SUSTAINABILITY REPORT/GRI

2015: Ensuring water and sanitation availability and sustainable handling for all

SANASA CAMPINAS

A vida bem tratada

CONTENTS

Hamilton Bernardes Júnior
Chairman of the Board of Directors

The Municipal Administration represented by Mayor Jonas Donizette, established the universalization of sanitation within the city of Campinas as a public policy. At the beginning of 2013, when we took over the Chairmanship of SANASA Board of Directors, Mayor Jonas Donizette announced the 300% Plan, aiming 100% of water supply, 100% of sewage collection and dumping and 100% of sewage treatment.

The goals are bold and, in view of the crises within the Country, it is necessary to face them with responsibility and perseverance. We consider that the well-being of citizens and city growth are the main goals of this management. This certainly requires an effort from everyone, particularly SANASA workers, who are highly qualified and committed with corporate and community growth.

SANASA is making an effort to continue with the universalization goals. In order to do so, the company invested R$ 348 million within the years of 2013 and 2015, which benefited approximately 400 thousand inhabitants. From this amount, R$ 123 million was invested in the water operation system and R$ 199 million was invested in sanitary sewage. The remaining amount, amounting to approximately R$ 26 million, was invested in the maintenance of water and sewage operating systems. A significant part of these funds were provided by government subsidies.

Throughout the years, SANASA has been expanding its services to the population, with efficiency and quality, which positively reflects in the indicators disclosed by National Sanitation Information System, thus revealing a significant progress in sanitary sewage and supply of safe and treated water.

In 1995, Campinas had 905.593 inhabitants, and 95% were served with water supply, 82.25% were served with sewage collection, while the treatment capacity of the total collection amounted to 1.71%.

In 2000, there was a little improvement in the treatment index of the total sewage collected, which reaching 5.70%, and the collection increased to 88%. The water supply increased to 98%.

In this same year, it was disclosed the first IDH – Human Development Index, which also takes into consideration health conditions and sanitation services, and Campinas appeared in the ranking with 0.735. Fifteen years later, the IDH reached 0.805. In this same year, the sewage collection benefits achieved 92.46%, with treatment capacity of 95% and water supply to 99.53% of the population. Since the company went public, in 1997, there was an investment of nearly R$1,2 billion.

Basic sanitation is essential in an organized society and to public health. It is related to enhancement of health and life conditions of the population and it's strategic as urban infrastructure, fundamental to promote local economic development and reduce water-transmitted diseases. Besides, sanitation cooperates directly to reduce child mortality, one of the Millennium Goals that Brazil was able to achieve before the deadline proposed by United Nations. In Campinas, the number of deaths among children under one year for one thousand live births in the year of 1995 amounted to 19.58; 20 years later, this number dropped to 8.05. Behind such significant indicators, we may realize the positive impact of sanitation in the construction of a modern society, which considers quality of life as a relevant theme.

We ended 2015 with the approval, by Ministry of Cities, of four consultation letters to SANASA, totaling R$ 920 million. Our projections for 2016 make us look forward the year of 2020 with goals to actually achieve universalization of sanitation. Moreover, even with the critical scenario of this country, we still persevere, believing in the capacity of SANASA workers and in the strength of this company to make difference in the development of Campinas Metropolitan Region. ■

Arly de Lara Romêo
CEO

Ensuring water and sanitation availability and sustainable handling for all. This is the theme of the fifth Sustainable Report /GRI by SANASA, which provides the performance of this company within the year of 2015. It is important to highlight that SANASA chose the same theme of the Sustainable Development Goal - ODS 6, which sets out goals for countries and organizations between 2016 and 2030.

Thus, we are reaffirming the commitment with sustainable development undertaken by SANASA in 2012. As a signatory of UN Global Compact and member of the Brazilian Committee for UN Global Compact, SANASA follows the construction of ODS. For a sanitation company, this is not a choice, but a core business. However, we do acknowledge that there is long way ahead of us.

In Sustainability Report/GRI-2014, we presented themes of Strategic Planning to be reviewed. However, in view of the changes imposed by current economic scenario, it was necessary to adjust themes and even review them, in order to ensure business financial sustainability, which will be discussed in 2016.

SANASA strategies are mainly focused on the expansion of sanitation services and environmental protection, aiming public health and improvement of quality of life conditions for the population in the city of Campinas. In 2013, the company moved forward with the 300% Plan, a public policy announced by Mayor Jonas Donizette, setting out goals or 100% of drinking water supply, 100% of collection and dumping of sewage and 100% of treatment of collected sewage. In order to fulfill these goals, R$348 million was invested from 2013 to 2015. The company's challenge for the next years is to continue the universalization of sanitation, even with the crisis that the Country is going through and that is affecting specially sanitation companies, which big investments are provided by the Federal Government.

In 2015, the reflections of water crisis which deeply affected the State of São Paulo, particularly the basins of Piracicaba, Capivari and Jundiaí rivers, caused water supply companies to update and improve management of monitoring systems regarding water sources, untreated water collection, treatment and distribution of drinking water.

SANASA emphasized the enhancement of is operating actions to full the demand of this city, when the offer of raw material was scarce and had bad quality, which demanded the use of materials and chemical products to achieve the drinkability level determined by Ministry of Health Ordinance No. 2914/2011.

The highly qualified technical body of this company constantly worked to monitor the flows of river stretches and water volumes released by Cantareira System for PCJ river basin, thus ensuring a safe service to the population of Campinas inhabitants.

Due to all efforts made, it was not necessary to put an Emergency Supply Plan - which was created to decrease the crisis impact on the population - into action. On the contrary, the company was able to maintain the service to supply drinking water with quality and safety in a satisfactory manner, even in the most critical moments of low flows of water sources.

Throughout the year, the rains normalized and, thanks to the joint action of National Water Agency - ANA and State Department of Water and Electricity - DAEE, some new operating rules were jointly established, limiting the flow for Cantareira System collection, both for Alto Tietê basin and PCJ basin. This new procedure allowed reservoirs to end this year under recovery, thus normalizing supply.

SANASA has been paying attention to ensure the water supply to the population of Campinas and working with safe alternatives. In 2015, the company requested the Committee of Piracicaba, Capivari and Jundiaí River Basin to establish a partnership with International Centre for Water Reuse, - CIRRA, of University of São Paulo - USP, managed by researcher Professor Ivanildo Hespanhol, a

reference in this theme, in order to enable studies and to decide the best technology, with guarantee of safety of this water for human consumption.

In the second semester, the company delivered to Fire Department five reservoirs of 20 thousand liters each, containing reuse water.

In 2016, another five reservoirs of treated water will be delivered, amounting to 11 million liters. In addition, there will be projects to build other 16 reservoirs, providing more 57 million liters of strategic reserve to the city. Nowadays, Campinas has 123 million liters.

In order to ensure water supply of this city without depending on Cantareira System, Mayor Jonas Donizette requested to SANASA studies for construction of a raw water reservoir in the city of Campinas, with an approximate storage capacity of 20 billion liters.

As to sanitary sewage works, we delivered Nova América and San Martin STPs, which increased sewage treatment capacity installed in the city to 95%. With the works in progress regarding Boa Vista STP, it will be possible to reach 100% of treatment capacity.

With respect to commitment to sustainability, SANASA committed itself with Less Losses, More Water: a Movement for Reduction of Water Losses During Distribution, an initiative by UN Global Compact for fulfillment of ODS 6 and 17.

About 50 companies, organizations and governments are engaged with this Movement, which intends to contribute to the reduction of water loss index in the Country. According to the report by Instituto Trata Brasil, of 2015, made with data of National Sanitation Information System - SNIS, in 2013, the average revenue losses registered in the Country amounted to approximately 39%, which corresponds to 6.5 billion cubic meters of treated water. Accounting all losses, we may estimate a loss of R$ 8 billion, which corresponds to 80% of the investments made in water and sewage operations in said year.

SANASA could not refuse to undertake this commitment, because the company undertook reduction of losses as a strategic theme 20 years ago and, nowadays, the company registers revenue losses of 11.2% against 34.6% in 1994, when the program was created. Taking into consideration the average fee in force in 2015, we may see that there is a positive impact of this program in the order of R$ 1.8 billion. The positive environmental impact registers an economy of 428,648 million cubic meters of water, which corresponds to almost half of Cantareira System.

Throughout the last three years, it has been a great honor and a huge learning for me to manage SANASA staff, one of the greatest sanitation companies of this Country. With the sum of our efforts, we will face crises and set goals and challenges to the future.

One of the commitments that I established in my agenda for 2016 is to promote a greater internal engagement, which will definitely contribute to ongoing Exchange of learning and will guide us to the construction of new paths. ■

ORGANIZATIONAL PROFILE

G4-4	Core brands, products, and services
G4-5 e 6	Location of the organization's headquarters
G4-7	Nature of ownership and legal form
G4-8	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 income (for private sector organizations); quantity of products or services provided

A. SANASA Campinas - Water Supply and Sanitation Utility SA is mixed capital 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.

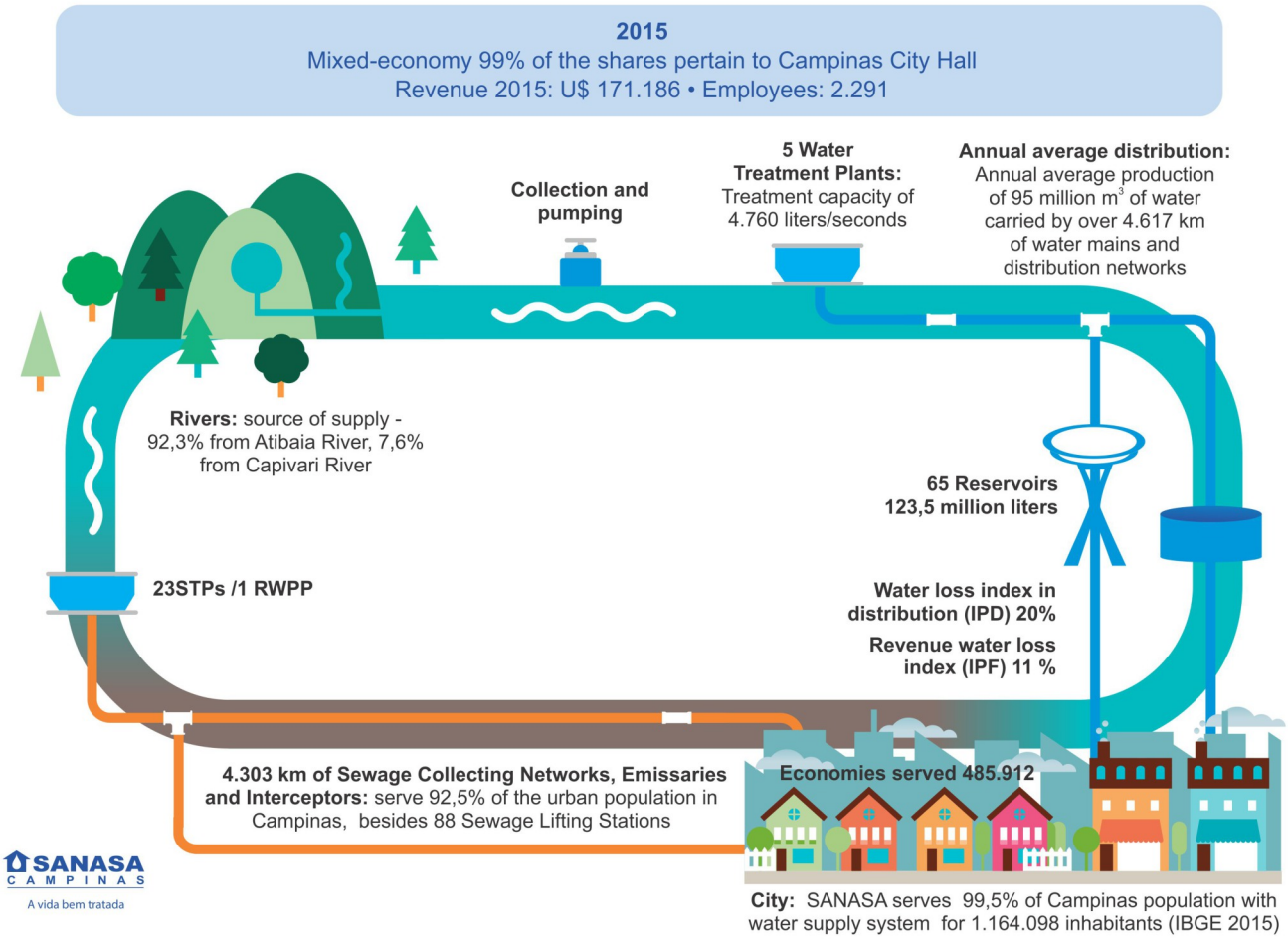
SANASA also has improvement activities of the administration, operation and maintenance of its services, including the provision of advisory services, consulting and technical assistance to the municipality, entity or public or private of its business area. In 2015, the company had 2,291 employees.

WATER TREATMENT

Among other duties, 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 99.53% of the urban population of Campinas, through five treatment plants (WTP 1 and 2 in Swift, WTP 3 and 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 4,760 liters/second. The average annual volume of produced drinking water is around 95 million cubic meters, carried by over 4,616.52 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 331,988 water connections and 485,956 economies*, all equipped with water meters.

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



SEWAGE TREATMENT

The sewerage system of the SANASA Campinas caters to 92.46% of the urban population of the city, with 297,602 connections and 432,683 economies*, through 4,303.25 km of networks, emissaries and interceptors, and 88 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 bacterio-logical acceptance.

G4-11 Percentage of total employees covered by collective bargaining agreements

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

G4-12 Organization's Supply Chain

A. In 2015, SANASA established a Map of Suppliers and had this theme included in the Corporate Risk Map. There were meetings to discuss the possibility of supply chain engagement, taking into consideration Act Lei 8,666/93, which provides legal principles for hiring on the account of mixed-capital companies, public companies or governments. This theme still represents an important challenge.

G4-13 Significant changes during the reporting period regarding the organization's size, structure, shareholding or organization's supply chain

A. No significant changes occurred.

G4-14 Report whether and how the precautionary approach or principle is addressed by the organization

A. In 2015, the Corporate Governance Management and the Monitoring of Corporate Risks submitted to SANASA governance agents and managers the main aspects of Act 12,846/13, also known as Anticorruption Law Clean Company Act, as well as the structure of Compliance Program to be implemented in SANASA. The Program was analyzed by officers and legal department for implementation in 2016.

However, Compliance already comprises all corporate departments.

The launching of this Program will mainly focus on conduct rules and anticorruption matters, aiming to comply with Federal Act No. 12,846/13, which entered into force in 2014, being regulated on 03/18/2015 by means of Decree No. 8,420.

The changes in Conduct Committee are also part of Compliance Program, which will now have Corporate Government employees as permanent members (see below).

G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

A. SANASA voluntarily participates in various international initiatives.

The company works, year to year, to deepen its undertaken commitments.

2012

- T ook over 10 Principles of UN Global Compact - UNGC
- Joined Organizational Stakeholders Program da Global Reporting Initiative - GRI
- Became a signatory of Ethos Institute of Social Responsibility

2013

- Attended 4th GRI Global Conference - Amsterdam/ Netherlands
- Attended Leader Summit UNGC – New York/United States
- Started to participate of the Human Rights Group of UN Global Compact Brazilian Networking

2014

- Became part of Brazilian Committee of UN Global Compact
- Became signatory of The CEO Water Mandate- UNGC
- Attended UNITED NATIONS FORUM ON BUSINESS AND HUMAN RIGHTS - United Nations - Geneva/Switzerland
- Joined Business Pact for Integrity Against Corruption Business Charter for Human Rights and the Promotion of Decent Work – Ethos Institute

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. In 2015, SANASA was selected to be one of the leaders of Less Losses, More Water – a Movement for Reduction of Water Loss during Distribution, an initiative of UN Global Compact Brazilian Networking, aiming the compliance of Sustainable Development Goals No. 6 and 17. Approximately 40 organizations, among governments, companies and academy, are engaged with this Movement with the purpose of cooperating with reduction of water loss during distribution. According to Instituto Trata Brasil, studies based on National Sanitation Information System - SNIS, regarding 2013 point out a losses index corresponding to 39%, which represented a waste of 6.5 billion cubic meters of treated water, accounting for a loss of R$ 8 billion, which corresponds to 80% of investments made in water and sewage operations within the Country that year.

Also in 2015, SANASA supported the election for the Board of Stakeholders da Global Reporting Initiative - GRI, 2016 – 2018 mandate, of Advisor to Chairmanship for Sustainability Management, Mrs. Adriana Lagrotta Leles.

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.

ABOUT THIS REPORT

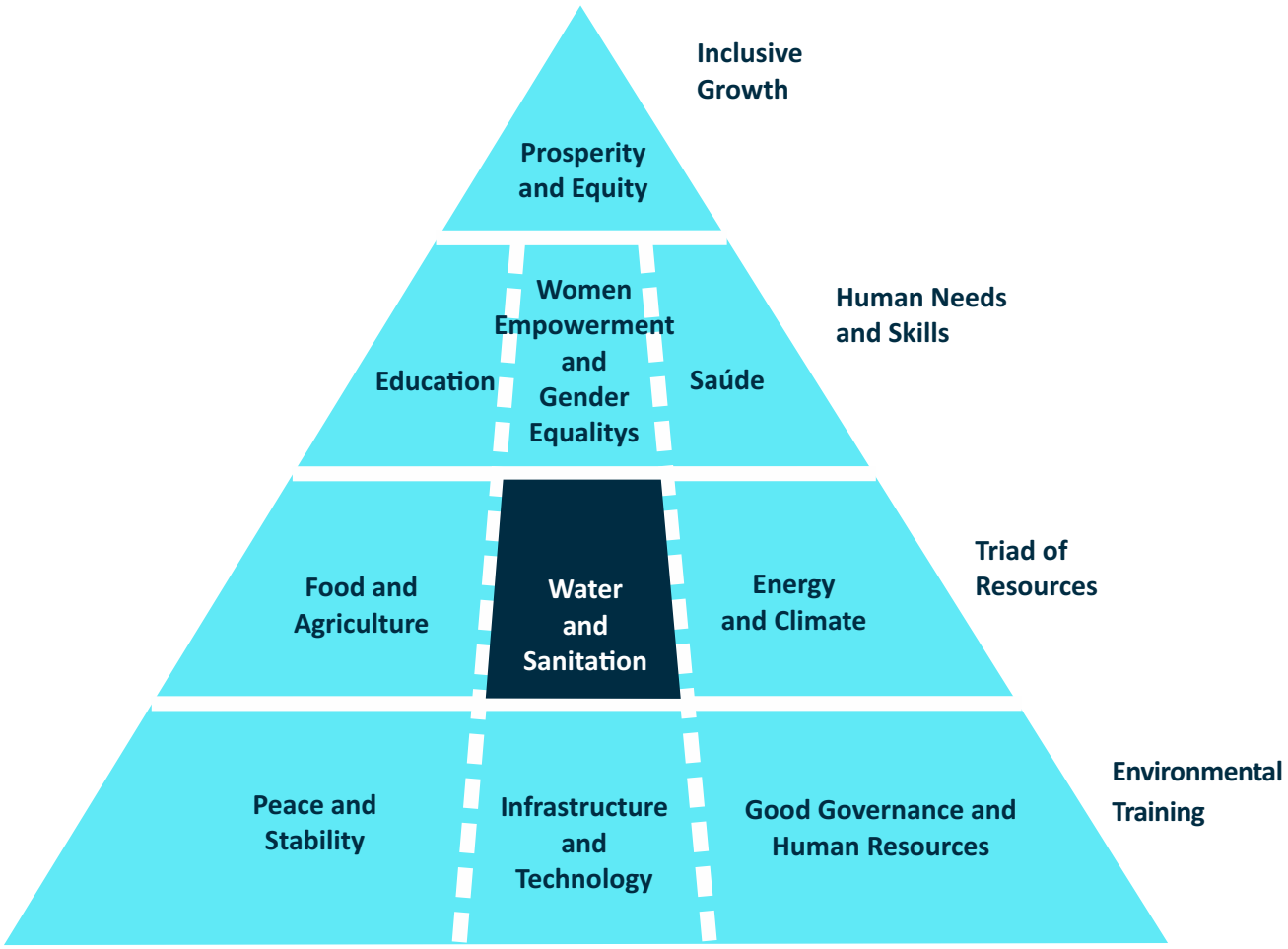
G4-32 a. Report “in accordance” option chosen by the organization

This is the fifth Sustainability Report /GRI by SANASA. This edition provides standard contents guidelines of Global Reporting Initiative – GRI, G4 version, for Sustainability Reports in the Essential option. This Sustainability Report to external verification was not submitted. Although GRI recommends the use of external verification, this is not a requirement for the Report to be deemed as “in accordance” with said Guidelines. The chapters published herein show the management of corporate strategic themes in the year of 2015 (see image below). The information on methodology to set out strategic themes may be verified in Sustainability Report /GRI - 2014, available at corporate website: www.sanasa.com.br.

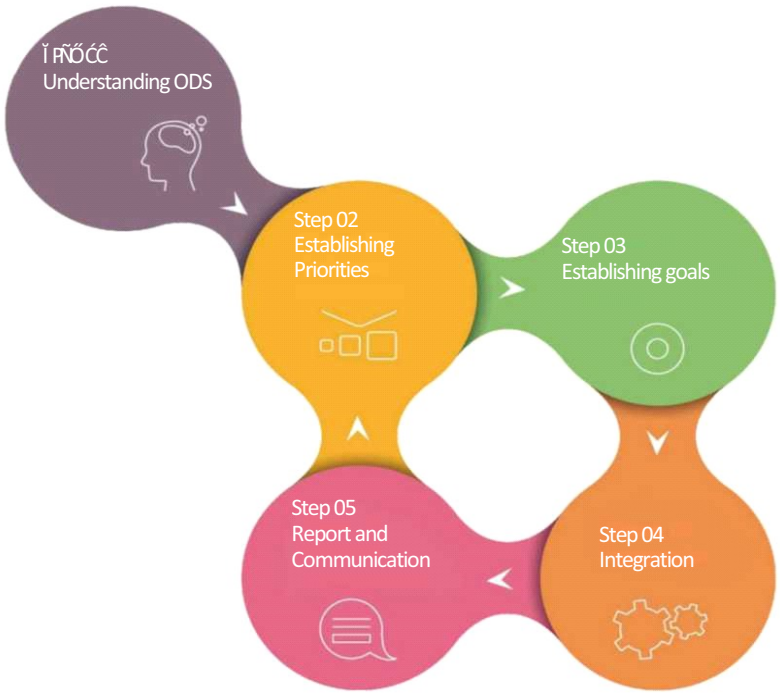
During the establishment of strategic themes, SANASA studies the drafts of Sustainable Development Goals to understand how it could bring them into business strategy.

These 17 ODSs are gathered in Compass SDG – Guidelines for Implementation of ODSs in Business Strategy, developed by UN Global Compact, World Business Council for Sustainable Development-WBCSD, and Global Reporting Initiative - GRI. "The ODSs set out global priorities and aspirations for 2030" (...). "Governments from all over the world already agreed with these goals. This is the time for companies to act", affirms the Guidelines.

The ODSs Guidelines for Companies explain how ODSs affect business and offer tools and knowledge top lace sustainability in the center of their strategies.



Although Water and Sanitation are clearly recognized as central themes and totally identified in core business, the company deepened, based on the draft, the reflection on how such theme is important to cooperate with the fulfillment of other ODSs.



By identifying ODS 6 as relevant to its performance, SANASA started to take into consideration the relevance of restudying strategic themes in 2016, a period for reviewing Strategic Planning. Besides, the company understood that it would be already possible to reflect ODS 6 in its goals in 2015, although the adoption of ODSs is proposed by United Nations for years from 2016 to 2030.

In this stage, SANASA started to study the connection between ODS 6 and the six elements of *CEO Water Mandate - CWM* (see more at the end of this Report).

Throughout this Report, we checked with OSD 6 symbol the actions and activities developed by SANASA which are able to contribute to the actual fulfillment of Sustainable Development Goals.

MAIN INDICATORS

G4-EC1

Direct economic value generated and distributed

BUTION OF ADDED VALUE

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 2015 reached R$ 417,168 thousand, an increase of 3.27% over the year 2014, when distributed R$ 403,942 thousand.

Distribution of Added Value	2013	2014	2015
Distribution of added value (R$ thousands)	**400,503**	**403,942**	**417,168**
Employees (direct remuneration, benefits and SPIF)	250,750	278,515	300,378
Government (taxes , rates and contributions)	80,851	83,653	87,873
Third parties (interest and rents)	50,595	60,533	86,826
Shareholders (dividends and interest on equity capital)	18,307	18,759	-57,909

G4-EC4

Financial assistance received from government

GOVERNMENT SUBSIDY

SANASA received in 2015, R$ 16,149 thousand resources coming from government subsidies, being R$ 7,400 thousand from the Brazilian Government's Growth Acceleration Program - BGGAP, R$ 3,486 thousand of the Consortium of the Piracicaba, Capivari and Jundiaí - PCJ river basins, R$ 704 thousand State Fund of Water Resources - F E H I D R O and R$ 4,559 thousand from the State Support Program for Water Recovery - REÁGUA.

	2013	2014	2015
Total (in R$ thousand)	**45,859**	**28,779**	**16,149**
PAC	41,597	20,933	7,400
PCJ	2,243	2,340	3,486
FEHIDRO	1,071	3,145	704
REÁGUA	948	2,361	4,559

INDEBTEDNESS

SANASA ended the year 2015 with net debt of R$ 315,196 thousand, representing an increase of 6.20% over the previous year. The ratio between net debt and EBITDA for the last twelve months was 7.54.

	12/31/2013	12/31/2014	12/31/2015
Net Debt (1 + 2 + 3 + 4 - 5) R$ Thousand	**235,548**	**296,784**	**315,196**
1. Loan	140,755	216,950	178,214
2. Finame	6,752	10,292	7,567
3. Financing	41,053	34,364	78,153
4. Capital Lease	56,381	54,910	53,359
5. Cash and Marketable Securities	9,393	19,732	2,098

G4-EC7

Development and impact of infrastructure investments and offered services

INVESTMENTS

SANASA held a total investment of R$ 131,107 thousand 2015, representing a 15.61% increase over the total invested in 2014, being 53.00% for the water supply works, 42.33% to collection systems, dumping and treatment of sewage and the remaining 4.67% invested in other investments.

	2013	2014	2015
Total of Investments (R$ thousands)	**103,201**	**113,409**	**131,107**
Water Operating System	15,823	37,559	69,492
Sewage Operating System	77,687	65,611	55,497
Other Investments	9,691	10,239	6,118

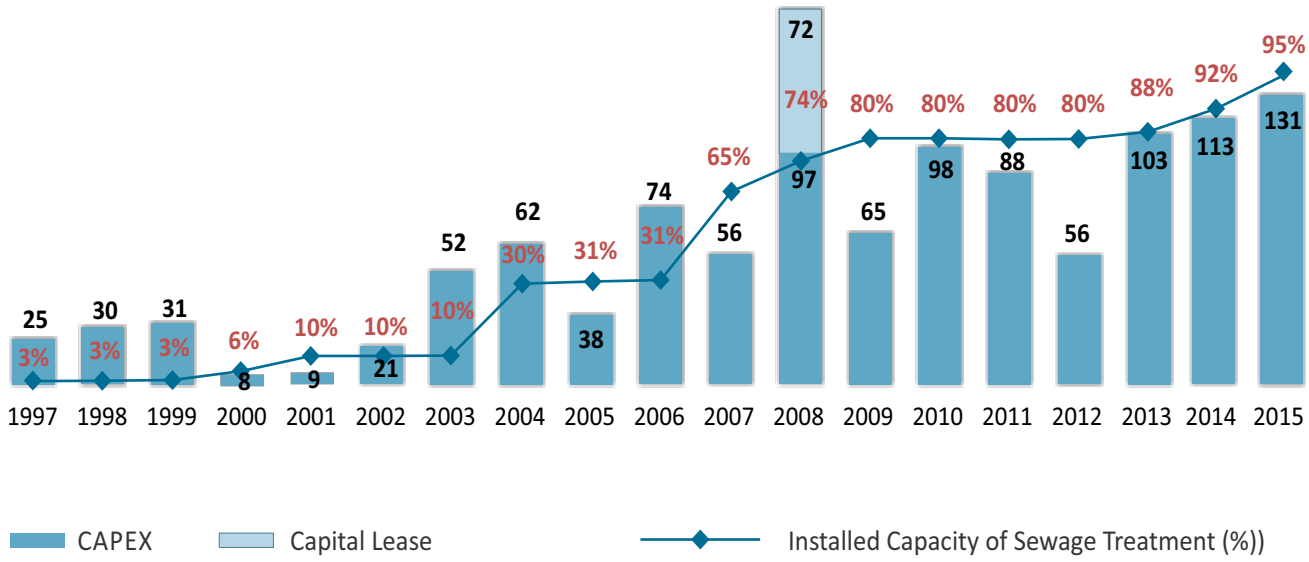
We invested R$ 69,492 thousand in water supply systems, highlighting the following works (completed and/or in progress): building of São Bernardo secondary water main - DIC and implementation of ETA –DIC reservoir; replacement of network in the districts of Jardim Planalto, Nova Campinas, Vila Carminha, Jardim Primavera, Jardim Paulistano, Jardim das Oliveiras, Vila Paraíso, Jardim Flamboyant, Jardim Nova Europa - Bloco 2, São Quirino and Vila Nova; and implementation of four metal storage tanks in San Conrado, João Erbolato/Chapadão, Jardim Nova Europa and Jardim São Vicente/Vila Georgina.

With respect to sewage collection, dumping and treatment, we invested R$ 55,497 thousand, highlighting the following works (completed and/or in progress):

Sanitary Sewage System (SSS) in Viracopos region; (SSS) Taubaté - Stage 1; (SSS) Capivari II - Lot 2; San Martin STP; expansion of Solar de Campinas SSS, Satélite Íris II and III; sewage collector in Jardim Monte Líbano; expansion of Parque Pomares SSS and sewage reversal in the region of Alphaville; interceptor of Sewage in Anhumas System - Santa Cândida stretch, besides Parque das Universidades SSS.

