

MISSION

To provide waste, sanitation, energy and engineering solutions through the management and operation of concessions and contracts for public and private clients. To drive the development of our employees and communities, creating value for our shareholders, clients, suppliers and the government through sustainable growth and care for the environment..

VISION

To be the best company in engineering solutions for life and a benchmark in the provision of differentiated, integrated and innovative services.

VALUES

Excellence
Innovation
Dynamism
Teamwork
Social Responsibility
Partnership

MANAGEMENT PRINCIPLES

To harmonize client and user expectations whilst striving for robust business results and the development of our people through decentralized operations that are planned and controlled corporately.



Koleta Ambiental in operation in the city of Rio de Janeiro (RJ)

SUMMARY

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MESSAGE FROM THE PRESIDENT

Five years in one

Solvi is delighted to publish its fifth consecutive Annual Report. This is a valuable tool that enables us to open the doors of our organization and propose a transparent and productive dialog with our stakeholders and partners each year. In addition to representing the continuation of a channel of communication initiated in 2007, the report you are reading comes at a very special moment for the group, which celebrated five years of existence in April 2011.

Inspired by the date, we open this publication with a brief balance showing the progress we have made in our short but impressive history, highlighting qualitative information as well as our financial growth. Learning lessons from the past helps build a solid base for the future, and this report is an important tool to this end.

An important milestone in our sector in 2010 was the approval of the National Solid Waste Policy in Brazil, which represents a significant step forward in the country's development and a great opportunity for the Solvi Group. The States and Municipal districts now have two years to prepare their solid waste disposal plans and four years to ensure that all dejects are disposed of adequately.

In this context, Solvi spent 2010 preparing to offer its partners viable solutions and alternatives with a view to effectively transforming this policy into reality. Internally, the group consolidated important stages of its strategic planning, drafted in 2007. In addition to winning new business, which will be detailed throughout the report, we adopted a decentralized administration, giving our companies greater autonomy and responsibility and enabling them to make a qualitative leap in environmental, social, financial and operational management.

The year also saw the elaboration of what we have called the Solvi 2020 Vision: throughout the second half of the year all of our employees were involved in a dynamic and interactive exercise aimed at analyzing and identifying our aspirations, prospects and possibilities. The objective was to clearly define what kind of company we want to be in 2020 and the main steps we need to take to achieve this.

From this point on, our role is to make this vision reality. We are ready to double the size of the group, improving employee performance and the way we generate value and distribute results through engineering solutions for life.

The major milestones have been established and we are set to pursue them, with constant innovation and unflagging drive and determination.

Carlos Leal Villa
President of the Solvi Group



Battre biogas plant in Salvador (BA)

SOLVÍ 5 YEARS

The evolution of our operations

Solvi's history begins in 2006, when the French group Suez opted to divest its environmental businesses in Brazil. The directors of the businesses grasped the opportunity to make their dream come true: building the biggest and best Brazilian-owned environmental engineering solutions company in the country.

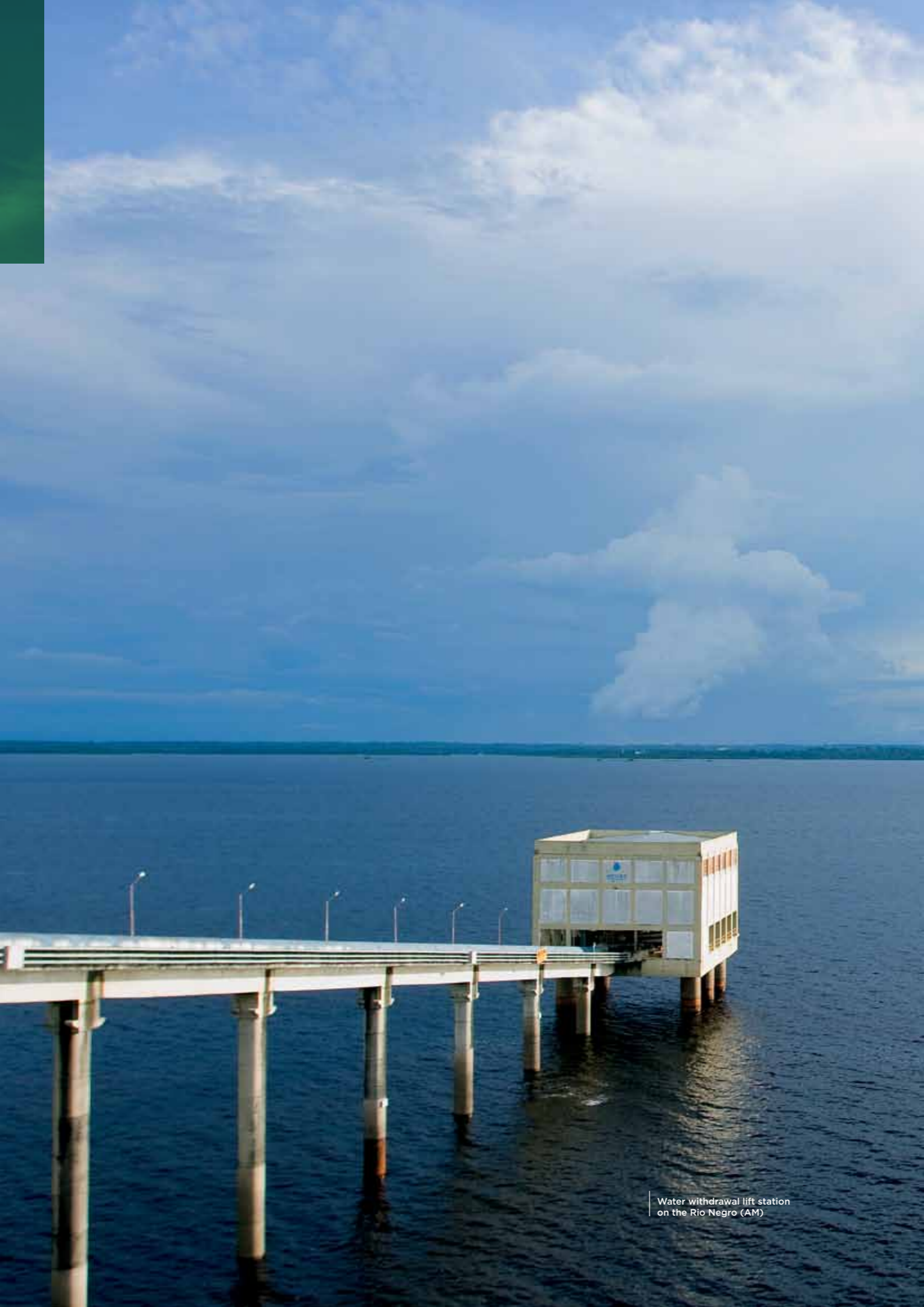
This gave rise to Solvi, whose shareholders believed in the opportunities offered by the Brazilian market, which was experiencing robust economic development but was deficient in the areas of sanitation and solid waste management. Solvi came into existence driven by their desire to be part of an historical moment of such significance for the country.

Completing its first five years of existence is much more than a reason for celebration for Solvi, it is a milestone that enables us evaluate our progress towards consolidating our quest to be a 100% Brazilian company fully dedicated to environmental care.

In addition to its core activities in public and private waste, sanitation, energy recovery from renewable sources and engineering, the Solvi group has grown and diversified, always striving to find opportunities to develop effective, life transforming solutions in a vast, essential market.

During the course of five years our investments have exceeded R\$ 600 million, including the extension of the Manaus water and sewage network and the Salvador Termoverde plant, which began to generate energy using biogas from the Salvador landfill in 2011.

The group's growth may be evident in its numbers, but it is the quality of our investments that will dictate the course we will follow in the coming years, driven by the same convictions that led us to found the company: the desire to be a reference in our market, building our dream and the intrinsic socio-environmental commitment it represents.



ANNUAL REPORT: HOW IT IS PRODUCED

3.1
3.2
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3.6
3.7
GRI

Ongoing dialog

Since our foundation as a Brazilian-owned group fully dedicated to engineering solutions for life, we have been pioneers in publishing a balance of our activities based on models acceptable to the market.

In this fifth Annual Report, we once again open our doors to customers, consumers, employees, suppliers, governments and other partners as a means of promoting the transformational power of dialog.

The result of analysis of a wealth of material collected from interviews and survey data, the report summarizes our main activities in 2010. In it, we have also responded to what we mentioned in the 2009 report as a form of guaranteeing the continuity of this work. By retrieving and comparing data from the past, the report enables us to take a more pondered, analytical look at our activities over representative periods of time.

For the second year running, in addition to publishing our Social Balance Sheet using the highly regarded Ibase model, we have continued to comply with the guidelines set forth by the GRI or Global Reporting Initiative, an international institution that provides precise reporting directives which deepen understanding between different organizational stakeholders. Speaking about our work and performance in the same language as thousands of companies worldwide is a way of broadening this dialog.

For more information about the data published in this report, please contact the team responsible for preparing it via the email: comunicacao@solvi.com

Water withdrawal lift station
on the Rio Negro (AM)



GROUP PROFILE

WHO WE ARE

The Solvi Group is a holding company comprising some 30 companies employing more than 14 thousand people in cities in 17 states in Brazil and 14 municipal districts in Peru. It is active on four business fronts directly linked with maintaining life and guaranteeing the future of the planet:

Waste Division

PUBLIC WASTE

- Landfills
- Domestic Waste Collection
- Hospital Waste Collection
- Composting
- Special Cleaning
- Maintenance of Green Areas
- Transshipment
- Health Service Waste Treatment
- Road Sweeping

INDUSTRIAL WASTE

- Class I and II Landfills
- Industrial/Commercial Waste Collection
- Co-processing
- Management
- Incineration
- Reverse Manufacturing
- Remediation of Contaminated Areas
- Sorting and Recycling

Energy Recovery Division

CARBON CREDITS

- Biogas
- Carbon Credits

THERMOELECTRIC PLANTS

- Biogas-powered thermoelectric plants
- Biomass-powered thermoelectric plants

Sanitation Division

WATER

- Water Withdrawal
- Water Treatment
- Reservoirs
- Delivery
- Water Lifting Stations
- Distribution
- Monitoring of Quality of Drinking Water

SEWAGE

- Sewage Networks
- Sewage Treatment
- Sewage Lift Stations
- Sewage Disposal
- Effluent Quality Monitoring

COMMERCIAL MANAGEMENT

- Water Meter Reading
- Printing and Delivery of Bills
- Collection
- Fraud Control
- Maintenance of Water Meter Park
- Maintenance of Customer Records
- Customer Service

Engineering Division

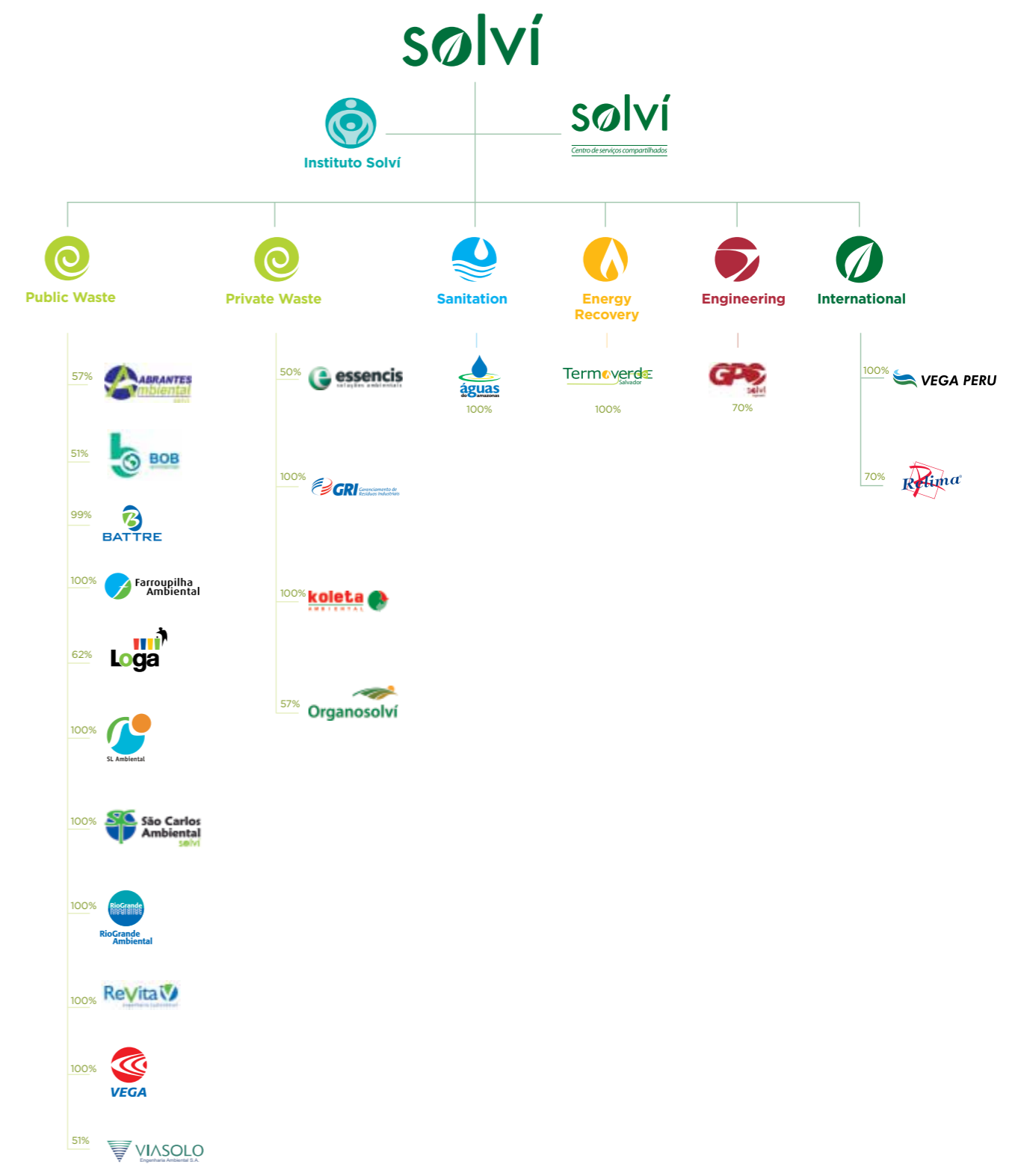
- Civil Construction
- Public Services
- Infrastructure



