

Integrated Report **2022**

The Iraí Dam
Photographer: André Thiago Chaves Aguiar



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Santa Quiteria - Dionira Moletta Klentz's aerial crossing
Photographer: André Thiago Chaves Aguiar

About the report

GRI 2-2

Sanepar's 2022 Integrated Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, the International Integrated Reporting Council (IIRC) framework for integrated reporting and the Sustainability Accounting Standards Board (SASB) disclosure standards. The report describes Sanepar's economic, social, environmental and corporate governance performance for the period between January 1st and December 31st, 2022, and has been deliberated by the Board of Directors after Executive Board endorsement.



The Company's Sustainability Reports are published annually. For queries about this document, please contact the Strategic Planning Department, by e-mail at gpe@sanepar.com.br. **GRI 2-3**

External assurance



The non-financial contents and other information presented in this report were submitted to external limited assurance by BDO RCS Auditores Independentes S.S. (NBC TO 3000). The use of the GRI Standards - Foundations (GRI 1), General Disclosures (GRI 2) and Material Topics (GRI 3) were assured. **GRI 2-5**

Highlights in reading

**GRI 102-50, 102-53
SASB EM-IS-130**

Designation of the indicators involved.



Icons indicating external links



Icons indicating interactive infographics



Indication of the SDGs worked on the themes.

Message from the management

GRI 2-22

With 59 years of operations, Sanepar is one of the best sanitation companies in Brazil and in Latin America, as attested by its numerous achievements. Named the leading company in the Infrastructure industry by the Valor Inovação Brasil 2022 award, Sanepar has also received the Transparency Award for the quality of its financial statements, and, for the second consecutive time, Moody's rated its bonds as "AAA", certifying its low-risk investment grade status. The Company's operations have always been anchored on innovation and pioneering thinking. Sanepar has changed the basic sanitation landscape in the state of Paraná, fulfilling its purpose and ensuring sanitary conditions for the effective exercise of citizenship, providing access to drinking water and sanitary sewage, enabling the sustainable development of the region, transforming people's lives.

The year 2022 was marked by exceptional circumstances and a very strong performance by Sanepar. Our net revenue increased by 9.0% versus 2021, and, although net income

and the EBITDA margin dropped compared to the year before, they were down by a mere 2.0% and 4.5 p.p., respectively. Investments, however, increased by 32.1%.

When we mentioned exceptional circumstances, we were referring to the fact that, as we were starting to adapt to the changes brought by the New Legal Framework for Basic Sanitation, we also felt the impacts of the water scarcity crisis that had been hitting the State of Paraná since 2020, combined with the pandemic, the war in Ukraine and an unstable political scenario. The water crisis was specially severe in Curitiba's Metropolitan Area, impacting more than 3 million people. In order to overcome it, we had to review our planning. We expedited construction works, which put into operation important local supply infrastructure projects. This was not an easy task due to the rise in prices and scarcity of inputs

The year 2022 was marked by exceptional circumstances and a very strong performance at Sanepar.



Claudio Stabile
Chief Executive Officer



Vilson Ribeiro de Andrade
Chairman of the Board of Directors



“Nonetheless, we must emphasize that we want to do more than just something different – we are committed to doing better while mitigating negative environmental impacts and maximizing returns for society.”

during these troubled times. We also had to seek alternatives that combined low environmental impact and costs with high quality, which we were able to do thanks to our skilled team, who successfully implemented our Multi-year Investment Plan.

We have done even more than what was expected - Sanepar has also innovated. The works of the sludge thermal drying and transformation system at the Atuba Sul Sewage Treatment Plant, in Curitiba, are advancing and should be completed by mid-2023. Innovative and environmentally sustainable, the process received the *Valor Inovação 2022* Award. And we will not stop there. For Sanepar, innovation enables the achievement of corporate strategic goals through groundbreaking solutions

that generate sustainability, high performance standards and greater competitiveness. We want to be prepared for possible new scarcity and adverse scenarios, which is why innovation is at the center of our efforts. In 2022, we published the first call for proposals for the Open Innovation Program in the Environmental Sanitation Sector, called “Sanepar Startups”, to develop joint open-innovation initiatives. Also in 2022, we established the Innovation Committee, a joint decision-making corporate body focused on this matter.

Nonetheless, we must emphasize that we want to do more than just something different – we are committed to doing better while mitigating negative environmental impacts and maximizing returns for socie-

ty. One example is the Iguaçu River reservoir project, in which we partnered with municipalities to recover and maintain the river whose water is treated and returned to the reservoir, ensuring the availability and quality of this resource. Besides being a business opportunity, this project has a social and environmental impact.

The events of recent years have emphasized the importance of each ESG pillar for Sanepar confirming that business, environment, society and governance must go hand in hand, completing one another. With this in mind, the Strategic Committee has worked to align the Company’s risks, goals and strategic plans to build its Corporate ESG agenda.

In the governance pillar, we made progress by revising our Integrity Program and strengthening the mechanisms for disseminating and acculturating its guidelines. We have also reviewed our risk matrix, so that we can increasingly anticipate setbacks, strategically mitigating them and observing the negative social and environmental impacts, and

seizing opportunities. We are always looking towards the future

in the short, medium, and long term. We have good prospects for the next year and see many opportunities ahead of us. Sanepar is on the lookout for new business. We understand that they are the key to obtaining accessory revenues, which have the potential to transform what is currently an operating cost into revenue for investment. We will be able to grow even further in 2023. Adverse and unstable scenarios are the natural selection process of the organizational ecosystem. Only truly resilient players survive. And Sanepar, with its highly qualified staff and solid and constantly evolving infrastructure, is a model of resilience. We believe we have another busy year ahead of us, as we fulfill our commitment to improving even more to continue delivering quality of life and better health to the people of Paraná.

Claudio Stabile

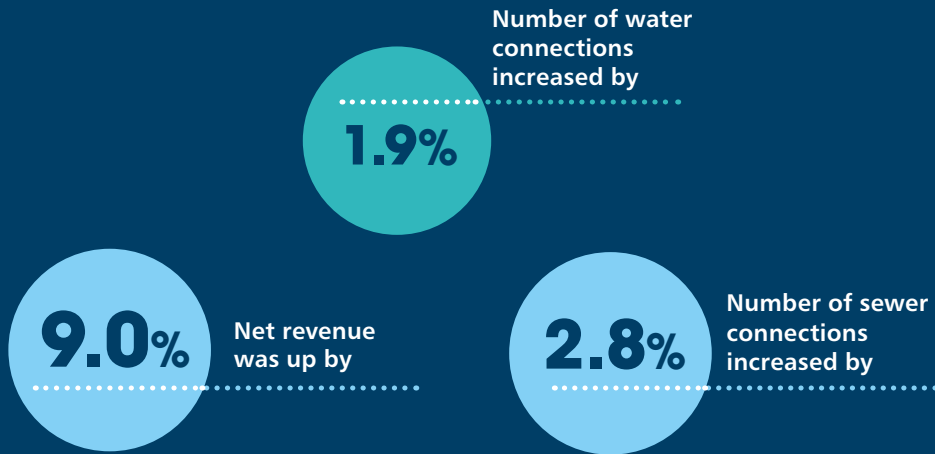
Chief Executive Officer

Vilson Ribeiro de Andrade

Chairman of the Board of Directors

2022 Highlights

Versus 2021



million raised
R\$ 600 million
through debenture
issue

Investments
totalled
in 2022
R\$ 1.7 billion



6,199
own
employees



6,254
third-party
employees



Employee
Satisfaction
Level **stood at**
77.45%, above the
Company's goal



Benefits granted
in the *Água Solidária*
Program reached
R\$ 210 million

Awards and certifications

AWARDS

2022 CGE Highlight - Awards Ethics and Integrity

Sanepar received this award from the Comptroller General of the State of Paraná for the quality of its ombudsman office's work. The accolade evaluated 73 ombudsman offices, based on criteria of response time to customer's queries, efficiency of the response, and and team's training hours, among others.

Furukawa Electric Awards

Sanepar's Data Center won one of the third Furukawa Electric Awards categories, an international award created by Furukawa Electric in 2019 to recognize the best technological innovation solutions. Structured in 2020, the data center has cutting-edge technology and the capacity to process data from all the systems used by the Company at four times the traditional speed, maintaining stability and high transmission quality.

Transparency Award

The Brazilian National Association of Finance, Administration and Accounting Executives (Anefac in Portuguese), awarded Sanepar for the transparency of its financial statements, as well as its clear and

objective language, which is of easy understanding for its readers. An evaluation commission formed by accounting experts is responsible for assessing the documents.

#EuSouParanapanema Award

"*Rios e suas Cidades: um novo olhar*" ("Rivers and their cities: a new point of view") is the name of Sanepar's project awarded by #EuSouParanapanema accolade, in the Water utility category. Created by Sanepar's Social and Environmental Education Management Department in November 2021, the project aims to train municipal and private school teachers in the state of Paraná to develop educational actions that discuss social and environmental issues related to urban rivers in the watersheds where the communities are located. Created by the Paranapanema River Hydrographic Basin Committee (CBH in Portuguese), the award's first edition took place in 2022.

Sesi's 2021 SDG Awards

The Meta20 campaign was recognized by Sesi (Social Service and Industry Institution) in the Innovation category. Learn more [on page 88](#).

Valor Inovação Brasil 2022 Award

For the second consecutive year, Sanepar won the *Valor Inovação Brasil 2022* Award in the infrastructure category. The prize is Brazil's most important publication on innovation, organized by Valor Econômico newspaper in partnership with A Strategy&, PwC's strategic consultancy firm. In its 8th edition, the theme of the award was 5G and business model revolution. According to the *Valor Inovação* Yearbook, Sanepar performs the five pillars of the innovation chain with excellence: intention to innovate, effort to carry out innovation, results, market assessment and knowledge generation.

500 Maiores do Sul

In the 500 Maiores do Sul (500 Biggest Companies in the Southern Region) ranking, Sanepar is in 19th place among public utilities companies headquartered in the three states of Brazil's South Region (Paraná, Santa Catarina and Rio Grande do Sul). The Company also ranked 8th among Paraná's 100 Biggest Companies. Grupo Amanhã has been preparing these rankings for 32 years and they are

the most relevant in the region. The survey relies on the technical support of PwC.

South Region's Innovation Champions Award

Amanhã magazine, a *Grupo Amanhã* publication, granted this accolade to Sanepar for its projects aimed at the universalization of basic sanitation services. In its assessment, the magazine adopts the Innovation Management Index, a tool developed by the Global Innovation Management Institute (Gimi), a global non-profit organization created by executives, academics, and consultants specializing in innovation.

Successful Cases Award

Sanepar was chosen the highlight in the sanitation industry for its good management practice in the reuse of sewage sludge, by Trata Brasil Institute, in partnership with the Center for Infrastructure Studies and Environmental Solutions of Getulio Vargas Foundation (FGV). The Company received the award in Innovation & Technology category, which recognized companies in the sector for the first time.

CERTIFICATIONS

ISO 9001:2015 Certification

Sanepar's quality management was recertified under the scope of NBR ISO 9001:2015 for its dam operation, water abstraction, adduction, treatment and storage systems of the Water Production Management Department in the Curitiba's Integrated Water Supply System; the water abstraction, adduction, treatment, storage and treatment and final disposal of sewage systems of the Industrial Management Department of Londrina; and the water distribution, collection and transport of sewage of the Londrina Regional Management Department. Sanepar was the first basic sanitation company in Latin America to receive this certification in 1997 and has been recertified ever since.

ISO 14001:2015 Certification

The Environmental Management Systems of the Urban Solid Waste Sanitary Landfill of Cianorte and the drinking water abstraction, treatment and distribution system and the sanitary sewage collection, treatment and final disposal system of Foz do Iguaçu have been recertified by ISO 14001:2015. In 2013, the unit in Cianorte was the first Brazilian landfill operated by a basic sanitation company to receive the ISO 14001 certification. The Environmental

Management System of Foz do Iguaçu has been certified since it started operating, in 1999. This system has become an internal and external benchmark in the development of basic sanitation services that do not compromise the availability of natural resources.

ISO IEC 17.025:2017 Accreditation Certification

Once again, Inmetro's General Accreditation Coordination (CGCRE in Portuguese) accredited Sanepar's analysis laboratories for performing its processes accurately and in accordance with excellence standards defined by the ISO/IEC 17.025:2017 standard, exclusive for assessment and calibration laboratories.

LEED International Certification

The design of Sanepar's new administrative headquarters in Curitiba meets the requirements of the Leadership in Energy and Environmental Design (LEED) international certification, developed by the United States' Green Building Council. The certification was granted by KNX Awards 2020, a specialized forum that recognizes smart projects worldwide that use KNX building

automation technology. This technology is applied in architectural projects to provide comfort, safety, adequate lighting, acoustics and temperature with the least use of electricity. Sanepar's headquarters building, for example, uses photovoltaic panels for power generation, features rainwater storage, and an automated lighting and air-conditioning system. The floor and the ceiling have acoustic insulation and the window glass block sun rays and reduce internal temperature.

Sustainable Bonds Certification

Sitawi Finanças do Bem, a tertiary sector organization, awarded Sanepar's bonds with the Sustainable Bonds Certification. The organization considers that the Company's bonds combine both positive environmental and social impacts. For Sitawi, they are aligned with Sustainable Development Goals (SDGs) numbers 3 (Good Health and Well-being), 6 (Clean Water and Sanitation) and 11 (Sustainable Cities and Communities).

Rating affirmation

Moody's and Fitch Rating affirmed the National Long-Term Rating for Sanepar's unsecured debenture issues at AAA(bra). The rating indicates low risk level. Thus,

the higher the rating, the safer the company is - AAA is the highest rating.

Paraná Climate "A" Seal

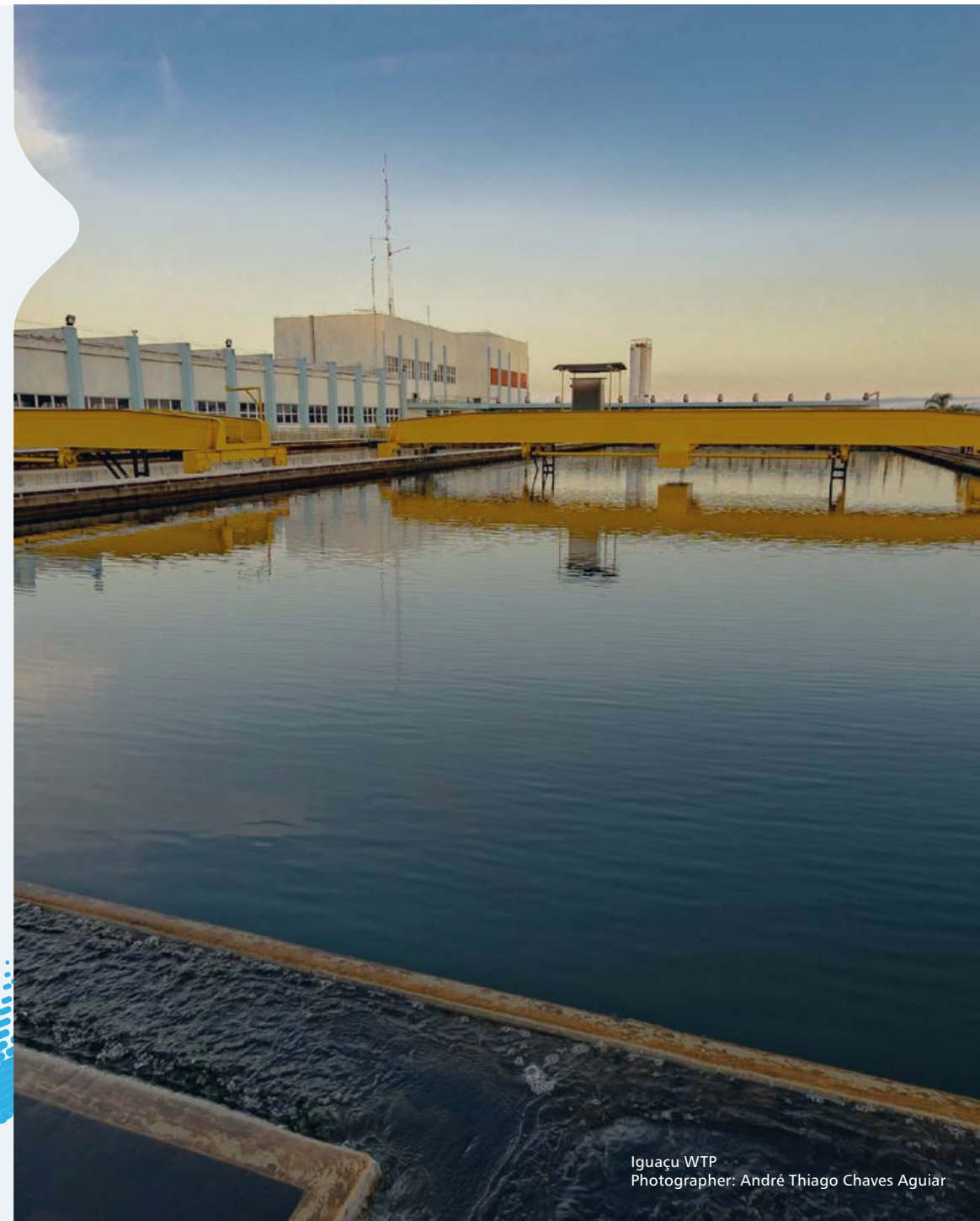
The Paraná Climate Seal (Selo Clima Paraná) encourages companies from the state of Paraná to reduce their "Carbon Footprint" (the amount of greenhouse gas emissions from human activity) in order to fight climate change and increase their competitiveness in the context of a new, low-carbon economy. Sanepar received the A Seal in the Internal Market category, which corresponds to the former Golden Seal, previously won by the Company in 2021, 2019 and 2017. In 2020, Sanepar received the Original Seal and, in 2016, the Silver one. This change in terminology follows the change in the evaluation methodology, which now includes the 2030 Agenda and the Sustainable Development Goals (SDGs), as well as the implementation of environmental, social and governance practices.

Golden Seal

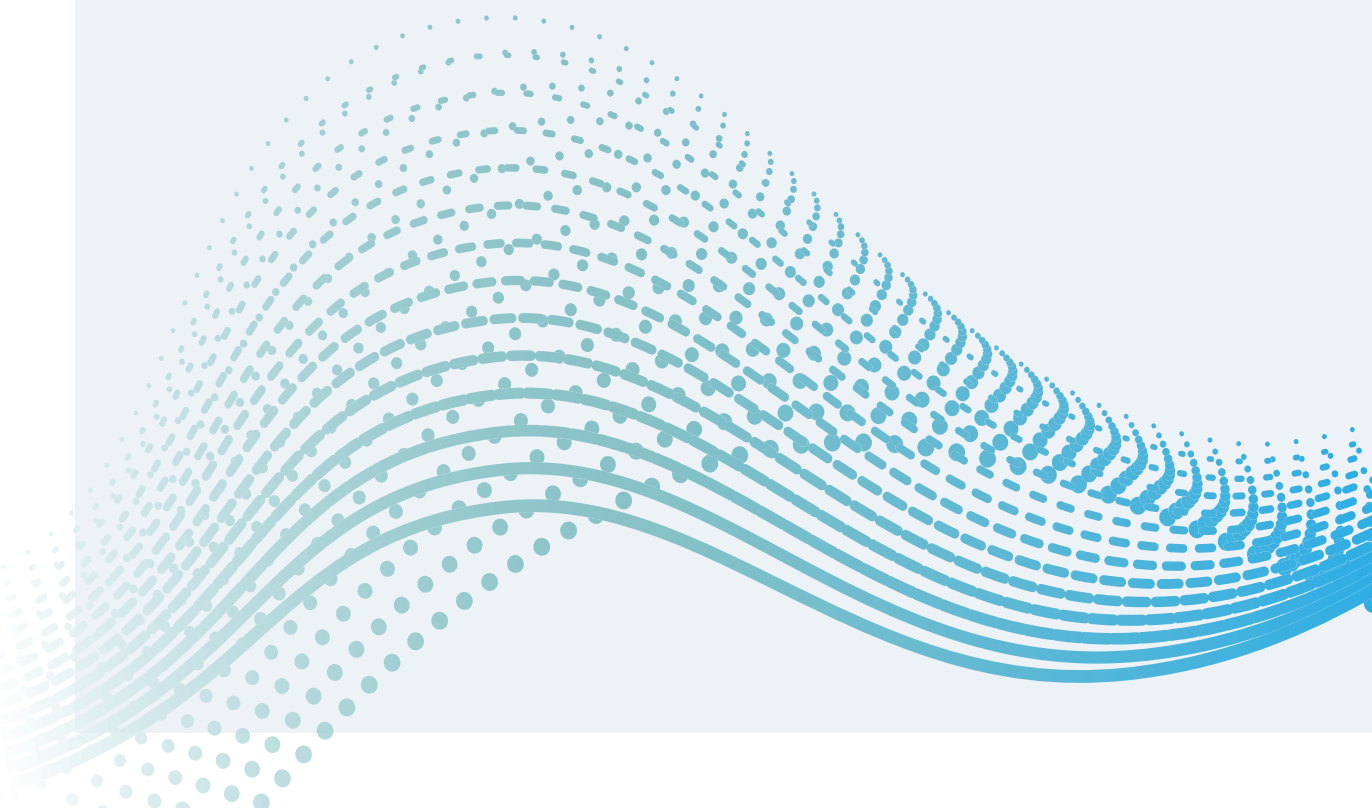
Sanepar's 2021 Greenhouse Gas Inventory (IGEE) received the Golden Seal from the Brazilian GHG Protocol Program.

Sanepar

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Iguaçu WTP
Photographer: André Thiago Chaves Aguiar



Companhia de Saneamento do Paraná

GRI 2-6



Sanepar's headquarters
Photographer: André Thiago Chaves Aguiar

Companhia de Saneamento do Paraná (Sanepar) is a mixed-capital, publicly-traded company, controlled by the Government of the State of Paraná under a private law legal regime.

Sanepar is registered as a Publicly-Held Company under the Brazilian Securities and Exchange Commission (CVM) as type A - issuers authorized to trade any securities. The Company's shares are traded under the tickers SAPR3, SAPR4 and SAPR11 on B3, the São Paulo Stock Exchange, where it is listed in level 2 of Corporate Governance.

Sanepar provides basic sanitation services to 346 municipalities, 345 of which in the States of Paraná, 297 smaller districts and municipality of Porto União, in the state of Santa Catarina. It works in the withdrawal, treatment, reservation and distribution of water; sewage collection and treatment and operation of three municipal sanitary landfills

through concession/contract in the cities of Cianorte, Apucarana and Cornélio Procópio. Coupled with these activities, the Company conducts studies, projects and works related to new facilities, expansion of water distribution networks, sewage collection networks as well as technical consulting and advisory services in the locations where it operates.

The Company also works in partnership with federal, state and municipal agencies and entities in matters related to the development of its basic goals. Sanepar also holds a 40% interest in a Special Purpose Entity (SPE), organized as a closed corporation, named CS Bioenergia S.A., which is engaged in rendering services of proper final disposal of solid organic waste, as well as of the sludge produced in sewage treatment plants, including the production of biogas and energy generation. The Company's actions, including those related to tariffs, are controlled, overseen and regulated in most part by the Regulatory Agency for Delegated Public Service of the State of Paraná (Agepar in Portuguese).

Sanepar integrates B3's Sustainability portfolio - ISE

For the first time, Sanepar was included in B3's Corporate Sustainability Index (ISE B3), in the 2022/2023 portfolio. The index is an indicator of the average asset price performance of companies selected for their recognized commitment to corporate sustainability, supporting investors in their investment decisions and encouraging companies to adopt the best sustainability practices and initiatives, since Environmental, Social and Corporate Governance (ESG) practices contribute to business perpetuity.

The portfolio selection process begins with an invitation to participate – which is made only to eligible companies, according to criteria established by B3 – and the subsequent completion of a questionnaire divided into the following dimensions: human capital; corporate governance and senior management; business model and innovation; social capital and environment, with the submission of documents to evidence the answers. To assess the companies' performance in the Climate Change dimension, ISE B3 uses the Carbon Disclosure Project (CDP) Climate Change

score, which assesses the companies' initiatives and advancements in the fight against climate change. To be included in the ISE, this score must be equal to or higher than "C". Thus, companies that do not report to the CDP, or do not get a passing grade, cannot be part of the portfolio.

Another factor considered in creating the index's portfolio is the RepRisk index (RRI), which is an international platform of massive collection and analysis of public information that is available online on environmental, social, and corporate governance risks. The portfolio only allows companies whose Peak RRI (highest daily value in the 24 months preceding the month prior to the portfolio's effective date) is at most 50 points. In the four-month rebalancing, the Peak RRI variation may imply in the inclusion or exclusion of companies from the ISE B3. Sanepar is the only water and sewage company selected for the ISE. This is an important achievement for the Company since it validates its efforts to consolidate the ESG agenda sanctioned by the senior management.

In 2022, the number of water connections increased 1.9% compared to 2021, representing 62,245 additional connections, while the number of sewage connections was up by 2.8% versus 2021, equivalent to more 65,892 connections. Investments totaled R\$ 1.7 billion in 2022 – [learn more on page 70](#). Sanepar's revenue comes mainly from residential water connections, which account for 90.8% of the Company's total water connections.

In the 2022 Sanitation Ranking, published by Trata Brasil Institute in March 2023, Sanepar had six cities among the top 20 in basic sanitation: São José dos Pinhais (3rd), Cascavel (8th), Maringá (10th), Ponta Grossa (11th), Curitiba (12th) and Londrina (19th), Curitiba being Brazil's second most sanitized capital city.

Operations and Infrastructure

GRI 2-6

Water

346 municipalities

Treated water service index 100% of the urban population in municipalities served

Sewage

205 municipalities

Sewage collection coverage index is 78,9% in urban areas. Collected sewage treatment index is 100%

In terms of operations, Sanepar is organized into Regional Management Departments which are centralized in five hub municipalities, where the General Management Departments, responsible for the Company's Business Management, are located: Curitiba, Londrina, Maringá, Cascavel and Ponta Grossa.

Sanitary landfills
SASB IF-WM-000.C

3

Municipal sanitary landfills
by concession /agreement –
Cianorte/Apucarana/Cornélio
Procópio

Seven municipalities served

Recycling centers
SASB IF-WM-000.C

54

Sludge Management Units
(UGL) for sewage sludge
sanitization and processing for
recycling and agricultural use

Incinerators
SASB IF-WM-000.C

One Combustion dryer for thermal
drying of the sludge generated at
Atuba Sul STP and sludge energy
recovery after drying (sludge
burning in the combustion system)

****Pre operational**

Other facilities | SASB IF-WM-000.C



168

Water Treatment
Plants (WTP)



234

Surface Water
Collection



17

Sewage Sludge Treatment
Plants (SSTP) for
dewatering sludge and
returning water for
operational use**



1,180

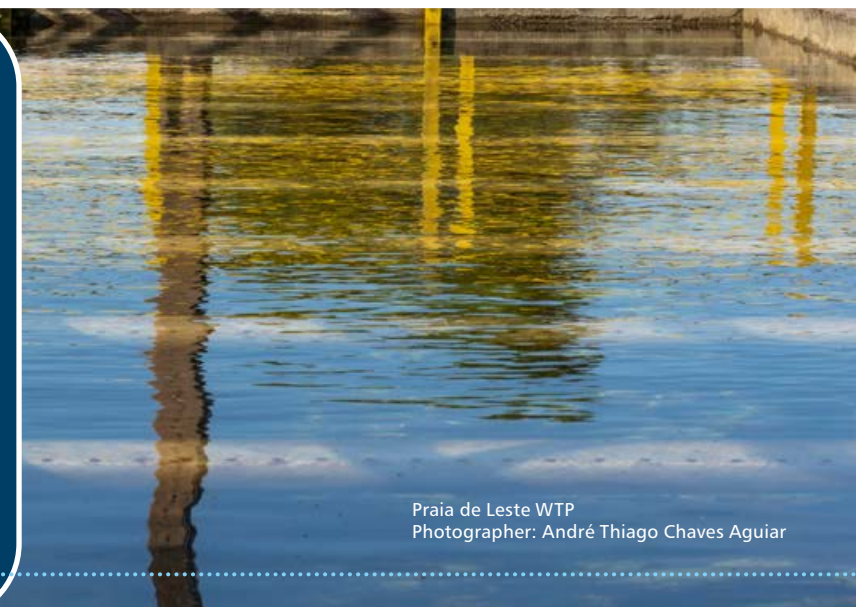
Wells



261

Sewage
Treatment
Plants (STP)

**The dewatered sludge is sent to proper final disposal (used as substrate in grasses, recovery of degraded areas, or sanitary landfill).



Praia de Leste WTP
Photographer: André Thiago Chaves Aguiar

Purpose, mission, vision and values

PURPOSE



Health and sustainability for society.

MISSION



Ensure environmental sanitation services in a sustainable and innovative way, contributing to the economic and social development.

VISION



Universalize environmental sanitation with excellence, in all municipalities served, committed to customer satisfaction.

VALUES



Responsibility - Be responsible for your actions and decisions, committed to the Company's goals.

Innovation - Search for new solutions, aiming at efficiency and the universalization of environmental sanitation.

Competence - Carrying out professional duties with the support of knowledge, skills and assertive attitudes.

Respect - Act correctly, respecting diversity, society and the environment.

Commitment - Act in a dedicated and committed way with the Company's principles, values and vision.

Professionalism - Performing your duties with dedication, ethics and respect.

Transparency - Clearly and truthfully act and report.

Ethics - Act in accordance with values that guide an upright, transparent, and honest conduct.

Materiality

GRI 3-1

In general terms, Materiality comprises the material topics that describe the Company’s social, environmental, economic and governance impacts and how said topics influence stakeholders’ decision-making. At Sanepar, these topics guide not only the preparation of the Integrated Report, but also its Integrated Strategic Planning (see page 39).

Throughout 2022, the Company surveyed its material topics in a process that encompassed peer review, analyses of internal documents, frameworks, ESG ratings, and the media. For this reporting cycle, stakeholder groups and their expectations remained the same as those considered in the 2021 reporting cycle. At that time, an analysis of material themes was performed using a technique for systematic collection and evaluation of qualitative and quantitative information in order to determine the interests that should be considered or define these groups’ needs and expectations.

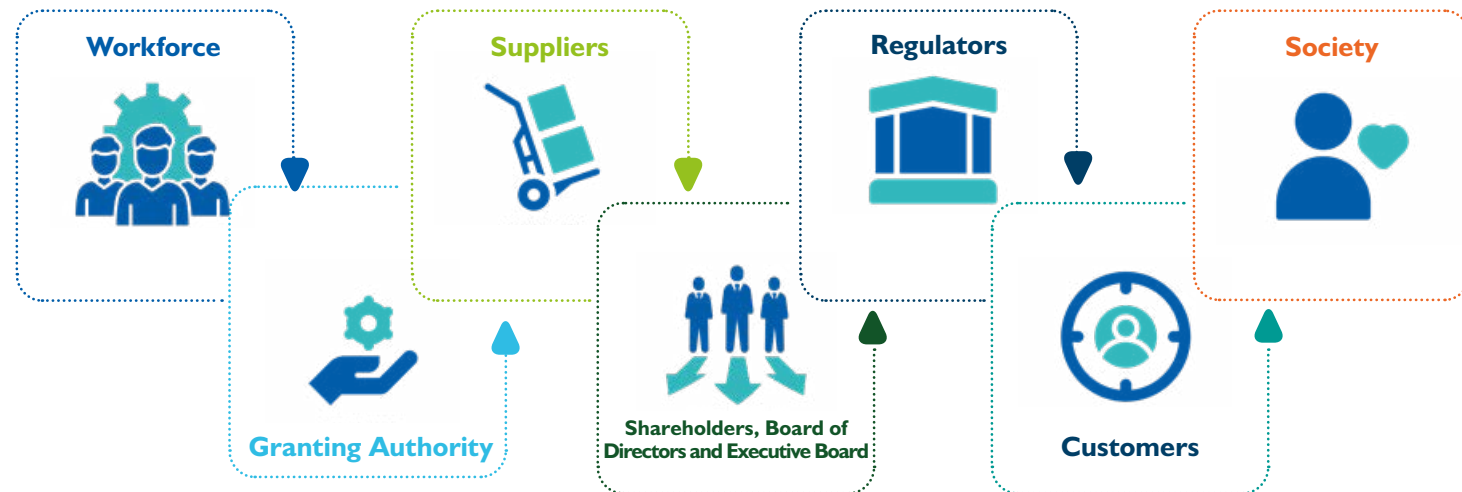
After mapping and conducting interviews with 11 representatives of Sanepar’s stakeholder groups, a list of 27 topics was prepared. This list, was then, put online for consultation with stakeholders to determine the impacts related to each of them.

Thirty impacts have been identified – caused and/or suffered by the Company –, which were then

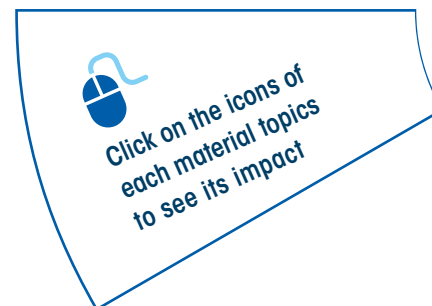
assessed based on the SWOT matrix methodology and on Sanepar’s Corporate Risks matrix.

The 2022 materiality process was conducted in accordance with the GRI methodology and the IIRC framework. The outcomes were critically analyzed and approved by the Executive Board and the Board of Directors.

Stakeholders



For more information, please refer to the **2022 Materiality Report**.



