

WE MAKE THE DIFFERENCE IN THE LIVES OF PEOPLE

SUSTAINABILITY REPORT 2022



3. OUR PERFORMANCE

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

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





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

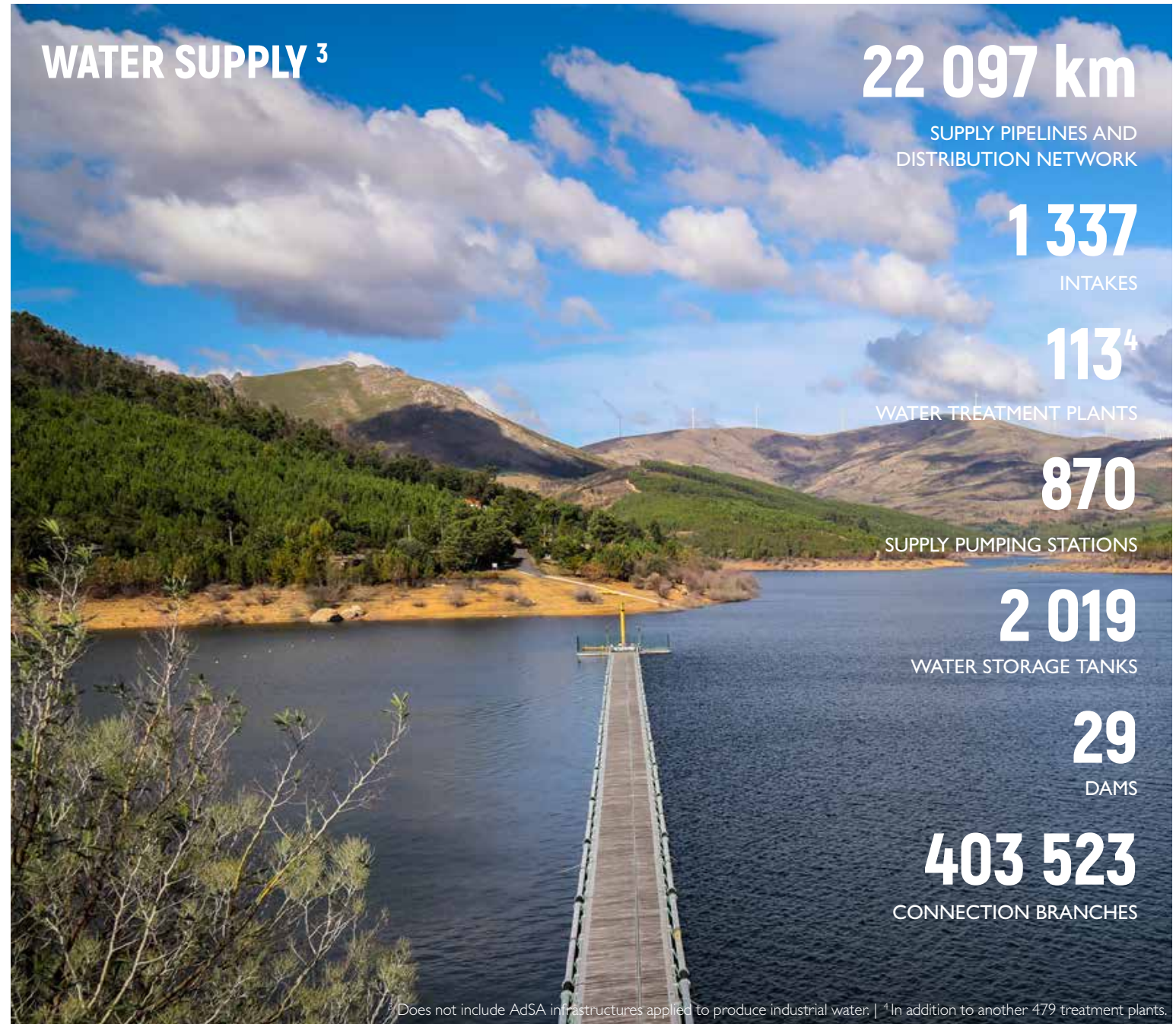
The supply of water in quantity and quality is essential for the well-being of populations and for public health.

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

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

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

WE CARRIED OUT INVESTMENTS OF EUR 237.8 MILLION



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

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

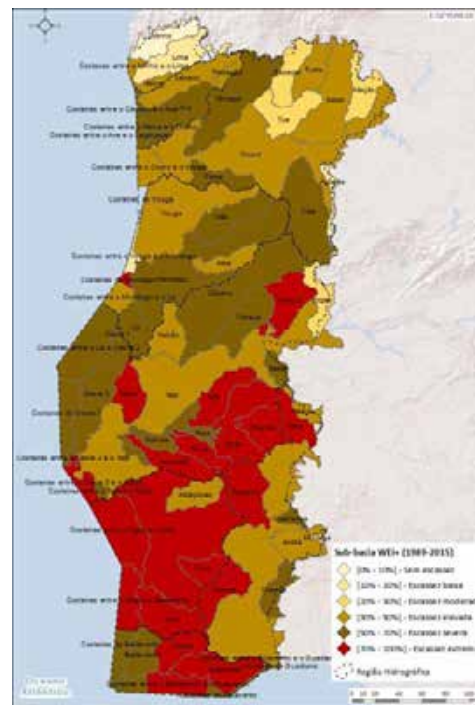
RESPONSE TO WATER SCARCITY UNDER CLIMATE CHANGE SCENARIOS

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

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

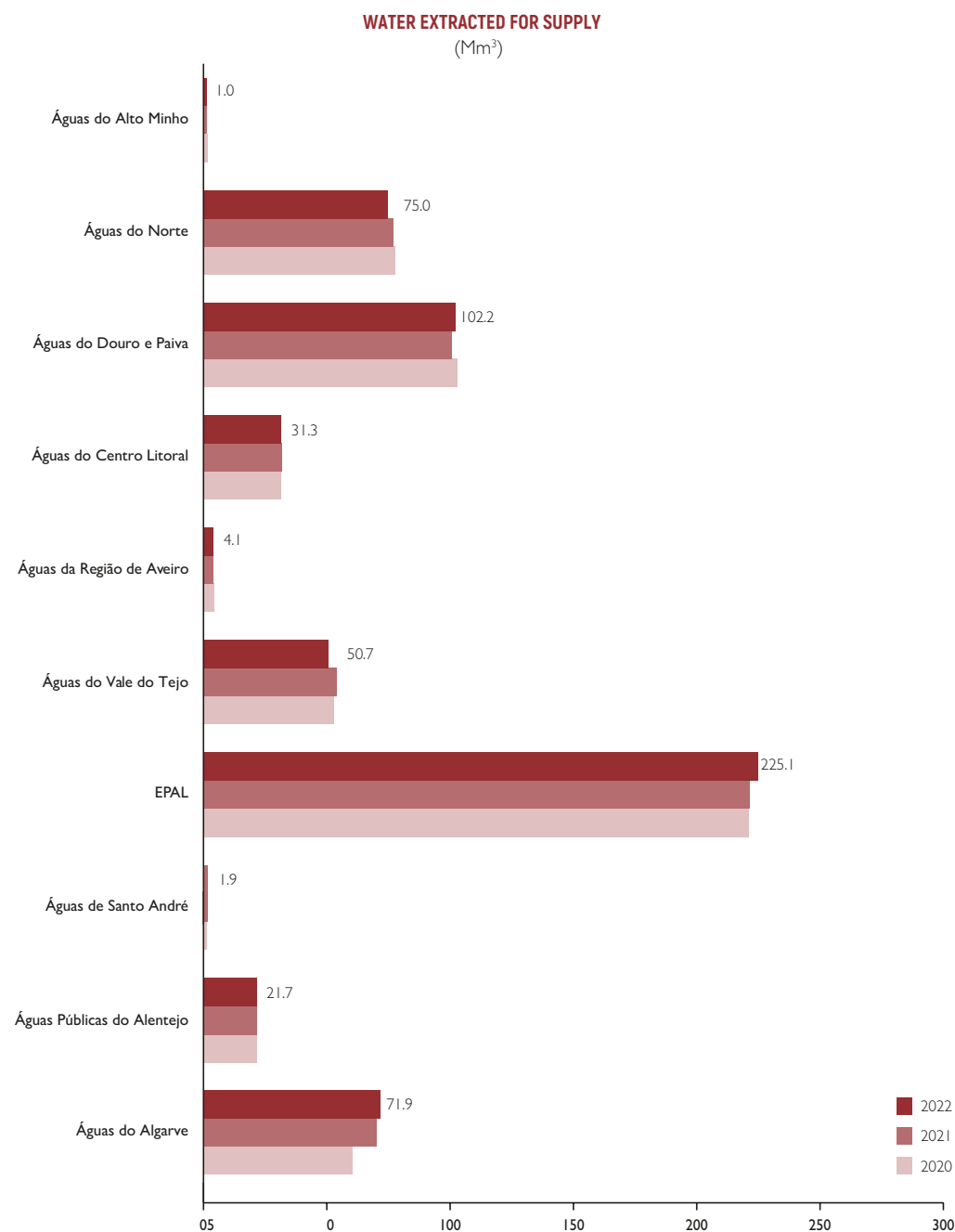
TO CONTINUE TO ENSURE THE EXCELLENCE OF THE SERVICE WE PROVIDE, WE CONTINUE TO WORK ON SYSTEM RESILIENCE IN THE CONTEXT OF DROUGHT AND WATER SCARCITY, INCREASINGLY DEMANDING SCENARIOS IN TERMS OF QUALITY, QUANTITY AND SECURITY.

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



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

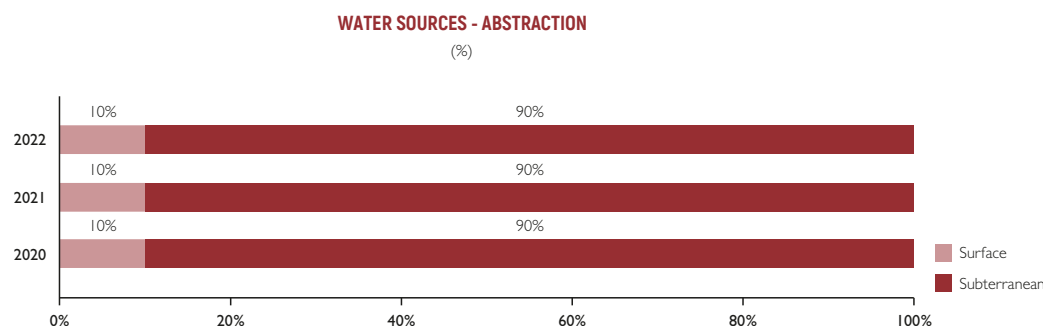
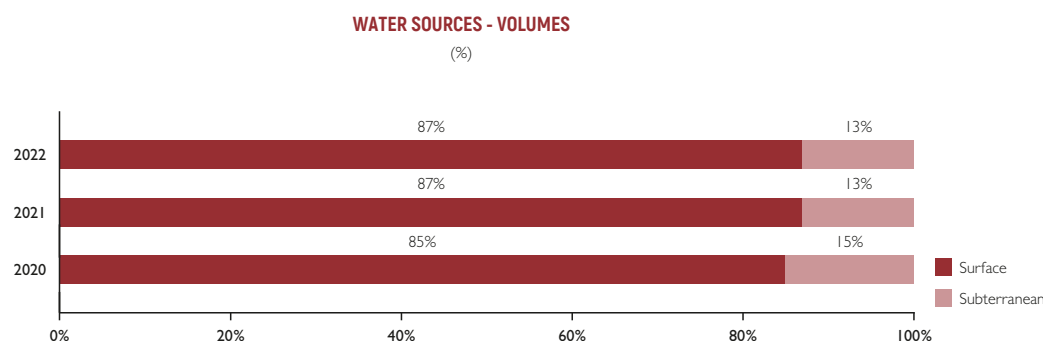
As the map displays, with a few exceptions in the north of Portugal, most of the country is experiencing high to extreme drought conditions. As the most extreme situations are found in the south, the companies Águas do Algarve, AgdA - Águas Públicas do Alentejo and Águas do Vale do Tejo are those most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



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

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

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



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

MEASURES ADOPTED TO COMBAT LOSSES

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



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

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

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

INDUSTRIAL WATER

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

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



WASTEWATER SANITATION

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

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

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

12 257 km

SEWERS

2 452

SANITATION PUMPING STATIONS

20

SUBMARINE OUTFALLS

225 025⁶

CONNECTION BRANCHES

1 029⁷

WASTEWATER TREATMENT PLANTS

88%

REPLACEMENT OF WATER INTO THE ENVIRONMENT IN RELATION TO THE VOLUME OF WATER ABSTRACTED

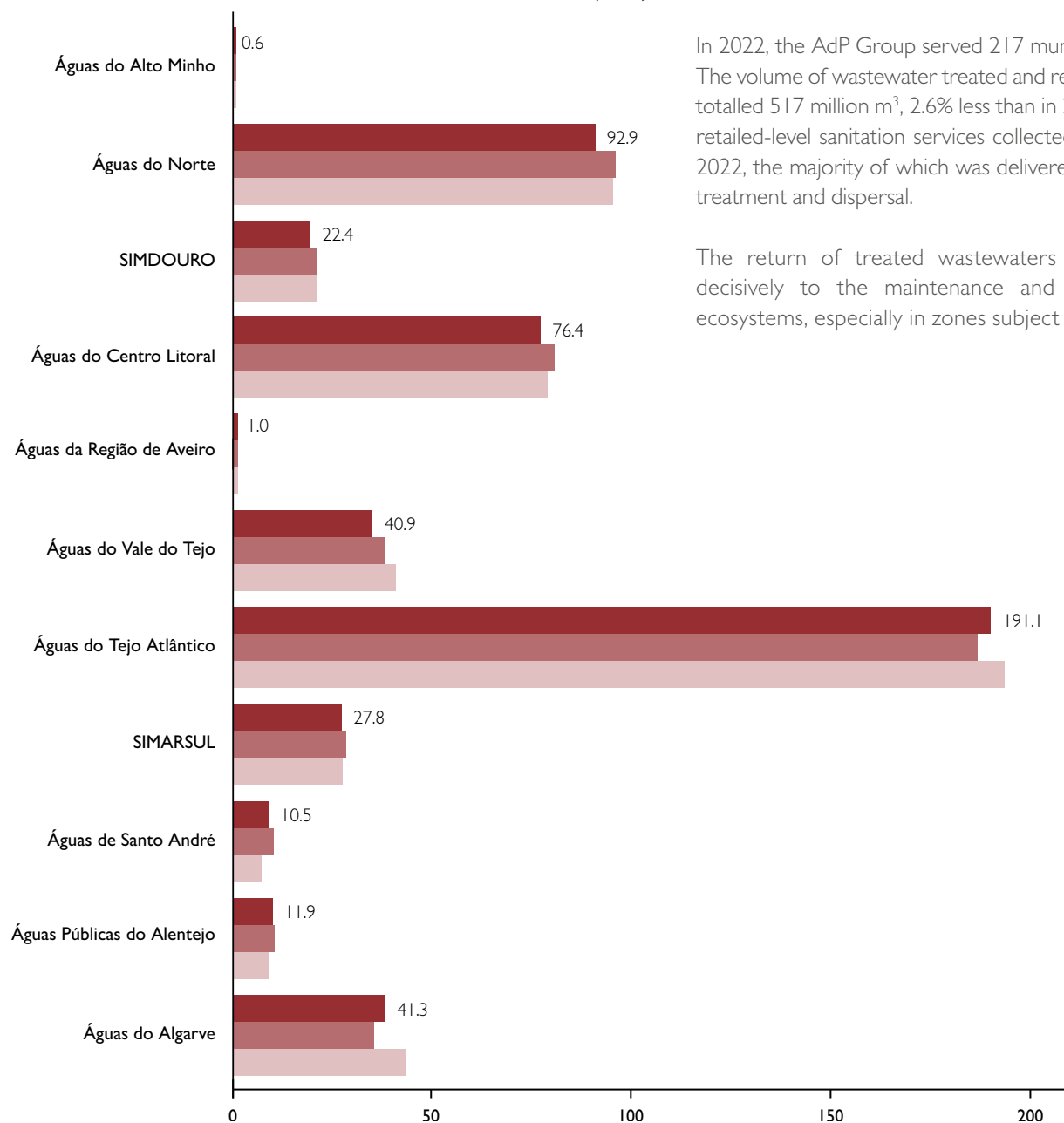
⁶ The reduction in the value compared to 2021 is due to better data collection by AdAM. | ⁷ 87 septic tanks were not considered in the total number of WWTPs.

