



TCFD GUIDELINES

The Task Force on Climate-Related Financial Disclosures (TCFD) encourages companies to inform their investors about the risks related to climate change and how they manage them. We report below on our climate change governance actions in accordance with these guidelines:

GOVERNANCE

a) How the Board oversees climate change-related risks and opportunities.

Risks: the Company has an Audit, Risks, and Internal Controls Department (DARC) which is responsible for mapping, assessing, and monitoring risks. This board reports directly to the Statutory Audit, Risks, and Integrity Committee, composed of members of the Board of Directors and, through this committee, reports to the Board of Directors, which oversees the risks related to climate change in meetings of the body and through this Committee.

Opportunities: Opportunities related to climate change are included in the Company's investment catalog. Their assessment is conducted by the Engineering and Financial Planning Departments and submitted to the Company's Board of Directors as part of the annual budget and business plan.

b) Board's role in the assessment and management of climate change-related risks and opportunities.

The Board of Directors is liable for monitoring and approving the management of risks and opportunities, and may also, in certain cases, request specific action, additional assessments, the development and implementation of action plans. The Board's requests regarding risks and opportunities are addressed to DARC and other members of the Executive Board.

STRATEGY

a) Climate change-related risks and opportunities identified by the organization in the short, medium, and long term.

Risks: In the short and medium term, the main climate risks include heavy rainfall, drought, floods, landslides, electrical discharges, and extreme events such as gales and cyclones. In the long term, the risks involve water availability and aquifer recharge.

Opportunities: projects to transition to a low-carbon economy in the short to medium term. These include sludge reuse, energy generation from biogas, decreased energy consumption, reduced water losses, and greater supply of industrial reuse water. In the long term, these include exploring alternative sources of water withdrawal, such as desalinization projects.

b) Impacts of climate change-related risks and opportunities on business, strategy, and the organization's financial planning.

Short- and medium-term risks have the potential to impact the water withdrawal, treatment, and distribution, which may cause interruptions in service provision, and result in water shortages. Additionally, they could also influence sewage collection and treatment facilities. Long-term risks can lead to a reduction in the level and flow of water bodies, which can impact on the availability of raw water to be treated and supplied to customers.

In all cases, we have a financial impact and the Company monitors, assesses and executes the necessary action plans to mitigate them.

Opportunities: opportunities in the short, medium, and long term can contribute to lowering costs and expenses and to the transition to a low-carbon economy. The long-term opportunities can contribute to increasing water resilience.

c) Organization's strategy resilience, considering different climate change scenarios, including a situation of 2°C or less.

The main impact of climate risks for the Company is the possibility of direct interference in operations, especially in water supply. In this regard, the Company maps and monitors events that may interfere with operations, including in the long term, but not limited to, projections of rainfall, temperature, water refill capacity in surface springs, aquifers and river basins compared to the projection and the population's consumption patterns.

Based on this work, action and investment plans are drawn up, such as drilling wells, increasing water reservoir capacity, transposing basins, developing alternative energy sources, reinforcing building structures, installing backup systems, among others. The Company also has projects aimed at preserving basins, restoring riparian forests, headwaters, and mangroves, to make habitats more resilient to climate change.

Action plans are reported to the Board of Directors. From the financial planning perspective, the Company also has insurance policies covering weather-related risks.

CLIMATE RISK MANAGEMENT

a) Processes adopted by the organization to identify and assess climate change-related risks.

The Company adopts a risk analysis methodology based on ISO 31000 – Risk Management and the methodology of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Risks are identified by mapping processes, analyzing scenarios and trends and regulatory requirements in terms of climate. Process mapping is conducted by DARC with each business area, which considers the current process and the risks in the worst-case scenarios. The scenario studies are carried out in partnership with a company specializing in climate forecasts, which provides historical data, projections and estimates in real time. Once the risks have been identified, they are assessed considering the probability of occurrence and the impact on the business.

b) Processes adopted by the organization to manage climate change-related risks.

