



OUR GOAL

Sustainable water management faces major challenges stemming from climate change, resource depletion, ecosystem degradation and environmental pollution.

AdP Group activities generate the greatest impact on health and well-being of citizens, on environmental quality and on economic development.

"Making a difference in the lives of people" constitutes our goal and this commits both the Group and its People to a dual bond of identity and purpose.



WE MAKE COMMITMENTS
TO FULFIL THE GOAL OF MAKING A
DIFFERENCE IN THE LIVES OF PEOPLE

COMMITME TO INTEG

The AdP Group's model of integrity is set out in an Integrity Policy that details its vision on ethics and integrity, consolidating the commitment of all our companies to a governance model based on the highest ethical standards, transparency, accountability and excellence in public management practices.

The Integrity Commitment was subscribed to by all Group companies in December 2021, representing their commitment not only to implementing the integrity model and all its associated instruments but also to continuously ensuring the internal training able to nurture a culture of integrity.

This ethical benchmark is supported by standards of conduct and the set of other internal policies and procedures that ensure compliance with the different instruments that regulate our activities and operations, in particular:

- The Code of Ethics and Conduct
- The Prevention Plan for the Risks of Corruption and Related Offences
- The Voluntary Reporting of Irregularities Regulation
- The General Regime Public Procurement Manual
- The Procurement Manual

The governance of organisational ethics is entrusted to two bodies with distinct but complementary attributes:

• The Ethics Board, a consultative body with an independent status, aims to bring about the highest

ethical standards in the Águas de Portugal Group in terms of culture, conduct and behaviour.

• The Ethics Committee, an executive body with an independent status, undertakes the analysis of complaints, questions and ethical dilemmas reported through the confidential and secure communication channels set up for this purpose, particularly as regards the reporting of irregularities.

The AdP Group runs a specific communication channel to the Ethics Committee, entitled the Integrity Line, with the core purpose of conveying all communications concerning ethical issues received from internal or external stakeholders, which may jeopardise the integrity whether of the Group as a whole or of one of its companies. The Integrity Line aggregates all communications reporting any potential violations of the principles and essence of the Integrity Policy.

Highlights in 2022:

- Our ethical standards received recognition from APEE

 the Portuguese Association for Business Ethics in
 the 2nd edition of its Ethical Code Compliance with
 the AdP Group awarded the distinction of inclusion in the "Ethics and Compliance Leadership" category.
- Awareness-raising sessions for all AdP Group employees, in person and/or through telematics and/ or e-learning, on: "Ethics and Conduct in the AdP Group"; "GDPR"; and "Cybersecurity.



