

Sustainability Report



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Message from the President

Eletrobrás System's
Sustainability Report 2008



*José Antonio Muniz Lopes –
Eletrobrás's President
(Picture: Jorge Coelho)*

Our commitment with social-environmental responsibility is not new. Since it was created, 47 years ago, Eletrobrás has had energy as its business and sustainable development in Brazil as its great ideal. However, a new fact makes this publication even more special than the previous ones. In 2008, the Brazilian government created conditions for the establishment of management, structural and regulatory changes which consolidated the Eletrobrás's role as a holding. In practical terms, this means that the ideals it has always had inspire today a stronger, more cohesive group of companies, more and more committed to the sustainability.

There shall be demonstrated on the next pages some of the realities which are representative of Eletrobrás System. We are six power generation and transmission companies, six distributors, half of the Itaipu Binacional power plant and Cepel, the biggest electric power research center in the South hemisphere. Our differences makes us portrait such a vast and varied country, but our strength comes from what we have as unique: the principles of business efficiency, profitability and social-environmental responsibility.

As a reflex to these ideals which guide the management practices in all companies in the System, Eletrobrás was listed, for the second year in a row, among the companies in Bovespa Sustainability Index. The index evidences our role as promoters of good governance practices in the Brazilian business community. The same principles have established the adhesion of Eletrobrás System companies to the Global Compact, which defends ten universal principles derived from the Universal Declaration of Human Rights, Fundamental Principles and Rights at Work, from the International Labor Organization and the Principles of Rio on Environment and Development.

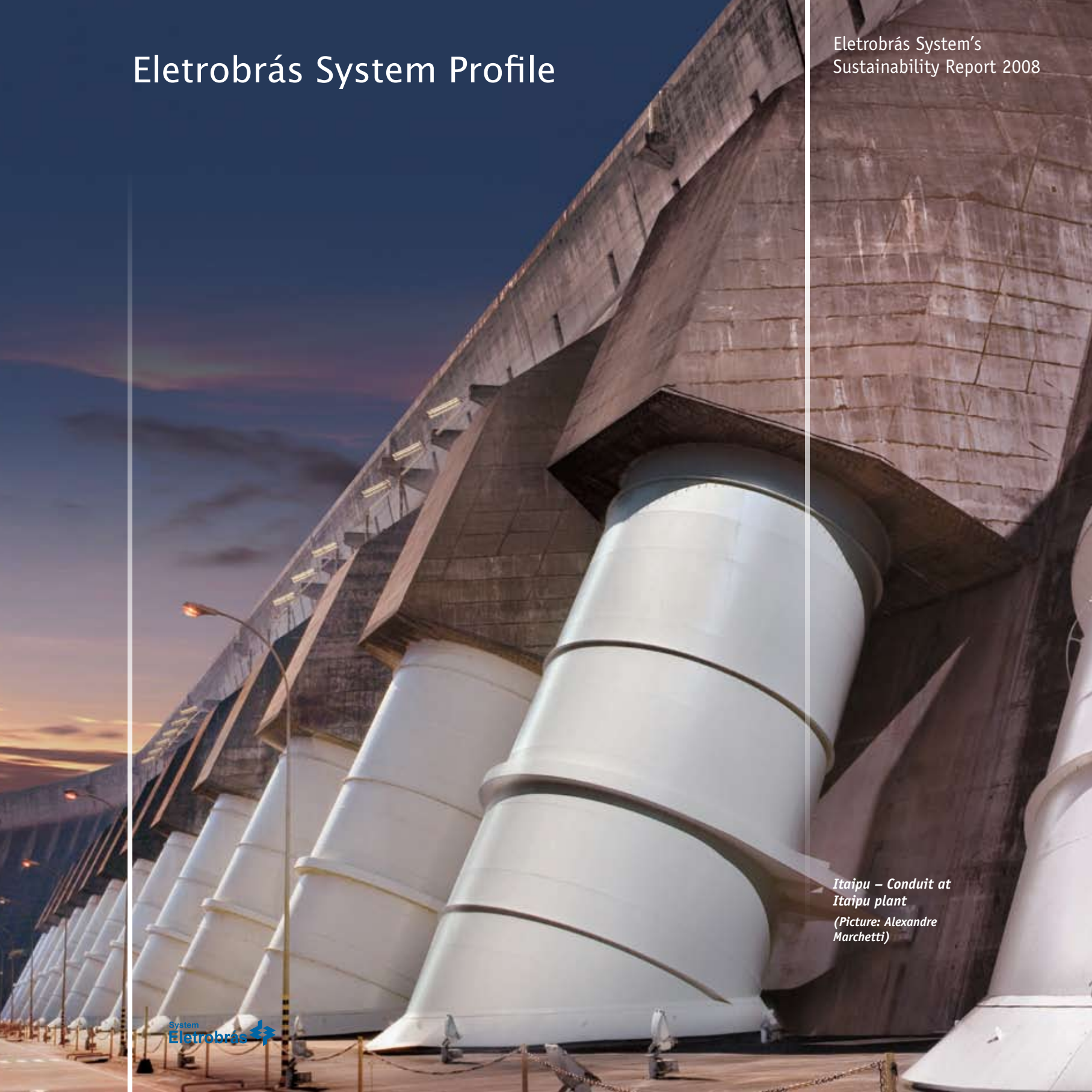
Our companies have confirmed, with practical actions, the involvement with said principles, as well as with the Gender Pro-Equity Program, from the Special Bureau for women's policies and the Millennium Development Goals, from UNO.

It is, therefore, in this manner, committed with Brazil and its people, that Eletrobrás System increases each day. Today, the sustainability principle guides the relations between men and nature all over the world. For us, at Eletrobrás System, more than a principle, it is a certainty: the energy of the future lies in the hands of each one of us.

José Antonio Muniz Lopes
Eletrobrás's President

Eletrobrás System Profile

Eletrobrás System's
Sustainability Report 2008



*Itaipu – Conduit at
Itaipu plant
(Picture: Alexandre
Marchetti)*

The creation of Centrais Elétricas Brasileiras (Eletrobrás) was proposed in 1954 by President Getúlio Vargas. The project faced great objection and was only approved after seven years of proceduring in the National Congress. The establishment of the company occurred officially on June 11, 1962, in a solemn meeting of the Conselho Nacional de Águas e Energia Elétrica (Cnaee), at Palácio Laranjeiras, in Rio de Janeiro, with the presence of the President João Goulart (1961- 1964).

Eletrobrás received the task to foster studies, generating plants construction and operation projects, transmission lines and substations intended to the supply of electric power in the country. The new company started decisively contributing for the expansion of supply of electric power and the development of Brazil.

Nowadays, it is the biggest company in the electric power sector in Latin America. It is a mixed capital and a publicly-held company, headquartered in Rio de Janeiro, with stocks traded at stock exchanges in São Paulo (Bovespa), Madrid, in Spain, and New York, in United States. The federal government holds 54% of the company's common stocks, and, therefore, holds the company's equity control. The federal government is also the holder of 15.7% of preferred stocks, whose majority (84,3%) is held by private initiative.

In the capacity of holding, Eletrobrás controls a great part of the electric power generation and transmission systems in Brazil, by means of six subsidiaries: Chesf, CGTEE, Eletrosul, Eletronorte, Eletronuclear and Furnas. Besides being the main shareholder of these companies, Eletrobrás, on behalf of the Brazilian government, it holds half of the capital of Itaipu Binacional. Eletrobrás System generating capacity, including half the power of Itaipu which belongs to Brazil, is of 39,402 MW, corresponding to 38% of the national total. The System's transmission lines are 52,902 kilometers long in the basic network (voltage \geq 230 kV) representing around 61.3% of the total of lines in Brazil.

Institutional remodeling and privatization in the 1990s caused changes in Eletrobrás's profile. In this period, the company started acting operating also in the distribution of electric power. Nowadays, it controls the companies Eletroacre (AC), Ceal (AL), Cepisa (PI), Ceron (RO), Amazonas Energia (AM) and Boa Vista Energia (RR).

The holding also controls the Centro de Pesquisas de Energia Elétrica (Cepel) and Eletrobrás Participações S.A. (Eletropar).

