





This Sustainability Report presents the path traveled by Sanepar in 2019 to achieve its goals, and shows the results that consolidates it as a sanitation reference in Brazil. This document reports operational and administrative activities and economic performance, among other actions for achieving sustainable development, considered the most relevant for being reported to shareholders, market analysts, customers, the society, the workforce, suppliers, the regulatory agency, the government, and other stakeholders.

The Report follows the materiality and best reporting practices into account, such as the *Global Reporting Initiative* (GRI) directives, the *Essential, Sustainability Accounting Standards Board* (SASB), the International Integrated Reporting Council (IIRC), the requirements of B3's governance model - level 2. The Law of State-Owned Companies (13,303/2016) and other rules of the regulation bodies. The document portrays the period from January 1st to December 31st, 2019.



Innovation to provide greater efficiency and effectiveness

GRI 102-14

In line with the guidelines of the State Government, innovation was the watchword in 2019. Innovation to provide greater efficiency and effectiveness. Competitiveness and transparency in production processes is the way for Sanepar to remain at the forefront, providing quality environmental sanitation services to Paraná.

In order to improve the sanitary sewer system, technology has been our ally. The installation of modular sewage treatment plants, provides us with a more quickly built treatment plant that besides occupying a smaller area is more suitable for

expanding if needed. In addition, it provides an efficiency gain when compared to traditional systems. In 2019, Sanepar also invested in improving the existing sewage treatment processes, in order to meet contractual goals, environmental legislation and other commitments made.

From the use of biogas generated in the process of treating sewage, solar energy and hydroenergetic conversion into sanitary infrastructures, Sanepar invests in clean energy generation, seeking to continuously reduce this very representative cost for the Company.

In order to build and establish strategies that make a more robust and transparent Sanepar, the Company needs a continuous, dynamic and participatory effort. In 2019, as part of this process, the company carried out a Strategic Revisitation, resulting in the realignment of the Mission and Vision, redefining the Company's Purpose.

This work will offer us a glimpse of Sanepar's future, determining paths and goals and guiding the performance of the company and its managers. In line with the Company's strategic goals, managers signed a Management Agreement, a tool in which action plans are agreed with the



Mountain Chain Water Sources. Photo: Jair Ferreira Mariano

board of directors to be developed in the coming years. The Management Agreement generates a sense of belonging, facilitates the monitoring of deliveries and seeks to leverage results.

In December 2019, the Company advanced in the pursuit of management excellence, with the launch of the Integrated Sanepar Management Excellence System (SIEGS), which proposes the integration of Quality programs, such as Use o Bom Senso, the Sanitation Management Excellence Model (MEGSA), and ISO 9001 and ISO 14001.

The Company also launched the Integrity Program, requiring the awareness and engagement of the entire management on the understanding of the management's role for the effectiveness of the program, and the debate of subjects such as conflicts of interest, related-party transactions, Code of Conduct and Integrity, and others.

Sanepar also officially joined the Global Pact, making public its commitment for environmental sustainability and responsibility, and became part of a contact network where the exchange of experiences and information will benefit the Company.

Other relevant subject for the Company in 2019 was the Bill 4.162/2019, which amends Law 11.445/2007 (regulatory milestone for sanitation) proposed by the

Federal Government. Sanepar reinforced the mobilization of the other government-owned sanitation companies and state entities, with the Federal Government and government representatives, stating that said law, as it was presented, could lead to disorganization and legal uncertainty. Sanepar believes that universalization of basic sanitation will be achieved by combining planning and promoting efficiency, using the best in the public and private sectors, promoting joint solutions.

MORE HEALTH

Whether in the maintenance or expansion of its water and sewage systems, Sanepar works to bring preventive health to the population since it understands that an effective sanitation system reduces expenses with diseases, and, consequently, allows the municipalities to invest in other areas.

PRIDE

Despite all the adversities and challenges, Sanepar ends 2019 knowing that it has fulfilled its role once again with the responsibility of a public service provider, committed to its customers, shareholders and the public involved.





Innovation for the benefit of the population, promoting public health and preserving the environment.

GRI 102-1, 102-2, 102-3, 102-4, 102-5

Created in order to promote the development of basic sanitation in the State, in January 1963 (Law 4,684), the Companhia de Saneamento do Paraná (Sanepar) has been fulfilling its role throughout its history. With headquarters in Curitiba, Sanepar is a government-controlled, publicly-traded company. Controlled by the Government of Paraná, which holds 60.1 % of the voting share, the company provides services encompassing water supply; collection, treatment and final destination of domestic and industrial solid waste and sewage, and their byproducts.

Ensuring access to treated water for 100% of the urban population of 345 municipalities in Paraná and the city of Porto União in Santa Catarina is undoubtedly a major factor for the social and economic development of the

State. The advancement of sewage collection and treatment services demonstrates that the Company has been relentless in its effort to promote public health.

According to its indicators, the company is above the national average for sanitation. Among the population of Paraná supplied by Sanepar, 100% receive treated water, compared to 83.6% of the rest of the country; the sewage collection of 74.2% in Paraná is above the national index of 53.2% of collected sewage. The contrast is even greater when comparing the treatment service: Sanepar treats 100% of the sewage collected against 46.3% of the country's average treatment levels, according to the National Sanitation Information System (SNIS 2018).

This discrepancy in levels between several regions of Brazil reflects inequality in several other sectors, such as per capita income, illiteracy rates, life expectancy, and infant mortality. As in a cycle of cause and effect, everything is directly related to the quality of public services, such as health, education and infrastructure in general, which demonstrates that investments in sanitation are in line with the State of Paraná's Government policy.

The company is aware of its leading position in the country's sanitation and has acted fearlessly to find new ways to further leverage its investments. It went public to attract investors, who now number more than 64,000 shareholders in various parts of the world, without neglecting its role as a public service provider.

Sanepar and all its employees know that making drinking water available to water taps 24 hours a day and collecting and treating sewage are essential for health promotion and disease prevention.

The search for a balance between public and private interests has guided the Company in its increasingly prudent investments, without losing quality of services and with fairer rates.

In 2019, Sanepar invested BRL 1,027.1 million to expand its research field to combine technology, quality of services and lower costs. Participant of the event Governo 5.0, which aims to implement innovative practices in providing services to the population, Sanepar maintains a Technology and Innovation Center, where the company's most advanced projects are developed.

The goal is to develop and apply technologies that represent innovation for the benefit of the population, promoting public health and preserving the environment. It is an increasingly sustainable Sanepar.

SANEPAR IN NUMBERS

346
municipalities served

100%
of water system coverage

74.2%
of sewage system coverage

3.1 million
of water connections

2.2 million
of sewage connections

55,000 km
of water system

37,000 km
of sewage system

4.5 billion
invested within the last 5 years



AWARDS AND CERTIFICATIONS

ÉPOCA BUSINESS 360° ANNUAL AWARD RANKING OF THE BEST COMPANIES IN BRAZIL 2019

2nd place in the Water and Sanitation sector.

1st place in the Innovation in Water and Sanitation scope.

TRANSPARENCY TROPHY 2019

Award granted to the most transparent companies in Brazil for the quality of their accounting statements. Sanepar was awarded in the category that brings together companies with net revenue of up to BRL 5 billion. The award is granted by the National Association of Finance, Administration and Accounting Executives (Anefac).

CERTIFICATE NBR ISO 9001:2015

It refers to quality management, applied to the systems: dam operation, collection, adduction, treatment and water reserve by the Water Production Management in the Integrated Supply System of Curitiba; Collection, adduction, treatment, water reserve and treatment and final disposal of sewage by the Industrial Management of Londrina; Water distribution, sewage collection and transportation and customer relations by the Regional Management of Londrina; ; Project Management by the Special Projects and Northeast Projects and Works Management; Construction Management for Water Supply and Sewage Systems by the Northeast Projects and Works Management.

CERTIFICATE NBR ISO 14001

It refers to environmental management, applied to the systems: collection, treatment and distribution of drinking water, collection, treatment and final disposal of sewage; maintenance and operation of water and sewage systems; ; customer service and marketing of customer service and marketing of water and sewage connection

services and administrative processes of the Regional Management of Foz do Iguaçu; administrative process of the Southwest Projects and Works Management and electromechanical maintenance of the Southwest Electromechanical Regional Management for Water supply and sewage system in Foz do Iguaçu-PR.

Cianorte sanitary landfill: comprises the processes of receiving, treating and final disposal of solid urban waste, operational and administrative support activities and landfill monitoring.

RANKING OF GRUPO AMANHÃ 2019

Leader in the sector of public services among the 500 largest companies in the South.

17th company in the general ranking of the 500 largest companies in the South.

8th company in the ranking of the 100 largest companies in Paraná in VPG (Weighted Value of Greatness).

CAMPEÃS DA INOVAÇÃO AWARD BY AMANHÃ MAGAZINE

1st place in the category of State and Philanthropic Company.

II RANKING ABES OF THE UNIVERSALIZATION OF SANITATION

Curitiba as the best capital in sanitation.

RANKING VALOR 1000 IN SANITATION - VALOR ECONÔMICO NEWSPAPER

3rd place in the water and sanitation sector - ranking carried out by Valor Econômico newspaper, in partnership with Serasa Experian and the School of Business Administration of Fundação Getúlio Vargas (EAESP/FGV).

SECTORIAL RANKING VALOR INOVAÇÃO BRASIL, 2019 EDITION

3rd place - Only State Sanitation Company at the top of the Ranking.



CERTIFICATE OF INSTITUTION COMMITTED TO SOCIAL CAUSES

Certified as a partner of the Commission for the Defense of the Rights of Children, Adolescents, the Elderly and Persons with Disabilities (CRIA) of the Legislative Assembly of the State of Paraná (ALEP).

GOLD SEAL - GREENHOUSE GASES INVENTORY

110 years of Report of Inventário de Gases de Efeito Estufa in the public record of GHG Protocol.

GOLD CLIMATE SEAL PARANÁ 2019

Promoted by the State Department for Sustainable Development and Tourism (SEMA).

WEPS BRASIL AWARD 2019

Bronze trophy awarded by UN Women to companies committed to equity.

BUSINESS MODEL

BUSINESS ANALYSIS AND REFLECTION

Sanepar operates in the collection, treatment, reservation and distribution of water; in sewage collection, treatment and proper

disposal of effluents: in liquid form, with the discharge into the river; in solid form, with the destination of the sludge for landfill, agricultural use or energy recovery; and, in gaseous form, with burning or energy recovery; and also in collection of solid waste. Thus, it promotes public health and prevents diseases, serving the main player of

its business: the customer. As a government controlled, publicly-traded company, the enterprise makes it in a sustainable way, with investments from a social, financial and environmental perspective. Thus, the company fulfills too its responsibilities with suppliers, shareholders and employees.

ALLOCATION OF RESOURCES AND CAPITAL	COMPETITIVE ADVANTAGES	BUSINESS	ASSETS (MANUFACTURED CAPITAL)	DELIVERIES TO CONSUMERS (OUTPUTS)	VALUE GENERATION (OUTCOMES)
FINANCIAL CAPITAL <ul style="list-style-type: none"> Net equity of BRL 6,173.9 million and cash generation of BRL 1,460.6 million Investments of BRL 1,027.1 million Debt level: 1.4 times EBITDA (bank debt versus EBITDA) 	<ul style="list-style-type: none"> Wealth in water resources Predictable and resilient business, with a diversified customer base and market credibility Financial performance above industry peers Operating excellence, with actions to increase efficiency Management excellence 	WATER SUPPLY FOCUS: There can be no water shortage, and quality is a Supply condition.	<ul style="list-style-type: none"> 168 ETAs (Water Treatment Plants) 1,104 wells 4 dams 3,194,532 water connections 55,359 km of distribution system 	<ul style="list-style-type: none"> 100% water system coverage 4,001,069 of active economies* QUALITY <ul style="list-style-type: none"> 99.8% compliance of distributed water 	QUALITY AND HEALTH High quality water service (99.8% compliance) and service index with sewage collection above the country's average, with beneficial impacts on the health and life quality of the population in the municipalities served. + FINANCIAL RETURN Dividend payment and cash generation. + CONTRIBUTION TO THE ENVIRONMENT Management of impacts and conservation of water bodies
NATURAL CAPITAL <ul style="list-style-type: none"> Water availability of around 1.2 million l/s Energy resources estimated at 2.6 million GJ 		SANITARY SEWER FOCUS: Universalization, monitoring of service quality and reduction of the environmental impact.	<ul style="list-style-type: none"> 249 ETEs (Sewage Treatment Plants) 2,231,127 sewer connections 36,754 km of collection system 	<ul style="list-style-type: none"> 74.2% sewage system coverage 100% collected sewage treated 3,019,303 of active economies* 	
HUMAN CAPITAL <ul style="list-style-type: none"> 6,985 employees 		SOLID WASTE URBAN FOCUS: Growth and diversification	<ul style="list-style-type: none"> 3 sanitary landfills 	<ul style="list-style-type: none"> 100% collected waste treated 64 thousand tons of treated waste per year 	
INTELLECTUAL CAPITAL <ul style="list-style-type: none"> 528 thousand hours of training BRL 10.7 million invested in research and development 					
CAPITAL EQUITY <ul style="list-style-type: none"> 88% satisfaction with the call center service (0800) Customer Relationship Relationship with the Contract-letting 79.7% of customers satisfied with the services provided 					

* The term active economy is used to designate any property or subdivision of a property that has a private or shared.

MOST RELEVANT TOPICS	OPERATING EFFICIENCY AND QUALITY IN PROVIDING IN-HOUSE AND OUTSOURCED SERVICES	GOVERNANCE, TRANSPARENCY AND ETHICS	SUSTAINABILITY AND ECONOMIC BALANCE	WATER AND SEWAGE ACCESS UNIVERSALIZATION	WATER RESOURCES MANAGEMENT	ENVIRONMENTAL SUSTAINABILITY	ORGANIZATION OF WORK AND LIFE QUALITY
SDGS SUSTAINABLE DEVELOPMENT GOALS	3 - Good Health and Well-Being 6 - Clean Water and Sanitation 9 - Industry, Innovation and Infrastructure 11 - Sustainable Cities and Communities 12 - Responsible Consumption and Production	16 - Peace, Justice and Strong Institutions 17 - Partnership for the Goals	8 - Decent work and economic growth	6 - Clean Water and Sanitation	6 - Clean Water and sanitation 12 - Consumption	4 - Quality Education 7 - Affordable and Clean Energy	4 - Quality Education 5 - Gender Equality 8 - Decent work and economic growth



Water intake in the Iporanga River, Morretes - PR.
Picture: Sanejar Archive

Sustainability is a word that became frequent in our lives, the news, the dialogs, the commercials, and product packages. Its concept is related to the ongoing development that ensures more quality of life and citizenship. The most accepted definition for sustainable development is that meets the needs of the present without compromising the ability of the future generations to meet their own needs. It is the development that does not deplete the resources for the future. Promoting the development of nations worldwide without compromising the resources for the future generations is a recurring theme.

Sanepar must account for the impacts of its decisions and activities in the society and the environment, and contribute to improve living conditions, both of the present populations and the future generations, through an ethical and transparent behavior.

Committed to sustainable development, with an agenda towards the balance of economic, social and environmental aspects, and aligned to its mission, Sanepar seeks to offer its products and services with lower costs to the society and to provide the entire population with water supply and sewage collection and treatment services, especially for the neediest regions.

In its services, the company meets the standards established by the legislation and adopts sustainable social practices such as responsible consumption. It conducts the

sustainable monitoring and management of aquifers, the Greenhouse Gas (GHG) inventory, develops Quality Programs, Social Discount Rate, Sanepar Equality, and Sanepar Community, which contributes to meet the 17 Sustainable Development Goals (SDGs) and to create shared value for its stakeholders.

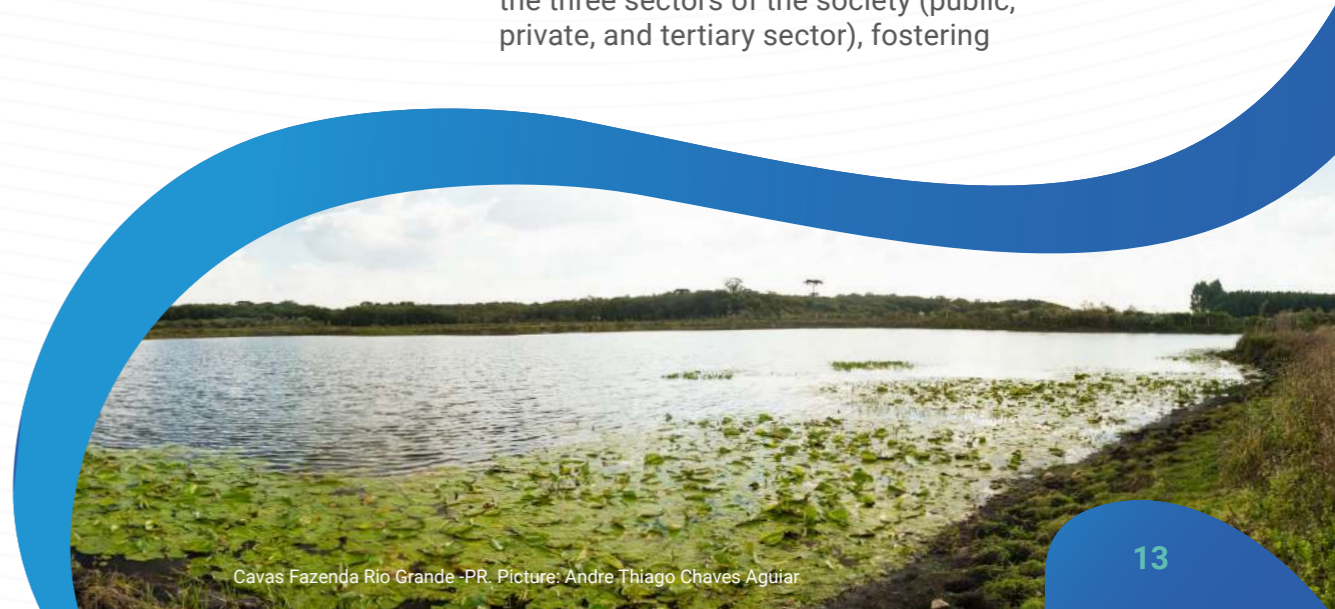
The sustainability gains for the Company are the result of a set of associated and combined actions arising from the management of its processes, such as reduction of personnel account costs through a socially fair retirement program; investments in IT (Information Technology); optimization of processes; and the execution of affordable and ecological buildings.

THE SDG AT SANEPAR

In November 2019, Sanepar officially joined the United Nations Global Compact, as an incentive for the companies to adopt practices and policies on corporate social responsibility and sustainability.; Sanepar is already a signatory of the Sustainable Development Goals (SDGs) and strives to achieve the 17 SDGs, showing its commitment with sustainable development.

The Global Compact is an UN pact for businesses to align their strategies and operations to ten universal principles in the areas of Human Rights, Labor, Environment and Anti-corruption, through actions that contribute to face the challenges of the society.

The company also works to combine the three sectors of the society (public, private, and tertiary sector), fostering





partnerships and disseminating the theme, with the purpose of having direct impact on the State's sustainable economic development. This is a milestone for Sanepar, which provides services concerning water, but cares about all the natural resources as well.

The Company makes available, in its Corporate Distance Learning platform, a tailor-made training that reports its positive experiences when meeting the 17 SDGs with both internal and external publics.

Some actions developed by Sanepar are presented as follows:



MATERIAL TOPICS	STRATEGY MAP ALIGNMENT	SDGs	PROGRAMS/PROJECTS/ACTIONS
<ul style="list-style-type: none"> Governance, transparency and ethics Sustainability and financial-economic balance Environmental sustainability 	SUSTAINABILITY		<ul style="list-style-type: none"> Code of Conduct Research agreements Differentiated Rates Regulated environment Environmental agenda EcoExpresso Energy efficiency
<ul style="list-style-type: none"> Water and sewage access universalization 	CUSTOMER AND GOVERNMENT ENTITY		<ul style="list-style-type: none"> Energy efficiency Basin Committees Greenhouse Gas Inventory School's Sustainability for the River Sanitation Services Operation Summer
<ul style="list-style-type: none"> Operating efficiency and quality in providing in-house and outsourced services Water resources management 	PROCESSES		<ul style="list-style-type: none"> Green Curtains Energy efficiency Basin Committees Greenhouse Gas Inventory School's Sustainability for the River Sanitation Services Operation Summer Inova Awards Sludge - agricultural use MASPP (Methodology for Analysis and Solving of Losses)
<ul style="list-style-type: none"> Organization of work and life quality 	LEARNING AND GROWTH		<ul style="list-style-type: none"> Environmental agenda EcoExpresso Distance Learning Equality committee Compensation policy



Higienópolis Elevated Reservoir, Londrina - PR. Picture: Bruno Covello

GRI 102-21, 102-40, 102-42, 102-43, 102-44

Sanepar respects and recognizes its stakeholders and business partners as agents, essential for the performance of its activities in order to achieve its strategic goals. The Company is committed to a balanced use of natural resources, the adoption of sustainable practices and the compliance with legal regulations. This commitment is expressly stated in the Company's mission, and, in order to achieve it, the engagement of all stakeholders is required towards the construction of a trustworthy customer relationship, environmental protection, in the search for excellence, and the compliance with the law. The principles and values reflect high ethics and integrity standards that assure reliability and preserve the company's image to its stakeholders.

We believe that said principles and values can be incorporated to the daily lives of everyone who has a relationship with Sanepar. In order to make it easier, Sanepar shares the values and principles of its Code of Conduct and Integrity with its suppliers and business partners, thereby building an ethical, transparent, and sustainable relationship.



STAKEHOLDERS	INTERLOCUTOR	NEEDS AND EXPECTATION	TYPE OF IDENTIFICATION/ENGAGEMENT
Shareholders, Officers, Investors, Advisory Members, and Market Analysts	• BoD and Executive Board	<ul style="list-style-type: none"> • Return on Capital Invested • Growth; • Productivity; • Efficiency. 	<ul style="list-style-type: none"> • Materiality Matrix; • Meetings of the Board of Directors • Meeting of the Executive Board (Redir); • Strategic Planning.
Government Entity	• Municipal Governments	<ul style="list-style-type: none"> • Universalization of sanitation; • Compliance with the contracts; • Landfill operations. 	<ul style="list-style-type: none"> • Materiality Matrix; • Concession Agreement/Program; • Municipal Basic Sanitation Plan; • Meetings with Mayors.
Society	<ul style="list-style-type: none"> • Representatives • IAT (Instituto Água e Terra), IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources), TCE (State Accounting Court), MP (Public Prosecutor's Office), Basin Committees, Municipal Councils. 	<ul style="list-style-type: none"> • Compliance with the applicable legislation; • Environmental quality; • Social and environmental/health development. 	<ul style="list-style-type: none"> • Materiality Matrix; • External Customer Satisfaction Survey • Contact; • Basin Committees; • Social and Environmental Agent Training; • Community Meetings.
Customers	<ul style="list-style-type: none"> • Consumer Protection Bodies • Neighborhood associations. 	<ul style="list-style-type: none"> • Regular water supply; • Water quality; • Sanitary sewer services with quality; • Services provided; • Pricing; • Universalization of sanitation; • Urban solid waste collection. 	<ul style="list-style-type: none"> • Materiality Matrix; • External Customer Satisfaction Survey • Channel Relationships (Contact, 0800, Sanepar Mobile, SMS, Online Services, and Relationship Centers).
Workforce	<ul style="list-style-type: none"> • Unions; • Associations and employees. 	<ul style="list-style-type: none"> • Training and Development; • Health and Safety; • Well-being and satisfaction. 	<ul style="list-style-type: none"> • Materiality Matrix; • Organizational Climate Survey (Fale Francamente); • Intranet; • Code of Conduct and Integrity; • Union Relationship Committee.
Suppliers	• Representatives	• On-time payments and quality of the service provided.	<ul style="list-style-type: none"> • Materiality Matrix; • Supplier Code of Conduct
Regulatory Agency	• Agepar	• Compliance with the regulatory requirements	<ul style="list-style-type: none"> • Materiality Matrix; • Public Hearings; • Meetings.



SANEPAR
ETA Cafetal

BIDDING PROCESS

The following applies to the Sanepar procedures: Federal Law no. 13.303/2016, which allows that each company determines its own set of bidding rules. In this sense, the Sanepar Internal Bidding and Contract Regulation (RILC) was passed on 5/1/2017, available on: site: [http:// site.sanepar.com.br/fornecedores/RILC](http://site.sanepar.com.br/fornecedores/RILC), which, together with the said law, provides legal support to the bidding process.

Law no. 13.303/2016 no longer deals with bidding “modalities”; instead, it deals with bidding processes, and establishes the tenders as open or closed.

In an open tender, the bidders present their offers, either physically or digitally in a public session and then submit successive, increasing or decreasing bids, as per the bidding criteria adopted. In this tender, Sanepar always applies Online Trading for procuring the materials and contracting the Administrative Service (common).

In the closed tender, the offers, either physical (closed envelopes) or digital submitted by the bidders shall be

confidential until the date and time for opening the public session; there is no bidding stage, but the negotiation of prices with the company that offers the best bid take place, with an aim to guarantee the best offer to the Company, under the Article 89 of RILC. In this tender, Sanepar adopts the procedures similar to the National Bidding under the Law no. 8.666/1993, by submitting closed envelopes, with an in-person public session for contracting construction works and Engineering Services.

Law no. 13.303/2016 also states that the state-owned corporation may disclose the estimated value of the contract in the invitation to bid. The law provides for such amount to be confidential; however, it can be disclosed at the company’s discretion. The measure intends to foster the preparation of independent budgets by the companies bidding for public contracts. The procedure intends to mitigate contract risks. Thus, Sanepar makes use of confidential budget in most tenders and construction works and Engineering Services public contracts where previous information is sufficient for the bidders to make their offers.

The biddings made and the contracts entered

into by Sanepar must assure the best offer, respecting the principles of impersonality, morality, equality, publicity, efficiency, conduct in office, cost-effectiveness, sustainable national development, binding of call for bids, competitiveness, and fair trial – Art. 2 of RILC.

In the invitation for bids, in consonance with RILC and in compliance with the contract requirements, Sanepar establishes the charges imposed on the contractors for any sanction in case of failure to comply with their obligations,

And what conducts are considered unacceptable under the RILC and the Sanepar Code of Conduct and Integrity.

SUPPLIER REGISTRATION

GRI 102-9,102-10

In order to prove compliance with the requirements for qualification (Art. 44 of RILC), Sanepar has a supplier registration, which is not mandatory. Composed of companies that have business relationships with the Company, the supplier registration qualifies such companies to take part in the contract processes, facilitating their qualification. The qualification is made by analysis of tax certificates, articles of organization, and supply certificates. In order to obtain the technical qualification of its materials, the supplier must file the pre-qualification of its brand to the quality control.

The system of suppliers having an existing registration encompasses over 500 companies, and the majority comprises suppliers of goods and services such as chemicals, pipes and fittings, and laboratory equipment. Other companies provide engineering services.

MONITORING AND EVALUATION

Supplier monitoring and performance evaluation are conducted by the contract managers through measurement, inspection, and criteria established in the Sanepar Normative System; invitations for bid; and contract reference terms.

The evaluation for service providers at the SGM (Maintenance Management System) and the SME (Sewage Maintenance System)

is made according to the Sanepar internal norms ruling the process. The SGM and SME service compliance parameters are evaluated daily, and, at the end of every month, the performance evaluation is generated.

Striving for continuous process improvement, the Supplies and Logistics Management Quality Control was restructured, especially in activities concerning inspection, material catalog, and qualification of manufacturers.

In order to improve the efficiency in the management of materials supplied by the companies rendering services to the

Maintenance Management System, two processes were implemented, bringing advancement in materials management:

- Unique material control: encompasses procedures/improvements that ensure more convenience, security, and reliability for the managers and the business (request, storage, distribution, transfers).
- Local Consumption Indicator (ICL): assures the optimization of inventories, with dispatch and purchase of materials according to the applications conducted and reported in the system, providing leaner inventories and more assertive purchases.

SUPPLIER CODE OF CONDUCT

In order to assure the bond between Sanepar and its suppliers, business partners, and other related parties to be on the grounds of ethical and transparent relationships, the Company implemented the Code of Conduct for Suppliers and Business Partners in 2019, which elucidates Sanepar's understanding of ethical conduct in the business relationships with its suppliers and service providers, and the relationship of said companies with other stakeholders.

The Code applies to all the suppliers, service providers, and other business partners that have a relationship with Sanepar or operate between the company and its customers. The Code does not encompass all the applicable situations; instead, it presents the behavior model that is expected from everyone working on behalf of Sanepar, and must be used as guidelines for any issue concerning ethical conduct and integrity. Its disclosure was made through Sanepar's contract managers, and it was requested to be included as a regulating item for the next RILC revision. For more details, visit: <http://site.sanepar.com.br/fornecedores>.



SANEPAR
75 ANOS
LEVANDO SAUDE PARA AS PESSOAS.



Pensar e agir com integridade



CORPORATE GOVERNANCE

Corporate Governance was implemented at Sanepar in 2016, as a consulting area in the company, to meet the standards and oversight of the stock market - the Company is included in Governance Level 2 of B3 - Brazil Stock Exchange and Over-the-Counter Market - and the regulation rules. By instituting a governance policy, Sanepar reinforced its commitments to transparency, equity, accountability and sustainability.

In 2018, in the process of organizational restructuring of the Company, the Corporate Governance Advisory was transformed into the Governance, Risks and Compliance Management, bound to the Board of Executive Officers.

It is responsible for guiding and promoting the application of governance, compliance and risk management standards, guidelines and procedures.

