

WE MAKE THE DIFFERENCE IN THE LIVES OF PEOPLE

SUSTAINABILITY REPORT 2022



2. OUR STRATEGIC POSITIONING

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

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



2.1

A BENCHMARK REFERENCE GROUP IN THE ENVIRONMENT SECTOR

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

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

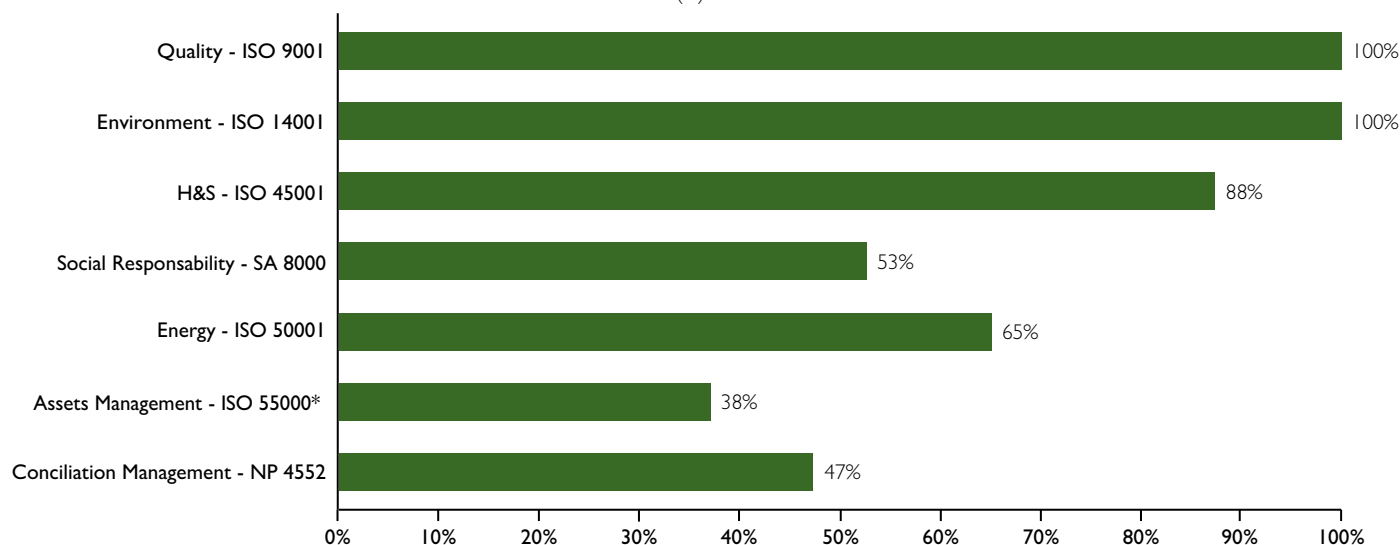
The State budget, the rules in effect for good governance in the State Business Sector and the instructions issued by the Supervisor and the Shareholders form the foundations for the AdP Group management model and based on coordinating the highly demanding management objectives and principles of sustainability.

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

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

CERTIFICATIONS

(%)



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

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

Management model functional control mechanisms:

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



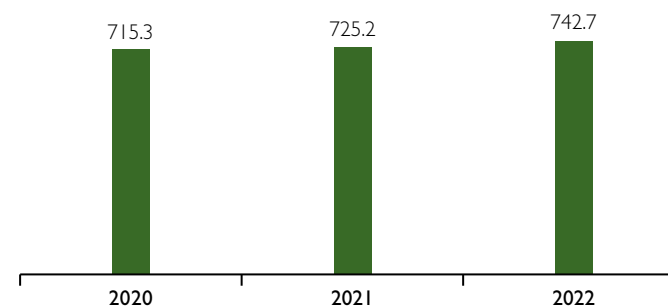
THE GROUP CONTINUES TO ROBUSTLY RESPOND TO THE DEMANDS OF ITS SHAREHOLDERS AND OTHER STAKEHOLDERS

