



Water down investment, top up returns

The pitfalls of financing Basic
Sanitation in Brazil



Centro
Internacional de
Transparência e
Pesquisa em
Fiscalidade
Corporativa



Sindae

Sindicato dos Trabalhadores em Água,
Esgoto e Meio Ambiente no Estado da Bahia

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September 2025

Published by:



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Summary

Response from the Company	4
Executive Summary	6
Introduction.....	14
New Sanitation Framework and the oligopolisation of environmental sanitation in Brazil	20
BRK Ambiental's operations in Brazil	26
Recommendations	47
Annex 1	52
Annex 2	61

Response from the Company

This report makes no allegations of illegality or impropriety by any of the companies named. Rather, it seeks to highlight the systemic failings in the way the Brazilian water and sanitation system is financed. Our aim is to question whether recent public policy choices are delivering on their stated objectives of delivering a universal service, whilst making the best use of public money.

Ahead of this report's publication, CICTAR sent a detailed list of our findings to Brookfield and BRK Ambiental. In response, a BRK spokesperson said:

"This report distorts data, presents outdated information about the investments made by BRK, and ignores the reality of a regulated sector, with strict rules, continuous oversight, and targets set by public authorities. BRK is managed by Brookfield, a responsible steward of businesses which is investing in and driving focus on the provision of best-in-class service levels to municipality stakeholders within a regulated industry. Over the past three years, BRK has invested approximately BRL 4 billion in structural works, expanding access to water supply and sanitation networks for more than 564,000 homes across Brazil.

The criticism of the use of debentures is unfounded: it is a legitimate instrument, provided for by law, supervised by the Brazilian Securities and Exchange Commission (CVM), and essential to enable the investments that are transforming sanitation in Brazil. This mechanism was created by the public authorities precisely to allow long-term infrastructure funding — a sector that requires capital-intensive investments and returns over decades.

It is completely false to claim that interest payments compromised BRK's investments or workforce. Between January 2024 and mid-2025, the company hired, promoted, and recognized thousands of employees. BRK maintained an average annual CAPEX of approximately BRL 1 billion, concrete proof of our commitment to expanding services and delivering results. The recent higher volume of interest payments results from the increase in the basic interest rate in the domestic market — a macroeconomic factor affecting the entire Brazilian economy and beyond the control of the company's management.

It is worth highlighting that most of BRK's assets are still in the ramp-up phase, a stage that requires large investments primarily financed through debt. In this context, it is natural that dividend distribution occurs only when services have been universalized, and not during the early phases of operations. Both the reinvestment of dividends and the issuance of debentures received the unanimous approval of shareholders Brookfield and FI-FGTS, long-term investors in the company, engaged with BRK's strategy and the sanitation sector.

The municipalities served by BRK rank among the best evaluated in the country, according to the main sanitation rankings in Brazil. Based on the 2025 National Sanitation Ranking, prepared by the Trata Brasil Institute, Limeira (State of São Paulo) achieved second place nationally and first among cities operated by private companies, with universalized services. Aparecida de Goiânia (State of Goiás) climbed 12 positions to reach sixth place, standing out among the municipalities that invested the most in sanitation. In Tocantins, the 46 cities operated by BRK have 100% water supply, and Palmas (State of Tocantins), with universalized water and sewage services, is the highest-rated capital in the Northern Region. In the Metropolitan Region of Maceió (State of Alagoas), for example, more than BRL 770 million has already been invested — a figure higher than that mistakenly reported in the report — ensuring significant progress. A robust schedule of works is underway, in line with the contractually established targets.

Finally, it is essential to highlight that private investments have accelerated the transformation of sanitation in Brazil. Since the approval of the Legal Framework, between 2020 and 2023, the private sector's share in investments grew from 15.1% to 27.3%, reaching BRL 6.7 billion in 2023. In this period, 6.3 million households gained access to treated water and another 6.1 million were connected to the sewage system, representing the greatest transformation in the sector's history."

The Brazilian federal government is facilitating a major and growing role for private investment in expanding access to basic sanitation. Yet, this strategy appears to be failing and requires an urgent overhaul and greater accountability. Basic sanitation is one of the most significant indicators of inequality in Brazil. In 2023, only 59.7% of the population had access to sewage networks, mainly due to the lack of sanitation in rural areas, which had only 5.6% coverage. These figures reveal a reality far from the goal of reaching universal access, with the negative impacts concentrated in the poor and small municipalities in the North and Northeast regions of the country.

In recent years, the solution offered by the Brazilian federal government to address this deficit has been to hand over water and sewage services to the private sector, with the promise of increased investment. With this justification, Law 14,026 was approved in 2020. This law amended the Legal Framework for Basic Sanitation (Law 11,445 of 2007) and established investment targets for achieving a universal service, aiming to achieve 99% national water coverage and 90% for sewage collection and treatment by 2033.

This new law prohibits the sector's historical inter-federative cooperation between municipalities and states and encourages privatisation primarily through three new forms of contracting: full or partial concession, transfer of shareholding control, and Public-Private Partnerships (PPPs). Concessions are the most commonly used form and involve holding auctions for the provision of services to private entities, on average for periods of 30 years. Almost five years after the approval of the new law, 31 basic sanitation auctions have already been held, often structured by the National Bank for Economic and Social Development (BNDES) and won by the company that offers the highest price to the government.

The agenda of promoting private investment in public services is not limited to the basic sanitation sector and also involves the creation of a tax incentive by the federal government: incentivised debentures. Debentures are debts contracted by companies in the capital markets without banks or other financial institutions acting as intermediaries. Since 2011, when Law 12,431 was passed, debentures aimed at implementing infrastructure investment projects considered a priority by the federal government have been eligible for tax incentives. Until 2024, the incentive was a reduction in income tax levied on interest and

amortisation payments for debenture investors. In addition to basic sanitation, energy and urban transportation are also considered priorities by the federal government.

Starting in 2024, with Law 14,801, it is no longer the investor who receives exemption on their proceeds, but rather the debenture issuer itself, who can deduct the interest paid to investors from the company's profits when calculating income tax. The refinancing term for previous debentures was also increased from two to five years.

This research aims to show the limitations of these policies in delivering universal access to basic sanitation in Brazil. The combination of the current Legal Framework for Basic Sanitation and the tax-exempt debentures has led to an outcome that distorts the original purpose of the tax incentive: **rather than supporting the expansion of Brazilian infrastructure, debentures are being used to fund the privatisation of the sector using public and private resources.** Private sanitation companies, many of them controlled by foreign funds, are raising capital in the Brazilian market, supported by tax incentives, to purchase existing infrastructure rather than to invest in new infrastructure. **Of the R\$38.9 billion issued on incentivised debentures, R\$21.14 billion, or 54,33% of the total, were primarily or secondarily allocated to the full or partial payment of concession fees for water and sanitation auctions.**

With the changes to the incentivised debentures in 2024, it has become even more advantageous for sanitation companies to take on debentures to win auctions and to refinance this debt through more debentures, since they can deduct interest payments from their income tax payments. This further distances the incentivised debentures from their initial stated purpose: the expansion and improvement of Brazilian infrastructure.



Privatisation is intrinsically linked to outsourcing and precarious working conditions, with mass layoffs and attacks on the historic rights of sanitation workers. Furthermore, the sale of national state-owned companies to foreign groups represents a loss of sovereignty and technical knowledge accumulated over decades, making the country hostage to external geopolitical interests. The privatisation of sanitation is not a technical solution, but a political project that transfers a common good essential to life into the hands of a few, to the detriment of the majority. It is a path that leads to exclusion, environmental injustice, and the loss of sovereignty.

BRK Ambiental

Beyond outlining data that illustrates the limitations of investment mobilised through tax-exempt debentures, this research presents a case study of BRK Ambiental, Brazil's eighth-largest sanitation company. BRK Ambiental Participações S.A (BRK Ambiental) originated from Odebrecht Ambiental and was purchased in 2017 by Brookfield Corporation, a global asset management firm specialised in private equity based in Canada. The company is also 30% owned by the state, through the Employee's Severance Guarantee Investment Fund (FI-FGTS), which manages resources from millions of formalised workers in Brazil.

Since being purchased by Brookfield, the company has doubled its revenue in the country, from R\$2.1 billion in 2017 to R\$4.2 billion in 2024; however it has posted meagre, if not negative, profits. While the company's subsidiaries, which operate the concessions across Brazil, averaged a profit rate of 9.9% between 2021 and 2024, BRK Ambiental Participações, the parent company that controls and manages them, accumulated an average loss of -0.1% over the same period. It can be inferred that the subsidiaries transfer millions in dividends to the parent



company, showing that the businesses are highly profitable. However, these dividends are not then booked as profits by BRK Ambiental Participações.

This is due to the company's level of debt. In the eight years BRK Ambiental has been operating, the company has spent R\$7.9 billion on investments. This investment, however, is less than half the value of the company's loans: BRK issued R\$18.3 billion in debt during the period, mostly through debentures. The company has hundreds of millions of reais in amortisation payments every year until at least 2034, which can compromise its finances for the next decade.

Instead of productive investments, the debt created a huge interest burden: in 2024, BRK paid over R\$1 billion in interest to its investors — primarily large Brazilian and international investment funds — more than its total payroll expenses. This phenomenon occurs even in so-called green bonds. For example, in the 10th issue of debentures by BRK Ambiental Participações, which raised R\$1.6 billion in 2022, 22% of the funds raised will be used to finance capital expenditures, with the remaining 78% used to refinance debts.

Its most significant expansion to date, the Maceió Metropolitan Region concession bought for R\$ 2.0 billion, was financed through R\$ 3.75 billion in debentures, R\$ 1.95 billion of which through a tax-exempt debenture. But this large loan has not fully translated into



Photo: Naturatins

Photo: Tânia Rêgo Agência Brasil



investment. According to publicly available data from the Brazilian government, BRK Ambiental RMM invested R\$409.02 million in sewage and water services in the first three years of the concession. The company claims a higher investment amount between 2021 and 2025, totaling R\$ 904 million. To meet the commitments agreed with BNDES and the government—R\$ 2 billion in investments by 2026—the company would need to invest R\$ 1.1 billion in 2026 alone, more than it invested over the previous five years of the concession combined.

Even though the purpose of the incentivised debenture was to refinance the debt made for the payment of the concession, the company publicised the debt as the first blue bond issued in Brazil, a debt security that finances projects linked to the preservation of water resources, oceans and marine life.

By going into debt and not generating profits, the company creates four problems

- 1) for Brazilian workers: since the company is 30% owned by FI-FGTS, it should receive 30% of the dividend distributions. With the lack of profits, FI-FGTS has received in the last four years only 1.43% of the dividends distributed by subsidiaries to BRK Ambiental Participações, which diminishes funds for worker benefits as retirement and credit for housing;
- 2) for BRK Ambiental workers: debt payments reduce resources available for salaries, which have not kept up with the rise in revenues;
- 3) for the federal government:

tiny profits translate lower income tax payments, undermining the Brazilian state's revenue and the funding of public policies. Aegea, one of the company's main competitors, earned R\$15.4 billion in 2024, 3.6 times more than BRK Ambiental, which earned R\$4.2 billion, however, it paid 22.8 times more taxes, R\$1.2 billion, while BRK Ambiental paid only R\$52.2 million.

The fourth problem is for the Brazilian population: under-resourced expansion in provision means underfunding for services. BRK's track record in Brazil includes citation for environmental violations, accusations of damages to urban infrastructure, and almost R\$50 million in imposition of fines across multiple municipalities. The company has been fined in various cities for allegedly discharging sewage into improper locations, failing to carry out mandatory works under concession contracts, and causing entire cities to go without water, among other issues. The most serious cases are in Tocantins and Blumenau, where a Parliamentary Commission of Inquiry (CPI) was installed in 2024 and 2023 respectively, and in Maranhão, where a decision in a Public Civil Action annulled the water supply contract due to abusive tariffs. The annulment was suspended by the Court of Justice of Maranhão.

BRK Ambiental could be turning into yet another example of how the private equity model works in Brazil and around the world. After the acquisition by Brookfield, BRK Ambiental raised money from the Brazilian market and government to buy and invest in sanitation companies, concentrating assets to increase their value, whilst extracting the maximum from consumers without taking significant measures to improve the quality-of-service delivery. Now the value of the company has appreciated sufficiently, media reports have signalled Brookfield's intention to sell the company, considering it a mature asset. If Brookfield sells the company and moves on to its next investment, it will likely leave BRK with such a large debt that it will jeopardise its finances for years to come, directly affecting the quality of services provided to the population and the investment capacity to expand Brazilian infrastructure.

This case shares similarities with what is happening in the UK. Serving about a quarter of the UK population, private company Thames Water has failed to deliver adequate sanitation services, leading to a 40% real-term rate increase since 1989, a 15% drop in investment, massive water leaks, and a recent £122.7 million fine for environmental failures, all while taking on heavy debt to pay out dividends, pushing the company to the brink of financial collapse.

This case study demonstrates that rather than significantly increasing investments in sanitation infrastructure, the transfer of basic sanitation services to major private conglomerates may lead to the sector becoming concentrated in the hands of a few companies, driven by international investment funds and companies. These actors take on debt and exploit Brazilian tax incentives to expand their wealth and profits, without this being translated into a significant advance towards a universal service.

Recommendations

There is no easy solution to Brazil's basic sanitation deficit. The strategies adopted by the Brazilian state so far — whether traditional municipal-state company partnerships or the current model of concessions and private capital mobilisation — have been insufficient to meet the much needed investment in infrastructure, essential for the population's basic human rights. To achieve universal access, structural solutions are needed. This study makes the following recommendations:

- The use of tax-exempt debentures to fund the payment or refinancing of auction fees should not be allowed; it undermines the primary aim of the tax incentive, to increase Brazilian infrastructure, and promotes privatisation and financialisation of the sanitation sector. The federal government must urgently review this policy, and the criteria for selecting eligible projects should be amended accordingly.
- While BRK can incur billions in debt with state support, 19 million Brazilians are blacklisted as defaulters, and public bodies are penalised for taking on any debt. The limits and purposes of each economic entity's debt should reflect the country's real growth constraints and development priorities. Public bodies must



Photo: Wikipedia





Photo: Brasil com S

reclaim their historic role in promoting Brazilian economic and social development through significant capital investments in the sanitation sector. Directly financing the expansion of Brazilian sanitation infrastructure — with public oversight and accountability — may prove far more effective than supporting the expansion of the private sector.

- BRK Ambiental must justify to its workers, the government, and society its high levels of debt and low tax and dividend payments to the government. Brookfield should not treat sanitation as just another asset in its vast private equity portfolio. The strong profitability of BRK's concessions — obscured by its corporate debt — must be translated into decent working conditions, quality service delivery, and infrastructure investment in Brazil.



Introduction

Basic sanitation is one of the most significant indicators of inequality in Brazil. In 2023, only 59.7% of the population had access to sewage networks, while rural areas had only 5.6% coverage. This figure is an underestimate as it doesn't account for individual or community-based wastewater solutions, only the public network, and water access is much better at 83.1%.¹ However, it reveals a national picture which falls far short from universal provision of basic sanitation, with those most lacking mainly being the poor and the small municipalities in the North and Northeast regions of the country.

The solution offered by the Brazilian federal government to deal with this shortfall has been to hand water and sewage services over to the private sector, with the promise of increased investments. To this end, Law 11,445 was passed in 2020, which changed the Legal Framework for Basic Sanitation and created investment targets for delivering a universal service,

with the aim of achieving national coverage of 99% of water services and 90% for sewage by 2033.

This new law prohibits the sector's historical inter-federative cooperation between municipalities and states and encourages privatisation primarily through three new forms of contracting: full or



Photo: Procon Tocantins

¹ SINISA - Sistema Nacional de Informações em Saneamento Básico. Relatório dos Serviços de Esgotamento Sanitário 2024, ano de referência 2023. p. 19; SINISA - Sistema Nacional de Informações em Saneamento Básico. Relatório dos Serviços de Abastecimento de água 2024, ano de referência 2023. p. 19. Available at: <https://www.gov.br/cidades/pt-br/aceso-a-informacao/acoes-e-programas/saneamento/sinisa/resultados-sinisa>

partial concessions, transfer of shareholding control, and Public-Private Partnerships (PPPs). Concessions are the most commonly used form and involve holding auctions for the provision of services to private entities, typically for periods of 30 years. Almost five years after the approval of the new law, 31 basic sanitation auctions have already been held; 13 auction projects are already scheduled for the coming years and there are 67 potential projects in the pipeline,² many of them organised by the National Bank for Economic and Social Development (BNDES).