To comply with the legislation to which it is subject, Sanepar follows Law 6,404/1976 (Corporations), Law 13,303/2016 (State-owned companies),

11,445/2007 (Sanitation) and Decree 3926/88 (Regulation of Provided Services). In the state, the Company complies with the guidelines of the Regulatory Agency for delegated infrastructure Public Services of Paraná (Agepar).

In 2019, under the coordination of the Governance, Risk and Compliance Management, Sanepar drew its Personal Data Protection Policy, approved by the Board of Directors, already in compliance with the General Personal Data Protection Law (LGPD, of 13,709), and shall be effective in August 2020.

The Personal Data Protection Policy establishes guidelines to standardize the Company's behavior regarding the treatment of personal data in its processes, privacy and protection of this data, in addition to disseminating the culture of security of this information in accordance with the following principles: legality, loyalty, transparency, integrity and confidentiality.

This is yet another example of good governance practices, which convert guidelines into objective recommendations,

aligning interests in order to preserve and strengthen Sanepar's values and contribute to the achievement of standards of excellence in management, with a focus on results, but always bearing in mind the Company's social duty.

In line with the best corporate governance practices and the United Nations (UN) Global Compact guidelines, the Company seeks to be a company of excellence, committed to the promotion of a healthy, ethical, transparent and compliant corporate environment.

The following measures adopted in 2019 are also worth mentioning, since reaffirming this commitment:

- Implementation of the Investment Committee and Planning Committee, both advising the Executive Board;
- Evaluation of governance agents, conducted by an external company;
- Implementation of the Integration Program for new directors, with the purpose of: i) familiarizing the new governance agents to the Company, ii) deepening their knowledge of the legal and statutory responsibilities inherent

to the role of manager, and iii) creating a working relationship environment with all those involved to facilitate their performance;

- Training of governance agents

PPROGRAM INTEGRITY

GRI 103-2, 103-3



The Sanepar Integrity Program makes efforts to prevent, detect, monitor, and respond to harmful acts under the law, especially the Anti-corruption Law, in order to prevent misconduct in the Company

The fight against corruption, in all its forms, is a commitment of Sanepar, especially of its senior management, to create and maintain an organizational culture in which everyone always adopts ethical conduct.

Like any company, in the performance of its activities, Sanepar is subject to being the victim of acts of corruption. In the event that managers, board members and committees or employees of the Company commit irregular acts classified as corruption, by Law 12.846/13, severe penalties may be applied against the Company.

In view of this scenario, Sanepar has instituted integrity instruments that reflect

the expected behavior of all governance agents, employees, interns, apprentices, business partners, suppliers and service providers in general. They also contribute so that Sanepar does not deviate from its Mission, always in accordance with the principles of morality and public ethics, with honest and correct actions of all those involved in the employment, commercial and business relations maintained thereby.

Approved by the Board of Directors, the Sanepar Integrity Program consists of a set of policies, rules and procedures aimed at preventing, detecting, monitoring and responding to the harmful acts foreseen in the legislation, in particular the Anti-corruption Law.

In order to prevent inappropriate conduct in relations involving the Company, the Program applies to all governance agents, employees, interns, apprentices, service providers physically allocated to or acting on behalf of Sanepar, and serves as a reference for suppliers, contractors, service providers in general and other business partners.

Everyone who interacts with or on behalf of Sanepar must follow the rules established in the integrity instruments and the legislation. The Integrity Program is based on six pillars:



- Governance and Management Environment;
- Risk Analysis and Control Environment;
- Integrity Instruments;
- Communication and Training;
- Consequence Management;
- Program Monitoring.

The body responsible for the Integrity Program is the Governance, Risk and Compliance Management, with autonomy

for decision making, implementing actions and pointing out changes necessary for the effectiveness of the program. The Management reports directly to the Board of Directors in cases of suspicious involvement of a member of the Executive Board with irregularities, or even for the omission in a situation reported therefore.

In December 2019, the Company brought together the entire management to raise awareness on the importance of the manager's role in the effectiveness of the Program, discussing topics such as conflicts of interest, transactions with related parties, Code of Conduct and Integrity, and others.

SPECIAL OPERATIONS

There were no cases of corruption confirmed in Sanepar in the latest three years. [GRI 205-3](#)

The Company was mentioned in Rádio Patrulha Operation of the Special Group to Combat Organized Crime (Gaeco) in the State of Paraná, at the end of 2018 and, subsequently, it was mentioned in Integração Operation. As a result, it unleashed an internal audit to determine the facts. On December 13th 2019, it was mentioned in Águas Claras Operation, conducted by the Federal Police.

Following the best governance practices and other applicable rules, Sanepar hired the External Investigation Commission, through the 5th Extraordinary Board of Directors'

Meeting held on August 15th 2019.

The External Investigation Commission substantiated the necessary set of actions and issued an opinion for contracting forensic investigation. Thus, Sanepar hired Forensic Audit and Shadow Investigation in November 2019, both under the supervision of the External Investigation Commission.

The work of the investigation team is still in progress, and the result may affect the financial statements in the future, if something is identified, according to Note no. 31 of the 2019 Management Report.

Thus, corporate governance aims to provide mechanisms that corroborate management transparency, according to the Integrity Program.

REPORTING CHANNEL

To analyze and solve suspicions misconduct, corruption, fraud, and wrongful acts, Sanepar created the Reporting Channel for internal and external publics

The maturity of governance processes aimed at strengthening ethical conduct, with integrity and responsibility for compliance with rules and guidelines, in line with the Integrity Program, has been changing the Company's perception of the importance of having a robust reporting channel for the



prevention of irregularities.

Because of the greater confidence, confidentiality, and guarantee of impartiality in the anonymity, the Company restructured the reporting channel, conducted by an external, independent company. This channel is destined to register any complaints about violations of the Code of Conduct

and Integrity, laws, rules, internal policies and procedures, leakage or misuse of information, fraud, corruption, bribery, receipt of gifts, harassment, discrimination, prejudice, robbery, theft or diversion of materials, favoring, conflict of interest, irregularities in contracts and bids.

The complaints are registered by personnel from laux Brasil Assessoria Empresarial Ltda, an independent company, specialized in governance, risk management and compliance. The attendants have no relationship with Sanepar whatsoever, eliminating any partiality, conspiracy, or intimidation.

The information is kept at an external safe environment and cannot be accessed, changed or deleted, thus ensuring the independent, impartial, and systematic acceptance of the information and its proper forwarding. The complaints are confidential and never identify the complainer's equipment or telephone number.

The Reporting Channel is available 24/7 for everyone on the Internet,

the free number 0800 580 3756, the website (<https://www.canalintegro.com.br/sanepar>), the Sanepar website (site.sanepar.com.br), in Corporate Governance.

The Ombudsman, in turn, registers customer requests regarding complaints, compliments, information or reporting (water and sewage connection theft, irregular water and sewage discharges, and irregularities in services carried out by Sanepar).

COMPLIANCE, ETHICS AND TRANSPARENCY GRI 103-2, 103-3

In a conceptual approach, compliance is the duty to act accordingly, to be in accordance and to enforce internal and external regulations related to the organization's activities. The role of the Compliance division in the company is to promote organizational integrity and compliance, ensure compliance with laws, regulations, policies and internal guidelines, other applicable regulations and ethical standards, guide and raise awareness regarding the prevention of activities and conducts that may threaten the integrity of Sanepar and its stakeholders.

Transparency in the public sector is one of the most efficient and essential mechanisms for combating fraud and corruption. Access to public information is a constitutional

principle and a right guaranteed to the society by Federal Law no. 12.527/2011 (Access to Information) and State Decree no. 10.285/2014, in Paraná. Social control of State actions is an indispensable measure to ensure that public resources are properly used for the benefit of the community.

In accordance with the principle of active transparency and with due diligence for applicable cases of secrecy, Sanepar provides the Transparency Portal, spotlighting the acts of its management, encouraging the society to exercise its role in social control, monitoring, evaluating and inspecting the actions taken by the Company. Also on the Sanepar Transparency Portal, the Citizen Information Service (SIC) addresses requests for access to information and data required by the citizen.

There are several other actions carried out in 2019 that stand out as well:

- Review of Related Party Transactions Policy;
- Review of the Strategic Risk Management and Corporate Internal Controls Policy;
- Review of the Investment Policy;
- Review of the Material Act or Fact Disclosure Policy;
- Implementation of the Independent Audit Contracting Policy;
- Unification of the Ethics Committee and Disciplinary Committee, with

the implementation of the Conduct Committee, which aims to consolidate the principles of ethical conduct and investigate complaints of violations of the Code of Conduct and Integrity;

- Review of the Code of Conduct and Integrity, with the participation of employees;
- Integrity Program Structuring;
- Implementation of the Code of Conduct and Integrity for Suppliers and Business Partners.

STRATEGIC RISK AND INTERNAL CONTROLS MANAGEMENT GRI 103-2, 103-3, 102-11

In line with its strategic goals, since 2017 Sanepar has been managing risks at the corporate level, implemented based on the Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management (COSO-ERM).

During 2019, Sanepar's Strategic Risks were reassessed, resulting in the portfolio update, comprising 26 Risks and 127 Risk Factors. Of these, 7 had their treatments and monitoring prioritized for systematic management:

- Reduction of Revenue;
- Non-Renewal or Loss of Contracts with Municipalities;
- Non-Compliance with the applicable

Environmental Legislation;

- Conception Flaws and non-Execution of the Multi-annual Investment Plan;
- Technological and Asset Obsolescence;
- Failure to Provide Customer Service;
- Failure in People Development.

In order to deal with the treatment of these risks, indicators were monitored and mitigation actions were developed, with the monthly presentation of their results to the Risk Management Committee to check compliance with the established tolerance limits, and quarterly presentation to the Executive Board, the Statutory Audit Committee and the Board of Directors. In 2019, a methodology for mapping the processes was established to enable the assessment of internal control systems to ensure and improve risk management at company levels (strategic, tactical and operational). The Internal Control staff and the employees appointed by the Boards surveyed all the company processes. The working flow was established according to the materiality of each process.

The results of the method application in a pilot process proved to be effective for strengthening internal controls, and the mapping of 10 processes started until December 2019, for identification of vulnerabilities and implementation of improvement opportunities.

For 2020, the internal audit should promote effectiveness testing on the improved internal controls and, thus, ensure the alignment between the three lines of defense (Management, Risk Management and Internal Control and Internal Audit) of the Company.

INTERNAL AUDIT

Sanepar's Internal Audit is linked to the Board of Directors, through the Statutory Audit Committee, which approves and supervises the activities through the Annual Work Plan performed independently and in accordance with the Internal Rules of Audit.

In this process, in addition to systematic audits, in 2019 Specific Audits were carried out and are underway with analysis of administrative matters of relevant interest to Senior Management and compliance with the State-Owned Companies Law (13.303/2016), including: a) Financial Statements; b) Special Purpose Entities (SPE), c) Bidding Process, d) Sponsorship and Advertising Expenses; e) Cybersecurity; and f) Projects. GRI 205-1

REGULATED ENVIRONMENT



The regulatory environment to which Sanepar is subject, according to the Sanitation Law (11.445/2007), modified the pricing model of the sanitation sector in the country. The regulatory milestone established new rules so that companies have economic and financial balance with a view towards universal sanitation. Regulation strengthens companies, allows investment to be compensated, and directly benefits the population, through productivity gains and reasonable rates.

In 2017, in compliance with Law no. 11.445/2007, Paraná's regulatory agency, Agepar, authorized Sanepar to reposition the rate in 25.63% to be applied over eight years. Derived from the Periodic Rate Review (RTP), this repositioning changed the cost-based rate model to the economic rate model, which identifies not only the variation in costs, but investments and the adequate return on capital and replacement of assets.

The first installment of the RTP resulted in an average reposition of 8.53%, affecting the 2017 rates, and the remainder was divided into seven installments. As of May 2018, the second year of the rate cycle, the adjustment of 5.12% became effective. In May 2019, the third year of the rate cycle, Agepar approved the rate of 12.12944%



(Ratifying Resolution 006, of April 16th, 2019).

RTP predicts that sanitation companies will benefit consumers with productivity gains, the so-called X Factor, which means that the gains from greater efficiency and productivity will be reflected in lower rates. The X Factor was calculated based on assumptions approved by Agepar and will be effective throughout the 1st Rate Cycle 2017-2020. The productivity index set was 0.77%, and works as a reducer of the rate installment in the years of rate adjustments until the next RTP, when a new ceiling price and X Factor shall be determined.

Due to the relevance of X Factor in production costs, tariffs and results, the Company monitors the evolution of the variables that make up the index, defines strategies and implements action plans to achieve the productivity gains defined in RTP.

Since 2017, Agepar has been preparing a new General Regulation on Sanitation Services (RGS), in order to update the current rules of the sector, established in 1988, by Decree no. 3.926, prior to the Sanitation Regulatory Milestone (Law no. 11.445/2007). In 2019, the Agency started the approval process for the new RGS, submitting it for public inquiry and 10 public hearings throughout the State of Paraná.

The regulation establishes the rules for the provision and use of sanitation services

to be observed by the service provider, customers and third parties involved. This is the way of guaranteeing water supply and sanitary sewage, without harm or damage to the customer and with investment guarantees for expanding services.

SOCIAL AND ECONOMIC COMPLIANCE GRI 103-2, 103-3

The main commitments and goals related to social and economic compliance are the permanent search for providing a proper structure for developing legal activities. The company seeks continuously to improve processes, to meet the standards and legal provisions under the law, and to promote the development and well-being of employees and collaborators and company growth. The topic is monitored and evaluated by internal and external audit.

In 2019, Sanepar implemented changes in the Legal Office Procedures, ensuring a prompt and effective conduction of litigations that reduced costs with lawsuits. The improvements that stand out are the reinforcement of the Legal Billing Coordination staff, the creation of norms, and the contract of artificial intelligence, increasing security in the provisioning and construction of lines of defense, among others. It is also worth mentioning the weekly meetings held with the Managers. The Legal Meeting (REJUR) deals with matters that are on the Executive Board Meetings (REDIR)

agenda, the main events of the week, as well as a follow up on the benchmarks evolution.

MANAGEMENT STRUCTURE GRI 102-18, 102-22

Sanepar's organizational chart establishes the General Shareholders' Meeting as its sovereign body, with powers to deliberate on all business related to its subject matter.

The Audit Committee monitors fiscal and accounting practices and annual accountability, and supervises the acts of management, ensuring that business management meets the goals defined in the Bylaws, as well as the current legislation, in addition to other legal attributions.

The Board of Directors, composed by nine members (including an employee representative and three independent members), is the decision-making body that determines the general guidelines and instructions for the business, performs risk management, supervises the performance of the Executive Board, appoints independent auditors, and prepares and discloses the Company's policies, among other duties under the Bylaws.

The board counts on the advice of the Statutory Audit Committee and Technical Committee, both are permanent and independent.

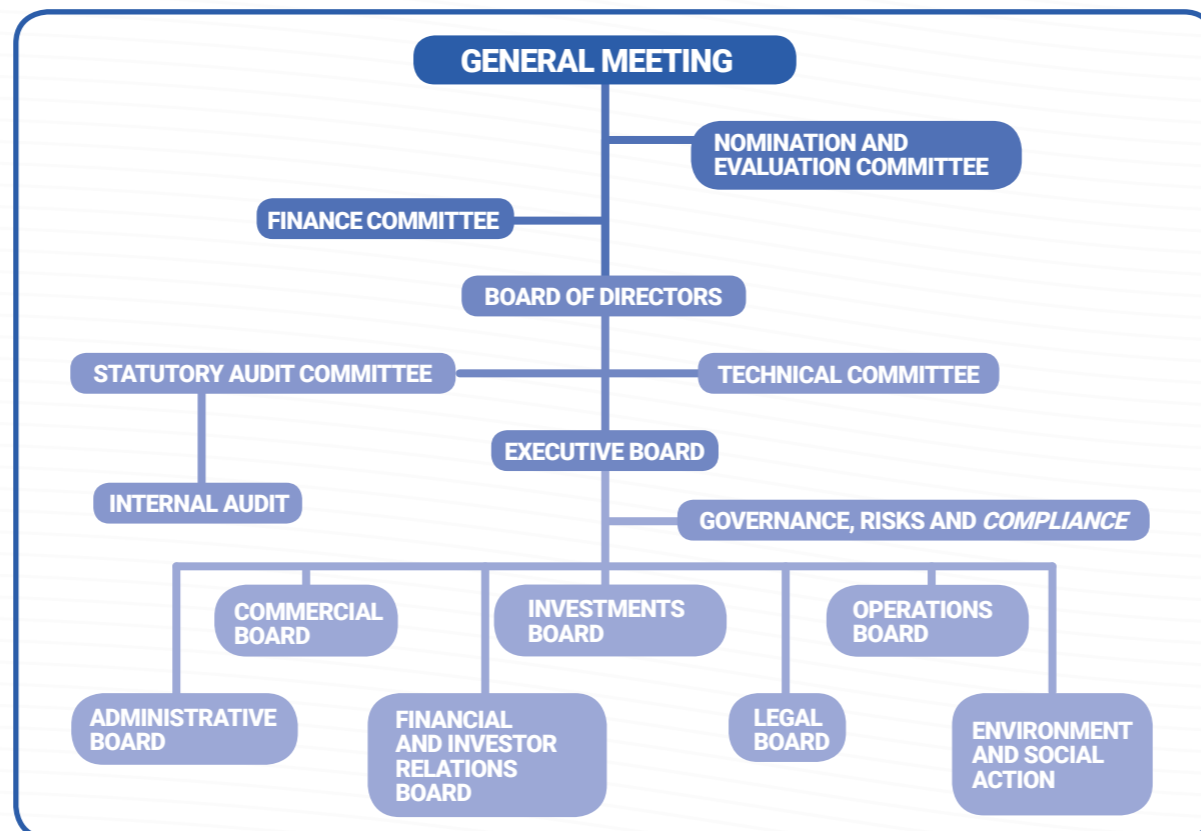
The Statutory Audit Committee is responsible for the evaluation and monitoring of the processes for preparing and presenting the Company's financial statements, risk management processes and internal controls, the effectiveness of internal audit and independent auditing activities, in addition to monitoring, jointly with management, transactions with Company's related parties.

The Technical Committee, in turn, is responsible for analyzing and manifesting itself through non-binding opinions on the Company's Business Plan, proposal for the allocation of profits for the year, proposal to enter into program contracts with municipalities, impact of investments in each tariff review and compliance with the goals and results in the execution of the Business Plan.

The Nomination and Evaluation Committee is a permanent statutory body, assisting shareholders, which verifies the conformity of the nomination and evaluation process of the administrators, tax advisers and members of the Statutory Committees, in accordance with the current legislation.

In order to execute business strategies and implement the guidelines established by the Board of Directors, the Company has an Executive Board, made up of eight members, with an unblemished reputation and specific training to which they were assigned, in addition to one Deputy Board.

In 2019, seven new officers were elected, with the same Operations officer remaining. The Deputy Board became bound as part of the Environment and Social Action Board, in order to act in Environmental Compliance.



COMPOSITION OF THE STATUTORY BODY MEMBERS ACCORDING TO DIVERSITY CRITERIA GRI 102-22

STATUTORY BODIES	MANAGEMENT		BOARD OF DIRECTORS ²		FINANCE COMMITTEE		STATUTORY AUDIT COMMITTEE		NOMINATION AND EVALUATION COMMITTEE		TECHNICAL COMMITTEE		TOTAL	
Mandate	02 years, and a maximum of 03 reinstatements consecutive		02 years, and a maximum of 01 consecutive reinstatement for the employees' representative and 03 reinstatements		02 years, and a maximum of 02 reinstatements consecutive		02 years, and a maximum of 03 reinstatements consecutive		02 years, and a maximum of 02 reinstatements consecutive		02 years, and a maximum of 03 reinstatements consecutive		-	
Total of members ¹	8		9		5		4		6		6		38	
GENDER	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS	MEMBERS	% ABOUT THE TOTAL OF MEMBERS
Men	7	88	8	89	5	100	4	100	5	83	5	83	34	89
Women	1	12	1	11	0	0	0	0	1	17	1	17	4	11
AGE RANGE														
Less than 30 y.o.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Between 30 and 50 y.o.	4	50	2	22	1	20	2	50	5	83	4	67	18	47
Over 50 y.o.	4	50	7	78	4	80	2	50	1	17	2	33	20	53

¹ There is a repetition of three members since two directors are members in committees, and the chairman is a member of the Board of Directors.

² Under Article 22, paragraph 2, of the Bylaws, the Chairman of the Board of Directors cannot hold the position of CEO at Sanepar. [GRI 102-23](#)

NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY GRI 102-24

Sanepar adopts governance criteria for electing its Governance Agents, subject to Law no. 13.303/2016 and the Company Nomination Policy. All the people appointed by the controller, minority and/or preferred shareholders are analyzed by the Nomination and Evaluation Committee before they take office, in particular with regards to compliance with the requirements and prohibitions specific to the position.

TRAINING

One of the pillars of the Company's Integrity Program is communication and training, which reinforces the awareness and the culture of anti-corruption. The policy and the Code of Conduct and Integrity, compliance alerts and procedures are regularly disclosed for governance agents, employees, apprentices, and third parties through internal and external communication.

The Code of Conduct and Integrity was reviewed in 2019 with the participation of employees. The employees received a handbook about the Code, in a plain, accessible language. The third parties received the Code of Conduct for Suppliers and Business Partners at contract

meetings, as of December, at the approval of the document.

In 2019, following the communication plan for trainings, several actions began, and shall end throughout 2020: meetings with governance agents, managers and coordinators of the management structure on the Integrity Program and the Code of Conduct and Integrity; disclosure on the media (website and e-mail); mailing of compliance alerts; delivery of the handbook with additional information on the content of the program and other integrity instruments; lectures on compliance and integrity.

There will be also distance learning (EAD) training on specific subjects of the Integrity Program, applied to all the employees and governance agents. Moreover, the specific EAD course will be launched to Governance agents, and the on-site course promoted by the Brazilian Institute of Corporate Governance (IBGC) for all the governance agents.

COLLECTIVE KNOWLEDGE OF HIGHEST GOVERNANCE BODY ¹ - GRI 102-27	
TRAINING	NUMBER OF PARTICIPANTS
Code of Conduct	799 employees 25 governance agents
State-owned company law	1045
Integrity Program	348 employees 25 governance agents

¹ In 2019, the Code of Conduct and Integrity training was passed through the employees and governance agents who had not undergone training yet. At the end of the year, the review of the Code's specific training, scheduled to 2020 to all the employees, was completed.

COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES ¹ - GRI 205-2			
	TOTAL	NUMBER OF PARTICIPANTS	% OF PARTICIPANTS ABOUT TOTAL
Governance body members	36	25	69
Managers and coordinators	317	311	98
TOTAL	353	336	95

¹ The Integrity/Anti-corruption Program was launched in late 2019, and the training is scheduled to take place in 2020.

PERIODIC MEETINGS

The 2019 governance body meeting calendar was approved by the Board of Directors, and 12 general meetings are scheduled for each board, except the Meeting of Shareholders, which convenes once a year, under the Corporation Law, and the Executive Board, which convenes once a week. In the end of 2019, four joint meetings (Board of Directors, Finance Committee, and Statutory Audit Committee) were held to analyze and discuss on quarterly information (ITR) and financial statements.

The Board of Directors held also two special sessions for independent members, to discuss on subjects that could embarrass the other members.

In addition to annual meetings, the governance bodies can call special meetings whenever necessary.

The records of meetings lists all the decisions approved, abstention of votes, including conflict of interests, responsibilities and deadlines, and are signed by all the attendees. The records of the Company's Governance bodies meetings can be accessed on our website.

INVESTORS RELATIONS

In 2019, the Company kept close to investors, through the following actions:

- Remote voting at Shareholders' Meeting;
- Four videoconferences for presenting the quarter and annual results;
- Third annual meeting with market analysts and investors, in São Paulo, with the participation of the

Association of Stock Market Analysts and Investors (Apimec);

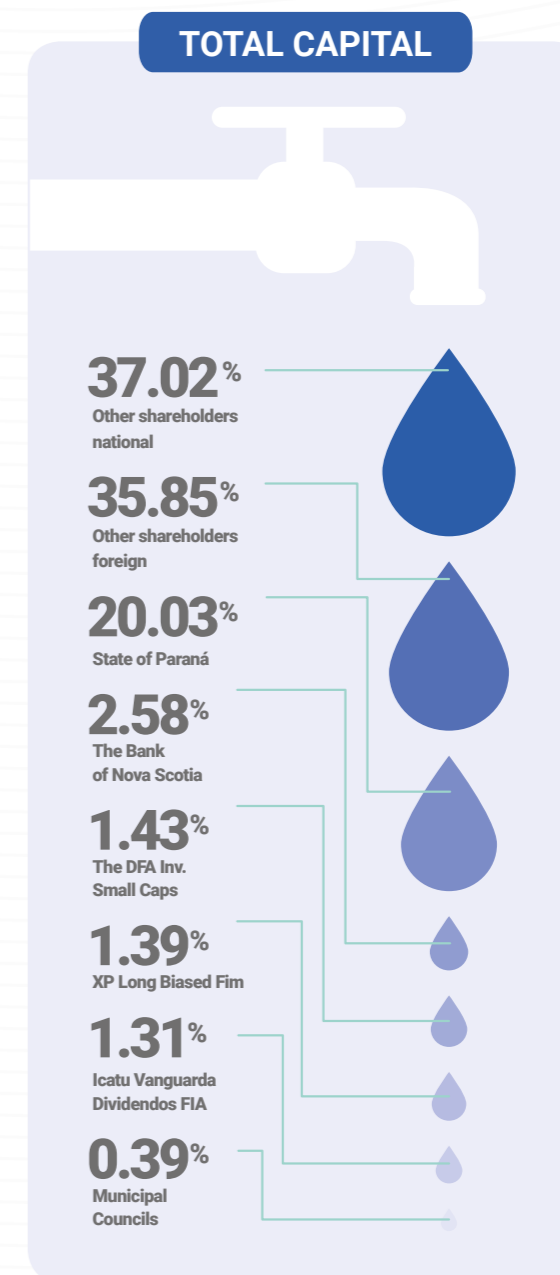
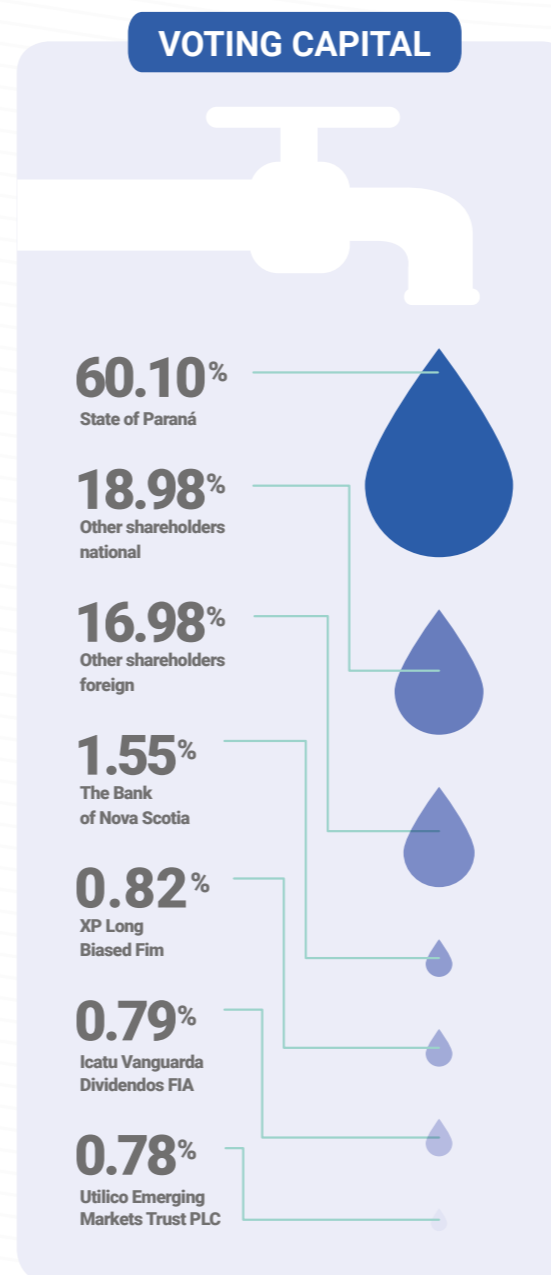
- Several meetings held with analysts and investors at the Company's headquarters and other capitals;
- Maintenance of the website (ri.sanepar.com.br), hosted at the Sanepar portal, with information for investors and shareholders, both in Portuguese and English versions.

More information on: <http://ri.sanepar.com.br>



SHAREHOLDING STRUCTURE

The Government of Paraná holds 20.03% of Sanepar's total capital and the remainder is divided between foreign (39.86%) and national (40.11%) shareholders. Considering only the voting share, the Government of Paraná holds 60.10%, while the rest of the common shares is divided between foreign shareholders (19.32%) and national shareholders (20.58%). The free float (shares traded freely on the capital market) is 79.97%.





Health and Sustainability for Society is Sanepar's purpose

Sanepar's strategic planning is in line with Law no. 13.303/2016, institutional principles and the company's values (Responsibility, Innovation, Competence, Respect, Commitment, Professionalism, Transparency and Ethics). In 2019, the Company underwent a revisit of its strategies that highlighted the perceptions of stakeholders and the company's business environment. The result of this work generated a realignment of the Mission and Vision and the definition of the Company's Purpose, creating a new Strategic Map that will direct the efforts and goals to be achieved, to meet the new standards and challenges of the market in the coming years. [GRI 102-16](#)

Sanepar has solid principles and policies established that guide all of its processes. Working according to its principles has been essential for the company's achievements, nationally and internationally. To conduct business in a straightforward way, Sanepar has Values that everyone should follow when

performing their activities, including those who work on behalf of the Company.

PURPOSE

Health and Sustainability for Society.