GROUP PROFILE

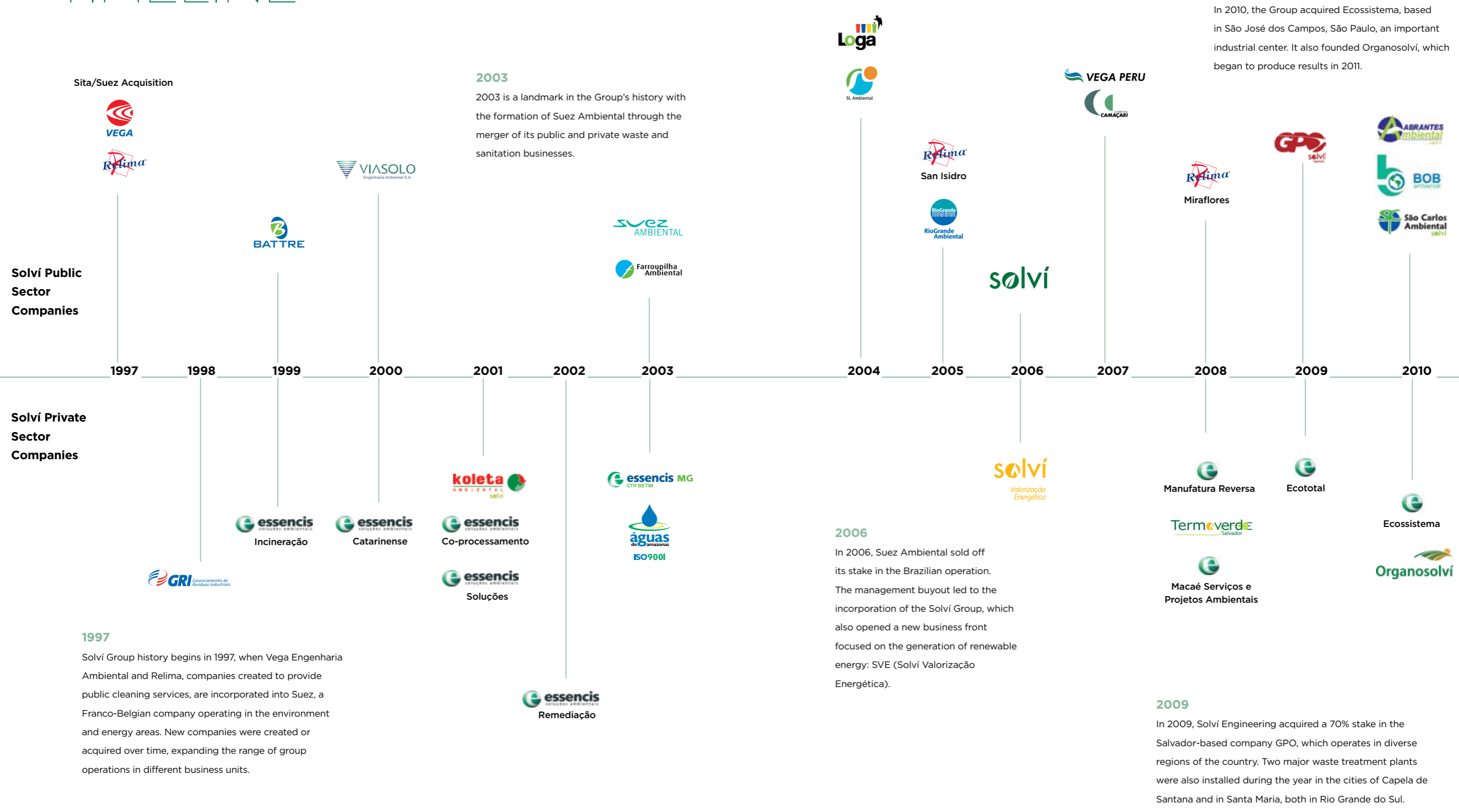
MANAGEMENT STRUCTURE

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2.3
2.6
3.1
GRI



At the side, images of diverse services provided by the Solvi Group

GROUP PROFILE TIMELINE

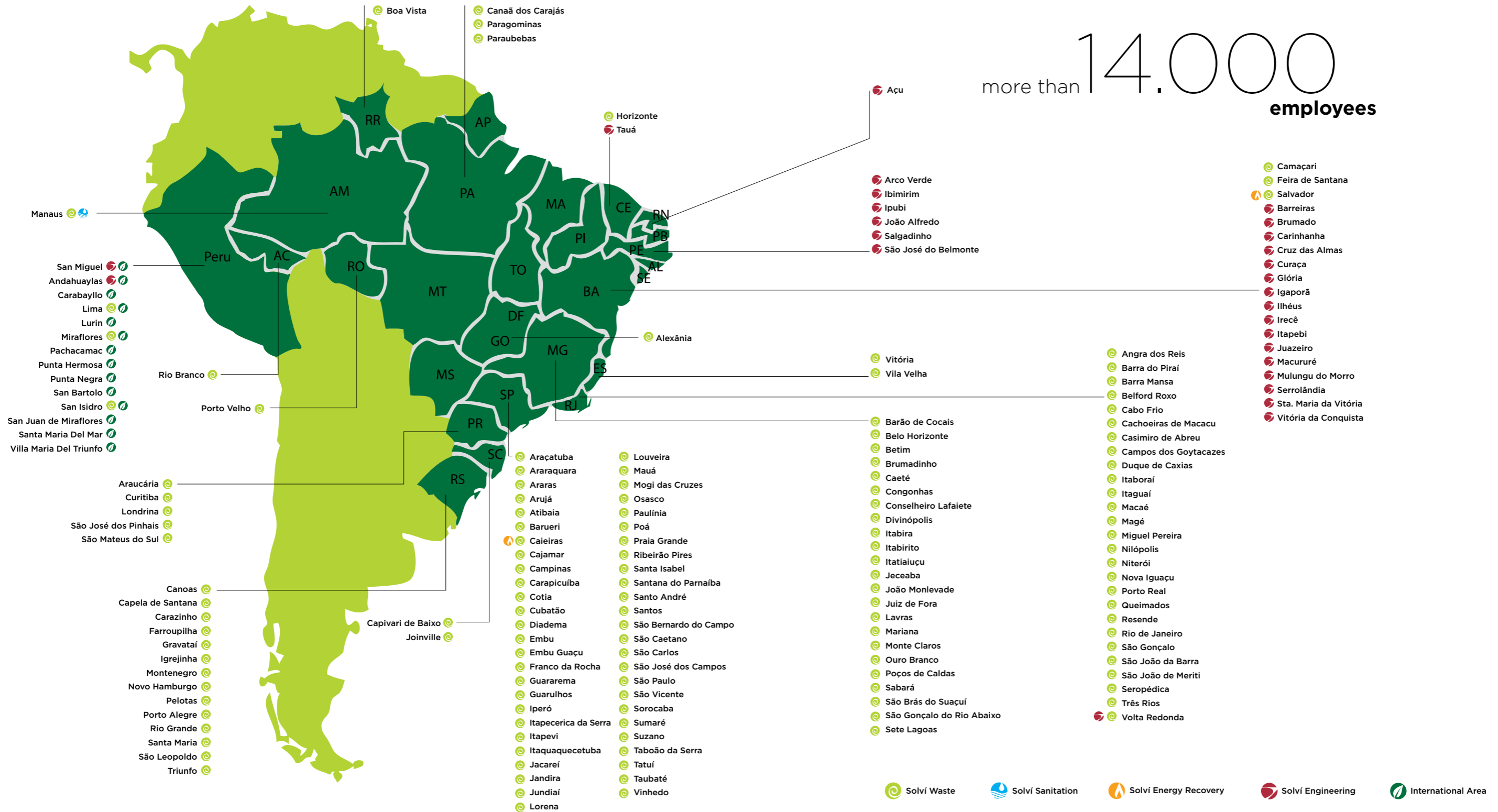


OPERATIONS MAP

174

cities served *

more than 14.000 employees



*This year we have included all the districts served by the Group in the states of São Paulo and Rio de Janeiro in the operations map.

CORPORATE GOVERNANCE

Decentralization driving efficiency

As defined by the Instituto Brasileiro de Governança Corporativa (IBGC), corporate governance is "the system by which organizations are governed, monitored and incentivized, involving the relationship between owners, administrative council, board of directors and controlling bodies". This is underpinned by the guiding principles of transparency, fairness, accountability and corporate responsibility the objective of which is to ensure the financial, social and environmental sustainability of the organization.

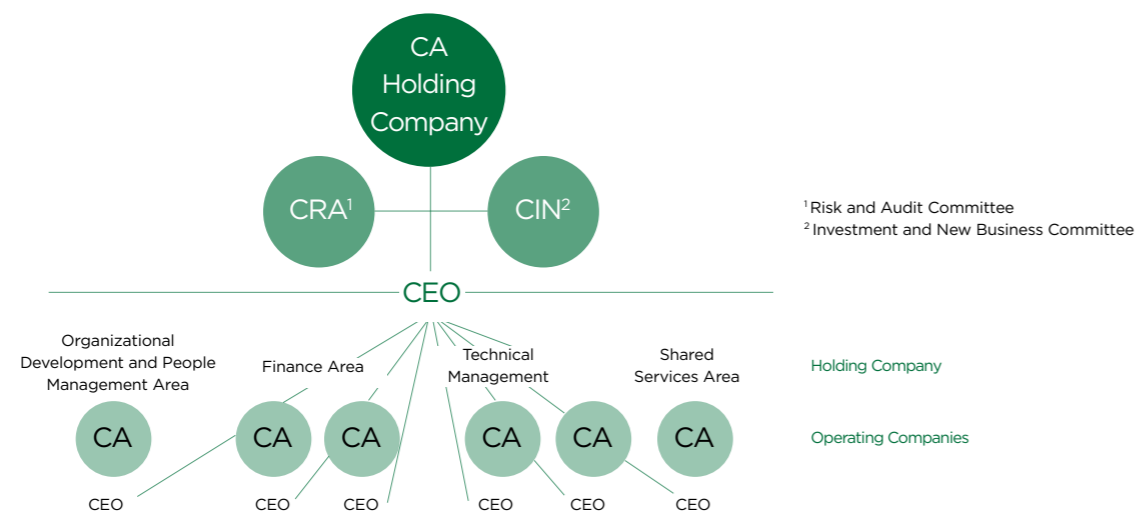
Since its foundation, the Solvi Group has been reviewing and refining its corporate governance model based on market best practices. This process was intensified at the end of 2010 with a review of performance and the drafting of a new model. This will be implanted in 2011 and will guide the organization's progress during the coming years.

To increase efficiency and drive even greater management transparency, the holding company's Administrative Council was renewed to guarantee the execution of its fundamental attributions: definition of strategic guidelines, targets and policies for the Group and monitoring of the performance of the companies and their executives.

Of fundamental importance in the new model is the fact that the Council now has a majority of external and independent members, whose mission is to enable the holding company to guarantee the sustainability and the performance of the group companies. We currently have two independent members, two internal members, the holding company CEO and shareholders. The Council is chaired by one of the external members, guaranteeing objectivity and detachment. The Council is also supported by two advisory bodies chaired by independent members: the Risk and Audit Committee and the Investment and New Business Committee.

The operating companies – grouped in five business areas – are run by Administrative Councils which perform the same role as the Administrative Council of the holding company in their respective business sphere. The operating company CEOs report functionally to the holding company CEO, who provides orientation on the day to day running of the businesses and the implantation of strategy, and to the company administrative council, which develops and oversees strategic direction.

The figure below shows the interfaces between the Solvi Group governance bodies.



To facilitate decision making, the chairman of the holding company administrative council is in direct contact with the chairmen of the operating company administrative councils. In the executive sphere, the holding company CEO is responsible for the corporate functions which have been reorganized to ensure a leaner, more efficient design, enabling him to counsel and oversee the development of the CEOs of the diverse operations. The fact that the CEOs report to their administrative councils values and increases the responsibilities of the role.

The clear separation of roles is also guaranteed by not having the holding company CEO on the boards of the operating companies, which now also have external, independent members.

Improvements have also been made to the way the governance model works. Currently, all the councils have a thematic calendar, ensuring quality time for the discussion

of major questions, as well as the day-to-day running of the business. All these calendars are synchronized with a corporate calendar which incorporates the most important cycles for the Group during the year: review of strategic planning, budget, remuneration and risk and audits.

