



Sustainable Financing Framework

October 2024

ægea

Contents

Table of Contents

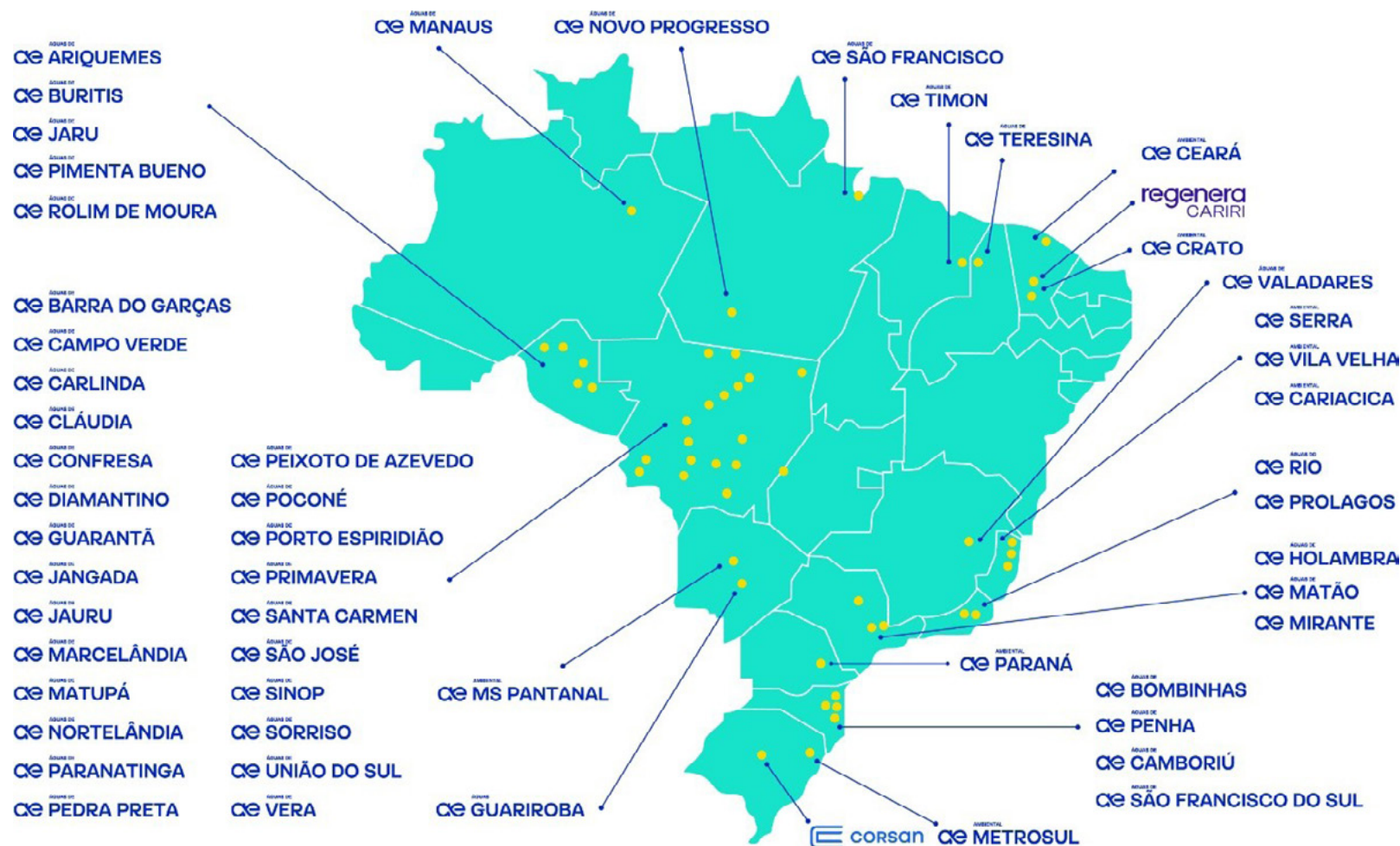
Introduction	3	Use of proceeds component	11
About Aegea	3	Alignment with the Sustainable Principles	11
Sustainability strategy	5	Use of Proceeds	12
Rationale for the Framework	9	Investments Evaluation and Selection Process	16
Compliance of the Framework with international principles and guidelines that support sustainable financing instruments	10	Management of Proceeds	18
		Reporting	19
		External Verification	22
		External Review	22
		Disclaimer	23

Introduction

About Aegea

Aegea is one of the largest private provider of basic sanitation services in Brazil, managing basic sanitation assets under full or partial concession contracts and public-private partnerships (PPPs) as well as public concessions in the entire water cycle, i.e., supply, collection, and sewage treatment. Founded in 2010, Aegea, through its subsidiaries

