



Sustainability *Report*

Saneago 2019



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2018

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2019

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MESSAGE FROM THE MANAGEMENT BOARD

G4-1

2018 was a short year to assess the major changes Saneago has gone and has been going through in its 51 years of existence, with relevant environmental services provided to society, through the tireless and dedicated work of its employees.

The current transparency and sustainability standards brought great challenges to the Company, which resulted in a new vision, which values the management of excellence of natural, financial and human resources, in full compliance with the triple bottom line that guides the concept of sustainable development.

In view of this reality, it is necessary to note that the advances are noticeable in the Company, which strengthened the pillars aimed at good corporate governance practices, with the professionalization and development of its collegiate forums, with the adoption of clear policies for its operations, in addition of transparency and seriousness in management, an attitude supported by the “State-Owned Companies Law”, Law 13.303/2016.

And, in this innovative framework, the Management Board has the honor of supporting the Company in the transformations that are necessary and, thus, contributing for Saneago to really reach a level of excellence in the market, with broad social recognition, in addition to the condition of protagonist of broad sustainability in its actions.

For 2019, the expectation is to consolidate, deliver and obtain an efficient and systematic management, evaluated by goals and results, with transparent metrics, aiming at building a future in line with good market practices, with the public interest and, therefore, in line with the wishes of society and our customers.

MESSAGE FROM THE PRESIDENT

G4-1

As an integral part of the ecosystem, we are fully connected to critical issues involving society, the planet and the environment and we work in such a way that sustainability is present in all our strategic decisions.

We have published the Sustainability Report for 4 years, as we consider this practice key to the systematic monitoring of our economic-financial, social and environmental performance, strengthening our corporate culture and positioning in the market.

The professionalization of our management, seeking excellence in processes, certified quality and value offers focused on the customer, reinforces our purpose of commitment to stakeholders, as well as continuous and sustained improvement.

Saneago operates in line with public policies with a focus on the universalization of water and sewerage services, a challenge that requires permanent commitment and continuous attention and keeps us in the pursuit of business growth by adopting a loyal, reliable, transparent and fully respecting society on the whole.

At Saneago, sustainability is a value shared by all and our commitment to care for the environment goes beyond our products, involving the development of technologies that harmonize production with natural resources.

Benefiting society with sustainable products and services is more important than ever and we are determined to position ourselves as a company that works side by side with stakeholders, offering lasting values to our customers.

Despite all the challenges that were presented to us, we remain firm with the certainty that we are ready to start a new cycle of achievements and that success is very close to us. Just believe it!

- Ricardo José Soavinski

PRESENTATION

This report has as principle to present the investments and actions carried out by our company within internationally recognized criteria, involving the participation of the public related to our business.

In addition to the dissemination of best practices and accountability to society at large, this report identifies points for improvement in our management and is in line with the Global Reporting Initiative - GRI, Global Compact and Sustainable Development Goals - SDG guidelines.

In the next pages you will find an overview of the industry and Saneago, corporate governance practices, economic and financial performance, people management initiatives, socio-environmental projects, details on operational processes and awards received, always having sustainability as a central point of our actions.

Have a nice reading!

MATERIALITY

G4-18, G4-19, G4-20, G4-21, G4-27, G4-37, G4-48

As a way of ensuring the participation of its stakeholders in this report, in 2017 Saneago conducted a survey of employees, users, suppliers, senior management, the public sector and other related public, to identify the 10 priority themes from a sustainable point of view, which allows the development of goals and actions with a view to mitigating negative impacts and enhancing positive impacts, whether they are environmental, economic or social impacts.

The research result matrix was divided into quadrants, with the extremity showing greater interest for both the external public and Saneago. Based on this assumption, the material issues considered as priorities, that is, those that are of the greatest interest to the company and related parties are:

- governance,
- transparency and accountability;
- performance efficiency with a focus on results;
- business strategy;
- compliance, ethics and anti-corruption;
- environmental management;
- communication with stakeholders;
- CAPEX efficiency (investments);
- human capital management and
- economic-financial balance.

The other topics that were assessed as less relevant by the publics surveyed will be described and continue to be worked on equally by Saneago without, however, being detailed in this document.

1. NATIONAL SANITATION SCENARIO

G4-2, G4-4; G4-8



Water Supply (SNIS, 2017)

Brazil:
83.3% of the population

Saneago (Goiás):
96.9% of the population



Sewage Collection (SNIS, 2017)

Brazil:
50.3% of the population

Saneago (Goiás):
59.8% of the population



Sewage Treatment (SNIS, 2017)

Brazil:
42.7% of the population

Saneago (Goiás):
92.9% of the population

INFORMATION - SNIS 2017

According to the Summary Table of Information and Indicators per Region, available on SNIS (2017), the south, midwest and southeast regions have the highest total water service index, with 89.70%, 90.10% and 91.30%, respectively, against 57.50% in the north and 73.30% in the northeast. In the same table, the indexes of total service with sewage collection are also shown, with the south, midwest and southeast regions also leading with 43.9%, 53.9% and 78.6%, respectively. These data prove that there is still a considerable difference between the South, Southeast and Midwest and North and Northeast regions of the country.

Macro-region	Network service index				Sewage treatment index (%)	
	Water		Sewage Collection		Generated sewage	Collected sewage
	Total	Urban	Total	Urban	Total	Total
North	57.5	70.0	10.2	13.0	22.6	84.6
Northeast	73.3	88.8	26.9	34.8	34.7	80.8
Southeast	91.3	95.9	78.6	83.2	50.4	67.3
South	89.7	98.4	43.9	50.6	44.9	93.3
Midwest	90.1	98.1	53.9	59.5	52.0	92.6
Brazil	83.5	93.0	52.4	60.2	46.0	73.7

Table 1 - Summary of Information and Indicators per Region
Source: SNIS, 2017

UNIVERSALIZATION

The universalization of water supply and sewerage services constitutes a legitimate objective of Brazilian public policies, since they are a constitutional right and have an important impact on health and the environment.

Law 11.445/2007, which deals with the Sanitation regulatory framework, reinforces the unrestricted access of Brazilians to sanitation services included in the Brazilian Constitution, with the provision of universal services, which is reinforced by the UN Agenda 2030, which establishes 17 Sustainable Development Goals - SDG.

The universalization of sanitation is linked to several variables, whether they are technical, political, economic and social and, in order to materialize, it requires high investments that have the Federal Government as the main driver, such as the Growth Acceleration Program - PAC.

Saneago seeks universal access by encouraging the development of projects to meet existing demands, as well as attracting external funds and establishing partnerships with the private sector. To this end, it drew up a consistent investment plan that takes into account local demands, a population study, expansion capacity and compliance with program and concession contracts.

REGULATORY FRAMEWORK

G4-2

The Regulatory Framework for the provision of water supply and sewerage services was instituted in the State of Goiás through Law No. 14.939/2004, when the State Sanitation Council - CESAN was created, with a view to guaranteeing service to the population in general .

As instruments of social control and regulation, the state foresees the performance of the Agency for Regulation, Control and Inspection of Public Services of Goiás - AGR, which is responsible for the control and inspection of the provision of services, regulation of the industry, approval of tariff studies and application of sanctions in case of non-compliance with the rules provided for, among others.

At the national level, the regulatory framework was instituted through Law No. 11.445/2007, which established national guidelines for basic sanitation in Brazil, as a definition of basic sanitation, ownership and regulatory entity, for example.

The central points of this regulation are challenges and opportunities for the industry, stricter environmental standards and the prioritization of universal sanitation and environmental protection services.

The changes that occurred in the industry after the approval of the regulatory framework in relation to Planasa promoted several changes such as the institution of program contracts, creation of regulatory agencies, focus on customers, competitiveness in the industry and management of water resources that are becoming scarce.

On the Saneago website (www.saneago.com.br), the Access to Information Law - LAI makes available all Federal and State Laws, Decrees and Ordinances that establish the company's operating guidelines as a sanitation service provider.

In order to promote changes in the regulatory framework of the sanitation industry, the federal government presented Provisional Measures 844 and 868, which lost their validity due to challenges from the industry and Brazilian entities regarding the modeling crossed by conflicts of interest, whose direction would be crapping of state-owned companies, forcing the privatization of services.

After the loss of validity of the Provisional Measures (MPs), the Bill of Law - PL 3.261/19 was introduced, whose content rescues the essence of the measures previously edited, as well as affects the ownership of the municipalities and overturns the cross subsidy and the logic of economies of scale. The Bill of Law (PL) is in the Chamber of Deputies of Brazil after voting in the Federal Senate, for a broad debate and improvement of its content.

2. OVERVIEW OF THE ORGANIZATION

G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9

According to Article 1 of the Bylaws, of 05/03/2018:

SANEAMENTO DE GOIÁS - Saneago, a limited liability company, publicly-held company, a state mixed capital, established under State Law No. 6.680, of September 13, 1967, will be governed by its Bylaws and applicable legislation (“Saneago” or “Company”).

Sole Paragraph - The standards of the Securities and Exchange Commission on bookkeeping and preparation of financial statements apply to Saneago, including the requirement for independent auditing by an auditor registered with that body, and disclosure of relevant company facts.

The company is registered under the CNPJ/MF [Corporate Taxpayer's Registry/Ministry of Finance]No. 01.616.929/0001-02, and in the State Taxpayers' Registry under No. 10.013.357-6. Its CVM code is 01918-6 with registration date on 12/11/2001 as a publicly held company, category B.

By Decree-Law No. 4.756, the Federal Government of Brazil handed over to the A. B. Pimentel office, the implementation and operation of the sanitary sewerage network for a period of 25 years, thus creating the company “Melhoramentos de Goiás S.A.” In 1949, the government assumed direct responsibility for the execution of water and sewerage services, entrusting the Department of Traffic and Public Works - DVOP with these services.

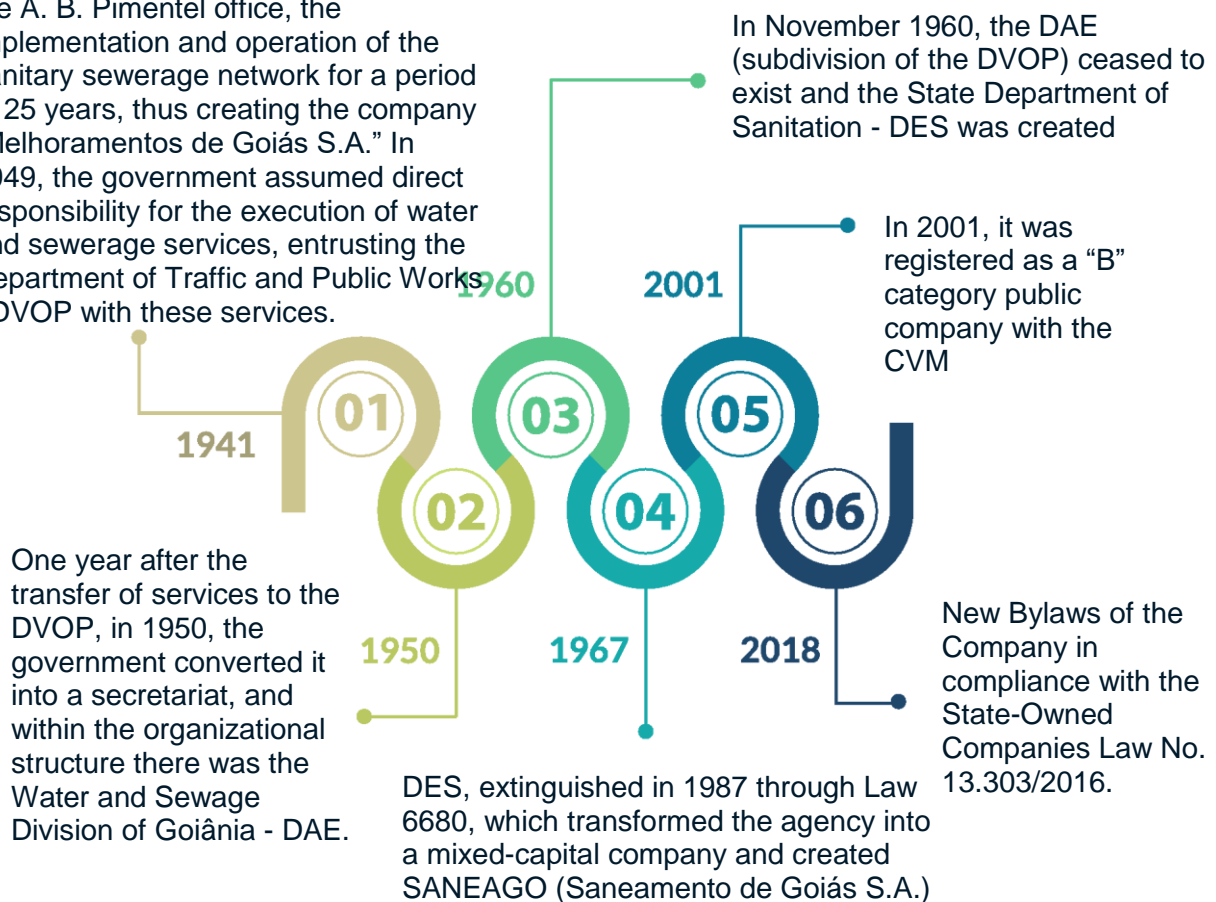


Figure 1 - Saneago History

Source: Institutional Presentation, 05/16/2018 / SURIN

SANEAGO fits into the real profit, under the terms of articles 246 to 515 of the Income Tax Regulation, Decree 3.000/99, whose rules and concept are regulated in articles 246 and 247. SANEAGO's authorized capital is verified in the Bylaws, as described below:

Article 5. The company's capital is BRL 3,125,000,000.00 (Three billion, one hundred and twenty-five million reais), represented by:

I - BRL 2,500,000,000.00 (two billion and five hundred million reais) of ordinary shares with a par value of BRL 1.00 (one real) each;

II - BRL 625,000,000.00 (six hundred and twenty-five million reais) of par value of BRL 1.00 (one real) each.

§1 It is incumbent upon the Extraordinary General Meeting to resolve on the modification of the authorized capital.

§2 The subscribed Capital is BRL 3,125,000,000.00 (Three billion, one hundred and twenty-five million Reais), 80% (eighty percent) of Ordinary Shares and 20% (twenty percent) of Preferred Shares, represented by BRL 2,500,000,000.00 (Two billion, five hundred million reais) of Ordinary Shares and BRL 625,000,000.00 (Six hundred twenty-five million reais) of Preferred Shares, making a total of BRL 3,125,000,000.00 (three billion, one hundred and twenty-five million reais) of Subscribed Shares.

Article 6. The State of Goiás will always hold a minimum of 51% (fifty-one percent) of the share capital, with voting rights.



Shareholder	Ordinary shares		Preferred shares		Total shares	
	Quantity	%	Quantity	%	Quantity	%
State of Goiás	1,336,135,801	65.56	354,992,364	74.32	1,691,128,165	67.23
Goiás Prev	488,016,887	23.94	122,637,514	25.67	610,654,401	24.27
Goiás Parcerias	213,748,400	10.48	-	0.00	213,748,400	8.49
Others	4,005	0.0002	11,396	0.0024	15,401	0.0006
Total	2,037,905,094	100%	477,641,274	100%	2,515,546,368	100%

Figure 2 - Saneago's Shareholding Composition
Source: Saneago, 2019

DIAGNOSIS OF MUNICIPALITIES OPERATED BY SANEAGO

G4-4; G4-8; G4-9

The State of Goiás consists of 246 municipalities, with Saneago responsible for serving 226 municipalities with water and sewerage in the urban area, with the rest being municipalized systems.

In 2018, Saneago served 5,655 thousand inhabitants with treated water, which represented an increase of 1.38% compared to 2017, reaching a service rate of 96.9% of the population. With regard to billed connections and the extension of the distribution network, the increase was 2.72% and 7.17%, respectively, in relation to the previous period.

In relation to the sewerage system, in 2018, a total of 3,488 thousand inhabitants were served, which corresponds to an increase of 6.28% compared to 2017 and represents 59.8% of the population served. There was an increase of 6.43% in the number of billed connections, 1.97% in the volume of billed sewage and 2.90% in the volume of treated sewage.

