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SUSTAINABILITY REPORT



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SUSTAINABILITY REPORT



*ENSURING THE FUTURE  
OF WATER TODAY*



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# LETTER FROM THE CEO



Dear readers,

Yet another year, over 2021, society has been impacted by the consequences of the COVID-19 pandemic. This impact has affected healthcare, the national economy and business development. Furthermore, given the current geopolitical scenario, the following next few years will prove uncertain and generate quite a few challenges. This is why I would like to take advantage of the 2021 Sustainability Report to especially thank all our workers and collaborators who have shown their firm commitment to the company and huge potential for adjustment in this new business context. This effort demonstrated by **GS Inima**'s employees during 2021 has been reflected in the company's steady growth, guaranteeing the population's water supply.

In these difficult circumstances, I am proud to say that all of us at the company have proven, once again, their firm commitment to the environment and local communities where we operate.

Thus, I would like to present you with the 2021 Sustainability Report, describing all the progress made in the company's sustainability strategy, expressed through environmental, social and economic indicators. The report shows all our stakeholders what a huge effort has been made by our company's employees, to generate a positive impact in

sustainability terms. Please note that, once again this year, **GS Inima** has ended with better figures than last year, as proof of the company's target to create long-term value.

The Report is drawn up according to the Global Reporting Initiative (GRI) Guide, following GRI Standards, further to its basic option, including all the indicators foreseen in Non-Financial Reporting Act 11/2018. Furthermore, throughout the document reference is made to various Sustainable Development Goals (SDGs) impacted by the company's activity. Thanks to these standards, our reporting ensures the maximum disclosure and homogeneity.

**GS Inima**'s strategy continues to follow geographical diversification and operation strategies. One of **GS Inima**'s traits is to offer worldwide water management services. This allows for a solid global brand positioning, generating opportunities to continue expanding towards other countries year after year. In 2021, the company was awarded new projects, to include EPC works for the Seawater Desalination Plant in Daesan (South Korea), along with GS E&C. A source of pride is to have been able to consolidate our presence in four of the world's five continents. This milestone confirms the company's growth strategy into new markets. Furthermore, during 2022, we continued with our search for opportunities on the Asian market, which was accordingly reflected with PMV's purchase in Vietnam. In turn, the company has continued to consolidate its already existing presence in the water sector in countries like Spain, Brazil, Mexico, Chile, Algeria, Morocco and Oman.

One of the hallmarks of **GS Inima**'s strategy is its potential for growth. Consequently, the company's future plan is not only to become a company dedicated to water management but to also focus on renewable energy sources, to specifically include solar energy using photovoltaic technology.

The key to the company's long-term value resides in optimizing internal and external processes, greater internal control and the company's digitalization. Thanks to this effort, **GS Inima** will be able to improve its operations through innovating technologies. This is the reason why the company has decided to invest in new technologies, allowing our activity to be more efficient by implementing renewable energy sources in some of the company's plants. In this way, **GS Inima** will continue to sustainably grow as a company, reducing its environmental impact.

As for economic results, **GS Inima** has again proven that it is able to grow in spite of the circumstances. In 2021, it was able to end the year with figures of 234 million euros, a 6% increase over the previous year.

Once again, this year, **GS Inima** remains socially committed through its social actions, launched in those countries where it is present. It is very important for the company to be able

to generate a positive impact on the local community, which is why it makes contributions in cash and in kind, to include various environmental education programs.



Our commitment to sustainability may only be achieved through innovation. This is why **GS Inima** is still promoting RDI, eventually investing approximately € 1,103,847 in 2021. This represents an investment of 1.9 million euros in the last six years. Despite the current scenario, we will continue to promote innovation-based sustainable development in the future.

Once of the facts that evidences our firm commitment to sustainability right now is our adhesion to the United Nations Global Compact. Through this commitment, **GS Inima** has confirmed its wish to ensure that society becomes more sustainable.

**GS Inima's** business model is an example of how the company enhances the role played by its workers. Proof of this is its wish to generate positive and healthy working surroundings by launching measures adapted to their needs.

Finally, I would like to once again thank all those workers who have made it possible for the company to continue growing, allowing us to move forward towards a more sustainable future for society. None of these achievements would have been possible without the help of **GS Inima's** exceptionally talented employees.

I hope that all our readers are able to glean the effort made by the company in sustainability matters, through various performance indicators, targets reached, and commitments acquired.

Marta Verde Blázquez  
CEO

# OUR PERFORMANCE IN FIGURES

## CLIENTS

- 1,000,000 inhabitants supplied
- 49 purification stations
- 14 drinking water stations
- 11 desalination plants
- 1 RSU management plant
- 23,331 claims received

## EMPLOYEES

- 1,532 employees in **GS Inima**
- 22% women on staff
- Almost 31,057.61 hours' training
- 668 courses
- 90.73% of employees covered by CBAs

## ENVIRONMENT

- 142,872.33 t of materials used
- 151,767.77 GJ of direct energy consumed
- 524,740.70 MWh of electricity consumed
- 176,076 t of CO<sub>2</sub> emitted in 2021
- 0 environmental sanctions received

## SUPPLIERS

- 5,445 suppliers hired this year
- 74.22% of all purchases from local suppliers
- 22 inspections conducted on suppliers
- 539 validated suppliers

## MANAGEMENT

- 14,083 thousand € Attributable Net Profit
- 127,291 thousand € distributed economic value
- Investments: 239,763 thousand €
- 94,431 € invested in social action



# ECONOMIC PERFORMANCE OF THE COMPANY [102-45]

As evidence of its commitment to supply basic water services, **GS Inima** has continued to regularly execute its projects over these last two exceptional years, affected by the COVID-19 pandemic. Furthermore, the company still follows an international strategy, increasing its operating portfolio in other countries (Oman in 2020 and South Korea in 2021). Furthermore, **GS Inima** is committed to launching environmental impact reduction programs in order to assist society where it is present and to reduce its business risks.

233,975 (thousand euros)

**Sales in 2021**

7,652,075 (thousand euros)

**Portfolio in 2021**



The economic results obtained in 2021 reflect **GS Inima's** business performance, by continuing to offer services as part of the excellence generated for all stakeholders.

Results (thousand €)	2019	2020	2021
Operating income	220,613	219,651	233,975
Investments	627,423	261,054	239,763
Operating profit	45,718	53,758	52,565
Net profit	12,044	13,063	14,083

**GS Inima's** model seeks internationalization and the incorporation of new lines of business, as reflected by its investments and shareholdings in the following companies:

Investments under participation methods (thousand euros) by company	2019	2020	2021
Cádiz San Fernando, A.I.E.	1.218	1.240	1.311
Partícipes de Biorreciclaje, S.A.	5.616	6.101	6.956
Shariket Miyeh Ras D'Jinet, Spa	-	-	-
Shariket Tahlyah Miyah Mostaganem, Spa	-	-	-
Hialeah Water, LLP	344	316	335
Fisia GS Inima (Al Ghubrah) LLC	-	-	61
<b>Total</b>	<b>7.178</b>	<b>7.657</b>	<b>8.663</b>

<b>Investments with financial assets (thousands of euros) by companies</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Aguas de Ensenada, S.A de C.V.	40.262	34.988	40.927
Ambient Serviços Ambientais de Ribeirão Preto, S.A.	58.310	42.762	41.825
Araucária Saneamento, S.A.	29.399	20.979	21.410
Promoqua Desalación de Los Cabos S.A de C.V	7.294	5.300	4.246
SANAMA Saneamento Alta Maceió S.A.	13.291	13.031	20.472
Saneamento de Vale do Paraíba, S.A.	20.430	14.620	14.969
SESAMM Serviços de Saneamento de Mogi Mirim, S.A.	17.884	13.154	17.571
Shariket Miyeh Ras D'Jinet, Spa	61.426	49.794	50.377
Jeceaba Ambiental S.A.	94.815	58.723	-
GS Inima Barka 5 Desalination Company, S.A.O.C.	-	-	10.847
Capital Desalination Company, S.A.O.C.	-	-	8.456
<b>Total</b>	<b>343.111</b>	<b>253.240</b>	<b>231.100</b>

<b>Distributed economic value (thousand euros)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Staff expenses	36.523	38.266	41.302
Operating costs	79.782	61.294	72.311
Tax on profit	11.918	11.767	14.378
Distributed economic value (B)	128.223	111.327	127.291
Generated economic value (A)	220.613	219.651	233.975
Withheld economic value (A)-(B)	92.390	108.324	106.684

The profit obtained and corporate income tax paid, itemized by country in 2021, are shown below:

<b>Countries</b>	<b>Corporate Income Tax payments (€)</b>	<b>Earnings after Corporate Income Tax (thousand euros)</b>
Chile	126,263	-277
Mexico	1,000,000	4,932
Brazil	25,032,115	17,478
Spain	33,163	-11,432
Algeria	1,807,336	12,949
Morocco	-	-2,310
USA	-	816
Oman	-	-203
Colombia	-	-29
Tunisia	-	-266
Portugal	-	-33
<b>Total</b>	<b>27,998,877</b>	<b>21,626</b>

In turn, over 2021, we have received subsidies in the form of social security discounts, in FORCEM courses, approximately amounting to 20,000 euros.

# HISTORY OF GS INIMA

ONE OF A KIND IN SPAIN

1955

- Incorporation of Inima

1968

- First desalination plant in the world (Cabo Verde)

1970

- First desalination plant in Spain (Fuerteventura I)

1990

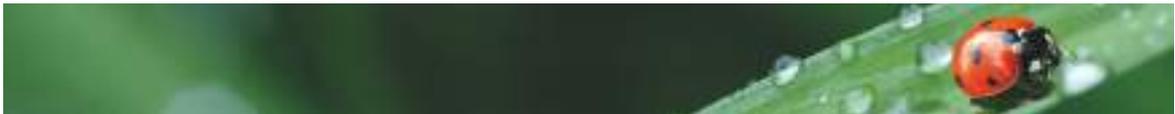
- Incorporation of INI Medio Ambiente

1991

- Foundation of Sedma (subsidiary of Lain)

1996

- Privatization (merger of Inima and Sedma)  
A strong focus on international growth



1999

- The largest desalination plant in Europe (Carboneras, Almería)

2001

- The largest desalination plant in Latin America (Antofagasta, Chile)  
▪ Acquisition of Ambient and growth in Brazil

2002

- OHL increases its stake in Inima to 100%

2007

- First desalination plant for human consumption in Mexico (IDAM Los Cabos)  
▪ 1st Prize at IDA Conference for Technological Innovation in Design (IDAM Los Cabos)

INVESTMENT ABROAD

<b>2008</b>	<ul style="list-style-type: none"> <li>▪ 1st desalination plant for drinking water in the United States</li> </ul>
<b>2009</b>	<ul style="list-style-type: none"> <li>▪ The biggest thermal drying plant in Spain (Metrofang)</li> </ul>
<b>2010</b>	<ul style="list-style-type: none"> <li>▪ The biggest desalination plant in Africa, Mostaganem (Algeria)</li> </ul>
<b>2011</b>	<ul style="list-style-type: none"> <li>▪ Award to EDAR Lagares (Vigo), Europe's largest biofiltering plant</li> <li>▪ 1st purification plant using electrical biogas cogeneration (Riberao Preto. Brazil)</li> </ul>
<b>2012</b>	<ul style="list-style-type: none"> <li>▪ GS E&amp;C purchases Inima from the OHL Group, incorporating <b>GS Inima Environment</b></li> </ul>
<b>2013</b>	<ul style="list-style-type: none"> <li>▪ Award of Comprehensive Water Management in Soria, Spain</li> </ul>
<b>2014</b>	<ul style="list-style-type: none"> <li>▪ Award of the water purification plant in Fez-Meknès (Morocco) and desalination plant in D'Jerba (Tunisia).</li> </ul>
<b>2015</b>	<ul style="list-style-type: none"> <li>▪ 3rd desalination plant in Chile, Radomiro Tomic</li> <li>▪ Award of 2 contracts for Comprehensive Water Management in Paraibuna and Santa Rita (Brazil)</li> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <li>▪ Acquisition of SAMAR Brazil. Comprehensive Water Management in Araçatuba (Brazil)</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>▪ Consolidation in Chile</li> <li>▪ Construction of a desalination plant in Atacama (Chile)</li> <li>▪ Acquisition of ASCAN WATER</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>▪ Viability study selection to develop IDAM Fortaleza (Brazil)</li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>▪ Renewal of the operation &amp; maintenance contract for EDAR Crispijana</li> <li>▪ Extension and Improvement Works in EDAR Vilafranca del Penedés (Spain)</li> <li>▪ O&amp;M for sanitation system in La Garriga (Spain)</li> <li>▪ Concession of supply and wastewater services in Ouro Preto (Brazil) - Acquisition of BRK (Brazil)</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>▪ Acquisition of desalination plants under a concession, Barka V and Grubah III (Oman)</li> <li>▪ Award of EDAR Albacete</li> <li>▪ Supply and Wastewater Service concession in Luiz Antonio (Brazil)</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>▪ Along with GS E&amp;C, for EPC Seawater Desalination Plant in Daesan (South Korea)</li> <li>▪ Operating contract for Wastewater Purification Stations in Aljarafesa (Spain)</li> </ul>

# GS INIMA IN THE WORLD

**GS Inima** began operating in the water sector in 1955, as a water treatment specialized company. It acts at all stages in the projects it executes: Design, Technology, Finance, Operation & Maintenance, and operates both on the public and private market.

**GS Inima** is the company with the most plants under a concession in the world, and has an outstanding track record in desalination by reverse osmosis.



Currently, the company has stable activity in Spain, Brazil, Mexico, Chile, Algeria, Morocco, Oman and U.S.A., with a high turnover volume in each one. In turn, it carries out activities and promotes new operations in other markets in Latin America and the Middle East.

## MAIN WORKS AWARDED DURING 2021



SPAIN

Operation & Maintenance of Crispijana EDAR



EDAR Segovia services



Operation of Wastewater Purification Stations in Aljarafesa



SOUTH KOREA

Together with GS E&C, Engineering, Procurement and Construction (EPC) of the Saltwater Desalination Plant in Daesan



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## ■ Context

Responsible water management is one of the main priorities of sustainable development. On the matter, the UN Global Compact, as part of the 2030 Agenda, has set seventeen Sustainable Development Goals (SDGs), to include SDG 6 "Water and Sanitation"<sup>1</sup>. This goal seeks to ensure universal access to drinking water, access to sanitation and adequate hygiene, improved water quality and a more efficient use of hydric resources. Hydric resources are the main indicator of the effects of climate change: higher temperatures and unstable weather conditions directly affect the quality and availability of water, through damage and a greater number of natural disasters, such as floods.

The United Nations' estimates for 2050 point towards a catastrophic scenario, where the number of persons at risk of being flooded will increase from its current number (1,200 million) to 1,600 million. Between the early and mid 2010s, 1,900 people (i.e. 27% of the world's population), lived in areas with a potential water shortage. By 2050, this number will increase from 2.7 to 3.2 thousand million people.

Initiatives that are associated to a circular economy are used worldwide, nationwide and locally to guarantee the quantity and quality of hydric resources. This allows to increase water consumption efficiency and to reduce any negative impacts, such as discharge and pollution, on operating surroundings.

In order to avoid damaging the planet's hydric resources, innovating technologies are essential in order to promote and reduce water consumption.

**The main challenges in water cycle management are based on the following initiatives:**

- To create a collaborative approach when planning the use of energy and water resources.
- To invest and apply efficient technologies in the use of resources. These technological developments include techniques to reduce leaks, for energy efficiency in water supply and sanitation, and the use of clean energy for efficient production.
- To encourage the transfer of knowledge and technology in the value chain.
- To create public-private ventures
- To encourage innovation and creation of capacities to resolve energy management issues.

**EGS Inima** specializes in activities associated to the comprehensive water cycle, to particularly include the preservation of hydric resources, which is why the company is aware of the importance of universal water availability and quality. In order to be able to guarantee this, it has joined the global challenge by promoting research & development, energy efficiency, a reduction in emissions and the environmental integration of our designs.

## ■ Business model

### The water cycle, the foundations of our business



The water hydrological cycle is a natural circular economy that incentivizes water recycling and efficiency. It is essential in order to guarantee access to water. At present, this access is being compromised. UN-Water<sup>2</sup> is the department in charge of monitoring the state and availability of water. It reports that in 2021, 16% of the world's population lacked access to drinking water services, i.e. a total of 2,000 million people. Furthermore, in 2021, all around the world 44% of household wastewater is not adequately treated, which affects the quality of water received by 3,000 million people. There are 2,300 million people living in countries with hydric stress, of whom 733 million live in high and critical hydric stress countries. The World Health Organization (WHO) estimates that approximately 829,000 persons die each year from diarrhea caused by bad drinking water and defective hygiene.

<sup>1</sup> Ministry of Social Rights and 2030 Agenda: <https://www.agenda2030.gob.es/objetivos/>

<sup>2</sup> UN-Water: Work Programme 2020-2021 (2020): <https://www.unwater.org/app/uploads/2020/10/UN-Water-Work-Programme-2020-2021.pdf>

<sup>3</sup> World Health Organization (WHO): [https://www.who.int/water\\_sanitation\\_health/diseases-risks/es/](https://www.who.int/water_sanitation_health/diseases-risks/es/)

## Water services management

Wastewater management plays a fundamental role in water resource availability and preservation, according to UN-Water<sup>4</sup>. Approximately 80% of all of the world's wastewater is spilled into ecosystems with no prior treatment or recycling, directly affecting nearly 3,000 million persons who use faeces-polluted drinking water, increasing the risk of contracting cholera, dysentery, typhoid fever and polio.

In addition, water consumption has increased by six in the last 100 years, according to UN Water's<sup>5</sup> "Water and Climate Change" report. In order to mitigate the effects of climate change on the planet's hydric resources available for human use, the report highlights the need for technological innovation and RDI, aware of the mitigation potential offered by water and sanitation projects, thus encouraging greater financing for these projects.

An adequate management of water services, covering treatment as drinking water, desalination and processing, is able to mitigate the effects of climate change on the planet's hydric resources. This is particularly important in order to respond to current water challenges and needs. Water treatment begins with collecting surface or underground water, after which water is processed at treatment plants to become drinking water or for other use. The necessary treatment is conducted at these plants to prepare water for final human consumption. Then, the treated water is distributed by various means to reach final consumers, in the urban, industrial or agricultural fields.

Water, once consumed, is recollected and channeled through sanitation collectors and conduits to wastewater purification plants. At these plants, physical, chemical and biological processes are used to remove the pollutants found in used water. The water cycle ends when this purified water is redirected to natural surroundings, where it must be preserved in order to ensure that the water cycle is able to start up again. The Institute for Energy Diversification and Savings [Instituto para la Diversificación y Ahorro de la Energía] (IDAE)<sup>6</sup> indicates that the household and industrial water cycle represents between 2-3% of the world's total energy consumption; if hydrological and agricultural demand are included, this could even reach 4 or 5%. Desalination and purification account for approximately 2% of all of Spain's energy consumption. This is why investing in new technologies will allow greater energy

efficiency in existing water treatment and supply systems. In particular, energy consumption in desalination processes may account for more than 50-60% of total production costs for water for human use, according to the "Energy Consumption in the Water Sector" report. Although energy consumption in desalination processes has dropped in the last few years, thanks to system-applied technological innovation, the report states that potential energy savings in desalination is still valuable, and may eventually represent approximately 2.5 kWh/m<sup>3</sup> of desalinated seawater, compared to 5.3 kWh/m<sup>3</sup> consumed in 1995 and slightly over 3.5 kWh/m<sup>3</sup> consumed in modern reverse osmosis facilities. Likewise, wastewater purification may generate 20-30 kWh/(h.e.year), whereas it is estimated that the average for Spain's purification plant park is approximately 50 kWh/(h.e. year). It is estimated that optimized energy use in plants would generate potential energy savings of 17.5%, in addition to recycling potential (to not only include water), thanks to the recovery of nutrients, the production of raw materials and the use of energetic pollutants contained in wastewater.

### The relevance of the water sector in preservation of the planet's hydric and natural resources means that specialized entities should invest in the following:

- To promote research through investment in sector RDI
- To improve the efficiency of existing technologies by reducing energy consumption and prioritizing the use of clean energy sources
- More population awareness campaigns to encourage a more efficient use of water in the urban water cycle
- The integrated management of sanitation and supply networks, to avoid leaks and reduce environmental impact to the minimum.

GS Inima, as a company that covers all the stages in the water cycle, is able to preserve and managed hydric resources in the most efficient manner, assisting more than 8,000,000 inhabitants who use its services. GS Inima is present in Spain, Brazil and in other countries, such as South Korea, supplying the following population centers (amongst others): Algeciras, Aranjuez, Cádiz, Córdoba, Soria, Picadas-Almoguera, Seseña, Cantabria, Araçatuba, Santa Rita, Maceió, Paraibuna and Ouro Preto.

The company, through its projects and services, guarantees quality water for human use, proper purification treatment and return to its natural habitat in optimum condition, mitigating its environmental impact.

<sup>4</sup> Un Water: Water Quality and Wastewater: <https://www.unwater.org/water-facts/quality-and-wastewater-2/>

<sup>5</sup> Un Water & UNESCO: The United Nations world water development report 2021: water and climate change (2021): <https://www.unwater.org/publications/summary-progress-update-2021-sdg-6-water-and-sanitation-for-all/>

<sup>6</sup> Instituto para la Diversificación y Ahorro de la Energía (IDAE): Estudio de prospectiva del consumo energético en el sector del agua [https://www.idae.es/uploads/documentos/documentos\\_Estudio\\_de\\_prospectiva\\_Consumo\\_Energetico\\_en\\_el\\_sector\\_del\\_agua\\_2010\\_020f8db6.pdf#:~:text=Algunos%20estudios%20apuntan%20que%20el%20ciclo%20dom%20C3%A9stico%20e,la%20demanda%20agraria%20C%20podr%C3%ADa%20llegar%20al%204%20-5%25.](https://www.idae.es/uploads/documentos/documentos_Estudio_de_prospectiva_Consumo_Energetico_en_el_sector_del_agua_2010_020f8db6.pdf#:~:text=Algunos%20estudios%20apuntan%20que%20el%20ciclo%20dom%20C3%A9stico%20e,la%20demanda%20agraria%20C%20podr%C3%ADa%20llegar%20al%204%20-5%25.) Fundación OPTI & Ministerio de Industria, Turismo y Comercio de España.

# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## GS Inima, a reference in the water sector

**GS Inima** is a reference company in environmental services and sustainability, thanks to its more than 50 years' experience in projects related to the design, construction and operation & maintenance of water services infrastructures. **GS Inima** has an outstanding position internationally, and is present in over 20 countries, in the engineering sector and in the development of water treatment and purification plants, as well as desalination by reverse osmosis.

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SUSTAINABILITY REPORT



**"GS Inima is the world's leading company in water services plant management, under a concession"**

In 1955, **GS Inima Environment S.A.** began operating in the Spanish water sector, and subsequently continued with its growth and consolidation abroad. As a result, the company is a reference in water treatment matters, and offers the longest track record in reverse osmosis desalination in Spain. It is one of the few companies in the world with desalination plants able to produce a volume equal to or greater than 300,000 m<sup>3</sup>/day.

With **GS Inima's** international positioning as a reference in water services, the company seeks to increase its activity in concessions and water management services in the next few years. As a relevant part of its business, concessions generate stability and long-term solvency thanks to constant and predictable cash flows, guaranteeing the company's economic sustainability.

**GS Inima's** activity diversification and the boost provided by its parent company, **GS E&C**, have consolidated the company as a leader in Spain in the construction and operation of wastewater and salt water purification and treatment plants. Furthermore, its international experience and the opening of new lines of business such as water services management in other geographical areas, with 102 contracts in force, have promoted the company's global positioning as a reference in the sector. As part of its strategy for growth and diversification and thanks to its know-how in reverse osmosis, in 2021 the company extended its services to a new country, South Korea, where it has commissioned the first large-capacity desalination plant in South Korea.

The company expects to continue with the consolidation of its diversified range of services and to enter new markets. For **GS Inima**, a commitment to expand its water services with new lines of business in Latin America, the Middle East and Spain constitutes one of the company's strategic cornerstones in the next few years.

The company has based its operations on RDI in order to include the latest technologies, allowing full process digitalization and a consequent fall in energy consumption, reducing the environmental impact of its projects. **GS Inima** offers technical operating experience, generating sustainable solutions and executing turnkey projects and facilities, adapting to each client and geographical region's conditions and requirements.



## **GS Inima has the following main lines of business:**

### **Water services management**

10 contracts covering a population of more than 1,000,000 equivalent inhabitants

- 4 in Spain: Cantabria, Toledo and Soria
- 6 in Brazil: Ouro Preto (Minas Gerais), Santa Rita, Araçatuba, Paraibuna and Luiz Antonio (Sao Paulo) and Maceió (Alagoas)

### **Construction**

Design and construction of facilities with capacity of more than 300,000 m<sup>3</sup>/day.

- 5 wastewater purification plants (EDAR) with a total capacity of more than 229,000 m<sup>3</sup>/day: Aranjuez (Spain), Ain M'Lila (Algeria), Vilafranca del Penedés (Spain), Ribeirao Preto and Maceió (Brazil)
- 1 drinking water treatment plant (ETAP) with capacity greater than 170,000 m<sup>3</sup>/day: Fez (Morocco)
- 1 desalination plant, with more than 103,680 m<sup>3</sup>/day: Atacama (Chile)
- 2 desalination plants with a total capacity of more than 400,000 m<sup>3</sup>/day: Ghubrah III and Barka V (Oman)

### **Operation & Maintenance**

More than 100 contracts to process more than 2,400,000 m<sup>3</sup>/day

- **Wastewater purification stations (EDAR):** Crispijana, San Sebastián de los Reyes, Tarazona, Illescas, Poniente Almeriense, Montornés del Vallès, Segovia y Santander (España) o Mogi Mirim (Brasil).
- **Desalination plants (EDAM):** Cap D'Jinet and Mostaganem (Algeria), Los Cabos and Ensenada (Mexico) and Carboneras (Spain)

### **Concessions**

More than 20 contracts in 7 countries, in 4 continents, with treatment capacity of more than 1,200,000 m<sup>3</sup>/day:

- 10 sea or salt water desalination plants.
- 6 wastewater purification stations (EDAR)
- 1 thermal sludge drying plant, with capacity of more than 51,000 t/day
- 1 biorecycling management plant with capacity of 425,000 t/year

# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## ■ Cornerstones of GS Inima

All of the company's areas and lines of business are based on company values, innovation, progress, commitment, teamwork and adequate decision-making, to include project firmness, speed and efficacy. **GS Inima's** main strategy prioritizes comprehensive water management by encouraging respect towards the local community and the environment, as part of sustainable development. For this, **GS Inima's** mission, vision, approach and values are transversally present throughout the company.