Impact Study

GRI 3-2

Material topics x SDGs

GRI 2-2

List of material topics

	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATI	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
1 Water quality and customer health	●		●	●	●	
2 Regularity in water supply			●		●	
3 Waste management						●
4 Biodiversity conservation and land use			●			●
5 Adapting to climate change impacts			●			●
6 Management of water and sewage processes			●			●
7 Universalization of access to water and sewer			●	●		
8 Management of employees and third parties	●	●		●	●	
9 Customer relations and satisfaction						
10 Corporate governance and transparency		●			●	
11 Infrastructure Investments			●		●	

Business Model

INCOMES

Financial Capital

- Shareholders' Equity **R\$8.8 billion**
- Cash generation **R\$2.0 billion**
- Investments of **R\$1.7 billion**

Manufactured Capital

- Water**
- **168 WTPs** (Water Treatment Plants)
 - **1,180 wells**
 - **4 dams**

Sewage

- **261 STPs** (Sewage Treatment Plants)

Urban solid waste

- **3 sanitary landfills**

Social and Relational Capital

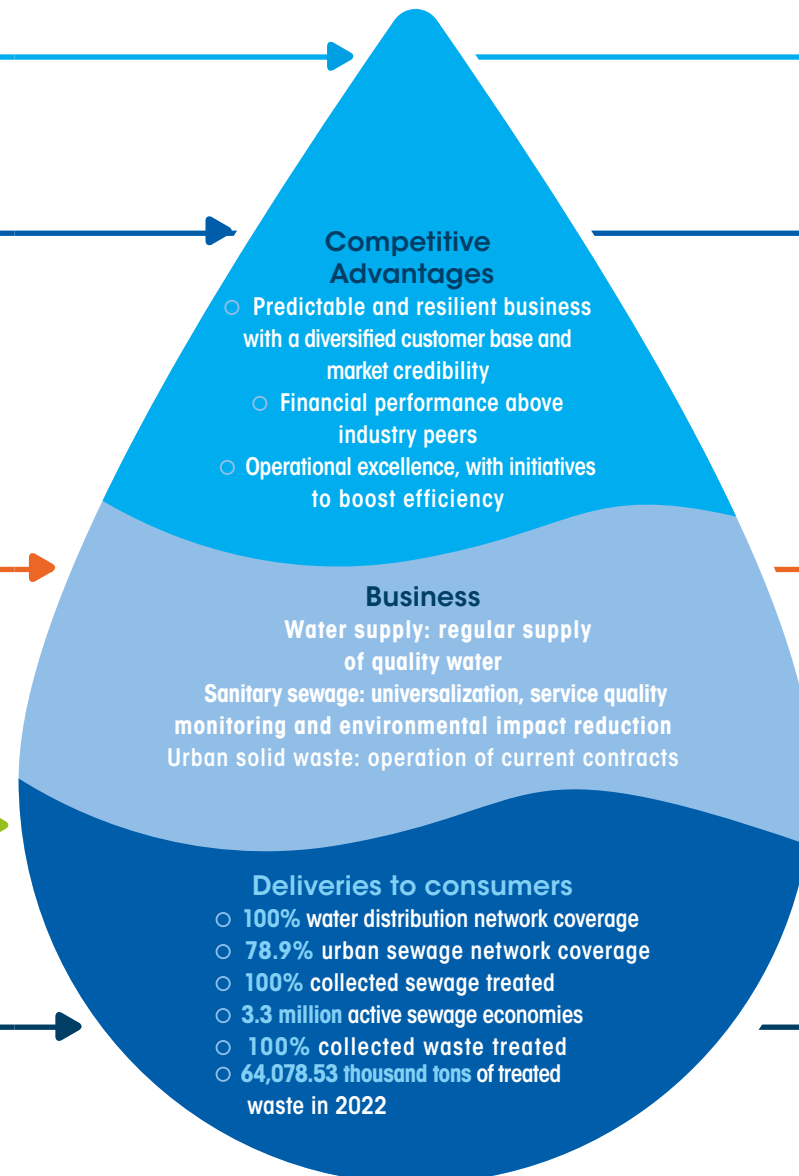
- Solidary Water program
- Movimento +Água
- Sanepar Rural Program

Natural Capital

- Sustainable Management of Water Resources and Environmental Conservation
- Corporate Program to Reduce and Control Water Losses

Human Capital

- **6,199 employees**
- Sanepar's distance learning platform
- **R\$13 million** invested in innovation projects



Competitive Advantages

- Predictable and resilient business with a diversified customer base and market credibility
- Financial performance above industry peers
- Operational excellence, with initiatives to boost efficiency

Business

- **Water supply:** regular supply of quality water
- **Sanitary sewage:** universalization, service quality monitoring and environmental impact reduction
- **Urban solid waste:** operation of current contracts

Deliveries to consumers

- **100%** water distribution network coverage
- **78.9%** urban sewage network coverage
- **100%** collected sewage treated
- **3.3 million** active sewage economies
- **100%** collected waste treated
- **64,078.53 thousand tons** of treated waste in 2022

OUTCOMES

Financial Capital

- 1st time in the Corporate Sustainability Index (ISE B3), 2022/2023 portfolio
- Net Revenue **R\$5.7 million**

Manufactured Capital

- Water**
- **346 municipalities** served
 - **3.4 million** water connections
 - **60,077,322 km** of distribution network

Sewage

- **205 municipalities** served
- **2.4 million** sewage connections
- **40,733,150 km** of collection network

Social and Relational Capital

- **300,595 thousand** low-income families served by the Solidary Water Program
- **90.7%** satisfaction with the call center service
- **51 partnerships** with municipalities for drinking water supply in 2022

Natural Capital

- **783,907,804 de m³** of treated water
- **390,688 million de m³** of treated sewage
 - **4.2 million** water economies
 - **3.3 million** sewage economies

Human Capital

- **982,770 training hours** offered to employees
- Employee Satisfaction Level **withing the 75% goal**



Strategy and vision of the future

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Industry context and Sanepar

GRI 3-3 - Material - topic: Universalization of access to water and sewer

Federal and regional regulatory changes brought innovations to the legislation and regulations in force for basic sanitation in the country, especially Federal Law 14,026/2020, known as the New Legal Framework for Sanitation, which updates Federal Law 11,445/2007 and sets targets for the universalization of basic sanitation to be met by 2033. In addition to imposing the need to include universalization targets in current concession agreements, the New Framework has

established the need to include quantitative targets of non-intermittent supply, loss reduction and improved treatment processes. According to the New Legal Framework, a universal sanitation service distributes drinking water to 99% of the urban population and provides access to sewage collection and treatment services to 90% of the same population.

State of Paraná Complementary Law 237/2021 instituted the Microregions of public water supply and

sanitary sewage services, namely West, Central-East and Center-Coast, causing the ownership of public basic sanitation services in the State to be shared by federal entities and the State of Paraná, through collegiate bodies made up of the municipalities of the micro-region and a representative of the regional government. In these collegiate bodies, the state holds 40% of the votes and the municipalities 60%.



Movimento + Água

GRI 203-2

In March 2022, Sanepar joined *Movimento +Água* (+Water Movement), which aims to impact the lives of over 100 million people and encourage Brazilian companies to recognize the urgency and the need to promote concrete actions to accelerate the universalization of sanitation and water security in Brazil. The initiative is part of *Ambição 2030* (2030 Ambition), a program led by the United Nations (UN) Global Compact in Brazil.

By joining this initiative, Sanepar pledged its commitment to working to reach the universalization targets by 2033, in line with the New Legal Framework for Sanitation (see page 20) The Company also pledges to share its progress on this matter with the Global Compact. The monitoring will be carried out annually through indicators selected by 2030 Observatory, also connected with the Global Compact and the Digital Panel of *Movimento +Água*.

One of the main challenges in the context of the movement is access to drinking water in small communities and rural areas or areas without land regularization. The initiative is also engaged with the Sustainable Development Goals (SDGs), especially number 6 (Clean Water and Sanitation), but also numbers 3 (Good Health and Well-being), 5 (Gender Equality), 12 (Responsible Consumption and Production) and 13 (Climate Action).

These regulatory changes have required amendments to the public service contracts in force (including amendments and renewals) between the service provider and the municipalities served by it. However, these amendments were still contingent upon the presentation by the service provider of proof of economic and financial capacity, through its own resources or by contracting debt, to enable the achievement of targets related to the sanitation universalization.

In line with the restructuring of the national basic sanitation system, the Governor of the State of Paraná sanctioned State Law 20,775, which updates Law 17,992, of March 21, 2014, increasing the authorized capital limit from R\$4 billion to R\$6 billion, supporting the expansion of Sanepar's operations.

In light of this legal and regulatory environment, on March 30, 2022, Sanepar formally updated the service contracts in force in compliance with the State's three Microregions, adjusting and inserting targets and indicators.



Vision of the future

Important transformations are underway in the Brazilian environmental sanitation sector, imposing new challenges of a regulatory, competitive and environmental nature on Sanepar. Thus, in a context of adaptation to climate change, economic instability and a new legal framework for sanitation, having a strategic and innovative vision of the future is essential in order for Sanepar to create sustainable value and meet the current and future demands inherent in its business, enabling better process performance, ensuring competitiveness and safeguarding the satisfaction of customers and other stakeholders. This challenging scenario is actually a great opportunity for the Company, as it demands creative and innovative solutions focused on the long term.

With 59 years of existence, Sanepar is one of Brazil's largest environmental sanitation companies; it has expertise in research, development and innovation (R&D+i) and constantly seeks to improve its processes. Having innovation as a business driver, the Company

focuses on economically viable and environmentally and socially appropriate alternatives. Signatory to the UN Global Compact, Sanepar is committed to the best Environmental, Social and Governance (ESG) practices in line with the Sustainable Development Goals (SDGs). Therefore, the Company operates from an "Innovation for Sustainability" perspective,

Signatory to the UN Global Compact, since 2019, Sanepar is committed to the best Environmental, Social and Governance (ESG) practices in line with the Sustainable Development Goals (SDGs).





as it believes innovation is a tool that creates value for the business and promotes public health and social well-being.

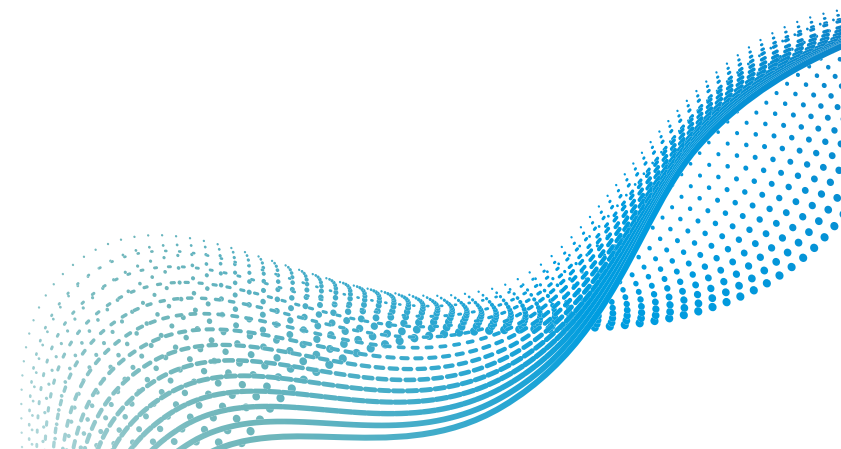
The technological transformation, inspired by the Fourth Industrial Revolution, is an important tool for confronting the challenges of the Brazilian environmental sanitation sector.

Aware that technology is conceived by people and should be at the service of people, promoting the development of society, Sanepar uses “Sanitation 5.0” as a philosophy to guide its activities. It was inspired in the Japanese philosophy of “Society 5.0,” that sets out that all innovative technologies and processes adopted by service providers in a certain industry should result in productivity gains and create value for stakeholders.

Permanent investments in R&D+i ensure competitive and strategic advantages for Sanepar, which stands out among sanitation companies thanks to its ability to innovate while enabling the Company to respond with skill and agility to market changes. Additionally, innovation helps materialize value created by transparency, since it supports the reliability and

traceability of flows of information, both internally and externally. The effective and systematic monitoring of these flows enable the evaluation and management for the purposes of constant improvement, providing guidance for the evolution and transformation of Sanepar’s processes.

The Company operates in a regulated environment with the mission of ensuring environmental sanitation services in a sustainable and innovative way, contributing to the economic and social development – By providing quality services at a fair tariff, Sanepar adopts new technologies, invests in digitalization, optimizes processes and reduces costs. The Company seeks to create value to its numerous stakeholders, mitigating social and environmental impacts and benefiting from market opportunities. All its economic and financial results are duly informed to the market, complying with legal and regulatory assumptions.



Innovation

Innovation, strategic planning and mitigation of corporate risks

Innovation is one of the Company's values. Sanepar's mission is to ensure environmental sanitation services in a sustainable and innovative way, contributing to economic and social development. Aligned with institutional guidelines, innovation is part of Sanepar's strategic planning.

The corporate strategic map sets out strategic objectives dedicated to innovation issues in the "Processes" and "Learning and Growth" guidelines. The Company's value chain also considers innovation as a strategic process that encompasses the entire Company.

In 2022, Sanepar continued its Innovation Strategic Plan. Designed based on a customized innovation framework for water and sewage companies, which was developed by the Water Resource Foundation (WRF), establishes a Roadmap to make the Company more competitive and sustainable.

Innovation is also included in Sanepar's risk portfolio. "The growing loss of competitiveness and the non-recognition as an innovative company by stakeholders" was identified and described as risk 19 (R19). Therefore, specific action plans were developed to mitigate this risk in 2022, which were monitored monthly.



Governance and structures dedicated to innovation

Innovation

is the responsibility of everyone who work at Sanepar.

CETS

administrative spaces for projects development

In 2022, Sanepar made important moves to boost opportunities for innovation in its day-to-day activities and disseminate innovation throughout the Company. The Research and Innovation Management Department (GPIN in Portuguese), dedicated to research and innovation activities, was included in the General Operations Planning and Development Management Department (GPDO in Portuguese), thus migrating to the Operations Office . Sanepar also instituted a strategic Innovation Committee, composed of the Board of Directors Chairman, the Chief Executive Officer, the Chief Operating Officer, the Chief Investment Officer and the managers of GPDO and GPIN. The purpose of this permanent committee is to propose and periodically review the Company’s Innovation Strategic Plan, classifying innovation demands by theme based on prospecting activities in different areas, and propose priority strategic innovation initiatives according to corporate criteria and ESG practices, in addition to other activities set out in its internal regiment, also created in 2022.

The Company also published the Innovation Policy, formally declaring the meaning of this concept for the Company to stakeholders, including its innovation manifesto. For Sanepar, innovation enables the achievement of corporate strategic objectives through solutions that generate sustainability, high performance standards and greater competitiveness, following the principles of improved productivity, quality and sustainability of products and services; increased resilience and performance of operations and processes; and higher revenue

and lower expenses. The Company pursues these solutions through innovative processes, partnerships and collaborative culture.

This Policy also establishes the following corporate guidelines: encourage research, development and innovation activities to improve and/or deliver new products, services and processes; leverage delivery capacity through collaboration, both internally and with the innovation ecosystem; and foster the transformation of practices and behaviors in the entire Company. Everyone who works at Sanepar is responsible for innovation, including Board members, Executive Officers, professionals of any nature, interns and apprentices. Therefore, it is understood that innovation, as a transversal process, is not restricted to only one department.

Company also has its Sustainable Technology Center (CETS in Portuguese), managed by the GPIN, which is an internationally renowned center of excellence in the area of environmental sanitation. The CETS has administrative spaces for the development of projects, a library, meeting rooms and specialized laboratories (“Prototype Laboratory”, “Water and Sewage Analysis Laboratory” and “Water Treatment Technology Laboratory”), in addition to the “Continents Room”, a place specially designed to welcome partners and the “Creative Laboratory”, a co-working space aimed at fostering intraentrepreneurship and open innovation. Demonstration units and pilot plants of different technologies connected with the environmental sanitation sector complement the Company’s own innovation infrastructure.

Open innovation and use of incentives for innovation

Sanepar is attentive to collaborative innovation, cooperating with research centers, universities and companies in Brazil and abroad (Germany, Portugal, Netherlands, Sweden, Israel, United Kingdom, Poland, United States, Mexico, Paraguay, Peru, Argentina, Japan and South Korea). Dozens of different national and international partnerships are in place, ranging from basic research to the implementation of new solutions at scale.

Sanepar thus has innovation projects focused on new products and new business models, always observing the market, the suppliers and customers. Open innovation is one of the strategies for conducting Sanepar's business. In this context, the Company

has made efforts to interact with the ecosystem and, more recently, get closer to *startups*.

Although Sanepar has its own resources to carry out its R&D+i projects (more than R\$13 million in 2022), the Company has sought to expand the impact of its activities by prospecting for external resources and mechanisms to encourage innovation.

As an example, we can mention the use of tax benefits from Law 11,196/2005 (Law of Good), as well as access to resources from the Brazilian Company of Research and Industrial Innovation (Embrapii in Portuguese), the Funding Authority for Studies and Projects (Finep in Portuguese), the U.S. Trade and Development Agency (USTDA), the German cooperation agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the Japan International Cooperation Agency (JICA) and the International Finance Corporation (IFC), a branch of the World Bank.

In 2022, Sanepar recorded R\$3.7 million in tax benefits derived from Law 11,196/2005.

Sanepar has a partnership with Fundação Araucária, promoting research and extension in the State of Paraná, joining efforts in the Paraná Environmental Sanitation Research Program (PPPSA in Portuguese). The research projects carried out in the PPPSA focus on meeting the demands of the Company and are co-financed in equal parts by Sanepar and Fundação Araucária. In 2022, four research projects were completed and a new PPPSA call for proposals was made, totaling an investment of R\$2.0 million in nine research projects, all of which are expected to be completed by mid-2023 and generate technical products to be used in the Company's processes. In 2022, we also reiterated a partnership with the Brazilian Cooperation Agency (ABC in Portuguese) and JICA, organizing training for third-world countries, mostly located in Latin America and Africa, in the area of best operating practices and innovation in environmental sanitation. The course was offered from February to April 2022 to 12 professionals from organizations linked to sanitation processes in Cabo Verde, El Salvador, Paraguay, Peru and Guatemala. The 22 meetings were exceptionally held on a virtual



In 2022, Sanepar allocated more than R\$13 million of its own resources to carry out R&D+i projects.



platform to comply with the Covid-19 pandemic protocols. The instructors were Sanepar professionals from different academic backgrounds. Through the International Bank for Reconstruction and Development (IBRD)/World Bank, a new partnership was signed with the Argentinean Provincial State Water and Maintenance Service (Sameep in Spanish), Chaco Province, to improve the sanitary sewer system in the Gran Resistencia metropolitan area.

In addition, in 2022, Sanepar conducted the Open Innovation Program in the Environmental Sanitation Sector – Sanepar *Startups*, a partnership with Fundação Parque Tecnológico Itaipu – Brasil (PTI-BR – Itaipu-Brazil Technological Park Foundation), the Funding Authority for Studies and Projects (Finep in Portuguese), the Support Service for Micro and Small Enterprises of Paraná (Sebrae/PR in Portuguese) and the Inter-American Development Bank (IDB) for the development of joint actions in the area of

open innovation, notably through partnerships with startups. The Program aims to prospect sustainable and innovative solutions for challenges of the environmental sanitation sector, while strengthening national entrepreneurship and the innovation ecosystem focused on environmental sanitation.

The partnership involves two calls for proposals for the selection of *startups*, totaling investments of R\$1.5 million (R\$750,000 each). Sanepar professionals



Sanepar is attentive to collaborative innovation, working together with research centers, universities and companies in Brazil and abroad.

work with PTI-BR, Finep, Sebrae-PR and IDB to select environmental sanitation challenges. After that, a call for proposals linked to the selected themes/challenges is launched so that companies can submit their proposals, which will be evaluated by experts. The proposal selection process is carried out in three stages: in the first stage, proposals are evaluated based on four criteria: adherence of the innovation to the challenge, feasibility, market and team capacity. The second stage, pre-acceleration, consists of specialized guidance, support and monitoring for the 15 companies with the best classification in the previous stage.

Finally, in the third and last stage (Pitch Day), the companies present the pitch prepared during the pre-acceleration stage. At the end of this process, up to five companies are selected - one or two at the most per challenge theme. Each company receives between R\$100,000.00 and R\$150,000.00 for tests and approval of solutions. During work development, the startups have access to Sanepar's and PTI-BR's infrastructure, in addition to connections with the partners network involved in the Program. The companies have one year to execute their proofs of concept (PoCs).

In 2022, Sanepar Startups launched its first call for proposals, which received 87 proposals from all Brazilian regions. A committee of experts selected 15 companies for the pre-acceleration stage, which was conducted in 9 meetings. The startups were monitored

by technical mentors from Sanepar and business mentors from PTI, Sebrae and Finep. At the end of this process, five startups were hired to execute their PoCs: Maxbot, OZeco Tecnologia Ambiental, Pullup, Radioforce and Status4. The Program's second call for proposals will be launched in the first half of 2023.

Monitoring and incentives for corporate innovation actions

The corporate innovation process was measured by three indicators in 2022: (i) Personnel Creativity Index; (ii) Number of Products/Innovative Processes Implemented per Management Department; and (iii) Number of National and International Technical Cooperation Efforts. Sanepar's innovation targets for 2022 were: (i) a number of ideas generated and recorded equivalent to 10% of the Company's headcount; (ii) 89 new products or processes implemented by the Management Departments; and (iii) four new national and/or international partnerships.

The progress of specific action plans focused on innovation are recorded in Sanepar's information system, SISWeb, which concentrates information and indicators that enable the follow-up and management of the evolution of actions.

In 2022, Sanepar held seminars on good practices in the General Management Departments of the Operations Office and a corporate seminar focused on innovation in the planning and management department.

Corporate training on the innovation process was offered throughout 2022 to facilitate the review, deve-

lopment and implementation of innovative corporate actions. The corporate distance learning platform was reviewed, and new content on innovation was made available to all the Company's employees, including the International Course on Best Management and Innovation Practices in the Operation of Water Supply and Sanitary Sewage Systems.

Pursuant to article 17, item V, paragraph 4, of Law 13,303, Sanepar offered its main leaders the Development Program for Publicly Held Companies - Year III. The training course was designed for Executive Officers; members of the Board of Directors, the Fiscal Council, the Eligibility Committee, the Statutory Audit Committee and the Technical Advisory Committee; and department's leaders. The in-company training, which included classes on innovation, was carried out in the online format, except for the last class, which was in-person, and was delivered by the Brazilian Institute of Corporate Governance (IBGC in Portuguese). A big part of the training course was dedicated to innovation.

The 2022 edition of Sanepar's Calendar presented the Company's records on innovation, illustrating the

paths the Company has been following in research and in the pursuit of innovative solutions. The images in the annual desk calendar made available to all employees were selected from pictures submitted to Sanepar's Photography Cultural Contest (Confot in Portuguese).

In 2022, Sanepar also held an online seminar called Innovation and Memory - 60 years of Sanepar. Broadcast online to the entire Company, the event included the Confot award ceremony, as well as lectures on innovation, with emphasis on the pitches for the projects developed by Sanepar's young intraentrepreneurs within the scope of the second edition of the Inova 2030 Dispara (Innovate 2030 Fire up) program. All in all, 20 Sanepar employees, who are referred to as "sapanarians", (5 university graduates, 5 high-school level professional technicians and 5 high school graduates), aged between 18 and 35, were selected to participate in said Program, which was promoted by Instituto Rede Brasil (Brazil Network Institute) of the UN Global Compact. The Program aimed to develop young intraentrepreneurs and accelerate shared value projects (which create value for both the Company and society at the same time), contributing to the achievement of SDGs.

In 2022, Sanepar also encouraged leadership training focused on open innovation, with capacity building activities ranging from business mentoring to the use of tools that make leaders more capable of solving problems in their day-to-day activities in a creative and resilient way, also by interacting with startups.

A creative environment was encouraged through a system to record ideas, good practices and the implementation of new processes/products, using Sanepar's Integrated Excellence Management System (SIEGS) to drive cross-functional teams. In 2022, a new interactive SIEGS matrix was published, allowing constant and immediate updates, as well as content visualizations using different filters, allowing a more

global and dynamic perception of the Company's different processes and departments. Based on the requirements of the Management Excellence Model, the Company has a Database of Ideas and Practices (BIP in Portuguese), a corporate platform for recording and sharing best innovative practices designed by the saneparians. In 2022, Sanepar set out the technical requirements, specifications and other elements for a new corporate innovation management platform to be launched in the first half of 2023, as well as for training innovation ambassadors. The Company's Job, Career and Compensation Plan (PCCR in Portuguese) included the generation of ideas as one of the items in the evaluation.

Thus, 2022 a year of advancements in terms of the culture of innovation, complying with corporate targets related to this issue. During the year, 1,058 new ideas were recorded in the BIP platform, i.e., a number equivalent to approximately 16% of Sanepar's headcount. In 2022, 383 new processes/products were implemented and 13 new national/international partnerships were implemented.



1,058

new ideas at BIP



383

new processes/products implemented



13

new national/international partnerships



Research and innovation initiatives

GRI 201-2

In 2022, Sanepar implemented several R&D+i initiatives closely related to its core activities, mostly associated with the provision of water and sewage services to the population. These initiatives, linked to the SDGs endorsed by the UN and best ESG practices, comprise technology prospecting, production of new knowledge, applied research, technology upgrades, anticipation of trends and specialized technical training. They include topics such as climate change mitigation and adaptation, increased water resilience, dam safety, advanced water and sewage treatment, wastewater-based epidemiology, waste recovery (such as sludge and biogas), energy efficiency, renewable energy, process optimization and digitalization, sustainable management of infrastructure and sharing of assets.

Solutions for the water crisis

Between November 2021 and May 2022, Sanepar implemented the second phase of cloud seeding with drinking water to increase rainfall in the main drainage basins that feed the Integrated Supply System of the Curitiba Metropolitan Region (SAIC in Portuguese). As a result, over 11 billion liters of water became available in these drainage basins in the period. Rainfall was concentrated in the western region of the SAIC, as flights were directed to the Passaúna Basin and neighboring areas because this reservoir had not reached 70% of its useful volume during the rainy season.

Cloud seeding was one of the techniques used to minimize the effects of the worst drought of the last few decades, with below-average rainfall forecast, water storage deficit in the SAIC's structures and

more intensive personal hygiene practices to prevent COVID-19.

Parallel to the cloud seeding, a series of emergency measures were adopted, including implementation of supply rotation, intensification of reservoir gate management, activation of new water catchment areas and anticipation of structuring works. In this context, it is worth noting the transfer of rivers such as Pequeno and Miringuava Mirim, in the Miringuava System; the activation of quarry catchment areas such as Orleans in the Passaúna System; and catchment in pits in the Iguaçú River Basin, in the system with the same name. In addition, Sanepar established partnerships with different institutions and ran awareness campaigns on the rational use of water.





Sustainable Sanitary Sewage Systems

In 2022, for the second year running, Sanepar worked together with Itaipu Binacional and the Itaipu Technology Park in a technical and financial cooperation project to implement Sustainable Sanitary Sewage Systems, benefiting existing systems in Medianeira, Itaipulândia and Santa Helena, and new collection and treatment systems in Missal, Ramilândia and Serranópolis do Iguaçu.

The five-year partnership provides for investments of around R\$184 million in the development of innovative engineering projects and sanitary sewage infrastructure works to promote social and environmental progress in the municipalities served, contributing to improving the quality of the bodies of water in the re-

gion and the population's quality of life. The systems are designed based on specific characteristics that add value related to innovation, sustainability and circular economy, producing environmental, social and financial returns.

Throughout 2022, Sanepar continued the activities of Paraná Bem Tratado (Well Treated Paraná), an initiative that involved borrowing € 50 million from German bank KfW to invest in projects and works on improvement, rehabilitation, expansion, reduction of greenhouse gas emissions, energy efficiency, recovery of biogas and implementation of Sewage Treatment Plants (STP) in the municipalities of Curitiba, Londrina, Maringá, Umuarama, Toledo, Arapongas and Guarapuava.

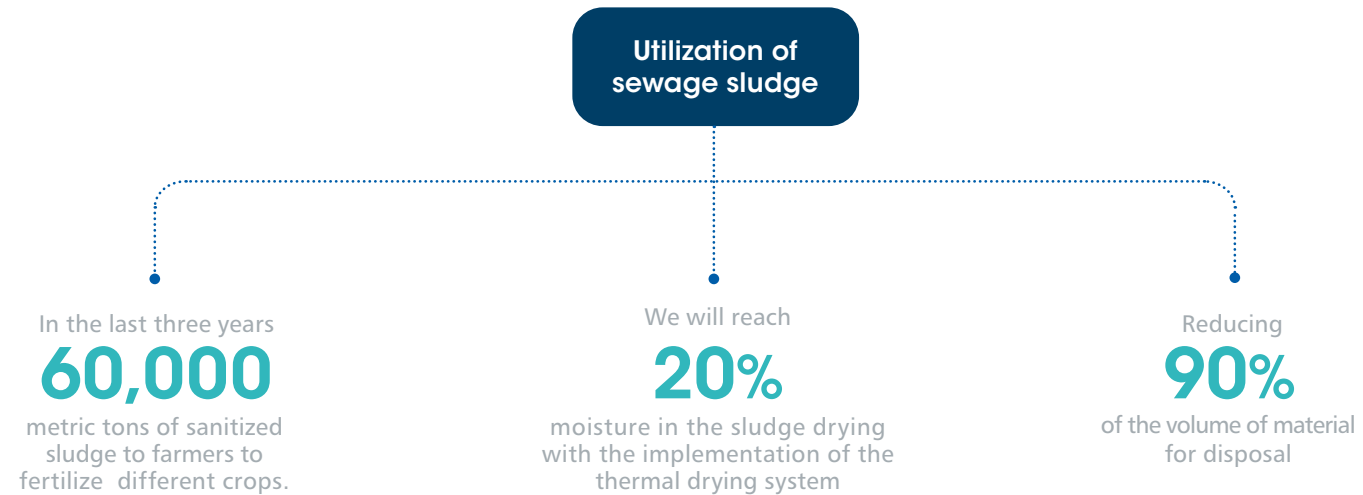
Sanepar continued the activities of Paraná Bem Tratado (Well Treated Paraná), an initiative that involved borrowing €50 million from German bank KfW to invest in projects and works on improvement, rehabilitation, expansion, reduction of greenhouse gas emissions, among other programs.

Use of sewage sludge

Sanepar uses sewage sludge in agriculture, as a result of research developed since the 1990s in partnership with institutions in Brazil and abroad. In the last three years alone, the Company sent more than 60,000 metric tons of sanitized sludge to farmers to fertilize different crops. The project was recognized as a best sustainable natural resource management practice by a specialized publication of the UN Environment Programme (UNEP). Studies on thermal drying and transformation of sewage sludge are also part of the Company's portfolio, and Sanepar has already taken the first steps to enable the implementation of solutions at full scale.

In 2022, Sanepar accelerated the construction of the sludge thermal drying system in the Atuba Sul STP - sewage treatment plant. The innovative and environmentally sustainable system will have the capacity to process up to 5 t/h of wet sludge using biogas and biomass produced in its own plant. As a result, Sanepar will no longer send the sludge produced by the STP to sanitary landfills. Works on the thermal drying system should be completed in May 2023. Another positive environmental impact is that Sanepar will no longer ship the sludge generated in the sewage

treatment process to sanitary landfills. In the current conventional system, which uses centrifuges, sludge comes out with 80% moisture. In this new process, sludge will go through a thermal drying system that will leave it with only 20% moisture. After that, this material will go to a heat generator for thermal conversion. Thus, there will be a reduction of more than 90% in the volume of material for disposal. The commissioning/pre-operation of the sludge thermal drying system in question started in the second half of 2022.



The sludge mineralization site implemented in Santa Helena continued to operate in 2022, and its results were published in the International Wetlands Conference of the International Water Association (IWA). The system, which is a model for replicability in Paraná, was adapted from the retrofit of a sewage treatment pond and designed to stabilize the sludge deposited in it for more than 10 years with the help of plants.

Industrial reuse and nutrient recovery

Fresh water is a finite resource, and anticipating future challenges related to this issue is part of Sanepar's activities. In this sense, the Company is developing economic and financial feasibility studies, in partnership with the U.S. Trade and Development Agency (USTDA), aimed at implementing an industrial reuse system in the municipality of Araucária.

Also in 2022, Sanepar began a Brazil/Sweden international cooperation project focused on the recovery of nutrients directly from wastewater, as well as nutrient sensing. The efficiency of different methods is being tested in laboratories, and the most promising method will be implemented in a pilot scale at a Sanepar STP. The Swedish counterparts are IVL (a science and technology institution focused on the environment) and Enwa, a water treatment technology company. The Brazilian counterparts are the Senai Institute of Electrochemical Innovation (as the technology developer), Sanepar, Boomatech (a company that produces graphene, one of the smart materials used by the technology) and Embrapii (the federal government agency responsible for fostering research and innovation in the industrial sector). On the Brazilian side, the execution of the project started in September 2022

and investments totaled R\$2,400,000.00, of which R\$1,210,000.00 from Sanepar, R\$200,000.00 from Boomatech, R\$660,000.00 from Embrapii and R\$ 330,000.00 from the Senai Institute of Electrochemical Innovation. The Swedish counterparts are expected to invest around R\$ 2,000,000.00.

Sanepar began, in 2022, a Brazil/Sweden international cooperation project focused on the recovery of nutrients directly from wastewater, as well as nutrient sensing.



Renewable energy generation

A pilot power generation system with 18 kW of average power was installed and operated continuously throughout 2022 at the Airport Reservation Center, in the municipality of São José dos Pinhais. Energy is generated by a pump installed in the water main that takes water to the reservoir and works as a turbine, harnessing hydraulic power that used to be dissipated through a valve. Projects for the implementation of new systems of this nature are underway, including the use of hydraulic potential of sewage treatment station outlets.



A floating photovoltaic solar plant (130 kWp) has been in operation in the Passaúna reservoir – Curitiba since December 2019 and operated throughout 2022. This unprecedented project in the Brazilian sanitation sector aims to assess, among other things, the reduction of algal blooms and induced evapotranspiration in the dam water after the installation of the floating system. With the success of the initiative, studies are underway to expand the plant and implement the project in other reservoirs. Photovoltaic solar panels with a total power of 75 kWp are fixed on the roof of the new administrative building of Sanepar's headquarters. This initiative was designed as part of a strategy to obtain sustainable building certification (LEED Gold certification). Since 2018, an experimental

parking lot with photovoltaic solar panels totaling 5 kWp of power has been in operation at the CETS, with two different technologies: polycrystalline silicon and cadmium telluride. The parking lot also has an electric station. Sanepar conducted studies to expand photovoltaic solar panels at its facilities in 2022.

At the Ouro Verde STP – Foz do Iguaçu, Brazil's first hybrid electric power distributed generation system in a sewage treatment plant was validated in 2022. In addition to generating electricity from biogas (25 kW), Sanepar installed solar panels (about 5 kWp) and hydropower generators (2kW) at the plant effluent outlet, for research purposes.

Committed to enhancing energy efficiency and reducing social and environmental impacts, in addition to permanent attention to innovative processes and the adoption of new technologies and business models, the high-tech biodigestion plant at the Belém STP (CS Bioenergia) produces renewable energy from the simultaneous treatment and innovative use of sewage sludge and organic residues from large generators. CS Bioenergia is a Special Purpose Entity (SPE in Portuguese) that receives sewage sludge and organic residues from large generators such as the State Supply Center (CEASA in Portuguese). In 2022, the plant consolidated its operation, permanently generating clean energy from the transformation of biogas. The total installed capacity to generate electricity is 2.8 MW.

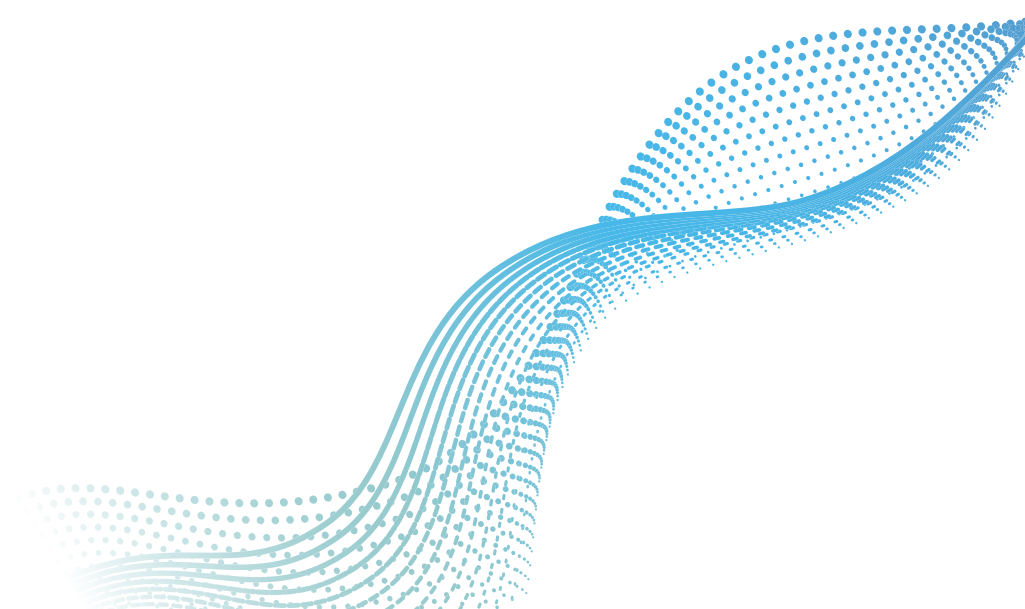
Biogas and hydrogen recovery

In 2022, Sanepar worked on conceptual studies for renewable hydrogen production from dry catalytic reforming of biogas produced in sewage treatment. It submitted a project to the MCTI/FINEP/FNDCT PUBLIC SELECTION PROCESS, Grant for Innovation – 08/2022 – Support for projects that encourage the use of sustainably sourced fuels and hydrogen in the transportation sector / Fuels of the Future. This project came in first place in the selection process. The project has a budget of around R\$12 million, divided as follows: R\$6 million from Finep, R\$3 million from Copel and R\$3 million from Sanepar, who was the project proponent and Copel is the co-executor. The science and technology partner institutions are Centro Internacional de Energias Renováveis (CIBiogas - International Renewable Energy Center) and the Federal University of Paraná (UFPR). The project provides for the construction of a reference unit with a production capacity of 14 kg of H₂/day (sufficient to supply 3 electric cars), among other things. As far as we know, it will be the first plant of this nature (dry catalytic reforming of biogas) in Brazil. The project should be contracted in early 2023, as soon as the grant instrument is signed with Finep.

In 2022, Sanepar, in partnership with the German-Brazilian Chamber of Rio de Janeiro (AHK Rio), submitted a project proposal to the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMUV in German) for the development of a feasibility study for the introduction of technologies for renewable (green) hydrogen production in sewage treatment stations in the State of Paraná, in Brazil. A team of consultants will work with Sanepar to evaluate market, regulatory and business model aspects. The project should be launched in February 2023.