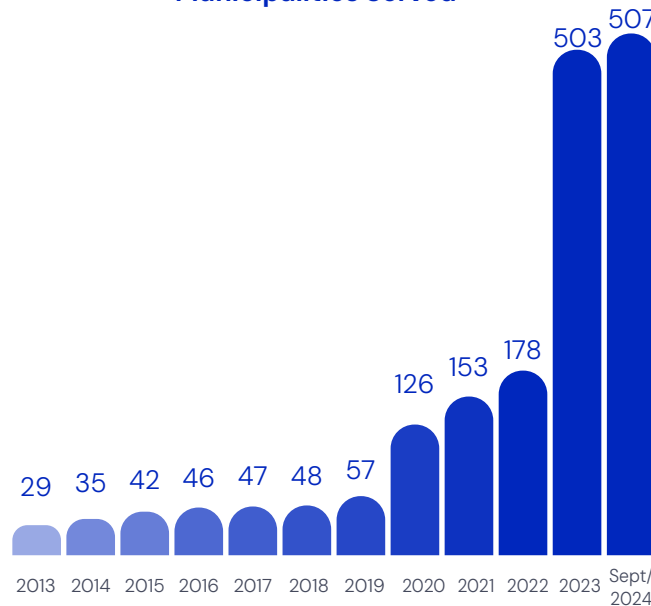
and associated companies, has more than 17,000 employees. Aegea serves more than 31 million people in more than 500 municipalities in 15 states of Brazil, namely Mato Grosso do Sul, Minas Gerais, Rio de Janeiro, Mato Grosso, São Paulo, Pará, Paraná, Santa Catarina, Rondônia, Maranhão, Espírito Santo, Piauí, Amazonas, Rio Grande do Sul and Ceará.



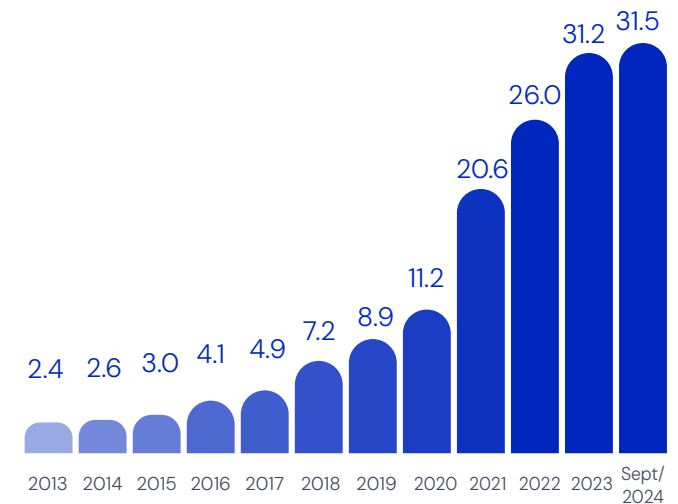


Aegea's solid and dynamic business strategy enables the development of basic sanitation solutions customized to the needs of different municipalities while caring for the environment and looking for ways to improve the quality of life of local communities. Aegea operates concessions in municipalities from 1,500 residents to cities with over 6 million people, which attests to its flexibility and ability to adapt to communities with different populations and socio-economic conditions. The growth in the number of municipalities and the population served by the Company since 2010 is shown below:

Municipalities Served



Population Served (million)



Sustainability strategy

Since its foundation, Aegea has upheld a firm commitment to foster improvements to people's health and dignity. Aegea's objective is to help resolve the country's basic sanitation deficit while respecting the environment and local cultures.

The public's access to a treated supply of drinking water as well as sanitation services is a fundamental condition for society's well-being. Basic sanitation reduces mortality rates, the spread of diseases, and hospitalization. Basic sanitation also has social benefits, contributing to urban improvement, job creation and local education.

Aegea's mission is to go beyond business as usual and expand the water and sewage network for communities, anticipating the needs of more vulnerable populations and including them in the system. Aegea also adopts discounted tariffs that significantly reduce the cost of its services, enabling lower-income families to benefit from the company's services. Given its crucial contribution to social development, the basic sanitation sector is expected to fully adhere to the best environmental, social and governance (ESG) principles. In Aegea's case, this alignment is even more strategic, with ESG principles being an integral part

of the company's Sustainability Strategy and business model.

The Sustainability Strategy is supported by Aegea's Sustainability Policy and is structured on three pillars: Economic, Environmental and Social. In the Economic Pillar, the Company focuses on continually and sustainably improving processes. Aegea is constantly searching for innovative solutions that create value throughout its value chain, while prioritizing transparency and responsibility in information reporting and stakeholder relations.

In the Social Pillar, Aegea prioritizes the health and safety of its employees and customers through its corporate health and safety management program based on ISO 45001. The Company's culture is focused on: (i) preventing injuries and illnesses; (ii) fostering employee diversity to reflect the diversity of local populations throughout all hierarchical/socioeconomic levels; (iii) enacting a transparent and ethical conduct with all stakeholders; (iv) promoting human rights; and (v) combating corruption, child labor, moral and sexual harassment and forced or compulsory labor. To reinforce the Company's commitments, Aegea has set ambitious diversity targets: 45% of women and 27% of black employees in leadership positions (including managers to board members) by the end of 2030.

Aegea's activities are also guided by giving special attention to vulnerable populations to give them access to water and sewage services by expanding the Social Tariff Program, which gives discounts on water and sewage bills for lower-income households. This commitment is also translated into Aegea's model of Social License to Operate ("SLO")¹. This process involves the high-quality provision of Aegea's services and customer service (legitimacy); a transparent and honest dialog with local and national stakeholders, which facilitates a close relationship with the community in each territory, understanding their true needs (credibility); and investments in improving the population's quality of life, contributing to local development not only

through its activities, but also through social and environmental impact initiatives (trust).