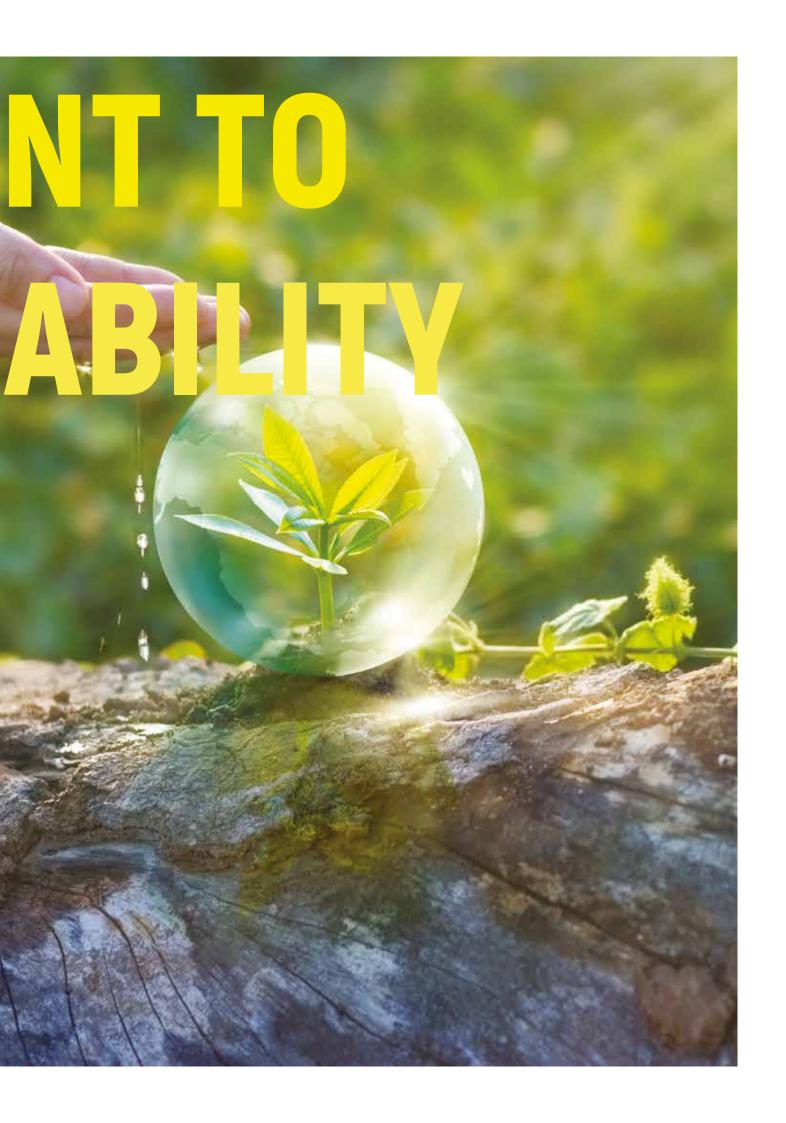
The AdP Group has Sustainability in its DNA and pursues a public service mission, with a long-term vision, based on a robust organisational model and a strong ethical culture, underpinning its actions with a commitment to improving its natural and human capital for the benefit of current populations and future generations.

Through our regionally based companies and by integrating sustainability into the foundations of the management strategy and as a tool to enhance the creation of value for all our stakeholders, we have also progressively increased our contribution to achieving the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

In water management, the work is never finished and, especially in this sector of essential public services, the enormous responsibility of anticipating scenarios, assessing risks, developing solutions and acting accordingly stands out.

Thus, aware of the responsibility endowed by our mission and because we are the business group with the greatest impact on the lives of the Portuguese, we have strengthened our capacity to respond to the increasing challenges associated with climate change, pollution control and the protection of human health and the environment.





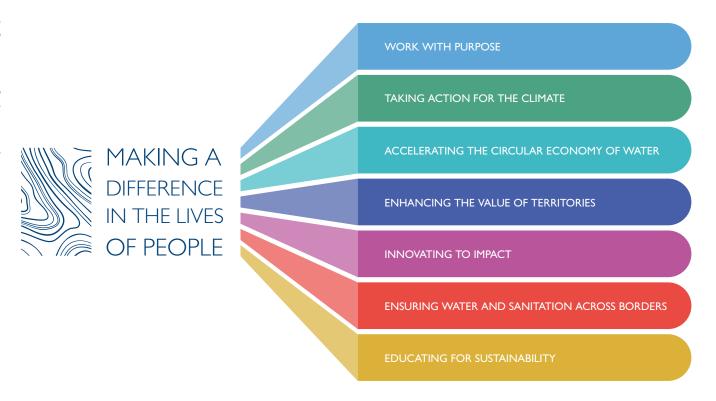
We therefore assume our share of responsibility at the different levels of climate action: in terms of adaptation, enhancing system resilience, establishing of a circular economy model that promotes water efficiency, water recycling and the valorisation of other by-products of high ecological value, and while also raising awareness of the value of water and its efficient use.

Regarding mitigation, our objective is to achieve energy neutrality by 2030 through the ZERO program, which involves every Group company and activity and foresees the reduction of energy consumption coupled with sharp increases in the Group's own production of 100% renewable energy.