Eletrobrás is responsible for the management of sector resources which finance the Program Luz para Todos (Light for All), the Programa Nacional de Iluminação Pública Eficiente (Efficient Public Lighting National Program - Reluz), the Programa de Incentivo às Fontes Alternativas de Energia Elétrica (Program to Foster Electric Power Alternative Sources - Proinfa), the Programa Nacional de Conservação de Energia Elétrica (Electric Power Preservation National Program - Procel) and the fossil fuels used in isolated electric systems.

The System is going through a period of great changes nowadays, aiming at having a bigger integration among the companies, the strengthening of the synergies, the sharing of expertise and learnings and the development in a common manner.

Eletrobrás System



Mission

The company's mission is to raise, offer and implement solutions which serve National and International electric power markets, operating with business excellence, profitability and social and environmental responsibility, contributing for the development of Brazil and the countries where it operates.

Vision

Be a world's reference in the electric power business, with business efficiency, profitability and social and environmental responsibility.

Values

Ethics, integration, commitment, appreciation of people, excellence in management, rectitude and social and environmental responsibility.

Commitment towards Sustainability

Eletrobrás and all the System's generation companies are signatories of the Global Compact, an initiative of UNO for the engagement of the business world in the construction of a global market, which is more stable, egalitarian and inclusive, in order to generate a prosperous society.

The Covenant has ten principles. As signatories, the companies undertake to foster them, by means of their business actions and volunteer social investment, and to spread them throughout society, amount their business partners and employees.

- Human Rights Principles



- Environmental Protection Principles



- Labor Rights Principles



- Principle against Corruption



Eletróbrás has made its adhesion to the Global Compact official as of July 26, 2006 and after two years, in June 2008, has made its first Progress Report to the United Nations regarding its good corporate practices in compliance with the ten principles, highlighting the Social-environmental Balance for that year.

Besides the Global Compact, Eletróbrás and its affiliated companies have undertaken the commitment with the fostering of the Objectives of the Millennium. After a process of studies and debates, coordinated by the United Nations, there were established eight objectives which summarize a global social agenda, guided towards inclusion and overcoming of poverty structural causes. They are as follows:



Since 2005, Eletrobrás has its corporate guidelines aligned with the Objectives of the Millennium. Within the Social Responsibility scope, the 8 Objectives of the Millennium are guidelines for the development of social-environmental policies and are used as criterion for selection of social projects which receive the support from the company.

Eletrobrás System also takes part in the Federal Government's initiative which aims at the fostering of gender equity. The Programa Pró-Equidade de Gênero (PPEG) has originated committees which are present in all generation companies in the System, by means of which relevant actions are been developed. This has been a very valuable experience, as it is an initiative in which the holding and its affiliated companies have been operating in an effective manner as a System, generating learnings which shall be useful for the development of the integration effort in progress at the moment.

In 2008, Eletrobrás has kept its stocks listed in the Business Sustainability Index (ISE Bovespa). Being listed in this index means engagement with business sustainability and in an investment environment compatible with the demands for a sustainable development.

Since September 29, 2006, Eletrobrás is ranked as level 1 in Corporate Governance at Bovespa, what implies in commitments regarding good governance practices: rectitude of information, egalitarian treatment to all shareholders, rendering of accounts and compliance with the information.

Within the strategic planning initiatives, as of October 31, 2008, Eletrobrás stocks started being traded at the New York Stock Exchange, by means of two transaction level II ADR programs for common stocks and class "B" preferred stocks.

Created by means of a Executive Board's resolution, the Eletrobrás System's Sustainability Committee, subordinate to the holding's Board of Directors, has as assignments to develop policies and guidelines which contemplate:

- The monitoring of sustainability actions at Eletrobrás System;
- The analysis and implementation of sustainable management tools internationally acknowledged in the Eletrobrás System scope, as well as the monitoring and evaluation of results;
- The preparation of goals and improvement plans;
- Production of Sustainability Reports following standards accepted worldwide, which contemplate the performance of Eletrobrás System and may be used as communication instrument for the volunteer commitments undertaken, such as for instance, the Global Compact;
- Prompt compliance to the requirements of the Global Compact, ISE Bovespa and DJSI;
- Awareness actions for the internal public at Eletrobrás and its affiliated companies on the importance of business sustainability.

Eletrobrás System Sustainability Committee is comprised by a Directive Center, a Managerial Center and a Project Management Area.

The Directive Center, comprised by Eletrobrás's president and by the general coordinator, is responsible for the coordination of the Committee; for the definition of strategic guidelines; for the support, with the required resources to the necessities sent by the Managerial Center; and by the communication with the Sustainability Committees at the controlled companies.

The Managerial Center, comprised by an executive secretary and six other members, is responsible for the operationalization of strategic guidelines from the Committee's Directive Center; for the coordination and support to initiatives from the Project Management Areas; for the structuring of Improvement Plans from the ISE Bovespa and DJSI results, among others; for the holding of regular assessments of the progress of works, fostering the required recommendations; and for the confirmation of results submitted by the Project Management Areas.

The Project Management Area is responsible for the performance of actions established by the Managerial Center, comprising the whole Eletrobrás System; for the guarantee of the fulfillment of the goals and compliance to the strategic guidelines; for the definition of the work methodology; and for the coordination of the activities of the professionals involved in the development of each action. It is comprised by representative members of the areas as follows:

- Energetic Efficiency
- Environmental
- Economic-Financial
- Corporate Governance
- Social Responsibility
- Infrastructure Management

Since 2005, Itaipu's Brazilian margin holds the Comitê Gestor de Responsabilidade Socioambiental (Social-Environmental Responsibility Managerial Committee CGRSA). In 2008, Furnas and Eletronorte's Sustainability Committees were created. Within the scope of generating and transmitting companies, only Chesf still does not have its own Sustainability Committee.

The Committees are directly linked to the Executive Senior Management and, by means of its chairperson, to the Board of Directors. In the case of Itaipu, the Committee is linked to the Brazilian General Senior Management.

Among the assignments of the Committees, there can be highlighted:

- propose policies, business guidelines and actions intended to the implementation of sustainable practices and management tools;
- spread the sustainability culture all over the company;
- coordinate the responses to the Dow Jones Sustainability Indexes questionnaire (DJSI), of the New York Stock Exchange and the Business Sustainability Index (ISE), of São Paulo Stock Exchange (Bovespa).

Corporate Governance

Eletrobrás System's
Sustainability Report 2008

*Aeolian power generation
(Picture: José Roberto de
Almeida)*

Eletróbrás's Corporate Governance structure aims at defining rules which govern the relationship of the interests of controlling shareholders, minority shareholders and administrators. The main governance agencies formally comprised in the company with regular operation are: Annual General Meeting (AGM), the Board of Directors, the Turbo Tax Council, the Executive Board, the Internal Audit and the Independent Public Accounting.

In 2008 six Annual Meetings were held, being five Extraordinary (149th, 150th, 151st, 152nd, 153rd) and one General Meeting (48th), to deal with several matter to the interest of shareholders.

The Board of Directors is comprised by nine members, distributed as follows: seven appointed by the Ministry of Mines and Energy (MME), one appointed by the Ministry of Planning, Budget and Management (MPOG) and one appointed by minority shareholders, elected by voting to be held in the Annual General Meeting, excluding the controlling shareholder.

The Tax Council had its internal ruling amended as of 2006 to meet the requirements of the Sarbanes-Oxley (SOX) Act, when it started acting as the Audit Committee. Its composition and operation, besides being in compliance with the Brazilian legislation, also observe the requirements in the North-American legislation, so as to enable Eletróbrás to have its stocks listed at New York Stock Exchange. This Council, which is permanent, is comprised by five members, elected by the Annual General Meeting, being three appointed by the majority shareholder, among them, one appointed by the Finances Minister, representing the National Treasury, one appointed by the holders of common minority stocks and the other by holders of preferred minority stocks. Its meetings are held monthly and, when necessary, joint meetings with the Board of Directors are held.

The Executive Senior Management is comprised by six senior management areas: Presidency; Administration Board, Distribution Board; Engineering Board; Finances and Investors's Relations Board and Technology Board. They hold weekly meetings for analysis and decisions of the Eletróbrás and the system's businesses, based on the Board of Directors's strategic guidelines.

