

# Message from the CEO

As leaders, our ambition is to expand, strengthen and diversify the value we generate. Driven by this ambition, we started the transformation of BRK Ambiental, three years ago, with the objective of building a company with “ESG Management”. The acronym identifies companies that adopt the best practices in relation to the environment, society and shareholders and capital providers (Governance).

Our business has an important social impact on the populations served, through the universalization of water and sewage services. The reduction of waterborne diseases, especially in early childhood and, consequently, of school absenteeism, is one of the greatest examples.

Present in more than a hundred Brazilian municipalities, we have structured a social investment platform with high impact projects. Projects that are replicated nationally, promoting local development, with special attention to women, who are the most affected by the lack of sanitation, as demonstrated in our research **“Women and Sanitation”**.

In this way, we seek alignment with the actions of the Global Compact, of the United Nations (UN) – of which we have been signatory since 2017, with universal principles that strengthen human rights and the fight against corruption, degrading work and environmental destruction . We have also been committed, since 2018, to initiatives such as the Women's Empowerment Principles (WEPs), focused on promoting gender equality and diversity.

In addition, we generate positive environmental externalities, such as the preservation of water sources, the correct disposal of effluents in water bodies and the rational use of this natural resource. The program to combat water loss is an example. Brazil has an average water loss of 40%; in Japan, this rate is around 7%. We also seek to reduce greenhouse gas emissions, mainly from the treatment of effluents. We have a project to explore opportunities considering carbon pricing and emissions reduction.



We have therefore developed an integrated view of the risks, opportunities and impacts of our operations, so that the company is perceived by our employees and by society as a lever for the country's sustainable development.

As a privately held company in the sanitation sector with an investment expansion agenda, we base our ESG strategy on being a reference for investors in generating sustainable value.

For this, we seek to build solid corporate governance processes and policies, reorganize the corporate management structure, and create a sustainability program that promotes the formation of partnerships for the benefit of communities. We have established a compliance program and trained our employees in ethical practices and conduct. Since 2018, we are a SOX Compliant company. As a result of these improvements and the consistent delivery of results, BRK Ambiental's corporate rating grew by 4 notches when compared to 2017.

The importance of investing in basic sanitation was made even more evident by the challenges brought about by the COVID-19 pandemic. The frequent need for personal hygiene, such as washing hands, contrasts with the reality of 35 million Brazilians without access to water. With another 100 million without access to sanitary sewage, with tons of daily raw sewage being discharged into rivers and springs, a real environmental and social disaster is taking shape. In view of this challenge, it is essential to have companies that have

## **COVID-19 highlighted the importance of basic sanitation for people's health and quality of life. Our ambition is to go beyond these direct benefits and be a company recognized for driving broad and unrestricted sustainable development**



the ESG strategy at the center of their business decisions, with a long-term vision and sensitive to the global objectives of sustainable development.

In this decade that begins, companies will have to develop strategies to face the new challenges imposed by an agenda in which climate change tests the resilience of operations, investors seek the best relationship between risk, return, social impact and with new generations demand a new development model based on the Sustainable Development Goals (SDGs).

Our strategy is in line with this new scenario, and the information presented in this report reflects how much we are integrated with this agenda.

Good reading.

**Teresa Vernaglia**  
**CEO of BRK Ambiental**