Water

Indicator	2014	2015	2016	2017	2018
Urban Population	5,554,691	5,606,994	5,678,014	5,755,575	5,830,708
Population served	5,292,081	5,383,236	5,485,530	5,577,847	5,654,983
Service Index ⁽¹⁾	95.27 %	96.01 %	96.61 %	96.91 %	96.99%
Connections	1,857,106	1,941,424	2,022,897	2,092,034	2,149,018
Measurements	2,062,286	2,146,901	2,227,925	2,297,137	2,352,737
Network Extension	24,330 km	24,849 km	27,543 km	28,182 km	30,202
Billed Volume	269,842 m ³	263,385 m ³	263,268 m ³	263,343 m ³	260,339
Produced Volume	389,359 m ³	386,684 m ³	390,355 m ³	381,899 m ³	375,308
Loss Index	28.57 %	29.83 %	30.37 %	28.89 %	29.51%

Sewerage

Indicator	2014	2015	2016	2017	2018
Urban Population	5,554,691	5,606,994	5,678,014	5,755,575	5,830,708
Population served	2,717,835	2,902,060	3,107,884	3,282,076	5,488,225
Service Index ⁽¹⁾	48.93 %	51.76 %	54.74 %	57.02 %	59.83 %
Connections	853,891	921,135	994,135	1,057,007	1,124,996
Measurements	1,010,050	1,079,474	1,155,301	1,219,773	1,388,933
Network Extension	9.545 km	9,605 km	10,065 km	11,094 km	12,817 km
Billed Volume	140,494 m ³	141,736 m ³	144,803 m ³	148,665 m ³	151,593 m ³
Treated Volume	125,201 m ³	126,217 m ³	131,324 m ³	136,772 m ³	140,738 m ³
Index of treatment with treated sewage ⁽²⁾	89 %	89 %	91%	92 %	92.84%

⁽¹⁾ Population served in relation to the population of the localities with service provision

⁽²⁾ It refers to the ratio between the volume of treated sewage in relation to the volume of sewage billed

Table 2 - Evolution of operational data

Source: Saneago, 2019

Investments made between 2014 and 2018 totaled BRL 1,538,666, of which 44.72% were invested in the water supply system, 44.84% in the sanitary sewage system and 10.44% in programs operational improvement, business development, general purpose goods and other investments.

The drop in investments presented in 2017 was due to the outbreak of the Operação Decantação in August 2016, which culminated in the stoppage of works carried out with external funds in progress.

The year 2018 represented the resumption of some works by Saneago and the recovery of its investment capacity, with 77.10% of the total invested amount with its own funds and 22.90% with external funds. Of the total external funds, 24.67% were onerous and 75.33% were not onerous.

Investments	2014	2015	2016	2017	2018	Total
Water	231,355	139,124	140,452	65,008	112,169	688,108
Sewage	271,382	143,422	137,063	42,253	95,814	689,934
Others	28,943	38,164	12,197	18,456	62,864	160,624
Total	531,680	320,710	289,712	125,717	270,847	1,538,666

Table 3 - Investments - CAPEX 2014-2018
Source: Saneago, 2019

Fund source	2014	2015	2016	2017	2018	Total
CEF	13,755	32,742	44,788	4,052	15,299	110,636
Funasa/FCO	7,284	233	257	126	-	7,900
OGU	41,060	29,805	23,366	9,119	46,723	150,073
BNDES	1,220	1,350	789	-	-	3,359
Financial Contributions from the State	233,987	35,784	4,188	65,037	-	330,620
Loans	151,090	85,923	62,669	-	-	299,682
Own Funds	83,284	134,873	162,031	47,383	208,825	636,396
Total	531,680	320,710	289,712	125,717	270,847	1,538,666

Table 3 - Investments - CAPEX 2014-2018
Source: Saneago, 2019

OPERATING DATA

- 188 Water Treatment Plants - ETAs
- 89 Sewage Treatment Plants - ETEs
- 471 Water Collection Systems
- 870 Deep Tubular Wells
- 1,396 Reservation Centers

3. GOVERNANCE AND COMPLIANCE STRUCTURE

G4-7, G4-14, G4-34, G4-35, G4-36, G4-38, G4-39, G4-41, G4-42, G4-45, G4-51, G5-52, G4-56, G4-58

Committed to the best management and conduct guidelines, Saneago constantly works to improve its practices, processes and controls, which, in turn, are distributed among the units of the first, second and third lines of defense. In this sense, in 2019, the Company's Internal Regulations were revised, including several improvements, one of them, the creation of the Governance Superintendence.

Saneago's Bylaws provide a detailed description of the activities performed by the highest governance bodies of the company: General Meeting, Supervisory Board, Management Board, Statutory Audit Committee and Collegiate Board of Directors.

The Governance Superintendence is hierarchically subordinate to the Presidency of Saneago, whose activities are shared with the Compliance Management, Risk Management Dept. and Executive Management of Governance Support, reinforcing that an important benefit of a control environment is to provide transparency, equity, accountability and corporate responsibility.

With regard to the governance structures involved in monitoring and control, Compliance Management has the competence to promote and guide the application of governance and compliance standards, guidelines and procedures, and to coordinate compliance management and internal controls required, as well as to ensure compliance with the code of conduct and integrity and its policies.

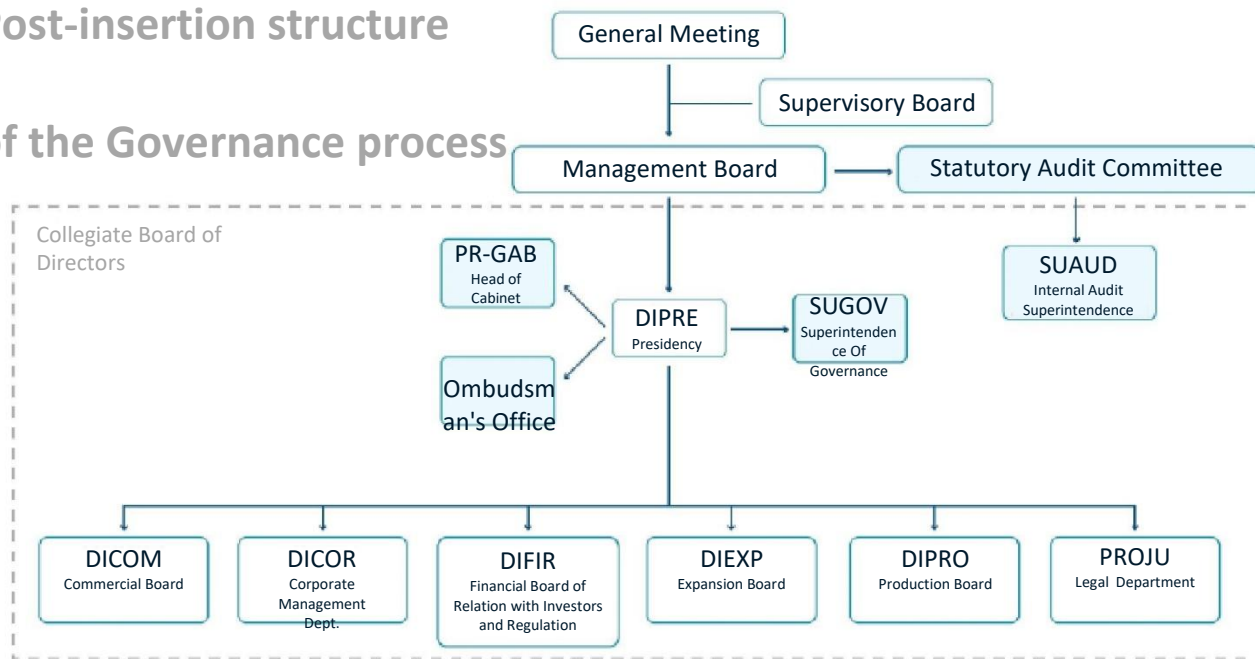
As a third line of defense, the Company has in its structure the Internal Audit Superintendence, hierarchically subordinate to Saneago's Statutory Audit Committee, with some of its main duties:

“monitor compliance with the recommendations issued by the regulatory, supervisory and control bodies; meet the needs of the Management Board or the Statutory Audit Committee in matters related to Internal Audit; and, assess the adequacy of internal control, the effectiveness of risk management and governance processes and the reliability of the process of collecting, measuring, rating, accumulating, recording and disclosing events and transactions, with a view to preparing financial statements”.

Organization Chart

Post-insertion structure

of the Governance process



Adequacy to Law 13.303/2016 (State-Owned Companies Law)

Figure 3 - Organization chart

Source: Saneago, 2019

It should be noted that Saneago is actively engaged in the implementation of corporate governance mechanisms, acting on key issues such as, for example, to meet the criteria established in Law 13.303/2016, the Statutory Eligibility Committee was created for indication and evaluation of the members of the Management Board and Supervisory Board, the Statutory Audit Committee and members of the Collegiate Board of Directors, constituting a rigorous evaluation and definition of the ideal strategic direction.

The Company has internal integrity mechanisms and procedures aimed at preventing, detecting and remedying fraud and illicit practices, which include internal prevention policies, especially the code of conduct and integrity established based on its mission, principles and ethical values. In addition, the Company has Saneago's Hiring Procedures Regulations, Internal Regulations of the Management Board, as well as its policies, such as:

- Spokesperson Policy, Communication and Information Disclosure;
- Conflict of Interest Prevention Policy;
- Access to Information Policy; Sponsorship Policy;
- Corruption Acts Prevention Policy;
- Information Security Policy;
- Dividend Distribution Policy; Compliance Policy;
- Risk Management Policy;

- Non-Retaliation Policy,
- Related Party Transactions Policy,

- Competences and Limits Policy,
- Senior Management Evaluation Policy; and;
- Financial Risk Management Policy and Resources Applications.

Such policies are periodically reviewed to ensure compliance with the current rules, all with the approval of the Management Board of Saneago.

The Code of Conduct and Integrity was approved and published by the Management Board of Saneago on June 19, 2017. It is worth mentioning that in 2019, the Code was updated, constituting the document of great importance, applicable to all directors, members of the Supervisory Board, members of the Management Board, employees, interns, third parties, suppliers and service providers.

The penalties applicable in case of violation of the rules of the Code of Conduct and Integrity are provided for in the code and in the Personnel Disciplinary Regulation, which will be applied according to the severity of the fact, and warning, suspension or even contractual termination may be applied, with or without just cause, not excluding other applicable legal measures

Employees, service providers, third parties and senior management received training in the code of conduct and integrity in 2018. The training was conducted in the distance learning format - distance education, accessible to all employees through registration and password, the code was handed out in a booklet format to all employees, as well as evaluations of effectiveness and knowledge and commitment to the code, resulting in in the efficiency of 93% of trained permanent employees.

For service providers and third parties, training was developed through a training structure in a web environment for viewing videos on the topic and with subsequent delivery of the completed and signed evaluations and terms of knowledge and commitment to the code, resulting in 49% efficiency in training of service providers and Saneago's third parties.

INTERNAL CONTROL ACTIVITIES

State Decree No. 9.406/19 was recently published, which institutes the public compliance program, defined as a set of procedures and structures aimed at ensuring the compliance of management acts with moral and legal standards, as well as ensuring the achievement of the results of public policies and citizen satisfaction, fostering the axes of ethics, transparency, accountability and risk

management.

Saneago has been making efforts, in line with the recommendations of the State General Controller - GCEGO in the implementation of the decree, whose completion of the 1st cycle of risk management will be in June 2019, followed by Risk Based Audits (ABRs) scheduled.

Currently, the Management Board has established the Sectorial Compliance Committee, formed by the members listed below, as resolved at the 379th Meeting of the Management Board:

- I.** Chairman of the Management Board of Saneago;
- II.** Chairman of Saneago's Statutory Audit Committee;
- III.** President of Saneago;
- IV.** Commercial Director
- V.** Chief Financial, Investor Relations and Regulation Officer
- VI.** Corporate Management Director;
- VII.** Expansion Director;
- VIII.** Production Director;
- IX.** Attorney;
- X.** Governance Superintendent;
- XI.** Superintendent of Internal Audit.

The Committee is consultative and permanent for questions related to the Public Compliance Program with the goal of ensuring the implementation of the axes, namely: I. structuring of rules and instruments relating to standards of ethics and conduct; II. fostering transparency; III. accountability; IV. risk management. Sectorial Committee meets monthly on an ordinary basis, and, extraordinarily, whenever necessary, and the extraordinary meeting may be requested by any of its members and / or by the Governance Superintendent.

As a good practice, in matters related to communication, the Compliance Management, together with the Governance Superintendence, monthly sends newsletters of compliance to all its Superintendents on matters related to ethics, compliance, safety at work and risk management.

The Compliance Management in partnership with IEL - Instituto Euvaldo Lodi - carried out Compliance training and the Anti-Corruption Law to 60 multipliers / Auditors of Saneago's integrated management system. We emphasize that the training for Senior Management, as required by Law 13.303/2016 will begin in August 2019.



Figure 4 - Compliance Training and Anti-Corruption Law
Source: Saneago, 2019

RISK MANAGEMENT

G4-45

Saneago has a Risk Management Policy (PL00.0046) duly updated and formalized, under the terms of ABNT NBR ISO 31000:2018 and ABNT ISO 19011:2018, added to COSO 2013 - Internal Controls - Integrated Structure and updates, adding economic value and resilience to the Organization through alignment with the best market practices and comprising the following phases:

- I.** Communication and Consultation - continuous and iterative processes that an organization conducts to provide, share or obtain information and engage in dialogue with stakeholders and others, in relation to managing risks;
- II.** Establishment of the Context - definition of external and internal parameters to be taken into account when managing risks and establishing the scope and risk criteria for the Risk Management Policy;
- III.** Risk Identification - search, recognition and description of risks, by identifying the sources of risk, events, their causes and their potential consequences;
- IV.** Risk Analysis - understanding the nature of the risk and determining its respective level by combining the probability of its occurrence and the possible impacts; In its measurement, the following are constituents of the impact: the financial, the business goals, the persistence and the image / reputation. As for the probability, the following are attributes: the level of exposure, the

quality of controls, the potential for fraud and compliance with legislation. The impact, probability and level of risk are represented in a 4x4 graphic matrix;

V. Risk Assessment - process of comparing the results of the risk analysis with the risk criteria to determine whether the risk and / or its respective magnitude is acceptable or tolerable;

VI. Risk Treatment - process to modify the risk; It occurs among the strategies to accept it, avoid it, reduce it, share it or explore it, being indicated the use of the 5W2H methodology and¹ RACI Matrix² for the treatment plans;

VII. Risk Monitoring - verification, supervision, critical observation or identification of the situation, carried out continuously, in order to identify changes in the level of required or expected performance;

VIII. Identification of Controls - identification of procedures, actions or documents that guarantee the achievement of the objectives of the process and reduce exposure to risks;

IX. Establishment of Controls - policies and procedures that ensure the achievement of management objectives, reducing the exposure of activities to risks. Such activities take place throughout the organizational process, at all levels and in all duties, including approvals, authorizations, verifications, reconciliations, reviews of operational performance, fund security and segregation of duties.

Structuring elements of Saneago's Risk Management are the Risk Management Policy, the Sectorial Public Compliance Committee, the Risk Management Process and Control, covering the following risk categories:

I. Strategic - risks arising from the Unit's lack of capacity or ability to protect itself or adapt to changes that may interrupt the achievement of objectives and the execution of the planned strategy;

II. Compliance - risks arising from the body / entity not being able or capable to comply with the laws applicable to its business and not preparing, disclosing and enforcing its internal standards and procedures;

¹ It consists of a checklist of activities covering: (1) What - what will be done? - actions / proposals; (2) Why - why will it be done? - justification and benefits; (3) Where - where? - organizational unit responsible; (4) When - when? - time / schedule with start and end date; (5) Who - by whom will it be done? - responsibility for each action; (6) How - how will it be done? - method, activity or process; and, (7) How much - how much will it cost? - financial cost of the actions.

² It is a tool aimed at establishing responsibilities among those involved, namely: (1) Responsible - defines the person(s) responsible for carrying out the activity, that is, who should do it; (2) Accountable - defines the authority responsible for approving the activity to be carried out and, therefore, responsible for the impacts resulting from the approved action; (3) Consulted - comprises the agent(s) who should be consulted about the activity to be carried out, either by clarifying doubts and questions, producing an opinion or adding value to the decision; and, (4) Informed - consists of agent(s) who must be informed about the decision made and, possibly, about their participation in the context of the approved activity, with their involvement occurring after the completion of the decision-making process.

