Sustainability Report/GRI

2014:Good and safe water, with consumer confidence

SANASA CAMPINAS

A vida bem tratada

CONTENTS

Transparency can only be sustained with confidence and responsibly. This is one of the pillars of this administration. So I have decided to encourage reading the Sustainability Report / GRI - 2014 SANASA held according to the international model Global Reporting Initiative - GRI. The GRI is a management tool and at the same time accountability.

Thus, the publication is able to synthesize simply relevant information of the company and to measure sustainable performance. Reading this report will help everyone to have the knowledge of how the company makes its governance and performs financial management, environmental and social. And when I say everyone, I include the citizens, whom we are accountable, with a sense of accountability and transparency, the trust which we are placed. I understand that this is an exercise in democracy and citizenship.

The Sustainability Report / GRI - 2014 shows, in Chapter Environmental Management, in a didactic way the scene of the water crisis, contextualizing the city of Campinas and its region. It actions to deal with the crisis and its results are highlighted. Chapter Governance is important to understand how the company makes its decision making. The chapter on Operational Management stands out as the SANASA worked to encourage the manufacture of a faucet model that helps to reduce the flow of water and thus achieve savings in schools. And in Social Management it is possible to know, among other social actions of SANASA, such as the Sustainable Action Program – SAP meets the urbanized non urbanized areas.

Foto: Luiz Granzotto/PMC

A well-informed society is a critical and demanding society. Truth frees the people and announces progress. So you can look to the future without fearing the times of struggle we face today. Every citizen is an important part in all this, because the history of a people is a daily narrative of many efforts.

Good Reading!

Jonas Donizetti
Mayor of Campinas

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF SANASA

In the worst water crisis of the last 84 years, SANASA was the protagonist in the search for solutions that ensure water to the population of Campinas.

Crisis management was headed by Mayor Jonas Donizetti, who made efforts in preventive, with the state government and the ANA - National Water Agency, the preservation of flow levels.

Cases have also been held with the State and Federal governments, in order to facilitate financial resources and speed up the construction of dams Duas Pontes on the Camanducaia river, and Pedreira, on the Jaguari river as well as for the pipeline system, which aims increase water availability in the Piracicaba, Capivari and Jundiaí – PCJ river basins.

Understanding that water is a finite resource and therefore needs public policies and investments able to guarantee the supply with quantity, quality and safety have always been the basis of the projects and plans of SANASA.

In his 40 years, completed in 2014, the company has always sought to respond with assertiveness and readiness to the demands imposed by population and economic growth.

In 2013, Mayor Jonas Donizetti launched a public policy capable of ensuring the improvement of people's quality of life. This is the plan 300%, which brought goals for achieving universal sanitation, as presented in the Sustainability Report / GRI - 2013.

In 2014 SANASA assured, together with the Federal and State Governments, five projects totaling funds of approximately R$ 93 million, invested in works from this year. One of these works is the Boa Vista STP, which will cause the SANASA reaches the rate of 100% sewage treatment capacity, serving a population of 74,200 inhabitants.

In addition, in 2014 the SANASA presented a proposal to the federal government investments in Water Supply Systems and Sanitary Sewage Systems of R $ 415.17 million, designed to meet the Plan 300% of Sanitation Universal, besides improving the reservation of capacity for

Foto: DMC Propaganda

population supply, assisting in fighting the water crisis, and R $ 505.05 million in improvement works of the water supply system, which will contribute to reduction of distribution losses content.

These proposals add up to R $ 920.22 million, which are being analyzed by the Sanitation Department of the Ministry of Cities of the Federal Government. These investments will benefit 902,000 inhabitants.

They were handed out works to improve the quality of drinking water supply and reduction of losses, and sewage systems, with the replacement of old networks and installation of sewage networks in neighborhoods like Satellite Iris I and IV, Vila Joaquim Inácio, Jardim Nova Europa, Jardim Eulina and IV centenary, and the expansion and reform of the Sludge Treatment Plant.

Yet in 2014, the works are taken from Sewage Treatment Plants New America and San Martin as they went the 2nd Module implementation works in EPAR - CAPIVARI II RWPP (Reuse Water Production Plant), the depletion of Sanitary

Systems Anhumas Santa Candida, Parque das Universities and replacement water networks in the Jardim da Oliveiras, Jardim Nova Europa, Jardim Paulistano, Vila Carminha, Jardim Primavera, Nova Campinas and Jardim Planalto.

The management of the water crisis is a major challenge for 2015 are predicted impacts on operations and billing. In this context, the challenges for the company also focus on attracting and securing business and investment opportunities. SANASA is committed to maintaining the efficiency of management and to contribute to the quality of life of the population of Campinas.

The Board of Directors recognizes the expertise of employees, who are committed to ensure the supply of the city. This means that we can look at the past year certain that we will move forward and obtain success in this endeavor we will face in 2015.

SANASA is a municipal public company, the assets of a company and a pillar of sustainability in our region. The company works for sustainable development by creating value with employees, customers, suppliers and the public - premises of this management.

SANASA knows the importance of play for culture change and organizational value and, therefore, in 2014 the Strategic Issues were approved by the Board of Directors. Similarly, the Sustainability Report / GRI became approved simultaneously with the financial statements. The ratio of SANASA with investors and society is based on transparency and responsible actions towards the sustainability of the business.

Hamilton Bernardes
The Chairman of The Board
of Directors of Sanasa

MESSAGE FROM THE CEO

Good and safe water, with consumer confidence. This theme of this Sustainability Report reveals the challenge we faced in 2014, a year equally challenging for all companies in the sanitation sector, especially in the southeastern region of the country.

Water scarcity is the result of a volume of less rainfall than the average of previous years, took us to finish 2014 operating with the second coordinate of the dead storage of the Cantareira System. This year began with a reservation of Cantareira System less than half that recorded at the beginning of last year - in January 2013 the Cantareira System had a volume of 51.07%; in January 2014 the volume recorded was 24.75%. The situation has outweighed the worst expectations designed by our experts.

To face this moment was required the effective action of SANASA employees, the partnership with the city's population and especially with leadership of Mayor Jonas Donizetti that, from the very beginning, drew upon himself the responsibility for crisis management.

The scenery required an even greater effort in operations to ensure not only supplying the population of Campinas - around 1,154,617 inhabitants (estimated population for 2014 - IBGE), but also the quality of water supplied. The population supported and brought excellent response to the plea for the economy and rational use of water.

Due to intense media campaign, SANASA realized savings in the consumption of drinking water of approximately 20%, comparing the pumping volume in November 2014 (8,642,736 m^3) regarding to that recorded in January 2014 (10,633,401 m^3).

It was at that situation of crisis the company confirmed its strategic vision for sustainability. In 2012 Campinas was the first city in Latin America to operate a Water Reuse Plant by MBR (Membrane Biological Reactor) with Nitrogen and Phosphorus Removal.

The technological efficiency of this operation enables them to turn the raw sewage in reuse water with high level of purity, with high quality in physical, chemical and bacteriological parameters.

Studies are being developed for the applicability of water reuse, among others, the use of such water by the Fire Department for fire-fighting. Campinas is the first city to have municipal regulations for this purpose, which establishes general criteria and procedures for use. It was then concluded an agreement between the SANASA, the Municipal Public Security Affairs and the Fire Department, which defines five reservoirs of 20 m^3 in the under construction. In addition, SANASA started to implement trade units and reuse of water distribution in bulk for consumption of large volumes.

SANASA has improved the Water Safety Plan - PSA, and in 2014 worked out the risk matrix at points of intake, which represented the identification of qualitative risk analysis and its potential. As recommended by administrative rule MS2914 / 2011, monitoring covers the entire supply system, from source to tap consumers. The plan has incorporated issues influencing water security, such as raising the room temperature, the rainfall index

and all interferences recorded in the Cantareira System and the PCJ watershed.

In 2014, SANASA approved the first version of the Corporate Risk Map. The identified risks have been assessed and validated by the managers and their respective directors.

The final version of the map was the result of intensive work, in which custom presentations were made to all company managers (internal stakeholders): directors, managers and coordinators. After training, the managers made the identification of corporate risks in their areas, with the support and monitoring of the Corporate Governance Management, responsible for risk management in the company.

SANASA knows that as a public company should be example. So, it is working to advance and deepen the commitments to sustainability. In 2014, the Executive Board joined the Business Pact for Integrity and Against Corruption and the Business Letter for Human Rights and the Promotion of Decent Work, of the Ethos Institute.

Humans Rights, Water and Sanitation are a theme in our daily lives, considering our operations and purpose of the business. So, like last year, we integrate the Ethos Indicators in the Sustainability Report / GRI as a management tool, and also the 10 Global Compact Principles. And dedicated to the study of the Integrated Reporting, the next step in the company's management.

In 2014, as Chief Executive Officer signed the commitment CEO Water Mandate of the United Nations, which encourages companies to work for greater efficiency in water management. Directly lead the work for the definition of our strategic themes, which were for the first time, approved by the Board of Directors.

The next step is further study of the value chain and work the engagement of customers and suppliers. This work is part of the effort to collaborate with the post-2015 agenda of Sustainable Development Goals.

Is fulfilled, thus the commitment of this presidency in 2013, during the Leadears Summit in New York, which brought together heads of signatories of the Global Compact around the world.

In the year 2014, SANASA added new learning. The company knows its own potential and its capacity to articulate, because it has a dedicated staff and committed to the results. With the crisis, broadened the look for new possibilities, the reservation of raw water and the new perspectives of supply, with a view to water security, both in terms of quality as on the amount of water to the population and customers.

Arly de Lara Rômero

CEO of SANASA

ORGANIZATIONAL PROFILE

G4-4 Report the primary brands, products, and services

G4-5 e 6 Report the location of the organization's headquarters

G4-7 Report the nature of ownership and legal form

G4-8 Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries

G4-9 Report the scale of the organization, including: Total number of employees: total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations) and quantity of products or services provided

Ethos Indicator 1: Strategies for Sustainability, Stage 1 - The company includes social aspects and environmental issues into their strategies.

A. SANASA Campinas - Water Supply and Sanitation Utility SA is mixed economy company, established by the Municipal Law 4,356 of December 28, 1973.

Joint stock company, was set up in order to plan, carry out, monitor and operate the public sanitation services in the city of Campinas can these services be extended to other municipalities, either in the national territory or abroad, as long as proven its economic and financial viability, duly approved by the General Meeting of the Company.

SANASA also has improvement activities of the administration, operation and maintenance of its services, including the provision of advisory services, consulting and technical assistance to the municipality, entity or public or private of its business area. In 2014 totaled 2,280 employees.

WATER TREATMENT

Among other duties, the SANASA Campinas is responsible for water supply services (collection, transmission of water, treatment, reservation and distribution of drinking water) in the city of Campinas, state of São Paulo. The company collects water from the Atibaia (92.3%) and Capivari (7.6%) rivers and 0.1% of an existing well in the Residential Village Campinas to supply the whole city.

Currently, SANASA caters with piped drinking water 99.5% of the urban population of Campinas, through five treatment plants (WTP 1 and 2 in Swift, WTP 3and 4 in Sousas road, with water taken from the Atibaia River, and the Capivari WTP, with the Bandeirantes Highway, with water from the Capivari River). The Water Treatment Plants set has a production capacity of up to 4,530 liters / second.

The average annual volume of produced drinking water is around 110 million cubic meters, carried by over 4,558 km of water mains and distribution networks and stored in 65 storage tanks scattered throughout the city (25 elevated and 40 surface), with total capacity of 123,497.37m³. This system includes 323,622 water connections and 477,336 economies*, all equipped with water meters.

SEWAGE TREATMENT

The sewerage system of the SANASA Campinas caters to 89.19% of the urban population of the city, with 288,520 connections and 423,350 ecomonies* through 4,251 km of networks, emissaries and interceptors, and 81 lifting stations and 24 Sewage Treatment Plants.

SANASA is pioneering the use of technology for sewage treatment plant in Reuse Water Production Plant - Capivari II RWPP, one of the most modern in the world, using membrane filters to remove nitrogen and phosphorus. The membrane filters ensure the removal of most viruses, bacteria and protozoa, without the use of chemical disinfectants in addition to the removal of the solids leaving the water with high quality in terms of physical, chemical and bacteriological acceptance.

** (Number of economies is the amount of consumption units or dependent properties of one water meter).*

G4-11

Report the percentage of total employees covered by collective bargaining agreements

Principle 3 of the United Nations Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Ethos Indicator 25: Relations with Unions - Stage 3 - The company does not just let the work of unions in the workplace, but also provides information on working conditions and meets regularly with representatives to hear suggestions and negotiate claims.

A. All SANASA employees are covered in collective agreements, with some provisions extended to interns and patrolmen. All employees have freedom of association for trade unions.

G4-12

Describe the Organization's Supply Chain

A. In 2014, SANASA worked in recognition of their supply chain and planned to start the engagement from 2015.

G4-13

Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain

A. No significant changes occurred.

G4-14

Report whether and how the precautionary approach or principle is addressed by the organization

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Ethos Indicator 18: Mapping the Impacts of Operation Risk Management. Stage 3 - The company has guidelines and policies that guide the mapping of economic, social and environmental impacts that the operation eventually cause and will be periodically monitored by means of indicators that influence strategic planning and decision making – and when it is necessary, adopt remedial measures in case of specific demands.

A. In 2014, approved the first version of the Corporate Risk Map. The identified risks have been assessed and validated by the managers of the areas and the respective directors.

The final version of the map was the result of extensive work, in which custom presentations were made to all company managers (internal stakeholders): directors, managers and coordinators. After training, the managers made the identification of corporate risks in their areas, with the support and monitoring of the Corporate Governance Management, responsible for risk management in the company.

The Corporate Risk Map will be used as a tool for strategic decision making of managers, the Executive Board and the Board of Directors.

Other feedback channels are from the Satisfaction Survey, done in the Customer Service Sector, and the Ombudsman, the Management of Corporate Governance (read later in this report).

G4-15

List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

Ethos Indicator 6: Voluntary Commitments and Participation Initiatives SER / Sustainability. Stage 3 - The company implements policies aligned to these commitments, as well as conduct a formal monitoring of voluntary initiatives which it participates.

A. SANASA voluntarily participates in various international initiatives. In 2012 it took over the 10 principles of the Global Compact of the United Nations - UNGC, became a signatory of the Ethos Institute and started to adopt the Ethos indicators for Corporate Social Responsibility. In the same year, he joined the Organizational Stakeholders Program of the Global Reporting Initiative - GRI.

In 2014 SANASA began to participate in the working group Human Rights and Labor, Water and Sanitation and Energy and Climate Global Compact of the United Nations. That same year, was received in the Brazilian Committee of the Global Compact Network and participated in the United Nations Forum On Business And Human Rights in Geneva - Switzerland, organized by the United Nations.

Also in 2014, the company joined the CEO Water Mandate, the UN mandate for water management. By the Ethos Institute began its participation in the working groups Human Rights and Governance. And now part of GT Pioneer Companies in Sustainability Reporting, sponsored by the GRI Focal Point in Brazil and the Brazilian Business Committee for Sustainable Development - CEBDS.

Also in 2014 it participated in the Climate Reality Leadership Trainings - training for leadership training in dealing with climate change, initiated by the Climate Reality Project.

G4-16

List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues and views membership as strategic

A. SANASA is active in water resource policies of the Piracicaba, Capivari and Jundiaí river basins - PCJ in working with the Municipal Green and Sustainable Development of Campinas. The company is in the State Committee and Federal Basin of PCJ rivers, the National Association of Municipal Sanitation Company – ASSEMAE.

In ASSEMAE, SANASA also occupies the Directorate of Technical Assistance to Municipal Sanitation Services Associates and the Vice-Presidency of the regional unit of the State of São Paulo and sits in all Technical Chambers to formulate and implement a water resources policy in the region and the Master plan. It is currently a Vice Chair of the Committees.

It is also present in the Council of Defense of the Environment - COMDEMA and the Metropolitan Region of Thematic Chambers of Campinas, as is planning sanitation works, public health tool the city of Campinas and the region.

Since joining the PCJ Consortium in 2003, the CEO of the SANASA occupies the vice presidency of the Water Monitoring Systems, given its regional relevance. It also holds the Vice-Presidency of the Committees of the PCJ Watershed Basin. Every year the SANASA part project aimed at obtaining resources made available by the National Water Agency - ANA and coming from the collection of the PCJ River Basin, and proceed to its total coverage plan for water and sanitation in the city of Campinas.

Also participates in the Committee of EC-2 studies ABNT / CB-25, which will handle the review of the rules that make up the ISO 9000 series.

Participates as a member of the Group of Studies and Humanitarian Assistance work - Getah in Campinas; participates in Sanitation issue, maintenance of Campinas Competitiveness Indicators Portal; and survey methodologies used by SANASA for preparation and compilation of the data provided to financial planning, to be submitted to the National Sanitation Information System - SNIS.

The activities of the SANASA are regulated by the Regulatory Agency for Sanitation Services - ARES PCJ.

ENERGY BIOGAS HARNESSING

SANASA partnered in 2014 with the Ministry of Cities, for participation in the project PROBIOGÁS Project Brazil - Germany Energy Biogas Harnessing in Brazil.

The project is the initiative of the German government, which is currently a reference in the reuse of biogas. It aims to transfer knowledge and technology, and further studies on the biogas generation potential in anaerobic reactors, used in large scale in Brazil for the sewage treatment.

In 2014, SANASA participated in international training held in Germany, in order to increase knowledge about the use of biogas and work out training for sewage treatment plant operators.

STRATEGIC ISSUES IN SUSTAINABILITY REPORT - YEAR 2014

SANASA presented its Strategic Issues, identified through studies and methodology applied during the first half of 2014, recorded in the minutes and attendance lists for external audit purposes. Coordination of the work fell to the Presidency. Strategic Issues were discussed and approved by the Executive Board and the Board of Directors.

The issues presented undergone materiality test at which time the consulted stakeholders had the opportunity to manifest, but also introduce new subjects as their assessment and point of view.

The stakeholders consulted were: Directors, Managers, Coordinators, as well as key stakeholders, ie managers who work with external stakeholders, being aware of their demands and at the same time, systemic view of the business. These key stakeholders are related to Outsourced, customers, suppliers and Union. The survey also covered the information considered in the financial statements, as the GRI indicator - G4 – 17.

G4-17

List all entities included in the organization's consolidated financial statements or equivalent documents

A. Government, shareholders, Campinas City Hall, consumers, workers, third party funding agencies, consumers.

ENGAGEMENT OF STAKEHOLDERS

G4-24

Provide a list of stakeholder groups engaged by the organization

G4-25

Report the basis for identification and selection of stakeholders with whom to engage

G4-26

Report the organization's approach to stakeholder engagement

G4-27

Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concern

A. The definition of Stakeholders of the SANASA map follows the guidelines of the Global Reporting Initiative - GRI and collaborates with the test of the Materiality Matrix, aimed at recognizing the Strategic Issues.

Map and administer desires and demands of stakeholders is part of the sustainability approach and the company's management. Identifying the stakeholders, the company can better manage its entire value chain, know where these stakeholders are and how they can impact the business.

- **Primary Stakeholders:** are directly related to the company's value chain.
- **Secondary stakeholders:** are the public who have an interest and influence in the business even without participating directly in its value chain.
- **Internal Stakeholders:** are the direct and indirect employees, managers, directors and shareholders.
- **External stakeholders:** regulators and government customers / consumers, suppliers, employers' professional association, a labor union workers generally communities, the scientific community, media, national and international NGOs, financial market (banks, market analysts) advisors.

METHODOLOGY AND MATERIALITY

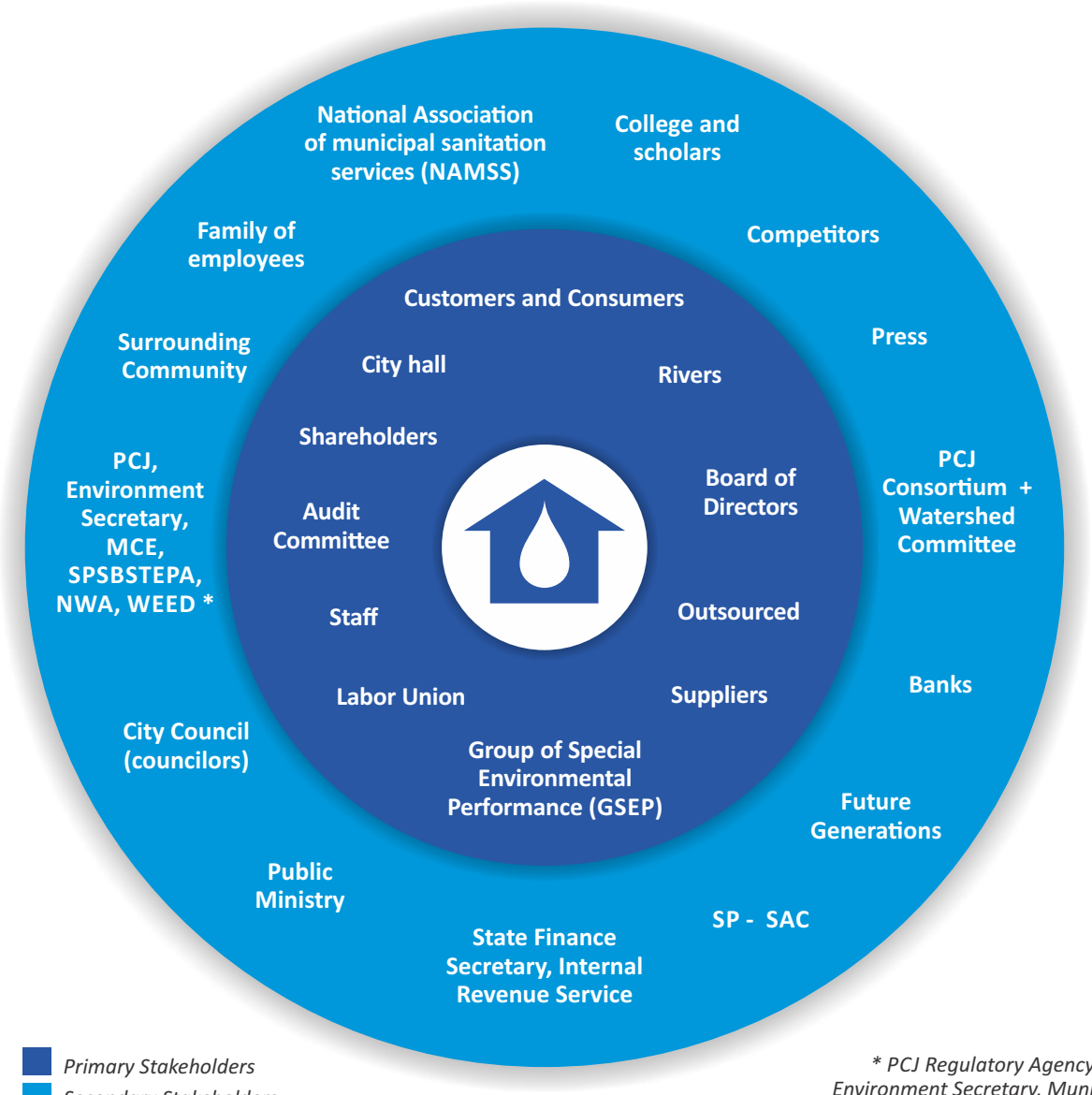
During the first half of 2014, SANASA worked in structuring a survey to define the stakeholders and Suppliers Map. The methodology for the identification, classification and evaluation of stakeholders was built from the survey of all the parts that are related to SANASA.

At work the following criteria were considered: proximity of stakeholder (primary or secondary), whether it is internal or external, existing type of commitment, maturity and assessment of how much the stakeholder is impacted and as SANASA is impacted by it.

To promote filling out the form "Identification, evaluation and classification of Sanasa Stakeholders" was applied a workshop, which included the opening made by the President, Dr. Arly Lara Romeo. Attended by employees from various areas of the company, after presentation of the methodology and group discussions, identified, classified and evaluated the Stakeholders. As a result was generated the Stakeholders Map. In all three meetings were held to define this map.

In further work, we performed the Materiality Matrix test with some of the stakeholders listed in Stakeholders Map which allowed to know, as well, the degree of importance given by these stakeholders to the proposed issues.

SANASA STAKEHOLDERS MAP



** PCJ Regulatory Agency, Environment Secretary, Municipal Council of Environment (MCE), São Paulo State Basic Sanitation, Technology and Environment Protection Agency (SPSBSTEPA), National Water Agency (NWA), Water and Electric Energy Department (WEED)*

As requested by the Board of Directors, Customers / Consumers were highlighted on the map from above. In building a policy of engagement, these stakeholders will be prioritized, with special attention to environmental education and new behaviors of consumption and tariff policy.

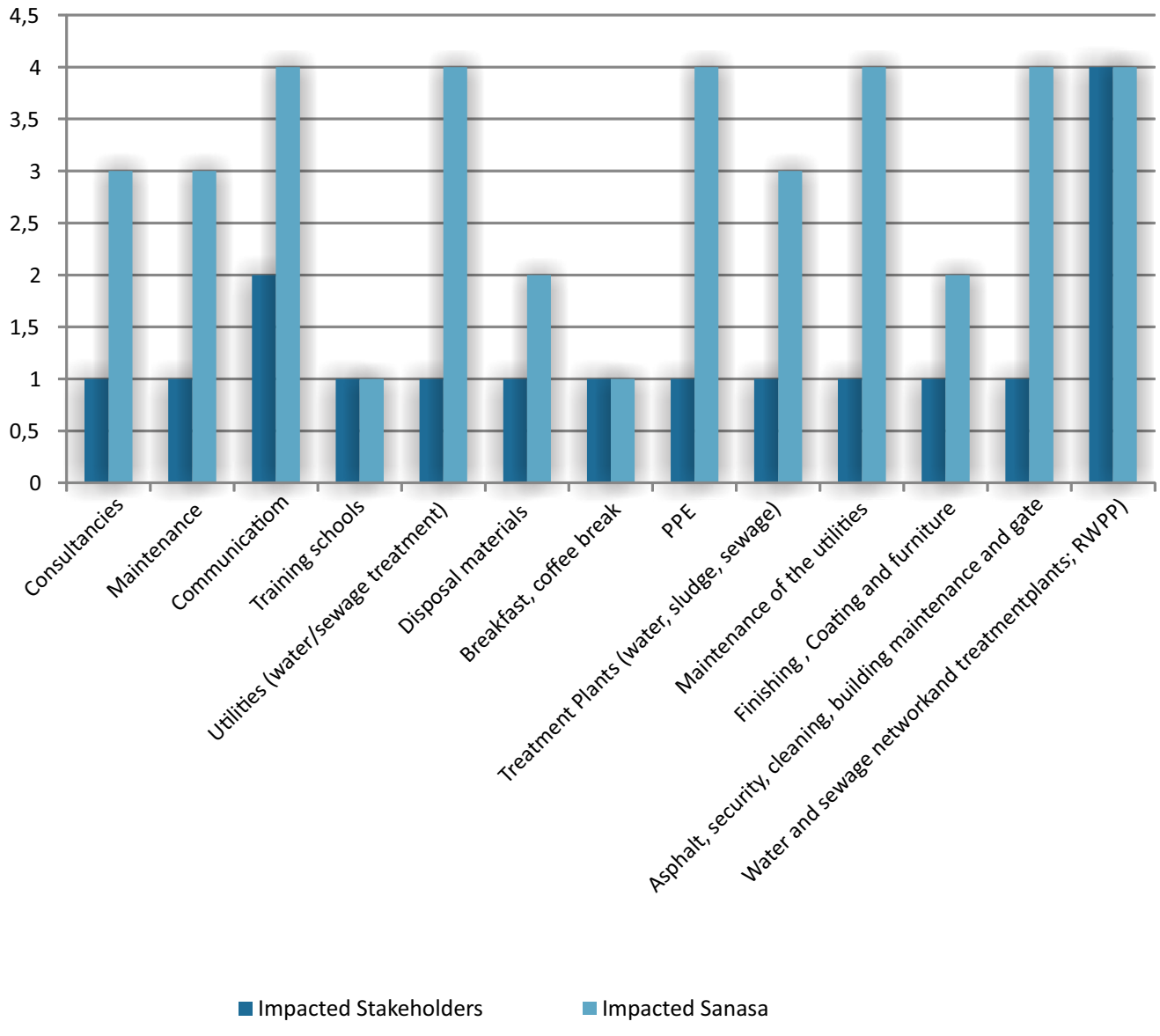
ENGAGEMENT OF SUPPLY CHAIN

To make filling out the form "Identification, classification and evaluation of Sanasa's Supplier Categories" meeting was held involving employees of Governance and sectors related to the subject.

The Supplier Map will be developed based on own information and methodologies.

The work will be carried out among SANASA providers initially will include sending a questionnaire, which will enable to know the practices adopted by these stakeholders. Later workshop will be held to promote the integration of these stakeholders. There will also be participation of the Ethos Institute in suppliers engagement. This stage is scheduled for 2015.

Supplier Map



RESEARCH OF STRATEGIC ISSUES

G4-18

Explain the process for defining the report content and the Aspect Boundaries and explain how the organization has implemented the Reporting Principles for Defining Report Content

A. The documentary research to define the Strategic Issues was prepared by Tatiana Ricci, Administrative Analyst Controller Management / Finance Board. The work was part of completion of the research master's degree from Mackenzie University / SP, which includes the construction of materiality by businesses. This participation represents a significant gain for SANASA, to deepen the knowledge of its staff, recognized the competence and high performance. Importantly, the employee benefits from the company's scholarship program.

The work took place during the Water Crisis, which guided most studies. The goal was to make this document can contribute to the search of medium- and long-term solutions. At the same time, the Report was studied of the Special Rapporteur on the Human Right to Safe Drinking Water and Sanitation of the United Nations, which has a diagnosis of Human Rights, Water and Sanitation in Brazil. This contributed to thicken the research and guiding issues.

The basis of studies was defined by the 10 Global Compact Principles of the United Nations, greater commitment that guides the sustainable thinking, and considered the strategic guidelines of the company. The survey covered the National Sanitation Plan, the Municipal Water Resources Plan, the Municipal Sanitation Plan, the Plan 300% (which provides 100% water supply, 100% collection and removal and 100% sewage treatment) and the resulting guidelines of the Public Ministry of the Environment in relation to universal sanitation. It was also brought to the scope of the studies the Access to Information Act - AIA and the Anti-Corruption Law.

Public commitments to sustainability, most of them signed by the Chairman of SANASA, were also met. Throughout the construction of the issues are the six elements of the CEO Water Mandate; Corporate Charter of the New York Leaders Meeting - 2013; the draft of Sustainable Development Goals - ODS, which will help the company to be able to establish a post-2015 agenda. This survey also reflects aspects of the Global Reporting Initiative - GRI, Ethos indicators and the framework of the Integrated Reporting, besides the Business Pact for Integrity Against Corruption of the Ethos Institute.

As for competitors, the survey took into account Reports Sustainability / GRI sanitation sector companies.

On internal studies, the discussions were held based own Sustainability Report / GRI SANASA and Corporate Risk maps and Water Hazards (Water Safety Plan).

Determined the issues, meetings were held in order to be able to view what should be the company's Strategic Issues for years to come. The whole construction of this work was the direct monitoring of the President, including the strategic decision making, shared with the Directors. In all, six meetings involving managers and directors and two with the Board of Directors.

The next step is further study of the value chain, aiming to recognize the risks, impacts and opportunities for business.

Identification of Strategic Issue

Test of Materiality

Definition of Stakeholders

Basis of studies: SANASA's RS / GRI previous, sector companies RS / GRI, documents and commitments to sustainability, Brazilian law, municipal plans, decisions of the Board

Internal research to identify and evaluate Stakeholders of SANASA

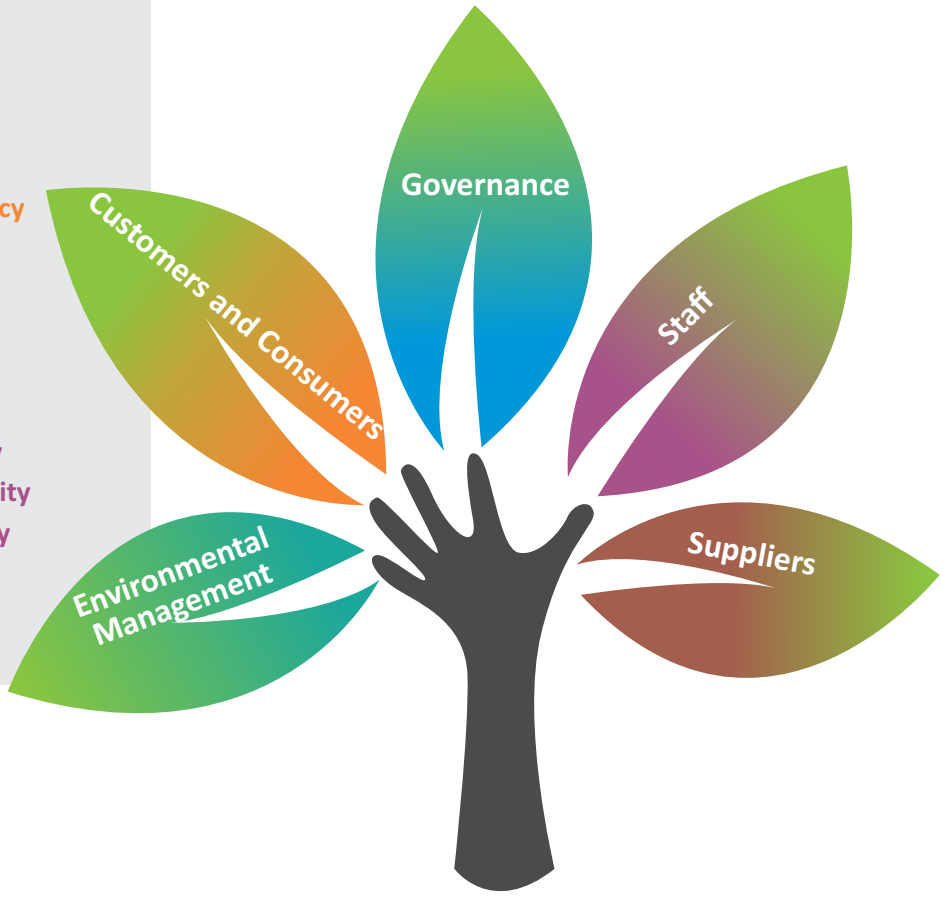
Consulted Stakeholders: Directors, managers, coordinators and managers from external stakeholders = six meetings. Validation of the Board = two meetings

Construction of the Stakeholders Map

15 Strategic Issues

1. Water
2. Sewage
3. Climate Change
4. Technological Innovation
5. Customer Relationship Policy
6. Tariff policy
7. Environmental Education
8. Satisfaction
9. Transparency Policy
10. Anti-Corruption Policy
11. People Management Policy
12. Gender equality and diversity
13. Culture of the Sustainability
14. Constant Trainings
15. Supply Chain

Stracture of Strategic Issues



CONTEXT OF SUSTAINABILITY

The studies took into account:

a) The Management of Water crisis: the performance of SANASA during the first year of the water crisis and how the company worked to ensure the supply of the population of the city of Campinas, as well as its articulation role by the basin of the PCJ.

b) Human Rights, Water and Sanitation: the work of the SANASA for universal sanitation.

STRATEGIC ISSUES

G4-19

List all the material Aspects identified in the process for defining report content

A. The survey found 15 Strategic Themes, with the backdrop of the water crisis integrating other subjects. They are as follows:

Environmental
1. Water
2. Sewage
3. Climate Change
4. Technological Innovation

Customers and Consumers
5. Customer Relationship Policy
6. Tariff policy
7. Environmental Education
8. Satisfaction

Governance
9. Transparency Policy
10. Anti-Corruption Policy

Staff
11. People Management Policy
12. Gender equality and diversity
13. Culture of the Sustainability
14. Constant training

Supply Chain
15. Suppliers

COMPREHENSIVENESS OF STRATEGIC ISSUES:

Environmental

Water

1. Achieve universal sanitation (100% water supply and 100% sewage).

2. Bring environmental education to its various stakeholders (rational use of water and sewage release aware of, among other projects and programs that SANASA performs and takes as appointments).

3. To foster the water debate in order to ensure the water supply for the population of Campinas and its metropolitan area.

4. To foster public policies to minimize the water impact. Example: to promote discussion within the PCJ on the use of alternative technologies to the irrigation process, in order to minimize the withdrawal of water from rivers.

Sewage

5. Raise the level of sewage treatment, seeking to reuse water availability.

Climate Changes

6. Fostering business model with technological innovation to adapt to climate change.
7. To foster the research and application of technology for the control of emissions of greenhouse gases.

Technological Innovation

8. modernize the industrial park, to reduce the loss ratio in the distribution and seek greater energy efficiency.
9. To foster the research and application of alternative energy sources.

Governance

1. Establish policy of transparency and assertiveness with its stakeholders, to improve communication and engagement.
2. Establish anti-corruption policy.

Staff

1. Establish personnel management policy.
2. Establish policy for gender equality, diversity and promotion of women.
3. Establish education policy to implement sustainability culture (including senior management).
4. Establish constant training policy for improvement and professional development.

