# SUSTAINABILITY REPORT 2012

SANASA CAMPINAS

A life well treated

SANASA
CAMPINAS

# SUMMARY

# A MESSAGE FROM THE CEO

**ARLY DE LARA ROMÊO**
**CEO of SANASA**

I am aware of the imense responsibility I have since I took on the Presidency of SANASA because, besides the need to stregthen the company even more, it's also necessary to consolidate its prestige and credibility with the public and the business market.

One of the paths to do so is the insertion of essential economic, social and environmental aspects in the Strategic Planning. Also, aligning the Strategic Planning with the premises of the Global Compact, of which SANASA became a signatary in 2012. The Global Compact, created in the United States Organization – UN, gathers the commitments of companies, governments, unions and non-governmental organizations in the whole world with regard to its 10 principles in the fields of human and labor rights, environmental protection and the fight against corruption.

With this advance in administration, there will also be more transparency in the management. Afterall, SANASA is a patrimony of the people of Campinas and has responsibilities with regard to the city's sustainability, with guaranteeing the supply of water in the present and for future generations of the population of Campinas, in addition to the challenge of achieving universal sanitation in its acting area.

Sanitation is health and, also, economic and social development. A study of Fundação Getúlio Vargas – FGV shows that "waterborn diseases increase the rates of infant mortality and may cause loss of up to 18% of school learning ability in children up to 5 years old".

Any action that has already been developed in the sense of giving transparency to the activities of the company is the publishing of this Sustainability Report according to the international model of the Global Reporting Initiative, which addresses, in an objective form, the economic, social and environmental performance of SANASA in 2012 according to indicators and metrics understood worldwide.

It is also important to preserve the self-esteem and the pride of employees who work here. I invited the former President, Marco Antônio dos Santos, a career employee, to take on the Technical Board and help me in the decisive process of continuity of transparency and efficiency, thus, showing that I urge all employees and collaborators to engage in the fight for the growth of the company in local and regional scopes and fulfilling its highly social role.

From our part, we are obssessively focused on the main activities, represented by the goals and the Strategic Planning to be put into practice in the medium and long terms. We seek to increase the capacity of investment and maintain austerity when dealing with public money.

When we assumed, we committed to reducing the value of the social fee, implanted right afterwards, in the beginning of March 2013. The next Report will include indicators that will show the performance of this benefit for families facing a situation of social vulnerability which are an important portion of our society.

I am sure that the government of Mayor Jonas Donizette will be marked by extraordinary advances in the social areas – education, health, social inclusion and respect for human dignity.

This is a favorable environment for the achievement of our plans too. Any institution is only strong and respected if its counts on officers, employees and collaborators who are compromised and who take pride in their actions. And it sustainable only if consumers are satisfied.

In the next year, SANASA will complete 40 years of existence. I urge everyone so that, together, we can work hard and with love for the people of Campinas.

# PROFILE

SANASA CAMPINAS


Facade SANASA Campinas, SP

# PROFILE

## BASIC SANITATION AND DISSEMINATION OF ENVIRONMENTAL PRESERVATION

**GRI 2.6** Sanasa Campinas - Society for Water Suply and Sanitation S.A. is a government-controlled company, created by Municipal Act 4.356, of September 28, 1973.

**GRI 2.2 e 2.7** A joint stock company, it was organized with the intent of planning, performing, supervising and operating public services of basic sanitation in the municipality of Campinas and its Metropolitan Region, respecting local administrative authority. It also performs activities for the improvement of the administration, operation and maintenance of its services, including the provision of advisory, consultancy and technical assistance services to the municipality, entities or public or private companies within its area of operation.

In the scope of basic sanitation, Sanasa Campinas promotes actions of education in sanitation and environmental preservation, disseminating knowledge inherent to its activities, in actions integrated with the municipality, the State, the Federal Government, and society.

**GRI 2.10** In 2012, SANASA was acknowledged the 3rd best company in profitability and asset turnover in the field of sanitation in Brazil and the 1st among municipal companies, by magazine Valor 1000. This acknowledgment highlights the positive results that the company, even during a crisis management, reaches in matters related to economic, environmental, social, and operational performance within its business plan for the future.

### WATER TREATMENT

**GRI 2.2** Among other attributions, Sanasa Campinas is responsible for the service of water supply (collection, delivery, treatment, reservation and distribution of potable water) in the municipality of Campinas. The company catches water from Rivers Atibaia (94%) and Capivari (6%) to supply the entire city.

**GRI 2.3 e 2.8** Currently, Sanasa provides potable water to 99.5% of urban population of Campinas, through five treatment plants (WTPs 1 and 2 in Swift, WTPs 3 and 4 at Street de Sousas, with water caught from River Atibaia, and WTP Capivari by Road dos Bandeirantes, with water caught from River Capivari). This group of water treatment plants has a production capacity of up to 4,530 liters/second.

The average annual volume of potable water produced in around 100 million cubic meters, transported along more than 3,826 km of water mains and distribution networks and stored in 66 reservoirs spread around the city (26 elevated and 40 ground water tanks) with total capacity of 124,540.38 m³. This volume is distributed to 290,593 service connections, all of them equipped with hydrometers.

The whole installed infrastructure of the water supply system is sized to meet new demands resulting from the city growth until 2018, maintaining the population growth recorded in the past 10 years.

### WASTEWATER TREATMENT

**GRI 2.3** The sanitary wastewater system of SANASA Campinas serves 88% of the city's urban population, with collection of 259,730 connections through 3,506.11 km of networks, outfalls and interceptors, in addition to 71 Wastewater Pumping Plants and 25 Wastewater Treatment Plants (WWTT).

SANASA is pioneer in the use of the technology employed in the treatment of wastewater in the Water Reuse Production Plant - WRPP, one of the most modern in the world, with filtering membranes for the removal of nitrogen and phosphorus. These filtering membranes ensure the removal of most viruses and bateria, and solid matters, without the use of chemical disinfectants, making the water 98% pure.

The company developed a Wastewater Treatment Master Plan in which the urban area was divided into three large natural draining basins (Atibaia, Quilombo and Capivari). Each one subdivided into wastewater sectors, with their respective treatment unit (WWTT).

From left to right: Marco Antônio dos Santos, Technical Officer; Fernando Ribeiro Rossilho, Chief of Staff; Luiz Carlos de Souza, Commercial Officer; Arly de Lara Romêo, CEO; Maria Paula P. A. Balesteros Silva, Legal Attorney; Lúcio Esteves Júnior, Administrative Officer and Pedro Claudio Silva, CFO and Investor Relations.

# GOVERNANCE

## THE NEW BOARD TOOK OFFICE IN JANUARY 2013

SANASA started kicked off 2013 with the new Board taking office. Arlyde Lara Romêo is the new CEO, and invited the former CEO, Marco Antônio dos Santos, to take over the position of Technical Officer.

The new Board, with a mandate until January 1, 2016 is formed by:
CEO: Arly de Lara Romêo
Administrative Officer: Lúcio Esteves Júnior Commercial Officer: Luiz Carlos de Souza
CFO and Investor Relations: Pedro Cláudio da Silva
Technical Officer: Marco Antônio dos Santos

As can be seen, the Executive Board is always formed by one CEO and four Officers elected by the Board of Directors. The Technical Officer must always come from SANASA'S career framework.

**GRI 4.1** SANASA's Corporate Governance structure is based on transparency, austerity and social-environmental responsibility. It's capable of informing to its shareholders information necessary to guarantee the safety of their investments.

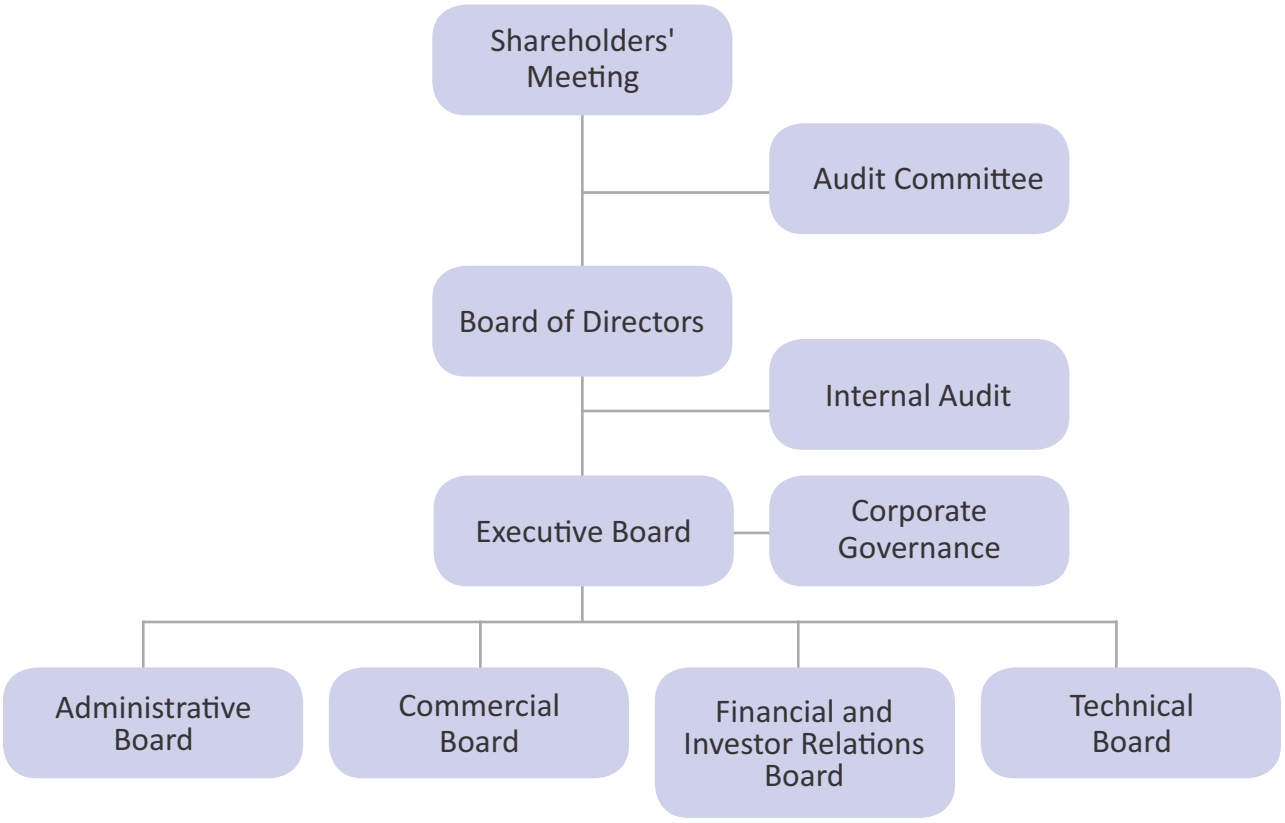
**GRI 4.7** The Shareholders' Meeting is the highest instance for decision in governance structure and deliberates on the allocation of the net income and the distribution of dividends, it elects the members of the Board of Directors and the Audit Committee, establishes fees, procuration fees and other rights of the members of the Board, authorizes the issuance of bonds, debentures or securities of any kind and capital increases.

The Board of Directors is composed by seven members, with unified mandate of three years and permission for reelection.

**GRI 4.2** The positions of Chairman of the Board and CEO are occupied by different professionals.

**HAMILTON BERNARDES**
**Chairman of the Board of Directors of Sanasa**

## GOVERNANCE STRUCTURE




## BOARD OF DIRECTORS

**GRI 4.1** The members of the Board of Directors, a decision-making body, are mostly shareholders residing in the country, who were elected and may be removed at any time by the Shareholders' Meeting. At least one vacancy is occupied by an Independent Director, one by a representative of employees, one by the CEO and the remaining vacancies are to be occupied through indication of the controlling shareholder, one of them being the Chairman of the Board.

The members of the board fulfill a mandate of three years and reelection is allowed. The Board of Directors meets, ordinarily, once a month and, extraordinarily, whenever there is call.

**GRI 4.9** See the duties of the Board of Directors at www.sanasa.com.br/revistadigital/sanasa/sustentabilidade_2012_1/sustentabilidade.pdf or in the Annexes to the Sustainability Report 2012.

Members of the Board of Directors of SANASA:

| Board of Directors | |
|---|---|
| **Name** | **Position** |
| Hamilton Bernardes Junior | Chairman |
| Arly de Lara Romêo | Director and CEO |
| Pedro Cláudio da Silva | Director, CFO and Investor Relations |
| Silvio Roberto Bernardin | Director |
| Wanderley de Almeida | Director |
| Ivan Ney Passos Lima | Independent Director |
| Texano Roque de Oliveira* | Director |

**GRI 4.4** * Worker from the Company career framework, elected by direct election organized by the company along with the trade union that represents the employees.

**GRI 4.2** The Chairman of the Board of Directors is elected in the Shareholders' Meeting, by indication of the Controlling Shareholder. This choice may not fall upon the CEO of the Company, a natural member of the Board of Directors.

**GRI 4.3** In 2012, the Board of Directors had the addition of an independent member.

An independent Director is that who does not have relationship with the Company other than equity interest, among other specific conditions.

## AUDIT COMMITTEE

The current formation, in force since January 2013, is the following:

| Audit Committee* | |
|---|---|
| **Name** | **Position** |
| Luis Augusto Michelim da Silva | Director |
| William Rondini | Director |
| Celso Lapa Vettori | Substitute |
| João Roberto Lima | Substitute |
| Silvana Saban Billó | Substitute |

**This report was elaborated before the election of the Audit Committee*

## AUDIT

In 2012, besides the disclosure of the work and the team of Internal Auditors at SANASA, the Audit Manual and the audit program of Analytical Comparative Demonstration between the Presence and the Electronic Procurement. The Internal Audit also ended the year with the new Annual Internal Audit Activities Program – PAIN for the year of 2013.

## RELIABILITY RECOVERED

The Corporate Governance Division of Sanasa was created in May of 2012, with the main purpose of recovering and ensuring the reliability of the company, creating an efficient group of monitoring mechanisms in order to ensure that the behavior of our executives is always in line with the interests of the shareholders. One of its other main objectives is protecting company values with control, compliance, and information disclosure policies.

Reponsibility of the Corporate Governance Management, among other attributions:

I. establish Corporate Governance standards and best practices to be observed in the company in order to adequate their management practices to the principles of transparency, equity, accountability and corporate responsibility;

II. **GRI 4.9** promote the adequacy of the management of operational risks, administrative internal controls and the process of corporate governance, providing reasonable guarantee that such processes work as planned, making recommendations to improve company operations in terms of economic viability, efficiency, efficacy, effectiveness and equity of the organizational performance;

III. **GRI 4.11** identify and manage the risks involved in the activities of the organization, providing comprehensive information on the risk environment;

Find out more about Governance at
www.sanasa.com.br/revistadigital/sanasa/sustentabilidade_2012_1/sustentabilidade.pdf

### REGIMENT

In August 2012 the Internal Regiment, approved by the meeting of the Board of Directors, was created. This Regiment defines the organizational structure of SANASA, establishing the powers of the several areas, as well as the duties of officers, audit directors and directors of the Board.

### MANAGEMENT OF CORPORATE RISKS

**GRI 1.2** In 2012 the collection of data for the Management of Corporate Risks was initiated. The management of risks adds value to the image of the company, by being transparent in the accountability and more reliable in its activities. Other direct benefits for the management of the company are: more safety in the making of decisions, more efficiency of internal controls and possibility of taking opportunities of improvement and new businesses, involving all managers and considering not only the financial impact, but the intangible one as well.

Find out more about Governance at
www.sanasa.com.br/revistadigital/sanasa/sustentabilidade_2012_1/sustentabilidade.pdf

# SANASA'S STRATEGIC GUIDELINES

## GRI 4.8 MISSION

- Contribute to the life quality of the population of Campinas, aiming to meet current and future basic sanitation needs;
- Plan and promote actions towards the environmental sanitation of the municipality;
- Take part in sanitation-related activities at national and international levels;
- Develop actions focused on social-environmental responsibility.

## VISION

- Be acknowledged as one of country's best municipal companies in the field of sanitation.

