

Social Development

Access to water and sewage is an essential and fundamental right for human dignity, recognized by the United Nations (UN) in 2010. Respect for human rights is at the basis of the relationships we build with all our audiences and, for this reason, we seek to value and strengthen them throughout our value chain.

Our work is based on the Universal Declaration of Human Rights, and we have a priority commitment to diversity and inclusion. We believe that "all human beings are born free and equal in dignity and rights", as written in article 1 of the document proclaimed by the United Nations General Assembly in 1948.

We don't accept any act of discrimination or any other kind of behavior that confronts human dignity. This includes the prohibition of practices that amount to labor analogous to slavery, the use of child labor or any other degrading form of work in our company and among our suppliers.



Diversity and Inclusion

The promotion of diversity and inclusion in our company is a priority that materializes in practical actions on a daily basis, building and strengthening a culture of integration and respect among people. **The DiversifiK Program** is strategic to ensure the broad visibility of the topic in our ESG agenda and its insertion in decision-making and governance processes.

The DiversifiK Program has its own executive committee, led by the CEO and made up of directors and other company leaders. The board follows up on the activities developed by the four thematic work groups, formed by two leaders and six members (all employees of our company), which are dedicated to formatting projects and actions that increasingly expand diversity and inclusion among our team.

Photo taken before the start of the Covid-19 pandemic



Some goals of the **DiversifiK** Program



Gender

Having 40% of women in leadership positions and 30% of women in the workforce by 2024



Race

Achieve 56% hiring of black candidates among corporate internship positions by 2021



LGBTQ+

Position the company as a reference in its commitment to LGBTQ+ causes by 2023



PwDs

Fill 5% of the company's global vacancies with persons with disabilities by 2025

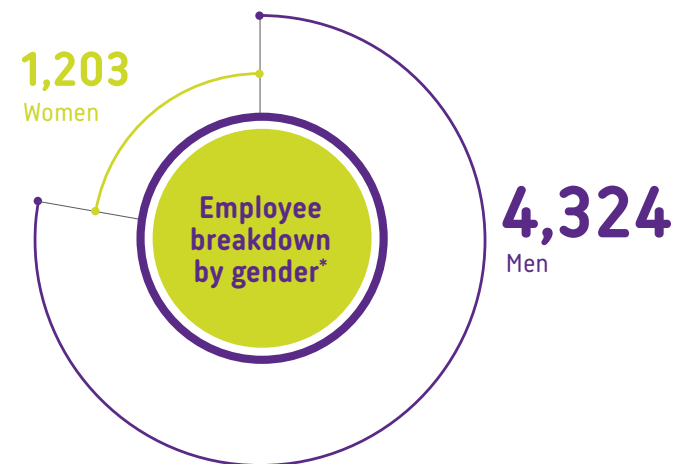
Throughout the year, the DiversifiK Program develops initiatives to broaden discussions about diversity and inclusion, taking advantage of existing communication channels and platforms. In addition, the working groups contribute to the definition of goals to be reached in the medium term.

On the gender front, for example, in 2020 we extended maternity leave to 180 days in all company units and continued to align our initiatives with the Women's Empowerment Principles (WEPs), an initiative of UN Women and the Global Compact to encourage organizations to promote gender equality in the workplace.

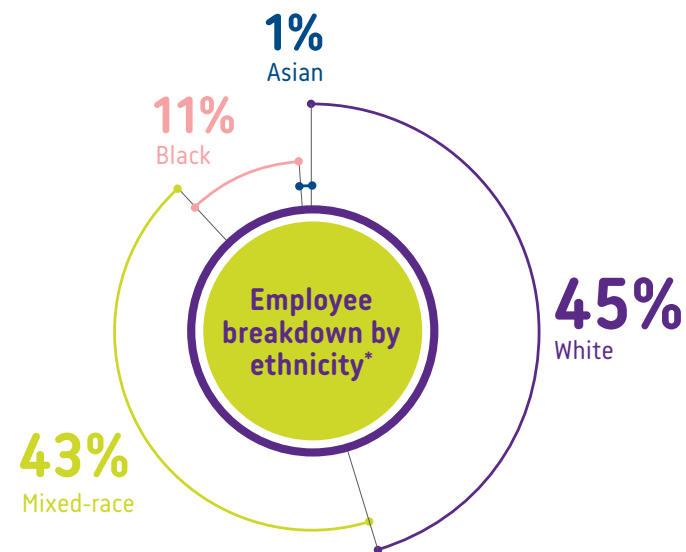
Other outstanding actions carried out in the year were the LIBRAS (brazilian sign language) course for employees and the career acceleration project for black women (Race), conducted in partnership with the Women's Group of Brazil, founded in 2013.

