

If there is magic on this planet,  
it is contained in water.  
[Loren Eiseley, anthropologist]\*

2022 SUSTAINABILITY REPORT

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## \*Loren Eiseley

**US anthropologist, ecologist, science writer and poet.**

PhD in Philosophy in 1937, he taught Anthropology and Sociology at the University of Kansas. A decade later, in 1947, he returned to Pennsylvania to take over the Department of Anthropology. His work primarily concerned environmental issues and he did not hesitate to become involved as a national parks advisor to the US Department of the Interior.

Eiseley is best known for the poetic essay style, called the "*concealed essay*", which he used to explain complex scientific ideas.

Loren Eiseley died in Philadelphia, Pennsylvania, on 9 July 1977.

With this report, Aqualia also wants to inform and bring our daily work closer in a simple, clear and transparent way. The management of the end-to-end water cycle is a very complex activity that requires specialised professionals with a great vocation for service.

# “Water sustainability lies at the essence of Aqualia”

FÉLIX PARRA | AQUALIA CEO



Concurrent global crises in 2022 have strained the world's commitment to the goals of the 2030 Agenda

Concurrent global crises in 2022 have strained the world's commitment to the goals of the 2030 Agenda. The macroeconomic climate, conditioned by rising inflation, the difficult geopolitical situation with the ongoing armed conflict in Ukraine, the energy crisis and the trade war between China and the United States all heighten protectionism and generate mistrust in a society that in recent months has become very familiar with the terms de-globalisation and polycrisis. A growing distrust of the use and abuse of the word *sustainability* as an attribute of every product they consume is also beginning to grow among the general public.

In spite of all this, concerns about the need to curb the rise in global temperatures have prompted the EU to push for a regulatory framework. This would entail legislation nudging companies towards positive impact, technological progress and decarbonisation of the economy, which will allow us to mitigate climate change and progress towards a fairer society.

Directly affected by the climate crisis is water and, by extension, water resources management, an increasingly urgent global challenge. Aqualia, as a company specialising in end-to-end water cycle management, is well aware of this

challenge. This year, the company consolidated its position in the international area, a milestone made possible thanks to the adaptability of its professionals and the generation of innovative solutions that the company implements wherever it operates.

Our interview with Aqualia CEO Félix Parra focused on this global context, one that calls for companies to make firm commitments to build public confidence. We also talked about the need to continue to commit to sustainability as the way to generate a model of prosperity and well-being that will help to build a fairer, more humane and sustainable planet.

## GOVERNANCE

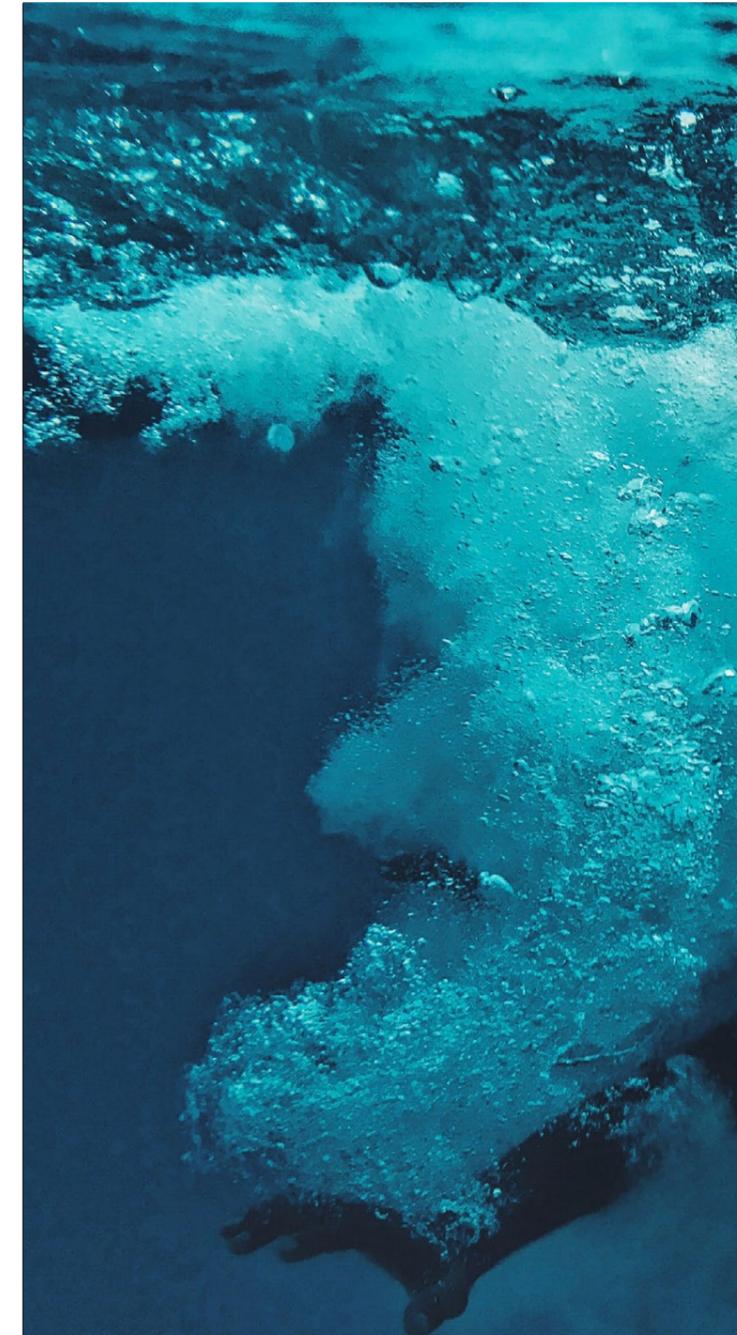
[#Leadership](#) [#EthicalPerspective](#) [#FairTransition](#)

Efficient end-to-end water cycle management is crucial to overcoming global challenges. However, in addition to the poor state of water networks, the lack of digitalisation in the sector and the need to invest in innovative technology to make water a circular resource, there are also the consequences of climate change. Transformational leadership-based governance support is essential.

### What are Aqualia's main governance needs for designing the end-to-end water cycle management of the future?

Water governance must focus on something very basic: its impact on people. A conscientious governance based on public-private partnerships is therefore essential. Take Spain, for instance. In this context, government approvals on Strategic Projects for Economic Recovery and Transformation (Proyectos Estratégicos para la Recuperación y Transformación Económica - PERTE) and the Third Cycle Hydrological Plans contemplate over 6,500 measures with an investment of €22,844 million. This approach has been very positive for our sector.

The water sector has been highly collaborative. Administrations and companies are involved, but also user and neighbourhood associations, universities, research centres and other public and private institutions. We all need to partner together, because we are all affected by the same water management challenges. The responsibility is therefore a shared one. Where



Aqualia is concerned, I believe we bring a lot of value through research, innovation and investment, which are the keys to a sustainable future. We have invested nearly €17 million in technology last year, launched six new R&D projects, and engaged in a dozen multi-country research projects.

The company has managed to consolidate its position in the international area this year. How has Aqualia managed to propagate its principles, values and way of doing things in the 18 countries where it operates?

Being able to extend leadership that is coherent with our values yet efficient and helpful for business is a major strategic challenge. Aqualia regards governance as a set of policies or procedures that, together with our values and principles, define the way we do things. This requires a long-term vision and, of course, the aim of generating social well-being.

Governance is paramount on the financial side and, in our case, it is based on solid growth, far from financial adventures: We have not taken unnecessary risks and are not looking for media headlines. I see our recent arrival in Colombia and Georgia, and the performance we are carrying out there, as a clear example of what I am saying.

In the social sphere, we aspire to integrate into the communities in which we operate, always with the utmost respect. We carry the values we believe in with honesty and transparency. We conduct our activities with a sense of deep responsibility, because it is clear to us that our role is essential.

**THE CLIMATE EMERGENCY AND ENVIRONMENTAL CARE**

#Anticipation #Adaptation #WaterStress #Desertification #Regeneration #Circularity #NatureBasedSolutions

Aqualia is firmly committed to achieving water circularity, which is directly related to the environmental dimension of sustainability. What challenges does the company face in this area?

The environmental dimension is directly related to the essence of our work: water care and preservation through public service. We can say that water sustainability is the essence of Aqualia and its future lies in the energy transition and digitalisation of the sector.

One of the challenges in this dimension is the increase in sustainability regulation. Aqualia believes in the positive side that companies that do not generate shared value in their environment are increasingly losing notoriety and social relevance. I am convinced that the arrival of this regulatory and taxonomy tsunami is the beginning of the end of greenwashing. In this way we will move together towards a balanced model for people and planet.

Moreover, we must above all be honest and take responsibility for the environmental crisis, which is rather obvious. We must come up with solutions to curb global warming. In this regard, in accordance with the 2021–2023 Strategic Sustainability Plan, Aqualia tackles the fight against climate change through four main lines of work, developed through specific action plans of international scope and with short-term objectives.

“Sector digitalisation holds the key: you cannot manage what you cannot measure”



The European strategy, which is Spain's by extension, is moving towards digitalisation, which will partly determine progress on environmental issues. What role does digitalisation play for Aqualia in terms of decarbonisation and water circularity?

Digitalisation plays a key role because you can't manage something that you can't measure. Surprisingly, in the midst of a knowledge-based society, we still do not have all the information necessary to know exactly how many losses occur in water distribution networks due to filtrations, breakages or leaks. However, we are working on a wide range of initiatives. Digitalisation means that we can make the invisible visible in real-time.

In addition, a digitalised network gives us all the information we need to optimally manage water resources through artificial intelligence criteria and probability of occurrence or frequency scales. It is a major breakthrough to be able to predict and estimate, for example, the real-time water and energy requirements of a population. In addition, we measure the volume of non-revenue water and, of course, we work on improving the infrastructure to increase its efficiency.

During 2022, Aqualia also saw a shift towards nature-based solutions. How do these solutions work in practice?

The concept of nature-based solutions, which emerged about five years ago, refers to integrated and flexible solutions that safeguard the economy and improve the ecology. They have a direct influence on the ecosystems where we operate and, in our sector, are closely related to the circularity of the end-to-end water cycle.

An estimated that 47% of the world's population will live in water-stressed areas by 2030. This type of solution would help us to strike a balance between consumption and availability. The circular economy is thus a lever for business, makes us more competitive and represents a breakthrough in terms of profitability and impact.

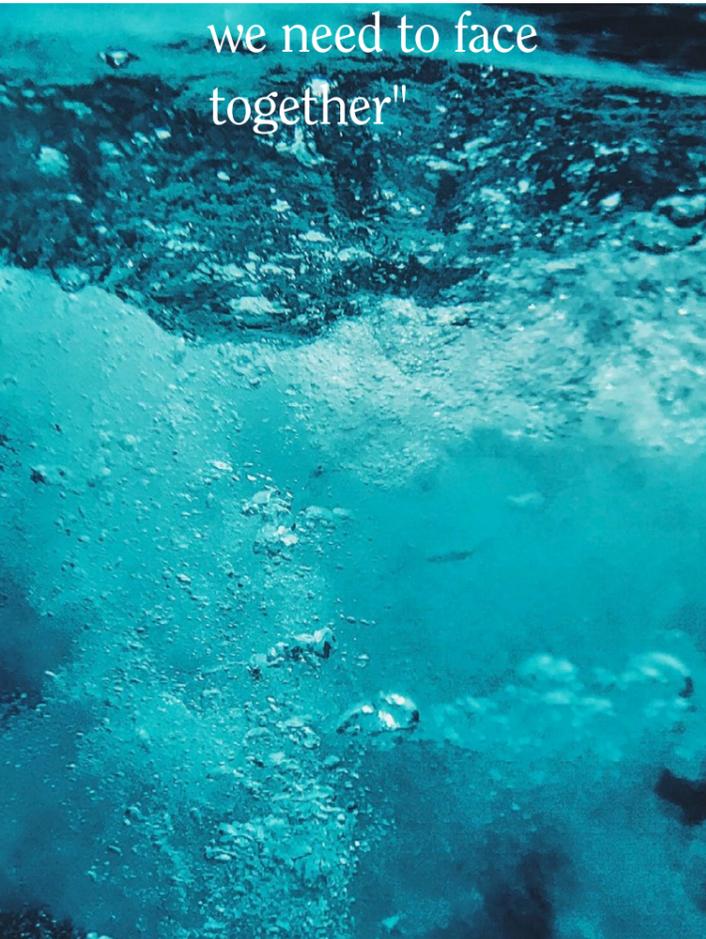
We have many success stories in this area. Guijuelo (in Salamanca) in 2022, is one example. Waste management in the meat industry was a major challenge. Aqualia's innovative solution meant that waste is now a resource rather than simply waste. The technology implemented in the municipality's

“We know our responsibilities in this regard, which is why we're fighting against climate change”



wastewater treatment plant will allow the achievement of more ambitious objectives than the current ones (wastewater treatment to return the treated water to the environment in optimal conditions), adding the integral valorisation of SANDACH by-products (Animal By-products Not Intended for Human Consumption) and the production of biofuel and bioplastics.

“Water is a global challenge that we need to face together”



However, we are working on more than 20 Research, Development and Innovation (R&D&I) projects related to the recovery and transformation of waste for water circularity and carbon neutrality. I would like to highlight MIDES H2020, a unique desalination system in the world with no energy costs. We can also mention projects such as LIFE Methamorphosis, which is in line with what is already happening in many European countries where waste is used to generate energy efficiently.

Precisely, the energy transition is today the other major key to the transformation of the water sector. What is Aqualia working on to tackle this issue?

Our work is aligned with the Industrial Green Deal, the European Union's plan to improve competitiveness by expanding manufacturing capacity in zero-emission technologies and products. In this respect, our commitment obliges us to focus our efforts on renewable energies. The long-term renewable power purchase agreement (PPA) signed by Aqualia is a pioneer in the water industry. The use of renewable energy has grown to 34.35% of total energy consumed, improving by 2.35% on 2021 values, which continues to bring us closer to the target set in the 2021–2023 Strategic Sustainability Plan, namely reaching 50% by 2030.

There was also much talk during 2022 about the need for action on biodiversity regeneration. What sort of measures are Aqualia taking to move in this direction?

The impact of biodiversity degradation is slowly but surely coming to the fore. This year's Kunming-Montreal Global Biodiversity Framework at COP15 was a crucial deal that aims to protect 30% of the planet and 30% of degraded ecosystems by 2030.

At Aqualia, caring for ecosystems and biodiversity has always been one of our objectives because it is directly related to our activity. For this reason, we are always working to integrate our facilities into their surroundings and to find solutions that help us to generate a positive impact.

We dedicate a specific line of action in our 2021–2023 Strategic Sustainability Plan. This is reflected in various projects, such as the one we are carrying out in the Medina del Campo lagoons in Valladolid. There, thanks to our actions, we have been able to regenerate a wetland, contributing to the recovery of bird and reptile species that had ceased to live there. Another example is our El Jizan plant in Saudi Arabia, where we have a specific reforestation plan.

## GOVERNANCE

#Equity #Inclusion #OneHealth #SocialImpact

The Global Risks Report highlights the erosion of social cohesion as one of the most worrying risks over the next five years. What is Aqualia's role in curbing this risk and promoting a fairer society?

We play an active engagement role in the area of social impact because, due to the very nature of our activity, we know better than anyone else how water quality influences people's health. Therefore, the UN's One Health approach, which states that caring for the planet is caring for people, seems to us to be an unequivocal truth.

Aqualia is a company made up of people who work for people, which is why, faced with the risks associated with the social sphere, the gap, the erosion of cohesion or the cost of living, we implement tariff mechanisms and social vouchers in collaboration with local councils.

We carry out extensive and intense educational work through a wide range of awareness-raising and sensitisation activities. We try to pass on knowledge about proper water use to future generations. For this we have digital educational channels such as [aqualiaeduca.com](http://aqualiaeduca.com). I consider it an achievement of Aqualia to adapt educational tools in all the countries where we work, wherever in the world. Proof of this is the great participation of Colombian infants in the Children's Drawing Contest, an initiative we have been celebrating for two decades.

In terms of talent, how does Aqualia manage a workforce of more than 10,000 professionals in 18 countries?

We want to live up to the demands placed on us as employers, offering challenges that motivate our staff. In order to achieve this, we set ourselves a number of objectives, one of which is to create a comfortable environment for everyone. In this regard, in 2022 we joined the LGBTI Business Network for Diversity and Inclusion Association (Asociación Red Empresarial por la Diversidad e Inclusión LGBTI - REDI), an ecosystem of companies and professionals in Spain that works to promote safe and respectful work environments for all people, regardless of their identity, gender expression or sexual orientation. Of course, we also have a framework of policies and procedures to ensure equity.

Moreover, since training is linked to our strategic objectives, we run courses that can inspire or promote knowledge among our professionals. Of the 1,860 trainings organised in 2022, I would like to highlight the *Cultural Transformation towards Sustainability* training programme, which had over 100 managers to facilitate the enrichment of Aqualia's strategic knowledge on sustainability. Training those who lead our teams on a day-to-day basis is essential. After all, without them and their talent, we would not be where we are today, nor would we be able to continue working on the design of the water cycle of the future.

## PROJECTING INTO THE FUTURE

The 2021–2023 Strategic Sustainability Plan is a roadmap towards 2030. What is Aqualia's vision for the future? How does the company see itself on the eve of that year?

It was precisely the design of our 2021–2023 Strategic Sustainability Plan that allowed us to carry out an important exercise of reflection on the company we are, the company we want to be in the future and the path we must follow to achieve it. As a result, we have laid the foundations to become a global renewable energy-driven company with a balanced impact on the environment. In a company able to measure and improve the water cycle through technology and digitalisation. Only in this way will we have a complete vision of water management, saving and optimising water resources.

In short, we want to be an organisation that not only provides a service, but one that is able to regenerate and promote the natural wealth of the communities in which it operates. This entails a cultural transformation towards sustainability that requires putting people at the centre. We look forward to a future in which we will continue to care for citizens in the way we do best: sustainable water management. That is, and always will be, the heart of our business.

# Aqualia at a glance

We find ourselves in an era of uncertainty in which some hitherto unimaginable events are happening at a dizzying pace. At this pivotal moment, a change is needed that makes it possible to rediscover the balance that we need as a society. In Aqualia, we are flexible enough to adapt to major challenges.

We have a roadmap and we are committed to the digital transition and sustainability.



# Macroeconomic outlook

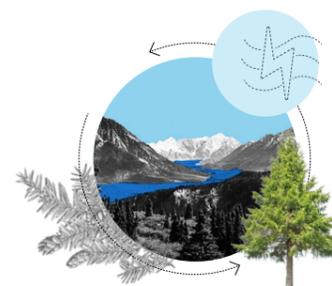
The international context is currently experiencing an economic recession with growth slowing from 6.2% in 2021 to 3.2% in 2022, with a forecast of 2.3% in 2023<sup>1</sup>. In addition, geopolitical and socio-economic conflicts are associated with uncertainties in market behaviour. However, in the face of such a complex situation, Aqualia has reached a significant economic milestone:

In 2022, for the first time since the company started its international activity, 50% of EBITDA will come from international activity.



● Abu Rawash WWTP in Cairo (Egypt).

## MAIN PURPOSES AND CHALLENGES WE ADDRESS WITH SOLUTIONS



### Environmental

- Adaptation to the climate emergency and water stress
- Protecting biodiversity
- Access to renewable energies



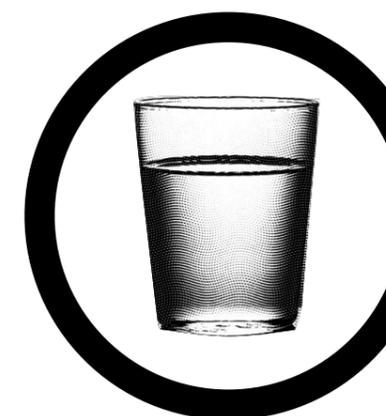
### Social

- Water accessibility for vulnerable individuals and families
- Social awareness regarding the care and quality of water



### Economic

- Optimising water cycle management, water quality and availability to ensure the development and quality of life of millions of people



#### DID YOU KNOW?

The United Nations reports that more than one in six people in the world are affected by water stress, i.e. they have no access to safe drinking water.

1. <https://www.bbvaesearch.com/publicaciones/situacionespanadiembre2022/>

# First-hand...

“In 2022, we achieved an important milestone: 50% of our EBITDA came from international activity”

Aqualia's action is closely associated with sustainable growth and its international expansion responds to the global need for clean water and sanitation and the tailor-made service offered by the company where it operates, to all its clients and users. In recent years, we have achieved a number of milestones in the international arena, making expansion one of the pillars of the company's growth.

**2022 has seen major growth in Europe, America and MENA, successfully responding to the specific nature and demands of each region. Has Aqualia consolidated its position as a multinational company?**

Without a doubt, and not only because 2022 marks the coming of age of Aqualia's international activity, which dates back to 2005, but because 18 years later, there is cause for celebration having achieved a significant milestone: 50% of our EBITDA comes from international activity.

This achievement has been accomplished thanks to the solid structure we have, with a

track record that legitimises our position in the water sector, a specialisation that means we are a technical point of reference and, of course, an achievement that would not have been possible without our people, from the International area, who now account for 47% of Aqualia's workforce and who boast a tremendous capacity of adaptation. We have been able to expand our local impact through international expansion thanks, undoubtedly, to our powerful dedication to service. And there's no letting up with our commitment, it stays with us at all times: we are committed to a just transition, leaving nobody behind.

**Aqualia's 2021-2023 Strategic Sustainability Plan (PESA) entails getting the entire company involved in contributing to the 2030 Agenda. How have you integrated this in the different regions?**

The major global challenges (the social gap, climate emergency, and technology) included in the 2030 Agenda and that aim to

contribute to the Sustainable Development Goals are the same for everybody. To this end, despite the fact that each region has its own specific nature, we have been able to relay and standardise the indicators included in our Strategic Sustainability Plan, which measure and quantify our performance in all the regions where we are present. Our international activity not only contributes to the company's EBITDA, but it also contributes to the constant improvement of our performance in the seven lines of our sustainability strategy.

Take the Climate Emergency for example, innovation in water technology and transferring innovations to the operation of our international contracts is a key factor. To this end, we have promoted innovation centres like those in Portugal, the Czech Republic, France, Egypt, and Colombia. The aim of these is to convert our treatment plants into resource recovery plants from the perspective of the circular economy. Although our activity is directly related to SDG 6 (Ensure availability and sustainable management of water and

## LUIS DE LOPE

MANAGING DIRECTOR FOR INTERNATIONAL

#LocalImpact #Internationalisation #Collaboration #GlobalChallenges



sanitation for all), consideration must be given to the fact that it is transversal, to the extent that caring for water contributes to health, social well-being, and economic development.

We also contribute to the social impact and partnerships through public-private partnership projects. Our commitment is reflected in the nature of the contracts that we have developed over the years as part of our international activity. New Cairo (Egypt), El Realito (Mexico), and El Salitre (Colombia) are three case studies developed by PPP for Cities, an organisation that forms part of the International PPP Centre of Excellence programme and is led by the IESE Business School. Furthermore, we have contributed through a variety of strategic communication actions (sectoral and technological summits, collaborations with local media, etc.) that foster much-needed partnerships in our sector.

**Looking back to 2022, what international actions would you make particular mention of?**

I would emphasise the tireless work of those involved in the implementation of the compliance system in France and Colombia and the agreements reached with partners, both in Saudi Arabia and the United Arab Emirates. It really is an achievement to be able to say that, at present, 100% of our international activity is governed by the principles of our system. When operating in such diverse countries, having a solid

framework for common action is so important.

**Our international activity not only contributes to the company's EBITDA, but it also contributes to the constant improvement of our performance in the seven lines of our sustainability strategy**

Another of the challenges posed by international expansion has been testing the flexibility of our team and its ability to collaborate. I would like to draw attention to this as it has been key in achieving another milestone: the construction of multidisciplinary work teams to manage the contracts in Saudi Arabia in which fourteen nationalities were involved as well as the agreement of three partners (one European and two Saudis).

**To conclude, looking at the company as a global player, what challenges do you see on the horizon for Aqualia?**

The context of polycrisis has led to the emergence of deglobalisation or new globalisation, which involves countries reducing foreign dependency and reorienting value chains; this has the potential to erode confidence in sustainability and is something we will have to manage in the near future.

We believe that there is no better solution for 21st century society than the transition towards a more sustainable economic model, which is key to our long-term survival. And we believe that we move towards this model hand in hand. To achieve this, we aim to be more ambitious when it comes to the digitalisation and integration of systems in our services. Aqualia Live is already in place, but we must continue working on it to offer a better and more efficient service for the management of the end-to-end water cycle each and every day. This is how we have gone about it in France.

# First-hand...

“Our objective is to turn the Digitalisation line of the strategic project for the economic recovery and transformation into a transformational project that encourages efficiency and good management”

Aqualia is staunchly committed to sustainability. It pursues efficiency and profitability in each of its services, while contributing to the fight against climate change, a reality that has led to one of the most often-heard concepts over the past year being “water stress”.

As Aqualia’s Managing Director for Spain, Santiago Lafuente has a holistic vision of the end-to-end water cycle business in the national territory and his extensive experience makes him an exceptional analyst on the most urgent main challenges facing the water sector. These undoubtedly include the development of digitalisation to foster applying a forward-looking approach as part of the decision-making process or the renewal of infrastructures to fine-tune a service that, despite being essential, tends to go unnoticed.

**How does Aqualia strike the necessary balance between remaining competitive and being sustainable in Spain?**

Our strategy in the Spanish market is structured around the operation of long-term contracts, in which,

thanks to our experience and specialisation, we generate value for both: administrations and users. We are committed to caring for this natural resource and to the continuous improvement of our services; we believe that this is one of the reasons that has seen us earn the trust of the communities that we operate in. This year, for example, we celebrated our 25th anniversary of providing services in Salamanca.

At Aqualia, we have not actively sought to strike a balance between sustainability and business, rather they are one and the same thing. Here, maintaining this resource is strategic. And we are very strict in terms of our performance as we believe that a company that is not committed to ESG (Environmental, Social, and Governance) principles does not have a bright future.

To this end, in 2021 we were the first operator that AENOR recognised for having aligned with SDG strategies and sustainability as an operating principle. And we have continued to contribute to our 2022 Strategic Sustainability Plan throughout 2022 as our goal is to enrich it in anticipation of its renewal next year. We also form

part of the StepbyWater Alliance, collaborating with multi-sector companies to reduce water consumption.

**The harsh consequences of climate change are an undeniable reality. At Aqualia, do you believe we are prepared for the effects that are yet to come in Spain?**

The impact of the climate emergency is a reality. In 2022 we have experienced unprecedented circumstances that we know we will see again in the future, such as the declaration of a drought alert in areas known as “humid Spain” and water conflicts in dry areas. To resolve these, we must address them together, with sustained planning, rather than if they were isolated incidents.

Our experience as a global operator is a strength when we compare ourselves with any other operator in Spain. We manage the resource in different parts of Europe, Latin America and MENA, with the different regulators, infrastructure conditions and climatic situations that this entails. This means that we are prepared to face the impact of climate change and we are always

**SANTIAGO LAFUENTE**

MANAGING DIRECTOR FOR SPAIN

#SustainableBusiness #Competitiveness

on the lookout for sustainable and innovative solutions, as we believe that the reduction in water resources is non-debatable. Neither is the waste of this resource, which can be reused for agriculture, for example.

**Thinking back to 2022, what milestones or projects come to mind at Aqualia Spain?**

We are doing a great job in relation to the circular economy. Aqualia’s business model incorporates the concept of circularity, by providing collection, treatment, storage, distribution, wastewater treatment, and purification services, including the re-use and return of water, once treated, into the natural cycle.

Also worth special mention is the work undertaken in relation to waste recovery, with milestones such as the Rewatergy project, which we have undertaken in cooperation with three universities and, as goes without saying, the start-up of the largest industrial plant in the petrochemical sector in Spain, which we have constructed in Tarragona on behalf of AITASA, which produces a large volume of gas. Likewise, the co-digestion work carried out in Guijuelo (Salamanca) and as part of the Louro Consortium (Pontevedra) stand out in my mind. This consists of mixing urban sludge with industrial sludge to enhance gas production. These plants produce biogas to power our vehicles, serving as an example of how we add value through innovation, with solutions that focus on decarbonisation.

When it comes to energy, and on account of the current context and rising costs, we have made progress with the use of renewable energy. We are currently installing photovoltaic panels at our Spanish facilities. I believe that it is a critical step in achieving energy neutrality. In 2022, we have commissioned 15 photovoltaic energy facilities and we are in the process of installing a further 17.

**We have the technology that is needed to apply digitalisation or artificial intelligence to the management of our infrastructures**

**What are the coming challenges that Aqualia faces in Spain in terms of designing the future of the end-to-end water cycle?**

Undoubtedly, the renewal of water infrastructures, as their degree of obsolescence is very high and this generates huge maintenance costs. We must look for long-term solutions that help us to overcome climate risks and geopolitical tensions. Faced with this challenge, private operators such as Aqualia have



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a lot to contribute; for example, through public-private partnership mechanisms, which could be used to finance these improvements, offering very long recovery periods on the investment to public administrations. This would have a very slight impact on the cost of services and in the long run, it would lower operating costs.

Another challenge is the digitalisation of the sector. Our objective is to turn the Digitalisation line of the strategic project for the economic recovery and transformation into a transformational project that once and for all puts an end to sterile debates and places the spotlight on efficiency and good management. We can now say that what affects the digitalisation of the hydrographic confederations is under way and that, as part of a sectoral conference, €200 million have been released to the Autonomous Communities of Spain to make improvements in supply and wastewater treatment. At Aqualia, we have the technology that is needed to apply digitalisation or artificial intelligence to the management of our infrastructures, enhancing the visibility and efficiency of our entire underground operation, which must first be modernised.

# The water industry in 2022

The rapid urbanisation process in emerging countries, combined with the need to improve the living conditions of the population and to optimise a scarce resource in a process of climate change, has led governments, communities and industrial corporations to look for specialised operators to help them provide effective solutions to the problems of supply, sanitation and wastewater treatment.

Tackling the water challenge is undoubtedly the great challenge facing Aqualia. Data from both the European Commission and the European Drought Observatory show that 2022 has been a year of extremes. The need to move towards a new, more conscientious and sustainable paradigm requires, above all, innovation.

## Europe

In **France**, the company began 2023 serving 73 municipalities with a population of 500,000 inhabitants, an increase of 200% compared to 2019.



● SEFO facilities in Andresy, France.

In the **Czech Republic**, Aqualia was awarded contracts in Krmelín, Albrechtice and Rychvald. It has also continued investing in network upgrades and the digital transformation of the service.

In **Italy**, the concession managed by Acque di Caltanissetta secured €14 million from European funds for to install new remote meter-reading systems.

In **Portugal**, a consortium led by Aqualia and FCC Construcción was awarded the contract for the facility of a green hydrogen production plant, including the water supply and treatment facilities in Setúbal.

In **Romania**, the resources available on site were reorganised and increased in order to accelerate the pace of implementation of the Glina wastewater treatment plant expansion project, with a view to commissioning in 2023.

In **Montenegro**, differences with the customer of the Berane project were resolved amicably and favourably, while disputes continue over the Pljevlja plant.

In the **United Kingdom**, the consortium involving Aqualia was selected by United Utilities for the restricted tender for the renovation and maintenance of the Haweswater aqueduct.

## MENA

In **Algeria**, the Mostaganem and Cap Djinet desalination plants have been maintained, providing a critical service to the metropolitan areas of Oran and Algiers.

In **Egypt**, the water infrastructure O&M phase of the Abu Rawash wastewater treatment plant has begun. A five-year extension of the O&M agreement for the El Alamein desalination plant was also signed.



● Interior of the Mostaganem seawater desalination facility, Algeria.

In **Saudi Arabia**, Aqualia completed the infrastructure works for the new Formula 1 circuit in Jeddah and for lines 5, 6 and 7 of the Riyadh metro. It also secured two contracts for the first phase of the water privatisation programme.

In the **United Arab Emirates**, an O&M agreement was signed with Al Ain Distribution Company (AADC) for the O&M of irrigation water distribution infrastructure in agricultural production facilities in recreational areas for three years.



● Seawater desalination plant in Guaymas, Mexico.

In **Oman**, all the infrastructures for seawater desalination, drinking and process water supply and distribution, industrial cooling water distribution, wastewater collection and treatment, and re-used water distribution for irrigation are already fully operational.

In **Qatar**, work has begun on the operation phase of the Al Dhakhira wastewater treatment plant, built by Hyundai with a capacity of 55,000 m<sup>3</sup>/d, which will be operated by Aqualia MACE for 10 years.

In **Georgia**, the acquisition of Georgian Global Utilities (GGU), which provides end-to-end water cycle services in the capital and two other nearby towns, was completed. Aqualia and GCAP (Georgia Capital), the former owner of GGU, struck a deal to acquire GGU's water assets<sup>2</sup> and four hydroelectric plants.

## LATAM

In **Mexico**, Aqualia manages the distribution and purification of water in the Querétaro and San Luis de Potosí contracts, the Guaymas seawater desalination plant, wastewater treatment at the Cuernavacas PETAR, and the improvement of the integrated management (MIG) of Los Cabos, all through BOT (Infrastructure Concession) agreements.

In **Colombia**, the company incorporated the services of Flandes, Ruitoque, Aguas de la Sabana, Aguas de la Península, Aguas de Albania, Aguas de Aracataca, Aquamag Fundación, Aquamag Retén and Aguas del Sur del Atlántico. It has also continued integrating and improving the management of the services acquired in 2020 in the department of Córdoba.

2. The Zhinvali dam and reservoir, with a capacity of 520 hm<sup>3</sup>, seven water treatment plants, a large wastewater treatment plant, 58 pumping stations, 118 reservoirs, 4,300 km of distribution networks and 1,700 km of sewers.

# Spain

## Throughout 2022, the upturn in economic activity was cut short by the effects of the invasion of Ukraine.

With regard to the **changes of electricity costs**, Aqualia has maintained a policy of diversification of its suppliers through PPA contracts and the closure of tariffs in the fixed and future markets. Consequently, it is only 32.4% dependent on the OMIE free market. In addition, the Iberian gas supplement mechanism for generation came into force, resulting in an average rate of 82.7 €/MWh surcharge in the contracts that did not have an agreed price before the measure came into force. This has resulted in an electricity cost overrun of 66% compared to the previous year and, consequently, a 10% increase in water costs and a 20% increase in the cost of the reagents needed for treatment.

With regard to **the tariff billing of residential and industrial customers**, pre-pandemic consumption in Spain can be considered to have recovered during 2022. In comparison, the volume invoiced on a like-for-like basis<sup>3</sup> grew for the first time by 0.64% in 2022 versus 2019 (3.78% versus 2021) and the monetary

amount increased by 3.01% (5.93% versus 2021).

In March, the **PERTE for the Digitalisation of the water cycle** was approved, with a budget of €3.06 billion, of which €1.92 billion are earmarked for the urban water cycle. Aqualia will submit several projects to the calls for proposals, in the hope that they will serve as an accelerator for the digitalisation that is already underway.

The **search for efficiency in operational management**, highlighting the efforts made in 2022 to reduce costs, has led to improved efficiency ratios.

In the **institutional and legislative field**, the meetings of the Urban Water Cycle Round Table have been maintained as the embryo of the future Urban Water Observatory of Spain. The Government has approved the transposition of the new Water Quality Directive for human consumption in January 2023. It also plans to amend the revised text of the Water Act and the Public Domain Water Regulations.

The approval of the Climate Change and Energy Transition Law in May 2021 has been one of the main legislative frameworks Aqualia has worked on.

### Outstanding projects in Spain

In the industrial water sector, the WWTP for AITASA at the Tarragona Chemical Park has been completed and its operation has begun. Aqualia has also been awarded contracts for ENCE (Pontevedra), JEALSA (La Coruña) and Puratos (Gerona) and there are 40 projects in the commercial development phase.

It has also given a strong boost to the field of re-use, with the

award of a plant at the El Ejido WWTP (Almeria) and desalination, where the IDAM Mar de Alborán (Almeria) is in the start-up phase and where it has been awarded projects in La Gomera and Tenerife. The Galindo (Bilbao) and Puerto de Santa María (Cádiz) WWTPs are in the process of being refurbished.

In the municipal concessions market, Aqualia was awarded nearly 90 tenders or extended contracts. Finally, a few of the more prominent O&M contracts include the operations of the Oviedo WWTP (Asturias) and the Rioja Alta and Tarazona systems (Aragon).



● Aerial view of AITASA, Tarragona, Spain.