MISSION

Ensure environmental sanitation services in a sustainable and innovative way, contributing to economic and social development.

VISION

Universalize environmental sanitation, with excellence, in all municipalities served, committed to customer satisfaction.

The strategic goals and guiding axes were also realigned as follows:

- **Sustainability** – Ensuring the economic and financial balance of the businesses; Conserving the environment; Promoting social responsibility.
- **Customers and Government Entity** – Maintaining and expanding the market;

Increasing customer satisfaction and loyalty; Strengthening the company's image.

- **Processes** – Ensuring the quality of products and services; Improving and innovating projects and processes; Ensuring regulatory and corporate governance practices.
- **Learning and Growth** – Strengthening the culture of innovation; Improving knowledge, skills and attitudes; Developing the organizational environment.

Strengthening the culture of innovation as a strategic goal gained prominence, as it goes beyond the incorporation of new technologies. It seeks a culture of innovation among employees in projects and processes, aiming at constant improvement and efficiency in their performance. The highlights were also the strengthening of corporate governance and regulation practices, which are major pillars for performance, and the deployment of the sustainability tripod in one of the guiding axes of the Strategic Map.

The deployment of strategic goals were

also defined by the Executive Board with the approval of strategic plans and are aligned with risk management with the purpose of mitigating risks to achieve these goals. In order to monitor this process, management agreements are being signed between directors and the responsible managers, thus creating an environment of corporate engagement.

In addition to the strategic revisiting, the strategic planning process also underwent improvements with the creation of the Investment Committee and the Integrated Planning Committee that coordinated the entire Strategic Planning process for the five-year period.

An important change was the adoption of a Pre-Business Plan for the entire Company. This new methodology facilitated the planning construction process for all managements by informing the planning premises, which contributes to a better alignment of the processes.

In 2019, the Company advanced in the pursuit of management excellence, with the launch of Sanepar's Integrated Management Excellence System (SIEGS), which aims to integrate its quality programs, such as the Management Excellence Model (MEGSA), the Use o Bom Senso Program and NBR ISO 9001 and NBR ISO 14001 standards, as well as promoting management maturity and continuous improvement of the Company's value chain processes, respecting the

characteristics of each area of the company and the alignment of quality with the strategic goals.

SIEGS presents the concepts of Mobilization, Qualification, Evaluation, and Recognition, which consists of a PDCL (Plan, Do, Check, Learn) cycle, allowing to monitor the actions planned in management and operating processes, the value creation, and the organizational learning.

Management systems are tools that allow companies to standardize their statements and action plans, turning them comparable in any market worldwide. An organization with an integrated management system shows that its processes have a control level that allows to plan, to perform, to analyze, and to deploy improvements that increase the maturity of the Company's entire management.

Sanepar began implementing quality programs in the 1990's, with the Qualidade Total program. Over these 21 years, the culture of quality has been consolidated, resulting in the implementation of four main programs: NBR ISO 9001, NBR ISO 14001, Use o Bom Senso, and MEGSA.

INVESTMENT PLAN

GRI 103-2, 103-3

With the insertion of Sanepar in a regulated environment since 2017, many changes have been occurring in all sectors of the company. For the Investment Plan, a new guideline has been implemented in the Company's investment policy, the "investment allocative efficiency", essential to decide where to make the investment.

As a basis for human development, sanitation requires constant investments to guarantee and improve water supply, sewage collection and treatment services and the fulfillment of commitments made. In addition to following the allocative efficiency guideline, investments are also guided by the sustainability tripod: financial efficiency, which seeks the lowest cost for society; environmental efficiency, in compliance with legislation standards, such as permits and Judicial Agreement Terms (TAJs); and on social efficiency, with focus on regions that most need sanitation.

In 2019, Sanepar defined the Multi-annual Investment Plan (PPI) for the period from 2020 to 2024. The investments approved for five years are BRL 7.6 billion, according to the Company's solvency capacity.

Coordinated by the Investment Committee and consolidated by the Investment Board, the PPI was debated across the State. The

PPI undergoes annual reviews, when multi-annual goals are reassessed, new demands are taken into account, operational and environmental needs must consider the goals pactuated in signed contracts.

Investments were prioritized, meeting the following assumptions:

- Water supply assurance, judicial agreements, and environmental compliance (water and sewage);
- Programs and bidding contract goals (water and sewage);
- Terms of commitment with the Public Prosecutor's Office;
- Demands from operational and environmental system diagnosis, preliminary technical studies, sewage master plan (operational improvements), and new businesses;
- Infrastructure and solid waste.

The volume of investments in the cycle considered the user's payment capacity (impact of the investment volume on the tariff), the Company's debt capacity, the balance Between the investments with own and financed resources, and executive capacity.

O nosso propósito é

Saúde e Sustentabilidade para a Sociedade

Assão

mento ambiental de
ra, contribuindo para o
e social.

A nossa vis

Universalizar o saneamento
excelência, em todos os mu
comprometida com a satisf



Competência

Profissionalismo

Transparência

Ética



GRI 303-3

The families served by Sanepar - over 10 million people - are 100% supplied with treated water in the urban area. In 2019, there was an increase of 56,776 new connections, which represents an increase of 12% compared to 2018.

To cope with the growth in demand and the maintenance of the current supply systems, Sanepar invested BRL 459.7 million in 2019.

Of the 345 municipalities served by Sanepar in Paraná and 1 in Santa Catarina, 52% are supplied exclusively with groundwater, 35% by mixed surface and groundwater systems and 12% exclusively by surface water sources. Sanepar operates 1,104 wells across the State.

In the area of sanitary sewage, Sanepar provides sewage collection to 74.2% of Paraná people and treats 100% of the collected volume. In 2019, investments in sanitary sewage, with the implementation of new services, expansion and improvement of existing systems totaled BRL 454.2 million.

The company also operates three landfills, with collection, treatment and final disposal

of solid urban waste to 7 municipalities in Paraná.

ENVIRONMENTAL LICENSING

Environmental licensing is a legal requirement, essential for deploying and operating environmental sanitation projects, encompassing Water Treatment Plants (ETA), Sewage Treatment Plants (ETE), Sludge Treatment Plants (UGL), sanitary landfills, chemical analysis laboratories, expansion activities, improvements, and destination of waste.

In 2019, Sanepar sought to restructure the staff in charge of the environmental licensing management. The work was systematized through the performance of each professional in determined regions in the State, to facilitate the processes.

Procedures were also implemented for the application of the Sanepar's environmental licensing/work project in order to meet the demands originated by the risks of non-compliance with the environmental laws and responsibilities, and failures in the conception and non-performance of the Multi-annual Investment Plan.

To facilitate the access to information, the environmental licenses of the ETEs in operation were made available at the company's Intranet. The documents are available for the entire company, and are essential for checking the environmental requirements that must be followed when operating the plants.

Sanepar is currently working to make available, in 2020, the ETAs and UGL operating licenses, and infrastructure projects and engineering services permits as well.

The review of the normative procedures regarding the environmental licensing is in progress, and encompass the new structure and the systematization of the processes. Further training will be provided for all involved in this process.

In 2019, the environmental agency received the files of 151 environmental licensing applications by Sanepar. Of these, 123 for sanitary sewer systems, 26 applications for water supply systems, and two licensing applications for sanitary landfills.

In the same period, Sanepar prepared and filed at the environmental agency 13 requests for Environmental Permits for agricultural destination of sludge batches generated at the Sludge Treatment Plants (UGL).

The environmental body issued 85 environmental licenses for Sanepar's projects, 70 of these for sanitary sewer systems, 11 for water supply systems, three for analysis laboratories, and one for sanitary landfill. Sanepar also had 34 environmental permits for agricultural destination of sludge batches generated at the UGL.

WATER

GRI 103-2, 103-3, 303-1, 303-2, SASB IF0103-06

In its commitment with the preservation and conservation of water sources, the Company conducts the management of water basis in partnership with agencies and institutions. The purpose of the management is to ensure the availability of the water source, with a focus on the continuous quantity and quality of untreated water, necessary for water security and potability.

With a systemic view of water in the supply systems and the importance of society's commitment to this process, Sanepar proposed the implementation of a Water Safety Plan (PSA), as determined by the Consolidation Ordinance No. 5/2017 of the Ministry of Health, and whose methodology

was published by the World Health Organization (WHO). In 2019, Sanepar began to develop the PSA for the city of Cascavel.

The development of the Plan aims to guarantee water quality, with risk assessment and management methodologies and best system operating practices. Thus, we have a preventive security approach, with management that starts at the supply source and goes through the treatment systems until the distribution system.

This tool makes it possible to organize and structure the system to minimize the chance of incidents that could result in negative impacts on water quality and safety.

The guidelines and actions for area recovery and drinking water reserves are reviewed in order to meet the Water Safety Plan.

When collecting the water for the public supply, in 2019 Sanepar employed 253 surface water sources (rivers, mines, and four dam's reservoirs) and deep tubular wells distributed in nine aquifers. The limits for water collection in each source, surface or wells, are established by federal and state water resource agencies, through permits on the Right of Usage of Water Resources.

For surface water sources, water availability evaluation is based on the river's specific

flow rate in historical drought conditions at the region, and on possible impacts in the other uses of water resources. In dam's reservoirs, the collection conditions are determined according to the flow rate regulated by the dam and the downstream flow rate maintained in the river. As for groundwater collections, the evaluation is made by production and monitoring tests regarding the quality and quantity of the water collected from each well, carried out by Sanepar, and from the minimum levels calculated for each aquifer.

Sanepar monitors monthly the number of surface and underground operating



water collections according to valid permits, by defining actions prioritizing the regularization processes with the government agencies. It also monitors the monthly average flow rates, the pumping system, and the monthly volume delivered at each operating collection point and well.

For engineering projects for expanding surface collections or defining new surface water sources, Sanepar evaluates the historic conditions of water availability and the possible existing usage in the water basin, in order to verify the allowable flow rate. Moreover, since 2017, Sanepar defines technical guidelines on the Sanitation Project Manual (MPS) for evaluation of water availability in severe drought conditions, in order to consider the impacts on the water supply systems.

Due to the elevated water demand of the Metropolitan Region of Curitiba Integrated Water Supply System (SAIC), since 1980 the current and future water supply basins are stated as areas of interest for public supply. The purpose is to control soil use and occupancy in order to ensure quality conditions for the water, compatible with public supply.

With this purpose, the upstream watershed of five dam reservoirs used by Sanepar (Piraquara I and II, Passaúna, Iraí, and Rio Verde) became Environmental Preservation areas (APA) by state decrees. In addition to these APAs, other surface water

sources were also transformed in APAs. The municipal areas of Araras stream, in Paranavaí and Piava river in Umuarama; the state area of Mello river, in Guaratuba; and federal area of Cerquinho river, in Guaraqueçaba.

TOTAL WATER VOLUME WITHDRAWN BY SOURCE ¹ (MILLION m ³) GRI 303-3			
	2017	2018	2019
Surface water	605.27	609.23	624.39
Ground water	163.50	164.47	168.26
Total	768.76	773.70	792.65

¹ Data from direct measurements made through daily flow gauge readings in 100% of the operating sites. The volume from groundwater is equal to the volume of wells (treatment through disinfection), reported monthly by regional agencies from the data collected at the SCI (Industrial Collection System). The difference between the total volume of water withdrawn and the volume of wells is equal to that coming from surface water.

RECYCLED AND RE-USED WATER			
	2017	2018	2019
Total of recycled and re-used water volume by the organization (m ³)	2,835,789	1,539,426	1,599,541
Total of water withdrawn (m ³)	768,761,885.00	773,699,832.00	792,648,764.00
Re-used and recycled water volume/total water volume withdrawn (%)	0.4	0.2	0.2
Percentage of recycled and re-used water about the total of water consumed (%)	0.4	0.2	0.2
Percentage of new water withdrawn about the total of water consumed (%)	99.6	99.8	99.8

WATER RISK MANAGEMENT

GRI 303-1, SASB IF0103-06

Sanepar conducts preventive monitoring campaigns for assuring the quality of the water in its reservoirs and sources, and water quality self-monitoring, by calculating the Water Quality Index (IQA) for the affluent rivers of the reservoirs. These actions are Requirements for renewal of Environmental Licenses and Permit Applications.

Sanepar agreed upon a Term of Cooperation with the Department of Agriculture and Supply of the State of Paraná (SEAB), taking the synergy with the Micro Basis Program into account, whose purpose is to mitigate the impacts caused by the silting of water bodies and other risks from agriculture at water source basins.

As for the risks concerning the quality of water resources, Sanepar monitors the water collected according to the Consolidated Ordinance 05/2017 of the Ministry of Health, which provides for quality control and surveillance procedures for the water destined for human consumption and its potability standards. The evaluation of risks related to water availability is conducted by Sanepar in the Preliminary Technical Studies (ETP) or the Basic Engineering Projects (PBEN) for expanding surface water collections or defining new water sources.

Another question concerning the availability of water resources is the occurrence of extreme rainfall events, which floods sanitation system structures such as surface collections, ETAs, wells, pumping stations, and ETEs. Sanepar carries out studies on flood levels for placement of supporting sanitation structures according to guidelines defined in 2007.

RISKS OF DISASTERS IN WATER SOURCES

RESEARCH AND IMPROVEMENT OF PREVENTION PLANS

In this context, meeting a Call for Submissions, Sanepar developed 16 projects, two of which began to be implemented in an experimental way in 2019:

“Building sustainable and resilient cities” - Vulnerability study on the water sources at the margins of the BR 277 highway, between the cities of Guaraniaçu and Foz do Iguaçu, by developing a software that maps and evaluates the intersections of the highway, which crosses the State from East to West, with the water sources; searches data on the road traffic of dangerous cargos; evaluates and issues alerts and information on the impact of the main products in case of any incidents with the local watershed.

To evaluate the impact of the use of pesticides at the Tibagi River surface water



sources, the agroenvironmental index was created, and is applied by Sanepar in every supply water sources. The results are being used as a reference for preparing water basins monitoring and action plans.

OPERATING PROCESSES FOR PREVENTION, PREPARATION AND RESPONSE TO DISASTERS

The rapid response to environmental emergencies is operated, in Paraná, by a network that integrates Civil Defense, State and Federal Highway Police and the environmental inspection agencies, particularly Instituto Água e Terra. Sanepar is also part of this process through the State Commission for Prevention, Preparation and Response to Environmental Emergencies with Dangerous Chemicals of the State of Paraná, created by State Decree no. 7.117/2013.

As a preventive measure, Sanepar maintains signposts for water sources throughout the road network that crosses water sources used by Sanepar in the State and also has kits for environmental emergencies. The kits comprise absorption and containment barriers for oil products and sample collection boxes (used only in emergency situations). The kits were distributed to all the Regional Departments and are stored in places defined according to practicality and accessibility in case of need.

With this material, it is possible to carry out in laboratory the detection of contaminants that may cause the interruption of the water treatment for public supply. There were 24 occurrences in 2019, 17 of which in water source areas.

SUSTAINABLE GROUNDWATER MANAGEMENT AT SANEPAR

COLLECTION OF GROUNDWATER FOR PUBLIC SUPPLY

Sanepar uses the water available at groundwater sources, or aquifers, to supply the entire Paraná population. The water is withdrawn by drilling deep tubular wells. In order to use the aquifers, Sanepar applies sustainability practices to ensure water supply to future generations. Therefore, it monitors each operating well.

MONITORING OF WELLS

In compliance with its Environmental Policy, which establishes, among other commitments, the commitment to preserve water resources, Sanepar implemented in 1998 the Quantitative Monitoring Plan and Evaluation of Exploitation Conditions for Operating Wells. A constant monitoring allows defining with more accuracy and reliability the reserves available and the volumes that can be withdrawn without compromising the water sources.

The information on every monitored well, is evaluated annually. For each well, an Exploitation Conditions Evaluation Report (BACE) is issued. According to the BACEs analyses, sustainable exploitation conditions are defined for every well operated by Sanepar.

MONITORING OF THE KARST AQUIFER

The withdrawal of water from the Karst Aquifer by Sanepar, supplying water to the cities of Almirante Tamandaré, Bocaiúva do Sul, Campo Largo, Campo Magro, Colombo, Itaperuçu, and Rio Branco do Sul was the subject of deep water, geologic, and environmental studies that gave grounds for Sanepar to operate

in the wells. The studies concluded that it is possible to conduct sustainable management of the Karst Aquifer by controlling the flow rates and The lowering of the water level inside the wells. This control is carried out on a permanent basis by Sanepar as a guarantee of water withdrawal within the safety thresholds defined in the permits of Use of Water Resources for each well.

In compliance with the permits of Use of Water Resources issued by the Instituto Água e Terra, the automatic and instant monitoring (measured every 15 minutes) of the operating parameters of 31 wells operated by Sanepar is available online

for the public on the website: <http://site.sanepar.com.br/sustentabilidade>. The charts present measurements of the flow rate collected and the water level depth at each well in real time, and are updated every 60 Minutes, associated with the safety threshold established, named Permitted Maximum Dynamic Level (NDMP). The complete monitoring data is made available on a quarterly basis to the Instituto Água e Terra as a document.

WATER QUALITY

TREATED WATER IS THE BEST CHOICE

A continuous quality monitoring is assured by high investments in laboratory equipment, inputs, and the implementation of specific quality systems (NBR ISO 17.025), together with internal training program on operational and analytic processes. Sanepar's water is treated with chlorine, which guarantees its potability and quality, and with fluorine, which helps in the prevention of dental cavities. The Company follows water quality control and surveillance procedures, determined by the Ministry of Health. The work is carried out in the 168 water treatment plants, 4 central laboratories and 153 decentralized water quality analysis laboratories owned by the company in Paraná. In 2019, the central laboratories carried out over 6.8 million water analysis (collection, production, and distribution), in compliance with the

potability legislation in force, obtained a water compliance rate of 99.86%.

The results of some parameters are published periodically on the company's website, in an annual report and also, in summary form, in the monthly bill of its customers, in compliance with Federal Decree 5440/05, in addition to mandatory disclosure to municipal and state health departments and to the Ministry of Health.

To guarantee good results, Sanepar regularly conducts a diagnosis of water treatment processes through the application of the program Exceletas (ETAs Excellence) which consists of carrying out in loco checks regarding the conditions of the water source, physical facilities, operating performance, personnel training, and operating management.

LOSS MANAGEMENT

SASB IF0103-13, GRI 301-1



The reduction of water loss requires an ongoing work, with a focus on the improvement of operational efficiency

The water loss index is one of the main efficiency benchmarks of the water distribution system. The Company adopts continuous measures to combat fraud, leaks, under-measurement and clandestine connections. There are two ways to measure losses: the loss rate per connection/day, the IPL, which in 2019 was 230.5, and average distribution losses of the last 12 months (PSD12), the most used metric in Brazil. At Sanepar, this index was 34%.

Even though it is below the national average of 38.5% according to the National Sanitation Information System (SNIS 2018), Sanepar strives to reduce this indicator. Combating water loss is a continuous activity, with daily identification, control and reduction actions. Inspections are carried out on nets, branches and easels, in locals with signs of leaks, which are repaired as soon as possible.

Monitoring of pressures and flows in the distribution systems is also carried out, which is essential for identifying leaks and directing maintenance teams. This pressure management is a relevant factor for controlling leaks, in addition to providing

a more regular supply for the population.

The Problem Analysis and Solution Methodology (MASP) is applied to processes that can cause water losses: production, distribution and maintenance of systems, with a systematic and structured approach to the management and control of processes. It is an analysis methodology, which aims to promote optimization and improvement of results, based on quality tools.

MASP, together with the Water Balance technique, allows the identification of the causes of losses, in order to direct more assertive actions to improve the efficiency of processes.



Another important practice is the management of the water meter park, so that they are correctly dimensioned and updated technologically, according to the consumption profile of each customer. The equipment is also replaced preventively and correctively, avoiding measurement failures due to wear on the internal parts. Each year, about 400,000 water meters are replaced in the State.

Another cause of losses is fraud in water meter and clandestine connections, a problem that has increased in recent years and which is the focus of control and mitigation actions by Sanepar.

LOSS OF WATER BY THEFT			
	2017	2018	2019
Volume of water stolen in clandestine connections (m ³) ¹	13,099,200	13,152,000	13,320,000
Loss of revenue due to water theft in clandestine connections (BRL) ²	60,755,297.99	69,705,600.00	77,389.20

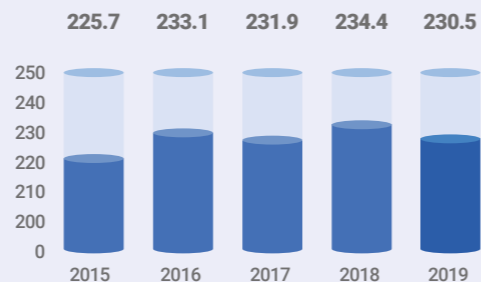
¹ Volume estimated by the water balance methodology.

² Loss or revenue calculated by the multiplication of the volume estimated and average water tariff.

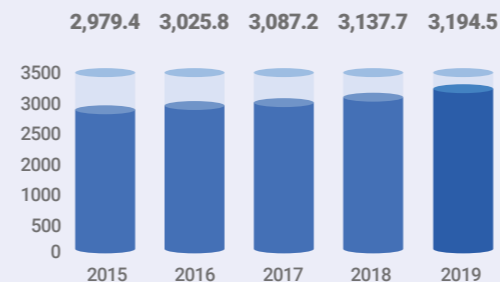
DISTRIBUTION SYSTEM (Km) SASB IF0103-D, SASB IF0103-12			
	2017 ¹	2018 ¹	2019
Length of the distribution system	52,892	54,103	55,359
Replacement of water piping	134.5	305.6	534.5

¹ The results of the years 2017 and 2018 are being remedied because the Regional Managements of Apaponga and Litoral re-sent the metering, including all the improvements made.

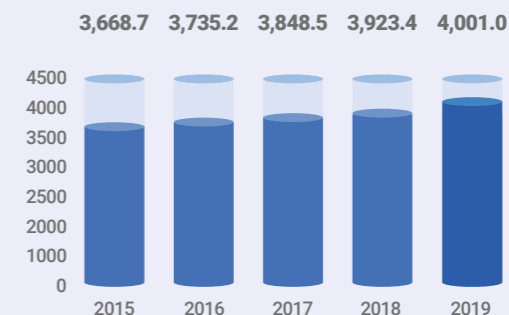
INDEX OF LOSSES PER CONNECTION (In liters/connection/day)



NUMBER OF CONNECTIONS/WATER (In Thousands)



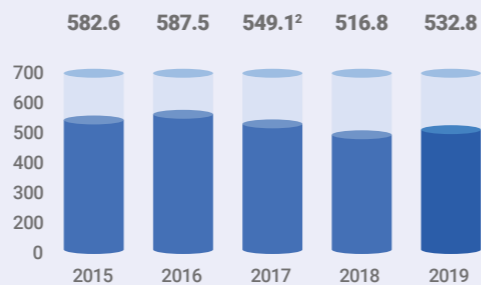
ACTIVE ECONOMIES¹/ WATER (In Thousands)



¹ The term active economy is used to designate any property or subdivision of a property that has a private or shared facility for the use of water and/or sewage services registered and invoiced by Sanepar

VOLUME INVOICED¹ / WATER

(In million cubic meters)



¹ Also considers volumes referring to industrial consumers (non-drinking water)

² In 2017, the basic structure of the minimum tariff changed from 10m³ to 5m³

SERVICE INTERRUPTION

The benchmark that analyzes planned and unplanned supply interruptions adopted by Sanepar considers service interruptions lasting over four hours. The other companies adopt the threshold established by the National Sanitation Information System (SNIS), which only considers service interruptions lasting over six hours. However, it is not possible to appoint the population affected and the total duration of service interruptions. The largest integrated systems already have an operational registry implemented. The deployment of the registry in all the systems, expected to be

completed in 2020, was postponed to 2022 due to georeferencing technical issues, when the entire system is prepared to allow the complete management of this benchmark.

NUMBER OF SERVICE INTERRUPTION SASB IF0103-16

Year	2017	2018	2019
Number of interruptions	3,069	3,475	4,162

VIOLATIONS

Each management conducts individually the inquiry and management of the benchmark of each system within its area of coverage. A monthly report containing all the parameters that caused the violations in every system is available for the managements, helping the decision-making on preventive and corrective actions to eliminate/reduce the non-conformities of the parameters about the thresholds under the legislation in force.

The benchmarks considers the number of violations in relation to the quantity of parameters analyzed. A total of 0.169% in non-conforming parameters was registered in 2017; 0.165% in 2018; and 0.156% in 2019. Therefore, the variation between the three last years is almost insignificant. The percentage of conforming parameters is evaluated as well: 99.83% of conforming parameters were achieved in 2017; 99.84% in 2018; and 99.84% in 2019.



NUMBER OF VIOLATIONS RELATED TO THE DRINKING WATER SUPPLIED SASB IF0103-07		
2017	2018	2019
3,036	2,990	2,808

DROUGHT

During drought periods, some systems have shortages due to the poor flow rate of rivers and wells. To improve production capacity, Sanepar is adopting some measures such as the procurement of studies on the supporting conditions for water sources facing severe drought. The studies will be carried out with the participation of Sanepar water production department of Curitiba. With the operational diagnosis of water supply systems, the analyses of water sources facing more risks should be prioritized, making feasible the development of studies, projects, and constructions that mitigate water shortages caused by the drought.

Although several environmental actions are already part of the Company's agenda, their potential for mitigating risks regarding droughts is of medium and long term only. This means that they must be intensified as the continuous and rapid endangerment of water sources is remarkable, quantitatively and qualitatively.

In 2019, the water supply system in Cascavel underwent drought, and a water restriction system was implemented for

approximately 20 days between September and November. The water restriction system was suspended with the occurrence of rainfall.

As a measure for mitigating this risk in medium and long term, several actions are in progress in Cascavel, such as the implementation of a new catchment in the São José river, which will enlarge the treatment capacity; and the construction of two new distribution reservoirs (Floraís and Esmeralda), with total capacity of 4,400 m³.

The use of the São José river as a new water source represents an increase of 25% in the water availability for the city, assuring normal supply conditions during drought periods. As a long-term solution, a design study on the future use of the Salto river is under development since the river can supply and meet the demands of the increasing population.

A GREAT WORK – MIRINGUAVA DAM

In late 2019, Sanepar resumed the construction of the Miringuava river dam, which will strengthen the integrated supply system at the Metropolitan Region of Curitiba (RMC). Located in São José dos Pinhais, it will have a storage capacity of 38 billion liters of water, and was designed to follow the increasing demand for water until 2030, benefiting about 650,000 people.

Miringuava will be the fifth dam of the RMC system, and, when it operates, Sanepar will treat 2,000 liters of water per second. Its storage capacity corresponds to the volume of 15,200 Olympic pools. The height of the dam, 24 meters, is equivalent to that of an eight-floor building. The embankment, with 309 meters long, is formed by 256,000 m³ of soil.

The Miringuava dam will benefit the agricultural activities carried out in the local watershed as it will ensure regular flows coming from the river's main channel. The structure will also reduce, in rain periods, the flooding areas in the margins of the Miringuava and Iguaçu rivers, in the downstream regions.

SANEPAR RURAL SANITATION

The Sanepar Rural Sanitation Program encompasses the social and environmental policies in the State and aims to implement water supply systems in rural communities, in partnership with the Municipalities, through a Term Addendum to the Program/Concession Contract signed between Sanepar and the Municipality.

The term allows Sanepar to be liable for the development of projects, water equipment, electrical and mechanical facilities, the training of operators, the technical support, and the community organization. The Municipality and the community provide the labor and purchase the inputs. After the installation,

the system is transferred to the Municipality, and the community manages it, organized in associations, and trained by the Company's technicians.

Sanepar has been operating in rural regions since 1984. The Rural Sanitation program provided over 2,217 rural communities with treated water across the State, in almost 110,000 properties, serving approximately 500,000 people.

In 2019, Sanepar made 95 partnerships with Municipalities and invested BRL 1.6 million in rural sanitation. 214 new partnerships are expected for the next five years, supplying treated water to about 10,000 families, and social investments will be of approximately BRL 16 million.

PAYMENT FOR ENVIRONMENTAL SERVICES

Developing and deploying the integrated and full management of the surroundings of reservoirs and water source basins, with special attention to Sanepar's property area, in order to improve the quality and safety of untreated water, and the environmental conditions in the basin. This is the purpose of the Environmental Services Program

(PSA), implemented by Sanepar in 2018 as one of the pillars for conservation and recovery of Permanently Protected Areas (APP). Through this program, owners of rural land receive incentives to preserve the natural conditions of the land, especially water and soil.

The PSA is applied around Piraquara I Reservoir, in the Metropolitan Region of Curitiba, in partnership with the Department of Sustainable Development and Tourism (Sedest) and the municipality of Piraquara. The owners' participation is voluntary, and, in a public call, 11 owners were selected, and will receive BRL 250 thousand from the PSA.

The Municipality has been very important for the local water supply and has well-preserved its remaining forests. The area chosen covers the Piraquara River Basin. There are two projects in initial stage as well, in the municipalities of Castro and São José dos Pinhais.

URBAN RIVERS

To guarantee the quality of water in urban rivers, the Urban Rivers Revitalization Program (PRRU) monitors water conditions by measuring the dissolved oxygen content in different stretches of rivers, streams and galleries. This allows detecting points for repairs in the collection network and thus eliminating clandestine connections and sewage discharge into water bodies.

In 2019, the rivers Belém (North stretch), Uvu, Bacacheri, Palmital and Córrego do Mueller were monitored in Curitiba; in the Metropolitan Region of Curitiba, the rivers Vila Formosa and Ressaca; and, in Foz do Iguaçu, the conditions of the Monjolo and M'Boicy river basins were diagnosed.

DAM SAFETY MANAGEMENT

The four dams that are part of the Integrated Supply System of Curitiba (SAIC) - Iraí, Piraquara I and II and Passaúna - are operated, inspected and monitored periodically, according to Federal Law no. 12.334/2010, which established the Dam Safety National Policy in the country.