The push to encourage private investment in public services goes beyond the basic sanitation sector and also includes a range of public policies aimed at developing Brazil's debenture market. Debentures are bonds issued by companies directly to capital markets, bypassing banks and other financial intermediaries.

At the centre of this strategy lay the creation of incentivised debentures, a federal government tax incentive implemented by Law No. 12,431 in 2011. The policy grants a reduction to the debenture investors of the income tax levied on interest and amortisation payments made by the companies. The stated aim of the incentive is to “raise resources with the aim of implementing investment projects in the area of infrastructure, or economic production intensive in research, development and innovation, considered as priorities in the form regulated by the federal Executive Branch”³. According to data from the Federal Revenue Service, this tax expenditure cost R\$5.3 billion reais between 2013 and 2024, and most of it (59.7%) in the form of income tax reductions provided to companies (Imposto de Renda Pessoa Jurídica – IRPJ, in Portuguese.)⁴

² Poder 360. Novos leilões de saneamento devem contratar R\$ 115 bilhões. <https://www.poder360.com.br/poder-infra/leiloes-de-saneamento-devem-contratar-115-bilhoes-apos-sa-besp/>

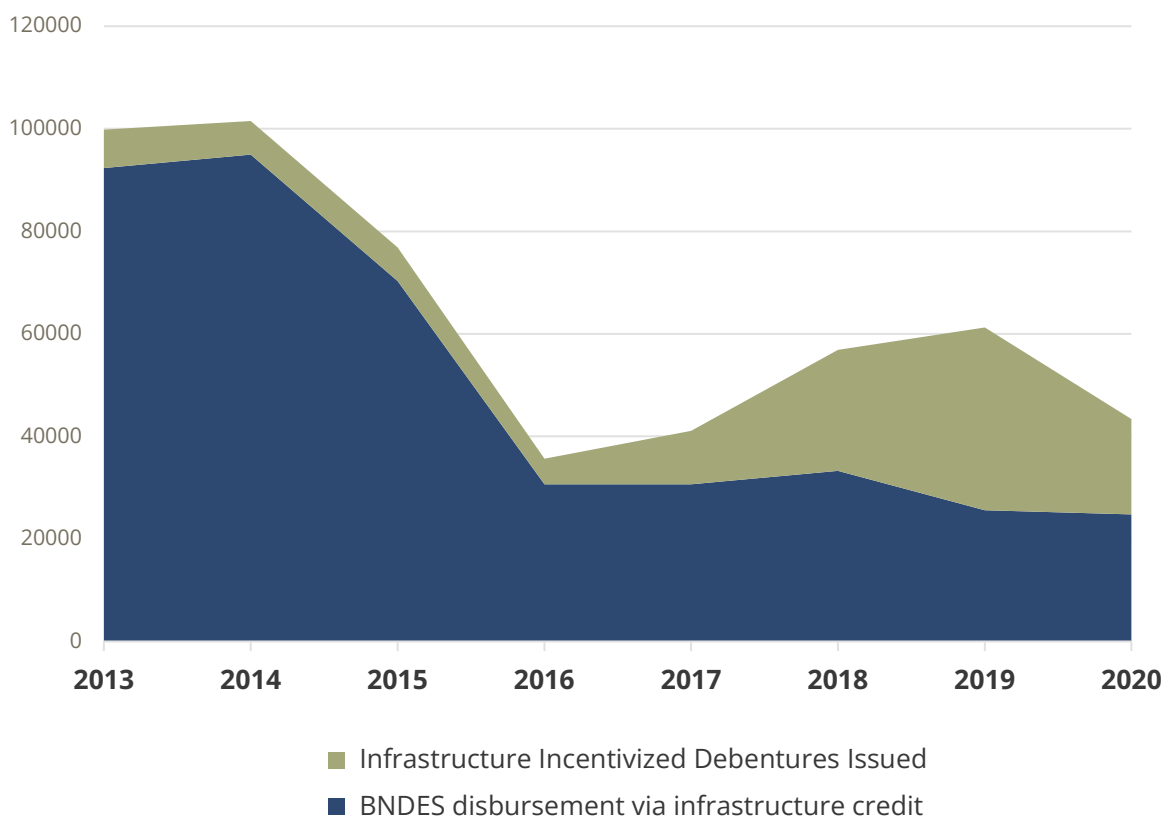
³ Lei nº 12.431, Art. 2

⁴ Demonstrativo de Gastos Tributários, bases efetivas. Séries (2017-2022), (2014-2019) e (2019-2024). Quadros XXVI. <https://www.gov.br/receita-federal/pt-br/centrais-de-conteudo/publicacoes/relatorios/renuncia/gastos-tributarios-bases-efetivas>

The policy achieved its desired result, and today debentures have become one of the largest sources of investment in infrastructure in Brazil. However, the volume of total investment in infrastructure has fallen since the creation of incentivised debentures, since the private sector has not compensated the drop in public investment. As Silva states, based on the data shown in Graph 1, “the reduction in the supply of credit by the BNDES for the infrastructure sector has only partially been replaced by debt issued for projects.”⁵

Graph 1 | Private investment did not replace the amounts historically invested by BNDES (2013-2020)

Amounts in millions of current reais



Source: Silva, 2022, p. 64

⁵ Mauro Santos Silva. 2022. Concessões e Parcerias Público-Privadas: Políticas Públicas para Provisão de Infraestrutura. Capítulo 2 Financiamento à Infraestrutura: Desenvolvimento Institucional e Desempenho do Mercado de Debêntures Incentivadas. p. 63 <http://dx.doi.org/10.38116/978-65-5635-040-0/capitulo2>.

The sums mobilised are not the only problem: an IPEA study that evaluated the performance of incentivised debentures in the infrastructure sector between 2012 and 2020 concluded that the debentures issued are mostly related to the expansion or re-financing of already structured projects (brownfield), and not new projects (greenfield) that involve a pre-operational construction phase, a stage that has greater exposure to risks.⁶ Investments in sanitation infrastructure, especially in unprofitable regions most in need, are exactly those that need a “pre-operational construction phase.”

The graph shows how BNDES has lost its historic role of financing the expansion of economic and social policies for the country. Its central focus for the sanitation sector now is in structuring the auctions for the concession of services to private companies. “The BNDES has a fundamental role to play in structuring good projects that provide security for investors,”⁷ said the then-Minister for Regional Development, Rogério Marinho, on the day of the auction for the Maceió Metropolitan Region (Região Metropolitana de Maceió - RMM) in 2020, which BRK Ambiental won with a bid of over R\$2.0 billion. This auction was the first in a series of auctions organised by the bank. The BNDES Project Hub currently contains details of 20 auctions, including those already held and those in the planning stage, for concessions, PPPs or privatisations in basic sanitation sector.⁸

Research objectives and methodology

In recent years, the Brazilian federal government has strengthened the role of the private sector in the basic sanitation sector. The aim of this research is to show the limitations of these state policies, mainly incentivised debentures, for achieving the stated aim of making universal basic sanitation a reality in Brazil.

The methodology is a case study of the company BRK Ambiental, the eighth largest basic sanitation company in the country. BRK Ambiental was born in 2017 with the purchase of Odebrecht Ambiental by the private equity arm of Canadian asset manager

⁶ *ibid*, p. 72 .

⁷ Com oferta de mais de R\$ 2 bi, saneamento da grande Maceió é concedido à BRK Ambiental. <https://www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/saneamento-da-grande-maceio-e-concedido-com-oferta-de-mais-de-rs-2-bilhoes-e-tera-universalizacao-de-agua-ate-2026>

⁸ BNDES. Hub de Projetos. <https://hubdeprojetos.bndes.gov.br/pt/projetos/nossos-projetos?setor=saneamento>. Access on August 29, 2025.

Brookfield Corporation. 30% of the company is publicly owned by the FGTS Investment Fund (FI-FGTS). Since the purchase, BRK has doubled its turnover and assets in the country. In 2022, FI-FGTS valued the company at R\$10 billion reais, more than three times the purchase price.⁹

This rapid expansion of assets, and the company's investment in infrastructure, was only possible due to Brazilian state policies: BRK Ambiental Participações and its subsidiaries have participated in BNDES auctions and have raised R\$ 2,0 billion through incentivised debentures, as well as receiving millions more in other federal tax incentives.

Despite this, the company has reported minimal profits in the eight years it has been operating in Brazil, mainly because it is in debt, having raised more than R\$12 billion in debentures on Brazilian capital markets. In 2024, the company paid more than 1 billion reais in interest to its investors, large Brazilian and international investment funds. By not making a profit, the company limits the distribution of dividends to its public partner, FI-FGTS, and the resources available for service delivery and salaries, and pays less income tax, impacting Brazilian federal tax revenues. In short, the market gets paid first, and the State receives whatever is left over - and the leftovers have been very meagre of late.

The case study shows that instead of increasing investment in sanitation infrastructure, handing sanitation services to the private sector has led to the oligopolisation by large investment funds and multinational corporations. This corporate-driven approach leads to outsourcing, the charging of ever higher service fees and a deterioration in the quality of services. Furthermore, even with the entry of private capital, and with the severe repression of the public budget imposed by the Brazilian federal government's "spending ceiling" and the New Fiscal Framework, public funding is still central to the delivery of infrastructure investment.

In order to establish a new balance of power between big business, the people and the government, there is a need for greater monitoring of the corporations entering the sector and for evaluation and reform of tax incentives and other government policies.

⁹ 082notícias. Brookfield contrata bancos para vender parte ou controle da BRK Ambiental. <https://082noticias.com/2024/05/29/brookfield-contrata-bancos-para-vender-parte-ou-controle-da-brk-ambiental/#:~:text=Para%20a%20oferta%20sair%2C%20o,n%C3%A3o%20quis%20comentar%20o%20assunto.>

The privatisation of basic sanitation is already being reversed in several cities around the world: if it can be done elsewhere, it can be done in Brazil, with the aim of providing universal, accessible and quality public services for the Brazilian population. Brazil can also look at its past, when Brazilian models for expanding low-cost sewage systems through democratic community participation were lauded around the world.¹⁰

Following this introduction, the report will give a brief history of the Basic Sanitation Framework and incentivised debentures and their impact on the oligopolisation of the sector. Section 3 is dedicated to BRK Ambiental and in section 4 recommendations are listed for the financing of basic sanitation in Brazil as a means to achieve universal coverage.

¹⁰ Earthea Nance. Community Participation in Urban Sanitation: Experiences in Northeastern Brazil. 2007. https://www.researchgate.net/publication/249694296_Community_Participation_in_Urban_Sanitation_Experiences_in_Northeastern_Brazil



Photo: Naturatins

New Sanitation Framework and the oligopolisation of environmental sanitation in Brazil

The role of private capital in basic sanitation in Brazil, although relatively new, is significant and growing. Before Law 14,026, which changed the Legal Framework for Basic Sanitation in 2020, the sector was almost completely controlled by state-owned companies.¹¹ Four years and 31 auctions later, state-owned companies remain predominant, but private capital is expanding, especially in the Southeast and South, where coverage and profitability are higher.

Eleven of the twenty largest sanitation companies in Brazil are privately controlled, while nine remain in the hands of the state.¹² Brazil's largest sanitation company is the highly profitable Sabesp, earning net revenue of 25 billion in 2023. The company was privatised in 2024: the São Paulo government retained an 18% share and private

¹¹ TV Senado. Novo marco legal do saneamento básico aguarda sanção presidencial. https://www.youtube.com/watch?v=lvlaS2ymvd4&ab_channel=TVSenado. 1m31s

¹² Valor Economico. As 27 maiores empresas de saneamento do Brasil. <https://valor.globo.com/empresas/noticia/2024/11/12/as-27-maiores-empresas-de-saneamento-do-brasil.ghtml>



power distributor Equatorial Energia acquired a 15% stake, while the rest (66.5%) was floated on the São Paulo and New York Stock exchanges. Next-largest is Aegea, which almost doubled its turnover between 2022 and 2023 and also owns Corsan, number five on the list shown on Table 1. BRK Ambiental and Iguá Saneamento, both controlled by Canadian investors, are also on the list.

Table 1 | 20 largest basic sanitation companies in Brazil
with public or private control indicated

	Company	Head Office	Net revenue (in R\$ million) 2023	Change 2022-2023 (in %)	Private or state control
1	Sabesp (Equatorial)	SP	25.568,70	15,9	Private
2	Aegea Sanitation	SP	8.563,00	84,8	Private
3	Copasa MG	MG	7.404,40	19,9	State
4	Sanepar	PR	6.292,70	10,9	State
5	Corsan (Aegea)	RS	5.106,40	29,3	Private
6	Embasa	BA	5.033,50	7,4	State
7	Ambipar Group	SP	4.872,70	28,6	Private
8	BRK Ambiental	SP	4.654,00	3,9	Private
9	Saneago	GO	3.481,30	14,2	State
10	Cedae (Águas do Brasil)	RJ	3.199,60	4,3	Private
11	Compesa	PE	2.822,40	-7,8	State
12	Cagece	CE	2.817,40	19,9	State
13	Iguá Sanitation	SP	2.344,00	13,1	Private
14	Caesb	DF	2.305,70	20,3	State
15	Solvi	SP	2.224,20	-6,9	Private
16	Águas do Brasil Group	RJ	1.916,90	11,2	Private
17	Casan	SC	1.634,10	15,9	Private

18	Cagepa	PB	1.381,30	35,2	State
19	Sanasa	SP	1.266,70	13,1	State
20	Ecourbis	SP	1.263,50	37,3	Private

Own elaboration. Source: Valor Econômico (all data except private or state control) and company websites (private or state control).

The wave of privatisations of Brazilian state-owned companies began in the 1990s but only reached the basic sanitation sector with the changes in the Legal Framework for Basic Sanitation in 2020 with Law 14,026. Although there are still a large number of state-owned basic sanitation companies in the country, the data already shows movement towards oligopolisation in the sector, as shown on Table 1.

Law 14,026 encourages privatisation primarily through three forms of contracting: full or partial concession, transfer of shareholding control, and Public-Private Partnerships (PPPs). Historically, basic sanitation was formally the responsibility of municipalities, who transferred the delivery of public services to state-owned sanitation companies, mainly through partnership contracts. Since the 2020 changes, new state-municipality partnership contracts have been banned, as well as the renewal of existing contracts and partnerships without formal contracts, and the bidding process for services has become mandatory.

In addition to encouraging concessions, the second major change ushered in by the New Framework is the regionalisation of sanitation services, based on the creation of new amalgamated regions for service delivery. The law promotes this strategy by making the allocation of federal public funds conditional on municipalities adhering to the new regional divisions proposed by the states or the Federal government.¹³

The new law defines universal coverage as 99% of the population living in the concession area having access to water and 90% to sewage, and not the whole area of the municipality nor all the municipalities in the state. In other words, regionalisation can be designed to serve only parts of the municipalities' territory and not all of it, favouring

¹³ Observatório do Marco Legal. Entenda o Marco Legal. <https://marcolegal.aguaesaneamento.org.br/entenda-o-marco-legal/#sobreLei>

only the most profitable areas.¹⁴ This is what happened in Pará when, of the four blocks put up for concession, the block that brings together the state's largest cities received bids, but one of the blocks with the greatest water supply and sewage deficiencies received no bids from the private sector. However, a specific auction for this block was recently held. ¹⁵ Iguá Saneamento's recent sale of 11 small and medium-sized concession blocks, with the aim of "allowing a greater focus on high-value operations"¹⁶, is another example of the limitation of the regionalisation model as an instrument for stimulating private investment in the Brazilian municipalities that need it most.

Incentivised Debentures

Another criticism of the changes made in the Legal Framework for Basic Sanitation is that it limits competition. In theory, state-owned companies can compete with the private sector in auctions and continue to provide services, but in practice this is not happening. Of the 11 completed water and sanitation auctions that appear on the BNDES Project Hub, none were attended by state-owned companies.¹⁷ Although the reasons for this absence must be analysed on a case-by-case basis, one element may help to explain it: eight of the eleven projects had the highest concession fee as the criterion for selecting the company, i.e. instead of who provides the best service at the lowest cost, the criterion is who can pay the highest concession fee to the government.