Suppliers

1. Establish engagement policy of the supply chain to create value for the business.

MATERIAL ASPECTS IDENTIFIED AND LIMITS

G4-20

For each material Aspect, report the Aspect Boundary within the organization

G4-21

For each material Aspect, report the Aspect Boundary outside the organization: report whether the aspect is material outside of the organization, identify the entities, groups of entities or elements for which the aspect is material. In addition, describe the geographical location where the aspect is material for the entities identified

A. All identified aspects are relevant to the business strategy. The same aspects also result in significant impacts on the population covered by services provided by the company in the Campinas region. Even having adopted the guidelines of the Global Reporting Initiative Report model, the particularity of this report is to share, over the texts, the GRI indicators, the Global Compact, the Ethos Institute and the CEO Water Mandate (this, at the end of the publication).

G4-22

Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements

G4-23

Report significant changes from previous reporting periods in the Scope and Aspect Boundaries

A. No significant changes were recorded in the reporting period or on the information.

EXTERNAL AUDIT

SANASA aims to submit its Sustainability Report / GRI external audit. However, the company recognizes the need for further development of the GRI model management processes, with greater integration between sustainability indicators and the company. At this time, the team working on the SANASA indicators management system, which are already submitted annually to the external audit based on the NBR ISO 9001 by ABNT.

MAIN INDICATORS

DISTRIBUTION OF ADDED VALUE

G4-EC1

Direct economic value generated and distributed

Added Value shows the wealth generated by the company and its distribution to stakeholders, represented by employees, government (municipal, state and federal), third parties and shareholders. The distribution of added value of SANASA in 2014 reached R $ 403,942 million, an increase of 0.86% over the year 2013, when distributed R $ 400,503 million.

Distribution of Added Value	2012	2013	2014
Distribuion of added value (R$ thoudands)	**412.557**	**400.503**	**403.942**
Employees (direct remuneration, benefits and SPIF)	214.626	250.750	278.515
Government (taxes , rates and contributions)	78.442	80.851	83.653
Third parties (interest and rents)	61.069	50.595	60.533
Shareholders (dividends and interest on equity capital)	58.420	18.307	-18.759

GOVERNMENT SUBSIDY

G4-EC4

Financial assistance received from government

SANASA received in 2014, R $ 28,779 thousand resources coming from government subsidies, R $ 20.933 million from the Brazilian Government's Growth Acceleration Program - BGGAP, £ 2.34 million of the Consortium of the the Piracicaba, Capivari and Jundiaí - PCJ river basins, £ 3.145 million from the State Fund of Water Resources - FEHIDRO and R $ 2.361 million from the State Support Programme for Water Recovery - REÁGUA.

	2012	2013	2014
Total (R$ thousand)	**19.270**	**45.859**	**28.779**
PAC	14.438	41.597	20.933
PCJ	3.516	2.243	2.340
FEHIDRO	1.316	1.071	3.145
REÁGUA	-	948	2.361

INDEBTEDNESS

SANASA ended the year 2014 with net debt of R$ 296,784 thousand, representing an increase of 26% over the previous year. The ratio between net debt and EBITDA for the last twelve months was 6.60.

	12/31/2012	12/31/2013	12/31/2014
Net Debt (1 + 2 + 3 + 4 - 5) R$ Thousand	**244.399**	**235.548**	**296.784**
1. Loan	129.228	140.755	216.950
2. Finame	2.606	6.752	10.292
3. Financing	60.771	41.053	34.364
4. Capital Lease	57.694	56.381	54.910
5. Cash and Marketable Securities	5.900	9.393	19.732

IMPACT OF INVESTMENTS

G4-EC7

Development and impact of infrastructure investments and services supported

SANASA held a total investment of R $ 113.409 million in 2014, representing a 9.89% increase over the total invested in 2013, and 33.12% for the water supply works, 57.85% to collection systems, dumping and treatment of sewage and the remaining 9.03% invested in other investments. The fixed assets of the company, net of depreciation, amounted to R$ 827 million.

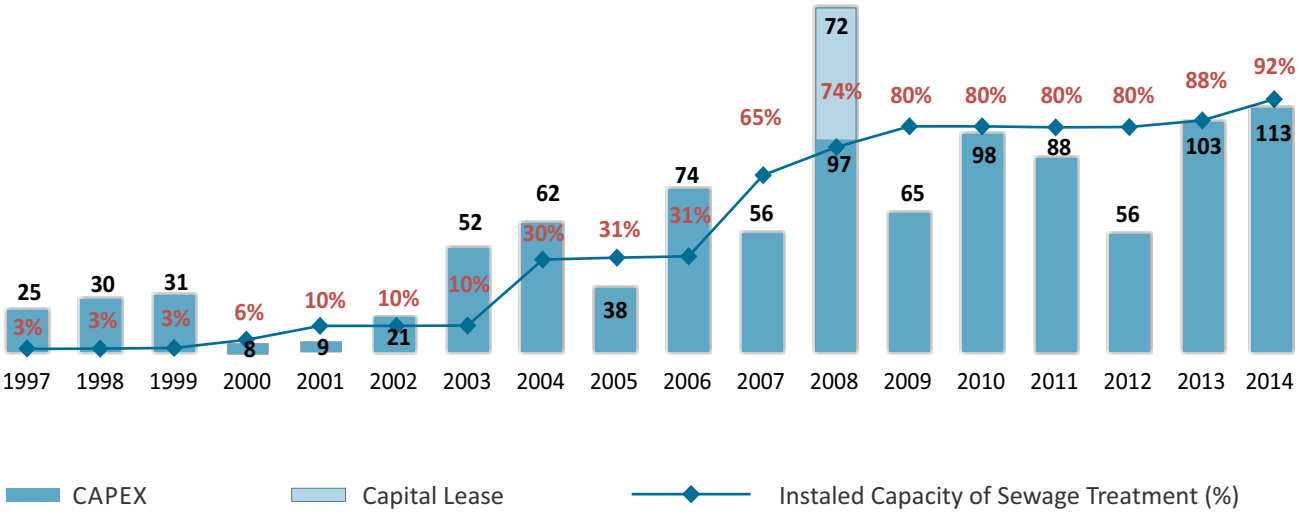
Description	2012	2013	2014
Total of Investiments (R$ thousands)	**55.988**	**103.201**	**113.409**
Water Operating System S	11.014	15.823	37.559
Sewage Operating System	37.017	77.687	65.611
Other Investiments	7.956	9.691	10.239

Among several works carried out in the water supply systems there are the replacement networks in Jardim Planalto, Nova Campinas, Vila Carminha, Jardim Primavera, Jardim Paulistano, Jardim Nova Europa, Vila Joaquim Inacio, Jardim das Oliveiras and Jardim Chapadão neighborhoods.

With regard to the works in the collection , dumping and sewage treatment systems are: Capivari II Sewerage System (SS) - Lot 2; Parque das Universidades SS; Sousas / Joaquim Egidio SS; Taubaté - Step 1 SS; Satellite Iris - basins 1 and 2 SS; Viracopos Region and Wastewater Interceptor System Anhumas -path Santa Candida.

It notes that since the opening of the company's capital in 1997, have been invested R $ 1,097,427 thousand, most of this value being (70.62%) applied in the sewage system, allowing the installed treatment capacity sewage leave approximately 3% (in 1997) to 92% (in 2014).

History of Investiments (CAPEX) (R$ million)



ENVIRONMENTAL PROTECTION

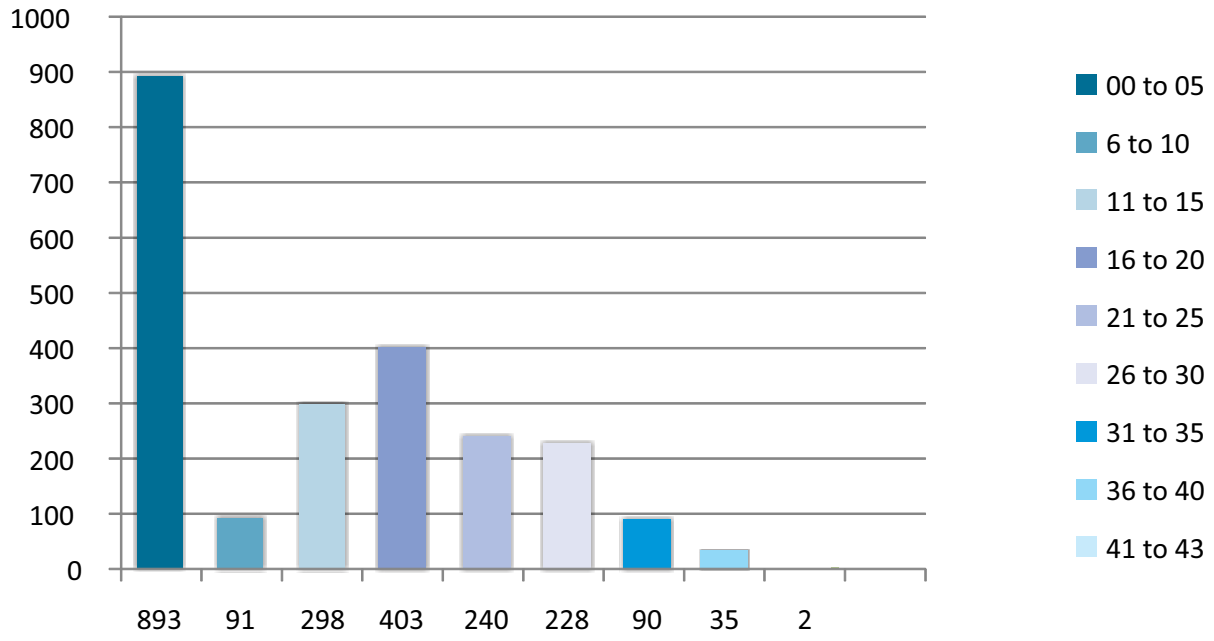
G4-EN31

Total environmental protection expenditures and investments by type

Sanasa recorded in 2014, investments for environmental control and protection of R $ 7,961 thousand. Of the total investment, 13.9% was allocated to external programs and projects in environment, 43.1% were for removing sludge and waste, 16.2% for the National Water Agency (ANA), 23.5% to the Regulatory Agency for Sanitation Services of the Piracicaba, Capivari and Jundiaí River Basins (PCJ ARES) and 3.2% for the Intermunicipal Consortium of the Piracicaba, Capivari and Jundiaí River Basins- PCJ Consortium.

Description	2012	2013	2014
Total	**9.940**	**8.711**	**7.961**
Investments Contribution to Consortium of Piracicaba/Capivari River Basin	282	625	255
Regulation rate and Basic Sanitation Oversight - ARES / PCJ	1.685	2.534	1.871
Water Resources collection rate - ANA	2.216	1.315	1.293
Removal of Sludge and Waste	3.709	3.054	3.434
Investments in programs and / or external projects	2.048	1.183	1.108

Distribution of Employees by seniority - in years



GOVERNANCE

G4-40

Processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members: diversity, independence, stakeholders (including shareholders) are involved

A. The Board of Directors consists of seven members, shareholders resident in the country, elected and removable at any time by the Extraordinary General Meeting, with a position occupied by independent directors, a position occupied by the employees' representative, a position occupied by the President of Company and other places occupied by the controlling shareholder nominations, one being the chairman.

Council members meet three-year term, reelection being permitted. See organization chart and find out more details in the Sustainability Report 2014 on financial year 2013, G4 indicators - 40 and G4 - 42, www.sanasa.com.br.

G4-34

Governance Structure

G4-38

Composition of the highest governance body

A. The mandates of the members of the Board of Directors, elected in 2013, have been renovated and are in force until 2016. *See organization chart of the Board of Directors and the Executive Board in the Report 2014 for the year 2013 at the opening of the chapter on Governance (in www.sanasa.com.br). Check regulations for members of the Executive Board and the Board of Directors in this Report, G4-35 and G4-40 the indicators, respectively.*

G4-39

Report whether the Chair of the highest governance body is also an executive officer

A. The Chairman of the Board of Directors may not be executive director.

G4-42

The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

A. See part of the Statute, published in Report 2014 for the year 2013 on the activities and roles that compete to the Board of Directors.

G4-35

The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees

A. Internal Rules: Art. 11. The Executive Board of the SANASA is composed of a Chairman and four Directors elected by the Board of Directors, all with three-year term, subject to renewal, and the Director of the Technical Area belonging to SANASA workforce.

§ 4 In the absence of the CEO will assume the CFO and Investor Relations.

§ 5. In the absence of this, as well as the other Directors, will assume the Director that the Board of Directors indicate.

The Technical Director and the Chief Financial Officer and Investor Relations are career employees and has occupied the Directors positions in previous administrations (2012/2013).

G4-36

Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body

Ethos Indicator 7: Stage 2 - The company gives priority to key stakeholders, relating them through channels that favor the reception of opinions, generating management reports and engagement plans.

A. The SANASA created the Technical Working Group in order to achieve "Goal of 300% of Universal" refers to:

• 100% of installed capacity for sewerage treatment, until June 2016;

• 100% collection and dumping of sewage, until December 2017, in neighborhoods that already have water networks;

• 100% of water supply, collection and dumping of sewage, until December 2020 in districts that do not have sanitation (water and sewage).

The group reports directly to the Executive Board and is composed of 10 members, nine of executive level.

G4-14

Report whether and how the precautionary approach or principle is addressed by the organization

G4-37

Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body

G4-46

The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics

Ethos Indicator 6: Voluntary Commitments and Participation Initiatives SER / Sustainability. Stage 3 - The company implements policies aligned to these commitments, as well as conduct a formal monitoring of voluntary initiatives which it participates.

Ethos Indicator 5: Organization Governance. Stage 3 - The company provides formal accounts and publicly express their documents and principles and values that are disseminated to internal and external audiences. Both it has evidence that the social and environmental impacts are evaluated by the decision-making process structure as a governance process that comprises a board whose legal provisions ensure the fair and equitable treatment of shareholders and the resolution of corporate conflicts.

Ethos Indicator 8: Investor Relations and Financial Reports. Stage 3 - The company has policy or a statute that defines terms and practices for the provision of accounts, which audited become a public document. In addition, the company invites all Company investors to a general meeting for presentation and approval of the financial statements and maintain an open communication channel.

Ethos Indicator 18: Mapping the Impacts of Operation Risk Management. Stage 3 - The company has guidelines and policies that guide the mapping of economic, social and environmental impacts that the operation eventually cause and will be periodically monitored by means of indicators that influence strategic planning and decision making.

A. In 2014, was approved the first version of the Corporate Risk Map. The identified risks have been assessed and validated by the managers of the areas to which they belong and the respective directors.

The final version of the map was the result of extensive work, in which custom presentations were made to all company managers (internal stakeholders): directors, managers and coordinators. After training, the managers made the identification of corporate risks in their areas, with the support and monitoring of the Corporate Governance Management, responsible for risk management in the company.

The Corporate Risk Map will be used as a tool for strategic decision making of managers, the Executive Board and the Board of Directors.

Other feedback channels are from the Satisfaction Survey, done in the Customer Service Sector, the Ombudsman and the Management of Corporate Governance.

G4-43

Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics

Ethos Indicator 8: Investor Relations and Financial Reports. Stage 3 - The company has policy or a statute that defines terms and practices for the provision of accounts, which audited become a public document. In addition, the company invites all Company investors to a general meeting for presentation and approval of the financial statements and maintain an open communication channel.

Ethos Indicator 9: Sustainability Reporting and Integrated Reporting. Stage 3 - The company has internal procedures defined for the preparation of sustainability reports, and engage internal and external stakeholders in this process. Reporting data, analyzed by senior management of the company, address economic, social and environmental.

A. The financial statements, internal audit and the Sustainability Report / GRI are effective ways to improve the expertise of the Board of Directors.

G4-45

Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities

G4-47

Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

Ethos Indicator 18: Mapping the Impacts of Operation Risk Management. Stage 3 - The company has guidelines and policies that guide the mapping of economic, social and environmental impacts that the operation eventually cause and will be periodically monitored by means of indicators that influence strategic planning and decision making.

A. The Management of Corporate Governance will report, when necessary, the Risk Map and its monitoring to the Board of Directors.

The Corporate Risk Map will be updated continuously and dynamically, with the possibility of re-evaluation, inclusion or exclusion risk, as relevant. The risk notes must also change as these are mitigated or become more severe. The Risk Map may also be revised in management changes as guidelines and interest risk of each management.

G4-48

The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered

A. The report is reviewed by the Board of Directors and the Executive Board.

G4-49

Report the process for communicating critical concerns to the highest governance body

Ethos Indicator 5: Organization Governance. Stage 3 - The company provides formal accounts and publicly express their documents, principles and values that are disseminated to internal and external audiences. Both have evidence that the social and environmental impacts are evaluated by the decision-making process structure as a governance process that comprises a board whose legal provisions ensure the fair and equitable treatment of shareholders and the resolution mechanisms of corporate conflicts.

Ethos Indicator 8: Investor Relations and Financial Reports. Stage 3 - The company has policy or a statute that defines terms and practices for the provision of accounts, which audited become a public document. Furthermore, the company invites all Company investors to a general meeting for presentation and approval of the financial statements and maintain an open communication channel.

A. Internal Audit and Corporate Risk Map are means to communicate critical concerns.

The Internal Audit of the company reports critical concerns as well as the progress of the work done by the Audit Portal, available on the company website, with restricted access to the Board. The Internal Audit also makes the work presentations Board of Directors meetings.

The Corporate Risk Map, which had its first version evaluated and validated in 2014, was developed in 2013 by the managers of the areas with the guidance and monitoring of Corporate Governance, with the objective of mitigating risks, seize opportunities and become one decision-making tool for senior management of the company.

G4-50

Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them

Ethos Indicator 18: Mapping the Impacts of Operation Risk Management. Stage 3 - The company has guidelines and policies that guide the mapping of economic, social and environmental impacts that the operation eventually cause and will be periodically monitored by means of indicators that influence strategic planning and decision making.

A. The company has listed 121 risks, divided by type of nature: strategic, operational or financial. Among them were highlighted 35, regarded as risks SANASA, which reflect major impact on the company and will receive priority treatment.

All the risks listed will be treated by the company, in a joint effort with the Corporate Governance involved Managers, which will be represented by "governance agents".

Each "Governance Officer" is an employee of a company's management, appointed as focal point in the area for corporate governance matters. After training, the governance agent will be responsible for monitoring the treatment of risks in your area.

The Management of Corporate Governance will monitor all work together to managers, giving advice, solving doubts and disseminating concepts and practice than is the Risk Management.

G4-51

The remuneration policies for the highest governance body and senior executives

A: The members of the Board of Directors receive commission-based pay of 10% of the average monthly compensation paid to the members of the Executive Board, as Municipal Decree 17673 of 08/13/2012.

Directors, managers and all employees profits sharing, split in two, in May and November.

All receive the ATS – Length of Service Additional for Employees, corresponding to 1% of salary per year worked in the company.

G4-52

The process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization

A: In 2014 was made mapping of employees hired between 2008 and 2012 and who had never gone through this procedure. The feedback for these employees will be made by Managers – Coordinators and Managers in 2015.

The mappings are evaluations carried out since 2004, when the company hired an independent consulting firm to deploy a Carrier and Wage Plan. This plan has created large positions and structures compatible with the needs of the company, reducing the amount of isolated positions that previously existed. For each position their activities were defined. In 2004, 2006, 2008 and 2010 were made assessments based on this new structure.

G4-53

Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable

Ethos Indicator 5: Organization Governance. Stage 3 - The company provides formal accounts and publicly express their documents, principles and values that are disseminated to internal and external audiences. Both have evidence that the social and environmental impacts are evaluated by the decision-making process structure as a governance process that comprises a board whose legal provisions ensure the fair and equitable treatment of shareholders and the resolution mechanisms of corporate conflicts.

Ethos Indicator 8: Investor Relations and Financial Reports. Stage 3 - The company has policy or a statute that defines terms and practices for the provision of accounts, which audited become a public document. Furthermore, the company invites all Company investors to a general meeting for presentation and approval of the financial statements and maintain an open communication channel.

A. Unions and company representatives (Board) gather to sign the collective agreement annually. The discussions take place in April, to be effective starting May 1st. Social clauses are discussed and revised every two years.

G4-54

The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country

A. Sanasa is a municipal company and has no operations outside the city of Campinas. The compensation of employees is as Carrier and Salary Plan, there was no difference between the units.

G4-55

Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country

A. Sanasa is a municipal company and has no operations outside the city of Campinas.

Salary increases occur in the following cases:

1. Collective Bargaining - annual salary increase, with a percentage equal to the entire company.

2. Mapping - evaluation of employees according to criteria of the Carrier and Salary Plan.

3. Appointment - when the employee holds a position of trust/ head.

According to these criteria there is no difference of salaries for different work unit of.

STRATEGIC GUIDELINES OF SANASA

G4-56

Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

Ethos indicator 1: Stage 1 - The company includes social aspects and environmental issues into their strategies.

PRINCIPLES

- Attendance and punctuality
- Mutual cooperation
- Dignity
- Efficiency
- Purpose
- Honesty
- Equality Impartiality
- Impersonality
- Initiative
- Integrity
- Justice
- Loyalty
- Legality
- Freedom
- Continuous Improvement
- Morality
- Prevalence of public interest
- Advertising
- Social and environmental responsibility
- Customer satisfaction
- Security

MISSION

• Contribute to the quality of life of the population of Campinas, to meet the current and future needs of basic sanitation;

• Plan and promote actions for municipal environmental sanitation;

• Participate in activities related to sanitation in the national and international levels;

• Develop actions aimed at social and environmental responsibility.

VISION

• Be recognized as one of the best municipal companies in sanitation in the country.

BUSINESS GOALS

• 100% Water Supply;
• 100% Sewage Collection and Dumping;
• 100% Sewage Treatment;
• Customer satisfaction;
• Assurance of supplies;
• Business Integrity Assurance;
• Open new business to: water reuse sale and treatment of non-domestic effluent.

GUIDELINES

• Efficiency in business management;
• Technology Effectiveness and in business ethics;
• Social and environmental responsibility;
• Certifications and accreditations;
• Ethics Code and job-skills training.

G4-57

Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines. (eg.: ombudsman)

Principle 10 of the Global Compact: Businesses should work against corruption in all its forms, including extortion and bribery.

Ethos indicator 4: Stage 1 - The company's ethics code is evaluated and approved by an agency or greater governance board; it encompass all employees of the company; it includes rules of engagement with government officials; considers prohibition of illegal, immoral and unethical practices. The company, in turn, informs their behavior patterns to stakeholders and has practices for the development of ethical values.

A. COMMUNICATION MECHANISMS

SANASA offers the Portal Public Transparency, with the following minutes and reports:
• Minutes of the General Meetings, Ordinary and Extraordinary
• Minutes of the Audit Committee
• Board of Directors' Minutes
• Social Report
• Notices to Investors
• Financial Statements
• Fact Sheet
• Strategic Guidelines
• Revenues and Expenses
bidding processes
• Compensation of employees
• Sustainability Report.

Direct contacts:
• Through the website www.sanasa.com.br
• The Call Centre service operates 24 hours, seven days a week, following the procedures of care. To ensure information security and respect for the consumer, the calls are recorded.
• Service agencies: SANASA has 13 service agencies in the city of Campinas, 2 mobile.

G4-SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs; formal local community grievance processes

G4-SO11

Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

Ethos indicator 14: Stage 4 - The company actively participates in the development of public policies to equate the critical issues of its business sector, taking into account the interests of society and the benefits that will enjoy.

Ethos Indicator 7: Stage 2 - The company gives priority to key stakeholders, relating them through channels that favor the reception of opinions, generating management reports and engagement plans.

A. The Ombudsman, linked to Corporate Governance, is a permanent channel of communication with the citizen. Receives and analyzes the demonstrations on the services provided by the company, identifies possible causes of disability in attendance and in partnership with other areas of the company, directs the issues raised, seeking the improvement of care and quality of services provided.

In 2014, the Ombudsman received a total of 2,414 demonstrations, of which 99% were answered and ended. The response time was within 5 working days in 84% of cases and within 3 working days by 79%.

G4-58

The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines

Ethos indicator 4: Stage 1 - The company's ethics code is evaluated and approved by an agency or greater governance board; it encompass all employees of the company; it includes rules of engagement with government officials; considers prohibition of illegal, immoral and unethical practices. The company, in turn, informs their behavior patterns to stakeholders and has practices for the development of ethical values.

A: Sanasa is a signatory of the UN Global Compact and its principles of Human Rights, Labor, Environmental Protection and Anti-Corruption, also signed with the Ethos Institute the Business Pact for Integrity and Against Corruption - Company Clean.

In 2014, the Sanasa worked on the development of the Compliance Program, consisting of documents: the Compliance and Anti-Corruption Policy; Ethics Code for all employees; Manual Clean Company, aimed at employees who have contact with third parties; and Code of Conduct for Suppliers. The Program is in the process of review and approval.

The Compliance Program seeks transparency, ethics and ensure that everyone is complying with legislation, and create preventive mechanisms to prevent and inhibit possible acts of corruption.

The Compliance covers all areas, with the initial focus rules of conduct and anti-corruption issues, to meet the Federal Law # 12,846 / 13 (Anticorruption Law) which entered into force in 2014. In the new model of Conduct Committee, there is the participation of employees of Corporate Governance as permanent members, to act as secretary, guide and answer questions and participate as a voting member and keep the file and permanent historical processes.

OPERATIONAL MANAGEMENT

SUPPLIERS

G4-DMA

b. Report how the organization manages the material Aspect or its impacts.

A: The bid is the formal administrative procedure that can ensure equal opportunity to all stakeholders to provide products and services that enables the participation of the largest number of competitors.

Trading sessions, both the physical presence and the electronic, were imposed SANASA in order to improve the procurement system. In 2004 it implemented the physical presence trading sessions and, in 2012, the electronic bid. With the Electronic Bid there was a higher concentration, flexibility and cutting red tape in bidding procedures.

By privileging electronically and eliminate some bureaucratic procedures, the session becomes transparent the purchasing process. The bid made by internet, without the need for physical presence of the bidders in the session, allows the expansion of the universe of participants and increases the competitiveness between them. The operation of the trading is similar to the auction: the participating companies give bids on prices initially offered.

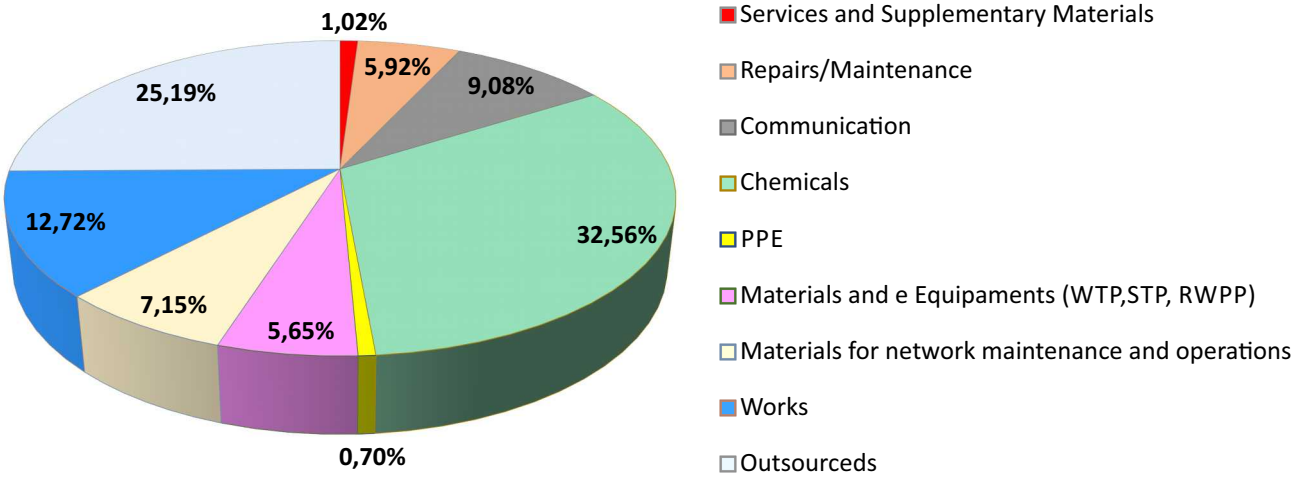
To participate, companies must cater to specifications contained in the tenders for purchases of goods and services. After the competitive process and the planning of bids, the auctioneer check satisfaction of the conditions set out in the tenders.

Number of new suppliers registered in SANASA:

In 2,357 tenders closed until December 31, 2014, contracts totaled R $ 212.5 million, reducing 41.66%, or R $ 151.8 million between the reference prices obtained through market research in the preparation of each trading session, and the final prices. These savings would be achieved in traditional auctions and shows the engagement of the auctioneers, who have been successful in addressing the challenge of fostering competition among suppliers: the number of new companies registered in the Bank Sector Pricing and the Supplier Registration SANASA is growing, as shown in the chart.

In 2014, there was an increase in hiring compared to 2013, mainly in the purchase of chemicals (percentage of resources spent to 32.56%) due to water crisis. Of the total, 25.19% were new contracts with subcontractors and 12.72% related to construction and engineering services, as chart shows on Supply Chain Management.

Supply Chain Management



** The data reported relate to processes finished up to 01.14.2015.*

G4-DMA

b. Report how the organization manages the material Aspect or its impacts. (eg.: small and medium suppliers)

A. Bids shall grant differentiated and simplified treatment for micro-enterprises, small businesses and individual microentrepreneurs in the qualification trial stage. Differentiation is true of the grant, if necessary, the period of five working days, extendable for an equal period at the discretion of Public Administration, for the resolution of disputes relating to tax compliance documents.

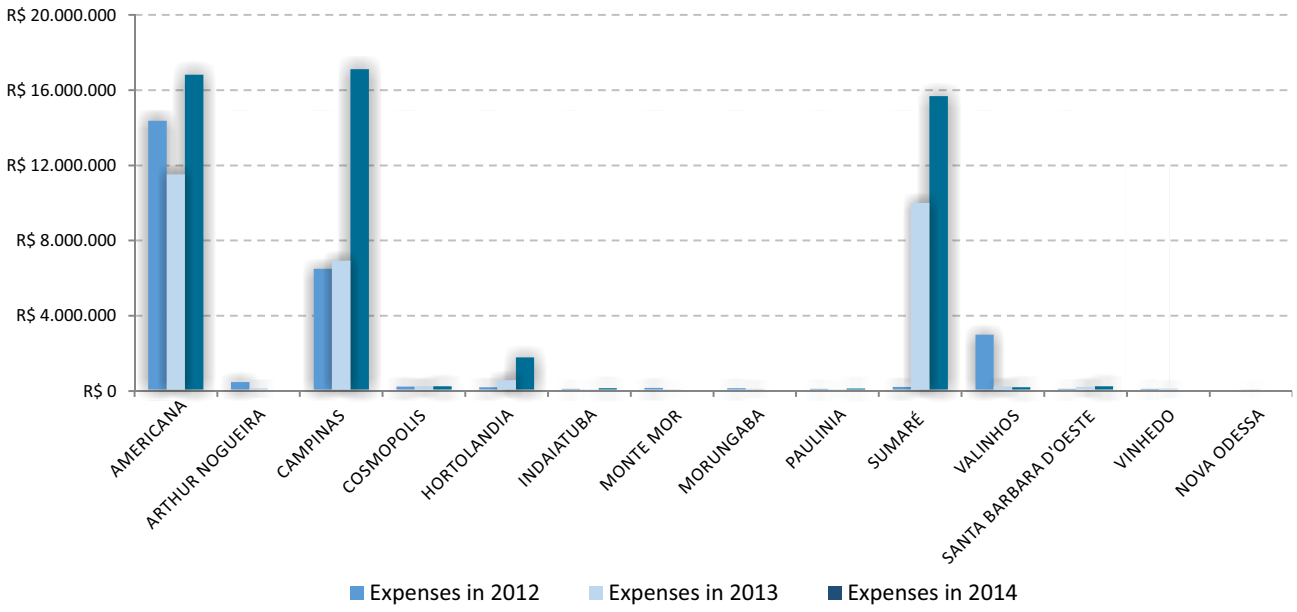
The inclusion process helps to bolster regional economies and boost local growth, as forecasting in Complementary Law 123/2006, as amended by the Supplementary Law 147/2014. In addition, there is legal provision for micro-enterprises, small businesses and individual microentrepreneurs, after the bidding achieve the lowest price, can cover you if your offer is on a percentage value established by law, up to 10% higher than lower price in conventional bids and Differentiated Regime of Contracts - DRC, and up to 5% five percent in bids held in the trading sessions mode.

Differentiated Regime of Contracts

The federal government instituted a new type of bidding, the Differentiated Regime of Contracts - DRC in order to increase the efficiency in public procurement and increase competitiveness, promote the exchange of experience and technology and promote technological innovation. The method was created in Brazil to meet the needs of contracting for works for the FIFA World Cup 2014 and the Olympic and Paralympic Games in 2016, and airport infrastructure works in distant capitals by 350 kilometers of those sporting events.

The DRC was established by Law No. 12,462, 2011 and extended mode to bids and contracts necessary to carry out infrastructure works and contracting services for airports, and amended by Law n.12.688 of July 18, 2012, which extended the DRC for the shares in the Brazilian Government's Growth Acceleration Program (PAC).

Expenses With Local Suppliers in Important Operational Units



LABOR PRACTICES OF SUPPLIERS

SANASA engages in the promotion of decent work, defined by the International Labour Organization - ILO as a productive and adequately remunerated work, performed under conditions of freedom, equity and security, without any form of discrimination, and able to guarantee a dignified life all the people. To reaffirm this commitment, in 2014 SANASA became signatory to the Business Charter for Human Rights and the Promotion of Decent Work Ethos Institute.

G4-LA15

Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

Principle 1 of the United Nations Global Compact: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 of the United Nations Global Compact: make sure that they are not complicit in human rights abuses;

Principle 3 of the United Nations Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 of the United Nations Global Compact: the elimination of all forms of forced and compulsory labour;

Principle 5 of the United Nations Global Compact:
the effective abolition of child labour;

Principle 6 of the United Nations Global Compact: The elimination of discrimination in respect of employment and occupation.

A. SANASA supervises the outsourced companies, aiming compliance with the warranties provided by labor law. Monitoring seeks to identify whether they are being complied with decent working conditions, the use of safety equipment and compliance with the collective agreement, related to the category to which the workers belong.

Field inspection

SANASA has a routine inspection on alternate days and times in the outsourced companies playing field for:

• Identify the outsourced workers and make sure those are the same provided by the company and are integrated in SANASA.

• Visually inspect the Personal Protective Equipment - PPE, ensure they are appropriate to the workplace conditions and if they offer risk of accidents.

• Talk to workers to know the working conditions, including: whether they are working overtime and not the record; and if the employee who should be on vacation is at the construction site.

• Inspect whether the conditions of hygiene and rest are respected and the lunch hours is made in accordance with the labor standards.

In the event, the inspection report is sent to the Contract Manager to make arrangements with the third party. The recurrence of infractions is punishable by fines, according to the contract.

In case of unhealthy services, observes:

• Proper use of gloves, masks, footwear etc.

• Offer ideal conditions for the development of the work, such as: cafeteria, toilets and rest area, according to the service developed.

The SANASA Third Party Inspection sector also controls all tax and labor documents outsourced, as well as collective bargaining agreements and the granting of benefits.

G4-DMA

A. The SANASA's contract requires employees of suppliers are covered by the Consolidation of Labor Laws - CLT, which prevents the hiring of slave and child labor.

In 2014, SANASA recorded 20 occurrences for external audit by the lack of use of safety equipment, integration of employees and subcontractors who are not informed.

The management predicts that occurrences are reported to contract for knowledge manager. The recurrence of fact entails fines provided for in the contract.

In 2014, two contractors were about R $ 1 million retained for the payment of contracts, due to irregularities in compliance with labor laws and debts with the Union.

G4-LA3

Return to work and retention rates after parental leave, by gender

A. All 1070 outsourced employees working in SANASA has the right, guaranteed by collective agreement, maternity / paternity leave.

• In 2014 only three women were on maternity leave.

• Other women - a total of four - who returned from maternity leave remain employed after twelve months.

In the same period there were 15 cases of paternity leave. Male dominance is justified because of the type of work, mostly related to construction, which hires largely male labor.