Sanepar, in partnership with the UN Industrial Development Organization (UNIDO), CIBiogas, Companhia Paranaense de Gás (Compagas - Paraná State Gas Company), has developed studies for the production and marketing of biomethane in Curitiba and Londrina,

according to natural gas distribution guidelines. The economic and financial modeling has been performed, and the productive arrangements have been mapped. In this context, Sanepar submitted a project to the MCTI/FINEP/FNDCT PUBLIC SELECTION PROCESS – Grant for Innovation – 15/2022 – Development of the Biogas Chain, focusing on the recovery of biogas in liquid media and the production of biomethane and carbon dioxide. The project came in first place in the selection process, among 52 submissions. It is an experimental project with investments of around R\$8 million, approximately R\$4 million of which is expected to come from a grant via Finep. The project should be contracted in early 2023, as soon as the grant instrument is signed with Finep.



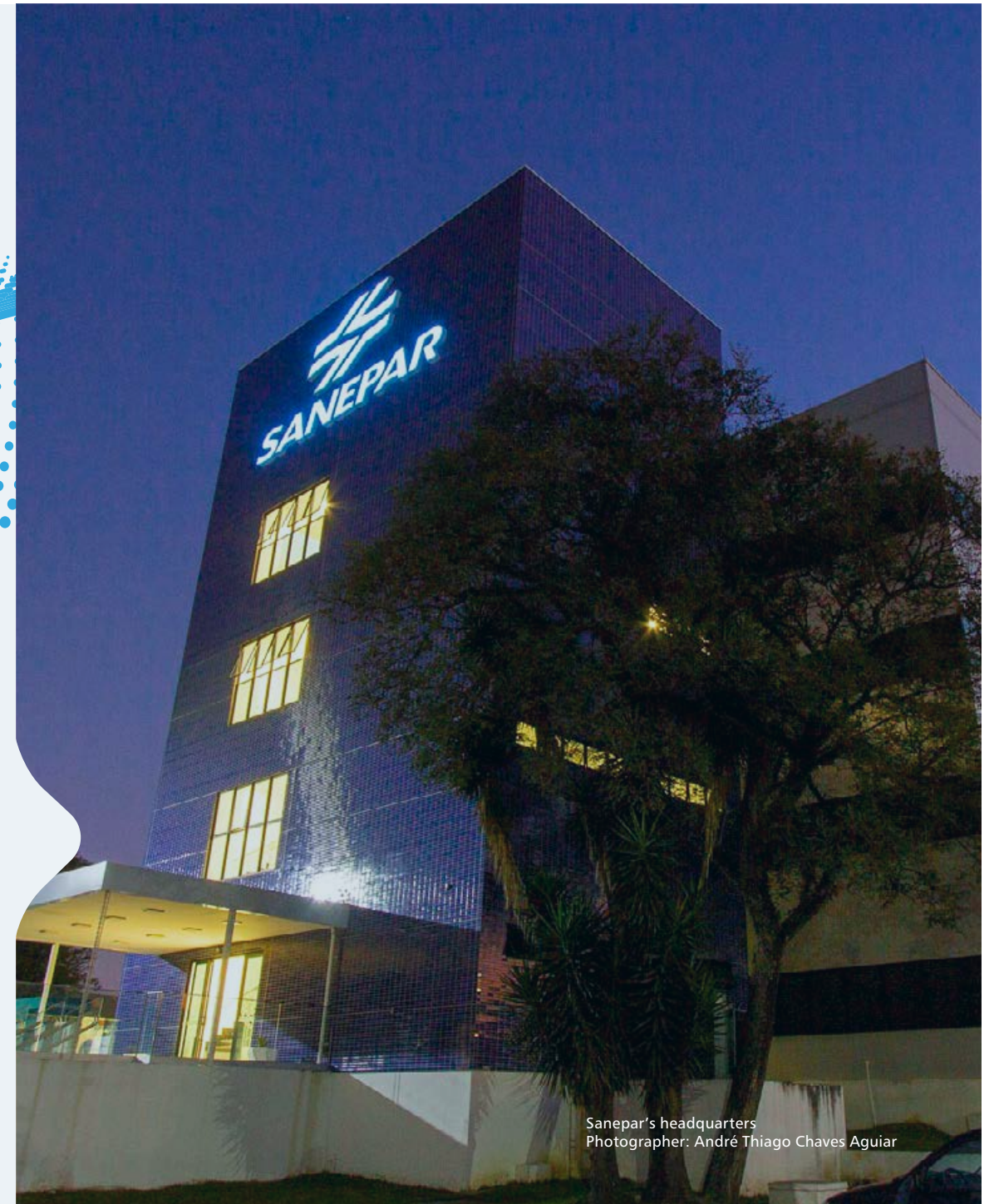
Other initiatives

- › development of a smart system for monitoring and ensuring dam safety, in partnership with PTI-BR;
- › wastewater-based epidemiology for monitoring COVID-19, in partnership with the Federal University of Paraná, the National Water Agency and the National Institute of Science and Technology;
- › feasibility studies for the use of optical fiber in sewage collection networks, in partnership with World Bank's *International Finance Corporation (IFC)*;
- › preparation of guidelines for the climate change mitigation and adaptation plan, according to the *Task Force on Climate Related Financial Disclosures* model, in partnership with the IFC;
- › climate risk management pilot project for operations in the Miringuava River Basin in partnership with ProAdapta (a project to support Brazil in the implementation of its national agenda for adaptation to climate change), in the context of the German-Brazilian Cooperation for Sustainable Development, and Movimento Viva Água (MVA - Live Water Movement);
- › evaluation of nature-based solutions as a water resilience strategy;
- › study of alternatives for decentralized sewage treatment systems;
- › climate monitoring and real-time monitoring of natural and built assets (rivers, reservoirs, dams);
- › smart water supply system monitoring, in partnership with Scubic/C3D Ecotech, from Portugal;
- › smart water loss detection in distribution networks, in partnership with Amanco-Wavin, from the Netherlands, Takadu, from Israel;
- › development of guidelines for contracting a new electricity invoice management system and real-time monitoring of more than 300 Sanepar consumer units;
- › pilot scale assessment of microwave thermal drying of sludge and production of pavers (precast concrete blocks or cobblestones), in partnership with *Brooks Intertech*;
- › use of nanobubbles for urban water and wastewater treatment;
- › applicability study of bentonites and cow bone charcoal in water treatment;
- › selective removal of metals from groundwater;
- › seedlings production for the recovery of degraded areas.



Corporate Governance

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Sanepar's headquarters
Photographer: André Thiago Chaves Aguiar

Corporate management

GRI 2-6

Sanepar's corporate management is based on macro-processes that support systems thinking within the Organization, helping the Company achieve its strategic goals. These macro-processes are divided into strategic (that guides the corporation, the Company's business and its actions) and shared (that makes a specialized contribution to the operations).

The Business Cycle presents Sanepar's core business to fulfill its Purpose, Mission and Vision, creating value for its stakeholders. The Strategic Map arises from a scenario analysis and establishes the path to be followed to meet the new standards and challenges in the Company's industry. This map lays down the Perspectives (or guidelines) that must be considered when structuring and executing plans, and the Strategic Goals, which are set based on the Company's

Mission and introduce the challenges that the organization must overcome

Based on the Goals, Sanepar defines the strategic risks, policies and guidelines that guide the Management Departments and inform the Action Plans and Indicators. The Integrated Planning is a tool that guides processes, helping define the strategic and monitoring plans to achieve the Strategic Goals.

Sanepar uses the Balanced Scorecard to assess its corporate performance. This methodology considers intangible assets and other indicators besides financial ones. It is a management system that helps companies to translate their strategies into operational terms, making them capable of communicating them through performance indicators based on the Strategic Goals and targets.

Sanepar's Integrated Excellence Management System (SIEGS)

The SIEGS derives from the strategic goal of "Developing the organizational environment" and is followed by all Company Offices, geared towards fostering management maturity and the continuous improvement of value chain processes.

In 2022, the SIEGS held mentoring workshops that were attended by 250 technical chamber members in nine face-to-face meetings at the headquarters in Curitiba, Ponta Grossa, Maringá, Cascavel and Londrina, with a representative sample of all value chain processes. The Company's leaders also pledged their commitment through the participation of all managers invited to three face-to-face meetings held in Curitiba. The mentoring sessions offered to managers addressed the Strategic Planning requirements, i.e. scenario analysis, process architecture, and performance indicators. The Interactive SIEGS Matrix was built together with the technical chambers and reaches a milestone in the communication, integration among the departments and in the identification of best management practices in the processes.

Corporate governance

GRI 2-24, 3-3 – Corporate governance and transparency

In order to operate with excellence and compliance, in a highly regulated environment such as the basic sanitation industry, Sanepar relies on the [Corporate Governance Policy](#) that is embedded all its activities. This policy outlines the guidelines and monitoring mechanisms for the relationships involving the Company, the Board of Directors and its advisory Committees, the Eligibility Committee, the Executive Board, the Independent Audit Department, the Fiscal Council, the shareholders and the market.

Good Corporate Governance practices add value to the Company, facilitating its access to capital and contributing to its business perpetuity. Furthermore, they help translating business guidelines into clear recommendations, aligning interests in order to strengthen and preserve

Sanepar's values, and achieving management excellence standards, geared towards results, but always having the Company's social role in mind.

The General Shareholders' Meeting is governed by legislation in force, and is usually convened by the Board of Directors and presided over by the Company's CEO. It is the main body in the Company's governance structure, which resolves on matters related to its purpose and is attended by both majority and minority shareholders.



To learn more about Sanepar's corporate governance, go to this section on the **institutional website. GRI 2-23**

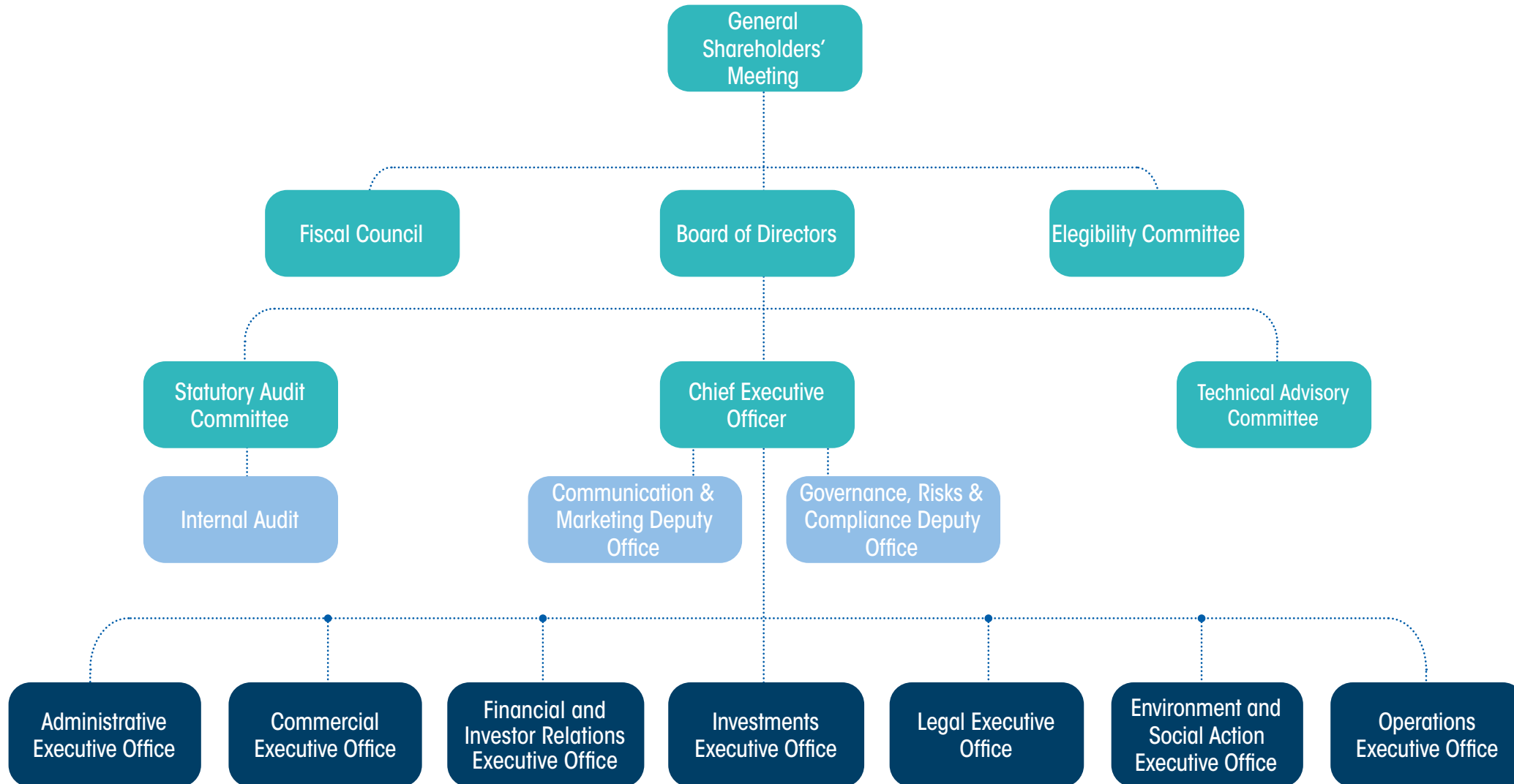
Bylaws and policies

Sanepar's operations are based on the assumptions, processes and procedures laid down in official documents. These documents can be viewed on Sanepar's Investor Relations website, in the [Bylaws, Codes and Policies](#) section. **GRI 2-23**

The Company's new Bylaws, approved at the 121st Extraordinary Shareholders' Meeting held on April 28, 2022.

Governance structure

GRI 2-9



The Fiscal Council is a permanent oversight body, with collegiate and individual duties, composed of five sitting members and an equal number of alternates, elected by the General Shareholders' Meeting. Its responsibilities include monitoring the fiscal and accounting practices, the annual rendering of accounts, as well as overseeing the Management actions, ensuring that the Company's business are managed in order to fulfill the purpose set forth in the Bylaws and the current legislation. The Fiscal Council meets ordinarily once a month and extraordinarily whenever called by the Board of Directors, the Executive Board or of its sitting members.

The Board of Directors is the Company's decision-making body that sets its guidelines and overall business principles and is responsible for managing its risks, overseeing the Executive Board's performance, selecting the independent auditors, and formulating and expressing the Company's policies, in addition to other duties laid down in the Bylaws. The Board comprises nine sitting members – including one employee representative, chosen in an internal voting – and

three independent members. The Board of Directors convenes ordinarily once a month and, extraordinarily, whenever called by its Chairman, by one-third of its members or requested by the Executive Board. Its duties and responsibilities are set forth in the Company's Bylaws.

A permanent statutory body, the Eligibility Committee assists the controlling shareholder by verifying compliance in the eligibility process of members of the Management, fiscal council, and statutory committees, according to the current legislation. It comprises six members, elected by the General Shareholders' Meeting. The election criteria adopted by Sanepar for its governance agents is in accordance with Law 13.303/2016 and its Nomination Policy. All candidates nominated by the controlling, minority and/or preferred shareholders are screened by the Eligibility Committee, prior to their election, especially as regards compliance with the requirements and specific prohibitions of each position. The Eligibility Committee meets whenever necessary to issue an opinion on matters within its competence.



Iguaçu WTP
Photographer: André Thiago Chaves Aguiar

The Company's Executive Board is responsible for executing the business strategies and implementing the guidelines set by the Board of Directors. It is composed of eight Executive Officers (Chief Executive Officer, Chief Financial and Investor Relations Officer, Chief Operating Officer, Chief Administrative Officer, Chief Commercial Officer, Chief Investment Officer, Chief Environmental and Social Action Officer, and Chief Legal Officer), all of whom are elected and dismissed by the Board of Directors. The Executive Offices

have specific academic background for the position and an unblemished reputation, in accordance with the legislation in force. Sanepar also relies on two Deputy Offices to the CEO's Office: Communication & Marketing, and Governance, Risks & Compliance, whose responsibilities are determined in the Internal Rules of the Executive Office.

According to Sanepar's Bylaws, Governance Bodies have a two-year tenure with reelection authorized by

Article 68. The terms of office are unified and the dates when the tenure ends are recorded in the election instruments of the members of each governance body. The Governance Agents, except for some Executive Officers who are employees, have no employment relationship with the Company, and the rules on prior notice and contractual termination payment do not apply to them.



Santa Quitéria - Dionira Moletta Klentz's aerial crossing
Photographer: André Thiago Chaves Aguiar

Advisory Committees

Sanepar relies on the Statutory Audit Committee and the Technical Advisory Committee to advise the Board of Directors. Composed of four members appointed by the Board, including one of its own representatives, the Statutory Audit Committee is a permanent advisory committee whose main responsibilities include evaluating and monitoring the preparation and presentation of the Company's financial statements, the risk management and internal controls processes, the effectiveness of the internal and independent audits, as well as monitoring, together with management, transactions with related parties. The Committee convenes at least once a month on a regular basis and, extraordinarily, whenever called by the Chairman.

The Technical Advisory Committee comprises six members, including one member of the Board of Directors, a minority or preferred shareholders representative, appointed by their peers, who are elected and dismissed by the Board of Directors. The Committee's main duties include assessing and issuing opinion, through non-binding opinion reports, about Sanepar's participation in new ventures or other companies. It also resolves on, after an analysis of the constitution, closing or alteration of any companies, projects or consortia that are not foreseen in the Business Plan, but have been suggested by the Executive Board. This committee also issues opinion on the personnel policy, including the staff, job and salary plan, the opening of a selection process to fill open positions, and the Profit Sharing Program, as proposed by the Executive Board; the allocation of net income proposal; the signing of Judicial Settlement Terms (Termos de Acordo Judicial - TAJ) and Conduct Adjustment Terms (Termos de Ajuste de Conduta - TAC); and the demands from external control agencies.

Diversity on the corporate governance bodies

GRI 405-1

Overall, Sanepar's corporate governance bodies were composed of 84% men and 16% women in 2022. The Eligibility Committee was structured with the highest percentage of women, 33%. Most members, 65%, were aged 50 years or older. As regards race, 2% of the members were self-declared Black, while the remaining members were self-declared white. There were no "People with Disabilities" among the corporate governance members in 2022.

Appoint and selection of Management members

GRI 2-10, 2-11

Sanepar abides by the Nomination Policy to select its managers, including those who will become Board of Directors, Executive Board, Fiscal Council and Statutory Committees members. The nomination criteria consider the minimum requirements established in the Bylaws as well as those required by law.

For the Company's highest corporate governance body – the Board of Directors – the policy provides for diversity and complementarity of professional experience among nominees. It also sets forth that the Board must be composed of at least 25% independent members, or at least one if there is a decision by minority shareholders to exercise the option of multiple voting.

The Company's Board of Directors, or any management body members must have expertise in one or more of the following areas: Public or Business Administration; Actuarial Science; Economics; International Trade; Accounting or Auditing; Law; Engineering; Statistics; Finance; or Mathematics. These requirements also apply to representatives of employees, minority and preferred shareholders.



Sanepar evaluates its management based on the recommendations of the Brazilian Corporate Governance Code (CBGC in Portuguese), which lays down that publicly held companies must implement the annual performance assessment of the Board of Directors and its committees, as well as advisory bodies, the Board Chairman, board members - individually, and the governance department. Therefore, the Company contributes to the Board's effectiveness and to the continuous improvement of its governance.

Management assessment

GRI 2-17, 2-18

Companies subject to Law 13,303/2016 (the State-owned Companies Law) must conduct a management performance assessment, according to Article 13 - item III. Therefore, Sanepar assesses the individual and collective performance of its statutory bodies every year. Each body's performance is assessed according to the requirements applied to mixed-capital, publicly-traded companies, as per Law 13,303, as well as Law 6,404/1976, the Company's internal policies and rules, and the guidelines of B3's Level 2 of corporate governance, the Brazilian Code of Corporate Governance and the Brazilian Securities and Exchange Commission (CVM).

The responsibilities and activities performed by both governance bodies and the governance agents are analyzed, based on qualitative and quantitative criteria and on the Company's values. The individual performance is also evaluated and considers the assessee's technical and behavioral skills, individual development potential, performance, relationship with the other governance bodies, the fulfillment of duties, and the understanding of key issues of competence of the body in which the assessee is serving.

Besides being evaluated, every year the governance agents receive refresher and training sessions through the "Corporate Governance course", which addresses issues such as best practices for the Board of Directors, legislation and capital markets, ESG and innovation. They also take the mandatory Improvement Course for Management of Public Companies and Mixed-Economy Companies, in compliance with article 17, paragraph 4 of Law 13,303/2016.

Management compensation

GRI 2-19, 2-20, 2-21

The State Companies Oversight Board (CCEE)'s normative resolution no. 1, of December 17, 2015, sets the maximum compensation amounts for Board of Directors, Executive Board, Fiscal Council, Technical Advisory Committee, Statutory Audit Committee and Eligibility Committee members, in accordance with government guidelines. Moreover, pursuant to Law 6,404/1976, article 152, and the Company's Bylaws, article 18, chapter VII, the General Shareholders' Meeting approves the total management compensation, taking into account their responsibilities, the time dedicated to their position, their skills, professional reputation and the value of their services in the market. The Board of Directors' monthly compensation is also conditional upon their attendance at meetings.

In 2022, the ratio of the annual total compensation of Sanepar's highest-paid individual and the average annual total compensation of all other employees was 9.30. The ratio of the Company's highest and lowest compensation was 21.4. The ratio of the percenta-

ge increase in the annual total compensation of the highest-paid individual and the average percentage increase in annual total compensation of all other employees was zero, since the highest-paid individual's compensation was not adjusted in 2022.

To reach said amounts, the base salary and fixed bonuses, the annual salary bonus paid annually, and the meal voucher, along with labor charges, were considered in the annual salary composition. The ratio of the highest compensation and the average compensation was calculated based on said information. The highest-paid individual is the CEO. All Company's employees were included, with no differentiation in salary between full-time and part-time employees.

Ethics and transparency

Integrity program

GRI 2-23, 2-24, 3-3 – Corporate governance and transparency

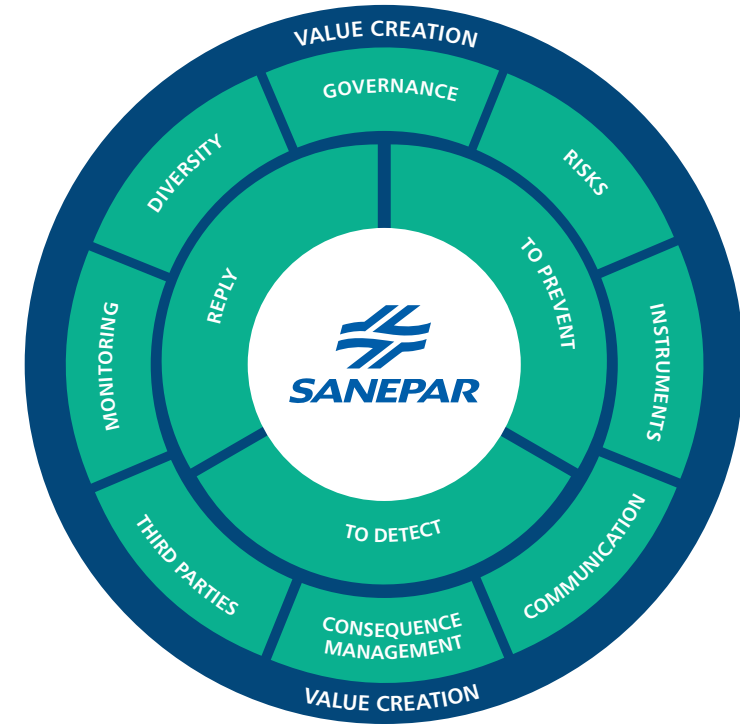
Created in November 2019, Sanepar’s Integrity Program was revised by the Board of Directors in November 2022 to update its wording, comply with new legal requirements and add new practices. The new format includes the Company’s adhesion in July to Instituto Ethos’ Business Pact for Integrity and Against Corruption. It also incorporates two new ESG pillars: “Diversity”, to address topics of great importance in the current social context, and “Third Parties”, to comply with the Anti-Corruption Law and CVM Resolution 59/2022, whose amendments in 2022 require greater attention to third parties and ways strengthen and prevent illicit acts in contractual relations. This changes also led to a review of Sanepar’s Code of Conduct and Integrity and the Code of Conduct and Integrity for Third Parties - [learn more on page 49](#).

All commitments related to the Integrity Program as well as its rules and policies, whenever reviewed or amended, must be resolved by the respective departments and governance bodies.

The Program comprises a set of policies, rules and procedures devised based on Sanepar’s Purpose, Mission and Values and is in compliance with Decree 11,129, enacted in 2022, that regulates the Anti-Corruption Law and other legislation applicable to Sanepar. The Program’s guidelines aim to foster a corporate behavior free of corruption, fraud or conflicts of interests.

Through the Integrity Program, Sanepar works on detecting, monitoring and responding to wrongful act to public interests, diversity, employees, consumers, business partners and third parties in general, the Granting Authority as well as shareholders and investors.

The Program applies to all governance agents, employees, interns, apprentices and service providers physically allocated on Sanepar’s premises or working on behalf of the Company, being a guideline for suppliers, contractors, service providers in general and other business partners. All those who



interact with or on behalf of Sanepar must follow the rules set forth in the integrity instruments and the legislation.

The Senior Management's commitment to integrity and, consequently, to the Integrity Program is the grounds for building an organizational culture where employees and third parties effectively uphold an ethical conduct. This culture is embedded in the management's day-to-day speech and actions and encompasses the effective oversight and monitoring of the Integrity Program's application, in addition to the permanent and frequent demonstration of support. The Program's assumptions are also reaffirmed through the allocation of funds for investments according to ethical and sustainability parameters and governance rules to which the Company is subject, as well as the maintenance of the appropriate budget and skilled personnel for its execution.

Efficiency of integrity management GRI 3-3 **Corporate governance and transparency**

Every year, Sanepar's offices and management departments sign a Management Agreement to establish action plans to meet the Company's strategic goals, plans and objectives. The strategic goals established in the Governance, Risks and Compliance Office's Management Agreement include to ensure Sanepar's regulatory and corporate governance practices. The Office is thus responsible for developing the Integrity Program, managing strategic risks, mapping processes, improving internal controls, and implementing the information security plan. Every month, the area calculates performance indicators, which enables it to reassess the initiatives throughout the cycle and to make decisions in cases that are not progressing as expected.

In addition, every three months, data are reported to the senior management and its governance agents regarding initiatives on the Consequence Management pillar, highlighting the results of investigations and measures taken by the Compliance department, the Compliance Center, the Conduct Committee, and the Company's leadership. Also every six months, the senior management evaluates the Integrity Program's results achieved by Sanepar and points out improvement opportunities. At the same frequency, the Board of Directors and other governance bodies receive information on the topic, particularly on the Integrity Program's progress.

Integrity instruments

GRI 2-23, 3-3 – Corporate governance and transparency

Sanepar's Code of Conduct and Integrity: this document provides the guidelines for the Company's business and relationships that must be followed in the day-to-day activities, pledging the Company's commitment to integrity, transparency and sustainability. It is applicable to everyone who has a commercial or labor relationship with Sanepar, including governance agents, employees, interns, apprentices, suppliers, contractors, service providers in general and business partners. Employees, governance agents, interns and apprentices receive the Code of Conduct and Integrity and sign a Term of Commitment, according to which they undertake to abide by the rules and guidelines laid down in the code and to apply them in their activities.

In 2022, more than 700 employees made contributions to the revision of the Code, responding to a survey on the theme. Through said survey, the Company perceived that the workers demanded a document that was easier to understand, in a friendly format that invited them to read it and provided for positive conducts. Employees contributions were coupled with the experiences and lessons learned by the Conduct and the Information Security Committees, the EXISTIR (the Company's diversity committee) as well as the People Management Department to amend the document.

Disciplinary Code: it establishes the disciplinary measures arising from breaches to the Code of Conduct and Integrity, and non-compliance with laws, rules, policies and other internal procedures. As the business environment and human relations are dynamic, these regulations have as attachments the Table of Disciplinary Measure Classification and Responsibility Matrix, which specify situations according to their severity and responsibility for action, in order to support decision making.

Human rights

According to Sanepar's Code of Conduct and Integrity, everyone who works according to its guidelines must accept and respect diversity and not practice any form of discrimination related to ethnicity, race, age, gender, color, nationality, creed, religion, political orientation, sexual orientation, physical or mental disability and/or any other classification protected by federal, regional or municipal laws; and fight forced, compulsory or child labor or any other form of exploitation that harms human dignity, inside or outside the Company.

Code of Conduct for Third Parties: it lays down ethical conduct guidelines that must be followed by Sanepar's suppliers and aims to guide the conduct standard required in the Company's relations with third parties, whether contractors, business partners or contracting parties, among other legal business opportunities. GRI 2-24



Communication

GRI 2-23, 2-24

Sanepar ensures constant communication of its Integrity Program and its respective instruments, in addition to offering regular training sessions with different approaches for each department or need. The Code of Conduct and Integrity and the Company's policies are widely accessible to external stakeholders, especially business partners and customers.

One of the Compliance Department's responsibilities, established in its annual work plan, is to disseminate and ensure the teams follow the Company's Integrity Program culture. The communication plan consists of several elements and forms of interaction, with emphasis on the Integrity Week. This event has been held since 2019, always in the week of December 9th, when the International Anti-Corruption Day is celebrated.

In the event held in 2022, Sanepar launched the new Integrity Program. At the event, hearing impaired employees could follow the presentation of the new "Diversity" pillar in Libras, the Brazilian Sign Language. In the panel conducted by the chair of Diversity Committee EXISTIR, the theme was debated according to the Company's internal and external perspectives, by most diverse participants: the first Black woman water meter reader, a Saneparian father of a child with

disability, the most recent woman to hold an executive position at Sanepar and a member of the Statutory Audit Committee, who is Black. To discuss the Risk pillar, Sanepar welcomed the State Comptroller General (CGE in Portuguese), who pointed out that the senior management's commitment is the main pillar in an integrity culture, together with consistency and perseverance. The Governance, Communication and Information Technology departments presented a panel to discuss individual actions to prevent hacking of the Company's network and systems and how to deepen the knowledge about the Transparency Portal, as well as standards and documents that govern Sanepar's practices in this subject. This panel addressed matters such as transparency, access to information and the Brazilian General Data Protection Act (LGPD in Portuguese). Fabrício da Mota Alves, from the National Data Protection Agency (ANPD in Portuguese), delivered a lecture on the rights and duties regarding individual protection through the the best data treatment practices. On the International Anti-Corruption Day, the chairman of the Board of Directors, Sanepar's CEO, Deputy Governance, Risks and Compliance officer (DAGRC) managers and a guest jurist closed the last day of the event with a panel on conduct and integrity.



If a situation is not described in the document, questions and suggestions should be shared with the immediate leadership, who will seek the Company's official position with the Deputy Governance, Risks, and Compliance Office. This position will subsequently be included in the Disciplinary Code. GRI 2-26



**You are the face
of Sanepar.
Keep the good
image.**

The Program is also disseminated in other means, that include:

Integrity Program's page on the intranet: it is constantly disseminated to the Company's employees, by e-mail, intranet news, webinars, corporate WhatsApp messages, and other forms of interaction designed according to the stakeholder group to be reached. The page presents contents about all of the Program's pillars, specific actions and updates of integrity instruments, as well as any and all interaction with the Company's workforce.

Compliance Alerts: these are sent by e-mail to employees to disseminate the mechanisms and information on integrity, ethical conduct and other compliance-related topics concerning their activities or that could pose risks or cause damage to the Company. In simple and understandable language, the alerts address practical day-to-day situations of the target audience and are forwarded periodically or according to specific needs.

News: relevant news about the Integrity Program and its pillars published on the intranet. According to the relevance and communication needs, they are also published on Sanepar's pages for external stakeholders (the Company's website and official social media).

CEO's Office Portal: a relationship channel with internal stakeholders that makes concise information available, directing it to the Integrity Program's Portal.

Short videos and audios: short materials on topics such as internal procedures, moral and sexual harassment, corruption or bribery, conflict of interest and other matters addressed by the Integrity Program.

Stickers: publications in playful language on social media geared towards reaching a wider audience, including external stakeholders.

Displays and stickers with QR Code: displays for computer monitors, stickers for corporate notebooks and stickers for Company vehicles with QR Code that directs to the Code of Conduct and Integrity, enabling the information to reach all corporate environments quickly and comprehensively.

Training

GRI 2-23, 2-24

Training programs on integrity ranges from topics that are common to the entire staff to specific matters for those performing activities with greater exposure to risks. The content also covers the practical aspects of the Code of Conduct and Integrity and guidance on how to resolve any dilemmas. The company also offers and encourages annual training sessions on integrity for governance agents.

Training programs are offered according to the annual planning and include:

In-person training: training sessions with specific strategies, developed according to the target audience considering their exposure to the risk of misconduct and the needs raised by the immediate managers and the Governance, Risks and Compliance Management Department.

Corporate Distance Learning Program: an on-line platform that offers courses on topics such as “Ethics and Governance”, “Compliance”, “State-Owned Companies Law”, “Professional Ethics”, “Leadership and Ethics”, “Code of Conduct and Integrity”, among others.

Webinars: online meetings held according to the need and urgency to disseminate certain content to internal and external stakeholders.

Game ETICS (stands for Undertaking Integrity and Compliance Trails at Sanepar in Portuguese): a game designed to spread the Company’s integrity culture in a playful and easy-to-understand way. It enables employees to have a relaxing time in the workplace, while learning about the conduct accepted and not accepted by Sanepar in accordance with the Integrity Program.



Integrity Week - Anti-Corruption
Photographer: André Thiago Chaves Aguiar

Learning trail on integrity

GRI 2-23, 2-24

Sanepar has developed the online trail: “Think and Act with Integrity” to dynamically educate its employees on this topic. This teaching format consists of an integrated, systematic and continuous set of actions that bring together theoretical knowledge and practical development, exploring skills and autonomy.

The Think and Act with Integrity trail includes three courses, each with specific subjects about the Integrity Program, through videos and quizzes that address the program’s impacts on the Company’s day-to-day activities. The content is applicable to all employees, governance agents, interns and apprentices.

Transparency portal

GRI 2-25

Transparency is one of the most efficient and essential mechanisms for combating fraud and corruption. Access to public information is a constitutional principle and a right guaranteed to all of society by Federal Law 12,527/2011 (Information Access Law) and State Decree 10,285/2014, within the scope of Paraná. Social control of State actions is essential for ensuring public resources are used for the benefit of the collectivity.

Completely transparent, except for secrecy cases set forth by law, Sanepar has a Transparency Portal, where it announces the actions of manage-

ment and encourages society to exercise its role in social control, monitoring, evaluating, and inspecting Company actions. In this portal, citizens can submit information requests, which are dealt with by the Information Service to Citizens (SIC in Portuguese).

In addition to the Transparency Portal, the Company has a Transparency Agent, who works alongside the Information Security Committee and the Data Officer so that treatment of information in the Company is in line with the Information Access Law, the General Data Protection Act, and best information security market practices.

Conflicts of interest

GRI 2-15

Sanepar has a [Policy on Related Parties and Conflict of Interests](#) according to which this type of conflict occurs when confronted interests of Sanepar and those of its employees, management, Board members, or third parties can compromise the Company's interest, inappropriately influence persons involved in the performance of their duties, or result in undue gain or advantage.

The Code of Conduct and Integrity and the Code of Conduct for Suppliers and Business Partners indicate situations that may create a conflict of interest, which includes any type of private relation, on a regular basis, between suppliers, business partners, and Sanepar's employees, such as, for example, family bonds between the supplier and its employees with Sanepar's employees, governance agents, and/or shareholders, that may interfere in their independence when making any decision on behalf of the Company.

Those who are aware of any potential conflict of interest must inform it, ensuring decisions are always

made with complete honesty, respecting the interests of the Company, and observing the same rules and limits applicable to similar operations, having as a parameter the practiced conditions and/or applicable legal rules.

Sanepar repudiates any discrimination or retaliation against employees who report, in good faith, suspected or actual violations. The Company is committed to maintaining secrecy and confidentiality of the author of the report, the denounced persons, and those who participate in the investigation of the reported violation.

Sanepar must disclose transactions with related parties, pursuant to Article 247 of Law 6,404/76 and CVM Resolution 642/2010. The Company usually discloses such information in its periodic financial statements or its Reference Form, but the Statutory Audit Committee may, depending on the importance of the transaction, suggest it to be disclosed in a Material Fact.