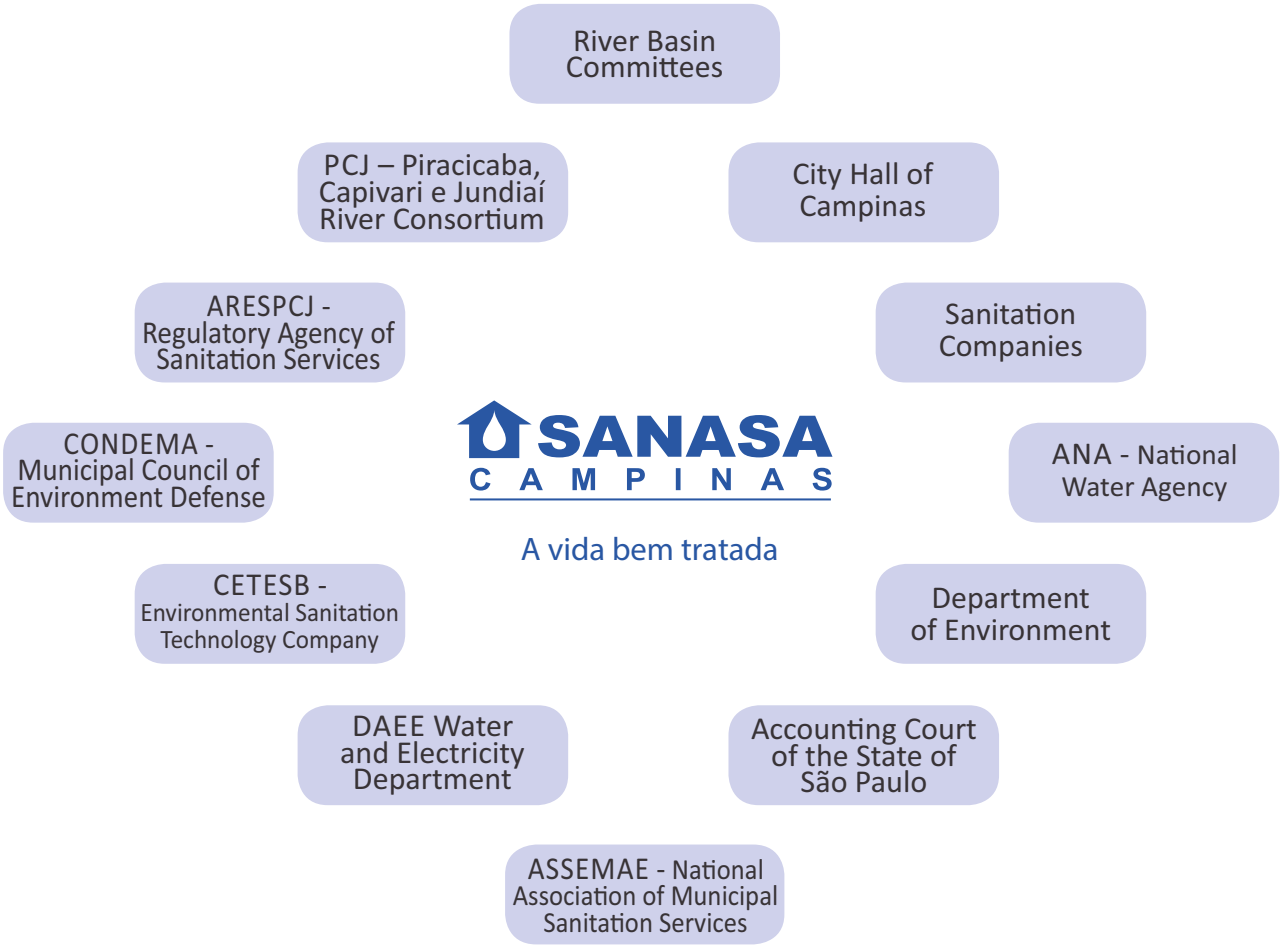
## BUSINESS GOALS

- 100 % Water Supply;
- 100 % Collection and Removal of Wastewater;
- 100% Wastewater Treatment;
- Client Satisfaction;
- Assurance of Water Supply;
- Guarantee of Business Integrity;
- Opening new businesses in: the trade of water for reuse and treatment of non-domestic effluents.

## GUIDELINES

- Business management efficiency;
- Technological and business ethics efficiency;
- Social-environmental responsibility;
- Certifications and accreditations;
- Code of ethical conduct and professional development.

## GRI 4.13 RELATIONSHIP WITH EXTERNAL BODIES




**ASSEMAE:** National Association of Municipal Sanitation Services: gathers almost two thousand associated Brazilian municipalities, City Halls and autonomous water and wastewater services among them. Through Assemae, SANASA, as an associate, has place and right to vote in the Technical Planning Chamber – CTPL in the PCJ River Basin Committees. This Chamber is the most important one from the 12 that compose the committees because decisions, such as the release of funds for the hierarchization of the projects presented, are made in it.

**ARESPCJ:** Regulatory Agency of Sanitation Services: regulates and inspects public services of basic sanitation.

**River Basin Committees:** The Committees, provided in the National System for the Management of Water Resources, work as the "Parliament of Water" and are formed by government representatives, water users and civil society organizations. In the case of the basins of rivers Piracicaba, Capivari and Jundiaí – PCJ, there are three Committees: one PCJ for the State of São Paulo, the Federal PCJ Committee, and the PJ (Piracicaba and Jaguari) Committee. They act jointly, with joint meetings and deliberations to solve issues.

**PCJ Consortium:** Intermunicipal Consortium of the Basins of Rivers Piracicaba, Capivari and Jundiaí: a private nonprofit association, formed by municipalities and companies that has the purpose of recovering water springs in its coverage area.

**City Hall of Campinas:** Controlling shareholder and responsible for defining municipal public policies under which SANASA establishes its work plans and goals.

**Accounting Court of the State of São Paulo:**
Approval of SANASA'S bids and accounts.

SANASA also maintains relationships with other bodies, such as:

- other Sanitation companies;
- Department of Environment: does the environmental licensing and is the body responsible for regulating and supervising ventures in the municipality of Campinas, within the jurisdiction of the Department;
- Municipal Council of Environment Defense - CONDEMA;
- Environmental Company of São Paulo: supervises and licenses potentially polluting activities;
- National Water Agency - ANA: coordinates the shared and integrated management of water resources and regulates access to water, promoting its sustainable use for the benefit of current and future generations;
- Water and Electricity Department: the body that manages water resources in the State of São Paulo.

(find out more about Institutional Relations in the Annexes of the Sustainability Report, www.sanasa.com.br)

## GRI 4.4 COMMUNICATION MECHANISMS

Sanasa provides the Public Transparency Portal with the following minutes and reports:

- Minutes of the Ordinary and Extraordinary Shareholders' Meeting
- Minutes of the Audit Committee
- Minutes of the Board of Directors
- Social Balance Sheet
- Notices to Investors
- Financial Statements
- Fact Sheet
- Strategic Guidelines
- Revenues and Expenses
- Bidding processes
- Remuneration of employees
- Sustainability Report.

**Direct Contact:**

- Through the website www.sanasa.com.br
- The Call Center service works 24 hours a day, seven days a week, following customer service procedures. In order to ensure the safety of the information and respect for the consumer, calls are recorded
- Costumer service agencies: Sanasa has 11 customer service agencies in the municipality of Campinas.

**Ombudsman's Office**

GRI 4.4 The Ombudsman's Office, created in August 2012, connected to the Corporate Governance, is a channel of permanent communication with the citizens. It receives and analyses manifestations on the services provided by the company, identifies possible causes of deficiency in service and, in partnership with the other areas of the company, finds the best solution to the issues that have been raised, while seeking to improve customer service and the quality of the services provided.

In 2012, the Ombudsman's Office received a total of 308 manifestations, of which 90% were responded and completed. The response time was within 5 business days in up to 79% of the cases and 3 business days in 68%.

| TYPES OF MANIFESTATION IN THE OMBUDSMAN'S OFFICE | |
|---|---|
| Complaints | 66% |
| Information | 24% |
| Criticism | 6% |
| Requests | 1% |
| Sugestions | 1% |
| Elogios | 1% |
| Compliments | 1% |

| ORIGIN OF MANIFESTATIONS | |
|---|---|
| E-mails | 88% |
| Municipal Ombudsman's Office | 7% |
| Transparency Portal | 4% |
| Telephone/In person | 1% |

## CODE OF ETHICS

**GRI 4.4 e 4.8** The Code of Ethics is an instrument of improvement of the Quality Management System, which aims to establish ethical reference standards that are consistent with the time, culturally adequate and able to regulate a healthy and harmonious coexistence in the work environment, with external reflexes. The Code of Ethical Conduct interacts with the current legislation, with the Regulation of Services and similar Standards by Sanasa, where applicable, and gathers orientations that should be observed in the daily professional activity of its employees, always aiming to meet the highest quality objectives and continuous improvement.

Responsibility for the management of the Code of Ethical Conduct rests with the Ethics Committee, established by Ordinance of the company's Board, composed by a president, six permanent members and two substitutes.

The Ethics Committee attends to internal and external complaints, made in writing, submitted through Customer Service, through the Sanasa website or delivered in person by one of the members of the Committee.

## GRI 4.14 OUR COMMITMENT

**Employees, Interns and Apprentices:** The relationship of the Administration with employees and interns is based on cooperation, transparency, respect and compliance with its own legislation, with agreements, collective bargaining agreements and norms, ordinances, circulars, resolutions and other internal procedures.

**Clients/Consumers:** SANASA is committed to fully satisfying clients and consumers, in the search for the best standards and excellence in its relationships, continuously meeting its goals and Quality Policies.

**Society:** relationship with society is intended to value people, safeguard ethical and cultural values of the community and the citizen, ensuring the health and the wellbeing of the population.

**Shareholders:** the relationship with shareholders is based on accurate, transparent and timely communication of information required to provide an efficient monitoring of the actions and results of the company.

**Media:** the relationship with the press is based on ethics, safety and transparency, preserving the positive image of SANASA before the internal and external public.

**Suppliers and Service Providers:** the relationship with suppliers and service providers is based on the strict observance of the principle of legality, with ethics and respect, with granting any sort of privileges or the practicing any form of discrimination. In order to do so, SANASA established a Supplier Registration System which allows a technical assessment, and defined the Material, Works and Services Procurement Norm, as well as the Contract Management Norm, in compliance with Act 8666.

**Union:** the relationship with trade unions is based on strict adherence to ethical and legal principles, and on respect and cordiality.

**Environmental Protection**: SANASA is dedicated to the protection and preservation of the environment, observing the applicable laws. It values and preserves the water resources available to us, besides promoting education and population awareness in general with regard to a responsible use of water, with an incentive to the use of recyclable materials, in order to ensure the health and wellbeing of the entire community.

**Assets:** real and personal properties, equipment in general, computer software, information, the name of the company and other must be safeguarded and protected.

**Institutional Relations:** SANASA seeks to strengthen the relationship with various public institutions in the federal, state and municipal scopes, with nongovernmental organizations, universities and other entities, adding value and strengthening its institutional image.

# PARTICIPATION IN WATER RESOURCES POLICIES

**So5** In the scope of Institutional Relations, SANASA maintains active participation in water resource policies of the Piracicaba, Capivari and Jundiaí river basins, together with the Municipal Planning and Environment Secretariat of Campinas.

The company is represented in State and Federal Drainage Basin Committees, in National Association of Municipal Sanitation Companies, participates in all Technical Chambers that formulate and deliberate on the water resource policy in the region and the basins plan. It also participates in the Environmental Defence Council - CONDEMA and in the Thematic Chambers of the Metropolitan Region of Campinas. It is the planning of works of a sanitation company, focused as an instrument of public health of the municipality of Campinas, which permeates its borders, contributing with the environment of the entire region.

Since it joined the PCJ Consortium, in 2003, SANASA occupies the Vice-Presidency of the Water Monitoring Systems, through its CEO, in the face of its regional relevance. With the funds provided by the National Water Agency – ANA and those collected from the PCJ Basin, SANASA, every year, enrolls projects aimed at obtaining funds, in addition to proceeding with its plan of total coverage of water supply and sanitary wastewater in the municipality of Campinas.

Throughout the year of 2012, SANASA took part in the translation of the technical standards that form the ISO 24500 series, specific for the field of sanitation, which have been published in December 2012:

- ISO 24510 – Guidelines for assessment and improvement of services provided to users.
- I S O 24511 – Guidelines for the management of wastewater services providers and for the assessment of wastewater services.
- I S O 24512 – Guidelines for the management of water service providers and for the assessment of drinking water services.

It also participates in ABNT/CB-25's CE-2 Studies Committee, which will review the standards that form the ISO 9000 series. It participates as a member of the Studies and Humanitarian Works Group – GETAH in Campinas. It participates, also, in the theme of Sanitation, with the maintenance of the Portal of Competitivity Indicators in Campinas; and forwards data to the National Information System on Sanitation – SNIS, to form the basis of information of national sanitation.

## VOLUNTEERING

**GRI 4.4 e 4.14** In November 2012 SANASA launched the Volunteering Program. With the creation of a volunteering policy, and the creation of a group disseminator, the company seeks to show opportunities, estimulate solidarity and encourage people to do volunteer work.

The practical works started on December 5, in celebration of the International Volunteer Day, researching the interest of employees, a campaign to give panettones as gifts to employees of outsourcing companies and the creation of a Volunteering Portal in the company's Internat to disclose volunteer actions.

# MAIN ECONOMIC, ENVIRONMENTAL AND SOCIAL INDICATORS

SANASA CAMPINAS

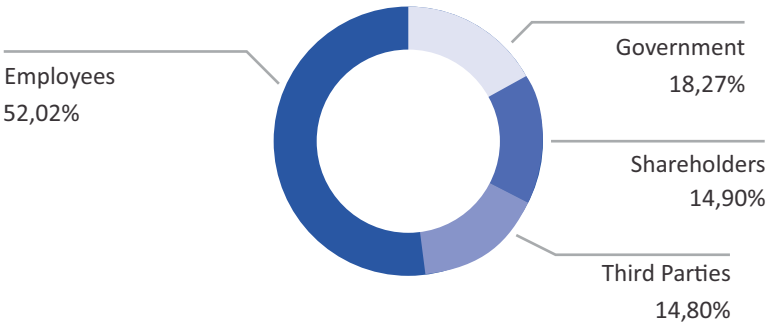
The Jequitibá tree may reach 50 meters high, with a trunk with up to seven meters in diameter.

# MAIN ECONOMIC, ENVIRONMENTAL AND SOCIAL INDICATORS

## GROWTH OF THE VALUE ADDED DISTRIBUTION

**GRI EC1** SANASA's Value Added Distribution – DVA in 2012 reached R$ 412,557 thousand, which means an increase of 22.84% in relation to 2011, when it distributed R$ 335,849 thousand. From the total, 18.27% was destined to the government (taxes, fees and contributions), 14.90% to shareholders (interest on the stockeholders' equity and dividends), 14.80% to third parties (interest and leases) and 52.02% to employees (including direct remuneration, benefits and Guarantee Fund for Length of Service – FGTS).

### VALUE ADDED DISTRIBUTION




## INDEBTEDNESS

In 2012 SANASA recorded a balance of outstanding loans and financings inthe amount of R$ 192,605 thousand. 67.1% of this amount refers to Loans, 1.4% to FINAME and 31.6% to Financings. The balance of loans and financings in 2012 represents a reduction of 14.44% (or R$ 32,494 thousand) in relation to 2011.

| Description (R$ thousand) | 31/12/2010 | 31/12/2011 | 31/12/2012 |
|---|---|---|---|
| **Total** | **251.269** | **225.099** | **192.605** |
| Loans | 153.509 | 141.760 | 129.228 |
| FINAME | 5.616 | 4.337 | 2.606 |
| Financings | 92.144 | 79.002 | 60.771 |

## GOVERNMENTAL FINANCIAL AID

**GRI EC4** In 2012 SANASA received R$ 19,269 thousand in funds from government subsidies, being R$ 14,437 thousand from the Growth Acceleration Program – PAC, R$ 3,516 thousand from the Consortium of Basins of Rivers Piracicaba, Capivari and Jundiaí – PCJ and R$ 1,316 thousand from the State Water Resources Fund – FEHIDRO.

### SUBSIDIES (R$ THOUSAND)

| Description | 2010 | 2011 | 2012 |
|---|---|---|---|
| **Total** | **37.450** | **44.686** | **19.269** |
| PAC | 32.750 | 38.707 | 14.437 |
| PCJ | 2.712 | 3.077 | 3.516 |
| FEHIDRO | 1.642 | 2.902 | 1.316 |
| FNHIS | 346 | - | - |

## IMPACT OF INVESTMENTS

Focused on the commitment to universalize the access to basic sanitation in the municipality of Campinas, SANASA directed its investment policy for the expansion and dissemination works of the sanitary wastewater collection and treatment structure.

In 2012 R$ 55,988 thousand were invested, being 19.7% intended for investments in water supply works, 66.1% intended for collection, removal and wastewater treatment systems and the remaining 14.2% applied in other investments.

### INVESTMENTS (R$ THOUSANDS)

| Description | 2010 | 2011 | 2012 |
|---|---|---|---|
| **Total** | **98.307** | **88.071** | **55.988** |
| Water Operating System | 11.740 | 12.206 | 11.014 |
| Wastewater Operating System | 79.796 | 69.360 | 37.018 |
| Other Investments | 6.771 | 6.505 | 7.956 |

## GRI 1.2 MANAGEMENT OF FINANCIAL RISKS

SANASA's financial applications follow the SAN.F.IN.IT 01 norm. This instruction establishes clear criteria defined for the application SANASA's surplus cash funds.

According to the instruction, applications must be made in fixed income assets, following a conservative and moderate profile, seeking the best possible profitability among banks. In the case of application of funds in Investment Funds, the history of profitability of the Fund must be observed (for at least 12 months). This should show a positive profitability that is compatible with other Funds with the same characteristics in the marketplace, provided that the composition of the portfolio, the characteristics of the financial assets, the terms, the administration fee (if any), eventual grace period for rescue, as well as its regulations, are clearly defined.

Thus, risks inherent in the financial application coming from public funds are minimized and better controlled.