We also joined the "Equity is a Priority" initiative, promoted by the Global Compact and which sets targets to increase the presence of women in top leadership positions in companies. We have assumed the commitment to have at least 30% women in these positions by 2025 (currently they occupy 25% of the leadership staff), aligning our management to contribute to SDG 5 - Gender Equality.

In 2021, we plan to develop a diversity survey among our employees, in order to build an engagement strategy for the Diversity and Inclusion theme. The project involves, among other steps, a quantitative survey and qualitative interviews.



**It only considers employees with a permanent labor contract.*



**It only considers employees with a permanent labor contract. Ethnicity is self-declared: those who identified themselves as indigenous represented 0.09% of the total, and 0.2% of employees did not identify their ethnicity.*



Relationship with communities

The investments we make in social projects are materialized by the business units in the cities where we operate. The Private Social Investment (PSI) strategy follows a common platform, structured from the evaluation of positive social impacts and potential generated by our business model and managed centrally by the Sustainability area, in our corporate headquarters.

In 2020, we allocated a total of R\$7.3 million to encourage and accelerate social development projects. This amount adds up to our company's own investments, financed and coming from fiscal incentive laws.

The projects sponsored through the incentive laws are scheduled to be carried out in 2021, because the pandemic made it difficult to carry out face-to-face actions and interact with local communities.

One of the projects we support is the Juntos ("Together") Program, an action that has been carried out for six years, under the coordination of the NGO Comunitas, to stimulate the improvement of public management through a partnership between the private initiative, the public sector, and civil society. Developed in eight cities in Tocantins, the project has achieved expressive results with fiscal balance actions carried out in conjunction with the local city halls.

The initiatives carried out allowed the recovery of around R\$20 million with short-term actions (quick wins) in the benefited cities. The Program also mapped out another R\$ 190 million that can be recovered with fiscal balancing actions in the public administration at the city level.



Micro-credit offering

The pilot project between BRK Ambiental and Water.org allowed low-income families from Maranhão, Tocantins, and Santa Catarina to reach micro-credit solutions focused on expanding access to quality water and sanitation. A total of R\$2.4 million has been earmarked for the action, still in the pilot phase, benefiting 822 families (almost 2,700 people).

The resources were made available to two financial institutions - one to serve Maranhão and Tocantins, and the other to the city of Caçador (Santa Catarina). Families can get loans between R\$500 and R\$10,000, with special payment terms and lower interest rates.

Thus, families without access to credit in traditional financial institutions can invest in actions to combat leaks, purchase water tanks, build and renovate toilets, and other initiatives that improve the quality of life and the relationship with water and sewage services. Based on the experiences and learnings from the pilot project, we adapted the project throughout 2020 to allow its replication in all other units.

Reinventar ("Reinvent") Project

The Reinventar ("Reinvent") Project is an educational action directed towards the professional training of women as plumbers and hydraulic installers. The initiative benefited a group of 25 women in the city of Recife (Pernambuco) in 2020. In this first group, 3 students were Brazilian and 22 were Venezuelan, who arrived in the country as refugees.

The training course lasted four months and was conducted through virtual (80% of the course load) and face-to-face (20%) classes, following all health protocols to avoid contamination by the new coronavirus.

The project has Foxtime and Senai as partners, in addition to the support of the UN Global Compact, Instituto Aliança, and the State University of Ceará (UECE). The initiative is already designed to be replicated in the other units and benefit more women in other Brazilian states.