A qualified professional with training in Civil Engineering, post-graduation in Dam Safety and Water Resources Project

Management and a master's degree in Civil Construction Engineering is appointed as responsible for the safety of the dams in

operation. There is also regular monitoring carried out periodically by an internal and external multidisciplinary team of engineers and technicians, specialized in several areas, such as Hydrology, Chemistry, Mechanics, Hydraulics, Electrical, Structures, Geotechnics, Geology, Operation and Maintenance.

In addition to targeting dam safety and its operation, monitoring and inspection work also guarantees better use of water resources in relation to the quantity and quality of water.

Sanepar complies with the guidelines of the National Dam Safety Plan, established by Federal Law no. 12.334/2010, and Ordinance 46/2018 published by Instituto das Águas, the state agency responsible for inspecting dams in Paraná. It also follows the Entrepreneur's Manual on Dam Safety, published by the National Water Agency (ANA).

In 2012, Sanepar asked the inspection agency to classify its four dams due to the size of its reservoirs. That same year, it filed studies, reports and information on the dams with the inspection agency, prepared by the Portuguese consulting and engineering company Cobra, even before the publication of Resolutions or Ordinances by this agency.



The Dam Safety Plan (PSB) consists of 6 volumes, according to Ordinance 46/2018:

- I - General Information
- II - Enterprise Technical Documentation
- III - Plans and Procedures
- IV - Records and Controls
- V - Periodic Review of Dam Safety
- VI - Contingency Plan

The Company complies with the legal deadlines established by the inspection agency for the delivery of each of these volumes. Since 2010, it has delivered volumes I, II, III and IV.

The studies for Volume V - Periodic Review of Dam Safety (External Consultancy as required by law) and the studies that will comprise Volume VI - Contingency Plan (PAE) are under execution. The purpose is to minimize the risks and reduce impacts on the downstream of dams and neighboring populations, in the event of an accident.

The completion of these documents is scheduled for the end of 2020, within the legal deadline. It is worth noting that Sanepar dams are safe as they were built with good engineering practices and undergo monitoring and operation and instrumentation maintenance.

The new SAIC dam, in Miringuava River, under construction, shall have a Dam Safety

Plan before the first filling of the reservoir, as recommended by the aforementioned legislation.

RELATIONS WITH EXTERNAL INSTITUTIONS

Sanepar maintains a partnership with Municipal and State Civil Defenses, to assist in the preparation of Municipal Contingency Plans for Dams, in accordance with Law 12,608/2012, which instituted the National Policy for Civil Protection and Defense, for conducting simulations, surveying risk areas, monitoring and handling events with dangerous loads around public water sources.

It also establishes agreements with municipalities, aiming to protect the areas surrounding the dam.

Sanepar is a member of the Brazilian Dams Committee (CBDB) and is represented on the Board of the Brazilian Dams Committee - Region of Paraná. CBDB is a facilitating agent in order to collaborate so that the construction and operation of dams and associated works are technical, environmental and socially appropriate for society.

In 2019, the 1st National Symposium was held in Curitiba, which discussed the safety of supply and irrigation dams. Promoted by Sanepar, CBDB and the Paraná Institute of Engineering (IEP), the symposium brought together specialists in the water supply and

irrigation segment.

SEWER



Sanitary sewage is one of the biggest challenges to improve the living and health conditions of Brazilians, by combating waterborne diseases. It is also one of the main environmental protection factors, by reducing the dumping of waste in streams and rivers.

With a focus on improving services directly related to citizens' health and life quality, Sanepar continuously invests in expanding and modernizing the sewage collection and treatment system.

The expansion of the sewage collection and treatment network is a purpose, always present at Sanepar. In 2019, the collection system grew 2.1%, reaching almost 37,000 kilometers.

The increase in the number of economies connected to the system grew by 4.2%, exceeding the total number of 3 million economies. The invoiced volume of sewage increased approximately 5.4%, with an increase of 20.3 million m³ in the annual volume.

In the improvement of the sewage treatment processes, investments were made in modular treatment plants (prefabricated), in modular post-treatment and in adjustments to the operating ETEs. All of these efforts

showed significant improvements in the results of the treatment plants.

In 2019, the Sanepar laboratory network carried out approximately 126,000 sewage analyses, in compliance with environmental legislation and operational control.

Due to this scenario, the main challenges concerning the universalization are: technical and economic-financial feasibility for locations with less than 10,000 inhabitants, and the investments required for increasing the coverage levels because of technical conditions for compliance.

DISTRIBUTION SYSTEM (Km) SASB IF0103-D, SASB IF0103-12			
	2017 ¹	2018 ¹	2019
Length of the sewage distribution system	35,264	35,982	36,754
Replacement of sewage piping	97.8	98.1	165.4

¹ The results of the years 2017 and 2018 are being remedied because the Regional Managements of Aponga and Litoral re-sent the metering, including all the improvements made.

DEVELOPMENT OF MODULAR SEWAGE TREATMENT PLANTS

The environmental requirements for discharging effluents that are more restrictive, and the need for promoting the universalization of sanitary sewer services require continuous improvement and technological update by Sanepar, in particular with regards to sewage treatment.

Thus, Sanepar has worked in the consolidation of alternative and modular systems, improving operational efficiency, requiring shorter areas for construction and reduced time intervals for the work.

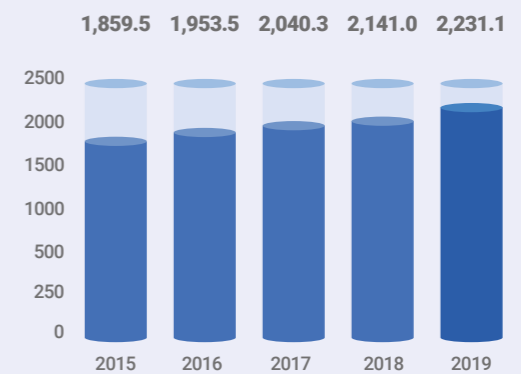
The Company has already put into operation modular sewage treatment plants with different technologies in the municipalities of Toledo and Pinhão. In 2019, it opened, in the municipality of Santa Helena, a Modular sewage treatment plant that employs the SBR (Sequencing Batch Reactor) and has a mineralization site, an innovative process at Sanepar, which makes possible to store and treat the sludge generated through wastewater treatment, with the aid of plants.

HIGHLIGHT IN THE RANKING

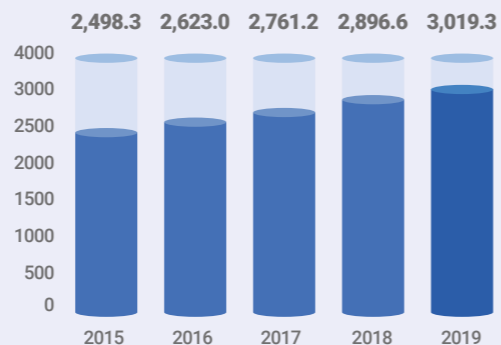
In the latest top 100 largest Brazilian cities' ranking of sanitation, disclosed by Instituto Trata Brasil, Sanepar has its five largest cities ranking among the best 20 cities in the country: Maringá (3rd place), Cascavel (7th), Ponta Grossa (9th), Londrina (13th), and Curitiba (17th). Curitiba has been indicated as the best Brazilian capital in sanitation since 2011. The data analyzed are from the National Sanitation Information System (SNIS) - base year 2018.

In the chart disclosed by Trata Brasil presenting the best cities with total sewage collection and treatment levels, the five largest Paraná cities rank among the ten first positions, and they all have a collection and treatment rate above 90%: Cascavel and Curitiba, with 99.99%; Londrina, Maringá, and Ponta Grossa, with 99.98%.

NUMBER OF CONNECTIONS/ SEWAGE (In Thousands)

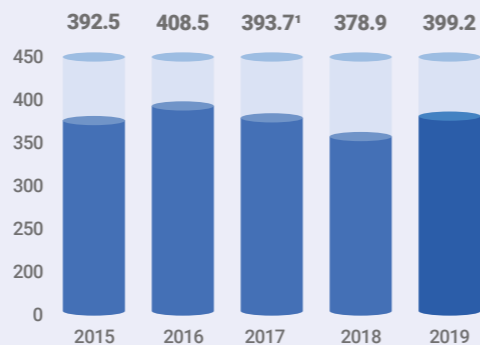


ACTIVE ECONOMIES¹/ SEWAGE (In Thousands)



¹ The term active economy is used to designate any property or subdivision of a property that has a private or shared facility for the use of water and/or sewage services registered and invoiced by Sanepar

VOLUME INVOICED/SEWAGE (In million cubic meters)



¹ In 2017, the basic structure of the minimum tariff changed from 10 m³ to 5 m³

SANITATED COASTLINE



In the summer of 2019, the Paraná coast welcomed tourists with the best bathing benchmarks in the country. With investments of BRL 49.6 million in 2018-2019, in the last stage of the sewage works that expanded the treatment plants in Matinhos and Pontal do Paraná, the collection service reached 81% in the Coast.

In addition, infrastructure contracts were concluded, which increased the water reservation capacity. Pontal received two new reservoirs: the Balneário Atami, with a capacity of 1,000m³, and the Balneário de Canoas (2,000 m²), with an investment of BRL 2.9 million. In Guaratuba, Sanepar invested BRL 1 million in the structural recovery of Central Brejatuba Reservoir (3,000 m³).

ENVIRONMENTAL COMPLIANCE

GRI 103-2, 103-3, 307-1, SASB IF0103-02

Sanepar, in its 56 years of history, has been striving for excellence in basic sanitation in Paraná. Evidently, the initial goal was for treated water to reach the population, then remove wastewater (sewage) and, finally, treat the sewage. In the 1980s, Sanepar built a series of ETEs based on the RALF (anaerobic fluidized sludge reactor) and UASB (Upflow Anaerobic Sludge Blanket) systems.

With the evolution of environmental



legislation, increasingly restrictive, these systems, in certain situations, have become insufficient to achieve the required efficiency. Currently, they continue to be part of the Company's effluent treatment, but require post-treatment to reach the established parameters. The Company has been promoting the necessary improvements in their structures, looking to improve the quality of effluents, contributing to the quality of life of the population of Paraná.

In 2016, it entered into agreements with the state environmental agencies and Ibama to seek environmental compliance related to the 17 Public Civil Actions (ACPs) resulting from the Água Grande operation. After long-term planning, discussions and resolutions, in 2018 the Judicial Agreement Terms (TAJs) were signed with the Federal Justice, with the participation of the Federal Prosecution Service, Ibama, Instituto Água e Terra and Instituto das Águas Paraná. In 2019, Sanepar implemented several actions in the strategic and operational scopes aiming at the effective compliance with the clauses signed.

Considering the complexity and specificity of the necessary measures and interventions, the TAJs imposed on Sanepar a set of challenging actions to be implemented within the agreed deadlines. However, decision and planning are not enough, it is also necessary to change the organizational culture to achieve the objectives.

Among these actions are the creation of the Environmental Compliance Deputy Board and a governance working group, whose goals are to carry out a critical analysis of the action reports and monitoring of the ETEs contemplated in the Judicial Agreement Terms and also to monitor schedules and evaluate self-monitoring reports.

Another important tool in the context of Environmental Compliance was the implementation of the Environmental Legislation Training Program. The purpose

of this training was to provide a further development, analysis and discussion of the interpretation and application of requirements of the main legal diplomas to activities related to the collection and treatment of sanitary sewage; water collection, treatment and distribution; and collection and treatment of solid urban waste. With specific modules for each segment, the target audiences of this program are ETEs, ETAs and landfills operators, designers, managers, operational coordinators and personnel of the strategic dimension.

In the operational aspect, Sanepar made investment in modular ETEs, in modular post-treatment, adapting other ETEs and strengthening operational structures. In 183 existing stations that are part of the TAJ, two modular ETEs are being completed and other two are in pre-operation; 44 modular post-treatment stations are in several execution



stages, and six are operating; 10 station adjustments are in progress, and 47 are already in operation. These efforts showed significant improvements in the results of the treatment plants, thereby meeting the TAJ and legal compliance.

The management of the Judicial Agreement Term is being a great challenge, generating a wide discussion about its importance at different levels of the Company. From the operation to senior management, it was highlighted that dedication is necessary for the change of routines and processes to happen. The main learning is the integrated work of several Company areas, encompassing offices, managements, and employees. The Company is giving more attention to environmental demands in legal, operational, and social aspects.

In 2019, the Company received 12 citations, issued by the Instituto Água e Terra, the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama), the Municipal Department of Environment of Maringá, the Municipal Department of Environment of Londrina, and the Municipal Department of Environment of Curitiba. The fines are being contested by the Company.

Among the 168 operating ETAs, 50% are exempt from environmental licensing due to their low pollutant potential. The 249 operating ETEs need licensing since they have significant potential for environmental damages. Sanepar monitors the number

of operating water and sewage treatment systems with valid environmental licenses on a monthly basis, and defines actions for prioritizing regularization process with the managing environmental agency.

WASTE AND WASTEWATER

GRI 103-2,103-3,303-1,303-2,303-4

For the operating ETEs, Sanepar monitors the volume of wastewater discharges with valid permits issued, and defines actions for prioritizing the regularization processes with the managing agency. For the sanitation sector, in addition to the wastewater discharge thresholds, the Permits For Use of Water Resources establish progressive goals for meeting the discharge standards that each ETE must achieve. [GRI 306-5](#)

The projects concerning the expansion or creation of ETEs evaluate the water availability conditions, the dilution of the water bodies, and the possible and existing uses of the water basin, in order to determine the characteristics to be met by the sewage treatment plant that will be deployed. The wastewater must not be discharged in rivers that cross Complete Protection Conservation Units, Private Natural Heritage Reserves (RPPN), state or demarcated indigenous reserves.

The projects also provide additional management tools for waste and wastewater control; the NBR ISO 9001 certificate, obtained

by the Londrina Regional Management; the NBR ISO 14001 certificate, obtained by the Foz do Iguaçu systems, Cianorte sanitary landfill, and the implementation of the Corporate Environmental Management System (SGAC).

In addition to the expansion of the sanitary sewer system, Sanepar gives special attention to the efficiency of treatment processes, by conducting internal controls at the plants, and laboratory analyses. Different systems (aerobic, anaerobic, and physicochemical) are used to remove the pollutant load from the sewer, meeting the parameters determined in environmental legislation.

The control measurements consider the quality of the sewer treated and its compliance with the analytical parameters defined in the environmental legislations, licenses, and permits of use for discharging wastewater in the water bodies. The several laboratory tests carried out for sewer quality control include the Biochemical Oxygen Demand (BOD), which represents the quantity of oxygen required for degrading the organic matter, through a standardized laboratory test that simulates the actual clarification condition of the sewer in the environment.

For odor control during the treatment process, Sanepar adopts measures for collection and treatment of gases. Moreover, “green curtains” are installed, which are natural barriers formed by native plants that allow the dispersion of odors through the wind. At ETE Santa

Quitéria, in Curitiba, a “green curtain” with synthetic fiber was installed, demonstrating efficiency in odor control.

Sanepar establishes and performs Environmental Control Plans (PCA) for monitoring the wastewater and the water bodies upstream and downstream the discharge points, according to the requirements issued in the environmental licenses and permits of every operating ETE.

Environmental diagnosis and inspections also identify any irregularities in the wastewater discharge, which are corrected through action plans.

The wastewater generated at the 249 ETEs were disposed of into 244 water bodies in 2019, according to criteria for dilution of the remaining organic load. The criteria are established by federal and state water resource management agencies, considering the water availability and the quality of water at the portion of the river used.

Among the treatment methods for ensuring the quality of the sewer, Sanepar uses anaerobic reactors; aerobic reactors combined with aerobic and anaerobic biological percolator filters, and submerged aerated filters; anaerobic reactors combined with stabilization ponds; Australian stabilization pond system; anaerobic pond followed by stabilization pond; anaerobic reactors combined with physicochemical dissolved air flotation

system and accelerated decantation; anaerobic reactors followed by parallel plate separators; activated sludge in conventional aeration; activated sludge in extended aeration; and batch activated sludge. [GRI 306-1](#)

TOTAL VOLUME OF WASTEWATER DISPOSED (m³)		
2017	2018	2019
355,312,711	362,380,051	382,115,054

QUANTITY OF WASTE MANAGED, BY CUSTOMER CATEGORY: MUNICIPAL, COMMERCIAL, INDUSTRIAL, RESIDENTIAL, AND OTHERS (TONS) SASB IF0201-D			
	2017	2018	2019
Municipal ¹	32,838.34	33,826.02	34,114.58
Residential ²	26,045.55	25,774.72	25,710.37
Non-domestic Solid Urban Waste ³	1,077.17	1,143.23	1,162.83
Sanitation Waste ⁴	2,511.13	2,360.98	2,449.21
TOTAL	62,472.19	63,104.95	63,436.99

¹ All the waste managed from obligations assumed with the government through program contracts with municipalities where Sanepar conducts waste collection: Terra Boa, São Tomé, Guaporema, Indianópolis, and Apucarana.

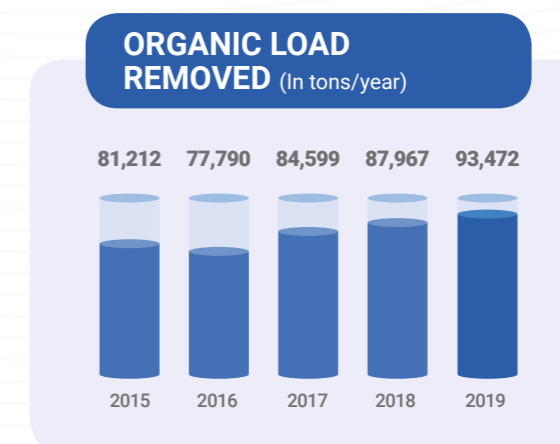
² All the waste managed from municipalities where Sanepar conducts waste collection, considering the municipality as a customer.

³ Waste from large generators of features compatible with the class of the sanitary landfill.

⁴ Waste disposed from sewage treatment activities at the regions where the landfills are located.

ORGANIC LOAD REMOVED AT TREATMENT PLANTS

The function of sewage treatment plants is to remove the polluting load, taking into account the limits of the different parameters determined in environmental legislation. In addition to monitoring disposal, Sanepar measures the load removed from the treatment process. The benchmark used takes into account the standard limits of all evaluated parameters and the measured organic load, according to the Biochemical Oxygen Demand (BOD).



SLUDGE IN AGRICULTURE



Destining sludge generated in sewage plants for agricultural use is one of the sustainable alternatives used by Sanepar for decades. The sludge destination for agriculture is considered an example of environmentally correct practice by the United Nations Environment Program (UNEP).

The experiment started in the Metropolitan Area of Curitiba and reached other parts of the State. In regions such as Umuarama and Campo Mourão, where agriculture has a strong presence, 100% of the sludge is used for this purpose.

Since 2007, about 300 thousand tons of sludge have been destined for agriculture and there are projects to expand this practice in all regions of the State. This experience, already consolidated, influenced the preparation of standards by Conama (Resolution 375/2006) and by the Environment Department of the State of Paraná (SEMA Resolution 021/2009), regulating agricultural use.

Before being sent to agricultural areas, the sewage sludge must undergo tests and meet quality standards, with measurement of the quantities of heavy metals, health in terms of viable helminth eggs, salmonella, thermotolerant coliforms and enteric viruses. All of these parameters must be below the limits of the relevant legislation.

The agricultural area intended to receive the product also undergoes inspection and analysis by a qualified professional.



SOLID WASTE

SASB IF0201-C

Sanepar makes the environmentally appropriate final disposal of solid urban waste to seven municipalities in the northern region of the State. Through contracts with the municipalities of Cianorte, Apucarana and Cornélio Procópio, the Company manages three landfills that, in 2019, handled 64,000

tons of waste, serving a population of 290,000 inhabitants. The experience in solid waste management began in 2002 in Cianorte. The landfill, which operates on a regional basis, serves the municipalities of São Tomé, Terra Boa, Guaporema and Indianópolis, and was the first landfill in the country under the management of a public company to receive ISO 14001 certification for environmental management.

In 2019, the sanitary sewer waste came from 249 Sewage Treatment System (ETEs), 504 Sewage Pumping Stations (EEEs) and the cleaning of sanitary sewer networks. In 2019, 89,379 tons of waste (network cleaning, grillage, desilter, foam, and sewage sludge) were disposed of into licensed landfills, and 27,258 tons of sewage sludge were destined for agricultural use.

TOTAL OF NON-HAZARDOUS WASTE GENERATED, BY DISPOSAL (IN TONS) GRI 306-2					
Operation	Disposal	Waste Type	2017	2018	2019
ETEs	Recovery (including energy recovery)	Sludge	127,449	257,522	195,631¹
	Landfill	Preliminary treatment waste (grillage)	30,330	82,191	38,720²
		Preliminary treatment waste (desilter)			
		Sludge	81,969		78,060
	Agricultural destination	Sludge	28,388	21,420.70	27,258
Laboratory	Laboratory ³	Inert Waste (Class IIA) • Office paper, A4, newspaper, plastic waste, cardboard, recyclable material	10.43	10.27	10.65
	Landfill from laboratory ³	Inert Waste (Class IIA) • Sanitary waste, food scraps, dirty towel paper	5.89	6.3	7.44⁴
Total			268,152.32	361,150.27	339,687.09

TOTAL OF HAZARDOUS WASTE GENERATED, BY DISPOSAL (IN TONS)					
Operation	Disposal	Waste Type	2017	2018	2019
Laboratory	Incineration (Burning)	Hazardous Goods (Class I) • Expired laboratory reagents and chemicals (solid and liquid)	4.99	5.87	6.77⁵
	Autoclave and/or microwave	Hazardous Goods (Class I) • Expired laboratory reagents and chemicals (solid and liquid); health care services waste (Group A - infectious and Group E - sharp)	6.28	6.28	6.58⁵
Total			11.27	12.15	13.35

¹ In 2019, 195,631 tons (4,405 tons of total solids) were destined to CS Bioenergia.

² Waste destined to the same dump, and its separation could not be possible.

³ There was an increase due to the analyses for compliance with the TAJ (new sampling for compliance with the conditions and grants), and the requests for pre-operational analysis monitoring (at new ETE plants).

⁴ Increase due to the new methodology of the PGRS of Londrina.

⁵ There was an increase of the disposal of broken glasses and glassware falling under the sharp category, due to the adaptations of the GACF laboratory for meeting the NBR ISO 17.025 requirements.



Miringuava Dam works, São José dos Pinhais - PR. Picture: Andre Thiago Chaves Aguiar

GRI 103-2,103-3

Sanepar was awarded the Transparency Trophy 2019 for the quality of the financial statements for the year 2018.

In 2019, the Brazilian economy showed little expressive performance, with GDP growth of 1.1%, with low interest rates and inflation. Even in the face of this scenario, the Company continued to show the positive results achieved in recent years, affirming its economic-financial balance. The performance was assured mainly by the expansion of the water and sewage segments and by the performance of the administration managing operational costs and expenses.

The Company achieved significant growth in its financial benchmarks, net revenue increased 13.5% compared to 2018, net profit advanced 21.0%, while net margin reached 22.9% and EBITDA margin reached the rate of 41.7%. Facing these results, the profitability ratios were very positive, such as the return on invested capital, which reached 13.5% in 2019, in addition to the appreciation of the Company's shares.

Sanepar's quest for universalization

was marked by the improvement and expansion of services, growth of the served population, increase in the water supply and sewage collection network with investments made in the amount of BRL 1,027.1 million in 2019.

Funds were raised in the amount of BRL 350 million with the 9th issue of debentures, used for working capital and as a complement to the Company's investment program, in accordance with its commitment to economic and financial sustainability. Fitch Ratings affirmed the Long Term National Rating 'AA(bra)' of the Company and the 9th issue of debentures, and the perspective of the corporate rating is positive. The rating was supported by the low risk of Sanepar's business in the Brazilian basic sanitation sector and the strong business and financial profile.

Sanepar's commitment to economic and financial sustainability guided the Company's financial management in the last year and will continue as a reference, with the perspective of ensuring economic-financial balance with the efficient management of revenues, costs and expenses, cash flow management, in

addition to making prudent investments aligned with the Company's strategic goals.

Sanepar discloses annually, on its website, the analysis report of goals achievements and results in the performance of the Company's business plan and long-term strategy, where it presents the strategic benchmarks, goals and achievements, followed by the respective analyses, and the long-term strategies. The Planning Committee is the Company's governance body responsible for coordinating the integrated planning process. Moreover, the financial goals are followed through digital corporate systems, and analyzed at the monthly governance body meetings.

The results are presented monthly to the Company's governance bodies. On a quarterly basis, Sanepar presents the results to the market through videoconference, and makes the information available at the Company's website and to the Brazilian Securities Exchange Commission (CVM). Sanepar strives for transparency in its management; therefore, any significant information that may have financial impacts is disclosed through press releases and relevant facts.

REVENUES

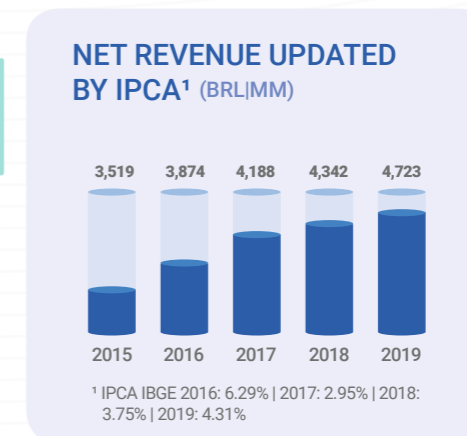
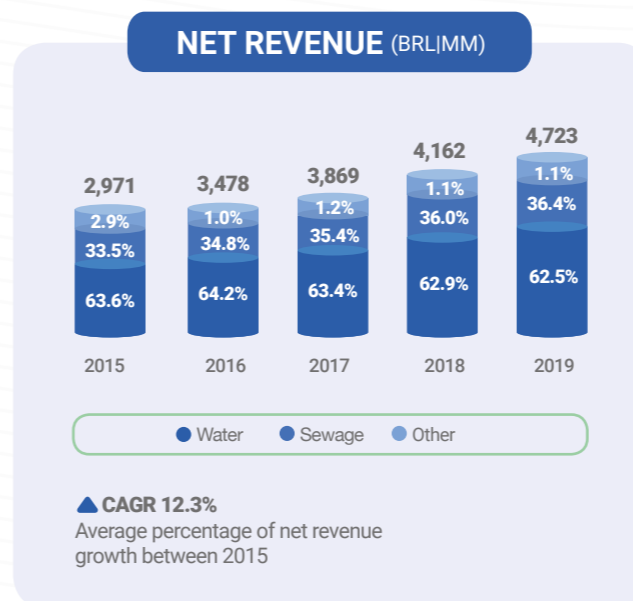
The net operating revenue in 2019 was BRL 4,723 million, 13.5% higher than 2018, reflecting the expansion of water and sewage services and the application of the 8.37% tariff adjustment as of May 2019 and the application of the tariff readjustment difference of 3.76% as of November 2019, totaling an annual readjustment of 12.13%.

Initially, the annual tariff readjustment on water and sewage bills was approved by Agepar at 12.13%. After suspension of the readjustment by a precautionary measure filed by the Court of Auditors of Paraná (TCE/PR) through Judgment No. 1373 of 2019, the readjustment of 8.37% was implemented as of May 24th, 2019.

Sanepar endeavored to reestablish the application of the full tariff readjustment and to demonstrate that the percentage initially approved by Agepar met the criteria established in the regulatory methodology. The result was the reestablishment of the full readjustment by TCE/PR with the application of the 3.76% difference as of November 11th, 2019, considering that the retroactive amount was updated and applied in installments to the population in six months from November 19th, 2019.

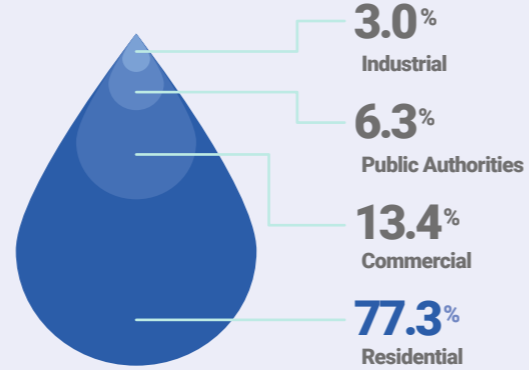
The investments made it possible to expand services with an increase of 2.3% in the extension of the water supply network and 2.1% in the sewage collection network. The number of connections also increased by 1.8% and 4.2% for water and sewage, respectively.

The Company's revenue continues to be composed mainly of services to residential customers in the municipalities served, representing 77.3% of water revenues and 76.6% of sewage revenues. The solidity of the revenue is supported by the program/concession contracts between the Company and the municipalities with a Maturity of 20.4 years.

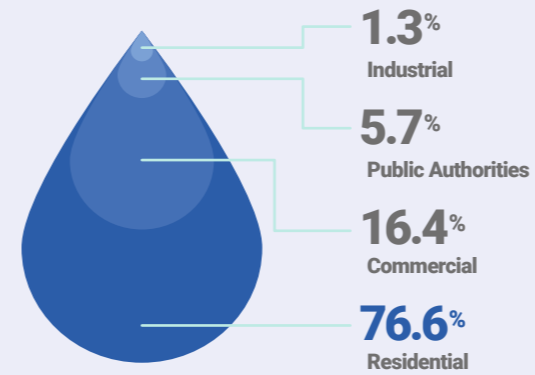


REVENUE COMPOSITION (%)

WATER



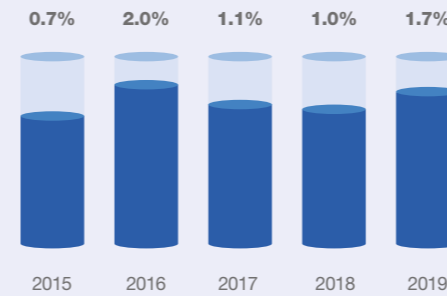
SEWER



DEFAULT

After the positive results achieved in 2017 and 2018, the default rate showed moderate growth this year, reaching 1.7%, mainly motivated by the increase in overdue bills of up to 30 days for private customers.

