	Incorporation of Commitment policies	Chapter on "Governance"; RSG 2022; Chapter on "Acting for the Climate"; Chapter on "Accelerating the water circular economy"
2-26	Process for remediation of negative impacts	Chapter on "Governance"; GSR 2022; AdP Group Ethics Committee Execution Assessment Report
2-27	Mechanisms for advice	
2-27 a.	Compliance with laws and regulations	0
2-27 a.i	Total number of significant cases of non-compliance with laws and/or regulations during the reporting period	0
2-27 a.ii	Cases in which monetary fines were imposed and the amount	0
2-27 b.i	Monetary value of fines paid in the reporting year	0
2-27 b.ii	Monetary value of fines paid in the reporting year relating to other years	0
2-28	Membership of associations	Chapter on "Valuing our Territories"

GRI STANDARD		VALUE
Engagement with stakeholders		
2-29	Approach to Engaging with Stakeholders	
2-29 a.i.	Describe the approach taken to stakeholder engagement	Chapter on "Listening to our Stakeholders"
2-29 a.ii	Categories of stakeholders engaged and how they are identified	Chapter on "Listening to our Stakeholders"
2-29 a.iii	How the organisation seeks to ensure meaningful engagement with stakeholders	Chapter on "Listening to our Stakeholders"
2-30	Collective bargaining agreements	99%

GRI STANDARD		VALUE
GRI 200 ECONOMIC REPORT 2016		
MATERIAL TOPIC - GRI 201 Economic Performance 2016		
103-1	Explanation of the material topic and the limit	Our commitment to sustainability; Annex - Materiality Analysis
103-2	The management approach and its components	A benchmark business group in the environmental sector
103-3	Evaluation of the management approach	Our commitment to Sustainability
201-1	Direct economic value generated and distributed	
	Direct economic value generated (€)	951 330 041.45 €
	Direct economic value distributed (€)	894 070 319.11 €
	Operating costs (€)	604 216 325.00 €
	Human resources (€)	117 413 139.00 €
	Payments to capital providers (€)	64 044 492.00 €
	State (€)	66 860 995.00 €
	Donations (€)	497 260.00 €
	Accumulated economic value	57 259 722.34 €
201-2	Financial implications and other risks and opportunities arising from climate change	Risk Management; Acting for the Climate; Innovating for impact
201-3	Retirement benefit plans offered by the organisation	Methodological notes and other information
201-4	Financial benefits received from the State	66 232 214.29 €

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 203 Indirect Economic Impacts 2016			
103-1	Explanation of the material topic and the limit		Our commitment to sustainability; Annex - Materiality Analysis
103-2	The management approach and its components		103-2 The management approach and its components A benchmark business group in the environmental sector
103-3	Evaluation of the management approach		Our commitment to Sustainability
203-1	Investments in infrastructure and services		The AdP Group made investments totalling EUR 237.8 million, of which EUR 170.6 million were in the construction or renovation of supply or sanitation infrastructures.
203-2	Significant indirect economic impacts		Performance; Chapter "Valuing the Territories"
GRI 300 ENVIRONMENTAL REPORTING 2016			
MATERIAL TOPIC - GRI 302 Energy 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Acting for the Climate"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
302-1	Energy consumed in the organisation - Scope 1 and 2		
302-1		Total energy consumption (GJ/year) * Does not include energy sold	2 914 097
302-1 c)		Electricity consumed from the grid (RESP) (GJ/year) - Scope 2	2 702 568
302-1 a)		Petrol (GJ/year) - Scope 1	4 612
302-1 a)		Diesel (GJ/year) - Scope 1	102 263
302-1 a)		Liquified gas (GJ/year) - Scope 1	0

