



BUREAU
VERITAS



Bureau Veritas Certification - Brasil

SECOND PARTY OPINION (SPO) POST-ISSUE
VERIFICATION

RIO+ SANEAMENTO S.A.





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1. INTRODUCTION

Bureau Veritas Certification Brasil (Bureau Veritas) was hired by Rio + Saneamento (RIO +), to conduct a limited verification of the use of resources, in the post-issuance phase, of a Sustainability Debenture issued on October 30 2023, supported by a pre-issuance opinion carried out by Bureau Veritas (hereinafter referred to as pre-issuance SPO). The resources obtained, in the total amount of R\$2,500,000,000.00 (two billion and five hundred million reais), were used for reimbursement and expenses, in the project to expand and improve the water supply system of the Planning Area (AP-5), which includes 24 districts in the West Zone of the municipality of Rio de Janeiro and in the water supply and sewage systems of the municipalities of Itaguaí/RJ and Seropédica/RJ, from August 2023 to December 2023 and for payment of the first and second installments of the fixed grant of the concession referring to the provision of public water supply and sewage services in the municipalities belonging to Block 3 of the concession of the State of Rio de Janeiro, in March 2022 and August 2022. Reviewed by our team, compared the Green Bonds¹, Social Bonds² and Sustainability Bonds³ Principles of the International Capital Market Association (ICMA); Green Loans and Social Loans of the Loan Market Association (LMA); Blue Bonds⁴ and Blue Loans of the International Finance Corporation (IFC).

Our verification was based on information provided by RIO+ in a report called “2023 Monitoring and Impact Report” and evidence collected through a post-issuance verification checklist, elaborated by our team.

2. CONCLUSION

Based on the verification carried out by us and the evidence obtained, we are of the opinion that the “2023 Monitoring and Impact Report” on the issuance of a Sustainability Debenture, referring to the period from March 2022 to December 2023, adequately complies for all its aspects, in accordance with the applicable requirements. The resources used in the period analyzed, presented in the Report, were applied in accordance with the premises defined in 2023, recorded in the pre-issuance SPO and relate to reimbursement and expenses, in the project to expand and improve the water supply system of the Planning Area (AP-5) of the municipality of Rio de Janeiro and in the water supply and sewage systems of the municipalities of Itaguaí/RJ and Seropédica/RJ and for payment of the first and second installments of the fixed grant of the Concession Agreement.

¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁴ <https://www.lma.eu.com/sustainable-lending/resources>



Finally, we are of the opinion that RIO+ projects meet the Green/Social Bonds Guidelines established by ICMA, the Green/Social Loan Guidelines established by LMA and the Blue Bonds/Blue Loans guidelines of the International Finance Corporation (IFC), as demonstrated below in this report.

3. SCOPE OF WORK

The scope of this verification covered:

1. Declaration of use of resources and Monitoring and Impact Report 2023 of RIO+, referring to the post-issuance phase, for the period from March. 2022 to December 2023;
2. Verification regarding the use and management of resources, in accordance with the premises described in the pre-issuance SPO;
3. Evidence regarding the correct presentation of information;
4. This verification was carried out due to the need for external validation of the use of resources related to an issue in the amount of R\$2,500,000,000.00 (two billion and five hundred million reais), which were used for reimbursement and expenses in the project to expand and improve the water supply system of the Planning Area (AP-5), which includes 24 districts in the West Zone of the city of Rio de Janeiro and in the water supply and sewage systems of the cities of Itaguaí/RJ and Seropédica/RJ and for payment of the first and second installments of the fixed concession fee for the provision of public water supply and sewage services in the cities belonging to Block 3 of the concession of the State of Rio de Janeiro.

The scope of our work was limited to verifying the allocation of resources of the bond issued in accordance with the 2023 Monitoring and Impact Report and the correct presentation of information, in accordance with the ICMA Green/Social Bond Principles, the LMA Green/Social Loan Principles and the IFC Blue Bond/Loan Principles.

It is important to clarify that we verified data and information related to the period from March 2022 to December 2023; The financial data was verified in national currency (Reais).

4. RESPONSABILITY OF RIO + AND RESPONSIBILITY OF BUREAU VERITAS

The collection, calculation and presentation of the published data are the sole responsibility of RIO+ management. Bureau Veritas is responsible for providing an independent opinion to RIO+, in accordance with the scope of work defined in this statement.



5. METHODOLOGY, LIMITATIONS AND EXCLUSIONS

The verification included the following activities:

1. Collection of evidence on the allocation of resources and execution of activities associated with Sustainability and Blue Bonds, for the period from March 2022 to December 2023;
2. Documentary assessment of the monitoring of projects that bring socio-environmental attributes that contribute to the resilience of basic sanitation;
3. Collection of evidence on the indicators provided for in the pre-issuance report;
4. Traceability of financial and non-financial data, including planning and monitoring of applied resources.

The verification level adopted was Limited, in accordance with the requirements of the ISAE 3000⁵ standard, incorporated into Bureau Veritas' internal verification protocols.

Any assessment of information related to activities outside the reporting period was excluded from this verification.