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



TREATED AND DISCHARGED WASTEWATERS

(Mm³)



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

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

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

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

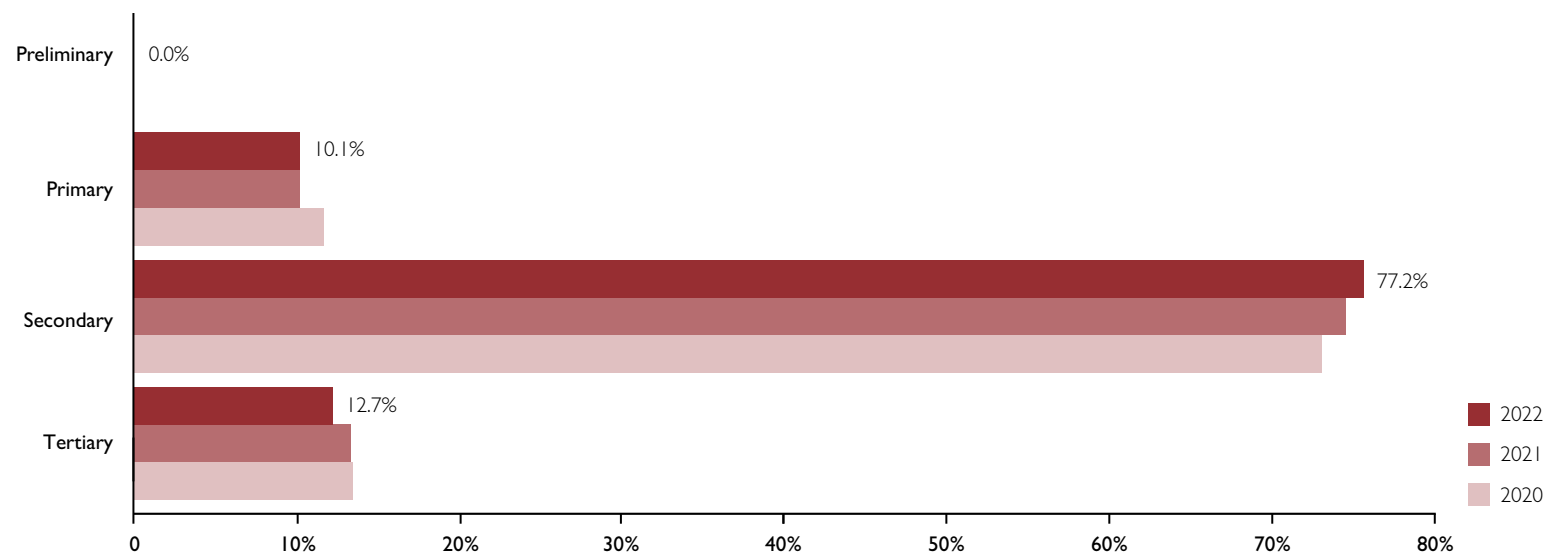
517

MILLION M³

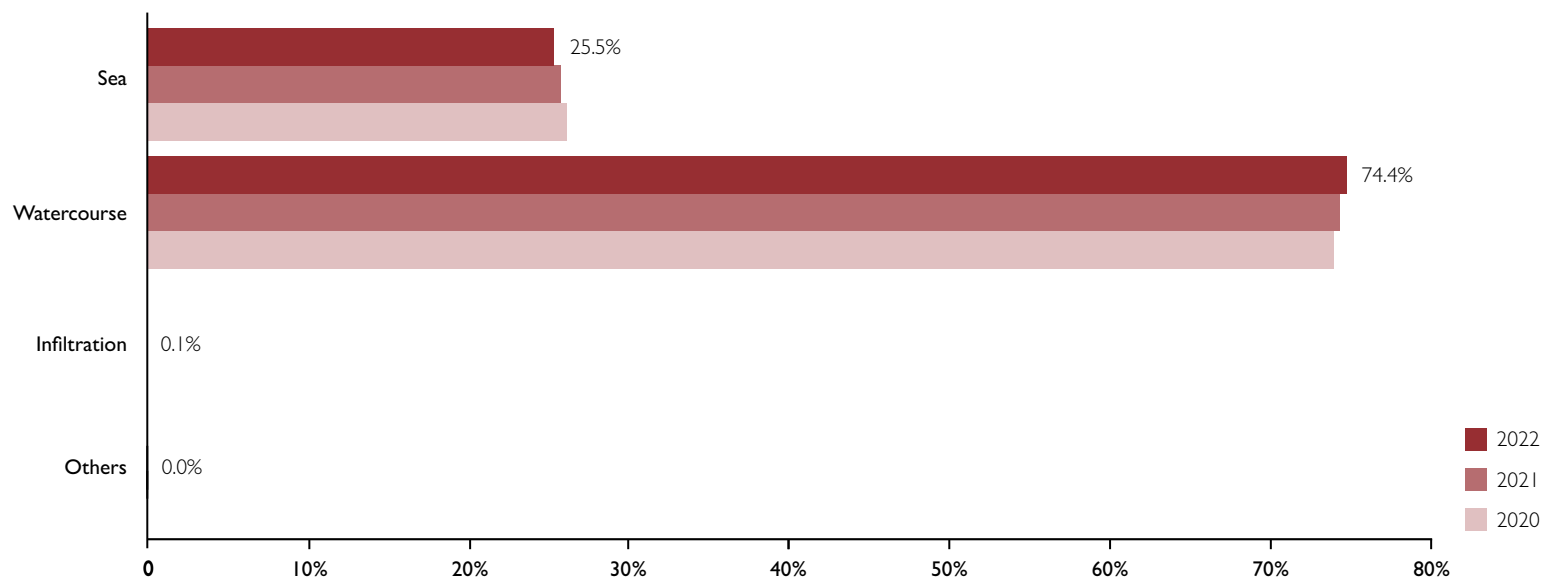
TREATED WATER RETURNED
TO THE WATER ENVIRONMENT

LEVEL OF WASTEWATER TREATMENT

(%)



LOCATION FOR DISCHARGE OF TREATED WASTEWATERS (%)



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

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

NEGATIVE IMPACTS

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

POSITIVE IMPACTS

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

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



ENVIRONMENT

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

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

Criterion 10: Management systems effectively integrate environmental principles.

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

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

PURSuing OUR AMBITIONS

WORK WITH PURPOSE

TAKING ACTION FOR THE CLIMATE

ACCELERATING THE CIRCULAR ECONOMY OF WATER

ENHANCING THE VALUE OF TERRITORIES

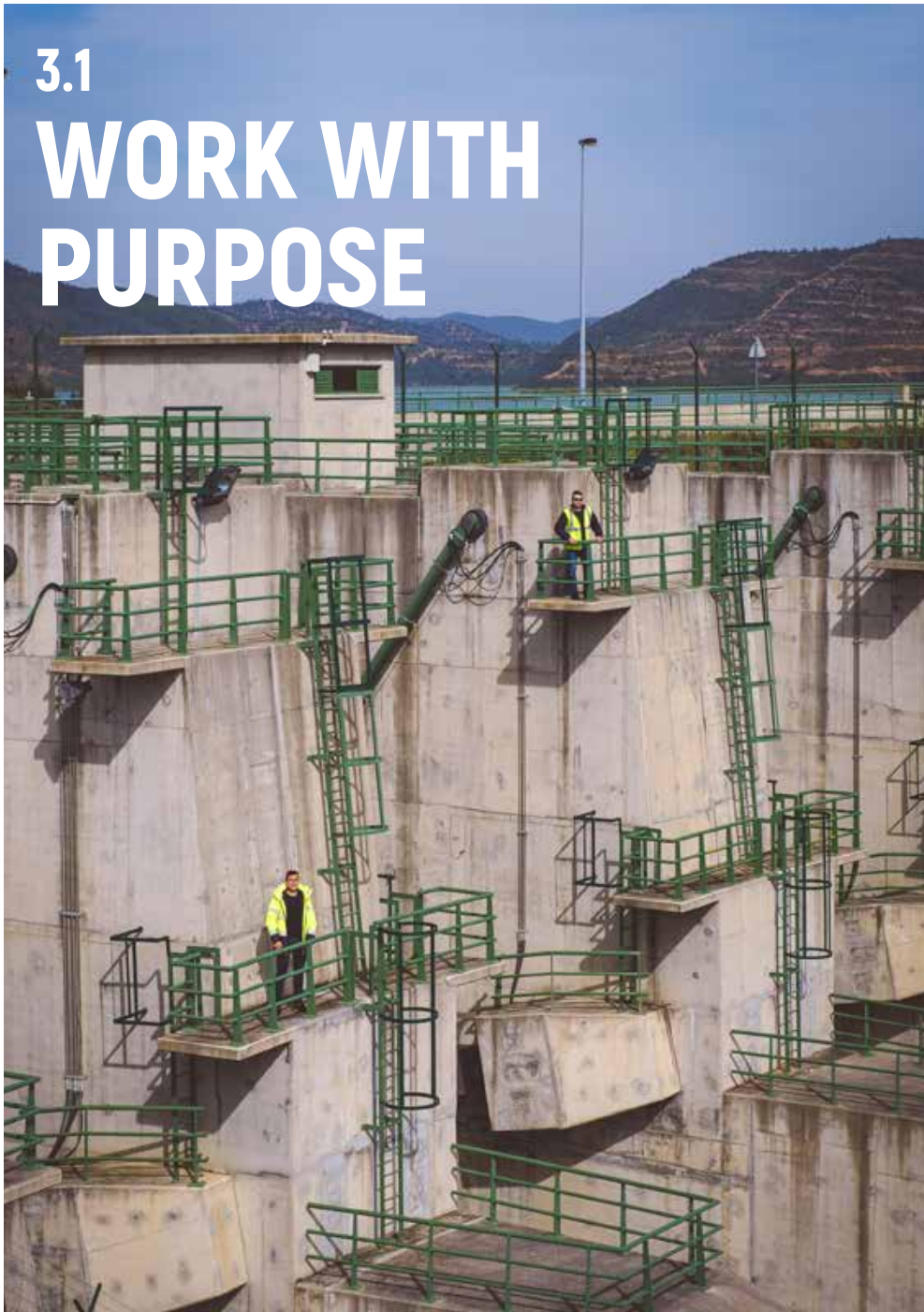
INNOVATING TO IMPACT

ENSURING WATER AND SANITATION ACROSS BORDERS

EDUCATING FOR SUSTAINABILITY



3.1 WORK WITH PURPOSE



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

PILLAR: GROUP CULTURE

OBJECTIVES:

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

GOALS

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

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

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

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

3 742

TOTAL NUMBER
OF EMPLOYEES

47⁸

SENIOR
MANAGEMENT
POSITIONS

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

WE LEVERAGE LOCAL EMPLOYMENT

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



HUMAN RIGHTS

1st Principle

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

2nd Principle

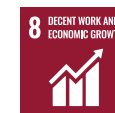
Companies guarantee their non-participation.

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

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

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

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



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

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

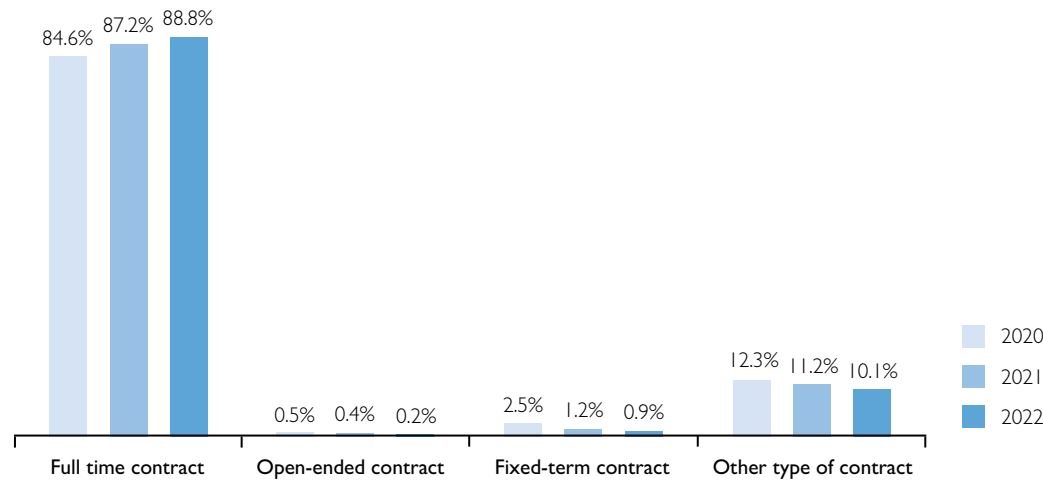
¹⁰ Includes branches and subsidiaries of AdP Internacional.

CHARACTERISTICS OF GROUP HUMAN RESOURCES

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

EMPLOYEES BY TYPE OF WORKING CONTRACT

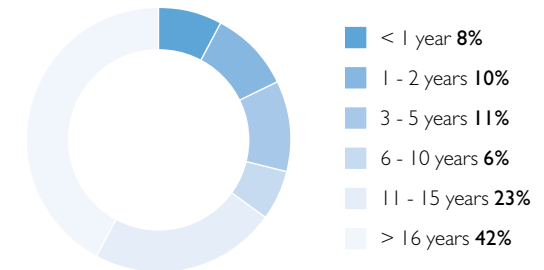
(%)



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

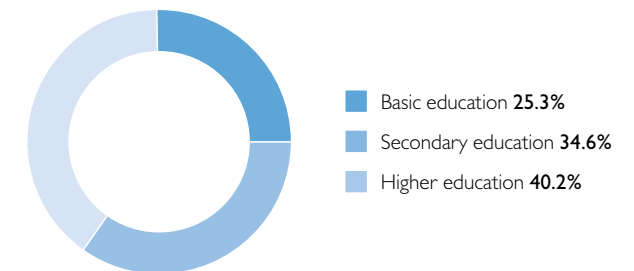
LENGHT OF SERVICE

(%)



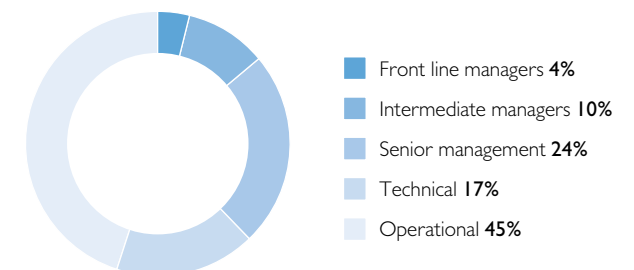
EDUCATION LEVELS

(%)



EMPLOYEES BY SEGMENT

(%)



3 661

ACTIVELY EMPLOYED STAFF
MEMBERS OF WHOM:

88.8%

HOLD OPEN ENDED
CONTRACTS

42%

WITH OVER 16 YEARS
OF COMPANY SERVICE

44.8%

OPERATIONAL STAFF



**WE ENCOURAGE OUR WORKERS
IN THEIR PERSONAL AND
PROFESSIONAL DEVELOPMENT.**

INVESTING IN THE DEVELOPMENT OF OUR PEOPLE

Professional and Personal Valuation and Development

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

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

Training and Development

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

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

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

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

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

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



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

AVERAGE ANNUAL TRAINING HOURS

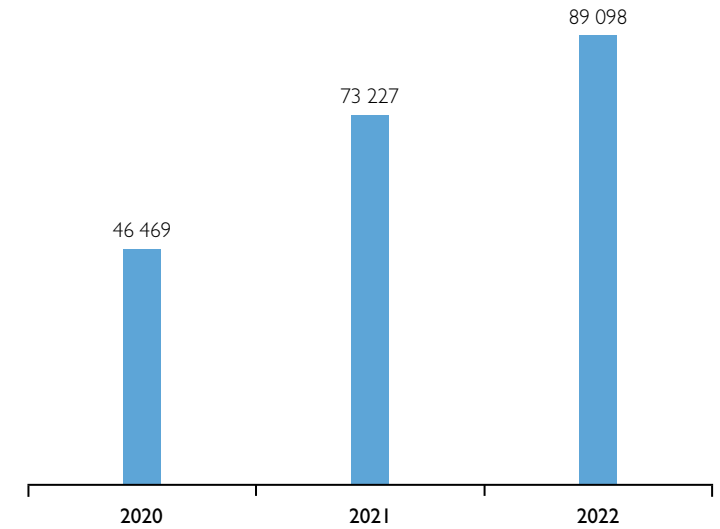
21

HOURS/MALE EMPLOYEES

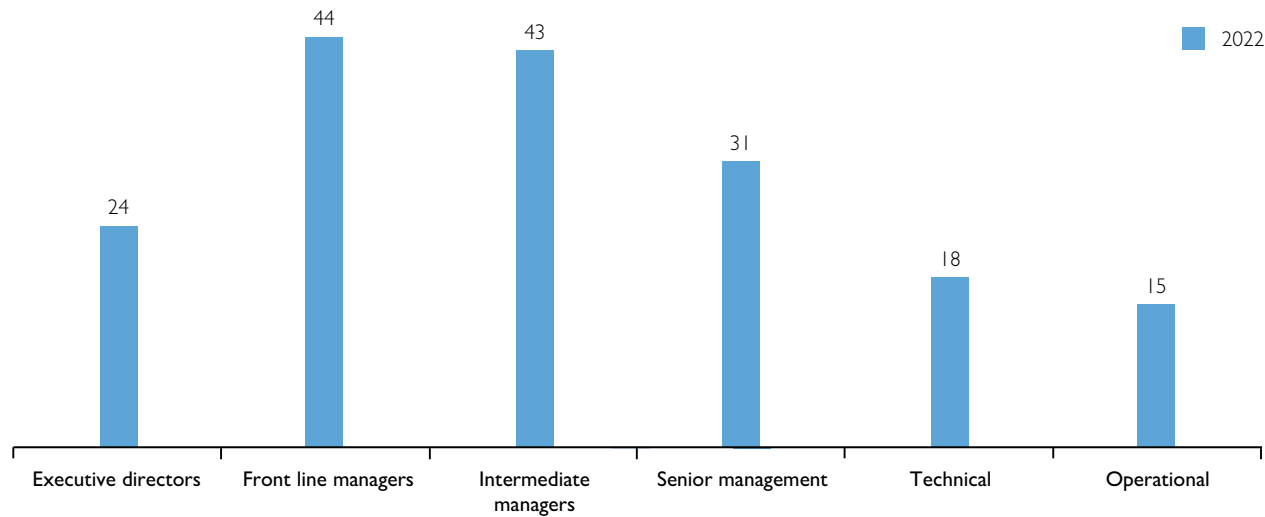
29

HOURS/FEMALE EMPLOYEES

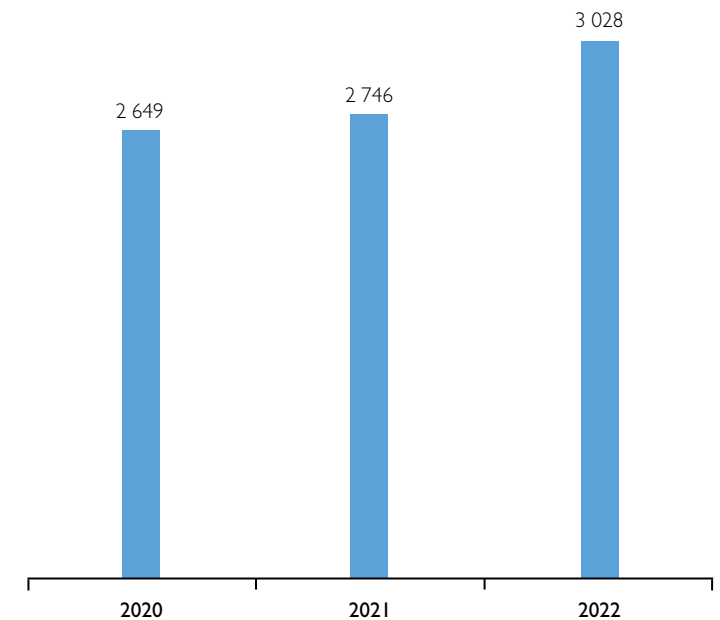
NUMBER OF TRAINING HOURS



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



TRAINEES



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

ACADEMY OF ÁGUAS LIVRES (AAL) - EPAL

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

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

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

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

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

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

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

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



CYBERSECURITY, A TOPICAL ISSUE

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

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

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



THE AdP GROUP PROMOTES TRAINING IN CORPORATE GOVERNANCE

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

Performance Management

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

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

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

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



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

DIVERSITY, EQUALITY AND INCLUSION

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

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

43% WOMEN IN DECISION-MAKING POSITIONS IN 2022

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

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

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



GENDER EQUALITY POLICY

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

In terms of the workplace, this principle reflects in:

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

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

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

Gender Equality Plan

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

This Equality Plan is structured into seven aggregating dimensions:

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

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

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

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



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

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



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

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



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



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

- All the indicators relevant to gender equality are made annually available in the AdP Group Sustainability Report.
- Once again this year welcoming a female intern participating in the Girl Move female entrepreneurship project, promoted by the Foundation of the same name with its mission to establish a movement of life, support and empowerment for women in Mozambique, through education and building human networks of mutual help and cooperation between peers, intergenerationally and internationally.



