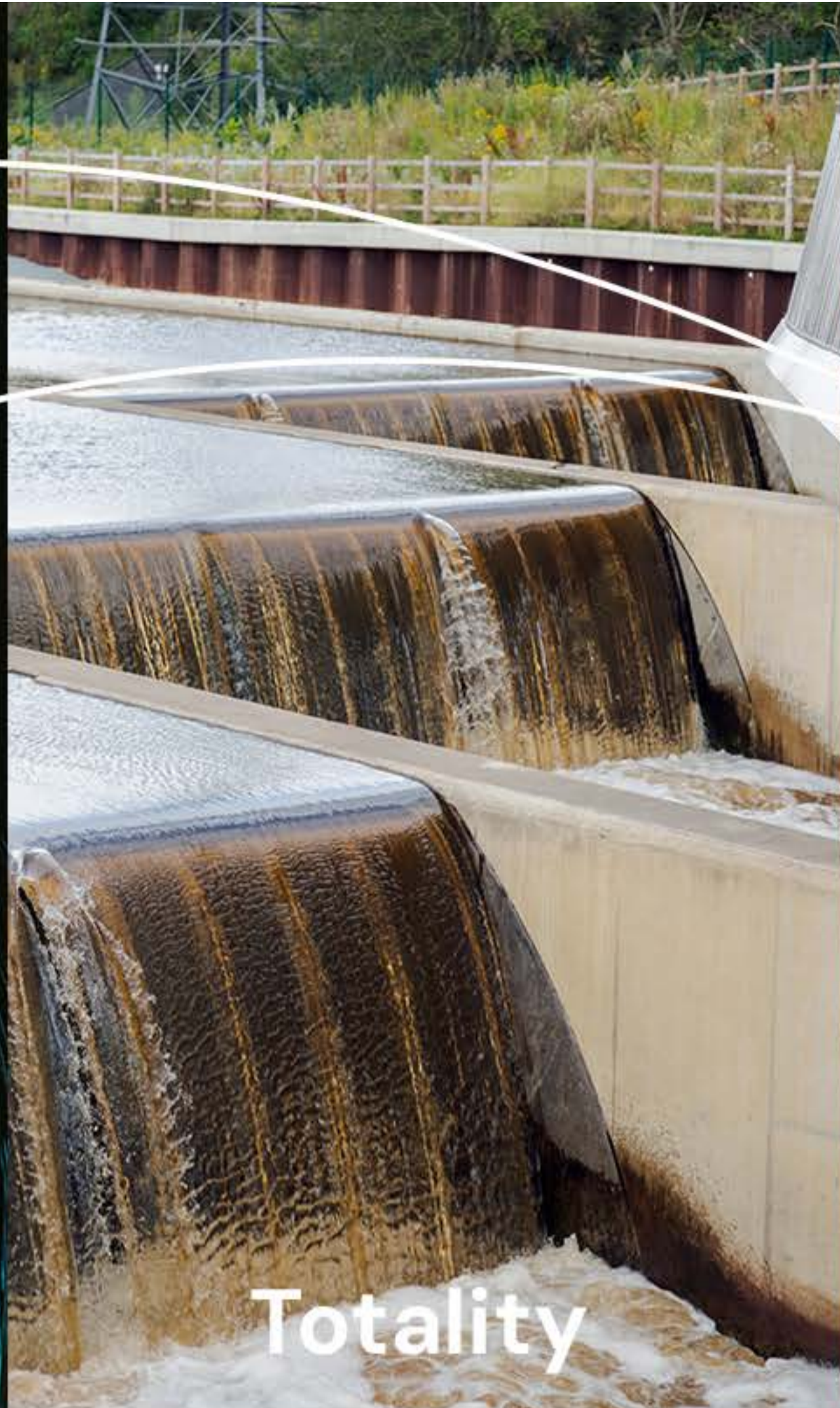




Movement



Totality



Sustainability



Proximity



Sustainability Report 2023

Sustainability Report 2023

Accessible to any citizen who can make complaints anonymously, with a guarantee of independence in the investigations. The progress of the entire process can be monitored by the complainant, through a protocol and password registered on the website.

Questions about the report and its contents can be directed to:

usds@copasa.com.br

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Diretoria de Relacionamento com o Cliente e Regulação
(Customer Relations and Regulation Board)

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(Sustainable Development Unit)

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Belo Horizonte, Minas Gerais, June 2024.

Managing and Generating Transformation

creating,
leading,
inventing

making it happen,
impacting people's lives,
performing with excellence

of water,
of people's lives,
of places it passes through,
of the sanitation history in Brazil
and of the company itself.



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From the point of view of its economic and financial performance, the Company presented a growth of 21.5% in its net revenue from water, sewage and solid waste compared to the previous year, reaching R\$6.53 billion in 2023. Regarding commercial actions, because of efforts to increase the level of collection and debt recovery, the default rate deserves to be highlighted, which again decreased, having reached 2.97% in December 2023, the lowest default rate in the last 7 years.

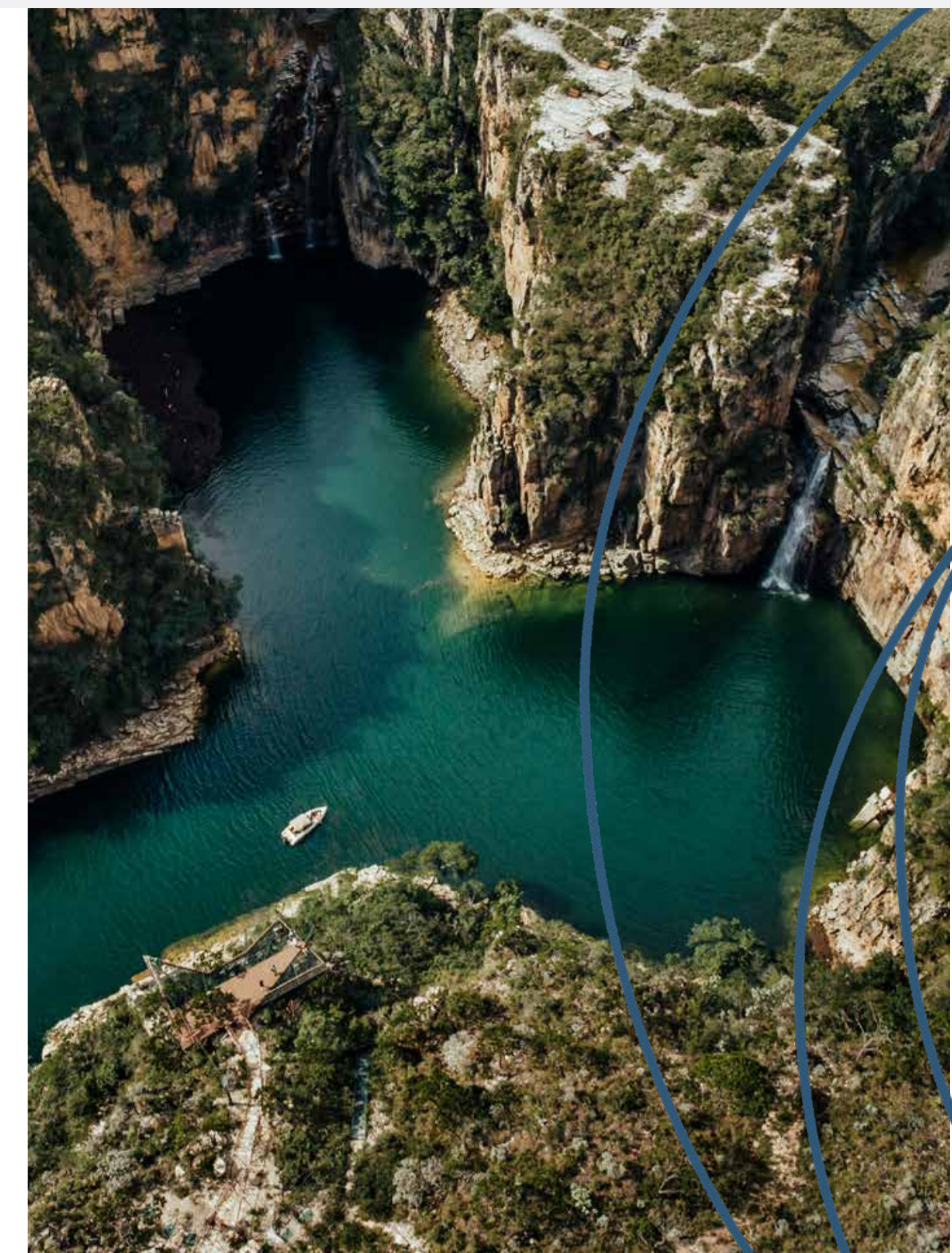
In 2023, Copasa's water service coverage index remained above 99%, higher than that recommended by the New Sanitation Framework, the Company has, therefore, already universalized this service before the 2033 deadline. As for collected and treated sewage, the overall coverage index in the year was 75%, 2.9 p.p. (percentage points) higher than the indicator presented in 2022 (72%). This performance is due to the investment level that continues to grow year after year, with the amount invested in 2023 totaling R\$1.63 billion. For the period from 2024 to 2028, investments in the amount of R\$9.8 billion are planned, to maintain the quality and regularity of services, monitoring population growth and achieving the universalization rates provided for in the regulation within the deadline established for sanitary sewage services.

Aiming to universalize water and sewage services in rural and low-density areas in its concession areas, Copasa launched the *Universaliza Minas* program, in which, 46 of the 100 works already started, were completed by January 2024, benefiting around 24 thousand people.

Regarding its ESG Agenda, the Company has continued its initiatives to ensure management based on sustainable practices. In 2023, Diversity, Inclusion and Sustainability Policies were implemented, in addition to the creation of the corresponding Committees. The sustainable business model adopted by the Company culminated in its inclusion in B3's Corporate Sustainability Index (ISE) portfolio. Copasa continued its initiatives aimed at reducing water losses, innovating with the extension of the performance contract to reduce apparent losses for formal areas, previously restricted to areas of social vulnerability, and with the substantial application of smart water meters.

For the electricity management, the Company began the acquisition, as of June 2023, of electricity incentivized energy – from renewable sources – in the free market for high and medium voltage units. This, in addition to the conventional electricity contracted in the free market since 2022, is expected to reach 51% of the total energy consumed by Copasa in 2024 and generate an expected cost reduction of approximately R\$280 million in 60 months. In addition, the Company has been structuring a project to implement photovoltaic solar plants for remote energy compensation, aiming at reducing costs and greenhouse gas (GHG) emissions.

The Company continued its investments in the preservation and recovery of its micro-watersheds, through the *Programa Pró-Mananciais* (Pro-Springs Program), whose invested amount reached, in 2023, R\$ 39.7 million, with approximately 35 thousand tree seedlings planted and 696.5 thousand meters of fences to protect built permanent protection areas (PPAs).



Capitólio, Minas Gerais

Message from the Administration

GRI 2-22

Copasa's social activities are ruled by the *Licença Social para Operar* (Social License to Operate), based on the guidelines of the Sustainability Policy and on the commitments that are part of the Company's ESG Agenda, in addition to being implemented through the development of actions planned in the programs *Engajar para Transformar* (Engage to Transform) and *Voluntariado Corporativo* (Corporate Volunteering).

In this context, projects focused on social and environmental development and on the generation of value for the Company are developed. This scope also includes the promotion of cultural, artistic, sports and social projects throughout the state of Minas Gerais.

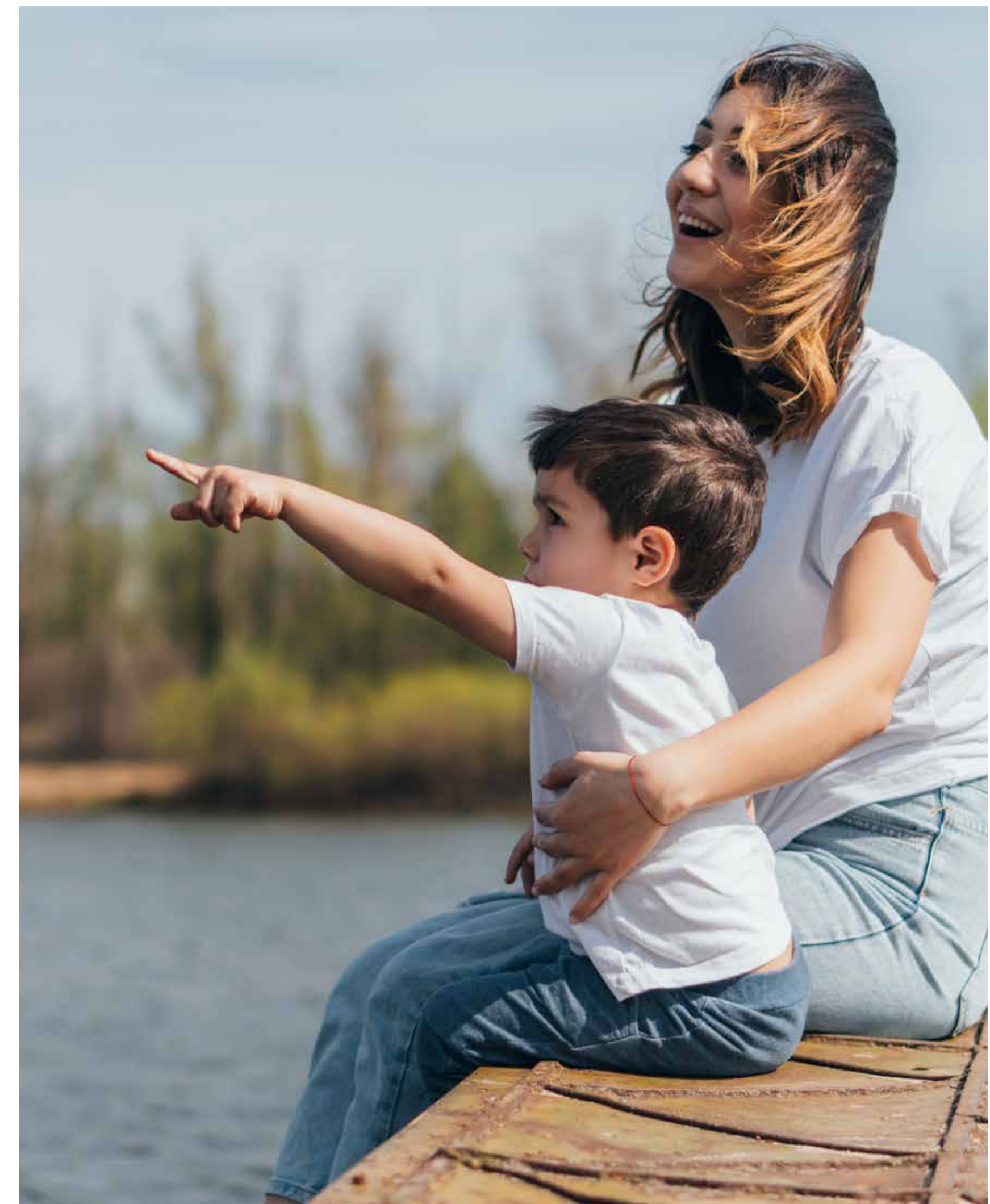
The Company's core values are the health and safety of its employees and, in this regard, in 2023, it achieved a 14% reduction in lost-time accidents and a 73% reduction in serious accidents (those with over 15 days of absence). Furthermore, reinforcing its commitment to gender equality, to diversity and inclusion, the Company has advanced in its goal of increasing women representation in leadership positions by approximately 36% by the end of 2023.

In order to improve its governance systems, in 2023 Copasa established the *Comitê de Governança Corporativa* (Governance Committee), reporting to the *Conselho de Administração* (Board of Directors) and is constantly reviewing its control mechanisms, seeking to maintain the integrity of its ethical values and the achievement of its commitment to compliance.

Copasa, as a company taking part in the UN Global Compact ratified, in 2020, its commitment to issues related to Human Rights, Labor, Environment and Anti-corruption, which was translated into its participation in *Mais Água* (More Water) and *Elas Lideram* (Women Lead) Movements. In addition, the Company takes part in *Rede Desafio 2030* (D2030) (2030 Challenge Network), composed of leading organizations in Sustainability in Minas Gerais state, and is associated with Ethos Institute.

In order to align its positioning with the evolution and transformation that has been taking place in recent years, the Company has developed its rebranding strategy and recently launched its new brand. The purpose of this change is to position itself as a modern, competitive business that is prepared for the challenges of the sanitation sector in Brazil. The visual identity and brand updating reflect Copasa's constant transformation and innovation, reinforcing its purpose of caring for water and generating value for people, providing quality and service excellence to its customers.

Copasa's Management reiterates its commitment and partnership with all its shareholders, customers, society, the granting authority and other stakeholders and thanks all its employees for the results achieved in 2023. In this report, we present the Company's performance throughout 2023.





Copasa, ETE Ibirité

Copasa publishes the 18th edition of its annual Sustainability Report, in accordance with the Standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Boards (SASB). The publication also follows the Principles of the Global Compact, addressing the Sustainable Development Goals (SDGs) of the United Nations (UN).

We seek to expand our transparency policy and improve sustainable development, and we understand that the Sustainability Report is an essential tool for a systemic vision of Copasa, showing all stakeholders the connections between information and indicators. In this context, each year, we can generate more value for all stakeholders.

The information here reported refers to Copasa's performance in the period between January and December 2023. Questions about this Report can be sent to the e-mail:

usds@copasa.com.br

About the Report

GRI 2-1, 2-3



Company Profile

Companhia de Saneamento de Minas Gerais, or Copasa, is a publicly-held mixed capital company, regulated by a series of normative documents, with emphasis on Federal Law No. 6,404/1976, Federal Law No. 13,303/2016 and State Law No. 6,084/1973, with headquarters and jurisdiction in the city of Belo Horizonte, MG. It is controlled by the State of Minas Gerais, and its shares have been traded since February 2006 on the Novo Mercado, the highest governance segment of B3 (*Brasil, Bolsa, Balcão*) under the ticker symbol CSMG3. Its activity is to plan, execute, expand, remodel and operate public basic sanitation services, involving water supply, sanitary sewage and solid waste.

The Company, together with its subsidiary Copanor, has concessions in 75% of the cities in the state of Minas Gerais, serving a population of approximately 11.8 million inhabitants with water supply services, of which 8.6 million inhabitants also have sanitary sewage services.

CONCESSIONS FOR SERVICE PROVISION

Concessions ^{1,2}	12/2023			12/2022		
	Total	Controlling Company	Copanor	Total	Controlling Company	Copanor
WATER						
Concessions	638	589	49	640	591	49
In operation	633	584	49	632	584	48
SEWAGE						
Concessions	309	253	56	309	253	56
In operation	273	231	42	269	228	41

((1) Only one (1) concession/operation per city is considered, regardless of whether there is more than one contract, in the case of Copasa and Copanor services in the same city, or if it is a contract that covers only districts and localities.

((2) It includes expired concessions with 31 cities and the concessions with 2 cities whose contracts were declared judicially null and void.

COPASA & COPANOR 2023

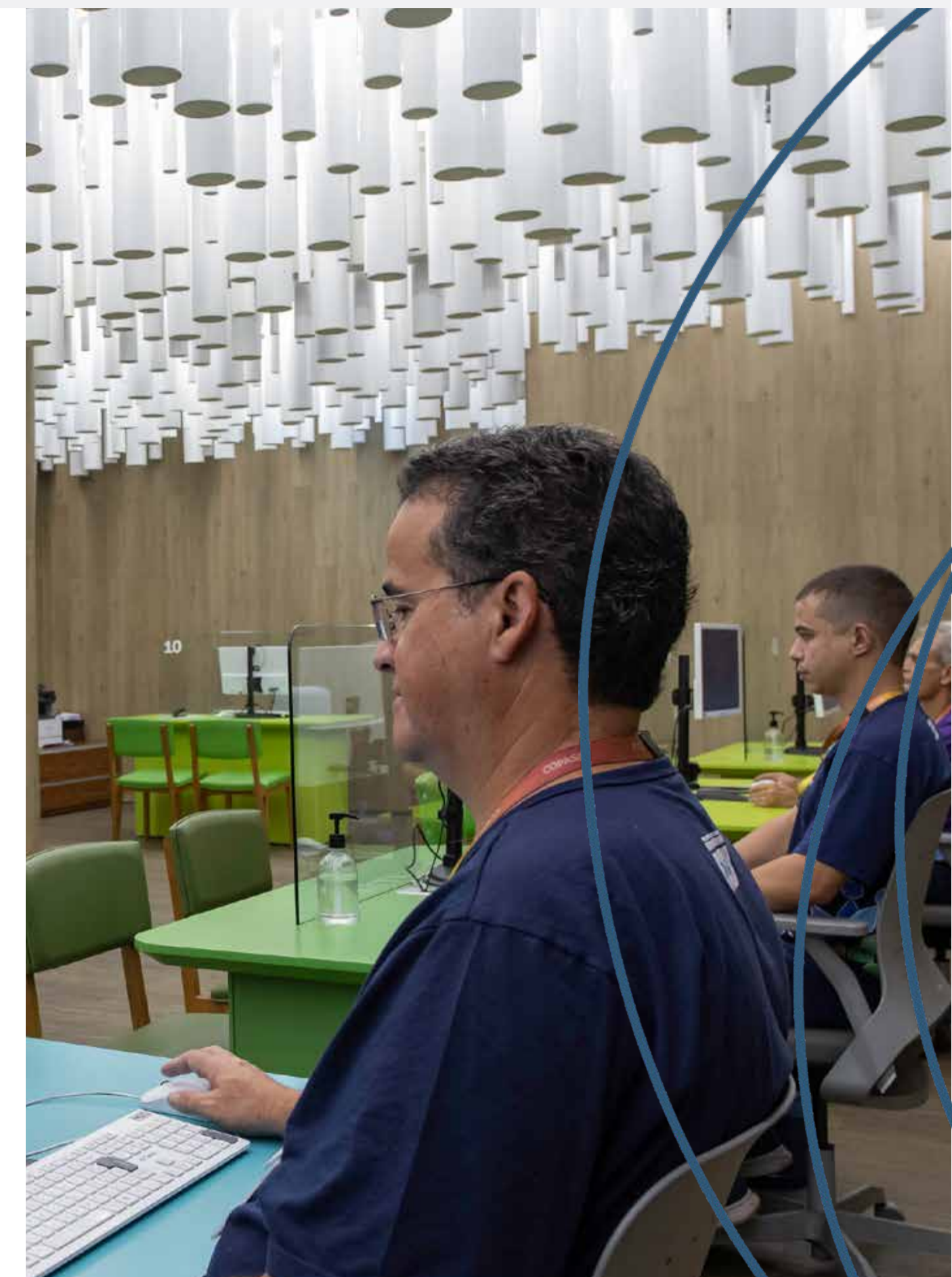
75%
of the cities of Minas Gerais

638
Concessions for water service provision

309
Concessions for sanitary sewage provision

11.8
million people served

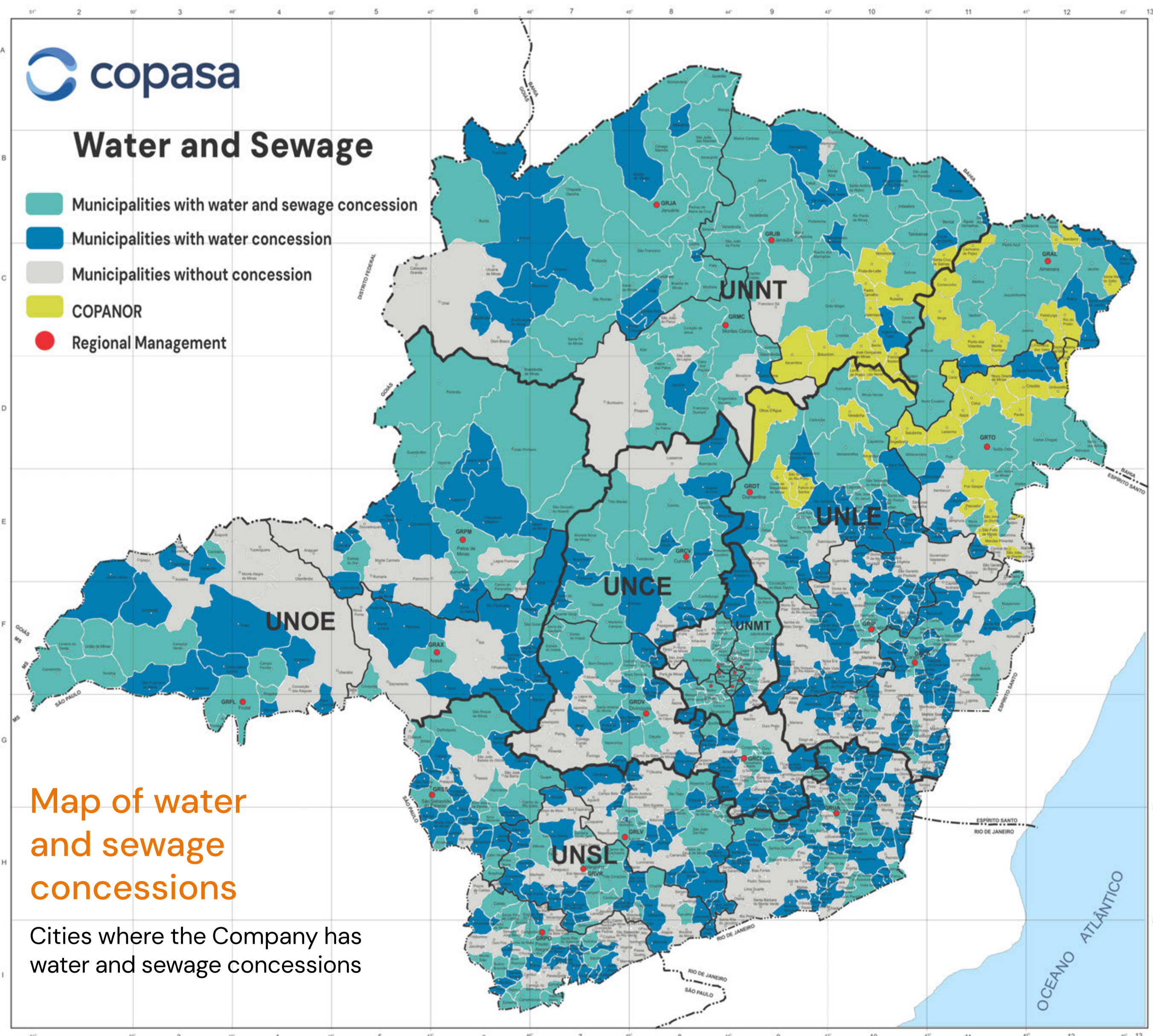
8.6
million people served



Copasa, Customer Service Agency

About us

GRI 2-1, 2-4, 2-6



TEN LARGEST CURRENT CONCESSIONS POSITION AS OF 12/31/2023 AND EXPIRATION

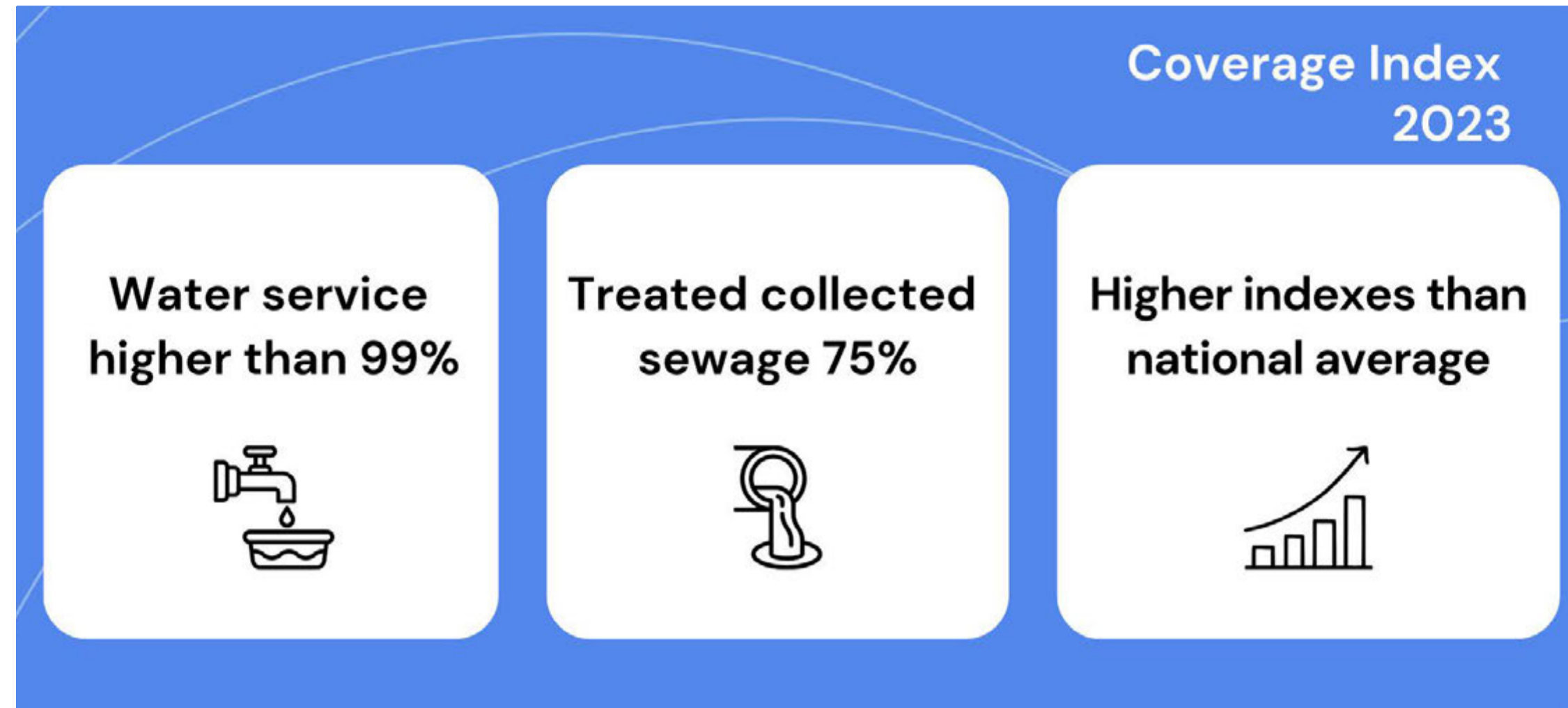
Cities with Current Concession	Expiration Date
Belo Horizonte	11/2032
Contagem	02/2073
Betim	12/2042
Montes Claros	07/2048
Divinópolis	06/2041
Ribeirão das Neves	05/2034
Patos de Minas	12/2038
Santa Luzia	02/2050
Pouso Alegre	08/2046
Varginha	06/2047

49%
of the Company's water and sewage net revenue

CONCESSIONS FOR SERVICE PROVISION IN 2023:

- It is worth mentioning that, in 2023, the water concession contracts in São José da Barra and São José da Safira, which had already expired and together represented 0.04% of the Company's revenue, were terminated.
- As of December 2023, 83% of the Company's water and sewage revenues came from concessions that expire after December 2031.
- The concessions for 31 cities have expired and the contracts of 2 cities, which together account for approximately 4.3% of water and sewage revenues, have been declared null and void. In accordance with the principle of continuity in the provision of essential public services, services continue to be provided and billed normally by the Company, both in cities with expired concessions and in cities where the contract has been declared null and void.

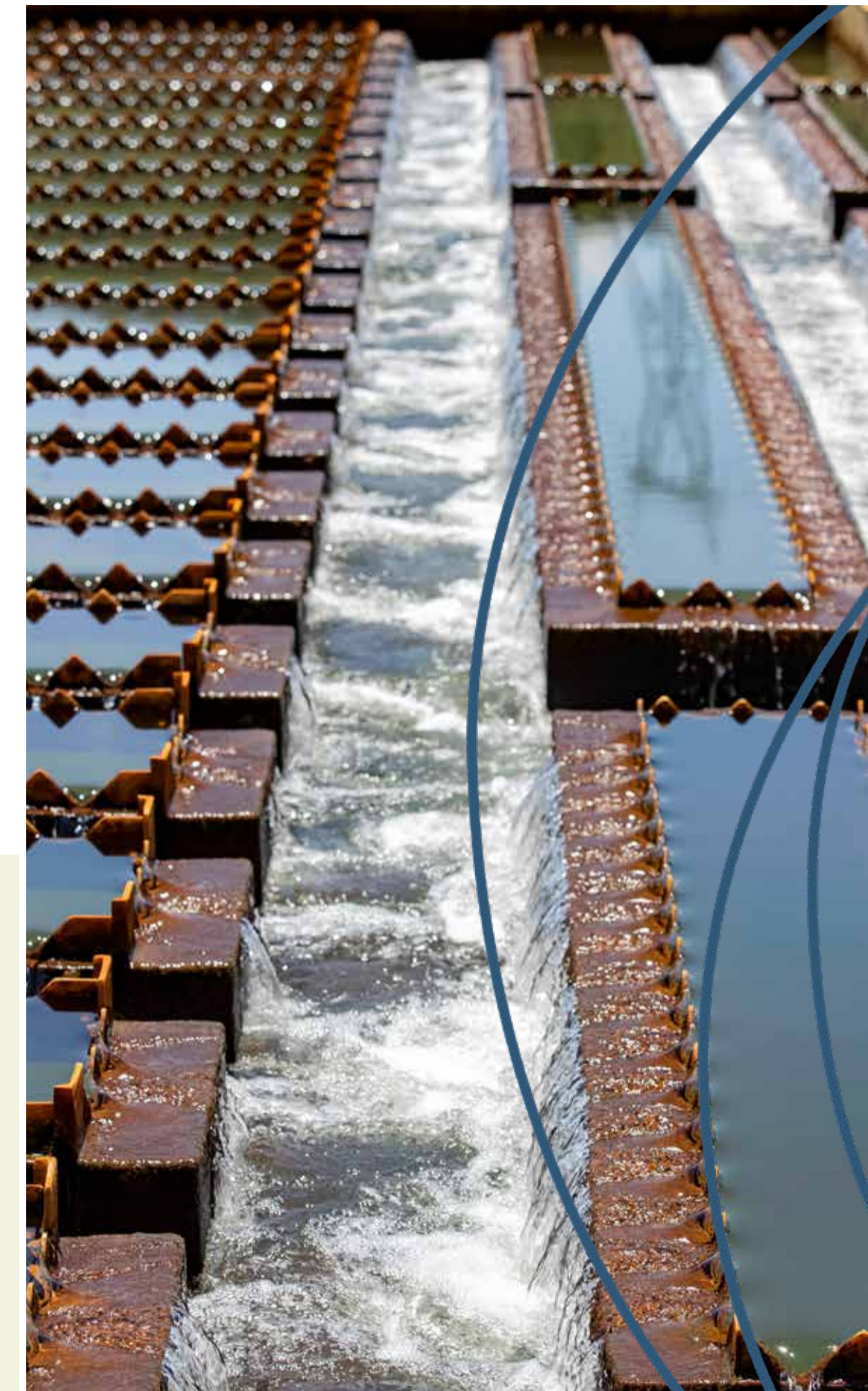
Coverage Indexes



In 2023, Copasa’s water service coverage rate in its coverage area is above 99%, as also verified in previous years. As for sanitary sewage, the Company presented, in 2023, an overall coverage rate for collected and treated sewage of 75%, 2.9 up (percentage points) higher than the indicator presented in 2022 (72.1%). Copasa’s robust Investment Program for the period from 2024 to 2028, of R\$9.8 billion, as detailed in item 5.2 below, aims, in addition to making the necessary investments to maintain the quality of the already universalized water supply, to expand investments focused on the expansion of sewage collection and treatment networks, in order to achieve the universalization of the sanitary sewage service established by the New Sanitation Framework, i.e. coverage of 90% of the population with collection and treatment by 2033.

The Company’s water and sewage coverage rates are higher than those recorded for the national average. According to data released in January 2024 by the *Sistema Nacional de Informações sobre Saneamento – SNIS* (National Sanitation Information System), for the reference year of 2022, the overall water network coverage rate, at a national level, amounted to 84.9% and the sewage treatment percentage reached 52.2%, which demonstrates the superiority of Copasa’s indicators.

It is important to note that in 2023, with the goal of universalizing water supply and sewage treatment services in rural and low-density areas within the cities where the Company operates, Copasa launched the Universaliza Minas program. By January 2024, the program had initiated over 100 projects, which are expected to provide basic sanitation to more than 50,000 people. Of these projects, 46 have already been completed, benefiting approximately 24,000 people. An additional 61 districts in cities where the Company holds concessions have ongoing construction projects.



Copasa, Rio das Velhas System

Correlation with the Global Compact and the SDGs



Principles
1 & 2



Principles
7 & 8

6 CLEAN WATER AND SANITATION



Copasa plays a crucial role in promoting Sustainable Development Goal 6 (SDG 6) established by the UN. This goal aims to ensure the availability and sustainable management of water and sanitation for all by 2030.

The company has an effective commitment to the responsible management of water resources in Minas Gerais, developing actions and initiatives that include investments in infrastructure to expand access to drinking water and sewage treatment systems. In addition to these investments, Copasa develops awareness and education programs to provide clear and effective information to the community as a whole in order to promote the responsible use of water and the preservation of water resources. With such commitment it aims not only to ensure universal access to water and sanitation, but also its sustainable use in the long term.

The development of the *Programa Engajar para Transformar* (Engage to Transform Program) establishes the guidelines for Copasa’s relationship with society, aims to enhance institutional efforts to engage the parties involved, to ensure the appreciation and adherence of the services provided, to enable an excellent customer experience and to enhance the Company’s reputation. This Program includes several socio-territorial projects that are carried out according to the characteristics of the communities, taking into account the particularities, desires, socioeconomic and cultural profiles of each locality.

It is also worth mentioning the *Programa Pró-Mananciais* (Pro-Water Sources Program) a Copasa initiative that aims to protect and restore springs and watercourses in Minas Gerais. This Program includes actions such as reforestation, erosion control and environmental education, contributing to the conservation of ecosystems and ensuring quality and quantity of available water for future generations.

By monitoring indicators, Copasa carries out detailed monitoring of water quality in the main water sources where it operates, aiming to identify possible changes related to environmental degradation in the watershed. These monitoring procedures are called *Estudos Especiais* (Special Studies) and include, for instance, springs such as the Rio das Velhas Spring in Nova Lima, the Manso River Dam in Brumadinho, the Serra Azul Dam in Juatuba, the Juramento Dam in Montes Claros, the Todos os Santos River Dam in Teófilo Otoni and, finally, the Viamão River Dam in Mato Verde.

Finally, Copasa has been making significant investments that not only benefit public health and the environment, but also boost socioeconomic development. In 2023, R\$ 680.0 million were invested in water, R\$ 671.0 million in sewage, R\$ 78.5 million in business and operational development and R\$ 198.6 million in capitalizations, totaling R\$ 1,628.0 million invested. In addition, the company projects to invest around R\$9.8 billion between 2024 and 2028.

Copasa’s relationship with its stakeholders, including local governments, communities and non-governmental organizations, is fundamental to addressing the complex challenges related to water and sewage in Minas Gerais. By working together, these partnerships can help achieve significant progress towards achievement the SDG 6.



Copasa, Rio das Velhas System

Macroeconomic and Regulatory Context

The Brazilian economy showed positive evolution in 2023 on the national scene, with decreasing inflation, interest and unemployment rates, with exchange rates under control, with household income support and record agribusiness exports.

In terms of taxation, the National Congress approved the Tax Reform – Constitutional Amendment No. 132/2023, replacing 5 taxes – PIS, COFINS, ICMS, ISS and IPI – with 1 Dual VAT, composed of the federal *Contribuição sobre Bens e Serviços* (Contribution on Goods and Services) – CBS, and the subnational (for states and cities) *Imposto sobre Bens e Serviços* (Tax on Goods and Services) – IBS, effective January/2026.

Rules for Indemnification of Assets

The rules for the indemnification of assets are presented in ANA Resolution No. 161/2023, which contains NR No. 03/2023, published on August 4, 2023. This regulation addresses the methodology for indemnifying investments made and not yet amortized or depreciated under contracts for the provision of public water supply and sewage services, in the event of contract termination.

On the same topic, the Agência Reguladora de Serviços de Abastecimento de Água e de Esgotamento Sanitário (Regulatory Agency for Water Supply and Sanitary Sewage Services of the state of Minas Gerais) (Arsae-MG) started, also in 2023, the process of preparing and debating the Resolution No. 191/2024,

Regarding consumption taxes, the sanitation sector is a taxpayer only of PIS/COFINS, whose nominal rate is 9.25%. Considering the non-cumulativeness, the effective rate for Copasa is currently around 6.64%.

The study “The impacts of the Tax Reform on the Basic Sanitation Sector”, by the *Associação e Sindicato Nacional das Concessionárias Privadas de Serviços Públicos de Água e Esgoto* (National Association and Union of Private Concessionaires of Public Water and Sewage Services) – ABCON SINDCON, projects an 18% increase in the tax paid by the end consumer, if the new tax legislation does not provide for differentiated treatment for the sanitation sector.

effective as of April 1, 2024, on indemnification of assets at the end of concessions and presented for discussion the methodology for calculating the compensation due by the Granting Authority to the water and sewage service provider.

In November 2022, Arsae-MG allowed an adjustment with an average tax effect of 15.70%, applied on 01.01.2023, according to the Arsae-MG Resolution No. 173/2022. In November 2023, an adjustment of 4.21% was authorized, effective as of 01.01.2024, according to the Arsae-MG Resolution No. 185/2023.

Among the topics included in the regulatory agenda released by Arsae-MG, the 3rd Periodic Tax Review of Copasa, to be applied from 01.01.2026, deserves to be highlighted.

Within the scope of the Sanitation Framework, with *Agência Nacional de Águas e Saneamento Básico* (National Water and Basic Sanitation Agency) (ANA) new regulatory attribution to publish *Normas de Referência* (Reference Standards) (NR), containing guidelines for the regulation of public basic sanitation services in Brazil, the following NRs were submitted to public consultations:

- ➔ Inventory and indemnification of assets for water and sewage;
- ➔ Quality and efficiency standards and indicators and evaluation of efficiency and effectiveness for water and sewage;
- ➔ Guidelines for defining the regulatory model for water and sewage;
- ➔ Organizational model of subnational regulatory agencies, transparency and accountability;
- ➔ Procedures for mediation and arbitration;
- ➔ Risk matrix for water and sewage contracts;
- ➔ Guidelines for progressive water and sewage coverage targets and evaluation system;
- ➔ General conditions for the provision of urban solid waste services.

Sanitation Framework

The provision of services by the Company depends on specific concessions granted by the government. The concessions, in the cities where the Company operated before the validity of Federal Law No. 11,445/2007, occurred through Concession Contracts and, after the aforementioned Law, through the execution of Program Contracts. With the enactment of Federal Law No. 14,026/2020, published on July 15, 2020, the basic sanitation framework in the country was changed in several aspects.

The New Basic Sanitation Framework (NMSB) brought as main points the assignment of the role of regulatory body for services at a national level to the *Agência Nacional de Águas e Saneamento Básico* (National Water and Basic Sanitation Agency) (ANA), which must issue general rules for services (Reference Standards); the requirement for universalization of services, 99% coverage for water and 90% for sewage, by the year 2033; loss reduction targets; the obligation of prior compensation for unamortized investments in the transfer of a service provider to another; creation of facilitating instruments for privatization in addition to the obligation of bidding for all new contracts

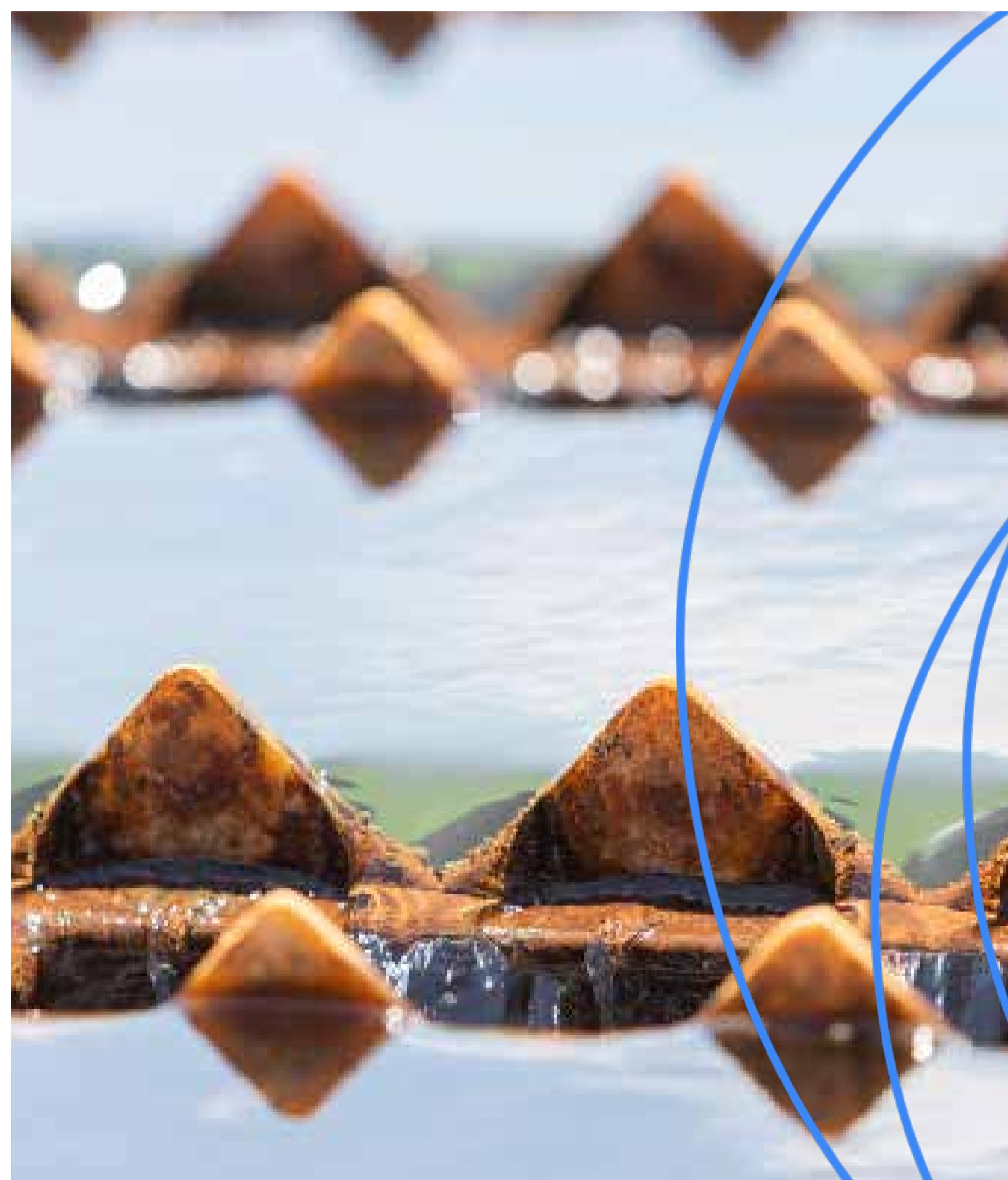
In this post-NMSB scenario, given the impossibility of renewing existing contracts, Copasa can act on its customer base in 2 ways: (i) expanding service within the cities with which it already has a contract; and (ii) signing new concession contracts, based on success in the bidding process.

As for the expansion of service within the city with which the Company already has a contract, the NMSB demanded an effort from Copasa, as well as from all the sanitation companies in the country, to update the

concession contracts in order to mainly incorporate the goals of water supply and sanitation services universalization. It is worth mentioning that Copasa was successful in proving its economic and financial capacity, before the regulatory agency, to make the investments necessary to achieve the regulatory goals of universalization. Furthermore, for the five-year period 2024–2028, the Company approved an Investment Program in the amount of R\$9.8 billion.

Regarding the granting of new concessions, Copasa may participate in any bids, according to the evolution of the processes in the cities.

It is also worth noting that Copasa remains active and analyzing the strategic, regulatory, operational, financial, legal and engineering aspects for its entire concession portfolio.



Copasa, Rio das Velhas System



A brand is the set of guidelines and meanings that reflect a business. These guidelines support companies in transformation processes: they inspire cultural changes, help prioritize investments, and reorient market perceptions.

The rebranding carried out by Copasa had as its main objective to boost the company's next steps, positioning the brand as a modern, competitive and prepared business to respond to the challenges of the sanitation sector in Brazil.

In line with its purpose, the construction of the new visual identity was based on pillars and attributes that consolidate the Company's role as a generator of shared value, integrating the population, the market and the company with new ideas, technologies and solutions for the provision of quality services and excellence for customers.

Movement, wholeness, sustainability and closeness. These are the four pillars that reflect the Company's purpose of caring for water and generating value for people.

Taking care of water and generating value for people is Copasa's reason for existing. By seeking new ways of doing things, Copasa ensures more efficient processes and results. And it is by believing in the potential of the collective that we generate real transformations, which can be seen in the day-to-day activities of the field and felt in people's lives.

Transformation is a process that starts from the inside out. To stimulate this movement, we take responsibility for our facts, data, mistakes and successes. Because, for Copasa, maintaining integrity is the way to promote fairer, more respectful and beneficial personal and professional relationships.

Water is an element capable of adapting to and of changing any environment. And just like water, Copasa also perceives

itself as a versatile, multifunctional company in constant movement. We know the territories in which we operate and the people who live in these spaces. The developed manifesto translates the new meaning of the Copasa brand: Managing and Generating Transformation.

Managing

creating,
leading,
inventing

Generating

making it happen,
impacting people's lives,
performing with
excellence

Transformation

of water,
of people's lives,
of places it passes through,
of the sanitation history in Brazil
and of the company itself.

Manifesto

Copasa believes in the potential of every person, environment, culture, or structure to transform. Without this belief, our very existence—and our business—would lack meaning. The mission of a basic sanitation company is inherently about transformation: turning river water into drinking water, sewage into treated water, and network infrastructure into quality of life, health, and dignity. By embracing change, we transform the places we serve, bringing comfort, efficiency, and dignity to the daily lives of all living beings.

As a sanitation company born in the most creative state in Brazil, this mission even overflows, becoming purpose and identification. Born in Minas Gerais, where so many resources became wealth and where the mixture of styles is a portrait of the many Brazils in ebullition, this ability to gather together, welcome and imagine has founded our way of doing things.

Our search for novelty is an unwavering practice. Because every day and each second it follows its permanent flow. Silent. Purposeful. No one sees it, but underneath Every vibrant city, there is a water in metamorphosis world. **And if movement is here, you can be sure: Copasa is here.**

The new brand

The visual translation of the graphic language of Copasa's new brand had as its starting point the study of shapes through manual drawing, developing unique and fluid shapes, which translate all the pillars and attributes.

- The three shades of blue in the symbol reinforce the transformation concept.
- The symbol also alludes to the letter C design.
- The presence of two elements in the symbol visually translates the continuous flow of the cycle, representing the two main axes: water and sewage. There should be no dichotomy between resources.
- The lowercase signature communicates the image of a technological, modern and friendly company.





Conceição da Ibitipoca,
Lima Duarte, Minas Gerais

Coponor

The wholly owned subsidiary Coponor was created in 2007 to provide water supply and sewage services in the North and Northeast regions of Minas Gerais. These regions of the state have one of the lowest Human Development Indexes (HDI). Coponor’s scope of operation are localities with populations between 200 and 5,000 people.

In 2023, Coponor served 223 thousand people with water supply services and, among these, 106 thousand also with sewage services.

With regard to rates, those charged by Coponor are much lower than the rates charged by its parent company, Copasa, as its cost structure does not take into account the remuneration of investments.

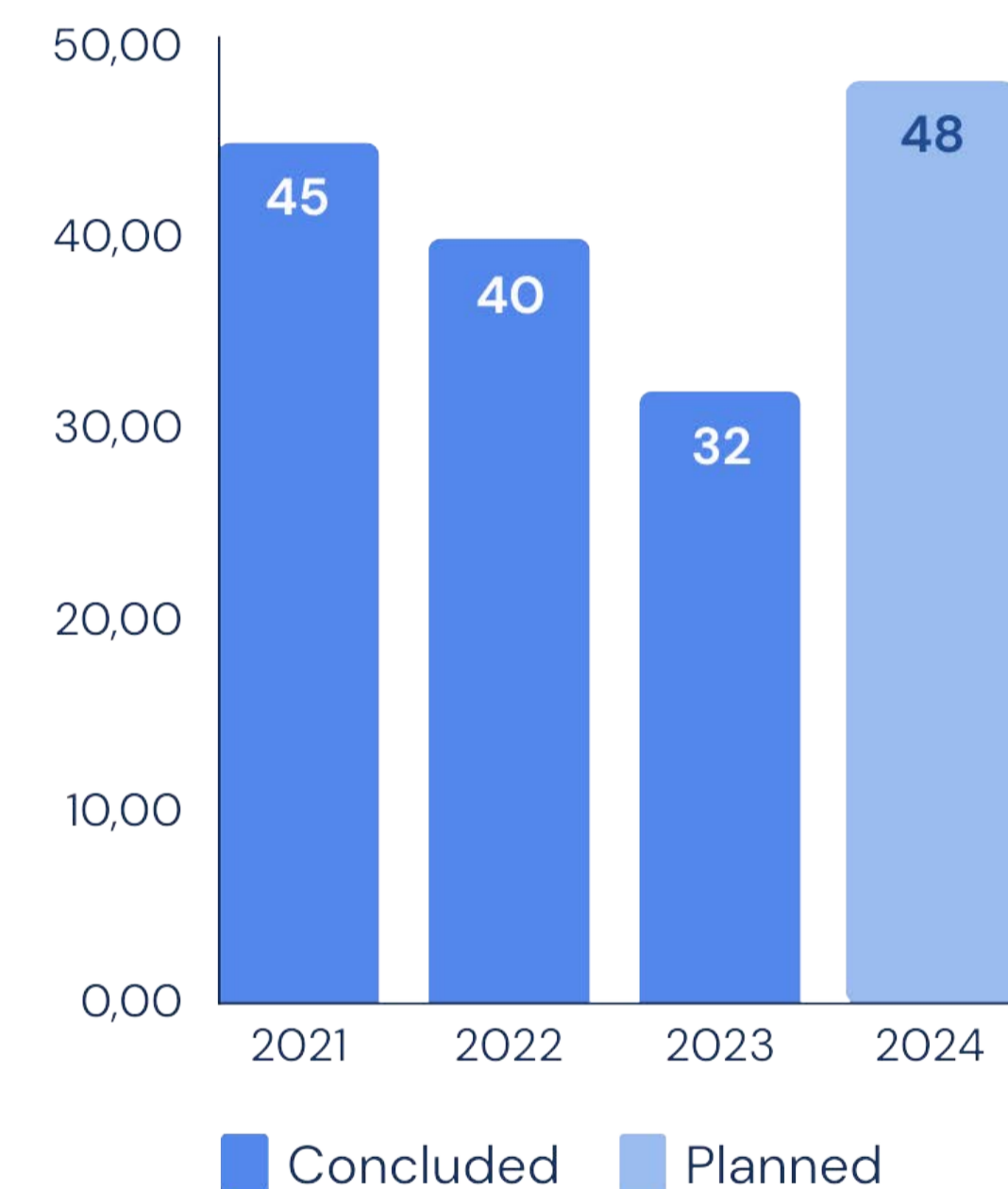
As of July 2017, Arsae-MG created a subsidy in Copasa’s rate to support Coponor’s investments and maintenance, consisting of a resource transfer mechanism subsidized by Copasa’s users to Coponor, whose objective is to enable investments and maintenance of infrastructure assets.

As part of Copasa’s 2nd tax review, Arsae-MG decided to continue this transfer. The value of this subsidy in 2023 was R\$47.6 million, the same value predicted for 2024.

In November 2022, within the scope of Coponor’s 4th (fourth) Periodic Tax Review, Arsae-MG authorized Coponor’s tax repositioning, with an Average Tax Effect (*Efeito Tarifário Médio* – ETM) of 26.99%, according to Arsae-MG Resolution No. 174/2022. In the 5th (fifth) Periodic Tax Review, the result of which was released in November 2023, the ETM was negative by 7.68%, according to Arsae-MG Resolution No. 186/2023.

In 2023, R\$31.5 million were invested in Coponor, including capitalizations. For the year 2024, investments of R\$47.6 million are planned for the subsidiary, which will be used in operational demands to allow the adequate service provision.

Investments (R\$ Millions)



Regulation

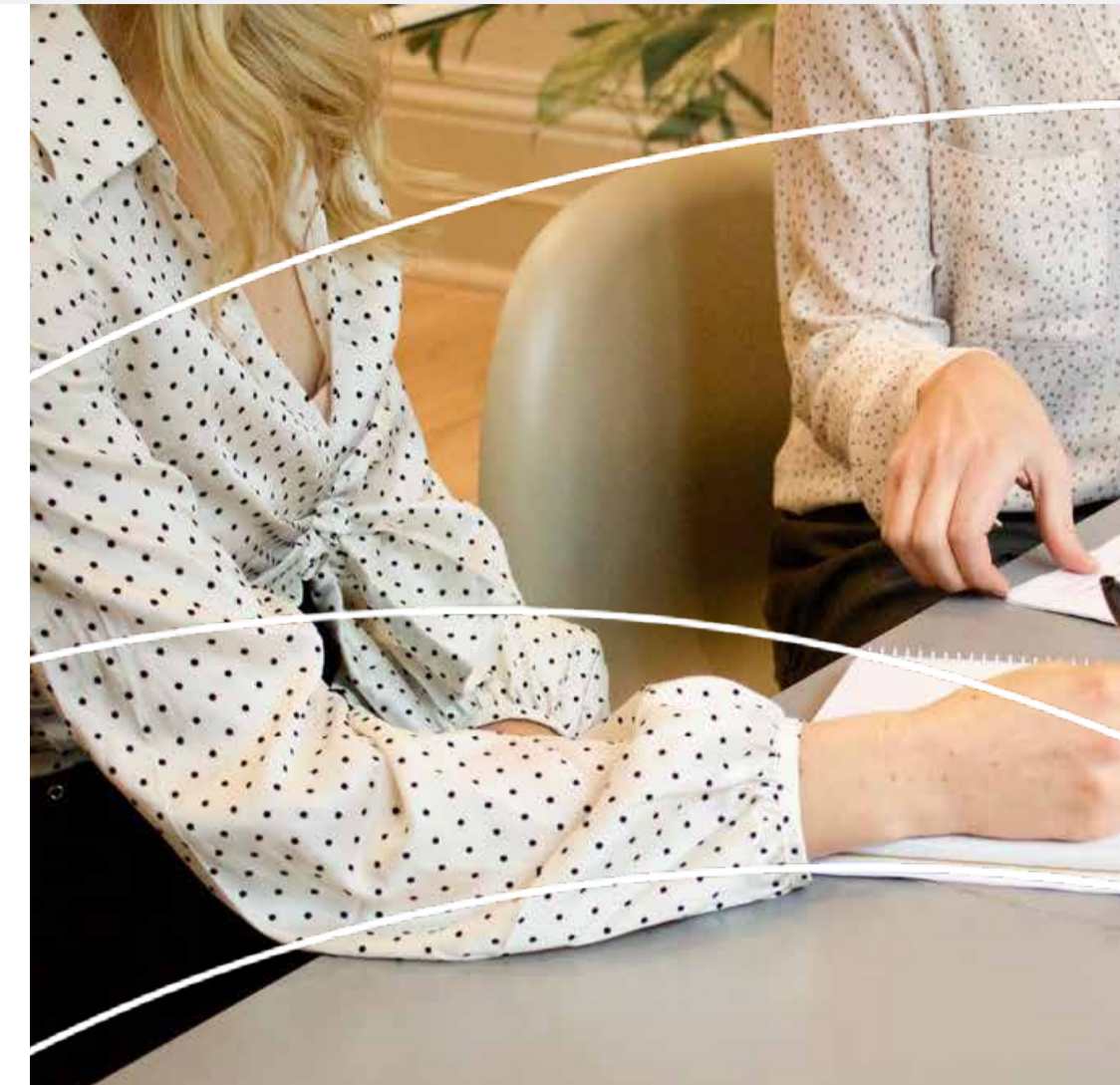
*GRI 2-27, 3-3, 207-1, 207-2,
415-1, 416-1, 417-1, 417-2
SASB IF-WU-250A.2*

Our main objective is to guarantee access to basic sanitation services, which is a fundamental condition for human survival and dignity. In this sense, regulation emerges as a strategic point that makes possible the task of universalizing basic sanitation. Its importance is backed on the improvement, efficiency and effectiveness of operational processes, investment prudence and activities developed in the provision of water supply and sewage services.

The Regulatory Agency for Water Supply and Sanitary Sewage Services (Arsae-MG) of the cities served by Copasa is responsible for regulating and supervising the public water supply and sewage services of the state of Minas Gerais. The Agency is also responsible for publishing technical, economic, accounting and social standards, including the tax system, for the provision of these services.

In addition to Arsae-MG, Copasa is currently subject to the regulatory action of two other agencies, which regulate on a regional basis, as described below:

1. *Agência Municipal de Água, Saneamento Básico e Energia* (Municipal Agency for Water, Basic Sanitation and Energy) – AMASBE. The Agency operates in the city of Montes Claros. The regulations and inspection are the responsibility of Arsae-MG, with AMASBE's role being complementary, with the purpose of disciplining and controlling routine activities provided by the Company in the city.
2. *Agência Reguladora Intermunicipal de Saneamento de Minas Gerais* (Intermunicipal Sanitation Regulatory Agency of Minas Gerais) – ARISMIG: the Agency's regulatory activity has as its scope, as regards Copasa, the sanitation services for the final disposal of solid waste, provided by Copasa in the city of Varginha. The regulation of the provision of public water supply and sewage services in this city is under the jurisdiction of Arsae-MG.



In 2023, Arsae-MG carried out economic, technical and commercial inspections to verify and evaluate the quality of the services provided. In the exercise of its inspection powers, it instituted 51 regulatory administrative proceedings, with the aim of investigating alleged undue charges of amounts to Copasa users, due to potential irregularities between network registration information, commercial information and information from Copasa's billing database.

The Regulatory Authority, through Decision Arsae/GAB No. 043/2021, defined the need to apply to the Company the penalty of returning double the amounts charged to users and corrected by IPCA + interest of 1% per month, in the case of debts prior to July 20, 2020, according to Arsae-MG Resolution No. 40/2013, and corrected by the Selic Rate, in the case of debts from July 20, 2020, according to Arsae MG Resolution No. 131/2019. Copasa is appealing this decision and the lawsuit is ongoing.