G4-LA14

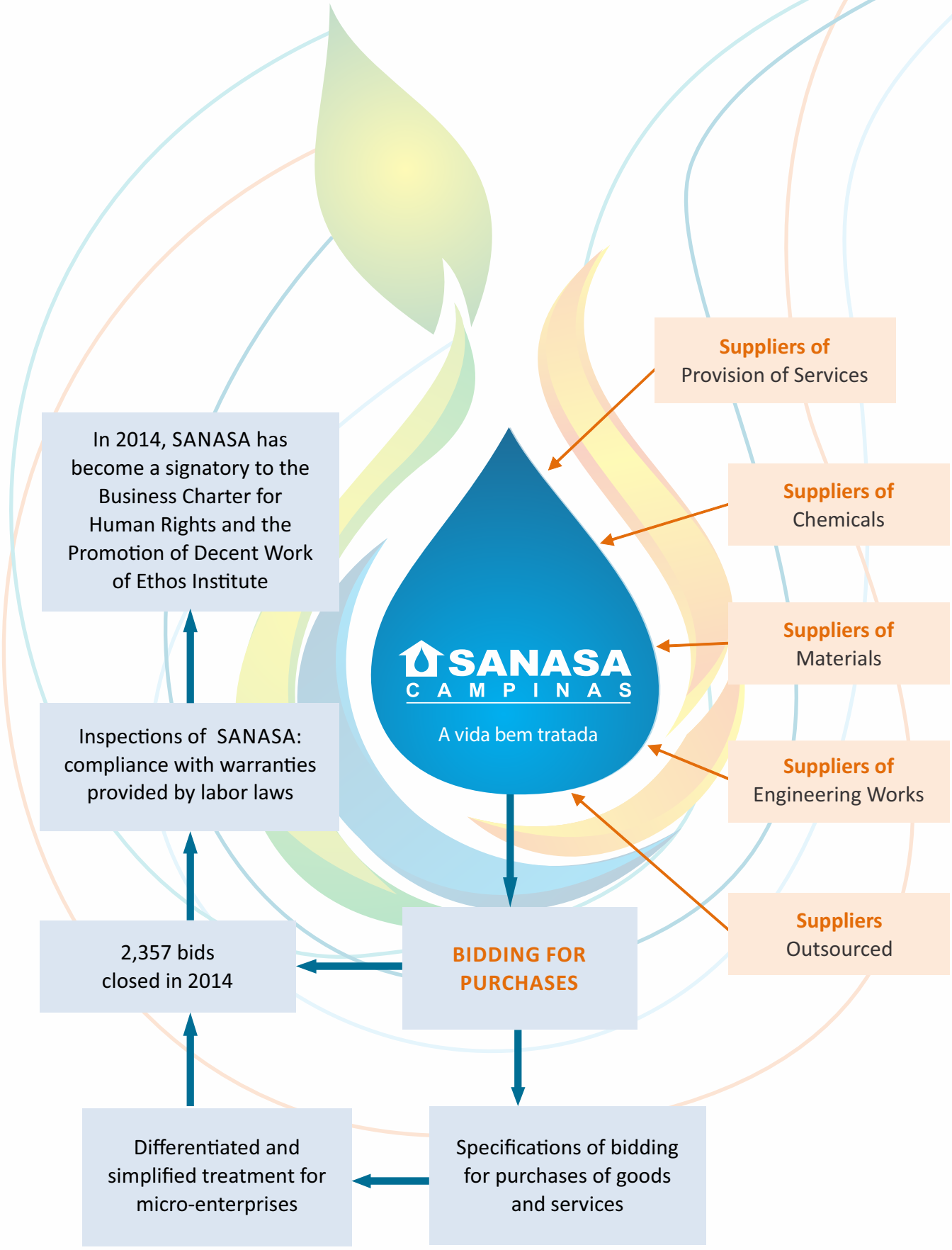
Percentage of new suppliers that were screened using labor practices criteria

A. All suppliers are evaluated on criteria related to labor practices, among other assessments.

SANASA does not contract and never hired companies that use child labor. To register in SANASA, each supplier must meet the requirement to declare, for the purposes of item V of art. 27 of Law No. 8666 of June 21,1993 increased by Law No. 9,854, of October 27, 1999, which does not have in its lower staffing of 18 in night work, dangerous or unhealthy and children under sixteen (16) years in any other work, except as apprentices from 14 years. SANASA regularly inspects updating these documents.

Sector	Number of workers in outsourcing companies	Men	Women
Construction	414	410	4
Building maintenance	22	22	-
Building cleaning	148	34	114
Cut water supply	21	20	1
Surveillance and gate	465	453	12
Total of outsourced workers	1.070	947	123

SUPPLY CHAIN



Engineering action promotes water savings in public schools

G4-EC8

Significant indirect economic impacts, including the extent of impacts

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Principle 9 of the United Nations Global Compactt: Encourage the development and diffusion of environmentally friendly technologies.

A. In response to the Rational Use of Water Project in Public Schools (see report below), the engineering of SANASA was involved in achieving the following objectives:

• meeting the minimum water consumption reduction target 25% per student per day;

• promoting the reduction of consumption by adopting equipment and devices with principles aimed at saving water;

• installing equipment for monthly monitoring of consumption;

• monitoring water quality at the point of consumption.

SANASA sought solutions with suppliers to address the need for installation of antivandalism model taps into external areas of the schools, which were also economic in water flow. This tap model is highly resistant to acts of vandalism and theft, as well as having self-closing mechanism (hydro), the tap is surrounded by concrete, ideal for use in public places with great movement of persons.

When started the installation of antivandalism tap model in Reágua project schools it was found that the volume of water released in each drive ranged 600-1000 ml per drive, when only 200 ml would be enough in the case of drinking fountains and sinks.

Basically, the antivandalism taps available in the market meet the standard NBR 13713/2009 establishing operating flow rate of 6 liters per minute and closing time ranging from 6 to 10 seconds, and not allow adjustment of the operating flow.

SANASA then sought in the market alternative measures to reduce the flow rate of the tap and hence the amount released at each drive.

The immediate step was to conduct partnership with the National Industrial Training Program -NITP, which produces a device called a 'restrictor' flow to taps, which fits the antivandalism tap the brands acquired by SANASA.

NITP developed a device 'restrictor' flow orifice 1 mm for use in antivandalism taps, which reduced flow operation.

SANASA considered the solution adopted as a stopgap measure, because the ideal would be that the antivandalism tap allow the installation of a device called 'aerator' at the tip of the tap, as with most taps available, use a can of being device with flow corresponding to the needs of each application.

In addition, the SANASA asked manufacturers Fabrimar and Docol - ones that produce antivandalism tap in Brazil - the adaptation of the product to allow the use of the aerator.

The company Docol understood that the request was adding value to your product and quickly provided the necessary changes. Since its production chain replaced the previous model by the current, which allows the installation of many aerators with flow rates varied, adapting the product to market needs. The equipment began to be offered in the market.

In subsequent bidding SANASA acquired antivandalism taps, as with anti-theft aerators, with constant flow of 1.8 liters per minute, which were installed in schools project and contribute to the reduction of water losses, with full acceptance from users. As a result, 110 schools have received 901 new model.taps.

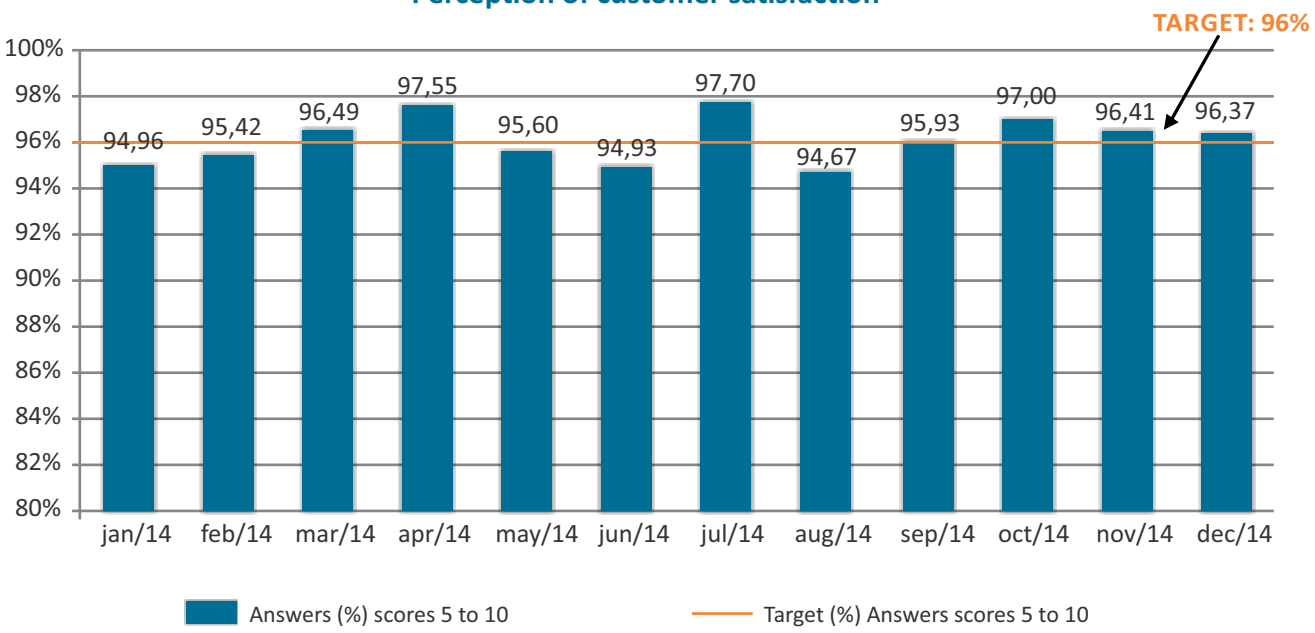
With this work, SANASA led to improvement in the production process and added value to the supplier's equipment, considered Brazil's leading manufacturer of sustainable products and largest exporter of bathroom metals in Latin America, one to get the maximum stamp water savings of Water Efficiency Labelling Scheme - WELS Brazil. Also benefited NITP, one of the most important generation of national centers and dissemination of knowledge applied to industrial development.

CUSTOMER SATISFACTION

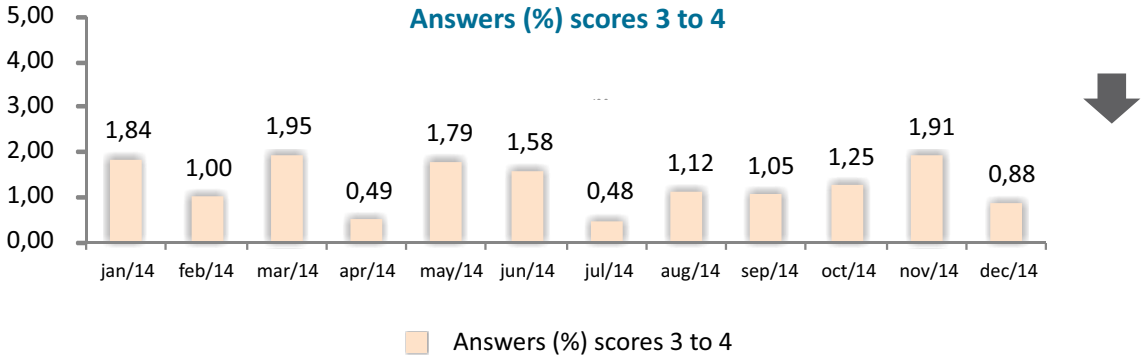
G4-PR5

Results of surveys measuring customer satisfaction

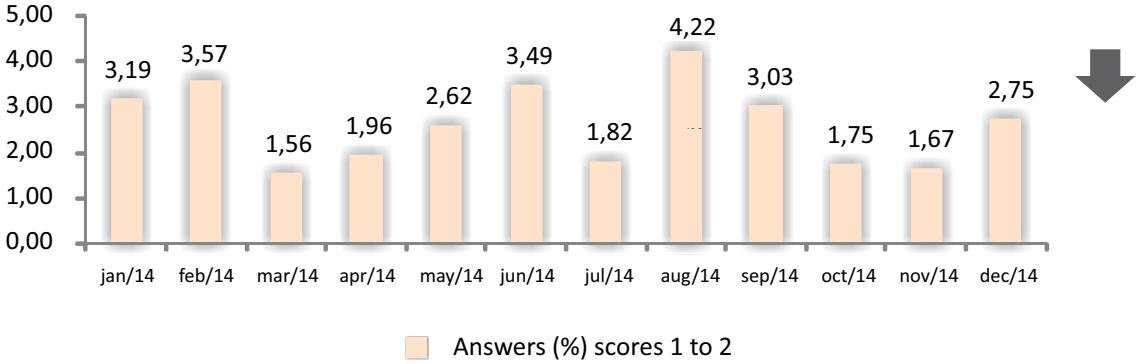
Perception of customer satisfaction



Answers (%) scores 3 to 4



Answers (%) scores 1 to 2



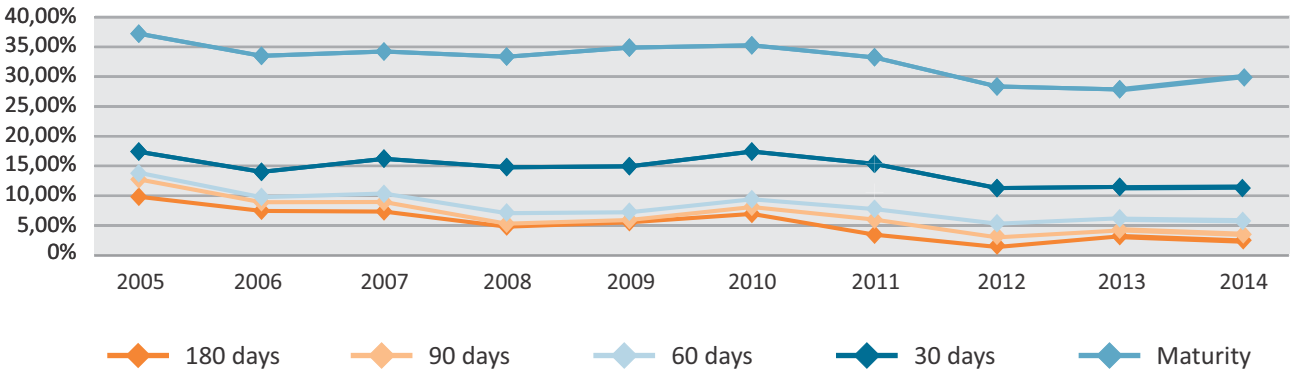
DEFAULT

The control maintained since 2005 by SANASA on the default has contributed to maintain stable rates and gradual reduction of non-payment on the correct dates (see charts).

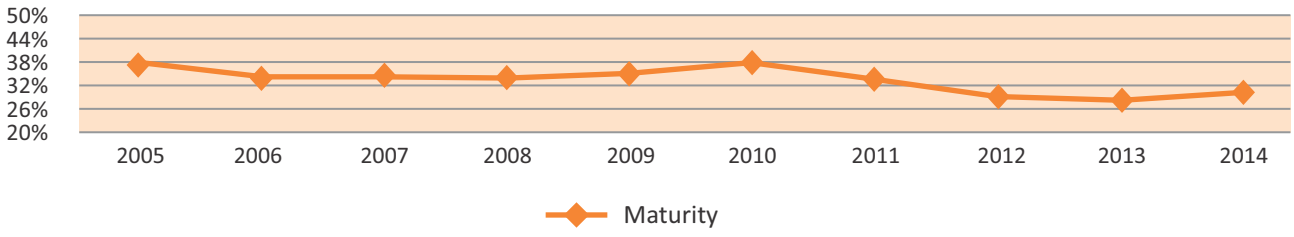
This progress is a result of preventive measures adopted by the company, encompassing from consumer awareness, through the systematization of the collection, to the strengthening of the tools used in the communication between users and SANASA.

Consumers are informed in advance about the actions to be taken in case of default, such as cuttig the water supply, protest, negative and lawsuit, which encourages pending solution and stops the process of collection.

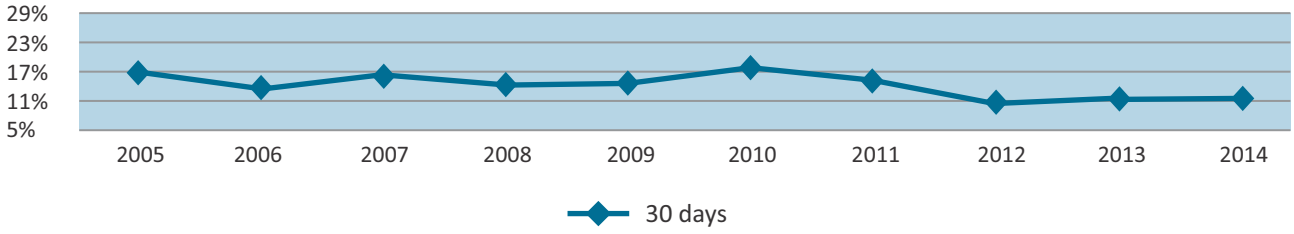
Default 2005 to 2014



Default at Maturity



Default at 30 days



LOYALTY

G4-EC8

Significant indirect economic impacts, including the extent of impacts

Ethos Indicator 2: Value proposal, Stage 3 - The company identifies the needs of its consumers and customers and to satisfy them, includes features, social and environmental aspects in their products or services.

A. In December 2014, 264 customers - industrial, commercial and hospital - were loyal to SANASA, total 11.86% higher than the 236 commercial, industrial and hospital clients added in 2013.

The loyalty contract, implemented for more than ten years by SANASA as a complement of procedures of tariff policy, aims to attract and keep customers.

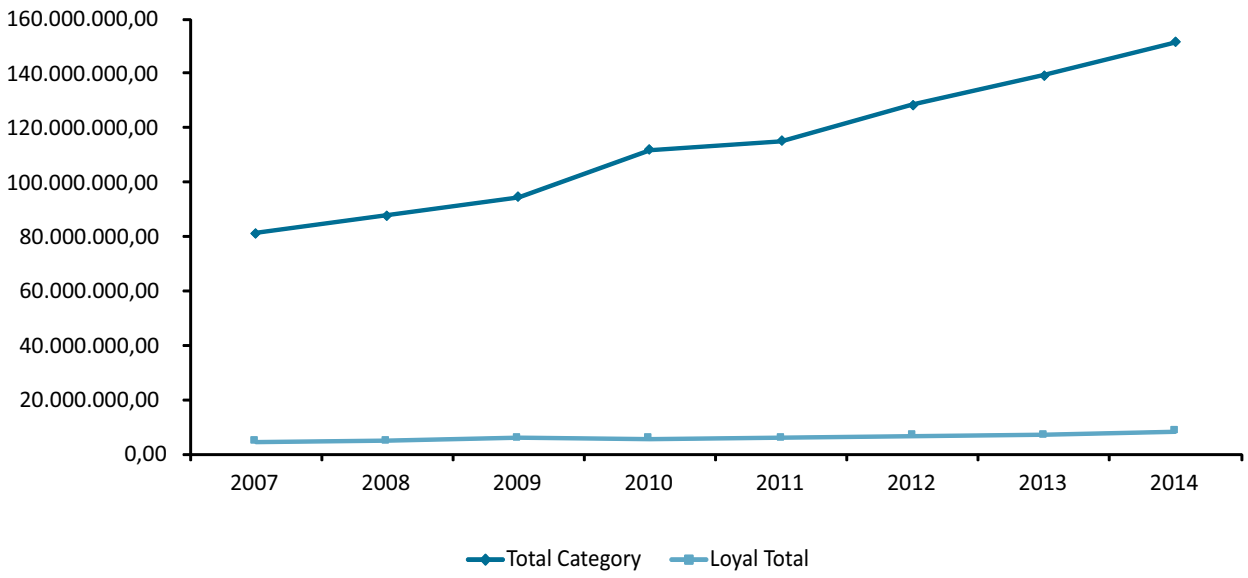
The loyalty contract grants discount on water and sewage rates for commercial and industrial customers consuming above 80m³ / month.

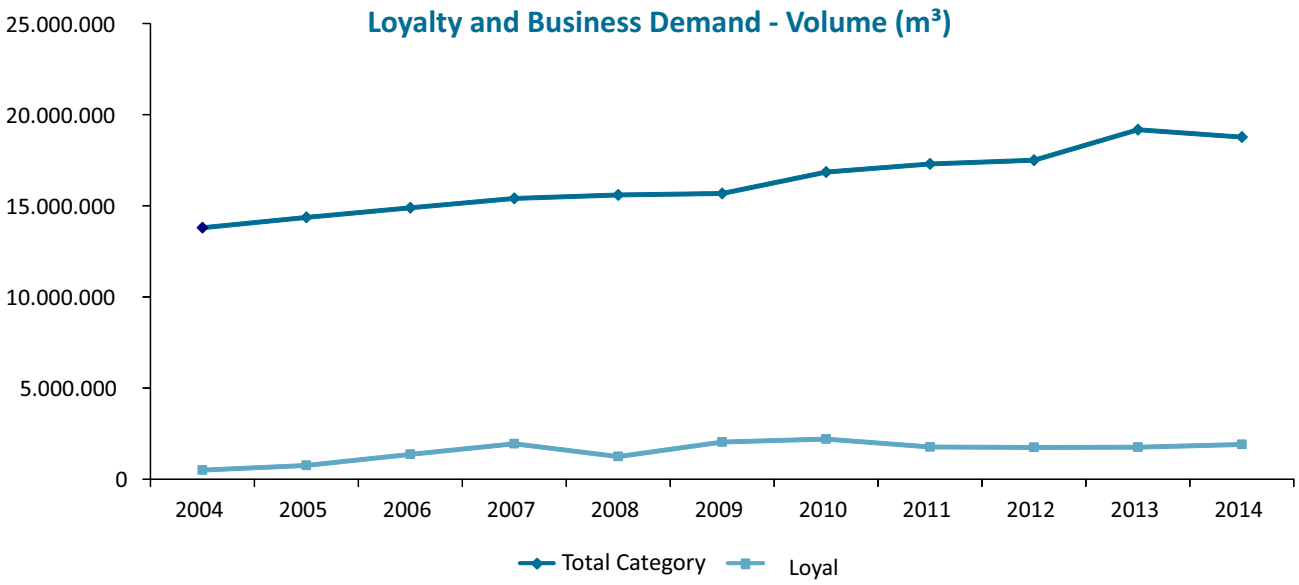
Since 2005, the hospitals of the city were benefited with 50% discount on linear rates of water and sewage to those who joined to the Hospital Loyalty Contract. For this, the institution must be convening to the National Health System - SUS or prove continuous charity care (not sporadic).

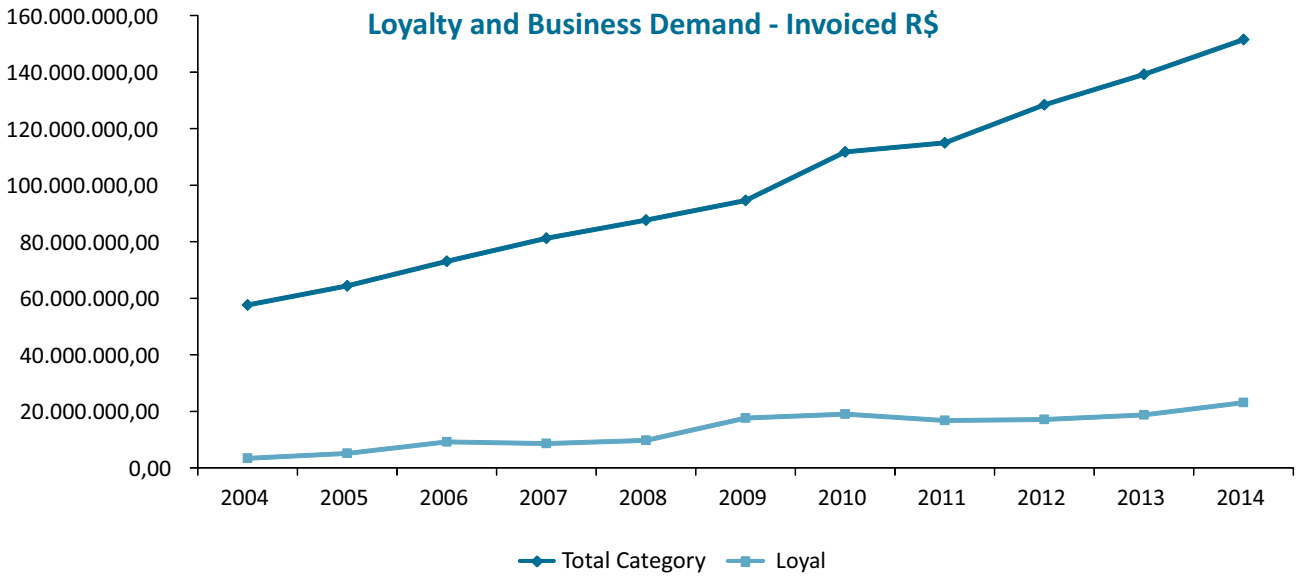
The hospital should not own another benefit of SANASA. If it is not convening to SUS, the hospital must provide laboratorial medical tests to the Municipal Hospital Mario Gatti.

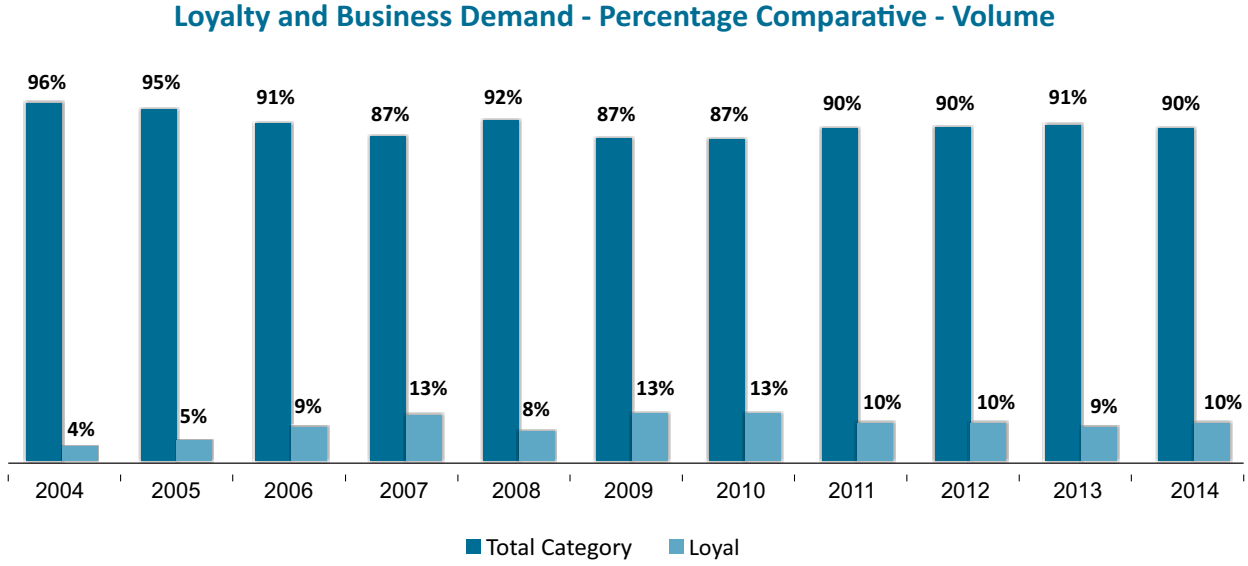
The program was successful with the hospital network, it helped minimize the pent-up demand for laboratorial medical testing of the Municipal Hospital and has increased the consumption of water supplied by SANASA.

Invoiced Value of Loyalty Contract / Hospital

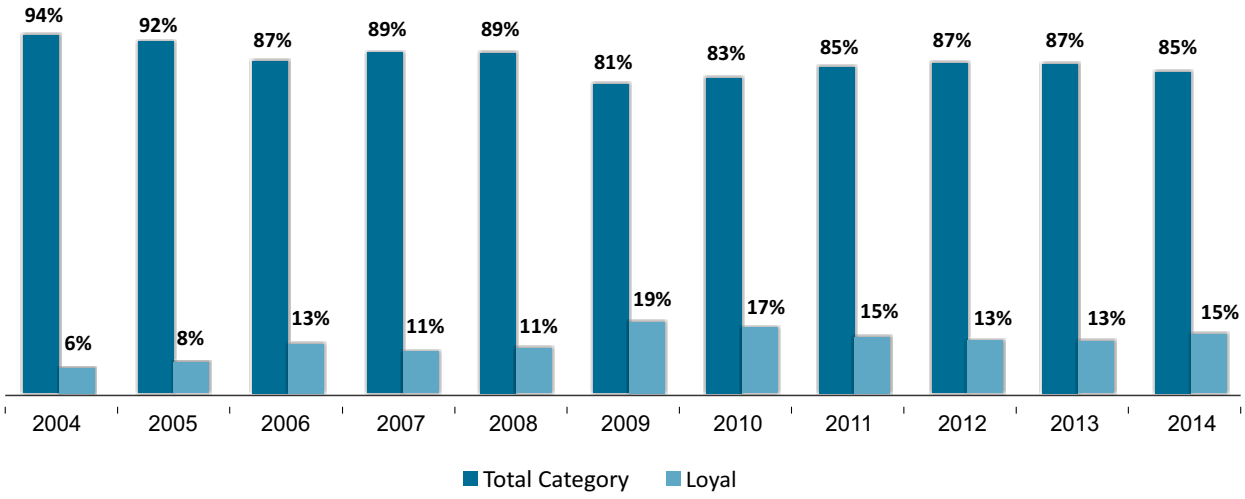



Loyalty and Business Demand - Volume (m³)
25.000.000
20.000.000
15.000.000
10.000.000
5.000.000
0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Total Category
Loyal

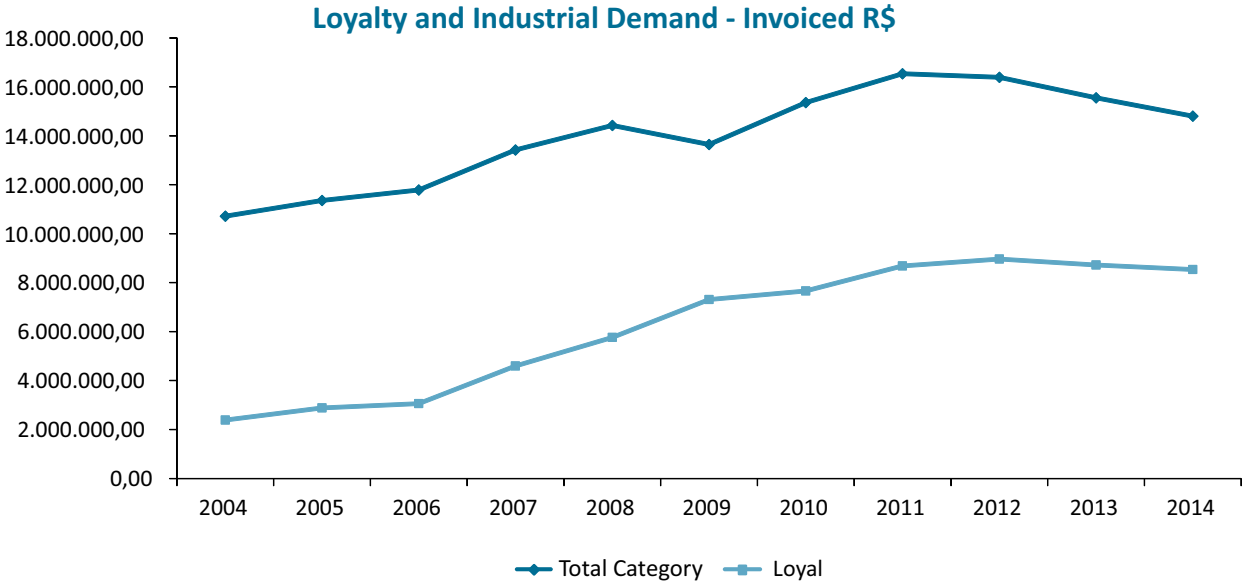

Loyalty and Business Demand - Invoiced R$
160.000.000,00
140.000.000,00
120.000.000,00
100.000.000,00
80.000.000,00
60.000.000,00
40.000.000,00
20.000.000,00
0,00
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Total Category
Loyal


Loyalty and Business Demand - Percentage Comparative - Volume
96%
4%
95%
5%
91%
9%
87%
13%
92%
8%
87%
13%
87%
13%
90%
10%
90%
10%
91%
9%
90%
10%
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Total Category
Loyal

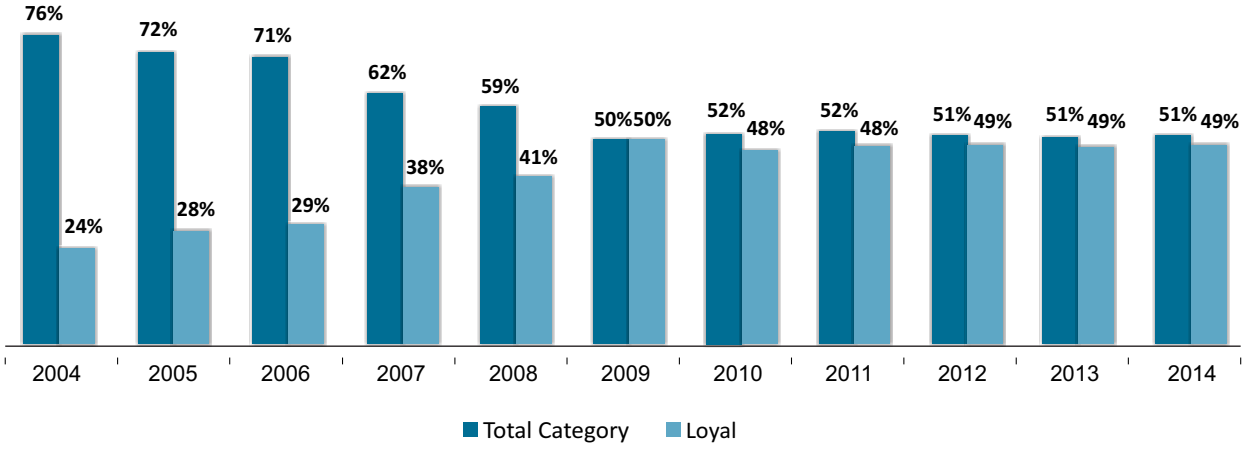
Loyalty and Business Demand - Percentage Comparative - Invoiced



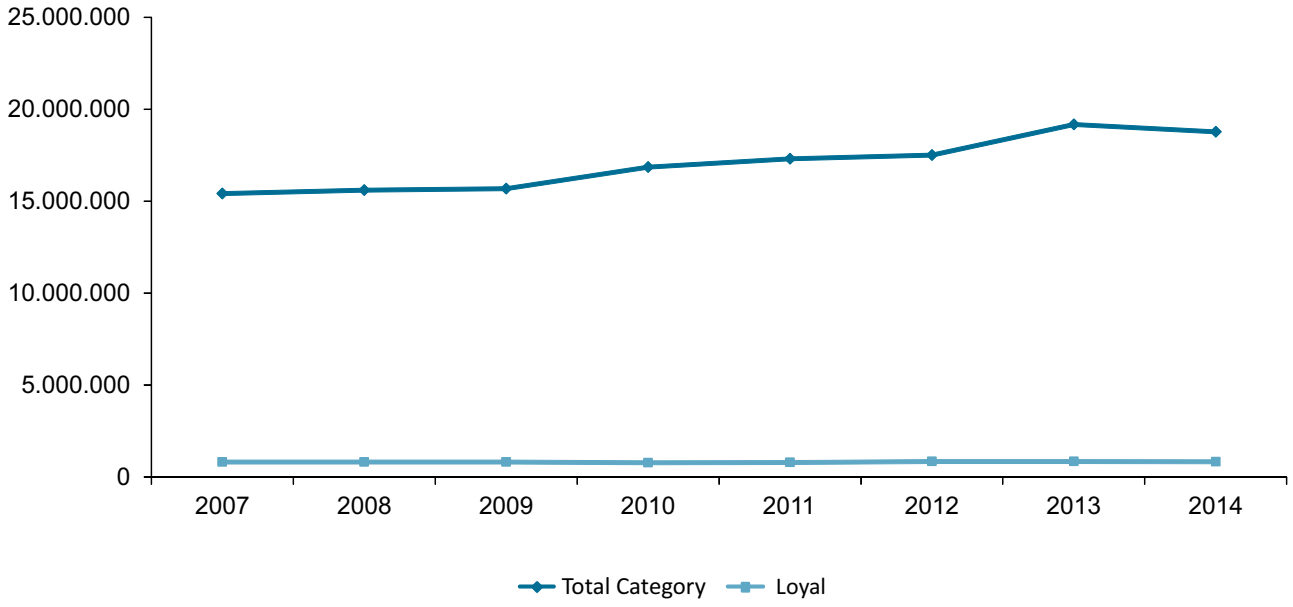
Loyalty and Industrial Demand - Invoiced R$



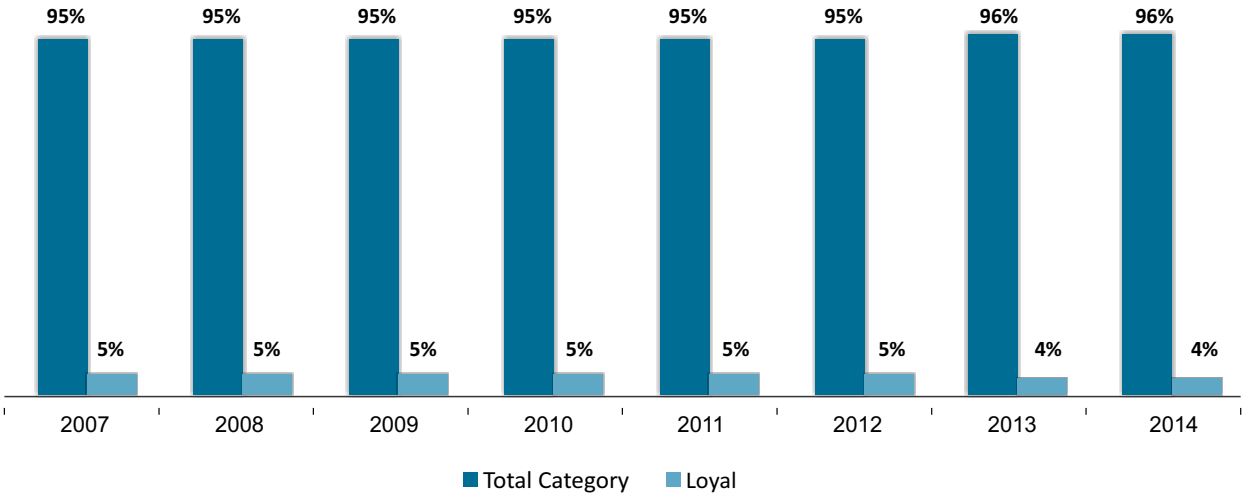
Loyalty and Industrial Demand - Percentage Comparative - Volume