- III.** Financial - risks arising from inadequate cash management, investment of funds in new / unknown and / or complex high-risk operations;
- IV.** Operational - risks arising from the inadequacy or failure of internal processes, people or external events;
- V.** Environmental - risks arising from inadequate management of environmental issues, such as: emission of pollutants, disposal of solid waste and others;
- VI.** Information Technology - risks arising from the unavailability or inoperability of computerized equipment and systems that impair or impede the normal operation or continuity of the institution's activities.

Also represented by errors or flaws in computer systems when registering, monitoring and correctly recording transactions or positions;

- VII.** Human Resources - risks arising from the institution's lack of capacity or ability to manage its human resources in line with defined strategic objectives.

Due to the industry in which it operates and its corporate structure, Saneago is exposed to risks originating from vulnerabilities and threats. Risks linked to endogenous vulnerabilities are covered by the Risk Management Policy, the main ones are:

- I.** Environmental, referring to pollution and / or contamination of water springs by Saneago, as well as damages resulting from the Ribeirão João Leite dam structure;
- II.** Financial, inherent to liquidity, opportunity cost, cost management and non-compliance with the investment plan;
- III.** Degradation and / or obsolescence of Saneago's physical and technological infrastructure;
- IV.** Inefficiency in maintaining the operational loss index and the water quality index - IQA;
- V.** Insufficient professionalization / upgrading of Saneago's technical and managerial staff;
- VI.** Breach of Conduct Adjustment Instruments - TAC;
- VII.** Delays or discontinuation of expansion works;
- VIII.** Losses resulting from non-compliances present in sub-delegated, outsourced and / or subcontracted activities;
- IX.** Failure to obtain or not to renew records, authorizations, grants, licenses and permits for installations or operations of Saneago units;
- X.** Absence of insurance on all risks;
- XI.** Inefficiency in control over the company's operational facilities, including the Ribeirão João Leite dam structure, which may affect neighboring populations, society, customers and employees;
- XII.** Other risks associated with sewage collection, removal and treatment; and,
- XIII.** Other risks associated with the supply of treated water.

The risks linked to exogenous threats are not directly related to the established internal controls, the main ones are:

- I.** Environmental, involving climate, drought and high rainfall, as well as the degradation of basins, lack of conservation policies, pollution and / or contamination of water springs by third parties;
- II.** Termination or non-renewal of concession / program contracts with the granting authority;
- III.** Financial, inherent to the capital market, foreign exchange, interest rates, inflation and credit;
- IV.** Economic and political, possibly associated with crises, as well as, tax policies, laws and regulation of the industry;
- V.** Diffuse interests of the majority shareholder, Government of the State of Goiás in relation to the other shareholders;
- VI.** Unavailability and / or instability of the quality of the energy matrix required for Saneago's operations; and,
- VII.** Losses arising from lawsuits, arbitrations and / or administrative proceedings. The risk management process is subject to periodic review, according to the risk level, with a term not exceeding 1 (one) year, covering the work processes of Saneago's management areas, duly in line with Saneago's strategic planning.

SENIOR MANAGEMENT TRAINING

G4-43, G4-44

According to Article 17, §4 of Law 13.303, of June 30, 2016:

Elected administrators must participate, in investiture and annually, of specific training on corporate and capital market legislation, information disclosure, internal control, code of conduct, Law 12.846, of August 1, 2013 (Anticorruption Law), and other topics related to the activities of the public company or mixed capital company.

Saneago's actions to adapt to this item of the Law involve periodic training for senior management, the aim of which is to provide the senior management skills aimed at corporate law, information disclosure, internal control, and the code of conduct and Law 12.846/2013.

In 2018, the course was held on 11/30/2018 and 12/14/2018 from 7:30 am to 10:30 pm, covering topics such as: corporate governance concept, cycle, mechanisms and processes; basic corporate law; anti-corruption and anti-bribery compliance at state-owned companies; code of ethics and conduct; internal control and prevention of corporate fraud at state-owned companies; capital market; state law; public companies and mixed-capital companies; information disclosure policy; policy on transactions with related parties; among other topics proposed.



Figure 5 - Senior Management training held in 2018
Source: Saneago, 2019

POLICIES

G4-41, G4-45, G4-58

In order to create an environment in which activities are regulated by means of regulations and policies appropriate to Law 13.303/2016, Saneago prepared and published the following policies:

1. Conflict of Interest Prevention Policy

Goal: To define and identify situations that configure Conflicts of Interest, in accordance with the Code of Conduct and Integrity and Law No. 12.813/13 - Conflict of Interest Law.

2. Information Access Policy

Goal: To define the treatment to be given to information stored, processed or transmitted in the conventional environment or in the technology environment.

3. Sponsorship Policy

Goal: To establish criteria for the granting of Sponsorship in cultural, social, educational, sports and environmental projects, in a way that guarantees the strengthening of the Company's image before society.

4. Corruption Acts Prevention Policy

Goal: To define guidelines and establish mechanisms to prevent and fight corruption, as well as the detection and correction of acts contrary to the conduct established by the Company.

5. Information Security Policy

Goal: To establish criteria that guarantee protection of information assets, acting with confidentiality, integrity and availability of information to all authorized employees.

6. Dividend Distribution Policy

Goal: To define and establish rules and procedures applicable in relation to the distribution of dividends, in decisions to distribute or retain profits, in accordance with the Company's Bylaws, Law 6404/76, the regulations of the Securities and Exchange Commission - CVM and the resolutions of the Management Board.

7. Spokesperson Policy, Communication and Information Disclosure;

Goal: To define actions and responsibilities in the relationship between spokespersons and the press, ensuring a safe, accurate and consistent flow of information to the market and society in general.

8. Non-Retaliation Policy

Goal: To define the regulation of the Non-Retaliation Policy in the company in accordance with Saneago's Code of Conduct and Integrity and Law No. 12.813/13, of May 16, 2013.

9. Related Party Transactions Policy

Goal: To establish the procedures and protocols required to ensure that all decisions, especially those involving Related Parties, are made in compliance with the interests of Saneamento de Goiás S.A.

10. Risk Management Policy

Goal: To establish principles, guidelines and responsibilities to be observed in Saneago's risk management process.

11. Compliance Policy

Goal: To establish compliance principles, guidelines and duties at all levels of Saneago, in addition to disseminating the culture and practice of compliance, demonstrating the importance of knowing and complying with legal, regulatory, normative and procedural determinations, both external and internal.

12. Saneago Competences and Limits Policy

Goal: To establish responsibilities and establish the limits of competence for decision-making at the different hierarchical levels of Saneago, especially those involving budgetary and financial resources.

13. Financial Risk Management Policy and Resources Applications.

Goal: To establish the guidelines, duties and procedures to be adopted by the Company in the performance of activities that imply financial risks and management of the investment of funds.

14. Senior Management Evaluation Policy

Goal: To define the rules and procedures for assessing the performance of members, individually and collectively, on an annual basis, of the collegiate bodies in Saneago's corporate governance structure.

OMBUDSMAN'S OFFICE

G4-57

The Ombudsman's Office is the main channel for receiving and dealing with statements regarding the company's activities, directly or indirectly, acting on requests for information, the Access to Information Law - LAI, whistleblowing, complaints, requests, compliments and suggestions, respecting the confidentiality of the informant when needed.

The Saneago Ombudsman's Office was created in 2004, by means of Board of Directors Resolution No. 105, with the purpose of instituting administrative processes for amicable settlement of any disputes with the user.

Since its implementation, the Ombudsman's Office objective has been to facilitate citizen access as much as possible, who have several ways of contacting the unit, to request information or register demands. The person can register the manifestation directly on the Saneago portal (www.saneago.com.br - Ombudsman's Office), he/she can do it by phone (0800 645 0117) since the ombudsman's office has its own structure of telephone attendants through the Call Center, from Monday to Friday, from 7 am to 7 pm, by letter forwarding to the address of the company's headquarters, which also has in-person service, located at Av. Fued José Sebba, no. 1.245 - *Setor Sul* (South Section) - Goiânia/GO – Zip Code: 74.805-100, also from Monday to Friday, from 7:30 am to 11:30 am and from 1:30 pm to 5:30 pm.

The ombudsman's office channel is managed by the company itself, registering all manifestations, anonymous or not, giving the appropriate treatment to the demand, following the manifestations from receipt to the implementation of corrective actions, and reports involving fraud and corruption are forwarded to the Audit Superintendence. The informant receives a registration number to follow up on his / her manifestation through the portal.

The total number of manifestations in 2018 was 4,912, a decrease of 7% compared to 2017, when 5.264 were recorded.

The manifestations when they are completed, are rated as Valid, Partly Valid, Not Valid or Access to Information Law (LAI), after being analyzed and receiving the appropriate treatment or referral.

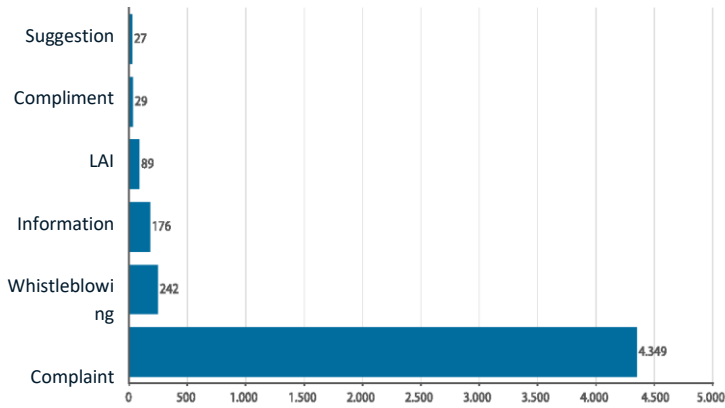


Chart 1 - Manifestations to the Ombudsman's Office in 2018
Source: Suoge, 2019

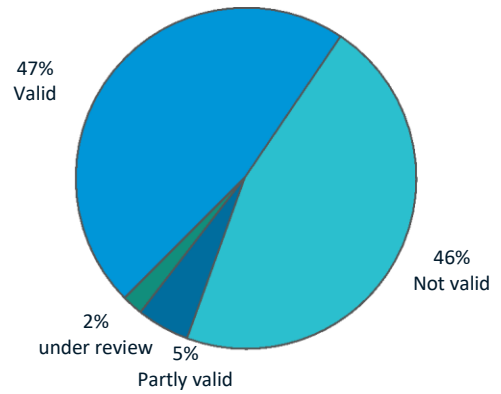


Chart 2 - Rating of manifestations when they are completed |
Source: Suoge, 2019

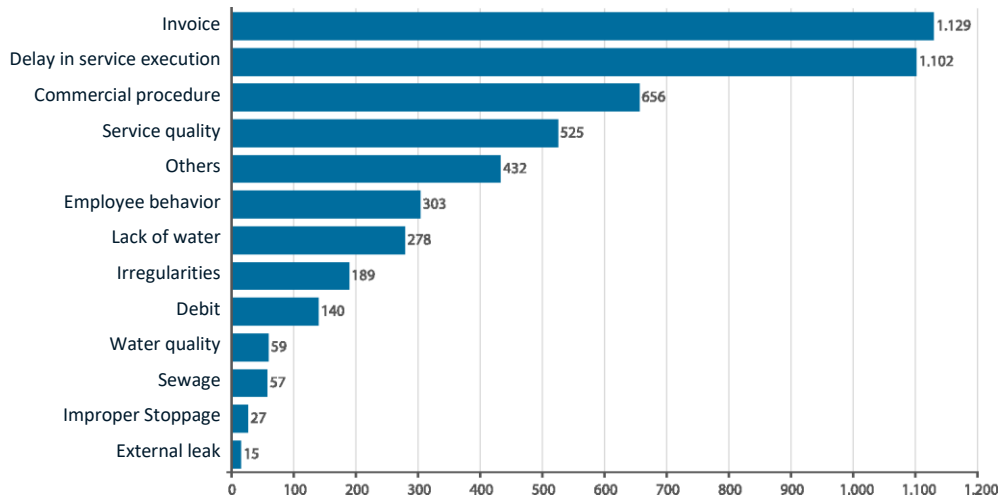


Chart 3 - Types of events 2018
Source: Suoge, 2019

The demands received come from an extremely diverse publics, ranging from customers, students who request data for student work, to journalists. Below is the chart regarding the origin per record unit.

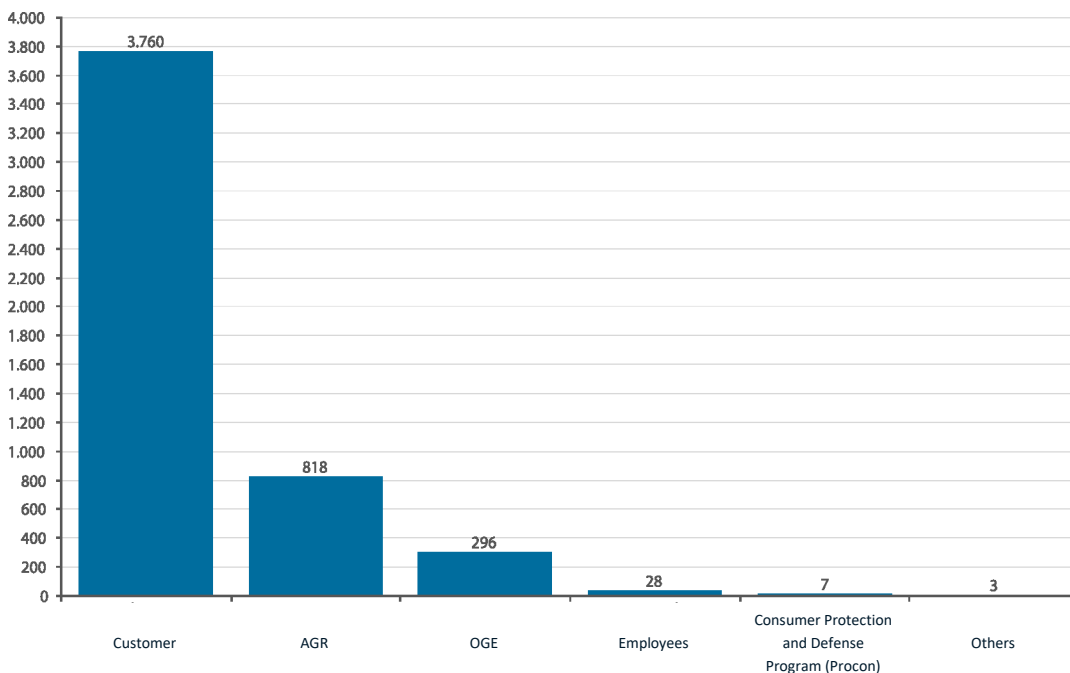


Chart 4 - Origin of manifestations in 2018 per registration unit
Source: Suoge, 2019

Throughout 2018, 89 manifestations of access to information were handled.

The following figure shows the monthly comparison of the evolution of handling of Access to Information requests for 2017 and 2018.

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
2017	13	11	9	26	30	23	13	12	8	11	17	11	184
2018	14	5	7	17	6	6	10	5	1	7	4	7	89

Table 5 - Number of monthly manifestations for LAI in 2017 and 2018
Source: Suoge, 2019

The number of manifestations taken within the deadline was 4,429, with the percentage being 90%, in 2018. In 2017, the percentage was 86.74%.

The average period in which the reporting person received the information required in 2018 was 12 days, which fulfills the expectations of keeping the service period within the required standards.

Analyzing the 4,912 events registered in 2018, we can identify that the channel with the highest record of events remains the Call Center 0800 645 0117 channel.