DEFAULT (%)

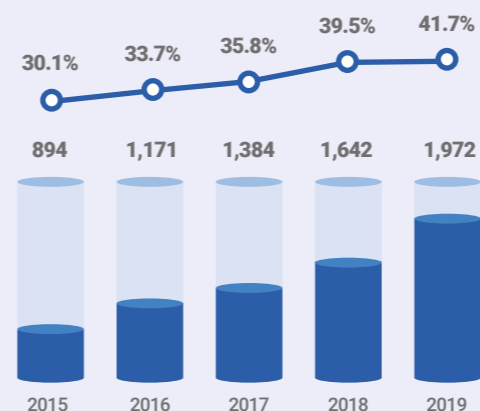


EBITDA

In 2019, EBITDA grew 20.1% compared to 2018, reaching BRL 1,972 million, the result of a solid management of the Company's operational efficiency, which kept the growth in operational costs below the growth in net operational revenue. The 2019 EBITDA margin was 41.7%, higher than the previous year, when it reached 39.5%.

While net revenue grew 13.5%, operational costs that influence EBITDA increased 9.2%, mainly due to the readjustment of the electricity tariff, which in addition to the annual readjustment and the tariff flags had a reduction in the subsidy for the sanitation sector established by Decree no. 9.642/18. There was also an increase in costs of treatment materials, reinforcing the Company's commitment to the adequate treatment of water and sewage. In addition, there was an increase in labor provisions and growth in other operational expenses.

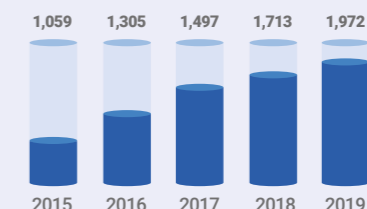
EBITDA AND EBITDA MARGIN (BRL/IMM)



● EBITDA Margin — EBITDA

▲ **CAGR 21.9%**
Average percentage of EBITDA growth between 2015 and 2019.

EBITDA UPDATED BY IPCA¹ (BRL/IMM)



¹ IPCA IBGE 2016: 6.29% | 2017: 2.95% | 2018: 3.75% | 2019: 4.31%

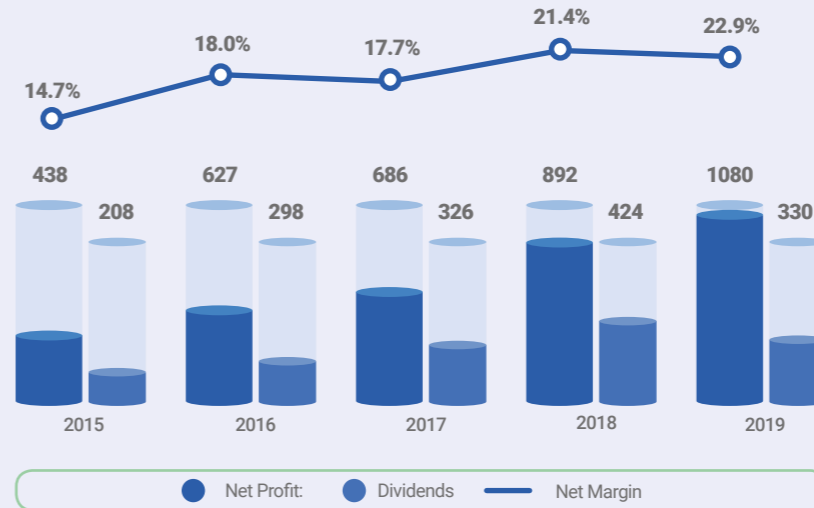
EBITDA ¹ (BRL,000)						
Description	2015	2016	2017	2018	2019	Var. %
Net profit for the year	438,444	626,847	686,172	892,487	1,080,034	21.0%
(+) Taxes on profit	101,870	162,738	227,901	272,515	373,851	37.2%
(+) Financial Result	159,474	164,281	222,167	205,639	180,400	-12.3%
(+) Depreciation and amortization	194,194	217,111	247,282	271,387	337,442	24.3%
(=) EBITDA	893,982	1,170,977	1,383,522	1,642,028	1,971,727	20.1%
Margem EBITDA	30.1%	33.7%	35.8%	39.5%	41.7%	2.2 p.p.

¹ The Company calculates EBITDA in accordance with Instruction No. 527 of the Brazilian Securities and Exchange Commission (CVM).

NET PROFIT

Net profit was BRL 1,080 million, an increase of 21.0% over the previous year. The net margin grew by 1.5 p.p., reaching 22.9% in 2019. The increase in net profit is the result of the growth in net revenue, the efficient management of costs and expenses, which the Company has been presenting in recent years, and the tax savings resulting from the credit to shareholders of interest on net equity, instead of dividends.

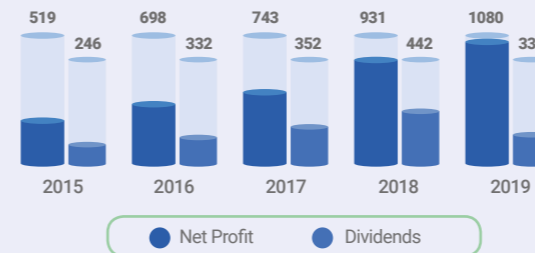
NET PROFIT, DIVIDENDS AND NET MARGIN (BRL|MM)



▲ CAGR 25.3%

Average percentage of net profit growth between 2015 and 2019.

NET PROFIT AND DIVIDENDS UPDATED BY IPCA¹ (BRL|MM)



¹IPCA IBGE 2016: 6.29% | 2017: 2.95% | 2018: 3.75% | 2019: 4.31%



SHAREHOLDER REMUNERATION

Legal determination grants shareholders the right to the mandatory minimum dividend of 25% of the adjusted net profit. However, the company's dividend policy provides that the Management may, in addition to the mandatory annual dividend, subject to the financial health and public interest that motivated the formation of the Company, approve the distribution as additional dividend and/or interest on net equity of up to another 25% of net profit. The Company's Management is proposing the distribution of 32.2% of the adjusted net profit as interest on net equity in the amount of BRL 330.4 million, referring to the year 2019. Payment will take place within 60 days after the Annual General Meeting, which will approve the accounts for 2019. The return on shares to shareholders (Dividend Yield) was 6.1% in 2019.

PAY-OUT¹ AND DIVIDEND YIELD² (%)



¹ Pay-out: percentage of profit distribution.

² Dividend Yield: evolution of the profit distributed in relation to the previous year

PROFITABILITY

With the performance achieved, the Company grew in profitability in relation to shareholders' equity: the index went from 16.4% in 2018 to 18.2% this year. The return on invested capital also had a good performance, going from 12.6% in 2018 to 13.5% in 2019.

PROFITABILITY ON SHAREHOLDERS' EQUITY (%)



RETURN ON INVESTED CAPITAL (%)



OPERATIONAL CASH GENERATION

The company's operation generated cash in the amount of BRL 1,460.6 million in 2019. In the same period, the amount of BRL 394.6 million in dividends and interest on net equity was paid, an amount 32.6% higher than the one paid in the previous year.

FUNDRAISING

In order to maintain liquidity and complement the investment program, the Company uses third party funds available, which are analyzed and allocated within the needs of its operations.

In 2019, Sanepar raised funds through the 9th issue of debentures, in two series, totaling BRL 350 million. The debentures, which are not convertible into shares, mature in 2024 and 2026. The operation had a credit risk Rating validated by Fitch

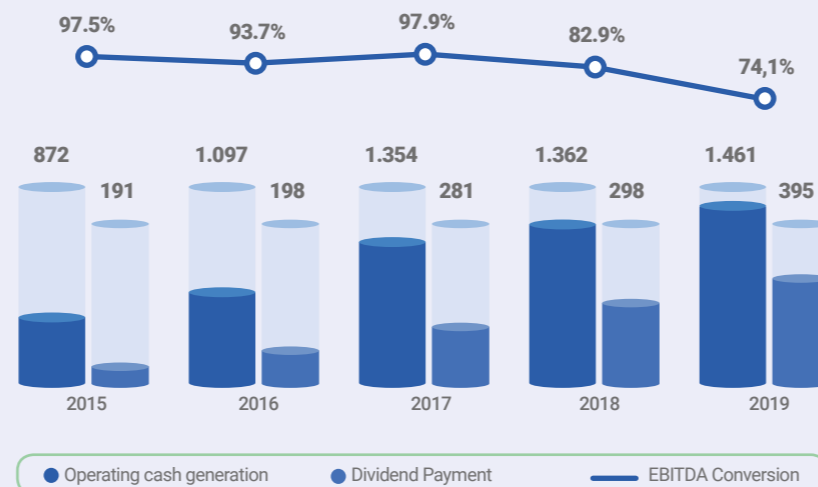
Ratings, with National Long Term Rating 'AA(bra)'.

There was also the release of funds referring to the contract with Banco KfW, a German state development bank, in the amount of EUR 450,000 in 2019, equivalent to BRL 2,063 million. The contract with Banco KfW aims at energy efficiency projects for sewage treatment plants, with a total contract value of EUR 50,000.00 with the prospect of releasing funds until 2023.

INDEBTEDNESS

The Company ended the year with BRL 11.9 billion in assets, BRL 6.2 billion in shareholders' equity and total debt of BRL 5.8 billion. The Indebtedness to Assets Ratio was 48.3% in 2019, close to the ratio reached in the previous year of 47.0%.

CASH GENERATION, DIVIDENDS AND EBITDA CONVERSION (BRL|MM)



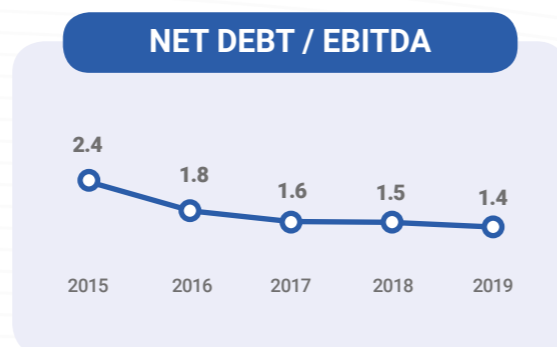
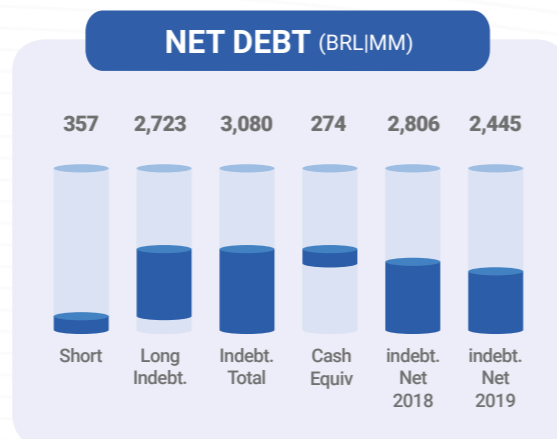
▲ CAGR 13.8%
Average percentage of growth in operating cash generation between 2015 and 2019.

INDEBTEDNESS TO ASSETS (%)



NET DEBT

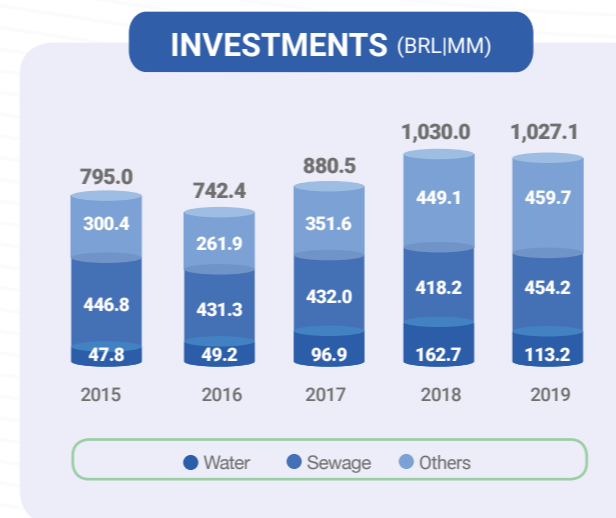
Net debt, which reflects the Company's level of indebtedness, was BRL 2,806.4 million in 2019, while the Net Debt versus EBITDA ratio, which measures the leverage ratio, went from 1.5 in 2018 to 1.4 in 2019.



INVESTMENTS

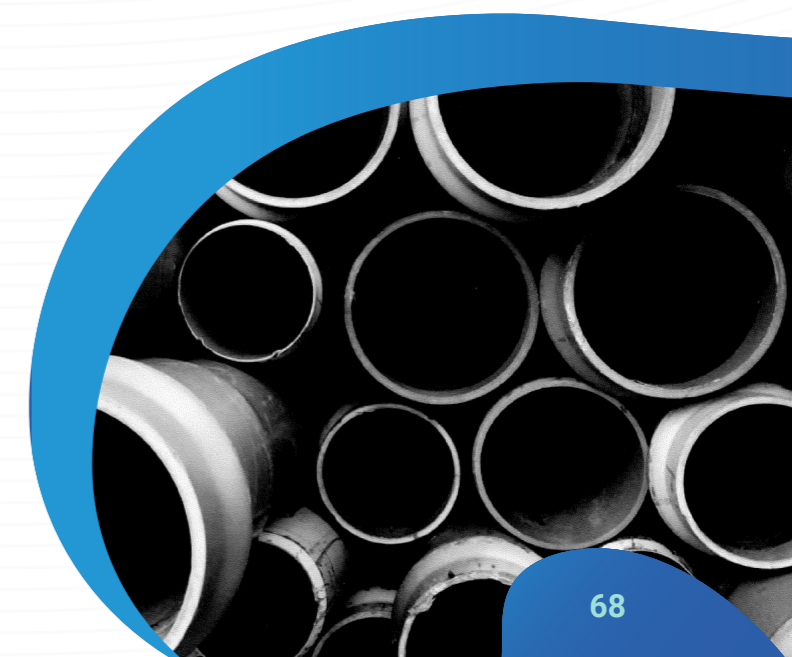
Sanepar invests in accordance with guidelines based on strategic and operational goals and legal and environmental commitments, observing the Company's financial health. In the last five years, the accumulated investment was BRL 4.5 billion, aimed at maintaining its operations, expanding and improving services.

In 2019, the Company invested BRL 1,027.1 million, which is divided into 45% for water

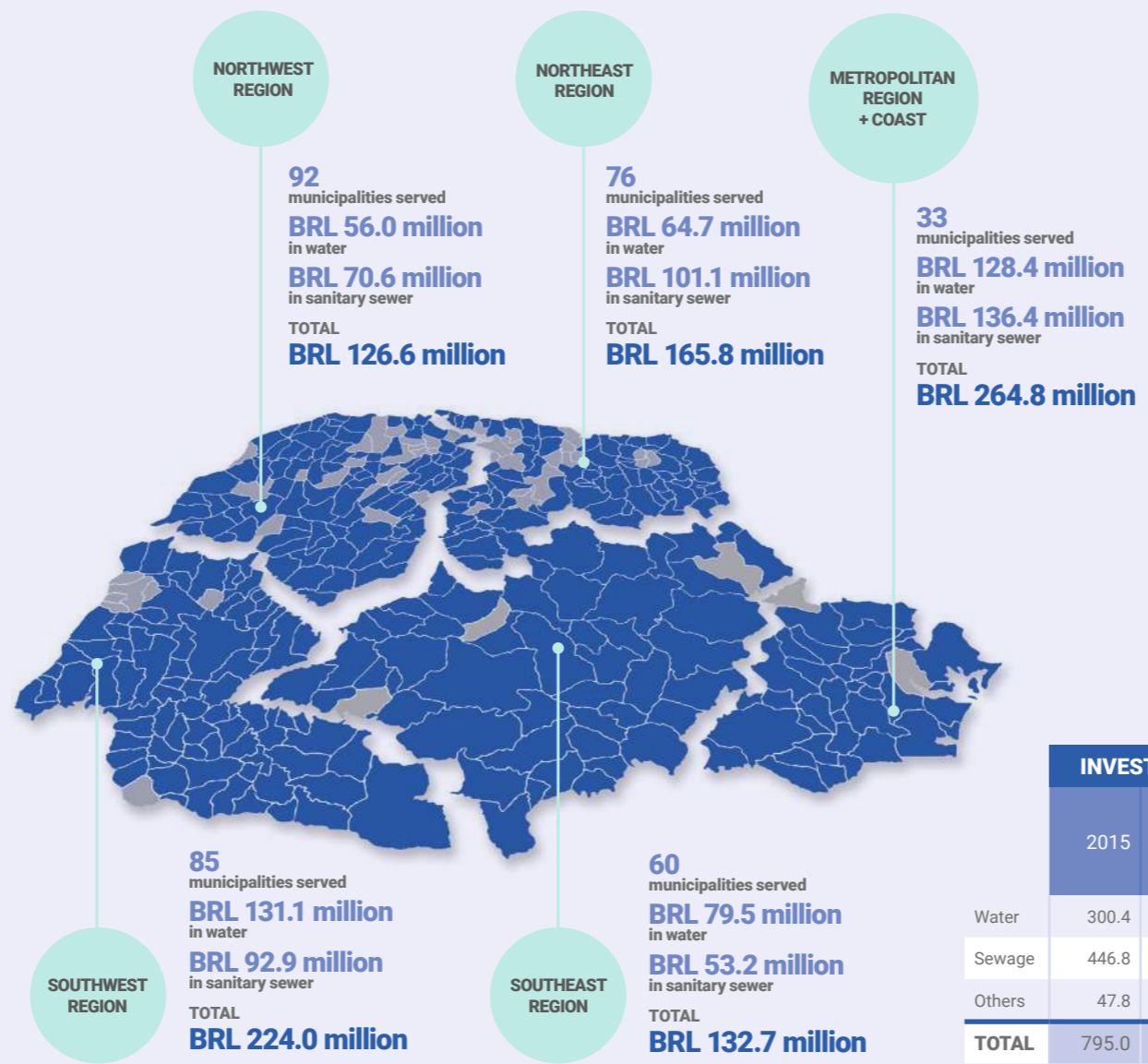


systems, 44% for sewage operations and 11% were intended for administrative work, solid waste and other investments.

Ensuring the provision of services in the future, the Company's Multi-Annual Investment Plan for the next five years includes the total amount of BRL 7.6 billion, distributed in BRL 1.3 billion in 2020, BRL 1.6 billion in 2021, 1.6 billion in 2022, BRL 1.5 billion in 2023, and BRL 1.6 billion in 2024.



INVESTMENTS BY REGION



MUNICIPALITIES SERVED
 MUNICIPALITIES NOT SERVED

INVESTMENTS (R\$ MILHÕES)

	2015	2016	2017	2018	2019	FROM 2015 TO 2019
Water	300.4	261.9	351.6	449.1	459.7	1,822.7
Sewage	446.8	431.3	432.0	418.2	454.2	2,182.5
Others	47.8	49.2	96.9	162.7	113.2	469.8
TOTAL	795.0	742.4	880.5	1,030.0	1,027.1	4,475.0

SHARES

The year of 2019 was marked by the appreciation of the Company's shares, which closed higher compared to the previous year, with emphasis on the preferred shares which increased by 97.0% in relation to the closing of 2018. The Company's shares are listed on the Brazil Stock Exchange B3, under the codes SAPR3 (common shares), SAPR4 (preferred shares) and SAPR11 (UNITS).

Common shares (SAPR3) ended 2019 at a price of BRL 17.40, presenting a positive variation of 3.8% in relation to the closing of December 2018, when each share's price was BRL 16.77.

Preferred shares (SAPR4) closed the year quoted at BRL 21.08, against BRL 10.70 in December of the previous year, a positive variation of 97.0%.

UNITS (SAPR11), issued in 2017 and composed by one common share and four preferred shares, reached the end of 2019 at a value of BRL 101.42, compared to BRL 61.50 in December 2018, with a positive variation of 64.9%.

The financial volume of business with Sanepar shares totaled BRL 15,336.3 million in 2019, 125.2% higher than the volume registered in the previous year (BRL 6,809.5 million).

The equity value of each share closed the year of 2019 at BRL 12.30, with an increase of 8.4% in relation to the previous period, when the value was BRL 11.35.

SERVICES PROVIDED BY INDEPENDENT AUDITORS

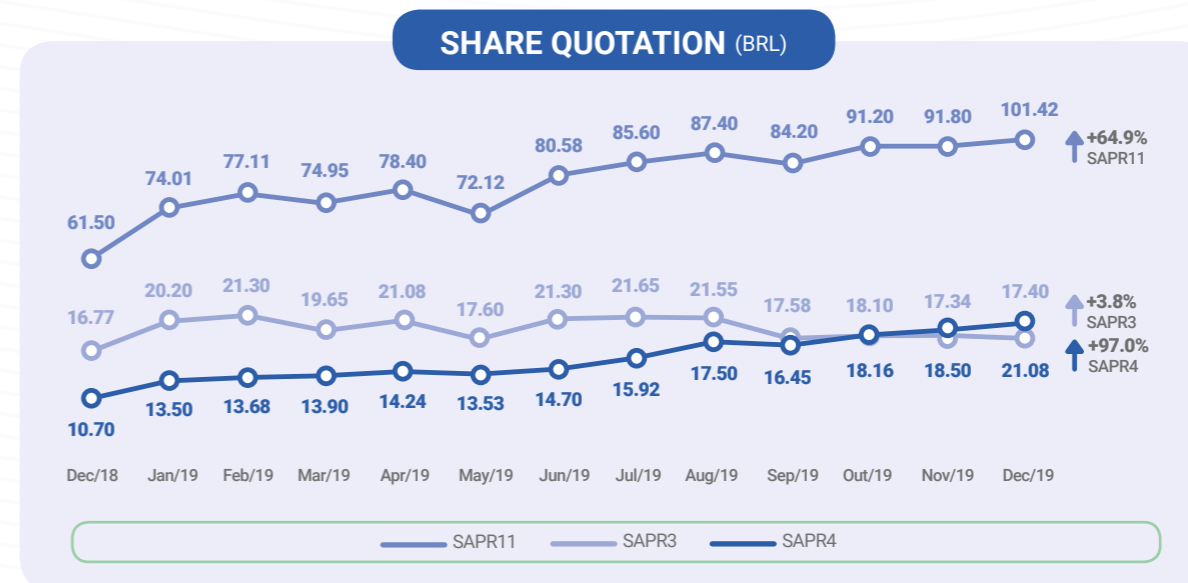
Sanepar respects the independence of the external auditor, understanding the importance of the capacity that the audit entity must have to judge and act with integrity and objectivity to be able to issue impartial reports or opinions.

BDO RCS Auditores Independentes S.S. has a contract with the Company for the execution of the independent auditing services on the financial statements for the years 2019 and 2020 and for issuing of the special review reports on quarterly information (ITRs) for the 1st, 2nd and 3rd quarters of 2020. The audit contract is dated November 26th, 2019.

Said auditing company also issued the special review report on quarterly information (ITRs) for the 1st, 2nd and 3rd quarters of 2019, according to the contract of October 4th, 2018 and respective amendment.

Additionally, BDO RCS Auditores Independentes S.S. has a contract for the provision of monitoring and evaluation services for investigation procedures and protocols, "Shadow Investigation", referring to forensic investigation work carried out by an independent external investigation company hired by the Company.

No services other than those reported herein were performed by the independent auditors.



ADDED VALUE DISTRIBUTION

GRI 201-1

In 2019, Sanepar computed BRL 3,239,253 thousand in added value, an increase of 8.8% when compared to the previous year.

The increase of the operational revenue

in the Company contributed positively for this increase, in addition to a more efficient management of the Company's operational costs. The complete statement is in the Management Report and Accounting Statements 2019, available on the website: ri.sanepar.com.br.

DIRECT ECONOMIC VALUE CREATED (BRL'000) GRI 201-1			
	2017	2018	2019
Revenue	4,068,820	4,439,108	4,999,665
Inputs	(1,191,478)	(1,247,117)	(1,482,828)
Depreciations	(247,282)	(271,387)	(337,442)
Equity earnings	(1,791)	(3,829)	(5,658)
Financial revenue	91,882	59,353	65,516
TOTAL	2,720,151	2,976,128	3,239,253

ECONOMIC VALUE DISTRIBUTED (BRL'000)			
	2017	2018	2019
Employees and managers	977,092	1,009,560	1,002,150
Governments (taxes)	694,959	759,301	906,674
Funders	361,928	314,780	250,395
Shareholders	325,633	423,814	330,411
Retained net profit	360,539	468,673	749,623
TOTAL	2,720,151	2,976,128	3,239,253

ECONOMIC VALUE DISTRIBUTED (%)			
	2017	2018	2019
Employees and managers	36%	34%	31%
Governments (taxes)	26%	26%	28%
Funders	13%	11%	8%
Shareholders	12%	14%	10%
Retained net profit	13%	16%	23%
TOTAL	100%	100%	100%





Sanepar serves two groups of customers: Government Entity, which authorizes the service provided through contracts, and Final Customers, supplied with drinking water and that have sewage collection and treatment services at their disposal.

According to the Customer Policy, Sanepar constantly seeks customer satisfaction, maintaining, expanding and innovating its performance in the sector.

GOVERNMENT ENTITY

As of the Sanitation Law (11.445/2007), the relationship between Sanepar and the Government Entity occurs through Program Contracts.

These contracts have a 30-year term and are linked to the Municipal Basic Sanitation Plans (PMSB), therefore they have varied goals according to the characteristics and conditions of each municipality's water supply, sewage collection and treatment, focusing on improving life quality of the population.

In addition to the Program Contracts, the Company also has Concession Contracts in force, signed before the Regulatory Milestone.

RENEWAL

Of the 346 municipalities served by Sanepar (345 from Paraná and one from Santa Catarina), 336 have contracts in force and ten contracts are expired and under negotiation for execution of a Program Contract. Among the effective contracts, 175 are from Program Contracts, that is, after the Regulatory Milestone, and 161 are prior to the Regulatory Milestone, constituting Concession Contracts. The Company's objective is to transform all of its contracts into Program Contracts.



ETA Almirante Tamandaré - PR - Picture: Maurílio Chelli

PROFILE OF CONTRACTS

- 346**
Municipal concessions, being:
- 175**
Program contracts
- 161**
Concession contracts
- 336**
Effective
- 10**
Expired contracts, under negotiation
- 2,8%**
of revenue representativeness from expired contracts compared to total revenue

RELATIONS WITH MUNICIPALITIES

Monitoring of Concession and Program Contracts with the municipalities is a routine at Sanepar. Company technicians visit Municipalities and hold meetings with communities to assess the quality of services, the achievement of goals and the identification of demands.

MUNICIPAL BASIC SANITATION PLAN

One of the requirements of Federal Law no. 11.445/2007 is that every municipality must approve its Municipal Basic Sanitation Plan (PMSB). The existence of the Plan is a mandatory requirement for the execution of Program Contracts.

According to legislation, the plan must be drawn up with public participation, through consultations and public hearings, and approved by local legislative authorities, and may have technical support from the service

provider. The document is also reviewed every four years, to adjust goals, projections and actions.

Among the services included in the plans are water supply, sewage collection and treatment, urban cleaning, collection and disposal of urban waste, drainage and disposal of rainwater.

FINAL CUSTOMER

SASB IF0201-A, GRI 102-43, 102-44

The customer relations structure consists of several channels, shown as follows:



These channels aim to serve every customer profile, from those looking for mobility, through virtual or physical self-service, to those who opt for telephone or on-site service.

When Sanepar talks about its final customer, it refers to a total of 4 million economies (or households/properties) supplied with water. Of these, 3 million economies are also served by the sewage collection network and 290 thousand have their solid waste destined for landfills managed by Sanepar. With such an expressive number of customers, the challenge is to ensure excellent service.

Aiming at improving the service to satisfy customers' needs, the Company has been investing more and more in innovation and technology, to strengthen the relationship and facilitate communication, allowing free access to consultations and service requests. Sanepar also performs satisfaction survey through a specialized company, with residential and non-residential customers.

The modernization of the face-to-face relationship centers, the expansion of the call center structure and the availability of increasingly intuitive digital tools, in addition to trained employees, focused on offering agile services, enhancing customer satisfaction.

CUSTOMER SATISFACTION SURVEY GRI 102-43, 102-44, 103-2, 103-3

Listening permanently to the customers is an important instrument to evaluate the perceptions and expectations of consumers, and identifies opportunities for products improvement and offered services.

Satisfaction surveys are conducted annually by a qualified company, with residential and non-residential customers, through structured questionnaires and personal interviews. The evaluations support the continuous improvement to reach excellence.

The experience states that the Company has consistent indexes. Among the results, 79.7% of customers are satisfied with the services provided; 83.2% approve the service received through the several relations channels; 82.6% are satisfied with the quality of the water; 82.6% are satisfied with the continuity in the supply; and 82.9% want Sanepar to keep being the sanitation company in their cities.

The main relations channels are still the telephone and on-site services; however, virtual services such as website and applications are gaining ground as a service, recognized by the customer.

A survey on the collection and/or disposal of solid urban waste points out an approval rate of 80.4% regarding the service.

SANEPAR MOBILE

For the end customer, it is possible to access Sanepar with a simple touch on a tablet or smartphone. An application that works on Android and iOS platforms is available for free in online stores.

Since it was released three years ago, the app has had over 100,000 downloads at Google Play and App Store. The application allows you to perform online services, such as updating your registration, checking for water shortage, requesting changes to the invoice due date, obtaining bar codes and information on payments, debits, scanning and consumption. Services can be ordered even on Saturdays, Sundays or holidays.