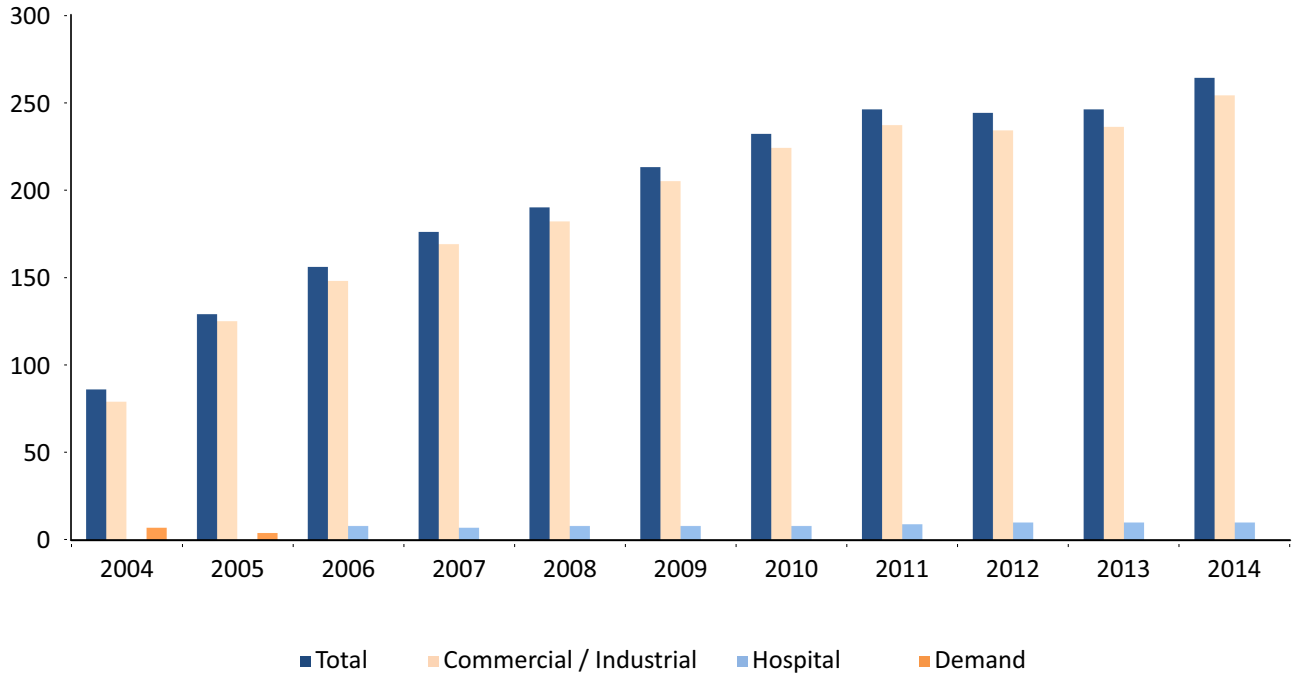
Hospital Loyalty - Volume (m³)



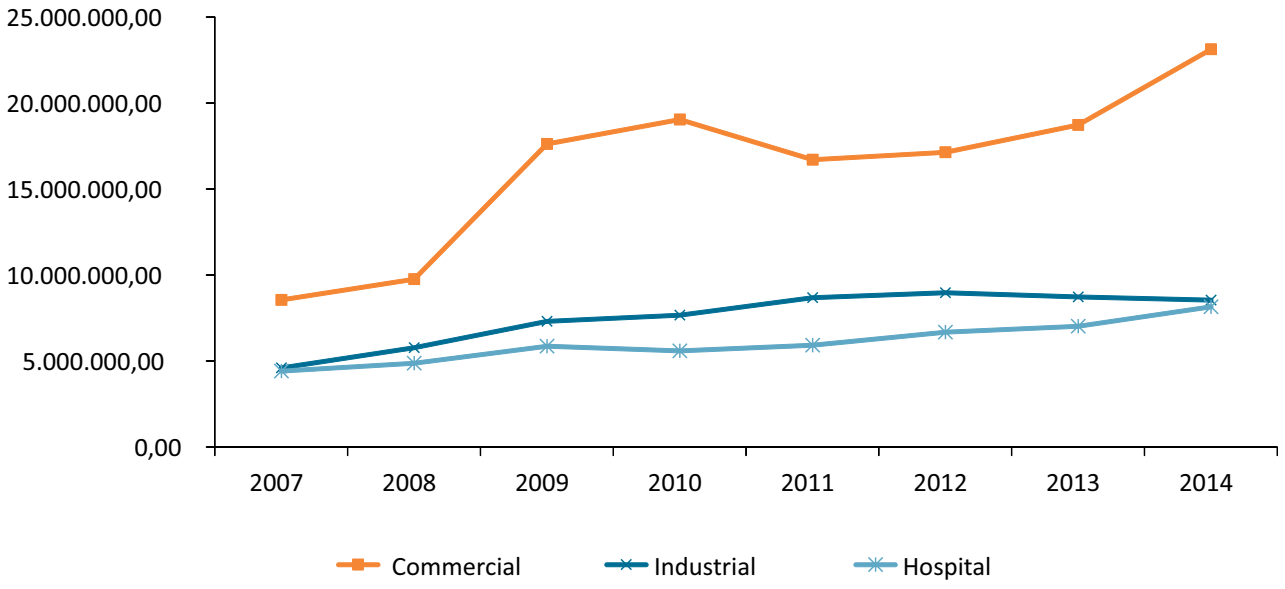
Hospital Loyalty - Percentage Comparative - Volume



Quantity of Loyal Customers - General and Categories



Invoiced Loyalty per Category



TARIFF POLICY

As municipal utility responsible for the sanitation of Campinas SANASA aims to provide services and good quality of care to the population, thus contributing to the improvement of public health indicators of the municipality. To achieve these indicators, the operational improvement of the company is a going concern, and this continuous search is through the optimization and technical and operational improvement of the systems, using wherever possible technological advances available. For this, and for the services provided to the population, in addition to maintaining the economic and financial balance of the company, an essential part is the Tariff Policy.

In compliance with Sanitation Law # 11,445 of 01/05/2007, the city of Campinas joined in 2012, the Regulatory Agency of Sanitation Services of the basins of the Piracicaba, Capivari and Jundiaí Rivers - ARES-PCJ, being so regulated SANASA, both in the operational area and in the rates charged by the utility.

SANASA's Tariff Structure is based on consumption layers charged in a cascade, ie each consumer group has an increasing amount in Reais, ensuring the smooth transition between different consumption layers. In this model the value of the cubic meter is more expensive according to consumption progresses, aiming at sustainable consumption, causing the consumer avoid waste water and collaborate to preserve this finite good.

The Tariff Structure also separates consumers by type of sector. It is divided into four main types of consumers: residential, public, industrial and commercial, each with a structure of layers and different values from each other.

In each of the layers of consumption for each of the existing categories, consumption is charged taking into account the type of service each customer has, as intake and distribution of water, sewerage collection and dumping and sewage treatment.

The Tariff Policy of SANASA has specific benefits for the poor, since the pre requirements are fully met. This is called social tariff. It also offers discounted rates of Industrial, Commercial and Hospital Categories for customers joining the company Loyalty Contract (see details on both the chapter on Social Management in this report).

Regarding to the Article # 37 of the Federal Law #0 . 11,445, the minimum interval is early adjustment to rates, currently calculated by ARES-PCJ according to a Parametric Formula that takes into account the variance in costs in the period, the invoiced volume in period and also the variance of price index in the same period.

In addition, the tariffs price revisions can be made (Art. # 38 of the Federal Law 11,445) and, approved by the ARES-PCJ, in regular intervals even extraordinary meetings.

SOCIAL TARIFF

G4-EC8

Significant indirect economic impacts, including the extent of impacts

Ethos Indicator 2: Value proposal, Stage 3 - The company identifies the needs of its consumers and customers and to satisfy them, includes features, social and environmental aspects in their products or services.

A. The social tariff was established in August 2001, providing initial discount of 27% for beneficiaries. Over the years there have discount variations on the Residential Category Standard tariff. In 2014 the discount was increased to 73.50%. In 2015, the discount is as high as 76.34%.

Discounts Applied

Year	Percentage
2001 to 2004	27%
2005	38,04%
2006 to 2009 (until jun/09)	42,70%
2010	67,73%
2011	67,71%
2013	73,49%
2014	73,50%
2015	76,34%

In urbanized residential areas, the Social Tariff comprises:
Individual connections: 45,120
Economies: 47,808

In non-urbanized residential areas, the Social Tariff comprises:
Collective connections: 1,224
Economies: 13,571

The social tariff requested by customers comprises:
Connections: 3,634
Economies: 4,555

Requirements and conditions for registration in the Social Tariff requested by customers:

- Prompt payment to Sanasa;
- Water connections up to 3 economies;
- Estate with registration in SANASA in residential category;
- Signing the terms of reporting and liability;
- Attend the parameters of consumption defined by the current tariff resolution;
- The benefit will be valid for a period of twelve (12) months. At the end of the period, unsubscribe is automatic and takes the customer to the standard residential tariff.

For registered customers or not in the Government Welfare " Bolsa Família" or in the Brazilian Social Security System – INSS: the registration may be made in any SANASA service to the public agency by submitting copies of personal and family documents.

QUALITY MANAGEMENT

Ethos Indicator 15: Participatory Management, Stage 2 - The company makes available relevant information on their management and on the results obtained by all its employees.

The SANASA's Quality Management System manages the internal and external documents that depict the work routines of the company's sectors and the performance indicators that are linked to the processes and the National Information System on Sanitation - NISS. The system is audited annually by the Brazilian Association of Technical Standards - BATS, to maintain the quality management certification according to the standards of ISO 9001, the Policy and Quality Objectives, which this year have not changed.

In order to maintain compliance of its products, SANASA performs a series of inspections and laboratory tests over the production process and water operation, operation and sewage treatment, in addition to the annual review of the management system. In 2014 there were two internal audits, extraordinary audits and 16 external maintenance of the ISO 9001, completing the 9th consecutive year without non-conformities, which is a milestone in quality management program in SANASA.

Were recorded internally 710 reports divided into compliances, non-compliances, observations, opportunities for improvement, training and implemented improvements. It was formed 9th class of internal quality auditors with eight participants, totaling 284 internal auditors have formed.

Through the technical cooperation between the SANASA and Autonomous Water Utility of Itapira / SP was formed the first group of Itapira internal auditors of quality, with 13 participants. Two integration trainings were conducted for new employees, in addition to the management system reinforcement training on the company's sectors.

It continued the implementation of the environmental management system based on ISO 14001 in Atibaia Water Intake and water treatment plants 3 and 4 with the assessment of the environmental aspects / impacts and the applicable documentation. It started also the implementation of quality management system based on Standard ISO / IEC 17025 for testing laboratories and control of water quality analysis and control of effluents and metering, with the assessment of the applicable documentation and conducting initial diagnostic audit.

The implementation of social responsibility management system based on standard NBR 16001 continued with the training of the first group of internal auditors of social responsibility, with 33 participants.

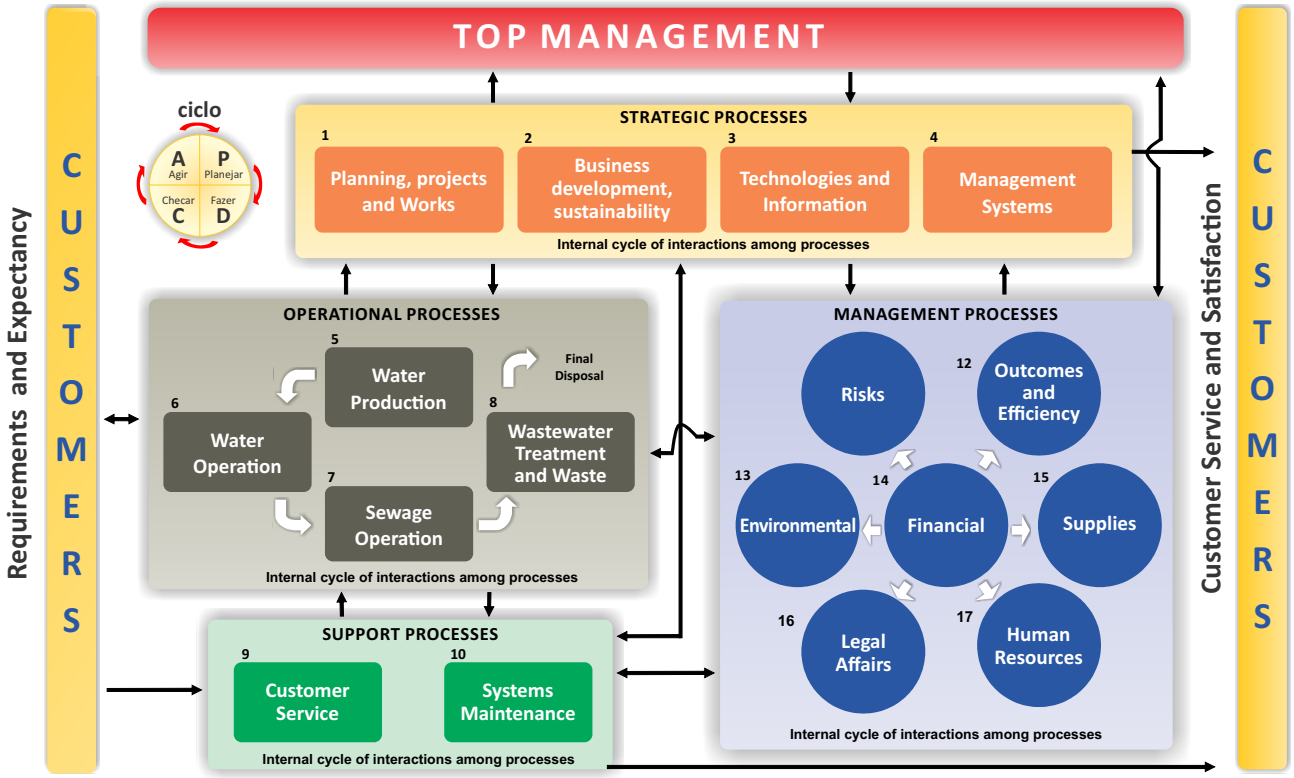
A sanitation utility brings together public and private company characteristics simultaneously. This is the provision of a delivery service of a manufactured product (treated water) at home and collect other product (sewage), also being processed in an industrial plant for 24 hours, with public health involvements and environmental management, points directly connected to the public administration and professional corporation interest.

Receive and maintain a Quality Certification, and still seek to innovate and improve the activities in a mixed capital company with industrial processes, commercial service agencies, administrative and financial structures and various apparatuses of operation and maintenance, and divided by all public streets, is a major and ongoing challenge. To improve the system it is necessary that each employee SANASA adopt quality management values to guide their actions and daily charges.

Internal and external audits are measurements, but any investment made will only be justified if used within the routine, which is not a simple repetition of assignments and, yes, their evolution in time.

The SANASA management systems are based in processes map, revised in 2013:

Process map and interactions



The programming of the internal audit includes at least one activity of each process along its realization. The audits take place at least twice a year, once every six months. Therefore, all processes are audited in the year.

In addition to internal audits, quality team has been conducting extraordinary audits since 2009. It is a broader process that the internal audit, as efforts are concentrated in a particular process - Department for a longer time and with a sampling well wide, almost complete, that is, end to end activities audited, checking all interactions of the process.

Since 2009 it has been a tool used in intranet environment - web, developed by the IT sector of the company, which allows reporting the facts identified during carrying out of activities in daily life (spontaneous reports) and along the audits (internal and external).

In this system, after the identification of the facts, the quality sector performs the classification and forwarding those responsible for taking actions. The 3,320 reports generated from a 2004 December 31, 2014 are distributed as follows:

- 356 reports requested and canceled due to the following reasons: not applicable or duplicity.
- 2,964 reports requested have already been classified and sent for response sectors.

The following are the results of these 2,964 reports are:

Spontaneous: 960 occurrences

Audit: 2004 occurrences

Finished: 2,751 occurrences

For analyzing the effectiveness: 66 occurrences

For taking actions: 147 occurrences

REAL FACTS
Compliances: 265 occurrences
Improvements: 399 occurrences
Non-compliances: 1,286 occurrences, which generated the necessary corrective actions

POTENTIAL FACTS
Observations: 399 occurrences, which generated the necessary preventive actions
Opportunities for Improvement: 615 occurrences, which generated the necessary preventive actions.

PROCESSES WITH GREATER INCIDENCE:
Water Production
Systems Maintenance
Wastewater Treatment and Waste
Customer Service

REGULATORY REQUIREMENTS WITH GREATER INCIDENCE (ISO 9001)
4.2.3: 504 occurrences (Document Control)
6.3: 334 occurrences (Infrastructure)
4.2.4: 277 occurrences (Control of Records)
8.5.1: 264 occurrences (Continuous Improvement)
7.5.5: 205 occurrences (Trackability)

REGULATORY REQUIREMENTS WITH GREATER INCIDENCE (NBR 16001 *)
3.4.3: 24 occurrences (communication)
3.4.5: 19 occurrences (Operating Control)
3.6.1: 16 occurrences (Monitoring and measurement)
3.3.2: 13 occurrences (Central issues of social responsibility and their issues)
3.4.1: 9 occurrences (Competence, training and awareness)
3.6.2: 9 occurrences (Assessment to compliance with legal requirements and other)

REGULATORY REQUIREMENTS WITH GREATER INCIDENCE (ISO / IEC 17025 *)
5.3: 5 occurrences (Accommodation and environmental conditions)
5.7: 4 occurrences (Sampling)
5.2: 3 occurrences (Personal)
4:13: 2 occurrences (Control of records)
4.3.2: 2 occurrences (approval and issue the documents)
4.4: 2 events (Critical analysis of requests, proposals and contracts)
4.9: 2 occurrences (Control test work and / or calibration non-compliance)
5.4.6: 2 instances (of measurement uncertainty estimation).

Note: * deployment systems. Work started in the 2nd half of 2013.

Since 2004 the BATS - Brazilian Association of Technical Standards has been responsible for external audits in SANASA. The summary table of the results:

Year		Non compliance	Observations	Opportunities for Improvement	Audit
2004	2nd half	15	7	3	Certification*
2005	1st half	3	4	4	Maintenance
	2nd half	1	3	0	Maintenance
2006	2nd half	0	3	1	Maintenance
2007	2nd half	0	3	1	Renewal
2008	2nd half	0	3	0	Maintenance
2009	2nd half	0	3	1	Maintenance
2010	2nd half	0	1	2	Renewal
2011	2nd half	0	3	3	Maintenance
2012	2nd half	0	2	0	Maintenance
2013	2nd half	0	1	3	Renewal
2014	2nd half	0	3	0	Maintenance
2015	2nd half	Forecast for August			Maintenance
	TOTAL	19	36	18	

Note: ** External audit with testimony of INMETRO*
INMETRO: *The Brazilian National Institute of Weights ans Measures*

INFORMATION

● The Federal Committee and the State Committee of Watershed in the State of São Paulo work jointly. The proof can be made to the resolutions governing the activities of the Committees.

The Technical Chambers of PCJ Committees formulate and deliberate on the policy of water resources in the region. The committees are in the public domain, with open participation to all, but voting is restricted to Municipalities, Universities, Class Associations, Unions, Industries, Sanitation utilities, NGOs and Congeners. The PCJ Committees have 12 technical cameras.

Are they:

Technical Chamber of Water Groundwater (TC-WG)

Created by Resolution CBH-PCJ 094/00, of 09/05/00, as Groundwater Technical Group and amended by the Joint Resolution of the PCJ Committees 005/03, of 05/22/03, for Technical Chamber of Water Groundwater. Supplemental of assignments by the Joint Resolution of the PCJ Committees 008/04, of 06/01/04.

Technical Chamber of Environmental Education (TC-EE)

Created by Joint Resolution of the PCJ Committees 002/03, of 05/22/03.

Technical Chamber of Integration and Dissemination of Research and Technology (TC-IDRT)
Created by Resolution CBH-PCJ 033/96, of 03/15/96, as Integration and Dissemination Research and Technologies Technical Group and amended by the Joint Resolution of the PCJ Committees 005/03, of 05/22/03, for Technical Chamber of Integration and Dissemination of Research and Technology .

Use and Conservation of Water Industry (TC-Industry)
Created by Resolution No. 001/08 of the PCJ Committees, of 06/27/08.

Technical Chamber of Hydrological Monitoring (TC- HM)
Created by Resolution CBH-PCJ 019/94, of 12/21/94, as Hydrological Monitoring Technical Group and amended by the Joint Resolution of the PCJ Committees 005/03, of 05/22/03, for Hydrological Monitoring Technical Board. Supplemental of assignments by the Joint Resolution of the PCJ Committees 007/04, of 06/01/04.

Technical Chamber of Granting and Licenses (TC-GL)
Created by Resolution CBH-PCJ 010/94, of 04/15/94, as amended by Joint Resolution of the PCJ Committees 005/03, of 05/22/03.

Technical Chamber of Watershed Plan (TC-WP)
Created by Joint Resolution of the PCJ Committees 003/03, of 05/22/03. Completion of assignments by the Joint Resolution of the PCJ Committees 008/04, of 06/01/04.

Technical Chamber of Planning (TC-PL)
Created by Resolution CBH-PCJ 009/94, of 04/15/94, as the Technical Chamber of Institutional Affairs, as amended by Resolution CBH-PCJ 026/95, of 11/10/95, for Planning Technical Group (TG-PL) and further amended by Joint Resolution of the PCJ Committees 004/03, of 05/22/03, for Technical Chamber of Planning. Supplemental of assignments by the Joint Resolution of the PCJ Committees 007/04, of 06/01/04, and the Joint Resolution of the PCJ Committees 008/04, of 06/01/04. Amended by Joint Resolution of the PCJ Committees 009/04, of 06/01/04.

Technical Chamber of Natural Resources Conservation and Protection (TC-NRCP)
Created by Resolution CBH-PCJ 011/94, of 04/15/94, as amended by Joint Resolution of the PCJ Committees 005/03, of 05/22/03.

Technical Chamber of Water Use and Conservation in Rural Areas (TC-Rural)
Created by Joint Resolution of the PCJ Committees 022/05, of 03/3105.

Technical Chamber of Sanitation (TC-SA)
Created by Resolution CBH-PCJ 056/98, of 08/21/98, as amended by Joint Resolution of the PCJ Committees 005/03, of 05/22/03.

Technical Chamber of Environmental Health (TC-EH)
The current Technical Board acted since 1995 as the algae Subgroup of the Technical Group and current Technical Chamber of Hydrological Monitoring Created by Resolution CBH-PCJ 116/02, of 03/28/02, as Environmental Health Technical Group and amended by the Joint Resolution of the PCJ Committees 005/03, of 05/22/03, for Environmental Health Technical Board.

- National Association of Municipal Sanitation Company - NAMSS: professional association representing businesses, municipalities and water departments and sewerage and sanitation services controlled by the municipality.

SANASA as associated company, is a membership in professional associations by representing the PCJ Committees, occupying part of the vacancies it assigned. It has actively participated in NAMSS through presentation of technical papers in the National Meeting and participation in discussions of issues related to sanitation.

SANASA attended the 44th National Meeting NAMSS, recognized as one of the great sanitation event, which took place between May 4 to 9, 2014 in Uberlândia / MG. It occurred in conjunction with the XVIII Exhibition of Municipal Experiences in Sanitation, with SANASA's participation in the following Debate Panels and technological works:
- Loss Reduction in Sanitation Systems - Successful Experiences

- Standardization of Measurement in Basic Sanitation Services

- Sewage Treatment Technologies. A brief comparison

- Biogas Harnessing in Sewage Treatment Plant.

- Engineering Projects for the Brazilian Government's Growth Acceleration Program: Requirements.

- Work out the Water Safety Plan

- The impact of Administrative Rule HM # 2914/2011 in water analysis laboratories of water utilities.

- Management Project of Default

- SANASA: an environmental and social investment and social service: a look beyond the bills.

- Development of methodology for analysis of endocrine interferences

- Development methodology for analysis of haloacetic acid in treated water samples.

- Environmental education program - My school in SANASA.

- Guidelines for evaluating the provision of drinking water and sanitation services.

- The role of water and sewage utility in working out the Municipal Sanitation Plan.

- Performance Evaluation by recording the improvements, preventive and corrective actions.

- Basic Sanitation and its impact on urban mobility.

- The management of social responsibility oriented sanitation service providers - NBR 16001.

It was another year in which the SANASA had awarded works. Two papers were classified among the more than 90 approved. The following works were recommended for publication in the Journal of Civil Engineering at the Federal University of Goiás:

- SANASA: a social and environmental investment.

- Social work: a look beyond the bills.

In addition to the technical work, the booth of SANASA released a video about the company and its automation process.

NAMSS information is available at: http://www.assemae.org.br

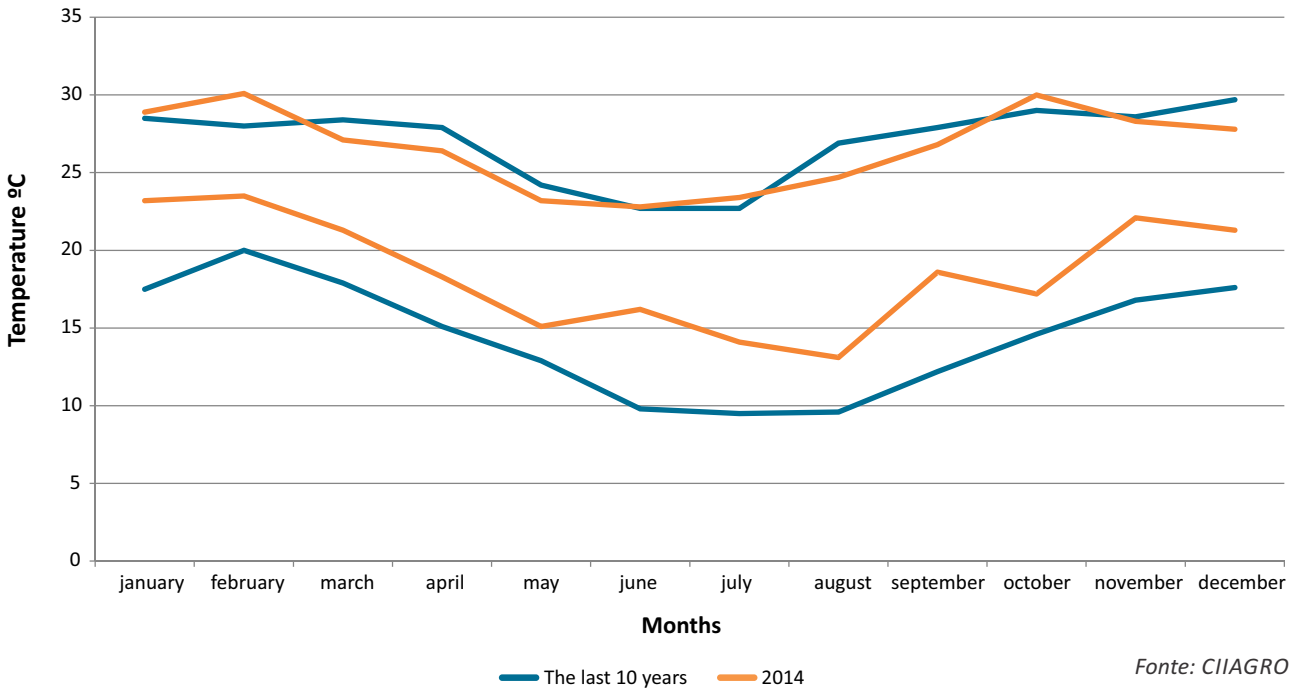
ENVIRONMENTAL MANAGEMENT

FOREWORD

The year 2014 became known as the "Year of Hydro crisis" for the state of São Paulo. The severe rainfall shortage observed in the years 2013 and 2014, combined with high temperatures, resulted in low water volumes in all the rivers of the watershed of Piracicaba, Capivari and Jundiaí - PCJ, seriously affecting the supply of municipalities that depend on them.

The graph below shows the trend of average daily temperatures in Campinas, based on CIIAGRO information - Integrated Center for Agrometeorology Information, an organization that provides meteorological information from various stations belonging to the Secretariat of Agriculture and Supply.

Evolution of Average Temperatures Daily (Minimum and Maximum), registered in Campinas in 2014, compared to those seen in the last 10 years

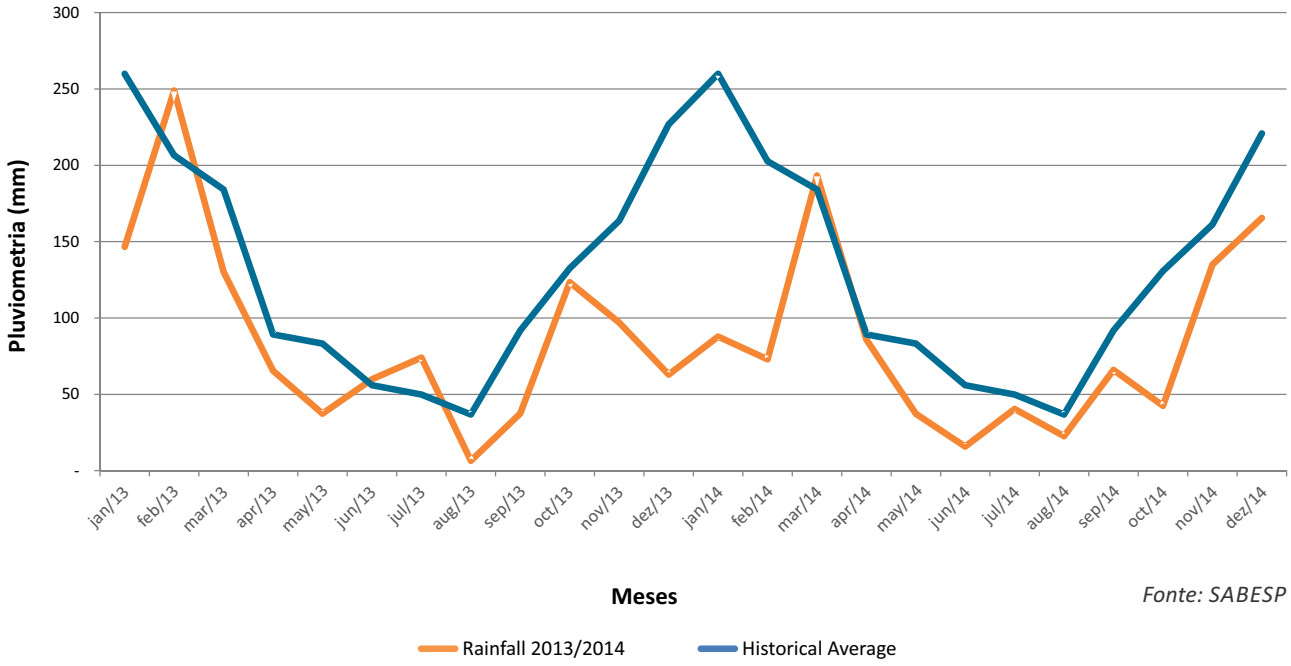


Fonte: CIIAGRO

The graph shows the minimum and maximum variations occurred in 2014 (in orange) and verified in the last 10 years. It was concluded that, in addition to being higher temperatures recorded in every month, the variation between the maximum and the minimum temperature was much lower last year, resulting in much higher than those seen average minimum temperatures, especially the month of June / 2014, when the minimum was 65% higher than the average of the last 10 years.

Another important assessment is the rainfall recorded in the Cantareira System, based on the data of São Paulo Sanitation Company - SABESP, which is shown in the chart below.

Rainfall evolution recorded in the Cantareira System, in the years 2013 and 2014, compared with the historical average



Fonte: SABESP

The graph shows the evolution of the monthly rainfall recorded in the years 2013 and 2014, comparing them with the recorded historical average. It is found that in 20 of the 24 months analyzed, there were indixes lower than the historical average resulting in 2014 in a cumulative volume 38.4% lower when compared with the historical average.

These factors have resulted in serious commitment of the Cantareira System equivalent volume and consequently a drastic reduction in the levels of rivers the PCJ basins. So were intensified municipal actions aimed to ensure the public water supply in quantity and quality required to meet the public.

WATER RESOURCES

Cantareira System

The Cantareira System consists of five reservoirs, tunnels and channels that reverse water from the Piracicaba River basin to the Alto Tiete basin.

This system was built in the 70s and 80s, with production capacity of 33,000 liters per second and 31,000 liters per second produced in Piracicaba river basin and 2000 liters per second in Juquery River basin. This system was built in order to supplement the supply of the Metropolitan Region of São Paulo, and is responsible for 46% of its service.

Works located in Piracicaba river basin:

- **Cachoeira Reservoir**

The reservoir began operating in November 1974, part of the 1st stage works. It is located in the municipality of Piracaia, contributing 5 m3 / s for the system and connects to the Atibainha reservoir through the tunnel 6, with 4,769 meters and by a channel with a length of approximately 1,200 m.

- **Atibainha Reservoir**

The reservoir began operating in February 1975 as part of the 1st stage works. It is located in Nazaré Paulista district, contributing 4 m3 / s for the system and connects to the Paiva Castro reservoir through the tunnel 5, with about 9,840 meters and by a channel with a length of approximately 2,000 meters.

- **Jaguari- Jacareí Reservoir**

The reservoir began operating in May 1982 as part of the 2nd stage of works. It consists of two reservoirs connected by a channel 670 meters long, running as a single reservoir. It is located in areas of the cities of Vargem, Bragança Paulista, Joanópolis and Piracaia. It is the largest reservoir of Cantareira System, contributing to 22 m3 / s for the system and connects to the Cachoeira reservoir through the tunnel 7, with a length of 5,885 meters.

Works located in the Alto Tiete basin:

- **Juquery – Paiva Castro Reservoir**

The reservoir began operating in May 1973 as part of the 1st stage works. It is located in the city of Mairiporã, contributing 2 m3 / s for the system and connects to the Santa Inês pumping station through the tunnel 3, with a length of 994 meters.

- **Santa Inês Pumping Station**

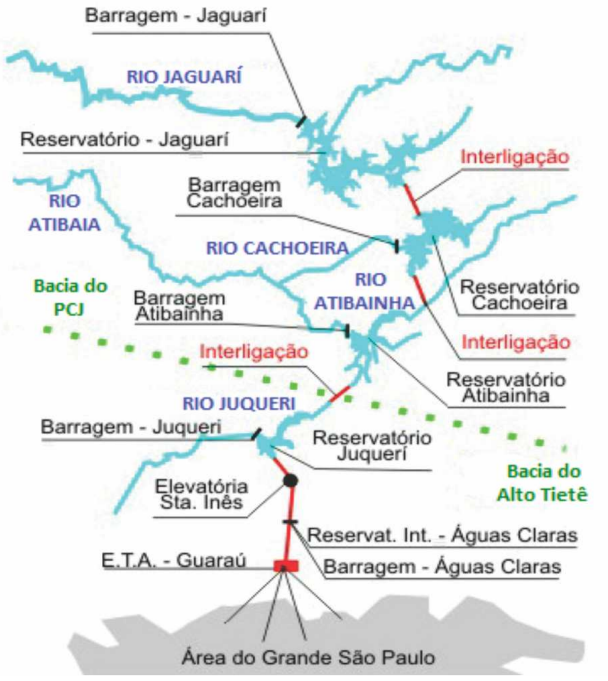
The station began operating in December 1973 as part of the 1st stage works, with a capacity of 33 m3 / s and pumping head of 120 m. It is located nearby the massy of Serra da Cantareira, operates four pumps with a capacity raise water 11 m3 / s, with total pumping head of 120 m, taking the water to the Águas Claras Reservoir, through the tunnels 1 and 4, with a length of 1,184 meters.

- **Águas Claras Reservoir**

The reservoir began operating in November 1973, part of the 1st stage works. It works as a safety reservoir, with a capacity to keep the system running for 3 hours, if stop pumping. From Águas Claras Reservoir the water is routed to Guaraú Water Plant through the tunnel 2, with a length of 4,878 meters.

The following chart shows the Cantareira System.