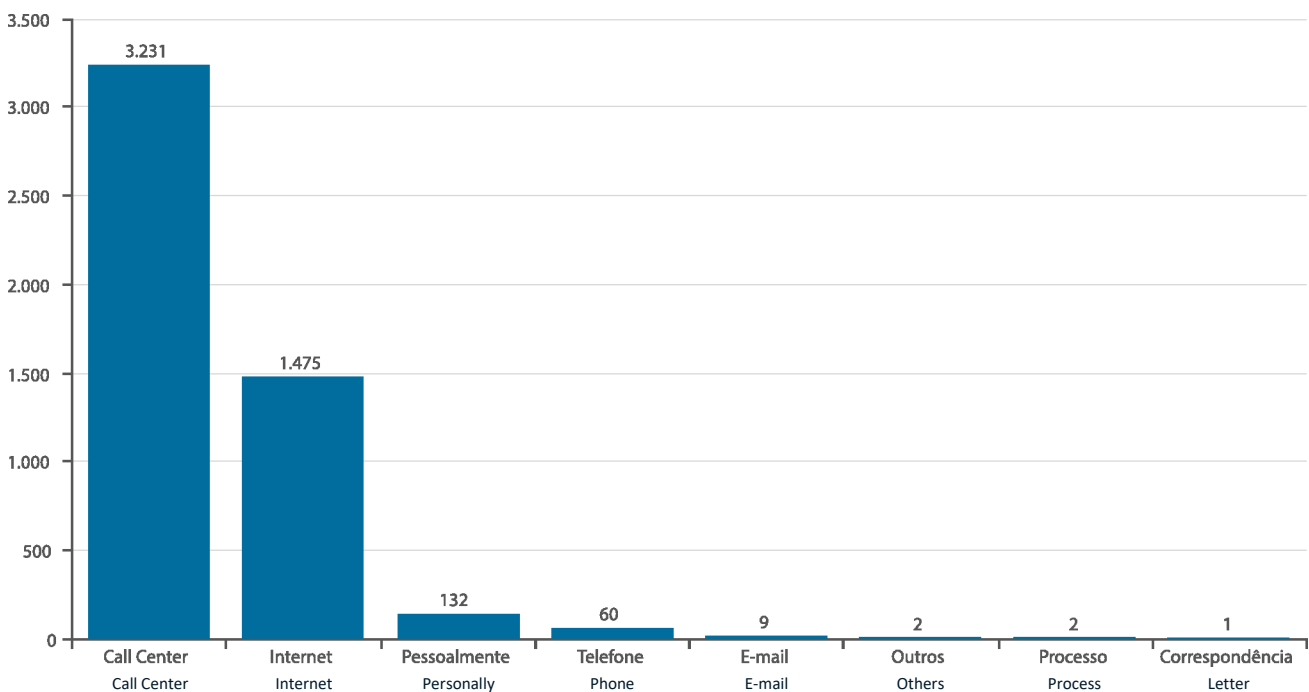


Chart 5 - Number of events per communication channel in 2018
Source: Suoge, 2019

TRANSPARENCY AND ACCOUNTABILITY

G4-58, G4-46

The changes that have occurred in the corporate world at all levels and the challenges faced with regard to sustainable development have heated up the debates on transparency and accountability.

The preparation of the Sustainability Report, which is where the company presents its position in relation to economic, social and environmental aspects, combined with other publicity actions on topics involving the company, generate credibility with stakeholders and favor the monitoring of its performance. , so that the strengths and weaknesses that involve management are addressed, ensuring professionalism and transparency in their actions.

Saneago, a mixed capital and publicly traded company, bases its actions on the transparency of its information, which is made available to the public through different mechanisms, whether through social networks, messages directed to customers through the media, information available in the Investors Relations area on the website, as well as in the Access to Information Law space, where there is complete transparency of the acts performed by the company.

Within the scope of the Access to Information Law, 89 requests for information related to Saneago were received and completed in 2018. 100% of the requests were answered, 85 of which answered within 20 days and 4 answered within the extension period. The main requests are technical, academic and civil service examination information.

RELATIONSHIP WITH STAKEHOLDERS

G4-24, G4-27

The needs and expectations of the target customers are established during the process of preparing Saneago's strategic plan. In 2017, the Strategic Planning was revised through brainstorming. The values, principles and strategic map were defined by senior management and identified for the 2018-2022 cycle and the following expectations were defined:

Granting Authority

Saneago promotes the renewal of concessions in accordance with Law 11.445/07 to seek agility and quality in the provision of sanitation services.

Suppliers

The suppliers of material and services are selected and qualified primarily by the Logistics Superintendence, through the Management and Control of Purchasing / Stock Management, with Quality Supervision to participate in Public Bidding Documents, based on Federal Laws 8.666/93, 10.520/02 and 13.303/16. The main representatives of the suppliers are the contractors. The main expectations are:

- Management and transparency in bidding processes;
- Compliance with contractual clauses;
- Punctuality in payments.

Supplier Management

G4-12

All Saneago biddings are carried out by the Bidding and Acquisitions Superintendence -SULAQ, through the Auction Committee, in the case of purchases of common material and services, and the Permanent Bidding Committee, in the case of engineering works and services.

Also, due to its legal nature, it requires compliance with Law 8.666/1990 (public bidding and public administration contract), Law 10520/2002 (public bidding), Complementary Law No. 123/2006 (micro and small business), and law 13303/2016 (legal status of the public company and mixed capital company).

Supplier assessment has been carried out by Saneago since 2003, following the steps described in PR07.0006. Currently, the unit responsible for the approval process is SULOG.

The approval process for brands that are qualified to supply begins upon request from the supplier using the model in IN07.0311, attaching the Technical Capacity Certificates and the Supplier Self-Assessment Questionnaire, available on the Saneago website. Technical inspections are carried out on the spot, and samples of the material may be requested for tests / trials in laboratories or in Saneago's own operations.

For equipment calibration services used in laboratories, suppliers with technical competence recognized by CGCRE / INMETRO will be considered approved and, in the case of Chemicals used in Water Treatment, the Health Service Compliance Report (LARS) of the ABNT NBR 15784 standard will be required .

Once approved, the supplier is entitled to supply the brands of materials and equipment and qualified services with Saneago. New inclusions can be ordered upon request.

IN06.4013, created in 2017, establishes the performance evaluation system for material suppliers that have a formal contract with Saneago, taking as a parameter the criteria for good distribution, transportation practices and meeting the technical specifications of the inputs described in bidding documents and supply orders.

The evaluation takes place at each delivery of material, where the persons responsible for receiving it use the form FR06.4015 (Supply Evaluation) indicating with a “compliant”, “non-compliant” or “not applicable” status for each of the 10 items to be evaluated, and describing the possible non-compliances of each one.

This form will accompany the invoice sent to G-GGE, which passes it on to G-SQL to feed the Supplier Performance Assessment system (OSL209), based on the sum of the items marked “compliant” + “not applicable”, the supplier receives a score from 0 to 10. When there is a total return, grade 0 will be assigned.

Customers and Market

The market in which Saneago operates is structured around current (active and inactive), feasible and potential customers. The measurements served with water supply and / or sewerage services are rated in the following categories:

Residential, Commercial, Industrial and Public. The Main Representatives are the users of the water supply and sewerage service, whose expectations are:

- Quality and continuity in distributed water and collected sewage
- Agility in the commercial services provided

Following is the market segmentation:



Residential

- **Normal** - rating that defines the use for domestic and hygienic purposes in residential measurements.
- **Social** - rating that defines the use of water for domestic and hygienic purposes in low-income residential measurements. Conditions: to benefit from a low-income program; live in a residential property that has characteristics that define it as popular / rustic or with an area of up to 60 m²; have a family income of up to 2 minimum wages; not having an alternative source of supply in the property; and present consumption of up to 20 m³ per connection / month.



Commercial

- 1 - rating that defines the use of water for commercial purposes or for the provision of services, or other activity not provided for in the other categories.
- 2 - rating that defines the use of water for commercial purposes of goods or services to customers with low consumption (average of up to 10 m³ / measurement / month). Conditions: present average consumption in the last 6 months of up to 10 m³ per measurement; not have an alternative source of supply and have monthly consumption of up to 10 m³ / measurement.



Industrial

Rating that defines the use of water for industrial purposes, in establishments producing goods and services, defined by Brazilian Institute of Geography and Statistics (IBGE), such as: dairy products, refrigerators, precast factories, joinery, clothing, ice cream parlors, car wash and gas stations with car wash booths.



Public

Rating that defines the use of water in buildings of municipal, state or federal public agencies, regardless of the activity developed in the economy. Philanthropic organizations are also rated in this category, such as: public hospitals, nursing homes, orphanages, hostels and other charities, religious institutions,

Society

Saneago in the industry in which it operates is regulated by several bodies such as: Semad, Court of Auditors, Public Prosecutor's Office, Ministry of Health, Health Surveillance, Goiânia Regulation Agency - AGR, Consumer Protection and Defense Programs (Procons) and Granting Authority.

Saneago relates to the population, municipal, state and federal public agencies, environmental and water resources management bodies, drainage basin committees (CBH's), state water resources council and municipal environment councils, non-governmental organization (NGOs), residents associations, press, school communities, commerce and industry.

The main expectations are:

- Regularity and quality in water supply

- Compliance with legal requirements
- Expansion of Basic Sanitation to all locations in the State
- Expand service with sanitary sewage
- Excellence in the services provided

- Concern with Environmental Education

Saneago is always attentive to the best ways to keep in touch with its customers and sees communication as essential to maintain a good relationship with all its publics. This communication can be made through the institutional website, social networks, Customer Relationship Center - 0800, Vapt Vupts, Saneago app and, in the marketing part, the production and distribution of folders, pamphlets, booklets, manuals and other graphic material that clarify customers about our products and services, about the company's institutional positioning and about the correct ways to use the network, always paying attention to sustainability and preserving the environment.

In addition to the production of these forms, Saneago, sporadically, works with institutional campaigns through radio spots and television commercials, which can address general company issues or specific cases to a specific municipality.

This communication is also carried out through the invoice received at home by the customer, as described in Law 5.440/2005, informing about the water quality data, specific alerts directed to certain regions, as well as showing all the relationship channels with Saneago .

Our communication guidelines are governed by the company's strategic planning and always guided by the idea that strong communication is one that leaves no doubt to customers and is always as transparent as possible.

Marketing actions:

- Communication material to the general public;
- Specific communication material;
- Saneago Environmental Movie Award;
- Fairs and exhibitions;
- School lectures and student visits to treatment plants;
- Distribution of oil collectors.

The following interaction channels are used to identify customer complaints and suggestions:

- Telephone service (Relationship Center);
- Receptive call center service;
- Active call center services;
- Multimedia customer services (SMS, Webchat, social networks);
- Back Office service;
- Customer service monitoring.

4. FINANCIAL-ECONOMIC PERFORMANCE

G4-EC1

Between 2013 and 2018, Net Operating Revenue grew 11.28%, from BRL 1,213 billion to BRL 2,069 billion.

Considering the average annual inflation measured by the IPCA / IBGE of 7.20% in the same period, the actual growth in the company's revenue was of the order of 3.81% per year.

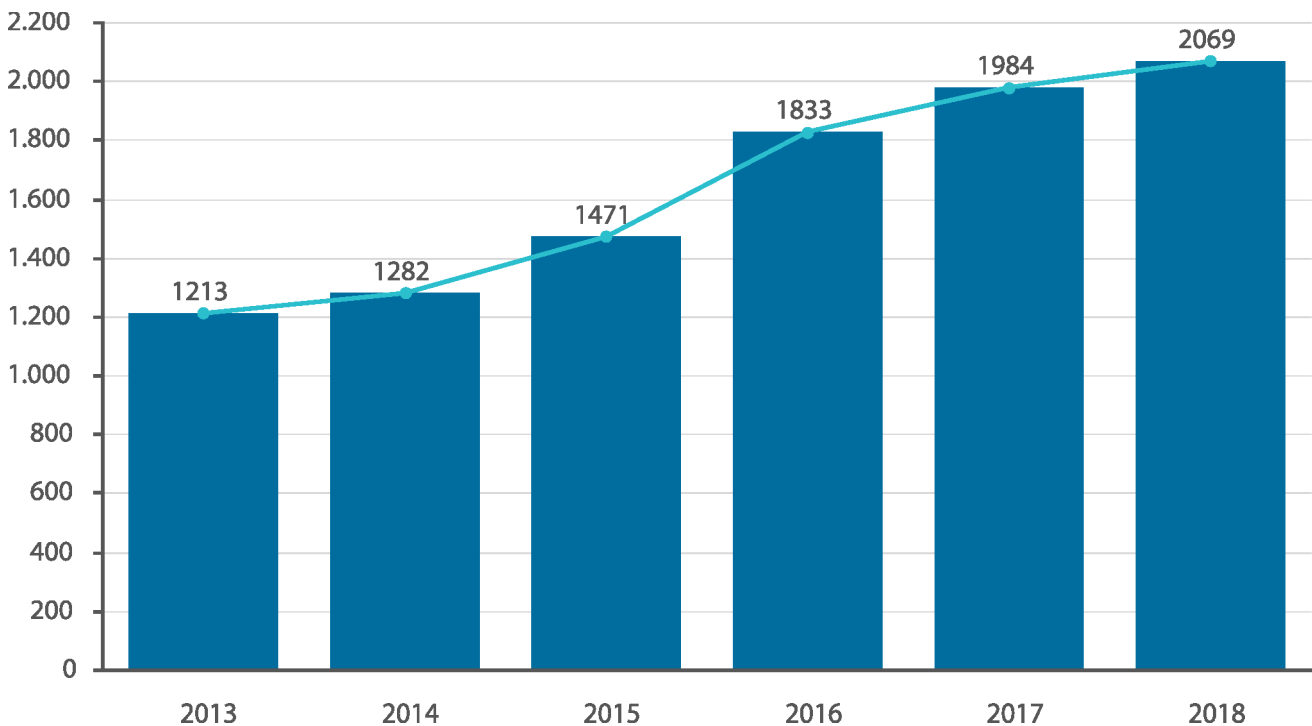


Chart 6 - Actual Revenue Growth
Source: Difir, 2019

The positive variation in net operating revenue is explained, above all, by the tariff readjustment, which between the years 2013 to 2018, showed a real positive variation and above inflation of 4.66% per year on average, and also by the growth in the number of billed water and sewage measurements, which grew 4.78% per year in the same period, which offset the drop in average water and sewage consumption per measurement, which retracted in the period at an annual rate of 3.66%.

Despite the drop of 58.74% in net profit observed in 2018, Saneago obtained the third consecutive year of positive results, so that it reversed the accumulated loss that represented BRL 342,602 million, accumulating the profit of BRL 172,505 million in 2018.

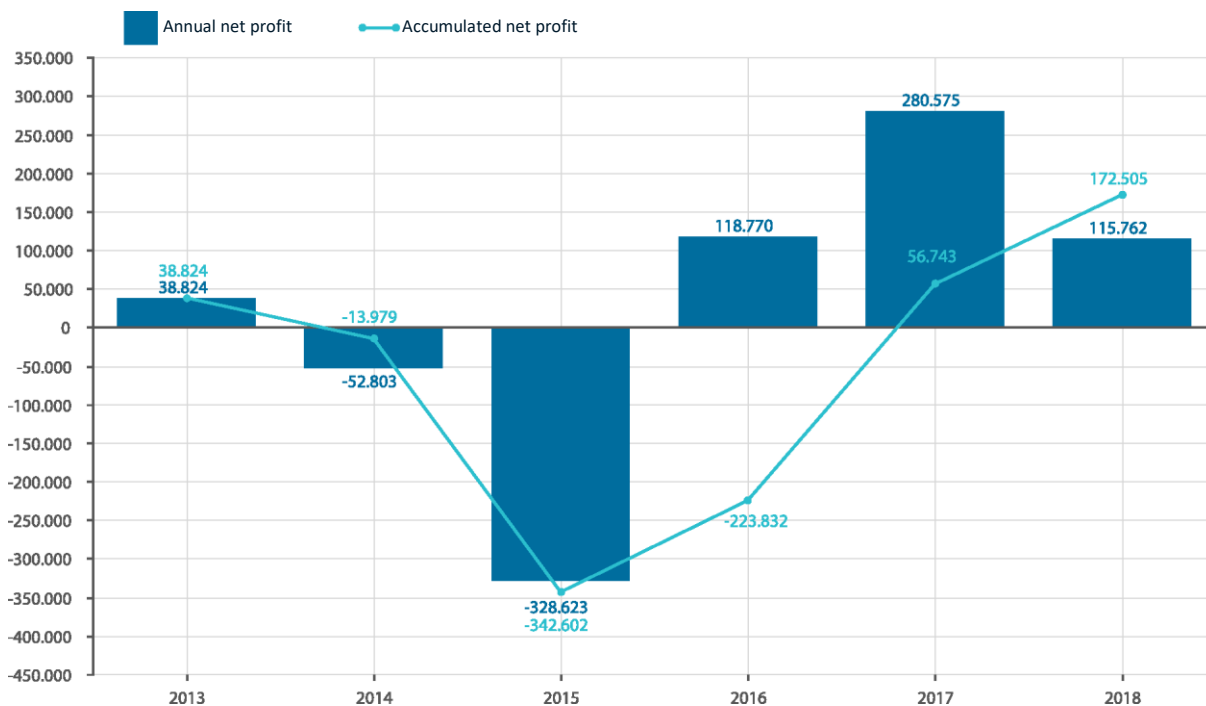


Chart 7 - Evolution of Net Profit (BRL million)

Source: Difir, 2019

With regard to Ebtida, after reductions observed in 2014 and 2015, there was a recovery of the margin, which had declined to the lowest level in 2015, when it represented only 13.78% of margin on net revenue, however in 2018 due to the 1.69% drop in operating costs and expenses, the ebitda margin jumped to 23.95% and totaled BRL 495,436 million reais, which represented an increase of 35.4% in relation to 2017.