Máscara + Renda (Facemasks + Income)

Our company has joined the Máscara + Renda (Facemasks + Income) project, which enables the production of handmade cloth facemasks and promotes income generation for artisans and seamstresses on poorer regions of the city. The resources allocated by BRK Ambiental have had a positive impact on about 90 women in the cities of Araguaína (Tocantins), Limeira, Porto Ferreira, and Santa Gertrudes (São Paulo).

The initiative, conceived by Rede Asta, a social entrepreneurship startup, was supported by several large companies in the country. The resources allocated by our company made it possible to produce 135,000 facemasks - 100% of which were donated to the most socially vulnerable communities.



Participant in the Reinventar ("Reinvent") Project, in Recife

Relationship with suppliers

Our company contributes to a productive chain of great importance for the generation of jobs and income in the communities. Most of our contracting (around 70% of the annual expenses) involves service companies, whose employees work in the maintenance and expansion of the water and sewage collection networks. At the end of 2020, a total of 4,926 contractors were working in our operations.

The enforcement of the Code of Ethical Conduct for Suppliers is therefore fundamental to ensure that human rights, ethics, and respect for people are practiced throughout our business model. In addition to this document, we have established approval processes that evaluate formal documents and public information to ensure the compliance of the companies we hire with applicable laws and regulations.

Since 2019, we have conducted a documentary approval process for suppliers classified as critical to our operations - in this category are companies that provide services and those that sell materials, equipment, and inputs. Through this process we have engaged our suppliers to maintain regulatory compliance throughout the life of their contract with our company.



BRK Ambiental
Rio Claro

441
Women

Distribution of outsourced workers by gender

4,485
Men

In 2020, we implemented a pilot project for the management of outsourced workers in eight units (Blumenau, Limeira, Mairinque, Mauá, Porto Ferreira, Rio Claro, Santa Gertrudes, and Sumaré). In six months of work, we registered a total of 168 contracts on a digital platform, which has several resources to ensure the compliance of the contracts in relation to the collection of contributions and labor obligations. Our goal is to expand the use of this tool to all of the company's other units by the end of 2021.

Another development we carried out last year was the structuring of a model for supplier performance evaluation, which allows the contract managers to formulate and establish action plans for the improvement and development of these strategic partners for the business. Currently, 120 current contracts are already registered and being evaluated according to the parameters and guidelines of our internal rules.

*Sewerage system
implementation works in
Aparecida de Goiânia (GO)*



Supplier Monitoring

All our suppliers must act in accordance with the guidelines and directives of the Code of Ethical Conduct for Suppliers. Every year, by means of our Compliance Program, we carry out an assessment among our suppliers to identify if there are, in the activities developed, risks of corruption, bribery, money laundering, occurrence of child or forced labor, and other occurrences that may compromise the image and reputation of our company.

Before being hired, the companies go through an approval process that includes the application of a questionnaire and the analysis of

public documentation through an online system. In 2020, this due diligence process did not identify any suppliers with a risk of using child labor or practices analogous to slave labor in their operations.

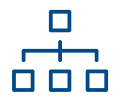
Suppliers whose activities may have a high corruption risk undergo training and other engagement actions to strengthen the guidelines of our Anti-Corruption Program. In addition, our contracts have specific clauses on anti-corruption, anti-money laundering, and prohibition of the use of child labor or degrading labor practices.



Supplier management tools



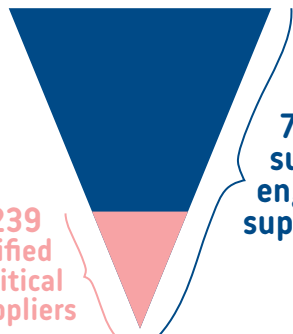
Approval of documents



Third-party management
155 contracts monitored



Performance Evaluation
120 contracts monitored



Approximately 50% are located in the Southeast region

By applying these different tools, we aim to drive our vision of sustainability, ethics, and integrity throughout the supply chain. The involvement and evolution of the contracted companies is a gradual and continuous process, which occurs in such a way as to ensure the company's operations with lower operational risks.

In the medium term, the data and analysis made possible by supplier management and evaluation programs will also support decision making so that the best performing suppliers are recognized and valued. In the same way, we can replace companies that may not have shown interest in adding sustainable value to our business model.