Tax Management and Pricing

GRI 207-3

Tax Management

Regarding tax strategy, the Company strictly follows tax legislation, acting to increasingly optimize tax planning, without assuming, however, high and medium-risk tax decisions. In addition, it ensures compliance with tax agenda deadlines, avoiding payments with fines and interest for delays, in order to achieve cost-effectiveness in tax payments. The Company does not tolerate illegal, unethical or illicit behavior and, in this sense, employees undergo frequent training on compliance and integrity in the organization as a whole, which includes tax matters.

Pricing

Water supply and sewage collection and treatment services are remunerated through taxes. Tax adjustments are annual and previously approved and authorized by Arsae-MG. Its determination must consider the economic and financial balance of the concessionaire and the preservation of the social aspects of public basic sanitation services. Fixed and variable taxes are differentiated according to the categories (social residential, residential, commercial, industrial and public), the service provided and the consumption ranges. Thus, they are progressive in relation to the volume billed, i.e., those who consume more pay more per cubic meter than those who consume less.

As of the 2021 tariff review, as discussed in Technical Note CRE 05/2021 on Copasa's Tax Structure, the charging model for the sewage service was changed, no longer separating sewage collection tariffs (EDC) from a collection with sewage treatment tax (EDT). There is a single sanitary sewage tax, which is charged to users from the moment they are served with the sewage service. Sewage collection and treatment taxes represent a percentage of 74% in relation to water taxes.

In 2023, an average tariff adjustment of 15.70% was applied to the tariffs for the provision of public water supply and sewage services by Copasa, approved by Arsae-MG Resolution No. 173/2022, of November 24, 2022, which was applied as of January 1, 2023. An adjustment of 4.21% was authorized, effective as of 01.01.2024, according to Arsae-MG Resolution No. 185/2023.



Copasa, Rio das Velhas System

Certifications and Awards



Copasa was recognized as one of the best sanitation companies in the country by the *Prêmio Nacional da Qualidade em Saneamento* (National Sanitation Quality Award) (PNQS), an award aimed at recognizing excellence in management in the sanitation sector;



Four Copasa Business Units were recognized in the category *As Melhores em Gestão no Saneamento Ambiental* (The Best in Environmental Sanitation Management) (AMEGSA) ESG Level III – the highest, receiving the Quiron Diamante ESG Trophy – 1000 points;



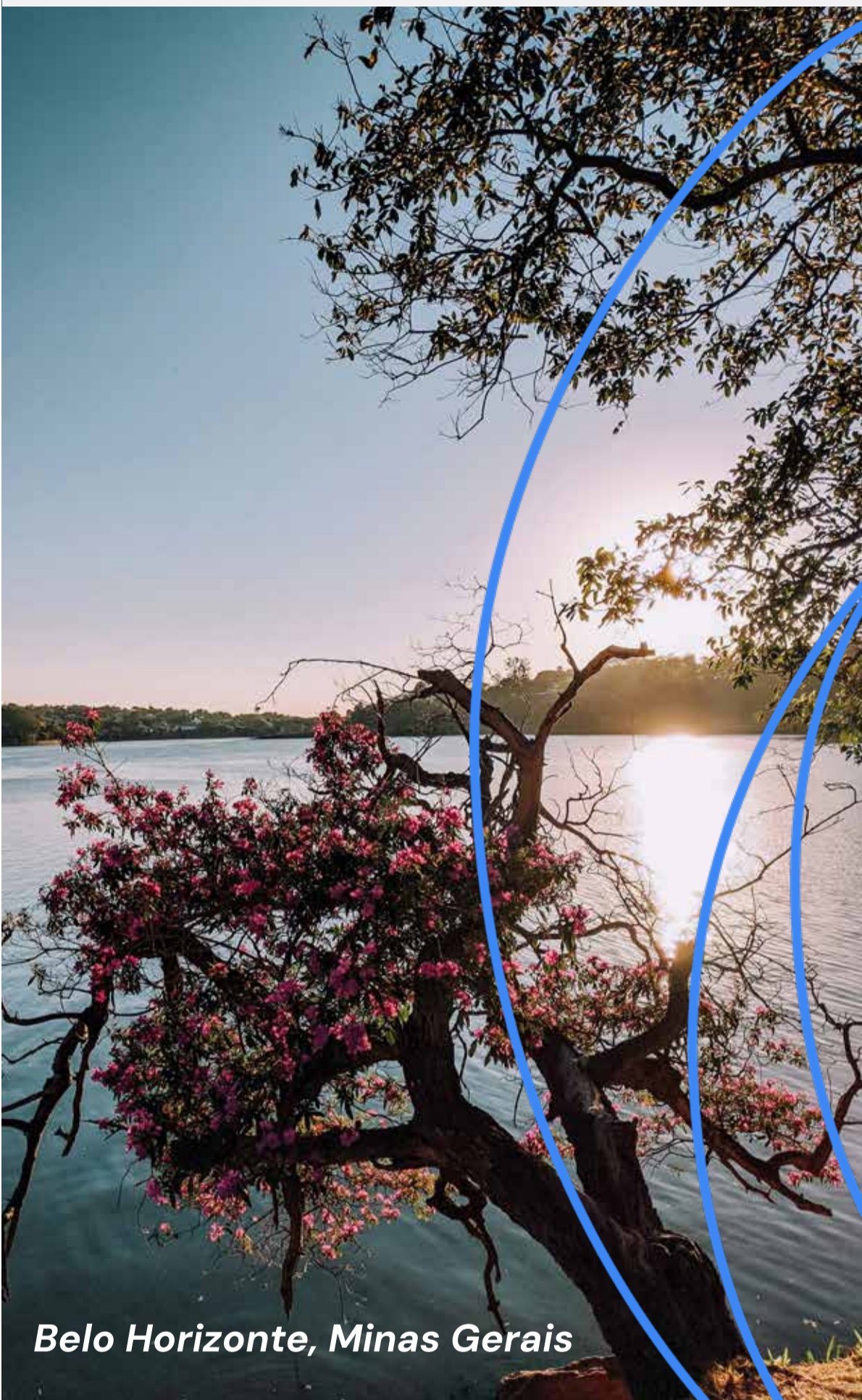
Launch of the *Inova Seminar*, which included the registration of 31 Cases, 17 of which were selected for oral presentation and 8 Cases were recognized as Success Cases of the Company;



Among the 14 successful Copasa cases selected for presentation at the PNQS Benchmarking Seminar, the 4 listed below were certified as finalists and the case “Sewage overflow management at the Capelinha SES”, developed by Diamantina Regional Management, was the winner in its category:

Case	Category
Deep Wells Maintenance Management	Management Innovation (IGS)
Annual Blue Days Campaign	Management Innovation (IGS)
A.I. use in support of loss reduction management	Operational Efficiency in Environmental Sanitation (PEOS)
Sewage overflow management at the Capelinha SES	Operational Efficiency in Environmental Sanitation (PEOS)





Belo Horizonte, Minas Gerais

Copasa's activities are guided by the United Nations (UN) 2030 Agenda, with its Sustainable Development Goals (SDGs), and the Company's commitment to the principles of the Global Compact. Social activities are based on the International Standard ISO 26,000.

Currently, Copasa is part of the 2030 Challenge Network, a collective of companies that have come together to expand the contribution of the public and private sectors to the fulfillment of the UN Sustainable Development Agenda and its SDGs, in the state of Minas Gerais, by the year 2030. The group of companies, in partnership with the Global Compact Brazil Network, launched the world's first SDG HUB, which seeks, through state partnerships, to contribute to the business sector involvement acceleration in the country different states, with the global sustainability agenda.

Copasa has identified the SDGs most affected by its actions, based on its materiality matrix and its value chain.



Translating Copasa's core business, **SDG 6 (Clean Water and Sanitation)** is highlighted in the center of the image. Directly linked to people's quality of life, SDGs 3, 5, 8, 9 and 11 were also identified. The preservation of the Company's raw material is related to SDGs 13 and 15.

These are Copasa's priority objectives and reflect the definition of sanitation and its benefits. The remaining SDGs are indirectly related to the Company's commitments and services.



Sustainable Development Goals – SDGs

GRI 2-23, 2-24

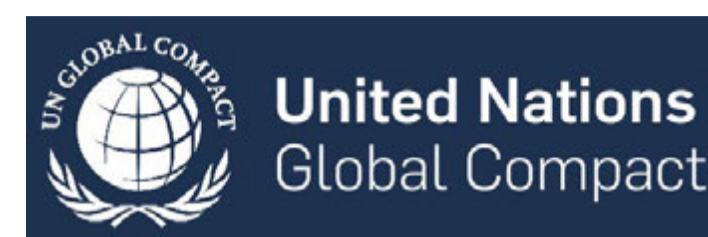
COPASA is a member of 36 state river basin committees in Minas Gerais and 6 federal committees. The committees are governance bodies for the water resources system, with deliberative and regulatory functions in their regions of operation. Their purpose is to promote the technical and economic-financial viability of investment programs and to consolidate urban and regional structuring policies, aiming at the sustainable development of the basins.

Copasa is a member of the UN Global Compact Brazil Network. In addition, it also participates in a number of institutions, highlighting:

- *Associação Brasileira de Águas Subterrâneas* (Brazilian Groundwater Association) (ABAS),
- *Associação Brasileira de Engenharia Sanitária e Ambiental* (Brazilian Association of Sanitary and Environmental Engineering) (ABES),
- *Fundação Nacional da Qualidade* (National Quality Foundation) (FNQ),
- *Associação Brasileira de Normas Técnicas* (Brazilian Association of Technical Standards) (ABNT),
- *Associação Brasileira de Recursos Humanos* (Brazilian Association of Human Resources) (ABRH),
- *Associação Brasileira de Treinamento e*

Desenvolvimento (Brazilian Association of Training and Development) (ABTD),

- *Associação Comercial de Minas Gerais* (Minas Gerais Commercial Association) (ACM),
- *Associação e Sindicato Nacional das Concessionárias Privadas de Serviços Públicos de Água e Esgoto* (National Association and Union of Private Concessionaires of Public Water and Sewage Services) (ABCON, SINDCON),
- *Associação Brasileira das Companhias Abertas* (Brazilian Association of Publicly Held Companies) (ABRASCA),
- *Câmara Americana de Comércio* (American Chamber of Commerce) (AMCHAM),
- *Conselho Estadual de Recursos Hídricos* (State Council of Water Resources) (CERH),
- *Comitê Mineiro de Voluntariado Corporativo* (Minas Gerais Committee for Corporate Volunteering) (CMVC),
- *Instituto Brasileiro do Concreto* (Brazilian Concrete Institute) (IBRACON),
- *Rede Desafio 2030* (2030 Challenge Network)
- *Instituto Ethos de Empresas e Responsabilidade Social* (Ethos Institute for Business and Social Responsibility).



06

Hydrographic Basin Federal Committees

36

Hydrographic Basin State Committees



Copasa, COS Santo Antonio Control Room

Participation in organizations


GRI 2-28

Voluntary public commitments

Copasa, as a participant in the United Nations Global Compact, has made voluntary public commitments that reflect its commitment to sustainability and corporate responsibility. Through this pact, the company commits to adopt transparent and ethical practices in all its operations, promoting integrity and gender equality. In addition, Copasa strives to reduce its environmental impact by implementing measures for the efficient management of water resources and the mitigation of climate change, thus contributing to the sustainable development of the region and the well-being of the communities where it operates.


These voluntary public commitments not only demonstrate Copasa's commitment to the principles of the Global Compact, but also reinforce its role as an agent of positive change in society. Among the commitments, we can highlight the institutional engagement in + *Água* Movement, which advocates water security and access to basic sanitation in Brazil, and *Elas Lideram* Movement, which seeks gender parity in senior leadership positions by 2030. Thus, the Company not only fulfills its corporate obligations, but also positions itself as an example for other organizations that seek to make a difference in the world.

UN Global Compact Principles




HUMAN RIGHTS

1 – Businesses should support and respect the protection of internationally proclaimed human rights; and
2 – make sure that they are not complicit in human rights abuses.



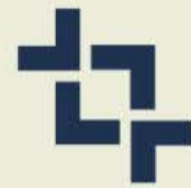
ENVIRONMENT

7 – Businesses should support a precautionary approach to environmental challenges;
8 – undertake initiatives to promote greater environmental responsibility; and
9 – encourage the development and diffusion of environmentally friendly technologies



LABOUR

3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4 – the elimination of all forms of forced and compulsory labour;
5 – the effective abolition of child labour; and
6 – the elimination of discrimination in respect of employment and occupation



ANTI-CORRUPTION

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

Environmental, Social and Governance (ESG) Strategy

The Company's ESG Strategy is one of the fundamental pillars of competitive intelligence, driving the efficiency of management and operational processes. The introduction of the ESG Agenda in 2021 represented a crucial innovation, outlining the prioritization and integration of ESG principles into the Company's business model. This model is focused on achieving the targets of the Sustainable Development Goals (SDGs), aiming both at obtaining competitive financial returns and reducing risks, in addition to ensuring the continuous adaptation of operations and relationships to opportunities in the environmental, social and governance spheres. The ESG Agenda also plays a significant role in addressing Social Responsibility Risk.

In this sense, during the year 2023, efforts were made to improve processes and practices, through the ISE Strategic Project. This project consisted in using the guidelines contained in the *Índice de Sustentabilidade*

Empresarial (Corporate Sustainability Index) (ISE) methodology as an accelerator for the adoption of sustainable practices by the Company, which culminated in the inclusion of Copasa in the 19th ISE portfolio, effective as of January 2024.

sa consolidated its Sustainability Committee, formed by those responsible for the main processes that directly impact the achievement of the ESG Agenda results, acting to ensure the alignment of the corporate strategy with the best market practices related to sustainability management, as well as proposing corporate sustainability management procedures and its performance monitoring, promoting improvements and demonstrating their contribution to the attainment of results for the business.



Competitive Intelligence + Financial Gains + Risks Reduction and Mitigation



ESG Agenda

GRI 2-23, 2-24

As a result, the Social and Environmental Responsibility Policy was revised, resulting in the consolidation of data into a single document: the Sustainability Policy.

The purpose of this Policy is to establish guidelines for Copasa to manage its activities and operations in alignment with ESG principles, taking into account social, environmental, economic, and governance aspects. The goal is to enhance community quality of life and ensure environmental preservation, all grounded in ethics and excellence, thereby ensuring business continuity

With a view to the continuous incorporation of ESG aspects into Copasa's corporate culture, approaches were made in meetings, events, training sessions and development programs with the Company's main leaders, and their dissemination takes place at the various hierarchical levels.

In addition, it hosted, in partnership with the Global Compact, the first regional event of the UN Global Compact on the progress of SDG 6, which had as its motto the discussion on the Challenges and Opportunities for the Business Sector in SDG 06 in Minas.

In the context of the ESG Agenda, it is worth reporting the Accounting of Copasa's Social Balance Sheet 2023, which revealed an overview of developments and challenges related to the socio-environmental commitments assumed by the Company, as well as the opportunity to evaluate the effectiveness of its ESG agenda.

Among the strengths, we highlight the growth of approximately more than 10% in investments in health,

driven by programs such as *Saúde em Dia* (Health Catch-Up), and the 63.23% increase in training and professional development, demonstrating the company's commitment to the Health Promotion and Well-Being at Work program.

A particularly interesting fact was the significant expansion of investments in Culture and Sports. This initiative, which resulted in a 35.51% increase in financial expenditures in Culture and 301.77% in Sports, demonstrates the impact of the commitments to Customer Relations, as well as to the Protection of Children and Adolescents Rights that make up the ESG Agenda.

In the environmental dimension, Copasa has a positive trajectory, with a 95.22% increase in investments in external programs and projects and a 39.10% increase in investments related to the company's production and operations, with a focus on the adoption of clean and efficient technologies and programs associated with energy efficiency. This evolution ratifies the commitment to Water Protection, characterized by the company's maturity in mitigating environmental impacts.

Regarding diversity and inclusion, there was an increase in the percentage of leadership positions held by women, rising from 33.12% in 2022 to 36.18% in 2023, corroborating the commitment to Gender Equality and meeting the goal established with the UN's *Elas Lideram* Movement, which predicts that by 2025 37% of women will be in leadership positions.





Materiality

GRI 3-1, 3-2

Materiality is a management tool capable of supporting the advancement of the ESG agenda, guiding sustainability integration in the business model and contributing to the Company's continuity. In order to ensure reliability in decision-making, in this cycle, Copasa reviewed and updated the materiality study held in 2023. This study was developed based on the double materiality methodology, identifying the pertinent topics for the sector and evaluating their relevance from internal and external perspectives.

The materiality review carried out in 2024 consisted of updating the ratings and standards used in 2023, in addition to the insertion of new indicators for the infrastructure and water-related services sector. The possible impacts that the organization has or could have on the economy, the environment and the people involved, related to each topic, were also identified. The topics were grouped by their affinity area.

Environmental

- 01 Water and water security
- 02 Effluents and waste
- 03 Environmental Management

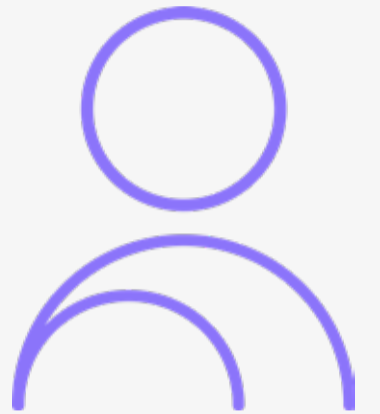
Social

- 04 People management
- 05 Customers & local communities
- 06 Universalization of basic sanitation

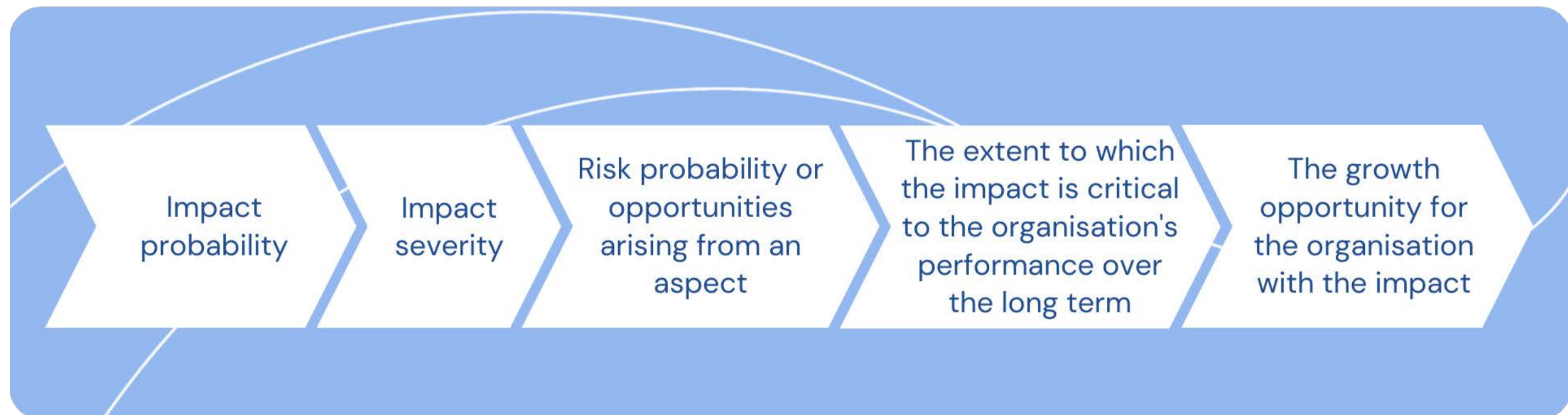
Governance

- 07 Governance
- 08 Compliance, ethics and anti-corruption measures
- 09 Operational efficiency
- 10 Economic and financial performance

10 Material Topics



The impact assessment included the following elements, among others:



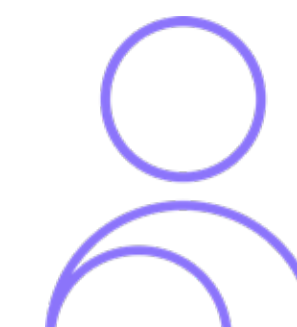
Environmental Topics



Topic	Scope/Description	Related SDGs	Global Compact Principles	GRI & SASB
Water and water security	<p>Measures to manage rational water collection and the reliability of the water network infrastructure supply, which ensure water security.</p> <p>Water security: understood as the availability of water in sufficient quantity and quality to meet human needs, the practice of economic activities and the conservation of aquatic ecosystems, accompanied by an acceptable risk level related to droughts and floods.</p>	03 (3.3), 06 (6.2 e 6.5), 15	1, 2, 7, 8	<p>GRI: 3-3, 201-2, 303-1, 303-2, 303-3, 303-4 3-3, 416-1, 301</p> <p>SASB: IF-WU-240a.4, IF-WU-440a.3, IF-WU-450a.4 IF-WU-250a.2</p>
Effluents and waste	<p>Effluents: adequate sewage collection and treatment at the sites of operation, considering the structure of the collection network. It includes compliance with quality standards for treated sewage.</p> <p>Waste: a set of actions to reduce waste generation and implement improvements in the stages of segregation, collection, transportation, treatment, final disposal and environmentally appropriate recycling.</p>	06 (6.3)	7, 8	<p>GRI: 3-3, 303-4</p> <p>SASB: IF-WU-140b.1</p>
Environmental Management	<p>Climate strategy: climate risk strategy, governance and management in the face of vulnerabilities related to the consequences of climate change, such as storms, floods, water scarcity and new regulations. It includes the management of Greenhouse Gases and other polluting gases.</p> <p>Environmental protection: measures to protect and restore ecosystems, including environmental education actions and projects that seek to minimize negative environmental impacts.</p>	06 (6.6), 13 (13.2), 15	7, 8	<p>GRI: -3, 304-1, 304-2, 304-3</p>



Social Topics



Topic	Scope/Description	Related SDGs	Global Compact Principles	GRI & SASB
<p>People management</p>	<p>It includes the benefits and working conditions that the Company offers to its people, the development of programs that foster the training and continuing education of employees, as well as issues related to human rights and compliance with labor rights.</p> <p>Occupational health and safety: measures to prevent occupational accidents and diseases, to ensure the health and well-being of own employees and third parties.</p> <p>Diversity and equal opportunities: a topic related to the organization’s actions on representativeness in the composition of the workforce, managers and senior management, ensuring diversity of gender, ethnicity, color, age, LGBTQIAP+ identity, people with disabilities and other vulnerable groups.</p>	<p>03 (3.3), 08 (8.2)</p>	<p>1, 2, 7, 9</p>	<p>GRI: 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10</p>
<p>Customers & local communities</p>	<p>Issues related to communication channels, satisfaction rates and customer experience for the service provided. It also includes information related to consumer health and safety, customer relationships and satisfaction with the Company’s service.</p> <p>Product safety: standards and processes for water quality assurance and contaminant control, including cases of non-compliance and action taken.</p> <p>Local communities and social investments: encompasses the mapping and management of economic, social and environmental impacts (positive or negative) related to surrounding communities and engagement with them, as well as social responsibility actions and awareness programs.</p>			<p>GRI: 3-3, 205-1, 205-2, 205-3</p>
<p>Universalization of basic sanitation</p>	<p>In line with the New Legal Framework, it encompasses aspects of investment in infrastructure and interactions with water as a shared resource, aiming at the expansion of water supply, sewage collection and treatment services to rural and peripheral areas of the places of operation.</p>	<p>03 (3.3); 06 (6.1), 11 (11.1)</p>	<p>1, 6, 7, 8, 9</p>	<p>GRI: 3-3, 203-1, 203-2 SASB: IF-WU-240a.1</p>

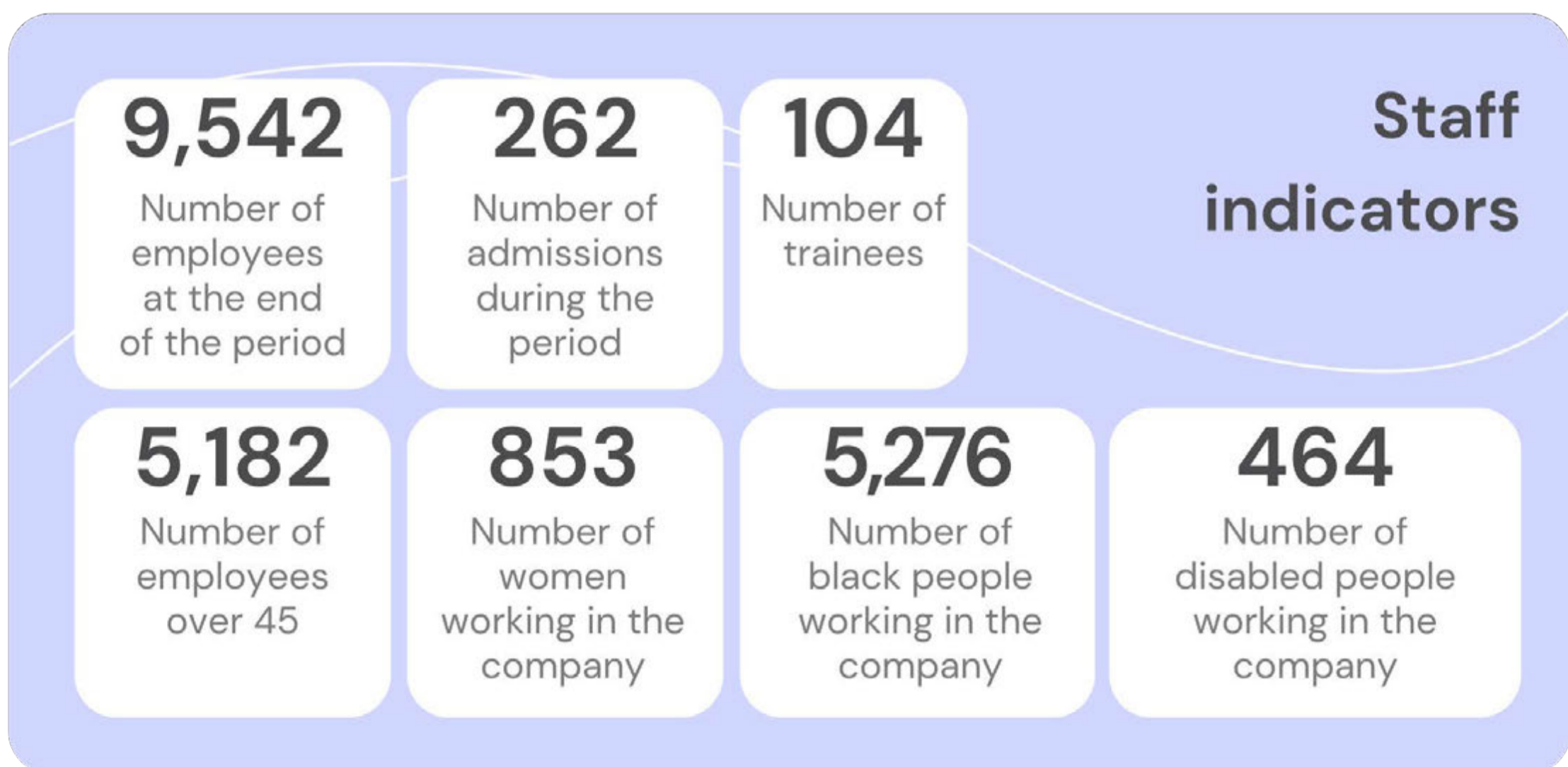
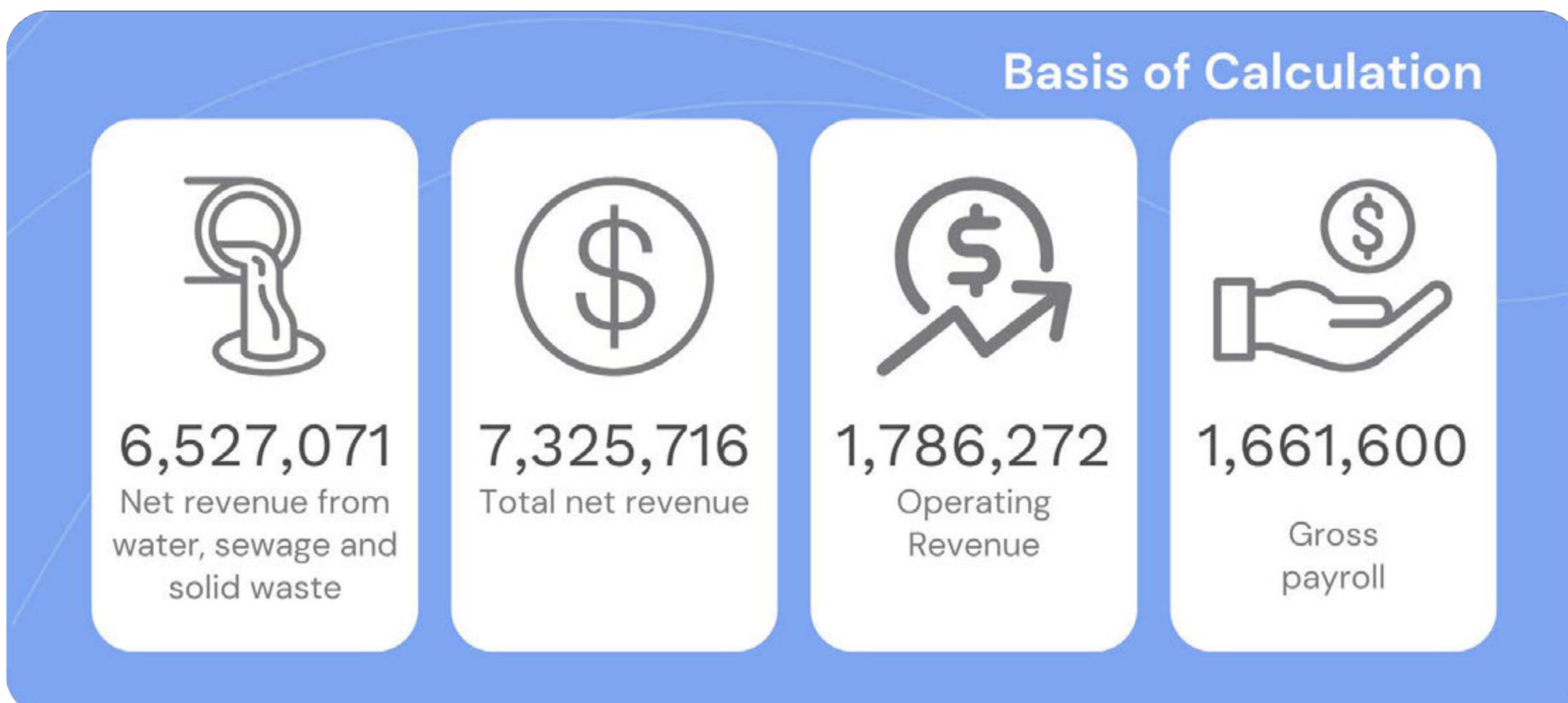


Governance Topics



Topic	Scope/Description	Related SDGs	Global Compact Principles	GRI & SASB
Governance	<p>A set of processes, culture, regulations, and strategy that define how a company is run, monitored, and incentivized, including how ESG aspects are considered in management. It includes all processes related to governance, as well as aspects associated with market presence and taxes. It also includes:</p> <p>Legality management and engagement with the government: internal planning and diagnosis for municipal action, with mapping and management of social, environmental and economic impacts of new ventures, in addition to communicating these practices to external stakeholders.</p> <p>Risk management: mechanisms to identify, assess, mitigate and prioritize risks in a structured manner across all areas and processes of the organization.</p> <p>Supplier management: task management, encouragement of good practices and verification of social and environmental regulatory compliance of contracted companies (suppliers and service providers), including human rights issues.</p>	05 (5.5), 08, 09 (9.4), 13 (13.1), 15 (15.1)	6, 7, 8, 9	GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21; 3-3; 415-1
Compliance, ethics and anti-corruption measures	<p>The company's values and principles of action and relationships, considering mechanisms applied by the company related to ethics, integrity and anti-corruption, as well as environmental and regulatory compliance. It also includes:</p> <p>Data protection and cybersecurity: proper functioning of internal systems, ensuring compliance with the LGPD (General Data Protection Law).</p>		10	GRI: 3-3, 205-1, 205-2, 205-3
Operational efficiency	<p>Optimization of production processes aiming at better financial performance and reduced consumption of natural resources. Use of mechanisms to reduce losses, from collection to the end customer, contributing to efficiency/reduction of consumption. Data related to consumption and mechanisms for efficient use of energy in processes are also part of this theme, since they are directly related to operational efficiency. It also includes aspects related to:</p> <p>Innovation and technology: innovation of the company's processes, adoption of green technologies, innovation in the business model, operations, processes and research and development (R&D) aimed at enabling new business opportunities in the face of new regulations and market trends.</p>	06 (6.4), 08 (8.2), 09 (9.4)	7, 8, 9	GRI: 3-3, 302-4, 302-5, 302-1, 302-3 SASB: IF-WU130a.1, IF-WU-140a.2, IF-WU-420a.2
Economic and financial performance	<p>Financial performance of the company with the creation or destruction of value for its shareholders and creditors in the short, medium and long term, considering environmental aspects, social aspects and other intangible values.</p>	08 (8.2)	9	GRI: 3-3, 201-1, 201-3, 201-4, 202, 204, 207

Calculation basis and metrics



R\$ 818,822
Internal Social Indicators

R\$ 1,543,761
External Social Indicators

R\$ 639,927
Total Investments in Environment – Environmental Indicators

R\$ 137,549.17
Private Social Investments (SP)

Consumer complaints

1,529,882 in Company 1,492 at Procon 7,649 in Court

100% answered **70% answered**



Social Balance 2023

GRI 203-1 / 203-2 / 205-2

1 – Calculation Basis	Value (thousand reais)					
	2023			2022		
Net revenue from water, sewage and solid waste (RL) ¹	6,527,071			5,371,489		
Total Net Revenue	7,325,716			6,112,523		
Operating Revenue (RO)	1,786,272			1,045,954		
Gross Payroll (FPB)	1,661,600			1,457,458		
2 – Internal Social Indicators	Value (thousand)	% over FBP	% over RL	Value (thousand)	% over FBP	% over RL
Food	211,820	12.75%	3.25%	209,402	14.37%	3.90%
Compulsory social charges	328,620	19.78%	5.03%	312,493	21.44%	5.82%
Private pension	55,111	3.32%	0.84%	51,024	3.50%	0.95%
Health	109,067	6.56%	1.67%	98,711	6.77%	1.84%
Occupational health and safety	9,115	0.55%	0.14%	9,067	0.62%	0.17%
Education	3,236	0.19%	0.05%	3,122	0.21%	0.06%
Professional training and development	8,392	0.51%	0.13%	5,140	0.35%	0.10%
Daycare or daycare assistance	1,622	0.10%	0.02%	1,420	0.10%	0.03%
Profit or results sharing	84,935	5.11%	1.30%	38,004	2.61%	0.71%
Other	6,904	0.42%	0.11%	10,801	0.74%	0.20%
Total Social Internal indicators	818,822	49.28%	12.55%	739,184	50.72%	13.76%

3 – External Social Indicators	Value (1000)	% over FBP	% over RL	Value (1000)	% over FBP	% over RL
Education	3,039	0.17%	0.05%	4,329	0.41%	0.08%
Culture	6,139	0.34%	0.09%	4,530	0.43%	0.08%
Health and sanitation	432,523	24.21%	6.63%	490,100	46.86%	9.12%
Sport	2,411	0.13%	0.04%	600	0.06%	0.01%
Other	8,293	0.46%	0.13%	1,687	0.16%	0.03%
Total contributions to society	452,403	25.33%	6.93%	501,246	47.92%	9.33%
Taxes (excluding social charges)	1,091,358	61.10%	16.72	758,867	72.55%	14.13%
Total External social indicators	1,543,761	86.42%	23.65%	1,260,113	120.47%	23.46%

Social Balance 2023

4 – Environmental Indicators	2023			2022		
	Value (1000)	% over FBP	% over RL	Value (1000)	% over FBP	% over RL
Investments related to the company Production / Operation	598,827	33.52%	9.17%	430,493	41.16%	8.01%
Investments in programs and/or External projects	41,099	2.30%	0.63%	21,053	2.01%	0.39%
Total investments in environment	639,927	35.82%	9.80%	451,546	43.17%	8.41%

5 – Private Social Investments (SP)	2023	2022
Mobilization of private resources of public interest (Value in R\$ thousand)	137,549.17	–
Proportion of ISP on Gross Operating Revenue (%)	1.88	–

6 – Staff Indicators	2023	2022
Number of employees at the end of the period	9,542*	10,186
Number of admissions during the term	262	396
Number of trainees	104	171
Number of employees over 45	5,182	5,931
Number of women working in the company	853	916
% of management positions held by women	36.18%	33.12%
Number of black people working in the company	5,276	5,576
% of management positions held by blacks (blacks + browns)	25.00%	26.11%
Number of disabled people working in the company	464	560

7 – Relevant information regarding the exercise of corporate citizenship	2023			Target 2024		
Frequency rate of occupational accidents with absences per million hours worked ⁵	4.52			4.00		
Social and environmental projects developed by the company were defined by	() direction	(X) Direction and management	() all employees	() Direction	(X) Direction and management	() all employees
Safety and health standards in the workplace were defined by:	(X) direction and management	() All employees	() all + Cipa	(X) Direction and management	() All employees	() all + Cipa
Freedom of association, the right to collective bargaining and internal representation of workers, the Company:	() does not engage	(X) follows ILO standards	() encourages and follows ILO	() does not engage	(X) follows ILO standards	() encourages and follows the ILO
Private pension plans include:	() direction	() direction and management	(X) all employees	() direction	() direction and management	(X) all employees
Profit or result sharing includes:	() direction	() direction and management	(X) all employees	() direction	() direction and management	(X) all employees
When selecting suppliers, the same ethical standards and social and environmental responsibility adopted by the Company:	() are not considered	() are suggested	(X) are required	() are not considered	() are suggested	(X) are required
Regarding employee participation in volunteer work programs, the Company:	() does not engage	() supports	(X) organizes and encourages	() does not engage	() supports	(X) organizes and encourages
Total number of consumer complaints and reviews: ⁶	in the company: 1,529,882	at Procon: 1,492	in Justice: 7,649	in the Company: 1,383,611	at Procon: 1,193	in Court: 5,000
% of addressed or answered complaints and criticisms:	in the company: 100%	at Procon: 100%	in Justice: 70%	in the company: 100%	at Procon: 100%	in Court: 70%
Total added value to be distributed (in R\$ thousand)	In 2023: 4,463,269			In 2022: 3,644,733		
Added Value Distribution (DVA)	26.32% government 33.86% employees 13.74% shareholders 10.11% third parties 15.97% retained			24.43% government 36.76% employees 10.73% shareholders 15.67% third parties 12.41% retained		

7 – Other Information

CNPJ 17,281,106, sector: sanitation. For explanation about the information declared: *Unidade de Serviço de Desenvolvimento Sustentável* (Sustainable Development Service Unit), phone number 55 31 3250-1932 e-mail usds@copasa.com.br

1 – To calculate the indicators, the value of net revenue from water, sewage and solid waste from services provided by Copasa is being considered, excluding Construction Revenue. The classification is in accordance with the Company's results disclosure system.

2 – Private Social Investments (PSI) reported from 2023 onwards adopts the methodology presented by BISC (Corporate Social Investments Benchmarking) – Comunitas Initiative, available at:



<https://bisc.org.br/> and the *Grupo de Institutos, Fundações e Empresas* (Group of Institutes, Foundations and Companies) (GIFE), available at: <https://gife.org.br/quem-somos-gife>. Values calculated on Gross Operating Revenue of R\$ 7,312,789,304.65.

3 – Copasa does not use child labor or slave labor and is not involved in prostitution or sexual exploitation of children or adolescents and is not involved in corruption. We respect and include diversity.

4 – The number of outsourced employees was estimated by considering the workforce allocated in service contracts, as Copasa does not hire third parties directly. For this reason, this accounting was discontinued as of 2023.

5 – The company has invested in its improvement especially

through the *Acidente Zero* (Zero Accident) Program, consisting of a set of projects and actions aimed at developing a safety culture involving safe behavior, discipline and monitoring, and aiming at the goal of zero accidents. Thus, the Indicator Total number of occupational accidents was replaced by the Strategic Indicator of Frequency Rate of Accidents with Lost Time per Million Hours Worked.

6 – The total number of consumer complaints and criticisms dealt with directly was reassessed in the 2022 financial year. The number calculated in 2022 amounted to a total of 1,237,339 complaints and criticisms from consumers. The report with the information was forwarded to Arsae-MG OP12 of 2023.

*Disregarding the employed director, according to information from the financial statements, accessed at <https://ri.copasa.com.br/servicos-aos-investidores/central-de-resultados/>

Transparency

CRYSTAL CLARITY

Copasa is authentic in its actions, communications and relationships with customers, seeking to convey information in a direct and clear way, without ambiguity, just like water, pure and crystalline.



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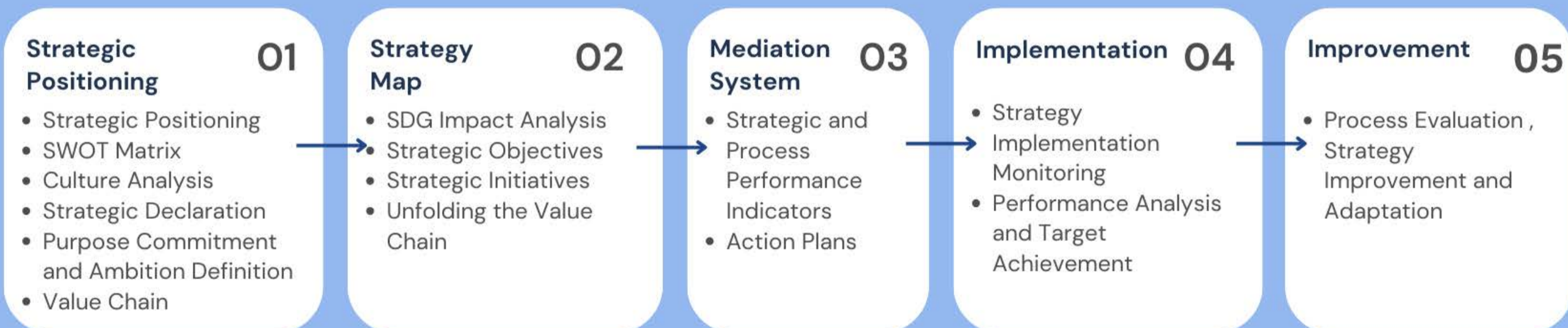
Strategic Statement

SDG (16 – TARGETS 16.3, 16.7)
GRI 2-22

For the elaboration of the strategic planning, Copasa carried out the analysis of environments, critical factors of success, definition of perspectives, strategic objectives, indicators and targets. It is worth noting that Copasa’s Environmental, Social and Governance (ESG) Agenda was consolidated and integrated into the strategic planning process for the 2022–2026 cycle, represented in its Strategic Declaration and Strategic Map.

The performance of strategic planning is monitored through an electronic panel containing the strategic initiatives, linked to the strategic objectives, indicators and respective action plans with deadlines. This tool makes it possible to monitor what was planned to raise the Company’s performance level throughout the cycle.

Strategy Formulation and Implementation Process



Copasa, ETE Ibirité



Strategic Statement

Our purpose
Caring for water and generating value for people

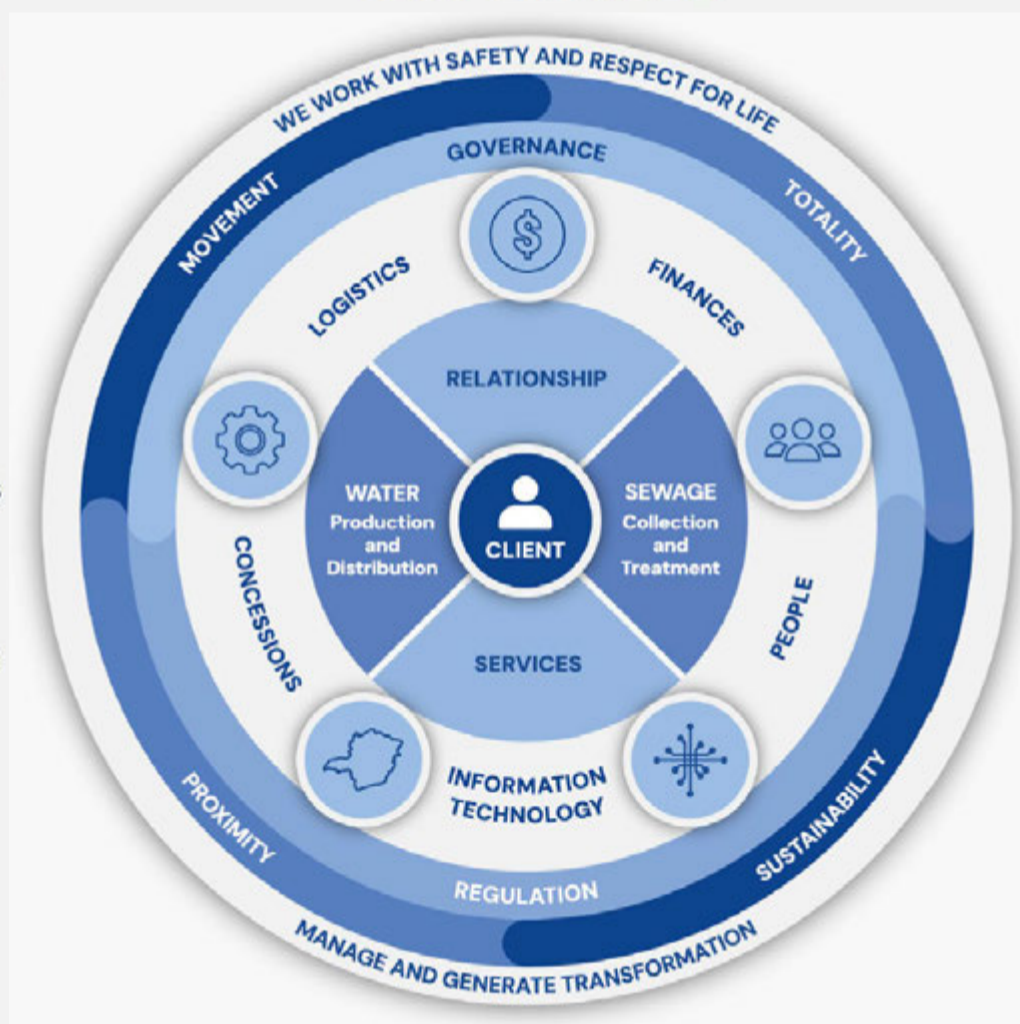
Our Commitment

- we act with safety and respect for life
- we are motivated to provide good customer service
- we seek the universalisation of water and sewage services, with quality and in a sustainable manner

Our Way

- we care for safe individual and collective behaviour
- we value people and develop their talents
- we turn passion into quality service
- we serve the customer with respect and enthusiasm
- we make things happen with creativity and innovation
- we are committed to deliveries and results
- we respect and include diversity
- we are in compliance: integrity, responsibility, ethics and transparency

Our Process

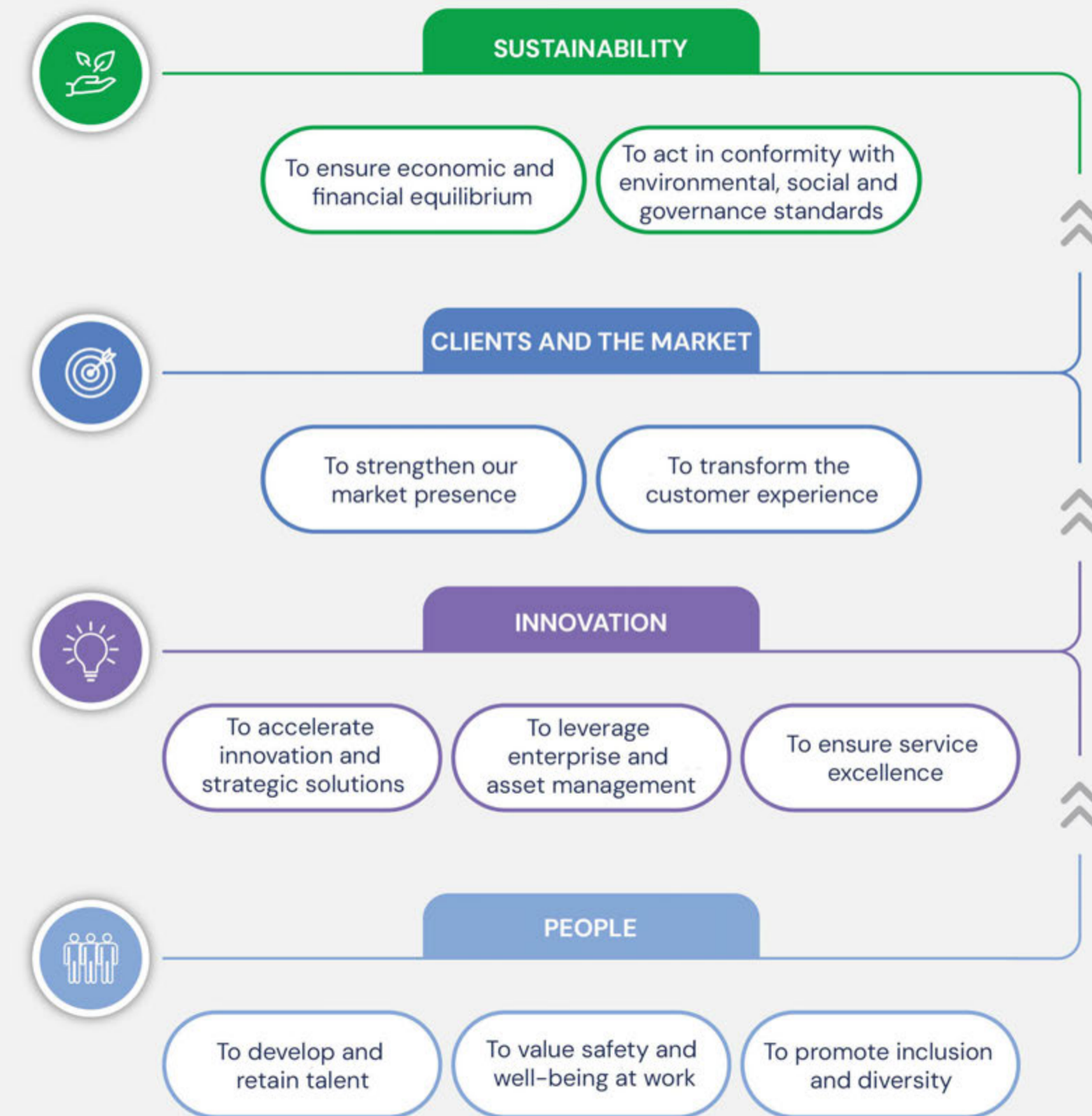


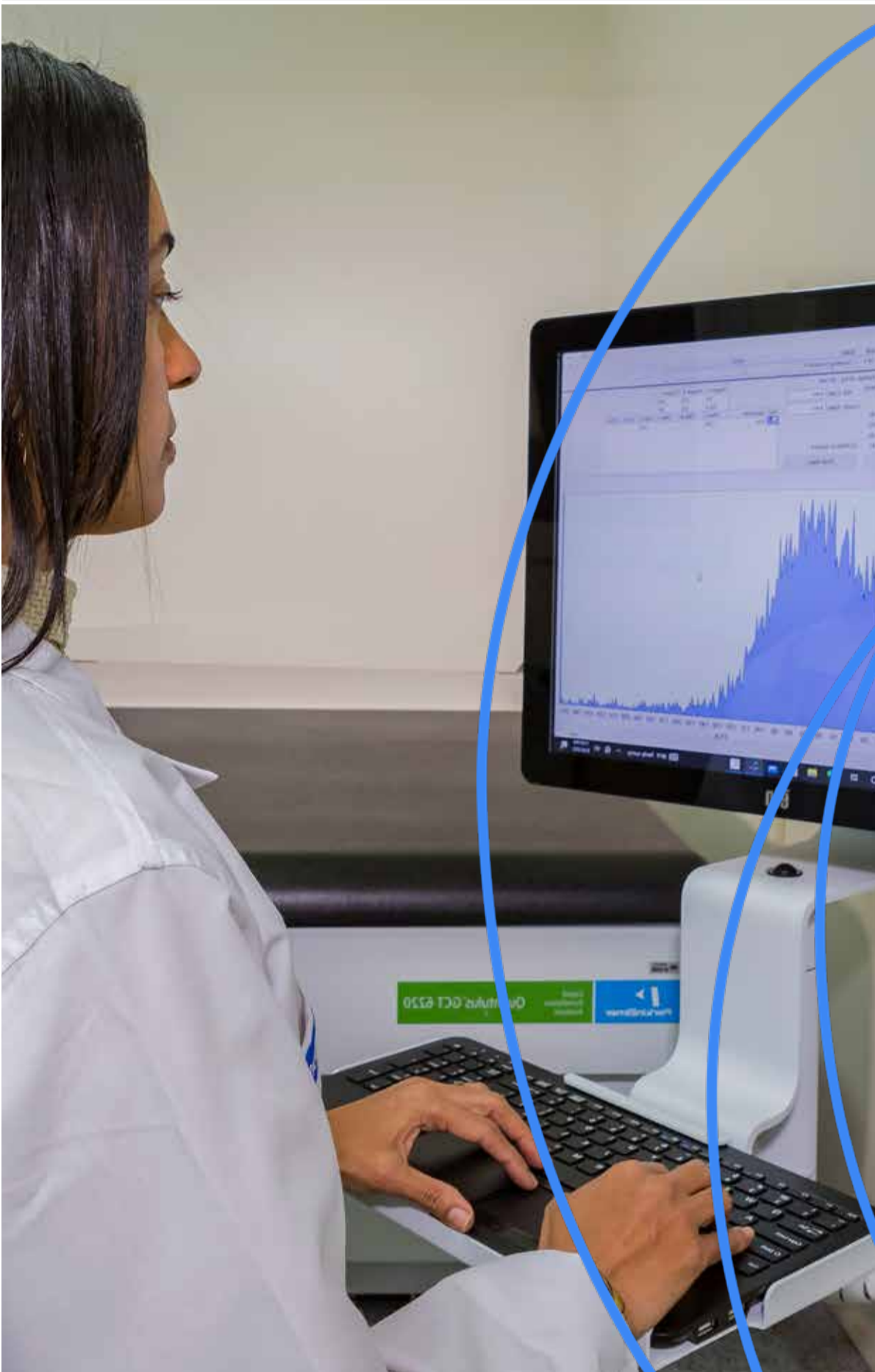
Our ambition
To be recognised for the quality and efficiency of our services

Strategic Map

Our purpose
Caring for water and generating value for people

Our ambition
To be recognised for the quality and efficiency of our services





Since its implementation in 2021, the Strategic Management Excellence Program has enhanced the application of the Management Excellence Model (*Modelo de Excelência da Gestão – MEG*) across the Company.

Actions taken in financial year 2023:

Throughout the year, significant progress was made in the execution of the Program:

- 381 Training in the MEG, with the insertion of ESG requirements 
- Management Improvement Plans – PMGs Implementation and monitoring 
- Organisation's success stories recognition and awarding 

MEG is a reference model in organizational management and is the main publication of the *Fundação Nacional da Qualidade* (National Quality Foundation) (FNQ), one of the most important centers of excellence for improving productivity and competitiveness of Brazilian organizations. Its main characteristic is to be an integrative and self-assessment model to obtain a diagnosis of management maturity.

The Program's actions contribute to the development and evolution of Copasa's management in a sustainable manner, leading the Company to fulfill its ambition: **"to be recognized for the quality and efficiency of our services."**



Copasa, ETE Ibitité

Strategic Excellence Management Program





Copasa, ETA Rio das Velhas

Correlation with the Global Compact and the SDGs



Principle 9

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



By looking at Copasa's business model and the potential that the Company has in various areas, both economic, social and environmental, it is possible to see an intrinsic relationship between the Company and the demands for innovation and support for sustainable industrialization. Copasa does not only directly provide services to the population, but also to public and private entities, from service companies to industries. Basic sanitation services are essential for the functioning of society as a whole.

For this reason, Copasa aims to contribute to the achievement of the SDG 9 goals, not only through the strategic directions indicated. But also a Research (R&D) Policy has been developed. As a result, there is a clear perception that in order to continue offering quality basic sanitation services, it is essential for Copasa to prioritize innovation. Considering the Company's relationship with the environment – especially the use of water – its initiatives impact principle 9 of the Global Compact, which seeks to encourage the development and dissemination of environmentally friendly technologies. In an environmental, social and economic sense, the search for innovation has the potential to have a positive impact on the achievement of SDG 9 goals.

Copasa understands that in order to continue offering equitable, quality and sustainable sanitation services, it is essential to understand market trends and innovative possibilities that will support regional economic development and the well-being of the population (goal 9.1). This will enable to offer the economic and industrial sector a modern infrastructure that makes the use of resources more efficient, striving for cleaner processes (target 9.4). Consequently, with innovation and research as a relevant input for Copasa, the Company will be strengthening its own technological and development scenario, increasing the workforce in the area and stimulating investments for these purposes (goal 9.5).

In line with the Corporate Risk Management Policy, the revision of the Corporate Risk Management Manual was approved by the Executive Board on August 16, 2023. The document establishes the criteria and procedures for the application of Copasa's corporate risk management methodology. According to the Manual, the definition of risks is carried out during the "Risk Identification" stage, which is one of the first phases to be carried out after defining the internal and external contexts.

The Manual provides for the application of the techniques used in corporate risk management, such as: brainstorming, workshops, questionnaires, interviews and specific forms.

Copasa's Risk Matrix presents a total of 37 corporate risks, 9 of which are related to Integrity. The risks are classified into 11 macro processes: Water – production and distribution, Sewage – collection and treatment, Relationship, Services, Concessions, Finance, Governance, Logistics, People, Information Technology and Regulation.

The Company operates with a conservative profile in relation to risk appetite, complying with the tolerance limit approved for each risk. The Company's Board of Directors approved the level of criticality of the risks, according to their impact and probability assessment, providing for each of them treatment actions provided for in the Response Plans.

The following risks were prioritized because they are in the quadrant of those assessed as critical:

-  **Concessions** – Loss of concessions.
-  **Project Management** – Economic and financial losses due to inadequate project management.
-  **Cyber Attacks** – Cyber attacks on information devices and systems, data theft, damage to equipment or downtime, ransomware and violations.
-  **Sewage Treatment** – Losses arising from inefficiency in sewage collection and treatment.
-  **Occupational Health and Safety** – Loss of productivity due to absenteeism, occupational accidents or diseases and pandemics.
-  **Privacy and Protection of Personal Data** – Inadequate processing of personal data or insufficient mechanisms to protect such data leading to improper access, use or sharing of this data.

All risks are monitored through risk indicators, through the progress of control improvements and through the implementation of actions set out in the Risk Response Plans



Risk Management

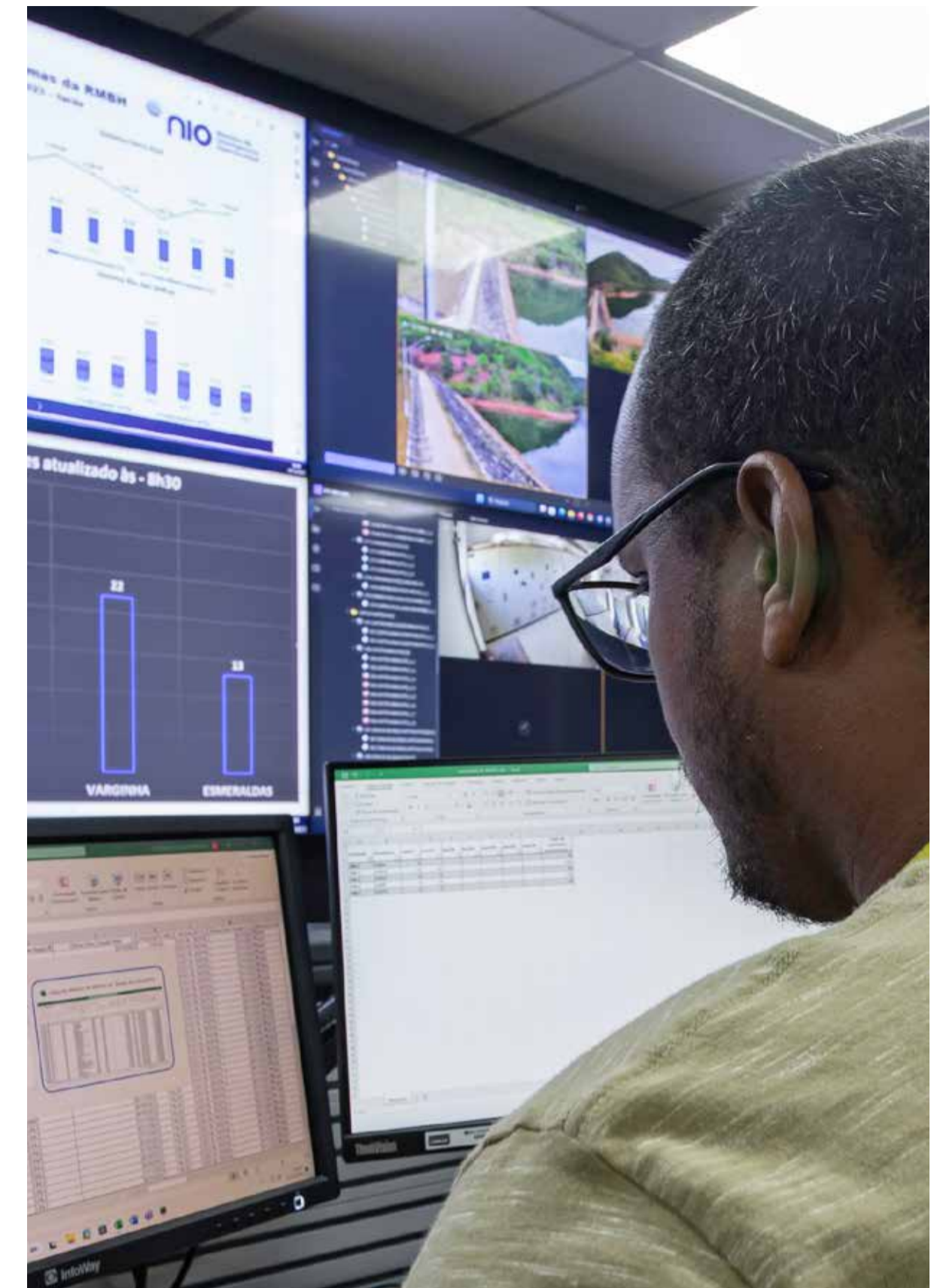
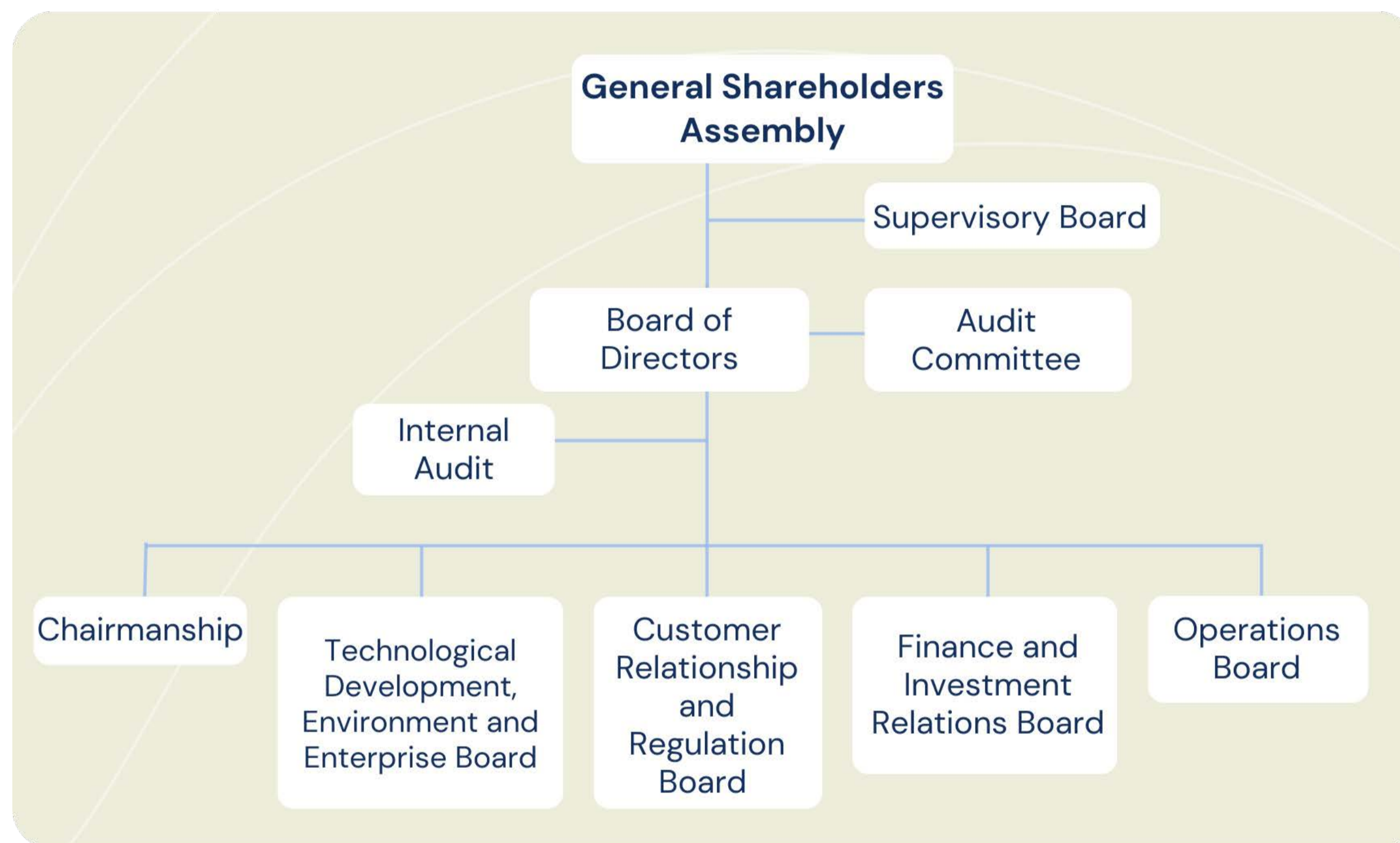
GRI 2-25

We operate in accordance with good governance practices, guided by the principles of transparency, equity, accountability and corporate responsibility, and aligned with the rules of the Novo Mercado (B3).