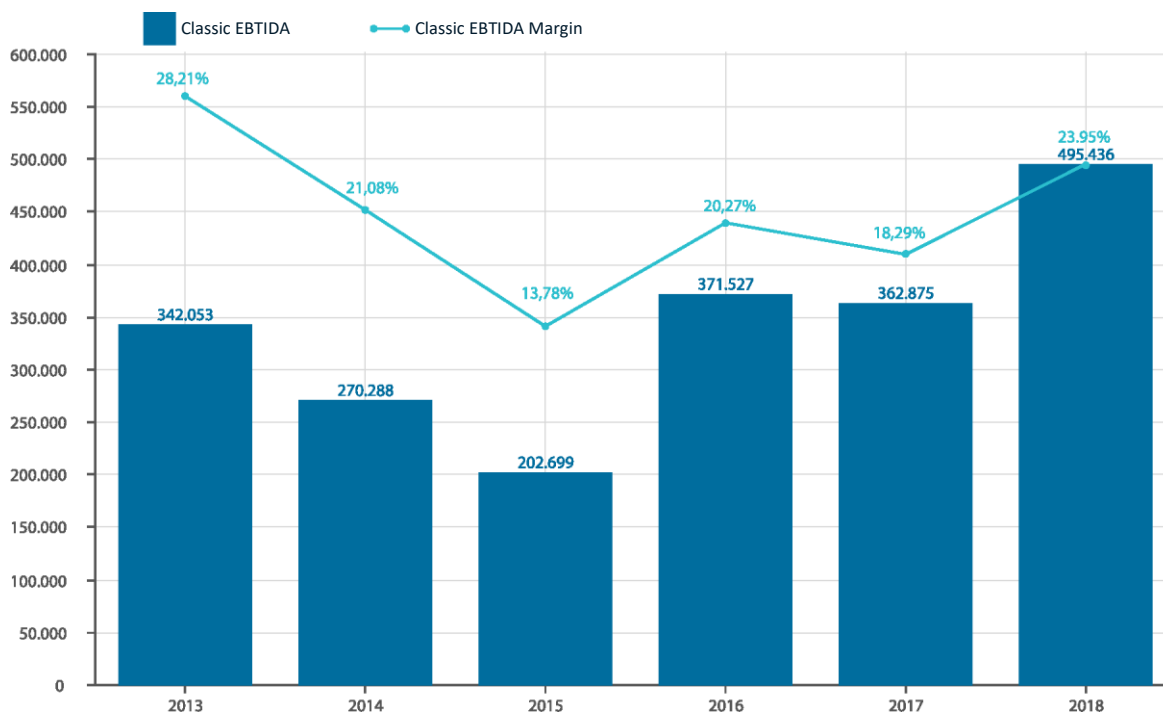


Chart 8 - Evolution of Classic EBITDA and Classic EBITDA Margin

Source: Difir, 2019

The leverage of 2018 was at the lowest level in the last five years, which means that the onerous net debt is backed by the company's cash generation and in line with good market practices, surpassing the high indebtedness presented in 2015.

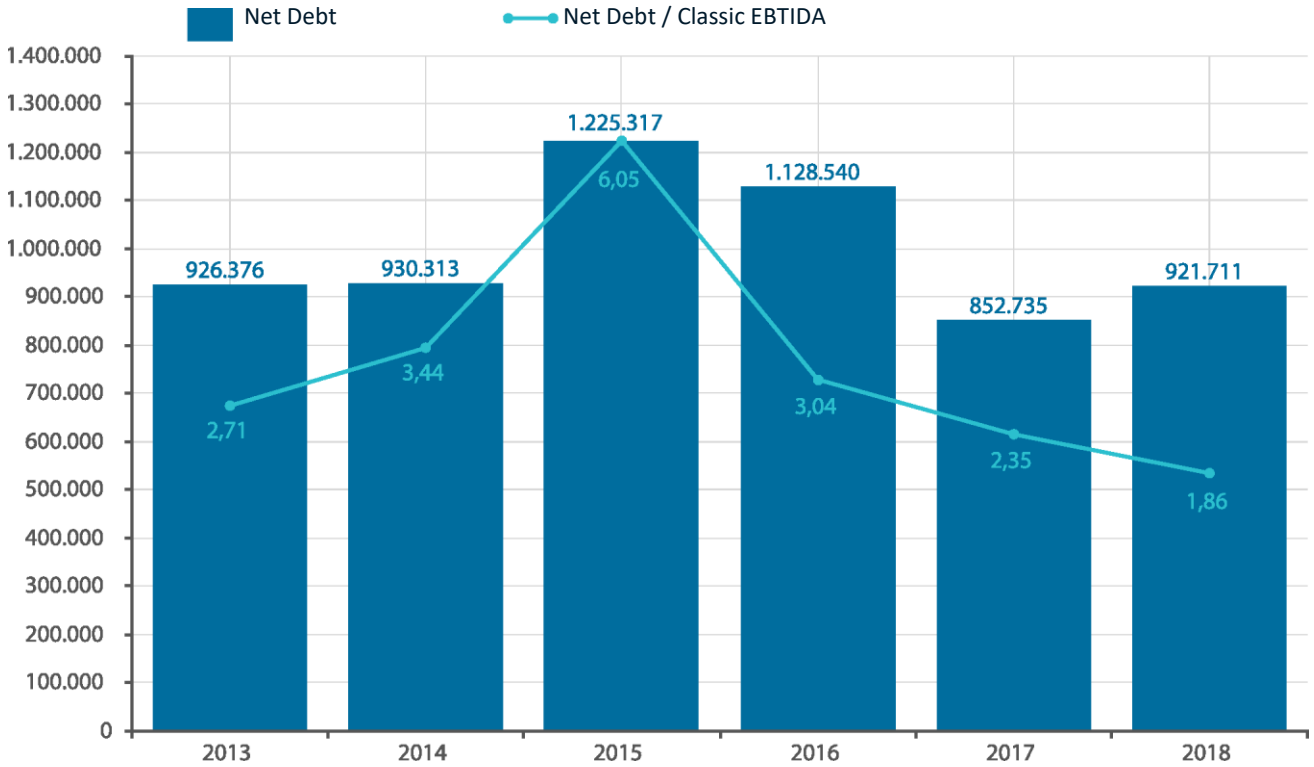


Chart 8 - Evolution of Classic EBITDA and Classic EBTIDA Margin
Source: Difir, 2019

5. STRATEGIC MANAGEMENT AND SUSTAINABILITY

G4-2, G4-56

Saneago's strategies are prepared based on the Strategic Planning, whose principles, values and strategic map were defined by the company's senior management, in order to meet parameters such as peculiarities of the municipalities, universalization of water and sewerage services, economic and financial sustainability, transparency, security and regularity of services.

The company has been using Strategic Planning - PES as a management tool since 2007, in line with the industry's regulatory framework through Law No. 11.445/2007. Since then, the planning process has undergone a profound evolution, being prepared based on the Balanced Scorecard - BSC, with its outlooks distributed among the four evaluation dimensions: economic-financial; customer, market and granting authority; internal processes, learning and growth, always following criteria that consider the economic, social and environmental aspects.

The 2018-2022 Strategic Planning is guided by the Integrated Critical Analysis, in compliance with the PDCA (Planning, Action, Check and Reaction) cycle with objectives, projects, goals and actions that promote economic-financial sustainability, ensuring the growth of the company and leading the way to transform environmental sanitation in Goiás, with the challenge of universalizing the service of treated water and turning the State into a reference in sewerage services in Brazil.

The PES 2018-2022 cycle was disseminated and disclosed at Saneago through a booklet made available on the intranet to all employees and through interactive boards distributed and posted on the walls of the units.

Saneago's strategic goals are represented in the Strategic Map, based on the Company's mission, vision and values described:



Figure 6 - Saneago Strategic Map 2018
Source: Supla, 2019

Strategic Guidelines

G4-2

- **Economic-Financial Sustainability:** Ensure the company's growth with economic and financial sustainability, in a scenario where growth must occur with an increase in the customer base and the base of municipalities, the expansion of the offer of new businesses, products and services, the exploitation of new models of business and increase of competitiveness.

- **Social and Environmental Sustainability:** Establish a commitment to the environment and society, acting through ethical, transparent and exemplary behavior, with a view to improving the quality of life of the population, acting in accordance with environmental legislation, preserving the

environment and the rational use of natural resources, developing actions to promote Social and Environmental Responsibility and promoting the use of environmentally friendly technologies.

- **Excellence with quality and innovation:** Promote excellence in the provision of water supply and sewage treatment services in the municipalities served by Saneago, seeking reliability in the provision of services and universalization with quality, with a focus on innovation to increase productivity and competitiveness, processes integration and sharing of resources and structures.

- **Proactivity in Relationships** Develop ethical and harmonious relationships with customers, municipalities, control and regulation agents, shareholders, financiers, representative and class entities, supply chain partners, civil society entities and other agents, aiming at obtaining customer satisfaction and maintaining partnership with the municipalities, adjusting procedures to better meet legal obligations and expand corporate governance.

- **Human capital with competitive advantage:** Invest in training as a way of seeking excellence in the provision of services, generating knowledge for the development of new technologies and new ways of doing things, which make it possible to achieve sustainability in its various aspects.

Main strategic indicators and goals for 2018:

Strategic Goal - 1 - Ensure Saneago's Sustainability						
	Strategic actions	Indicators	Manager	Sense	2018	
					forecast	realized
Economic and Financial	Maximize revenue	1- Charging Efficiency (%) - It is the ratio between the collection of the current month and the turnover of the previous month.	DICOR	↗	97.00%	93.91%
		2- Net Sales Increment (%) - Net Sales Increment in the year in relation to the previous year.		↗	5.61%	4.44%
		3- Collection Increment (%) - Collection Increment in the year in relation to the previous year.		↗	8.54%	k33%
		Revenue Evasion Index (%) - Difference between total operating revenue and total collection in relation to total operating revenue itself.		↘	3.00%	6.09%
	Optimize costs	1- Operating Result (%) - Ratio between the difference between Operating Expenses and Operating Revenue in relation to Operating Revenue itself.	DICOR	↗	26.27%	25.70%
		2- Exploitation Expenses (%) - Ratio between Operating Expenses and Operating Revenue.		↘	73.73%	73.67%
		3 - Financial Performance Index (%) - Ratio between the Operating Revenue for water and sewage and the Total Expenditure on Services.		↗	114.00%	103.00%
	Reduce operating losses	1- Efficient use of energy (kWh/m ³) - Energy consumption of operational facilities per m ³ consumed.	DIPRO	↘	1.22%	1.25%
		2- Loss rate (%) - Percentage of water losses in the distribution.		↘	28.50%	29.52%
	Ensure grinding in the water and sewage systems.	1 - treated water service index (%) - Ratio between the population served with water and the total urban population.	DIPRO	↗	97.49%	96.98%
		2 - sewerage service index (%) - Ratio between the population served by sewage collection and the total urban population.		↗	57.95%	59.80%
		3- Increase in Water Measurements (Un) - Increase in active Water measurements in the year in relation to the previous year.	DICOR	↗	29,070	55,601
		4- Increase in Sewage Measurements (Un) - Increase in active Sewage Measurements in the year in relation to the previous year.		↗	53,524	71,552

Figure 7 - Strategic Goal 1
Source: Saneago

Strategic Goal - 2 - Meeting the Market's Needs and Expectations						
Customers, Market and Granting Authority	Strategic actions	Indicators	Manager	Sense	2018	
					forecast	realized
	Improve customer service performance	1- Customer Satisfaction with Service (%) - It is the ratio between the number of customers satisfied with the service and the number of customers served.	DIVIP	↗	88.00%	94.64%
Renew the concessions in accordance with Law 11.445/07.	1- Efficiency of Contract Scope (%) - Ratio between the number of municipalities with contracts and the total number of municipalities operated by Saneago*.	DI PRE	↗	76.1195	59.03%	
	2- Contract Compliance Index (%) - The percentage of contracts that comply with the performance required by the indicators referring to the program contracts.			100.00%	55.36%	
Maintain excellence in the quality of products and services	1- Water Quality Index (%) - Ratio between the total number of treated water analyses performed and those that met the parametric values.	DIPRO	↗	93.00	92.95	
	2- Sewage Treatment Index (%) - Percentage of the volume of sewage collected and actually treated.			90.00%	92.95%	
	3- Sewage Chamber Renewal Index (%) - Average annual percentage of sewage chamber reactivation.			0.50%	0.46%	

Figure 8 - Strategic Goal 2
Source: Saneago

Strategic Goal - 3 - Guarantee the Funds Needed to Provide the Services						
Internal Processes	Strategic actions	Indicators	Manager	Sense	2018	
					forecast	realized
	Meet the legal requirements related to the Environment	1- IOUT - Grant indicator - (%) - Ratio between the number of existing grants and the number of legal grants	DI PRE	↗	78.23%	76.00%
2- ILASAA (%) - Ratio between the number of existing licenses for Water Supply Systems and the number of legal licenses		15.00%			2.61%	
3- ILASES (%) - Ratio between the number of existing licenses for the Sewerage Systems and the number of legal licenses		78.00%			55.40%	
1- Use of licensed water volume (%) - Percentage of water volume from licensed collections in relation to the total volume collected		20.00%			12.45%	
5- Use of the volume of water granted (%) - Percentage of the volume of water granted in relation to the volume collected.		78.23%			85.20%	
Promote the recovery of the Environment	1- Reforestation of catchments and springs (Un) - The number of Catchments and Springs that will be reforested in the year.	DIPRO	↗	45	140	

Figure 9 - Strategic Goal 3
Source: Saneago

Strategic Goal - 4 - Promote Innovation and Continuous Development						
Learning and Growth	Strategic actions	Indicators	Manager	Sense	2018	
					forecast	realized
	Promote Environmental Education Actions	1- Population served by environmental education activities (inhabitants) - Population served by the company (in number of inhabitants) with Environmental Education actions	CIFRE	↗	1,308	95,390
Promote investment in training and personal development	1- Workforce Training Index (hours of company trainings) - Ratio between training hours developed in the company per number of employees	DICGR	↗	25.00	27.41	
	2- Personnel Training Index (%) - Ratio between the number of employees trained and the number of total employees.		↗	100.00%	93.08%	

Figure 10 - Strategic Goal 4
Source: Saneago

6. PEOPLE MANAGEMENT SYSTEM

G4-10

Human Resource Management at Saneago works strategically with the planning and development of people to achieve individual and organizational objectives and goals, understanding human capital as a competitive advantage.

Positions, Career and Remuneration Plan - PCCR

PCCR works as a people management tool, regulating the people management criteria in line with the organizational strategy, presenting rules of salary movement and career possibilities for employees. The goals of the PCCR are: to create rules for wage movement and career possibilities for employees; highlight development opportunities through a structured career; create mechanisms to attract, maintain, develop and engage company professionals; identify the positions and duties required for Saneago processes.

Performance evaluation

G4-LA10

According to Kaplan and Norton (1997), performance evaluation is indispensable for companies, as it is used to quantify the efficiency and effectiveness of the activities carried out by means of indicators, being used even for the implementation of strategies.

For Neely (1998), the measurement process, by itself, does not improve performance, however, when presenting the priorities, it brings some benefits such as the granting of rewards for the measured results and makes explicit the progress obtained.

The Performance Evaluation model implemented by Saneago includes two dimensions. The competency dimension, which attributes value to the behavioral indicators presented by the employee, required for the good exercise of positions and duties in the company and which impact on its performance. The results dimension, which directly or indirectly measures management indicators for the different organizational units of the company, according to Saneago's strategic goals and actions.

All employees with at least three months of contract with Saneago are evaluated. The Performance evaluation is annual and the evaluation period will be disclosed at least 7 days before its beginning.

Competency assessments are of the 90° type, in which employees (including managers) are assessed by their immediate superior (Supervisors, Coordinators, Managers, Superintendents and Directors of Saneago).