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

CORE REQUISITES CONSIDERED UNDER SA 8000:

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

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

40%

SENIOR MANAGERS AGED
BETWEEN 36 AND 45

25%

FRONT LINE MANAGERS AGED
BETWEEN 36 AND 45

61%

SENIOR FEMALE
MANAGEMENT

100%¹⁴

RETURN AFTER
PARENTAL LEAVE

29

WORKERS WITH
OTHER NATIONALITIES

20¹⁵

FEMALE
DIRECTORS



LABOUR

6th Principle

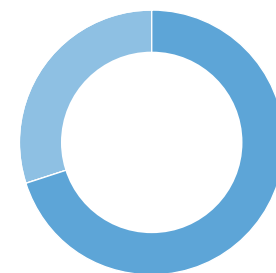
The elimination of discrimination in respect of employment and occupation.

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

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

GENDER DISTRIBUTION

(%)



Male 70%

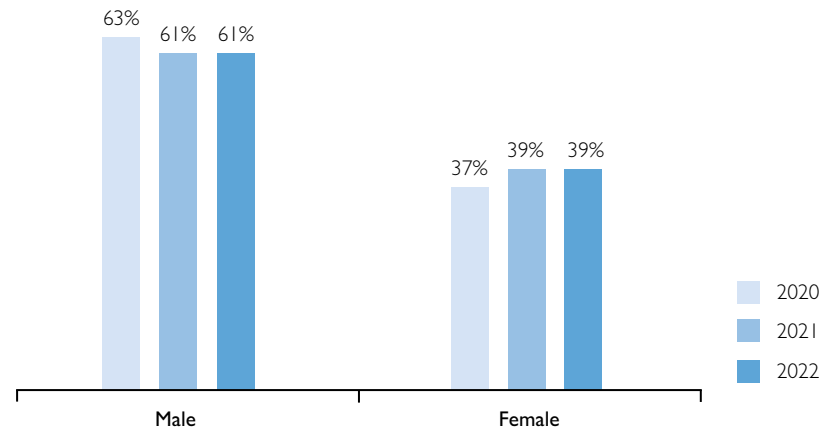
Female 30%

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

¹⁵ Executive positions held by women.

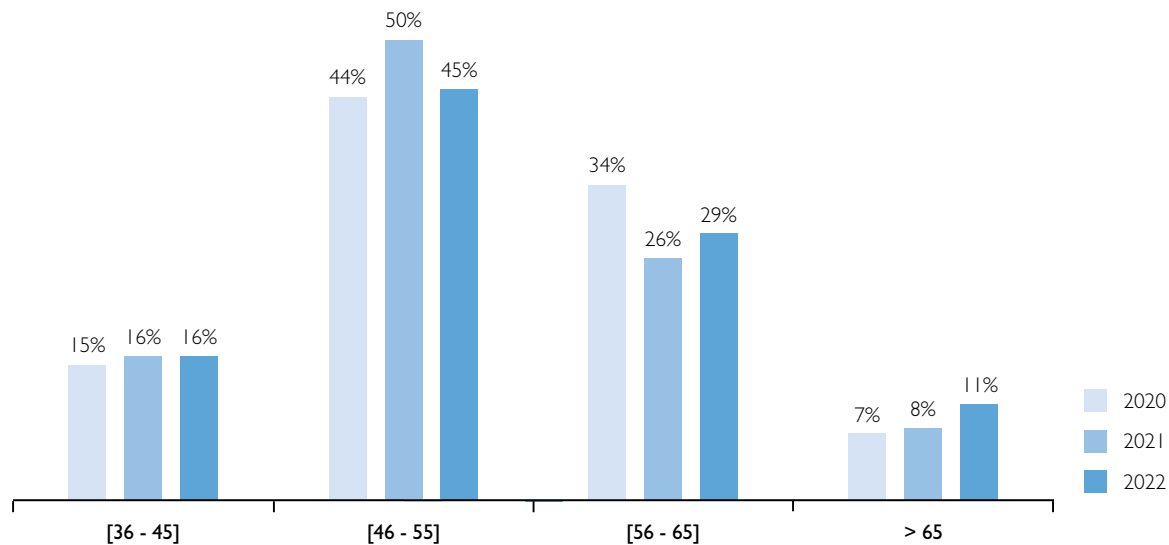
EXECUTIVE DIRECTORS BY GENDER

(%)



EXECUTIVE DIRECTORS BY AGE

(%)



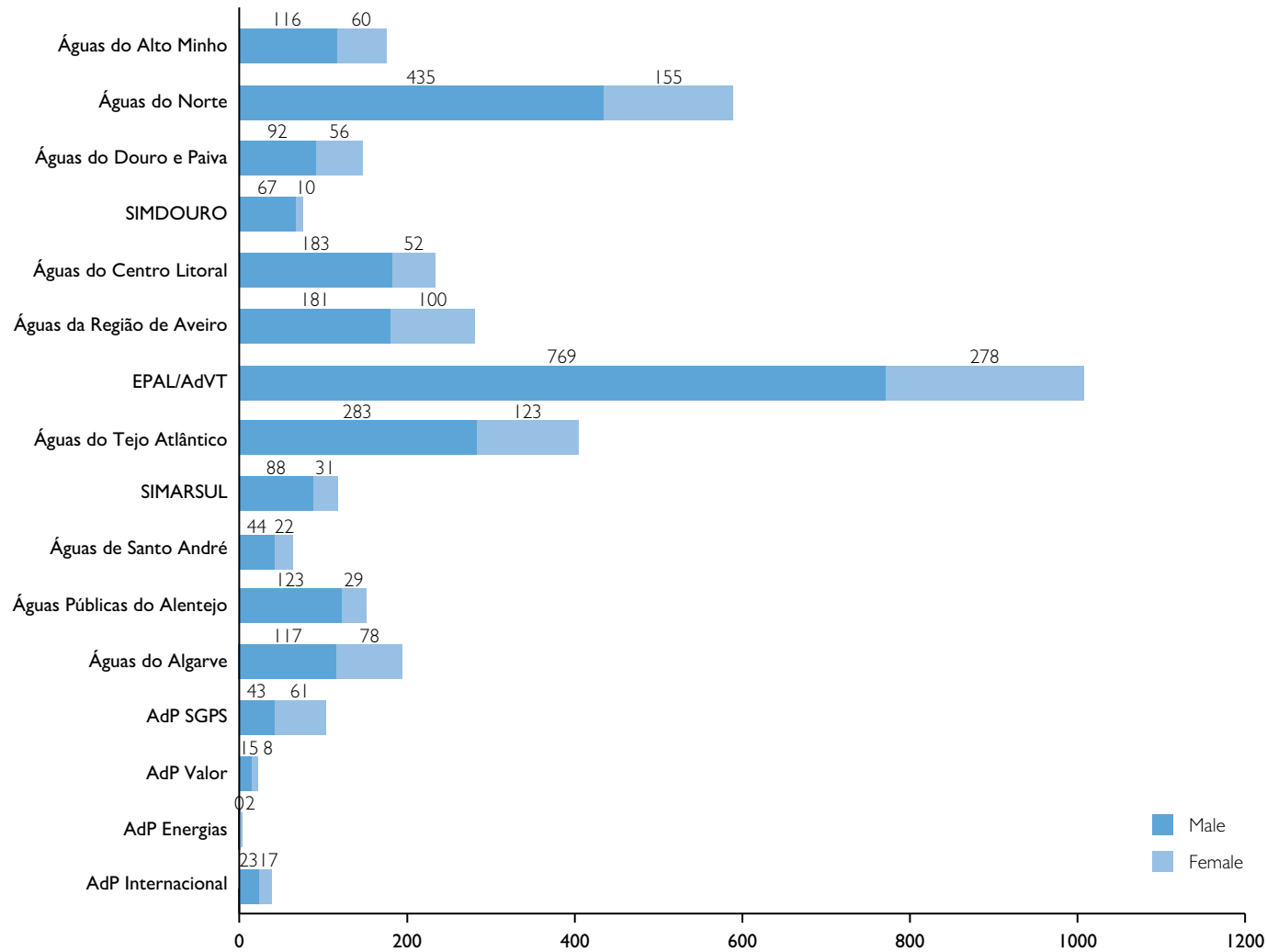
ACROSS THE GROUP, THERE ARE 47 EXECUTIVE DIRECTORS¹⁶, 27 MEN AND 19 WOMEN.



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

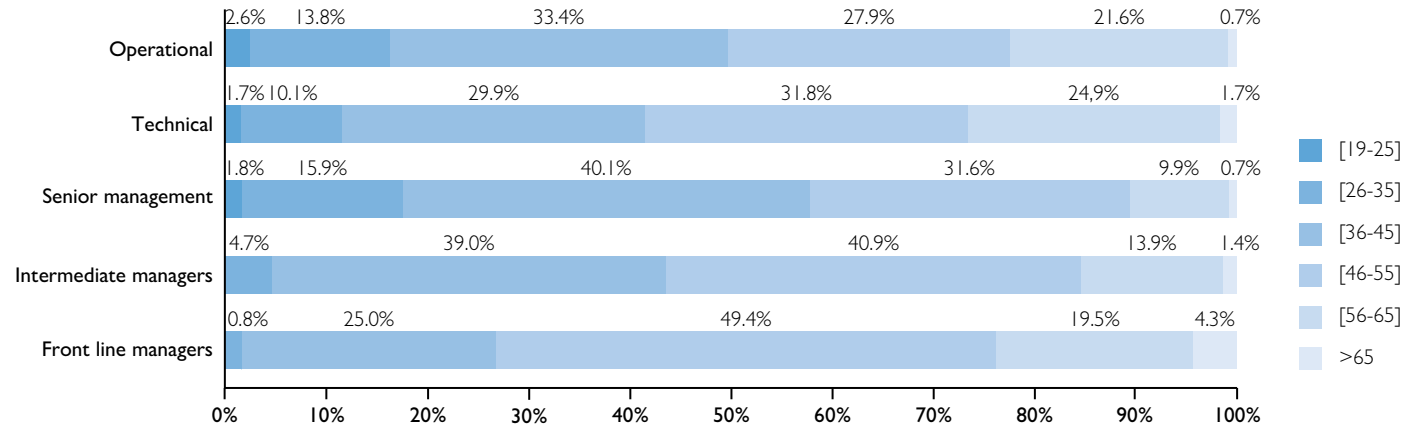
MALE VS. FEMALE COMPANY MEMBERS OF STAFF

(n.º)



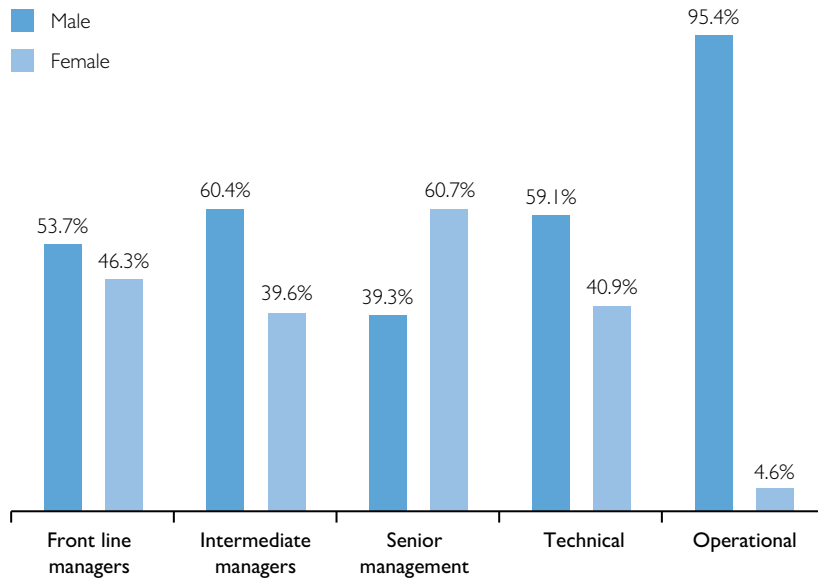
EMPLOYEES BY SEGMENT AND AGE GROUP

(%)



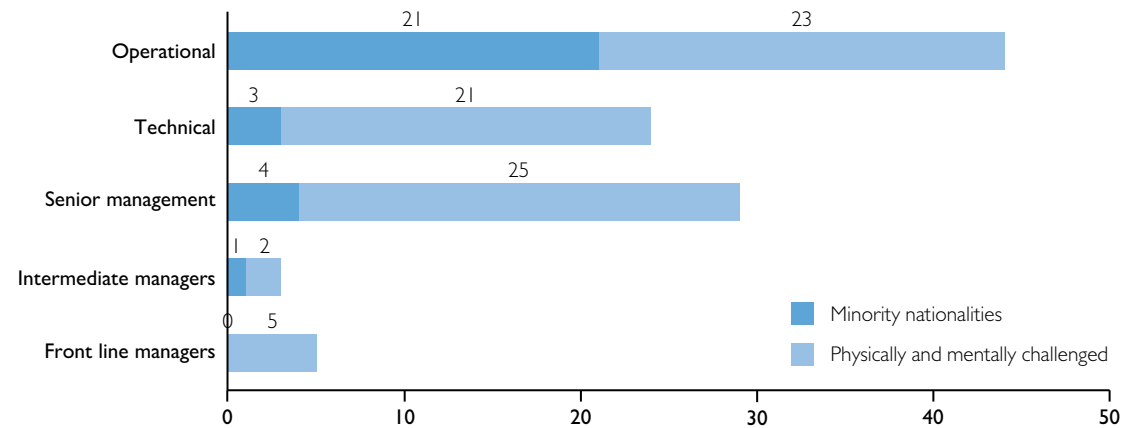
EMPLOYEES BY SEGMENT BY GENDER

(%)



DIVERSITY AND INCLUSION

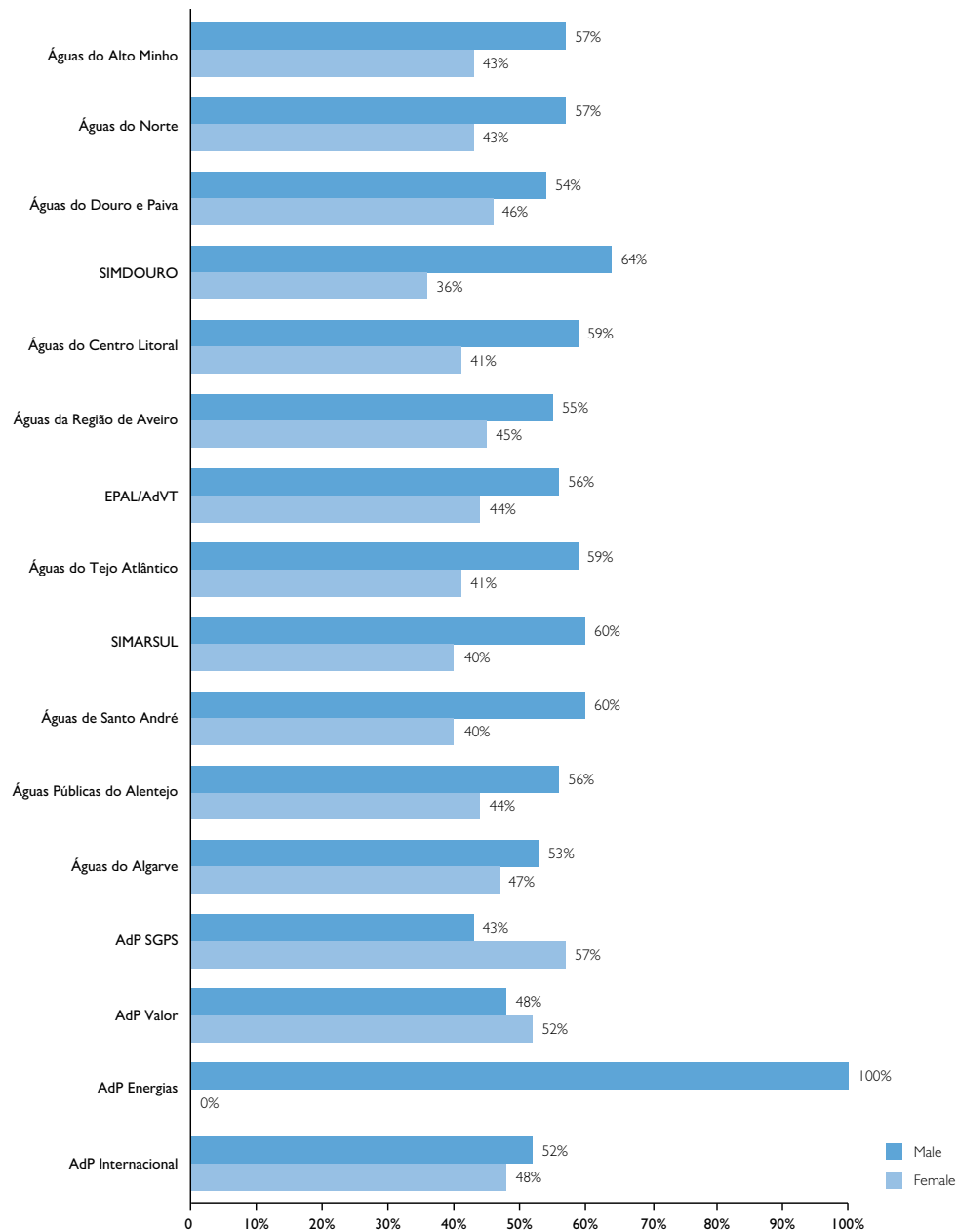
(n.º)