Lastly, in the Environmental Pillar, Aegea has a strong Environmental Management System that is based on ISO 14001. Aegea's operations are guided by: (i) recovering water bodies by treating sewage; (ii) constantly seeking technologies that reduce the potential impacts of its activities; (iii) reducing the generation of waste and the intensity of greenhouse gases emissions; (iv) constantly pursuing energy efficiency gains; (v) contracting clean energy sources; and (vi) improving water resilience and the sustainable use of natural resources, especially water. Currently, 98% of the energy Aegea acquires comes from renewable sources

and the company is committed to reduce the specific energy consumption by 15% by the end of 2030. Aegea also pays special attention to combating water losses in distribution systems and to initiatives that protect the water bodies that supply the municipalities where it operates.

Aegea's Sustainability Strategy guides its actions to contribute to the country's development and to generate positive impact through its business. The Company also has a set of guidelines and processes that seek to ensure conformity with national legislation and its principles and values, including Integrity Policies and Health, Occupational Safety and Environment procedures.

¹ Social License to Operate (SLO) is the permission to act in a territory, assigned by the society that trusts in Aegea's ability to perform services and its commitment to inclusion, environmental responsibility, and social development.



In line with the global sustainable development agenda, since 2016, Aegea is a signatory to and actively participates in the United Nations Global Compact, which is the world largest corporate sustainability network. Aegea holds a prominent position, with a seat on the Advisory Board of the Global Compact Network Brazil. Aegea also seats on the coordination body of the Water and Sanitation Action Platform, a group of companies that discuss ways to join efforts to build a governance agenda in water, engaging the private sector to adopt sustainable practices in their operations and supply chains to promote the efficient use of inputs. In 2021, this partnership was further strengthened with Aegea becoming an Institutional Supporter of the Brazil Network, making it the only basic sanitation company with this level of engagement. In this new category, the company holds an even more distinguished position and could become, among other possibilities, a coordinator of the Global Compact for expanding the 2030 Agenda and disseminating the Sustainable Development Goals (SDGs) across Brazil.

Regarding the SDGs and focusing on creating sustainable value, Aegea's Sustainability Strategy responds to the global challenges of the United Nations 2030 Agenda. Explicitly, Aegea through its sustainability strategy especially addresses SDG 6 (that aims to ensure the availability and sustainable management of water and sanitation for all) specifically targets 6.1 and 6.2 that respectively aim to: "by 2030, achieve universal and equitable access to safe and affordable drinking water for all" and "by 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations".

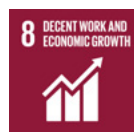
In addition, Aegea also addresses several other SDGs including:



Good health and well-being: Ensure healthy lives and promote well-being for all, at all ages;



Clean water and sanitation: Ensure availability and sustainable management of water and sanitation for all;



Decent work and economic growth: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all;



Reducing inequalities: Reduce inequality within and among countries;



Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable;



Responsible consumption and production: Ensure sustainable consumption and production patterns;



Climate Action: Take urgent action to combat climate change and its impacts;



Life below water: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development; and/or



Peace, Justice, and strong institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels. Moreover, the Company adopts the highest standards of corporate governance, with highlights including most of its directors being independent, in-house Compliance and Audit, Risks & Controls departments reporting directly to the Board and certification in ISO 37001 Anti-Bribery Management, which has been renewed annually since 2018.

Rationale for the Framework

To support its sustainability strategy, Aegea has not only incorporated ESG considerations into the company's daily operations but also reflected its commitment to sustainability through ESG financing at the holding level and within its subsidiaries and associated companies. Aegea, through its concessions and PPPs, operates with the goal of expanding coverage of the water and sewage network, promoting improvements in the health and dignity of local communities and creating value for its shareholders and other stakeholders.

To maximize the impact of its sustainable activities, Aegea created in September 2023 a hybrid Framework, with both the use of proceeds and sustainability-linked components ("**2023 Framework**"). Given recent developments in the sustainable finance market and the company's intention to further detail its use of proceeds, Aegea decided to prepare this Sustainable Financing Framework that will replace the use of proceeds section of the 2023 Framework ("**Framework**").

The company has established this Framework to support the future issuance of sustainable financing instruments that have a green (including blue) and/or social use of proceeds in the international or local markets including ("**Sustainable-FIs**") including sustainable bonds and/or sustainable loans. Sustainable FIs will be used to finance or refinance, in whole or in part, green (including blue), social and/or sustainable financing instruments that align with Aegea's sustainability priorities, including debt securities and loans in the banking, bilateral and/or multilateral markets.

This Framework should be applied for all future labeled Instruments issued by Aegea or any of its subsidiaries and affiliates. This Framework is intended to be used for future issuances and therefore past Sustainable-FIs and/or SL-FIs issued under any of the Previous Frameworks should not be affected in any manner.