Cantareira System

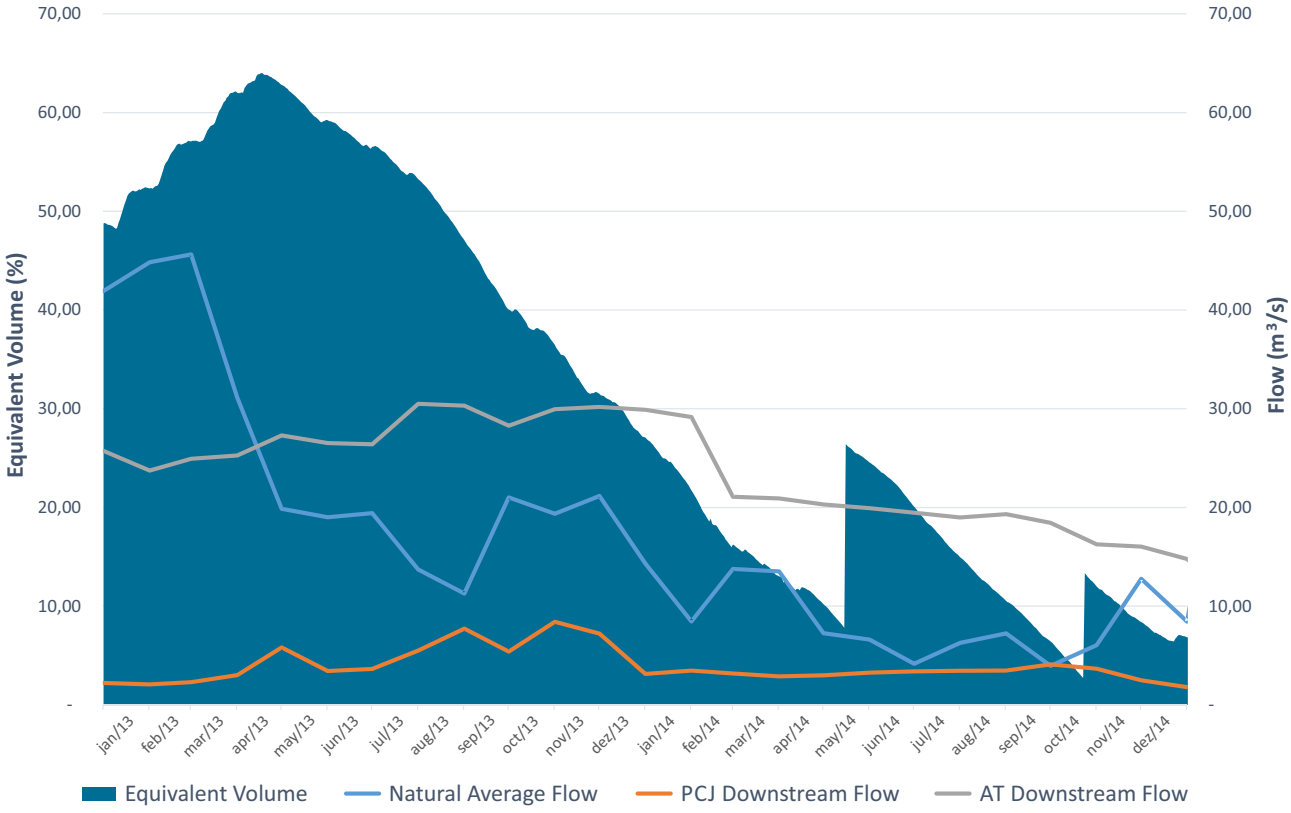


Fonte: SABESP

Ethos Indicator 38: Stage 2 - The company has knowledge about the impacts of climate change on their business.

The water crisis seen in years 2013 and 2014 dramatically affected the volume of the Cantareira System reservoirs, as shown in the following chart.

Evolution of equivalent volume of Cantareira System in 2013 and 2014



The graph shows the variation of the equivalent volume of the Cantareira System, which considers the volume of the reservoirs belonging to the Piracicaba river basin (Jaguari-Jacareí and Atibainha impoundments); the natural average monthly inflow to the equivalent system – Qnat average; and the average monthly outflow of Equivalent System: Qjus PCJ - flow discharged to the Piracicaba river basin and Qjus AT - discharged flow to the Alto Tiete basin.

The graph shows the critical situation occurred in 2014. We highlight as most relevant items:

Equivalent volume in January, 2013: 48.78%

Equivalent volume in January, 2014: 27,08%

} Reduction of reservation: 44.49%

The average reduction in May 2014 was approximately 0.2% per day. If this reduction was maintained, considering that the rains planned for the period were minimal, it was expected that the equivalent volume of the Cantareira System zero out in June. To avoid this situation, SABESP installed a pumping system in Jaguari-Jacareí[1] Atibainha impoundment and reservoir, in order to collect water below the gates, in the area called "dead volume". With the entry into operation of the "Dead Volume 1" the equivalent volume of Cantareira system from PCJ river basin passed from 7.81% to 26.41%, on 05.16.2014, increasing by 18.6% the stored volume.

However, the volume continued to drop, reaching, on 23/10/2014, a storage level of 2.72%, then starting to withdraw the "dead volume 2", by SABESP, enabling the increase of equivalent volume to 13.34% (increased 10.62%).

The year 2014 ended with the extremely worrying rate of 6.91% equivalent volume stored in the Cantareira System, to PCJ river basin.

[1] Jaguarí-Jacarei reservoir, which represents 80% of the capacity of the entire Cantareira system, was on 15.05.14 with only 1.66% of the operating volume.

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Ethos Indicator 39: Stage 2 - The company actively participates in government initiatives related to its strategy, and quickly suit new agreements and environmental rules. It also has knowledge of new practices, allowing you to implement measures to prevent and mitigate the negative impacts.

Water resources in the Piracicaba River Basin

Severe registered crisis has changed the agenda of the main water resource managers working in the Piracicaba, Capivari and Jundiaí river basin.

On February 5, 2014 the Governor of the State of São Paulo, Minister of State for the Environment and the Chief Executive Officer of the National Water Agency met with representatives of the Ministry of Environment, Strategic Affairs of the Special Office of the Government São Paulo, the Department of Sanitation and Water Resources, Department of Water and Power and SABESP, to assess the situation of the Cantareira System impoundment.

At this meeting we discussed the need for a differentiated management of Cantareira System Storage, and determined the formation of a Technical Advisory Group – GTAG - Cantareira.

It was also recommended the suspension of discussions on the renewal of the granting of water right of Cantareira System.

The Joint Resolution ANA / DAEE 120 of February 10, 2014 formalized the creation of the GTAG-Cantareira, made up by of representatives of the ANA, DAEE, CBH-PCJ, CBH-AT, SABESP, Committees of Piracicaba, Capivari and Jundiaí Hydrographic Basins and the Alto Tiete.

The PCJ Committees created by Deliberation 197/14 of 27/3/14, the Working Group on Institution "Drought Operating PCJ-2014" - GT Drought, in order to propose action planning to address problems arising from the scarcity of water resources in the PCJ river basins.

On May 16, 2014, through the Joint Announcement ANA / DAEE 233, the transfer was authorized by pumping, the volume located below the operating level of Atibainha and Jacarei-Jaguari reservoirs.

On May 27, 2014, by Joint Resolution ANA / DAEE 699, were suspended analyzes requirements of right to use water resources controlled by the Union for new funding of surface water situated in the Piracicaba, Capivari and Jundiaí river basins.

The Joint Resolution ANA / DAEE 910 of 07/07/2014, approved the extension of deadline of the grant of right to use water resources of the Cantareira System for SABESP until 10/31/2015. The DAEE also issued Administrative Rule 1396, of 7.11.2014, with the criteria established by Joint Resolution 910.

On November 17, 2014 was issued Joint Resolution ANA DAEE 1672, authorizing the withdrawal of "Dead Volume 2" of the Cantareira System reservoirs, setting new minimun limit for the reservoirs.

Joint Announcement ANA / DAEE is issued monthly establishing the limits for withdrawal of the Cantareira System flows.

The concern with ensuring compliance with various segments users of water resources, ANA took to propose rules and usage restriction conditions for water intakes in surface water bodies domain of the Union and the states of Minas Gerais and São Paulo. The proposal is to establish levels of flows to fluviometric stations monitored the PCJ river basins, defining the intervals that will be classified as alert status and restriction.

The proposal was discussed in meetings with users on the days 01.10.14; 02/10/14; 18/12/14 and 12/19/14, receiving several contributions.

G4-EN9

Water sources significantly affected by withdrawal of water

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Ethos Indicator 42: Stage 1 - Without changing its technological standard, the company seeks initiatives to reduce water consumption; respects the withdrawal limits set by law and grants, as well as complies the legal requirements for proper disposal of effluents.

Impacts of the water crisis in the municipalities of Piracicaba river basin

Low volumes recorded in Cantareira system forced the municipalities to take action to allow the service to citizens.

Already in February the towns of Vnhedo Valinhos, Cosmopolis, São Pedro and Santo Antonio de Posse began water rationing programs.

Concerned about the situation, municipalities started communication campaigns to raise awareness to save water, some of which have established mechanisms to punish waste, such as Campinas, Valinhos and Pedreira.

The situation worsened during the year, with the reduction of water volume in the rivers. In July it has changed the traditional walk by Piracicaba river; the low level of the river made it impossible to travel boats on Rua do Porto.

São Pedro, city known for sights, with several waterfalls and falls, suffered from the reduction of water, combined with rationing scheme imposed for residents.

Initiatives for alternative water intakes were intensified throughout the region. The Nova Odessa city started to collect water from a spring to irrigate city sites, in order to minimize the impact of severe drought, in line with the rationing program.

Some cities that have their own reservoirs also suffered the consequences of the severe drought. Santa Barbara, Sumaré and Nova Odessa had a significant decrease in the volume of its impoundment already in July.

Municipalities began a series of works to optimize their systems, carried out works to reduce physical losses; building big pools in Hortolandia; reducing pollution of the river Jundiaí, to meet the municipalities of Várzea Paulista and Indaiatuba, among other actions.

The concern is not only with the amount of water in the rivers, but also with the quality of raw water collected that forced sanitation utilities to review their treatment plants, expanding the stock ofinputs necessary to guarantee the distributed water quality. Throughout the year fish mortality occurrences were recorded in Piracicaba river and a green color and white foam on stretches of rivers in the region, resulting from low flow and high concentration of pollutants in the river.

In October, at the heyday of the crisis, 11 municipalities in the region recorded problems in supplying: American, Artur Nogueira, Campinas, Cosmopolis, Indaiatuba, Nova Odessa, Santa Barbara, Salto, Saltinho, Valinhos and Vinhedo.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Ethos Indicator 39: Stage 2 - The company actively participates in government initiatives related to its strategy, and quickly suit new agreements and environmental rules. It also has knowledge of new practices, allowing you to implement measures to prevent and mitigate the negative impacts.

Campinas municipality's actions to face the water crisis

Since the beginning of the year the city of Campinas mobilized to address the water crisis. Among the measures adopted, highlighting he acting together with the Committees of the PCJ river basins in order to optimize small hydropower plants operation, requesting standstill of PCH Salto Grande CPFL.

Mayor Jonas Donizetti and the direction of the SANASA expressed several times by the Presidency of the ANA and the Government of the State of São Paulo, claiming the increased flow discharged by the Cantareira System to the PCJ river basins.

It was also requested nimble for the construction of Duas Pontes and Pedreira impoundments and the pipeline system, in order to allow greater autonomy for the PCJ river basins.

Concerned about the scarcity of water resources caused by the drought, SANASA began on 29 January, a preventive desilting work of the Atibaia River, intake, with the removal of sand, mud and debris. The service includes rock-fill increased by placing the stones in order to maintain the level of water intake.

In order to adapt and optimize the water treatment plants was implanted auxiliary chlorination system to allow to increases dosage capacity. Furthermore, SANASA increased stocks of chemicals, in order to ensure the quality of water supplied to the population.

Due to the worsening water situation throughout the year, SANASA prepared a rationing plan, identifying care settings depending on the water level of the rivers, a situation that would occur only if the consumer demand was higher than the availability of water intake. During the year 2014 was no need to introduce the rationing program; however, the monitoring was performed daily and a usage awareness campaign of the water was publicized by all the media.

It was applied to Municipal Law No. 11,965 / 2004, which decreed exceptional dry period prohibiting the waste of water, and the dry season was extended in 2014 until the month of November. The purpose was not to apply penalties, but educate the public on the rational use of water. Thus, of the 10,246 incidents recorded in the period from 02 February to November 28, 7843 properties were inspected and only 92 notified.

In 2014 SANASA assured with the Federal and State Governments five projects totaling funds of around R $ 93 million, which will be invested in works from 2015. One of these works is the ETE Boa Vista, which will reaches the SANASA index to 100% sewage treatment capacity.

In addition, the SANASA in 2014, presented a proposal to the federal government investments in Water Supply Systems and Sewage Systems of R $ 415.17 million, aiming to attend the 300% [2] Sanitation Universal Plan, as well to improve the reservation capacity for population supply, assisting in addressing the water crisis, and R $ 505.05 million in improvement works of the water supply system, which will contribute to reduction of distribution losses content. These proposals, totaling R $ 920.22 million, will be analyzed by the Sanitation Department of the Ministry of Cities of the Federal Government, which will decide on a possible selection in the city of Campinas.

The experienced situation demanded a review of all the procedures for control of the operating units listed in Water Safety Plan, a reassessment procedures and control points. The evaluation of the new procedures should be extended by 2015.

On May 30, 2014 Mayor Jonas Donizetti and the CEO of SANASA had a 12-coping measures package of the water crisis, which are presented in the following summary form.

[2] 300% Plan aims to meet 100% of the population with public water supply, with 100% sewage collecting and dumping and 100% with sewage treatment.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Ethos Indicator 44: Stage 1 - The company complies with legislation on the protection of biodiversity and natural habitats on land owned, leased and / or managed by it, and also meets the conditions established at the time of granting of environmental licenses.

1. Municipal Water Resources Plan - is being prepared under the coordination of the Municipal Green and Sustainable Development, and have been held a workshop and seven workshops.

2. Recovery Program of Springs and Riparian Areas - were defined pilot areas for spring recovery: rural district "Pedra Branca" and APA Campinas. The program is in the Terms of Reference for hiring of works.

3. Municipal Policy of Payment for Environmental Services - Bill the Draft instituting the Payment for Environmental Services Program and defining the instruments of management and financial resources to promote recovery actions and maintenance of strategic environmental assets was published in the Campinas Municipal Register (DOM) in 9.16.14 for consultation to the population.

4. Regulations, the municipal level, to reuse water usage - was published on 08/04/14 Joint Resolution SVDS / SMS 09/2014 establishing rules and general criteria for the reuse of water in the city of Campinas.

5. Expansion of replacement water systems, which today is 70 km to 140 km per year - is running to replace 63.5 km of water network. It was made possible, from CAIXA, putting over 56.7 kilometers in place . Apart from these, there is other project designed to 169.4 km of water networks to be replaced.

6. Agreement of partnership between SANASA, Municipal Cooperation in Public Security Affairs and Fire - are being set up five tanks of 20 m3 for use of water reuse in the activities of the fire department.

7. Water reuse trading - SANASA is being implemented marketing units and water reuse distribution in bulk to large volume consumers.

Principle 9 of the United Nations Global Compactt: Encourage the development and diffusion of environmentally friendly technologies.

Ethos Indicator 42: Stage 1 - Without changing its technological standard, the company seeks initiatives to reduce water consumption; respects the withdrawal limits set by law and grants, as well as complies the legal requirements for proper disposal of effluents.

SANASA is studying the reuse of water use for the Capivari System II and Anhumas:

a. Capivari II System:
Ongoing partnership with the Viracopos International Airport, in order to take 295 L / s of treated water from the Capivari II Water Reuse Production Plant (EPAR), which operates with the technology of submerged membrane filter;
It is in pilot hiring phase for direct usage of Capivari II. water reuse - EPAR .

b. Anhumas System:
In phase Retrofit project studies Anhumas Sewage Treatment Plant to reuse water usage, with the purpose of answering the northern region of the city.

8. Expansion of raw water - company was hired to assess the technical and economic feasibility of raw water reservoir deployment, enabling autonomy for the municipality, if the situation worsens.

9. Atibaia River monitoring - was established partnerships with technology center for monitoring rainfall and river flow in Atibaia points of interest SANASA.

10. Alternative water sources - prepared bill to regulate consumption, the quality and the trading of water from alternative sources.

11. Expansion of treated water reservoirs
a) 5 reservoirs in the bidding phase (11,000 m3): ETA DIC, João Erbolato, Nova Europa, San Conrado and São Vicente.

b) 18 reservoirs required funds from the Brazilian Government's Growth Acceleration Program (PAC) totaling 63,700 m3 of reservation.

12. Partnership between the SANASA and the Municipal Secretariat for Green and Sustainable Development - established agreement for inter-institutional cooperation between the SANASA and the Municipal Green and Sustainable Development for implementation of joint actions related to municipal water policies, environmental licensing and actions related to the environment.

CAMPINAS WATER SUPPLY

Water Treatment System

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

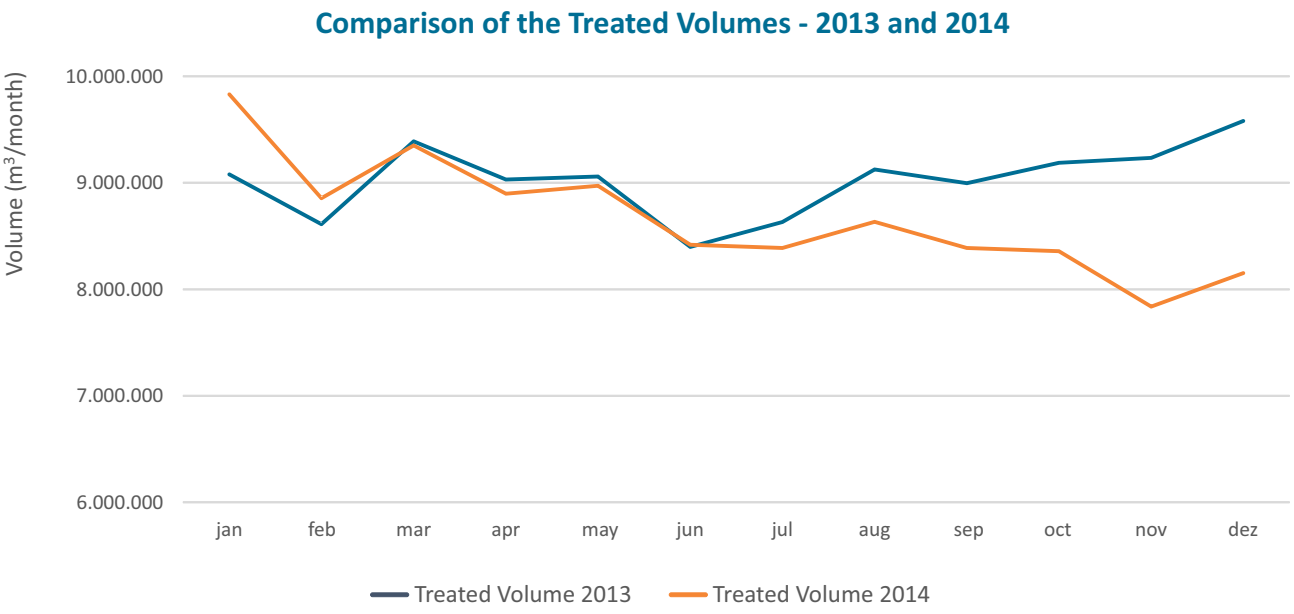
G4-EN9

Water sources significantly affected by withdrawal of water

Water Intake System and Water Treatment Plant

The severe drought significantly reflected in the intake volume for services to the population. The main source producer for the city, the Atibaia river, accounts for 92.3% of the municipality of supply; the Capivari river by 7.6%; and 0.1% comes from an existing well in Residential Village Campinas.

The evolution of volumes of treatment is shown in the following figure.



It turns out that the year 2014 was totally atypical, in January and February: the volumes processed were higher than in the year 2013 and remained very close until the month of June. Thereafter there was a significant fall, reaching the months of November and December with reduced higher treated volume 15% compared to 2013. It is noteworthy that in the critical period (October / November) the reduction of volume, compared to the beginning of year was 20%.

Treatment units were appropriate to allow the treatment of water collected, which had an average concentration above the pollutant.

For instance, in water treatment plants (WTP) 1 and 2, the demand for chemicals has increased considerably and required complementation Chlorine as sodium hypochlorite. An injector / ejector has been installed in the WTP 1 and 2, in order to increase the capacity in the form of chlorine gas. Increasing the chlorine demand resulted in increased consumption of alkalizing (Calcium Hydroxide Solution). The filter cleaning system of Capivari WTP has been optimized, which allowed a 24% reduction of loss in the unit, compared with the last year.

The table below shows the evolution of chemical consumption between 2011 and 2014.

Evolution of consumption of chemicals

CHEMICALS	2011	2012	2013	2014	Increase/ Decrease to 2013
HYDRATED LIME	580.265	292.699	375.234	959.838	156%
QUICKLIME	1.195.127	929.508	1.013.316	2.269.511	124%
LIQUID CHLORINE CYLINDER	522.785	430.565	545.227	1.200.678	120%
LIQUID CHLORINE TRUCK	976.670	948.430	1.075.950	2.165.160	101%
SODIUM HYPOCHLORITE	-	-	-	503.625	100%
ACTIVATED CARBON	27.233	18.304	68.025	394.696	480%
POLYALUMINUM CHLORIDE	7.187.834	6.622.127	6.260.522	7.351.432	17%
CALCIUM HYDROXIDE SOLUTION	263.723	1.078.189	1.250.792	2.779.973	122%
AMMONIUM HYDROXIDE SOLUTION	-	45.941	309.246	345.349	12%
FLUOSILICIC ACID	364.357	373.657	370.851	332.503	-10%
ANHYDROUS AMMONIA CYLINDER	41.194	42.387	44.256	32.090	-27%
ANHYDROUS AMMONIA TRUCK	110.521	98.652	-	-	

Water Distribution System

The city's water distribution system has 36 water storagetanks and distribution centers, 25 elevated tanks, 40 semi underground water storage tanks, underground or supported water tanks, it possible to supply the population through a hydraulic loop about 4,558 kilometers long.

This system includes 323,622 water supply connections and 477,336 water economies.

In order to keep the water pressure within the limits established by the rules, they are installed 300 pressure control units strategically positioned.

Evolution of networks, connections and economies catered by sewage sanitation from 2010 to 2014

Networks/Connections/ Sewage Economies	Annual				
	2010	2011	2012	2013	2014
Networks (km)	3.757	3.811	3.839	3.849	4.558
Connections (nº)	273.185	285.139	300.282	310.426	323.622
Economies (nº)	424.828	436.493	452.905	463.785	477.336

The increase by 18% in the extention of water networks in 2014 was caused by the change in the calculation methodology of the information, which in 2014 began to be achieved through the technical database registration. This new methodology of calculation provides results more accurately; therefore, the actual growth was 27 km of water networks.

Program to Combat Water Loss

The successful experience over the last 20 years, presents a totally favorable outcome in the aspect of sustainability Combat Program for Water Loss - PCPA.

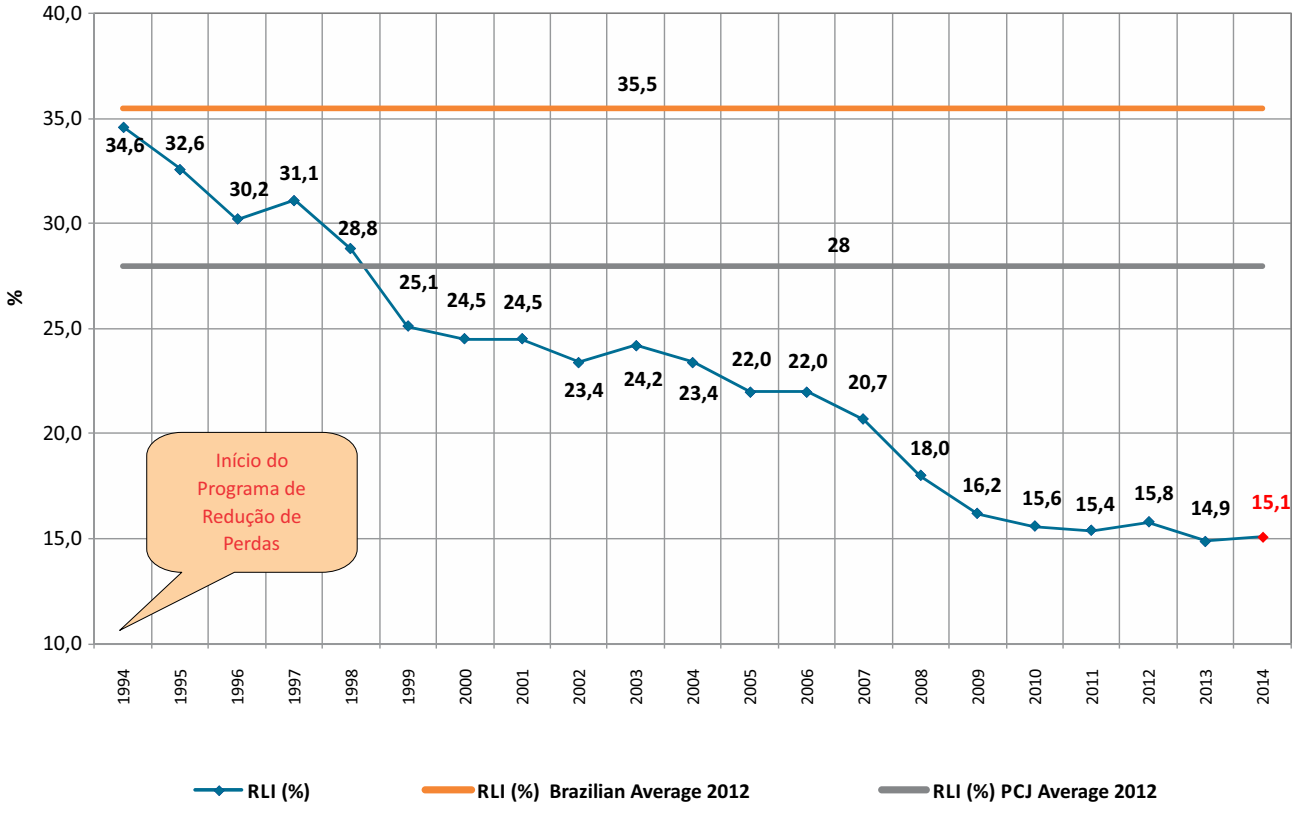
Outcomes achieved with the Loss Control Program

	1994 - 2014
Efficiency of the Distribution System	62,3% - 78,4%
Revenue Losses index	34,6% - 15,07%
Volume of saved water	403.050.000 m^3
Saved Resource	**R$ 771.559.000,00**
Invested Resource	R$ 162.970.000,00
Saved Resource - Invested Resource	**R$ 608.589.000,00**

The index reached in Campinas is less than the average achieved the PCJ river basins and the national average, as shown in the chart on Revenue Loss Index.

Another significant event of the positive outcome of the program was to maintain, over the last 20 years, the flow granted by the DAEE, even with the strong growth seen in the city in that period.

Evolution of the Revenue Loss Index (RLI)



Currently, SANASA has the biggest challenge to maintain the level of loss achieved in the search for balance between operating costs and revenues, as well as practice the rational use of available water resources, through the combat losses and improved system efficiency of water.

The monitoring of the Loss Control Program is done through the following indicators:

• **REVENUE WATER LOSS INDEX- IPF:** Percentage of treated water volume and not billed.

• **WATER LOSS INDEX IN DISTRIBUTION - IPD:** Percentage of treated water volume and not consumed.

• **METERING INDEX - IH:** Percentage of active connections with water meters installed and running.

• **MEASURING PERFORMANCE INDEX - IDM:** Average percentage of metrological efficiency of water meters.

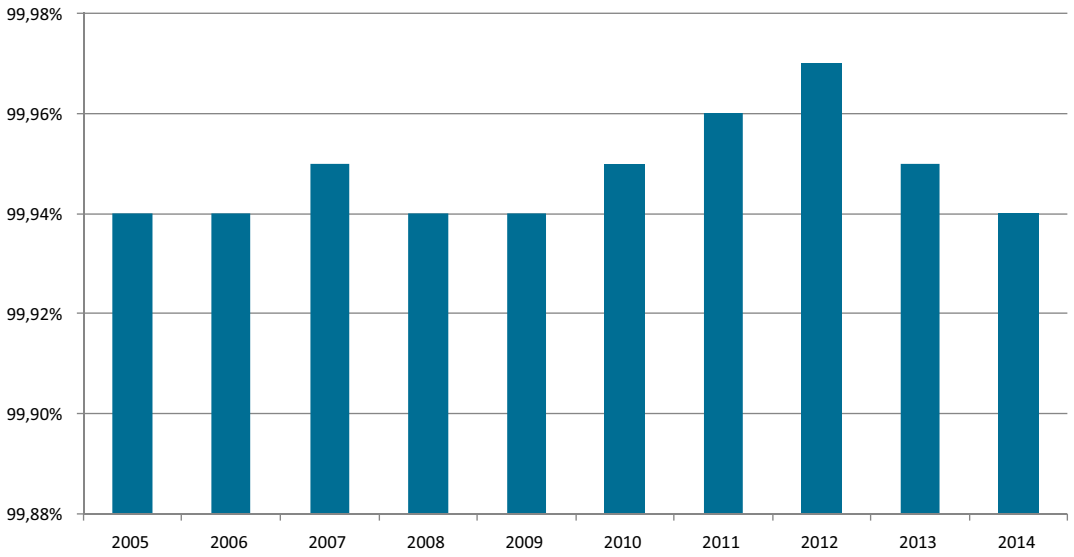
• **MACROMEASUREMENT INDEX - IM:** Percentage of produced water volume, determined by macrometers installed and running.

• **WATER CORRECTIVE MAINTENANCE INDEX - IMCA:** Number of corrective maintenance by material and network extension.

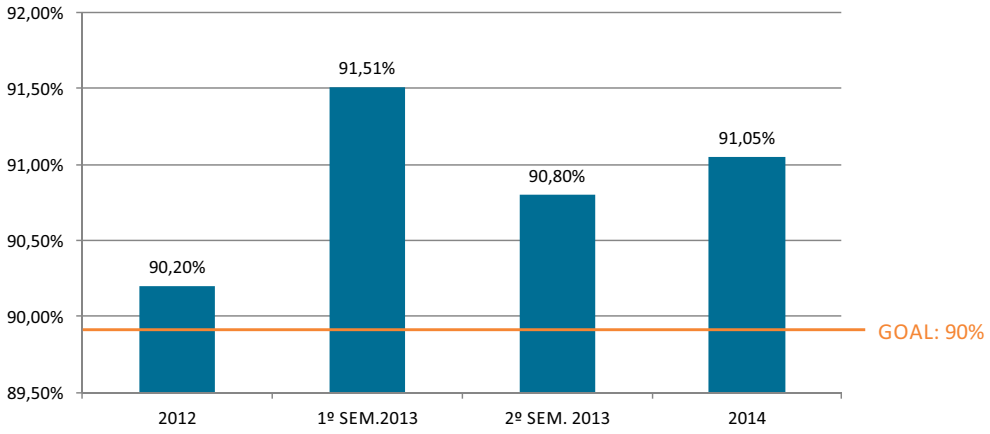
• **INDEX NO VISIBLE LEAKS FOUND IN KM:** no visible leakage ratio found, per kilometer, in pipe networks and water extensions. Indicates the efficiency of the methodology, as the performance of the employee group / equipment.

The following is graphically demonstrated the evolution of the above indices:

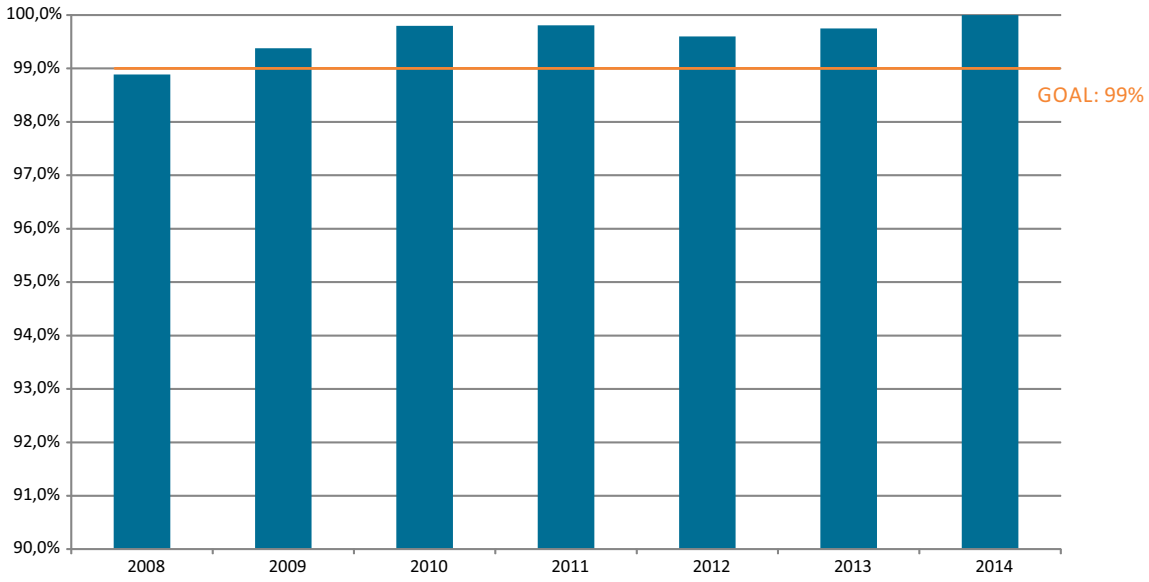
Water Metering Index - WMI



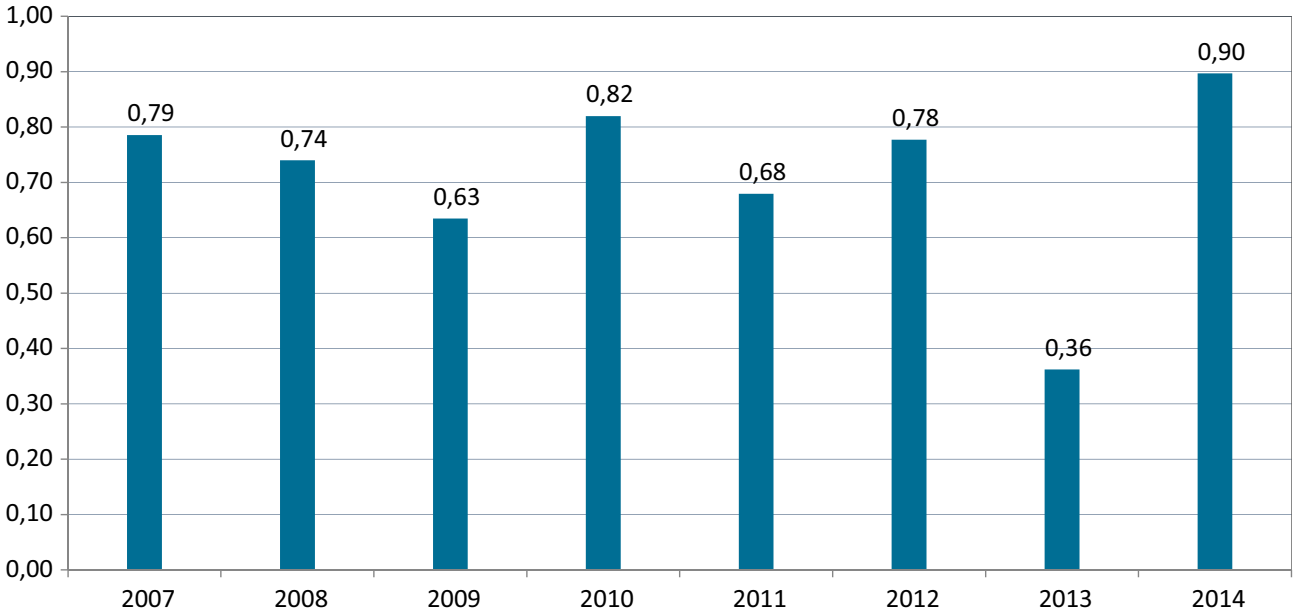
Micromeasurement Performance Index - MPI



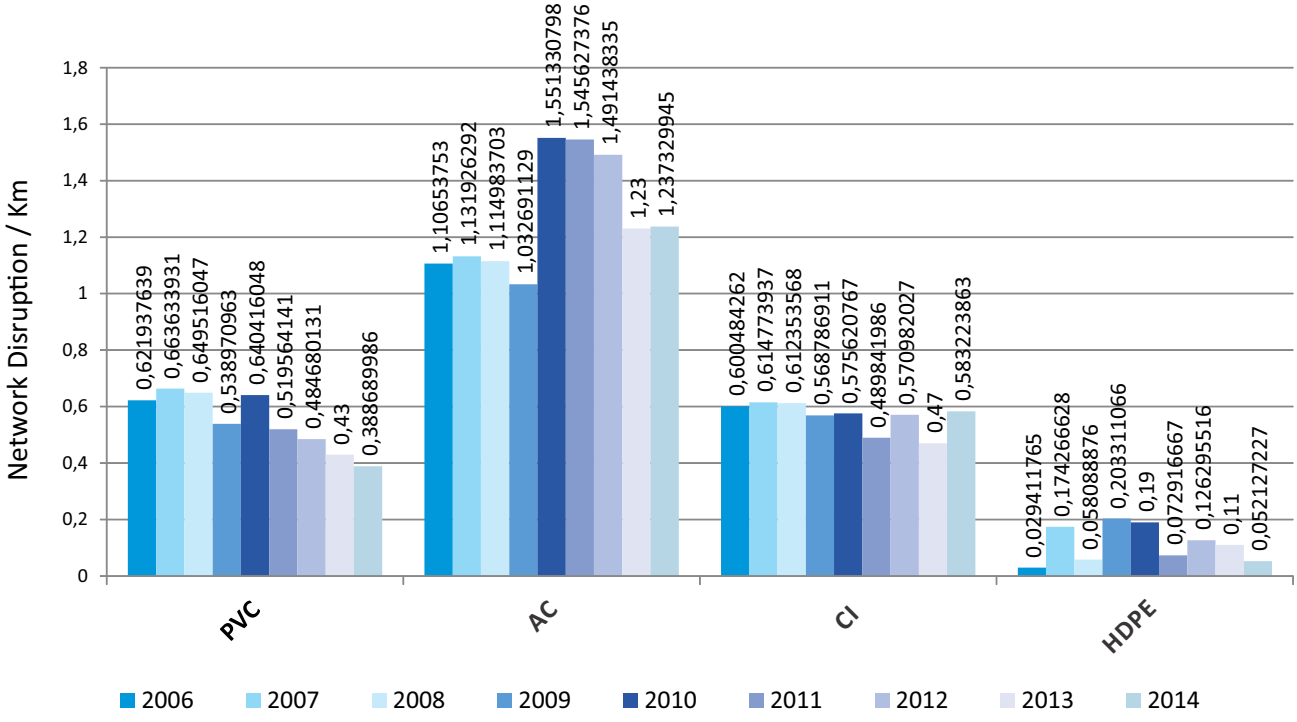
Macromeasurement Index - MI



Leaks Found by Network Extension Researched (km)



Comparison of Maintenance in Water Network by Material



The graph shows that, over the past few years, the density corrective maintenance (leaks) per kilometer in asbestos cement networks - CA come to be up to 300% greater than the density of the PVC and cast iron (FF) materials.