The AdP Group's Sustainability Commitment establishes its ambitions in keeping with both the principles of efficiency, innovation and quality of service and the framework of corporate, environmental and social responsibility established by the strategy we pursue with the goal of making a difference in people's lives.

The sustainability ambitions align with the SDGs and focus on the purpose of our work, action for the climate, the circular economy, valuing territories, innovation with impact, and cooperation for sustainable water management at the international level as well as education for sustainability.

THE **7 AMBITIONS**OF SUSTAINABILITY



OBJECTIVES AND TARGETS FOR 2025

AMBITION

WORK WITH PURPOSE

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

PILLAR: GROUP CULTURE

40% OF WOMEN IN DECISION-MAKING POSITION BY 2030

100% OF COMPANIES CERTIFIED IN WORK LIFE BALANCE MANAGEMENT

OBJECTIVES	GOALS	instruments
Invest in the professional and personal development of our employees	 Establish a new global human resource policy for the AdP Group Implement an internal mentoring program focused on sharing experience and knowledge Implement the development and learning plan Expand the range of training at the AAL – the Águas Livres Academy by 20% Guarantee the participation of all Group employees in AAL training actions and initiatives Guarantee training to all employees at a level of >25% over the minimum number of hours stipulated in the labour legislation 	Human Resource Policy and Processes Manual
Guarantee equal opportunities and promote diversity and inclusion	 Design a program to promote diversity and inclusion across the Group Guarantee compliance with the annual Gender Equality Plan Ensure 40% of women in decision-making roles by 2030 Raise the awareness of all Group members of staff about diversity and inclusion 	Plan for Gender Equality Portuguese Charter for Diversity National Target for Gender Equality — UN Global Compact
Ensure occupational health and safety	 Implement a culture of safety across the Group and guarantee zero serious accidents Guarantee 8 hours/year of safety training to all members of staff Undertake the evaluation of psycho-social risk every two years 	Integrated Management System
Promote a balance between work, family and personal life	Promote the implementation of work life balance management systems for managing professional, family and personal lives across all Group companies	Águas Livres Academy
Ensure transversal and effective internal communications	 Promote dialogue through sounding out climate organisations every two years Implementation of a new AdP Group intranet 	











Annual Report 2022 | Águas de Portugal | 46

TAKING ACTION FOR THE CLIMATE

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

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY

20% OF RENEWABLE ENERGY BY 2025

RAISE ENERGY SELF-SUFFICIENCY BY 30% BY 2025

OBJECTIVES	GOALS	INSTRUMENTS
Ensure energy neutrality and self-sustainability	 Increase the production of 100% renewable energy by 20% Reduce the consumption of electricity by 5% Boost energy self-sufficiency by 30% 	
Reduce GHG emissions	Calculate the Group's carbon footprint by 2022Draft the Group carbon neutrality contribution by 2023	PEAAC – Strategy Plan for Climate Change Adaptation
Promote the Group's sustainable mobility	Train 100% of users in eco-driving15% of the fleet with less polluting vehicles	ZERO – Energy Neutrality Program Move+ Fleet Certification
Promote system resilience and guarantee the availability, quality and safety of the service and the product	 Raise by 100% the companies with Water Security Plans by 2022 Raise by 100% the companies with PEAAC by 2023 Ensure the continuity in the water supply and sanitation collection and discharge services, guaranteeing compliance with the plans for renovation, in terms of extending the bulk and retail supply, sanitation and ApR networks 	NEUTRO – Carbon Neutrality Program