This new enhanced Framework provides a high-level approach to labeled Instruments, and investors should always refer to the relevant documentation for any specific new issuance. Nonetheless, Aegea may enter into different financing agreements that may or may not be aligned with this Framework, in terms of projects, indicators, targets, scope and other aspects.

Compliance of the Framework with international principles and guidelines that support sustainable financing instruments

This Framework was designed to support the issuance **Sustainable-FI** issued by Aegea, its subsidiaries and/or associated companies, will be made in alignment with (A) the Sustainability Bond Guidelines of 2021¹ (“**SBG**”), the Social Bond Principles of 2023² (“**SBP**”) and/or the Green Bond Principles of 2021³ (“**GBP**” and together with the SBG and the SBP simply “**Bond Principles**”), administered by the International Capital Markets Association (“**ICMA**”) aiming to encompass future

issuances in the capital markets; (B) the Green Loan Principles of 2023⁴ (“**GLP**”) and the Social Loan Principles of 2023⁵ (“**SLP**”) and together with the GLP the “**Loan Principles**”) published by the Loan Markets Association (“**LMA**”) aiming to encompass bilateral or syndicated loans with financial institutions and/or multilateral agencies and/or; (C) the IFC Guidelines for Blue Finance⁶ published in 2022⁷ (“**IFC Guidelines**”) and the Bonds to Finance the Sustainable Blue Economy⁸ published by

ICMA in 2023 (“**Blue Economy Guidelines**”), and together with IFC Guidelines, simply “Blue Principles”, and together with the Bond Principles and the Loan Principles simply “**Sustainable Principles**”).

Additionally, any labeled Instruments issued by Aegea, its subsidiaries and/or any of its affiliates in the Brazilian debt capital market will also take into consideration the alignment with “Guia para Ofertas de Títulos ESG”, published by the

Brazilian Financial and Capital Markets Association (“**ANBIMA**”) in December 2022, which provide best practices for ESG issuances for Brazilian companies (“**Brazilian Best Practices**”).

The Sustainable Principles and the Brazilian Best Practices (simply referred as “**Principles**”) are voluntary guidelines that were globally implemented and recommend transparency, disclosure and promote integrity for best practices when raising funds with ESG Instruments.

1. ICMA. Sustainability Bond Guidelines. Available on this [website](#). 2. ICMA. Social Bond Principles. Available on this [website](#). 3. ICMA. Green Bond Principles. Available on this [website](#). 4. LMA. Green Loan Principles. Available on this [website](#). 5. LMA. Social Loan Principles. Available on this [website](#). 6. The document identifies the categories of eligible blue projects to guide investments that (i) aim to support the blue economy, (ii) follow the GBP and GLP guideline and other international standards, (iii) contribute significantly to SDG 6 (“Clean water and sanitation”) and SDG 14 (“Life below water”) and (iv) do not pose material risk to other environmental topics and priorities, such as SDG 2, 7, 12 and 13. 7. IFC. Guidelines for Blue Finance. Available on this [website](#). 8. ICMA. Bonds to Finance the Sustainable Blue Economy. Available on this [website](#).

Use of proceeds component

Alignment with the Sustainable Principles

Sustainable-FIs will be aligned with the four core components and recommendations of the **Sustainable Principles**, namely:



1. Use of
Proceeds



2. Process
for Investment
Evaluation and
Selection



3. Management
of Proceeds



4. Reporting

The issuances will also align with the recommendation of having a Framework and an independent pre-issuance verification of the components listed in items 1–4 above.

This Framework may be updated from time to time and will be applied to Sustainable-FIs issued by Aegea, its subsidiaries and any of its affiliates. In the event of an update to this Framework, any future investments will be in alignment with the categories recognized by the Sustainable Principles. It is Aegea's intention to follow best market practice as standards develop.

Use of Proceeds

Aegea intends to allocate an amount equal to the net proceeds of any Sustainable-FI to the financing or refinancing, in whole or in part, of existing and/or future eligible green, social and/or blue projects/ investments that carry clear beneficial components to the environment and/or society ("**Eligible Investments**"). Examples of investments that may be considered eligible include the following:

- **Capital Expenditures** and selected **Operating Expenditures** (such as maintenance costs that either increase the lifetime or the value of the assets) of physical assets meeting the Eligibility Criteria; or

- **R&D Expenditures** aimed at developing new products and/ or solutions as per the Eligibility Criteria; or

- **Acquisitions**¹ of a majority or minority stake or **Capital injections** in *Pure Player*² companies specialized in the categories described in the Use of Proceeds section of this Framework³.

Eligible Investments will include expenditures beginning on the issuance date of the applicable ESG Instrument and those that have been completed within 24 months preceding the issuance date. The Company intends to fully allocate an equal amount of the net proceeds of any labeled instrument as soon as possible but within 72 months of the issuance.

Transactions related to Eligible Investments will be subject to compliance with applicable laws and regulations and Aegea's policies. Additionally, the offering document for each

labeled Instrument will specify which Eligible Investment is included in the associated labeled Instrument. Each Eligible Investment is intended to align with at least one of the Sustainable Development Goals ("**SDGs**"), as defined by the United Nations ("UN") and described below.