The new format provides greater clarity about the role of the different governance bodies, mitigating conflicts of interest, facilitating decision making and providing a more effective interface between the bodies. The challenge now will be to make the model work in day to day operations and ensure it reaches fruition. For the Solvi Group, aiming for state-of-the-art corporate governance works as an incentive, because the entire organization is driven by constant improvement.

RISK MANAGEMENT

TRANSFORMING RISKS INTO OPPORTUNITIES

A major focus of interest for Solvi since 2009, risk management was the object of extensive sensitization on the part of leaders, as well training at diverse organizational levels in 2010. Risk maps were drawn up for a number of business divisions to incorporate the theme into the decision making process throughout the business in line with each unit's strategic planning.

Solvi is, however, aware that the work that has been done so far is incipient and that much still needs to be done for the organization to achieve effective risk management.

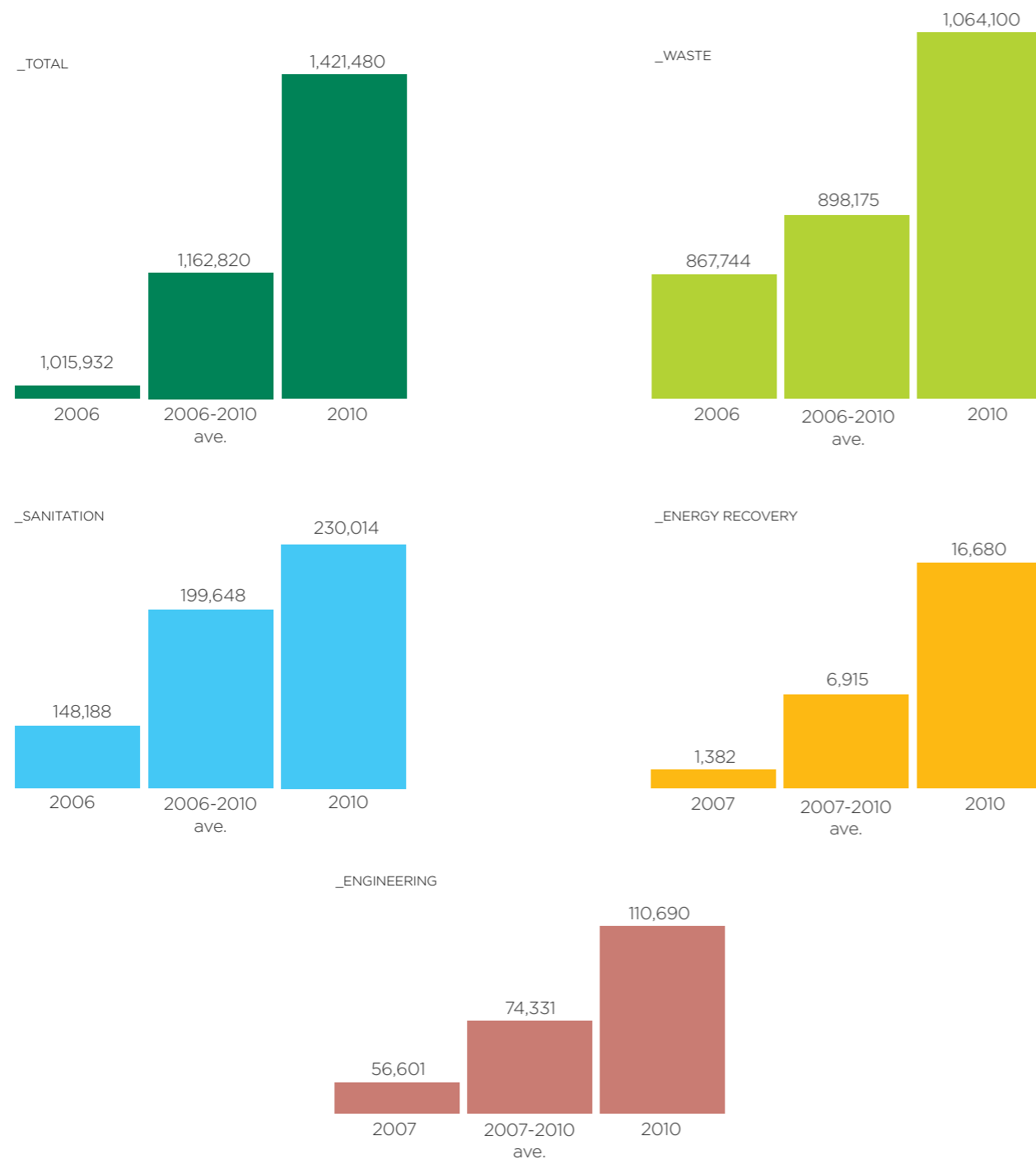
For this reason and in line with the Group's new governance model, the main objective for the Risk and Audit Committee in 2011 is to support the Solvi Council in the definition of a new risk management reporting model, which will be decentralized and tailored for each division.

This work will drive value creation, preventing losses, maximizing gains, and most important of all, leading to sustainable business growth and profitability.

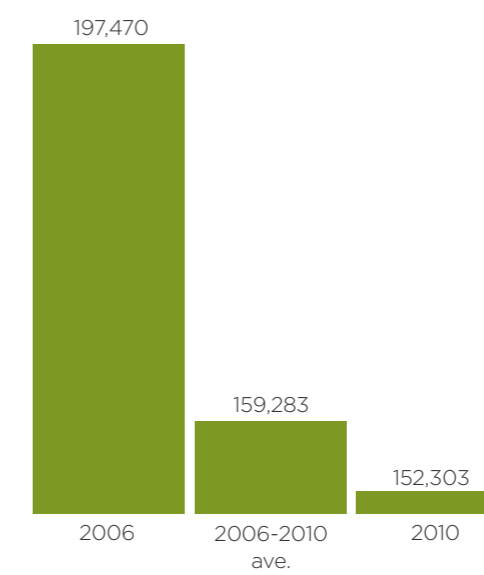
ECONOMIC PERFORMANCE 5 YEARS

BUSINESS GROWTH

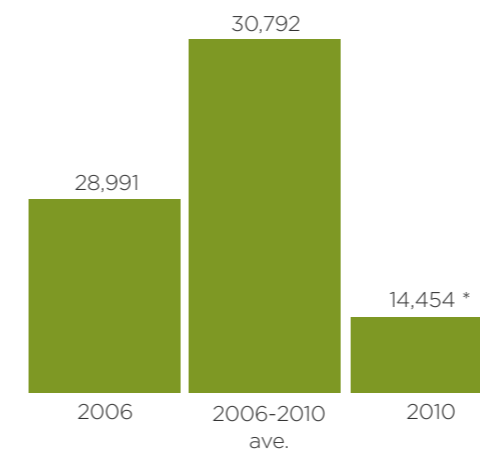
NET REVENUES (IN 000'S OF R\$)



EBITDA (IN 000'S OF R\$)

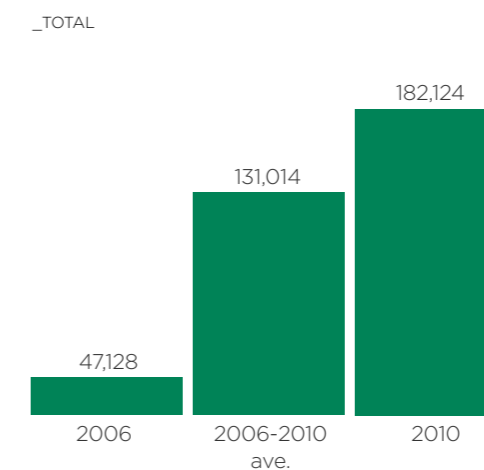


NET PROFIT (IN 000'S OF R\$)



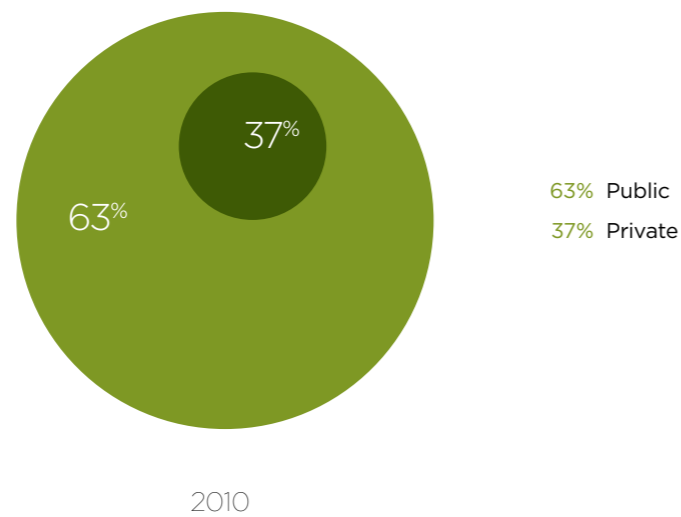
* IFRS adjustments incorporated

INVESTMENTS (IN 000'S OF R\$)

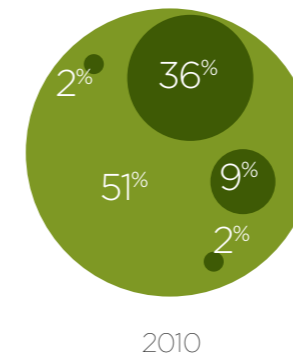


ECONOMIC PERFORMANCE 5 YEARS

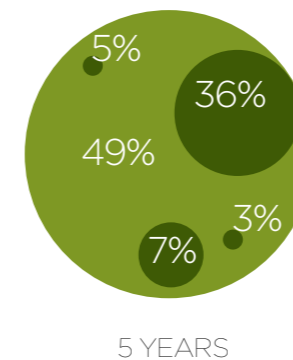
BREAKDOWN OF GROSS REVENUES (IN 000'S OF R\$)



BREAKDOWN OF EVA (IN 000'S OF R\$)

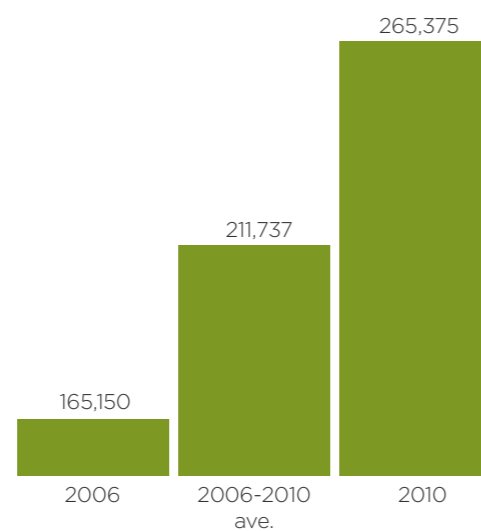


| | | |
|-------------|-------------|-------------------------------------|
| R\$ 232,270 | 36% | Government |
| R\$ 328,614 | 51% | Employees |
| R\$ 60,941 | 9% | Financiers |
| R\$ 13,831 | 2% | Minority Shareholders |
| R\$ 12,254 | 2% | Controlling Shareholders / Retained |
| R\$ 647,910 | 100% | Total |

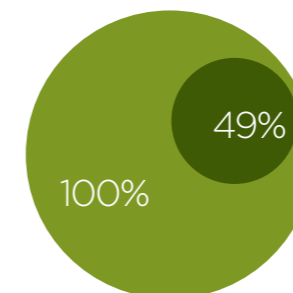


| | | |
|---------------|-------------|-------------------------------------|
| R\$ 981,120 | 36% | Government |
| R\$ 1,329,412 | 49% | Employees |
| R\$ 188,502 | 7% | Financiers |
| R\$ 72,309 | 3% | Minority Shareholders |
| R\$ 124,646 | 5% | Controlling Shareholders / Retained |
| R\$ 2,695,489 | 100% | Total |

TAXES AND SOCIAL CHARGES PAID (IN 000'S OF R\$)



ASSETS IN 2010 (IN 000'S OF R\$)



| | | |
|---------------|-------------|--------------|
| R\$ 1,598,900 | 100% | Total Assets |
| R\$ 781,284 | 49% | Net Worth |

ENVIRONMENTAL PERFORMANCE

Environmental care

Responsible management of environmental resources is literally what drives our daily routines. Everything we do to leverage our businesses represents an investment in improving our environmental performance. This explains the 31% increase in the amount we invested in environmental protection work, which increased from R\$ 76 million in 2009 to R\$ 100 million, reflecting our determination to transform our strategic planning into reality.

But the numbers are only the quantitative translation of important measures such as modernizing our fleet of collection trucks, reducing greenhouse gas (GHG) emissions by 9%. Similarly, careful maintenance of our light vehicle fleet resulted in a 21% decrease in ethanol and gasoline consumption.

Another important achievement was the opening of our Águas Claras inert substances landfill in Salvador. Now public authorities, the general public and the private sector will have an appropriate location for the disposal of inert waste, initiating a cultural change that is fundamental for eliminating the practice of disposing of waste just anywhere.

In tune with the National Solid Waste Policy approved in 2010, there was a 23% increase in the volume of waste

sorted and recycled at our plants, further evidence of our willingness to support and provide viable solutions that will enable implementation of the policy in the timeframe set forth by the government. Other numbers providing evidence of our activities in this sphere include a 27% increase in the volume of domestic waste disposed of in our landfills and a 22% increase in the volume of private waste collected.

In addition to a 33% increase in the volume of leachate treated internally, we invested in the importation of a pilot plant to treat leachate by reverse osmosis, a process used successfully in Europe. The pilot project should come into operation by mid-2011.