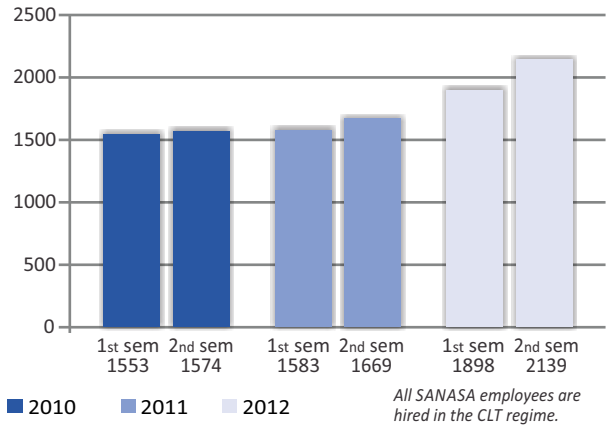
# ENVIRONMENTAL PROTECTION

**GRI EN30** In 2012 SANASA recorded investments for environmental control and protection in the amount of R$ 9,940 thousands. Of the total investments, 20.6% were destined to external programs and projects, 37.3% for the removal of sludge and waste, 22.3% to the National Water Agency – ANA, 17% to the Regulatory Agency of Sanitation Services of Piracicaba, Capivari and Jundiaí River Basins – ARES PCJ and 2.8% to the Intermunicipal Consortiums of Piracicaba, Capivari and Jundiaí River Basins – PCJ Consortium.

## INVESTMENTS IN THE ENVIRONMENT (R$ THOUSANDS)

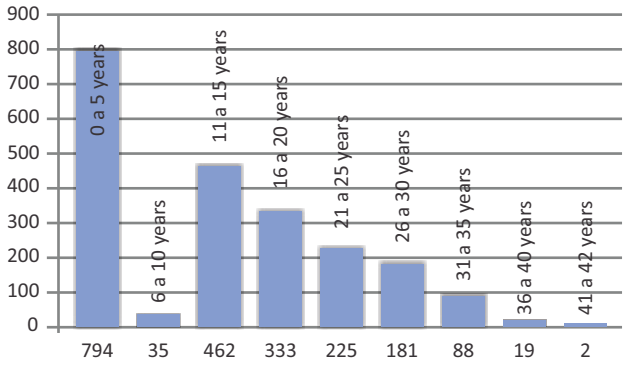
| Description | 2010 | 2011 | 2012 |
|---|---|---|---|
| **Total** | **9.240** | **6.908** | **9.940** |
| Contr. Inv. Piracicaba/Capivari River Basin Cons. | 66 | 261 | 282 |
| Regul. Fee/Inps. Basic Sanitation - ARES/PCJ | - | - | 1.685 |
| Bill Rate of Water Resources - ANA | 2.636 | 1.821 | 2.216 |
| Sludge and Waste Removal | 3.595 | 3.542 | 3.709 |
| Investments in external programs and/or projects | 2.943 | 1.284 | 2.048 |

## GRI 2.8 e LA1 TOTAL NUMBER OF WORKERS




*All SANASA employees are hired in the CLT regime.*

## GRI LA13 TIME OF CAREER




*Final numbers adjusted in relation to those published in the1st Sustainability Repotr.*

## GRI EC3 PENSION PLAN* (R$ THOUSANDS)

| Descrição | 2010 | 2011 | 2012 |
|---|---|---|---|
| **Total** | **9.701** | **6.428** | **7.504** |
| PETROS - Ordinary Contribution 6% | 2.998 | 3.238 | 4.313 |
| PETROS - Ordinary Contribution - PAI | 248 | 142 | 126 |
| PETROS - Optional Contribution | - | - | - |
| PETROS - Past Service Cost Amortization | 6.404 | 3.003 | 3.012 |
| PETROS - Management Committee Fund | 51 | 45 | 53 |

PETROS – Mixed Plan of the Management Committee Fund **(Read the details in the index GRI EC3).**

*The company maintains a defined contribution pension plan, formalized with the Petrobras Social Security Foundation (Fundação Petrobrás de Seguridade Social – PETROS), in compliance with the collective bargaining related to the period of 2004/2006.

# OPERATIONAL MANAGEMENT

SANASA CAMPINAS

**Water Treatment Plants - WTPs 3 and 4**

# OPERATIONAL MANAGEMENT

## SANASA DEFINES THE SOLID WASTE MANAGEMENT PLAN

**GRI En26** The Solid Waste Management Plan of SANASA Campinas was elaborated in compliance with article 20 of Act no. 12.305/2010, which establishes the National Solid Waste Policy, regulated by Decree no. 7404/2010, and responds to the provisions of the Municipal Plan of Integrated Management of Solid Waste of the Municipality of Campinas PMGI-RS.

The general objective of the Plan is establishing, in the company, the non-generation and reduction of waste, reuse and recycling, adoption of industrial solid waste treatment, as well as the environmentally correct allocation and disposal of the same. It also contemplates the maximization of the trade of recyclable materials in the management of solid waste generated in the units and the qualification of employees involved.

The especific objectives of the Plan are:

- identify the waste and the generating units;
- classify the solid waste generated in company's units;
- elaborate the diagnosis on the handling, allocation and final disposal of solid waste;
- elaborate corrective actions for the problems that were found;
- establish goals to minimize the generation, reuse and recycling of solid waste;
- implement the actions that have been conceived.

### SOLID WASTE GENERATING UNITS

All of SANASA's units are generators of solid waste, but some sectors generate specific waste in larger quantities.

Thus, SANASA was subdivided into sectors according to the classification and the amount of specific waste generated **(see more details at www.sanasa.com.br)**.

### GRI En22 CLASSIFICATION AND MEASUREMENT OF SOLID WASTE

The tables below show all the waste generated by SANASA, typeof waste, classification and volume.

**Origin: Administrative Sectors, Occupational Medicine, Prevention and Oral Health, Micro Measurements, Construction Works, Maintenance and Transportation.**

| Waste | Classification MMA / ICLEI BRASIL | Classification ABNT NBR 10.004:2004 | Quantity/ Volume Year: 2011 |
|---|---|---|---|
| **Organic Material** | Domestic wet solid waste and tailings | Class II-A | - |
| **Sweeping** | Waste from public cleaning | Class II-A | 134.140 kg |
| **Civil Construction** | Waste from civil construction | Class II-B | - |
| **Paper** | Dry domestic Solid waste | Class II - A | 27.218 kg |
| **Plastic, glass and metal** | | Class II-B | |
| **Packages of oil, lubricant and grease** | Reverse Logistics | Class I | 582 kg |

| Waste | Classification MMA / ICLEI BRASIL | Classification ABNT NBR 10.004:2004 | Quantity/ Volume Year: 2011 |
|---|---|---|---|
| Eletronics | Reverse Logistics | Class I | 1.600 kg |
| Personal Protection Equipment | Bulky waste | Class II-B | 9.843 kg |
| PVC / PEAD | Bulky waste | Class II-B | 3.380 kg |
| Cast iron | Bulky waste | Class II-A | 57.310 kg |
| Mixed scrap | Bulky waste | Class II-A | 122.650 kg |
| Wires and electric cables | Bulky waste | Class II-A | 2.050 kg |
| Bronze and Brass Chips | Bulky waste | Class II-A | 370 kg |
| Batteries | Reverse Logistics | Class I | 530 kg |
| Tires | Reverse Logistics | Class II-B | 852 units |
| Fluorescent Lamps | Reverse Logistics | Class I | 2.843 units |
| Lube oil | Reverse Logistics | Class I | 4.010 L |
| Ambulatory and dental | Waste from Health Services | Class I | - |
| Scrap from water meters | Bulky waste | Class II-A | ~ 50 t |
| Wood and plywood | Bulky waste | Class II-B | - |
| Tow (with oil) | Bulky waste | Class I | 1.100 kg |
| Car batteries | Reverse Logistics | Class I | 48 units |

### Origin: Water Supply and Sanitation System Analysis Laboratories

| Characterization | Classification NBR 10.004 | Volume Year: 2011 |
|---|---|---|
| Aqueous solutions with heavymetals; Organochlorine solvents; Hydrocarbon solvents; Mobile phase organics of liquid chromatography; Overdue reagents | Class I | 300 a 350 kg |

### Origin: Water Supply System

| Characterization | Classification NBR 10.004 | Volume Year: 2011 |
|---|---|---|
| Coarse Solids | Class II - A | 61 ton |
| Sludge from the WTP | Class II - A | 13.500 ton |

## Origin: Sanitary Wastewater System

| Characterization | Classification NBR 10.004 | Volume Year: 2011 |
|---|---|---|
| **Coarse Solids** | Class II - A | 405 ton |
| **Sand** | Class II - A | 2.440 ton |
| **Sludge from the WWTT** | Class II - A | 18.438 ton |

### SANASA'S ENVIRONMENTAL LIABILITIES

The environmental liabilities happen in two fields:

- In solid waste from the dredging for the desilting in the catchment of River Atibaia, made every two years – part is reused to recover the margins of the river and another part is laid out in the catchment area. This provision was authorized by the Water and Electricity Department – DAEE and the State Department of Natural Resource Protection – DEPRN, when so requested.

- In the areas of operation of Wastewater Treatment Plants, Wastewater Pumping Plants and idle Wastewater Treatment Plants.

### COLLECTION AND DISPOSAL OF WASTE

The collection of domestic solid waste is made by the Department of Garbage Collection of the Municipality of Campinas, by means of a public collection and transportation system until the final and environmentally adequate disposal.

The waste from the selective collection generated in administrative areas is transported by SANASA to recycling cooperatives or removed by them.

- The waste from tires and batteries are stored in the transportation sector until a considerable volume is obtained, and then they are forwarded to the correspondent Eco Point (Eco Ponto) in the Department of Garbage Collection of the Municipality of Campinas.

### CORRECTIVE ACTIONS IN THE MANAGEMENT OF SOLID WASTE

GRI En22 It is necessary to make to corrections, such as:

- Waste from electronics, fluorescent lamps, lube oils and their packages, which are being forwarded to third parties, cooperatives or reclaimers, must have reverse logistics as final disposal.
- Currently, the sludge from the Water Treatment Plants – WTP and from Wastewater Treatment Plants – WWTT are disposed in industrial landfills. In order to comply with Act nº 12.305/2010, studies will be carried out to determine the feasibility of use of technologies available for the treatment of this waste and, afterwards, the implementation of these units for an environmental adequate final disposal.
- For compliance with the same act, studies will be carried out to determine the feasibility of technologies available for the execution of sanitary measures in areas considered environmental liabilities

There is also need to implement:

- A plan to control the handling and traceability of solid waste;
- Procedures for employees, determining the segregation and the packing of selective collection waste and reverse logistics;
- Qualification of the technical team in order to define the future treatment of sludges from the WTPs and WWTTs;
- Implementation of program of goals for material reduction, reuse and recycling, aiming to reduce the amount of generated waste and tailings for further environmentally adequate final disposal.
- Introduction of the theme “Solid Waste” in the Environmental Education Program entitled “My School at SANASA”, which aims to disseminate environmental education at schools, with regard to the water supply supply system and the rational use of the water.
- The implementation of these actions will be defined according to the company's Strategic Planning.

## TREATMENT OF WTP WASTE

GRI EN26 With the implementation of the Drinking Water Treatment Sludge Plant - DWTSP in 2005, SANASA started treating the waste generated in the water treatment process of WTPs 3 and 4, called WTP "sludge". Currently, the DWTSP is undergoing an expansion and equipment replacement to optimize services and meet the new population demand

## QUALITY MANAGEMENT ANDCERTIFICATIONS

SANASA's Quality Management System manages documents that depict the work routines of the sectors of the company and the maintenance of performance indicators connected to the processes. It is audited once a year by the Brazilian National Standards Association – ABNT, with the purpose of assessing its adequacy in relation to standards of NBR ISO 9001 and the Quality Policy and Objectives.

SANASA accomplishes a series of inspections and lab analyses throughout the processes of production and operation of water, operation and treatment of wastewater, besides the annual critical analysis of the management system.

In 2012 two internal audits, ten extraordinary audits and one external for maintenance of the ISO 9001 certificate were performed, completing the seventh consecutive year without nonconformities.

Internally, 318 reports were recorded. These were divided into conformities, nonconformities, observations, opportunities for improvement and improvements implemented. The seventh class of internal quality audits was formed, with forty-eight members, totalling 235 internal auditors trained with company employees.

Four integration trainings for new employees were carried out, in addition to trainings for the reinforcement of the management system in the sectors of the company.

The implementation of the environmental management system in the Catch of Atibaia and WTPs 3 and 4 was initiated with a survey of environmental aspects and impacts and applicable documentation. There was also the start of the implementation of the quality management system for the labs of analysis and control of quality of the water and hydrometering, with a survey of applicable documentation.

The audits take place at least once a year, one in each semester. Therefore, all processes are audited in the year. In addition to internal audits, the quality team has been accomplishing extraordinary audits since 2009.

## DRINKING WATER

In order to meet the service of water supply (collection, storage, treatment, reservation and distribution of drinking water) in the municipality of Campinas, SANASA collects water from Rivers Atibaia (94%) and Capivari (6%).

Currently, SANASA supplies piped drinking water to 98% of the urban population of Campinas, through five treatment plants (WTPs 1 and 2 in the Swift, WTPs 3 and 4 on the Street of Sousas, with water collected from Atibaia River, and WTP Capivari, with Road dos Bandeirantes, along with water coming from Capivari River **(read more about it in the chapter on Environmental Management).**

## WASTEWATER TREATMENT

The sanitary wastewater system of SANASA Campinas serves 88% of the city's urban population, and counts on **71** Wastewater Pumping Plants and **25** Wastewater Treatment Plants - WWTTs, and the Water Reuse Production Plant Capivari II – WRPP.

GRI En26 The technology used in the WRPP, for wastewater treatment using membrane filters in the removal of nitrogen and phosphorus, is one of the most modern in the world. SANASA is the country's pioneer in using this process. The membrane filters ensure the removal of most viruses and bacteria, without using chemical disinfectants, in addition to solids, filtering water to 98% purity.

The operation is fully automated and with low consumption of chemicals. The membranes are hollow fibres, with billions of microscopic pores, forming a physical barrier for impurities. The WRPP is equipped with three membrane tanks for ultra-filtration, with eight modules and space for another two, covering an area of approximately 200 square meters.

## PHYSICAL-CHEMICAL ANALYTICAL MONITORING OF DRINKING WATER AND EFFLUENTS

The monitoring is carried out in several strategic points along the water sources and notable points of water, allowing the assessment of raw water quality standards. If there is a sudden change in quality standards, an alert is issued so the necessary measures are taken in the treatment processes of the Plants.

The monitoring of all operating Wastewater Treatment Plants - WWTTs is carried out in the Laboratory of Wastewater in WWTT Anhumas. Physical-chemical analyses are made, such as **DBO***, **DQO***, series of solids, nitrogen, phosphorus, among others.

## CONTROL OF LOSSES

Sanasa's Loss Reduction Program adopts the best practices of the world scenario and sharply reduced the Distribution Losses Indexes - IPD. The company invests its own and financed resources in studies of institutional and operational improvements, with special attention to human resources development and integration between its various sectors involved in the Program (read more in the chapter on Environmental Management).

All new network or channel, before going into operation, is subject to water tightness tests, while the operating networks and channels are continuously assessed. Leaks that do not outcrop at the surface of the land are detected by research teams who work on a daily basis.

Reservoirs are surveyed periodically and the leaks in them are eliminated in a proactive and preventive way. The implementation of the Pressure-Reducing Structures has been one of the important actions in reducing losses, for it lowers the risk of disruptions and delays the useful life of pipes.

## CREDIT MANAGEMENT AND DEFAULT

**GRI Ec9** SANASA adopts intense, continuous and preventive measures to reduce default. In the process of identification of parties in default, the existing procedures and norms were reassessed and updated; new norms were created; the information system was refurbished and automated programs were changed and modified.

The company adopted the community engagement behaviour in the search for solutions and provided special conditions for negotiations through the PAS - Sustainable Action Program **(learn more in Social Management).**

Information actions with debtor consumers were intensified with regard to the procedures of the company in the services of negotiation, the cutting of water supply, protest and negative entries.

The process of cutting water supply has been refurbished, in compliance with legislation in force, and covered all the properties of the municipality, except for services considered essential to the population. Before the implementation of the cut of water supply in Urban Residential Centres, a work of awareness was carried out with the leadership of each Centre, resulting in zero complaints during its implementation.

**DBO = Biochemical Demand of Oxygen / *DQO = Chemical Demand Of Oxygen*

## EVOLUTION OF DEFAULTS

| Exercise | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|
| **180 days = >** | 9,83% | 7,47% | 7,35% | 4,82% | 5,56% | 6,96% | 3,47% | 1,24% |
| **90 days** | 12,75% | 8,90% | 8,95% | 5,31% | 5,92% | 8,13% | 5,99% | 2,90% |
| **60 days** | 13,85% | 9,78% | 10,36% | 7,07% | 7,23% | 9,43% | 7,77% | 4,97% |
| **30 days** | 17,40% | 14,01% | 16,21% | 14,80% | 14,94% | 17,42% | 15,36% | 11,27% |
| **Maturity** | 37,22% | 33,50% | 34,21% | 33,35% | 34,87% | 35,26% | 33,24% | 28,43% |

# ENVIRONMENTAL MANAGEMENT

SANASA CAMPINAS

**The Horned Screamers (Anhumas) are birds were once found in flocks on the margins of River Tietê, which led the indigenous people to name the river Anhumby, meaning "the river of the anhumas". Because of that, this bird is present in the coats of arms of the cities of Guarulhos and Tietê, both in the State of São Paulo.**

# ENVIRONMENTAL MANAGEMENT

## GOALS GUIDE THE PCJ BASIN PLAN

The municipality of Campinas is in a strategic position in the hydrographic basin of rivers Piracicaba, Capivari and Jundiaí - JCP basin. The Final Report of the PCJ Hydrographic Basins Plan - 2010 to 2020, prepared by Cia. Brasileira de Projetos e Empreendimentos - Cobrape, showed the critical situation in which water springs are found.