BNDES is already re-evaluating this criterion, as concessionaires pass on the costs of concessions to the population, resulting in increased pressure to raise tariffs, which can compromise the financial balance of contracts and affect the accessibility of services.¹⁸ This reassessment is in line with European experience, where the practice of paying high amounts to the government to win basic sanitation concessions has been used in Hungary, Italy, and France in recent decades and has been linked to corruption

¹⁴ Observatório Nacional dos Direitos à Água e ao Saneamento. Os Planos Municipais de Saneamento Básico e as privatizações dos serviços de água e esgotos. <https://ondasbrasil.org/os-planos-municipais-de-saneamento-basico-e-as-privatizacoes-dos-servicos-de-agua-e-esgotos/>

¹⁵ Leilão do Bloco C de Saneamento no Pará será em 5 de agosto. [https://ppi.gov.br/leilao-do-bloco-c-de-saneamento-no-para-sera-em-5-de-agosto/#:~:text=O%20projeto%20inclui%20metas%20como,Parcerias%20de%20Investimentos%20SEMPI\).](https://ppi.gov.br/leilao-do-bloco-c-de-saneamento-no-para-sera-em-5-de-agosto/#:~:text=O%20projeto%20inclui%20metas%20como,Parcerias%20de%20Investimentos%20SEMPI).)

¹⁶ Kartado. As 07 maiores empresas de saneamento do Brasil. <https://kartado.com.br/empresas-de-saneamento-brasil/>

¹⁷ BNDES. Hub de Projetos. <https://hubdeprojetos.bndes.gov.br/pt/projetos/nossos-projetos?setor=saneamento>. Accessed on August 29 2025.

¹⁸ BNDES impõe limites ao financiamento de outorgas em concessões de saneamento . 1 de novembro de 2024. Disponível em: <https://infranews.com.br/bndes-impoe-limites-ao-financiamento-de-outorgas-em-concessoes-de-saneamento/>

and high tariffs for consumers. France banned the payment of concession fees in basic sanitation auctions in 1995.¹⁹

Regardless of this reassessment, the use of high concession fees to win auctions is supported by the second pillar of the government's strategy: tax incentives. Part of the financing for payment of concession fees has come from the Brazilian capital market and the federal government, through incentivised debentures. Of the R\$38.9 billion issued on incentivised debentures, R\$21.14 billion, or 54,33% of the total, were primarily or secondarily allocated to the full or partial payment of concession fees for water and sanitation auctions. The methodology for finding this number was the evaluation of the purpose of the resources of each incentivised debenture issued in the period, according to the data made available by Anbima, which can be found in Annex 1 of this report.

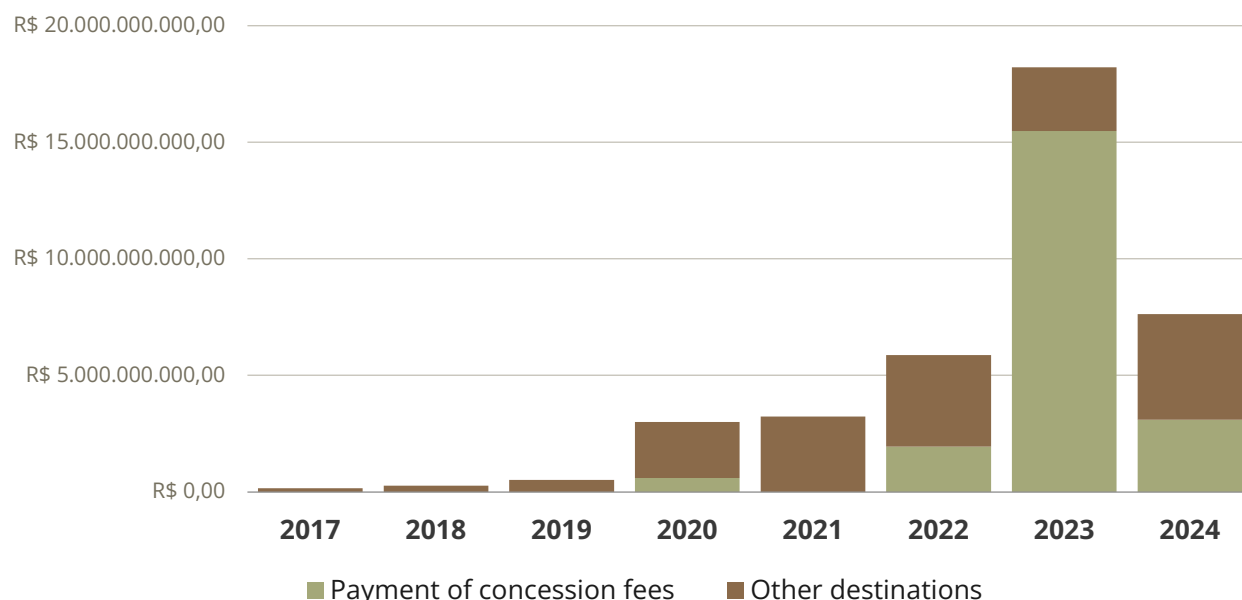
This amount relates in its entirety to private companies, that is, no state-owned company used incentivised debentures to finance the purchase of concessions, with the one exemption of Sabesp, who issued one incentivised debenture that could have been used to pay concession fees when it was still publicly owned in 2020. In other words, tax incentives are largely supporting private sector bidders to win concessions, rather than investments to expand coverage and improve services. Graph 2 shows the purpose of the debentures since 2017, which is the first year of data available at Anbima's website.

¹⁹ Lobina, E. and Gray, C. (forthcoming) "Public water matters: A critique of the Global Commission on the Economics of Water". PSIRU Reports, University of Greenwich.



Photo: wirestock - Freepik

Graph 2 | Purpose of incentivised debentures for the basic sanitation sector - 2017 to 2024



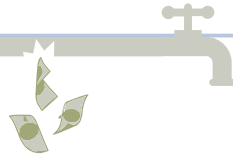
Source: Anbima

The policy is being expanded in Brazil. As of the implementation of Law 14,801 in 2024, it is no longer the investor who earns an exemption on their earnings, but the debenture issuer, who can deduct the interest paid from company profits when calculating corporate income tax (IRPJ) and the Social Contribution on Net Profits (CSLL). The incentive will apply to debentures issued up to 2030, and these debentures can be related to investments made up to five years prior²⁰. Therefore, it will be even more advantageous for basic sanitation companies to borrow on the capital markets to win auctions and purchase concessions, rolling over the debt created with increasing numbers of issuances that can be deducted from corporate income tax.

As long as Brazilian public policies foster privatisation and increase the wealth of large global corporations, the basic sanitation sector and Brazilian infrastructure as a whole will not develop. The impacts of these policies on water and sanitation workers and consumers can be understood from the BRK Ambiental case study, which we will discuss below.

²⁰ Lei 14801 Art. 1º § 5º; Art. 6; Art 10 § 1º-C.

<https://www2.camara.leg.br/legin/fed/lei/2024/lei-14801-9-janeiro-2024-795227-publicacaooriginal-170797-pl.html>



BRK Ambiental's operations in Brazil

BRK Ambiental is one of the largest private basic sanitation companies in the country, now operating in 13 states and 143 municipalities. The company is organised around BRK Ambiental Participações S.A. (the parent company) and 21 subsidiaries: 16 concessions, four Public Private Partnerships (PPPs) and one direct private control. The concessions have an average duration of 33.3 years, with periods ranging from 20 to 50 years.



BRK Ambiental began operations in April 2017 with the purchase of Odebrecht Ambiental by the Bermuda-based Brookfield Business Partners LP, the private equity arm of Brookfield Asset Management, which owns 70% of the company's shares²¹. Brookfield is a trillion dollar Canadian-based alternative asset investment manager and often invests on behalf of large Canadian and US public pension funds. The remaining 30% of BRK Ambiental's shares belong to the FI-FGTS, which was established in 2007 to invest FGTS funds. In other words, BRK Ambiental has part of its capital coming from taxes and pension contributions from Brazilian and Canadian workers.

²¹ AEC Web. Odebrecht transfere controle de empresa de saneamento à Brookfield <https://www.aecweb.com.br/revista/noticias/odebrecht-transfere-controle-de-empresa-de-saneamento-a-brookfield/15661>

Who is Brookfield

Brookfield is one of the world's largest investment managers, specialising in private equity, real estate and energy. Brookfield has more than US\$ 1 trillion in assets across more than 30 countries, including R\$ 199 billion in Brazil.²² In 2024, Brookfield reported record financial results, with US\$ 86.0 billion in revenue and US\$ 6.3 billion in distributable profits to its shareholders.²³

However, Brookfield's business practices have faced increasing international scrutiny for allegations of using accounting practices to overinflate the value of its property portfolio.²⁴ The company is structured around tax havens, mainly Bermuda, as can be seen in Figure 1. Moreover, the corporation is currently embroiled in a major scandal in Australia after its business practices drove Healthscope, acquired by Brookfield in 2019, the country's second largest private hospital operator, towards the brink of collapse. Brookfield has been unable to pay rents and has offered to turn over control to its lenders,²⁵ according to news outlets.

²² Brookfield no Brasil: 2º SEMESTRE - 2024

https://www.brookfield.com/sites/default/files/2024-09/Brookfield_no_Brasil_Q2_2024.pdf

²³ Distributable earnings are the sum of distributable profits from its corporate activities and asset and wealth management units, distributions received from investment holdings, interest earned on the sale of investments, and stock dividends and share-based compensation costs. According to:

https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Press-Releases/2025/Q4-24%20BN%20Press%20Release_F.pdf

²⁴ Financial Times. FT Investigation: How much does Brookfield really make?

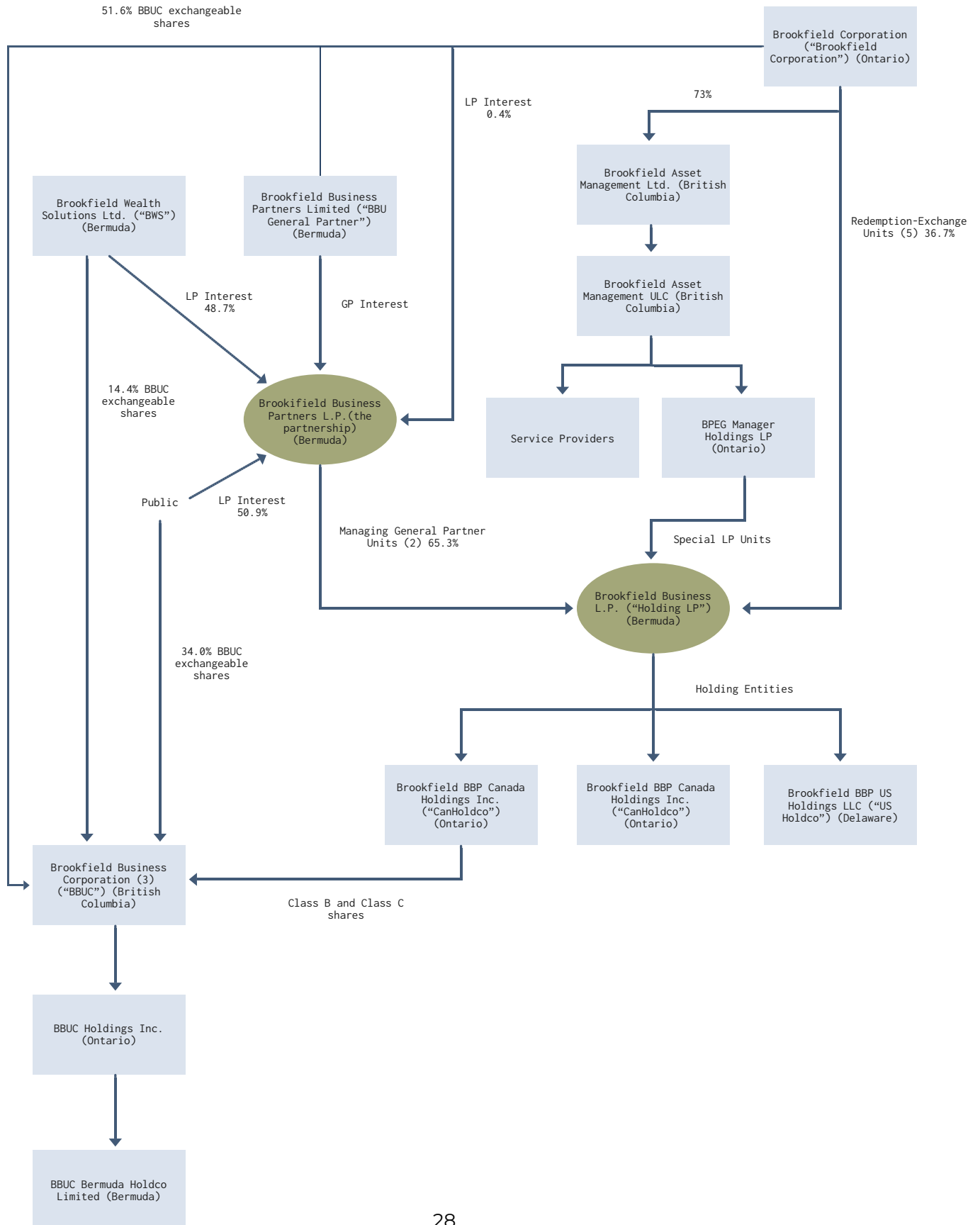
<https://www.ft.com/content/6e070b14-74cc-4ade-bd80-7bd3900c6a82>; Bloomberg. Fired Brookfield VC Head Says Firm Asked Him to Lie to Investors. <https://www.bloomberg.com/news/articles/2025-05-09/fired-brookfield-vc-head-says-firm-asked-him-to-lie-to-investors>

²⁵ The Australian. Hospital 'crisis' straight out of the Brookfield barbarians playbook.

<https://www.theaustralian.com.au/business/companies/crisis-at-healthscope-hospitals-down-to-canadian-investment-giant-brookfields-strategy/news-story/fc5d09ee366ff653a4653705b6cce256>

Figure 1 | Brookfield's simplified corporate structure

Source: Brookfield Business Partners L.P. ANNUAL REPORT 2024, p. 69



Brazil is Brookfield's fifth largest market in terms of revenue and the largest market in the Global South.²⁶ The corporation has a long history in the country that goes back to its first operations in 1899, with the founding of The São Paulo Tramway, Light and Power Co. In 2022, a report by Global Witness indicated that Brookfield, through a network of investment funds and subsidiaries, was involved in 9,000 hectares of deforestation in the Brazilian Cerrado between 2012 and 2021 and in attempts to expel indigenous peoples from their land.²⁷

Today, Brookfield is present in all 26 Brazilian states, having doubled its assets over the last five years. In the infrastructure sector, it controls more than 10,000 kilometres of railways, gas pipelines and transmission lines, including companies like NTS, Quantum, Arteris and VLI. Its private equity investments include BRK Ambiental, home builder and real estate manager Tegra Incorporadora, and rental car company Unidas. The company has also recently expanded into the renewable energy sector, acquiring the companies Elera and Aldo Solar. Finally, in the commercial real estate sector, the company operates dozens of properties including shopping and business centres in São Paulo and Rio de Janeiro.²⁸

BRK Ambiental is one of the highlights of the corporation's private equity division in Brazil. Private equity gained popularity after the 2008 global financial crisis, which led to greater oversight over traditional banks. Private equity funds raise private and public funds to buy out and control (more than 50 % of the shares) of large companies. Often, after a few years, the fund sells the company or launches an initial public offering (IPO) at a stock exchange, giving the profits back to the original investors. The logic is to acquire control, extract maximum profits in a limited period, or to increase the value of the company as much as possible, sell and move on to the next investment.

BRK Ambiental seems to be following the second path, i.e. increasing the value of the company to sell it. The company was acquired for US\$ 908 million (R\$ 2.9 billion) in

²⁶ Brookfield's annual report 2024: https://www.brookfield.com/2024-bn-annual-report_p.173-174

²⁷ Slash and sell. How financial giant Brookfield and its big bank backers profited from deforestation and the abuse of Indigenous Peoples' rights in Brazil. <https://globalwitness.org/en/campaigns/forests/slash-and-sell/>

²⁸ Brookfield. Overview Brasil. <https://www.brookfield.com/pt-br/overview-brasil#:~:text=2022%20Em%20Resumo&text=Encerramos%20o%20ano%20com%20R.R%24%2019%2C6%20bilh%C3%B5es.>

2017.²⁹ In 2022, Brookfield tried to list the company on the Stock Exchange however it was not successful. In 2024 the Valor Econômico newspaper reported that Brookfield hired a consortium of banks to organise the sale of part or all its holdings in the company, since it is considered a mature investment.³⁰

BRK: A very valuable but not very profitable company

The appreciation of BRK Ambiental reflects its development in Brazil: BRK Ambiental's assets, which are economic resources that a company owns, such as properties, machinery and equipment, infrastructure and patents, have increased by 127.8% in the eight years since it came under Brookfield's control, from R\$7.8 billion in 2017 to R\$19.2 billion in 2024. It has expanded throughout Brazil mainly by obtaining the Maceió Metropolitan Region (RMM) concession in 2020. The value of its many concessions managed by the subsidiaries has also surged, driven both by increasing tariffs and investments in the concession's infrastructure. However, the increase in assets was followed by an even bigger increase in liabilities (190.3%) due to its debt burden, as we will discuss in the next section³¹.