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

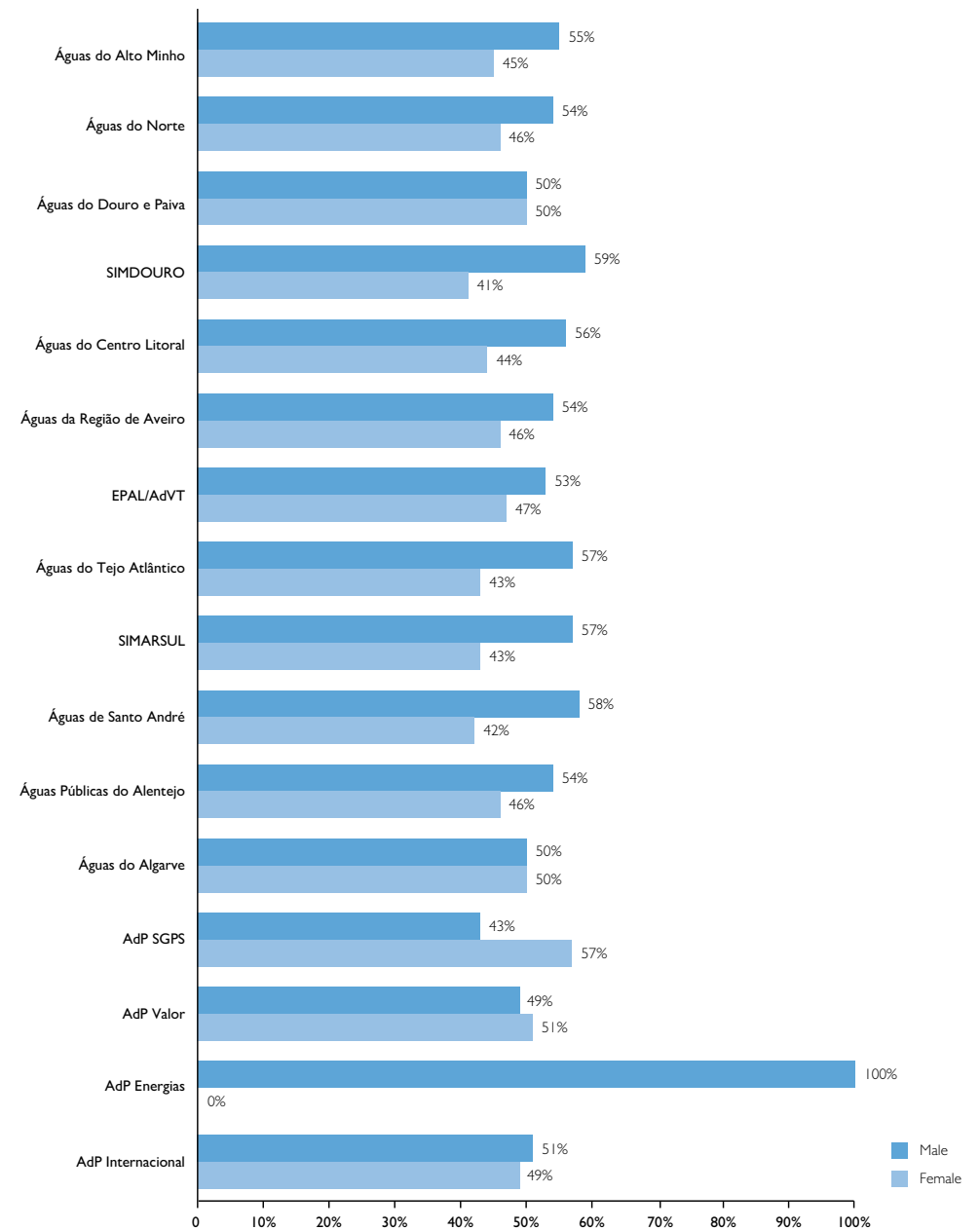
AVERAGE BASE MONTHLY WAGE BY GENDER AND BY COMPANY

(%)



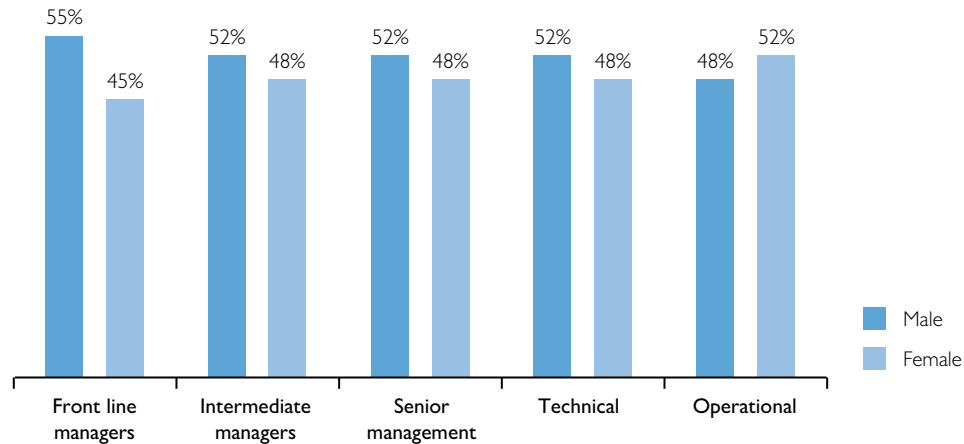
AVERAGE TOTAL MONTHLY WAGE BY GENDER AND BY COMPANY

(%)



AVERAGE BASE MONTHLY WAGE BY GENDER AND BY SEGMENT

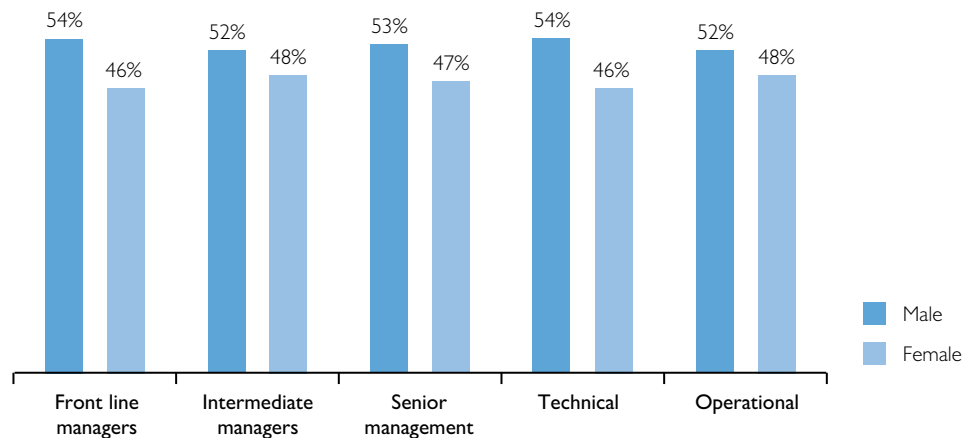
(%)



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

AVERAGE TOTAL MONTHLY WAGE BY GENDER AND BY SEGMENT

(%)



RECONCILIATION BETWEEN PROFESSIONAL, FAMILY AND PERSONAL LIFE

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



CONCILIATION

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

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

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

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

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

COMPLEMENTARY BENEFITS ¹⁸

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

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

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

A HEALTHY MIND IN A HEALTHY BODY. STAY HEALTHY!

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

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



HOLIDAYS FOR THE CHILDREN OF EMPLOYEES AT AdDP AND SIMDOURO

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



WE GUARANTEE WORKPLACE HEALTH AND SAFETY



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

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

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

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

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

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

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

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

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

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

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

SAFETY AT WORK: STRATEGY DEBATED BY THE SSR COMMITTEE

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



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

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

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



PSYCHOLOGICAL SUPPORT HELPLINE

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



PACT FOR MENTAL HEALTH

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



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

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

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

BE BETTER PROGRAM, ÁGUAS DO NORTE

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

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

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

Various activities were carried out, including:

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

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



WE GUARANTEE TRANSVERSAL AND EFFECTIVE INTERNAL COMMUNICATIONS

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

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

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

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

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



888

EMPLOYEES
(24% OF TOTAL)
BELONG TO TRADE UNIONS

99%

EMPLOYEES COVERED
BY COLLECTIVE LABOUR AGREEMENTS



LABOUR

3rd Principle

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

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

3.2

TAKING ACTION
FOR THE CLIMATEREDUCING GHG EMISSIONS, MITIGATING OUR IMPACTS,
ADAPTING OPERATIONS TO CLIMATE CHANGES


PILLARS: SERVICE EXCELLENCE AND SOCIAL UTILITY

OBJECTIVES:

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

GOALS

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



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

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

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

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

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

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

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

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

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

- Reducing consumption, as a result of the implementation of operational, structural and other management measures, promoting energy efficiency in infrastructures and operations,
- Reducing costs, further improving the energy purchase process, optimising levels of tension, reducing the contracted potential, eliminating reactive energy, adjusting the consumption profile of the networks in accordance with the tariff periods and the functional cycles for the efficient management of energy,

- Raising the internal production of energy for self-consumption through means of leveraging the endogenous potential (in particular, enabling the production of biogas and the corresponding co-generation and taking advantage of the piezometric declines existing in micro-hydraulic installations) and the renewable sources (solar and wind), enabling a reduction in the consumption of national grid supplied energy and, consequently, reduced dependence on the markets, and
- Setting up the AdP Group's Renewable Energy Community (REC) with a view to boosting the production and consumption of the 100% renewable energy produced to the detriment of its sale to the national grid.

ELECTRICITY

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

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

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

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

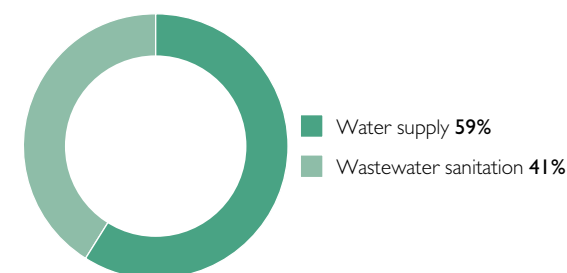
¹⁹ Amount corresponding to RESP consumption plus self-consumption of energy produced.

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

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

²² Includes other consumption.

ELECTRICITY CONSUMPTION ²²
(%)

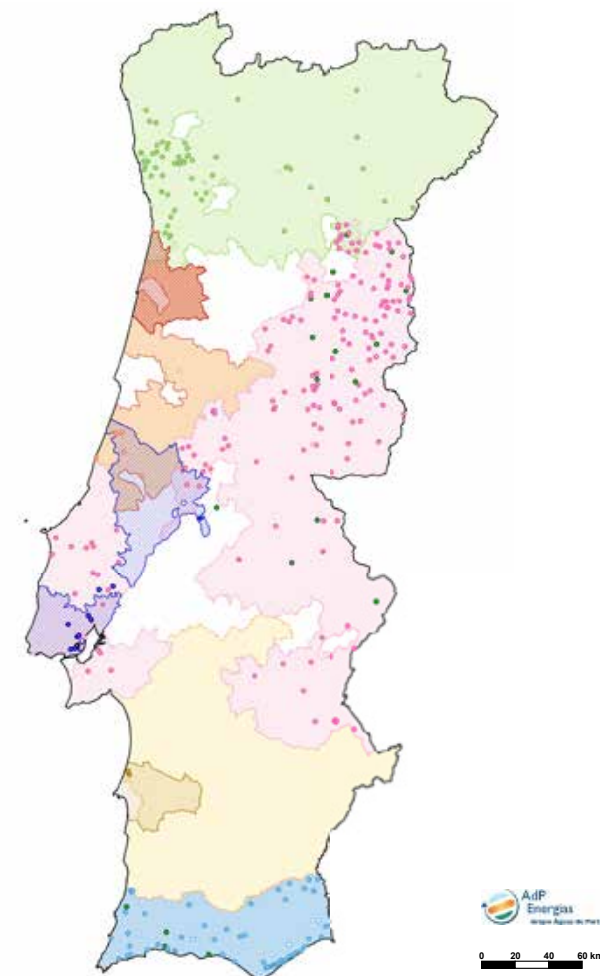
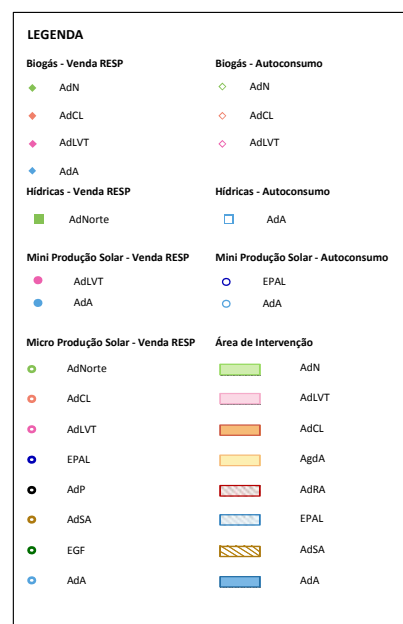


ENERGY MANAGEMENT IS ONE OF THE AdP GROUP'S STRATEGIC PRIORITIES IN PROMOTING THE ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY OF ITS WATER SUPPLY AND WASTEWATER SANITATION OPERATIONS.

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

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

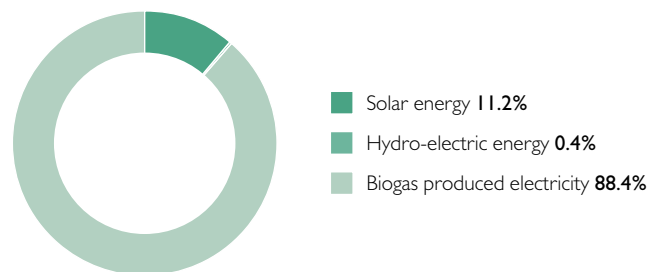
Climate change represents one of the great challenges that the AdP Group faces with the focus on renewable energy production a core priority. Through valuing the energy potential of its facilities and with the goal of reducing the GHG emissions of its activities, the Group has been increasingly investing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



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

ENERGY PRODUCED BY SOURCE

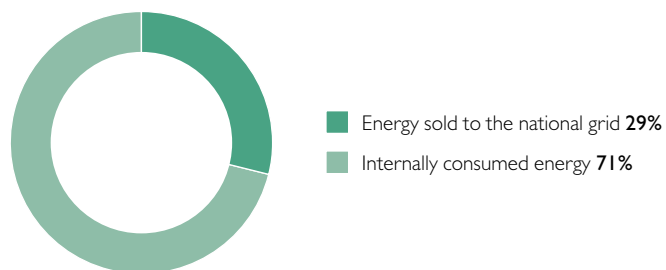
(%)



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

DESTINATION OF ENERGY PRODUCED

(%)



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

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

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

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

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

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

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

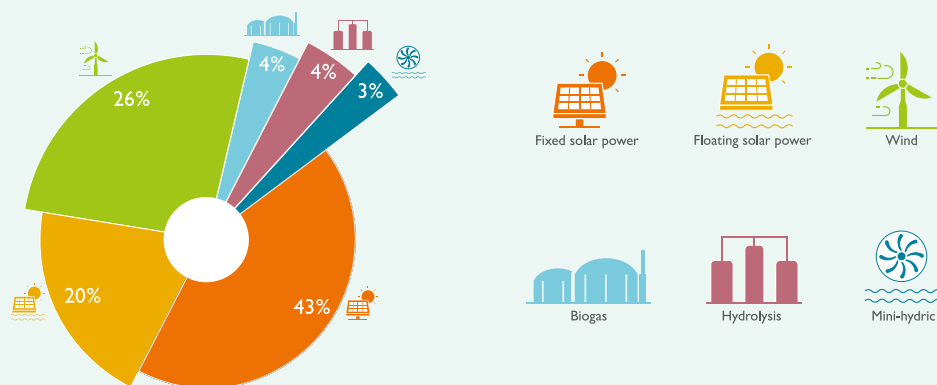
The installation and commissioning of these energy production units has been carried out using the company's internal resources and has counted on crucial logistic support from SIMDOURO staff and equipment, the company with which AdDP operates shared services.