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

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

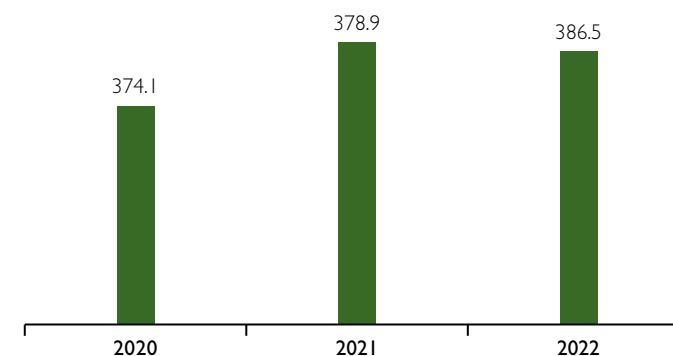
TURNOVER

(million EUR)



EBITDA

(million EUR)



WE CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

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

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

ECONOMIC VALUE DIRECTLY GENERATED, DISTRIBUTED AND ACCUMULATED:

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

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

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



2.2

STRATEGIC FRAMEWORK OF COMMITMENT

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

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

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

in Message from the Chair, Strategic Framework of Commitment

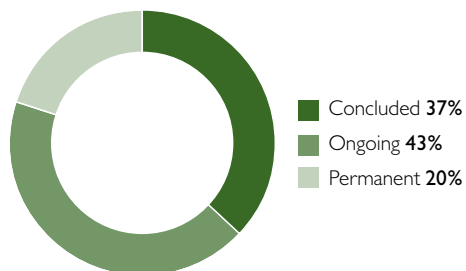


As the Águas de Portugal Group stands out as one of the most efficient and sustainable water management operators internationally due its focus on excellence in client service, on innovation, resilience, energy and carbon neutrality and the circular economy, the Group has established a path to sustainability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

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



STATUS ON THE LEVEL OF IMPLEMENTATION OF THE QEC



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

PILLAR I ORGANIZATION CULTURE



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

¹ The others remain ongoing.

PILLAR II

SERVICE EFFICIENCY



- Integration of water sources to guarantee service continuity
 - _ Interoperability, redundancy and reliability of systems
 - _ Infrastructure asset management
- ✓ Articulation and alignment between stakeholders for systems resilience
 - _ Digitization of operations to support risk management and decision-making
- _ Capitalization of know-how in managing losses and undue inflows and energy
- ✓ Institutionalization of benchmarking as a driver of performance improvement
- ✓ Automation of infrastructural systems and facilities
- ✓ Cybersecurity Committee in the Group
- ✓ Improving the efficiency and safety of logistics processes
- _ Synergies and integration of systems certification processes
- ✓ Collaboration between stakeholders to reduce undue inflows
- ✓ Collaboration with environmental regulators to preserve the quality of water bodies
 - _ Continuity of service in risk scenarios
 - _ Digital customer service solutions adapted to crisis scenarios
- _ Streamlining investment planning and approval processes
- ✓ Diversification of the Group's activity
- ✓ Debt control of service users
 - _ Update of the Group Procedures Manual integrated into a knowledge center
- ✓ Capturing intragroup synergies with greater added value

PILLAR III

SOCIAL UTILITY



- ✓ Collaborative processes with municipalities for new partnerships
- ✓ Improved performance and synergies between bunk and retail systems
- ✓ Guarantee of equity in physical and economic accessibility to services
- ✓ Promoting the value of water and environmental challenges in communities
- ✓ Collaborative business culture with key partners
- ✓ Energy neutrality program and carbon neutrality plan for the urban water cycle
- ✓ Group sustainable mobility
- ✓ Valorization of sludge and other by-products
- ✓ Increased water production potential for reuse
 - _ Convergence plan for green purchasing
- ✓ Allocation of a percentage of the Group's turnover volume to innovation projects
- ✓ Group Innovation Agenda
 - _ Promotion of Water SIMPLEX through digital transformation
 - _ Positioning of the Group as a reference for products and services in the sector
 - _ Promotion of national and international partnerships for innovation (INOVApP)
- ✓ Strengthening the international area as an instrument to support foreign policy
- ✓ Adaptation of the Group's HR Policy to the expansion objectives of the international area
- ✓ Identification of strategic projects with multilateral institutions
- ✓ Increased international activity through new business models
- ✓ Partnerships with agents in the sector's value chain to increase national competitiveness

