



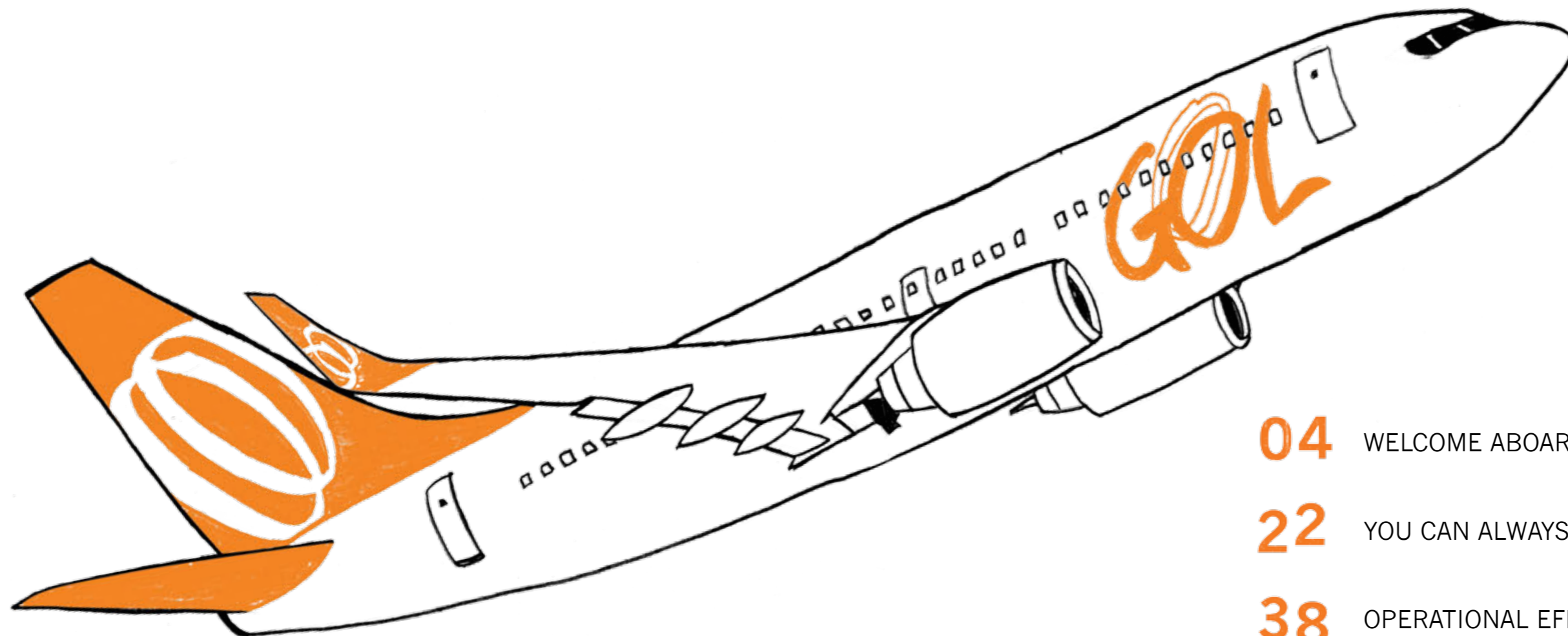
# SUSTAIN → ABILITY REPORT



2010



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**« FLYING  
WITH GOL IS  
AWESOME AND  
IS ALREADY  
PART OF MY  
LIFE »**

Wanderson C. de Oliveira

facebook

**WELCOME  
ABOARD**





**NET OPERATING REVENUE OF R\$ 6,979.5 MILLION, 15.8% UP ON 2009.**

**AVERAGE LOAD FACTOR OF 67.1%, 3.5% HIGHER THAN IN 2009.**

**OPERATING INCOME OF R\$ 697.8 MILLION, WITH A MARGIN OF 10.0%, VERSUS R\$413.3 MILLION IN 2009.**

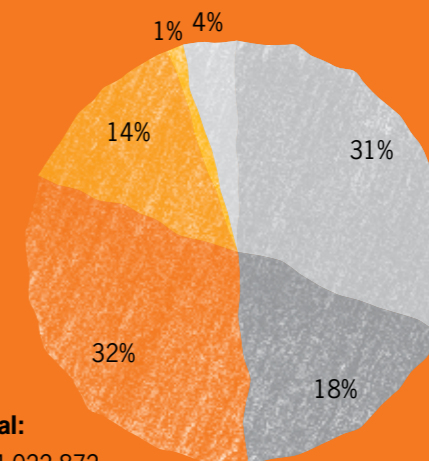
**TOTAL CASH (CASH AND SHORT-TERM FINANCIAL INVESTMENTS) CLOSED THE YEAR AT R\$1,978.6 MILLION, CORRESPONDING TO 28.3% OF ANNUAL NET REVENUE.**

**SUCCESSFUL DELEVERAGING OF THE BALANCE SHEET AND EXTENSION OF THE DEBT PROFILE.**

**VALUE ADDED  
DISTRIBUTION**

(in 2010)

[GRI EC1]



**Total:**  
R\$ 4.022.872

- Employees
- Government
- Creditors
- Leaseholders
- Shareholders
- Reinvested



## JANUARY

- First Air France code-share flight, from São Paulo to Brasília.
- Launches the *Memória* Portal, retelling the history of GOL.
- Launches iPhone check-in application.

## FEBRUARY

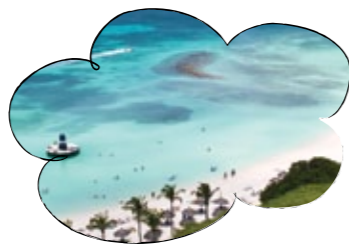
- Inaugurates flights to Bauru, in the interior of the state of São Paulo.
- Announces interline agreement with Taca Peru.
- Partnership with Hipercard for ticket payment in installments.
- Transports 117,543 passengers on Carnival Friday, a new record.
- Develops own Aircraft Maintenance Waste Management Program.

## MARCH

- Concludes expansion of the Aircraft Maintenance Center, in Confins, Minas Gerais.
- Discloses new tariff framework, with four options for clients and two exclusively for travel agents.
- Announces payment of dividends and interest on equity.
- Receives award for Best Management in the Aviation Sector from *Euromoney* magazine.

## APRIL

- Begins regular flights to Punta Cana, in the Dominican Republic, in the Caribbean, under the Varig brand, with Comfort Class and differentiated services.
- Receives Best Corporate Governance and Best Investor Relations Website awards from IR Global Rankings 2010, the 12<sup>th</sup> edition of these awards.
- Presents request to implement a code-share agreement with Delta Air Lines.



## MAY

- Announces interline agreement with InselAir, in Curaçao, in the Caribbean.
- Closes interline agreement with China Air Lines, based in Taiwan, China.
- Joins Abraba (Brazilian Aviation Biofuels Alliance), to promote initiatives to develop and certify sustainable aviation biofuel solutions.
- Begins training in the use of the GHG Protocol to control greenhouse gas emissions.
- In order to move ahead with the GHG Protocol project, starts the Sustainable Project Office to centralize all the

Company's sustainability initiatives and raise the awareness of its employees.

- Launches the *Chega Logo* (Get Here Soon) GOLLOG advertising campaign.



## JUNE

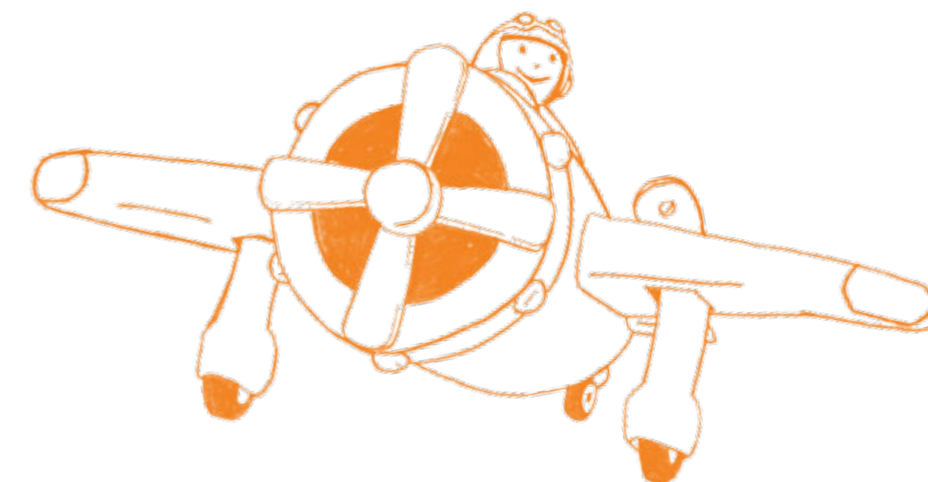
- Launches IR website totally integrated with the leading social media.
- Reaches the one million flight mark with FOQA (Flight Operations Quality Assurance), a safety system implanted in 2004.
- Becomes a full member of IATA (International Air Transport Association), whose members comprise around 230 airlines worldwide.
- Begins flights to Saint Marteen, in the Netherlands Antilles, in the Caribbean.
- Launches the Intern Program in order to identify and train future talents.
- Begins flights between Guarulhos international airport, in São Paulo, and Barbados, in the Caribbean, handled by Varig.

## JULY

- Launches the *Conhecimento GOL* Portal, through which employees can share informative material online.
- Ranked 50<sup>th</sup> among the 100 biggest companies in terms of market cap, 6<sup>th</sup> among the best transport companies and 53<sup>rd</sup> among the 200 private groups in Brazil, by *Exame Melhores e Maiores* magazine.
- Launches the "Give a different Father's Day present: yourself" campaign.
- Ranked 5<sup>th</sup> among the 50 most-mentioned companies and organizations by *Jornal Panrotas*.
- Launches new internal communications campaign focused on safety.

## AUGUST

- Promotes *Voo Solidário* (Solidarity Flight) in association with the Bauru municipal government to commemorate the city's anniversary.
- Receives the Best Company in the Transportation Service Sector award from *Isto É Dinheiro* magazine.
- Launches the *Vá de GOL e volte por R\$ 1* promotion, which allows passengers to purchase the return leg of their trip ticket for just R\$1.
- GOL records higher year-on-year first-half sales growth than any other airline.
- SMILES launches new



- buffet service in the VIP room for international flights in Guarulhos airport, in São Paulo.
- GOL is ranked 75<sup>th</sup> among the 500 best companies in Brazil.
- GOLLOG adds six more franchises to its list of 80.
- Begins sales of flights to Montes Claros, in Minas Gerais.
- Launches the SMILES Powered by Hipxik on-line purchasing club, exclusively for the program's seven million members.

## SEPTEMBER

- The Technical Vice-Presidency and Operations Area launch the Instructors' Training Course.
- GOL establishes a partnership with NOAR Linhas Aéreas, in the Northeast of Brazil.
- Launches new brand positioning: "GOL. You Can Always Go Further".
- Begins receiving shared flights with American Airlines.

## OCTOBER

- GOLLOG inaugurates new cargo terminal in Congonhas airport, in São Paulo.
- Operational start-up of the Shared Services Area (DSC).
- Launch of the new Code of Ethics, which was distributed to all employees. It was also the topic of an e-learning course.

## NOVEMBER

- Announcement of flights to Jorge Newberry Airport in Buenos Aires, Argentina.

## DECEMBER

- For the second time, GOL was certified with the IOSA (IATA Operational Safety Audit) registration, the most important global safety assurance from the International Air Transport Association (IATA).
- Announcement of the commercial agreement with Passaredo Linhas Aéreas.

# ABOUT the REPORT

[GRI 3.1/3.2/3.3/3.6/3.7/3.10/3.11]

In 2010, for the first time, GOL Linhas Aéreas Inteligentes has prepared its Annual Sustainability Report based on Global Reporting Initiative guidelines, an international standard for reporting economic, social and environmental performance. By adopting these parameters, GOL is ensuring that its accountability with its various stakeholders is reinforced by added transparency and credibility. The new criteria also allow for international comparisons between different years and companies, and provide the company with yet another initiative to further strengthen its brand image.



The GRI standards also constitute an important step towards managing sustainability within GOL, as their adoption involved representatives from many different areas in the collection and auditing of information, and even in the creation of new procedures for monitoring indicators, as part of a continuous learning and improvement process.

The information contained in this report encompasses the Company's activities in Brazil, through its six administrative units and 53 bases in national airports. The indicators do not include data on international airport facilities, although the content does address GOL's operations in other countries. The report is published annually and this edition covers the period between January 1 and December 31, 2010.

Given its scope, the publication falls into level B+ of the GRI framework, where levels A, B and C refer to the number of indicators reported. GOL responded to 42 mandatory profile indicators, in addition to 51 performance indicators, 20 of which are mandatory, including at least one from each of the following categories: Economic, Environment, Labor Practices and Decent Work, Human Rights, Society and Product Responsibility. It also supplied information on how the indicators in each category are managed.

This report in PDF format was compiled in Portuguese and English and is available on GOL's Investor Relations website: [www.voegol.com.br/ri](http://www.voegol.com.br/ri).

At the end of this document there is a specific index to help locate the responses to the GRI indicators, with the chapter and the number of the pages where the information can be found.

		C	C+	B	B+	A	A+
MANDATORY	SELF-DECLARED		REPORT EXTERNALLY ASSURED				REPORT EXTERNALLY ASSURED
	THIRD-PARTY CHECKED						
OPTIONAL	GRI CHECKED						REPORT EXTERNALLY ASSURED

## SELECTION AND ENGAGEMENT OF STAKEHOLDERS

[GRI 3.5/4.14/4.15/4.16/4.17]

When GOL began to prepare the Sustainability Report, it conducted an electronic survey of its stakeholders on the topics to be addressed to identify the degree to which each group is interested in each issue.

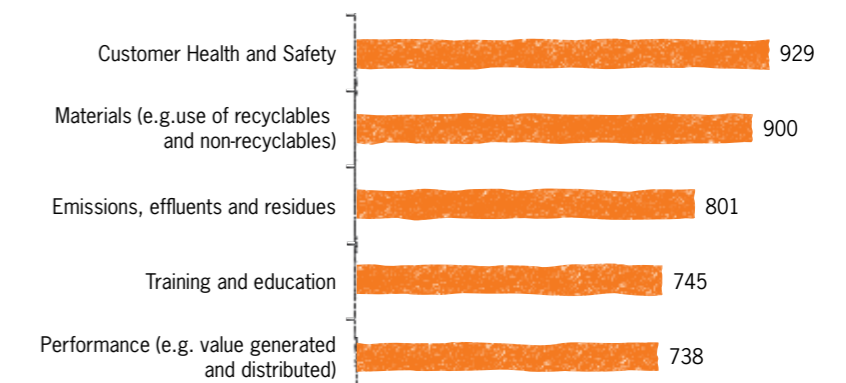
Prior to this, the Company's Social Responsibility area, responsible for developing the Report, carried out an analysis of which stakeholders should be chosen and the possibilities and technical limitations of implementing a survey in the first year of adopting the GRI guidelines. The following groups were included in the analysis: direct and outsourced employees; individual and corporate clients; civil society; social, environmental and sector-specific organizations, including NGOs; unions; and companies with whom GOL maintains strategic alliances. After examining the results, four stakeholder groups were selected: employees, investors, suppliers and clients.

The stakeholder survey involved 2,488 people, who could choose five of the 34 major aspects covered by the GRI performance indicators. The main topics of general interest were, in decreasing order of importance: 1) Customer health and safety; 2) Materials (environmental aspects); 3) Emissions, effluents and waste; 4) Employee training and education; and 5) Economic performance.

The main subjects of interest are addressed throughout this Sustainability Report. Our challenge for the future is to improve our initiatives and show our stakeholders that we are achieving an increasingly consistent performance regarding these issues.

Following the same logic as the questionnaire, which required participants to select five of the 34 items, the results are presented from the point of view of the five most important topics overall and in each participant category.

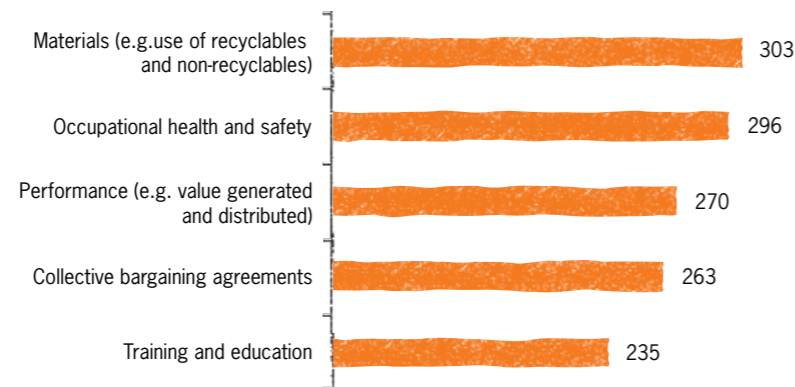
### MAIN TOPICS SELECTED BY STAKEHOLDERS



**SEE BELOW HOW THE QUESTIONNAIRE WAS CONDUCTED AND THE MAIN RESULTS OBTAINED FROM EACH GROUP OF STAKEHOLDERS.**

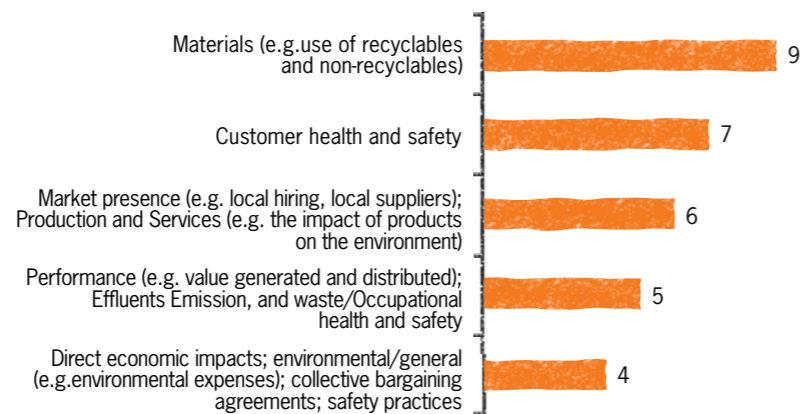
**EMPLOYEES:** All those with access to the Company's Corporate Portal (Intranet), including interns and apprentices, could take part by filling in a Standard Online Form developed exclusively for the survey and published on the Portal. A total of 721 employees answered the questionnaire.

**MAIN ISSUES  
SELECTED BY  
EMPLOYEES**



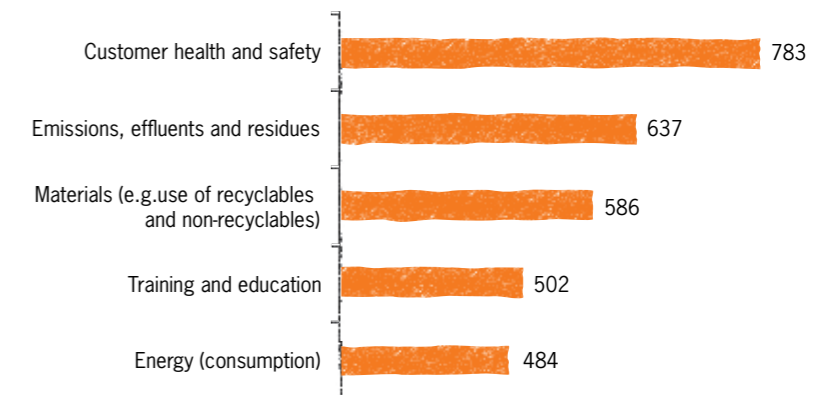
**SUPPLIERS:** The Company distributed a printed questionnaire to 48 suppliers who were participating in a sustainability-related event and some filled in the Standard Online Form. Nineteen suppliers answered the questionnaire.

**MAIN ISSUES  
SELECTED BY  
SUPPLIERS**



**CLIENTS:** Customers who flew with GOL in the third quarter of 2010 were selected from the Gold and Diamond categories of the SMILES client base. Customers with this profile have strong relations with the Company, and the period chosen includes trips in both high and low seasons. A marketing e-mail was sent to 4,600 of these customers, 1,728 of whom answered the questionnaire.

**MAIN ISSUES  
SELECTED BY  
CLIENTS**



**INVESTORS:** The Investor Relations area sent an e-mail inviting investors to participate in the survey through an electronic spreadsheet in Excel format. Twenty investors answered the questionnaire.

**MAIN ISSUES  
SELECTED BY  
INVESTORS**





## IN 2010, GOL SOUGHT TO STRENGTHEN ONE OF ITS MAIN QUALITIES: INNOVATION.

It launched a mobile check-in service, concluded the expansion of the Aircraft Maintenance Center (the biggest in Latin America), launched the Buy on Board service, and revamped the SMILES program, among numerous other initiatives.

Even though innovation is behind these great achievements, we think the term does not only mean proposing something new, but also doing something that already exists in a different and more accomplished way. And this is only possible if we put ourselves in the place of our customers, employees, investors and other stakeholders, in everything we do. That's how GOL works: it puts itself in your position, seeks to anticipate your wishes, and then does everything to fly to new heights.

With this spirit, in 2010 we launched the communication campaign "GOL. You can always go further", which expresses our brand positioning and sums up our commitment to innovation by introducing new services, using technology to make traveling easier, and finding ways of forging even stronger relations with our passengers.