²⁴ Conversion factor of 0.216 kCO₂/KWh

THE AdP GROUP'S ENERGY NEUTRALITY PROGRAM

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



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

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

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

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

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

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

LAUNCHING THE AdP GROUP RENEWABLE ENERGY COMMUNITY

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

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

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

FUELS

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

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

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

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

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

ELECTRIC MOBILITY

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

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



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

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

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

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



ENERGY CERTIFICATION OF THE SERVICE FLEET

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

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

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

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



TOTAL ENERGY CONSUMED BY THE AdP GROUP

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

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



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

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

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

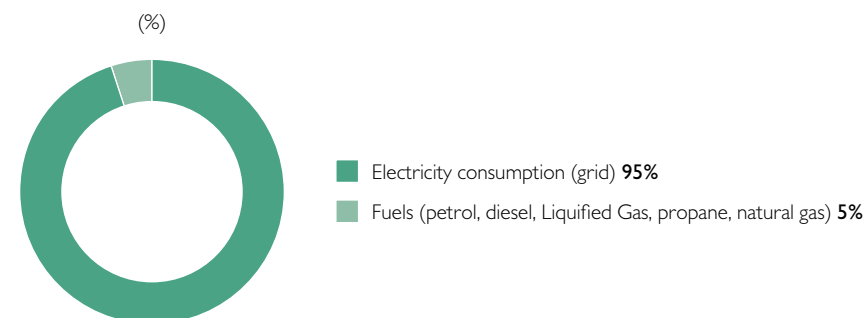
GREENHOUSE GAS EMISSIONS

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

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

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

ORIGINS OF EMISSIONS



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

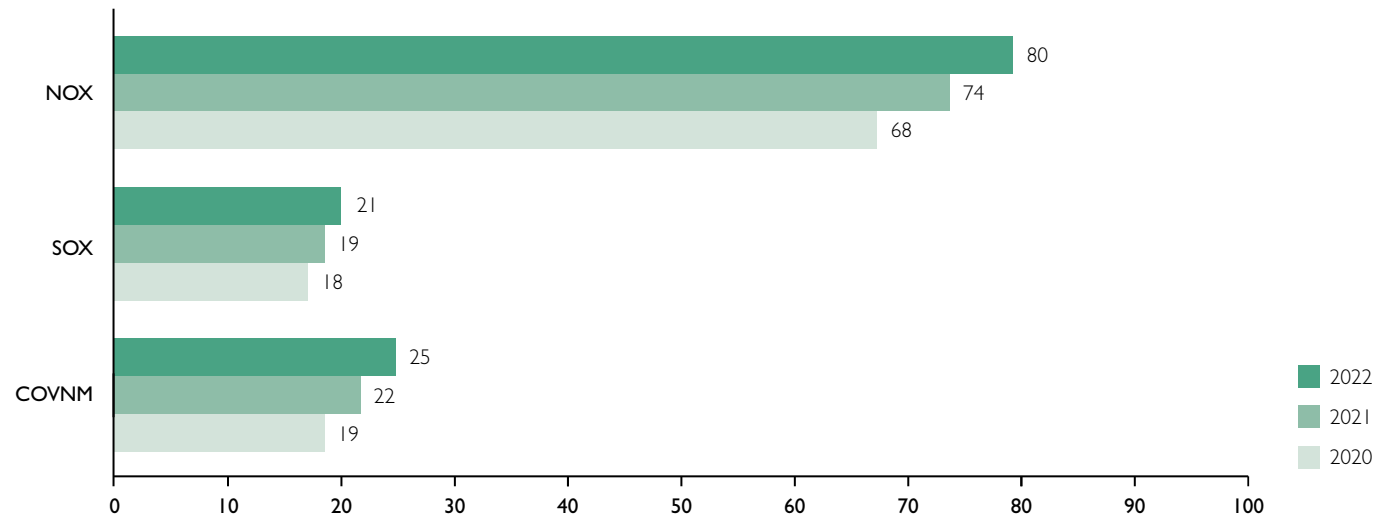
Its internal energy production enabled a reduction of 8,326 tons of CO₂²⁹, a decrease of 352 tons avoided in relation to 2021 (-4.1%). In terms of CO₂ emissions, the reduction achieved in relation to combustion vehicles was -394 tonnes.

NOX, SOX AND NMVOC EMISSIONS

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

EMISSIONS OF OTHER POLLUTANTS³⁰

(Kg)



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



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

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

NEUTRO - PROGRAMA DE NEUTRALIDADE CARBÓNICA DO GRUPO AdP

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

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

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

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



HIDROGASMOVE

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

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

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



3.3

ACCELERATING THE CIRCULAR ECONOMY OF WATER



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

PILLARS: SERVICE EXCELLENCE AND SOCIAL UTILITY

OBJECTIVES:

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

GOALS

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



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

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

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

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

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

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

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

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

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

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

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



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

WATER FOR REUTILISATION - ApR

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

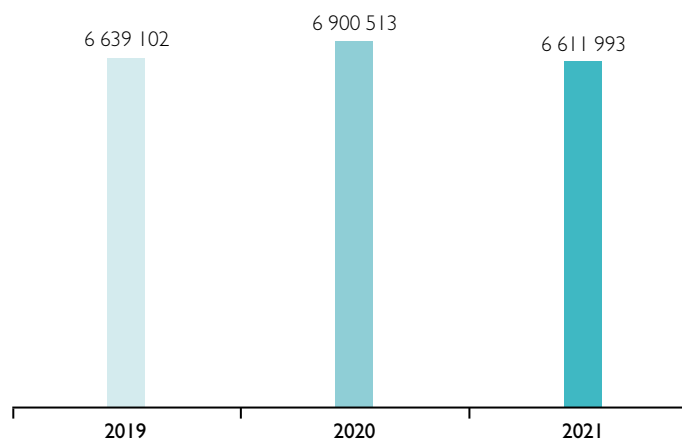
Aware of the great needs for water conjugated with increasingly inconstant and/or reduced periods of precipitation requires the search for alternative solutions, the Group perceives in the reutilisation of treated wastewaters a source with enormous potential for usages that do not require drinking water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

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

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

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

REUSED WASTEWATERS (m³)



PURPOSES OF WASTEWATERS TREATED FOR REUTILISATION:

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

EXAMPLES:

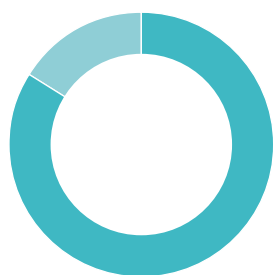
- Washing facilities pavements, equipment and treatment components;
- Irrigation of green spaces (private and public, including golf courses);
- Refrigeration cooling systems;
- Municipal usages, such as washing vehicles, streets and containers;
- Discharge of sanitary facilities;
- Firefighting.

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

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

REUTILISATION OF TREATED WASTEWATERS

(%)



■ In Group treatment plants **84%**
■ Externally **16%**

AdA CONCLUDES ApR LICENSING PROCEDURES

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



GREEN HYDROGEN PRODUCTION

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

FIRST PRODUCTION AND CONSUMPTION LICENCES ÁGUA+

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

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



FROM WASTE TO SUBPRODUCT

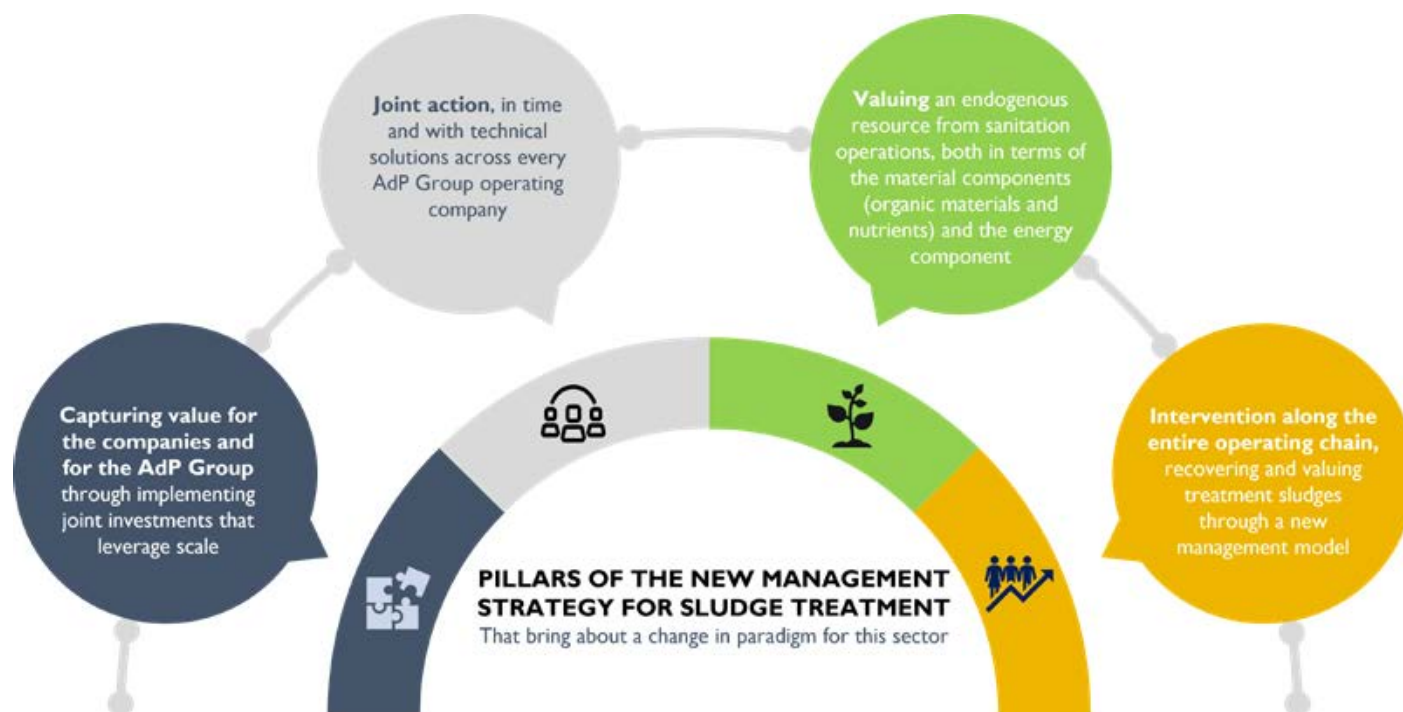
The waste generated in the processes of water and wastewater treatment, as they cannot not be produced, have to be minimised through the selection of the best technologies available to the Group, thereby acting on the indirect impacts of its activities.

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

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

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

The AdP Group Sludge Management Strategy incorporates the following pillars:



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

THE SLUDGE MANAGEMENT STRATEGY AIMS TO:

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

AdSA MANAGES INDUSTRIAL WASTE

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

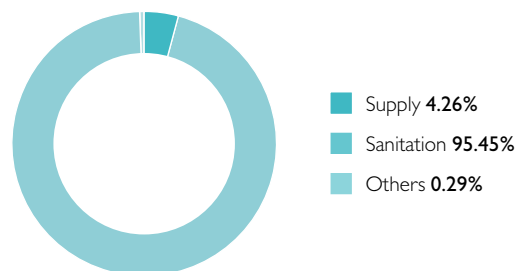
The industrial waste landfill, covering a total area of 59 ha, includes four different waste areas, a support infrastructure area and a network deploying 13 piezometers for monitoring groundwater quality.



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

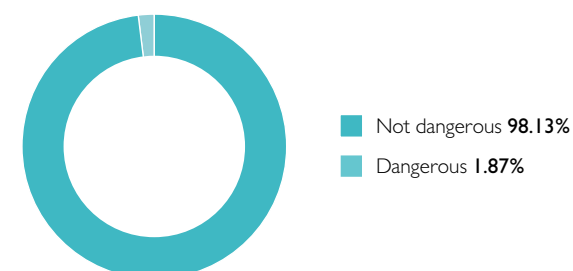
WASTES

(%)



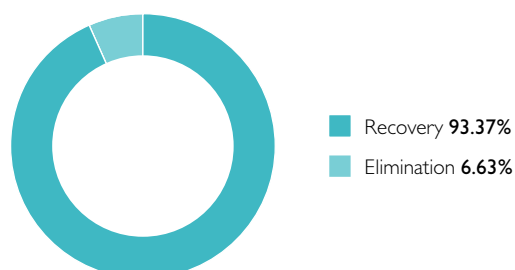
WASTES PRODUCED

(%)



FINAL DESTINATION

(%)



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

in AdP Energias' 2022 Annual Report

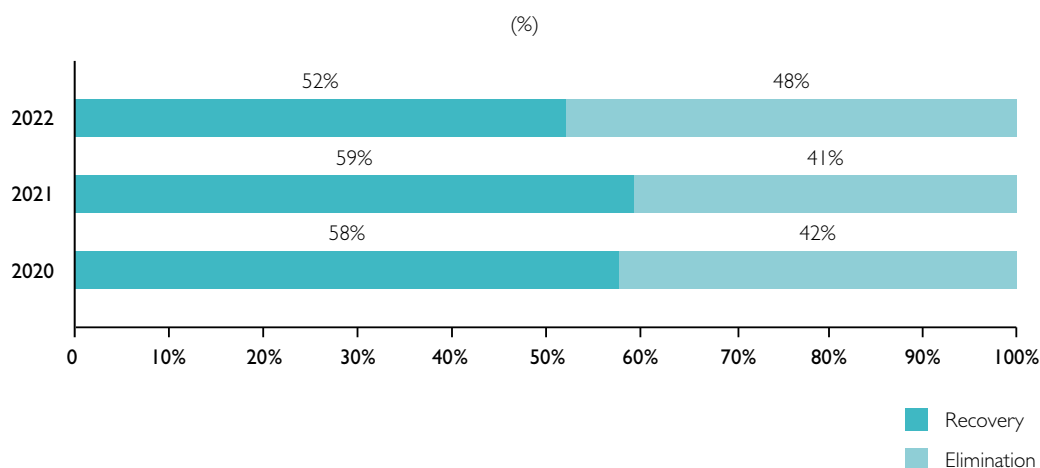
³⁰ Does not include waste from AdSA's Waste Management activities. Includes waste produced at the AdSA's Morgavel Water Treatment Plant. Does not include waste under the management and responsibility of Service Providers.

WATER SUPPLY

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

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

RECOVERY AND FINAL DESTINATION OF WATER SUPPLY SLUDGES

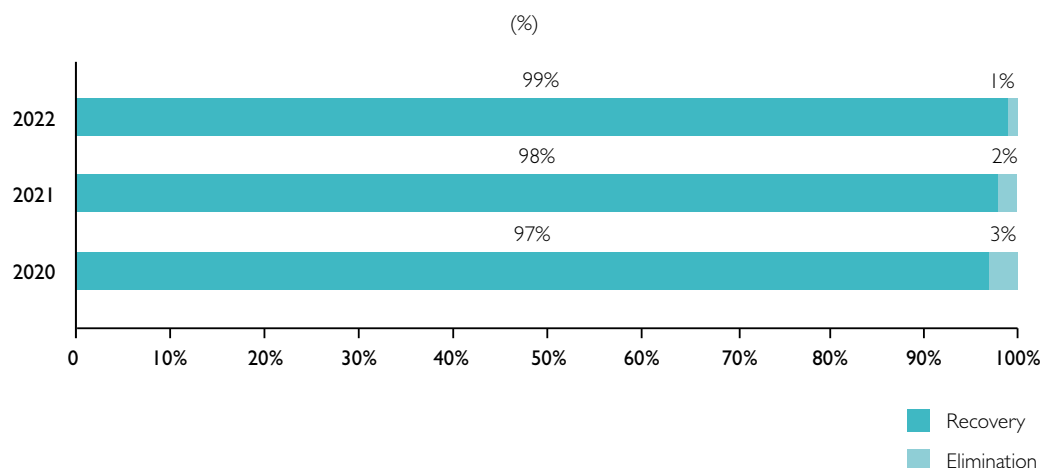


WASTEWATER SANITATION

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

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

RECOVERY AND FINAL DESTINATION OF SANITATION SLUDGES



3.4 ENHANCING THE VALUE OF TERRITORIES



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

PILLAR: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

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

GOALS

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

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

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

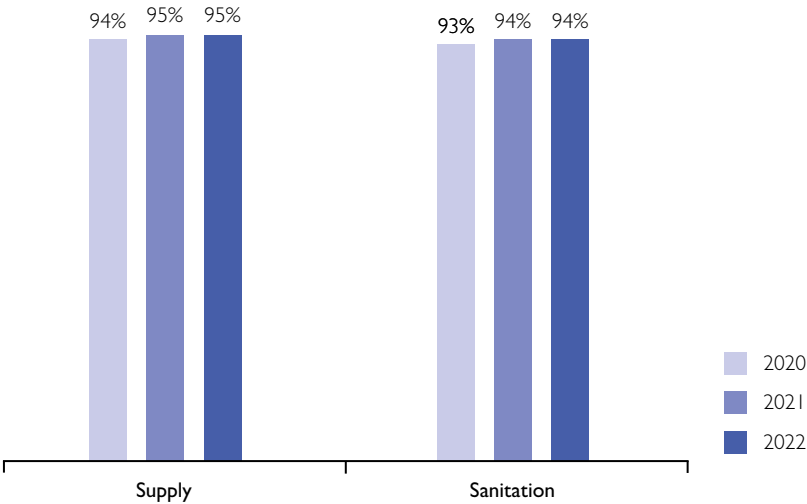
Based on these two assumptions, the AdP Group works daily, from the north to the south of the country, across 237 municipalities, to create value and thereby positively impact on the territories that host its activities and/or its businesses have direct or indirect consequences.