2.3

EMBRACING THE SDGS



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

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

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

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

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



SDG 1 – NO POVERTY

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



SDG 2 – ZERO HUNGER

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



SDG 3 – GOOD HEALTH AND WELL-BEING

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



SDG 4 – QUALITY EDUCATION

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



SDG 5 – GENDER EQUALITY

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



SDG 6 – CLEAN WATER AND SANITATION

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



SDG 7 – AFFORDABLE AND CLEAN ENERGY

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



SDG 8 – DECENT WORK AND ECONOMIC GROWTH

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



SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURES

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



SDG 10 – REDUCE INEQUALITIES

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



SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES

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



SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

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



SDG 13 – CLIMATE ACTION

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



SDG 14 – LIFE BELOW WATER

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



SDG 15 – LIFE ON LAND

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



SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

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



SDG 17 – PARTNERSHIPS FOR THE GOALS

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

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

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

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

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



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

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



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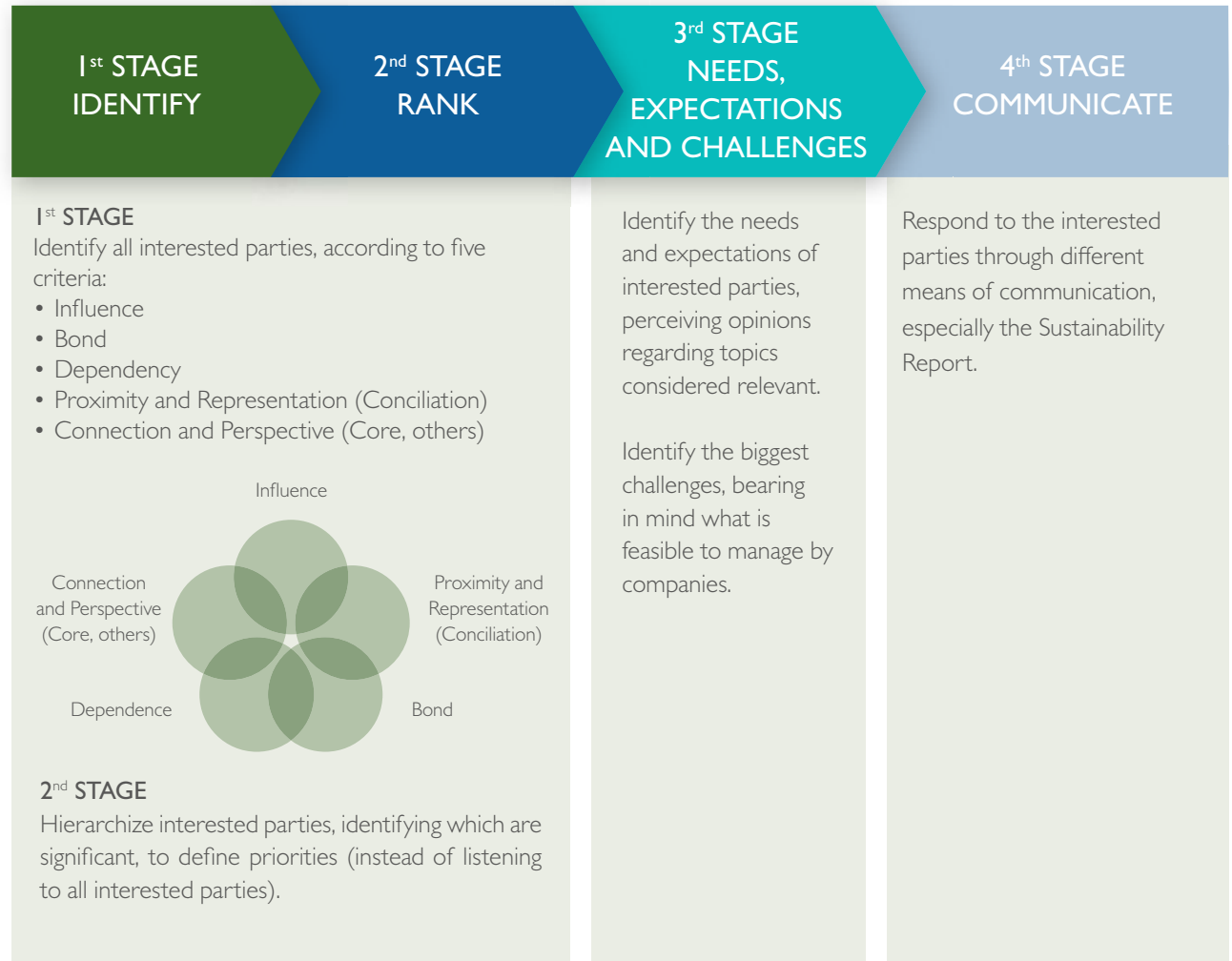
OUR STAKEHOLDERS