The Loss Control Program follows the technological evolution, in which we highlight the following actions monitors developments

Registration of Technical Database for Water Networks

In 2014 there was enormous advance in registration process of water networks due to customization of MapInfo Professional tool with internal labor. This customization attributed greater security and prevention of common mistakes in data entry process as well as printed graphics editors greater flexibility to the digital registration base.

Remote Measurement System Consumption - Telemetry

In compliance with Rational Use of Water Project guideline in Public Schools - REÁGUA, it was acquired by SANASA a Remote Measurement System - SMR, for monitoring water consumption of 100 schools involved in the project.

For monitoring the consumption of 100 schools took 118 measuring points, as some schools have more than one water connection.

The system consists of installing a pre-fitted water meter with pulse output, which is coupled to a device called universal transmitter that captures the pulses emitted by the meter and releases a Radio Frequency signal - RF. The RF signal is received directly by a device called a concentrator which communicates with the SANASA database also via RF signals; so there is no additional cost for the transmission of consumption data.

The concentrator is a device capable of monitoring up to 200,000 points of consumption. But it has range of 5 km radius; hence it took eight concentrators to cover the city of Campinas.

If the signal transmitter is not captured by a concentrator, there is the possibility of installing other auxiliary equipment, called repeater. 32 repeaters were installed to capture data of all project schools.

Repeaters and concentrators were strategically installed in elevated water tanks of SANASA, as they are located at high points of the city and already have automation system with data transmission to the Operational Control Center of SANASA; therefore the SMR shares the same existing RF network in the company.

With the installation of this equipment SANASA now has a macro RF network infrastructure, also called "cloud", enabling the expansion of low-cost telemetry, ie the SMR purchased to meet the REÁGUA project brought a great benefit the SANASA.

In the second selection of the Project Rational Use of Water in Public Schools - REÁGUA, SANASA has been awarded more than 100 schools for which were acquired over 100 monitoring points of consumption, and 300 points for installation in macrometers and 200 points for large consumers, which are being installed.

In this new bidding were purchased 250 meters with RF technology already built into the equipment, ie it is a water meter that externally has no attachment and that communicates directly with the concentrator, eliminating the need for universal transmitter. It is therefore economy and practicality in implementation.

Automatic System Control and Pressure Optimization Control Structure

The purpose of the system is to implement the monitoring and control in the pressure reducing valves in order to work with the minimum pressure required for the supply system under its influence.

Eliminating the excess pressure in the areas of Pressure Reducing Valves - VRPs, the results achieved are the reduction of leaks, breaks and hence the reduction in operating costs for repairs, and extend the life of networks, water connections and water meters, thus delaying investment in the renewal of infrastructure (exchange networks).

The implementation of the Automatic Control System Pressure Optimization and remains in critical stable pressure depending on the sector consumption, ensuring that there is availability of pressure in times of high and low consumption. With the reduction of its buoyancy decreases the fatigue and extending the useful life of networks for much longer. It works with the minimum pressure that meet the demand and seasonality. The schedule of dates and times in the influence of VRP sector - Pressure reducing valve is done remotely without the need for displacements teams and maneuver the system.

The advantage in the implementation of this system is the availability of data "online", resulting in excellence in the levels of services provided to consumers and reducing operating costs.

In 2014 it was acquired 10 Automatic Control Systems and Pressure Optimization Control Structure.

Remote Measurement System - RMS Macromeasurement

The Remote Measurement System allows the acquisition of data "online" flow / volume in macrometers installed on field, distributed throughout the city of Campinas, transmitted via radio frequency.

Initially the system was implemented in schools across the Reágua project, which was set up macro-infrastructure required, and also used for this application.

With the received data RMS system can improve the measurement management of macrometers park, speeding up preventive and corrective actions.

The information is available to all sectors of the company involved in the process, such as: Planning and Projects, Maintenance, Operation and etc.

In 2014 they were purchased 258 equipments, which are in installation and monitoring phase.

Use of consumer behavior analysis tool

In addition to promoting the technological development of its units, SANASA encourages scientific work of its technicians. In 1997, it began developing a software in order to monitor water meters installed at water connections, for there was great difficulty in time to identify the water meters that were in trouble, a fact that generated waste of resources and revenue loss.

Combining the experience of sanitation in SANASA employees to provide service of a professional expert in computer science and statistics, it was possible to develop an important tool for meter park management, which allowed the implementation of Predictive Maintenance of water meters and contributed directly to the reducing water loss rate in recent years.

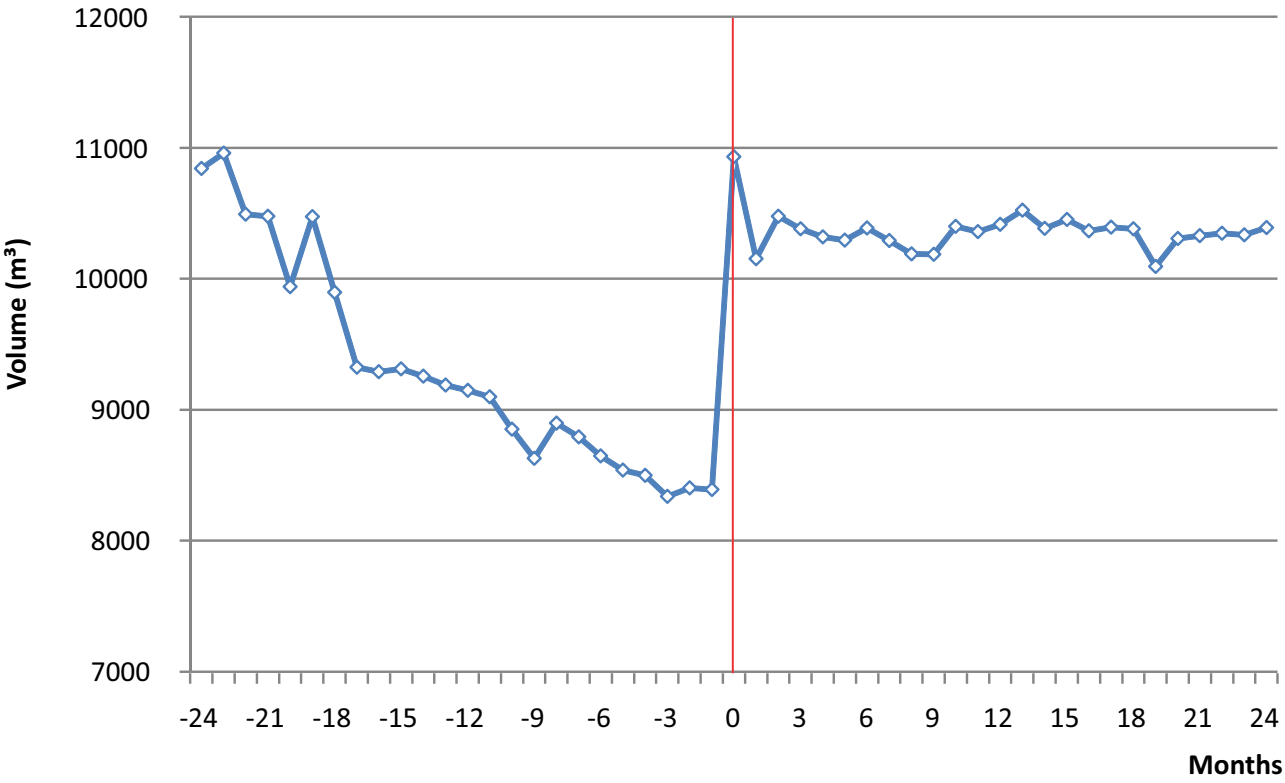
The tool, a pioneer in Brazil, uses the historical database of SANASA, with consumption information from 1992 to plot a standard linear regression line whose slope indicates the trend of reduction or increase in the average consumption of water meters. So you can safely identify the faulty meters and prioritize preventive actions.

The software is also used to check water connections with suspected irregularities, aiming to carry out inspection in the field as well as calculate the damage caused in the fraud and analyze the results obtained in the meter replacements.

The water meter replacements performed using the software in question have the best results, with return on investment in less than a year, proving the efficiency of the scientific method adopted. The following figure shows a graph with the results of the water meter replacements in 1998, year of software deployment. In the left quadrant is indicated the sum of consumption of the last 24 months prior to trade and in the right quadrant of the sum of consumption of the 24 months following the interventions.

You can check that there was a downward trend in consumption and after the exchanges was a major elevation, representing a reduction of losses; billing recovery; improving the quality measurement; more efficient management of meters.

Since 1998 are held replacements of water meters by the criterion of Predictive Maintenance and the software "Water meters Analysis System" is an indispensable tool for the management of installed meters. The results achieved by replacing water meters are shown in the following figure.



SEWERAGE SYSTEM

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

SewerageTreatment System

In order to reverse the critical situation of sanitation, SANASA has intensified the implementation of treatment plants. Today, the city has established 24 treatment plants. Some of them were built for exclusive service to new subdivisions and should be disabled over the years, with the entry into operation of the proposed stations, especially the completion of the Capivari II Sewage System, are running.

Sewage Treatment Plants - STPs in operation

ATIBAIA RIVER BASIN

1. Anhumasn STP
2. Barão Geraldo STP
3. Terras do Barão STP
4. Alphaville STP
5. Samambaia STP
6. Arboreto Jequitibás STP
7. Bosque das Palmeiras STP
8. Sousas STP (2013 Operational start)

QUILOMBO RIVER BASIN

1. CIATEC STP
2. Vó Pureza STP
3. Vila Réggio STP
4. Mirassol STP
5. Campo Florido STP
6. Takanos STP

CAPIVARI RIVER BASIN

1. Piçarrão STP
2. Capivari I STP
3. Capivari II RWPP – Reuse Water Production Plant
4. Icaraí STP
5. Eldorado STP
6. Hospital Ouro Verde STP
7. São Luis STP
8. Novo Bandeirantes STP
9. Santa Lúcia STP
10. Abaeté STP

Note: The Taxanos STP began in mid-2014 and is in the pre-operation phase.

The monitoring of STP is accomplished through periodic sampling and analysis, in order to monitor the operating parameters and the efficiency of each unit.

They are also carried out preventive and corrective maintenance on the equipment to ensure proper operation of the units.

The collection system and sewage reversal for STP has 81 Sewage Pumping Stations - SPS aimed allocate the sewer located in lower elevations to higher locations by optimizing the existing sewage systems.

The CCoE - Central Operational Control of the SPS monitors the units connected to the system remotely and allows you to check the level of suction pit, discharge flow, equipment operating status, power system status, sewage overflow alarm ensuring greater system efficiency. Currently, 38 (thirty eight) are joined to the CCoE and there is a timeline so that over time, all units are connected to the system.

SANASA partnered in 2014 with the Ministry of Cities for participation PROBIOGÁS project - Project Brazil - Germany Energy Biogas Utilization in Brazil.

The project is the initiative of the German government, which is currently a reference in the reuse of biogas, and aims to transfer knowledge and technology, and further studies on the biogas generation potential of anaerobic reactors, used in large scale in Brazil for the sewerage treatment.

In 2014, SANASA participated in an international training conducted in Germany, in order to increase knowledge about the use of biogas and develop a training for sewage treatment plants operators.

SANASA also contributes to the development of a technical guide for use of biogas from anaerobic reactors and is participating in a research project that seeks to track the generation of biogas for a period of time, besides studying their production in a UASB - upflow anaerobic sludge blanket.

The Sewage Treatment Plant – Piçarrão STP, which has as UASB design followed by aeration tank, followed by settling tanks, and operates since 2005, was selected along with 09 other STP in Brazil to participate in a research project, in addition to studying possibilities of reuse of this byproduct.

Currently, SANASA is in the study phase of the biogas generation, correlating factors involved and the system will find out at the end of the process, the energy potential of STP, and enable greater breadth of knowledge on the subject, producing data and material can assist in decision making and implementation of new technologies for power generation from biogas.

G4-EN10

Percentage and total volume of recycled and reused water

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Principle 9 of the United Nations Global Compactt: Encourage the development and diffusion of environmentally friendly technologies.

Reuse Water

In Campinas, reuse water may be used provided that meets the requirements of the Municipal Joint Resolution SVDS / SMS No 09/2014 of 04/08/2014.

The reuse water produced in the Capivari II RWPP falls under Class A in accordance with that resolution, which allows its use and marketing for various purposes.

Demand for water reuse grew in mid-2014, due to the wide dissemination of availability of this feature and security in its use. Combined with the existing water crisis in Campinas and in much of Brazil, the use of this solution currently presents growth trend.

Reuse Water Production Plant - Capivari II RWPP

Reuse Water	Volume (m^3)			
	September	October	November	December
Produced	145.690	157.260	173.585	189.544
Dumping	143.869	154.000	171.743	187.705

Reuse Water Marketed Destination

Main Uses	September	October	November	December
Construction	68%	45%	29%	7%
Landscape irrigation	27%	46%	39%	68%
Cleaning of public places	4%	7%	21%	17%
Clearance networks and galleries	1%	1%	11%	3%
Fire Department	-	1%	-	-
Vehicle washing	-	-	-	5%

SANASA owns and operates the Reuse Water Production Station - Capivari II RWPP, which uses the process of filter membranes - UF for nearly three years. Experience has shown to be a process with stability and high quality of reuse water.

It is important to emphasize that with the adopted treatment technology in the RWPP, the MBR – Membrane Bio Reactor, designed to filter membranes with pore rating of 0.04 micrometres and which is in an advanced process of sewage treatment, the quality obtained in the final product, reuse water, is far superior to that obtained in other conventional wastewater treatment processes.

But the SANASA as sanitation utility, recognized for the quality of services, and always seeking the best for Campinas and its people, understands the water besides being clean should be safe, requiring further studies. Therefore, in partnership with the Cirra – International Centre for Water Reuse, linked to USP – University of São Paulo, where the leading researchers in the area of treatment and reuse of water, perform further studies to obtain subsidies for defining processes the complement Capivari's II RWPP treatment system, in order to obtain treatment barriers in series, to ensure the quality of the water supplied to the population of Campinas.

These studies will be conducted with the water produced in the RWPP, ie using real sources. The settings will be based on monitoring of treated water quality. To do so, will be checked in the final water produced the presence of toxic substances, mutagenic, hormones, viruses, in addition to the drinking water standards and quality of surface water.

These studies should take approximately nine months from the authorization to the beginning, which should occur in the first quarter 2015.

Collecting and Dumping Sewage System

The municipal collecting and dumping sewage system has a network of 4250.76 km, serving the total of 288 520 connections and 423 350 economies, with coverage rate of 89.19% of the population of Campinas.

Evolution of Networks, Connections and Economies Catered by Sewage Sanitation from 2010 to 2014

Networks/Connections/ Sewage Economies	Annual				
	2010	2011	2012	2013	2014
Networks (km)	3.439,92	3.476,13	3.506,11	3.554,23	4.250,76
Connections (nº)	234.075	244.712	260.787	272.168	288.520
Economies (nº)	366.046	376.840	394.335	406.220	423.350

The 19.6% increase in the extension of sewer networks in 2014 was caused by the change in methodology in the calculation of the information, which in 2014 began to be calculated by MapInfo Professional GIS tool - Geographical Information System, which provides greater accuracy in the calculation of the extensions, and effectively in 2014 were executed 37 km sewer networks.

The reversal sewage system aims to transfer the sewage from one point to another of typically higher elevation and transposition of natural sewage basins, targeting the areas of interconnections, for the implementation of Sewage System and Sewage Treatment.

Use of GIS and Performance Indicators tools for analysis and diagnosis of sewage systems

Analyzing the efficiency and diagnosis of Campinas sewage systems are used the technical, operational, commercial and financial Geographical Information System.

Geographic Information - SIG on MapInfo software, relating to sewage systems, which are then formatted performance indicators.

By MapInfo platform are designed boundaries of the sewage system, which are plotted as a function of the areas planned sewer service basins. They are also drawn the sewage areas of contribution of each system, and its defined scope, visually, by the scope of the sewage collection and dumping networks, that are connected to the Sewage Treatment Plants (STP).

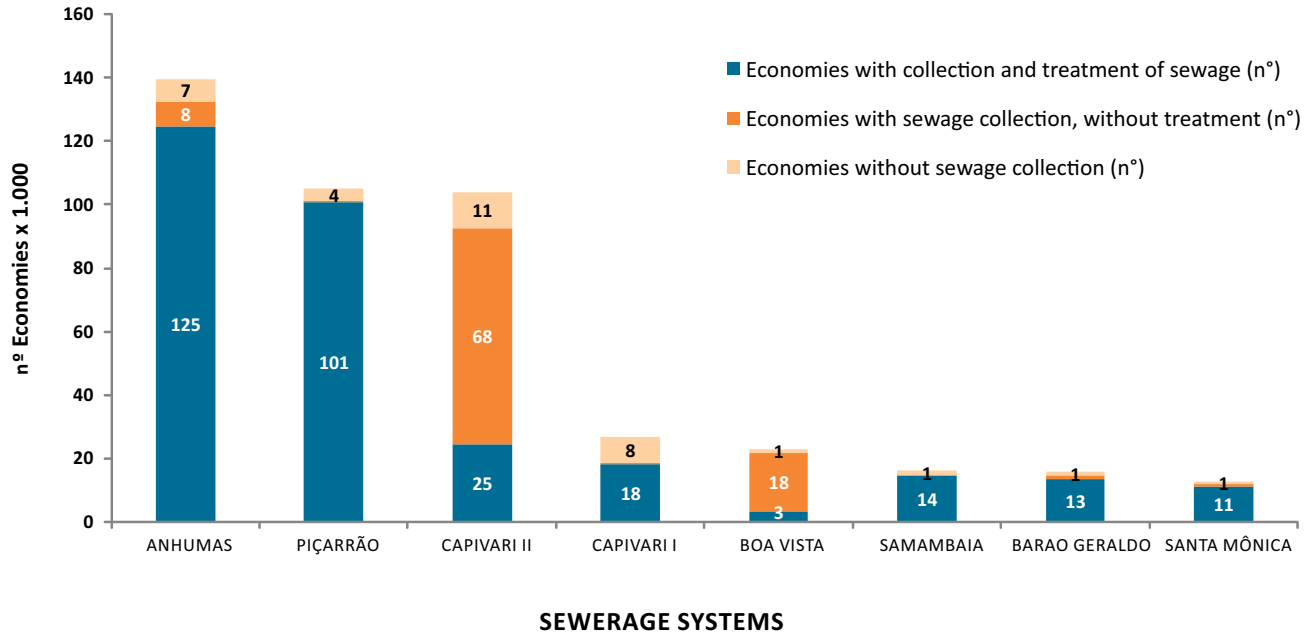
This area is used to manage a variety of information, including definition of consumers who are served with sewage treatment service.

Attendance rates of Sewage Services for Systems

In 2014, the main sewage systems showed attendance rates of sewage collection dumping and sewage treatment, as the graphs below, with reference to the number of economies attended for the month of October 2014.

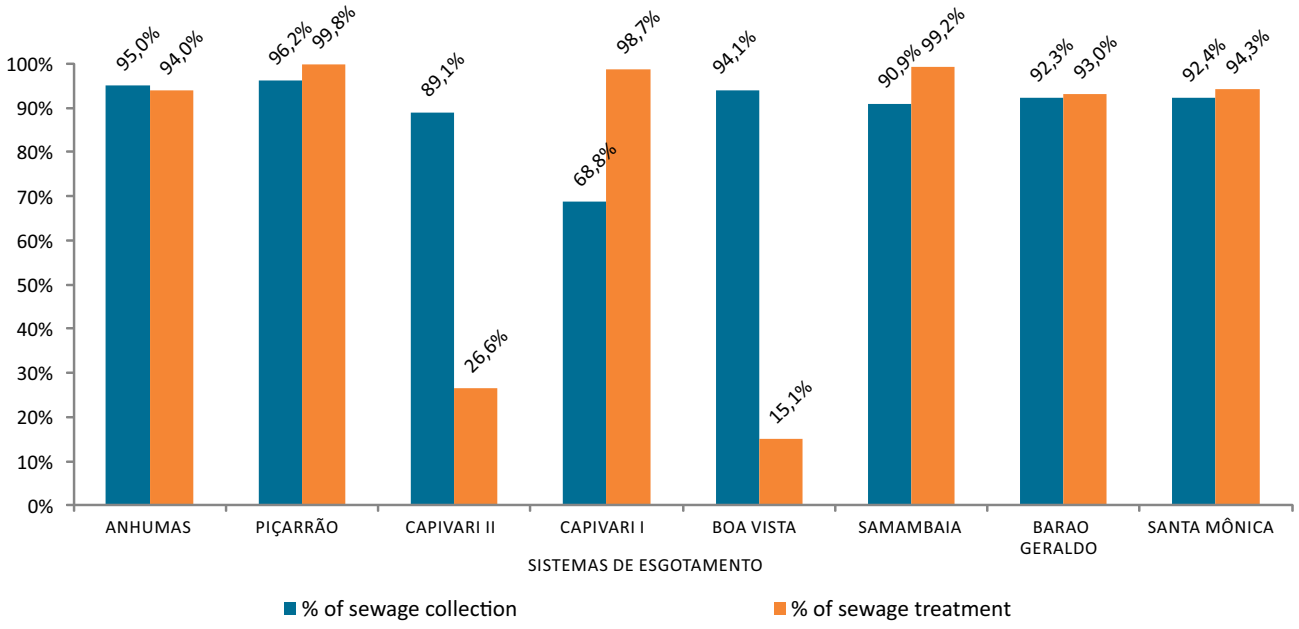
In the first graph shows the quantity of service, considering the number of economies by systems, wherein: economies with collecting, untreated sewage, represent the share of consumers for which only lack of connection to the sewage treatment; economies without collecting relate consumers who need care collection and sewage treatment; and Economies collection and sewage treatment refer to those consumers fully complied with the services. The sum of these groups makes up the total number of economies of systems

Service of Sewer Services for Economies



In the next graph shows the percentage rates of collection and treatment of sewage, and the collection rate is the ratio between the number of economies with sewage connections, and the number of economies with water connections and sewage. But the treatment rate is calculated on the basis of sewage that is collected, that is, the ratio between the number of economies with sewage connections connected to STP and the number of economies with sewage connections.

Index of Collection and Treatment of Sewage by Economies



Sewage Collection and Treatment rates for Economies Return Index of sewage and infiltration

SANASA formats and monitors the monthly return index of sewage and infiltration (RISI) for each sewage system. This indicator is the ratio of sewage volume measured at the entrance of STP and the volume of water available to consumers within the system of the sewage intaket area. Aims to identify behaviors outside the designed patterns and diagnose its cause, such as: infiltration of undergroundwater from groundwater and also rainwater outfall to the sewage networks, breaks / leaks networks and emissaries, entry of new consumers taxpayers in the system etc.

Electricity Consumption Index (ECI) - kWh / m³

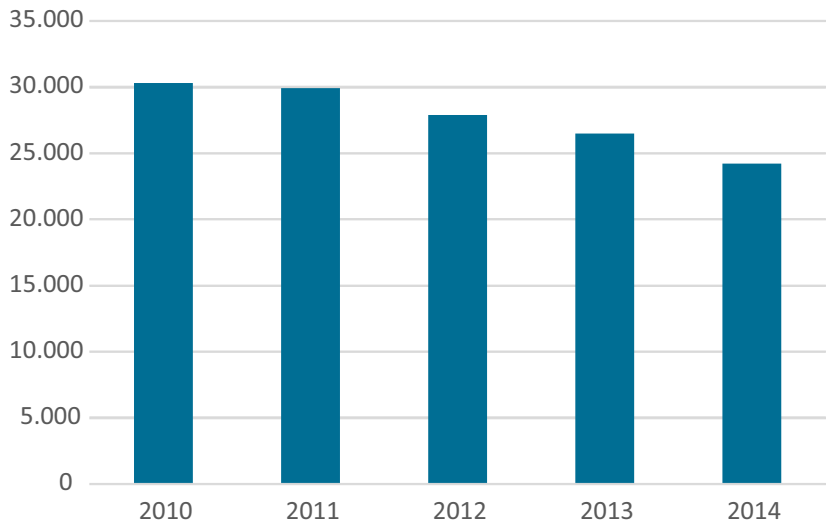
The ECI deals with the relationship between the consumption of electricity in STP and volume of sewage treated in the same, being formatted and analyzed monthly for each sewage system. Through indicator analysis can be identified: Measuring errors of treated sewage volume, start or stop equipment operating in STP etc.

Number of Corrective Maintenance of Sewage

SANASA monthly and annually monitors the amount of corrective maintenance of the sewage systems in order to evaluate the operating conditions of the processes and identify improvement opportunities.

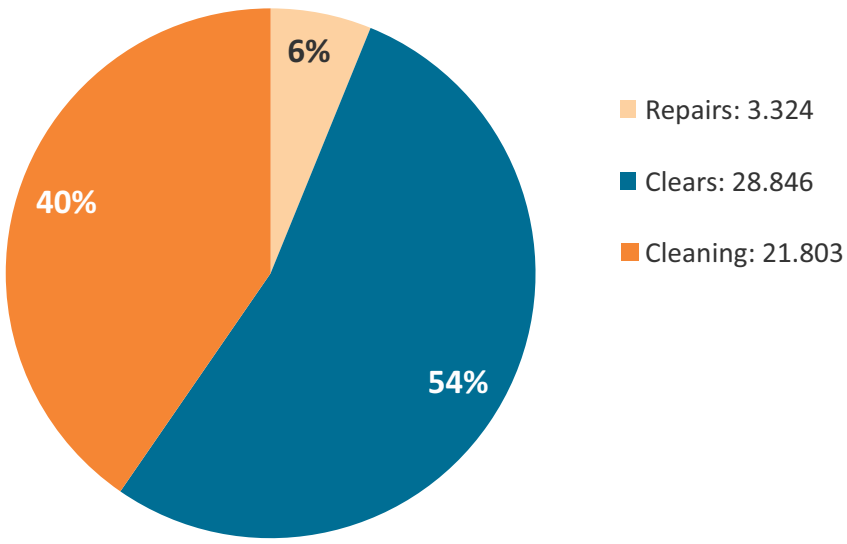
The chart below shows the monthly amount of corrective maintenance in sewage systems, which were carried out between the years 2010 through 2014. . It is noticed an improvement in the indicator over the period analyzed.

Sewage Corrective Maintenance of Campinas



The chart below shows the percentage distribution of the types of services performed relating to corrective maintenance of sewage that occurred in 2014. It is observed that each maintenance may cover up to six correction services in sewage infrastructure. It is noticed that most services is clearing and cleaning of networks, totaling 94% of the total.

Total of the Services Carried out in 2014: 53.973



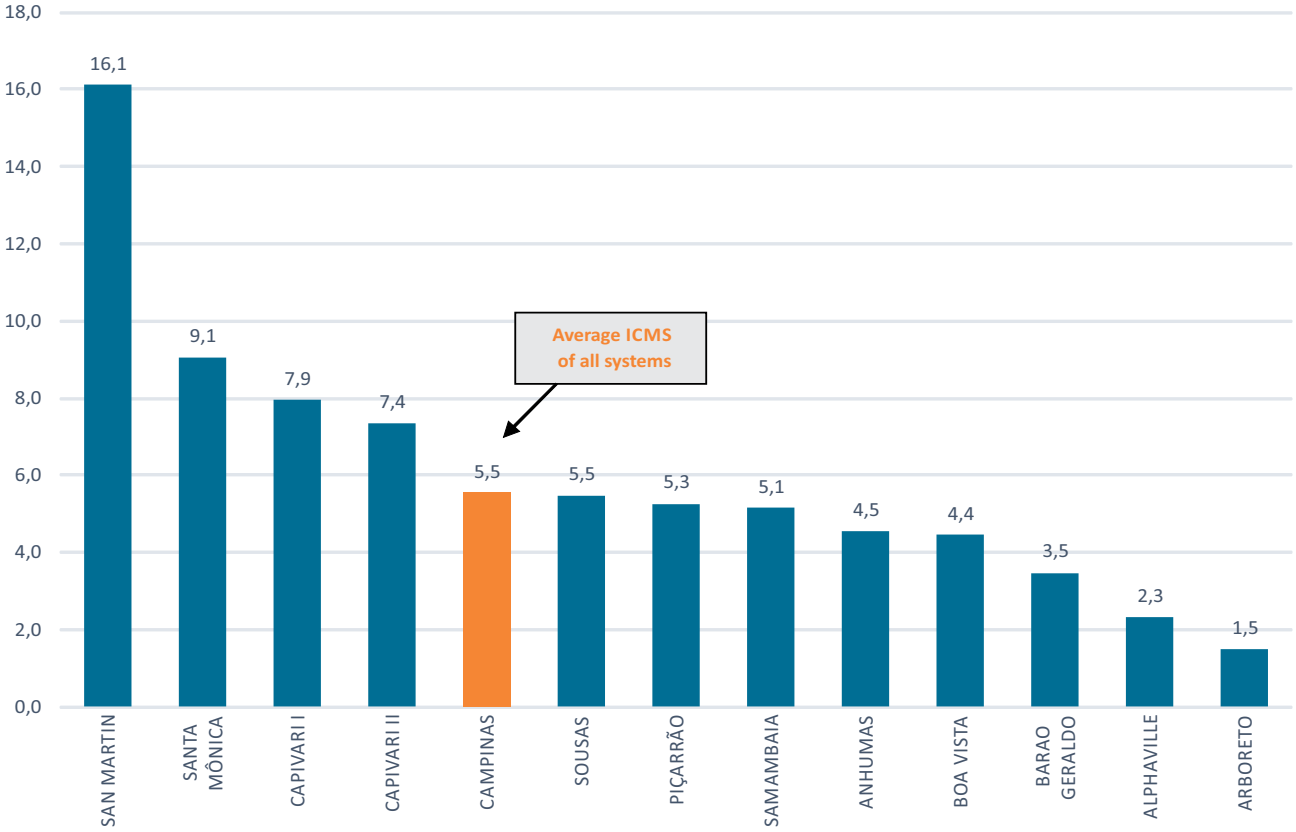
Index of corrective maintenance of sewage - ICMS

Annually calculate the ICMS, which deals with the relationship of the number of corrective maintenance of sewage in the year by the sum of extensions of sewer networks of systems calculated in kilometers.

The analysis and monitoring of this indicator to assess the effectiveness and efficiency of corrective maintenance made in the collection networks, as well as the appointment of more deficit systems.

The chart below shows the ICMS by sewage systems in 2014, where you can compare and select the systems with higher ICMS values, allowing the targeting of corrective actions for the selected systems. The red bar it is the ICMS calculated for Campinas Sewerage System.

Index of Corrective Maintenance of Sewage (ICMS) of the Sewerage Systems



Analysis of operating performance of the sewage collection system

In order to manage the proper functioning of sewage collectors in more detailed level, SANASA performs operational performance analysis of collection networks for public parks, by applying the ICMS.

Excess corrective maintenance on certain network paths indicates the frequent occurrence of operational problems, such as obstructions, leaks, etc., which can be caused by several factors such as: low slope of the network section, rainwater in networks, misuse of collectors, age of material, type of pipe material, change the hydraulic system designed etc.

As well as the collection networks, corrective maintenance are georeferenced in Mapinfo platform, where it is made the sum of maintenance and network extensions by street, then being calculated its ICMS. Then it is selected them streets more ICMS for analysis and diagnosis of recurring operational problems in your network.

After the diagnosis of the problem are taken corrective action in the street network.

The following table presents possible diagnostics found and subsequent corrective actions or suggested improvements.

Diagnostics	Actions
Inappropriate use of extensions, networks and sanitary inspections by taxpayers consumers	Education and awareness of taxpayers consumers to the appropriate use of sanitary infrastructure
Excessive obstructions and leaks by low steep slopes of the stretch	Project design for replacement or relocation of the network, or other viable alternative technique
Rainwater, and / or excess grease in networks	Inspection of pipes for filming and inspection of residential property with subsequent notification for regularization

Permanent actions to guarantee the Sewerage System Efficiency

SANASA has been working in order to ensure the efficiency of the Sewerage System. Therefore, actions are performed that aim to analyze the building installations water and sewage from residential, public, commercial and industrial, in order to determine whether they comply with the rules of SANASA and relevant legislations and check the conditions of operation of public sewerage systems, thereby ensuring the recommended operation to water and sewerage systems.

To achieve the goal the following procedures are adopted:

• Previously analyze the areas to be inspected in the field, checking the occurrences of maintaining networks and sewage connections and requests from third parties;

• Inspect the infrastructure connections and external sewage networks to real estate, to verify compliance in order the dumping of sewage until the treatment;

• Inspect buildings not registered in the public sewerage system, which have available sewerage collection system, and evaluate the technical condition for realization of the sewage connection as relevant standards and topographic site survey, aimed at regularizing and collection of sewage, protection public health and environmental protection;

• Inspect the internal sewer facilities to buildings, checking for possible non-compliance, such as misstatements of rainwater in the sewer; of the open wastewater; sewage stormsewer; irregularities as the grease traps and oil and sand retention boxes;

• Inspect property for regularization of illegal sewage connections, and issue a report for billing;

• Check building installations sewage and water real state, on new housing developments, to support the Terms Confession of Water and Sewer Debt;

• Inspect connections and public sewerage systems in places where there is high incidence of corrective maintenance;

• Discuss the outcome of the inspection of the connections and sewage networks and, being shown non-compliance, issue a report and forward for cleaning; maintenance; replacement and / or guidance to users;

• Inspect the internal water installations for buildings, checking for possible non-compliance such as divergence between the hydraulic design and implementation; reservation / pumping; pressure drop device; Standard water connection; existence of an alternative source of water supply not registered in SANASA;

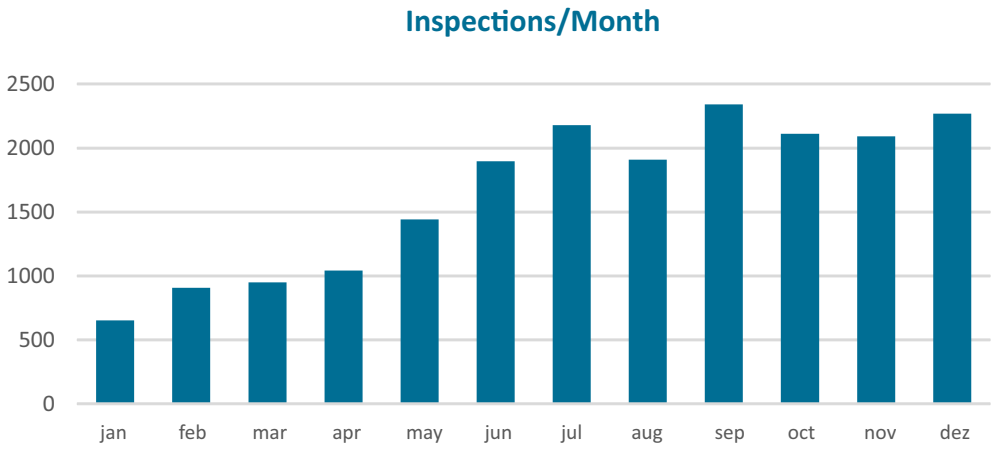
• Inspect the internal sanitary facilities to real estate, to prove compliance or the need for regulation to technical standards of SANASA, and issue terms required for obtaining Work Completion Certificate and Special-use permit by Campinas zoning authority.