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 302 Energy 2016 (cont.)			
302-1 a)		Propane (GJ/year) - Scope I	112
302-1 a)		Natural gas (GJ/year) - Scope I	6 065
302-1 c)		Self-produced and consumed electricity (GJ/year)	98 476
302-1 d)		Electricity produced sold (GJ/year)	40 283
302-2	Energy consumed outside the organisation - Scope 3		Inventorying ongoing. See Chapter on "Acting for the Climate"
302-3	Energy intensity		0.64
302-4	Total reduction in energy consumption (fuel + electricity) (GJ/year)		Inventorying ongoing. See Chapter "Acting for the Climate"
302-5	Reducing the energy requirements of products and services		Inventorying ongoing. See Chapter "Acting for the Climate"
MATERIAL TOPIC - GRI 303 Water and Effluents 2018			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Performance; Chapter "Accelerating the circular economy of water"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
303-1	Interactions with water as a shared resource		Commitment to Sustainability; Performance; Chapter "Accelerating the circular economy of water"
303-2	Management of effluent rejection and its impacts		Performance; Chapter "Valuing the Territories"
303-3	a. Water intakes by source		
		Surface intake (supply process) (Mm ³ /year)	508.00

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 303 Water and Effluents 2018 (cont.)			
		Subterranean intakes (supply process) (Mm ³ /year)	77.00
		Intakes for industrial processes (in internal captation or those under company management) (Mm ³ /year)	10.4
		Saline intakes	0
		Produced	0
		Supplied by external entities (Mm ³ /year)	13.6
	b. Water sourced from stressed hydric zones		See Chapter Performance - Framework
303-4	a. e b. Treated and discharged effluents (Mm ³ /year)		516.71
		Treated wastewater discharged into watercourses (Mm ³ /year)	384.49
		Treated wastewater discharged into the sea (Mm ³ /year)	131.83
		Treated wastewater rejected per infiltration into the soil (Mm ³ /year)	0.39
		Untreated wastewater exported to external entities (Mm ³ /year)	5.70
		Wastewater with primary treatment (Mm ³ /year)	50.23
		Waste water with secondary treatment (Mm ³ /year)	385.95
		Wastewater with tertiary treatment (Mm ³ /year)	63.53
		Wastewater with disinfection (regardless of bulk treatment) (Mm ³ /year)	160.96
	c. Treated effluent rejected in water stress areas		See Chapter Performance - Framework

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 303 Water and Effluents 2018 (cont.)			
	d. Compliance with discharge licences	Bulk	98.12%
		Retail	98.24%
303-5	"Water consumption"		
		Internal consumption in administrative and operational buildings (Mm ³ /year)	1.11
		Own intakes of water for internal consumption (Mm ³ /year)	0.32
		Water reutilised for internal use (Mm ³ /year)	5.56
MATERIAL TOPIC - GRI 304 Biodiversity 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Performance; Chapter "Valuing the Territories"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
304-1	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
		a) i. Geographic location	Continental Portugal
		a) iii. Surface and subterranean areas owned, leased or managed by the organisation	1181 ha
		a) iv. Position in relation to the protected area (within the area, adjacent to it or encompassing parts of the protected area) or to the area of high biodiversity value situated outside of environmental protection areas	347 ha (occupation of classified areas)

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 304 Biodiversity 2016 (cont.)			
304-1	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas (cont.)	a) iv. Type of operation (office, manufacturing/production or extractive operation)	Operational Infrastructures
		a) vi Size of operational unit in km2 (or other unit if appropriate)	1181 ha a (the entire area occupied by the AdP Group's operational facilities)
		a) vi. e vii. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value situated outside the protected area (terrestrial, freshwater or marine ecosystem) and biodiversity value characterized by the inclusion on protected species lists.	This remains undetermined in any consolidated manner. The sustainability commitment provides for the mapping of protected areas and the preparation of biodiversity and ecosystem plans.
304-2	Significant impacts of activities, products and services on biodiversity		Performance; Chapter "Valuing the Territories"
304-3	Protected or restored habitats		Chapters "Out performance" (Framework); "Enhancing the value of territories"
MATERIAL TOPIC - GRI 305 Emissions 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Acting for the Climate"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
305-1	Direct greenhouse gas emissions - Scope I		
		Total CO ₂ eq emissions (tonCO ₂ eq/year)	8 293
		Emissions from the consumption of petrol (tonCO ₂ eq/year)	320