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

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

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

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



The AdP Group identified the following groups as its stakeholders:



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

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



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

As a result, the themes considered most relevant were:

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

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

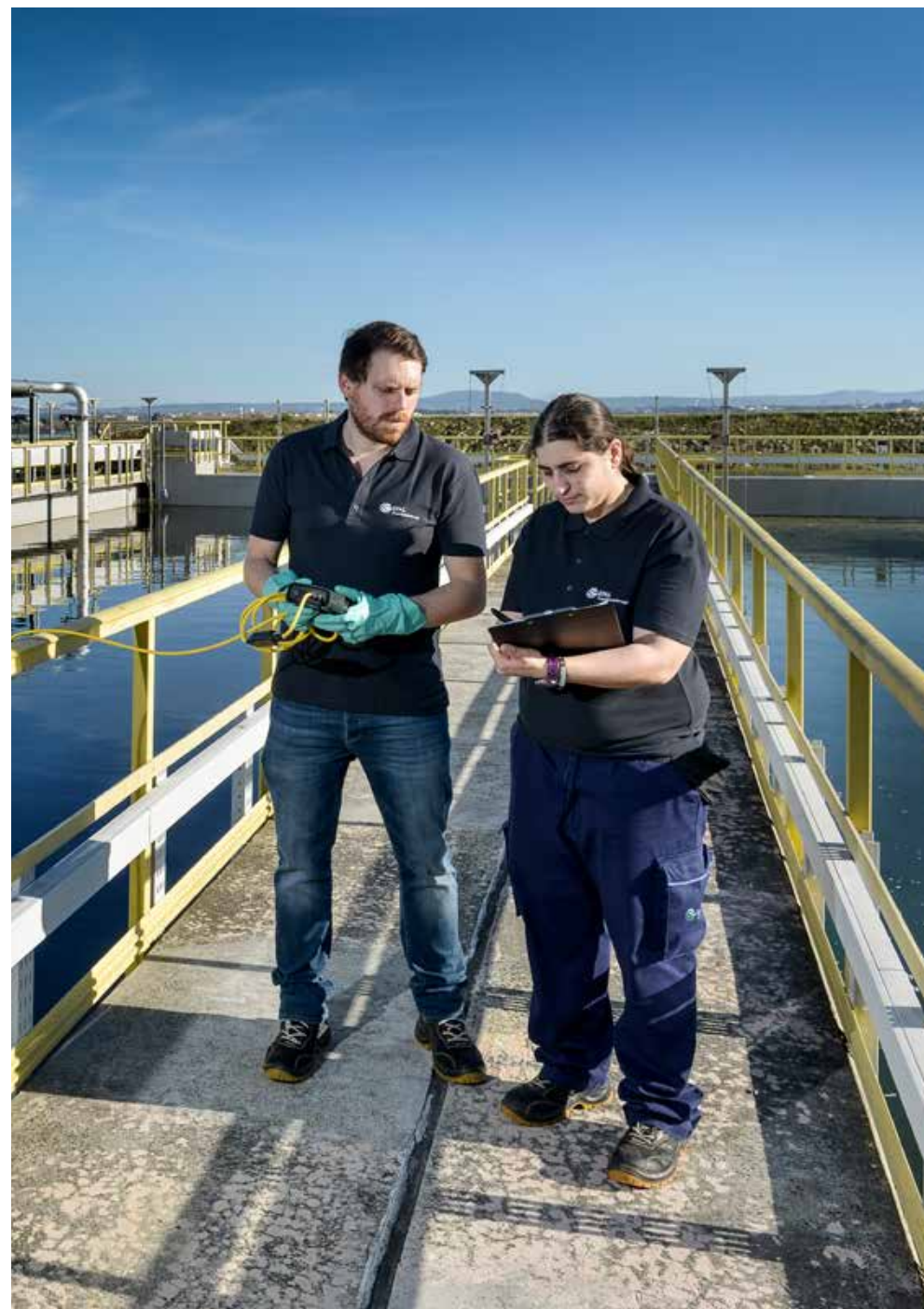
- Citizens are sensitive to environmental issues, receptive to communications and information on this theme.
- Water falls within the scope of the environment framework, suffering negative consequences particularly associated with scarcity.
- Citizens consider water as a resource with a significant level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