The Internal Audit verifies the fulfillment of the guidelines and internal and external normative acts, by means of the examination of the procedures, records, files, documents, data, duties and activities developed by the company.

In fulfillment to the provision in CVM Instruction 381, as of January 14, 2003, Eletróbrás uses the services of independent public accounting of the company BDO Trevisan Auditores Independentes, contracted on August 1st, 2005, for performance of audit services to Eletróbrás System's financial statements. The company does not have, with said company, any other service rendering contract other than the audit services for the financial statements. The independent public accounting at Eletróbrás System's company who also provide exclusive independent public accounting services to the financial statements, are the following:

- CGTEE Deloitte Touche Tohmatsu
- Chesf RSM Boucinhas, Campos & Conti
- Eletronorte BDO Trevisan
- Eletronuclear HLB Audilink e CIA
- Eletrosul Horwath Tufani, Reis & Soares
- Furnas HLB Audilink e CIA
- Itaipu BDO Trevisan
- Eletropar Russell Bedford Brasil
- Ceron RSM Boucinhas, Campos & Conti
- Ceal HLB Audilink e CIA
- Cepisa Ferreira e Assoc. Auditores Independentes
- Eletroacre HLB Audilink e CIA
- Mesa HLB Audilink e CIA
- BV Energia HLB Audilink e CIA

The company's policy regarding its independent public accountants is grounded on principles which preserve the auditor's independence.

At Eletróbrás System, the companies have their own governance structure. All of them have a Board of Directors and a Tax Council and follow the Relevant Information Disclosure and Use and Policy for Negotiation of Securities Manual. The Manual, issued by Eletróbrás, also bears an adhesion instrument, by means of which the company undertakes to always ground its actions in compliance with said rules.

For the backing and support of decisions, controlled companies have at their disposal:

- internal regulations;
- management corporate policies;
- permanent committees, especially in the areas of strategy, investment, ethics, gender issues, research, development and technological innovation;

temporary working groups, created in order to analyze and define actions regarding specific issues.

As it is a binational development, Itaipu has a particularity in its governance structure. Itaipu's By-laws sets forth the egalitarian composition for the Board of Directors with 14 members, being seven Brazilians and seven Paraguayans. Among these, two representatives are appointed by the Ministry of Foreign Affairs, one from each country. The terms of office shall be of four years. However, directors may be led back to the offices at the end of this period.

The opportunities and priority for investments at Eletróbrás System are worked jointly by the Comitê de Investimentos da Eletróbrás holding (Eletróbrás holding Investments Committee - Ciel) and by the Comitê de Investimentos do Sistema Eletróbrás (Eletróbrás Investments

Committee - Cise). The first has the role of strategically consider the business opportunities coming directly to the holding, forwarding to Cise those deemed convenient. The second has the task of analyzing and issuing opinions about the opportunities and priorities of new investments of Eletróbrás System from both Ciel and directly from controlled companies. Cise is responsible for continuing the implementation of the prioritized business opportunities

Sarbanes-Oxley Act

Desde outubro de 2008, todas as empresas do Sistema Eletróbrás estão se adequando aos reqAs of October 2008, all companies in the Eletróbrás System are being made compliant to the requirements in section 404 at Sarbanes-Oxley Act (SOX), which shall enable the continuation of the negotiation of level 2 ADRs at New York Stock Exchange. This project, which shall be concluded by December 2009, has as main objectives to ensure the creation of reliable audit and security mechanisms, to enhance the senior management commitment and responsibility level, to increase the supervision on the financial statements and to enable a bigger rectitude and trustworthiness of the information disclosed to the financial market.

Eletróbrás System Change Plan

During the years of 2006 and 2007, Eletróbrás and the Ministry of Mines and Energy identified the necessity to pursuit change and strengthening of Eletróbrás System, with management, institutional, structural and regulatory initiatives, to be implemented in all the companies in the System.

The business strengthening and change intended and devised by the federal government, its main shareholder, lead Eletróbrás to search for a new strategic platform under the institutional, organizational and market point of view. This effective replacement contemplates four guidelines, also referred to as operation vectors:

- Improvement of corporate governance;
- Refocusing of distribution business;
- Holding's institutional reformulation; and
- Reorganization of the business management model

Eletróbrás System's Change Plan (PTSE) has as a purpose to provide Eletróbrás System with an integral and open corporate management structure, making it competitive in the operation and expansion of electric power supply, capable of providing proper compensation to its shareholders and contributing for the safety in the compliance with the energy necessity and for the country's sustainable development.

The organization of the Plan is a result of a work which is being developed since May 2008, when the first steps were devised by Eletróbrás's Executive Board and by the senior management of the System's companies, based on the strategic guidelines provided by MME.

The PTSE is comprised by a set of 41 projects (or actions), distributed in its four operation vectors. For the coordination of the activities involved, it was established the Comitê de Gestão da Transformação do Sistema Eletrobrás (Eletrobrás System's Change Management Committee - CGTE), comprised by representative from each one of the companies in the Eletrobrás System and each one of Eletrobrás's boards of directors. At the end 2008, nine projects had already been completed, and the remaining was in progress. Among them, there can be highlighted the initiatives for compliance of processes related to: Corporate Risks Integral Management, Internal Controls Management, Supplies Logistics Management, New Businesses Management, and Investments Management, all with scope extended to the companies in the Eletrobrás System.

As the new processes are being redefined, management indexes shall be constructed so as to comprise a set of managerial information which supports executives in the monitoring of strategic goals and objectives.

During the operationalization of the Change Plan it was verified, at Eletrobrás's Executive Board and at its Board of Directors, the necessity for preparation of a multiyear Actions Plan, already in force as of 2009. Operating under the name of Programa de Ações Estratégicas do Sistema Eletrobrás (Eletrobrás System's Strategic Actions Program - PAE 2009-2012), its object would be the representation of a corporate strategic guideline, to Eletrobrás System, capable of aligning a set of key actions even before having an Integral Strategic Planning available.

At the end of 2008, the development of PAE was submitted to the appreciation of the presidents of controlled companies at the meetings of the Conselho Superior do Sistema Eletrobrás (Eletrobrás System's Higher Council - Consise) and Eletrobrás's Board. Comments and proposals submitted on these opportunities were later incorporated to the final document.

Within the scope of the Corporate Governance at Eletrobrás System, the goals as follows were established at PAE 2009-2012:

- Pursuit a bigger effectiveness in the operation of the Senior Management and Tax directors, Eletrobrás's representatives in companies it holds equity. In order to accomplish that, it is postulated as key success factor the establishment of normative criteria for the operation of directors which regulate the selective and the evaluation process; the assignments and responsibilities; and the advisory which shall be provided to them. The Tax Director Manual has already been prepared and the Senior Management Director Manual is under preparation;
- Increase the scoring level of Eletrobrás System at Bovespa Sustainability Index (ISE Bovespa);
- Obtain a listing at the Dow Jones Sustainability Index (DJSI), by 2012; Rise to Level 2 in Corporate Governance at Bovespa by 2012.

Considering the challenges represented by the agreed upon goals, it is proposed the gradu-

al improvement of scoring both at ISE Bovespa and for the obtainment of listing at DJSI. The growth percentages established by dimension refer globally to the Eletróbrás System and shall be outspread by the companies so as to consider the asymmetries and particularities reflected upon the history of individual scoring.

Relationship and Communication with Stakeholders

Eletrôbras System's
Sustainability Report 2008

Eletrôbras System's
Sustainability Report 2008

Publications in the area of
communication at Eletrôbras
(Illustration: Alexandre Wilson)



The document "Diretrizes da Responsabilidade Social da Eletrobrás" (Eletrobrás's Social Responsibility Guidelines) contains a list of the responsibilities the company believes it has towards its stakeholders. According to said document, "these guidelines change the vision, mission and values of the company into attitudes, behavior and management practices, that is, into organizational culture, strengthening Eletrobrás's role in society as a company which fosters the sustainable development".

Eletrobrás's Ombudsman, a department directly linked to the Presidency is the most important communication channel in the company with its group of stakeholders.