²⁹ AEC Web. Odebrecht transfere controle de empresa de saneamento à Brookfield <https://www.aecweb.com.br/revista/noticias/odebrecht-transfere-controle-de-empresa-de-saneamento-a-brookfield/15661>. Value calculated from the dollar in December 2017 (3.3 reais/dollar).

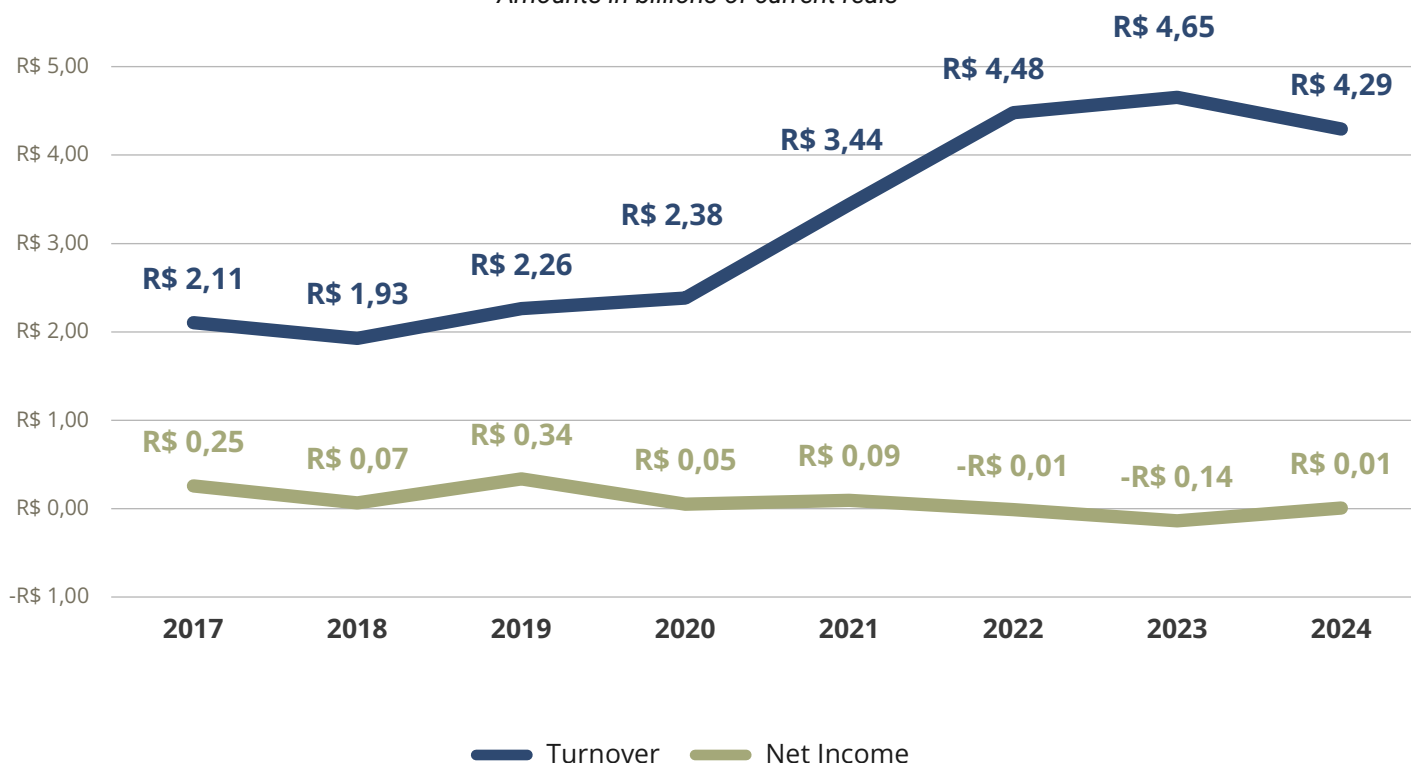
³⁰ Valor Econômico. Brookfield contrata bancos para vender parte ou controle da BRK Ambiental. <https://valor.globo.com/empresas/noticia/2024/05/27/exclusivo-brookfield-contrata-bancos-para-vender-parte-ou-controle-da-brk-ambiental.ghtml>

³¹ Figures are from BRK's annual reports, available at: <https://www.ri.brkambiental.com.br/informacoes-aos-investidores/central-de-resultados-brk/>

BRK Ambiental doubled its turnover over the same period, which it receives from providing services, with an increase of 100.8% between 2017 (R\$2.1 billion) and 2024 (R\$4.2 billion). This increase was not reflected in the company's profits: net profit fell 97% over the period, from R\$254.6 million in 2017 to R\$7.4 million in 2024.

Graph 3 | Turnover and Net Profit of BRK Ambiental Participações

Amounts in billions of current reais



Source: BRK Ambiental annual reports, 2017 to 2024.

What can justify such low recurring profits for the company? Certainly not by charging consumers lower tariffs. In its annual report for 2024, BRK Ambiental Participações presented an average tariff of R\$6.34/m³, an increase of 71.35% on the price it charged in 2017, R\$3.70/m³.³² Inflation over the period cannot completely justify this increase, as the accumulated rise between 2017 and 2024 was 48% according to the Broad Consumer Price Index (IPCA), thus the inflation adjusted increase appears to be

³² The Average Tariff is presented by BRK Ambiental Participações in its annual reports for the years 2017 to 2019 and 2021 to 2024. Available at: <https://www.ri.brkambiental.com.br/informacoes-aos-investidores/central-de-resultados-brk/>

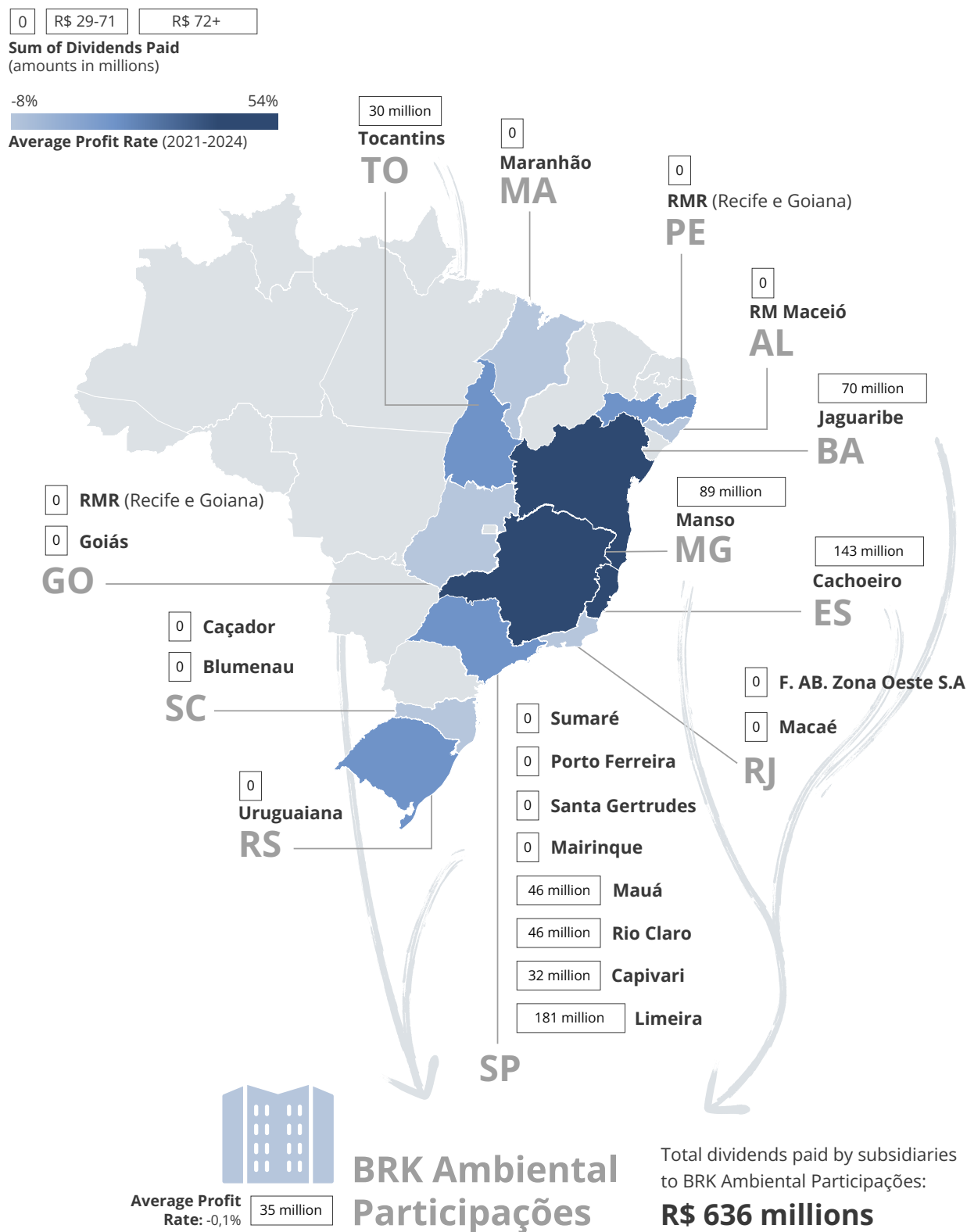
more than a quarter of the original tariff. The charging of higher tariffs is the subject of constant complaints by the concession's customers throughout Brazil, as we will see later. However, the high tariffs are only reflected in the company's turnover and do not translate into profits for the company.

Nor is it the case that basic sanitation is costly and doesn't make a profit, since BRK Ambiental's subsidiaries are profitable. While BRK Ambiental Participações posted a -5.70% profit rate between 2021 and 2024, on average its subsidiaries posted a 9.9 % profit rate, with some of them, such as BRK Jaguaribe and BRK Capivari, posting high figures, 51.29% and 57.50%, respectively. Over this four-year period, BRK Ambiental Participações received R\$636.8 million in dividends from its subsidiaries, however, the company distributed only R\$35.9 million in dividends in the period to its shareholders, which include the Brazilian government. BRK's concessions are highly profitable, transferring millions in dividends from the subsidiaries to the parent company, however, these dividends are not then booked as profits by the latter.



Foto: wirestock - Freepik

Figure 2 | Rate of Profit and Dividends paid by BRK Ambiental parent company and its subsidiaries, 2021 to 2024



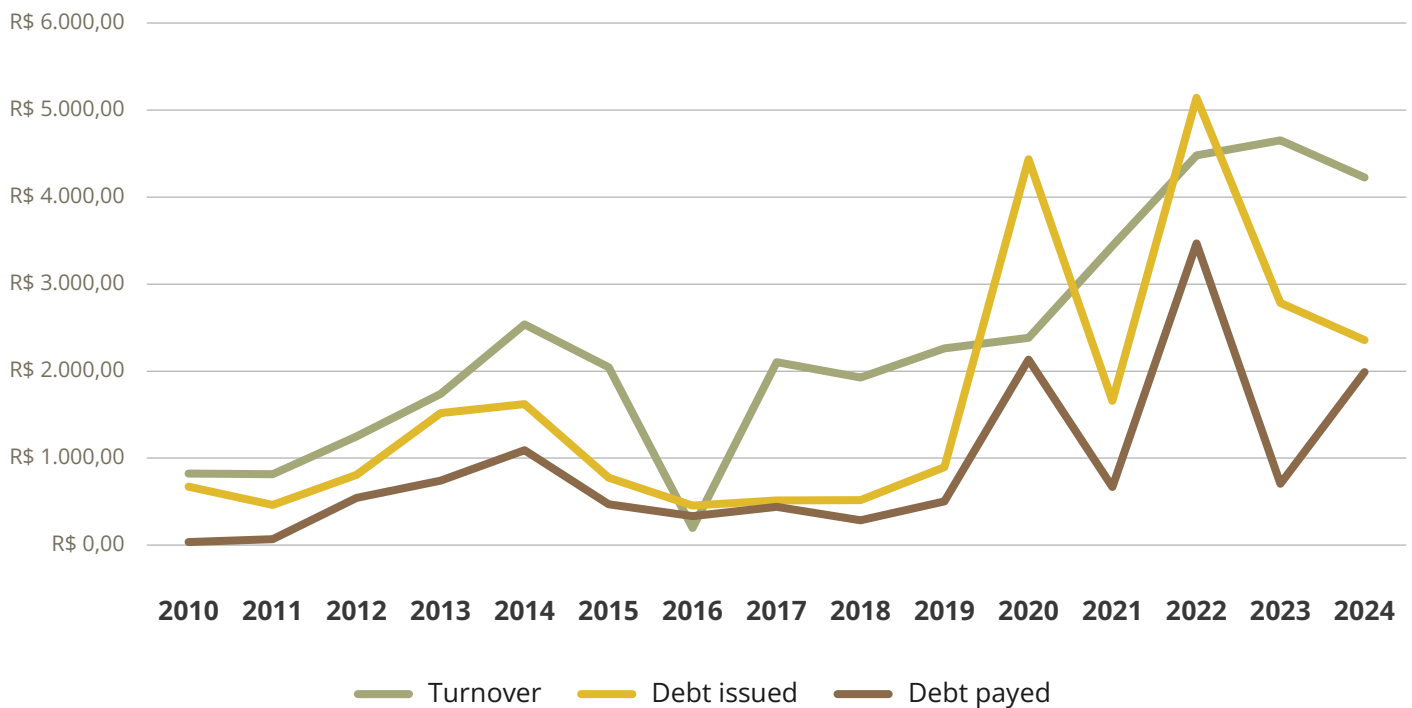
Source: Financial statements of BRK Ambiental's subsidiaries and the parent company, 2020 to 2024.

BRK Ambiental's debts

The main reason for the lack of reported profits and consumption of resources at BRK Ambiental Participações is the company's growing indebtedness, especially after Brookfield's purchase in 2017. By 2024, the company had accumulated R\$13.7 billion in gross debt and had a leverage ratio of 6.4x, meaning that the company's net debt was 6.4 times greater than its earnings (EBITDA).

Graph 4 | Turnover, Issued Debt and Amortisation of Foz do Brasil (2020-2012) Odebrecht Ambiental (2012-2016) and BRK Ambiental (2017-2024)

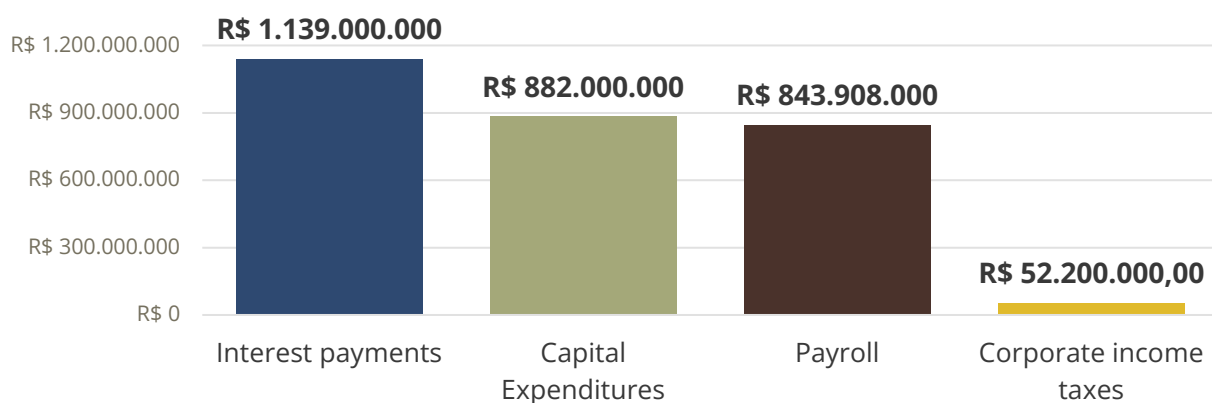
Amounts in millions of current reais



Source: Financial Statements of Foz do Brasil, Odebrecht Ambiental and BRK Ambiental

As a result of this indebtedness, the company paid R\$1.139 billion in interest payments in 2024, 25% higher than its total labour costs. For further context, these interest payments also exceeded its spending on infrastructure investments and taxes, as shown in the graph below.