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

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

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

COVERAGE OF BULK SERVICE (%)



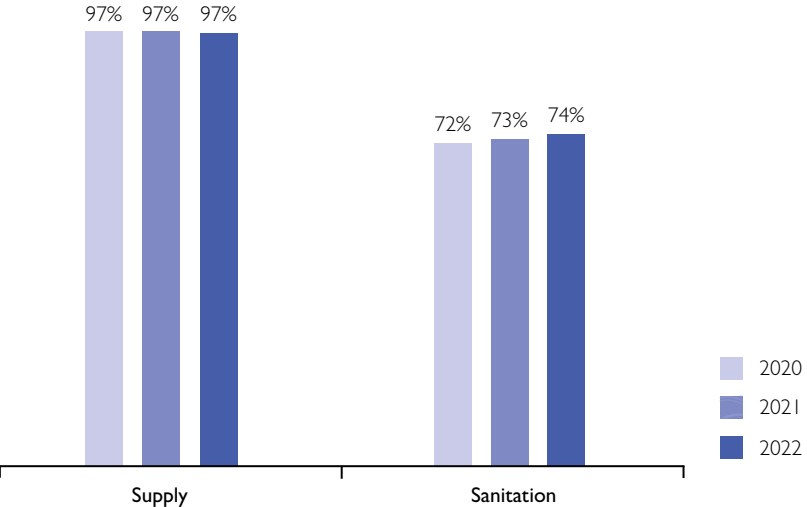
214

MUNICIPALITIES SERVED BY WATER SUPPLY SERVICES

217

MUNICIPALITIES SERVED BY WASTEWATER SANITATION SERVICES

COVERAGE OF RETAIL SERVICE (%)



689 632

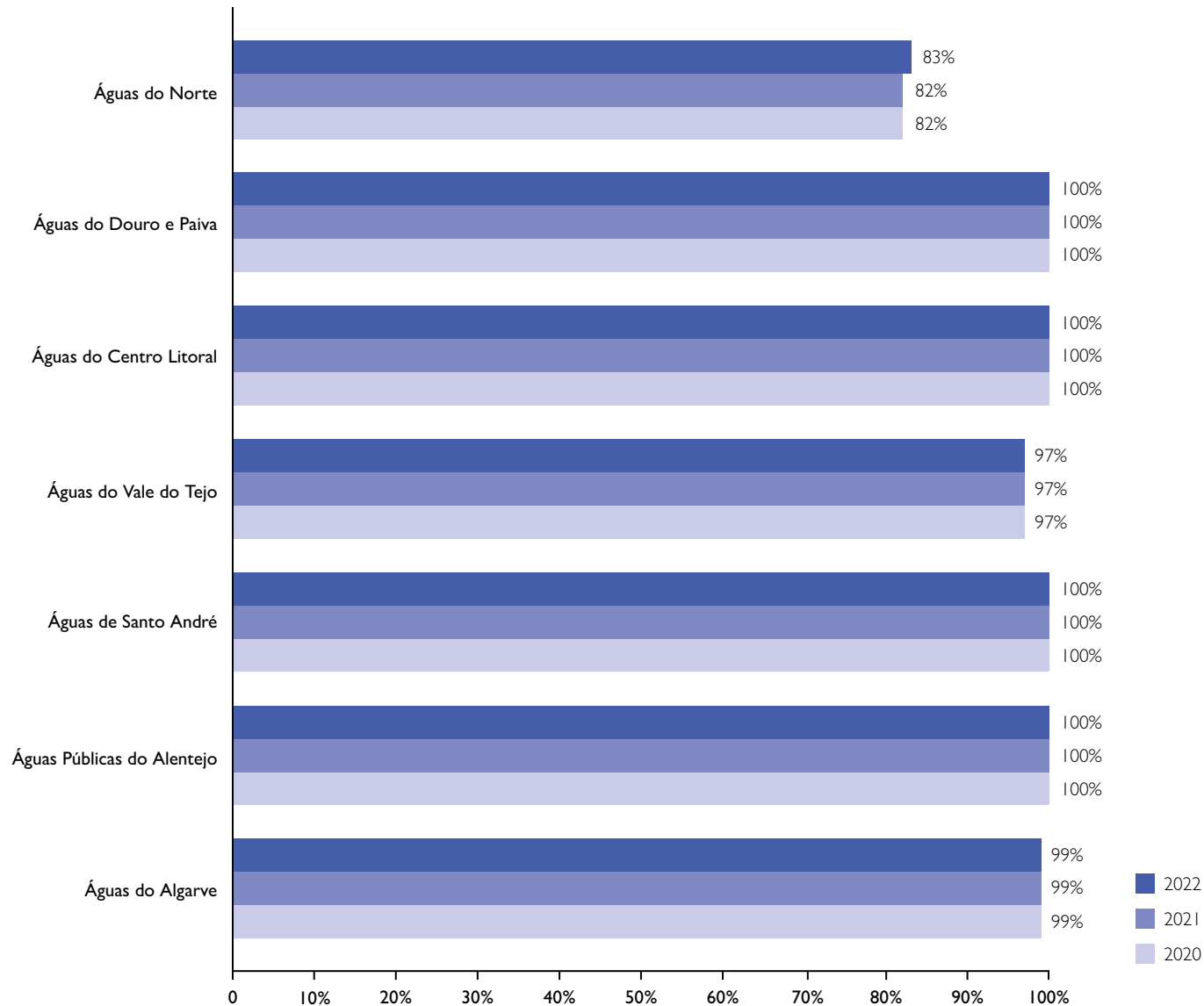
DIRECT CLIENTS (RETAIL – WATER SUPPLY)

288 949

DIRECT CLIENTS (RETAIL – WASTEWATER SANITATION)

COVERAGE OF BULK SUPPLY SERVICE

(% of households served)



**PROGRESS IN MANAGING WATER
RESOURCES IS ESSENTIAL FOR
TERRITORIAL DEVELOPMENT.**

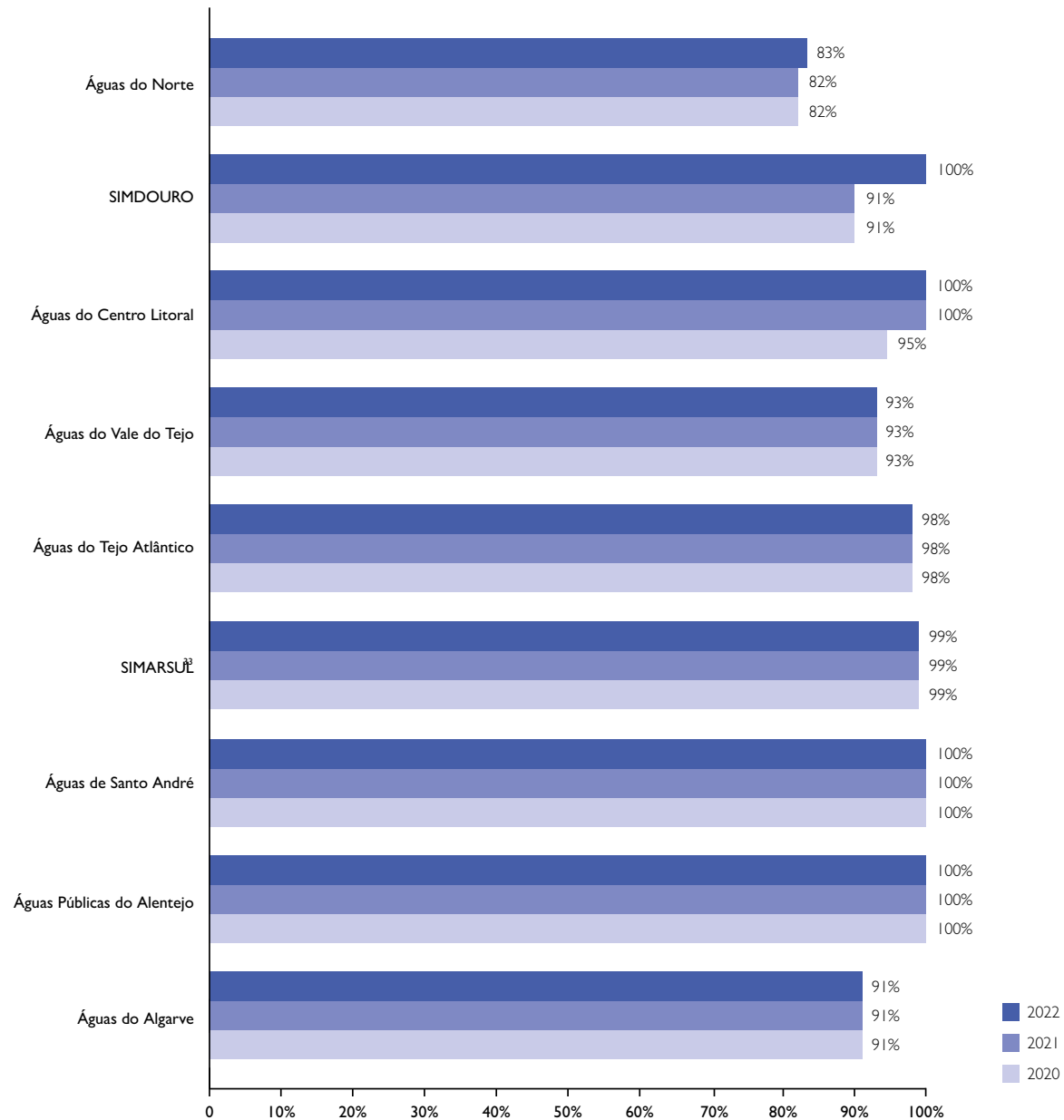
95%

RATE OF BULK
WATER SUPPLY COVERAGE



COVERAGE OF BULK SANITATION SERVICE

(% of households served)



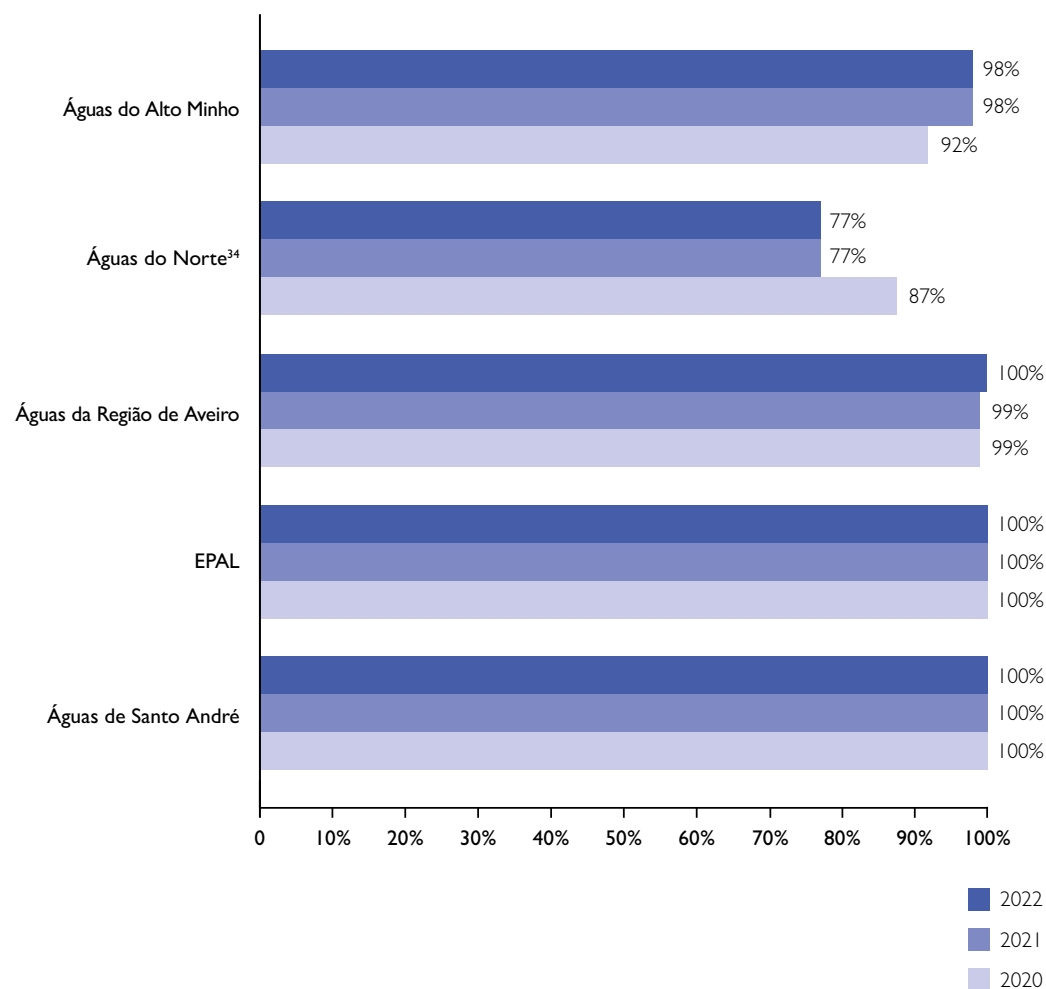
94%

RATE OF BULK
WASTEWATER TREATMENT COVERAGE

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

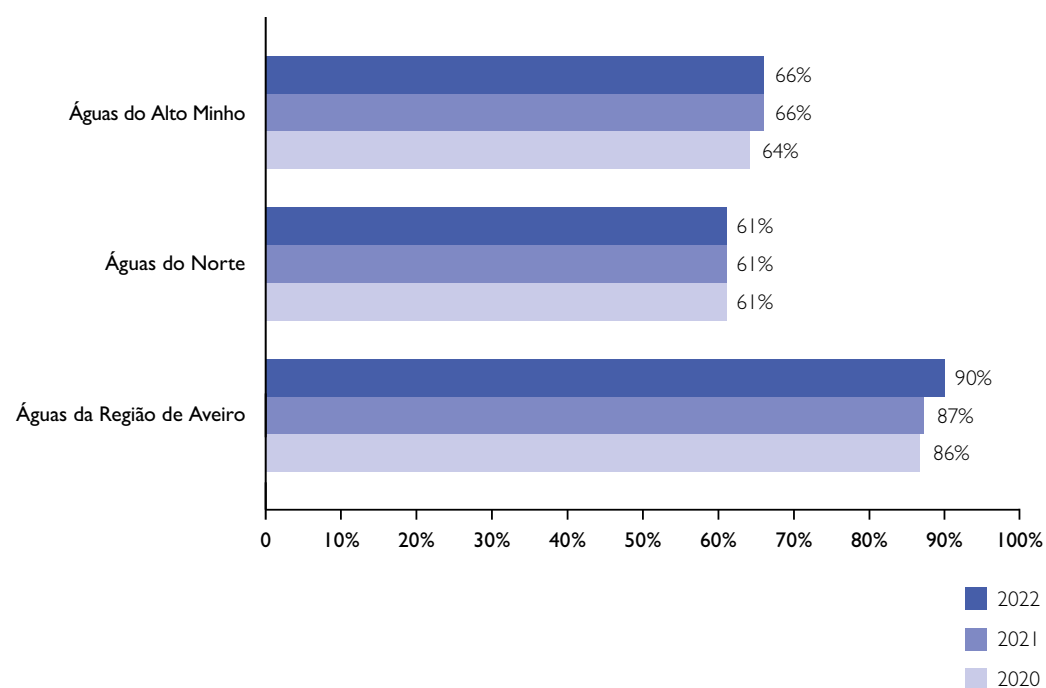
COVERAGE OF RETAIL SUPPLY SERVICE

(%)



COVERAGE OF RETAIL SANITATION SERVICE

(%)



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



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

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

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

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

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

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

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

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

THE H₂O QUALITY APP AVAILABLE IN 10 LANGUAGES QUALITY

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

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

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



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

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



MYAQUA IN THE AdP GROUP

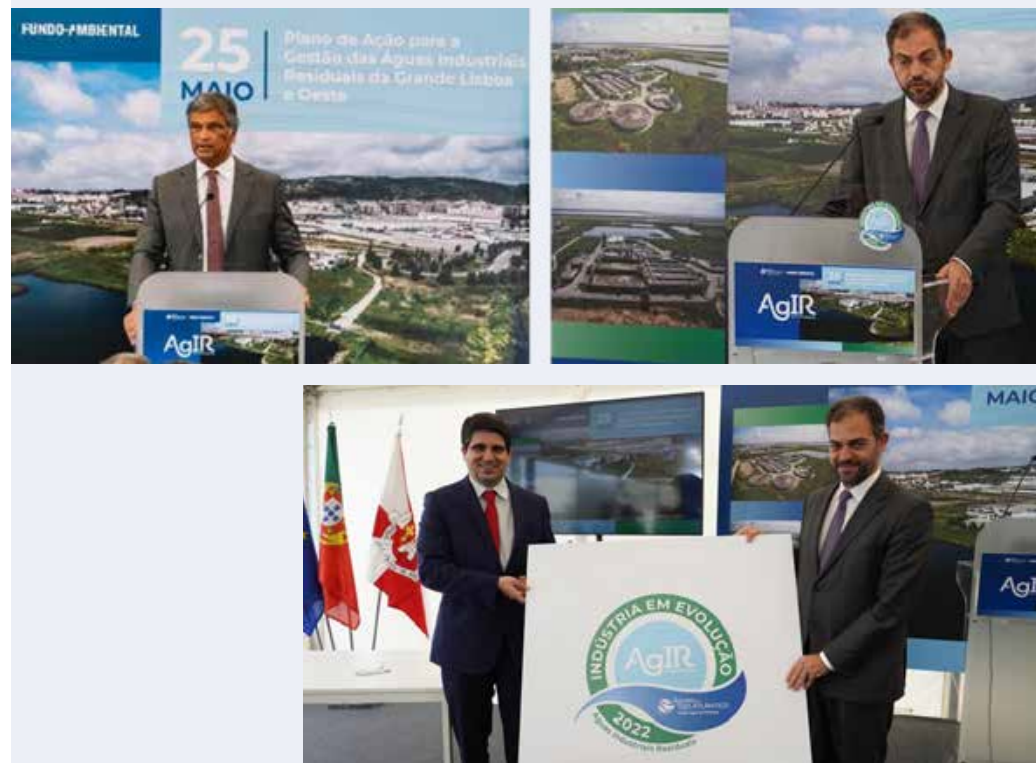
myAQUA® is a free application for smartphones, developed by EPAL, which allows the Customer to consult and manage their contract data, communicate readings according to their preferences, consult water bills, and much more. It also allows access to more than one contract, being able to consult and manage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



PARTNERSHIP BETWEEN AdTA AND MUNICIPALITIES TO ERRADICATE UNDUE INFLOWS

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

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



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

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

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

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

WATER SUPPLY CONTROL AND MONITORING MEASURES

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

99.6%

OF COMPLIANCE WITH
THE WATER CONTROL PARAMETERS
FOR BULK SUPPLY SYSTEMS

99.4%

OF COMPLIANCE WITH
THE WATER CONTROL PARAMETERS
FOR RETAIL SUPPLY SYSTEMS



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

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

98.12%

OF COMPLIANCE WITH
DISCHARGE LICENCES BY
BULK WASTEWATER SYSTEMS

98.24%

OF COMPLIANCE WITH
DISCHARGE LICENCES
BY RETAIL WASTEWATER
SYSTEMS

WASTEWATER SANITATION CONTROL AND MONITORING MEASURES:

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

³⁶ Analyses carried out on infrastructures with discharge permits.