## ■ Our mission

**GS Inima's** mission is to guarantee a sustainable future wherever it is present. To do this, it liaises with its clients and suppliers to protect the environment and its socioeconomic surroundings.

### **GS Inima's mission**

To guarantee a sustainable future

As part of its social and environmental responsibility, the company is committed to consolidating its presence in the water sector, adopting a leading position in terms of quality and service; all of this is based on geographical diversification and cultural business integration. **GS Inima's** international presence has positioned it as a long-term solvent company, thanks to its more than 16 concession projects for the design, construction, financing and operation of treatment plants on the international market.

## ■ Our vision

The company's vision is based on offering products and services in the water sector to cover its clients' needs, providing them with sustainable solutions, as well as promoting initiatives for its collaborators' professional development.

**GS Inima** aims at becoming a sustainable company with an international outlook, backed up by two cornerstones: the application of cutting-edge technology through RDI investment and development of the company's team of professionals.

### **2021 Vision**

To become a sustainable and internationally consolidated company

## ■ Our approach

Innovation is one of **GS Inima's** signs of identity. The company's innovating technologies are helping save on energy consumption and reduce emissions into the atmosphere, contributing towards sustainable development and the fight against climate change.

### **GS Inima's approach**

To offer innovating solutions in the water sector

The company's innovating approach is visible in its project execution, which enhances its reputation amongst stakeholders, to include clients, shareholders and suppliers. Thanks to its track record, **GS Inima** has become one of the leading companies in the water sector that offers innovating solutions.

**The company pursues project excellence, based on the following:**

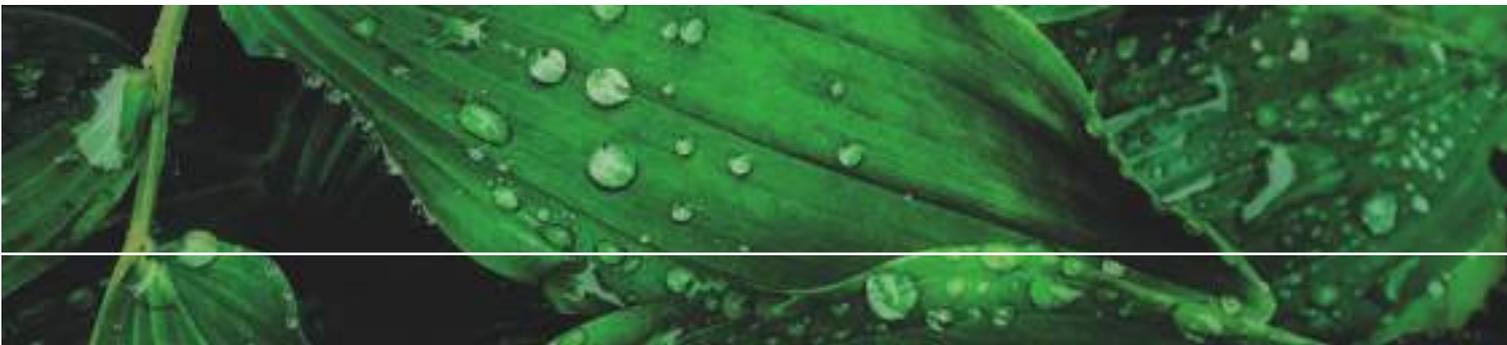
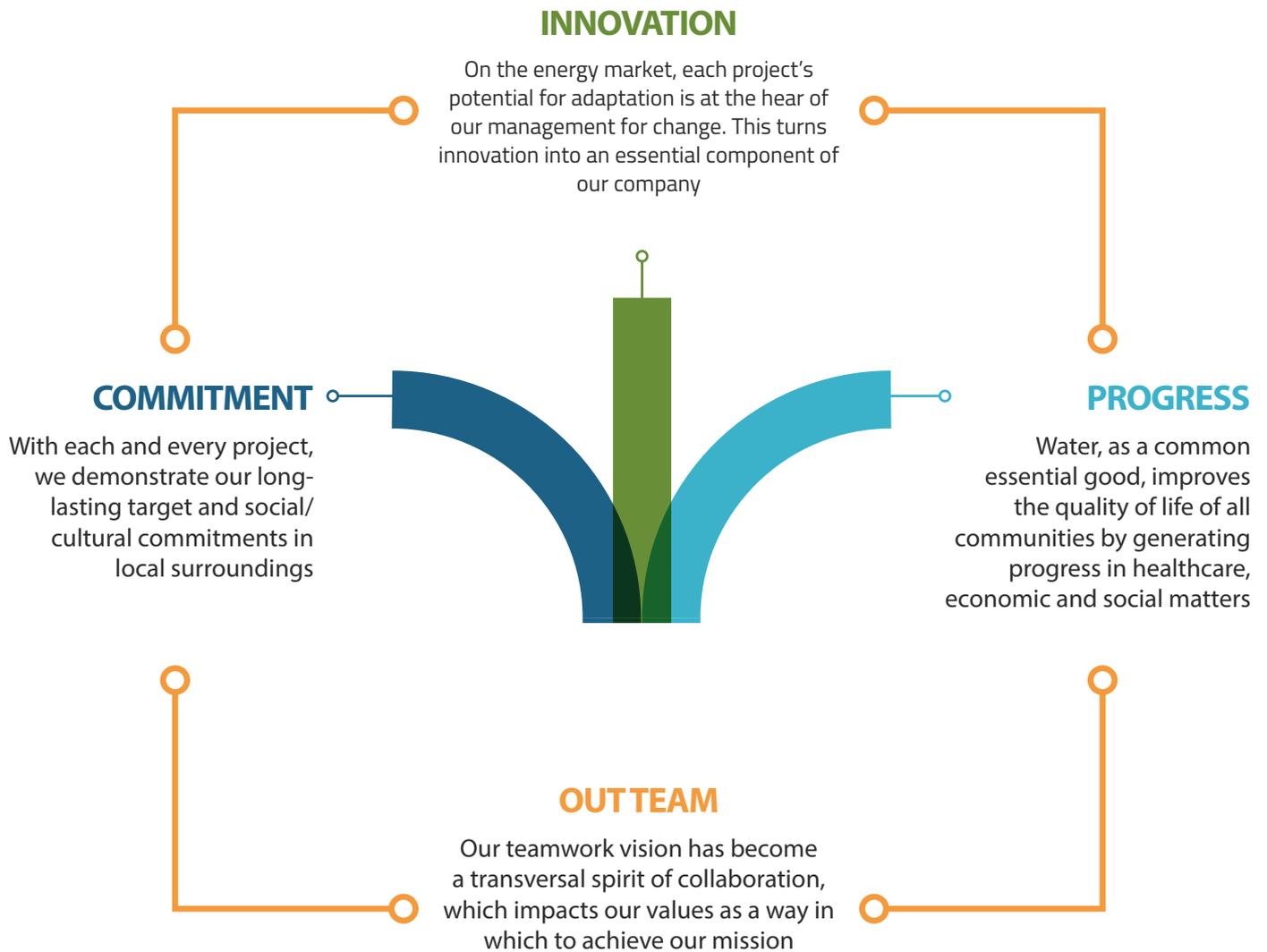
- Applying the latest practices and cutting-edge technologies
- Agreements with academic institutions and research centers
- Promoting the company's in-house knowledge in RDI and digitalization matters.

*For more information, see the "Promoting Innovation" chapter*



## ■ Our values

Our values include occupational safety, responsible management of the company's collaborators and a continuous improvement in project execution.



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## ■ Value creation

**GS Inima** believes in creating long-term value through its value chain, by generating employment in the local community, promoting knowledge and the talent of company employees, and investing in innovating technologies. Thanks to this commitment to sustainability, **GS Inima** is able to make a positive impact on the environment.

## ■ **GS Inima's value chain [102-46]**

One of the main pivots of the company's activity is sustainability. To base our business on sustainability is a result of the need to promote hydric resources, mitigating the effects of climate change on the availability and quality of the planet's water. This Sustainability Report presents all the initiatives executed as part of sustainable development, generating shared value both for **GS Inima's** business and all its stakeholders.



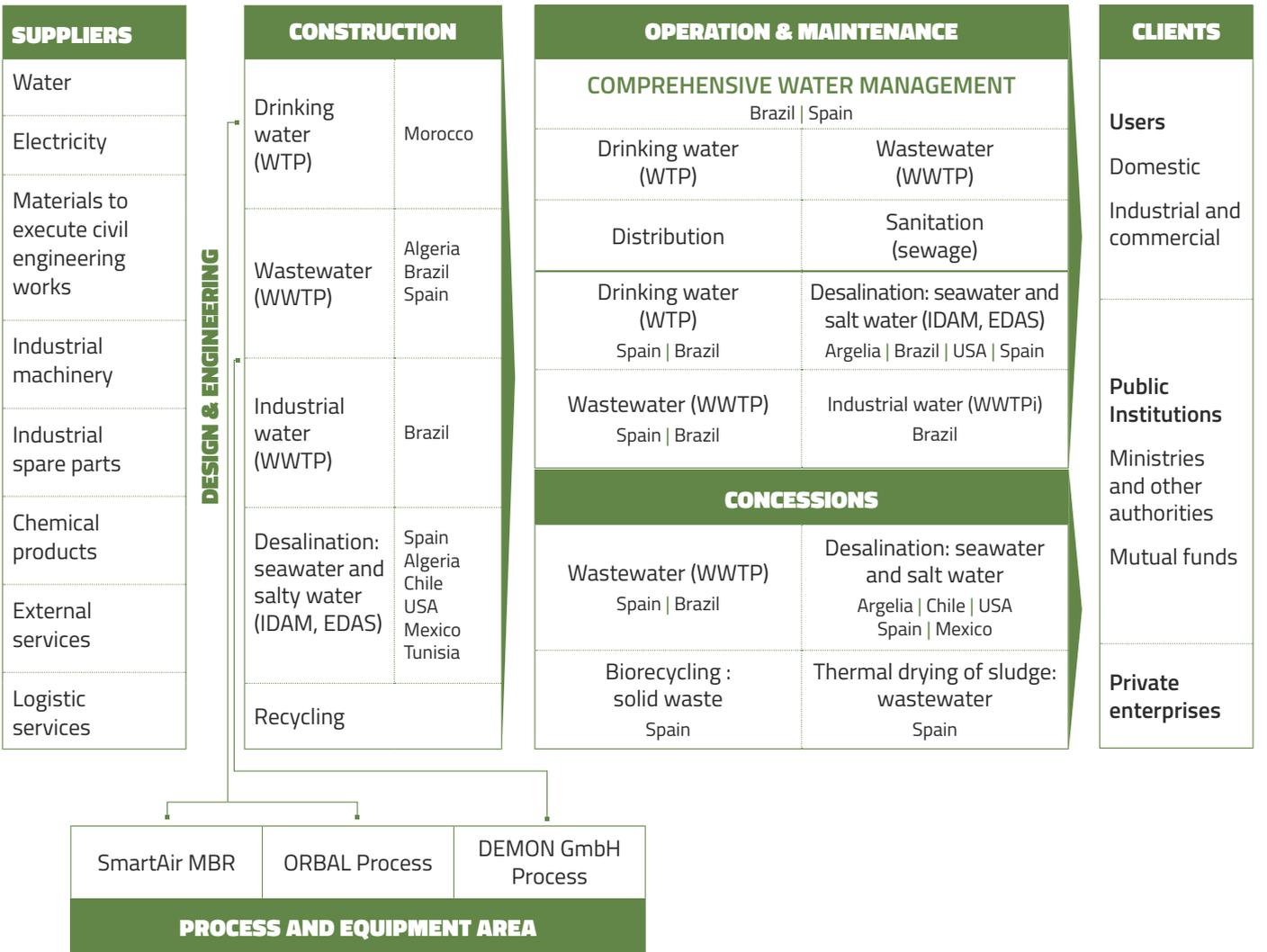
**GS Inima** takes into account the potential improvement of environmental conditions for society, at all project stages. In each of these tasks, the company strives to improve its

sustainability performance and ensure that it is applied throughout the value chain.



**R&D**

**FINANCING**



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## Partner selection

**GS Inima** conducts an exhaustive search to find adequate partners as collaborators in tender processes. To do this, it identifies and evaluates each partner's experience in the sector and its participation in other projects.

An evaluation of the experience held by partners in the sector is carried out by analyzing financial and non-financial information, and technical aspects in other work where each potential partner has been involved, based on available public sources, such as news or sustainability reports. Furthermore, **GS Inima** will ask for any ongoing projects under execution in which the potential partner is involved, to appraise the volume of work and optimize the project that the company is considering.

This partner selection encourages new market opportunities and reduces external risks, whilst also promoting mutual synergies. In order to back up a potential joint project, **GS Inima** will take into account its partner's technical knowledge and financial strengths, as well as any prior experience in the geographical areas where the project is being executed.

Disclosure in these collaborator relations generates a climate of trust between **GS Inima** and its partner. The main aim is to create suitable working surroundings in which to adequately carry out projects and services, within the established timeframes, with the technical capacity expected and optimizing any available resources.

## GS INIMA'S STRENGTHS IN ITS PARTNER EVALUATION



### Contribution to the United Nations Sustainable Development Goals



## Communication with our stakeholders

[102-40] [102-42] [102-43] [102-44]

It is essential for **GS Inima** to have good communications with its various stakeholders. This is because, in order to carry out its business strategy and execute its projects with the utmost quality and efficiency, **GS Inima** has focused its effort on responding to the needs and expectations of its stakeholders. To do this, it identifies those stakeholders related to its operations and implements initiatives to establish a direct relationship and communication flow.

**GS Inima** has a dialog open with all its stakeholders, through various communication channels. The communication channels established help us pinpoint our stakeholders' concerns and expectations, in order to give an effective and proportional response.

### Sustainability Report

Key information for stakeholders

Our communication channels include **GS Inima's** annual Sustainability Report, which presents our key indicators in non-financial economic performance, as well as the most relevant data, initiatives and matters of the year.

Of interest is the fact that, in 2019, **GS Inima Brazil** drew up its own "Hidrosfera" sustainability report, as part of its 25th anniversary. With this report, the company reported on the specific initiatives executed in Brazil, such as the "Idealize" innovation awards, or an improvement in the hydric safety of the regions where it is present.

In turn **GS Inima** remains committed to encouraging flexible employment relations with a continuous communication flow, due to the special importance our workers have in the company.

### Continuous employee communication

All of **GS Inima's** units are promoting communication with their workers by e-mail and internal on-line platforms for collaborators.

**GS Inima** provides services adapted to its clients' needs. Its top technical knowledge in the water sector enables it to seek continuous improvement in its operations and to execute its projects with the results expected, whilst in turn meeting sustainability criteria.

In turn, **GS Inima** has a fluent and constant communication flow with its suppliers. It completes bidirectional periodic appraisals, promoting transparency in all collaboration processes.

Furthermore, the various communication channels in place allow the company to identify and respond to the expectations of Public Administrations, Regulatory Bodies and the local community where it operates.

**GS Inima** is aligned with its partners in all construction projects seeking to achieve common objectives, with the utmost efficiency and by encouraging each party's strengths.

**GS Inima has the following main communication channels, associated to each stakeholder group:**

[102-40] [102-42] [102-43] [102-44]



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## Employees

- Website
- Health & Safety Committee
- Works Council
- Mailing lists
- Sustainability Report
- Departmental courses
- Human Resources interlocutor
- Intranet
- Social networks

## Clients

- Website
- Sustainability Report
- Fairs, forums and conferences
- Legal Department
- Periodic meetings
- Social networks

## Suppliers

- Website
- Sustainability Report
- Fairs, forums and conferences
- Bidirectional appraisals
- Venture supervision and inspection
- Purchasing Department

## Partners

- Website
- Sustainability Report
- Fairs, forums and conferences
- Sector associations
- Project supervision and evaluation

## Public Administrations and regulators

- Website
- Sustainability Report
- Fairs, forums and conferences
- Sector associations

## Local communities

- Website
- Sustainability Report
- Fairs, forums and conferences
- Press releases
- Guided visits to facilities
- Social networks

## Our presence in social networks

For **GS Inima**, social networks are a key component to encourage communications with all its stakeholders. In turn, **GS Inima** has a LinkedIn profile that the company uses to attract the best talent in Spain and abroad. The company is also present as an associated entity on leading websites in the water sector, such as *iAgua*.

## GS Inima helps achieve the United Nations Sustainable Development Goals

In September 2015, the UN General Assembly passed its 2030 Agenda for Sustainable Development, consisting of its 17 Sustainable Development Goals (SDGs) and more than 169 targets to be achieved during the next 15 years. SDGs constitute the main backbone used to align all countries, institutions and entities when taking action to promote sustainability and to improve the planet's economic, social and environmental conditions.

These SDGs cover issues related to education, gender equality and opportunities, and health and wellbeing. Those Goals related to the water sector range from SDG 13 "Climate Action" to fundamental SDG 6 "Clean Water and Sanitation".

Due to the present and future challenges posed by the planet's hydric resources, SDGs establish specific plans of action used to mitigate the shortage of water and reduced availability of quality water.

Sustainable Development Goals reinforce **GS Inima's** commitment to sustainability, implemented in all of the company's areas and processes. They allow a value creation cornerstone to be built up with all stakeholders impacted in some way by the company.

As part of its effort to help achieve the United Nations Sustainable Development Goals, **GS Inima** is working on an SDG Master Plan to prioritize the company's activities. Based on preliminary results, in addition to SDG 6, a special focus is placed on SDG 7, SDG 9 and SDG 13.



The company is aware of the role it plays in the local community affected by its activity. This is why it strives to have a positive impact by promoting economic development, ensuring that natural surroundings are preserved and upholding the human right to universal access to water.

Another way to further the SDGs is through social action initiatives launched over 2021, by specifically promoting education and innovation. In general, social action programs mainly focus on promoting awareness of the importance of water and protection of the environment, by transversally covering various matters of relevance. In addition, through its commitment to innovation and the execution of various innovating projects, the company also impacts SDGs related to clean sources of energy.



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## ■ Sustainable strategy

The company's business strategy is linked to its commitment to generate long-term value through sustainability. **GS Inima** operates in all basic water services, with an international outlook and a sustainable approach in all its projects. To do this, **GS Inima** prioritizes better operating control and optimization, the application of renewable sources of energy and energy savings, and digitalization of all company processes.

In 2021, **GS Inima** has still provided excellence in its basic water services, as part of its policy to reduce environmental impact, with support to the local population. In this way, **GS Inima** has continued to regularly operate all its plants, with no global significant impact, guaranteeing the provision of services.

**GS Inima's** strategy characteristically involves its geographical and business diversification, as reflected in the company's huge expansion over the last few years and its project-innovating capacity. As regards its project range, **GS Inima** is still a reference in concession activity and covers all other water service areas: comprehensive water management, construction, and operation & maintenance of treatment plants.

Thanks to its international experience acquired over the years, **GS Inima** is able to evaluate opportunities and risks in new markets, and to consolidate its presence as a reference company in water services in Latin American countries like Brazil, Chile or Mexico, in Africa (Algeria and Morocco) and in Spain. This geographical diversification of operations is reflected in its turnover volume in markets where the company's consolidation has continued, such as Brazil.

This international experience allowed the company to expand its business in 2020, with the award of two desalination projects in Oman, thus extending its business in the Middle East. In 2021, in line with previous years, new project awards were achieved. In Spain, we were awarded Operation & Maintenance of EDAR Crispijana, EDAR Segovia services and the operation of Wastewater Purification Stations in Aljarafesa. Along with GS E&C, we have also been awarded Engineering, Procurement & Construction (EPC) in South Korea for the Seawater Desalination Plant in Daesan.

In turn, **GS Inima's** business strategy remains focused on acquiring concession contracts, without overlooking other areas of activity in operations or strategic markets for the company, thus enabling its positioning as a solvent company.

Of interest in 2021, in order to ensure a better follow-up and impact on our sustainability strategy, was our creation of an ESG Committee to establish sustainability as a priority in all operations. This Committee is in charge of identifying Sustainability and ESG policies and objectives, evaluating and supervising our strategic plans. It also backs up ESG reporting. The ESG Committee's task is essential to guarantee decision-making and to measure the performance of various ESG initiatives at **GS Inima**.

**In turn, the ESG Committee has the following members:**

## CEO

### ESG COMMITTEE

#### Corporate:

- Concessions Managers
- Representative for National Construction
- Representative for International Construction
- People Manager
- QHSE & Sustainability Manager
- Head of QHSE & Sustainability Dept.
- Sales Manager
- Marketing & Communication Coordinator
- RDI Manager
- Head of RDI Dept.

#### Representative Offices:

- Representative in Mexico (absent for employment reasons)
- USA Manager
- Development Manager in Chile
- Oman Manager (just joined)

#### Brazil:

- CEO in Brazil
- Sustainability Manager in Brazil
- Sustainability Coordinator in Brazil
- People Manager in Brazil
- QSMS/QHSE Manager in Brazil
- Operations Manager

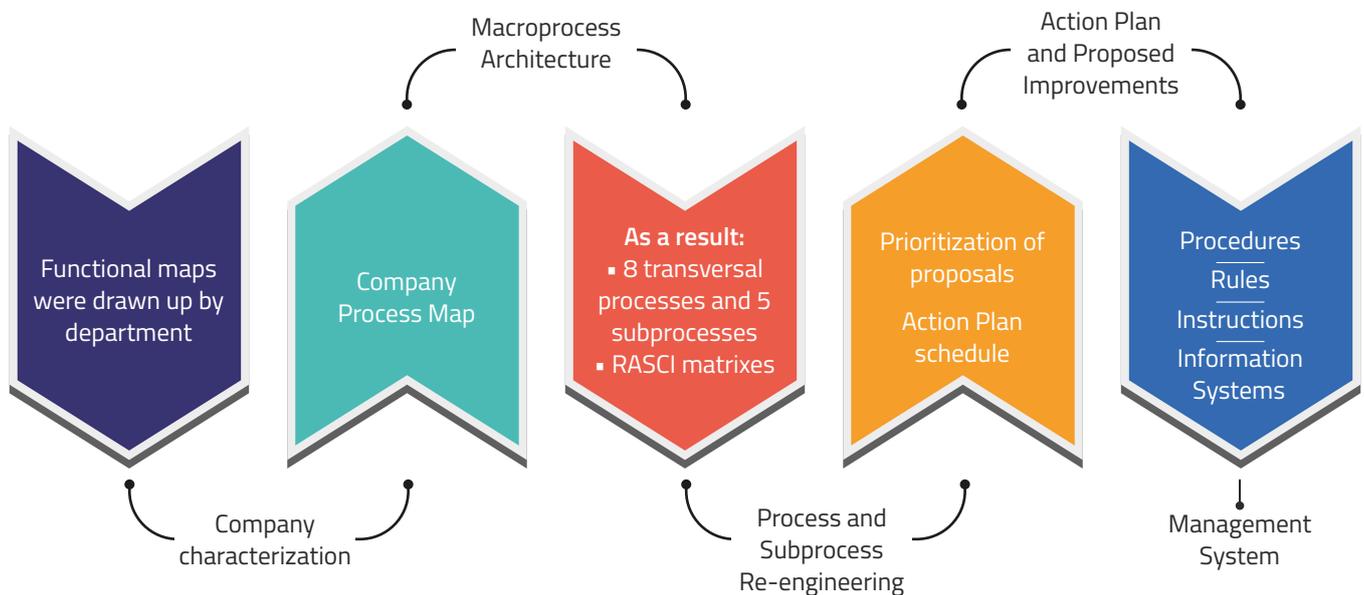
GS Inima has a plan to improve its operating efficiency, summarized into various issues that allow it to implement process improvements as necessary, to include risk maps,

improvement actions or workshops. In 2020, a specific risks map was started up to fight COVID-19.



GS Inima also has a process map, divided into strategic, operative and support, based on an internal analysis of the company's processes. This process map seeks to complement

the company's management systems and execute any identified plans of action and improvement.



# BUSINESS MODEL AND CREATION OF SUSTAINABLE VALUE

## Strategic processes

Strategic Planning

Economic-Financial Planning

Development of Strategic Alliances

Organizational Development

## Operative Processes

Market Research and Management of Opportunities

Gestionar las Ofertas

Constructive Project Development

Ejecutar la Construcción

Contract Management

Strengthening supplier relations

RDI

Strengthening Quality, the Environment, ORP and CSR

## Support Processes

Legal Counsel

Administrative/  
Tax Management  
and Control

Financial  
Management

Human Resources  
Management

ICT  
Management

Management of  
general services  
and equipment

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SUSTAINABILITY REPORT

As part of our sustainable business strategy in 2021, we have continued our strategic lines to move forward in sustainability matters: digitalization, optimization and better control of **GS Inima's** operations, in order to guarantee excellence and the long-term feasibility of all company operations.

## Strategic lines and commitments

**GS Inima** has continued with its corporate strategy based on geographical and business activity diversification. As a reflection of this strategy, **GS Inima** strives to consolidate its international presence in the water sector, and still identifies and expands through new market opportunities in different geographical areas.

**GS Inima's** technical know-how and its international position have allowed the company to expand internationally. In 2020 it was awarded two desalination projects in the Middle East. Likewise, its strategic lines are still directed at consolidating **GS Inima's** activity in Latin America, Spain and North Africa.

**GS Inima's** sustainable strategy is founded on the United Nations Sustainable Development Goals (SDGs) that are a priority for the company: SDGs 6, 7, 9 and 13. By focusing on achieving these Goals, **GS Inima** has reinforced three strategic lines of business: digitalization, optimization and greater internal control of operations.





# RISK MANAGEMENT

GS Inima's risk management model has become an essential tool to identify, evaluate and control both inherent and external company risks.

The managers of each company area, to include Construction, Operation & Maintenance, Human Resources, Quality or the Legal Department, take part in identifying and managing risks and opportunities, including those related to COVID-19.