This year, the company should reap the fruits of the feasibility and environmental impact studies it carried out during 2010 for the implantation of new landfills nationwide.

ONE MORE "CLEAN CITY"

In 2010, the Solví Group's Public Waste area won a 20-year waste collection and public cleaning concession for the city of São Carlos in São Paulo. The contract incorporates the "Clean City" concept advocated by the group of paying to keep a city clean rather than paying to clean it up, an operational logic that favors long-term planning, with investments in technology and process efficiency.



ENVIRONMENTAL INNOVATION

Economically viable leachate treatment in landfills is still a challenge in Brazil. Faced with this challenge, Solví took the important step of initiating a technical and economic feasibility study on implanting treatment by reverse osmosis. This technology permits the separation of contaminants from the leachate (approximately 30% of the total volume) by means of filtration, enabling the remaining 70% to be reused as water. Used successfully in Europe, this new process will undergo pilot testing in three waste treatment plants in Rio Grande do Sul starting in 2011.

31%
INCREASE IN SOLVÍ GROUP INVESTMENTS IN IMPROVING ENVIRONMENTAL PERFORMANCE.



At the side and below Essencis seedling nursery in Caieiras (SP)



Left, employee waters grass covering Battre landfill in Salvador (BA)

1.2
2.8
4.10
EN3
EN5
EN6
EN7
EN14
EN16
EN18
EN26
EN30



ENVIRONMENTAL PERFORMANCE

SOLVÍ IN NUMBERS

QUANTITY OF NATURAL GAS CONSUMED (m³)

| | |
|------|---------|
| 2010 | 140,689 |
| 2009 | 260,324 |
| 2008 | 180,478 |



54%
REDUCTION IN NATURAL GAS CONSUMPTION

FUEL CONSUMPTION (m³)

| | |
|------|-----|
| 2010 | 732 |
| 2009 | 924 |
| 2008 | nd |



21%
REDUCTION IN LIGHT VEHICLE FUEL CONSUMPTION (GASOLINE AND ETHANOL)

TOTAL DOMESTIC WASTE COLLECTED - CONVENTIONAL COLLECTION (t)

| | |
|------|-----------|
| 2010 | 3,509,175 |
| 2009 | 3,353,052 |
| 2008 | 3,071,766 |



5%
INCREASE IN QUANTITY OF DOMESTIC WASTE COLLECTED

TOTAL COMMERCIAL/INDUSTRIAL WASTE COLLECTED (t)

| | |
|------|---------|
| 2010 | 336,069 |
| 2009 | 276,392 |
| 2008 | 275,168 |



22%
INCREASE IN QUANTITY OF COMMERCIAL/INDUSTRIAL WASTE COLLECTED

GHG EMISSIONS BY VEHICLE > 10 T (t CO² eq)

| | |
|------|--------|
| 2010 | 42,570 |
| 2009 | 46,288 |
| 2008 | 48,762 |



9%
REDUCTION IN HEAVY VEHICLE GHG EMISSIONS

SORTING AND RECYCLING ENTRY TONNAGE

| | |
|------|--------|
| 2010 | 90,236 |
| 2009 | 73,111 |
| 2008 | 41,439 |



23%
INCREASE IN WASTE PROCESSED AT RECYCLING PLANTS

TOTAL WASTE DISPOSED OF IN LANDFILLS PUBLIC/PRIVATE (t)

| | |
|------|-----------|
| 2010 | 7,093,370 |
| 2009 | 5,629,448 |
| 2008 | 5,094,573 |



27%
INCREASE IN QUANTITY OF PUBLIC/PRIVATE WASTE DISPOSED OF IN ENVIRONMENTALLY ADEQUATE LANDFILLS

DOMESTIC WASTE DISPOSED OF IN LANDFILLS (t)

| | |
|------|-----------|
| 2010 | 5,453,326 |
| 2009 | 4,318,462 |
| 2008 | 3,918,333 |



27%
INCREASE IN QUANTITY OF DOMESTIC WASTE DISPOSED OF IN ENVIRONMENTALLY ADEQUATE LANDFILLS

NON-HAZARDOUS COMMERCIAL AND INDUSTRIAL WASTE (t)

| | |
|------|---------|
| 2010 | 774,001 |
| 2009 | 518,676 |
| 2008 | 481,672 |



50%
INCREASE IN QUANTITY OF NON-HAZARDOUS COMMERCIAL/INDUSTRIAL WASTE DISPOSED OF IN LANDFILLS

QUANTITY OF WASTE INCINERATED (t)

| | |
|------|-------|
| 2010 | 8,959 |
| 2009 | 4,956 |
| 2008 | 4,536 |



80%
INCREASE IN QUANTITY OF WASTE INCINERATED

VOLUME OF LIQUID PERCOLATE (LEACHATE) TREATED INTERNALLY/EXTERNALLY (m³)

| | |
|------|-----------|
| 2010 | 1,216,574 |
| 2009 | 1,037,126 |
| 2008 | 984,096 |



17%
INCREASE IN TOTAL VOLUME OF LIQUID PERCOLATE (LEACHATE) TREATED

QUANTITY OF WASTE DISPOSED OF IN CEMENT OVENS (t)

| | |
|------|---------|
| 2010 | 177,788 |
| 2009 | 138,252 |
| 2008 | 125,097 |



29%
INCREASE IN CO-PROCESSED WASTE

SOCIAL PERFORMANCE

EMPLOYEES

Developing and improving talent

The consolidation of programs aimed at developing our employees was the main focus of our work with the labor force in 2010. Initiated in 2009, the programs achieved their principle objective of generating a sustainable talent development cycle. Interns were hired, trainees were elevated to leadership roles, leaders were moved to new roles, with a permanent focus on growing the Group and on the professional growth of each team member.

Another program worthy of note was the Integration program, which disseminated the guiding principles of the Solvi Group's most important policies to 80% of the work force. We also implemented an intensive assessment of 150 company leaders, based on each one's competencies map. The program will continue in 2011 with feedback on the mapping process and the preparation of action plans to realize the opportunities identified.

In 2010, we also reviewed all the structures, jobs and functions in the Group companies, with a view to establishing salary and career plans aligned with performance assessment. This meets a need that had been identified previously and is aligned with employees' expectations. The process should be implemented in 2011.

Finally, an important novelty was the Group's participation in the Great Place To Work (GPTW) survey. Due to peculiarities in our employee profile, in previous years the Solvi Group did not reach the minimum percentage necessary to participate in the process.

INTERNS WERE HIRED, TRAINEES WERE ELEVATED TO LEADERSHIP ROLES, LEADERS WERE MOVED TO NEW ROLES, WITH A PERMANENT FOCUS ON GROWING THE GROUP AND ON THE PROFESSIONAL GROWTH OF EACH TEAM MEMBER

To change this situation, in 2010 the GPTW questionnaires were adapted with the production of a video that translated each question into neutral, accessible language, enabling each employee to express himself clearly and simply, while maintaining the essence of the content. This work was approved by the Great Place To Work administration. The result was surprising: for the first time we had a 92% response rate from employees. The next step is to work on the strengths and critical points identified in the process. The medium term objective is to ensure Solvi's presence in the "100 Best Companies to Work For" ranking organized by Great Place to Work.

For 2011, our major challenge is to provide support and ensure the companies adapt to the new model which decentralizes the Solvi Academy programs, ensuring they are focused on the specific needs of each business area and company. Our role is to continue to support them as best we can in the construction of their management models.

EMPLOYEES

| | 2010 | 2009 | 2008 |
|---|---------|---------|---------|
| Total number of employees | 14,243 | 13,142 | 12,647 |
| Admissions | 5,860 | 4,547 | 5,154 |
| Interns | 148 | 110 | 230 |
| Women | 2,374 | 2,553 | 2,271 |
| Blacks | 1,060 | 945 | 1,008 |
| Physically disabled | 143 | 159 | 125 |
| Internal social indicators (in R\$/thousands *) | 122,777 | 129,223 | 109,888 |

*Group investments in meals and food, social charges, private pension plan, health, occupational safety, and others



At the side, Essencis employees in Curitiba, Paraná
Below, Farroupilha Ambiental employee, Rio Grande do Sul

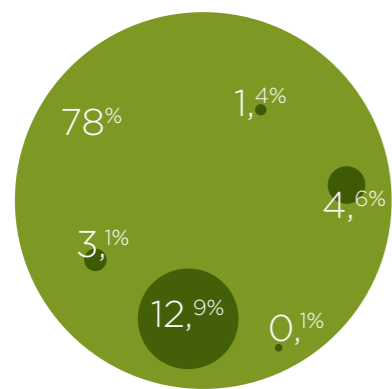


At the side, employee of Vega Novo Hamburgo unit (RS)

SOCIAL PERFORMANCE

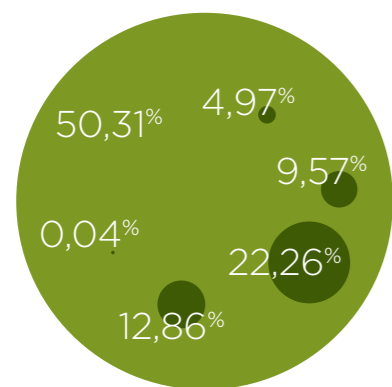
WORKER PROFILE

BUSINESS DIVISION



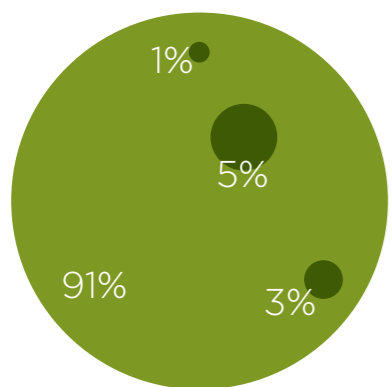
| | | |
|--------------------|---------------|-------|
| Waste | 11,111 | 78% |
| Sanitation | 654 | 4,6% |
| Energy Recovery | 10 | 0,1% |
| Engineering | 438 | 3,1% |
| Corporate areas | 199 | 1,4% |
| International area | 1,831 | 12,9% |
| TOTAL | 14,243 | |

GEOGRAPHICAL REGION



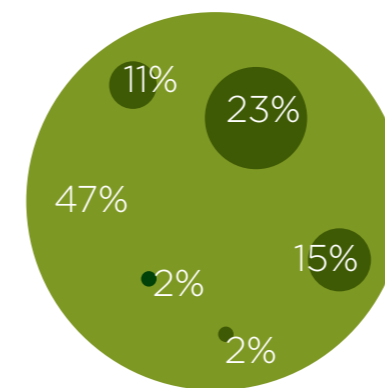
| | | |
|--------------|-------|--------|
| North | 708 | 4,97% |
| Northeast | 3,171 | 22,26% |
| Central-West | 5 | 0,04% |
| Southeast | 7,165 | 50,31% |
| South | 1,363 | 9,57% |
| Peru | 1,831 | 12,86% |

SCHOOLING



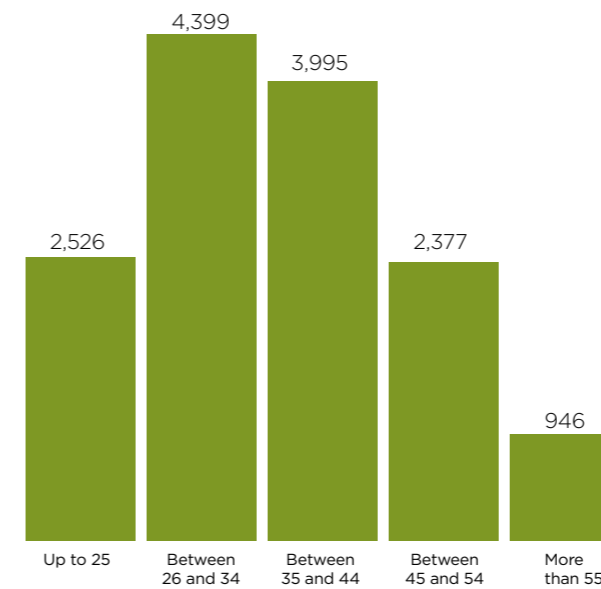
| | | |
|--|--------|-----|
| Postgraduate | 128 | 1% |
| Higher Education | 664 | 5% |
| Higher Education incomplete or in progress | 495 | 3% |
| Secondary or less | 12,956 | 91% |

LENGTH OF SERVICE



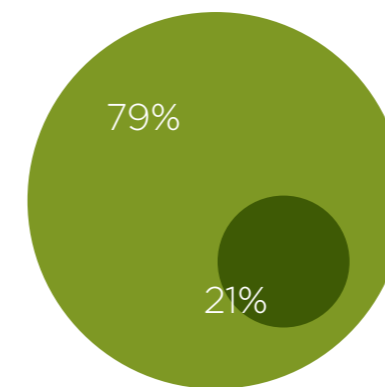
| | | |
|---------------------|-------|-----|
| More than 20 years | 216 | 2% |
| From 16 to 20 years | 309 | 2% |
| From 11 to 15 years | 1,577 | 11% |
| From 6 to 10 years | 2,078 | 15% |
| From 2 to 5 years | 3,347 | 23% |
| From 0 to 1 year | 6,716 | 47% |