In terms of quantity, table 1 shows that in order to avoid a water shortfall, it's necessary to count with the input of effluents discharged in water bodies.

Table 1 – WATER BALANCE OF PIRACICABA, CAPIVARI AND JUNDIAÍ BASINS (2008)

| Sub-basins | Available Flow Rate | Flows ($m^3/s$) | | | |
|---|---|---|---|---|---|
| | | Catches | Balance (Availability-Demand) | Releases | Balance |
| Atibaia | 8,54 | 10,02 | -1,48 | 5,79 | 4,31 |
| Jundiaí | 3,50 | 4,65 | -1,15 | 2,09 | 0,93 |
| Capivari | 2,38 | 3,50 | -1,12 | 2,64 | 1,52 |
| Jaguari | 7,20 | 6,11 | 1,09 | 1,59 | 2,68 |
| Piracicaba | 8,16 | 6,63 | 1,53 | 5,24 | 6,77 |
| Corumbataí | 4,70 | 2,78 | 1,92 | 1,18 | 3,09 |
| Camanducaia | 3,50 | 0,85 | 2,65 | 0,36 | 3,01 |
| **Total** | **37,98** | **34,55** | **3,43** | **18,89** | **22,31** |

*Source: PCJ Basins Plan, COBRAPE, 2010.*

In terms of quality, the most delicate situation is that of the sub-basin of river Piracicaba, which presents 34% of remaining organic load of the entire basin, followed by the basin of Jundiaí (23%) and the basin of Atibaia (15%), as shown in table 2.

Table 2 – REMAINING ORGANIC LOAD OF THE BASINS OF RIVERS PIRACICABA, CAPIVARI AND JUNDIAÍ IN 2008

| Sub-basins | Remaining Organic Load (kg DBO/day) | | | |
|---|---|---|---|---|
| | Available Flow Rate | Catches | Releases | Balance |
| Piracicaba | 55.226 | 2.837 | 58.063 | 34% |
| Jundiaí | 18.872 | 20.836 | 39.708 | 23% |
| Atibaia | 22.638 | 2.594 | 25.233 | 15% |
| Capivari | 14.612 | 729 | 15.341 | 9% |
| Jaguari | 14.278 | 486 | 14.764 | 9% |
| Corumbataí | 10.141 | 2.330 | 12.471 | 7% |
| Camanducaia | 3.098 | 1.473 | 4.571 | 3% |
| **Total** | **138.866** | **31.286** | **170.151** | **100%** |

*Source: PCJ Basins Plan, COBRAPE, 2010.*

In order to achieve the proposed framework, the PCJ Basins Plan proposed as basic premises the achievement of the following goals:

| | | |
|---|---|---|
| Reduction of losses in the water distribution system: | → | |
| Wastewater Collection: | 2014 → | 90% |
| | 2020 → | 95% |
| Wastewater Treatment: | 2014 → | 86% |
| | 2020 → | 95% |
| Efficiency in the wastewater treatment process: | 2014 → | 80% |
| | 2020 → | 85% |

So that these indexes can be achieved, monitored and tracked, Cobrape, the company responsible for preparing the PCJ Basins Plan, developed the Decision Support System - SSD-PCJq, in a partnership with the Laboratory for Decision Support Systems from Escola Politécnica da Universidade de São Paulo (Politechnical School of the University of São Paulo) - USP. This software enables the assessment of the quality of water and verification of the framework conditions of water bodies in the predefined analysis sections.

The map of PCJ basins was subdivided into 225 Contribution Areas and 37 Management Areas, taking into account the existence or estimate of present or future watershed to be preserved, important catches and releases and the features of land use and Conservation Units.

From the modelling of the basin it was possible, for each of the 37 planning zones, to define the Maximum Grantable Flow Rate and the Assignable Goal Load for planning horizons.

## SUPPLY IN CAMPINAS

**GRI En9** The water supply in the municipality of Campinas is made through two watersheds: Atibaia and Capivari rivers. River Atibaia is the main watershed supplier in Campinas.

Due to the topography, a large part of the water that is caught is returned in the form of wastewater to the basins to rivers Quilombo and Capivari. It's worth mentioning that the input of effluent release in these basins is important for the water balance of the PCJ basins, mainly due to the low water availability of river Capivari, with available flow rate of only 2.38 $m^3/s$, much less than the necessary to supply the municipality of Campinas (5,1 $m^3/s$).

Therefore, it can be observed that it is necessary to proceed with this service solution to Campinas in the form it has been made, both the supply through river Atibaia, a watershed able to meet the demand of the municipality, and the return of the water according to the natural basin of exhaustion, in order to allow a positive water balance in the basin of Capivari.

**GRI En26** With the objective of meeting the goals set forth by the PCJ Basins Plan, SANASA has been improving the Losses Reduction and Control Program. This Program was implemented in 1994 and the work has been carried out continuously, with very positive results.

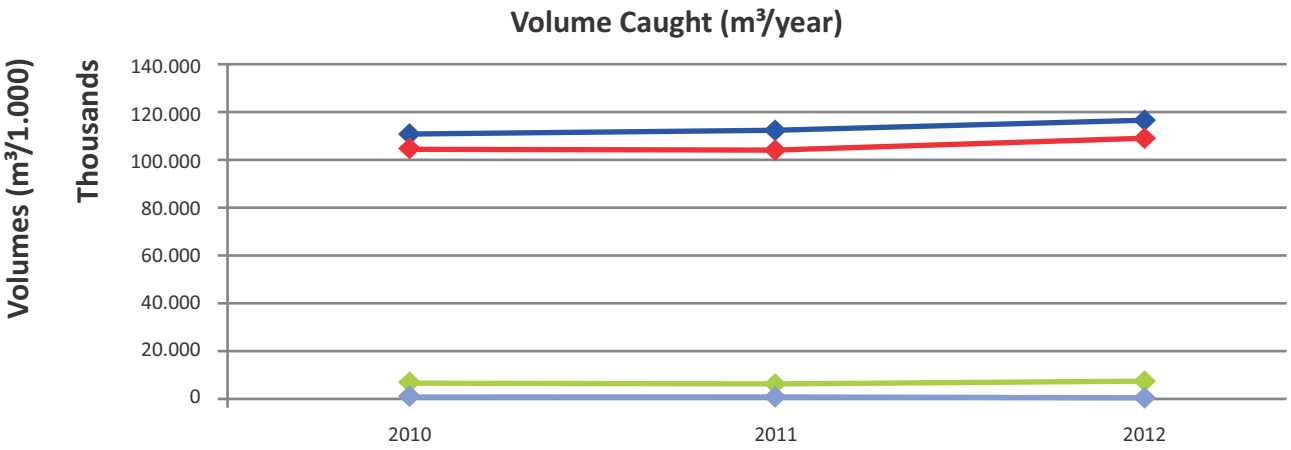
**GRI EN9** The data from table 3 shows that the main producing watershed for the municipality, river Atibaia, is responsible for 93.50% of the supply, river Capivari responds for 6.40% and 0.10% come from two deep wells, one at Jd. Monte Belo and the other at Village Campinas.

## WATER TREATMENT

The Atibaia system was gradually expanded with the construction of WTP 2 (1961), joining WTP 1, and then WTPs 3 (1972) and 4 (1991), at Sousas.

Table 4 shows the capacity of production of the supply system of the municipality of Campinas.

## GRI EN8 Table 3 – VOLUME CAUGHT TO SERVE THE POPULATION OF CAMPINAS




| | 2010 | 2011 | 2012 |
|---|---|---|---|
| Rio Atibaia | 103.790.648 | 104.401.503 | 108.199.553 |
| Rio Capivari | 6.498.296 | 6.956.889 | 7.443.015 |
| Wells | 112.233 | 130.921 | 140.616 |
| Total Volume | 110.401.177 | 111.489.313 | 115.783.184 |

## Table 4 – FEATURES OF THE WATER PRODUCTION SYSTEM OF THE MUNICIPALITY OF CAMPINAS

| Watershed | Plant | Process | Capacity (l/s) | |
|---|---|---|---|---|
| | | | Nominal | Operation |
| Atibaia | WTP 1 | Classic Conventional | 463 | 520 |
| | WTP 2 | Classic Conventional | 477 | 650 |
| | WTP 3 | Classic Conventional | 1.600 | 1.100 |
| | WTP 4 | Classic Conventional | 2.400 | 1.900 |
| Capivari | Capivari | Differentiated | 360 | 360 |

The water caught from rivers Atibaia and Capivari anddistributed by SANASA receives, among other processes, preliminary treatment known as pre-oxidation. Currently, chlorine is used for this purpose. Despite being widely used around the world, the product is limited, both in relation to disinfection and to oxidation.

In mid-2011, SANASA started studies in order to verify a possible replacement for the chlorine at the initial stages of the process.

Among the possible options, the ozone was chosen for it is the one with the easiest adaptation for the application in the plant. In 2012 it was installed, in WTP 3 and 4, a pilot plant with the purpose of studying the actual efficiency of ozone and also to estimate costs of real scale implementation and operation.

Table 5 – EVOLUTION OF NETWORKS, CONNECTIONS AND CLIENTS SERVED WITH WATER

| Networks/Connections/and clients served with water | 2010 | | 2011 | | 2012 | |
|---|---|---|---|---|---|---|
| | Cal. Month | Ref. Month | Cal. Month | Ref. Month | Cal. Month | Ref. Month |
| Networks (km) | 3.757 | | 3.811 | | 3.839 | |
| Connections (un) | 273.185 | 272.240 | 285.139 | 284.079 | 300.282 | 299.019 |
| Clients (un) | 424.828 | 423.876 | 436.493 | 435.446 | 452.905 | 451.249 |

OBS: Calendar month (number of units registered on a monthly basis until 12/31 of the current year)
Reference month (number of units registered within the reading cycle in the current year)

## QUALITY OF THE WATER

The monitoring system of treated and raw water of Sanasa has modern and efficient equipment. The tests and analyses are performed on samples of raw water from producing watersheds and their tributaries. There is a program for control and and analysis of the water distributed, with the purpose of ensuring potability standards, in accordance with the Ordinance MS 2914/2011. This program operates jointly with the program of control and reduction of physical losses, setting priorities for exchanging networks, implementation of reinforcement rings, installation of control devices, among other actions.

**GRI 1.2** In 2011, SANASA instituted a Program for the implementation of the Water Safety Plan of the municipality of Campinas, with the primary purpose of defining procedures and methodologies to minimize risks and contingencies to ensure the supply of drinking water to the population.

On March 14, 2012 the Technical Group of Water Safety Plan of ABES was created, with the participation of representatives of SANASA, USP, SABESP, ABIQUIM, among others.

Still in 2012 the structuring of the work was initiated, aiming to diagnose the various units, characterize the risks, set control measures and monitoring procedures, establish the necessary actions in order to avoid events that might pose a risk to the supply of water to the population.

**GRI PR1** SANASA has invested to maintain and update the quality control of water treated and distributed in the city of Campinas, by its laboratories, in compliance with the laws of drinking water for human consumption.

SANASA's Laboratories are structured to meet the physical-chemical quality standards and verification of the watershed suitability (Atibaia and Capivari Rivers), in accordance with the legislation of CONAMA 357/2005 and complementary.

The monitoring of the quality is carried out in several strategic points along the watersheds and notable points of water network, allowing the assessment of raw water quality standards. If there is a sudden change in quality standards, an alert is issued so the necessary measures are taken in the treatment processes of the Plants.

All testing rooms function in the ISO 9001 system and SANASA is getting ready to meet the ISO Standard 17025 "General Requirements for the Qualification of Testing and Calibration Laboratories".

## FIGHT AGAINST LOSSES

**GRI EN26** The Program Against Water Losses - PCPA was started in 1994 and has been working continuously, covering more than twenty actions to control and reduce losses in the public system.

This work was guided by the reality experienced in the decade of 1990 and estimates of the scenarios for the future decades, from the characteristics of the basins of rivers Piracicaba, Capivari and Jundiaí - PCJ, such as:

- Sharing with the Cantareira system, which reverts water from these basins to meet 55% of the population of the metropolitan region of São Paulo.
- Sharing between activities of Agricultural, Industrial and Public Supply.
- Low Water Availability - the Southeast region is classified as the second most critical of Brazil.

The major factors that have strengthened the creation of an area dedicated to manage this program were: the commitment with more than 1,000,000 inhabitans with regard to current demand for water, i.e., without rationing even in times of drought, and the assurance of a vegetation and economic growth in Campinas

Also worthy of highlight: the need to reduce operatiional costs, to allow the practice of fees that are more appropriate to the socio-economic reality of the municipality; offer the advantages of the prices of the social fee structure; and provide loyalty contracts for industries and commerces which have contributed to reduce the average cost of water and wastewater.

**GRI EN26** The reduction of losses guaranteed the postponement of new works for the water supply; eliminated the shortage problem; ensured the addition of new demands; reduced operational costs; and recovered revenue.

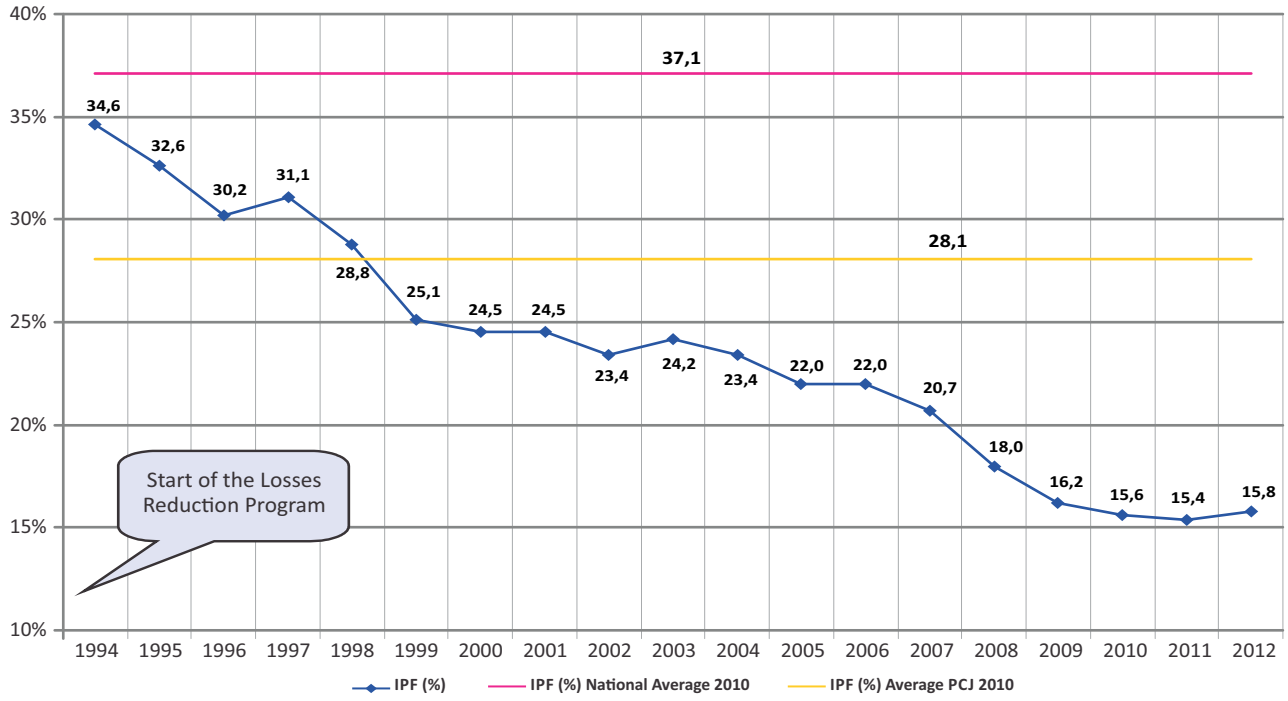
The financial resources saved in the water system have been reverted to investments in works of wastewater removal and treatment.

The successful experience over the past 18 years, features a fully favourable result in the sustainability aspect of Program Against Water Losses - PCPA (see table 6).

**Table 6 - RESULTS OF THE LOSS CONTROL PROGRAM 1994 – 2012**

| RESULTS OF THE LOSS CONTROL PROGRAM | 1994 – 2012 |
|---|---|
| **Efficiency of the Distribution System** | 62,3% - 80,7% |
| **Distribution Losses Index** | 37,7% - 19,3% |
| **Saved Water Volume** | 344.356.000 $m^3$ |
| **Saved Resources** | R$ 598.514.000,00 |
| **Invested Resources** | R$ 117.119.000,00 |
| **R$ saved – Invested resources** | **R$ 481.395.000,00** |

Table 7 – EVOLUTION OF THE INDEX OF REVENUE LOSSES



The Index of Revenue Losses (table 7) reached in the municipality of Campinas is lower than the averages reached in the PCJ basins and the national average, and may be compared to international averages, for it is close to the index reached in Genebra, Switzerland and lower than that of Barcelona (Spain) and Chicago (USA), according to information provided by the Smart Water Network – SAWN forum, of August 2011.