3. Like-for-like basis: only contracts that have not changed in the period 2019–2022.

# Business model and strategic outlook

With its activities focused on specific geographical areas, Aqualia always engages under the premise of achieving sustainable and sustained growth. To achieve this, its criteria are the achievement of reasonable profitability and the integration of all its capabilities across the entire value chain.

Throughout its more than 30 years of experience, the company has demonstrated its strong commitment to environmental sustainability and its contribution to the Sustainable Development Goals, which is reflected in its 2021-2023 Strategic Sustainability Plan and in the pillars that underpin its business:

**Sustainability:** Aqualia has set objectives in its activity related to the achievement of the goals established by the 2030 Agenda; specifically, with the use of water as a scarce resource, as well as the fight against environmental pollution and climate change.

**Digitalisation and technology:** the company's digital transformation and the application of technological solutions in its processes are key to Aqualia's present and future. The development of these areas will optimise the management of the end-to-end water cycle and, as a consequence, reduce or avoid losses in the water distribution networks supplied, as well as improve all processes related to the company's internal organisation and customer service.

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

## Global providers of essential services to citizens

The business models that Aqualia deploys in the different geographical areas are as follows:

- **GCIA:** municipal concessions for the management of the public end-to-end water cycle service. The company currently operates municipal water concessions in Spain, Portugal, Italy, France and Colombia, as well as owned assets in Spain, Czech Republic, Georgia and Colombia.
- **BOT:** infrastructure concessions in which Aqualia designs, builds, finances and operates infrastructures, treatment plants (drinking water treatment, purification and desalination) or re-use facilities in the long-term by means



- **O&M - Operation, maintenance and running services for water infrastructures:** this service provides a continuous supply of quality water, which requires the dedication, technology,

of BOT-type agreements and *take or pay* mechanisms, in which the recovery of the investment associated with the infrastructure is guaranteed without assuming demand risk. Aqualia concentrates its activity in this business model in Spain, LATAM (Mexico, Peru, Chile) and MENA (Saudi Arabia, Algeria, Egypt and UAE).

- **EPC - Engineering, Procurement & Construction:** refers to models in which Aqualia carries out design and construction projects, without operating them. The company has EPC agreements in Europe (Romania), LATAM (Colombia) and MENA.

# Global presence

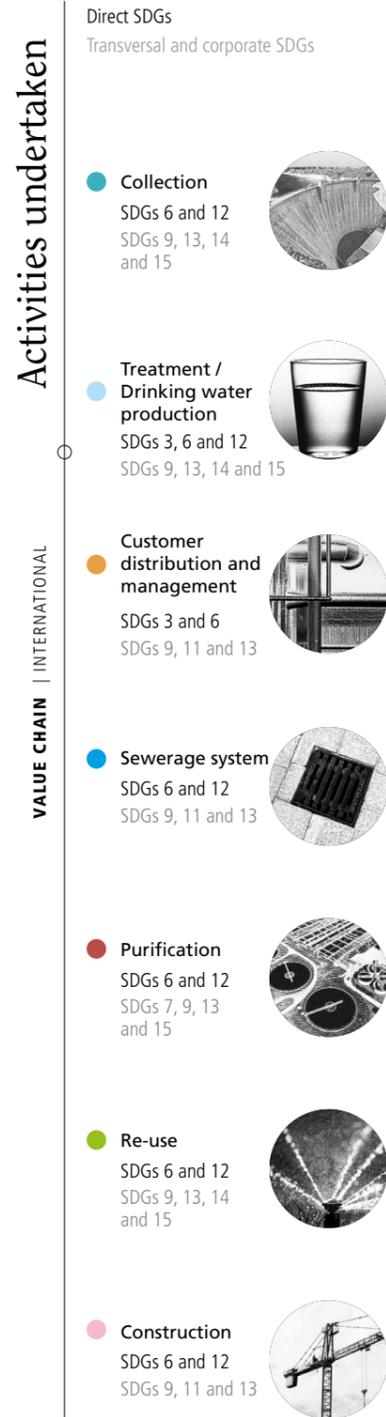
OUR INTERNATIONAL ACTIVITY AS END-TO-END WATER CYCLE OPERATORS

We are Europe's fourth largest water management company and the world's ninth largest in terms of population served according to the latest Global Water Intelligence ranking (December 2022).

At Aqualia, we provide service to 43.7 million users<sup>4</sup> and we are present in 18 countries in Europe, America, the Middle East and North Africa. Our value chain, which includes the various phases of the water cycle —collection, treatment or drinking water production, distribution and customer management, sewerage, purification, re-use and construction services—, form part of the business model that the company deploys in each of these regions.

Aware that proper management of the end-to-end water cycle conditions many of the global purposes that we face as a society, we have aligned our strategy with the 2030 Agenda. Thus, in 2021 we became the first company in the sector to obtain AENOR's Sustainable Strategy certification, carried out by goals. Following our roadmap, Aqualia's 2021-2023 Strategic Sustainability Plan, we have operated during 2022 with the objectives of generating value and well-being, promoting social cohesion and continuing to collaborate to transform cities into smart and sustainable spaces.

<sup>4</sup> Sales office  
<sup>4</sup> Data from October 2022.  
<sup>5</sup> Distribution in Mexico does not involve customer management.



MAIN SDGS WITH AN IMPACT ON THE DIFFERENT ACTIVITIES IN OUR VALUE CHAIN



# MAIN MILESTONES 2022 ESG

## ENVIRONMENTAL

### ZEPPELIN AND ECLOSION

We are leading two innovation projects for the development of new technologies for obtaining **green hydrogen**, with the aim of improving the environmental sustainability of industry in Spain.

### ASSETS IN GEORGIA

We incorporated the Georgia assets, which have been a breakthrough in the production and use of **renewable energy**: we produced 660,345 GJ, thus contributing 3,428% more than in 2021.

### REDUZGO SEAL

The Spanish Climate Change Office (SCCO) has recognised our **Carbon Footprint Register**. In addition, MITERD has awarded us the "Reduzco" seal as a result of the data provided over the last four years.

### H2020 SABANA

We inaugurated the Agramón WWTP (Hellín, Albacete), a treatment plant that hosts the European project H2020 Sabana, focused on the **circular economy** and generating high added value bioproducts.

### GREEN CORPORATE CREDIT

We obtained a syndicated green corporate loan of **€1.1 billion** in which ten banking entities have participated, led by CaixaBank.

### SMART CITIES NETWORK

We participated in the Smart Cities Network conference in Rota (Cádiz) through our IT director taking part in a **round table**.

### TECHNICAL PRESENTATION ON INNOVATION

Victor Monsalvo, head of the Eco-efficiency area at Aqualia and co-chairman of the IDA R&D Committee, received an award for his technical presentation on Innovation (**Technical Paper R&D**) at the Conference of the International Desalination Association (IDA).

### AQUALIA LIVE

Thanks to the Aqualia Live platform, we have contributed **greater efficiency** through mobility projects and field work orders, enabling 1,200 staff members to improve their working day.

## SOCIAL

### SUBSIDISED WATER RATES

A total of **3,173,780 people** have had access to our subsidised water rates.

### NEW INCORPORATION

In 2022, the **integration of people with intellectual disabilities** in Aqualia's laboratories began, carrying out tasks as laboratory assistants.

### ENGAGED WITH CON ELLAS

We are launching "*Con Ellas*", for a **more sustainable future**, an initiative with which we join the **United Nations message** on International Women's Day in Spain and Colombia.

### AQUALIAWOMEN

We activated a female talent network, AqualiaWomen, to promote networking, engage in coaching processes and access to training with the aim of **fostering talent** inside the company.

### 6<sup>th</sup> AQUALIA JOURNALISM AWARD

We have delivered the 6<sup>th</sup> Aqualia Journalism Award, which aims to **bring Aqualia's activity closer** to society. The winners were Raquel Montenegro, a Spanish journalist, and as first runner-up, Vanesa de la Cruz, a Colombian journalist.

### 1<sup>st</sup> SUSTAINABLE BEHAVIOUR BAROMETER

To celebrate World Environment Day, we publish the first results of the I Barometer of Sustainable Behaviours, in which **11,268 people** have participated.

### SMVAK TAP INSPECTORS

The tap inspectors from SmVak, our subsidiary in the Czech Republic, went out again after the pause caused by the pandemic to check whether restaurant establishments **serve or do not serve tap water** to their customers.

### ENGAGING SMILES

We launched "*Motivos para Activar Sonrisas*" to celebrate International Mental Health Day, a campaign motivated by our concern for the **emotional health** of our staff.

### ENGAGED WITH SPORT

We engage in more than 100 local collaborations to foster sport as part of our commitment to **promoting people's health**.

### OCCUPATIONAL HEALTH AND WELL-BEING

**More than 180 people**, including employees and their families, took part in the **1<sup>st</sup> Training Day on Occupational Health and Well-being in the Americas**.

## GOVERNANCE

### COMPLIANCE

We implemented our compliance system in France and Colombia and have reached agreements with partners in Saudi Arabia and the United Arab Emirates for the implementation of **compliance models** in the companies we share. At present, 100% of our international activity is governed by the principles of our system.

### INTERNATIONAL SCHOOL OF PUBLIC SERVICES

We signed an agreement with the International School of Public Services (EISP) to promote the **training of public service managers**.

### PRESENT ON INSTAGRAM

We launched an Instagram channel to get closer to our stakeholders.

### WATER BUSINESS FORUM

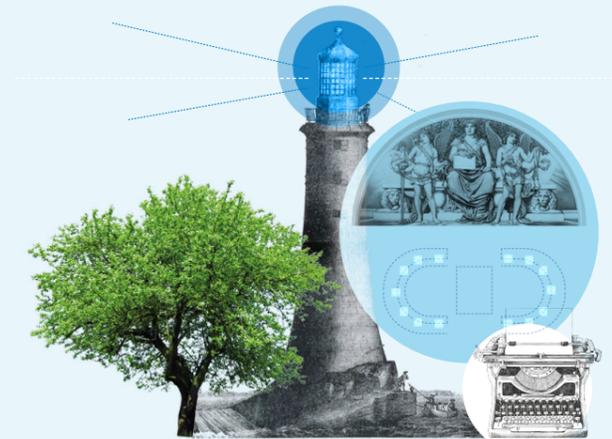
We worked with ICEX and the commercial office of the Spanish Embassy in the UAE to be present at the Water Business Forum conference, held at the Dubai Expo to celebrate **World Water Day**.

### GLOBAL WATER AWARDS 2022

At the Global Water Awards 2022, we were recognised with the Distinction Award in the category of **Best Water Company of the Year**. In addition, we were selected among the four finalists in the Net Zero Carbon Champion category.

### CULTURAL TRANSFORMATION

We launched the *training Cultural transformation towards sustainability at Aqualia* with an in-person session for company managers. In all, **more than**



**100 professionals participated**, and an online module is also available for the entire staff.

### PARTNERSHIP WITH THE UNIVERSITY OF ALMERÍA

For the second consecutive year, we inaugurated our chair together with the University of Almería to study **desalination and the regeneration of wastewater** in a sustainable manner.

### LOCAL COMPLIANCE OFFICERS

We appointed local Compliance Officers in all countries where we operate for a better transfer and control of the **values, principles and processes** that the company follows.

### COMPLIANCE TIP

We launched the *Compliance Tip*, dedicated to how **differentiate harassment from an interpersonal conflict**, which includes a reference to the Protocol for the prevention and eradication of harassment in the FCC Group. The information was sent in different languages.

### CLIMATE SMART UTILITY

Recognised by the International Water Association as one of the leading companies in **sustainable water management** (Climate Smart Utility) during the IWA World Water Congress and Exhibition held in Copenhagen (Denmark).

### CUSTOMER MANAGEMENT

We participated in the first International Conference on Customer Management, which has meant a direct interpersonal connection to share presentations on **billing, fraud and customer service**.

### LEADERSHIP

We carried out training in the field of leadership, promoted by the Department of People and Culture to strengthen a series of skills for **managing, directing and leading teams**.

# Value creation

WE CREATE VALUE FOR SOCIETY | MAIN FIGURES 2022

Financial capital	2022	2021	chg.
EBITDA (million of euros)	350.2	298.9	17%
Industrial capital managed	2022	2021	chg.
Kilometres of supply network	51,295	45,399	13%
Kilometres of sewage network	39,310	35,753	10%
DWTP No.	259	239	8%
No drinking water tanks	3,092	2,867	8%
SWDP No.	28	28	0%
Treatment plants	867	866	0%
Drinking water pumping stations	1,507	1,194	26%
Natural capital	2022	2021	chg.
Drinking water collected for management (m <sup>3</sup> )	1,590,377,560	988,938,615	61%
Consumed energy (GJ)	5,450,660	4,263,768	28%
Human capital	2022	2021	chg.
Employees	12,673	9,818	29%
Employees - women	2,461	1,982	24%
Employees with indefinite contract	10,643	8,174	30%
Technological capital	2022	2021	chg.
Total investment in technology (€)	16,840,368	5,328,700	216%
Capital stock/relational capital	2022	2021	chg.
Investment in social actions in communities (social action investment and awareness raising) (€)	4,229,580	2,670,687	58%

Aspect	2022	2021
Net turnover (M€)	1,323.16	1,169.45
Other operating income (M€)	63.42	47.56
Financial income (M€)	39.45	36.93
<b>Direct economic value generated VEG (total consolidated for the group) (M€)</b>	<b>1,426.02</b>	<b>1,253.94</b>
<b>Operating costs (M€)</b>	<b>716.60</b>	<b>619.53</b>
Procurements (M€)	536.55	446.88
Other operating expenses (M€)	180.04	172.80
Changes in inventory of finished products and those being manufactured (M€)	-	(0.15)
<b>Employee wages and benefits (M€)</b>	<b>345.10</b>	<b>316.01</b>
Staff expenses (M€)	345.10	316.01
<b>Capital suppliers (M€)</b>	<b>84.87</b>	<b>107.55</b>
Dividends (M€)	30.45	60.00
Financial expenses (M€)	59.22	49.21
Exchange differences (M€)	(4.80)	(1.66)
<b>Payments to governments (M€)</b>	<b>57.18</b>	<b>42.59</b>
Corporate income tax (M€)	44.52	34.10
Other tax payments (except VAT) (M€)	12.61	8.38
Fines and penalties (M€)	0.05	0.10
<b>Investments in the community (M€)</b>	<b>1.24</b>	<b>0.88</b>
Donations and other investments in the community (M€)	1.24	0.88
<b>ECONOMIC VALUE DISTRIBUTED (M€)</b>	<b>1,204.99</b>	<b>1,086.56</b>
<b>ECONOMIC VALUE RETAINED (M€)</b>	<b>221.04</b>	<b>167.38</b>

Implementation of good governance as a result of the compliance model	2022	2021	chg.
In companies owned by Aqualia (%)	88	100	-12*
In investee companies at the international level (%)	64	96	-33**

\*Global data for all 100% Aqualia companies. The percentage has decreased due to the acquisition in the last four months of 2022 of some companies in Colombia and the incorporation of a company in France which, at the end of the year, had no activity.

\*\*Percentage has decreased due to the acquisition of new companies in Colombia, and the creation of two new companies in KSA.

# Our figures speak for themselves

## MAIN INDICATORS | 2022

Customers, users and companies



Inhabitants served  
**43.7 M**  
29.6 million in 2021 (48% chg)



Drinking water produced  
**1,287,185,226 m<sup>3</sup>**  
708,279,045 m<sup>3</sup> in 2021 (82% chg)

Drinking water quality controls  
**1,167,738**  
1,021,192 in 2021 (14% chg)



End customer and institutional customer satisfaction study  
**5,763** telephone surveys made to end customers and  
**19** interviews with an institutional customer in Spain, France, Portugal and Georgia

Global satisfaction index 2022	
Spain	Georgia
80.5%	63% (Rustavi Water Company)
France	
88.9%	73% (Georgian Water Company)
Portugal	
93.6%	

Community access to water



Beneficiary Caritas Centres  
**139**  
139 in 2021 (0% chg)

Beneficiaries  
**25,500**  
22,066 in 2021 (16% chg)

Investment made in these centres  
**62,103 €**  
€56,315 in 2021 (10% chg)

Sector associations



Dialogue with sector associations  
**59**  
50 in 2021 (18% chg)

Environment



Purified water returned to its natural environment  
**835,276,327 m<sup>3</sup>**  
695,277,335 m<sup>3</sup> in 2021 (20% chg)



Ratio of renewable energy over turnover (GJ/thousand €)  
**1.92**  
0.75 in 2021 (158% chg)

Employees



Investment in training  
**951,092 €**  
€800,029 in 2021 (19% chg)



Salary and benefits  
**345 M€**  
316 M€ in 2021 (9% chg)

Subsidies\*



Total subsidies\*\*  
**31.49 M€**  
26.40 M€ in 2021 (19% chg)

For operating R&D&i projects  
**3.03 M€**  
3.13 M€ in 2021 (-4% chg)

Subsidies for investments and operation and other types of relevant subsidies\*\*\*  
**28.49 M€**  
23.27 M€ in 2021 (22% chg)

\*99.88% in Spain.  
\*\*Accrual criteria.  
\*\*\*Includes training subsidies (subsidised training courses; by nature, this item corresponds to staff expenses) plus capital subsidies for non-R&D projects and operating subsidies for non-R&D projects

Investments

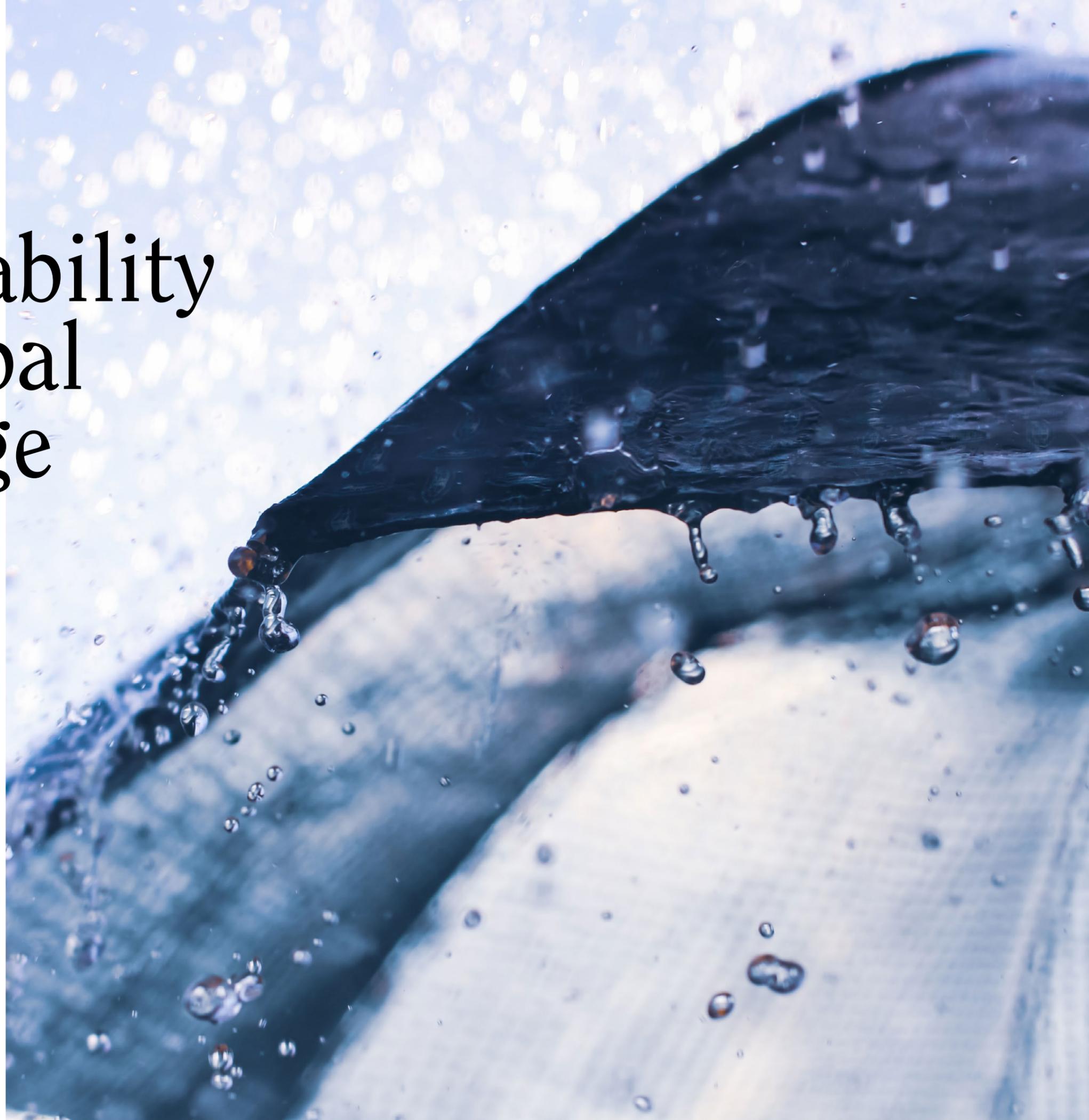


Total investment in technology  
**16.84 M€**  
5.32 M€ in 2021 (216% chg)

# Sustainability as a global challenge

Our society as a whole, without exception, is clearly facing a multitude of challenges. And these challenges call on us to develop a more sustainable economy, production system and lifestyle.

At this pivotal moment, a change is needed that makes it possible to rediscover the balance that we need as a society. In Aqualia, we are flexible enough to adapt to major challenges. We have a roadmap and we are committed to the digital transition and sustainability.



# First-hand...

“We are an international company, but we have deep local roots, which is reflected in our communications”

At the Communication and Corporate Sustainability department, Juan Pablo Merino is tasked with highlighting the essential work of Aqualia, both internally and externally, as an agent specialising in the sustainable management of the end-to-end water cycle. This task involves raising awareness amongst the company's stakeholders, getting them involved in caring for and preserving this critical natural resource.

Transparency and permanently listening to stakeholders are key to sustaining Aqualia's social legitimacy thanks to the commitment of its entire workforce.

#### How does Aqualia handle communication with its stakeholders?

We manage it with professionalism and rigour. We are aware that actively listening to all our stakeholders, which we include as part of our sustainable management model, is the key to constructing a successful strategy. We have also oriented this listening process outwards. Over the past five years, we have

interviewed and surveyed more than 25,000 people in all the countries we have a presence in. This year, we have also rolled out surveys as part of a new customer satisfaction study. Internally, we work in step with the People and Culture department, supporting all actions that generate cohesion and pride of belonging.

The challenge we face is relaying to all our stakeholders that we are a specialist international operator that, by pursuing efficient responses to the supply, management, treatment and purification needs of each community, offers technical solutions and provides quality services throughout all phases of the end-to-end water cycle, preserving water resources and the environment, restoring social cohesion and caring for people's lives.

Furthermore, we communicate honestly, transparently, closely and, as goes without saying, through verified information. Our messages have an educational bias, both in our corporate channels and on social media as well as in the local media, to enhance the appreciation we have for water management, which often goes unnoticed. I would like

to touch on the relationship with local journalists, who allow us to relay significant information. We are an international company, but we have deep local roots, which is reflected in our communications.

#### Which actions has your department undertaken to contribute to the 2030 Agenda and, therefore, to the 2021-2023 Strategic Sustainability Plan?

Communication is the driving force behind our activities, our efforts and achievements to make the end-to-end water cycle more efficient. We directly contribute to the Strategic Sustainability Plan, adding value and increasing the scope of each of the activities undertaken by the different areas. Thus, for example, we enhance the company's activity when communicating projects undertaken in the field of waste recovery (Technology) or when we emphasise the actions undertaken to maintain the natural wealth of the environment (Climate Emergency).

We also contribute to the Strategic Sustainability Plan in the form of actions aimed at enhancing activity itself and raising awareness among local residents. We raise

#### JUAN PABLO MERINO

DIRECTOR OF COMMUNICATION AND CORPORATE SUSTAINABILITY

#SocialLegitimacy #CulturalTransformation #Partnerships #Glocal #LocalConnection



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awareness of SDG 6, we roll out savings campaigns and visits to treatment plants, we share advice on responsible consumption and we have launched our Sosteníblómetro, a test that tells participants how they can be more sustainable. We participate in global campaigns like Earth Day or Earth Hour, which demonstrate the global nature of these challenges. We are sustainable natives: we have always cared for water and that is now an advantage when it comes to communication. What for us has always been our way of working has now become fashionable.

#### Thinking back to 2022, which actions or projects would you make particular mention of?

We feel responsible for sharing our knowledge, training and raising awareness amongst society about using and caring for water. To this end, our educational actions have been particularly important: the Digital Drawing Contest, which we have organised for the past 20 years and in which 250,000 students have participated. We believe that it is crucial that today's children are aware about the work that goes into being able to turn on a tap and have quality water.

Another milestone is the Cultural Transformation training project towards sustainability; these face-to-face sessions saw more than 100 employees participate to dive deeper into the 2021-2023 Strategic Sustainability Plan. The process has been very enriching: we have relayed our sustainability strategy and gathered knowledge

from participants. The profile of those receiving the training, most of whom serve in key management positions in the different regions, has helped to include their assessments, proposals and comments in the preparation of the next plan that looks beyond 2023. This is all part of sustainability: getting teams involved in the strategy.

**We are sustainable natives: we have always cared for water and that is now an advantage when it comes to communication. What for us has always been our way of working has now become fashionable**

#### With these achievements in mind, what are the next challenges facing the department?

We are aware that communication and sustainability are closely related to one another. And although we have come a long way in terms of rigour in sustainability, we cannot let up implementing improvements that have come to be known as the

regulatory tsunami. We have to pay close attention to anticipate the requirements of the new directive (double materiality, new standards, taxonomy, etc.). I believe, thanks to 2021-2023 Strategic Sustainability Plan and the creation of a non-financial information data system, we have built a knowledge base in relation to sustainability that will make us more agile and prepare us for 2024. This will also inevitably affect the sustainability report; it is not just an informative tool, it is also an exercise in transparency to relay how we integrate sustainability into the business model.

Online communication is another challenge. The department's work to generate content of real value is crucial in generating engagement. Without a doubt, this is a field in which we must increase our presence in 2023. I believe that the content that we generate, natural and close to people, helps us to demonstrate that we respond to the requirements of a diverse community that is increasingly involved in social and environmental causes.

And, as goes without saying, it enhances the visibility and value our activities: efficiency in water care and its sustainable management. I have always considered this as a priority, although it is true that it is a factor that is becoming progressively more urgent.

# Anticipation as the key for spotting opportunities

THE WATER MARKET IN THE CLIMATE EMERGENCY

Organisations today operate in a context marked by volatility, uncertainty, complexity and ambiguity, otherwise referred to as VUCA.



And in this complex context, the path to sustainability involves identifying the main risks that affect the entire international community. Aqualia, as a company with a presence in 18 countries, must face and manage these risks from an international vision and perspective, but linked to local communities at the same time.

The challenge is immense: be able to transform risks into business opportunities, anticipate them and minimise their impacts. International presence brings with it global and interconnected risks, yet Aqualia's local approach and role is critical in addressing them.

## Main challenges

MAIN CHALLENGES | ENVIRONMENTAL

Scope/risk	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Pollution and climate change ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Exposure to risks from global warming above 1.5°C: rising average sea levels, increasingly aggressive natural disasters, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Aqualia's 2020-2022 HC Reduction Plan.</li> <li>Integrated environmental management systems: ISO 14001, 14064 or 50001.</li> <li>Evaluation and monitoring through 2021-2023 SSP (Strategic Sustainability Plan) projects, initiatives and indicators.</li> <li>Commitment to green hydrogen to drive a decarbonised and sustainable economy.</li> </ul>	<ul style="list-style-type: none"> <li>50% of the company's total energy to be renewable by 2030.</li> <li>Calculation of the carbon footprint in 100% of the countries in which Aqualia operates.</li> <li>100% low-emissions fleet by 2030.</li> <li>Energy recovery at desalination plants and biogas production.</li> </ul>
Water scarcity as a result of climate change ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Desertification and water stress. UNESCO estimates that by 2030, almost half of the world's population will live in water-stressed areas.</li> </ul>	<ul style="list-style-type: none"> <li>Aqualia continuously invests in improving the distribution network in order to minimise losses throughout the end-to-end water cycle. It also implements measures and raises awareness among citizens to promote responsible water consumption.</li> <li>Environmental management systems for the efficient management of scarce resources.</li> <li>Circular economy techniques that promote the re-use of wastewater and make better use of water.</li> </ul>	<ul style="list-style-type: none"> <li>Development of proprietary monitoring and metering programmes integrated into the modular integrated management platform, Aqualia Live, with the aim of achieving a volume of non-revenue water (NRW) of less than or equal to 27% of the total injected into the distribution network by 2023.</li> <li>Promotion of water optimisation and re-use practices.</li> </ul>
Spill management and caring for the planet ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Impact of landfills and hazardous waste on biodiversity, which may have consequences comparable in practice to climate change. Approximately 25% of species are estimated to be threatened and one million species are in danger of extinction. Biodiversity loss could pose a reputational, regulatory and financial risk.</li> </ul>	<ul style="list-style-type: none"> <li>Periodic spill reviews, procedures and controls.</li> <li>Projects for innovation and development of biofactories at WWTPs that transform the waste generated by society, together with the sludge from the plant into energy, biofuels, bioplastics, biofertilisers, etc.</li> <li>Agreements with the value chain to re-use products.</li> <li>Public-private partnerships for the construction and renovation of adequate infrastructures.</li> </ul>	<ul style="list-style-type: none"> <li>Circular economy model.</li> <li>Aqualia has signed up to the Circular Economy Pact.</li> <li>Transfer of projects in the innovation phase to the production phase.</li> <li>Promotion of projects around the care for biodiversity.</li> </ul>

MAIN CHALLENGES | SOCIO-ECONOMIC

Scope/risk	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Geopolitical tensions and uncertainty SOCIO-ECONOMIC	<ul style="list-style-type: none"> <li>Geopolitical tensions lead to changes in international relations with economic consequences: rising energy prices, the depletion of raw materials or the increase in their cost, changes in international regulations, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Efficient energy management in energy procurement, combining fixed price agreements with the purchase of futures and PPAs, is an effective mechanism to deal with these uncertainties.</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, the share of renewable energy used (from own facilities, PPAs or procurement processes) in total energy consumption will be at least 50%<sup>6</sup>.</li> </ul>
Publicly managed economic and social models versus collaborative models SOCIAL, REPUTATIONAL, ENVIRONMENTAL	<ul style="list-style-type: none"> <li>In relation to public-private partnerships to collaboratively resolve the water supply and sanitation needs in different towns and cities worldwide, the implementation of exclusivity models in public management can result in a loss of technification and a problem as regards the legal void that this can entail for employees.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative models are a key aspect of sustainability that Aqualia promotes. Public-private partnerships strengthen the links between different interdependent agents in society and establish a common language between them that facilitates understanding between people and organisations, administrations and entities.</li> <li>The involvement of Aqualia in the territories in which it operates are indicators of its social commitment.</li> </ul>	<ul style="list-style-type: none"> <li>The 2021-2023 Strategic Sustainability Plan proposes the creation of value through partnerships and collaborations, in addition to a social impact that promotes projects to guarantee access to water.</li> </ul>
Global pandemics SOCIAL	<ul style="list-style-type: none"> <li>The emergence of COVID-19 on the global scene revealed, on the one hand, the vulnerability of society, but it has also been a catalyst for other positive transformations that have made us aware of the degree of interdependence between people at the global level.</li> </ul>	<ul style="list-style-type: none"> <li>During 2022, Aqualia has had adequate plans in place to maintain the health and safety of employees and customers through the activation of systems and contingency plans.</li> <li>The company guaranteed users the quality of tap water, which remained subject to the usual disinfection treatments provided by both public and private companies in the sector.</li> <li>Quality management systems.</li> </ul>	<ul style="list-style-type: none"> <li>The 2022-2024 Strategic Health and Well-being Plan is a roadmap for effective, efficient management and continuous improvement of the safety, health and well-being of both the workforce and their family and social environment.</li> <li>Water quality and commitment to customers.</li> </ul>
Efficient management for service excellence SOCIAL, REPUTATIONAL, ENVIRONMENTAL	<ul style="list-style-type: none"> <li>The lack of infrastructure, or the poor condition of infrastructure, pose risks to maintaining the quality levels of supply, sanitation and treatment services, as well as to efficient water management.</li> <li>The deficit of investment in infrastructure impacts the sustainability of the system. This prevents the incorporation of efficiency-enhancing technological improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Public-private partnership models are an appropriate solution to build such technologically advanced sanitation infrastructures.</li> <li>Construction and investment plans for maintaining the excellence of the service.</li> <li>The implementation of technological innovations facilitates the adequate maintenance of networks.</li> <li>Active listening initiatives with stakeholders and communication plans.</li> </ul>	<ul style="list-style-type: none"> <li>Agreements and partnerships to achieve these joint goals.</li> <li>Transparent and fluid communication with stakeholders to seek joint and collaborative solutions.</li> <li>Commitment to the customer to provide innovative and decisive solutions.</li> </ul>

6. For MWC and BOT contracts where Aqualia operates older than three years.

MAIN CHALLENGES | TECHNOLOGY AND COMPLIANCE

Scope/risk	Content	Control mechanisms: policies, initiatives and mitigation measures	Aqualia's commitments
Cybersecurity SOCIAL, REPUTATIONAL, ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Cybersecurity can entail different risks, such as potential damage to the environment, infrastructures and water management services, associated with online control systems and computer networks. These risks can result in events of contamination, deterioration, saturation or closure of physical or digital infrastructures.</li> <li>Furthermore, a potential attack could compromise customers' privacy.</li> </ul>	<ul style="list-style-type: none"> <li>In the context of digitalisation in which Aqualia is immersed, it understands the importance of the possible risks linked to cybersecurity and, therefore, develops new technologies through which it can prevent potential risks.</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to the cybersecurity of citizens.</li> <li>Cybersecurity training for Aqualia staff.</li> </ul>
Digital and technological divide and digitalisation SOCIAL	<ul style="list-style-type: none"> <li>New technologies create new jobs and, at the same time, destroy existing ones. They also pose a risk of unequal distribution of wealth, violations of privacy, discrimination, etc.</li> <li>In turn, digitalisation is an aid in the fight against global warming.</li> </ul>	<ul style="list-style-type: none"> <li>Aqualia's investment in technological development aims to improve the efficiency and competitiveness of services, implement digitalisation processes in management, communication and operations projects from a human and environmentally friendly perspective, and promote more sustainable, social and connected municipalities and cities. The priority is to provide a better service to citizens.</li> </ul>	<ul style="list-style-type: none"> <li>Aqualia Live's modular and integrated platform concentrates all the digital services provided by the company, converting information into knowledge thanks to <i>big data</i> and cloud computing.</li> <li>Corporate training campus/ portal (knowledge school).</li> <li>Presence at strategic forums, fairs and reference debates.</li> </ul>
Regulatory compliance SOCIAL, REPUTATIONAL, ENVIRONMENTAL	<ul style="list-style-type: none"> <li>National legislation, regulations and administrations must also be adapted to the normative requirements of international organisations.</li> <li>EU Directive 2020/2184 requires transparency and access to information on water quality parameters in order to increase customer confidence and tap water consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Innovation at Aqualia is a key factor in the water sector, which should meet regulatory requirements by promoting projects related to the application of new technologies to the management of the end-to-end water cycle, its use and re-use, etc.</li> <li>Companies such as Aqualia must ensure the quality of this resource through a risk management system. To this end, risk assessments and controls must be carried out through water safety plans starting at the collection area and extending up to the household distribution system. Operational supply control programmes also need to be prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Once again, the different innovations to be undertaken require large investment and public-private collaboration.</li> <li>During 2022, Aqualia has submitted a series of projects to the Spanish authorities with the aim of receiving funding through the European Next Generation funds. In addition, throughout 2022 it has prepared projects for the PERTE on Digitalisation to be submitted in February 2023.</li> </ul>
Corporate governance and ethics SOCIAL AND REPUTATIONAL	<ul style="list-style-type: none"> <li>Fight against corruption, bribery and money laundering, linked to relations with officials, suppliers and other authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Criminal Offence Prevention Model.</li> <li>Regulatory Compliance Committee.</li> <li>Corporate Anti-Corruption Policy.</li> <li>Code of Ethics and Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>Commitments of the 2021-2023 SSP in the area of ethics and compliance.</li> </ul>

# Materiality analysis

**ACTION AND LISTENING** TO STRENGTHEN THE STRATEGY

Over the past five years, Aqualia has listened to and integrated into its strategy the wishes and expectations of the 25,000 people making up an engaged portion of its stakeholders.