AGE GROUP



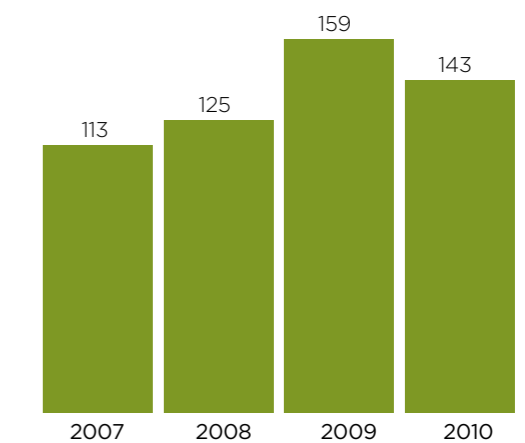
| | | |
|-------------------|-------|-----|
| Up to 25 years | 2,526 | 18% |
| Between 26 and 34 | 4,399 | 31% |
| Between 35 and 44 | 3,995 | 28% |
| Between 45 and 54 | 2,377 | 17% |
| More than 55 | 946 | 7% |

GENDER



| | | |
|--------|--------|-----|
| Male | 11,188 | 79% |
| Female | 3,055 | 21% |

DISABLED



SOCIAL PERFORMANCE

EDUCATION FOR WORK

SOLVÍ ACADEMY OF EXCELLENCE PROGRAMS IN 2010



| PROGRAM | OBJECTIVE | TARGET PUBLIC | PARTICIPANTS | HOURS |
|---------------------|---|--|--------------|-------|
| Integration program | Promote integration and alignment with Solví values, establishing cause, analysis of participant profile/potential and commitment. | All employees. | 6,532 | 654 |
| Intern program | Identify and develop high potential interns, preparing them to occupy technical and management positions in the Solví companies. | Interns in their penultimate and final year of study. | 146 | 20 |
| Trainee program | To develop recent graduates with differentiated profiles and qualifications, who enjoy challenges and are oriented to continuous learning and innovation, so they may occupy important positions in the future. | Professionals who graduated in the last two years. | 18 | 36 |
| Technicians program | To develop the technical competencies of employees in specific areas, improving their performance and skills. | Employees from areas related to the disciplines addressed (technical, corporate, finance and sanitation) | 863 | 74,3 |
| Management program | To prepare potential leaders, developing their competencies and managerial skills in the areas of Management, Business and Results. | Employees from diverse levels with leadership potential. | 95 | 62 |
| Leadership program | To fully develop leadership competencies, skills and mindsets preparing participants to become leaders. | Employees with high potential to assume management leadership positions. | 78 | 48 |
| Successors program | Identify and prepare successors and substitutes for current directors, managers, supervisors and leaders of the Solví Group companies. | All directors, managers and leaders of Group companies | 109 | 240 |
| Coaching program | To structure a coaching program for directors and managers of Group companies. | Solví directors and managers from all Group companies | 18 | 284 |
| Other programs | | | 180 | 39 |



Koleta on client's premises in Santo André (SP)



ADA employees perform workplace exercises in Manaus (AM)



Vega employees in mobile training unit in São Bernardo do Campo (SP)



Vega employee in Salvador (BA)

4.14
4.16
LA10
LA11



SOCIAL PERFORMANCE

SAFETY AT WORK

Safe environment, better results

The Solví Group guarantees the safety of its employees through ongoing training and refresher courses. And year on year improvements in safety indicators show the importance of these measures in terms of concrete results.

In 2010, for example, the overall average frequency rate target for Group companies was a reduction from 15 to 14.4. The actual rate was 10, representing a 33% reduction compared with 2009. The seriousness rate also exceeded expectations, dropping from 0.7 in 2009 to 0.56 (see comparative table and graphs on next page *).

In addition to traditional measures such as internal accident prevention weeks and safety dialogs, all the Solví companies go beyond legal work safety requirements. An example of the incentives offered is the Group's annual internal awards for the best safety records.

THE CHALLENGE FOR THE AREA IN 2011 IS TO DRIVE THE OSHAS 18001 CERTIFICATION PROCESS IN THE COMPANIES THAT DO NOT YET HAVE IT AND PROVIDE THEM WITH THE SUPPORT THEY NEED TO STRENGTHEN THEIR WORK SAFETY SYSTEMS AND POLICIES.

Organized by Relima in Peru, the campaign "If you don't want to fall, you have to look" (in Spanish "Si caer no quieres, mirar debes") was the winner in 2010. Focused on reducing the number of falls, which in 2009 accounted for 15% of the accidents in the company, activities such as training sessions, awareness talks and safety inspections produced impressive results: a 57% reduction in this kind of accident and 91% fewer days lost during the year.

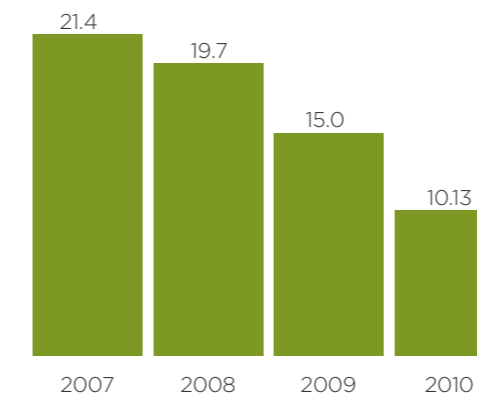
The major challenge for the Group in this area in 2011 is driving the OSHAS 18001 certification process in the companies that do not yet have it, providing them with the support they need to strengthen their work safety systems and policies, increasing their efficiency while maintaining their autonomy.

IN **2010**, THE OVERALL AVERAGE FREQUENCY RATE DECREASED FROM **15** TO **10**, REPRESENTING A **33%** REDUCTION COMPARED WITH **2009**

CERTIFICATIONS

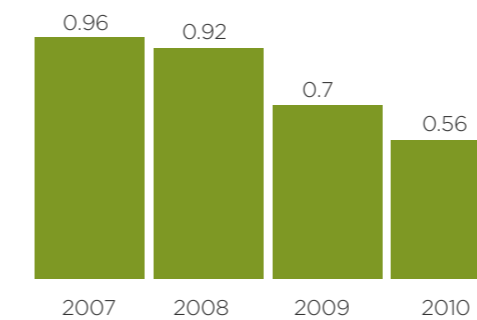
| COMPANY | ISO 9001 | ISO 14001 | OSHAS 18001 |
|------------------------------|----------|-----------|-------------|
| Vega Engenharia Ambiental | X | | |
| Viasolo Engenharia Ambiental | X | | X |
| Battre | X | X | X |
| GRI | X | X | X |
| Koleta Ambiental SP | X | X | X |
| Koleta Ambiental RJ | X | X | |
| LOGA | X | | |
| Relima | X | X | |
| Essencis Soluções Ambientais | X | X | X |
| Águas do Amazonas | X | | |

* SOLVÍ GROUP OVERALL FREQUENCY RATE



* Statistical index reflecting the number of accidents for each one million man hours worked by Solví Group employees

* SOLVÍ GROUP OVERALL SERIOUSNESS RATE



* Statistical index reflecting the number the days lost through work accidents for each thousand man hours worked by Solví Group employees

Natural evolution

By encouraging socio-environmental initiatives and supporting consistent performance, the Instituto Solví is consolidating its status as a strategic arm of the Group whose importance is growing in line with the companies. This evolution is also evident in the measures taken by the Institute in accordance with the guidelines set forth in its roadmap for the period from 2008 to 2014.

Focused on engagement, in 2010 the Institute concentrated on involving a larger number of people in its programs, as well as preparing the way for the future. This led to a reinforcement of the Group's already traditional Volunteer Program, not only in quantity, but also in quality. In addition to the increase in the number of employees participating in the two-day event, this year saw the inception of the Volunteer Consulting initiative in which employees provided support for professionalization initiatives in client institutions.

As a natural development of this work, the end of 2010 saw the launch of the Somar project, aimed at strengthening ties between the people, the institutions and the Solví Group. This involves a complete training course in the preparation of consistent, structured social projects for all Group employees engaged in this kind of activity.

In 2011, the Somar project will put this learning into practice, with each company identifying opportunities for social action aligned with Solví strategy. This significant challenge will be fully supported by the Institute, backed by the E-time Portal, which will provide a series of shared management tools, such as models, spreadsheets and indicators designed to provide guidance and follow up for each project.

SOCIAL ACTION PROFILE

The table presents the numbers for the Instituto Solví's main social actions in 2010. In all the actions, the indicators provide evidence of the Group's new focus: actions which favor a qualitative impact over mere numbers.

| PROGRAMS AND PROJECTS | 2010 |
|---|----------------|
| People benefiting from training programs | 9,834 |
| People benefiting from education programs | 71,391 |
| People benefiting from citizenship programs | 71,350 |
| People benefiting from digital inclusion programs | 493 |
| People benefiting from cultural programs * | 7,234 |
| Programs developed | 91 |
| TOTAL | 160.393 |

| AMOUNTS INVESTED IN R\$ | 2010 |
|-------------------------|---------------------|
| Education | 535,284.97 |
| Culture | 58,500.00 |
| Health and Sanitation | 66,484.11 |
| Sports | 49,925.00 |
| Others | 1,031,565.98 |
| TOTAL | 1,741,760.06 |

For more detailed information on the Solví Group companies' social actions, access the Annual Activities Report on the Instituto Solví website: www.institutosolvi.com/publicacoes

IN TOUCH AND ALIGNED



Another stimulus designed to consolidate this social program in 2011 will be the first edition of the Solví Socio-Environmental Excellence Award, an incentive for the companies to continue to improve practices in this area and further proof of the professionalization of the Institute's activities. Created in 2009, TV Solví is consolidating its status as a key communication channel between the Solví group and its employees, as shown by the 83% approval rate in a satisfaction survey conducted at the end of 2010. In 2011, in addition to further strengthening the local companies and brands, the TV channel will assume a new role providing training to meet general development needs within the Group.



Volunteer Day in São Paulo (SP)

SOLVÍ PUBLIC WASTE

Sustainable Management

The Solví Group's main business, Solví Public Waste, represented by the Vega Group, is dedicated to developing technologies and human resources capable of making waste treatment and public cleaning economically and environmentally sustainable activities.

Throughout 2010, the division focused on this mission, preparing its processes and management models and driving operational efficiency into all the levels of the companies.

In São Paulo state, the company signed a 20-year concession with the city of São Carlos, based on the Clean City concept advocated by the Solví Group of paying to keep the city clean rather than paying to clean it up. The logic here favors long-term planning with investments in technology and process efficiency (see page 24).

Another important advance was the importation of an innovative treatment for percolated liquids (leachate)

THE PUBLIC WASTE GROUP IS FOCUSED ON LAYING THE GROUNDWORK FOR FUTURE GROWTH THROUGH IMPORTANT LONG-TERM CONTRACTS SUCH AS THE ONES IN SIGNED IN SALVADOR AND SÃO CARLOS

Major activities included the purchase of a number of areas throughout Brazil and the initiation of a series of licensing processes for the creation of waste treatment plants. It is projected that by 2012, 20 of these will be structured as energy recovery operations, in clear alignment with Group strategy.

Important contracts were also consolidated in cities in the states of Rio Grande do Sul, São Paulo and Bahia. Particularly worthy of note are the contracts signed with Santa Maria and Pelotas in Rio Grande do Sul for the implantation of automated side loading collection, a new technology that increases productivity and improves service quality.

Another accomplishment in 2010 was the signature of a new contract in Salvador, Bahia, benefiting a population of 3.2 million people with solid waste collection, street market and beach cleaning and general urban cleaning services, in addition to an environmental education program.

in landfills, a challenge for which there is still no long-term solution in Brazil. This treatment involves reverse osmosis, a nano-filtration process that transforms 70% of the material into reusable water. Used successfully in countries like Spain and Portugal, the process will be tested in pilot projects in waste treatment plants in Rio Grande do Sul starting in 2011. With its investments, research and planning aimed at developing an efficient model for the efficient, large-scale treatment of this effluent, Vega is demonstrating the Group's commitment to driving improvements and development in the sector.

For this year, the division's target is to initiate activities in seven new industries, driving rapid growth in the final waste disposal segment, and to expand long-term urban cleaning contracts.

| | 2010 | 2009 | 2008 |
|--|------|------|------|
| Cities served | 23 | 19 | 18 |
| Population served by household collection (millions) | 10.6 | 10.3 | 10.2 |
| Population served by selective collection (millions) | 5.6 | 8.6 | 8.5 |
| Household waste collected (millions of t) | 3.5 | 3.3 | 3.0 |
| Street sweeping (000's of km) | 878 | 856 | 863 |

Battre landfill in Salvador (BA)

SL Ambiental street sweepers in front of the Unisinos building in São Leopoldo (RS)



Vega employees engaged in domestic waste collection in São Carlos

Motorcycle developed by Solví for waste collection in Pelourinho, Salvador (BA)

2010 HIGHLIGHTS

SOLVÍ INDUSTRIAL WASTE

Expansion and reinforcement

Operating through three companies, Solví Industrial Waste undertakes the collection, treatment and management of waste generated by a variety of industries in the private sector. The division enjoyed significant growth in 2010, stemming from geographical expansion, new business and customers and the acquisition of new environmental solution technologies.

Essencis increased its revenues by around 30% compared with 2009. The company's Engineering and Environmental Consultancy area tripled its revenues with the recovery project for the Alemoa garbage tip in Santos, São Paulo. Essencis is responsible for transshipment of the waste to the Caieras landfill in São Paulo, a process scheduled to terminate in 2011.

As part of its geographical expansion strategy, Essencis acquired the Ecosystema waste treatment plant in São José dos Campos, São Paulo, gaining entry to an

Another new area of activity was trailer transportation, a service developed for the aforementioned Alemoa project in partnership with Essencis.