All of them, from shareholders and employees to ultimate consumer, may contact Eletrobrás by telephone, letter, e-mail, site or personally. Depending on the questioned subject, the Ombudsman forwards the specific interest area. It is possible to follow up the progress of your statement at the website. Therefore, the operation is monitored and assessed on a permanent basis.

The generation companies – CGTEE, Chesf, Eletronorte, Eletronuclear, Eletrosul and Furnas – also make use of this interaction channel with their stakeholders. All of them, besides Itaipu, offer a channel Contact, available at their websites.

There are directors who represent minority shareholders at the Board of Directors and Tax Council. The Associação dos Empregados da Eletrobrás (Eletrobrás's Employees Association - Aeel) is a shareholder and takes part in the Meetings. It was created, as part of the SOX Project, a direct channel between the Ombudsman and the Tax Council.

The document "Diretrizes da Responsabilidade Social da Eletrobrás" defines as one of its commitments that "Eletrobrás must be proactive when making information available to the market" and the obligation to prepare and disclose, annually, the "social balance sheet describing all the policies, programs, actions and results of its Social Responsibility program".

Ordinarily, meetings in attendance are held in terms of Apimec (Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais), 14 times a year in Brazil, being twice in each one of the cities listed hereinafter: Rio de Janeiro, Brasília, Fortaleza, Florianópolis, São Paulo, Belo Horizonte and Porto Alegre.

At the same time to said meetings, Eletrobrás hosts international level presentations, disclosing its interest in the stock market, by carrying out roadshows throughout Europe and the United States, besides the presentations carried out at the New York (NYSE) and Madrid (Latibex) Stock Exchanges.

Eletrobrás keeps communication with its shareholders on a daily basis by telephone and e-mail. It is worth mentioning that both communication channels make available a team prepared for clearing out any doubts from investors, shareholders and the interested public.

The Investors Relation area also discloses information by means of Eletrobrás website, which offers versions in Portuguese, English and Spanish. Moreover, the website offers, in its tools system as an "E-mail Warning", in which users who wish to have information may register to regularly receive relevant information about Eletrobrás. This tool also offers a reply guarantee each time user consults the organization, with a return in 48 hours.

Finally, also available at the website, for capital market analysts and others who may be interested, accounting information about Eletrobrás System and the power market in the item "Report to Investors" – which is prepared on a quarterly basis.

Eletróbrás has as purpose to frequently encourage the Organizational Climate Research, approved as a goal at PAE 2009-2012, so that the main suggestions may be listened. The companies in the System also develop Climate Internal Research, with Eletronorte and Chesf doing it systematically and continuously, guiding their Human Resources policies and projects by them. The others carry out researches sporadically and still do not keep a bond between results and the planning of Human Resources.

The relationship with this public is grounded by the policies of Eletróbrás System and by the guidelines of Social Responsibility. It is established in them that:

- "Eletróbrás deals its professionals with special respect, including among them, service providers to the company, preserving their physical, moral, mental and psychological integrity;
- The company must create and/or encourage the use of existing communication channels, aiming at strengthening the motivation and commitment of its employees by means of encouragement to the expression of ideas;
- The company, jointly with the employees, must provide a proper working environment, aiming at the well-being, safety, health, hygiene and productivity;
- Eletróbrás acknowledges the legitimacy of class associations and entities and the priority treatment to bargaining to settle conflicts of interests, keeping a respectful relationship with the representative from these organizations;
- The company must respect and fulfill the constitutional rights of its work force".

The relationship with this public is grounded by Act 8666/93 and by the self policies and practices from each one of the companies, respecting the Social Responsibility guidelines. It is defined in them that:

- “Eletrobrás must adopt impartial and open hiring process, caring for the quality and economic feasibility of the contracted services and purchased products”;
- “Eletrobrás must observe, in the supplier’s hiring process, the requirements related to the use of social and environmental practices in its productive chain. There shall only be contracted suppliers which do not make use of child labor and slave work, which observe the labor legislation and respect the country’s environmental legislation”.

Eletrobrás plans to organize a meeting with its main suppliers in the beginning of the 2nd half of 2009, in order to improve issues regarding this theme. In this meeting, it is planned the holding of presentations and meetings with the purposes as follows: disclose Eletrobrás’s Change Plan; level and make open all the contracting procedures; disclose the code of conduct in the relation of Eletrobrás with suppliers and clear out doubts about several aspects in the contracting, such as errors and shortcomings from suppliers, contract management, Eletrobrás’s penalty policy, qualification and categorization (enrollment).

Among the documents and contractual clauses Eletrobrás demands from bidders and contracted parties in general, besides the legal qualification, tax good standing and technical qualification documents, it is required a representation that the service provider or goods supplier company does not employ individuals under 16 years old (or employs teenagers 14 years old onwards, as apprentices). The company must also represent not employing individuals under 18 years old on a night shift, on hazardous or unhealthy work. The inclusion of these items became a legal requirement with the amendment of act 8.666/93, occurred by means of subparagraph to article 27, by act nº 9.854, as of October 27, 1999.

It is also required from suppliers the acknowledgment of Eletrobrás’s Code of Ethics, which is available at its website on the internet, at the address www.eletrabras.com, and the care so that the provisions are observed for all employees and agents from the contracted company assigned for the services object of contract with Eletrobrás, throughout its performance.

Eletróbrás keeps at its page on the internet permanent communication channels with the public: Contact and Ombudsman. Besides that, it has available an exclusive channel intended to the demands of the environment by means of the electronic address scma.secretariaexecutiva@eletrobras.com. Principle nº 3 of Eletróbrás System's Environmental Policy formally represents the commitment of bargaining with the several segments in the society involved in the planning, implementation and operation steps of electric power developments.

In specific situations, such as the case of Belo Monte Hydroelectric Use (AHE Belo Monte), there is a quick link at Eletróbrás page with general information, including: Integral Environmental Evaluation of Xingu river Basin, the revision of Xingu river Hydroelectric Inventory Studies, all electronic informatives, progress of studies, updating of Xingu river Inventory, folders, instruction booklets and miscellaneous files. Additional information can be obtained by means of the contact ahe-belomonte@eletrobras.com.

In the previous step to the preparation of the Reference Instrument for AHE Belo Monte Project Environmental Studies, to be supplied by Ibama, three public consultations were done. The purpose was to listen to the population, represented by its several social segments, about the key aspects for the studies in the project's feasibility phase.

With the agreed Reference Instrument, when social-environmental studies were effectively started, there was a number of meetings and contacts with the populations from different locations in the directly affected area with the purpose of explaining the project and the operations of technicians with different expertise in the study area to them.

In the survey step for the social-economical and cultural means around 5 thousand interviews were carried out with domestic groups.

Regarding its approach to the Indian issue, all Indian areas (even those not directly affected) located in the development influence area were visited by anthropologists. The population was listened and their requests recorded to indicate future compensations.

The relations with the society follow Social Responsibility guidelines and the provisions in the document "*Processos de Interação do Setor Elétrico Brasileiro com a Sociedade – Comitê Coordenador das Atividades de Meio Ambiente do Setor Elétrico Brasileiro - Comase/ Eletróbrás – Nov. 1994*". The document is available for consultation at Eletróbrás website: www.eletrobras.com.

Since 1999, Eletrobrás responds to the Ibase Social Balance Sheet, having been one of the pioneer companies to adopt it. As of 2005, Eletrobrás has started a new disclosure process for the social-environmental responsibility actions, by means of the publication of a much comprehensive and complete Social and Environmental Report, which is added to Ibase Social Balance Sheet. In 2006, it was again published and, in 2007, it decided to publish a single Social-Environmental Report, with the interest of all the companies in the Eletrobrás System and based on the Aneel model. It was a rich experience regarding learnings and helped prepare the company for a new challenge.

This year, the decision was to develop a report model for the System, having as a basis a set of models: GRI, ISE, Aneel, DJSI, Ibase and NBC. In this first use, referring to 2008, it was decided that its scope would be more restrict, comprising only the holding and the generation companies. Distribution companies shall only be included in the report for the following year.