Whistleblower channel

GRI 2-15, 2-25, 2-26

Sanepar has a Whistleblower Channel to receive reports on any misconduct or violation. This channel is available to all stakeholders and society in general, 24/7, over the Internet. or through the toll-free telephone line 0800 580 3756. Complaints are completely anonymous, and the IP of the equipment or the telephone of origin of the report are not identified.

Behaviors that may be reported include threats or physical aggression; moral or sexual harassment situations; acts of corruption or bribery; discrimination or prejudice cases; conflicts of Interest; information misuse; robbery, theft, or diversion of materials and/or equipment; among others. On the other hand, customers must file their claims or complaints about the Company’s services, including fraudulent water or sewer connections, irregular water and sewage discharge, or irregularities in services rendered by Sanepar, with the Ombudsman.

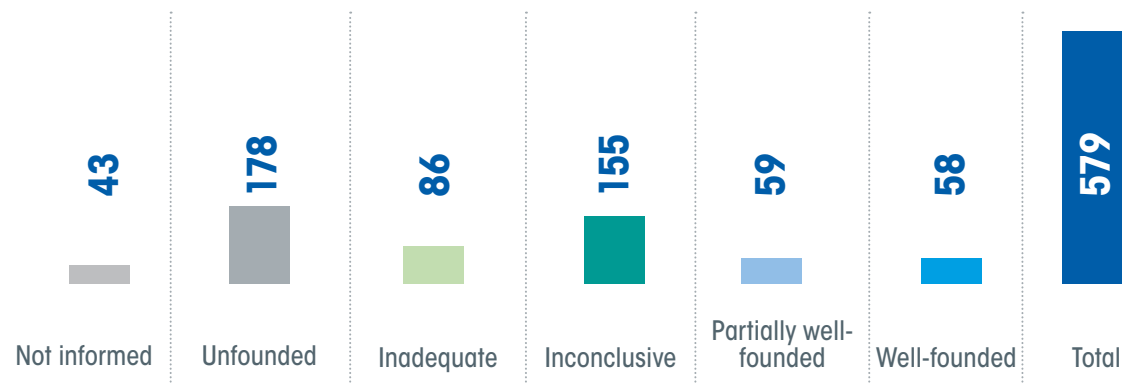
It is worth mentioning that Sanepar must formally inform the Office of the Paraná State Comptroller General (CGE/PR in Portuguese) acknowledgment of charges, complaints, or occurrences that, in theory, indicate the practice of harmful acts against the Go-

vernment set forth in article 5 of the Anti-Corruption Law. CGE/PR has the competent jurisdiction to institute and decide on legal entity Liability Administrative Proceedings, pursuant to State Decree 11,953/2018. In 2022, Sanepar was not served with process, nor was it investigated in special operations related to fraud and/or wrongful acts committed by management and in the management of contracts. **GRI 205-2**

In addition to the Whistleblower Channel, Sanepar has the Conduct Committee, a multidisciplinary

group created through an Executive Board Resolution and ruled by its Internal Regulations. The committee was established to disseminate and consolidate the principles of a professional ethical conduct and compliance with the Company’s policies, rules, and regulations, as well as analyze cases of misconduct or violation against the Code of Conduct and Integrity. In addition, it indicates preventive and corrective actions and suggests the application of disciplinary measures, when applicable. Its five members are Sanepar’s own employees, appointed by the Executive Board.

Records of the whistleblower channel in 2022



Note: the most reported types of concerns were inappropriate conduct; violation of laws, regulations, and internal procedures; and favoritism or conflict of interest.

Risk and crisis management

GRI 2-13,2-25,3-3 - Corporate governance and transparency

The water treatment and distribution as well as sewage collection and treatment services rendered by Sanepar create both positive and negative social and environmental impacts. In addition to these impacts, there are the risks inherent in business activities. In order to manage these risks, the Company has consolidated, since 2017, the Corporate Risk Management process, which is used as a decision-making tool by governance agents. The actions of identifying and managing risks before they affect the business reflect Sanepar's commitment to fulfilling its goals and focus on the organization's perpetuity.

The model used is based on the Committee of Sponsoring Organizations of the Treadway Commission — Enterprise Risk Management (Coso-ERM). The process is governed by the Risk and Internal Control Management Policy, which establishes the management and control mechanisms aimed at value preservation and creation, in line with the Company's Mission, Vision, Values, and strategic goals and in compliance with Law 13,303/2016 and B3's Level 2 of best corporate governance practices. Risk management involves a comprehensive identification of risks and its factors, an evaluation of

potential impacts, the implementation of mitigation measures, and treatment plans.

Every year, Sanepar publishes the Integrated Strategic Risk Management, Corporate Internal Controls, and Compliance Work Plan, which, similarly to its policies, is approved by the Board of Directors. In 2022, the Company implemented the new corporate risks portfolio, which has been systematically monitored in all management levels.

At the same time, Sanepar made progress in mapping process risks, to enable the evaluation of internal control systems and, therefore, improve and ensure management at all Company levels, including tactical and operational. Process mapping is prioritized in accordance with the materiality criteria of the executive offices and with the guidelines of the Risk Management Committee, and carried out with the support of the Statutory Audit Committee and the Board of Directors.

The Board of Directors gave priority to 6 out of 21 risks, namely:



revenue reduction;



not being able to ensure operational efficiency;



non-compliance with environmental legislation;



water unavailability;



not being able to maintain or raise customer satisfaction; and



non-compliance with the information security management system, transparency, and General Data Protection Act.

In order to further enhance the risk management process, the Company implemented, in 2022, a governance, risk, and compliance software, which, in addition to mitigating risks connected to process efficiency for the Value Chain, contributes to the prevention of integrity matters, as it allows to measure process quality.

Risk management results are reported to the Risk Committee every month. This information is also presented to the Executive Board, the Statutory Audit Committee, and the Board of Directors, on a quarterly basis. Sanepar has a permanent Corporate Risk Facilitator position, which is designed to monitor, report to, and submit to validation by the area responsible for the risk indicator and mitigating action results and critical analyses. This agent is also responsible for updating the financial impact of monitored information, following a schedule determined in advance by the Risk Management department. Moreover, the Process Focal Point monitors, reports to, and submits to the validation of the manager results and critical analyses to assist monitoring internal control action plans.

Compliance with laws and regulations

GRI 2-27

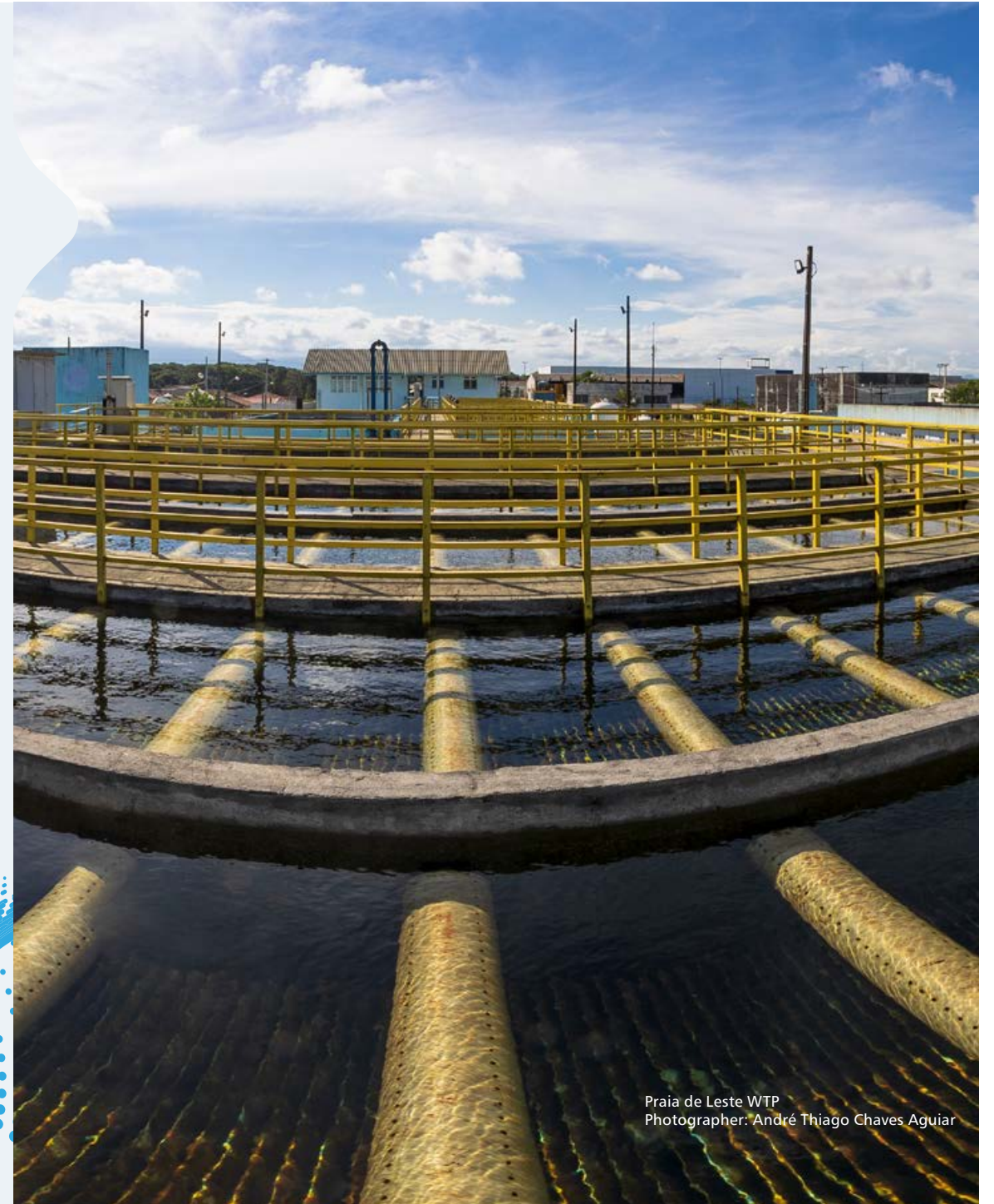
As previously mentioned in this Corporate Governance chapter, Sanepar maintains strict compliance with applicable laws and regulations and, as a result, it was not served with process or investigated in special operations related to fraud and/or wrongful acts by management and in the management of contracts in 2022.

It is worth noting that, previously, when Sanepar was served with process in special operations “Radio Patrulha,” “Integração”, “Águas Claras”, and “Ductos”, it closely cooperated with government agencies, in addition to hiring an External Investigation Committee and Shadow Investigation (investigation monitoring by an external auditor). Works were completed in 2021, and Sanepar did not appear as a defendant or accused in any of the operations. Employees involved in the Ductos operation have responded or are responding to individual disciplinary proceedings before Sanepar’s Conduct Committee, which has been adopting the applicable legal measures for each case.

As for environmental law, 18 environmental infraction notices (Environmental Impact Evaluation — AIA in Portuguese) were issued against Sanepar in 2022, which together totaled R\$4.45 million. Sanepar prepared administrative defenses for all AIAs, within the time frames established by regulations in force, as well as presented plans for mitigating the damages caused and proposals concerning preventive actions and community awareness.

Operational Efficiency

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Praia de Leste WTP
Photographer: André Thiago Chaves Aguiar

Operational efficiency

GRI 303-1

Sanepar measures and directs its operational efficiency based on performance targets, which are set according to legal requirements and resources involved, whether financial, human or technological. Indicators are divided into strategic, managerial, and operational at the Structural Level, with quantitative information or relevant facts that express the performance of a process, in terms of efficiency, effectiveness, or satisfaction level, and that, in general, allow to follow up its progress over time.



Sanepar measures and directs its operational efficiency based on performance targets, which are set according to legal requirements and resources involved.

Performance Indicators — 2022 Cycle Targets:

External Customer Satisfaction Index
Target 77.50%, achieved 79.10%;

Conformity to Potability Standard Index
Target 99.86%, achieved 99.91%;

Loss per Connection/day Index
Target 218.62 l/connection/day, achieved 222.67 l/connection/day;

Conformity to Sewage Standard Index
Target 88.60, achieved 91.84.



CCO Cutiriba - Alto da XV
Photographer: André Thiago Chaves Aguiar

Water process management

GRI 3-3 Material topic: Management of water and sewage processes

The water distribution process is composed of three main subprocesses: abstraction, treatment, and distribution. Water in natura (surface and/or groundwater) is abstracted and transported to treatment systems for removing impurities and becoming potable, pursuant to applicable legislation. Then, the water goes to reservoirs and the distribution networks, and it is potable when it is delivered to end consumers.



Sanepar seeks to ensure efficiency through an operational diagnosis program in its water treatment plants, indicating improvements and prevention measures.

The Integrated Water Supply System of Curitiba Metropolitan Region (SAIC in Portuguese) is composed of four reservoirs: Piraquara I, Piraquara II, Iraí and Passaúna. The Dam Safety Plans (PSB in Portuguese) of these facilities, as well as the Regular Safety Inspections (ISR in

Portuguese) are carried out on an annual basis and provide findings and recommendations for future maintenance as planning guidelines to meet the requirements set out in these reports. In addition, the Company constantly monitors water availability and massif deformation levels, as well as piezometric readings (pressure charge). The data obtained are filed with Água e Terra Institute, Paraná State's regulatory agency, in compliance with safety requirements for dams and surrounding areas.

Monitoring of average monthly abstracted flows, the pumping regime, and the monthly captured volume in each surface or underground spring (well) is done by operational teams, made available through managerial databases. After collecting raw water, Sanepar carries out appropriate water treatment complying with potability standards required by the Ministry of Health. Sanepar seeks to ensure efficiency through an operational diagnosis program in its water treatment plants, indicating improvements and prevention measures.

Sanepar has a program to fight water losses in the distribution system. The Company's Corporate Water Loss Reduction and Control Program covers all locations where it operates, divided into groups based on their relevance in terms of volume lost, to prioritize initiatives where they are needed most.

The management of water-related processes is evaluated through strategic indicators, which are analyzed by the managers and executive officers involved, with pre-determined frequency. These indicators undergo constant improvements and may be adjusted with time. They include the Conformity to the Potability Standard Index (ICP in Portuguese) and the Loss per Connection/Day Index (IPL in Portuguese) which had as an improvement the adequacy to the National Sanitation Information System (SNIS) methodology.

Partnership with Simepar and IAT

Sanepar has partnered with Simepar and Instituto Água e Terra (IAT) to develop methodology and infrastructure and generate technology services for implementing the Emergency Action Plan of dams operated by the Company, as well as support the review of the Reframing of Water Bodies methodology, in order to assist the performance of the Water Security Plan, thus optimizing the water body granting process.

This initiative is designed to better comply with Law 9,433/1997, which established Brazil's National Policy on Water Resources, according to which the management of such resources must allow multiple uses of water, including public supply.

Water Source Protection

GRI 3-3 Material topic: Management of water and sewage processes, 303-1 | SASB IF-WU-440a.3

Considering high demand in SAIC, watershed springs have been declared areas of interest for public supply since 1980, in order to control land use and occupation, ensuring water quality conditions compatible with human consumption. Thus, hydrographic basins upstream of the four dams used by Sanepar (Piraquara I and II, Passaúna, and Iraí) were established as Environmental Protection Areas (APAs) by state decrees. In addition, other surface water sources are located in municipal APAs (Ribeirão Araras, in Paranavaí; and Rio Piava, in Umuarama), a state APA (Rio do Mello, in Guaratuba), and a Federal APA (Rio Cerquinho, in Guaraqueçaba).

Within this complex scenario, in order to anticipate and monitor dangers related to the management of springs, Sanepar has been implementing the Water Safety Plan (WSP) since 2019, a methodology developed by the World Health Organization (WHO) and set forth in annex XX to the Consolidation Ordinance 5/2017, as amended by Ordinances 888/2021 and 2,472/2021 of the Ministry of Health. WSP is a preventive management process based on the principles and concepts of

multiple barriers, best practices, and danger and risk analysis, as well as critical control points, applied to the public supply system from the source (spring/aquifer) to the customer. Based on this practice, the Company improved the control and traceability of water resources from the perspective of integrated management, water security, environment, and management of drought and flood risks and alerts.



WSP is a preventive management process based on the principles and concepts of multiple barriers, best practices, and danger and risk analysis, as well as critical control points.

In the scope of Environmental Recovery, the following actions were carried out:



planting of 133 thousand seedlings with seeding and maintenance;



terracing, conservation, and maintenance in the Iraí and Piraquara II reservoirs;



supporting the Associação Agroecológica e Turística de Piraquara (Piraquara's Agricultural, Ecologic and Touristic Association) in the renovation of the agribusiness' facilities in the Piraquara II reservoir;



environmental rehabilitation and containment of the erosion process near the Piraquara II reservoir



carrying out desilting works and providing environmental preservation services in the lake at Parque Paulo Gorski complex, in the city of Cascavel's supply system;



recovery of gullies and reformation of slopes.

Taking care of water sources, however, is not limited to good planning and use of resources, as it also involves conservation. Among Sanepar's initiatives for this purpose, highlighted below are the actions with the intention of forest management and environmental recovery:

And, as protecting water sources also requires soil conservation, Sanepar has partnered with Itaipu Binacional and Parque Tecnológico de Itaipu for the mapping of forest deficit, soil erodibility, and environmental vulnerability in the Areas of Permanent Preservation of the Ivaí and Piquiri Rivers hydrographic basins, and the Basin of Paraná 3.



CCO Cutiriba - Alto da XV
Photographer: André Thiago Chaves Aguiar

Water availability

GRI 3-3 - Material topic: Universalization of access to water and sewer, GRI 3-3 Material Topic: Management of water and sewage processes| SASB IF- WU-240a.4, IF-WU-440a.3

Since 2017, Sanepar has followed the guidelines from the Sewage Project Manual (MPS in Portuguese) to evaluate water availability in severe drought conditions and, thus, check their impact on water supply systems.

The water crisis started in 2020 was a key factor in seeking a sustainable supply through innovation and initiative integration in watershed springs. Therefore, in 2020, the Company entered into a five-year contract with Paraná Meteorological System (Simepar) to implement the active environmental monitoring and the monitoring of hydrometeorological forecasts/alerts in basins of its interest. This is a preventive approach for monitoring quantitative availability risks inherent to water bodies in order to ensure water is safe for human consumption. For each spring or effluent discharge basin, the hydrological state of rivers (drought/flood stage) and the rainfall/flow rate curve constitute key information provided for the operational monitoring of abstraction or dilution.

This monitoring is carried out through the Infohidro system, which includes the Sumário Climático, a strategic planning tool that offers the Seasonal Flow Forecast, which includes prognoses about the rainfall and flow rate at water sources used by Sanepar, within a seven-month time-frame.


In addition to this contract, Sanepar has established several technical cooperation instruments: with Instituto de Tecnologia do Paraná, Tecpar, Água e Terra, Institute, municipal authorities, and cooperatives — in order to implement qualitative and quantitative monitoring, as well as many different initiatives related to water and soil conservation in water source basins and areas surrounding its reservoirs. The Company increased its investments in several initiatives designed to ensure public supply perpetuity and mitigate Sanepar's priority risk of water unavailability from R\$1.25 million in 2019 to R\$15 million in 2022.




Passaúna Dam Bridge
Photographer: André Thiago Chaves Aguiar

Risk management

SASB IF-WU-440a.3

 **4 million**
Invested in water source conservation next to the floodplains
Iguaçu and Iraí

 **Creation of three**
Natural Reservoirs
that will increase Captação Iguaçu's flow rate by up to 100 l/s



Future Water Reserve
Photographer: André Thiago Chaves Aguiar

Sanepar also began to implement the RESERVA HÍDRICA IGUAÇU (“Iguaçu Water Reserve”) Program, which involves partnering with different institutions, e.g., local governments, Água e Terra Institute and the Coordination Department of the Curitiba Metropolitan Region (COMEC in Portuguese) and addresses strategies for the rehabilitation of the Iguaçu river’s floodplains. This Program includes the protection of areas with an organized occupation plan, the creation of parks, biodiversity corridors, and of natural water reservoirs, which not only enable an alternative supply during water scarcity periods but also reduce geoenvironmental vulnerability of the region (less floods).

The first stage of the Reserve implementation started in late 2021 with a contract for degraded area rehabilitation and water source conservation next to the floodplains of the Iguaçu and Iraí rivers, including the vegetation clearing, desilting, and pit interconnection services. This represents an investment of almost R\$4 million, ending in 2023, for the creation of the first three Natural Reservoirs, with a storage capacity of approximately 1 hectometer of water and may increase Captação Iguaçu’s flow rate by up to 100 l/s.



Tarumã Laboratory
Photographer: André Thiago Chaves Aguiar

Water Quality

GRI 3-3 - Material topic: Water quality and customer health

Sanepar's businesses require commitments to the public health, which are translated into drinking water distribution and a reduction in waterborne diseases. In order to ensure this supply, the Company maps all activities related to the water treatment and distribution process, by identifying inherent risks, factors, and the classifications of these risks, and defining the necessary controls. Internal engagement to these measures is guaranteed through management agreements signed between executive officers and managers. The targets are defined according to historical series and legal requirements, the latter of which may be connected with conduct adjustment terms (*termos de ajustes de conduta*) or liability agreements signed with health departments, and with concession or program agreements. The performance indicator for water quality is the Conformity to the Potability Standard Index (ICP), which was at 99.91% in 2022.

The mandatory monitoring and any items that do not comply with the Potability Standard are reported to the Ministry of Health, through the Sisagua system, which is available to any citizen or entity upon registration. The Information System for Monitoring the Quality of Water for Human Consumption (Sisagua in Portuguese) is a tool part of the National Program for Monitoring the Quality of Water for Human Consumption (Vigiagua in Portuguese), which aims to help managing health risks associated with the quality of water for human consumption, as part of the actions to prevent illnesses and promote health, as provided for in the Brazilian public healthcare system, called SUS (*Sistema Único de Saúde*). **SASB IF-WU-140b.1**

	2021 (%)	2022 (%)
Standard Sewage Compliance Index - ICPE	87.62	91.84
Launched Cargo Compliance Index	96.06	97.57
WTPs and STPs Indicator with Regularized Environmental Licensing	92.72	91.14
Potability Standard Compliance Index (target 99.86)	99.90	99.91

Water distribution

GRI 303-1

Sanepar currently has 211 watershed springs for water supply, accounting for around 60% of total water production. The other 40% is abstracted from underground wells. In 2022, the water network was a little more than 60,000 kilometers long. SASB IF-WU.000.E

Sanepar’s initiatives to fight water loss are described on page 60. In 2022, 17.85 million cubic meters of water were stolen through clandestine connections, an amount equivalent to 17,856 megaliters, totaling a loss of R\$127.71 million in revenue.

Sanepar makes efforts to protect and conserve areas upstream from the water abstraction points in supply watershed springs, since anthropic actions, such as irregular occupation, untreated effluent discharge, lack of preservation of riparian forest, and lack of agriculture and livestock stewardship, directly reflect on water quality and quantity. The Company partners with state agencies to perform this task. The projects developed with this purpose — the Water Safety Plan and Fundo Azul Program – are described on page 61.

Total water withdrawal from all areas

GRI 303-3
(in megaliters)

	Total water withdrawal	Surface water	Groundwater	Produced water
2020	778,718.2	608,774.0	169,944.2	764,917.4
2021	766,710.4	596,296.0	170,414.4	752,414.5
2022	801,877.0	629,482.3	172,394.7	783,907.8

Note: all abstracted water is considered freshwater ($\leq 1,000$ mg/l of total dissolved solids). Sanepar does not abstract seawater or from public supply.



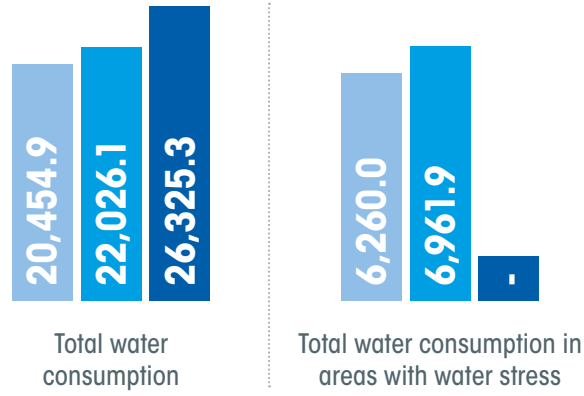
Capivari - Catchment
Photographer: André Thiago Chaves Aguiar

60%
of total water production from 211 watershed springs

40%
of water production is abstracted from underground wells

Total water consumption

GRI 303-5
(in megaliters)



2020 2021 2022¹

1. Note: Sanepar's internal water consumption is the sum of operational volume, special volume and administrative volume. Water stress was not recorded in 2022. Rainfall regime is equal to or higher than the historical average without major events or events that can impact supply like in 2020 and 2021.

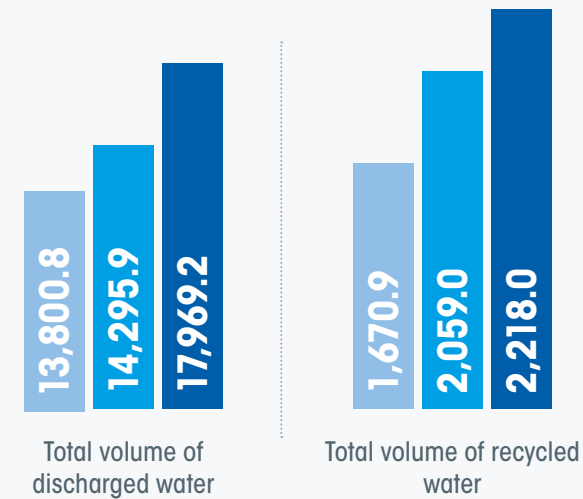
Volume of water losses

IF-WU-140a.2

	2020	2021	2022
Volume of water stolen through clandestine connections (m ³)	17,544,000	17,856,000	17,890,000
Loss of revenue due to theft of water in clandestine connections (BRL)	104,913,120	117,849,600	126,016,000

Discharged and recycled water consumption

GRI 303-5
(in mega liters)



2020 2021 2022

Note: Sanepar only discharges surface water and freshwater ($\leq 1,000$ mg/l of Total Dissolved Solids), and there are no data for groundwater, marine waters, or water sent to third parties, and there are no discharges in areas of water stress.

Sewage process management

GRI 3-3 Material topic: Management of water and sewage processes

91,8%

OF ICPE

The Program for Revitalization of Urban Rivers

identified in 2022,
355 problems in the
Company's networks

Sanepar has invested in modernizing the technology of its sewage treatment operational plant, in order to meet legal demands, improve process efficiency, manage social and environmental impacts, meet sewage universalization challenges, and be compatible with the other uses of the basins.

The management of sewage processes and their social and environmental impacts is carried out from the building connection to the final discharge of treated sewage and its byproducts. In order to assess management efficiency, Sanepar uses the Sewage Standard Compliance Index (ICPE), which, similarly to water management indexes, is analyzed by the management departments and offices involved and undergoes constant improvements and adjustments. In 2022, this index was at 91.84%.

Among the Company's initiatives for sewage-management related improvements, it is worth noting the Program for Revitalization of Urban Rivers. This program, which is in operation since 2011, uses the river and gallery Dissolved Oxygen parameter as a sewage network quality indicator. Sanepar's teams, composed by the Environmental Education and Management Departments go along urban rivers in the search of problems in sewage collection networks and prepare a comprehensive diagnosis for each location and the operational team is called in to fix the affected networks. Communities surrounding the rivers also contribute to the Program: through the so-called participatory monitoring, locals report to Sanepar any pollution hot spots they identify. In 2022 alone, 355 problems were identified in the Company's networks in the hydrographic basins of Curitiba and Metropolitan Region.

Sewage treatment

GRI 303-2

After the distribution of treated water, sewage collection is carried out according to engineering solutions and technical standards, with the routing of sewage flow for treatment and volume return to receiving water bodies, at adequate and appropriate places, pursuant to environmental legislation and quality standards established by law and customized in accordance with grants of rights to discharge effluents.

The environmental legal requirements connected with effluent discharge, within the scope of sewer activities, are established by CONAMA Resolution 430/2011, SEMA Resolution 021/2009, Suderhsa Ordinance 19/2007, and IAP Ordinance 256/13, in addition to conditions described in the Environmental or Operating Licenses and in the Grants of right of use.

In 2022, Sanepar had 261 sewage treatment plants, with a nearly 41,000-kilometer sewage collection network (RCE in Portuguese). Factors such as the location, CAPEX/OPEX ratio (long-term and recurring expenses), performance, operational safety, sludge management plan, among others, are considered for implementing, expanding, or changing processes related to these infrastructures. Thus, the industrial park has anaerobic reactors; aeration tanks; anaerobic, aerobic, and aerated filters; physicochemical systems with accelerated decantation or dissolved air flotation; in-series, aerated, and maturation lagoons, as well as primary and secondary decanters, contact chambers, sewage lifts, and other components, devices, and mechanisms, organized, configured, and arranged in accordance with technical standards, in order to achieve the objectives of the process.

SASB IF-WU.000.E

In order to prevent sewage overflow, Sanepar carries out technical inspections to investigate operating conditions at both new and existing connections in a cyclical manner. In addition, some concession agreements establish goals and commitments in this regard. Inspections may also be carried out as demanded, according to operational diagnoses. Sewage collection networks are inspected by video (telediagnosis), using equipment in inspection points and mobile robot technology inside the pipes. Generators or storage-battery systems are in place in sensitive areas such as springs, in order to prevent overflows. Deep maintenance, replacement of stretches, or revitalization are planned in accordance with diagnosis indications or operational area initiatives.

Sewer overflow per kilometer of network
SASB IF-WU-450a.2

	2020	2021	2022
Sewage Overflow (qty)	2,309	2,884	2,336
Sewage network (Km)	36,905.60	38,336.57	38,874.56
Overflow per Km/Net	0.06	0.08	0.06

Infrastructure investments

GRI 3-3 - Material topic: Material theme: Infrastructure Investment | GRI 201-2, 203-1, 203-2 | SASB IF-WU-240a.4

Sanepar's investments are consonant with the Investment Policy, an internal document that guides the Multi-year Investment Plan (PPI in Portuguese), which is prepared in accordance with methodologies and premises that allow us to choose where to allocate financial resources in a sensible manner. The Company uses this Plan to keep its assets updated and in condition to serve the population with efficiency and high quality, with no waste, positively impacting the economy, society, and environment.

In operational terms, investments focus on improvements necessary to ensure steady water supply and high-quality sewage treatment. Investments in administrative infrastructure are designed to enhance employees' workplace and acquire IT solutions with greater technology efficiency, as well as improve and modernize Sanepar's customer relationship centers.

Investments are planned in accordance with the Company's premises about several matters,



Piraquara Dam
Photographer: André Thiago Chaves Aguiar

such as operational diagnosis, environmental diagnosis, the new framework for basic sanitation, among others. The Investment Committee is responsible for analyzing and issuing an opinion to the Executive Board, upon the latter's request, about the Multi-year Investment Plan proposal, the matrix criteria, and the financial resources allocation prioritization, as well as analyzing proposals for including new targets and/or commitments in contracts with the Granting Authority. Investments are subject to the approval of both the Executive Board and the Board of Directors.

The Multi-year Investment Plan - PPI in Portuguese is prepared for a five-year cycle, with an annual review of the demands approved for said cycle and, when necessary, the addition or subtraction of investments, upon environmental and operational diagnoses or to comply with legal requirements, such as the Universalization goals mandated by the new Legal Framework for Basic Sanitation. The implementation of the plan is monitored through quarterly meetings of the Board of Directors and specific indicators.

The amounts expended by the Company are reimbursed by the population through the payment of the tariff charged for water consumption and sewage collection and treatment, as regulated by the Paraná Regulatory Agency.

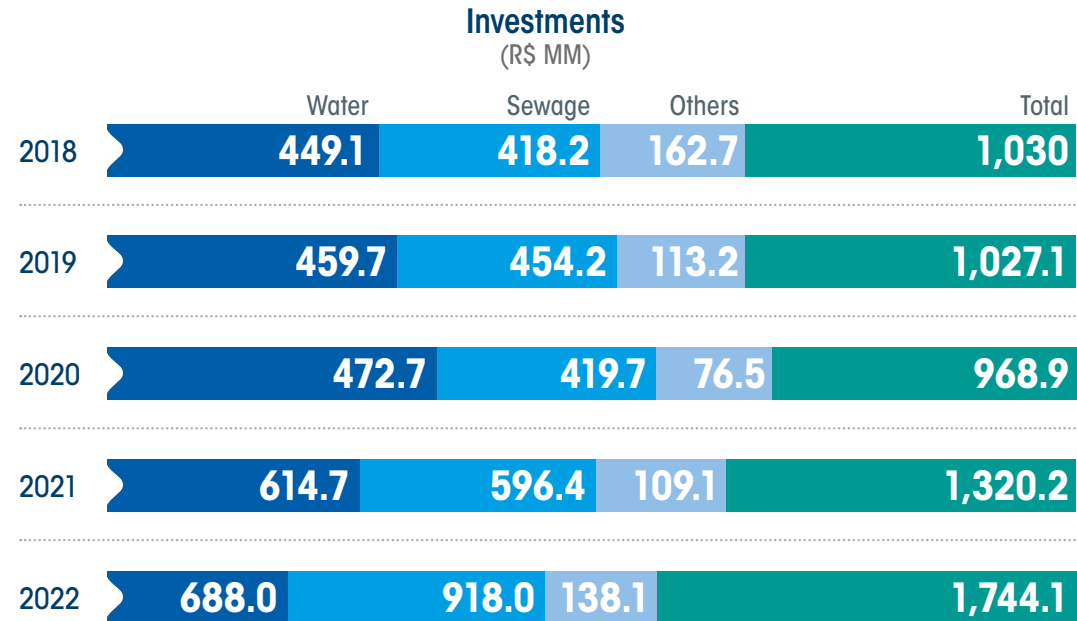
GRI 203-1

In this regard, the Company faced a challenging scenario in 2022, as this year was still marked by some pandemic effects, high inflation, and war in Ukraine, and the combination of these factors resulted in lack of inputs and raw materials and an upturn in prices.

For example, pipe prices, which represent 70% of Sanepar's assets, increased by up to 120% in the period.

Another factor that influenced investments was the increasing strictness of legal requirements, which led the Company to review and adjust projects in progress. There was also the impact of the water crisis, which forced the Company to bring works forward and add new infrastructures to its planning.

Despite the adverse scenario, Sanepar delivered on its PPI for 2022, investing R\$1,744.1 billion in infrastructure, of which R\$ 1,606.0 billion was allocated to water and sewage facilities for the purpose of universalizing basic sanitation.



Realized in 2022

General management	Water	Sewage	Total
Metropolitan area and coast	224.2	153.1	377.3
Southeast Region	109.0	150.4	259.4
South-west Region	115.6	240.9	356.5
North East Region	77.8	170.8	248.6
Northwest Region	161.4	202,8	364.2
Total	688.0	918.0	1,606.0

In December 2022, Sanepar completed the elaboration of a PPI in effect from 2023 through 2027, which gives priority to investments designed to meet contract goals in agreements with municipalities, in order to comply with the New Legal Framework for Basic Sanitation, as well as projects to meet the demands arising from environmental and operational diagnoses, and the Company's assumptions.

Major construction works completed in 2022

Water Process Management Department's (GPDAG) Operational Control Center (CCO)

Completed in July 2022, the Operational Control Center (CCO in Portuguese) is responsible for controlling and distributing treated water in the area covered by Curitiba's Integrated Water Supply System (SAIC). CCO remotely controls the water system composed of reservoirs, pumping stations, and a wide piping network (water mains and distribution networks) that serves an estimated population of 3.9 million inhabitants, with 795,000 connections to the distribution network, in Curitiba and the Metropolitan Region.

In December 2022, Sanepar completed the elaboration of a PPI in effect from 2023 through 2027, which gives priority to investments designed to meet contract goals in agreements with municipalities, in order to comply with the New Legal Framework for Basic Sanitation.

Expansion of Ortigueira's Water Distribution System

Completed in May 2022, these expansion works included surface abstraction, a raw water pumping station, a water treatment plant, a chemical house, the Surface Reservoir 03 (25 m³), a treated water pumping station, an equalization tank, decantation lagoons, treated water mains, treated water pumping stations, the Surface Reservoir 04, reservoir rehabilitation, water distribution networks, air bleed valves, pressure reducing valves, macro-meters, and electrical installations. The expansion works were essential for the continuity of the system improvement process, ensuring the regularity of supply, full compliance with legislation, and efficiency.