Throughout 2010, we also strove to go further with our results, achieving a steady growth trajectory based on our operating efficiency, low-cost, low-fare philosophy, focus on the Brazilian market and safety priority.

With the same drive we had in our initial operations, popularizing the domestic aviation market and helping people realize their dream of flying, we increased our contribution towards democratizing air transport in Brazil and South America, expanding our Brazilian route network with new destinations such as Bauru, in São Paulo, and Montes Claros, in Minas Gerais, and inaugurating flights to Barbados, in the Caribbean, among other advances.



**90.000** PASSENGERS  
TRANSPORTED PER DAY  
**900** DAILY FLIGHTS



We closed the year with exceptional numbers: 90,000 passengers transported per day, 900 daily flights, 53 domestic bases and 14 international bases. The demand of the domestic aviation industry increased by 23.5%, the biggest annual upturn in the last five years, attesting to the excellent period for the aviation sector, exemplified by the recovery of the Brazilian economy and the growing share of the emerging middle class.

To ensure enduring growth, GOL invested even more to ensure sustainability, an issue the Company takes very seriously. For GOL, being sustainable is making sure that the business continues for countless years, with health and profitability, and, above all, respect for its stakeholders. This includes planning and executing initiatives of social and environmental responsibility, investing in ethical and transparent relations, using new technologies in an intelligent and efficient manner, and contributing to society as a whole.

One of the 2010 highlights is the publication of this Sustainability Report, which for the first time has been based on GRI guidelines. This project was treated with the utmost seriousness by all those involved in gathering information and preparing the document, and with this we learned a great deal about our processes and sustainability management.

We expect to reap the first fruits of our efforts to improve our sustainability practices in 2011, when GOL completes ten years of operations. We also believe the Company will achieve excellent results based on a year when our increasingly analytical work was primarily focused on ensuring the consistency and maturity of everything GOL represents and does.

*Constantino de Oliveira Junior, CEO*



# MISSION, VISION and VALUES

[GRI 4.8]

## MISSION

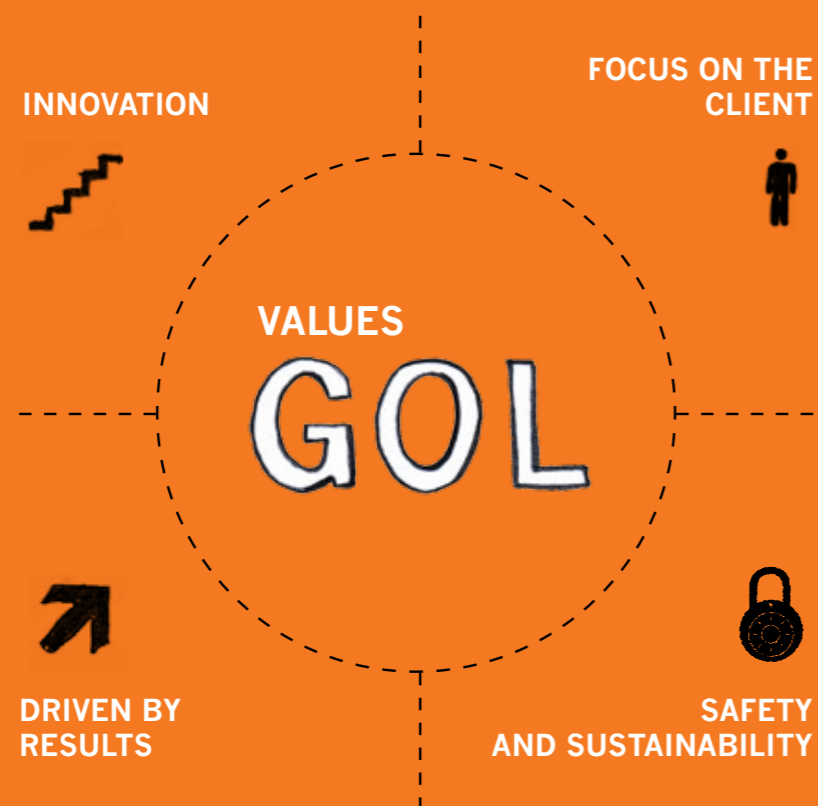
To bring people together with safety and intelligence.

## VISION

To be the best airline to travel on, work for and invest in.

## VALUES

- Safety
- Focus on the client
- Innovation
- Driven by results
- Sustainability



# PROFILE

[GRI 2.1/2.2/2.3/2.4/2.5/2.6/2.7/2.8/2.9]

## GOL LINHAS AÉREAS INTELIGENTES S.A. WAS FOUNDED IN 2001 AND IMMEDIATELY TOOK ON THE CHALLENGE OF REVOLUTIONIZING AIR TRANSPORT IN BRAZIL AND SOUTH AMERICA.

This was achieved by democratizing and popularizing air transport through the introduction of a new way of flying – simple, affordable and reliable. As a result, more than 10 million people had the opportunity to fly for the first time in their lives.

Making air transport affordable by offering lower fares was only possible thanks to a growth strategy focused on a low-cost structure and high-class customer service. This strategy led GOL to create the VOE FÁCIL program, through which customers could purchase their tickets in up to 36 monthly installments.

Since it started operating, GOL has transported 160 million passengers and has gained a market share of almost 40%. At the end of 2010, it had more than 18,000 employees distributed among six administrative centers (São Paulo/Congonhas, Tamoios, Chucri Zaidan, Paulista, Santo Amaro and Pedro Bueno), 67 bases in national and international airports, the Congonhas Cargo Terminal, and the largest Aircraft Maintenance Center in Latin America.

The Company's young, modern and standardized operational fleet composed of 114 Boeing 737s, the safest and most comfortable aircraft in its class, boasts exceptionally high utilization and efficiency rates, operating approximately 900 daily flights to 67 national and international destinations in South America and the Caribbean. The fleet also includes four Boeing 767s, which were used for charter flights in 2010.

The Company's business expansion received a major boost from the acquisition of VRG Linhas Aéreas S.A. in 2007, which increased operational penetration and strengthened GOL's presence in strategic destinations used mainly by business travelers. The acquisition also involved the SMILES mileage program, which not only increased the Company's penetration in this segment's client base, but also expanded its share of slots (landing and takeoff authorizations) at Congonhas Airport from 27% to 48%.



Over its ten-year history, GOL has always sought to innovate, and one of the ways it has done so has been through extensive use of technology. The Company revolutionized the Brazilian civil aviation industry by conducting most of its sales through the internet and introducing the smart online check-in concept, in addition to being the first local airline to allow check-in by mobile phone.

With a business model that prioritizes innovation, high-quality services, technology and, above all, safety, GOL is maintaining its strategy of gaining market share by attracting new passengers from Brazil, South America and the Caribbean, as well as diversifying its revenue sources through its consolidated route network, complete up-to-date fleet, target marketing and strong brands – GOL, VARIG, SMILES, VOE FÁCIL and GOLLOG.

**WHAT YOU SHOULD KNOW ABOUT GOL**

**FLIGHT MANUAL 2010**



- Dominant position in Brazil's leading airports.
- Nine years of operations in 2010.
- Fleet of 114 aircraft, including Next Generation B737 700s and B737 800s, as well as B767s.
- 53 domestic destinations/53 bases in national airports.
- 14 international destinations/14 bases in international airports in Argentina (four), Bolivia, the Caribbean (three), Chile, Colombia, Paraguay, the Dominican Republic, Uruguay and Venezuela.
- 900 daily flights.
- Six administrative units in São Paulo, including the Company's headquarters next to Congonhas Airport.
- Cargo terminal in Congonhas Airport in São Paulo.
- Built and maintains the largest Aircraft Maintenance Center in Latin America.
- Five strong brands: GOL, VARIG, GOLLOG, SMILES and VOE FÁCIL.
- SMILES: GOL's mileage program.
- Focus on short-haul flights (90% of all flights last for two hours or less).

**STRATEGIES and COMPETITIVE ADVANTAGES**

[GRI 1.2]

In order to maintain the sustainability of its growth path, GOL strives to take advantage of its most defining attributes, leveraging its most positive features and exploring new opportunities. The Company's strategic positioning has allowed it to obtain distinct competitive advantages in the eyes of its stakeholders.

**STRATEGIES**

- To take advantage of its strong market position in Brazil and Latin America.
- To increase operational efficiency.
- To strengthen its liquidity and cash position.
- To stimulate demand.
- To expand the customer base.
- To establish and increase its ancillary revenues (from businesses such as GOLLOG and VOE FÁCIL, among others).

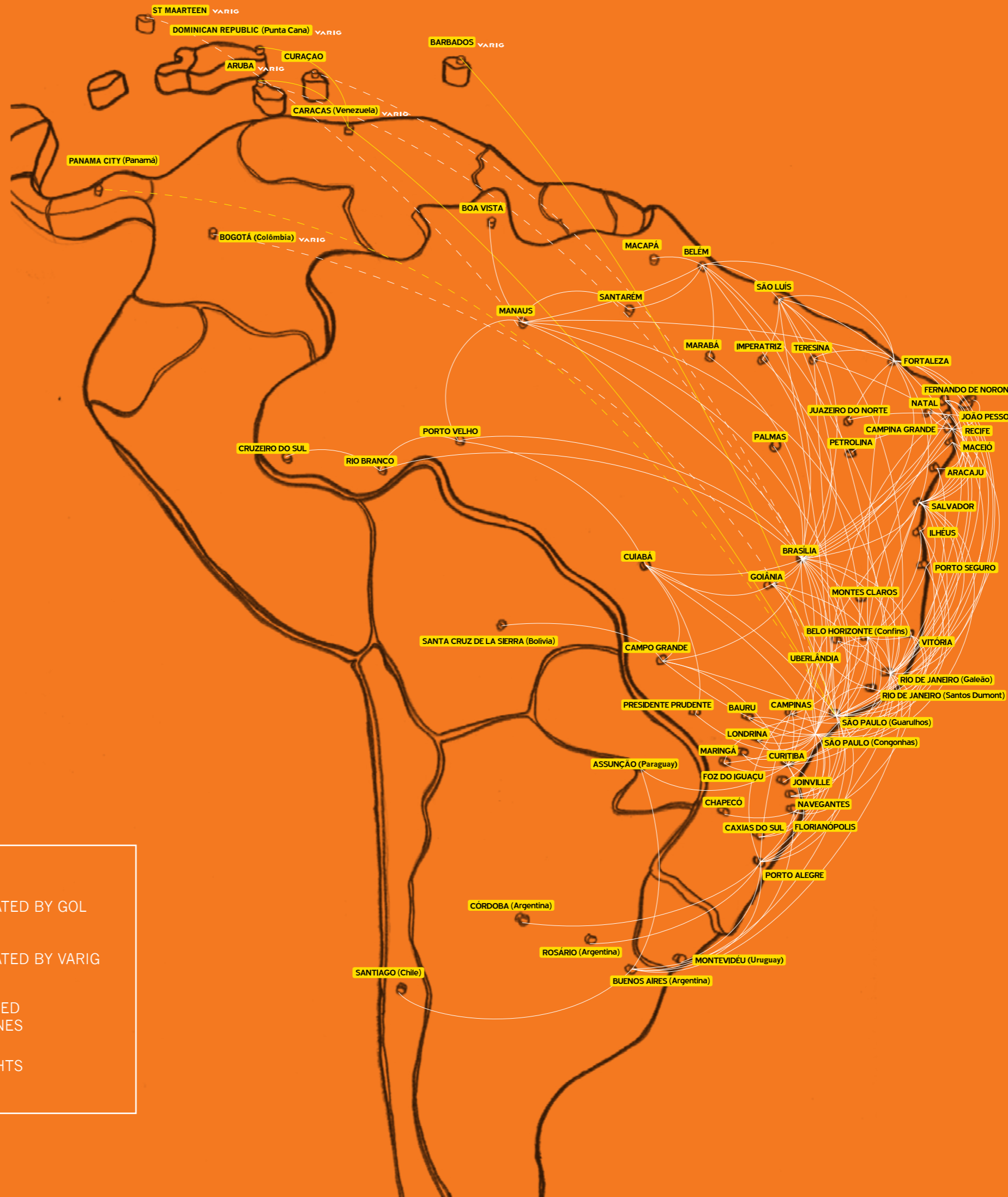
**COMPETITIVE ADVANTAGES**

- Strong market position based on slots at Brazil's leading airports.
- Household-name brand.
- Low operating costs combined with a new and standardized fleet and high-tech maintenance.
- Creates demand for air travel.
- One of Brazil's leading e-commerce companies.
- Innovative and flexible payment methods.
- Experienced management.
- High corporate governance standards.
- Strong liquidity and cash position.
- Smiles: GOL's mileage program.

One of Brazil's leading e-commerce companies.

# GOL'S DESTINATIONS 2010

[GRI 2.7]



	ROUTES OPERATED BY GOL
	ROUTES OPERATED BY VARIG
	ROUTE OPERATED BY COPA AIRLINES
	CHARTER FLIGHTS

**«THANKS FOR  
YOUR INCREDIBLE  
AND SUCCESSFUL  
PROMOTIONS AND EVERY  
TIME YOU HAVE ONE, YOU  
CAN BE SURE I'LL BE  
FLYING WITH GOL»**

Robert Junio

facebook

**YOU CAN ALWAYS  
GO FURTHER**



## A NEW CAMPAIGN on AIR



### IN SEPTEMBER 2010, GOL LAUNCHED AN INSTITUTIONAL CAMPAIGN INSPIRED BY THE CONCEPT “IMAGINATION” UNDER THE SLOGAN “GOL. YOU CAN ALWAYS GO FURTHER”.



The message reflects the brand's positioning and the Company's efforts to establish closer relations with its customers, in addition to exploring the creative, modern and innovative side of the GOL brand.

The film produced for the campaign portrays one of the brand's most distinguishing attributes, innovation, in a playful way. The purpose of the Company and the advertising agency AlmapBBDO was to show that imagination and intelligent, pioneering solutions have always been part of the Company's DNA, exemplified by services allowing passengers to check-in via the Internet from anywhere through their computers, iPhones, other mobile phones and self-service totems.

In addition to being transmitted on the major broadcast and cable TV channels, the new campaign ads appeared in magazines, on the Internet, in on board media, on YouTube and on Elemidia screens in office building elevators, and a 60-second 3D film was shown in movie theaters. The campaign was also launched in Argentina, the Company's largest international market.

Aiming to highlight its attributes and pioneering services, GOL divided the campaign into three major areas – institutional, mobile check-in and the SMILES relationship program – each of them focusing on areas considered as strategic by the Company. The mobile check-in film, for example, highlighted the ease with which customers can check-in no matter where they are, while the SMILES commercial focused on the possibility of redeeming miles and issuing tickets in just 90 minutes. The entire campaign was designed to strengthen GOL's brand and its market differentials and it has been very successful.

### EMPLOYEES RECEIVE CAMPAIGN PREVIEW

Before the market launch of the new campaign, the Company made sure its employees received a preview on the Intranet. It also gathered together top management from the airports and the Customer Relationship Center, as well as flight crew members and administrative staff at Congonhas headquarters to present the brand positioning.

At the meeting, held in São Paulo, GOL explained that positioning is the way in which the Company wants to be perceived by the market, reinforcing the importance of having the entire team aligned with the spirit of innovation and the friendliness, warmth and reliability the Company wishes to convey at all times.

All those who attended the event were the first to watch the films of the advertising campaign that would be officially launched a few days later. The leaders were given guidelines for passing on the information to their teams and engaging them in putting the campaign's essence into practice.

### WATCH THE VIDEOS



**IMAGINATION. OUR MAIN ATTRIBUTE:**  
[http://www.youtube.com/watch?v=YiIBNGro\\_ac&feature=player\\_embedded](http://www.youtube.com/watch?v=YiIBNGro_ac&feature=player_embedded)



**GOL. YOU CAN ALWAYS GO FURTHER:**  
[http://www.youtube.com/watch?v=qxaVISI3WiQ&feature=player\\_embedded](http://www.youtube.com/watch?v=qxaVISI3WiQ&feature=player_embedded)

**ALWAYS  
CONNECTED to  
ITS CUSTOMERS**

## **GOL IS FULLY AWARE OF THE IMPORTANT ROLE THE INTERNET PLAYS IN OUR LIVES NOWADAYS.**

More and more people are using it to keep abreast of what's happening in Brazil and around the world, communicate with their family and friends or simply enjoy a few moments of relaxation. It is also a useful means of comparing prices before making a purchase, not to mention a powerful tool for those who need to manage their time better.

With this and other features of the Internet in mind, GOL has invested substantial amounts in technology, aiming to streamline the way in which the Company communicates with and provides services for its customers.

### **NEW VOEGOL.COM.BR**

Anyone who has ever visited GOL's website knows that finding your way around is both intuitive and easy. You will soon find the information you need and make the purchase you want. But the Company decided to go further and overhaul its website in order to boost Internet sales and strengthen its brand.

Purchasing procedures, which were already easy, were made even simpler, and the information on the service and the various stages of online sales were made even clearer and more comprehensive.

In addition, the GOL, VARIG, SMILES, VOE FÁCIL and GOLLOG brands, some of which had separate electronic addresses, are now grouped together on the same site, which has the added attraction of showcasing market recognition of the Company's strong brands. The new website also streamlines registration of the different brand's customers, helping consolidate a single database.

Investing in the improvement of Internet tools is strategic for GOL which, in 2010, created an Internet Center divided into B2B (business to business) and B2C (business to consumers), which will begin operations in 2011. The idea is to leverage results from this channel, which is essential for GOL's business, especially given the huge concentration of online sales.



### **WATCH THE VIDEOS**



**FOR EVERY CUSTOMER, THERE IS A SPECIFIC TYPE OF CHECK-IN. FIND OUT YOURS.**

[http://www.youtube.com/watch?feature=player\\_embedded&v=S1cflObQbws](http://www.youtube.com/watch?feature=player_embedded&v=S1cflObQbws)



**HAVE YOU EVER IMAGINED CHECKING IN WHEREVER YOU ARE? GOL HAS.**

[http://www.youtube.com/watch?v=tf\\_bn0HKdQk&feature=player\\_embedded](http://www.youtube.com/watch?v=tf_bn0HKdQk&feature=player_embedded)

### **ONLINE CHECK-IN**

GOL was the first airline to eliminate traditional printed tickets and launch mobile check-in. This means that, in addition to the baggage counters and self-service totems available in 20 airports, customers can now also check-in online, via a PC or mobile phone.

In 2010, the Company became the first Brazilian airline to provide check-in via iPhone, with the launch of a specific GOL application for this type of device. Using this mobile technology, passengers without luggage can check-in for domestic flights, choose their seats, credit SMILES miles and also receive a boarding pass.

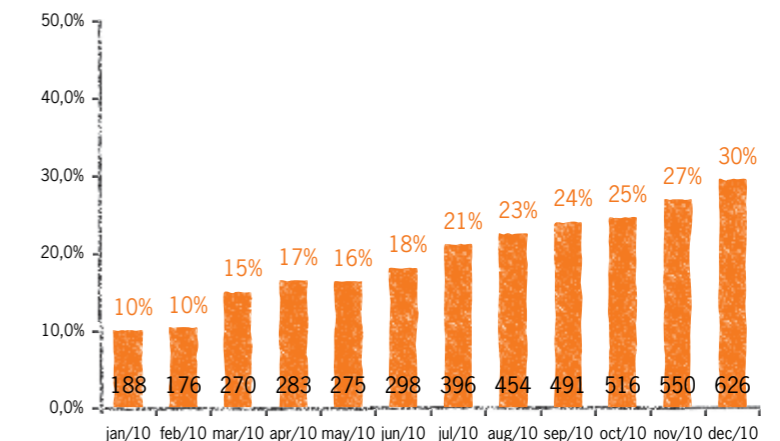
iPhone users can download the GOL application from Apple's virtual store. After that, all they have to do is type in the code they received when they purchased their ticket and the necessary documentation data (in addition to the SMILES number, if they participate in the program). Once check-in is complete, customers receive a boarding pass with a 2D bar code, which can be read by GOL's self-service equipment located near the boarding gates.

Customers can check-in via their iPhone between 24 hours and 90 minutes before their flight time. The service is available for flights leaving the following airports: São Paulo (Guarulhos and Congonhas), Rio de Janeiro (Galeão and Santos Dumont), Brasília, Belo Horizonte (Confins), Campinas, Florianópolis, Recife, Natal, Porto Seguro and Goiânia.

### **ELECTRONIC CHECK-IN PROFILE**

Thanks to investments in remote services, in 2010, around 4.5 million customers avoided the queues at the Company's check-in counters – corresponding to 150,000 service hours – and the off-counter service increased from 10% to 30% of total customers.

### **OFF-COUNTER SERVICE IN 2010** (thousands of customers)





## ON BOARD SALES

At the end of 2010, GOL's on board sales were present on more than 80 flights lasting longer than 75 minutes. Launched in 2009, this service allows passengers to choose their own menu, including sandwiches, snacks, chocolate, and alcoholic and non-alcoholic beverages, among other options.

The free on board service remains the same, which means that, even if passengers choose to buy products, they still have the right to receive the free items. The idea is to offer customers something new, as well as a wider variety of food items at attractive prices.

This initiative arose from client satisfaction surveys, which indicated a clear desire for a wider variety of food items on our flights. The Company then sought solutions that would meet these expectations without the need to increase fares. One of the factors that led the Company to choose the on board sales model was the wide acceptance of this type of service among European and American passengers.