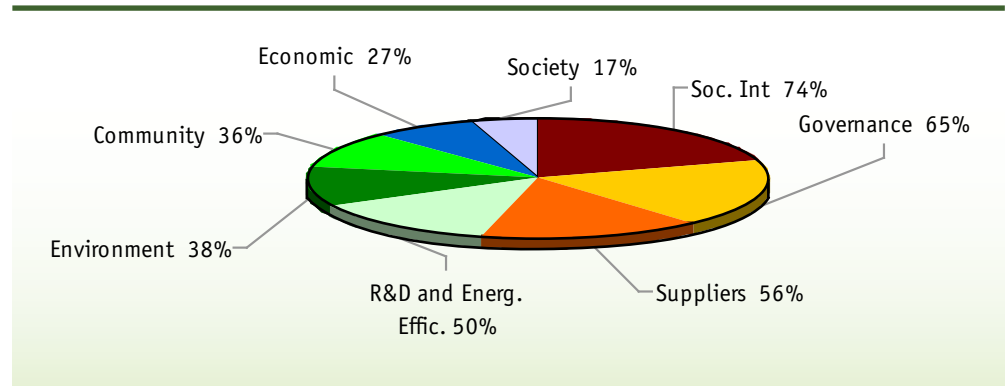
The members at Eletrobrás System Sustainability Committee have gone through the official GRI training and it was supposed the compliance to all of its principles as guidelines to the process at Eletrobrás.

The indexes in each of the adopted models were made compatible and consolidated in one single 484-item instrument. This instrument was then object of a workshop in which the indexes were submitted to the appraisal of groups of professionals from several areas in the generation companies which are integral part of the System. There were selected those which should be integral part of Eletrobrás model, with emphasis on the materiality criterion.

After this analysis, it was reached to a model with 241 information items, distributed in categories Economic-Financial, Internal Public, Suppliers, Environment, Research, Development and Energy Efficiency, Community and Society.

The GRI was the model with the highest use index among the three models present in all categories – GRI, ISE and Aneel. Many of Aneel model indexes are only applicable to one business area (generation, distribution or transmission) or a source of generation (hydroelectric, thermal, thermonuclear etc.).

Composition of Eletróbrás Model per Category



Source: Eletróbrás System.

Once the set of indexes is defined, it was developed a Reference Guide, with the consolidation protocols for each of the indexes and forwarded to the companies. With the information gathered from the companies, Eletróbrás handled the final consolidation.

Stakeholders shall be later heard for evaluation of the report and participants for evaluation of the process. Moreover, there shall be prepared a report about the weaknesses and opportunities aiming at future improvement.

Financial-Economic Dimension

Eletrobrás System's
Sustainability Report 2008



Eletrobrás – Beginning of the ADRs 2 negotiation at New York Stock Exchange (Eletrobrás File)

Eletrobrás's financial management takes into consideration the Global Compact principles, the Corporate Governance and Sustainability principles. Therefore, the company discloses its information to shareholders in an open and responsible manner.

The financial area takes part in the Sustainability Committee and in the Investments Committee.

The financial policies are aimed at the strategic guidelines of Eletrobrás System's Change Plan, which proposes a bigger business efficiency and profitability. Hence, issues such as corporate governance, efficiency in the management of corporate equities, criteria for analysis of technical and economic feasibility for new investments and economic-financial balance in the management of government programs are key-points in the guidance to financial actions.

Generated and distributed direct economic value

Valor Adicionado Gerado*

	Eletrobrás Holding	Eletrobrás System
1 – Revenues (Expenses)		
Sale of goods, products and services	10.766.502	29.760.956
Non-operational	-	-
	10.766.502	29.760.956
2 - Inputs Acquired from Third Parties		
Materials, service and others	(361.321)	(5.533.156)
Sectors charges	-	(1.191.673)
Energy purchase for resale	(9.572.208)	(8.832.314)
Fuel for production of electric power	-	(1.158.856)
Total	(9.933.529)	(16.715.999)
3 - Gross Added Value	832.973	13.044.957
4 - Withholdings		
Operating provisions	(303.994)	(1.544.091)
Depreciation, amortization and depletion	(6.864)	(2.339.904)
Total	(310.858)	(3.883.995)
5 - Produced Net Added Value	522.115	9.160.962
6 - Added Value Received in Transfer		
Corporate Interest	382.799	665.533
Financial revenues	9.853.101	6.425.431
Total	10.235.900	7.090.964
7 - Total Added Value to Distribute	10.758.015	16.251.926

(*)Includes the distribution companies

Distribution of Added Value – 2008*

	Eletróbrás Holding	Eletróbras System
Personnel		
Personnel, charges and fees	200.973	3.392.799
Employee's interest in Profits	23.000	176.817
Retirement and pension plan	19.968	277.635
Total	243.941	3.847.251
Taxes		
Taxes, dues and contributions	2.321.899	3.226.515
Financial Charges and Rents	2.055.678	3.041.663
Shareholders		
Dividends and interest on self capital	1.715.254	1.715.254
Non-controllers shareholders's interest	-	(12.833)
Retained earnings	4.421.243	4.434.076
Total - Shareholders	6.136.497	6.136.497
Total of distributed value	10.758.015	16.251.926

(*) Includes the information about distribution companies

Some companies in the Eletrobrás System have implemented processes and procedures of corporate risk managements which consider short, average and long term aspects. Eletronuclear, for instance, practices a set of risk mitigation measures, which comprises the phase prior to events likely to occur, events which may lead to the operational inability or limitation and the later phase to the events referred to, including the shortening of the production inability period, as well as the sharing of risk with third parties, by means of specific mechanisms. At Furnas, where said processes and procedures already exist, it is being prepared a public notice for the implementation of a new structured process for the management of corporate risks.

Among the companies in the System, operational risk is the only one whose quantification contemplates short, average and long term social-environmental aspects. And, even so, only in a few of them.

The risk monitoring at Furnas is done, at a minimum, yearly. At Eletronuclear, it is permanent.

Except for Furnas, where risks are monitored by the Assessoria de Prevenção de Risco (Risk Prevention Advisory - ARC), the companies in the Eletrobrás System do not have a specific area for which the main risk manager in the company responds directly. CGTEE is pursuing at Fundação Coge and Cepel support for the development of a project which has as purpose to implement in the company policies and actions which allow managing corporate risks and the quest for business opportunities.

Furnas, Itaipu and Eletronuclear have considered in their planning the financial implications and other risks and opportunities for weather changes in their activities. Furnas, for instance, has been carrying out Research and Development projects with universities on the themes as follows: use of the energy from the sea waves and use of biomass for generation of electric power. Moreover, it is pursuing to make feasible projects of Small Power Centers (PCHs), Aeolian Generators Centers and Burning of Biomass for generation of electric power.

Eletronuclear sees as an excellent business opportunity for the company the proposal of nuclear generation be considered, for the purposes of negotiation of carbon credit, by means of Clean Development Mechanism. Coordinated by the Japan delegation, the proposal shall be presented in the next United Nations Convention on Weather Changes, in December 2009.

Itaipu and Eletronuclear consider short, average and long term social-environmental aspects in the management of corporate opportunities. Itaipu, for instance, in its Strategic Plan for 2008-2012, lists four strategic objectives which contemplate said aspects, among them to “effectively use Itaipu and region’s tourist and technological potential, in the perspective of income generation and opportunities for the community, being also deemed as a center spreading knowledge and regional integration” and “carry out and foster research activities for the development and innovation in energy and environment areas”. In the case of Eletronuclear, the company’s expansion investments are especially made in the form of construction of new nuclear centers, necessarily passing by the appraisal of the short, average and long term social-environmental aspects.

The companies in the Eletróbrás System have contingency plans, especially for operational areas, aiming at reducing and/or controlling the impact in the security of facilities and the production capacity. In the case of Eletronuclear, due to the nature of its business, the safety of the population in the neighboring areas is a priority. As it is a large-sized industrial facility, the Central Nuclear Almirante Álvaro Alberto (CNAAA) has an integral emergency plan, to be used in case of a nuclear accident, prepared by several defense agencies, such as Civil Defense, Military Police, Fire Department etc. The plan is regularly tested with drill exercises with the presence of Cnen and, sometimes, of international agencies, such as AIEA, which ensure its compliance.