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 305 Emissions 2016 (cont.)			
305-1	Direct greenhouse gas emissions - Scope 1	Emissions from the consumption of diesel (tonCO ₂ eq/year)	7 577
		Emissions from the consumption of liquified gas (tonCO ₂ eq/year)	0
		Emissions from the consumption of propane (tonCO ₂ eq/year)	7
		Emissions from the consumption of natural gas (tonCO ₂ eq/year)	389
305-2	Indirect greenhouse gas emissions - Scope 2		
		Total CO ₂ eq emissions (tonCO ₂ eq/year)	162 154
		CO ₂ eq emissions from grid electricity consumption (tonCO ₂ eq/year)	162 154
305-3	Other indirect emissions - Scope 3		Chapter "Acting for the Climate"
305-4	GHG emissions intensity (kgCO ₂ /m ³)		0.14
305-5	Reduction of greenhouse gas emissions		746 ton CO ₂ eq avoided (394 - electric mobility; 352 own production)
305-6	Emissions of ozone-depleting substances		The AdP Group companies do not use ozone-depleting substances in their activities. The only existing sources are associated with air conditioning equipment, chillers, refrigerators and other cooling systems, such as greenhouses, air treatment units, etc.. The Group companies have surveyed the existing equipment and have a plan for the replacement of gases, whenever so necessary in accordance with the legislation in force. To ensure the proper functioning of this equipment, maintenance and leak detection actions are carried out. Interventions in this equipment are carried out by suitably qualified technicians, in accordance with the legislation in force.
305-7	NO _x , SO _x and other significant atmospheric emissions		
		Mobile sources - NO _x (kg/year)	25.38
		Mobile sources - SO _x (kg/year)	20.54
		Mobile sources -COVNM (kg/year)	79.51

GRI STANDARD		VALUE
MATERIAL TOPIC - GRI 306 Wastes 2020		
103-1	Explanation of the material topic and the limit	Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components	Chapter "Circular Economy of Water"
103-3	Evaluation of the management approach	Annex - Commitment to Sustainability - Objectives and goals 2022-2025
306-1	Waste production and associated impacts	Chapter "Circular Economy of Water"
306-2	Management of significant impacts generated	Chapter "Circular Economy of Water"
306-3	Waste produced, by type (ton)	
	Total (ton)	425 101
	Supply (ton)	18 092
	Sanitation (ton)	405 764
	Others (ton)	1 245
306-4	Waste produced, eliminated	
	Eliminated (ton)	396 900
	Non-hazardous - Eliminated	
	Incineration	152
	Landfill (D1+D5)	85 071
	Others (D13+D14+D15+D9)	311 531
	Hazardous - Eliminated	
	Incineration	-
	Landfill (D1+D5)	9
	Others (D13+D14+D15+D9)	137

GRI STANDARD		VALUE
MATERIAL TOPIC - GRI 306 Wastes 2020 (cont.)		
306-5	Waste produced, eliminated	
	Eliminated (ton)	28 201
	Non-hazardous - Eliminated	
	Incineration	0
	Landfill (D1+D5)	14 619
	Others (D13+D14+D15+D9)	5 799
	Hazardous - Eliminated	
	Incineration	0
	Landfill (D1+D5)	4 321
	Others (D13+D14+D15+D9)	3 462
MATERIAL TOPIC - GRI 307 Environmental Compliance 2016		
103-1	Explanation of the material topic and the limit	Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components	Performance; Chapter "Valuing the Territories"
103-3	Evaluation of the management approach	Annex - Commitment to Sustainability - Objectives and goals 2022-2025
307-1	Non-compliance with environmental legislation and regulations	In 2022, AdP Group had 36 environmental inspections at operational facilities, mostly carried out by IGMAOT and APA/ ARH. No fines were paid in 2022.