All Eligible Investments will provide clear environmental and/ or social benefits directly aimed at addressing or mitigating a specific sustainability issue and/ or seek to achieve positive social and/ or environmental outcomes. The use of proceeds of any

labeled Instrument issued under this Framework can be applied to one or more of the following Eligible Investment categories outlined below and contribute to one or more of the following SDGs.

1. For acquisitions, financed amount to be equal to the net asset value of credible assets of the acquired company (i.e Goodwill will not be included). 2. A Pure Player company is defined as a company that derives a minimum of 90% of its revenues from activities aligned with the criteria of the categories described above. 3. For those cases, Aegea will undertake its best efforts to disclose how investments are expected to lead to a meaningful impact (i.e. supporting growth of the pure-play company's business or product offerings).





Eligible Green and Blue Investments

Category	Eligible investments	Description	Indicators	Alignment with SDGs
Sustainable Water and Wastewater Management Renewable Energy Pollution Prevention and Control Terrestrial and Aquatic Biodiversity Conservation	Infrastructure for clean and/or drinking water, wastewater treatment and solid waste management as well as investments in research, design, development and implementations of efficient and clean water and wastewater systems	<ul style="list-style-type: none"> Wastewater and sewage including treatment plants, lifting stations, pumping systems, construction and/or replacement of sewer network, pipes, lines, mains and other structures, construction and/or replacement of sewer collections structures (including the dry-weather collection system, construction and/or replacement of drainage structure) and other structures and systems to provide wastewater and sewage proper management, collection, treatment, and final disposal*. Water infrastructure (new, expanded or replacement), including treatment plants, lifting stations, pumping systems, construction and/or replacement of network, pipes, lines, mains and other structures for the management and supply water. Water efficiency equipment and water management activities that reduce water footprint by at least 20% compared to a documented baseline. This includes technologies such as water recycling solutions, etc. which has respective substantial water efficiency and/or water consumption. Water supply resilience investments, including those aimed at increasing the recharge and recovery of water bodies, desalination plants, rainwater, recycled water and research and development (R&D). Electricity energy management and efficiency to reduce energy consumption, physical adaption projects for instrumentation that enables continuous monitoring of the energy output of strategic equipment reconditioning of engines, pumps and related components equipment, and replacement of inefficient equipment. Careful management of resources and conservation areas and Reforestation Projects and recovery of water basins. Conservation of the environment and water basin systems. Water produced from wastewater and sewage treatment**. Infrastructure, systems and R&D to enhance water conservation efforts or mitigate water losses. Management of greenhouse gas intensity through an increase in the ratio of sewage treated in aerobic plants, biogas systems at wastewater treatment plants to increase their efficiency and effectiveness, specific energy consumption reduction, the maintenance of a majority renewable energy matrix***, carbon capture projects like reforestation. 	<ul style="list-style-type: none"> Treated water, treated wastewater and sewage volume (m³/year). Avoided wastewater or wastewater minimized (m³/y). Annual absolute (gross) water usage before and after the project (m³/year). Percentage of water losses (%). Efficiency in treated sewage volume (m³/h). Efficiency in treated water volume (L/s). Volume of sludge properly disposed (ton.). Volume of sludge recycled and/or destined to the production of energy generation like biogas and other sources of energy generated from waste recycling process (ton.). Reforested and recovered area (ha). Recycled water produced (m³). Specific electricity consumption (kWh/m³). Consumption of electricity from renewable sources as a ratio of total electricity consumed (%). Intensity of scope 1 and 2 greenhouse gas emissions (ton CO₂e/m³). 	   

* Fossil fuel-powered equipment and technology will be excluded for financing within this category. ** The treatment of wastewater from fossil fuel-driven processes will be excluded from financing. *** Limited to the purchase of renewable energy (such as wind and solar) pursuant to long-term (≥ 5 years) power purchase agreements (PPAs), including those entered prior to the issuance of any Sustainable-FI and later extensions of the PPAs.

Eligible Social Investments

Under the Social Bonds Principles, the investment is eligible considering it provides affordable basic infrastructure to the local community. The target public for these investments is the population residing in the surrounding areas of Aegea's activities.

Category	Eligible investments	Description	Indicators	Alignment with SDGs
Affordable Basic Infrastructure Socioeconomic advancement and empowerment	Infrastructure for clean and/or drinking water*, wastewater treatment, urban drainage systems for a target population.	<ul style="list-style-type: none"> • Providing access to basic infrastructure, such as access to clean water and to sanitation. • Creating jobs and providing competitive income in local populations. • Expanding the number of beneficiaries of tariff reduction/social tariff programs**. • Bringing more health and life quality through the sanitation expansion. 	<ul style="list-style-type: none"> • Population served (No. of inhabitants). • Households served (No. of households). • Average rate of hospitalizations caused by water-borne diseases in municipalities served (per 1,000 inhabitants). • Percentage increase of population served (%). • Number of households served by programs, such as Social Tariff (No.). • Number of people benefitting from improved water and sanitation (No.). 	 