It notes that since the opening of the company's capital in 1997, have been invested R$ 1,228,534 thousand, most of this value being (67.60%) applied in the sewage system, allowing the installed treatment capacity sewage leave approximately 3% (in 1997) to 95% (in 2015). In 12/31/2015, company's fixed assets, net of depreciation, totaled R$ 911 million.

History of Investments (CAPEX) (R$ million)



G4-EN31

Total environmental protection expenditures and investments by type

ENVIRONMENTAL PROTECTION

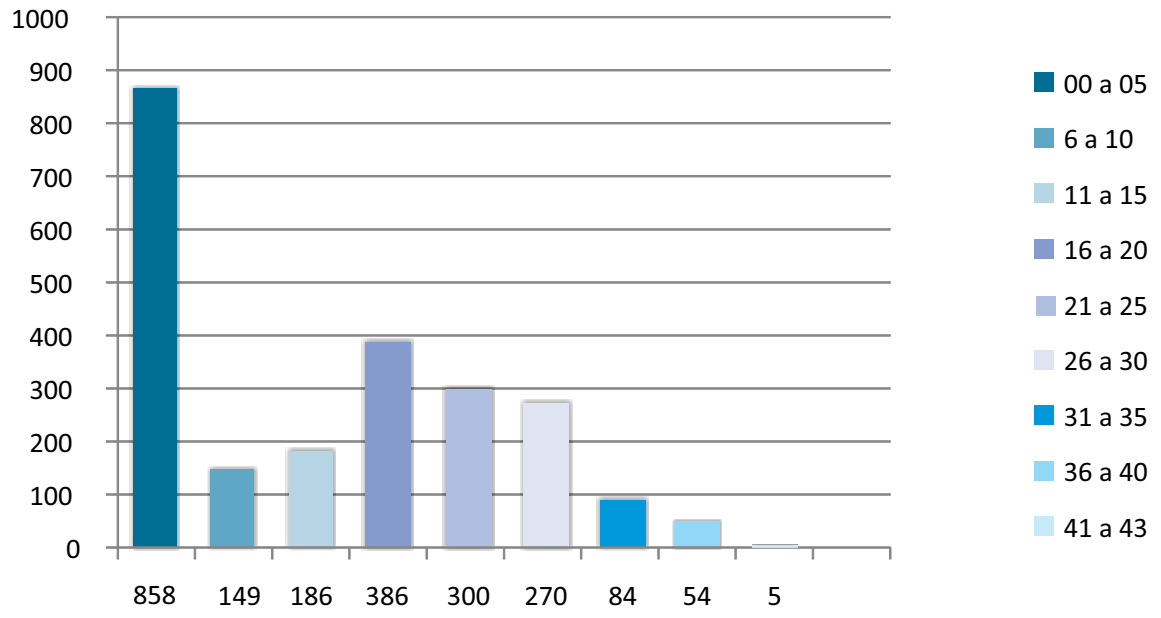
Sanasa recorded in 2015, investments for environmental control and protection of R$ 9,292 thousand. Of the total investment, 60.63% were for removing sludge and waste, 18.34% to the Regulatory Agency for Sanitation Services of the Piracicaba, Capivari and Jundiaí River Basins (PCJ ARES) and, 15.33% for National Water Agency (ANA), 0.99% was allocated to external programs and projects in environment and 4.71% for the Intermunicipal Consortium of the Piracicaba, Capivari and Jundiaí River Basins - PCJ Consortium.

R$ thousand	2013	2014*	2015
Total	**8,711**	**8,196**	**9,292**
Investments to Consortium of Piracicaba/Capivari River Basin	625	575	438
Regulation rate and Basic Sanitation Oversight - ARES/PCJ	2,534	1,799	1,704
Water Resources collection rate - ANA	1,315	1,280	1,425
Removal of Sludge and Waste	3,054	3,434	5,634
Investments in programs and / or external projects	1,183	1,108	92

(*) Amounts from 2014 were adjusted for inflation according to Accounting Pronouncements Committee CPC 23 – Accounting Policies, Change of Estimate and Error Correction

G4-LA1 Total number of employees

Distribution of Employees by seniority - in years- 2015



Total employees: 2,291 SANASA maintains two employees who work for 45 years of employment in its staff.

GOVERNANCE

Report whether and how the precautionary approach or principle is addressed by the organization In order to guide its actions and activities, SANASA adopted the Sustainable Development Goal - ODS6, by UN, which aims to “ensure water and sanitation availability and sustainable handling for all" (see further details in “About this Report”).

One of the most efficient means to ensure the performance of such ODS is to control risks during company's activities.

G4-14 Report whether and how the precautionary approach or principle is addressed by the organization

Risk Map

A. In 2015, the Corporate Governance Management and the Monitoring of Corporate Risks submitted to SANASA agents and managers the main aspects of Act 12,846/13, also known as Anticorruption Law Clean Company Act, as well as the structure of Compliance Program to be implemented in SANASA. The Program was analyzed by officers and legal department, for its implementation in 2016.

However, Compliance already comprises all corporate departments. SANASA Compliance work was started with the Monitoring of Corporate Risks, and some of them are already classified as compliance risks.

The launching of this Program will mainly focus on conduct rules and anticorruption matters, aiming to comply with Federal Act No. 12,846/13, which entered into force in 2014, being regulated on 03/18/2015 by means of Decree No. 8,420.

The changes in Conduct Committee are also part of Compliance Program, which will now have Corporate Government employees as permanent members, to work as secretary during works, guide and clarify doubts, as well as to participate as voting member and safe keep permanent files and history of cases. After the preparation and validation of the first SANASA corporate risk map, in 2015, the risks started to be monitored. In order to do so, all persons involved underwent a training, namely:

• Department Manager – in charge for risk management of his/her department;

• Governance Agent – representing each management of SANASA, which is bound to Corporate Governance in treating and monitoring of risks;

• Governance Team – group of persons of a management that will discuss risks, mitigation actions and indicators.

Just like in the first phase, the monitoring of corporate risks is made by the department itself, after training and with all required advisory and support by Corporate Governance Management.
The main aspects for monitoring of risks are:

• Mitigation Actions – company's actions to avoid risks

• Indicators – thermometers for risk analysis and monitoring.

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

Main risks identified by Governance reported in Bovespa Reference Form

Taking into consideration that SANASA is a mixed-capital company, publicly held corporation with non-negotiable shares and that the city of Campinas has its controlling interest, and its business are totally connected to public health, being Campinas population its main client. Therefore, our main risk is not being able to provide to the population quality basic sanitation services.

Thus, the risk factors that could influence the decision on investments are based on corporate risks connected to company's mission.

A) Risks for the company:

a.1) Risks regarding water supply

The water crisis is one of the main risk factors for SANASA. The reduction in water production brings consequences to the company and population, causing limitation in water supply and may result in unsafe drinking water and loss of clients, who seek an alternative source of water with dubious quality, leading to a public health issue. Another relevant factor is the impact on company's revenue. When the population reduces water consumption, there is an automatic decrease in company's income and losses to its cash.

a.2) Risks regarding sewage treatment

A partial or total disruption of sewage collection, dumping and treatment systems may cause sewage overflow in watercourses or even environmental contamination. Sewage operation is subject to other serious risks, such as leak of biogas created from anaerobic system, causing an explosion and disruption of sewage plant. In addition, there is a risk of bad smell, which, despite being less harmful, gives rise to many complaints and jeopardize company's image.

a.3) Risk of not reaching goals totaling 300%

• 100% of sewage treatment, until June 2016, a commitment undertaken by Agreement of Adjustment and Conduct (AAC) and signed with Special Action Group of the Environment (SAGE).

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

• 100% of sewage supply, collection and removal, until December 2020, in districts which do not have sanitary sewage.

The lack of resources, licensing or title of areas are some of the factors which may prevent company from fulfilling its goals, which would jeopardize its institutional image and, specially, the population, which would not be benefited with the works.

a.4) Non-performance of projects and works

The interruption of projects due to lack of credit, whether because of absence of credit line in the market or inability to acquire credit lines, may cause a great impact in the company, its strategic planning, image and perspective of growth. The impossibility of fulfilling the financial and technical schedule for environmental license may also give rise to the loss of pre-released financing. Other technical problems, regarding specification or release of areas and right of way may also cause delays or impossibility of completing the works.

B) Controller Risk:

b.1) Compliance Risk

SANASA is concerned in developing a trust relationship between the parties, whether with controller, suppliers, clients or any third parties. Since it is a mixed-capital company and the City Hall of Campinas owns 99% of its shares, the political decisions have a direct impact in this company, making transparency and compliance the foundations of this relationship.

C) Risks caused by suppliers:

c.1) Electricity
Lack of electricity may cause risks in all corporate processes, from disruption in water production, shortage of supply, breaking pipes, disruption of sewage system, as well as corporate administrative system, causing a direct impact in the population of Campinas.

c.2) Chemical Products
The water crisis also highlighted the risk of lack of chemical products. With water shortage, the treatment required a bigger amount of chemical products. The lack of chemical products may cause shortage of supply and have a direct impact in company's revenue, due to its high costs.

c.3) Risks regarding supply chains
The action of a supplier, irrespective of its level in company's supply chain, may cause a strong impact in business. The company is co-responsible, with suppliers, with respect to labor practices, human rights and environmental management. For example, a corruption scandal caused by a supplier, or the failure to comply with a commitment undertaken with Sustainability may also affect SANASA image.

D) Risks caused by Customers:

d.1) Decrease of revenue
As a risk factor regarding decrease of revenue, we must highlight again the water crises, which gave rise to saving water on the account of population and caused a strong impact in company's revenues. Another risk is the non-occurrence of water metering services, due to strike, transportation or problems in the system, which would cause an impact in company's revenue and cash flow. Default and clandestine use of water and sewage networks are also risks that may cause an impact in company's revenue.

E)Risks of economy sectors where the company operates:

e.1) Change in tax policies
The company may be directly affected by changes in tax rules, such as the risk of undue assessment or classification of accounting information, which may give rise to a presentation of a result different from the actual result and undue calculation of taxes, among others.

SANASA also runs the risk of having a sentence regarding tax planning granted or dismissed, which could cause a great financial impact due to retroactive payments of many taxes to which the company currently has tax exemption.

F) Risk in regulation of sectors where the company operates:

The activities carried out by SANASA are subject to a thorough federal, state and municipal legislation regarding environmental conservation. Environmental Licensing is a procedure whereby the environmental body allows the location, installation, expansion and operation of ventures and activities using environmental resources and that may be considered as actually or potentially polluters or that may cause any kind of environmental damage.

In this regard, SANASA is required to request to environmental bodies of the State of São Paulo environmental licenses to implement and operate its installations and it has taken all required measures to fulfill legal or regulatory requirements to reduce environmental impacts in its activities.

Main risks identified by SANASA

A) Risks related to the company

- Regarding water supply
- Regarding sewage treatment
- Failure to achieve 300% goal
- Failure to perform projects and works

B) Risk related to controller

- Lack of Compliance

C) Risks related to suppliers

- Disruptions in electricity supply
- Lack of chemical products
- Regarding supply chain

D) Risk related to customers

- Decrease of revenue

E) Risk regarding economy sectors where company operates

- Changes in tax and fiscal policies

F) Risk regarding regulation of sectors where company operates

- Federal, state and municipal legislation regarding environmental conservation

G4-34

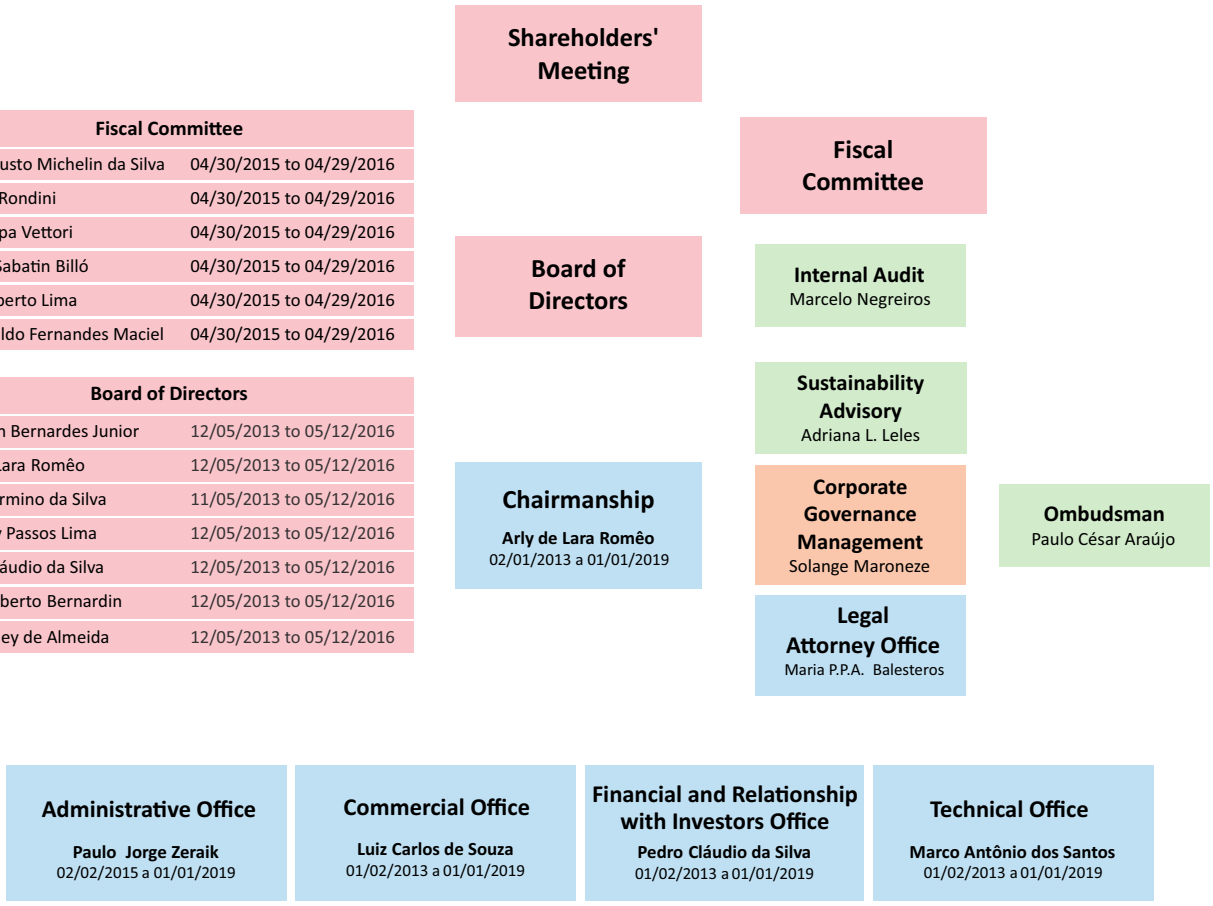
Governance Structure

G4-38

Composition of the highest governance body

Fiscal Committee	
Luis Augusto Michelin da Silva	04/30/2015 to 04/29/2016
William Rondini	04/30/2015 to 04/29/2016
Celso Lapa Vettori	04/30/2015 to 04/29/2016
Silvana Sabatin Billó	04/30/2015 to 04/29/2016
João Roberto Lima	04/30/2015 to 04/29/2016
Marionaldo Fernandes Maciel	04/30/2015 to 04/29/2016

Board of Directors	
Hamilton Bernardes Junior	12/05/2013 to 05/12/2016
Arly de Lara Romêo	12/05/2013 to 05/12/2016
Inácio Firmino da Silva	11/05/2013 to 05/12/2016
Ivan Ney Passos Lima	12/05/2013 to 05/12/2016
Pedro Cláudio da Silva	12/05/2013 to 05/12/2016
Silvio Roberto Bernardin	12/05/2013 to 05/12/2016
Wanderley de Almeida	12/05/2013 to 05/12/2016



In the Meeting held on November 30, 2015, Fernando Felipe Franco, a Director elected by employees, was replaced by the second elected employee: Inácio Firmino da Silva. His term of office begins on 11/30/2015 and ends on 12/05/2016, and said end date is the same of the other director.

G4-48

The highest committee or position that formally reviews and approves the organization' sustainability report

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

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.

G4-49 Report the process for communicating critical concerns to the highest governance body.

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.

Ombudsman

In 2015, the Ombudsman received and analyzed a total of 1,883 demonstrations, of which 96% were answered and Completed throughout 2015, with a response time of up to five business days in 82% of the cases and three days in 76% cases.

The source of these demonstrations is divided in: 83% via internet (form in SANASA website, Transparency Website and Ombudsman email), 8% via Complaint Websites (Reclame Aqui and Reclamão), 5% via ARES-PCJ (Regulatory Agency of Sanitation Services of the basins of the Piracicaba, Capivari and Jundiaí Rivers) Ombudsman and 4% in person or via telephone.

STRATEGIC GUIDELINES OF SANASA

G4-56 Corporate values, principles, standards and norms of behavior

Principles

- Attendance and punctualit
- 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.

Guidelines

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

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 wastewater.

OPERATIONAL MANAGEMENT

SUPPLIERS

G4-DMA	a. Policies and practices to select suppliers
G4-HR1	Total number and percentage of significant investment agreements including human rights clauses or which were submitted to evaluations regarding human rights

Since SANASA is a mixed capital company having City Hall as its major shareholder, its Purchase and Bidding System complies with acts 8,666/93 and 10,520/02, and others governing this subject matter, with the purpose of protecting public funds, without prejudice to the quality of the product or rendering of services.

This legislation does not allow SANASA to select or guide in its bud notices, the criteria corresponding to the commitments undertaken by the company upon sustainability paradigm. Nevertheless, the bid notices and agreements include clauses that ensure the compliance with human rights, decent work and no use of slave or child labor. The commitment of supply chain is a complex work for all companies and governments submitted to the same law system.

The environmental issue to be discussed with suppliers is provided for in article 30 item IV of Act No. 8,666/93, when the company is invited to provide Certificates and Licenses for correct allocation and disposal of cast iron scraps, PVC, water meters, oils, woods, cartridges, paperboard, sludge, industrial waste, as well as procurement of woods, sands, crushed stones, alcohol, diesel, gasoline, which are suitable for the demands set out bid notices.

To be a SANASA supplier, the company needs to offer the best technical condition and the lowest price, being selected by bidding system, which aims to fulfill faster and more efficient deadlines and promote safety throughout procedures.

Both live and electronic procurements were established by SANASA to enhance bidding regime. Due to the preference to electronic means, the procurements make purchase process transparent.

Due to this reason, the number of companies registered with SANASA Price Database sector and Suppliers Registration is increasing.

In 2015, the company's challenge was reducing costs to achieve cost economy. The goal was to apply the same value practiced in contracts from 2014 in its new contracts As a result, there was a reduction of 83.01% in 2015 in comparison with 2014 regarding SANASA expenses with local suppliers, which decreased from R$ 51.6 million in 2014, to R$ 8.8 million in 2015. In a total number of biddings, 2,002 contracts in 2015, in comparison with 2,357 contracts in 2014 (see table below).

Nevertheless, the interest in its activities remained the same, since there was an increase in the number of new suppliers, from 1,485 in 2014 to 1,734 in 2015.

G4-EC9

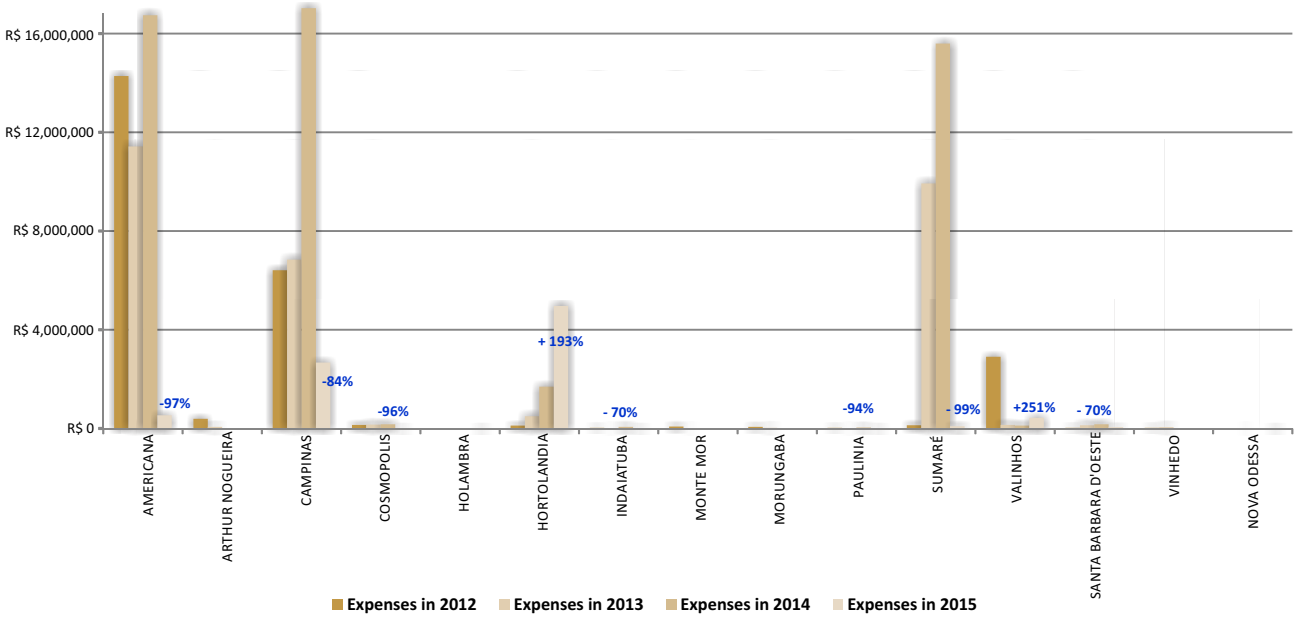
Proportion of expenses with local suppliers in relevant operating units

Cities	Expenses in 2012	Expenses in 2013	Expenses in 2014	Expenses in 2015	Var 2014 x 2015
AMERICANA	R$ 14,279,237	R$ 11,431,830	R$ 16,742,176	R$ 533,783	-97%
ARTHUR NOGUEIRA	R$ 389,672	R$ 67,357	R$ -	R$ -	
CAMPINAS	R$ 6,409,979	R$ 6,847,654	R$ 17,024,313	R$ 2,678,159	-84%
COSMOPOLIS	R$ 146,583	R$ 164,414	R$ 175,073	R$ 7,427	-96%
HOLAMBRA	R$ -	R$ -	R$ -	R$ 14,960	
HORTOLANDIA	R$ 116,868	R$ 498,185	R$ 1,696,800	R$ 4,965,523	193%
INDAIATUBA	R$ 25,769	R$ 12,017	R$ 63,995	R$ 19,247	-70%
MONTE MOR	R$ 85,328	R$ 2,450	R$ -	R$ -	
MORUNGABA	R$ 68,000	R$ 24,081	R$ -	R$ -	
PAULINIA	R$ 30,500	R$ 17,723	R$ 48,338	R$ 2,830	-94%
SUMARÉ	R$ 131,908	R$ 9,922,000	R$ 15,599,514	R$ 94,086	-99%
VALINHOS	R$ 2,911,025	R$ 150,242	R$ 123,248	R$ 433,135	251%
SANTA BARBARA D'OESTE	R$ 34,773	R$ 128,285	R$ 173,988	R$ 52,588	-70%
VINHEDO	R$ 28,440	R$ 52,045	R$ -	R$ -	
NOVA ODESSA	R$ -	R$ 4,560	R$ -	R$ 67	
TOTAL	**R$ 24,658,082**	**R$ 29,322,844**	**R$ 51,647,445**	**R$ 8,801,803**	**-83%**

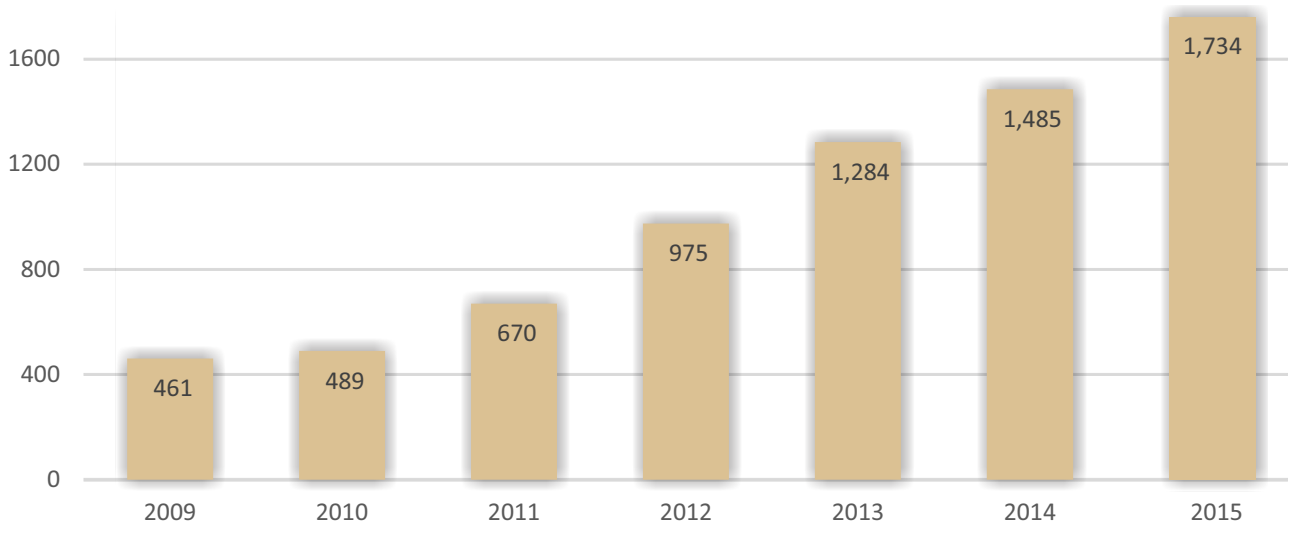
2012 to 2013 => 18,92% OF INCREASE
2013 to 2014 => 76,13% OF INCREASE

2014 to 2015 => - 83,01% OF REDUCTION
2012 to 2015 => - 64,41% OF REDUCTION

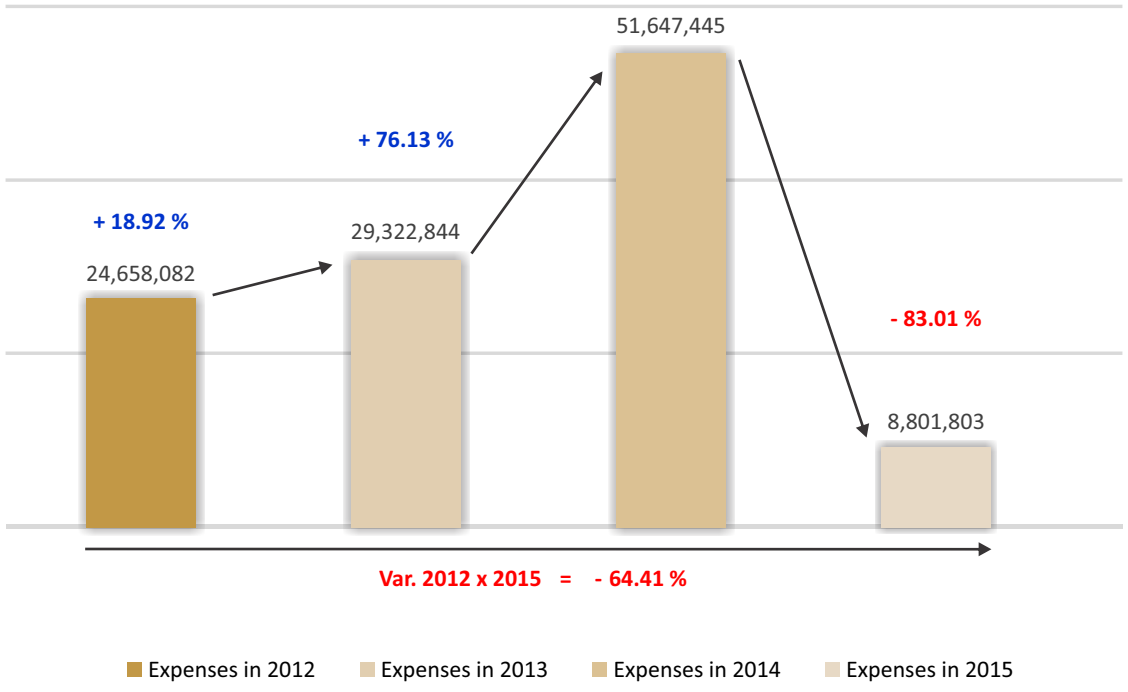
Expenses with suppliers



New Suppliers x Year



Expenses with local suppliers - total in R$



General Report of Bidding Processes 2015

The bidding process ended in 2015 amounted to 2,002 contracts, corresponding to R$ 115.9 million. We may see that there is a saving of 18% between estimated prices and contract prices, equivalent to R$ 25.5 million.