AMBITION

ACCELERATING THE CIRCULAR ECONOMY OF WATER

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

PILLAR: SERVICE EXCELLENCE

70% OF WASTEWATER SLUDGES
RECOVERED BY 2025

RAISE THE REUTILISATION OF TREATED WASTEWATER BY 10%

OBJECTIVES	GOALS	INSTRUMENTS
Conserve and enhance water bodies	• Achieve a minimum of 90% of internal reutilisation for wastewater sanitation activities	
	 Respond, in terms of supply, to the existing demand for ApR in communities served by AdP Group 	
	• Reduce inappropriate affluences in the wastewater drainage network	Reutilisation Action Plan
	• Identifying and reducing 20% of the physical water losses in the bulk and retail networks	Wastewater Sludge Management Action Plan 2020-2030
	Monitoring the water quality in source and receptor environments	2020 2000
Minimise waste produced and recover it as a byproduct	Guarantee 70% recovery of supply system sludges	ZERO – Energy Neutrality Program
	Promote the recovery of 70% of wastewater treatment sludges	
	 Reduce the production of wastewater treatment sub-products by 45% 	











ENHANCING THE VALUE OF TERRITORIES

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

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

IMPLEMENTING GREEN PROCUREMENT PLAN

DEVELOPING LOSS REDUCTION PROJECTS WITH MUNICIPALITIES

	OBJECTIVES	GOALS	INSTRUMENTS
	Enhance the relationship of proximity and dialogue with customers and municipal partners	 Develop 3 water loss reduction pilot projects with Municipalities/Managing Entities Develop 5 inappropriate affluence pilot projects with Municipalities/Managing Entities Implement a common system for evaluating the services provided by retail companies 	Integrated Management
	Contribute to the development of a responsible economy	Draft and implement a Green Procurement Plan	System CCDesert – Observatory for Combating Desertification
)	Invest in the relationship and the sharing of values in the supply chain	 Promote the Group's values in the supply chain (companies) through 20 awareness raising actions/year Promote the Group's values in the supply chain (companies) through 15 audits of suppliers/year Promote the development of greenhouse gas emission inventories in the supply chain: 3 actions 	Gota a Gota, Mudamos Vidas (Drop by Drop, we change lives) Program Águas sem Fronteiras
•	Be an integral part of the communities in which we operate	10,000 hours of volunteering/year5 corporate volunteer projects	(Water without borders) Program ZERO – Energy Neutrality Program
	Protect and restore biodiversity and ecosystems	Mapping the protected areas in the Group and designing the respective plans for their biodiversity and ecosystems	ENIPSSA — National Strategy for Homeless Persons
	Water as an essential factor in deepening the protection of public health	 Guarantee 99.5% of bulk and retail water quality Guarantee compliance with the discharge licences (compliance with discharge limitations and regular monitoring) in the bulk and retail networks 	









INNOVATING TO IMPACT

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

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

INCREASING THE NUMBER OF IRD PROJECTS BY 10%

IMPLEMENTING THE GROUP'S STRATEGIC DIGITAL PLAN

OBJECTIVES	GOALS	INSTRUMENTS
Develop RDI projects aligned with the strategic areas of innovation and the needs of AdP Group companies	 Boost the number of IRD projects by 10% Investment by AdP SGPS of 0.1% of turnover in innovation projects undertaken by Group companies Launch innovation competitions inside the AdP Group 	
Develop and launch innovative products, services and processes	• Boost the number of Group developed products by 25%	Group Innovation Agenda
Develop open innovation based on a multi-polar network of competences	Raise by 10%/year the internal and external (national and international) IRD focused projects	/ genda
Promote the digital transformation of the AdP Group	Implement the Group strategic digital plan	



AMBITION

ENSURING WATER AND SANITATION ACROSS BORDERS

Cooperating internationally to promote sustainable water management

PILLAR: SOCIAL UTILITY

INCREASE BY 20% THE COUNTRIES
COVERED BY THE KNOW-HOW
OF Adp INTERNACIONAL

IMPLEMENT COOPERATION PROJETS
IN ALL PALOPS + EAST TIMOR

OBJECTIVES	GOALS	INSTRUMENTS
Share knowledge through capacity building projects and technical support	Raise by 20% the countries covered by the know-how of AdP Internacional	
Promote mutual aid in water, sanitation and climate related activities and programs in developing countries	Implement cooperation projects in the PALOPs + East Timor	AdP Group Internationalisation Strategy Águas sem Fronteiras (Water without Borders) Program
Operate in a geography of reference	I international operation	