25

HOURS OF RESERVE CAPACITY IN BULK
WATER SUPPLY SYSTEMS

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

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

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

37

HOURS OF RESERVE CAPACITY IN RETAIL
WATER SUPPLY SYSTEMS

53

STRUCTURAL COLLAPSES IN BULK
SANITATION SYSTEMS

38

STRUCTURAL COLLAPSES IN RETAIL
SANITATION SYSTEMS



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

WE PROTECT AND RESTORE BIODIVERSITY AND THE ECOSYSTEMS

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

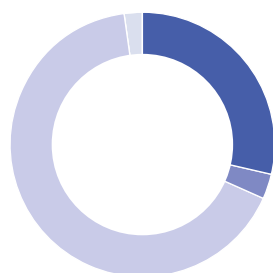
THE AdP GROUP CORE BUSINESS HAS, IN ITS OWN RIGHT, A POSITIVE IMPACT ON THE NATURAL RESOURCE OF WATER, WHICH EVERY LIVING BEING DEPENDS ON

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

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

OCCUPIED PROTECTED AREAS

(%)



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

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



ÓBIDOS BIO-LAGOON PROJECT

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

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



SIMARSUL HIGHLIGHTS WORLD WETLANDS DAY

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

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

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

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

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

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

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

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

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

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

WITH WHOM WE WORK

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

ETHICS AND TRANSPARENCY IN THE SUPPLY CHAIN

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

29

SUPPLIER AUDITS

106

AWARENESS ACTIONS
FOR SUPPLIERS/SERVICE PROVIDERS



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

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

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

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

BCSD PORTUGAL CHARTER OF PRINCIPLES

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



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

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



HUMAN RIGHTS

1st Principle

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

2nd Principle

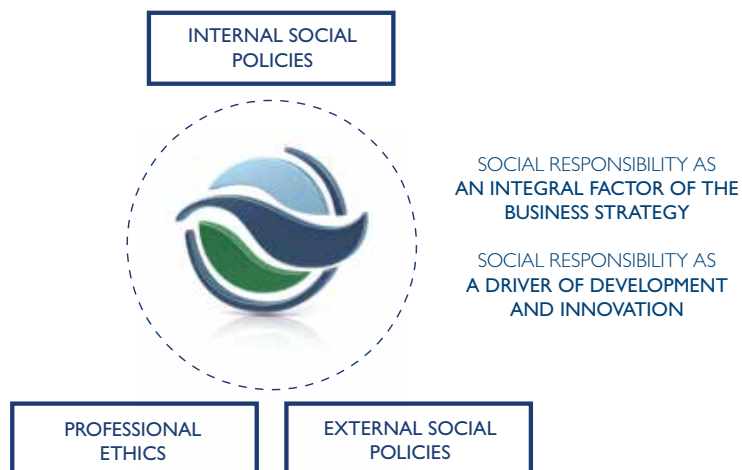
make sure that they are not complicit in human rights abuses.

in "Progress Information on the United Nations Global Pact"

WE HAVE SOLID AND TRANSPARENT RELATIONSHIPS WITH OUR SUPPLIERS.

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

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



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

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

AdP STUDY GRANTS

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

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

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

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



AdP GROUP IS A PARALYMPIC SPORTS PARTNER

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



GIRL MOVE

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



IES - INSTITUTE OF SOCIAL ENTREPRENEURSHIP

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



ENIPSSA - NATIONAL STRATEGY FOR THE INTEGRATION FOR PERSONS FACING HOMELESSNESS

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



DROP BY DROP, WE CHANGE LIVES!

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



WATER WITHOUT BORDERS

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



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

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

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

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

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



CEO GUIDE ON HUMAN RIGHTS

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

THE AdP GROUP AND SDG 17

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



SOCIAL RESPONSIBILITY - CUSTOMERS

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



INTEGRATION INTO SOCIETY



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

ASSOCIATIONS / INSTITUTIONS/ ORGANISATIONS

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

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

3.5 INNOVATING TO IMPACT



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

PILLAR: SERVICE EXCELLENCE & SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

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

GOALS

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



ENVIRONMENT

9th Principle

Encourage the development and diffusion of environmentally friendly technologies.

in "Progress Information on the United Nations Global Pact"



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

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

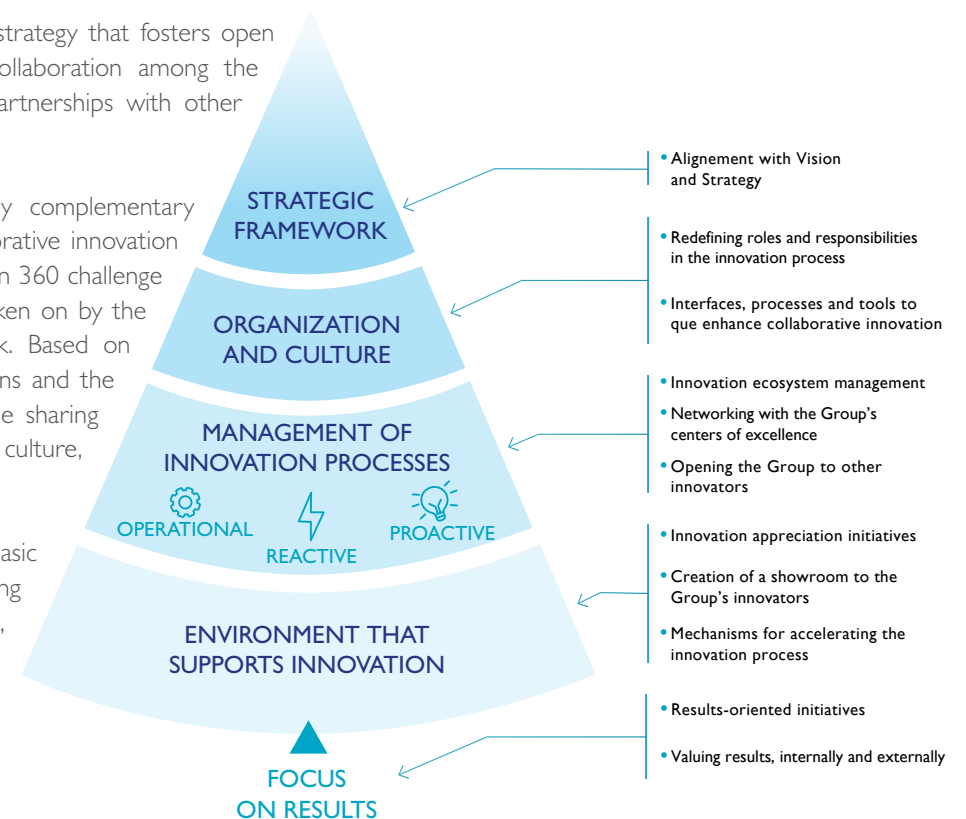
INNOVATION IS THE ANSWER TO THE STRATEGIC CHALLENGES OF THE FUTURE.

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

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

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

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

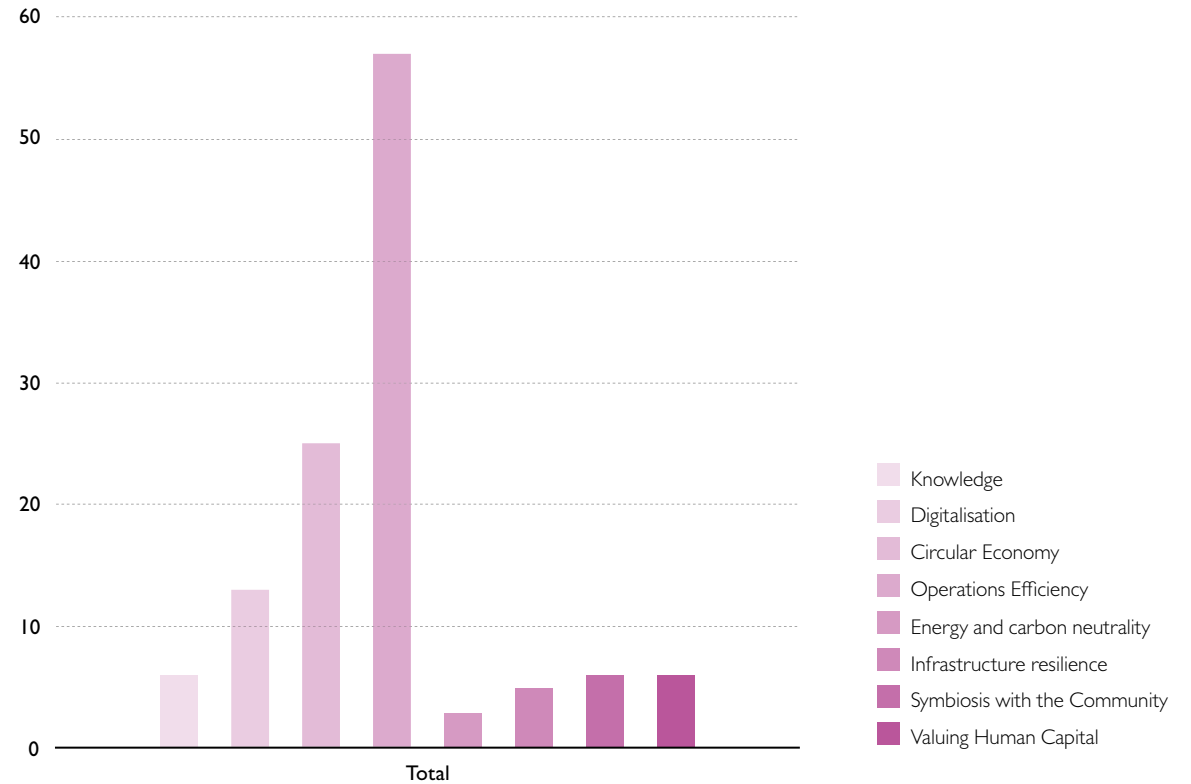


INNOVATION COMBINED WITH THE SUSTAINABLE DEVELOPMENT GOALS PROVIDES THE APPROPRIATE MEANS OF CREATING A RESILIENT AND PROSPEROUS ENVIRONMENT.

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



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



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

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

AdP PROACTIVE INNOVATION TENDER

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



AdP contributed to various projects during 2022.

THE INTERREG ECOVAL AND AdTA

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

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



EPAL AND AdVT PIONEERS IN THE CERTIFICATION OF INFORMATION SYSTEMS

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

GOC - BUDGET AND PROCUREMENT MANAGEMENT

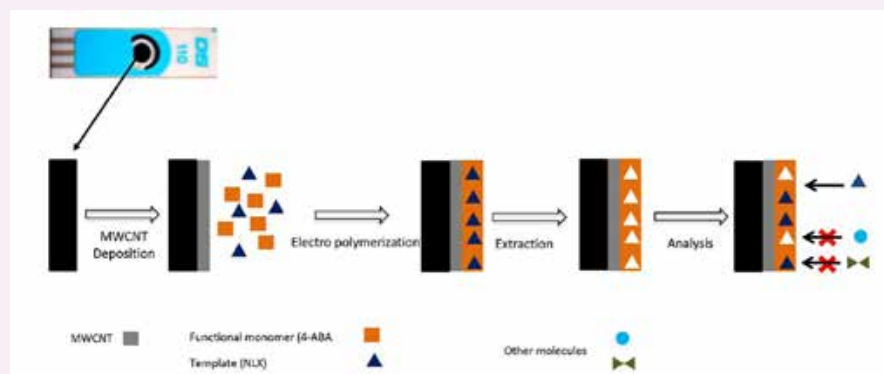
A computer application that controls the budget through commitments, the PAC (Annual Purchasing Plan), the registration of CCP limits per supplier and cash expenses, all in real time. This also interconnects with SAP to compare commitments with invoicing and thereby improves information sharing; online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

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

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

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

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



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

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

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

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



H2DRIVEN

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

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

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

ENGINEERING DAYS

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

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



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

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



THE 2022 PATH OF INNOVATION WAS A SUCCESS!

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

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

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



3.6

ENSURING WATER AND SANITATION ACROSS BORDERS



COOPERATING INTERNATIONALLY TO PROMOTE SUSTAINABLE WATER MANAGEMENT

PILLAR: SOCIAL UTILITY

OBJECTIVES:

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

GOALS

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

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

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

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

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

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

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



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

AdPI PARTNERS WITH ANGOLA

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

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



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

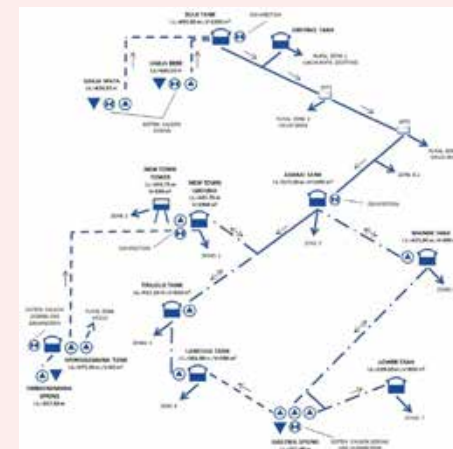
AdPI STUDYING A PILOT CIRCULAR ECONOMY PROJECT IN THE CAPE VERDE URBAN WATER CYCLE

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

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

The next stages in the project are:

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



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

AdPI BEGINS DRAFTING SANITATION MASTER PLANS IN ANGOLA

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

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



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

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

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

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

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

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

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



AdPI IN THE IVORY COAST

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

These projects start in the 2nd quarter of 2023.

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

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



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

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

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



AdPI SUPPORTS THE UTILITIES OF THE FUTURE

Throughout 2022, AdPI maintained its technical support to the World Bank under the "Utilities of the Future - UoF" project set up to promote and implement comprehensive and effective plans to transform and prepare utilities for new and growing challenges and increasingly demanding climate, social and demographic changes.

The concept underlying the UoF involves not only digital transformation and technological modernisation but also new business processes, innovative organisational structures and cultural changes.

In 2022, we would highlight the support provided by AdPI technical staff to two water and sanitation utilities, specifically SEDAPAL - Servicio de Agua Potable y Alcantarillado de Lima (Peru), OTASS - Organismo Técnico de la Administración de los Servicios de Saneamiento (Peru).



AdPI STARTS PROJECT WORK IN GOA

AdPI began its activities in Goa in 2022 with the Technical Assistance to the Public Works Department-PWD – the Operational Efficiency of Goan Water Systems project. The objective is to strengthen the efficiency of Goa's main WTP, support the design of wastewater treatment systems as well as bringing about a reduction in manganese in another WTP.

This project follows the signing of the Memorandum of Understanding (MoU) for Technical Cooperation, between the Government of Goa (through the Department of Public Works) and the Ministry of Environment of the Portuguese Republic (through Águas de Portugal) on September 29, 2018, having started in December 2022, after an almost two-year suspension due to the COVID 19 Pandemic.

AdPI IN COOPERATION WITH BRAZIL

AdPI signed technical cooperation protocols with the Associação Pró-Gestão das Águas da Bacia Hidrográfica do Rio Paraíba do Sul and the Comité das Bacias Hidrográficas dos Rios Guandu, da Guarda e Guandu-Mirim, in Brazil, both with the objective of sharing experiences and know-how in the areas of wastewater treatment, reutilisation, energy and technical training.

The protocol provides for technical meetings to share best practices already implemented in AdP Group companies in the identified areas, as well as training sessions for Brazilian municipal technicians.

The protocol was signed during a visit to Portugal by a delegation from these companies to take part in the Oceans Conference.



CONFEDERACIÓN ANDINA DE FOMENTO VISIT PORTUGALL

AdPI hosted the Confederación Andina de Fomento (CAF), and together made several technical tours of the AdP Group's supply and sanitation infrastructures, in particular the Guia WWTP, the Alcântara WWTP and the Mãe Água Reservoir.

In partnership with the PPA – the Portuguese Water Partnership - a workshop was held on AdP's premises attended by several Portuguese companies in the sector.



3.7

EDUCATING FOR SUSTAINABILITY



TO BE A BENCHMARK ACTOR IN EDUCATION FOR SUSTAINABLE DEVELOPMENT.

PILLAR: SOCIAL UTILITY & GROUP CULTURE

OBJECTIVES:

- Promote education for sustainable development
- Promote the rational usage of water and the consumption of tap water
- Promote the sustainable usage of the sanitation network
- Encourage the usage of ApR
- Promote the circular economy and energy neutrality
- Promote Innovation

GOALS

- Draft a strategic plan for education for sustainable development
- > 1,000 visits to facilities/year and > 40,000 visitors/year
- 1 national campaign/year
- 1 national campaign/year
- 1 national campaign/year featuring good examples of green spaces and industrial and commercial activities and even the best practices for water use at home
- Promote best practices, such as sustainable energy usage, new products and materials produced from WTP and WWTP by-products as well as new organic bio-fertilisers raising the visibility of Group activities in society
- Campaign focused on the population and stakeholders featuring best practices in innovative processes, products and service developed and commercialised by the AdP Group

WE PROMOTE EDUCATION FOR SUSTAINABLE DEVELOPMENT, ENCOURAGING MORE SUSTAINABLE BEHAVIOUR IN THE CONSUMPTION AND USAGE OF ESSENTIAL WATER AND SANITATION SERVICES.