The contingency plans of the companies comprising the System are targeted to the operating sector and some of them take into consideration natural disasters and social issues as possible hazards to the company's operations.

Eletronuclear distributes annually a calendar with all the necessary information for the population in case of an accident related to the External Emergency Plan (PEE). Besides, it holds lectures on the Plan in the communities, in partnership with the Fire Department. Every 10th of the month, at 10am, evacuation and warning siren tests are carried out for communities living within five kilometers from the nuclear center.

Intangible assets for which the company adopts specific policies

Human capital is the main intangible asset for which the companies in the Eletrobrás System adopt specific policies, in the areas of Remuneration and Benefits, Qualification and Development, Health and Labor Safety, Respect to Diversity and Gender Equity, among others. Some of the companies develop policies related to the information and organizational capital and Furnas considers the preparation and maintenance of its code of ethics as a protective action to reputation.

Most companies in the System do not have implemented processes and procedures for the management of intangible assets, although, in some cases, this management is done by the related areas, such as, for instance: Human Resources and Human Capital, Organization Superintendence and Organizational Capital etc.

History of procedures, convictions, reservations etc.

In the last five years, among the companies in the Eletronuclear System:

- CGTEE and Eletronuclear were sentenced by unappealable final decision in an administrative procedure filed by the Federal Revenue Service;
- CGTEE and Eletronuclear were administratively sued for infringements to biddings, in compliance with Act 8.666/93. CGTEE is pending final trial of suit before TCU and Eletronuclear was not sentenced;
- CGTEE and Eletronuclear were administratively sued for infringements to competition order, in compliance with Act 8.884/94.
- Furnas and Eletronuclear received from their independent public accountant reservations on their opinion (according to the Brazilian Accounting Standards), regarding financial statements for the years, respectively, 2007 and 2003;
- none of them was sued or sentenced by the Brazilian Central Bank or the Securities Exchange Commission.

Internal Public Dimension

Eletrôbrás System's
Sustainability Report 2008



*Eletronorte – Switch of shift of
workers at Tucuruí hydroelectric
power plant
(Picture: Jorge Coelho)*

Eletrobrás has been currently structuring a new model for People's Management, to be used by all the companies which comprise the System, as one of the essential tools at Eletrobrás's Change Plan. This model contemplates the set of guidelines from the Ministry of Mines and Energy (MME) and has as purpose to bring forth a modern, competitive and profitable standing to the holding and its subsidiaries in the Brazilian electric power sector.

Within this change project, the holding's People's Management Department has went through, in 2008, a structural reorganization, having the Training and Development Area merged by the People's Development Department and its assignments, reformulated. It was also created the Eletrobrás System's People's Management Follow-up and Planning Area. Furthermore, working groups were constituted for the discussion, unification and implementation of the best practices and policies regarding People's Management.

At the end of 2008, Eletrobrás System had 20,800 employees, 1,002 of which employees in the holding. From these 1,002, 985 work in Rio de Janeiro and 17 in the Federal District. Employees in the affiliated companies are distributed throughout the five regions in the country, considering the operation scope of each one of them.

The companies in the Eletrobrás System annually reaffirm their adhesion to the Gender Pro-Equity Program, developed by the Presidency of the Republic's Special Bureau for Women's Policies (SPM). In the implementation of the Program, they developed actions with the purpose to foster the equity of gender in the work environment, rejecting any forms of discrimination.

The holding and the System's generation companies are signatories of the Global Compact, which provides for the appreciation of diversity in its principles 1 and 6. The commitment with this theme is expressed in the Code of Conduct, in the Code of Ethics and in the holding's Social Responsibility guidelines and in the code of ethics of the System's companies.

Clause 14 in the Collective Bargaining in force, entered into by the companies in the Eletrobrás System and the several labor unions representing the professionals categories, provide for the development of awareness and guidance campaigns intended to prevent moral, sexual harassment and other forms of discrimination of sex, race, religion or ideology, with the purpose of avoiding and preventing acts and attitudes showing discrimination in working environments and in society in general. Clause 6 of the same bargaining provides for the absence period of three days to women victims of home violence; Clause 5 increases maternity leave to 180 days; and Clause 4 extends the day care unit benefit to male employees.

Within the scope of Eletrobrás System, CGTEE and Chesf are companies in the Eletrobrás System which adopt uniforms and protection and safety equipment specific for female employees and Itaipu has recently promoted the inclusion of women in duties previously performed only by men.

Since October 2007, Eletrobrás acknowledges homo-affective stable relationships for the purposes of concession of benefits offered to dependents of its male and female employees.

In 2008, Furnas launched a CD-ROM with several themes related to gender and equity, with the purpose of qualifying the volunteers network in the implementation of actions aimed at the communities. The company also holds agreements with civil society organizations, such as the Instituto Brasileiro dos Direitos da Pessoa com Deficiência (Brazilian Institute for the Rights of People with Disability - IBDD) and Instituto Nacional de Educação dos Surdos (National Institute for the Education of the Deaf - Ines), which allows to annually increase the ratio of these workers regarding the total of employees. In hiring contests, exclusive positions are intended to this public as set forth by the legislation.

Eletrobrás makes the sensibilization of its internal public on the theme of diversity appreciation by means of internal disclosure, by e-mail, to its whole staff. Examples of this type of action are the Day for Black Awareness (race/color), National Day for the Deaf Person (physical disability), International Human Rights Day (with emphasis in the non-discrimination), International Women's Day (gender) and events such as the International Women's Day and the Campaign 16 days for Activism for the End of Violence against Women.

Besides that, it develops other initiatives regarding the theme, such as:

- Course on the Brazilian Sign Language (Libras), for employees and outsourced workers.
- Gender Channel on the intranet, which confidentially receives comments, suggestions and/or denouncements regarding issues involving equality of rights between sexes, as well as moral and sexual harassment. Allows the taking of measures which especially involve the continued education on the theme.
- Internal committee for gender issues, comprised by male/female employees representing several areas of the company for the preparation of the action plan.
- Ombudsman – Serves the Gender Channel; to external and internal clients (intranet and internet); turns complaints into opportunities for improvement; praises the maintenance of ethical principles, among other activities.
- Chesf includes the theme of diversity in seminars for suppliers, in the course for formation of leaders and in seminars for integration of new employees and interns.

Distribution per Gender and Race

As a whole, considering the governance departments, the management staff and other employees in the Eletróbrás System generation companies (except for Eletronorte), 82% of the people are male.

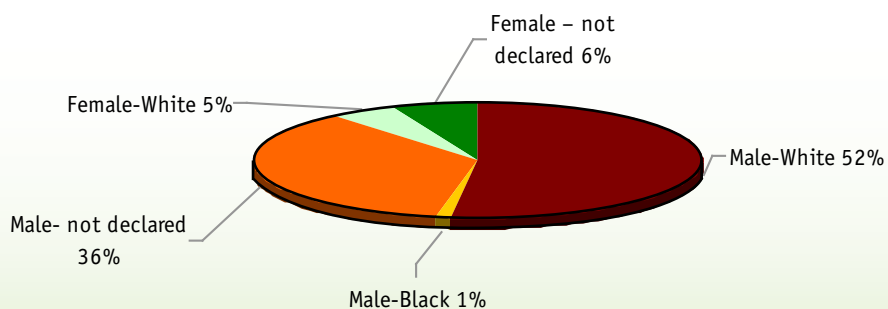
	Governance	Managers	Other Employees	Total	%
Male	89	1039	12899	14027	82%
Fem.	11	179	2960	3150	18%

Also the distribution per race presents a great concentration, although smaller. From the total, 65% are white.

Race	Governance	Managers	Other employees	Total	%
White	57	960	10026	11043	65%
Black	1	19	789	809	5%
Brown	0	120	3591	3711	22%
Yellow	0	8	83	91	1%
Indian	0	1	70	71	0%
Not declared	42	110	1242	1394	8%

The distribution per sex and race in the governance departments of the System's generation companies show that 52% are white men. In the total, only 11% are women.

Board of Directors, Tax Council and Senior Management Board



Source: Eletrobrás System.