This process started at Saneago in 2016, with the Performance Management project that included, among other steps:

- Competencies mapping;
- Performance assessment by competencies and results;
- Merit salary progressions.

With regard to the assessment carried out in 2018, the mapping of competencies and the definition of the indicators from the results outlook was completed in the first half of 2018.

The performance assessment by competencies and result (90º) was carried out in September 2018, according to the procedure PR06.4006 available.

Security and health

G4-LA5, G4-LA6

Saneago's priority is to promote health and prevent work-related illnesses, with a view to reducing risks in the workplace.

The Occupational Safety and Medicine Management (G-GST) is the organizational unit responsible for the safety of workers and is hierarchically linked to the Human Resources Superintendency and also to the Corporate Management Board of Directors.

G-GST is responsible for complying, guiding and supervising compliance with the current legislation on Occupational Safety and Medicine, composed of the Federal Constitution (Art 7, Section XXII), Federal, State, Municipal Laws, Regulations and Regulatory Standards (NRs) approved by the MTE, Decrees, International Conventions of the International Labor Organization (ILO), ratified in Brazil and official Technical Standards established by the Competent bodies.

In order to assess the performance of safety management, Saneago monitors some indicators such as indicators of injuries, occupational diseases and deaths, among others. In 2018, these indicators achieved the following results:

Injury rate	6.45%
Occupational Disease Rate	0
Deaths	4

Table 6 - Safety indicators
Source: Saneago

Saneago, in compliance with Regulatory Standard (NR) No. 5 approved by Ordinance No. 8/99 of the Ministry of Labor, with regard to the Internal Commission for Accident Prevention (CIPA), has already constituted 44CIPAs, whose main objective is the prevention accidents and illnesses resulting from work and the guarantee of the physical, mental and social integrity of the worker.

Still in compliance with the aforementioned legislation, Saneago holds the Internal Accident Prevention Week (SIPAT), which aims at informing and guiding workers on issues related to health, risks in the work environment and their prevention.

SIPAT is carried out in 42 Units where there is CIPA, being carried out by Workplace Safety Technicians, in conjunction with the local CIPAs.

The company has also given lectures on Occupational Safety and Health, according to the needs of each area, and has distributed Service Orders to each employee, with explanations and clarifications of doubts and questions. Saneago also promotes the great SIPAT in the capital with the attendance of more than 500 employees per day.

Accidents at work G4-LA6, G4-OG13

To assist the employee who is the victim of an accident at work, Saneago has a Specialized Service in Safety Engineering and Occupational Medicine - SESMT, which offers all the necessary support, both for the injured and their families, including an ambulance for the transportation of employees in the capital and inland and, when necessary, referral to specialized doctors and / or renowned hospitals, with the support of the Social Assistant, who monitors all the needs of the victim and the family until their recovery.

In the event of accidents, Saneago, even without the need to provide a leave to the employee and considering that most of them are minor, makes the necessary reports to the competent bodies.

Every accident is discussed at CIPA meetings. In the event of a serious or fatal accident, an extraordinary CIPA meeting is held to analyze the accident and adopt corrective measures. In this case, the investigation is carried out by an Occupational Safety Engineer.

As a way to avoid the existence of accidents at work, Saneago takes a series of preventive measures such as the “Café com Segurança”, which is held in various units of the company, which consists of mini lectures given by professionals from SESMT and the local CIPA , where topics related to the activities performed by employees and the risks existing in the local work environment are addressed. During breakfast, employees raise their doubts to be clarified.

With regard to contracts with contractors and covenants with city halls, the company has demanded, upon signing them, compliance with all current legislation on Occupational Safety and Medicine, in addition to the requirement to hire a third party work safety technician., regardless of the number of employees.

The company holds meetings with those responsible for the companies hired, mainly contractors, to update the labor legislation on Occupational Health and Safety and on Civil and Criminal Accident Liability.

Safety training

G4-LA9

The Strategic Planning of Saneago - PES provides for the development and training of personnel and through investment in human capital. The first training that the employee receives when hired by Saneago is Induction training, which has a module on Health and Safety at Work, in addition to addressing several other important issues for his / her experience at the company.

The company intensified mandatory and non-mandatory training in 2018. 244 training courses on Occupational Health and Safety were carried out, including CIPA and SIPAT courses, with the participation of 4,442 employees. Special attention is given to Safety Training in Confined Space, Safety at Work at Height, Safety at Machinery and Equipment and Safety at Electrical Installations and Services, as shown in the table below.

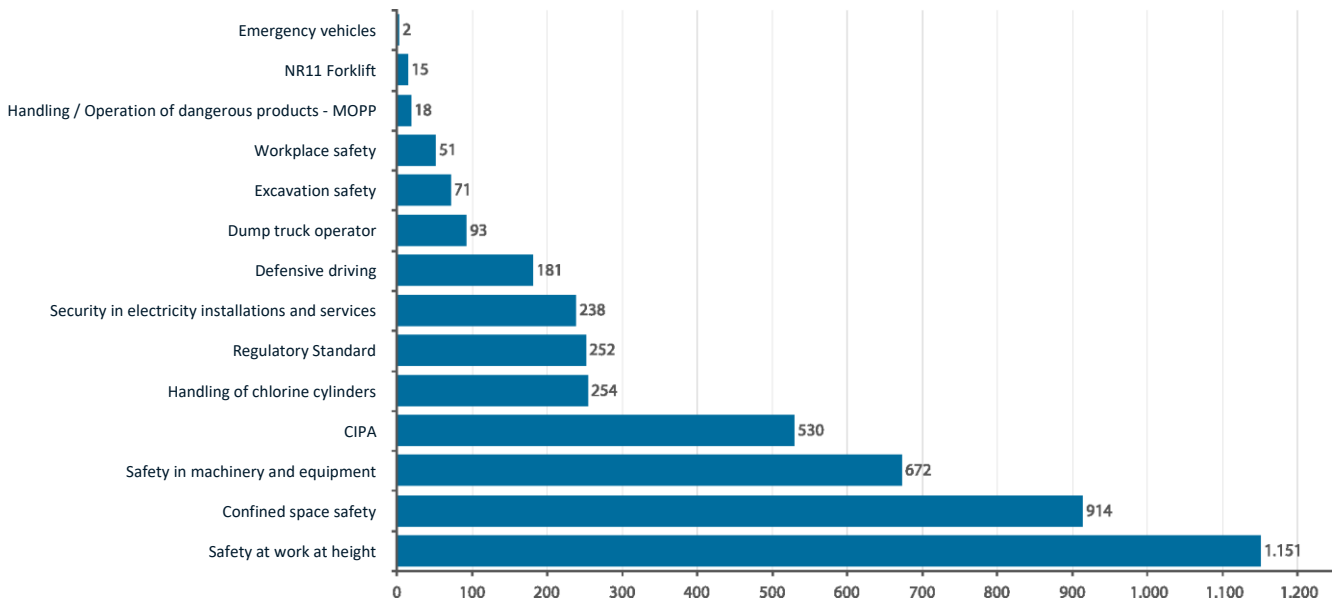


Chart 9 - Mandatory training
Source: Saneago

“Safety Dialogues” are also held between employees entering the company and SESMT professionals, before the start of activities, for a brief period of time, to guide workers on the prevention of occupational accidents and diseases.

The themes are chosen according to the risks that exist in the work environment and the needs of each industry. The lectures are objective and employees have the opportunity to clarify doubts and questions

Personal Protective Equipment - PPE

Demonstrating Saneago's concern with the physical integrity of its employees, in March 2018, the Occupational Safety and Medicine Management - G-GST updated the Normative Instruction - IN 06.598, which provides for Personal Protective Equipment (PPE), Collective Protective Equipment (EPC) and Uniforms, which aims at standardizing the process for requesting and distributing individual and collective protective equipment and uniforms. This Normative Instruction applies to all units of the company that use these equipment, presenting in detail the appropriate equipment and uniforms for each position and the minimum annual quantity required per employee.

Collective Agreement and Social Progress

G4-11; G4-LA8

According to data from STIUEG itself, in 2018 an addendum was made to the agreement that dealt with salary adjustment, established at 3.99%, according to INPC/IBGE accumulated from May 2016 to April 2017. The amount of the Food / Meal Allowance benefit was readjusted by 6.616% in relation to the amount practiced in 2016/2017. The Christmas Bonus was granted, proportional to the employee's attendance at work and admission date, in December 2017. Saneago extended the Education Aid / Daycare benefit to permanent employees who have children aged 06 (six) months or less than 12 (twelve) years.

The Company maintained in the agreement the provision of morning snacks for manual workers, starting to credit the meal voucher (VR).

Diversity and Equal Opportunities

As a way to avoid job discrimination within the company, both in terms of age, sexual orientation, gender, race and others, Saneago is moving towards diversity management, seeking to promote equal opportunities. The economic factors combined with the social and cultural ones, elevated the women to the condition of leader from the end of the 20th century, which also proved to be true at Saneago, even though they are still presented with inequality, but women started to occupy the main management positions.

Gender	Coordination	Management	Superintendence	Supervision	Board of Directors
Male	52	391	21	80	6
Female	26	37	4	47	1

Age	Coordination	Management	Superintendence	Supervision	Board of Directors
Up to 29	9	15	0	5	1
30-50	51	238	17	98	2
Over 51	18	75	8	24	4

Table 7 - Diversity and Equal Opportunities
Source: Saneago

Dismissals and Admissions

In 2018, Saneago hired 622 employees and dismissed 143, with the following distribution:

Admissions by gender - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Male	6	13	23	7	77	32	15	87	69	60	20	29
Female	0	14	12	0	59	13	6	28	13	27	7	5
Total	6	27	35	7	136	45	21	115	82	87	27	34

Table 8 - Admissions by gender -2018
Source: Saneago

Dismissals by gender - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Male	6	1	2	8	5	8	4	9	4	16	18	16
Female	2	1	1	3	4	2	0	3	2	11	9	8
Total	8	2	3	11	9	10	4	12	6	27	27	27

Table 9 - Dismissals by gender -2018

Source: Saneago

Turnover by gender - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Male	0.13	0.16	0.28	0.17	0.90	0.43	0.21	1.02	0.77	0.79	0.39	0.46
Female	0.12	0.92	0.79	0.19	3.57	0.84	0.33	1.68	0.80	1.97	0.82	0.66
Total	0.25	1.08	1.07	0.36	4.47	1.27	0.54	2.70	1.57	2.76	1.21	1.12

Table 9 - Turnover by gender -2018

Source: Saneago

The tables below show the number of permanent employees month to month, as well as the distribution of admissions, dismissals and turnover by age group:

Total employees by age - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Up to 29	267	274	278	267	308	313	317	377	422	468	482	498
30-50	3,125	3,132	3,126	3,125	3,254	3,159	3,300	3,331	3,361	3,393	3,409	3,301
>51	1,896	1,892	1,893	1,896	1,899	2,030	1,905	1,911	1,916	1,922	1,923	2,057
Total	5,288	5,298	5,297	5,288	5,461	5,502	5,522	5,619	5,699	5,783	5,814	5,856

Table 10 - Total employees by age -2018

Source: Saneago

Admissions by age - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Up to 29	1	7	6	0	32	5	4	63	46	48	14	14
30-50	2	17	25	3	98	37	12	38	30	32	12	17
>51	2	1	2	4	4	2	5	8	4	6	1	2
Total	5	25	33	7	134	44	21	109	80	86	27	33

Table 11 - Admissions by age -2018

Source: Saneago

Dismissals by age - 2018

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Up to 29	2	0	0	0	2	3	0	0	1	1	2	3
30-50	2	2	1	5	5	6	2	6	2	19	21	10
>51	4	0	2	6	2	1	2	6	3	7	4	11
Total	8	2	3	11	9	10	4	12	6	27	27	24

Table 12 - Dismissals by age -2018

Source: Saneago

Turnover by age - 2018 (%)

Gender	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Up to 29	0.56	1.28	1.08	0.00	5.52	1.28	0.63	8.36	5.57	5.24	1.66	1.71
30-50	0.06	0.30	0.42	0.13	1.58	0.68	0.21	0.66	0.48	0.75	0.48	0.41
>51	0.16	0.03	0.11	0.26	0.16	0.07	0.18	0.37	0.18	0.34	0.13	0.32

Table 13 - Turnover by gender -2018

Source: Saneago

7. SOCIO-ENVIRONMENTAL MANAGEMENT

G4-15, G4-EC7, G4-EC8

The environmental actions implemented by Saneago aim at mitigating the consequences generated by human action in nature and to guarantee water security and quality of life for the population. In addition, it acts as a tool for interaction between senior management and the other units of the company, with regard to quality production, in a sustainable and responsible manner, assuming effective attitudes to raise awareness among employees and society in general regarding the rational use of resources available. Saneago performs some actions such as:

Social Projects (Environmental Actions)

The Social Projects Coordination carries out planned work, composed of interrelated and coordinated activities, with the aim of reaching communities and making people come together around common goals. The actions seek new ideas, solutions and partnerships, in the face of socio-environmental issues, thus allowing the integration of individuals.



Figure 11 - Home visits
Source: Saneago



Figure 12 - Delivery of information material
Source: Saneago

The unit works on the construction of social values, knowledge, skills, attitudes and competences, focused on the conservation of the environment, through environmental education. In addition, it seeks to encourage the population to change habits, contributing to the protection and recovery of the local environment through sustainable practices, related to the proper use of water, the sewage collection system, the destination of rainwater and the correct disposal of waste.

In 2018, the Company carried out various social actions, such as: partnership meetings, lectures at educational institutions, home visits, social work, meetings with leaders and beneficiaries, plays and theater performances, among others. These initiatives involved about 90,000 inhabitants of the intervention areas for works to expand water supply and sewerage systems. The social work team was in several institutions and houses in Anápolis, Formosa, Goiânia, Gama, Luziânia, Planaltina, Recanto das Emas and Santo Antônio do Descoberto.



Figure 13 - Social work
Source: Saneago



Figure 14 - Informative talk
Source: Saneago

The results achieved from these actions can be translated by the increase in the level of information, knowledge and respect to environmental issues by those benefiting from sanitation systems. The services enabled the formation of channels for participation and socialization of information, allowing the community to monitor and interact during the performance of the physical and social enterprise.

It is also possible to say that social work has made it possible to reduce waterborne diseases and the contamination of groundwater, in addition to increasing the quality of life.

Programa Produtor de Água (Water Producer Program)

The Programa Produtor de Água (Water Producer Program) consists of the selection of environmental projects for water and soil conservation, adaptation of internal roads and / or carriers, implementation of good agricultural and sanitary practices, conservation of Existing Native Vegetation Remnants and restoration, conservation and maintenance of Permanent Preservation Areas and / or Legal Reserve presented by rural producers.

This program aims at avoiding the degradation of drainage basins through the transport and deposition of sediments upstream of Ribeirão João Leite, which reduces the useful life of the reservoir, compromising and considerably increasing the costs of producing treated water in the Mauro Borges System.

Such actions brought to Goiás by the National Water Agency - ANA at the request of the Public Ministry of Goiás, seek to reverse this situation and encourage the revitalization of the drainage basin through the PSA - Payment for Environmental Services.

In order to carry out the program, a partnership proposal was signed through Cooperation Covenant No. 004/2013 between ANA, Municipalities participating in the APA (Environmental Protection Area) of Ribeirão João Leite, State, Public Prosecutor's Office and Saneago, among other entities, where Saneago is committed to pay for the pilot project for the implementation of the Water Producer

Program in the Ribeirão João Leite Basin, covering the Córrego das Pedras drainage micro basin (Ouro Verde) and the Córrego Bandeirinha drainage micro basin (Nerópolis), making a budget commitment in the amount BRL 1,250,000.00 (one million, two hundred and fifty thousand reais).

The survey carried out in the area of environmental preservation - APA, identified 700 rural producers in the 7 municipalities that make up the Ribeirão João Leite basin. 36 registered producers were approved by the Permanent Bidding Commission, and for the performance of the program, a covenant was signed with Emater, which prepared about 32 Intervention Projects on the Property - PIP.

The payment of the PSA occurs 1 year after signing the contract and through a monitoring visit to confirm the implementation of the PIP and report. In 2018, 10 producers received the 1st installment of the PSA, in the amount of BRL 40,609.59.