The company also implemented a pioneering containerization project in São Paulo, substituting manual collection with mechanized collection using plastic containers, improving productivity and working conditions for the collectors. Additionally, the Rio de Janeiro unit implanted a program resulting in the reuse of around 70% of the water used in truck cleaning operations.

Another promising project is a new truck for selective collection. This was developed in partnership with the vendor and has separate compartments for wet and dry waste. Still at the pilot stage, it will be evaluated during the course of 2011, with a view to perfecting the design and determining the implantation model to be adopted in coming years.

THE INDUSTRIAL WASTE DIVISION GREW SIGNIFICANTLY IN 2010, THE RESULT OF GEOGRAPHICAL EXPANSION, NEW CUSTOMERS AND THE ACQUISITION OF NEW ENVIRONMENTAL SOLUTION TECHNOLOGIES

important industrial center with significant growth potential. Regarding new sustainable technologies, the company is implanting a Metal Recovery Unit, scheduled to come into operation in the second half of 2011. This will expand the service portfolio the Caieiras unit offers clients.

Active in the São Paulo and Rio de Janeiro markets, in 2010 Koleta consolidated its entry in the Rio de Janeiro cities of Macaé and Itaboraí. In partnership with Comperj, the company has an exclusive contract for the transportation, disposal and management of waste from the largest land leveling project in South America: the construction of the Rio de Janeiro Petrochemical Complex

The challenge for Koleta in 2011 is to conclude the implantation of its transshipment service, a waste transportation system aimed at driving significant gains in operating efficiency and revenues.

Another Solví Industrial Waste company, GRI, closed contracts with important new clients, including MRS, Schincariol, Usiminas and Novartis, marking its entry in the pharmaceutical segment.

Also worthy of mention is the growth in business with Petrobras. The company implemented a new tank cleaning service for the client and doubled the volume of services rendered.



Koleta employee on client's premises in Santo André (SP)



Essencis thermal desorption equipment at the Caieiras landfill (SP)

GRI in operation on client's premises in Mauá (SP)

| COMPANY | | 2010 | 2009 | 2008 |
|----------|--|-----------|-----------|-----------|
| Essencis | Public and Industrial waste disposed of in landfills (t) | 4,779,155 | 3,691,895 | 3,097,524 |
| | Waste incinerated (t) | 5,148 | 3,588 | 3,516 |
| | Co-processed waste (t) | 126,262 | 113,522 | 140,314 |
| | Thermal desorption (t) | 39,513 | 48,094 | 56,717 |
| GRI | Total material handled (t) | 1,037,875 | 927,902 | 864,369 |
| | Recycling (t) | 849,666 | 777,591 | 662,287 |
| | Landfill (t) | 80,059 | 89,207 | 147,151 |
| | Co-processing (t) | 104,738 | 60,117 | 54,070 |
| | Incineration (t) | 3,411 | 986 | 862 |
| Koleta | Private collection clients | 3,222 | 3,794 | 3,522 |
| | Total material collected (t) | 261,959 | 215,439 | 200,123 |
| | Total distance covered (km) | 5,299,246 | 4,038,873 | 3,674,648 |

1,2
2,8
2,9
EC8
EN26
SO1

GRI

2010 HIGHLIGHTS

SOLVÍ SANITATION

The basis for development

Universal access to treated water and sewage is a basic indicator of a country's level of development, with a direct influence on important indices such as health and infant mortality. For 21st century Brazil, however, this still constitutes a major challenge. Even though 90% of the population has access to some kind of water supply, only 45% are served by sewage and treatment networks.

Transforming this reality is not a simple process. In addition to goodwill, it requires heavy structural investment, which may be leveraged by engaging the private sector. This is the model Solví Sanitation believes in and has been investing in year on year.

An example is the Solví subsidiary Águas do Amazonas (ADA), a water and sewage concessionaire in Manaus since 2000. During 2010, the company consolidated its supply and distribution networks, concluding an expansion plan that provided water of excellent quality to 55 thousand new homes, mostly belonging to low-income families.

At the end of the year, ADA was awarded ISO 9001 certification, with zero process non-conformance.

Another important achievement in 2010 was the conclusion of the project to extend treated water supply points to 100% of the areas in the city that still opt to

use private wells. According to IPAAM (the Amazonas Environmental Protection Institute), 70% of the wells in Manaus are clandestine, providing water with little or no quality control, highly subject to contamination. With the conclusion of this ADA project in 2010, the city's population now has access to water of certified quality, treated and distributed by the company. This paves the way for the closure of all the cities wells, both clandestine or not, ensuring greater quality of life for all.

Created to increase awareness of the importance of treated water and sewage for the city, for ten years ADA has been running its Open Doors program. This gives public school and university students, companies and the general public the opportunity to observe the work done by ADA and appreciate its importance for the community. The program has received more than 35 thousand visitors since its inception; the intention is to maintain this open door policy.

Solví Sanitation has a series of challenges for 2011, including new business development nationwide, the ongoing refinement of internal processes and the preparations necessary for the five-year review of the Manaus concession.

DURING 2010, THE COMPANY CONSOLIDATED ITS SUPPLY AND DISTRIBUTION NETWORKS, CONCLUDING AN EXPANSION PLAN FOR 55 THOUSAND NEW CONNECTIONS IN MANAUS.

| ADA | 2010 | 2009 | 2008 |
|---|-----------|-----------|-----------|
| Population served (no. of inhabitants) | 1,730,416 | 1,674,852 | 1,622,348 |
| Volume withdrawn /treated (m3) | 233 | 227 | 211 |
| Consumption units served - Water (000's of economies) | 436 | 422 | 408 |
| Water service coverage (%) | 97.5% | 96% | 95% |
| New connections (no. of connections made) | 36,093 | 3,527 | 10,044 |
| Number of pumping stations (units) | 56 | 56 | 34 |
| Total volume of water stored (1,000 m) | 177 | 169 | 166 |
| Number of reservoirs (nº of units) | 142 | 137 | 134 |
| Sewage service coverage (%) | 21.6% | 11% | 11% |
| Extension of sewage network (km) | 418 | 416 | 396 |

| EXPANSION WORKS | 2008, 2009 E 2010 |
|--|---|
| Mains extension in km | 38 |
| Distribution networks | 661 |
| Reservoirs | Ten 5,000 m ³ reservoirs One 7,000 m ³ reservoir |
| Increased water production and distribution capacity | 40% |
| Water pumping stations | 32 |
| People benefiting | 850,000 |

ADA technician engaged in inspection and repairs on Manaus water supply network (AM) and, below, ADA employees in operational control room

Water withdrawal lift station on the Rio Negro (AM)



SOLVÍ ENERGY RECOVERY

Environmentally correct, economically viable

Producing electricity from renewable sources is one of the major challenges of our times and is the focus for Solví Energy Recovery. Since 2006, the company has been developing businesses and investing in plants capable of generating electrical energy from diverse sources, including ones provided by the Group's existing ventures.

In 2010, a major milestone for the company was the conclusion of the implantation of the Salvador Termoverde plant, begun in 2008. With an installed capacity of 20 MW, the plant produces electrical energy from methane gas in the biogas generated in the São Cristóvão municipal landfill in Salvador, Bahia, a concession held by Battre, also a member of the Solví Group.

IN ADDITION TO USING GAS FROM DECOMPOSED WASTE TO GENERATE ELECTRICITY, THE SALVADOR TERMOVERDE PLANT DOES NOT BURN FOSSIL FUELS, REDUCING THE EMISSION OF POLLUTANTS INTO THE ATMOSPHERE

As well as being renewable, the energy produced by Termoverde benefits from a government incentive, permitting a 100% discount in the distribution tariff. This makes it even more attractive to so-called free consumers, such as large supermarket chains, shopping malls and telephone companies. This is truly a venture offering environmentally correct and economically viable solutions.

Internally, Solví Energy Recovery made important progress during the year as a reflex of restructuring implanted throughout the Group. In addition to the organization of basic processes, the company created a business development area to drive growth.

Challenges for the future include new renewable energy generation projects, with a specific focus on wind, thermal and hydroelectric sources. With the substantial growth in business, the company expects to build an installed capacity of 120 MW in the next five years.

| | 2010 | 2009 | 2008 |
|------------------------------|-----------|-----------|-----------|
| Carbon credits generated (t) | 1,101,713 | 1,250,136 | 1,186,603 |

THE SALVADOR TERMOVERDE PLANT WILL GENERATE **150 THOUSAND MWH** PER YEAR

FROM 2011 TO 2030



Generators in the Termoverde plant in Salvador (BA) and below, vertical biogas collection well on Battre landfill in Salvador (BA)



Termoverde biogas plant on Battre landfill in Salvador (BA)

2010 HIGHLIGHTS

SOLVÍ ENGINEERING

1,2
2,9
EC7
EC8
EN26
SO1



Building on a solid basis

Excellence in the execution and delivery of its projects is a premise for GPO, the Solví Group's engineering and infrastructure arm, which completed two years of existence in 2010.

Dedicated to developing solutions tailored to its clients' needs, in 2010 GPO restructured its internal processes to further incorporate the Solví Group philosophy. This work will continue in 2011 as the division prepares for ISO 9001 certification.

During the year, the company initiated significant works, particularly worthy of note being the construction of an integrated water supply system in Irecê, Bahia. Other important projects were the continuation of sewage works in Vitória da Conquista, Bahia, in a consortium with the Queiroz Galvão Group, as well as the re-urbanization of a district in Ilhéus, Bahia, part of the federal government's PAC or Growth Acceleration Plan. Completed works include two roller-compressed dams, a transmission line and three sewage networks.

Forthcoming challenges include strategic changes in the area's profile with a view to increasing GPO's participation in medium to large scale projects, attracting more private sector clients and entry into new markets in the south and southeast of the country.

DURING 2010, GPO FOCUSED ON FURTHER INCORPORATING THE SOLVÍ GROUP PHILOSOPHY

| HIGHLIGHTS | CLIENTS | CONSTRUCTION |
|--|--|---|
| Integrated water supply system in Irecê, Bahia | EMBASA | 60 km of hydraulic mains |
| Restoration work on PE 270 highway between Arcoverde and Buique (Pe) | Pernambuco Highway Department (DER - PE) | Restoration of 30 km of highway |
| Implantation of irrigation system in Glória, Bahia | CHESF | Micro-spray irrigation system for Jusante project |
| Construction of PE 088 highway between Salgadinho and João Alfredo, Pernambuco | Pernambuco Highway Department (DER - PE) | Construction of 11 km of highway |
| Construction of PE 590 highway between Ipubi and Serrolândia, Pernambuco | Pernambuco Highway Department (DER - PE) | Construction of 26 km of highway |
| Construction of Mid-Paraíba Region Hospital | Volta Redonda Local Government | 1,200 beds 2. Built area of 25,303.34 m ² 3. ICU 4. Semi ICU 5. Emergency room |



GPO construction work on Mulungu do Morro dam (BA)



2010 HIGHLIGHTS

INTERNATIONAL AREA

Certified activities

Leader in the public and industrial cleaning sector in Peru, Relima is one of the companies representing the Solvi Group's overseas expansion. Further accelerating this growth, in 2010 the company focused on private sector clients, increasing segment revenues by 19%, with a further 25% increase projected for 2011.

The company maintains its leadership through the provision of quality services, a solid reputation in environmental care and the capacity to meet sector demands. In 2010, Relima confirmed its service quality with ISO 9001 certification and executed the ISO 14001 environmental certification process. In 2011, it will obtain

In the civil construction area, Vega Peru was engaged in the construction of the Andahuaylas- Kishuara highway and in refining its environmental education initiatives in the communities in which it operates. Located in the Andes range at an altitude of 3,500 meters, the Andahuaylas-Kishuara highway is Vega Peru's largest project. The challenges involved include the climate, with thinner air and broad variations in temperature, as well as social questions, such as meeting the demands of the local communities, mostly of Chanca origin.

This led the company to undertake a project among secondary school children in the Andahuaylas region

IN ADDITION TO CONFIRMING ISO 9001 CERTIFICATION AT THE BEGINNING OF 2011, RELIMA OBTAINED ISO 14001 CERTIFICATION WITH ZERO NON-CONFORMANCE. THE NEXT STEP IS OSHAS 18001 CERTIFICATION IN 2012

international integrated management system (Quality and Environment) certification and will begin work on the implantation of its occupational safety management system (OSHAS 18001).

Another important achievement in the year was the complete renewal of the fleet of vehicles operating in the city of San Isidro. US\$ 2 million was invested in the purchase of garbage trucks, motorcycles, pick up trucks and other equipment, ensuring an environmentally efficient, state-of-the-art fleet.

aimed at raising environmental awareness and dealing with themes such as conservation, waste disposal and the preservation of fauna. Of equal importance was the work done with local workers, successfully ensuring the insertion of the company in the region. The main challenge for 2011 is to finalize this complex and important work, consolidating the company's experience in the Peruvian market and laying the groundwork for new road construction and sanitation infrastructure projects.