Our governance model seeks sustainable development, based on the balance between social, environmental, economic and financial aspects, with the aim of improving our relationship with employees, customers, shareholders, society, the granting authority and other stakeholders.

The organizational structure works according to the organizational chart and the prerogatives for its components eligibility, position maintenance and attributions can be verified according to the Policy of Nomination and Eligibility of Statutory Members, Governance Policy, Conflict of Interest Policy and through the link: <https://ri.copasa.com.br/governanca-corporativa/>

Copasa's Organizational Structure



Governance

SDGs (05 – TARGETS 5.5/ 16 – TARGETS 16.5, 16.6, 16.7)
GLOBAL COMPACT (PRINCIPLE 10)
GRI 2-9 / 2-10 / 2-11 / 2-12 / 2-15 / 2-18

General Shareholders Assembly

A Assembleia Geral de Acionistas é a The General Shareholders Assembly is the Company's highest decision-making body, which has the power to deliberate on business related to its purpose and to take the resolutions it deems appropriate for its defense and development. Its purpose is to render accounts to shareholders and the matters and attributions within its competence are defined in Law No. 6,404/1976. Among them, the following stand out: to take the accounts of the directors and deliberate on the financial statements; to amend the Bylaws; to elect or dismiss the Company's directors and auditors; and to establish, on an annual basis, overall amount for compensation of the Company's Board of Directors, Supervisory and Executive Board as provided for in the Compensation Policy in force.

The General Shareholders Assembly meets, ordinarily, within the period of 4 months after the end of each financial year and, extraordinarily, when necessary.

Supervisory Board

Copasa's Supervisory Board operates on a permanent basis, meeting once a quarter and extraordinarily whenever necessary. This Board represents the shareholders, and its function is to supervise the management of the company's business, monitoring the accounts and the performance of the administrators and examining all documents of the Company. The Supervisory Board is composed of 4 effective members and an equal number of alternates, selected in accordance with criteria and prohibitions set forth in the Policy for the Nomination and Eligibility of Statutory Members, and shall be elected at the General Shareholders Assembly. The term of office of the Supervisory Board Members is 2 years, with a maximum of two consecutive reappointments permitted.

Board of Directors

The Board of Directors (*Conselho de Administração – CA*) is a collegiate decision-making body responsible for approving the general guidelines for the Company's business, defining its mission, strategic objectives and guidelines, as well as approving policies, the business plan, the long-term strategy, the strategic planning, the investment program and the corporate budget. It is the highest level of the management bodies.

The Board of Directors is composed of 7 (seven) members, who are selected in accordance with the principles, criteria and restrictions set forth in the Policy for the Nomination and Eligibility of Statutory Members and are elected by the General Shareholders Assembly. It is important to note that one of the members of this Board is a representative of the minority shareholders and another is elected by the employees. At the end of the fiscal year, 4 of the 7 members of the Board of Directors are independent. The members of the Board of Directors have a unified term of office of 2 years, with a maximum of 3 consecutive reappointments permitted. It meets ordinarily once a month and extraordinarily whenever necessary.

In order to ensure the prevention and management of conflicts of interest, the members of the Board of Directors must declare their impediment in advance whenever the matter submitted for their consideration involves a personal interest or one that conflicts with that of the Company, and their presence during the discussion and voting on the matter is prohibited. The accumulation of the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company is also prohibited.

We have taken steps to develop and improve the knowledge of the members of the Board of Directors. All of them participate, upon taking office and annually, in specific training on essential topics related to Copasa's activities, such as corporate and capital market legislation, disclosure of information, Federal Law No. 12,846/2013 (Anti-Corruption Law), Bids and Contracts, Internal Controls and the Ethical Conduct Code.

The performance of the Board Members is assessed annually, individually and collectively, observing the following minimum requirements: presentation of the management acts carried out in terms of the legality and effectiveness of the administrative action, contribution to the result of the financial year, achievement of the objectives established in the business plan and compliance with the long-term strategy.



Statutory Audit Committee – COAUDI

The Statutory Audit Committee (COAUDI) is an advisory body directly linked to the Board of Directors, composed of three (3) members, most of whom are independent, with one independent Board Member acting as the Committee's coordinator. COAUDI's meetings take place at least every two months, according to a previously approved calendar, so that the interim quarterly and annual financial statements can be assessed by the committee before they are released. The duties of this body are set forth in Copasa's Bylaws

Executive Board

The Executive Board (*Diretoria Executiva* – DE) is responsible for complying with the guidelines established by the Board of Directors (CA) and the General Assembly, for administering the company's business and for performing the acts necessary for ongoing management, in accordance with the long-term strategy, multi-year plans, business plan and annual budget. The current Board of Directors is composed of 5 members, with their respective positions: Chief Executive Officer; Chief Financial and Investor Relations Officer; Chief Customer Relations and Regulation Officer; Chief Operating Officer; and Chief Technological Development, Environment and Enterprises Officer. The Board of Directors elects the Directors, in accordance with the principles, criteria and prohibitions set forth in the Policy for the Nomination and Eligibility of Statutory Members, as well as defines the area of activity and duties of each Board. The term of office of the members of the DE is 2 years, with a maximum of 3 consecutive reappointments permitted. The Executive Board meets weekly, as provided for in the calendar of meetings, and extraordinarily whenever necessary.

Non-Statutory Committees

Additionally, the Board of Directors has 3 non-statutory committees: Investment Committee (*Comitê de Investimentos* – CINV), People Management Committee (*Comitê de Gestão de Pessoas* – CGP) and Governance Committee (*Comitê de Governança Corporativa* – CGC).

CINV: is a consultative and advisory body to the Board of Directors (CA), assisting in deliberations related to the analysis and monitoring of investments included in the Company's planning. The CINV is composed of 3 members appointed from among the members of the Board of Directors, one of whom is a representative of the controlling shareholder, who acts as coordinator. The Investment Committee meets whenever there are matters for its analysis, which will be assessed by the Board of Directors.

CGP: is a consultative and advisory body to the CA, assisting in deliberations related to people management composed of 4 members, 2 of which are appointed from among the members of the CA, being 1 representative of the controlling shareholder, who acts as coordinator, and 1 member representing minority shareholders, plus 2 officers (Chief Executive Officer and Chief Financial and Investor Relations Officer). Among the CGP competencies, the following stand out: formatting or improvement of people management policy; institutional communication related to people management; negotiation of

collective bargaining and profit-sharing agreements, as well as negotiations and strategies related to labor liabilities. The CGP meets whenever there are matters for its analysis, which will be considered by the CA.

CGC: is an advisory and advisory body to the Board of Directors, established to support the Board of Directors and other statutory bodies in the adoption of the best governance practices and to strive for their constant evolution, contributing to the security of strategic decision-making, with a view to preserving and increasing the value of the Company. The CGC is composed of the heads of Internal Audit, the Executive Secretariat for Governance and the Compliance Superintendence. Among the duties of the Governance Committee, the following stand out: to promote the constant improvement of governance practices, recommending new practices and proposing changes to existing practices; to monitor the evolution of the Company's governance model; to monitor and evaluate updates to internal regulations related to governance; and periodically to evaluate the Policy for the Nomination and Eligibility of Statutory Members and the Governance Policy, as well as other Policies and institutional documents related to governance, recommending their update as necessary.



Collegiate and Procurement Management

Established in 2015, Collegiate Management is a computerized system for managing expenses and sharing decisions, in which expenditures related to costing and investments at all levels of the organization are approved by Committees (Management Committee, Operational Committee, Steering Committee, Executive Board, Board of Directors and General Assembly) observing the limits of values and natures for materials, works and services.

Another worth noting Project is the implementation of the "Procurement Management" established in the Company in February 2022 with the purpose of bringing speed and control to Copasa's to Copasa's procurement processes, providing efficiency and transparency in all phases of the bidding process, with fully electronic structuring and processing of demands, from planning to contracting. This implementation brought significant results in the Company's procurement routine: a reduction of more than 50% in the average time for contracting, in addition to savings of approximately 2 tons of paper per year.

Ethics and Integrity

SDG (16 – TARGETS 16.3, 16.5, 16.10)
GLOBAL COMPACT (PRINCIPLE 10)

The dissemination of organizational values and principles is a common attribution to all Copasa units, and is formally established through the Organization Manuals. To ensure the dissemination of our positioning and information regarding values, conduct and compliance management instruments, several interventions on the subject were carried out with our strategic audiences. In 2023, Copasa invested in initiatives to reinforce the importance of integrity and ethics in relations with stakeholders. Approximately 10.9 thousand employee participations in compliance training were recorded, covering almost all of Copasa and Copanor employees.

Elected directors must participate, upon taking office and annually, in specific training on corporate and capital market legislation, information disclosure, internal control, code of conduct, Law No. 12,846 of August 1, 2013 (Anti-Corruption Law), and other topics related to the activities of the public company or mixed-capital company. Thus, in 2023, 13 members of the Governance body, which corresponds to 94% of this collegiate, received training in combating corruption.

As of 2022, all bids were submitted to the Anti-Corruption Compliance Policy and the Code of Conduct and Integrity for suppliers and included in the bidding public notices and contract items.

In addition, the Company participates in the "Acertar" project, which aims to develop information certification methodologies for the Sistema Nacional de Informações sobre Saneamento (National Sanitation Information System) (SNIS), in accordance with control, compliance and governance policies. The program is conducted by Arsaé-MG, which certifies data from water and sewage service concessionaires.

Integrity Plan

The Company's Integrity Plan consists of implementing policies, guidelines and procedures to combat corruption and investigate reports and irregularities, aiming to implement internal integrity mechanisms and procedures, in compliance with Federal Law No. 12,846/2013 (Anti-Corruption Law) and good governance practices.

Items included/changed in the latest review of the Integrity Plan in 2023:

- ➔ Inclusion of the Code of Conduct and Integrity for Suppliers;
- ➔ Updates to the Anti-Corruption Compliance Policy, the Gifts and Rewards Policy, the Internal Controls Policy, the Integrity Due Diligence Policy and the Personal Data Protection Policy;
- ➔ Incorporation of changes implemented in the Complaints Channel.

Ethics and Governance Instruments

The Code of Conduct and Integrity brings together and formalizes the principles and values that guide how the Company's relationships should be conducted. The document contributes to the strengthening of business ethics and integrity conducts, supporting daily practices and decision-making. Upon joining Copasa, all employees, administrators, committee members and supervisory board members formally commit to the ethical precepts by signing a Term of Commitment. Suppliers, service providers and any other party with whom Copasa has a contractual relationship are also subject to the Code, formally committing to comply with it upon signing contracts or any other instruments.

Access to the Code of Conduct and Integrity and the anti-corruption compliance policy is guaranteed through a computerized system for all Copasa employees. In 2023, 9,448 of them, representing 99% of the Company's staff, were notified and accepted these instruments.

To ensure the efficiency of the Company's ethics and governance instruments, in 2023, 100% of the members of the governance body committed to abide by and observe the ethical and moral rules and principles set out in the Company's Code of Conduct and Integrity.

Furthermore, during bidding processes and when contracting suppliers, as set out in the Company's Contracting Regulations, all companies are subject to compliance with the Code of Conduct and Integrity, Code of Conduct and Integrity for Suppliers and Anti-Corruption Compliance Policy being subjected to the initiation of punitive administrative proceedings for the application of any sanctions, in case of non-compliance. In 2023, 100% of contracted suppliers were informed of these processes and that they are subject to them.

Ethics Committee

The Ethics Committee is a collegiate body of a consultative and deliberative nature, with decision-making autonomy and reporting directly to the Chief Executive Officer. Its duties include analyzing and deciding on anonymous complaints and situations of conflict of interest, in addition to receiving, monitoring and deliberating on complaints of an ethical nature regarding interpersonal relationships in the corporate environment. Conduct contrary to the provisions of the Code will result in the application of penalties provided for in the rules and regulations of COPASA MG (verbal warning, written warning, suspension and dismissal) or ethical sanctions (warning or censure) provided for in the Code of Ethical Conduct for Public Agents and Senior State Administration. In addition, measures taken in possible cases of corruption are subject to current legislation.



Ethics and Governance Instruments

*SDGs (05 - TARGETS 5.1/ 08 - TARGETS 8.8/ 16 - TARGETS 16.3, 16.6, 16.10)
GLOBAL COMPACT (PRINCIPLES 1, 2, 10)
GRI 2-25 / 2-26 / 2-27 / 3-3 / 205-1 /
205-2 / 205-3 / 406-1*

Complaints Channel

The Company has a Complaints Channel reserved for receiving reports on practices that violate Copasa's Code of Conduct and Integrity, Policies, Regulations and Internal Rules, or current legislation, with the aim of facilitating the communication, investigation and treatment of these practices.

The reports are received by a third-party company, responsible for the preliminary screening of the reports which, after undergoing prior classification, are forwarded to the Internal Audit department for validation of the classification and definition of the Investigation Unit. The contracting of the Channel's operating company is managed by Copasa's Internal Audit department, which, as it is directly linked to the Board of Directors, acts independently in handling the complaints.



The Channel is accessible to employees or people outside the Company, and is available on Copasa's website which can be accessed at <https://www.canaldedenuncia.com.br/copasa/#home?lang=pt-BR>, by



calling 0800 721 5953 or by the e-mail



copasa@canaldedenuncias.com.br

The Complaints Channel allows anonymous reports to be submitted, without the need to identify the complainant, who can follow the processing of the complaint, through a protocol made available when the report is registered.



At the beginning of the 2023 financial year, there were 198 complaints with ongoing investigations and, during the year, another 348 were received.

Complaints are classified as: disciplinary; interpersonal relationships; inadequate management; fraud; sexual harassment; conflict of interest; irregularities in bids and contracts; and corruption. In 2023, the following complaints were registered:

- ➔ Of the total of **287 complaints with investigations concluded** in 2023, **154 (53.6%) of the reported facts were considered valid or partially valid**, while the other reported facts were not proven or were considered unfounded.
- ➔ **7 complaints about conflicts of interest** and **1 complaint about corruption** were upheld/partially upheld.

Whistleblowing channels

The Ombudsman's Office is a channel of communication with society that receives customer complaints. The channel aims to contribute to the improvement of the provision of our services. It is important to note that the Ombudsman's Office is an appeal instance for customers to the Company and is used when their demand has not been satisfactorily addressed in other existing relationship channels. The Ombudsman's Office is also responsible for handling requests for information registered on the Transparency Portal and for ensuring compliance with the legal deadline for responding to the requester, in accordance with Federal Law No. 12,527/2011. Demands registered with the Ombudsman's Office of Arsaé-MG and the Ombudsman's Office of the Public Prosecutor's Office of the state of Minas Gerais that involve both Copasa and COPANOR are also handled by the Ombudsman's Office.

In 2023, the volume of complaints to the Ombudsman's Office increased by 11% compared to the previous year. Of the 19,462 complaints registered, 74% were considered eligible to the Ombudsman's Office and related to delays in the provision of services, unsatisfactory responses and requests not resolved through the usual service channels, or referred to other types of manifestations classified as information, complaints, compliments/thanks and suggestions.

The quality of our services and customer service is measured through satisfaction surveys, and any complaints and dissatisfaction identified are subsequently addressed. Satisfaction surveys are periodically conducted in relation to the Ombudsman's Office. In 2023, the survey was applied to 76% of the requesters who filed complaints with the Ombudsman's Office, with a respondent rate of 18% of those surveyed.

Customer Satisfaction Survey

The Ombudsman’s Office is responsible for the dialogue between users and the Company, by receiving their statements under Complaints, Denunciations, Suggestions, Requests, Information or Compliments. It acts as an instance of control and social participation, representing the voice of the citizen, directing improvement actions with a view to improving management and generating value for the company.

In 2023, 63% of the complaints received by the Ombudsman’s Office were classified as Complaints, with the main subjects being **CONSUMPTION/BILLING/READING, WATER SHORTAGE, PAVEMENT REPAIRING, WATER LOSS/LEAKAGE and WATER CONNECTION**. Details of this information are available in the Whistleblowing Management Report, published on the Company’s website.

On a monthly basis, the Ombudsman’s Office sends a satisfaction survey to customers who have made a complaint, the summary of the annual result is described below:

55%

The deadline for demand solution was satisfactory

63%

The quality of the Ombudsman’s response was satisfactory

74%

Would contact the Whistleblowing Channel again

Organizational Policies

GRI 2-24, 3-3

The main policies governing Copasa’s conduct are briefly described below and can be found on the organization’s website through the link: <https://www.copasa.com.br/wps/portal/internet/governanca-corporativa/politicas>

Gifts and Rewards Policy

This Policy aims to establish guidelines, guide and assist the conduct of the Copasa employees regarding the receipt of gifts, rewards, invitations, tickets for entertainment, meals, hospitality and courtesies in its professional relationships, aiming to avoid the granting of undue favors or privileges, as well as the occurrence of misconduct, conflict of interest, and other irregular or illicit acts.

Anti-Corruption Compliance Policy

This Policy aims to effectively contribute to the identification and mitigation of risks of harmful acts committed against Copasa, such as employees, administrators, committee members and supervisory board members, shareholders and other interested parties to adopt high standards of integrity, legality and transparency, in accordance with Copasa’s Sistema de Gestão de Compliance (Compliance Management System) (SGC) and the provisions of Federal Law No. 12,846/13, known as the Anti-Corruption Law, and State Decree No. 46,782/15.

Conflict of Interest Policy

The goal of this policy is to guidelines and guide the identification, declaration and treatment of situations that may characterize actual or potential conflicts of interest.

Policy for Contracting Independent and Extra-Audit Services

The goal of this policy is to establish guidelines for the contracting of independent audit services and extra-audit services, ensuring compliance with the relevant legislation and good management practices in governance, contributing to the quality and independence in the execution of the contracted work.

Internal Controls Policy

The goal of this policy is to establish principles, guidelines and responsibilities, for the strengthening and functioning of Copasa's Internal Control System.

Competition Policy

The goal of this policy is to establish guidelines to prevent the occurrence of violations of Federal Law No. 12,529/2011, which deals with the Structure of the Brazilian Competition Defense System, in activities developed by Copasa.

Dividend Policy

The goal of this policy is to define the practices adopted by Copasa regarding shareholder remuneration, in order to provide transparency to the market and investors, providing them with predictability in income and seeking to meet the best standards of Governance.

Disclosure and Trading Policy

The goal of this policy is to establish guidelines, procedures and responsibilities regarding the identification, maintenance of confidentiality and adequate disclosure of information that may constitute Material Acts or Facts to the correct contact of the Company's representatives with the media and society and the trading of Securities issued by the Company.

Donations and Sponsorship Policy

The goal of this policy is to establish guidelines for donations and sponsorships, aiming to guarantee the highest standards of transparency, integrity and legality and prevent the occurrence of illegal acts as a result of the inappropriate use or transfer of the Company's resources.

Integrity Due Diligence Policy

The goal of this policy is to establish principles and guidelines to prevent the occurrence of harmful acts against Copasa and, consequently, ensure the execution of contracts in accordance with the law and regulations; to reduce the integrity risks inherent to contracts; to provide greater security and transparency in their execution; and to achieve better performance and ensure quality in contractual relations.

Corporate Risk Management Policy

The goal of this policy is to establish principles, guidelines and responsibilities to be observed in activities related to the management of the Company's corporate risks and to guide actions for the identification, assessment, treatment, monitoring and communication of risks.

Water Dam Safety Management Policy

The goal of this policy is to establish principles, guidelines, responsibilities and safety standards for water dams, to be followed by employees, in order to reduce the possibility of accidents and their consequences.



Copasa, WTP Rio das Velhas, Minas Gerais

Governance Policy

The goal of this policy is to consolidate the principles, guidelines and best management practices by which Copasa is managed and monitored.

Nomination and Eligibility Policy

The goal of this policy is to define the principles, criteria and prohibitions to be observed when appointing members of the Board of Directors, Supervisory Board, Executive Board and Statutory Audit Committee.

o establish guidelines for
s participation, as a minority
shareholder, in a business partnership,



Shareholding Policy

The goal of this policy is to establish guidelines for the Company's participation, as a minority shareholder, in a business partnership, listing the governance practices to be observed, aiming to achieve sustainable results in the long term, adjusted to levels of risk and controls appropriate for Copasa.

Privacy Policy

The goal of this policy is to establish principles, guidelines and responsibilities, so that holders can make their personal data available, with due security, in the Company's computerized systems and applications.

Personal Data Protection Policy

The goal of this policy is to establish guidelines to standardize Copasa's procedures, regarding the processing of personal data in its processes and the protection of such data, in addition to disseminating the culture of security of such information in accordance with the following principles: legality, loyalty, transparency, integrity and confidentiality.

Relationship Policy with Public Agents

This Policy aims to establish the conduct guidelines to be adopted by Copasa to regulate communication and relationships with public agents.

Remuneration Policy

The goal of this policy is to establish the criteria for defining the remuneration of Copasa's Administrators (members of the Board of Directors and the Executive Board), members of the Supervisory Board, members of the Statutory Audit Committee and employees.

Meeting Policy

The goal of this policy is to establish guidelines for holding meetings between the Company's employees and other parties.

Sustainability Policy

The goal of this policy is to establish guidelines for Copasa to manage its activities and operations, in accordance with ESG guidelines, considering social, environmental, economic-financial and governance aspects, to promote the improvement of communities' quality of life and environmental preservation, based on ethics and excellence, aiming at the continuity of the business.

Stakeholders Transactions Policy

The goal of this policy is to establish guidelines and criteria to be observed in the event of a transaction involving related parties, procedures for situations that may involve a conflict of interest, competences to identify and disclose transactions that have occurred, and to ensure adherence to legal precepts and best governance practices.

Integrity Plan

The goal of this policy is to seek commitment to integrity on the part of all Copasa's employees, administrators, committee members, supervisory board members and shareholders, as well as its suppliers, service providers, public authorities, representatives of regulatory agencies and any other party with whom it has a contractual relationship.

Information Protection Regulation – Strategic, Commercial and Industrial Confidentiality

This Regulation aims to establish criteria for defining the information that must be protected by strategic, commercial and industrial confidentiality, as well as to guide administrators, managers and employees of Copasa and its subsidiaries regarding its availability.



Copasa, Rio das Velhas System



Legality management and engagement with public authorities and regulatory bodies

Ensuring regulatory compliance means acting efficiently, which is, by definition, acting with the highest quality and with the necessary inputs. In the economic sphere, the lack of compliance with regulatory standards may impair the results of the related indicators, interfering with the rate adjustment and, consequently, with the Company's revenues. In addition, financial penalties can be applied through administrative processes, causing a negative financial impact for the company. Regulatory standards also include environmental standards, which exist to prevent resource scarcity.

Copasa depends directly on a natural resource: water. Therefore, compliance with standards is essential to ensure that its main input remains abundant in nature. In the environmental sphere, regulatory bodies act as enforcement officers of laws or regulations the non-compliance with which can generate negative environmental impacts. Among these impacts, we can mention: i) non-compliance with water quality standards, with consequences for the health of the affected community; ii) the discharge of untreated sewage into nature, which can cause ecosystem degradation, pollution, loss of biodiversity and scarcity of water resources. In this sense, the non-compliance with water quality standards, which has consequences for the health of the affected community, can also impact the company's raw material.

In this sense, the Company's management and engagement with its regulatory entities may result in the following benefits:

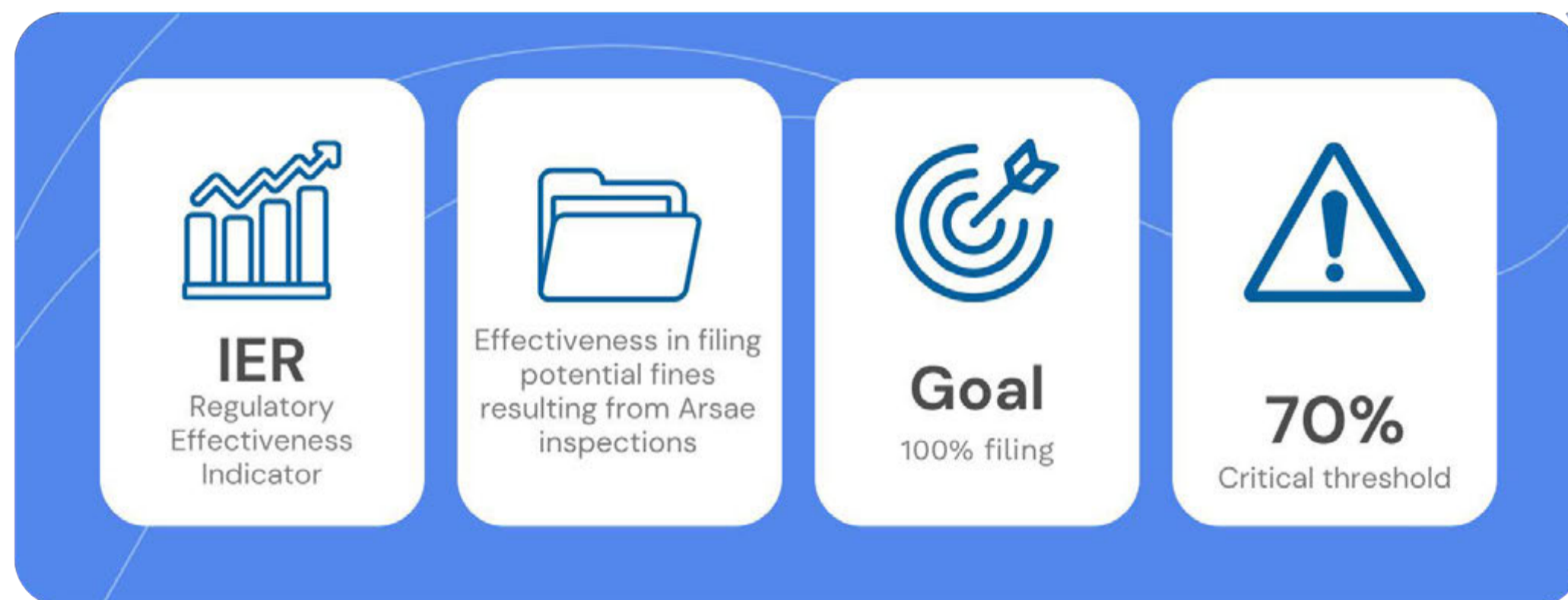
- ➔ Balance between social and Company interests, and this can provide a high standard of quality, safety, sustainability and equity in business.
- ➔ Engagement with communities can facilitate their participation in decisions that impact their human rights, ensuring respect for these, and providing Copasa with the Social License to Operate (LSO).
- ➔ Compliance with environmental standards can guarantee the preservation and conservation of the environment, avoiding accelerated degradation and providing opportunities for the use of natural resources in a sustainable manner.

Copasa's organizational structure has a specific unit responsible for regulatory procedures, managing operational and economic-financial inspections, and monitoring the Company's various units on actions to correct the findings pointed out. The performance of corrective actions, with the corresponding submission of evidence to the regulator, aims to archive inspection processes, mitigates the impact of potential pecuniary penalties, as well as contributes to the quality of service provision and the consequent environmental preservation.

Copasa's units are trained and mobilized to comply with the rules issued by regulatory agencies, an example of which is the *Programa de Eficiência Operacional* (Operational Efficiency Program) (PEO). The Program consists of a self-inspection of the company's systems, considering the company's regulatory requirements and strategic indicators.

It is worth mentioning that the regulatory rules provide for the application of pecuniary penalties, such as fines related to non-conformities and eventual refunds for charges considered undue. In this sense, the awareness-raising work contributes to the Company's compliance with the regulatory standards.

The implementation of improvement action plans, within the scope of the PEO, contributes to the improvement of the quality of service provision as well as to the adequacy of regulatory standards. Copasa monitors the RO40 Regulatory Risk, which is measured with the following indicators:



In addition, the Company carries out training rounds in self-inspections, with the aim of disseminating knowledge and regulatory insight.

Compliance with the indicators targets that make up the X Factor, which corresponds to the set of tax incentives defined for the four-year cycle, is monitored at the time of the periodic review. Achieving the targets results in a tax bonus, while failure to comply will result in a reduction in revenue.

Factor X encompasses the following incentive rates: Incentive for productivity; Incentive for the expansion of sewage treatment services; Incentive for the reduction and control of losses; Incentive for improving the quality of service and the relationship with the user; Incentive for the quality of telephone service.

The monthly monitoring of the indicators established by the Regulatory Body, such as loss control, BOD removal efficiency in Sewage Treatment Plants and sewage treatment index, enables the management of tax impacts, as well as timely guidance of the various units of the Company in relation to the necessary actions to improve indicators.

The execution of the Company's budget, with monitoring of revenues and expenses incurred and their comparisons with those forecasted in the Corporate Budget, is presented monthly to the governance bodies for science and decision-making.



Involvement and Readiness

SOURCE OF CONNECTIONS

Just as water creates paths that lead to different places, Copasa seeks to establish meaningful connections with its stakeholders. For the company, it is important to genuinely engage with the needs and desires of individuals.



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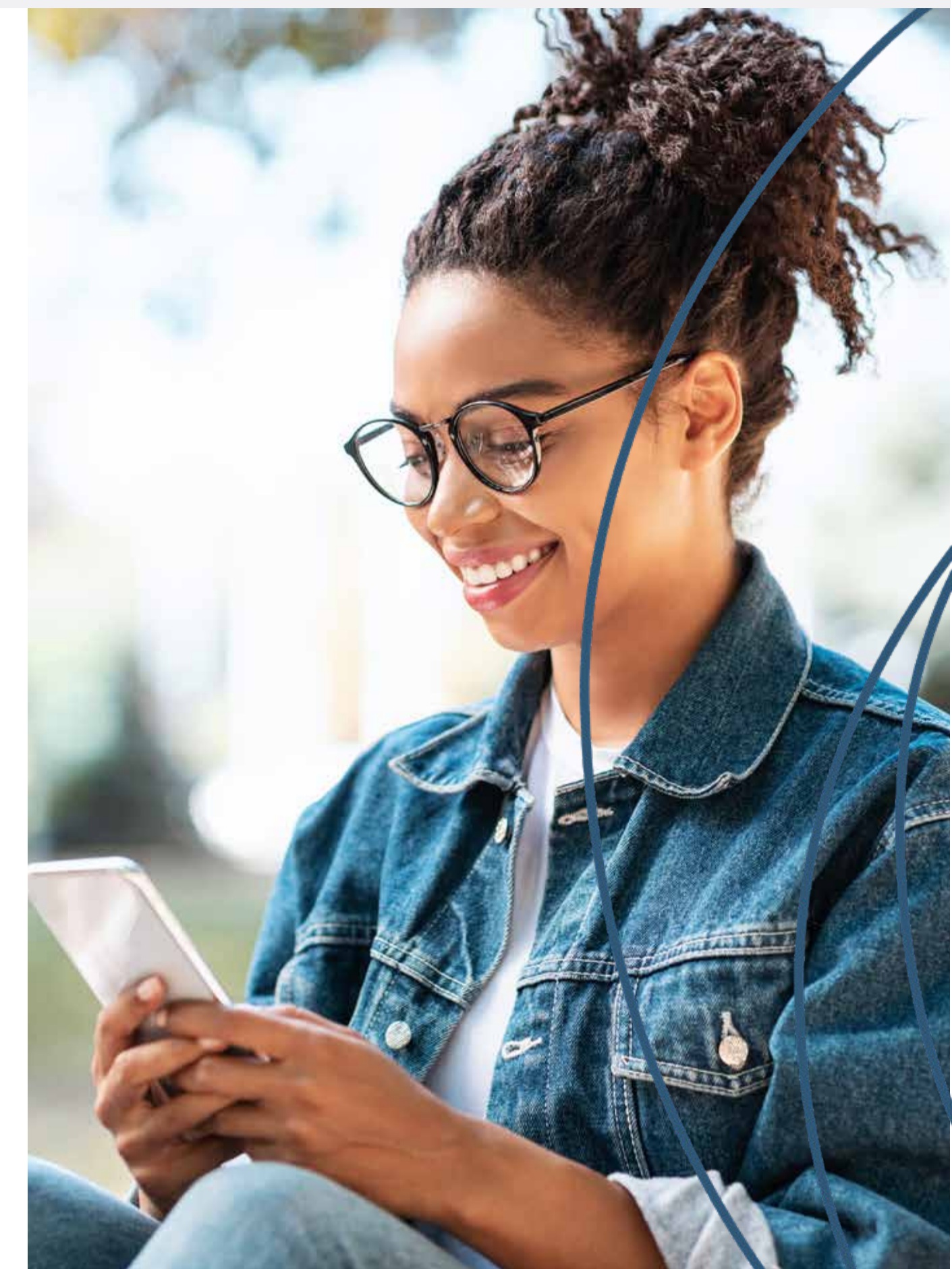
Our relationships are guided by institutional values and policies, particularly the Sustainability Policy, the Code of Conduct and Integrity and the Related Party Transactions Policy, always aiming to align corporate guidelines with the needs and expectations of the parties involved. In this sense, we use forms of interaction and relationship channels for communication and mobilization, seeking to consolidate partnerships for the sustainable development of our business and society, according to the reality of each interested party.

The process of defining the sphere of influence of the stakeholders is carried out every 4 years and involves identifying stakeholders and their interlocutors, including the type of interactions, prioritizing the most important parties and mapping their concerns, using the materiality matrix. Concerns are interpreted and prioritized through impact analysis, based on relevance criteria, and are transformed into requirements and indicators.

The prioritized stakeholders and their needs and expectations are broken down into the Business Units (BUs), which also highlight those with the greatest influence in their scope of action.

We listen to our stakeholders through our communication channels (customer service agencies, virtual customer service channels, media, social networks, among others). We also listen to our customers during customer relationship procedures performed by Copasa's employees, such as attendants and meter readers. This listening enables us to identify our strengths and opportunities for improvement in order to achieve the intended results, through the creation of indicators and considering and reconciling the interests of the parties involved.

The indicators are analysed on a monthly basis to ensure that the requirements of stakeholders are met. The definition of the Strategic Objectives (Objetivos Estratégicos – OEs) and the respective indicators and strategic business targets, including indicators for assessing the fulfilment of commitments, are established with the stakeholders; as main products, the Strategic Statement and the Strategic Map are generated.



Stakeholder Management

SDG (16 – TARGET 16.7)

GRI 2-29 / 2-30

The centrality of the customer in the organization’s business is a non-negotiable value at Copasa and, in this sense, the Company works to maximize the benefits of the services it offers and promote a better experience and satisfaction for its customers.

In this way, the Company constantly seeks to improve its operational services, transforming the relationship with our customers in order to solve their problems, serve them satisfactorily and exceed their expectations, developing a relationship of trust.

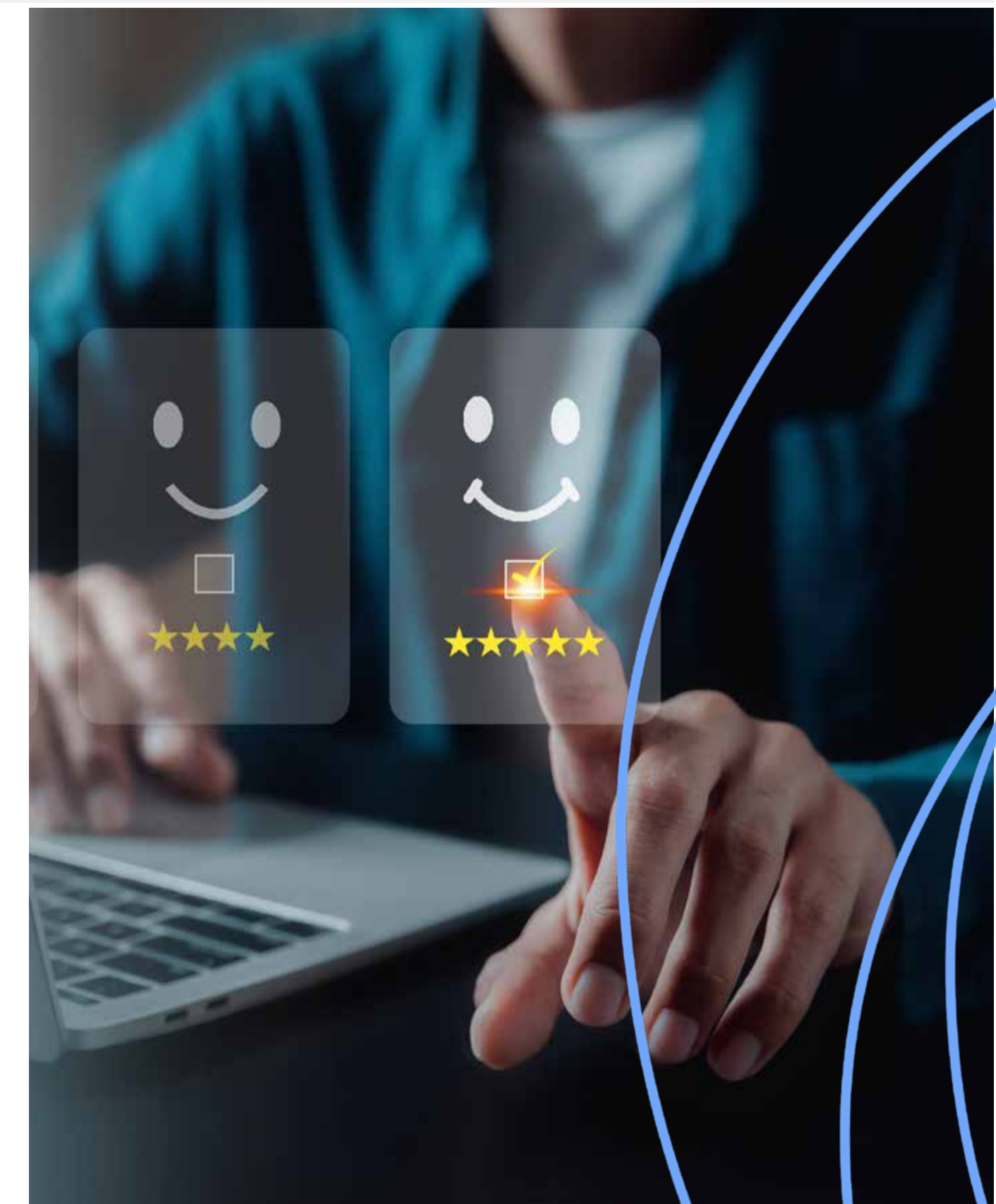
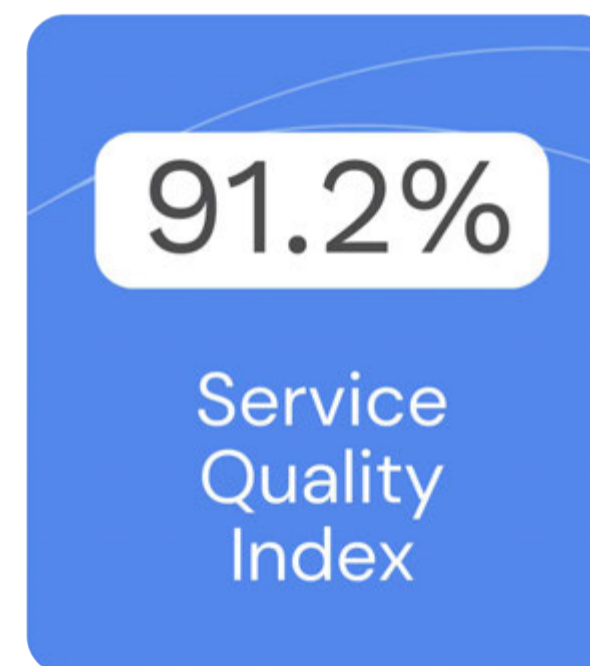
To ensure quality and improve its services, Copasa monitors customer satisfaction with its products and services through surveys. Using relational and transactional approaches, monthly qualitative surveys were conducted with the active customer base. The purpose of these surveys is to identify needs and expectations, verify the perception of the Company’s image, assess the level of knowledge of the products and services provided, and measure customer satisfaction in the dimensions of basic sanitation, becoming an important tool for providing data for analysis and improvement of processes and procedures.

Thus, based on the results verified the Annual Customer Satisfaction Indicator, an important input for Strategic Planning, is obtained. The annual target for the indicator is approved by the Company’s senior management, and its monitoring takes into account each Business Unit and its regional particularities.

In 2023, the Company achieved a customer satisfaction index of 73.7, a level that the Company understands to be very satisfactory, demonstrating the company’s focus on providing high-quality services and improving the experience of its customers.

In addition to the aforementioned relational research, Post-Service transactional surveys are carried out at assessment points in the customer’s relationship journey with the Company. The integrated analysis of these surveys makes it possible to monitor the perception and satisfaction of customers, including new ones, since evaluation requests for new water and sewage connections, the customer’s starting point with the Company, are included. The Service Quality Index (SQI) ended 2023 at 91.2%, representing an increase of 1.6% in its score compared to the previous year’s performance.

Furthermore, seeking to improve customer relationships and strengthen customer culture as the center of our business, we carried out the Customer Week, which has as reference the Customer Day (September, 15th), with internal events, aimed at promoting good practices for excellence in customer relationship, presenting improvements in relationship channels and discussing processes and procedures.



Customer Relationship

SDGSs (1 – TARGET 1.4 / 2 – TARGET 2.3 / 3 – TARGET 3.3 / 6 – TARGET 6.1)
GLOBAL COMPACT (PRINCIPLES 1, 2)
GRI 3-3

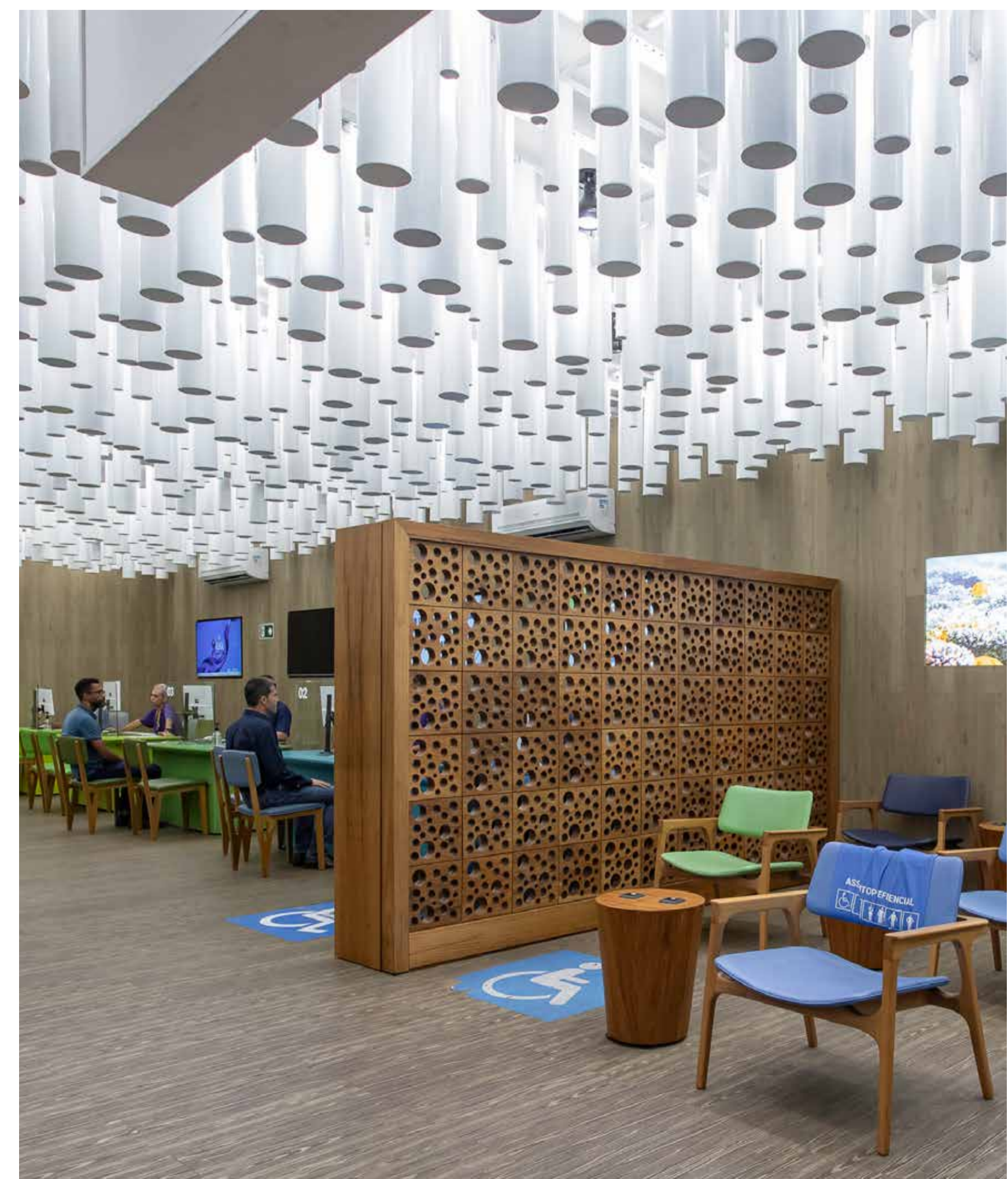


Some of the actions taken by the Company to improve its customers' experience were:

- Integration of digital channels;
- Revitalization of face-to-face service agencies, making environments more welcoming, safe and comfortable;
- Expansion of menus and provision of agile payment methods on digital platforms, such as transactions via PIX, via app, via WhatsApp and webchat;
- Standardization and implementation of more agile procedures, such as for external standard water connection, simultaneous connection and own source water metering for sewage billing;
- Review of the collection rule, implementing some improvements such as expanding the action of sending SMS to customers, inserting messages into the account, implementing the system of denial or protest and intensification of judicial collection;
- Possibility of imposing credit restrictions on debtors (denial), increase in protest actions and special conditions for renegotiation, in addition to reviewing installment rules aimed at the recovery of credits, referring to negotiations with city halls, hospitals and philanthropic entities;
- Establishment of alternative resolution methods – such as mediation and conciliation – to resolve disputes in the judicial system, which result in the resolution of the original causes of the demands;
- Provision of self-service kiosks and hiring of receptionists, who welcome and screen requests and provide better guidance to customers. They immediately respond to the most common requests, such as issuing a second copy of the bill and analyzing the value of the bill; strengthening ties with communities;

Copasa's Customer Guide (<https://www.copasa.com.br/wps/portal/internet/copasa-orienta>), a manual with important guidelines on services, was also published on relationship channels and social networks. This Guide presents the company and the processes carried out to ensure the quality of water and sewage, as well as directs the customer to follow the information in their day-to-day and request help whenever necessary, allowing the customer to interact with Copasa in a lighter and more relaxed way.

To guide customers on the necessary documentation and on how services can be quickly and easily requested, 8 videos of the main services and customer demands were made available.



Copasa, Customer Service Agency, Minas Gerais

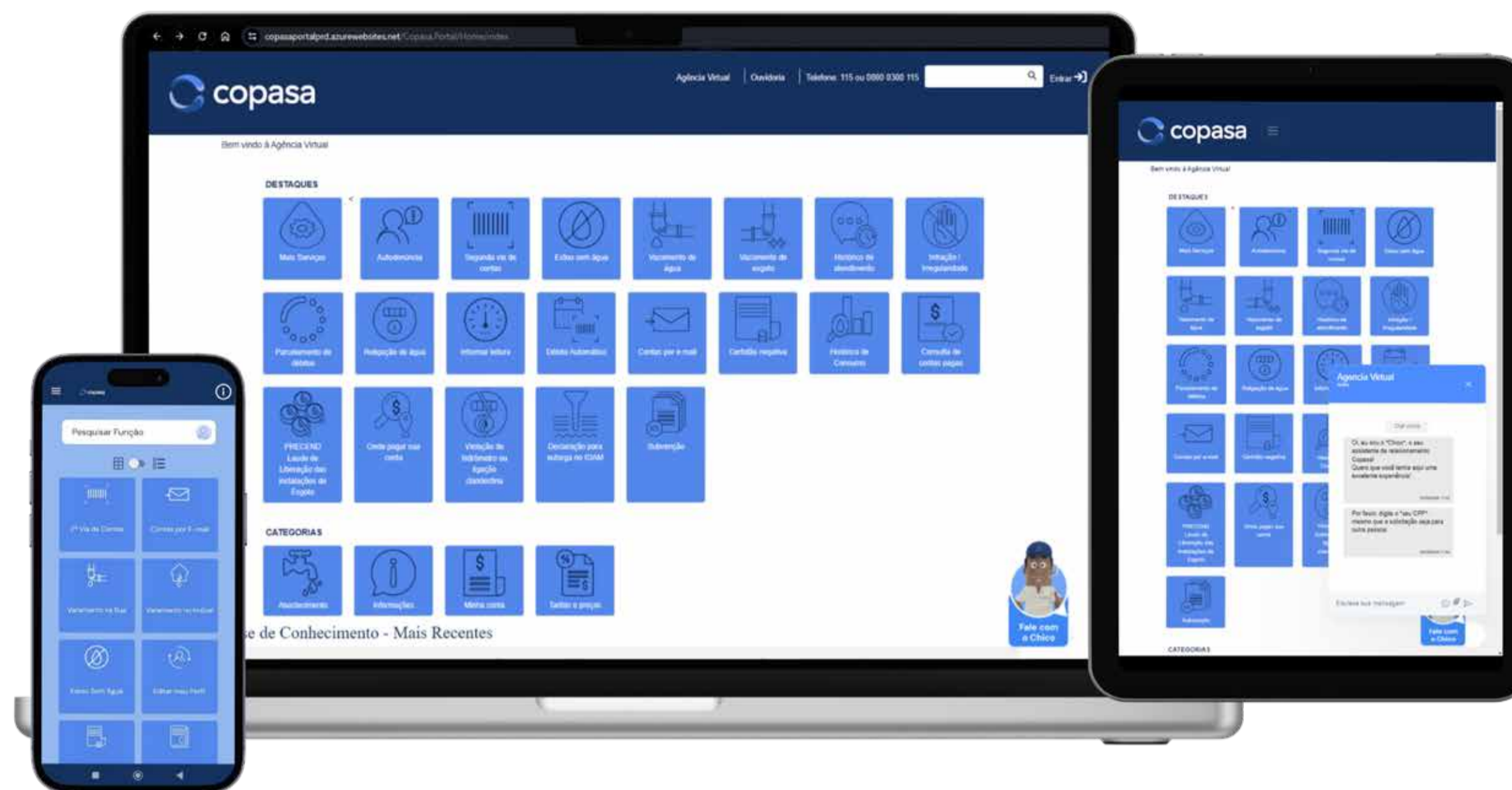


Copasa, Customer Service Agency, Minas Gerais

- Acquisition of new mobile agencies, which present themselves as a form of itinerant customer service, allowing access to services in different locations and neighborhoods, according to previously disclosed schedules. These Agencies have a team to request services, clarify doubts, give directions and carry out campaigns, which seek to strengthen ties with the communities;
- Conduction, in January 2023, of the Debt Negotiation Campaign for the Social Resident Category (Negociação de Débitos para Categoria Residencial Social), by providing better conditions for customers in the Social Residential category to negotiate their debts, enabling the negotiation of debts for more than 12 thousand Copasa and Copanor customers;
- Conduction, from January to March 2023, of the PIX Solidarity Campaign in partnership with the Autonomous Social Service (Serviço Social Autônomo – Servas) and the Red Cross, with the donation of funds to those affected by the rains throughout the state of Minas Gerais. With this partnership, R\$201.1 thousand were donated, corresponding to the growth in the amount saved by Copasa due to the migration of invoice receipt to the PIX modality, instead of by other methods;
- PIX do Bem Copasa Campaign: created to encourage customers to make payments via PIX, reducing collection expenses and allowing donations for the benefit of the community, using part of this savings. The PIX do Bem Copasa aims to award and recognize municipalities that stood out in the growth of PIX collection, transferring amounts to social and environmental entities selected by the municipalities, provided that they are legally constituted, in accordance with Article 13 of Federal Law No. 9,249/1995. Eighteen municipalities that stood out in the collection were selected and these are responsible for indicating a social and/or environmental entity to receive the donation;
- E-letter from Correios (Post-Office): aims to automate the acknowledgement of receipt by correspondence to the recipient and notifications from the Vem pra Rede (Come to the Network) program, bringing security to the customer notification process to allow billing based on availability. Copasa made 41.6 thousand sewage connections in 2023 through the Vem para a Rede Program. 36,360 registrations were exempted from sewage connection (Social and Residential categories).

Customer Service

Customer Service is performed in physical locations (service agency, local office and operational unit), by telephone (available 24 hours a day) or virtually, by the Virtual Agency, the Copasa Digital application, WhatsApp and Webchat. It is also performed by the Mobile Agencies, which aim to serve more distant locations and neighborhoods, promote and participate in social mobilization events, meet demands according to mappings in communication channels, in addition to promoting environmental education actions and informing the population about topics related to the business.



Chico, Copasa's virtual assistant



These channels provide quick and secure access to the Company's various self-service facilities, such as:



→ registration update



→ duplicate issuance



→ obtaining a debt clearance certificate, service monitoring;



→ access to the consumption history of the properties;



→ access to the virtual assistant Chico, which offers a range of automatic virtual services and human customer interaction service.

Digital channels (Virtual Agency, Copasa Digital APP, WhatsApp, and Webchat) accounted for about 85% of the total demands met in 2023, providing significant gains in productivity and efficiency, including customer interaction on the platform and the possibility of importing and exporting documents.

Copasa also has about 688 in-person customer service points. In order to improve in-person service at Copasa agencies, the requirement for prior appointments was removed, making it easier to meet the demands of customers who seek service centres.

New Copasa Bill

GRI 417-1

Considering the strategic objective of transforming the customer experience, as well as the need to continuously improve communication with customers, in 2023, Copasa began the process of updating and modernizing the layout of the water and sewage bill. According to a survey, 55% of customers claim that the information on the bill is not clear and/or is not easy to find.

The new account was designed considering the legal and visual aspects, with accessible language for customers, highlighting the most important information, using graphic resources, colors and lines and providing greater objectivity and clarity. The new account model, approved by the Regulatory Agency, was created in 2023 and will be used in 2024, carrying the company's transformation and continuous movement.

Social License to Operate (SLO)

The social license encompasses the set of strategies, processes and actions, performed based on integrated and participatory diagnoses of the territory, comprising the social, economic, environmental, cultural and political-institutional dimensions of the territory and the benefited population.



Social License to Operate (SLO)





Programa Engajar Para Transformar

GRI 405-1

Relationship with Communities

Copasa's operations are guided by obtaining the social license to operate. In this context, the Company's main program for the relationship with communities is Engage to Transform (Engajar para Transformar).

In line with Copasa's ESG Agenda and Sustainability Policy, the Engajar para Transformar Program is characterized by consolidating continuous initiatives from the perspective of social investment, universalization of water and sewage services and the construction of sustainable societies, generating value for the company's business and contributing to balance and maintain alignment between the various interests of stakeholders.

Copasa, through the Engage to Transform Program, seeks to achieve several objectives, including the articulation and implementation of partnerships in the territories where it operates. This initiative involves the elaboration of participatory socio-territorial diagnoses, the identification of interested parties and the strengthening of intersectoral public policies aimed at socio-educational processes and local income generation. Understanding the socio-territorial reality of each location and the impacts that the Company's operations will have on the community is essential to assess the most appropriate actions to be developed.

This Program also establishes strategies that allow leveraging the Company's Social License to Operate through the preparation and execution of social work, directing and optimizing institutional efforts to engage the parties involved, ensuring adherence and appreciation

of the services provided, customer compliance and the improvement of the Company's reputation.

Thus, the Program increases the population's awareness of the importance of basic sanitation as a requirement for improving quality of life and, consequently, a more sustainable future. In addition, the Company has included in its terms of reference for hiring Social Work the guideline of considering diversity and inclusion of gender and race in the hiring process.

As a result of the Program, in 2023 we formalized 19,960 terms of membership of new customers, which, in addition to providing an estimated return on revenue of approximately R\$7.1 million, contribute to the universalization of sanitation services.

19,960
terms of membership
of new customers

Among the actions aimed at responsible action and, in line with SDG 6, which deals with the provision of drinking water and sanitation, the Company provides low-income families with the benefit of the Social Residential Tariff.

The Social Residential Tariff offers beneficiaries a reduction of up to 50% on the value of their water and sewage bill, and this reduction is calculated according to the monthly consumption of each family, limited to 20 m³.

In January 2023, debt negotiation actions took place, granting customers in the Social Residential category the same special conditions as the Dias Azuis (Blue Days) Campaign and interruption actions for non-payment were suspended until 06/2023 to ensure supply to these families.

Copasa also performed the PIX Solidário 2023 Campaign in partnership with Servas and the Red Cross, promoting the donation of funds to those affected by the rains throughout the state of Minas Gerais and the review of the Standard of Procedures for value negotiation, in which differentiated negotiations were included.



Contract to Combat Apparent Losses in Villages and Settlements

The Contract to Combat Apparent Losses in Towns and Clusters (Performance BH) aims to reduce apparent water losses in areas of social vulnerability and to perform social actions in the benefited areas. In this way, these actions facilitate access to sanitation services, raise awareness about the benefits of their implementation and socioeconomic development, in addition to promoting greater preservation of the environment as a result of the proper use of the supply network.

The project covers the localities of the Morro das Pedras Settlement (Belo Horizonte/MG), a locality with about 20 thousand residents and more than 5 thousand families, and the Vila Ideal Complex (Ibirité/MG), with more than 14 thousand private households. It seeks to include the participation of the community involved before and after the connection works, encouraging the appropriation of improvements and its consequent benefits, and the development of socio-environmental actions with the objective of generating income, promoting environmental education and local development.

Within the scope of the Project, 44 neighborhoods were visited, 22 in each of the localities, about 12.1 thousand visits were made, resulting in 10.7 thousand memberships and 9.2 thousand services performed, including new connections, replacement of water meters and standardization of existing connections. In terms of volume, an average of 81.7 million m³/month (billed micrometered volume) was recovered, 48% higher than the target set for 2023.

Other results achieved:

- 56 women living in areas of social vulnerability who work in mobilization actions have already been hired and 192 people have indirectly benefited from these hirings;
- More than 9 thousand families signed up to regularize their water connection and 28.6 thousand people have benefited indirectly through these signings;
- Actions were taken to encourage compliance with obligations among customers who signed up to the contract. In this group of customers, there was an 81% reduction in new defaulters and an increase in the search for debt settlement, with the level of compliance reaching 85%.

Despoluir

The Clean up (*Despoluir*) Consortium focused on providing social mobilization services and preparing projects and budgets for the implementation of sewage connections covered by the partnership between Copasa and *Kreditanstalt für Wiederaufbau* (KfW), a German development support bank.

More than 52,000 inspections were carried out on properties for possible insertion into the sewage network in the municipalities of Belo Horizonte, Bonfim, Campina Verde, Campo Florido, Paracatu, Confins, Congonhas, Ibirité, Igarapé, Juatuba and Nova Lima. In addition, 5,300 visits were made to properties capable of receiving water and 109 events and social service work shifts were held.

Other results achieved were:

- ➔ More than 40.3 thousand people impacted/benefited directly and indirectly;
- ➔ More than 1,200 children impacted/benefited from the events and mobilization shifts;
- ➔ More than 18.8 thousand sketches of internal branches produced;
- ➔ 43% customer adherence to sewage connection.