Completed Processes (January 1st to December 31st/2015)

Modality	Amount of Processes	Estimated Amount	Contract Amount	Saved Amount	%
CD	14	R$ 1,433,864	R$ 1,455,990	**-R$ 22,126**	-2%
CP	2	R$ 68,316,519	R$ 57,504,851	**R$ 10,811,668**	16%
CV	10	R$ 408,117	R$ 332,851	**R$ 75,266**	18%
DL	704	R$ 3,222,391	R$ 2,869,944	**R$ 352,447**	11%
EXP	1,100	R$ 149,528	R$ 149,528	**R$ -**	0%
PE	166	R$ 63,424,870	R$ 50,585,801	**R$ 12,839,069**	20%
TP	4	R$ 2,621,062	R$ 1,959,210	**R$ 661,852**	25%
RDC	1	R$ 1,870,416	R$ 1,010,000	**R$ 860,416**	46%
LEILÃO	1	R$ 74,780	R$ 74,780	**R$ -**	0%
Total	**2,002**	**R$ 141,521,546**	**R$ 115,942,955**	**R$ 25,578,591**	**18%**

CAPTION:
CD = Direct Purchase
CP = Public Bid
CV =Invitation
DL = Waiver of competitive bidding
Ex = Express
RDC = Differentiated Procurement Regime
PE = Electronic Bid
TP = Prices Inquiring

Summary of procurements, per year

	Amount of Processes	Estimated Amount	Contract Amount	Saved Amount
2011	1,852	R$ 309,068,781	R$ 215,895,421	**R$ 93,173,360**
2012	2,151	R$ 232,381,769	R$ 182,330,506	**R$ 50,051,264**
2013	1,918	R$ 151,939,448	R$ 122,830,939	**R$ 29,108,509**
2014	2,357	R$ 365,139,948	R$ 213,322,803	**R$ 151,817,145**
2015	2,002	R$ 141,521,546	R$ 115,942,955	**R$ 25,578,591**

G4-DMA

b. Policies and practices to promote economic inclusion in the supplier selection process (e.g.: small and medium suppliers)

Micro-enterprises, Small Businesses and Consumption Cooperatives

With the purpose of promoting local and regional economy, supplementary act 147/2014 ensures a differentiated and simplified treatment for micro-enterprises, both in trial and qualification stages. If the micro-enterprise and the others related in the legislation do not win, it is possible to cover the price, provided that such amount is up to 10% higher than the lowest price in conventional biddings and Differentiated Contract Regime - RDC, and up to 5% in biddings held in procurement modality. Upon qualification (delivery of documents), the micro-enterprise has five business days, that may be extended for the same period, at contracting party's discretion, to solve any pending issues regarding tax clearance documents.

Another benefit for entrepreneurs is related to tax clearance. The proof is only required upon execution of the agreement.

We describe below some benefits obtained with Act 147/2014, in addition to matters regarding bidding, in accordance with Brazilian Service for Small Business Development - BSSBS brochure on Micro and Small Business Act:

- Release from social security obligations
- Easy access to credit and market
- Stimulus to technology innovation
- Incentive to creation of joint-ventures to support business
- Unified regime for assessment and collection Government, State and Municipal taxes and contributions.

OUTSOURCED SERVICES

G4-HR5

Operations and suppliers deemed as risky for occurrence of child labor cases and measures taken to contribute to actually eliminate child labor

c. Report measures taken by organization during the period covered by the report to contribute to the actual elimination of child labor

SANASA maintains a coordinating body for management of outsourced service provider since 2012. In 2015, this work was transferred from company's Human Resources Management to Legal Management, remaining with Chairmanship scope.

SANASA has contracts with outsourced companies that provide the following services:

1) Gate and Surveillance.
2) Construction companies (construction of water and sewage treatment plants, among others).
3) Building Maintenance (painting, minor repairs and refurbishments).
4) Gardening.
5) Maintenance of asphalt and promenade.
6) Building cleaning and preservation.
7) Transportation and rent of equipment for heavy works.
8) Pest control.
9) Lease of dump trunks with drivers.
10) Water cutting and reconnecting services.

11) Bus for transportation with drivers.
12) Trucks for sewage cleaning and drinkable water supply.
13) Monitoring and replacement of Networks for non-destructive method.
14) Preventive maintenance and technical assistance in water and sewage treatment plants.
15) Specialized service in storage, transportation and final disposal of waste in sewage treatment plants.
16) Company specialized in air conditioner and telephone maintenance.

Outsourcing is a kind of structural organization allowing SANASA to delegate its support activities to other companies, which provides a greater availability of resources to its main activity, reduces operating structure, decreases costs, save resources and reduces administrative bureaucracy.

Contracts with outsourced services providers excel due to their compliance with the Consolidation of Labor Laws - CLT. The company repudiates slave and child labor, being a signatory of 10 Principles of UN Global Compact and Business Charter for Human Rights and Promotion of Decent Work, established by Ethos Institute.

The inspection of outsourced companies allows SANASA to verify the compliance with Brazilian legislation, aiming to identify whether decent working conditions, use of personal protective equipment – PPE and collective bargaining agreement related to the category.

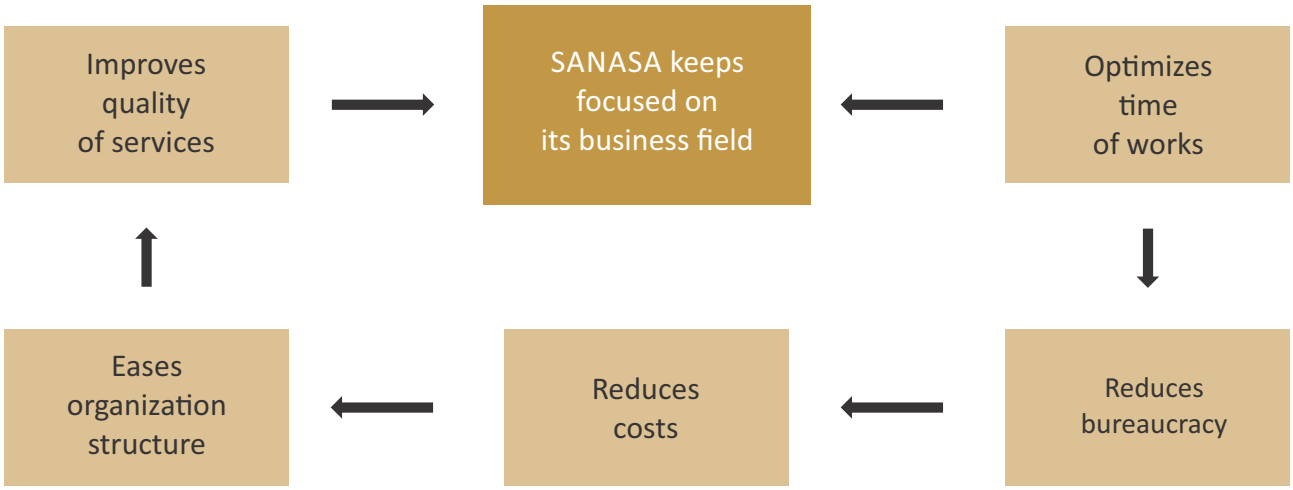
Coordination goals for management of workers providing outsource services:

- To improve training and satisfaction outsourced company employees
- Improve quality of services acquired.
- Increase population satisfaction.
- Enhance the results and outsourced company management.
- Cause the compliance with labor obligations.
- Inspect outsourced company's financial status.

Reduce SANASA risks with labor and tax charges of outsourced companies to zero.

(Read more about suppliers in Sustainability Report 2014, pgs. 33 to 38.)

Optimizes time of worksPositive Impacts regarding outsourced services



Negative Impacts:

- Resistance and conservatism.
- Difficulties to find the ideal partnership.
- Unfamiliarity with labor legislation on the account of outsourced services providers.
- Return to work and retention rates after parental leave, by gender
- Payment of charges and employment termination according to Judges' decision (after creating this coordinating body this fact did not occur).

G4-LA3 Return to work and retention rates after parental leave, by gender

A. In 2015, four women on maternity leave and 18 were on paternity leave. All of them are outsourced, returned to work and remain employed.

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria

A. All SANASA suppliers are evaluated on criteria related to labor practices, among other assessments. SANASA currently works with 29 outsourced companies, totaling 994 outsourced workers (886 men and 108 women), from which:

• 377 are construction workers (375 Men and 2 Women);
• 57 are building maintenance workers, all of them are men;
• 130 are building cleaning workers (38 men and 92 Women);
• 25 are cut water supply workers (24 men and 01 woman);
• 405 are surveillance and gate workers (392 men and 13 women).

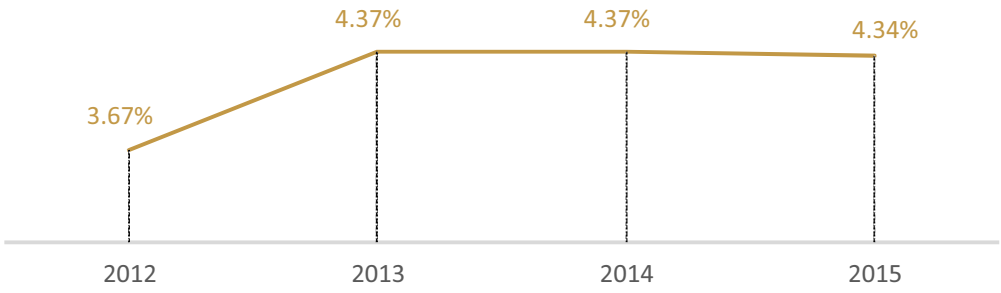
DEFAULT

In 2015, the number of defaulting consumers reached 97.053, an increase of 9.97% in comparison with 2014, when there was 88.255 cases of defaulting consumers. The 30 days' delay to pay debts increased in 2015, totaling 49% overdue debts in this year.

Since 2005, maintains a control program related to default, which is contributing to keep stability on the amount to be received. In 2015, default represented 4.34% of total revenue, in comparison with 4.37% in 2014.

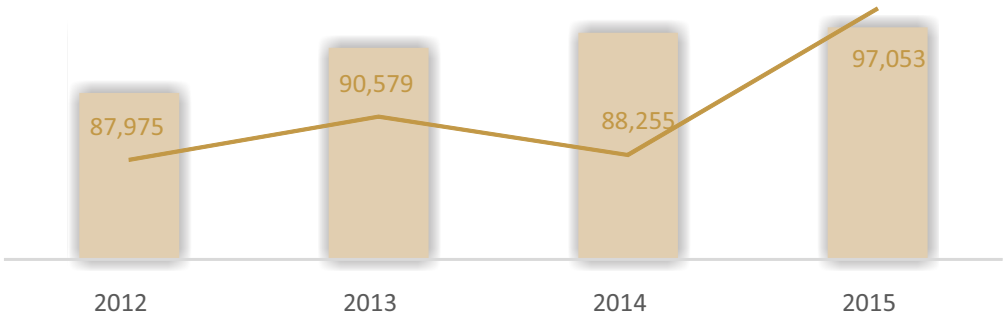
Annual Default

Adjusted amount (R$) versus Revenue per Maturity Date (R$)



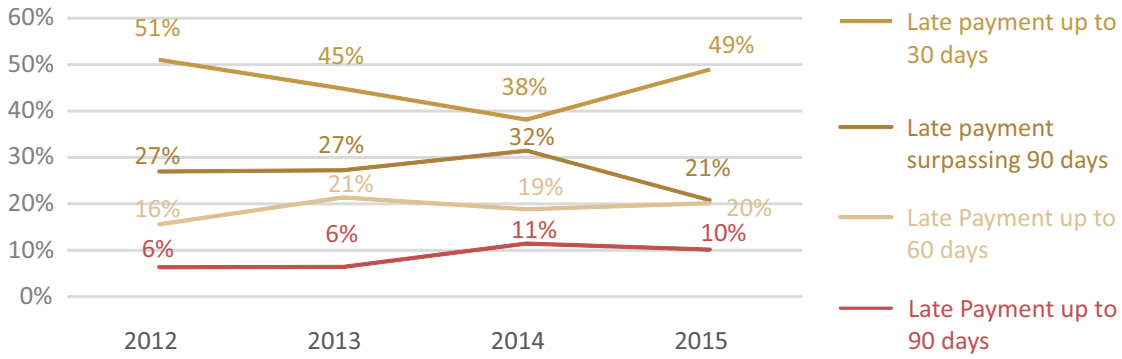
Default

Amount of consumers

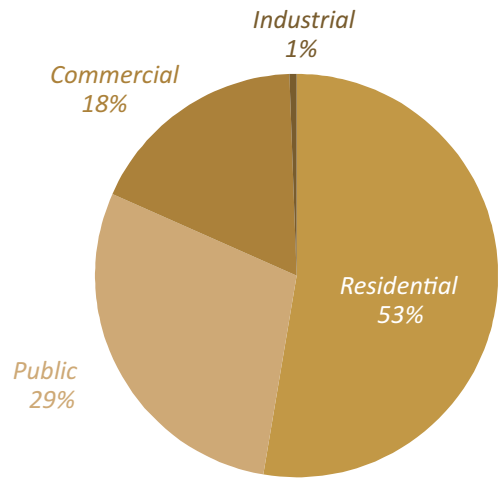


Default due to late payment

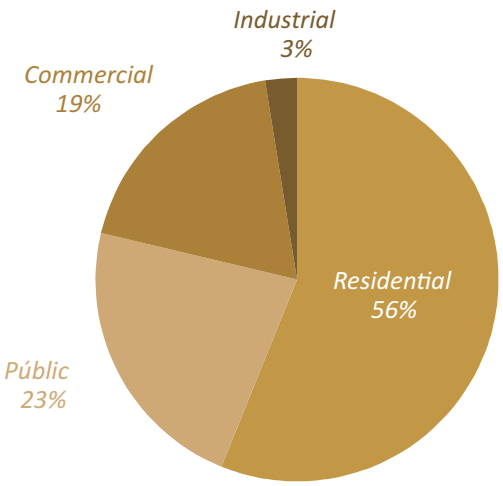
Percentage measured by means of outstanding debit within the period



Default per category 2014



Default per category 2015



Note: Amounts adjusted in (%)

Control and combat against default

The cut of water supply is one of the most important tools to combat default. According to the legal deadline of 30 days from the invoice maturity date, the system selects connections which invoices were not paid and proceeds with the cut procedure.

The cut of water supply is carried out in two different stages: in consumer connection point and water trestle. If default persists after 60 days from maturity date, the billing is suspended and, after 180 days, the connection is extinguished.

If said connection is extinguished, the client shall pay a new water connection and pending debit in order to reconnect the water supply.

Credit recovery

CUTS AND RECONNECTIONS	2014	2015
Amount of cuts	61,239	75,422
Reconnections performed	57,626	71,154
Recovery percentage	**94.1%**	**94.3%**

No. of connections: 2014: 323,622 - 2015: 331,635

Negotiation with defaulting hospitals

The gradual increase of default on the account of hospitals results from the high disparity between the onlends made by public health system in comparison with the real economic needs regarding surgical, outpatient, examinations and hospitalization procedures, thus creating a financial and economic imbalance. These cases drag in courts while seeking for solutions for the dilemma caused by debts.

The impossibility of performing cuts in water supply, since this is an essential service to maintenance of life and a fundamental rights of human beings; the constant concern in find manners to combat default in its source in order to avoid its development, and government duties, according to articles 5 and 37 of Federal Constitution, of providing an isonomic treatment to all having same conditions and circumstances, led SANASA, in April, to study e propose a deal able to fulfill these hospitals within their actual indebtedness capacities.

The agreement proposed, duly based on laws, rules and resolutions, set out, as a premise, to take into consideration the cubic meters of water actually consumed within the indebtedness period, adjusted by the fee in force at the moment of such negotiation. It was granted a discount on the assessed amount, according to a specific rule related to hospital loyalty contracts, as well as the possibility to pay the debt up to 240 months, in order to adjust the installments to the actual indebtedness capacities of said hospitals.

The formalization of said agreements in court enable the company to ensure the receipt of debt – which was basically lost before such agreements – upon signature of an Acknowledgement of Indebtedness which ensures the monthly receipt of installments negotiated and adjusted on monthly basis, and maintain hospital loyalty with the payment of current fees.

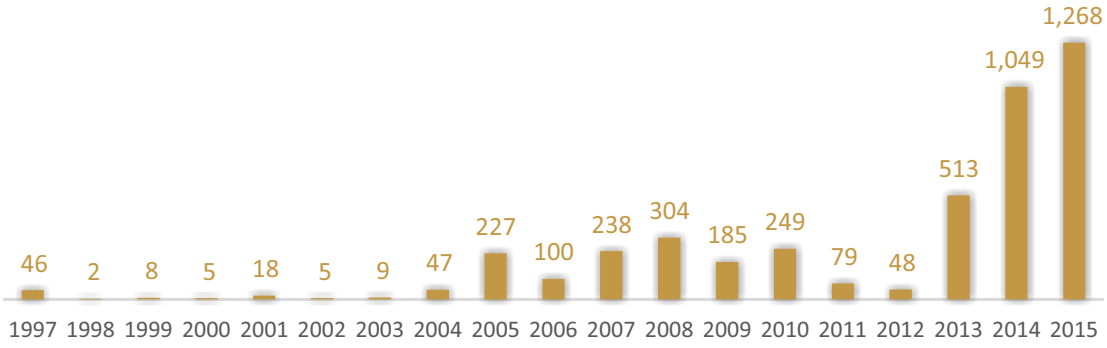
Amicable agreements and Collection

This kind of collection is aimed at consumers which, most of the times, already had their water supply cut or that are not subject to cut of water supply due to legal grounds or because they provide essential services, but do not pay their invoices on time. The collection is made taking into consideration all categories - residential, public, commercial and industrial – as from the closing of monthly reports, always prioritizing the greatest defaulting consumer.

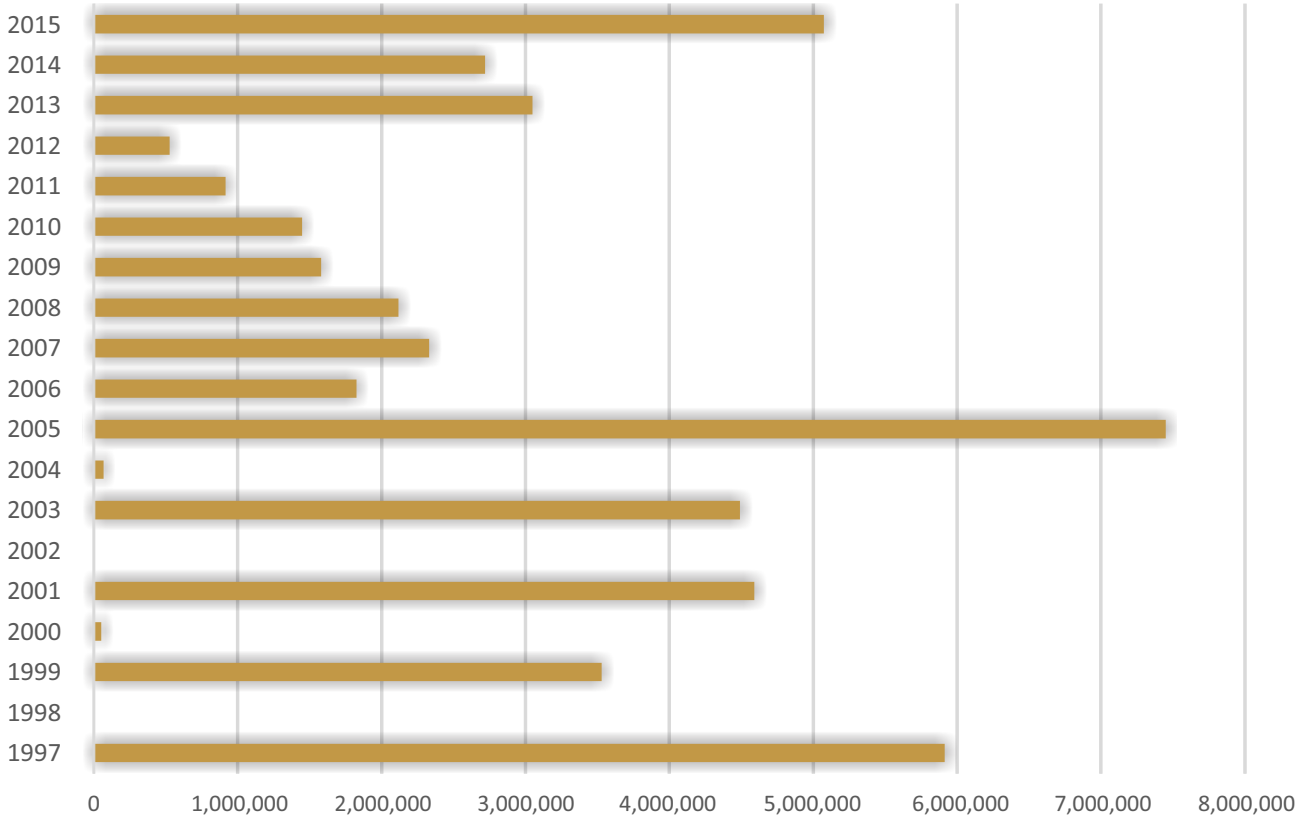
The amicable collection protocol is preceded by the opening of an individual protocol and issuing of a notice to the defaulting client, granting 15 days for payment of indebtedness, as from the receipt of Proof of Delivery - AR.

If the amicable collection is not successful, the protocol is submitted to legal department for the opening of a legal collection procedure.

Progress regarding the amount of collection protocols



Progress of amounts regarding collection protocols - R$



Payment of debt in installments and submission of overdue payments to a protest notary

The company, as a rule, enables defaulting clients to negotiate their debts upon payment in installments of their debt and signature of an Acknowledgement of Indebtedness, with installments not lower than the minimum fee in force.

The installments are controlled by digital system with respect to their payment and write-off. As from 15 days in arrears, upon screening, the overdue installments are charged from clients, via mail.

From the issuing of a collection mail, the clients have 15 running days to make the payment of said debit.

If The debit persists, the overdue installments shall be submitted for protest in a notary office.

The clients being protested with four consecutive installments in arrears will have their process submitted to legal department for court enforcement.

Recovery of credits

General Summary

Occurrence	Year 2014		Year 2015	
	Installments (Qt)	Amount (%)	Installments (Qt)	Amount (%)
Installments Charged	28,937	100%	46,221	100%
Installments Recovered	17,190	59.70%	26,327	50.97%

Summary of negotiable instrument submitted to notary office

Occurrence	Year 2014		Year 2015	
	Installments (Qt)	Amount (%)	Installments (Qt)	Amount (%)
Overdue Installments submitted to Notary office	9,026	100%	13,984	100%
Overdue Installments Protested	7,040	70.40%	11,681	78.80%
Overdue installments recovered	7,952	85.20%	10,448	64.00%

Protocols submitted to legal department for legal enforcement

Occurrence	Year 2014		Year 2015	
	Prot. (Qt)	Amount (%)	Prot. (Qt)	Amount (%)
Protocols submitted	219	100%	376	100%
Amount Recovered	78	24.80%	99	24.20%

LOYALTY

G4-EC8 Significant indirect economic impacts, including the extent of impacts

In December 2015, 192 customers - industrial, commercial and hospital - were loyal to SANASA, total 27.2% lower than 264 clients in 2014.

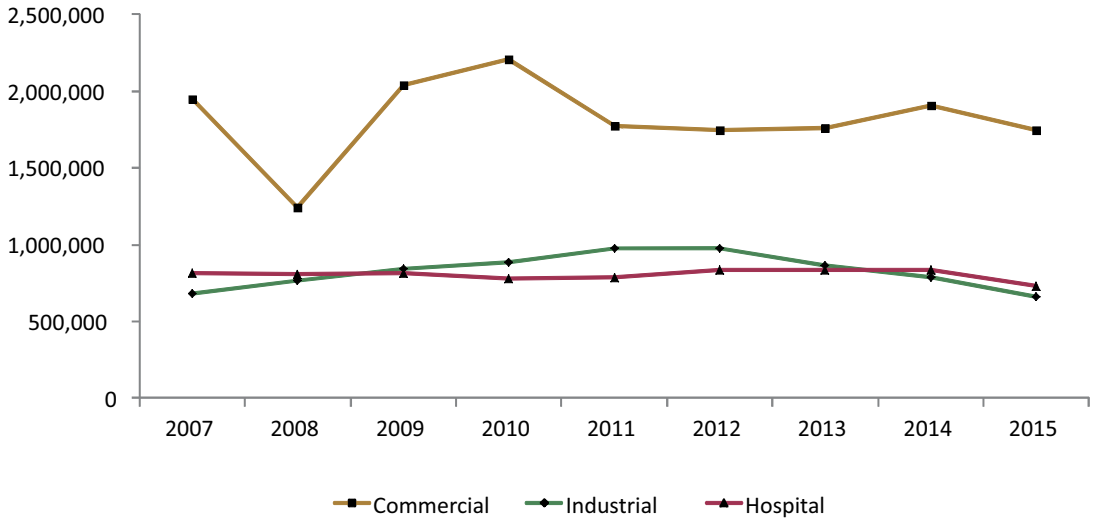
The loyalty contract, implemented for more than ten years by SANASA as a complement of procedures of tariff policy, aims to attract and keep customers. In order to do so, it grants discounts on water and sewage rates for large-consuming commercial and industrial clients.

In order to prevent clients' rejection and the decrease of SANASA revenue with such categories, in accordance with article 145 of Water Supply and Sanitary Sewage Services Regulations, the discounts granted to said customers were readjusted. Article 145 provides that "SANASA may, at its sole discretion, execute Special Agreement for Water Supply and Sewage Collection with large consuming clients, upon special fees and conditions ". The new rule, in force as from June 1, 2015, authorizes the Loyalty Contract for commercial and industrial clients with monthly average consumption above 120m³, and 20% discount on the amount of invoice surpassing a minimum of 120m3, in comparison with the previous minimum amount of 80m3 and discounts surpassing 40%.
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.

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.

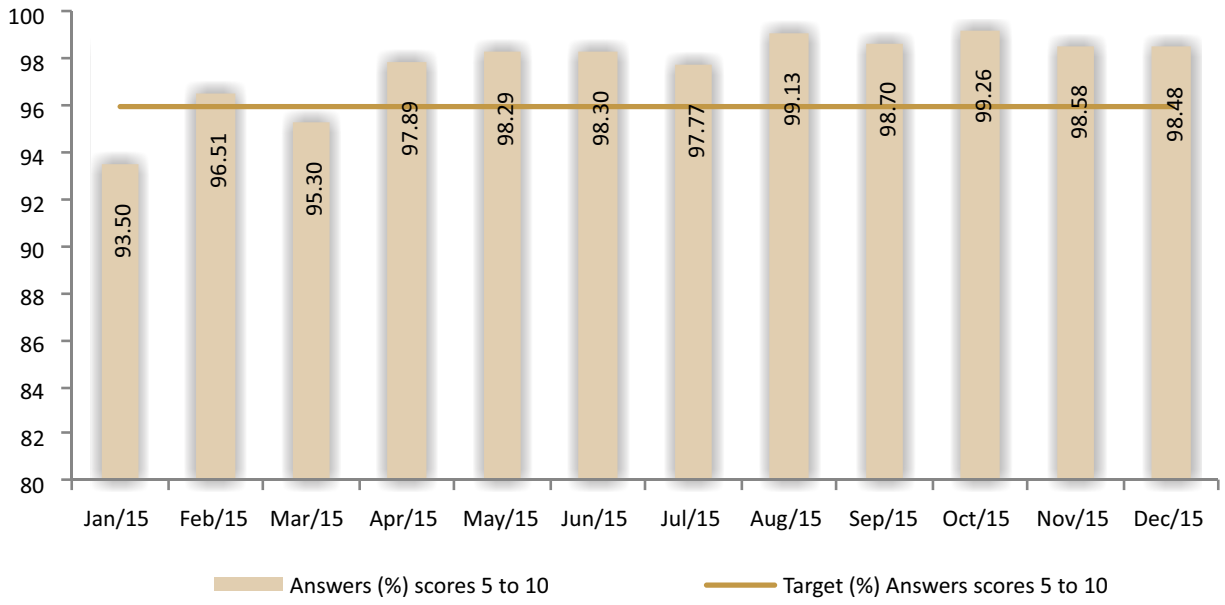
The program was successful with the hospital network, it helped minimize the pent-up demand for laboratorial medical testing of the Municipal Hospital and has increased the consumption of water supplied by SANASA.

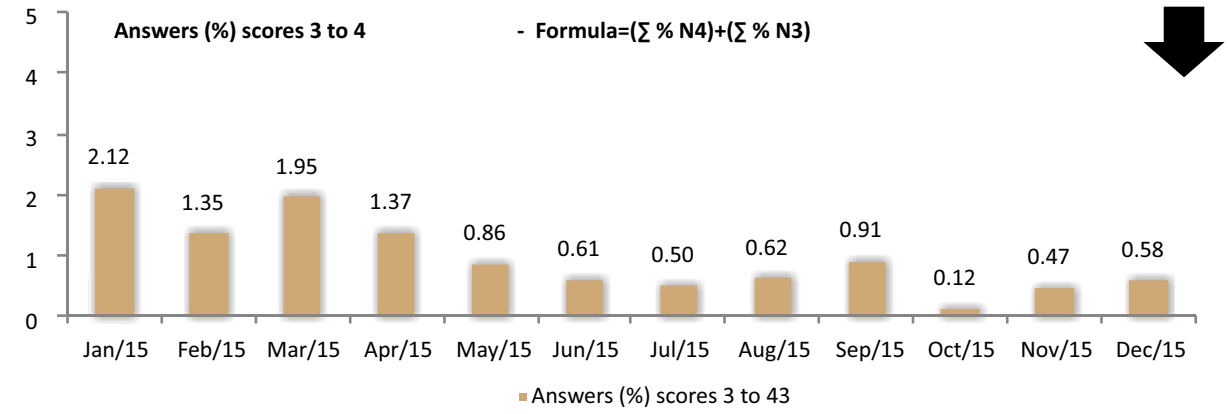
Loyalty Volume per category

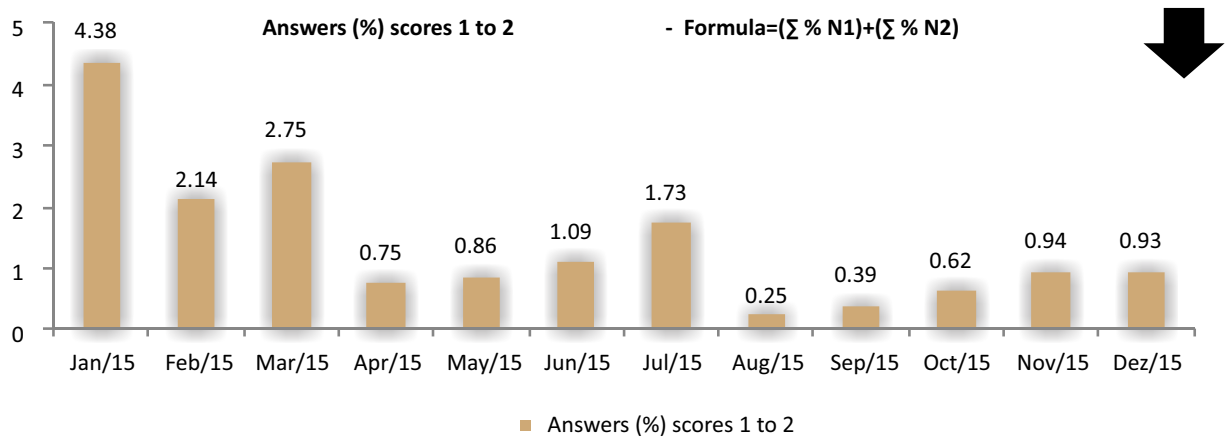


G4-PR5

Results of surveys measuring customer satisfaction







QUALITY MANAGEMENT

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 has 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 2015, there were two internal audits, 12 extraordinary audits and external maintenance of the ISO 9001, completing the 10th consecutive year without non-compliances, which is a milestone in quality management program in SANASA.