* Integrated Waterpower Plants and desalination plants are not eligible for financing. ** Tariff reduction and social tariff programs include expanding the number of beneficiaries that receive subsidization to cover nearly 50% of the costs associated with obtaining access to potable water and sewage treatment. The beneficiaries are low-income populations, populations registered in the Cadastro Único, low-income families as identified in the government's Bolsa Familia program and residents of communities in need, as well as precarious housing areas and housing developments, and housing for low-income residents. It is Aegea's intention that populations registered in the Cadastro Único are the most likely target populations to receive financing under these programs. The [Cadastro Único](#) is Brazil's unified instrument, known as the Single Registration ("to identify the most vulnerable individuals and families in the country and develop public policies targeted for this population. The Bolsa Familia program aims to support families living in poverty or extreme poverty, as well as expanding access to education and health services.



Exclusion Criteria

Aegea will not pursue or facilitate any of the investment listed below:

- Investments that use irregular and/or illegal practices involving child or youth labor, submit employees to degrading conditions or conditions analogous to slave labor;
- Investments in any project or activity that directly or indirectly violates the rights of indigenous peoples, and traditional peoples and communities;
- Investments whose business partners do not operate in compliance with Federal Law 12,846/2013 (Anticorruption Law);
- Investments related to the acquisition or generation of electricity based on fossil fuels or on coal or fuel oil heating systems; and
- Investments related to nuclear activities/ waste.
- Production or commercialization of any product or activity considered illegal under national or international laws or regulations, conventions and agreements signed by Brazil.

Investments in any of the activities listed above will be excluded from this Framework and will not be used for the purposes of labeled Instruments issued by Aegea, its subsidiaries or any of its affiliates. Please note that the list above is non-exhaustive.

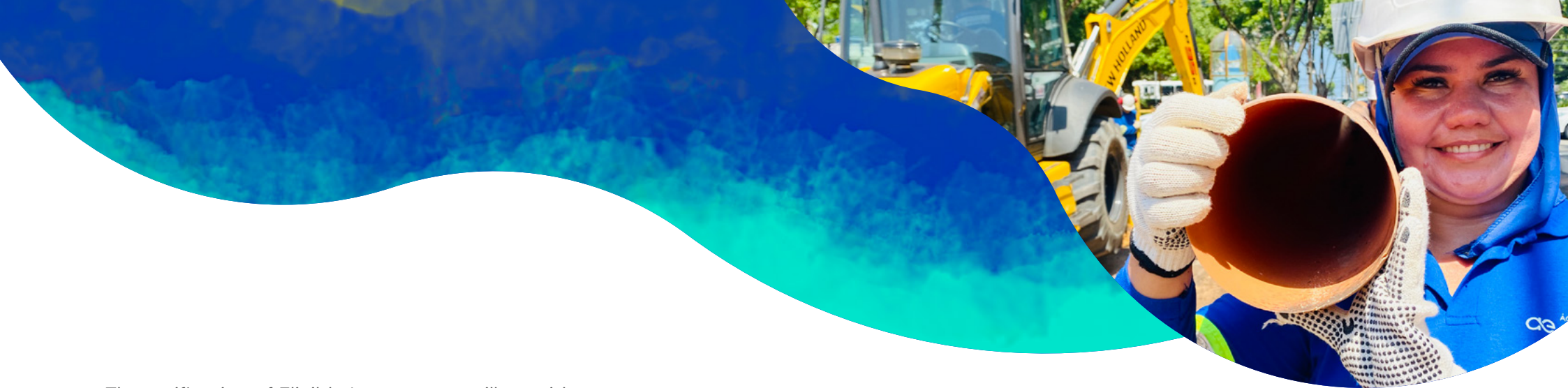
Investments Evaluation and Selection Process

Aegea regularly analyzes the environmental and social impacts of its businesses and assess how it mitigates impacts on communities where the company operates s. Aegea conducts extensive due diligence when evaluating potential new opportunities and monitoring of its investment positions.

The selection and approval process for investments potentially eligible under this Framework is described below:

Step	Process	Responsible department
Select and present to the ESG Executive* Committee the Eligible Investments in accordance with this Framework	Verify if the investments selected can be considered eligible and if they fulfill the evaluation and selection criteria and abide to the exclusion criteria set forth in this Framework	
	Determine which funding source will be used to finance the selected investments	Financial Operations and/or Investor Relations
	Present the investment proposal to the ESG Executive Committee	
Assess and approve the selected investments	Assess the proposal presented by the Financial Operations and/or Investor Relations team and the respective social and/or environmental impacts and/or benefits	Coordinator of the ESG Executive Committee
	Approve the selected investment	
Submit for approval by the Management Bodies	Submit the selected investments for approval by the Management Bodies	Financial Operations and/or Investor Relations
Approve the funding operation (ou financing)	Analyze and approve the investments submitted considering this Framework and the company's strategic planning	Management Bodies

* The ESG Executive Committee is composed of 9 members, including the CEO, CFO, Sustainability Director and other directors and managers for the investor relations, financial and business departments. The Committee is coordinated by the Head of Investor Relations and reports to the CEO of Aegea.



The verification of Eligible Investments will consider the investment alignment with Aegea's Sustainability Policy and the applicable SDGs, especially SDG 6 (that aims to ensure the availability and sustainable management of water and sanitation for all) specifically targets 6.1 and 6.2 that respectively aim to: "by 2030, achieve universal and equitable access to safe and affordable drinking water for all" and "by 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations".