Access to the application is made through the account holder, upon registration. In condominiums, access is possible to the liquidator or another person responsible for managing the account.

The application was created by Sanepar's internal team, from the commercial and information technology sectors, in order to improve the customer relations process.

SELF-SERVICE TOTEMS

In order to facilitate access to Sanepar's services, in 2018 the Company started installing self-service totems in larger municipalities. In Curitiba, for example, they are located in the so-called Ruas da

Cidadania, a Municipality structure that concentrates services offered by municipal, state and federal governments.

There are 100 totems in operation in the State and, in 2019, the totems were extended to external environments such as supermarkets and bus terminals. The totems allow people to access debit, consumption, payment and supply suspension services; duplicate issuance; registration update; repair request and payment of water/sewage bills with debit card.

QR CODE

The QR Code, a two-dimensional bar code that can be easily scanned with a cell phone camera, is being printed on the back of monthly bills and also on cardboard boxes and glasses of bottled water from the Company.

The tool has been used to inform the customer about Sanepar's commercial actions, disclosure of Sanepar Mobile, automatic debit account registration, self-service totems and the provision of links to important topics such as the Annual Water Quality Report, Incentive to Rational Use of Water and installation of Reservoir (Water tank), Paraná Artificial Intelligence (PIA) and Sustainable Development Goals (SDGs). [GRI 102-12](#)

TELEPHONE SERVICE

Sanepar's call center is open 24 hours a day to receive demands from its customers. The number is 0800 200 0115, free of charge. About 175 outsourced attendants, who take turns to receive calls, answer questions and register requests, complaints, and suggestions.

At the end of each service, a quick survey is carried out on the course of action given to the demand presented by the customer. In 2019, more than 2 million calls were answered, and the satisfaction rate with the service central was 88%.

Automatic responses are made available to the customer at the call center in the URA (Audible Response Unit) for information about water shortages and pending debts.

The Company also has a structure with its own team, which operates during business hours and is responsible for the so-called "active service", which provides some services.



SMS

For emergency situations, such as water supply suspension, Sanepar uses the SMS sending system to inform customers about supply interruptions in their region. To receive messages, the customer must update his/her registration and provide the cell phone number on the Company's website or application. In 2019, more than 2.5 million SMS were sent with information on water shortages and institutional messages.

In 2019, the Company started to send SMS also to inform about open debts, aiming to alert customer and avoid supply suspension. About 1.2 million SMS were sent.

This channel makes people's lives easier. It is a cheaper means of communication, when compared to telephone calls, and more efficient than e-mail since, in addition to being mobile, it does not require Internet connection.

PARANÁ ARTIFICIAL INTELLIGENCE – PIA

Paraná Artificial Intelligence (PIA), released in June 2019, is a platform with over 380 State Government services. The tool facilitates access to public services and expands citizen interactivity with the service provider. As an example, the person registered on the website can find out about the water supply suspension in the region and other public services.

TARIFF STRUCTURE



SASB IF0103-10

To promote reasonable tariff, a structure is maintained where the customer pays the fair value for the volume consumed. The tariff structure allows the water and sewage systems to be supported by a single source of revenue (tariff), necessary to ensure fixed costs and operational variables. It also allows the assistance of needy families through Social Tariff, in order to provide services (water/sewage) at affordable prices to all segments of the population, especially the poorest. The current tariff model allows the practice of cross-subsidy with the management of all its systems in order to guarantee the service to all populations, regardless of their economic and social condition.

The tariff structure is divided into residential, commercial, industrial, public authorities and public utility categories.

With Differentiated Tariffs, Sanepar can progressively expand the access to basic sanitation to the entire population:

- Social Tariff: Low-income residential customer. In 2019, it benefited 184,000 families, equivalent to 5% of Sanepar's number of residential economies and represents a subsidy of BRL 111.9 million in the year;
- Micro and Small Business Tariff: Customers that carry out commercial activities and fall under the State Government's ICMS



Exemption Program, with total annual revenue established in a State Decree, as a micro and small business or individual microentrepreneur (MEI). It is equivalent to 2.5% of Sanepar's number of commercial economies and represents a subsidy of BRL 4.3 million in the year;

- Tariffs for Charities and Philanthropic Entities: Assistance institutions that provide charity services to the community and in the areas of social assistance, health care, and education such as hospitals, retirement houses, orphanages, daycares, entities for people with physical, mental, hearing and/or other disabilities, whose endowment is not established by the Government. It is equivalent to 2.6% of Sanepar's number of public utility economies and represents a subsidy of BRL 5.8 million in the year;

The criteria for each of the Differentiated Tariffs is available on the website <http://site.sanepar.com.br/in> in the "Clientes" option.

Sanepar's tariff structure is made up of tariffs in increasing blocks, that is, until the limit of the 1st block a specific price is paid, the additional consumption is priced at a higher tariff up to the threshold of the 2nd block, and so on. The initial block is called minimum billable consumption and is in line with the principle of sustainability, as it leads to greater revenue stability and enables the Company's social goals to be met.

This tariff structure encourages the conservation of water resources and facilitates universal access, especially for the poorest population, to a minimum demand, which is offered at subsidized prices, through the social tariff.

The customer can use the tariff simulator to understand his/her account. It is available on the Sanepar website under "Entenda a sua Conta" and has a layout similar to the bill received by the customer at home. By entering data, such as consumption, category, location and reference month, the customer can simulate the water and sewage values.

OMBUDSMAN

GRI 103-2

The Ombudsman is a direct communication channel between citizens and Sanepar, which intends to improve the products and services provided by the Company, by checking and submitting complaints, compliments, suggestions, reporting, and information access requests.

The Ombudsman must contribute to optimize and improve Sanepar's products and services, keep direct communication between society and Sanepar, cooperate with the strengthening of citizenship, and act with transparency, prudence, and efficiency.

The following actions are highlights of 2019:

- Adherence to Procon's digital platform "consumidor.gov";
- Adherence to Electronic CIPs (Electronic Preliminary Information Letter), from Procon-PR;
- Incorporation of the CIPs management process, from Procon-PR;
- Improvements in the SOS (Sanepar Ombudsman System) system;
- Implementation of Management Reports by Board;
- Improvements in Sanepar's Transparency Portal, in accordance with the Law on Access to Information (12.527/2011);
- SIC management, referring to requests based on the Law on Access to Information;
- Compliance with Resolution CGE (General Controllorship of the State of Paraná) No. 10/2018 - Transparency Agent joined the Ombudsman.

NUMBER OF REGISTERED COMPLAINTS RECEIVED FROM CUSTOMERS REGARDING PRICES, WATER ACCESS AND/OR WATER AVAILABILITY SASB IF0103-09

	2018			2019		
	Call Center and On-site services	Ombudsman	Total	Call Center and On-site services	Ombudsman	Total
Prices	16,439	689	17,128	12,244	665	12,909
Water shortage	218,373	1,175	219,548	249,354	1,191	250,545

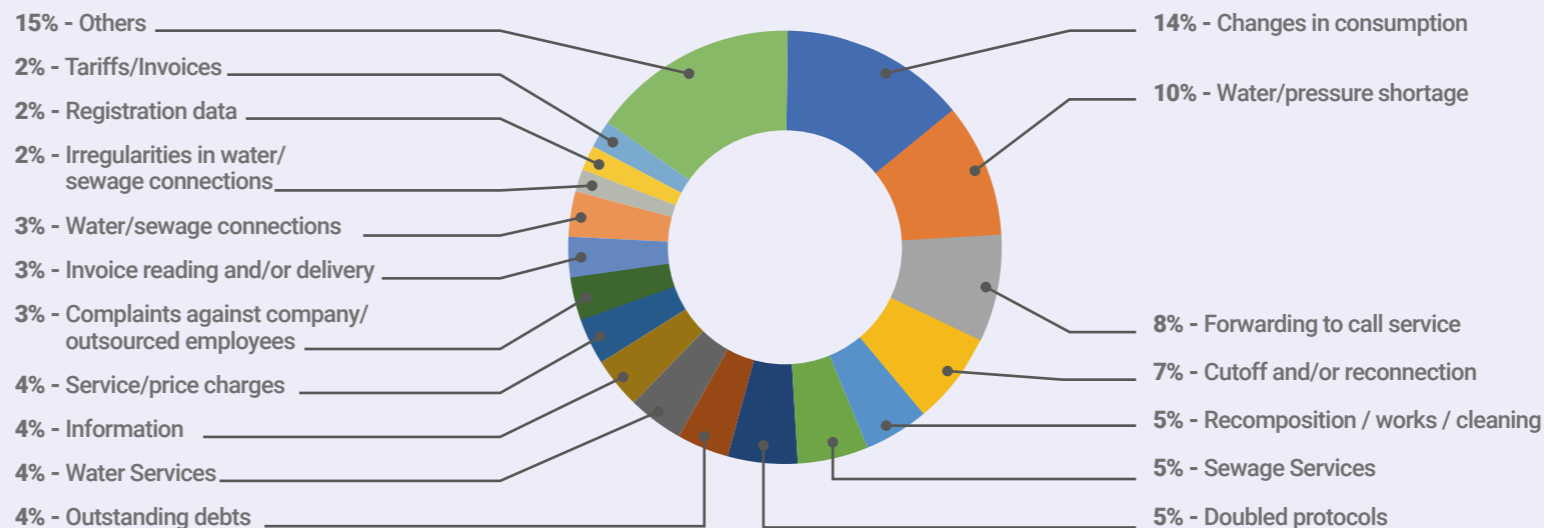
CUSTOMER SERVICE CENTER MECHANISMS¹

	2017		2018		2019	
	Ombudsman	SIC	Ombudsman	SIC	Ombudsman	SIC
Number of services received	10,823	40	10,442	96	11,899	70
Number of services addressed	10,823	40	10,442	96	11,899	70
Number of services solved	10,823	40	10,442	96	11,899	70

¹ SIC: Citizen Information Service. The ombudsman receives the following services: reporting, compliment, complaint, suggestion, and information request. In order to make the Ombudsman report more understandable, the call data above consider the date when the service ended.



MAIN TOPICS ADDRESSED IN THE OMBUDSMAN IN 2019 (%)



GARBAGE COLLECTION FEE

Sanepar provides municipalities with the garbage fee collection service through the water and sewage bill sent monthly to its customers.

To provide this service, an amendment to the Program or Concession Contract is made, with benefits for the parties involved. For the Municipality, there is a guarantee of monthly cash flow to cover the costs of collection, transportation, treatment and disposal of

urban solid waste; for the citizen, there is the installment payment of the fee up to 12 times and the availability of the social fee for those with low profit; and, for Sanepar, there is revenue for providing the service.

Municipalities using this service remain responsible for the management of urban solid waste. The principle of transparency is respected at all stages of this process. The proposal for charging the garbage fee on the water bill is debated in a public hearing and approved by the City Council through an

authoritative law. The Public Prosecutor's Office has already expressed its opinion on the topic, and appointed actions of transparency and respect to the consumer that were implemented in the process.

Sanepar provides this service in 121 municipalities (120 in Paraná and 1 in Santa Catarina). In 2019, the Company expanded its garbage fee collection for 10 more municipalities and started negotiations to serve other locations.



The complex relationships between access to water and development show the urgency of a balance between water demand and availability, with a focus on eradicating poverty and promoting sustainable development.

Sanepar, aligned with its Environmental Policy to seek environmental, social and economic sustainability in its activities, reaffirms its commitment to the balanced use of natural resources, the adoption of sustainable practices and compliance with legal requirements.

The company voluntarily develops environmental education actions, maintaining proximity to the various segments of society, its customers and its workforce.

To strengthen its social and environmental commitment, Sanepar seeks to go beyond compliance in its processes, through innovation in strategic planning and based on the Development and Innovation Policy. The purpose is to ensure competitive advantages in overcoming current and future challenges related to the Company's business.

PARTICIPATION IN FORUMS

GRI 102-13

Sanepar has formal representation and actively participates in collegiate deliberative or consultative forums on the environment and water resources at municipal, state and federal levels.

In these forums, topics are discussed and evaluated and resolutions with legal force are issued, within specific attributions, which can influence the planning and management of Sanepar's processes.

In this context, Sanepar acts effectively in the 11 Hydrographic Basin Committees of the State of Paraná and in the Federal Basin Committee of the Paranapanema River. In these Basin Committees, the composition is heterogeneous, including representatives of different sectors of society. Among its attributions are the establishment of the classification of rivers use in classes and the guidelines and procedures for charging for the use of water, in addition to promoting debate and guidelines for the effective management of water resources and contributions for the implementation of policies related to

the preservation and rational use of water.

In addition to the Basin Committees, Sanepar has formal representation on the State Water Resources Council of the State of Paraná, on the Municipal Environment Councils of the main municipalities where it operates, at the Forum on Climate Change of Paraná, at the Water Source Managing Council of the Region of Curitiba and the National Water Resources Council and its Technical Chambers, through the Brazilian Association of State Sanitation Companies (Aesbe).

The systematization and organization of the Company's activities in representations at Deliberative Forums on Environment and Water Resources are established in an internal regulatory procedure.

HYDROGRAPHIC BASIN COMMITTEES WITH SANEPAR'S PARTICIPATION:



- COALIAR - Alto Iguaçu and tributaries of Alto Ribeira (with charges for water use instituted since 2013 by the Basin agency)
- Tibagi
- Jordão

- Paraná III
- Baixo Ivaí and Paraná I
- Piraponema (Pirapó, Paranapanema 3 and Paranapanema 4)
- Norte Pioneiro (Cinzas, Itararé, Paranapanema 1 and 2)
- Paranapanema (Federal Committee in conjunction with the Committees of the State of São Paulo)
- Litorânea
- Baixo Iguaçu (implemented with activities to be initiated)
- Piquiri (implemented with activities to be initiated)
- Alto Ivaí (implemented with activities to be initiated)

GREENHOUSE GAS EMISSION

GRI 103-2, 103-3



In line with the sustainable management practices provided for in the Company's Strategic Map, the greenhouse gases (GHG) generated in the company's activities on an annual basis are quantified for the preparation of the Greenhouse Gas Inventory (GHGI).

The GHGI allows the identification of the main GHG generation processes so that the company act to improve the processes aiming the reduction or neutralization of the emissions.



Sanepar's first inventory was prepared in 2008 with data of 2007. For 10 years the Company has been reporting its GHGI to the Public Registry of the Brazilian Program GHG Protocol.

Sanepar reports its greenhouse gas inventories to the Public Registry of Gas Emissions. The Company's history of emissions is available on the website: www.registropublicodeemissoes.com.br.

The last three GHGI were verified by a third party agency accredited by Inmetro, obtaining the Gold Seal of Reliability, from the Brazilian Program GHG Protocol, coordinated by Fundação Getulio Vargas (FGV).

In 2019, GHGI received once again the Climate Seal Paraná in the Gold category of the State Department for Sustainable Development and Tourism.

The inventories reported to the GHG Protocol represent 14.2% of national emissions. At Sanepar, as expected, the activity that caused the greatest emissions of greenhouse gases was the treatment of effluents, responsible for 92.61% of direct emissions.

MORE ACCURATE DATA

The GHG Inventory of 2019 keeps important methodology improvements that began in 2012, and has a direct impact on

the accuracy of the results presented. The highlight is the decentralized calculation of the GHG emissions per operational site and the maintenance of figures of the Global Warming Potential (GWP) of the IPCC Fourth Assessment Report – AR4. The GWP is used for calculating the content of carbon dioxide (CO₂) in the greenhouse gases, converting them into the standard unit. Moreover, in 2020, there was a change on the calculation methodology for landfill emissions, and considered the burning of methane as well.

At each adjustment or change in the methodology, the emissions of the previous years are recalculated, as occurred for the GHGI between 2013 and 2018, to ensure compatibility.

In comparison with the latest GHGI (2018), in 2019, there was an increase of 4.47% in Scope I emissions, while the growth of the population served with sewage collection network was 4.68%, and the product between the load treated and the efficiency increased 11.69%. Said relations state a growth in the post-treatment at the plants, and the load received. Moreover, this increase came from the accuracy of the data collected and the internalization of the practice.

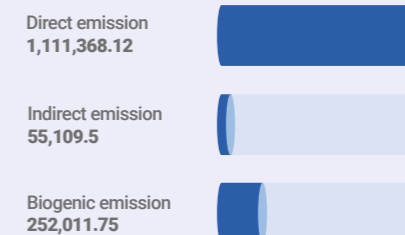
With the strengthening of the management of greenhouse gas emissions at the Company, this variation will be better analyzed; as well as the uncertainty of the sewer collected volume.

Although the consumption of electricity grew 3.97% in comparison to 2018, Scope 2 emissions increased 5.94%. This is due to the increase of 1.35% on the National Interconnected System (SIN) emission factor.

The full document is available at the Company's website: <http://site.sanepar.com.br/sustentabilidade/inventario-de-gases-de-efeito-estufa>

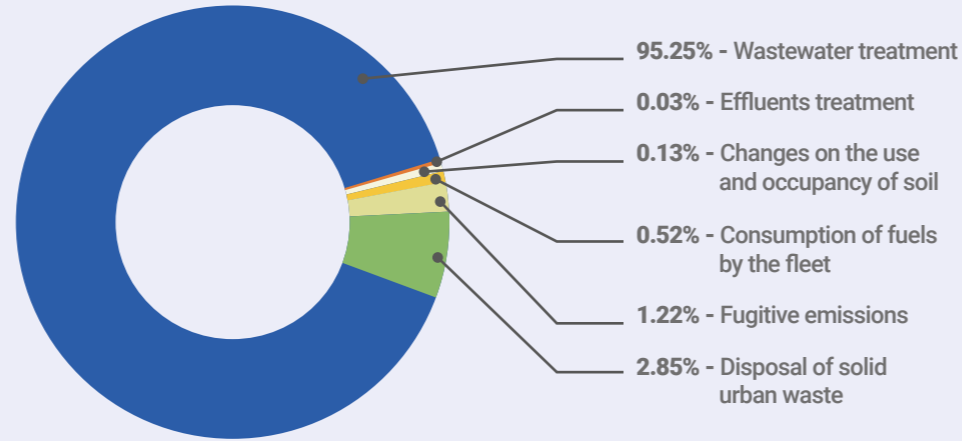
SANEPAR'S EMISSIONS¹

(In tCO₂e)

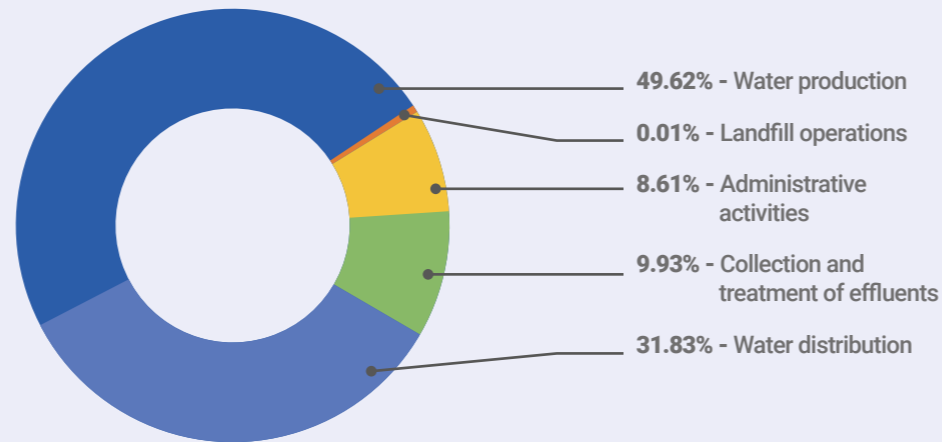


¹ Source: IGEE Sanepar, 2018

DIRECT EMISSIONS



INDIRECT EMISSIONS



Enclosed burner at ETE Cachoeira, Almirante Tamandaré - PR. Picture: Roberto Miguel Kiska Filippini

DIRECT GREENHOUSE GAS EMISSIONS (tCO ₂ EQUIVALENT) ¹ GRI 305-1			
	2017 ²	2018	2019
Electricity, heat or steam generation	156.27	239.82	288.22
Transportation of materials, goods, employees, and passengers	6,403.51	6,109.75	5,822.37
Fugitive emissions	20,274.61	22,192.93	13,551.79
Disposal and treatment of solid waste	29,876.09	31,118.98	31,638.18
Disposal and treatment of wastewater	901,186.60	1,002,542.88	1,058,629.48
Changes of the use and occupancy of soil	3,048.01	1,639.25	1,438.08
Total gross CO2 emissions	960,945.08	1,063,843.61	1,111,368.12
Earnings about the base year(%) ³	8.15	19.73	25.08

¹ The estimate for tons of carbon dioxide equivalent (t CO₂e) emissions of every Sanepar source and/or sub-category was made in accordance with the methods available on the Intergovernmental Panel on Climate Change and the GHG Protocol program. The consolidation approach chosen for the emissions is operating control. There is no regulations that limit the emissions in the sector concerned. The gases included in the calculations are carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs).

² The current base year at Sanepar is 2013, whereas in said year the GHGI preparation was internally consolidated, and included in the Normative System. In 2020, there was a change of calculation methodology for landfill emissions, and considered the burning of methane in the burners. Efficiency estimations were searched in the literature and benchmarking to adapt to the reality of the landfills operated by Sanepar, and an efficiency of 75% for biogas capture and 50% for open flare burning were adopted. Thus, the emissions as of 2013 were recalculated for comparison with the following years, which explains the difference on the values previously reported.

³ Considering the Scope I emissions for the base year of 888,554.44 tCO₂ equivalent.

Despite the fact that the SIN emission factor in 2019 is slightly bigger than in 2018 and that the consumption of energy increased, the benchmarks remained the same, which reflects some energy efficiency.

Since effluent treatment emissions correspond to over 90% of direct emissions,

this category is what contributes the most for the difference between the analyzed years. In the anaerobic process, there is methane emission as a by-product of organic matter biodegradation. Thus, the bigger the efficiency of the plant and the load treated, the bigger the production of biogas. The denominator of this benchmark

is the volume of treated sewage, which is a fraction of the water volume measured.

The evolution of the solid urban waste benchmark is caused by the methane emissions that keep occurring through the waste dumped on the landfills in the past, since they remain in their degradation process.

CO2 BIOGENIC EMISSIONS - Scope 1 (tCO ₂ EQUIVALENT) ¹		
2017	2018	2019
178,745.10	206,167.04	252,011.75

DIRECT GREENHOUSE GAS EMISSIONS (tCO ₂ EQUIVALENT) ¹ BY BUSINESS						
	2017	%	2018	%	2019	%
Supply water	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sewer sanitary	931,068.99	97	1,032,724.63	97	1,079,729.94²	97
Solid urban waste	29,876.09	3	31,118.98	3	31,638.18	3

INDIRECT EMISSIONS FROM ENERGY PROCUREMENT BY BUSINESS (tCO ₂ EQUIVALENT) GRI 305-2			
	2017	2018	2019
Water supply	53,816.35	42,650.26	44,889.42
Sanitary sewer	5,718.58	4,660.28	5,471.03
Solid urban waste	3.95	2.83	2.79
Administrative	5,473.25	4,707.73	4,746.26
Total of Scope 2 indirect emissions	65,012.13	52,021.10	55,109.50
Earnings about the base year (%) ¹	3.55	-17.14	-12.22

¹ Considering the Scope I emissions for the base year of 62,781.68 tCO₂ equivalent.

² The emissions by business are different from table GRI 305-1 since the emissions from combustion and other structures fall under the sanitary sewer process.

INTENSITY OF GREENHOUSE GAS EMISSIONS BY BUSINESS GRI 305-4				
		2017	2018	2019
Water Supply	Specific metric (denominator): thousand m ³ produced	756,184.33	760,841.62	778,606.65
	Scope 1 Emissions (t CO ₂ equivalent)	n.a.	n.a.	n.a.
	Scope 2 Emissions (tCO ₂ equivalent)	53,816.35	42,650.26	44,889.42
	Total GHG emissions (tCO ₂ equivalent)	53,816.35	42,650.26	44,889.42
	Intensity of GHG emissions (tCO ₂ equivalent/thousand m ³ of water produced)	0.07	0.06	0.06
Sanitary sewer	Specific metric (denominator): thousand m ³ treated	355,312,711	362,380,051	382,115,054
	Scope 1 Emissions (t CO ₂ equivalent)	931,068.99	1,032,724.63	1,079,729.94
	Scope 2 Emissions (t CO ₂ equivalent)	5,718.58	4,660.28	5,471.03
	Total GHG emissions (t CO ₂ equivalent)	936,787.57	1,037,384.91	1,085,200.98
	Intensity of GHF emissions (t CO ₂ equivalent/thousand m ³ of effluent treated)	2.64	2.86	2.84
Solid urban waste	Specific metric (denominator): t destined	62,472.20	63,104.96	63,033.33
	Scope 1 Emissions (tCO ₂ equivalent)	29,876.09	31,118.98	31,638.18
	Scope 2 Emissions (tCO ₂ equivalent)	3.95	2.83	2.79
	Total GHG emissions (tCO ₂ equivalent)	29,880.04	31,121.81	31,640.96
	Intensity of GHG emissions (tCO ₂ equivalent/t of effluent disposed)	0.48	0.49	0.50

RESEARCH AND INNOVATION



Sanepar is among the leaders in infrastructure innovation in Brazil, according to Valor Econômico 2019 ranking, which reinforces the Company's role in the search for innovative and sustainable solutions, in order to provide services more quickly, efficiently and always aiming at the least impact on the budget of the population of Paraná and the constant improvement of processes.

Among the innovative actions carried out in 2019, there are:

- Consolidation of modular technologies in sewage treatment plants (ETEs), with the inauguration of a plant in the municipality of Santa Helena with a mineralization bed for the conditioning and treatment of the sludge generated by the effluent treatment process;
- Operation of enclosed biogas burners in ETEs in Curitiba and Metropolitan Area;
- Elaboration of guidelines for the conservation of water sources; studies on sustainable reservoir management; initiation of phytoremediation projects to revitalize urban rivers in partnership with the State Department for Sustainable Development and Tourism and the municipality of Curitiba,
- Real-time monitoring of electricity consumption in the largest consumer units;

- Installation of Internet of Things (IoT) devices in operating units;
- Studies on reused water for industrial purposes and on industrial effluent treatment;
- Start of electric energy compensation in the hydro power generation system at the Airport of São José dos Pinhais and in the company CS Bioenergia S.A., in addition to the implementation of the floating photovoltaic solar plant in the Passaúna reservoir, an unprecedented project in the Brazilian sanitation sector;

In 2019, there was also the ceremony of the second edition of the Sanepar Sustainable Technologies Award, open to researchers from all over Brazil, and also the Inova Sanepar Award event, exclusive to the Company's employees, with the publication of a book containing the awarded works and the dissemination of practices and technical studies to interested parties.

ENERGY EFFICIENCY AND BIOENERGY

GRI 103-2, 103-3



The topic of energy has been widely discussed at Sanepar due to the fact that electricity is a fundamental input for the functioning of its activities and to guarantee the growth of the demands of its services.

In 2019, the Company consumed 673 GWh of electricity, representing approximately 17% of operational expenses, being Sanepar's second highest operational cost. The consumption of energy in more than 4,100 units, mainly in sanitary infrastructures, makes Sanepar the largest corporate consumer of electric energy in the State of Paraná.

Nevertheless, in times when global warming and climate change are matters with global impact, the implementation of energy efficiency actions becomes essential to minimize environmental impacts and reduce greenhouse gas emissions.

In this sense, through conservation and the rational use of energy, and based on taking advantage of the potentials for generating clean energy, the Company has been aiming not only at economical, but also social and environmental sustainability of its business model.

To that end, Sanepar has encouraged innovation, applied research and the development of good practices that enable cost reduction, energy efficiency of its processes and, consequently, improvement of its environmental sanitation services.

Measures such as the management of electricity bills have been successfully implemented in the Company, based on the selection of the most appropriate tariff modality, the control of reactive surpluses,

excess and additional demand. Sanepar has been pursuing the reduction of the load factor of the systems during peak hours, a period in which the electricity tariff is more expensive, shifting the electrical power contracted with the concessionaire to times when the electricity grid has a lower demand.

In addition, it has prioritized the periodic maintenance of the operational units and the acquisition of efficient equipment, especially of motor pumps.

Since the beginning of 2019, 93 of the company's units have been real-time and remotely monitored regarding energy consumption.

Sanepar has promoted energy efficiency actions in its production sites by structuring Technical Committees or Internal Energy Conservation Commissions (CICE).

Some regional sites such as Foz do Iguaçu and Maringá have permanent forums for resolutions on the topic. The first experiences on the adoption of the assumptions under the NBR ISO 50.001 are in progress at the Curitiba's integrated water supply system.

From the conception of a new business based on the concepts of circular economy, a high-tech biodigestion plant, CS Bioenergia S.A., is installed close to ETE Belém, producing renewable energy from the simultaneous and innovative treatment

of sewage sludge and organic materials from other large generators. Its capacity is to produce 2.8 MW - enough energy to supply approximately 2,100 houses, or 8,400 people.

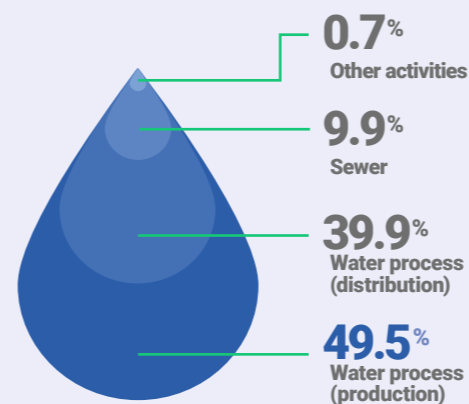
In 2019, CS Bioenergia S.A. reached its operational stability and started the process of transferring electricity credits to Sanepar's consumer units.