Other positive aspects of the reduction of losses:

- Increase of the efficiency of the water system, which allows supply to more 289,000 inhabitants/month if compared to index of losses of 1994;
- Ensures an uninterrupted supply with capacity to absorb new enterprises;
- Postpones the implementation of large works;
- Contributes for the economic sustainability (revenue ≥ cost):
  - Reduces the operational cost;
  - Recupera faturamento.
- Enables the social fee for the low-income population and the loyalty contract for commercial and industrial categories;
- Rationalises the use of water resources, keeping the same flow rate granted from 1997 to 2017;
- Meets the recommended values for loss indexes, set forth by DAEE Water and Electricity Department - grant; Financial Agents; and Regulatory Agency.

Currently, SANASA's greatest challenge is the maintenance of a loss rate in a level that ensures the balance between the operational cost and billing, by fighting against losses and improving the efficiency of the water system.

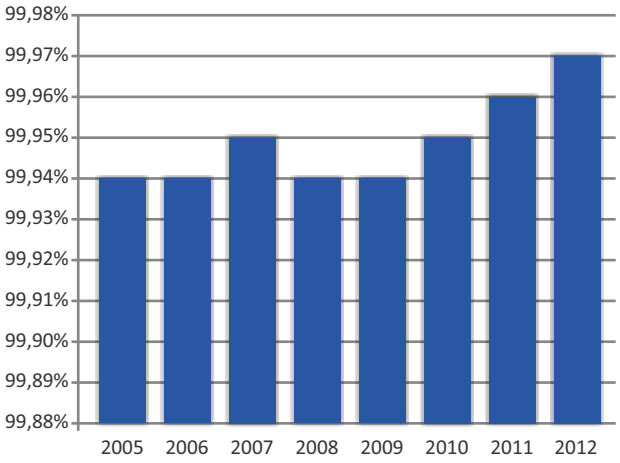
The monitoring of the Program Against Losses is made through the following indexes:

**1. INDEX OF REVENUE LOSSES:** Percentage of the volume of water treated and not billed.

**2 . DISTRIBUTION LOSSES INDEX:** Percentage of the volume of water treated and not consumed.

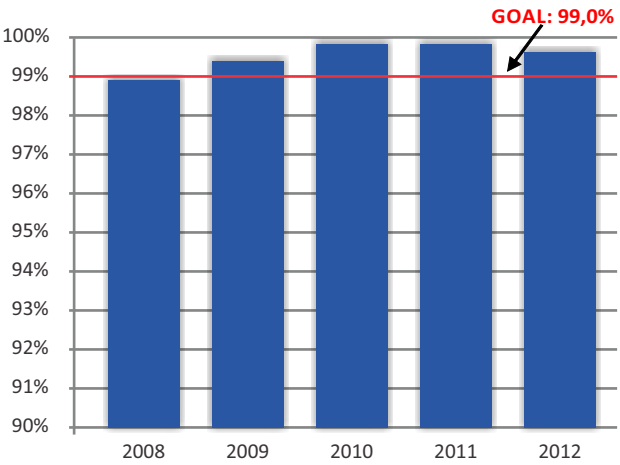
**3. HYDRO METERING INDEX:** Percentage of active connections with installed and running hydrometers.

Table 8 - IH – Hydro Metering Index



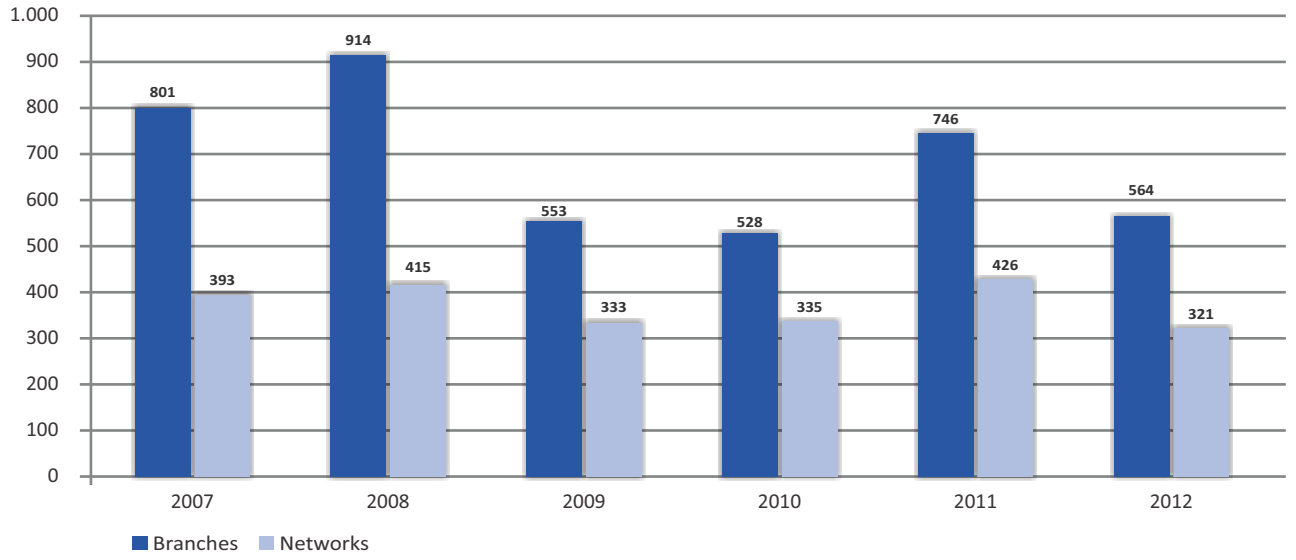

**4. MACRO METERING INDEX:** Percentage of the volume of water produced, determined through installed and running macro meters.

Table 9 - IM – Macro Meterring Efficiency Index



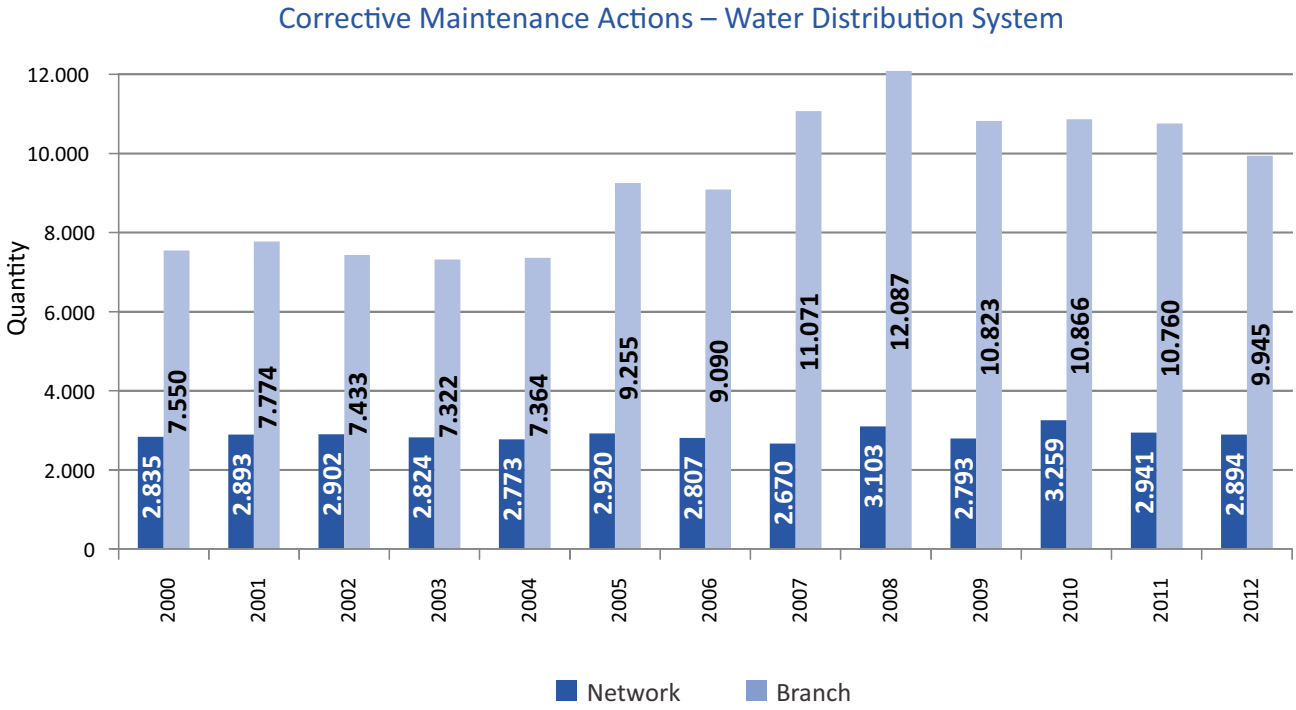

**5. INDEX OF NON-VISIBLE LEAKS FOUND PER KILOMETER**

Table 10 – SURVEY OF NON-VISIBLE LEAKS
(Number of leaks found in brances and networks)




**6. NUMBER OF DISRUPTIONS IN THE NETWORK AND WATER CONNECTION:** The assessment is made through the number of corrective maintenance actions carried out due to natural leaks that emerge, and those that are not visible, detected by acoustic equipment. The objective is monitoring the evolution of failures in the water distribution system, due to the natural wear of materials, excess of pressure, the movement of soil, etc.

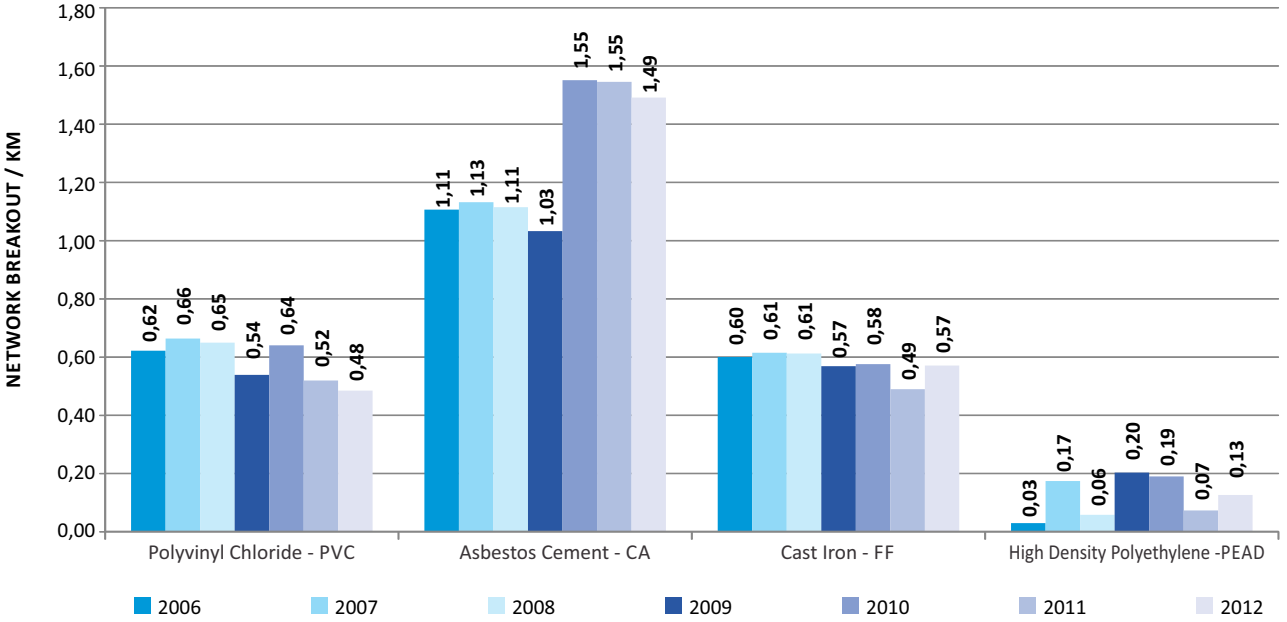
Table 11 – EVOLUTION OF THE NUMBER OF CORRECTIVE MAINTENNCE ACTIONS IN THE DISTRIBUTION NETWORK



**7. NETWORK DISRUPTIONS INDEX PER KILOMETER AND PER MATERIAL:** it is assessed by the amount of corrective maintenance by material type and network extension.

Table 12 - AMOUNT of MAINTENANCE ON THE DISTRIBUTION NETWORK

COMPARISON OF MAINTENANCE ON WATER NETWORK PER MATERIAL




The Program Against Losses also works according to technological developments, especially actions such as:

- Hydrometric Laboratory;
- Volumetric Type Meters;
- "Static" type electronic meters;
- New Leak Research Methodology And Use Of Noise Storage Sensors.

In addition to the technological development of their units, SANASA encourages the scientific work of its technicians. In 1997 a software was developed to monitor the hydrometers installed in water connections, because it was very hard to identify the meters that were in trouble at that time, which generated waste of resources and loss of billing.

Combining sanitation experience of employees to service rendering of a professional specialist in computer science and statistics, it was possible to develop an important tool for the management of meter plant, which allowed the implementation of Predictive Maintenance of Hydrometers and contributed directly to the reduction of water loss index in recent years.

The tool, a pioneer in Brazil, uses SANASA's historical database, with consumption information since 1992, to set a standard line by linear regression, whose slope indicates the trend of reduction or increase in the average consumption of hydrometers. So it is possible to surely identify the meters with problem and prioritize the predictive actions.

The software is also used to choose water connections with suspected irregularities, in order to perform field inspection, in addition to calculate losses in fraud and analyze the results in meters replacement.

The substitutions of hydrometers carried out using the software in question have the best results, with return on investment in less than one year, proving the efficiency of the scientific method adopted.

Since 1998 hydrometers are replaced by the Predictive Maintenance criterion, and *software* "Hydrometer Analysis System" it is an essential tool for the management of installed meters.

# EXHAUSTION SYSTEM OF THE MUNICIPALITY OF CAMPINAS

## WASTEWATER TREATMENT

**GRI EN26** Aimed at reversing the critical framework of sanitation, SANASA has intensified the implementation of treatment units. Today, the municipality has 25 treatment plants deployed. Some of them were built for exclusive support to new batches and should be turned off over the years, with the entry into operation of the estimated planrs, in particular the completion of the Sanitary Wastewater System Capivari II, in operation.

| WASTEWATER TREATMENT PLANTS - WWTTs IN OPERATION | | |
|---|---|---|
| WWTT Samambaia | WWTT Vila Réggio | WWTT Eldorado |
| WWTT Anhumas | WWTT Mirassol | WWTT São José |
| WWTT Barão Geraldo | WWTT Campo Florido | WWTT São Luis |
| WWTT Arboreto Jequitibás | WWTT Piçarrão | WWTT Santa Lúcia |
| WWTT Terras do Barão | WWTT Capivari I | WWTT Porto Seguro |
| WWTT Alphaville | WRPP Capivari II | WWTT Ouro Verde |
| WWTT Bosque das Palmeiras | WWTT Icaraí | WWTT Bandeirante |
| WWTT Santa Mônica | WWTT Santa Rosa | |
| WWTT CIATEC | WWTT Casas do Parque | |

## COLLECTION, TRANSPORTATION AND REMOVAL OF WASTEWATER

The wastewater collection and transportation system has a network of 3,506.11 km, serving a total of 260,787 connections and 394,335 clients, which means a support index of 88% of the population of Campinas.

The wastewater reversion system has the purpose of transferring wastewater from one point to another with an usually higher quota and the transposition of natural wastewater basins, aiming to the interconnections of areas for the Sanitary Exhaustion System and Wastewater Treatment.

The wastewater reversion system has 71 water pumping plants.

### Table 14 - EVOLUTION OF THE SANITARY WASTEWATER SYSTEM

| Networks/Connections/ and Clients Supplied With Water | 2010 | | 2011 | | 2012 | |
|---|---|---|---|---|---|---|
| | Cal. Month | Ref. Month | Cal. Month | Ref. Month | Cal. Month | Ref. Month |
| Networks (km) | 3.439,92 | | 3.476,13 | | 3.506,11 | |
| Connections (un) | 234.075 | 233.368 | 244.712 | 243.886 | 260.787 | 259.730 |
| Customers (un) | 366.046 | 364.787 | 376.840 | 376.029 | 394.335 | 392.931 |

OBS: Calendar month (number of units recorded monthly until 12/31 of current year)

Reference month (number of units registered within the reading cycle in the current year)

## EFFICIENCY OF THE SANITARY WASTEWATER SYSTEM

To guarantee the efficiency of the wastewater system, preventive and corrective maintenance are carried out in connections, collecting networks, interceptors, outfalls, water pumping plants and treatment plants, with quality and in the shortest time possible, in order to restore the conditions necessary for the perfect operation of the system, avoiding risks to public health and environmental damage.

The monitoring of the operating parameters and performance indicators is also carried out for the analysis of the efficiency of the wastewater system and, if necessary, the diagnosis for decision-making is made, regarding the deployment of correction actions and or operational improvement.