Reviva Pampulha

The *Reviva Pampulha Program*, carried out in partnership with the cities of Belo Horizonte and Contagem, aims to universalize the sewage system service in the Lagoa da Pampulha Basin. The project has R\$146.5 million planned for investments by 2026, with the insertion of 100 km of sewage networks and 9,759 properties to be interconnected, reaching 99% sewage coverage in the basin.

By the end of 2023, a total of 3,373 connections had been made, with more than R\$29.7 million invested. The Water Quality Index (WQI) is used to track the quality of the water in the monitored sections. Regarding the quality of the watercourses in the basin, the results of the Luzia and São João streams stood out, as they had the best result in the historical series. Additionally, it was observed that 95% of the samples presented “good” or “acceptable” results, demonstrating the good results of the actions undertaken by Copasa in the Pampulha Basin.

MP Itinerante

Copasa participates in the *Ministério Público Itinerante* (Itinerant Public Prosecutor’s Office) (*MP Itinerante*) initiative, which aims to answer questions from residents in more than 30 cities in the interior of the state of Minas Gerais, in this case, regarding the services provided by the Company.

To this end, Copasa provided services for requesting water and sewage connections, changing ownership, information on the Social Tariff and debt negotiations through the use of one of its mobile agencies, in addition to carrying out demonstrations of the water treatment process with the exhibition of a mini WTP and water distribution to the public.

Sede de Aprender

Officialized in 2023, in partnership with the *Ministério Público de Minas Gerais* (Public Prosecutor’s Office of Minas Gerais) (MPMG) and the *Tribunal de Contas do Estado de Minas Gerais* (Court of Auditors of the State of Minas Gerais) (TCEMG), Copasa participates in the *Sede de Aprender* (Thirst for Learning) project, which aims to inspect structural and basic sanitation problems in the state’s public education network.

The project covers more than 70 cities, including 157 municipal and state schools according to their degree of vulnerability, classified by a previous diagnosis carried out by TCEMG and MPMG. Copasa participates in technical visits, collecting and analyzing water samples to verify the quality of the water consumed by the school community, in line with the Company’s commitment to the universalization of sanitation and its commitments to society.

Pampulha Lagoon and Mineirão, Belo Horizonte, Minas Gerais



In all its contracts signed, the Company includes and guarantees compliance with requirements that reflect institutional values and principles, intending to involve and commit suppliers to guidelines such as agility, quality, maintenance of Copasa's image, employee safety, sustainable use of the environment, respect for human dignity and repudiation of any form of active or passive corruption, in addition to promote practices that provide sustainable development.

Copasa requires proof of compliance with labor obligations and the presentation of a Debt Clearance Certificate with the *Fundo de Garantia do Tempo de Serviço* (Severance Fund) (FGTS) and the *Instituto Nacional do Seguro Social* (National Institute of Social Security) (INSS) in all its bidding processes.

In the process of hiring outsourced companies to provide services, Copasa requires, through its Notices, that participating companies declare, when submitting their proposal to participate in the bidding process, that they do not employ minors under 18 years of age in night shift, dangerous or unhealthy work and that they do not employ minors under 16 years of age, except as apprentices and, in this case, from 14 years of age, in accordance with the Federal Constitution.

Copasa ensures that no forced and/or child labor, nor slave-like labor, is used in our production chain, guaranteeing compliance with rights and well-being of our service providers and of all people hired by our suppliers and partners. Payments for monthly measurements of the contracts are only passed on to the service provider company after checking all the employees' labor and social security documentation.

We have Copasa's own supervisors, who make periodic visits to the workplaces to inspect and monitor the outsourced employees. Safety discussions are held weekly to inform employees about the importance of maintaining safe habits and the correct use of PPE when performing work, in addition to explaining other issues, such as mental health, sustainability, harassment, among others.

In addition, specific training sessions are held whenever necessary. Satisfaction surveys are conducted periodically with outsourced employees as a way of monitoring the work environment within the Company. Copasa also has a Code of Conduct and Integrity for Suppliers, which guarantees principles and values, also guided by the health and safety of its entire workforce and others involved in its value chain.

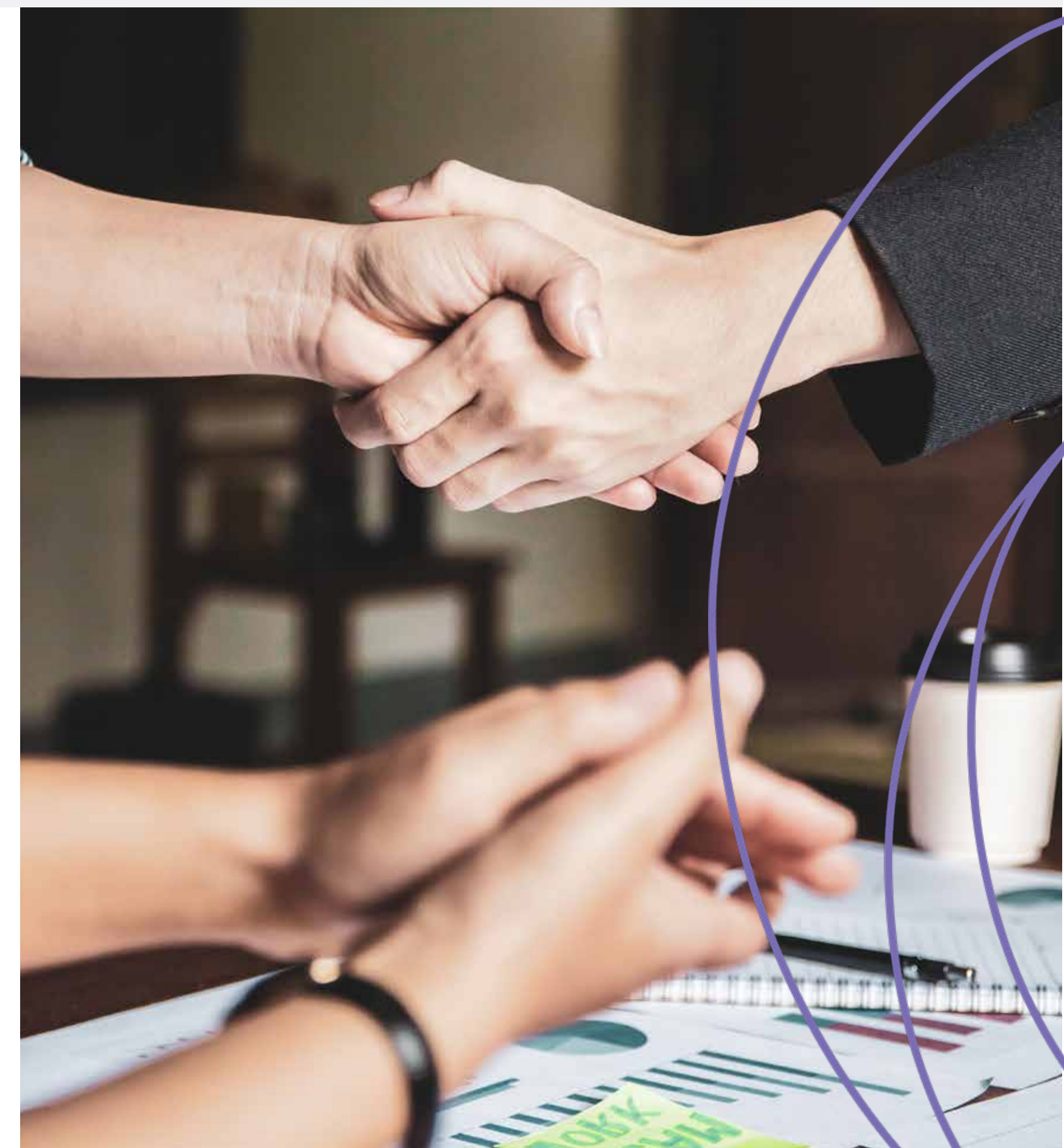
Furthermore, during the execution of the contract, Copasa may visit the contractor's facilities, provided that it is previously agreed, in order to identify and provide guidance on advances related to the ESG Agenda.

15,226

Active
registered
suppliers

73.4%

of expenses with
products and services
from suppliers in Minas
Gerais



Suppliers

SDGs (3 - TARGET 3.9/ 5 - TARGET 5.2/ 6 - TARGET 6.6/ 8 - TARGETS 8.3, 8.4, 8.7, 8.8/ 12 - TARGET 12.2, 12.7/ 16 - TARGET 16.1, 16.2)
GLOBAL COMPACT (PRINCIPLES 1, 2, 4, 5, 7, 8, 10)
GRI 2-6 / 2-8 / 204-1 / 301-1 / 308-1 / 308-2 / 407-1 / 408-1 / 413-1 / 414-1 / 414-2

Currently, Copasa has 15,226 active registered suppliers and 73.4% of its expenses are with products and services contracted from suppliers in the Company's state of origin and operations, Minas Gerais.

In 2023, 537 contracts were registered in the common auction and price registration modalities, to meet the demands of costing, investments and vegetative growth. It is worth mentioning that the auction increases the transparency of the contracts made and opens space for new suppliers to participate in our purchasing processes for the acquisition of common goods and services, and can even reduce costs and prevent corruption.

To ensure the quality of the purchased product and the environment, is carried out a Pre-Qualification Process for technical approval of materials and suppliers, to which the QAF – *Questionário de Avaliação de Fornecedores* (Supplier Assessment Questionnaire) is filled in. This form contains 4 questions related to Environmental Management, based on NBR ISO 14001. These questions have different weights and serve as a guide in the Contractual Management of these suppliers.

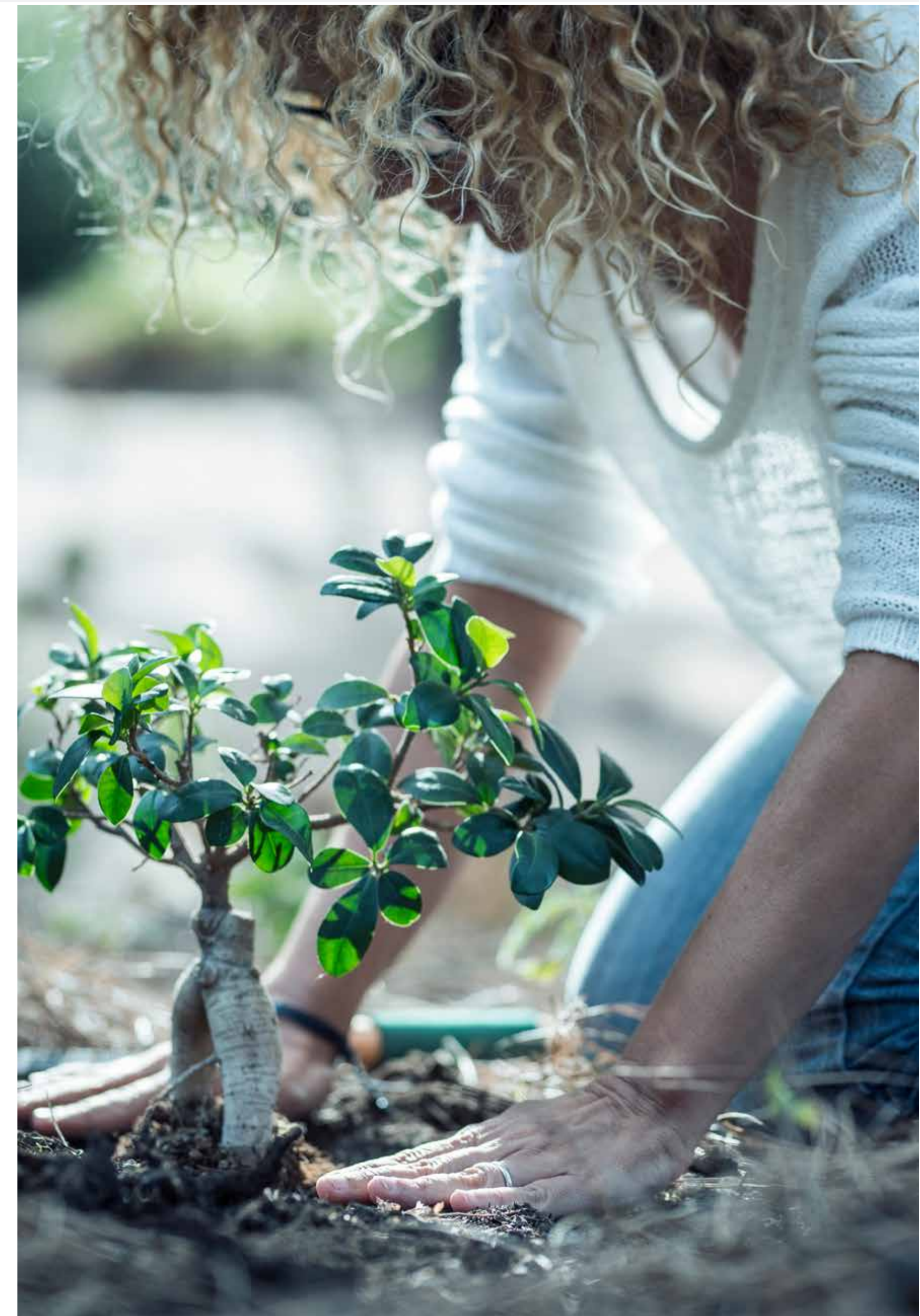
Furthermore, to improve the Company's relationship with its suppliers, the communication channel "*Fale Conosco, Fornecedor!*" (Contact Us, Supplier!) was implemented in 2023, providing greater interactivity between the parties. Suppliers are now also given the option of addressing topics/functionalities such as: ESG agenda, development and recruitment, contract management, innovation, suggestions, channel service evaluation, and evaluation of contractual management by Copasa. By December 2023, 203 suppliers had registered on the channel, accounting for 44 calls.

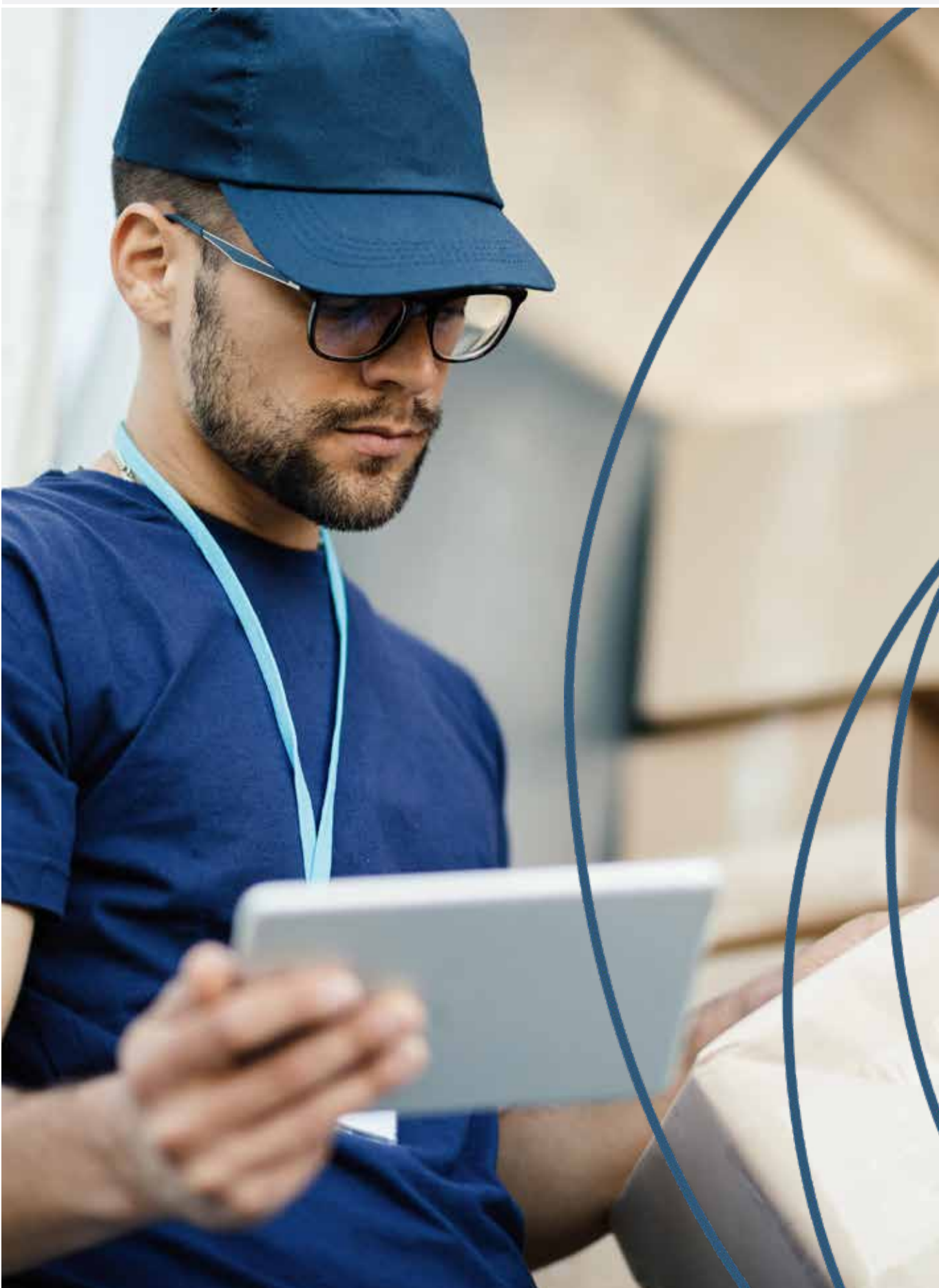
The *DESENVOLVER-DE* program was also implemented in 2023, to encourage Copasa's suppliers to act in increasingly comprehensive ways regarding ESG (Environmental, Social and Governance) practices (i.e., environmental, social and governance issues).

Two events were held in 2023, in virtual format, which targeted, among others, suppliers listed in our registry. The first event featured presentations by executives from Copasa and large companies belonging to the Company's supply chain, who shared their ESG practices, with approximately 500 participants.

The second event focused on training suppliers to provide services to Copasa, with approximately 400 participants. Presentations were given on Copasa's contract management routine, from registration to supplier evaluation, including Governance and Occupational Safety, among other topics.

Technical visits were also organized with Copasa suppliers to the Manso River Water Production System, located in Brumadinho/MG. During the visit, the entire water treatment process was presented. The idea is to provide suppliers with practical and relevant demonstrations, reflecting Copasa's commitment to promote a responsible supply chain that is aware of its importance in serving the population.





Supply Chain

GRI 2-25 / 301-1 / 308-2

The main products and services that comprise our immediate supply chain are pipes and fittings, chemicals, water meters, electricity and engineering services. The following table shows the total amount used during the year 2023 by type of non-renewable material.

Main non-renewable materials used in treatment by Copasa		
MATERIAL	QUANTITY	UNIT (THOUSAND)
(PAC) Poly Aluminium Chloride - Water Treatment	18,330.6	KG
Ferric Chloride - Water Treatment UN 2582	13,458.5	Liters
Hydrated Lime in bulk - Water Treatment	10,664.9	KG
Liquid Aluminum Sulfate UN 1760	8,269.1	Liters
Iron-Free Liquid Aluminum Sulfate	7,199.5	Liters
Hydrated Lime - Water Treatment 20KG Bag	3,716.1	KG
Liquid Chlorine in bulk Tank Truck	2,534.0	KG
Sodium Hypochlorite 12% UN 1791	1,218.7	KG
Sodium Hypochlorite - Container 1.000 L	1,061.8	Liters
Liquefied Chlorine Cylinder 900KG	918.4	KG
Sodium Hydroxide Scales SC 25KG UN 1823	747.4	KG
Granular Sodium Chloride 2.83A1MM 25KG	716.1	KG
Granular Calcium Hypochlorite 40KG UN 1748	652.6	KG
Liquefied Chlorine Cylinder 50KG	457.5	KG
Cationic Polymer Solid/Liquid Separation	145.8	KG
Hydrogen Peroxide - Water Treatment 2014-IBC 1200KG	127.6	KG
Hydrogen Peroxide - Water Treatment - 2014- BB 60KG	113.8	KG
Orthopolyphosphate Stabilization AG- 20L	105.2	Liters

Of the total chemical products used in 2023 for water and sewage treatment, Fluosilicic Acid, a byproduct of industries in the fertilizer manufacturing process, represents approximately 6.36% (4,515,058 liters). In addition, we did not record any significant leaks of fuels, chemicals and other hazardous products transported and used by Copasa. We also used 3,165,870 kg of Chlorine Gas, also a byproduct of industries in the caustic soda manufacturing process.



To reduce the environmental impact of its suppliers, Copasa has already established some procedures regarding supplies used:

- ➔ Purchases of lamps with reverse logistics, collection of burnt-out lamps and final disposal by the contractor in an environmentally appropriate manner. The collected lamps can also be sent to recycling companies.
- ➔ Purchases of Water Meters: companies supplying this equipment may use the housings as part of the payment for the acquisition of new water meters.
- ➔ Purchases of chemical products: reverse logistics contractual clauses in chemical product packaging, in which the supplier must collect empty packaging (bags, drums, buckets or metal drums) generated by its product.
- ➔ Contract with specialized companies for the collection of expired chemical products and uniforms contaminated by sewage.
- ➔ Contract with a company specialized in responding to environmental emergencies that may occur during shipment, receipt and transportation of chemical products: decontamination activities and recovery of areas that may be degraded, whether soil or watercourses.
- ➔ Training and qualification of the internal team, in partnership with the areas of Occupational Health and Safety and Corporate Education, for planning and monitoring in case of emergency containment in chlorine gas cylinders.
- ➔ Preparation of the PAE – *Plano de Atendimento a Emergências* (Emergency Response Plan) prepared to provide guidelines, strategies, information and data that allow the adoption of procedures to be adopted in cases of accidents and emergency situations involving chemical products.
- ➔ MSDS – Material Safety Data Sheet: document that provides essential and detailed information on the identification of the chemical, its supplier, its classification, its hazardousness, precautionary measures and emergency procedures.
- ➔ Procedure Standard, receipt, transportation and dispatch of hazardous products and waste, together with the Risk Management Policy.



Twenty-two chemical suppliers were identified as potential causes of negative environmental impacts in our supply chain. The negative impacts identified in our supply chain correspond to:

- ➔ Environmental degradation (soil and water source contamination and destruction of environmental preservation areas), if an accident occurs during the distribution, receipt, transportation and dispatch of chemical products and hazardous waste.
- ➔ Inefficiency of Reverse Logistics.

No significant environmental impacts were identified in our supply chain by our suppliers. Copasa guides all its suppliers on environmental practices and ensures compliance with current legislation through contractual clauses.



People

SDGs (1 – TARGETS 1.2/ 3 – TARGETS 3.2/ 5 – TARGETS 5.1, 5.4/ 8 – TARGETS 8.5, 8.6, 8.8/ 10 – TARGET 10.3, 10.4/ 16 – TARGET 16.7, 16.10)

GLOBAL COMPACT (PRINCIPLES 1, 2, 3, 4, 5, 6)

GRI 2-6 / 2-7 / 2-8 / 2-19 / 2-30 / 201-3 / 401-1 / 401-2 / 402-1 / 405-1

People Management is one of the main pillars of Copasa's strategy. People with their skills, knowledge and experiences constitute the organization's human talent and, in this sense, the Company, committed to its ESG Agenda, seeks to carry out people management focused on developing and retaining talent, valuing occupational safety and promoting inclusion and diversity.

We recognize that each employee is an agent of transformation within Copasa and the Company has joined forces to ensure that the culture of customer centricity guides the teams' actions in strengthening the relationship, assuming responsibility for the entire team in customer satisfaction.

To be part of the Copasa team occupying a permanent position, admission takes place through a public competition, the notices for which are widely publicized. All employment contracts are for an indefinite period. Additionally, we have an internship program and we hire apprentices. The numbers presented on this topic, people, are referred to the date of 31/12/2023.

We developed our compensation system thinking about valuing the people who, with the result of their work, are responsible for maintaining and developing the Company. The system is in line with our PCCS, aimed at attracting, developing and retaining the professional talents necessary to the business conduction, culture preservation, alignment with business objectives, competitiveness and longevity in the market in which we operate. In this way, Copasa promotes the appreciation of the knowledge, experience and maturity of its employees.

Copasa does not use the minimum wage as a reference to set the salaries of its employees. The salary scales are adjusted based on Collective Labor Agreements signed with the Unions. In 2021, 2022 and 2023, the lowest base salary was, respectively, 29%, 36% and 40% higher than the minimum wage.

The remuneration system is defined based on the results of economic and financial feasibility studies and market research. Its calculation encompasses the Fixed Remuneration, represented by the monthly base/nominal salary; Variable Remuneration, which represents the participation of professionals in the Company's results, linked to the achievement of strategic indicator goals that influence our results; Situational Remuneration, granted to professionals who are subject to special and differentiated work situations and regimes; and Benefits, considered as Indirect Remuneration, which are granted in compliance with the provisions of the Legislation, the Collective Labor Agreements and internal rules.

Copasa's benefits program covers all its employees, including factors related to health, leisure and assistance through the granting of:

- Special assistance;
- Childcare assistance;
- Special education assistance;
- Education assistance;
- Funeral assistance;
- Meal/food benefit;
- Basic food basket;
- Christmas basket;
- Sickness benefit supplement;
- Consigned loan;
- Standard snack;
- Health insurance (Medical and Dental coverage);
- Complementary pension plan;
- Group life insurance;
- Transportation voucher.



Remuneration and Benefits

GRI 202-1 / 201-3 / 407-1 / 2-20 / 2-21 / 401-1 / 401-2

Regarding complementary pension plans, all employees can join the New Copasa Plan, whose modality is the Defined Contribution, from the *Fundação Libertas de Seguridade Social* (Libertas Social Security Foundation), which is a closed, non-profit complementary pension fund entity sponsored by companies operating in various sectors. In this Plan, there is no specific fund for any extraordinary obligations.

The contribution to this benefit varies between 3% and 10% of the remuneration, the percentage of the contribution is defined by the employee, and the sponsor contributes equally. In 2020, R\$51.9 million were allocated to the pension fund's equal complement and in 2023, R\$54.8 million were allocated to this complement.

Employees are represented mainly by 4 entities: the *Sindicato dos Trabalhadores nas Indústrias de Purificação e Distribuição de Água e em Serviços de Esgotos do Estado de Minas Gerais* (Union of Workers in the Water Purification and Distribution Industries and in Sewage Services) (SINDAGUA MG), the *Sindicato dos Administradores no Estado de Minas Gerais* (Union of Administrators) (SAEMG), the *Sindicato dos Contabilistas* (Union of Accountants) (SCBH) and the *Sindicato de Engenheiros no Estado de Minas Gerais* (Union of Engineers) (SENGE).

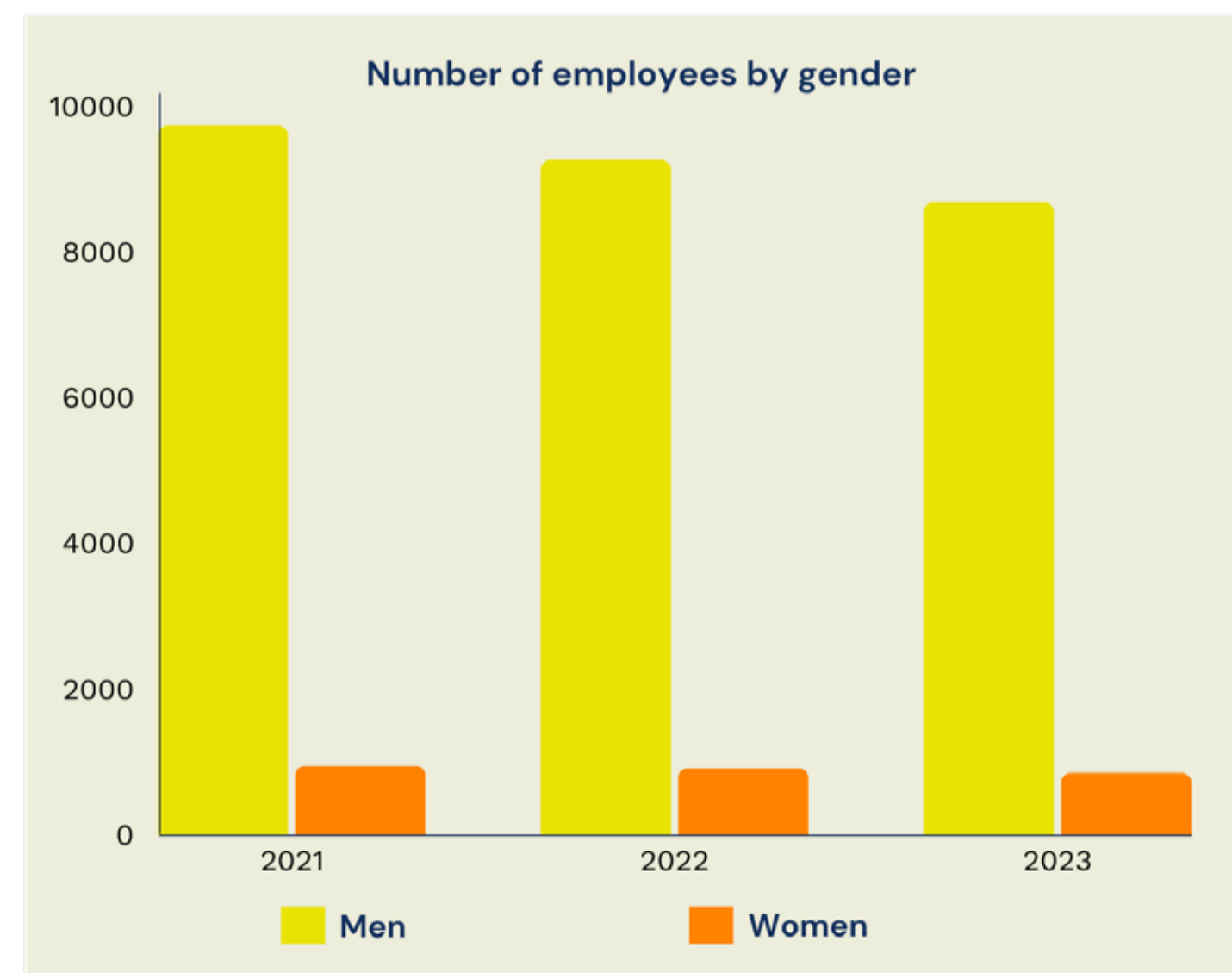
Copasa maintains a professional relationship with the unions, recognizing their representativeness and ensuring compliance with the collective labor agreements they have signed. All our employees enjoy the benefits provided for in these agreements, even those who are not union members. Our practice also provides for freedom of association in trade unions. During 2023, there were no situations in which the right to freedom of association and negotiation was at risk.

Copasa ended 2023 with a **6.7%** reduction in its workforce compared to the previous fiscal year, as shown in the table below from 2021 to 2023, closing the year with **9,543*** employees, according to the table below, distributed by gender. Copasa does not have temporary employees and does not include interns, apprentices and outsourced workers in this calculation.

NUMBER OF EMPLOYEES BY GENDER

Employees	2021	2022	2023
Men	9,741	9,270	8,690
Women	951	916	853
Total	10,692	10,186	9,543*

*The director is considered to be an employee.



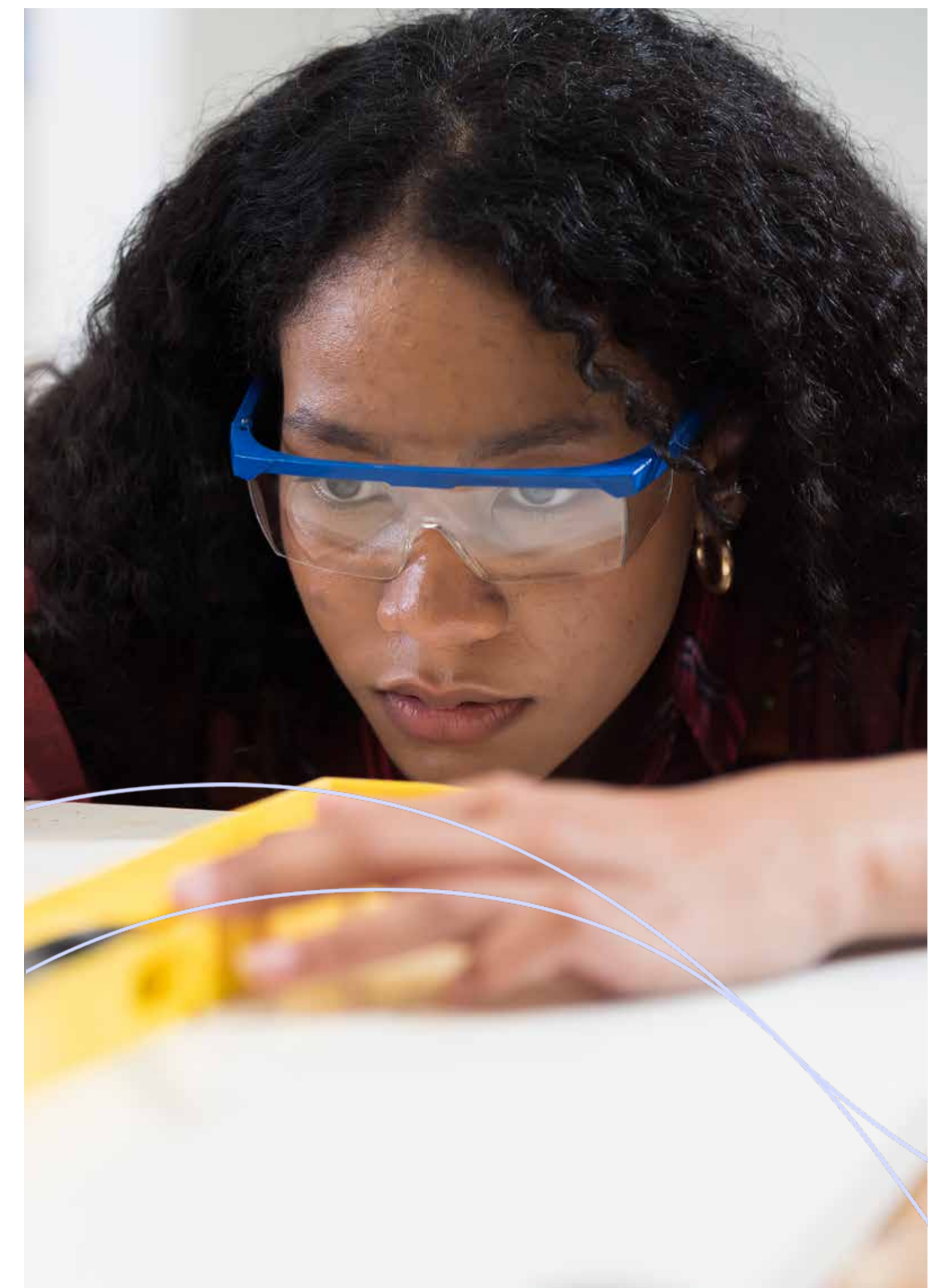


The Company also works in partnership with the *Serviço Nacional de Aprendizagem Industrial* (National Industrial Training Service) (SENAI) in the “*Fica Vivo!*” (Stay Alive!) Program, developed by the *Secretaria de Estado de Segurança Pública* (State Department of Public Security) with the aim of reducing the homicide rate among young people aged from 12 to 24 years old in regions with a history of criminal violence in Minas Gerais. The project offers young members the opportunity for technical training and professional insertion in the labour market through the Apprenticeship Program. In 2023, 80 young people were hired as apprentices for a period of 24 months, totaling 40 apprentices/year.

In December 2023, Copasa had 412 apprentices and 104 interns hired, according to the table below, all hired in accordance with current legislation and allocated to activities appropriate to their role and age.

NUMBER OF APPRENTICES AND INTERNS BY GENDER

Gender	Apprentices	Interns
Masculine	178	38
Feminine	234	66



New hires

GRI 2-6 / 2-7 / 2-8 / 401-1

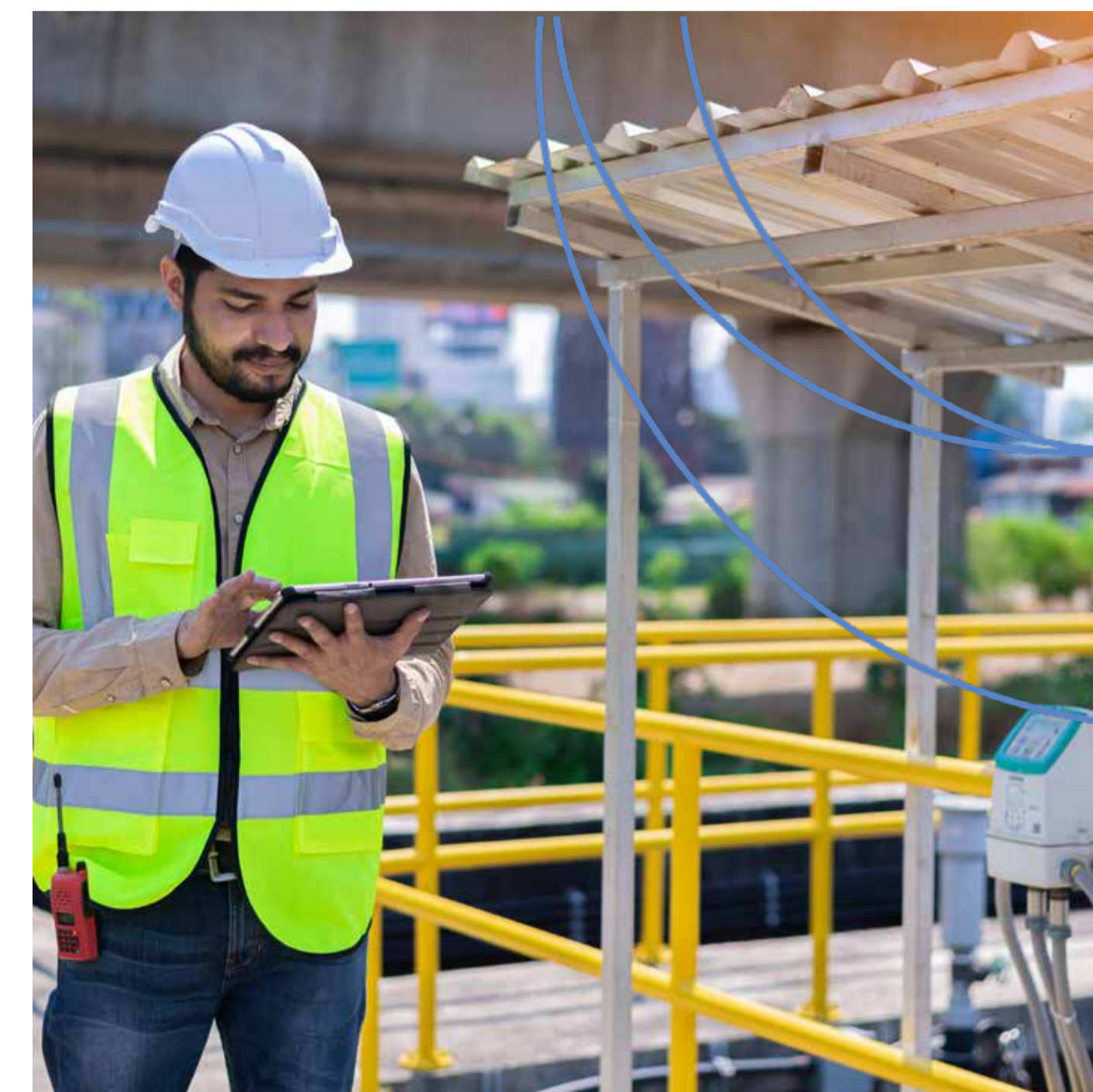
Information related to new hires made by Copasa in the years 2021 to 2023, broken down by age group, gender and region of the state of Minas Gerais, indicates that in relation to age group, the hiring of people under 30 and over 50 years old decreased respectively from 23.2% in 2021 to 20.05% in 2023 and from 51.3% in 2021 to 7.3% in 2023, while hiring of people aged between 30 and 50 increased from 43.6% in 2021 to 66.41% in 2023.

Regarding gender, it is observed that the number of women hired decreased in relation to the previous year, being 24.0% in 2022 and 20.6% in 2023.

Regarding the geographical location of the state of Minas Gerais, new hires were mainly concentrated in the interior, representing 64.1%, while the share of hires in the RMBH (Belo Horizonte Metropolitan Region) was 35.9%. The distribution of new hires for the years 2021, 2022 and 2023, by age group, gender and region, can be seen in the table below.

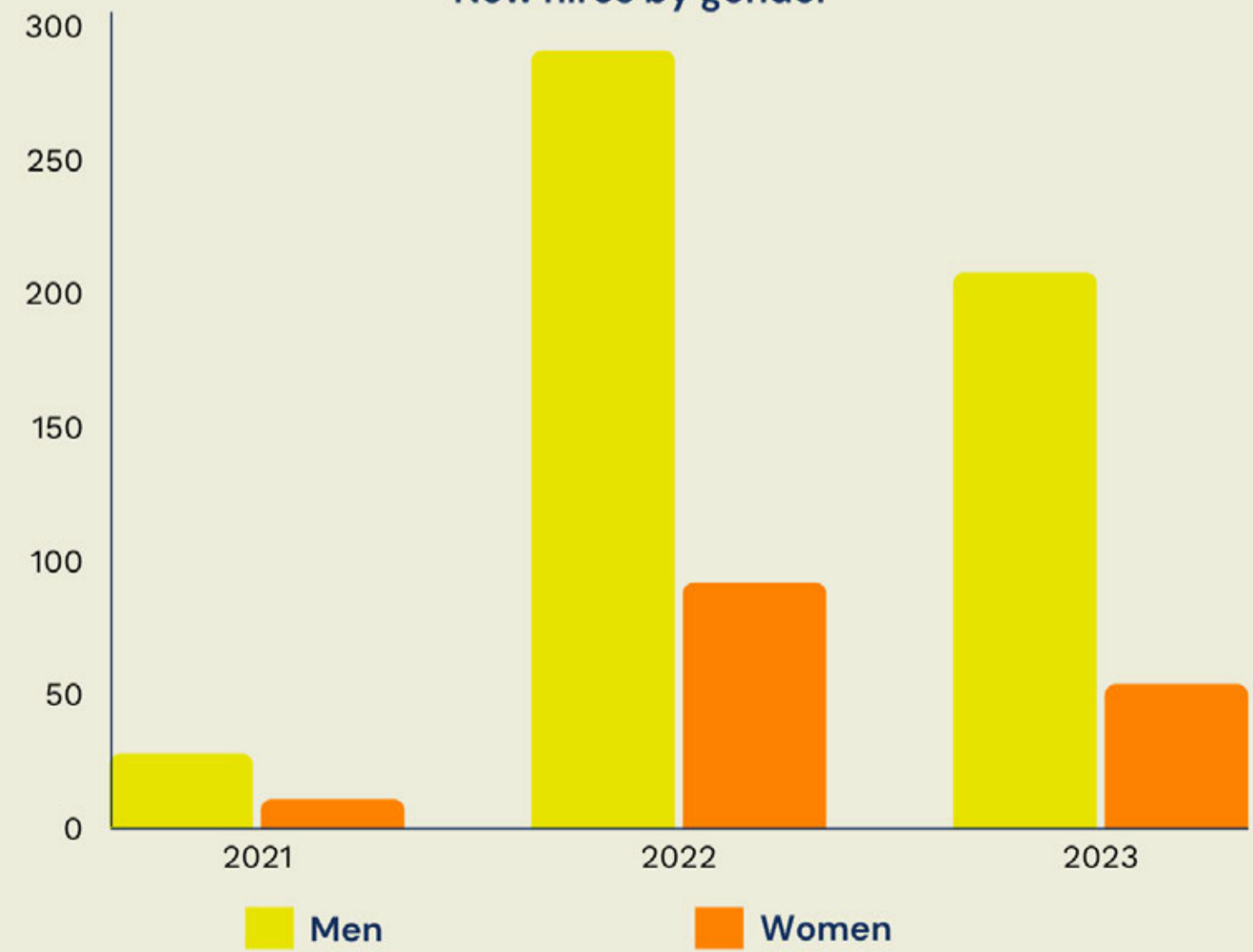
NEW HIRES BY AGE GROUP, GENDER AND REGION

By Age Group	2021		2022		2023	
	Total	%	Total	%	Total	%
Under 30 years old	2	5.1%	89	23.2%	63	24.1%
From 30 to 50 years old	17	43.6%	266	69.5%	174	66.4%
Over 50 years old	20	51.3%	28	7.3%	25	9.5%
Total	39	100.0%	383	100.0%	262	100.0%
By Gender	2021		2022		2023	
	Total	%	Total	%	Total	%
Women	11	28.2%	92	24.0%	54	20.6%
Men	28	71.8 %	291	76.0%	208	79.4%
Total	39	100.0%	383	100.0%	262	100.0%
By Region	2021		2022		2023	
	Total	%	Total	%	Total	%
RMBH	28	71.8%	195	50.9%	94	35.9%
Interior	11	28.2%	188	49.1%	168	64.1%
Total	39	100.0%	383	100.0%	262	100.0%

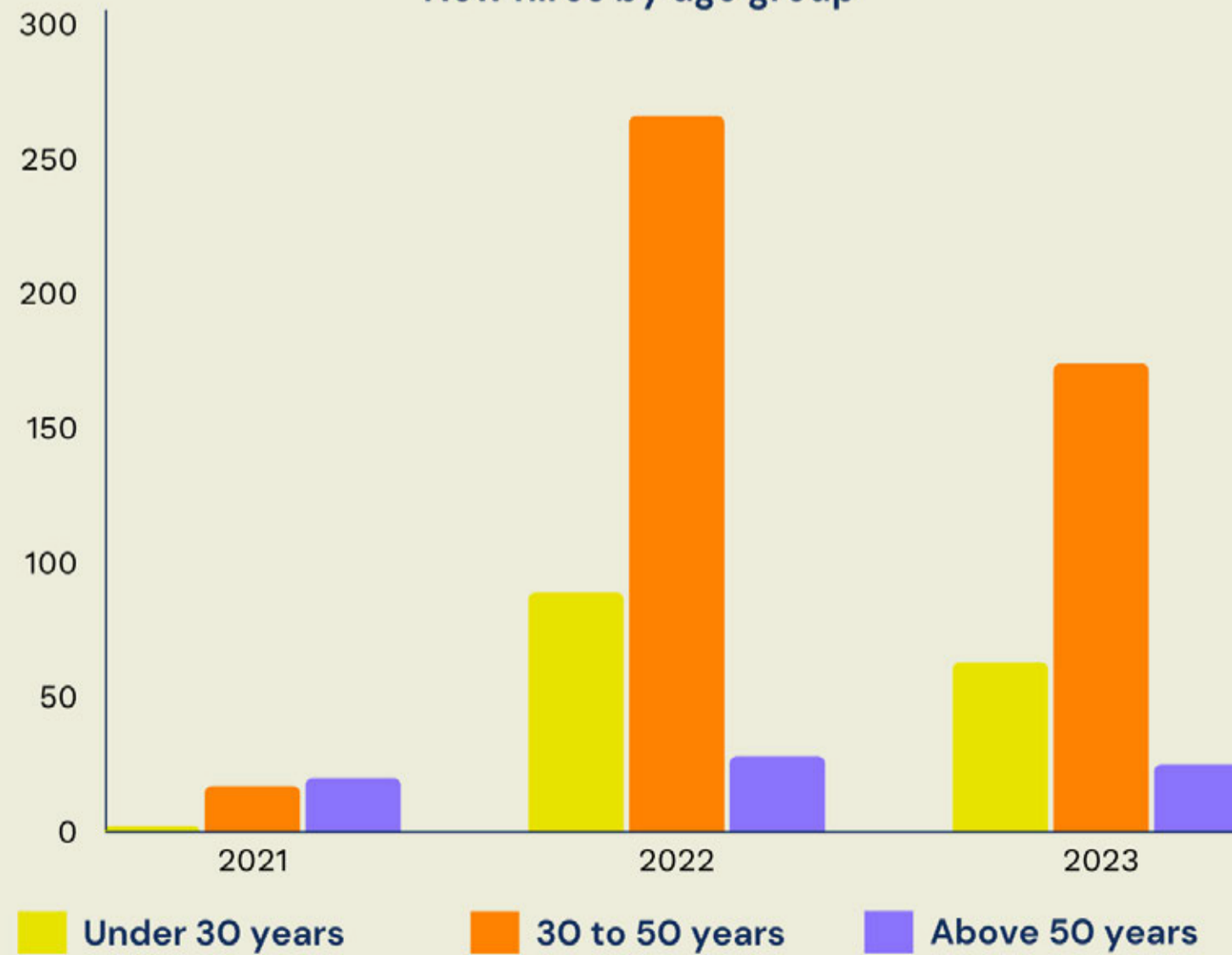




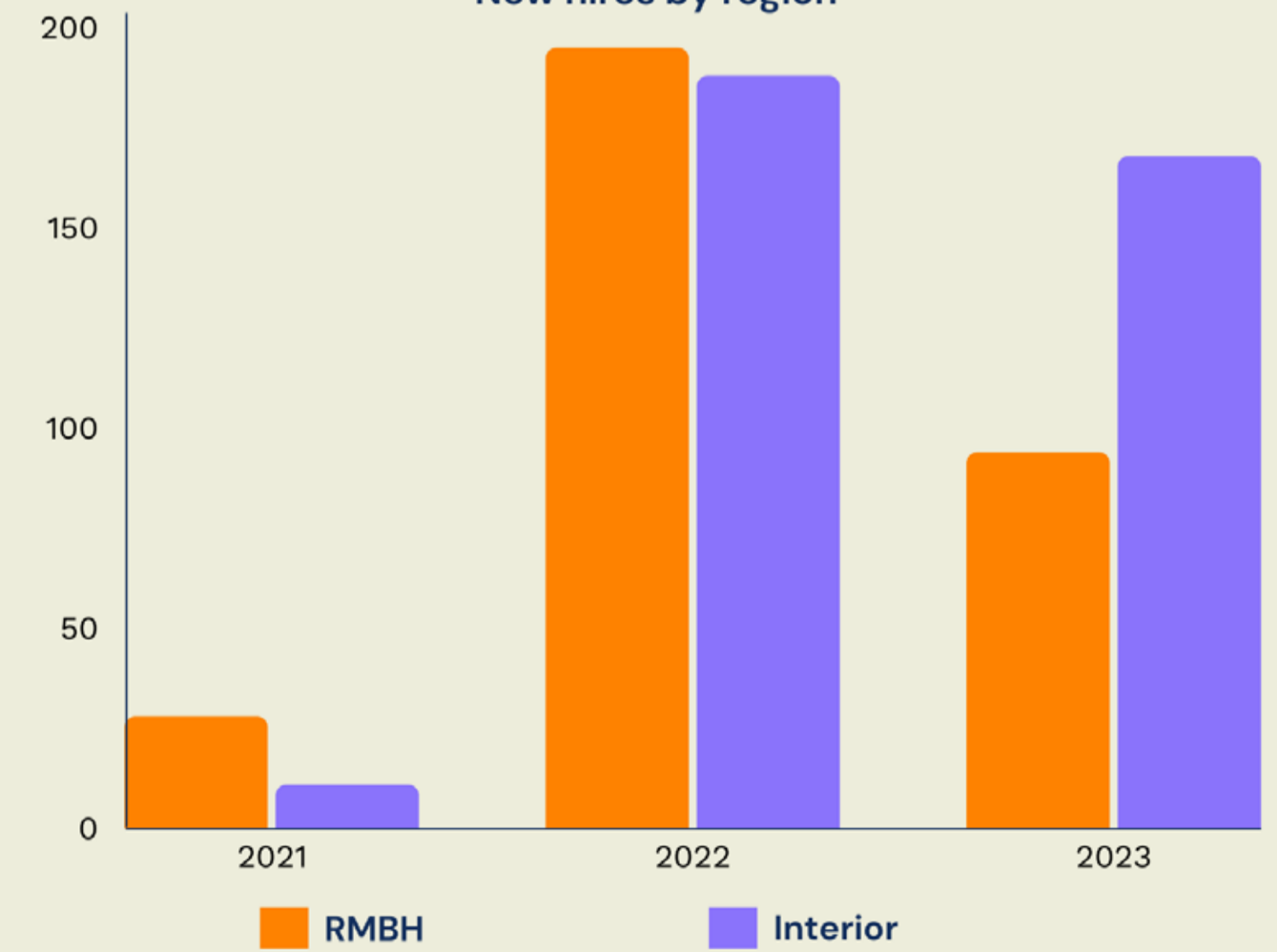
New hires by gender



New hires by age group



New hires by region



The new hires occurred mainly in the operational employee category, followed by the senior technician and senior administrative categories, as shown in the table below.

NEW HIRES BY EMPLOYEE CATEGORY

Employee category	Quantity
Operational	173
Administrative	1
Senior Technician	41
Senior Administrative	25
Administrative Technician	3
Managerial	8
Operational Technician	11
Total	262

Regarding the turnover of Copasa’s employees, the information was consolidated between the years 2021 to 2023, broken down by age group, gender and region of the state of Minas Gerais.

There was a decrease in turnover in all age groups compared to the previous year (2022) as shown in the table below.

TURNOVER PERCENTAGE BY AGE GROUP

Age range	2021	2022	2023
Under 30 years old	0.1%	0.6%	0.4%
From 30 to 50 years old	0.4%	1.7%	1.5%
Over 50 years old	3.0%	4.0%	3.7%
Total	3.5%	6.3%	5.6%

Regarding gender, the turnover of both women and men had a slight reduction in 2023 when compared to 2022, reaching 0.8% for women and 4.8% for men in 2023, as shown in the table below.

TURNOVER BY GENDER

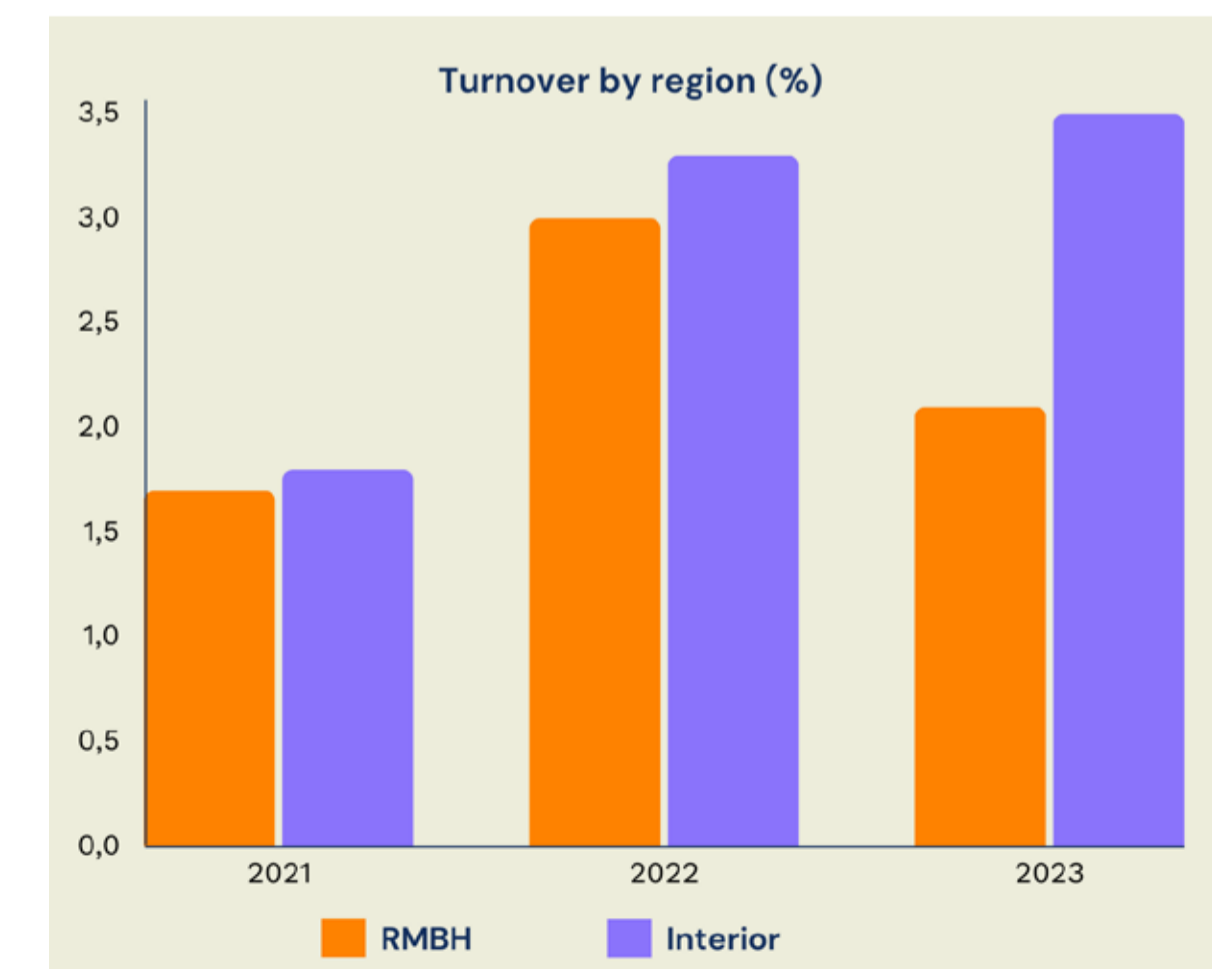
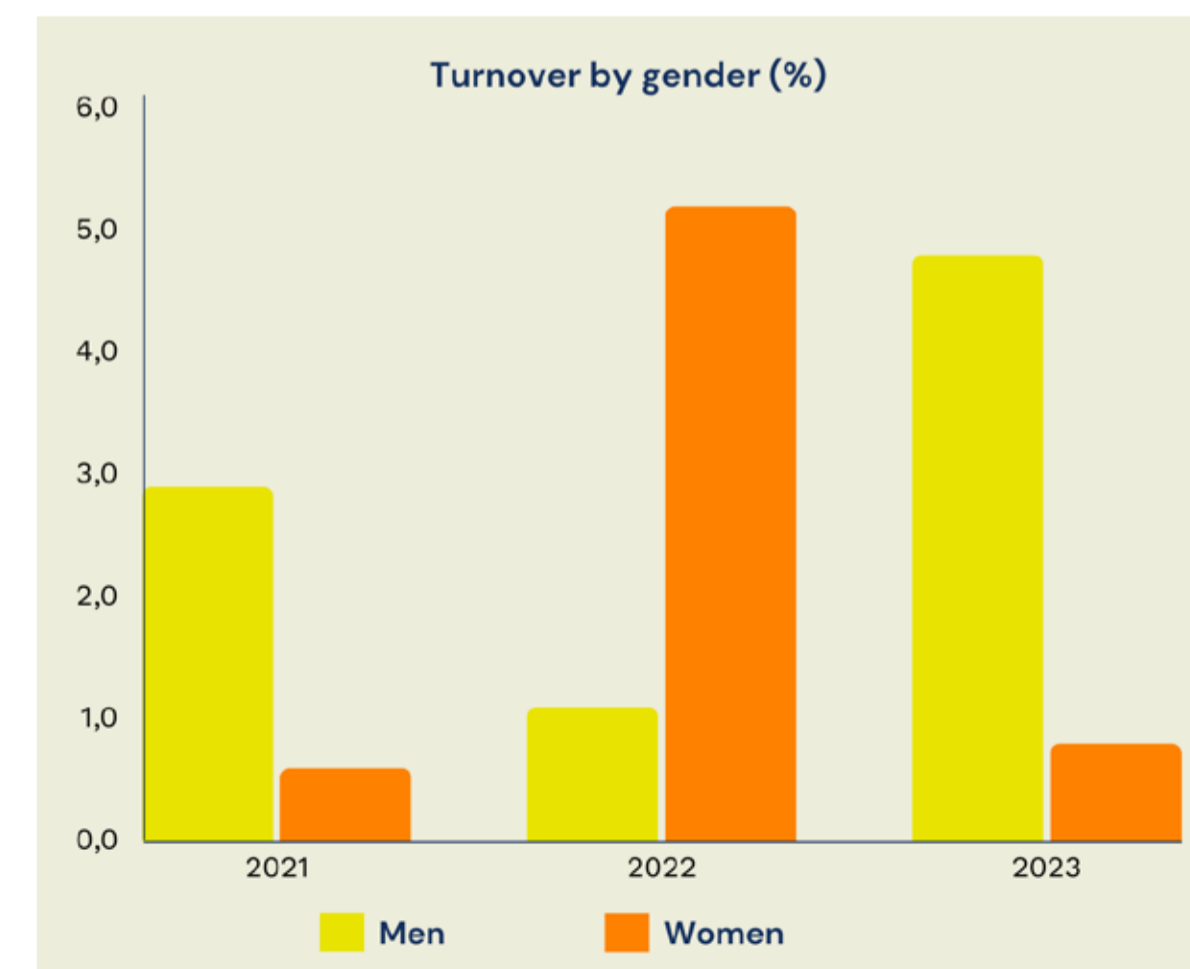
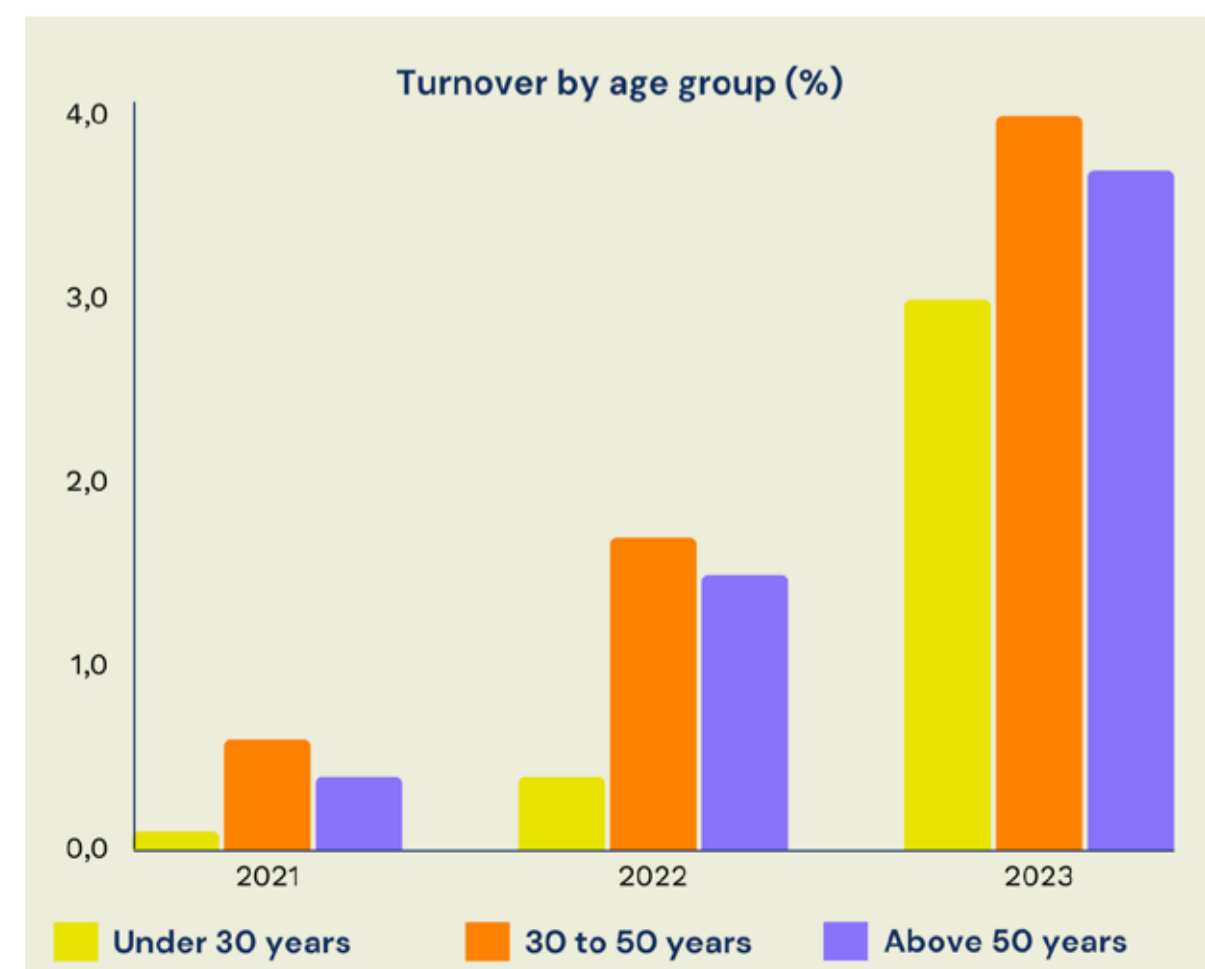
Gender	2021	2022	2023
Woman	0.6%	1.1%	0.8%
Men	2.9%	5.2%	4.8%
Total	3.5%	6.3%	5.6%

Regarding geographic location, turnover was higher in the interior of the state, reaching 3.5%, while in the metropolitan region there was a reduction, reaching 2.1% compared to 2022, as shown in the table below.