Were recorded internally 528 reports divided into 165 compliances, 35 non-compliances, 96 observations, 131 opportunities for improvement and 69 implemented improvements. Currently, there are 18 requests under analysis. From 2004 to 2015, Quality Management and Technical Relation Department held a theoretical and hands-on course for Internal Auditors, with a total of 288 attendees.

Continuing with technical cooperation between the SANASA and Autonomous Water Utility of Itapira/SP and after trainings held in 2014, there were three internal audits in 2015, on April, July and October. In November, a technical inspection was held to clarify notes resulting thereto and make a general diagnosis of the implementation process of Quality Management System.

The implementation of quality management system based on ABNT NBR ISO/IEC Standard 17025 for the lab of analysis and control of wastewater continued to be carried out, and its official opening had the presence of Technical Officer and lab staff, in addition to the survey of all applicable documentation and diagnosis of resources required for implementation.

As to the implementation of an environmental management system based on NBR ISO 14001 standard in Atibaia Collection and WTPs 3 and 4, the studies regarding environmental policies, aspects and impacts, as well as relevant documentation continued to be carried out.

Continuing to the process of Social Responsibility Management System (ABNT NBR 16001), some actions were performed in 2015 to prevent and correct non-compliances, as well as to enhance processed which are already consolidated. Such actions were guided by the results of an internal audit held on December 2014, by trained employees. Among the actions carried out, we highlight the procurement of software which allows the identification and periodical assessment of compliance with the legislation related to SANASA activities and processes.

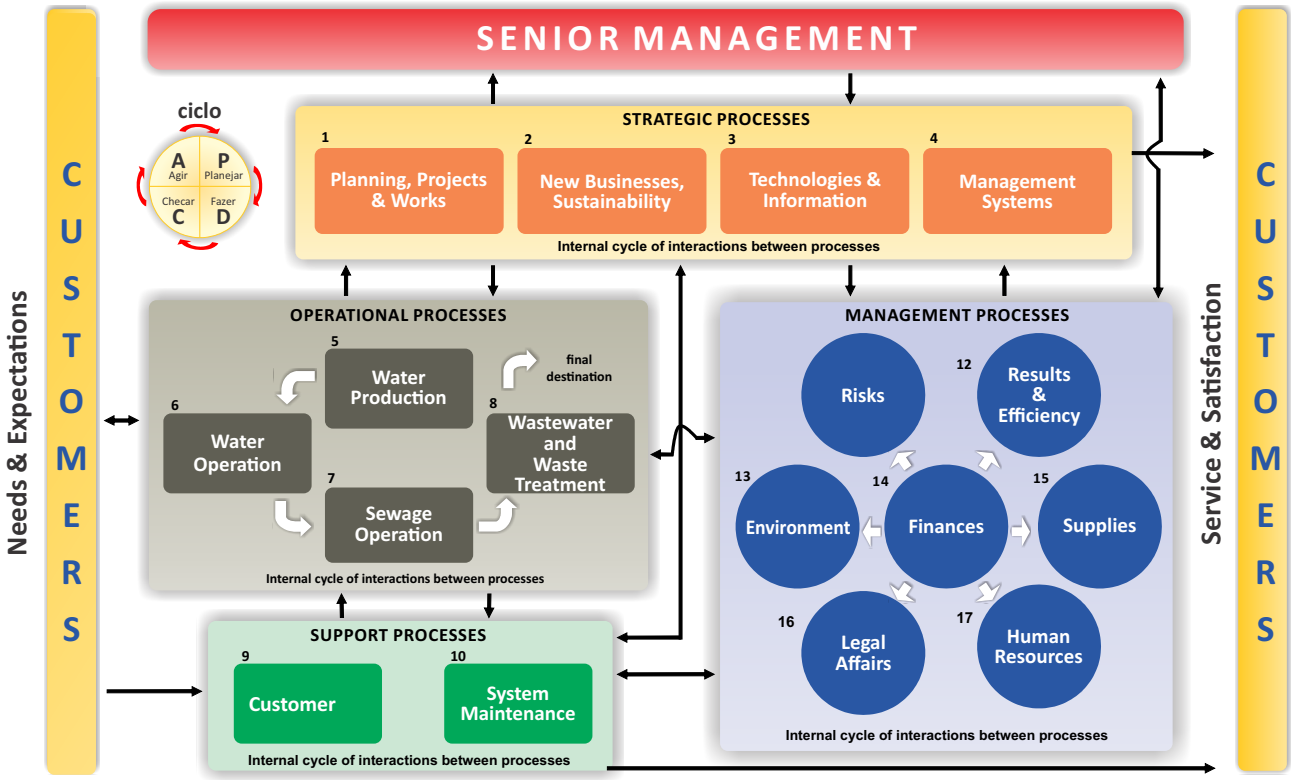
A sanitation utility brings together public and private company characteristics simultaneously. This is the provision of a delivery service of a manufactured product (treated water) at home and collect other product (sewage), also being processed in an industrial plant for 24 hours, with public health 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 one of SANASA's employees 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 2015:

Process Map



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, whichd 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 facts are created, quality sector classifies and submits them to the response sectors for decision-making process. All 3,847 reports created, taking into consideration NBR ISO 9001 and NBR ISO/IEC 17025:2005 of 2004 until December 31, 2015 are distributed as follows:

- 369 reports requested and canceled due to the following reasons: not applicable, duplicity or test.
- 18 reports requested were already received and have not been classified yet
- 3,460 reports requested were classified and those requiring an answer in the system were submitted to response sectors.

The following are the results of these 3,460 reports are:

Spontaneous: 1,106 occurrences
Audit: 2,354 occurrences
Finished: 3,249 occurrences
For analyzing the effectiveness:72 occurrences
For taking actions: 139 occurrences

REAL FACTS
Compliances: 430 occurrences
Improvements: 468 occurrences
Non-compliances: 1,321 occurrences, which generated the necessary corrective actions.

POTENTIAL FACTS
Observations: 495 occurrences, which generated the necessary corrective actions
Opportunities for Improvement: 746 occurrences, which generated the necessary corrective actions.

PROCESSES WITH GREATER INCIDENCE (descending order):
- Water Production
- Systems Maintenance
- Customer Service
- Wastewater and Waste Treatment

REGULATORY REQUIREMENTS WITH GREATER INCIDENCE (NBR ISO 9001)
4.2.3: 530 occurrences (Document Control) 6.3: 366 occurrences (Infrastructure) 4.2.4: 333 occurrences (Control of Records) 8.5.1: 281 occurrences (Continuous Improvement)
7.5.1: 214 occurrences (Control of production and rendering of services)

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)

REGULATORY REQUIREMENTS WITH GREATER INCIDENCE (NBRISO/IEC 17025)
4.7: 14 occurrences (Customer Service)
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 occurrences (Critical analysis of requests, proposals and contracts)
4.9.: 2 occurrences (Control test work and / or calibration non-compliance)
5.4.6: 2 occurrences (measurement uncertainty estimation)

Since 2004, ABNT - Brazilian Association of Technical Norms is responsible for SANASA external audits. The table below presents a summary of results achieved:

Year		Non-Compliances	Notes	Opportunities of Improvement	Audit
2004	2nd semester	15	7	3	Certification*
2005	1st semester	3	4	4	Maintenance
	2nd semester	1	3	0	Maintenance
2006	2nd semester	0	3	1	Maintenance
2007	2nd semester	0	3	1	Renewal
2008	2nd semester	0	3	0	Maintenance
2009	2nd semester	0	3	1	Maintenance
2010	2nd semester	0	1	2	Renewal
2011	2nd semester	0	3	3	Maintenance
2012	2nd semester	0	2	0	Maintenance
2013	2nd semester	0	1	3	Renewal
2014	2nd semester	0	3	0	Maintenance
2015	2nd semester	0	4	2	Maintenance
	TOTAL	19	40	20	

Note: * External audit with INMETRO testimony.

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, namely:

Technical Chamber of Water Groundwater (TC-WG): Created by Resolution C B H-P C J 094/00, of 05/09/00, 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 (TCIDRT): Created by Resolution C B H-P C J 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 C B H-P C J 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 C B H-P C J 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 C B H-P C J 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 03/31/05.

Technical Chamber of Sanitation (TC-SA): Created by Resolution C B H-P C J 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 (TCEH): A 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 C B H-P C J 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 SANASA representation within these Committees is evidenced in the list of members per entity, available at: htts://www.comitepcj.sp.gov.br.

- 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 46th National Meeting NAMSS, recognized as one of the great sanitation event, which took place between May 24 and 29, 2015 in Poços de Caldas/MG. It occurred in conjunction with the XIX Exhibition of Municipal Experiences in Sanitation, with SANASA's participation in the following Debate Panels and technological works::

How to establish a Project database and contents for collection of water and sanitation resources

Technologies to diagnose losses in macromeasurement and micromeasurement

- How to implement quality management programs in sanitation services
- Implementation of portable sanitation treatment plant for SANASA temporary system
- Follow up of municipal treatment for basic sanitation municipal plan by SANASA
- Water crisis and actions taken by quality management syste
- Treatment and follow-up of clients' satisfaction survey
- Internal Communication: challenges and achievements

It was another year in which the SANASA had awarded works. In this year, the award was granted because one single author presented his works in the last five years.

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

ODS6 – Ensure availability and sustainable handling of water and sanitation for all

G4-DMA Report how the organization manages the material Aspect

The year of 2015 has as its main characteristics the management of consequences regarding water crises experienced in 2013 and 2014, as well as the management of effects regarding national economic situation, as follows.

WATER RESOURCES

Cantareira System

Located in the headwaters of Atibaia and Jaguari, consisting of reservoirs Cachoeira, Atibainha, Jaguari-Jacareí, which are located in Piracicaba, Capivari and Jundiaí river basin - PCJ river basin, as well as Juguery - Paiva Castro reservoir, in Alto Tietê river basin, Cantareira System started 2015 with a total volume of reservoirs located in PCJ (Cachoeira, Atibainha e Jaguari-Jacareí) basins corresponding to 6.85%, an extremely critical situation.

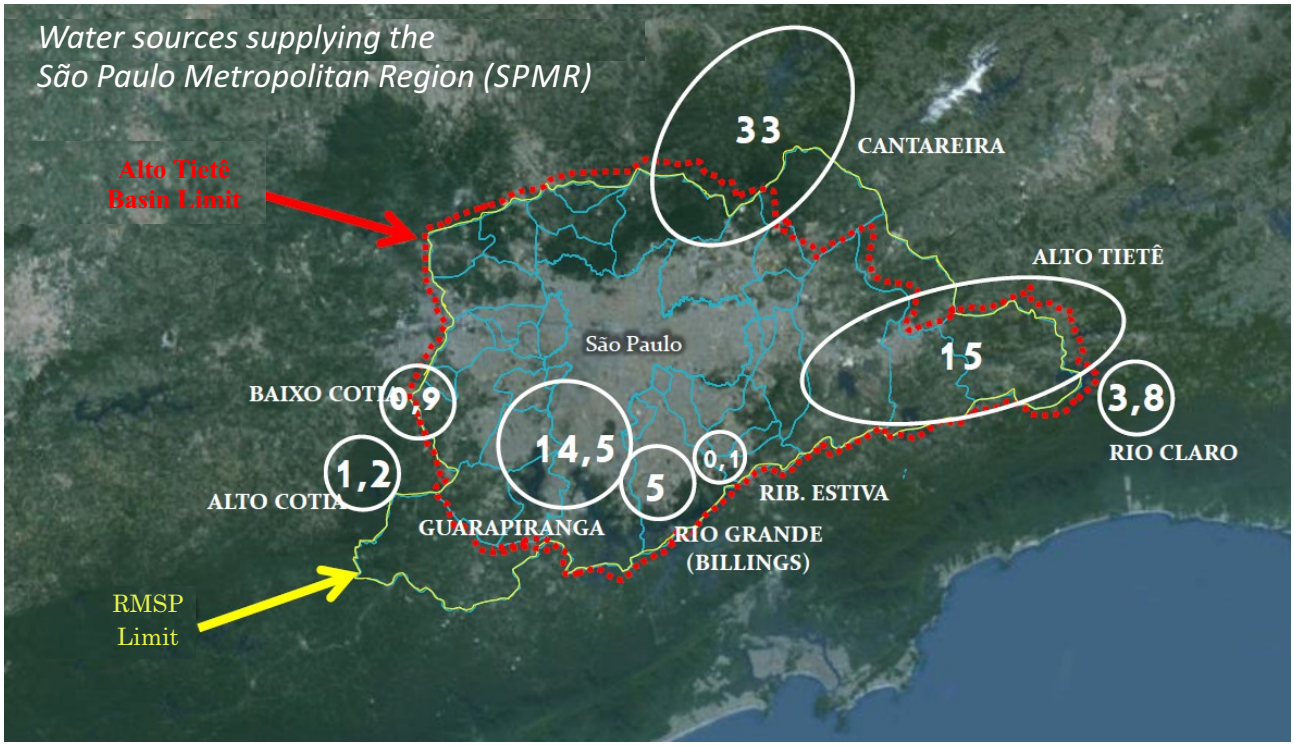
The serious situation of the System, which is responsible not only for ensuring water supply for the cities located in PCJ basin, but also for approximately 50% of São Paulo Metropolitan Region alarmed managers, as stated in Estado de São Paulo newspaper on 01/25/2015:

"One year after the start of the worst water crisis in São Paulo, the water stored to supply 20 million people in Greater São Paulo decreased to 74%. When São Paulo Sanitation Company (SABESP) issued the first warning with respect to Cantareira drought on January 27, 2014, the six water sources serving the richest region in Brazil amounted to 1 trillion stored liters. Nowadays there is 267,8 billion liters, i.e., 12.4% of the capacity of said reservoirs.

The crisis becomes more tragic as water reserves continue to decrease in rainy season, a phenomenon which is repeating for the second consecutive summer. This is the worst drought in the last 85 years. If nothing changes, this reserve may finish in 206 days." (Fábio Leite Rafael Italiani, O Estado de São Paulo - Metrópole - pg. A19, 25/01/2015).

Image 01, taken from a lecture held by Dr. Rubem Lalaina Porto during Workshop Poli-USP: Subsidies for Water Supply in São Paulo Metropolitan Region briefly provides the water sources responsible for supplying São Paulo Metropolitan Region – RMSP.

Image 01 – Water sources supplying SPMR



Source: Workshop Poli-USP: Subsidies for water supply in São Paulo Metropolitan Region, by Prof. Dr. Rubem L. Porto, on 06/24/2015, available at: http://sites.poli.usp.br/org/informativos/junho2015/crisehidrica/workshopEPUSP-24-06-2015-RubemLPorto.pdf.

As reported, this serious situation caused managers in charge of water resources management - ANA – National Water Agency and DAEE – State Department of Water and Electricity-SP – to seek a solution that prevented leaks in Cantareira Systems reservoirs. Thus, on January 21, 2015, ANA/DAEE published a Joint Resolution, setting out rules and conditions limiting the use for water collection in the basins of Jaguari, Camanducaia and Atibaia rivers. This Resolution was the agenda of many meetings, attended by SANASA, throughout the preparation stage.

The rules for use consist of the following limitations:

Alert State:

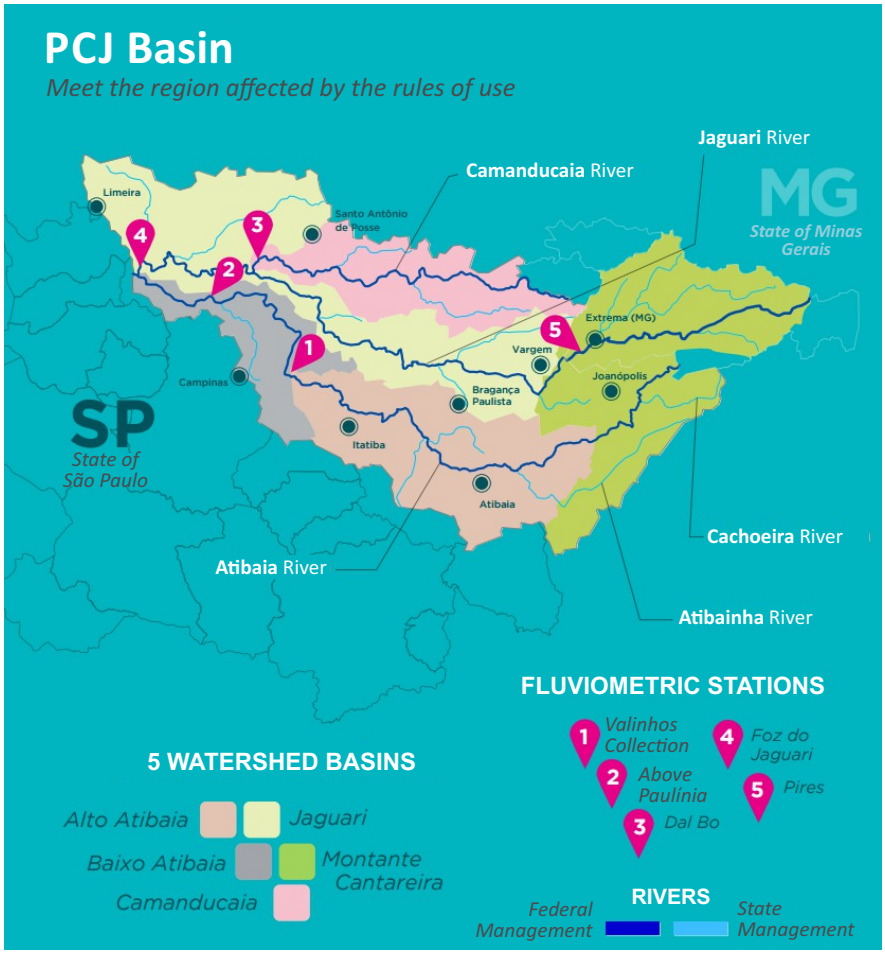
- Public Supply: does not limit the use of water, but it calls the attention of users for a possible restriction;
- Users with demand lower than 10 L/s:
  - Industrial Use: suspension of water collection from 7:0AM to 01:00PM;
  - Uses related to irrigation and animal drinking: suspension of collection from 12:00PM to 00:06PM.
- Other users: disruption of collection, except for those that do not consume water.

Limitation State:

- Public supply and animal drinking: reduction of 20% regarding daily granted volume;
- Uses for irrigation and industry: reduction of 30% regarding daily grated volume.

The Ordinance further establishes Control Points for monitoring of flows and limits to be met in Alert State and Limitation State, which are provided in image 02 (Map for location of Control Points).

Image 02: Map for location of Control Points, monitored by Resolution 50/2015



Source: PCJ Basin Committee
(http://www.sspcj.org.br/images/downloads/Infogr%C3%A1fico_-_Regras_de_Uso_PCJ.pdf)

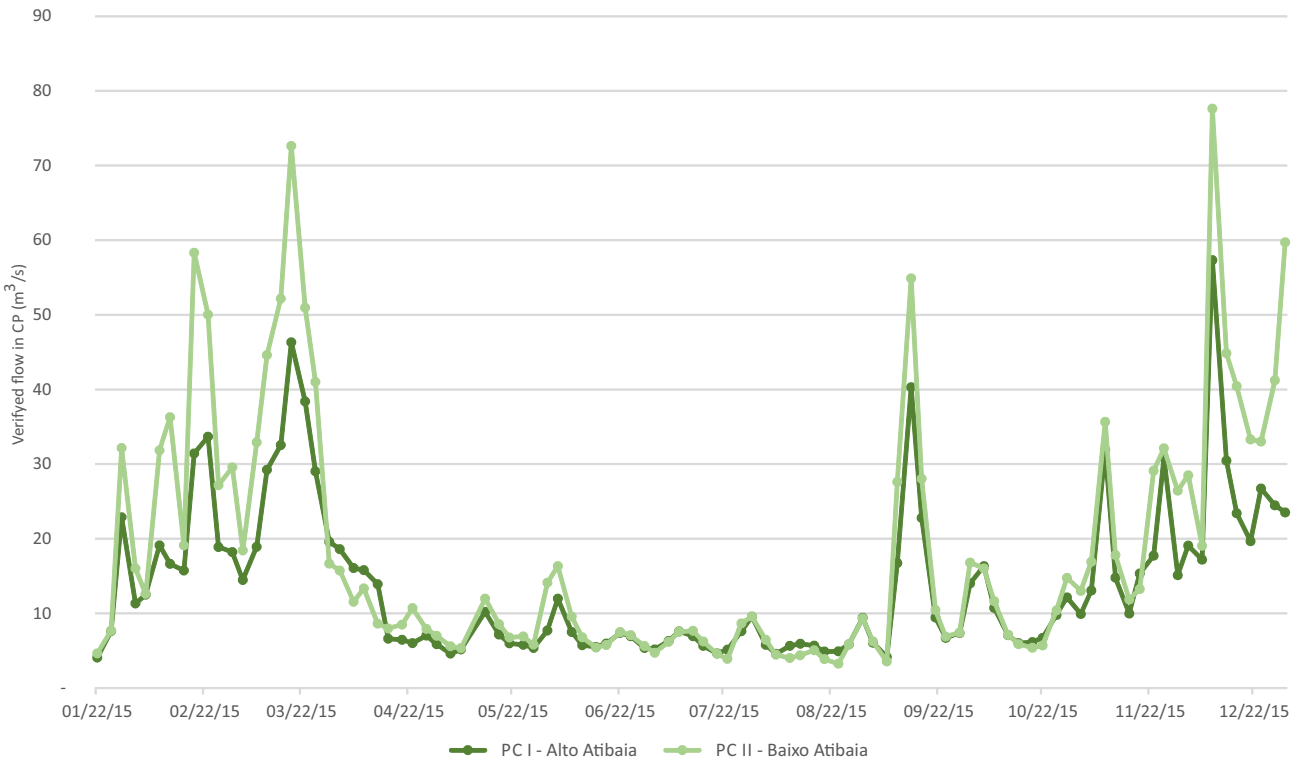
Table 01: Identification of Control Points, according to ANA/DAEE Joint Resolution 50/2015

Basin	Control Point	Alert State	Limitation State
1 - Alto Atibaia	**Valinhos Collection,** in Atibaia River (Station DAEE 3D-007T)	4 to 5 m^3/s	≤ 4 m^3/s
2 – Baixo Atibaia	**Above Paulínia,** in Atibaia River (Station DAEE 4D-009RT)	3.5 to 5 m^3/s	≤ 3.5 m^3/s
3 – Camanducaia	**Dal Bo,** in Camanducaia River (Station DAEE 3D-001T)	1.5 to 2 m^3/s	≤ 1.5 m^3/s
4 – Jaguari	**Foz, in Jaguari River** (Station DAEE 4D-013T)	2 to 5 m^3/s	≤ 2 m^3/s
5 – Montante Cantareira	**Pires, in Jaguari River** (Station ANA 62590000)	2 to 5 m^3/s	≤ 2 m^3/s

Source: Resolution 50/2015

The City of Campinas must comply with standards established for Control Point 2 - Baixo Atibaia. However, there is also monitoring in Control Point 1 - Alto Atibaia, since depending on the flow in this point, it is necessary to take emergency measures to ensure water supply for the population. We present below in Chart 01 the results of monitoring Control Points 1 and 2, throughout 2015.

Chart 01: Monitoring of Control Points 1 and 2, according to Joint Resolution 50/2015



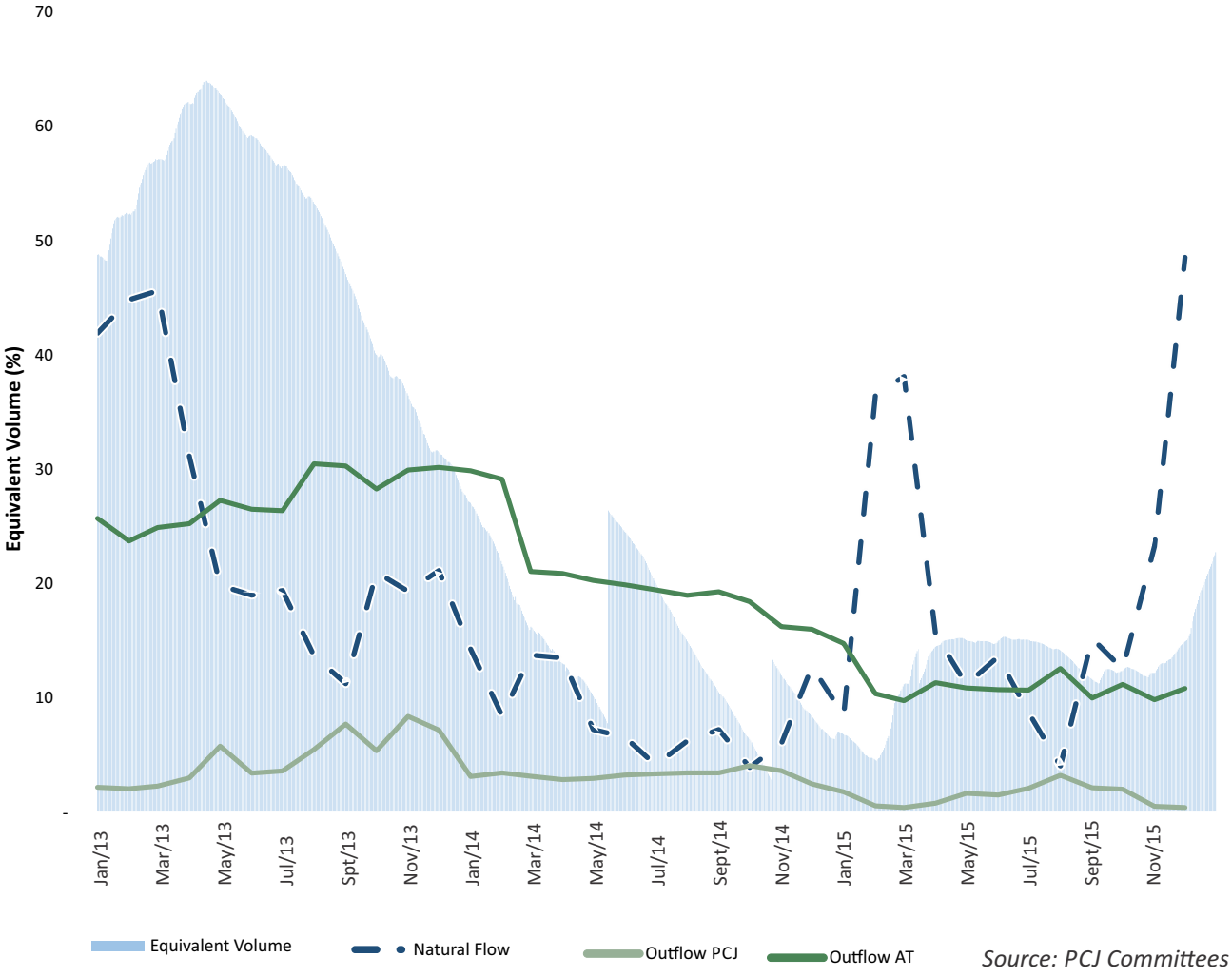
Source: PCJ Committees

The monitoring of Control Point 2, to be fulfilled by City of Campinas, according to Resolution 50/2015, resulted in 9 occurrences of Alert State and one Limitation State; the Control Point 1, monitored by SANASA for water quality purposes, resulted in 6 Alert State occurrences.

In addition to monitoring of Control Points, ANA and DAEE started to issue joint Notices providing maximum flows discharged to Alto Tietê and PCJ basins.

Chart 02 provides the follow-up of Cantareira System Equivalent Volume, as well as natural average flows of the System and average flows discharged to Alto Tietê and PCJ basins.

Chart 02: Comparison between Cantareira System Equivalent Volume and Average Flows Discharged to Alto Tietê and PCJ basins



Source: PCJ Committees

Note: As from 03/16/2015 the equivalent volume Index, related to total Volume of the System (Index 2 = Stored Volume /Total Volume).

As we may see in the chart, although rainfall flows (Natural Flows) were still slow until August/2015, except for the month of February, Cantareira System reservoir increased, ending 2015 with an index of 22/78%, 133% higher than the amount assessed in the beginning of the year.

Renewal of Cantareira System Granting

During 2015, meetings were held among many entities, with the purpose of presenting an offer from PCJ Committees to granting bodies - ANA / DAEE.

This process was extended until October/2015, when a meeting was held with representatives of SABESP, Alto Tietê and PCJ Committees, Public Prosecutor's Office for the State of São Paulo, do GAEMA, Office of the Attorney General of the Federal Prosecution Office, DAEE and SANASA.

In this meeting, a new deadline was established for the completion of granting process regarding Cantareira System, being transferred to May/2017.

Actions of the City of Campinas to combat water crisis

The city of Campinas continued the actions already started in 2014, particularly:

• **Water Safety Plan:** 2015 was marked by the review of this Plan, due to the crises, which changed the parameters of quality and required a change in operating procedures. This review may be extended throughout 2016, so SANASA may have a document with detailed analysis of occurrences and review of procedure manual.

• **300% Plan:** A plan with government goals, prepared to universalize sanitation, serving the population with 100% of supply system, 100% collection and removal of sewage and 100% of sewage treatment.