In order to ensure the efficiency of the Sanitary Exhaustion System, various activities are outlined, such as:

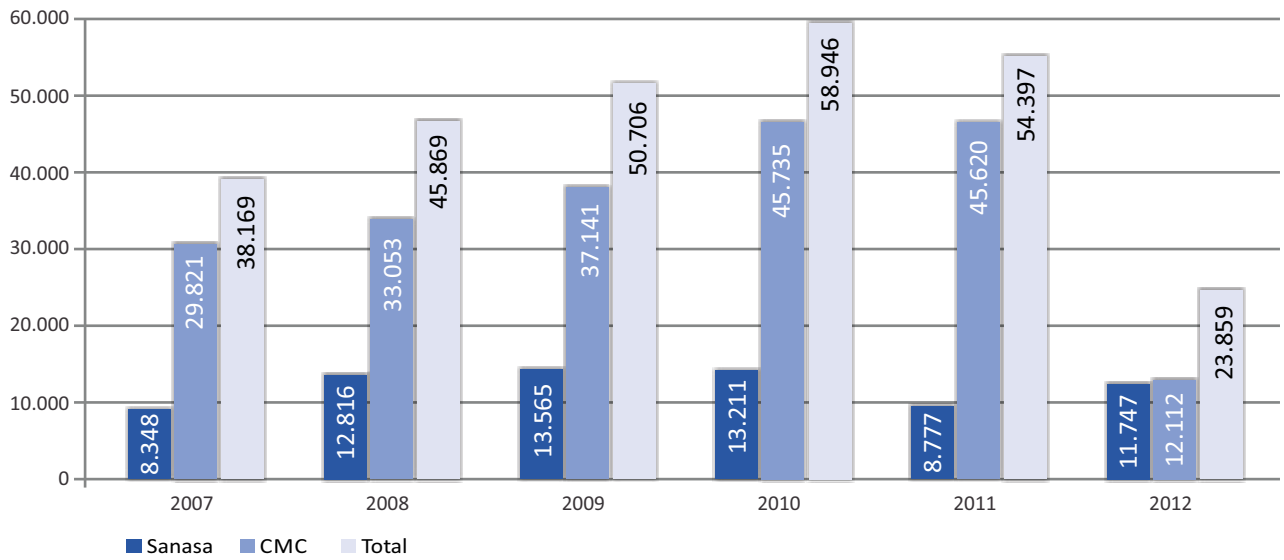
- Regularize real estate which are not connected to the existing public wastewater collection network;
- Inspect connections and hydraulic facilities of wastewater inside the real estate, for verification for compliance of the facilities and the release of effluents, resulting from residential, commercial and industrial activities;
- Monitor the flow and volume of wastewater in WWTTs inputs;
- Monitor the physical, chemical and bacteriological parameters of raw wastewater and final treated effluent;
- Analyze the available volume ratio of water to consumers of basin exhaustion and wastewater volume in the WWTT input, in order to identify behavior outside the standards designed and diagnose the cause;
- Guide users of the public wastewater system on the correct internal sanitary facility in the real estate;
- Readjust the infrastructure.

## WATER BODY DEPOLLUTION PROGRAM

The Water Body Depollution Program is held on an ongoing basis, through their own and outsourced teams. A drop in surveys in 2012 (see table) was caused by the termination of the contract with the third party company.

The purpose of this program is the evaluation of the hydraulic facilities of wastewater and rainwater, inside the real estate, as to releases into public networks, to prevent the pollution of water bodies through irregular releases.

Table 15 - SURVEYS CARRIED OUT IN HYDRAULIC FACILITIES OF WASTEWATER AND RAINWATER - 2007 TO 2012



# SOCIAL MANAGEMENT

SANASA CAMPINAS

Abainha Dam, in Nazaré Paulista, SP

# SOCIAL MANAGEMENT

## 1. SUPPLIERS

**GRI SO4 e EC6** Over R$ 24 million were saved in 2012 with the systematic operation of the Electronic Bidding, created aimed at ensuring greater transparency, agility and economy. The Electronic Bidding was implemented in 2012, definitively, in Purchase and Bid Industry. So far, the Bidding, started in 2011, was used mostly in the Onsite method.

From the possession of the Board who served during 2012, it was determined the replacement of all types of purchases and bids in the purchase of products and services, by modality Electronic Bidding.

Among the advantages of the Electronic Bidding there are:
**1 - Transparency:** the disclosure is made for the entire national territory and followed by anyone interested "in real time", safeguarding the Administration as to the suitability of public bidding processes.

**2 - Competitiveness:** increase in the number of suppliers, for physical presence is not needed in the bidding.

**3 - Accessibility:** the supplier may participate from anywhere.

**4 - Streamlining:** the supplier does not need to submit prior documentation. Only the winner forwards the qualification documents and the original copy of the proposal, after the Bidding so declares, at the end of the session.

**5 - Speed:** reduction of deadlines for the completion of the purchasing process.

**6 - Credibility:** due to transparency, both the suppliers and the society began to give greater credibility to public contracts and bidding processes, due to the reduction of possibilities of fraud.

**7 - Economy:** reduction of costs with materials, labor, commuting and terms, for both parties.

**8 - Limit**: There is no value limit for acquisition of goods and services.

**9 - Bidding Methods:** virtually all, depending on the case, and with the exception of works.

The Management of Purchases and Bids reviewed and released new rules for Acquisition of Goods and Services: SAN.A.IN.NA 02; and Management of Contracts for the supply of Materials, Works and Services - SAN.A.IN.NA 07. These rules will benefit the company as a whole, because they clarify and assist in didactic form the construction of bidding processes, as well as the management of resulting contracts.

The next step is to get all bidding proceedings in the Bidding Waiver for the acquisition of goods is made electronically, since its manufacture until the homologation and preparation of the Authorization of Supply to the supplier, including electronic signatures of the entire Board.

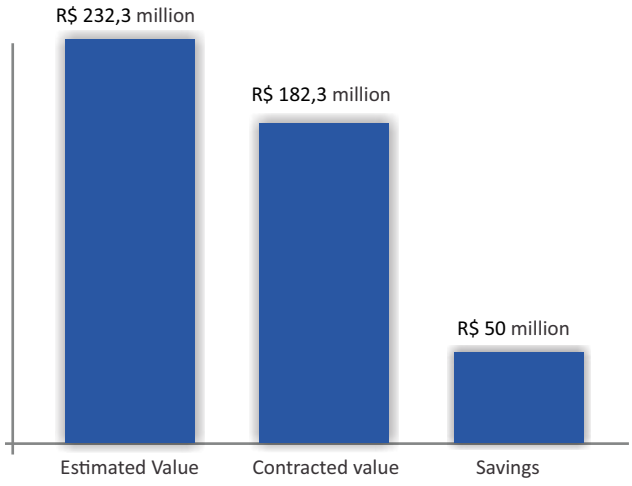
The intention of these procedures of standardization and computerization is to support areas of the company that need to purchase materials or hire services or works.

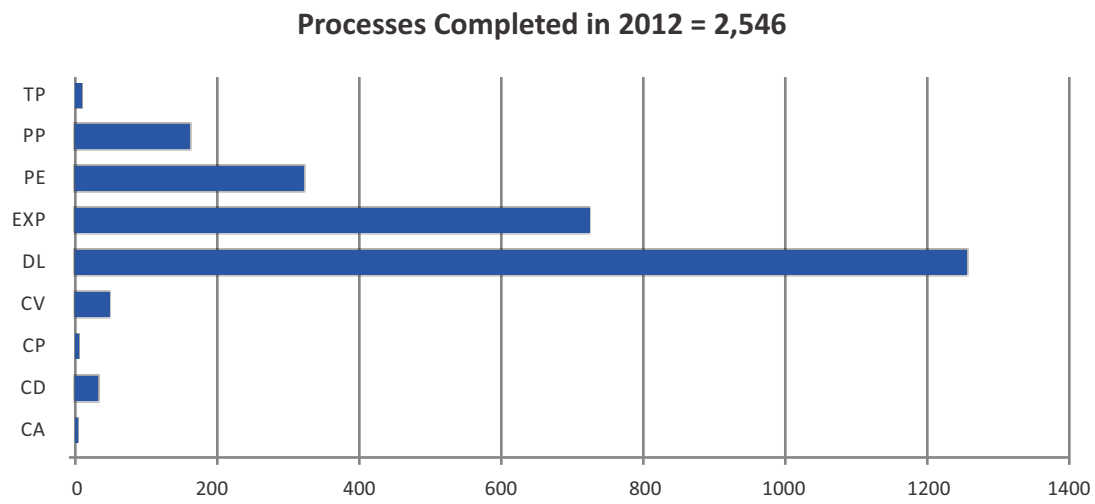
Upon completion of this first step of preparation of Rules, workshops are prepared for training, clarification and awareness, both of the rules, and the new information programs of purchasing processes, so all employees may become aware about how to act before, during and after the closure of the bidding processes.

## PURCHASE PROCESSES - 2012 ANNUAL SUMMARY

| Method | Qty of ADF | Estimated Value | Contracted value | Saved Value |
|---|---|---|---|---|
| CA | 3 | R$ 749.951,18 | R$ 727.001,00 | R$ 22.950,18 |
| CD | 30 | R$ 21.864.625,47 | R$ 21.494.954,04 | R$ 369.671,43 |
| CP | 3 | R$ 18.724.235,74 | R$ 11.842.590,01 | R$ 6.881.645,73 |
| CV | 46 | R$ 1.514.031,47 | R$ 1.189.404,62 | R$ 324.626,85 |
| DL | 1255 | R$ 4.992.899,64 | R$ 4.466.892,39 | R$ 526.007,25 |
| EXP | 723 | R$ 233.818,51 | R$ 233.904,66 | R$ (86,15) |
| PE | 321 | R$ 127.028.347,01 | R$ 102.968.376,37 | R$ 24.059.970,64 |
| PP | 160 | R$ 55.953.422,44 | R$ 38.391.057,54 | R$ 17.562.364,90 |
| TP | 5 | R$ 1.320.437,94 | R$ 1.016.325,20 | R$ 304.112,00 |
| **Total** | **2546** | **R$ 232.381.769,40** | **R$ 182.330.505,83** | **R$ 50.051.262,83** |

| Modality | Description |
|---|---|
| CA | Purchase by Adhesion |
| CD | Direct Purchase |
| CV | Invitation |
| DL | Bidding Waiver |
| EXP | Express Purchase |
| PP | Onsite Bidding |
| PE | Electronic Bidding |
| TP | Price Quotation |
| CP | Tender |
| LE | Auction |



## 2. CUSTOMER SATISFACTION

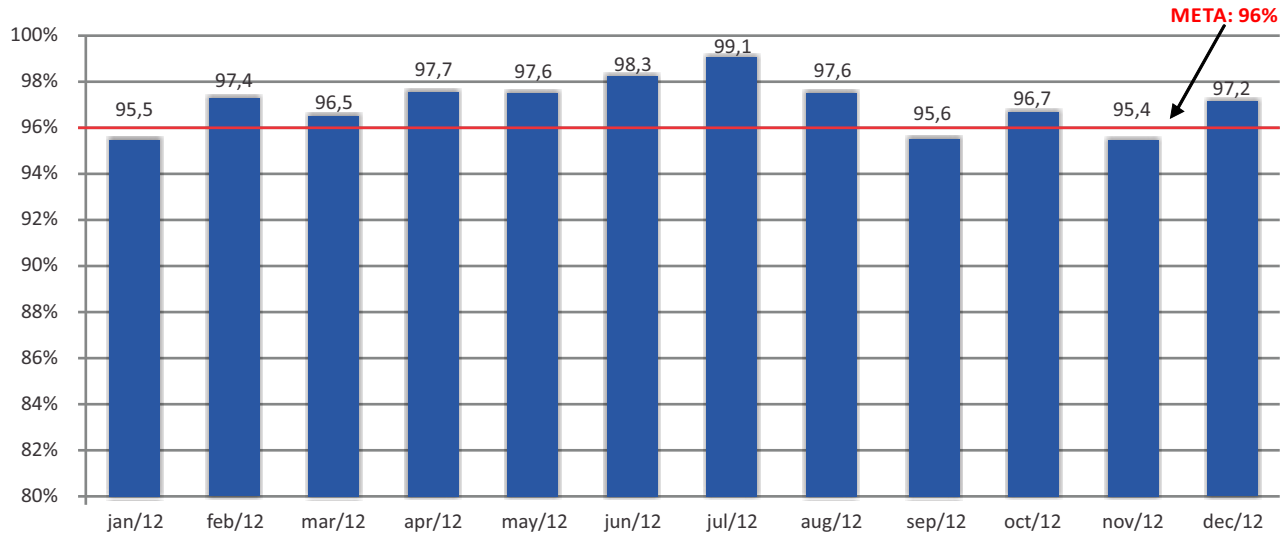
GRI PR5 SANASA monitors information relating to perception and compliance with the requirements of the customers, through the management report of Customer Satisfaction Survey. The Survey is carried out monthly by the Customer Service Sector among customers who received water and wastewater services, with minimum sampling of 3% of the total of services performed. The minimum target to be achieved is of 96% of scores between 5 and 10, with tolerance of up to 90%.

The answers with scores under are forwarded to the Coordinators responsible for actions, through preventive and/or corrective measures.

The Quality Management Department monitors the progress of actions taken by its respective responsible parties, performing internal and extraordinary audits to check the efficiency and to ensure that there is no recurrence of events, wearing the good relationship between customers and the Company.

Speed and standardization of activities, aiming at transparency are permanent objectives of Quality Policy of SANASA, important factors in the maintenance of ISO 9001 certificate.

GRI PR5 CUSTOMER SATISFACTION SURVEY 2012 (%) - Answers with 5 to 10 scores




### DIALOGUE CHANNELS

The company maintains the commitment to provide products and services with respect for the rights of consumers and with the permanent concern to inform and educate people to the conscious consumption of water. Therefore, it has the following service and dialogue channels:

**SERVICE AGENCIES:** there are eleven agencies in the city of Campinas.

**MOBILE AGENCY:** vehicle adapted to serve consumers in five different points in the city of Campinas.

**VIRTUAL AGENCY:** in the institutional site of SANASA - www.sanasa.com.br .

**SOCIAL SERVICE:** it serves people who seek the access to benefits and services rendered by SANASA.

**CREDIT MANAGEMENT:** customer service channel with financial disputes, aiming to provide the credit recovery to the company ethically, fairly and restating the dignity of the consumer.

**GOLD CUSTOMER:** it benefits customers who have a history of excellence in paying their bills.

### COMMERCIAL AND INDUSTRIAL LOYALTY

**GRI Ec9** The loyalty contract, implemented by SANASA since April 15, 2003, grants

40% discount, on average, in water and wastewater fees for commercial and industrial customers who consume above 80 m³/month. This became a complement to procedures to tariff policy, which had the purpose to rescue customers who had sought other sources of water supply and ensure the maintenance of the other.

The rescue of customers over the past few years has been driven by the excellent quality of the water distributed, by liability of SANASA before the legal requirements, by ensuring full supply without interruption, by technological update and responsiveness in the business relationship.

Until December 31, 2012, 244 customers were retained, which corresponds to 41.51% of the total volume in commercial and industrial categories.

### HOSPITAL LOYALTY

**GRI EC9** Since 2005, SANASA benefits the hospital network of the municipality. To those who adhere to the Hospital Loyalty Contract it offers 50% linear discount in water and wastewater rates. The institution must be the associated with the Single Health System - SUS or prove continuous beneficial assistance (not occasional).

In order to receive benefit, the hospital must not enjoy another benefit in the company. If it is not associated with SUS, the hospital must provide laboratory medical examinations for the Municipal Hospital Mario Gatti.

The program was successful together with the hospital network, because it has helped to minimize the repressed demand of medical laboratory examinations of the Municipal Hospital and promoted increased consumption of water distributed by SANASA.

## 3. EMPLOYEES

### PROGRAMS INCLUDE HEALTH CARE

**GRI LA8** SANASA carries out prevention programs aimed at employees' health through periodic examinations and vaccination campaigns against Tetanus, Influenza, Typhus and Hepatitis A.

It also develops rehabilitation programs on chemical dependency and professional rehabilitation. The earlier seeks to raise the awareness of employees who bear or not the disease, and family, about the chemical dependency. The latter is intended to bring the professional with health problems back to the company's routine.

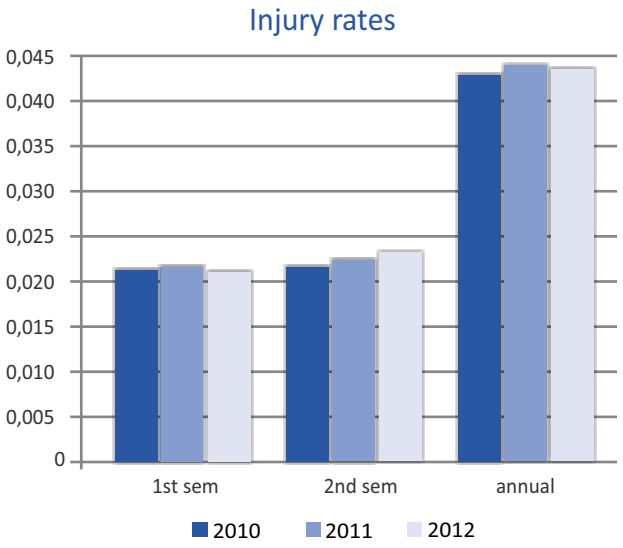
### BENEFITS ARE ATTRACTIVE

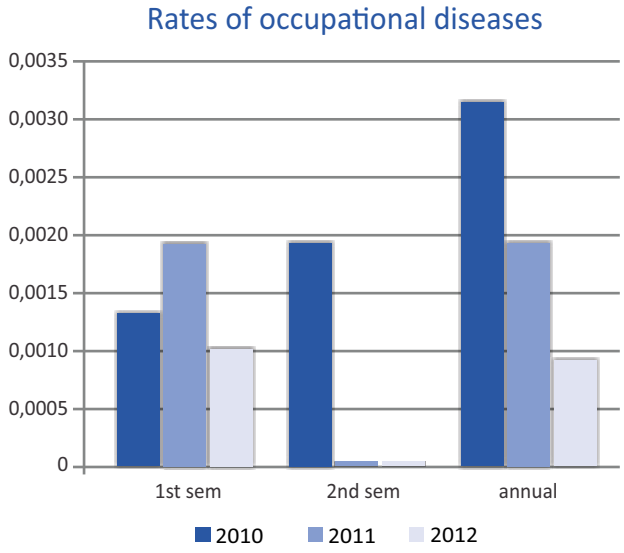
**GRI LA3** The Collective Agreement from May 2012 to April 2013 covered the following benefits offered to 2,139 employees (total in the second half of 2012): medical assistance to employees and their dependents; credit in meal voucher for lunch and breakfast; credit in food voucher for purchases in the supermarket; bus voucher or option for fuel voucher; salary complementation in situations such as leave due to disease or sick pay or occupational accident; dental treatment; supplementary pension plan; agreements with pharmacies; allowance for the purchase of medicines and group life insurance.