GRI STANDARD			VALUE
GRI 400 SOCIAL DISSEMINATION 2016			
MATERIAL TOPIC - GRI 401 Employment 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Working with Purpose"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
401-1	New workers hired and departures	Total workers who joined the Group (no.)	305
		Rate of workers entering (%)*	8.3%
		Men	5.1%
		Women	3.2%
		Total workers that left the Group (no.)	142
		Rate of employees leaving (%)*	3.9%
		Men	3.0%
		Women	0.9%
		Workers (male) who joined (no.; %)*	188; 5.1%
		<19	0; 0.0%
		[19-25]	22; 0.6%
		[26-35]	65; 1.8%
		[36-45]	63; 1.7%
		[46-55]	30; 0.8%
		[56-65]	6; 0.2%
		>65	2; 0.1%

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 401 Employment 2016 (cont.)			
401-I	New workers hired and departures (cont.)	Workers (male) who left (no.; %)*	108; 3.0%
		<19	0; 0.0%
		[19-25]	5; 0.1%
		[26-35]	17; 0.5%
		[36-45]	32; 0.9%
		[46-55]	14; 0.4%
		[56-65]	14; 0.4%
		>65	26; 0.7%
		Workers (female) who joined (no.; %)*	117; 3.2%
		<19	0; 0.0%
		[19-25]	14; 0.4%
		[26-35]	56; 1.5%
		[36-45]	28; 0.8%
		[46-55]	17; 0.5%
		[56-65]	2; 0.1%
		>65	0; 0.0%
		Workers (female) who left (no.; %)*	34; 0.9%
		<19	0; 0.0%
		[19-25]	2; 0.1%

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 401 Employment 2016 (cont.)			
401-1	New workers hired and departures (cont.)	[26-35]	8; 0.2%
		[36-45]	9; 0.2%
		[46-55]	6; 0.2%
		[56-65]	1; 0.0%
		>65	8; 0.2%
401-2	Benefits for full-time workers, which are not attributed to part-time or temporary workers		Chapter "Work with Purpose"
401-3	Parental leave	Workers who took and ended parental leave in 2022 (no.)	109
		Men	69
		Women	40
		Workers returning to work in 2022 after completion of parental leave (%)	100%
		Number of active workers who in 2022 completed 12 months of work after the conclusion of parental leave	100%
MATERIAL TOPIC - GRI 403 Workplace Health and Safety 2018			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Working with Purpose"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025

GRI STANDARD		VALUE
MATERIAL TOPIC - GRI 403 Workplace Health and Safety 2018 (cont.)		
403-1	Occupational Health and Safety Management System	88% of AdP Group companies have occupational health and safety management systems certified to ISO 45001 (voluntary)
403-2	Hazard identification, risk assessment and incident investigation	Annual review carried out of the Management Systems under the auspices of the 45001 Standard
403-3	Occupational health services	The AdP Group companies provide occupational medical services. In this context, periodic visits are made by the occupational doctor to see staff working conditions in loco, with the aim of identifying the potential health risks to which workers are subject and defining action plans so that companies take preventive actions.
403-4	Consultation, participation and communication of occupational safety and health	Held annually in AdP Group companies. In addition, 3,274 workers were ensured representation in matters of workplace hygiene, health and safety
403-5	Occupational health and safety training	In 2022, 190 drills were carried out and 20,650 hours of occupational health and safety training were recorded
403-6	Promotion of workers' health	All the Group's employees have health insurance. In 2022, the AdP Group signed the Mental Health in the Workplace Pact. Several initiatives were implemented within the scope of the Reconciliation between professional, family and personal lives in the field of worker health and safety
403-7	Prevention and mitigation of direct impacts of work on the occupational health and safety of workers	88% of AdP Group companies operate occupational health and safety management systems certified under ISO 45001; 47% of AdP Group companies have management systems for Reconciliation between professional, family and personal life certified under ISO 4552; 53% of AdP Group companies have Social Responsibility management systems certified under SA 8000; (voluntary)
403-8	Service providers working in the AdP Group's facilities or on its behalf, covered by occupational health and safety management systems	100% of companies are certified