Figure 15 - Ribeirão João Leite Dam
Source: Saneago

Olho no Óleo (Eye in Oil) Program

The implementation of the “Olho no Óleo” (Eye in Oil) Program was carried out by Saneago on March 22, 2012 (day consecrated by the United Nations General Assembly - UN as World Water Day). Before its launch, an extensive work was carried out by the program's creators, along with the company's customer service, commercial management and IT sectors, with the aim of establishing the general guidelines for the management of the program, which culminated in the preparation of

the service policy, as well as with its standardized operationalization in actions aimed at the collection and marketing of the waste.

In these definitions, the decision to act with customers in two types of service was observed: small generators and large generators.

Small generators consist of residential consumers, who deliver the waste in bottles made of polyethylene to the service agencies, these bottles are commonly called PET (containers with a capacity of one liter or more) and transparent, allowing the identification of the product and its quality.

The small generator comes to a collection point where, carrying the water supply / sewage bill number and in the presence of a concessionaire employee, it is checked whether the residual frying oil (RFO) is packaged and if it has a quality that allows its reception. If not, the employee does not receive the waste and informs the conditions presented in a specific application developed for the commercial system. However, if the waste meets the conditions for receipt, it is weighed and a document will be issued containing the volume delivered and the credit amount that will be granted for the next billing reference.

After customer service, the delivered container is stored in a collection shed until an occasional collection is requested or one must wait for the pre-established collection of volumes for that station. The material is then sent to a temporary storage center where an employee responsible for checking and controlling the stock will write off the delivered volumes in the system. The material will be reserved there until it accumulates a volume that justifies transportation by the company hired. The company will collect the available volume and pay the amount agreed in the service provision contract.

The registration is initiated if the generator agrees with the conditions printed in the Adhesion Instrument, being responsible for the safekeeping of the carboys and for the delivery of the waste containing a certain quality. When the registration is completed, enough carboys are delivered to store the waste.

As soon as the containers reach the maximum level, the customer will be able to call the concessionaire and an employee will come to your establishment to collect the carboy. It will be weighed and the credit will be granted on the next water or sewage bill. The waste is stored in fiberglass tanks until it reaches a sufficient level to justify the collection by the company hired. Here the treatment is the same for the destination made with the collection of the small generator.

In addition to storing the collected residual frying oil (RFO), the station has a tank where the containers (carboys) are sanitized with detergent and heated water to be later delivered to other large generators.

As for large generators, the service is differentiated due to the volume delivered.

For these, a prior registration is made, requested by it through telephone service.

In October 2018, the Goiás State Audit Court (TCEGO) joined the “Olho no Óleo” Program and relies on the use of three carboys to collect the oil used in the restaurant and other TCE facilities.



Figure 16 - TV report showing the “Olho no Óleo” Program
Source: TV Anhanguera

Faça seu Papel (Do Your Part) Program

The program was implemented in July 2005 voluntarily by a group of Saneago employees, with environmental awareness and education actions. The selective collection of white and colored papers was implemented, with the sending of 349 tons of papers for recycling, generating a revenue

of R \$ 65,000. The proceeds from the sale of paper for recycling are invested in environmental projects.

As of 2009, readapted employees were included in the program, who began to reuse part of the material in the manufacture of boxes, pen holders, notebooks, and scrapbooks, among other products, generating approximately 3,800 pieces by 2018. These products started to be supplied to employees for daily use and also as gifts at events held by Saneago.

In 2014, the “Faça Seu Papel” program, in partnership with the Logistics Superintendence, implemented the selective collection of fluorescent lamps (waste rated as hazardous) used in the company's units. After collection, the discarded lamps are collected by a company specialized in removing the mercury, reducing the possibility of environmental contamination and poisoning. This company makes the appropriate final destination, either of the chemical components, and of the metal and the glass, sending them to recycling companies. From 2014 to 2018, more than 4800 fluorescent lamps have been sent to proper destination.

In 2015, the company restructured the area of environmental education and the program was integrated with the duties of a Management, which in turn, should be responsible for the institutionalization of existing environmental programs, as well as the reformulation of the activities inherent to Environmental Education (EE). The Program gained notoriety and was expanded as the various waste management actions were consolidated in the various units of the company. Thus, there was an expansion of the Selective Collection of “Recyclable Waste”, and of “Non-Recyclable Waste”.

Containers were allocated for separation - the material were acquired through the program and supplied to each of the implemented units. Through the rating of these units according to the large generator criterion, the program made stickers available for the pantries, containing basic instructions about the material and care that employees must follow for the disposal and proper final destination of each type of waste.

It is worth remembering that selective collections aim, in addition to protecting the environment, to reduce as much as possible the non-recyclable waste that goes to the landfill, as according to decree No. 728, of March 14, 2016, which regulates Law No. 9.498, of November 19, 2014, due to the fact that SANEAGO is a large generating company, which produces a volume greater than 200 (two hundred) liters of solid waste daily rated as Class II, according to NBR 10.004, of the Brazilian Association of Technical Standards (ABNT), shall be responsible for the collection, transportation and final destination of solid waste.

Saneago currently has 7 units that are considered to be major generators in the metropolitan area of Goiânia, which produce a total of 10,220 liters of solid waste daily.

With the effective participation of employees in the segregation of Selective Collection, the waste that goes to the Landfill that is “Non-Recyclable Waste” tends to decrease by 50%, since the “Recyclable Waste” that in the same proportion will be sent to the Cooperatives, through the Selective Collection Program of the City Hall, impacting the increase in the offer of jobs and better quality in the community in general.

In order to encourage employees to execute the procedures correctly, some internal marketing actions were carried out, as well as several activities, in which around 2630 employees and service providers participated, based in HEADQUARTERS, ETAG, Commercial, West / North / South Districts, sewage treatment plants (ETE), SUMEG and in the Rio Verde and Jataí regional offices.

Through process No. 20343/2016, which proposes the creation of the “Arte e Vida” (Art and Life) program, and aims at reusing waste generated in the company, seeking to use it in handcraft activities that promote quality of life to employees and retirees, where workshops will be held that can be disseminated within SANEAGO to all employees, and also to retirees, through PREVSAN, so that they have the opportunity to participate.

From 2017, through the program “Faça Seu Papel” (Do Your Part), in partnership with the company Sucata de Informática. They started to collect: batteries to be properly disposed of.

Currently, around 10 kg of batteries are collected monthly. In 2018, from May 14 to 18, the First Week of Reflection of Selective Collection was held, with the objective of promoting, annually, a Week of Reflection of Selective Collection, with environmental education actions that seek to sensitize the Company's employees, both in the reduction and reuse of materials, as well as the correct waste disposal procedure, where various activities / actions were carried out in order to sensitize the company's employees as to the importance of the selective collections already implemented in the units.

Through process No. 2771/2019, which proposes the creation of the “Descarte Consciente de Medicamentos” (Conscious Disposal of Medicines) program, with the objective of implementing the collection of medicines for both human use and veterinary use that are expired or unusable, at Saneago and direct them to incineration. The project also aims at acting to minimize one of Saneago's external threats according to the Strengths, Weaknesses, Opportunities, and Threats - SWOT Analysis: Environmental degradation and scarcity of resources; as well as meet the Strategic Guideline: Saneago's Socio-Environmental Sustainability, aiming at sensitizing employees to behavior change and to develop a more critical awareness regarding the inappropriate disposal of medicines.

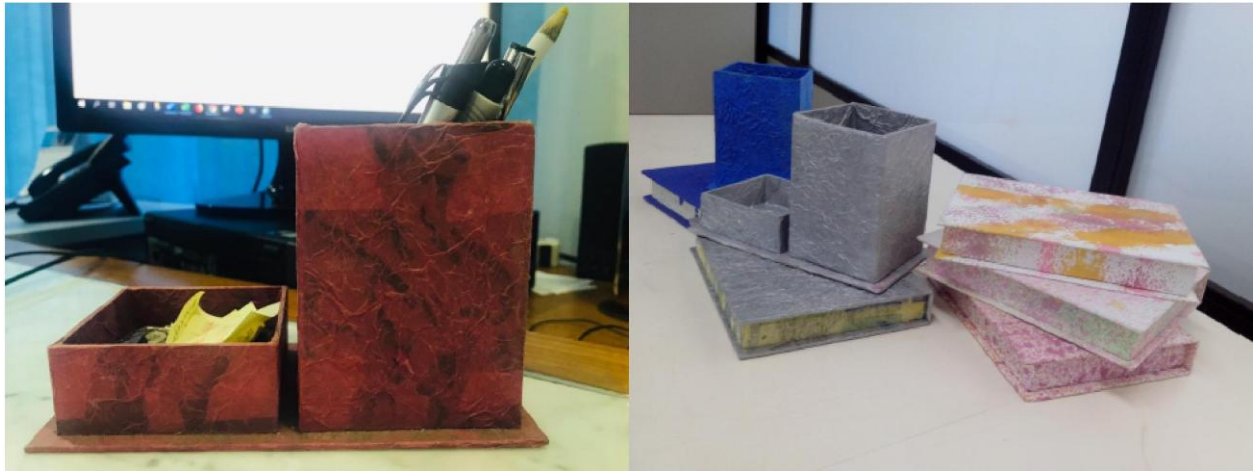


Figure 17 - Products made with recycled material for use by Saneago units
Source: Saneago

NEA - Environmental Education Center Jornalista Washington Novaes

The year 2018 ended with the assistance of 13,642 people with Environmental Education activities, carried out at the Environmental Education Center Jornalista Washington Novaes (NEA), where visits were made by students from different educational institutions (in sewage treatment plants (ETEs) and water treatment plants (ETAs)) throughout the year.



Figure 18 - Technical lecture at the NEA auditorium
Source: Saneago

In addition to Saneago itself and companies and institutions interested in the environmental education of its employees, the NEA acted through lectures at the Internal Workplace Accident Prevention Weeks (SIPAT) and on commemorative dates such as Water Day, Environment Day and others.

In addition to the activities carried out at the NEA headquarters, they took place in several municipalities in the State of Goiás, such as: Rio Verde (2,699 participants), Novo Gama (1,969 participants), Anápolis (565 participants), Terezópolis (393 participants), Itaguaru (244 participants), Itapuranga (300 participants).

In Águas Lindas, City of Goiás, Iporá, Itapuranga, Jaraguá and Planaltina, NEA participated in the SIPAT of Saneago Regional Branches, where in addition to activities focused on work safety, they innovated with lectures on environmental protection, based on the theme: "Preserving the Environment and Sustainability at a Time of Society Awareness". The speakers highlighted the importance of basic sanitation for public health, such as the protection of water springs, and gave tips on how to avoid wasting water.

As a way of reinforcing learning, educational movies were created, such as the cartoon "Calango Lengo", about the drought in the northeast; institutional movie by Saneago, "Fechando a torneira do desperdício" (Closing the tap of waste), "ETE e seus componentes" (ETE and its components), "Processo produtivo de água" (Water production process) movies and the movie on construction and opening of the Mauro Borges Production System.

The activities in general included lectures on environmental education, such as: Avoiding water waste, water scarcity, sanitary sewage, water use around the world, Goiânia ETE and its components, Basic and Environmental Sanitation I and II, Protection of water springs and the Olho no Óleo (Eye on Oil) Program.

As a complement to the lectures, puppet theater dynamics were also held, with themes on protecting the environment, avoiding waste of water, correct disposal of waste and correct use of sewage collection networks.



Figure 19 - Puppet theater at an external event
Source: Saneago



Figure 20 - Demonstration of the Goiânia ETE model
Source: Saneago

There is, however, a seasonality referring to the first months of January, February and the month of July, repeating itself in November and December, when school visits and events are significantly reduced.

In these periods, schools fail to schedule their technical lectures and environmental education activities due to school vacations.

Thus, as there is no way to interfere in the school calendar, this drop shown in the aforementioned months can be supported in the subsequent months where they are surpassed for both the monthly and the annual goal.

Saneago and the Environment

Saneago has always been concerned with preserving the environment. Among several protective measures adopted by the company in 2018, Saneago participated in the 1st Technical Meeting of the Brazilian Association of Solid Waste and Public Cleaning (ABLP), whose main theme was the implementation of the National Solid Waste Policy, which addressed several issues such as environmental licensing, the environmental panorama in the State of Goiás, the valorization of solid waste, composting, selective collection, sanitary landfills, the recovery of dump areas, the generation and treatment of leachate, as well as technologies, innovations and challenges in public urban cleaning.

The company also participated in the Sustainability Fair, held at the Fundação Pró-Cerrado, promoted by the National Learning, Social Promotion and Integration Network (RENAPS). Where handicraft workshops were promoted with the reuse of paper and cardboard, and lectures were given to hundreds of young apprentices focused on the guidelines, principles and instruments of the National Solid Waste Policy (PNRS). The activities developed by Saneago at the fair were intended to raise awareness among participants about the problem of inadequate disposal of solid waste, showing the importance of preservation and care for the environment.

In addition, the actions of the Management of Water Spring Protection (P-GPN) focus on the catchment basins to support the Conservation of Springs, considering that the quality of raw water, the company's raw material, is directly related to the use and occupation of the basin.

In the recovery actions, it is of fundamental importance the union of efforts of the Public Power, civil society, NGOs, institutions and, fundamentally, the users of the basin for the collective construction of solutions. To obtain satisfactory results, the Company has invested in the work of partnerships.

Among the partnerships, we can highlight the “Projeto Ser Natureza”, created by the Public Prosecutor’s Office of the State of Goiás, which aims at building solutions to environmental problems through environmental education and the establishment of social networks. Saneago acts actively in

connection with the aforementioned project, commonly with the donation of seedlings for reforestation and materials for the fencing of Permanent Preservation Areas (APP's).

Regarding the SANEAGO Catchment Reforestation Project, 17 catchment were reforested in 2018.



Figure 21 - Saneago Reforestation Action
Source: Saneago



Figure 22 - Partnership between Saneago and MPOG - Projeto Ser
Natureza
Source: Saneago



Figure 23 - Projeto Nascentes Vivas (Springs Alive) in partnership with SECIMA
Source: Saneago

Saneago Sem Papel (Saneago Without Paper)

The Saneago Sem Papel (Saneago Without Paper) Project is an integral part of the START Program, which was also composed of the SAP S/4HANA Management System Implementation project and the Process Automation project. Currently, this project has as one of its main actions the implementation of an Electronic Document Management (GeD) solution that intends to replace the physical process of processes with the generation, processing and filing in digital media, providing in addition to a substantial paper saving, greater agility and efficiency in all company processes, as well as greater integration with the other bodies of direct management and state inspection and control.

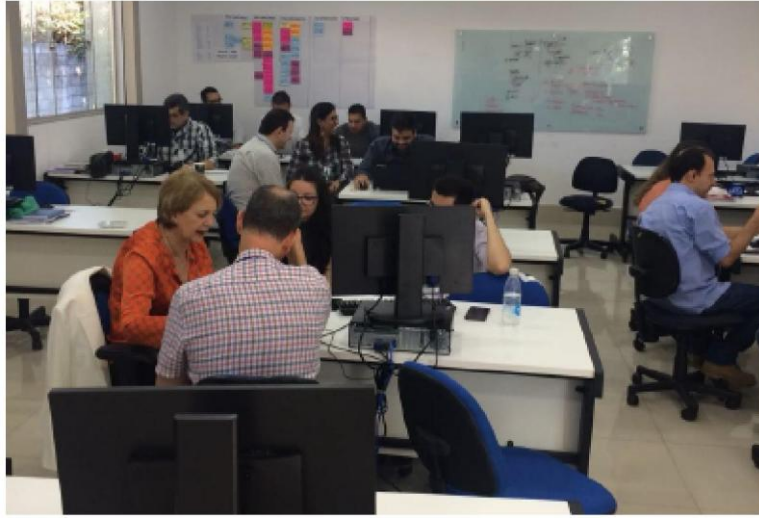


Figure 24 - Execution of work in the Start Project room
Source: Saneago

8. OPERATIONAL MANAGEMENT

Loss rate

Losses and wastes, in any type of process, must be tackled vehemently in order to always seek continuous improvement and efficiency.