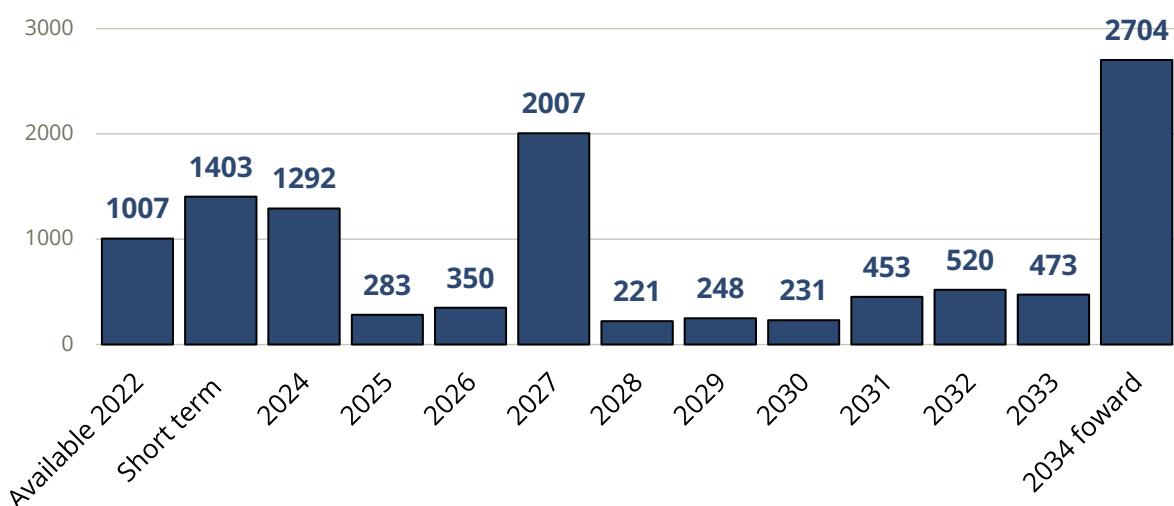
Graph 5 | Interest payments in 2024 exceed investments, personnel costs and tax payments



Source: Financial Statements of BRK Ambiental Participações 2024

As well as heavily compromising the company's revenues with debt repayments in the short term, BRK Ambiental's debt pattern also jeopardises its finances in the medium and long term. According to the company's gross debt maturity schedule shown in Graph 4, the company has amortisations of hundreds of millions of reais every year until at least 2034, not counting the interest on this debt³³.

Graph 6 | BRK Ambiental's gross debt maturity schedule,
Amounts in millions of reais



Source: Individual and Consolidated Financial Statements BRK Ambiental Participações S.A. and subsidiaries 31 December 2022 with Independent Auditors' Report.

³³ BRK claims its debt profile is aligned with the company's maturity level, and its amortization schedule is well balanced. The company maintains a robust liquidity position and is not exposed to financial or liquidity risk. Furthermore, it claims that interest payments do not compromise BRK's investment plan or its workforce.

BRK Ambiental's main method of raising debt is by issuing debentures on the Brazilian capital market: from 2017 to date, the company has issued R\$12.2 billion in debentures, R\$2.4 billion of them incentivised debentures. The main investors in BRK's debentures are large Brazilian and foreign investment funds, such as BTG Pactual, Bank of New York, XP Asset Management and Banco Santander.³⁴ It is expected that these large funds will receive millions in interest payments from BRK Ambiental for at least the next 10 years. It appears that higher tariffs charged to consumers are funding these interest payments enriching investors and reducing taxable income.

Bad for the public purse

BRK Ambiental's low profitability has negative impacts on shareholders, workers and the government³⁵. The situation should concern the FGTS Investment Fund (FI-FGTS), the public fund that manages the savings of Brazilian workers in the formal economy. BRK has reported R\$9.6 million in dividends paid to FI-FGTS between 2020 and 2024, which represents only 1.46% of the dividends paid by subsidiaries to the parent company in the period, reducing resources to guarantee benefits to workers such as retirement and home ownership.

The government, represented here by the FI-FGTS with significant ownership, should receive its share of the profits. While the government is left with crumbs, big Brazilian and foreign investment funds are making millions a year from BRK Ambiental's revenues. Despite receiving very little in return, the FGTS allocates its own resources to make BRK's infrastructure investments viable, as explained in the next section.

As far as BRK Ambiental's workers are concerned, spending on salaries and benefits, whether directly employed or outsourced, has not kept pace with the expansion of the company's turnover in Brazil. Personnel costs increased by only 42% between 2017 and 2024, from R\$592 million to R\$843 million, not keeping up with the 100.8% expansion in turnover. Furthermore, while the number of personnel directly involved in the delivery of basic sanitation services was up by 35%, administrative expenses for

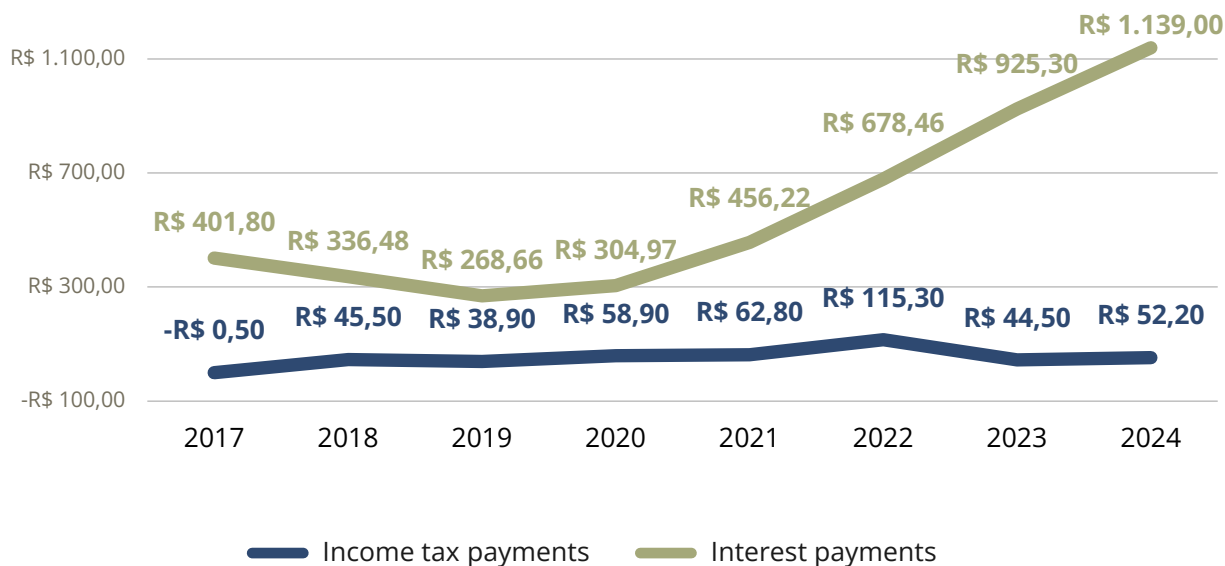
³⁴ Bloomberg, 2025

³⁵ Figures from this section are from BRK's annual reports, available at: <https://www.ri.brkambiental.com.br/informacoes-aos-investidores/central-de-resultados-brk/>

“individual and corporate services” increased by 76%, which may be hiding an increase in management spending, consulting services or outsourcing.

Finally, for the government, the high levels of debt compromise tax payments, because interest payments and debt amortisation are deducted from the company's revenues before income tax is paid. The shortfall is evident when we compare it with other companies in the sector. For example, Aegea, one of the company's main competitors, earned R\$15.4 billion in 2024, 3.6 times more than BRK, which earned R\$4.2 billion. However, Aegea paid 22.8 times more taxes, R\$1.2 billion, while BRK paid only R\$52.2 million. As in the case of FI-FGTS, the inflow of funds to the state remains flat, while interest payments to private investors keep pace with the increase in the company's turnover.

Graph 7 | Income tax and interest payments by BRK
 Ambiental Participações, 2017 to 2024
 Amounts in millions of current reais



Source: Financial Statements of BRK Ambiental Participações, 2017 to 2024.

It is not only in Brazil where Brookfield and the companies in its portfolio pay little in taxes. Research by CICTAR shows that Brookfield has organised its corporate structure through tax havens, including hundreds of subsidiaries in Bermuda. In Canada, the company has had the lowest effective tax rate in the country. In Australia, it controls the country's second largest private hospital operator, the Healthscope Group, which

paid no tax until 2022.³⁶ In Colombia, the debt held by ISAGEN, the country's second largest energy company, increased exponentially after its purchase by Brookfield. The debt is held by Brookfield's Bermuda subsidiaries, in the form of shareholder loans, a classic method of profit shifting often used by multinationals.³⁷

Brookfield, although it often manages public services and receives funds from public pension funds, seems to do its best to avoid paying its fair share of taxes to finance public services around the world. BRK Ambiental appears to be doing the same, not through complex corporate structures in tax havens, but through the company's constant indebtedness on the Brazilian capital market, indebtedness that is encouraged by the government, as explained below.

Investments financed by taxpayers' money

Despite the negative impacts arising from BRK Ambiental's low profitability, it could still be justified if the company were using its debts to boost its investments in infrastructure and delivering quality services.

In regard to its infrastructure investments, in the eight years BRK Ambiental has been operating, the company has spent R\$7.8 billion on investments, an average of R\$975.7 million per year. This investment, however, is less than half the company's indebtedness, which issued R\$18.3 billion in debt during the period.

As we have already seen, most of these debts are debentures. Analysing the purpose of these debts, which are described in the debenture deeds, it is possible to conclude that most of them were not for investment or payroll purposes, but rather to form working capital or to refinance debentures or other previous loans.³⁸ Of the 34 debentures issued by BRK Ambiental Participações and its subsidiaries, the majority were intended for debt repayment or working capital and only 9 mentioned investments. The full list of BRK debentures and their stated aims can be found in Annex II of this research.

³⁶ CICTAR. Is Canada's Largest Alternative Asset Manager Dodging Global Taxes? <https://cictar.org/all-research/brookfield-canadas-largest>

³⁷ CICTAR. BROOKFIELD'S ISAGEN: A CASE STUDY ON THE NEED FOR CHANGE IN THE GLOBAL TAX SYSTEM. <https://cictar.org/all-research/isagen/eng>

³⁸ Data Anbima <https://data.anbima.com.br/busca/debentures>.

This phenomenon occurs even in so-called green bonds, which raise money on the market for supposedly sustainable projects. For example, in the 10th issue of debentures by BRK Ambiental (BRKPA0), which raised R\$1.6 billion in 2022, an independent evaluation of the bond stated that only 22% of the funds raised will be used to finance basic sanitation capital expenditures, with the remaining 78% used to refinance debts, 50% of which will be used to refinance another sustainable bond.³⁹

Besides debentures, FGTS credits represent a share of the company's debts. Between 2019 and 2022, BRK reported that the company's "investments are financed under low-cost conditions (TR+8%-9%) and over the long term (up to 24 years), mainly through the Saneamento para Todos credit line, through a project finance structure."⁴⁰ Saneamento para Todos (Sanitation for All) is a programme administered by Caixa Federal using FGTS funds and was created to improve the health conditions and quality of life of the urban and rural population, aimed at both the public and private sectors.⁴¹ In short, not only has the FGTS recently received very little for its stake in

³⁹ SITAWI. PARECER INDEPENDENTE sobre a 2ª emissão de títulos sustentáveis da BRK Ambiental Participações S.A.1 <https://api.mziq.com/mzfilemanager/v2/d/9ffe3afc-e8e3-4e62-9f49-04166095f065/479a2120-0df6-e2a2-ae10-581f48ca7ecb?origin=1>

⁴⁰ Demonstrações Financeiras BRK Ambiental 2019 a 2022.

⁴¹ CAIXA Federal. Saneamento para Todos <https://www.caixa.gov.br/poder-publico/infraestrutura-saneamento-mobilidade/meio-ambiente-saneamento/saneamento-para-todos/Paginas/default.aspx>



Foto: Freepik

BRK Ambiental through FI-FGTS, it was also plays a fundamental role for the company to make investments in Brazil's basic sanitation infrastructure. The company does not disclose in its annual reports the amount raised in loans of this type, nor their amortisation, but the company claims it represents 30% of its gross debt.

It's not only through the Sanitation for All programme that the Brazilian government supports BRK Ambiental and its subsidiaries. The company's largest acquisition since it began its activities was winning the auction for the Maceió Metropolitan Region (RMM) in 2020. This auction was organised by BNDES and was the first in the sector after the approval of the new legal framework for basic sanitation. BRK Ambiental raised capital for the payment of the concession fee for this auction, which was R\$ 2 billion, by issuing two series of debentures in 2020, the RMSA21 and RMSA11 debentures, worth R\$1.8 billion. Two years later, BRK Ambiental issued a new debenture to pay off this debenture, worth R\$1.9 billion. In other words, almost R\$4 billion was raised on the Brazilian capital market to pay for the concession fee that totalled half this amount and allowed the Brookfield group to make its biggest expansion in the basic sanitation sector to date.

Furthermore, the second debenture (RMSA12) is a tax-exempt incentivised debenture. However, it was not used to build out Brazil's infrastructure, but rather to refinance the payment of the RMM concession fee. The big winners from this debenture, apart from BRK Ambiental, were the investment funds, whose income was exempt from tax. Despite this, the company publicised the debt as the first blue bond issued in Brazil, a debt security that finances projects linked to the preservation of water resources, oceans and marine life ⁴²

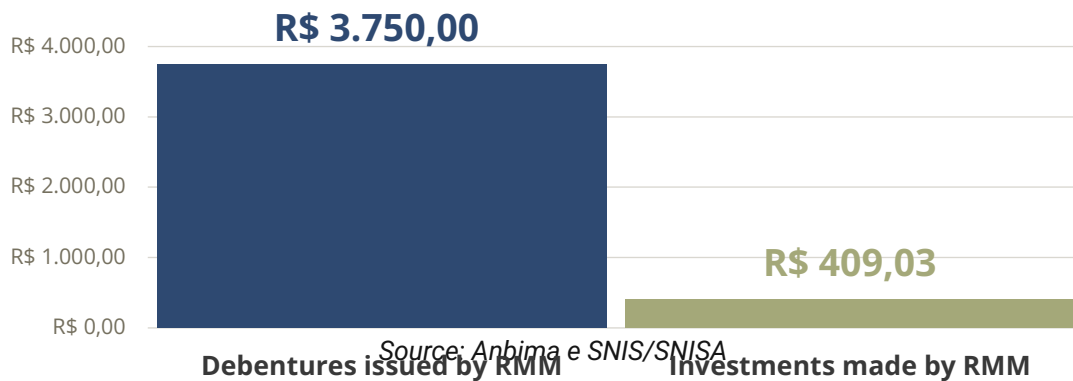
The concession model developed by BNDES for this auction required BRK Ambiental's subsidiary to invest at least R\$ 2 billion during the first six years of the concession, with a commitment to achieve universal access to water in the region by 2026. According to public data from the Brazilian government, BRK Ambiental RMM invested R\$ 409.02 million in water and sewage services between 2020 and 2023. The company claims a higher investment amount for the period between 2021 and 2025, totalling R\$ 904 million. To reach the levels of investment agreed upon with BNDES and

⁴² Brazil Journal. BRK levanta R\$ 2 bi com debênture azul, a primeira do Brasil. <https://braziljournal.com/brk-levanta-r-2-bi-com-debenture-azul-a-primeira-do-brasil/>

the government, the company would need to invest R\$ 1.1 billion in 2026 alone—more than it invested over the previous five years of the concession combined.

Graph 8 | Resources raised and invested by BRK RMM - 2020 to 2023

Amounts in millions of current reais



Finally, in addition to the Saneamento para Todos programme, the incentivised debentures and the key role of the BNDES, the company and its subsidiaries also receive huge tax incentives from the Brazilian government. Between 2017 and 2023, BRK Ambiental and its subsidiaries received R\$87.7 million, the vast majority of which came from the Amazon Development Superintendence (Sudam) and the Northeast Development Superintendence (Sudene). The main subsidiaries benefiting from incentives are BRK Jaguaribe and BRK Região Metropolitana do Recife and Goiânia.