EDUCATING FOR SUSTAINABILITY

To be a benchmark actor in education for sustainable development

PILLARS: SOCIAL UTILITY & GROUP CULTURE

PRODUCE A STRATEGIC PLAN
FOR EDUCATION IN SUSTAINABLE
DEVELOPMENT

NATIONAL CAMPAIGNS/ YEAR

OBJECTIVES	GOALS	INSTRUMENTS
Promote education for sustainable development	 Draft a strategic plan for education for sustainable development I > 1,000 visits to installations/year and > 40,000 visitors/year 	
Promote the rational usage of water and the consumption of tap water	• I national campaign/ year	
Promote the sustainable usage of the sanitation network	• I national campaign/ year	Água a 360° AQUAQUIZ Museum of Water Global communications plan
Encourage the usage of ApR	I national campaign/ year featuring good examples of green spaces and industrial and commercial activities and even best practices for water use at home	
Promote the circular economy and energy neutrality	 Promote best practices, such as sustainable energy usage, the new products and materials produced in water and wastewater treatment plants and the new organic bio-fertilisers demonstrating the effects of Group activities on society 	
Promote innovation	Campaign focused on the population and stakeholders featuring best practices in innovative processes, products and service developed and commercialised by the AdP Group	





7 AMBITIONS OF SUSTAINABILITY

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

OBJECTIVES	GOALS	INSTRUMENTS
Guarantee Group sustainability, creating value for the interested parties	 Compliance with the infrastructure investment plans. Compliance with the Investment Plans for carbon neutrality; the circular economy and the adaptation and mitigation of climate changes. Group financing through means of sustainable financial instruments. 	10 principles of the UN Global Compact/ Global Compact Network Portugal
		Group Integrity Policy
Guarantee the credibility,		Alliance for the 17 SDGs
ethics, transparency and rigor of the Group management model	 Optimise the risk management process by 2023. Guarantee the training in risk control, behaviour and ethics for all members of staff. 	Public business sector principles of good governance

HIGHLIGHTS IN 2022:

- In the field of health and well-being, in keeping with our work-life reconciliation policy, we maintained: (i) the gymnastics program, held three times a week for staff after working hours (ii) the provision of psychological support appointments for all members of staff and their families.
- Also noteworthy is the pursuit of the development and continuous improvement policy for all of its processes, which the Quality, Environment, Safety, Energy and Social Responsibility system certifications strongly contribute towards within a framework of transparency and credibility. By 2022, 100% of Group companies guaranteed their Quality certification ISO 9001, 100% for the Environment ISO 14001, 88% for Safety ISO/45001/OSHAS 18001, 53% for Social Responsibility SA8000, 65% for Energy ISO 50001 and 38% (of the 12 operating companies) for Asset Management ISO55000 and 47% for Reconciliation Management NP 4552:2016.