6. TECHNICAL OPINION

- We evidenced the use of appropriate systems, which support process flows and investments and expenses, in relation to the resources obtained through the financial operation mentioned in this Technical Opinion, allocated in the period from March 2022 to December 2023;
- We verified the raising of funds through the Deed of the 02nd Issue of Simple Debentures, non-convertible into shares, of the type with real guarantee, with additional personal guarantee, in two series, for public distribution, under the automatic registration procedure, intended for professional and qualified investors, of RIO+ Saneamento BL3 S.A., issued in October 2023 in the amount of R\$2,500,000,000.00 (two billion and five hundred million reais), which were used for reimbursement and expenses, in the project to expand and improve the water supply system of the Planning Area (AP-5), which includes 24 districts in the West Zone of the municipality of Rio de Janeiro and in the water supply and sewage systems of the municipalities of Itaguaí/RJ and Seropédica/RJ and for payment of the first and second installments of the fixed grant of the concession referring to the provision of public water supply and sewage services in the municipalities. belonging to Block 3 of the concession of the State of Rio de Janeiro;

⁵ International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information



- We carried out the traceability of expenditures for the period from March 2022 to December 2023, where we evidenced the use of R\$ 1,778,488,172.47 (One billion, seven hundred and seventy-eight million, four hundred and eighty-eight thousand, one hundred and seventy-two reais and forty-seven cents), being: R\$ 1,761,218,400.00 (One billion, seven hundred and sixty-one million, two hundred and eighteen thousand, four hundred reais), for retroactive payment of the first and second installments of the Concession grant, paid on March 28 2022 and August 02 2022, respectively, and the amount of R\$ 17,269,772.47 (Seventeen million, two hundred and sixty-nine thousand, seven hundred and seventy-two reais and forty-seven cents) in projects of expansions and improvements to the water supply system of the Planning Area (AP-5) and to the water supply and sewage systems of the municipalities of Itaguaí/RJ and Seropédica/RJ in the period from August 2023 to December 2023. The expenses from March 2022 to December 2023 represent a total of 71% of the value of the Sustainability Bond issued. The company estimates that the full disbursement of the resources will be made by December 2026.

Until the full allocation of available resources is made, the Company undertakes to maintain the surplus liquid resources in cash, cash equivalents or other low-risk liquid investments, in accordance with the existing policy of Rio + Saneamento;

- We have satisfactorily demonstrated, through documentary sampling, the progress of the implementation of projects applied in projects to expand and improve the water supply system of the Planning Area (AP-5) and in the water supply and sewage systems of the municipalities of Itaguaí/RJ and Seropédica/RJ, which bring socio-environmental attributes that contribute to the resilience of basic sanitation, namely:
 - Investments in the Water System
 - ✓ Rio de Janeiro (AP5) » Water Supply, Pumping Stations, Treatment, Distribution, Building Connections, Studies and Projects, and Loss Control and Reduction;
 - ✓ Itaguaí » Water Supply, Treatment, Distribution, Building Connections, Studies and Projects, and Loss Control and Reduction;
 - ✓ Seropédica » Water Supply, Studies and Projects, and Loss Control and Reduction;
 - Investments in the Sewage System
 - ✓ Itaguaí » Studies and Projects



- Regarding the indicators established in the pre-issuance process: (1) Treated volume of water (m³/year); (2) Percentage of water losses (%); (3) Treated volume of effluent (m³/year); (4) Collected volume of effluent (m³/year) and (5) Water intended for reuse (m³), we found that, despite being monitored by the responsible areas, these cannot yet be publicly disclosed, as they are in the process of validation with the Regulatory Agency. We also found that, according to the concession contract, it is stipulated that the disclosure of these data becomes a contractual obligation only from the 3rd or 5th year of the concession, that is, mid-2025 or 2027;
- We believe that Rio+ is in accordance with the contractual provisions regarding the indicators and that the impacts of the investments already made can be measured at the future time of monitoring these indicators.
- Furthermore, regarding the impacts, we understand that current investments have already provided direct benefits not associated with monitoring indicators, but with structural operating conditions, safety and asset performance, and are aligned with the company's objective of ensuring that 99% of people in its concession areas have access to safe drinking water and 90% have sewage collection and treatment by 2033, as defined in the concession agreement;
- Additionally, we clarify that Rio + Saneamento has a practice of disclosing results, indicators and progress of its activities in a consolidated manner, and keeps them publicly available in its Sustainability Report, elaborated in accordance with the standards of the Global Reporting Initiative – GRI, considering the SASB standards for the water and sanitation segment and independently assured;
- We believe that the information described in the Rio+ Saneamento Monitoring and Impact Report meets the annual reporting requirements of ICMA/LMA/IFC.



7. DECLARATION OF INDEPENDENCE AND IMPARTIALITY

BUREAU VERITAS is an independent professional services company specializing in Quality Management Systems, Environmental and Sustainability, among others, with over 196 years of experience in independent verification services.

BUREAU VERITAS has a third-party certified quality management system, in accordance with which it maintains documented policies and procedures for compliance with ethical, professional and legal requirements.

The verification team has no connection with RIO + Saneamento, and conducts this verification independently.

BUREAU VERITAS has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards of ethics, integrity, objectivity, confidentiality and competence/professional behavior in their daily activities.

CONTACT

<https://certification.bureauveritas.com.br/fale-conosco/>

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