The narrative that handing over basic sanitation to the private sector would lead to greater investment in the sector is, to say the least, problematic. In the case of BRK Ambiental, the company has not been mobilising its own funds, nor those of its parent, Brookfield, to increase its investments in Brazil. It mainly uses the Brazilian capital market and public funds, via FGTS, BNDES and tax incentives, and in so doing, increasing its debts. As a result, the company spends more than 1 billion reais a year in interest to large investment funds, while paying low taxes and dividends to the government, its workers face stagnant wages and outsourcing and its customers face the poor quality services, as detailed in the next section.

The destination of the profits from BRK's concessions across Brazil is the pockets of millionaires and their investment funds, and this scenario has not only been promoted



Foto: Tânia Rêgo Agência Brasil

by the Brazilian government but is likely to get worse with the new infrastructure debentures. However, the government can mobilise its capital and regulatory power to ensure that resources and public policy are used to deliver quality public services.

Results of BRK Ambiental's operations

Because of lack of resources for investments and service delivery, the quality of the services provided has suffered. BRK Ambiental receives constant complaints from users on its social networks and has a bad reputation on Reclame Aqui (Complain Here, a popular Brazilian reviews website), with a score of 4.7/10.⁴³ The content of the complaints includes excessive water and sewage charges, frequent and prolonged service interruptions and poor water quality.

In addition, BRK Ambiental subsidiaries have already been fined in several cities, for example: Uruguaiana (RS),⁴⁴ where there were alleged failures in the execution of deadlines and safety requirements of the municipality's supply contract; and

⁴³ BRK Ambiental no Reclame Aqui <https://www.reclameaqui.com.br/empresa/odebrecht-ambiental/>. Access August 1th 2025.

⁴⁴ BRK Uruguaiana. AGERGS - PROPOSTA DE DELIBERAÇÃO Nº 26/2025 - CS <https://agergs.rs.gov.br/upload/arquivos/202508/12174144-proposta-de-deliberacao-n-26-2025-000114-39-00-23-2.pdf>.

Porto Ferreira (SP)⁴⁵, for not carrying out works that were planned between 2014 and 2022, as well as causing general shortages in the city for a fortnight – the company claims it is an isolated incident.⁴⁶

Maybe the most serious case is in the state of Tocantins. There, a Parliamentary Commission of Inquiry (CPI) set up in 2024 noted the poor quality of the services provided by BRK Saneatins, as well as the request for an audit of the company with new technical visits, in a report that was forwarded to the Public Prosecutor's Office.⁴⁷ The CPI report was presented to the City Council president in December 2024, and, according to the government of Palmas official website, pointed to irregularities in the contract. However, the final document is not in the public domain and, it is unclear whether it reached the Public Prosecutor's Office. Despite these accusations, the company continues to operate in the state and claims there are no irregularities in the contract.⁴⁸

The actions of BRK Ambiental's subsidiaries have also led to a second CPI. In 2023, the Blumenau City Council in Santa Catarina instituted a CPI to investigate BRK Ambiental Blumenau's sewage services in the municipality. A report submitted by the City Council highlighted technical infrastructure flaws and financial advantages over the charging of fees passed on to consumers. Following the report's publication, the Blumenau city government requested the termination of BRK's contract amendment in the city, which the company responded with a request for an injunction to continue providing services despite the city's request. In August 2025, the court denied the injunction, following the decisions of the Blumenau city government and the Public Prosecutor's Office. BRK Ambiental issued a clarification stating that it would file new appeals to ensure

⁴⁵ Porto Ferreira. Agência Reguladora já aplicou R\$ 831 mil em multas para a BRK Ambiental somente no último mês. <https://www.portoferreira.sp.gov.br/noticias/agencia-reguladora/agencia-reguladora-ja-aplicou-r-831-mil-em-multas-para-a-brk-ambiental-somente-no-ultimo-mes>. In 2024, BRK Porto Ferreira paid R\$487,213.35 of the total fines of R\$2,157,015.71. The amounts paid refer to fines for non-compliance with contractual targets. Only one fine was cancelled by court order, described in the Memorandum's annex as non-implementation of the Areia Branca EEAT. Available at: <https://camaraportoferreira.sp.gov.br/arquivo/67fd188e97806.pdf>

⁴⁶ G1. Justiça anula contrato com empresa de abastecimento de água no Maranhão. <https://g1.globo.com/ma/maranhao/noticia/justica-anula-contrato-com-empresa-de-abastecimento-de-agua-no-maranhao.ghtml>. The first instance decision and the injunction that maintains the supply contract then in the Diário Oficial Empresarial: https://diariooficial.imprensaoficial.com.br/doflash/prototipo/2021/Abril/28/empresarial/pdf/pg_0057.pdf

⁴⁷ G1. Após CPI, vereadores pedem que concessão do serviço de água da BRK seja encerrada. <https://g1.globo.com/to/tocantins/noticia/2024/12/13/apos-cpi-vereadores-pedem-que-concessao-do-servico-de-agua-da-brk-seja-encerrado.ghtml>

⁴⁸ <https://palmas.to.leg.br/cpi-da-brk-entrega-relatorio-final-ao-presidente-folha-com-recomendacoes-para-intervencao-na-concessao/>

the amendment was not revoked and to continue operating in the municipality⁴⁹.

BRK's actions also attracted accusations in the Maceió Metropolitan Region (RMM): from 2021 to 2022, BRK Ambiental RMM received six notices from the city council and 19 infraction notices for undue billing, water supply failures that affected 150,000 people and sewage overflows from BRK's networks.⁵⁰ The Consumer Protection and Defence Program(Procom) Alagoas fined BRK Ambiental RMM 1 million for leaving neighbourhoods without water for months.⁵¹ The Environmental Institute of the State of Alagoas (IMA/AL) fined the company for discharging sewage into water bodies in

⁴⁹ Câmara Municipal de Blumenau, 2025. "Empresas envolvidas na concessão do esgoto em Blumenau prestarão esclarecimentos à CPI." Disponível em: <https://camarablu.sc.gov.br/detalhe-noticia/14980/empresas-envolvidas-na-concessao-do-esgoto-em-blumenau-prestarao-esclarecimentos-a-cpi/>. Câmara Municipal de Blumenau, 2025. "Após pressão da CPI do Esgoto, a Prefeitura de Blumenau revoga 5º termo aditivo com a BRK Ambiental". Disponível em: <https://camarablu.sc.gov.br/detalhe-noticia/14940/apos-pressao-da-cpi-do-esgoto-pre-feitura-de-blumenau-revoga-5o-termo-aditivo-com-a-brk-ambiental/> Informe Blumenau, 2025. "Justiça nega liminar à BRK". Disponível em: https://www.informeblumenau.com/justica-nega-liminar-a-brk/?fbclid=PARIRTSAMcSEBlEHRuA2FibQIxMQABpx9Erpj8A_4duLPpJ0tCly-qXBa-zA_uWrmEtERxAqdP1nSCfMmRv2EGnA_Vz_aem_b7TnpasjXOTlt-7JK7amtHQ

⁵⁰ Tribuna Hoje. BRK tem 19 autos de infração na capital alagoana. https://tribunahoje.com/noticias/cidades/2022/08/06/107243-brk-tem-19-autos-de-infracao-na-capital-alagoana#google_vignette

⁵¹ Procon Maceió multa BRK Ambiental RMM em quase R\$ 1 milhão por falta de água em bairros durante meses. <https://g1.globo.com/alagoas/noticia/2022/03/30/procon-maceio-multa-brk-em-quase-r-1-milhao-por-deixar-bairros-sem-agua-durante-meses.ghml>. BRK RMM appealed the fine decision, as published in the official gazette, the process is still ongoing, available at: <https://www.jusbrasil.com.br/diarios/1261356355/doeal-diario-oficial-06-09-2023-pg-72>.



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2022, without a licence or authorisation.⁵² In 2023, the Municipality of Maceió, through the Municipal Infrastructure Secretariat (Seminfra), fined BRK Ambiental RMM R\$2.3 million for lack of maintenance on sanitation works that jeopardised urban mobility and caused accidents.⁵³ The fines were appealed by the company, and the appeals are currently being heard.

The history of BRK Ambiental's subsidiaries in Brazil is marked by accusations of environmental offences, abuse of consumer tariffs, damage to urban infrastructure and fines totalling almost R\$50 million in various municipalities across the country.⁵⁴ The company contests all this fines. This poses the question: who does the massive privatisation of basic sanitation services serve when one of the main controlling companies in the sector has dozens of citations and penalties and yet continues to win concessions and public financing to provide services, while accumulating debt in the market at a frenetic pace?

While private capital takes over more of the basic sanitation sector in Brazil, countries that underwent this process decades ago and are now seeing it reversed. According to a study by the Transnational Institute of the Netherlands (TNI), more than 1600 cities in 45 countries have re-municipalised their water services between 2000 and 2017.⁵⁵ The list includes major municipal governments in Atlanta, Berlin, Paris, Budapest, Buenos Aires and La Paz. In Uruguay, the constitution was changed to protect water from privatisation.⁵⁶

Although there has been no renationalisation process, perhaps the most famous recent case of failures in the delivery of basic sanitation services by the private sector is that of Thames Water, a company that serves around a quarter of the UK population,

⁵² Instituto do Meio Ambiente do estado de Alagoas. BRK é autuada por lançar esgoto em galerias de águas pluviais de Maceió. <https://www2.ima.al.gov.br/brk-e-autuada-por-lancar-esgoto-em-galerias-de-aguas-pluviais-de-maceio/>. There is no publicly available information on how the process is going.

⁵³ Prefeitura de Maceió. Prefeitura de Maceió multa BRK Ambiental em mais de R\$ 2,3 milhões. <https://maceio.al.gov.br/noticias/seminfra/prefeitura-de-maceio-multa-brk-ambiental-em-mais-de-r-2-3-milhoes>. BRK RMM appealed the fine decision, as published in the official gazette, the process is still ongoing, available at: <https://www.jusbrasil.com.br/diarios/1261356355/doeal-diario-oficial-06-09-2023-pg-72>.

⁵⁴ Some of fines in: GURUPI (TO): R\$1.025.000 (2023); PALMAS (TO): R\$36.123.200 (2024); PORTO FERREIRA (TO): R\$800.000 (2023); ARAGUAÍNA (TO): R\$220.000 (2019); NATURATINS (TO): R\$5.000.000 (2020); MACEÍO (AL): R\$2.300.000 + 1.000.000 (2022 e 2023). References are the news cited in the text.

⁵⁵ The Transnational Institute. Reclaiming Public Services: How cities and citizens are turning back privatisation. https://www.tni.org/files/publication-downloads/reclaiming_public_services.pdf p. 11

⁵⁶ The Transnational Institute. Rivers of Resistance: Water for Life, not profit. <https://www.tni.org/en/publication/rivers-of-resistance> p. 3.



mainly in London. Service rates have increased by around 40% in real terms since the privatisation of water in the country in 1989, and investment by companies in the sector has fallen by 15%. The consequences have been that today 2.4 billion litres of water per day (the equivalent of almost 1,000 Olympic swimming pools) are leaked by English water companies. Furthermore, in order to pay dividends to investors, companies have taken on heavy debt, and today Thames Water is on the brink of financial collapse, in addition to being fined £122.7 million in June 2025 for letting down its customers and failing to protect the environment.⁵⁷

Even with the privatisation of the sector in Brazil and around the world, studies show that most of the investment in water has been and continues to come from the public sector.⁵⁸

⁵⁷ The Guardian. The wretched state of Thames Water is one of the best arguments for public ownership we have <https://www.theguardian.com/commentisfree/2023/jun/28/thames-water-public-ownership-water-privatisation-england-and-wales-executives-shareholders> Why is Thames Water in so much trouble? BBC <https://www.bbc.com/news/articles/cgleg70r7rno>

⁵⁸ The Transnational Institute. Rivers of Resistance: Water for Life, not profit. <https://www.tni.org/en/publication/rivers-of-resistance> p. 17.



Recommendations

There is no easy solution to the lack of basic sanitation in Brazil. The solutions presented by the Brazilian state to date, both the historic partnership contracts between municipalities and state-owned companies and the current model of privatisation have not been enough to deliver the much-needed investments in infrastructure, which are fundamental to the development and the guarantee of basic human rights in Brazil. To achieve a universal service, the country needs to consider structural solutions for the sector. In this final section of recommendations, we will look at both short-term solutions and more structural issues covering the fields of public policy, state planning and economics.

The role of debt in financing infrastructure

An important starting point is the need to overcome the mistaken reasoning about financing public spending via debt. The case study of BRK Ambiental demonstrates how biased the debate and political practice on debt formation is. While BRK gets into debt to the tune of billions of reais without any difficulty, and with the encouragement of public authorities, 19 million Brazilians are on the list of defaulters, which makes it impossible to get credit, loans, financing, credit cards or even rent a property.⁵⁹

Indebtedness is also increasingly curtailed in the public sector, both for the Federal Government, mainly due to the strong



Foto: Freepik

⁵⁹ CNN Money. Mais de 57 mi de brasileiros estão endividados e nem sabem, diz Serasa. <https://www.cnnbrasil.com.br/economia/financas/mais-de-57-milhoes-de-brasileiros-estao-endividados-e-nem-sabem-diz-pesquisa-da-serasa/#:~:text=Um%20levantamen-to%20realizado%20pela%20Serasa%20indica%20que,muitas%20vezes%20%C3%A9%20negligenciada%20e%20descoberta%20tar-diante>.

limitations on spending imposed by the Primary Result Target and the New Fiscal Framework, and for states and municipalities, which have even greater restrictions on spending and indebtedness arising from the Fiscal Responsibility Law. Big business is aware of the fundamental role that its debt formation plays in expanding its activities and the economy in general, while condemning state debt and squeezing as much income as possible from the poorest in society.

A new macroeconomic vision is needed, stripped of moral preconceptions, which are mainly used to undermine social spending while generating interest payments for the financial system and loans to the private sector to carry out investments in services that were previously state-owned. Public debt should enjoy the same positive spin as business debt, particularly when that debt is delivering public goods that benefit the economy and society writ-large, such as sanitation infrastructure. The limits and objectives of debt formation for each economic entity, be they companies, people or the government, must be decided collectively and take into account the real limits (resources, labour, etc.) of economic growth. It appears that directly funding the expansion and control of government services, with community accountability and oversight, would be more efficient than public support for private sector expansion.

In addition to the fiscal squeeze, state-owned companies face limited access to the capital market, as we saw in the case of debentures. Even though they are still the main providers of basic sanitation services in Brazil, state-owned companies raise significantly less money than private companies. The problem is not a lack of will on the part of the state-owned companies but rather access to resources. As the National Observatory on the Rights to Water and Sanitation (ONDAS) points out, the way to universal access to services is to guarantee permanent funding, whether through loans or federal funds. The Observatory also advocates the creation of a fund for universal access, as already happens in other sectors, such as energy, and the creation of revitalisation and strengthening programmes for public companies and municipalities, among other measures.⁶⁰

⁶⁰ Observatório Nacional dos Direitos à Água e ao Saneamento. Nota do ONDAS sobre a aprovação do PL 4.162 de 2019. <https://ondasbrasil.org/nota-do-ondas-sobre-a-aprovacao-do-pl-4-162-de-2019/>

Incentivised debentures should not fund privatisation

Even in a scenario of maintaining the private path towards a universal service, the federal government needs to recognise its central role in financing basic sanitation infrastructure, whether via debt with the BNDES and FGTS or tax incentives, and reform its policies to ensure that its resources are being directed to the right place.

To mobilise these resources, the state needs the richest and biggest companies to pay their taxes, which means strengthening the Federal Revenue Service to inspect these companies and imposing limits on tax incentives that minimise tax revenue. Total federal tax incentives for the year 2025 were estimated at R\$544.47 billion, representing 19.8% of the revenue administered by the Federal Tax Authority and 4.4% of GDP.⁶¹ However, it is impossible to assess the results of these incentives, not least because they do not have clearly identified objectives, indicators and targets. Since 2019, the federal government's Public Policy Monitoring and Evaluation Council (CMAP) has carried out 34 evaluations of indirect spending, but its recommendations have not yet resulted in concrete changes to spending.⁶²

In the specific case of the incentivised debenture, not only was it never assessed by CMAP, but it was also expanded in 2024 in the form of infrastructure debentures. BRK Ambiental, its subsidiaries and the other companies that issued debentures to pay for concessions did nothing illegal with the allocation of their funds, since the law allows for refinancing and the government approved these incentivised debentures. But the use of incentivised debentures to pay for the financing or refinancing of concessions fees should not be allowed, as it distorts the central objective of the tax incentive and promotes privatisation.