**SPAIN**  
6 INTERVIEWS

**SPAIN + MENA**  
22 INTERVIEWS  
1 FOCUS GROUPS  
22 INTERNAL AND EXTERNAL SOURCES CONSULTED

**SPAIN + MENA + LATAM + USA**  
21 INTERVIEWS  
3 FOCUS GROUPS  
200 INTERNAL AND EXTERNAL SOURCES CONSULTED

- Specialised journalist
- Local journalist - user - customer
- Neighbourhood association president
- Local government representative
- Supplier
- Aqualia Employee

- Employees
- Public agencies
- Users
- Suppliers
- Press/media
- NGO
- Shareholders

- Employees
- Public agencies
- Users
- Suppliers
- Press/media
- NGO
- Shareholders



Active listening is the basis on which Aqualia bases its main axes and commitments at international level. This is done through a materiality study that is carried out every two years and involves all stakeholders.

In line with the information obtained in these listening processes, Aqualia has developed its 2021-2023 Strategic Sustainability Plan, which it reviews every year and which is due to be updated in 2023 in order to extend its action to the new countries where it is present.

## We take the pulse of our environment

In 2022, Aqualia updated and expanded the scope of its strategic materiality study, which identifies and analyses aspects such as the state of the national and international context, as well as sectoral trends and other relevant points.

For this latest update, research was carried out using 200 secondary sources and interviews and surveys with more than 5,000 external

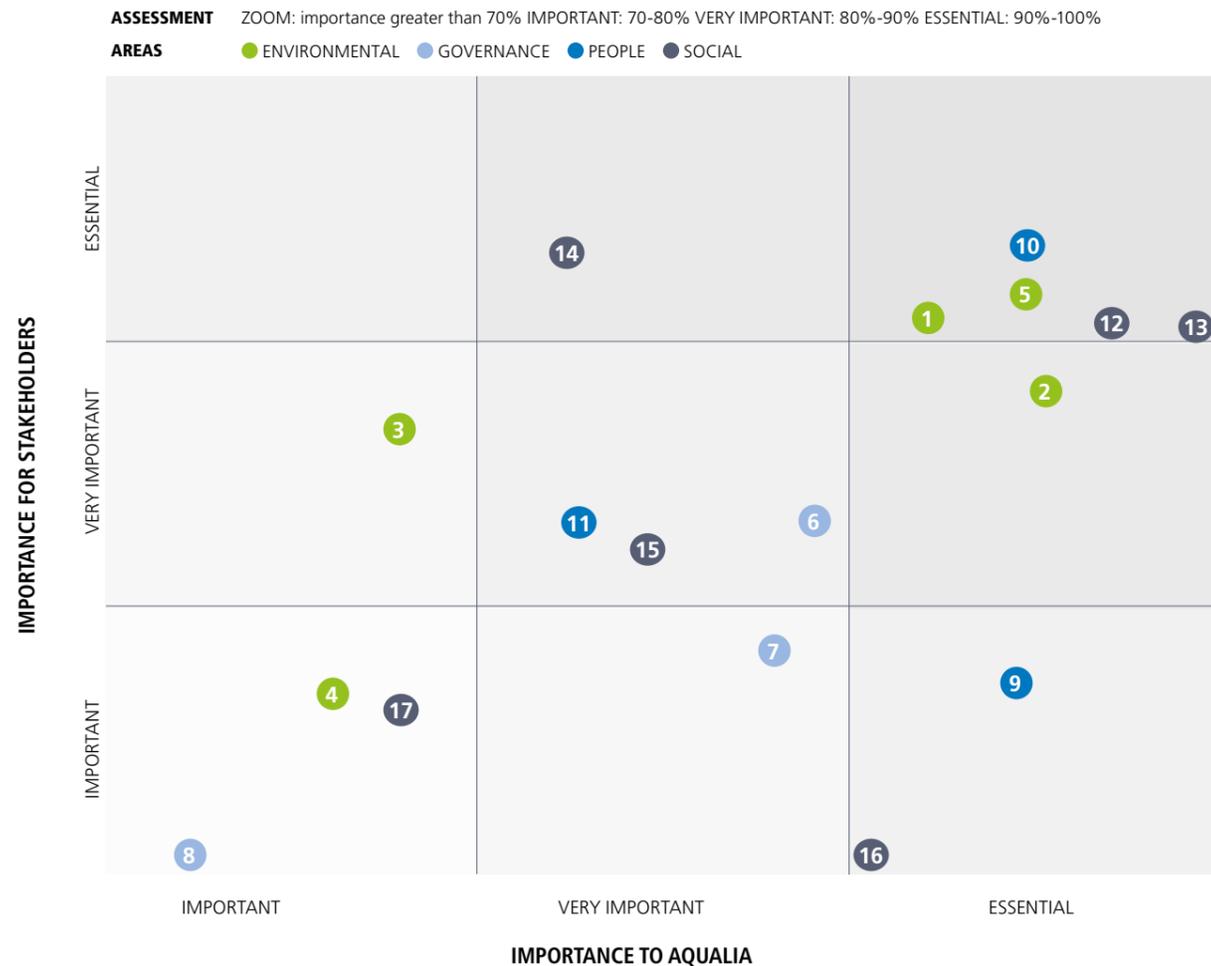


and internal stakeholders. Due to the large number of people surrounding the company it will start in the second half of 2023.

## The result: the materiality matrix

Aqualia sets out the different topics of interest segmented according to four areas and in relation to their importance for the stakeholders and the company.

### GLOBAL MATERIALITY MATRIX



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

### Manager-updated matrix

This year, company executives were asked to select the five material issues they consider most relevant. Thus, on a scale of 1 to 10, each person rated the impact that, according to Aqualia's activity, these issues have on the company and on the environment.

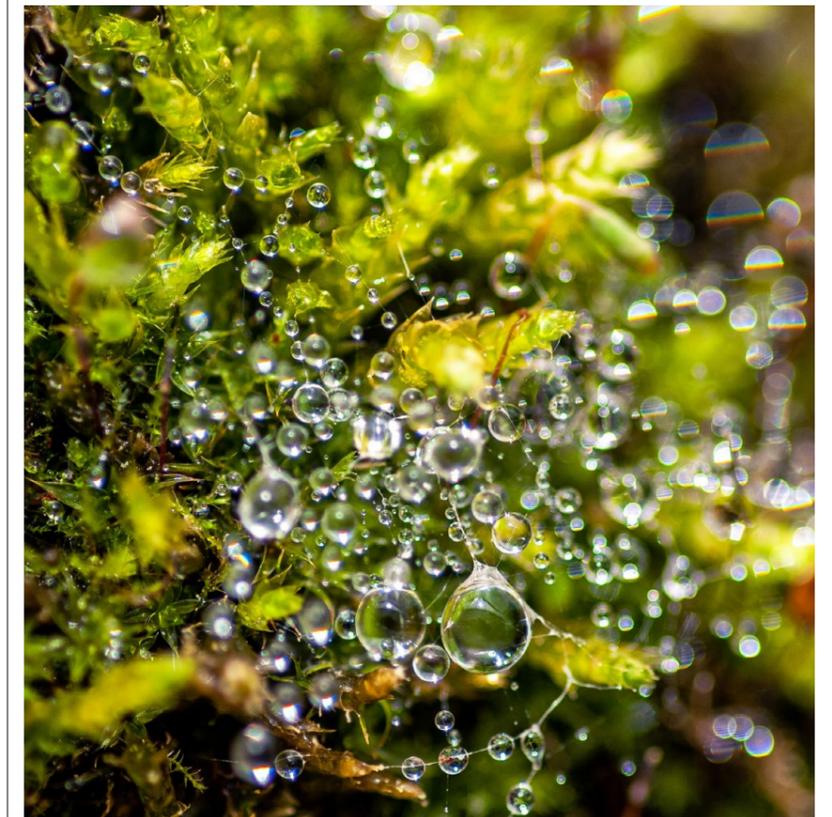
The TOP5 material topics that most managers included were as follows:

1. Infrastructure and management adapted to the challenges of today's society.
2. Awareness-raising and sensitisation on the sustainable use of resources.
3. Circular water economy and efficient natural-resources management.
4. Equal opportunities, diversity and work-life balance.
5. Occupational health and safety and well-being.

The TOP5 material issues with the highest scores for their impact on the company and the environment were as follows:

1. Climate change and responsible energy consumption: level of energy consumption and plans for developing eco-friendly energy.

2. Infrastructure and management adapted to the challenges of today's society.
3. Access to water: the company facilitates access to water for all people including those in vulnerable situations.
4. Innovation in the environment, development of RD&I solutions.
5. Promotion, respect for human rights and creation of stable employment. Company's capacity to create jobs in the communities where it distributes and supplies.



# Satisfaction study

OF END AND INSTITUTIONAL CUSTOMERS

5,763 telephone surveys with end customers and 19 interviews with institutional customers in Spain, France, Portugal and Georgia in 2022.

Invoicing process  
**83.1%**  
satisfied



Aqualia is committed to offering a quality service that generates a positive impact on people's lives and, for this reason, every two years it carries out a customer satisfaction survey.

## Spain

This latest study, which includes 3,691 end-customer surveys and 19 institutional customer interviews, has revealed a high level of satisfaction among users and municipalities. It is noteworthy, for example, that in 2022 the overall satisfaction rate was the second highest in the historical series thanks to a percentage of 80.5%.

### End customers

The number of customers who are satisfied with customer service has grown. Other interesting data are the increase in the number of users who have switched to using the app (49%) or the greater number of users who request more personalised information by e-mail, SMS or WhatsApp.

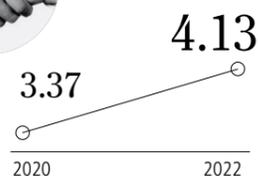
### Institutional customers

Satisfaction with the service is rated 4.05 on a scale of 1 to 5, a very slight downward variation from 2020 (4.12). The study shows that more than 9 out of 10 institutional

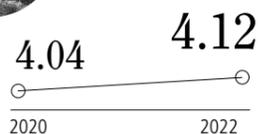
customers are satisfied with the service: 94.8% rate it as excellent, very good or good.

Aqualia's commitment to society and the environment are the aspects that are rated slightly higher than in 2020:

### ASSESSMENT OF AQUALIA'S SOCIAL COMMITMENT | SCORE OUT OF 5



### ASSESSMENT OF AQUALIA'S ENVIRONMENTAL COMMITMENT | SCORE OUT OF 5



## France

### End customers

In 2022, 300 telephone interviews were conducted with end customers. The results reveal that almost 9 out of 10 customers, exactly 88.9% (91.3% in the case of SEFO and 85.3% in the case of CEG), are satisfied or very satisfied with the service provided. Satisfaction with the supply was also analysed, which amounted to 2.95 out of a maximum score of 4.

With regard to contact channels, 55.6% are aware of the telephone line and 68% of these have used it. Likewise, 27.4% are familiar with the virtual office and 27.2% have carried out an online transaction.

## Portugal

### End customers

In 2022, 552 telephone interviews were carried out, distributed among the brands that Aqualia has in the country. The satisfaction index remains relatively stable compared to 2020: 93.6% in 2020 compared to 90.7% in 2022.

Of the Aqualia companies interviewed, Aquafundalia was the leader in terms of customer ratings, followed by Aquamaior, Cartagua and Aqualvas.

## Georgia

### End customers

This year, 1,220 telephone surveys were conducted in Georgia: 401 correspond to Rustavi Water Company and 819 to Georgian Water and Power.

In terms of surveys conducted about Rustavi Water Company and its services, the company is the best known in its collection area: 68% of respondents knew that it was their water company. In addition, 63% said they were satisfied or more or less satisfied with the water supply. For their part, 43% of respondents say

they prefer the telephone compared to 38% who say they use the online service.

In relation to the surveys carried out for Georgian Water and Power, 68% of the citizens interviewed recognise it as their water company. For their part, 73% of those surveyed acknowledged that they were satisfied with the water supplied. With regard to communication, 47% of respondents prefer the telephone compared to 31% who consider online contact to be more effective.



# Transparent communication

## DIALOGUE WITH STAKEHOLDERS

### MAP OF STAKEHOLDERS AND PRIORITY ISSUES BY AUDIENCE

PRIORITY ISSUES AND STAKEHOLDER EXPECTATIONS*	STAKEHOLDERS	CUSTOMERS AND USERS	REGULATORY BODIES	SOCIETY	SUPPLIERS	BUSINESS PARTNERS	SHAREHOLDERS	PEOPLE
	Subgroups	National governments Regional governments Local Governments Public centres Companies and industries Irrigation Sector Citizens	Local, regional, district National International	Press/media Influencers Irrigation organisations Sector associations Neighbourhood associations NGO 360° Companies in the industry Academic institutions	Local suppliers International suppliers Strategic suppliers	Business partners Partners in private RD&i projects Collaborators and agents	Shareholders Capital suppliers	Executives Middle management Technicians Clerical Staff Customer service Expats Assignees Trade unions
Climate change and responsible energy consumption		●	●	●	●	●	●	●
Innovative and eco-friendly solutions		●		●	●	●	●	●
Environmental awareness and raising awareness on how to sustainably use resources		●	●	●	●	●	●	●
Biodiversity		●	●	●	●	●		●
The circular economy of water and efficient natural-resource management		●	●	●	●	●	●	●
Transparency	●		●	●	●	●		●
Developing the ethical-management model (compliance) and ethical-culture training				●	●	●	●	●
Supplier relationships, assessment and approval			●		●		●	
Professional development and technological employability		●		●	●	●		●
Employee safety, occupational health and wellness		●		●	●	●	●	●
Equal opportunities, diversity and work/life balance		●		●	●	●	●	●
Having the infrastructure and management adapted to the challenges posed by present-day society		●	●	●	●	●	●	●
Using technology to improve water quality		●	●	●	●	●	●	●
Access to water		●	●	●	●	●	●	●
Promoting and respecting human rights, and creating stable employment		●	●	●	●	●		●
Collaboration and public-private partnerships						●		●
Social action, local development and company involvement in local initiatives		●	●	●	●	●		●

#### PRIORITY ISSUES AND STAKEHOLDER EXPECTATIONS\*

\*Material issues are considered matters whose importance has been scored 7 or higher by stakeholders.

Dialogue with its stakeholders is strategic for Aqualia. To convey this message, the company is committed to strengthening its communication strategy as the operator of an essential public service.

In the period 2021-2022, Aqualia carried out a study to update its stakeholders at corporate level and in all the areas in which it operates. As a result of this analysis, and with the aim of adequately managing the actions and communication

channels with the different groups, Aqualia established a prioritisation to determine the relevance of each of them, the material issues of greatest interest and the information channels preferred by each one.

# Internal reporting

Proof of the accessibility and transparency that characterises the company's corporate communication is that in 2022 Aqualia's website exceeded one million visits. The portal has also been adapted to guarantee information on the quality of water intended for human consumption to all customers of Spanish municipalities responsible for water supply, in accordance with the transposition of Directive 2020/2184, which includes a rethinking of citizen information portals.

## Our social media Social reality and corporate culture

On Twitter, the company has gained more than 500 new followers to 7,077.

YouTube has already surpassed two million views, with an increase of 175,104 in 2022.

On LinkedIn, the number of followers has increased by 45%, from 25,833 in 2021 to 37,854 in 2022.

An example of the company's leadership in the field of social networks within the sector is the support that the presentation had on networks *The manual for the use and participation of employees in social media, which members of the Corporate Communication and Sustainability department presented at the 36th AEAS Conference, held from 28 to 30 September in Cordoba.*

Informing our workforce as we expand internationally is an essential part of our internal communications at Aqualia, which is why we have many available channels in this regard.



During 2022, work has been done to adapt the messages to the different types of target audiences, which are basically divided between office workers and those who do not have a corporate e-mail account.

During 2022, a total of 334 internal communications have been sent in various formats (news flashes, e-mailings and internal memos), some of them in different languages.

## GOOD PRACTICE

1,200 people on Instagram



## Our Instagram community has now topped 1,200

By the end of 2022, there were already more than 1,000 followers. For the presentation of this last profile we have used *The manual for the use and participation of employees in social media*,

published and promoted internally last year and which is still in force as a guide for all Aqualia professionals to know how to use their social networks correctly.

Visit Aqualia's Instagram profile



## GOOD PRACTICE



## We launched a new information channel: Aqualia Global News

Aqualia Global News, a newsletter for the entire company, was launched in November as a milestone for internal communication. With a fortnightly frequency and fixed sections, this new internal channel includes

between 8 and 10 news items of interest to the entire company in each issue and in both Spanish and English.

# Our strategic lines

OUR COMMITMENT TO SUSTAINABILITY

The 2021-2023 Strategic Sustainability Plan works as the perfect period for Aqualia to work on ESG aspects.

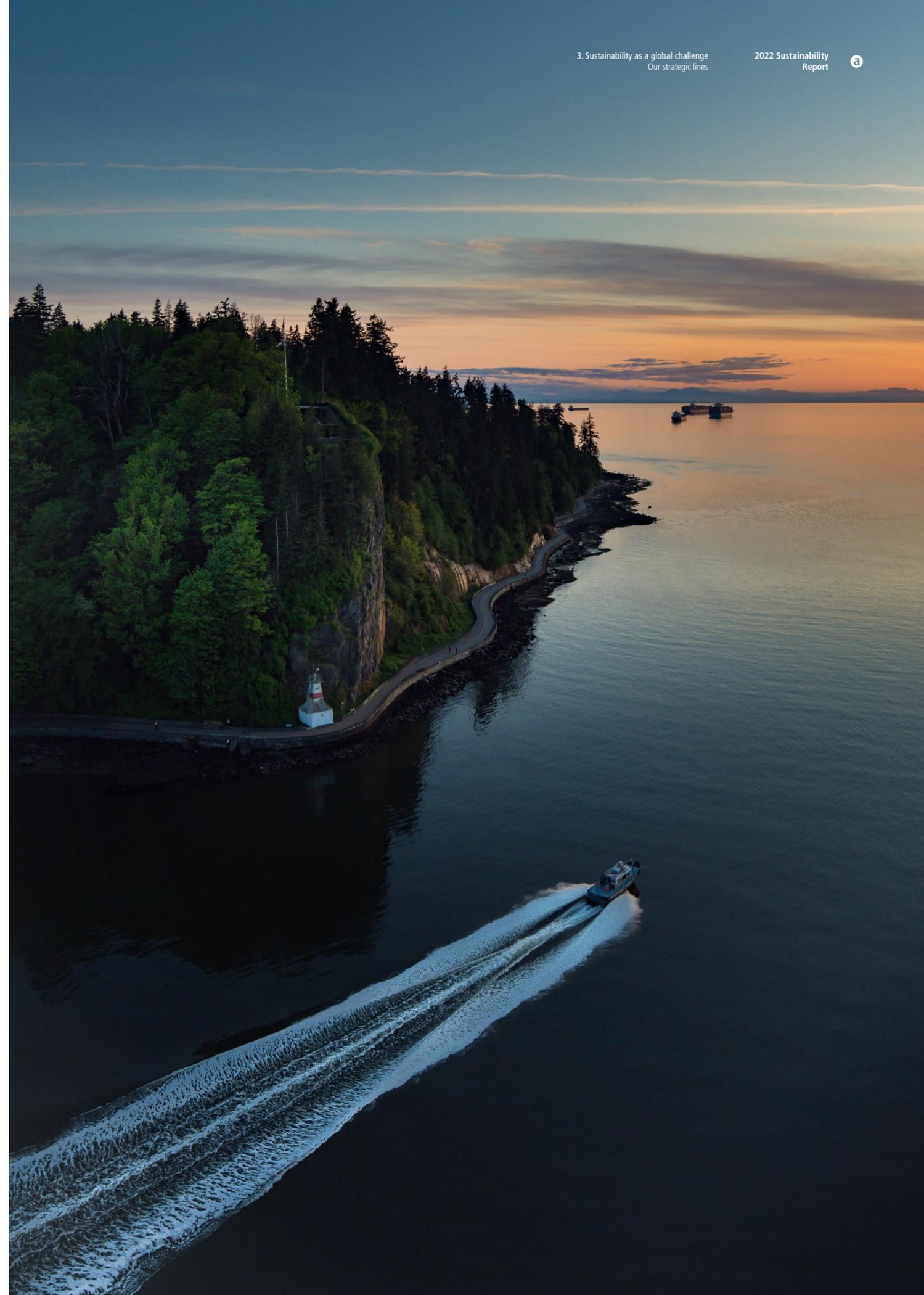
The correct management of the end-to-end water cycle has an impact on many global challenges we are facing as a society: environmental, such as adaptation to climate change or the protection of biodiversity; social, such as accessibility to water for vulnerable people and families or social awareness of the care and quality of water; as well as economic development, since optimising the management of the water cycle, its quality and availability makes it possible to improve the quality of life of millions of people.

The SSP was revised during the second half of 2022, updating indicators and modifying some projects. In doing so, Aqualia has demonstrated that it has sufficient flexibility to adapt to major challenges. The company has defined a course of action and is committed to the digital transition and to sustainability.

For yet another year, and successfully audited by AENOR, Aqualia has demonstrated its strong commitment to environmental sustainability and its contribution to the United Nations Sustainable Development Goals. This is evident

both in the SSP and in the pillars underpinning its business.

The Communication on Progress (COP) of the Global Compact has reached the Advanced level. Aqualia promotes and integrates the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals into its corporate culture. In this way, the SSP focuses on achieving the goals established by the 2030 Agenda with a vocation for cross-cutting action, related to the degree to which these goals are linked to the company's activity.



## A plan for the Decade of Action

In line with the company's strategy and with the 2030, the 2021-2023 Strategic Sustainability Plan establishes lines of action and proposes specific initiatives aimed at maximising Aqualia's contribution to sustainable development.

Aqualia's 2021-2023 Strategic Sustainability Plan has been designed to help the company overcome its weaknesses and enhance its strengths, so that it is able to prevent threats and make the most of opportunities.

Strategic lines	Main focus	Goals	Main projects
<p><b>Climate emergency and environmental protection: mitigation, adaptation to climate change</b></p> <p>SDGs 6, 7, 12, 13, 15 and 17</p>	Reduction of consumption and impacts and commitment to innovation.	To promote initiatives aimed at minimising and adapting to climate change.	<p>Aimed at:</p> <ul style="list-style-type: none"> <li>• Reduction of water consumption.</li> <li>• Energy optimisation and emission reduction</li> <li>• Ecosystem protection and recovery. Biodiversity</li> <li>• Technological transfer of the solutions obtained in Research, Development and Innovation (RD&amp;I) projects to production</li> </ul>

### SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 2 | CLIMATE EMERGENCY AND ENVIRONMENTAL CARE

**MENA PRIORITY**

In recent years, there have been an increase in the number of events with a high environmental impact. However, there is still space for raising awareness and implementing mitigation and adaptation plans at a country level.

**SDGs 6, 12 and 17**

**EUROPE PRIORITY**

Greater awareness as regards energy consumption, harnessing resources, responsible consumption and circular economy. Matters such as the obsolescence of infrastructures or drought, which affect the availability of water, are cause for concern.

**SDGs 6, 7, 12, 13 and 17**

**LATAM PRIORITY**

Although important, they have other priorities such as access to water, efficient use of water without waste, and awareness and management of natural resources.

**SDGs 6, 12, 15 and 17**

**SPAIN PRIORITY**

Aqualia has been very focused on these issues in recent years, although there is still some way to go to integrate them more into the culture of all the company's employees.

**SDGs 6, 7, 12, 13, 15 and 17**

Strategic lines	Main focus	Goals	Main projects
<p><b>Technology for integrated management</b></p> <p>SDGs 6, 9, 11 and 12</p>	Digitising the end-to-end water cycle to improve customer service and efficiently manage resources under the Aqualia Live platform.	Achieve technology that allows efficient use of resources and efficient management so that citizens can enjoy access to water guaranteed by Aqualia.	<p>Aimed at implementing all those tools that improve and streamline management and customer service. Special mention for those aimed at:</p> <ul style="list-style-type: none"> <li>• Omnichannel customer service</li> <li>• Asset management and maintenance</li> <li>• Water Analytics platform</li> <li>• Management efficiency</li> <li>• Communication with staff members</li> <li>• Cybersecurity is becoming more and more important every day</li> </ul>

### SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 3 | TECHNOLOGY FOR INTEGRATED MANAGEMENT

**MENA PRIORITY**

The integration of technology into processes will be reflected in cost reduction and more competitive prices.

**SDGs 6 and 12**

**EUROPE PRIORITY**

Relevance of technology, both to improve water quality and to face global challenges. Cybersecurity is a progressively more relevant topic for the customers.

**SDGs 6, 9 and 12**

**LATAM PRIORITY**

The technology transfer for the purposes of efficiency in the management of scarce resources, in addition to reducing costs and offering higher quality is particularly relevant in countries like Colombia and offers benefits to citizens.

**SDGs 6, 9 and 12**

**SPAIN PRIORITY**

Aqualia provides customers with technology to optimise resources and improve water quality. However, it is necessary that society understand the economic effort that this entails. For this, the benefits of the digital switchover must be adequately communicated.

**SDGs 6, 9 and 12**

Strategic lines	Main focus	Goals	Main projects
<p><b>People management</b></p> <p>SDGs 3, 5 and 8</p>	Make progress with regard to work-life balance, diversity, promotion of health and safety, support for expatriates and creation of meeting spaces.	Continue to contribute to the goals of health and well-being, equity and diversity, and decent and healthy employment.	<p>Aimed at continuing to make progress with:</p> <ul style="list-style-type: none"> <li>• Conciliation matters</li> <li>• Diversity awareness</li> <li>• Health and safety promotion, psychosocial and emotional project development</li> <li>• Positioning of Aqualia as employer branding</li> <li>• Expatriate support plan</li> <li>• Training and creation of meeting spaces</li> </ul>

### SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 4 | PEOPLE

**MENA PRIORITY**

Aqualia's staff transfer the corporate culture to these countries. Of particular importance is the training and transfer of *know-how* to employees.

**SDGs 3, 5 and 8**

**EUROPE PRIORITY**

The European regulations promote equality, diversity and social inclusion. Retaining talent and a concern for and care for people is particularly relevant.

**SDGs 3, 5 and 8**

**LATAM PRIORITY**

Achieving equality, in addition to applying innovation and technology to the business entails offering training and implementing career plans.

**SDGs 3, 5 and 8**

**SPAIN PRIORITY**

The European regulations promote equality, diversity and social inclusion. Retaining talent and a concern for and care for people is particularly relevant. Salary involves emotional aspects.

**SDGs 3, 5 and 8**

Strategic lines	Main focus	Goals	Main projects
Ethics and compliance  SDG 16	Alignment for decision-making and dissemination of good practices.	Spreading to the entire company, and to the supply chain, Aqualia's culture, ethical values and compliance, through 360° implementation.	Aimed at the development of the Compliance Model, training in ethical culture and the approval of suppliers.

**SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 5 | ETHICS AND COMPLIANCE**

**MENA PRIORITY**

Implementation of the Compliance Model with business partners and expatriates.  
**SDG 16**

**EUROPE PRIORITY**

The compliance models and policies for ethical performance are necessary for the company's legitimacy and social reputation. The involvement of suppliers in responsible business is crucial to move forwards together.  
**SDG 16**

**LATAM PRIORITY**

There is a clear roadmap that orients the efforts made to implement the Code of Ethics with third parties.  
**SDG 16**

**SPAIN PRIORITY**

The ethics and compliance culture is implemented in the company through in-company training and awareness-raising in supplier companies. It endorses the work and professionalism of the company.  
**SDGs 16 and 17**

Strategic lines	Main focus	Goals	Main projects
Social impact  SDG 6	Social action programmes and systems to guarantee access for everyone to water, as well as measuring the impact of projects.	Define the efforts made by Aqualia to guarantee access to water in order to strengthen the link with the communities.	Aimed at social action programmes and systems to guarantee access to water for everyone, as well as establishing mechanisms for the measurement of the impact of Aqualia's projects in the countries where it provides services as an end-to-end manager of the water cycle.

**SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 6 | SOCIAL IMPACT**

**MENA PRIORITY**

Aqualia contributes to the countries by creating jobs for the duration of the contracts. As well as local technical personnel who can develop the projects once the Aqualia phase has finished.  
**SDG 6**

**EUROPE PRIORITY**

In Europe there are payment plans and water access plans. In addition to the creation of stable employment in areas in which they operate. Once again, social integration entails social legitimisation and reputation.  
**SDG 6**

**LATAM PRIORITY**

Accessibility to water through social and stratified tariffs in line with people's economic capacity. In addition to the creation of stable employment in areas in which they operate.  
**SDG 6**

**SPAIN PRIORITY**

Aqualia is governed by principles of contribution in the localities in which it operates in terms of hiring people, local suppliers, collaboration for FP Dual training. Access to water for the entire population without excluding anyone.  
**SDG 6**

Strategic lines	Main focus	Goals	Main projects
Strategic partnerships  SDGs 6, 9 and 17	Projects and partnerships with third parties in the field of the SDGs.	To contribute to Aqualia's SDGs through strategic partnerships.	Aimed at establishing partnerships with third parties in the academic, technological, business, sectoral, social, etc. spheres to achieve a real contribution to the SDGs.

**SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 7 | STRATEGIC PARTNERSHIPS**

**MENA PRIORITY**

Local business partners with whom business collaborations are pursued.  
**SDGs 6 and 17**

**EUROPE PRIORITY**

Social involvement through business partnerships, along with social partnerships to achieve greater involvement.  
**SDGs 6 and 17**

**LATAM PRIORITY**

The collaboration of local partners makes it possible to make a bigger local contribution.  
**SDGs 6 and 17**

**SPAIN PRIORITY**

Social involvement through business partnerships, along with social partnerships to achieve greater involvement. This will provide greater social legitimacy.  
**SDGs 6, 9 and 17**

Strategic lines	Main focus	Goals	Main projects
Strategic communication  SDGs 12 and 13	Storytelling consistent with Aqualia's purpose and mission.	Convey the value contributed by Aqualia as managers of the public water service.	Aimed at unifying a consistent narrative and developing the educational role of the brand, raising awareness amongst communities of relevant risks both internally and externally.

**SCOPE OF WORK BY GEOGRAPHICAL AREA ON LINE 1 | COMMUNICATION AND TRANSPARENCY**

**MENA PRIORITY**

The idiosyncrasies of this area maintain less demanding standards of communication with companies.  
**SDG 12**

**EUROPE PRIORITY**

Transparent communication and channels of communication with stakeholders are necessary in Europe. Both information about activities and information on financial and non-financial performance submitted to authorities and investors.  
**SDGs 12 and 13**

**LATAM PRIORITY**

The law requires transparent communication. In addition, it empowers the company and promotes customer trust in the company as it anticipates possible controversial situations.  
**SDGs 12 and 13**

**SPAIN PRIORITY**

Transparent communication is key to conveying clear messages. Aqualia wants to be proactive in communication and transparent dialogue.  
**SDGs 12 and 13**

# Sustainable and transparent governance

We are private managers of a public asset. Our responsibility under this public trust is to operate to the highest standards of integrity, ethics and transparency in our business dealings.

The company works to maintain relationships of respect, trust and equal opportunities with each of our collaborators and different publics.



# First-hand...

“Regulatory compliance goes far beyond standards: it is about complying with the standards, of course, but also about adhering to the Aqualia’s ethical principles and values”

Governance is critical when it comes to integrating sustainability into a company’s business model and entails factors including but not limited to being able to understand and manage ESG risks.

Jesús Ortega has led Aqualia’s Regulatory Compliance Department since 2018 and, as such, is responsible for the implementation and transmission of the correct ethical culture to the entire workforce and the company’s other stakeholders. He is also entrusted with adjusting internal procedures to the Compliance Model, a necessary requirement in responding to the regulatory tsunami facing Europe and relaying Aqualia’s ethical culture and firm commitment to sustainability to other regions.

## How is Aqualia responding to the challenge of regulatory compliance?

First and foremost, I would like to say that I do not like using the term “regulatory compliance”. Although that is the department’s name, a direct interpretation is limiting. The truth is that

what we do goes much further than just adhering to standards: it is about complying with the standards, of course, but also about adhering to the Aqualia’s ethical principles and values, which often go much further than what is established by law. Having said that, I am convinced that the biggest challenge facing this team is becoming an ally of the business, which is how the production departments should see us. I humbly believe that we are achieving this.

Our development runs parallel to the identification of risks and it is true that, from the outset, we have been very focused on respect for the environment and water quality. But not just the water supplied to homes, but also the water that we return to nature.

When it comes to social aspects, we will continue to make a positive contribution thanks to the implementation of the Diversity Committee. Everybody that forms part of this committee works from the absolute conviction that the most diverse companies are the most open to growth and the most adaptable to different work environments.

When it comes to governance, we have become very involved in improving procedures, in adapting existing procedures to the Code of Ethics and the policies set out under the Compliance Model. We have also promoted new procedures that have made Aqualia an even more transparent and robust company.

## The proposed European Directive on Due Diligence indicates that the company is responsible for the impacts that its value chain has on human rights and the environment. What mechanisms does Aqualia have in place to measure, control and mitigate its impacts?

Zero risk is impossible; however, we must always propose controls to mitigate the potential impacts caused by our activity. At Aqualia, we have such controls in place and we have periodically reviewed them over the years.

We also have procedures in place to analyse our partners and collaborators. We review the degree of implementation of compliance systems, files on corruption issues, infractions in relation to competition, etc. I think

## JESÚS ORTEGA

DIRECTOR OF REGULATORY COMPLIANCE

#Governance #RegulatoryTsunami #Anticipation

that, as regards the proposed directive, we are prepared to also analyse how solid these are when it comes to respecting and promoting human rights and the environment.

## The department is a relatively new department. What is its current status? What next steps do you envisage in continuing to promote an ethical culture at Aqualia?

When the compliance system was implemented four years ago, our colleagues were somewhat fearful and openly shared their concerns. As a new department, I think we did the right thing: we proceeded with a progressive integration, without directly proposing and making changes. I think that, as a result, the entire workforce has been able to see the benefits of having a Regulatory Compliance team and how the team helps to improve the way we work, applying procedures that are always aligned with Aqualia’s values and principles.

Although the department was conceived as a system for preventing crimes, our purpose has gradually been extended: the Compliance Model has started to reach previously unforeseen areas in a cross-cutting manner.

Over the past four years, we have made huge strides implementing the model and not just at companies 100% owned by Aqualia. The challenge has been to reach more remote places, not geographically but culturally, where the concept of compliance was previously unheard of or where there was no ethical model for companies to follow. This is where we have focused our

efforts over the past year and we have done so successfully.

Zero risk is impossible; however, we must always propose controls to mitigate the potential impacts caused by our activity

## The 2021-2023 Strategic Sustainability Plan has a line dedicated to Ethics and compliance. What projects have been undertaken as part of this line in 2022?

In the Middle East, we have implemented models based on Aqualia’s model and, in some cases, Aqualia’s actual model. In Colombia, where the law is very strict and where we have had to adapt, as well as in Mexico and Georgia. We have come a long way and there are very few companies left at which the complete implementation of the model remains outstanding. This is combined with the imparted training on the Code of Ethics and Conduct in countries including Saudi Arabia, the United Arab Emirates, Colombia, and Mexico.

I would also like to mention the publication of the Compliance



Tips; these informational modules were previously launched only in Spain but are now launched in all countries in which we are present.

## What achievements did you accomplish in 2022?

I would highlight one action particular that has seen our ethical culture grow: the appointment of local Compliance Officers, a very important milestone when it comes to developing Aqualia’s structure. Trying to reach the 18 countries where we are present from Madrid is impossible; however, as a result of these appointments, relaying our ethical culture has become much easier for us.

## And what new challenges do you face?

We have to focus on disseminating the culture at investee companies, where we have partners. It is not just about implementing the culture; we have to provide a detailed explanation about how to put it into practice.

Another challenge is to continue training our teams to prevent corruption and enhance the controls deployed by the company. And continuing to work hand in hand with the business, supporting them in their needs to improve their daily undertakings.

# Governing bodies

GLOBAL STRUCTURE AT THE SERVICE OF WATER

The governing bodies at Aqualia are responsible for how the company performs and also the implementation of a culture of ethics extending to all its members and everywhere the company operates.

Aqualia's Board of Directors consists of directors representing shareholdings of 51% of FCC and 49% of IFM.