In 2015, Federal Government, represented by Ministry of the Cities, classified the four Consultation Letters issued by SANASA according to IN 14/2014, which pay up the investments in 300% Plan, in the amount of R$ 920,224,821.61. The letters Water Supply System - SAA, Sanitary Sewage System - SES and an Exchange of Networks were classified on 10/01/2015, and there was only one regarding Exchange of Networks left, being classified on 11/27/2015. The next step, which is already in progress, is related to economic and financial analysis for their qualification in order to proceed with financing contract.

In this year, some works for improvement of quality in distribution of drinkable water and reduction of losses were delivered to the population of Campinas, such as: replacement of water networks and stations in Jardim das Oliveiras, Jardim Nova Europa Bloco 2, Jardim Flamboyant, Vila Paraíso and Jardim Planalto.

The Conscious Use projects were also completed in 200 educational institutions, and it is now under a monitoring stage. As to sanitary sewage system works – SSW, the following systems were completed: SSW and Capivari II STP, Nova América STP, San Martin STP, Parque das Universidades SSW and Santa Cândida Emissary. With the completion of Nova América and San Martin STP, Campinas now has 95% of sewage treatment capacity installed.

The procurement process regarding Boa Vista STP (which will complement in 100% the sewage treatment capacity of the city) was completed, and CAIXA analysis is remaining.

The works of Taubaté STP, Satélite Íris II and III STP, Parque dos Pomares STP and Sewage Reversal in Alphaville; Water Supply System: São Bernardo-DIC Secondary water main and ETA-DIC, São Conrado, São Vicente, Nova Europa and João Erbolato Storage tanks, as well as replacement works in the following water networks and stations: Jardim Paulistano, Vila Carminha, Jardim Primavera, Nova Campinas, Jardim Planalto, Palo Alto, Jardim Flamboyant, Vila Paraíso, Parque São Quirino, Vila Nova, Vila Modesto and Jardim Afife continued to be carried out.

The works in the districts of Palo Alto, Vila Modesto and Jardim Afife, are confirmed for the beginning of 2016.

Expansion of replacement water networks:
With financial resources from PAC – Brazilian Government's Growth Acceleration Program, it was possible to replace 67.3 km of water networks, having CAIXA ECONOMICA FEDERAL as technical and financial agent.

G4-EN10 Percentage and total volume of recycled and reused water

Reuse Water: SANASA implemented a Reuse Water Production Plant - Capivari II WRPP, using the process of filter membranes, with capacity to retain bacteria and protozoa, as well as to remove Nitrogen and Phosphorus. With this unit, the wastewater released in Capivari river has its quality increased. Nowadays, 170 liters of reuse water are produced per second.

A pilot system aimed at evaluating the possibility of drinkability of wastewater, which is currently treated in this unit, by means of advanced oxidative procedures, is under project and installation process.

These works are coordinated by Professor Ivanildo Hespanhol, director of CIRRA - International Centre for Water Reuse, from the University of São Paulo. The purpose of these studies is to establish standards and concepts for reuse water, thus ensuring water safety.

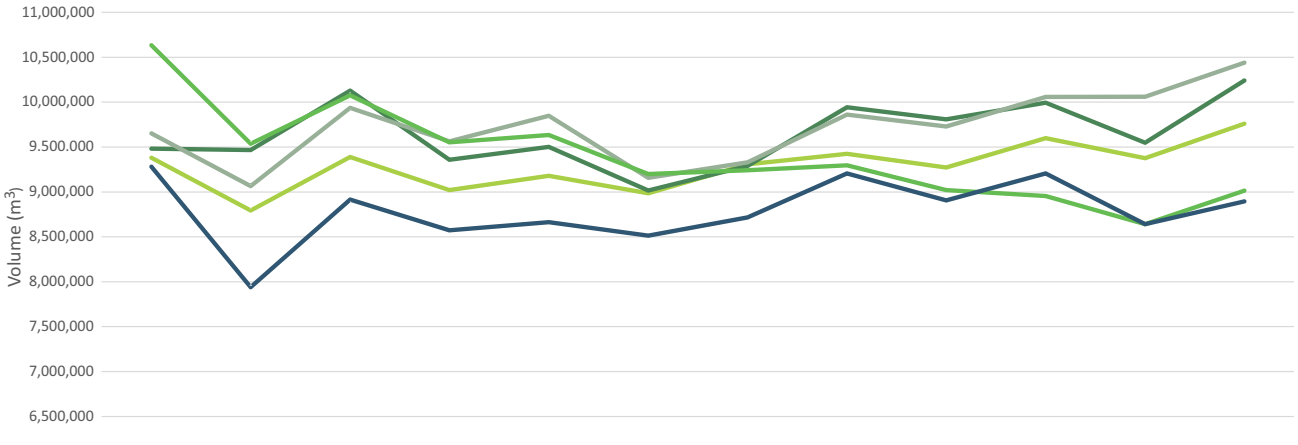
Use of reuse water by Fire Department: as a part of policies to combat water crisis, SANASA installed five reuse water storage tanks to be used by Fire Department in firefighting. The storage tanks were built with proper funds and have capacity for 20 thousand liters of water.

CAMPINAS WATER SUPPLY

Water collection and treatment System

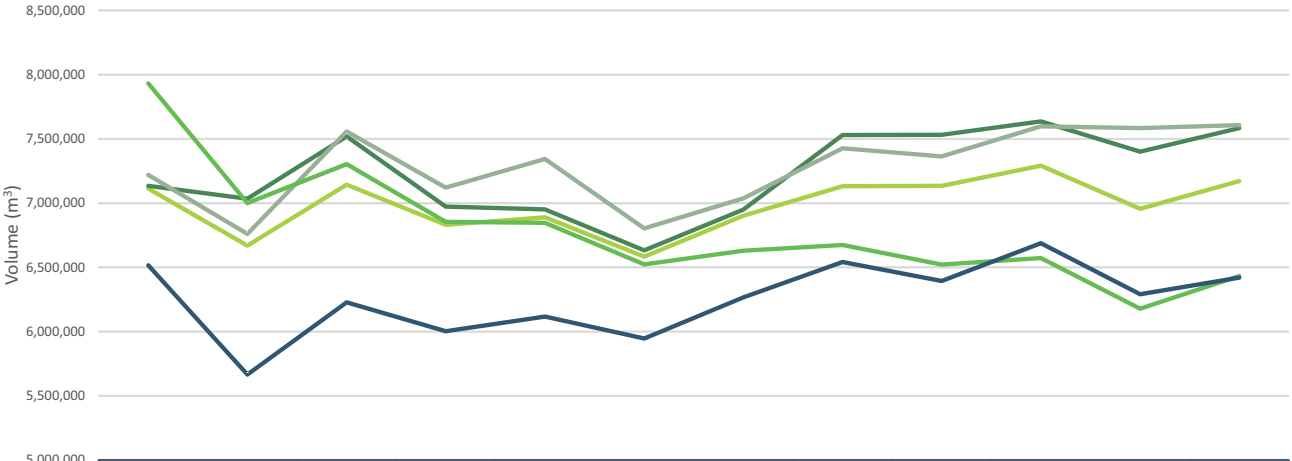
The severe drought of the last two years changed population's consumption standards, causing a change of habits, which significantly reflected in the amount of Collected, treated and consumed volumes, as provided for in Charts 03 and 04, below, which makes a comparison from 2011 to 2015.

Chart 03: Comparison between collected volumes - 2011 e 2015



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2011	9,381,039	8,792,923	9,389,476	9,020,320	9,180,868	8,985,280	9,307,428	9,424,094	9,271,673	9,600,114	9,376,023	9,760,075
2012	9,482,189	9,466,011	10,129,677	9,359,631	9,502,526	9,017,586	9,290,262	9,943,082	9,809,460	9,993,237	9,549,095	10,240,428
2013	9,651,912	9,064,807	9,936,561	9,564,114	9,848,656	9,157,549	9,330,991	9,862,356	9,729,638	10,058,459	10,060,953	10,440,312
2014	10,633,401	9,538,364	10,075,666	9,553,508	9,634,231	9,199,220	9,242,054	9,296,045	9,021,345	8,955,176	8,642,736	9,015,460
2015	9,282,129	7,941,032	8,915,235	8,573,571	8,664,003	8,512,634	8,716,468	9,206,788	8,905,890	9,206,520	8,642,676	8,894,816

Chart 04: Comparison between consumed volumes - 2011 and 2015



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2011	7,113,901	6,670,753	7,144,251	6,831,774	6,890,381	6,584,245	6,902,864	7,131,168	7,134,551	7,292,206	6,955,807	7,171,155
2012	7,134,934	7,035,315	7,519,774	6,973,022	6,951,372	6,632,749	6,950,293	7,530,719	7,531,800	7,635,880	7,401,679	7,584,562
2013	7,219,191	6,760,573	7,558,157	7,120,451	7,343,897	6,804,556	7,038,563	7,426,759	7,363,976	7,598,788	7,584,813	7,607,470
2014	7,931,708	7,000,952	7,304,448	6,855,021	6,846,322	6,523,274	6,629,456	6,674,416	6,521,752	6,572,784	6,179,619	6,432,475
2015	6,515,519	5,666,313	6,227,576	6,004,171	6,117,488	5,946,493	6,266,013	6,541,747	6,394,713	6,688,405	6,291,902	6,420.820

ConforAs it may be verified in these charts, the volumes of February were the lowest assessed during the last five years, resulting in a monthly consumed volume average of 6,256,763 m3, 14% lower than the consumption verified in 2012, before the crises, taking also into consideration that from February 2013 to 2015 there was an increase of 41,307 economies Connected to public supply system, resulting in an increase of economies during this month of 9.4%.

Table 02 below shows the evolution of chemical consumption between 2012 and 2015 and a comparison with 2012, before the crisis over the last two years.

Table 02: Evolution of consumption of chemicals

CHEMICALS	2012	2013	2014	2015	Increase/ Decrease To 2012
HYDRATED LIME	292,699	375,234	959,838	739,177	153%
QUICKLIME	929,508	1,013,316	2,269,511	1,672,307	80%
LIQUID CHLORINE CYLINDER	430,565	545,227	1,200,678	857,576	99%
LIQUID CHLORINE TRUCK	948,430	1,075,950	2,165,160	1,695,780	79%
SODIUM HYPOCHLORITE	-	-	503,625	768,613	100%
ACTIVATED CARBON	18,304	68,025	394,696	281,647	1,439%
POLYALUMINUM CHLORIDE	6,622,127	6,260,522	7,351,432	8,281,683	25%
CALCIUM HYDROXIDE SOLUTION	1,078,189	1,250,792	2,779,973	2,150,746	99%
AMMONIUM HYDROXIDE SOLUTION	45,941	309,246	345,349	339,430	639%
FLUOSILICIC ACID	373,657	370,851	332,503	310,653	-17%
ANHYDROUS AMMONIA CYLINDER	42,387	44,256	32,090	26,877	-37%

Water Distribution System

The city's water distribution system has 36 water storage tanks 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 4,617 km long.

This system includes 331,988 water supply connections and 485,956 water economies. Such information is provided in Table 03. In order to keep the water pressure within the limits established by the rules, they are installed 300 pressure control units strategically positioned.

Table 03: Evolution of networks, connections and economies catered by sewage sanitation from 2010 to 2015

Networks/Connections/ Sewage Economies	Annual					
	2010	2011	2012	2013	2014	2015
Networks (km)	3,757	3,811	3,839	3,849	4,558	4,617
Connections (nº)	273,185	285,139	300,282	310,426	323,622	331,988
Economies (nº)	424,828	436,493	452,905	463,785	477,336	485,956

The increase by 18% in the extension of water networks in 2014 was caused by the change in the ascertainment of information methodology, which in 2014 began to be achieved through the technical database registration. This new methodology of ascertainment provides more accurate results.

Combat Program for Water Losss – PCPA

ODS 6 – Ensure availability and sustainable management of water and sewage sanitation to everybody

6.4 – Until 2030, to substantially increase efficiency of use of water in all sectors and ensure sustainable fresh water supply to combat water shortage, and significantly reduce the number of persons affected by water shortage.

The successful experience over the last 20 years, presents a totally favorable outcome in the aspect of sustainability Combat Program for Water Loss - PCPA, as provided in Table 04.

Table 04: Results achieved with the Combat Program for Water Loss – PCPA

Results	1994 - 2015
Efficiency of the Distribution System	62.3% - 79.2%
Revenue Losses index (RLI)	34.6% - 11.2%
Volume of saved water	428 million m^3
Saved Resource	R$ 868 million
Invested Resource	R$ 189 million
R$ saved – Invested Resource	R$ 679 million

The index reached in Campinas is less than the average achieved the PCJ river basins and the national average, as provided in Charts 05 and 06 below.

G4-EN24 Total number and volume of relevant leaks

Analyzing 21 years of implementation of SANASA Loss Control Program, from 1994 where the population amounted to 892,817 inhabitants, to 2015, which registered 1,164,098 inhabitants we verified that, despite the population growth of 30%, and the economic growth occurred in the city of Campinas, it was not necessary to expand concession, due to the reduction of losses in water distribution, from 37.7% to 20.8%. In this period, even with the increase of consumed volume, the volume collected per capita is decreasing, as a consequence of results achieved with actions regarding reduction of losses, provided in Images 03 e 04.

Image 03 shows the behavior of water volume collected, which comprises consumed and lost volumes, assessed in 1994, in the beginning of Combat Program for Water Loss - PCPA, when the IPD assessed amounted to 37.7%, indicating a gap of 16,758,100m3 (13%) of the volume granting.

Image 03: Behavior of the collected and consumed volume, related to the granted volume in 1994

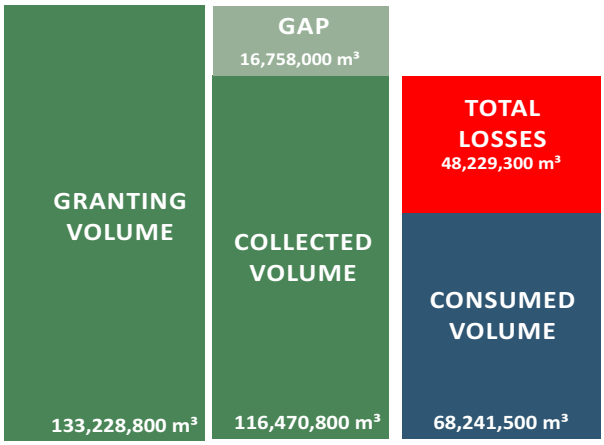
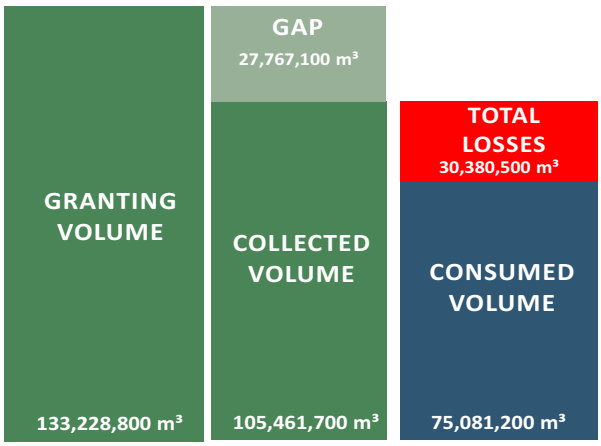


Image 04: Behavior of the collected and consumed volume, related to granted volume in 2015



NOTE: TOTAL LOSS TAKES INTO CONSIDERATION WATER LOST FROM COLLECTION TO WATER METERS

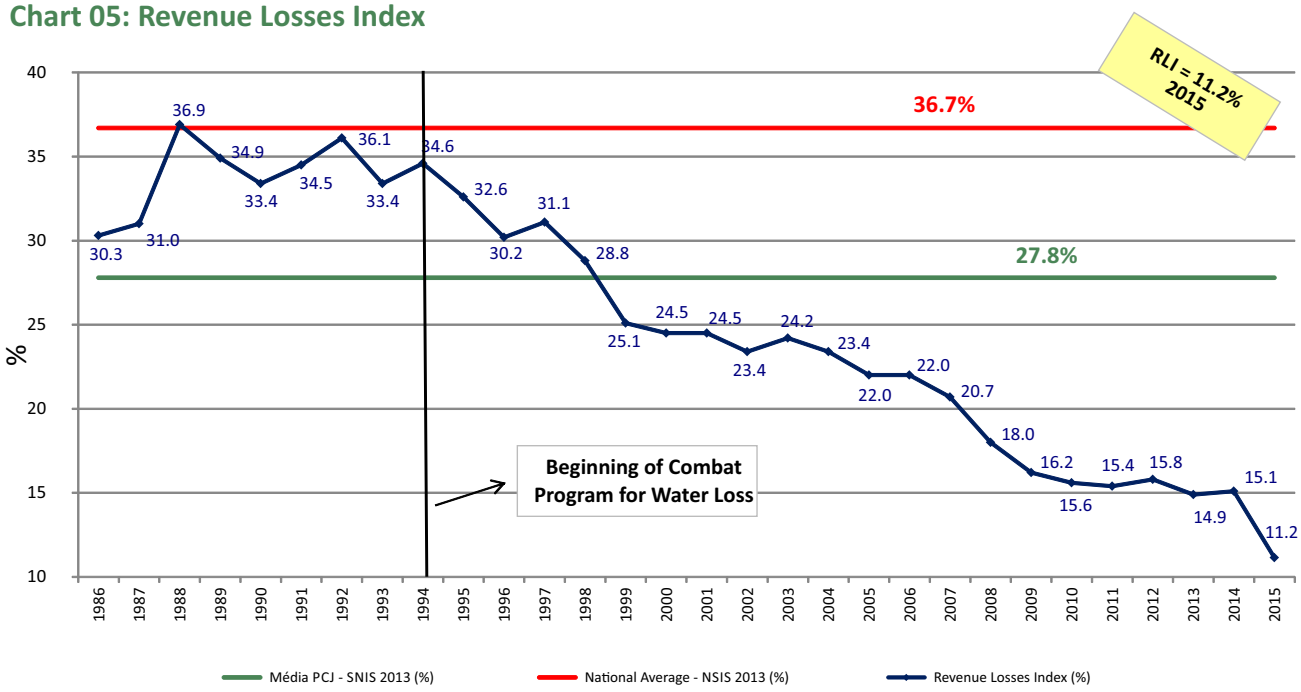
Image 04 depicts the behavior of volume of collected water, comprising consumed and lost volumes, in 2015, when the Distribution Loss Index – DLI assessed corresponded to 20.8%, indicating a gap of 27,767,100m3 (21%) for granting volume, which is higher than the one recorded in the beginning of this program, in 1994.

The actions to combat losses are part of public policies in the city of Campinas, to face water crisis, with the expansion of goals regarding Water Infrastructure Adjustment from 70km to 140km per year, and replacement of damaged networks and extensions, totaling 1,000km of networks and 80,000 water connections. The actions also comprise standardization of connections, replacement of water meters, telemetry, control/reduction of pressure, sectoring and macromeasurement, through a financing amounting to R$ 500 million, pending before Federal Government.

The loss indicators used by SANASA, DLI, CLI and RLI comprise physical loss (actual) of water, which is mainly caused by leaks in the infrastructure of delivery, storage and distribution of water, and nonphysical loss (apparent) mainly caused by under-registration in water meters and frauds in connections.

SANASA is a national reference in combating water losses, and it decreased PLI indicator from 34.6% to 11.21% and IPD from 37.7% to 20.8%, from 1994 to 2015, calculated with NSIS – National Sanitation Information System, of the Ministry of Cities, as provided below and in historical results set out in charts 05 and 06.

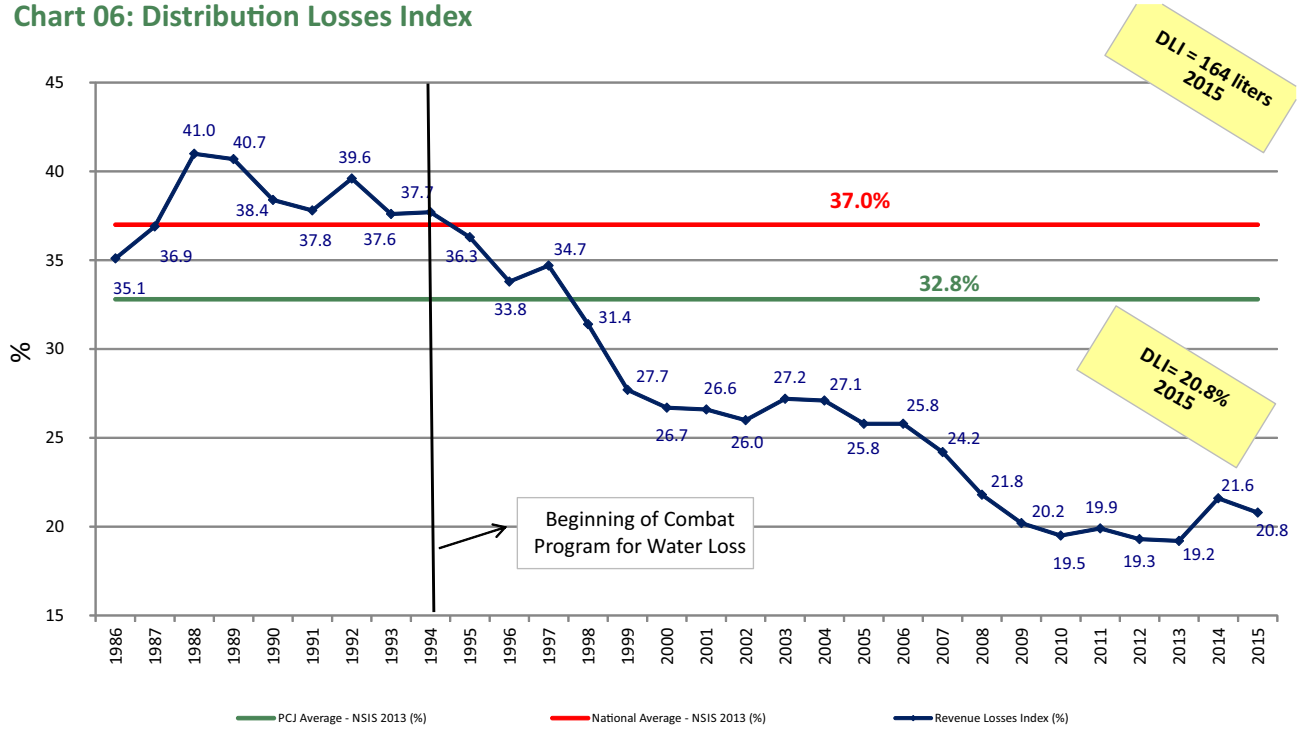
Chart 05: Revenue Losses Index



Revenue Losses Index (NSIS)

$$\frac{\text{Water Volume (Produced + Treated - Service) – Water Volume Invoiced}}{\text{Water Volume (Produced + Treated - Service)}}$$

Chart 06: Distribution Losses Index



Distribution Losses Index (NSIS)

$$\frac{\text{Water Volume (Produced + Treated - Service) – Consumed Water Volume}}{\text{Water Volume (Produced + Treated - Service)}}$$

RLI indicator had an abnormal and sudden reduction in 2015, decreasing from 15.1% in 2014 to 11.2% in 2015, due to changes in the standard of water consumption within population. This caused an increase of amount of connections with consumption below the minimum volume equal to 10 m3/month, which corresponds to 52% of total water connections, a reflection of water crisis which begun in 2014.

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.

In addition to the aforementioned indicators, the monitoring of Loss Control Program also uses the following criteria, in accordance with NSIS and Quality Management System methodology:

• **CONNECTION LOSS INDEX – CLI:** Water volume lost per day and connection (liters/connection/day).

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

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

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

• **INDEX OF 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 demonstrates the evolution of the above indices:

Chart 07: Metering Index

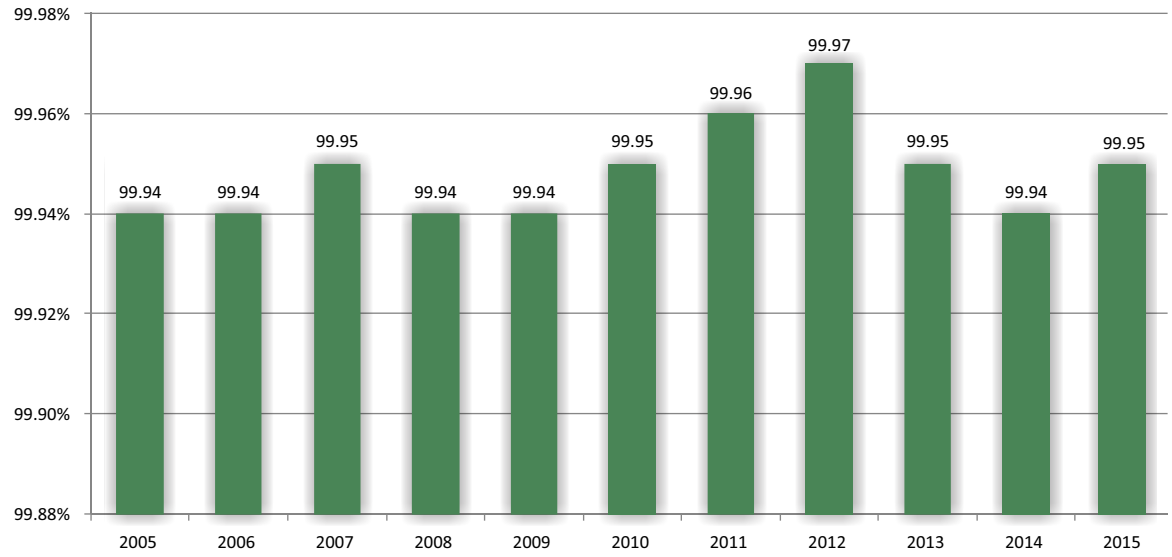


Chart 08: Macromeasurement efficiency Index

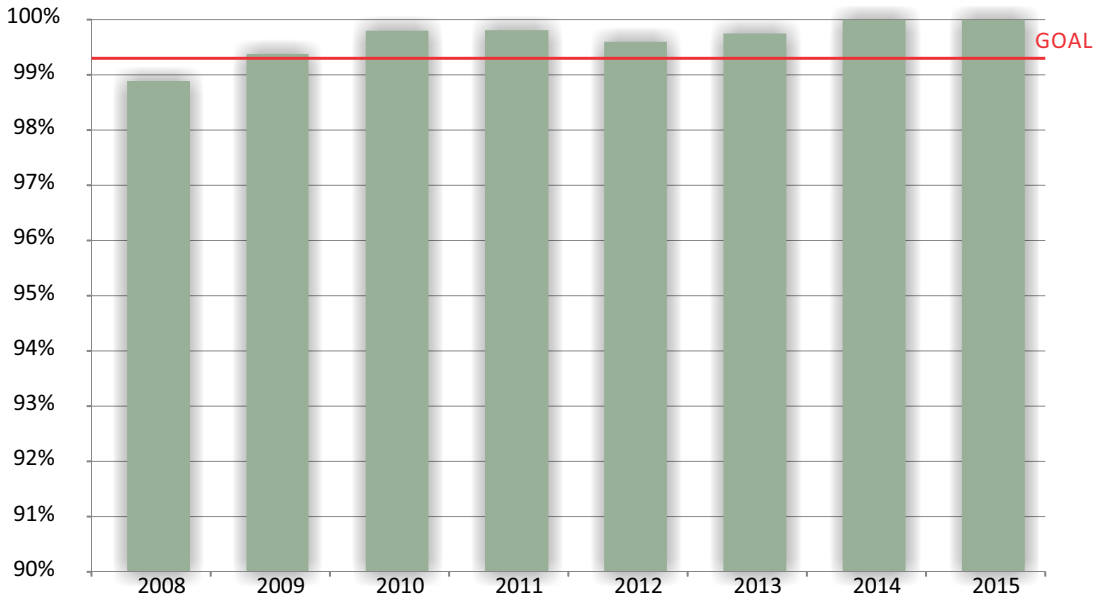


Chart 09: Survey of No visible leaks found X leaks found

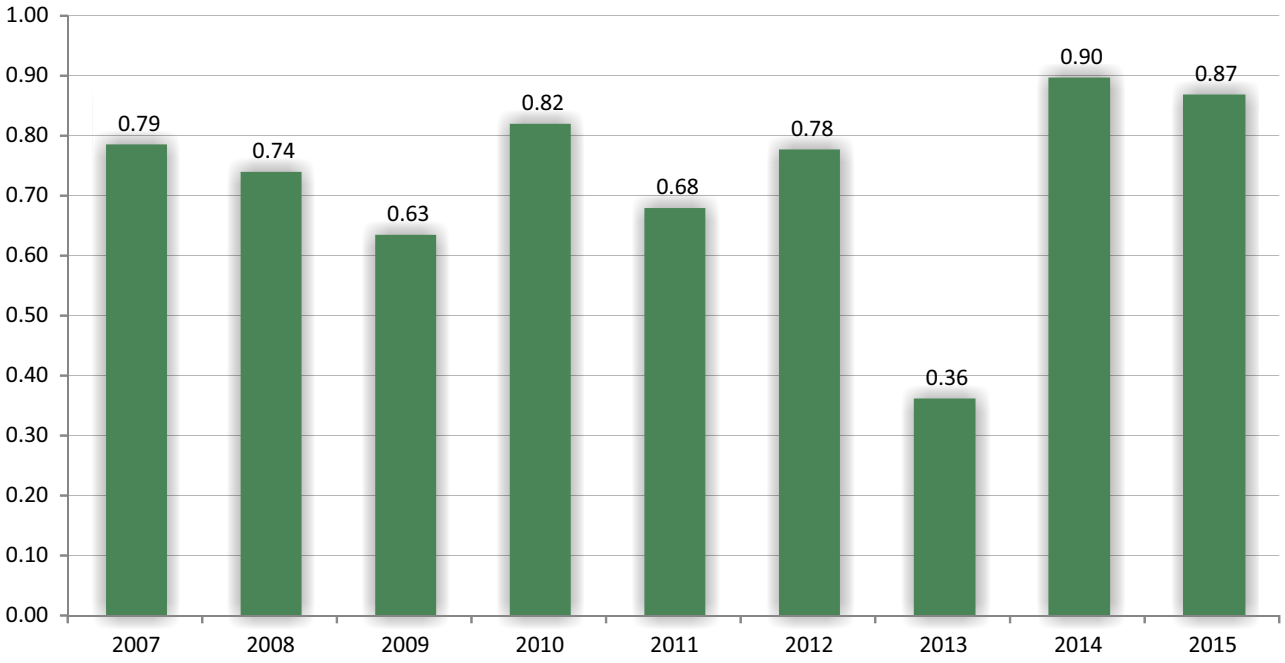
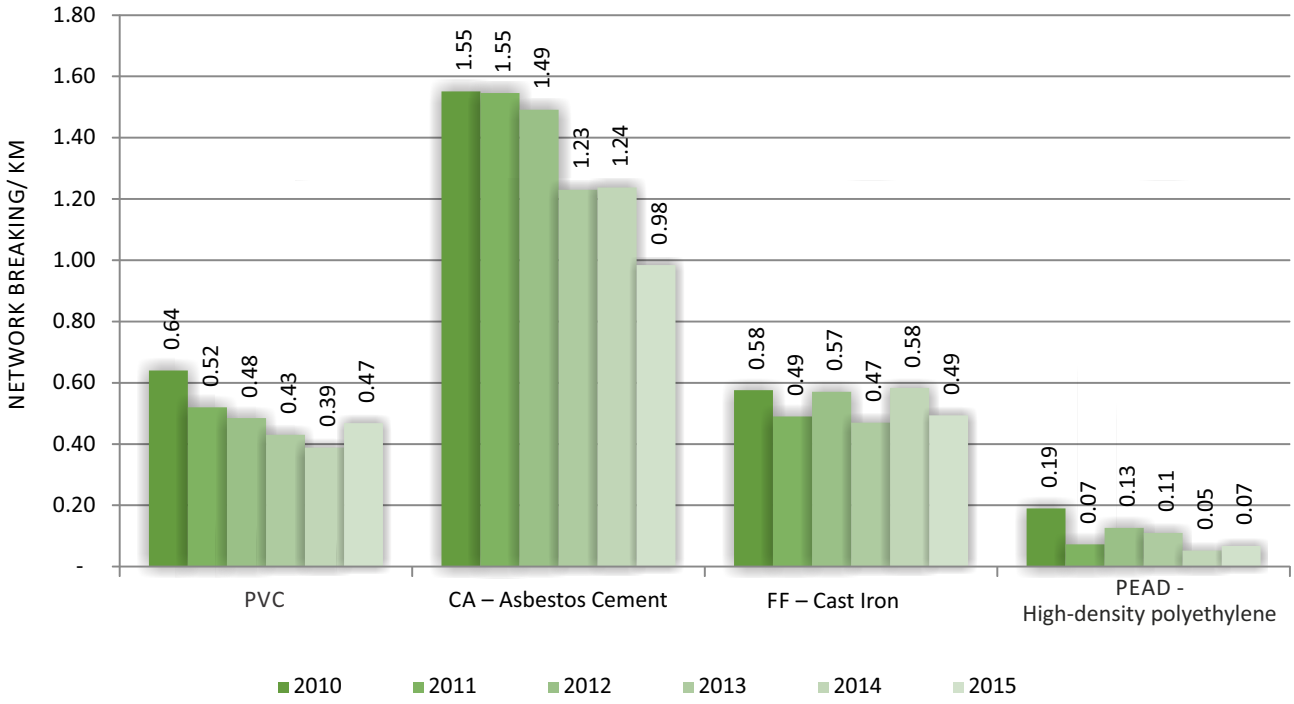


Chart 10: Comparison of water network maintenance per material



The chart 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, decreasing to 100% in 2015, evidencing the efficiency of replacing networks and extensions, within places deemed as places with greater water losses due to damaged materials.