GRI STANDARD		VALUE
MATERIAL TOPIC - GRI 403 Workplace Health and Safety 2018 (cont.)		
403-9	Work-related injuries	
	a) i. Deaths related to accidents at work	0
	a) ii. Serious accidents	10
	a) ii. Rate of severity	1070
	a) iii. Workplace accidents	206
	a) iii. Frequency rate	35
	a) iv. Main types of accidents at work	Fall; bad posture when carrying out the activity
	a) v. Hours worked (actual work)	5815707.84
403-10	"Work-related health problems"	
	a) i. Deaths related to occupational diseases	0
	a) ii. Occupational Diseases	17
	a) iii. Main types of occupational diseases	Caused by noise
MATERIAL TOPIC - GRI 404 Training and Education 2016		
103-1	Explanation of the material topic and the limit	Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components	Chapter "Working with Purpose"
103-3	Evaluation of the management approach	Annex - Commitment to Sustainability - Objectives and goals 2022-2025

GRI STANDARD		VALUE	
TÓPICO MATERIAL - GRI 404 Formação e Educação 2016 (continuação)			
404-1	Average hours of training per employee, per year	Total Training Hours *	
		Executive directors (h)	
		Employees (h)	
		Executive directors (h/director)	23.8
		M (h/ director)	21.4
		F (h director)	27.4
		Employee (h/employee)	23.6
		M (h/ employee)	21.4
		F (h/ employee)	28.9
		Line managers (h/ employee)	44.2
		Middle management (h/ employee)	42.6
		Senior management (h/ employee)	30.8
		Technical staff (h/ employee)	18.4
		Operating staff (h/ employee)	15.4
404-2	Skills Enhancement and Transition Assistance Program		Chapter "Work with Purpose"
404-3	Percentage of employees who regularly receive their evaluation and respective career review		100%

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016			
103-1	Explanation of the material topic and the limitations		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Working with Purpose"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
405-1	Diversity of the Board of Directors and employees	Executive Directors (no.)	38 (in absolute numbers. In occupied positions there are 47)
		M (%)	61% (in absolute numbers. In occupied positions there are 57%)
		F (%)	39% (in absolute numbers. In occupied positions there are 43%)
		[26 - 35[(%)	0%
		[36 - 45[(%)	16%
		[46 - 55[(%)	45%
		[56 - 65[(%)	29%
		>65 (%)	11%
		Non-nationals (%)	0.0%
		Disabled persons (%)	5.3%

GRI STANDARD

VALUE

MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)

405-1	Diversity of the Board of Directors and employees (cont.)	Line managers (no.)	164
		M (%)	53.7%
		F (%)	46.3%
		<19 (%)	0.0%
		[19 - 25[(%)	0.0%
		[26 - 35[(%)	1.8%
		[36 - 45[(%)	25.0%
		[46 - 55[(%)	49.4%
		[56 - 65[(%)	19.5%
		>65 (%)	4.3%
		Non-nationals (%)	0.00%
		Disabled persons (%)	0.14%
		Middle management (no.)	359
		M (%)	60.4%
		F (%)	39.6%
		<19 (%)	0.0%
		[19 - 25[(%)	0.0%
		[26 - 35[(%)	4.7%

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)			
405-1	Diversity of the Board of Directors and employees (cont.)	[36 - 45[(%)	39.0%
		[46 - 55[(%)	40.9%
		[56 - 65[(%)	13.9%
		>65 (%)	1.4%
		Non-nationals (%)	0.03%
		Disabled persons (%)	0.05%
	Senior management (no.)		892
		M (%)	39.3%
		F (%)	60.7%
		<19 (%)	0.0%
		[19 - 25[(%)	1.8%
		[26 - 35[(%)	15.9%
		[36 - 45[(%)	40.1%
		[46 - 55[(%)	31.6%
		[56 - 65[(%)	9.9%
		>65 (%)	0.7%
		Non-nationals (%)	0.11%
		Disabled persons (%)	0.68%