ORGANISATION CHART

**CEO**  
FÉLIX PARRA

**TERRITORIAL DIVISIONS**

**SPAIN**

Director  
Santiago Lafuente

Zone I  
Juan Carlos Rey

Zone II  
Juan Luis Castillo

Zone III  
Lucas Díaz

**INTERNATIONAL**

Director  
Luis de Lope

Eurozone  
Guillermo Moya

MENA  
José Enrique Bofill

Americas region  
José Miguel Janices

**CORPORATE DIVISIONS**

Dir. Legal Counsel  
Elena Barroso

Dir. Purchasing  
Alberto Andérez

Dir. Corporate Communication and Sustainability\*  
Juan Pablo Merino

Dir. Regulatory Compliance  
Jesús Ortega

Dir. Economic and Finance  
Isidoro Marbán

Dir. Operations & Technology Director  
Pedro Rodríguez

Deputy Director  
Javier Santiago

Dir. Customer Management & IT\*\*  
Miguel Perea

Dir. People and Culture  
Carmen Rodríguez

\*In March 2023, the Communication and CSR department changed its name to Corporate Communication and Sustainability.  
\*\*Since March 2023, María Ángeles Vicente is no longer part of the company. Her functions have been assumed by Miguel Perea.

# Values, Culture and Code of Ethics

Aqualia, as a private company that manages a public asset, complies with the highest standards of ethics and values necessary for the constitution of peaceful societies in which sustainable development, justice and well-being for all citizens are possible. Aqualia's values inspire its culture and Code of Ethics and Conduct. Guided by the pace set by the company, the pact at which it acts, the entire team takes these values to the countries in which they operate.

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

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

Throughout this report, all the policies, measures and actions that

Aqualia has carried out during 2022 are presented, in accordance with this commitment to the ten principles of the Global Compact, as well as its contribution to the Sustainable Development Goals.

Furthermore, in the internal dimension, the Code of Ethics and Conduct sets out the basic principles that all suppliers, partners and collaborators must comply with.



# Compliance Model

From this strategic axis, Aqualia engages in a series of actions to implement a culture of ethics across all company activities everywhere the company operates.

**2021-2023 STRATEGIC SUSTAINABILITY PLAN | SLS ETHICS AND COMPLIANCE**

Line of work	Development of the Compliance Model			Ethical culture training
Action plan	Approval of policies and procedures in 100% Aqualia companies	Approval of policies and procedures in countries with partners	Implementation of controls to mitigate corruption risks	Actions to train and raise awareness among online employees
Indicator	% of controlled companies with Compliance Model in place*			% of online employees** who have received training on the Code of Ethics and anti-corruption
Performance 2021	96%			76%
Performance 2022	100%			89%
Goal	100% in 2023			90% in 2023
Sustainable development	Goal 16.5 Goal 16.6			

\*Companies existing as at 31 December of the previous reporting year.  
\*\*Employees who have a corporate e-mail account and access to the company's information systems at their workstation.

Aqualia's performance is measurable and validates its aim and way of doing things, in every region where the company operates. Thus, in 2022, Aqualia reached 88% implementation of the ethical and transparent management model in the company. This percentage drops from 100% due to the acquisition in the last four months of 2022 of nine companies in Colombia and the incorporation of a company in France which, at the end of the year, had no activity.

The Compliance Model covers both compliance and the principles and values that Aqualia reflects in its culture and Code of Ethics. This model, which has been implemented in the company since 2018, has become an ally for the achievement of the objectives set in the different areas of the business. The model also contributes, from the identification of risks and through the implementation of diligence procedures, to shaping fairer and more humane societies in all the countries in which Aqualia carries out its activity.

The company is working on the implementation of this Compliance Model in all the companies over which it has operational control. At all of them, it has implemented controls to mitigate corruption risks. Among the most significant of these are the following: bribery, corruption in business, influence peddling, fraud, illegal financing of political parties, embezzlement, price-fixing in tenders and auctions and money laundering. To prevent of all of these, Aqualia established a Compliance Model and Control System.

### Achievements and goals

During 2022, work has been coordinated with the compliance departments of all the companies in the perimeter to define framework agreements containing the model of internal regulations to be applied in these organisations.

Likewise, compliance models have been developed in several of the joint ventures in which Aqualia participates with local administrations.

In the case of Georgian Global Utilities JSC and its subsidiaries in

the perimeter of Aqualia's group of companies, the Board of Directors of these companies has approved Aqualia's Compliance Model; in this way, the Georgian group of companies is integrated into the company's system.



● Aerial view of Tbilisi, Georgia.

## GOOD PRACTICE

### Appointment of local Compliance Officers

Aqualia has also worked intensively on the international expansion of the function of compliance through the local Compliance Officers. These compliance officers allow Aqualia to transmit its values in the countries in which it operates, from a

functional dependency of Aqualia's Chief Compliance Officer. It is worth highlighting the appointment of a Compliance Officer for Aqualia's activity in the Republic of Georgia, reporting to Aqualia's Chief Compliance Officer.

In Colombia, the company has approved the SAGRILAFT (prevention of money laundering) and PTEE (transparency and ethics) programmes for the Aqualia Intech branch in the country, as well as, at the beginning of January 2023, for the Aqualia companies in Villa del Rosario and Latin America, all based on the Aqualia Compliance Model.

Despite the fact that some of the countries in which Aqualia operates have less developed regulations, the company implemented a global compliance model which enables supervision of the activity that affects all countries. The company applies international standards at a corporate level (FCPA, UK Bribery Act, ISO 37001, ISO 19600, etc.) so it has its own regulation.

**a) Policies and procedures with regard to compliance**

In 2022, the Board of Directors of Aqualia approved the Competition Policy of the FCC Group, to which it belongs, which has become part of the Compliance Model, thus following the recommendation given in this regard by the National Markets and Competition Commission in the guide published for this purpose.

The application of the management procedure for M&A (mergers and acquisitions) processes has also been put into practice, in which Aqualia's Regulatory Compliance department has also actively participated during

the due diligence processes of the compliance systems of the companies under analysis.

**b) Risk assessment and control system**

Throughout 2022, the self-assessment of the performance of controls by control and process owners continued and was carried out at 100%, making it possible to ascertain the level of execution of said controls, as well as possible improvements to be made, based on the information provided by the owners. Based on the information provided by the control and process owners during self-assessment, the Regulatory Compliance Department carries out an analysis which it transfers to the corresponding process owners so they could work on the improvements detected.

During the months of November and December, the companies

**In 2022, 100% of the processes (23 in total) related to corruption risks have been assessed.**

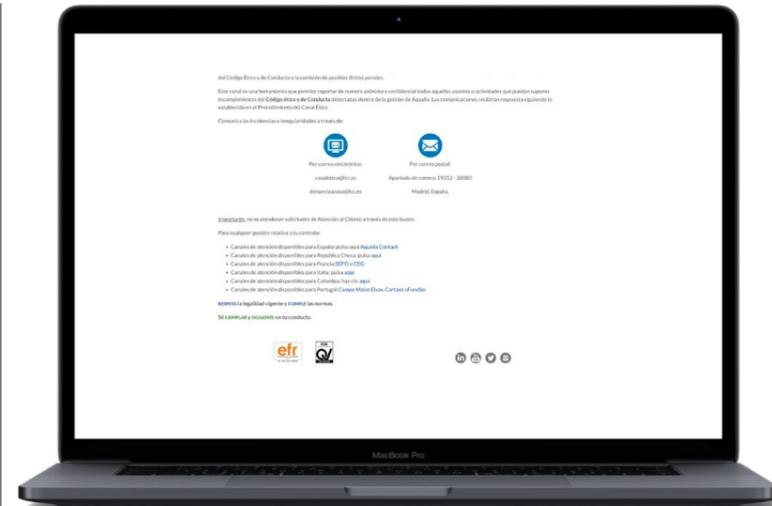
Aqualia Latin America and Aqualia Villa del Rosario in Colombia joined the process of self-assessment of anti-corruption controls.

Also this year, the monitoring carried out by the Compliance department from the second line of defence is of particular relevance for risk assessment. In it, the processes identified in Aqualia's activity are analysed by sampling the evidence of the company's implementation of controls. This makes it possible to know whether the evidence is robust enough to mitigate the initial risks identified and, if there is room for improvement, to propose effective action plans that allow for effective controls, thus working towards continuous improvement of the compliance system.

In addition, from the third line of defence, the Internal Audit Department has carried out a review of the Compliance Model where the correct development and progress of the Compliance Management System within Aqualia has been verified.

**c) Whistleblowing Channel**

Aqualia has an Whistleblowing Channel hosted on its website, accessible to any public of interest: customers, suppliers and employees (the latter can also be accessed via Intranet One). This channel may be used to report anything with regard to occupational well-being, compliance with regulations, quality of customer service and



Whistleblowing Channel website.

environmental impact. These reports are then classified by the FCC Group's Compliance Committee, which assesses them and proceeds to file them for the record or takes the necessary measures to resolve them.

All notifications corresponding to Aqualia received through the Whistleblowing Channel are notified to Aqualia's Director of Regulatory Compliance, who is responsible for following them up.

During 2022, a total of 74 alerts were received in the Whistleblowing Channel compared to 53 in 2021. Highlights include those relating to customer-related issues, and throughout this year Aqualia has continued to promote the Whistleblowing Channel to all our employees, as well as making it accessible to all Aqualia's stakeholders through its website.

**d) Compliance Model Training**

Aqualia believes that ethical leadership begins by involving members of management through training and information. Only by setting an example in the performance of responsible business can managers transfer the culture of ethics and compliance to the rest of the company.

**GOOD PRACTICE**

Compliance Tips: tips and ethical culture

As part of employee compliance awareness, Compliance Tips are regularly sent out by e-mail to employees, highlighting the main compliance policies. Among other issues, the role of compliance, how the procedure and the investigation and response to an alert received works, the

objective in the new Competition Policy, were explained. In additionally, a campaign called #CultivemoslaIntegridad (Let's Grow Integrity) was also launched, which focused on acting with integrity, accompanied by a pack of seeds for employees to sow and watch them grow.

Therefore, the members of Aqualia's governing bodies and Management Committee are the first to take an active part in the implementation and development of the organisation's anti-corruption policies and procedures.

In this regard, all the members of the management team of Aqualia's activity in Colombia received training on the principles set out in the SAGRILAF and PTEE Manual<sup>7</sup>, following the approval of this manual in Colombia.

The consolidation of the Training Campus, as a platform for the launch of online training, has allowed us to accelerate the implementation of the ethical culture and the Compliance

**In 2022, 4,281 employees were informed about the company's policies and procedures on corruption (33.8%) and 3,180 were trained on corruption (25.1%)<sup>8</sup>.**

Model and to reach jurisdictions such as Saudi Arabia and the United Arab Emirates, where we have been able to provide training on ethics and anti-corruption to their employees with IT access.

In 2022, new training on the Code of Ethics and Conduct was launched in Spain with a very high completion rate of 98% of the employees who attended.

In addition, in all the jurisdictions where Aqualia operates, training in ethics and corruption prevention continued for all new employees who joined the company in 2022. Similarly, this training has been provided to those partners who, after being analysed through the due diligence

process, were found not to have a sufficiently developed compliance system, mainly because they are small or medium-sized companies.

#### On the Code of Ethics and Conduct

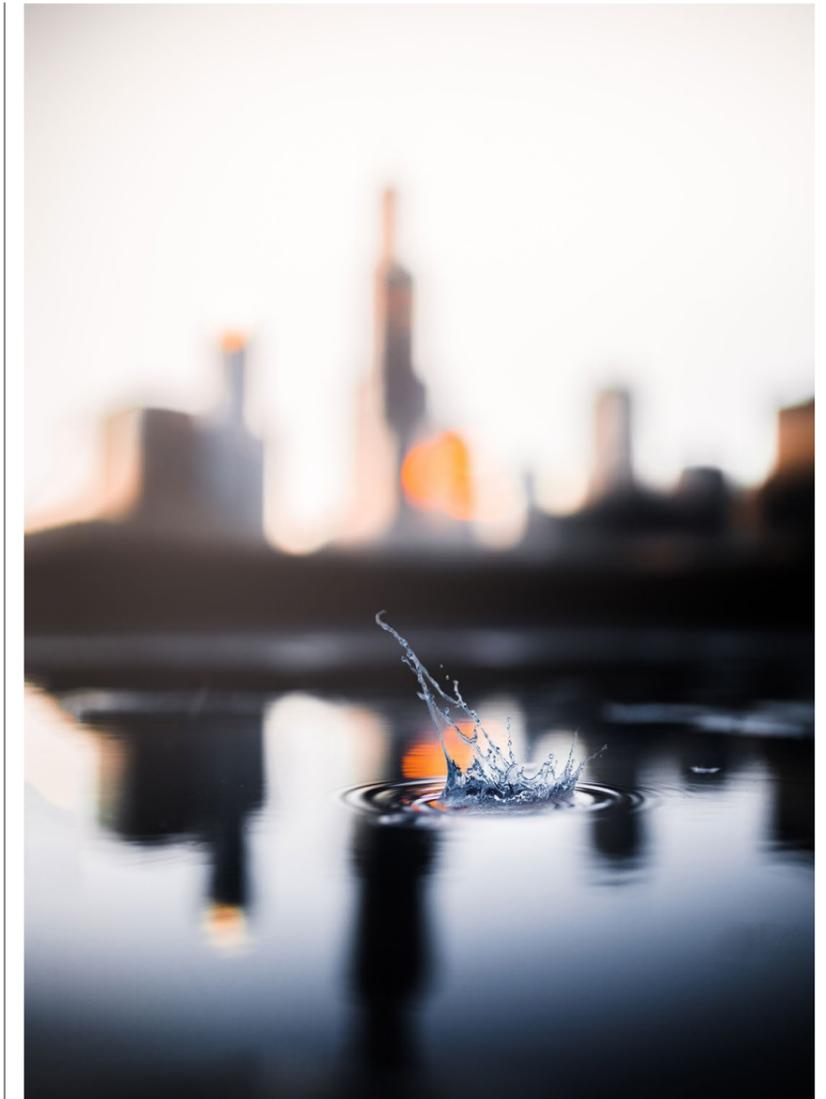
In 2022, training on the Code of Ethics and Conduct continued to be developed (2,610 people received this training). These include all new employees who joined Aqualia in 2022 (in Spain) and who had online access. The training session on the Code of Ethics and Conduct could be followed on the Corporate Training Campus.

Training was also imparted on anti-corruption: the relationship with public officials in the FCC Group (791 people). In addition, training on the Compliance Model has been organised for control owners and process owners (88 persons). And 1,217 people have participated in training on cyber-bullying.

#### e) Taxation

In tax matters, the company complies with the Ministry of Finance's Code of Good Tax Practices, which establishes the principles of transparency and mutual trust, as well as good faith and loyalty between the parties, guaranteeing a more effective relationship without legal uncertainty. Aqualia adheres to the tax regulations of all the jurisdictions of the countries in which it operates, following tax governance and the same control frameworks established by the FCC Group.

In addition, in order to minimise the risks arising from tax non-



compliance, the company has its own Code of Tax Conduct, which must be complied with by all persons linked to any Group company.

In additionally, Aqualia has a Whistleblowing Channel through which stakeholders can report any inappropriate tax practices.



7. SAGRILAF: Prevention of money laundering programme. TBEP: Transparency and ethics program.  
8. The employee base used is 12,673, including the total number of employees during the year.

# Responsible supply chain and due diligence

Aqualia has 15,288 suppliers, of which 14,940 are local and 348 are global.

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL5 ETHICS AND COMPLIANCE

Line of work	Supplier approval	
Action plan	Implementation of the supplier approval process	Awareness-raising of supplier companies
Indicator	% NALANDA approved suppliers (out of those eligible for approval*)	Awareness actions in supplier companies
Performance 2021	14.19% of approved suppliers in Spain	0
Performance 2022	40.4% of approved suppliers in Spain	2
Goal	80% in 2023	4 in 2023
Sustainable development	Goal 16.6	Goal 17

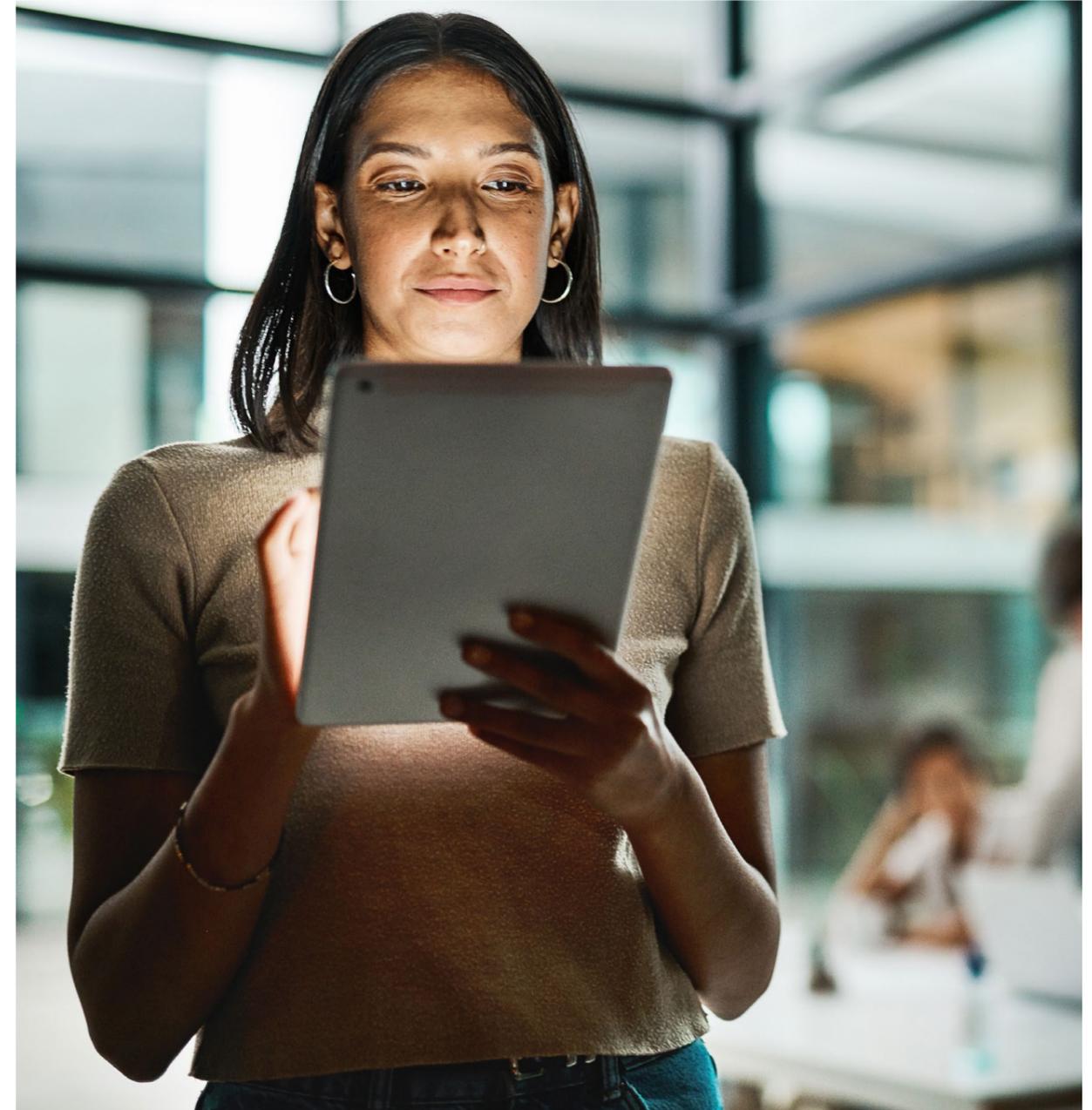
\*Supplier criteria for approval: suppliers whose invoicing exceeds €50,000 (2021).  
- Suppliers selected on the basis of the classification of materials considered risky by Compliance with turnover > €10,000.  
- Suppliers from the list of hazardous activities with invoicing in 2021.  
This brings the list of suppliers eligible for approval to 911 (2022).

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

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

each year becomes more renowned on an international scale.

Amongst the international regulations, worth particular mention is the proposed European Commission Directive on the due diligence of companies in relation to sustainability, with a view to encouraging sustainable and responsible business conduct throughout global supply chains. Aqualia, together with the rest of the companies in the FCC Group, is preparing for this new regulation.



### a) Due diligence with third parties

In view of the forthcoming entry into force of the European Due Diligence Directive, the current level of compliance performance and preparedness puts the company in an optimal position for regulatory integration into the management of the company.

- During 2022, Aqualia continued Aqualia's third party due diligence and compliance review activities. This assessment of third parties is carried out in accordance with the principle of proportionality and a risk-based approach. In particular, Aqualia worked on the analysis of industrial customers.
- Additionally, the supplier approval process has been developed for Aqualia's activity in Colombia.
- As of 31 December 2022, at the corporate level, 82 internal requests were received to analyse third parties that were part of 50 different projects. From the final assessment reports issued by the Compliance Department, 22% of

third parties have been classed as high risk; 47% as medium risk and 31% as low risk. Depending on the levels of risk, mitigation measures are applied and the correct implementation of these measures is subsequently monitored.

**Due diligence in strategy**

The integrated framework for guaranteeing responsible purchasing is characterised by:

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

**b) Supplier due diligence process**

All new providers selected by the Purchasing Department are assessed and selected based on the criteria established in the provider selection process. Based on the conclusions obtained from the due diligence process, the Purchasing department decides whether or not the supplier should be approved and under what conditions, establishing preventive or corrective measures if necessary. All new providers are assessed and selected based on the environmental and social criteria established by

Aqualia. A total of 368 suppliers were assessed in relation to environmental impacts.



**Assessments by type of supplier\***

**5%**  
global suppliers

**95%**  
local suppliers

\*Supplier criteria for approval:  
- Suppliers whose turnover exceeds €50,000 (2022).  
- Suppliers selected on the basis of the classification of materials considered risky by compliance with turnover > €10,000.  
- Suppliers from the list of hazardous activities with invoicing in 2022.

This brings the list of suppliers eligible for approval to 911 (2022).

**c) Supplier approval process**

During 2022, Aqualia worked on extending the development of the supplier management system to Colombia. This system includes the approval of suppliers by subject matter. In addition to Spain, at the beginning of 2023 this process is already active in Colombia.

The approval process consists of a study of possible risks associated with the information provided by the supplier in question. Suppliers must duly complete their registration on the

**Aqualia's 2021-2023 Strategic Sustainability Plan aims to transfer the culture, ethical values and compliance to the supply chain, as well as the impact that the company has on its suppliers, thus integrating them into its strategic priorities.**

Group's platform in order to be considered approvable suppliers. Once registration is completed, the supplier must sign a Responsible Declaration on Anti-Corruption, Receiving and Giving Gifts, Conflicts of Interest and Human Rights. The supplier has to answer a series of questionnaires.

**d) Improving the relationship with subcontractors**

Based on the company's preventive and safety culture, over the last

few years a significant effort has been made to achieve the objective of ensuring that the contractors with whom Aqualia works carry out an excellent health and safety performance and that this is monitored from the process prior to the agreement until the end of the work.

In view of the reinforcement brought about by the implementation of the supplier approval platform, Aqualia has established a roadmap for the management of contractors, which is summarised below:

The monitoring programme continues and has been modulated with suggestions from Aqualia's own contractors and services. In addition, work is being done on procedures to complement the current system in order to cover particularities that exist with certain types of contractors.



# We take care of nature: climate change mitigation and adaptation

We believe in an end-to-end and circular water cycle, capable of turning cities into respectful spaces and balancing the relationship between the environment and people.

As experts, we want to transmit our feeling of responsibility, bringing knowledge about water management to citizens so that they are informed and become aware of the vitality of the service and environmental problems.



# First-hand...

“Sustainability is a major business ally which forces us to focus on the long-term”

At the Operations and Technology department, Pedro Rodríguez is tasked with managing a large strategic support team to ensure that all Aqualia services perform their work as efficiently as possible. This area focuses on environmental innovation, a major challenge facing 21<sup>st</sup> century companies already immersed in the decarbonisation challenge facing Europe.

#### How does your department face this corporate challenge of moving towards an increasingly sustainable model?

We are at a key time and the water sector is facing major challenges. The effects of the climate crisis, such as water stress, combined with the lack of awareness among people when it comes to caring for the resource, are a risk to our activity. Furthermore, the framework in which we are moving is by no means simple: the regulations are increasingly demanding and there are different market players who question our legitimacy as managers of the resource. That should not be the case.

In our sector, partnerships and collaboration are critical when it comes to designing a resilient water cycle.

Despite this context, Aqualia's commitment to moving towards a more sustainable model is unwavering since, thanks to our specialisation, we have a genuine concern for water and its future. In this sense, and as is the case in Steven Johnson's novel *The Ghost Map*, on how the cholera crisis that engulfed London in 1854 and that changed modern cities was resolved: “*whoever has resolved the water problem has resolved one of the transcendental problems facing society*”. I believe that we are a very valuable stakeholder for society and we have the opportunity to reinvent our model, placing sustainability at the core as an essential ally that provides us with a long-term vision to offer innovative solutions.

#### And how are you facing the regulatory tsunami that is now materialising in Europe with the approval of the new directive and the arrival of the EU taxonomy?

The EU regulation forces us to direct capital towards sustainable

investments that contribute to the Sustainable Development Goals (SDG). This entails establishing a common reporting framework for all companies and setting universal criteria for activities considered sustainable, according to an equally common taxonomy. We are well placed to face these challenges. Since 2006, we have reported to all our stakeholders as per the GRI guidelines and we recently closed a green financing deal for €1.1 billion on account of the measures taken in the field of the climate emergency and caring for the planet. I think we're doing a good job of staying ahead of the regulations and collaborating with all departments to make regulatory trends genuine opportunities for growth.

From a more global perspective, we play a leading role in Europe in the race towards sustainability. We understand and assume our responsibility as drivers of this transition in all the countries that we are present in.

#### PEDRO RODRÍGUEZ

DIRECTOR OF OPERATIONS AND TECHNOLOGY

#Decarbonisation #CircularEconomy #Regenerate #Biodiversity #Biofactories



**In 2021, Aqualia launched the first strategic document that is not exclusively economic in nature, the 2021-2023 Strategic Sustainability Plan. How does your department contribute to this?**

We are a corporate area and we regard this as a company achievement. However, our action is directly related to the strategic line of entitled “Climate Emergency and caring for the planet” to address the already well-known twin crises (climate and biodiversity). To this end, we are sparing no efforts when it comes to improving efficiency in distribution networks, optimising energy and reducing emissions or promoting the transfer of R+D+i projects to the production area, which this year we increased from two to eight.

The circular economy initiatives have been particularly important: harnessing reclaimed water for the recovery of ecosystems, transforming effluents into water suitable for irrigation purposes or generating energy from wastewater. Furthermore we have two projects that are at the cutting-edge of innovation, Zeppelin and Ecllosion, that involve researching the production of green hydrogen and biomethane. The energy transition is also a key element and at the moment we are working on four lines: calculating the individual carbon footprint by country, improving the energy efficiency of facilities, using renewable energies that, following the incorporation of Georgia, has increased from

19,100 to 673,806 GJ (up by 3.478%) and the transformation of the vehicle fleet, which has gone from accounting for 7% to 12.54% in 2023.

We also undertake actions to protect biodiversity. All of these are inherent to our purpose. I would highlight the recovery of wetlands or rivers, caring for and promoting wildlife and the regeneration of land to improve habitats.

**In our sector, partnerships and collaboration are critical when it comes to designing a resilient water cycle**

**Looking back to 2022, which actions or projects undertaken by your department do you believe have had the biggest impact?**

One of the milestones we have achieved has been the company's excellent growth, which has resulted in a strategy to export our operations and standards to other countries. We have reinforced the Operations and Technology area, which is focussed on providing that corporate management and procedural umbrella, to do things better and more swiftly. We hope that this entails an

improvement for all our technical departments and, by extension, all our professionals.

When it comes to Aqualia's purpose, of guaranteeing access to water, I believe that the LIFE INTEXT project, which aims to combat water scarcity in small communities, represents a milestone. This project has a significant room for growth, and impact, and through it we are also linking innovation to market needs.

**After all these changes, what are the challenges that Aqualia faces in the short-term?**

Undoubtedly, digitalisation poses a difficult challenge, nonetheless, it is a challenge that, at a sector level, we must make progress with. Another area that we must address is innovation, which has a lot to contribute to sustainability. In this case, we have to promote the generation of ideas and be able to deploy them.

In the near future, we will continue working on renewing our roadmap, Aqualia's 2021-2023 Strategic Sustainability Plan. We must enhance it and ensure it serves as a reference document for all employees. Achieving the goals it sets out will be key on this path towards sustainability, which for us is and has always been as strategic as it is necessary.

# Comprehensive sustainability

A MANAGEMENT SYSTEM FOR COMPREHENSIVE SUSTAINABILITY

## Aqualia conducts efficient and sustainable environmental management through its certified Integrated Management System, covering the Environmental (ISO 14001), Energy (ISO 50001)<sup>9</sup> and Quality (ISO 9001) areas.

In 2022, the company worked on the implementation of the new ISO 45001 regarding integrated management systems. To this end, integrated committees have been established and the internal and external auditing processes have also been carried out in an integrated manner and in conjunction with AENOR.

Specifically, in order to respond to the climate challenge, the company also certifies its Carbon Footprint (ISO 14064-1)<sup>10</sup>.

The requirements of this Integrated Management System are as follows:

- **Identification and assessment** of environmental aspects.
- **Identification and monitoring** of legal and contractual requirements.
- **Operational control** of environmental aspects and of the main energy uses and consumption (carried out according to the requirements of the Quality Management System).

- **Identification and assessment** of environmental risks and establishment of preventive and response measures for possible incidents/accidents.
- **Continuous improvement**, establishing goals and review of the Management System.

The main impact that Aqualia generates with its activity is related to the consumption of reagents, waste generation and energy consumption. Furthermore, Aqualia's Policy includes a commitment to the principle of preventing pollution, which entails a risk that can be ascertained in advance and measures can be adopted to neutralise it. The precautionary principle is addressed through the implementation of the Environmental Management System and through risk management.

In the implementation of the Environmental Management System, the operational control of the significant environmental aspects and the applicable legal requirements is defined through procedures and technical

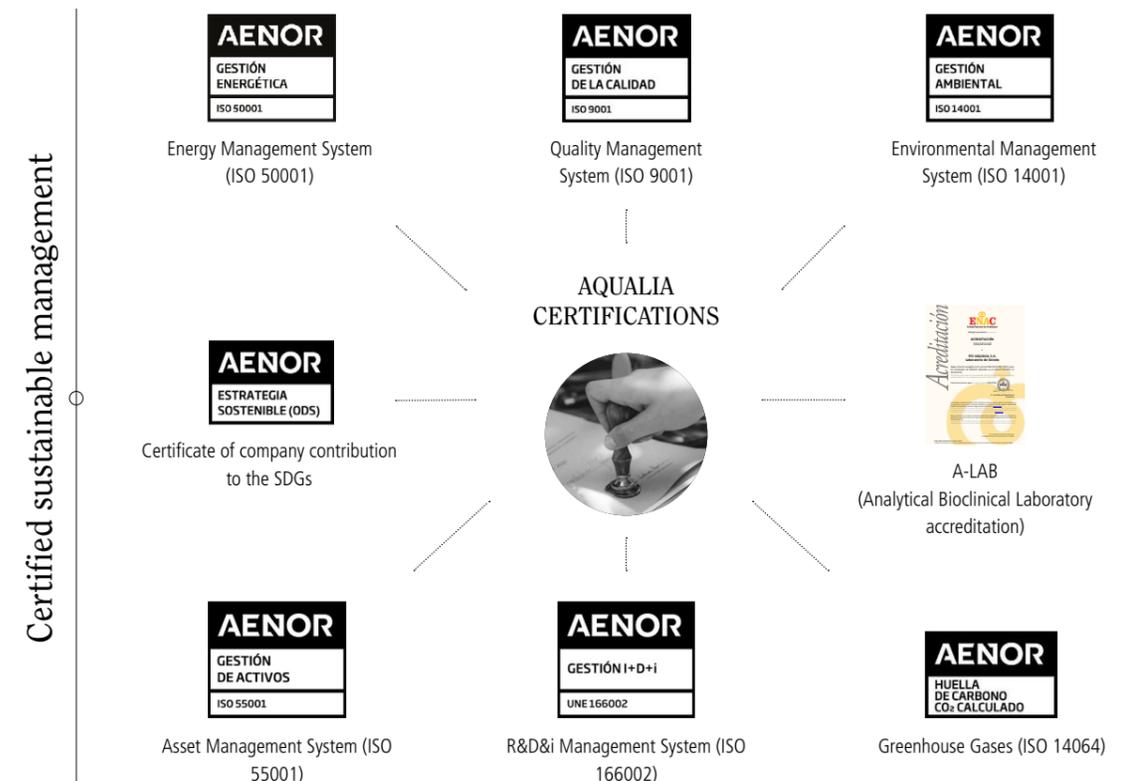
instructions<sup>11</sup>. The main aspects considered and controls put in place are as follows:

The Management Committee, through the Management System Committee, establishes the global milestones of the Management

System, such as energy reduction and carbon footprint projects or the efficient and responsible management of the end-to-end water cycle.

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

\*Percentage referring to those MWC and BOT agreements of three years or more in which Aqualia has a majority shareholding. Base year 2020. Adjusted variable scope.



9. Since 2016, and every four years, the company has undergone energy audits (in accordance with ISO 50001-Energy Management Systems) in a collection of production installations that consume more than 85% of the company's total energy consumption in Spain.

10. Scope: Spain and Portugal.

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

# Reduction of water consumption



● Lleida WWTP, Spain.

Amongst the certification milestones achieved in 2022, the following are worth particular mention:

- Adaptation to the new ISO 14064-1:2018.
- Increased scope of the Energy Management and Climate Change strategy.
- Calculation of the carbon footprint at adjusted variable scope<sup>12</sup>.
- Calculation and verification of the carbon footprint for all Aqualia's activities in Spain and Portugal 2021.

- Registration in the Carbon Footprint Register of the Spanish Climate Change Office (SCCO) under the Ministry of Ecological Transition and Demographic Challenge (MITERD) for all Aqualia's activity in Spain.
- Implementation of the Carbon Footprint Reduction Plan for Aqualia's 2020–2022 activity.
- Verification of avoided emissions in the CLIMA Project of the SCCO of MITERD.

- Follow-up on the project for the Implementation of the Energy Management System in all activities in Spain, in compliance with RD 56/2016.
- For the second year in a row, Aqualia certifies its Strategy for the Contribution of the Sustainable Development Goals, by AENOR included in the Annual Sustainability Report, subject to GRI criteria.

Aqualia	ISO 9001	ISO 14001	ISO 50001
2022	79.2%	79%	54.7%
2021	80.1%	80.1%	59.2%

Note: percentages of certified turnover, including Spain and International.

12. MWC and BOT agreements of 3 years or more in which Aqualia has a majority shareholding. In 2022, the carbon footprint has been measured in Georgia, which is less than 3 years old. See annexes (HC).

Aqualia's activity aims to reduce water consumption. In addition, the company regenerates the environments where it is present,

anticipating the great challenges (since 2014 it is the first company in the sector to calculate the impact of its activity).

In this strategic area, Aqualia is developing the following action plans to achieve a reduction in water consumption:

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN SL2 CLIMATE EMERGENCY AND ENVIRONMENTAL CARE

Line of work	Reduction of water consumption		
Action plan	Reduction of the volume of non-revenue water	Improvement of the efficiency of water distribution networks	
Indicator	% of the volume of non-revenue water divided by the total volume of water introduced into the distribution network	Volume of non-revenue water per kilometre of network and day	
Performance 2021	29.3%	12.1 m <sup>3</sup> /km/day	
Performance 2022	28.29%	12.14 m <sup>3</sup> /km/day	
Goal	27% in 2023	12 m <sup>3</sup> /km/day in 2023	
Sustainable development	Goal 6.4	Goal 6.3	
<b>Potential impact metrics</b>			
Annual water savings	Annual volume of wastewater treated or avoided	Treatment and elimination of sludge from wastewater	Re-use of sludge from wastewater

## GLOBAL CHALLENGE

Water scarcity caused by climate change, discharge management and care for the planet

## Water footprint: the key to fighting desertification

The EU Directive 2020/2184, on the quality of water intended for human consumption through saving and efficiency measures, takes up the European problem of leakages in distribution networks and establishes a three-year period for their evaluation. In order to respond to this requirement, and in continuity with innovation in the continuous improvement of the service, Aqualia has developed, in 2022, its own digitalisation programmes for smart metering. One of these programmes is Aqualia Water Analytics (AWA), the analytical platform for smart water cycle management integrated into Aqualia Live, was conceived at this headquarters. By applying artificial intelligence and machine learning, the company achieves the necessary information for the pre-location of leaks and rapid detection in facilities with the aim of **reducing the volume of non-revenue water (NRW) out of the total injected into the distribution network to less than or equal to 27% by 2023.**

These programs are exportable to other countries. Currently, they are key tools for the introduction of Aqualia services in France and Colombia.