**Risks**

Locate and evaluate

Prevent and mitigate

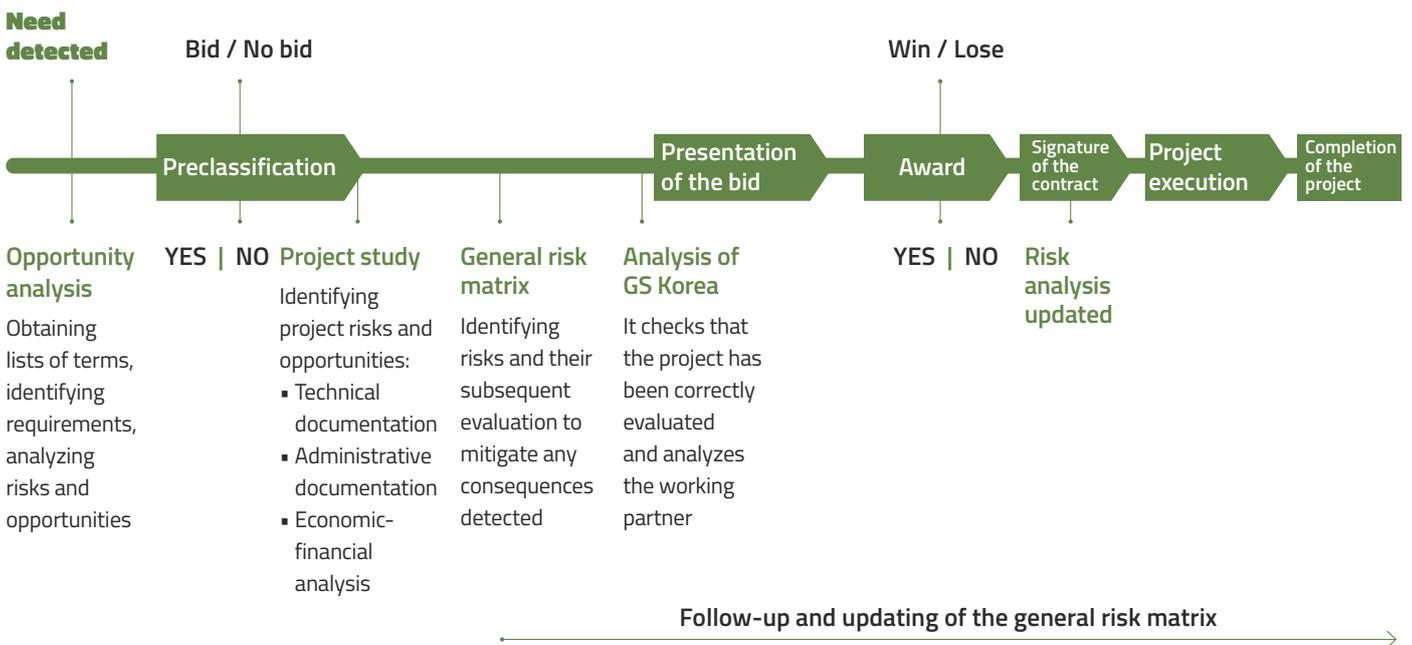
GS Inima consequently identifies risks and opportunities derived from the COVID-19 pandemic, materializing into consolidated COVID-19 risk matrixes. This began during 2020 and is ongoing, in order to improve our risk identification system.

In addition to the involvement of the company's various business areas in the management and control of risks and opportunities, all the countries where GS Inima operates also cooperate. Of particular interest is the joint effort made with GS Inima Brazil, with a specialized team since 2019 that is used to manage local risks. This evidences GS Inima's wish to work together in order to create synergies, taking into account the various scenarios faced by the company.

Finally, of interest is the company's effort in developing a corporate risk matrix, which covers the impact and probability of risks and opportunities at group level.

The risks described in this COVID-19 matrix are categorized by area, and by the criticality of the impact they may have on the company (high and medium risks), including any identified risks, threats and opportunities.

## Project risk evaluation





**GS Inima**, at project level, analyzes potential risks at the bidding stage in order to mitigate and evaluate those that may affect optimum project execution.

Consequently, it particularly supervises tax and economic return risks based on process maps, to ensure the feasibility of each bid submitted. Furthermore, in those tender processes where the company is collaborating with a partner, each one is subject to a financial solvency study.

The company also has an established procedure that requires an initial meeting, involving all the departments that are working on a project's execution, to consequently plan and reach an agreement on its specificities. This alignment of various company areas encourages an exchange of knowledge and improves the bid that is eventually submitted in a tender for a project.

Furthermore, this procedure for tendering processes includes risks by type and any actions to be taken if a threat arises. These identified and evaluated risks are based on quantitative and qualitative criteria, adapted to **GS Inima's** activities.

Risk management is currently extended to all of the company's project stages. Our risk study is presented in matrix form, identifying and quantifying the highest risks, in order to optimize costs, timeframes and the necessary project equipment.

At present, **GS Inima** is in the midst of globally consolidating its risk system. For this, our effort will focus on completing corporate risk matrices that cover a project's entire lifecycle: preclassification, bidding, award, signature of the contract and execution. This will result in a continuous follow-up on the risk matrix applied to the project, adapting it to existing circumstances.

Over 2021, the company has worked on reinforcing its financial and non-financial reporting control processes. We have moved forward in designing an internal control process for non-financial reporting (SCIINF), to include the identification of risks and associated controls.

# GESTIÓN DE RIESGOS

In 2021, GS Inima classified its risks into the following categories



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SUSTAINABILITY REPORT

## Financial

Risks with a direct impact on the company's financial stability, such as market, credit, liquidity or interest rate risks, affecting cash flows.

## Country

An analysis is conducted of the main risks that may arise in the various countries and geographical areas where we are present. We study each political and economic situation, and surroundings, of the country where the tender is being held in order to diagnose any political and commercial risks that could affect our operations abroad.

## Legal

An analysis is conducted of the main legal risks derived from executing the works and providing the services, such as regulatory compliance risks (sectoral, under local law) and the risk of contractual breach.



## **Tax**

Local taxes are identified based on the legal structure that the future venture will adopt, in order to subsequently verify any impact on activity.

## **Technical**

Risks related to meeting the requirements established in the List of Technical Specifications, usually notified to the client during the tender stage.

## **Environmental and health & safety**

Risks related to existing environmental permits, areas with archaeological resources, existing pollution, related to quality and health & safety. Furthermore, any specific environmental and/or occupational health & safety requirements in the country where we operate, or raised by the client under the contract.



# CORPORATE GOVERNANCE

GS Inima's corporate governance establishes the grounds of the company's strategy, encourages the organization's efficiency, generates competitive advantages and guarantees long-term sustainability.

To achieve this, GS Inima has established targets linked to financial and non-financial metrics, applicable to the governing bodies and all the company workers. Furthermore, in order to improve its decision-making process, the company follows a continuous improvement in corporate governance practices.

## ■ Governing and management bodies

GS Inima has a stable structure amongst its senior representation bodies, differentiating the Board of Directors from the Management Committee.

### Board of Directors

Governing Body

### Management Committee

Management Body

## OBJECTIVES

To guarantee the organization's sustainability both in economic/financial and social and environmental terms

To safeguard corporate reputation in order to help create long-term value

To encourage disclosure and confirm the reliability of any financial data published

To control management efficiency, process improvements and regulatory compliance



## ■ Composition of the Board of Directors

The Board of Directors is GS Inima's senior governing body, consisting of the Non-Director Secretary of the Board and five Directors who offer international representation and educational and formative diversity, as a reflection of the company's variety. These positions are designated on proposal from GS Engineering & Construction Corporation.

The Board of Directors was incorporated in 2012 and, since then, it is the body in charge of supervising and consolidating GS Inima's strategy through its periodic meetings.

## **Mr. Byeong Yong Lim**

### **Chairman**

In addition to holding office as Chairman of **GS Inima's** Board of Directors, since 12 June 2013 he is the President (Standing Director) & CEO of GS Engineering & Construction Corp. After holding the post of President and CFO, Mr. Byeong Yong Lim, a graduate in law from the National University of Seoul, with a Masters in Tax Law and Chartered Accountancy, began his professional career in the International Tax Division of Samil PricewaterhouseCoopers. In 1991 he joined LG as part of the Presidency Cabinet, as Vice Chairman of Corporate Counsel, and in 1997 he joined LG Telecom, where he was entrusted with various responsibilities in marketing and strategy matters until 2002. In 2002 he was appointed representative executive of SOLiD, Inc. In 2004 he joined GS Holdings Corp. to work as the First Executive Vice Chairman of the General Council and, subsequently, of M&A and subsidiary management. He was appointed Chairman of the Company in 2011.

## **Ms. Marta Verde Blázquez**

### **Director and CEO**

She has a long track record as a Graduate in Economics and Business Studies (Finance), specializing in auditing, as well as the structured finance of concession projects in the sector. She holds a Masters in General Management from IESE. Of interest is the fact that she has mainly worked in projects in Spain, U.S.A., Brazil, Mexico and Algeria.

## **Mr. Young Joo Kang**

### **Vice Chairman**

Currently Business Manager of **GS Inima Environment S.A.** and Vice Chairman of the Board of Directors. A Graduate in Business Administration from the University of Korea, he also holds an MBA from the Foster School of Business, University of Washington. Since he joined the firm in 1997, Young Joo Kang has worked in various areas such as international finance, investor relations, financial accounting and EPC project management. As Business Manager he took part in the STAR Project in Turkey as well as Sub-stations and the 330kV Transmission Line Project.

## **Mr. Yoon Hong Huh**

### **Director**

Mr. Yoon Hong Huh's working career began at GS Engineering & Construction Corp. (formerly LG) in 2022. Mr. Yoon Hong Huh has extended engineering knowledge and in 2008 was awarded an MBA from the University of Washington.

## **Mr. Kim Taejin**

### **Director**

Kim Taejin has furthered his career in GS E&C for more than 15 years. He joined GS Engineering & Construction Corp. in 2002, holding various senior positions: General Manager of Tax Accounting at GS E&C (2004-2006), General Manager of Finance at GS E&C (2006-2010), Managing Director of Financial Supporting, GS E&C, and Managing Director of Financial Group, GS E&C. Currently, he is the Executive Vice President & CFO of GS E&C.

## **Ms. Amelia Robles Martín-La Borda**

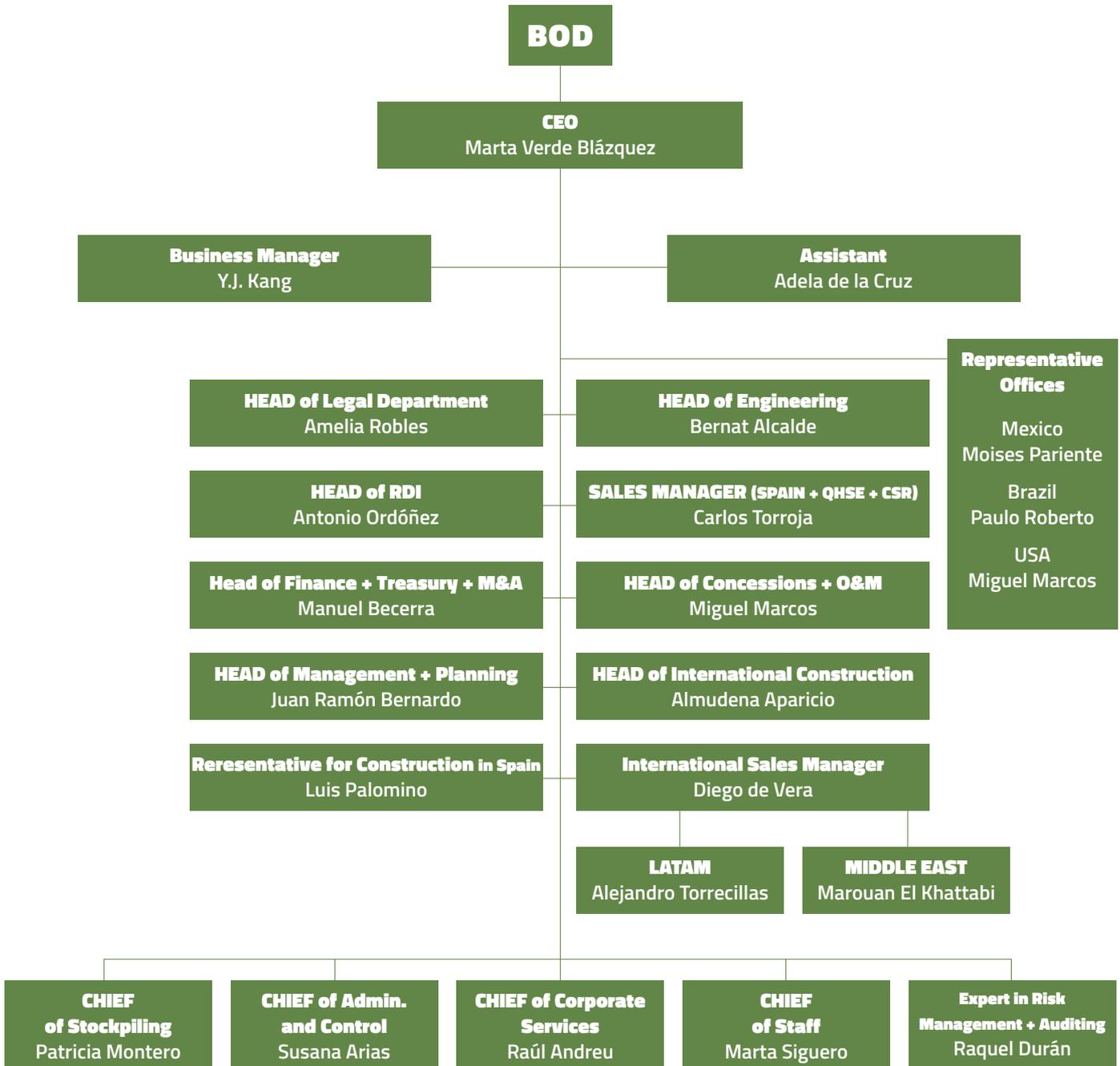
### **Non-Director Secretary of the Board**

# CORPORATE GOVERNANCE

## ■ Company flowchart

GS Inima's organizational management structure in 2021 was the following:

### Company flowchart updated at 2021





# ETHICS AND DISCLOSURE

## 2021 Objectives

### 2021 Objectives

### Status

Review and implantation of the company's Code of Ethics worldwide



● Achieved    ● Ongoing

GS Inima's activity following the cornerstones of business ethics, striving day after day to establish a business model based on justice, respect and integrity. As proof of this commitment to ethics and disclosure, GS Inima lays down behavioral guidelines for its stakeholders throughout the value chain, in all those countries where it operates.

One of the highlights of the Code of Ethics is its focus on regulations governing conflicts of interest, money laundering, and the financing of terrorism. GS Inima explains how to proceed in each situation, with a simple description of the diligence measures to apply in order to ensure compliance.

Given that the Code of Ethics exists in all those countries where GS Inima is present, it is translated into French, English and Portuguese. We are still working on updating its contents to cover all possible issues, adapting it to the company's different geographical situations and projects.

### Compliance Rule

For GS Inima it is essential to have solid rules in place to fight money laundering, which is why it also has the Compliance Rule. This Rule requires that all agents involved in the company's operations provide the necessary information to improve the traceability of all executed transactions, thus avoiding illegal conducts, such as financial transactions in tax havens.

For control of its established rules, as necessary, the Board of Directors convenes to evaluate any incidents related to a breach of the company's ethical regulations. Furthermore, GS Inima expects to hold six-monthly Board meetings to promote the application and fulfillment of the Compliance Program.

## Regulatory framework

### Code of Ethics

Through its Code of Ethics, GS Inima has laid down the values, principles and ethical behavioral guidelines applicable to all employees. This guide seeks to promote equal conditions, a solid organizational culture and fast and effective response to potential disputes.

The principles included in the Code of Ethics are promoted by the company amongst its stakeholders, to include its employees, suppliers, contractors or collaborator companies, subsidiaries, investee companies, Joint Ventures (UTES), consortiums and any association in which the GS Inima Group has a stake. These principles are also found in the company's corporate Compliance Rule.

The Code of Ethics includes environmental and social sustainability matters that encourage professional practices in line with the company's values. These guidelines include the management of environmental risks, responsibility towards the local community, respect for Human Rights and public freedoms gathered in the United Nations Universal Declaration of Human Rights, and greater health & safety as a basic right of all GS Inima professionals.

### Link to ethical and corporate compliance regulations::

<https://inima.com/es/quienes-somos#responsabilidad>

### Other internal regulations

Furthermore, of interest is GS Inima's effort throughout 2021 to move forward in Human Rights matters. It has drawn up internal policies on human rights, in order to ensure that the company's stakeholders enjoy basic conditions to be able to live decently with freedom, justice and peace. Further to our recent activity in Oman, the company has approved specific plans in Human Rights matters. This refers to the new Stakeholders Plan.



## ■ Ethics channel and measures to promote ethical conduct

GS Inima encourages ethical conduct through various measures or instruments, helping the company guarantee its responsible activity.

In turn, GS Inima sends questionnaires to teams working with the public administration in Spain. These questionnaires include good commercial and business practices accepted by the company. Furthermore, in order to guarantee that all company employees have the necessary information to act according to GS Inima's values and principles, all new Group employees are asked to complete a questionnaire, with information on the contents of the Code of Ethics.

In addition a compliance course is arranged to evaluate existing contents on the matter. This ensures employee involvement in developing ethical conducts, allowing GS Inima to continue basing its activity on the ethics and integrity of all its stakeholders.

Generally speaking, in the company, any complaints on infringements of the Code of Ethics may be notified through the Ethics Channel, which is publicly accessed and available in all those countries where it is present.

### Link to the Ethics Channel:

[https://www.inima.es/es/formulario\\_denuncia](https://www.inima.es/es/formulario_denuncia)

Furthermore, the company has its own Ethics Channel in Brazil, based on an e-mail address ([etica@gsinima.com.br](mailto:etica@gsinima.com.br)) in place to gather all communications received. Brazil's Integrity Department handles these complaints or notices on action contrary to the principles established, such as fraud, corruption and illegal action, and conducts the necessary investigation to adopt any required measures.

In 2021, GS Inima did not receive any complaint related to a breach of Human Rights, corruption or bribery, or other related matters. In turn, Brazil, through its Ethics Channels, has not received any complaints either related to internal employment relations.

Over 2021, as part of the company's social actions, GS Inima has made contributions to foundations or NGOs in Brazil totaling 327,638 euros. In Spain, this has amounted to 11,950 euros.



## Challenges for 2022

### Challenges for 2022

To move forward with the Stakeholders Plan in human rights matters, adapting it to each country's situation

To implement a management platform for ethics and integrity courses in Brazil

Courses in Brazil on the Integrity Program

Scheduling six-monthly Board meetings to promote the application and fulfillment of the Compliance Program

# COMMITTED TO INNOVATION

## 2021 Objectives

2021 Objectives	Status
To continue with our participation in talks related to the sector and publications	●
Increased project participation in different categories of Idealize Awards, <b>GS Inima SAMAR</b>	●
Completion of tests related to OSCAR project development on a pre-industrial scale, in conjunction with a technological company	🟡
Participation in European projects related to sector innovation	●
Creating a database with details on all courses, articles and other information generated by the RDI Management	🟡
Implementation of renewable energy systems in purification and desalination treatment plants, in operating plants or as part of bids designed for new projects	●
Greater energy savings in purification or desalination treatment plants, in operating plants or in those included in bids, through digital systems and models	🟡
Structuring plan for <b>GS Inima Brazil's</b> innovation area	🟡

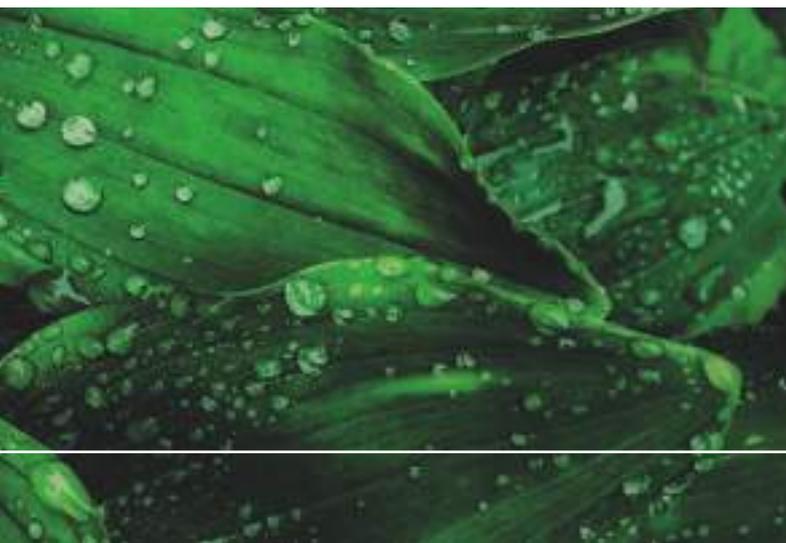
● Achieved    🟡 Ongoing

## Main Milestones in 2021

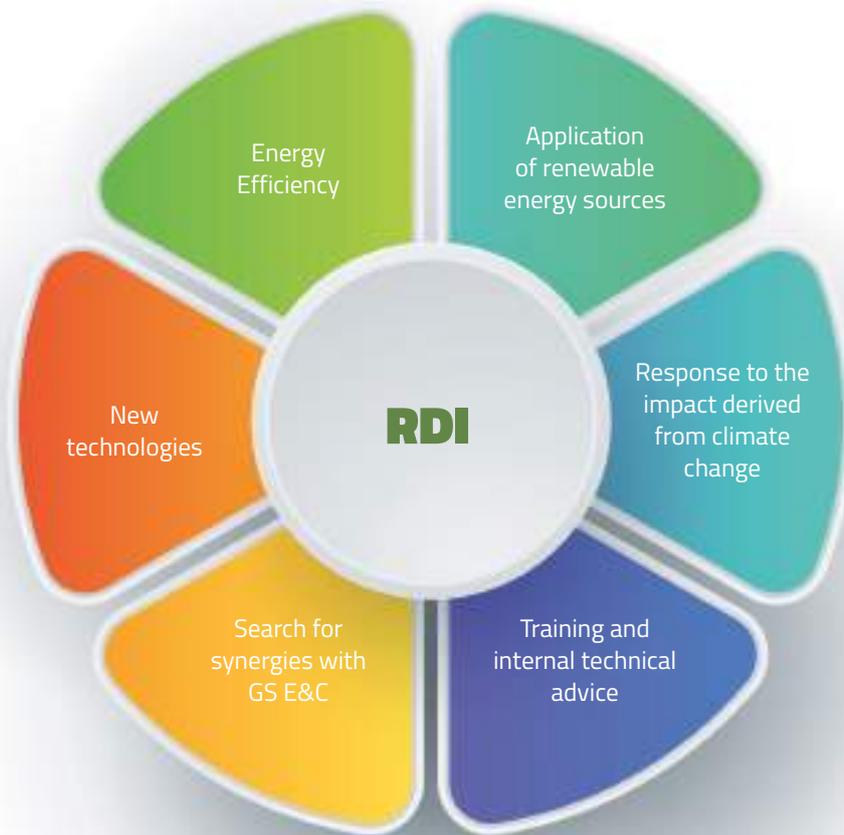
Integrating a new area of knowledge in the RDI Management, focused on renewable sources of energy	Presentation of the company's innovating projects in sectoral forums
Arrangement of RDI employee courses, on-line, and internal technical talks	A historical file has been gathered with the winning ideas of the RDI prize (since 2015)
Prize to the Best Speech at the VI Session of the I Digital Conference for Desalination and Recycling, arranged by AEDyR	<b>GS Inima amongst the four finalists to the Global Water Awards, in the "Desalination Company of the Year" category</b>
Publication of articles in sector magazines (PRONOX Project)	Execution of the "Digital Cognitive Twin" project

**GS Inima** treats research, innovation and development (RDI) as a transversal cornerstone in its activity, allowing the company to better adapt and anticipate to its changing surroundings. Through innovation, the company seeks to optimize its processes and to promote the environmental sustainability of its products and services.

As a consequence of the company's wish to continue moving forward, **GS Inima** included a third area in its Management in 2021, focusing on Renewable Energy Sources. This intends to reinforce its strategic lines of innovation.



The company's RDI is based on six key issues:



### **Energy Efficiency**

A commitment to innovating development in order to reduce energy consumption in desalination plant facilities. The company's plants are highly efficient in energy consumption terms, but work is still underway to reduce the operative cost associated to the energy consumed.

### **Application of renewable energy sources**

Promoted use of renewable energy sources in the company's treatment plants, with back-up from external collaborators and a continuous search for new opportunities. In Brazil, electricity generation has been integrated through photovoltaic energy in one of its purification plants.

### **Response to the impact derived from climate change**

Development of innovating solutions to allow an adaptation and mitigation of any impact derived from climate change, constituting a potential risk for regular operation of the company's facilities.

### **Training and internal technical advice**

The professional career of our employees is promoted in order to ensure a continuous improvement in the company's innovating processes, as well as the teaching of courses and public technical seminars.

### **Search for synergies with GS E&C**

Collaboration with **GS Inima's** parent company in order to take advantage of its technical and RDI leadership in Asia, developing projects of value for all of the company's stakeholders.

### **New environmentally-friendly technologies**

Protection of the environment is present in all business areas, in order to reduce and eradicate the production of sludge and waste, whilst still improving comprehensive water cycle management and increasing the capacity and differentiating knowledge of expert teams.

# COMMITTED TO INNOVATION

## Notable cases in the application of renewable energy sources



Solar energy at EDAR Mogi Mirim (Brazil)

**GS Inima Brazil** uses renewable sources of energy at its Mogi Mirim wastewater purification plant, with implemented solar panels. This activity is in line with the purpose underlying **GS Inima's** new innovation area: Renewable Energy Sources.

Through a photovoltaic system (1,066 FV PERC modules), installed on the roofs of the buildings and facility surroundings, this technology has already generated 930,000 KWH, since it began operating in July 2019 and until December 2021. This represents approximately 30% of the EDAR's demand for energy, which services approximately 80,000 local residents.



## ■ Involved in innovation

In order to lay down the fundamentals for its innovation throughout the company, **GS Inima** has its own Research, Development & Innovation (RDI) Policy available on the corporate website. Such fundamentals are:



The RDI management system according to standard UNE 166002:2014 has been renewed in 2021 at all company plants. Furthermore, the management system has been supervised during the year for its optimization. This certification covers water Engineering and Technology activities for water supply, wastewater and desalination technology to produce drinking water, awarded by an official institution. According to UNE 166002:2014 standards, the company has an RDI Management System Manual implementing what is established in the rule, with general guidelines to take into account when launching initiatives and innovation projects.

**RDI management system**  
 Certification UNE  
 166002: 2014

As part of the Research, Development & Innovation (RDI) Policy, a description is provided of employee commitments on the matter, to include the integration and involvement of company employees in RDI processes and related management, and the technical courses offered to employees.

With this in mind, over 2021 various courses and talks have been arranged. This training has been completed on-line due to current COVID-19 conditions. E-learning has allowed us to extend RDI knowledge to geographical areas that lacked such training, which was previously taught on-site in specific regions. This year, all courses have focused on desalination in general, sludge treatment and renewable energy source.

# COMMITTED TO INNOVATION

## Training and Technical Advice in 2021



In turn, **GS Inima Brazil** arranges internal workshops to share knowledge in innovation matters. Over 2021, a total of 3 workshops were held.