• Create and maintain work areas in specific software and feed the corporate system of SANASA, providing information of the work performed by the sector, such as building inspection residential, public, commercial and industrial properties;

• As a preventive action, provide technical guidance to the public through lectures about the correct use of sewage collecting network, NGOs - non-governmental organizations, public schools and municipal agencies, with the participation and training 308 multipliers.

Outcomes

19 788 technical inspections were carried out in 2014, as shown in the following chart:



Among the inspected real estate, 9613 showed no irregularities.

1,632 real estate, were found with irregularities and noted that 2, real estate, were regulated in 2014. The remaining inspections numbers are for vacant lot, real estate under construction and unoccupied ones.

Also were selected through the corporate system, 3,641 consumers who had availability of collecting the sewerage system, but they were in category only water. Of this total, 1,156 consumers had their category changed to water and sewage and the others refer to vacant lot, real estate under construction and unoccupied ones.

Water loss reduction provides energy savings

G4-EN6

Reduced energy consumption

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

A. SANASA has made savings in consumption electricity, provided by your Program Control and Loss Reduction in water distribution.

This program was initiated in 1994, when the distribution system efficiency was 62.3%.

They were implemented and maintained actions that resulted in increased distribution efficiency of the system in 2014, to 78.4%. Reduction of losses reduces the treated water production, which leads to proportional savings in electricity consumption.

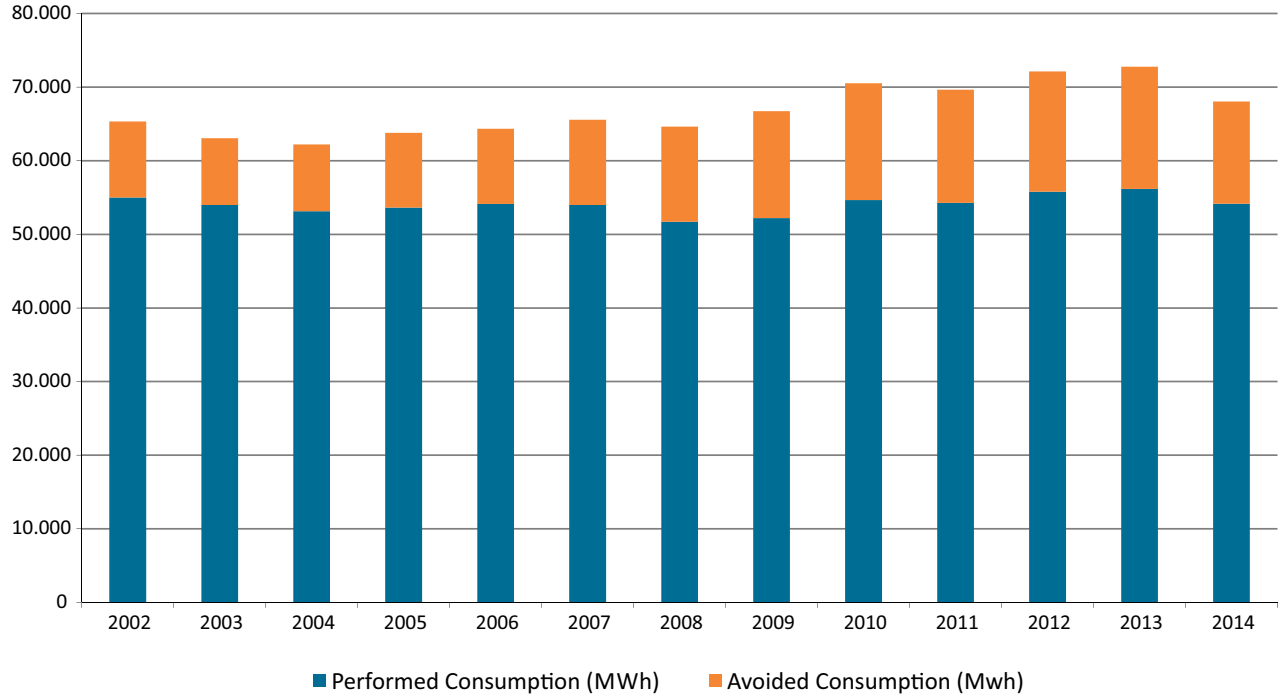
For example, in 2014 it was possible to achieve savings in the volume of water produced equivalent to 3.1 months for treated water production. With the reduction of the lost volumes, there was also a reduction in spending on electricity.

The graph shows the electricity consumption in the SANASA held annually between 2002 and 2014 and avoided consumption due to the reduction of water losses in the period.

The value saved in the period, adjusted for average current values of 2014 was around R $ 50 million, representing on average 24% of total energy consumed.

This result is in line with the Strategic Themes calculated by SANASA in 2014. The company seeks, environmental management and in the context of technological innovation, modernizing the industrial park, in order to reduce the losses of the index distribution to, among other factors, It leads to improved energy efficiency.

Annual electricity consumption (MWh)



G4-EN3

Energy consumption within the organization. Total consumption of fuel derived from non-renewable sources, in joules or multiples, including the types of fuels used

A. All electricity used by SANASA (99.9999%) is derived from the Brazilian Interconnected System.

Only in emergency situations the company uses fuels from non-renewable sources (diesel). The amount is negligible compared with the total hydraulic energy used.

Consumed Energy – in 1000 kWh

	2010	2011	2012	2013	2014
Eletricity Consumption	92.340	85.554	89.016	92.340	90.830

SOCIAL MANAGEMENT

HUMAN RESOURCES

Materiality tests performed in 2014 reaffirmed the importance of integrating employee relations as strategic issues in the context of sustainability of SANASA. People management policy; Gender equity and diversity; development of culture of sustainability and continuous training are the main fields of attention.

G4-10

Número total de empregados por contrato e gênero

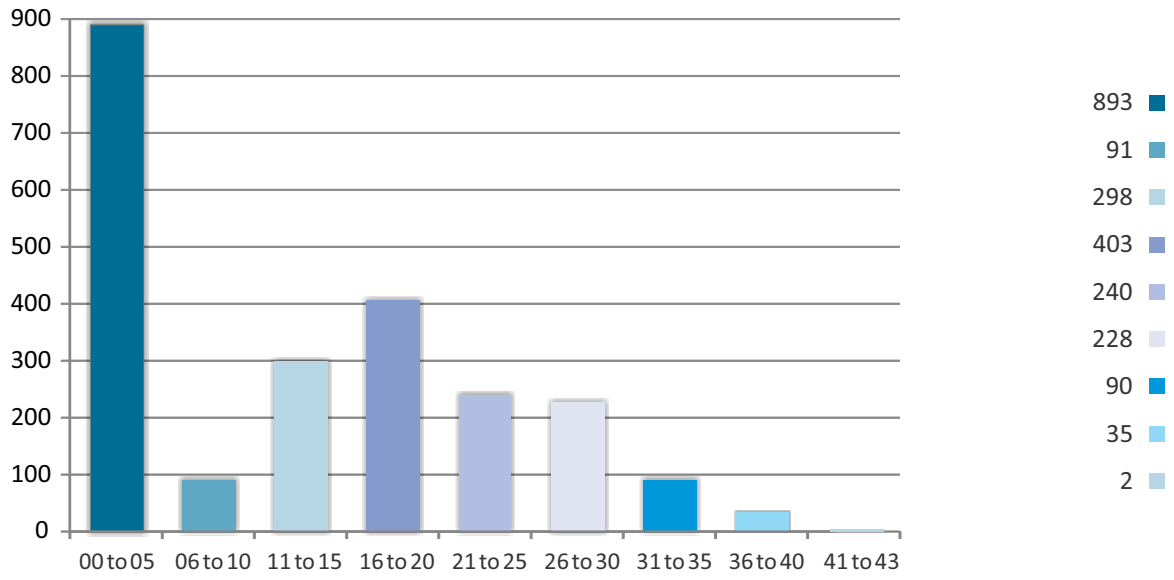
G4-LA1

Total number and rates of new employee hires and employee turnover by age group, gender and region.

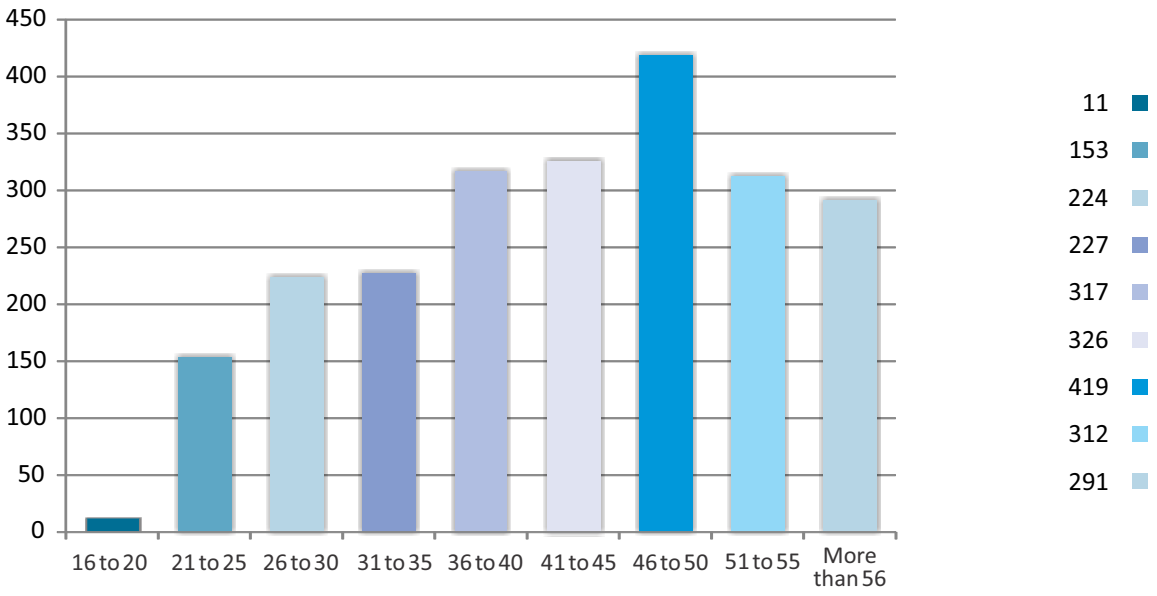
a) Total number and rate of new employee hires during the reporting period, by age group, gender and region.

Gender	Number of staff in 2014
Female	419
Male	1861
General Total	**2,280**

Staff Distribution by length of employment – in years – in 2014



Staff Distribution by age – 2014



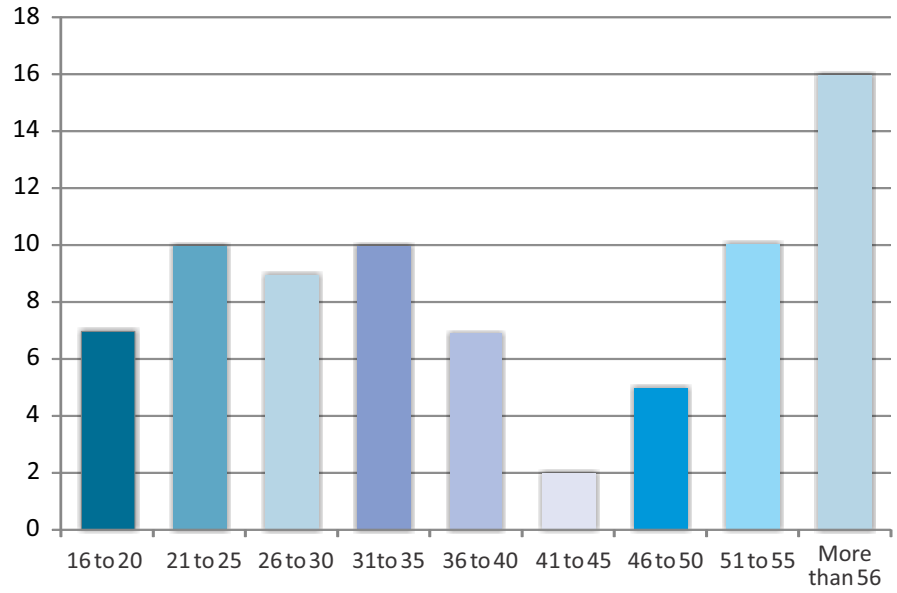
b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.

Taxa de rotatividade (Turnover)		
2010	1st half	0,75%
	((12 hirings+ 12 dismissals/2)/1,594*100=0.75%	
	2nd half	0,99%
	((6 hirings + 25 dismissals)/2)/1,553*100=0.99%	
2011	1st half	1,49%
	((28 hirings + 19 dismissals)/2)/1,574*100=1.49%	
	2nd half	5,05%
	((123 hirings + 37 dismissals)/2)/1,583*100=5.05%	
2012	1st half	9,35%
	((270 hirings + 37 dismissals)/2)/1,669*100=9.35%	
	2nd half	8,01%
	((289 hirings + 40 dismissals)/2)/2,053*100=8.01%	
2013	1st half	5,58%
	((185 hirings + 67 dismissals)/2)2,257*100=5.5826%	
	2nd half	1,22%
	((21 hirings + 34 dismissals)/2)/2,245*100=1.2249%	
2014	1st half	2,40%
	((68 hirings + 41 dismissals)/2/2,272*100= 2.3987	
	2nd half	1,71%
	((43 hirings + 35 dismissals)/2/2,280*100= 1.7105	

Turnover in 2014	
Dismissals	76
Hirings	111
Total staff at the end of 2014	**2,280**

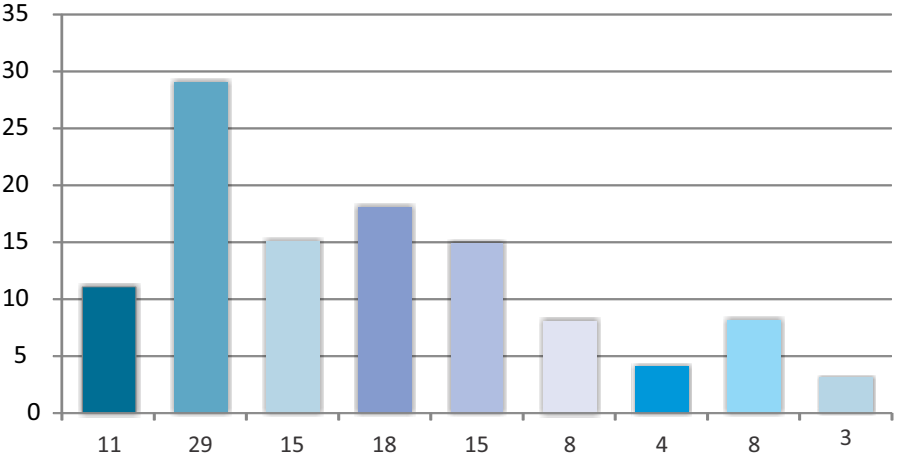
Dismissals in 2014 - by gender	
Female	21
Male	55
Total	**76**

Dismissals in 2014 - by age



7
10
9
10
7
2
5
10
16

Hirings in 2014 - by age



16 a 20
21 a 25
26 a 30
31 a 35
36 a 40
41 a 45
46 a 50
51 a 55
more than 56

G4-LA2

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

Ethos indicator 26: compensation and benefits, Stage 2 - the company, beyond the legal minimum wage, provides insurance workers benefits (health, life, etc.) to employees and extends to their families.

A. All company employees are hired under the Consolidation of Labor Laws and receive the following benefits: Collective Agreement May / 2013 to April / 2014; medical care for employees and their dependents; meal vouchers for lunch and morning coffee; food vouchers for shopping in the supermarket; employer-subsidized commuter tickets or choose by fuel vouchers; salary supplementation in situations such as sick leave or work accident; private retirement plan to supplement public pension programs; agreements with drugstores; subsidy for purchase of medicines; group life insurance; subsidy for buying glasses; subsidy for the purchase of school supplies dependent; reimbursement of expenses with day care centers; reimbursement of expenses for persons with disabilities; funeral grant; scholarship; share in the profits program, which can provide the employee an additional annual fee, in case of compliance with pre-set targets.

Interns receive all these benefits except food vouchers for shopping in the supermarket.

G4-LA3

Return to work and retention rates after parental leave, by gender.
a) Total number of employees that were entitled to parental leave, by gender.
b) Total number of the employees that took parental leave, by gender.

A. SANASA Campinas grants additional leave 60 calendar days from the day following the end of the legal leave, totaling 180 days of leave, as required by Municipal Decree #. 17,707 of 24 May 2010..

	Leaves in 2014	Leaves in 2013	Leaves in 2012
Maternity	13	11	3
Paternity	42	37	22
General Total	**55**	**48**	**25**

G4-LA9

Average hours of training per year per employee by gender, and by employee category.

Ethos indicator 27: Commitment to professional development, the company should invest in job training and professional development of employees, stage 2 - the company has routine training / capacity building aimed at improving productivity and encourages employees to improve their job-skills training.

A. Trainings are requested by employees together with their leaders and should have direct application in their area. In general all requests are met.

Trainings

	2014	2013	2012
Quantity of courses	187	120	190
Total in hours	**22,733.0**	**24,111.5**	**20,918.5**

Scholarships are granted to all employees when requested for courses related to knowledge that interest the company's activities. In 2012, 2013 and 2014 all applications for scholarships were approved.

Scholarships

	2014	2013	2012
Renewals	159	84	52
Concessions	256	210	119

Gender	2014
Female	99
Male	316

G4-LA12

Composition of governance bodies and breakdown of employees per employee category according to gender, group, miniority group membership, and other indicators of diversity.

a) Percentage of individuals within the organization's governance bodies in each of the following diversity categories

Principle 6 of the United Nations Global Compact: The elimination of discrimination in respect of employment and occupation.

Managers by Gender

	2014		2013		2012	
Gender	**#**	**%**	**#**	**%**	**#**	**%**
Male	25	75,76	22	66,67	21	72,41
Female	8	24,24	11	33,33	8	27,59
Age Bracket	**#**	**%**	**#**	**%**	**#**	**%**
Below 30 years old	0		0		0	
From 30 to 50 years old	11	33,33	10	30,30	10	34,48
Over 50 years old	22	66,67	23	69,70	19	65,52

Coordinators by Gender

	2014		2013		2012	
Gender	**#**	**%**	**#**	**%**	**#**	**%**
Male	64	65,98	67	67	67	65,69
Female	33	34,02	33	33	35	34,31
Age Bracket	**#**	**%**	**#**	**%**	**#**	**%**
Below 30 years old	0		0		0	
From 30 to 50 years old	61	62,89	66	66	66	64,71
Over 50 years old	36	37,11	34	34	36	35,29

G4-LA13

Ratio of basic salary and remuneration of women to men by employee category, by significant location of operation

Principle 6 of the United Nations Global Compact: The elimination of discrimination in respect of employment and occupation.

A. It is part of Wage Policy of SANASA non-discrimination by gender. Wages are set according to the positions held.

COMMUNITIES

G4-EC8

Significant indirect economic impacts, including the extent of impacts. Indirect economic impacts are an important part of an organization's economic influence in the context of sustainable development

Principle 1 of the United Nations Global Compact: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Sustainable Action Program - SAP

A. Inserted into one of the richest regions of the country, Campinas attracts migratory movements since the beginning of its industrial development, in the 1950s. In the 1960s established the first shanty town, nowadays called clusters. Currently there are 161 urbanized clusters and 84 non- urbanized, totaling approximately 61,000 families with 241,000 people, for a resident population of 1,154,617 inhabitants (estimated sense 2014 Brazilian Institute of Geography and Statistics - IBGE).

SANASA, aware of its social responsibility, considers that access to water is one of the essential needs of the population. This issue drives the provision of services to citizens in vulnerable situations.

SANASA installed the first collective water connection in the 1980s. In December 2014 figured up 1224 collective connections made, with 13,571 water economies, estimating 54,284 people in non-urbanized areas ; and 45,120 individual connections with 47,808 water economies, totaling 191,232 people in urban areas (number of economies is the amount of consumption units or estates depending on a single meter).

In 2007 SANASA established the Sustainable Action Program - SAP, which benefits the resident population of Campinas in housing areas - the shanty towns - and offers equal treatment, reduces water waste, search aware consumption and increases the prompt payment.

The Sustainable Action Program - SAP is part of the commitment of SANASA to universalize basic sanitation services and provide, therefore, more health and better quality of life for the population.

The purpose of the SAP is to meet the municipal water supply housing areas and thus also protect SANASA's water supply networks from contamination, pressure loss and / or water losses caused by unauthorized use, through illegal connections.

The services offered by SANASA are carried out in precarious, without setting, under any circumstances, authorization for the permanent residence of the resident in the area.

The indicators that demonstrate the performance of the Sustainable Action Programme are: billing, prompty payments, consumption and number of economies.

The procedures put in effect from 2007 to September 2014 adopted the convincement of the strategy, so that the population living in urban or non-urbanized areas spent to understand the actions of technicians SANASA, in reducing leaks and waste in the internal pipes.

During this period, the results were satisfactory, considering that the supply was regular. However, the current reality of water scarcity signals the need for more forceful actions to combat the leaks and waste.

With the understanding of residents was conducted from October 2014 to abolish the water supply in non-urbanized areas in which we detected leaks and waste in the internal pipes of the houses.

The SAP is organized to meet the varied needs of the core population. One is the collective water connection, which is connecting the meter to the nearest public network. These conncetions can meet residences, churches or trade.

In collective water connections apply for exemption from payment of the network, connection, removal / relocation and standard meter box, because it is of occupations whose families may be removed. Not applicable fine for irregularity, the impossibility of identifying the performer of the illegal connection.

In order to preserve the environment and public health, existing homes in occupied areas – non-urbanized areas - which connect to the sewerage system, with the intent to defraud SANASA, are not characterized as illegal users, due to its precariousness.

SAP also performs the re-registering of collective water connection; the registering Water / Sewage when the occupation have up to three water economies; the maintenance and readjustment of collective connection; the removal or relocation of collective or individual connection; the extinction of the connection and / or cancellation of consumer registration; and the consumer registration reactivation of collective or individual connection.

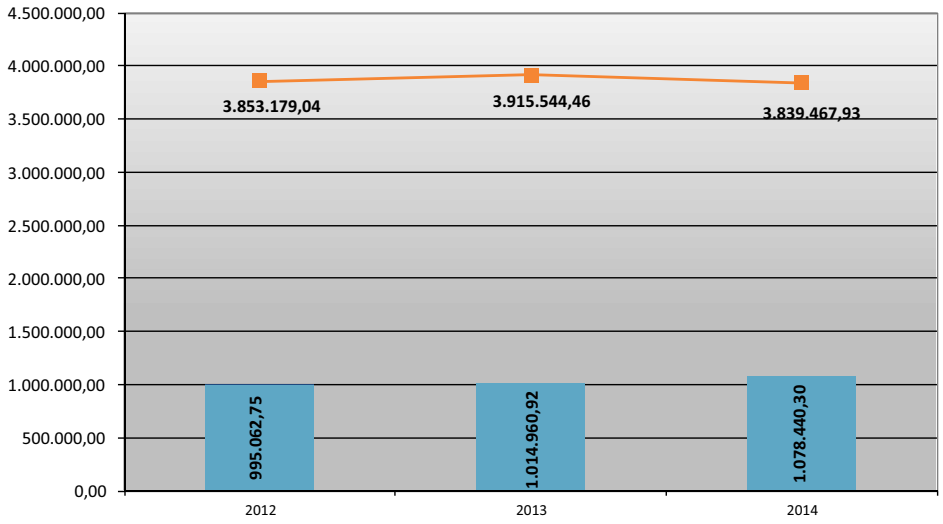
Technical agents inspect on site and verify irregularities, check the water meter reading and leaks, guide and monitor consumption.

In addition, the SAP carry out the house of interconnection to the water meter connection and the supply of material to carry out residential repairs, with rigid PVC pipes, in cases of internal leaks.

The program also endeavor to recover default customers from urbanized and non-urbanized areas.

Non-urbanized Areas Performance

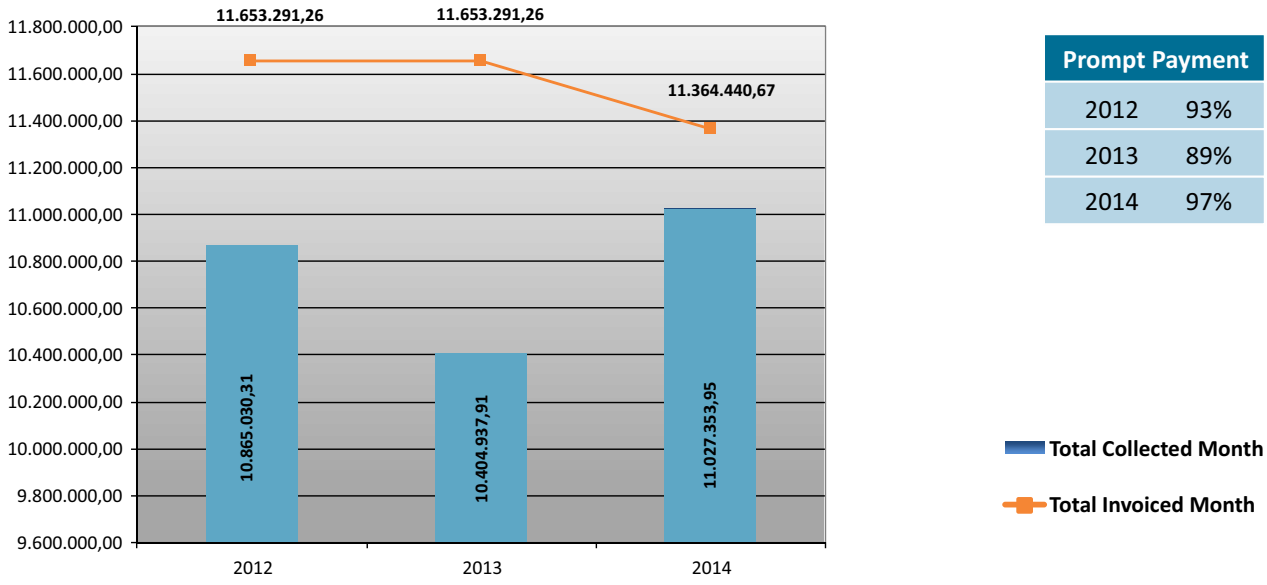
TOTAL COLLECTED MONTH/TOTAL INVOICED MONTH



Prompt Payment	
2012	26%
2013	26%
2014	28%

Urbanized Areas Performance

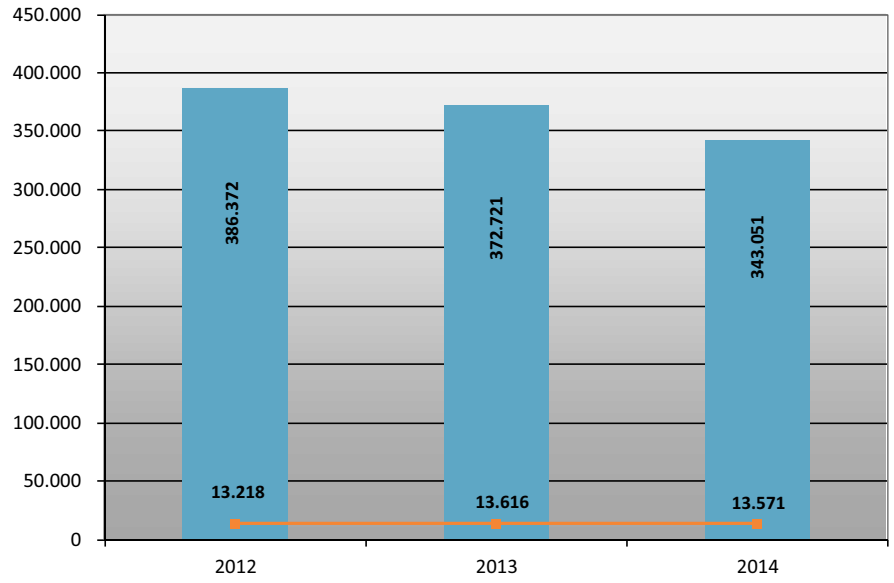
TOTAL COLLECTED MONTH/TOTAL INVOICED MONTH



Prompt Payment	
2012	93%
2013	89%
2014	97%

Non-urbanized Areas Performance

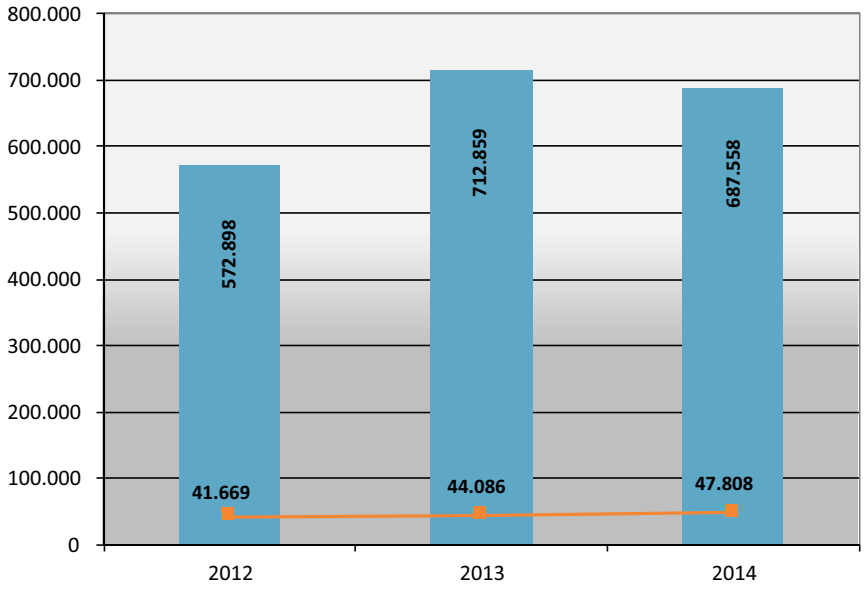
CHARGED CONSUMPTION/ECONOMY



Year	Average Family
2012	29
2013	27
2014	25

Urbanized Areas Performance

CHARGED CONSUMPTION/ECONOMY



Ano	Average Family
2012	14
2013	16
2014	14

ENVIRONMENTAL EDUCATION INVOLVES SCHOOLS AND COMMUNITIES

Environmental education in the communities is Strategic Theme in the management model of SANASA. So is the source of actions in partnerships with state and federal government agencies and inspires own initiatives. Are activities that involves from the reduction of water use in public schools, to employee training on the water crisis.

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Principle 9 of the United Nations Global Compactt: Encourage the development and diffusion of environmentally friendly technologies.

A. For a long time the idea persists that water is an infinite resource and that Brazil has significant water availability, which turned out to promote the waste in Brazilian culture.

In fact, this has always been a big mistake. Water is a finite natural resource and several regions of Brazil suffer from periodic droughts. The water crisis that began in 2014 in the Southeast, where Campinas is located, made it even more clear that the city is supplied by a sensitive and vulnerable watershed to climate change. And the arrangements require the efforts of all, citizens, businesses and public authorities, especially when we see that the daily average residential consumption in the municipality is 200 liters per capita, which goes beyond the UNO (United Nations Organization) recommendation of 110 liters per capita per day.

This reality shows as appropriate the development of the Project Rational Use of Water in Public Schools, started in 2012, for its contribution to face the crisis, since promoted awareness of the situation of water scarcity, sparked new consumption habits and installed at schools specially developed equipment to reduce water consumption.

The Rational Use project actions in the Public Schools Water, developed by the SANASA have environmental education as instrument of social participation, so that positively intervene communities to build a new behavioral paradigm forward to the daily use of water. Also serve to assess consumption patterns and spread the knowledge of new technologies for equipment and water saving devices.

The actions are in keeping with policies and documents pertaining to water resources, aligned to business strategies also include the commitments 2nd, d; 3, 4; 5.b; 9; 10th, b, c, d, e, made by SANASA the meeting Leaders Summit 2013 held in New York in 2013, which produced a document signed by the executives of the Brazilian delegation participating in the UN Global Compact.

The following are the Rational Use of Water Projects of SANASA:

- Project Rational Use of Water in Public Schools, with the Reágua;
- Rational use of training for employees;
- Rational Use of Water Course for residents (in 2015).

Rational Use of Water Project in Public Schools

G4-EC2

Financial implications and other risks and opportunities for the organization's activities due to climate change. Risks and opportunities posed by climate change that have the potencial to generate substantive changes in operations, revenue or expenditure.

G4-EC4

Financial assistance received from government. The total monetary value of financial assistance received by the organization from governments during the reporting period.

G4-SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs

G4-SO2

Operations with significant actual and potential negative impacts on local communities

A. In December 2011 the contract was signed between the State of São Paulo, in the Sanitation and Water Resources Secretariat, and SANASA as a public utility in the Rational Use of Water Project in the State Program to Support Water Recovery - REÁGUA.

The REÁGUA financially supports water recovery projects selected through a public call for proposals of the Sanitation and Water Resources Secretariat, transferring financial resources from the state budget and the World Bank, in not favorable conditions for its realization.

The first project (contract 002/2011, 249/2009 process), chosen by the Department of Sanitation and Water Resources of the State of São Paulo, includes 100 public schools, 87 municipal and 13 of the state system, with priority given to units with the worst rates of water consumption per student.

The total value of the project is R$ 2.39 million, being 100% refundable grants, and in accordance with the Standards 3 REÁGUA Program, SANASA is responsible for the supply of all the necessary financial resources for the implementation of actions.

The second project was selected in 2013 (with the contract 007/2013, 361/2013 process), covering more than 100 public schools, 66 municipal and 34 of the state system in the amount of R $ 2.48 million, according to same methodology as the first project.

SANASA invested in 2013, more than R$ 902,000 and in 2014, R$ 2.08 million, including the two ongoing projects, and was refunded by December 2014 with R$ 1.4 million of the first selection and R$ 248,000 in the second.

Reimbursement of over R$ 808,800, which must be passed on to SANASA soon already been approved. The remainder will be refunded only after the completion of the implementation phase and the beginning of the monitoring results. That is, the resources are released in so far of evidence of implementation and sustainable operation of the selected action, as was established in the instrument held between the parties.

Proof of implementationt is carried out through business verification agents at the conclusion of each phase.

The implementation encompasses the replacement of taps and installation of devices with mechanisms

aimed at reducing consumption; leak detection and repair; monitoring monthly consumption and water quality and implementation of environmental and health education program.

In 2012 started the work of environmental education and in the second half of 2013 began the implementation of Rational Use of Project Public Schools Water. The highlights were two cases that led to changes in the production of a particular faucet automatic process and a flow reduction device (see more information in the chapter on Suppliers in this report. In this chapter have been reported only environmental education).

At the same time, developed the Environmental Education Program, and Health in the communities of 200 school units, encompassing since Children's education to high school, including adult and youth education. In total, amounted to 139 elementary schools from kindergarten, 7 schools of education of young adults, 8 elementary schools and 46 state high schools.

Were involved:

Direct Audience: 62 282 students / 473 multiplying agents

Indirect audience: 249,128 Community.

The Environmental Education Program and Health operates the following goals and objectives: to support engineering shares; promote the participation of the school community in action implementation process; collaborate with the care of the consumption reduction target, adapting daily activities of the communities the rational use of water; and create sustainable project mechanisms and maintenance of water quality in indoor facilities.

The Environmental Education Program is part of REÁGUA guidelines, with the understanding that sustainability is directly linked to the support and involvement of the communities.

The installed equipment enables significant reduction regarding the consumption of water in buildings, but keep this index depends mainly on the commitment of the local community.

The formation of multipliers contributes to the involvement of representatives of various segments of the education networks and the collective construction practices and skills, according to the local reality, extending to the surrounding communities of schools.

The actions developed contribute to the construction of a new paradigm of individual and collective front of the dynamics of water supply and sanitation system.

The Environmental and Health Education Programme covers the formation of working groups to build diagnostic and planning; training course for multipliers for the rational use of water within the school community (schedule of 45h, 30h attendance and 15h to development practices in the community).It also promotes meetings consist of four distinct classes, composed of representatives of school diversity; brings thematic development that promotes the understanding of the interdependence between the natural, social, economic, political and cultural that make up the environment and characterize the water supply system; and allows the diagnosis and the collective construction of project sustainability mechanisms to promote joint actions among stakeholders.

For this, organizing traveling workshops, held in the school community and its surroundings; and promotes thematic development through oral health workshops; water quality; box cleaning of water; conscious use of water and disposal of sewage. Performs also training for outsourced of the education departments.

The environmental education activities are built on participatory methodologies, such as conversation circles; discussion and reflection; use of audio visual equipment; group dynamics, among others.

Verification procedures (audit) occur at the conclusion of the activities, and in case of positive certification, the pre-set reimbursements are released.

Besides representatives of various sectors of the SANASA, the program also involves the Municipality, through representatives of the Departments of Municipal Education and Training of State Boards 9and school communities.

Outcomes

G4-EN27

Extent and impact mitigation of environmental impacts of products and services

The result of the Rational Use of Water project in Public Schools comes from the sum of environmental education and installation of taps, which allowed large reduction of waste and water consumption. It is this sum that results in rates and total measured.

Up to December 2014, the interventions were carried out in 152 schools, promoting a reduction in water consumption, monthly, approximately 14 million liters (36%). This result exceeds the target set by REÁGUA, which is 25% minimum.