Other smart metering systems developed by Aqualia are the geographic information programme GEO or NOW, the platform that integrates asset management,

mobility and the reading module, which, together with AWA, are available to administrations and citizens to offer greater control and more efficient consumption.

**NATURAL RESOURCE (m<sup>3</sup>)**

	2022	2021	22/21
Gross volume of water collected for management	1,590,377,560	988,938,615	61%
Drinking water generated	1,287,185,226	708,279,045	82%
Drinking treated water	835,276,327	695,277,335	20%
Raw water collected	220,994,447	210,297,997	5%
Wastewater treated	272,142,365	265,717,202	2.4%

Note: the increase in 2022 is due to the inclusion of Georgia, Colombia and Mexico in the scope.

**WATER RECYCLED OR RE-USED (m<sup>3</sup>)**

	2022		2021		22/21	
	All areas	Water stressed areas*	All areas	Water stressed areas*	All areas	Water stressed areas*
Water recycled or re-used (m <sup>3</sup> )	80,862,569	80,862,569**	64,164,186	64,164,186	26%	26%

\*Water-stressed areas have been defined as per the provisions at the following link: <https://www.wri.org/data/aqueduct-30-country-rankings> and associated at a country level.  
\*\*The three countries that recycle are Egypt, Spain and United Arab Emirates.

**Controlled water discharges**

The company has plans for potential emergencies related to accidental spills and/or spillages. These plans establish preventive and response actions.

The wastewater treatment stations managed by Aqualia have the waste disposal authorisations

approved by the competent authority for hydraulic matters. There are currently no treatment plants identified that do not have discharge authorisations or applicable legislation on the discharge of water into the natural environment.

Regardless of the country in which a facility is built, Aqualia uses European technology that

meets high standards in terms of discharge levels. This ensures that in most countries the minimum levels established by regulatory requirements are exceeded.

Circularity initiatives in the water cycle contribute to reducing water consumption. This is only possible through collaboration between companies, administrations, citizens, etc.

Aqualia carries out numerous circular economy actions with the aim of improving the conservation of the resource, such as the use of reclaimed water for the recovery of ecosystems or the transformation of effluents into water suitable for irrigation.

The company also participates in various sectoral forums and

working groups with the aim of exchanging knowledge and best practices in the sector. An example of this is Aqualia's leadership in the multi-sector alliance StepbyWater. Driven by the UN Decade of Action, this partnership promotes integrated, holistic and cross-cutting initiatives aimed at reducing and optimising water consumption.

**Water quality**

It is Aqualia's responsibility to protect human health from the adverse effects of any contamination of water intended

for human consumption by ensuring that it is free of any micro-organism, parasite or substance that could represent a danger. This is achieved thanks to Aqualia's network of 10 accredited laboratories distributed between Spain, Italy and the Czech Republic. All of them have a structure that responds to the independent decision-making of the laboratories indicated in EN ISO/IEC-17025, article 4.1, and to the analytical needs of the agreements managed by the Aqualia Group in accordance with the regulations.

**Tank cleaning**

Tank cleaning is a key task to guarantee the quality of the water supplied to citizens and users. Aqualia is responsible for managing 3,092 drinking water tanks around the world; cleaning tasks can take a number of weeks and have to be undertaken without affecting the supply of this resource.

**PARAMETRIC RESULTS IN DRINKING WATER**

	2022	2021	22/21
Parametric results in drinking water	1,167,738	1,021,192	14%
% compliant results	99.86%	99.91%	-0.001pp
Non-compliance	1,660	874	90%

Note: the increase in the number of non-compliances is due to the inclusion of Colombia in the reporting scope.



**PROJECTS CONTRIBUTING TO THE IMPROVEMENT OF NETWORK EFFICIENCY**

**GOOD PRACTICE**

Digitalisation for leak detection

Thanks to the development of its own measurement and monitoring system, the Balearic Islands have managed to reduce non-revenue water by 20% in the last

year compared to the previous year. This represents a saving of 300,000 m<sup>3</sup>, the equivalent of the water of 120 Olympic swimming pools or 30,000 tanker trucks.



## WASTEWATER RE-USE PROJECTS

### New algae-based biofertilisers: H2020 Sabana

Spearheaded by the University of Almeria, the consortium of 11 entities from five countries includes three large companies: Aqualia, Westfalia (Germany) and the Italian food group Veronesi.

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

### We anticipate the legislation: Life Phoenix Project

Life Phoenix aims to obtain reclaimed water from the secondary effluent of a wastewater treatment plant, also eliminating microplastics and emerging pollutants. Thus, the company seeks to develop a system that allows it to define the appropriate solution for each size and type of population, optimising implementation and operating costs and guaranteeing reclaimed water that meets the quality requirements of the new European Directive 2020/741.

### MARadentro Project

Carried out at the Medina del Campo WWTP, the project aims to build a 400 m<sup>2</sup> infiltration system for the advanced treatment of treated water and its re-use in aquifer recharge. The objective is to reduce pressure on water resources by developing innovative techniques and operational guidelines for better management of water re-use through low-cost treatment.

## GOOD PRACTICE



### Demonstrative Project for the Re-use of Water from the Villapérez WWTP, in Asturias

The re-use of wastewater, which is presented as an alternative that makes it possible to reduce the demand for drinking water in certain industrial, agricultural and urban uses, as well as to reduce the pollutant load, is one of Aqualia's commitments for mitigation and adaptation to climate change.

Due to the concentration of industrial activities, mainly in the central region of Asturias, where the Villapérez WWTP is located, the largest treatment plant in the Principality, and in line with

the Master Plan for Water Treatment and Purification of the Principality of Asturias (2020–2030), the company has set up a pilot demonstration plant to validate the combination of different technologies to obtain water of different quality for industrial use. In addition, an electrodeionisation (EDI) stage will be added to the plant's processes in order to obtain high quality water for possible use in hydrogen production.

The results of this project will be known in 2023.

# Energy optimisation and emission reduction

## Aqualia was the first company in the water industry to register the Carbon Footprint (CF) for all its activity in Spain, in accordance with ISO 14064-1.

The current climate emergency situation in which the planet finds itself leads governments, communities and industrial corporations to seek specialised operators to help them provide effective solutions to the problems of water supply, sewerage and wastewater treatment based on models that are clearly committed to energy optimisation.

Aqualia is committed to the Paris Agreement Framework Convention in relation to global warming and decarbonisation, a commitment that extends to all the countries where it is present. Specifically, in Spain, Aqualia's performance is aligned with the Long-Term Decarbonisation Strategy published by MITERD, which sets out a roadmap for Spanish companies to design their decarbonisation

strategies with a 2050 horizon and intermediate milestones in 2030 and 2040.

Against this backdrop, Aqualia has raised its ambition, aware of the potential that the new paradigm shift offers in terms of strategic partnerships and resources. In this way, the 2021-2023 Strategic Sustainability Plan sets out the path for achieving Aqualia's environmental commitments to its stakeholders. As a result of this ambition, the company has finalised the Aqualia Carbon Footprint Reduction Plan (2020-2022) in 2022<sup>13</sup>.

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

13. The scope of the 2020–2022 Carbon Footprint Reduction Plan is Spain.

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

**2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL2 CLIMATE EMERGENCY AND ENVIRONMENTAL CARE**

Line of work	Energy optimisation and emission reduction				
<b>Action plan</b>	Calculation of the individual carbon footprint per country	Transformation of the vehicle fleet	Improving energy efficiency		Use of renewable energy
<b>Indicator</b>	% countries where the carbon footprint is calculated divided by the total countries* in which Aqualia operates.	of low CO <sub>2</sub> emissions vehicles as % of total vehicle fleet	Reduction of % kWh/m <sup>3</sup> energy used in drinking water adduction, treatment and distribution compared to 2020	Reduction of % kWh/kg COD removed, energy used in wastewater treatment and purification vs. 2020	% renewable energy** used from own facilities, PPA or procurement, out of total energy consumption
<b>Performance 2021</b>	90%	7%	-3.57%	-7.89%	32%
<b>Performance 2022</b>	100%	12.54%	-9.46%	-9.87%	34.15%
<b>Goal</b>	100% in 2023	100% in 2030	3% in 2023 compared to 2020	3% in 2023 compared to 2020	50% in 2030
<b>Sustainable development</b>	Goal 7.2 Goal 17	Goal 13.2	Goal 13.2	Goal 13.2	Goal 13.2

Potential impact metrics			
Annual GHG emissions reduced/ avoided in tonnes of CO <sub>2</sub> equivalents	Absolute (gross) annual GHG emissions in tCO <sub>2</sub> -e. Number of eco vehicles deployed	Capacity of renewable power plants constructed or rehabilitated in MW	Annual renewable energy generation in MWh/ GWh and GJ/TJ
GHG emissions intensity	Estimated reduction in fuel consumption	Power density: W/m <sup>2</sup>	Capacity of renewable power plants constructed or rehabilitated in MW

**GLOBAL CHALLENGE**

Pollution and climate change

Aqualia responds to the climate challenge with energy management based on optimisation through four lines of action:

**1) Calculation of the carbon footprint and action plan for the reduction of GHG emissions in Spain in 2020-2022**

During 2022, various measures set out in the Carbon Footprint

Reduction Plan were implemented. These measures have resulted in increased tracking and monitoring of carbon emissions, and recognition by the Spanish Climate Change Office (SCCO) of Aqualia's commitment to curbing climate change through policies

\*Percentage refers to those MWC and BOT contracts at least three or more years old in which Aqualia has a majority shareholding. Base year 2020. Adjusted variable scope. Apart from complying with the objective of the Strategic Plan, other countries are also included in the calculation of the carbon footprint.

\*\*The data on the percentage of renewable energy by country considered in the electricity mix was taken from ourworldindata.org. The figure used by country is that of 2021.

and initiatives to reduce its carbon footprint and protect biodiversity in the areas in which it operates. The seal obtained, which places the company in the second level (REDUZCO), demonstrates the company's projection in its objective to reach the last level (COMPENSO).

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

**2) Use of renewable energy**

The water industry is undergoing a radical change towards a massive use of renewable energy. The company, as the driving force behind this change, is already in the fourth phase of its plans to install photovoltaic energy in the wastewater treatment and

drinking water treatment plants it operates, a fundamental step towards achieving energy neutrality. Projects initiated in 2020 have been continued during 2022:

- Power Purchase Agreement (PPA) and closing of rates in the fixed and futures markets. Under this agreement, the company purchases 76 GWh per year of renewable energy (photovoltaic) for the next eight years. In 2022, the emission reduction has been 15,846 tonnes<sup>14</sup>.
- Currently, 15 photovoltaic energy installations have been commissioned in Spain, with an installed capacity of 3,393 kWp and produced energy of 2.8 GWh.
- There are 17 plants in the process of installation, with an installed capacity of 14,332 kWp, with a planned annual production of 25.8 GWh.

**GOOD PRACTICE**



Zeppelin Project in Algeciras (Cádiz)

Aqualia has a 49% stake in Emalgesa, the joint management company of the Municipal Water Service of Algeciras (Cádiz), and leads the research consortium.

The objective of this project, which Aqualia will carry out until 2024, is to test new green hydrogen production and storage technologies based on the circular economy.

**EMISSIONS BY COUNTRY**

2022	Spain	Algeria	Czech Rep.	Colombia	Egypt	Italy	Mexico	Portugal	United Arab Emirates	Saudi Arabia	France	Georgia	Total
<b>Scope 1</b>	85,409	0	7,342	419	6,466	720	0	482	6,615	0	807	10,985	<b>119,246</b>
<b>Scope 2</b>	101,440	147,146	10,356	3,190	5,139	2,531	10,919	724	8,765	36,934	222	3,153	<b>330,519</b>
<b>Scope 3</b>	135,664	19,755	6,332	1,622	3,981	6,898	2,839	2,856	1,772	4,708	1,025	84,937	<b>272,386</b>
<b>Total</b>	322,513	166,901	24,031	5,231	15,585	10,148	13,758	4,062	17,152	41,642	2,053	99,076	<b>722,151</b>
<b>Other emissions*</b>	28,633	0	4,699	0	0	47	0	0	0	0	0	0	<b>33,378</b>

\*Associated with fuels of biogenic origin.

14. The estimate has been made using the emission factor of the company's main electricity supplier and the energy actually consumed.

## GOOD PRACTICE



Hydroelectric power production at the Zhinvali reservoir, Georgia.

### We promote the production of energy from water in Georgia and the Czech Republic

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

This is the case in the Czech Republic, where SmVak has a treatment plant in

the town of Podhradí, with seven mini-hydro power plants located at the water treatment plants and capable of producing almost 5 GWh of clean energy. This means generating 33% more electricity in its mini-hydraulic plant than it consumes for its operation. In Georgia, Aqualia has acquired Georgian Global Utilities, which owns four hydroelectric plants associated with water cycle infrastructures.

## ENERGY CONSUMPTION

Energy consumption within the organisation GJ	2022	2021	22/21
Fossil fuels	358,814	241,325	49%
Renewables	1,263,913	600,263	111%
Direct energy consumption	1,622,728	841,588	93%
Indirect energy consumption	3,827,933	3,422,180	12%
<b>Total</b>	<b>5,450,660</b>	<b>4,263,768</b>	<b>28%</b>
Turnover	€1,323,155 thousand	€1,169,450 thousand	13%
Ratio of energy over turnover, GJ/thousand €	4.12	3.65	13%
Ratio of renewable energy over turnover, GJ/thousand €	1.92	0.75	158%

Note: 2021 figures have been corrected.

Note: the increase in fossil fuel consumption is due to the inclusion of Georgia and Colombia in the scope.

Note: the increase in energy consumption is due to the inclusion of Georgia and Colombia in the scope.

Note: the increase in the consumption of renewable electricity is due to the purchase of energy with a guarantee of origin and to the fact that in 2022 the share of renewable energy in the electricity mix of each country has been noted.

## 3) Improved energy efficiency in energy generation and facilities

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



Solar panels installed at the WWTP in Jerez de la Frontera, Spain.

### Energy consumption by country

In 2022, actions have been developed to reduce energy consumption and improve technical management within the framework of energy reviews according to ISO 50001 and RD 56/2016:

- Implementation of the pilot for the Energy Optimisation System for offices and warehouses in six of the eight locations, with a view to rationalising energy use in lighting and air-conditioning in these administrative centres.

- The functionalities and scope of the electricity billing control platform, Synergica, continue to be improved with the technical reporting platform, Aqualia RT. Through this measure, the monitoring of the ratios of the different energy-dependent variables is achieved, eliminating the possibility of human error.

- Platform for centralised monitoring and control of proposals and objectives for improvement of the different contracts, related to efficiency.

- The Energy Efficiency Working Group, whose main work is focused on the publication of "good practices" and the approval of high-efficiency devices, worked in 2022 on the launch of new pilots and equipment to improve the power signal to the facilities and thereby reduce consumption.

**The ratio of energy intensity to turnover is 4.12 GJ/€1,000 in 2022**, which represents an increase over the 2021 ratio, which stood at 3.65 GJ/€1,000. Furthermore, renewable energy consumption has increased, up from 20% in 2021 to 47% in 2022.

#### 4) Transformation of the vehicle fleet

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

In 2022, Aqualia decided that the industrial vehicles (vans) to be renewed or purchased must be 100% electric. In addition,

the company has a total of 32 electric chargers installed. And the forecast for the end of 2023 is 160 installations.

In total, there are 2,408 light vehicles, of which 304 are ZERO or ECO (with some hybridisation), giving a percentage of green light vehicles of 12.54% of the total in 2022<sup>15</sup>, excluding light machinery (dumpers, etc.). In addition, the raw material crisis and the current shortfall in vehicle deliveries has meant that the delivery of approximately 150 electric vans has been delayed.

## GOOD PRACTICES

### Energy optimisation in El Salitre (Colombia)

In Colombia, the new El Salitre WWTP manages to optimise energy efficiency by reducing by at least 30% the energy consumed in the plant thanks to the use of biogas generated in the plant itself.

### Rewatergy Project to achieve more efficient water treatment plants

The closing ceremony of the Rewatergy Project took place in Jerez, an innovation project whose objective is to reduce the need for energy in the water treatment and re-use process, promote energy recovery from wastewater, and develop novel disinfection processes for more sustainable water treatment plants.

Aqualia is one of the three companies participating in this project together with three universities. The closing ceremony enjoyed extensive coverage by the media.

### ABAD Bioenergy Project<sup>®</sup>: production of vehicle-grade biomethane

The Technology Transfer Report on the ABAD Bioenergy<sup>®</sup> product, a WWTP biogas upgrading system for obtaining biomethane with quality for its use in vehicles, has been completed, including various economic scenarios for its commercialisation.

During 2022, five biomethane production plants for vehicle use have operated in Lleida, Guijuelo, Jerez de la Frontera, Chiclana and Almería. The portable pilot plant that was used to design the process has already gone through two contracts (Gavia and Motril) and has now been transferred to Algeciras to test it on site and study the feasibility of its implementation on a larger scale.

15. Data for Spain.

# Biodiversity

## ECOSYSTEM PROTECTION AND RECOVERY

The crisis of biodiversity loss and degradation of natural systems has become a global challenge. The Kunming-Montreal agreement reached at COP15 is a clear reflection of this. Adopted by 196 countries, its main commitments include the

protection of 30% of the planet and 30% of ecosystems by 2030.

Aqualia is a member of the Spanish Business and Biodiversity Initiative (IEEB) and the Biodiversity Pact, both promoted by the Biodiversity Foundation of the Ministry for

Ecological Transition and the Demographic Challenge. However, Aqualia's activity is also integrated into the natural environment, so that the promotion of the development of its activities, always bearing in mind the conservation of natural capital, is intrinsic.

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

### 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL2 CLIMATE EMERGENCY AND ENVIRONMENTAL CARE

Line of work	Ecosystem protection and recovery. Biodiversity	
<b>Action plan</b>	Identification of protected areas (biodiversity)	Initiatives with the surrounding area to promote biodiversity
<b>Indicator</b>	Number of new biodiversity areas identified	Total new projects for biodiversity protection and ecosystem recovery
<b>Performance 2021</b>	2	6
<b>Performance 2022</b>	7	8
<b>Goal</b>	> 5 each year	> 5 each year
<b>Sustainable development</b>	Goal 6.6 Goal 15.5	Goal 6.6 Goal 15.5 Goal 13 Goal 17

GLOBAL CHALLENGE  
Care for the planet

Aqualia manages operational centres that it owns or leases next to protected areas and areas with great value from the point of view of biodiversity. In most cases, these contracts are included in Aqualia's Management System and include information on the facilities

potentially affected. The care and protection of these areas and their ecosystems is part of Aqualia's commitment, which, together with other environmental organisations, promotes different initiatives for their protection.



## BIODIVERSITY HIGHLIGHTS

### GOOD PRACTICE



#### We involve citizens in our performance in El Salitre, Colombia

##### **Discover + Know + Enjoy Your Metropolitan Park PTAR Salitre, Colombia**

This initiative has the objective of encouraging citizens to be part of the development of the works, that is, to be co-responsible for their development, so that they also feel part of the positive impact that these new infrastructures will bring to their community.

To this end, information is provided on the monitoring and performance of the planted native species, the progress of the environmental and recreational scenarios of public interest, through tools such as drone videos and publications on social networks. In this sense, special publications called #TBT have been intensified, allowing a comparison between the beginnings of the park's progress and its current state.

In this forest area, the company has planted 7,857 trees of 28 native species, a three-fold increase over the number of trees felled.

##### **Workshops**

In line with the initiatives to involve the residents of the community in the construction of the El Salitre WWTP, various workshops were held on:

- Climate change and risk management.
- Comprehensive solid waste management.
- Bogota River: social and environmental importance of the basin.
- Environmental care of the territory.

##### **Reinforcement of communication with the community**

During the first half of 2022, information from the El Salitre WWTP reached multiple recipients through the use of MailChimp. Thus, more than 80 formal calls for applications were made, through which nearly 4,000 people participated in the different spaces for citizen participation established in the Social Management Plan.

#### **Reforestation campaign in Jizan, Saudi Arabia (South Cluster)**

The Department of Environment and the Water Branch of the city of Jizan, capital of one of the four regions that make up Saudi Arabia's Southern Cluster, the consortium led by Aqualia, together with Acciona, Tawzea and HAACO, has begun the fourth phase of the afforestation campaign to plant 500 trees of endemic species in the town's wastewater treatment plant.

#### **Smvak collaborates with a local environmental organisation as part of the IFM Grant**

ZO ČSOP Levreků Ostrov, an environmental non-profit organisation, purchased a new ecological mower, which is essential for the care of valuable meadow communities and genetic sets of fruit trees in the Moravian-Silesian region, thanks to the cooperation with the water company North Moravian Water and Sewerage Works Ostrava.

#### **Life Reseau Project to prevent discharge reliefs caused by rainfall in the south of Galicia**

This innovative project aims to avoid discharge relief when it rains and increase treatment capacity with existing facilities, seeking to increase the resilience of the entire end-to-end water cycle.

In addition, Life Reseau plans to build a 500 m<sup>3</sup> aerobic granular reactor at the Moaña WWTP to treat up to 2,000 m<sup>3</sup>/d of wastewater. This system improves the adaptability of the WWTP to the load variation that occurs during heavy rainfall. This reduces the environmental impact of the



● ZO SOP Levreků Ostrov carrying out work in the Moravian-Silesian region, Czech Republic.Čů

treatment process by reducing the energy requirement and avoiding the emission of greenhouse gases.

#### **Improving the biodiversity of the Medina del Campo WWTP**

Thanks to a grant from SEO Birdlife, new milestones and objectives are being set in three main areas: in scientific study, in the improvement of the physical ecosystem and in raising environmental awareness, all at the Medina del Campo WWTP.

During 2021 and 2022, the improvement of technological means for carrying out environmental studies and species monitoring has led to an increase in the number of species cited and advances in the knowledge of their behaviour. Additionally, the improved environmental conditions achieved by the project have not only attracted new species of migratory birds, but also revitalised the ecosystem and the entire food chain in the area. In additionally, the project has a very strong educational and awareness-raising

dimension, with the establishment of an environmental classroom.

Some of the advances achieved thanks to this grant include:

- More material and equipment for species monitoring and monitoring the evolution of biodiversity.
- Cleaning of the lagoons and removal of some 800 tonnes of sludge.
- Improvement of roosting and nesting conditions for birds in the lagoons so that they can be safe from terrestrial predators.
- Purchase of additional material for the awareness-raising project for schoolchildren.

# Environmental awareness-raising

CAMPAIGNS WITH DIRECT IMPACT ON SDG 6

We want to transmit, through communication and awareness-raising initiatives, our firm commitment to responsible management, bringing knowledge about the end-to-end water cycle closer to citizens so that they are informed and aware of how vital this service is for their well-being and development, as well as for the protection of the environment. Proof of this are some of the campaigns launched in 2022:



## INNOVATIVE

To mark the 7th anniversary of the SDGs, we gave visibility to seven cutting-edge innovation projects that respond to seven global challenges to boost, thanks to them, the fulfilment of the 2030 Agenda.



## CAPTURING THE SEA

The BBC has produced 17 documentaries on groundbreaking achievements to protect the environment. One of them was dedicated to the H2020 MIDES project, which we coordinate at Aqualia. The aim is to develop a system for obtaining drinking water through advanced desalination processes without energy costs.



## #YOACTÚO

Through this initiative we appeal to citizens' commitment to make good use of the toilet and not to use it as a waste bin. Likewise, we installed plates in the scuppers in different municipalities to keep the sewerage networks clean.

## RESPONSIBLE WATER USE

Throughout the year, but especially from October as a result of the significant drought that affected southern Spain, we strengthened our campaigns to promote the responsible use and consumption of water.

## SOSTENIBLÓMETRO

Our online sustainability meter helps us to understand citizens' behaviours. In 2022, 9,000 people completed the test and thanks to all the information received we produced the 1st and 2nd Sustainable Behaviour Barometer.

## PROMOTION OF DESALINATED WATER

We made a series of videos to highlight the value of the quality, sustainability and price of desalinated water in the Canary Islands (Spain). In addition, we took advantage of the Tenerife PuntaBlanca Young Series surfing championship to install a desalinated water dispenser.

## #NOLOTIRES

After its success in Spain, Caltaqua launched this information campaign in Italy to make raise awareness among the population about daily habits related to the use of urban sewerage: washbasins, sinks and toilets.

## TAP WATER CONSUMPTION

In the Czech Republic, SmVak re-deployed its tap inspectors, who visit restaurants, cafes and hotels. More than 200 of the 250 establishments visited have joined the initiative to promote the consumption of tap water in the restaurant industry.



## DIGITAL CHILDREN'S DRAWING CONTEST

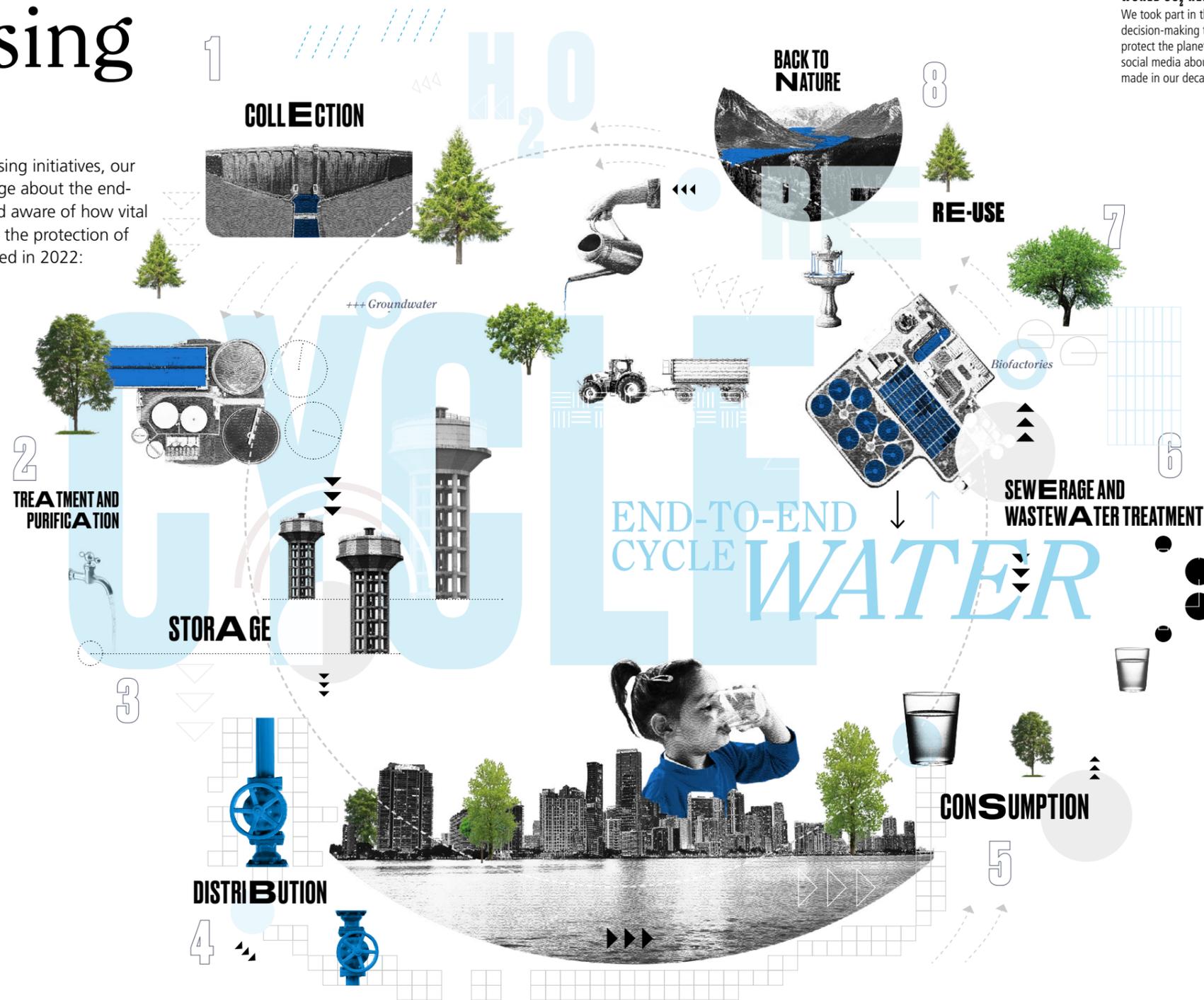
The 20th edition of our digital children's drawing competition helped us, once again, to promote the sustainable use of water among 3rd and 4th grade primary schoolchildren in Spain and Colombia. The website has provided 4,500 hours of training and, over its two decades of existence, has raised awareness among more than 280,000 students.

## AQUALIAEDUCA.COM

We develop different didactic content in Spanish and French to inform and raise awareness about the importance of the responsible use of water, as well as about the proper management and care of this precious natural resource.

## SAVE WATER

In Georgia, we are carrying out a campaign to raise awareness about the need to preserve natural resources and to promote the consumption of tap water. For this, we have organised school visits for 510 schoolchildren in Tbilisi to show them the entire process and the quality controls that we carry out on the water.



## WORLD CO<sub>2</sub> REDUCTION DAY

We took part in this key event for decision-making that serves to protect the planet by reporting on social media about the progress made in our decarbonisation plan.

## WORLD WATER DAY

We reported on our advances in the development of technologies that optimise the performance of water distribution and aquifer recovery. Also, coinciding with this milestone in the calendar, we launched our official profile on Instagram.

## WORLD SANITATION DAY

We focused on making the invisible resource visible, pointing out the harmful effects that the sanitation crisis causes for groundwater.

## EARTH HOUR

We launched messages through our social media to raise awareness about climate change and its impact on the environment. We also turned off the lights at the Mutxamel desalination plant (Alicante, Spain) as a symbolic gesture given the need to move towards a more sustainable future.

## INTERNATIONAL MOTHER EARTH DAY

We launched a social media campaign to raise awareness of the need to care for and protect the environment, nature and its biodiversity. In Sahagún (Colombia), we participated in tree planting.

## WORLD ENVIRONMENT DAY

Under the slogan *Show us your superpower, take care of the planet*, we engaged our entire workforce on the importance of being sustainable by sending an e-mail and launching a challenge on Instagram.

## PROMOTION OF ELECTRONIC INVOICING

We have kept this campaign active to continue reducing our paper consumption. Globally, the percentage of electronic invoicing is 36.25%. Georgia stands out, where this percentage rises to 77.93%.

# Innovation to protect ecosystems

COMBATING CLIMATE CHANGE

In this strategic area, Aqualia is developing the following action plans for the transfer of technological solutions obtained in R&D projects to production:

2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL2 CLIMATE EMERGENCY AND ENVIRONMENTAL CARE

Line of work	Technological transfer of the solutions obtained in R&D projects to production	
<b>Action plan</b>	Portfolio of innovative solutions for the fight against climate change	Mechanisms for the transfer of technology from R&D to production
<b>Indicator</b>	Number of new R&D projects launched during the year that include the development of innovative solutions to combat climate change	Total technology transfer actions from R&D to production carried out during the year
<b>Performance 2021</b>	4	2
<b>Performance 2022</b>	4	10
<b>Goal</b>	2 each year	2 each year
<b>Sustainable development</b>	SDGs 6, 12, 9 and 13	SDGs 6, 12, 9 and 13
	Goal 6.3	Goal 6.3
	Goal 6.4	Goal 6.4
	Goal 9.1	Goal 9.1
	Goal 12.4	Goal 12.4
	Goal 13.1	Goal 13.1

▼  
**GLOBAL CHALLENGE**  
Circular economy and care for the planet

European policies for the transition to a decarbonised economy mark Aqualia's roadmap for the development of innovative solutions in terms of circular economy and eco-efficiency, and of smart management tools for the efficiency of water resources, with special attention to the protection of biodiversity in those phases with the greatest potential impact.

**In 2022, the amount spent on R&D amounted to more than five million euros.**

In 2022, the figure dedicated to R&D amounted to €5,266,738, an investment that reflects Aqualia's strong technological commitment and represents an increase of 3.4% compared to 2021.

**GOOD PRACTICE**



**In this search for sustainable solutions, Aqualia articulates the impact to help the company meet its commitment to the 2030 Agenda:**



Guaranteeing a high-quality and affordable water and sanitation service



Optimising its energy balance



Through responsible production and consumption



Avoiding its impact on the climate



**i4U Innovation Award**



**VIDEO**  
Watch the awards gala here.

Following the success of the first edition, Aqualia has launched the second edition of the i4U Innovation Awards, an initiative aimed at developing internal talent and

promoting innovative culture among the workforce. The 33 applications submitted show the extraordinary reception that this initiative is having in the company.

### Circular economy: key to decarbonisation

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

Aqualia is thus developing lines of research aimed at the retrieval and transformation of organic matter

to convert it into "bio" by-products that can have a new lease of life. In this regard, Aqualia's objective is to convert WWTPs into circular stations or biofactories capable of retrieving, transforming and valuing waste into usable resources, allocating them to agricultural uses or for energy recovery. Progress has included the following:

- Improvements in thickening and dual digestion techniques, as well as the development of simplified sludge stabilisation technologies to convert organic matter into by-products such as fertilisers and bioenergy at WWTPs: H2020 Scalibur Project.

- Development of innovative solutions to prevent microplastics from reaching the sea through alternative systems of treatment of effluent in WWTPs: BBI Deep Purple Project (2019-2023).

- Natural methods of nutrient removal in wastewater treatment processes, avoiding the production of sludge in wastewater treatment plants: Sabana Project, completed in 2021.

- Use of innovative technologies to recover water resources and make environmental improvements: Life Intext Project (2019-2023).

### GOOD PRACTICE



### Deep Purple: an innovative solar energy project

Led by Aqualia and supported by 13 partners from six countries, the project implements on a demonstration scale a new biorefinery model that integrates purple and phototrophic bacteria (PPB) in anaerobic carousels. These bacteria use solar energy to treat wastewater without aeration, and transform the organic content of wastewater and municipal wastes into raw materials for biofuels, plastics, cellulose

and new base materials in the chemical and cosmetics industry.

A first prototype of the photobioreactor has been optimised at the Toledo-Estiviel WWTP, and a demonstration reactor 10 times larger has been built at the Linares WWTP (Jaén). Parallel demonstration activities are also being prepared at the Badajoz WWTP and SmVaK (Czech Republic).

### AQUALIA'S CIRCULAR ECONOMY MODEL

<b>Action guidelines</b>	Use of the minimum natural resources required to satisfy the needs identified at any given time.	Select resources smartly, avoiding non-renewable sources and critical raw materials, encouraging the use of recycled materials.	Efficiently manage the resources used, maintaining and recirculating them in the economic system for as long as possible, generating less waste and avoiding the use of unnecessary resources.
<b>Circular economy initiatives at Aqualia</b>	Reduction of measured water consumption. Promotion of responsible water consumption amongst citizens. Reduction of specific consumption at water treatment plants.	Use of alternative resources to water. Use of renewable energy.	Generation of energy through the management of the urban water cycle. Implementation of agreements with the value chain to re-use products. Obtaining value-added products during water treatment processes.

Note: based on the integrative definition of circular economy, CONAMA.

Reduces environmental impacts

Makes it possible to restore natural capital and encourage its regeneration

### HAZARDOUS WASTE GENERATED AND DISPOSAL

Tonnes	2022			2021			22/21		
	Disposal	Recovery	Total	Disposal	Recovery	Total	Disposal	Recovery	Total
WWTP Grease	136.7	27.5	164.2	149.6	46.8	196.4	-9%	-41%	-16%
Waste containing asbestos (fibre cement)*	104.2	0	104.2	72.1	6.6	78.7	45%	-100%	32%
Used oils	13.9	16	29.9	15.3	18.4	33.7	-9%	-13%	-11%
Empty contaminated containers	9.3	9.7	19.0	7.7	11.6	19.3	21%	-16%	-2%
Others**	128.9	53.6	182.5	115.5	21.3	136.8	12%	152%	33%
WWTP Sludge	14,691.2	0	14,691.2	14,728.8	0.0	14,728.8	0%	n/a	0%
<b>Total</b>	<b>15,084.1</b>	<b>106.8</b>	<b>15,190.9</b>	<b>15,088.9</b>	<b>104.7</b>	<b>15,193.7</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>

\*The amount of asbestos-containing waste managed depends on the amount of renovated networks and whether they are made of asbestos cement or not. In some years it rises sharply and in others it falls sharply.