The Company adopts the risk matrix, which analyzes five vulnerability criteria that can impact on the probability of occurrence and the potential impact of a given risk. The criteria are external environment, risk management, governance, resources, and people.

Based on this analysis, the risks are classified by degree of severity and criticality. All risks are

monitored through KPIs. For the most critical risks, the Company adopts an Action Plan, according to the 5W2H methodology, and Contingency Plans, using CANVAS. The Action Plans are drawn up at concession level, one for each of the Group’s units. The Contingency Plans are prepared considering a strategy of action that can be applied to all the Group’s concessions. These plans are followed up and their effectiveness monitored so that adjustments can be made if necessary.

c) How processes adopted by the organization to identify, assess and manage risks related to climate change are built into the organization’s overall risk management.

Climate-related risks are included in Aegea’s Risk Catalog, being part of the “ESG Risks” category and of the “Externalities and Climate Change” type. This catalog is revised whenever a new risk category is identified in the Company. Its identification, assessment and management are incorporated into the Audit, Risks and Internal Controls Board and reported to the Board of Directors and the Statutory Audit, Risks, and Integrity Committee, who are responsible for reviewing and approving the Risk Catalog.

METRICS AND GOALS

a) Metrics adopted by the organization to assess climate change-related risks and opportunities in accordance with its risk management strategy and process.

Risks: These are assessed by the following metrics: ão avaliados pelas seguintes métricas:

1) Vulnerability: it assesses the factors that can interfere with the occurrence of risks, aggravating or mitigating the impacts. Vulnerability can be classified as: 1 – Very low; 2 – Low; 3 – Moderate; 4 – High; 5 – Very high.

2) Impact: effects of the eventual materialization of the risk. For risks with high and very high vulnerability, the implementation of an Action Plan is mandatory. Impacts are classified as: 1– Very low; 2 – Low; 3 – Moderate; 4 – High; 5 – Critical.

Regarding metrics, the Company regularly monitors certain environmental and climate KPIs. Some of them, such as Energy Consumption, are corporate targets linked to the managers’ variable remuneration.

Opportunities: These are assessed according to the value that can be added to the business, i.e., according to eventual additional revenue and/or cost household. The financial appraisal is the metric adopted, such as Net Present Value Analysis – NPV, for instance.

b) Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the risks related to them.

The risks related to greenhouse gas (GHG) emissions are mainly those concerned with the higher occurrence of extreme climate events and regulatory risks.

Considering the deficit in Brazil's basic sanitation and the fulfillment of contractual targets for expanding coverage, especially sewage, the sector's GHG emissions are expected to increase.

GHG emissions are detailed in the Company's [Annual Sustainability Report](#).

c) Targets adopted to manage climate change-related risks and opportunities, and performance against targets.

Energy: Electricity is one of the main resources applied in the production and distribution of water and in sewage treatment. The Company's goal is to reduce by 15% specific energy consumption in water and sewage processes by 2030 (measured in kWh/m³ and based on 2020). The target is the Company's formal commitment to the climate agenda. By decreasing energy consumption, we can mitigate the risks associated with its availability. Furthermore, higher energy efficiency can lead to cost reductions.

In 2024, specific energy consumption was 0.37 kWh/m³, 6.9% lower than the baseline (0.39 kWh/m³).

Water resilience: some of the Company's concessionaires have water loss reduction targets agreed in their concession contracts, to be achieved by 2033 and which can vary between 25% and 35%. These targets are calculated based on the ratio between the water macro-measured volume versus the micro-measured volume, with some weightings such as the exclusion of volumes used in the Company's own operations. The targets are assessed by the concessionaires and validated by the regulatory agencies and/or the granting authority. The water losses reduction targets contribute to mitigating the risk of water shortage and by decreasing water losses, the Company also contributes to lower operating expenses.