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SUSTAINABILITY REPORT

One of the fundamental cornerstones behind the company's innovation activities is its adaptability to all stakeholder needs, to include the local community. This is why **GS Inima Brazil** would like to highlight the public-private venture opportunities it has identified in RDI matters. These specifically refer to projects addressed to municipalities which require improvement in the management of their water supply systems, such as a reduction in water loss, or energy efficiency initiatives for existing systems.

Furthermore, thanks to the Brazilian "Lei do Bem" law, **GS Inima** has received tax breaks when carrying out activities to increase the operational efficiency of water treatment and household/industrial wastewater systems.

All initiatives in innovation matters are gathered each year in a specialized RDI Report, posted on the corporate website. This this Report, **GS Inima** provides all its stakeholders with details of news and RDI strategy. It also includes all registered patents and recognitions received in the last few years.

## ■ Outstanding RDI projects

**GS Inima** is a cutting-edge company in innovation matters, committed to practices that help reduce the environmental impact of its activity and to mitigate problems derived from climate change, specifically related to water, such as hydric stress, acidification and water pollution.

As part of its innovation efforts, the company has invested approximately 1.9 million euros in RDI in the past six years. In 2021, this investment reached 1,103,847 euros.

€ 1,103,847

invested in RDI in 2021

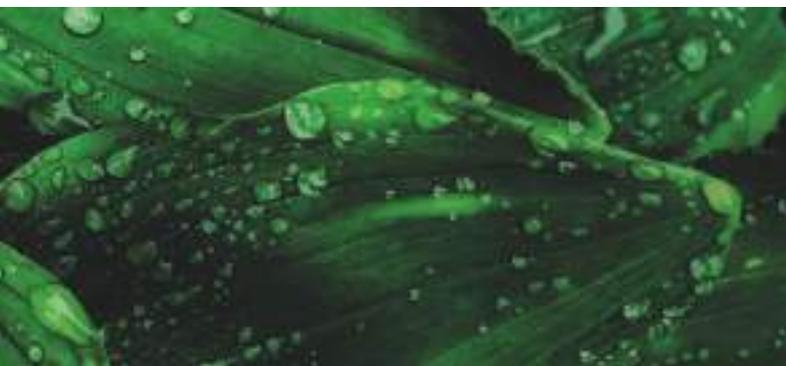
As part of its RDI initiatives portfolio, **GS Inima** is executing projects further to the announcements called by the Center for Industrial Technological Development, pertaining to the Spanish Ministry for an Ecological Transition and Demographic Challenge.

## 2021 RDI projects

### Digital cognitive twin

Cost strategy efficiency

Project to implement a Digital Cognitive Twin at desalination plants, in order to reduce operating costs.



## ROWSIP Project

### Innovation in water pre-treatment

Innovation in the design & development of seawater pre-treatment, based on an ultra-filtering system of cross-flow underwater membranes, fitted with a new seawater operation and circulation device that enables its continuous operation. This pre-treatment design novelty also results in a brand-new design of the collection tower.

## FOWE

### Brine-based energy

Recovery of brine-based energy from a conventional osmosis plant and the production of drinking water, through direct osmosis. The main aim of its pilot project is to reduce energy consumption and to increase the production of drinking water derived from two waste sources: brine and tertiary treatment effluents. The project has been executed on the facilities of the pilot plant located in IDAM Alicante II, owned by Mancomunidad de los Canales del Taibilla, where the results obtained in 2020 were presented.

## Granular beds

### Treatment of urban wastewater

This project is developing and designing an organic, nitrogen and phosphorus elimination system based on aerobic granular sludge (AGS) which, along with HRAS as a prior stage, will increase the production of biogas and electricity, simultaneously guaranteeing suitable effluents for discharge.

The project seeks to obtain more knowledge about AGS processes, to design and implement a pilot semi-industrial plant for zero or nil energy balance, and to try out various operating systems at a pilot plant, at a demonstrative scale, for technological validation.

## OSCAR

### Humid oxidation

The main objective of OSCAR technology is to remove the sludge produced in the processing of a Wastewater Purification Station (EDAR), in order to only generate H<sub>2</sub>O and CO<sub>2</sub>. For this, "Humid Oxidation (H.O.)" is used to oxidate organic components contained in aqueous effluents, in conditions allowing them to remain liquid as a whole. During 2021, final tests were completed.

## PRONOX

### Development of non-oxidation processes to remove organic matter in the treatment of urban wastewater

The PRONOX process, a variant of the HRAS (High Rate Activated Sludge) Process, develops innovating technology to obtain the maximum organic load for Anaerobic Digestion, with a double environmental objective: to reduce energy consumption on the purification plant and to minimize the amount of generated sludge. This project thus increases biogas production and reduces the organic download to the subsequent Active Sludge unit, which consumes a high amount of electricity. The project is financed by the Center for Industrial Technological Development (CDTI) and ended in March 2021.

## Microplastic

### EDAR microplastic biodegradation

In conjunction with CETIM (Technological Center for Multisectorial Research in La Coruña) and Consorci del Besós, this project characterizes and selects specific microorganisms for microplastic biodegradation in the treatment line of a wastewater purification plant (EDAR).

# COMMITTED TO INNOVATION

## ■ Collaboration

Year after year, **GS Inima** lectures on "Desalination Plant Operations" as part of the "Specialist Course on water desalination and recovery" of the University of Alicante, which held its VII edition in 2021.

**In 2021, the company has continued to participate in specialized events and courses:**

- European Biosolids and Bioresources.
- WORKSHOP-WEBINAR CWP RECYCLING
- Bioenergy: innovation, projects and opportunities between Canada and Spain
- Innovation and Trends for Wastewater Treatment in Small Urban Centers
- IDA - DTRI/SWCC Partnership Webinar on Innovation in Desalination
- Tackling Contaminants of Emerging Concern
- Driving down energy and chemical use in nitrogen and phosphorus removal.
- Digital event: Oblysis, the revolution of efficiency in wastewater treatment
- The circular economy of water: Technological Solutions. Success Stories.
- "The circular economy of water: challenges of the circular economy in the water sector"
- On-line technical seminar on "Solutions to improve EDAR SLUDGE DEHYDRATION"
- Jornada técnica de l'aigua
- I Digital Aedyr Conference
- ISA España Course: Control System Engineering.
- Webinar ABB: How to mitigate harmonics in the water industry. February 2021
- Webinar AQUA ESPAÑA: Ozonization Solutions for Drinking Water, Processing Water and Wastewater. February 2021
- Smart Water Summit 2021, iAgua. 27 September.
- IX Session on EDAR sludge management and treatment
- Water desalination technologies. Plataforma Tierra

**GS Inima also speaks at various seminars and forums:**

- Technical AEDyR Seminar on sustainability and renewable energy  
To promote the large-scale use of renewable energy in water treatment, specifically for desalination and recycling.  
*December 2021*
- World of Water  
An event was held, along with 700 students enrolled at Escuela Estatal Prof Rosangela Basile, to generate awareness of the importance of water and the consequences of water pollution.  
*February 2021*

As part of its promotion of innovating ideas both for external stakeholders and company employees, **GS Inima** has been rewarded for various RDI projects.

In order to incentivize innovating ideas amongst its stakeholders, **GS Inima** rewards projects related to innovation projects. Within the corporation, the Prizes to the Best Innovating Idea area held. In Brazil, Idealize Prizes are held every two years to reward internal innovation and the best sustainability.

In 2021, the VIII edition of Prizes to the Best Innovating Idea was held to reward the best employee ideas and to incentivize creativity. Through this initiative, **GS Inima** is able to boost its employees' career and offer innovating solutions to adapt to the company's situation.

This year's prize winners were Livia Maria Ottaviano, Isabelly Giroto Pucci and Neimar Roberto Munhoz, creators of "Projeto Renascentes do Passa Quatro". This project seeks to recover and protect the basin of the Passa Quatro River, which supplies the town of Santa Rita do Passa Quatro. By recovering the river basin, the idea is to return to a natural balance in the river's ecosystem and to adequately preserve the hydric resources provided by the basin.

## **Prize to the Best Innovating Idea (2021)**

## **Prize to the Best Speech at the VI Edition of the I Digital Conference on Desalination and Recycling, arranged by AEDyR**

The Spanish Desalination and Recycling Association [Asociación Española de Desalación y Reutilización] (AEDyR) arranged a digital event on water desalination and recycling. It was divided in two parts: the first covered speeches given by members of AEDyR's Management Council, and the second involved six speeches on the topic of the event.

At this event, **GS Inima** made a speech on learning from its mistakes, and those that are still made when designing water desalination plants. During the presentation, various topics to be improved upon were indicated, such as the need to add extra pressure when calculating the nanometric height of high-pressure pumps or the unnecessary inclusion of liras in permeating collectors if there are isobaric systems for energy recovery.

Thanks to this speech, **GS Inima** won the prize to the best speech in the VI Edition of the I Digital Desalination and Recycling Conference (AEDyR).



# COMMITTED TO INNOVATION

## Challenges for 2022

### Challenges for 2022

To continue implementing renewable energy systems in purification and desalination treatment plants, in operating plants or as part of the design included in bids for new projects.

To promote energy savings in purification and desalination treatment plants, in operating plants or in bids, through digital systems and models.

Completion of initial tests and further development in the Rowsip project

Participation in a European innovation project of relevance for the company

Implementation of the Digital Twin Project in the company's plants.

# COMMITTED TO THE ENVIRONMENT

## Challenges for 2021

Challenges for 2021	Status
Digitalization of the environmental management system within the corporation	●
Pilot to calculate the scope 3 carbon print	●
Improved calculation of the Group's carbon print	◐
To promote our corporate strategy, based on the Sustainable Development Goals Plan, implementing its goals and metrics	◐
To move forward in periodic supervision of metrics: carbon print measurement, consumption of materials, etc.	◐
To increase the use of renewable energy sources in our projects and to promote energy efficiency in operations	●
To meet international standards in environmental and social matters, at project finance and new markets stages.	●

● Achieved   ◐ Ongoing

## Main Milestones in 2021

Implementing an integrated QHSE system for GS Inima Brazil

Progress in our green energy policy: installation of photovoltaic panels in EDAR El Quiñón

GS Inima has various rules and procedures in place with which to reach optimum environmental management and assess the effects of the company's activity on the environment. Likewise, thanks to its integrated management system, GS Inima remains committed to its clients, society and the environment during project execution. As a result, the company is able to guarantee compliance with local environmental regulations.

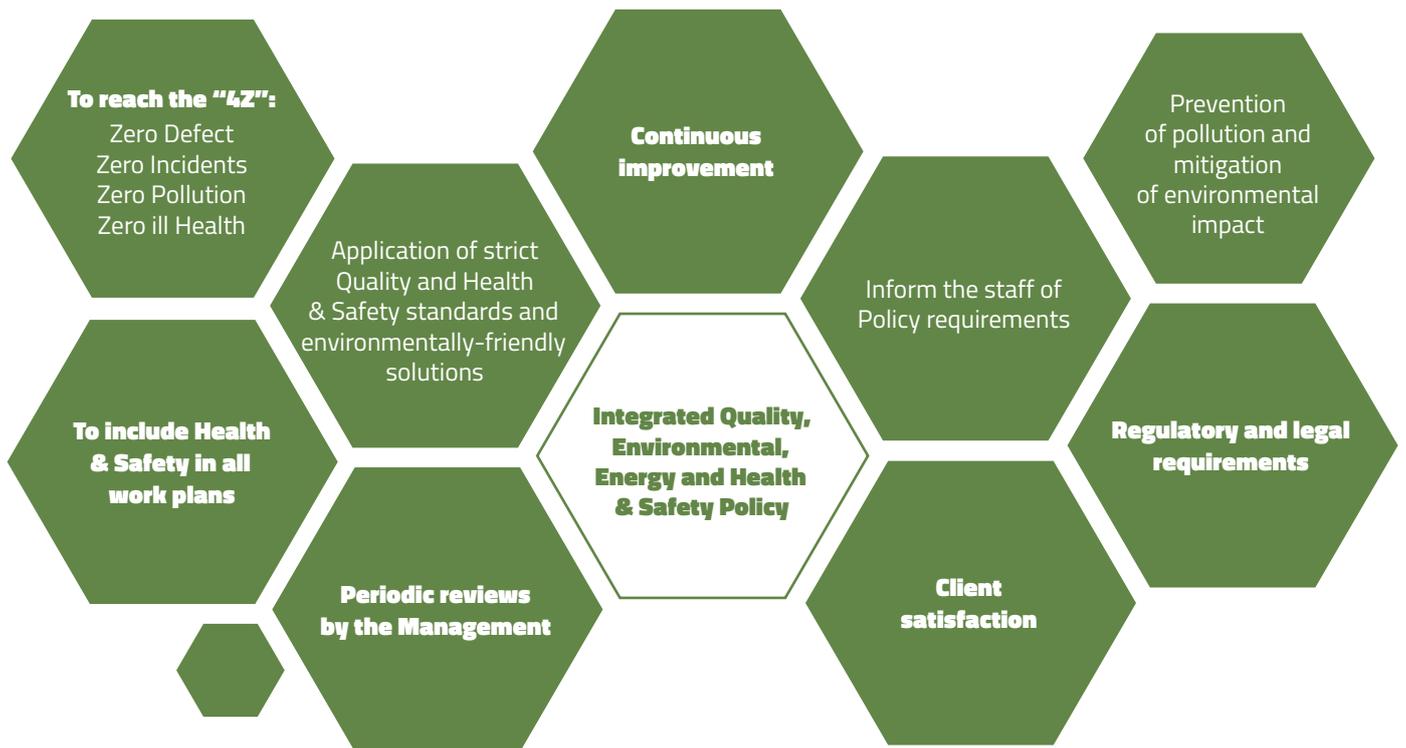


GS Inima, as a company specializing in environmental activities, prioritizes any business strategy that seeks to reduce the consumption of resources, to mitigate the environmental impact of its activities, and to generate awareness of the environment. GS Inima's commitment to the environment is reflected in the measures taken in its supply and treatment of hydric resources in the regions where it operates.



## ■ Quality, Environmental, Energy and Health & Safety Strategy

GS Inima has an Integrated Quality, Environmental, Energy and Health & Safety Policy that gathers the company's objectives and basic action principles:



This Policy lays down the grounds of the company's strategy in these matters and is available to all of **GS Inima's** stakeholders on the corporate website: <https://inima.com/es/sostenibilidad#politica>.

Furthermore, in line with the Group's guidelines, **GS Inima Brazil** has an integrated policy since 2019, which focuses on defining guidelines in Quality, Occupational Safety, the Environment and Occupational Health.

In order to apply a continuous improvement principle, defined in the Group's integrated policy and strategy, **GS Inima** regularly

studies and analyzes its surroundings through a SWOT analysis. This allows it to identify any Strengths, Weaknesses, Opportunities and Threats in the company, allowing it to better adapt to new circumstances and to improve compliance with the management system.

Since 2020, the company has an integrated management system that covers the five Management systems: RDI, Quality, Environment, Energy and Health & Safety.

# COMMITTED TO THE ENVIRONMENT

GS Inima’s integrated management system constitutes the main grounds on which to align all of the company’s activities

and operations, to include the following processes:

<p><b>Management System and processes</b></p>	<p>Identifying the most relevant processes</p>	<p>Company process map</p>	<p>RASCI flowcharts and matrixes, risk studies and actions for improvement</p>
<p>Determining criteria and control methods through indicators</p>	<p>Availability of resources and the necessary information to adequately execute and supervise identified processes</p>	<p>Allocation of responsibilities and authority</p>	<p>Risks and opportunities detected</p>
<p>Identification, evaluation and registration of environmental and legal issues</p>	<p>Implantation of operational control</p>	<p>Measurement and follow-up on processes and implantation of actions to achieve results</p>	

The scope of the management system covers all company facilities, departments and staff, and any external collaborators outsourced.

Also of interest is that this management system is certified under ISO 14001:2015. This environmental certification includes the following within its scope: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), **GS Inima Environment S.A.** (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and Joint Ventures (UTES) EDAR

Aranjuez, EDAR Segovia, EDAR Seseña, EDAR Montornès, EDAR Illescas, EDAR Tarazona and IDAM Alicante, and Inima Water’s drinking water laboratory. Furthermore, in Brazil, the Group units **GS Inima Jeceaba**, **GS Inima Samar** and **GS Inima Ambient** are certified under ISO 14001:2015, as well as Caepa, Samar, Comasa, Sesamm and Ambient, under ISO 9001:2015.

To complement its Integrated Policy, the company has its Quality, Environmental, Energy and Health & Safety Manual. This Manual is mandatory in **GS Inima**, based on the procedures established in its integrated management system. In turn, **GS Inima Brazil** has an integrated manual establishing guidelines with which to meet the requirements of standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, as well as local environmental laws in force.

Process reporting, i.e. gathering internal information for stakeholder reporting, is essential in order for the company to progress in its data control, and to increase awareness amongst its stakeholders, by informing them of the progress made by the company in sustainability matters.

This is why, through its CSR tool, **GS Inima** gathers various non-financial data and indicators in order to prepare non-financial reports (such as this one). Each year, the company arranges specific courses on how to use this tool, targeted at each company manager in charge of reporting through this tool. The company has designed an internal control system for ESG indicators, which it will start up next year.

Furthermore, **GS Inima's** 2020-2023 Strategic Plan lays down action guidelines to manage impacts, risks and performance in environmental sustainability matters, as well as the company's health & safety and quality. The plan is evidence of **GS Inima's** commitment to the environment.

**GS Inima** promotes environmental protection amongst its various stakeholders. As an example, the company has an environmental awareness employee plan to encourage an efficient use of energy resources amongst its employees. This plan is based on awareness material and internal formative action. The company also arranges awareness campaigns when celebrating specific environmental dates, such as Tree Day, and specific initiatives have been carried out to involve employees in environmental impact matters, through campaigns to "adequately remove waste by using wastepaper baskets"; "awareness when using paper in printers"; and "reduced use of disposable plastic cups".



# COMMITTED TO THE ENVIRONMENT

## ■ Quality, Environmental, Energy and Health & Safety Committee

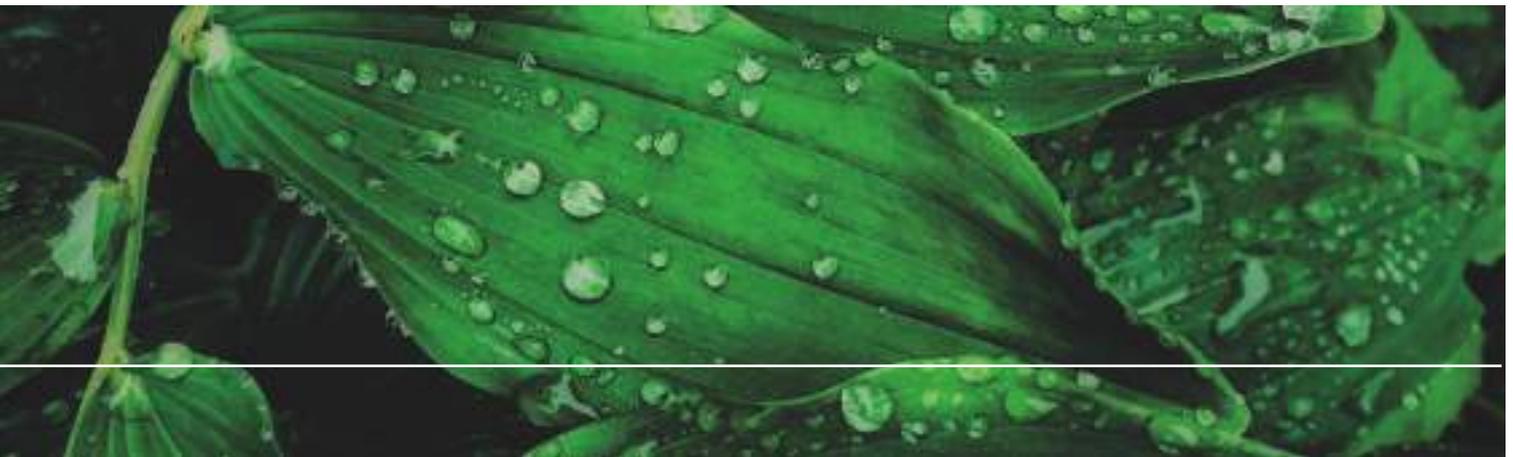
GS Inima's Quality, Environmental, Energy and Health & Safety Committee is in charge of ensuring compliance with its policies in these matters (Quality, Environment, Energy and Health & Safety) and supervising the most relevant events. The committee consists of various managers, each in charge of an area:



## Quality, Environmental, Energy and Health & Safety Committee



In addition to this corporate Committee, which meets up once a year, each country has its own committee that convenes each month.



## ■ Our environmental performance

### Efficient consumption of materials

Each GS Inima facility applies minimization criteria in its consumption of materials and completes environmental impact studies, in order to guarantee a responsible and sustainable consumption of materials.

The consumption of resources varies depending on the company's activity, as well as the type of project: construction, operation or maintenance of facilities. Consequently, indicators on consumed materials are gathered separately for each type of activity.

The following information shows GS Inima's consumption of materials in 2021, and includes a comparative with trends in previous years for each activity:

Consumption of materials			
Construction (t)	2019	2020	2021
Total aggregates	30.525	3.655	31.072,49
Cement/concrete	35.620	19.749	23.869,24
Bitumen and asphalt	4.299	4.120	4.419,47
Steel	286	695	606,13
Iron	611	23	20,38
Total consumed materials in facilities certified under ISO 14001:2015*	895	10.211	9.904,01
<b>Total</b>	<b>71.341</b>	<b>28.242</b>	<b>59.987,71</b>

\*The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúrzeo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Inet in Algeria.

GS Inima's construction activity involves a large consumption of materials in order to execute its works for treatment plants and water services facilities. To reduce the impact of this type of activity, the company prioritizes the optimization of consumed materials. For this, all companies under the scope of standard ISO 9001 have a control system for the receipt of steel, asphalt, concrete and ceramic materials, preventing any damage and ensuring that their use is supervised.

Materials consumed Operation & maintenance (t)	2019	2020	2021
Cationic polyelectrolytes	809	235	51.775,77
Anionic polyelectrolytes	7,56	35,7	3,31
Byproducts	312	0	-
Carbon dioxide	4.448	4.743	4.616,78
Calcium carbonate	5.417	6.154	5.947,10
Sodium hypochlorite	1.151	1.384	1.491,34
Sulfuric acid	1.335	2.204	2.508,93
Glycerin	0,77	0,05	0,25
Caustic soda	1.575	2.463	2.645,51
Metabisulfite	5,10	77,08	55,36
Antiscalant	221	190	149,91
Other chemicals*	7.822	11.091	13.690,36
Total consumed materials in facilities certified under ISO 14001:2015**	1.869	4.954	53.998,85
<b>Total</b>	<b>23.102</b>	<b>28.576</b>	<b>82.884,62</b>

\* "Other chemicals" include ferric chloride, antiscalant, calcite, hydrochloric acid, sodium chloride, calcium hydroxide, activated carbon, aluminum hydroxide, ammonium hydroxide, nitric acid, ferric sulfate, aluminum polychloride, sodium bisulfite, fluosilicic acid, antracite, silica, starch, aluminum sulfate, chloride, sodium bisulfite, oxygen, isothiazolinone, DBNPA, alkaline detergent and acid detergent for cleaning membranes.

\*\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúrzeo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Inet in Algeria.

During 2021, a total of 142,872.33 tons of materials consumed were registered, used for the treatment as drinking water, desalination and purification of wastewater, representing a 2.51% increase in consumption over 2020.

# COMMITTED TO THE ENVIRONMENT

## Waste management

A circular economy is still one of the cornerstones used to mitigate **GS Inima's** environmental impact. Over the last few years, it has become the backbone of national and regional regulatory frameworks, and one of the priorities of stakeholders and environmental services companies. Consequently, a circular economy is an innovating opportunity for the execution of operations, and may also promote new lines of business and economic and environmental feasibility.

In broad terms, a circular economy enables an optimized use of resources and added value contributed to all projects, promoting environmental sustainability, the fight against climate change and the socioeconomic wellbeing of the local community. The foundations of a circular economy are based on a responsible and efficient management of waste, from a reduction in generated waste (creating durable materials) to correct and efficient management of its final disposal.

In favor of this circular economy, **GS Inima** carries out specific initiatives to encourage an efficient and responsible use of raw materials and more optimization at its treatment plants. All **GS Inima** companies certified under rule ISO 14001 have two environmental guides, with guidelines on how to manage hazardous and non-hazardous waste. In turn, through the management system certified under ISO 50001, the company executes energy consumption guidelines, to include using any generated waste as a source of energy.

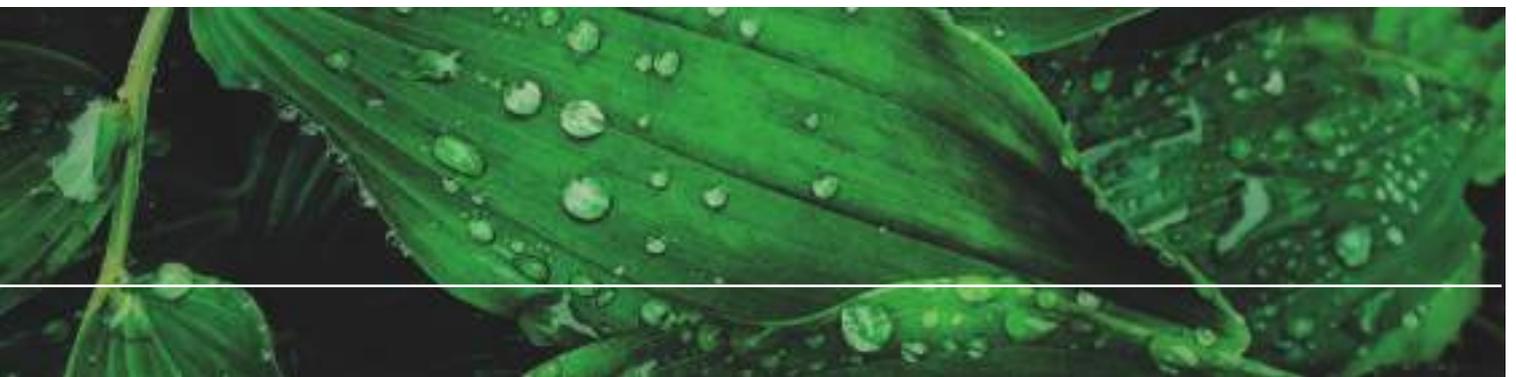
Various specific projects are launched in waste management matters, as one of the company's priority lines of action. In Brazil, the idea is to establish comprehensive waste management in all units. For this, over 2021, local effort has focused on drawing up homogenous waste data files for Sanama, Ambient and Maceio.