TURNOVER BY REGION

State region of Minas Gerais	2021	2022	2023
RMBH	1.7%	3.0%	2.1%
Interior	1.8%	3.3%	3.5%
Total	3.5%	6.3%	5.6%

It is worth mentioning that turnover is an important indicator for assessing the quality of the work environment and employee satisfaction, in which the percentage of up to 10% is considered the ideal turnover rate, and that a high rate may indicate management and organizational climate problems. Copasa is committed to monitoring this indicator on a perennial basis, considering the PDVI, which results in increased turnover. The Company implements measures to maintain a healthy and productive work environment for its employees.



Programa de Desligamento Voluntário Incentivado (PDVI) (Incentivized Voluntary Dismissal Program)

GRI 201-3

The Incentivized Voluntary Dismissal Program aims to promote the dismissal of employees who meet specific conditions, with voluntary adhesion, upon payment of the severance pay specified in the *Termo de Rescisão de Contrato de Trabalho* (Term of Termination of Employment Contract) (TRCT) and incentive in the form of a cash bonus, calculated according to the length of service and the nominal salary of the employee on the date of adhesion.

In the 1st semester of 2023, a PDVI was implemented, which was joined by 736 employees, 699 of which were dismissed in 2023, and 4 adhesions were canceled. It is worth mentioning that the estimated amounts with indemnities, fully accounted for in the second quarter of 2023, totaled R\$115.1 million, R\$79.6 million of which was written off in 2023.

The Company informs that the indemnity resources came from the 18th Issuance of debentures, in the amount of R\$900.0 million, concluded in September 2023. The remaining resources will be used in the Company's Investments Program.



Diversity and Inclusion

*SDGs (5 – TARGET 5.1, 5.4, 5.5/ 3 – TARGETS 3.2/ 8 – TARGETS 8.5, 8.8/ 10 – TARGETS 10.2, 10.3, 10.4)
GLOBAL COMPACT (PRINCIPLES 1, 2, 3, 4, 5, 6)
GRI 202-1 / 401-3 / 405-1 / 405-2*

Copasa promotes an inclusive work environment, seeking to ensure equal opportunities, impartiality and fairness. In situations of ties in internal selection processes, we prioritize female candidates and black candidates, respectively. In addition, we reserve 10% of the vacancies in our public examinations for the hiring of people with disabilities in each position or area of expertise.

Since 2003, homosexual employees have been able to include their partners as dependents in the Copasa Employees' Health Care Association (Copass Saúde), and the Company anticipated the implementation of Normative Summary No. 12/2010 of the *Agência Nacional de Saúde Suplementar* (National Supplementary Health Agency) (ANS).

In 2023, the company established the Diversity and Inclusion Policy, presenting evolution in its practices to support inclusion and diversity. This included the integration of diversity and inclusion practices into leadership development initiatives, and the implementation of quotas for senior candidates and people with disabilities in the Internship Program.

Additionally, Copasa demonstrates in its contractual relations a commitment to social and gender inclusion, adopting practices that aim to positively impact its value chain. An example is the orientation with contracted companies, especially for the provision of social mobilization services, to hire women residing in the territory where the contract will be executed. This initiative resulted in the hiring of 55 residents and women working in areas of social vulnerability for social mobilization in the BH Performance Contract and in the hiring of 10 women from the rural community in Montes Claros. These initiatives generated an overall monthly income of R\$138.4 thousand and R\$4.6 thousand, respectively, for the hired workers, promoting broader and more diversified social inclusion.



Governance Bodies

Below you can see the distribution of the Company's highest governing body by gender, age group and color over the period from 2021 to 2023.

PERCENTAGE OF INDIVIDUALS WHO ARE PART OF THE GOVERNANCE BODIES BY GENDER

By Gender	2021		2022		2023	
	Total	%	Total	%	Total	%
Men	15	88.2%	9	90.0%	8	88.9%
Women	2	11.8%	1	10.0%	1	11.1%
Total	17	100.0%	10	100.0%	9	100.0%
By Age Group	2021		2022		2023	
	Total	%	Total	%	Total	%
Under 30 years old	1	5.9%	0	0.0%	0	0.0%
30 to 50 years old	7	41.2%	2	20.0%	2	22.2%
Above 50 years old	9	52.9%	8	80.0%	7	77.8%
Total	17	100.0%	10	100.0%	9	100.0%
By color	2021		2022		2023	
	Total	%	Total	%	Total	%
Whites	12	70.6%	9	90.0%	7	77.8%
Blacks	0	0.0%	0	0.0%	0	0.0%
Browns	2	11.8%	1	10.0%	1	11.1%
Yellow	0	0.0%	0	0.0%	0	0.0%
Indigenous	0	0.0%	0	0.0%	0	0.0%
Not informed	3	17.6%	0	0.0%	1	11.1%
Total	17	100.0%	10	100.0%	9	100.0%

Employees

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER

Employee category	Gender	2021		2022		2023	
		Total	%	Total	%	Total	%
Managerial	Men	97	66.9%	97	65.5%	97	63.8%
	Women	48	33.1%	51	34.5%	55	36.2%
	Total	145	100.0%	148	100.0%	152	100.0%
Senior Administrative	Men	132	51.8%	139	47.6%	136	47.2%
	Women	123	48.2%	153	52.4%	152	52.8%
	Total	255	100.0%	292	100.0%	288	100.0%
Senior Operational	Men	281	70.2%	273	67.2%	278	66.7%
	Women	119	29.8%	133	32.8%	139	33.3%
	Total	400	100.0%	406	100.0%	417	100.0%
Operational Technician	Men	902	93.7%	1,001	93.9%	1,050	94.0%
	Women	61	6.3%	65	6.1%	67	6.0%
	Total	963	100.0%	1,066	100.0%	1,117	100.0%
Administrative Technician	Men	1,006	72.1%	1,094	75.9%	1,075	78.5%
	Women	389	27.9%	347	24.1%	294	21.5%
	Total	1,395	100.0%	1,441	100.0%	1,369	100.0%
Operational	Men	6,663	98.8%	6,073	98.9%	5,527	98.8%
	Women	82	1.2%	69	1.1%	65	1.2%
	Total	6,745	100.0%	6,142	100.0%	5,592	100.0%
Administrative	Men	660	83.6%	593	85.8%	527	86.7%
	Women	129	16.4%	98	14.2%	81	13.3%
	Total	789	100.0%	691	100.0%	608	100.0%
Total	Men	9,741	91.1%	9,270	91.0%	8,690	91.1%
	Women	951	8.9%	916	9.0%	853	8.9%
	Total	10,692	100.0%	10,186	100.0%	9,543	100.0%

The following is a table showing the distribution of the Company's employees in terms of employee category and gender at the end of the years 2021, 2022 to 2023.

Data show the percentage of employees by employee category, with the majority of employees in the operational category (58.6% in 2023), followed by administrative technicians (14.35%) and operational technicians (11.7%).

In terms of gender distribution, data show that men are overrepresented in most functional categories, except for the senior administrative category, in which women represent 52.8% of the total. Men are the largest percentage in the operational category, with 98.8%.

On the side, a table with the distribution of the Company's employees by employee category, color and ethnicity at the end of 2021, 2022 and 2023. Data show the percentage of employees by color/ethnicity by employee category, with the majority identifying themselves as brown (43.1% in 2023), followed by white (38.2%) and black (12.2%).

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND COLOR/ETHNICITY

Employee category	By color	2021		2022		2023	
		Total	%	Total	%	Total	%
Managerial	Whites	101	69.6%	106	71.6%	107	70.4%
	Blacks	4	2.8%	4	2.7%	5	3.3%
	Browns	33	22.8%	32	21.6%	33	21.7%
	Yellow	1	0.7%	1	0.7%	1	0.7%
	Indigenous	0	0.0%	0	0.0%	0	0%
	Not informed	6	4.1%	5	3.4%	6	3.9%
	Total	145	100.0%	148	100.0%	152	100.0%
	Senior Administrative	Whites	172	67.4%	192	66.0%	188
Blacks		13	5.1%	16	6.0%	16	5.6%
Browns		62	24.3%	76	26.0%	75	26.0%
Yellow		1	0.4%	1	0.0%	1	0.3%
Indigenous		0	0.0%	0.0	0.0%	0	0.0%
Not informed		7	2.7%	7	2.0%	8	2.8%
Total		255	100.0	292	100.0%	288	100.0%
Senior Operational		Whites	252	63.0%	255	62.8%	262
	Blacks	23	5.8%	25	6.2%	24	5.8%
	Browns	106	26.5%	110	27.1%	116	27.8%
	Yellow	6	1.5%	7	1.7%	7	1.7%
	Indigenous	1	0.2%	1	0.2%	1	0.2%
	Not informed	12	3.0%	8	2.0%	7	1.7%
	Total	400	100.0	406	100.0%	417	98.4%
	Administrative Technician	Whites	579	42.0%	588	41.0%	533
Blacks		153	11.0%	154	11.0%	151	11.0%
Browns		617	44.0%	650	45.0%	635	46.4%
Yellow		14	1.0%	13	1.0%	14	1.0%
Indigenous		2	0.0%	2	0.0%	2	0.1%
Not informed		30	2.0%	34	2.0%	34	2.5%
Total		1,395	100.0	1,441	100.0%	1,369	100.0%

Employee category	By color	2021		2022		2023	
		Total	%	Total	%	Total	%
Operational	Whites	2,450	36.3%	2,208	36.0%	1,988	35.6%
	Blacks	849	12.6%	804	13.1%	734	13.1%
	Browns	2,896	42.9%	2,655	43.2%	2,443	43.7%
	Yellow	78	1.2%	71	1.2%	63	1.1%
	Indigenous	19	0.3%	15	0.2%	13	0.2%
	Not informed	453	6.7%	389	6.3%	351	6.3%
	Total	6,745	100.0%	6,142	100.0%	5,592	100.0%
	Operational Technician	Whites	321	33.3%	359	33.7%	361
Blacks		123	12.8%	138	12.9%	152	13.6%
Browns		469	48.8%	520	48.8%	549	49.1%
Yellow		11	1.1%	12	1.1%	13	1.2%
Indigenous		4	0.4%	3	0.3%	3	0.3%
Not informed		35	3.6%	34	3.2%	39	3.5%
Total		963	100.0	1,066	100.0%	1,117	100.0%
Administrative		Whites	275	34.9%	238	34.4%	208
	Blacks	91	11.5%	81	11.7%	78	12.8%
	Browns	363	46.0%	311	45.0%	265	43.6%
	Yellow	8	1.0%	10	1.5%	9	1.5%
	Indigenous	2	0.3%	3	0.4%	4	0.7%
	Not informed	50	6.3%	48	7.0%	44	7.2%
	Total	789	100.0%	691	100.0%	608	100.0%
	Total	Whites	4,150	100.0%	3,946	100.0%	3,647
Blacks		1,256	39.0%	1,222	39.0%	1,160	12.2%
Browns		4,546	12.0%	4,354	12.0%	4,116	43.1%
Yellow		119	43.0%	115	43.0%	108	1.1%
Indigenous		28	1.0%	24	1.0%	23	0.2%
Not informed		593	0.0%	525	0.0%	489	5.2%
Total		10,692	100.0%	10,186	100.0%	9,543	100.0%



Table showing the distribution of the Company’s employees by employee category and age group at the end of the years 2021, 2022 and 2023. Data show that in 2023, 55.2% of employees were between 30 and 50 years old, while 40.5% were over 50 years old and 4.4% were under 30 years old.

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP

Employee category	Age Range	2021		2022		2023	
		Total	%	Total	%	Total	%
Managerial	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	78	54.5 %	88	59.5 %	88	57.9%
	Above 50	65	45.5%	60	40.5%	64	42.1%
	Total	143	100.0	148	100.0%	152	100.0%
Senior Administrative	Under 30	1	0.4%	8	2.8%	11	3.8%
	30 to 50	129	50.6%	180	61.6%	177	61.5%
	Above 50	125	49.0%	104	35.6%	100	34.7%
	Total	255	100.0%	292	100.0%	288	100.0%
Senior Operational	Under 30	4	1.0%	24	5.9%	31	7.4%
	30 to 50	178	44.5%	220	54.2%	226	54.2%
	Above 50	218	54.5%	162	39.9	160	38.4%
	Total	400	100.0%	406	100.0%	417	100.0%
Administrative Technician	Under 30	23	1.6%	33	2.3%	348	20.9%
	30 to 50	599	42.9%	733	50.9 %	651	39.0%
	Above 50	773	55.4%	675	46.8 %	670	40.1%
	Total	1,395	100.0	1,441	100.0%	1,669	100.0%
Operational Technician	Under 30	17	1.8%	20	1.9%	41	3.7%
	30 to 50	563	58.4%	698	65.5%	628	56.2%
	Above 50	383	39.8%	348	32.6%	448	40.1%
	Total	963	100.0%	1,066	100.0%	1,117	100.0%



Employee category	Age Range	2021		2022		2023	
		Total	%	Total	%	Total	%
Operational	Under 30	356	5.3%	253	4.1%	253	4.5%
	30 to 50	3,813	56.5%	3,736	60.8%	3,221	57.6%
	Above 50	2,576	38.2%	2,153	35.1%	2,118	37.9%
	Total	6,745	100.0	6,142	100.0%	5,592	100.0%
Administrative	Under 30	36	4.6%	33	4.8%	32	5.3%
	30 to 50	390	49.4 %	359	51.9%	273	44.9%
	Above 50	363	46.0%	299	43.3	303	49.8%
	Total	789	100.0%	691	100.0%	608	100.0%
Total	Under 30	437	4.1%	371	3.7%	416	4.3%
	30 to 50	5,750	53.8%	6,014	59.0%	5,264	55.2%
	Above 50	4,503	42.1%	3,801	37.3%	3,863	40.5%
	Grand Total	10,690	100.0	10,186	100.0%	9,543	100.0%

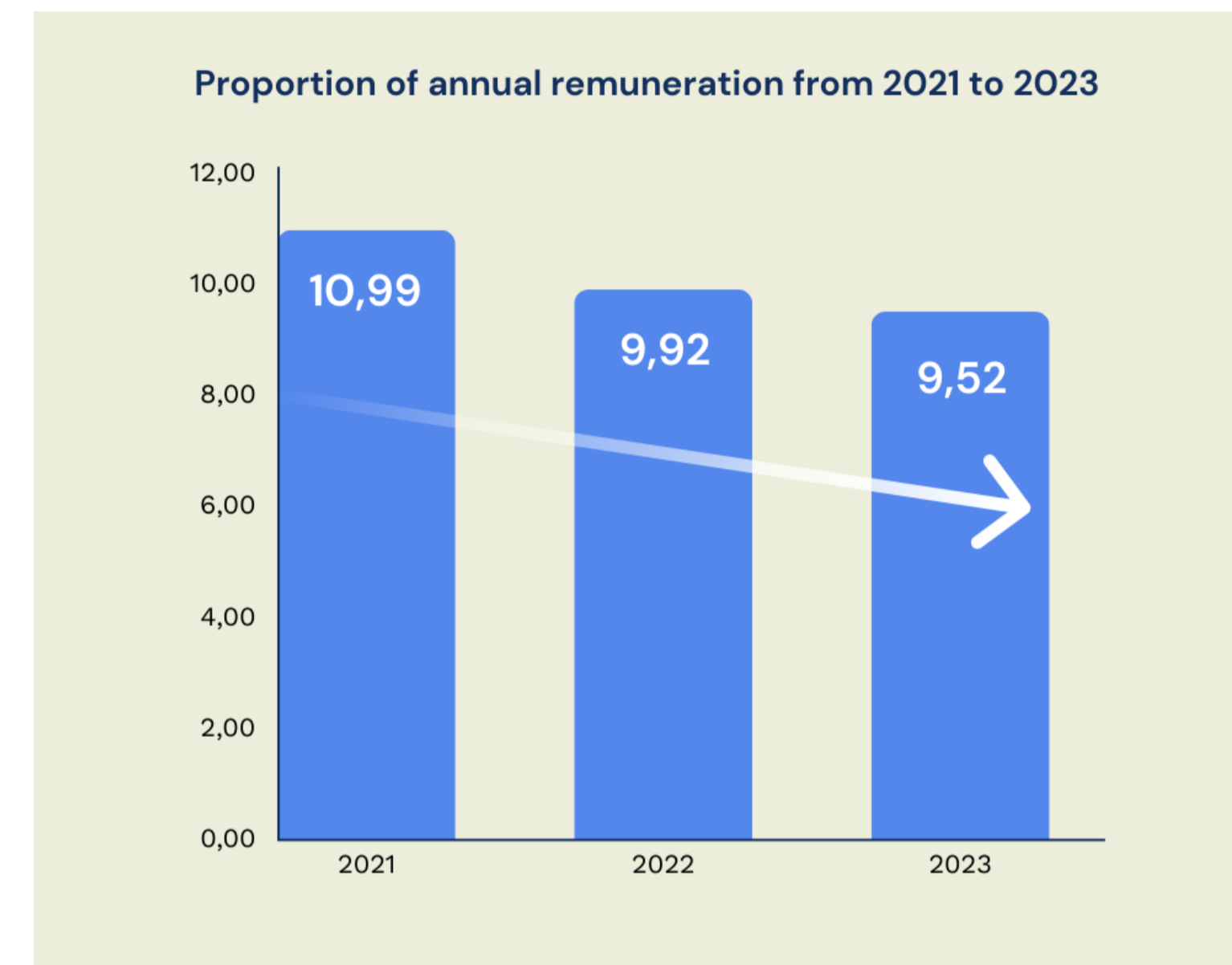


Proportion of Remuneration

GRI (2-21)

The Company presents below the portion of the total annual compensation for the years 2021 to 2023. This indicator was calculated by dividing the amount corresponding to the total annual compensation for the highest-paid individual in the organization by the amount corresponding to the average total annual compensation of all employees in the organization, except for the highest paid individual. We highlight that, over the last few years, there has been a decrease in the wage gap.

The ratio between the base salary and the remuneration received by the Company's employees compared by gender in the years 2021, 2022 and 2023 is shown below.



RATIO BETWEEN BASE SALARY AND REMUNERATION RECEIVED BY WOMEN TO THOSE RECEIVED BY MEN

Administrative	2021 ¹			2022			2023		
	Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Base salary	4.6	5.6	1.2	5.5	6.9	1.3	5.8	7.7	1.3
Remuneration	6.4	7.9	1.2	7.5	9.3	1.2	8.0	10.5	1.3
Operational	Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Base salary	2.7	6.1	2.3	3.4	7.8	2.3	3.6	8.2	2.3
Remuneration	3.8	7.7	2.0	4.6	9.4	2.0	5.0	10.1	2.0

¹Directors and retired by labour incapacity not included.



Parental Leave

PARENTAL LEAVE

Parental leave	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Total number of employees entitled to parental leave	9,741	951	9,270	916	8684	859
Total number of employees who took parental leave	248	21	243	26	242	22
Total number of employees who returned to work after taking parental leave	248	21	243	26	242	22
Total number of employees who returned to work after parental leave and remained employed twelve months after returning to work	247	21	241	26	241	22
Return to work rate of employees who took parental leave	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Retention rate of employees who took parental leave	99.6%	100.0%	99.2%	100.0%	99.6%	100.0%

Copasa is part of the *Empresa Cidadã* (Corporate Citizen) Program, under the terms of Federal Law No. 11,770/2008, granting 180 days for maternity leave, more than the 120 days provided for in the CLT, which allows mothers to dedicate more time to their newborn children. The Company also grants maternity leave for adoption, ranging from 30 to 120 days, depending on the age of the adopted child.

Men are granted 5 consecutive days of parental leave, starting from the day of birth or on the first day after the birth of the child, if the employee has worked full time on the day of birth. However, the Company offers the possibility of extending paternity leave by 15 days, for a total of 20 days, provided that the employee submits a specific request and proves participation in a program or activity providing guidance on responsible fatherhood. The table shows the number of employees who took parental leave. It is worth noting that all employees returned to work after the leave, with no layoffs.



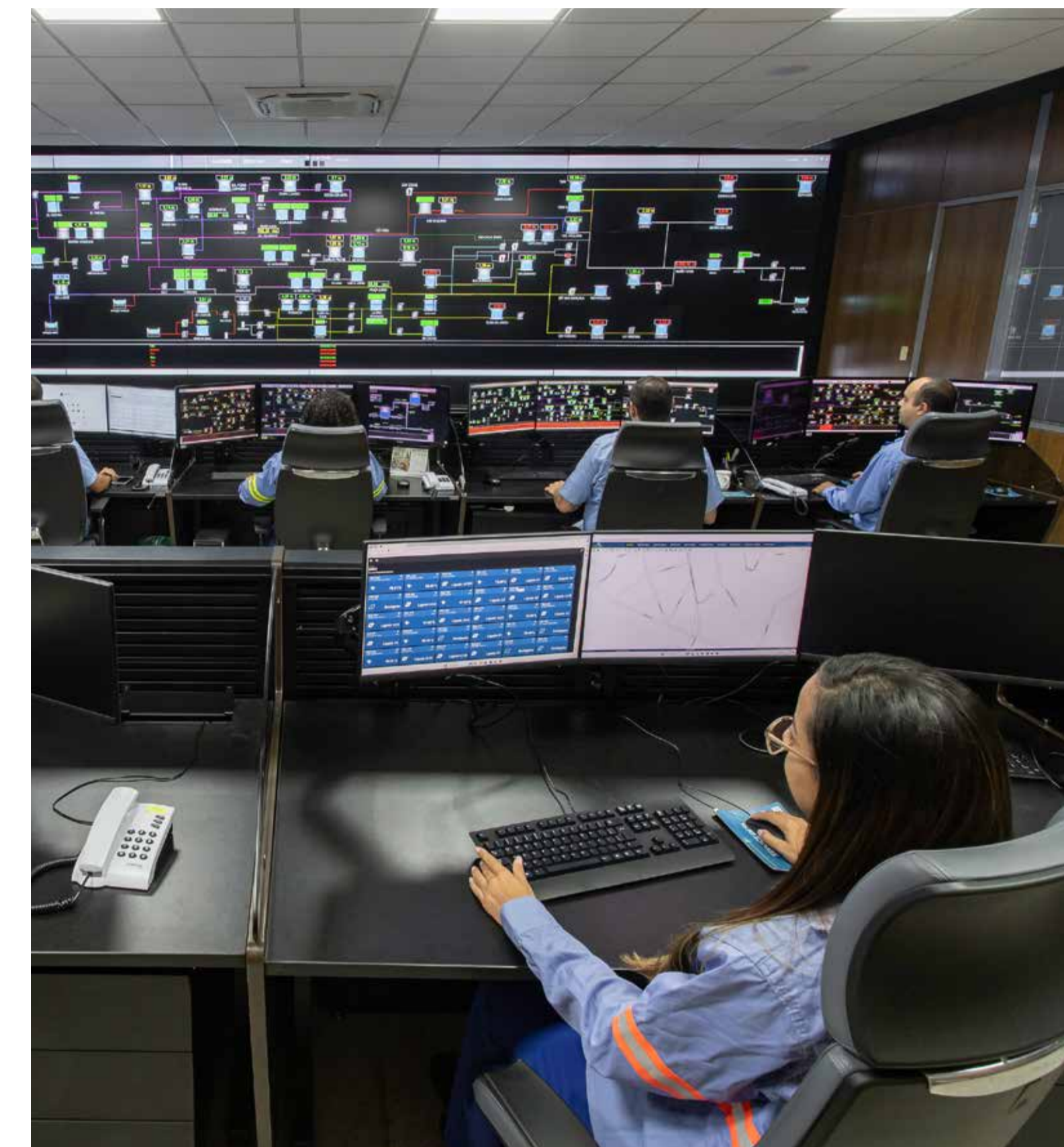
Female Mentorship

Copasa is committed to promoting gender equality in its team, aiming to attract and value its talents, encouraging diversity of ideas. In 2023, the company held the 3rd edition of the Female Mentorship Program, which seeks to strengthen the development of its employees by offering guidance from experienced female professionals as mentors. Since its launch, more than 40 women have directly benefited, achieving positive results in their careers. This program demonstrates our commitment to preparing and encouraging women to advance in their professional careers, contributing to gender equality in strategic positions in the company.

Implemented in 2021, the Female Mentorship Program is aligned with the Global Compact, the UN (United Nations) Women Lead 2030 Movement and SDG 5 (Gender Equality). It is part of Copasa's ESG Agenda, is aligned with the Company's Strategic Statement, and aims to encourage and prepare women so that they can build their professional trajectories and evolve in their careers, contributing to gender equality in strategic positions in the Company.

The Program consists of a process, lasting about 6 months, in which an employee with more experience (mentor) guides another employee (mentee), aiming at the development of behavioral skills and competencies, in addition to offering support to face professional challenges, in order to encourage a greater number of women in strategic positions in the Company.

To participate in the Program as a mentee, the interested employee must go through a selection process that consists of analysis of functional data, an interest form and interviews, conducted by the Program's mentors. In 2023, the program had 11 mentors and 12 mentees participating in the proposed activities, in addition to the approval of the Potential Leaders Development Program – Copasa.



Copasa, Control Room



Correlation with the Global Compact and the SDGs

Principles
1 e 2



Principle 6

5 GENDER
EQUALITY



Considering the reality of the predominantly male representation at Copasa, the importance of SDG 5 which aims to achieve gender equality and empower all women and girls, stands out, being essential to promote an inclusive and equitable environment in all its operations. Copasa, as a water and sanitation services company, recognizes the importance of ensuring that

In this sense, the Company has initiatives aimed at increasing the representation of women at all levels of its organizational structure. The 3rd edition of the Female Mentorship Program strengthens the personal and professional development of its employees by improving talents, preparing and encouraging women to occupy leadership management positions, thus boosting their professional careers. This

Program corroborates the commitment to gender equality and meets the goal established with the UN's Women Lead Movement, which foresees 37% of women in leadership positions by 2025. Also in this context, 56 women living in socially vulnerable areas have already been hired through the implementation of the Villages and Settlements Project.

Finally, there was an increase in the percentage of management positions held by women at Copasa, from 33.12% in 2022 to 36.18% in 2023. This result reinforces the commitment to gender equality, diversity and inclusion, ensuring the inclusion of women at all levels of decision-making with regard to public, political and economic aspects.

Knowledge management is fundamental in the formation of qualified teams and leaders to promote the Company's sustainable growth, especially when it is focused on training and retaining the best talents.

In addition to in-person courses, Copasa has a Distance Learning platform called *Manancial do Saber (Knowledge Spring)*, which aims to optimize employee participation, generating more development opportunities and reducing travel costs. Copasa offers several courses (compulsory and free) through the platform. These courses cover both external and internal content. A highlight is the Integrity Workshop 2023, in which 8,032 employees were trained in topics such as Compliance and Occupational Safety, among others. All employees of Copasa and COPANOR, partners (interns and young apprentices), outsourced workers, employees of AECO – *Associação dos Empregados da Copasa (Copasa Employees Association)* and employees of COPASS Saúde can access the platform.

Furthermore, aiming to disseminate the *Lei Geral de Proteção de Dados Pessoais (General Law for Personal Data Protection) (LGPD)*, a law that came into force in September 2020, establishing guidelines and rules for the use, storage and protection of personal information of Brazilian citizens – the Company has been offering courses for employees on the subject. In this sense, a compulsory course was launched addressing information on the principles of the LGPD, the responsibilities of organizations in relation to personal data, the rights of data subjects, the necessary security measures and the penalties for violations of the law.

Developing actions to minimize the loss of intellectual capital is a constant challenge for large organizations. Sharing knowledge and training successors are important strategies in this context. A highlight is the *Programa de Desenvolvimento de Potenciais Líderes (Potential Leaders Development Program) (PDPL)*.



Professional Development and Corporate Education

*SDGs (4 – TARGETS 4.3, 4.4, 4.5, 4.7/
5 – TARGET 5.1/ 8 – TARGET 8.2, 8.5, 8.6/
10 – TARGET 10.3)
GLOBAL COMPACT (PRINCIPLES 6, 8)
GRI (404-1/ 404-2/ 404-3)*

Programa de Desenvolvimento de Potenciais Líderes and Programa de Mentoria Técnica (Potential Leaders Development and Technical Mentoring Programs)

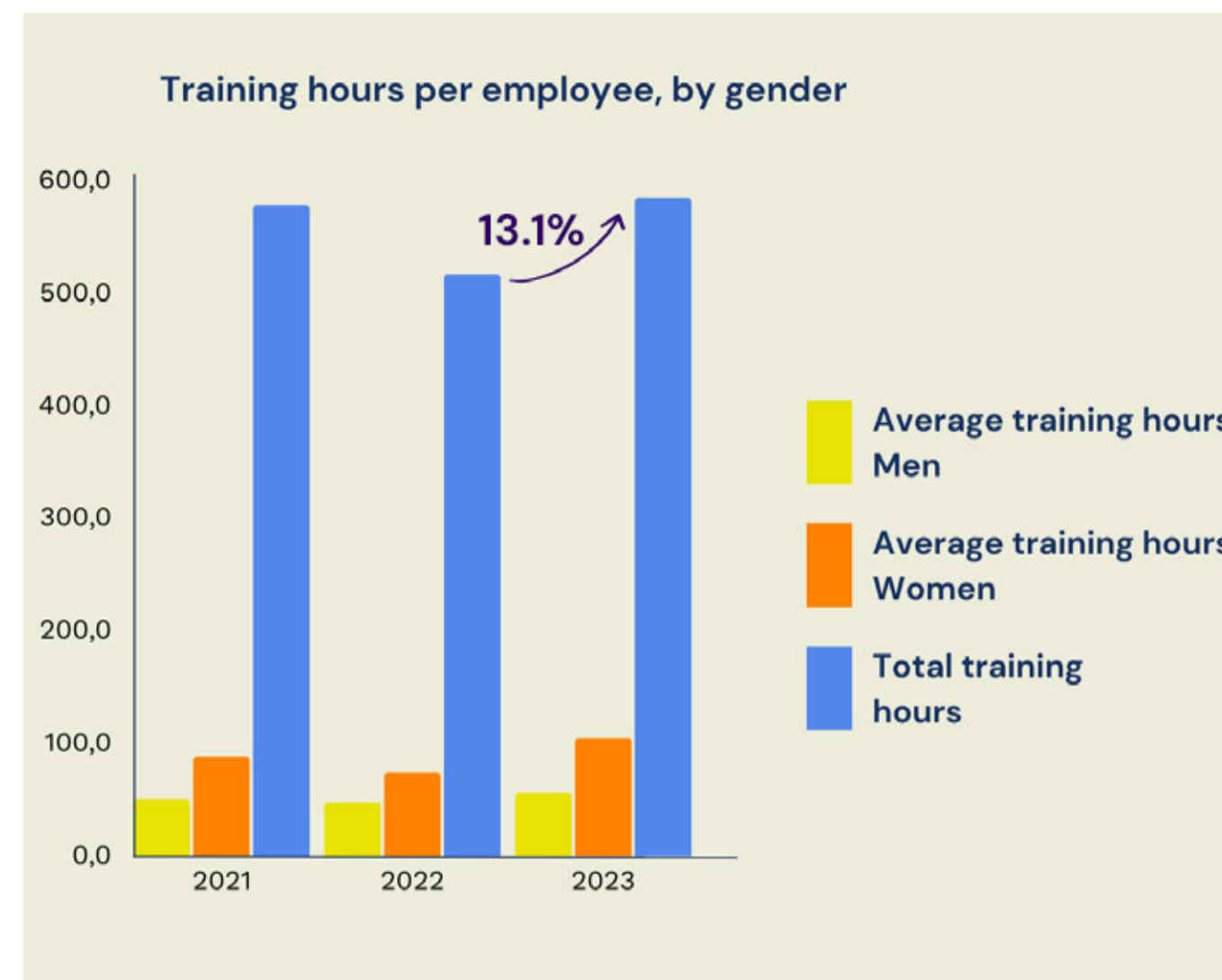
The purpose of the Program is to identify and develop employees in management skills. Participants who achieve more than 80% success rates have been included in the Succession Bank for Positions of Trust and may be invited to assume leadership positions in the Company.

Another highlight is the Technical Mentoring Program, a Knowledge Management initiative provided for in Copasa's Strategic Planning, with the objective of promoting the registration, systematization, sharing and dissemination of the Company's strategic technical knowledge. In addition, the program aims to help mitigate the risk of intellectual capital loss and to ensure sustainability and excellence in service provision.

Data presented in the following table show the average training hours by gender and employee category over the years 2021 to 2023, and the percentage variation in the average training hours from 2022 to 2023. As shown in the following table, the number of training hours increased significantly over this period, with an average increase of 40.3% in the average training hours for women and 17.7% for men.

TRAINING HOURS PER EMPLOYEE, BY GENDER

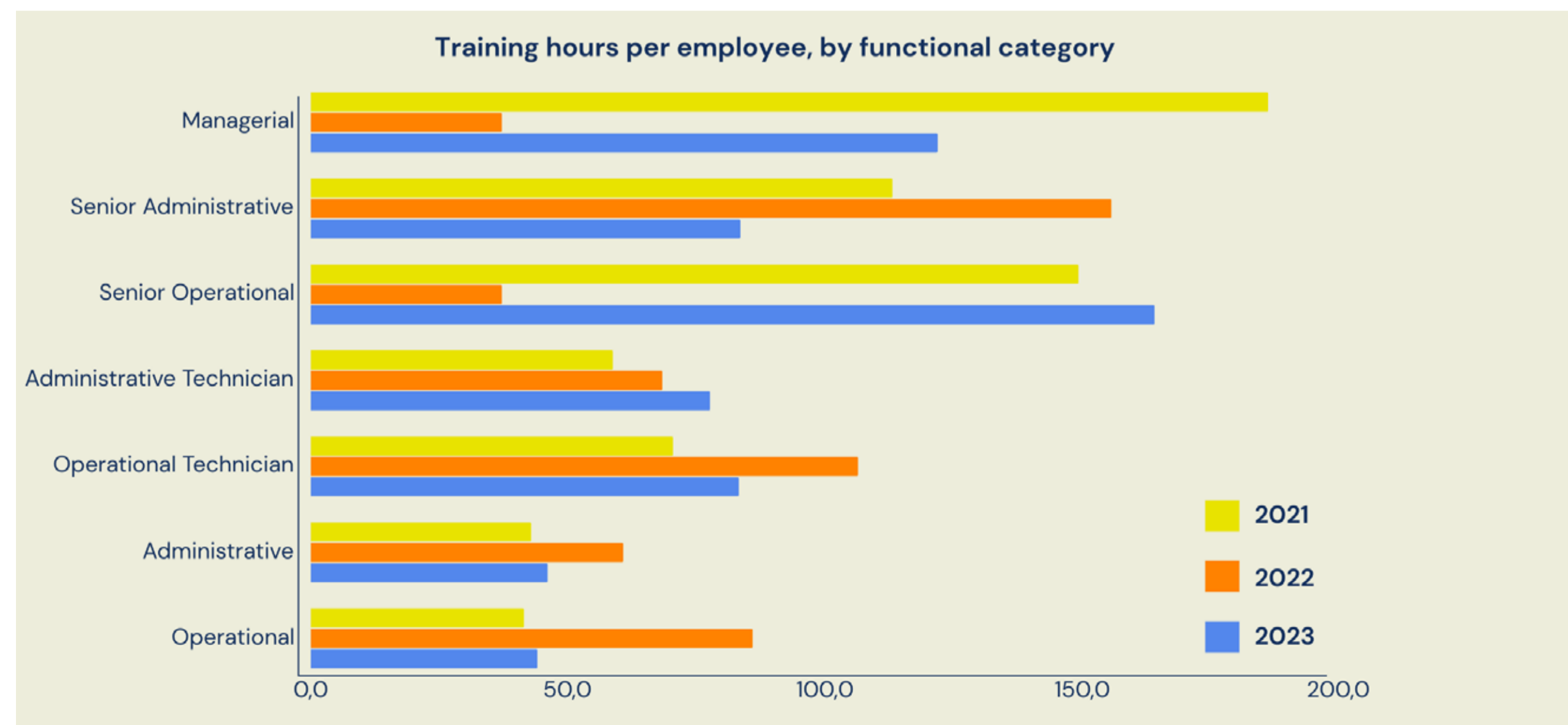
Average training hours		2021	2022	2023	Δ 2022/2023
Gender	Men	50.8	48.4	57.0	17.7%
	Women	88.7	75.0	105.23	40.0%
Total training hours		Total Hours (thousand hours)	Total Hours (thousand hours)	Total Hours (thousand hours)	Δ 2022/2023
		579.0	517.4	585.1	13.1%



Below, it is possible to observe the average training hours provided by the Company by employee category for the years 2021, 2022 and 2023.

AVERAGE TRAINING HOURS PER EMPLOYEE, BY EMPLOYEE CATEGORY

Employee category	2021	2022	2023	Δ 2022/2023
	Average training hours	Average training hours	Average training hours	Average training hours
Managerial	186.3	37.2	122.0	228%
Senior Administrative	113.2	155.8	83.6	-46.3%
Senior Operational	149.4	37.2	164.2	341.4%
Administrative Technician	58.8	68.4	77.7	13.6%
Operational Technician	70.5	106.5	83.3	-21.8%
Administrative	42.9	60.8	46.1	-24.2%
Operational	41.5	86.0	44.1	-48.7%





It is observed that the managerial category had a large increase in the average training hours, from 37.2 hours in 2022 to 122.0 hours in 2023, an increase of 227.98%, due to the fact that Copasa has contracted a Leadership Development Program, the CopaLíder Program. Annually, Copasa also provides anti-corruption training for all employees. In 2023, 8,182 employees completed this training, as shown in the table below.

**TRAINING RELATED TO THE FIGHT AGAINST CORRUPTION
TOPIC PROVIDED BY COPASA IN 2023**

Anti-corruption training by employee category	%	Total
Agents/Tech. Assist.	89.6%	7335
Analysts	7.8%	633
Interns/Apprentices	1.4%	113
Leadership/Advisory/Audit	1.2%	101
Anti-corruption training by employee category	%	Total
Chairmanship	2.0%	166
Operations Board	72.1%	5882
Technological Development. Environment and Enterprise Board	6.3%	517
Financial and Investor Relations Board	6.7%	543
Customer Relations and Regulation Board	12.9%	1052

Performance Evaluation – 2022/2023 Cycle			
Employee category	Feminine	Masculine	Total
Administrative	0.9%	5.3%	6.1%
Operational	0.6%	52.7%	53.3%
Administrative Technician	2.9%	8.8%	11.7%
Operational Technician	0.6%	8.4%	8.9%
Middle Leadership Medium Level	0.3%	5.7%	5.9%
Middle Leadership Higher Level	0.1%	0.1%	0.2%
Senior Administrative Operational	2.6%	3.5%	6.1%
Managerial	0.4%	0.8%	1.2%
Total	8.2%	85.3%	93.5%

In addition to the training provided to the Company's employees, 93.49% underwent performance assessments for the 2022/2023 cycle, as shown in the table, by employee category.

Investments in Professional Development

In order to develop the skills of its employees and governance body, Copasa invested R\$ 8.3 million in 2023, in training and professional development, providing an average of 61.3 hours per employee, according to the next table.

Specification	2021	2022	2023
Investments in professional development (R\$ million)	2.5	5.1	8.3
Number of participants (in thousand units)	92.1	96.0	78.9
Number of professional development hours (in thousand hours)	579.0	508.2	585.1
Average hours per employee (hours)	54.2	61.7	61.3

Data reveal Copasa's growing commitment to the development of its employees over the years.

Occupational Health and Safety Management System

At Copasa, we are committed to safe behavior (individual and collective). In addition to being a legal obligation, promoting a healthy and safe work environment is a value for the Company, recognized and sponsored by Senior Management. This commitment is part of our ESG agenda and is expressly stated in our Strategic Statement: “We act with safety and respect for life”.

Our Health and Safety Management System covers the entire workforce and aims to protect the integrity, health and ability to work of employees so that, at the end of the day, they can return home safely. Our Health and Safety Management System covers the entire workforce and aims to protect the integrity, health and ability to work of employees so that, at the end of the day, they can return home safely. It is supported by a Health and Safety Policy, formally established and approved by the Board of Directors, whose principles are: respect and appreciation of life; acceptance and motivation for change; prevention; promotion of occupational health and safety; zero accidents philosophy; training, as well as collective awareness of duties and obligations. The Policy applies to Board Members, Executive Officers, professionals of any kind, interns and apprentices, as well as to any individual or legal entity, under public or private law, with whom Copasa relates: suppliers, service providers, customers, among others. In practical terms, this system is materialized through several actions and programs, especially the Zero Accident Program.

PROGRAMA ACIDENTE ZERO

The program aims to raise awareness among the workforce and implement narratives that value life. It consists of a set of actions aimed at consolidating a culture based on safe behavior, operational discipline, and the supervision of safety conditions. It is permanent and as the name implies, it aims at the goal of zero accidents. It is structured based on 4 pillars, from which action strategies are developed:

- a) Managers' commitment:** leadership by example is the driving force that enables the development of the program's actions. There are established practices, such as the Leader's Walk, which consists of field visits focused on mitigating behavioral deviations. Leaders have achievement goals and in addition to acting preventively, raising employee awareness, it is also a way for them to demonstrate their commitment to safety, which generates workforce engagement. The practice has been monitored through a proactive indicator, which allows the assessment of unit adherence.
- b) Employee Involvement:** all established actions are guided by synergy, co-creation and cooperation, which is why there is continuous consultation and participation of employees. For example, there is a Zero Accident Program Portal (SharePoint, available on the Intranet), where employees have the opportunity to access content, interact and post comments. There is a “Consultation and Participation of Workers” mechanism, a specific field for employees to send suggestions/ criticisms, point out dangers and risks, ask questions and also suggest the publication of content/news. In addition, to foster engagement, periodic meetings are held with the CIPAs – *Comissões Internas de Prevenção de Acidentes e de Assédio* (Internal Accident Prevention and Harassment Committees), which have formal guidelines for action.

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Occupational Health and Safety

SDGs (3 – TARGETS 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9/ 8 – TARGET 8.8/ 16 – TARGET 16.1, 16.7)

GLOBAL COMPACT (PRINCIPLES 1, 2)

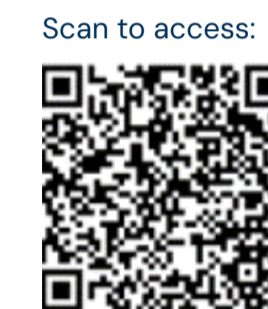
GRI 3-3/ 403-1/ 403-2/ 403-3/ 403-4/ 403-5/ 403-6/ 403-7/ 403-9/ 403-10

c) Communication: this is a fundamental element for raising awareness and combating underreporting of incidents. In view of this, several strategies are adopted, highlighting: weekly publication of the “*Dica de Segurança*” (Safety Tip) Newsletter, with guidance on how to prevent accidents and mitigate risks present in activities; sending of the “*Boletim USSS Informa*” bulletin to all leaders in the event of an accident, which presents the event and provides a series of recommendations to prevent recurrence; dissemination of personalized videos from the “*Acidente Zero Play*” (Zero Accident Play) series, which draw employees’ attention to adopting safe behavior; conducting seasonal awareness campaigns, among others.

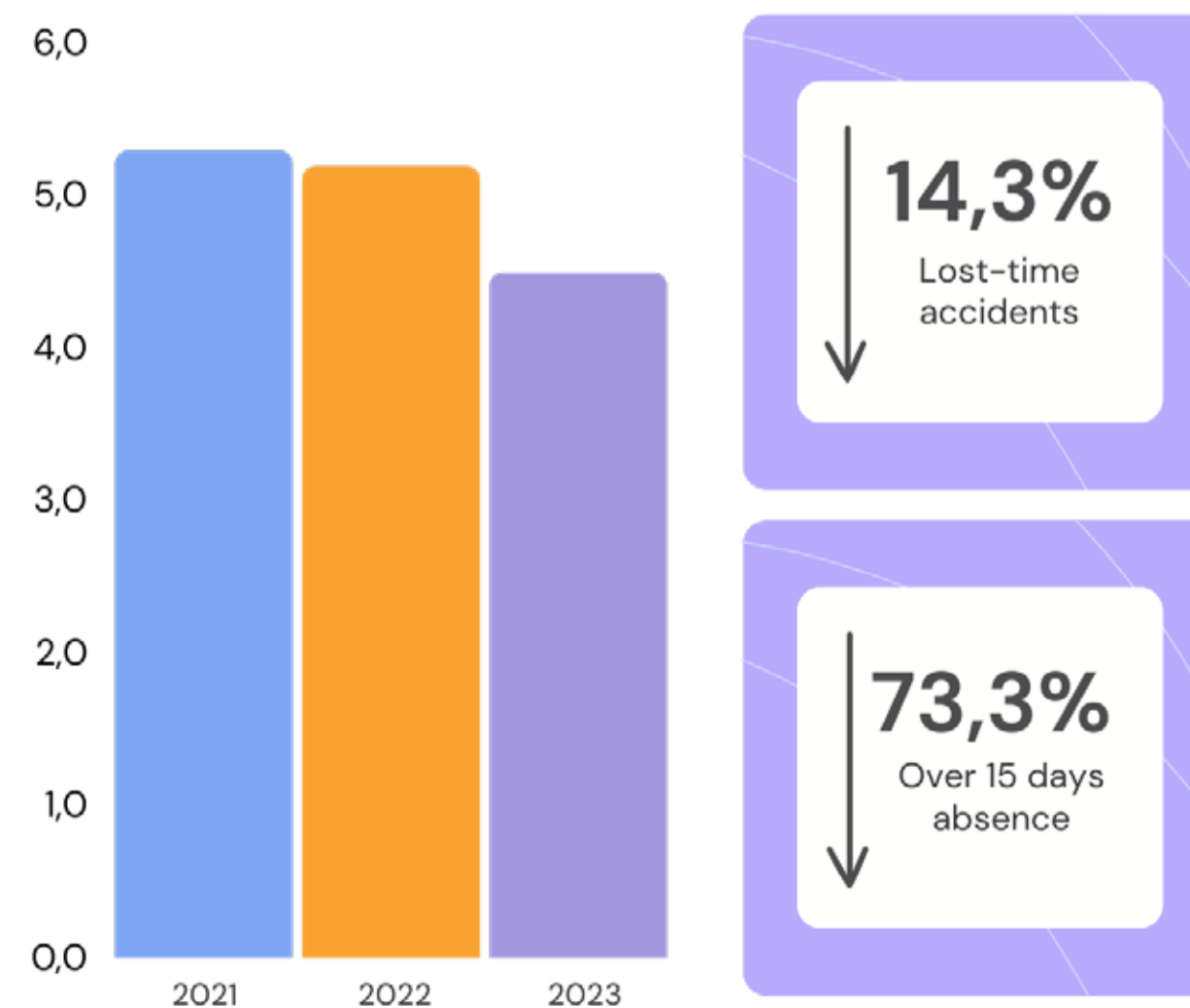
d) Implementation of Occupational Safety practices that encourage changes in habits: this is a continuous updating and benchmarking action, which aims to institutionalize practices aimed at changing habits. Of the consolidated practices, we can cite as an example the Safety Dialogues, a brief meeting held at the beginning of the working day, in a systematic way, to discuss issues related to Health and Safety. This practice is monitored through a proactive prevention indicator and has proven to be an important tool for cultural change. Along the same lines, there is also the practice called “*Contato de Valor*” (Valuable Contact), which is a brief explanation about health and safety before meetings intended to address other issues. Regarding the cultural aspect, a remarkable event in 2023 was the beginning of the Health and Safety Culture Evolution Project. Initially, a diagnosis was carried out, which supported the implementation of several actions aimed at training, the implementation of new tools and the review of processes with the aim of making our operations more sustainable.

Golden Rules of Safety

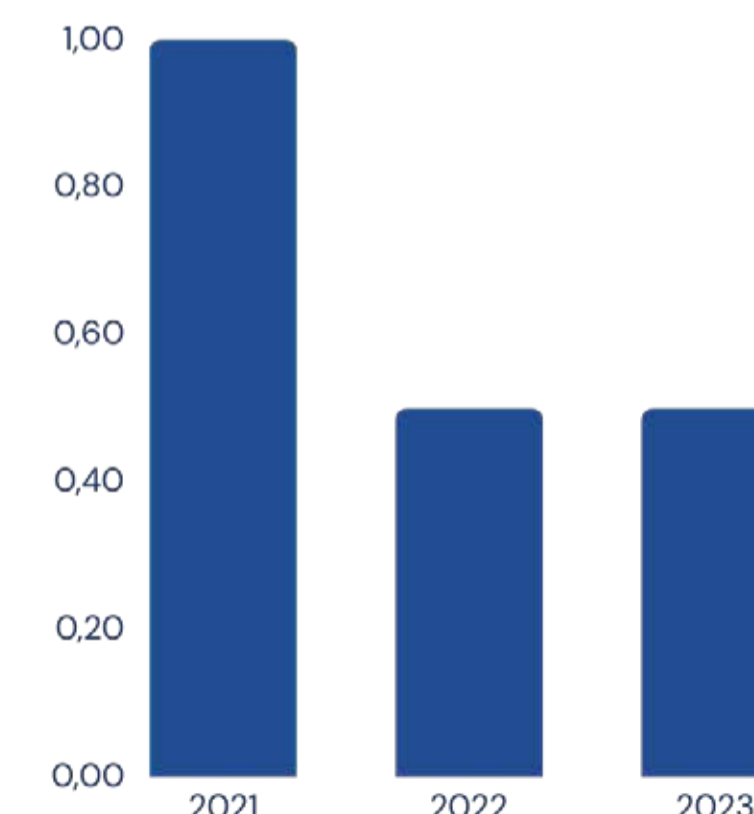
The program also includes the Golden Rules of Safety, which are basic guidelines customized based on the main accident risks present in the Company’s business. These guidelines do not replace specific Occupational Safety courses and regulations; they are only a strategy to facilitate the assimilation, by employees, of the main points of attention when performing the services. They are constantly disclosed to employees:



Lost-time accidents frequency rate (TFA)



Serious accidents frequency rate (except fatalities)





Correlation with the Global Compact and the SDGs



Principle 1

Copasa's Organizational Identity Review (RIO) strengthened some crucial points that permeate not only the Company itself and the sector but are also concerns of several other segments (principle 10). In addition to prioritizing the customer as a central stakeholder, building a healthy and safe working environment is the key to ongoing qualitative development. Thus, SDG 8 is a priority for Copasa, which understands that people who are included, have decent work and are engaged in the Company are one of the key points for its own economic and socio-environmental development.



Principle 6

Copasa's planning and actions aim to generate value, whether financial, environmental or societal. And more than that: this generation of value cannot be one-offs, but something lasting. Thus, Copasa increased productivity, through the expansion of sanitation networks and reduction of operational deficits, must be sustained through technological modernization and innovation (goal 8.2; principle 9), as well as through greater resource efficiency in the consumption and provision of services, also avoiding environmental degradation (goal 8.4; principle 7).



**Principles
7 e 9**



Principle 10

In order to achieve this economic growth with value generation for stakeholders, there is a concern for both those who receive the service and those who make it possible. Concern for the health and safety of employees is a reality for Copasa, and the Company understands that it is essential to offer a quality working environment, respecting and including diversity (goal 8.5; principle 1 and 6).

8 DECENT WORK AND ECONOMIC GROWTH



Addressing demands for sustainability, Copasa, with all its practices, promotes its own economic growth together with the generation of value for other stakeholders.

Hazard Identification and Risk Analysis

In accordance with NR1, the Company systematically carries out Occupational Risk Management. This process consists of identifying, assessing and controlling risks. This is achieved through the Risk Management Program, which includes an Occupational Risk Inventory and the respective Action Plans. Each facility (address) and/or activity has its risks mapped and entered into the SAP System, including those that may result in high-consequence accidents, such as: working in confined spaces, working at heights, digging trenches, drowning, among others. The registered risks feed back into several processes, such as, for example, the supply of safety equipment, the performance of occupational health assessments, the receipt of additional pay (unhealthy/hazardous working conditions), among others.

All employees receive training to qualify them for their activities, and are instructed on hazards, the correct use of protective equipment, and safety procedures. In 2023, 20,838 participations in training sessions related to Occupational Health and Safety were recorded. In order to guide and supervise compliance with the Regulatory Standards (NRs) and Copasa's internal rules, the Occupational Safety team continuously carries out inspections (on-site inspections) at units and service fronts located in various localities throughout the state. In 2023, 9,521 inspections were carried out, and the process was optimized with the contracting of specific software for tabulating nonconformities, generating management reports, and directing those responsible for knowledge and action.



Copasa, Control Room

To address nonconformities and mitigate risks, our actions are based on the hierarchy of controls. Initially, we assess the possibility of eliminating or replacing the generating source. On the other hand, through engineering controls, to mitigate the risks present and make danger zones less accessible, solutions are implemented such as the installation of guardrails, lifelines, detection sensors, enclosure of moving parts, among others. It is worth mentioning that, for the preparation of engineering projects, we have the document "*Premissas Básicas de Segurança do Trabalho para Projetos*" (Basic Premises of Occupational Safety for Projects) a document that guides the implementation of assets with the appropriate safety devices. Additionally, we have administrative controls that aim to intervene in the way employees work. In addition to the training already mentioned, there are several actions aimed at raising awareness of the risks present, signaling environments and filling out work authorization forms, such as: Preliminary Risk Analysis - APR, Entry and Work Permit in Confined Space and Work at Height Permit. As a result, if any uncontrolled risk is identified, the activity is reassessed and, depending on the case, it is not performed. The forms already indicate that the activity can only be performed if all safety procedures are mandatorily followed, and employees have to sign it committing themselves and demonstrating knowledge. In addition, Golden Rule No. 1 (Safe Behavior) is: "Only perform your activities if you are safe and able to do so. Refuse to perform activities under unsafe conditions". All of these documents are corporate, widely disseminated and guarantee protection against retaliation. Finally, everyone has access to protective equipment (individual and/or collective), whose guidelines on which equipment to use in the face of each risk, as well as the period for replacing them, are formally defined by the Protocol for the Use of Protective Equipment.

Contractors are also the focus of inspection and document auditing, and they also have specific health and safety rules, which must be observed even before hiring. Such guidelines are duly formalized in the Operational Protocol for Occupational Health and Safety in Contracted Works and Services. In addition, awareness and integration strategies are outlined. In 2023, 05 Health and Safety Workshops were held with representatives of contractors from different regions of the state to pass on guidelines and unfold actions. Furthermore, the macro process is also the subject of the Safety Culture Evolution Project, which is being supported by consultancy, aiming at optimization.



Incident Reporting and Investigation

The reporting and investigation of occupational incidents and accidents is institutionalized and published in a **specific protocol**. It recommends the creation of a multidisciplinary investigation committee to identify and block the causes, aiming to prevent recurrence. The structure of this committee is defined according to the degree of risk of the occurrence and may be composed of managers, engineers, supervisors, occupational safety staff, representative of the CIPAs and possible summoned persons (witnesses). To combat underreporting, the Company has an exclusive communication channel to receive information about occurrences (with or without injuries). All accidents must be reported immediately, and the Executive Board is informed subsequently (within a maximum of 24 hours). All accidents, even those involving minor injuries, are recorded in SAP and, after the investigation, the CAT is opened. In 2023, the main types of accidents recorded were: body reaction to its movements, traffic accidents and cuts.

Governance

All actions and indicators are monitored in the **Health and Safety Governance** structure, materialized from several Critical Analysis Committees, in which leaders, at each hierarchical level, coordinate the meetings (monthly), monitor the indicators and deliberate actions to be carried out in their respective areas of action. The duties of each member and the format of the meetings are described in the respective operational protocol. The structure presupposes the reception of feedback, including from workers in order to feed back into the management system. The subject is also monitored by a specific Corporate Risk Management unit, which periodically presents the progress of actions to mitigate Risk R-025 Occupational Health and Safety. In addition, all employees can access, via intranet, the entire accident history. To facilitate the collection, organization, analysis and monitoring of information related to accidents, Business Intelligence (BI) has been developed, which allows identifying, for example, the number of accidents per unit, the main causes, the main area of expertise in which there are injuries, the age groups of the injured, the days and times when most accidents occur, among other information. In addition, aiming at the development of strategies directed at specific regions, there is a heat map that shows in a georeferenced way each of the accidents that occur with and without lost time, as well as fatalities.

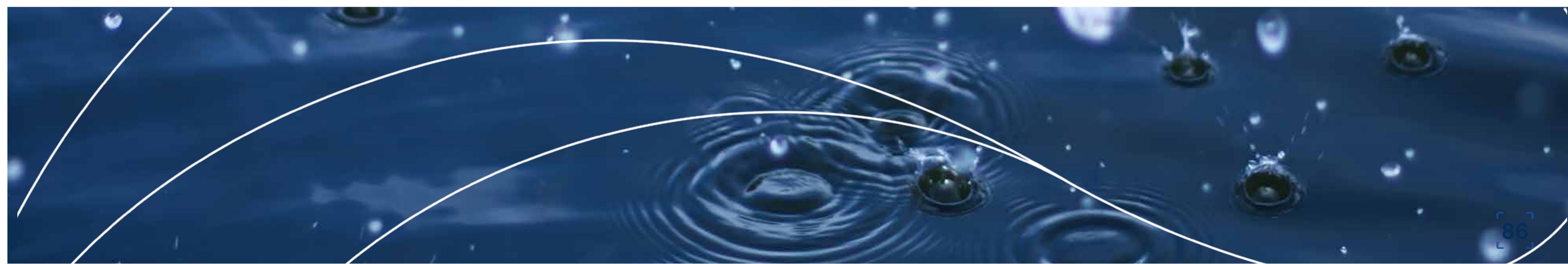
Main indicators

The table below presents the main indicators used to assess the occupational health and safety system implemented for the Company.

Main indicators	2021	2022	2023
Lost-Time Accident Frequency Rate (TFA) *	5.31	5.24	4.54
Number of Hours Worked (in millions of hours)	20.5	18.7	18.5
Number of high-consequence accidents (except fatalities)	2	1	1
High-consequence accidents rate (except fatalities) *	0.10	0.05	0.05
Number of fatalities	1	1	0
Fatalities Rate	0.05	0.05	0.0
Occupational disease rate *	0.0	0.0	0.2
Number of fatalities due to occupational diseases	0.0	0.0	0.0
Fatalities Rate due to occupational diseases *	0.0	0.0	0.0

*Rates were calculated based on 1,000,000 hours worked

In absolute numbers, there was a 14.3% drop in lost-time accidents, compared to the previous year. The respective frequency rate ended at 4.54 accidents per million hours worked, no deaths were recorded and accidents with a lost time of more than 15 days decreased by 73.3%.



Occupational Health Medical Control

Through the *Programa de Controle Médico e Saúde Ocupacional* (Occupational Health and Medical Control Program) (PCMSO) the Company acts preventively and monitors the health of its employees through occupational health assessments (pre-employment, periodic, dismissal, changes of function, return to work). The exams are defined based on the risk inventory previously prepared by the Risk Management Program (PGR). According to the mapping, the main risks of occupational diseases present in our activities are biological risk (sewage) and ergonomic risk. The diseases recorded in 2023 are related to the latter. The interface between the existing risk with the area of expertise and the environment in which the employee works is carried out in the SAP System. Occupational health assessments include a) clinical evaluation (mandatory), b) specific complementary examinations for existing risks (mandatory), c) routine laboratory tests for the detection of non-occupational pathologies (optional). In addition to the mandatory occupational examinations, Medical and Psychosocial Assessments are also carried out on employees who complain of possible work-related illnesses or who report physical limitations in performing their duties. In 2023, 272 medical assessments, 2 physiotherapy assessments and 134 ergonomic assessments were carried out, which resulted in recommendations for the respective working unit aimed at preserving the employee's health.

In order to promote health and reduce absenteeism, another flu vaccination campaign was carried out in 2023, with the participation of 2,419 employees. The vaccination took place at Copasa units and the vaccine offered was the quadrivalent vaccine, which prevents against four types of influenza virus. In addition, since the outbreak of the Pandemic, Copasa has been rigorously adopting all necessary measures to prevent the spread of COVID-19. In addition to the various awareness-raising actions, the Company also began to require the presentation of vaccination certificates from those who do not have technical impediments to do so, under penalty of disciplinary measures, in line with the duty to protect the work environment (inherent to employers). Currently, all employees are duly vaccinated, reducing risks to citizens. Despite the cooling of the epidemiological scenario, the issue continues to be monitored by the medical team.