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

GOVERNANCE OF BUSINESS SUSTAINABILITY AND LEADERSHIP

Criterion 2I: Involvement with stakeholders.

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



2.5

OUR SUSTAINABILITY COMMITMENT 2022-2025

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

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

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

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

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

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

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

WE SUPPORT



HUMAN RIGHTS

Principle 1

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

Principle 2

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



ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.



LABOUR

Principle 3

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

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.



ANTI-CORRUPTION

Principle 10

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

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

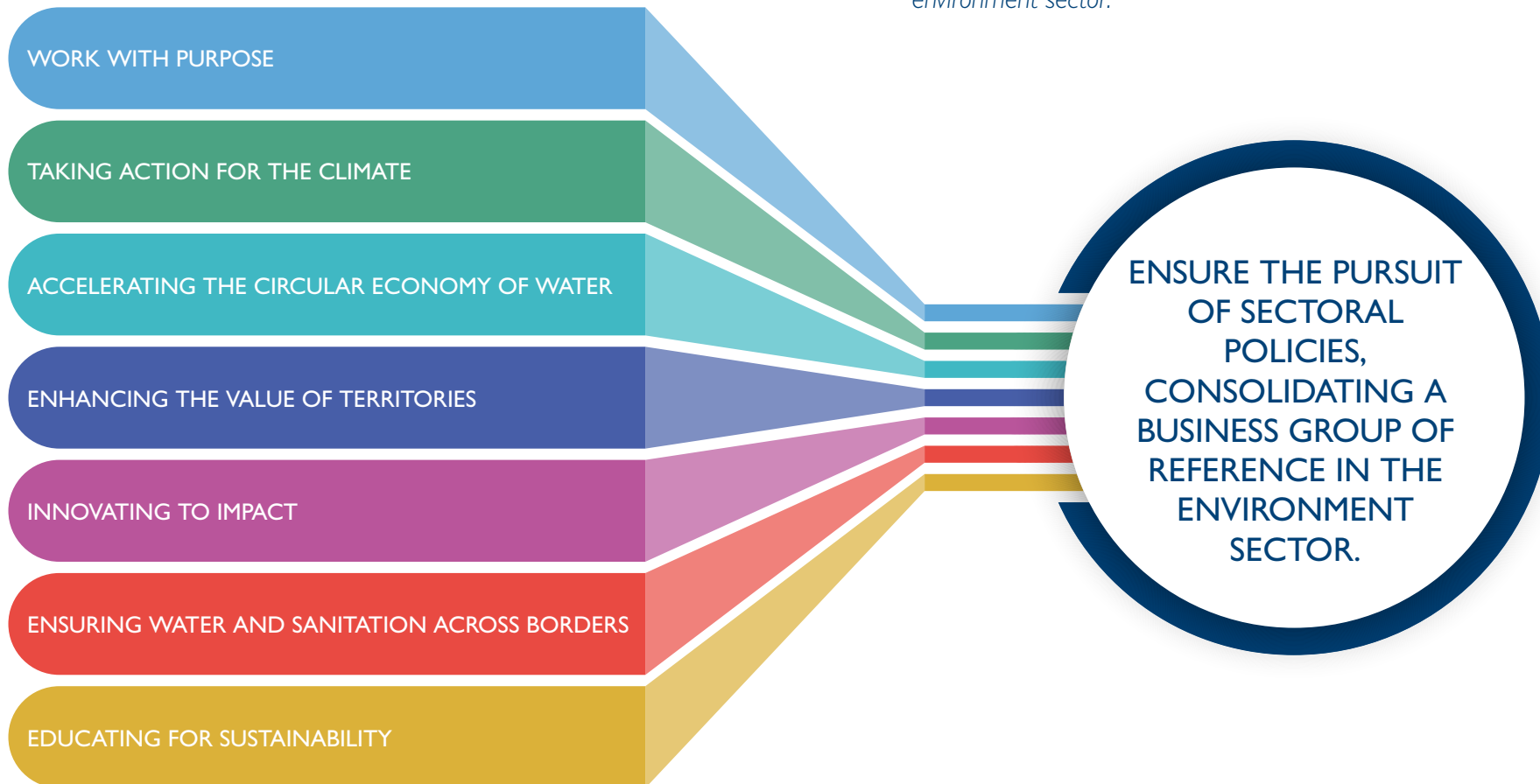
This Sustainability Commitment 2022-2025 resulted from analysis of the management orientations and the business strategy, reflection on the expectations of the stakeholders, consolidation of the best existing practices, the commitments taken on according to the principles of the Global Compact, under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



OUR AMBITIONS

THE 7 AMBITIONS OF THE GROUP AdP UNTIL 2025

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



OBJECTIVES AND TARGETS FOR 2025

AMBITION

WORK WITH PURPOSE

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

PILLAR: GROUP CULTURE

40% of women in decision-making position by 2030

100% of companies certified in work life balance management

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



AMBITION

TAKING ACTION FOR THE CLIMATE

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

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