In the management staff, there is also a great predominance of male white people, as demonstrated by the table.

Gender	Race	Eletrobrás	Eletronu-clear	Eletrosul	Furnas	Itaipu	Chesf	CGTEE	Total	%
Male	White	44	77	73	305	95	195	36	825	68%
	Black	0	0	0	6	0	7	2	15	1%
	Brown	4	4	5	18	2	66	4	103	8%
	Yellow	0	1	0	3	0	3	0	7	1%
	Indian	0	0	0	0	0	1	0	1	0%
	Not declared	57	6	0	1	0	24	0	88	7%
Female	White	18	4	5	42	21	35	10	135	11%
	Black	1	0	1	2	0	0	0	4	0%
	Brown	1	0	0	2	0	14	0	17	1%
	Yellow	0	0	0	0	0	1	0	1	0%
	Not declared	18	1	0	0	0	3	0	22	2%

Regarding the other employees,

Gender	Race	Eletróbrás	Eletronu-clear	Eletrósul	Furnas	Itaipu	Chesf	CGTEE	Total	%
Male	White	196	1124	1165	2.679	904	1.648	336	8052	51%
	Black	16	78	27	200	33	302	31	687	4%
	Brown	37	310	49	766	144	1.669	34	3009	19%
	Yellow	3	10	8	56	20	18		115	1%
	Indian	-	8	3	11	0	35		57	0%
	Not declared	311	215	0	21	0	432		979	6%
Female	White	137	277	238	502	211	544	65	1974	12%
	Black	7	15	4	15	3	49	9	102	1%
	Brown	17	50	4	80	26	397	8	582	4%
	Yellow	1	6	0	8	1	9	1	26	0%
	Indian	-	-	0	2	0	11		13	0%
	Not declared	134	52	0	5	0	72		263	2%

Distribution per age range

The distribution per age range does not vary between the genders.

	Men	Women	Total
Up to 30 years old	10%	12%	10%
From 31 to 40 years old	18%	18%	18%
From 41 to 50 years old	33%	31%	32%
Above 50 years old	40%	40%	40%

People above 40 years old correspond to 100% in the Executive Board, 89% in management positions and 70% among the other employees.

	Executive Board	Managers	Other Employees
Up to 30 years	0%	1%	11%
From 31 to 40 years old	0%	10%	19%
From 41 to 50 years old	15%	32%	32%
Above 50 years old	85%	57%	38%
Total	100%	100%	100%

Turnover

The total number of dismissals in the holding and in the generation companies (except for Eletronorte), including resignations, retirement and other reasons, was of 420 people. The number of hirings was of 793 people, what represents an increase of 373 people, between December 2007 and December 2008.

Among the hired personnel, 72% are men. In dismissals, 79% are men.

		Total
Dismissals in the period	Volunteer	262
	Non volunteer	108
Number of retirements in the period	Volunteer	2
	Compulsory	0
Dismissals for other reasons		13
Number of hirings in the period		851

Regarding the processes to ensure the preservation and renewal of qualified work force, the companies in the Eletróbrás System have their own and different policies. All of them offer several benefits and privileges to employees so as to reward them and as a work force withholding policy. Among them, there can be highlighted: medical, hospital and dental care extended to dependents, meals allowance, transportation allowance, day care center aid, education aid, payment of participation in the earnings or results, vacation bonus of 75%, additional for time of service etc.

Chesf does not have a specific policy to encourage its employees to stay. However, there is a set of attractive benefits for employees and dependents, in addition to the offer of several qualification and development actions, with short or long term courses, such as graduate studies, MBA and foreign language courses.

Itaipu has, as an encouragement to permanence policy, the possibility of qualification and personal and professional growth, with the offer of graduate studies lato sensu and stricto sensu, besides language courses and management programs. Open positions in its personnel due to retirements or other dismissals are preferably filled in by the internal public.

Most part of companies in the Eletróbrás System have volunteer dismissal program, such as the PDVE, of the holding. Adhesion to PDVE is open to employee under retirement conditions until the end of the program effectiveness period. The company has created a support program to retirement with lectures on themes such as economy, advisory, stock market etc., for those enrolled in the Program. Besides the legal severance pay, the Volunteer Dismissal Program provides for the payment of supplemental indemnification and ensures to the employee and dependents the use of the company's health plan for one year after the dismissal. In 2008, 36 employees were dismissed by means of the PDVE.

Among the companies in the Eletróbrás System, only Itaipu has women holding titles at the Board, and, in this case, the ratio is of 1.01, both for the base salary and the remuneration. Regarding the management duties, the ratio is as follows:

Category	Base-salary M/H	Payment M/H
Eletróbrás (Holding)		
Management Duty	2.84	1.06
Employees	1.99	0.98
CGTEE		
Management Duty	0.84	1.36
Employees	1.10	1.07
Chesf		
Management Duty	1.06	1.23
Employees	0.91	1.09
Eletronuclear		
Management Duty	1.1	1.2
Employees	1.1	1.4
Eletrósul		
Management Duty	1.24	1.12
Employees	0.97	1.15
Furnas		
Management Duty	1.08	0.97
Employees	0.74	0.91
Itaipu		
Management Duty	1.24	1.28
Employees	0.98	1.08

Eletróbrás System gross payroll	
Eletróbrás	R\$ 185.926.830,23
Chesf	R\$ 561.341.000,00
CGTEE	R\$ 33.009.000,00
Eletronuclear	R\$ 289.348.000,00
Eletronorte	R\$ 446.316.000,00
Eletrósul	R\$ 143.694.000,00
Furnas	R\$ 820.101.000,00
Itaipu*	R\$ 323.990.420,40
Total	R\$ 2.803.726.250,63

* Values converted from dollars to Real, considering the official quotation of the Brazilian Central Bank as of 12/31/2008

Percentage of employee in each salary range (except for Eletronorte)		
Range (in RS)	Number of employees	%
Up to R\$ 2,000.00	3,574	20.93%
From R\$2,000.01 to R\$5,000.00	9,940	58.21%
From R\$5,000.01 to R\$8,000.00	2,333	13.66%
From R\$8,000.01 to R\$12,000.00	1,086	6.36%
From R\$12,000.01 to R\$15,000.00	136	0.8%
Above 15,000.01	6	0.04%
Total	17,075	100%

Company	Average remuneration per category			
	Directors	Executive Board	Management Duty	Employees
Eletrobrás	2,818.60	28,180.00	14,941.38	6,061.62
CGTEE	1,691.20	17,048.00	6,534.20	4,098.71
Chesf	2,818.61	28,186.05	12,496.96	4,247.35
Eletronuclear	2,536.70	25,367.00	15,401.96	6,222.48
Eletrosul	2,651.50	28,762.55	11,521.61	4,757.59
Furnas	2,818.00	28,188.00	9,294.14	4,466.79
Itaipu	*	*	14,780.00	5,850.00

* Data opening not available.

Ratio between the smallest and the biggest salary	
Eletrobrás	8,29
Chesf	13.31
CGTEE	9.70
Eletronuclear	8.21
Eletronorte	35.42
Eletrosul	11.0
Furnas	17.00
Itaipu	14.7

Ration between the company's smallest salary and the o minimum wage in force	
Eletrobrás	4.05
Chesf	2.32
CGTEE	2.69
Eletronuclear	3.31
Eletrosul	4.5
Furnas	2.5
Itaipu	2.7

Payroll Overhead	
Eletrobrás	R\$ 32.257.560,06
Chesf	R\$ 112.402.000,00
CGTEE	R\$ 10.543.000,00
Eletronuclear	R\$ 104.807.309,93
Eletronorte	R\$ 161.506.000,00
Eletrosul	R\$ 41.536.000,00
Furnas	R\$ 160.361.634,32
Itaipu*	R\$ 62.342.209,99
Total	R\$ 685.755.714,30

* Values converted from dollars to Real, considering the official quotation of the Brazilian Central Bank as of 12/31/2008

Benefits

The companies in the Eletrobrás System offer, besides the legal benefits, benefits resulting from Collective Bargaining and others as a result from internal surveys, always with the purpose of improving quality of life and well-being of its employees.