The Combat Program for Water Loss - PCPA follows the technological evolution, in which we highlight the following actions:

Registration of Technical Database for Water Networks

In 2015, the registration process of CCPN – Register for Crossing of Notable Points, regarding technical registration of water and sewage infrastructures within MapInfo Proviewer tool was completed, thus optimizing consultation to SANASA users and information to third-parties.

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 (read more in Social Management chapter).

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 storage 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, i.e. 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, i.e. 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.

From January 2015, the adoption of Remote Measurement System – SMR became mandatory in all new condominiums with individual measurement of water. The expansion for closed subdivisions and large customers is scheduled for 2016.

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 So you can safely identify the faulty meters and prioritize preventive actions.
Charts 11 and 12 provide the consumption of water connections monitored by SANASA software, where the water meters were replaced due to MD – Predictive Maintenance.

Chart 11: History of consumption in a residential connection

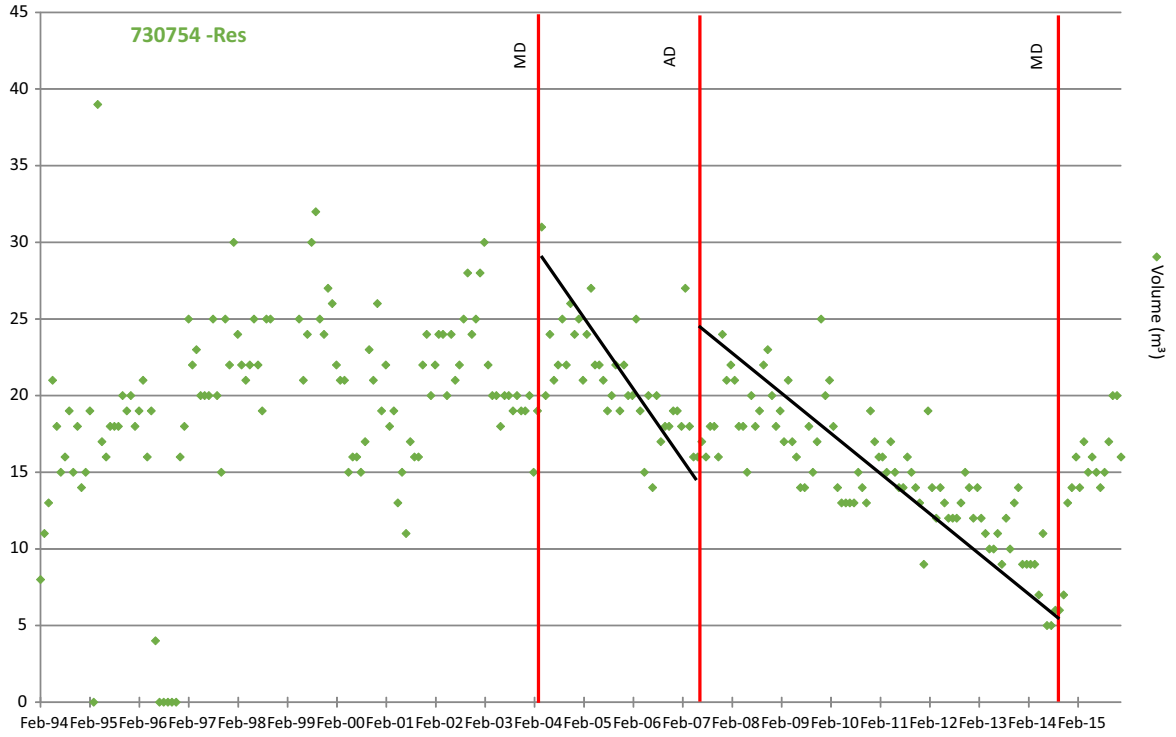
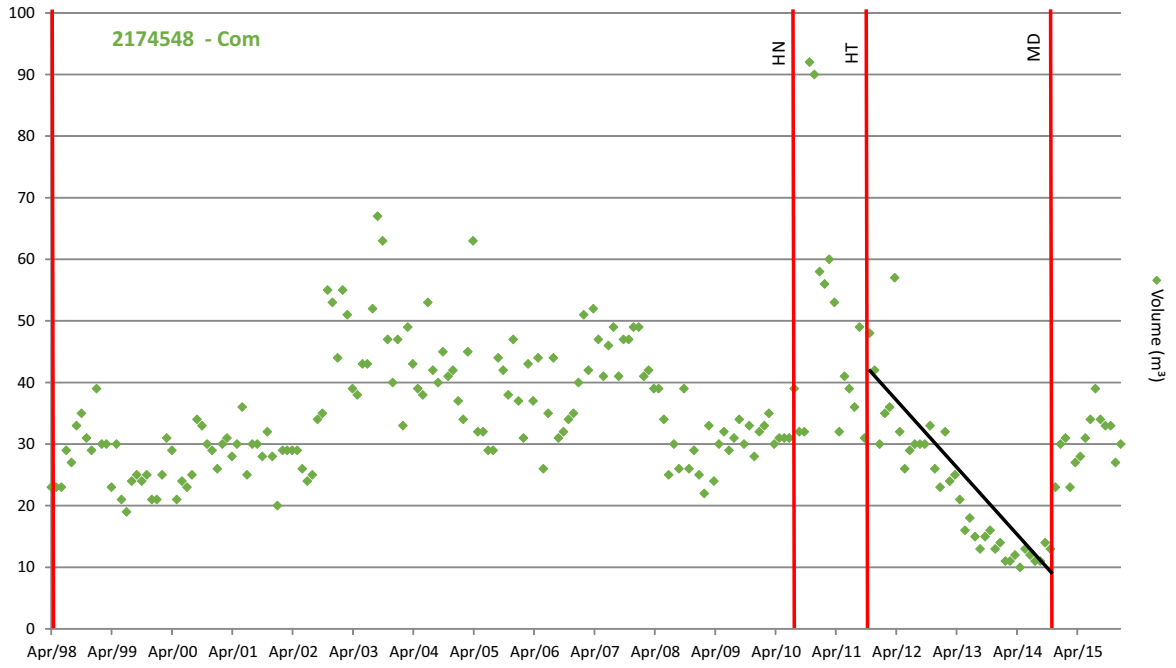


Chart 12: History of Consumption in a commercial connection



Caption:
- ◆ Consumption registered in each month;
- Red vertical line: represents the month when the water meter was replaced;
- Black inclined line: represents reduction of consumption;

MD: Replacement due to Predictive Maintenance;
NH: Replacement due to Null Hydro;
HT: Replacement due to Measurement requested by Customer;

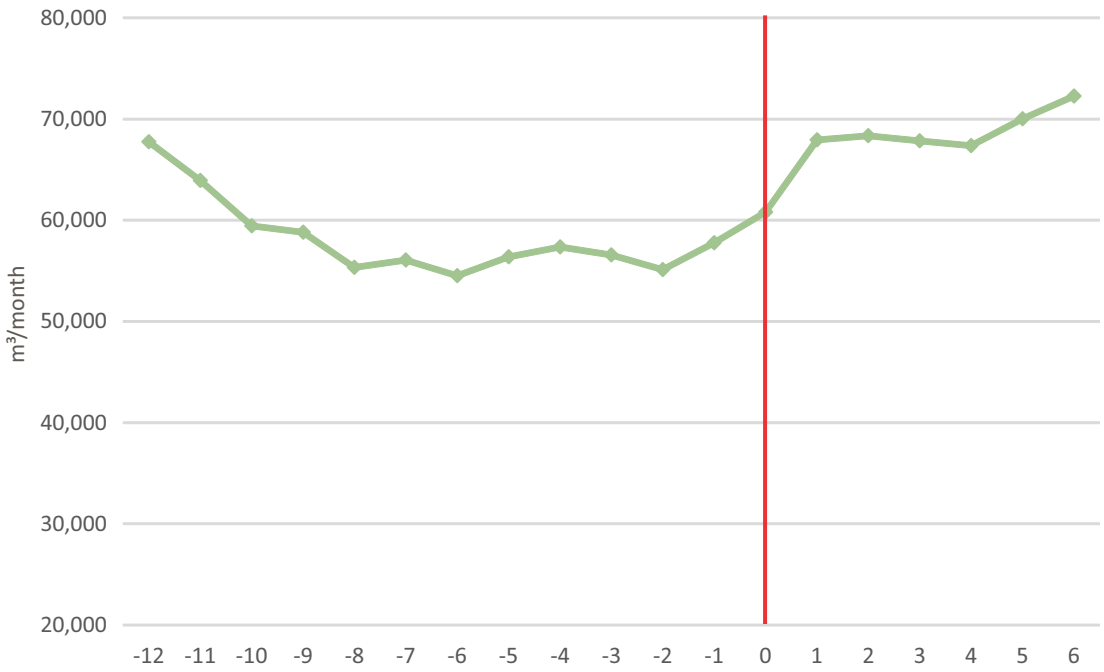
The water meter replacements performed using the software in question have the best results, with return on investment in less than a year, proving the efficiency of the scientific method adopted.

Chart 13 provides results of the water meter replacements in2015. 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.

Chart 13: Results achieved with replacement of water meters in 2015 – MD – Predictive Maintenance Events



5,954 customers – increase of 18% of volume and 11% of revenues

Water meter Lab

SANASA has a Water meter Lab with water meter calibration benches annually inspected by INMETRO, which ensures the quality and credibility of tests held at customers' request, for inspection of batch of new meters and rendering of services to third parties.

The Lab has two fixed calibration benches and one mobile unit, in addition a modern bench of accelerated wear test (fatigue), simulation use condition of field meters, in order to enable the assessment of Measurement Performance Index (MPI), as set out in ABNT NBR rule 15538/2014.

The Mobile Lab has a bench which is also annually inspected by INMETRO, enabling water meter calibration in the presence of the customer, who may watch the test ad receive technical guidance with respect to water meter, procedures to detect water leaks and conscious use of water, guaranteeing transparency and quality during the monthly consumption measurement.

SANASA is getting ready for the next accreditation of Water Meter Lab with INMETRO, being part of the Water Meter Interlaboratory Permanent Program, coordinated by Institute of Technological Research (ITP) and The Brazilian National Institute of Weights and Mesures (BNIWM).

Volumetric Water Meters

SANASA was a pioneer in Brazil with respect to the large-scale use of volumetric water meter, which has a better cost x benefit relation in comparison with speedometric water meter, such as: greater sensibility to accurately register low water flows, reducing losses due to under-registration; maintenance of error curve throughout its useful life and greater durability, of approximately ten years.

Nowadays, SANASA has approximately 65,000 volumetric water meters installed, representing nearly 19% of total water meters, which directly contributes to reduction of water loss index and increase of revenue.

The greatest difficulty in using a volumetric water meter, which often precludes its use, is the fact that it cannot be installed in critical regions, with frequent cases of water shortage and/or breaking of networks, since the presence of solid particles may restrain its internal mechanism and jeopardize its operation.

In this aspect, SANASA has a privileged condition, since it has standardized water connections, with water meter protective cases in 90% of the total, which allowed the development of a device called “particle retainer", that prevents the restrain of water meter due to the presence of solid particles, expanding the possible use of volumetric water meter to virtually all city of Campinas.

“Static” electronic water meters

There are approximately 1,400 “static” electronic water meters installed in Jardim Esmeraldina Measurement Sector. These water meters were installed in 2011, in a pilot Project regarding conscious use of water, aiming to assess technology of measurement and act as a support tool for environmental education actions established in said Sector.

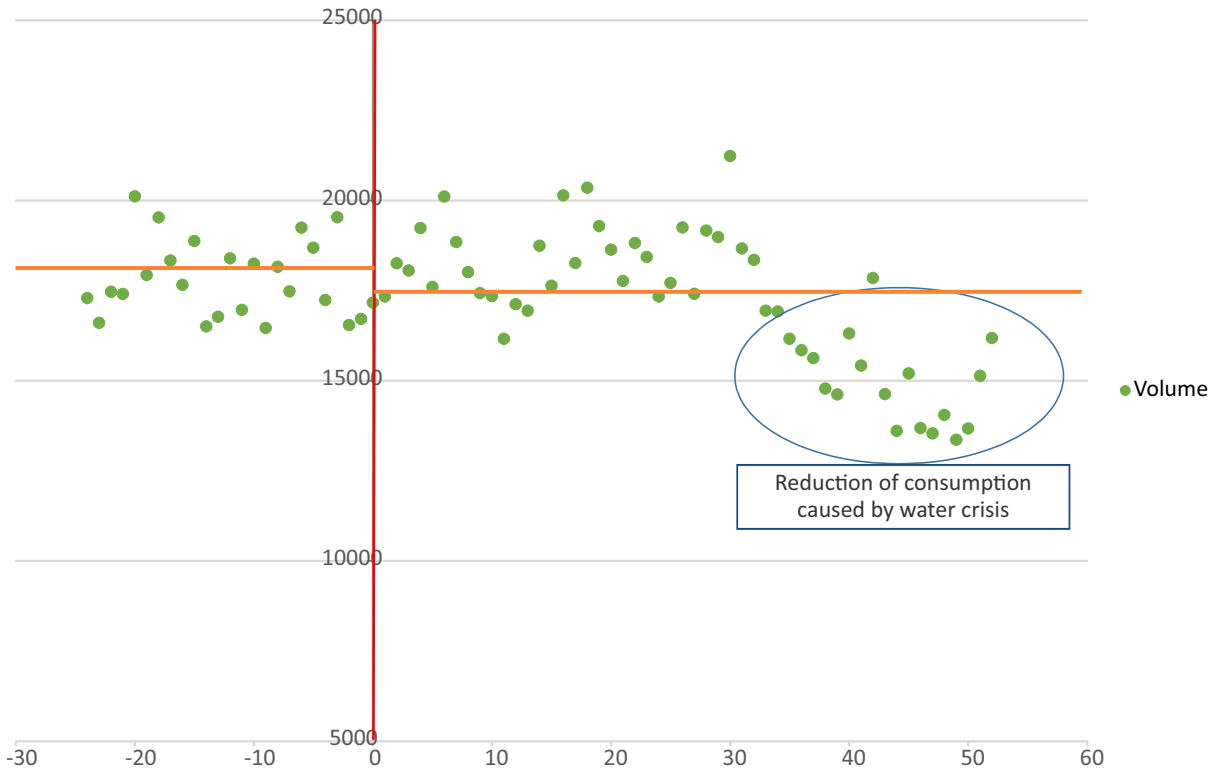
The water meters are called “static” because they do not have movable parts in their interior, presenting many benefits with respect to traditional water meters, such as: greater useful life, higher than 10 years; maintenance of curve of errors throughout its useful life; it is not affected by solid particles present in the water; it does not register passage of air, having a high sensibility to register low flows, reducing losses due to under-registration.

In addition to the water meters installed in Jardim Esmeraldina Measurement Sector, there are nearly 1,000 static water meters installed in other regions of the city. Samples are periodically calibrated with Mobile Water Meter Lab to monitor metrological performance.

The static water meters installed in Jd. Esmeraldina Measurement Sector still provide a stable measurement after five years of use, evidencing the maintenance of metrological performance in accordance with the maximum limits allowed by Inmetro.

In chart 14, it is possible to see a reduction in consumption as from 2014, due to the water crisis that affected the PCJ River basins – Cantareira System.

Chart 14: Monitoring of consumption in Static Water Meters



Subtitle:

- Sum of consumptions registered in each month, regarding 841 selected water meters
- Horizontal Axis: months prior and after replacements
  Vertical Axis: consumed volume in m3
- Vertical red line: month of water meter replacement;

Online Monitoring of low/high Pressure in areas with the Influence of pressure reducing valves.

The actual monitoring of critical points, which is first step for the establishment of Water Parameter Monitoring Center (WPMC), was implemented with the purchase and installation of 110 pressure meters with online transmission of data.

The equipment may be installed both in critical points of low pressure, that is, places with higher altitudes and/or distant from PRV – Pressure Reducing Valves influential areas, and critical points of high pressure, that is, places with lower altitudes.

The online transmission of pressure data enables a greater dynamism in procedures to assess the performance in PRV influential areas, drastically reducing the period of reaction and assistance regarding supply issues, caused by flaws in pressure control system, breaks etc.

Another relevant point is the optimization of pressure control, whether during the day or night, caused by the monitoring of critical pressure points, causing actions for reduction of physical losses to be more effective, since it operates with the lowest pressures, which do not affect the supply.

The monitoring system has settable high and low pressure alarms, transmitted at the event. This speeds up the troubleshooting and reduces the amount of claims in company's customer service center.

The great advantage of this system is the availability of data to all corporate departments engaged in the process, such as network operations, planning and projects, network maintenances, customer service center (0800) etc.

The monitoring with registration of data allows the maintenance of a historical database, to be used to enhance the system and excellence of services rendered to the population.

Due to the successful implementation of pressure monitoring and the results achieved, in 2015, 130 pieces of equipment were bid, which will allow the monitoring of virtually all areas protected by pressure reducing valves.

SEWERAGE SYSTEM

G4-EN27 Expansion of mitigation of environmental impact caused by products and services

In order to reverse the critical situation of sanitation, SANASA has intensified the implementation of treatment plants. Today, the city has established 25 treatment plants. Some of them were built for exclusive service to new allotments 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.

Sewerage Treatment System

Table 05: 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

QUILOMBO RIVER BASIN

1. CIATEC STP
2. Vó Pureza STP (Santa Mônica)
3. Vila Réggio STP
4. Mirassol STP
5. Campo Florido STP
6. San Martin STP – under tests

CAPIVARI RIVER BASIN

1. Piçarrão STP
2. Capivari I STP
3. Capivari Reuse Water Production Plant (RWPP)
4. Icaraí STP
5. Eldorado STP
6. São Luis STP
7. Novo Bandeirante STP
8. Santa Lúcia STP
9. Abaeté STP
10. Viracopos STP – operation taken over in April/2014
11. Nova América STP – under tests

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 Sewage Pumping Stations - SPS aimed allocate the sewer located in lower elevations to higher locations by optimizing the existing sewage systems.

The COC - 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, 53 (fifty-three) are joined to the COC and there is a timeline so that over time, all units are connected to the system.

G4-EN10 Percentage and total volume of recycled and reused water

Reuse Water

The Reuse Water Treatment System – RWPP has a technology for sewage treatment with membrane filter, which helps to eliminate solids, bacteria and protozoa during treatment process. Thus, the wastewater released in bodies of water has its quality increased. Currently, 170 of reuse water are produced per second, being partially dumped in Capivari river, significantly decreasing the pollution by disposal.

A pilot system aimed at evaluating the possibility of drinkability of wastewater, which is currently treated in this unit, by means of advanced oxidative procedures, is under project and installation process. These works are coordinated by Professor Ivanildo Hespanhol, director of CIRRA - International Centre for Water Reuse, from the University of São Paulo. The purpose of these studies is to establish standards and concepts for reuse water, thus ensuring water safety.

Table 06: Reuse Water Production Plant - Capivari II RWPP

Reuse water	Volume (m^3)											
	Jan/15	Feb/15	Mar/15	Apr/15	May/15	Jun/15	Jul/15	Aug/15	Sept/15	Oct/15	Nov/15	Dec/15
Produced	199,820	167, 600	155,185	122,194	335,299	432,036	452,541	432,659	364,911	437,695	411,245	454,303
Dumping	199,740	165, 468	152,406	120,223	332,382	427,053	446,435	413,356	359,755	432,241	406,780	450,177

Table 07: Destination of Reuse Water traded

Main uses	Jan/15	Feb/15	Mar/15	Apr/15	May/15	Jun/15	Jul/15	Aug/15	Sept/15	Oct/15	Nov/15	Dec/15
Construction	-	5%	-	3%	-	50%	-	-	-	-	100%	-
Landscape irrigation	-	75%	83%	87%	91,7%	47%	61%	66%	-	-	-	-
Cleaning of public places	-	9%	17%	8%	7,9%	-	-	12%	100%	86%	-	-
Clearance networks and galleries	100%	11%	-	-	0,4%	3%	39%	22%	-	-	-	26%
Fire Department	-	-	-	-	-	-	-	-	-	-	-	74%
Vehicle washing	-	-	-	2%	-	-	-	-	-	14%	-	-

Collecting and Dumping Sewage System

The municipal collecting and dumping sewage system has a network of 4,303.25 km, serving the total of 297,602 connections and 432,683 economies, with coverage rate of 92.46% of the population of Campinas.

Table 08: Evolution of Networks, Connections and Economies Catered by Sewage Sanitation from 2010 to 2015

Networks/Connections/ Sewage Economies	Annual					
	2010	2011	2012	2013	2014	2015
Networks (km)	3,439.92	3,476.13	3,506.11	3,554.23	4,250.76	4,303.25
Connections (nº)	234,075	244,712	260,787	272,168	289,268	297,602
Economies (nº)	366,046	376,840	394,335	406,220	424,105	432,683

Note: 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.

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.

The sewage reversal system has 88 lifting stations, numbered in Table 10 below, according to the date of beginning of their operations.

Table 09: List of Sewage lifting stations (SLS)

1	Tarcília	1973	45	Chapadão Pedreira	2010
2	Santana	1974	46	Jatibaia 1	2010
3	Independência	1979	47	Jatibaia 5	2010
4	Figueira I	1980	48	Santa Genebra	2010
5	Figueira II	1980	49	Botânico 1	2011
6	Santa Isabel	1984	50	Botânico 2	2011
7	Vila Ipê	1985	51	Jardim do Lago	2011
8	Universitário	1988	52	Joaquim Egídio	2011
9	Valença I	1988	53	Oziel	2011
10	Esplanada	1995	54	Resedás	2011
11	Indústrias	1995	55	Santos Dumont	2011
12	Von Zuben	1995	56	Sorirama	2011
13	Aparecidinha	1996	57	Colinas das Nascentes 1	2012
14	Valença II	1996	58	Colinas das Nascentes 2	2012
15	Arboreto da Fazenda	2001	59	Colinas do Prado	2012
16	CDHU – Sul	2001	60	RWPP 1 - Campina Grande	2012
17	Jambeiro I	2002	61	RWPP2 - Campina Grande 2	2012
18	Jambeiro II	2002	62	RWPP 3 - Itajaí	2012
19	Alphaville I	2003	63	Santa Cândida	2012
20	Alphaville II	2003	64	CIPASA - PUCC	2012
21	Andorinhas	2003	65	Anhumas	2009
22	Camélias	2003	66	Jatibela	2013
23	Via Norte	2003	67	Moscou	2013
24	Beira Rio	2004	68	CDHU - H	2013
25	Mirian I	2004	69	Sousas STP	2013
26	Bosque de Barão	2006	70	Parque Fazendinha 1	2014
27	Gramado	2005	71	Parque Fazendinha 2	2014
28	Mirian II	2005	72	Santa Bárbara	2014
29	Cerejeiras I	2006	73	Quilombo - San Martin	2014
30	Cerejeiras II	2006	74	Alecrins	2014
31	Novo Cambuí	2006	75	Páteo (Pq) Santa Fé	2014
32	Olímpia	**2006**	76	Azurra	2014
33	Real Parque	2006	77	Viracopos	2014
34	Amarais	2007	78	Plátanos	2014
35	Satélite Iris (Nave Mãe)	2008	79	Swiss Park Geneve	2014
36	Vila Vitória	2008	80	Swiss Park moinho	2014
37	Capiv. 1 - SLS 2 Uruguai	2009	81	Parque das Universidades 1	2015
38	Capiv. 1 - SLS 3 Pirelli	2009	82	Parque das Universidades 2	2015
39	Capiv. 1 - SLS 4 N. Mundo	2009	83	RWPP 4 - Recanto do Sol	2015
40	Capiv. 1 - SLS 6 N. Esperança	2009	84	SLS 2 Nova América	2015
41	Capiv. 1 - SLS 1 Morumbi	2009	85	SLS 4 Fernanda	2015
42	Alto Taquaral	2010	86	SLS 5 Itaguaçu	2015
43	Centro Sousas	2010	87	SLS 7 São João	2015
44	Chapadão Cadetes	2010	88	SLS 8 Campo Belo	2015

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

To analyze the efficiency and diagnosis of Campinas sewage systems, we use technical, operating, commercial and financial information geoprocessed in Geographical Information System - GIS in 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 2015, 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 December 2015.

Chart 15 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.