- The corporate program for awarding scholarships in order to contribute to the development and learning of staff dependents represents an internal Social Responsibility program with a great impact. In 2022, 76 scholarships were awarded for the 2022/2023 academic year for higher education and special needs education for fam members of our Group's employees. Of the 76 scholarships awarded, 35 went to children and young people for special needs education and 41 are for young people attending higher education. This year saw the largest number of scholarships awarded since the project first launched and a source of great Group pride! The scholarship program for the dependents of Águas de Portugal Group employees started in the 2013/2014 academic year and has now already awarded a total of 409 scholarships.
- SDG 17 calls for partnerships and the Águas de Portugal Group has responded both in the field of knowledge and innovation management and in social responsibility. We collaborate with several entities, for example, the Portuguese United Nations Global Compact Network, the Alliance for SDGs, BCSD Portugal, iGen Organizations for Equality Forum, the Portuguese Charter for Diversity, GRACE, APDDI Portuguese Association for Diversity and Inclusion, among others, and all aligned for sustainable development.
- Our guiding principles include equality and respect for diversity. We actively promote the fight against discrimination and view ethics as paramount within the scope of our performance. In 2022, we continued to take an active stance in different projects designed to promote gender equality, inclusion and the fight against poverty and social exclusion. The AdP Group once again joined the "Engineers for a Day" project, which aims to encourage young female students in primary and secondary education to choose engineering and technology, deconstructing the perception that these are male fields and hence combating the stereotypes that condition their school and career choices. This project represents one component of the National Strategy for Equality and Non-Discrimination Portugal More Equal;
- Once again this year, we welcomed an intern participating in the Girl Move female entrepreneurship project, promoted by the eponymous Foundation of the same name, whose mission is to create a movement of life, support and empowerment for women in Mozambique through their education and building human mutual assistance and cooperation networks between peers, inter-

generationally and internationally. The core main objectives are to empower young people, through education and cooperation, to combat early school leaving, early marriages and pregnancies and gender violence, problems that afflict the young Mozambican female population and hinder their attainment of basic human rights and the opportunity to achieve their full human potential. One Foundation program is called "Change" and targets young female graduates aged between 20 and 30, who gain the opportunity for a one-year "life placement" hosted by one of the project's partner entities. In this context, we welcomed the young Mozambican Flávia in 2022.

- We participated in the CHANGEMAKER LAB program, a Girl Move Academy initiative in Mozambique. We adapted AQUAQUIZ, the educational game about the value of water, to the local reality so that it might be played in schools and contribute to increasing student knowledge about water, promoting good practices for protecting both this resource and public health.
- In keeping with how supporting national social inclusion is one facet of our Social Responsibility strategy, we continued as partners of Paralympic sport in 2022, supporting the Portuguese Paralympic Committee (CPP) as it prepares for the Paris 2024 Paralympic Games and we are aware of the impact and pride that this partnership with the Portuguese Paralympic Committee generates across all AdP Group members of staff.
- Education for Sustainable Development reflects a strategic AdP Group initiative that aims to actively engage in activities strongly oriented to environmental and citizenship education, potentially able to foster the adoption of more conscious and sustainable behaviours, especially as regards the value of water as a scarce resource not only essential to life but also to every dimension of human activity. Group companies maintain close relationships and partnerships with local communities, promoting greater public awareness around the importance of sustainably using water and sanitation services, with examples including the campaign "Let's turn the tap on drought", run in 2022 in partnership with municipalities across the country to raise awareness about water saving practices.
- The AdP Group has implemented a sustained Gender Equality policy, enacted by the existence of a set of non-discriminatory Human Resources policies, the Codes of Conduct and Ethics and certification according to the SA8000 Social Responsibility standards and the professional and family life reconciliation standard. The AdP Group ranks among the eight Portuguese Flagship Companies leading the goal of achieving 40% of women in decision-making positions by 2030, having signed up to the National Goal for Gender Equality in 2021, an act that reiterates the goal of promoting equal treatment and opportunities and the balanced participation of men and women in professional activities. In 2022, we attained our equality plan objectives and renewed our commitment to iGen the Organisations for Equality Forum.
- In 2022, we joined the Observatory of Portuguese Corporate Sustainable Development Goals, a CATÓLICA-LISBON university initiative in partnership with the BPI "la Caixa" Foundation. This is a wide-reaching project designed to study how large, medium and small-sized companies are incorporating the 2030 Agenda into their business strategies in Portugal. Our investment in the production of water for reutilisation (ApR), irrigating golf courses and public gardens, and in the digital transition has brought about better water management and with these Águas de Portugal Group innovation projects highlighted in the first Report by the Sustainable Development Goals (SDGs) Observatory produced by the Católica-Lisbon School of Business & Economics and analysing the Portuguese context in relation to the challenges faced in meeting the targets set under SDG6 Drinking Water and Sanitation.