The service is now available on some daily flights leaving from Guarulhos International Airport in São Paulo, Recife, Porto Alegre, Belém, Fortaleza, Brasília, Salvador, Natal, Rio de Janeiro (Tom Jobim and Galeão Airports) and Foz do Iguaçu, and the Company plans to expand it to other parts of the network.

When purchasing a ticket online, customers are informed if on board sales are available. Additionally, the service is offered at check-in and is announced by the flight crew, if available. Passengers can opt for the service during the flight, paying cash (in domestic currency – Brazilian Real). In order to conduct the operation in accordance with the highest safety and quality standards, GOL segmented the duties of the flight attendant teams and trained the crew on how to offer the new service.

On board sales underline GOL's flexibility, service management skills, market awareness and concern about making the flying experience more inclusive.

## SMILES MAKES IT EASIER TO REDEEM MILES AND ISSUE TICKETS

In 2010, GOL invested in a new technological platform to store the SMILES database and the database of the Company's other programs. Safer and more modern, the Siebel system (Oracle) allows the storage of more comprehensive information and allows users to view valuable data on customer profiles and behavior.

With broader and more accurate information on its customers, GOL is now better equipped to develop targeted marketing and communications campaigns, with offerings tailored to meet the needs of each consumer group, thereby optimizing investments in communications and leveraging results.

More than just contributing to the Company's sales strategy, the new system has made SMILES, which has more than 7.5 million registered participants, more flexible. It is now possible to redeem miles and issue tickets up to 11 months in advance and up to 90 minutes before the flight, allowing passengers to program their trips with ease and convenience. Customers can also redeem mileage as soon as they reach 1,000 miles, allowing them to benefit from the program more quickly.

To take part in the program, customers have to fill in a form on the Company's website. Subsequently, miles are accrued every time they fly with GOL, VARIG or the Company's other partner airlines, or when they purchase products or hire services from non-airline program partners, in Brazil and abroad.

Current SMILES partners include companies from several different sectors, including hotel chains, car rental firms, restaurants, insurance companies, publishers, educational institutions, telecommunications companies and the leading banking institutions and credit card administrators. It also offers a longer miles validity period than any other program in the Brazilian market.

Today, GOL has code-share agreements that allow SMILES to interact with the mileage programs of American Airlines, Delta Air Lines, Air France-KLM, Iberia and AeroMexico, some of which are in the implementation stage. As a result, SMILES participants can fly to destinations around the globe.



**THE COMMUNICATION AND MARKETING AREAS OPERATE SYNERGICALLY SO THAT EVERYTHING THAT IS DISCLOSED TO GOL'S DIVERSE STAKEHOLDERS IS IN TUNE WITH THE COMPANY'S IDENTITY AND POSITIONING.**

In 2010, several initiatives were adopted to make the Company's communication even more effective and strategic, whether with employees, the press, users of social media or customers. Some of these initiatives are listed below.

**LAUNCH OF THE MEMÓRIA PORTAL**



In 2010, the Documentation and Memory Center launched the *Memória GOL* (GOL Memory) website ([www.voegol.com.br/memoria](http://www.voegol.com.br/memoria)), with historical content created by the area in order to bring the Company even closer to its external stakeholders, including researchers, students, customers and aviation enthusiasts, and help document the history of Brazilian commercial aviation.

On the website homepage, the first surprise: a reproduction, furnished by the São Paulo Planetarium, of the Brasilia sky when GOL's first flight took off, on January 15, 2001.

Browsing is inspired by the cockpit of a Boeing 737-800NG aircraft. By moving the thrust lever forwards or backwards, users can choose which year they wish to view.

The website presents GOL's history through a detailed timeline, with statistical data and information on awards, social responsibility and the Company's technological innovations, as well as photographs of each aircraft flown, by GOL and VARIG, and a fully digitalized collection of the on board magazine. Past Annual and Sustainability Reports, a list of GOL's national and international destinations, the meaning of certain aviation acronyms and even the phonetic notation used by the industry are also available.

The Documentation and Memory Center was created by GOL in 2003. In addition to centralizing the management and preservation of the Company's documents, it helps construct an institutional identity on solid references. Currently the Center's archives contain around 84,000 documents, allowing it to act as an information center, hold exhibitions and provide services to customers, researchers and companies.

**LAUNCH OF A MAGAZINE FOR EMPLOYEES**

GOL does everything possible to improve the dialogue with its 18,000-plus employees distributed across Brazil and other Latin American countries. In this context, one of its most recent initiatives was the creation of a specific publication geared towards its workforce, with a print run of 20,000 copies.

Published every two months by the Corporate Communications area, it is distributed in the Company's administrative headquarters, at all the national and international bases, in the Call Center and in the flight crew areas in Congonhas and Guarulhos airports, in São Paulo.

The publication seeks to build greater internal unity and consolidate the GOL culture among professionals from several different companies, reinforcing its values and the alignment of its corporate discourses.

*Conexão GOL* (named by the employees themselves following a contest) features relevant stories and information on the operations and procedures of the Company's different areas, human resources policies, current and future projects, and sections containing personal stories and trivia.

The magazine will have a total of 12 sections, distributed into 24 pages in A4 format. The first section is called "*Plano de Voo*" ("Flight Plan"), and features a message from the CEO. The "*Janela*" ("Window") section will cover the daily routine of a given employee, while the "*Repórter Aéreo*" ("Air Reporter") section promotes the exchange of experience between people from different areas.

GOL's Internal Communications area also maintains a comprehensive corporate portal on the Intranet, where employees can find a wide range of content, including news, reports, a huge database and specific channels to contact the Company's various operational areas.



**MAIS PRÓXIMOS, MAIS GOL (THE CLOSER WE ARE, THE MORE WE ARE GOL)**

This was one of the main internal communications campaigns in 2010. The idea was for this team spirit to underpin all the work developed during the year. Through posters, screen savers and e-mails, the Communications area published examples of teamwork that helped the Company go further.

The initiative also included assembling a jigsaw puzzle with the help of employees at the Congonhas, Paulista and Chucru Zaidan headquarters. The groups were encouraged to help each other complete the puzzle, thus unveiling the message "Together we can turn GOL into the best airline to travel on, work for and invest in."

The topic was also chosen as the theme for a management meeting held in early 2010 and focused on aligning the year's strategies. At the meeting, the CEO, Vice-Presidents and the keynote speaker, Bernardo Rocha de Rezende – the volleyball coach known as Bernardinho – reinforced the importance of integration and alignment between different areas in order to fulfill the Company's strategic guidelines.





## CREATION OF THE SOCIAL MEDIA CENTER

In 2010, the Communications and Sustainability area created the Social Media Center, in order to ensure more consistent involvement in relationship networks. The Center's initiatives included the September launch of the <http://blog.voegol.com.br> blog and the expansion of the Company's relationship network through Facebook, Twitter, Flickr and Youtube.

In addition to establishing relationships through these media, the communication strategy involves monitoring everything that is said about GOL on the social networks, allowing the Company to meet demands and respond to questions and complaints more promptly.

## BLOGGERS VISIT THE MAINTENANCE CENTER

The Communication department organized a visit to GOL's Aircraft Maintenance Center (CMA) in Confins, Minas Gerais, for bloggers who write about travel and aviation.

The authors of the blogs "A Janela Laranja" ("The Orange Window"), "Cavok", "Viajando com Pimpolhos" ("Traveling with Kids"), "Eu Viajo com Meus Filhos" ("I Travel with my Kids") and "Coisas de Mãe" ("A Mother's Thing") had the opportunity to see at firsthand how the heavy maintenance of GOL and VARIG's aircraft is conducted and how the Company invests in safety and sustainability.

Walking around the Center's three hangars, the visitors followed the entire Boeing maintenance process, involving mechanical, electrical and fuselage work, cleaning, painting and the manufacture of seats and windows.

They could also bear witness to the Company's environmental commitment, by observing how most of the aircraft maintenance waste is treated or recycled in order to reduce the impact on the environment.

## MEDIA TRAINING FOR AIRPORT TEAMS

The airport teams are the main interface between GOL and its customers, and, due to the nature and location of their work, they are also a frequent media target. Consequently, the Communications and Sustainability area, in association with the Airport area, prepared a lecture program on the basics of communication for airport agents and leaders, preparing them for situations in which they have to deal with the media.

## NEW PRESS ROOM

In order to strengthen relations with journalists, in 2010, GOL launched the Press Room, a website where the Corporate Communications area publishes complete information on the Company, including up-to-date statistical data, press releases, announcements, a photo gallery, a commercial aviation glossary and a Q&A section.

The Press Room is part of the "Voe GOL" portal, but can also be accessed directly on [www.voegol.com.br/SalaImprensa](http://www.voegol.com.br/SalaImprensa). The tool, which is easy to access and search, is one more way of establishing transparent communications with journalists, who are one of GOL's strategic stakeholder groups.

## NEW SPONSORSHIP CRITERIA

[GRI PR6]

GOL has rethought its sponsorship and event policies to ensure alignment of the resulting initiatives with the Company's strategies. Sponsorships are now defined according to a "cause", which needs to be in synergy with the Company's DNA. According to the new criteria, the events and projects to be sponsored are those that support: 1) democratization; 2) team work; and 3) performance, three elements that are also fundamental to GOL's business. In 2011, all the projects will be selected based on these new criteria.

**The main projects sponsored by the Company, in 2010, are listed below:**

- **VERÃO SHOW GUARUJÁ 2010 (GUARUJÁ SUMMER CONCERT 2010):** A concert held during the summer vacation season at the Parque Guaibê Sports Gymnasium, in Guarujá, São Paulo, which proved extremely popular, thanks to the presence of popular artists like Ivete Sangalo and Victor & Leo, plus several other bands.
- **RIO WINTER FASHION 2010:** The 16<sup>th</sup> edition of the main fashion event in Rio de Janeiro, held in the port's dock warehouses and inspired by the city's selection to host the 2016 Olympics. Twenty-seven brands took part in the event, which had an exclusive GOL lounge.
- **BRAZILIAN VOLLEYBALL CONFEDERATION:** The Company sponsors the Brazilian Volleyball Confederation, thereby benefiting the men and women's national teams. It also supports the Mitsubishi Rally and, in 2010, sponsored one of the world's most important sailing competitions, promoted by the Rio de Janeiro Yacht Club, with the participation of renowned yachtsmen, such as Alan Adler, Torben Grael, Marcelo Ferreira, Robert Scheidt, Bruno Prada, George Szabo, Rick Peters (USA), Ross MacDonald

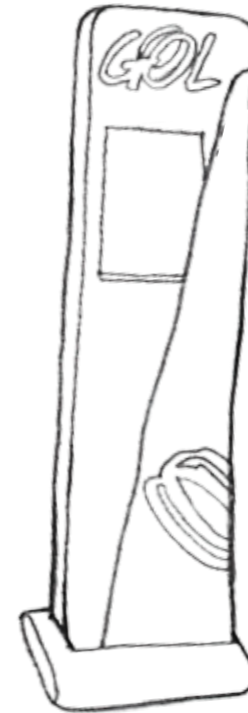
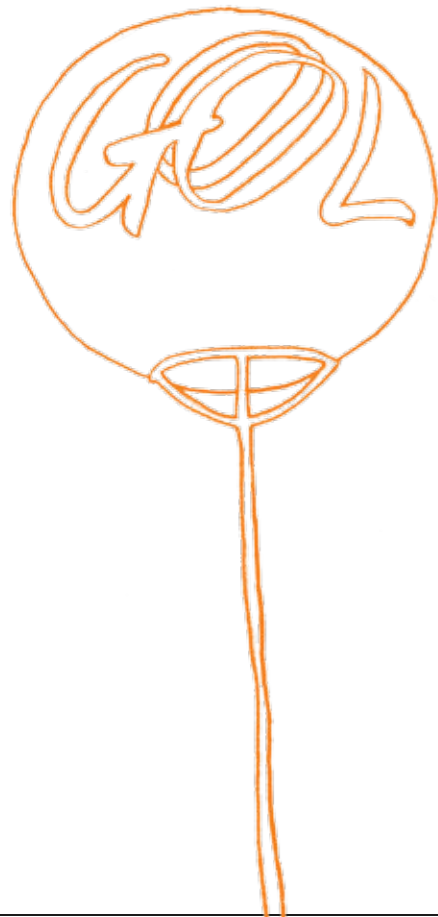




(Canada), Xavier Rohart (France), Iain Percy (England) and Fredrik Loof (Sweden). Other water sports like surfing and kitesurfing are also among GOL's targets.

- **BEYONCÉ'S BRAZILIAN TOUR:** Beyoncé Knowles, one of today's most popular singers, made her Brazilian debut in February 2010 as part of her "I am..." world tour. GOL transported the entire production team between the four cities where the concerts were held: Florianópolis (SC), São Paulo (SP), Rio de Janeiro (RJ) and Salvador (BA).
- **HSBC BRASIL CONCERT HALL:** Strengthening the partnership established in 2006 with the São Paulo concert hall, in April 2010, GOL sponsored a show by Banda Cine, which recorded its first DVD during the event. The band first became popular on the Internet, surpassing the mark of three million viewings on MySpace.
- **SÃO JOÃO FESTIVAL IN SÃO PAULO:** Festival held in the Anhembi *Sambódromo*, in São Paulo, with the presence of Elba Ramalho, Parangolé, Chiclete com Banana, Calypso, Falamansa and Zezé di Camargo & Luciano. At the GOL stand, customers received a 20% discount on any stretch flown in Brazil and abroad (except for Fernando de Noronha and the Caribbean, and operations shared with partner companies).
- **TELEFÔNICA SONIDOS FESTIVAL:** A festival held in September 2010 at the São Paul Jockey Club, uniting contemporary Latin American voices from different musical genres, ranging from rock to jazz, pop and rap, such as Ana Carolina and Chiara, Monobloco and Calle 13, Pablo Milanés and Maria Rita. SMILES mileage program participants received a 20% discount on their tickets.
- **BLACK EYED PEAS' BRAZILIAN TOUR:** GOL was the official carrier of the Brazilian stage of the Black Eyed Peas' THE E.N.D tour, transporting the entire production team between the eight cities where the concerts were held. With the well-known vocals of Fergie, the Black Eyed Peas are one of today's most successful bands, having sold more than 26 million albums worldwide, with popular hits like "Boom Boom Pow", "I Gotta Feeling" e "Imma Be".

With the new sponsorship criteria, effective as of 2011, GOL is seeking to promote its brand in a planned and consistent manner, by associating itself only with events, programs, institutions and projects that are aligned with its way of doing business.



<sup>1</sup> Except for the first consolidation of 2010 data, which referred only to May and June.

## CUSTOMER SURVEYS: A POWERFUL TOOL

[GRI PR5]

In order to find out what its customers really think about the quality of its services, in May 2010, GOL implemented the Post-Service Satisfaction Survey, conducted by Ibope Inteligência, a member of the Ibope (Brazilian Institute of Public Opinion and Statistics) Group. The survey consisted of telephone interviews with passengers who had traveled with GOL during the last month or who had received any service through the Company's contact channels in the last three months. The surveys are conducted, every month and the results are consolidated on a quarterly basis<sup>1</sup> enabling the Company to react rapidly, either through corrective measures or process improvements.

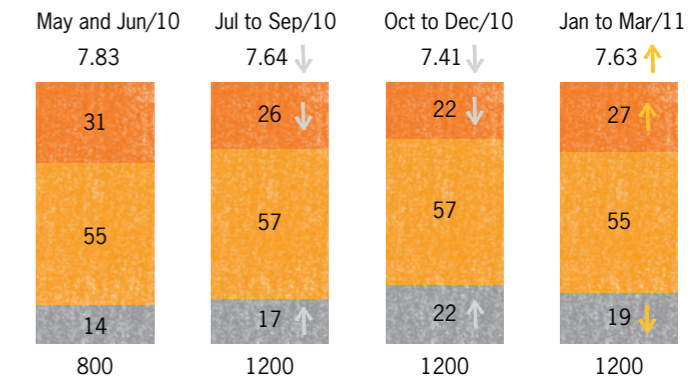
Around 3,600 interviews are envisaged per year, covering eight cities (São Paulo, Rio de Janeiro, Brasília, Porto Alegre, Curitiba, Salvador, Recife and Manaus) and ten airports in Brazil. In 2010, customer satisfaction averaged 7.62 points, representing an "indefinite" position regarding quality. The best result was recorded between May and June (7.83 points), while the worst was between October and December (7.41).

The survey allows the Company to verify the quality of items, such as food (regular and Buy on Board), hygiene and cleanliness, courteousness, check-in (over-the counter, via Internet or mobile phone, and through self-service totems), time spent waiting in the queue, baggage handling, departure lounge, punctuality, information given to passengers (safety rules, flight cancellations, schedule changes, and missing baggage), cards (SMILES and VOE FÁCIL) and service channels (store, dial-0300, dial-0800, Internet, chat and e-mail).

After receiving the consolidated data from Ibope, GOL identifies the items with the lowest score from customers and attempts to take corrective measures, which involves a joint effort from several departments. The score of 7.63 points in the first quarter of 2011 indicated a slight improvement over the previous year's average of 7.62. The Company's challenge is to continue improving its satisfaction ratings until it reaches the 9-to-10-point maximum.

### RESULTS FROM POST-SERVICE SATISFACTION SURVEY

(in 2010 and first quarter of 2011)



■ Completely satisfied (9 and 10 points)  
■ Indefinite (7 and 8 points)  
■ Dissatisfied (0 to 6 points)

**IN ADDITION TO GAINING THE TRUST OF ITS CUSTOMERS AND THE MARKET, IN 2010, GOL RECEIVED SEVERAL AWARDS AND RECOGNITIONS, ESPECIALLY FOR THE WAY IT CONDUCTS ITS BUSINESS AND THE WAY IT RELATES TO STAKEHOLDERS.**

Some of the most important are listed below:

- **2010 COMPANIES THAT MOST RESPECT CONSUMERS AWARD IN THE AIRLINES CATEGORY** – *Consumidor Moderno* magazine.
- **2010 BIGGEST AND BEST IN TRANSPORTATION AND LOGISTICS AWARD IN THE BEST PASSENGER AIRLINE CATEGORY** – *Transporte Moderno* magazine.
- **2010 NATIONAL TELESERVICES AWARD, IN TWO CATEGORIES: SERVICES (WITH THE CASE “GOL FOR THE CUSTOMER”) AND CUSTOMER COMMUNICATIONS (WITH THE CASE “HOME BASED: THE VIP LOUNGE FOR GOL CUSTOMERS”)** – *Brazilian Teleservices Association*.
- **2010 BEST COMPANIES FOR SHAREHOLDERS AWARD, IN THE MARKET CAP IN THE R\$5 BILLION TO R\$15 BILLION CATEGORY** – *Capital Aberto* magazine.
- **2010 THE BEST OF DINHEIRO AWARD IN THE CATEGORY OF BEST TRANSPORTATION COMPANY** – *IstoÉ Dinheiro* magazine.
- **XII AERO MAGAZINE AVIATION AWARD IN THE BEST BRAZILIAN AIRLINE CATEGORY** – *Aero Magazine*.
- **2010 LIDE CORPORATE MARKETING AWARD IN THE INSTITUTIONAL MARKETING CATEGORY, GIVEN TO THE MARKET VICE-PRESIDENT CLAUDIA PAGNANO** – Lide (Corporate Leaders Group).
- **2010 IR MAGAZINE BRAZIL AWARDS – BEST PROGRESS IN INVESTOR RELATIONS (MARKET CAPS ABOVE R\$2 BILLION)** – *IR Magazine, Revista RI* and IBRI (Brazilian Investor Relations Institute), sponsored by Comuniquê-se and PRNewswire.



- **2010 TOP 5 CORPORATE GOVERNANCE IN LATIN AMERICA AWARD IN THE BEST CORPORATE GOVERNANCE PRACTICES AND BEST IR WEBSITE CATEGORIES** – *IRGR (IR Global Rankings)*.
- **XV EUROMONEY AWARD 2010 AS THE BEST MANAGED AIRLINE** – *Euromoney* magazine.
- **TOP OF MIND – THE AIRLINE MOST REMEMBERED BY INTERNET USERS** – *DataFolha Research Institute*.
- **JANE’S TRANSPORT FINANCE AWARD – AIRCRAFT DEBT DEAL OF THE YEAR 2010 – GOL AND BANCO NATIXIS WON THE AWARD FOR AN OPERATION TO FINANCE THE PRE-PAYMENT OF AIRCRAFT DEPOSITS.** – *Jane’s Transport Finance Magazine*.

**HOME BASED – THE VIP LOUNGE FOR GOL CUSTOMERS**

is a project that takes place away from the Company’s offices, on the teleoperator’s own premises. By using communications-facilitating technology, employees can assist customers and suppliers without being in the Company’s building. The project allows greater focus on the customer, helps cut costs and increases productivity.

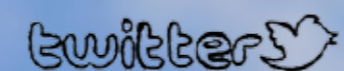
The project is also designed to improve customers’ perception of the Call Center. With this in mind, the following initiatives were implemented: Personalized Service (single service level); Call Back (responding to customers who record complaints via chat); and Client of the Month (whereby investigators monitor complainants during a trip in order to gain a better understanding of the case, offer a personal apology and bring them back into the Company fold).