Belém STP
Photographer: André Thiago Chaves Aguiar



Belém STP
Photographer: André Thiago Chaves Aguiar

Implementation of a Sanitary Sewer System in Santa Tereza do Oeste

The works in this system were completed in September 2022, they included the construction of the sewage collection network, house connections, interceptors, a Sewage Treatment Plant composed of an inflow system, a Fluidized Sludge Anaerobic Reactor (RALF in Portuguese), drying sludge beds, lagoons, and an outfall sewer. This project is designed to provide population with a sewage collection and treatment system with adequate effluent disposal, enabling better environmental conditions and quality of life and reducing waterborne diseases.

Implementation of a Sanitary Sewer System in Curiúva

This project included a Sewage Lift Station and a Sewage Treatment Plant (STP). The STP is composed of a preliminary treatment, a sandbox, a waste landfill, a sludge and effluent recircula-

tion lift, among other infrastructures. This project was completed in September and was part of the second stage of the process for implementing the municipality of Curiúva's sewage collection and treatment system, whose first stage was completed in August 2020. The system will provide the city with better environmental conditions, directly benefiting the population and reducing the level of waterborne disease.

Expansion of the Sanitary Sewer System of Curitiba.

Proposed increase of 70% in the STP Belém's capacity, from 1,500 liters, per second to 2,520 liters per second. STP Belém currently treats sewage for around 800,000 residents of Curitiba and São José dos Pinhais, and its effluent is sent to the basins of the Belém, Iguaçu, and Pequeno rivers. The service will be expanded in a phased manner, as the plant was designed to meet the demand growth by 2033. The new capacity started operations in April 2022

In addition, there were several construction works in progress in 2022, with completion expected for 2023, of which we highlight:

- › expansion works of the Water Distribution System of Curitiba and the Metropolitan Region, including Santa Quitéria, Sítio Cercado, and Bacacheri systems;
- › implementation of the Miringuava dam — Phase I, which is part of the Curitiba Metropolitan Region’s master water distribution plan;
- › expansion works of Águas de Guarapuava’s Water Distribution System;
- › surface abstraction from Tapera river, in Laranjeiras do Sul;
- › implementation of the Sanitary Sewage system, with the construction of the Capitão Leônidas Marques Sewage Treatment Plant;
- › expansion works of the sanitary sewage system, with the construction of Pato Branco STP;
- › expansion works of the Campinho STP, in Araçongas, to a treatment capacity of 115 liters per second; and
- › expansion works of the sanitary sewer system with the supply and installation of a Sludge Thermal Drying System at the Atuba Sul STP.

Rural Sanitation

GRI 3-3 - Material topic: Universalization of access to water and sewer

In order to bring health and quality of life to the population of rural areas, Sanepar has the Sanepar Rural Program, which partners with municipalities to carry out water-supply system implementation and/or expansion works. In addition to the works, Sanepar, together with the municipality, promotes social, environmental and social & community awareness campaigns, focusing on conscious water use and the importance of preserving the system.

Every year, the Company allocates 0.15% of revenue from the previous cycle to carry out the Program. In 2022, the Company signed 51 formal partnerships with municipalities to supply drinking water, with investments of around R\$15 million, providing treated water and quality of life to approximately 20,000 Paraná residents living in rural areas.

Based on the concepts of territoriality and co-responsibility of society for the implementation of wells, rural communities are engaged in the process, taking into account their culture and reality, so that they think and act for water source protection, conscious water use, sanitary sewage disposal, and sustainability of their space, adopting good practices on solid waste, agriculture, agrochemicals, savings and consumption, among others.

As water supply in rural communities, due to insufficient infrastructure, is significantly impacted by water crises, Sanepar provides technical and instrumental support to the environmental agency in vulnerable municipalities in the State of Paraná, ensuring water supply.

Economic and financial performance

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Operating costs and expenses	77
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Economic and financial performance

Operating Revenue

Sanepar's Operating Revenue was up by 9.2% versus 2021, mainly due to the water and sewage revenue that grew 9.5% and 9.7% respectively.

Gross Operating Revenue - R\$ million	2021	2022	Var. %
Water Recipe	3,415.2	3,740.6	9.5
Sewage Revenue	1,993.8	2,186.4	9.7
Services Revenue	112.3	106.9	-4.8
Solid Waste Revenue	11.7	12.5	6.8
Services Provided to Municipalities	20.9	22	5.3
Donations Made by Clients	34.2	35.2	2.9
Other Revenues	5.8	6.4	10.3
Total Operating Revenue	5,593.9	6,110.00	9.2
COFINS	-320.2	-359	12.1
PASEP	-69.3	-77.4	11.7
Total Deductions	-389.5	-436.4	12.0
Total Net Operating Revenues	5,204.4	5,673.6	9.0



Social Tariff Bill
Photographer: André Thiago Chaves Aguiar

Operating costs and expenses

Operating costs and expenses increased by 16.8% versus 2021, due to:

17.0% growth in personnel expenses, stemming from the 10.8% salary adjustment on labor charges and benefits regarding the Collective Bargaining Agreement (ACT in Portuguese); 10.5% adjustment regarding SANESAÚDE, in June 2022; labor indemnities amounting to R\$14.9 million; and provision for the indemnity allowance of R\$27.2 million;

31.5% increase in expenses with materials, mainly in treatment materials. Other materials, e.g., system operation material, cleaning and hygiene material, electromechanical maintenance material and network maintenance material also impacted operating costs and expenses;

9.9% growth in depreciation and amortization, mainly due to the beginning of operations of intangible assets and/or fixed assets, from January to December 2022, totaling R\$1,350.3 million (net of write-offs); and

93.5% increase in the Municipal Sanitation and Environmental Management Fund, mainly as a result of the increase in the calculation base related to tariff adjustment and also due to the renegotiation of rates arising from the formalization of the Updated Contractual Terms with the Microregions of Public Water and Sanitary Sewage Services of the State of Paraná.

Operating Costs and Expenses - R\$ million	2021	2022	Var. %
Staff	-1,075.0	-1,257.7	17.0
Materials	-226.4	-300.1	32.6
Electrical Power	-548.2	-529.1	-3.5
Third Party Services	-687.1	-717.9	4.5
Depreciation and Amortization	-394.5	-433.4	9.9
Losses on Realization of Credits	-103.8	-192.2	85.2
Municipal Sanitation Fund - Environmental Management	-69.3	-134.1	93.5
Regulation Fee	-25.8	-27.9	8.1
Indemnities for Damages to Third Parties	-8.1	-8.1	-
Capitalized Expenses	98.6	118.1	19.8
Losses due to Non-Recoverability of Assets	-4.1	-6.6	61.0
Provisions for Contingencies	-71.0	-73.4	3.4
Retirement and Health Care Plan	-57.4	-72.7	26.7
Profit Sharing Program	-80.2	-88.1	9.9
Eventual Losses	-10.3	-0.1	-99.0
Environmental Fines	-3.4	-87.7	2,479.4
Asset Retirement, net	-7.4	-7.6	2.7
Other costs and expenses	-52.3	-66.5	27.2
Total	-3,325.7	-3,885.1	16.8

Financial Result - R\$ million	2021	2022	Var. %
Financial Revenues			
Financial Investments	50.1	167.8	234.9
Asset Monetary Variations	34.4	71.6	108.1
Exchange Variation Assets	1.7	3.6	111.8
Gain on Derivative Financial Instruments	1.5	1.8	20
Other Financial Income	17.6	20.1	14.2
Total Financial Income	105.3	264.9	151.6
Financial Expenses			
Interest and Fees on Financing, Loans, Debentures and Leases	-277.2	-396.2	42.9
Passive Monetary Variations	-94.9	-93.2	-1.8
Passive Exchange Variation	-1.6	-2.5	56.3
Loss with Derivative Financial Instruments	-2.1	-5.1	142.9
Other financial expenses	-4.7	-10.9	131.9
Total Financial Expenses	-380.5	-507.9	33.5
Financial Results	-275.2	-243	-11.7



Capivari - Catchment
Photographer: André Thiago Chaves Aguiar

Net income and EBITDA

Operating Income was down by 4.8% versus 2021 and Net Income decreased by 2.2% compared to the previous year. EBITDA Margin dropped 4.5 p.p., however EBITDA conversion into cash increased 14.7 p.p.

Economic Indicators - R\$ million	2021	2022	Var. %
Net Operating Revenue	5,204.4	5,673.6	9.0%
Operating Profit	1,878.7	1,788.5	-4.8%
Net Income	1,177.6	1,151.5	-2.2%
% Operating Margin*	28.7	25.3	-3.4 p.p.
% Net Margin*	22.6	20.3	-2.3 p.p.
% Profitability on average Net Equity*	15.9	13.9	-2.0 p.p.
Net Debt/EBITDA (Accumulated 12 months)*	1.4	1.7	0.3 p.p.

*Information not audited or not reviewed by independent auditors

EBITDA - R\$ million*	2021	2022	Var. %
Net Income	1,177.6	1,151.5	-2.2
(+) Taxes on net income	425.9	394	-7.5
(+) Financial Results	275.2	243	-11.7
(+) Depreciation and amortization	394.5	433.4	9.9
EBITDA	2,273.2	2,221.9	-2.3
% EBITDA margin	43.7	39.2	-4,5 p.p.
% Conversion of EBITDA to Cash	74.9	89.6	14,7 p.p.

*Information not audited or not reviewed by independent auditors

Investments and debt

Investments hiked 32.1% compared to 2021, while debt stood at 47.2% in 2022.

Investments - R\$ million	2021	2022	Var. %
Water	614.7	688	11.9
Sewage	596.4	918	53.9
Other investments	109.1	138.1	26.6
Totals	1,320.2	1,744.1	32.1



More information on Sanepar's 2022 economic and financial performance are available on the **Earnings Release**.



Stakeholders engagement

Sanepar's stakeholders	81
Customer well-being	84



Photographer: André
Thiago Chaves Aguiar

Sanepar's stakeholders

GRI 2-29



At Sanepar, stakeholder identification is based on the AA 1000 methodology. Scenario analysis and Value Chain validation conducted during the Integrated Planning process provides the grounds for the periodic review of the Company's Stakeholders. These groups comprise the organizations, groups of people or entities that are somehow affected by or affect the Company, both at the institutional and operational levels.

Stakeholder definition for the 2022 reporting cycle was based on the outcomes of the work developed in 2020 and revised in 2021, which was updated with a more modern and comprehensive language, in line with what was observed in

Sanepar's industry peers. The process added the analyzes of updated internal documents on risks and strategy, as well as an assessment of new industry trends, considering B3's [Corporate Sustainability Index methodology](#). As a result, the following stakeholders were prioritized: Granting Authority; Customers and Society; Workforce; Suppliers; Shareholders, Board of Directors and Executive Board; and Regulators.

Sanepar respects and acknowledges its stakeholders and business partners as determining agents for performing its activities and achieving its strategic goals and recognizes the legal, environmental, social and cultural particularities of each one. Due to the influence of these stakeholders on its operations,

performance and image, Sanepar considers that it is necessary to continuously engage them in order to build a relationship in which they trust the Company and its actions to protect the environment, pursue excellence and comply with the legislation. The premises for building this relationship are laid down in the [Sustainability Policy](#).

To understand the needs and expectations of its stakeholders, the Company analyzes qualitative and quantitative information collected through consultations promoted in the different communication channels, such as the website, surveys, and interviews carried out during the preparation of the Materiality and Annual Reports ([see page 15](#)).

36
municipalities
Center-Coast

155
municipalities
Center-East

208
municipalities
West

Granting Authority

Microregions

GRI 3-3 - Material topic: Universalization of access to water and sewer

Complementary State Law 237/2021 created the Microregions, and the municipalities and the State of Paraná began to share the responsibility for the public basic sanitation services, expressing their wishes and decisions through microregion councils. Among these councils' duties are the planning and the developing of guidelines for water distribution, sanitary sewage and urban rainwater management services.

The initiatives are now evaluated on a regional level and consider universalization and other goals set forth by Law for each municipality that is part of the Microregion. Therefore, by December 31, 2022, the municipal basic sanitation plans were replaced by regional plans, one for each Microregion. These plans consider a 30-year horizon for water distribution, sanitary sewage, urban rainwater management services

as well as integration of actions with the Paraná State's Solid Waste Management Plan (PERS-PR).

To meet the investments and conduct civil works required to successfully accomplish the universalization of basic sanitation services in the municipalities, thus reaching the planned goals and indexes, Sanepar seeks alternatives and partners. Hence, the Company has a contract with a consulting company specialized in modeling Public-Private Partnerships (PPP). The Company has already concluded the first of them, the Center -Coast Microregion - MRAE-1 PPP, which will serve 16 municipalities. The project went through public consultation and hearing between June and August 2022, and now follows the other administrative, procedural, and legal steps.

Microregions

3.3

Center-Coast Microregion: with 3.92 million inhabitants, it comprises 36 Municipalities, including Curitiba, São José dos Pinhais and Colombo.

3.4

Center-East Microregion: with 3.64 million inhabitants, it comprises 155 Municipalities, including Londrina, Ponta Grossa and Guarapuava.

3.5

West Microregion: with 3.87 million inhabitants, it comprises 208 Municipalities, including Maringá, Cascavel and Foz do Iguaçu.

Contracts profile

325
municipalities

with contracts
in effect

1
municipality

with sub judge
contract

20
municipalities

with expired
contract

346
municipalities

in total

Contracts

Sanepar serves 346 municipalities, of which 325 have contracts in effect, one has a sub judge contract and the others have expired, but are still in operation. The contracts in force include 180 program contracts, that is, signed after the enactment of Federal Law 11.445/07, and the other 146 are prior to the 2007 framework, therefore concession contracts.

Negotiations with municipalities that have expired contracts, aiming to renewal concessions (formalization of contracts), remain on hold due to the restrictions imposed by the New Legal Framework for Basic Sanitation. Hence, Sanepar formalized a Technical Cooperation Agreement (*Termo de Cooperação Técnica*) with the Microregions State Departments, who are responsible for the services; and, in compliance with Federal Decree 10.588/2020, amended by Federal Decree 11.030/2022, through Paranaidade, hired a specialized consulting company, previously screened by a federal financial institution, to prepare the necessary studies and the modeling for providing sanitation services at regional level in the state. Such studies and modeling include, among



With the institution of the Microregions, the ownership of public sanitation services began to be shared by the Municipalities and the State of Paraná

other definitions, the regularization of the 43 expired contracts; those that will expire in 2023, or that did not have their economic and financial capacity attested by the State Regulatory Agency in the process of adequacy and inclusion of the minimum goals required by the legislation for the universalization of sanitation services. This regularization must take place by March 31, 2025.

To meet the legal, regulatory and other requirements in effect for basic sanitation in Brazil, on March 30,

2022, Sanepar completed the process of adapting and updating its contracts in force with the municipalities, through the Microregions. This movement was possible through the formalization of contract update terms for the provision of water supply and sanitary sewage public services at regional level, which include the minimum mandatory targets and indicators for the universalization of basic sanitation for the urban population by 2033. Contractual update terms were formalized for 331 contracts in effect with the municipalities served by Sanepar.

Customer well-being

GRI 3-3 - Material topic Customer relations and satisfaction

Customer satisfaction is Sanepar's main strategic commercial goal. Meeting the demands of this public while preventing negative impacts on the environment and society is a key challenge for the Company's success, as well as an essential condition to create a virtuous cycle between satisfaction, loyalty and value creation.

Sanepar has two types of customers: the Granting Authority, which demands the public basic sanitation services, and the end consumer. On December 31, 2022, end consumers totaled 4.2 million water economies and 3.3 million sewage economies.



Customer satisfaction is Sanepar's main strategic commercial goal

Number of water economies by category in 2022

IF-WM-000.A

Residential	3,844,790
Commercial	325,940
Industrial	13,985
Public Utility	24,537
Public Power	27,472
Total	4,236,724

Number of sewage economies by category in 2022

IF-WM-000.A

Residential	2,986,106
Commercial	272,285
Industrial	6,544
Public Utility	16,246
Public Power	15,493
Total	3,296,674

Customers and the Granting Authority are important guidelines of Sanepar's Strategic Map, through which the Company pledges its commitment to maintaining and expanding the market, increasing satisfaction and loyalty, in addition to strengthening its reputation. Sanepar's commitments to its customers are set forth in Law 11,445/2007 (the Sanitation Law), in the Municipal Basic Sanitation Plans, in the Consumer Defense Code, in the Basic Sanitation Services Regulation for the State of Paraná (Attachment to Resolution 003/2020 - Agepar) and in its strategic guidelines. Customer relations are guided by the Customer Policy.

Regularity in water supply, quality of distributed water, quality of sanitary sewage services, overall services rendered, tariffs, universalization of basic sanitation and collection of urban solid waste where the Company makes this service available are some of the customers' needs and expectations that Sanepar must manage.

Highlights of the 2022 annual customer satisfaction survey



Satisfaction with water quality **79.5%**

Satisfaction with service received in customer channels **80.5%**

Satisfaction with supply continuity **79.1%**

Sanepar's image **81.5%**

Customers prefer Sanepar to continue providing sanitation services **87.3%**



In order to transparently manage these needs and expectations, thus strengthening the relationship with customers, Sanepar is increasingly investing in innovation and technology. The Sanepar Mobile and Sanepar *WhatsApp* are examples of tools that enable customers to make consultations, requests and services online, in order to increase their satisfaction and speed up service. The Company also modernized the in-person relationship centers, implemented the Digital Invoice and created the Credit Recovery Program for Active and Inactive Private Customers, for paying overdue amounts at special conditions. Sanepar also offers other channels, such as e-mail, call center, self-service totems, Ombudsman and uses SMS and QR Code to pass on and provide information to customers. Customers can use them to request services, clear doubts, submit compliments and complaints, among other interactions.

In January 2021, Sanepar launched the Credit Recovery Program for Active and Inactive Private Customers (RECLIP in Portuguese), which was in effect until November 30, 2021 and enabled the Company to renegotiate overdue invoices at special conditions. To continue mitigating the economic impacts exerted by the pandemic on the population, the Company launched RECLIP/2022, in July 2022, with flexible renegotiation rules (waiver of the down payment, withdrawal of the fine, installment plan in up to 60 installments) and lower interest rates (0.3% per month) for the payments.

Sanepar conducts surveys to assess customer satisfaction. Monthly, regional surveys are carried out at the Relationship and After-Sales Centers, to evaluate after-sales service. There is also a

consultation carried out after customer service via toll-free telephone calls, with a satisfaction level of over 90%. Surveys are also conducted annually with residential and non-residential customers by a specialized company. The results obtained in each of the situations generate action plans to increase the loyalty and satisfaction of external customers.

Internally, the audit department oversees the relationship process in the departments that have and manage relationship with customers, pointing out deviations and making recommendations. Additionally, strategic indicators are assessed, among which the External Customer Satisfaction Index (ISCE in Portuguese), whose target for 2022 was 77.5%, related to Increasing Customer Satisfaction and Loyalty. Sanepar exceeded this target, reaching 79.1%.

Customer Policy

Sanepar's Customer Policy is currently being revised. Employees have been requested to participate in this process, expressing their opinion on what should guide Sanepar's relationship with customers, what is the current status of this relationship and suggestions on how to innovate. More than 1,200 employees participated and Officers and the Board of Directors were interviewed to make contributions. Sanepar is also considering the expectations and demands raised in the customer satisfaction surveys.

The results obtained in these stages were classified to identify opportunities and threats, which will provide subsidies to define new guidelines. The new Policy's proposal will be presented to the Integrated Planning Committee and to the Executive Board. Afterwards, it will be submitted to the Board of Directors and should be published in the first half of 2023.

Considering the survey results, it is important to value and disseminate the online channels, aiming at improving the communication, agility and meeting customers' expectations.

Sanepar frequently carries out market analysis with companies in the sanitation industry and other companies in Paraná. Externally, the Company undergoes ISO 9001 quality management certification, and National Sanitation Information System evaluation.

Social impact

GRI 3-3 - Material topic: Universalization of access to water and sewer, 203- 1

Aware of the social importance of the services it provides, Sanepar seeks to provide customers with mechanisms to ensure supply, regardless of the context and vulnerability. The main initiative designed to reach this goal is the *Água Solidária* (Solidary Water) program, which caters to low-income families, identified in partnership with the State Department of Justice, Family and Work (SEJUF in Portuguese) in neighborhoods with the lowest Human Development Index (HDI) who meet the requirements established in the legislation.

In 2022, these families paid R\$12.10 to consume up to five cubic meters, while the normal tariff was R\$45.25. For water and sewage, the social tariff was R\$18.16, and the regular tariff was R\$81.45 in the entire State, except for Curitiba, where it was R\$83.71. The Program also allowed registered families to postpone bill due dates by 90 days. In 2022, the initiative served 300,600 families, 80,700 more than in 2021. The benefits granted by the Program totaled R\$210 million in 2022.

The Micro and Small Commerce Special Tariff benefits customers who carry out commercial activities and are eligible for the ICMS Exemption Program of the State Government, with total annual revenue within the limit established in the State Decree, as micro and small enterprises or individual microentrepreneurs (MEI). It benefited 2.9% of the commercial economies served by Sanepar, totaling a subsidy of R\$6.7 million in 2022.



Water tanks delivery in Superagui
Photographer: André Thiago Chaves Aguiar

The Philanthropic Entities Special Tariff benefits non-profit institutions that are officially registered with public bodies and provide services to the community in the form of charity and fund their operations with volunteer actions and donations from Federal, State and Municipal Governments and society. It benefited 2% of the public utility economies served by Sanepar, totaling a subsidy of R\$6.7 million in 2022.

Sanepar also has the *Caixa d'Água Boa* (Good Water Tank) project, in partnership with the Paraná State Government, represented by the Secretary of Justice, Family and Work (SEJUF in Portuguese), with the participation of the municipalities. This initiative benefits socially vulnerable families in Paraná State by

offering free 500-liter water tank kits to be installed in their homes, playing an important role in helping families face the recent pandemic and water crisis. To fund installation and training expenses, SEJUF pays the registered families R\$1,000 in financial aid.

In 2022, the program benefited approximately 1,500 families from 54 municipalities. In 2022, Sanepar invested R\$2.4 million in the program, which won the SESI SDG award in the public sector category in 2021. This award is given annually by the Social Service and Industry Institution - SESI to recognize industries, companies, public institutions, civil society organizations and educational institutions that work towards the Sustainable Development Goals in Paraná.

Sanepar also waives the charge of the first sewage connection for residential customers living in municipalities that have not yet reached a sanitary sewer index of 90%. This initiative benefited 41,000 families in 2022, with a subsidy of R\$8.3 million. Also in 2022, the Company continued the practice of not cutting the water supply due to a lack of payment.



Regularity in water supply

GRI 3-3 Material topic: Regularity in water supply | SASB IF-WU-240a.3

Sanepar operates under the principle that “there must be no shortage of water”, which is one of the goals established in the service contract with the municipalities. Therefore, the Company seeks to provide conditions for the full supply of water, from system conception, their engineering and construction, to their operation, complying with the related Brazilian Standards and Agepar’s Regulation of Water and Sewerage Services in the State of Paraná.

The guarantee of supply is based on mapping the water process, regulations, investment planning in five-year cycles, conception studies and master plans, and operational diagnosis instruments with short, medium and long-term time frames. The Company also runs a loss control and reduction program focused on operational improvements and optimization. Services are interrupted only if necessary, whether due to system maintenance, expansion works or during dry periods, when rotation is required.

Sanepar’s efficiency in maintaining regularity in water supply is assessed by means of operational, managerial and strategic indicators, among which are IPL, ICP, and IDP, as detailed below.

Loss per Connection Index (IPL):

measures the volume of water lost in unit terms, per active connection (liters per connection per day). It is the difference between the produced or distributed macro metered volume of water and the micro metered volume measured by the Company to the end consumers. IPL 2022: 222.67 L/ connection/day.

Demand x Production Index (IDP):

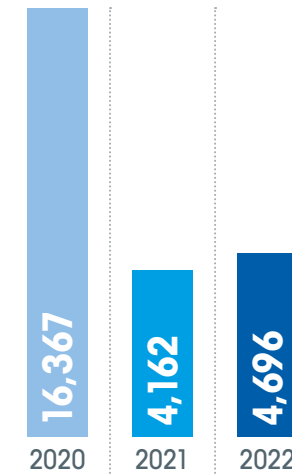
demonstrates how much production capacity to meet maximum daily demand is compromised. IDP 2022: 88.53%.

Conformity to the Potability Standard Index (ICP):

shows in percentage how well the analyzed parameters meet the limits set by the legislation in force. ICP 2022: 99.91% compliance.

Number of unplanned service disruptions, and customers affected, each by duration category

SASB IF-WU-450a.3



Note: the correct number of interruptions longer than four hours that occurred in 2020 was 3,914 - 12,453 interruptions were mistakenly recorded in the Apucarana Management Department.

Meta20 Campaign

In 2020, Sanepar launched the Meta20 campaign to encourage the population to reduce their water consumption by 20%. Advertised in print, electronic and social media, the campaign offered information on the rational use of water, raising customers’ awareness and encouraging them to properly use the resource. It was successful, winning, in 2022, the Sesi 2021 SDG Award in the Innovation Category. Even after the end of the water crisis, in early 2022, and with reservoirs back at normal levels, customers maintained an average saving of 17% in water consumption.



Sanepar's Employees
Photographer: André Thiago Chaves Aguiar

People management

GRI 3-3 - Material topic: Management of own and third-party employees

In June 2021, Sanepar launched its People Management Policy, designed to align the elements of corporate culture, such as Mission, Vision, Values and strategic goals, with employee profiles. The document presents guidelines to promote a safe, healthy, inspiring and innovative work environment that values knowledge, skills and attitudes, and provides equal opportunities, respect for plurality, diversity and equity.

Sanepar's people management is in compliance with labor legislation and respect for human rights. In this sense, in 2022, the Company continued to work to mitigate the risks associated with these two topics, promoting constant studies and immediate implementation of practices, as well as updating guidelines and rules according to changes in legislation.

The Company offered more flexible forms of work to approximately 10% of its staff, contributing to a better work-life balance, quality of life and urban mobility.

Attentive to the last point, Sanepar has been negotiating sensitive themes of interest to related parties in its Collective Bargaining Agreement (ACT in Portuguese), including implementation of telework as set forth in Brazilian labor legislation and continued remote work, despite the lifting of the social isolation measures imposed by the pandemic. The Company offered more flexible forms of work to approximately 10% of its staff, contributing to a better work-life balance, quality of life and urban mobility. The Collective Bargaining Agreement in effect for 2022 also advocated for the rights and protection of victims of domestic violence, legal assistance to employees in the performance of their duties, extension of maternity and paternity leaves, employee capacity building and incentive for education, in the form of financial aid for uniforms and school supplies.

The efficiency of Sanepar's people management practices is evaluated by checking implemented actions and routines, internal audits, and comments and complaints received through the official channel (see page 55) and the Ombudsman's Office. It is also checked through feedback received by the leaders and via the biannual employee satisfaction survey, called *Fale Francamente* (Speak Frankly).

The people management indicators monitored by the Company on a monthly basis and analyzed on a yearly basis are the Workforce Training Index, the Training Plan Compliance Rate, Standby Hours, Overtime and the Personnel Creativity Index. There is also a biannual employee satisfaction index. Sanepar is also required by law to measure occupational safety indicators monthly, including the Work Accident Frequency Rate and the Work Accident Severity Index, as established in Workplace Safety Regulations. Indicator targets and objectives are established based on the previous history and the current context, considering interferences and ongoing projects.

Employee profile and diversity

Sanepar's own workforce is composed of employees hired through a competitive civil-service examination and employees hired before the introduction of competitive civil-service examinations, i.e., before the Federal Constitution of 1988. The Company does not have temporary employees or employees without guaranteed hours (employees who are not guaranteed a minimum or fixed number of working hours per day, week or month, but must be available for work when required).



All active own employees are covered by collective bargaining agreements. Third-party employees are not covered by collective bargaining agreements.

Employee satisfaction

The Employee Satisfaction Index, measured by the 2022 edition of Fale Francamente, covered 2021 and 2022 and addressed benefits and amenities, internal communication, working conditions, company reputation and direction, integrity, credibility and compensation, among other topics. Two new topics were included in the survey: Respect, and Pride and Engagement. Around 75% of employees (4,881 people) answered the survey, exceeding the expectation (70% of participation). The corporate result showed a satisfaction index of 77.45%, surpassing the target of 75%.

The newly inserted theme Pride and Engagement had one of the best satisfaction rates: 82.82%. Within this theme, the questions on happiness and the level of satisfaction in working for the Company had the highest rates: 84.59% and 83.95%, respectively. The management departments received the results of their evaluations to prepare action plans for improvement in the themes with a rate below 75%. The evolution is monitored periodically vis-à-vis the established targets.

In December 2022, Sanepar had 6,199 own employees and 6,254 third-party employees, totaling a workforce of 12,453 people. Of the total number of own employees, 79% were men and 21% were women. Other staff diversity indicators are presented below. In 2022, the turnover rate was 1.25%. **GRI 401-1**

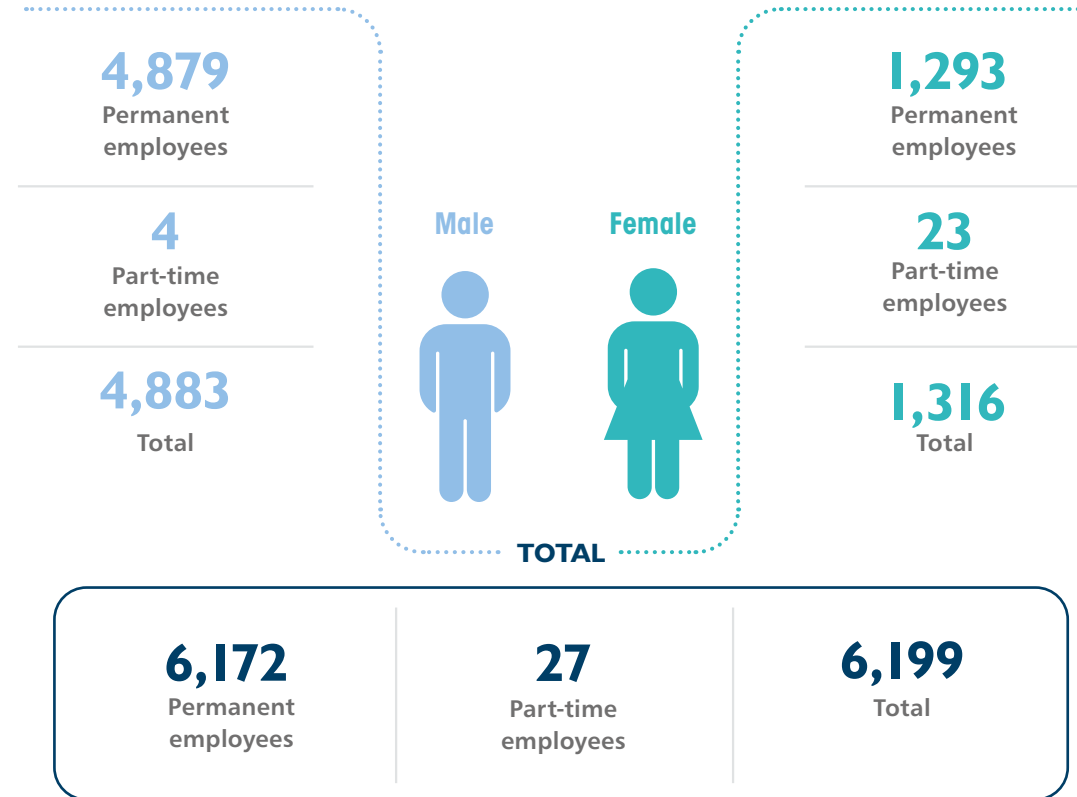
All active own employees are covered by collective bargaining agreements. Third-party employees are not covered by collective bargaining agreements. Sanepar randomly inspects/examines the annotations on the Labor and Social Security Cards of these professionals, in order to check the veracity of the information provided by the contractor company vis-à-vis what was actually contracted and the legal provisions in effect. The Company also investigates matters related to safety equipment, medical examinations and payment of payroll taxes, among others. Such actions are set out in the Contract Management and Inspection Manual ([see page 103](#)). **GRI 2-30 | SASB IF-WM-310a.1**

Employees

GRI 2-7

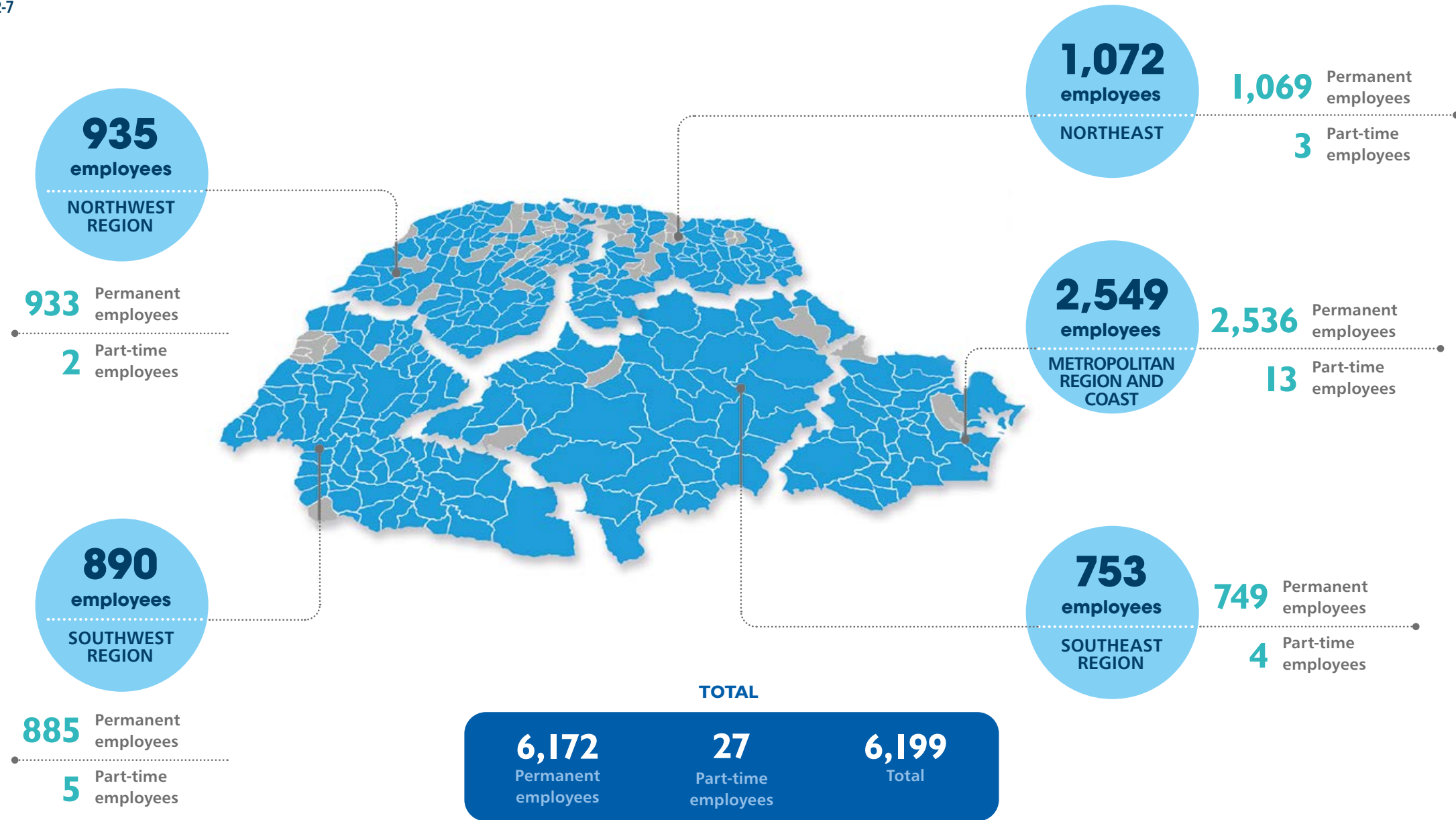
Employee information by gender

GRI 2-7



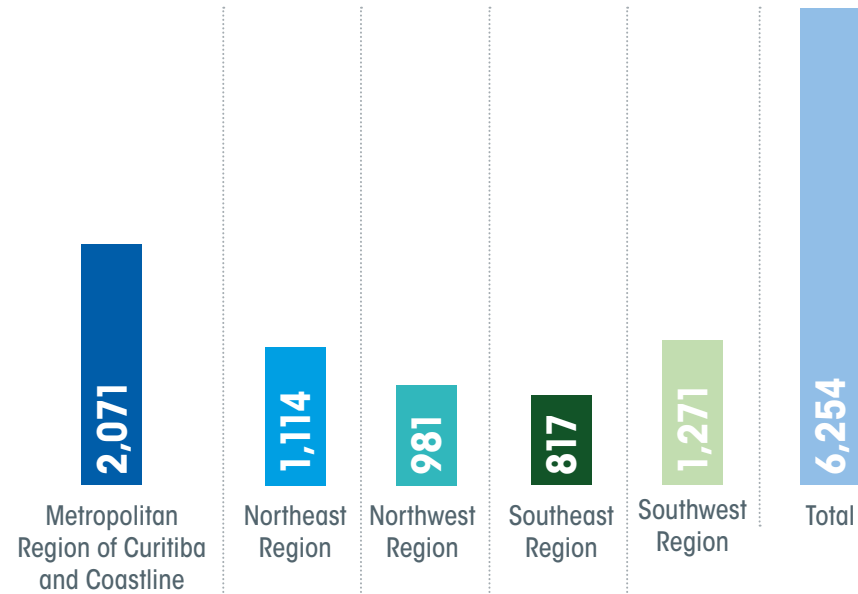
Sanepar has only permanent and part-time employees. Does not include apprentices and interns.