WE PROMOTE THE SUSTAINABLE USAGE OF ESSENTIAL WATER AND SANITATION SERVICES

Education for sustainability is a transversal strategic initiative of the Águas de Portugal Group with the objective of actively contributing towards implementing activities strongly oriented towards more aware environmental education in order to begin to be able to nurture the adoption of more sustainable behaviours as regards the value of water as a scarce resource and essential to life and every facet of human activities. Raising environmental awareness spans an increasingly large scope, ranging from wastage of network supplied water; the undue disposal of waste (the wastewater treatment plants annually remove thousands of tons of waste disposed of through the domestic sanitation networks and equipment and in addition to the large quantities that are not retained in the wastewater transport and treatment systems and end up in the watercourses and oceans).

Group companies maintain close relationships and partnerships with local communities, fostering and raising the population's awareness of the importance of the sustainable usage of water and sanitation services. The more sustainable people's attitudes towards water usage are, the more efficient the AdP Group's activities will become. Awareness of the role that each and every one of us plays in the various phases of the urban water cycle will enable effective changes in behaviour.

The Group has played a preponderant role in environment focused awareness campaigns across diverse target publics. These have conveyed the rational usage of water supply, avoiding waste and the appropriate disposal of urban wastewaters. These actions, whether individually developed or in partnership (municipalities, associations and other entities), have had strong national impacts.

As regards raising the environmental awareness among the active and retired populations, this aims to transmit the values associated with best practices that enable environmental and economic sustainability with positive and clear consequences for the quality of life prevailing.

THE 360° WATER CENTRE

The 360° Water Environmental Education Centre was set up with the aim of pursuing the National Environmental Education Strategy, in particular the guiding principles and thematic axes: Decarbonising Society, Building the Circular Economy and Enhancing the Territory and is correspondingly dedicated to raising awareness through the different activities developed that focus on the value of water across its different dimensions as well as loaning various educational materials incorporating the latest generation of technology that has itself emerged as a multiplier of message and information by modern and technologically advanced methods. Hence, technological innovation constitutes the main vehicle for learning and fun, with deeply engaging activities for visitors structured around the water cycle and environmental values and disseminating the role of water (SDG6) in the sustainable development goals.

Through an application that runs on a mobile phone inserted into 3D glasses, visits fully incorporate virtual reality in a detailed approach conveying (online) the physical space of the main water infrastructures (WWTP and WTP), ensuring visitors receive a truly immersive experience, without ever leaving the Centre. This trip is accompanied by an explanation that emphasises environmental preservation and sustainability as well as appealing to individual sensitivity regarding the unique and exhaustible good that is water and its preservation.



ENVIRONMENT

8th Principle

Undertake initiatives to promote greater environmental responsibility; and

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

WE WANT TO HIGHLIGHT THE VALUE OF WATER, THE MANAGEMENT OF THE URBAN WATER CYCLE AND THE IMPACT THAT GROUP ACTIVITIES HAVE ON THE CONSERVATION OF WATER BODIES.

THE NATIONAL AQUAQUIZ COMPETITION RETURNED IN 2022

In 2022, the AQUAQUIZ, a game developed by the Águas de Portugal Group to promote knowledge and awareness of the value of water, went into its 3rd edition.

Designed to be played in classroom environments in a "Virtual Board" format, the AQUAQUIZ consists of a quiz with questions on the different dimensions of water, covering subjects on the syllabus of two teaching cycles grouped into four categories: Blue Planet, Aqua Lab, Water Factories and Efficient Usage.

The virtual board game can be played face-to-face, in a classroom or family environment, or remotely, in groups of two to five people.

Since its launch on 1 February 2019, AQUAQUIZ has recorded more than 6,000 users and around 600 schools. To date, more than 45,000 games (133,021 board games and 18,679 battles) have been played.

Co-funded by the Environmental Fund under the National Strategy for Environmental Education, the AQUAQUIZ game is one of the tools made available to teachers and educational communities by the Águas de Portugal Group in order to support the development of participatory, creative and dynamic teaching practices that nurture the value of water within the context of the Sustainable Development Goals (SDGs).

The game remains available at www.aquaquiz.pt (in the board format) for anyone wishing to test their knowledge about water.



AQUAQUIZ GAME ARRIVES IN MOZAMBIQUE (2022)

In 2022, and with the objective of educating for sustainability across borders, the following challenge arose:

How can a game promote the sustainable usage of water and better hygiene habits?

It was to answer this question that we agreed to participate in this year's edition of CHANGEMAKER LAB, a Girl Move Academy initiative. Four young Mozambican women collected information in the field about the knowledge and habits of the children involved in the project and their communities regarding water and sanitation. Once the gaps had been identified, the next step was to adapt the AQUAQUIZ to the local reality so that it could be played in schools and contribute to increasing student knowledge about water while promoting good practices that protect both this resource and public health.



THE CONTINUED INITIATIVES OF THE AdP GROUP, ESSENTIALLY THROUGH ITS COMPANIES, BROUGHT TOGETHER SCHOOL AGE POPULATIONS, THE FUTURE OPINION MAKERS, WITH THE OBJECTIVE OF LEVERAGING CHANGE FOR A BETTER WORLD.

GREEN AWARDS (PRÉMIOS VERDES) TO CELEBRATE THE ENVIRONMENT

In order to promote the recognition and dissemination of best practices and examples of excellence, initiatives representing valuable contributions to ensuring the environment and sustainable development, Visão Magazine launched the Green Awards (Prémios Verdes) in partnership with the Águas de Portugal Group.

Out of more than 150 applications to the 10 categories, the jury distinguished a total of 25 actions, technologies, initiatives and personalities, before delivering 11 awards and 14 honourable mentions.

The award ceremony was held at the Alcântara Water Factory, a landmark infrastructure in the city of Lisbon, with a green roof unique in Europe that is an example of ecological sustainability and sustainable irrigation and itself awarded the 2013 Valmor Prize.

In addition to the many personalities who stand out in the area of environment and sustainability, the session was attended by the Minister for the Environment and Climate Action, Duarte Cordeiro, the Mayor of Lisbon, Carlos Moedas, and also received a message from the President of the Republic, Marcelo Rebelo de Sousa.



LET'S TURN THE TAP ON DROUGHT

With the appeal "Let's turn the tap on drought", the Águas de Portugal Group and the Portuguese Environment Agency, in partnership with the Water and Waste Services Regulatory Authority and with funding from the Ministry of Environment and Climate Action's Environment Fund, launched a communications campaign aimed at promoting the reduction of consumption and the efficient usage of water within the drought context experienced in Portugal.

Exploring the concept of "time", the multi-media campaign reinforces how tap left running for one minute can consume up to 12 litres of water, enough to guarantee the basic daily needs of 1 million citizens.

"One minute a day, let's turn the tap on drought" represents the main slogan appealing for awareness conveyed through outdoor billboards, press, digital and social networks.

This awareness campaign comes within the framework of measures set out in the Prevention, Monitoring and Contingency Plan for Drought Situations approved by the Permanent Commission for the Prevention, Monitoring and Follow-up of the Effects of Drought.

**Não controlamos o tempo
que faz, mas podemos
controlar o que fazemos
com o tempo.**



**Um minuto por
dia, vamos fechar
a torneira à seca.**



THE AdP GROUP SUBSCRIBES TO THE SUSTAINABLE OCEAN PRINCIPLES

The AdP Group became a signatory member of the United Nations Global Compact Sustainable Ocean Principles in 2022. Contributing to substantial improvements in the quality of water returned to the waterways reflect a goal constantly pursued across the Group, especially in the sanitation sector. Hence, we held no hesitations over signing up to the United Nations Sustainable Ocean Principles, joining the group of 150 companies worldwide that committed to assessing their impact on the ocean and integrating ocean sustainability into their overall strategy. The commitment made by the AdP Group demonstrates its willingness to support SDG 14.

The world depends on a healthy, productive and resilient ocean to ensure food security, climate mitigation and economic livelihoods. Climate change, overfishing, pollution and unsustainable and uneven development are undermining the health of our oceans and seas.



HUMAN INGENUITY AND ENERGY AT THE 2022 SOCIAL RESPONSIBILITY WEEK

The 17th edition of the Social Responsibility Week, run by APEE – the Portuguese Association for Business Ethics and the UN Global Compact Network Portugal, took as its theme "Human Ingenuity & Energy", based on human ingenuity in the different areas of sustainability, technological development and in the progress of renewable energies, with a growing focus on self-consumption and cogeneration.

The AdP Group commemorated the event at its facilities by highlighting the 17 Sustainable Development Goals which water is fundamental to achieving.

We also presented an exhibition by the artist Nuno Antunes with his SeaArt project transforming the rubbish he collects at sea and on beaches both into objects that come to life again and into very special photographs.



**FOSTERING A CHANGE IN ATTITUDES AND BEHAVIOURS TOWARDS
THE ENVIRONMENT WILL BRING ABOUT A SOCIETY BETTER
PREPARED FOR AWARE, DYNAMIC AND INFORMED CITIZENSHIP AS
REGARDS THE CURRENT ENVIRONMENTAL PROBLEMS.**

CAMPAIGN CHALLENGE: HOW MUCH WATER CAN YOU SAVE? ÁGUAS DO ALGARVE

Águas do Algarve launched a new community challenge in the format of a Glory Game that seeks to raise awareness among families (especially their youngest members) over the importance of rationally consuming water under the title "How much can you save?".

Through this initiative, Águas do Algarve highlighted Water Monitoring Day, held on September 18.

This "How much can you save?" challenge represents one dimension to the social and environmental responsibility project "Water Challenge - Saving Without Borders", which began this year and seeks to raise awareness, especially among young people in the 1st to 3rd cycle of schooling of the importance of valuing water.



ÁGUAS DO NORTE PROMOTES THE EE PAINTING OF CEPÃES, ESPOSENDE

This activity falls under the auspices of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, a commitment made by Esposende Ambiente, Águas do Norte and Esposende City Council.



ÁGUA DO CENTRO LITORAL AND COLORADD IMPLEMENT UNIVERSAL COLOUR CODING FOR COLOUR BLIND PEOPLE ON RIVER BEACHES.

In this bathing season, Águas do Centro Litoral (AdCL) joined the European Blue Flag Association (ABAE) and the Municipalities of Arganil, Cantanhede, Góis and Lousã to participate in the traditional ceremony of raising the Blue Flag and Accessible Beach flags. This year, the meetings were marked by the arrival of a new flag on the river beaches of these municipalities: the ColorAdd insignia.

The occasion gained in significance when considering these were the first Portuguese river beaches to receive the ColorAdd project, which implements a system of colour identification symbols on the flags for the colour blind.

This seal of quality and accessibility is signalled at the entrances to the beaches, where the project's institutional flag can be found. ColorAdd equipment - flags and stickers for Ecopoints - were donated by Águas do Centro Litoral to the five municipalities that accepted AdCL's challenge and also joined this project.

These municipalities, Arganil, Cantanhede (which has implemented the ColorAdd code since 2018), Góis, Lousã and Marinha Grande joined this project, positioning their beaches as more accessible and inclusive spaces, with a total of 18 beaches receiving the ColorAdd colour blind identification system.



EPAL PROMOTES A CAMPAIGN TO PUBLICISE THE VALUE OF WATER IN RESTAURANTS

EPAL and Zomato established a partnership to communicate the value of tap water to the community.

In 2022, the partnership focused on the digital and social media. To mark World Water Day, a giveaway campaign was launched on Zomato's Instagram page, which received an excellent response from the public. Later, a new campaign took place via Zomato's e-newsletters, this time raising awareness about the efficient usage of water, with tips from the campaign "Let's Turn the Tap on Drought".



AdRA AND BANCO ALIMENTAR: UNITED AGAINST HUNGER

Under the motto "Better for the Customer, Better for the Environment and Better for the Community", AdRA joined the Banco Alimentar, challenging its customers to join the Digital Invoice and AdRAnet (online Digital Counter) donating €0.50/ subscription to the Banco Alimentar - Aveiro. By subscribing to these more comfortable, paperless and convenient services, customers are contributing, at no cost to themselves, to the fight against Hunger and to preserve the environment. The result of this wave of solidarity benefited the region's social solidarity institutions that work with this institution and the community.

AdRA Customers enthusiastically joined this initiative. More than 8,000 families in our district joined the initiative, with €4,300 donated to Banco Alimentar - Aveiro.



OPORTO FIRE SERVICE VISIT THE LEVER WTP

A group of about 40 recruits from the Oporto Fire Brigade visited the Lever Water Treatment Plant. The recruits and other personnel had the opportunity to watch AdDP technicians explaining the treatment process at the Lever Water Treatment Plant and the water quality control processes ongoing in the Laboratory. This visit represents one component in the Internal Training Course for Fire Service Recruits and strengthens the skills of these professionals in the protection of people, goods and the environment across the municipality of Oporto. Given that the Lever WTP is the infrastructure supplying the city of Oporto, the Fire Brigade began integrating this visit into the curricular unit of "Water Sources and Sources of Water" to provide recruits with greater knowledge about the water supply.



AdSA COMMEMORATES WORLD ENVIRONMENTAL EDUCATION DAY SIMULTANEOUSLY WITH WORLD WETLANDS DAY

The simultaneous celebration of World Environment Education Day and World Wetlands Day took place through a joint action with Águas de Santo André (AdSA) and Quercus, under the Cooperation Protocol, through the planting of trees in one of AdSA's facilities (Santo André Pumping Station) and supported by a young audience, children from the 1st cycle of Santo André Primary School No. 2. This action received fundamental support from its partners, the Santo André Fire Brigade and ICNF.

EPAL FOSTERING SUSTAINABLE IN HOTEL ACTIVITIES

EPAL and Hotel Double Tree by Hilton Lisbon - Fontana Park joined forces to save water and enhance sustainability.

In celebration of National Water Day, an awareness campaign focused on environmental sustainability took place at the Hotel DoubleTree by Hilton Lisbon - Fontana Park, which offered guests a personalized EPAL bar of soap with the engraving "I save tap water", a bookmark and a card inviting them to "Tea Time", with a teabag, a recipe and tips for drinking more water from the tap.

The guests expressed their appreciation for the concern of EPAL and the Hilton chain in raising awareness over water saving and safety in tap water consumption. On their return home, guests took with them a reminder of the universality of the water saving message.



THE MUSEUM OF WATER EDUCATION SERVICE IN 2022

The initiatives and actions undertaken by the Water Museum - Education Service aimed at different types of public and returned a positive impact on valuing and safeguarding cultural heritage as well as promoting the 2030 Agenda for Sustainable Development, contributing to SDG4, SDG11 and SDG13.

- 111 506 Visitors received;
- 11 173 Students visited the museum;
- 13 500 Students covered by the external program activities - "Museum out of doors" - holding seminars, exhibitions and awareness-raising activities associated with water education, environmental education and heritage education.
- 840 Guided tours involving 18 173 visitors;
- 7 Temporary exhibitions;
- 3 Travelling Exhibitions - "Water and the SDGs" - 15 travelling exhibitions; "Water for All" - 5 travelling exhibitions; "Aqueducts of Portugal" - 8 travelling exhibitions;
- 15 New thematic guided tours;

The Water Museum - Centre for Historical and Technical Documentation (MDA-CDHT) contributed to the development of SDG6, SDG9 and SDG11 through cooperating with the efficient management of the supply and sanitation infrastructural systems and enabling the

reusage of documents in projects related to energy and environmental sustainability, participating in the performance of innovation, infrastructure resilience and sustainability operations by Group companies.

The international presence of the Water Museum, carried out through two projects, allowed for contributing to the safeguarding of world heritage (SDG11, goal 11.4) and enabled the sharing of knowledge, research and dissemination of world water heritage:

- Production of a study and historical and heritage consultancy for the musealisation project of the Historic Aqueduct of Genoa, Italy: development of the musealisation program, and associated museographies, for the historic aqueduct of the city of Genoa (partnership with the Municipality of Genoa, Genoa University, Liguria Fine Arts Secretariat and private associations);
- Participation in the global digital exhibition "I remember Water" - Between past and future water management: memories of our relationship with water, the Global Network of Water Museums (WAMU-NET), presented at the United Nations World Water Conference.



AgdA SUPPORTED THE HANDBALL SUPER CUP FINAL

On the 10th and 11th of September, the Final Four of the Men's Handball Super Cup, which took place in Serpa, was supported by AgdA - Águas Públicas do Alentejo. AgdA took its drinking fountain to the Pavilion and distributed canteens to the players and work teams. The Municipality of Serpa and the Portuguese Handball Federation joined forces with the "Let's Close the Drought Tap" campaign and during breaks in the games it was possible to listen to the campaign's radio spot.



THERE'S ART IN THE WATER FACTORIES - AdTA

An external communication project deploying urban art that, in an irreverent and original approach, raises awareness about a poorly-visible activity but an essential wastewater treatment service with a positive impact on the environment and public health. This urban art project, with mural paintings, included the Monte Estoril, Paço de Arcos and Conde de Óbidos Choupal Pumping Stations and the Torres Vedras Waterworks (Varatojo), the last two integrated into the Rio Sizandro Eco Path.



AdP GROUP COMPANIES SUPPORT MOVIMENTO S

Water is fundamental to our health and well-being!

In 2022, AdP Group companies supported Movimento S, an initiative launched to combat childhood obesity and that seeks to build a chain capable of mobilising children, parents and teachers to adopt healthy lifestyles by changing their eating habits and including physical exercise in their routines, with drinking tap water and good environmental practices playing fundamental roles.

Movimento S involves four major initiatives: a film, a TV program with several episodes and a national road show with activities both in schools and among the general population. The AdP Group was present and supported these initiatives both as a specialist in water for human consumption and sanitation and also addressing relevant issues related to the circular economy and the preservation of water resources and biodiversity.



Lisbon, 10 May 2023

The Board of Directors,



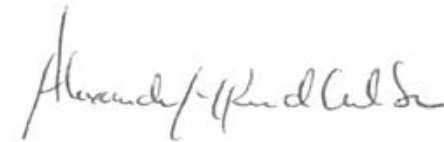
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Jaime Serrão Andrez,
em representação da Parpública, SGPS, S.A.
Non- Executive Director