Sanepar has also carried out studies on the use of biogas as a fuel, to promote thermal drying and cleaning of sewage sludge. The results obtained prove that the technique can reduce operating costs with handling and final disposal of the material.

This is because thermal processing significantly reduces the final volume of sludge to be disposed, promoting hygiene without the use of chemicals. Dry sludge, in turn, can be used as a fertilizer in agriculture and as biomass, being thermally transformed in complementary energy for its own drying process.

Sanepar is also taking its first steps in converting solar energy into electricity. A pilot photovoltaic solar power plant with a capacity of about 3 kWp is installed in the Municipality of Praia de Leste and is coupled to a salty water desalination plant. In December 2019, a floating photovoltaic solar plant was implemented in the Passaúna reservoir, in Curitiba.

ELECTRICAL ENERGY CONSUMPTION (%)



ENERGY CONSUMPTION GRI 302-1, SASB IF0103-01				
	2017	2018	2019	VAR. (%) 2018 vs. 2019
CONSUMPTION OF NON-RENEWABLE FUELS (GJ)¹				
Gasoline	102,993.55	90,135.80	61,324.85	-32%
Compressed Natural Gas (CNC)(m ³)	.00	101.48	344.38	239%
Diesel	46,296.19	46,614.64	46,331.99	-1%
TOTAL	149,289.74	136,851.92	108,001.22	-21%
CONSUMPTION OF RENEWABLE FUELS (GJ)				
Ethanol	19,084.21	28,660.58	29,499.20	3%
TOTAL	19,084.21	28,660.58	29,499.20	3%
ENERGIA COMPRADA (ELETRICIDADE COMPRADA DO SIN) (GJ)²				
TOTAL Electricity purchased from SIN (2)	194,980,210,442.77	196,019,708,087.73	203,803,763,792.31	4%
TOTAL ENERGY CONSUMED (GJ)³				
TOTAL	194,980,210,442.77	196,019,708,087.73	203,803,763,792.31	4%

¹ The data consider the consumption of fuels in private and outsourced fleets. Approximately 80% of the fleet used by Sanepar is outsourced. [GRI 302-2](#)

² The historical data of 2016 and 2017 were reviewed. The consumption of electricity purchased from SIN was 701,930,723 KWh, 705,672,925 KWh, and 733,695,604 KWh for 2017, 2018 and 2019, respectively (Conversion factor used 1 KWh = 277,777 GJ. Source GHG Protocol Brazilian Program).

³ According to the Operational Development Management, there is no self-generated electricity surplus converted into credit as the energy generated in the ETE Ouro Verde of Foz do Iguaçu is the biogas; the photovoltaic system of the new headquarters building began operating in December 2019; and the implementation of the floating photovoltaic solar plant in the Passaúna reservoir was in late 2019, and, therefore, there is no information available for disclosure. In average, the ETE Ouro Verde generates 600W and consumes 700W per month, resulting in an account of 100W with Copel (Remark: The consumption of biogas is not considered in the data above as it is not significant).

ELECTRICAL ENERGY PURCHASED BY BUSINESS (Kwh)			
	2017	2018	2019
Water supply	635,197,392.00	636,229,435.00	654,848,523.00
Sanitary sewer	61,670,055.00	64,412,487.00	71,623,934.00
Solid urban waste	47,754.00	45,606.00	38,644.00
Total¹	696,915,201.00	700,687,528.00	726,511,101.00

¹ The difference in the total purchased energy regards the administrative consumption (managements and customer service).

ENERGY INTENSITY GRI 302-3				
		2017	2018	2019
Water Supply	Metric (m ³ produced)	756,184,333	760,841,619	778,606,653
	Consumption of electricity purchased from SIN (kWh)	635,197,392	636,229,435	654,848,523
	Energy intensity (kWh/ thousand m ³ produced)	0.84	0.84	0.84
Sanitary sewer	Metric (thousand m ³ treated)	355,312,711	362,380,051	382,115,054
	Consumption of electricity purchased from SIN (kWh)	61,670,055	64,412,487	71,623,934
	Energy intensity (kWh/ thousand m ³ produced)	0.17	0.18	0.19
Solid urban waste	Metric (t disposed)	62,472.20	63,104.96	63,436.99
	Consumption of electricity purchased from SIN (kWh)	47,754	45,606	38,644
	Energy intensity	0.76	0.72	0.61

FLOATING PHOTOVOLTAIC SOLAR PLANT

The photovoltaic solar plant of Passaúna catchment, in Curitiba, with an installed power of 130 kWp, was implemented in December 2019. The system was installed onto floating structures on the dam lake. This type of installation represents a challenge as there are few similar facilities already implemented in Brazil. The plant is composed by 396 polycrystalline solar panels and occupies an approximate area of 1,200 m². This is the first floating solar plant installed in a sanitation company in Brazil.

This initiative intends to understand the photovoltaic generation model, the performance and optimization of the existing structures at Sanepar, and the feasibility on the diversification of the Company's energy matrix. The project provides for the obtainment of data associated with the production of electricity, environmental data (solar irradiance, room temperature, temperature of solar panels, moisture, intensity, and wind direction), and water quality, which will be measured by dedicated sensors, and stored in a database. The scope of the initiative also evaluates whether the floating solar plant allows or not the reduction of algal boom in Reservoirs for public supply, the induced evapotranspiration in the water stored, and the increase of conversion efficiency of semiconductors.

NEW ADMINISTRATIVE BUILDING

A SUSTAINABLE CONCEPT

The new administrative headquarters (NEA), in the neighborhood of Rebouças, in Curitiba, was built following the concepts of sustainability due to the use of photovoltaic system, rainwater storage and treatment, and efficient air conditioning temperature and lighting control. It seeks the reduction of consumption and conservation of natural resources, and adopts the concept of shared use, which promotes more integration of processes and optimization of spaces and better working conditions to the employees. The activities began in December 2019.

ENVIRONMENTAL PROJECTS

GRI 103-2, 103-3

The company develops programs and projects, transverse to the corporate processes, in consonance with its environmental policy on promoting and consolidating socio environmental actions under the National and State Environmental Education Policies (Laws nos. 9.795/1999 and 17.505/2013), National Solid Waste

Policy (Law no. 12.305/10), and the UN Sustainable Development Goals.

The Socio-environmental Management (GESA) is the area that develops and operationalizes programs and projects in communities. These actions are part of the Sanepar Management and Information System, responsible for the benchmarks of the projects developed in 17 decentralized GESA offices.

The relations between Sanepar and the communities occurs through the community leaders, neighborhood associations, religious entities, and school community. The groups are not segmented since Sanepar appreciates the representativeness and plurality of opinions. In irregularly occupied areas, Sanepar implements actions, organized by social assistants, which coordinates the needs of these communities with the managements, in order to ensure the right to water, by installing community taps.

In its external socio-environmental education program, Sanepar develops projects and actions for internalization of concepts and practices

SE LIGUE NA REDE



The Se Ligue na Rede aims to ensure that the sewage collection network available to the population is used correctly in order to reduce urban rivers pollution. During the construction of sewage collecting network, Sanepar promotes socio-environmental education meetings in the communities that will be served with the service. Residents receive information about the work in their region, schedule of deadlines, impacts generated and guidance on the responsibilities of the population and Sanepar.

Socio-educational events are held to train agents who will disseminate concepts of environmental sanitation. Plumbers are also trained for the correct interconnection of the property to the sewage collection network. In addition to ensuring the correct connection, the courses provide income generation for these professionals.

In regions already served by a collection network, Sanepar conducts technical inspections of the properties to identify irregular connections and make families aware of the correct procedures for the proper use of the system.

The results of Se Ligue na Rede are perceived by Sanepar's operational sector with the increase in the rate of correct interconnections, the reduction of maintenance in the network, refluxes and the improvement of sewage quality that reaches the treatment plants. In

2019, more than 40 municipalities in Paraná received actions from the program.

RESPONSIBLE USE OF WATER AND SANITARY SEWER SYSTEM

Besides the direct actuation in works through the Se Ligue na Rede program, Sanepar develops several actions so that the population receives information and understands the importance on the responsible use of the water and sanitary sewer system. These are approaches for several publics, with services in water and sewage treatment plants, environmental education centers, museums, memory spaces, lectures in communities, schools, companies, and the itinerant presence of the EcoExpresso bus.

ECOEXPRESSO



Sanepar has five itinerant buses, equipped to deal with subjects concerning sanitation in a playful way. This is an educational instrument that allows a great number of people to make visits and learn more about the company's services, the water, and the cycle of the river. Inside the bus that goes across the State of Paraná, at schools, street markets, and events, the participants learn the path the water travels from the rivers to the taps, in addition to treatment and quality control processes. They also learn the sanitary sewer process and how the water,



after the treatment, goes back to the river. There are also subjects such as disposal and treatment of urban waste, climate changes, deforestation, waste management, and health.

SUSTAINABILITY: FROM THE SCHOOL TO THE RIVER



The Sustentabilidade: da Escola ao Rio (Sustainability: from the school to the river) project mobilizes teachers and students, in particular those taking Environmental technician courses, to develop socio-environmental education actions in urban rivers, with the purpose of internalizing the concept of sustainability and improving environmental quality.

The participants, advised by Sanepar managers, develop socio-environmental educational activities in urban and rural rivers at the water basins where the schools are located. The activities make the participants to perceive the reality of the river and how they influence and are influenced by this natural resource. Thus, it fosters the change of visions and behavior in the relations between humans and the environment so that the students became multiplying agents of proactive attitudes that improve the quality of the river. The following activities are developed: water basin recognition, water quality monitoring, planting of native trees at the margins of the river, analysis on

improper waste disposal, mobilization of the community, socialization of results, and integration seminars.

Since 2013, when the project was created, it made over 600 actions in 30 monitored rivers, and involved about 12,000 people in the activities.

CAIXA D'ÁGUA BOA

Families already served by the Sanepar Social Tariff program and enrolled in the Federal Government's Single Registration can benefit from the Caixa d'Água Boa, developed by Sanepar in partnership with the State Government through the State Department of Justice, Family and Labor.

An extension of a pilot project that is already benefiting 500 families in the region of Laranjeiras do Sul, Caixa D'Água Boa was expanded in 2019, with the installation of residential reservoirs for 3,500 families in 134 municipalities in Paraná.

Sanepar supplied kits consisting of a 500-liter residential reservoir, piping and metal base, in addition to providing technical support and training for equipment installation. The State Government manages the program and provides financial resources for families to pay for the water tanks installation (labor). The Municipalities store and distribute the materials, and inspect the effective installation.

SOCIO-ENVIRONMENTAL MANAGEMENT IN ENTERPRISES GRI 303-1



In order to ensure water safety in the Miringuava Basin and meet the Environmental Technical Project – PBA and Social Technical Project – PTS of the Licensing and Financing Agencies, respectively, concerning the construction of the dam reservoir, Sanepar has been developing the Miringuava Socio-Environmental Project since 2011.

The purpose is to promote positive impacts on quality of life for producers and rural residents who will be affected by the dam, assuring social well-being, protection and conservation. These are actions of guidance and qualification to adopt new production practices and commercialization of agricultural products with an emphasis on sustainability.

Throughout the planning and execution of the construction work, company technicians develop actions to support families. A dialog was established with the community about the expropriations and impacts providing community strengthening and organization; reducing conflicts and the number of lawsuits in indemnity process; dialogs for the establishment of partnerships with public, private, educational and research institutions, and also with the municipality of São José dos Pinhais. The project also promoted the

integration between several Sanepar units that operate in the area.

In 2019, the project's actions reached the urban public of Greater Curitiba, with the participation of technicians from the municipality of Curitiba and the formalization of the Technical Cooperation Agreement with Grupo Boticário Foundation, which launched the Viva Água Movement, in the Miringuava Basin. The dam construction works were resumed in late 2019. The goals include the planting of 1 million trees, the conservation of 1.5 thousand hectares of natural areas through Payment for Environmental Services (PSA), and support to 30 impact businesses through rural tourism and sustainable agriculture.

The Miringuava Socio-environmental Education Project is also related to the Sustainable Development Goal (SDG) no. 2.

DE PORTAS ABERTAS PARA A COMUNIDADE



Sanepar has several educational spaces for sustainability in the State, where visitors have contact with concepts and practices for the conservation of water resources. The Mananciais da Serra Environmental Education Center (CEAM) is next to the Piraquara I and II Reservoirs, in the Metropolitan Region of Curitiba. Inserted in an Environmental Preservation Area (APA), next to river springs, CEAM houses the first public water supply system in Paraná, the Carvalho Reservoir, of 1908.



The place can be visited by the general public, but it is especially sought after by students, who explore the trails in the Atlantic Forest remnants of Serra do Mar. In 2019, 7.8 thousand visitors were registered.

The Sanitation Museum and the Iguaçú River Memorial are other spaces of history and education, with actions focused at students and the community in general. The beautiful historic building houses a time travel experience where the visitor learns historical, geographical and social aspects and environmental action proposals for our daily lives. The Memorial has a multimedia room and an auditorium for 120 people, aimed at training courses for the community, lectures and events with an environmental theme. In 2019, 8,700 visitors were received.

For the third consecutive year, the centenary Alto São Francisco, the oldest Sanepar reservoir, hosted Christmas festivities Paraná capital. The 3D mapped video staging “Ecofábrica do Papai Noel” transmitted a message about sustainability combined with the Christmas spirit to 3,800 people in five presentations. This project is a partnership of the Municipal Government of Curitiba and the Instituto Curitiba Arte e Cultura.

OPERAÇÃO VERÃO (OPERATION SUMMER)



Every year, during the summer season, Sanepar develops special actions to improve the service to the tourists flow who travel to the coast of Paraná, in partnership with State Government institutions.

The Sanepar’s actions want to ensure continuous water supply and maintenance of the hygiene and cleaning conditions at the shore.

To guarantee availability of treated water and sewage collection and treatment throughout the summer, Sanepar continuously invests in maintenance and new infrastructure on the supply system. In the environmental area, Sanepar contributes to cleaning the beaches.

During the season, every day, teams hired by the Company travel 48 km along the shore to remove waste left in the sand and debris brought in by the tides.

The work done during the season, on the beaches of Paraná, is considered a reference in the country. Environmental educational actions and recreational activities were attended by more than 40,000 people. These activities are carried out by a team hired by Sanepar, in partnership with other municipal agencies and the government, which act in the sensitization of tourists for co-responsibility with solid waste and fighting wastefulness.

The Chuá project, which consists on installing ecological showers by the sea in the main bathing areas on the waterfront, served more than 175 thousand bathers, offering comfort and reducing the consumption of treated water in summer houses.

The numbers for the 2018/2019 season were: 48 km of clean beaches; 690 t of collected waste; 106 jobs created; 120 thousand used garbage bags; 300 200-liter drums distributed on the shore to receive waste from tourists.

ACCESSIBILITY ON THE BEACHES



The Praia Acessível Project provides amphibious chairs for people with motion difficulties to safely bathe in the sea. In the 2018/2019 season, Sanepar registered 384 people assisted. The project was developed by Sanepar in partnership with the State Government. 9 chairs were provided for use on the beaches of Guaratuba, Matinhos and Pontal do Paraná. A trained team ensures that all people can enjoy a sea bath safely.

OPERAÇÃO VERÃO IN NUMBERS

690 tons
of waste removed from the sand

Over
175,000
people assisted by Ecoduchas

Over
40,000
participants in recreational
activities

384
people assisted with
amphibious chairs

ENVIRONMENTAL AGENDA



As part of the company's socio-environmental education culture, on commemorative environmental dates, Sanepar promotes activities such as community cleaning efforts, plantings, bicycle rides, lectures, and workshops.

These actions are enhanced thanks to partnerships with local institutions that mobilize employees and communities. In 2019, 62 actions were carried out with the participation of 7,500 people, on the following dates:

- March 22nd - Water Day
- June 5th - World Environment Day
- September 21st - Tree Day
- November 24th - River Day

ENVIRONMENTAL EDUCATION FOR THE INTERNAL PUBLIC



With the same commitment to which it works with society, Sanepar also develops social and environmental education projects and programs for its workforce. The objective is for employees to internalize the concept of sustainability and understand the socio-environmental dimension of sanitation. This action encompasses the main corporate processes and the Sustainable Development Goals (SDGs). All sanitation education and memory spaces, water and sewage treatment plants and EcoExpresso buses are available for technical visits of employees.

CHECK OUT THIS IDEA: NO OIL IN THE NET



The program encourages the reduction of oil consumption in food preparation and provides the collection and correct destination of the used oil, so that people at Sanepar adopt correct, healthy and responsible socio-environmental practices.

The collection of saturated oil prevents water

pollution, clogging of collecting networks and reduces the formation of foams in sewage treatment plants.

Created in 2016, initially for employees, the program has 213 collection posts and partners who receive the material in 20 municipalities. It had expanded its scope, with the installation of collection plants in the customer service offices.

GREEN CURTAINS



In order to improve the environment, to mitigate the negative impact with the neighborhood, and to improve the quality of life of the people around the plant and the working environment of the operators, Sanepar adopts since 2007 the Implementation of Green Curtains at ETEs.

The green curtain is the implementation of trees and bushes, adapted to the local region and soil, distributed in parallel lines, making an isolation barrier in the surroundings of ETEs. The curtain meets the SEMA Resolution no. 16/14, which is the state legislation for Atmospheric emissions; and promotes the verticalization of winds, minimizing the dispersion of odors generated by the waste treatment process. This projects began in 2007, by planting in some treatment plants at the Metropolitan Region of Curitiba. There are currently green curtains implemented in about 410 pumping and treatment stations across the State.

The planting follows the company's normative procedures under the Green Curtains Manual and other vegetation standards at ETEs. The planting encompasses trees and bushes, with characteristics that benefit the formation of a vegetation belt, which isolates the area visually) improving the visual comfort and safety.

The Green Curtains project also seeks to ensure the development of sustainable alternatives such as recycling of piping scraps disposed at the Supplies and Logistics Management, as a guard for the seedlings. Using piping scraps avoids damages caused by grass cutter wires, as it would compromise the development of the seedlings. The project also considers issues regarding the landscaping at the treatment plant, and the removal of the waste created at the time of planting, among others.

Recently, in order to supplement the lower and middle green curtain strata, in particular for spaces with little room for the planting and development of trees, artificial barriers are being applied, which helps isolate the treatment plant and contribute to verticalize the winds, reducing the impact of the odors generated on the neighborhood, thus complementing the goals of the green curtains.



PERCENTAGE OF OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS GRI 413-1

	2017		2018		2019	
Sanepar's regional operations and service provider managements	79		79		79	
TYPE OF INITIATIVE ¹	MANAGEMENTS INVOLVED	%	MANAGEMENTS INVOLVED	%	MANAGEMENTS INVOLVED	%
Environmental Impacts and continuous monitoring evaluations ²	19	24.1	19	24.1	19	24.1
Local development programs based in the needs of local communities ³	22	27.8	22	27.8	22	27.8
Stakeholder engagement plans based on the mapping of such parties ⁴	22	27.8	15	19	9	11.39
Committees and processes for consultation to the local community, including vulnerable groups ⁵	58	73.4	42	53.2	0	0
Labor councils, occupational health and safety committees, and other employees representative entities for discussing impacts ⁶	94	119	94	119	65	82.28

¹ There has been no evaluations of social impacts, including gender, based on participative processes.

² 19 management in the five macro regions have the environmental Impacts spreadsheets, which are updated at least once a year, or whenever some aspect undergoes review. Moreover, two operations are externally certified by NBR ISO 14.001: Foz do Iguacu and Cianorte Landfill.

³ Concerns the Socio-environmental Education and Intervention in Sanitation Projects Program and the External Socio-environmental Education Program.

⁴ Considers all the technical social labor projects (PTTS) conducted by the managements. When the technical social labor project is prepared, the conditions regarding water, solid waste and runoff are surveyed. Health and education conditions are referenced to subsidize the planning of actions for the beneficiary community.

⁵ The goals of consultation with the local community was reduced to zero since the size of the projects contracted with the Caixa Econômica Federal (Federal Savings Bank) does not allow the formation of the Management Group. However, the consultation process was maintained during the sanitation project community meetings.

⁶ All the managements have CIPAs. The number above 100% in 2017 and 2018 is due to the increase of the number of managements. The Use o Bom Senso program was not accounted as it is in restructuring stage.

SUMMARY OF COMMUNITY SOCIAL AND ENVIRONMENTAL ACTIONS

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES GRI 413-2

							2019
PLACE OF THE OPERATION	PLACE OF THE IMPACT	ACTUAL AND POTENTIAL SIGNIFICANT IMPACTS		INTENSITY	PROBABLE DURATION	REVERSIBILITY	SCALE
São José dos Pinhais	Miringuava Dam	Actual impacts	Removal of families from their original land to areas closer or outside the municipality	Low	Continuous	Low	Middle
Curitiba and Metropolitan Region	ETEs and Sewage Pumping Plants	Actual impacts	Odor. Sanepar is implementing methane gas burners to mitigate this impact	Middle	Continuous	High	Low
Headquarters of the 22 Regional Managements	ETEs and Sewage Pumping Plants	Actual impacts	Odor. Sanepar is implementing methane gas burners to mitigate this impact	Middle	Continuous	High	Low
168 ETAS in Paraná	ETAs	Potential impacts	Leakage of chlorine gas and chemicals	Very severe	Some hours	Low	Catastrophic

¹ The impacts are mitigated through detection and dispersion systems, Emergency Action Plans (PASE), containment dikes, product re-use, and regulated transportation.



SANEPAR EMPLOYEES

GRI 103-2, 103-3

Sanepar continuously invests in personal and professional development programs, as it understands that maintaining excellent service and assistance requires a qualified and updated functional body with trends in the corporate universe and with technological advances.

In 2019, Sanepar had 6,985 employees, 145 trainees and 265 apprentices. The average time of the Sanepar employees in the Company is 14.5 years. The turnover this year was 0.473%, overtime in relation to normal working hours was 3.7% and absenteeism of 1.2%.

From the total positions, 91 were occupied by people with special needs. Regarding maternity leave, 65 women received the benefit, and the extended 20-day paternity leave was used by 199 men.

This reorganization movement also reflects the effects of employee dismissal programs in the Company: the Encouraged Retirement Program (PAI) and the Voluntary Dismissal

Program with Knowledge Transfer (PDVTC) for positions to be extinguished.

Since 2016, about 12.6% of employees have left the Company, most within the incentive programs mentioned above. The PAI is an important instrument for valuing and recognizing the dedication and history of each employee.

In 2019, the implementation of PAI for 2020 was approved, as expected by the Company's strategic planning. The approval, accession and dismissal stages will be disclosed by the company as soon as the appropriate procedures are completed.

In order to handle the staff reduction the review of processes is being implemented to optimize activities and stages associated with bidding guidelines. The Company's efficiency and productivity are ensured through the qualification and commitment of effective employees and business partners (third parties), and the innovation of processes and implementation of new technologies.

Sanepar's personnel policy aims to provide

a safe and healthy work environment with appreciation of knowledge, equal opportunities, respect for plurality, diversity and gender equity. The latter guideline is part of the Sustainable Development Goals (SDGs). [GRI 102-12](#)



NUMBER OF EMPLOYEES BY FUNCTIONAL LEVEL						
	2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Council Board	38	2	24	3	33	3
Managerial	8	0	6	1	7	1
Gerencial	340	132	335	144	416	148
Professional	488	257	471	245	455	236
Technical	756	202	741	197	734	193
Operational	4,046	936	3,976	907	3,886	909
Trainees	90	89	82	88	66	79
Total by gender	5,766	1,618	5,635	1,585	5,597	1,569
TOTAL		7,384		7,220		7,166

NUMBER OF EMPLOYEES BY EMPLOYMENT AGREEMENT AND GENDER ¹ - GRI 102-8									
Type of Agreement	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Definite term	90	89	179	82	88	170	65	80	145
Indefinite term	5,638	1,527	7,165	5,528	1,494	7,022	5,498	1,487	6,985
TOTAL	5,728	1,616	7,344	5,610	1,582	7,192	5,563	1,567	7,130

¹ does not consider the Council.

NUMBER OF EMPLOYEES BY EMPLOYMENT AND GENDER ¹									
Employment Type	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full-time	5,638	1,527	7,165	5,528	1,494	7,022	5,498	1,487	6,986
Part-time	90	89	179	82	88	170	65	80	145
TOTAL	5,728	1,616	7,344	5,610	1,582	7,192	5,563	1,567	7,130

¹ does not consider the Council.

Paraná State Regions	NUMBER OF EMPLOYEES BY EMPLOYMENT AGREEMENT AND REGION ¹								
	2017			2018			2019		
	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total
Northeast Region		1,146	1,146		1,223	1,223	14	1,203	1,217
Northwest Region		953	953		1,018	1,018	19	993	1,003
Metropolitan Region and Coast		3,296	3,296		2,933	2,933	87	2,973	3,060
Southeast Region		816	816		835	835	15	831	846
Southwest Region		954	954		1,013	1,013	19	985	1,004
TOTAL	0	7,165	7,165	0	7,022	7,022	145	6,385	7,130

¹ does not consider the Council.

Paraná State Regions	NUMBER OF EMPLOYEES BY REGION AND GENDER ²					
	2017		2018		2019	
	MEN	MULHERES	MEN	MULHERES	MEN	MULHERES
Northeast Region	1,010	136	1,046	177	1,052	173
Northwest Region	812	141	862	156	855	157
Metropolitan Region and Coast	2,329	967	2,089	844	2,071	840
Southeast Region	693	123	708	127	703	128
Southwest Region	794	160	823	190	817	189
TOTAL BY GENDER	5,638	1,527	5,528	1,494	5,498	1,487
TOTAL	7,165		7,022		6,985	

² does not consider trainees and directors



BENEFITS TO FULL-TIME EMPLOYEES GRI 401-2

The benefits offered to Sanepar employees¹ are:

- Health Insurance Plan
- Disability allowance
- Maternity/paternity leave
- Retirement fund/benefit plan
- Social Assistance
- Indemnity Allowance
- Daycare and Baby-sitting Allowance
- Sick Pay (Social Security)
- Profit Share Scheme - PPR
- Food voucher
- Transportation voucher
- Medicine Allowance (Foundation)
- People with Special Needs (Foundation)
- School Supplies Allowance²
- School Cold Weather Clothing Allowance³
- Funeral Aid

¹ Temporary employees are not included as beneficiaries. The trainees receive food voucher and transportation voucher.

² Exclusive for women employees with children at ages from 4 months to 6 years and 11 months. Employees who have the custody of the children in the same age range are entitled to receive the benefit.

³ Made available to employees who receive up to a certain salary range.

EQUALITY AND PLURALITY

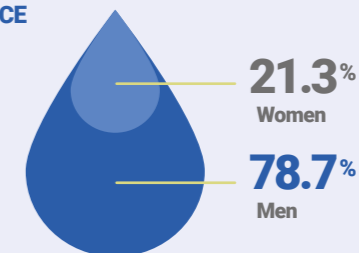
GRI 103-2, 103-3



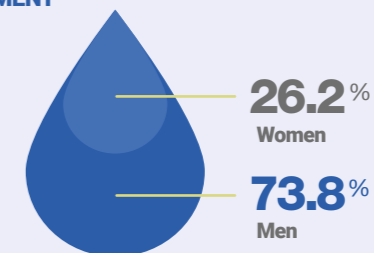
In 2019, Sanepar was the first sanitation company in the country to receive the national Weps (Women Empowerment Principles) award in the Bronze Category – Great Companies of UN Women. The award recognizes Sanepar for its gender equality actions, according to the UN seven principles of empowerment, a commitment signed by the company since 2017. [GRI 102-12](#)

Institutional policy of gender equity, transparency in the disclosure of benchmarks by gender, health care by gender, benefits offered by the company such as maternity leave and extended paternity leave, priority parking spaces for pregnant women, dissemination of the theme through EaD and awareness about harassment and violence against women, are actions that led to Sanepar's recognition to the award, together with companies such as Petrobras, Itaú, Brasken, Carrefour, and others.

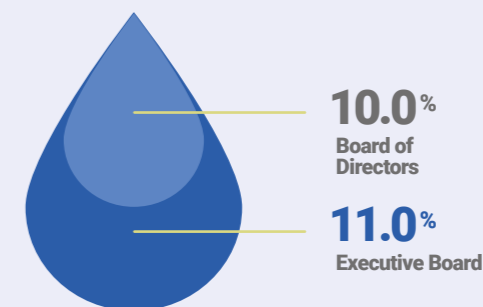
WORKFORCE



MANAGEMENT POSTS



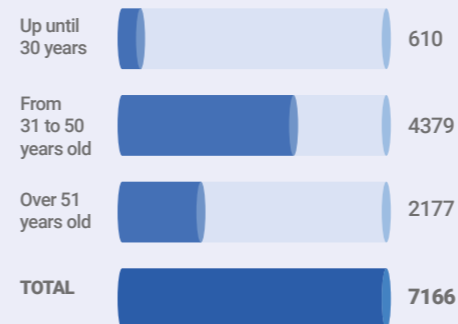
WOMEN IN GOVERNANCE BODIES



DIVERSITY

Another policy adopted since 2016 is to stimulate the plurality of segments represented in the functional body. Since then, the Company has been following the participation of black people and people with disabilities among the employees. According to the latest data surveyed, 4.75% of employees in general (at managerial, professional and technical levels) are black and 1.3% are people with special needs.