Employee information, by region of the State of Paraná
GRI 2-7



Sanepar has only permanent and part-time employees. Does not include apprentices and interns.

Number of outsourced employees GRI 2-8



Note: Sanepar did not control information in third-party employees broken down by region until 2021, when this improvement was implemented. The work performed by these employees includes: cleaning, surveillance, water meter reading services, cutting water connections, telephone customer service, maintenance services for water and sewage networks, and sewage treatment services.

Employee turnover GRI 401-1

GRI 401-1

	Total admissions	Admission rate (%)	Total shutdowns	Turnover rate (%)
Male	0	0.00%	70	1.43%
Female	1	0.07%	12	0.91%
Total	1	0.02%	82	1.32%
Under 30 years	0	0.00%	3	2.75%
Between 30 and 50 years	1	0.03%	35	0.90%
Over 50 years	0	0.00%	44	2.02%
Metropolitan Region of Curitiba and Coastline	1	0.04%	28	1.10%
Northeast Region	0	0.00%	10	0.93%
Northwest Region	0	0.00%	20	2.14%
Southeast Region	0	0.00%	11	1.46%
Southwest Region	0	0.00%	13	1.46%

Note: Total employees disclosed in indicator GRI 2-7 are considered for calculating hire and turnover rates¹ by region, therefore excluding interns and apprentices.

Percentage of employees by employee category, by gender

GRI 405-1

Functional Category	Gender	2022	
		Total	%
Board of Directors - Non-Employee	Male	5	83.3%
	Female	1	16.7%
	Total	6	100.0%
Board of Directors - Employee	Male	2	66.7%
	Female	1	33.3%
	Total	3	100.0%
Managerial	Male	235	73.2%
	Female	86	26.8%
	Total	321	100.0%
Professional	Male	443	66.9%
	Female	219	33.1%
	Total	662	100.0%
Technical	Male	671	78.8%
	Female	181	21.2%
	Total	852	100.0%

Functional Category	Gender	2022	
		Total	%
Operational	Male	3,527	81.0%
	Female	828	19.0%
	Total	4,355	100.0%
Interns	Male	55	47.4%
	Female	61	52.6%
	Total	116	100.0%
Apprentices	Male	84	35.4%
	Female	153	64.6%
	Total	237	100.0%
Total	Male	5,022	76.6%
	Female	1,530	23.4%
	Total	6,552	100.0%

Percentage of employees per functional category by age group

GRI 405-1

Functional Category	Age group	2022	
		Total	%
Board of Directors - Non-Employee	Under 30 years	0	0.0%
	30 – 50 years	1	16.7%
	Over 50 years	5	83.3%
	Total	6	100.0%
Board of Directors – Employee	Under 30 years	0	0.0%
	30 – 50 years	0	0.0%
	Over 50 years	3	100.0%
	Total	3	100.0%
Managerial	Under 30 years	2	0.6%
	30 – 50 years	228	71.0%
	Over 50 years	91	28.3%
	Total	321	100.0%
Professional	Under 30 years	1	0.2%
	30 – 50 years	415	62.7%
	Over 50 years	246	37.2%
	Total	662	100.0%
Technical	Under 30 years	19	2.2%
	30 – 50 years	546	64.1%
	Over 50 years	287	33.7%
	Total	852	100.0%

Functional Category	Age group	2022	
		Total	%
Operational	Under 30 years	87	2.0%
	30 – 50 years	2.717	62.4%
	Over 50 years	1,551	35.6%
	Total	4,355	100.0%
Interns	Under 30 years	104	89.7%
	30 – 50 years	12	10.3%
	Over 50 years	0	0.0%
	Total	116	100.0%
Apprentices	Under 30 years	237	100.0%
	30 – 50 years	0	0.0%
	Acima de 50 anos	0	0.0%
	Total	237	100.0%
Total	Under 30 years	450	6.9%
	30 – 50 years	3,919	59.8%
	Over 50 years	2,183	33.3%
	Total geral	6,552	100.0%

Percentage of employees by employee category, by color and/or race

GRI 405-1

Functional Category	Color or race	2022	
		Total	%
Board of Directors - Non-Employee	Black	0	0.0%
	Brown	0	0.0%
	White	6	100.0%
	Indigenous	0	0.0%
	Yellow	0	0.0%
	Total	6	100.0%
Board of Directors - Employee	Black	0	0.0%
	Brown	0	0.0%
	White	3	100.0%
	Indigenous	0	0.0%
	Yellow	0	0.0%
	Total	3	100.0%
Managerial	Black	9	2.8%
	Brown	0	0.0%
	White	309	96.3%
	Indigenous	0	0.0%
	Yellow	3	0.9%
	Total	321	100.0%
Professional	Black	25	3.8%
	Brown	0	0.0%
	White	630	95.2%
	Indigenous	0	0.0%
	Yellow	7	1.1%
	Total	662	100.0%

Functional Category	Color or race	2022	
		Total	%
Technical	Black	44	5.2%
	Brown	5	0.6%
	White	801	94.0%
	Indigenous	0	0.0%
	Yellow	2	0.2%
	Total	852	100.0%
Operational	Black	238	5.5%
	Brown	36	0.8%
	White	4,071	93.5%
	Indigenous	0	0.0%
	Yellow	10	0.2%
	Total	4,355	100.0%
Interns	Black	3	2.6%
	Brown	25	21.6%
	White	83	71.6%
	Indigenous	0	0.0%
	Yellow	5	4.3%
	Total	116	100.0%
Total	Black	319	5.1%
	Brown	66	1.0%
	White	5,903	93.5%
	Indigenous	0	0.0%
	Yellow	27	0.4%
	Total	6,315	100.0%

Note: Sanepar does not have data on Apprentices broken down by color and/or race.

Percentage of employees per functional category, by PwD's

GRI 405-1

Functional Category	PwD	2022	
		Total	%
Board of Directors - Non-Employee	People with disabilities	0	0.0%
	People without disabilities	6	100.0%
	Total	6	100.0%
Board of Directors - Employee	People with disabilities	0	0.0%
	People without disabilities	3	100.0%
	Total	3	100.0%
Managerial	People with disabilities	0	0.0%
	People without disabilities	321	100.0%
	Total	321	100.0%
Professional	People with disabilities	6	0.9%
	People without disabilities	656	99.1%
	Total	662	100.0%
Technical	People with disabilities	8	0.9%
	People without disabilities	844	99.1%
	Total	852	100.0%

Functional Category	PwD	2022	
		Total	%
Operational	People with disabilities	84	1.9%
	People without disabilities	4,271	98.1%
	Total	4,355	100.0%
Interns	People with disabilities	0	0.0%
	People without disabilities	116	100.0%
	Total	116	100.0%
Apprentices	People with disabilities	0	0.0%
	People without disabilities	237	100.0%
	Total	237	100.0%
Total	People with disabilities	98	1.5%
	People without disabilities	6,454	98.5%
	Total	6,552	100.0%

Diversity and inclusion

To further promote diversity and inclusion in its workforce, in 2022, Sanepar created the EXISTIR Committee, a representative group composed of a press communications assistant, a computer analyst, administrative support agents, a compliance coordinator and an occupational safety technician, including people with disabilities, people from different ethnicities, people with different gender identities and sexual orientations, and others. This committee is responsible for handling issues related to people with disabilities, gender equity, LGBTQIA+, ethnicities and age; working to eradicate discrimination; and promoting equal opportunities at Sanepar.

Since 2016, Sanepar has been a signatory to the Sustainable Development Goals (SDGs) and, in 2017, the Company became a signatory of the Women's Empowerment Principles (WEPs), being the first company in the sanitation industry to join it. Both initiatives are run by the United Nations. One of the WEPs is treating women fairly at work, which includes offering women salary and benefits compatible with those of men. In this sense, there is little variation in compensation at Sanepar – see the table below. The average base salary of female employees is 4.78% higher than the average base salary of male employees, considering people of all specialties in operational, technical and professional careers. **GRI 405-2**

Ratio of remuneration of women to men

GRI 405-2

	2020	2021	2022
Board of Directors and Committees	0.00%	0.00%	0.00%
Executive Board - Not Employed	13.81%	13.81%	13.81%
Executive Board - Employee	2.80%	3.08%	2.56%
Managerial	7.28%	6.63%	2.47%
Professional	-7.64%	-6.62%	-8.01%
Technician	-10.41%	-11.20%	-10.91%
Operational	-2.07%	-1.90%	-1.04%
Interns	0.00%	0.00%	0.00%
Apprentices	0.00%	0.00%	0.00%

Since 2016, Sanepar has been closely monitoring the share of Black people and people with disabilities in its staff. For people with disabilities, in particular, the Company, through Fundações Sanepar and SaneSaúde, runs a program that defrays several expenses, according to the salary range, to help in the treatment, development and social integration of the employee or their

dependents, as applicable, in addition to special schools for specific treatments. Sanepar also introduced a reduction of up to 50% in the working hours, with no impact on pay, for employees who have special-needs children that require treatment and support. The criteria are set out in the Collective Bargaining Agreement, ensuring this benefit to all workers in these conditions.



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Discrimination

GRI 406-1

In 2022, there were four reports of discrimination in the Whistleblower Channel. All the reports were analyzed and addressed individually but were found to be groundless due to a lack of materiality and/or elements evidencing the act of discrimination, therefore resulting in no disciplinary measure. However, Sanepar discussed each situation with the managers of the department in question and has discussions with the teams about acceptable and unacceptable behavior at the Company. It is worth noting that Sanepar repudiates any and all forms of discrimination and/or prejudice.

Development and knowledge management

GRI 404-2

Sanepar designs and implements training matrices in order to disseminate knowledge to the entire Company. The matrices are part of the learning trails, divided into:

- › Corporate: courses for all Company workers;
- › Functional: job-specific courses;
- › Occupational safety: job-specific occupational safety courses;
- › Leadership: courses for line managers – general managers, managers, coordinators and supervisors; and
- › One-off courses defined by the areas.

The trails are available on Sanepar's distance learning platform. In-person courses, especially Occupational Safety courses – NR 33 - Safety in Confined Spaces,

NR 35 - Safety at Height and NR 10 - Safety in Electricity Services –, are organized according to a schedule defined by the entities hired to deliver the courses and the Company's departments that need these courses.

Job-specific training matrices allow the necessary capacity building for employees facing job changes and/or new challenges and processes. Employees should attend one-off courses throughout their careers, as they impart personal and professional knowledge. In 2022, total training hours amounted to 982,770.



Fazenda Rio Grande - Emergency Water Supply
Photographer: André Thiago Chaves Aguiar

Performance assessment

Sanepar employees annually undergo performance assessment, except for employees hired less than 12 months ago, employees who worked less than 120 days in the evaluation cycle, employees assigned to other institutions for more than two months, employees whose employment contract was terminated (with or without cause, voluntary termination, retirement and trial period) in the evaluated period and members of the Executive Board. In 2022, 99.6% of employees underwent this type of evaluation.

Employees who have undergone performance evaluation, by professional category

GRI 404-3

	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Higher	620	307	558	266	552	266
Professional Technician	771	208	713	193	191	699
Operational (middle level)	4,044	959	3,663	859	3,614	853
Total	5,435	1,474	4,934	1,318	4,357	1,818

Reduction of
50%

in the number of high-consequence work-related injuries in relation to 2021

16%

reduction in the number of recordable work-related injuries in relation to 2021

Occupational health and safety

GRI 403-1, 403-7

In 2022, Sanepar began implementing an occupational health and safety management system. The Company created a group to list requirements and hire a consultancy company to make a diagnosis of its current safety culture and prepare short-, medium- and long-term action plans to develop it.

Throughout the year, Sanepar also reassessed the dangers and risks of the workplaces in all its facilities. The initiative is in addition to the periodic safety inspections, conducted by its technical team and members of one of the 60 Internal Committees on Accident Prevention (Cipas in Portuguese) distributed in Paraná State. This activity resulted in the creation of the Occupational Risk Management Program and the development, together with the management departments, of an annual action plan to improve processes and mitigate risks. It also allows the identification of occasional deviations, which are reported to the management departments for correction.

Work-related injuries

GRI 403-9

	2020	2021	2022
The number of fatalities as a result of work-related injury	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	9	4	2
The rate of high-consequence work-related injuries (excluding fatalities)	1	0	0
The number of recordable work-related injuries	149	129	108
The rate of recordable work-related injuries	12	11	10
Number of hours worked	12,763,457.61	11,558,798.35	10,903,372.78

Note: Sanepar does not control accidents for third-party employees; in the Safety Management of Third Parties procedure (PGSTC), contractors are asked to inform the accidents that have occurred, but there is no control over the accidents.

Suppliers

GRI 2-6, 3-3 – Governance and transparency

Sanepar's main supplier categories operate in the areas of engineering works and services; operational materials and services; administrative and infrastructure services and materials; inputs for direct use in sanitation and water and sewage treatment, such as chemicals; information technology ser-

vices; and electricity. Sanepar had 445 registered suppliers in 2022. A total of R\$3.18 billion was paid to suppliers in 2022.

The table below shows the main categories of payments made to suppliers in 2022 and the respective amounts.

As Sanepar is a mixed-capital company, all acquisitions must be made through bidding processes, based on the Bidding, Contract and Partnership Internal Regulations (RILC in Portuguese), which establish the procedures to be followed to meet the procurement strategy and internal standards, in addition to Federal Law 13,303/2016, known as Lei das Estatais (State-owned Companies Law). All these acquisitions are made under contractual relationships lasting 12 to 24 months, for the most part.

Sanepar maintains a register of suppliers, which enables companies to participate in procurement processes through the analysis of tax certificates, articles of association and supply certificates. For the technical qualification of materials, suppliers must pre-qualify their brand with the quality control team.

A strategic plan is underway at the Company to structure and strengthen supplier management, with the aim to develop a methodology to identify and classify suppliers and the main products, risks and impacts of the supply chain, thus ensuring alignment with the best market practices and sustainability benchmarks.

To train employees engaged in supplier management, Sanepar has developed mandatory training on the RILC, Law 13,303 and Direct Procurement. The courses are held on the Distance Learning Platform, available on the Intranet, and employees are only allowed access to the Company's decentralized procurement system after they complete the courses.

Main categories	Amounts paid in 2022	Quantity of Suppliers
Construction and Engineering Services	R\$ 1,229,872,879.57	428
Materials and Operational Services	R\$ 676,016,384.64	1,436
Electrical Power	R\$ 565,936,304.62	13
Adm. and Infrastructure Materials and Services	R\$ 268,645,051.34	5,426
Treatment Chemicals	R\$ 199,118,520.62	34
Others	R\$ 191,817,442.42	658
IT Services	R\$ 50,020,108.43	48
Total	R\$ 3,181,426,691.64	8,043

Revision of Internal Regulations

As of March 2023, Sanepar will adopt revised versions of the Bidding, Contract and Partnership Internal Regulations (RILC in Portuguese) and the Contract Management and Oversight Manual; it will also add new features to the Contract Management System (GESCON in Portuguese). On the occasion, Sanepar managers will receive training with an emphasis on the best contract management practices, including social, labor and social security practices.

The revised RILC provides for an exemption from the bidding rules when the choice of partner is associated with its specific characteristics or innovative processes, products or services, linked, in any case, to defined and specific business opportunities, and with justified commercial

advantage and impracticality of conducting a bidding process. Meanwhile, the new Contract Management and Oversight Manual proposes the inclusion in the bidding notices of a requirement for a 10% guarantee for contracts whose purpose is the hiring of dedicated labor – until then, the percentage was 5%. This change will enable Sanepar to select suppliers that are better qualified financially, as the provision of a higher guarantee demands sound financial conditions and the support of financial or insurance institutions, which conduct a prior risk analysis.

The new regulations require compliance with all the provisions of the Integrity Program for Third Parties ([see page 104](#)).



As of March 2023, Sanepar will adopt revised versions of the Bidding, Contract and Partnership Internal Regulations (RILC in Portuguese) and the Contract Management and Oversight Manual; it will also add new features to the Contract Management system (GESCON in Portuguese).



Miringuava Dam
Photographer: André Thiago Chaves Aguiar

Third-party integrity

GRI 3-3 – Corporate governance and transparency

Committed to integrity and best governance, risk and compliance practices, Sanepar, in order to minimize negative impacts in its business relations, requires companies that enter into contracts, consortia, agreements, concessions or public-private partnerships with it to comply with its Integrity Program and Integrity Program for Third Parties. The purpose is to mitigate risks directly or indirectly associated with the supply chain, including those related to integrity, procurement corruption, extortion and bribery; the environment, including environmental disasters and non-compliance with

the environmental legislation; social issues, including child or forced labor; human rights violations; and failure to meet the required/contracted quality for products and services.

The Company also conducts due diligence and background checks of its new business partners, evaluating their practices, actions and reputation.

If suppliers fail to meet the requirements set out by Sanepar, either in its contractual clauses or in its Code of Conduct for Suppliers and Business Partners, the Company starts administrative proceedings for contract termination or suspension, and application of penalties.

Third-party evaluation

GRI 3-3 – Corporate governance and transparency

The departments that manage the contracts are responsible for conducting supplier performance evaluations based on measurement, inspection and criteria defined in Sanepar's Normative System, bidding notices and contractual terms of reference. The evaluation of service providers of the Maintenance Management System (SGM in Portuguese) and the

Sewage Maintenance System (SME in Portuguese) is carried out following specific internal regulations and includes daily checking of compliance parameters and generation of monthly indexes. Complaints about the Company can be sent via 0800, Contact Us, website, the Ombudsman's office, call centers and WhatsApp. Management audits can also be performed.



Sanepar conducts due diligence and background checks of its new business partners, evaluating their practices, actions and reputation.

Relationship with the communities

GRI 413-1, 413-2

One of Sanepar’s strategic goals is to promote Social Responsibility, demonstrating its public commitment to defining strategies to fulfill its purpose to provide Health and Sustainability for Society. Through its Social and Environmental Education Management Department, it works with the community on four main aspects: Social and Environmental Intervention in Sanitation Projects, managing its impacts on the community and promoting the participation of society in discussions related to its projects; Protection and Conservation of Springs, with social and environmental mobilization and intervention actions aimed at engaging the surrounding population in the management of impacts and conservation of water resources; fostering the embodiment of priority Sustainable Development Goals by the staff and mobilizing the population to engage in the achievement of SDGs; and Museum Education, through projects that contribute to encouraging and ensuring an educational process focused on individuals and their interaction with society, as well as recovering, preserving and disseminating the memory of sanitation.

In 2022, Sanepar began the process of hiring a specialized consulting firm to evaluate the effectiveness of its social responsibility programs and projects. The work will include a qualitative and quantitative diagnosis, to be obtained by means of interviews with external stakeholders, the granting authority, customers and society; an evaluation of the effectiveness of initiatives and the proposal of improvement strategies; and a final report. This will help the Company promote, foster and align the actions in its strategic plans in order to optimize positive social impacts on the communities where it operates through structured programs and projects.

In the same year, the Company began preparing terms of reference for a participative social and environmental diagnosis in watershed springs, including the collection of primary data on the environmental, social and economic aspects of the communities; analysis of how the communities perceive the environmental aspects and impacts related to water quality; and identification of environmental interventions leading to the revitalization of hydrographic basins.



In 2022, Sanepar began the process of hiring a specialized consulting firm to evaluate the effectiveness of its social responsibility programs and projects

As an important stage of the *Se Ligue na Rede* (Connect to the Network) program – [see page 108](#) –, a social and environmental survey is carried out through customer interviews. The result gives rise to the Social Work Project, in which actions are planned together with community leaders and institutions focused on local development, and later carried out in the municipality that will receive the water or sewage works. Information on urban infrastructure is confirmed and economic development opportunities in these communities are identified.

Sanepar communicates information about its environmental aspects and impacts externally through its website; media outlets, such as radio, TV, newspapers and portals; interaction with competent bodies; and other convenient means.



Coast
Photographer: André Thiago Chaves Aguiar

Programs and projects

Ponto de Equilíbrio (Equilibrium Point) Project

Sanepar is resuming the *Ponto de Equilíbrio* project, an important component of its interactions with the community regarding complaints related to bad odor from the sewage treatment process, seeking to improve the way the Company faces this challenge.

In 2022, Sanepar promoted guided visits of the community to the new sewage sludge treatment structure so they can learn about the process that will mitigate the odor issue near each Sewage Treatment Plant (STP). Other actions in progress include the officialization of the interoffice Working Group; the adjustment of the complaint code in the call center, so that customers can receive a response related to this issue; and the possibility to complain about the odor from the STPs via WhatsApp.

Operação Verão Paraná Viva a Vida 2021/2022 (Live Life - Paraná Summer Operation 2021/2022)

During the summer, Sanepar reinforces the provision of services on the coastal area of the state to ensure the supply of water to the local community and vacationers, in addition to promoting social and environmental actions.

Between December 17, 2021, and March 5, 2022, 130 workers hired by the Company cleaned 48 kilometers of the shore. The initiative generated 165 temporary supervisor, manager, collector and administrative support jobs and removed 676.8 metric tons of waste. Sanepar provided daily services in the municipalities of Guaratuba, Matinhos and Pontal do Paraná and four experimental services in Guaraqueçaba and Morretes. The average daily amount of waste removed from beaches and coastal rivers was more than 10 metric tons. In Guaraqueçaba, the initiative also involved the distribution of plastic bags so vacationers can collect their own litter.



CEAM - Carvalho
Photographer: André Thiago Chaves Aguiar

Education for culture

In addition to cleaning the shore, Sanepar offers special services, such as eco showers installed on the sand, at the beaches of Guaratuba, Matinhos and Pontal do Paraná, which were used more than 23,000 times during the period. The water used in the showers is taken from groundwater, has a low salt content and is treated with chlorine.

Another initiative is the offer of amphibious chairs to promote accessibility to the sea for wheelchair users, the elderly, and people with limited mobility. A total of 190 meters of accessible walkways were also installed, connecting the sidewalks to the wet sand. The service was provided in partnership with the Education and Sports (SEED) and the Justice, Family and Work (SEJUF) State secretariats.

In 2022, the Social and Environmental Management Department, through the Coordination of Historical Heritage, recorded 21,000 visits to its venues, mediated by the educational action, including Centro de Educação Ambiental Mananciais da Serra (CEAM - Sierra Water Source Environmental Education Center), the Carvalho Reservoir, the Iguaçu River Memorial and the Santa Quitéria STPs and the Miringuava WTP. These spaces also received employees and community members on special dates related to social and environmental education, preservation of the historical heritage and the memory of sanitation in Paraná.

In June 2022, the Sanitation Museum was opened with the permanent exhibit Planeta Água (Water

Planet) in the former Água Tarumã WTP - Water treatment plant, the first WTP in Paraná. The space is interactive, integrating experiences and information dedicated to the knowledge and preservation of water, aiming to make the population aware of the importance of good management of water resources. Creative and sensorial museography, featuring different immersive media, such as mapped projection, augmented reality, holographs, videos and sounds, results in active visits. The museum has received over 6,900 visitors since it opened.

Also in 2022, the restoration of the São Francisco Reservoir was completed. The reservoir is a state heritage site and is part of Curitiba's first water supply system, which is still in operation.

Se Ligue na Rede (Connect to the Network) Program

Since 2006, Sanepar has implemented the Connect to the Network Program to prevent river pollution through social and environmental initiatives in the hydrographic basins where the Company implements its sewage systems. The program is an innovative approach to making investment, based on supporting its economic and financial feasibility through social and environmental actions. Developed by Sanepar, the Program's methodology encompasses the sustainability axes – economic, social and environmental – and is considered a benchmark in relationship with local communities.

One of Connect to the Network Program's important goals is to foster income generation in these communities by offering refresher courses and training workshops to plumbers. Besides teaching them how to properly connect buildings to the sewage network, through trained labor, these activities raise awareness about preservation of natural resources and environmental recovery.



Sanepar is committed to social responsibility by continually conducting awareness-raising and social and environmental education programs. Between 2021 and 2022, the Company positively impacted more than 750,000 people by engaging them in its sustainability initiatives.

The Program has been improved over recent years. Seeking to fully comply with Ministry of the Cities ordinance 464, as regards the mobilization, strengthening and social management, education, and socioeconomic development of the communities, the Company added three new socio-environmental services and innovations to the courses offered to plumbers in 2022.

Jardim de Água e Mel (Water and Honey Garden)

This initiative includes the cultivation and dissemination of information about Unconventional Food Plants (UFPs); the planting of various seeds; as well as being a benchmark for the development, expansion, and support of school, community, and urban gardens; and strengthening composting practices in order to build values and attitudes focused on environmental conservation.

The goal is to progressively increase the native stingless bee population, which is endangered due to the advance of human occupation, so that they can once again occupy the spaces and carry out their work in the ecosystem, which is of great value to the environment.

Ecological Soap Workshop

Initiative geared towards creating a development venue that fosters income generation, as well as encourages participants to achieve autonomy and qualification in activities they already perform, besides working on themes related to environmental sanitation, such as avoiding the discharge of grease into the sewage system. The Workshop offers participants opportunities to gain specific knowledge, skills, and new attitudes that can be used in their daily routines. The action also promotes the improvement of the family income.

Sustainability: from School to the River

Workshop designed to engage teachers and students, preferably from technical environmental, education, renewable resources and related field programs, to monitor the rivers that make up the hydrographic basis where the schools are located. The project also aims to train knowledge multipliers to disseminate the feeling of belonging and care for these rivers, thus applying it in their daily lives.

The workshop consists of a series of practical and theoretical meetings in which numerous topics are discussed, including the historical human occupation



Voluntariado em Morretes
Fotógrafo: André Thiago Chaves Aguiar

of the hydrographic basins, sustainability themes, sanitary sewage and its consequences, Solid Waste (especially generation and consumption), as well as preservation of natural resources principles (focused on water resources). Pedagogical practices that lead to reflection and changes in habits are also taught.

Hydraulic maintenance course for women

A version of the Plumber Program focused on preparing women to perform small internal repairs, clean water tanks and make the interconnection of the property to the sewage collection network, when the connection is authorized, according to the technical standards required by Sanepar. Once trained, these women become multipliers of good practices regarding water resources conservation, water and sewage operational systems, environmental quality and the population's health.

The new proposal is aligned with Sustainable Development Goal 5, which addresses Gender Equality, as it empowers women to take over activities that were previously performed mostly by men.

In 2022, the course was offered in the municipalities of Santa Tereza do Oeste, Santa Izabel do Oeste, Santo Antônio do Sudoeste, Vitorino, Ivaiporã, Altônia, Santo Inácio, São João do Triunfo, Campo Largo, Bituruna, Pinhão, União da Vitória, Agudos do Sul, and Laranjeiras do Sul, with the attendance of 410 women.

Impact on Quilombola communities

The expansion works of the Sanitary Sewage System, as well as the implementation of the Water Treatment Plant in the municipality of Palmas are located in quilombola land. Therefore, it was necessary to apply the Quilombola Component Study (Estudo de Componente Quilombola), required by Ministry of the Environment's Interministerial Ordinance No. 60, of March 24, 2015. It is also necessary to comply with the International Labor Organization's convention no. 169. According to said convention, Brazilian legislation is bound to demand the prior consultation with indigenous and quilombola people before any action or undertaking that may cause damage to their community.

Within this process, Sanepar detailed the construction works phases, sought to understand how the community would be impacted through workshops, open and semi-structured interviews, conducted guided walks, and invited some of the communities' representatives to visit the Pinhão Plant, which operates with a technology similar to the project to be implemented in the Caldeiras STP. In the occasion, visitors were able to compare the current sewage treatment operation with the new proposal, which will have high efficiency rates, modern and odorless technology – the main complaint presented by the quilombolas.

Miringuava Social and Environmental Project

The Miringuava Dam, the fifth dam implemented by Sanepar in the Curitiba Metropolitan Region, is located in the municipality of São José dos Pinhais, in the Miringuava Basin. If the environmental aspects of the territory are not preserved, its social aspects may be impacted, resulting, for example, in losses in agricultural production, reduced treated water supply, economic stagnation and even impoverishment, misery and hunger.

Focused on ensuring the basin's water security and meeting the environmental licensing conditions for the construction of the reservoir dam, Sanepar has been developing the Miringuava Social and Environmental Project since 2011, which aims to promote positive impacts on the quality of life of farmers and residents who will be affected by this infrastructure. The Company has also prepared the Socio-territorial Development Plan that aims, among other actions, to implement the Sustainable Regional Vocations Program, in partnership with Invest Paraná , promoting the value chain with approximately 60 families/properties. Considering partners and other stakeholders, this initiative should reach approximately 300 people.



Planting seedlings in the dam
Photographer: André Thiago Chaves Aguiar

Relationship with shareholders

Sanepar operates in the capital markets in a transparent way, ensuring its shareholders, investors, analysts and other stakeholders complete and timely access to financial information as well as material acts and facts.

In 2022, some improvements were implemented as a result of a perception study conducted with investors and market analysts in the previous year. Among them, it is important to highlight the restructuring of the Investor Relations website, aimed at more objectively and transparently communicating with stakeholders who seek information about the Company, since it is the main relationship channel with this group.

Additionally, following a market trend, Sanepar adopted a new format for its quarterly conference calls, which are now held by video, providing a better engagement of the Company with its investors.

Every year, the Investor Relations department holds public meetings with analysts and other capital market agents to bringing this public closer to the Company's management and to disclose information on important topics.

All these data and communication tools with the capital markets are available on the Company's Investor Relations website ([Investor Relations](#)).



Every year, the Investor Relations department holds public meetings with analysts and other capital market agents to bringing this public closer to the Company's management and to disclose information on important topics.



Iguaçu WTP
Photographer: André Thiago Chaves Aguiar

Participation in initiatives and entities

GRI 2-28

Sanepar is a member of Ethos Institute's Integrity and Anti-Corruption Business Pact, and a signatory to the United Nations Global Compact. Together with the latter, the Company joined the Movimento +Água (+Water Movement) in 2022 – [learn more on page 21](#).

Sanepar is also formally represented and actively participates in collegiate, deliberative or advisory forums on the environment and on water resources at the municipal, state and federal levels, where topics are discussed and assessed and resolutions with legal power are published, within specific attributions, which may influence the planning and management of its processes.

The Company is also a member of the National Quality Foundation (FNQ in Portuguese), the Brazilian Association of Sanitary Engineering (Abes in Portuguese) and Anefac-Fipecafi, an institution that provides institutional, financial and operational support to the Accounting and Actuarial Department of the University of São Paulo's School of Economics, Management and Accounting.

Main forums and Board that Sanepar participates are:

- › 12 Hydrographic Basin Committees in the State of Paraná;
- › Federal Basin Committee - Paranapanema River;
- › Paraná State Water Resources Council;
- › Municipal Environment Councils of the main municipalities where it operates;
- › Paraná Forum on Climate Change;
- › Springs Management Council of the Curitiba Metropolitan Region; and
- › National Water Resources Council and its technical chambers, through the Brazilian Association of Sanitary Engineering.

Hydrographic Basin Committees

GRI 303-1

Based on Law 9,433/97 (Brazil's National Policy on Water Resources), the Hydrographic Basin Committees are deliberative and advisory forums in which representatives of a river basin community discuss and resolve on the management of water resources, sharing responsibilities with the government. In general, Sanepar has at least one representative seat on each committee and defends the interests of the sanitation sector. As each committee has, normally, 40 representatives from several sectors, the guideline is directed towards articulating and reaching common interests. The Company also actively participates in the technical chambers, monitoring and evaluating the development of the Basin Plans, the Frameworks, the Charging and the definition of the criteria for granting.



Environmental management

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Planting seedlings in the dam
Photographer: André Thiago Chaves Aguiar

Management of environmental impacts

GRI 2-25

One of Sanepar's strategic goals is to preserve the environment. Therefore, the Company needs to understand the positive and negative environmental aspects and impacts from its activities. For this purpose, Sanepar has developed an initiative based on the Environmental Management System methodology (ISO 14001),

This initiative included designing a corporate process to monitor and comply with environmental laws, geared towards the ongoing management of the Company's operational departments. This process entails identifying the aspects of water and sewage treatment as well as solid waste disposal processes that can harm the environment, including the environmental requirements applicable to them. Examples include effluent discharge, disposal of waste from water and sewage treatment or solid urban waste sent to landfills, greenhouse gas (GHG)

and odor emissions from the effluent treatment. To address the identified aspects and impacts, the Company determines corrective actions and, when applicable, investments are added to the Multi-year Investment Plan.

The Company uses the Corrective and Preventive Initiatives Report (RACP in Portuguese), which is controlled by BI-SQS, a tool available since November 2021. This tool brought functionalities that include systematized access to the RACP database, viewing RACP statistics, and graphic interface in panel mode. Historical data are obtained from information available on the time elapsed since the creation of the RACP.



Planting seedlings in the dam
Photographer: André Thiago Chaves Aguiar

For example, an RACP analysis is presented according to progress in the number of RACPs completed, that is, by addressing the non-compliances:

The number of RACPs completed increased from 1,188 to 1,239. This means that more non-compliance treatment plans have been executed and completed;

The number of RACPs being created decreased from 70 to 15, which shows the continuous transit between the identification of a non-compliance (creation stage) and the treatment of non-compliances (preparation and verification stages);

The number of effective RACPs (those that successfully addressed the non-compliance) increased from 1,106 to 1,158. Therefore, the RACP tool has been used to apply corrective measures in Sanepar's processes.

Thus, Sanepar has been investing in infrastructure, innovation and management. In the renewable energy and smart cities field, for instance, the Company has developed projects focused on hydropower generation in sanitary infrastructure, photovoltaic solar power, sustainable urban mobility and Internet of Things (IoT). Most important initiatives are described below:

Sustainable Bonds Certification

In 2022, the Company raised R\$600 million through its 12th debenture issue, which will be allocated to operational improvement and expansion works of water and sewage systems in 241 cities in the state of Paraná, besides creating 9,000 direct jobs. It was the largest volume of funds raised by the Company via debentures. These debentures have been certified as green and social bonds as they are linked to investment projects that bring about social and environmental benefits. They have been certified by an independent report prepared by SITAWI Finanças do Bem, attesting Sanepar's projects are aligned with the Sustainable Development Goals (SDGs) numbers 3 (Good Health and Well-being), 6 (Clean Water and Sanitation) and 11 (Sustainable Cities and Communities). Sitawi's analysis method follows the Green Bond

(GBP), Social Bond (SBP), Sustainability Bond Guidelines (SBG), and other internationally recognized sustainability standards.

By marking its bonds as sustainable, Sanepar sets ESG goals and takes on the commitment to annually report, up to the debenture's maturity, information related to the allocation of these funds and the social and environmental impacts achieved. Therefore, funds allocated in 2022 amounted to:

PROJECT 1: R\$270,026,161.62

PROJECT 2: R\$222,319,266.72

PROJECT 3: R\$17,213,395.70

These projects contribute directly to meeting the commitment of universalization of sanitation services. The present report shows the Company's advancements in achieving the population's social and environmental well-being.

Pit complex requalification for environmental improvement of the Iguaçu River and surrounding wetlands

In 2022, as part of the management of the Company's environmental impacts, Sanepar approved with Brazilian Environmental Institute (IBAMA in Portuguese) a major project that will allow the Direct Conversion of Environmental Impact Assessment (AIAs in Portuguese) in the Requalification of the Pit Complexes for the Environmental Improvement of the Iguaçu River and the Surrounding Wetlands, in order to promote the Environmental Recovery of the Iguaçu River floodplains. This is the first conversion project approved by the federal environmental agency, to be implemented in the state of Paraná. The proposal offers the Company an alternative to minimize its environmental liabilities, improving its Environmental Compliance.