**OPERATIONAL EFFICIENCY,  
SUSTAINABILITY AND  
SAFETY**  
[GRI EN26]



**«I LOVED FLYING WITH  
YOU. WELL-TRAINED  
CREW AND EXCELLENT  
ON-BOARD SERVICE. IT  
WAS MY FIRST TIME WITH  
GOL AND I CONGRATULATE  
YOU ALL»**

@VictorHugoMassa



## THE SAFETY OF ITS PASSENGERS AND EMPLOYEES IS GOL'S NUMBER-ONE PRIORITY IN ALL OF ITS OPERATIONS.

With this in mind, the Company maintains a Safety area, which reports directly to the Board of Directors and oversees the flights, ensuring the best safety practices. The Company also strictly complies with all the manufacturers' specifications and associated safety regulations, and performs daily maintenance on its aircraft.

GOL's pilots have extensive experience. The Company's flight captains have more than 10,000 hours of flying time, and the flight crew receives continuous training in simulators and in fundamental issues like operational safety.

GOL is also in strict compliance with the standards established by the Air Accident Prevention Program established by Anac (the Brazilian Civil Aviation Agency) and is an active member of the Flight Safety Foundation, which is dedicated to exchanging information on air safety.

The Company also relies on the Flight Operations Quality Assurance System, which maximizes proactive accident prevention through the systematic analysis of flight recorder data. GOL's aircraft are also equipped with Maintenance Operations Quality Assurance, a troubleshooting program that monitors the aircraft's engine performance and behavior.

Some of GOL's other initiatives focusing on operational safety – the Company's core value that underpins all its services – are detailed below.

### MEMBER OF IATA WITH IOSA RECERTIFICATION

In July 2010, GOL became an effective member of IATA (the International Air Transport Association), the world's largest aviation industry body, representing approximately 230 airlines from around the world and concentrating 93% of scheduled international air traffic.

By joining the Association, the Company will have a global voice in the debate on the development of the commercial aviation industry, taking an active part in forums and keeping up with studies and indicators, in addition to having a vote in the association's decisions.

IATA defines airline operation regulations with a particular focus on passenger safety. It also promotes discussions on how to improve operational efficiency and infrastructure. Joining this group is fundamental for a company like GOL, which has become increasingly international through code-share agreements with leading airlines.

Also in 2010, GOL obtained IOSA (IATA Operational Safety Audit) recertification, the most comprehensive and recognized international safety certificate in the civil aviation industry. The audit was undertaken in August 2010, and evaluated 928 items, covering management systems, flight operations, dispatch & operations, handling operations, airports, maintenance, the cargo area, operational safety and the training of all areas involved in operations.

For the Company, this certification is extremely important, given that it underlines its commitment to safety in every procedure and generates reports that are accepted by international companies, in addition to reducing the costs associated with other audits. It also means that the high safety and operational quality standards are reassessed every two years. Our certificate, therefore, is valid until December 2012.

### TRAINING COURSE ON SAFETY MANAGEMENT SYSTEMS

Another safety-related initiative was the training course on Safety Management Systems (SGSO) in partnership with the Brazilian Civil Aviation Agency (Anac) which was fully adapted to the new 121 – RBAC 121 civil aviation regulations. The course was given to all employees in the operational area and the modules were created in association with Anac, based on cases investigated by the Company.

GOL is the first airline certified by Anac to give training on the new regulations (which addresses requirements for domestic operations of Brazilian airlines on regular and non-regular flights). Among others, the course was attended by technical and commercial crews, aircraft maintenance workers, airport service staff and call center employees.

### TO GET THERE, SAFETY DEPENDS ON YOU

In 2010, GOL's Corporate Communications area ran a campaign focusing on safety. The first stage, under the "Safety Above All" concept, demonstrated the Company's efforts to increase operational safety. In the second stage, the central message was "To get there, Safety depends on you", which was designed to show that each employee, regardless of where they work, must be committed to operational safety.

The campaign involved all employees, who were able to share their ideas on the issue by answering the question "What do you do to ensure safety?" The answers were published on the Corporate Portal (Intranet).



## AIRCRAFT MAINTENANCE CENTER (CMA)

[GRI EC9]

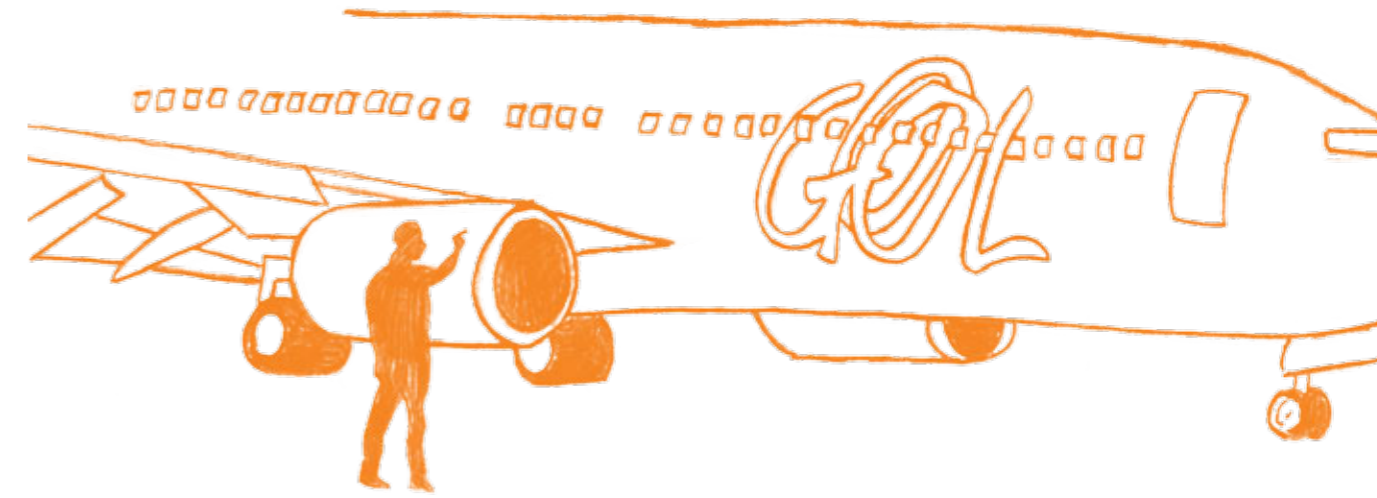
### IN MARCH 2010, GOL ANNOUNCED THE CONCLUSION OF THE SECOND EXPANSION PHASE OF ITS AIRCRAFT MAINTENANCE CENTER (CMA) IN LAGOA SANTA, MINAS GERAIS.

This technological complex, the largest and most advanced in Latin America, is responsible for heavy fuselage maintenance, preventive maintenance, aircraft painting and the internal configuration of the entire combined GOL and VARIG fleet.

The first phase of construction began in 2005 and enabled the Center to service up to 60 aircraft per year. With the completion of the second phase, which began in 2008, it can now handle 120 aircraft a year. The expansion added a hangar, offices, storage areas, support areas and an expanded yard.

GOL invested R\$65 million in the expansion, which added 28,100 m<sup>2</sup> to the existing 17,500 m<sup>2</sup>, increasing the total maintenance and support area to 45,600 m<sup>2</sup>. The yard, which originally measured 27,000 m<sup>2</sup>, was also expanded and now covers 47,000 m<sup>2</sup>, while the usable area within the hangars is now 107,220 m<sup>2</sup>.

[GRI EC9] Not surprisingly, a facility of this size has made a substantial contribution to the development of the Belo Horizonte metropolitan region. By the end of 2010, it had created 350 direct jobs for technicians from various levels, and 70 indirect jobs.



One of GOL's current challenges is to obtain ratification from the Federal Aviation Agency (FAA), which is responsible for regulating US civil aviation, and thus be able to provide services to international airlines, generating significant additional revenues.

### ENVIRONMENTAL RESPONSIBILITY AT THE CMA

The Maintenance Center was designed to comply with environmental responsibility requirements and all the conditions imposed by the environmental licenses and current legislation. It has an 11-strong environmental team, including a chemical engineer, chemical and environmental specialists and assistants.

[GRI EN29] All oil and chemical waste generated during aircraft maintenance and painting is sent to specialized treatment companies. The remainder is disposed of correctly, in accordance with environmental legislation and regulations of the Brazilian Standards Bureau (NBR 10004).

[GRI EN21] The CMA is also equipped with a chemical effluent treatment station (ETE), which receives wastewater from the cleaning of aircraft, components and the Center's floors, as well as from its hand basins and those of the medical center, which, after treatment, is reused to clean floors, equipment and materials. The effluents' physical and chemical components are constantly analyzed in order to improve the treatment and for monitoring purposes by the environmental agency.

Since 2010, the Center has also used solar energy to heat the water in the male and female changing rooms.

## PHYSICAL & CHEMICAL ANALYSIS LABORATORY

In line with its commitment to sustainability, GOL installed a laboratory in the Center to analyze drinking water and the potentially polluting industrial wastewater generated during cleaning in the aircraft maintenance procedures (e.g. parts, landing gear and waste storage facilities).

The analysis criteria include pH, free chloride, total chloride, hardness, conductivity, salinity, turbidity, fluoride, chemical oxygen demand (COD), suspension of solid particles, detergents, sulfates, and optimization tests in effluent treatment. Biochemical oxygen demand (BOD) analyses are conducted by outsourced companies. The methods implemented follow international manuals, and the results are compared to the standards required by Anvisa (Brazilian Sanitation Surveillance Agency), the Ministry of Health and Copasa (Companhia de Saneamento de Minas Gerais).

The wastewater analyses are required by Copasa and the Regional Environment and Sustainable Development Superintendence (Supram), and the water analyses are required by Anvisa. Without these tests, it would not be possible to control the quality of the water discharged into Copasa's network and the environment.

The benefits of having its own laboratory include the savings generated by not having to outsource the services involved, the improvement in the quality of treated effluents, the close monitoring of the process, the reduced consumption of chemical products, greater autonomy and speed in obtaining results, and the reduction in charges levied by Copasa for discharging pollutants into the water system. GOL also intends to reuse 100% of the water treated at the Maintenance Center, resulting in substantial water savings and significant environmental gains.

## COLLECTION OF COOKING OIL

**[GRI EN29]** The CMA is equipped with a cooking oil collection station, where employees can take their used oil stored in PET bottles. It is then kept in the waste chemical and oil storage facility and subsequently sent for recycling by a company licensed by Supram for this purpose.

In 2010, 300 kg of oil were recycled, thereby preventing it from being poured down the sink or disposed off in other inappropriate places. When oil is poured down the sink, for example, it can end up blocking residential pipes and the sewer network. If it is disposed of in rivers or lakes, one liter can contaminate 25 liters of water. If thrown in the garbage, it can end up in landfills or dumps, making the soil impermeable to water and aggravating the greenhouse effect, as its decomposition releases methane. It can also contaminate groundwater if it penetrates the soil.

## IMPROVEMENTS IN AIRCRAFT PAINTING

Aircraft painting is an important process which is also handled by the Maintenance Center. The Company is constantly striving to improve its painting methods and procedures in order to make aircraft lighter, thereby reducing their fuel consumption.

In 2010, GOL's Interior Engineering Management department organized an unprecedented debate in the aviation market, when it founded the 1<sup>st</sup> Aircraft Painting Committee, which contained representatives of Eleb and Boeing, Brazilian and foreign airlines, the Brazilian Air Force and aircraft paint manufacturers.

The Company presented its aircraft painting process, the results achieved through the technologies applied and the challenges of the process. Combined with the investment in new technologies, exchanging experience is fundamental if GOL wishes to improve its operations.

In 2009, the Company developed a new method of painting aircraft, using electrostatic guns that generate savings in paint consumption, make aircraft lighter and reduce the emission of pollutants and solvents, resulting in a lower impact on the environment.

In 2010, it became the first 737 operator to take part in Boeing's program to evaluate a new type of chrome-free primer<sup>2</sup>. Exposure to chrome, or rather hexavalent chromium or chromium VI, is highly regulated since it is a known carcinogen. The use of a chrome-free primer, therefore, represents a considerable advance on the health and safety front in addition to reducing adverse environmental impacts, given that, on removal, the paint does not have to be subjected to special handling procedures or disposed of in special areas.

The painting hangar has an exhaust and pollution control system, which reduces particulate material and 60% of and volatile organic compounds. The new area of the hangar was equipped with cabins, for the painting and sanding of aircraft parts, with a filtering system to reduce atmospheric emissions. In addition, a high vacuum system was installed, which captures the dust from aircraft sanding and retains the particulate material in filter bags, preventing any impact on the health of employees and the environment.

<sup>2</sup> A primer is used before the paint is applied to protect the surface and ensure greater adherence and longer-lasting paintwork.





### ENVIRONMENTAL RESPONSIBILITY CERTIFICATE

The Lagoa Santa Municipal Government awarded GOL's Aircraft Maintenance Center with the Environmental Responsibility Certificate in recognition of the sustainability and environmental responsibility initiatives adopted by the Company in that region.

In order to obtain the certificate, the CMA underwent an inspection, during which an environmental analyst working for the municipal authorities reviewed several procedures. The symbolic recognition was delivered during an event held on June 30, 2010. The goal of the municipal government is to encourage the sustainable development of the region.

### ENVIRONMENTAL MEETINGS

CMA's environmental staff attended several lectures, training courses, workshops and other events, in order to obtain information and seek alternatives to control adverse environmental impacts.

In 2010, the Company organized in-house lectures on conscientious water consumption and water quality on World Water Day, held a special meeting on conscientious energy consumption during its own Workplace Accident Prevention Week (Sipat), and organized two lectures as part of the Friends of the World Campaign (Sustainable Humanity and Conscientious Consumption).

During World Environment Week, students and teachers from a local school visited the CMA's hangar and attended a lecture about GOL's initiatives of environmental responsibility.

The Maintenance Center also maintains a program of scheduled visits for schools, clients, employees from other bases, etc.

### INAUGURATION OF INSTITUTO GOL

[GRI EC9/SO1]

One of the 2010 highlights of sustainability was the inauguration of the Instituto GOL, a pioneering initiative in the largest maintenance center in Latin America through which the Company expects to become a benchmark for the training of aircraft maintenance personnel.

Created to meet demand for skilled labor in the aviation sector, the Institute is a non-profit association which aims to train and qualify sector professionals, while also contributing to the social and economic development of the Belo Horizonte metropolitan region.

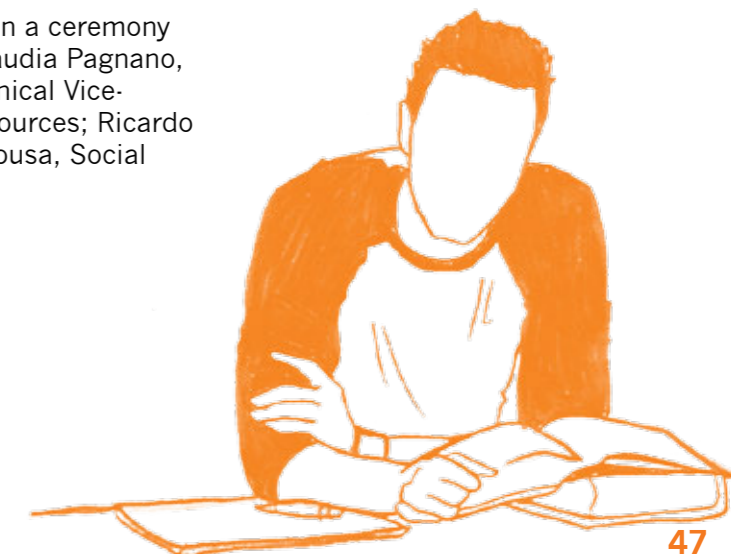
The project's first course began in 2010 following the selection – in association with the Lagoa Santa Education Department – of 70 youngsters up to the age of 22 studying in public schools with good attendance record and grades.

Classes were initially taught at the Escola Professora Claudomira, in Lagoa Santa. In 2011, we plan to enroll another class of 70, who will take classes at the CMA. Of these 140 students, GOL hopes to hire ten of them to work at the Lagoa Santa hangar as maintenance apprentices.

The curriculum comprises Mathematics, Physics, Portuguese, English and Aerodynamics, all focused on day-to-day aircraft maintenance activities. The classes are given by GOL maintenance instructors who have been seconded to the Institute.

The CMA was chosen as the Institute's headquarters due to the unit's recurring need for professionals. Through this initiative, GOL identifies and selects talented youngsters in the metropolitan region of Belo Horizonte, trains them to become members of a profession, creates jobs in the immediate vicinity of the CMA and eliminates the need to import labor from other states.

The Institute was inaugurated in December in a ceremony attended by Constantino Junior, GOL's CEO; Claudia Pagnano, Market Vice-President; Adalberto Bogsan, Technical Vice-President; Felipe Sommer, Head of Human Resources; Ricardo Fulton, General Control Manager and Nazaré Sousa, Social Responsibility Assistant.





# INVENTORY of GREENHOUSE GAS EMISSIONS



GOL was awarded the 2010 SILVER SEAL\* in the Brazilian GHG Protocol Program organized by the Getulio Vargas Foundation and other institutions.

In 2011, GOL published a report on its greenhouse gas emissions based on the main internationally recognized tool for controlling such emissions – the Greenhouse Gas Protocol Initiative, or GHG Protocol.

The Fundação Getúlio Vargas, in São Paulo, was responsible for training personnel in drawing up the inventory. The Protocol measures the Company's GHG emissions on all its operational fronts and uses the resulting data to adopt the most appropriate measures to reduce adverse environmental impacts.

The results of the inventory, coordinated by the Technical Vice-Presidency in association with Geoklok Consultoria e Engenharia Ambiental, are presented below.

## SCOPE 1 – DIRECT EMISSIONS

3,701,138.8 metric tons of CO<sub>2</sub>e (CO<sub>2</sub>e)

Sources: Aircraft jet fuel combustion (responsible for more than 99% of Scope 1 emissions), plus the fuel combustion of ground support equipment, vehicle and truck fleet and generators, as well as acetylene combustion. [GRI EN16]

## SCOPE 2 – INDIRECT EMISSIONS

699.6 metric tons of CO<sub>2</sub>e

Source: Electricity consumption [GRI EN16]

## SCOPE 3 – INDIRECT EMISSIONS (OTHER) – PARTIAL

5,929.4 metric tons of CO<sub>2</sub>e

Sources: Aircraft towing operations; cargo transport; code-sharing (Copa Airlines) and interline (NOAR) agreements, corporate trips by employees via other airlines; and waste sent to landfills, or for incineration or co-processing. [GRI EN17]

## BIOMASS – DIRECT AND INDIRECT EMISSIONS

320.6 metric tons of CO<sub>2</sub>e

Sources: Waste sent to landfills, ground support equipment, the vehicle and truck fleet, aircraft towing and cargo transport. Although biomass emissions currently account for less than 0.01% of total emissions, this ratio will almost certainly increase as the percentage of biodiesel in domestic diesel moves up and as biofuels are introduced into flight operations. [GRI EN17]

By adopting the GHG Protocol to compile its emissions inventory, GOL is showing the market and society as a whole that it takes the impacts of its activities on the environment very seriously indeed, even though civil aviation as a whole accounts for only 2% of the planet's total CO<sub>2</sub> emissions, according to UN's Intergovernmental Climate Change Panel.

The initiative will help mitigate climate change and ensure advanced compliance with the rigid international aviation standards that are certain to be introduced in the near future.

### \*SILVER SEAL

This award does not validate the information contained in the inventory or the organization's performance in regard to the management of its emissions, but the coverage of the inventory prepared by the organization for the year in question.

## NOX AND SOX EMISSIONS [GRI EN20]

To measure nitrogen oxide (NO<sub>x</sub>) emissions, GOL utilizes the International Civil Aviation Organization table, available at [www.caa.co.uk/EDB](http://www.caa.co.uk/EDB), which estimates emissions by flight times, including the LTO (landing and take-off) cycle.

The table shows the respective variations per engine and type of aircraft (in GOL's case, Boeing 737s with CFM and GE turbines). The result of these calculations was 1,483 metric tons of NO<sub>x</sub> in 2010.

The Company does not estimate the amount of sulphur compound (SO<sub>x</sub>) emissions due to the lack of an appropriate calculation method for aviation.

## ENERGY CONSUMPTION [EN3]

Jet fuel combustion is responsible for most of the CO<sub>2</sub> emissions in the aviation sector. Committed to the efficient use of fuel and having decided to inform society of its consumption in a transparent manner, GOL provides information on its CO<sub>2</sub> emissions and the corresponding amount of energy resources removed from the environment.

USE	SOURCE	CONSUMPTION IN LITERS (EXCEPT LPG)	CONSUMPTION IN GIGAJOULES (GJ)
Aircraft	Jet fuel	1,468,068,070	53,848,736.81
Own vehicle fleet (HQ and bases – estimated consumption)	Diesel	27,755	988.44
	Gasoline	21,343	698.91
GOLLOG fleet (estimated consumption)	Diesel	26,400	962.54
Maintenance equipment – GPUs and LPUs (HQ and bases, except at Confins airport)	Diesel	542,577	19,782.20
Electricity generators (Aircraft Maintenance Center in Lagoa Santa, MG)	Diesel	1,000	36.46
Maintenance support equipment (Aircraft Maintenance Center in Lagoa Santa, MG)	Gasoline	5,237	172.95
	Diesel	47,299	1,724.51
	LPG	5,700 (kg)	269.67

**EVERY YEAR, GOL INTRODUCES MEASURES TO IMPROVE THE EFFICIENCY OF ITS ENVIRONMENTAL MANAGEMENT IN ORDER TO EXERCISE A POSITIVE INFLUENCE ON SOCIETY THROUGH A CONJUNCTION OF GOOD PRACTICES.**

In 2009, the Company created the Sustainable Office Project (EPS) management model and inaugurated the Sustainable Environmental Projects Office, focused on evaluating and mitigating the Company's impact on the environment, improving eco-efficiency and ensuring that its environmentally-responsible operations exceed the legal requirements. In 2010, a number of the Company's areas, especially the Technical Vice-Presidency, promoted socially-responsible initiatives, many of which focused on reducing fuel consumption.