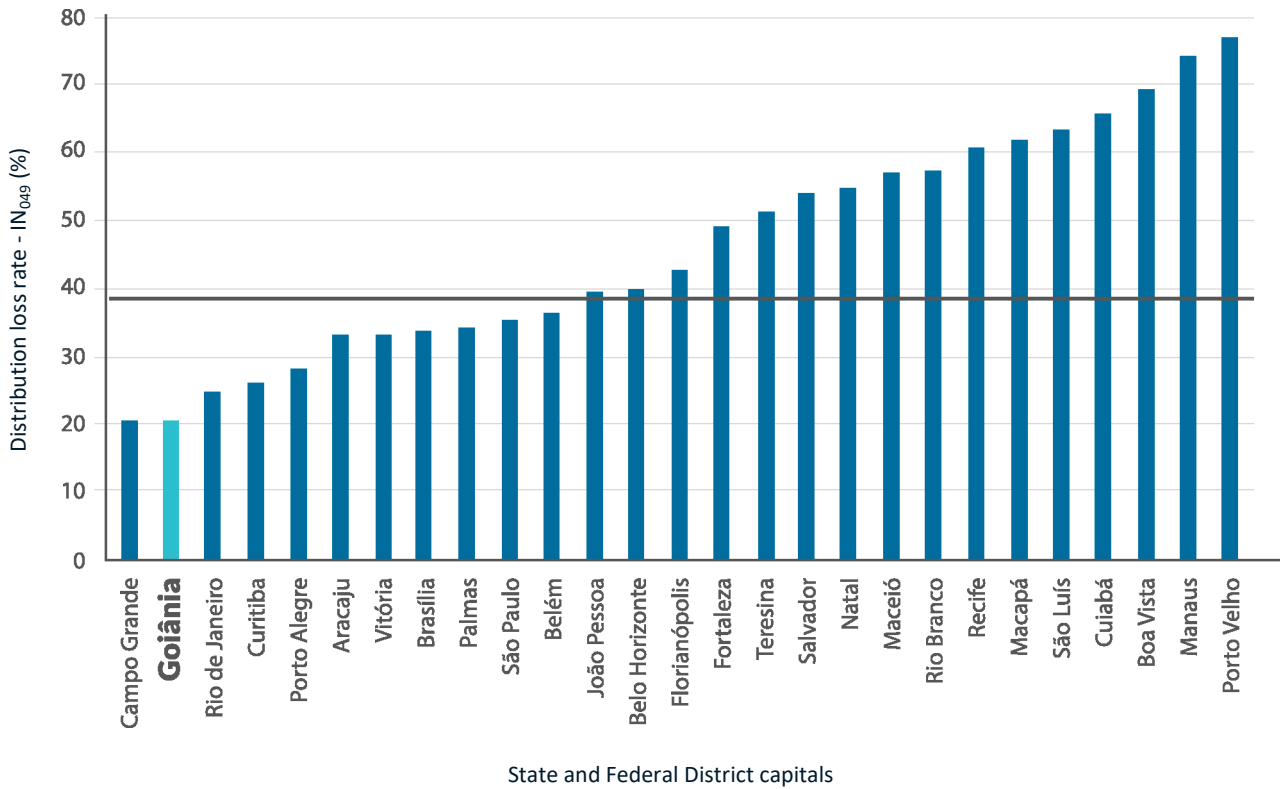
In the environmental sanitation industry, losses in distribution consist of the difference between the volume of water made available for distribution and the total volume of water used by consumers. Loss rates are directly associated with the quality of infrastructure and systems management. They are justified by failures in the detection of leaks, operation of the distribution networks with very high pressures, problems associated with the quality of the operation of the systems, difficulties in the control of clandestine connections and in the measurement / calibration of water meters, absence of a monitoring program of losses, etc.

In Brazil, the high rates of losses in distribution indicate that investments made in infrastructure have not been able to significantly reduce them and, in this context, the proposal for the expansion of structuring actions has been discussed through the National Basic Sanitation Plan - PLANSAB, which proposes investments for improving and enhancing management, sustainability in the provision of services and modernization of water supply systems.

The work to tackle losses at Saneago has been carried out with the objective of training both the management and the technical staff, based on the implementation of various methodologies arising from the most efficient actions experienced in Brazilian sanitation companies and by I.W.A. (International Water Association), an international organization that directs the best practices of sustainable management of water use for public benefit.

The actions carried out by the company are the development of the technical register, hydraulic simulation of water supply systems through EPANET engineering software, systems sectorization, as well as their modulation through pressure control, macro-measurement, micro-measurement, automation and active control of leakage in the distribution network.

In conjunction with these data, the SNIS also shows the rates of losses in distribution for Brazilian capitals, where Goiânia obtained the second best position among all national capitals in 2017, behind only Campo Grande, as shown below.



State and Federal District capitals
 Chart 10 - Comparison of the Loss Rate in the Distribution among Brazilian Capitals
 Source: SNIS, 2017

The report "Diagnosis of Water and Sewerage Services" of the National Sanitation Information System - SNIS ranks SANEAGO along with the other Brazilian environmental sanitation companies of regional scope (data for the year 2017), as the first company with the lowest distribution losses rate, with 25.40%.

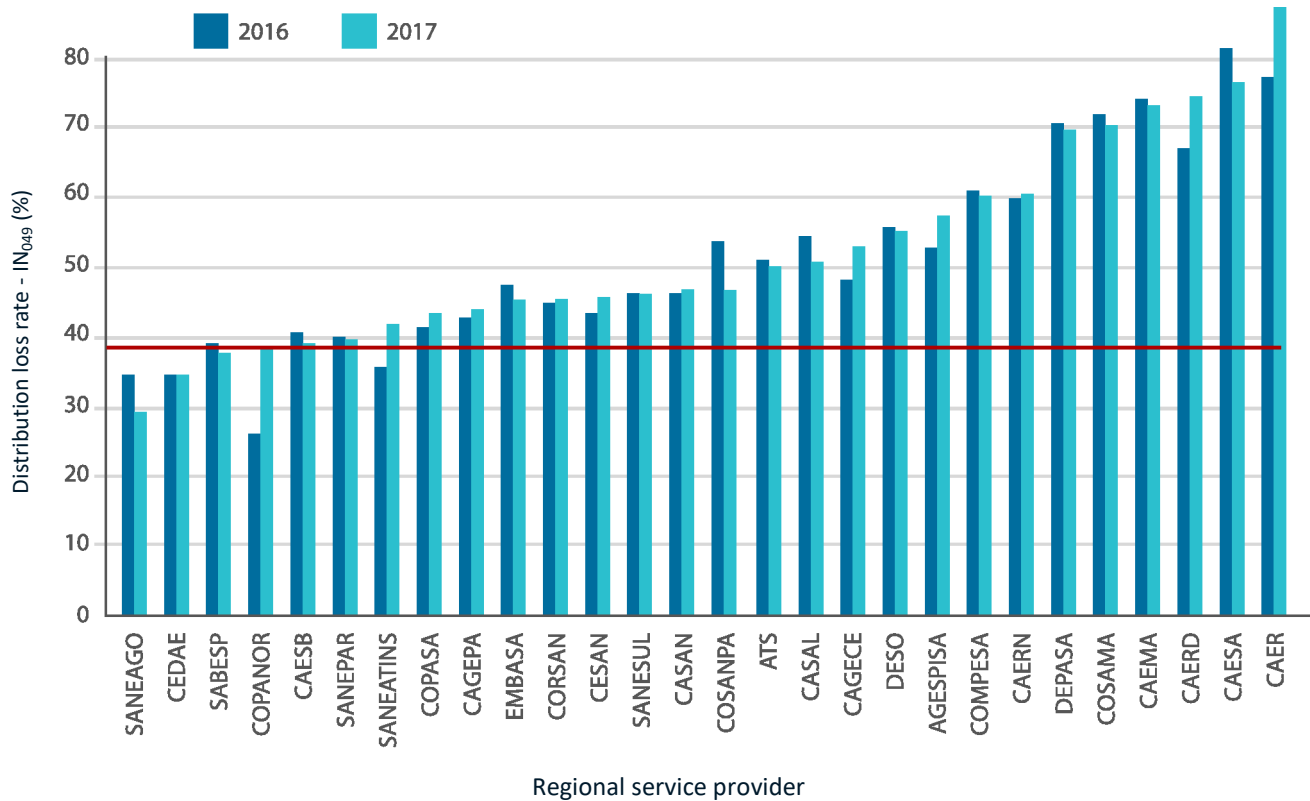


Chart 11 - Comparison of the Losses in Distribution between service providers
Source: SNIS, 2017

In addition to the operation and maintenance activities of the water supply systems, the Districts must carry out the operational procedures for managing water losses in the distribution, such as:

- I. Work on the commitment of the UO team;
- II. Use information control tools;
- III. Do research with a listening stick;
- IV. Manage micro-measurement;
- V. Manage the macro measurement;
- VI. Manage the technical record;
- VII. Manage pressure in the distribution network;
- VIII. Sector the networks in the coverage area;
- IX. Implement Measurement and Control Districts;
- X. Manage the nightly minimum;

XI. Manage the quality of the material installed;

XII. Do the commercial management;

XIII. Manage the assets of the water distribution system.

In order to make the loss index a more reliable and accurate performance indicator, improve the diagnosis of problems related to water losses and promote the improvement of the operational control of water supply systems, it is strictly necessary to increase the Macro measurement Index of water of Saneago. This index reached 98.53% in December 2018, in addition to maintaining the calibration and maintenance plan for production macro-meters.

At Saneago, the alignment between the execution of actions to tackle losses, the achievement of goals outlined by senior management and proven results, place the company in a prominent position within the national framework presented here. Here are the indicators for the loss rate for the year 2018:

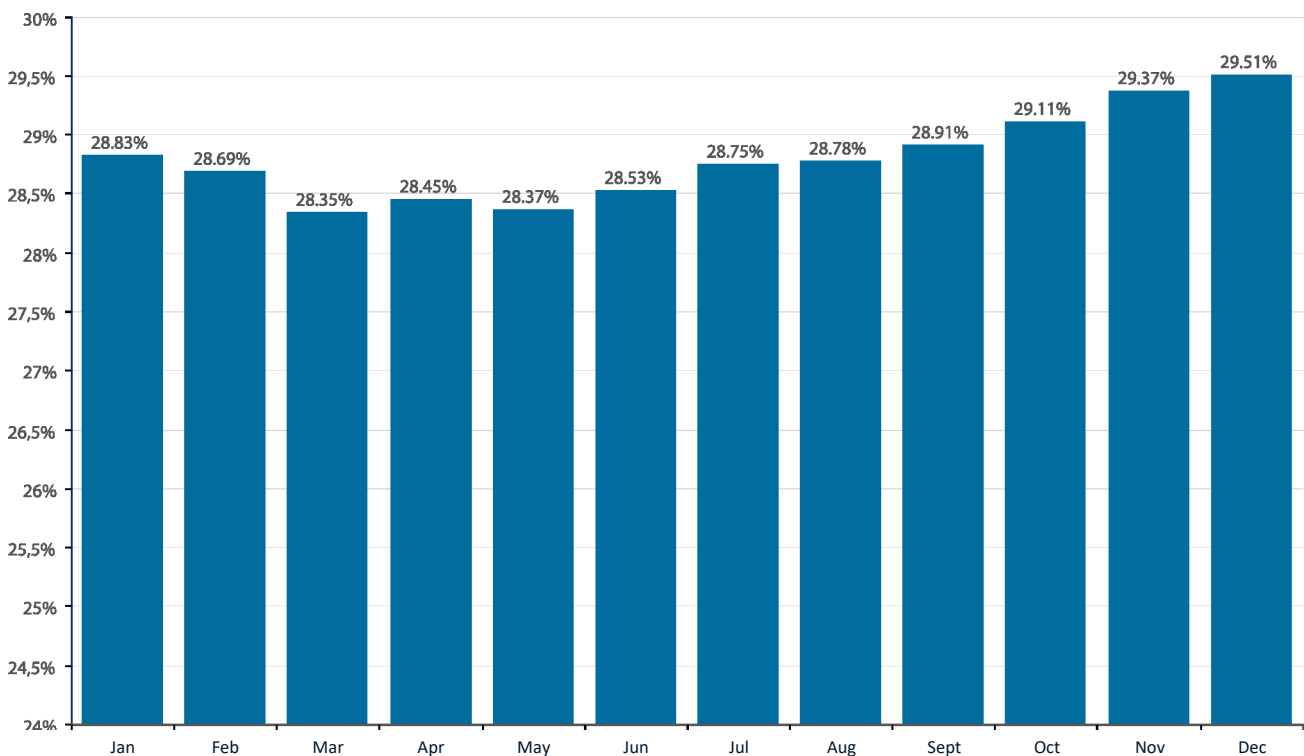


Chart 12 - 2018 loss rate
Source: Saneago

Energy Efficiency

G4-EN3, G4-EN6, G4-EN7

SANEAGO's technical team has sought to reduce electricity costs through energy efficiency projects that improve the operating conditions of the units with reduced electricity consumption.

Project approved:

Project 1: Energy Efficiency of the Rio Verde Booster - developed by the Saneago team, it was selected through the Request for Tenders PEE CELG D No.: 001/2015 of CELG Distribuição. The goal is the installation of 03 frequency inverters to control the speed of the 500hp motor-pump sets of the Rio Verde Booster and the replacement of the lift station motors with high-performance motors. The project was carried out with a non-refundable fund in the amount of BRL 609,930.92 in benefit of Saneago, for the acquisition of frequency inverters and motors in said unit. In addition to the operational improvement of the system, it resulted in a 24.8% reduction in demand and a 25% reduction in electricity consumption at the unit. The project went into operation in December 2017 and from then until December 2018 it has already saved BRL 982,123.70 for Saneago.

Project 2: Energy Efficiency in units in the cities of Jataí, Indiara and Goiânia - developed by the Saneago team, it was selected through the Request for Tenders PEE CELG D No.: 002/2016 of CELG Distribuição. The project provides for a non-refundable fund in the amount of BRL 10,627,267.21 in benefit of Saneago. This will benefit from a reduction in energy consumption of these units of 6,042.15 Mwh / year and a reduction in demand at the peak of 768.94 kW, with an annual financial benefit of BRL 2,713,664.66. In Jataí, the replacement of the ETA EEAT motor-pump set is planned. In Indiara, it is planned to build a compact Water Treatment Plant (ETA) next to the catchment, with the resizing of pumps and flow. It will also decrease the current pumping distance to the main reservoir, eliminating a treated water lift station. In Goiânia, the replacement of the EAT Ipiranga and EAT Atlântico motor-pump units is planned, as well as the installation of a 75 kWp photovoltaic generation system in the EAT Ipiranga.

Water quality

Saneago conducts water analyses at its Central Water Laboratory (P-SBA), to check the quality of raw and treated water in the water supply systems, in order to comply with the current legislation of the Ministry of Health Consolidation Ordinance No. 5, Annex XX and the resolutions of the Ministry of the Environment CONAMA 357/2015 (surface water spring) and 396/2008 (underground water spring).

The Saneago's Central Water Laboratory has NBR/IEC 17025/2005 recognition certification, issued by Rede Metrológica de Goiás (FIEG / SENAI), in addition to ISO 9.001 certification. This laboratory performs physical-chemical, bacteriological, hydrobiological analyses, inorganic organic compounds, pesticides and metals.

207 water laboratories, 57,600 samples per year and 323,400 analyses per year.



Figure 25 - Water Laboratory
Source: Saneago

Quality of Effluents and Solid Waste

Saneago monitors liquid effluents and solid waste from Sewage Treatment Plants and the receiving body to meet operational, legal and regulatory requirements.

The legal mechanisms used by the Saneago's Central Sewage Laboratory (P-SLG) are: CONAMA 357/05, which defines the rating of bodies of water and guidelines for rating; CONAMA 430/11, which provides for conditions and standards for effluent discharge; CONAMA 375/06, which provides for the agricultural use of sanitary sludge; State Law 8544/78, which provides for pollution prevention and control and NBR 9800/07, which defines the criteria for effluent releases.

The Saneago's Central Sewage Laboratory received the Certificate of recognition from the Rede Metrológica de Goiás (Metrology Network of Goiás), for meeting the requirements of the ABNT ISO / IEC 17025: 2005 standard and is in the process of accreditation by ISO / IEC 17025: 2017 by INMETRO.

3 sewage laboratories, 9,120 samples per year and 49,166 analyses per year.



Figure 26 - Sewage Laboratory
Source: Saneago

AWARDS RECEIVED IN 2018

- Chico Mendes Certificate for Commitment to Responsible Social and Environmental Management / Green Seal
- PNQS 2018
 - Inhumas' district - Level B - Quíron Cobre Trophy.
 - Distrito de Santa Helena de Goiás - finalist in the Level B category - Certificate.
 - GRS Palmeiras - Finalist PEOS - Sol Nascente Operation - Operational Losses.

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