**GS Inima** has registered the following types of non-hazardous waste, in 2021 and in the two previous years:

Non-hazardous waste generated (t)	2019	2020	2021
Dehydrated sludge/mud	208.685	83.091,7	67.886,24
Sand and aggregates (m3)	10	64.237,5	16.065,88
Pre-treatment waste	2.022	2.001,7	3.226,31
Degreasing oils	431	360,5	302,65
Desanding sand	2.669	1.554,8	2.056,70
Debris	842,9	8.102,8	3.409,94
Wood	54,5	58,9	88,96
Metal	119,7	150	106,21
Paper and cardboard	28,4	32,7	45,95
Plastic	52,01	26,2	31,83
Minor	352,7	292,8	176,86
Other	5.427,2	25.936,8	5.543,27
Non-hazardous waste (t) managed by facilities certified under ISO 14001:2015*	18.330	97.965,9	58.373,62
<b>Total</b>	<b>220.694</b>	<b>185.846</b>	<b>98.940,80</b>

\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), **GS Inima Environment S.A.** (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'jinet in Algeria.

The increase in generated earth is due to works carried out in some facilities in Spain (EDAR Valorinima and EDAR Vilafranca).



The sludge generated by water treatment for drinking and purification is supervised by **GS Inima** for better efficiency and reduced impact. Sludge management is carried out through authorized external managers, by withdrawing, carrying and finally disposing of the sludge, very often given a final agricultural use. The high volume of sludge under management is mostly due to Metrofang's sludge drying process.

As proof of its environmental commitment, of interest is the sludge drying plant in the Wastewater Purification Station of **GS Inima Samar** in Araçatuba (Brazil), inaugurated last 10 December 2021. It is the first solar sludge drying plant in Brazil to demonstrate its efficiency in reducing the environmental impact of sludge generated in the treatment. For more details, follow this link to the news posted on the **SAMAR** website.

<http://www.samar.eco.br/noticias/secador-solar-de-lodo-inaugurado-pela-gs-inima-samar-e-inovacao-tecnologica-que-beneficia-o-meio-ambiente/>



Furthermore, the company continues to work on other innovating technologies to reduce the amount of residual sludge, such as anoxic-oxic digestion systems and the optimization of seawater collection processes at desalination plants.

**GS Inima** keeps a log on any generated hazardous waste and effort is made to reduce its volume through process improvement and a progressive substitution of products used.

<b>Hazardous waste generated (t)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Oil	14,8	14,5	39,22
Other waste	57,7	205,6	664,7
Contaminated metal containers	1,6	1,1	1,94
Contaminated plastic containers	6,0	2,8	2,77
Absorbing agents and rags	1,3	1,1	2,37
Batteries	2,0	2,6	1,24
Fluorescent tubes	1,7	0,27	1
Used oil filters	0,6	0,71	0,74
Chemical laboratory products	1,5	2,38	5,38
Hazardous waste (t) managed by facilities certified under ISO 14001:2015*	6,31	52,18	43,60
<b>Total</b>	<b>87,2</b>	<b>231,2</b>	<b>719,36</b>

\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Jinet In Algeria.

The increased volume registered in some categories of hazardous waste in 2020 is mainly due to greater data control in some facilities in Brazil.

# COMMITTED TO THE ENVIRONMENT

## Caring for hydric resources

GS Inima's main activity depends on an adequate preservation of the planet's hydric resources. This is why the company is committed to providing solutions in order to avoid a deterioration of natural resources, contributing to sustainable water management.

GS Inima's water management strategy is based on the following:

- To promote innovating solutions to ensure sustainable management
- To increase control over consumption and improve water quality through an efficient monitoring of operating facilities

Thanks to its extensive experience in the sector, **GS Inima** develops innovating technology with which to offer water treatment services further to a policy of excellence, reducing drinking water losses in operating networks.

In order to optimize the management of consumed water, **GS Inima** is working on initiatives to reduce system losses, to increase water recycling and to increase the population's awareness of responsible consumption.

For **GS Inima Brazil** it is a priority to work on the hydric safety of the regions where it is present, particularly those with a track record of water shortage, such as Araçatuba or Ouro Preto, through a sustainable distribution of available water resources. When facing these challenges, the company is aware of the importance of keeping an open dialog with the local community in order to improve the measurement quality of water consumption parameters, and to increase the population's awareness of the need for responsible consumption. As an example, campaigns and initiatives are launched in this region to communicate matters related to hydric stress amongst various external stakeholders.

**GS Inima's** water consumption derives from the need to cover household, retail and municipal demand, and for the industrial sector.

Water consumption by collection source (m <sup>3</sup> )	2019	2020	2021
Wastewater	58.606.102	127.679.312	89.315.564,54
Well water	1.029.773	443.060	7.616.587,37
Water obtained from the public network	37.876	13.841.666	28.718,39
Water obtained from surface water	35.860.162	41.328.465	56.402.586,63
Water obtained from other sources	3.808.475	6.053.357	4.930.727,50
Total water consumed by facilities certified under ISO 14001:2015*	112.456	139.143.663	97.180.726,93
<b>Total</b>	<b>99.342.387</b>	<b>189.345.860</b>	<b>158.294.184,43</b>

\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTEs) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Jinet in Algeria. The variation registered in water consumption between 2019 and 2020 is due to the full record of water consumption data for 2020 in facilities in Brazil, located in Triunfo, Jeceaba and Aquapolo.

In 2021, the total capacity of treatment activities derived from wastewater purification and drinking water plants reached a flow of more than 1,000,000 m<sup>3</sup>.

EDAR ETAP treatment capacity (m <sup>3</sup> )	2019	2020	2021
Spain	724.026	471.672	683.426
Algeria	25.248	25.248	25.248
Brazil	620.118	337.216	652.634
Morocco	172.800	172.800	172.800
<b>Total</b>	<b>1.542.192</b>	<b>1.006.936</b>	<b>1.534.108</b>

GS Inima is the world leader of desalination treatment by reverse osmosis, promoting universal access to water and maintaining its commitment to the most innovating techniques in the management of hydric resources. At present, the company has 9 desalination plants and 2 under construction, with treatment capacity exceeding 1,000,000 m<sup>3</sup>/day.

IDAM/IDAS(m <sup>3</sup> ) treatment capacity	2019	2020	2021
Spain	185.000	185.000	120.000
Algeria	300.000	300.000	300.000
USA	85.354	60.300	60.300
Mexico	42.336	42.336	42.336
Tunisia	50.000	-	-
Chile	38.880	38.880	38.880
Oman*	-	400.000	400.000
Korea	-	-	100.000
<b>Total</b>	<b>701.570</b>	<b>1.026.516</b>	<b>1.061.561</b>

\* EUnder construction, IDAM Ghubrah III and Barka V.

## Discharge surveillance

Discharge derived from GS Inima's activity is one of the most relevant effects of the company's operations. Aware of the challenge involved in controlling and minimizing sludge produced by its treatment facilities, GS Inima is carrying out trial plans to increase the monitoring of processes and discharged water.

GS Inima's discharge data, based on the activity of its operating plants, are itemized below depending on the final disposal of such discharge and the company's trend on the matter in the last three years.



Discharge of wastewater (m <sup>3</sup> )	2019	2020	2021
Wastewater discharged into the sea, rivers or lakes	184.971.473	132.448.119	137.871.080,02
Wastewater discharged into the public sanitation network	41.073	24.820.703	15.248,10
Industrially produced wastewater discharged, treated for the client or by third parties		522.699	660.782,00
<b>Total discharge of purified or treated water</b>		<b>157.791.521</b>	<b>138.547.110,12</b>
Discharge of wastewater, not purified or treated, into the sea, rivers or lakes		198.437.855	205.748.875,33
Discharge of wastewater, not purified or treated, into the public sanitation network		244.485	1.900.256,39
<b>Total discharge of wastewater, not purified or treated</b>		<b>198.682.341</b>	<b>207.649.131,72</b>
<b>Total</b>	<b>373.926.250</b>	<b>356.473.862</b>	<b>346.196.241,84</b>

The total aggregate in 2019 includes the discharge of wastewater, but was not included in the table due to a lack of information on its final disposal or treatment in earlier reports.

In 2020, extra details and a larger breakdown have been provided for GS Inima's discharge, adding data for all units, both for desalination plants and wastewater treatment plants. The difference between treated and untreated discharge has also been provided.

A total of 15,248.1 m<sup>3</sup> of wastewater was discharged into the public sanitation network, and 137,871,080.02 m<sup>3</sup> of wastewater was discharged into the sea, rivers or lakes.

Thanks to GS Inima's solid commitment to reducing its environmental impact, there is no record of any environmental sanction in 2021.

# COMMITTED TO THE ENVIRONMENT

## Efficiency as a priority

Promoting energy efficiency and the use of renewable energy sources is one of **GS Inima's** RDI lines of action. By guaranteeing energy efficiency in the company's operations, energy production and consumption is optimized, thus helping fight against climate change in order to reduce the emission of greenhouse gas.



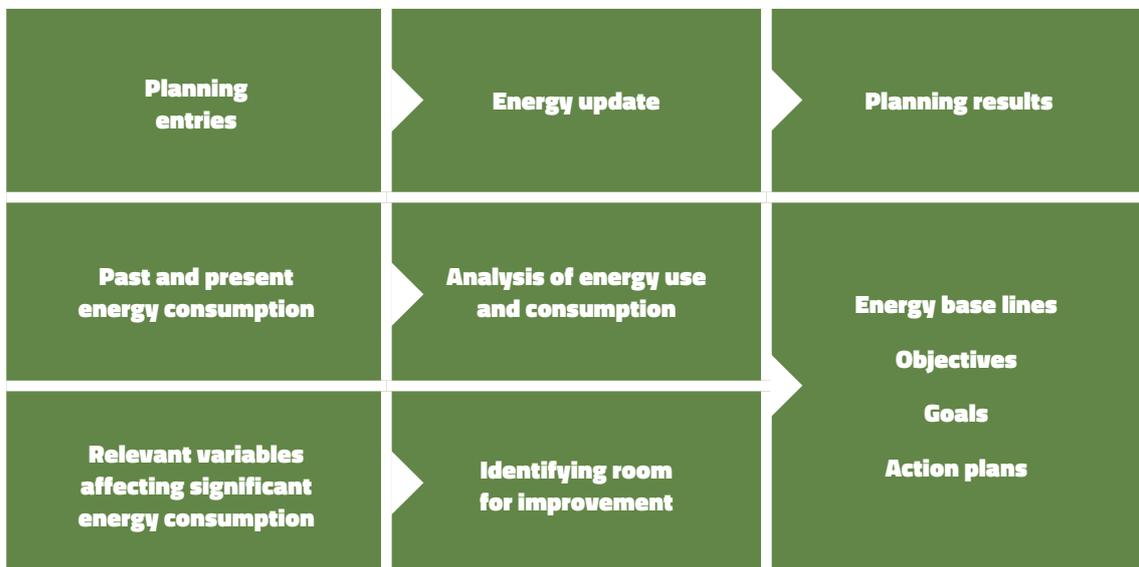
The promotion of energy efficiency and renewable energy sources, as strategic lines in RDI

Furthermore, **GS Inima Environment S.A.'s** energy management system is certified under standard UNE-EN ISO 50001:2011. This certification was obtained in 2019 and will remain valid until 2022. It covers exploitation activities (operation and maintenance) in wastewater purification stations, desalination facilities and comprehensive water cycle management (collection, treatment as drinking water, storage, distribution, maintenance of the sewage and sanitation networks and sales management).

**GS Inima assumes all risks inherent to its dependence on energy for purification, desalination and water treatment operations, and manages these risks through innovating solutions and measures to incentivize energy savings, to include:**

- Environmental control and follow-up through specific energy consumption files and establishing environmental objectives for process optimization.
- Routine checks on relevant parameters in operation & maintenance processes.
- Drawing up preventive maintenance plans, both in facilities under operation & maintenance and in machinery used during construction.
- Energy Planning Procedure, allowing the company to obtain an ISO 50001 certification for its energy performance.

Improved processes in **GS Inima's** activities seek to optimize energy efficiency, based on two essential cornerstones: savings in the amount used and energy optimization and reduced emissions from fixed and diffuse sources.



In order to complement its energy efficiency program, GS Inima promotes the generation of clean energy during operations by implementing renewable energy sources in some facilities. As a result, the company operates under a co-generation system for renewable energy sources in EDAR Sesamm and GS Inima Ambient in Brazil, and EDAR Crispijana (Spain), where more than 9,891 MWh are produced each year. EDAR Illescas, in Spain, holds green energy certificates for more than 119,000 KWh. In 2021, GS Inima has completed the installation of a photovoltaic solar energy generation system in EDAR El Quiñón (Spain). Likewise, GS Inima's commitment to extend the implementation of renewable energy sources is reflected in the work carried out in Aquapolo (Brazil), one of the world's largest recycling facilities, where a project is underway to establish an energy matrix. Also of interest in 2021 is the new strategic line created in corporate RDI, related to renewable energy sources.

For more information see "Committed to innovation".

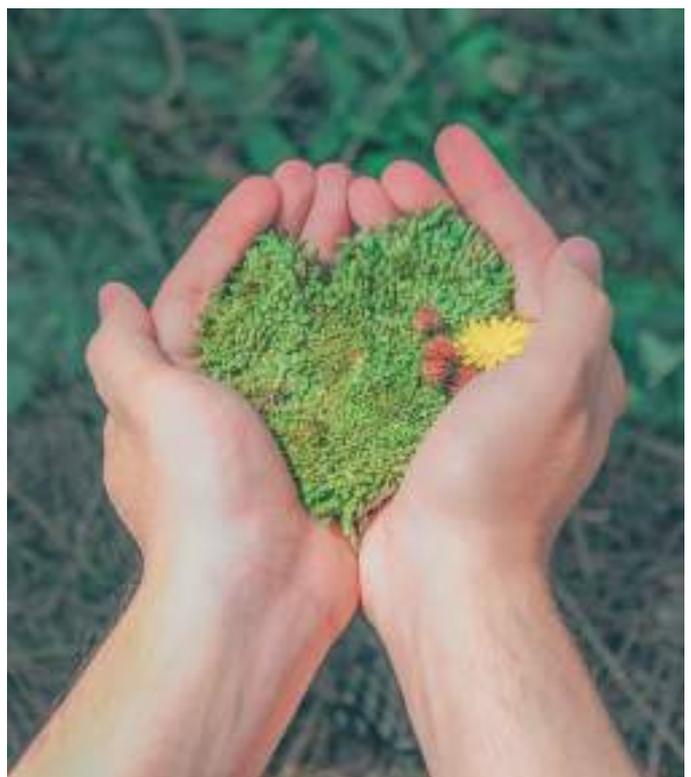
Direct energy consumed by country (GJ)*	2019	2020	2021
Algeria	699	148	211,51
Spain	63.748	91.932	68.414,90
Brazil	68.322	125.104	81.403,65
Mexico	564	559	693,57
USA	466	549	597,40
Morocco	411	1.284	324,19
Chile	8.600	6.205	122,57
Tunisia	-	-	-
Total consumed by centers certified under ISO 14001:2015*	13.430	154.080	83.489,77
<b>Total</b>	<b>142.811</b>	<b>225.782</b>	<b>151.767,77</b>

\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Jinet in Algeria.

The variation registered in water consumption between 2019 and 2020 is due to the full record of water consumption data for 2020 in facilities in Brazil, located in Triunfo, Jeceaba and Aquapolo.

Indirect energy consumed by country (MWh)	2019	2020	2021
Algeria	285.356	321.890	213.479,55
Spain	218.884	185.679	188.309,29
Brazil	66.782	59.640	68.992,41
Mexico	40.967	39.647	35.819,51
USA	1.530	17.105	18.128,51
Morocco	0	0	8,52
Chile	4	3	2,90
Tunisia	0	-	-
Total consumed by centers certified under ISO 14001:2015*	34.250	148.872	47.668,85
<b>Total</b>	<b>613.524</b>	<b>623.962</b>	<b>524.740,70</b>

\* The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Aguas de Ensenada, Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) EDAR Segovia, EDAR Seseña, EDAR Illescas, EDAR Tarazona and EDAR Vilafranca. In Brazil, the certified companies are EDAR Jeceaba, ETAP Samar and EDAR Ambient, as well as IDAM Cap D'Jinet in Algeria.



# COMMITTED TO THE ENVIRONMENT

## Climate strategy

According to the latest risk report published by the World Economic Forum<sup>7</sup>, one of the main global risks, by impact and probability, are those related to climate change and, specifically, extreme climatic events.

GS Inima is aware of the consequences of its activities on climate change, due to directly impacting the planet's hydric resources, accentuating hydric stress and water shortage, and impacting water quality. In turn, greenhouse gas emissions derived from energy consumption are one of the main factors that are detrimental to climate change and its effects on the planet.

In order to respond to these challenges, GS Inima carries out its day-to-day management of environmental impact. It specifically focuses on finding innovating solutions to provide environmentally-friendly systems and models, encouraging a low-carbon economy, as explained elsewhere in this chapter.

<sup>7</sup> World Economic Forum. WEF Global Risk Report 2021: [https://www3.weforum.org/docs/WEF\\_The\\_Global\\_Risks\\_Report\\_2021.pdf](https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf)

Below is the annual inventory of CO<sub>2</sub> emissions, including both those associated to direct or indirect energy consumption (scopes 1 and 2) and emissions associated to the supply chain or employee business trips (scope 3):

Emissions of greenhouse gas (tCO <sub>2</sub> e)	2019	2020	2021
Direct emissions derived from fuel consumption	2.118	2.489	6.350
Direct emissions of greenhouse gas not associated to fuel use	56.471	-	0
Indirect emissions derived from electricity consumption	234.391	248.147	169.339
Estimate of other indirect emissions: business trips in private cars	102	114	95,25780877
Estimate of other indirect emissions: business trips by other means of transport	446	214	291,3795513
<b>Total</b>	<b>293.528</b>	<b>250.964</b>	<b>176.076</b>

GS Inima has no specific targets in place to reduce greenhouse gas emissions. Nevertheless, the company is working on initiatives aimed at minimizing emissions, to include:

- Implantation of the necessary systems for the use of clean energy sources.
- Monitoring and optimization of energy consumption in critical processes.
- IA program to replace traditional fuel-run vehicles with hybrid and electrical ones.

Furthermore, at a corporate level, a Plan is being drawn up to contribute to Sustainable Development Goals (SDGs) of the United Nations. Such plan establishes integrated action plans for each country where the company is present, incorporating indicators and specific follow-up targets to measure the company's contribution to fight against climate change, amongst other issues. In 2021, GS Inima Brazil has made progress in defining these action plans and establishing measurement indicators, and has set some specific targets in sustainability matters.



## Biodiversity

Biological diversity helps the adequate operation of the planet's ecosystems which, in turn, guarantee the preservation of natural resources (water included) in a sustainable and efficient manner.

**GS Inima** is aware of this and of the impact that its operations may have on biodiversity, which is why it carries out environmental impact studies that include parameters to measure biodiversity aspects, guaranteeing that the impact of its activity is reduced to a minimum.

Based on the results of these environmental impact evaluations, **GS Inima** launches the necessary correction or compensation measures. For example, such measures have been executed in unit projects like EDAR Jeceaba, EDAR Sanama and EDAR Ambient in Brazil, as well as IDAM Atacama (Chile) and Oman. The impact of these units' activity cover the flight of animal species, deforestation or altered habitats, for which programs have been designed to rescue fauna, for reforestation, environmental monitoring and awareness and communication campaigns with the local community. At IDAM Atacama, for example, reptiles have been rescued and seeds replanted to mitigate the impact on the conservation of some species of local flora.

In biodiversity matters, of interest in 2021 was COMASA's "Renascentes do Passa Quatro" project, which came first in the VIII Prize to the Best Innovating Idea 2021, awarded by **GS Inima's** holding in Spain.

The project seeks to protect and recover the basin of Córrego Passa Quatro, one of the water sources supplying the town of Santa Rita do Passa Quatro. The team that created the project will receive 3,000 euros as a reward.

*For more details on this reward, please visit COMASA's website:  
<http://www.comasa.eco.br/noticias/comasa-e-gs-inima-samar-sao-premiadas-por-ideias-inovadoras-em-2021/>*

## Photovoltaic facility at the Wastewater Purification Station in Urbanización El Quiñón

As evidence of its commitment to fight against climate change, **GS Inima**, in conjunction with the Town Council of Seseña (Spain), has completed its installation of a photovoltaic solar energy generation system at EDAR El Quiñón.



The project aims to reduce energy consumption and the carbon print in the wastewater purification process associated to Urbanización El Quiñón residents, by installing photovoltaic panels. The annual savings foreseen will range between 15% and 20% of the EDAR's energy consumption.

With this facility, **GS Inima** and the Town Council of Seseña have been able to reduce the EDAR's carbon print by more than 2,800 tons of CO<sub>2</sub> during the facility's useful life.

# COMMITTED TO THE ENVIRONMENT

## Initiative for solid waste management in Sanama



In order to reduce the production of waste to a minimum and thus achieve a nil or positive impact on the environment, Sanama is launching the “Zero Trash” Project.

The aim is to increase the zero-trash rate to less than 15%, to strengthen stakeholder alliances and to adequately treat any generated organic waste, by installing household compost devices and using the fertilizer produced in the Greenhouse at ETE Benedito Bentes.

The project is supported by regional cooperatives involved in the collection of recoverable waste and wood, at Fábrica da Esperança de la Secretaría de Estado para la Resocialización e Inclusión Social (SERIS), to include the recycling of debris and sand generated by works in the network of the Municipal Sanitary Filling Recycling Plant at Maceió. Furthermore, it recently partnered up with the local agroecological community, Oasis (CSA Oasis), to donate pruned plants to ETE Benedito Bentes.

## Initiative to generate clean energy at the SESAMM Wastewater Treatment Station (ETE)



Part of the ETE’s treatment of wastewater will involve the use of solar energy. To generate this renewable energy, photovoltaic panels using PERC (Passivated Emitter and Rear Cell) technology will be used for more efficient energy generation.

In this way, environmental impact resulting from the plant’s activity is reduced, greater operational safety is achieved due to diversified energy sources, as well as reduced dependence on the energy distribution grid.

The module space covers a total surface area of 2,124.54 m<sup>2</sup> and the plant will generate 606 MWh/year, i.e. 35% of the general electricity required to treat the station’s wastewater.

## Challenges for 2022

### Challenges for 2022

- To promote our corporate strategy, based on the SDG Plan and by implementing its objectives and metrics

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- To move forward in periodic metric follow-up: measurement of the carbon print, consumption of materials, etc.

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- Increased use of renewable energy in our projects and greater energy efficiency in our operations

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- Certification of the management system in all GS Inima Brazil units**

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- To complete integration of the Health & Safety, Environmental and Quality Policy for Brazil

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- To identify and evaluate climate risks

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- To improve the group's carbon print calculations

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- To progress in projects related to a circular economy

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## Contribution to the United Nations Sustainable Development Goals



# COMMITTED TO OUR EMPLOYEES

## Objectives for 2021

Objectives for 2021	Status
Development and implementation of Equality Plan measures	
To finish job descriptions, covering all international areas	
To improve the performance evaluation procedure, in order to identify gaps between performance and each job position, and a career plan	

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● Achieved    ● Ongoing

## Main Milestones in 2021

Creation and compilation of a common archive of job descriptions	More internal recruitment and associated savings
Creating a local social action group	Launching the "Healthy People" Program
New Equality Plan	Sharing knowledge: strengthening employee relations between Brazil and Spain

For **GS Inima**, its employees are the key to achieve excellence and quality in all its services. For this, each collaborator's professional career is encouraged with an optimum range of working conditions. Continuous training, involvement in decision-making and a good working climate are essential for the company's internal performance.

The company's employees are brand ambassadors and represent **GS Inima's** values. Thanks to their task, we have been able to achieve the success reached until now and to help the company move towards long-term sustainable value, gradually reducing the company's impact on its surroundings.



## ■ GS Inima's human capital

GS Inima's team of professionals offers high potential for innovating ideas, thus offering a quality service backed up by excellent technical know-how.

In turn, GS Inima treats human resources as the key to the company's sustainable development. This is why human capital is managed in the company according to disclosure and business ethics. Proof of this are its employment diversity and encouraged balance between work/family.

GS Inima's commitment to produce quality work through its employees is demonstrated throughout its value chain and in all countries where it operates.

## ■ Our professionals

GS Inima had 1,532 professionals on staff, at 31 December 2021. The company strives to improve the ratio of men to women amongst its professionals. This is why, year after year, GS Inima is increasing the number of women employees, who totaled 335 in 2021. In the water sector, GS Inima exceeds the percentage of female workers in the sector<sup>8</sup>. Even so, GS Inima is continuously working on improving this figure.



GS Inima registers a high number of employees in Spain, given that the corporate head office is in Madrid (Spain). Even so, Brazil is where most of the company's employees are located, as a large part of its activity is carried out there. In 2021, 60.25% of GS Inima's total employees were from Brazil.

<sup>8</sup> The latest available data are from 2019, indicating the percentage of women in 2019 (STATISTA)

An employee breakdown by nationality at GS Inima, in 2021, is shown below:

Employee breakdown by country	2019	2020	2021
Spain	430	359	370
Brazil	936	1.103	923
Algeria	99	98	100
Mexico	59	57	90
Chile	83	27	3
United States	11	27	24
Tunisia	-	-	-
Morocco	9	60	22
Oman	-	-	-
<b>Total</b>	<b>1.627</b>	<b>1.731</b>	<b>1.532</b>

Employee breakdown by age	2020	2021
Under 25	124	104
Between 26 and 40	890	703
Between 41 and 55	559	567
Over 55	158	158
<b>Total</b>	<b>1.731</b>	<b>1.532</b>

Employee breakdown by professional category	2020	2021
Executives and university graduates	43	47
Employees holding a diploma	244	250
Unqualified technicians	263	272
Administrative assistants	255	239
Other staff/operators	926	724
<b>Total</b>	<b>1.731</b>	<b>1.532</b>

# COMMITTED TO OUR EMPLOYEES

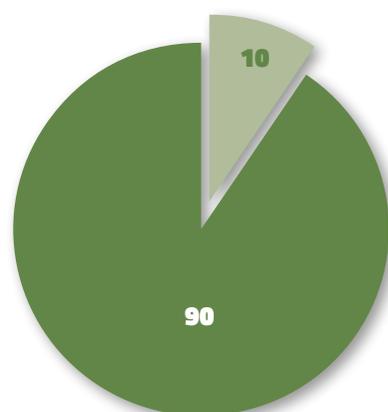
## ■ Long-term employment and diversity

In 2021, GS Inima furthered its commitment to ensure quality careers, holding a relationship of trust with its employees. The company strives to generate diverse work surroundings and the best working conditions.