Chart 15: Service of Sewer Services for Economies

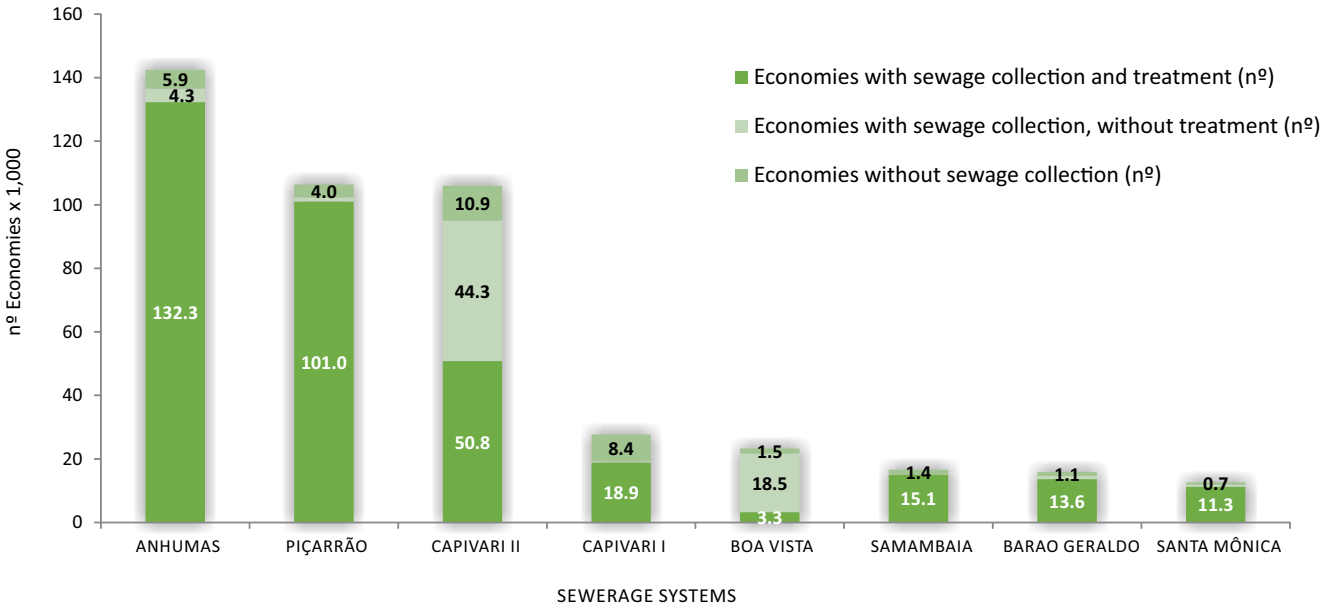
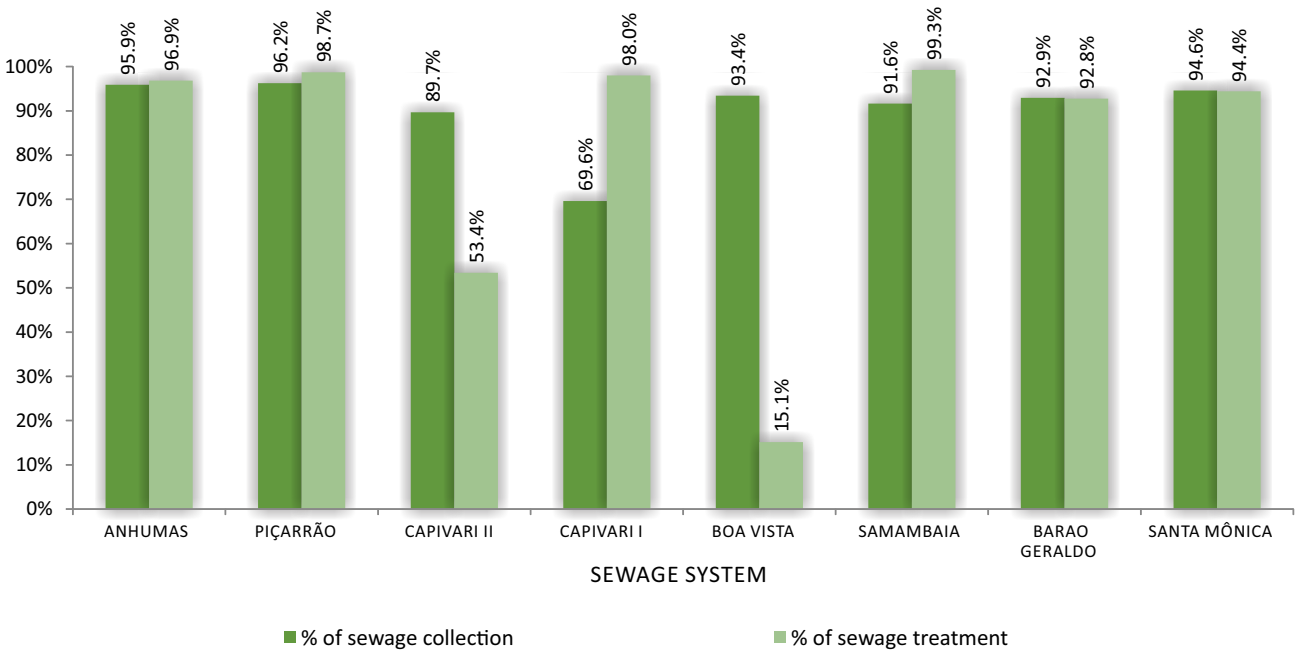


Chart 16 shows the percentage rates of sewage collection and treatment, and the collection rate is the ratio between the number of economies with sewage connections, and the number of economies with water and sewage connections. But the treatment rate is calculated on the basis of sewage that is collected, that is, the ratio between the number of economies with sewage connections connected to STP and the number of economies with sewage connections.

Chart 16: Index of Collection and Treatment of Sewage by Economies



Return Index of sewage and infiltration

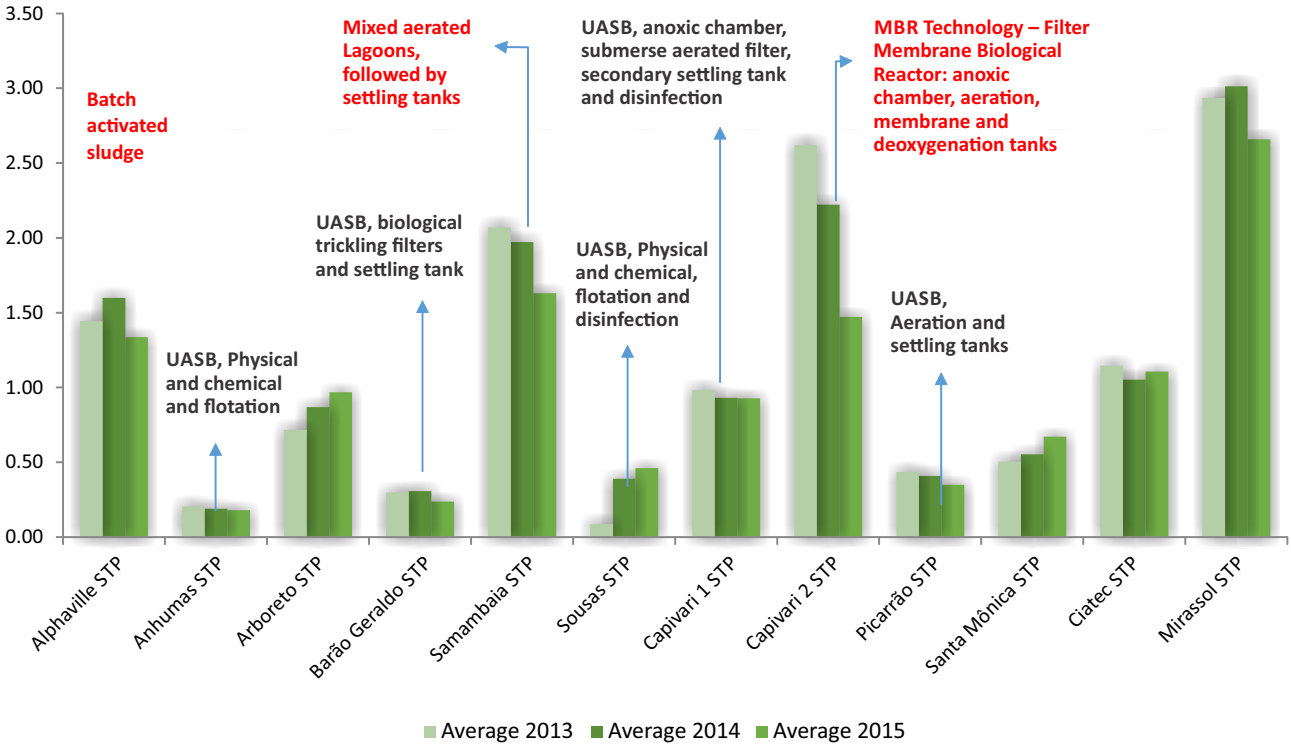
SANASA formats and monitors the monthly return sewage and infiltration index (RSII), which is the ratio of sewage volume measured at the entrance of STP and the volume of water available to consumers within the system of the sewage intake area, to identify behaviors outside the designed patterns and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

The average of RSII indicator over the last three years corresponded to 0.87 in the city of Campinas.

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. Chart 17 shows the monthly average ECI index in the years of 2013, 2014 and 2015, for the main STP of Campinas and the description of treatment used.

Chart 17: Electricity Consumption Index (ECI) – kWh/m3



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. Chart 18 shows the annual amount of corrective maintenance in sewage systems, which were carried out between the years 2010 through 2015. It is noticed an improvement in the indicator over the period analyzed.

Chart 18: Sewage Corrective Maintenance of Campinas

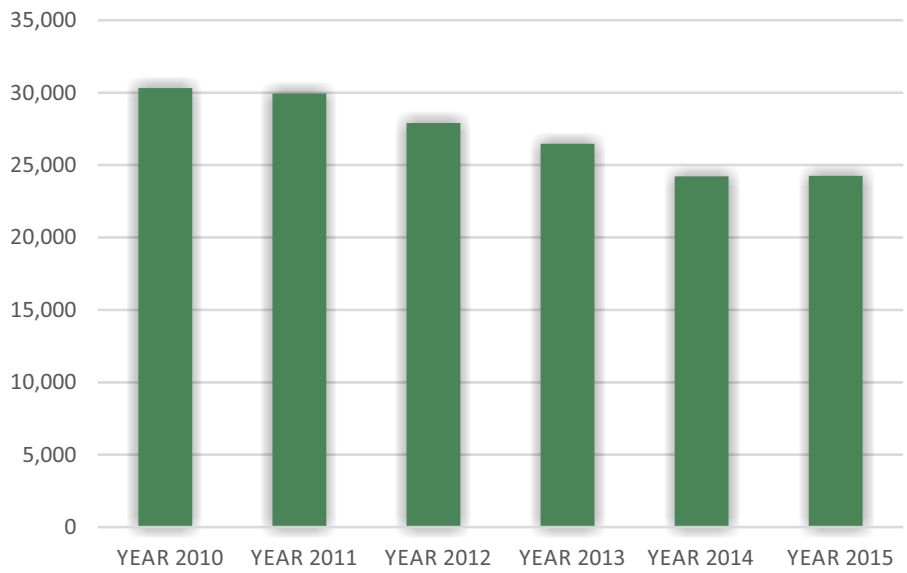
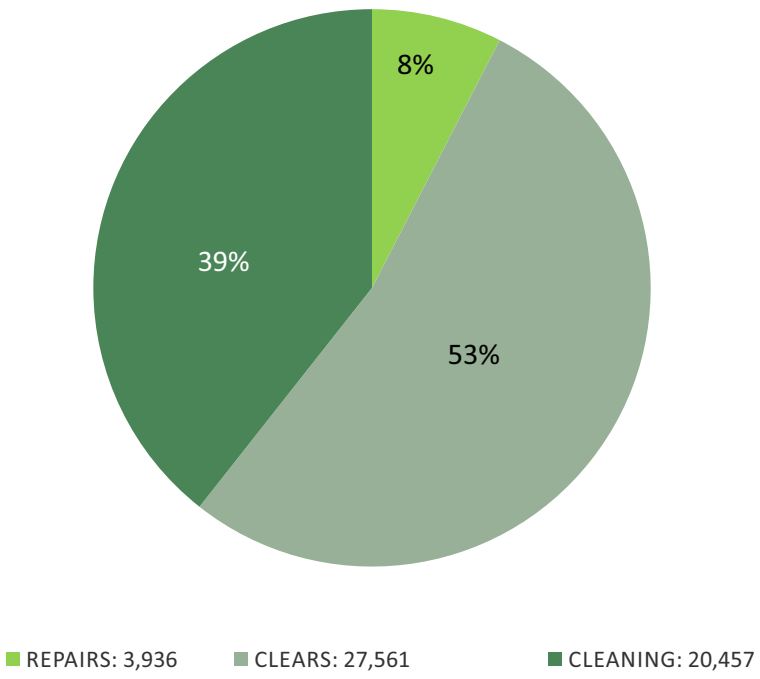


Chart 19 shows the percentage distribution of the types of services performed relating to corrective maintenance of sewage that occurred in 2015. It is observed that each maintenance may cover up to six correction services in sewage infrastructure. It is noticed that most services is clearing and cleaning of networks, totaling 92% of the total.

Chart 19: Total of the Services Carried out in 2015

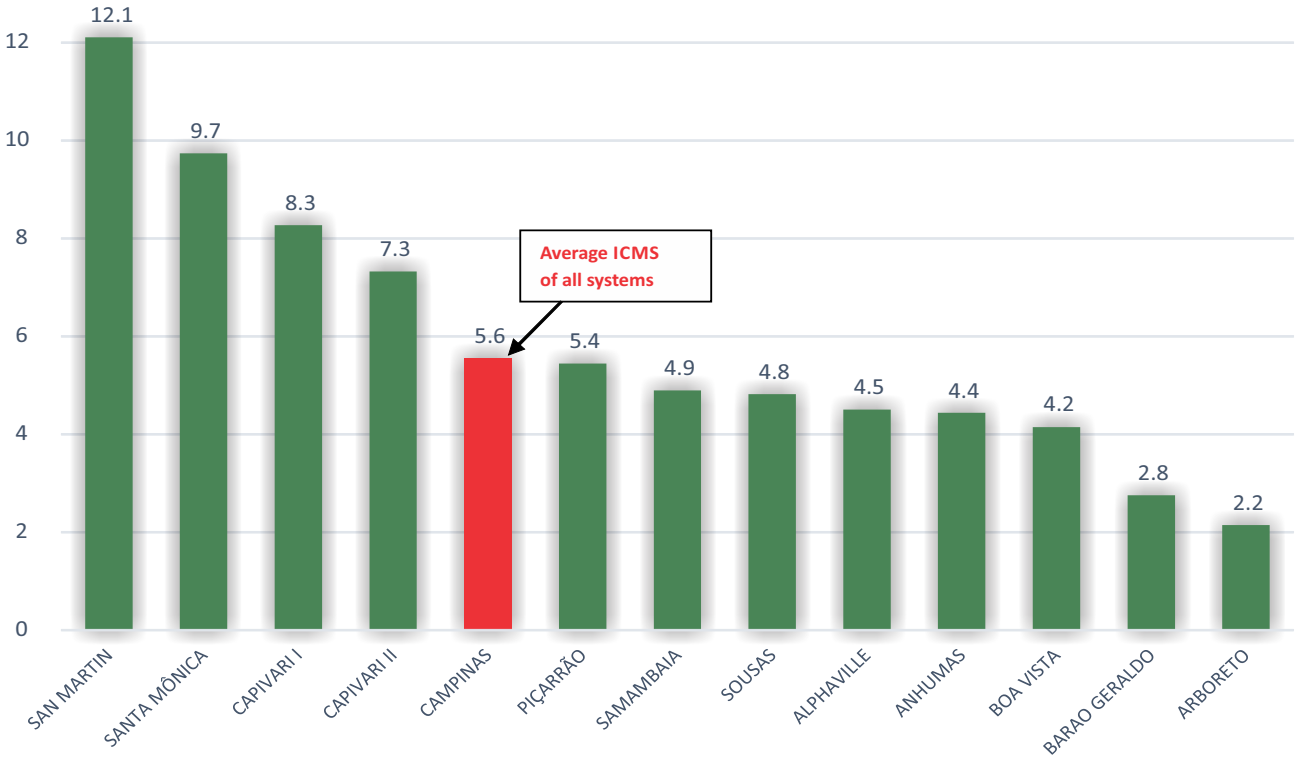


Index of corrective maintenance of sewage – ICMS

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. Chart 20 shows the ICMS by sewage systems in 2015, 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.

Chart 20: 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 streets, 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, inappropriate use 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 streets with 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. Table 11 presents possible diagnostics found and subsequent corrective actions or suggested improvements.

Table 11: Diagnosis of actions performed

Diagnosis	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 slopes of the stretch	Project design for replacement or relocation of the network by SANASA planning department
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

Some actions are performed with the purpose of analyzing 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 not registered estates 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 the estates, checking for possible non-compliance, such as inappropriate dumping of rainwater in the sewer; of the open wastewater; sewage in 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 estate, 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;

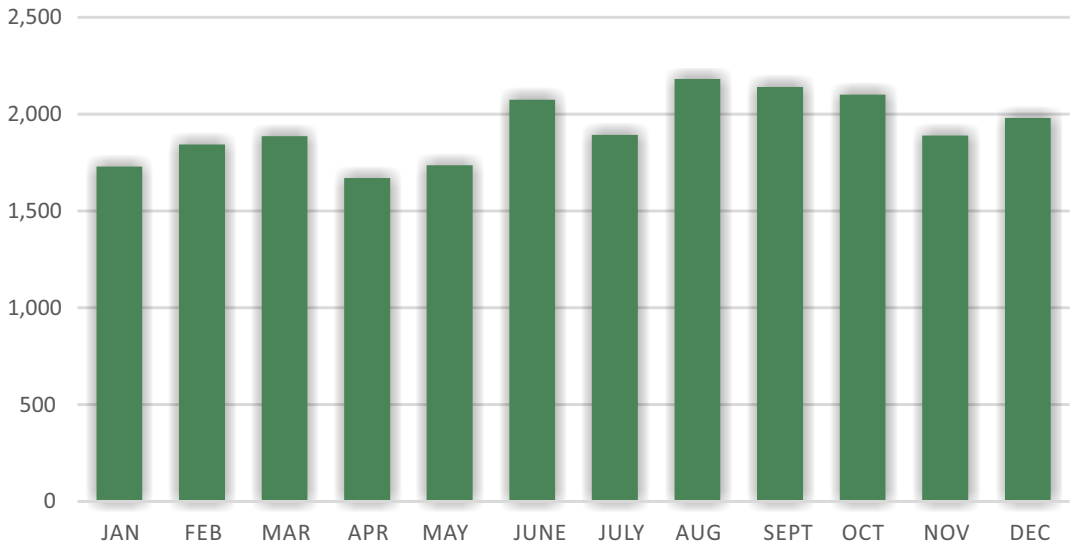
• Inspect the internal sanitary facilities to real estate, to prove compliance or the need for regulation to technical standards of SANASA, and issue terms required for obtaining Work Completion Certificate and Special-use permit by Campinas City Hall;

• 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 – nongovernmental organizations, public schools and municipal agencies, with the participation and training 836 multipliers.

In all, 23,123 technical inspections were held, as provided in chart 21.

Chart 21: Outcomes of inspections carried out in 2015



In all, we found 2,798 irregularities, 12,660 real estates without irregularities and 1,500 were regulated in this year. The remaining inspections numbers are for vacant lot, real estate under construction and unoccupied ones. Also, out of 2,982 consumers not connected to sanitary sewage system with availability of sewage collection system, 485 were connected to the system.

SOCIAL MANAGEMENT

HUMAN RESOURCES

G4-LA1

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

Gender	Hirings
Female	10
Male	56
Total	**66**

Total workers			
Staff distribution by length of employment		**Staff distribution according to age**	
00 to 05	858 employees	From 16 to 20	10 employees
From 06 to 10	149 employees	From 21 to 25	128 employees
From 11 to 15	186 employees	From 26 to 30	222 employees
From 16 to 20	386 employees	From 31 to 35	223 employees
From 21 to 25	300 employees	From 36 to 40	308 employees
From 26 to 30	270 employees	From 41 to 45	324 employees
From 31 to 35	84 employees	From 46 to 50	398 employees
From 36 to 40	54 employees	From 51 to 55	331 employees
From 41 to 45	5 employees	From 56 to 999	348 employees
SANASA has two employees with 45 years of length of service in its staff			

Total employees: 2,291

Turnover		
2010	1st semester	0.75%
	(12 hirings + 12 dismissals)/2)/1594*100=0.75%	
	2nd semester	0.99%
	(6 hirings + 25 dismissals)/2)/1553*100=0.99%	
2011	1st semester	1.49%
	(28 hirings + 19 dismissals)/2)/1574*100=1.49%	
	2nd semester	5.05%
	(123 hirings + 37 dismissals)/2)/1583*100=5.05%	
2012	1st semester	9.35%
	(270 hirings + 37 dismissals)/2)/1669*100=9.35%	
	2nd semester	8.01%
	((289 hirings + 40 dismissals)/2)/2053*100=8.01%	
2013	1st semester	5.58%
	((185 hirings + 67 dismissals)/2)2257*100=5.5826%	
	2nd semester	1.22%
	((21 hirings + 34 dismissals)/2)/2245*100=1.2249%	
2014	1st semester	2.40%
	((68 hirings + 41 dismissals)/2/2272*100= 2.3987%	
	2nd semester	1.71%
	((43 hirings + 35 dismissals)/2/2280*100= 1.7105%	
2015	1st semester	1.85%
	((53 hirings + 32 dismissals)/2/2301*100= 1.847%	
	2nd semester	0.76%
	((13 hirings + 22 dismissals)/2/2292*100= 0.7635%	

Turnover in 2015	
Dismissals	54
Hirings	66

Dismissals	
Age	
16 to 20	7
21 to 25	6
26 to 30	4
31 to 35	6
36 to 40	3
41 to 45	4
46 to 50	2
51 to 55	5
56 to 999	17
Total	**54**
Gender	
Female	8
Male	46
Total	**54**

Hirings	
Age	
16 to 20	9
21 to 25	9
26 to 30	4
31 to 35	15
36 to 40	11
41 to 45	4
46 to 50	5
51 to 55	4
56 to 999	5
Total	**66**
Gender	
Female	10
Male	56
Total	**66**

G4-LA2

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

All company employees are hired under the Consolidation of Labor Laws CLT and receive the following benefits: Collective Agreement May/2014 to April/2016:

Benefits Granted

Health of Employees and their Dependents
- Medical assistance to employees and their dependents
- Partnerships with pharmacies
- Subsidy for purchase of medicines and collective life insurance.
- Subsidy for purchase of glasses
- Supplementary salary in cases such as sick leave or leave due to work-related accident
- Reimbursement of expenses with persons with special needs

Meal and Transportation
- Meal voucher for lunch and breakfast, food voucher for purchase in supermarkets
- Transportation allowance or, alternatively, fueld card

Education and benefits for dependents
- Scholarships
- Subside for purchase of school material for their dependents
- Reimbursement of day care expenses

Retirement
- Supplementary private pension scheme

Miscellaneous
- Funeral Grant
- Profit sharing program, which may provide to employee an additional annual amount, in case of compliance with pre-established goals

G4-LA3 Return to work and retention rates after parental leave, by gender

A. SANASA CAMPINAS grants an additional leave of sixty (60) consecutive days, as from the day after the ending of the legal leave, thus totaling one hundred and eighty (180) days of leave, according to provisions of Municipal Decree No. 17,707 of May 24, 2010.

Total number of employees that took parental leave, by gender:

	Leaves in 2015	Leaves in 2014	Leaves in 2013
Maternity	13	13	11
Paternity	55	41	37
General Total	**68**	**54**	**48**

G4-LA3

Total number of employees who returned to work after a parental leave, by gender

Total number of employees who returned to work after a parental leave, by gender

	2015	2014	2013
Maternity	13	13	11
Paternity	55	41	37
General Total	**68**	**54**	**48**

Number of total employees who returned to work after taking parental leave and remained employed for twelve months after their return, by gender.

	2015	2014	2013
Maternity	13	13	11
Paternity	55	41	37
General Total	**68**	**54**	**48**

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

	2015	2014	2013
Maternity	100%	100%	100%
Paternity	100%	100%	100%
General Total	100%	100%	100%

G4-LA9

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

Trainings

	2015	2014	2013
Quantity of Courses	127	187	120
Total in hours	**17,667.4**	**22,733.0**	**24,111.5**
Gender	M - 1802 F - 218	M - 2904 F - 141	M - 2228 F - 266
Employee Category	Intermediate education: 1876	Intermediate education: 2701	Intermediate education: 2337
Employee Category	Higher education: 144	Higher education: 344	Higher education: 157

Scholarships are granted to all employees when requested for courses related to knowledge that interest the company's activities.
In 2013, 2014 and 2015 all applications for scholarships were approved.

Scholarships

	2015	2014	2013
Renewals	214	159	84
Concessions	33	256	210
Gender *	M - 193 F - 54	M - 306 F - 98	M - 178 F - 41
Employee Category	Intermediate education: 186	Intermediate education: 311	Intermediate education: 172
Employee Category	Higher education: 61	Higher education: 93	Higher education: 47

* The great difference of scholarships granted by gender is justified because of the type of work in company's operating department, which attracts more male workers.

TRAINING POLICY

The trainings are requested by employees, along with their managers, and must have a direct application to their field of activities. Generally, all requested are granted.

G4-LA12

Composition of governance bodies and discrimination of employees by employee category according to gender, group, miniority group membership, and other indicators of diversity

Managers

	2015		2014		2013	
Gender	**№**	**%**	**№**	**%**	**№**	**%**
Male	25	75.76	25	75.76	22	66.67
Female	8	24.24	8	24.24	11	33.33
Age group	**№**	**%**	**№**	**%**	**№**	**%**
Below 30	0		0		0	
From 30 to 50	10	30.30	11	33.33	10	30.30
	23	69.70	22	66.67	23	69.70

Coordinators by gender

	2015		2014		2013	
Gender	**№**	**%**	**№**	**%**	**№**	**%**
Male	64	65.31	64	62.89	67	67
Female	34	34.69	33	37.11	33	33
Age group	**№**	**%**	**№**	**%**	**№**	**%**
Below 30	0		0		0	
From 30 to 50	56	57.14	61	62.89	66	66
Over 50	43	43.88	36	37.11	34	34

G4-LA13

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

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

SOCIAL WORK PROJECT

ODS6 - Ensure water and sanitation availability and sustainable handing for all

G4-SO1

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

A. One of SANASA's most ambitious goals is to achieve universal sanitation, leading the city of Campinas to supply drinkable water to 100% of its urban population, collect and dumping 100% of sewage and treat 100% of collected sewage.

In Sustainability Report - GRI 2014 we presented the first actions of Social Work Project for Water Supply System -SWPWSS, which total investment amounted to approximately R$ 800 thousand, i.e., 1% of the amount invested in sanitation works being financed by Caixa Econômica Federal through credit line of Growth Acceleration Program - PAC as part of requirements set out in the contract executed by and between SANASA and Caixa Econômica Federal.

In 2015, SANASA intensified social, educational, cultural and environmental actions, following the schedule set out to be covered in 2014, 2015 and 2016. Until December 2015, about R$ 570 thousand (71.2%) of available funds were spent, with 496 activities, attended by 21,879 inhabitants of areas next to the works. These actions were mainly aimed at minimizing and mitigating the impact of works within the regions where they were performed.

Social Work Project was measured by means of a research to establish the satisfaction level regarding its activities held with their attendees. The outcome in 2015 was very satisfactory, with an index of 98%, with great and good concepts.

The following chart presents the result obtained with 16,327 evaluations.

SWPWSS Participants' evaluation - 2015

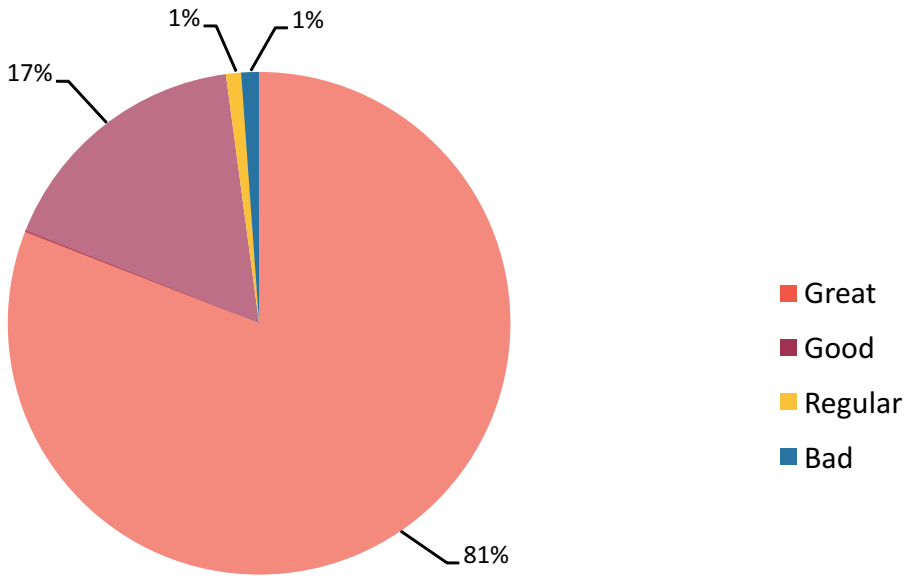


Chart 01: Level of satisfaction of participants regarding SWPWSS activities in 2015.

SWPWSS Project Evaluations - 2015	
Great	13,237
Good	2,779
Regular	237
Bad	74
Monthly Total	**16,327**

The ending of this Project is scheduled to July 2016, with the presentation of a final report. Until December 2015, three satisfaction researches were held to follow up the impression of the inhabitants with respect to the services being rendered. During said researches, the social work staff submitted to the department in charge of monitoring contracts with construction companies, as well as to the department monitoring works, the complaints and notes made by the persons who were interviewed, so these problems may be solved. These problems are related with impact of the works, such as holes in sidewalks that were left after the removal of props; asphalt sinking where the ditches were made and standard water meter case without cover.

The integration between social work and work teams have been a positive experience, allowing a systemic understanding of impacts created by SANASA intervention in districts with works.

The actions, instruments and accessibility of the social work team with the population allow that local demands are acknowledged, allowing intermediation of conflicts and dissatisfaction, since workers of company's social department submit these needs to the engineering team which is subsidizing works' contract management and allowing the mitigation of problems mentioned by population.

In 2015, a new Social Work Project was started with respect to the works for Implementation of Sanitary Sewage System in the districts of Solar de Campinas (Northern region), Parque dos Pomares (Eastern region), Satélite Íris II e Satélite Íris III (Northwest region). In total, 1,871 families will be served by this project, amounting to nearly 7,484 inhabitants. Taking into consideration the social, cultural, economic, environmental and infrastructure distinctions and specifications of said districts, the Project was prepared in accordance with a social and environmental diagnosis, obtained with the application of a social questionnaire by sampling, environmental mapping and photo survey, with proposals of performance fulfilling the demands of each place.

Aiming at the mobilization, engagement and community participation, one of the strategies adopted by social technical team was to approach local leaderships, a successful partnership to engage inhabitants and achieve the proposed activities. Then, three Work Monitoring Committees – WMC were established and inhabitants voluntarily offered to participate in these committees along with social and engineering teams, with the opportunity to exercise their right of participate and social control an investment made with public funds. To establish these Committees, many interventions were made, such as:

• Identification of interested parted through a social research by sampling;

• Engagement of local associations and leaderships;

• Mobilization of inhabitants to participate in the election process;

• Election of committees, held in the districts by inhabitants;

• Training of elected persons, held by SANASA employees;

• Site visits to monitor works, with pre-established dates and times, guided by social assistant and engineer in charge.

The articulation with municipal public policies was one of the many strategies adopted and became a characteristic methodology of corporate social projects, since NGOs and health, education, social assistance and other public equipment are essential facilitators during the contact with the benefited population.