Among the Eligible Investments, Aegea will prioritize those that (i) have a greater impact in water and contribute to sewage coverage growth; (ii) follow SDG 6 and/or (iii) those that meet the higher number of criteria as listed below:

- impact on growth of water and sewage coverage, in compliance with SDG 6;
 - operating efficiency and/or safety;
 - reducing water losses;
 - energy efficiency;
 - use of clean energy;
 - positive impact on the environment, which can be measured by the size of the area or the biodiversity to receive the investment;
 - social impact measured by the higher proportion of people benefitted in relation to the total population in a certain location; and
 - projects in areas with an HDI equal to or less than the country's average (0.759 upon publication of this Framework).
- Moreover, Eligible Investments must obtain all applicable licenses and permits, including operational and environmental ones. Suppliers and business partners associated with the activities listed in this Framework must sign Aegea's Code of Conduct for Business Partners and be submitted to Aegea's Integrity Due Diligence⁴.

⁴. The due diligence process will evaluate, among other things, the supplier/partner compliance with labor rights, situations of conflict of interest and their compliance with Brazil's Anticorruption Law (Federal Law 12,846/2013).



Management of Proceeds

An equal amount of the net proceeds raised with the issuance of any Sustainable-FI will be allocated to Eligible Investments until the maturity date of the respective instrument. Aegea is committed to use its best efforts to fully allocate the net proceeds within seventy-two months from the issuance date of the respective instrument.

The net proceeds will be monitored by Aegea's Financial Operations team continuously during the life of each Sustainable-FI. If any of the Eligible Investments become non-eligible after any Sustainable-FI issuance, the issuer will redirect the proceeds to another Eligible Investment within 12 months.

The documentation for each Sustainable-FI may include specific clauses that impose fines and/or other penalties if the proceeds raised are not used and/or directed towards Eligible Investments listed in this Framework.

The correct allocation of an equal amount of the proceeds will be monitored by Aegea's Financial Operations team until their full allocation to Eligible Investments. An equal amount of the net proceeds will be managed by Aegea's treasury and/or (in the event of specific funding operations) by a special purpose entity managed by a third party, which includes, but is not limited to, a securitization company that allows due segregation of proceeds.

Pending the allocation of an equal amount to the net proceeds from any Sustainable-FIs to Eligible

Investments, all or a portion of the net proceeds may be used for other activities within the company's core business, or for the payment of outstanding indebtedness, other capital management activities or may be held on the Company's balance sheet, invested in cash, cash equivalents and/or other liquid instruments, in accordance with Aegea's Investment Policy ("**Temporary Allocation**"). In those cases, the issuer will be committing to use an equivalent amount to Eligible Investment, as permitted by the Principles. Temporary Allocation may not be used to finance and/or refinance: (i) operating activity not related to sanitation services; (ii) carbon intensive operating or investing activities; (iii) activity restricted by law or current regulations; (iv) fixed-income operation not involving prime banks; (v) medium or high-risk fixed-income operation; (vi)

fixed-income operations that are not highly liquid; (vii) any stock-based operation; or (viii) any operation in the futures and derivatives markets.

Aegea's management will be responsible for controlling the allocation an equal amount of the net proceeds to ensure that (a) they meet the eligibility criteria and the exclusion criteria defined in this Framework and (ii) will not be used for more than one Sustainable-FI.



Reporting

Company's Reporting

Annually, Aegea will report the allocation of any Sustainable-FI raised ("**Allocation Report**") and the estimated impact of the Eligible Investments to its stakeholders ("**Impact Report**" and together with the "Allocation Report" simply "**Sustainable-FI Report**").

The Sustainable-FI Report can be presented in the annual sustainability report, in management reports and/or in a specific document. In any case, such Sustainable-FI Report will be made publicly available on the Company's website. Aegea may, exceptionally, publish specific reports to inform its investors in material cases and will make best efforts to incorporate project specific data into those reports.

Aegea commits to disclose all material information in accordance with the applicable legislation, its contractual obligations and, whenever possible, guided by the ICMA's Harmonized Framework for Impact Reporting⁵.

⁵. ICMA. Harmonized Framework for Impact Reporting. Available in this [website](#).

ALLOCATION REPORT

Aegea will provide the Allocation Report for the issued SFIs with the following information:

- i. Percentage of proceeds allocated to Eligible Investments either individually or by category;
- ii. the share of net proceeds used for financing compared to refinancing;
- iii. expected impact metrics (as described above), where feasible;
- iv. Percentage of proceeds temporarily allocated to other financial instruments; and
- v. Percentage of proceeds temporarily allocated to other investments not indicated in the Framework; and
- vi. the outstanding amount of net proceeds to be allocated to Eligible Projects at the end of the reporting period.

This information will be provided annually until the full allocation of proceeds.