\*\*As this encompasses several types of PR, the increase or decrease may depend on many causes.

### NON-HAZARDOUS WASTE GENERATED AND DISPOSAL

Tonnes	2022			2021			22/21		
	Disposal	Recovery	Total	Disposal	Recovery	Total	Disposal	Recovery	Total
WWTP Sludge	5,538.3	266,217.6	271,755.8	10,688.8	317,112.3	327,801.1	-48%	-16%	-17%
Debris and rubble*	6,731.8	324,211.7	330,943.5	8,449.4	38,462.8	46,912.2	-20%	743%	605%
WWTP waste (Grinding+Sand)	8,330.8	5,401.8	13,732.5	11,621.6	5,389.1	17,010.7	-28%	0%	-19%
Soil*	0.0	52,452.5	52,452.5	4,475.3	7,588.5	12,063.8	-100%	591%	335%
DWTP Sludge	705.9	1,979.2	2,685.1	245.3	2,539.1	2,784.4	188%	-22%	-4%
other	1,792.4	3,185.8	4,978.1	2,790.9	3,056.4	5,847.3	-36%	4%	-15%
<b>Total</b>	<b>23,099.1</b>	<b>653,448.5</b>	<b>676,547.6</b>	<b>38,271.4</b>	<b>374,148.1</b>	<b>412,419.5</b>	<b>-40%</b>	<b>75%</b>	<b>64%</b>

\*In 2022 the number of works and their magnitude was higher than those carried out in 2021.

## GOOD PRACTICES



### Gas production from wastewater in Spain and the Czech Republic

Also in Spain, Aqualia is working on co-digestion in two facilities: Guijuelo (Salamanca) and the Consorcio de Louro (Pontevedra), mixing urban sludge with industrial sludge for higher gas production. And also producing biogas for vehicle mobility in four facilities.

In Moravia-Silesia (Czech Republic), Aqualia has 12 co-generation units in treatment plants that use biogas from the sludge in the company's eight largest water treatment plants in the country.



### Wastewater for bio-waste production in Albacete

In 2022, the inauguration of the Hellín WWTP in Albacete oversaw the commissioning of the new facilities designed in conjunction with the University of Almería. These house a demonstration

plant of the Sabana project, which uses wastewater as raw material for the cultivation of microalgae from which high added-value bioproducts are obtained.



### Aqualia completes construction of the largest industrial petrochemical plant in Spain

In line with Aqualia's objective of converting WWTPs into circular stations or biofactories, in 2022 the company completed the construction, and is already

operating, the largest industrial plant in the petrochemical sector in Spain for AITASA. Located in Tarragona, this is a plant with a high gas production.

## Environmental innovation to combat climate change

Aqualia's innovation is based on the European Green Deal policies to reduce the carbon footprint to zero thanks to the transition towards a circular economy with no environmental impact. Thus, DIT projects facilitate the achievement of the Sustainable Development Goals (SDGs) by focusing on affordable and high quality water and sanitation (SDG 6), an optimised energy balance (SDG 7) without affecting the climate (SDG 13) and responsible production and consumption (SDG 12).

Four projects have been completed during 2022:

- 1 EU H2020 programme project: **Scalibur**
- 1 regional RIS3 Idepa project in Asturias: **ReCarbon**
- 1 project JPI WATERWORKS: **MarAdentro**
- 1 Marie Skłodowska Curie training (MSCA): **Rewatergy**

The development of 12 other ongoing projects has continued:

- 6 of the European programme LIFE: **INTEXT, Ulises, Infusion, Phoenix, Zero Waste Water and Reseau**
- 2 of the EU common initiative / Bio-Based Industries (BBI): **B-Ferst and Deep Purple**
- 4 EU H2020 programme project: **Rewaise, Sea4Value, Nice and Ultimate**

Thanks to the 2021 calls, it has been possible to start six new projects in 2022:

- 1 regional project RIS3 Idepa in Extremadura: **Efluent-EX**
- 2 projects of the CDTI's Misiones Ciencia e Innovación initiative: **Eclosion and Zeppelin**
- 3 new EU Horizon Europe projects: **Cheers, D4Runoff and Ninfa**



● INTEXT project at the Talavera de la Reina WWTP, Toledo, Spain.

### LINES OF WORK

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

## PROJECTS COMPLETED IN 2022

Name and type of programme	Period	Area responsible	Framework programme + leader + participants	Aim and brief description	Results	Lines of work and technology transfer actions
H2020 SCALIBUR Scope: Europe	2018 – 2022	ECO-EFFICIENCY	Led by the Itene technology centre. Integrating 21 partners from 10 countries.	Generate improvements in the wastewater treatment plants in Madrid, Lund (Sweden) and Rome (Italy) through waste reduction and recovery.	Implementation of new sludge treatments at the Estiviel WWTP (Toledo), testing improvements in thickening and dual digestion across two stages that facilitate wastewater treatment. Development of simplified sludge stabilisation technologies for small sewage treatment plants. First innovation activities at SmVaK in the Czech Republic, with prototypes at WWTP Karviná to convert organic matter into by-products such as fertilisers and bioenergy.	L1 Technology transfer projects implemented: • Dual digestion • Co-digestion of waste with sludge • Micro-oxygenation
RIS3 IDEPA RECARBON Scope: Europe	2019 – 2021	ECO-EFFICIENCY	Led by INGEMAS engineering in Gijón together with two local SMEs (Biesca and InCo).	Investigate pollutant adsorption methods with regenerated activated carbon and biochar (ReCarbon) developed by the INCAR (Institute of Carbon Science and Technology) of the CSIC and the CTIC (Information and Communication Technology Centre).	These sustainable and affordable adsorbents have been tested for biogas cleaning in the WWTPs of Chiclana, Lleida and Jerez, and also in the deodorisation of the Luarca and San Claudio WWTPs in Oviedo. The bio-char has been tested in innovative micro-pollutant adsorption units with the results having been verified applying new advanced analysis methods developed by Aqualia's accredited laboratory in Oviedo. Furthermore, new sensors for real-time monitoring have been validated at the El Grado WWTP and the Cabornio DWTP in Oviedo.	L5 and L6
JPI MARADENTRO Scope: Spain / Europe	2018 – 2021	ECO-EFFICIENCY	Led by the Instituto de Diagnóstico Ambiental y Estudios del Agua (IDAEA-CSIC) with the participation of partners from France, Italy and Sweden.	Optimising the soil as a tertiary risk management unit, reduce the costs of removing emerging contaminants and compare the results against conventional tertiary methods thanks to the development of design and simulation tools by scientific institutes.	Construction of a 400 m <sup>2</sup> infiltration system at the Medina del Campo WWTP (Valladolid) for the advanced treatment of treated water, allowing it to be re-used to recharge aquifers.	L6
H2020 REWATERGY Scope: Europe	2018 – 2023	ECO-EFFICIENCY	Led by the Rey Juan Carlos University within the H2020 Marie Skłodowska Curie programme of European academic networks.	Recovering hydrogen from wastewater, and develop new oxidation methods under the umbrella of a programme focused on scientific training and the development of industrial applications.	Collaboration of Aqualia as an industrial partner hosting two doctoral researchers to carry out practical work in its treatment plants. Development of methods for the adsorption of ammonium from wastewater and its conversion into hydrogen at the Lérida WWTP, in cooperation with the University of Cambridge. Evaluation of photo- and electro-disinfection processes to remove micropollutants in drinking and wastewater at the Jerez WWTP with the support of the University of Ulster.	L6

## PROJECTS DUE TO END IN 2023

Three other European projects, two from the Life programme and one from the BBI Bio-Based Industries programme, are in their final phase of development, although extensions are planned to meet all targets and to compensate for delays during the COVID-19 pandemic:

Name and type of programme	Period	Area responsible	Framework programme + leader + participants	Aim and brief description	Results	Lines of work and technology transfer actions
LIFE ULISES Scope: Europe	2018 – 2022	SUSTAINABILITY	Led by three technology centres: CENTA, EnergyLab and CieSol of the University of Almeria and supported by Aqualia as coordinator.	Transform conventional WWTPs into energy and biofertiliser production plants to achieve energy self-sufficiency and eliminate their carbon footprint.	Improvement of the energy balance in Almería through the use of biomethane as vehicle fuel and development of new techniques for the production of fertilisers. Evaluation of the PUSH reactor with anaerobic pre-treatment in two WWTPs operated by Aguas de Algarve (Portugal) and later in the Cartaxo WWTP. Implementation of the reactor at the El Bobar WWTP in Almeria.	L1, L2 and L4 Technology transfer project implemented: • PUSH
LIFE INTEXT Scope: Europe	2018 – 2023	SUSTAINABILITY	Led by Aqualia, the AIMEN and CENTA technology centres, the University of Aarhus (DK) and supported by specialised SMEs from Germany, Greece and France.	Evaluate and optimise low-cost wastewater treatment technologies in small towns (< 5,000 inhabitants) to minimise the energy cost, carbon footprint and waste from the wastewater treatment process.	Operating the demonstration platform of 16 technologies to compare different systems (wetlands, algae, reactors with biofilms or granular sludge) at the Talavera de la Reina WWTP in Toledo. Wetland testing to quantify the climatic effect and compare various pre-treatment options at CENTA Seville.	L2 and L5 Technology transfer project implemented: • Algae and bacteria purification
BBI B-FERST Scope: Europe	2018 – 2023	ECO-EFFICIENCY	Led by Fertiberia with the participation of Aqualia and ten partners from six different countries.	Analysing the potential and developing new biofertilisers from urban wastewater and by-products of agri-food industries in three countries (Spain, Italy and the Czech Republic).	Verification of the conditions under which samples of the Aquavite® product comply with the limits of the legislation on fertiliser products. And use of this by-product for land reclamation in Avila after the forest fire. Characterisation of agri-food sludge, such as waste from the Coosur WWTP (Jaén), for incorporation in Fertiberia's formulations. Operation of a struvite precipitation system at the Jerez WWTP to incorporate the phosphorus recovered in a new Fertiberia bio-fertiliser demonstration plant in Huelva.	L4 Technology transfer project implemented: • Phosphorus recovery via struvite precipitation

## PROJECTS UNDER DEVELOPMENT WITH DURATION BEYOND 2023 (CONTINUED)

Name and type of programme	Period	Area responsible	Framework programme + leader + participants	Aim and brief description	Results	Lines of work and technology transfer actions
BBI DEEP PURPLE Scope: Europe	2018 – 2024	ECO-EFFICIENCY	Led by Aqualia and supported by thirteen partners from six countries.	Implementing on a demonstration scale a new bio-refinery model, which integrates bacteria using solar energy to treat wastewater without aeration, and transform the organic content of wastewater and municipal wastes into raw materials for biofuels, plastics, cellulose and new base materials in the chemical and cosmetics industry.	Optimisation of a photobioreactor prototype at the Toledo-Estiviel WWTP. Construction of a demonstration reactor ten times larger at the Linares WWTP (Jaén). Preparation of parallel demonstration activities at the Badajoz WWTP and SmVaK (Czech Republic).	L2 and L5
H2020 ULTIMATE Scope: Europe	2020 – 2024	ECO-EFFICIENCY	Led by the Dutch technology centre KWR which coordinates 27 partners. Aqualia participates in two of the five consortia grouped in the CIRSEau cluster.	Implement and demonstrate innovative synergies between water utilities and industries.	Facility and comparison with an anaerobic membrane bioreactor of an anaerobic fluidised reactor (FBRR/Elsar) on an industrial scale at the Mahou WWTP in Lérida to recover biomethane and feed a fuel cell. In collaboration with AITASA, study of the co-digestion of residual yeast and construction of a new treatment plant for industrial effluents, which could later be used to supply ultrapure water to the factories at the petrochemical industrial complex.	L2 and L5
H2020 REWAISE Scope: Europe	2020 – 2025	MANAGEMENT	Led by Aqualia and coordinating water companies from the UK (Severn Trent), Sweden (Vasyd) and Poland (AquaNet) among the 24 entities in the consortium. And together with seven SMEs and several universities in Croatia, Italy, Poland, Czech Republic, Sweden and the UK.	Implement new circular economy and digital management solutions in Living Labs, including Aqualia's operations in Asturias, Badajoz, the Canary Islands, Denia, Salamanca and Vigo.	Reinforcement of Aqualia's strategic lines of technological development, such as sustainable desalination and the use of new membranes, as well as the recovery of materials from brine, the re-use of wastewater and its transformation into energy and by-products, and the simulation of the operation and control of processes and networks to optimise the efficiency of the service and the quality of the water. Installation of an anaerobic membrane bioreactor AnMBR at the Balaído industrial site to recover resources from the urban effluent of the Citroën/Stellantis factory.	L1 and L5 Technology transfer projects implemented: • AnMBR (anaerobic submerged membrane bioreactor) • Filter media • Novel membranes
H2020 SEA4VALUE Scope: Europe	2020 – 2024	ECO-EFFICIENCY	Led by EureCat, which coordinates 14 partners from seven countries.	Recover resources from concentrated brine in seawater desalination plants (WWTPs).	Reinforcement of the Aqualia Desalination Innovation Centre in Denia. Implementation of a new test platform in Tenerife to analyse the technical and economic impact of more sustainable desalination methods, and new solutions for the recovery of brines. Application of pilot units in the WWTPs operated by Aqualia.	L3 and L4
H2020 NICE Scope: Europe	2021 – 2025	SUSTAINABILITY	Led by the technology centre CETIM and coordinating 14 partners from nine countries.	Generate scientific knowledge on natural solutions, such as wetlands or green facades, and implement these solutions for sustainable cities for the purification and recovery of resources from urban wastewater.	Application of the pilots developed by SMEs and universities in Denmark, France, Italy and Sweden, as well as in Aqualia's facilities in Algeciras, Benalmádena, Madrid, Talavera and Vigo, and even in Colombia and Egypt.	L1, L2 and L4

### PROJECTS UNDER DEVELOPMENT WITH A DURATION BEYOND 2023

Five projects with European H2020 funding were in full swing during 2022: one in the BBI (Bio-Based Industries) initiative, two in the H2020 Water Smart Economy call and two in the 100% EU-funded RIA (Research and Innovation Actions) programme. Also, within the EU Life programme, three projects are continuing in facilities operated by Aqualia and a fourth in cooperation with FCC Medio Ambiente:

Name and type of programme	Period	Area responsible	Framework programme + leader + participants	Aim and brief description	Results	Lines of work and technology transfer actions
LIFE PHOENIX Scope: Europe	2020 – 2024	SUSTAINABILITY	Led by Aqualia and supported by the CETIM and CIESOL technology centres.	Optimise tertiary treatment to achieve the more ambitious objectives of the new European water re-use regulation.	Construction of several mobile plants, combining physical and chemical treatments with advanced filtration and various ultrafiltration and nanofiltration membrane refining skids to evaluate various effluents from Aguas de Portugal, the Almería Provincial Council and the Guadalquivir Hydrographic Confederation. Testing of ozone O3 and ultraviolet UV modules, which enable advanced oxidation and disinfection of Newland Entec's European subsidiary. Testing a sensor from the Dutch SME MicroLan for microbiological measurements on-line, and continuous monitoring of the quality of re-used water.	L4
LIFE ZERO WASTEWATER Scope: Europe	2020 – 2024	QUALITY	Led by Aqualia and in collaboration with Canal de Isabel II, the universities of Valencia and Santiago, the Portuguese SME Simbiente and the Austrian SME VWS (Vienna Water Systems).	Pursuing carbon-neutral scrubbing using the ELAN process to remove nitrogen with low energy consumption and produce biogas in the reactor.	Installation of a combined treatment unit for Urban Waste Water (UWWW) and Organic Fraction of Urban Solid Waste (OFUW) at the Valdedebas WWTP. Assessment of the management of FORSU, using the sewerage system to transport the mixture of organic matter in a single stream. Development of an advanced management system combined with on-line monitoring of microbiological quality.	L1 and L2 Technology transfer projects implemented: • ELAN • AnMBR (anaerobic submerged membrane bioreactor)
LIFE RESEAU Scope: Europe	2021 – 2025	QUALITY	Led by Aqualia and participated by the ITG technological centre (Fundación Instituto Tecnológico de Galicia) and public operator VCS (Vand Center Syd AS) in Odense (Denmark).	Increasing the capacity and resilience of the existing wastewater treatment infrastructures to the impact of climate change.	Construction of an aerobic granular reactor at the Moaña WWTP which, due to its advanced biofilm system, multiplies the biological treatment capabilities several times over, improving the WWTP's ability to adapt to charge variation and limiting the space requirements for its implementation. The environmental impact of the treatment process is also significantly reduced. Implementation of sensors (velocities, flows, levels, etc.) in the sewerage network to monitor and model their behaviour with the aim of developing a flexible flow management model.	L1 and L6
LIFE INFUSION Scope: Europe	2021 – 2024	QUALITY	Led by the Barcelona Metropolitan Area (AMB) together with the EureCat technology centre, the operator of Ecoparc 2, EBESA, and two waste management entities, Cogersa in Asturias and AMIU in the region of Genoa/Italy.	Optimise the leachate digestion system with the technologies of Aqualia, AnMBR and ELAN, with the addition of an ammonium stripping system from the Belgian SME DetriCon.	Extension of the operation of the Life Methamorphosis pilots at Ecoparc 2 in the Barcelona Metropolitan Area (AMB) to prepare the designs of several new plants for the recovery of resources from solid urban waste.	L1 and L2

## PROJECTS STARTED IN 2022

Thanks to the 2021 calls, it has been possible to start six new projects in 2022: a regional project in Extremadura, two of the CDTI's major initiatives (Science and Innovation Missions) and three new Horizon Europe projects, including two under the RIA (Research and Innovation Actions - Research and Innovation Actions - of Horizon Europe) call.

Name and type of programme	Period	Area responsible	Framework programme + leader + participants	Aim and brief description	Results	Lines of work and technology transfer actions
EFLUENT-EX Scope: Europe	2022 – 2023	ECO-EFFICIENCY	Led by the Spanish Autonomous Community of Extremadura and Financed by ERDF Funds for regional specialisation RIS3.	Focus on a circular green economy and support clean energy from organic and agro-industrial waste. Aqualia investigates different technologies to convert WWTPs into bio-factories and renewable energy sources, promoting sustainable mobility using green biofuels.	Implementation of solar solutions have been installed to heat the digesters, using photovoltaic panels and a solar drying and sanitisation system with a Fresnel lens at the Badajoz WWTP. Optimisation of digestion thanks to agro-industrial cosubstrates, evaluating the inventories and characteristics of waste from wineries, fruit processing, tomato, cheese and livestock farms, trying to maximise the production of biomethane and hydrogen. Development of a new biogas upgrading technology with materials based on ionic liquids (ILs) for the continuous and controlled adsorption and deodorisation of CO <sub>2</sub> . Thus, solid waste is transformed into carbonaceous materials (biochar) applying different thermal processes: hydro-carbonisation, pyrolysis and activation.	L4, L5
<b>MISIONES CIENCIA E INNOVACIÓN OF THE CENTRE FOR INDUSTRIAL TECHNOLOGICAL DEVELOPMENT (CDTI)</b>						
The 2021-2023 State RD&I Plan promotes and coordinates innovation to catalyse business leadership and public-private partnerships. With EU Next Generation funding, the plan includes the pre-competitive research Science and Innovation Missions projects, led by companies that aim to improve transversal and strategic knowledge in order to increase competitiveness. Of the 111 projects submitted, only 24 consortia of large companies were selected. Among them, two led by Aqualia that seek to "become a carbon neutral, sustainable and climate change resilient society".						
ECLOSION MISSIONS	2021 – 2024	ECO-EFFICIENCY	Led by Aqualia, which coordinates a consortium of eight companies, together with FCC Medio Ambiente, CADE, Ghenvova, ARIEMA, H2B2, Idecal and MindCaps.	To create new materials, technologies and processes for the generation, storage and transport of renewable and indigenous hydrogen and biomethane from urban and agri-food waste, wastewater and sewage sludge.	Research in four development centres: the Valladolid Waste Treatment Centre, managed by FCC Medio Ambiente; and the waste treatment plants in Salamanca, Lleida and Jerez de la Frontera, managed by Aqualia of the bio-electrochemical processes for generating renewable gases, thermochemical treatment with supercritical gasification and new processes for separating and storing the gas mixtures produced to generate high-quality pure gases. Development of eco-efficient, flexible and smart optimisation tools.	L4 and L5
ZEPPELIN MISSIONS	2021 – 2024	SUSTAINABILITY	Led by Aqualia, which coordinates a consortium that includes seven key companies in the hydrogen value chain, and other technological partners and in collaboration with nine research organisations.	Research a flexible set of technologies for the production and storage of green hydrogen based on the use of waste and by-products (agri-food, textiles, sewage treatment plants, refineries, etc.). Improving the efficiency of the production of this energy vector, addressing its related technological challenges. Promote biogas synergies with industries and distribution networks.	Implementation at the Algeciras WWTP of several innovative hydrogen production pilots that can supply large hydrogen consumers in the area, such as Acerinox, Viesco, Air Liquide, Linde, as well as the port companies.	L4 and L5
<b>NEW EU HORIZON EUROPE PROGRAMME</b>						
In the new EU framework programme for the period 2021-2027, Aqualia participates in the first three projects and with the last two RIA projects 100% financed:						
CHEERS	2022 – 2026	ECO-EFFICIENCY	Led and coordinated by the beer brewery Mahou San Miguel with 10 partners from five European countries, including Aqualia/Hidrotec, the Ainia technology centre and the University of Valladolid.	Develop a zero waste biorefinery inspired by nature's biodiversity (insect and microbe platforms). Revalorise underutilised or waste secondary streams such as bagasse, wastewater, CO <sub>2</sub> and CH <sub>4</sub> from the brewing industry for conversion into five market-competitive innovative bio-products: insect protein, disinfectant, microbial protein, ectoin and caproic acid.	Validating on a demonstration scale new sustainable bioprocesses for transformation, achieving a 50% reduction in the carbon footprint of each value chain.	L4
D4RUNOFF	2022 – 2026	QUALITY	Led by the public water company Vand Center Syd (VCS) in Odense (DK), it brings together 12 partners from five countries with Aqualia/Hidrotec, the Technological Institute of Galicia (ITG), the University of Cantabria and the Catalan SME Mitiga, specialised in risk control software.	Developing tools to quantify, avoid and manage diffuse pollution created by urban runoff water.	Development of new analytical methodologies by Hidrotec, the online measurement of micropollutant and bioplastic indicators, and the implementation of preventive strategies to reduce diffuse pollution with multi-criteria analysis and AI. Validation of management solutions in natural facilities in Odense/DK, Santander/ES and Pontedera/IT, with replication in Algeciras (ES), Ostrava (CZ) and Cairo (EG).	L3
NINFA	2022 – 2026	ECO-EFFICIENCY	Led and coordinated by the Technological Centre Leitat, it brings together nine other partners from six countries. Aqualia participates with its Hidrotec laboratories and the City Council of Los Alcázares (Murcia). Collaboration between Aqualia France and the Mines-Télécom Atlantique Institutes in Brittany (Brest, Rennes and Nantes).	Development of ways of monitoring and protecting groundwater, starting with the measurement, modelling and treatment of different pollutants (nutrients, pesticides, pharmaceuticals, hydrocarbons, heavy metals, microplastics and salinity).	Optimisation of pollution prevention strategy and groundwater management through early detection systems, better understanding of the synergistic effects and risks of multiple drivers, and the use of predictive methodologies to increase resilience and implement treatment and mitigation solutions.	L3

# People committed to citizens

We are made up of people working for the welfare of others. Our mission as professionals drives us to train to seek new horizons. We demonstrate our great vocation for public service every day by facing the challenges of the present and the future of water.

For this reason, we are there when they need us, bringing solutions and generating trust. We are talent committed to the health of people and the planet.



# First-hand...

“Today, flexibility and professional development are non-negotiable and represent challenges that we are going to overcome at Aqualia”

Carmen Rodríguez heads People and Culture department at Aqualia, a company that employs more than 10,000 professionals and operates in 18 countries worldwide. In a post-coronavirus context in which we face major social changes, people management is one of the main corporate challenges.

Today employees expect the companies they work for to play a social role as promoters or prescribers of the values of 21<sup>st</sup> century society: equality, diversity, inclusion, human rights, mental health, well-being and a long list of other values. These expectations involve going beyond the limits of what is strictly considered occupational and demonstrates the need for companies to play an active and committed role in the face of social problems.

**Following the pandemic, what issues has the People and Culture Department focussed on over the past year?**

This past year has been difficult. The end of the pandemic, which was terrible, and the invasion of Ukraine, which has brought war

to Europe, have seen a change in mentality. People have reprioritised many aspects of their lives and at the department, we have witnessed this change, which also affects corporate culture in general. New ways of working, greater flexibility and less uncertainty as regards professional development are all in demand. As a company, we are responsible for adapting to this change.

Another cultural change is the modification introduced by the transformation towards sustainability that Aqualia is immersed in and we collaborate with the Communication and Corporate Sustainability department to relay this. Of course, a priority area that we have focussed on is maintaining the physical and emotional well-being of our people, as well as their safety when it comes to performing their duties.

At the same time, we have experienced significant international growth and we have had to support the expansion of our corporate culture, which is not only structured around implementing our way of conducting ourselves and doing things wherever we go, but also

around implementing the best that each place in which we operate has to offer. To this end, we have focussed on digitalisation, a major ally that makes us more agile when it comes to continuing to grow and include all regions.

**Which are the main challenges that your department has faced in including the different cultures in Aqualia's culture?**

Internationalisation poses particular challenges in each region. In the case of Colombia, we have imparted several training sessions to adapt the knowledge of our people there to the way we operate at Aqualia. We have made significant efforts in relation to safety, prioritising compliance with our standards. We are doing a really good job. There is great enthusiasm on both sides to make the projects work and we are seeing how quickly our Occupational Risk Prevention protocols are being rolled out. We have also gradually transferred awareness raising actions in the fields of diversity and equality.

In MENA we have adapted without compromising on our essence or on our values. I'm proud to see how we

**CARMEN RODRÍGUEZ**  
DIRECTOR OF PEOPLE AND CULTURE  
#Talent #Security #Well-being



are introducing women into the job market in Oman. Our latest addition has been Georgia, where 3,000 people have joined our team. There, the biggest challenges we face are the digitalisation of processes and the implementation of our corporate culture.

**Which projects in your department have generated the most positive impact? What were the main milestones in 2022?**

We make significant efforts to enrich the culture in terms of diversity and equality. We have been implementing good practices for years now and, undoubtedly, this is a factor that is totally representative of Aqualia. In 2022, the mentoring initiative is worth particular mention, helping us make women more visible at the company. Our aim is to create spaces and opportunities in our work environment, which on account of a variety of circumstances has a higher male presence, for more women to reach decision-making positions.

Another aspect that has a major contribution to make is the creation of the Diversity Committee. Our aim is to analyse where Aqualia is at and implement initiatives to raise awareness about this issue. One turning point was the signing of an agreement with the LGTBI association and seeing the response of many people when we changed the corporate signature to commemorate LGBT Pride Day. We are committed to ensuring that Aqualia is a safe environment for everybody, regardless of their

sexual orientation; however, when it comes to diversity, we refer to it in the broadest sense of the term. We need to be more ambitious when it comes to recruiting people with different abilities, and this is something that we are firmly committed to working on.

**The biggest challenge we face is continuing to move towards making the company an environment where professionals want to stay and develop their careers and where we can attract talent**

Finally, I would highlight the Employee Aid Programme (PAE), our psychological care service, which emphasises the importance we attach to our people's mental health. This service operates, to a large extent, thanks to the support offered by the Communication department. Working in

coordination is critical to ensure the entire workforce can find information about these actions. If they are unaware of them, it would be as if they did not exist.

**What does Aqualia need to work on to have a workforce that is prepared for the future?**

The biggest challenge we face is continuing to move towards making the company an environment where professionals want to stay and develop their careers and where we can attract talent. Our main challenge is being able to understand the weight of this cultural change correctly, so that we continue to be perceived as a company that cares for its people. This implies managing flexibility, looking at how we can provide teleworking options, one of the issues that many of our employees are pursuing. We want to manage these expectations correctly while, at the same time, aligning them with Aqualia's business context.

Furthermore, all professionals need to have long-term job expectations, to know that we are committed to their talent, that we want them here, and this involves designing training plans and career plans. I believe that, at this time of growth, we must also commit to the growth of our people at the company.

# General lines of action

People, their personal well-being and their career development, are the main goal of Aqualia. The Be Aqualia strategic project revolves around people, aimed at the cultural transformation of the company and the management of people through seven action blocks, identified as health assets:

During 2022, the key objective of becoming a **Healthy Organisation** was maintained and work has continued on the basis of these building blocks.

Aqualia deploys the policies, projects and initiatives necessary to continue to make progress in terms of work-life balance, diversity,

health and safety promotion, support for expatriates and the creation of meeting spaces, in line with the objectives set out in our 2021-2023 Strategic Sustainability Plan. Through its people strategy, the company contributes to the major global labour challenges and works with an international perspective.



# Diversity, equity and inclusion

Aqualia is committed to a diverse workforce and equal opportunities.

The company, a full member of the Global Compact since 2020, is staunchly committed to the

defence of people's identity, dignity and equality, both inside and outside the company.

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL4 PEOPLE MANAGEMENT

Line of work	Continue making progress on work-life balance and diversity	
Action plan	Training, awareness raising on life-work balance in the chain of suppliers and communication of Be Aqualia measures adapted to different groups	Awareness raising actions according to types of diversity, collaboration agreements, volunteering actions and promotion of the culture of diversity in the value chain
Indicator	Percentage of women in executive and middle management positions	Satisfaction or commitment index of the people that make up the workforce
Performance 2021	18.6%	86.6%
Performance 2022	22.04%	N/A (every two years)
Goal	As per the 3rd Equality Plan in force	3,085 in 2023
Sustainable development	Goal 5.5	Goal 8.5

GLOBAL CHALLENGE  
Equal opportunities

## Equality

Throughout 2022, Spain has implemented the commitments under the **3rd Equality Plan**, signed for the period 2021-2025 and with which we renew our commitment to guarantee gender equality (SDG 5) and the reduction of inequalities (SDG 10).

This plan together with the **EFR family-friendly enterprise certification** demonstrate the company's desire to improve its performance in this area. The Ministry of Health, Social Services and Equality granted the "Equality in the Company" (DIE) seal, in recognition of the company's commitment to diversity and equal opportunities for men and women.

### Training to promote female talent

In 2022, the company joined the programme Empowering Women's Talent (EWT) for the development of female leadership and the creation of synergies with other companies with the aim of sharing and inspiring initiatives aimed at this end. In addition, the Aqualia women Internal Female Talent Network has been created to share experiences with other Aqualia women who have previously participated in talent programmes.



# 50

women in this network, which provides them with coaching, training, workshops, and professional networking opportunities.

## Diversity and social inclusion

In 2022, the company renewed its adherence to the **Diversity Charter**, which it joined in 2018 and which highlights the respect of pertinent legislation currently in force in the field of equal opportunities and anti-discrimination. Aqualia also remains a member of the **#CEOPorLaDiversidad alliance** (signed by Félix Parra, CEO of Aqualia, in March 2021), a pioneering initiative in Europe led by the Adecco Foundation and the CEOE Foundation to unite companies and the people who manage them around the values of diversity, equity and inclusion.

### Aqualia joined the Diversity Leading Company programme

In 2022, Aqualia joined this initiative that promotes diversity and inclusion policies in organisations. As part of this programme, Aqualia secured the Diversity Leading Company seal as a leading company in diversity, with a score of 556 out of 800.

Likewise, in 2022, the integration of people with intellectual disabilities in Aqualia's laboratories has also begun, carrying out tasks as laboratory assistants.

### iAgua recognition

Aqualia has won the iAgua Equality, Diversity and Inclusion award for being a pioneer in the implementation of equality plans in the water management sector and for its numerous initiatives implemented to move towards professional diversity, equity and inclusion.

### Present at the Business Network for LGBTBI Diversity and Inclusion Association

In order to create a safe and respectful work space, where diverse talent is valued regardless of

their identity, gender expression and sexual orientation, Aqualia joined the Asociación Red Empresarial por la Diversidad e Inclusión LGBTI (REDI), an ecosystem of companies and professionals in Spain that works to promote safe and respectful work environments for all people, regardless of their identity, gender expression or sexual orientation.

### Raising awareness among new recruits

In addition, since 2021, Aqualia has included a course on diversity and inclusion in the initial training that new employees receive at international level. Staff with e-mail access take the course via the corporate training campus and for employees without e-mail access, poster campaigns are carried out.

## Work-life balance

During 2022, a change in mindset and priorities among employees has crystallised, impacting on human resource models in organisations, changing people's expectations and accelerating their adaptation to the new ways of working resulting from the pandemic. In this respect, work-life balance, new ways of working and flexibility have become highly valued requirements. At Aqualia, this search for solutions for the right balance between professional and personal life is materialised with the EFR (Family Responsible Company) certification. Since obtaining the certificate in 2017 and its renewal until 2023, Aqualia has increased its score, becoming a C+ company thanks to the increase in the measures offered.

# Dialogue with employees

OUR PEOPLE MANAGEMENT IS SUPPORTED BY TOOLS FOR DIALOGUE WITH EMPLOYEES

Knowing the expectations of our employees and involving them in the organisation's goals, culture and values is part of our way of doing things.

During 2022, a total of 334 internal communications were sent in various formats (news flashes, e-mailings and internal memos) and languages. 53 of these communications were made via the *Be Aqualia* app. In November, Aqualia Global News was also launched, a fortnightly newsletter for the entire company with fixed sections that includes between

eight and 10 news items of interest in each issue, in both Spanish and English.

In addition, the first team building sessions for the International team were held in 2022, bringing together 40 members of the People and Culture department.



● Félix Parra at the meeting of the People and Culture department of International in Madrid, Spain.

# Employability and personal development

FOR OUR PROFESSIONALS

In this strategic area, Aqualia intends to continue to make progress in terms of work-life balance, diversity, health and safety promotion, support for expatriates and the creation of meeting places:

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL4 PEOPLE MANAGEMENT

Line of work	Knowledge management	Expatriate support plan	Meeting spaces and training
<b>Action plan</b>	Company's training portal campus	Expatriate communication plan	CEO visits, forums and meeting workshops
<b>Indicator</b>	Average hours of training per employee per year	Be International communication plan	Internal events and workshops
<b>Performance 2021</b>	11 (Spain 10.45 and International 12.17)		
<b>Performance 2022</b>	11.65 (Spain 11.62 and International 11.71)		
<b>Goal</b>	Maintaining/increasing year by year		
<b>Sustainable development</b>	Goal 8.5	Goal 8.8	

### GLOBAL CHALLENGE

Digital and technological divide, employment

### Comprehensive training

In addition to technical knowledge, staff are also equipped with cultural and ethical knowledge to understand the magnitude of the common challenge so that they can deal with changing environments and make the best decisions.



Hours of training in safety, health and welfare  
**55,838**

Language training hours  
**32,639**

Technical training hours  
**26,373**

### TRAINING HOURS BY SUBJECT AREA AND GENDER IN 2022

	Men	Women	Total
<b>Administration and Finance</b>	3,949	1,404	<b>5,353</b>
<b>Commercial</b>	3,921	1,106	<b>5,027</b>
<b>Skills</b>	6,522	1,234	<b>7,756</b>
<b>Purchasing</b>	670	189	<b>859</b>
<b>Marketing and Communication</b>	510	129	<b>639</b>
<b>Digital</b>	4,708	357	<b>5,065</b>
<b>Languages</b>	18,948	13,691	<b>32,639</b>
<b>Equity and Diversity</b>	2,763	778	<b>3,541</b>
<b>Legal and Compliance</b>	4,565	1,373	<b>5,938</b>
<b>Sustainability</b>	1,267	290	<b>1,557</b>
<b>HR</b>	1,052	748	<b>1,800</b>
<b>Safety Health and Well-being</b>	45,478	10,360	<b>55,838</b>
<b>Technical</b>	22,471	3,902	<b>26,373</b>
<b>Miscellaneous</b>	3,367	575	<b>3,942</b>

### Professional and personal development

Globally, Aqualia has organised 1,864 courses in 2022, and employees have received 156,328 hours of training. The training in languages stands out, derived from the company's strong international presence. The new language policy was thus implemented throughout 2022, featuring a multilingual platform for studying different languages. Altogether, 402 people participated in the platform, 82% of whom have completed the corresponding training courses/modules.

In order to promote excellence and service vocation, a tailor-made course on Customer Service Processes has been developed in Spain.