G4-SO2

Operations with significant actual and potential negative impacts on local communities

A. In Sustainability Report GRI 2014 we provide negative impacts regarding the delay in reconstructing the asphalt because of open ditches left by construction companies, which created dissatisfaction and caused troubles to local population. The monitoring of impacts happened through post-work surveys.

During the first survey held in February 2015, the percentage of people dissatisfied corresponded to 59%.

In the second survey, held on June 2015, the result was 36%. In the third survey, held in December 2015, this result decreased to 24%. The last survey is scheduled to occur in 2016, upon work completion.

The complaints of persons dissatisfied were submitted to responsible departments, which, on their turn, reported said results to relevant construction companies, asking for attention and perfection during the execution of such details.

Sustainable Action Program - PAS

ODS6 - Ensure water and sanitation availability and sustainable handling for all.

6.4 - Until 2030, significantly increase the efficiency of water use in all sectors and ensure sustainable collections and supply of fresh water to face water shortage, as well as to substantially reduce the number of persons suffering with water shortage.

G4-SO1

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

a) Percentage of operations with implemented local community engagement, including, but not limited to, the use of

- Evaluation of social impacts, including evaluation of gender impacts based on participative programs.
- Evaluation of environmental impacts and continuous monitoring.
- Public disclosure of results from evaluations of social and environmental impacts.

A. SANASA, as a company aware of its social responsibility, understands that the access to sanitation is a human right, according to UN Human Rights to Water and Sanitation, recognized by Brazilian Government in 2010.

By means of Sustainable Action Program – SAP, created in 2007, the company is benefiting a population living in 161 urban areas and 84 non-urbanized areas located in the city of Campinas. The program offers isonomic treatment, reduces water losses, works for conscious use of water and increases timely payments. The consolidation of data In this report took into consideration collective and individual connections and their respective economies, in order to measure a single indicator.

SAP Outcomes:

2015
Population served = 208,804 inhabitants
Number of economies = 64,846
Number of connections = 49,931

2014
Population served = 202,686 inhabitants
Number of economies = 62,946
Number of connections = 48,846

2013
Population served = 188,357 inhabitants
Number of economies = 58,496
Number of connections = 44,799

2012
Population served = 178,481 inhabitants
Number of economies = 55,429
Number of connections = 42,212

ENVIRONMENTAL EDUCATION

The Program SANASA in Community, created in 2003, offers to population of Campinas a range of educational activities, concerning social and environmental aspects, focused on themes related to sanitation, seeking to remain accessible to all cultures, beliefs and social classes of its participants.

The main objectives of the Program are to create awareness to social, economic and environmental importance of water; promote understanding regarding sanitary sewage system and its relation with the promotion of health and prevention of diseases; integrate participants, as users, to the water resources management system, clarifying the role of all agents engaged, their rights and duties, supporting the general fight against waste; strengthen partnerships with public and private equipment in the city, as well as district leaderships; to promote a reflection on new habits, creating environmental awareness, opportunities for social inclusion and training multiplier agents for sustainable use of natural resources, especially water; to approximate population and services rendered, from their conception until the beginning of permanent rendering of services.

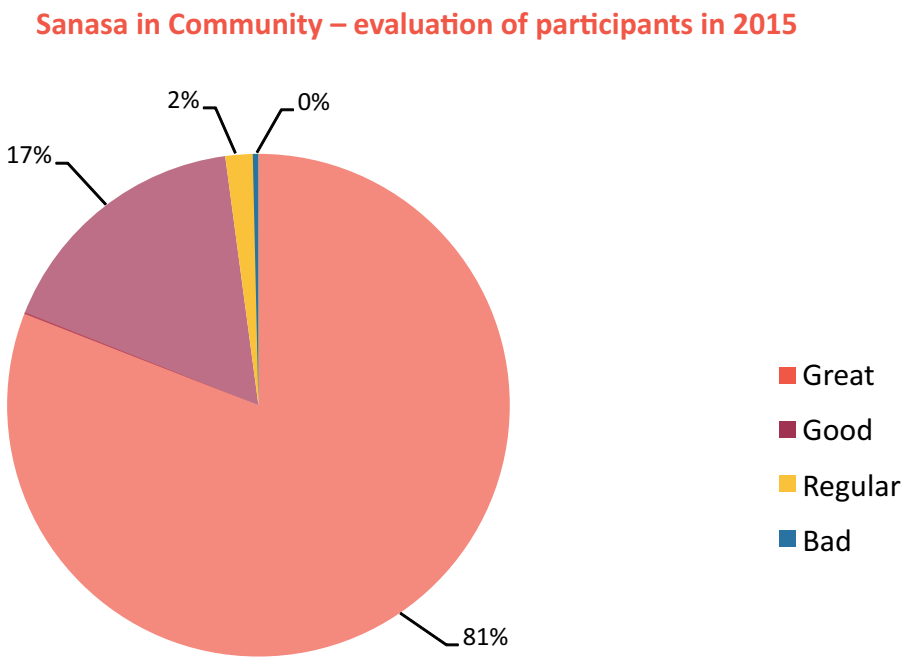
In 2015, in addition to social and environmental activities usually worked with population, we also highlight the inclusion of social and cultural activities to the program.

With themed walks, the participants got to know a bit of the history of the city where they live, valuing historical and cultural heritage and creating a sense of belonging.

The different workshops offered made possible to rescue the history of street games, development of life in community, harmonization between physical, psychological and social development and specially social and community integration.

During this year, the Program SANASA in Community presented the following results in activities carried out with 93 public and private equipment of health, education areas and NGO:
• 426 activities;
• 19,522 participants;
• 17,054 evaluations from participants: in total, 98% of the evaluations included concepts GOOD and GREAT.

Satisfaction level of participants in activities of Program SANASA in Community, during 2015.



CONSCIOUS USE OF WATER IN PUBLIC SCHOOLS
State Program for Water Recovery Support - REÁGUA

ODS6 - Ensure water and sanitation availability and sustainable handling for all.

6.4 - Until 2030, significantly increase the efficiency of water use in all sectors and ensure sustainable collections and supply of fresh water to face water shortage, as well as to substantially reduce the number of persons suffering with water shortage.

G4-EN24 Expansion of mitigation of environmental impacts of products and services

A. The climate challenges and city growth impose a new paradigm to sanitation companies, established by the greater efficiency in managing water and water resources. It is clear the understanding on the need of establishing technology development strategies, as well as on conscious consumption and permanent water protection.

Due to these reasons, SANASA maintain in its strategies projects regarding conscious use of water in public schools, aligned with engineering and environmental education actions. These joint actions cooperate to reduce water consumption losses in schools in 52% from 2012 to 2015, and totaled an investment for this company, with guarantee of onlending by World Bank, corresponding to R$ 3,422 million.

In December 2011, SANASA was the only sanitation company to make an agreement with São Paulo Government, through Sanitation and Water Resources Secretariat, becoming part of the first selection of REÁGUA program, which receives funds from World Bank.

This program provides for the onlending of investments made by the organization in actions related to conscious use of water and environmental education in public schools, comprising cities of Piracicaba, Capivari and Jundiaí river basin - PCJ, Alto Tietê, Sapucaí Grande, Mogi-Guaçú and Tietê/Sorocaba, totaling 184 cities, with requirements of technical, economic, financial, environmental and social feasibility. The second selection occurred in 2013 and SANASA obtained a new contract. This time, the cities of Indaiatuba and Guarulhos also became part of this program.

Throughout these four years, SANASA invested its own funds in an amount corresponding to R$ 3,422 million. With respect to the stage of implementation of actions, 99.6% of such amount was passed by REÁGUA, totaling R$ 3,409 million and other R$ 549 thousand was passed with respect to the stage of monitoring of results. There is a remaining balance to be received in an amount of up to R$ 912 thousand, subject to the fulfillment of consumption goals of other six stages.

SANASA Investments	**R$ 3,422,075.76**
Received amount = 70% implementation	R$ 3,409,000.00
Amount received due to monitoring	R$ 549,060.00
Total Received	**R$ 3,958,060.00**
Current balance	R$ 535,984.24
Pending amount to be received	Up to R$ 912,400.00
Prediction of balance for the end of this project	R$ 1,448,384.24

With this program, SANASA was able to identify wastes. One of these cases was the automatic faucets in drinking faucet located in schools, which released a volume of approximately 800 milliliters per activation, and even wet the students' uniforms. Due to the high flow available, the company got in contact with DOCOL, the manufacturer of these faucets, which made changes in its product, in order to enable the installation of a faucet aerator in the water outlet. The reduction of volume released in each cycle decreased to 200 milliliters, causing, therefore an economy of 75%. With National Industrial Training Program (NITP) it was also possible to ensure the manufacturing of a flow reducer to reduce the standard water flow hole from 3 millimeters to 1 millimeter, leading to a significant economy of water made available in hydraulic installations with great flows.

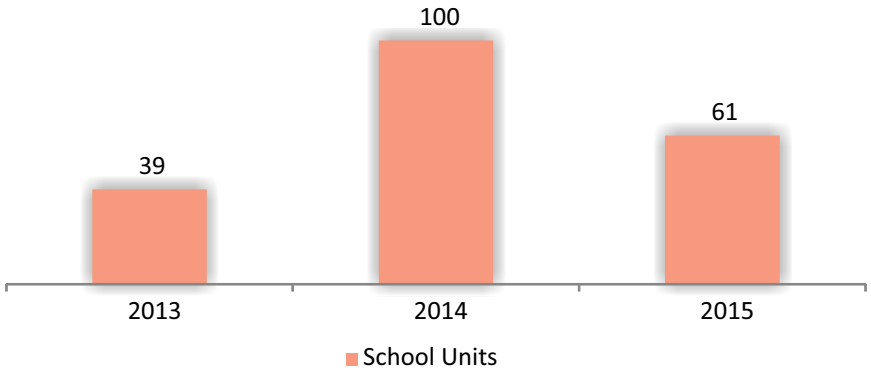
Until December 2015, we performed action in 200 schools - 153 of municipal network and 47 of state network –from childhood education to high school, including education for teenagers and adults, totaling 62,200 students. A part of this program enable the training of approximately 700 multiplier agents and engaged stakeholders in all.

Departments of municipal and state education Secretariats, as well as representatives of local communities. The Course "Training of Multiplier Agents for Rational Use of Water within School Communities" was developed in six editions, with preparation of proper material, which used water as its creating theme. The material is being edited, and will be published as a collection of activities with pedagogical practices.

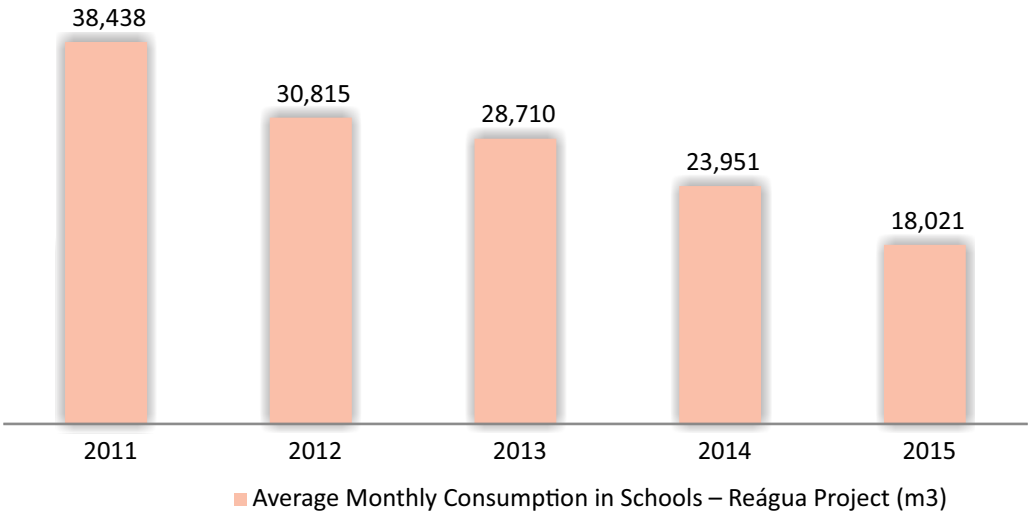
The selection of schools took into consideration the greater consumption of water by student and per day. It is worth mentioning that before this program, school principals used to ignore volume of consumed water, since the invoices were centralized in financial department. One of the outcomes of this action was to promote a shared management with a real-time consumption measurement, by telemetry. Another achievement was the implementation of monitoring, with guidance with respect to water quality within the buildings.

The goal in 2016 is to comply with REÁGUA Normative No. 3, which establishes 25% of reduction in minimum consumption, or 25 liters per student a day.

Amount of School Units Served per Year (Implementation)



Average Monthly Consumption in Schools x Year – Reágua Project



20,417 <-------- Monthly Economy (m^3)
6,187 <-------- Number of persons that may be supplied by saved volume

REÁGUA Stages

2011 - Contract signing of REÁGUA I Contract - 100 Schools in December.

2012 - Beginning of process of acquisition of materials, equipment, selection of workforce, training course for multiplier agents.

2013 - Beginning of hydraulic and sanitary interventions in the first schools. Contract signing of REÁGUA II Contract in December.

2014 - Intensification of engineering and environmental education actions, and beginning of consumption monitoring in 200 schools, by telemetry.

2015 - Completion of hydraulic installations and continuation of consumption monitoring and maintenance.

MY SCHOOL IN SANASA

ODS6 - Ensure water and sanitation availability and sustainable handling for all.

G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

A. My School in SANASA is a participatory environmental education program provided to the students of all grades.

The activities are carried out during school visitations to SANASA facilities, and the students receive information with respect to processes and stages of water and sewage treatment systems. The classes held during said visitations aim to promote the awareness regarding conscious use of water, how to avoid all types of waste, how to properly dispose of sewage and the importance of not to throw objects in the toilet nor dispose of cooking oil in the kitchen sink, as well as to fight dengue fever, a public health theme which is part of students' discussions.

The program is carried out with creative and playful activities, aiming to educate children and youngsters about environmental issues. The objective is to engage its participants as transforming agents, by developing their skills and educating them, with an ethical conduct consistent with the exercise of citizenship.

Annual Balance Sheet / 2015

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

1 - Basis	2015 Value (Thousands R$)	2014 Value (Thousands R$)
Net Income (NI)	607,710	567,899
Operating Income (OI)	-57,651	-17,477
Gross Payroll (GP)	350,435	324,863

2 - Internal Social Indicators	Value (thousand)	% over GP	% over NI	Value (thousand)	% over GP	% over NI
Meals	37,015	10.56%	6.09%	33,341	10.26%	5.87%
Compulsory Social Charges	70,714	20.18%	11.64%	65,207	20.07%	11.48%
Private Pension	10,295	2.94%	1.69%	9,252	2.85%	1.63%
Health	17,365	4.96%	2.86%	16,140	4.97%	2.84%
Safety and Health at work	7,221	2.06%	1.19%	6,808	2.10%	1.20%
Education	1,445	0.41%	0.24%	1,896	0.58%	0.33%
Culture	0	0.00%	0.00%	0	0.00%	0.00%
Job Training and Development	4	0.00%	0.00%	52	0.02%	0.01%
Day Nursery or nursery benefits	261	0.07%	0.04%	220	0.07%	0.04%
Profit Sharing	15,426	4.40%	2.54%	13,368	4.11%	2.35%
Others	6,613	1.89%	1.09%	12,979	4.00%	2.29%
Total –Internal Social Indicators	**166,359**	**47.47%**	**27.37%**	**159,262**	**49.02%**	**28.04%**

3 - External Social Indicators	Value (thousand)	% over OI	% Over NI	Value (thousand)	% over OI	% Over NI
Education	4,296	-7.45%	0.71%	2,005	-11.47%	0.35%
Culture	154	-0.27%	0.03%	335	-1.92%	0.06%
Health and Sanitation	4,632	-8.03%	0.76%	4,976	-28.47%	0.88%
Sport	629	-1.09%	0.10%	658	-3.77%	0.12%
Hunger fighting and food security	358	-0.62%	0.06%	384	-2.20%	0.07%
Others	8,805	-15.27%	1.45%	6,135	-35.10%	1.08%
Total Social Contribution Taxes	**18,873**	**-32.74%**	**3.11%**	**14,493**	**-82.93%**	**2.55%**
Taxes (excluded social charges)	27,912	-48.42%	4.59%	27,639	-158,14%	4,87%
Total - External Social Indicators	**46,785**	**-81.15%**	**7.70%**	**42,132**	**-241,07%**	**7,42%**

4 – Environmental Indicators	Value (thousand)	% over OI	% Over NI	Value (thousand)	% over OI	% Over NI
Investments related to production/ operation of the company	9,200	-15.96%	1.51%	7,088	-40.56%	1.25%
Investments in external programs and/or projects	92	-0.16%	0.02%	1,108	-6.34%	0.20%
Total of the investments in environmental	**9,292**	**-16.12%**	**1.53%**	**8,196**	**-46.89%**	**1.44%**
Regarding the establishment of annual targets to minimize 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	2015	2014
Number of employees at the end of the period	2,291	2,280
Number of hiring of the period	64	111
Number of outsourced employees	994	1,070
Number of Interns	34	70
Number of employees over 45 years	1,070	1,081
Number of women working in the company	421	419
% of management positions held by women	30.88%	32.28%
Number of black people working in the company	593	565
% of management positions held by black people	3.68%	3.97%
Number of women working in the company persons with disabilities	169	144

6 - Relevant information to the exercise of corporate citizenship	2015			Goals 2016		
Ratio between the highest and the lowest compensation	35.92			35.92		
Total number of occupational incident	81			77		
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 and management	( ) all employees	(X) all employees +Employee safety committee	( ) directors and management	( ) all employees	(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) will not get involved	( ) It will follow the ILO standards	( ) will encourage and follow 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) will not be considered	( ) will be suggested	( ) are required
When the employees participate in voluntary work programs, the company:	( )does not get involved	( ) support	(X) organizes and encourages	( ) will not get involved	( ) will support	(X) will organize and encourage
Total number of complaints and criticism from consumers:	in the company 1.271	in the Consumer Protection 241	in Court 6	in the company 1.016	in the Consumer Protection 217	in Court 5
% 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$):	**In 2015: R$ 417,168 thousand**			**In 2014: R$ 403,942 thousand**		
Distribution of Value Added (DVA):	21.07% government 72.00% collaborators -13.88% shareholders 20.81% the 3rd			20.71% government 68.94% collaborators -4.64% shareholders 14.99% the 3rd		

7 – Other Information

SANASA National Employers' Register 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: +55(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
Human Rights Principles		
1. Support and respect the protection of human rights	**G4- SO1** **G4-SO2** **G4-EC7** **G4-HR1**	Social Work Project. Universal Sanitation 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** **G4-HR5**	All contracts for service providers contains clause providing for the guarantee of respect for human rights. This Clause is already set from the bidding. For hiring all suppliers, SANASA consults official agencies – the Brazilian Social Security System - 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.
Labor Rights Principles		
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 benefit all employees.
4. Eliminate all forms of forced and compulsory labor	**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- CLTs.
5. The effective abolition of child labor	**G4 - HR5**	The contracts also provide that child labor does not occur, because they require that each employee of the suppliers have to work contract and unregistered, General record and Individual Taxpayer's Register.
6. Eliminate discrimination in workplace	**G4-LA13**	In SANASA, women have salaries equal to those of men when performing the same functions. They also have equal opportunities.

UN Global Compact	Indicators GRI - G4	Sanasa's Actions
Environmental Protection Principles		
7. Support a precautionary approach to environmental challenges	**G4-DMA**	Water crisis management
	G4-1	Universal Sanitation
	G4-EN27 G4-SO1	Environmental Education: Social Work Project/SANASA in Community
	G4-EN10	Reuse Water Production
	G4-EN24	Control and reduction of losses
	G4-EN27	Reágua/conscious use of water
8. Undertake the environmental responsibility	**G4-EN27**	Reágua/conscious use of water
	G4-SO1	SAP – Sustainable Action Plan
	G4-DMA	Water crisis management
	G4-1	Universal Sanitation
	G4-8	Water treatment system
	G4-EN27	Sewerage treatment system
9. Encourage the development and diffusion of environmentally friendly technologies	**G4-EN10**	Reuse Water Treatment Plant
Anti-corruption Principle		
10. Work against corruption in all its forms, including extortion and bribery	**G4 - G14**	Monitoring of corporate risks/ *Compliance* program

CEO WATER MANDATE

1. DIRECT OPERATIONS			
THEME	**SUBTHEME**	**CHAPTER**	**PAGE**
WATER	WATER RESOURCES	ENVIRONMENTAL MANAGEMENT	44
WATER	WATER SUPPLY	ENVIRONMENTAL MANAGEMENT	50
WATER	WATER QUALITY PROGRAM	ENVIRONMENTAL MANAGEMENT	39
WATER	COMBAT AND REDUCTION OF LOSSES	ENVIRONMENTAL MANAGEMENT	52
WATER/SEWAGE	REUSE WATER TREATMENT PLANT	ENVIRONMENTAL MANAGEMENT	50
SEWAGE	SEWAGE TREATMENT SYSTEM	ENVIRONMENTAL MANAGEMENT	64
SEWAGE	REUSE WATER PRODUCTION	ENVIRONMENTAL MANAGEMENT	65

2. SUPPLIER CHAIN AND WATERSHED MANAGEMENT			
THEME	**SUBTHEME**	**CHAPTER**	**PAGE**
CONSCIOUS USE OF WATER	REÁGUA	SOCIAL MANAGEMENT	86
WATER	WATER RESOURCES	ENVIRONMENTAL MANAGEMENT	44

3.CLASS ACTION			
THEME	**SUBTHEME**	**CHAPTER**	**PAGE**
WATER/SEWAGE	UNIVERSAL SANITATION	ENVIRONMENTAL MANAGEMENT	3 and 4
WATER	MUNICIPAL ACTIONS TO FACE WATER CRISIS	ENVIRONMENTAL MANAGEMENT	49
WATER	RENEWAL OF GRANTING FORCANTAREIRA	ENVIRONMENTAL MANAGEMENT	48
WATER	MOVEMENT FOR REDUCTION OF WATER LOSS DURING WATER SUPPLY	PROFILE	10
WATER	CONSCIOUS USE OF WATER	SOCIAL	86

4.PUBLIC POLICIES			
THEME	**SUBTHEME**	**CHAPTER**	**PAGE**
WATER/SEWAGE	UNIVERSAL SANITATION	ENVIRONMENTAL MANAGEMENT	3 and 4
WATER	MUNICIPAL ACTIONS TO FACE WATER CRISIS	ENVIRONMENTAL MANAGEMENT	49
WATER	COMBAT AND REDUCTION OF LOSSES	ENVIRONMENTAL MANAGEMENT	52 e 53

5.ENGAGEMENT WITH COMMUNITY			
THEME	**SUBTHEME**	**CHAPTER**	**PAGE**
WATER	MOVEMENT FOR REDUCTION OF WATER LOSS DURING WATER SUPPLY	PROFILE	10
WATER/SEWAGE	SAP	SOCIAL	84
WATER	CONSCIOUS USE OF WATER	SOCIAL	86
COMMUNITY	SOCIAL PROGRAM/SANASA IN COMMUNITY	SOCIAL	85

6.TRANSPARENCY
SUSTAINABILITY REPORT- GRI

Summary of Contents of Global Reporting Initiative for 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.

Global Reporting Initiative Content Index for the Essential Option:
Orange: GRI - G4 Indicators
Blue: GRI - G4 Indicators of GRI Essential option

GENERAL STANDARD CONTENTS	
General Standard Contents	Page 11
Strategy and Analysis	
G4 -1: Statement of the highest decisio n-making officer on the relevance of sustainability and its strategy within the theme.	Pages 3 and 4
G4 - 2: Add a description of the main impacts, risks and opportunities.	Pages 3, 4 and 18
Organizational Profile	
G4 - 3: Corporate name.	**SANASA Campinas - Sociedade de Abastecimento de Água e Saneamento S.A.**
G4 - 4: Primary brands, products and services.	Page 6
G4 - 5: Location of corporate headquarters .	Page 6
G4 - 6: Number and name of countries where the main operations are located .	Brazil
G4 - 7: Report the nature of ownership and legal form .	Page 6
G4 - 8: Report the markets served .	Page 6
G4 - 9: Report the scale of the organiza tion, including: total number of employees: total number of opera tions, net sales, net revenues .	Pages 6 and 7
G4 - 10: Total employeesper employment agreement and gender	Page 81
G4 - 11: Report the percentage of total employees covered by collective bargaining agreements .	A. All SANASA employees are covered in collec tive agreements, with some provisions exten ded to interns and patrolmen. All employees have freedom of associa tion for trade unions.

G4 -12: Describe the Organization's Supply Chain.	Page 8
G4 -13: Significant changes during the reporting period regarding the organization's size, structure, own ership, including in selection and removal processes.	Page 8
G4 -14: Report whether and how the precautionary approach or principle is addressed by the organization.	Pages 8 and 18
G4 -15: List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Page 9
G4 -16: List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organizat ion: holds a position on the governance body.	Page 10
Identified Material Aspects and limits	
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 parties, financing bodies, consumers.
G4 -18: Explain the process for defining the report content and the Aspect Boundaries.	A. Page 16 of the previous Report.
G4 -19: List all the material Aspects identified in the pro cess for defining report content.	A. Page 18 of the previous Report.
G4 - 20: For each material Aspect, report the Aspect Boundary within the organization; List of entities or groups of entities provided in G4 - 17.	A. Page 19 of the previous Report.
G4 - 21: For each material Aspect, report the Aspect Boundary outside the organization.	A. Page 19 of the previous Report.
G4 - 22: Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	A. Page 19 of the previous Report.
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.
Engagement of *Stakeholders*	
G4 - 24: Provide a list of stakeholder groups engaged by the organization.	A. Page 12 of the previous Report.
G4 - 25: Report the basis for identification and selection of stakeholders with whom to engage.	A. Page 12 of the previous Report.
G4 - 26: Report the organization's approach to stakeholder engagement .	A. Page 13 of the previous Report.
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 concern s.	A. Page 13 of the previous Report.
Report Profile	
G4 - 28: Year Covered by the Report.	2015
G4 - 29: Date of the previous Report.	2014
G4 - 30: Issuing cycle for Reports.	Annual
G4 - 31: Contact for doubts regarding this Report or its contents.	sustentabilidade@sanasa.com.br

G4 -32: "In accordance" Option chosen by the organization.	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. Pages 11 and 94
G4 -33: Policy and practice applied by organization to submit the Report to external verification.	GRI recommends the external verification, but this is not a requirement.

Governance	
G4 - 34: Report governance structure, including committees of the highest governance body. Identify the committees in charge for advising Board of Directors during decision -making process that may cause economic, environmental and social impacts.	Page 22
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.	Page 23
G4 - 38: Composition of the highest governance body	Page 22
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.	Page 23
G4 - 48: The h ighest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Page 22
G4 - 49: Report the process for communicating critical concerns to the highest governance body.	Page 23

Ethics and Integrity	
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.	Page 19
G4 - 56: Describe values, principles, rules and code of conduct of this organization.	Page 24
G4 - EC 1: Direct economic value generated and distributed.	Page 14
G4 - EC 4: Financial assistance received from government.	Page 14
G4 - EC 7: Development and impact of infrastructure investme nts and services supported.	Page 15
G4 - EC 8: Significant indirect economic impacts, including the extent of impacts.	Page 37
G4- EC 9: Proportion of expenses with local suppliers in relevant operating units.	Page 26

Specific Standard Contents	
List all Aspects identified in the process to establish the contents of this Report (like in G4 – 19 aspect): environment, customers and consumers, governance, employees, suppliers.	Information on how to manage and indicators (standard list of specific content related to each identified material aspect , with the number of page or link)
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. Technologic al innovation	Details in previous Report, in the following pages: a) Environmental Management, Page 55
Customers and Consumers 5. Customer Relationship Policy 6. Tariff policy 7. Environmental Education 8. Satisfaction	b) Operating Management, Page 32 c) Sustainable Action Program - SAP Page 88
Governance 9. Transparency Policy 10. Anti-Corruption Policy	d) Governance, Page 23
Staff 11. People Management Policy 12. Gender equality and diversity 13. Sustainability Culture 14. Constant Training	e) Human Resources Management Page 82
Supply Chain 15. Suppliers	f) Suppliers Page 32
G4 - DMA Report how the organization manages the material Aspect or its impacts.	Page 44
G4 - EN 10: Percentage and total volume of recycled and reused water.	Pages 49 and 65
G4 - EN 24: Total number and volume of significant leaks.	Pages 53 and 54
G4 - EN 27: Extent and impact mitigation of environmental impacts of products and services.	Pages 64, 86 and 87
G4 - EN 31: Total environmental protection expenditures and investments by type.	Page 16
G4 - LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region.	Page 17

G4 - LA 2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Pages 77 and 78
GRI- LA 3: Return to work and retention rates after parental leave, by gender.	Pages 31,78 and 79
G4 - LA 9: Average hours of training per year per employee by gender, and by employee category.	Pages 79 and 80
G4 - LA 12: Composition of governance bodies and breakdown of employees per employee category according to gender, group, minority group membership, and other indicators of diversity.	Pages 80 and 81
G4 - LA 13: Ratio of basic salary and remuneration of women to men by employee category, by significant location of operation.	Page 81
G4 - LA 14: Percentage of new suppliers that were screened using labor practices criteria.	Page 31
G4 - DMA: a. Policies and practices to select suppliers.	Page 25
G4 - DMA: b. Policies and practices to promote economic inclusion in the process of selection of suppliers (e.g.: small and medium suppliers).	Page 29
G4 - HR1: Total number and percentage of significant investment agreements and contracts including human rights clauses or which were submitted to an evaluation with respect to human rights.	Page 25
G4 - HR5: Operations and suppliers deemed as risky for occurrence of child labor cases and measures taken to contribute to actually eliminate child labor. c. Report measures taken by organization during the period covered by the report to contribute to the actual elimination of child labor.	Page 29
G4 - PR 5: Results of surveys measuring customer satisfaction.	Page 38
G4 - SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Pages 82, 84 and 89
G4 - SO 2: Operations with significant actual and potential negativ e impacts on local communities.	Page 84

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