**ACARS (AIRCRAFT COMMUNICATIONS ADDRESSING AND REPORTING SYSTEM)**

GOL has been implementing ACARS, a system that permits the real-time digital transmission, via satellite, of important flight data between aircraft and GOL's bases, allowing routes and flight times to be automatically updated.

As a result, ground and aircrew will be able to work with real metrics and organize their procedures more efficiently, generating scale gains. GOL had installed ACARS in 17 aircraft by the end of 2010, and plans to install it in a further 44 in 2011. By December 2012, the entire fleet should be equipped with the system.

With the increased ACARS coverage, GOL decided to create the CCD (Digital Communications Center) within the Operational Control area, which was scheduled for start-up in May 2011. The Center will be responsible for monitoring aircraft in real time, as well as streamlining operations and managing various flight data.

**RNP (REQUIRED NAVIGATION PERFORMANCE)**

GOL has also been equipping its aircraft with the RNP (Required Navigation Performance) and has been training its crews in the use of the new satellite navigation system, promoted by the International Civil Aviation Organization, which is beginning to be installed in Brazil.

RNP allows aircraft to be guided and controlled in flight and on the ground, even in poor visibility, through the use of built-in equipment. This reduces dependence on ground communications, shortens flight distances, lowers fuel consumption and streamlines air traffic flow in the terminals, as well as reducing noise on the landing approach by allowing the aircraft to descend with less power.

Decea (Airspace Control Department), subordinate to the Ministry of Defense and Air Force Command, has already begun to design and evaluate the first RNP landing procedures which will be implemented initially at the Santos Dumont airport in Rio de Janeiro.

**TAXIING PROCEDURES**

In order to reduce fuel consumption while on the ground (in turn, reducing GHG emissions), GOL aircraft taxi on three engines only, the fourth remaining switched off until take-off<sup>3</sup>.

However, it is still not feasible to create mechanisms to measure the reductions resulting from this initiative, since government regulations do not allow the procedure in certain locations. The Airport Briefing Manual, available to the entire Operations area, has a list of the airports that accept the procedure and gives instructions on its application.

<sup>3</sup> Taxiing is when the aircraft moves on the ground under its own power, different from towing or push-back, when the aircraft is moved by a vehicle.

**SUBSTITUTION OF GPUS**

The GSE (Ground Support Equipment) sector of the maintenance line acquired 20 GPUs (Ground Power Units), which convert mechanical energy generated by a diesel engine into electricity to power aircraft while on the ground.

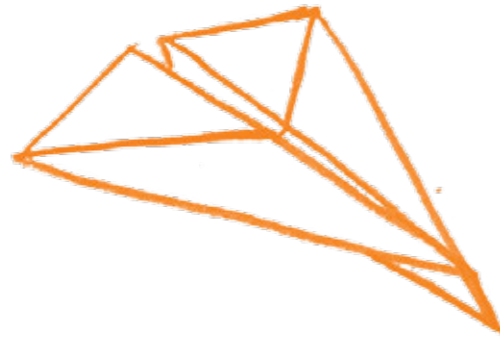
The new Hobart 90CU420 model is more fuel efficient than the Company's previous models and comes with a certificate attesting to its low engine emissions (Tier 3). The new GPUs also meet international safety regulations, are lighter and easier to maneuver, and are less noisy (less than 80 decibels).

## GPS LANDING SYSTEM

In January 2010, GOL began equipping its aircraft with sensors for the innovative GPS Landing System, as well as Vertical Situation Display, a sophisticated tool for determining the aircraft's position in relation to the ground.

The GPS Landing System allows increased landing and take off accuracy and safety, reducing fuel consumption and GHG emissions by up to 5% during these flight stages, while the Vertical Situation Display allows pilots to accurately identify information on ground relief and obstacles from the cockpit, in turn, allowing them to plan their landing approach more efficiently.

This system will ensure greater safety by providing an additional tool for monitoring the position of the aircraft in relation to the ground, and will reduce landing component wear and tear and, consequently, future maintenance expenses.



## GOL'S PARTICIPATION IN RESEARCH GROUPS

[GRI 4.12/4.13/EN6]

### **BRAZILIAN ALLIANCE FOR BIOFUEL IN AVIATION (ABRABA):**

Abraba was founded in São Paulo in May 2010 and comprises airlines, biofuel research companies, biomass producers and aircraft manufacturers. Its purpose is to promote public and private initiatives to encourage the development and certification of sustainable biofuels in civil aviation. The group seeks to strengthen relations with public policy and opinion makers in order to obtain biofuels at the same cost and with the same safety levels as those derived from petroleum.

**DEHST REPORT:** GOL was the first Latin American airline to present an emission control plan for generating an inventory in accordance with DEHST (Deutsches Emissionshandelsregister), a German authority responsible for the implementation of projects and emission-monitoring initiatives within the Clean Development Mechanism of the Kyoto Protocol. As a result, GOL was able to quantify its emissions and develop action plans to reduce them. It also enabled it to fly to countries within the EU, which requires this type of control from all airlines.

### **SAFUG (SUSTAINABLE AVIATION FUEL USERS GROUP):**

GOL was the first Brazilian airline selected to join the SAFUG, an international aviation biofuel research group, which unites aviation companies (including Boeing) and technology providers in order to accelerate the development of new and sustainable aviation fuel sources. Initially, the group is studying the cultivation of JCL (*Jatropha curcas linn*) and algae as an alternative for the production of sustainable fuels.

**GE AVIATION CONSULTANT:** GOL maintains a partnership agreement with GE Aviation's Fuel and Carbon Services division to create studies and systems designed to reduce fossil fuel consumption and GHG emissions, further underlining GOL's determination to ensure the sustainable development of its business.

## ENVIRONMENTAL INDICATORS

**[GRI EN4] ELECTRICITY CONSUMPTION:** In 2010, GOL's electricity consumption in each of its airport bases managed by Infraero (Brazilian Airport Infrastructure Company) averaged 136,026 kWh (490 GJ). This figure comes from Infraero itself which has its own methodology for calculating usage and charges.

The administrative headquarters at Congonhas, where consumption is charged directly by the energy concessionaire, consumed a total of 4,956,208 kWh (17,842 GJ), while the Aircraft Maintenance Center consumed 5,609,800 kWh (20.195 GJ).

**[GRI EN6/EN7]** GOL introduced a plan to reduce Maintenance Center consumption following an infrastructure analysis, which identified areas where certain lights could be turned off without affecting luminosity and others where individual light switches could be installed. As a result, the average monthly electricity consumption in kWh was 14% lower between June and December 2010 in comparison to April and May, exceeding the established reduction target of 10%.

**[GRI EN8] WATER CONSUMPTION:** Water consumption at each of the airport bases managed by Infraero (according to the latter's own calculation methodology) averaged 1,867.7 m<sup>3</sup> in 2010. The administrative headquarters at Congonhas consumed a total of 90,174 m<sup>3</sup> from the public water supply and artesian wells.

**[GRI EN10/EN21]** Consumption<sup>4</sup> at the Aircraft Maintenance Center, in turn, totaled 28,565 m<sup>3</sup>, 4,190 m<sup>3</sup> of which went to the chemical effluent treatment station (ETE), which, as mentioned previously, receives wastewater from the cleaning of aircraft, components and floors, as well as from general and medical hand basins. The treated water is reused inside the Maintenance Center itself to clean floors, equipment and materials.

**[GRI EN22] WASTE DISPOSAL:** Each Company base in airports managed by Infraero generated an almost 1,073 kg of waste in 2010 (once again according to the latter, which has its own methodology for calculating usage and charges). This includes all the waste generated by offices and operational areas occupied by GOL in these airports (check-in, maintenance, baggage, cargo and back office areas).

<sup>4</sup> Volume monitored using batch counters while there is no meter installed by Companhia de Saneamento de Minas Gerais.

Congonhas administrative headquarters disposed of 14,660 kg of paper, 200 kg of plastic, 2,590 kg of metal and 300 kg of light bulbs of varying types, according to a report by the service provider responsible for collection and disposal.

Line Maintenance generated 34,083 kg of waste (class I), comprising flammable products, oil drums and oil-contaminated materials, including personal protection equipment. The Aircraft Maintenance Center generated 372,706 kg of waste, including used oil and kerosene, scrap metal, paint, primers, solvents, chemical products, tarps, glass and office materials, among others. A total of 1,716 florescent light bulbs were disposed of from building installations and 2 m<sup>3</sup> of waste from the restaurant's grease trap.

In order to ensure proper waste disposal, GOL continuously monitors information and seeks solutions that respect the environment by entering into partnerships with companies that specialize in different methods of disposal.

## SPILL PREVENTION

**[GRI EN23]**

In order to prevent or contain spills of liquids such as kerosene, GOL's maintenance team is trained in specific procedures including the handling of liquids in appropriate locations, the use of environmental protection kits (absorbent blankets, ropes, ground and powdered materials) and the use of equipment to contain, isolate and clean the area in question, among others. Thanks to prevention procedures, there are no relevant or significant incidents to report.

Even if there is a spill, there is no danger of leakage into the soil since the flooring of the Aircraft Maintenance Center is impermeable and contains channels that direct any spilt liquids to the Company's effluent treatment station, thereby preventing any adverse environmental impacts. GOL also has a trained hangar team ready to intervene with an emergency containment plan in the event of a spillage.

«I'VE FLOWN WITH  
@VOEGOLOFICIAL ABOUT  
EIGHT TIMES AND I LOVE IT.  
I'LL CERTAINLY FLY AGAIN  
AND I CAN'T RECOMMEND  
IT ENOUGH :D»

@LiIRoniSODMG

twitter 



**IN 2010 GOL LAUNCHED THE REVISED EDITION OF ITS CODE OF ETHICS, WHICH ESTABLISHED THE PRINCIPLES THAT UNDERPIN THE ATTITUDES AND CONDUCT OF ITS EMPLOYEES, BOTH INSIDE AND OUTSIDE THE COMPANY.**

And determines the guidelines for interaction with GOL's various stakeholders: shareholders, customers, suppliers, competitors, the press, the community, employees and government agencies. It also provides guidance on the best way of dealing with Company information and assets, including advertising, corporate resources and information security.

In order to facilitate understanding, the document was reorganized by the stakeholder group and the text was clearer and more objective. New types of conduct were also added.

The website "Ética na GOL" (Ethics at GOL) ([www.eticanagol.com.br](http://www.eticanagol.com.br)), was launched in 2010 as an exclusive portal where the Company's stakeholders can learn about the content of the Code, clarify doubts, give suggestions or report any concerns. There are also specific channels where users can report any instances of misconduct regarding customers or suppliers, or between leaders and their subordinates, as well as issues related to violations of the code, policies and norms.

[GRI 4.4/HR4/SO4] The same channel can be used by shareholders and employees to make recommendations or suggestions to the governance bodies or report cases of corruption or discrimination. All contacts are received by a specialized independent consulting firm in a confidential, discreet, unbiased and safe manner. People sending a message via the Internet or over the phone receive an access code to follow up the case and answer any supplementary questions

made by the analysts. The results and any due recommendations are sent to GOL's Ethics Committee, which is responsible for taking the necessary remedial measures.

In addition to being distributed to employees, in its printed version and being part of management training (as an on-site module of the Leadership Development Program), the Code of Ethics was adopted by the *Portal do Conhecimento* (Knowledge Portal – GOL's e-learning platform) in October 2010. Here, training on the Code is based on day-to-day situations, so that employees can reflect on their own attitudes. All new entrants must take this e-learning course and, on conclusion, they have to sign the statement of consent agreeing to abide by the Code.

[GRI HR3/SO3] In 2010, 390 members of management (executive officers, general managers, managers, coordinators, supervisors and agent leaders) concluded the course, totaling 1,560 hours of on-site training. Another 3,823 employees took the online course, which corresponded to the same number of hours. Overall, 23.11% of the employees received training on the new Code of Ethics, which includes human rights and anti-corruption issues.

Also regarding ethics, in 2010, GOL sponsored the 1<sup>st</sup> Conference on Ethics in Business based on Responsible Operations and on the Passport to Sustainability, organized by the Brazilian Institute of Business Ethics, which was held in São Paulo (SP).

EMPLOYEES

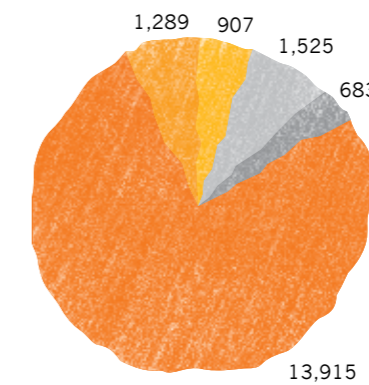
EMPLOYEE PROFILE (IN 2010)

[GRI LA1]

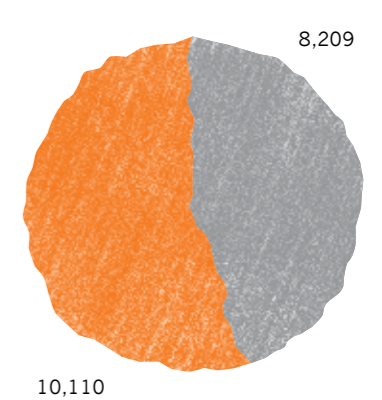
EMPLOYEES BY TYPE OF CONTRACT



EMPLOYEES (CLT SYSTEM AND APPRENTICES) BY REGION



WORKING HOURS (CLT SYSTEM AND APPRENTICES)



Legend for Employee Profile charts:  
 ■ CLT system ■ Interns ■ Midwest ■ Southeast ■ Full time ■ Part time  
 ■ Apprentices ■ Self-employed ■ Northeast ■ South ■ North

\*CLTs = Employed under the Consolidation of Brazilian Labor Laws

[GRI LA13]

EMPLOYEES PER CATEGORY, GENDER, AGE GROUP AND DIVERSITY INDICATOR*							
Position (CLTs and apprentices)	Total	People with disabilities	Gender (total workforce)		Age Group (total workforce)		
			M	F	<30	31<50	>51
Vice-Presidents	4	0	75%	25%	0%	75%	25%
Executive Officers	24	0	92%	8%	0%	71%	29%
General Managers/Managers/Assistant Managers	165	1	71%	29%	8%	79%	13%
Coordinators/Supervisors/Leaders/Heads	641	3	57%	43%	30%	65%	5%
Administrative Staff	1,748	6	47%	43%	56%	39%	5%
Commercial Staff	79	0	43%	57%	23%	73%	4%
Operational Staff	10,342	226	57%	43%	53%	43%	4%
Cabin Crew	3,588	0	38%	62%	37%	59%	4%
Flight Crew	1,728	0	98%	2%	26%	54%	20%
<b>Total</b>	<b>18,319</b>	<b>236</b>	<b>56%</b>	<b>44%</b>	<b>47%</b>	<b>48%</b>	<b>5%</b>

\* The percentage of employees by color, race or ethnic origin has not been stated because there is no formal declaration on the part of employees regarding these characteristics.

Note: The charts and table above do not include members of the Board of Directors, governance committees and CEO's Office.

[GRI LA2]

TURNOVER *			
TOTAL NUMBER OF OUTGOING EMPLOYEES: 2,572			
TURNOVER RATE: 16.26%			
Position	Incoming	Outgoing	Turnover
Age Group			
Under 30	2,241	1,484	21.92%
Between 30 and 50	1,103	995	11.87%
Over 50	43	93	6.83%
Gender			
Female	1,548	1,296	17.69%
Male	1,839	1,276	15.15%
Region			
Center-West	114	141	14.06%
Northeast	156	184	11.15%
North	102	87	13.84%
Southeast	2,899	1,998	17.60%
South	116	162	10.78%

\* Metrics:  $[(\text{outgoing} + \text{incoming})/2]/\text{workforce at the end of the year}$

## NEW EMPLOYEE HEALTH CENTER

[GRI LA3/LA8]

The Health Center was one of GOL's major initiatives in 2010 and is designed to promote the health, well-being and quality of life of its employees by offering clinical and diagnostic services on the Company's own premises. As a result, staff can receive medical assistance close to their workplace.

Located at Congonhas headquarters, the Center is equipped with general practitioners, orthopedists, gynecologists, ear, nose and throat specialists, acupuncturists and dentists. Material for laboratory tests can also be collected (e.g. complete blood tests). Employees (and dependents) with health plans, provided as of 2011, can use this service, scheduling appointments by telephone or in person.

## HEALTH AND SAFETY COMMITTEES

[GRI LA6]

On managing the health and safety of its employees, GOL focuses on prevention and awareness. In order to do so, it works closely with the official health and safety committees, with a total of 635 members, equivalent to 3.5% of the workforce. The table below shows how these members are distributed among the committees:

REGION	CIPA*	OCCUPATIONAL SAFETY	OCCUPATIONAL MEDICINE	MEMBERS OF FORMAL HEALTH AND SAFETY COMMITTEES
Mid-West	60	6	0	66
Northeast	126	6	0	132
North	76	1	0	77
Southeast	224	31	12	267
South	88	5	0	93

\* Cipa = CIPAs (Internal Accident Prevention Commissions)

[GRI LA8] In the first half of 2010, the Workplace Safety area conducted a series of on-site and on-line training sessions and educational initiatives which were attended by 3,709 employees. Some of the issues addressed are listed below:

- Prevention of accidents and occupational illnesses;
- Prevention of progressive hearing loss (in compliance with a request from the Rio de Janeiro state government);
- Internal Accident Prevention Commissions;
- Safety in stacker operations (at the CMA only);
- Fire prevention, isolation and extinction, emergency evacuation procedures and first-aid techniques.
- Pedestrian circulation in operational areas (only in Guarulhos).

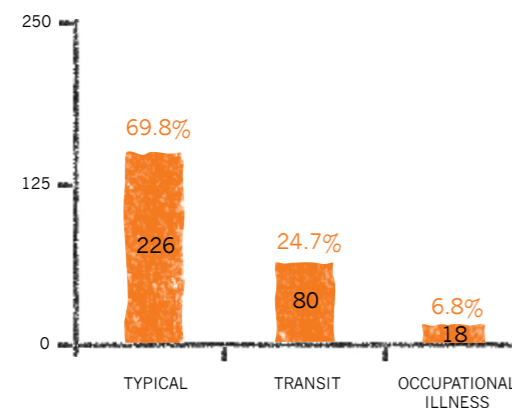
## Health and safety indicators

[GRI LA7 - partially responded]

In 2010, there were 324 work-related accidents and no associated fatalities, resulting in 1,185 work days lost. See the charts below.

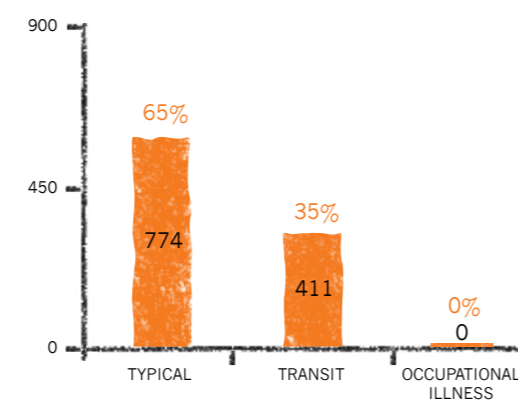
### TOTAL ACCIDENTS

(2010)



### TOTAL LOST DAYS BY TYPE

OF ACCIDENT (2010)



## DEVELOPMENT

[GRILA10/LA11]

In 2010, GOL continued to invest in the development of its employees through on-site and on-line training, totaling 1,002,766 training hours distributed between the operational area<sup>5</sup>, with 895,256 training hours (65 hours per person), and the administrative area<sup>6</sup>, with 107,509 hours (24 hours per person), in addition to corporate training sessions<sup>7</sup>, which totaled 15,331 hours.

One of the Company's major initiatives is the Leadership Development Program (PDL), which seeks to instill a participatory methodology, whereby leaders can explore the issues proposed and engage in group dialogue, thereby stimulating collective intelligence. In order to promote the alignment of strategic issues at the various leadership levels (executives, managers, coordinators, supervisors, etc.), the initiative promulgated GOL's principles and values, and provided essential management tools, enabling managers at all levels to bring about changes in the organization. With a total of 7,743 training hours, the PDL consists of the following modules: 1) Culture; 2) Principles and Ethics; 3) Target Management; 4) Performance Management; 5) People Management; 6) Knowledge Management; and 7) Career Management.

The e-learning training sessions via the Knowledge Portal are extensively used by the Company due to their exceptionally wide reach. They also permit the exchange of information and the storage of training materials and knowledge, thereby promoting the development of the Company.

<sup>5</sup> Operational: maintenance staff, aircrew, cabin crew, and airport, cargo and operational staff – 13,703 employees.