The goal is to requalify the pit complexes created from mineral extraction, in Environmental Protection Areas and relevant areas for aquifer recharge, in the Curitiba Metropolitan Region (RMC), through Nature-based Solutions, contributing to soil mitigation by intensifying the characteristics of dilution wetlands – a type of natural ecosystem that remains partially or totally flooded throughout the year and has the capacity to purify water by absorbing the root zone of aquatic plants – aiming to improve water quality, from the upstream region of the Alto Iguaçu Basin to the municipality of Porto Amazonas-PR.

This project is fully aligned with the Paraná State Government Program – FUTURE WATER RESERVES – whose total area covers almost 20 thousand hectares, spread over 12 municipalities between Curitiba and Porto Amazonas, of which 1,000 hectares have the potential to become natural water reservoirs for future supply, and another 3,000 hectares, whose waters are highly polluted due to dense human occupation, can be used as dilution wetlands, the latter being eligible for the Direct Conversion Project. The projects' initiatives will contribute to mitigate the impact from extreme hydrological events, increasing resilience to climate change.

Initially approved on the 18th Special Board of Directors Meeting, held on November 17, 2022, approved the signing of the first two Direct Conversion Agreements (Termos de Conversão Direta), proposed by IBAMA, totaling R\$87.63 million, which will be spent over a ten-year period, and will enable the requalification of approximately 1,200 hectares. The project also foresees the recovery of native vegetation, the creation of ecological biodiversity corridors and the awareness-raising, mobilization and engagement of the surrounding community, which may generate benefits for more than 3.6 million people.

ISO 14001

The Company has received the ISO 14001 certification for environment management systems. The certification was awarded to the Environmental Management Systems in Foz do Iguaçu, in the scope from the collection of raw water to the release of treated effluent, including all the stages of environmental sanitation; and in Cianorte, within the scope of the receipt, disposal and treatment of urban solid waste, as well as the landfills' operational support, administrative and monitoring activities. The Foz de Iguaçu system has become an internal and external benchmark in the development of basic sanitation services that do not compromise the availability of natural resources.



Miringuava Dam
Photographer: André Thiago Chaves Aguiar

Miringuava Dam

The Dam under construction on the Miringuava river basin is part of the Water Distribution master plan of the Curitiba Metropolitan Region (RMC in Portuguese), in the municipality of São José dos Pinhais. Water supply services, just like almost all human activities, need to be coupled with environmental preservation in the region where they take place.

For developing the reservoir, it is necessary to suppress the vegetation in the flooding area so that the surface is free of vegetal residues. The removal and proper disposal of the existing biomass in the Miringuava basin aims to ensure that water quality during and after the reservoir is filled is within the

parameters of CONAMA Resolution 357/2005, providing good conditions for the survival and development of aquatic biota. Vegetation suppression should also provide for the rational use of forest products, avoiding waste.

From the environmental stance, the removal of trees prior to filling the reservoir also contributes to reducing wildlife mortality by drowning, as this prior deforestation avoids the formation of isolated vegetation remnants, directing animals to escape to preserved natural areas not affected by the flooding.

Building a dam for public supply will inevitably cause environmental impacts that must be

monitored, controlled and mitigated. In this case, the rescue of wildlife and flora is a demand arising from the vegetation suppression that will occur in the area directly affected (dam, reservoir, access to construction sites and others), provided for in the current legislation, in the Basic Environmental Project (PBA in Portuguese) and in the environmental conditions of the project's licensing process. The control and monitoring of the vegetation suppression should be carried out by a specialized technical team with proven experience in rescuing wildlife and flora (by suppression), in order to mitigate environmental damage. Therefore, vegetation suppression services, duly accompanied by the rescue and salvage of wildlife



Miringuava Dam
Photographer: André Thiago Chaves Aguiar

and flora, consist of environmental services necessary for the environmentally proper formation of the reservoir.

Additionally, the scope of the services hired for the environmental preparation of the reservoir also includes the recovery of its surrounding areas. According to legal requirements and licensing conditions, Sanepar must maintain an area equivalent to 100 (one hundred) linear meters along the entire reservoir, starting from the maximum flood level, as permanent preservation areas (APP in Portuguese). The region where the dam is located is used for several activities, therefore a large part of these areas are devoid of vegetation, which needs to be recovered in order to protect the reservoir banks from erosive processes, also contributing to the quality of the water that will reach the reservoir. The recovery of these areas includes the planting of native tree seedlings, aiming to recompose the forest vegetation in the region.

In 2022, Sanepar's energy consumption totaled 2.8 GJ. The Company's largest consumption comes from non-renewable fuels, especially gasoline (vehicles), which totaled 74,559.4 GJ in 2022. Sanepar also recorded 25,795.41 GJ from micro/mini electric power distributed generation units.

Electricity Micro-Generation Unit (GJ)	2020	2021*	2022
Pump Working as a Turbine (BFT) CR Airport	273.6	313.2	158.4
Passaúna Floating Photovoltaic	324	630	630
NEA Headquarters Roof (Photovoltaic)	345.6	327.6	331.9
Photovoltaic Parking Lot CETS/Tarumã	19.1	17.6	16.9
SPT Ouro Verde	32.4	21.6	12.6
CS Bioenergia	12,201.5	17,740.8	24,645.6
TOTAL	12,201.5	19,050.8	25,795.4

*2021 data were revised to ensure standardization of methodologies and include all micro and mini power generation units linked to Sanepar.

Energy intensity ratio for the organization

| GRI 302-3

	2020	2021	2022
Electricity consumption in the water process divided by the produced volume (kWh/m ³)	0.003	0.0031	0,0031*
Electricity consumption in the sewage process divided by the collected sewage volume (kWh/m ³)	0.01	0.00078	0,00078*
Electricity consumption	2,576,014	2,641,546	2,791,845
Distributed generation	12,202	19,051	25,795
Total energy consumption	2,558,216	2,660,597	2,817,640

Note: intensity calculated using kWh information provided by the concessionaires and flow measurements in m³ made by Sanepar equipment.

Total fuel consumption within the organization (GJ) | GRI 302-1

Non-Renewable Fuels	2020	2021	2022
Gasoline (automotive)	46,377	49,662	74,559
Diesel oil	38,585	36,431	5,649
S10 Diesel Oil	0	4,161	44,862
S500 Diesel Oil	0	0	104
Renewable Fuels			
Ethanol (fuel alcohol)	21,305	18,597	13,438
Consumption of			
Purchased electricity consumption	2,576,014	2,641,546	2,791,845
Sale of			
Distributed Generation	12,202	19,051	25,795
Total	2,588,216	2,660,597	2,817,640

Note: data for December/2022, calculated according to fuel consumption reports generated by contractor's system, manager of the Company's fuel voucher. We inform that for special non-renewable fuels (S10 and S 500 Diesel) we do not have records for 2020/2021. Sanepar does not use and sell heating, cooling or steam energy. 2021 data were revised to ensure standardization of methodologies and include all micro and mini electric power generation units linked to Sanepar GRI 2-4.

Urban solid waste management

GRI 3-3 - Material topic: Waste management | GRI 306-1, 306-2

The main waste generated by Sanepar's operations is sludge, a byproduct of the water and sewage treatment plants. Sludge is, in most part, sent to sanitary landfills and agriculture. Sanepar has a specific work area to prevent and keep any deviations in disposal under control, in order to avoid environmental impacts, in compliance with the National Solid Waste Policy (Law 12,305/2010).

The Company also promotes new technologies for recycling, such as those described in the projects presented on page 33. Geared towards this purpose, in 2022, the operations office issued guidelines to increase the percentage of sludge disposal for projects with lower environmental impact, in line with circular economy precepts. The directives for the final disposal of solid waste determine that the sewage and water sludge will be sent for reuse, recycling and recovery, including energy recovery. It should only be disposed to landfills when it is not technically possible to use the previously mentioned alternatives.

Hence, Sanepar already has successful projects, such as the thermal drying system at the Atuba Sul STP, currently in operational testing phase, and CS Bioenergia S/A, which has reached its maximum operating capa-

city – around 840 cubic meters of sludge per day with total solid content of up to 2.5%, pumped from the Belém Sewage Treatment Plant. More information on these initiatives can be found on pages 33 and 35. Besides encouraging research and innovation, direct and indirect jobs are created as a result of sludge transportation and disposal contracts. Sanepar only has contracts with legally constituted companies, with regular environmental licensing. The waste sent to third parties is tracked through the National Waste Transportation Manifest (National MTR), implemented pursuant to Ordinance 280/2020, issued by the Ministry of the Environment. Legal and environmental compliance is set forth in the agreements, established according to the nature of the waste, and the contract manager is responsible for its monitoring.

The Company is implementing a sustainable disposal index, calculated in comparison with the total volume of disposed sludge, to monitor the environmental performance of sludge disposal initiatives. Once implemented, this index will refer to what is established in corporate goals. The effectiveness of the actions and the goals will be monitored in 2023 through of key indicators, in monthly meetings. In order to enable control, Sanepar is developing a broad inventory of waste generation and disposal.



Minguava Dam
Photographer: André Thiago Chaves Aguiar

Waste destined for disposal by waste composition and disposal operations (tons)

| GRI 306-5

	2020	2021	2022 ¹
Hazardous waste (Class I)	9.20	8.30	118.46
Landfill containment	9.20	8.30	113.05
Co-processing	-	-	0.65
Autoclave	-	-	4.58
Incineration	-	-	0.18
Non-hazardous waste (Class II)	331,314.00	415,879.00	449,636.30
Landfill containment	85,822.00	92,010.00	117,599.30
Destination for agricultural recycling	19,259.00	16,943.00	22,999.00
Biodigestion with biogas energy use	226,233.00	306,926.00	309,038.00
Total	331,323.20	415,887.30	449,754.76

Note: ¹Change in methodology for collecting data. As of 2022, data are collected from the National System on Solid Waste Management (SINIR in Portuguese) for all Company's departments and all waste types. All disposals are performed outside the organization.

Amount of waste managed by customer category: municipal, commercial, industrial, residential and others (tons) | IF-WM-000.D

Customer category	2020	2021	2022
Municipal ¹	35,435.04	34,627.36	34,605.76
Commercial	0	0	0
Industrial	0	0	0
Residential ²	26,624.3	25,190.45	25,648.4
Non-domestic urban solid waste ³	2,329.68	2,575.81	2,060.32
Sanitation waste	2,135.52	2,535.78	1,764.05
Total	66,524.54	64,929.4	64,078.53

Notes:

1. All managed waste arising from obligations with the government through program contracts with the municipalities, without Sanepar being responsible for the collection: Terra Boa, São Tomé, Guaporema, Indianópolis and Apucarana.
2. All managed waste from the municipalities in which Sanepar is responsible for collection, considering that in these cases the municipality is the customer.
3. Urban Solid Waste from large waste generators with characteristics similar to those of sanitary landfill.
4. Disposed waste from sewage treatment activities in the regions where the landfills are located.
5. Total waste managed by the Company includes waste sent to recycling and landfilled waste.

Scraps and unserviceable items

IF-WM-420a.4.

Sanepar sells scraps and unserviceable items, including electronic waste. Considering that the companies that win the bids have contractual obligations on the final disposal of the items, the total volume of electronic waste is sold, recycled or recovered.

Sale of computer and telecommunication scraps

BID	LOT	AMOUNT	UNIT	DESCRIPTION	AMOUNT COLLECTED
1161/22	1	6,900	kg	Light batteries, trucks and no breaks	R\$ 43,565.00
1161/22	3	7	Unit	Storage - Hitachi Disks + Tape drive + IBM total storage	R\$ 2,805.00
1161/22	4	1.500	Unit	Computer scrap - computer case, monitors, keyboard	R\$ 57,010.00
1388/22	1	2.000	Unit	Computer scrap + PBX + IP Phones + Rack + Ticket Collector + computer case monitors, folding machine, printers, notebooks	R\$ 65,000.00
1388/22	5	800	Kg	and no breaks	R\$ 4,850.00
Total					R\$ 173,230.00



Passaúna catchment
Fotógrafo: André Thiago Chaves Aguiar

Adapting to climate change impacts

GRI 3-3 - Material topic: Adapting to climate change impacts | IF-WM-110a.3

Historically, climate change events have proven to exert major impacts on Sanepar's activities. Excessive rainfall, droughts, major windstorms, cyclones and tornadoes affect the Company, causing water supply shutdowns that cause damages to customers and impair equipment.

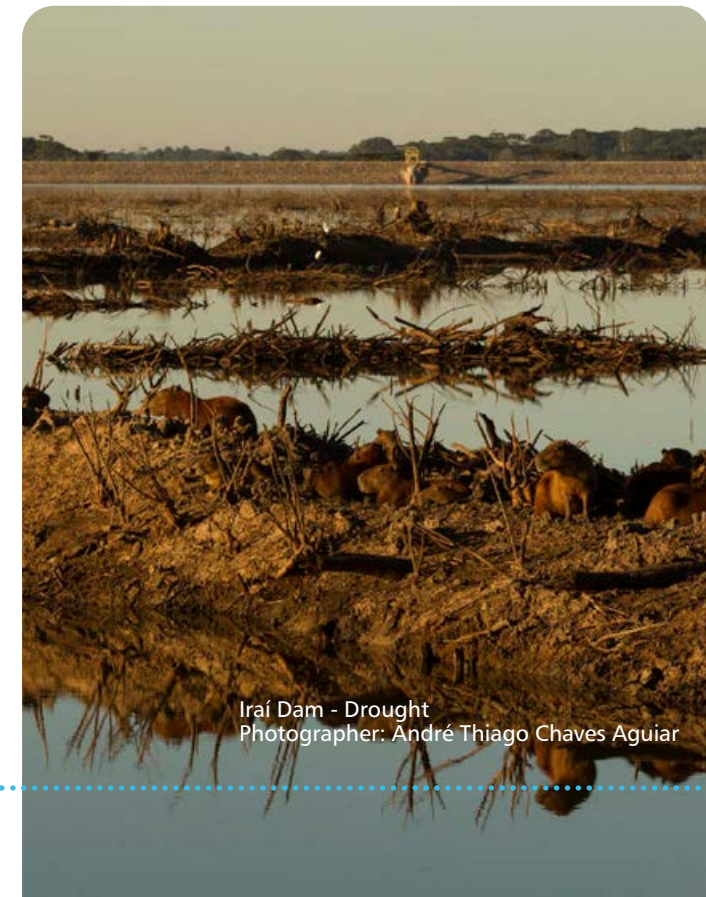
In the Sustainability Policy, Sanepar reiterates its commitment to mitigating greenhouse gas (GHG) emissions and developing strategies to adapt and be resilient to climate change. Therefore, based on climate risks analysis using the Task Force on Climate-Related Financial Disclosures (TCFD) methodology, the Company prepared the Strategic Plan to Mitigate and Adapt to Climate Change, which sets the actions to address the Strategic Corporate Risk of "not preparing the Company to adapt its planning, design, projects and operation to climate change", identified during the revision of Sanepar's priority risks – see page 56. The plan's progress is monthly monitored by the Environmental and Social Action Executive Office, quarterly by the Risk Management Committee (CGR in Portuguese) and, every six months by the Executive Board and the Board of Directors. The indicator adopted for this follow-up is

In the Sustainability Policy, Sanepar reiterates its commitment to mitigating greenhouse gas (GHG) emissions and developing strategies to adapt and be resilient to climate change.

the number of actions carried out versus the number of planned actions. This index is added to the energy consumption efficiency in water and sewage processes, and carbon intensity indicators.

Every year, Sanepar prepares its Greenhouse Gas Inventory (IGEE), through which it quantifies its GHG emissions and identifies the processes that generate the most GHG. The inventory enables the Company to manage such process in order to reduce or neutralize said emissions. Effluent treatment is the Company's activity with the highest emissions level. Biogas generated in sewage treatment plants is responsible for more than 90% of direct emissions. Among the measures to reduce emissions, Sanepar has burners in the sludge anaerobic reactors and biodigesters, which contribute to reduce

biogas generated in the plants by 26.8%, equivalent to about 330,000 tons of CO2 equivalent. Another initiative implies changes to effluent treatment concepts in order to optimize compliance with the legislation and water



Iraí Dam - Drought
Photographer: André Thiago Chaves Aguiar

bodies guideline goals, helping to reduce treated effluent loads, thus contributing to reduce GHG emissions.

Sanepar has also made progress in the field of distributed generation of clean energy, both through the use of photovoltaic solar panels and energy produced from the biogas coming from the anaerobic reactors and the surplus hydro energy available in the adductor that carries the water to the reservoir. According to Sanepar's Strategic Plan for Mitigating and Adapting to Climate Change, in the near future the Company expects to implement internal carbon pricing, to build a Marginal Abatement Cost Curve (MACC), which consists of ranking decarbonization initiatives in terms of cost-effectiveness, and to propose GHG mitigation goals.

At the same time, as regards awareness-raising, Sanepar works to disseminate the Sustainable Development Goals (SDGs) among its employees, so that they develop and perform effective and integrated actions to achieve the objectives set by Sanepar with the Global Compact. In this sense, the Company holds monthly online events with employees and external stakeholders (on specific dates) to disseminate and discuss the Company's initiatives regarding climate change and related SDGs. Sanepar also has the Sustainability Project: From School to River, which aims to strengthen the performance of schools in Paraná in addressing basic sanitation and conservation of water resources themes, from the climate change perspective. The strategy consists of working together with educational institutions that are impacted or in areas under the influence of the Company's operational processes, such as communities surrounding its operational units, construction areas or watershed springs.

Greenhouse gas emissions

SASB IF-WM-110a.1, IF-WM-110a.3

Sanepar's activities included in its Greenhouse Gas Inventory (IGEE in Portuguese) are sanitary sewage services, water distribution services, collection and final disposal of urban solid waste and supporting activities, classified as administrative. Equipment and infrastructure, such as fuel consumption for vehicles and air-conditioning equipment, refrigerators, water fountains and fire extinguishers are considered sources of Scope 1 direct emissions.

In addition to direct emissions, Sanepar includes indirect emissions in its IGEE. Energy is considered an indirect emission calculated apart from the other sources due to its importance and environmental impact. It comprises the Company's Scope 2 emissions. Other indirect emissions are classified as Scope 3 and include waste from sewage treatment sent to sanitary landfills, sludge sent to agriculture, business travels and operational vehicle fleet at the landfills. In 2022, aimed at expanding Scope 3, the Company began to assess what activities and/or suppliers are more relevant in terms of GHG emissions, based on the life cycle of the sewage treatment process. Based on the outcomes of this evaluation, Sanepar will give priority to the categories in this scope.

Due to the change in calculation methodology for methane emissions at Sewage Treatment Plants in 2022, referring to 2021, emissions from previous years were recalculated in order to be analyzed and compared with the emissions of the following years.

The amount below correspond to the recalculations for 2020 and 2021 based not only on the methodology applied in 2021, but also on the updated values of the Global Warming Potential (GWP) published on the Intergovernmental Panel on Climate Change's Fifth Assessment Report - AR5.

Ton of CO₂ e per year | GRI 305-1

Type of emissions	2020	2021
Scope 1 (Direct Emissions)	1,047,518.87	1,016,529.397
Biogenic CO ₂ emissions	323,945.01	335,670.845

Ton of CO₂ e per year | GRI 305-2

Type of emissions	2020	2021
Scope 2 (Indirect Emissions)	43,869.55	92,666

GHG emissions intensity index for Sanepar | GRI 305-4

	2020	2021
kgCO ₂ e of direct emissions / m ³ of treated sewage	2.66	2.59
kgCO ₂ e of direct emissions from the MSW process / t of solid waste disposed	676.83	707.71
kgCO ₂ e of direct emissions* / population served with sewage treatment	106.72	100.19
kgCO ₂ e of indirect emissions * / m ³ of produced water	0.06	0.12



Atuba Sul STP
Photographer: André Thiago Chaves Aguiar

Biodiversity conservation and land use

GRI 3-3 - Material topic: Biodiversity conservation and land use | GRI 304-2

The management of sewage sludge is a great challenge in the environmental area. As a result of the effective treatment of effluent wastewater, there has been a significant increase in the production of depuration sludge. As reported on [page 68](#), Sanepar adopts collective sewage treatment, preventing diffuse pollution and avoiding impacts on biodiversity and soil contamination. Sewage is treated according to environmental standards, allowing it to be safely released into the environment.

In the Sewage Treatment Plants (STPs), in order to reduce the impacts of atmospheric emissions of gases that contribute to the greenhouse effect (such as CO₂ and CH₄) and gases that generate unpleasant odors (such as H₂S and NH₃), Sanepar has implemented Green Curtains (Cortinas Verdes), pursuant to Environmental Secretariat (SEMA in Portuguese) Resolution 016/2014, whose article 58 provides for the mandatory implementation of native species vegetation curtains around biogas (methane) generating activities to control and minimize atmospheric emissions. This action is characterized by the guided implementation of a group of individuals

of two or more tree and shrub species adapted to the region and local soil, distributed in parallel lines, forming an isolation barrier around the STP, designed to promote the verticalization of winds, minimize the dispersion of odors generated by the sewage treatment processes, promote the visual and physical isolation of the treatment plant, and offer food to the local wildlife, enriching the biome with typical species and providing clean air to the site.

In addition to operational initiatives, Sanepar also takes care of biodiversity by maintaining preservation areas around the dams, close to state parks. To achieve this, the Company, in partnership with the granting authority, has implemented the Payment for Environmental Services with the community living near the reservoirs of Piraquara I, in the municipality of Piraquara (2018-2023), and the future Miringuava reservoir, in the municipality of São José dos Pinhais, (2020-2025), with the aim to encourage good forest, soil and water conservation practices, providing environmental services, in order to support protection activities and the sustainable use of natural resources near the reservoirs.



With the aim to encourage good forest, soil and water conservation practices, providing environmental services, in order to support protection activities and the sustainable use of natural resources near the reservoirs.

Through a Technical Cooperation with Embrapa Florestas, the Company is developing a pilot monitoring project using Native Stingless Bees in the Piraquara I Water Dam, belonging to the Environmental Protection Area of the municipality of Piraquara. These bees act as an efficient and low-cost environmental sensor. Small farmers who live nearby the dam participated in the project's first phase. They were encouraged to adopt meliponiculture as an activity to potentially generate income and is ecologically suitable to protection and conservation areas.

Next to the Piraquara I and II Reservoirs, in the Curitiba Metropolitan Region, the Company maintains the Mananciais da Serra Environmental Education Center (Ceam in Portuguese). Located in an Environmental Preservation Area, next to the springs of the Iguaçu River, the facility aims to promote educational activities focused on sustainability and develop a new environmental awareness, geared towards environmental conservation and preservation, especially for the care of water. By opening its doors to the community, the Company intends to raise awareness, engage, and sparkle the discussion about the environment, so that citizens can internalize sustainable concepts and practices. Another site maintained by the company is the Carvalho Reservoir, where the remains of the first public water supply



Piraquara 1 Dam Chimney
Photographer: André Thiago Chaves Aguiar

system in Paraná are located, dating back to 1908. The site can be visited by the general public, but is especially sought after by students and tourists who walk more than seven kilometers of trails through one of the most preserved areas of Atlantic Forest in the state.

The effectiveness of the initiatives aimed at preserving the biodiversity and the appropriate land use are monitored by means of strategic, managerial, and operational indicators. Internal normative documents and controls are also used by means of digital systems,

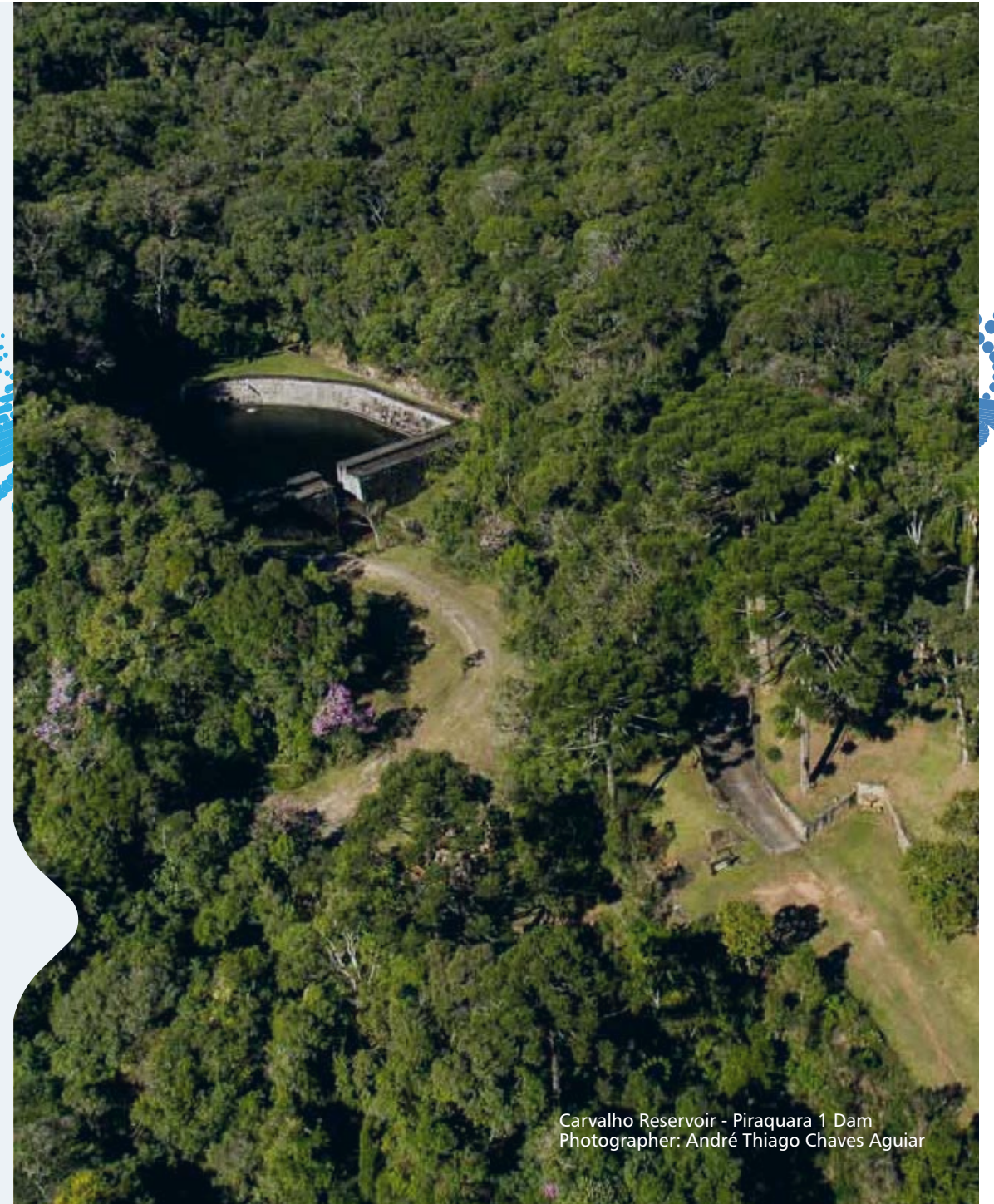
such as the Corrective and Preventive Action Reports and the Quality System Occurrence Records. Systems track the results related to possible legal actions.





GRI and SASB content index

GRI content index	129
Assurance report	139



Carvalho Reservoir - Piraquara 1 Dam
Photographer: André Thiago Chaves Aguiar

GRI and SASB content index

Use statement	Sanepar reported in compliance with the GRI Standards for the period January 1, 2022 to December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	SASB Waste Management 2018 SASB Water Utilities Services 2018

GRI/SASB Standard	Disclosure	Observations	Page
GENERAL DISCLOSURES			
The organization and its reporting practice			
GRI 2: General disclosures 2021	2-1	Organizational details	Sanepar's headquarters are located at Rua Engenheiro Rebouças, 1376. Bairro Rebouças, Curitiba, State of Paraná, Brazil. CEP 80215-900.
	2-2	Entities included in the organization's sustainability reporting	Not applicable. Currently, Sanepar does not have investments in other companies that result in Balance Sheet Consolidation. However, it is important to note that the Company has an investment in the joint venture CS Bionergia, recorded in the Company's Financial Statements under the Equity Method of Accounting (MEP in Portuguese). Details on this investment can be found in Note 12 - Investments to the Financial Statements for Fiscal Year 2022.
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	
	2-5	External assurance	Sanepar has an agreement with BDO RCS Auditores Independentes S.S. (CPS no. 37917/2019) for the independent auditing of its Financial Statements, in force up to May 23, 2023. Given the magnitude and complexity of the information provided, including information security risks and, mainly due to the contract's scope, considering that BDO is familiar with the Company's processes as it has been providing services since fiscal year 2017, Sanepar's Senior Management decided to extend the current agreement, validating the audit firm and all relevant legal procedures.

GRI/SASB Standard		Disclosure	Observations	Page
Activities and workers				
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships		11, 13, 39, 102
	2-7	Employees		91, 92, 143
	2-8	Workers who are not employees		93, 143
Governance				
GRI 2: General disclosures 2021	2-9	Governance structure and composition	Sanepar is conducting a census on the underrepresented social groups in its corporate governance bodies.	41, 144, 145, 146
	2-10	Nomination and selection of the highest governance body		45
	2-11	Chair of the highest governance body	The Company's CEO will take office in the Board of Directors, upon election by the Shareholders' Meeting. However, the same person cannot hold the positions of Board of Directors Chairman and CEO. The Board of Directors Chairman will be appointed by the controlling shareholder and elected by Shareholders' Meeting, being replaced during his/her absences and impediments by a Board Member elected by the majority of Board of Directors members.	45
	2-12	Role of the highest governance body in overseeing the management of impacts	In addition to the duties set forth in the Bylaws and current legislation, the Board of Directors is responsible for developing, approving and updating the Company's statement of Mission, Values, strategies, policies and sustainable development goals. Every three and six months, the body receives reports on and the results for the period regarding Sanepar's Management of Consequences, Risk Management and Integrity Program. All Board of Directors' procedures and operation are available on its Internal Rules, on the link: https://ri.sanepar.com.br/docs/Sanepar-2017-09-19-FNB68kzn.pdf	-
	2-13	Delegation of responsibility for managing impacts	The Company's executive officer is responsible for Sanepar's risk management. As regards the other employees, risk management is incumbent upon the Process Managers.	56
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest		56
	2-16	Communication of critical concerns		

GRI/SASB Standard		Disclosure	Observations	Page
Governance				
GRI 2: General disclosures 2021	2-17	Collective knowledge of the highest governance body		45
	2-18	Evaluation of the performance of the highest governance body		45
GRI 2: General disclosures 2021	2-19	Remuneration policies		46
	2-20	Process to determine remuneration		46
	2-21	Annual total compensation ratio		46
Strategy, policies and practices				
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	Currently, Sanepar does not have investments in other companies that result in Balance Sheet consolidation. However, it is important to note that Sanepar has an investment in the joint venture CS Bionergia.	5
	2-23	Policy commitments	Sanepar does not have a human rights policy, nonetheless it addresses this matter in its Code of Conduct and Integrity.	40, 47, 49, 50, 52, 53
	2-24	Embedding policy commitments		40, 47, 50, 52, 53
	2-25	Processes to remediate negative impacts		53, 55, 56, 114
	2-26	Mechanisms for seeking advice and raising concerns		50, 55
	2-27	Compliance with laws and regulations		57
	2-28	Membership associations		112
Stakeholders engagement				
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement		81
	2-30	Collective bargaining agreements		91
MATERIAL TOPICS				
GRI 3: Material topics 2021	3-1	Process to determine material topics		15
	3-2	List of material topics		16
Corporate governance and transparency				
GRI 3: Material topics 2021	3-3	Management of material topics		40, 47, 49, 56, 102, 104

GRI/SASB Standard		Disclosure	Observations	Page
Corporate governance and transparency				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Sanepar did not record corruption-related risks in 2022.	-
	205-2	Communication and training on anti-corruption policies and procedures	In 2022, 38 members of governance bodies received anti-corruption training, of whom 30 were board of directors and committee members and 8 were Executive Officers.	55
	205-3	Confirmed incidents of corruption and actions taken	Sanepar did not record corruption cases in 2022.	-
Infrastructure Investments				
GRI 3: Material topics 2021	3-3	Management of material topics	All Sanepar's policies can be accessed on the link https://ri.sanepar.com.br/governanca-corporativa/estatuto-codigos-e-politicas/#politicas , including the Sustainability Policy, which addresses the water management processes.	70
GRI 203: Indirect economic impacts 2016	203-1	Investments and services in infrastructure		70, 71, 86
	203-2	Significant indirect economic impacts	Investments in basic sanitation promote access to minimum hygiene conditions, which result in quality of life and reduction in diseases, including reducing child mortality that impacts the state's health expenses. For every R\$60,000 invested by Sanepar, a direct job and five indirect jobs are created, as per Regional Development Ministry data.	21, 70
Universalization of access to water and sewer				
GRI 3: Material topics 2021	3-3	Management of material topics		20, 63, 74, 82, 86
SASB: Water Affordability & Access	IF-WU-240a.4	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	Sanepar is the only company providing basic sanitation services in the cities where it has concessions agreements and, therefore, its tariffs are not comparable with that of other companies in the sector that operate in other States/regions. It is also important to emphasize that the Company's tariff structure is defined and regulated by the Paraná State's Regulatory Agency.	63, 70
Customer relations and satisfaction				
GRI 3: Material topics 2021	3-3	Management of material topics		84, 90
SASB: Activity metric	IF-WM-000.A	Number of customers by category: municipal, commercial, industrial, residential, and others		84

GRI/SASB Standard	Disclosure	Observations	Page
Management of own and third-party employees			
GRI 3: Material topics 2021	3-3	Management of material topics	89
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	91, 93, 147, 148
	401-2	Benefits granted to full time employees not granted to part time or temporary employees	-
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	101
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	101
	403-9	Work-related injuries	101
GRI 404: Training and education 2016	404-2	Programs for the development of employees' skills and assistance for career transition	99
	404-3	Percentage of employees receiving regular performance and career development assessments	100
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity in governance bodies and employees	44, 94, 95, 96, 97, 149, 150, 151, 152, 153, 154, 156
	405-2	Ratio of basic salary and remuneration of women to men	98
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	99

GRI/SASB Standard		Disclosure	Observations	Page
Management of own and third-party employees				
SASB: Workforce Health & Safety	IF-WM-320a.3	Number of road accidents and incidents	From January to December 2022, 159 incidents (traffic accidents) were recorded with the Company's employees, with rental and own fleet. These incidents were forwarded via e-protocol to the Traffic Accident Central Commission.	-
SASB: Labor Practices	IF-WM-310a.1	Percentage of active workforce covered under collective bargaining agreements		91
Water quality and customer health				
GRI 3: Material topics 2021	3-3	Management of material topics		65
SASB: Effluent Quality Management	IF-WU-140b.1	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations		65
SASB: Drinking Water Quality	IF-WU-250a.1	Number of acute health-based, non-acute health-based, and non-health-based drinking water violations	Said violations were not identified in 2022.	-
Management of water and sewage processes				
GRI 3: Material topics 2021	3-3	Management of material topics		60, 61, 63, 68
	303-1	Interactions with water as a shared resource		59, 61, 66, 112
GRI 303: Water and Effluents 2018	303-2	Management of impacts related to water discharge	None of the resolutions to which Sanepar is subject to establishes a legal requirement for determining the water body profile related to the discharge of sanitation effluents.	69
	303-3	Water withdrawal		66

GRI/SASB Standard	Disclosure	Observations	Page
Gestão dos processos água e esgoto			
GRI 303: Water and Effluents 2018	303-4	Water discharge	-
	303-5	Water consumption	67
SASB: Activity Metrics	IF-WM-000.B	Total water sourced, percentage by source type	157
	IF-WU.000.E	Length of (1) water mains and (2) sewer pipe	66, 69, 157
SASB: Distribution Network Efficiency	IF-WU-140a.2	Volume of non-revenue real water losses	67
SASB: Water Supply Resilience	IF-WU-440a.3	Discussion of strategies to manage risks associated with the quality and availability of water resources	61, 63, 64
SASB: Network Resiliency & Impacts of Climate Change	IF-WU-450a.2	Number and volume of sanitary sewer overflows (SSO), percentage of volume recovered	69
Regularity in water supply			
GRI 3: Material topics 2021	3-3	Management of material topics	88
SASB: Network Resiliency & Impacts of Climate Change	IF-WU-450a.3	(1) Number of unplanned service disruptions, and (2) customers affected, each by duration category	88
SASB: Water Affordability & Access	IF-WU-240a.3	Number of residential customer water disconnections for non-payment, percentage reconnected within 30 days	88

GRI/SASB Standard		Disclosure	Observations	Page
Waste management				
GRI 3: Material topics 2021	3-3	Management of material topics		120
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	<p>Raw water, when collected from a surface source, goes through up to two initial processes, screening and desander process (removal of sand and other solid debris). Waste generated in these processes are sent to a class II (non-hazardous) landfill. Chemicals are used in water treatment process and the resulting sludge can be sent to a class II landfill, used in recovery of depleted areas, or sent to sewage treatment plants. The preliminary sewage treatment consists of grating and desander process, and waste generated, just like in the water treatment process, are sent to a Class II (non-hazardous) landfill. Sewage treatment is performed in several ways, all of which result in the generation of sludge, scum, and other components. Sludge can be sent to sludge management units, which process the material in order to promote agricultural recycling. The landfill operation encompass the receipt, compacting and covering of waste, as well as the treatment of liquid and gaseous effluents. The impacts described in 306-1.a-i are all generated by the Company's activities and processes as a result of its contracts. There is no waste inventory in the upstream or downstream chain, however the responsibility for waste management in the downstream chain is defined in the contract.</p>	120
	306-2	Management of significant waste-related impacts	<p>Processes used to collect and monitor waste-related data: Waste from the sewage process: information based on final disposal data. Sludge sent to agricultural recycling: data from agronomic projects. Water process waste: information based on the disposal data and on a calculation based on the production to determine waste. Laboratory waste: information based on final disposal data. Works and maintenance waste: when possible, they are previously quantified to prepare the Term of Reference, with measurement in the inspection process. The total amount is indicated in the Management Plan of Civil Construction Waste specific to each work.</p>	120

GRI/SASB Standard		Disclosure	Observations	Page
Waste management				
GRI 306: Waste 2020	306-5	Resíduos destinados para disposição final		121
SASB: Activity Metrics	IF-WM-000.C	Number of: (1) landfills, (2) transfer stations, (3) recycling centers, (4) composting centers, (5) incinerators, and (6) all other facilities		13
	IF-WM-000.D	Total amount of materials managed, by customer category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other		121
SASB: Recycling & Resource Recovery	IF-WM-420a.4.	Amount of electronic waste collected, percentage recovered through recycling		122
Biodiversity conservation and land use				
GRI 3: Material topics 2021	3-3	Management of material topics		126
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Construction works that may impact flora and wildlife biodiversity are preceded by the due environmental licensing, including forestry authorization. To compensate for suppressed vegetation, the Company promotes the environmental offsetting of the Atlantic Forest, according to Federal Law 11,428/2006.	126
Adapting to climate change impacts				
GRI 3: Material topics 2021	3-3	Management of material topics		123
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change		31, 70

GRI/SASB Standard	Disclosure	Observations	Page
Adapting to climate chance impacts			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	125
	305-2	Energy indirect (Scope 2) GHG emissions	125
	305-4	GHG emissions intensity	125
SASB: Greenhouse Gas Emission	IF-WM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations, and emissions-reporting regulations	124
	IF-WM-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emissions reduction targets, and an analysis of performance against those targets	123, 124
EXTRA DISCLOSURES			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	119
	302-2	Energy consumption outside of the organization	Not applicable to Sanepar.
	302-3	Energy intensity	119
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	105
	413-2	Operations with significant actual and potential negative impacts on local communities	105
SASB: Energy Management	IF-WU-130a.1	Total energy consumed, percentage grid electricity, percentage renewable	119
SASB: Fleet Fuel Management	IF-WM-110b.1	(1) Fleet fuel consumed, (2) percentage natural gas, (3) percentage renewable	119

Assurance Report

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

To the
Shareholders, Board members and Management of
Companhia de Saneamento do Paraná - SANEPAR
– Curitiba - PR

Introduction

We were engaged by Companhia de Saneamento do Paraná – SANEPAR (“Sanepar” or “Company”) to present our limited assurance report on the information included in the 2022 Integrated Report for the year ended December 31, 2022.