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)			
405-1	Diversity of the Board of Directors and employees (cont.)	Technical staff (no.)	606
		M (%)	59.1%
		F (%)	40.9%
		[19 - 25[(%)	1.7%
		[26 - 35[(%)	10.1%
		[36 - 45[(%)	29.9%
		[46 - 55[(%)	31.8%
		[56 - 65[(%)	24.9%
		>65 (%)	1.7%
		Non-nationals (%)	0.08%
		Disabled persons (%)	0.57%
		Operational staff (no.)	1640
		M (%)	95.4%
		F (%)	4.6%
		<19 (%)	0.0%
		[19 - 25[(%)	2.6%
		[26 - 35[(%)	13.8%
		[36 - 45[(%)	33.4%

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)			
405-1	Diversity of the Board of Directors and employees (cont.)	[46 - 55[(%)	27.9%
		[56 - 65[(%)	21.6%
		>65 (%)	0.7%
		Non-nationals (%)	0.57%
		Disabled persons (%)	0.63%
405-2	Ratio between base remuneration of males/ females	Monthly base earnings of Executive Directors	
		M (%)	51%
		F (%)	49%
		Monthly base earnings of Line Managers	
		M (%)	55%
		F (%)	45%
		Monthly base earnings of Middle Management	
		M (%)	52%
		F (%)	48%
		Monthly base earnings of Senior Managers	
		M (%)	52%
		F (%)	48%

GRI STANDARD

VALUE

MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)

405-2	Ratio between base remuneration of males/ females (cont.)	Monthly base earnings of Technical Staff	
			M (%) 52%
			F (%) 48%
		Monthly base earnings of Operational Staff	
			M (%) 48%
			F (%) 52%
		Total monthly earnings of Executive Directors	
			M (%) 50%
			F (%) 50%
		Total monthly earnings of Line Managers	
			M (%) 54%
			F (%) 46%
		Total monthly earnings of Middle Managers	
			M (%) 52%
			F (%) 48%
		Total monthly earnings of Senior Managers	
			M (%) 53%
			F (%) 47%

GRI STANDARD			VALUE
MATERIAL TOPIC - GRI 405 Diversity and Equal Opportunities 2016 (cont.)			
405-2	Ratio between base remuneration of males/females (cont.)	Total monthly earnings of Technical Staff	
		M (%)	54%
		F (%)	46%
		Total monthly earnings of Operational Staff	
		M (%)	52%
		F (%)	48%
MATERIAL TOPIC - GRI 407 Freedom of Association and Collective Bargaining 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Chapter "Working with Purpose"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025
407-1	Operations and suppliers identified as jeopardising the rights to freedom of association and collective bargaining		Chapter "Work with Purpose"
MATERIAL TOPIC - GRI 416 Client Health and Safety 2016			
103-1	Explanation of the material topic and the limit		Annex - Materiality Analysis, Annex - Objectives and goals
103-2	The management approach and its components		Performance; Chapter "Valuing the Territories"
103-3	Evaluation of the management approach		Annex - Commitment to Sustainability - Objectives and goals 2022-2025

GRI STANDARD		VALUE	
MATERIAL TOPIC - GRI 416 Client Health and Safety 2016			
416-1	Product and service categories for which health and safety impacts are assessed		100%
416-2	Incidents of non-compliance related to impacts caused by products and services on health and safety	Compliance with the quality control parameters of the water supply (bulk)	99.60%
		Compliance with the quality control parameters of the water supply (retail)	99.40%

* The HR calculations were made taking into consideration the number of active workers

METHODOLOGICAL NOTES AND OTHER INFORMATION

205-3 Incidents of corruption and actions taken

There were no confirmed cases of corruption registered in 2022.