PROFILE BY AGE RANGE



LEADERSHIP PROFILE BY AGE RANGE (BOARD OF DIRECTORS)



PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES (%) GRI 405-1		
		2019
By gender	Men	88.6
	Women	11.4
By age range	Less than 30 y.o	0
	Between 30 and 50 y.o.	51.4
	Over 50 years old	48.6
By minorities and/or vulnerable groups	Black people	8.6
	People with disabilities	0

PERCENTAGE OF EMPLOYEES BY POSITION AND GENDER ¹ (%)						
	2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Council	95	5	90	10	88.9	11.1
Board	100	0	85.7	14.3	87.5	12.5
Managerial	72	28	73	27	71.9	28.1
Professional	65.5	34.5	65.7	34.3	66	34
Technical	78.9	21.1	79.1	20.9	79.1	20.9
Operational/ Administrative	81.2	18.8	81.2	18.8	81.1	18.9
Trainees	50.3	49.7	48.2	51.8	44.8	55.2
Total by gender	78.1	21.9	78	22	78	22

¹ The Council category considers the nine directors composing the Board of Directors. The governance body group members comprise the 35 individuals composing such bodies.

PERCENTAGE OF EMPLOYEES BY POSITION AND AGE RANGE ¹ (%)			
	2019		
	LESS THAN 30 Y.O.	BETWEEN 30 AND 50 Y.O.	OVER 50 Y.O.
Council	0	22.2	77.8
Board	0	50	50
Managerial	2.1	59	38.9
Professional	2.6	64.6	32.8
Technical	6	62.6	31.4
Operational/Administrative	5,5	61	33.5
Trainees	94.5	5.5	0
Total By age range	6.9	60.2	32.9

PERCENTAGE OF REPRESENTATIVES OF MINORITIES AND/OR VULNERABLE GROUPS AMONG THE EMPLOYEES BY POSITION (%)		
	2019	
	BLACK PEOPLE	PEOPLE WITH DISABILITIES
Council	11.1	0
Board	0	0
Managerial	2.3	0.2
Professional	3.1	0.6
Technical	5.1	0.8
Operational/Administrative	5.2	1.6
Trainees	8.3	0
Total by minority group	4.8	1.3



REMUNERATION BETWEEN WOMEN AND MEN

By observing the performance evaluations and the collective bargaining made in 22 different unions, we can perceive an evolution in the average remuneration of employees at the Professional, Technical, and Administrative/Operational categories.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN (BRL) GRI 405-2		2017	2018	2019
Council ¹	Base salary	1.1	1	i.n.d.
	Remuneration	1.1	1	i.n.d.
Board ²	Base salary	n.a.	1	1
	Remuneration	0	0,9	1
Managerial ³	Base salary	C	i.n.d.	i.n.d.
	Remuneration	0.9	1	1
Professional	Base salary	1	1	1
	Remuneration	0.9	0.9	1.1
Technical	Base salary	1	1	1
	Remuneration	0.8	0.8	1.2
Operational/Administrative	Base salary	1	1	1
	Remuneration	0.9	0.9	1
Trainees (4)	Base salary	i.n.d.	1	i.n.d.
	Remuneration	i.n.d.	0.9	i.n.d.

¹ The Governance, Risks and Compliance Management decided not to disclose the Council's remuneration.

² The salary average among men is higher since the remuneration of the chair is higher than that of the other directors.

³ It is not possible to establish a base salary for the managerial category since there are several managerial levels, each one having respective remunerations, which are calculated as supplementary bonus to the salary of the person holding the position, thereby reaching the value regarding the respective position.

⁴ There is no differentiation of value by gender regarding the allowance paid to trainees. It is differentiated by the workload, being: university educated professionals 120h - R\$ 634.80; university educated professionals 80h - R\$ 423.20; secondary school educated professionals 80h - R\$ 320.80.

DISCRIMINATION INCIDENTS

GRI 406-1

In 2019, there were nine incidents of discrimination reported, seven of which were conducted by the Conduct Committee. Four were dismissed by invalidity, one is under analysis, two are being followed up, and two lead to recovery actions already completed. In 2017, one incident was reported and one action for damages was implemented; and, in 2018, three cases were analyzed, one being dismissed and two leading to recovery actions already completed.

EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES ¹ GRI 412-2			
	2017 ²	2018	2019
Total number of training hours on Human Rights	33,510	5,967	13,103
Percentage of employees trained on Human Rights (%)	58	13.5	18.3

¹ does not consider trainees and directors

² The numbers concerning this topic in 2017 were significant due to the approval of the Code of Conduct and Integrity by the Sanepar Board of Directors.

KNOWLEDGE MANAGEMENT

GRI 103-2, 103-3



The knowledge management carried out in the Company was intensified with the adoption of plans to encourage retirement and voluntary dismissal, where the transfer of acquired knowledge stands out as a legacy of former employees. This transfer has been properly recorded and, with this, many processes, practices and experiences have already been systematized, through normative documents, handouts, manuals, distance education courses, and technical work contained in the library, in order to preserve them. The registration of this knowledge comprises a collection that is part of the project to improve procedures and align best practices to the company's strategic goals. [GRI 404-2](#)

In 2019, the theoretical modules of the Specialization course in Environmental Sanitation were completed in the blended modality, carried out in partnership between Sanepar and the Universidade Estadual do Norte do Paraná, through a technological network made by the Universidade Virtual Estadual. 500 employees of every area, from the capital and countryside, took the course. The course completion and the graduation are scheduled for 2020.

Distance Learning (EaD) is another alternative, widely used for the dissemination of knowledge within the company for

allowing employee access, regardless of their capacity or work shift.

For this, an online platform was created, with differentiated content and opportunities for improvement in the most diverse areas. There are about 300 courses in modules in the EaD general catalog and 27 other customized courses, which are, more compact courses with a theme related to Sanepar's activities. All courses grant a certificate. The platform also allows access to technical publications and videos.

In 2019, more than 215,000 opportunities were offered, with approximately 528,000 training hours. Sanepar's EaD courses served more than 2,600 employees, with the issuance of more than 6,100 completion certificates, totaling more than 56,000 training hours.

BANK OF IDEAS AND PRACTICES (BIP)

The Bank of Ideas and Practices (BIP) is an interactive environment, available at the Sanepar Quality System (SQS), accessed via the Company's Intranet, which brings together new ideas and best management practices that lead to management excellence.

in accordance with the Sanitation Management Innovation (IGS), the National Sanitation Quality Award (PNQS), the

Brazilian Association of Sanitary and

Environmental Engineering (ABES), encompassing the criteria under the Environmental Sanitation Management Excellence Model (MEGSA): Leadership, Strategies and Plans, Customers, Society, Information and Knowledge, People, Processes and Results; and the IGS criteria, items, and simplified evaluation factors.

The BIP provides knowledge retention, identification of new ideas and practices, exchange of experiences, internal benchmarking opportunities, interaction between areas, strengthening, and improvement of management practices. It also allows a better internal practice management (control and insertion by employees and managers).

In 2019, 135 new ideas were recorded in the Company's several files; and 70 ideas,

analyzed and already completed in the SQS. The other ideas are in the system's other statuses as in the implementation or assessment of results.

ACKNOWLEDGMENT

The BIP is a tool that provides the senior management with the possibility of identifying the best practices within its area, by making subsidies for acknowledgment of the staff and/or employees. To register a practice in the Internal Seminars and the Sanepar Corporate Good Management Practices Seminar, one of the mandatory requirements is the practice to be described in the BIP.

PERFORMANCE ASSESSMENT AND CAREER PLAN



The Positions, Careers and Remuneration Plan (PCCR) is one of the tools used by the company to retain talent. The process considers three major aspects: institutional benchmarks; contribution of managers to the company's results; and their technical and behavioral skills.

In order to invest more and more in internal policies that recognize merits, potential and competencies, and to improve the PCCR, in 2019, Sanepar's Board of Directors appointed the Commission with representatives from all boards in order to align the report presented in 2018 to Company's strategic objectives and to promote a more efficient and meritocratic management. The changes proposed by the Commission are expected to be implemented in 2020.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS GRI 404-3									
	2017			2018			2019		
	MEN	WOMEN	TOTAL BY CATEGORY FUNCTION (%)	MEN	MULHERES	TOTAL BY CATEGORY FUNCTION (%)	MEN	WOMEN	TOTAL BY CATEGORY FUNCTION (%)
Board	13	0	13	67	0	57	29	0	25
Managerial	91	100	94	90	95	92	98	100	99
Professional	95	100	97	92	96	93	100	99	99
Technical	95	93	95	93	93	93	99	98	99
Operational/ Administrative	100	95	99	94	89	93	99	99	99
Total by gender	96	91	-	92	86	-	99	99	-
Overall Total			95			90			99

¹ The participation of employees in the evaluation cycle 2018 (conducted in 2019) is governed by the Position, Career and Remuneration Plan (PCCR) rules, which determines the performance and participation evaluation for the permanent staff members. In 2019, 100% of the eligible employees underwent evaluation, i.e., employees who worked over 120 days in the year.

EMPLOYEE INTEGRATION, MOTIVATION AND SATISFACTION

The Life Quality Program fulfills multiple purposes: to promote the integration of employees; to create opportunities for social interaction; to offer leisure, recreation and cultural activities; to bring people from different degrees of hierarchy together, and to encourage team spirit.

The degree of satisfaction and well-being of employees has been evaluated periodically since 2001 by an organizational climate survey, called Fale Francamente, accessed via Intranet. The results from the questionnaires are analyzed and disseminated, serving for diagnosis and definition of action plans inserted in sectorial and strategic planning.

In the latest survey, released in 2019, the participation rate reached 78.4% in about 60 days of online survey. The evaluations exceeded the corporate goal of 7.5, with an average score of 7.6 of employee satisfaction. From the investigation, the results were presented to the Company's Board and transferred to managers for individual referral in their areas and to develop their action plans.

TEMPO DE CASA

On the Intranet, an area called "Tempo de Casa" pays tribute to the workers who are



celebrating work anniversary.

The webpage shows everyday a photo gallery of the employees who started working at the company in said date, from the oldest to the newest ones. Besides the photo, the name, the management, and the years of experience at the company are included as well.

This tool became a great attractive that gives more visibility to those who make Sanepar's history.

SANEPAR CHOIR - SING ALONG WITH US

As part of the celebration of the Sanepar 56th Anniversary and the official programming of the 36th Oficina de Música de Curitiba, in January 2019, the Sanepar Choir presented at the Guairão stage at Teatro Guaíra, in Curitiba, with the musicians Mônica Salmaso and Nelson Ayres.

This was the first performance by Sanepar choir in 2019, which made 20 concerts throughout the year in Curitiba and countryside cities. The Sanepar choir currently has 20 voices and is accompanied by hired maestros.

Formed in September 1983, the Choir has male and female voices from active, retired, and former employees. In over 30 years of existence, the group promotes culture and entertainment, contributes to boost the relationship between the company and the

community, to strengthen Sanepar's image, and to encourage the development of the talent of its employees. By music, it spreads the message that the Company appreciates in its activities with the population: an environmentally responsible company that constantly creates and manages social responsibility and diversity programs.

HEALTH AND SAFETY - ACTION AND PREVENTION

Providing a healthy and safe work environment for its employees is one of Sanepar's conducts, which have a direct impact on improving the life quality of workers and, consequently, their families. The Company understands safety as a duty and right of everyone, to ensure the physical, psychoemotional and social integrity of employees.

To act preventively, Sanepar adopts a series of health and safety initiatives:

- Maintains security technicians and engineers working directly in the operating sectors, close to the work areas to identify points of improvement and implementation of the Security Policy;
- Guarantees the operation of Internal Commissions for the Prevention of Occupational Accidents (Cipas) that define procedures and actions to prevent accidents, occupational diseases and interpersonal relationships related to daily life.

In 2019, 65 Cipas were organized throughout the state, composed by 508 employees. Cipas, in partnership with People Management, regional management and Sanepar Foundation, held important lectures and campaigns such as Yellow September (suicide prevention), Pink October (breast and cervical cancer prevention), Blue November (prostate cancer prevention), among others.

These activities reinforce and motivate the health prevention initiatives of employees and family members.

Actions developed during 2019:

- Conduction throughout the State of Internal Weeks of Prevention of Occupational Accidents (Sipats);
- Promotion of personal development activities to improve each employee's performance, such as certified trainings in standard rules and regulations and other specific courses;
- A total of 13,200 training opportunities focused on employees health and safety were offered, totaling about 82,000 training hours;
- Promotions of annual influenza vaccination campaigns, ergonomic analyses with teams, training on biological hazards and first aid;
- Performance of specific periodic medical examinations according to occupational hazards identified in the Environmental

Risk Prevention Program (PPRA).

Sanepar also provides all employees with the Health Care and Assistance Plan - SaneSaúde; and the Private Pension Plan - Fusanprev, benefits administered by the Sanepar Foundations of Social Security and Social Assistance, non-profit entities.

The FusanPrev is a pension plan, supplementary to the INSS, which consists of a savings account that ensures the Sanepar retired employee's income. The contributions for the plan are monthly, and the value is a percentage of the wage defined by the employee. It allows the deduction in the Annual Income Tax Return. The FusanPrev offers benefits for every stage of life:

- Income during Retirement;
- Income complement through Sick Pay and Accident Allowance;
- Attention to dependents in the event of the beneficiary's death, through a payment of a reserve fund and death pension;
- Maintenance of the self-sponsorship if the beneficiary quits the company. Fusan also maintains the Programa Viva Mais, fostering the health, development, and well-being of the beneficiaries. The Viva Mais encompasses other programs that meet specific needs:
- Respire: Offered, upon registration, to all the SaneSaúde beneficiaries, holders and dependents, who wish to stop smoking.

- Saúde do Homem e Saúde da Mulher: It intends to carry out early diagnosis of breast and cervix cancer, for women; and prostate cancer, for men.
- Cuide Bem de Você: A program that follows, guides, and conducts special care needs through periodic visitations and phone calls.
- Mãe Sanepariana: It supports pregnant beneficiaries, and offers them more tranquility and safety in this stage of life.

For more details, visit:
www.fundacaosanepar.com.br

The SaneSaúde was implemented in September 1998 and is currently one of the best health insurance plans in the country, offered exclusively to the Sanepar staff (managers, employees, dismissed workers, retired) and their dependents. The adhesion is voluntary and can be made after the training period, without waiting period. The plan covers the entire state of Paraná and outside the state as well (reciprocal agreement with other plans), with basic, urgent and emergency care, encompassing:

- Appointments and exams;
- Hospital admissions (individual accommodation), discharges, and outpatient procedures;
- Expenses with surgical orthoses or prostheses; materials and medicines during admissions;
- Psychological therapy, speech-language

therapy, physical therapy, hydro therapy, and Global Postural Re-education sessions;

- Transplants (kidney, cornea, and bone marrow);
- Psychiatric disorders and chemical dependence treatment;
- Dental treatment;
- Home care.

SaneSaúde is funded with the participation of Sanepar and holder through monthly individual contributions, in accordance to age range, and plan's regulations.

For more details, visit:
www.fundacaosanepar.com.br

APPRENTICE PROGRAM

- It meets Sanepar's demands by providing apprentices to several cities in the State through a single contract;
- It presents low turnover, which demonstrates the reliability, the commitment, and the security of the institution;
- It promotes the apprentices with social inclusion through educational actions hiring mediation, adaptation and integration to the labor market;
- It is a reference in social learning programs in Brazil by using a technical, methodological, professional-based approach, encompassing the theoretical stage developed by ESPRO (Vocational Social Education) and the practice at the partner company;
- The apprentices receive benefits under the law, and a certification upon the completion of the program. The companies are granted, as incentives for hiring, the 2% FGTS collection, waiver of paid notice in case of dismissal, exemption of terminating fine, and image recognition due to the support to a social program and the formation of new talents.

COLLECTIVE NEGOTIATION

GRI 102-41

Sanepar employees are represented by 23 union trades, which act on behalf of the various professional categories of the

Company's workforce. To strengthen ties with trade unions, Sanepar has set up a permanent Trade Union Negotiating Commission.

In collective negotiation, salary adjustments and benefit payments are defined, such as the Profit-Sharing Plan (PPR), based on the company's benchmarks reached in the previous year. PPR is a way of recognizing workers' commitment to achieve results and improve company's benchmarks. Sanepar also assures its employees some rights not provided for in the CLT (Consolidation of Labor Laws) or in specific law, but that depends on negotiations between employee and employer or with union mediation. Regardless of nature, every benefit granted seek to motivate the employee and improve their quality of life.

Among the various benefits granted by Sanepar to employees, social assistance, indemnification allowance, daycare allowance, sick pay, food voucher and transportation vouchers, vacation fractioning and leave without remuneration stand out.

NEW BENEFITS

In addition to wage replacement, according to the National Consumer Price Index (INPC), the 2019 salary agreement included different benefits for the employee's daily life.

Leave for family medical follow-up, leave due to cases of domestic violence and reduction of workload for employees

who are parents of people with special needs (PNE) reinforce the importance of humanization in work relationships.

SOCIAL CAMPAIGNS

Sanepar fosters the practice of solidarity and well-being through corporate, state and local social campaigns, in partnership with the staff, the Sustainable Development Goals (SDG) Committee, and other institutions. Thus, Sanepar employees have more opportunities to be socially engaged, and transform lives. The activities contribute, indirectly, to the Sanepar's commitment to achieve the Sustainable Development Goals (SDGs), in particular the goals 3 and 17.

WINTER CLOTHING DONATION CAMPAIGN

In 2019, the Winter Clothing Collection Campaign raised more than 10,000 pieces of clothing and blankets that were donated to poor communities in several cities of Paraná.

PINK OCTOBER

Breast cancer is the most common type of cancer and the second most incident disease amongst women. Nevertheless, and despite being the leading cause of death amongst women worldwide, survival rates fall under 95% when there is early diagnosis.

Pink October Movement – Started in the United States in 1990, the movement gained the world. In Brazil, breast cancer and cervix center awareness campaigns have been made since 2002 and 2011, respectively. The advertising adopted the pink color as a campaign motivator, and social media actions are strengthened in the month concerned. In 2019, Sanepar launched a campaign for collecting head scarves and wigs. The donations totaled over BRL 50,000.00, and were destined to institutions that treat cancer.

BLUE NOVEMBER

November is dedicated to men as the World Prostate Cancer Awareness Day is on November 17th. Sanepar joins the campaign, and brings the topic up to its employees, in partnership with other institutions. Sanepar broadcast on the Intranet and social networks a video produced by the Sesc (Serviço Social do Comércio - Social Service of Commerce) to alert men about preventive exams.

LIVRO SOLIDÁRIO (SOLIDARITY BOOK CAMPAIGN)

The Solidarity Book Campaign, which brings literature to children from rural schools, delivered in 2019 almost 2,000 books in four municipalities of Paraná. Started in 2015, the campaign benefits communities served by the Sanepar Rural

Sanitation Program. Over 5,000 books have been delivered in 9 schools and 5 public libraries. Coordinated by Social Service and Library, the project is a joint work of People Management and Investment Board.

PAPAI NOEL DOS CORREIOS

Dozens of social actions are carried out throughout the State that mobilize the functional body and strengthen ties with the community. Sanepar is one of the largest partners of the Papai Noel dos Correios project in Paraná.

In 2019, 917 letters were adopted in all regions of the state to meet requests from students from 0 to 5 years old in state schools and children's education centers.





SANEPAR

SANEPAR
Companhia de Saneamento do Paraná

Vila Guarani glazed steel reservoir, Colombo - PR. Picture: GPDAG CCO

MATERIALITY

GRI 102-21, 102-40, 102-42, 102-46, 102-48, 102-49

In 2018 Sanepar defined the seven topics that govern sustainable management practices. The topics encompass the Company's effort to create shared value with the stakeholders (governance bodies, customers, government entity, society, researchers, suppliers, employees, shareholders, and others).

The topics were defined from interviews, which helped determine a corporate vision on sustainability. The Company's executives, market analysts, representatives, suppliers, customers, and entities were heard.

An online survey was applied to employees, customers, suppliers, investors, and others, and had about 1,400 participations. These two visions, internal and external, were crossed to define the most relevant topics, i.e., those that are highly relevant to the company and the publics that the company maintains relationships with (see chart aside).

In order to deepen knowledge on the sector, sectorial studies were analyzed, (Sustainability Topics for Sector GRI, SASB Standard) in addition to internal documents (last conducted materiality, strategic planning, policies, codes, and others).

The strategic revisitation made in 2019 was an important process that strengthened the alignment of materiality topics with the Company's purpose. The materiality topics in 2019 were addressed in a meeting, and the sanitation sector background was reviewed, based on the legislation change proposal, changes in the sector, and media and satisfaction surveys. After the process, the senior management decided to keep the same seven topics because of their scope and alignment to the organizational strategy.



The Sanepar Sustainability Report is annual and follows guidelines of the Global


Reporting Initiative (GRI) under the Essential Level. GRI 102-52, 102-54



GRI 103-1,102-47
























MATERIAL TOPICS	EXTENT OF THE IMPACTS (PUBLICS AFFECTED)	MAPPING OF INDICATORS	CORRELATION WITH THE SDGs
Operating efficiency and quality in providing in-house and outsourced services	<ul style="list-style-type: none"> • Executive Board • Directors • Operational managers • Market analysts • Suppliers • Investors • Employees • Consumers 	GRI 306-2; SASB IF0103-07; SASB IF0201-A; SASB IF0201-C; SASB IF0201-D; SASB IF0103-06	3 (3.9)
		GRI 102-43-44; GRI 103-2; SASB IF0103-10; SASB IF0103-09 SASB IF0103-16	6 (6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a; 6.b)
		SASB IF0103-12; SASB IF0103-13 Sanepar's indicators for Loss rates per connection; Volume of water stolen in clandestine connections and loss of revenue by water theft in clandestine connections.	9 (9.1) 11 (11.6) 12 (12.4, 12.5)
Governance, transparency and ethics	<ul style="list-style-type: none"> • Executive Board • Directors • Operational managers • Market analysts • Investors • Consumers 	GRI 307-1; GRI 419-1; SASB IF0103-07; SASB IF0103-02	16 (16.5, 16.6, 16.7)
		GRI 102-43 GRI 102-44	17 (todas - transversal)
		GRI 205-1; GRI 205-3	
Sustainability and Economic-financial balance	<ul style="list-style-type: none"> • Executive Board • Directors • Operational managers • Market analysts • Investors 	GRI 201-1 Sanepar Indicators: Volume of water billed; Volume of sewage billed; Volume of water stolen in clandestine connections and loss of revenue by water theft in clandestine connections.	8 (8.2, 8.5)
Water and sewage access universalization	<ul style="list-style-type: none"> • Executive Board • Market analysts • Suppliers • Investors • Consumers 	Sanepar Indicators: Number of water connections and active economies; Number of sewage connections and active economies.	6 (6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a; 6.b)
Water resources management	<ul style="list-style-type: none"> • Executive Board • Directors • Employees • Consumers • Market analysts 	GRI 303-1; GRI 303-2; GRI 303-3;GRI 303-4 GRI 306-1; GRI 306-5 Sanepar Indicators: Organic Load Removed; Water source conservation programs. SASB IF0103-06.	3 (3.3 e 3.9) 6 (6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a; 6.b) 12 (12.2)
Environmental sustainability	<ul style="list-style-type: none"> • Operational managers • Employees • Consumers • Market analysts 	GRI 413-1; GRI 413-2; GRI 302-1; GRI 302-2; GRI 302-3; GRI 305-1 GRI 305-2; GRI 305-4 Sanepar Indicators: Actions and programs for environmental education in local communities; Social projects and cultural actions developed; Programs for water source conservation. SASB IF0103-1	2 (2.4) 4 (4.7) 7 6 (6.1, 6.3) 11 (11.7) 12 (12.8)
Organization of work and life quality	<ul style="list-style-type: none"> • Executive Board • Directors • Employees 	GRI 102-8; GRI 102-41; GRI 401-2 GRI 404-2 ; GRI 404-3; GRI 405-1 GRI 405-2; GRI 406-1; GRI 412-2	4 (4.4) 5 8 (8.5, 8.6, 8.8)




























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	102-50 Reporting period	2019		
	102-51 Date of most recent report	2018		
	102-52 Reporting cycle	Anual		
	102-53 Contact point for questions regarding the report	ape-sis@sanepar.com.br		
	102-54 Option in accordance with the GRI Standards	Essencial		
	102-55 content index	117		
102-56 External assurance	None			
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GRI 419: Compliance Socioeconomic 2016	419-1 Non-compliance with laws and regulations in the social and economic area	There are not records on the payment of significant fines within the Legal Board for non-compliance with laws and regulations in the social and economic area in the latest three years.		

SASB INDICATORS ACHIEVED (FULLY OR PARTIALLY)

SASB	INDICATOR	PAGE/URL
Statement - Water Utilities	IF0103-D Length of transportation and distribution lines	47
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	IF0103-16 Number of service disruptions, population affected, and average duration	48
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	IF0201-C Number of landfills, transfer stations, recycling centers, composting centers, incinerators, and all other facilities.	59
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THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGs) TO TRANSFORM THE WORLD





	2019			2018		
1) TAX BASE	VALUE (BRL ,000)		VALUE (BRL ,000)	VALUE (BRL ,000)		VALUE (BRL ,000)
Net Operating Income (NOI)	4,722,826		4,162,205	4,162,205		4,162,205
Operating Profit (OP)	1,453,884		1,165,002	1,165,002		1,165,002
Gross Payroll (GP)	946,790		893,281	893,281		893,281

2) INTERNAL SOCIAL INDICATORS	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit
Food	96,285	10.17	2.04	93,059	10.42	2.23
Compulsory social contribution	216,848	22.90	4.59	207,561	23.23	4.99
Private pension	33,598	3.55	0.71	31,682	3.55	0.76
Health	69,238	7.31	1.47	64,961	7.27	1.56
Transportation voucher	1,635	0.17	0.04	1,267	0.14	0.03
Occupational safety and health	12,881	1.35	0.27	12,760	1.43	0.31
Education	-	-	-	693	0.08	0.02
Training and professional development	4,423	0.47	0.09	5,102	0.57	0.12
Daycare or daycare allowance	2,243	0.25	0.05	2,323	0.26	0.05
Profit or income sharing	76,627	8.09	1.62	134,246	15.03	3.23
Other	87,826	9.28	1.86	76,160	8.53	1.83
TOTAL - Internal Social Indicators	601,604	63.54	12.74	629,814	70.51	15.13

3) EXTERNAL SOCIAL INDICATORS	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit
Cultural, Artistic, Audiovisual and Sports	6,709	0.46	0.14	6,480	0.56	0.16
Child and Elderly Funds	2,500	0.17	0.05	2,600	0.22	0.06
Health and Oncology Care Programs	400	0.03	0.01	1,914	0.17	0.05
Leisure and entertainment	421	0.03	0.01	1,619	0.14	0.04
Other	697	0.05	0.02	6,329	0.54	0.15
Total Social Contributions	10,727	0.74	0.23	18,942	1.63	0.46
Taxes (social contribution excepted)	757,634	52.11	16.04	621,036	53.31	14.92
TOTAL - External Social Indicators	768,361	52.85	16.27	639,978	54.94	15.38

4) ENVIRONMENTAL INDICATORS	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit	VALUE (BRL ,000)	% on Gross Payroll	% on Net Operating Profit
Related to company's operation	1,087,973	74.83	23.04	1,000,300	85.86	24.03
In Programs and/or external projects	80,252	5.52	1.70	60,681	5.21	1.46
TOTAL - Investments in the Environment	1,168,225	80.35	24.74	1,060,981	91.07	25.49

5) WORKFORCE INDICATORS	2019	2018
Number of employees at the end of the period	6,985	7,022
Number of hirings during the period	7	17
Number of trainees	145	170
Number of employees over 45 years old	3,238	3,060
Number of women working in the company	1,487	1,494
% of management positions held by women	27.80%	30.13%
Number of black people working at the company ¹	332	335
Number of people with disabilities or special needs ²	91	93

6) RELEVANT INFORMATION REGARDING CORPORATE CITIZENSHIP	2019			2018		
Ratio between highest and lowest remuneration	22.63			23.77		
Total number of accidents at work	351			310		
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> board	<input checked="" type="checkbox"/> board and managements	<input type="checkbox"/> all employees	<input type="checkbox"/> board	<input checked="" type="checkbox"/> board and managements	<input type="checkbox"/> all employees
The safety and health standards in the workplace were defined by:	<input type="checkbox"/> board and managements	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa	<input type="checkbox"/> board and managements	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa
Private pension plans include:	<input type="checkbox"/> board	<input type="checkbox"/> board and managements	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> board	<input type="checkbox"/> board and managements	<input checked="" type="checkbox"/> all employees
The profit or income sharing include:	<input type="checkbox"/> board	<input type="checkbox"/> board and managements	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> board	<input type="checkbox"/> board and managements	<input checked="" type="checkbox"/> all employees
In selecting suppliers, the same ethical and social responsibility standards adopted by the company:	<input type="checkbox"/> are not considered	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required	<input type="checkbox"/> are not considered	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required
Regarding employee participation in volunteer work, the company:	<input type="checkbox"/> does not get involved	<input type="checkbox"/> supports	<input checked="" type="checkbox"/> organizes and encourages	<input type="checkbox"/> does not get involved	<input type="checkbox"/> supports	<input checked="" type="checkbox"/> organizes and encourages
Total added value to be distributed (BRL, 000)	In 2019: 3,239,253			In 2018: 2,976,128		
Added Value Distribution (AVD):	28.0% government 30.9% employees 10.2% shareholders 7.7% third parties 23.2% retained			25.5% government 33.9% employees 14.2% shareholders 10.6% third parties 15.8% retained		

APPEALS PER TAX WAIVER (BRL, 000)	
Cultural and artistic	5,566
Sports	1,143
Child and Adolescent Fund	1,250
Elderly Fund	1,250
Pronon (National Support Program for Oncologic Care)	-
Pronas (National Support Program to the Health Care of the Disabled Person)	400
PAT (Worker Meal Program)	7,568
Citizen Company Incentive	751
Lei do Bem	771
TOTAL	18,699

¹ Quota of Afro-descendants in Public Tender as of calendar year 2005;
² Quota of Disabled People in Public Tender as of calendar year 2000.