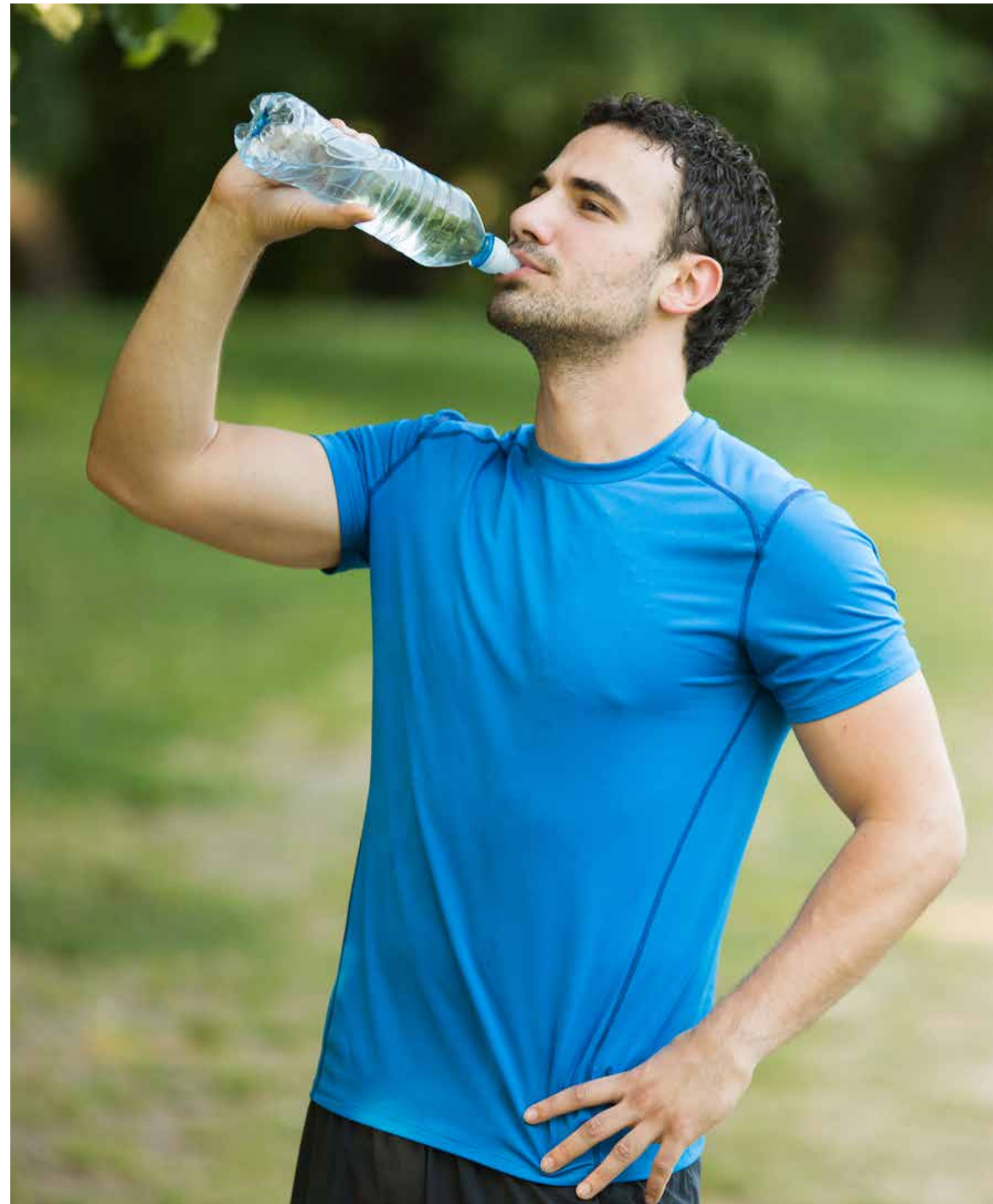


Health and Well-Being Promotion

In line with the PCMSO, the Health Promotion and Well-Being Program comprises a set of prevention actions aimed at supporting employees, including regarding conditions that are not necessarily related to work. Educational campaigns, distribution of informative material, lectures on health, meetings, psychological support and even financial aid are carried out. It is structured from other programs and processes, namely:

- o **Special Assistance Program:** provides financial assistance to employees as well as their legal dependents up to the age of 24. This assistance is made through reimbursement of expenses for the treatment of diseases. It covers a list of 31 diseases that are not necessarily related to work, such as Alzheimer's, Down Syndrome, cancer, among others. It also offers differentiated school care to dependents, as well as reimbursement for school transportation, if the dependent uses the public school system. These actions are aimed at providing comfort, support and safety for employees and their families. In 2023, 159 new inclusions were recorded in the program.
- o **Programa de Atendimento ao Sujeito em Relação ao Alcool e às Drogas (Alcohol and Drug Abuse Assistance Program) (PASA):** addresses the prevention and treatment of alcoholism, smoking and other chemical dependencies, which compromise the interpersonal and work relationships of employees in their daily lives, from a biopsychosocial perspective to improve quality of life.
- o **Programa de Atenção à Saúde na Prevenção à IST/AIDS (STI/AIDS Prevention Health Care Program) (APA):** aims to offer psychological care in the treatment process through interviews and analysis of reports of the professionals involved (doctors and psychologists). Its target audience is employees and their legal dependents. During the period in question, 12 psychological care sessions were carried out for registered employees.





- o **Vocational rehabilitation:** process that promotes the occupational mobility of employees whose professional performance or adaptation to their role is compromised, due to profile incompatibility, difficulty in interpersonal relationships, changes in the structure of the unit or mental and/or physical illnesses, including situations not necessarily caused by work. In 2023, 15 rehabilitation processes were completed.
- o **Ergonomic Analysis:** aims to list the factors that may affect the physical and/or mental integrity of workers, physiological and/or psychological disorders that may compromise the productivity, health, and safety of the employee, causing discomfort or even diseases. In 2023, 134 ergonomic assessments were carried out.
- o **Telepsychology (24-hour psychological support):** this is an action implemented in 2023 with the aim of offering emotional support to employees in times of crisis. It is possible to schedule online consultations with psychologists from Monday to Friday, from 8 am to 8 pm, in addition to having access to the 24-hour telephone support service
- o **AMA (Sala de Apoio à maternidade à amamentação) (Maternity Support Room for Breastfeeding):** aims to provide greater comfort and to value the needs of female employees. The facility has a structure suitable for breastfeeding, was inaugurated in 2023, together with the Campanha Agosto Dourado (Golden August Campaign), in order to raise awareness about the importance of breastfeeding for the health of babies and general well-being of breastfeeding women.
- o **Workplace Gymnastics:** the practice aims at the well-being and preparation of the muscles for work, which can even prevent accidents. In 2023, there was an expansion of the offer and it began to be carried out in 51 locations..
- o **In-Person Itinerant Interventions (Mental Health):** the: the Health Promotion team conducts technical visits to operational units to expose the Health Promotion programs and provide psychological care to employees. The visits are followed by referrals for medical and/or psychological care. Specific mental health campaigns are held seasonally, such as: White January, Yellow September, among others. In view of this, specific interventions are also carried out with awareness and support strategies, such as: conversation circles, laughter therapy, kickmassage, lectures, among others.

Persistence and Competence

FLOWING WITH EXCELLENCE

Copasa is diligent, dedicated and efficient. Just like water, the company flows steadily and smoothly, finding its way with precision, committing to people and the environment to deliver ambitious results and elaborate its planning.



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Sanitation Path

Sanitation, in its production processes, is closely related to the positive or negative impacts that are generated on the environment, especially when water is treated as a fundamental element.

In this sense, socio-environmental education for sanitation has been creating various awareness-raising instruments to promote the exchange of knowledge about the importance of sanitation in the daily lives of people and the community, its effects on health and well-being.

Thus, the *Circuito do Saneamento* (Sanitation Circuit) began to be adopted at Copasa as an opportunity to promote experiences in the urban and natural environment and as a way to promote greater understanding among participants about the broad dimension of water sources preservation, water supply, sewage, drainage, solid waste and vector control, providing structured knowledge of socio-environmental interpretation with normative and technical aspects of the company's environmental policy.



The purpose of the sanitation circuit is that, through knowledge, we will be able not only to **value sanitation services and professionals**, but also to **understand the role of each person as a conscientious citizen who is truly concerned about sustainability**.

2030
Agenda

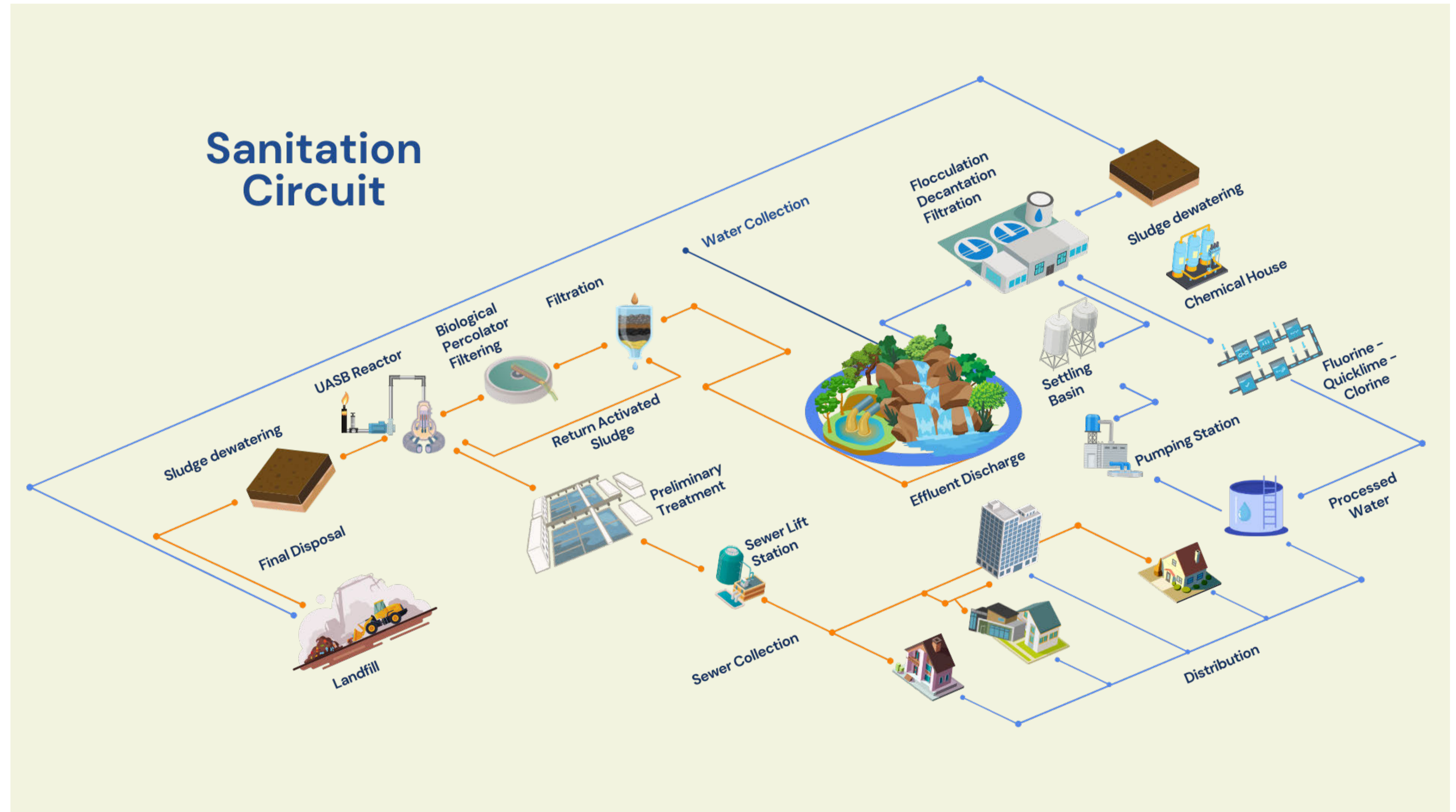


The Circuit is a pedagogical tool for environmental education that brings society closer to the need to know and debate the existing sanitation in the city.

Sanitation Circuit

2022/2023 Results:

- ➔ 45 Circuits held in 33 cities in the state of Minas Gerais, with the participation of 96 employees and 2.1 thousand people from the external public;
- ➔ 18 circuits carried out in the *Programa de Integração de Novo Empregados* (New Employee Integration Program), with 324 participations;
- ➔ The project is linked to the Company's priority SDGs, with environmental and social impact;
- ➔ The project has the potential to be replicated by sanitation companies in other sectors as a tool for social mobilization and environmental education.





The Water Trajectory

SDGs (1 – TARGET 1.2, 1.4/ 3 – TARGETS 3.3, 3.8, 3.9/ 5 – TARGET 5.4/ 6 – TARGETS 6.1, 6.3, 6.4, 6.6/ 8 – TARGET 8.2, 8.3, 8.5/ 12 – TARGETS 12.2, 12.4, 12.5, 12.8/ 15 – TARGETS 15.1, 15.5)

GLOBAL COMPACT (PRINCIPLES 1, 2, 7, 8, 9)

GRI 2-27 / 303-1 / 303-2 / 303-3 / 303-4 / 303-5 / 304-1 / 413-1

SASB IF-WU-440A.3

The selection of a water supply source is essential for the construction of a water supply system. The evaluation criteria for its choice involve the location, the topography of the region, the development of a water availability study, which indicates the reference flow rates of the spring, and the presence of possible sources of contamination, considering qualitative, quantitative, social and technical-economic aspects.

The construction of a complete water supply system requires in-depth studies. The work begins with the definition of the population to be supplied, the city's growth rate and its industrial needs. Based on this information, the system is designed to serve the community for many years with a sufficient quantity of treated water. A conventional water supply system consists of collection units, adduction, treatment plant, storage, distribution networks and household connections.

In a complete Water Treatment Plant (WTP), raw water goes through the stages of coagulation, flocculation, decantation, filtration, chlorination, fluoridation and pH correction. In order to assess the efficiency of the process, all stages undergo laboratory analysis in the water treatment units, in order to meet legal and internal quality control requirements.

Water can be collected from the surface or underground. Surface water is collected from rivers, lakes or dams by gravity or pumping. In the case of pumping, a machine room is built next to the water collection point, where motor pump sets responsible for carrying out this activity are installed.

Groundwater extraction can be collected through deep tubular wells, with boreholes ranging in depth from 50 to 180 meters. Water from aquifers is collected by submerged pumps installed in the wells and is sent to the surface through pipes. Water from springs, seeps and emergences is also considered underground and is usually defined in an area comprising extensions of up to 50 meters. The maximum allowable water withdrawal is calculated based on the flow measured in the dry season, which represents the minimum flow provided by the water source.

Copasa's planning for the use of water sources is long-term and takes into account population growth projections in the locations where the Company is responsible for water supply.

The provision of this service requires authorization for the use of water resources, granted by means of a permit issued by the competent environmental agency. Water permits under the jurisdiction of the state of Minas Gerais are obtained from the *Instituto Mineiro de Gestão das Águas* (Minas Gerais Water Management Institute) (IGAM), while those under the jurisdiction of the federal government are issued by the *Agência Nacional de Águas e Saneamento Básico* (National Water and Basic Sanitation Agency) (ANA).





Copasa provides water supply services in the state of Minas Gerais with 668 surface abstractions and 1,298 underground abstractions as allowed sources, with a combined allowed water withdrawal of 65.54 m³/s. All of Copasa's operational units/infrastructures are located within protected areas of the state of Minas Gerais, as well as in areas of high biodiversity value.

Groundwater plays a fundamental role in water and ecological balance, sustaining surface water sources and aquatic ecosystems in times of drought. Therefore, monitoring the amount extracted from underground sources and the water level reflects the sustainable relation between consumption and preservation.

The Company aims to identify the influence of collection units on the various aquifers in the state of Minas Gerais through systematic quantitative monitoring of deep tubular wells, verifying water levels, extracted flows and the pumping regime in the use of the operational process. Seasonal variables such as rainfall, territoriality and differentiated demands during the analyzed period are considered for the analysis of water sources in current and future supplies, ensuring economic and environmental sustainability. In addition to complying with current legislation, comprehensive and systematic monitoring contributes to Copasa's ability to prepare forecasts of public supply problems, diagnose interference, mitigate damages, and optimize resources.

In order to maximize monitoring efforts, in July 2020 a Technical Cooperation Agreement was signed between Copasa, IGAM and the *Companhia de Pesquisa de Recursos Minerais* (Mineral Resources Research Company) (CPRM) for the "improvement of water resources monitoring networks in the state of Minas Gerais and the sharing of data and information resulting from monitoring". The main objective of this agreement is to integrate state, federal and sectoral sanitation monitoring networks, establishing partnerships for the compatibility and exchange of relevant information, as well as technical support on the subject for groundwater and surface water resources.

Qualitative monitoring consists of analyzing the physicalchemical and biological variables of water, surface and underground sources, as well as receiving water bodies that also comply with the legislation governing the granting of concessions and environmental regularization of the Company's projects.

Copasa carries out detailed monitoring of water quality in the main water sources where it operates, aiming to identify possible changes related to environmental degradation in the river basin. These monitoring procedures are called Special Studies and, for example, include water sources such as the Rio das Velhas in Nova Lima, the Manso River dam in Brumadinho, the Serra Azul dam in Juatuba, the Juramento dam in Montes Claros, the Todos os Santos River dam in Teófilo Otoni and, finally, the Viamão River dam in Mato Verde.

In the period from 2021 to 2023, there was an increase in sampling points, as a result of the implementation of new abstractions in water supply systems and the operation of new sewage systems.

The table below shows the number of the Company's monitoring stations for the years 2021, 2022 and 2023.

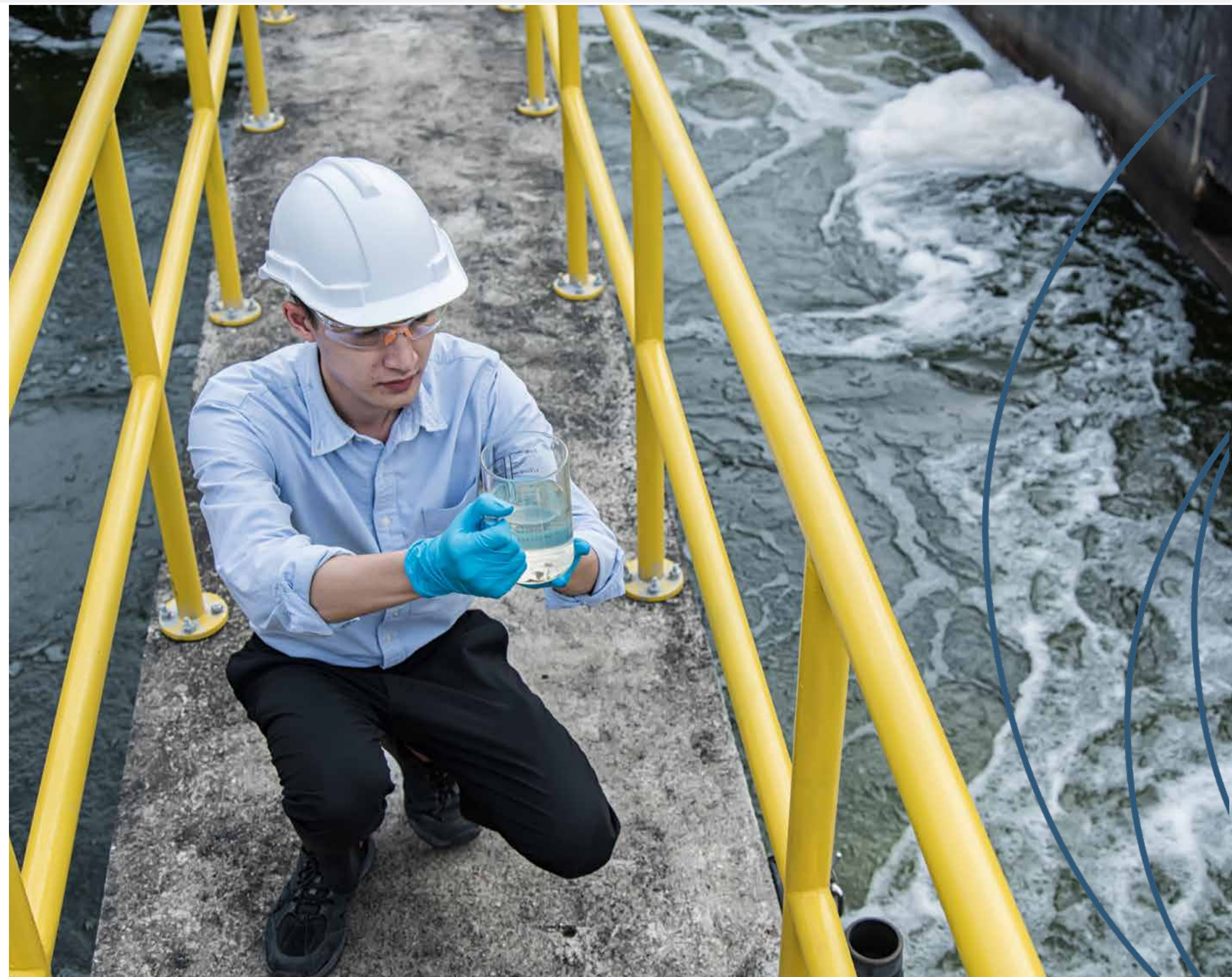
Copasa monitoring stations in surface and underground water sources, WWTPs and special studies, from 2021 to 2023

Monitoring Stations	2023	2022	2021
Surface Springs	728	734	731
Underground Springs	1,607	1,544	1,566
WWTP Monitoring	1,221	1,218	1,214
Special Studies	88	88	88

This monitoring is done by measuring flow in surface water sources, installing conventional fluviometric monitoring stations and operating a network of rainfall stations as described in the table below.

Copasa's quantitative monitoring stations

Year	Rainfall Network (number of rain gauges)	Flow Measurement Points	Flow Measurements Performed	Number of Automatic Telemetric Stations
2023	614	404	2,458	12
2022	610	352	2,225	11
2021	607	369	1,017	10



Environmental Licensing

Copasa formalizes the administrative procedure for Environmental Licensing with the competent body, which authorizes the location, installation, expansion, operation of projects and activities that use natural resources – actual or potentially polluting, as well as those subject to environmental degradation. In addition, the Company complies with the recommendations prescribed by the licensor to avoid, mitigate or offset the impacts of the activities. The table below shows the percentage (%) of water and sewage plants licensed for the years 2021, 2022, and 2023.

Licensed Stations* (%)	2023	2022	2021
WTP	83%	82.7%	80.0%
WWTP	67%	66.1%	83.0%

*For 2022 e 2023 : were considered licensed the WTPs and WWTPs exempt from licensing and those subject to licensing that had a valid authorization act at the time.

Applied Legislation

Copasa’s projects are monitored in accordance with the environmental legislation in force and the requirements imposed by the conditions of the authorizing acts. Waste from the projects is subject to the requirements of current regulations, the main ones being:

- ➔ COPAM CERH/MG Joint Normative Deliberation No. 8, of November 21, 2022 – Provides for the classification of water bodies and environmental guidelines for their framing, as well as establishes the conditions and standards for the discharge of effluents and makes other provisions.
- ➔ Resolution No. 430, of May 13, 2011 – Provides for the conditions and standards for the discharge of effluents, complements and amends Resolution No. 357, of March 17, 2005, of the *Conselho Nacional do Meio Ambiente* (National Council for the Environment) – CONAMA..
- ➔ Arsae–MG Resolution 130, of November 11, 2019 – Establishes specific conditions to be observed in the provision of dynamic public sewage services by service providers regulated by Arsae–MG.
- ➔ CERH–MG Normative Deliberation No. 65, of June 18, 2020 – Establishes guidelines, modalities and procedures for the direct reuse of non–potable water from WWTP of public and private systems and provides other provisions.
- ➔ Technical Note DIMOG/DISAN NT – 002/2005 – Establishes criteria for the monitoring of liquid effluents, surface water and groundwater associated with municipal wastewater treatment plants, allowing verification of environmental impacts and effectiveness of the control actions adopted.



Its laboratories are equipped to perform physicochemical, radiological, microbiological and hydrobiological analyses in order to monitor the quality standard of the water distributed to the population, as required by the applicable legislation and standards..

Copasa conducts about 1.6 million monthly analyses and 20 million annual analyses, aimed at operational control and water quality. The analyses are carried out in the Central Laboratory, regional and district laboratories, as well as in hundreds of laboratories in the operational units. Every month, information on water quality is sent to customers, with the following parameters listed on the invoice: chlorine, color, fluoride, total coliforms, turbidity and Escherichia coli. In addition, the Company provides, on its official website, information on the locations where it operates as well as the Annual Water Quality Report.

To monitor the treatment process and the performance of treatment units, we monitor the influent and effluent in quantitative terms – by measuring flow – and qualitative terms – by measuring temperature, pH, sedimentable solids, suspended solids, Biological Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), among other parameters. Qualitative assessments of receiving bodies are also carried out to support studies and measures to mitigate the impacts of the discharges of treated effluents.

There are specific initiatives for water recycling and the use of treated effluent in the Company's processes. The Rio Manso WTP, located in Brumadinho, treats waste from the water treatment process, so that it is recirculated to the WTP inlet channel, allowing its reuse in the processes. The volume of recirculated water has not yet been measured. As for the WTP wastewater from washing decanters and filters, Copasa seeks to enable the reuse and/or return of the treated effluent to the body receiver, after the implementation of Waste Treatment Units.



Water Quality

GRI 413-1, 413-2 | SASB IF-WU-440A.2



Water security refers to a broad concept, but it can be understood by water supply service providers as the guarantee of regular and high-quality water supply to customers in all segments: residential, social, commercial, industrial and public. Thus, this topic is directly related to the expansion of investments in water collection, production and supply services, operational flexibility of distribution systems, reduction of losses and actions to protect collected water sources basins in order to promote environmental improvements to guarantee the quantity and quality of water. To guarantee the protection of water sources, Copasa maintains, manages and protects areas of underground and surface water sources, in addition to the fact that, in cases of interventions, these are authorized by the ANA and by IGAM through granting ordinances.

Water Security

SDGs 3, 4, 6, 11, 12, 13, 15

GRI 3-3

SASB IF-WU-140A.1



Copasa, Rio das Velhas System

Water Losses and Water Metering

Copasa is committed to reducing water losses, contributing to environmental protection and reducing the exploitation of water sources. The goals for loss reduction and application of water meters are consistent with the strategic statement, cooperating to meet legal requirements and having quantitative and qualitative characteristics.

To this end, the Company works to reduce the time to correct leaks, control pressure in the networks, replace water meters, identify and remove illegal uses, research and remove non-visible leaks and also reduce water connection fraud through the programs *Autodenúncia* (Self-Reporting) and *Engajar para Transformar* (Engage to Transform), as well as through the use of complaint mechanisms.

To verify the effectiveness of actions to reduce fraud in water connections, the Company conducts internal audits, defining deadlines for the execution of each action and using water meter applications as the main reference for the goals. This type of fraud represents one of the variables that influence the loss indicator and is linked to the apparent loss component.

In 2023, through the performance contract, it was possible to ensure the execution of actions to reduce losses in areas of social vulnerability in the cities of Ibirité and Belo Horizonte, enabling the elimination of several occurrences related to fraud and irregular interventions in the distribution system.

During the cycle, the Company began to classify as investments in asset replacement, actions such as replacing sections of the network with a long history of maintenance and preventive maintenance of equipment. These actions resulted in significant socio-environmental gains, as they enabled the reactivation

of feasible connections, providing the population with regular access to sanitation resources and raising awareness of their sustainable use, which, together with the reduction in loss indicators, represents a lower volume collected from water sources.

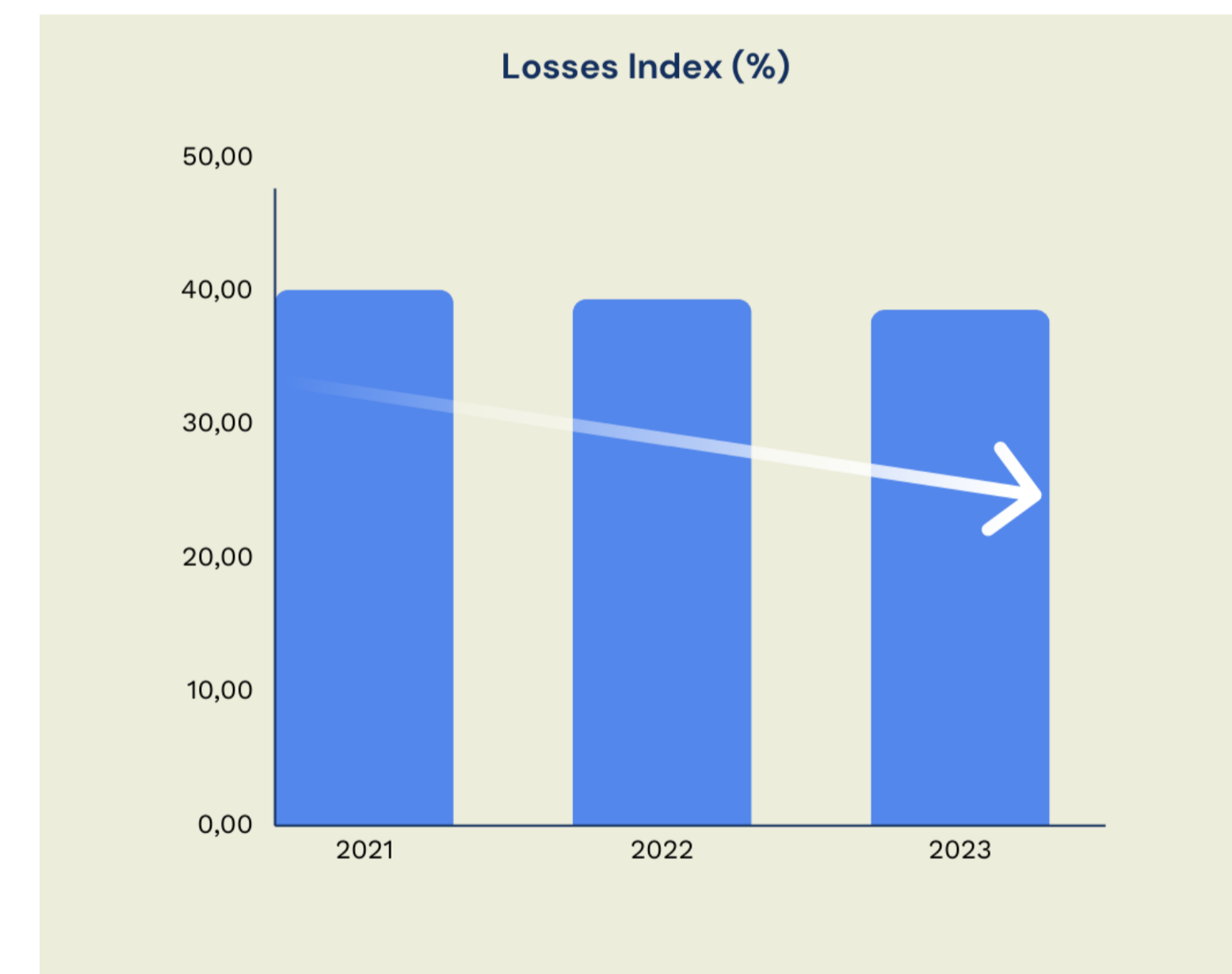
All these efforts, combined with micro- and macro-measurement actions, also made it possible to identify and control loss factors in the water distribution process, with the aim of avoiding and/or minimizing the interruption or shutdown of the Company's operations.

To ensure the efficiency of water metering in combating losses, the responsible unit has platforms that assist in the management of micro- and macro-measurement. In micro-measurement, the platform helps to analyze and direct the application of water meters, in addition to monitoring the performance of these meters.

The application of water meters had a positive result both for the loss indicator and for revenue. One of the biggest challenges in the sanitation sector is reducing the high rate of losses in distribution.

In 2023, the Copasa index reached 38.56%, 0.9% lower than the 39.43% measured in 2022, as shown in the table below.

Specification – Copasa (Controller)	2021	2022	2023
Losses index (%)	40.1	39.4	38.6



Correlation with the Global Compact and the SDGs



Principles
7 e 9

15 LIFE
ON LAND



By understanding Copasa's business model, it is possible to realize that water resources – and all the ecosystems that compose them – are the main raw material and the scenario in which it is possible to close the Company's entire value chain, which ranges from the collection of the basic input of the service which goes from the collection of the basic input of the service to the environment for the disposal of effluents from the collection and/or treatment of sewage. Thus, Copasa's concern with water ecosystems is legitimate, which makes SDG 15 one of the goals prioritized by the Company.

With water source protection programs, Copasa collaborates to achieve the SDG 15 goals, leading actions that have a positive impact and go beyond state borders, helping to preserve watersheds.

With regard to the preservation of natural ecosystems in areas of environmental protection, Copasa has an impact, even if indirectly, on the conservation, recovery and sustainable use of ecosystems (goal 15.1). It has already been proven that the protection or recovery of degraded areas stimulates the regeneration of water sources, as well as promotes the permanence of these sources (goals 15.2 and 15.3), preventing desertification and environmental degradation. Consequently, local biodiversity benefits from the protection of its natural environments (goal 15.4), helping to combat the extinction of species (goal 15.5).

It is therefore clear that there is a cyclical relationship between Copasa's business and SDG 15, since the Company's need for ecosystems is crucial and their protection, with a view to the continuity of the business, generates positive environmental externalities that go beyond Copasa's own bias and benefit other stakeholders. Copasa's relationship with this SDG reinforces the Company's link with principles 7 and 8 of the Global Compact. Preventing environmental damage and promoting greater environmental responsibility are points that potentially reinforce Copasa's sustainability, with its main raw material being water collected from natural sources.



Minas Gerais, Brazil

Quality sewage services are directly related to the health of the population and the preservation of the environment, being crucial for the maintenance of our waters and for the prevention of diseases. Copasa has stood out in this regard, considering that its coverage and service rates exceed the average of national indicators. The overall coverage rate for collected and treated sewage is 75%, 2.9 pp (percentage points) higher than the indicator presented in 2022 (72.1%).

It is important to emphasize that treated effluents discharged into water bodies can alter their characteristics by introducing substances, chemical compounds and pathological agents. Impacts on water quality include consequences on aquatic life and other living beings that use the water body. In this sense, Copasa carries out monitoring by comparing the pre-existing conditions upstream in relation to the conditions found downstream, after the aforementioned discharge.

To reduce the discharge of sewage into the environment and increase the efficiency of the WWTPs, the company has invested significant resources in the expansion of sewage collection and treatment, totaling R\$ 671.0 million invested in 2023. In addition, 16 WWTPs were licensed and sewage treatment plants began operating in the cities of Três Corações, São Gonçalo do Abaeté and Pirajuba.

Although the correct disposal of sewage is essential for the quality of water bodies, their pollution is also due to the incorrect disposal of garbage, the disorderly use and occupation of land and, above all, the clandestine discharge of sewage into storm drains. Therefore, it is essential for society to participate in raising awareness about the proper disposal of garbage and for the connection of properties to the sewage network, as well as the partnership of the government in urban cleaning and in the inspection of irregularities.

In addition, periodic monitoring of the piezometers installed in the WWTP is carried out to verify possible damage to the treatment units, aiming at the protection of the soil and the surrounding aquifers.

In WWTPs, the treated effluent is used to irrigate gardens and lawns, to clean decanters and machines, and to prepare a dehydration polymer solution. The case of the Ibirité WWTP stands out, there all the water used in the process comes from the reuse of the treated effluent: in the cleaning of grids and sieves, in the tertiary system, in dehydration (polymer dilution and machine cleaning), in the thermal dryer, and in irrigating gardens and lawns.

Regarding sewage services, the Company has 62 points granted for the discharge of treated effluent, whose flows totals 3.9 m³/s. It is emphasized that the effluent discharge points are currently allowable in waters under the jurisdiction of the Union and in water bodies located in the Ribeirão da Mata sub-basin, according to IGAM Ordinance No. 29/2009.



The Transformation of Sewage

SDGs (3 – TARGETS 3.3, 3.8, 3.9/ 5 – TARGET 5.4/ 6 – TARGETS 6.2, 6.3, 6.4, 6.6/ 9 – TARGETS 9.1, 9.4/ 11 – TARGET 11.2/ 12 – TARGETS 12.4, 12.5/ 15 – TARGETS 15.1, 15.5)
GLOBAL COMPACT (PRINCIPLES 1, 2, 7, 8, 9)
GRI 3-3/ 301-3 / 303-2 / 303-4 / 304-2 / 413-1 / 413-2 / 416-1
SASB IF-WU-140A.2 / IF-WU 140B.1 / IF-WU-140B.2

What is Domestic Sewage?

Domestic sewage is that generated in homes or in plumbing and sanitary installations such as showers, sinks, washbasins, toilets, sanitary showers, bathtubs, drinking fountains and urinals. The sewage system aims to promote the collection, transportation and treatment of sewage, and is composed of a collection network, interceptors, emissaries, pumping stations and treatment plants.

Programa Caça-Esgoto (Sewage Hunting Program)

The *Caça-Esgoto* Program aims to identify and eliminate improper discharges into storm drains and streams. The focus is on reducing the environmental and social impacts arising from the inappropriate use of sanitary sewage and storm drainage systems, promoting the reduction of the organic load discharged into watercourses, increasing the service capacity of the existing collection system and reducing problems related to system maintenance.

Currently, there are several challenges for the execution of the Sewage Hunting Program, such as inappropriate urbanization, disorderly occupation and intense traffic routes. Even so, since its implementation, very positive results have been obtained, through a series of works that have made it possible to interconnect several discharges in the sewage collection system. In the basins of the Arrudas and Onça streams alone, the program has already detected and corrected more than 1,500 irregular discharges.

What is Non-Domestic Effluent?

Non-domestic effluent is that which differs, in quantity or quality, from that generated in homes.

Non-Domestic Effluents

Developed by Copasa, the *Programa de Recebimento e Controle de Efluentes Não Domésticos* (Non-Domestic Effluent Receipt and Control Program) (PRECEND) is an environmentally appropriate alternative for commercial, industrial and service provider establishments to discharge their liquid effluents. The Program promotes the decontamination of watercourses, the protection of collection networks and the biological treatment carried out in WWTPs, regulating the reception of non-domestic sewage in the public sewage collection network, as determined by Arsa-MG.

Treatment

In its WWTPs, Copasa values technologies suitable for treatment, determined from the efficiency of pollutant removal required in the region where the unit is installed, combined with its size, available area, investments optimization and treatment operation. All WWTPs have preliminary treatment consisting of grating and desanding, relying on technologies used for the treatment of the liquid phase, such as: UASB Upflow Anaerobic Reactor (used in 85% of our WWTPs), Aerobic Biological Reactor with Biofilm followed by Decantation, Activated Sludge, Anaerobic Reactor with Biofilm, Anaerobic Lagoon, Facultative Lagoon, Aerated Facultative Lagoon, Polishing Lagoon, Septic Tank and Land Disposal.

The sludge digested in the UASB Reactors or WWTP Digesters is dehydrated by centrifugation or by natural drying in drying beds. Once dry, it is sent, along with the solid material removed in the preliminary treatment, to sanitary landfills or dumped in the area of the Station itself. Specifically in the treatment units of WWTP Arrudas and WWTP Ibirité, located in the Metropolitan Region of Belo Horizonte, the biogas production obtained in the anaerobic treatment processes is used for energy cogeneration, and the unused surplus undergoes a combustion process to reduce greenhouse gas emissions.



Copasa, Ibirité WWTP

Correlation with the Global Compact and the SDGs



Principles
1 e 2



Principle 6

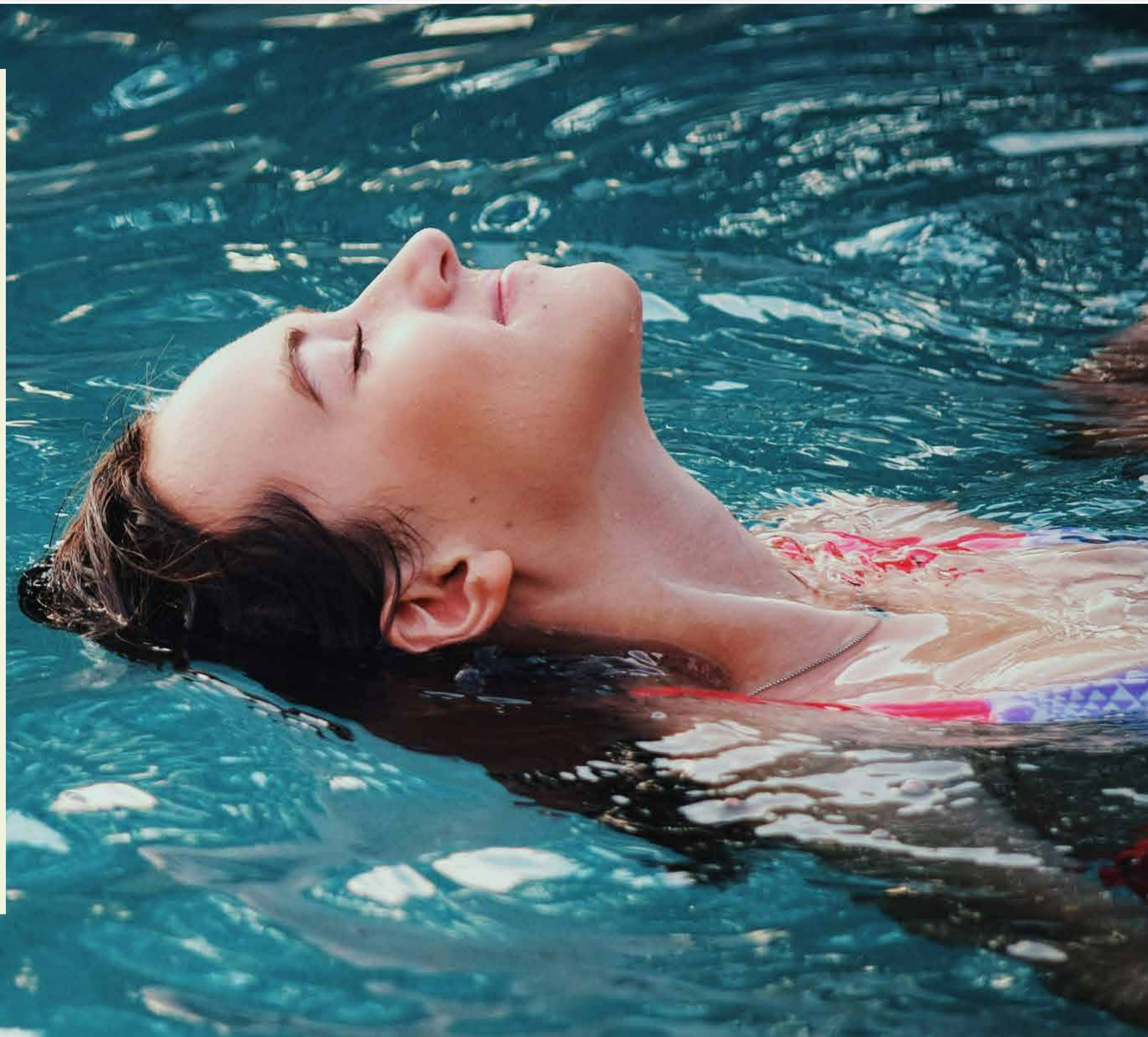
3 GOOD HEALTH
AND WELL-BEING



Copasa's core business inevitably places SDG 6 (Clean Water and Sanitation) as the goal most closely correlated with the services provided by the Company. Other goals have an indirect but still very close relationship with Copasa's business. One example is SDG 3 (Health and Well-being), as basic sanitation has direct impacts on the health of the population. For this reason, Copasa, even indirectly, contributes to achieving goals 3.2; 3.3; 3.8; 3.9, which are part of SDG 3.

Efforts to universalize sanitation and provide quality water to the population will make it possible to reduce infant mortality (target 3.2) caused by exposure to untreated sewage and consumption of low-quality water. It will also have a positive impact on the fight against waterborne diseases, which affect adult populations (target 3.3). With the prevention of preventable diseases (target 3.9), in addition to not overloading the local health system, savings in public resources and/or family income can be prioritized in different ways (target 3.8).

All these points are universal human rights, defended by principles 1 and 2 of the Global Compact both in supporting, respecting and promoting human rights, and in ensuring that these rights will not be violated.



In August 2023, Copasa implemented the Solid Waste Management Policy, with the objective of establishing concepts, guidelines, skills and commitments aimed at sustainable and efficient development in solid waste management.

The waste generated by Copasa comes from activities related to the implementation and operation of projects, as well as from specific works carried out by third parties, such as sanitation. In these cases, the outsourced workers are responsible for demonstrating the correct disposal of the waste to the contract managers.

Waste is managed through the *Sistema Manifesto de Transporte de Resíduos* (Waste Transport Manifest System) (MTR), in which sources are responsible for monitoring the generation, transport and final destination of waste, issuing *Declarações de Movimentação de Resíduos* (Waste Movement Declarations) (DMRs) on a semi-annual basis to consolidate quantitative data. In order to improve the efficiency of this process, a Waste Management System is under development.

Since 2017, Copasa has had a concession to use the Varginha Sanitary Landfill, located in the south of Minas Gerais. To ensure the efficiency and safety of the process, the waste is compacted and covered daily with local soil, strengthening the structure of the landfill. A drainage system is responsible for collecting the liquids resulting from the decomposition of the waste, directing them to a storage pond and, later, for treatment at the WWTP.

The gases generated by the decomposition of organic matter are collected and burned by a drainage system and are later used as a source of energy. The operation includes continuous monitoring of the compaction of the waste, the liquid and gas drains, in addition to the evaluation of solids, aiming to minimize environmental impact.



Copasa, Ibirité WWTP

Solid Waste

SDGs (3 – TARGET 3.9/ 6 – TARGET 6.3/ 11 – TARGETS 11.1, 11.3, 11.6/ 12 – TARGET 12.4, 12.5)

GLOBAL COMPACT (PRINCIPLES 1, 2, 7, 8, 9)

GRI 301-1 / 301-2 / 306-1 / 306-2 / 306-3 / 306-5 / 306-6 / 413-1 / 413-2

During 2023, the Varginha Sanitary Landfill processed a total of 133,882.39 tons of urban waste, as shown in the table below.

VARGINHA LANDFILL – WEIGHT OF WASTE GENERATED (TONS)

Year	Sender		Grand total
	Copasa	Other	
2021	25,765.43	80,064.55	105,739.98
2022	22,664.71	66,937.64	89,602.34
2023	50,715.63	83,166.75	133,882.39

The registered data refers to the total waste generated only in sewage treatment plants in the years 2021 to 2023.

SELECTIVE COLLECTION

Copasa contributes to selective waste collection in the city of Varginha, through direct support to the association of recyclable material collectors. This initiative not only strengthens the community's awareness of sustainable consumption, but also extends the useful life of the landfill and promotes environmental preservation.

Results

SDGs (1 – Target 1.4/ 6 – Targets: 6.1, 6.2, 6.3, 6.4/ 8 – Targets 8.1, 8.2/ 9 – Target 9.1, 9.4, 9.5/ 10 – Target 10.2/ 12 – Target 12.4)

GRI (GRI 3-3 / 2-25 / 201-1/ 201-3 / 303-1 / 303-5 / 413-1)

SASB IF-WU -240a.1

Copasa is committed to seeking the universalization of water and sewage services with high-quality and in a sustainable way. In this sense, improving the performance of the Company's processes involves assessing the economic, social and environmental impacts inherent to the business. Ensuring society's trust and being a reference for customers, generating value for all stakeholders, are important challenges.

The company has intensified its practice of Results-Based Management, which consists of indicators that measure the efficiency of business processes and are linked to corporate risks and the Materiality Matrix, with Sustainability as a cross-cutting theme. Continuous monitoring of performance through performance indicators, displayed on business intelligence panels, has encouraged team engagement in achieving goals. The use of the management tool, from the top management to the management units, has also increased the teams' sense of criticality, encouraging comparative analysis and the search for solutions to raise the level of performance.

Copasa seeks to reduce and mitigate potential negative environmental and social impacts of its operations and leverage positive impacts, playing a leading role in the development of the territories where it operates, contributing to the advancement of economic activity. Through the provision of services, Copasa has a direct impact on disease prevention and health promotion, individual productivity improvement, environment preservation, real estate appreciation, among other factors.

All Company's efforts are aimed at exceeding expectations and seeking to delight both the granting authority and the users of our services. To this end, the Company continues to invest in improving its relationship with stakeholders.



Copasa, Ibirité WWTP



Stock Performance

The Subscribed and Paid-up Social Capital, as of December 31, 2023, was R\$3.4 billion, represented by 380,253,069 common shares, all registered and with no par value. The state of Minas Gerais is the majority shareholder and holds approximately 50.03% of the shares. In free float, there are approximately 49.57% of the shares. The administrators and entity(ies) linked to the controlling shareholder own 0.12% of the shares and the remainder, corresponding to approximately 0.28%, is in treasury. The Company had, on December 31, 2023, approximately 130 thousand shareholders, 99% of whom were individuals.

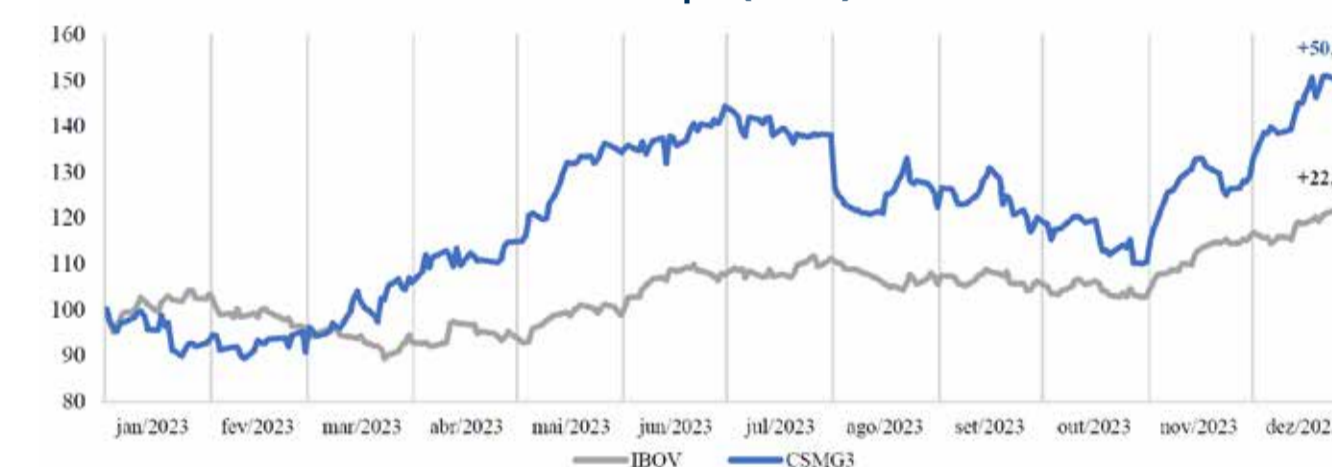
COMPOSITION OF COPASA'S SHAREHOLDER BASE AT THE END OF 2023:

Shareholders	Actions	(%)	Number of Shareholders
Minas Gerais state	190,249,612	50.03%	1
National Shareholders (Minority)	74,027,540	19.47%	129,001
Foreign Shareholders (Minority)	114,904,278	30.22%	338
Treasury Shares	1,071,639	0.28%	1
Total	380,253,069	100.0%	129,341

The unit price of Copasa's shares (B3:CSMG3), adjusted for declared dividends, appreciated by 50.6% in 2023, with the price reaching R\$20.48 at the close of the last trading session of the referred fiscal year. In the same period, Ibovespa showed an increase of 22.3%.

The average daily volume traded in 2023 was R\$36.6 million, representing an increase of 53.1% compared to that recorded in 2022. The average number of daily trades in 2023 was 6.9 thousand trades, an increase of 9.8% compared to the previous year.

Copasa's stock performance (CSMG3) versus Ibovespa (IBOV) in 2023



At the end of 2023, the Company was part of 9 B3 indexes, namely: *Índice Brasil 100* (IBRX 100), *Índice Brasil Amplo* (Brazil Broad Index) (IBRA), *Índice Dividendos* (Dividend Index) (IDIV), *Índice de Governança Corporativa Trade* (Trade Governance Index) (IGCT), *Índice de Ações com Governança Corporativa Diferenciada* (Differentiated Governance Stock Index) (IGCX), *Índice de Governança Corporativa Novo Mercado* (New Market Governance Index) (IGNM), *Índice de Ações com Tag Along Diferenciado* (Differentiated Tag Along Stock Index) (ITAG), Small Cap Index (SMLL) and *Índice Utilidade Pública* (Public Utility Index) (UTIL).

Water

Copasa and Copanor ended 2023 with 5.64 million in water savings, a growth of 0.98% compared to 2022 and a network extension of 65.95 thousand km, an increase of 1.87% in the analysis period. The main operational data and the evolution in the comparative periods are presented below:

Operational Data Copasa+Copanor	2019	2020	2021	2022	2023	2023 X 2022
Water						
Connections (1,000 units)	4,401	4,529	4,591	4636	4,681	0.91%
Savings (1,000 units)	5,310	5,458	5,532	5,589	5,644	0.98%
Population Served(1.000 people)	11,608	11,804	11,833	11,849	11,789	-0.51%
Distributed Volume (1,000 m³)	1,016,917	1,034,704	1,056,135	1,067,482	1,111,985	4.17%
Measured Volume (1,000 m³)	604,241	611,117	628,709	642,673	676,127	5.21%
Network Length (km)	55,837	56,858	63,316	64,736	65,946	1.87%



Copasa, Rio das Velhas WTP

Operational Performance

GRI 203-1 / 203-2
SASB IF-WU-450A.2

Sewage

Regarding sewage services, Copasa and Copanor jointly had, at the end of 2023, 4.05 million in sewage savings, which represents a growth of 2.25% compared to the previous year and a network extension of 33.67 thousand km, 0.66% more than that verified in 2022, as can be seen below:

Operational Data Copasa+Copanor	2019	2020	2021	2022	2023	2023x2022
Sewage						
Connections (1,000 units)	2,921	2,992	3,064	3,122	3,194	2.31%
Savings (1,000 units)	3,676	3,763	3,888	3,963	4,052	2.25%
Population Served(1.000 people)	8,211	8,332	8,447	8,539	8,603	0.75%
Distributed Volume (1,000 m ³)	410,222	414,326	428,813	441,383	463,808	5.08%
Measured Volume (1,000 m ³)	303,350	314,169	339,981	310,984	363,959	17.03%
Network Length (km)	28,166	29,189	32,376	33,440	33,666	0.66%



Copasa, Ibirité WWTP

Other metrics related to commercial and operational performance

The water metering index, which shows the percentage of the Company's connections whose consumption is metered, remained in line in the comparative periods. The percentage distribution loss index shows the relation between the volume of water measured and the volume of water distributed, with a continuation of the downward trend, with a reduction of 0.8 percentage points in 2023.

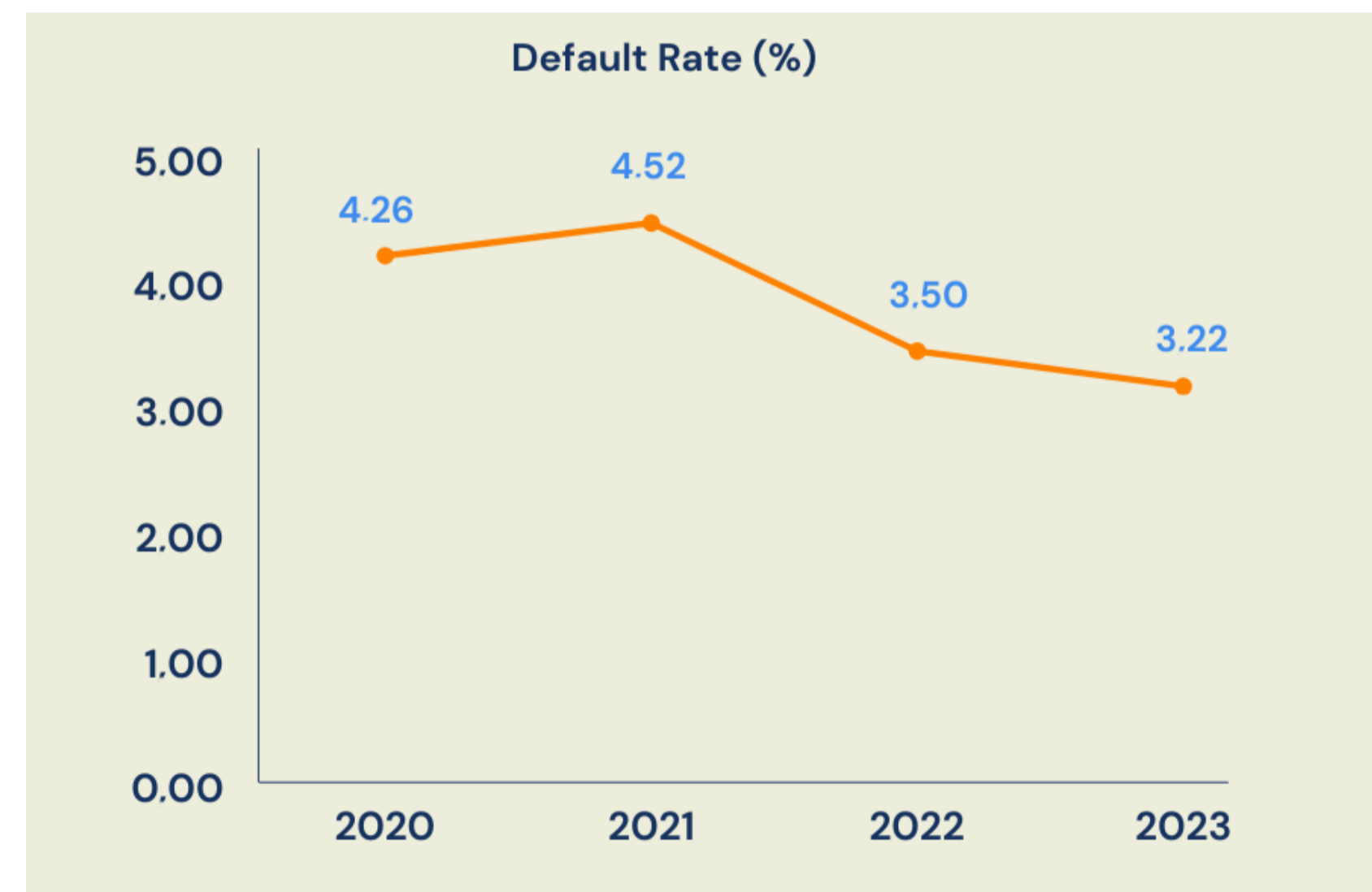
Copasa Specification	Units	2019	2020	2021	2022	2023	2023x2022
Water Metering Index	%	99.8	99.8	99.9	99.9	99.9	-
Distribution Loss Index ⁽¹⁾	%	40.1	40.5	40.1	39.4	38.6	-0.8p.p.
Distribution Loss Index ⁽²⁾	(L/ conxday)	256.2	257.8	256.4	251.3	252.2	0.4%

(1) Difference between the distributed volume and the measured volume, divided by the distributed volume, over the last 12 months.

(2) Difference between the distributed volume and the measured volume, divided by the number of connections served and the number of days in the period.

The Company has continued to implement a series of measures aimed at reducing losses, as well as adapting to the current regulatory context and aligning with current legislation according to item Water losses and water metering in this report. In this sense, several actions are being developed, with emphasis on the installation and replacement of micrometers and macrometers and investments in equipment to identify non-visible leaks and to reduce pressure in distribution networks.

The default rate, which corresponds to the relation between the balance of accounts receivable overdue between 90 and 359 days and the total amount invoiced in the last 12 months, which was 3.50% in December 2021 and 3.22% in December 2022, reached a rate below 3% in 2023, with the continuity and intensification of collection actions, as well as debt renegotiation campaigns. It is worth mentioning that the rate of 2.97%, verified at the end of 2023, stands out as the lowest in the last 7 years.



Operational efficiency, innovation and sustainability programs and measures

Programa de Eficiência Operacional (Operational Efficiency Program) (PEO)

The PEO, based on the 5S 1 methodology, aims to improve Copasa's management and operational systems, meeting quality criteria and the regulatory requirements of Arsaé-MG. Through a self-assessment mechanism, the PEO enables the mapping of operational units, the implementation of corrective actions, compliance with legal requirements and the improvement of operational performance.

The PEO has a computerized platform, developed specifically to meet its demands, in which self-assessments are completed, which must be evidenced by photos or documents entered the system, later available for the audit process. The platform is capable of generating structured and well-organized indicators.

The 3rd cycle of the PEO awarded, in 2023, the locations that stood out among the 588 cities and the 16.1 thousand units evaluated.

Núcleo de Inteligência Operacional (Operational Intelligence Center) (NIO)

Copasa has an Operational Intelligence Center, the Núcleo de Inteligência Operacional (NIO), a multidisciplinary area focused on integrating different strategic sectors for the smooth running of operations, which allows it to consolidate the information originating from the Centros de Controles Operacionais (Operational Control Centers) (CCOs) of its various Business Units.

This integration makes responses to demands more agile, increasing proactivity and timeliness in the Company's operational actions.

The NIO brings together, in a single integrated environment, the operational areas, communication functions, service management, operational surveillance, water losses and operational control, for the monitoring of the main occurrences and the leveling of operational information.

NIO, together with other areas of Copasa, has developed several projects to improve the efficiency, monitoring and control of operational processes. Among these projects, the following stand out:

- ☑ **Informações de Saneamento por Assunto (Sanitation Information by Subject):** consists of a web page developed to facilitate the visualization, in real time, of the main operational occurrences in the State;;
- ☑ **ETA Digital (Digital WTP):** is a project that enables the launch of analyses of the quality of treated water, as well as its monitoring in real time by technicians and production supervisors. The *ETA Digital* application enables agility in the identification and improvement actions for problems associated with potential deviations;
- ☑ **Videomonitoramento operacional (Operational video surveillance):** allows the monitoring of operational units, certifying the veracity of alerts and alarms of problems reported in units with autonomous operation. Supports the Operational Efficiency Program, enabling the continuous monitoring of the conditions of the units, as well as of the execution of services by employees working in the operational units;
- ☑ **Dam monitoring:** enables remote and real-time monitoring of Copasa's 8 main dams, both with technical data and images.

¹ Methodology focused on the organization of companies and the achievement of total quality and based on 5 sensors: *Seiri* (use), *Seiton* (organization), *Seiso* (cleaning), *Seiketsu* (standardization) and *Shitsuke* (discipline).