In turn, in order to establish a long-term employee relationship, surveys are conducted on any professionals completing an assignment in a key international project. With these survey results, employee needs are adjusted during their professional career in the company.

GS Inima's staff in 2021 was itemized as follows:

● Staff breakdown Indefinite contract ● Temporary contract



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SUSTAINABILITY REPORT

Contract breakdown by type in 2021 (year-end)	Indefinite contract	Temporary contract	Full-time	Part-time
Number of contracts	1.375	157	1499,55	114,96
<b>Total</b>	<b>1.532</b>		<b>1.614,51</b>	

In 2021, more than 1,375 workers had an indefinite contract. This figure represents 89.75% of all employees.

Annual average of contracts by type in 2021	Indefinite contract	Temporary contract	Full-time	Part-time
Número de contratos	1.375	157	1.499,55	114,96
<b>Total</b>	<b>1.532</b>		<b>1.614,51</b>	

Annual average of contracts by gender in 2021	Indefinite contract	Temporary contract	Full-time	Part-time
Women	319,77	12,99	316,09	18,33
Men	1.105,08	131,68	1.125,05	107
<b>Total</b>	<b>1.569,52</b>		<b>1.566,47</b>	

<b>Annual average of contracts by age in 2021</b>	<b>Indefinite contract</b>	<b>Temporary contract</b>	<b>Full-time</b>	<b>Part-time</b>
Under 25	89,69	20,92	91,1	19
Between 26 and 40	698,53	67,39	843,36	40
Between 41 and 55	505,21	35,98	2.440,15	33,33
Over 55	132,01	19,78	996,58	15
<b>Total</b>	<b>1.569,51</b>		<b>4.469,52</b>	

<b>Annual average of contracts by professional category in 2021</b>	<b>Indefinite contract</b>	<b>Temporary contract</b>	<b>Full-time</b>	<b>Part-time</b>
Executives and university graduates	45,92	0	44,88	1
Employees holding a diploma	220,11	7,03	225,56	1
Unqualified technicians	227,6	23,4	273,19	11
Administrative assistants	224,92	24,91	228,5	20,33
Other staff/operators	703,22	95,41	723,06	74
<b>Total</b>	<b>1.572,52</b>		<b>1.566,52</b>	

Below are the number of dismissals carried out in the last two years:

<b>Number of dismissals by gender</b>	<b>2020</b>	<b>2021</b>
Men	381	398
Women	52	112
<b>Total</b>	<b>433</b>	<b>510</b>

<b>Number of dismissals by age</b>	<b>2020</b>	<b>2021</b>
Under 25	37	62
Between 26 and 40	232	293
Between 41 and 55	128	116
Over 55	36	39
<b>Total</b>	<b>433</b>	<b>510</b>

<b>Number of dismissals by professional category</b>	<b>2020</b>	<b>2021</b>
Executives and university graduates	4	4
Employees holding a diploma	41	53
Unqualified technicians	57	38
Administrative assistants	34	89
Other staff/operators	297	326
<b>Total</b>	<b>433</b>	<b>510</b>



# COMMITTED TO OUR EMPLOYEES

## ■ Promoting team diversity and equality

During 2021, **GS Inima** has continued to encourage egalitarian work surroundings, in terms of opportunities, diversity and inclusiveness. In order to achieve these objectives, activities and initiatives have been launched to uphold human and employment rights and no discrimination (both sexual and non-sexual).

In inclusion matters, the company arranges inclusive selection and recruitment processes, through ventures with special employment centers in Spain, such as ILUNION, the Adecco Foundation and A LA PAR Foundation. Thanks to its joint effort with these foundations, in 2022 two disabled employees will become part of the company staff under an indefinite contract. In **GS Inima Brazil**, there is also a solid commitment towards the disabled. This is why, in 2020, staff careers were reformulated, over and above what is required under Brazilian law on the matter (PCD). In 2021, **GS Inima Brazil** had 12 disabled employees.

In gender matters, **GS Inima Spain** has an Equality Plan (in the midst of being updated). This Equality Plan establishes the necessary initiatives and actions to generate egalitarian work surroundings, offering the same opportunities to men and women. Furthermore, the matter is analyzed by a specific committee that ensures compliance with the measures gathered in the Equality Plan and holds periodic meetings to appraise the company situation and to identify any risks and opportunities.

In turn, **GS Inima Spain** has implemented a methodology to calculate the salary gap, in order to disseminate the largest possible amount of information to its stakeholders. Work is underway to extend this methodology to other countries in order to generate a transversal quality tool.

For the second consecutive year, **GS Inima** is reporting the average remuneration paid to **GS Inima Environment** staff, based in Spain:

Average remuneration by gender (euros)	2020	2021
Men	49.051,61	50.137,29
Women	43.751,17	44.143,11
<b>Total average</b>	<b>46.401,39</b>	<b>47.140,20</b>
Average remuneration by age (euros)	2020	2021
Under 25	19.663,65	22.436,26
Between 26 and 40	40.620,39	39.196,15
Between 41 and 55	48.849,81	50.460,77
Over 55	53.534,26	51.415,84
<b>Total average</b>	<b>40.667,03</b>	<b>40.877,46</b>
Average remuneration by professional category (euros)	2020	2021
Executives and university graduates	102.252,51	101.078,85
Employees holding a diploma	55.435,78	61.278,29
Unqualified technicians	42.246,89	40.276,55
Administrative assistants	32.099,14	32.459,56
Other staff/operators	23.850,16	23.870,08
<b>Total average</b>	<b>51.176,90</b>	<b>51.792,67</b>

In 2021, for employees both in Spain and Brazil, the company has a professional classification map that is pending completion by adding the operator employee category. The object of the map is to provide common ground for the company workers and to homogenize the characteristics of each professional category at **GS Inima**.





Furthermore, in terms of equal opportunities amongst professionals, **GS Inima** is carrying out the following initiatives:

- Progressive introduction of an uninterrupted 7-hour working schedule for pregnant women. This shorter working schedule will not have any effect on each employee's economic payments, and her full salary will continue.
- Any professionals caring for offspring with a minimum 33% disability will receive an extra 125 euros in their payroll until the disabled person is 25. This aid may be extended if his/her cohabitation with the employee parent is certified.
- A bonus is paid to professionals on staff caring for children under 3, enjoying at least 3 years' seniority in the company, consisting of a kindergarten voucher of 50 euros/month.

Finally, **GS Inima** does not tolerate any kind of conduct leading to sexual or non-sexual harassment. In this way, it undertakes to collaborate actively, effectively and firmly to prevent, detect, correct and sanction any type of harassment at work.



# COMMITTED TO OUR EMPLOYEES

## ■ Attraction, development and retention of talent

One of **GS Inima's** priorities is the attraction, development and retention of talent. The company believes that quality service rests on attractive and stable employment surroundings for the company's professionals.

On the one hand, **GS Inima** attracts talent through an open and diverse selection process, in which it appraises professional capacity and merit excluding any kind of limitation on the grounds of gender or disability, amongst other reasons. Thanks to this selection process, **GS Inima** is able to create a company offering highly qualified and varied professionals.

On the other hand, the company strives to promote its workers' capacities and to retain talent through two types of activity: training and a quality working environment. In 2020, **GS Inima Spain** approved the company's Training Plan in order to expand its professionals' knowledge, abilities and skills. Also in 2021, a Welcoming Pack has been implemented to help new employees integrate and adapt to their new post as organically as possible.

In Brazil, a Corporate Training Policy is followed. However, work is ongoing to update this policy in order to incentivize educational employee initiatives. In turn, on-line courses have also been arranged through two tools, Microsoft Teams and the Integra platform. In this way, the company is able to reach all its professionals, despite the smaller number of on-site initiatives at the office.

In total, formative action is reflected in the number of hours' training taught during 2021:

Hours' training by professional category	2020	2021
Executives and university graduates	1.683,50	3.021,65
Employees holding a diploma	2.651,14	5.530,56
Unqualified technicians	7.813,52	10.002,50
Administrative assistants	1.771,38	5.308,1
Resto de personal/operarios	4.975,60	7.194,8
<b>Total</b>	<b>18.895,14</b>	<b>31.057,61</b>



In 2021, a total of 668 courses were arranged, of which 285 discussed topics related to Occupational Health & Safety.

Number of courses by subject matter	2018	2019	2020	2021
Occupational health & safety	167	102	139	285
Production	149	125	113	251
Environment	16	24	22	23
Human Rights, Ethics, Integrity and Conduct	85	44	35	102
Other	-	7	6	7
<b>Total</b>	<b>417</b>	<b>302</b>	<b>315</b>	<b>668</b>

## ■ Appraisal of professional performance

In order to offer high quality service in its project execution, **GS Inima** completes performance appraisals on its professionals. Thanks to these appraisals, the company may determine the extent to which targets are fulfilled and may review any potential improvements. Thus, the company guarantees continuous improvement in each project and continue to promote its employees' potential and capacity.

The methodology used in performance appraisals is based on a two-fold analysis:

- An analysis focusing on quantitative and qualitative indicators, in line with the company's strategy and objectives. Based on this data, a comparative is made between pre-established targets and each professional's performance. This analysis enables the company to establish action plans in order to improve upon specific aspects, such as productivity or disclosure.
- An appraisal of the competencies held by project professionals. This examines each worker's performance and produces a technical appraisal proposal.



**GS Inima** Spain has evaluated 2 employees based on performance through this two-fold analysis, at UTE AINT M'LILA and UTE EDAR SEGOVIA.

## ■ Collaborator communication

**GS Inima** keeps a constant communication flow with its employees in order to keep them up to date on the company and its initiatives, and to handle their concerns, usually related to COVID-19 related working conditions.

The following employee communication activities and tools are used:

- An on-line welcoming pack is provided to each employee, to process his/her membership of the company.
- A corporate website, continuously describing the company's situation, providing all stakeholders with information on **GS Inima's** status at all times.
- Integra, a corporate tool used for all of the Group's internal communications.



# COMMITTED TO OUR EMPLOYEES

## ■ A positive working climate at GS Inima

Over the years, **GS Inima** has developed a staff management model that prioritizes worker wellbeing through initiatives to reach a balance between home and work. This system results in better performance, productivity and working activity.

In 2021, a “disconnecting from work” policy was implemented. Furthermore, we have several tax tools, to include the Flexible Remuneration Plan (PRF) for the Spanish parent company.

In 2021, all of our employees in Spain were offered the possibility of working flexible hours. With this initiative, the company seeks to improve the organization’s employment climate whilst also increasing worker performance and productivity.

In turn, Spain offers the possibility of its workers applying for flexible remuneration, which increases professional motivation and helps reach a balance between family and work. One of the flexible remuneration systems used by the company is through employee training, offering the possibility of expanding technical know-how in various matters. Another form of flexible remuneration at the company is by paying part of an employee’s commuting expenses (gas), as well as parking permits for those workers who need this.

In order to guarantee a positive working climate for its workers, **GS Inima’s Korean** parent company has conducted a brief climate survey for all of the Group’s areas.

In 2021, a process map and job description were issued to continue improving the professional development of **GS Inima’s** collaborators.

## ■ Trade union relations

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**GS Inima’s** Code of Ethics represents the company’s firm commitment to the freedom of association and right to collective bargaining, under the auspices of the International Labor Organization.

## Challenges for 2022

### Challenges for 2022

Digitalization of the HR area: improvement in the command panel and consolidated process digitalization. Furthermore, a digital platform to supervise employee selection and progress.

On-boarding: better employee recruitment processes

EDP 360

Promoting the Culture+Values Program (Hidrosfera)

Improving the appraisal of existing jobs at the company

To carry out more than 30 actions under the training plan

Launching new activities through the Healthy People Program

## Contribution to the United Nations Sustainable Development Goals





# COMMITTED TO HEALTH & SAFETY

## 2021 Objectives

2021 Objectives	Status
Implementation of the management system in other countries over the next few years	
To continue implementing the QHSE strategic plan	

● Achieved    ● Ongoing

In order to guarantee excellence throughout its activity, **GS Inima** focuses on ensuring safe and health working surroundings for its professionals. The quality achieved in health & safety matters is thanks to its effort when drawing up the strategic plan, consistent with the company's mission, vision and values, offering innovating ideas based on a safety, quality and environmental protection culture.

**GS Inima**, through its strategic plan and Occupational Risk Prevention Management System, ensures that all employees enjoy full preventive coverage, according to employment laws in each country. In turn, it lays down measures at all project stages, both at operating plants and at facilities under construction.

## Main Milestones in 2021

Implementation of an integrated QHSE system for <b>GS Inima Brazil</b>	Calling of an international committee in order to promote good practices in the matter
Digitalization, automation and integration of ISO Management Systems in various regions	Launching of Health Company Plan campaigns at <b>GS Inima</b>

## ■ Health & safety at GS Inima

**GS Inima** believes it is fundamental and essential to guarantee the best occupational health & safety conditions for its employees. This commitment has been publicly expressed through its Quality, Environmental, Energy and Health & Safety Policy (more information in the "Committed to the environment" chapter), based on the OHS policies of its South Korean parent company, GS E&C.

2021 has been a year of change and adjustment to a new working concept, due to the impact of the COVID-19 pandemic. In line with last year's work, we have particularly supervised our relations with collaborators and the local community. Consequently, **GS Inima Brazil's** management has worked along with each area in Health & Safety at **GS Inima Spain** in order to plan and adjust its general lines of action.



In turn, in 2020 the company approved the **GS Inima 2020-2023 Quality, Health & Safety and Environmental Plan**. This plan was drawn up according to the company's mission and vision, as a cornerstone of the organization's health & safety activities.

Another measure that continued in 2021 was the "Wellbeing Program" under the Healthy Company Plan, with three lines of action: (i) to maximize the physical wellbeing and active lifestyle of the organization's people, (ii) actions targeted at improving ergonomics associated to various jobs, and (iii) workshops and actions seeking to improve eating habits.

Furthermore, of interest are **GS Inima Brazil's "Illness Prevention Campaigns"**, which inform all company workers, and generate awareness, of certain illnesses. Each month a specific illness is selected and introduced to its employees.

In order to achieve an internal quality communication flow, worldwide, the company has developed digital tools to cover **GS Inima's** various business units. On the one hand, the company has data management software for all company areas, to include health & safety. This software is used to gather all indicators, documentation, communications and relevant events occurring at the work place. On the other hand, **GS Inima** is still implementing the Digital QHSE Project in all regions where it operates. This project seeks to digitalize, automate and integrate the Group's ISO Management Systems. For the moment, the project has been completed in Spain and Mexico.

Integrating a preventive culture throughout the company is essential for **GS Inima**. This is why health & safety is present in all corporate and operational decision-making. This high presence of health & safety is achieved through the management system implemented in Spain. **GS Inima Brazil** has its own health & safety measures and procedure, which are currently being integrated into corporate policy.

Both **GS Inima Spain** and **GS Inima Brazil** are subject to external and internal audits, on their occupational risk prevention management systems. These audits are conducted by an independent external agent.

**External Audits 23**  
**Internal Audits 68**

Each year, **GS Inima** calls health & safety committees in order to decide and execute the necessary action plans to ensure an adequate operation of all occupational risk prevention management systems.

**During 2021, the following actions were taken:**



# COMMITTED TO HEALTH & SAFETY

## ■ Corporate strategy in health & safety

All corporate strategies and plans are carried out through works councils. Thanks to these councils, all of the company's employees are represented in order to uphold their health & safety interests, and to preserve their employment risk prevention conditions.

In 2021, the composition of the Health & Safety Committee has changed as shown below:

### Comité de Calidad, Medio Ambiente, Energía y Seguridad y Salud

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The matters discussed at these meetings may be grouped into six:



In Brazil, committee meetings are specifically held each month on health & safety matters, thus ensuring a continuously present health & safety area for its employees. As a result, in 2021, **GS Inima** held 53 Health & Safety committee meetings with its employees.

Worldwide, in December 2021 a committee was called to encourage the integration of various company areas and to launch its strategy.

# COMMITTED TO HEALTH & SAFETY

## ■ GS Inima's prevention policy



GS Inima's objective is to establish a transversal occupational health & safety policy, worldwide, throughout the company.

GS Inima, in order to promote a prevention culture amongst its employees, arranges courses on health & safety, launches risk prevention communication campaigns and participates in associations and work groups that are specific to the sector. One of the most relevant ventures during 2021, in health & safety matters, was our collaboration with PRLInnovación. Thanks to this initiative, GS Inima promotes innovation culture in occupational risk prevention through the goals set in the Sustainable Development Goals (SDGs).

GS Inima launches bidirectional communication actions with its employees to improve its Health & Safety area. These communications are carried out through a specific channel for consultations and suggestions on the matter, which are treated as privately as possible. Based on the consultations received, the company executes the necessary action plans to resolve any queries. Furthermore, GS Inima Brazil has GS Integra, a website containing all of the company's health & safety policies and documentation.

## ■ GS Inima's investment in health & safety

In 2021, GS Inima invested € 221,899.58 to guarantee healthy and safe working surroundings. The average annual investment totaled 136 euros/employee.

Expenditure and investment in Health & Safety (thousand euros)	2018	2019	2020	2021
Brazil	189,4	529,5	1.096	285,4
Algeria	1.957,2	245,1	1.929	480,5
Spain	455,7	335,5	355,6	643,8
Mexico	18,7	14	5,9	16,6
Tunisia	13,3	-	-	-
Morocco	3,6	0,9	8,2	0,7
United States	31,4	33,6	21,8	27,9
Chile	38,2	-	0,5	6,6
Oman	-	-	-	-
<b>Total</b>	<b>2.707,5</b>	<b>1.158,6</b>	<b>3.417</b>	<b>1.461</b>

## ■ Accident rate indicators. Objective: "Zero Injury"

Due to GS Inima's concern to reduce its accident rate, its strategic objective in risk prevention is to achieve "zero injury". For this, preventive measures have been designed and implemented taken in order to the risk to the minimum, whilst also increasing awareness amongst employees on how to adequately carry out their professional activity.

Prevention teams work on a detailed log of all incidents occurring during company operations. Thanks to this, possible room for improvement is detected to facilitate achievement of the "zero injury" objective. When gathering accident rate indicators, the following factors are analyzed:

- Staff affected
- Consequences and seriousness
- Accident reports
- Company track record

<b>Accident and absenteeism rates (own staff)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Frequency rate<sup>9</sup></b>	<b>12,96</b>	<b>9,84</b>	<b>8,21</b>	<b>6,43</b>
Women	6,08	3,84	1,31	1,39
Men	14,62	10,42	10,12	7,85
<b>Seriousness rate<sup>10</sup></b>	<b>0,43</b>	<b>0,29</b>	<b>0,16</b>	<b>0,20</b>
Women	0,10	0,10	0,01	0,18
Men	0,51	0,31	0,21	0,21
<b>Incidence rate<sup>14</sup></b>	<b>26,98</b>	<b>17,40</b>	<b>17,46</b>	<b>12,95</b>
Women	12,62	5,13	2,79	2,78
Men	30,44	19,03	21,50	15,86
<b>Number of absenteeism hours<sup>12</sup></b>	<b>9.631</b>	<b>15.197</b>	<b>5.038</b>	<b>5.344</b>
Women	440	240	88	1.024
Men	9.190	16.169	4.937	4.320

Accident rates have been calculated according to the scope of the companies established at the end of this Report, following a different methodology from the one applied in the Group's Consolidated Annual Accounts; consequently, they do not coincide with the number of employees reflected in the Report.

<sup>9</sup> Frequency rate: (no. of accidents with leave/no. of hours worked)\*1,000,000

<sup>10</sup> Seriousness rate: (no. of work days lost/no. of hours worked)\*1,000

<sup>11</sup> Incidence rate (no. of occupational accidents with leave/no. of workers)\*1,000

<sup>12</sup> The number of absenteeism hours is based on hours lost following an accident with leave.

For outsourced staff, the accident rates in 2021 were as follows:

<b>Accident rates (contractor staff)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Frequency rate<sup>13</sup></b>	<b>4,06</b>	<b>1,80</b>	<b>7,72</b>	<b>12,86</b>
Women	0	0	0	0
Men	4,34	1,90	8,49	14,63
<b>Seriousness rate<sup>14</sup></b>	<b>0,04</b>	<b>0,05</b>	<b>0,14</b>	<b>0,47</b>
Women	0	0,46	0	0
Men	0,05	0,03	0,15	0,54
<b>Incidence rate<sup>15</sup></b>	<b>5,25</b>	<b>1,69</b>	<b>1,41</b>	<b>2,02</b>
Women	0	0	0	0
Men	5,52	1,76	1,50	2,14

<sup>13</sup> Frequency rate: (no. of accidents with leave/no. of hours worked)\*1,000,000

<sup>14</sup> Seriousness rate: (no. of work days lost/no. of hours worked)\*1,000

<sup>15</sup> Incidence rate (no. of occupational accidents with leave/no. of workers)\*1,000

## Challenges

### Challenges

Certification of the management system in all GS Inima Brazil units

Completed integration of the Health & Safety, Environmental and Quality Policy for Brazil

Continued development and integration of technological tools

Contribution to the UN Sustainable Development Goals

Continued application of the Healthy Company Plan

Continued "Healthy People" initiative, extending it both inside and outside the company

**Contribution to the United Nations Sustainable Development Goals**



# CONTRIBUTION TO SOCIETY



GS Inima, as a company that supplies society with basic services, bases its business on promoting sustainable development in the local community

To do this, it launches social collaboration dialog and promotion actions, to include awareness, in order to encourage research and innovation and environmental education programs, directly related to the nature of the company's business.

## ■ Social Action Policy

As part of **GS Inima's** strategy to promote its social contribution, the company has a formal Social Action Policy that aligns corporate values and actions with its effort in local responsibility. This policy covers the principles governing local development actions, to include disclosure, supervision of impacts and greater environmental awareness.

This corporate Social Action Policy is applied in various social action projects launched throughout **GS Inima's** operating units. In Brazil, of interest is the fact that community projects are carried out by the Institutional Relations & Sustainability Management, which aligns its specific social action strategy with corporate policy. This strategy, adapted to the actual needs of local communities in Brazil, has allowed **GS Inima** to position itself as a company that not only provides basic water services, but also helps and promotes local social progress.



### Social Action Policy

Promoting employment inclusion and equal opportunities amongst young people and adolescents

Improvement in community social development by launching cultural projects

Encouraging employee involvement, so as to promote solidarity and volunteer work in the company

Encouraging education and awareness on environmental and sustainability issues

Projects that generate a long-lasting positive impact and enable transformation and improvement in our operating surroundings

Follow-up on the impact of social action activities, maximizing the positive impact of the company's actions

Promoting education and awareness-raising on in relation to environmental and sustainability.

## ■ GS Inima's Social Action Committee

In order to carry out its social action activities, **GS Inima** has a specific committee with which to encourage the social and economic development of the local community. The Social Action Committee selects and monitors all actions, mostly related to **GS Inima's** business model, related to the environment, awareness of the need to protect the environment and to guarantee safe water services for the population.

The Committee consists of professionals in Human Resources, legal department, sales, concessions, RDI, engineering and the General Management.

The variety of its membership guarantees objectivity and transparency in all actions related to social contribution in those communities where **GS Inima** operates. At these meetings, social projects and associated budgets are determined and approved, new lines of contribution to the local community are proposed, and the necessary technical knowledge is provided for adequate implementation of these actions. In order to ensure complete supervision of **GS Inima's** social contribution throughout its operative regions, the Social Action Committee is also in charge of gathering information on all corporate actions carried out, as well as in Mexico and Brazil.

### Social Action Committee



# CONTRIBUTION TO SOCIETY

## ■ Initiatives launched in 2021



Our social action projects in 2021, despite ongoing restrictions derived from the COVID-19 pandemic, have entailed a total investment of more than 676,019 euros. **GS Inima Brazil** made a contribution in 2021 to sponsorship action of 581,000 euros, in addition to a social action contribution of € 76,253. In turn, **GS Inima Spain** has made a contribution of € 18,178 through donations to sponsorship actions.

Actions taken during 2021 have focused on environmental education at schools or events, help to the most vulnerable population (such as groups at risk of social exclusion), guaranteed continuity of basic water supply to the population, and the protection of employee and collaborator health & safety.

For many of these initiatives, partnerships have been established with various authorities. The reason for this partnership is to be able to reach the greatest number of beneficiaries and do our work in the best way possible.

Below are the main initiatives launched in 2021:

### **Water workshops – SANEL, COMASA and CAEPA - GS Inima Brazil**

Three **GS Inima Brazil** concessions have donated books on water and educational toys, to local schools in the company's scope of operation: Santa Rita, Luiz Antônio and Paraibuna.

Workshops were arranged on conscientious use of water and the importance of sanitation, through storytelling, writing and drawings made by the students.

These events were separately held in each town, with the presence of educational and political leaders, as well as school students, who gave a presentation on the topic. The presence of local government representatives has helped emphasize the importance of hygiene and sanitation in these pandemic times.

In Santa Rita, the beneficiary school was Escuela CAIC, with approximately 400 students; in Luiz Antônio, at Escuela Roberto Brayan, and in Paraibuna, at Escuela Irma Zoe, 300 students in each school benefited from this initiative.

### **Christmas Concert – SANEOURO - GS Inima Brazil**

To end the year in 2021, **GS Inima Brazil's SANEOURO** unit promoted a classical music concert with the participation of Cuarteto Baltazar at Teatro Municipal – Casa Ópera. The venue was particularly important, as the oldest operating theater in Latin America.

Furthermore, the event, held on 18 December, was backed up by the Town Council of Ouro Preto and Asociación Comercial y Empresarial de Ouro Preto, and was dedicated to SANEOURO's local collaborators.

## **Water Day – SANEOURO, GS INIMA SAMAR - GS Inima Brazil**

In order to celebrate Water Day, SANEOURO has participated in four events.

The first communication event was held in Ribeirão Preto, bringing together other **GS Inima Brazil** units. At the second event, SANEOURO recorded the stories of employees and clients on the importance of water. The third event arranged by the organization involved delivering an employee kit, consisting of water pressure reducers for faucets and a booklet on the importance of efficient water use. Finally, a webinar entitled “The Value of Water” was launched to celebrate Global Water Day.

## **Environmental Day – SANEOURO - GS Inima Brazil**

To celebrate Environmental Day, SANEOURO made a gift to its employees and clients, consisting of a seed pencil. A total of 1,500 pencils were manufactured and delivered

## **Tree Day – SANEOURO - GS Inima Brazil**

To celebrate Tree Day, 50 tree seedlings were planted in the forest area along the riverside of Itacolomi EDAR. The event also included a conference on the importance of trees and a practical guide on how to fertilize a plant.

## **School basket donation - TRIUNFO - GS Inima Brazil**

During 2021, **GS Inima** donated 130 basic baskets to Escuela Oswaldo Aranha, which were given to applicant families. Thanks to these baskets, **GS Inima** is able to help families in need. The activity also continues with environmental education projects in local schools.