<sup>6</sup> Administrative: staff in the Customer Relationship Center, commercial area and all administrative areas – 4,525 employees.

<sup>7</sup> Corporate: all employees.

## PEOPLE MANAGEMENT CYCLE

[GRI LA11/LA12]

In 2010, GOL adopted a new way of monitoring the development of its professionals and created the People Management Cycle, which aims to align employee development with the Company's strategic pillars through individual and general performance indicators.

The Cycle also ensures greater clarity between GOL's expectations and the progress of its employees' careers, as it promotes management's strategic alignment, from the definition of goals and targets, through the monitoring of performance and careers, to the planning and execution of development initiatives. The project begins with the managers, who then communicate the practices across the board. The four stages of this process are listed below:

- **TARGET MANAGEMENT:** The process through which the annual targets described in the Balanced Scorecard are determined, elucidated, managed and monitored, enabling employees to understand the Company's strategy and ensure that their targets are in line with the organizational goals, thereby favoring the engagement of all those involved.
- **PERFORMANCE MANAGEMENT:** Performance is understood as being the combination of two aspects: quantitative, represented by the defined targets and the results actually achieved (Performance Evaluation), and qualitative, which involves the competencies used by the manager in order to achieve these targets (Leadership Skills Evaluation). The results obtained during this stage are used by the participants and their immediate superiors in feedback meetings and in the planning of activities that will allow for professional development and ensure that the established targets are reached.
- **CAREER MANAGEMENT:** This is handled by committees that aim to align the People Management Policy and the results achieved by the employees with GOL's business strategy. It is a means of promoting the identification, development and recognition of talent, as well as identifying potential successors for the Company's key positions.
- **KNOWLEDGE MANAGEMENT:** Knowledge is managed through initiatives that embody GOL's corporate values and permeate functional abilities and leadership skills, and are designed to promote and value the knowledge developed within the organization, encourage sharing, delineate and recommend the training required for each position, and serve as the basis for the development of each employee.

The data obtained from the whole process is on the website [www.ciclodegestaogol.com.br](http://www.ciclodegestaogol.com.br), a channel developed exclusively for the Management Cycle which allows the professionals taking part in the Cycle, their immediate superiors and the Human Resources area to monitor the career management process in a secure and confidential manner.



Through the site, managers can view and validate the Balanced Scorecard, Performance Evaluation, Leadership Skills Evaluation and the Individual Development Plan.

Considering the professionals who were active up to December 31, 2010, 200 managers (the CEO, vice-presidents, executive officers, general managers and managers) took part in the Target Management stage, representing 1.09% of GOL's workforce. The leadership skills of 30 managers (the CEO, vice presidents, executive officers and general managers) and 107 evaluators (professionals who reported directly to the managers under evaluation), were evaluated in the Performance Management stage, representing 0.74% of the workforce.

## RESTRUCTURING OF THE INTERNSHIP PROGRAM

In 2010, GOL completely restructured its Internship Program, which is aimed at identifying and attracting future talent. The project was reviewed in order to provide a fully updated structure capable of ensuring the students' effective professional development.

The selection process lasted two months and the new students began their activities in August with contracts of up to two years. The project's differentials include a benefit package, more effective monitoring by managers and a semiannual evaluation of the interns' performance.

After announcing the program on GOL's website, on the website of a partner consulting firm and in universities, the Company received 7,465 on-line applications. Following a profile screening, those selected took on-line tests and those approved took part in a group dynamics session. The final stage included an interview with managers, resulting in 40 interns being chosen.

GOL sought to identify young people with a proactive profile and strong team spirit, whose values were aligned with those of the Company, and who were capable of adding new ideas and adapting to change easily.

Interns receive a monthly stipend in line with market values, public transport vouchers, meal vouchers, paid recess and subsidized air fares.



## AIRPORT TRAINEE PROGRAM

[GRI LA11]

In January 2011, GOL launched the Airport Trainee Program, selecting recent graduates who were aligned with the Company's values and had an insight of the operational procedures, a business vision, knowledge of the aviation market and technical mastery of operations. The project's differentials include the possibility of taking on a leadership position in one of our airports within a period of 12 months.

The nationwide selection process was open to GOL employees and outsiders and was announced in several means of communication. A total of 8,505 applicants registered online in November and December 2010.

The candidates who were shortlisted took on-line English and logic tests, and those who were approved took part in a group dynamic session. The final stages included a business panel, attended by the Human Resources department and the leaders of the main airports, an individual interview with the heads of airport personnel and management and, finally, a group interview with Vice-President Ricardo Khauaja. A total of 20 candidates were approved.

The Program lasts for one year. Between January and March, trainees participated in five stages: 1) Corporate Integration, 2) Getting to Know the Airport, 3) Job Rotation (moving trainees through a variety of activities in order to increase their knowledge of operations), 4) Getting to Know the Business Areas, and, 5) Management. Once the trainees have developed sufficient grounding in the basics of the airport routine and the business in general, the rest of the year will be taken up with Further Training. Throughout the Program, trainees receive an attractive salary in line with the market values and the same benefit package offered to regular GOL employees.

## COMPENSATION

GOL's compensation strategy aims to retain talented, motivated employees. Benefits include competitive salaries, with annual adjustments to keep pace with the cost of living, and participation in the profit sharing program (PPR). The criteria for PPR distribution are based partly on profit targets and partly on operational targets set for each department, which are negotiated with a workers' committee and approved by the unions. The Company also has a stock option plan for administrative employees, with rights acquired over three years.

**Talentos Trainee Aeroportos** **GOL**  
Linha aérea brasileira

**Para fazer parte desse programa buscamos jovens profissionais que:**

- Apresentem habilidades de liderança e potencial para atuação estratégica em setores aeroportuários.
- Possuam disposição e nível elevado de energia.
- Saibam trabalhar em equipe para enfrentar desafios.

**Benefícios:**

- Salário competitivo com o mercado.
- Participação nos resultados.
- Benefício sazonais.
- Vale refeição.
- Vale transporte ou ônibus fretado de empresa.
- Planos de Assistência Médica (Hospitalar) e Planos de Assistência Odontológica (facultativa).

**Requisitos:**

- Graduação concluída entre dezembro de 2008 e dezembro de 2010, nas áreas de Administração de Empresas, Administração, Engenharia, Marketing, Relações Internacionais, Relações Públicas ou Turismo.
- Inglês avançado.
- Perfil compatível com o pacote Office.
- Total disponível para viagens e mudança de residência dentro do território nacional.

**Inscreva-se já em nosso programa – uma oportunidade de desenvolver sua carreira em uma das maiores companhias aéreas do país.**

**Período de inscrição:**  
29 de outubro a 7 de novembro de 2010

**Para mais informações:**  
[www.gol.com.br/traherogol](http://www.gol.com.br/traherogol)

**[GRI EC5]** In 2010, the Company's lowest wage was 45% higher than the prevailing minimum wage. The smallest variation was in Paraná, where the lowest wage paid by GOL was 13% higher than the regional minimum wage of R\$688.53, and the highest (in those states where the prevailing minimum wage was equal to the national minimum wage of R\$510.00) was 52%.

**[GRI LA14]** Although there is no gender variation in the basic salary, in 2010, men's wages were on average 21.8% higher than women's. The variations were different in each job category: administrative (+38.3%); commercial (+5.3%); coordinators, supervisors, leaders and heads (+46.2%); general managers, managers and assistant managers (+22.6%); operational (+63.7%), cabin crew (+0.6%); flight crew (+29.5%); and vice-presidents and executive officers (-31.8%, categories in which the average wage paid to females is higher than that of their male counterparts).

**[GRI 4.5]** As for the Company's governance bodies, different criteria and goals are applied to each group. The Board of Directors is paid a fixed monthly salary only, while members of the Management Committees are paid either a fixed monthly salary or a fixed amount per meeting, depending on the case. The Executive Officers (statutory and non-statutory) receive a basic monthly salary, a benefit package, an annual bonus as part of the profit-sharing program, and a long-term incentive, paid annually through the stock option plan.

The annual bonus is based on annual results, i.e. on achieving the overall target established for the year (financial metrics). The long-term incentive plan, on the other hand, consisting of the stock option plan, depends on the appreciation of the Company's shares over time. The compensation policy is therefore aligned with the Company's interests, as it encourages all employees to exceed the short-term and long-term targets.

## BENEFITS

**[GRI LA3]**

GOL's benefit policy aims to retain its professionals, encourage communication between employees and management and offer opportunities for career development, among other objectives. Benefits include meal and food vouchers, group life insurance, day care allowance, daily meal allowances (for flight crew on duty or stand-by), subsidized air fares, and reimbursement of the costs of the flight crew's Physical Aptitude Certificate. Each benefit depends on eligibility rules established in the People Management Policy, as follows:

- **AIRCREW:** Life insurance, day care allowance, subsidized air fares, daily meal allowances, reimbursement of the flight crew's Physical Aptitude Certificate costs, and food vouchers. Benefits do not include transport and meal vouchers.
- **GROUND STAFF:** Transport, meal and food vouchers, life insurance, day care allowance and subsidized air fares.
- **TEMPORARY WORKERS:** The same benefits envisaged for the CLTs, transport and meal vouchers.
- **PART-TIME WORKERS (FOUR HOURS):** The same benefits granted to ground staff, except for meal vouchers.

## LABOR AND UNION RELATIONS

**[GRI LA4/LA9/HR5]**

GOL maintains a permanent dialogue and negotiates with the trade unions that represent its employees, on a regular basis. These include the National Aircrew Union, which represents all people working on board the aircraft (flight crew and cabin crew), and seven other unions representing ground staff, including the National Ground Staff Union. Collective agreements are signed annually, in accordance with the guidelines of the International Labor Organization.

All employees are guaranteed freedom of association and are covered by collective labor agreements. These agreements govern such issues as breaks in work involving repeated effort, guaranteed employment in case of accident, the communication of work-related accidents, and stability of the Internal Accident Prevention Commissions and the various bodies dealing with occupational safety and medicine.

**THE COMPANY'S AIRPORT AREA IS INVOLVED IN THE CONSTANT PURSUIT OF IMPROVEMENTS THAT BENEFIT CUSTOMER SERVICE, WHETHER THROUGH MORE EFFECTIVE SYSTEMS, TEAM TRAINING AND PROCEDURES TO REDUCE QUEUES OR INVESTMENTS IN TOP-QUALITY INFRASTRUCTURE.**

Below are some of the main initiatives in 2010.



- **BAGGAGE TRACING SYSTEM:** The Company acquired a license for the World Tracer Management system, which allows baggage to be monitored and traced more rapidly, and, consequently, reduces indemnification times if baggage is lost. The system is used by 1,060 airports and more than 390 airlines worldwide.
- **TRAINING COORDINATION:** Responsible for conducting training programs for airport teams, with a focus on operational safety (dangerous items and procedures), standardized service (systems, rules and procedures) and customer satisfaction (relationship management and priority service). The area was restructured with the creation of groups of instructors for each region and type of training program.
- **SEGMENTATION OF CHECK-IN QUEUES:** A procedure was created for segmenting queues according to flight groups and customer profiles in the airports of Guarulhos and Congonhas, in São Paulo, in order to improve customer perception of the organization and the quality of GOL's services, as well as ensuring that the check-in process is concluded on time.
- **QUALITY OFFICE:** Created to promote the standardization of procedures, for document control, monitoring of the action plan of each Basic Management Unit, to disclose results, and for permanent process analysis, with a focus on continuous improvement.



- **KNOWLEDGE THERMOMETER:** This is a tool also known as the Knowledge Evaluation Result (RAC), implemented in four bases (covering 40% of the airport staff) which measures employees' knowledge of the Company's procedures, and, consequently, provides input for improvements and the planning of training programs.
- **IOSA CAMPAIGN:** This was a qualification campaign based on an audit of operational safety procedures. All bases received a recognition plaque for their participation and, subsequently, the best safety practices were selected.
- **ACCESSIBLE INFRASTRUCTURE:** In order to improve airport services for people with disabilities, GOL continued to adapt its check-in counters and stores for safe and comfortable use by customers in wheelchairs. By the end of 2010, the counters in 22 airports had been adapted and the process should be concluded in all the bases by the end of 2011.  
In order to facilitate the boarding of passengers with special needs or limited mobility, GOL also acquired Stair Trac equipment for all the national bases inaugurated up to November 2010. This consists of a portable elevator that allows passengers to access the aircraft through a sliding platform to which the wheelchair is attached with the assistance of a specially trained operator.



## RELATIONS WITH SUPPLIERS ARE A FUNDAMENTAL PART OF GOL'S BUSINESS.

Consequently, the Company's conduct with its service providers is based firmly on ethical principles and complies with all the current laws and regulations. The new Code of Ethics, for example, has a specific section on relations with this group of stakeholders, which includes the following two principles:

- "Suppliers should be chosen and contracted based on technical, professional and ethical criteria, always taking into consideration the best offers available on the market in terms of cost, terms and service."
- "We have a commitment to maintain a transparent process for purchasing products and contracting services, treating all our suppliers with respect, with no privilege or discrimination of any nature, regardless of the volume of business they maintain with us."

For strategic reasons, GOL does not have any specific policies prioritizing the hiring of national suppliers. However, to add transparency to this report, the Supply area conducted a survey on the proportion of expenses from services provided by national suppliers, to identify those responsible for the highest amounts negotiated with the Company, in 2010. The survey showed that the following services and products were responsible for 6.3% of total supplier service expenses: handling (2.6%), hotel services (0.8%), catering (0.6%), repairs (0.1%), engine maintenance (1.5%), aircraft maintenance (0.5%), and the purchase of tires (0.2%).

Among these, the Supply area believes that the purchase of tires has the highest environmental impact. In order to minimize this impact, since September 2010, the area has sent 803 of the 2,733 tires consumed by the company in 2010 for reuse.

[GRI EN1/EN2]

There has been no significant report on the use of recycled material since, due to the nature of the operation (in which material use has a direct bearing on safety). The aviation industry limits the reuse of materials, except for certain rotatable<sup>8</sup> items, which are returned to service following repairs, within a specific life cycle.

As of 2011, the challenge faced by the Supply area is to improve the analysis of the supplier registration and implement a policy with a wider vision on sustainability, resulting in selection, evaluation and monitoring procedures that include clear social and environmental criteria.

*Note: Fuels were not included in the Supply area survey as they are managed by the Operations area. In other sections of this report, GOL presents information on the amount of fuel used and the initiatives to reduce consumption.*

<sup>8</sup> Rotables are high-value assets that are subject to failure during operations, but can be repaired and reinstalled. They have a strictly-controlled life cycle (in cycles or hours of flight), and can be removed due to failure or expiration of this life cycle.

## IN 2010, GOL'S COMMITMENT TO ITS STAKEHOLDERS AND GOOD CORPORATE GOVERNANCE PRACTICES WAS RECOGNIZED BY A SERIES OF AWARDS.

In the annual IR Magazine Brazil Awards, the Company came top in the Best Progress in Investor Relations category among companies with the highest market cap in the country, granted by *IR Magazine* and *IR* in association with the Brazilian Investor Relations Institute (IBRI). The awards are based on an independent survey of 400 analysts and institutional investors, and 5,000 individual investors conducted by FGV's Brazilian Economics Institute.

The Company was also recognized by *Capital Aberto* magazine, an important publication for capital market investors, as being one of the "Best Companies for Shareholders", reflecting its mission of establishing increasingly close relations with this group of stakeholders and gaining their trust. The selection criteria involved aspects, such as share liquidity, economic returns, corporate governance and sustainability.

GOL was also elected the best company in the Transportation Service sector by *IstoÉ Dinheiro* magazine, in its annual publication *As Melhores da Dinheiro* (The Best of *Dinheiro*), following an evaluation of management practices related to financial sustainability, social responsibility, corporate governance, innovation and quality. Another financial publication, *Euromoney*, elected GOL as the Best Managed Company in the Aviation Sector, highlighting its outstanding performance in comparison to its peers.

In yet another demonstration of GOL's management competence and excellent investor relations, the Company was featured among the Top 5 in Corporate Governance in Latin America, promoted by IRGR (IR Global Rankings), in two categories: "Best Corporate Governance Practices" and "Best IR Website".

This recognition is largely attributed to the efforts of the Capital Markets area, which creates and implements strategies designed to increase the value of the Company's shares on the stock market.

**IN 2010, GOL SUPPORTED SEVERAL IMPORTANT SOCIAL INITIATIVES FOCUSING ON THE SUSTAINABLE DEVELOPMENT OF THE CORPORATE SECTOR AND SOCIETY AS A WHOLE, SOME OF WHICH ARE LISTED BELOW:**

**NATIONAL CAMPAIGN AGAINST SEXUAL EXPLOITATION OF CHILDREN AND TEENAGERS**

For the third consecutive year, GOL has supported this campaign, which is conducted by the Special Human Rights Department of the Presidential Office (SEDH/PR) through the National Program to Confront Sexual Violence against Children and Teenagers.

During the 2010 Carnival holiday, the Company disclosed the initiative on flights to those locations where the sexual exploitation of children is increasingly prevalent according to data from the Department.

In order to further support the campaign, kits comprising a bag, a T-shirt, a bandanna and other items were raffled on 387 flights, involving around 115,000 passengers.

The selected destinations were: Belém (PA), Salvador (BA), Recife (PE), Fortaleza (CE), Brasília (DF), Rio de Janeiro (RJ), São Paulo (SP), Belo Horizonte (MG), Vitória (ES), Corumbá (MS), Porto Alegre (RS), Florianópolis (SC) and Porto Velho (RO).

**FELICIDADE (HAPPINESS) PROJECT**

GOL supports the *Felicidade* Project, which, since 2001, has been providing underprivileged children, selected from hospitals across the country, with a one-week visit to São Paulo, accompanied by their families, during which they stay in comfortable hotels and visit entertaining places, including theme parks, museums and movie theaters.

One of the activities is a visit to GOL's headquarters, where a group of volunteer employees accompany their special guests around several of the Company's departments and introduce them to the CEO and vice-presidents.

They are also provided with a special lunch and take part in workshops and leisure activities in the afternoon. In 2010, 100 volunteers took part in the project, benefiting 28 children undergoing treatment and 20 of their relatives. In addition, 100 air tickets were donated to the patients and their families.

**AMIGOS DO MUNDO (FRIENDS OF THE WORLD) CAMPAIGN**



The *Amigos do Mundo* Campaign made an invitation to employees in 2010: "Let's get practical!", the idea being to propose changes in attitude regarding daily practices, working processes and business strategies, always taking into account the impact on the business, the environment and society as a whole.

The campaign was advertised through news articles and informative items on the Intranet, as well as through lectures given at administrative headquarters and in the Aircraft Maintenance Center, with the presence of a special guest from the Akatu Institute. Employees received tips on how to save water and energy and on the conscientious consumption of paper and other materials. The movie *Avatar* was also shown at the headquarters and in all the airport bases, followed by a discussion on environmental preservation.

To conclude the initiative, Professor Victor Mishawaka Jr., coordinator of the graduate program at FAAP (Fundação Armando Álvares Penteado), in São Paulo, gave a lecture entitled "The Sustainable Human Being" at the headquarters and at the CMA.

### COPA SOCIAL (SOCIAL CUP)

In order to encourage conscientious consumption beyond the limits of the Company, GOL instigated the Social Cup, a competition to see which employees could save the most water and electricity in their homes. In order to participate, employees had to submit their last three water or electricity bills, in 2009, and every monthly bill thereafter. Forty-nine families entered the competition.

The winners will be announced in 2011, and will receive the Social Cup Trophy, a weekend at the Praia Forte Resort in Bahia, a trip to the Aircraft Maintenance Center in Lagoa Santa for them and five members of their family, and T-shirts with the *Amigos do Mundo* campaign logo.

### CORPORATE VOLUNTEER WORK: COLABORADOR CIDADÃO (CITIZEN EMPLOYEE) PROJECT

The purpose of GOL's *Colaborador Cidadão* Project is to encourage solidarity among its employees by disseminating the concept of volunteer work aligned with the Company's business, as well as to instigate actual social transformation in the communities impacted by the Company, by promoting their sustainable development. Within this project, the Sustainability area operates on three fronts:

1. **TRAINING OF VOLUNTEER LEADERS:** All the bases and administrative offices are invited to participate by appointing a leader to coordinate the work in their city. Participants take part in regular workshops, where they acquire professional and personal qualifications to develop volunteer work, and commit transferring this knowledge to their co-workers. In 2010, two workshops were held on the dynamics and legal aspects of social work, including a presentation of the participants' initiatives based on the handbook *Todo Mundo Pode Voar* (Everybody Can Fly), which promoted the exchange of experience.

2. **TODO MUNDO PODE VOAR (EVERYBODY CAN FLY) HANDBOOK:** The handbook is a guide for the qualification of volunteers in order to multiply ideas, provide practical examples, tell stories and encourage solidarity among GOL employees. The idea is to offer support to the volunteer training process.
3. **AWARENESS AND TRAINING OF NEW CITIZEN EMPLOYEES:** At the end of 2010, new groups of employees, this time from the Company's Customer Service area (SAC), joined the citizen employee qualification program. A total of 50 employees took part in the six training sessions. This process will continue in 2011 with other employees.