Automation and Research, Development and Innovation

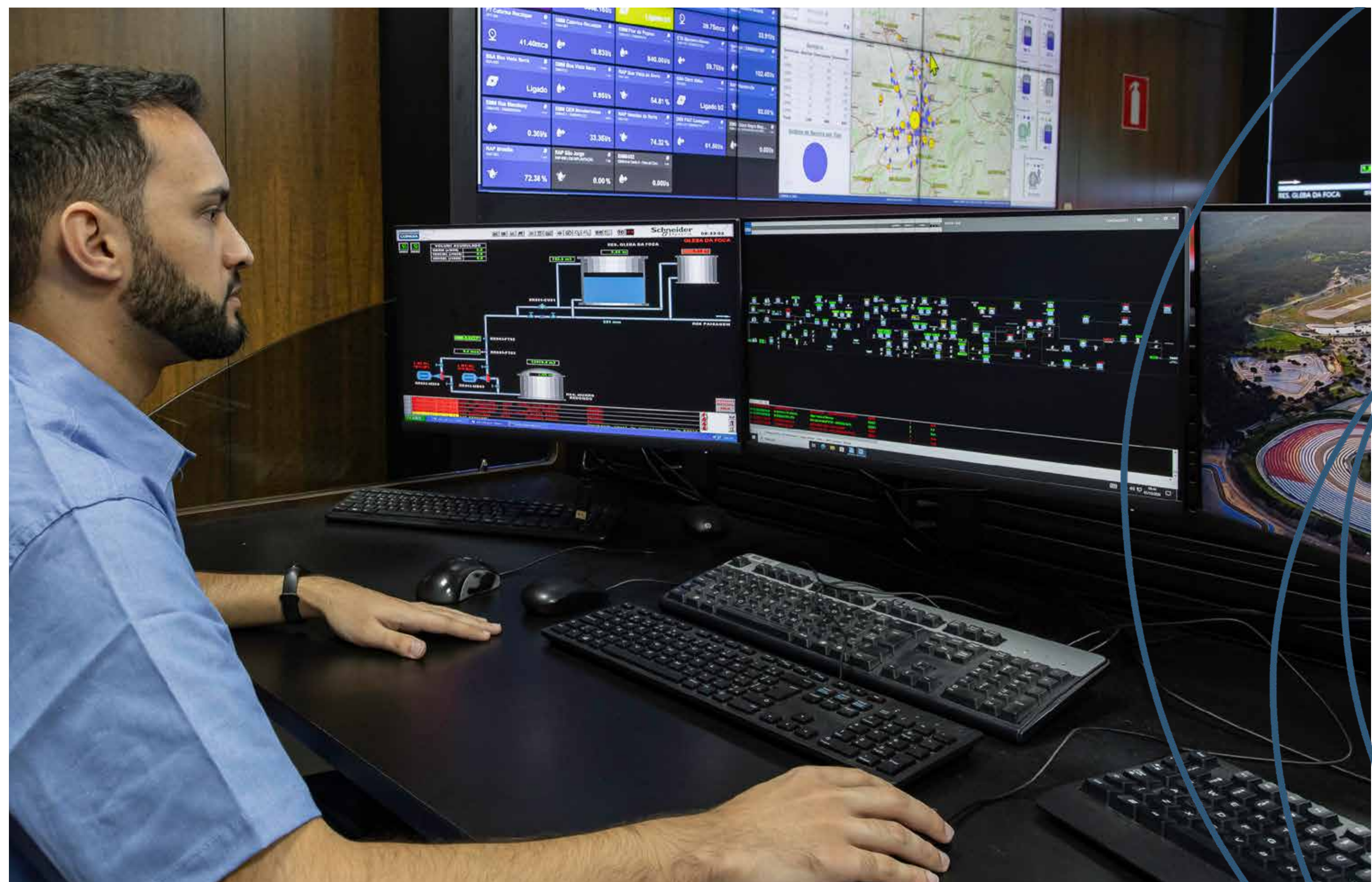
Automation Project

In 2021, Copasa launched a project to expand the automation of its operational units. In 2023, the Company continued the implementation of the first stage of this project, including 137 systems that measured relevant operational variables, such as reservoir levels, pump status, flow, pressure and water quality, making remote data available to a central Scada1 (COPASIS – Sistema Integrado de Supervisão da Copasa (Copasa's Integrated Supervision System)) and to the smartphones of operators, foremen, technicians, engineers and managers of the systems involved. Since 2021, monitoring has been implemented in 860 units, distributed across 218 locations.

Research, Development and Innovation

The Company is conducting a set of technological development and innovation initiatives, with special emphasis, in 2023, on the ongoing research to adapt Industry 4.0 solutions for sanitation, promoting cost reduction in the production of smart sensors for the processes involved in water and sewage treatment.

¹ Scada is the acronym for Supervisory Control and Data Acquisition. Scada is a system that uses software to monitor, supervise and control the variables and devices of a process.



Copasa, Control Room, COS Santo Antônio



For the effective acquisition process, it has been developed in the Company the Acquisition Management within the SAP platform, with fully electronic structuring and processing of demands, from the requisition of the material to the effective contracting, providing speed, efficiency and transparency in all phases of the contracting process.

To ensure operational security in contracting chemical products and equipment with a significant impact on costs and supply within Brazil, Copasa explored other suppliers in the international market in 2023. As a result, the first bidding process for the acquisition of chemical products included the participation of foreign companies, with a Chinese company ultimately winning the bid.

Actions in the fields of logistics and supply chain

In 2023, the Company implemented some actions that contributed to modernization, cost reduction and improvement in the management of its logistics and supply processes.

Ensuring efficiency in the process, we can mention the hiring of the Computerized Fleet and Logistics Management System, which monitors the entire logistics process and controls the entire Company fleet. Operational costs, productivity and fleet performance are monitored based on a complete history of information.

Within the scope of the Company's acquisitions and contracts, its Regulations and Contracting Rules are constantly being updated, promoting greater assertiveness in the processes and the alignment of those with opportunities brought by legislation and jurisprudence.

For acquisition planning, there was a significant expansion of the basket of unified (plumbing and sanitary materials) and centralized (equipment) purchase products. With this action, it was possible to reduce costs linked to the actual bidding process and deadlines with greater operational efficiency (purchase of materials in planned quantities, at the correct time and with delivery of the product on time).

Actions in Information Technology

In 2023, the Company made significant investments in projects related to Information Technology, with emphasis on the following actions:

- ➔ Completion of the migration to the most current version of SAP management software;
- ➔ Modernization of the IT park;
- ➔ Hiring of a SOC – Security Operation Center, with 24 x 7 operation, which provided an increase in the level of monitoring and threat detection in Copasa's network environment;
- ➔ Improvement of IT infrastructure, with duplication and redundancy of communication links in Business Units and Regional Management, seeking to bring greater availability to these locations; and
- ➔ Implementation of several information systems, with emphasis on the new legal system and the loss management system.

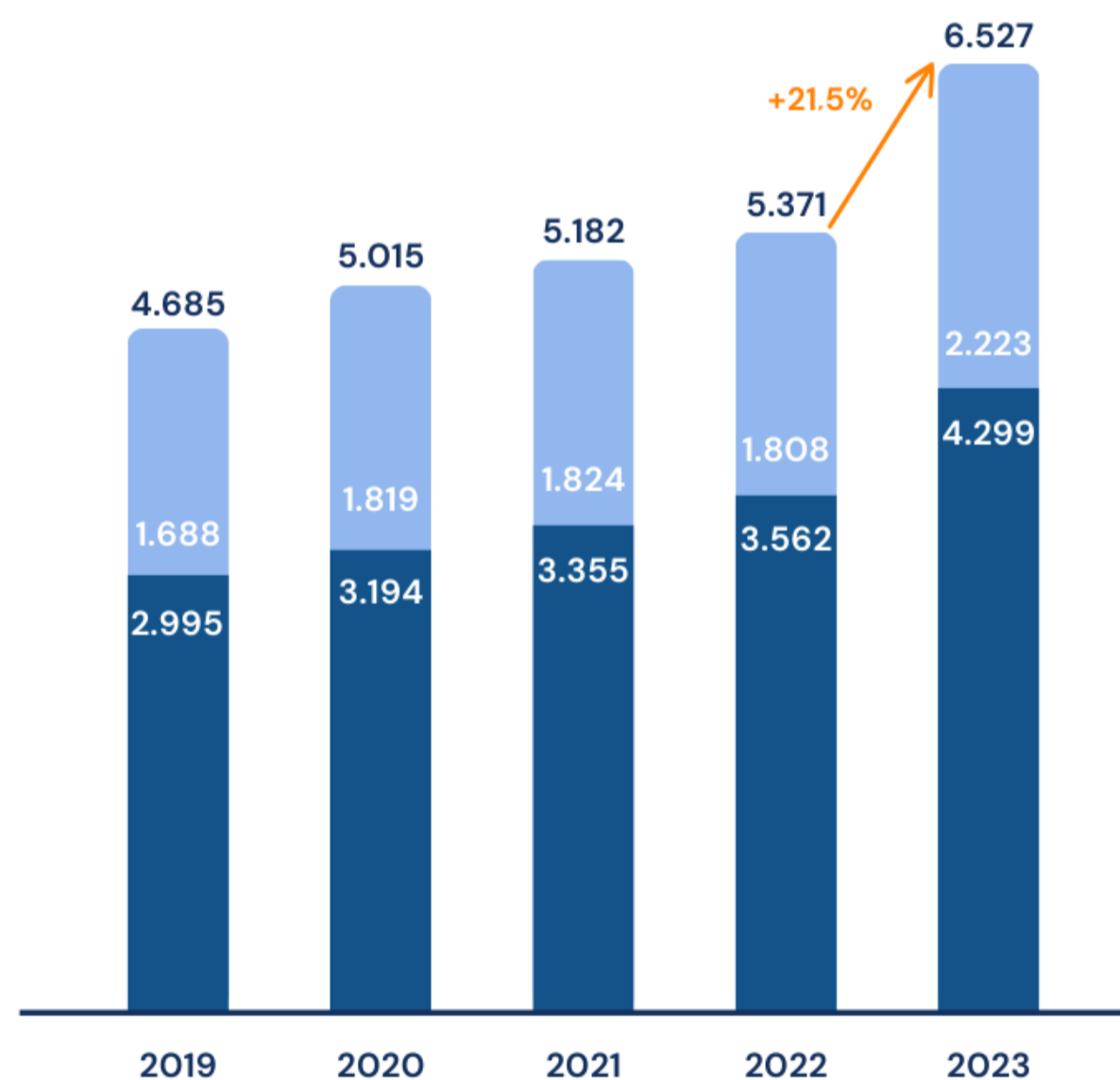
Economic and Financial Management

The financial information contained in this Section, unless otherwise indicated, is in millions of Reais (R\$ million), and, given the immateriality of the subsidiary Copanor, refers to the Financial Statements of the controller (Copasa), unless otherwise indicate.

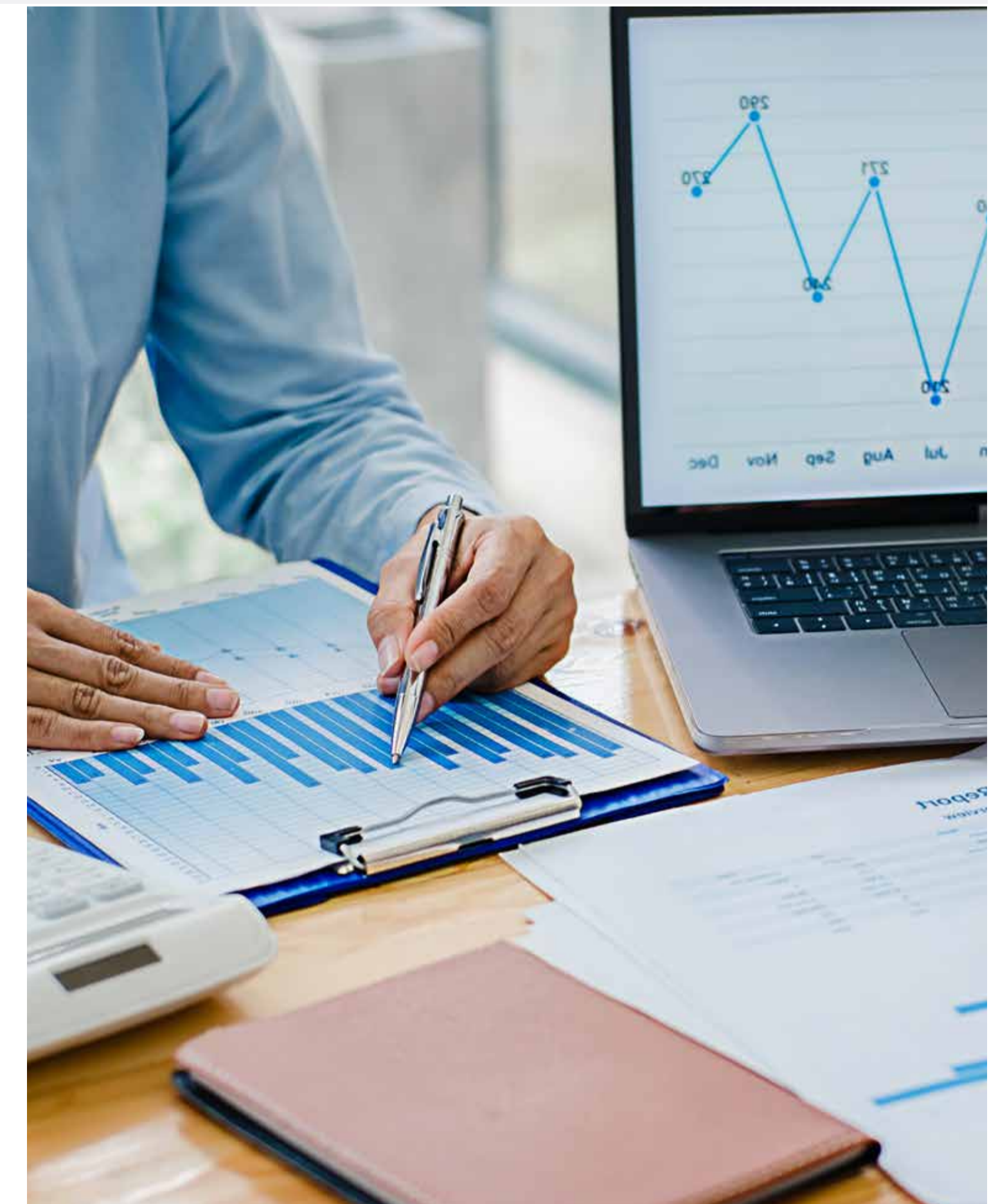
Net Revenue

Net revenue from water, sewage and solid waste was approximately R\$6.53 billion in 2023, representing an increase of 21.5% compared to 2022, as shown in the following chart:

Net Revenue – R\$ million



*The sum of Net Revenue includes solid waste, being in the order of R\$2 million in the years 2019 to 2022 and R\$4.9 million in 2023.



Financial Performance

GRI 203-1 / 203-2



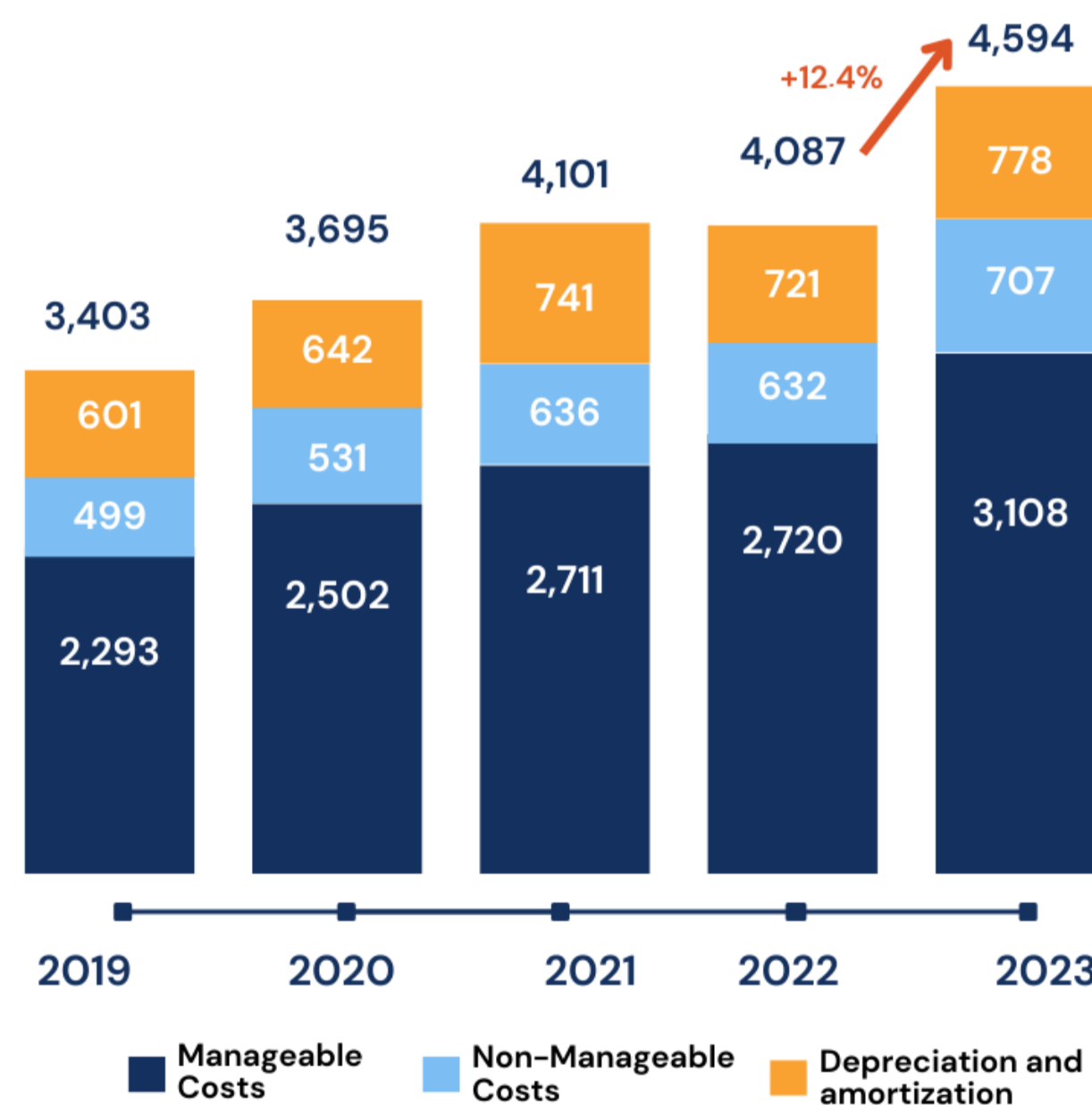
Costs and expenses

As shown in the chart below, costs and expenses totaled approximately R\$4.59 billion in 2023 (R\$4.09 billion in 2022).

Below, the Company presents comments on the main factors that influenced this result comparing the years 2022 and 2023:

- ➔ Impacts of the tariff adjustment applied on 01.01.2023, with an average tariff effect of 15.7%, as authorized by Arsae-MG;
- ➔ 1.1% increase in water savings and 2.2% increase in sewage savings;
- ➔ Increase of 3.5% in the measured volume of water and sewage, compared to 2022.

Costs and Expenses – R\$ million



(*) Costs and Expenses include Other Costs, being R\$9.8 million (2019), R\$21.2 million (2020), R\$12.5 million (2021) and R\$13.7 million (2022).



Copasa, Rio das Velhas WTP

The Company presents the following comments on the items that make up the costs of sales and services rendered, sales and administrative expenses (except construction costs) that presented the most significant changes

Payroll: the increase verified in this account was 9.1%, which can be explained, above all, by the following factors:

- impact on wages, vacations, 13th salary, among other benefits, resulting from the Acordo Coletivo de Trabalho (Collective Bargaining Agreement) (ACT) of November 2022 and November 2023, which were based on the accumulated INPC of 6.46% and 4.14%, respectively;
- effects of the increase in the variable remuneration base, position commission and employee profit sharing, due to the better result and EBITDA margin recorded in 2023, compared to the previous year;
- increase in spending on the food program, mainly due to the extraordinary payment of R\$8.0 million in November 2023, according to the ACT;
- increase of R\$8.2 million in spending on the health program, due to the greater use of medical services and the readjustment of plans;
- reduction of R\$5.0 million in capitalizable expenses concerning mainly to employees assigned to areas related to the Company's expansion and which are allocated to intangible assets;
- 6.3% reduction in the number of employees, comparing December 2023 with December 2022, due to the PDVI dismissals in the period, with information regarding this Program being included in this Management Report.

Third-Party Services: the increase in this account was 14.6%. The items that showed the most significant variation in the reported period were the following:

- increase of R\$31.3 million in conservation and maintenance services for assets and systems, comparing 2023 with the previous year;
- increase, in 2023, of R\$12.2 million in expenses related to reading and delivery outsourced services;
- increase of R\$9.6 million in maintenance, cuts and reconnection services;
- increase, in 2023, of R\$8.6 million in expenditure with professional technical services;
- increase of R\$8.5 million in expenses with the rental of generators;
- increase of R\$7.0 million in expenses on IT services;
- increase of R\$5.5 million in advertising and publicity expenditure.

Materials: this item decreased by 8.4%, mainly due to the reduction in expenses related to parts, accessories and components for vehicles, as well as other items.

Loss due to impairment of accounts receivable: this item decreased by 9.1% in 2023, due to the reduction in default, as well as the change in the accounting method for amounts recovered from written-off accounts, which, as of 1Q23, began to be recorded as a credit under this item. As a result, this account began to be shown at its net value.

Tax Transfer to Cities: the 35.1% increase in this item was mainly due to the increase in the values referring to the tariff transfer, given the 15.70% adjustment defined by Arsae-MG and the increase in the number of municipal sanitation funds qualified to receive such transfer.

According to Technical Note GRT No. 01/2022 from Arsae-MG, within the scope of the authorized tax adjustment applied in January 2023, 75 new municipal sanitation funds were included with the right to transfers, totaling 294 qualified cities.



Miscellaneous Operating Costs: the 24.3% increase in miscellaneous operating costs, comparing 2023 with 2022, was due to the increase in expenses with self-consumption of water and on transport, travel and accommodation, as well as other items.

Electricity:

The 10.7% increase observed in electricity spending, comparing 2023 with 2022, was mainly due to the net effect of the following factors:

- 4.3% increase in the Company's electricity consumption;
- 8.8% adjustment in Cemig's energy taxes in 06/2022 and 13.27%, in effect from June 2023;
- 3% reduction in the subsidy applicable to electricity taxes of public water and sewage service concessionaires, starting in June 2022;
- exclusion of ICMS from the calculation basis for PIS/COFINS tax credits, starting in May 2023;
- recurrence of ICMS on the Tariff for the Use of the Electric Energy Transmission System – TUST and the Tariff for the Use of the Electric Energy Distribution System – TUSD, starting in February 2023; and
- 19.9% reduction in electricity expenses in units that migrated to the Free Market from the beginning of 1Q23.

It is worth mentioning that, as previously specified, these units represented increasing percentages of the Company's total energy consumption throughout 2023, reaching, in December of this year, 47% of the total electricity consumed by the Company.

Other Operating Income (Expenses), Equity Income and Financial Result

Other Items (R\$ million)	2019	2020	2021	2022	2023	2023X2022
Other Operating Income	107.9	171.3	177.4	135.0	67.1	-50.3%
Other Operating Expenses	(221.2)	(197.3)	(396.6)	(151.3)	(193.5)	27.9%
Equity Income	(12.8)	(12.6)	(12.7)	(11.2)	(18.3)	64.4%
Financial result	(133.9)	(176.0)	(194.6)	(211.6)	(2.1)	-99.0%
TOTAL	(259.9)	(214.5)	(426.5)	(239.0)	(146.9)	-38.6%

Other Operating Revenues: the 50.3% drop, comparing 2023 with 2022, was due to the following factors:

- o as of 1Q23, the amounts under the item Recovery of Written-Off Accounts began to be credited directly to the item Loss due to Impairment of Accounts Receivable, which is now shown at its net value;
- o lowest value of fare refunds, as determined by Arsae-MG, which occurred in 2023 in relation to that verified in 2022.

Other Operating Expenses: an increase of 27.9%, comparing the year 2023 with 2022 was mainly due to:

- o reversal of the provision made because of the agreement signed in a Collective Labor Action (Process No. 102100-74.2008.5.03.0024), with approximately R\$59.0 million having been recorded in Other Operating Expenses; and
- o payments and provisions for lawsuits.

Financial Result: the 99.0% drop is mainly due to the following:

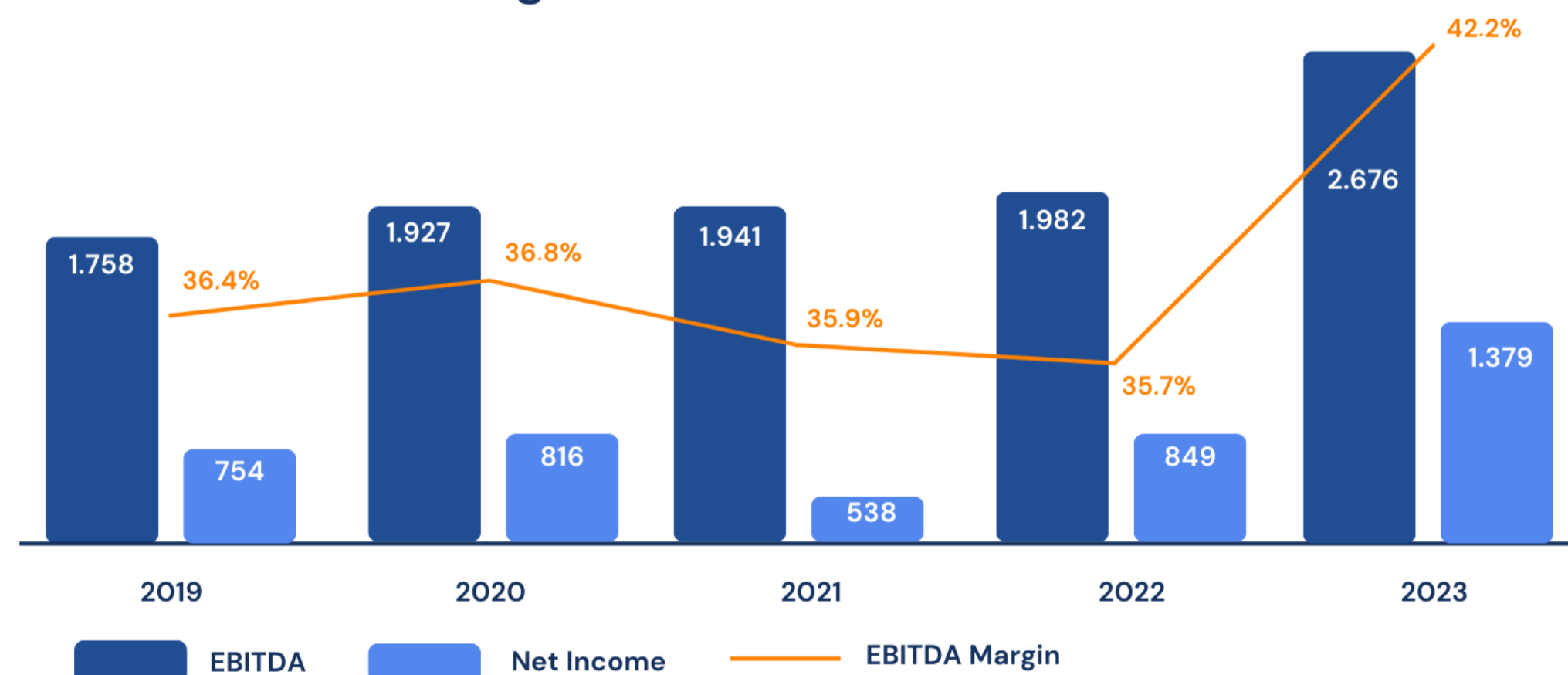
- o increase in the real gain on financial investments, given the higher average working capital balance throughout 2023, compared to 2022 and the higher CDI index accumulated in 2023 compared to 2022;
- o change in the account in which fines for customer defaults are recorded, which are now recorded in Financial Income; and
- o reversal of the provision made because of the aforementioned agreement signed in a Collective Labor Action, as a result of which an amount of approximately R\$100.0 million was recorded, relating to interest and monetary adjustment, in Financial Expenses.

EBITDA and Net Income (Consolidated)

EBITDA is a non-accounting measurement adopted by Copasa, calculated in accordance with CVM Resolution No. 156/2022, consisting of net income plus taxes on income, financial result, depreciation/amortization.

As shown in the chart below, Adjusted EBITDA recorded in 2023 was R\$2.68 billion, with a margin of 40.2%. Net income reached R\$1.38 billion in 2023 (R\$843 million in 2022), impacted by the recovery of margins and reversals related to Labor Lawsuit No. 102100-74.2008.5.03.0024, which were carried out in other operating expenses and financial expenses.

EBITDA, Margin and Net Income – R\$ million



(* In 2023 and 2021, the amounts refer to Adjusted EBITDA and Adjusted EBITDA Margin.

The following is the table with the reconciliation of Net Income to EBITDA in the comparative periods:

Consolidated EBITDA (R\$ million)	2019	2020	2021	2022	2023	2023X2022
Net Income for the Year	754.4	816.5	537.6	843.4	1,379.3	63.6%
(+) Taxes on Income	267.9	288.8	116.9	202.6	406.9	100.9%
(+) Financial Result	133.9	176.0	194.6	211.6	2.1	-99.0%
(+) Depreciation and Amortization	600.6	641.8	741.5	721.1	778.4	7.9%
(+) Taxes on Income. Financial Result and Depreciation/ Amortization of Copanor	1.7	3.5	4.9	3.8	12.0	213.2%
EBITDA	1,758.5	1,926.6	1,595.4	1,982.5	2,578.8	30.1%
Adjustments - Non-Recurring Items						
(+) Incentivized Voluntary Dismissal Program (Programa de Desligamento Voluntário Incentivado) - PDVI	-	-	152.2	-	115.1	-
(+) Return - Arsae-MG	-	-	82.6	-	-	-
(+) Increase in Provision - Labor Lawsuit	-	-	110.3	-	-	-
(-) Reversal of Provision Regarding Labor Lawsuit	-	-	-	-	(51.5)	-
(+) Indemnity for contractual default	-	-	-	-	33.9	-
(=) Adjusted EBITDA	1,758.5	1,926.6	1,940.5	1,982.5	2,676.2	35.0%
EBITDA Margin (Adjusted)	36.4%	36.8%	35.9%	35.7%	40.2%	



Copasa, Rio das Velhas WTP

Remuneration to Shareholders

Information on the amounts declared as remuneration to shareholders is provided below. The distributions made were preceded by internal studies and projections that indicated that the distribution of these proceeds does not affect the investments plan, liquidity, or compliance with covenants for the coming years, considering the Company's current leverage level.

The Board of Directors defined, for the 2023 fiscal year, the percentage of Regular Dividends corresponding to 50% of Net Income, adjusted by the decrease or increase of the amounts specified in items I, II and III of article 202 of Federal Law No. 6,404/1976, in the form of Interest on Equity – JCP and/or dividends.

For the 2023 fiscal year, R\$637.8 million were declared Regular Dividends, and R\$372.5 million Extraordinary Dividends, and detailed information on such distributions are available on the website at <https://ri.copasa.com.br/informacoes-financeiras/dividendos/>.

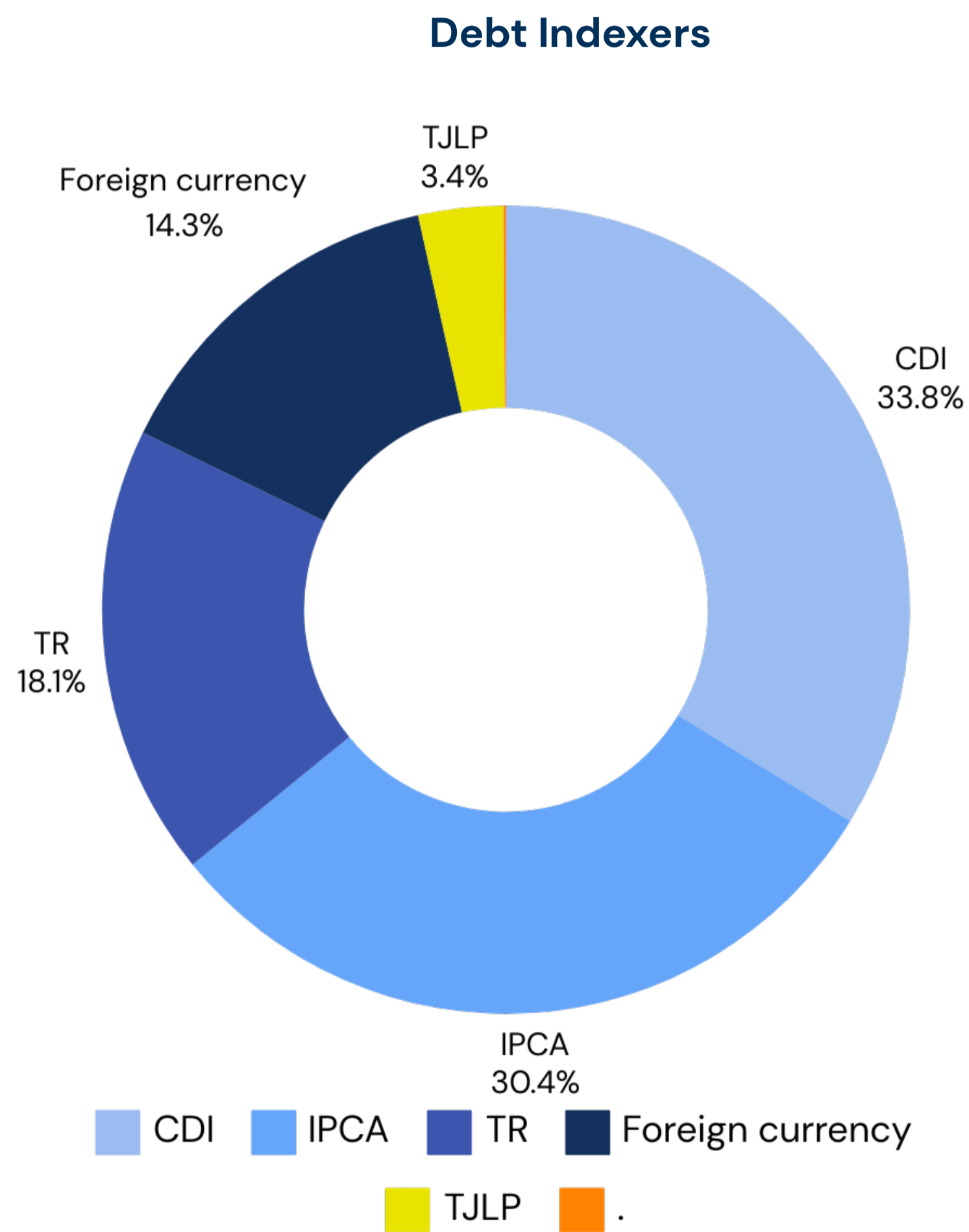
Indebtedness, Covenants and Ratings

Indebtedness

Total loans, financing and debentures reached R\$4.7 billion in December 2023. Net debt increased from R\$3.1 billion in December 2022 to R\$3.8 billion in December 2023. Below is a table showing the Company's indebtedness in the last 5 years.

Indebtedness – Consolidated Data (R\$ million)	2019	2020	2021	2022	2023	2023X
2022	1,281,4	1,274,0	1,068,4	976,9	1,429,1	46,3%
(+) Loans and Financing	1,281.4	1,274.0	1,068.4	976.9	1,429.1	46.3%
(+) Debentures	2,028.9	2,507.1	2,917.0	3,163.0	3,314.4	4.8%
(+) Other Onerous Obligations (Libertas)	30.0	4.7	-	-	-	-
(=) Total Loans, Financing and Debentures	3,340.2	3,785.8	3,985.3	4,139.9	4,743.5	14.6%
(+) Lease Liabilities	-	-	-	105.9	92.3	-12.9%
(-) Cash and Cash Equivalents	524.1	805.6	1,309.7	1,122.3	1,031.4	-8.1%
(=) Net Debt	2,816.1	2,980.2	2,675.6	3,123.5	3,804.4	21.8%

The graph below shows the composition of Copasa’s debt, according to each of its indexers, in December 2023:



The most representative indexers in Copasa’s debt are the CDI (33.8%) and the IPCA (30.4%), which reflects, above all, the characteristics of the Company’s most recent debenture issues, which are linked to these indicators.

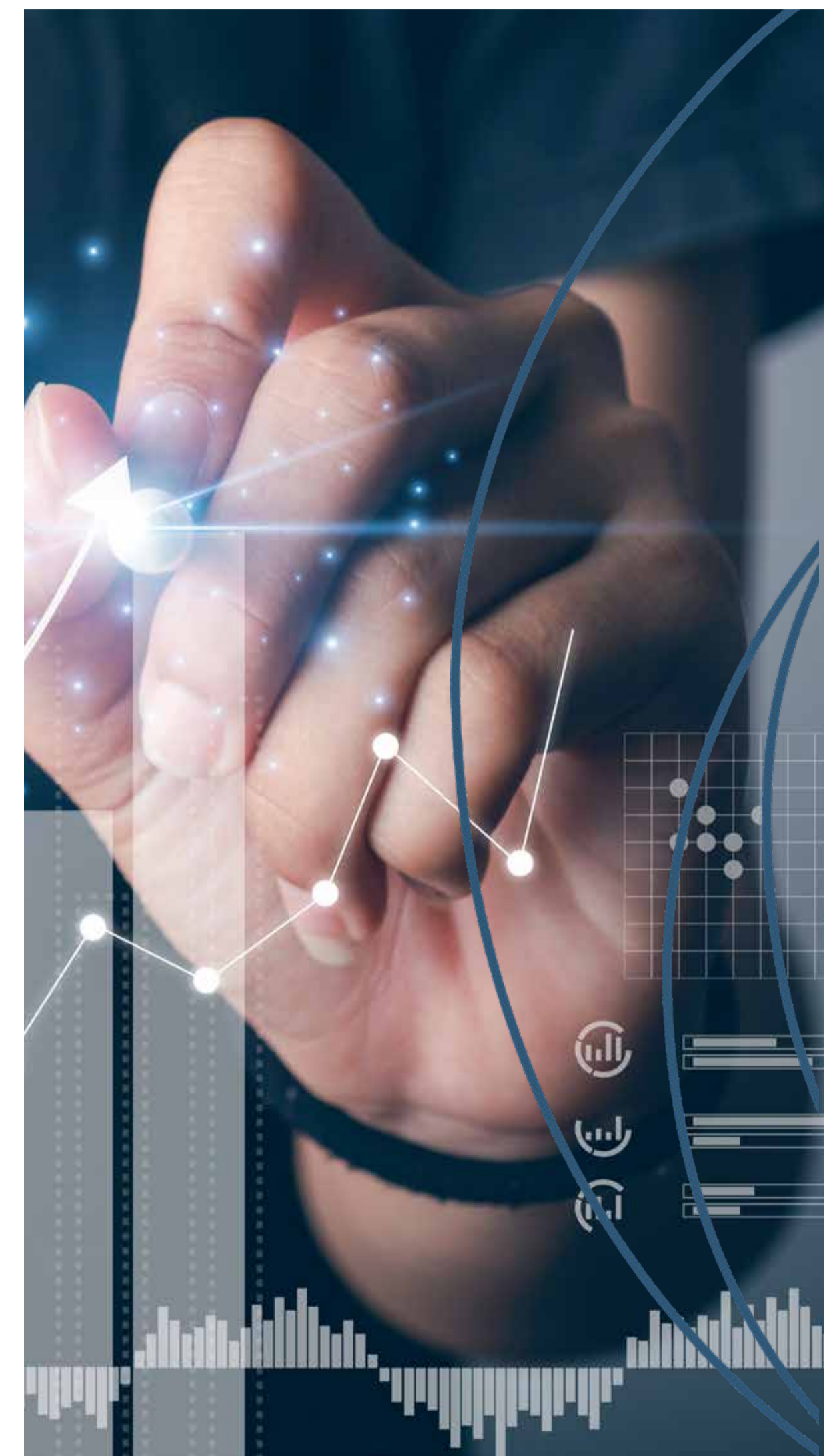
As can be seen in the “Debt Indexers” graph, foreign currency debt represented 14.3% of total loans, financing and debentures in December 2023 and referred to debt with the German bank KfW.

Covenants

The Company has loans, financing and debentures that require compliance with financial and non-financial restrictive clauses (covenants), and for those covenants related to compliance with certain financial indexes, the calculation periodicity is different, as established in the contract.

It is worth mentioning that Article 4 of the Company’s Bylaws contains financial covenants to be observed. These statutory covenants are as follows:

- a) consolidated net debt must be equal to or less than 3 times EBITDA (earnings before interest, taxes, depreciation and amortization);
- b) Total Liabilities must be equal to or less than Net Equity; and
- c) EBITDA is expected to be greater than 1.2 times Debt Service.





Copasa, Rio das Velhas WTP

The Bylaws also establish that these indicators may be exceeded for circumstantial reasons, with justification and specific approval by the Board of Directors, up to the following limits:

I – consolidated net debt may reach a maximum of 4 times the Company’s EBITDA; and

II – total liabilities may reach a maximum of 1.2 times the Net Equity.

On 12/31/2023, the Company was within the limits established for all its contractual and statutory financial covenants, with the latter indicators presenting the following values in the last 5 fiscal years:

Covenants	Limit	2019	2020	2021	2022	2023
Net Debt/EBITDA(number of times)	≤ 3.0x	1.6	1.6	1.7	1.6	1.5
Liabilities/Net Equity	≤ 1.0	0.7	0.8	0.9	0.8	0.9
EBITDA/Debt Service	>1.2	2.1	3.9	1.5	1.7	1.9

Ratings

On 06.21.2023, the Fitch rating agency published a report affirming the Company’s Long-Term National Scale ratings and its unsecured debenture issues at AA+(bra), with the corporate rating outlook remaining stable.

On 10.06.2023, the Moody’s rating agency published a report affirming Copasa’s corporate rating at AAA.br. The corporate rating outlook remained stable. Below is a table with a summary of the ratings:

Agency	National Scale	Perspective	Date
Fitch Ratings	AA+(bra)	Stable	06.21.2023
Moody’s	AAA.br	Stable	10.06.2023



Constant Movement

RENEWAL IN PROGRESS

Just like a water source, Copasa is in constant movement! Finding new paths and overcoming challenges with fluidity. Through a sustainable business model, we generate sanitation solutions, prioritizing agility and innovation



- 123 Innovation
- 125 Investments in Enterprises
- 130 Social Investments
- 131 Environmental Investments
- 137 Climate Change
- 140 Energy Efficiency
- 142 Electricity Management

Innovation

Innovation is a differentiator for the Company, being a process recognized in the Strategic Declaration and materialized as Our Way “We make it happen with creativity and innovation”.

Copasa’s Research, Technological Development and Innovation Policy establishes the institutional guidelines and creates a governance structure, with an RD&I management committee, which is responsible for delimiting the main thematic lines for the formulation of projects and their prioritization.

Furthermore, in 2023, Copasa published its Plano Plurianual de Pesquisa, Desenvolvimento Tecnológico e Inovação (Multi-Year Plan for Research, Technological Development and Innovation) (PPPD&I), outlining the main thematic lines with the possibility of implementing projects over a 4-year horizon. This plan will guide RD&I expenditures through partnerships (open innovation) and projects carried out by employees (ideas program and intrapreneurship).

Although its own resources are used in RD&I projects, Copasa has been seeking to use incentives for innovation and external resources. Examples include the Regulatory Program for Research, Development and Innovation – PRPDI, starting in 2023, which foresees the provision of resources in the order of R\$30 million for RD&I projects within the tax cycle.

The Company also has the Inova Copasa Program, which establishes tools for the development of projects that enable the generation of innovation at Copasa, either through the valorization of creativity and inventiveness in the Company or through institutional partnerships with the scientific community and companies, startups, governmental or non-governmental organizations, contributing to the achievement of the Strategic Objective “Accelerate innovation and technological solutions” and, consequently, for the fulfillment of Our Purpose of “Caring for water and generating value for people”. The Inova Program is structured in 4 thematic axes, presented on the side:



AXIS 1 CHALLENGE IN TECHNOLOGICAL INNOVATION (COPATHON)

The program is aimed at the company's employees and encourages inventiveness, ideation and the dissemination of good practices. Aimed at COPASA's internal public, the program seeks to value the creativity and ideas of its employees by giving visibility to best practices and solving everyday problems that interfere with the efficiency and quality of service provision. In 2023, 17 cases developed by employees that brought positive results to the company were presented at the Inova seminar.



AXIS 2 R&D COPASA (COPAJUMP)

With the aim of fostering Research, Development and Innovation, there is an incentive to improve training and further education in stricto and lato sensu courses, focused on topics of strategic interest to the company.



AXIS 3 COPACADEMY

Aimed at the academy and scientific community. Among the various partnerships that COPASA fosters with universities and research centers, we highlight the strategic alliance between COPASA, the Universidade Federal de Minas Gerais (UFMG) and the technology-based company Centro de Referência em Estações Sustentáveis de Tratamento de Esgoto (Reference Center for Sustainable Wastewater Treatment Plants) (CR ETEs), to create an environment that promotes innovation aimed at the universalization of sewage collection and treatment and the transition to a circular economy in the sewage sector in Minas Gerais.



AXIS 4 COPAPARTNER

Dedicated to open innovation and the startup ecosystem in the search for innovative solutions that can increase COPASA's competitive advantage. It is currently preparing to publish an open innovation call for important challenges facing the company, the solutions to which will be prospected in the startup ecosystem.

Main Projects and Results

To create an environment conducive to innovation, generating new products, processes and services, transferring and disseminating technologies, which may include the provision of services, the training of people, in addition to support for the creation of innovative enterprises, the Company started a Strategic Alliance in February 2023, with an expected duration of 4 years.

It is the result of a partnership between Copasa, the *Universidade Federal de Minas Gerais* (UFMG) and the *Centro de Referência em Estações Sustentáveis de Tratamento de Esgoto* (Reference Center for Sustainable Wastewater Treatment Plants) (CR-ETEs), with the intervention of the *Fundação de Desenvolvimento da Pesquisa* (Research Development Foundation) (FUNDEP), dedicated to improving sewage treatment in Minas Gerais.

With investments of almost R\$ 5.5 million, in all there are 27 projects focused on applied research, technological development, training and consulting, seeking to increase the efficiency and sustainability of sewage treatment processes.

The 2023 results include complete diagnostics of 12 Wastewater Treatment Plants, which guide the optimization of processes and the implementation of innovations. These initiatives reinforce the Alliance's commitment to innovation and sustainability, promoting the transition to a circular economy in the sanitation sector and advancing the universalization of sewage treatment.

The PD&I CompostTree Project, a collaboration between Copasa, Cemig and *Transplantar Tree*, launched in June 2022, is an innovative sustainability initiative aimed at the production of class B compound organic fertilizer from the sludge of WWTP and plant pruning waste. This project aims to value waste and promote the circular economy, in line with the Sanitation Legal Framework, the National Solid Waste Policy, the ESG Agenda and the UN Sustainable Development Goals (SDGs). After a composting process, the material is combined with sanitized sewage sludge to produce the fertilizer, which has been validated by an accredited laboratory for the microbiological and heavy metal standards required by MAPA – *Ministério da Agricultura, Pecuária e Abastecimento* (Ministry of Agriculture, Livestock and Food Supply). The initial results in 2023 indicate the success of the pilot project, with the organic fertilizer produced destined for seedlings production and planting, and fertilization of the soil of municipal parks and green areas under the responsibility of the *Fundação de Parques Municipais* and *Fundação Zoobotânica* (Municipal Parks Foundation and the Zoobotanical Foundation) – FPMZB.

In addition, another project in effect in 2023, Copasa 4.0, has as its main objectives to standardize automation, ensure interoperability between systems, simplify the maintenance of automation assets, promote employee training and improve the generation, processing and use of operational data to support decision-making at various levels of the

organization. Within the project, there was by 2023, the participation of 2 master's degree students, the registration of 1 patent and 15 computer program registrations. The real-time monitoring tool for units (water and sewage), Copasis – *Sistema Integrado de Supervisão da Copasa* (Copasa Integrated Supervision System), reached the mark of more than 218 locations, monitoring more than 860 units. Integrated with the *Centro de Operação e Supervisão* (Operation and Supervision Center) (COS) of the RMBH (Metropolitan Region of Belo Horizonte) and the *Núcleo Avançado de Automação e Supervisão da DOP* (*Diretoria de Operação*) (Advanced Automation and Supervision Center of the DOP (Operations Directorate)), and accessible via mobile devices of more than 100 employees

Also, the Young Innovators in SDGs – Inova 2030 project is an acceleration program aimed at young professionals who work in companies participating in the UN Global Compact, of which Copasa has been part since 2020. The program aims to train these young people with intrapreneurial skills to work with sustainability and innovation, through the development of tangible solutions for the business. During the program, participants went through an intensive project development process, benefiting from more than 20 hours of workshops, contact with successful leaders, support from experts, and more than 120 hours of mentoring.



Investments Program – 2023

The amounts invested in 2023, within the scope of the Controller Company, totaled R\$1.63 billion, including interest capitalization, personnel expenses, materials and others. This amount, which is detailed in the following table, represents an increase of 24.7% compared to 2022.

Investments Made (R\$ million)	2019	2020	2021	2022	2023
Water	260.1	147.1	537.1	579.4	680.0
Sewage	279.1	213.3	317.5	449.3	671.0
Business and Operational Development	47.1	99.0	52.3	100.8	78.5
Subtotal	586.3	459.4	906.9	1,129.5	1,429.5
Capitalizations	143.3	111.4	95.8	176.1	198.6
Total – Controller	729.6	570.8	1,002.7	1,305.6	1,628.0
Coponor (including capitalizations)	39.6	24.2	44.5	39.6	31.5
Total – Copasa and Coponor	769.2	595.1	1,047.2	1,345.2	1,659.5

Business and Operational Development

- ➔ Modernization of the IT infrastructure, including the completion of the implementation of the SAP S/4HA-NA system;
- ➔ Investments in programs to modernize operational units and increase energy efficiency;
- ➔ Investments in programs for research, monitoring and protection of water resources.

Pampulha Lagoon, Minas Gerais



Investments in Enterprises



Investments Program

2024 to 2028

The Company’s Board of Directors approved, at a meeting held on 12.15.2023, the projected Multi-year Investments Program, referring to the Controller, for the period from 2024 to 2028, as detailed in the table below:

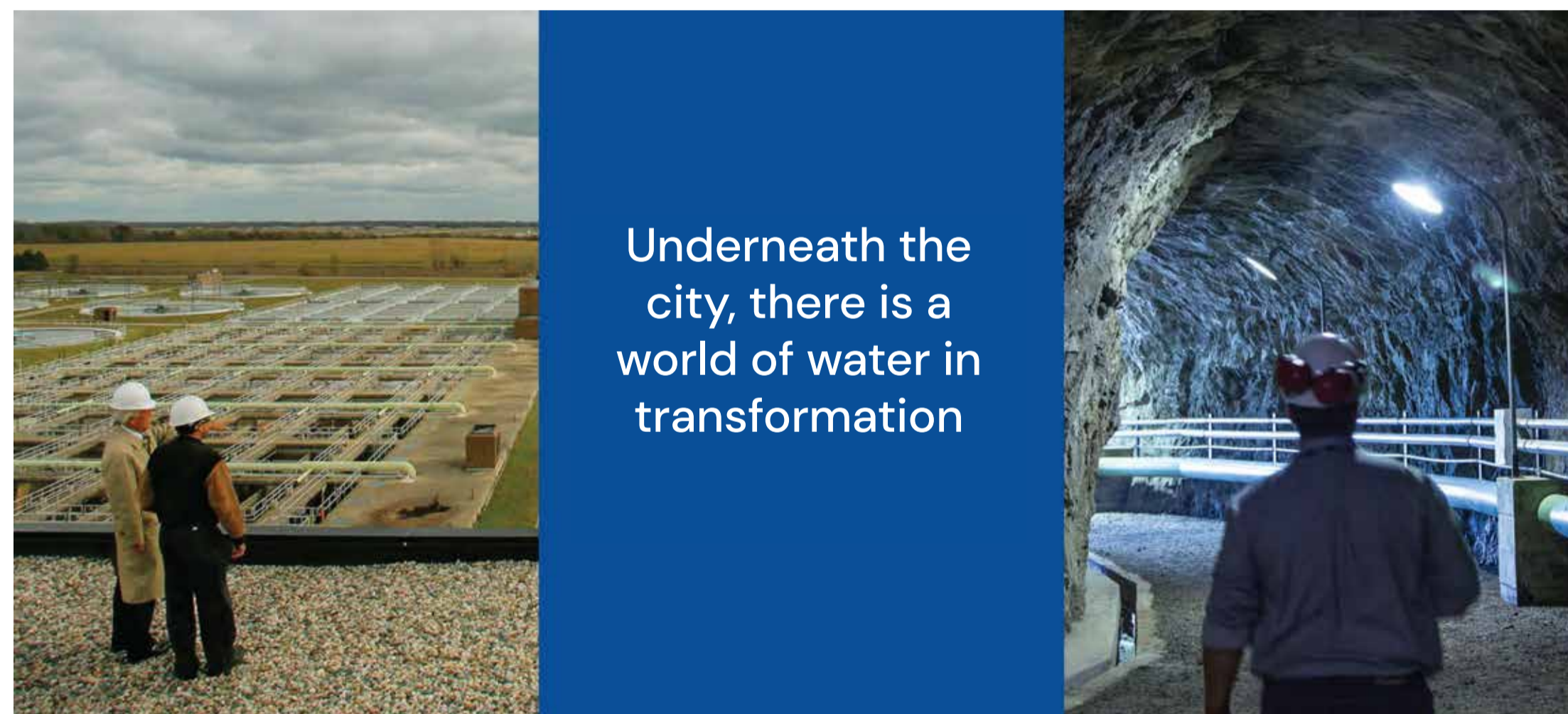
Projected Value (R\$ million)	2024	2025	2026	2027	2028
Water, Sewage and Business Development	1,670.0	1,628.0	1,628.0	1,628.0	1,628.0
Capitalizations	221.5	330.9	342.2	342.3	342.3
Total	1,891.5	1,958.9	1,970.2	1,970.3	1,970.3

The level of investments foreseen in the Investments Program is aimed at the expansion of water supply and sewage systems, network extension, water security, loss control, business development, compliance with regulatory and efficiency goals, concession commitments assumed, replacement of depreciated assets, in line with the achievement of the Company’s corporate purpose and mission, ensuring the sustainability and longevity of the Company. With this, Copasa seeks to meet the demands of customers and the granting authority, seeking to expand the coverage of water supply and sewage services.

Fundraising

To support the Investments Program, the Company intends to use resources from its cash generation, as well as resources from third-party loans.

At the end of the 2023 fiscal year, the Company had a balance of R\$1.8 billion in contracted and not yet released resources, of which R\$195.4 million was with the FGTS, €45.5 million (equivalent to R\$243.3 million) contracted with the German bank KfW, €53 million (equivalent to R\$283.6 million) from the European Investment Bank – EIB. The debt will be recorded in the accounts once the funds are actually received by the Company.





Copasa, Rio das Velhas WTP

Water Supply Systems

The investments made for the water supply systems were:

- ➔ Implementation, expansion and improvements of water supply systems in the cities of Alfenas, Belo Horizonte, Brumadinho, Cambuquira, Capelinha, Caratinga, Conselheiro Lafaiete, Contagem, Diamantina, Divinópolis, Esmeraldas, Fronteira, Frutal, João Pinheiro, Lavras, Mesquita, Montes Claros, Nova Lima, Nova Serrana, Paracatu, Patos de Minas, Perdígão, Machados Stream, Ribeirão das Neves, Santa Barbara, Santa Luzia, Santo Antônio do Monte, Timóteo, Vespasiano, among others;
- ➔ Emergency works for the recovery of water mains in the Metropolitan Region of Belo Horizonte – RMBH, mainly the Paraopeba Water Main – Serra Azul WTP;
- ➔ Actions aimed at the efficiency of water metering and loss reduction, with emphasis on the acquisition of macro and micro flow meters;
- ➔ Acquisition of operational equipment for moderation and optimization of the water supply system in several operated cities; and
- ➔ Execution of works for the implementation of Unidades de Tratamento de Resíduos (Waste Treatment Units) (RTUs) in Water Treatment Plants (WTPs) in the cities of Araxá, Belo Horizonte, Betim, Caratinga, Carmo do Rio Claro, Diamantina, Guaxupé, Ibirité, Lavras, Nova Lima, Patos de Minas, São Gotardo, Três Corações, Varginha, among others.

Sanitary Sewage Systems

The investments made for the sanitary sewage systems were:

- ➔ Implementation, expansion and improvements of sanitary sewage in the cities of Abaeté, Belo Horizonte, Betim, Bonfim, Buritis, Campanha, Carmo da Cachoeira, Confins, Conselheiro Lafaiete, Contagem, Cruzília, Diamantina, Divino, Divinópolis, Guaxupé, Igarapé, Inhapim, Itaobim, Jacinto, Januária, Juatuba, Madre de Deus de Minas, Mateus Leme, Montes Claros, Mutum, Nova Lima, Paracatu, Patos de Minas, Pedro Leopoldo, Perdões, Presidente Bernardes, Presidente Juscelino, Ribeirão das Neves, Rio Pomba, Sabará, Santa Luzia, Santana do Paraíso, Santos Dumont, São Francisco, São João Nepomuceno, São Joaquim de Bicas, Sarzedo, Teófilo Otoni, Timóteo, Ubá, Visconde do Rio Branco, among others;
- ➔ Replacement of sewage assets in several operated cities; and
- ➔ Acquisition of operational equipment for modernization and optimization of the sanitary sewage system in several cities operated.



Copasa ensures that its private social investments is aligned with public policies for sustainable development. In this sense, the Company invests in social projects focused on culture, sports and health through tax incentives and its own resources. Actions are also developed to implement institutional guidelines that fight discrimination and foster respect for and appreciation of diversity.

To support the cities where it operates, there is a special tax discount to encourage the Cities to remain up to date with payments for sanitation services. By paying water and sewage bills on time, without any previous debt, cities obtain a 50% discount on the amount of the taxes charged, allowing the reduction of their operating costs, as well as helping them save resources to invest in works and projects of social interest.

Copasa has also strengthened its efforts through partnerships with institutions whose main scope is social action, promoting various corporate volunteering initiatives, which will be described throughout this report.

The 2023 Investimento Social Privado (Private Social Investments) (ISP) adopts the methodology presented by the BISC (Benchmarking do Investimento Social Corporativo (Corporate Social Investments Benchmarking))¹. The calculated amount considered the Gross Operating Revenue of R\$ 7,312,789,304.65².

¹ Initiative of Comunitas, available at: <https://bisc.org.br/> and the *Grupo de Institutos, Fundações e Empresas* (Group of Institutes, Foundations and Companies) (GIFE), available at: <https://gife.org.br/quem-somos-gife>

² Official amount after the publication of the results by the *Unidade de Serviços de Relações com Investidores* (Unit of Investor Relations Services).

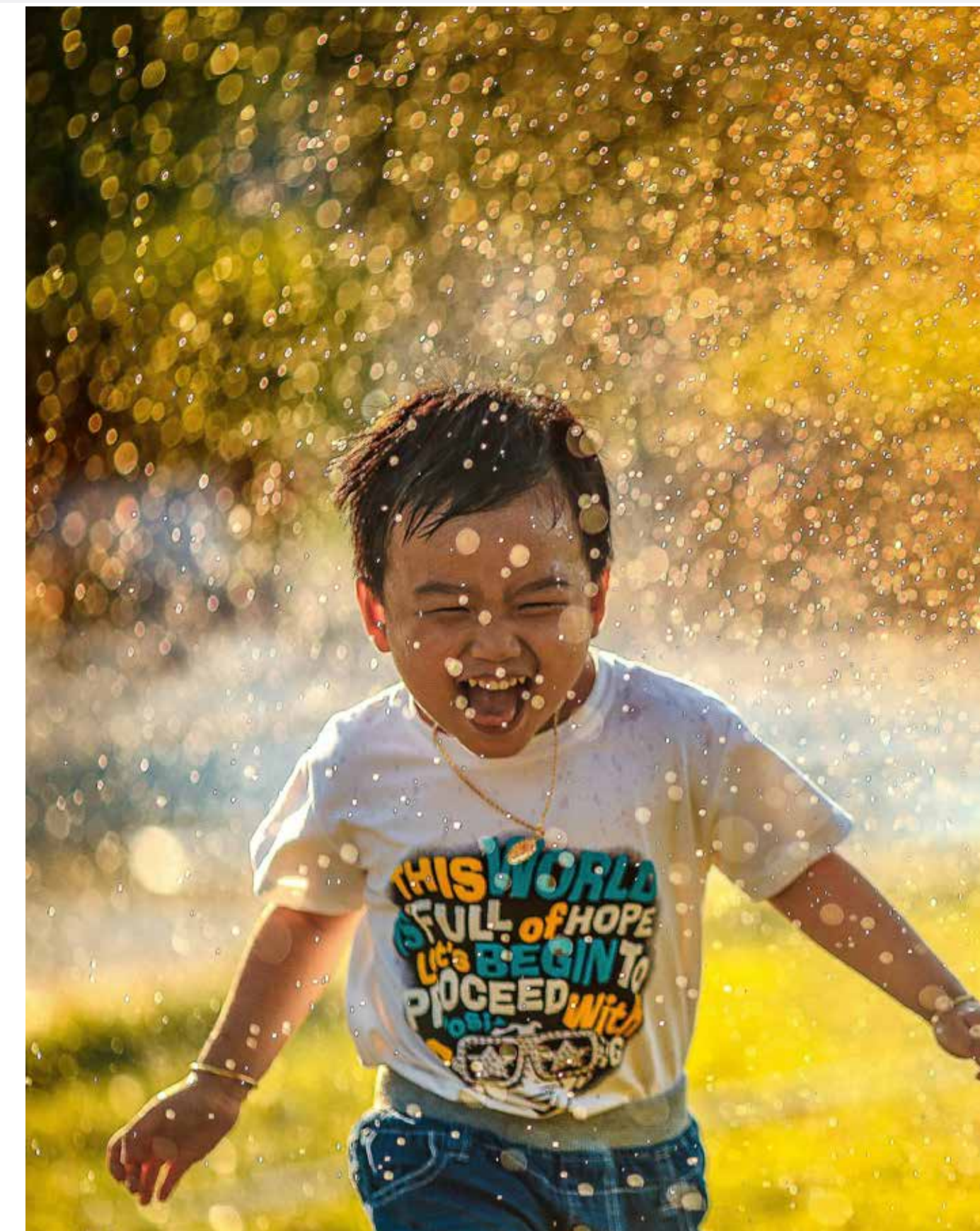
Social Investments

SDGs (1 – TARGET 1.1, 1.2, 1.4, 1.5/ 3 – TARGETS 3.3, 3.4, 3.9/ 4 – TARGETS 4.4, 4.7/ 5 – TARGET 5.1, 5.5/ 6 – TARGETS 6.1, 6.2/ 8 – TARGETS 8.5, 8.7, 8.8/ 10 – TARGETS 10.2, 10.3/ 12 – TARGET 12.8/ 16 TARGET 16.6/ 17 – TARGET 17.17)

GLOBAL COMPACT (PRINCIPLES 1, 6)

GRI (201-1 / 406-1 / 413-1 / 3-1 / 3-2 / 3-3)

Private Social Investments	
Investments aimed at society/community	Invested (R\$ thousand)
Incentives	10,549.0
Water Distribution – Water Tanker	32.5
Investments in external programs and/or projects	41,099.4
PIX do bem Copasa	49.4
PIX Solidário	201.1
Benefits for those affected by the rains	6.3
Grants to Philanthropic Entities	20,867.1
Confia em 6% (financial cost and program)	61.6
Programa Voluntários da Copasa	28.0
Programa Fica Vivo	783.4
Special Negotiations for Installment and Social Category	4,936.6
Discount Program for the Granting Authority	58,934.8
Total Investments	137,549.2



The ISP, for the year 2023, amounts to 1.88% of Gross Operating Revenue. Despite the above-expected performance, Copasa is constantly reassessing its indicators, which is why the ISP has been adopted as an important social investments indicator, in addition to the possibility of comparison with other internal investments indicators.