305-1 and 305-2

The indirect factors of emission (type 2 – electricity) were determined based on the most recently published official information, specifically RNC 2050 (2015 and 2016), and the report “Energy in numbers”, issued by the Observatory of Energy, DGEG, ADENE and APA (2020, 2021 and 2022). The amounts considered for the 2022 Sustainability Report remain, with the exception of electricity: Electricity: 0.216 kg CO₂ /kWh. The amounts for 2020 and 2021 were recalculated based on 0.258 and 0.237 kg CO₂ /kWh, respectively. Diesel: 2.660 kg CO₂ /l; Petrol: 2.275 kg CO₂ /l; Natural Gas: 2.429 kg CO₂ /Nm³; GPL: 5.909 kg CO₂ /Nm³; Propane: 2.94 kg CO₂ /kg. The emissions associated with the biogas produced in wastewater treatment plants with anaerobic installations are not taken into account due to, as stated in Table I of Decree 17313/2008, of 26 June (annexed), the emissions factor associated with “Landfill gases / purification sludges and other biogases” is 0 kg CO₂ /m³. This biogas is burned in co-generation units that produce electricity and heat or, when this is not possible, flared off, thus preventing any emission of methane into the atmosphere.

415 – I Public Policies

In 2022, AdP Group companies did not make any donations or loans of a pecuniary nature or species to any political party in accordance with Law 19/2003 of 20 June, article 8.

Formulas for calculating the safety indices (403-9)

Frequency Rate – total number of accidents (fatal and non-fatal) occurring in relationship to the number of hours effectively worked by the total of staff in the report's reference period.

Frequency rate = (total no. of accidents / (total no. of hours worked, during the normal working timetable + no. of overtime hours)) × 1,000,000

Occupational Disease Rate – number of professional diseases occurring in relationship to the number of hours effectively worked by the total of staff in the report's reference period.

Occupational disease rate = (total no. of professional diseases / (total no. of hours worked, during the normal working timetable + no. of overtime hours)) × 1,000,000

Incident Seriousness Rate - total number of days lost in relationship to the number of hours effectively worked in the report's reference period.

Incident seriousness rate = (total no. of hours lost × 24 / (potential no. of hours worked) × 1,000,000

Absenteeism Rate - percentage of days of absenteeism in relationship to the total of potential days in the report's reference period.

Absenteeism rate = (total no. of hours of absenteeism / (potential no. of hours worked) × 1,000,000

ABBREVIATIONS (PORTUGUESE PRECEDENCE)

A

AA – Water Supply
AAL – Águas Livres Academy
ABAE – Blue Flag Association of Europe
ACT – Working Conditions Authority
ADENE – Agency for Energy
ACT – Collective Working Agreement
AdA – Águas do Algarve
AdAM – Águas do Alto Minho
AdCL – Águas do Centro Litoral
AdDP – Águas do Douro e Paiva
AdNorte – Águas do Norte
AdP – Águas de Portugal
AdPI – Águas de Portugal Internacional
AdRA – Águas da Região de Aveiro
AdSA – Águas de Santo André
AdTA – Águas do Tejo Atlântico
AdVT – Águas de Vale do Tejo
AG – General Assembly
AgdA – Águas Públicas do Alentejo
ANI – National Innovation Agency
APA – Portuguese Environment Agency
APEE - Portuguese Association of Business Ethics
APCE – Portuguese Association of Corporations Communications
APPDI – Portuguese Association of Diversity and Inclusion
ApR – Water for Reutilisation
AR – Wastewaters

B

BCSD Portugal – Business Council for Sustainable Development

C

CA – Board of Directors
CAGEPA – Paraíba Water and Sanitation of Company
CEO – Chief Executive Officer
CER – Renewable Energy Community
CO₂ – Carbon dioxide
COVNM – Volatile Non-Methanic Organic Compound
COSO – Committee of Sponsoring Organization of the Treadway Commission
CNPD – Commission of National Data Protection

D

DJSI - Dow Jones Sustainability Index
DGEG – General Directorate of Energy and Geology
DGERT - General Directorate of Employment and Labour Relations
DGS – General Directorate of Health
DPO – Data Protection Officer

