



Eletrobras

Sustainability Policy of the Eletrobras Companies

September 2010

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STATEMENT

We, the members of the Eletrobras companies, undertake to give our effective contribution towards the sustainable development of the areas where we operate and the surrounding communities, and to invest in research and in the application of new technologies that are both environmentally and socially responsible.

We hold an outstanding position among worldwide leaders as producers of clean and renewable energy, and our business is guided by internationally acknowledged management practices, whereby we endeavor to enhance positive environmental and social impacts, and to minimize negative impacts ensuing from our activities.

We aim at reaching economic-financial, social and environmental balance in our operations that will not compromise life quality for future generations.

We seek to follow best corporate governance practices and validate our ethics commitment to our employees, shareholders, clients, suppliers, business partners, society and government in the Code of Ethics of the Eletrobras companies. We disclose our commitment in the 2010-2020 Eletrobras System Strategic Plan.

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1. Objective

Establish guidelines that direct the actions of the Eletrobras Companies towards the promotion of sustainable development, seeking to balance the business opportunities with social, economic-financial and environmental responsibility.

2. Concepts

Employees

The group of people that comprise the companies' workforce.

Neighboring communities

Communities with which the company interacts and/or coexists because of its business portfolio or projects that address the population's life quality.

Energy efficiency

It is the ability of converting energy into useful service or work. Under this policy, it takes on a broader scope, referring to actions endeavored to reduce energy consumption, environmental impacts ensuing from its generation, thus helping conserve natural resources. It involves technological aspects, such as the use of efficient equipment and behavior, including awareness raising actions, education and driving its efficient use.

Clean energy

It is energy that does not release (or releases a low rate of) gases or residues that result in global warming when it is produced or consumed.

Renewable energy

It is energy yielded by natural cycles of conversion of solar radiation.

Energy matrix

It is the quantitative representation of the offer of different energy sources, i.e. the amount of energy resources offered by a country, a region or a company.

Stakeholders

An organization's stakeholders are those groups who affect and/or are affected by the organization and its activities. These may include, but are not limited to: employees, customers, shareholders, community and suppliers.

Risks

The effects posed by uncertainty on the company's objectives, caused by poor disclosure of information related to an event, how it is perceived and understood, the consequences or probabilities. It may lead to impacts associated to financial and/or image/reputation issues, and may as well present itself as threats or opportunities.

Sustainability

To foster sustainable development that allows the present generation to meet their needs without compromising the needs of future generations. Under the corporate vision, that means to carry out our business driving social inclusion (respecting cultural diversity and the interests of all stakeholders directly or indirectly involved) reducing – or optimizing – the use of natural resources and environmental impact, preserving the integrity of our planet for future generations without leaving aside the economic-financial profitability of the business.

Coexistence territories

They are the venues where the company has its facilities or where it develops projects to improve life quality of the population.

Rational use of resources

The use of existing potentialities in the environment vis-a-vis and according to techniques available at a given historical moment, chartered by the principle of precaution and respecting the need to guarantee an ecologically balanced environment. It is attained by our commitment to economic and efficient socially acceptable practices in order to completely eliminate or minimize the need to recover natural assets used for development actions.

3. Guidelines

Promoting sustainable development

To be an important actor in the sustainable development of the coexistence territories of Eletrobras companies.

Clean and renewable energy

To prioritize the production of clean and renewable energy.

Rational use of resources

To promote the rational use of natural resources and materials used in processes, systems and operations of the Eletrobras companies.

Energy efficiency

To be the driving agent of energy efficiency in order to attain optimum rational use of natural resources and to foster the development and use of technologies, processes and systems to this end.

Sustainable R&D+I

To foster research, scientific development and technological innovation in order to attain improved performance, enhancing positive impacts and minimizing negative impacts on activities carried out by the Eletrobras companies.

Commitment to ethics and transparency

To establish ethical and transparent relationships with all stakeholders.

Respect to human rights

To respect human rights set forth under laws, treaties and national and international conventions, repudiating any type of breach within the scope of operations of the Eletrobras companies.

Stakeholders' added value

To add value and carry out profitable and competitive operations that are efficient and effective in order to generate return for employees, shareholders, clients, suppliers and other stakeholders.

Dialogue and engagement

To establish comprehensive, transparent and permanent lines of dialogue with stakeholders respecting the equity, diversity and culture of each region where we operate and transferring information ensuing from this interaction to corporate decisions.

Employee-citizen

To encourage employees to become committed to sustainability in order to develop a citizen mindset both in the corporate environment and in their daily lives.

Employee work environment and wellness

To guarantee a proper work environment and promote wellness of all employees, comply with domestic and international occupational health and safety standards, and enforce those requirements with our suppliers.

Employee life quality

To promote personal and professional growth to all our employees, as well as a work environment that includes and values equity and diversity.

Purchasing and responsible partnerships

To incorporate social environmental requirements in goods and service contracts and to drive our business partners to also do it.

Sustainability management

To improve management systems in order to foster and ensure the continuous improvement to all corporate processes, thus strengthening sustainability principles.

Risk management

To endeavor to minimize and mitigate financial, environmental, social, operational and other risks inherently associated to the business of the Eletrobras companies.

4. Responsibilities

Boards of Executive Officers of Eletrobras companies

To approve the terms under this Policy and guarantee its implementation, considering its principles in their decision making.

Sustainability Committee of Eletrobras System

To drive the coordination between Eletrobras companies and to propose Action Plans that will enable the actual implementation of the guidelines set forth under this Policy.

Organizational Units

To implement Action Plans proposed by the Sustainability Committee of Eletrobras System.

5. General Provisions

General Provisions: Considering the need to meet the particularities of each company, this policy should be deployed into other specific normative documents, always aligned with the principles and guidelines established in this document.

This policy was approved by the Resolution RES 1046/2010 in 29/09/2010



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