⁶¹ Demonstrativo dos Gastos Tributários PLOA 2025. <https://www.gov.br/receitafederal/pt-br/centrais-de-conteudo/publicacoes/relatorios/renuncia/gastos-tributarios-ploa/dgt-previsao-ploa-2025-base-conceitual.pdf> p. 10

⁶² De Renzio, P., Pires, M., Rodrigues, N., & Teixeira Junior, G. (2025). Relatório nacional sobre gastos tributários: Brasil. German Institute of Development and Sustainability (IDOS) and Council on Economic Policies (CEP). <https://doi.org/10.23661/cr1.2025>



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A new role for the State

The role of the FGTS and its investment fund should be reviewed by Caixa Econômica Federal. It's not right that the fund provides credits for investment in infrastructure but does not receive significant dividends from the companies it holds shares in. As the FGTS manages workers' money, it is up to them to question the fund's investment and financing strategy. The fund's investments must be approved by an Investment Committee that has union representation.

With regard to the BNDES, it is for the bank to resume its fundamental role of promoting Brazilian economic and social development with significant capital contributions to the basic sanitation sector. As long as it continues to promote privatisation and concession auctions, it should impose the maximum investments needed to achieve a universal service on the participants and monitor the activities and investments of the winning companies. At the end of the concession period, it should evaluate whether the concession-holder has delivered as promised and organise a broad dialogue with society about the company's results before starting the new auction cycle.

It is important to emphasise that the Brazilian state already publishes enough information to assess the performance of basic sanitation concessions. This research used a series of databases and public information, such as the BNDES Project Hub, Anbima debentures, data from the Federal Revenue Service on tax incentives, corporate income statements and water and sanitation indicators created by SNISA. The formulation of effective public policies for the sector must include the use of these databases and dialogue with civil society.



BRK Ambiental and the oligopolisation of basic sanitation

Finally, there are recommendations for BRK Ambiental. The company needs to justify to its workers, the government and society why it has such high debts and such low tax and dividend payments. Brookfield must not treat the provision of basic sanitation as just another asset in its private equity portfolio. The strong profitability of the company's concessions, hidden amid so many debts held by the parent company, must be converted into good working conditions, quality service delivery and investments in the country's infrastructure.

Quality public services are fundamental for access to a dignified life, and the data on basic sanitation in Brazil shows the harsh reality faced daily by millions of Brazilians. Proper financing is imperative if we are to achieve universal provision and will only happen if the state plays a central role in organising the necessary policies. The current oligopolisation of the sector and the focus on mobilising private capital point us in the opposite direction.

Annex 1

Methodology: If there is mention of the payment of a concession fee (outorga in Portuguese) in the project objective or allocation of resources, regardless of whether there are other allocations or objectives, the incentivised debenture is classified as “Yes” in the “Concession Fee?” column and the full value of the debenture is computed in the calculation of the final value. This is due to the lack of discrimination of resources in relation to their destinations in most deeds.

Source: Anbima Data. Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais. <https://data.anbima.com.br/>

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
27/04/2022	AEGEA SANEAMENTO E PARTICIPAÇÕES	AEGPA0	Net proceeds obtained by the Issuer through the Issuance will be used exclusively for the future payment or reimbursement of expenses, expenditures, or debts that occurred within a period equal to or less than 24 months from the date of the closing communication of the Restricted Offering and are related to the investment projects described in the Indenture ("Investment Projects").	No	R\$ 2.780.000.000,00
09/10/2023	AEGEA SANEAMENTO E PARTICIPACOES S.A.	AEGPA8	Águas do Rio: The investment project aims to meet certain obligations of the concession contract, notably in relation to the payment of the concession fee and the execution of investments in water supply and sewage, and commercial projects.	Yes	R\$ 2.685.650.000,00
01/02/2024	AGUAS DO SERTAO S.A.	ASER12	The project aims to deliver a universal water supply service, reduction in water losses, and expansion of the collection and treatment coverage of sewage in the 34 municipalities that make up Block B of the regionalised provision of sanitation services in the state of Alagoas ("Investment Project").	No	R\$ 1.100.000.000,00
01/10/2019	ATTEND AMBIENTAL	ATAM21	The objective of the investment projects was the supply and implementation of pre-treatment lines named “Yellow”, “Gray”, “Blue”, and “Red”, with all their auxiliary and complementary structures.	No	R\$ 20.500.000,00
15/04/2023	BRK AMBIENTAL - RIO CLARO S.A.	BKRC11	Expansion of the Sewage System of Rio Claro/SP.	No	R\$ 100.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/09/2020	BRK AMBIENTAL PARTICIPACOES S.A.	BRKP28	Project for the Expansion of the Water Supply System in municipalities of São Paulo, Maranhão, Rio Grande do Sul, Pará, and Tocantins and the Sewage System in municipalities of São Paulo, Tocantins, Rio de Janeiro, Santa Catarina, Goiás, and Pernambuco. / Project for the Implementation and Expansion of the Sewage System in municipalities in the metropolitan region of Recife, Pernambuco.	No	R\$ 305.000.000,00
15/12/2022	BRK AMBIENTAL - URUGUAIANA S.A.	BRKU11	Expansion and Improvement in the Water Supply System and the Sewage System of Uruguaiana-RS.	No	R\$ 90.780.000,00
15/03/2021	COMPANHIA DE AGUA E ESGOTO DO CEARA	CAEC21	The resources will be allocated to finance the following projects: implementation of the sewage system for sub-basins CE-7, CE-8, CE-9 and the Cocó sewage treatment plant, reduction of water losses in the Issuer's supply systems; basic hydraulic-sanitary for the expansion of the integrated treated water supply system of Horizonte, Pacajus, and Chorozinho.	No	R\$ 515.990.000,00
15/11/2020	CONCESSIONARIA AGUAS DE JUTURNAIBA S.A.	CAJS11	Modernize and expand the water supply and sewage systems in municipalities of RJ. Implementation/replacement of water network; - Implementation of new connections; - Hydrometer replacement; - Reservoir construction; - Water main implementation; - Implementation of the Loss Control and Reduction Project; - Construction of Sewage Pumping Stations - SPS; - Extension of discharge lines.	No	R\$ 117.400.000,00
15/09/2022	CONCESSIONARIA AGUAS DE JUTURNAIBA S/A	CAJS12	The project aims to increase the coverage rate of treated water for the urban population, reduce the percentage of losses in the WSS distribution, and expand the collection and treatment coverage of the region's sewage, through the following interventions: a) Water Supply; b) Sewage System.	No	R\$ 155.091.000,00
16/11/2023	COMPANHIA CATARINENSE DE AGUAS E SANEAMENTO CASAN	CASN23	The Project seeks to benefit 328,494 inhabitants with improvements in the sewage systems in the municipalities of Florianópolis and São José, in the state of Santa Catarina. The Project includes the following interventions: a) construction of the new Potecas STP – at a tertiary level of nutrient removal; and b) construction of raw effluent and treated effluent outfalls.	No	R\$ 280.000.000,00
15/12/2021	CICLUS AMBIENTAL DO BRASIL S.A.	CCLS11	Expansion of the sanitary landfill by implementing new cells for 10,000 tons/day of waste; Implementation of a new leachate treatment plant; Expansion of the Biogas Collection and Treatment System; Expansion of the Rainwater Drainage System and Implementation of a Biogas Power Generation Unit.	No	R\$ 450.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/12/2021	CICLUS AMBIENTAL DO BRASIL S.A.	CCLS21	Expansion of the sanitary landfill by implementing new cells for 10,000 tons/day of waste; Implementation of a new leachate treatment plant; Expansion of the Biogas Collection and Treatment System; Expansion of the Rainwater Drainage System, and Implementation of a Biogas Power Generation Unit.	No	R\$ 100.000.000,00
15/10/2023	CONCESSIONARIA DE SANEAMENTO DO AMAPA SPE S.A.	CSAA12	Expansion and improvements in the Water Supply System and the Sewage System of Macapá/AP and payment of the concession fee related to the contract for the regionalised provision of public services of water supply and sewage in the municipalities of the State of Amapá.	Yes	R\$ 955.000.000,00
15/01/2018	COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	CSMGA1	Infrastructure investment project in the basic sanitation sector presented by the Company regarding the expansion of the sewage system in the municipalities of Divinópolis and Sabará, both in the State of Minas Gerais ("Investment Project");	No	R\$ 187.385.000,00
15/01/2018	COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	CSMGA2	Infrastructure investment project in the basic sanitation sector presented by the Company regarding the expansion of the sewage system in the municipalities of Divinópolis and Sabará, both in the State of Minas Gerais ("Investment Project").	No	R\$ 80.615.000,00
15/09/2021	COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	CSMGA6	Infrastructure investment project in the basic sanitation sector, presented by the Issuer, for the expansion and installation of Sewage Systems (SSS) in 19 municipalities of the State of Minas Gerais.	No	R\$ 243.807.000,00
15/11/2023	EMPRESA BAIANA DE AGUAS E SANEAMENTO SA	EBAS13	The project is composed of 3 sub-projects, for which the following interventions are planned: Expansion of the Feira de Santana Production and Adduction System, to expand the adduction capacity of the system to serve new expansion zones of the municipalities of (...), Santa Bárbara, Santanópolis, and Tanquinho. Construction of a treated water main, connecting the WTP to the Feira de Santana/BA main.	No	R\$ 220.000.000,00
15/05/2022	AGUAS DE TERESINA SANEAMENTO SPE S.A.	GSTS14	Expansion and improvements in the water supply and sewage system of Teresina, in Piauí, within the scope of the Subconcession, through interventions, as described in the Framing Ordinance, benefiting approximately 821,000 inhabitants, including the reimbursement of expenses, expenditures, and investments related to the Subconcession.	No	R\$ 409.317.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/05/2022	AGUAS DE TERESINA SANEAMENTO SPE S.A.	GSTS24	Expansion and improvements in the water supply system, implementation, expansion, and improvements of the sewage system of Teresina, in Piauí, within the scope of the Subconcession, through interventions, as described in the Framing Ordinance.	No	R\$ 190.683.000,00
15/11/2021	ORIZON MEIO AMBIENTE S.A.	HZTC14	Sanitation improvements, including solid waste management, in the municipalities (...): Adaptation and expansion of the Barra Mansa WMC: 1. Expansion of the sanitary landfill by implementing new cells; 2. Expansion of the biogas collection infrastructure; 3. Acquisition of machinery and equipment for the sanitary landfill; 4. Construction of a maintenance shed for machinery and equipment.	No	R\$ 250.000.000,00
15/07/2020	IGUA SANEAMENTO S.A.	IGSN15	Project for the Expansion of the Water Supply System and the Sewage System of Cuiabá ("Cuiabá Project"). The net proceeds raised through the Debentures will be fully allocated to the future payment and reimbursement of expenses, expenditures, or debts related to the Project.	No	R\$ 620.486.000,00
15/05/2023	IGUA RIO DE JANEIRO S.A	IRJS14	The Project is aimed at the payment of the fixed concession fee related to the concession contract for the regionalised provision of potable water supply and sewage in the concession area of Block 2, formed by the municipalities of Rio de Janeiro (AP-4), Miguel Pereira, and Paty do Alferes, all in the state of Rio de Janeiro, as stated in clause 36 of the Concession Contract.	Yes	R\$ 2.000.000.000,00
15/03/2024	IGUA RIO DE JANEIRO S.A	IRJS15	The Investment Project aims to pay the fixed concession fee related to the concession contract for the regionalised provision of potable water supply and sewage services in the concession area of Block 2, formed by the municipalities of Rio de Janeiro (AP-4), Miguel Pereira, and Paty do Alferes, all in the state of Rio de Janeiro, clause 36 of the Concession Contract.	Yes	R\$ 2.700.000.000,00
15/05/2023	IGUA RIO DE JANEIRO S.A	IRJS24	The Project is aimed at the payment of the fixed concession fee related to the concession contract for the regionalised provision of potable water supply and sewage in the concession area of Block 2, formed by the municipalities of Rio de Janeiro (AP-4), Miguel Pereira, and Paty do Alferes, in the state of Rio de Janeiro, as stated in clause 36 of the Concession Contract.	Yes	R\$ 1.800.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/02/2019	COMPANHIA AGUAS DE ITAPEMA	ITPE12	Investments in infrastructure in the Water Supply and Sewage Treatment System of the City of Itapema, State of Santa Catarina, from 2016 to 2019.	No	R\$ 100.000.000,00
28/05/2020	MANAUS AMBIENTAL S.A.	MNAU13	Expansion, improvements, and loss reduction program in the WSS and expansion in the Sewage and Sanitation System (SSS) of Manaus - AM ("Project"). Water Supply: (a) Loss reduction program; (b) Expansion of the WSS in the Trumã neighborhood; (c) Macro distribution and Sectorization; (d) Implementation of a disinfection system at the Ponta do Ismael Complex and the Mauzinho WTP; (e) Asset Improvements. Sewage System.	No	R\$ 310.000.000,00
15/07/2017	NASCENTES DO XINGU PARTICIPAÇÕES E ADMINISTRAÇÃO	NASX13	Expansion of the water supply system (WSS), reduction and control of losses in the WSS, and expansion of the sewage system in Campo Verde/MT; Reimbursement of expenses and new investments for the Expansion of the Water Supply System, Reduction and Control of Losses in the WSS, and Expansion of the Sewage System in Campo Verde/MT.	No	R\$ 155.000.000,00
15/07/2020	PARANAGUA SANEAMENTO S.A.	PASN12	Basic Sanitation Project in the Municipality of Paranaguá ("Project"), which consists of providing the services described in the Concession Contracts entered into by the Issuer ("Concession Contracts").	No	R\$ 259.804.000,00
15/07/2023	AGUAS DO RIO 4 SPE S.A	RIS412	The project is aimed at the payment of part of the fixed concession fee related to the Concession Contract for the regionalised provision of potable water supply and sewage in the concession area of Block 4, formed by the municipalities of Belford Roxo, (...), Rio de Janeiro, according to Clause 36 of the Concession Contract.	Yes	R\$ 980.744.940,00
15/09/2023	AGUAS DO RIO 4 SPE S.A	RIS413	The project aims to benefit 6.4 million inhabitants with improvements in the water supply, and 4.8 million inhabitants in sewage, in the municipalities of Belford Roxo, Duque de Caxias, (...) and Rio de Janeiro (AP-1, AP-2.2, AP-3). Expand the urban water and sewage service coverage rate and reduce losses in the supply system in the municipalities of Block 4 of the state of RJ.	No	R\$ 1.270.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/03/2024	AGUAS DO RIO 4 SPE S.A	RIS414	The project aims to benefit 6.4 million inhabitants with improvements in the water supply, and 4.8 million inhabitants in the sewage system, in the municipalities (...). The project aims to expand the urban water and sewage service coverage rate and reduce losses in the water supply system in the municipalities that make up Block 4 of the RJ state concession.	No	R\$ 1.022.239.856,00
15/07/2023	AGUAS DO RIO 4 SPE S.A	RIS422	The project is aimed at the payment of part of the fixed concession fee related to the Concession Contract for the regionalised provision of potable water supply and sewage in the concession area of Block 4, formed by the municipalities of Belford Roxo (...) Rio de Janeiro (AP-1, AP-2.2, AP-3), according to Clause 36 of the Concession Contract.	Yes	R\$ 1.070.165.060,00
15/03/2024	AGUAS DO RIO 4 SPE S.A	RIS424	The project aims to benefit 6.4 million inhabitants with improvements in the water supply, and 4.8 million inhabitants in the sewage system, in the municipalities (...). The project aims to expand the urban water and sewage service coverage rate and reduce losses in the water supply system in the municipalities of Block 4 of the state of Rio de Janeiro.	No	R\$ 1.115.445.400,00
15/07/2023	AGUAS DO RIO 1 SPE S.A	RISP12	The Project is aimed at the payment of the fixed concession fee related to the concession contract for the regionalised provision of potable water supply and sewage in the concession area of Block 2, formed by the municipalities of Rio de Janeiro (AP-4), Miguel Pereira, and Paty do Alferes, all in the state of Rio de Janeiro, as stated in clause 36 of the Concession Contract.	Yes	R\$ 1.669.917.060,00
15/09/2023	AGUAS DO RIO 1 SPE S.A	RISP13	The project is aimed at expanding the urban water and sewage service coverage rate and reducing losses in the water supply system in the municipalities that make up Block 1 of the Rio de Janeiro state concession. In addition to promoting investments in water supply and sewage in informal settlements in the municipality of Rio de Janeiro/RJ.	No	R\$ 795.000.000,00
15/03/2024	AGUAS DO RIO 1 SPE S.A	RISP14	The project aims to benefit 3.47 million inhabitants with improvements in the water supply and 2.65 million inhabitants in the sewage system, in the municipalities of (...) Miracema, Rio Bonito, Rio de Janeiro (AP-2.1), São Francisco de Itabapoana, São Gonçalo, São Sebastião do Alto, Saquarema (3rd District), and Tanguá.	No	R\$ 615.440.144,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/07/2023	AGUAS DO RIO 1 SPE S.A	RISP22	The project is aimed at the payment of part of the fixed concession fee related to the Concession Contract for the regionalised provision of potable water supply and sewage in the concession area of Block 1, formed by the municipalities (....) as stated in Clause 36 of the Concession Contract.	Yes	R\$ 1.822.172.940,00
15/03/2024	AGUAS DO RIO 1 SPE S.A	RISP24	The project aims to expand the urban water and sewage service coverage rate and reduce losses in the water supply system in the municipalities that make up Block 1 of the State of Rio de Janeiro concession. In addition to promoting investments in water supply and sewage in informal settlements in the municipality of Rio de Janeiro, RJ.	No	R\$ 671.554.600,00
15/10/2022	BRK AMBIENTAL - REGIAO METROPOLITANA DE MACEIO S.A.	RMSA12	The Investment Project is aimed at paying the concession fee related to the Concession Contract, according to clause 8 of said instrument, amended by the 1st Additional Term signed on June 10, 2021.	Yes	R\$ 1.950.000.000,00
15/02/2021	COMPANHIA RIOGRANDENSE DE SANEAMENTO CORSAN	RSAN34	To benefit the inhabitants of Alegrete, Alvorada, Cachoeira do Sul, Canela, Dom Pedrito, Eldorado do Sul, Gramado, Iraí, Osório, Santa Maria, São José do Norte, Viamão, and Xangri-lá with improvements in water supply systems and/or sewage systems, under the terms and conditions described in Ordinance 3,225.	No	R\$ 115.000.000,00
15/02/2021	COMPANHIA RIOGRANDENSE DE SANEAMENTO CORSAN	RSAN44	To benefit the inhabitants of Alegrete, Alvorada, Cachoeira do Sul, Canela, Dom Pedrito, Eldorado do Sul, Gramado, Iraí, Osório, Santa Maria, São José do Norte, Viamão, and Xangri-lá with improvements in water supply systems and/or sewage systems, under the terms and conditions described in Ordinance 3,225.	No	R\$ 335.000.000,00
15/11/2023	RIO+ SANEAMENTO BL3 S.A	SABP12	The project includes sanitation improvements in the water supply and/or sewage systems, aims to expand the water service coverage rate and reduce total losses in the basic sanitation systems in the municipalities of RJ (AP-5), Itaguaí, and Seropédica. In addition, the investment project also aims to pay the fixed concession fee linked to the Concession Contract.	Yes	R\$ 1.350.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/11/2023	RIO+ SANEAMENTO BL3 S.A	SABP22	The project includes improvements in the water supply and/or sewage system and aims to expand the water service coverage rate and reduce total losses in the basic sanitation systems in the municipalities of Rio de Janeiro (AP-5), Itaguaí, and Seropédica. In addition, the investment project also seeks to pay the fixed concession fee linked to the Concession Contract.	Yes	R\$ 1.150.000.000,00
15/03/2020	COMPANHIA DE SANEAMENTO DO PARANA SANEPAR	SAPR10	Works to expand water supply systems with the acquisition and installation of reservoirs in municipalities in Paraná; and works to expand sewage systems with the acquisition and installation of compact modular sewage treatment plants in the municipalities ("Project for Expansion of Water Supply and Sewage Systems - STPs and Reservoirs").	No	R\$ 350.000.000,00
15/03/2021	COMPANHIA DE SANEAMENTO DO PARANA SANEPAR	SAPRA2	Expansion of water supply systems with the acquisition and installation of reservoirs in municipalities of Paraná; and works to expand sewage systems with the acquisition and installation of compact modular sewage treatment units in municipalities of Paraná ("Project for Expansion of Water Supply and Sewage Systems - STPs and Reservoirs").	No	R\$ 208.300.000,00
15/03/2021	COMPANHIA DE SANEAMENTO DO PARANA SANEPAR	SAPRA3	Expansion of water supply systems with the acquisition and installation of reservoirs in municipalities of the State of Paraná; and works to expand sewage systems with the acquisition and installation of compact modular sewage treatment units in Paraná ("Project for Expansion of Water Supply and Sewage Systems - STPs and Reservoirs").	No	R\$ 161.700.000,00
15/01/2022	COMPANHIA DE SANEAMENTO DO PARANA SANEPAR	SAPRB3	(a) Works to expand water supply systems involving the acquisition and installation of reservoirs in various municipalities of the State of Paraná; and (b) works to expand sewage systems involving the acquisition and installation of compact modular sewage treatment plants in various municipalities of the State of Paraná.	No	R\$ 300.000.000,00
15/07/2020	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPB6	Infrastructure investment project in the basic sanitation sector, proposed to implement operational improvements and expand sewage systems in 23 municipalities of the Metropolitan Region of São Paulo. Expenses related to the payment of the project's concession fee, as provided for in the delegation contract, may be included in the investment project.	Yes	R\$ 600.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/07/2019	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPC4	Infrastructure investment project in the basic sanitation sector, presented by the Issuer, for the adaptation and modernisation of water supply systems in 71 (seventy-one) municipalities of the State of São Paulo, whose main objectives are the control and reduction of losses in these systems.	No	R\$ 100.000.000,00
15/07/2020	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPC6	Operational improvements and expansion of sewage systems in 23 municipalities of the Metropolitan Region of São Paulo ("RMSP" and "Expansion of the SSS in the RMSP Project - Metropolitan Sewage Program (PME)": Retrofit and Automation of the Barueri STP; Expansion of Sewage Removal/Interception Systems (RMSP); Expansion of the Sewage System.	No	R\$ 445.000.000,00
15/07/2019	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPD4	Infrastructure investment project in the basic sanitation sector, presented by the Issuer, for the adaptation and modernization of water supply systems in 71 (seventy-one) municipalities of the State of São Paulo, whose main objectives are the control and reduction of losses in these systems.	No	R\$ 300.000.000,00
15/12/2021	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPE9	Investment project for the Expansion of the water supply system in municipalities in the Metropolitan Region of São Paulo, including the execution of new connections to the networks, to deal with natural growth. Investment project for the Expansion of Sewage Systems in municipalities of the Baixada Santista, including Oceanic Disposal Systems.	No	R\$ 600.000.000,00
15/12/2021	CIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO SABESP	SBSPF9	Development of the Almas Project, investments in the construction and operation of mining activities, expenses with contractors, acquisition of machinery and equipment, other pre-operational/operational costs and expenses; investment for the acquisition of assets or equity interests in other companies, both domestic and foreign, whose main activity is mining.	No	R\$ 150.000.000,00
15/05/2023	SAO GABRIEL SANEAMENTO S.A	SGAB11	Implementation of building distribution networks; implementation of water mains; replacement of depreciated distribution networks; implementation of water reservoirs; improvements in water reservoirs; expansion of water pumping stations; implementation of actions for loss control in the WSS; expansion of the SSS; expansion of the capacity of the sewage treatment plant; sludge treatment.	No	R\$ 70.000.000,00