VEGA PERU

| | |
|--------------------------------|--|
| Andahuaylas - Kishuara Highway | Widening and asphaltting 53 km of highway |
| | More than 350 people and 120 pieces of equipment |
| | 300,000 m ³ of earth moved |
| | 20,000 m ³ of asphalt concrete |

| RELIMA | 2010 | 2009 | 2008 |
|---|------|------|------|
| Public clients | 3 | 3 | 3 |
| Private clients | 300 | 303 | 264 |
| Population served (millions) | 2.5 | 2.4 | 2.3 |
| Total material collected (000's of tons) | 300 | 292 | 232 |
| Street sweeping (000's of km) | 205 | 201 | 196 |
| Landfill operation | 2 | 2 | 2 |
| Maintenance of green areas (millions of m2) | 19.9 | 19.3 | 19.3 |



At the side, Relima employees engaged in cleaning public thoroughfares and maintaining green areas in Lima, Peru

Below, new Relima fleet in San Isidoro, Peru



Vega Peru employees working on Andahuaylas / Kishuara highway

2010 ANNUAL SOCIAL BALANCE SHEET

2.8
ECI
ECS
EN7



| 1 - BASIS OF CALCULATION | 2010 Amount (000's of reais) | | |
|---|--|---------------------------|-------------------|
| Net Revenues | 1,240,570 | | |
| Operational Earnings | 59,245 | | |
| Gross payroll | 243,510 | | |
| 2 - INTERNAL SOCIAL INDICATORS | Amount (000's of R\$) | % of Gross Payroll | % of Net Revenues |
| Meals | 35,198 | 14.45% | 2.84% |
| Mandatory social charges | 63,799 | 26.20% | 5.14% |
| Private pension plan | 2,023 | 0.83% | 0.16% |
| Health | 10,279 | 4.22% | 0.83% |
| Health and safety in the workplace | 1,209 | 0.50% | 0.10% |
| Professional training and development | 1,083 | 0.44% | 0.09% |
| Crèches or crèche allowance | 0 | 0.00% | 0.00% |
| Profit share | 9,185 | 3.77% | 0.74% |
| Others | 0 | 0.00% | 0.00% |
| Total - Internal social indicators | 122,777 | 50.42% | 9.90% |
| 3 - EXTERNAL SOCIAL INDICATORS | Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues |
| Education | 535 | 0.90% | 0.04% |
| Culture | 59 | 0.10% | 0.00% |
| Health and sanitation | 66 | 0.11% | 0.01% |
| Sport | 50 | 0.08% | 0.00% |
| Combating hunger and food security | 0 | 0.00% | 0.00% |
| Others | 1,031 | 1.74% | 0.08% |
| Total contributions to society | 1,741 | 2.94% | 0.14% |
| Taxes (excluding social charges) | 156 | 0.26% | 0.01% |
| Total - External social indicators | 1,897 | 3.20% | 0.15% |
| 4 - ENVIRONMENTAL INDICATORS | Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues |
| Company production/operation related investments | 100,189 | 169.11% | 8.08% |
| Investments in external programs and/or projects | 385 | 0.65% | 0.03% |
| Total investments in the environment | 100,574 | 169.76% | 8.11% |
| Regarding the establishment of "annual targets" to reduce waste, overall consumption in production / operation and increase efficiency in the use of natural resources, the company | <input type="checkbox"/> has no targets <input type="checkbox"/> fulfills from 51 to 75% <input type="checkbox"/> fulfills from 0 to 50% <input checked="" type="checkbox"/> fulfills from 76 to 100% | | |
| 5 - WORKFORCE INDICATORS | 2010 | | |
| Nº of employees at end of period | 14,243 | | |
| Nº of admissions during period | 5,860 | | |
| Nº of interns | 148 | | |
| Nº of employees aged over 45 years | 2,889 | | |
| Nº of women working in the company | 2,374 | | |
| % of supervisory positions held by women | 23,02% | | |
| Nº of blacks working in the company | 1,060 | | |
| % of supervisory positions held by blacks | 1,31% | | |
| Nº of employees with disabilities or special needs | 143 | | |
| 6 - RELEVANT INFORMATION ON EXERCISE OF CORPORATE CITIZENSHIP | 2009 | | |
| Ratio of highest to lowest remuneration in company | 126.27 | | |
| Work Safety and Medicine - frequency rate | 13.3 | | |
| Work Safety and Medicine - seriousness rate | 0.56 | | |
| The social and environmental projects developed by the company were defined by: | <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | |
| Safety and hygiene standards in the workplace were defined by: | <input type="checkbox"/> board and management <input type="checkbox"/> all employees <input checked="" type="checkbox"/> all employees + accident prevention committee | | |
| Regarding freedom of association to unions, the right to collective bargaining and internal representation of the workers, the company: | <input type="checkbox"/> will not get involved <input type="checkbox"/> will follow ILO norms <input checked="" type="checkbox"/> will encourage and follow ILO | | |
| The private pension plan covers: | <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | |
| The profit share plan covers: | <input type="checkbox"/> board <input type="checkbox"/> board and management <input checked="" type="checkbox"/> all employees | | |
| In selecting suppliers, the ethical, social and environmental standards adopted by the company: | <input type="checkbox"/> will not be considered <input type="checkbox"/> will be suggested <input checked="" type="checkbox"/> will be required | | |
| Regarding employee participation in volunteer work programs, the company: | <input type="checkbox"/> will not get involved <input type="checkbox"/> will support it <input checked="" type="checkbox"/> will organize and encourage it | | |
| Total added value to be distributed (in 000's of R\$): | In 2010: 684,394 | | |
| Distribution of Added Value: | 35.82% government 50.58% employees 1.97% minority shareholders 9.4% financiers 2.13% retained | | |

| 2009 Amount (000's of reais) | | | 2008 Amount (000's of reais) | | |
|--|---------------------------|-------------------|--|---------------------------|-------------------|
| 1,048,989 | | | 931,277 | | |
| 97,253 | | | 68,343 | | |
| 215,062 | | | 181,208 | | |
| Amount (000's of R\$) | % of Gross Payroll | % of Net Revenues | Amount (000's of R\$) | % of Gross Payroll | % of Net Revenues |
| 30,292 | 14.09% | 2.89% | 27,211 | 15.02% | 2.92% |
| 57,514 | 26.74% | 5.48% | 50,701 | 27.98% | 5.44% |
| 1,984 | 0.92% | 0.19% | 1,287 | 0.71% | 0.14% |
| 9,153 | 4.26% | 0.87% | 8,148 | 4.50% | 0.87% |
| 1,072 | 0.50% | 0.10% | 808 | 0.45% | 0.09% |
| 1,264 | 0.59% | 0.12% | 2,106 | 1.16% | 0.23% |
| 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% |
| 15,984 | 7.43% | 1.52% | 8,181 | 4.51% | 0.88% |
| 11,959 | 5.56% | 1.14% | 11,446 | 6.32% | 1.23% |
| 129,223 | 60.09% | 12.32% | 109,888 | 60.64% | 11.80% |
| Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues | Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues |
| 337 | 0.35% | 0.03% | 267 | 0.39% | 0.03% |
| 93 | 0.10% | 0.01% | 132 | 0.19% | 0.01% |
| 7 | 0.01% | 0.00% | 35 | 0.05% | 0.00% |
| 39 | 0.04% | 0.00% | 42 | 0.06% | 0.00% |
| 44 | 0.05% | 0.00% | 13 | 0.02% | 0.00% |
| 1,031 | 1.06% | 0.10% | 652 | 0.95% | 0.07% |
| 1,551 | 1.59% | 0.15% | 1,141 | 1.67% | 0.12% |
| 136 | 0.14% | 0.01% | 125 | 0.18% | 0.01% |
| 1,687 | 1.73% | 0.16% | 1,266 | 1.85% | 0.14% |
| Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues | Amount (000's of R\$) | % of Operational Earnings | % of Net Revenues |
| 76,507 | 78.67% | 7.29% | 26,997 | 39.50% | 2.90% |
| 281 | 0.29% | 0.03% | 231 | 0.34% | 0.02% |
| 76,788 | 78.96% | 7.32% | 27,228 | 39.84% | 2.92% |
| <input type="checkbox"/> has no targets <input type="checkbox"/> fulfills from 51 to 75% <input type="checkbox"/> fulfills from 0 to 50% <input checked="" type="checkbox"/> fulfills from 76 to 100% | | | <input type="checkbox"/> has no targets <input type="checkbox"/> fulfills from 51 to 75% <input type="checkbox"/> fulfills from 0 to 50% <input checked="" type="checkbox"/> fulfills from 76 to 100% | | |
| 2009 | | | 2008 | | |
| 13,142 | | | 12,647 | | |
| 4,547 | | | 5,154 | | |
| 110 | | | 230 | | |
| 2,974 | | | 2,986 | | |
| 2,553 | | | 2,271 | | |
| 23.13% | | | 12.84% | | |
| 945 | | | 1,008 | | |
| 1.12% | | | 2.50% | | |
| 159 | | | 125 | | |
| 2009 | | | 2008 | | |
| 130.03 | | | 137.13 | | |
| 15.0 | | | 19.7 | | |
| 0.70 | | | 0.92 | | |
| <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | | <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | |
| <input type="checkbox"/> board and management <input type="checkbox"/> all employees <input checked="" type="checkbox"/> all employees + accident prevention committee | | | <input type="checkbox"/> board and management <input type="checkbox"/> all employees <input checked="" type="checkbox"/> all employees + accident prevention committee | | |
| <input type="checkbox"/> will not get involved <input type="checkbox"/> will follow ILO norms <input checked="" type="checkbox"/> will encourage and follow ILO | | | <input type="checkbox"/> will not get involved <input type="checkbox"/> will follow ILO norms <input checked="" type="checkbox"/> will encourage and follow ILO | | |
| <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | | <input type="checkbox"/> board <input checked="" type="checkbox"/> board and management <input type="checkbox"/> all employees | | |
| <input type="checkbox"/> board <input type="checkbox"/> board and management <input checked="" type="checkbox"/> all employees | | | <input type="checkbox"/> board <input type="checkbox"/> board and management <input checked="" type="checkbox"/> all employees | | |
| <input type="checkbox"/> will not be considered <input type="checkbox"/> will be suggested <input checked="" type="checkbox"/> will be required | | | <input type="checkbox"/> will not be considered <input type="checkbox"/> will be suggested <input checked="" type="checkbox"/> will be required | | |
| <input type="checkbox"/> will not get involved <input type="checkbox"/> will support it <input checked="" type="checkbox"/> will organize and encourage it | | | <input type="checkbox"/> will not get involved <input type="checkbox"/> will support it <input checked="" type="checkbox"/> will organize and encourage it | | |
| In 2009: 633,477 | | | In 2008: 528,163 | | |
| 37.36% government 47.35% employees 2.53% minority shareholders 5.97% financiers 6.79% retained | | | 39.73% government 46.79% employees 2.93% minority shareholders 6.93% financiers 3.62% retained | | |

2010 ANNUAL ENVIRONMENTAL BALANCE SHEET

| ATMOSPHERIC EMISSIONS | 2010 | 2009 | 2008 |
|--|------------|------------|------------|
| GHG emissions for heavy waste collection vehicles (vehicles > 10 t) (t CO ₂ eq) | 42,570 | 46,288 | 48,762 |
| GHG emissions for vehicles (heavy, light, contractor, gas and ethanol powered) | 69,754 | 70,239 | 77,296 |
| Methane emissions in landfills (m ³) | 63,032,399 | 53,963,980 | 47,478,184 |
| Methane emissions in landfills (t CO ₂ eq) | 945,108 | 809,136 | 711,888 |
| Landfill methane emissions prevented through methane recovery (t CO ₂ eq) | 1,101,713 | 1,250,136 | 1,186,603 |

| SORTING AND RECYCLING | 2010 | 2009 | 2008 |
|-----------------------------|--------|--------|--------|
| Entry tonnage (t) | 90,236 | 73,111 | 41,439 |
| Tonnage of waste sorted (t) | 6,827 | 5,594 | 3,473 |
| Paper/cardboard tonnage (t) | 4,933 | 4,067 | 3,795 |
| Plastic tonnage (t) | 3,232 | 2,505 | 2,574 |
| Glass tonnage (t) | 489 | 372 | 271 |
| Metal tonnage (t) | 717 | 741 | 832 |
| Others (t) | 335 | 46 | 15 |

| WASTE DISPOSED OF IN LANDFILLS | 2010 | 2009 | 2008 |
|---|-------------|-------------|-------------|
| Domestic waste (t) | 5,453,326 | 4,318,462 | 3,950,033 |
| Non-hazardous commercial and industrial waste (t) | 774,001 | 518,676 | 481,672 |
| Hazardous waste (t) | 146,153 | 139,284 | 136,494 |
| Inert waste (t) | 719,890 | 653,025 | 558,075 |
| Quantity of leachate (not re-circulated) treated internally (m ³) | 87,389 | 65,615 | 66,528 |
| Quantity of leachate (not re-circulated) treated externally (m ³) | 1,129,185 | 971,511 | 917,568 |
| Quantity of methane produced (m ³) | 105,961,439 | 138,944,792 | 125,198,834 |
| Quantity of methane collected and treated (Mm ³) | 67,695,428 | 83,375,764 | 79,138,492 |

| INDUSTRIAL WASTE MANAGEMENT | 2010 | 2009 | 2008 |
|---|-----------|-----------|---------|
| Quantity of waste manipulated and treated (t) | 1,187,962 | 1,033,104 | 993,444 |
| Quantity of waste incinerated (t) | 8,959 | 4,956 | 4,536 |

| WASTE RECOVERED | 2010 | 2009 | 2008 |
|---|---------|---------|---------|
| Quantity of waste treated in cement ovens (t) | 177,788 | 138,252 | 125,097 |