IMPACT REPORT

Aegea may, at its sole discretion, prepare the Impact Report, and may also count on the support of a specialized consulting firm. The Impact Report will be aligned to the “*Harmonized Framework for Impact Reporting of June 2023*” from ICMA (“ICMA’s Impact Guidelines”) and will include the at least one of the mandatory items indicated below. In addition to them, the Impact Report may be externally reviewed and may include, for example, one or more of the additional indicators listed below or other indicators that show the direct and/or indirect benefits generated by the investments classified under this Framework:

MANDATORY INDICATORS:

- Number of people benefitting from improved water and sanitation (No);
- Number of people benefitting from sewage collection and treatment (No);
- Number of people benefitting from treated water (No);
- Additional water availability and/or increased water catchment (m³/year);
- Number of new household served with sewage collection and treatment;

- Number of new household served with water;
- Volume of water produced (m³/yr);
- Annual waste water treated (m³/yr);
- Raw sewage prevented from disposal into water bodies (m³);
- Number of people provided with adequate and equitable sanitation;
- Number of people (and % of population) provided with improved municipal waste treatment or disposal services;
- Annual water savings (m³/year);
- Annual absolute (gross) water use before and after the project in m³ per annum;
- Annual water availability m³/year ;
- Volume of solid waste recycled (ton.);

ADDITIONAL INDICATORS

- Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tons of dry solids per annum)
- Annual absolute (gross) amount of wastewater and waste prevented, controlled and reducing from entering the natural environment before and after the project in m³ per annum;
- Annual absolute (gross) amount of wastewater treated, reused, or avoided before and after the project in m³ per annum;

- Average income of tourism workers (R\$ per month);
- Average rent (R\$ per month);
- Collected sewage ('000 m³);
- Distribution losses (%);
- Efficiency in volume of treated wastewater (m³/h);
- Efficiency in volume of treated water (L/s);
- Employees in tourism sector (people);
- Expenses with hospital admissions due to waterborne disease (R\$);
- Extension of sewage network (km);
- Extension of water network (km);
- Fatality rate due to waterborne disease (fatalities per 10,000 residents);
- Fatality rate due to waterborne disease, age 0 to 4 (fatalities per 10,000 residents);
- Fuel consumption (volume consumed in liters or m³ / volume of sewage treated or volume of sludge produced);
- GHG emission from waste management before and after the project (tCO₂);
- Households served (no. of households);
- Increase in representativeness of Black or female leaders (%);
- Increase in volume of sludge destined for circular economy (fertilizers, bricks, electricity) (ton.);
- Number of beneficiaries in Social Tariff or similar program (no.);
- Number of households served by programs, such as Social Tariff (no.);
- Number of operating days lost to floods;
- Number of people provided with adequate and equitable sanitation;
- Per-capita sanitation expenses (R\$ per capita);
- Per-capita water consumption (liters/day per person);
- Percentage of households with bathrooms (% of households);
- Percentage of households with regular water supply (% of population);
- Percentage of population with access to water (% of population);
- Percentage of population with sewage collection (% of population);
- Percentage of urban population with access to water (% of population);
- Percentage of urban population with sewage collection (% of population);
- Population served (no. of residents);
- Rate of hospital admissions due to diarrhea (admissions per 10,000 residents);
- Rate of hospital admissions due to waterborne disease (admissions per 10,000 residents);
- Raw sewage prevented from disposal into water bodies (m³);
- Reduced number of people suffering from flood-related infections;
- Reduced/avoided water loss in m³; and
- Reforested and recovered areas (ha);
- Renewable energy consumed (kwh);
- Treated sewage ('000 m³);
- Treated water in relation to water consumed (%);
- Trend of scope 1 and 2 greenhouse gas emissions (ton CO₂e/m³);
- Number of water infrastructure projects built/upgraded;
- Unit electricity consumption (kWh/m³);
- Volume of solid waste properly disposed (ton.);
- Wastewater avoided, reused, or minimized at source; and/or
- Water destined for reuse (m³).

External Verification

Aegea engaged an external advisory firm (**“Second Party Opinion Provider”** or **“SPO Provider”**) for independent verification of the ESG aspects of this Framework and their compliance with the Principles. The SPO provider will deliver a second-party opinion (**“SPO”**) that will be available on the Aegea website.

External Review

Aegea will review this Framework in case of material changes in the perimeter and categories selected. Such review may result in this Framework being updated and amended.

This Framework is valid provided that the Company's ESG Strategy does not suffer significant changes and considering the eligible categories. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting, including the corresponding review by an external verifier.

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The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Aegea or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Aegea policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights, or obligations. This Framework is intended to provide non-exhaustive, general information.

This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Aegea and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Aegea as to the fairness, accuracy, reasonableness, or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any Sustainability-Linked securities to fulfil environmental and sustainability criteria required by prospective investors.

This Framework does not create any legally enforceable obligations against Aegea; any such legally enforceable obligations relating to any labeled Instruments are limited to those expressly set forth in the legal documentation governing each such series of labeled Instruments. Therefore, unless expressly set forth in such legal documentation, Aegea failure to adhere or comply with any of the terms of this Framework, including, without limitation, failure to achieve any sustainability targets or goals set forth herein, will not constitute an event of default or breach of contractual obligations under the terms and conditions of any such Sustainability-Linked Securities’. Factors that may affect Aegea’s ability to achieve any sustainability goals or targets set forth herein include (but are not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, and other challenges.

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