Emission date	Company	Code	Project Objective	Concession Fee?	Total value
15/05/2021	OURO PRETO SERVICOS DE SANEAMENTO S.A. - SANE OURO	SNRO11	The Project aims to expand the coverage of the potable water network from 90% to 100% of urban households in the municipality, implement micro-metering, reduce water losses to 35%, and improve water quality, through the increase and improvement of production and storage units, improvement in water distribution, sectorization and metering actions.	No	R\$ 100.000.000,00
15/02/2024	VERDE AMBIENTAL ALAGOAS S.A.	VAAL14	The project aims to pay the concession fee related to the concession contract for public water supply and sewage services in the municipalities of Block C – international public tender No. 002/2021 of CASAL/AL (“Concession Contract”), according to clause 34 of the Concession Contract, signed on March 8, 2022 (“Project” or “Concession”).	Yes	R\$ 400.000.000,00

Annex 2

Source: Anbima Data. Associação Brasileira das Entidades dos Mercados

Financeiro e de Capitais. <https://data.anbima.com.br/>

Code	Emission date	Value	Project objective	Incentivized Debenture?	Category
RMSA12	15/10/2022	R\$ 1.950.000.000,00	The payment of the concession fee related to the Concession Contract	Yes	Concession fees
RMSA21, RMSA11	01/12/2020	R\$ 1.800.000.000,00	Exclusively for payment of a portion of the fixed concession fee and working capital related to the public service concession from public tender No. 09/2020 for the provision of water supply and sewage services within the municipalities of the metropolitan region of Maceió-AL	No	Concession fees
BRKP18	15/09/2020	R\$ 795.000.000,00	Debt extension and improvement of the company's capital structure in the context of investments made in expanding the coverage of its water and sewage services.	No	Debts
BRKPA2	21/02/2024	R\$ 500.000.000,00	Payment of debts held by the Issuer and its subsidiaries and bolstering cash holdings	No	Debts
BRKP17	29/05/2020	R\$ 450.000.000,00	The net proceeds raised by the Issuer through the Issuance will be used exclusively for the full early redemption of the debentures of the 4th (fourth) issuance of the Issuer.	No	Debts
ODBA13	15/12/2016	R\$ 399.000.000,00	The net proceeds obtained by the Company with the Issuance will be entirely used for the full settlement of the outstanding balance of debts, and the balance, if any, for the payment of general expenses and/or reinforcement of the working capital of the Company and/or its Subsidiaries.	No	Debts
BRKP28	15/09/2020	R\$ 305.000.000,00	Future payments or reimbursement of expenses, expenditures, or debts related to the implementation of Projects in 11 Special Purpose Entities (SPEs), which occurred within a period equal to or less than 24 (twenty-four) months from the issuance settlement date. The projects are related to: water treatment, distribution, and loss reduction, sewage collection and treatment projects, as well as institutional development of two SPEs.	Yes	Debts
RIOO13	29/06/2021	R\$ 140.000.000,00	Payment of debentures of the 2nd issuance (RIOOS12), prepayment of financing contract through credit line 08207441, with BNDES, and working capital	No	Debts

Code	Emission date	Value	Project objective	Incentivized Debenture?	Category
CCHR21, CCHR11	15/01/2023	R\$ 140.000.000,00	The net proceeds obtained by the Issuer with the Restricted Offering will be used in the normal course of business, being allocated (i) with respect to the Debentures of the First Series (as defined below), for the full payment of the Loan Agreement, entered into on December 15, 2022, between the Issuer and BRK Ativos Maduros ("Mútuo Ativos Maduros") and the remaining balance for bolstering the Issuer's cash reserves; and (ii) with respect to the Debentures of the Second Series (as defined below), for bolstering the Issuer's cash reserves.	No	Debts
BRKT14	23/10/2023	R\$ 105.000.000,00	Full payment of the loan agreement between the Issuer and BRK Ambiental Projetos Ambientais	No	Debts
BRKP16	28/04/2020	R\$ 50.000.000,00	Exclusively for refinancing debts and reinforcing its working capital	No	Debts
SROP12	21/02/2018	R\$ 35.000.000,00	prepayment of debts and general corporate uses	No	Debts
ODAP11	26/01/2015	R\$ 10.000.000,00	Full payment of the Bank Credit Note – Working Capital No. 000271442814 entered into between Banco Santander (Brasil) S.A. and the Issuer	No	Debts
RIOS12	19/06/2019	R\$ 62.000.000,00	partial prepayment of financing with BNDES and reinforcement of working capital	No	Debts
ABRK11	15/01/2025	R\$ 260.000.000,00	Payment of debt with Caixa; cash reinforcement	No	Debts, Working capital
BRKPA0	15/04/2022	R\$ 1.600.000.000,00	(I) the total early redemption of the following securities: (a) 1st series of the 8th issue of simple debentures; (b) 9th issue of simple debentures; (c) 2nd issue of simple debentures; and the remaining amount, if any, (II) bolstering cash reserves to meet the Issuer's commitments linked to activities and projects related to its sector, sustainable management of water, wastewater and sanitation.	No	Debts, Working capital
BRKPA3	23/08/2024	R\$ 450.000.000,00	The net resources raised by the Issuer through the Issue will be used to pay the debts of the Issuer and/or its direct and indirect subsidiaries (liability management) and/or to reinforce the Issuer's cash position.	No	Debts, Working capital

Code	Emission date	Value	Project objective	Incentivized Debenture?	Category
CCHR12	20/08/2024	R\$ 220.000.000,00	The net proceeds will be used for (i) the optional early redemption of the debentures issued by the Issuer under the "Private Instrument of Deed of the 1st Issue of Simple Debentures, Non-Convertible into Shares, of the Unsecured Type, with Additional Personal Guarantee, to be converted into a Type with Real Guarantee, in Two Series, for Public Distribution with Restricted Distribution Efforts, of BRK Ambiental - Cachoeiro de Itapemirim S.A.", as amended from time to time; and/or (ii) the reinforcement of the Issuer's cash position; and/or (iii) for the reduction of the Issuer's capital.	No	Debts, Working capital
BLIM11	15/12/2023	R\$ 140.000.000,00	1. The net proceeds obtained by the Issuer through the Issuance shall be allocated for the payment of dividends and distribution of accumulated profit reserves to the Issuer's shareholders and to reinforce the Issuer's cash position.	No	Dividends and working capital
BKRC11	15/04/2023	R\$ 100.000.000,00	expansion of the Rio Claro sewage system	Yes	Investments
BRKU11	15/12/2022	R\$ 90.780.000,00	Expansion and Improvement in the Water Supply System and the Sewage System of Uruguaiana-RS	Yes	Investments
FOZM12	20/10/2021	R\$ 74.000.000,00	Proceeds raised for (i) investments in the Project and in working capital; (ii) settlement of the outstanding balance of a loan with Santander	No	Investments
ODBH15	09/09/2021	R\$ 201.000.000,00	The proceeds raised by the Issuer through the Issuance will be used for (i) investments in the Project and in the Issuer's working capital; and (ii) for the settlement of the total outstanding balance of the Issuer's debts represented by the debentures issued under the 3rd (third) and 4th (fourth) issuances of the Issuer.	No	Investments and debts
ODBH16	18/09/2023	R\$ 150.000.000,00	(i) investments in the project and in working capital; (ii) settlement of the total outstanding balance of the Issuer's debt represented by the debentures of the 5th issuance.	No	Investments and debts
BRKB11	10/05/2021	R\$ 62.000.000,00	Investments in the project and working capital	No	Investments and debts
FOZS13	17/08/2015	R\$ 70.000.000,00	no information	no information	no information
BRKPA1	06/03/2023	R\$ 710.000.000,00	Bolstering cash position	No	Working capital
BRKP14	03/06/2019	R\$ 450.000.000,00	Bolstering working capital and resources for investments	No	Working capital

Code	Emission date	Value	Project objective	Incentivized Debenture?	Category
FOZG12	15/04/2024	R\$ 300.000.000,00	payments of loans to shareholders or affiliates, payment of investments and/or reinforcement of cash position	No	Working capital
BRKP19	01/07/2021	R\$ 200.000.000,00	will be used exclusively to compose the Issuer's working capital, for carrying out any activities provided for in its corporate aims.	No	Working capital
BRKN11	15/12/2017	R\$ 180.000.000,00	Working capital and investments	No	Working capital
BRKP15	15/12/2019	R\$ 160.000.000,00	The net proceeds raised by the Issuer through the Issuance will be used exclusively to meet the ordinary management business of the Issuer.	No	Working capital
FOZG11	16/06/2021	R\$ 150.000.000,00	The net proceeds raised by the Issuer through the Issuance will be used for investments in the Project and the Issuer's working capital.	No	Working capital
BRKC11	05/07/2021	R\$ 42.000.000,00	The proceeds obtained by the Company with the Issuance will be allocated for full payment, including principal, interest, and other charges on the Working Capital Guarantee issued by the Issuer in favor of Banco Bradesco; (ii) reinforcement of cash position (iii) for investments for expansion, renovation, or improvement.	No	working capital, debts and investments