THE PURPOSE OF  
GOL'S COLABORADOR  
CIDADÃO PROJECT IS TO  
ENCOURAGE SOLIDARITY  
AMONG ITS EMPLOYEES  
BY DISSEMINATING THE  
CONCEPT OF VOLUNTEER  
WORK



**«THE @VOEGOLOFICIAL  
PROMOTION WAS  
EXCELLENT –  
I MANAGED TO GET A  
TICKET TO SEE MY KID  
ON MY BIRTHDAY :D»**

**@Grungeakr**

twitter 

# MANAGEMENT AND PERFORMANCE



## SCENARIO

2010 was marked by a series of major events in the aviation sector. In the case of GOL, it was the improvement of the economic scenario in Brazil and South America, especially concerning consumer confidence, which was one of the main factors behind the increase in air traffic demand in Brazil, which grew 23.5% in comparison to 2009.

Since the announcement that the 2013 Confederations Cup and the 2014 World Cup will be held in Brazil and that Rio de Janeiro will host the 2016 Olympics, the Brazilian government has been focusing its attention on the country's airport infrastructure, which will certainly require greater attention due to these events and the general upturn in demand. In 2010, Infraero announced investments of around R\$ 6.0 billion to renovate and expand 16 airports in the 12 cities where the World Cup games will be played. This is a major step forward for the development of the sector and the Brazilian economy as a whole.

Other highlights include the agreement between Brazil and the EU on certain aspects of air services, the December signing of an open-skies Memorandum of Understanding between Brazil and the United States, which will become 100% effective in 2015, and the beginning of open-skies negotiations between Brazil and Europe. These initiatives will result in major changes in Latin America's aviation sector, making it even more competitive.

## OPERATING PERFORMANCE

**FLEET EXPANSION:** GOL continued to renew its fleet, which now consists exclusively of new generation Boeing 737-700NG and 737-800NG aircraft. As a result, the Company was able to offer better quality to its passengers and improve its financial performance by reducing maintenance and fuel consumption costs. Throughout the year, GOL returned all of its 737-300s in order to dilute its fixed leasing costs. At year-end, it had 100 firm orders, 10 purchase rights and 40 purchase options for Boeing 737NGs for delivery between 2011 and 2016 out of a total of 177 orders for Boeing aircraft.

**MAINTENANCE CENTER:** GOL maintains an Aircraft Maintenance Center in Lagoa Santa (MG), considered the most advanced in Latin America, where it undertakes heavy fuselage maintenance, preventive maintenance, aircraft paintwork and internal configuration for the entire combined GOL and VARIG fleet.

In recent years, the Center has been expanded, allowing the Company to ensure the highest maintenance standards, reduce fleet maintenance costs and provide services to other airlines, thereby increasing ancillary revenues. The latest expansion took place in March 2010, adding a new hangar, offices, store-room, deposits and support areas, as well as enlarging the yard. And new construction works are envisaged in order to meet future needs generated by the fleet expansion program.

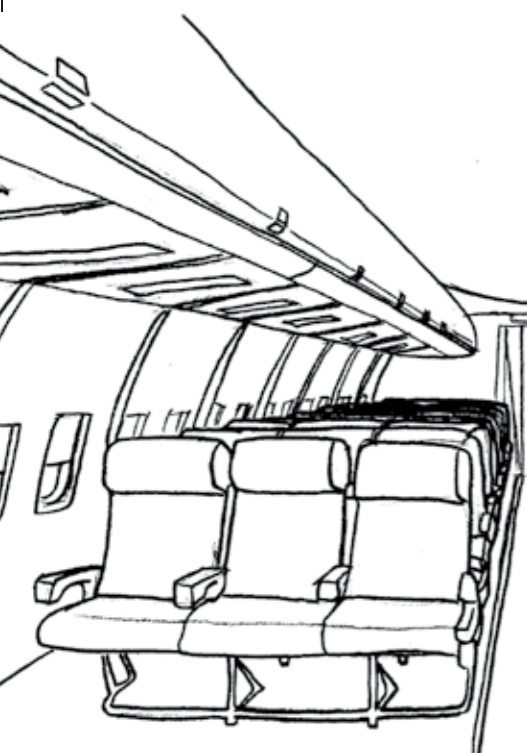
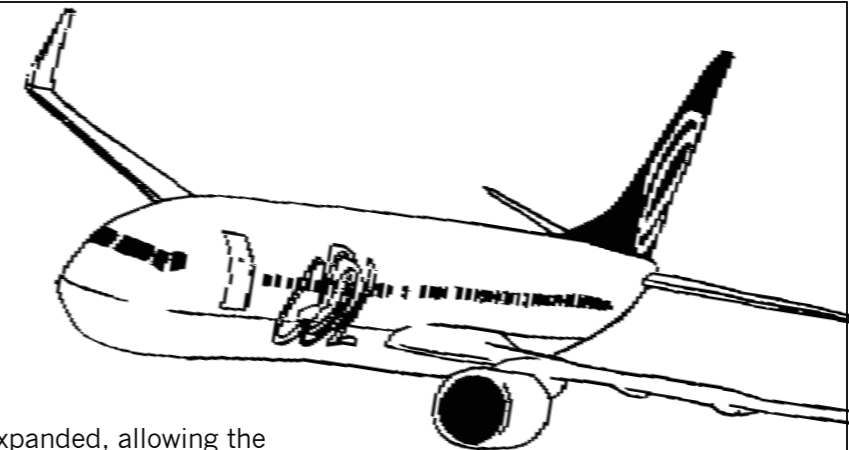
In addition to creating jobs, GOL also invests in improving the skills and technical knowledge of its employees, who undergo regular training programs and courses on (for example) restrictions on the liberation of aircraft and practical inspection procedures, with an emphasis on comprehensive damage analysis and preparation of reports.

At the beginning of 2011, GOL entered into a partnership with Delta TechOps, Delta AirLines' maintenance division, via a long-term MRO (maintenance, repair and operations) agreement. The association is aimed at improving GOL's low-cost structure as well as the quality of its Maintenance Center.

**IOSA CERTIFICATION:** GOL became an effective member of IATA, the International Air Transport Association, the world's most representative body in the aviation industry, which regulates airline operations with the primary intention of ensuring passenger safety.

IATA is recognized as the global benchmark for evaluating airlines' operational safety management and controls and, as a member, GOL will take part in global discussions on issues regarding the development of the commercial aviation industry. It will also participate in forums and have access to the most up-to-date studies and indicators, as well as enjoying full-member voting rights.

**ROUTE NETWORK:** GOL launched several new destinations in 2010, including Aeroparque Jorge Newbery in Buenos Aires; Bridgetown, in Barbados; and Punta Cana, in the Dominican Republic; as well as Bauru and Montes Claros in Brazil. It also gained new connections through commercial agreements with the national airlines NOAR and Passaredo, including Marília, Ribeirão Preto, São José do Rio Preto and Mossoró. This extensive route network, with high-frequency flights between the country's leading airports, has ensured GOL's outstanding position in the domestic aviation market.





## FINANCIAL PERFORMANCE

**NET OPERATING REVENUE:** The Company recorded a net operating revenue of R\$6,979.5 million in 2010, 15.8% higher than 2009, thanks to the increased demand for domestic flights by Brazil's middle class due to the exceptionally positive economic scenario, in addition to other factors, including: (i) GOL's dominant position and greater frequency of flights between Brazil's main airports; (ii) high operating quality indices (punctuality, regularity, client service and safety); (iii) dynamic fare management, which strengthened quarterly yields and fueled demand for leisure flights; (iv) growth of the SMILES mileage program; and (v) a focus on short-haul flights lasting three hours or less, benefiting business travelers.

Consolidated demand increased by 19.2% over 2009 (17.0% in the domestic market and 46.2% on international routes), thanks to the expansion of the international network, with the addition of new routes in the Southern Cone and the Caribbean, and the introduction of new regional destinations in Brazil, as well as the markets covered by the regional airlines with whom we have signed commercial agreements.

The average consolidated load factor was 67.1%, 3.5 percent higher than the 63.6% reported in the previous year, chiefly due to the fact that the 12.9% increase in available seat kilometers (ASK) lagged the 19.2% upturn in revenue per available seat kilometer (RASK).

**OPERATING COSTS:** Operating costs totaled R\$6,281.7 million, 11.9% more than the R\$5,612.1 million recorded in 2009, primarily due to: (i) the 26.2% increase in fuel costs, in turn caused by the 28.9% upturn in the average oil price; (ii) higher costs from salaries, wages and benefits, which increased 13.8%, impacted by the 6% partial implementation of the 8.75% pay rise agreed upon with the unions, in January 2011, and the 4.5% increase in the workforce; (iii) non-recurring maintenance expenses in 1H10 from the return of Boeing 737-300s as part of the fleet renewal program, and the reactivation of Boeing 767s to meet growing demand for long-haul charter flights and subleasing operations. Operating costs per available seat-kilometer (CASK) fell by 1.8%, from 14.03 cents (R\$), in 2009, to 13.78 cents (R\$) in 2010.

**OPERATING INCOME:** The operating income reached a total of R\$697.8 million, with a margin of 10.0%, against R\$413.3 million and a margin of 6.9% in 2009, reflecting the higher aircraft utilization rate and improved load factor, as well as more effective operating cost controls.

**FINANCIAL RESULT:** The 2010 net financial result was an expense of R\$ 311.3 million, versus a gain of R\$342.8 million in 2009, chiefly due to the reduced impact of the appreciation of the Real against the US dollar on the Company's foreign-currency assets and liabilities, and higher interest expenses from July's senior notes issue maturing in 2020 and the fourth debenture issue in September.

**NET INCOME:** As a result of all of the above, the company posted an annual net income of R\$214.2 million, against R\$890.8 million in 2009.

**LIQUIDITY AND INDEBTEDNESS:** GOL successfully strengthened its cash position, maintaining a balance equivalent to at least 25% of net revenue in the last 12 months. Total cash (cash and short-term financial investments) closed the year at R\$1,978.6 million, equivalent to 28.3% of the annual net revenue, demonstrating GOL's ability to generate operational cash flow while reducing its leverage and liquidity risks, putting it among the strongest airlines in the world in terms of cash balance and profitability.

The Company also achieved its goal of deleveraging its balance sheet and extending its financial commitments, eliminating the risk of having to refinance debt maturing within the next three years. On December 31, 2010, total loans and financings came to R\$3,741.1 million, with an average term of 8.6 years, of which 79.5% is in foreign currency and the remaining balance in Brazilian reais.

**CAPEX:** GOL invested R\$462.3 million in 2010, of which 63% is in pre-delivery deposits as part of the fleet expansion plan. The remainder was used for the acquisition of spare parts, the Maintenance Center, airport facilities and the opening of stores in South America.

**OPERATING INCOME**  
**R\$ 697.8 MILLION**

**NET INCOME**  
**R\$ 214.2 MILLION**

**INVESTMENTS**  
**R\$ 462.3 MILLION**

**RISK MANAGEMENT HAS ALWAYS BEEN PART OF GOL'S STRATEGIC AND OPERATIONAL PLANNING PROCESSES AND IS DESIGNED TO PROTECT AND SUSTAIN THE BUSINESS, AS WELL AS THE MATERIAL AND FINANCIAL RESOURCES NEEDED FOR ITS OPERATIONS.**

Operational activities expose the Company and its subsidiaries to a series of financial risks associated with the market (including exchange rate, interest rate and fuel price risks), credit and liquidity. The Company's risk management program is designed to mitigate potential adverse effects from operations that may affect its financial performance. Details of the main risks are shown below.

**FUEL PRICES:** At the close of 2010, fuel expenditure accounted for 35.8% of GOL's total costs. In both the short and long term, jet fuel prices vary in line with oscillations in the price of crude oil and its by-products. In order to mitigate this risk the Company resorts to derivative instruments, mainly pegged to crude oil and, occasionally, to its by-products. On December 31, 2010, the Company only had option contracts.

Fuel price hedge operations are contracted with low-risk banks (average S&P and Fitch ratings of A+) or through the NYMEX (New York Mercantile Exchange) and registered with the CETIP (OTC clearing house), as determined by National Monetary Council Resolution no. 3833/2010.

**FOREIGN EXCHANGE:** Foreign exchange risks arise from unfavorable variations in the exchange rate of foreign currencies to which the Company's liabilities or cash flows are exposed. Such exposure arises primarily from foreign-currency leasing and financings.

GOL's revenue is predominantly in Brazilian reais, although a small portion is in U.S. dollars, Argentinean pesos, Aruba florins, Bolivian bolivianos, Chilean pesos, Colombian pesos, Paraguayan guaranis, Uruguayan pesos and Venezuelan bolivares, among others.

In order to mitigate foreign exchange risks, the Company contracts FX derivatives and U.S. dollar futures and options traded on the BM&FBOVESPA (Securities, Commodities and Futures Exchange). Since July 2010, it has contracted new derivative instruments maturing in 90 days as a hedge against financial leasing contracts in dollars, booked under liabilities. The Company called this protection a "fair value hedge".

**CREDIT:** Credit risks are inherent to the Company's financial and operating activities and are mostly represented by the Accounts receivable and Cash and cash equivalent lines, including bank deposits.

The Accounts receivable risk comes from amounts payable by the leading credit card operators, whose credit risk is better than or equal to the Company's, as well as payables from travel agents, installment sales and the government, with a small portion of risk from individuals and other entities.

As defined in the Risk Management Policy, the Company is obliged to assess the risk of financial instrument counterparties and diversify its exposure, as much as possible. Consequently, such instruments are only negotiated with counterparties with a minimum S&P and Fitch rating of A, or (mostly) contracted on the commodities and futures exchanges (BM&FBOVESPA and NYMEX), thereby substantially mitigating the credit risk. The policy also establishes a maximum limit of 20% per counterparty for financial investments.

**INTEREST RATES:** The Company's result is exposed to fluctuations in domestic and international interest rates, especially the Brazilian CDI interbank rate and the Libor. The greatest exposure occurs in leasing expenses, indexed to the Libor, and the domestic debt. In the fourth quarter of 2010, the Company had no financial instruments, such as a hedge, against interest rate variations.

**LIQUIDITY:** Liquidity risks take two distinct forms – market liquidity risks and cash flow liquidity risks. The former are related to prevailing market prices and vary in line with the type of asset and markets in which they are traded, while the latter are associated with difficulties in meeting operational obligations within the scheduled deadlines.

In order to manage liquidity risk, the Company invests its resources in liquid assets (public securities, certificates of deposit – CDBs, and funds with daily liquidity), while the Company's Cash Management Policy establishes that the weighted average term of the debt may not exceed the weighted average term of the investment portfolio. At the close of 2010, the weighted average terms of the Company's financial assets and liabilities were 71 days and six years, respectively.

The Company protects its future commitments with financial derivative instruments from top-tier banks for cash management purposes.

**CAPITAL MANAGEMENT:** On December 31, 2010, the Company remained committed to maintaining cash and cash equivalents, corresponding to at least 25% of the net revenue in the last 12 months, reaching 28% on that date. The financial leverage ratio closed the year 2% lower than at the end of 2009.

**OPERATIONAL RISK:** GOL's assets are protected by sufficient insurance to cover the risks inherent to the business. Its aircraft are covered for fuselage damage, war (hijacking and seizure), civil liability, spare parts and vehicle liability.

The Company has also adopted several measures to improve the safety of its customers and employees, thereby mitigating its operational risks. These measures are dealt with in the "Operational Safety" section of this report.

**[GRI EC2] CLIMATE CHANGE:** Airlines are exposed to physical risks and financial implications arising from natural events, such as extreme weather conditions, which can affect flight operations, causing delays and cancellations for indefinite periods. Historically, Brazil has never been exposed to natural disasters, such as hurricanes, earthquakes or volcanoes, but a potential increase in the intensity and frequency of adverse natural disturbances may affect the oil-producing regions.

It is worth noting that EU legislation included the aviation sector in Directive CE/2008/101 of the European Union Emissions Trading Scheme, establishing a limit of CO<sub>2</sub> emissions for airlines as of 2012. This measure may have operational and financial impacts, since emission requirements may affect future intercontinental operations and code-share agreements with European airlines. As a result of this and other factors, GOL has sought to reduce its emissions through a series of initiatives, such as improving fuel efficiency, adopting the ACARS (Aircraft Communications Addressing and Reporting System), requiring aircraft and pilots to adopt the RNP (Required Navigation Performance), and adopting more economical operational procedures such as those described in the "Reduction in fuel consumption" section.

## GOL CONDUCTS ITS BUSINESS IN ACCORDANCE WITH BEST CORPORATE GOVERNANCE PRACTICES.

It has been listed in the Bovespa's Corporate Governance Level 2 trading segment since the simultaneous launch of its shares in the Brazilian and U.S. markets, in 2004, and is subject to arbitration by the Market Arbitration Chamber.

In order to ensure management and business transparency for the benefit of all its shareholders and investors, the Company maintains a Securities Trading Policy, which establishes rules and procedures for executives and employees who are trading in the Company's shares.

It also possesses a Material Fact Disclosure Policy, which defines the criteria and the appropriate timing for disclosing such information to investors, as well as the employees responsible for ensuring that the related data is distributed to the market in a comprehensive, transparent and equitable manner. This policy is supported by the Disclosure Committee, which includes professionals from several areas of the Company who are not directly involved in the preparation of the reports disclosed to the market. The committee is responsible for checking and cross-checking the accuracy of the reports.

GOL was one of the first private issuers in South America to comply with Section 404 of the Sarbanes-Oxley Act (SOX) and uses the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission in its internal controls. The Company also complies with Section 302 of SOX, which states that executive officers must declare their personal responsibility for disclosure controls and procedures. Thanks to these certifications, GOL has improved its internal processes and has underlined its commitment to the best corporate governance practices.

GOL's Board of Directors is composed of nine members, four of which are independent, who are elected by the Annual Shareholders' Meeting for a one-year mandate, whereby re-election is permitted (the current mandate expires in April 2012). The Board meets five times a year, on average, or whenever requested by the Chairman, or jointly by any three Board members.

[GRI 4.7]

The Board of Directors is responsible for defining GOL's overall strategies, appointing executive officers and monitoring their performance, as well as instituting committees and establishing their regulations and duties, so that economic, financial, environmental and social issues are strategically managed.

[GRI 4.10]

Since 2009, the Board of Directors has had informal procedures in place that allow its performance to be assessed by its own members throughout the year. In 2010, these procedures were extended to the committees. The Company is constantly evaluating best corporate governance practices in order to develop mechanisms to assess the overall performance of all its other bodies.

NAME	POSITION
Álvaro de Souza	Independent Member and Chairman of the Board
Constantino de Oliveira Júnior	Member
Henrique Constantino	Member
Joaquim Constantino Neto	Member
Ricardo Constantino	Member
Antonio Kandir	Independent Member
Luiz Kaufmann	Independent Member
Richard F. Lark Jr.	Member
Paulo Kakinoff	Independent Member

The résumé of each board member is available at [www.voegol.com.br/ri](http://www.voegol.com.br/ri).

## BOARD of EXECUTIVE OFFICERS

[GRI 4.2/4.7]

The Board of Executive Officers consists of a Chief Executive Officer and four Vice-Presidents, all of whom are elected by the Annual Shareholders' Meeting for a one-year mandate, whereby re-election is permitted (the current mandate expires in February 2012).

Responsible for the day-to-day management of the business, the executive officers have extensive experience in domestic and international passenger transport sectors, which GOL exploited to develop its low-cost operational structure. The individual responsibilities of each officer are determined in the By-laws, by the Board of Directors.

NAME	POSITION
Constantino de Oliveira Júnior	Chief Executive Officer
Adalberto Bogsan	Technical Vice-President
Leonardo Porciúncula Gomes Pereira	Vice-President and Chief Financial Officer
Ricardo Khauaja	Vice-President of Management and Personnel
Claudia Jordão Ribeiro Pagnano	Vice-President of Marketing

The résumé of each board member is available at [www.voegol.com.br/ri](http://www.voegol.com.br/ri).

## FISCAL COMMITTEE

The Fiscal Committee is independent from management and the independent auditors and may be installed on a permanent or temporary basis, in which case it will remain in place for a specific fiscal year as determined by the shareholders. It must consist of a minimum of three and a maximum of five members, with an equal number of alternate members. At present, there is no Fiscal Committee installed.

## COMMITTEES OF THE BOARD of DIRECTORS AND BOARD EXECUTIVE OFFICERS

[GRI 4.9]

### IN ORDER TO ENSURE EFFICIENT MANAGEMENT, GOL MAINTAINS FIVE NON-STATUTORY MANAGEMENT COMMITTEES COMPOSED OF BOARD MEMBERS, EXECUTIVE OFFICERS AND REPRESENTATIVES OF THE INDEPENDENT AUDITORS:

- Personnel and Corporate Governance Committee;
- Financial and Risk Policy Committee;
- Strategy Committee;
- Audit Committee;
- Accounting, Tax and Financial Statement Policy Subcommittee.

With the exception of the Strategy Committee, whose members have a six-month mandate, all the other committee members have a mandate of one year, whereby re-election is permitted.

#### PERSONNEL AND CORPORATE GOVERNANCE COMMITTEE:

Responsible for the coordination, implementation and periodic review of best corporate governance practices and for monitoring and informing the Board of Directors about legislative and market recommendations regarding corporate governance.

[GRI 4.6] In order to ensure the highest possible standards of governance, this committee assists GOL in avoiding any conflicts of interest, thereby complementing the Code of Ethics and the various management policies and instruments, enforcing the regulations of the SEC and its Brazilian equivalent, the CVM, thereby ensuring transparent and equitable accountability with investors and analysts.