E

EAPN – European Anti-Poverty Network
EBITDA – Earnings before interest, taxes, depreciation and amortization
EDIA – Alqueva Development and Infrastructures Company
ERSAR – Regulatory Entity for Water and Waste Services
ESG – Environment, Social and Governance
ETA – Water Treatment Planta
ETAR – Wastewater Treatment Plant

F

FCT – Faculty of Science and Technology, Nova University of Lisbon
FEUP – Faculty of Engineering of the University of Porto

G

GE – Gender Equality
GCNP – Global Compact Network Portugal
GGE – Greenhouse Gas Emissions
GPAL – Management of Losses and Avoidable Spillages
GPL – Liquefied Gas
GRI – Global Reporting Initiative
GWOPA – Global Water Operators Partnership Alliance

H-I

ICS – Internal Control System
IGAMAOT – General Inspectorate of Agriculture, the Sea, the Environment and Land Planning
IPP – Partial but Permanent Incapacity
ISA – Higher Institute of Agronomy
ISO 9001 – NP EN 9001:2015 – Quality Management Norm
ISO 14001 – NP EN ISO 14001:2015 – Environmental Management Norm
ISO 50001 – NP EN ISO 14001:2012 – Energy Management Norm
ISO 55000 – NP ISO 55000:2016 – Asset Management Norm
ISO 56002 – NP ISO 56002:2019 – Innovation Management Norm

J-K-L

LNEC – National Laboratory of Civil Engineering

M-N

NP 4552:2016 – Management Norm for the Reconciliation of Professional, Family and Personal Lives
NO_x – Nitrogen Oxide

O

OIT – World Labour Organisation

P

PALOP – Portuguese Language African Countries
PPA – Portuguese Partnership for Water
PEPE – AdP Group Plan for Energy Efficiency and Production
PSA – Water Security Plan

Q

QEC – The AdP Group Framework of Strategic Commitment

R

RCM – Council of Ministers Resolution
RESP – Public Service Electricity Grid
R&C – Report and Accounts
R&D+I – Research and Development and Innovation
RS – Sustainability Report

S

SA 8000 – Social Responsibility Norm
SDG – Sustainable Development Goals
SEE – State Business Sector
SO_x – Sulphur Oxide
S&P – Standard and Poor

T-U

UN – United Nations
UNGC – United Nations Global Compact, on occasion abbreviated to GC

V-W-X-Y-Z

WEI – Water Exploitation Index

EXTERNAL VERIFICATION STATEMENT



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(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Independent Limited Assurance Report

To the Board of Directors of
AdP - Águas de Portugal, SGPS, S.A.

Scope

We have been engaged by AdP - Águas de Portugal, SGPS, S.A. ("AdP") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the sustainability information included in the Sustainability Report 2022, identified in the Annex "GRI Content Index" (the "Sustainability Information"), for the year ended 31 December 2022.

Criteria applied

AdP prepared the Sustainability information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards (the "Criteria").

Responsibilities of the Management

AdP's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the Sustainability information prepared by AdP and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;
- Conducting analytical review procedures to support the reasonableness of the data;



AdP - Águas de Portugal, SGPS, S.A.
Independent Limited Assurance Report
*(Translation from the original Portuguese language.
In case of doubt, the Portuguese version prevails)*
31 December 2022

- Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Quality and Independence

We apply the International Standard on Quality Control 1 and, accordingly, maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas'* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 12 May 2023

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

Manuel Ladeira de Carvalho Coelho da Mota - ROC nº 1410
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The 2022 Sustainability Report integrates reporting on progress in implementing the ten principles of the United Nations Global Compact

CONTACTS:

This report is the responsibility of the Sustainability and Social Responsibility Department of AdP SGPS and is available for consultation at www.adp.pt. To receive further information about the data published or should you wish to comment, please get in touch via sre@adp.pt or at the address Rua Visconde de Seabra, no. 3, 1700-421 Lisbon.