SANITATION INDICATORS (considering only Águas da Amazonas)

| INDICATORS | 2010 | 2009 | 2008 |
|--|---------|---------|---------|
| WATER PRODUCTION | | | |
| Electricity consumption (MWh) | 94,181 | 93,456 | 88,880 |
| Total number of quality control analyses conducted | 445,746 | 369,598 | 465,341 |

| WATER DISTRIBUTION | 2010 | 2009 | 2008 |
|---|-----------|-----------|-----------|
| Population served | 1,730,416 | 1,674,852 | 1,622,348 |
| Volume withdrawn / treated (Mm ³) | 233 | 227 | 211 |
| Volume distributed (Mm ³) | 219 | 228 | 198 |
| Extension of network (km) | 3,432 | 2,746 | 2,726 |
| Electricity consumption (MWh) | 23,851 | 21,485 | n.d. |
| Number of pumping stations | 57 | 56 | 34 |

| SEWAGE COLLECTION | 2010 | 2009 | 2008 |
|---|---------|---------|---------|
| Population served | 196,285 | 187,678 | 191,465 |
| Volume collected / treated (Mm ³) | 22 | 23 | 20 |
| Electricity consumption (MWh) | 315 | 216 | 111 |
| Extension of network (km) | 418 | 416 | 396 |

| SEWAGE TREATMENT | 2010 | 2009 | 2008 |
|--|-------|-------|-------|
| Volume treated (Mm ³) | 20 | 17 | 13 |
| Electricity consumption (MWh) | 1,539 | 1,093 | 1,182 |
| Number of treatment plants | 38 | 37 | 36 |
| Pollution load received BOD ⁵ t | 3,868 | 3,700 | 2,173 |

| CUSTOMER SERVICES | 2010 | 2009 | 2008 |
|--|---------|---------|---------|
| Number of water connections | 435,873 | 421,877 | 408,652 |
| Number of sewage connections | 49,442 | 47,274 | 48,228 |
| Number of commercial connections | 27,022 | 23,922 | 24,036 |
| Water volume billed (Mm ³) | 60 | 73 | 58 |

| INVESTMENTS IN ENVIRONMENT (IN 000'S OF R\$) | 2010 | 2009 | 2008 |
|--|---------------------|--------|---------|
| Activity | | | |
| Collection, treatment and final disposal of household waste | 57,240 ¹ | 48,451 | 31,867 |
| Collection, management, treatment and final disposal of industrial waste | 14,096 ² | 11,394 | 9,872 |
| Treatment and distribution of water and sewage treatment | 28,852 ³ | 16,662 | 86,714 |
| Total | 100,189 | 76,507 | 128,453 |

¹ Acquisition of new fleet of garbage trucks for São Carlos (SP), Sete Lagoas (MG) and Farroupilha (RS); works at Loga (SP) and Battre (BA), the Salvador inert landfill (BA) and Santa Maria landfill

² Expansion works at Betim Waste Treatment plant (Essencis) and Catarinense, as well as effluent and VOC treatment systems at Magá unit (Essencis)

³ Expansion of Águas de Amazonas water and sewage networks (AM) and construction of new effluent treatment plants

| OPERATING EXPENDITURES IN ENVIRONMENT (IN 000'S OF R\$) | 2010 | 2009 | 2008 |
|--|--------|--------|--------|
| Activity | | | |
| Collection, treatment and final disposal of household waste | 27,101 | 24,015 | 20,431 |
| Collection, management, treatment and final disposal of industrial waste | 6,766 | 5,718 | 6,566 |
| Treatment and distribution of water and sewage treatment | 284 | 387 | 528 |
| Total | 34,151 | 30,119 | 27,526 |

WASTE INDICATORS

MANAGEMENT INDICATORS

| NUMBER OF OPERATIONAL UNITS | 2010 | 2009 | 2008 |
|--------------------------------------|-----------------|------|------|
| Sorting Plants | 3 | 3 | 2 |
| Landfills in operation | 19 ⁴ | 18 | 16 |
| Landfills closed | 2 | 2 | 2 |
| Incinerators | 1 | 1 | 1 |
| Co-processing in cement ovens | 2 | 2 | 2 |
| Transfer stations | 2 | 2 | 2 |
| Collection depots | 21 | 22 | 19 |
| Health service waste treatment units | 2 | 2 | 2 |

⁴ Entry into operation of inert material landfill in Salvador.

ENVIRONMENTAL INDICATORS - OPERATIONAL

INPUTS

| | 2010 | 2009 | 2008 |
|--|---------|---------|---------|
| Water consumption (urban, industrial, wells) excluding public cleaning service (m ³) | 489,587 | 491,937 | 360,936 |
| Quantity of electricity consumed (MWh) | 12,599 | 11,834 | 10,309 |
| Quantity of natural gas consumed (m ³) | 140,689 | 260,324 | 180,478 |
| Diesel consumption for collection and cleaning trucks (m ³) | 16,344 | 16,821 | 13,091 |
| Diesel consumption by companies, contractors, etc (m ³) | 9,142 | 8,941 | 10,897 |
| Gasoline consumption by light vehicles (own fleet and 3rd parties) (m ³) | 511 | 541 | nd |
| Ethanol consumption by light vehicles (own fleet and 3rd parties) (m ³) | 221 | 383 | nd |

COLLECTION SERVICES

| | | | |
|--|------------|------------|------------|
| No. of inhabitants served by collection (excluding selective collection) | 11,467,038 | 11,620,234 | 10,683,422 |
| No. of inhabitants served by selective collection | 5,660,681 | 6,103,586 | 5,523,432 |
| No. of commercial / industrial clients served by collection | 3,222 | 3,460 | 3,635 |
| Total SDW collected, conventional collection (t) | 3,509,175 | 3,353,052 | 3,071,766 |
| Total SDW collection by selective collection (t) | 28,179 | 28,949 | 24,515 |
| Total Health Service Waste collected (t) | 23,004 | 22,282 | 22,630 |
| Total commercial/industrial waste collected (t) | 336,069 | 276,392 | 275,168 |

GRI REMISSIVE INDICATOR INDEX



1 – STRATEGY AND ANALYSIS

- 1.1** Declaration from the president.
 - Page 5
- 1.2** Description of key impacts, risks and opportunities.
 - Pages 5,7, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 39, 40, 41, 42, 43, 44, 45,46, 47, 48, 49 and 57

2 – ORGANIZATIONAL PROFILE

- 2.1** Name of organization.
 - Pages 11 and 13
- 2.2** Products and services, including brands.
 - Page 11
- 2.3** Operational structure.
 - Pages 11 and 13
- 2.4** Location of organization's head office.
 - Page 64 and 65
- 2.5** Countries and region in which organization operates.
 - Pages 16 and 17
- 2.6** Nature of ownership and legal form.
 - Pages 11 and 13
- 2.7** Markets in which organization operates.
 - Pages 16 and 17
- 2.8** Scale of organization.
 - Pages 11, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 39, 40, 41, 50 and 51
- 2.9** Changes during period covered by report.
 - Pages 5,7,14, 15, 18, 19, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48 and 49

3 – REPORT PARAMETERS

- 3.1** Reporting period.
 - Pages 7, 9 and 13
- 3.2** Date of previous report.
 - Page 9
- 3.3** Reporting cycle.
 - Page 9
- 3.4** Details for contact regarding questions about report and its content
 - Pages 58, 59 and 60
- 3.5** Definition of Report content (themes, priorities, stakeholders)
 - Page 9
- 3.6** Report Boundary
 - Page 9
- 3.7** Specific limitations regarding scope or boundary of report
 - Page 9
- 3.12** Table identifying location of report information
 - Pages 54 and 55

Obs: Information on items 3.8, 3.9, 3.10 and 3.11 not gathered

4 – GOVERNANCE, COMMITMENT AND ENGAGEMENT

- 4.1** Organization's governance structure.
 - Pages 18 and 19
- 4.2** Presidency of governance group
 - Pages 5, 18 and 19

- 4.3** Percentage of independent, non-executive members.
 - Pages 18 and 19
- 4.4** Mechanisms for shareholders to make recommendations to Board of Directors.
 - Pages 18 and 19
- 4.6** Processes in force in highest governance body.
 - Pages 18 and 19
- 4.8** Mission and values statements, codes of conduct and internal principles.
 - Mission, Vision, Values, Cover fold
- 4.9** Responsibility for implementation of economic, environmental and social policies.
 - Pages 5, 18 and 19
- 4.10** Performance self-assessment processes (economic, environmental and social).
 - Pages 5, 18, 19, 24, 25, 26 and 27
- 4.14** List of stakeholder groups engaged by organization
 - Pages 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37
- 4.16** Approaches to engaging stakeholders, including frequency of engagement by type and by stakeholder group
 - Pages 32, 33, 36 and 37

Obs: Information on items 4.5, 4.7, 4.11, 4.12, 4.13, 4.15 and 4.17 not gathered

5 – FORM OF MANAGEMENT AND PERFORMANCE INDICATORS

Economic Performance Indicators

- EC1** Direct economic value generated and distributed
 - Pages 20, 21, 22, 23, 50 and 51
- EC5** Ratio of lowest salary to local minimum salary.
 - Pages 50, 51, 52 and 53
- EC7** Local hiring.
 - Pages 46 and 47
- EC8** Impact of infrastructure investments benefiting the public.
 - Pages 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48 and 49

Obs: Information on items EC2, EC3, EC4 and EC6 not gathered

Environmental Performance Indicators

- EN3** Direct energy consumption discriminated by source.
 - Pages 24, 25, 26, 27, 52 and 53
- EN5** Energy saved due to improvements in conservation and efficiency.
 - Pages 24, 25, 26, 27, 52 and 53
- EN6** Initiatives to supply low energy consumption products and services or using renewable energy, and reduction in energy needs resulting from these initiatives
 - Pages 24, 25, 26, 27, 52 and 53
- EN7** Initiatives to reduce indirect energy consumption and reductions obtained
 - Pages 24, 25, 26, 27, 50, 51, 52 and 53
- EN8** Total water withdrawn by source
 - Pages 52 and 53

- EN14** Strategies and measures in place and future plans to manage impacts on biodiversity
 - Pages 24, 25, 26 and 27
- EN16** Total relevant direct and indirect greenhouse gas emissions by weight
 - Pages 24, 25, 26, 27, 52 and 53
- EN17** Other relevant indirect greenhouse gas emissions by weight
 - Pages 52 and 53
- EN18** Initiatives to reduce greenhouse gas emissions and reductions obtained
 - Pages 24, 25, 26, 27, 52 and 53
- EN19** Emissions of substances harmful to the ozone layer, by weight
 - Pages 52 and 53
- EN20** NOx, SOx and other significant atmospheric emissions, by type and weight
 - Pages 52 and 53
- EN22** Total weight of waste, by type and disposal method.
 - Pages 52 and 53
- EN26** Initiatives to mitigate product and service environmental impacts and extent of reduction of these impacts
 - Pages 24, 25, 26, 27, 40, 41, 44, 45, 46, 47, 48 and 49
- EN30** Total environmental protection investments and spending by type
 - Pages 24, 25, 26, 27, 52 and 53

Obs: Information on items EN1,EN2, EN4, EN9, EN10, EN11, EN12, EN13, EN14, EN15, EN21, EN 23, EN24, EN25, EN27, EN28, EN29 AND EN30 not gathered

Social Performance Indicators

Labor practices

- LA1** Total number of workers, by type of job, work contract and region.
 - Pages 28 and 29
- LA2** Total employee turnover and turnover rate, by age group, gender and region.
 - Pages 30 and 31
- LA7** Injury, occupational illness and days lost rates.
 - Pages 34 and 35
- LA8** Educational, preventive and risk control programs.
 - Pages 34 and 35
- LA10** Average number of hours training per year.
 - Pages 31 and 32
- LA11** Management by competencies and continuous learning programs.
 - Pages 28, 29, 31 and 32

Obs: Information on items LA3, LA4, LA5, LA6, LA9, LA 12, LA13 and LA14 not gathered

Society

- SO1** Programs and practices to assess and manage impacts of operations on communities.
 - Pages 18, 19, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48 and 49
- SO5** Positioning regarding public policies and participation in elaboration of public policy and lobbying.
 - Pages 5 and 57

Obs: Information on items SO2, SO3, SO4, SO6, SO7 and SO8 not gathered



FINAL WORDS

The way forward

If 2010 was a period of intensive strategic definition, internal organization and changes in direction for our businesses, our main challenge for the future must be to put these into practice and ensure we produce the desired results: more competitiveness and better partnerships and solutions for each of the markets in which we operate, driving our country's development.

Our achievements in projects such as "Clean City" in São Carlos, our operations in Salvador, the creation of Organosolvi, the acquisition of new areas for waste treatment plants and our investments in new technologies for fundamental issues like percolate treatment are examples of how we intend to go about this and produce even more impressive results in the coming years.

Additionally, we are striving proactively to encourage dialog with public authorities to help develop economically viable and environmentally sustainable alternatives for issues such as sanitation and solid waste with the objective of guaranteeing the success of the National Solid Waste Policy.

Celebrating our first five years of life and our many achievements to date, we can look to the future and state with conviction that this is only the beginning.

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and Wagner Queiroz

PRINTING

D'Lippi.Print - FSC certified print shop

PRINT RUN

1.300 exemplares

Our thanks to all Solví employees – especially those directly involved in providing information, data and photos – for their help and support in the production of this Annual Report.