WE SUPPORT



In 2022, every Group company joined the United Nations Global Compact (UNGC), thus participating in what is considered the largest global corporate responsibility initiative, thus reaffirming the commitment to fully respect the ten principles enshrined by the United Nations in this Global Compact for Human and Labour Rights, Environmental Protection and Anti-Corruption Mechanisms.

- The AdP Group became a signatory to the United Nations Global Compact for Sustainable Ocean Principles in 2022, joining the 150 companies worldwide now committed to assessing their impacts on oceans and integrating ocean sustainability into their overall strategy. Contributing to substantial improvements in the quality of the water that is returned to watercourses constitutes an objective we pursue throughout our activities, especially in the sanitation sector.
- We participated in the High Level Symposium on Water that Portugal organised as part of the United Nations Oceans Conference held in Lisbon in 2022, contributing to the discussions on how to improve and strengthen coordination between freshwater and ocean policies, deepen partnerships and better understand how the sustainable management of water and wastewater services envisaged under SDG6 can impact on the implementation of SDG 14.
- In June, the 'Green Prizes' were awarded, an initiative run by the Águas de Portugal Group and VISÃO magazine, with Patronage from the Presidency of the Republic, to distinguish the people, companies and organizations that implement actions, measures and

good practices in the environment in Portugal aligned with the current climate emergency. This first edition received over 150 submissions across the 10 categories with 11 awards and 14 honourable mentions made.

- We subscribed to the Workplace Mental Health Pact, an initiative promoted by the CATÓLICA-LISBON Center for Responsible Business & Leadership that challenges organizations to take responsibility for adopting measures able to mitigate problems posed by the fragility of mental health in working environments.
- In November, we co-organised Social Responsibility Week, an annual APEE the Portuguese Association for Business Ethics initiative, with support from the Global Compact Network Portugal. The 2022 event, hosted at the AdP Group's head office in Lisbon, took "Human Ingenuity & Energy" as its central theme and approached human inventiveness in the different fields of sustainability, technological development and the advance in renewable energies, with a growing focus on self-consumption and cogeneration. The AdP Group is taking significant steps towards energy neutrality, continuing to work on actions capable of specifically contributing to achieving the goals set out in the energy neutrality program and the carbon neutrality plan, such as:
 - Energy efficiency, including actions to reduce water losses and flow deficiencies
 - 100% renewable energy production
 - Pilot electricity storage
 - Building a water energy community
 - Pilot production of treated water hydrogen
 - AdP Group GHG inventory Scope 1, 2 and 3

This matter is dealt with in the Sustainability Report of the AdP Group. Since 2008, the AdP Group has published its sustainability report, which provides a consistent and transparent account of the Group's economic, social and environmental responsibility. It includes a consolidated balance sheet of all the group's companies, reporting on their performance and highlighting the strategies adopted, the degree of compliance with targets set and the best practices implemented by subsidiaries whose operations cover the whole country, from north to south and inland to coastal areas.

This publication allows a closer relationship with all its stakeholders. Communication with stakeholders is developed through multiple channels, direct and indirect, and the Sustainability Report is the main document that embodies this transparency policy.

The Sustainability Report for 2021, which will be developed in continuity with previous editions, follows the guidelines of the GRI - Global Report Initiative and the ERSAR standards, will be subject to verification by an external entity and can be consulted, when available, on AdP's website, through the link: http://www.adp.pt/pt/comunicacao/publicacoes/?id=42 and SIRIEF (https://sirief.dgtf.pt).

The AdP Group annually discloses the relevant HR information disaggregated by gender (as well as by individual companies) in its Corporate Annual Report and its Sustainability Report. These corporate reporting outputs are delivered to the main stakeholders and made available on both the Group and company websites as well as on the intranet.