It also reviews and recommends the forms of compensation to the Board of Directors, including salary, bonus and stock options, to be paid to GOL's employees, as well as analyzing career and succession plans for management.

The Committee consists of up to five members elected by the Board of Directors, comprising the Chairman of the Board, one Board member, two outside specialists and the Vice-President of Management and Personnel.

**Current members:**

- Henrique Constantino
- Betania Tanure de Barros
- Álvaro de Souza
- Paulo César Aragão
- Ricardo Khauaja

The committee's internal regulations are available at:  
[http://www.mzweb.com.br/gol2009/web/conteudo\\_pt.asp?idioma=0&tipo=26961&conta=28&id\\_arquivo=162795&extensao=pdf](http://www.mzweb.com.br/gol2009/web/conteudo_pt.asp?idioma=0&tipo=26961&conta=28&id_arquivo=162795&extensao=pdf)

**FINANCIAL AND RISK POLICY COMMITTEE:** Conducts periodic reviews of the measures we take to protect the Company against foreign exchange, jet fuel price and interest rate changes and analyzes the effect of these changes on revenues and expenses, cash flow and the balance sheet.

It also prepares and approves corporate finance policies, examines their efficiency and oversees their implementation and, periodically, examines investment and financing plans, makes recommendations to the Board of Directors, and determines the parameters for maintaining the desired liquidity and capital structures.

It meets on a quarterly basis and consists of seven members elected by the Board of Directors, comprising three Board members, the CFO, an internal auditor and two outside specialists.

**Current members:**

- Henrique Constantino
- Richard F. Lark, Jr.
- Leonardo Porciúncula Gomes Pereira
- Luiz Kaufmann
- Charles B. Holland
- Barry Siler
- Marco Provetti

The committee's internal regulations are available at:  
[http://www.mzweb.com.br/gol2009/web/conteudo\\_pt.asp?idioma=0&tipo=26961&conta=28&id\\_arquivo=110000&extensao=pdf](http://www.mzweb.com.br/gol2009/web/conteudo_pt.asp?idioma=0&tipo=26961&conta=28&id_arquivo=110000&extensao=pdf)

**STRATEGY COMMITTEE:** Was a Board of Directors advisory body, but was disbanded, in January 2010, after fulfilling its task of drawing up the Company's business plan for the next five years. It made recommendations to the Board of Directors regarding the Company's basic strategic and institutional positioning, as well as, periodically, reviewing its mission and values and the strategic plan proposed by the Board of Executive Officers. It also made recommendations to the Executive Board in regard to reviewing the current business plan, targets and budgets, and informed the Board of Directors about the methodology used to prepare the business plan in order to verify its participatory nature and scope.

When established, the committee has up to nine members, all nominated by the Board of Directors, including the Chairman of the Board, the CEO, the CFO, the Vice-President of Management and Personnel, the Vice-President of Marketing, and three members of the Board of Directors.

The last committee comprised Álvaro de Souza, Henrique Constantino, Antônio Kandir, Constantino de Oliveira Junior and Luiz Kaufmann (Board members), Leonardo Pereira (CFO and IRO) and Ricardo Khauaja (Vice-President of Management and Personnel).

The committee's internal regulations are available at:  
[http://www.mzweb.com.br/gol2009/web/arquivos/GOL\\_Regimento\\_Interno\\_Comite\\_Estrategia\\_FINAL4.pdf](http://www.mzweb.com.br/gol2009/web/arquivos/GOL_Regimento_Interno_Comite_Estrategia_FINAL4.pdf)

**AUDIT COMMITTEE:** Provides assistance to the Board of Directors on matters involving accounting, internal controls, financial reporting and compliance. It recommends the appointment of the independent auditors to the Board of Directors and reviews the compensation of the independent auditors and helps coordinate their activities. It also evaluates the effectiveness of the internal financial and legal compliance controls.

It comprises three members, elected by the Board of Directors, who meet the audit committee independence requirements of the SEC and NYSE, as well as other NYSE requirements.

**Current members:**

- Álvaro de Souza
- Antônio Kandir
- Luiz Kaufmann

The committee's internal regulations are available at:  
[http://www.mzweb.com.br/gol2009/web/conteudo\\_pt.asp?idioma=0&tipo=26961&conta=28&id\\_arquivo=162794&extensao=pdf](http://www.mzweb.com.br/gol2009/web/conteudo_pt.asp?idioma=0&tipo=26961&conta=28&id_arquivo=162794&extensao=pdf)

**ACCOUNTING, TAX AND FINANCIAL STATEMENT POLICY**

**SUBCOMMITTEE:** A Board of Directors advisory body responsible for conducting periodic reviews, and evaluating and monitoring the company's accounting policies and financial statements. It meets on a quarterly basis and consists of at least three members elected by the Board of Directors, comprising the CFO, a Board or Audit committee member, and an independent member.

**Current members:**

- Richard F. Lark, Jr.
- Leonardo Pereira
- Charles B. Holland
- Marcos da Cunha Carneiro

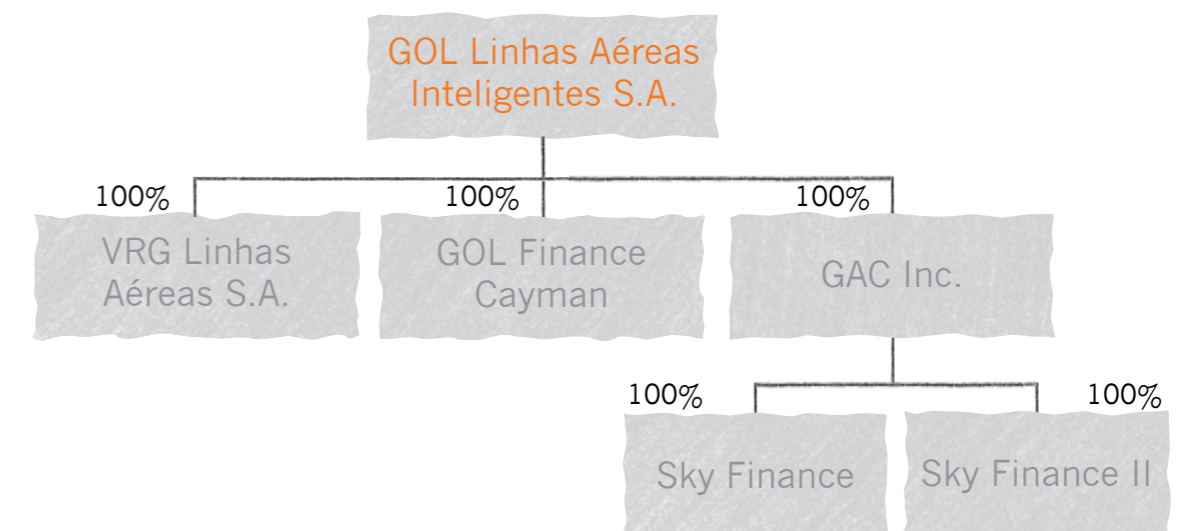
The committee's internal regulations are available at:  
[http://www.mzweb.com.br/gol2009/web/conteudo\\_pt.asp?idioma=0&tipo=26961&conta=28&id\\_arquivo=110003&extensao=pdf](http://www.mzweb.com.br/gol2009/web/conteudo_pt.asp?idioma=0&tipo=26961&conta=28&id_arquivo=110003&extensao=pdf)

**GOL LINHAS AÉREAS INTELIGENTES IS A HOLDING COMPANY WITH DIRECT OR INDIRECT INTERESTS IN FOUR SUBSIDIARIES: VRG LINHAS AÉREAS S.A. ("VRG") AND THREE FOREIGN FINANCIAL SUBSIDIARIES, GOL FINANCE AND GAC INC. ("GAC"), THE LATTER OF WHICH IS THE DIRECT CONTROLLING SHAREHOLDER OF SKY FINANCE (SKY).**

VRG is the Company's operational subsidiary, through which GOL runs its business under the GOL and VARIG brands. Consequently, this report also includes VRG's national operations.

The purpose of GOL Finance, GAC and SKY is to raise funds in the foreign financial and capital markets to finance the acquisition of aircraft.

**ORGANIZATIONAL STRUCTURE**



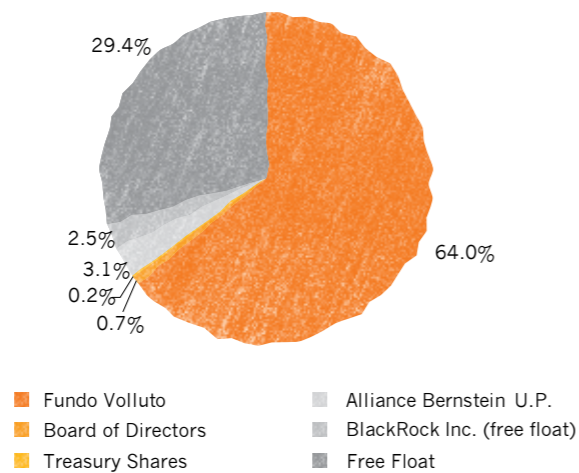
## OWNERSHIP STRUCTURE

[GRI 3.8]

GOL Linhas Aéreas Inteligentes is controlled by Fundo de Investimentos em Participações Volluto (the former Fundo de Investimentos em Participações Asas), which held 64% of its total capital at the close of 2010. On the same date, the Company's capital stock totaled R\$2,315,611,189.41, represented by 270,336,668 shares, 137,032,734 of which are common and 133,303,934 preferred.

### OWNERSHIP BREAKDOWN

(on 12/31/2010)



GOL's shares closed 2010 at R\$25.10 per share, 0.6% down on the R\$25.25 recorded at the end of 2009. It is among the most liquid companies in Brazil, included in the Ibovespa (Bovespa Index), ITAG (Special Tag Along Stock Index), MSCI (Morgan Stanley Capital International Index), IGC (Special Corporate Governance Stock Index), and IBRX 100 (Brazil Index), with an average daily traded volume of R\$30 million on the BM&FBOVESPA during 2010 and R\$28 million in the second half year.

## CORPORATE INFORMATION

### CREDITS

#### OVERALL COORDINATION [GRI 3.4]

GOL Linhas Aéreas Inteligentes  
Praça Comandante Lineu Gomes, s/nº, portaria 3  
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Tel.: (55 11) 2128-4700

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Helio Muniz Garcia  
Maria de Nazaré Guimarães Sousa  
Partner: Elo3 Integração Empresarial

#### GOL | INVESTOR RELATIONS

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Mario Tsuwei Liao

#### CONTENT AND EDITING

BRIC Comunicação Corporativa Integrada  
GOL | Comunicação Corporativa e Sustentabilidade

#### GRAPHIC AND EDITORIAL PROJECT

GOL | Marketing  
A10 Design

#### PHOTOS

GOL archives and image bank

#### INDEPENDENT AUDITORS

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CEP 04719-030



GRI INDICATORS		OBSERVATIONS
<b>1. STRATEGY AND ANALYSIS</b>		
1.1	Statement from the most senior decision maker about the relevance of sustainability to the organization and its strategy	Page 14
1.2	Description of key impacts, risks, and opportunities	Page 19 and 82
<b>2. ORGANIZATIONAL PROFILE</b>		
2.1	Name of the organization	Page 17
2.2	Primary brands, products and/or services	Page 17 and 18
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Page 17 and 18
2.4	Location of organization's headquarters	Page 17 and 18
2.5	Number and name of countries where the organization operates	Page 17 and 18
2.6	Nature of ownership and legal form	Page 17
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Pages 17, 18, 20 and 21
2.8	Scale of organization	Pages 17 and 18
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Pages 17 and 18
2.10	Awards received during the reporting period	Pages 36 and 37
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3.1	Reporting period	Page 10
3.2	Date of most recent previous report	Page 10
3.3	Reporting cycle (annual, biennial, etc.)	Page 10
3.4	Contact point for questions regarding the report or its contents	Page 95
3.5	Process for defining report content	Page 11 to 13
3.6	Boundary of the report	Page 10
3.7	State any specific limitations on the scope or boundary of the report	Page 10
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	Pages 93 and 94

3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Data measurement techniques follow GRI protocols, methodologies amply accepted or utilized by GOL in a systematic manner.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	There have been no restatements of information provided in earlier reports.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	There have been no significant changes in scope, boundary, or measurement methods. This is GOL's first report based on RI guidelines.
3.12	Table identifying the location of the standard	Pages 96 to 99
3.13	External assurance of the data	Pages 100 and 101
<b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>		
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4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Pages 87 and 88
4.3	For organizations that have a unitary board structure, state the number and gender of independent and/or non-executive members of the highest governance body	Page 87
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Page 58
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	Page 66
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4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Pages 87 and 88

4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Pages 16 and 58
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Pages 50 and 89 to 92
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Page 87
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Pages 82 to 85
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Page 53
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees or provides substantive funding beyond routine membership dues	Page 53
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4.15	Basis for identification and selection of stakeholders with whom to engage	Pages 11 to 13
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Page 11 to 13
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Pages 11 to 13

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EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Page 85
<b>ASPECT: MARKET PRESENCE</b>		
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EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Page 70
<b>ASPECT: INDIRECT ECONOMIC IMPACTS</b>		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Pages 72 to 75
<b>ENVIRONMENTAL</b>		
<b>ASPECT: MATERIALS</b>		
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EN2	Percentage of materials used that are recycled input materials	Page 70
<b>ASPECT: ENERGY</b>		
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EN4	Indirect energy consumption by primary source	Page 54
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Page 53 to 54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Pages 50 to 52
<b>ASPECT: WATER</b>		
EN8	Total water withdrawal by source	Page 54
EN10	Percentage and total volume of water recycled and reused	Page 54

ASPECT: EMISSIONS, EFFLUENTS AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight	Page 48
EN17	Other relevant indirect greenhouse gas emissions by weight	Page 48
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Page 50
EN20	NOx, SOx, and other significant air emissions by type and weight	Page 49
EN21	Total water discharge by quality and destination	Page 43 and 54
EN22	Total weight of waste by type and disposal method	Page 54
EN23	Total number and volume of significant spills	Page 55
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	GOL and GOLLOG do not transport any type of hazardous material in their aircraft as they are not authorized to do so.
ASPECT: PRODUCTS AND SERVICES		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Pages 40 to 55
ASPECT: COMPLIANCE		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GOL received a notice of Violation from the Minas Gerais State Environmental Department for not filling in the Industrial solid waste inventory in 2009. Value of fine: R\$20.001,00 (Twenty thousand and one Brazilian reais).
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Pages 43 and 44
LABOR PRACTICES AND DECENT WORK		
ASPECT: EMPLOYMENT		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Page 59
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region	Page 60

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Pages 60 and 67
ASPECT: LABOR/MANAGEMENT RELATIONS		
LA4	Percentage of employees covered by collective bargaining agreements	Page 67
LA5	Minimum notice period (s) regarding operational changes, including whether specified in collective agreements	There is no specific rule laid down in codes or manuals about minimum notice periods for informing employees of operational changes. Such periods are determined by the Corporate Communications and Sustainability area.
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Page 61
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender (Partial response)	Page 62 (partially responded)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Pages 60 and 61
LA9	Health and safety topics covered in formal agreements with trade unions	Page 67
ASPECT: TRAINING AND EDUCATION		
LA10	Average hours of training per year per employee by gender, and by employee category	Page 62
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Page 62, 63 and 65
LA12	Percentage of employees receiving regular performance and career development reviews	Page 63 and 64

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Page 59
LA14	Ratio of basic salary and remuneration of women to men by employee category	Page 66
HUMAN RIGHTS		
ASPECT: INVESTMENT AND PROCUREMENT PRACTICES		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Page 58
ASPECT: NON-DISCRIMINATION		
HR4	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination were registered in 2010
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	No operations were identified in which the right to exercise freedom of association and collective bargaining were violated or at significant risk
ASPECT: INDIGENOUS RIGHTS		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No violations of rights of indigenous people were registered in 2010
SOCIETY		
ASPECT: COMMUNITY		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Pages 42, 47 and 72 to 75
ASPECT: CORRUPTION		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Page 58
SO4	Actions taken in response to incidents of corruption	No incidents of corruption were registered in 2010.

ASPECT: ANTI-COMPETITIVE BEHAVIOR		
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	No incidences of legal actions for anticompetitive behavior, anti-trust, and monopoly practices were registered in 2010.
PRODUCT RESPONSIBILITY		
ASPECT: PRODUCT AND SERVICE LABELING		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Pages 40 and 41
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Page 35
ASPECT: COMMUNICATIONS AND MARKETING		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	In terms of communications and marketing, GOL follows the guidelines and best practices established by recognized bodies, such as the CENP (Executive Council for Standards and Norms), the ABA (Brazilian Association of Advertisers) and Conar (Brazilian Advertising Self-regulation Council).
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	No cases of non-compliance with regulations and voluntary codes related to communications and marketing were registered in 2010.
ASPECT: CUSTOMER PRIVACY		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints regarding breaches of customer privacy and losses of customer data have been registered.

INDEPENDENT AUDITORS'  
LIMITED ASSURANCE  
REPORT ON THE GRI (G3)  
INDICATORS INCLUDED IN  
THE SUSTAINABILITY  
REPORT AS OF  
DECEMBER 31, 2010

To the Management and  
Shareholders of  
GOL Linhas Aéreas  
Inteligentes S.A.  
São Paulo - SP

(Convenience Translation  
into English from the  
Original Previously Issued in  
Portuguese)

We have reviewed the procedures used by the Management of GOL Linhas Aéreas Inteligentes S.A. (the "Company") to obtain and aggregate information and prepare the GRI indicators included in the Sustainability Report for the year ended December 31, 2010. The information on the GRI indicators included in the Sustainability Report as of December 31, 2010 has been prepared under the responsibility of the Company's Management. Our responsibility is to issue a limited assurance report on the procedures used by the Company's Management to obtain and aggregate the information relating to the GRI indicators defined by the Global Reporting Initiative - GRI, release G3, included in the GRI indicators in the Sustainability Report as of December 31, 2010.

**MANAGEMENT'S RESPONSIBILITY FOR THE SUSTAINABILITY REPORT**

The Company's Management is responsible for the information relating to the GRI indicators included in the Sustainability Report as of December 31, 2010, and for such internal control as Management determines is necessary to enable the preparation of the Sustainability Report as of December 31, 2010 that is free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the procedures adopted by the Company's Management to obtain information relating to the GRI indicators included in the Sustainability Report as of December 31, 2010 based on our review. We conducted our review in accordance with NBC TO 3000 - Assurance Services Other Than Audit or Review of Historical Financial Information, issued by the Brazilian Institute of Independent Auditors (IBRACON) and based on a document with similar content approved by Federal Accounting Council (CFC) Resolution 1160, dated February 13, 2009. These procedures primarily consisted of: (a) discussing with the Company's Management its definition of the framework and content of the information relating to the environmental, social and economic performance for inclusion in the GRI indicators in the Sustainability Report as of December 31, 2010; (b) inquiring of and discussing with officers responsible for the Company's accounting, financial and operating areas about the key internal control systems used to obtain, validate and aggregate the information; (c) tracing the main accounting information to the audited financial statements prepared by the Company's Management; and (d) reviewing the information and events after the reporting date that have or may have a material effect on the information disclosed in the GRI indicators included in the Sustainability Report as of December 31, 2010.

The procedures applied were considered sufficient to allow a limited assurance level and, accordingly, do not include those that might have been required to provide reasonable assurance.

**SCOPE LIMITATION**

Our review was limited to the procedures used by the Company's Management to obtain and aggregate information relating to the indicators defined by the Global Reporting

Initiative - GRI, release G3, included in the GRI indicators in the Sustainability Report as of December 31, 2010 prepared by the Company's Management, and does not include any analysis and evaluation of the Company's social responsibility policies and procedures, also concerning projections, future plans, opinions, historical information and descriptive information disclosed in the GRI indicators included in the Sustainability Report as of December 31, 2010, subject to subjective evaluations. Since this review did not represent an audit in accordance with Brazilian auditing standards, we are unable to express, and do not express, an opinion on the information included in the GRI indicators included in the Sustainability Report as of December 31, 2010 nor on accounting information included by reference or disclosed in this report.

**CONCLUSION**

Based on our review procedures described in the "Auditors' responsibility" paragraph, we are not aware of any matters that would cause us to believe that the procedures defined and used by the Management of GOL Linhas Aéreas Inteligentes S.A. are not effective, in all material respects, to obtain and aggregate information and prepare the GRI indicators included in the Sustainability Report for the year ended December 31, 2010, in accordance with criteria defined by the Global Reporting Initiative - GRI, release G3.

**OTHER MATTERS**

Based on the guidelines set by the Global Reporting Initiative - GRI, release G3, the Company reports a B+ Application Level in its Sustainability Report for the year ended December 31, 2010, which contains the critical performance indicators and additional indicators. Based on the procedures applied by us, we are not aware of any fact that would cause us to believe that these procedures are not sufficient to confirm that the application level reported by the Company is in accordance with the guidelines set by the Global Reporting Initiative - GRI, release G3.

São Paulo, September 16, 2011

*Deloitte Brasil Auditores Independentes*

DELOITTE BRASIL  
Auditores Independentes Ltda.

*Andre Ricardo Aguiar Paulon*

Andre Ricardo Aguiar Paulon  
Engagement Partner