AMBITION

ACCELERATING THE CIRCULAR ECONOMY OF WATER

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

PILLAR: SERVICE EXCELLENCE

70% of wastewater sludges
recovered by 2025

Raise the reutilisation of treated
wastewater by 10%

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



AMBITION

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



AMBITION

INNOVATING TO IMPACT

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

PILLARS: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

Increasing the number of IRD projects by 10%

Implementing the Group's strategic digital plan

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

AMBITION

ENSURING WATER AND SANITATION ACROSS BORDERS

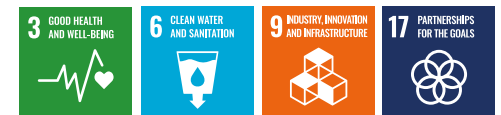
Cooperating internationally to promote sustainable water management

PILLAR: SOCIAL UTILITY

Increase by 20% the countries covered by the know-how of AdP Internacional

Implement cooperation projects in all PALOPs + East Timor

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



AMBITION

EDUCATING FOR SUSTAINABILITY

*To be a benchmark actor in education
for sustainable development*

Produce a strategic plan for education
in sustainable development

National campaigns/ year

PILLARS: SOCIAL UTILITY & GROUP CULTURE

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

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

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



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

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

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

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

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

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



BROADER SUPPORT MEASURES FOR THE UN OBJECTIVES AND QUESTIONS

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

Criterion 16: Social and philanthropic investment strategy

Criterion 17: Defence and involvement in public policies

Criterion 18: Collective partnerships and actions

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