### GOOD PRACTICE



### Over 100 professionals are trained in sustainability

Area directors, heads of management units, department heads and managers of Aqualia's large agreements have participated in the face-to-face training *Cultural transformation towards sustainability at Aqualia*, which also included two specific sessions for the Operations and Technology department, which supports the company's technical needs.

Focused on Aqualia's first 2021-2023 Strategic Sustainability Plan, the training has enabled the more than 100 participating managers to strengthen their skills and knowledge essential for decision-making under ESG (Environmental, Social and Governance) criteria.

All the proposals, ideas and reflections on the SSP 2021-2023, gathered in the sessions, have been analysed and will feed into the updating of the company's 2021-2023 Strategic Sustainability Plan.

It is expected that, in 2023, Aqualia will continue to expand training in sustainability and ESG criteria. The company's aim is for the entire organisation to integrate sustainable management within the framework of its strategy as an environmentally responsible company and its key role as an agent of social and economic change.

**MAIN TRAINING FIGURES**

	2022			2021			22/21		
	Spain	International	Total	Spain	International	Total	Spain	International	Total
Courses completed	732	1,132	<b>1,864</b>	503	1,058	<b>1,561</b>	46%	7%	<b>19%</b>
Participants trained	19,700	9,531	<b>29,231</b>	16,704	7,718	<b>24,422</b>	18%	23%	<b>20%</b>
Total women trained	7,621	900	<b>8,521</b>	5,771	518	<b>6,289</b>	32%	74%	<b>35%</b>
Men trained	12,079	8,631	<b>20,710</b>	10,933	7,200	<b>18,133</b>	10%	20%	<b>14%</b>
% absenteeism	17%	7%	<b>14%</b>	16%	3%	<b>13.60</b>	1 pp	4 pp	<b>0.4 pp</b>
Training hours	83,298	73,030	<b>156,328</b>	73,784	31,512	<b>105,296</b>	13%	132%	<b>48%</b>
Average hours of training	11.62	11.71	<b>11.65</b>	10.45	12.17	<b>11</b>	11%	-4%	<b>6%</b>
Training costs	666,079	285,013	<b>951,092</b>	538,504	261,525	<b>800,029</b>	24%	9%	<b>19%</b>

**TRAINING HOURS PER PROFESSIONAL CATEGORY**

	2022			2021			22/21		
	Spain	International	Total	Spain	International	Total	Spain	International	Total
Managerial training hours	2,567	637	<b>3,204</b>	3,744	703	<b>4,447</b>	-31%	-9%	<b>-28%</b>
Middle management training hours	26,631	13,755	<b>40,386</b>	19,547	7,191	<b>26,738</b>	36%	91%	<b>51%</b>
Technician training hours	19,693	9,266	<b>28,959</b>	18,277	16,038	<b>34,315</b>	8%	-42%	<b>-16%</b>
Administrative clerk training hours	3,348	16,978	<b>20,326</b>	2,412	5,579	<b>7,991</b>	39%	204%	<b>154%</b>
Other positions training hours	58,545	4,907	<b>63,452</b>	30,841	965	<b>31,806</b>	90%	408%	<b>99%</b>
Average managerial training hours	21	64	<b>24</b>	36	100	<b>40</b>	-42%	-36%	<b>-40%</b>
Average middle management training hours	24	40	<b>27</b>	22	33	<b>24</b>	9%	21%	<b>13%</b>
Average technician training hours	14	12	<b>13</b>	15	27	<b>19</b>	-7%	-56%	<b>-32%</b>
Average administrative clerk training hours	9	18	<b>16</b>	7	6	<b>7</b>	29%	200%	<b>129%</b>
Average other positions training hours	7	10	<b>8</b>	6	3	<b>6</b>	17%	233%	<b>33%</b>

**Attracting and retaining talent**

At Aqualia, the selection and retention of talent is carried out by guaranteeing objectivity and equal opportunities in all processes. To this end, throughout 2022, the employer brand image has been worked on through employer branding programmes.

**Promoting global job careers**

Aqualia promotes internal mobility as a source of recruitment, publishing all the positions required in the company on the Internal Mobility channel to which all employees have access.

- **External publications:** almost 650 job proposals have been published (an average of 54 job proposals per month in the national areas and Central Services (Spain and International)).
- **Selection processes:** an average of 150 selection processes. The data includes production and structural selection processes.
- **Internships:** 132 people by 2022, taking into account undergraduate, master's and postgraduate students, Dual Training programmes (FP Dual) and other collaborative programmes with the aim of attracting young talent with a SMART profile.

**Agreements with universities, vocational training and internships**

Aqualia has renewed all the agreements with the universities with which it collaborates for 2022:

- **Spain:** University of Comillas-ICAI-, International University of Valencia, the Cardenal Cisneros University Centre, Programa Clave with the University of Salamanca, specific programme for Master's students in Engineering and Environmental

Management from different provinces, and the Professional Development Unit of ESIC).

- **International:** The Leonardo Da Vinci Higher School of Engineering and the Lycée International de Saint-Germain-en-Laye (France), University of Zagreb (Croatia), Lisbon Accounting and Business School and the Instituto Superior de Contabilidade e Administração de Lisboa (Portugal).



**NEW HIRES IN 2022**

	Men	Women	Total
<b>New hires Central Services</b>	30	38	<b>68</b>
<b>New hires Spain</b>	514	137	<b>651</b>
<b>New international recruitment</b>	668	192	<b>860</b>

# Safety, health and well-being

In this strategic area, Aqualia aims to continue to make progress in terms of work-life balance, diversity, health and safety promotion, support for expatriates and the creation of meeting places:

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL4 PEOPLE MANAGEMENT

Line of work	Healthy company, mental health and preventive leadership		
<b>Action plan</b>	Promotion, assessment and improvement of health	Psychosocial and mental health projects	Preventive leadership
<b>Indicator</b>	Health initiatives	Mental health psycho-pack Service for relatives of employees	Accident frequency index*
<b>Performance 2021</b>	8,5		
<b>Performance 2022</b>	9,84		
<b>Goal</b>	9,4 in 2023		
<b>Sustainable development</b>	Goal 3	Goal 8,8	

\*(Total accidents resulting in sick leave /hours worked) x 1,000,000.

### GLOBAL CHALLENGE Safety, health and well-being

In 2022, Aqualia approved its second strategic health and well-being plan, the 2022-2024 Strategic Health and Well-being Plan, the framework under which the lines of work, plans and projects of our organisation are established, and which is based on three basic pillars:

- Putting the person at the centre
- Achieving an increasingly healthy working environment
- Improving health and well-being

The most significant actions carried out during 2022, grouped according to the projects of the lines of the 2022-2024 Strategic Health and Well-being Plan, were:

Line of work	Zero harm to workers	Critical risk control	Occupational well-being	Data analysis and reporting
<b>Action plan</b>	Reducing the personal injury caused by unsafe conditions and attitudes, both to the company's workers and third parties.	Maintain a homogeneous control for all Aqualia that guarantees safety and compliance with the law in relation to certain risks that we consider critical to our activity.	Improving the physical and emotional health indicators for the workforce and significantly increase participation in programmes to promote healthy living.	Improve the management, control and reporting of HS through the implementation of a global application, the redefinition of proactive and predictive indicators, scorecards and targets.
<b>Projects / Goals</b>	<ul style="list-style-type: none"> <li>• Control of absenteeism</li> <li>• Organisational learning</li> <li>• Control of contractor performance</li> <li>• Expansion of the culture of prevention</li> <li>• Continuous improvement in training and information</li> </ul>	<ul style="list-style-type: none"> <li>• Works with fibre cement</li> <li>• ATEX</li> <li>• Chlorine gas</li> <li>• Other critical risks</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy company</li> <li>• Improving health</li> <li>• Psycho-emotional health</li> </ul>	<ul style="list-style-type: none"> <li>• Indicators and scorecards</li> <li>• Technological development and digitalisation</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>• Design of new health and well-being courses for the Campus and generation of new training resources, including 3D recreation of accidents and virtual reality.</li> <li>• The 1st Edition of the Good Preventive Practices in Aqualia and Good Healthy Practices Awards.</li> <li>• Gala presentation of the Awards for Recognition of Preventive Effort.</li> </ul>	<ul style="list-style-type: none"> <li>• Development and evolution of asbestos decontamination booths.</li> <li>• Development of a comprehensive ATEX risk facility control plan.</li> <li>• Design of the Integral Plan for the control of facilities with chlorine gas.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of transversal projects to promote well-being: promoting sports and health, Employee Aid (PAE) Counselling and Psychological Help Programme for both Aqualia employees and their families (national level in Spain).</li> <li>• Educational and awareness-raising campaigns.</li> <li>• More than 100 local initiatives (<i>family days</i>, local sporting events, fruit in workplaces, BeAqualia days, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• New <i>software</i>, BeOHS, the new application that will allow Health and Safety management in real-time, from anywhere and even offline.</li> </ul>

# Preventive leadership

Aqualia promotes leadership that contributes to sustainable development and the balance between high performance and people's well-being. In doing so, the company seeks to encourage staff to fulfil their responsibilities, boost their motivation and foster positive relationships.

## Absenteeism and accidents

A cumulative AFR of 9.84 has been recorded in 2022 compared to 8.5 in 2021. This is partly explained by

the influence of the pandemic and increased activity in Georgia. On the positive side, the absence of serious accidents among own staff is very remarkable.

Aspect*	2022	2021	22/21	
Types of injury	<ul style="list-style-type: none"> <li>• 29.8% Blows against objects</li> <li>• 20.5% Falls at the same or different level</li> <li>• 13.2% Causes external to company activities</li> </ul>	<ul style="list-style-type: none"> <li>• 26.9% Blows against objects</li> <li>• 22.8% Falls to the same level (tripping up, etc.)</li> <li>• 11.4% Causes external to company activities</li> </ul>		
Hours worked	24,180,308	29,152,955	-25%	
<b>Total accident rate</b>	<b>9.84</b>	<b>8.44</b>	<b>29%</b>	

\*Only the global data of the whole company can be given because there is no possibility to separate the data of own employees from those not employed in Spain. Internationally, although this is possible, information on injury type for external employees cannot be gathered. The data is global (Spain, international, internal and subcontracted employees).

## Employee welfare

With a view to contributing to the well-being of its employees, in 2022 Aqualia has maintained the measures set out in the Be Aqualia Psychopack initiative<sup>16</sup>:

- **Psicomet:** Aqualia makes available to all employees this tool that enables them to check their level of mental and emotional well-being, helping to identify early on any problems they may

be experiencing to promote health and improve quality of life.

- **Employee Assistance Programme (PAE):** psychological care service offered by expert psychologists who will help employees resolve any possible psychological and emotional distress that they are experiencing, both personally and professionally.



● Aqualia workers during the Women's Race held in Madrid.

- **Emotional health prevention through live workshops:** over 50 workshops led by expert psychologists to achieve greater emotional strength.
- **Interpersonal conflict management procedure:** aims to be an effective tool for the management and resolution of conflicts arising in the workplace through mediation.

and the inclusion of the LGTBI collective in the city of Badajoz. This year there were more than 200 registrations and Aqualia added the facility of different hydration points to offer water, in recyclable cups, to the participants.

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

During the Health and Safety Week, various actions were organised in coordination with the Health and Welfare department.

Initiatives included the Pausa Activa, a daily sending of exercise videos to promote health and well-being at work, segmented according to whether they were aimed at office employees or deskless workers.

United Heroes, a pilot programme to promote sport among employees in Extremadura (Spain) and the Czech Republic, was also presented.

## Promotion of health via sport

### Women's running event

This year, Aqualia has participated in several Women's races (Spain and Portugal). It has also promoted sport through the Carrera del Agua, Talajara 2022, VigBay 2022 and Aqualia with urban sport in Tenerife.

### Race for diversity Los Palomos-Aqualia (Badajoz)

For yet another year, Aqualia is sponsoring this race for diversity, which vindicates sexual freedom

## Quality employment

The trend of reducing the number of smaller collective bargaining agreements continues and, by adhering to the Sector Agreement, the extension of the 6th State Agreement on the end-to-end water cycle as the regulatory reference framework for the employment relationship with Aqualia's staff.

In relation to labour disputes, Aqualia has not had any significant incidents in Spain, and in the cases that have occurred, it has worked to reach conventional agreements, eliminating the risk of potential conflict. In the international sphere, there have been no conflicts and the applicable labour regulations in each country are complied with without any relevant incidents.

As regards quantitative data, the policy of stability is maintained:



Permanent contracts in Spain

**93%**  
87% in 2021

In terms of gender, finally, the percentage of women has been maintained for 2022: 78% of employees and 22% of female employees.

Internationally, employment stability stands at 82% for permanent contracts and 18% for temporary contracts, and in terms of gender it stands at 80% for male and 20% for female employees.

16. Applies only to Spain.

# Social awareness-raising

## With International Women's Day

Through the initiative *Con ellas, por un futuro más sostenible* (Standing with them, for a more sustainable future), Aqualia joins the message of the United on **International Women's Day every year**.

Due to the local ties that Aqualia maintains in each locality where it provides services, the events it organises are mostly in collaboration with mayors and councillors, and of all kinds: tree planting, walks, reading of manifestos, meetings with associations or sponsorship of solidarity races, etc.

In addition, through the *website* [www.aqualiaigualdad.com](http://www.aqualiaigualdad.com) Aqualia

has encouraged citizens to share a photograph and a message about how they imagine a more sustainable and egalitarian future.

Aqualia also maintains its collaboration with the Adecco Foundation in the preparation of the report *#EmpleoParaTodas: Women at risk of social exclusion in the world of work*, which reflects the exclusion of women over 55 as the only group in which long-term unemployment has increased.

## For a society without gender violence

Every year, within the framework of the World Day Against Gender Violence, Aqualia presents a new

edition of *#AqualiaContigo*, a campaign full of inspiring and vindicating actions to support women who suffer from this adversity.

In parallel to this action, Aqualia also held a day featuring the Olympic athlete, Carmen Giménez, whose life changed in 2010 after suffering an episode of gender violence.

Within the framework of the agreement with the Ministry of Equality, the Government's branch against Gender Violence, Aqualia has carried out awareness-raising and social awareness-raising actions as part of the Companies for a society free of gender violence initiative launched in November 2022.

## GOOD PRACTICE

### Solidarity with women reaches Colombia

In Villa del Rosario, Colombia, an event was organised to coincide with 8 March to recognise the work of a group of women community leaders by giving them a diploma and enjoying a day with Aqualia employees.

With this practice, the company aims to take the corporate culture to the new locations where it is present, promoting pride of belonging and cohesion among its staff.

## Solidarity commitment to diversity and equality

Félix Parra, CEO of the company, spoke at the Diversity and Inclusion Day, organised on 2 June by the Equipos&Talento platform. He also participated in the CEO Voices table with other CEOs, discussing the inclusion of diversity in corporate strategy. At the end of the day, Aqualia received the Diversity Leading Company seal, becoming the first company in the water sector to obtain it, and the Empowering Women's Talent seal,

for the company's commitment to female talent.

## Prevention and health promotion

On the occasion of World Breast Cancer Day in 2022, Aqualia held a talk on prevention, in which Dr. Gloria Ortega, head of Breast and co-responsible for Peritoneal Oncology at MD Anderson Cancer Centre in Madrid, provided useful information on the basic care to be taken, routine studies and, above all,

conveyed the fact that around 95% of cases detected early can be cured.

Additionally, in the field of mental health, to which the company is strongly committed, a talk-colloquium was held with Javi Martín, the famous presenter of *Caiga quien caiga*, who was diagnosed with bipolar disorder and who told his experience in a light-hearted tone, bringing his experience closer to the public and normalising it.



● Carmen Rodríguez, Director of People and Culture, together with part of her team with the Empowering Women's Talent label.

# Focused on generating a quality work environment and well-being

Currently the average age of the workforce stands at 45 years old, and has a seniority of more than 11.57 years. Aqualia's objective is to provide its staff with stable

employment and a quality work environment in which to function as professionals and as people. Committed to equality and the empowerment of women in the

sector, Aqualia's workforce is made up of 19.42% women, a slightly lower figure than in 2021, when this number stood at 20.19%.

EMPLOYEES	2022			2021			22/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees	10,212	2,461	12,673	7,836	1,982	9,818	30%	24%	29%

EMPLOYEES BY WORKING HOURS AND GENDER	2022			2021			22/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time employees	9,902	2,137	12,039	6,999	1,663	8,662	41%	28%	39%
Part-time employees	310	324	634	328	319	647	-6%	2%	-2%
Employees with unallocated working hours	-	-	-	509	-	509	-	-	-

NEW HIRES	2022			2021			22/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
New hires	1,160	353	1,513	820	277	1,097	41%	27%	37%
Up to 35 years	490	189	680	401	177	578	21%	7%	17%
Between 35 and 55	573	151	723	383	95	478	49%	58%	51%
Over 55	97	13	110	36	5	41	169%	160%	168%
Total new hires aged below 35	25%	33%	27%	34%	43%	36%	-9 pp	-10 pp	-10 pp
Total new hires aged 35 to 55	10%	10%	10%	7%	7%	7%	2 pp	3 pp	2 pp
Total new hires aged over 55	4%	4%	4%	2%	2%	2%	2 pp	2 pp	2 pp
<b>Total new hires rate</b>	<b>11%</b>	<b>14%</b>	<b>12%</b>	<b>10%</b>	<b>14%</b>	<b>11%</b>	<b>1 pp</b>	<b>0 pp</b>	<b>1 pp</b>

EQUITY AND DIVERSITY	2022			2021			22/21		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Directors and managers</b>	121	10	131	110	7	117	10%	36%	-6%
Percentage of the total	0.95%	0.07%	1.03%	1.12%	0.07%	1.19%	-0.16 pp	0 pp	-0.16 pp
Up to 35 years	-	-	-	1	-	1	-100%	-	-50%
Between 35 and 55	85	8	93	69	6	75	23%	25%	-15%
Over 55	36	2	38	40	1	41	-10%	100%	21%
<b>Middle managers</b>	1,064	325	1,389	887	219	1,106	20%	49%	4%
Percentage of the total	8.39%	2.57%	10.96%	9.03%	2.23%	11.25%	-0.63 pp	0.34 pp	-0.29 pp
Up to 35 years	121	68	189	96	38	135	26%	77%	19%
Between 35 and 55	710	226	937	582	158	740	22%	43%	3%
Over 55	232	31	263	209	22	231	11%	41%	1%
<b>Technicians</b>	1,296	751	2,047	1,223	596	1,819	6%	26%	1%
Percentage of the total	10.23%	5.93%	16.16%	12.45%	6.07%	18.51%	-2.22 pp	-0.14 pp	-2.36 pp
Up to 35 years	428	238	665	338	178	516	27%	33%	6%
Between 35 and 55	607	449	1,056	671	379	1,050	-9%	18%	-2%
Over 55	261	65	326	214	39	253	22%	68%	4%
<b>Administrative clerks</b>	328	885	1,213	354	867	1,221	-7%	2%	5%
Percentage of the total	2.59%	6.99%	9.57%	3.61%	8.83%	12.43%	4.79 pp	0.88 pp	5.67 pp
Up to 35 years	82	143	225	66	139	205	24%	3%	9%
Between 35 and 55	168	608	776	216	621	837	-22%	-2%	3%
Over 55	78	134	212	72	107	180	7%	25%	15%
<b>Other positions</b>	7,403	490	7,893	5,268	293	5,561	41%	67%	-13%
Percentage of the total	58.42%	3.86%	62.28%	53.62%	2.99%	56.61%	27.80 pp	2.56 pp	30.36 pp
Up to 35 years	1,349	130	1,479	682	54	736	98%	142%	-2%
Between 35 and 55	4,300	257	4,557	3,628	178	3,806	19%	44%	-18%
Over 55	1,754	102	1,857	958	61	1,020	83%	67%	4%
<b>Total</b>	<b>10,212</b>	<b>2,461</b>	<b>12,673</b>	<b>7,842</b>	<b>1,982</b>	<b>9,824</b>	<b>30%</b>	<b>24%</b>	<b>-7%</b>

# Technology and digitalisation for conscientious and efficient management

We adapt our technologies to the current needs of the sector and implement our knowledge everywhere we operate in the world. Our commitment to our customers and users means that we're always looking towards the future.

Much remains to be discovered and, that is why at Aqualia we live by and for the constant development of innovative solutions capable of regenerating, improving and facilitating people's lives.

# First-hand...

“Digitalisation is a key tool in achieving our corporate objectives of sustainability, efficiency, service improvement, and transparency”

The digital transformation at Aqualia, which is essentially structured around the search for and implementation of innovative technological solutions to optimise processes, represents a key axis in the company's present and future.

As the director of the Systems and IT area, María Ángeles Vicente is tasked with promoting its development, allowing for the better management of the end-to-end water cycle. As a result, Aqualia can reduce and/or prevent losses in supplied water distribution networks and optimise all processes related to the internal organisation and customer service, the backbone of all operations.

**In 2022, Aqualia invested 216% more in promoting the digital transformation than was the case in 2021. What was the main outcome of this increase in investment?**

Everybody who forms part of this team understands that digitalisation is a key tool in achieving our corporate goals of sustainability, efficiency, service improvement, and transparency.

It is thanks to the investment made that we could harness the new capacities provided and place them at the service of our processes.

Let's take an example: in 2022, we rolled out different projects that have allowed us to develop the early detection of leaks in the supply network. As a result, we are able to avoid the unnecessary loss of water and major damage to the network. This reduction in losses involves reducing the use of electricity and reagents as we do not have to treat this lost water. In my opinion, this is a clear example of how technology is a major ally when it comes to sustainability.

**Aqualia Live is the smart management platform for the end-to-end water cycle designed by Aqualia. What are this platform's contributions in terms of efficiency and optimisation?**

Aqualia Live is a platform designed by our experts, professionals with extensive know-how both about the end-to-end water cycle and technology. I like to say that it is created by people with a background in water and with water in mind, with the aim of zero waste, harnessing every last drop.

Our platform, which is modular and built-in, encompasses absolutely all the processes necessary for the end-to-end management of water: from collection and purification, distribution and the customer's entire life, up to treatment and re-use. For it to work correctly, it incorporates new technologies (IoT, Big Data, Cloud Computing and AI) and, as goes without saying, mobility, to optimise processes and make them more efficient and sustainable. Using it allows us to:

**Improve service management:** by digitalising the assets, we know what is happening in real-time in the grid and we can harness the simplification of procedures to act more efficiently and swiftly.

**Improve the service offered to citizens:** via the Aqualia contact App, users can check their consumption if they have a smart meter. And define their own alerts: detecting when there is no consumption in the home of a vulnerable person or when there is consumption in an empty second home. At Aqualia, we proactively report any leak detected at a customer's home so that they can

**MARÍA ÁNGELES VICENTE\***  
DIRECTOR OF SYSTEMS AND IT (CIO)

#Industry5.0 #SmartCities #Optimisation #ResponsibleManagement



check their installation without having to wait for further damage to occur.

**Greater transparency towards the user, city councils and other organisations,** sharing the most relevant information on the cycle and its main figures with them.

Aqualia Live, as a platform, not only facilitates the management process, as the competitive advantages it offers have been and continue to be powerful. It has been a major ally for our entry into and expansion through markets as established and complex as the French market, and in spite of the challenges faced in France, a country that is home to the world leaders in the end-to-end water cycle management sector.

**Looking back to 2022, which projects would you highlight for their impact on the environment?**

The early leak detection projects I mentioned have had, and continue to have, a huge impact on grid performance and the environment.

During 2022, we rolled out our technology in the different regions in which we provide services in the format of control centres. Thanks to these centres, established in eight locations around Spain, we are provided with details about what is happening in real-time in each town and city and can act immediately.

I would also highlight the mobility projects undertaken by our forces in the field in Spain, Italy, France, and Colombia. Following

a comprehensive roll-out, our plumbers now receive work orders on their mobile phone, eliminating unnecessary travel. This saves on fuel, eliminates the waste of paper and improves response time and the quality of information, increasing operational efficiency, which always results in a better-quality service for our customers.

**Our aim is to focus on energy efficiency projects to ensure that our consumption in the management of our services is as low as possible**

Finally, we have also been preparing for the Digitalisation line of the strategic project for the economic recovery and transformation in relation to the urban water cycle, reinforcing our teams and defining the main projects for the subsidies we are due to receive as part of the European Next Generation funds over the coming three years. These subsidies will provide important impetus to our goals.

**Following these achievements, what are the new challenges facing the department in the future?**

In the short-term, our aim is to focus on energy efficiency projects to ensure that our consumption in the management of our services is as low as possible. Other challenges will be the expansion of smart metering applying sensor systems to our assets.

And as goes without saying, continue to respond to the internal requests and needs we receive. We are a department that is at the service of the other departments. Technology represents an advantage and an opportunity from the moment it generates a positive impact on the daily life of citizens, helping to improve people's lives. Mobility projects and work orders in the field, returning to a recent example, have had a huge impact, improving the workday of 1,200 workers in Spain. That is what is most rewarding.

# Management approach

TOWARDS REAL-TIME DATA-DRIVEN WATER MANAGEMENT

Aqualia is working on the development and implementation of technologies to optimise the performance of water distribution networks. This is done through solutions capable of guaranteeing efficient and safe water supply and treatment, thus contributing to sustainable development in the management of water resources and the construction of smart cities.



## INVESTMENT IN DIGITAL TRANSFORMATION

Investment (€)	2022	2021	22/21
Total	16,840,370	5,328,700	216%



In 2022, Aqualia invested

**216%**

more in digitalisation than in 2021

and

**950%**

more than in 2020

These data are the bond of our commitment to smart end-to-end water cycle management.

Aqualia Live has shown significant progress by becoming a technological platform that brings together the different components of the integrated management of the water cycle and serves to improve the efficiency of processes, as well as service and communication with customers and end users.

This platform is the result of work, experience and the incorporation of information technologies

applied to end-to-end water cycle management. It improves connectivity and therefore accessibility to relevant data (IoT), turning information into knowledge faster (big data and cloud computing). In addition, it supports decision-making as well as process monitoring (IA/ML).

There are **three strategic projects** under which the different actions are deployed:

## AQUALIA LIVE



**Project 1**  
Omni-channel customer service



**Project 2**  
Asset management and maintenance



**Project 3**  
Water Analytics (AWA)

## CYBERSECURITY

### Characteristics

Technological suitability

• Choosing the technology applicable to management.

Mobility

• Solutions designed for efficient field management, with user experiences focused on technical personnel.

• It allows citizens to know and manage their information in real-time from any device.

Modularised solution

• Global management through specialised and integrated modules to give a global vision.

Adaptability

• Adaptation to the specific needs of Aqualia's services, providing efficiency in each particular case.

Proven experience

• It covers all the processes in all the services provided by Aqualia and in the different countries, providing solutions to customers, citizens and workers.

# END-TO-END CYCLE WATER

## END-TO-END AND SMART MANAGEMENT

### IoT.

#### Internet of Things

#### INTERNET OF THINGS

Global platform for the operation of industrial water cycle facilities:

- Integration of market technologies
- Standardisation of industrial communications
- Cybersecurity
- Transversal synergies in water operation
- Knowledge of the water cycle

### GEO.

#### Geographic Environment Organization

#### GEOGRAPHICAL INFORMATION SYSTEM

Geospatial information on the supply network:

- Sectorisation
- Cut-off areas
- Hydraulic modelling

### CAC.

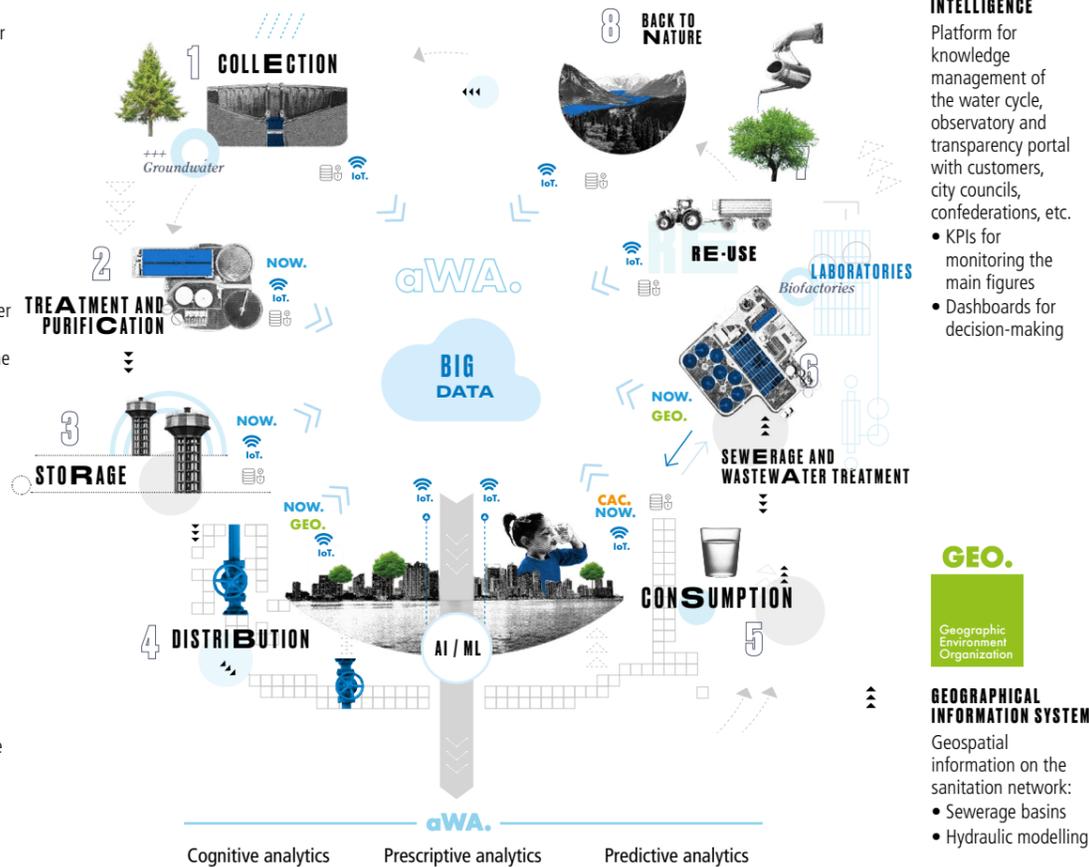
#### Customer Aqualia Contact

#### CUSTOMER SERVICE CENTRE

Omnichannel for efficiency in customer service:

- In-person customer service
- Call centre remote service
- Virtual Office
- Mobile App
- E-mail, SMS
- Social media

# aqualialive



### TIK.

#### Transform Information into Knowledge

#### BUSINESS INTELLIGENCE

Platform for knowledge management of the water cycle, observatory and transparency portal with customers, city councils, confederations, etc.

- KPIs for monitoring the main figures
- Dashboards for decision-making

### GEO.

#### Geographic Environment Organization

#### GEOGRAPHICAL INFORMATION SYSTEM

Geospatial information on the sanitation network:

- Sewerage basins
- Hydraulic modelling

### NOW.

#### Next Order at Work

#### NEXT ORDER AT WORK

Platform for the efficient management of linear assets and industrial assets:

- Warehouse management
- Work orders and mobility
- Corrective, preventive and predictive maintenance of industrial assets of the water cycle

#### ANALYTICAL PLATFORM FOR SMART WATER CYCLE MANAGEMENT

Integrates information from IoT devices through the use of big data and cloud computing technologies, to generate intelligent tools based on machine learning and AI:

- Smart monitoring
- Smart alerting
- Network leakage detection
- Prescription of linear asset replenishments

## Technology centres: for real-time knowledge

During 2022, the deployment of seven new technology hubs in Spain<sup>17</sup> has begun. From these workplaces, Aqualia manages the water networks, incidents, the issuing of work orders, as well as assets and meters in an integrated way, increasing network sensors and plant control.

Aqualia uses these centres to find out what is happening in real-time in each of the municipalities, identify alerts and take immediate action. The centres also allow for early detection of leaks, leading to performance improvements in the networks. As an international company, this digital transformation, currently implemented in Spain, is planned to be implemented in other countries as well.

## Technology at the service of an increasingly connected and global workforce

Aqualia's commitment to technology is transversal. Thus, the company implements all the key elements not only externally,

but also internally, which means an improvement in efficiency and productivity, but also involves improving the quality of life of the workforce and greater communication, structured around the Be Aqualia app, which integrates employees without corporate mail and is bidirectional.



● Toledo Technology Centre, Spain.

## GOOD PRACTICE

# 96%

meter fleet

## Dénia Technology Centre

Dénia is a reference in Spain for its high rate of meters with remote reading (96% of the meters).

In addition to remote metering, the Dénia technology centre also incorporates real-time monitoring of the urban water cycle. These data are available thanks to the sensors installed and distributed throughout the more than 500 km of supply networks and other facilities. The good operation of these facilities and

the projects derived from them have led the council to apply for PERTE funds to enable the implementation of a project to modernise and improve the efficiency of the Municipal Water Service, the overall cost of which is close to €9 million.

The project, developed by Aqualia, foresees 50,000 sensors and would allow the use of new information technologies in the end-to-end water cycle to be promoted.

17. Autonomous Communities /Cities: Galicia, Oviedo, Lleida, the Balearic Islands, Almería, Campo de Gibraltar and Tenerife (south).

# Digitalisation in comprehensive management

## Aqualia Water Analytics for smart management

In this strategic area, Aqualia develops the necessary technology to intelligently manage all the phases of the end-to-end water cycle:

2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

Line of work	Aqualia Live (AWA, Aqualia Water Analytics)	
<b>Action plan</b>	Use a platform for intelligent management of the end-to-end water cycle	Capture and standardise the data from the different devices (GPRS, LoraWan, NarrowBand, etc.)
<b>Performance in 2022</b>	207,529 remote digital meters Increase of 52% 2022 Goal: 172,500	Use big data, cloud computing, machine learning and Artificial Intelligence technologies. Applied in early leakage detection, real-time water balance, smart meters, energy efficiency, digital twinning
<b>Indicator</b>	Digital meters for remote reading	8% growth in services working with <i>big data</i> and Artificial Intelligence (AWA). Total 42 services
<b>Performance 2021</b>	136,945	2022 Goal: increase by 15%
<b>Performance 2022</b>	207,529	Services working with <i>big data</i> and Artificial Intelligence (AWA)
<b>Goal</b>	258,750 in 2023	39
<b>Sustainable development</b>		42
		51 in 2023
		Goal 11.b

Aqualia Water Analytics (AWA) is the analytical platform for smart water cycle management. This platform captures information from IoT devices in the water cycle to convert it into knowledge and business intelligence through the use of big data, cloud computing, machine learning and AI technologies.

In addition, this platform provides users with tools for intelligent management in an analytical environment designed to offer the best user experience.

### A quality, efficient service

Among the technologies applied to water quality and water

## Three-axis design

### Geospatial analytics

GPS analytics on maps that include navigation and interactive data viewing features.

### Comparative analytics

Allows the user to generate personalised queries and analysis in interactive charts.

### Operational control

Through AI/ML, advanced analytics tools are provided.

THE FOLLOWING WATER MANAGEMENT PROGRAMMES COME UNDER THESE LINES



### WaterNetwork

Information of the network sensors (SCADA Aqualia). Analysis of flows and pressures.



### WaterQuality

Information of the network sensors (SCADA Aqualia). Water quality indicator analysis (pH, chlorine, turbidity, etc.).



### SmartMeters

Remote metering information generated by fixed networks, meter level analysis, consumption patterns, fixed network geopositioning, etc.



### HydraulicBalance

Hydraulic balance with remote meter reading based on the analysis of information cross-referenced between the data obtained from remote meter reading and the data obtained by SCADA or remote meters read in the sector.



# 11,694

detected cases of fraud



# 5.27 M€

fraudulent consumption



# 207,529

smart meters installed under different agreements

management efficiency within AWA, the following stand out:

- **Next Order at Work (NOW)**, which allows the processing of a large volume of work orders per month, with a high degree of optimisation of the daily work and the assignment of tasks to the service team,

both for maintenance actions and incidents. The system implemented provides continuous geo-positioning of the vehicle fleet, which means that routes can be optimised.

Minimise the difference between the volume of water supplied to the network and the actual

amount consumed is a basic aim for Aqualia. To achieve this, in addition to using sophisticated smart network monitoring systems and upgrading those networks that become obsolete in order to avoid leaks as much as possible, plans are designed to detect fraudulent actions or uses of drinking water.

## Asset management and maintenance

Aqualia provides its workforce with the necessary technological tools for them to go about their daily undertakings as efficiently as possible.