Our limited assurance work does not include information from prior periods or any other information disclosed along with the Integrated Report, including any added images, audio or video files.

Management's Responsibility

Sanepar's Management is responsible for the fair preparation and presentation of the information included in the 2022 Integrated Report for the year ended December 31, 2022, according to the criteria determined by the Global Reporting Initiative – GRI Standards, prepared by the Sustainability Accounting Standards Board (SASB), as well as Accounting

Pronouncement CPC 09 – Integrated Reporting, which is equivalent to the Integrated Reporting Framework prepared by the International Integrated Reporting Council (IIRC), and for the internal controls considered necessary to allow the preparation of information that is free from material misstatement, whether due to fraud or error.

Independent auditor's responsibilities

Our responsibility is to express an opinion on the non-financial information included in Sanepar's 2022 Integrated Report for the year ended December 31, 2022, based on the limited assurance engagement performed according to Technical Notice CTO No. 07/2022, approved by the Brazilian Federal Council of Accounting (CFC), and Standard NBC TO 3000 – Assurance Engagements Other than Audit and Review, also issued by CFC, which is equivalent to ISAE 3000 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that we comply with ethical, independence and other related requirements, including the Brazilian Quality Control Standard (NBC PA 01), and therefore, that we maintain a comprehensive quality control system, with documentation of policies and procedures for complying with ethical requirements, professional standards and applicable legal and regulatory requirements.

Additionally, they require that the engagement be performed to obtain limited assurance as to whether the non-financial information included in Sanepar's 2022 Integrated Report for the year ended December 31, 2022, taken as a whole, is free from material misstatement.

A limited assurance engagement performed in accordance with NBC TO 3000 (ISAE 3000) mainly consists of making enquiries of Sanepar's Management and other professionals of the Company responsible for preparing the information, and applying analytical procedures to obtain evidence that allow us to conclude on the limited assurance of the information taken as a whole. A limited assurance engagement also requires that additional procedures be adopted if the independent auditors becomes aware of issues that lead them to believe that the information disclosed in the 2022 Integrated Report, taken as a whole, is not free from material misstatement.

The procedures selected were based on our understanding of aspects related to the gathering, materiality, and presentation of the information disclosed in the Company's 2022 Integrated Report and other circumstances of the engagement, as well as on our understanding of areas and processes associated

with material information disclosed in that report that may not be free from material misstatement. The procedures included, among others:

- (a) Planning the engagement, considering the relevance and volume of quantitative and qualitative information, and the operating and internal control systems used for preparing the information disclosed in the 2022 Integrated Report for the year ended December 31, 2022;
- (b) Understanding the calculation methodology and procedures adopted for gathering indicators based on interviews with the managers responsible for preparing the information;
- (c) Adopting analytical procedures for assessing the quantitative and qualitative information and its correlation with indicators disclosed in the 2022 Integrated Report;
- (d) For cases in which non-financial data are correlated with financial indicators, crosschecking the indicators with the financial statements and/or accounting records.

The limited assurance engagement also included adherence to financial reporting guidelines and

criteria laid out in GRI Standards, prepared by SASB, as well as Accounting Pronouncement CPC 09 – Integrated Reporting, which is equivalent to the Integrated Reporting Framework prepared by IIRC, applicable in preparing the information disclosed in the 2022 Integrated Report for the year ended December 31, 2022.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited opinion.

Scope and limitations

Procedures adopted in preparing the limited assurance engagement vary in nature and timing and are substantially lesser in scope than those applied in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than that which would have been obtained if a reasonable assurance engagement had been carried out. Had we performed a reasonable assurance engagement, we could have identified other issues and possible misstatement of information disclosed in Sanepar's 2022 Integrated Report. Accordingly, we do not express an opinion on such information.

Non-financial data are subject to a greater number of inherent limitations compared to financial data due to the nature and diversity of methods used to determine, calculate or estimate them. Quantitative interpretations of the materiality, relevance and accuracy of data are subject to individual assumptions and judgments. Additionally, we did not assess data from prior periods, nor future projections and targets.

Non-financial information was prepared and presented according to GRI Standards and criteria, and thus not with the intention to ensure compliance with social, economic, environmental or engineering laws and regulations. Nonetheless, these standards provide for the presentation and disclosure of possible non-compliance with such regulations when subject to significant fines or sanctions. Our assurance report must be read and understood in this context, pursuant to the selected and previously mentioned criteria (GRI- Standards).

Conclusion

Based on procedures adopted and described in the present report and on evidence obtained, nothing has come to our attention that would make us believe that the information disclosed in Sanepar's 2022 Integrated Report for the year ended December 31, 2022, was not gathered, in all material respects, in accordance with the criteria and guidelines laid out in the Global Reporting Initiative - GRI Standards, prepared by SASB, as well as with Accounting Pronouncement CPC 09 – Integrated Reporting.

São Paulo, May 15, 2023.



BDO RCS Auditores Independentes CRC 2 SP 013846/O-1



Viviane Alves Bauer
Accountant CRC 1 SP 253472/O-2



Annexes

GRI..... 143

SASB..... 157



Santa Quiteria - Dionira Moletta Klentz's aerial crossing
Photographer: André Thiago Chaves Aguiar

GRI Employees | GRI 2-7

Employee information by gender | GRI 2-7

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent employees	5,036	1,346	6,382	4,953	1,328	6,281	4,879	1,293	6,172
Part-time employees	0	0	0	0	0	0	4	23	27
Total	5,036	1,346	6,382	4,953	1,328	6,281	4,883	1,316	6,199

Sanepar has only permanent and part-time employees. Does not include apprentices and interns. 2020 information has been restated GRI 2-4.

Workers who are not employees | GRI 2-8

Number of outsourced employees | GRI 2-8

	2021	2022
Metropolitan Region of Curitiba and Coastline	2,804	2,071
Northeast Region	1,648	1,114
Northwestern Region	1,243	981
Southeast Region	907	817
Southwestern area	1,457	1,271
Total	8,059	6,254

Note: Sanepar did not control information in third-party employees broken down by region until 2021, when this improvement was implemented. The work performed by these employees includes: cleaning, surveillance, water meter reading services, cutting water connections, telephone customer service, maintenance services for water and sewage networks, and sewage treatment services.

Employee information, by region of the State of Paraná | GRI 2-7

	2020	2021	2022	
Permanent employees	Metropolitan and Coast Region	2,626	2,590	2,536
	Northeast Region	1,099	1,079	1,069
	Northwestern Region	951	945	933
	Southeast region	785	765	749
	South-western region	921	902	885
	Total	6,382	6,281	6,172
Part-time employees	Metropolitan and Coast Region	0	0	13
	Northeast Region	0	0	3
	Northwestern Region	0	0	2
	Southeast region	0	0	4
	South-western region	0	0	5
	Total	0	0	27
Total	Metropolitan and Coast Region	2,626	2,590	2,549
	Northeast Region	1,099	1,079	1,072
	Northwestern Region	951	945	935
	Southeast region	785	765	753
	South-western region	921	902	890
	Total	6,382	6,281	6,199

Sanepar has only permanent and part-time employees. Does not include apprentices and interns. Does not include apprentices and interns. 2020 information has been restated GRI 2-4.

Board of Directors | GRI 2-9

Name	Gender	Executive or non-executive member	Independence	Tenure	Number of other positions and commitments, as well as the nature of the commitments
Vilson Ribeiro de Andrade	Men	Board of Directors Chairman	Yes	April 27, 2024	Lawyer. Chairman of Sanepar's Board of Directors (2020-2022; 2022-2024). Member of Sanepar's Statutory Audit Committee (2019-2021).
Reginaldo Ferreira Alexandre	Men	Independent Board Member	Yes	April 27, 2024	Economist. Member of Mahle Metal Leve S.A.'s Board of Directors. Currently, sitting member of the Fiscal Council of the following companies: Rumo S.A.; Ser Educacional S.A.; Cia. Energética de Brasília - CEB; Banrisul. Members of the Fiscal Council of the Museum of Modern Art of São Paulo. Currently, alternate member to the Board of the following publicly-held companies: Braskem S.A.; Companhia Estadual de Transmissão de Energia Elétrica.
Claudio Stabile	Men	Board of Directors Member	No	June 10, 2024	Lawyer. Sanepar's CEO (2019-2022; 2022-2024).
Eduardo Francisco Sciarra	Men	Independent Board Member	Yes	April 27, 2024	Civil Engineer. Business entrepreneur in the Entertainment, Energy and Civil Construction Sectors. Member of Companhia de Saneamento do Paraná's Board of Directors (2020-2022); Member of the Board of Directors of Fomento Paraná (2021-current), among other Boards.
Elton Evandro Marafigo	Men	Board of Directors Member - Employee's Representative	No	April 27, 2024	Professional Technician - Sanepar's Chemical Technician (1986-current).
Jacques Geovani Schinemann	Men	Independent Board Member	Yes	April 27, 2024	Social Communicator. Administrative/Financial Officer of Grupo FBS - Mídia (2022-2022).
Joisa Campanher Dutra Saraiva	Women	Independent Board Member	Yes	April 27, 2024	Economist. Consultant for several infrastructure companies, public and private entities in Brazil and abroad. (Since 2001). Member of World Economic Forum's Global Future Council (since 2014) and Global Future Council for the Future of the Energy Transition (since 2019). Co-Chair of T20 Indonesia 2022's Task Force on Infrastructure Investment and Financing. Chairwoman of the Energy Board of the Rio de Janeiro Trade Association.
Milton José Paizani	Men	Independent Board Member	Yes	April 27, 2024	Lawyer. Member of Sanepar's Statutory Audit Committee (2021-2022; 2022-2024) and Sanepar's Risk Management Committee since 2022.
Rodrigo Sanchez Rios	Men	Independent Board Member	Yes	April 27, 2024	Lawyer. Professor of Criminal Law at the Pontifical Catholic University of Paraná. Member of the Institute of Lawyers of Paraná; Member of the Brazilian Institute of Criminal Sciences - IBCCRIM; Member of the Brazilian Bar Association (OAB) Federal Council (2022-2024).

Fiscal Council | GRI 2-9

Name	Gender	Executive or non-executive member	Independence	Number of other position and commitments, as well as the nature of the commitments
Ricardo Cansian Netto	Men	Fiscal Council Member	Not declared	Business administrator. Fiscal Council Chairman since 2019. Sitting member of the Higher Board of the Paraná Trade Association - ACP and Vice-President of the Paraná State Federation of Archery - CEBTARCO/ Federal Government.
Henrique Domakoski	Men	Fiscal Council Member	Not declared	Business administrator. Global Vice-President of Marketing and Sales - Shape Digital (2021-current).
Laerzio Chiesorin Junior	Men	Fiscal Council Member	Not declared	Lawyer. Member elected for the Regional Economy Board of Paraná - CORECON PR (2021-2023).
Marco Antonio Mayer Foletto	Men	Fiscal Council Member	Yes	Accountant. Independent Board Member and Chairman of the Audit Committee - Petrobras Transportes (2018-2022). Independent member of the Audit Committee and the Eligibility Committee - CEEE/RS (Generation/ Transmission/ Distribution of Electricity) (2019-2022).
Paulo Roberto Franceschi	Men	Fiscal Council Member	Yes	Accountant/Economist. Partner of Auditoria e Controle - Auditores Independentes (auditing firm), Fiscal Council Member of BB Seguridade Participações S.A (alternate), Banco do Brasil S.A. (alternate), Equatorial Energia S.A, Triunfo Participações e Investimentos S.A, CELPA, CEMAR, TIJOA Participações e Investimentos S.A, CSE Centro de Soluções Estratégicas S.A, CESP Companhia Energética de São Paulo.

Eligibility Committee | GRI 2-9

Name	Gender	Executive or non-executive member	Number of other position and commitments, as well as the nature of the commitments
Roberval Vieira	Men	Member of the Eligibility Committee	Lawyer. Retired Companhia de Saneamento do Paraná - Sanepar employee.
Fabio Leandro Tokars	Men	Member of the Eligibility Committee	Lawyer and Journalist.
Robson Augusto Pascoalini	Men	Member of the Eligibility Committee	Lawyer and member of his own office since 2009.
João Biral Junior	Men	Member of the Eligibility Committee	Lawyer.
Valquiria Aparecida de Carvalho	Women	Member of the Eligibility Committee	Lawyer.
Thais Cercal Dalmina Losso	Women	Member of the Eligibility Committee	Lawyer. Member of the Board of Directors of SPEs controlled by COPEL/GET.

Statutory Audit Committee | GRI 2-9

Name	Gender	Executive or non-executive member	Number of other position and commitments, as well as the nature of the commitments
Artemio Bertholini	Men	Member of the Statutory Audit Committee	Economist and Accountant. Consultant/Researcher - Fundação Instituto de Pesquisas Contábeis, Atuariais e Financeiras - FIPECAFI (since 2015).
Cassio Prudente Vieira Leite	Men	Member of the Statutory Audit Committee	Lawyer. BGA - Boninni Guedes Advocacia.
João Paulo de Castro	Men	Member of the Statutory Audit Committee	Lawyer.
Milton José Paizani	Men	Member of the Statutory Audit Committee	Lawyer. Member of Sanepar's Statutory Audit Committee (2021-2022; 2022-2024) and Sanepar's Risk Management Committee since 2022.

Technical Advisory Committee | GRI 2-9

Name	Gender	Executive or non-executive member	Number of other position and commitments, as well as the nature of the commitments
Alex Sandro Noel Nunes	Men	Member of the Technical Advisory Committee	Lawyer.
Alessandra Barbieri Pessoa	Women	Member of the Technical Advisory Committee	Lawyer.
Helio Renato Wirbiski	Men	Member of the Technical Advisory Committee	Business Administrator, entrepreneur in the Insurance (13 years) and Civil Construction (18 years) sectors.
Raul Clei Siqueira	Men	Member of the Technical Advisory Committee	Civil Engineer with over 40 years of experience in management positions at companies in this industry, having been responsible for the feasibility of projects with private and state companies.
Vinicius Greco Pazza	Men	Member of the Technical Advisory Committee	Lawyer; Legislative Advisor of the Legislative Assembly of the State of Paraná (2019-present); Executive Secretary of the State Council for Economic and Social Development of Paraná (CEDESPR) (2019-present).

New hires and turnover rate | GRI 401-1

New hires, by age group | GRI 401-1

Age group	2020		2021		2022	
	Total	%	Total	%	Total	%
Under 30	0	0.00%	0	0.00%	0	0.00%
30 to 50	0	0.00%	2	0.05%	1	0.03%
Above 50	0	0.00%	0	0.00%	0	0.00%
Total	0	0.00%	2	0.03%	1	0.02%

Note: To calculate the rate of new hires, the total number of employees was used, excluding interns and apprentices.

New hires, by gender | GRI 401-1

Gender	2020		2021		2022	
	Total	%	Total	%	Total	%
Women	0	0.00%	0	0.00%	1	0.08%
Men	0	0.00%	2	0.04%	0	0.00%
Total	0	0.00%	2	0.03%	1	0.02%

Note: To calculate the rate of new hires, the total number of employees was used, excluding interns and apprentices.

New Hires, by region | GRI 401-1

Region	2020		2021		2022	
	Total	%	Total	%	Total	%
Metropolitan Region of Curitiba and Coastline	0	0.00%	0	0.00%	1	0.04%
Northeast Region	0	0.00%	1	0.09%	0	0.00%
Northwestern Region	0	0.00%	1	0.11%	0	0.00%
Southeastern Region	0	0.00%	0	0.00%	0	0.00%
Southwestern area	0	0.00%	0	0.00%	0	0.00%
Total	0	0.00%	2	0.03%	1	0.02%

Note: To calculate the rate of new hires, the total number of employees was used, excluding interns and apprentices.

Turnover, by age group | GRI 401-1

Age group	2020		2021		2022	
	Total	%	Total	%	Total	%
Under 30	0	0.00%	2	1.37%	3	2.75%
30 to 50	29	0.69%	43	1.06%	35	0.90%
Above 50	589	29.94%	70	3.37%	44	2.02%
Total	618	9.68%	115	1.83%	82	1.32%

Note: To calculate the turnover rate, the total number of employees was used, excluding interns and apprentices.

Turnover, by gender | GRI 401-1

Gender	2020		2021		2022	
	Total	%	Total	%	Total	%
Women	142	10.57%	21	1.58%	12	0.91%
Men	476	9.45%	94	1.90%	70	1.43%
Total	618	9.68%	115	1.83%	82	1.32%

Note: To calculate the turnover rate, the total number of employees was used, excluding interns and apprentices.

Turnover, by region | GRI 401-1

Region	2020		2021		2022	
	Total	%	Total	%	Total	%
Metropolitan Region of Curitiba and Coastline	296	11.27%	48	1.85%	28	1.10%
Northeast Region	63	5.73%	15	1.39%	10	0.93%
Northwestern Region	114	11.99%	16	1.69%	20	2.14%
Southeastern Region	100	12.74%	19	2.48%	11	1.46%
Southwestern area	45	4.89%	17	1.88%	13	1.46%
Total	618	9.68%	115	1.83%	82	1.32%

Note: Total employees disclosed in indicator GRI 2-7 are considered for calculating turnover rate by region, therefore excluding interns and apprentices.

Diversity of governance bodies and employees | GRI 405-1

Diversity of governance bodies

Percentage of individuals that are part of the governance bodies, by gender | GRI 405-1

Body	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Board of Directors	88.0%	12.0%	89.0%	11.0%	89.0%	11.0%
Fiscal Council	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Executive Board and Deputy Board	80.0%	20.0%	80.0%	20.0%	80.0%	20.0%
Statutory Audit Committee	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Eligibility Committee	67.0%	33.0%	67.0%	33.0%	67.0%	33.0%
Technical Committee	80.0%	20.0%	83.0%	17.0%	80.0%	20.0%
Total	86.0%	14.0%	86.0%	14.0%	85.0%	15.0%

Percentage of individuals that are part of the governance bodies, by age group | GRI 405-1

Body	Age group	2020		2021		2022	
		Total	%	Total	%	Total	%
Board of Directors	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	1	12.5%	1	11.1%	0	0.0%
	Above 50	7	87.5%	8	88.9%	9	100.0%
Fiscal Council	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	4	40.0%	3	33.3%	4	40.0%
	Above 50	6	60.0%	6	100.0%	6	60.0%
Executive Board and Deputy Board	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	3	30.0%	3	30.0%	2	20.0%
	Above 50	7	70.0%	7	70.0%	8	80.0%
Statutory Audit Committee	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	2	50.0%	2	50.0%	2	50.0%
	Above 50	2	50.0%	2	50.0%	2	50.0%
Eligibility Committee	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	5	83.3%	5	83.3%	5	83.3%
	Above 50	1	16.7%	1	16.7%	1	16.7%
Technical Committee	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	4	80.0%	5	83.3%	3	60.0%
	Above 50	1	20.0%	1	16.7%	2	40.0%
Total	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	19	44.2%	19	43.2%	15	34.9%
	Above 50	24	55.8%	25	56.8%	28	65.1%

Diversity of employees

Percentage of employees by functional category, by gender | GRI 405-1

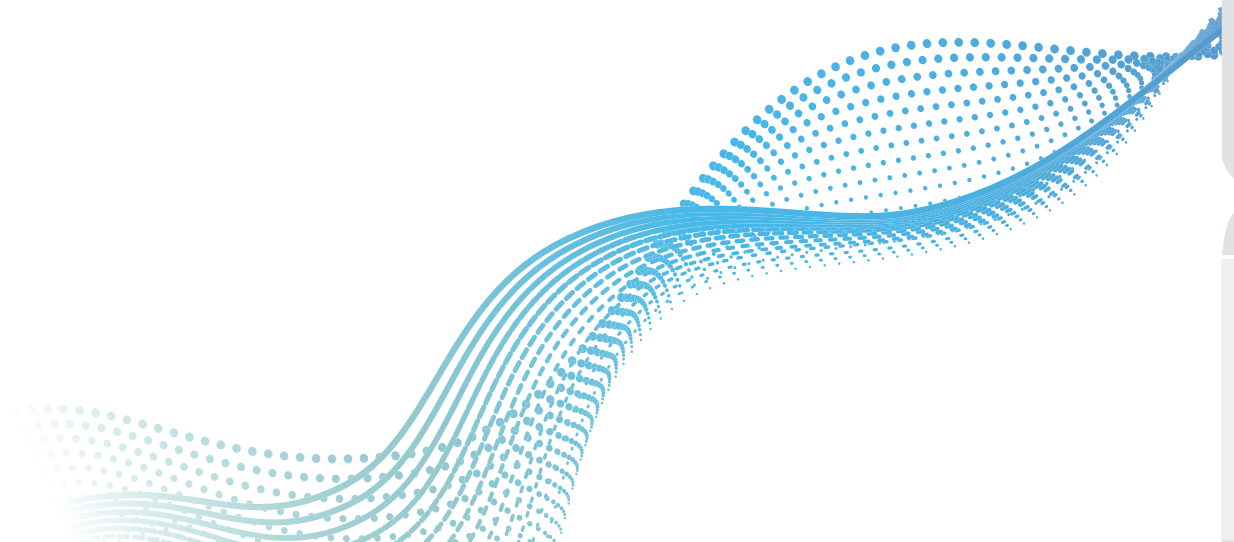
Functional Category	Gender	2020		2021		2022	
		Total	%	Total	%	Total	%
Board of Directors - Non-Employee	Men	5	83.3%	5	83.3%	5	83.3%
	Women	1	16.7%	1	16.7%	1	16.7%
	Total	6	100.0%	6	100.0%	6	100.0%
Board of Directors - Employee	Men	3	75.0%	3	75.0%	2	66.7%
	Women	1	25.0%	1	25.0%	1	33.3%
	Total	4	100.0%	4	100.0%	3	100.0%
Managerial	Men	231	73.8%	232	72.7%	235	73.2%
	Women	82	26.2%	87	27.3%	86	26.8%
	Total	313	100.0%	319	100.0%	321	100.0%
Professional	Men	459	67.5%	450	67.5%	443	66.9%
	Women	221	32.5%	217	32.5%	219	33.1%
	Total	680	100.0%	667	100.0%	662	100.0%
Technical	Men	689	78.7%	678	78.7%	671	78.8%
	Women	186	21.3%	183	21.3%	181	21.2%
	Total	875	100.0%	861	100.0%	852	100.0%
Operational	Men	3,651	81.1%	3,585	81.0%	3,527	81.0%
	Women	853	18.9%	839	19.0%	828	19.0%
	Total	4,504	100.0%	4,424	100.0%	4,355	100.0%
Interns	Men	27	37.0%	25	58.1%	55	47.4%
	Women	46	63.0%	18	41.9%	61	52.6%
	Total	73	100.0%	43	100.0%	116	100.0%
Apprentices	Men	34	41.5%	97	35.3%	84	35.4%
	Women	48	58.5%	178	64.7%	153	64.6%
	Total	82	100.0%	275	100.0%	237	100.0%
Total	Men	5,099	78.0%	5,075	76.9%	5,022	76.6%
	Women	1,438	22.0%	1,524	23.1%	1,530	23.4%
	Total	6,537	100.0%	6,599	100.0%	6,552	100.0%

Percentage of employees by functional category, by age group | GRI 405-1

Functional category	Age group	2020		2021		2022	
		Total	%	Total	%	Total	%
Board of Directors - Non-Employee	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	1	16.7%	1	16.7%	1	16.7%
	Above 50	5	83.3%	5	83.3%	5	83.3%
	Total	6	100.0%	6	100.0%	6	100.0%
Board of Directors – Employee	Under 30	0	0.0%	0	0.0%	0	0.0%
	30 to 50	2	50.0%	2	50.0%	0	0.0%
	Above 50	2	50.0%	2	50.0%	3	100.0%
	Total	4	100.0%	4	100.0%	3	100.0%
Managerial	Under 30	5	1.6%	4	1.3%	2	0.6%
	30 to 50	222	70.9%	227	71.2%	228	71.0%
	Above 50	86	27.5%	88	27.6%	91	28.3%
	Total	313	100.0%	319	100.0%	321	100.0%
Professional	Under 30	10	1.5%	2	0.3%	1	0.2%
	30 to 50	459	67.5%	436	65.4%	415	62.7%
	Above 50	211	31.0%	229	34.3%	246	37.2%
	Total	680	100.0%	667	100.0%	662	100.0%
Technical	Under 30	42	4.8%	28	3.3%	19	2.2%
	30 to 50	574	65.6%	557	64.7%	546	64.1%
	Above 50	259	29.6%	276	32.1%	287	33.7%
	Total	875	100.0%	861	100.0%	852	100.0%

Percentage of employees by functional category, by age group | GRI 405-1

Functional category	Age group	2020		2021		2022	
		Total	%	Total	%	Total	%
Operational	Under 30	167	3.7%	112	2.5%	87	2.0%
	30 to 50	2,933	65.1%	2,834	64.1%	2,717	62.4%
	Above 50	1,404	31.2%	1,478	33.4%	1,551	35.6%
	Total	4,504	100.0%	4,424	100.0%	4,355	100.0%
Interns	Under 30	71	97.3%	43	100.0%	104	89.7%
	30 to 50	2	2.7%	0	0.0%	12	10.3%
	Above 50	0	0.0%	0	0.0%	0	0.0%
	Total	73	100.0%	43	100.0%	116	100.0%
Apprentices	Under 30	82	100.0%	275	100.0%	237	100.0%
	30 to 50	0	0.0%	0	0.0%	0	0.0%
	Above 50	0	0.0%	0	0.0%	0	0.0%
	Total	82	100.0%	275	100.0%	237	100.0%
Total	Under 30	377	5.8%	464	7.0%	450	6.9%
	30 to 50	4,193	64.1%	4,057	61.5%	3,919	59.8%
	Above 50	1,967	30.1%	2,078	31.5%	2,183	33.3%
	Total	6,537	100.0%	6,599	100.0%	6,552	100.0%



Percentage of employees by functional category, by color or race | GRI 405-1

Functional category	Color or race	2020		2021		2022	
		Total	%	Total	%	Total	%
Board of Directors - Non-Employee	Black	0	0.0%	0	0.0%	0	0.0%
	Brown	0	0.0%	0	0.0%	0	0.0%
	White	6	100.0%	6	100.0%	6	100.0%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	0	0.0%	0	0.0%	0	0.0%
	Total		6	100.0%	6	100.0%	6
Board of Directors -Employee	Black	0	0.0%	0	0.0%	0	0.0%
	Brown	0	0.0%	0	0.0%	0	0.0%
	White	4	100.0%	4	100.0%	3	100.0%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	0	0.0%	0	0.0%	0	0.0%
	Total		4	100.0%	4	100.0%	3
Managerial	Black	8	2.6%	7	2.2%	9	2.8%
	Brown	1	0.3%	1	0.3%	0	0.0%
	White	301	96.2%	308	96.6%	309	96.3%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	3	1.0%	3	0.9%	3	0.9%
	Total		313	100.0%	319	100.0%	321
Professional	Black	24	3.5%	25	3.7%	25	3.8%
	Brown	0	0.0%	0	0.0%	0	0.0%
	White	649	95.4%	635	95.2%	630	95.2%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	7	1.0%	7	1.0%	7	1.1%
	Total		680	100.0%	667	100.0%	662
Technical	Black	45	5.1%	45	5.2%	44	5.2%
	Brown	6	0.7%	5	0.6%	5	0.6%
	White	822	93.9%	809	94.0%	801	94.0%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	2	0.2%	2	0.2%	2	0.2%
	Total		875	100.0%	861	100.0%	852

Functional category	Color or race	2020		2021		2022	
		Total	%	Total	%	Total	%
Operational	Black	240	5.3%	239	5.4%	238	5.5%
	Brown	35	0.8%	35	0.8%	36	0.8%
	White	4,219	93.7%	4,140	93.6%	4,071	93.5%
	Indigenous	0	0.0%	0	0.0%	0	0.0%
	Yellow	10	0.2%	10	0.2%	10	0.2%
	Total		4,504	100.0%	4,424	100.0%	4,355
Interns	Black	0	0.0%	0	0.0%	3	2.6%
	Brown	10	13.7%	3	7.1%	25	21.6%
	White	59	80.8%	38	90.5%	83	71.6%
	Indigenous	1	1.4%	0	0.0%	0	0.0%
	Yellow	3	4.1%	1	2.4%	5	4.3%
	Total		73	100.0%	42	100.0%	116
Total	Black	317	4.9%	316	5.0%	319	5.1%
	Brown	52	0.8%	44	0.7%	66	1.0%
	White	6,060	93.9%	5,940	93.9%	5,903	93.5%
	Indigenous	1	0.0%	0	0.0%	0	0.0%
	Yellow	25	0.4%	23	0.4%	27	0.4%
	Total		6,455	100.0%	6,323	100.0%	6,315

Note: Sanepar does not have data from the Apprentices for color and/or race indicators.

Percentage of employees per functional category, by PwD's | GRI 405-1

Functional category	PwD	2020		2021		2022	
		Total	%	Total	%	Total	%
Board of Directors - Non-Employee	Person with Disabilities	0	0.0%	0	0.0%	0	0.0%
	Person without Disabilities	6	100.0%	6	100.0%	6	100.0%
	Total	6	100.0%	6	100.0%	6	100.0%
Board of Directors - Employee	Person with Disabilities	0	0.0%	0	0.0%	0	0.0%
	Person without Disabilities	4	100.0%	4	100.0%	3	100.0%
	Total	4	100.0%	4	100.0%	3	100.0%
Managerial	Person with Disabilities	0	0.0%	0	0.0%	0	0.0%
	Person without Disabilities	313	100.0%	319	100.0%	321	100.0%
	Total	313	100.0%	319	100.0%	321	100.0%
Professional	Person with Disabilities	5	0.7%	6	0.9%	6	0.9%
	Person without Disabilities	675	99.3%	661	99.1%	656	99.1%
	Total	680	100.0%	667	100.0%	662	100.0%
Technical	Person with Disabilities	5	0.6%	8	0.9%	8	0.9%
	Person without Disabilities	870	99.4%	853	99.1%	844	99.1%
	Total	875	100.0%	861	100.0%	852	100.0%
Operational	Person with Disabilities	73	1.6%	85	1.9%	84	1.9%
	Person without Disabilities	4,431	98.4%	4,339	98.1%	4,271	98.1%
	Total	4,504	100.0%	4,424	100.0%	4,355	100.0%
Interns	Person with Disabilities	0	0.0%	0	0.0%	0	0.0%
	Person without Disabilities	73	100.0%	43	100.0%	116	100.0%
	Total	73	100.0%	43	100.0%	116	100.0%
Apprentices	Person with Disabilities	0	0.0%	0	0.0%	0	0.0%
	Person without Disabilities	82	100.0%	275	100.0%	237	100.0%
	Total	82	100.0%	275	100.0%	237	100.0%
Total	Person with Disabilities	83	1.3%	99	1.5%	98	1.5%
	Person without Disabilities	6,454	98.7%	6,500	98.5%	6,454	98.5%
	Total	6,537	100.0%	6,599	100.0%	6,552	100.0%

SASB

IF-WM-000.B

- > 2020 - 544 Own fleet vehicles (377 light and 167 heavy) and 1,550 leased fleet (1,535 light and 15 heavy), totaling 2,094 vehicles in the Company.
- > 2021 - 548 Own fleet vehicles (377 light and 171 heavy) and 1,550 leased fleet (1,535 light and 15 heavy), totaling 2,098 vehicles in the Company.
- > 2022 - 546 Own fleet vehicles (371 light and 175 heavy) and 1,550 leased fleet (1,535 light and 15 heavy), totaling 2,096 vehicles in the Company.

IF-WU.000.E

Water distribution network

- > 2020 - 57,503 km
- > 2021 - 59,070 km
- > 2022 - 60,077,322 km

Sewage collection network

- > 2020 - 38,464 km
- > 2021 - 39,660 km
- > 2022 - 40,733,150 km



Praia de Leste WTP
Photographer: André Thiago Chaves Aguiar

Credits

Coordination and data collection

Strategic Planning Department (*Gerência de Planejamento Estratégico - GPE*)

Photos

Communication and Marketing Office
(Diretoria Adjunta de Comunicação e Marketing - DACMK)

Cover Photo

Photographer: André Thiago Chaves Aguiar
The Iraí Dam in Piraquara.

Writing and Review

blendON

Graphic Design and Layout

blendON

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