## **Christmas Bags - AQUAPOLO - GS Inima Brazil**

In Aquapolo a charitable campaign was held during Christmas 2021, during which a total of 40 children were sponsored through 48 donated Christmas baskets. These Christmas baskets consisted of a panettone, sweets and other items.

Thanks to the contribution made under this social action, the NGO UNAS Heliópolis e Região was able to achieve its overall objective, i.e. to help more than 5,000 children.

## **Christmas Actions - AQUAPOLO - GS Inima Brazil**

Aquapolo arranged another Christmas campaign during 2021, distributing nearly two tons of non-perishable food and thousands of sanitary products amongst the residents of Heliópolis and the region of Caetano do Sul. The campaign was backed up by the organization’s employees and subcontracted workers. Aquapolo’s initiative was warmly welcomed by all employees. “Campaign results exceeded all expectations”.

## **PUEBLO LIMPIO - Cantabria**

Supply initiatives were launched in the town of Castro Urdiales, allowing a group of volunteers to clean the town. With this campaign, the organization is encouraging respect and making a positive impact on the local community.

# CONTRIBUTION TO SOCIETY

## **Saneamiento Resocializante - SANAMA GS Inima Brazil**

Through the Saneamiento Resocializante initiative, **GS Inima** strives to train female prisoners at Alagoas in various crafts, to educate as many women as possible. For these artisan activities, discarded wood from the Esperanza factory was used, thus giving the company's waste a new life. Thanks to this effort, women are able to rejoin the job market.

With this initiative, 673 women has been educated in this way, reusing 61.2 tons of wood and generating a positive economic impact, through the sale of items crafted during the course.

## **Health & Environmental Education Program – SANAMA GS Inima Brazil**

Through its Health & Environmental Education Program, **GS Inima** arranges talks, workshops, artistic performances and courses with local schools and communities.

Through this initiative, the company has been able to benefit more than 300 people during 2021. During these seminars, persons were educated in environmental and social topics such as universalized sanitation, the importance of wastewater treatment and a culture based on caring for water. In total, thanks to this initiative, more than 3,700 people have been educate over the years. This initiative has also had an environmental impact by reducing waste, thanks to awareness amongst the local communities regarding the recycling of discarded matter.

## **Drenagem não é Esgoto - SANAMA GS Inima Brazil**

The “Drenagem não é Esgoto” initiative is an activity included in SANAMA's Environmental Education Program. It consists of an artistic performance in the public square of the Benedito Bentes district, in order to differentiate some of the fundamentals of basic sanitation, providing information on the collection and treatment of wastewater, rainwater and the management of solid waste.

The idea behind this initiative is to impact pedestrians who use the square each day (approximately 10,000 are estimated). In turn, a decrease is expected in the disposal of wastewater and solid waste in urban drainage infrastructures and, ultimately, less pollution of hydric resources.

## **Environmental Education - GS Inima Environment**

**GS Inima** is committed to Mancomunidad de la Sagra Alga through its contribution of 15,000 euros/year for environmental education. This aid is used to hire a third party to arrange activities in local schools ascribed to the Mancomunidad. These activities include a school visit to EDAR Numancia de la Sagra.

## **Webinar “The Value of Water” - GS Inima Brazil**

During 2021, **GS Inima Brazil** arranged a webinar entitled “The Value of Water” in order to encourage debate on the enhancement of water. This event counted with the presence of various entrepreneurs and key personalities in the sector, such as the president of ANA (Agencia Nacional del Agua) and the former senator and minister of education Cristovam Buarque, amongst others. Furthermore, in order to ensure that all stakeholders were heard, the event was open to the public.

Thanks to this event, **GS Inima** is encouraging the importance of using water efficiently and is generating awareness on the risks of water shortage.

## **Webinar “Ecosystem Restoration and Hydric Safety”**

On Global Environmental Day, **GS Inima** held a webinar entitled “Ecosystem Restoration and Hydric Safety”. The event was attended by the senator and chairman of the Environmental Committee (Federal Senate), Jaques Wagner, a specialist from Agencia Nacional de Aguas, Sérgio Ayrimoraes, **GS Inima Brazil's** general manager, Paulo Roberto, and the Head of Institutional Relations & Sustainability, Roberto Muniz, who directed the chat. During the event, discussions were held on topics such as ecosystem restoration and the risks related to water use in the future.

Through the company's international presence, **GS Inima** continues in its search for opportunities in order to launch actions to back up the local community in other regions. .

## Challenges for 2021

### Challenges for 2021

Structuring and planning of **GS Inima Brazil's** social responsibility and sustainability area

To further the company's Sustainable Development Goals Plan



# COMMITTED TO OUR SUPPLIERS

## Objectives for 2021

Objectives for 2021	Status
Consolidated development of Navision Microsoft Dynamic Business by incorporating information on the entire company	●
To transmit the maturity and experience acquired in procurement processes in Spain to projects in new geographical areas (e.g. Oman)	🍷
To complete the services backing up the department, including team inspections	●
To implement a supplier validation process in Brazil	🍷
To ensure a clear definition of each stage in activities related to the supply chain and more integration	
To optimize the stockpiling service for external and internal clients	

● Achieved    🍷 Ongoing

## Main Milestones in 2021

Implantation of Navision throughout the company	Consolidated Sales: structure and services
---	--

GS Inima's values, with sustainability as the backbone, are integrated into all project stages. These are particularly relevant in purchasing activities and the supply of products and services.

In order to guarantee that GS Inima's values are present in the supply chain, in line with Sustainable Development Goals (SDGs), suppliers and various agents involved in procurement procedures adopt the necessary measures to promote the company's principles: free competition, proportionality, disclosure, confidentiality, non-discrimination and equal treatment.

GS Inima bases its commercial relations with suppliers on long-term stability, treating them more as collaborators than suppliers. To do this, bidirectional evaluations are carried out in some geographical areas where the company is present, on suppliers hired during the year. These evaluations, on the supplier side, are based on specific questionnaires about their contractual relations and systems used in purchasing procedures with GS Inima. The object of these evaluations is to locate room for improvement in the bond between GS Inima and its suppliers, thereby consolidating long-term stability.

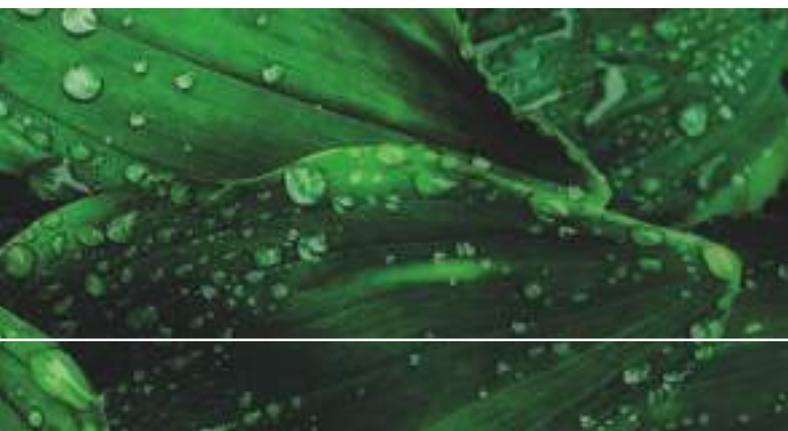


## Interaction with main suppliers

In order to ensure a responsible management of supplier relations and to encourage sustainability throughout its supply chain, GS Inima strives to identify potential risks in those countries where it operates<sup>16</sup>.

1,242  
**contracts signed**

Data results reflect GS Inima's commitment to joint effort and to promote its suppliers. In 2021, the company signed a total of 1,242 purchasing contracts with 5,445 suppliers, representing more than 115 million euros.



One of the measures launched by the company to guarantee effective processes, in a flexible and optimized manner, is to prioritize the hiring of local suppliers. In 2021, a total of 74.22% of all purchasing contracts were signed with local suppliers.

In order to improve supplier management, the company continues to work on framework agreements for international plants, to particularly include those that use chemical products.

**GS Inima** keeps a constant communication flow with any new or existing suppliers, in order to report any news related to its research, development and innovation projects. Training is basically encouraged on-line. These courses include suppliers that offer specific training, to complement the knowledge already held by **GS Inima's** workforce, providing technical information of relevance on any supplied equipment.

**GS Inima's** projects include purchasing, follow-up, inspection and specific supply activities. The main products and services procured in these processes include:

	Materials for hydraulic pipes, including training and assembly services
	Electromechanical equipment
	Assembly and commissioning services
	Spare parts and contracted maintenance for large equipment
	Chemical products to treat water and for laboratory testing
	Procurement of additional services: external inspections or back-up engineering
	Procurement of logistic services



<sup>16</sup> For more detail on how to identify and manage risks, see Chapter 5 "Risk Management"

# COMMITTED TO OUR SUPPLIERS

## ■ Purchasing management model

GS Inima's purchasing model centralizes the knowledge available on the company's suppliers and transactions. This allows continuous improvement in purchasing management to achieve each project's goals.

At a corporate level, process criticality criteria are established and additional information requested whenever necessary, based on operating volume and the company's strategic relations with specific suppliers. In turn, project team management is centralized in the Group, and all processes related to operations and logistics are carried out through decentralized teams in each geographical area.

In order to improve its purchasing management, the company is promoting digitalization. After it was able to consolidate Navision Microsoft Dynamic Business in 2021, and incorporate data into the system for the entire company, it is now working on implementing software that is able to extend the digitalization's cope to all purchasing and supply controls.

GS Inima's supplier management model has three stages: selection (including a pre-evaluation), validation and evaluation.



## Selecting our suppliers and subcontractors

Our supplier selection process is the first stage in GS Inima's purchasing management model and is founded on the following values: justice and transparency.

GS Inima expects its suppliers to offer demonstrated long-term experience in the sector, and proof that all technical specifications are met for the supplied equipment or material. Furthermore, our supplier selection processes include requirements related to environmental, quality and occupational health & safety matters.

Through the corporate stockpiling area, supplier and subcontractor selection processes are centralized. The corporate stockpiling area issues recommendations on the award, after receiving bids from each unit. This centralized purchasing procurement process improves communication by having a single interlocutor, allows negotiations to be more efficient, and encourage an exhaustive follow-up on any incidents. In some cases, however, this process is carried out locally.

In those cases where external agents are involved and there is no integrated operational control, GS Inima demands that its suppliers meet minimum requirements based on applicable local law in environmental, quality and occupational health & safety matters. Nevertheless, if the requirements established by the company are not met by the suppliers or entities involved in the purchasing process, particulars of the specific transaction should be forwarded to the Head of the Legal Department for approval.

## Supplier validation

Supplier validation processes are able to guarantee that the Group's purchases and outsourcing meet quality, environmental, health & safety and energy requirements imposed by GS Inima in its validation procedures.

The areas involved in this process cover Purchasing, Quality & the Environment, and Inspection, which establish validation criteria and ensure that all aspects are fulfilled related to occupational health & safety, the environment and process quality.



Once it is ascertained that each organization has an existing internal management system in place, the supplier or subcontractor is treated as validated to enter into commercial relations with GS Inima:

- Holding of certificates on the environmental, quality or occupational safety management system, to include series ISO 9000 and 14000, standard OHSAS 18001 or EMAS certification and others.
- Acceptance of the agreement on compliance with Environmental, Occupational Health & Safety and Social Responsibility rules, in contracts signed with **GS Inima** or Joint

Ventures (UTES) to which it belongs, valid for 3 years.

- Verification and documentary reporting on any tasks carried out for **GS Inima** or its associated Joint Ventures (UTES), valid for 3 years.
- Priority is in principle granted to local suppliers and to those that have already worked with the company.

The Stockpiling Department, along with the General Services Department, keeps an updated supplier database and is in charge of analyzing, evaluating and managing the validation status of all suppliers.



In 2021, 539 suppliers working with **GS Inima** held the necessary validation. Of interest is that, in addition to the validation process, all suppliers holding commercial relations with the company are allowed to adhere to its Code of Ethics.

The team at **GS Inima Brazil**, after designing the supply chain and identifying suppliers with ESG risks, will implement its supplier validation process through an external entity, in line with the one already established by the corporate Purchasing area.

# COMMITTED TO OUR SUPPLIERS

## Service evaluation

The last stage of **GS Inima's** purchasing management process involves an evaluation of the supplier's service.

A Supplier and Subcontractor Evaluation Report is drawn up at this stage, to explain the performance in quality, environmental and health & safety matters of suppliers working with **GS Inima**. This report is drawn up each year and includes the company's periodic evaluations, serving as a guide to renew supplier validation and to identify potential room for improvement in these purchasing and supply relations. If applicable, such report indicates any breach of existing contractual clauses.

If a supplier's evaluation is not entirely satisfactory, an improvement plan is necessary as well as the necessary corrections, using as a base the management procedure for non-conformities, corrective and preventive actions. A failure to deliver and evidence that improvement plans are in place may entail suspension of the contract with **GS Inima** and a withdrawal of the supplier's validation.

### Supplier audits

22

9 external, 13 in-house

In 2021, **GS Inima** completed a total of 22 supplier inspections, 13 of which were carried out in-house and 9 by an independent third party.

## Challenges for 2022

### Challenges for 2022

To transmit the maturity and experience acquired in procurement processes in Spain to projects in new geographical areas (e.g. Oman)

To implement a supplier validation process in Brazil

## Contribution to the United Nations Sustainable Development Goals





# OUR CLIENTS' SATISFACTION

**GS Inima's** clients are the cornerstone in the company's business model, covering both the citizens directly receiving supply and water treatment services, and corporate clients. **GS Inima** acts as a third party providing the necessary water to ensure continued operations.

The company's commitment to offer top quality services is reflected in its daily operations. **GS Inima** keeps an open dialog with its clients to identify room for improvement, trying to provide services in a sustainable manner.

- Service quality controls: to guarantee service quality and to gather client feedback, in order to continuous improve its operations



With all of this, the company seeks to meet its clients' expectations, through direct communications (both at a corporate and business level), such as in **GS Inima Brazil**.

## Main Milestones in 2021



Extende client portfolio:  
Luiz Antonio (Brazil)<sup>(1)</sup>

Greater face-to-face  
customer assistance

<sup>(1)</sup> <http://www.gsinimabrasil.com.br/noticias/sanel-assume-servicos-de-agua-e-esgoto-de-luiz-antonio-sp/>

**GS Inima** guarantees the quality of its client services through its internal policies, corporate Policy on Quality, the Environment, Energy and Health & Safety, and by certifying its services under standard UNE-EN ISO 9001 (quality management systems).

**GS Inima, following a client relations and satisfaction strategy, continuously strives to reach its objectives, guaranteeing quality service both for existing and new clients of the company's services. Client commitments are reflected in two internal cornerstones:**

- Client-oriented culture: transversal identification, throughout the company, of client needs, resulting in measures and action plans

## ■ Client communications

During 2021, face-to-face customer assistance has been reinstated, keeping on-line service to guarantee continuous assistance related to new local or national steps taken to fight COVID-19.

Communications with the company's clients involves different channels, to include client video conference calls and a channel to receive complaints or claims.

In order to guarantee that **GS Inima** clients have updated information on the latest news in the company's business, corporate websites are used as a communication tool, to include the home page and others for each specific business unit in Brazil (**GS Inima Ambient, GS Inima Samar, Sesamm, Caepa, Comasa, Sanama, Saneouro, Araucária and Sanevap**) and in Spain (Seseña, Aguas de Noja and Aguas de Cantabria).

In order to ensure direct communication with the local community where water supply or treatment services are provided, in towns such as Soria, Castro Urdiales, Miengo, Marina de Cudeyo, Noja or Guriezo in Spain there is a 24-h call center to receive any questions or claims related to service incidents. This subscriber assistance, covering nearly 77,000 people, is also provided through a specialized corporate claims office, and a mailbox that offers permanent individual assistance.

Furthermore, the company has various social network tools- Twitter, Facebook and WhatsApp- to circulate information of interest to all its clients, local communities or other stakeholders. The type of information available on these communication tools is covered by the Circulation Plan, and includes notices on service continuity or downtime, unusual facts, news, prizes awarded or the company's participation in conferences.

In order to guarantee citizen assistance in the five towns where it operates, **GS Inima Brazil** provides regular face-to-face assistance in specialized offices located in each town, travelling points and help desks in place to receive client communications. Personalized assistance is also provided on-line, using social networks tools such as WhatsApp or Facebook or a customer chat. Any claims or suggestions received from various communication channels are gathered in the Bemoby system and are analyzed when designing action plans to improve customer assistance and our range of services.

**GS Inima Brazil categorizes these communications (from its beneficiary towns) as follows:**

- General claims: water shortage, network breakage, water service quality, system blockage, etc.

- Client request for additional services.
- Requested details of invoices or general lack of supply in the region.

En 2021, to note is the greater amount of personalized assistance provided in towns that lacked customer assistance services before **GS Inima's** concession, such as Ouro Preto or Luiz Antonio. For this, **GS Inima Brazil** has made an effort to increase its presence and communication with the population, allowing citizens to register in the company's system to report any claims or suggestions on the services provided. Furthermore, additional measures have been established such as water meters in subscriber homes, for greater quality control, which has enabled direct and continuous communications with the population.

In turn, whenever the services supplied are directly related to a corporate client (not local residents), **GS Inima Brazil** provides a different type of assistance. To ensure a direct communication flow, reports are periodically sent itemizing all operations, and on-line meetings are arranged (or face-to-face, if necessary).

Clients	Means	Communication channels
Public administrations	Satisfaction survey	Annual survey
Subscribers	Complaints and claims	Face-to-face On-line By phone

By promoting these services, **GS Inima** has been able to guarantee client satisfaction by improving the company's assistance and operative processes.

Claims received	2019	2020	2021
Claims received (water network services and subscriber management)	18.479	31.193	23.331

*\*\*The increase registered in 2020 over 2019 is due to incorporating a new comprehensive water management service in Ouro Preto (Brazil)*

# OUR CLIENTS' SATISFACTION

## ■ Guaranteed service quality

As part of its strategy to guarantee service quality, thus ensuring client safety and health, **GS Inima** has procedures in place to monitor quality parameters of treated and managed water. Due to the different types of projects run by the company, such measures to guarantee operating quality may change.

The type of project that is most often handled in **GS Inima's** business, concessions, include the measurement of indicators associated to water quality and other operational issues, which are regularly managed and analyzed by the corporate area and for which corrective measures are established if necessary.

**Operations and maintenance** in **GS Inima's** facilities continuously supervise water quality parameters by testing samples at official laboratories.

Likewise, **GS Inima's** construction contracts (EPC) include quality supervision in the services offered, following up on contractual requirements to meet deadlines and the client's expectations. In addition, in order to guarantee the bidirectional compliance of expectations, the client checks key operating issues in order for **GS Inima** to guarantee the quality of its materials or equipment.

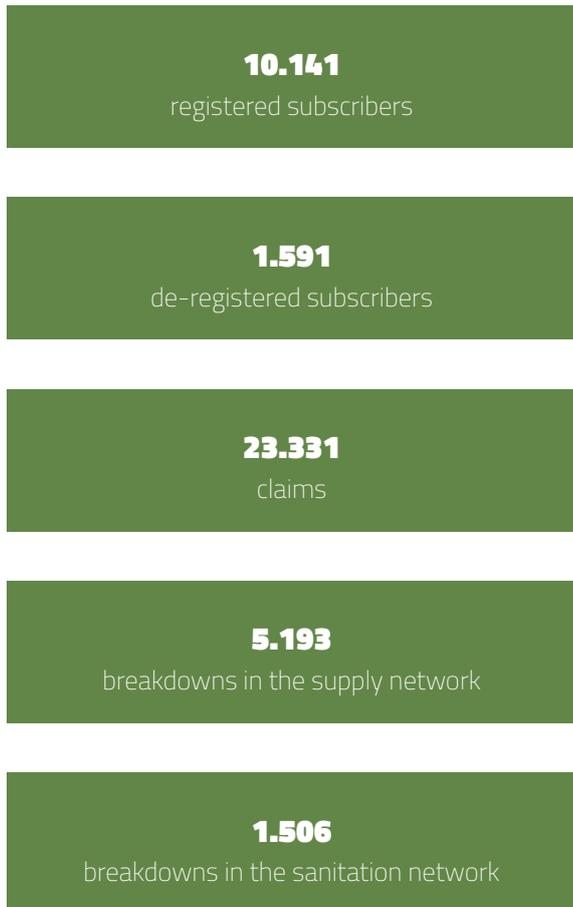


## ■ Our distribution network

Due to the two types of clients working with **GS Inima**, the company has a direct or indirect impact on more than 241,647 people. These include clients subscribed to water management services, living in the local communities of operation. There are more than 90,618 citizens in Spain and more than 151,029 in Brazil.

In turn, the company's corporate clients (related to industrial and water management services) also need the company to guarantee service quality and client satisfaction.

In total, the company manages and registers all subscribers receiving its services, as well as the number of claims and breakdowns registered during the year:



## Contribución a los Objetivos de Desarrollo Sostenible de las Naciones Unidas



# ABOUT THIS SUSTAINABILITY REPORT

## Scope and approach

**GS Inima** is publishing the X edition of its Sustainability Report (former Corporate Social Responsibility Report), which seeks to report the company's milestones, challenges and commitments in relation to sustainability, and to present the result of **GS Inima's** performance during 2021.

**GS Inima's Sustainability Report** has been drawn up according to the "essential option" provided in the latest version of the GRI Standards guide (Global Reporting Initiative). GRI Services had conducted a review in accordance with its Materiality Disclosure Services, indicating that GRI's table of contents is being presented further to GRI contents 102-40 to 102-49, referring to the sections indicated in the report.

As a fundamental part of this Report, GRI Standards require that the company complete a materiality analysis, allowing to identify environmental, social and governance matters that are relevant for its stakeholders. This analysis is then used to evaluate the potential impact of these matters on the company. In 2021, **GS Inima's** materiality study was updated, identifying those issues of greater relevance during the year.

The scope of the data reported in this Report include all the geographical areas where **GS Inima** is present and 100% of its subsidiaries, except for the facilities of Técnicas y Gestión Medio Ambiental (TGM), Shariket Miyeh Ras Djinet SPA and Shariket Tahlya Miyah Mostaganem SPA due to their small number of workers and/or productive activity. Likewise, the reporting perimeter has excluded details of recently added companies in 2021, GHUBRAH Operations and Maintenance Company LLC and BARKA Operations and Maintenance Company SPC, except for purchasing indicators.

The number of employees has been calculated according to the company scope established at the end of this Report, following a different methodology from the one used in the Group's Consolidated Annual Accounts Report, which is why the number of employees indicated in Chapter 4.2 does not coincide. For indicators where such scope is not reported, this is indicated in a footnote.

**GS Inima Environment**, with registered address in C/ Gobelas, 41-45, 1º A, 28023 - Madrid (Spain)<sup>17</sup>, publishes this Report each year. The reported data refer to the period ranging from 1 January 2021 to 31 December 2021, both inclusive. In some exceptional cases, relevant information is reported arising during 2022, identified during the drafting process of this Report. Financial data have been obtained from the Consolidated Annual Accounts Reports for the financial year ended 31 December 2021.

<sup>17</sup> Registered address updated in March 2021

## Principles underlying the Report [102-46]

The underlying principles of this Report correspond to those marked by the Global Reporting Initiative (GRI Standards), thus guaranteeing that the information contained in this document is reliable, complete and balanced.

**Principles that guarantee the quality of the Report:**



<p><b>BALANCE</b></p> <p>This Report explains the positive and negative aspects of the organization's performance, enabling us to complete a reasonable appraisal of the company, to include its challenges. The content adaptation involved in this Report contributes to this achievement.</p>	<p><b>COMPARABILITY</b></p> <p>The information published in this report allows readers to analyze the company's performance in 2021, as well as to compare its performance with other organizations and previous years (2019 and 2020)</p>	<p><b>ACCURACY</b></p> <p>The information published in this Report is accurate and sufficiently detailed to enable the company's stakeholders to adequately appraise <b>GS Inima's</b> performance.</p>
<p><b>FREQUENCY</b></p> <p>GS Inima has now published its X Sustainability Report. The aim is to present information on each financial year on an annual basis, in order for all stakeholders to be informed of the company's performance and enable informed decision-making.</p>	<p><b>TRANSPARENCY</b></p> <p>The information is presented in a comprehensible and reader-friendly format. To facilitate its understanding, tables and charts have been included, avoiding technicalities with which stakeholders may be unfamiliar.</p>	<p><b>RELIABILITY</b></p> <p>The information contained in this Report has been verified by an independent third party, and is obtained from policies and procedures incorporated into <b>GS Inima's</b> systems.</p>

#### Principles that determine the content of this Report:

<p><b>Stakeholder participation</b></p> <p>The company has identified its stakeholders and their expectations, specifying actions in order to establish a mutually transparent and clear dialogue. "Communication with our stakeholders" describes this stakeholder participation process.</p>	<p><b>Sustainability context</b></p> <p>The report analyzes the company's performance in the context of economic, environmental and social demands of its social surroundings, the local community and market in question. The section of the Report entitled "Committed to society" specifically covers this issue.</p>
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### Content principles of the 2021 Sustainability Report

<p><b>Materiality</b></p> <p>GS Inima has updated its materiality study in order to identify relevant aspects in environmental sustainability, social and governance matters. The materiality process is indicated under "Materiality Study".</p>	<p><b>Exhaustiveness</b></p> <p>Contents have been laid out with the participation of our managers in the company's main departments. This ensures that essential aspects and effects of <b>GS Inima's</b> activity are taken into account.</p>
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# ABOUT THIS SUSTAINABILITY REPORT

## Materiality study

The materiality study carried out in 2021 starts off by identifying those matters that may be potentially relevant for the company, based on water sector sustainability issues.

For this, the aspects taken into account by main investors are analyzed, as well as sector reference companies and the company itself, in materiality studies of previous years.

### [102-46] [102-47]

#### Phase I: Identifying relevant matters

Identifying and selecting matters based on our own knowledge of the sector and new reporting trends

#### Phase II. Internal prioritization of relevant matters

The company managers prioritize relevant matters, globally, by activity and by country

#### Phase III: External valuation of relevant matters

External prioritization of matters:

- Press
- Sector companies
- Analysts: S&P/RobecoSAM (DJSI)
- SASB standard
- Opinion leaders

#### Phase IV: Obtaining the materiality matrix

In order to associate relevant matters to **GS Inima's** value chain, we have conducted internal questionnaires to prioritize the matters identified, in order to cover the possible impact of these matters on the company's performance, thus evaluating which matters to include in this Sustainability Report.