The monthly volume saving up to November 2014 is sufficient to supply around 4.242 million people, considering the daily consumption of 110 liters per person, according to UNO recommendation.

The Multiplying Agents Course for the rational use of water within the school community formed an average of three representatives per school, surpassing the expectations of the beginning of the process, which was counting on an agent by school unit.

Among the sustainability mechanisms of the process, set up to include the Rational Water Use Project in Public Schools in the Pedagogical Political Project of school units. Furthermore, has been started the collectanea of educational activities, to be published and adopted as teaching material; and the development of practical manuals with pertinent information to the project, which counting on the contributions of the participants.

As a qualitative indicator, it can be seen that communities began to revise their habits in daily life use of water, to mitigate the waste caused by leaks and monitor the monthly consumption of the building.

Employee Training

Employees feel welcomed by this training, a fact confirmed in evaluations applied to the end of the meetings.

The goals of the training were:

• Introduce the Cantareira System and clarify their characteristics;

• Reflect on the situation of watersheds in the region and issues of availability;

• To disseminate knowledge on the management of water resources with emphasis on PCJ;

• Raising awareness on the rational use of water,

• To promote synergy among its employees.

Through this training was possible to promote further dissemination of information about the water crisis and increase dialogue among the sectors of SANASA, enhancing to develop new paradigms related to water availability, individual responsibility and rational water use practices.

Activities

• Training Multiplying Agents for the Rational Use of Water;

• Fostering reflection, discussion and exchange of experiences;

• Introducing the system of Piracicaba, Capivari and Jundiaí Watershed - PCJ and its interface with the Cantareira System;

• the importance of the water cycle to the environment;

• Guiding on Rational Use of Water;

• Guiding occurrences on water waste of complaint.

Attended Public

Representatives of Call Center sectors, Customer Service, Inspection, Ombudsman; Reading, Supplier Registration, Alternative Source, Quality Management, Technical Registration and System Analysis and Performance, Network Infrastructure Analysis and Connections, Micro measurement and Rational Use. 268 employees were involved.

Abusive cases of water use

Facing water crisis, the mayor of Campinas, Jonas Donizete, announced a decree that determines the widen of the dry season (up to 30 November).

The law (being approved by the City Council) modifies the No. 14,802 Decree of 02/07/2004, which provides for the use of water for sidewalks and residential and commercial cleaning public tours.

For abusive cases, there will be direct application of a fine, which will be three times the value of the last invoice. There may be fine exemption, if the consumer to opt to attend a course of rational use of water.

SOCIAL PROJECT

G4-SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs

a. Report the percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of:

• Local community development programs based on local communities' needs

• Broad based local community consultation committees and processes that include vulnerable groups

Principle 1 of the United Nations Global Compact: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

A. In June 2014 SANASA initiated the project Water Supply System - SAA, which includes the improvement and expansion of the Campinas city's water supply system and makes up the proposal for a universal sanitation presented by senior leadership of SANASA and by the Municipality.

The resources used for running the project come from financing with Caixa Economica Federal, No. 410018-73 contract from a credit line provided by the Growth Acceleration Program - PAC. Concurrent to the works, the Ministry of Cities demanded the realization of a social work technician with the beneficiary population, whose total investment will amount to 1% of employee in the works.

In this context emerged the Social Project Work - PTS Water Supply System - SAA that gave priority in 2014 and will continue prioritizing in 2015, areas with a population directly affected by the works of replacement of water networks, as well as the surroundingst, through actions appropriate to the social, economic, environmental and cultural population, aimed at raising awareness of the importance of improvements made, encouraging participation and community development, to contribute to the sustainability of the intervention.

The works are executed in the neighborhoods Nova Campinas, Jardim Planalto and Jardim Primavera. Jardim Paulistano and Vila Carminha serve 6,383 families, corresponding to the number of households benefited from the replacement of water networks and the social and educational work.

In order to promote intersectoral and articulation with public policies on education, health, social welfare, environment, environmental education, among others, the technical staff of the PTS has entered into partnerships with governmental organizations, NGOs and civil society, always searching the realization of rights and local development with a view to territorial and social transformation, contributing to the formation of a collectivity responsible for the space it inhabits.

The Social Work Project is guided by four structural axes established by Administrative Rule 21 of the Ministry of Cities, published on 22 January 2014. They are: Mobilization, Organization and Social Strengthening.; Monitoring and Social Intervention Management; Sanitary and Environmental Education and Socioeconomic Development.

Before construction begins, the Social Work team engaged in the planning of actions to be taken in the search for potential internal and external partners and choice of population mobilization process, considering the reality of the place, its characteristics and the existing community

organizations, thus meeting the axis Mobilization, and Social Organization Strengthening.

Also in this axis, in July 2014 were instituted three committees Monitoring of work - CAO, made up by eight volunteer representatives from the territory of intervention, whose commitment is to closely monitor the evolution of works by, including site visits, effecting so social control over public investment. As representatives of the SANASA comprise those Committees a social worker and a technician responsible for monitoring and supervision of works, using the method nondestructive - MND.

In the axis Monitoring and Management of intervention were established moments host, qualified listening and individual orientations, enabling the monitoring, understanding and transparency in physical and social interventions in the benefited areas.

In the composition of Sanitary and Environmental Education axis contemplated to promote the educational process valuing, in a didactic and playful way, the deployed infrastructure, its objectives and benefits for the population, also contributing to the development of adequate environmental responsibility and individual and collective commitments.

The Socioeconomic Development axis will be working at the end of the works, in order to support the implementation of actions that promote the productive inclusion of families with regard to its economic rise.

From the end of construction and consolidation of social work in the field, contemplating the four axes, research post works to obtain the results indicators will be performed. Thereafter, for the closure of the transfer instrument / financing, should be presented by social technical team final post intervention report.

With this project of replacement of water networks, SANASA takes an important step towards universal sanitation in the city of Campinas. As part of the Social Work, with its socio-educational and environmental actions aimed at all families benefited, meets the principles 1, 7 and 8 of the UN Global Compact.

G4-SO2

Operations with significant actual and potential negative impacts on local communities

In analyzing the first few months of development of Social Project Work relevant negative impacts were not detected except formal complaints related to delay in asphaltic reconstitution, coming from open trenches left by contractors and who promoted some discontent and inconvenience to the affected population. These complaints come to the Social Work staff through meetings with the Works Monitoring Committees - CAO, the service agencies and by the building inspectors.

The intervention of the Social Worker takes place through various joint actions with the inspection of these works sector, with the main objective of minimizing the negative aspects experienced by beneficiaries and highlight the gains incurred during the implementation of the services.

The social service performs the monitoring of these demands through home visits, guidance, referrals, among others. But the inspection sector of the works triggers contractors to perform repairs with quality and in the shortest time possible.

Concern about the complaints related to open trenches, considering that can cause serious traffic accidents is relevant.

ENVIRONMENTAL EDUCATION

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

Since 2003 the program Sanasa In the Community meets the population of Campinas through socio-educational and preventive actions, regarding the environmental aspects, with the following objectives:

• Mobilize and strengthen partnerships with public, private, civil society and local leaders;

• Disseminate and inform the program, the works and the range of benefits that the community will be getting from the physical and social interventions;

• Provide knowledge and reflection on water resources, sewerage system and preservation of the environment, targeting benefits to health and quality of life;

• Encourage new daily habits, reinventing the relationship with the environment, avoiding the waste of natural resources;

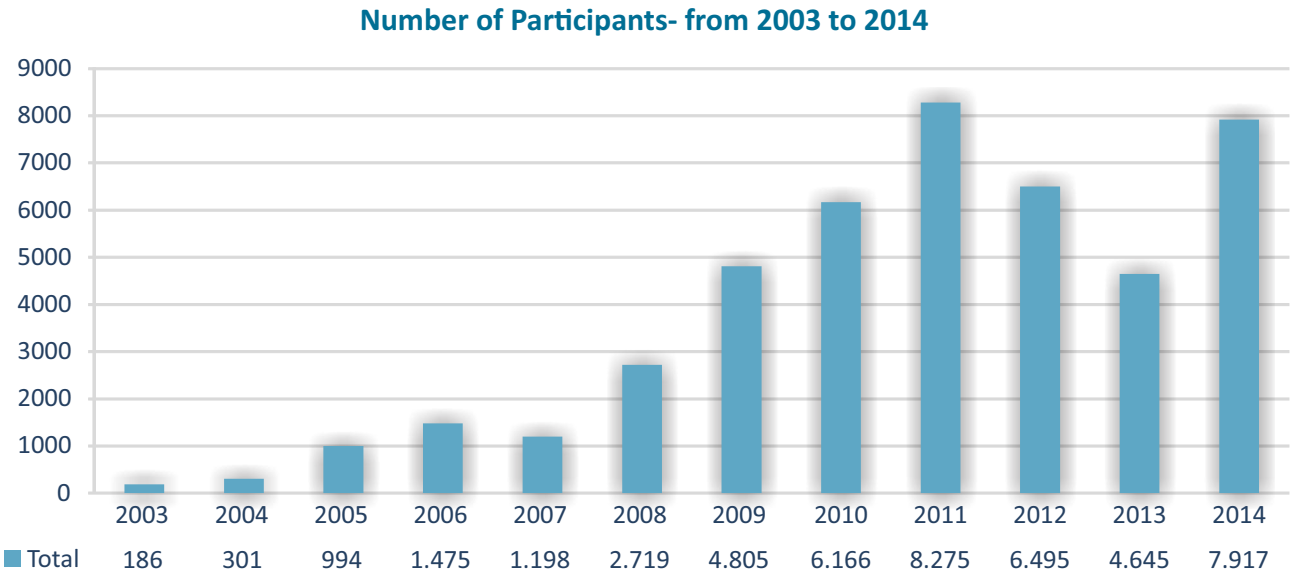
• Training multipliers.

In 2008 the program Sanasa in the Community was inserted into important government programs: National Fund for Social Housing - FNHIS Growth Acceleration Program - PAC and "Minha Casa, Minha Vida", implemented through partnerships between federal and municipal, aiming to work with environmental education.

The purpose is to monitor and guide the population in relation to the benefits received through infrastructure works and housing, through the implementation of integrated of municipal actions seeking strategies for intervention and construction of a new social paradigm.

In 2014, the social technical team of the program Sanasa in the Community became responsible also for the planning, implementation and evaluation of actions of Projects Social Work - PTS relating to works of the SANASA federally funded and expanded its field of action with the implementation the improvement project and expansion of the water supply system in the city of Campinas, working together to beneficiary families by networks substitution work (as reported in indicators GRI G4-SO1 and G4-SO2).

The socio-educational and environmental initiatives are developed through reflective activities, dynamics, theater, lectures, videos and targeted visits, promoting guidance, reflections and sharing of information related to sanitation. They are carried out through individual approaches, group or collective and targeted to children, youth, adults and senior citizen.



Graph 1: Number of participants of social actions since 2003.
Source: Statistical Report of the Program Sanasa in Community and PTS.

In 2014, there were 208 socio-educational and environmental activities, directly involving 7,917 participants, of which 98.7% attributed concepts GOOD and GREAT to those in which participated.

Program "My School at SANASA"

Principle 7 of the United Nations Global Compact: Businesses should support a precautionary approach to environmental challenges.

Principle 8 of the United Nations Global Compact: Undertake initiatives to promote greater environmental responsibility.

"My School at SANASA" is a participatory program where the student is involved actively in the diagnosis of environmental problems. Thus, it is prepared as an agent, through the development of skills and training of attitudes, ethical conduct consistent with the exercise of citizenship.

Created in 2001, the Environmental Education Program "My School at SANASA" was designed in order to give students direct contact with the steps in the water treatment and sewage system. It consists of visits to the SANASA facilities, to promote awareness of the rational use of water, waste, environment, among other topics. There are also play presentations entitled "Life Well Treated", which gives information through play and demonstrates attitudes that effectively contribute to the formation of an environmentally proper citizen.

SANASA guides the program to students of all levels of education:

- Early Childhood Education Students (of play presentation);
- Elementary School Students I from 1st to 5th year (of play presentation);
- Elementary II School Students from 6th to 9th grade, Medium, Technical and Higher (technical visits);
- Lectures in schools, businesses and events on the issue Environment;
- NGOs and several entities.

Goals

• Provide guidance on environmentally proper behavior in practice and in everyday school life, contributing to the formation of responsible citizens;

• Widely disseminate the concepts of the importance of the attitudes of citizens in relation to the environment they live in and on the water as a natural resource, and its multiple and successive uses and particularly the aspects related to health and quality of life;

• Raise the awareness of students about intake, treatment and distribution of water to the city;

• Make students multiplying agents;

• Publicize the actions to be taken on the rational use of water and how to avoid waste, among others;

• Guide on the importance of water treatment and sewage, the correct use of the sewage disposal system and the proper way of the household waste disposal.

Methodology

The Project consists of the following activities:

• **Educational activities:** warning students of different levels of education about the importance of Atibaia and Capivari rivers, their contribution to the supply of the city of Campinas and the importance of preserving the watersheds (streams) in the city, raising them the awareness of the rational use of water;

• **Visits to the Sewage Treatment Plant:** audiovisual presentation about the processes and working steps of the Sewage Treatment Plant, from intake, the volume, the difficult aspects of the treatment, until the end of it through dumping it into the river. Thoughts on the importance of sewage treatment for health are provided, also advising on the proper disposal of solid waste, cooking oil, separation of recyclable waste, among others;

• **Visits the intake and Water Treatment Plant:** During the visits, participants have the opportunity to view the processes carried out at the intake and the Water Treatment Plant, besides knowing all the work of transformation of the raw water into drinking water. Then, students have an idea how people should be co-responsible in the proper use of a collective good; recyclable waste, among others;

• **Educational materials handout:** 'SANASA Campinas Water Supply', 'SANASA Campinas Watershed', 'Collaborate with the environment, do your part';

• **Presentation of the Theatrical Play:** The Program My School at SANASA presents a play entitled 'A Life Well Treated' which looks at issues such as waste, environment, water treatment, dengue, among others. The message is transmitted through play and allows the child to become a multiplying agent of new environmentally proper habits to their classmates and their family;

• **Lectures:** Lectures are taught in schools and companies, as scheduled requests on topics about the importance of water supply and sanitation system, since its intake, collection, treatment, distribution, environment up to the sewerage system in the city.

My school at SANASA
Total schools and participating students

Year	Number of Schools	Number of attended students
2012	208	28.137
2013	154	18.813
2014	294	16.331

Annual Balance Sheet / 2014

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

1 - Basis	2014 Value (Thousand R$)			2013 Value (Thousand Reais)		
Net Income (NI)	567.899			539.559		
Operating Income (OI)	-17.477			20.194		
Gross Payroll (GP)	324.863			293.626		
2 - Internal Social Indicators	**Value (thousand)**	**% over GP**	**% over NI**	**Value (thousand)**	**% over GP**	**% over NI**
Catering	33.341	10,26%	5,87%	29.407	10,02%	5,45%
Compulsory Social Charges	65.207	20,07%	11,48%	60.297	20,54%	11,18%
Private Pension	9.252	2,85%	1,63%	8.434	2,87%	1,56%
Health	16.140	4,97%	2,84%	15.480	5,27%	2,87%
Safety and Health at work	6.808	2,10%	1,20%	6.149	2,09%	1,14%
Education	1.896	0,58%	0,33%	1.000	0,34%	0,19%
Culture	0	0,00%	0,00%	0	0,00%	0,00%
Job Training and Development	52	0,02%	0,01%	154	0,05%	0,03%
Day Nursery or nursery benefits	220	0,07%	0,04%	221	0,08%	0,04%
Profit Sharing	13.368	4,11%	2,35%	11.834	4,03%	2,19%
Others	12.979	4,00%	2,29%	4.525	1,54%	0,84%
Total - Internal Social Indicators	**159.262**	**49,02%**	**28,04%**	**137.501**	**46,83%**	**25,48%**
3 - External Social Indicators	**Value (thousand)**	**%C**	**% over NI**	**Value (thousand)**	**% over OI**	**% over NI**
Education	2.005	-11,47%	0,35%	52	0,26%	0,01%
Culture	335	-1,92%	0,06%	74	0,37%	0,01%
Health and Sanitation	4.976	-28,47%	0,88%	5.538	27,42%	1,03%
Sport	658	-3,77%	0,12%	708	3,51%	0,13%
Hunger fighting and food security	384	-2,20%	0,07%	357	1,77%	0,07%
Others	6.135	-35,10%	1,08%	1.216	6,02%	0,23%
Total SocialContribution Taxes	**14.493**	**-82,93%**	**2,55%**	**7.945**	**39,34%**	**1,47%**
Taxes (excluded social charges)	27.639	-158,14%	4,87%	28.360	140,44%	5,26%
Total - External Social Indicators	**42.132**	**-241,07%**	**7,42%**	**36.305**	**179,78%**	**6,73%**
4 - Environmental Indicators	**Value (thousand)**	**% over OI**	**% over NI**	**Value (thousand)**	**% over OI**	**% over NI**
Investments related to production/ operation of the company	6.854	-39,21%	1,21%	7.528	37,28%	1,40%
Investments in external programs and/or projects	1.108	-6,34%	0,20%	1.183	5,86%	0,22%
Total of the investments in environmental	**7.961**	**-45,55%**	**1,40%**	**8.711**	**43,14%**	**1,61%**
Regarding the establishmentof annual targets to minimizetoxic waste and consumption during production / operation and increase efficiency in the use of natural resources, the company:	( ) has no targets ( )carries out from 51 to 75% ( )carries out from 0 to 50% (X) carries out from 76 to 100%			( ) has no targets ( )carries out from 51 to 75% ( )carries out from 0 to 50% (X) carries out from 76 to 100%		
5 - Staff Indicators	**2014**			**2013**		
Number of employees at the end of the period	2.280			2.245		
Number of hiring during the period	111			206		
Number of outsourced employees	1.070			1.285		
Number of Interns	70			66		
Number of employees over 45 years	1.081			1.023		
Number of women working in the company	419			416		
% of management positions held by women	32,28%			32,58%		
Number of black people working in the company	565			538		
% of management positions held by black (as)	3,97%			3,79%		
Number of people with disabilities or special needs	144			146		
6 - Relevant information to the exercise of corporate citizenship	**2014**			**Goals 2015**		
Ratio between the highest and the lowest compensation	35,92			35,92		
Total number of occupational injury	72			68		
Social and environmental projects developed by the company were defined by:	(X) directors	( ) directors and management	( ) all employees	(X) directors	( ) directors and management	( ) all employees
The safety and healthfulness standards in the workplace were defined by:	( ) directors	( ) directors and management	(X) all employees +Employee safety committee	( ) directors	( ) directors and management	(X) all employees +Employee safety committee
Regarding union freedom, the right to collective bargaining and internal representation of the workers, the company:	(X) does not get involved	( ) Follows the ILO standards	( ) Encourages and follows ILO	(X) does not get involved	( ) Follows the ILO standards	( ) Encourages and follows ILO
The private pension plan covers:	( ) directors	( ) directors and management	(X) all employees	( ) directors	( ) directors and management	(X) all employees
The profit sharing covers:	( ) directors	( ) directors and management	(X) all employees	( ) directors	( ) directors and management	(X) all employees
When selecting suppliers, the same ethical standards and environmental and social responsibility adopted by the company:	(X) are not considered	( ) are suggested	( ) are required	(X) are not considered	( ) will be suggested	( )will be required
When the employees participate in voluntary work programs, the company:	( ) does not get involved	( ) Supports	(X) organizes and encourages	( ) não se envolverá	( ) will support	(X) will organize and encourage
Total number of complaints and criticism from consumers:	in the company 31.882	in the Consumer Protection 214	in Court 1	in the company 35.598	in the Consumer Protection 215	in Court 1
% of complaints and criticisms attended or solved:	in the company 100%	in the Consumer Protection 100%	in Court 100%	in the company 100%	in the Consumer Protection 100%	in Court 100%
Total added value to distribute (in thousand R$):	**In 2014: R$ 403.942 Thousand**			**In 2013: R$ 400.503 thousand**		
Distribution of Value Added (DVA):	20,71% government 68,94% collaborators -4,64% shareholders 14,99% the 3rd			20,19% government 62,61% collaborators 4,57% shareholders 12,63% the 3rd		
7 - Other Information						

SANASA National Employers ' Registerda SANASA: 46.119.855/0001-37 - Economic Sector: Public / Water and Sanitation Utility - Corporate Headquarters: Campinas (SP). For clarification on the information declared: Controller Management / Phone: (19) 3735-5190 - E-mail: controladoria@sanasa.com.br. This company does not use child labor, or slave labor, has no involvement with prostitution or sexual exploitation of children or adolescents and is not involved in corruption. Our company values and respects internal and external diversity.

UN Global Compact	Indicators *GRI* - G4	Sanasa's Actions
Principles of Human Rights		
1. Support and respect the protection of human rights	**G4- SO1** **G4-SO2** **G4-EC8** **G4 - 1** **G4 - HR1**	Social work in support of the Plan 300% 300% of Sanitation Universal Plan Social tariff All contracts for service providers contains clause providing for the guarantee of respect for human rights. This Clause is already set from the bidding.
2. Avoid human rights abuses.	**G4 - HR1** **G4 - HR10**	For hiring all suppliers, SANASA makes consultation on official agencies -BSSS and Federal Savings and Loan Bank-, in order to check on regularity tests will Social Severance Pay Indemnity Fund. The obligations of the winner of the bidding company are clear from the Notice: must comply with the requirements of the labor laws, social security, tax and insurance, and the payment of all taxes levied on the work.
Principles of Labour Standards		
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	**G4- HR4**	All SANASA employees have freedom of association to the union. The collective agreements with the union benefiam to all employees.
4.Eliminate all forms of forced and compulsory labour	**G4 - HR1** **G4 - HR6**	To ensure the integrity of outsourced workers and prevent degrading work, all contracts for works have clauses that require the training of certified suppliers of employees for the correct use of PPE, training in working with electricity, confined space and time, beyond the presence of a legally qualified professional, responsible for work on electricity and / or safety. SANASA, in turn, hires all its employees in accordance with the Consolidated Labor Laws.
5. The effective abolition of child labour	**G4 - HR5**	The contracts also provide that child labor does not occur, because they require that each employee of the suppliers have to work contratp and unregistered, Generalrecord and Individual Taxpayer's Register.
6. Eliminate the discrimination in respect of employment and occupation	**LA13**	In SANASA, women have salaries equal to those of men when performing the same functions. They also have equal opportunities.

Pacto Global	Indicadores *GRI* - G4	Ações da Sanasa
Principles of Enviromnetal Protection		
7. Support a precautionary approach to environmental challenges;	**G4-EC2**	The Rational Use of Water in public schools.
	G4-EC4	Environmental Education
	G4-SO1	Social Action Program
	G4-SO2	Social work in support of the 300% Plan
	G4-EC8	Environmental Education: My school in SANASA
	G4-EN9	Facing actions of the water crisis.
	G4-EN10	Reuse Water Production Plant (RWPP)
	G4-EN6	Loss Reduction Program Promotes Energy Consumption Reduction
	G4 - EN22 **G4- EN27**	Loss control program; Water Safety Plan; Sewage Treatment Plant; Reuse Water Productin Plant (RWPP); Programs on Rational Use of Water. Studies on the applicability of recycled water, among others, the use of such water by the Fire Department in fire fighting.
8.Undertake the environmental responsibility	**G4-EC2**	Project of The Rational Use of Water in public schools.
	G4-EC4	Training for employees on Rational use of water.
	G4-SO1	Enviromnmental education
	G4-SO2	Social Action Program
	G4-EC8	Facing actions of the water crisis.
	G4-EN9	Program "My school in SANASA"; and design for water saving, developed by engineering with suppliers for the production of special valves.
	G4-EN22	
9. Encourage the development and diffusion of environmentally friendly technologies	**G4-EN27**	Installation of taps in schools with large valve that allows reduction of water waste.
	G4-EN10	Reuse Water Production Plant (RWPP)
	G4 - EN22	Sludge Treatment Plant ;Dissemination of technologies using membrane filters for use in wastewater treatment, water production to be reused
Principles of Anti-corruption		
10. Work against corruption in all its forms, including extortion and bribery	**G4 - 56**	Eletronic bid for purchase.
	G4 - 57	Values, principles, standards and organizational behavior norms of the organization.
		Code of Ethics and Conduct validated by senior management.

Issues of the CEO Water Mandate * Sustainability Report - Year 2014

CEO WATER MANDATE SUSTAINABILITY REPORT / GRI				
CEOWM ELEMENT	SUBTHEME	THEME	CHAPTER REPORT	PÁG.
DIRECT OPERATIONS	WATER TREATMENT SYSTEM	WATER	ENVIRONMENTAL MAN.	55
DIRECT OPERATIONS	LOSS REDUCTION PROGRAM	WATER	ENVIRONMENTAL MAN.	65
DIRECT OPERATIONS	SEWERAGE TREATMENT SYSTEM	SEWAGE	ENVIRONMENTAL MAN.	71
DIRECT OPERATIONS	REUSE WATER PRODUCTION PLANT - RWPP	SEWAGE	ENVIRONMENTAL MAN.	73
DIRECT OPERATIONS	300% PLAN	WATER/SEWAGE	ENVIRONMENTAL MAN.	3, 15, 24
DIRECT OPERATIONS	WATER SAFETY PLAN - WSP	WATER	ENVIRONMENTAL MAN.	5, 15, 54, 61
DIRECT OPERATIONS	REUSE WATER PRODUCTION PLANT - RWPP	WATER/SEWAGE	ENVIRONMENTAL MAN.	73
SUPPLIER HAIN AND WATERSHED MANAGEMENT	REAGUA	SUPPLIERS	OPERATIONAL MAN.	19, 38 69,92
CLASS ACTION	UNIVERSAL SANITATION	ENVIRONMENTAL EDUCATION AND COMMUNITY	SOCIAL MANAGEMENT	3, 15, 24
CLASS ACTION	WSP			88
CLASS ACTION	REAGUA			19,38,69,92
CLASS ACTION	MY SCHOOL IN SANASA			100
PUBLIC POLICIES	UNIVERSALIZAÇÃO DO SANEAMENTO	WATER/SEWAGE	ENVIRONMENTAL MAN.	3, 15, 24
	12 MEASURES FOR FACING WATER CRISIS	WATER CRISIS	ENVIRONMENTAL MAN.	61
ENGAGEMENT WITH THE COMMUNITY	WSP	ENVIRONMENTAL EDUC. AND COMMUNITY	SOCIAL MANAGEMENT	88
	REAGUA			19,38,69,92

* The CEO Water Mandate is a unique public-private initiative launched by the Secretary General of the United Nations in 2007, designed to help companies develop, implement and make public their policies and practices sustainable management of water.

In August 2013, The CEO Water Mandate came to be supported by approximately 100 companies spread across countries and industries.

As UN guidance, only the CEO of the company can sign the document.

Ethos Indicators				
Indicator		Stage - 2014		Stage descriptive chosen
N°	Titulo	Suggested	Chosen	
1	Strategies for Sustainability	1	1	The company includes social aspects and environmental issues into their strategies.
2	Value proposal	4	4	The company seeks continuous improvement drawing more environmentally efficient methods and socially to offer their products, to develop them in order to solve social, environmental or éticos.Obteve problems with this, tangible results, as shown in the good evaluation from their customers / consumers.
3	Business Model	None	3	The company remains attentive to trends related to sustainability that can redefine your market or business model and understands CSR / sustainability as conditioning factors for its economic growth. In addition, quantifies the cost savings achieved through mitigation efforts of the impacts of products and services; develops partnerships with suppliers, aiming improve its management processes and participates in the disposal of post-consumer products.
4	Ethics Code	2	2	The company's ethics code is evaluated and approved by an agency or greater governance board; it encompass all employees of the company; it includes rules of engagement with government officials; considers prohibition of illegal, immoral and unethical practices. The company, in turn, informs their behavior patterns to stakeholders and has practices for the development of ethical values.
5	Organization Governance (publicly held corporation)	3	3	The company provides formal accounts and publicly express their documents and principles and values that are disseminated to internal and external audiences. Both it has evidence that the social and environmental impacts are evaluated by the decision-making process structure as a governance process that comprises a board whose legal provisions ensure the fair and equitable treatment of shareholders and the resolution of corporate conflicts.
6	Voluntary Commitments and Participation Initiatives SER / Sustainability	3	3	The company implements policies aligned to these commitments, as well as conduct a formal monitoring of voluntary initiatives which it participates.
7	Stakeholder Engagement	2	2	The company gives priority to key stakeholders, relating them through channels that favor the reception of opinions, generating management reports and engagement plans
8	Investor Relations and Financial Reports.	1	3	The company has policy or a statute that defines terms and practices for the provision of accounts, which audited become a public document. In addition, the company invites all Company investors to a general meeting for presentation and approval of the financial statements and maintain an open communication channel.
9	Sustainability Reporting and Integrated Reporting	3	3	The company has internal procedures defined for the preparation of sustainability reports, and engage internal and external stakeholders in this process. Reporting data, analyzed by senior management of the company, address economic, social and environmental.
10	Communication with Social Responsibility	1	1	The company complies with relevant legislation and codes to the industry, product or service to make your communications, which are always clear and transparent.
11	Fair Competition	Not applicable	Not applicable	
12	Anti-corruption practices	None	1	The company advises its employees to comply with legislation on ethical behavior and follows more closely situations that judges of higher risk for the occurrence of inappropriate practices.
13	Contributions to Political Campaigns	Not applicable	Not applicable	
14	Engagement in Public Policy Development	4	4	The company actively participates in the development of public policies to equate the critical issues of its sector, taking into account the interests of society and the benefits that will enjoy.
15	Participative Management	2	2	The company makes available relevant information on their management and on the results obtained by all its employees.
16	Integrated Management System	4	4	The company's management system is monitored and guided by specific area or predetermined collegiate in internal policy. The indicators that constantly uses are available and can influence the decision making process They are monitored to guide corrective actions in the managemen. The management system is audited by a third party.

Ethos Indicators				
Indicator		Stage - 2014		Stage descriptive chosen
N°	Titulo	Suggested	Chosen	
17	Supplier Management Systems	2	2	The company adopts supplier selection practices that go beyond the fulfillment of specific legislation, to consider social and environmental criteria.
18	Mapping the Impacts of Operation and Risk Management	2	2	The company uses external information (media research, perception, etc.) to identify the main economic, social and environmental impacts that their activities may cause and using this knowledge in the decision-making process - and, when necessary, adopt precautionary measures in case of specific demands.
19	Social Responsibility / Sustainability Management	2	2	The company carries out CSR / Sustainability practices, monitored and evaluated in order to be guided decisions about its continuity. Performs engagement processes with stakeholders in order to guide its CSR management.
20	Business Impact Monitoring on human rights	2	2	The company identifies, prevents and addresses actual or potential negative impacts on human rights, resulting from its activities or activities of the organizations of its sphere of influence.
21	Child Labor in the Supply Chain	2	2	The company responsible for adding specific clauses on child labor contracts that firm with suppliers, and the company as a whole, engages in work to educate its workforce about the reason for this restraint, participating in campaigns that have this alignment.
22	Forced Labor (or Similar to Slavery) in the Supply Chain	2	2	The head of the area that evaluates forms of incidence of forced labor risk add specific clauses in their contracts with suppliers on forced labor.
23	Promotion of the Diversity and Equity	1	1	The company follows the national legislation combating discrimination and manifests contrary to behaviors that do not promote equal opportunities within the company and in the relationship with customers, suppliers and the surrounding community.
24	Relationship with Employees (Effective, Outsourced, Temporary or Partial)	1	1	The company maintains formal labor contracts that align to full compliance with labor legislation and its third party.
25	Relations with Unions	3	3	The company does not just let the work of unions in the workplace, but also provides information on working conditions and meets regularly with representatives to hear suggestions and negotiate claims.
26	Compensation and Benefits	1	2	The company, beyond the legal minimum wage, provides insurance workers benefits (health, life, etc.) to employees and extends to their families.
27	Commitment to Professional Development	2	2	The company has routine training / capacity building aimed at improving productivity and encourages employees to improving their skills.
28	Behavior front of Dismissals and Retirement	1	1	The company follows the Brazilian legislation related to dismissals and retirement processes.
29	Health and Safety of Employees	2	2	The company develops awareness campaigns for employees and has a formal commitment to present the issues health and safety as priority
30	Working Conditions, Quality of Life and Working Hours	1	1	The company meets its legal obligations and take initiatives in order to improve working conditions and quality of life.
31	Relationship with the Consumer	5	5	The company is recognized by its customers and is eference in the sector with regard to customer relations, serving as a model for the market.
32	Resulting Impact of the Use of Products or Services	3	3	In order to reduce damage and encourage improvements in the safety of products and services, the company maintains forums and dialogues with users on any changes that could guarantee the realization of these goals. In order to collect and channel information that contributes to the active involvement of its domestic public-suppliers, distributors and consumers and customers in the continuous improvement of products and services, the company promotes the replacement of components by using technologies and procedures minimize or avoid risks to health and consumer safety or customer.

Ethos Indicators				
Indicator		Stage - 2014		Stage descriptive chosen
N°	Titulo	Suggested	Chosen	
33	Communication Strategy Officer and Education for Conscious Consumption	2	2	The company adopts practices and / or communication guidelines aligned with their values and principles that consider all means and materials that it has. These, in turn, should provide reliable, consistent and true information, comparable and verifiable on environmental factors and social developments will support, production and delivery of products or services.
34	Management of Impacts in the Community	1	1	The company seeks to address precautionary measures in providing answers ace complaints and expressions of concern which is inserted and / or carries out its operations.
35	Commitment to Community Development and Management of Social Actions	None	1	The company serves the demands of social investment, conducts social actions in a timely manner and / or acts in certain opportunities; Furthermore, allocates tax incentives in social or cultural projects.
36	Support to Supplier Development	1	1	The company seeks to negotiate transparently with local suppliers, establishing contractual relations based on commercial criteria and trying to formulate corporate setting to establish categories for local suppliers.
37	Governance of Claims Relating to Climate Change	None	1	The company identifies the types of fuel used in operations and adopt control measures atmospheric emissions to meet current legislation.
38	Adjustment to Climate Change	2	2	The company has knowledge about the impacts of climate change on their business.
39	Environmental Management System	2	2	The company actively participates in government initiatives related to its strategy, and quickly suit new agreements and environmental rules. It also has knowledge of new practices, allowing you to implement measures to prevent and mitigate the negative impacts
40	Prevention of Pollution	1	3	The company implements environmental management policy that ensures requirements related to the topic in its operation; committed to control and pollution prevention. Invests in technology focused on efficiency, through adjustments in its facilities, processes and products in order to minimize the pollution sources.
41	Sustainable Use of Resources: Materials	1	1	Without changing its technological standard, the company approaches specific initiatives that seek to reduce the consumption of materials; the acquisition of the type of input proposed by legislation and compliance with legal requirements for proper disposal of waste.
42	Sustainable Use of Resources: Water	1	1	Without changing its technological standard, the company seeks initiatives to reduce water consumption; respects the withdrawal limits set by law and grants, as well as meets the legal requirements for proper disposal of effluents.
43	Sustainable Use of Resources: Energy	None	1	Without changing its technological standard, the company seeks initiatives to reduce energy consumption and meets the legal requirements for emissions control.
44	Sustainable Use of Biodiversity and Restoring of Natural Habitats	1	1	The company complies with legislation will protect biodiversity and natural habitats on land owned, leased and / or managed by it, and also serves for the conditions established at the time of granting of environmental licenses.
45	Environmental Education and Awareness	1	1	The company develops environmental education and awareness of the employees on this issue occasionally or by virtue of external pressure (such as government requirements, supply crises, etc.)
46	Impacts of Transportation, Logistics and Distribution	1	1	In its own fleet of autos, logistics and distribution of products and services, the company has a control system to avoid the risk of not meeting the established standards, including environmental, social, health and safety.
47	Reverse Logistic	2	2	The company began to analyze your production process and part of their supply chain from the perspective of solid waste management and reverse logistics and structured a plan of care to the legal framework.

Global Reporting Initiative Content Index For The Essential Option

G4-32

"In accordance" Option chosen by the organization. GRI Content Index for the chosen option (see tables below). While the GRI recommends the use of external verification, this recommendation is not a requirement that the report is "in accordance" with the Guidelines

A. This report presents standard content guidelines of Global Reporting Initiative - GRI, G4 version, Sustainability Reports in the Essential option. This Sustainability Report to external verification was not submitted.

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The survey found 15 Strategic Issues, with the setting of the water crisis integrating other subjects: **Environmental** **1. Water** **2. Sewage** **3. Climate Changes** **4. Technological innovation** **Customers and Consumers** **5. Customer Relationship Policy** **6. Tariff policy** **7. Environmental Education** **8. Satisfaction** **Governance** **9. Transparency Policy** **10. Anti-Corruption Policy** **Staff** **11. People Management Policy** **12. Gender equality and diversity** **13. Sustainability Culture** **14. Constant Training** **Supply Chain** **15. Suppliers**	a) Environmental Management, p. 55 b) Operational Management, p. 32 c) Sustainable Action Program -SAP p. 88 d) Governance, p. 23 e) Human Resource Management, page. 82 f) Suppliers, p. 32

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