### 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

Line of work	Asset and Maintenance Management (Aqualia Live)		
Action plan	Provide workers in the field with a mobile app with all of the features they need for their daily work	Implement a tool that plans and optimises facility maintenance, both plants and networks	Infrastructure design, planning and construction with BIM methodology
Indicator	Services using the mobility application (NOW)		
Performance 2021	451		
Performance 2022	502		
Goal	519 in 2023		
Sustainable development	Goal 9.4		

In 2021, a new IT tool for asset and maintenance management was developed, which allows the standardisation of activities according to the size and purpose of the service provided, as well as better centralised control of the inventory of assets managed, which facilitates not only knowing the status and updated value of the inventory, but also developing and planning smart proposals for renewal and/or expansion of the infrastructure operated by the company. Throughout 2022 and 2023, work will continue on the implementation of the tool at the Abona WWTP (Spain) with the aim of certifying it under ISO 55001 in 2024.



Thanks to NOW (Next Order at Work), the asset and maintenance management application, **1,200** workers have improved their work, making it more efficient.

### Mobility solutions for fast and efficient service

In 2021, the ambitious Meter Reading Module (Aqualia Live - NOW) project was completed,

the aim of which was to update the mobility solution implemented for taking meter readings (TPL), providing it with online and offline functionalities. This solution runs on smartphones, providing functionalities related to taking and managing meter readings.

With this project, Aqualia intends to improve the current processes for taking and managing readings, and to achieve efficiency in the shortest possible time and with the least economic impact.

### Smart meters

Smart meters bring clear improvements to the process:

1. They provide data and information:

  - They store and transmit information in real-time.

- They constantly monitor the water networks and provide insight into their behaviour.
- 2. They provide consumers with a clearer bill and allow for shorter billing cycles. For their part, they detect changes in consumption

- and provide insight into consumer behaviour patterns.
- 3. They offer greater transparency to administrations, who are provided with real-time information about network performance.

- 4. The installation of smart meters saves on trips for remote reading, which means savings in terms of CO<sub>2</sub> emissions.



## GOOD PRACTICE



### Conference of the Spanish Network of Intelligent Cities in Rota

Aqualia has participated in the Technical Committee of the Spanish Network of Smart Cities, held in Rota, Cádiz. Through the intervention of its IT director in a round table, it was explained how digitalisation is a key part of our company's path towards sustainability and Aqualia's involvement in the PERTE of the Ministry of Ecological Transition to promote both aspects was detailed.

In parallel to this event, several mayors were presented with the company's implementation of its Aqualia Live platform in Rota, showing them in real-time how the

smart meters already installed in many of the municipality's homes can detect leaks inside them. There are currently more than 5,000 smart meters in Rota. Of these, more than 300 are already integrated in the Aqualia Live platform.

It was also shown how the Aqualia Water Analytics (AWA) software tool can predict the existence of a water leak in an area of the municipality, which has allowed the efficiency of the municipality's supply network to be increased to 90%, when the average in Spain is 70%.

### Implementation of remote reading in the countries in which we operate

In Spain, the governance set 2025 as the deadline for replacing devices more than 12 years old to ensure reading accuracy and consumption efficiency. In this sense, Aqualia has made progress in the installation of these telemeters in Spain, Portugal and Italy.

### BIM Methodology: an indispensable tool

Since the start of the implementation of BIM (Building Information Modelling) in Aqualia in 2019, continuous progress has been made in perfecting and consolidating this methodology.

Thanks to it, Aqualia is already able to:

- Digitalise the management of project information, improving traceability.
- Improve communication and exchange of information between the different agents involved, allowing an open and transparent transfer of this information.
- Increase the precision and safety of designs in the engineering phase, reducing risks in the construction phase.
- Gain greater economic control in the construction phase by extracting measurements directly

from the models and following them up during the execution of the works.

- Increase quality, improving the results obtained and the documentation generated.
- Improve the customer experience, guaranteeing agile communication flows, change management and much more refined technical-economic asset control.

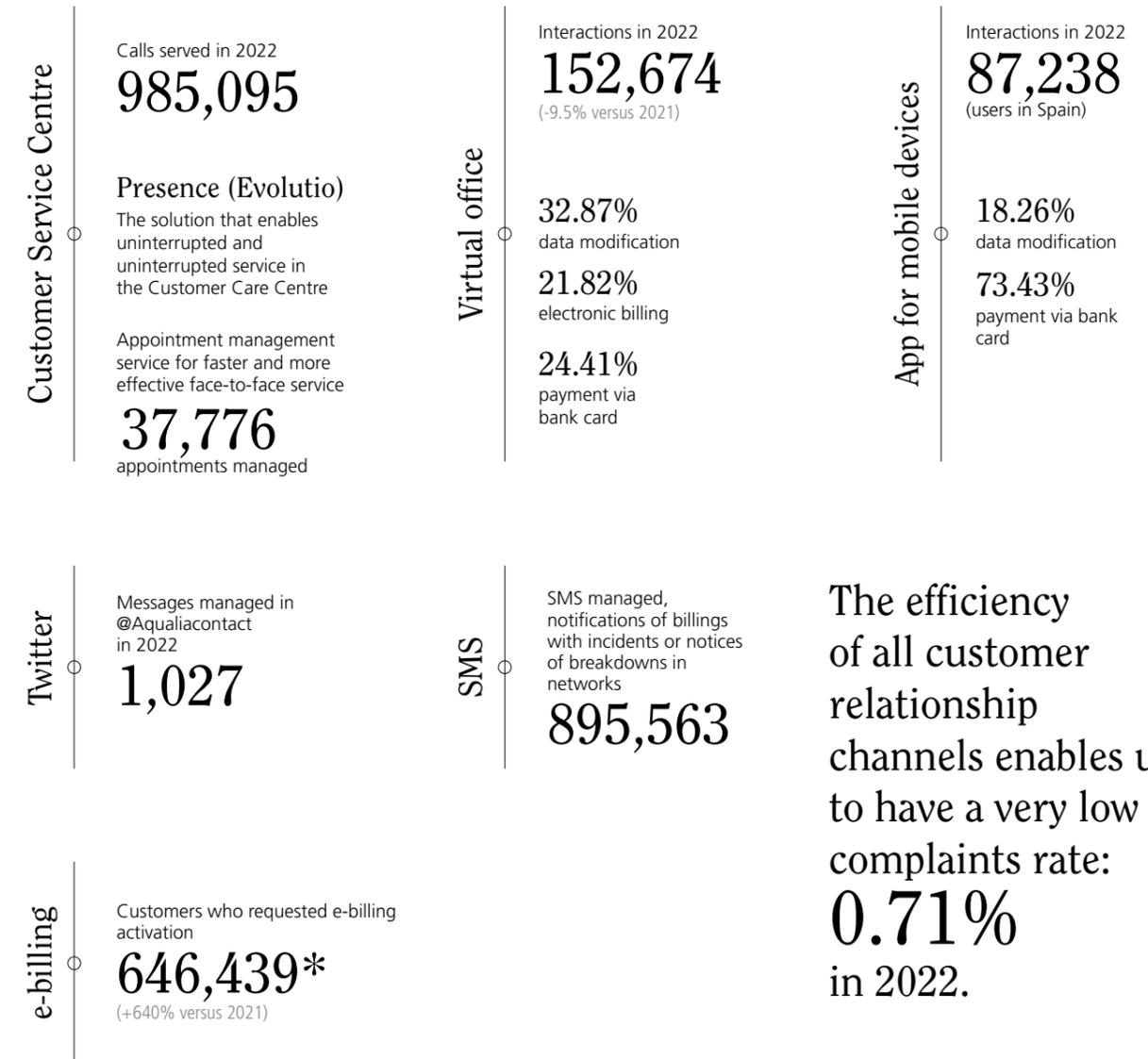
Aqualia is thus laying the foundations that will lead to the application of BIM to the entire end-to-end water cycle.

In its commitment to excellence in customer service and in response to customer expectations, Aqualia develops innovative solutions adapted to the needs of users.

During 2022, Aqualia has paid special attention to the quality and integration of all the channels of interaction with its users and to the development of technological

solutions that improve the omnichannel experience of the customer and the way it offers its services.

## Aqualia Contact



### Omnichannel approach for service excellence

In this strategic axis, Aqualia articulates its relationship with customers to offer them more information and autonomy to carry out their transactions:

#### 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

Line of work	Omnichannel customer service			
Action plan	Consistent customer relationship through the different channels	New virtual office for customers with more information and giving them more autonomy to carry out procedures	Give the customer the option of signing their contracts digitally	Promote the use of e-billing
Performance in 2022		336,110 of customers using the virtual office 2022 Goal: 330,000		1,284,495 contracts with e-billing 2022 Goal: 650,000
Indicator		Customers using the virtual office		Contracts with e-billing
Performance 2021		308,144		638,507
Performance 2022		336,110		1,284,945
Goal		339,900 in 2023		680,000 in 2023
Development sustainable		Goal 9.9.b Goal 12.5		

Note: scope Spain in all indicators, except for e-billing, which includes the figures for Georgia (538,000 customers with e-billing).

\*Scope Spain in all indicators, except for e-billing, which includes the figures for Georgia (538,000 customers with e-billing).

The efficiency of all customer relationship channels enables us to have a very low complaints rate: **0.71%** in 2022.

## Goals and performance in 2022 for the omnichannel approach to the service

### 1. Integration of all channels

In 2021, the implementation of the new Microsoft Dynamics CRM began, which has been developed throughout 2022 and will go into production in early 2023. This project will allow all channels to be interrelated in real-time, with greater accessibility, availability and integrity of interaction information.

Aqualia's objective is to have a new customer service module that must be integrated with other systems, such as the commercial system, which provides sufficient flexibility, guarantees availability and access to information in an agile and flexible way through guided processes.

### 2. Omnichannel customer experience

Customer experience is at the core of Aqualia's digital transformation strategy. An essential part of this strategy is the omnichannel service that provides users with

online information about their consumption or their point of supply through the new channels. This improvement in the company's contact with its customers is manifested in a reduction of billing complaints from 12% in 2020 to 7% in 2022.

### 3. More responsive and capable attention

The efficiency of all customer relationship channels allows us to have a very low complaints rate (0.71% in 2022) and a maximum average response time of 10 calendar days. According to the latest surveys carried out in 2022, the overall customer service through Aqualia Contact was rated positively.



Tu factura electrónica juega un papel importante en el medioambiente

### Pásate a la factura electrónica

Llamando al centro de atención al cliente o enviando un email a e-factura@aqualia.es indicando: nombre y apellido del titular, número de contrato, población y el email donde deseas recibir la factura electrónica.

Cámbiate a la factura electrónica y podrás consultar, sin coste alguno, tu factura al instante.



e-bill customers  
**1,284,945**  
(+101%\* versus 2021)

20.45%  
in Spain

36.25%  
globally

e-bills issued in 2022  
**+9,300,000**

\*The increase in customers with e-billing is due to the inclusion of Georgia.



● Aqualia call centre.

### 4. Resources and technologies that enable faster and more efficient customer service

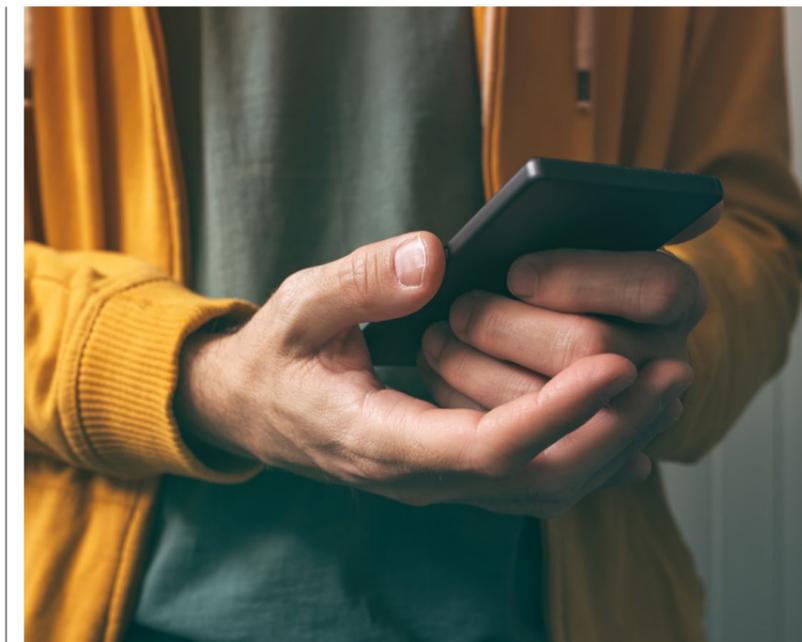
- WhatsApp professional
- Click to call from the website
- Collections through Bizum
- Management of e-billing via email
- Web-based customer management platform for communications via SMS, e-mail, billing payment link, etc.
- Digital signature of documentation

### Promotion of the use of e-billing

Aqualia has maintained its campaign for the use of e-billing. Launched in 2020, it has already led to estimated annual savings of €3.8 million in time and management, in addition to the beneficial effects on environmental protection.

### Digital signature of documents

Aqualia is immersed in a project to offer electronic signatures, which will reduce costs by minimising the time required to carry out tasks, reduce the use of paper and improve access to and storage of documentation. The project will go into production in 2023 and will allow for two types of signature:



The company has leveraged digitalisation processes to bring about numerous customer management improvements in 2022.

• **Biometric signature:** the customer signs the document using an electronic device that collects their signature and biometric data.

• **One-Time Password signature:** signature system with personal password and one-time code.

### 5. Tools for customer management

The most noteworthy are those referring to information on production pending billing, including values in adjusted and total m<sup>3</sup>; on the profitability of meters replaced, including the type of customer and the dates of facility of the meters that have been replaced; and on fraud, including the type of fraud and the final status of the case.

# Digital transformation of internal processes

In this area, Aqualia defines and implements, through technological solutions, new processes to improve internal management and communication:

## 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL3 TECHNOLOGY FOR INTEGRATED MANAGEMENT

Line of work	Increased management efficiency			Be Aqualia App for internal staff communications	
Action plan	Process analysis (ASIS)	Definition of the new processes (TOBE)	Adapting and implementing them	Provide staff without a corporate email account with an app that allows two-way communication	Digital information point at offices (totem)
Indicator	Staff members who have downloaded the Be Aqualia app				
Performance 2021	6,697				
Performance 2022	7,280				
Goal	12,300 in 2022				
Sustainable development	Goal 9.b	Goal 9.b	Goal 9.b	Goal 9.4	

The Be Aqualia app for mobile devices was created for all company employees, especially employees who do not have a corporate email account. Employees can use this app to keep up to date with everything that is happening

in Aqualia, take part in surveys, give their opinion and join in new campaigns and challenges offered by the company.

# Cybersecurity for a connected and global activity

Aqualia has a Cybersecurity Model and a regulatory framework that define the basic principles and requirements for the development of security measures for information systems. The objective is to provide proportionate protection of the confidentiality, integrity and availability of information.

It also has certifications such as ISO 27001 Data Security for the Customer Service Centre, which establishes mechanisms to supervise the state of cybersecurity in the different areas of the company and guarantee compliance with the applicable internal and external regulations.

## Personal data protection

Aqualia ensures the confidentiality, security and proper use of the information it manages in its daily processes and, in particular, the personal data of its employees, customers and suppliers. The processing of Personal Data in the FCC Group is based on the following values:

- Transparency and confidence in the secure processing of personal data.
- Responsibility and commitment in the use of personal data based mainly on the confidentiality of such data.
- Efficiency in the secure management of personal data.
- Availability of personal data on a need-to-know basis and only to persons who need it for their functions.
- Integrity of information, preventing unauthorised handling and tampering.

Aqualia complies with the applicable legislation on data protection (GDPR and Spanish Data Protection Act) and includes in its action plan aspects such as the definition of procedures for the reception of data.

When a security incident is detected, Aqualia has an appropriate system for investigating and managing such incidents, which collects all the information necessary to decide on the

measures to be taken to resolve the incident, as well as the actions to be taken to minimise the consequences and to assess the need to notify the control authority and those affected.

## Training

In Aqualia there is continuous training over time associated with the policy of using technological means. Therefore, data protection training plans have been developed for the organisation's employees.

In 2022, an additional awareness campaign has been deployed to train all staff on safe email use, safe internet browsing, social engineering and phishing.

# Social impact and value-generating partnerships

We belong to the communities we serve, which is how we understand the different situations everyone faces, especially in these turbulent times that have shown us how interdependent we are on each other.

Our vision stems from a firm belief that water is a vital part of all our lives, and that vision grows to help build a fairer, more diverse and inclusive society.



# First-hand...

## “When it comes to customer service, transparency is critical”

Each and every day, Aqualia strives to care for and satisfy the needs of its customers, contributing to their well-being, preserving the value of water resources, respecting nature and minimising the environmental impact of its activity.

Miguel Perea heads up the area dedicated to serving and caring for the company's customers. Given its activities, the term “clients” at Aqualia involves both public administrations and the end customer of its service. Following the company's international growth in 2022, this area has faced the challenge of both perceiving, in the 18 countries where the company is present, the quality of its management and the improvements implemented when it comes to access to water. Furthermore, this area also has a notable social impact, activating mechanisms such as the deferral of tariffs for the most vulnerable users or launching social tariffs in cooperation with the local authorities.

### How does Aqualia respond to the different needs of its clients in the 18 countries in which it is currently present? What services does it offer to this end?

For a company that operates worldwide and that provides a service whose value is not

clearly perceived, as is the case of Aqualia, the commitment to making progress with a strategic orientation towards the end customer is key, as is focussing on the channels in place to communicate with them. At present, this is a challenging objective, as there are different circumstances in each of the countries in which we operate. For example, in Georgia, our most recent addition, we have to adapt to the fact that there is only one regulator.

To this end, we make huge efforts and are flexible when it comes to adapting our channels to the needs of our channels as much as we can. We have learned a lot over the years affected by the coronavirus pandemic. This year, we have also placed a particular emphasis on investment in technology.

Another critical factor is transparency. It plays a key role in getting citizens to understand the value we provide through our service. Furthermore, the legislation also requires that citizens be provided with more information about urban water, as indicated in Directive 2020/2084. To this purpose, in Spain we have launched an information channel for users that we will place on the local authorities' websites to which

we provide services. We believe that launching this channel as part of a public-private collaboration is really positive, as the water sector involves a variety of stakeholders and we must combine efforts to improve it.

### Does Aqualia involve customers in its environmental awareness campaigns? Do the public administrations demand greater awareness when it comes to caring for this resource?

We have always performed awareness raising actions about the importance of caring for water and, by extension, the environment. We also undertake initiatives to promote e-invoicing, helping us to eliminate paper invoices and avoid the journeys that must be made for their distribution and, as a result, the corresponding emissions generated. In 2022, e-invoicing increased from 19% to 20.45% in Spain, with a total of 1,284,945 customers having chosen this option.

All these actions are considered by the administrations as offering added value. We see this in our daily contact with them, but also in our satisfaction surveys, which demonstrate that our customers are increasingly aware of the importance of these initiatives

### MIGUEL PEREA CUSTOMER DIRECTOR

#Digitalisation #OmnichannelCustomerService #PublicPrivatePartnerships #Awareness



and that they are interested in the environmental and social commitments assumed by water operators. Around 80% consider Aqualia's social and environmental commitment as either excellent or very good, with the score increasing every year. This serves to reinforce our commitment to the 2021-2023 Strategic Sustainability Plan. And, overall, satisfaction with the service offered by the company is very good: we received a score of 4 on a scale of 1 to 5.

Access to quality water is a factor when it comes to social cohesion. Our collaboration with public administrations and NGOs in relation to tariff mechanisms is extremely important. In 2022, our social action has helped us to organise more than 6,600 payment plans in response to the needs of each customer. In total, more than 2,300,000 customers across Spain have had access to subsidised tariffs and, in other countries, this number stands at more than 210,000 customers.

### Looking back to 2022, what actions or projects would you mention when it comes to offering value to customers? What milestones have been achieved over the past year?

This year, on account of the company's internationalisation process, I believe that the milestone has involved acquiring enough flexibility to serve our clients everywhere that we provide services and maintain a high-level of communication with them. To this end, in 2022, we held the First International Conference on

Customer Management, where we shared success stories from different regions. I think this was a good practice that we should maintain in the future.

## Access to quality water is a factor when it comes to social cohesion. Our collaboration with public administrations and NGOs in relation to tariff mechanisms is extremely important

When it comes to improving customer service, applying technology offers huge advantages. Our users can now consult their hourly consumption using Aqualia Contact, provided they have a smart meter. Furthermore, in 2022 they were offered the option of configuring their own alerts; for example, when there is no consumption in a vulnerable person's home or when there is consumption in a second home that is empty at the time. Another important point is that, if a leak is detected at a customer's home, Aqualia

contacts them so that they can check their installation for major damage as soon as possible.

### Considering these achievements, what future challenges does Aqualia need to tackle to improve the service offered to its customers?

Without a doubt, I believe that the company's growth involves overcoming major challenges for us to adapt to the specific nature of each region. However, digitalisation will be a huge ally in adapting and offering a high-quality omnichannel experience. To this purpose, integrating all channels and the pursuit of resources and technology that facilitate more agile management is essential.

Furthermore, we want to live up to our users' expectations. We must strive to provide the most personalised service and information possible, in real-time. We believe that this would also help us to get users involved in caring for the end-to-end water cycle. By improving communication and transparency, we would like to convert users into allies when it comes to preserving and caring for water.

# Access and transparent information

## GUARANTEE OF ACCESS TO WATER AND TRANSPARENT INFORMATION

Aqualia has acted with a markedly social character in 2022, faced with a general increase in energy, fuel and raw material prices, with policies of cost containment and special rates for large families and solidarity funds.

The aim of this strategic line is to disseminate the efforts made by Aqualia to guarantee access to water by strengthening the link with communities.

### 2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL6 SOCIAL IMPACT

Line of work	Pricing systems to guarantee access to water and sanitation			
	Social action projects linked to:			
	<ul style="list-style-type: none"> <li>• Rate reductions and subsidies</li> <li>• Identification of vulnerable customers</li> </ul>			
<b>Action plan</b>	Classification and monitoring of customers based on the pricing systems	Classification and monitoring of customers in vulnerable situations who are guaranteed access to water and sanitation	International. Identification of the number of subsidy recipients who are guaranteed access to water and sanitation	International. Identification of the number of bond, tariff or subsidy recipients who are guaranteed access to water and sanitation
<b>Indicator</b>	Customers in Spain eligible for subsidised rates for water and sewerage services	Customers in Spain receiving benefits via social vouchers and subsidies	Customers in Italy, Portugal, France with access to subsidised water and wastewater rates	Customers in Italy, Portugal and France receiving social vouchers and subsidies
<b>Performance 2021</b>	2,217,238	45,616	177,027	6,938
<b>Performance 2022</b>	2,304,325	48,727	210,067	4,453
<b>Goal</b>	2,400,000 in 2023	60,000 in 2023	199,000 in 2023	3.085 in 2023
<b>Sustainable development</b>	Goal 6.1			

### Bonds and social tariffs

Aqualia works with the social services of local councils, public institutions and the governance of the countries in which it provides water and sanitation services to protect the most disadvantaged customers or those at risk of social exclusion.



Cáritas Agreement

345,000€  
subsidised

+25,000  
beneficiaries

During 2022, more than 6,600 payment plans have been made according to the needs of each customer. And more than 2,300,000 customers have had access to subsidised tariffs in Spain. Elsewhere, the number of customers exceeds 869,000, although the addition of Georgia has increased this figure. In relation to social rates, the Colombian model is the most developed, as it establishes six types of rates corresponding to the different social levels.

As an example of its commitment to ESG criteria, Aqualia has been renewing its collaboration agreement with Caritas and UNHCR in Spain.

### Solidarity funds for funds in collaboration with public institutions

In 2022, Aqualia has renewed the social funds it has in the Cadiz municipalities of Arcos de la Frontera and Chipiona, where it provides the respective municipalities with financial allocations of 17,500 euros and 10,000 euros, respectively, which are used to pay water, sewerage and wastewater treatment bills for people with financial difficulties.

Social funds have also been renewed with the town councils of Albal in Valencia, Novelda in Alicante and Llagostera in Girona. The aim of this tool is to guarantee access to drinking water to families who cannot afford to pay the bill and with which timely coverage is provided to people who are in a serious economic situation.



### Citizen information

Aqualia is working on the rethinking of the online citizen information spaces in accordance with the transposition in Europe of Directive 2020/2184.

In the last half of 2022, Aqualia has moved forward with a plan to migrate the current local *web portals* to a new portal format that complies with the new regulations.



#### CITIZEN INFORMATION

Visit Aqualia's online citizen information space via the following QR code:



Over  
**3,170,000**  
people have benefited from Aqualia's vouchers and social rates.

# Commitment to society and users

## Access and quality in critical situations

### Actions in the event of storms

Following a severe storm that affected the coast of Malaga, the drinking water supply pipe that runs along the coast near the municipality of Vélez broke. Aqualia managed to install temporary pipes which restored the service after an all-night work.

In Badajoz, in the first eight months of 2022, Aqualia extracted more than 2.4 million litres of waste from the city's sewers and other sanitation facilities.

### Troubleshooting during a heatwave

During the middle of a summer heatwave, the main water supply pipeline to the city of Écija (Seville) broke one weekend, affecting 85% of the town and leaving 35,000 with no access to water. The employees of Aqua Campiña, a subsidiary of Aqualia, worked tirelessly for over 13 hours without stopping, in temperatures of up to 47°C, in order to repair this serious fault.



● Breakdown in Vélez-Málaga, Spain.

# Knowledge transfer

FOR A MORE CONSCIENTIOUS SOCIETY

## Education as a key tool to care for SDG 6

Aqualia seeks to bring citizens closer to water care and does so through an educational channel. The website was created to help children of all ages to understand the importance of responsible and conscientious water use, and also the careful cycle it follows to be so present in their lives.



**25,973**  
pages viewed

**11,919**  
sessions

**VIDEO**

Aqualia Educa: A programme to bring water closer to citizens



## GOOD PRACTICE

### Aqualia celebrates the twentieth edition of the Children's Drawing Contest

The initiative, which has become a benchmark in education with values, has had 10,450 entries this year and has offered 6,250 hours of training and awareness-raising.

In 2022, and from the same site [www.aqualiyods6.com](http://www.aqualiyods6.com), the two main characters of this training, Aqual and SDG 6, have encouraged children to join a challenge that values the spirit of caring for water, solidarity, companionship, effort and friendship.

Aqualia seeks to explain the 2030 Agenda and the Sustainable Development Goals (SDGs) to children.

### **Aqualia Chair of the End-to-end Water Cycle at the University of Almeria**

The agreement focuses its objectives on research into the application of solar energy in the different processes of the water cycle, especially in purification with microalgae, regeneration, energy use of wastewater, energy optimisation in the desalination and purification process, including developments related to renewable energies and drinking water treatment by means of solar disinfection.

### **With the University of Huelva (UHU) in Senegal**

The core of the development cooperation actions carried out by the UHU has been the improvement of food sovereignty and the diversification of the population's income. Aqualia's project consists of a deep borehole with an electric pumping system powered by solar panels, a 5,000-litre regulating tank and several water points for irrigation and supply to the population.

## PARTICIPATION IN EVENTS

### SPAIN

#### Quality Water Summit: news and trends in the sector

This event, organised by the iAgua portal, analyses the main current issues in the sector and the latest trends in technology, products, engineering, management, operation, analytics and innovation.



Aqualia was one of the main players and took part in different parts of the event: a session on green hydrogen, a presentation on water digitalisation and a dialogue on the future of water management.

#### Global Water Summit: analysis of the challenges facing the water industry

Aqualia participated as Global Partner, with a prominent presence throughout the event, as it also took part in different workshops, technology sessions and forums.

The company was present at the Water Tech Idol, a kind of talent contest in which five cutting-edge technologies were presented and in which the Mides project was presented and won second prize.

#### XV National Conference of Irrigation Communities: Regadio 2.0

Organised by FENACORE (National Federation of Irrigation Communities of Spain), the event brought together more than 900 attendees who discussed the concept of digitalisation aimed at sustainability (Irrigation 2.0).

Aqualia, which was an official sponsor, had a *stand* and an exhibition area to showcase its technological and irrigation management solutions and digital tools, as well as giving a presentation on "Technological innovation in the management of irrigation community facilities".

#### International Water Association - Young Water Professionals Spain 2022: Innovation applied to the water cycle

The IWA YWP Spain 2022 conference was organised by the Spanish Chapter of Young Water Professionals, together with AEAS, IWA and the main companies in the water sector in Spain, also had a significant presence of Aqualia.

The meeting provided a global overview of the sector and shared trends in innovation. Aqualia reiterated its commitment to the promotion of young talent in the water management sector, given that the future of these essential services depends on the innovative vision of these young professionals.

#### International Water Association - Digital Water Summit

Aqualia participated prominently in the first edition of the IWA Digital Water Summit, held in Bilbao. This meeting brought together more than 400 international experts involved in the digitalisation of the water sector.

Water technology providers and water companies were the main participants, and Aqualia took the opportunity to focus on Aqualia Live, the intelligent system that unifies the entire end-to-end water cycle management around a single platform.



#### A quarter of a century serving Salamanca

On the occasion of the 25th anniversary of the continued provision of the supply and sanitation service in Salamanca, Aqualia held an event in the capital of Salamanca to commemorate the anniversary.

The event was attended by the President of the Regional Government of Castilla y León, Alfonso Fernández Mañueco; the Mayor of the city, Carlos García Carbayo; and the company's Spanish Director, Santiago Lafuente, and congratulated the 25 members of the company's team who have been active since the start of the concession.



#### XXXVI AEAS Conference: Water and ESG criteria

Aqualia also participated in local external events such as the XXXVI AEAS Conference, held in Cordoba. The technical programme focused on environmental, economic and social sustainability, with special emphasis on water, energy and digital transformation in urban water cycle processes.

### INTERNATIONAL

#### Water Business Forum, an appointment with the world water market

Aqualia worked with ICEX and the commercial office of the Spanish Embassy in the United Arab Emirates to organise the intervention at the event, which was attended by senior water management representatives from numerous countries and executives from leading private companies in the global market. In addition, the company was present at the business forum of the conference in the panel Present business opportunities and references to Spanish projects in the UAE. Water, Infrastructure and Sustainability.

On this occasion, a meeting was held between Aqualia's delegates in MENA and the main customers in the region, such as Majis Industrial Services (Oman) and Abu Dhabi Sewerage Services Company (UAE).

#### Saudi Water Forum 2022

This event, the most important in the water sector in Saudi Arabia, brought together the main public bodies and private companies operating in the country. Aqualia was present at the event with a *stand* and took part in the Operational Excellence and Smart Grids panel. In addition, in the exhibition area, the company presented the details of the South Cluster.

#### ANDESCO Trade Fair

Aqualia also participated in the most important meeting of public services and communications in Colombia. In addition to

sponsorship, the company had a stand which explained the way it manages its services in the country. José Ramón Díez-Caballero, Director of Aqualia in Colombia, gave a presentation for all attendees.

#### International Desalination Association Biennial Conference

The company played an important role in contributing to the technical committee, coordinating technical sessions, giving four oral presentations and creating, in partnership with the IDA, the Innovation Forum, a meeting place for agents involved in the promotion of new actions in the sector.

Víctor Monsalvo, head of Eco-efficiency in Aqualia's R&D department, was awarded the prize for the best technical paper on innovation (Technical paper R&D) for his presentation of the Sea4Value Project.

#### 20th edition of the Salon des Maires et des Collectivités Locales

The event, which is supported by the AMF (French Association of Mayors), is the most important event in the management of municipal services in France. Its main goal is to offer alternatives to future challenges, such as urban development, energy, sustainability, efficient water cycle management or the ecological transition.

#### XXXIV Annual Convention and Expo ANEAS

It is one of the largest events in Latin America: bringing together national and international experts, academics, legislators, business people, as well as specialists related to the water sector, especially from the drinking water and sanitation sub-sector.

The Aqualia name not only appeared as a sponsor of the event, but was also present in the commercial area with its own stand and merchandising, and in the technical agenda and parallel events.

With **271** actions in 2022, in terms of publications and participation in conferences, the average rate of references on Aqualia's R&D of the three previous years is maintained, reaching more than one mention per working day, as shown in the attached table.

## AWARDS AND RECOGNITIONS

#### Aqualia, recognised at the Water Oscars

Aqualia was recognised at the Global Water Awards 2022, awarded by the British communications platform Global Water Intelligence. Aqualia was awarded a triple recognition for its contribution to sustainable development:

- Second prize in the category of Best Water Company of the Year.
- One of four shortlisted finalists in the Net Zero Carbon Champion category, a recognition that endorses Aqualia's global strategy in favour of decarbonisation.
- It also won the Water Tech Idol Distinction, delivered to Víctor Monsalvo for his presentation of the Mides project.



#### iAgua recognises Aqualia again

The publication has recognised Aqualia in two categories:

- Best Company of the Year, an award it has received for the third consecutive year and the fifth time. Juan Pablo Merino, Global Corporate Communications and Sustainability Director, collected the award.
- Equity, Diversity and Inclusion Award.

#### Other recognitions

- The International Water Association has recognised Aqualia as one of the leading companies in sustainable water management (Climate Smart Utility).
- The Spanish Climate Change Office (SCCO) has once again recognised Aqualia's carbon footprint record, highlighting the company's commitment to climate change.
- Finally, the Ministry for Ecological Transition and the Demographic Challenge awarded Aqualia the Reduzco seal.

# Partnerships

PUBLIC-PRIVATE PARTNERSHIPS TO GUARANTEE WATER

Aqualia is a committed member of the UN Global Compact and adheres to the 10 universal principles on human rights, occupational standards, the environment and the fight against corruption. Signing up to the Global Compact ratifies Aqualia's commitment to ESG criteria (Environmental, Social and Governance).

The aim of this pillar is to contribute to the SDGs linked to Aqualia through strategic partnerships:

**2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL7 STRATEGIC PARTNERSHIPS**

Line of work	Projects and partnerships with third parties in the field of the SDGs				
Action plan	Alliance with Cáritas in the area of social action for access to water				
	Public-private collaboration agreement with the University of Almería to carry out the research project in different processes of the end-to-end water cycle (academic and environmental field)				
Indicator	Social centres subsidised in water access	Beneficiaries subsidised in access to water	Investment for this grant in access to water	Satisfaction summer course organised by the Aqualia Chair, University of Almería	Bachelor's and master's final degree projects in the Aqualia Chair
Performance 2021	139	22,066	56,315	8.68	8
Performance 2022	139	25,500	63,917	8.31	6
Goal	168 in 2023	26,700 in 2023	62,087 in 2023	>9 in 2023	10 in 2023
Sustainable development	SDG 17				

## Water, a commitment for all

At Aqualia, public-private partnership is key to sustainable water management. For this reason, and as a socially committed company, it promotes agreements at national and international level.

Social investment  
**4.23 M€**



**4.85%**  
cultural and academic

**5.02%**  
sports

**6.56%**  
social

**3.29%**  
awareness and education

**80.25%**  
image and communication with stakeholders

## We promote good governance through StepbyWater

For the third consecutive year and as a line of action of its 2021-2023 Strategic Sustainability Plan, Aqualia maintains its leadership in the StepbyWater Alliance, a pioneer in Europe and Spain. Created in response to the United Nations Decade of Action, it brings together, facilitates and promotes in an integrated, holistic and transversal way a framework of partnerships and key supranational initiatives to be an indispensable actor in the cultural revolution of water.

**10**  
actions taken in relation to the objectives of the partnership

**32**  
popular science articles

**2**  
conferences

**6**  
partnering companies

**5**  
events

**2021-2023 STRATEGIC SUSTAINABILITY PLAN | SL7 STRATEGIC PARTNERSHIPS**

Line of work	Projects and partnerships with third parties in the field of the SDGs				
Action plan	Intersectoral governance partnership, the StepbyWater Alliance aims to accelerate country contributions to the goals and targets of SDG 6				
Indicator	Companies that have signed the StepbyWater Decalogue	Actions promoted in relation to the objectives of the partnership	Popular science articles posted on the website	Conferences held	Events conducted
Performance 2021	27	6	20	1	4
Performance 2022	27	10	32	2	5
Goal	+2 (29) in 2023	5 in 2023	24 in 2023	3 in 2023	5 in 2023
Sustainable development	SDG 17				

**Aqualia maintains its leadership in the StepbyWater Alliance, a pioneer in Europe and Spain.**

# Annexes

View the full technical report and all associated annexes of the 2022 Sustainability Report via this QR code:





[www.aqualia.com](http://www.aqualia.com)