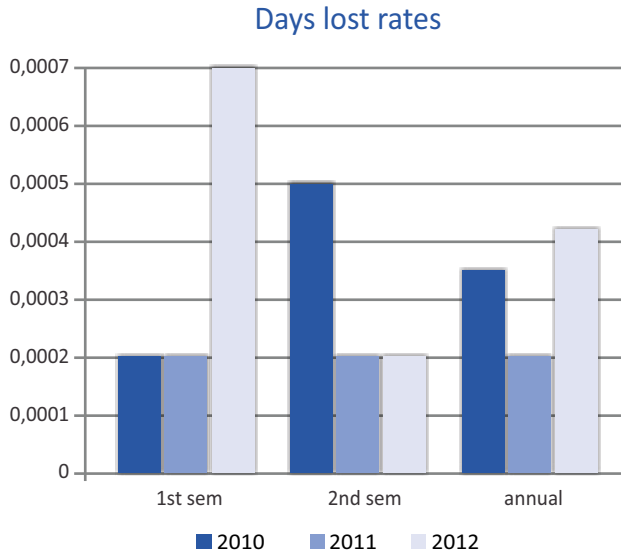
In addition to these there are others, such as allowance for the purchase of glasses, allowance for the purchase of school supplies for dependent, reimbursement of day care expenses, reimbursement of expenses with people with special needs, funeral grant and scholarship.

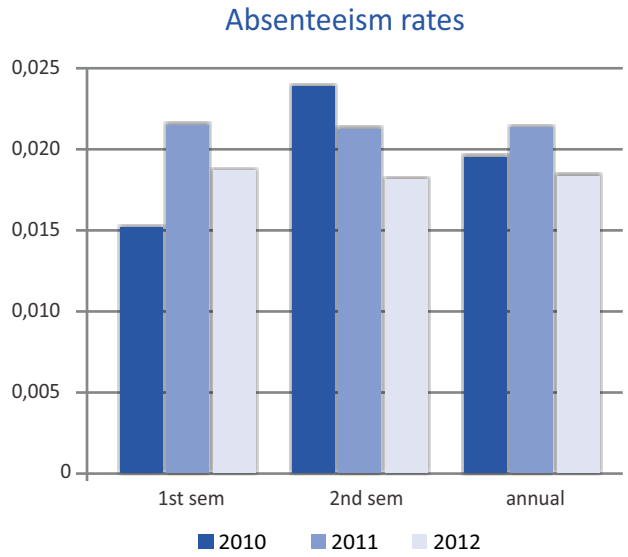
The company also has the Profit Sharing program, which may provide additional annual value to the employee, in case of compliance with pre-established goals.

## GRI LA7 HEALTH INDICATORS



## GRI LA2 TURN OVER RATE

| YEAR | Period | TURN OVER RATE |
|---|---|---|
| 2010 | 1st Semester | 0,75% |
| | 2nd Semester | 0,99% |
| 2011 | 1st Semester | 1,49% |
| | 2nd Semester | 5,05% |
| 2012 | 1st Semester | 9,35% |
| | 2nd Semester | 8,01% |

* The turnover indicator showed greater increase after the 1st semester of 2011 due to hiring of employees mainly intended for activities outsourced to this date.

# 4. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

### SANASA JOINS GLOBAL PACT

SANASA performs several investments in cultural, environmental, social projects and in the formation and development of the communities with which it interacts.

GRI 4.12 In 2012, to deepen its commitment with the evolution of its business according to their social and environmental responsibilities, it has executed the Global Pact, international initiative created within the scope of the United Nations - UN, comprising top-notch companies, government, trade unions and non-governmental organizations worldwide.

The Global Pact's purpose is to expand the application of 10 principles related to human rights, labor rights, environmental protection and the fight against corruption (www.pactoglobal.org)

The following is a summary of the actions that SANASA practices and that may be related to the 10 principles of the Global Pact.

| GLOBAL PACT | Indicators GRI | Shares of Sanasa |
|---|---|---|
| **HUMAN RIGHTS PRINCIPLES** | | |
| 1. To respect and protect human rights | HR1 | All service contracts have clauses providing for the guarantee of respect for human rights. This clause has been defined since the invitation to bid. |
| 2. Prevent human rights violations | HR2 | For the contracting of all suppliers, Sanasa refers to official bodies - INSS (Social Security National Institute) and Caixa Econômica Federal, with the purpose of verifying proof of good standing to Social Security and Severance Indemnity Fund per Length of Service. The obligations of the companies which won the bidding are clear from the Invitation to Bid: it must comply with the requirements of the labor, social security, tax and insurance laws, as well as payment of all taxes levied upon the works. |
| **LABOR RIGHTS PRINCIPLES** | | |
| 3. Support freedom of association and the right to collective bargaining | LA4 | All Sanasa's employees have freedom of Association to the Union. The collective bargaining agreements entered into with the Union provide benefit to all employees. |
| 4. Abolish forced or compulsory labor | HR7<br>LA1 | In order to ensure the integrity of ou tsourced workers and to prevent the degrading work, all contracts for works have clauses requiring the suppliers to provide training certificates of employees for the correct use of PPE's, training in electricity works, in enclosed space and heights, in addition to the presence of a legally qualified professional, in charge for the electricity works and/or in occupational safety. Sanasa, in turn, hires all its employees in accordance with the Consolidation of Labor Laws – CLT. |
| 5. Eradicate child labor | HR6 | The contracts also provide that child labor does not occur, for they require that each employee of suppliers has an employment contract and registered in employment booklet, ID and CPF (Brazilian Register of Natural Persons). |
| 6. Eliminate discrimination in the workplace | LA14 | In SANASA, women have salaries equal to those of men when performing the same functions. They also have equal opportunities. |
| **ENVIRONMENTAL PROTECTION PRINCIPLES** | | |
| 7. Adopt a preventive approach to environmental challenges | EN26 | Loss Control Program; Drinking Water Treatment Sludge Plant - DWTSP; Water Safety Plan; Research on Ozone; Wastewater Treatment Plant; Water Quality; programs on rational use of water. |
| 8. Promote environmental liability | EN26 | Water Safety Plan; Collection Program and Selective Waste Disposal. |
| 9. Encourage the development and spreading of environmental friendly technologies | EN26 | Use of Ozone in water treatment;<br>Drinking Water Treatment Sludge Plant - DWTSP. |
| **ANTI-CORRUPTION PRINCIPLE** | | |
| 10. Fight against corruption in all its forms, including blackmail and bribery | SO4<br>SO3 | Electronic Bidding; Insourcing of Services; Code of Ethics and Conduct;<br>Employee training on purchase standards. |

## SUSTAINABLE ACTION PROGRAM BENEFITS 1/4 OF POPULATION OF CORES IN CAMPINAS

In the performance of social environmental liabilities it is also emphasized the Sustainable Action Program - PAS, created in 2007, which benefits virtually ¼ of the Campinas population resident in residential cores.

Currently, PAS serves around 264 thousand inhabitants, in 160 urbanized housing cores and 70 not urbanized.

The Program started to offer isonomic treatment, reduce waste, seek the conscious consumption and increase good standing.

From the beginning it offered up to 71% discount to families which were registered in the standard residential rate; it regularized urbanized occupations, which benefitted from individual connections and remained registered as collective connections; and kept an installment as collective connections.

In order to reduce waste, the Program set the number of collective connections to the population involved, fixed leaks and guided to the conscientious consumption. It currently registers, in Collective Connections, an average consumption of 27 $m^3$ per family and, in Individual Connections, 18 $m^3$ per family. In order to increase good standing, the Program has negotiated debts from customers by up to 36 installments of the minimum social rate.

With the development of the actions, the purposes of the PAS have been expanded to:

- In order to serve the occupations of the municipality with water supply and, also, protect the water supply networks of SANASA from contamination, loss of pressure or loss of consumption caused by illegal connections.
- Perform the services mentioned in precarious nature, not being considered as authorization of final stay of the resident.

## SOCIAL PROGRAMS

SANASA's performance regarding social and environmental liability also covers the following projects:

**"Programa Minha Escola na SANASA":** the project discloses to students of Municipal, State and Private schools of the city general concepts about the importance of water as a natural resource.

**"Centro Permanente de Capacitação e Produção Agroambiental Vó Pureza":** SANASA entered into a partnership with APAE (Association of Parents and Friends of Exceptional Children) with the purpose to provide scholarships related to the preservation of the environment and personal and artistic improvement. Comprising 24 students, the program performs activities related to the production of seedlings.

**"Férias na SANASA":** the program, held in the month of July, assists children aged 6 to 11 years old. It aims to establish positive integration among employees, company and families.

**"SANASA na Comunidade":** a project guided by educational actions, through reflexive activities, dynamics, theater, videos, guidelines on wastewater treatment and cleaning of water tank and visits to the water collection and treatment plant.

**"Esgota Fossa":** It is a program to clean cesspools, accomplished through 21 trucks. It provides more than 13,000 cleaning of septic tanks per year.

**"SANASA na Comunidade":** the project covers the maintenance in schools, kindergartens and health centers. The cleaning is made once a year in 265 sites, benefitting more than 80 thousand people.

**"Biblioteca Infantil Monteiro Lobato":** it won a new building in Jardim Guanabara, sponsored by SANASA, in partnership with the City Hall of Campinas.

# Annual Social Balance / 2012

## Company: Sociedade de Abastecimento de Água e Saneamento S/A

| 1 - Calculation Basis | 2012 value (thousand Reais) | | | 2011 value (thousand Reais) | | |
|---|---|---|---|---|---|---|
| Net Revenue (RL) | 495.564 | | | 478.483 | | |
| Operating Income (RO) | 67.141 | | | 58.315 | | |
| Gross payroll (FPB) | 251.622 | | | 191.629 | | |
| **2 - Internal Social Indicators** | **Value (thousand)** | **% on FPB** | **% on RL** | **Value (thousand)** | **% on FPB** | **% on RL** |
| Meal | 22.744 | 9,04% | 4,59% | 16.703 | 8,72% | 3,49% |
| Mandatory social charges | 52.915 | 21,03% | 10,68% | 39.026 | 20,37% | 8,16% |
| Private pension plan | 7.504 | 2,98% | 1,51% | 6.428 | 3,35% | 1,34% |
| Health | 9.322 | 3,70% | 1,88% | 6.870 | 3,59% | 1,44% |
| Occupational safety and health | 4.621 | 1,84% | 0,93% | 3.518 | 1,84% | 0,74% |
| Education | 295 | 0,12% | 0,06% | 224 | 0,12% | 0,05% |
| Culture | 0 | 0,00% | 0,00% | 0 | 0,00% | 0,00% |
| Training and professional development | 439 | 0,17% | 0,09% | 352 | 0,18% | 0,07% |
| Day care unit or daycare Profit- | 179 | 0,07% | 0,04% | 109 | 0,06% | 0,02% |
| sharing or Other results | 8.932 | 3,55% | 1,80% | 5.984 | 3,12% | 1,25% |
| | 4.476 | 1,78% | 0,90% | 3.649 | 1,90% | 0,76% |
| **Total - Internal Social Indicators** | **111.427** | **44,28%** | **22,48%** | **82.863** | **43,24%** | **17,32%** |
| **3 - Internal Social Indicators** | **Value (thousand)** | **% on RO** | **% on RL** | **Value (thousand)** | **% on RO** | **% on RL** |
| Education | 47 | 0,07% | 0,01% | 218 | 0,37% | 0,05% |
| Culture | 14 | 0,02% | 0,00% | 36 | 0,06% | 0,01% |
| Health and sanitation | 7.757 | 11,55% | 1,57% | 6.585 | 11,29% | 1,38% |
| Sport | 698 | 1,04% | 0,14% | 1 | 0,00% | 0,00% |
| Fight against hunger and food safety | 338 | 0,50% | 0,07% | 324 | 0,56% | 0,07% |
| Others | 1.060 | 1,58% | 0,21% | 1.811 | 3,11% | 0,38% |
| **Total contributions to society** | **9.914** | **14,77%** | **2,00%** | **8.975** | **15,39%** | **1,88%** |
| Taxes (excluding social charges) | 9.387 | 13,98% | 1,89% | 7.241 | 12,42% | 1,51% |
| **Total - External Social Indicators** | **19.301** | **28,75%** | **3,89%** | **16.216** | **27,81%** | **3,39%** |
| **4 -Environmental indicators** | **Value (thousand)** | **% on RO** | **% on RL** | **Value (thousand)** | **% on RO** | **% on RL** |
| Investments related to the company operation/production | 7.892 | 11,75% | 1,59% | 3.678 | 6,31% | 0,77% |
| Investments in programs and/or external projects | 2.048 | 3,05% | 0,41% | 1.284 | 2,20% | 0,27% |
| **Total investments in environment** | **9.940** | **14,81%** | **2,01%** | **4.962** | **8,51%** | **1,04%** |
| As for the establishment of "annual goals" to minimize waste, the overall consumption in the production/operation and increase the efficiency in the use of natural resources, the company | ( ) it has no goals ( ) it fulfills from 51 to 75% ( ) it fulfills from 0 to 50% (x) it fulfills from 76 to 100% | | | ( ) it has no goals ( ) it fulfills from 51 to 75% ( ) it fulfills from 0 to 50% (x) it fulfills from 76 to 100% | | |
| **5 - Staff Indicators** | **2012** | | | **2011** | | |
| Number of employees at end of period | 2.139 | | | 1.669 | | |
| Number of admissions during the period | 540 | | | 150 | | |
| Number of outsourced employees | 920 | | | 966 | | |
| Number of trainees | 49 | | | 81 | | |
| Number of employees over 45 years old | 820 | | | 813 | | |
| Number of women working in the company | 390 | | | 263 | | |
| % of leadership positions held by women | 35,43% | | | 23,55% | | |
| Number of black people working in the company | 388 | | | 367 | | |
| % of leadership positions held by black people | 0,01% | | | 2,17% | | |
| Number of bearers of deficiency or special needs | 146 | | | 142 | | |
| **6 - Relevant information regarding the exercise of corporate citizenship** | **2012** | | | **Goal 2013** | | |
| Relationship between the highest and the lowest compensation in the company | 36,06 | | | 36,06 | | |
| Total number of occupational accidents | 84 | | | 80 | | |
| The social and environmental projects developed by the company were defined by: | (X) direction | ( ) direction and management | ( ) all employees | (X) direction | ( ) direction and management | ( ) all employees |
| The safety and health standards in the work environment were defined by: | ( ) direction and management | ( ) all Employees | (X) all + Cipa | ( ) direction and management | ( ) all employees | (X) all + Cipa |
| As to freedom of association, to the right to collective bargaining and internal representation of the employees, the company: | ( ) it will not be involved | (X) it will follow the OIT standards | ( ) it will encourage and follow OIT | ( ) it will not be involved | (X) it will follow the OIT standards | ( ) it will encourage and follow OIT |
| Private pension includes: | ( ) direction | ( ) direction and management | (X) all employees | ( ) direction | ( ) direction and management | (X) all employees |
| Profit sharing or results includes: | ( ) direction | ( ) direction and management | (X) all employees | ( ) direction | ( ) direction and management | (X) all employees |
| In the selection of suppliers, the same ethical standards and of social and environmental liability adopted by the company: | ( ) they will not be considered | ( ) they will be suggested | (X) they will be required | ( ) they will not be considered | ( ) they will be suggested | (X) they will be required |
| As for the employees' participation in voluntary work programs, the company: | ( ) it will not be involved | ( ) it will support | (X) it will organize and encourage | ( ) it will not be involved | ( ) it will support | (X) it will organize and encourage |
| Total number of complaints and criticism from consumers: | in the company 2.048 | in Procon 116 | in Court 21 | in the company 1.638 | in Procon 111 | in Court 21 |
| % of complaints and criticisms supported or resolved: | in the company 100% | in Procon 97,41% | in Court 66,60% | in the company 100% | in Procon 100% | in Court 100% |
| Wealth for distribution (in thousands of R$): | **In 2012: R$ 412,557 thousand** | | | **In 2011: R$ 335.849 thousand** | | |
| Distribution of Added Value (DVA): | 18.3% Government 14.9% quotaholders | 52.0% employees 14.8% third parties | | 17.8% Government 16.1% quotaholders | 49.1% employees 17.0% third parties | |

## 7 - Other information

CNPJ of SANASA: 46,119,855/0001-37 - Economic Sector: Public Utilities / Water and Sanitation - Company Headquarters: Campinas (SP). For clarification on the stated information: Controllership Management / Phone: (19) 3735-5190 - E-mail: controladoria@sanasa.com.br. This company does not use child labor or slavery, is not involved with prostitution or sexual exploration of children and adolescents and is not involved with corruption. Our company values and respects the diversity both internally and externally.