Social Tariff

The Social Tariff is a benefit made available to families enrolled in the *Cadastro Único de Programas Sociais do Governo Federal* (Unified Registry of Social Programs of the Federal Government) (CadÚnico), who have a monthly income of up to half a minimum wage per person

The average monthly number of savings benefited by the Social Residential Tariff was, in 2023, 644.6 thousand savings for water supply services and 389.8 thousand savings for sanitary sewage services.

Through the negotiation of values for the public social tax, public hospitals, private hospitals, philanthropic entities and city halls, R\$46 million were negotiated, and for the others, R\$40 million were negotiated, of which R\$2 million were recovered with payment in cash and with down payment in installments.

The benefit is one of the actions of social responsibility of the Company and is aligned to the Sustainable Development Goals (SDGs), with the main focus on SDG No. 06, which deals with the availability of drinking water and sanitation.

Grant Concession

Copasa has a Subsidy Grant Program aimed at strengthening social assistance entities, through discounts of 25% on the taxes of registered entities and 50% for philanthropic hospitals. In 2023, R\$20.8 million was made available among the approximately 631 entities benefiting, with discounts on water and sewage taxes up to the limit of subsidized demand.

25%
discount in the taxes of registered entities

50%
discount for philanthropic hospitals

In 2023:

R\$ 20.8
millions available

631
entities benefited

Programa Solidariedade **(Solidarity Water Program)**

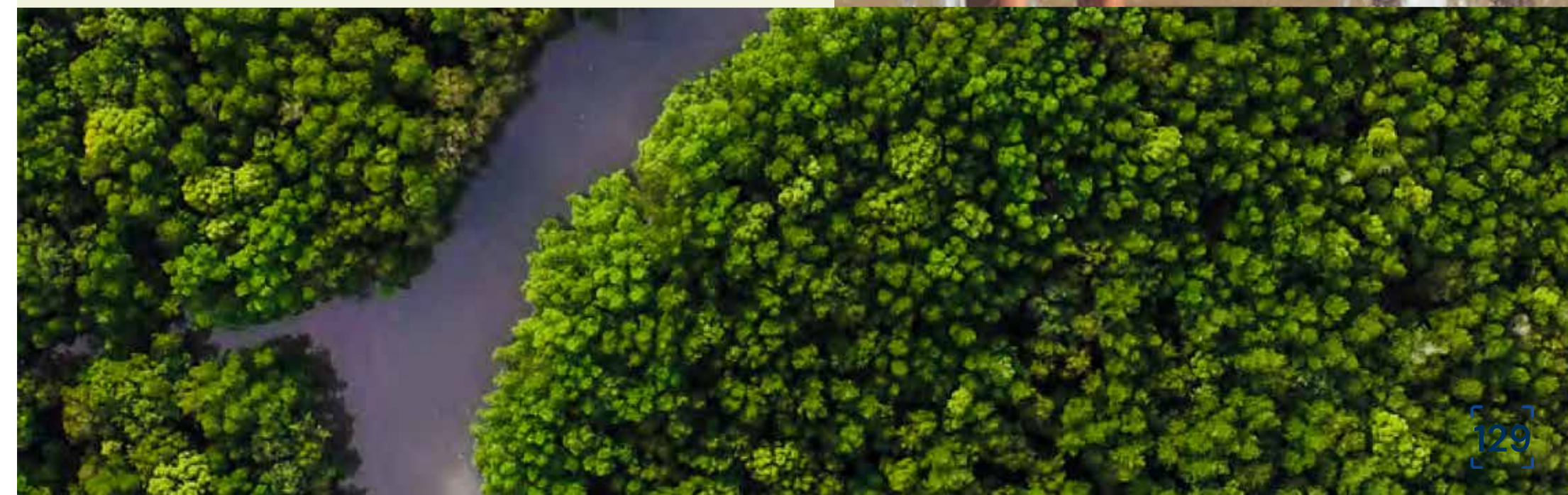
It allows the collection of donations, in the Copasa account, for public or charitable hospitals.

In 2023, an average of 26 institutions benefited per month and more than R\$3.8 million was raised in the year.

Programa Apadrinhamento **(Sponsorship Program)**

It allows the collection of donations, in the Copasa account, for philanthropic institutions.

In 2023, an average of 200 institutions were benefited per month and more than R\$3 million was raised in the year.



Copasa Volunteers Program

In 2023, the Copasa Volunteers Program held 21 initiatives with more than 1000 hours of volunteering, with actions in 24 cities, benefiting more than 15,000 people and 35 institutions, were also collected more than 1,500 kilos of food and 30,000 pieces of clothing and accessories, in addition to more than R\$9,425.00 in donations via Pix.

In addition, Copasa actively participates, every year, in the campaign to sponsor the letters of the Christmas Action of the *Serviço Social Autônomo* (Autonomous Social Service) – Servas, which, in 2023, benefited more than 400 people, including children, young people and the elderly, consolidating its social commitment through the adoption of the letters.

Furthermore, for the second consecutive year, Copasa participated in the *Natal Solidário em Rede* (Solidarity Christmas Network), a partnership with 14 other companies (Instituto Unimed, LOG, CEMIG, Instituto MRV, Pif Paf, Arcelor Mittal, Sebrae, Hotel Tauá, Chiudfund, IUBH, Patrus Transporte, CBMM, Banco BDMG, Banco Inter) benefiting more than 3,000 children and adolescents aged 2 to 17 from the Children and Youth Center of *Cidade dos Meninos*. Through its participation, Copasa presented the theme “Conscious Use of Water” with lectures, interactive videos and the Mini ETA, where the entire water treatment process was shown to the students.

The *Confia em 6%* (Trust in 6%) Program, aimed at future generations, encourages the Company’s employees to exercise their citizenship, allocating up to 6% of the due Income Tax to the Municipal Councils for the Rights of Children and Adolescents in the locations where the Company operates. In 2023, the participation of 1,046 employees allowed the allocation of R\$657 thousand to 124 registered institutions, which will allow extending the benefit to more than 30 thousand children and adolescents, in all regions of the state of Minas Gerais.

The *Confia em 6%* (Trust in 6%) Program aims to awaken the workforce to the exercise of citizenship, encouraging Copasa employees to transform part of their income tax into hope for thousands of children and adolescents in the cities where the Company is present.

The resources are intended to meet policies, programs and actions aimed at promoting, protecting, defending and guaranteeing the rights of children and adolescents, and are distributed through deliberation of the Councils for the Rights of Children and Adolescents (State and Cities).

21
initiatives

24
cities

35
institutions

*Programa
Confia
em 6%*

1046
participating
employees

1000
volunteer
hours

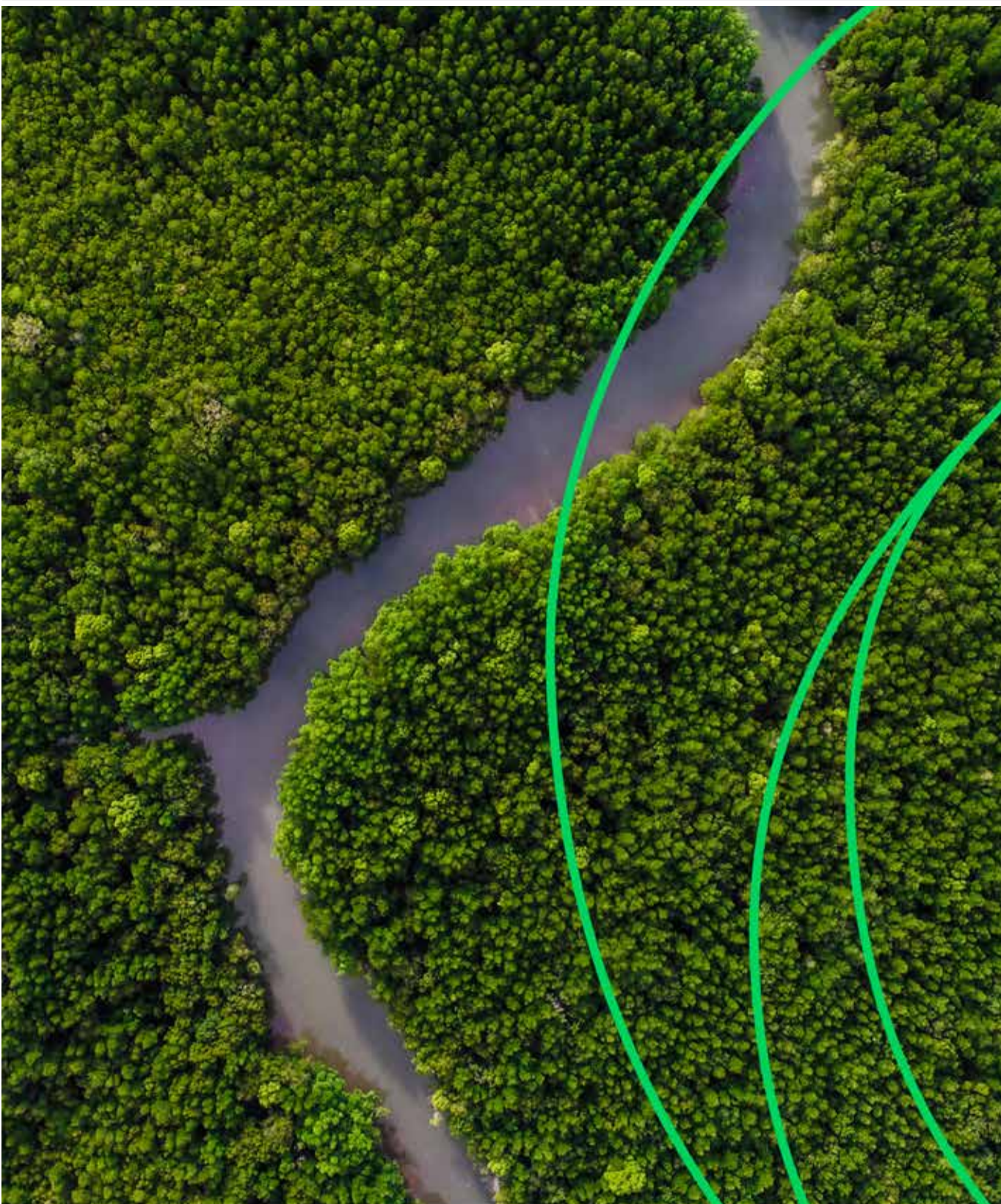
R\$ 9,425.00
in donations by pix

30000
clothes
and accessories

1500 kg
of food

R\$ 657,000.00
124 institutions

**30 children
and teenagers
benefited**



Environmental Investments

GRI 203-1 / 203-2 / 2-25 /
304-3 / 413-1

Aiming to ensure the quality and availability of water in the springs used for public supply, Copasa develops a series of actions to conserve the natural resources of the river basins.

In this way, basic sanitation services are directly correlated with the principles of the Global Compact, the SDGs and Copasa's business model, as they are inextricably linked to the structuring of more sustainable cities and communities (principle 9) and are fundamental basic services for the population (principle 1), since investments in their expansion have the potential to address some goals of SDG 11 (sustainable cities and communities), even beyond infrastructure.

For people to have access to safe housing, it is necessary to rely on the provision of basic services such as sanitation (goal 11.1), enabling inclusive and sustainable urbanization (goal 11.3; principle 8). In addition, a safe and conscious structuring of basic sanitation services allows the population to better adapt to environmental and health disasters, especially for people in vulnerable situations (target 11.5; principle 6). Consequently, there will be a reduction in negative environmental impacts, providing an environment with better living conditions in terms of water quality and waste and effluent management (target 11.6; principle 7).

The Company's investments beyond basic sanitation infrastructure, about social and environmental qualification programs, enable a positive impact on the dissemination of educational, cultural and environmental heritage (target 11.4).

In this sense, to ensure a better quality of the environment in which we carry out our activities, we maintain almost 25 thousand hectares of protected areas, with the main objective of protecting water sources. These areas constitute, in whole or in part, state Special Protection Areas (*Áreas de Proteção Especial – APE*) and/or state or federal Conservation Units and have a great diversity of species of fauna and flora of the Atlantic Forest and Cerrado, with emphasis on the occurrence of endemic and endangered species. To conserve biodiversity and protect the natural heritage found in these areas, in addition to permanent surveillance action, we develop monitoring and protection activities in the areas of surface and underground water sources; curbing fishing, hunting and illegal collection of specimens of flora and fauna; implementing and maintaining firebreaks; fighting forest fires; contracting the preparation of management plans and/or environmental education activities.

On the following pages, we present the Company's key programs and tools used by the Company.

Sistema de gestão de informações de recursos hídricos e ambientais (Water and Environmental Resources Information Management System) (GERHA)

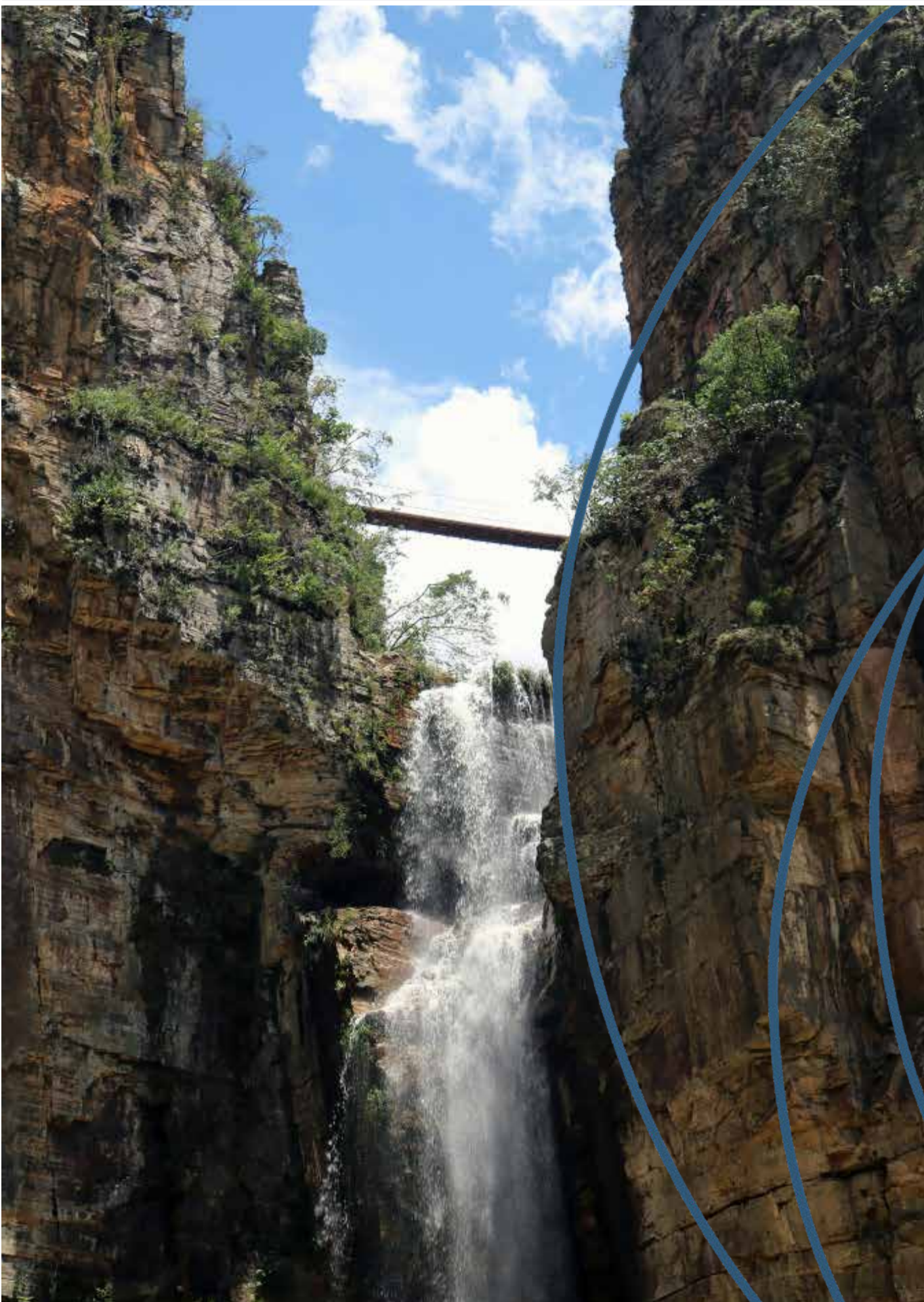
It is a tool created with the objective of facilitating the management of the environmental regularization processes of Copasa's projects, monitoring of water sources and other environmental actions.

Thus, to conserve biodiversity and protect the natural heritage found in these areas, in addition to the permanent surveillance action, the Company develops activities to monitor and protect surface and underground springs areas; to curb fishing, hunting and illegal collection of flora and fauna specimens; to implement and maintain firebreaks and infrastructure; to recover degraded areas; to combat forest fires; to prepare technical studies and management plans; to support research activities and environmental education.

Furthermore, to ensure the quality and quantity of water from the springs used for public supply, the Company develops environmental education actions and actions for the protection and recovery of the watersheds, highlighting the *Pró-Mananciais* (Pro-Springs), the Chuá Sanitary and Environmental Education, the Chuá Socio-Environmental and the *Ambientação* (Environment-action) Programs.



Copasa, Rio das Velhas System



Pró-Mananciais (Pro-Springs) Program

GRI 304-3



Integrated into the ESG Agenda and aligned with SDGs 6, 13, 15 and 17, the Pro-Springs Program was designed by Copasa, with the objective of recovering and preserving the micro-watersheds and recharge areas of surface and underground springs where the company collects water for public supply, through actions and the establishment of partnerships, aiming to improve the quality and quantity of water.

The Program's principles are the culture of sustainability, awareness-raising, mobilization and environmental education actions, the appreciation of knowledge, the encouragement of changes in habits and customs, the ethics of care, the collective construction of the feeling of belonging to the watershed and shared responsibility. In addition, it brings in its conception the idea of anticipating actions through the care, protection and recovery of water and small watercourses, from their source to their collection point.

Among the actions developed, the fencing of springs and other *Áreas de Proteção Permanente* (Permanent Protection Areas) – APP, planting of native seedlings, construction of rainwater containment basins, as well as the holding of workshops and training on environmental issues for the school public, farmers and other residents of the city, in order to promote the culture of sustainability and, thus, gain more and more partners in environmental preservation.

The Program is premised on the participation of the municipal government and the formation of a local collective made up of different entities,

which are responsible for all stages of the Program's development in the city, from community mobilization, diagnosis, planning and monitoring of actions.

The program has been included in the Company's tariff composition since the 2017 tax review carried out by Arsae, guaranteeing resources for investments in environmental actions.

The total amount invested in the Program, from its creation (2017) to 2023 was R\$115.98 million, of which R\$39.66 million are referred to the year 2023, demonstrating Copasa's commitment to preserving water sources and promoting environmental sustainability.

Among the actions developed by the program, we can highlight the planting of native tree seedlings and the construction of fences to protect *Áreas de Preservação Permanente* (Permanent Preservation Areas) (APPs) carried out in 2023: 35.1 thousand trees were planted, and 696.5 thousand meters of fence were installed. This is evidence of the Company's efforts to promote the recovery and preservation of degraded areas, contributing to the protection of water sources and the improvement of water quality. Approximately 461.0 thousand meters of terracing and more than 7,502 rainwater containment basins were also built

Besides, Copasa had important results related to other actions carried out by the Program, such as the construction of rainwater infiltration dams and the adaptation of roads, which contribute to the prevention of soil erosion and the increase in water availability for the region.

Programa Chuá de Educação Sanitária e Ambiental

The Chuá Health and Environmental Education Program (*Programa Chuá de Educação Sanitária e Ambiental*) has been promoting, for more than 32 years, awareness-raising actions in public and private schools throughout the state of Minas Gerais, and addresses issues in health, basic sanitation and the environment. More than 13,100 children and adolescents, 16,100 people related to the external public, and over 2,400 companions have been assisted.

Programa Chuá Socioambiental

The Chuá Socio-Environmental Program, based on SDGs (4 and 12) and the principles of the Earth Charter, seeks to promote interactions between schools and Copasa, in the promotion of specific knowledge about sanitation, the water cycle and the watershed, stimulating knowledge and the search for protagonism among students, through the exchange of knowledge, interactive dialogues, interpretative trails, campaigns and workshops.

With actions that enrich the environmental narrative, the Program's interaction with students is guided by dialogues on the right to access to water, the protection and recovery of water sources, the circular economy, and social and environmental solidarity, as well as aspects related to climate change and water scarcity.

In this cycle, it implemented a structure for collecting and storing rainwater in 8 public schools, and resumed visits to the systems operated by Copasa, promoting experiences related to the importance of basic sanitation, which resulted in the involvement of about 1.9 thousand people linked to social and school groups of socio-environmental reference.

Chuá Socioenvironmental carries out activities such as the Socioenvironmental Gymkhana, which comprises the following stages:

- ➔ Oil Campaign – encourages students to take used cooking oil to a collection point;
- ➔ Green Fair – promotes the exchange of different species of plants in schools, to diversify the flora in the gardens and backyards of students' homes and their families;
- ➔ Detachment Fair – encourages the donation and exchange of objects in good condition and that can still be reused;
- ➔ News Production Workshop – provides guidance on the production of news by students from participating schools about other activities in the socio-environmental competition;
- ➔ Interactive Dialogues – lectures given by Copasa employees on Sustainable Development, aligned with planetary documents such as the Earth Charter and the UN Sustainable Development Goals.

The educational institution that carries out all the activities of the Socio-Environmental Gymkhana receives the Chuá Seal: *Escola Amiga do Meio Ambiente* (Environmentally Friendly School).



Main results:

- o 173 schools, distributed throughout the state of Minas Gerais, have already received the “*Escola Amiga do Meio Ambiente*” (Environmentally Friendly School) Seal;
- o In 2023, the Chuá Program's environmental education investments with schools was R\$186,535.70, for the development of 421 educational activities, with the participation of more than 18 thousand students.

AmbientAÇÃO (EnvironmentACTION) Program

The Program, based on the SDGs (3, 6, 11 and 15), aims to develop, together with the company's employees, actions to reduce electricity consumption and waste generation, in addition to promoting the rational use of water. As a state public policy, the *AmbientAÇÃO* management tool is established through a Technical Cooperation Agreement between the state of Minas Gerais, through SEMAD and Copasa, called SIGA – *Sistema Integrado de Gestão AmbientAÇÃO* (Integrated AmbientAÇÃO Management System). Coleco is the *AmbientAÇÃO* mascot at Copasa.

Through its 8 agreements with the Recyclable Waste Collectors Associations in the cities of Belo Horizonte, Curvelo, Divinópolis, Lavras, Leopoldina, Ribeirão das Neves, São Sebastião do Paraíso and Varginha, the initiative aims to raise awareness that the proper disposal of recyclable waste depends on the action of all employees.

At Copasa headquarters, selective collection is part of the environmental education process with the aim of mobilizing and raising awareness among all internal employees about problems with waste of natural resources and pollution caused by improper waste disposal.

Green Fair

It promotes the exchange of different species of plants in schools, to diversify the flora in the gardens and backyards of students' homes and their families and encourages the donation and exchange of objects in good condition that can still be reused. In addition, it provides knowledge of new plants and care for the environment through the practice of planting.



Detachment Fair

The Fair encourages the exchange and donation of objects that are no longer useful or are accumulated at home and that can be used by other people, promoting a rethinking of the consumerist lifestyle that has been adopted in our society.

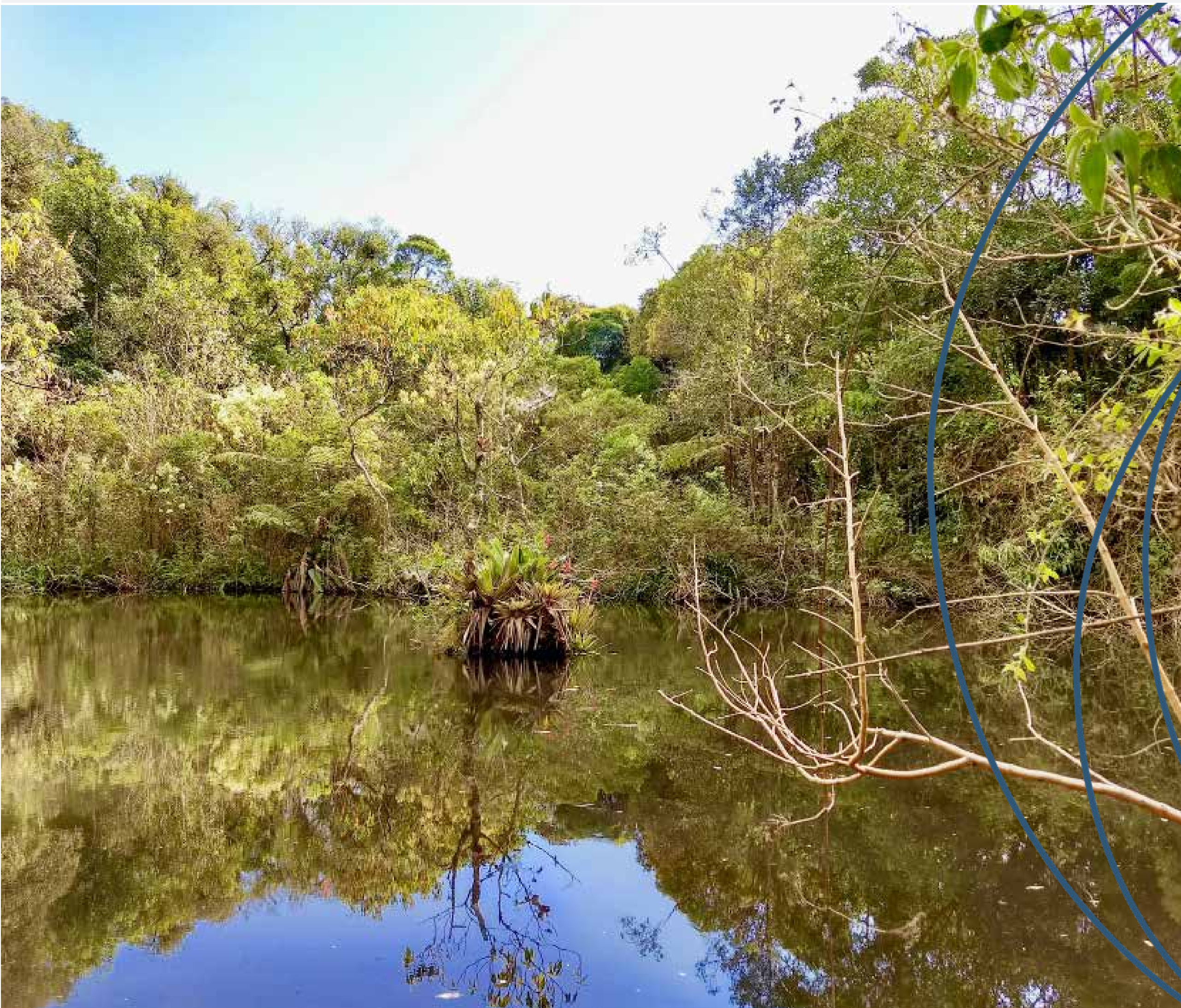


Environmental Education Centers

The *Centro de Educação Ambiental* (Environmental Education Center) (CEAM) Barreiro is the result of Copasa's philosophy of including Minas Gerais residents in environmental education activities to create bonds of respect, knowledge and protection in relation to preserved areas. It is, therefore, a strategic point to invest in the formation of citizens who are more aware and responsible for public and environmental heritage, strengthening their relationship with the production and treatment activities of water used for public supply.

At CEAM Barreiro, in 2023, 28 institutions were served with a total of 2711 people, including students and teachers, employees and others, with 2698 snacks provided to visitors and more than 964 educational kits distributed.





Extrema, Minas Gerais

Correlation with the Global Compact and the SDGs



Principle 1



Principle 6



Principles 7, 8 e 9

11 SUSTAINABLE CITIES AND COMMUNITIES



Basic sanitation services, directly linked to COPASA’s business model, are inextricably linked to the structuring of more sustainable cities and communities (principle 9). These are fundamental basic services for the population (principle 1), since investments in their expansion have the potential to address some SDG 11 goals, even beyond infrastructure.

For people to have access to safe housing, it is necessary to rely on the provision of basic services such as sanitation (target 11.1), providing inclusive and sustainable urbanization (target 11.3; principle 8). In addition, a safe and conscious structuring of basic sanitation services allows the population to better adapt to potential environmental and health disasters, especially for people in vulnerable situations (target 11.5; principle 6). Consequently, there will be a reduction in negative environmental impacts, providing an environment with better living conditions in terms of water quality and management of waste and effluent (target 11.6; principle 7).

No wonder the company’s investments beyond basic sanitation infrastructure, with regard to social and environmental qualification programs, enable a positive impact on the dissemination of educational, cultural and environmental heritage (target 11.4).

In 2014, Copasa's Executive Board established the Climate Committee, in charge of outlining strategies and goals for controlling Greenhouse Gas (GHG) emissions and contributing to the reduction of global warming. The Climate Committee is also responsible for preparing Copasa's GHG Inventory and for reporting information related to the topic to a variety of interested public and private institutions. Every year, the Climate Committee discloses the organization's GHG emissions, among other sustainability information, through the global Carbon Disclosure Project (CDP) platform.

Furthermore, Copasa is committed to acting on the causes and effects of climate change. To address the issue and its main impacts on the business, the Company developed the Policy on the Effects Arising from Climate Change and Variability, guiding the Committee's actions and establishing the Program's guidelines.

Greenhouse Gas (GHG) emissions play a significant role in climate change, the urgency of which is internationally consensual. Some of the activities developed by Copasa generate GHG emissions and are also affected by the consequences of climate change. One example is the change in the hydrological regime, which affects the availability of water for the supply systems.

The Company's Greenhouse Gas Inventories (IGEE) follow the methodology provided by the Greenhouse Gas Protocol (GHG Protocol). The results will be reported to the GHG Protocol, starting in 2023. In this way, the Greenhouse Gas Inventory for 2023 emissions will be available in the Public Emissions Registry of the Brazilian GHG Protocol Program – Public Emissions Registry (<https://registropublicodeemissoes.fgv.br/>) and on the Company's website (Environment (copasa.com.br)).

The mapping of Copasa's GHG emission sources indicated that scope 1 emissions come from the operation of sanitary sewage collection and treatment systems (Solid Waste and Liquid Effluents), operation of the Varginha/MG landfill (Solid Waste), fuel consumption in the vehicle fleet (Mobile Combustion), fuel consumption in stationary power generators (Stationary Combustion) and the planting of native seedlings by the Pro-Springs Program (changes in land use). The Company's scope 2 emissions, on the other hand, come from the consumption of electricity used in administrative

processes, water treatment plants, wastewater treatment plants and operation of the sanitary landfill of Varginha/MG (electricity acquisition).

As for scope 3 emissions, they come from solid waste sent to third parties (Waste Generated in Operations) and from domestic and international air travel by employees working for Copasa (Business Travel). The latter are calculated using the methodology described in Volume 2 "Energy", Chapter 3 "Mobile Combustion" of the "2006 IPCC Guidelines for National GHG Inventories". The emission factors of Copasa employees' trips on airplanes for the company were obtained from the "GHG Protocol 2013".



Climate Change

*GRI 201-2 / 301-3
SASB IF-WU-450A.4*

Despite preparing its Greenhouse Gas Inventory (GHG) since 2011, the organization’s base year is considered to be 2022, when the Company joined the Brazilian GHG Protocol Program and updated its calculation methodology. Thus, Copasa’s total emissions for the base year (2022) were 535,659.666 tCO₂e.

Furthermore, through a technical cooperation agreement, Copasa, together with companies in the sanitation sector (SANEPAR and Iguá Saneamento), carried out a review of the methodology for estimating greenhouse gas (GHG) emissions from sewage treatment, from the perspective of sanitation companies. This work resulted in the publication of an article at the 32nd Congress of the Brazilian Association of Sanitary and Environmental Engineering (ABES). Such review brought changes mainly to the MCF of aerobic effluent treatments and the MCF of the remaining effluent to be purified in the river, in addition to adjustments to the assumptions of nitrous oxide and solid waste emissions. These changes resulted in a change of more than 5% in 2021 emissions. Another relevant point is the improvement in the collection and quality of primary data, the result of a continuous effort within the Company

Defined through benchmarking with other companies in the sanitation sector in 2023, Copasa has 3 indicators to measure the intensity of its emissions:

1. Main Indicator: Scope 1 and 2 Emissions Intensity per unit volume – kg/m³

$$\text{Emissions intensity indicator} - \text{corporate} = \frac{\text{Direct emissions E1 + Indirect emissions E2}}{\text{Volume of water produced + Volume of sewage collected}}$$

2. Financial Indicator: Scope 1, 2 and 3 Emissions Intensity per currency unit (kg/R\$)

$$\text{Emissions intensity indicators} - \text{financial (ICO2)} = \frac{\text{Direct emissions E1 + Indirect emissions E2 + E3}}{\text{Net revenue}}$$

3. Specific Indicator: Carbon Efficiency

$$\text{Emissions intensity indicator} - \text{Sewage efficiency} = \frac{\text{Direct emissions from WWTPs}}{\text{Volume of sewage collected}}$$

In the context of GHG emissions, Copasa has some mitigation actions, such as:

- ➔ Biogas burners in all Wastewater Treatment Plant plants, with the intention of replacing current burners with enclosed burners, increasing burning efficiency and reducing GHG emissions;
- ➔ Energy use of biogas from the Arrudas WWTP (Belo Horizonte/MG), Ibirité WWTP (Ibirité/MG), Betim Central WWTP (Betim/MG) and Vieiras WWTP (Montes Claros/MG), these being the plants among the WWTPs with the highest operating capacity of the Company;
- ➔ Use of a flex-fuel fleet with the proposal to use only biofuels (ethanol) in the fleet’s light vehicles, considerably reducing the consumption of fossil fuels (gasoline) in the transport sector;
- ➔ Pioneering benchmarking with sanitation companies, through technical cooperation, aiming to deepen the topic and discuss the main challenges of the sector in the context of climate change.

In addition, Copasa has the Frota Azul (Blue Fleet) Program, which incorporates good practices focused on sustainability. The Program has a positive impact on the environment by controlling and managing CO₂ emissions from the Company’s vehicles. The Fleet Management System supports the preparation of a Greenhouse Gas Emissions Inventory by type of fuel for each vehicle. After quantifying the gases emitted, Copasa offsets them by planting trees.



Copasa, Ibirité WWTP

Correlation with the Global Compact and the SDGs



Principles
7, 8 e 9

Climate change involves issues directly linked to Copasa's business. As the company has clearly identified, the consequences of climate change pose significant risks to its business, since they threaten the availability of water (target 13.2), the company's main input. The impacts are linked to changes in rainfall patterns, which may reduce the supply of the input or increase the probability of environmental disasters resulting from excessive precipitation.

13 CLIMATE ACTION



Copasa's main sources of Greenhouse Gas (GHG) emissions are sewage treatment and landfill in the city of Varginha. The company's energy consumption is the third largest source of emissions. With this information measured and mapped, it is possible to draw a strategic parallel regarding the management of waste and effluents as a potential generator of energy that, in turn, results in the reduction of GHGs.

Thus, to deal with the risks inherent in climate change, it is essential to respect Principle 8 of the Global Compact. Through a mature and environmentally responsible concept, it is possible to outline action plans to address the challenges posed (goal 13.3). Copasa demonstrates maturity in understanding its responsibility in the face of its potential to reduce harmful environmental impact, concerning the mitigation of its emissions with the revitalization and protection of water sources. Furthermore, with the initiative to transform GHG emissions from sewage treatment into energy for its activities, Copasa demonstrates competence to mitigate its impacts with the potential for economic gains (goal 13:1 and principle 9).



Capitólio, Minas Gerais

Energy Efficiency

SDGs (7 – TARGETS 7.2, 7.3/
13 – TARGET 13.2)
GLOBAL COMPACT
(PRINCIPLES 8 E 9)
GRI 3-3 / 301-3 / 302-1 /
302-3 / 302-4 / 302-5
SASB IF-WU-420A.2 /
IF-WU-130A.1

Electricity is crucial to ensure the provision of public services for drinking water supply, sanitary sewage and solid waste management. Copasa’s operation is a major consumer of energy, which has a significant impact on its operating expenses.

Expenses with this input represent 12.6% of the Company’s total costs and expenses. In addition to variations in electricity consumption due to operations, there are economic factors that influence its cost, such as changes in electricity sector taxes and their adjustments, variations in fares and taxes on energy fares and tax flags. The table below presents the Company’s energy consumption for the years 2021, 2022 and 2023.

ANNUAL EVOLUTION OF ELECTRICITY CONSUMPTION FOR DIFFERENT FORMS OF SUPPLY

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (thousand KWH)					
Specification	2023	Variation 2023/22	2022	Variation 2022/21	2021
Purchased (thousand kWh)	983,140	4.75%	938,561	1.38%	925,760
Self-production (thousand kWh)	3,188	129.85 %	1,387	24.28%	1,116
Manso PPP 1- EAT 4 (thousand kWh)	55,841	- 2,54%	57,296	8,62%	52,750
TOTAL (thousand kWh)	1,042,169.00		997,244		979,626

The following table shows the consumption of renewable and non-renewable fuels and electricity by the Company for the years 2021, 2022 and 2023.

TOTAL CONSUMPTION BY TYPE OF FUEL AND ELECTRICITY USED WITHIN THE ORGANIZATION FROM RENEWABLE AND NON-RENEWABLE SOURCES

Energy consumption within the organization (thousand GJ)			
	2021	2022	2023
Non-renewable fuels	203.3	223.5	246.1
Renewable fuels	390.4	6.8	4.2
Total Energy Consumption ¹	3,526.6	3,590.1	3,751.8
Electricity purchased	3,332.7	3,378.8	3,539.3
Electricity – self-production	4.0	5.0	11.5
Electricity from Manso PPI – EAT 4 ²	189.9	206.3	201.0
Total	4,120.3	3,820.4	4002.1

¹Registration of the *Sistema de Informações para Controle de Energia Elétrica* (Information System for Electric Energy Control) (SICOE) – a tool that supports the control and management of electric energy at Copasa.

²Public-Private Partnership in the form of an Administrative Concession, to expand the production capacity of the Rio Manso Water Production System, located in the Metropolitan Region of Belo Horizonte.

Energy efficiency efforts include replacing obsolete equipment with more efficient models, employing new technologies that rationalize energy use in facilities, adjusting contracted demands, installing capacitor banks to mitigate excess reactive power, and operational adjustments. This project is underway and will allow an average energy saving of approximately 20% in 13 facilities covered; the reduction in energy consumption by Copasa can be seen in the table below.

REDUCTION OF ENERGY CONSUMPTION BY COPASA OVER THE YEARS

Reduction of energy consumption by the organization over the years						
Indicators ¹	2020	2021	2022	Control unit of measurement	2022	2023
Reduction of Energy Consumption for Produced Water – Unit in Gj	-60	-52	-33	Kwh	-9.103.773	-39.655.109
Reduction of Energy Consumption for collected sewage – Unit in Gj	-8	-4	-6	Kwh	-1,575,591	-9,117,463

To promote sustainable energy generation, Copasa relies on systems for self-production of electricity using biogas from sewage treatment and the hydraulic potential of its dams. Currently, the company has two systems in operation: the first, at the Ibirité Wastewater Treatment Plant (WWTP Ibirité), is a cogeneration system that uses biogas to generate energy and burns the sludge; the second, in the dam of the Manso River Water Supply System, uses the residual flow to generate energy.

In addition, Copasa is implementing a project for self-production of energy through photovoltaic solar plants to offset the energy used by consumer units served at low voltage. In January 2024, during the implementation of the solar power plants, the company began to consume renewable energy generated in solar farms for its low voltage installations.

These actions are part of Copasa’s energy matrix modernization plan, which seeks to increase the share of renewable sources in its supply to offset the carbon emissions from its activities, making the company more sustainable.

Regarding the Company’s energy efficiency, the indicator assesses the amount of electrical energy used in each Copasa process – *Sistema de Abastecimento de Água* (Water Supply System) (SAA) and *Sistema de Esgotamento Sanitário* (Sanitary Sewage System) (SES) – in relation to the corresponding volumes of water distributed and sewage collected (electricity/m³). The results are presented in the table below.

ENERGY INTENSITY RATE FOR THE ORGANIZATION

Energy intensity rate for the organization			
Indicators (in kWh/m ³)	2021	2022	2023
Electricity consumption/m ³ of water produced	0.8	0.8	0.8
Electricity consumption/m ³ of sewage collected	0.2	0.2	0.2



Electricity Management

Copasa is implementing several initiatives aimed at managing electricity consumption. These measures aim not only at reducing costs, but also at aligning with its sustainability commitments and the Sustainable Development Goals (SDGs) of the UN Global Compact. Some of these initiatives include:

- o **Energy contracting in the free market:** As of June 2023, the Company began purchasing incentivized electricity in the free market, from renewable sources, for its high and medium voltage units. With this initiative, in addition to the conventional energy purchased in 2022, approximately 47% of the total energy consumed by the Company was purchased in the free market, in December 2023. For 2024, this percentage is expected to increase to 51%.

It is worth noting that the projection of 51% of energy consumption purchased on the free market represents a projected saving of approximately R\$280 million in electricity costs over 60 months. In addition, the acquisition of incentivized energy contributes to the reduction of greenhouse gas emissions.

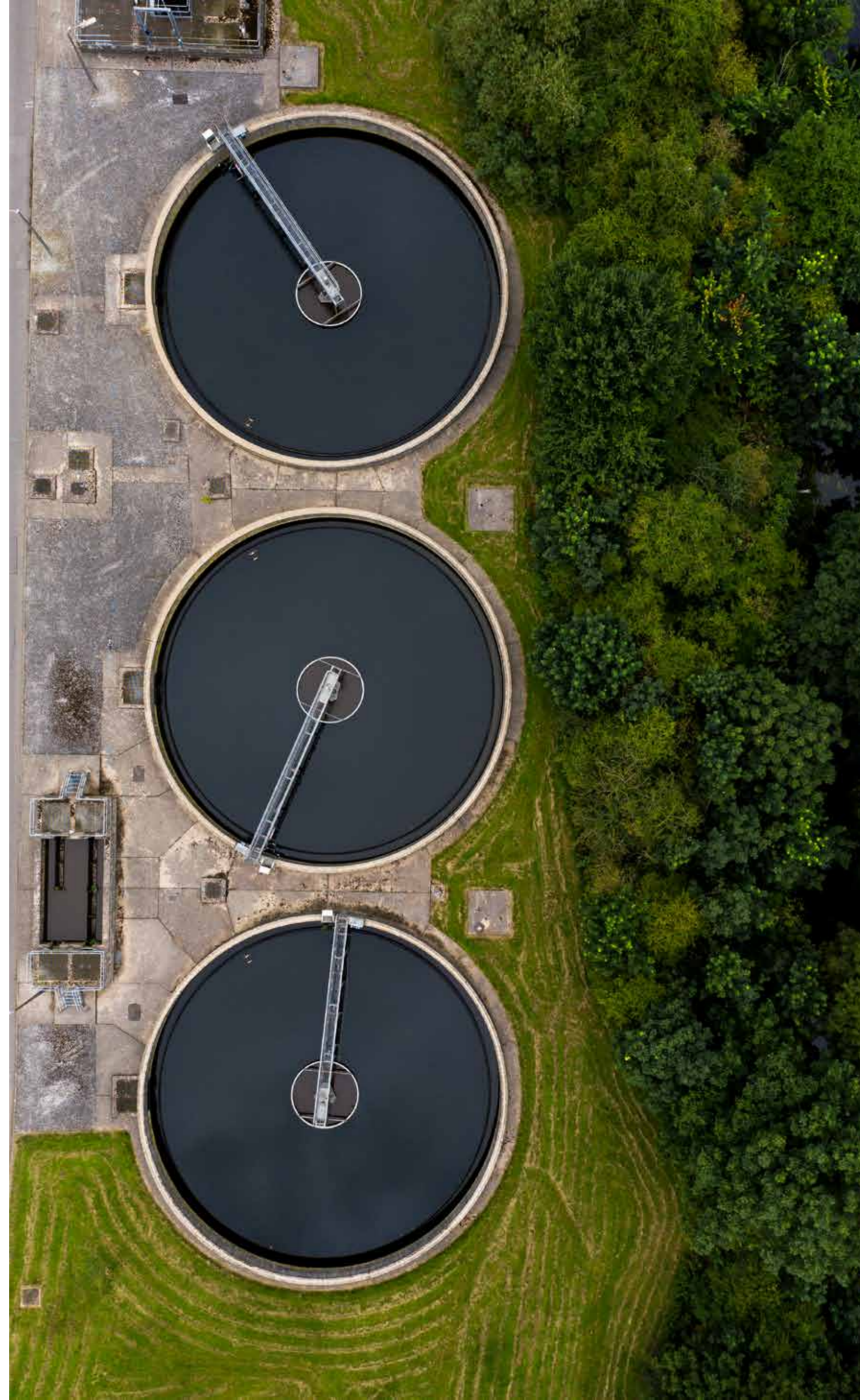
- o **Migration to the retail market:** For units not covered by energy purchased in the free market, the Company has been working on structuring a project to migrate the remaining medium voltage installations to the retail energy market.

- o **Photovoltaic energy:** Structuring a project to implement photovoltaic solar plants and remotely offset the energy of the units served at low voltage, to reduce electricity costs and GHG emissions. Meanwhile, in January 2024, it migrated part of its low voltage facilities to solar farms. Currently, Copasa has 1,892 consumer units receiving approximately 10 MWh/month of energy from photovoltaic plants.

- o **Energy efficiency:** Reduction of electricity consumption through the replacement of obsolete equipment with more efficient models and the use of new technologies that rationalize energy use in the facilities. The project is underway, with 2 units already installed and 13 in the implementation phase, resulting in energy savings in all benefited facilities.



Sumário GRI e SASB



144 GRI 2 – General Disclosures

147 GRI 3 – Material Topics

148 Série 200 – Economic

150 Série 300 – Environmental

153 Série 400 – Social

157 SASB

GRI SUMMARY | UNIVERSAL STANDARDS**REFERENCE PAGE / DIRECTR RESPONSE****GRI 2: GENERAL DISCLOSURES 2021****The organization and its reporting practices 2021**

2-1	Organizational details	Pages 07 e 08
2-2	Entities included in the organization's sustainability reporting	Page 07
2-3	Reporting period, frequency and contact point	Page 07
2-4	Restatements of information	Pages 08
2-5	External assurance	There will be no external assurance of this report.

Activities and workers 2021

2-6	Activities, value chain and other business relationships	Pages 08, 59, 63 e 67
2-7	Employees	Pages 63 e 67
2-8	Workers who are not employees	Pages 59, 63 e 67 All outsourced workers and service providers, who are under the responsibility of the original company with which Copasa has a contract, as well as apprentices and interns.

GRI SUMMARY | UNIVERSAL STANDARDS

REFERENCE PAGE / DIRECTR RESPONSE

GRI 2: GENERAL DISCLOSURES 2021

Governance 2021

2-9	Governance structure and composition	Page 37
2-10	Nomination and selection of the highest governance body	Page 37
2-11	Chair of the highest governance body	Page 37
2-12	Role of the highest governance body in overseeing the management of impacts	Page 37
2-13	Delegation of responsibility for managing impacts	Lack of information
2-14	Role of the highest governance body in sustainability reporting	Annually, the Company prepares the report "Analysis of the achievement of goals and results in the execution of the Plano de Negócios e Estratégia de Longo Prazo (Business Plan and Long-Term Strategy) (PNELP), which is assessed by the Executive Board, approved by the Board of Directors and forwarded to the Legislative Assembly of Minas Gerais and the State Court of Accounts.
2-15	Conflicts of interest	Page 37
2-16	Communication of critical concerns	Communications of critical concerns are taken to the highest governance body by the committees and areas responsible for each issue.

GRI SUMMARY | UNIVERSAL STANDARDS**REFERENCE PAGE / DIRECTR RESPONSE****GRI 2: GENERAL DISCLOSURES 2021**

2-17	Collective knowledge of the highest governance body	Annual training is held for managers, fiscal councilors and members of the Audit Committee. Annual training is held for managers, fiscal councilors and members of the Audit Committee. The management body and other employees are offered training on Ethical Conduct and Integrity, as well as specific and strategic training that takes into account the employees' functions or areas of activity.
2-18	Evaluation of the performance of the highest governance body	Page 37
2-19	Remuneration policies	Page 63
2-20	Process to determine remuneration	Page 64
2-21	Annual total compensation ratio	Pages 64 e 75 Percentage of increase was the same for all employees (corresponding to the variation of the Índice Nacional de Preços ao Consumidor (National Consumer Price Index) (INPC) from November 1, 2022 to October 31, 2023): 4.14%
Strategy, policies and practices 2021		
2-22	Statement on sustainable development strategy	Page 32
2-23	Policy commitments	Pages 19 e 22
2-24	Embedding policy commitments	Pages 19, 22 e 43

GRI SUMMARY | UNIVERSAL STANDARDS**REFERENCE PAGE / DIRECTR RESPONSE****GRI 2: GENERAL DISCLOSURES 2021**

2-25	Processes to remediate negative impacts	Pages 36, 61, 40, 41, 106 e 132
2-26	Mechanisms for seeking advice and raising concerns	Page 41
2-27	Compliance with laws and regulations	Pages 16 e 40
2-28	Membership associations	Page 20

Stakeholder engagement 2021

2-29	Approach to stakeholder engagement	Page 50
2-30	Collective bargaining agreements	Pages 50 e 70

GRI 3: MATERIAL TOPICS

3-1	Process to determine material topics	Page 24
3-2	List of material topics	Page 24
3-3	Management of material topics	Pages 16, 40, 41, 51, 82, 99, 102. 106, 129, 141

GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****200 SERIES: ECONOMIC****GRI 201: ECONOMIC PERFORMANCE 2016**

201-1	Direct economic value generated and distributed	Pages 106 e 129
201-2	Financial implications and other risks and opportunities due to climate change	Page 138
201-3	Defined benefit plan obligations and other retirement plans	Pages 63, 64, 70 e 106
201-4	Financial assistance received from government	Copasa is controlled by the Government of the state of Minas Gerais, which holds 50.04% of the Company's total shares, and did not receive any funds from its controlling shareholder in 2023, referring to capital contributions.

GRI 202: MARKET PRESENCE 2016

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pages 64 e 71 Copasa does not use the minimum wage as a reference to set its employees' salaries. Salary scales are always adjusted based on Collective Bargaining Agreements signed with the Unions. In 2021, 2022 and 2023, the lowest base salary was, respectively, 29%, 36% and 40% higher than the minimum wage.
202-2	Proportion of senior management hired from the local community	75% of Copasa's directors are from the national market.

GRI 203: INDIRECT ECONOMIC IMPACTS 2016

203-1	Infrastructure investments and services supported	28, 104, e 132
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GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****200 SERIES: ECONOMIC**

203-2	Significant indirect economic impacts	28, 104, e 132
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GRI 204: PROCUREMENT PRACTICES 2016

204-1	Proportion of spending on local suppliers	Page 59
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GRI 205: ANTI-CORRUPTION 2016

205-1	Operations assessed for risks related to corruption	Pages 40 e 41
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205-2	Communication and training about anti-corruption policies and procedures	Pages 40 e 41
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205-3	Confirmed incidents of corruption and actions taken	Pages 40 e 41
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GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
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GRI 207: TAX 2019

207-1	Approach to tax	Page 16
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207-2	Tax governance, control, and risk management	Page 16
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207-3	Stakeholder engagement and management of concerns related to tax	Page 17
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207-4	Country-by-country reporting	The Company operates only in the national territory.
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GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****300 SERIES: ENVIRONMENTAL****GRI 301: MATERIALS 2016**

301-1	Materials used by weight or volume	Page 59, 61 e 105
301-2	Recycled input materials used	Not applicable. Fluosilicic Acid and Chlorine Gas are by-products of other companies (fertilizer and caustic soda manufacturing processes).
301-3	Reclaimed products and their packaging materials	Pages 138, 102 e 141

GRI 302: ENERGY 2016

302-1	Energy consumption within the organization	Page 141
302-2	Energy consumption outside of the organization	Not applicable
302-3	Energy intensity	Page 141
302-4	Reduction of energy consumption	Page 141
302-5	Reductions in energy requirements of products and services	Page 141

GRI 303: WATER AND EFFLUENTS 2018

303-1	Interactions with water as a shared resource	Pages 94 e 106
303-2	Management of water discharge related impacts	Pages 94 e 102
303-3	Water withdrawal	Page 94
303-4	Water discharge	Pages 94 e 102
303-5	Water consumption	Pages 94 e 106

GRI 304: BIODIVERSITY 2016

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 94
304-2	Significant impacts of activities, products and services on biodiversity	Page 102

GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****300 SERIES: ENVIRONMENTAL**

304-3	Habitats protected or restored	Pages 132 e 134
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Lack of information.

GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG emissions	The publication of the 2023 emissions report will be at a later date, and will be available on the Public Emissions Registry of the Brazilian GHG Protocol Program (https://registropublicodeemissoes.fgv.br/) and on the Company's website (Meio Ambiente (copasa.com.br)).
305-2	Energy indirect (Scope 2) GHG emissions	The publication of the 2023 emissions report will be at a later date, and will be available on the Public Emissions Registry of the Brazilian GHG Protocol Program (https://registropublicodeemissoes.fgv.br/) and on the Company's website (Meio Ambiente (copasa.com.br)).
305-3	Other indirect (Scope 3) GHG emissions	The publication of the 2023 emissions report will be at a later date, and will be available on the Public Emissions Registry of the Brazilian GHG Protocol Program (https://registropublicodeemissoes.fgv.br/) and on the Company's website (Meio Ambiente (copasa.com.br)).
305-4	GHG emissions intensity	The publication of the 2023 emissions report will be at a later date, and will be available on the Public Emissions Registry of the Brazilian GHG Protocol Program (https://registropublicodeemissoes.fgv.br/) and on the Company's website (Meio Ambiente (copasa.com.br)).
305-5	Reduction of GHG emissions	The publication of the 2023 emissions report will be at a later date, and will be available on the Public Emissions Registry of the Brazilian GHG Protocol Program (https://registropublicodeemissoes.fgv.br/) and on the Company's website (Meio Ambiente (copasa.com.br)).

GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****300 SERIES: ENVIRONMENTAL**

305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable

GRI 306: WASTE 2020

306-1	Waste generation and significant waste-related impacts	Page 105
306-2	Management of significant waste related impacts	Lack of information
306-3	Waste generated	Page 105
306-4	Waste diverted from disposal	Lack of information. Copasa's waste has a specific destination, and its accumulation in the operational plant is not applicable. Small landfills located in Copasa's project areas were considered being final destinations.
306-5	Waste directed to disposal	Page 105

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

308-1	New suppliers that were screened using environmental criteria	Currently, Copasa does not select suppliers based on environmental criteria, but applies criteria in this area to the supplies it uses in some of its operations.
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 59 e 61

GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****400 SERIES: SOCIAL****GRI 401: EMPLOYMENT 2016**

401-1	New employee hires and employee turnover	Pages 63, 64 e 67
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable
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401-3	Parental leave	Page 67
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GRI 402: LABOR/MANAGEMENT RELATIONS 2016

402-1	Minimum notice periods regarding operational changes	The Company's Collective Bargaining Agreement does not stipulate a minimum period for notifications of operational changes.
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-1	Occupational health and safety management system	Page 82
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403-2	Hazard identification, risk assessment, and incident investigation	Page 82
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403-3	Occupational health services	Page 82
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403-4	Worker participation, consultation, and communication on occupational health and safety	Page 82
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403-5	Worker training on occupational health and safety	Page 82
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403-6	Promotion of worker health	Page 82
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 82
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GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****400 SERIES: SOCIAL**

403-8	Workers covered by an occupational health and safety management system	The current Occupational Health and Safety Management System is based on compliance with NRs and initiatives that aim to make the work environment increasingly healthier and safer, covering all employees and not specific percentages. It is not yet ISO certified (with the respective audits).
403-9	Work-related injuries	Page 82
403-10	Work-related ill health	Page 82
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Page 79
404-2	Programs for upgrading employee skills and transition assistance programs	Page 79
404-3	Percentage of employees receiving regular performance and career development reviews	Page 79
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	Pages 71 e 86
405-2	Ratio of basic salary and remuneration of women to men	Page 71
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	Confidential Information

GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****400 SERIES: SOCIAL****GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016**

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 59 e 63
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GRI 408: CHILD LABOR 2016

408-1	Operations and suppliers at significant risk for incidents of child labor	Page 59
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GRI 413: LOCAL COMMUNITIES 2016

413-1	Operations with local community engagement, impact assessments, and development programs	Pages 59, 94, 98, 102, 105, 106, 129 e 132
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 98, 102 e 105

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

414-1	New suppliers that were screened using social criteria	Page 59 They do not have specific socio-environmental criteria for selecting suppliers.
414-2	Negative social impacts in the supply chain and actions taken	They do not have specific socio-environmental criteria for selecting suppliers.

GRI 415: PUBLIC POLICY 2016

415-1	Political contributions	The Company has several policies that prevent direct or indirect relations with political parties or financing of political campaigns. In the Company's Social Balance Sheet, there is no entry involving political parties, in accordance with Federal Laws No. 12,846 and No. 12,813; State Decrees No. 46,782 and No. 46,644; Copasa's Anti-Corruption Policy, Integrity Plan and Code of Ethical Conduct; and the Disciplinary System Procedures and Complaint Investigation Procedures.
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GRI SUMMARY | SPECIFIC STANDARDS**REFERENCE PAGE / RESPONSE****400 SERIES: SOCIAL****GRI 416: CUSTOMER HEALTH AND SAFETY 2016**

416-1	Assessment of the health and safety impacts of product and service categories	Pages 16 e 102
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Confidential Information

GRI 417: MARKETING AND LABELING 2016

417-1	Requirements for product and service information and labeling	Pages 16 e 55
417-2	Incidents of non-compliance concerning product and service information and labeling	Page 16

GRI 418: CUSTOMER PRIVACY 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Confidential Information
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SASB – SUSTAINABILITY DISCLOSURE TOPICS – WATER UTILITIES & SERVICES			
Topic	Code	Metrics	Page / Response
Energy Management	IF-WU-130a.1	(1) Total energy consumed	1. 3770544.42 GJ
		(2) Percentage grid electricity and	2. 99.50
		(3) Percentage renewable	3. 99.52
Distribution Network Efficiency	IF-WU-140a.1	Water main replacement rate	Page 99
	IF-WU-140a.2	Volume of non-revenue real water losses	Lack of information
Effluent Quality Management	IF-WU-140b.1	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Lack of information
	IF-WU-140b.2	Discussion of strategies to manage effluents of emerging concern	Page 102
Water Affordability & Access	IF-WU-240a.1	Average retail water rate for: (1) residential, (2) commercial, and (3) industrial customers	Lack of information
	IF-WU-240a.3	(1) Number of residential customer water disconnections for non-payment, (2) percentage reconnected within 30 days	Lack of information
	IF-WU-240a.4	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	The average water rate per customer is not an internal indicator. Copasa conducts a study on the impact of external factors on the business, but for strategic reasons does not disclose it. Page 17
Drinking Water Quality	IF-WU-250a.1	Number of incidents of non-compliance associated with drinking water quality standards and regulations	Lack of information
	IF-WU-250a.2	Discussion of strategies to manage drinking water contaminants of emerging concern	Page 16



SASB – SUSTAINABILITY DISCLOSURE TOPICS – WATER UTILITIES & SERVICES

Topic	Code	Metrics	Page / Response
End-Use Efficiency	IF-WU-420a.1	Percentage of water utility revenue from rate structures designed to promote conservation and revenue resilience	Lack of information
	IF-WU-420a.2	Customer water savings from efficiency measures, by market	Page 141
Water Supply Resilience	IF-WU-440a.1	Total water sourced from regions with High or Extremely High Baseline Water Stress; percentage purchased from a third party	Lack of information
	IF-WU-440a.2	Volume of recycled water delivered to customers	Page 98
	IF-WU-440a.3	Discussion of strategies to manage risks associated with the quality and availability of water resources	Page 94
Network Resiliency & Impacts of Climate Change	IF-WU-450a.1	Wastewater treatment capacity located in 100-year flood zones	Lack of information
	IF-WU-450a.2	(1) Number and (2) volume of sanitary sewer overflows (SSO) and (3) percentage of volume recovered	Page 106
	IF-WU-450a.3	(1) Number of unplanned service disruptions and (2) customers affected, each by duration category	Lack of information
	IF-WU-450a.4	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	Page 138

This Report may contain considerations regarding the business prospects of Copasa and its subsidiary, which are projections and are based on expectations regarding the future of the business. These estimates are subject to risks, uncertainties and assumptions, which include, but are not limited to, economic, political, financial and commercial conditions in the markets in which the Company operates. Potential investors are hereby warned that none of these forecasts are a guarantee of future performance, as they involve risks and uncertainties. We are not obligated to update such forecasts in the light of new information or future developments. Contact for questions and additional information about the Report: usds@copasa.com.br. Additional information on economic, financial, corporate performance, among other information, is available at <https://ri.copasa.com.br/>

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