

# First-hand...

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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

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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.

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## 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.