# INTERNATIONAL INDICATORS GUIDE THIS REPORT

**GRI 3.6** This is the second Sustainability Report published by SANASA Campinas. The first, released on November 19, 2012, presented the governance and the economic, environmental and social performance related to the first semester of 2012, period of important achievements (see www.sanasa.com.br).

The current Report completes the annual information of 2012 and presents the new administration and its plans.

From now on, instead of publication in brochure, SANASA starts to publish the Report only in *pen card*.

**GRI 3.5** The first and current Report have been prepared in accordance with the International Global Reporting Initiative model, version G3, level C, in order to provide clarity and transparency to the information. The model *G R I* is recognized worldwide by bringing together economic, social and environmental indicators and appropriate sector to present the involvement of companies, of financial institutions and other sectors with the themes of sustainability in business.

The preparation of the Sustainability Report of SANASA began with the construction of the matrix of materiality[1], in a meeting with the participation of officers and managers, to identify the information to be reported. The matrix also included considerations of the Public Prosecutor's Office of Environment pointed out at a meeting.

Among the subjects analyzed, materiality covered:

- Water: Quality, Loss Control Program, fight against default, drinking water supply to non-assisted neighborhoods and occupations;
- Wastewater: Quality of receiving water bodies, WWTTs and collection network deployment in neighborhoods not yet assisted;
- Plans: Water security, Solid Waste;
- Social Subjects: Attract and keep good professionals, diversity, professional training and health of workers;
- Social Liability: Hospital, industrial and commercial loyalty.

The approach of most of these subjects may be verified over the texts and in the Reference List, which indicates the location of the information requested by the GRI indicators.

Several areas of the company contributed to the performance of this Sustainability Report **(see Credits)**. This involvement comes to add an intangible and effective value to SANASA: the commitment to the best social, economic and environmental paths for best performance with customers of Campinas, with its own employees and according to the expectations of shareholders.

[1] Materiality is the threshold from which a subject or indicator becomes expressive to be reported.

# LEVEL OF APPLICATION OF GLOBAL REPORTING INITIATIVE MODEL -GRI - G3[2]

It was possible to find out that this Sustainability Report meets the C level of application of the model GRI - G3, in accordance with the criteria listed in the grid below and as verified in the Reference List hereinafter. It should be noted, throughout its publication, that significant steps have been already taken towards the application level B, demonstrating that the company is prepared to use indicators such as management tools.

| *Global Reporting Initiative* | Level C | Level B |
|---|---|---|
| **GRI G3**<br>Profile | Report the indicators:<br>1.1<br>2.1 to 2.10<br>3.1 to 3.8, 3.10 to 3.12 4.1 to 4.4, 4.14 and 4.15 | Report all C-level indicators, plus:<br>1.2 impacts, risks and opportunities.<br>3.9, 3.13: Scope of the Report.<br>4.5 to 4.13, 4.16 to 4.17: Governance, Engagement. |
| **GRI G3 -** Information on the method of management | Not required. | Disclosure of management method for each category of indicators. |
| **GRI G3**<br>Performance Indicators | Answer to a **minimum of 10** Performance Indicators, including at least one of each of the following areas: social, economic and environmental. | Report **at least 20** Performance Indicators - at least one of each segment: Economic, Environmental, Social (human rights, labor practices, company, product liability). |

[2] The G3 version admits one of the three levels of the following application: C, with minimum number of indicators, useful for new companies; B, intermediate; and A, more complete.

# *GLOBAL REPORTING INITIATIVE – G3 VERSION*

## REFERENCE LIST - SANASA

| | | |
|---|---|---|
| 1 | **Strategy and Analysis Profile** | **1.1 Statement of the holder of the office with greater decision-making power on the relevance of sustainability to the organization and its strategy.**<br>R. Page 04<br>**1.2 Description of key impacts, risks and opportunities.**<br>R. Pages 04, 11, 19, and 31. |
| 2 | **Organizational Profile** | **2.1 Organization Name.**<br>R. SANASA Campinas - Sociedade de Abastecimento de Água e Saneamento S.A.<br>**2.2 Primary brands, products and/or services.**<br>**R. Page 06**<br>**2.3 Operational structure of the organization, including main divisions, operating units, subsidiaries and joint ventures.**<br>R. Page 06<br>**2.4 Location of headquarters.**<br>R. Av. da Saudade, nº 500, Campinas, São Paulo.<br>**2.5 Number and name of countries where the organization operates.**<br>R. Brazil.<br>**2.6 Type and legal nature of property.**<br>R. Page 06<br>**2.7 Served Markets.**<br>R. Page 06<br>**2.8 Organization Size.**<br>R. Pages 06 and 20<br>**2.9 Major changes during the period covered by the Report, related to size, structure, or ownership share.**<br>R. Pages 04 and 08<br>**2.10 Awards received during the period covered by the Report.**<br>R. Page 06 |
| 3 | **Report Profile** | **3.1 Period covered by the Report.**<br>R. Year 2012.<br>**3.2 Date of the Previous Report.**<br>R. November 19, 2012, over the first semester of this year. Read also page 48.<br>**3.3 Cycle of issuance of the Report.**<br>R. This is an annual edition, as well as the following ones will be.<br>**3.4 Contact data in case of questions related to the Report or to its content.**<br>R. relatoriodesustentabilidade@sanasa.com.br<br>**3.5 Process for definition of the content of the Report.**<br>R. Page 48<br>**3.6 Limit of the Report.**<br>R. Page 48 - SANASA Campinas.<br>**3.9 Data measurement techniques and the calculations bases.**<br>R. Systems and techniques were used in force in Brazil and, in general, in western countries<br>**3.10 Explanation of the consequences of any restatements of information provided in previous reports and their reasons.**<br>R. This is the second SANASA's Sustainability Report in GRI model, G3 version. See indicators 3.2 and 3.3; and the first Report at www.sanasa.com.br. |

| | | |
|---|---|---|
| 3 | **Report Profile** | **3.11 Significant changes compared to previous years regarding the scope, limit or measurement methods applied in the Report.**<br>R. This is the second SANASA's Sustainability Report in GRI model, G3 version and the first annual.<br>**3.12 Table identifying the location of the Report information.**<br>R. This Reference List.<br>**3.13 Policy and current practice related to the search for external verification for the Report.**<br>R. Not available. |
| 4 | **Governance** | **4.1 Governance Structure including Committees.**<br>R. Pages 08 and 09<br>**4.2 Notification if the Chairman of the highest governance body is also Chief Executive Officer.**<br>R. Pages 08 and 10 - The chairman of the Board of Directors does not accumulates the position of Chief Executive Officer.<br>**4.3 For organizations with single management structure, statement of the number of independent or non-executive members of the highest governance body.**<br>R. Page 10<br>**4.4 Mechanisms so shareholders and employees make recommendations or provide guidance to the highest governance body.**<br>R. Pages 10, 14, 15, and 16.<br>**4.5 Relationship between compensation for members of the highest governance body, executive board and other executives and the organization's performance(including social and environmental performance).**<br>R. SANASA has a Profit Sharing Program that offers an additional annual value in case of compliance with pre-established targets.<br>**4.7 Process for determination of qualifications and knowledge of members of the highest governance body.**<br>R. Page 08<br>**4.8 Statement of Mission and values, codes of conduct and internal principles relevant to the economic, environmental and social performance, as well as the implementation stage.**<br>R. Pages 12 and 15<br>**4.9 Procedures of the highest governance body to oversee the identification and management, by the organization, of economic social and environmental performance, including relevant risks and opportunities, as well as the adherence or compliance with international standards, codes of conduct and principles.**<br>R. Pages 09 and 11 - See the assignments of the Board of Directors at www.sanasa.com.br/revistadigital/sanasa/sustentabilidade_2012_1/sustentabilidade.pdf<br>**4.10 Processes for self-assessment of the performance of the highest governing body.**<br>R. The Board of Directors is analyzed by the shareholders. |
| | **Commitments to External Initiatives** | **4.11 Explanation of whether and how the organization applies the precautionary principle.**<br>R. Page 11<br>**4.12 Letters, principles, or other externally-developed initiatives of economic, environmental and social nature which the organization subscribes or endorses.**<br>R. Page 44<br>**4.13 Participation in Associations**<br>R. Page 13 |

| | | |
|---|---|---|
| | **Engagement of the Audiences** | **4.14 List of stakeholder groups engaged by the organization.**<br>R. Pages 15 and 16<br>**4.15 Basis for identification and selection of stakeholders.**<br>R. Page 13 and meeting with officers and managers, customer contacts with SANASA'S agencies; enterprises in the city of Campinas; Loss Control Program, loyalty program, control of default; contracts with suppliers, Electronic Bidding, relationship with the employees and with the communities. |

## ECONOMIC PERFORMANCE INDICATORS

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| EC1 | **Economic Performance** | **Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.**<br>R. Page 18 |

| | | |
|---|---|---|
| EC3 | **Economic Performance** | **Coverage of obligations of the pension plan of benefit defined offered by the organization.**<br>R. Page 20 - In compliance with the collective bargaining agreement for the period 2004/2006, it was entered into with Fundação Petrobrás de Seguridade Social – Petros), on 12/23/2004, Membership Agreement with the purpose of establishing the Joint Plan of Pension Benefits of Workers of SANASA, of Defined Contribution. With 1,008 memberships, the Plan provides for the collection by the company, for the purpose of Ordinary Contribution, of monthly amount of 6% of nominal salaries of participants. The participants, on the other hand, will assist with the percentage of 6% to 8% of their salaries, according to a table of preset limits, included in the Membership Agreement. According to the Plan, the company offers to the employees who have joined up to 4/19/2005, in the capacity of founding participants, the payment of 50% of past service, equivalent to 45% of nominal salary per annual fraction of their length of service in the company, since their admission. The amount of this financial allocation is of R$ 17,121 thousand, financed with Petros, for 195 months, with 6% p.a. rate plus variation of the INPC/IBGE, as per Particular Instrument of Commitment and Assumption of Obligations of Partial Incorporation of Reserves of the Past Service of the Joint Plan of Pension Benefits of SANASA's Workers and Other Covenants, executed on November 30, 2005. The table in the chapter Main Economic, Environmental and Social Indicators shows the private pension expenditures during the period from 2010 to 2012. |

| | | |
|---|---|---|
| EC4 | **Economic Performance** | **Financial assistance received from the Government.**<br>R. Page 18 |
| EC6 | **Presence in the Market** | **Policies, practices and proportion of expenditures with local suppliers in significant operation units.**<br>R. Page 39 |
| EC9 | **Indirect Economic Impacts** | **Identification and description of significant indirect economic impacts, including the extent of the impacts.**<br>R. Pages 26 and 42 |

## ENVIRONMENTAL PERFORMANCE INDICATORS

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| EN8 | Water | **Total water withdrawal, per source.**<br>R. Page 30 |
| EN9 | **Water** | **Water sources significantly affected by water withdrawal.**<br>R. Page 29 |
| EN 22 | **Emissions, Effluents and Waste** | **Total weight of waste, per type and disposal method.**<br>R. Pages 22 and 24 |
| EN 26 | **Products and Services** | **Initiatives to mitigate environmental impacts of products and services, and the extent of reduction of these impacts.**<br>R. Pages 22, 25, 29, 31, 32, 36 and 45 |
| EN 30 | **General** | **Total of investments and expenses with environmental protection, per type.**<br>R. Page 20 |

## PERFORMANCE INDICATORS RELATED TO LABOR PRACTICES AND DECENT WORK

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| LA1 | **Employment** | **Total of employees, per type of employment, employment contract and region.** R. Page 20 |
| LA2 | **Employment** | **Total number and turnover rate of employees, by age bracket, gender and region.** R. Page 44 |
| LA3 | **Employment** | **Benefits provided to full-time employees that are not offered to temporary employees or part-time regime, broken down by main operations.** R. Page 42 |
| LA4 | **Workers and governance** | **Percentage of employees covered by collective bargaining agreements.** R. Page 45 - The labor agreements cover the 2,139 employees. Some clauses are also extended to 50 interns and 61 apprentices. |
| LA7 | **Occupational safety and health** | **Injury rates, occupational diseases, lost days, absenteeism and deaths related to work, per region.** R. Page 43 |
| LA8 | **Occupational safety and health** | **Education, training, advice, prevention and risk control programs in progress to provide assistance to employees, their family members or members of the communities in relation to severe diseases.** R. Page 42 |
| LA13 | **Diversity and Equal Opportunities** | **Formation of groups in charge for the corporate governance and list of employees per category, according to the gender, age bracket, minorities and other diversity indicators.** R. Page 20 |
| LA14 | **Diversity and Equal Opportunities** | **Proportion of base salary between men and women by employee category.** R. Page 45 |

## PERFORMANCE INDICATORS RELATED TO HUMAN RIGHTS

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| HR1 | **Investment Practices and Purchase Processes** | **Percentage and total number of significant investment contracts that include human rights clauses or that were subject to human rights evaluations** R. Page 45 |

## PERFORMANCE INDICATORS RELATED TO HUMAN RIGHTS

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| HR2 | **Investment Practices and Purchase Processes** | **Percentage of contractors and critical suppliers and that were subject to evaluations related to human rights and measures taken.** R. Page 45 |
| HR6 | **Child Labor** | **Operations identified as significant risk of occurrence of child labor, and measures taken to contribute to the abolition of child labor.** R. Page. 45 |
| HR7 | **Forced Labor or Similar to Slavery** | **Operations identified as significant risk of occurrence of forced labor or similar to slavery and measures taken to contribute to the eradication of forced labor or similar to slavery.** R. Page 45 |

## SOCIAL PERFORMANCE INDICATORS RELATED TO SOCIETY

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| SO3 | **Corruption** | **Percentage of employees trained in organization's anti-corruption policies and procedures.** R. Page 45 |
| SO4 | **Corruption** | **Measures taken in response to cases of corruption. R. Pages 39 and 45** |
| SO5 | **Policies Public** | **Positions as to public policies and participation in the preparation of public policies and lobbies.** R. Page 16 |

## PERFORMANCE INDICATORS RELATED TO PRODUCT LIABILITY

In blue, Essential Indicators In gray, Additional Indicators

| | | |
|---|---|---|
| PR1 | **Customer Health and Safety** | **Phases of the life cycle of products and services in which health and safety impacts are assessed, aiming improvement, and percentage of products and services subject to these procedures.** R. Page. 31 |
| PR5 | **Products and Services** | **Practices related to customer satisfaction, including results of surveys measuring this satisfaction.** R. Page 41 |

# SUSTAINABILITY REPORT SANASA CAMPINAS- FISCAL YEAR 2012

## CREDITS

**Editorial Board**
Hamilton Bernardes – Chairman of the Board of Directors
Arly de Lara Romêo – Managing Officer
Pedro Claudio Silva – Financial Officer and Investors Relations
Marco Antônio dos Santos – Technical and Operating Officer
Luiz Carlos de Souza – Commercial Officer
Lúcio Esteves Júnior - Administration Officer

**General Direction**
Adriana Lagrotta Leles

**Identification of GRI content, Edition and Wording**
Ana M. Lombardi, Mundial Press Comunicações, aml@uol.com.br

**Coordination of Subjects**
Governance – Ederson Marcos Barbosa
Economic – Antônio Moreira Franco Júnior
Environmental – Adriana Angélica R. V. Isenburg
Social – José Roberto Barreto and Carlos Ferreira

**Economic Indicators**
Antônio Moreira Franco Junior
Lucimari Rosolém de Marcio
Jean Carlos Pereira
Solange Maroneze
Simone Aparecida Cracco Francisco
Betânia Cordeiro
Cleusa Marili de Moraes Aguiar
Roberto Cordeiro
Katherine Helena Barreta
Carlos Ferreira

**Environmental Indicators**
Vladimir José Pastore
Myrian Nolandi Costa
Paulo Roberto S. Tínel
Sidnei Lima Siqueira
Romeu Cantusio Neto
Luciano Berto
Lina Cabral Adani
Ivan de Carlos
Renan Moraes Sampaio
Maurício André Garcia
Claudio Luiz Tiozzi Rubio
Augusto Carlos Vilhena Neto
Satoshi Ando
Renato Rossetto
Caroline Suidedos
Silvia Helena Ferreira Dias
Rovério Pagoo Junior
Marco Antonio Bertelle
Márcia Trevisan Vigorio

**Social Indicators**
Cláudia Cristina Tonietti
José Roberto Barreto
Carlos Roberto Calamari
Ivo Fernandes Junior
Mário Sanches Neto
César Q. de Carvalho Junior
Célia Regina F. Passarini
Carlos Ferreira

**General Indicators**
Alessandra Maria C. Bonafé Vageler
Alessandro S. Tetzner
Sonia Maria dos Santos Souza
Julio Cesar do Nascimento
Ana Flavia de Souza

**Legal**
Maria Paula P.A. Balesteros Silva
Claudete A. Piton de M. Salles
Adriana T. Pierri Sampaio

**Production**
Simone Aparecida Pires Sales
Viviane Crisna Paes Damasceno Oliveira
Maria Célia Souza Ribeiro
Marli Counho Franco

**Social Communication**
João Pinheiro
Marcos Lodi
Helena Góes

**Graphic Design**
Produção Coleva

**Layout**
Paola Clemente

**Photography**
Carlos Bassan
Edivaldo da Silva Alves
João Prudente
Manoel de Brito Franco Neto
Gilson Machado

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Av. da Saudade, 500 | Ponte Preta
Campinas SP | CEP: 13041-903
www.sanasa.com.br