**[102-46] [102-47]**

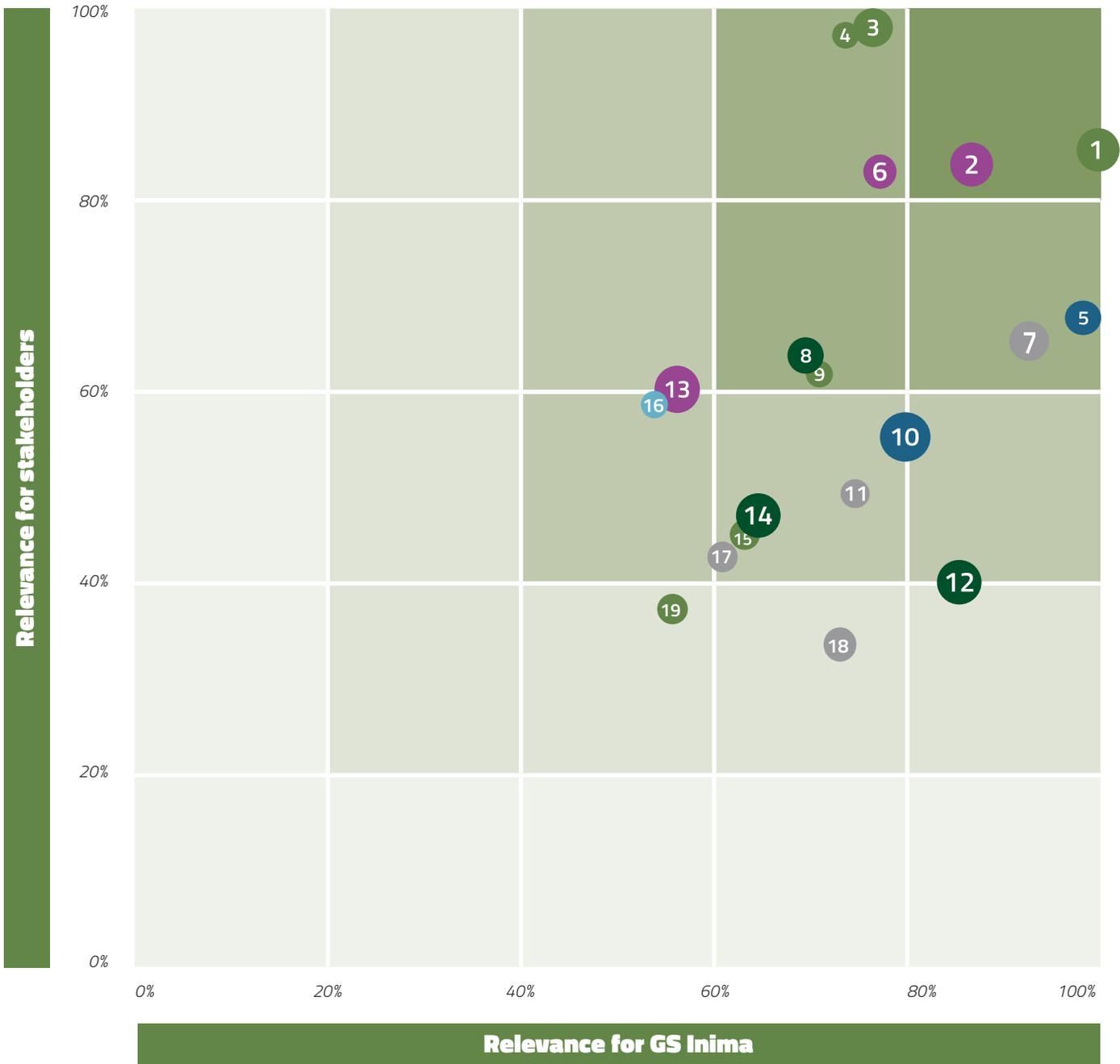
	Suppliers	Design & Engineering	Construction	O&M	Clients
Risk management	✓	✓	✓	✓	✓
Business ethics, disclosure and compliance	✓	✓	✓	✓	✓
RDI		✓	✓	✓	
Clients and product or service quality			✓	✓	✓
Supply chain	✓				
Climate Change and energy efficiency	✓	✓	✓	✓	✓
Water	✓	✓	✓	✓	✓
Circular economy, consumption of raw materials, management of discharge and waste			✓	✓	
Biodiversity			✓	✓	
Employment relations		✓	✓	✓	
Development of talent			✓	✓	
Health & safety	✓	✓	✓	✓	
Socioeconomic and cultural development of local communities	✓	✓	✓	✓	✓
Internal and external communications	✓	✓	✓	✓	✓
Business growth	✓	✓	✓	✓	✓
Sustainable finance		✓	✓		
Sustainable activities and infrastructures	✓	✓	✓	✓	
Diversity and inclusion			✓	✓	
Human Rights	✓		✓	✓	

# ABOUT THIS SUSTAINABILITY REPORT

The materiality study seeks to present the most relevant matters for the company, from an internal and external perspective. This materiality analysis helps in the company's decision-making

These matters of relevance are part of the company's various contexts, refer to various components of the value chain and the various geographical areas where GS Inima is present. Below is the final materiality matrix of GS Inima:

\*The size of the circles indicates the matter's relative impact on GS Inima's value chain



**How matters are grouped**

- Innovation and business
- Development and caring for talent
- Activity excellence
- Contribution to surroundings
- Good governance, disclosure and compliance
- Responsible purchasing
- Environmental commitment



### Highly critical aspects

- 1 Water
- 2 Business growth

### Critical aspects

- 3 Sustainable activities and infrastructures
- 4 Climate change and energy efficiency
- 5 Clients and product or service quality
- 6 RDI
- 7 Health & safety
- 8 Human Rights
- 9 Circular economy, raw materials, waste and discharge

### Important aspects

- 10 Risk management
- 11 Development of talent
- 12 Business ethics, disclosure and compliance
- 13 Socioeconomic and cultural development of the local community
- 14 Internal and external communications
- 15 Sustainable finance
- 16 Supply chain
- 17 Diversity and inclusion

### Emerging aspects

- 18 Employment relations
- 19 Biodiversity

# ANNEX I:

## INDEX OF NON-FINANCIAL REPORTING STATEMENT

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Content	Page	GRI Content
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Total number and distribution of types of employment contracts, annual average of indefinite contracts, part-time contracts by gender, age and professional classification.	75	102-8
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Salary gap	76	
Average remuneration of directors and executives, including variable remuneration, allowances, indemnification, payments into long-term savings benefit systems and any other benefit itemized by gender	76	N/A
Implantation of "right to disconnect" policies	76	103-2
Disabled employees	72	405-1
<b>Work organization</b>		
Organization of working hours	79	103-2
Number of absenteeism hours	83	403-2
Measures to facilitate a balance between work and family life and to encourage the joint responsibility of both parents	76	103-2
<b>Health &amp; Safety</b>		
Occupational health and safety conditions	82-83	103-2
Occupational accidents, frequency and seriousness, itemized by gender	82-83	403-2, 403-3
Professional illnesses itemized by gender	82-83	403-2
<b>Labor relations</b>		
Organization of social dialog	81	102-43, 402-1, 403-1
Percentage of employees covered by a collective bargaining agreement by country	81	102-41
Balance of collective bargaining agreements in occupational health and safety matters	82-83	403-1, 403-4

# ANNEX I:

## INDEX OF NON-FINANCIAL REPORTING STATEMENT

Content	Page	GRI Content
<b>Training</b>		
Training policies implemented	74	404-2
Total number of hours' training by professional category	74	404-1
<b>Accessibility</b>		
Universal accessibility of disabled persons	72-73	103-2
<b>Equality</b>		
Measures adopted to promote equal treatment and opportunities between men and women	73-74	103-2
Equality plans	73-74	103-2
Measures adopted to promote employment	73-76	404-2
Protocol to fight sexual harassment and on the grounds of sex	72-73	103-2
Integration and universal accessibility for the disabled	72-73	103-2
Policy against any type of discrimination	72-73	103-2
<b>Respect for human rights</b>		
Application of procedures for due care in human rights matters	40-41, 72	412-2
Prevention of potential infringements of human rights and, as the case may be, measures to mitigate, manage and repair any possible abuse of these rights	40-41, 72	412-1
Complaints on the grounds of infringed human rights	41	102-17
Promotion and compliance with provisions of fundamental ILO agreements	35-36, 73, 97	103-2
<b>Fight against corruption and bribery</b>		
Measures adopted to prevent corruption and bribery	41	103-2
Measures to fight money laundering	41	103-2
Contributions to foundations and non-profit organizations	41	103-2, 201-1
<b>Society</b>		
<b>Company commitments to sustainable development</b>		
Impact of the company's activity on employment and local development	86-89	203-1, 203-2, 204-1, 413-1, 413-2
Impact of the company's activity on local towns and in the territory	86-89	203-1, 203-2, 204-1, 413-1, 413-2
Relations held with local community agents and the forms of dialog adopted	86-89	102-43, 413-1
Partnership or sponsorship actions	86-89	102-13, 201-1

Content	Page	GRI Content
<b>Subcontracting and suppliers</b>		
Inclusion in the purchasing policy of social, gender equality and environmental issues	92-94	103-2
Relations with suppliers and subcontractors as regards their social and environmental responsibility	92-94	102-9, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2
Supervision systems and audits and their results	92-94	102-9, 308-1, 308-2, 414-2
<b>Consumers</b>		
Measures for consumer health and safety	96-97	416-2
Reporting channels, complaints received and their resolution	96-97	103-2, 418-1
<b>Tax information</b>		
Profit obtained, country by country	8-11	201-1
Taxes on profit paid	8-11	201-1
Public subsidies received	8-11	201-4

# ANNEX II:

## GRI TABLE OF CONTENTS

As part of its Materiality Disclosure Services, GRI Services has checked that the GRI Table of Contents is clear and, in turn, that all references to Contents 102-40 to 102-49 correspond to the sections indicated in the Report.



### Global Reporting Initiative Table of Contents

GRI Standard	Indicator	Page	Omission	External Verification
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#### GRI 101: Foundations 2016

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SUSTAINABILITY REPORT

GRI 102:  
General  
contents  
2016

<b>Profile of the organization</b>				
102-1	Name of the organization	About this Sustainability Report (pages 100-115)		Yes
102-2	Activities, trademarks, products and services	Business model (pages 16-28)		Yes
102-3	Location of the head office	Back page		Yes
102-4	Location of operations	GS Inima in the world (page 14)		Yes
102-5	Ownership and legal form	Back page		Yes
102-6	Markets serviced	GS Inima in the world (page 14) Business model (pages 16-28)		Yes
102-7	Size of the organization	Our performance in figures (pages 8-10) Economic performance of the company (pages 8-10)		Yes
102-8	Information on employees and other workers	Committed to our employees (pages 68-76)		Yes
102-9	Supply chain	Committed to our suppliers (pages 90-94)		Yes
102-10	Significant changes in the organization and its supply chain	No significant changes have taken place during the reported period		Yes
102-11	Principle or approach based on caution	About this Sustainability Report (pages 100-115)		Yes
102-12	External initiatives	Business model (pages 16-28)		Yes
102-13	Membership of associations	Business model (pages 16-28)		Yes

<b>Strategy</b>		
102-14 Statement from senior executives in charge of decision-making	Carta de la Directora (páginas 6-7)	Sí
102-15 Main impact, risks and opportunities	Carta de la Directora (página 6-7) Modelo de negocio (página 11-30)	Sí
<b>Ethics and integrity</b>		
102-16 Values, principles, standards and rules of conduct	Modelo de negocio (página 16-28)	Sí
102-17 Advisory systems and ethical concerns	Ética y transparencia (página 40 -41)	Sí
<b>Governance</b>		
102-18 Governance structure	Corporate governance (pages 36-38)	Yes
102-19 Delegation of authority	Corporate governance (pages 36-38)	Yes
102-20 Executive responsibility for economic, environmental and social matters	Corporate governance (pages 36-38)	Yes
102-21 Stakeholder consultation on economic, environmental and social matters	Corporate governance (pages 36-38)	Yes
102-22 Composition of the senior governing body and committees	Corporate governance (pages 36-38)	Yes
102-23 Chairman of the senior governing body and committees	Corporate governance (pages 36-38)	Yes
102-25 Conflicts of interest	Corporate governance (pages 36-38)	Yes
102-26 Functions of the senior governance body when selecting objectives, values and strategy	Corporate governance (pages 36-38)	Yes
102-28 Performance evaluation of the senior governance body	Corporate governance (pages 36-38)	Yes
102-29 Identification and management of economic, environmental and social impact	Corporate governance (pages 36-38)	Yes
102-30 Efficacy of risk management processes	Corporate governance (pages 36-38)	Yes

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## GRI TABLE OF CONTENTS

102-31 Review of economic, environmental and social matters	Corporate governance (pages 36-38)	Yes
102-32 Functions of the senior governance body when drawing up sustainability reports	Corporate governance (pages 36-38)	Yes
102-33 Communication of critical concerns	Corporate governance (pages 36-38)	Yes
<b>Participation of stakeholders</b>		
102-40 List of stakeholders	Business model (pages 16-28)	Yes
102-41 Collective negotiation agreements	Business model (pages 16-28)	Yes
102-42 Identification and selection of stakeholders	Business model (pages 16-28)	Yes
102-43 Approach for stakeholder participation	Business model (pages 16-28)	Yes
102-44 Key topics and concerns referred to	Business model (pages 16-28)	Yes
<b>Practices to draft the Report</b>		
102-45 Companies included in the consolidated financial statements	Performance in figures (pages 8-10)	Yes
102-46 Definition of report contents and covered topics	About this Report (pages 100-115)	Yes
102-47 List of material topics	About this Report (pages 100-115)	Yes
102-48 Restatement of data		Yes
102-49 Changes in the drafting of reports	No significant changes have taken place in scope and coverage with respect to earlier reports.	Yes
102-50 Period reported	About this Report (pages 100-115)	Yes
102-51 Date of the last report	2020	Yes
102-52 Report drafting cycle	Annually	Yes
102-53 Contact details for questions on the report	Back page	Yes

GRI 102:  
General  
contents  
2016

GRI 102: General contents 2016	102-54 Statement on drafting of the report pursuant to GRI Standards	This report has been drafted according to GRI Standards, under the "essential conformity" option	Yes
	102-55 GRI Table of Contents	Pages 110-121	Yes
	102-56 External verification	This Report has been externally verified; see review report at the end of the annexes to this Sustainability Report.	Yes

## Material aspects

### Category: Economy

GRI 103. Management approach 2016	<b>Economic performance</b>		
	103-1 Explanation of the material topic and its coverage	Performance in figures (pages 8-10)	Yes
	103-2 Management approach and components	Performance in figures (pages 8-10)	Yes
GRI 201. Economic performance 2016	201-1 Direct economic value generated and distributed	Performance in figures (pages 8-10)	Yes
GRI 103. Management approach 2016	<b>Indirect economic impact</b>		
	103-1 Explanation of the material topic and its coverage	Business model (pages 16-28)	Yes
	103-2 Management approach and components	Business model (pages 16-28)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 203. Indirect economic impact 2016	203-1: Infrastructure investments and supported services	Business model (pages 16-28) Performance in figures (pages 8-10)	Yes

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GRI 103. Management approach 2016	<b>Purchasing practices</b>		
	103-1 Explanation of the material topic and its coverage	Committed to our suppliers (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our suppliers (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 204. Purchasing practices 2016	204-1 Expenditure proportion in local suppliers	Committed to our suppliers (pages 90-94)	Yes
GRI 103. Management approach 2016	<b>Anticorruption</b>		
	103-1 Explanation of the material topic and its coverage	Ethics and transparency (pages 40 -41)	Yes
	103-2 Management approach and components	Ethics and transparency (pages 40 -41)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 205. Anticorruption	205-1 Evaluated operations for risks related to corruption	Committed to our suppliers (pages 90-94)	Yes
	205-2 Communication and training on anticorruption policies and procedures	Ethics and transparency (pages 40 -41)	Yes
	205-3 Corruption cases confirmed and measures taken	During the 2021 financial year, GS Inima has not registered any episode of corruption	Yes

### Category: Environment

GRI 103. Management approach 2016	<b>Materials</b>		
	103-1 Explanation of the material topic and its coverage	Committed to the environment (pages 52-65)	Yes
	103-2 Management approach and components	Committed to the environment (pages 52-65)	Yes
	103-3 Evaluation of the management approach	Committed to the environment (pages 52-65)	Yes
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Committed to the environment (pages 52-65)	Yes
	301-2 Recycled supplies	Committed to the environment (pages 52-65)	Yes

	<b>Energy</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its coverage	Committed to the environment (pages 52-65)	Yes
	103-2 Management approach and components	Committed to the environment (pages 52-65)	Yes
	103-3 Evaluation of the management approach	Committed to the environment (pages 52-65)	Yes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Committed to the environment (pages 52-65)	Yes
	302-4 Reduction in energy consumption	Committed to the environment (pages 52-65)	Yes
	302-5 Reduction in energy requirements of products and services	Committed to the environment (pages 52-65)	Yes
	<b>Emissions</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to the environment (pages 52-65)	Yes
	103-2 Management approach and components	Committed to the environment (pages 52-65)	Yes
	103-3 Evaluation of the management approach	Committed to the environment (pages 52-65)	Yes
GRI 305: Emissions 2016	305-1 Direct GHG emissions (scope 1)	Committed to the environment (pages 52-65)	Yes
	305-2 Indirect GHG emissions when generating energy (scope 2)	Committed to the environment (pages 52-65)	Yes
	305-3 Other indirect GHG emissions (scope 3)	Committed to the environment (pages 52-65)	Yes
	305-4 Intensity of GHG emissions	Committed to the environment (pages 52-65)	Yes
	305-5 Reduction in GHG emissions	Committed to the environment (pages 52-65)	Yes
	<b>Effluents and waste</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to the environment (pages 52-65)	Yes
	103-2 Management approach and components	Committed to the environment (pages 52-65)	Yes
	103-3 Evaluation of the management approach	Business model (pages 16-28)	Yes

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GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and purpose	Committed to the environment (pages 52-65)	Yes
	306-2 Waste by type and elimination method	Committed to the environment (pages 52-65)	Yes
GRI 103. Management approach 2016	<b>Regulatory compliance</b>		
	103-1 Explanation of the material topic and coverage	Committed to the environment (pages 52-65)	Yes
	103-2 Management approach and components	Committed to the environment (pages 52-65)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 307: Environmental Compliance 2016	307-1 Breach of environmental legislation and regulations	Committed to the environment (pages 52-65)	Yes
GRI 103. Management approach 2016	<b>Environmental evaluation of suppliers</b>		
	103-1 Explanation of the material topic and coverage	Committed to our suppliers (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our suppliers (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 308: Environmental evaluation of suppliers 2016	308-1 New suppliers that have completed evaluation and selection filters in accordance with environmental criteria	Committed to our suppliers (pages 90-94)	Yes
	308-2 Negative environmental impact in the supply chain and measures adopted	Committed to our suppliers (pages 90-94)	Yes

### Category: Labor

GRI 103. Management approach 2016	<b>Employment</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes

GRI 401. Employment 2016	401-1 Newly recruited employees and staff turnover	Committed to our employees (pages 68-76)	Yes
	401-2 Benefits for full-time employees, not given to part-time or provisional employees	Committed to our employees (pages 68-76)	Yes
	401-3 Parental leave	Committed to our employees (pages 68-76)	Yes
GRI 103. Management approach 2016	<b>Relations between workers and the management</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 402. Worker- employer relations 2016	402-1 Minimum prior notice on operational changes	GS Inima establishes these prior notices based on the provisions of collective bargaining agreements applicable to its employees	Yes
GRI 103. Management approach 2016	<b>Occupational health &amp; safety</b>		
	103-1 Explanation of the material topic and coverage	Committed to health & safety (pages 78-82)	Yes
	103-2 Management approach and components	Committed to health & safety (pages 78-82)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 403. Occupational health & safety 2016	403-1 Workers' representation on formal health & safety worker-employer committees	Committed to health & safety (pages 78-82)	Yes
	403-2 Types of accident and frequency rate of accidents, professional illness, days lost, absenteeism and number of deaths due to an occupational accident or professional illness	Committed to health & safety (pages 78-82)	Yes
	403-4 Health & safety topics discussed in formal trade union agreements	Committed to health & safety (pages 78-82)	Yes

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GRI 103. Management approach 2016	<b>Training and teaching</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 404. Training and education 2016	404-1 Average hours' training a year per employee	Committed to our employees (pages 68-76)	Yes
	404-2 Programs to improve employee skills and programs to help in the transition stage	Committed to our employees (pages 68-76)	Yes
	404-3 Percentage of employees subject to periodic appraisals on professional performance and development	Committed to our employees (pages 68-76)	Yes
GRI 103. Management approach 2016	<b>Diversity and equal opportunities</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Committed to our employees (pages 68-76)	Yes
GRI 405. Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and employees	Committed to our employees (pages 68-76)	Yes
	405-2 Base salary / female remuneration ratio compared to men	Committed to our employees (pages 68-76) The average remuneration paid to men and women is reported for GS Inima Environment (Spain)	Yes
GRI 103. Management approach 2016	<b>No discrimination</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 406. No discrimination 2016	406-1 Discrimination cases and corrective actions taken	During 2021, GS Inima has not registered any case of discrimination	Yes

	<b>Freedom of association and collective negotiations</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 407. Freedom of association and collective negotiations 2016	407-1 Operations and suppliers whose freedom of association and right of collective negotiation may be at risk	Committed to our employees (pages 68-76)	Yes
	<b>Child labor</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our employees (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 408. Child labor 2016	408-1 Operations and suppliers subject to a material risk of child labor cases	During 2021, GS Inima has not completed any evaluation of rights of association, child labor, forced labor or any other incident related to human rights in its subcontracted operations. All activities are subject to worksite health & safety contracts to ensure compliance with the conditions affecting any employed workers. In addition, GS Inima demands that its certified contractors be up to date in their tax obligations and to have registered their employees in the social security system.	Yes

# ANNEX II:

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GRI 103. Management approach 2016	<b>Forced labor</b>		
	103-1 Explanation of the material topic and coverage	Committed to our suppliers (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our suppliers (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 409. Forced labor 2016	409-1 Operations and suppliers at a material risk of forced labor cases	During 2021, GS Inima has not completed any evaluation of rights of association, child labor, forced labor or any other incident related to human rights in its subcontracted operations. All activities are subject to worksite health & safety contracts to ensure compliance with the conditions affecting any employed workers. In addition, GS Inima demands that its certified contractors be up to date in their tax obligations and to have registered their employees in the social security system.	Yes
GRI 103. Management approach 2016	<b>Evaluation of human rights</b>		
	103-1 Explanation of the material topic and coverage	Committed to our employees (pages 68-76)	Yes
	103-2 Management approach and components	Committed to our employees (pages 68-76)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 412. Evaluation of human rights 2016	412-2 Employee training in human rights policies or procedures	Committed to our employees (pages 68-76)	Yes

	<b>Local communities</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to society (pages 84-86)	Yes
	103-2 Management approach and components	Committed to society (pages 84-86)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 413. Local communities 2016	413-1 Operations with the participation of the local community, impact evaluations and development programs	Committed to society (pages 84-86)	Yes
	<b>Social evaluation of suppliers</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to our suppliers (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our suppliers (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 414: Social evaluation of suppliers 2016	414-1 New suppliers that have completed selection filters according to social criteria	Committed to our suppliers (pages 90-94)	Yes
	414-2 Negative social impact on the supply chain and measures taken	Committed to our suppliers (pages 90-94)	Yes
	<b>Socioeconomic compliance</b>		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and coverage	Committed to our suppliers (pages 90-94)	Yes
	103-2 Management approach and components	Committed to our suppliers (pages 90-94)	Yes
	103-3 Evaluation of the management approach	Performance in figures (pages 8-10)	Yes
GRI 419: Socioeconomic compliance 2016	419-1 Breach of laws and regulations in social and economic matters	During 2021 GS Inima has not been ordered to pay any significant fine for a regulatory breach related to the supply and use of products and services	Yes

# ANNEX III:

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Sector	Code	Content	Measurement units	Page	Comments
Water Utilities	IF0103-01	Total energy consumed, percentage of grid electricity, renewable percentage	Giga joules (GJ), Percentage (%)	60	The amount of energy directly consumed in GJ is reported, itemized by country. The total consolidated amount of energy consumed is not reported. The percentage of electricity consumed over the total is not included, nor is the percentage of renewable energy consumed.
Water Utilities	IF0103-02	Number of incidents of breach related to permits, rules and regulations on water effluent quality	Number	-	
Water Utilities	IF0103-03	Discussion of strategies to handle effluents of emerging concern	N/A	-	
Water Utilities	IF0103-04	Total river water from regions with hydric stress, registering a high or extremely high level, and percentage purchased from a third party	Cubic meter (m3), Percentage (%)	56	The total water consumed, obtained from the public network, is reported. Nevertheless, the percentage water obtained from a third party over the total water consumed is not included. In addition, the amount of water consumed should be itemized (in total m3), by hydric stress area, specifying the water consumed in regions with a high or extremely high hydric stress level.
Water Utilities	IF0103-05	Volume of recycled water delivered	Cubic meter (m3)	-	
Water Utilities	IF0103-06	Discussion of strategies to handle risks associated to the quality and availability of hydric resources	N/A	-	

Sector	Code	Content	Measurement units	Page	Comments
Water Utilities	IF0103-07	Number of drinking water infringements (1) that are serious and related to health, (2) not serious and related to health, and (3) not related to health	Number	-	
Water Utilities	IF0103-08	Discussion of strategies to manage drinking water pollutants of emerging concern	N/A	-	
Water Utilities	IF0103-09	Number of formal client complaints related to the price and/or access to water received, percentage withdrawn	Number, percentage (%)	100	Number of claims is indicated, without itemizing the price and/or access to water received, percentage withdrawn
Water Utilities	IF0103-10	Discussion of how fair price and access considerations are integrated into determining tariff structures	N/A	-	
Water Utilities	IF0103-11	Client water savings based on efficiency measurements by market	Cubic meter (m3)	-	
Water Utilities	IF0103-12	Replacement rate for water pipes	Ratio	-	
Water Utilities	IF0103-13	Volume of actual water losses not accounted for	Cubic meter (m3)	-	
Water Utilities	IF0103-14	Water treatment capacity located in areas at special risk of flooding (FEMA or foreign equivalent)	Cubic meter (m3) by day	-	
Water Utilities	IF0103-15	Volume of sanitary sewage overflow (SSO), recovered percentage	Cubic meter (m3) percentage (%)	-	
Water Utilities	IF0103-16	(1) Number of programmed downtimes, (2) population affected, and (3) average length	Number, minutes	-	
Water Utilities	IF0103-17	Discussion of effort made to identify and manage risks and opportunities related to the impact of climate change on the distribution network	N/A	61-62	Reflection on climate risks



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