Among the benefits offered by the holding are: education in its own or third party's teaching establishment, comprising amounts referring to the enrollment, monthly and annual fees, books and didactic material; transportation intended for displacement to work and return, in a route served or not by public transportation; medical, hospital and dental care, provided directly or by means of health insurance, life insurance and personal accidents insurance; pension fund, among others

School Background

All the companies in the Eletrobrás System develop training to enable opportunities for personal and cultural development to their employees. Also, programs are developed with the purpose of obtaining the improvement of employee's school background, encourage undergraduate studies, the reimbursement for education and programs focusing on competences, technical capacities and general knowledge, elements necessary for the employees to be able to work in the paths and processes set forth in the Plano Unificado de Carreira e Remuneração (Unified Career and Remuneration Plan - PCCR). And also agreements with schools to comply with the educational policy, with coverage from kindergarten to the end of high school for employee(s), children, spouse, significant other, step children and underage individual under custody.

Eletrobrás holding offers 100 scholarships to its employees and dependents for high school or in professional courses at 1º de Maio School. An investment in 2008 of R\$ 256,356.00. Also, there is a partnership with Sesi for the concession of scholarships to employees and dependents to complete their elementary and high school academic background. And another one with Senai, which offers to the company's employees, at a low cost, short and average duration courses, in expertises such as automobile mechanics, thermal centers operation, patina in furniture and others. In case the employee is interested, Eletrobrás bears with the payment. The total investment in the year of 2008 in partnerships with Sesi and Senai was, respectively, of R\$ 1,190.00 and R\$ 1,100.00. The company also offers scholarship to complete higher education of employees who completed only high school, with partial reimbursement of monthly fees. Employees have the possibility to choose institutions acknowledged by the Ministry of Education (MEC) and are refunded in up 90% of the amounts, within the limit set forth in the Collective Bargaining Agreement (ACT). In 2008, R\$ 113,863.91 was invested in this benefit.

Meals

Eletrobrás offers the benefit of meals allowance, available, via cards, in the options meals allowance (payment of meals), or food allowance (for purchase of food in supermarkets) or in both options with the amount divided in two cards. In December, it is awarded an extra Christmas bonus to all employees. Eletrobrás bears this benefit alone, not being charged any

participation from the employee. In 2008, the amount invested was of R\$ 7,532,038.58. The companies in the Eletróbrás System also offer the benefit to their employees, following the example of the holding.

Health

The companies in the Eletróbrás System have as a policy to award health assistance to employees and dependents. Some of them develop programs aimed at the awareness of the employees, dependents and the community in general about the importance of the ongoing improvement in quality of life, encouraging the creativity, family coexistence, sport and citizenship. They also promote actions aimed at the prevention and treatment of health problems.

Eletróbrás holding offers partial coverage for expenses with health care. Upon using the health care services of the authorized network, the employee takes part with 10%, calculated based on the price table in force, and the company undertakes the remaining 90%. Also, making available the program Livre Escolha (Free Choice), partial coverage extended to health care services carried out by professionals/establishments not authorized, upon reimbursement of 90% of the amount contained in the price table in force. The employee may undergo a set of regular medical examinations in authorized establishments or may also choose a check-up specialized clinic. It is by means of regular medical examinations that Eletróbrás updates the medical records from the employees and obtains the indexes which guide the programs aimed at the control and prevention of diseases and for the improvement of quality in the life of its employees.

Eletróbrás also offers coverage of 75% of expense with medications, according to the technical criteria set forth in the internal regulation. The program for Food Reeducation has as a purpose to foster health and quality in the life of the employee from a food reeducation process which aims at, among other benefits, the compliance to body composition, the control and prevention of diabetes, dyslipidemia, high blood pressure and obesity. Participants in this Program also have the coverage of 90% of the amount of the monthly fee in a fitness center which is part of the agreement for that purpose.

Maternity assistance, Day care center aid and Others

The companies in the Eletróbrás System offer maternity, child and educational aid, in the form of reimbursement with expenses in education, day care unit aid, preschools and schools, baby sitter aid or reimbursement of amounts paid for that purpose. Some companies in the Eletróbrás System have joined the Program Empresa Cidadã (Citizen-Company), which allows the extension of the maternity leave for another 60 days. The amount invested by Eletróbrás in 2008 was of R\$ 675,776.06 with preschool aid and R\$ 305,792.11 with education aid for dependents from 7 to 14 years old. Both benefits are extendable to male and female employees.

The companies in the Eletróbrás System adopt – except in specific situations – the flexible hours system to control the working hours of their employees. Comprised by core-hours and variable-

hours, the system enables employees to adjust their working hours as they prefer, as long as they observe the hours when their presence in the company is mandatory.

Other Benefits

Besides those aforementioned, most companies in the Eletrobrás System offer the following benefits: individual or group life insurance; funeral grant; transportation allowance and/or reimbursement for expenses with transportation; insurance against personal accidents; additional allowance for time of service; special vacation bonus, in the percentage of 75% of a remuneration, and discount for residential rent.

Eletronuclear also offers aid for treatment of exceptional and autistic individuals, being entitled to the benefit employees, officers and outsourced workers and contracted parties under the protection of article 37 in the Federal Constitution, who have exceptional individuals and/or autists as their dependents as provided for in the Collective Bargaining Agreement in force.

Complementary Pension Plan

The complementary pension plan for Eletrobrás's employee is divided in defined benefit and defined contribution. The future benefit is ensured with the employee's contribution and the company's contribution in the ratio one to one. The contribution of each employee is established according to the table related to the salary base. Taking as a basis the month of December 2008, there were, in the company, 276 employees/assigned employees enrolled with the modality defined benefit and 417 enrolled with the modality defined contribution. In 2008, Eletrobrás invested R\$ 9,180,286.83 for the employees and assigned employees in both plan modalities specified. This survey has taken into consideration only employee and active assigned employee in the company, not being considered other types of employment relations.

The employees from the other companies in the Eletrobrás have pension plans similar to those of the holding, with some changes in some cases. Some companies in the Eletrobrás System are sponsors of non-profitable organizations, which have as a basic purpose the complementation of average actual salary and social pension benefits of stakeholders. Examples of these are Fundação Real Grandeza, of Furnas, and Fibra (Fundação Itaipu-BR de Previdência e Assistência Social), of Itaipu.

Preparation for Retirement

Most companies in the Eletrobrás System (Eletrobrás, Chesf, Eletrosul, Furnas and Itaipu) have a program to prepare employees for retirement by means of courses, workshop and lectures, with the purpose of preparing employees to face the new phase in life and make them aware of the implications arising from the new roles to be undertaken after dismissal. Some companies which do not have a structured program have a project under appraisal by the executive board in charge. At the holding, 180 employees took part in the Program Novos Horizontes, Novos Rumos (New Horizons, New Routes) in 2008, being invested R\$ 45,505.00.

All companies in the Eletróbrás System have a health and safety policy which aims at ensuring employees the preservation of the right to physical, mental and psychosocial integrity, ensuring the compliance of technical and legal provisions, encouraging the management of environmental risks and the awareness for the improvement of attitudes regarding the prevention of accidents, preservation of health and appreciation of the human being.

Some companies in the Eletróbrás System (Eletróbrás, Chesf and Furnas) are creating mechanisms for the adoption of practices and policies developed within a safety and occupational health management system which has as a basis the international standard OHSAS 18001, main reference in the subject.

Eletróbrás System Labor Safety Committee, absorbing the activities from the Labor Safety Study Technical Group, was created in January 2008, in compliance with a clause in the Collective Bargaining Agreement of the companies in the System.

Besides regular medical examinations and the campaigns from the program Eletróbrás Saudável (Program for the Heart, Food Reeducation, Care with Tobacco Use etc.), the holding implements programs with the purpose of foreseeing, recognizing and mitigating existing risks in the work environment, preserving the workers's health and physical integrity. The Programa de Prevenção de Riscos Ambientais (Environmental Risks Prevention Program - PPRA), the Emergency Plan and the Hazards Technical Opinion – Electric Risk are examples.

All the companies in the Eletróbrás System have an Internal Accident Prevention Committee (Cipa), which has as purpose to prevent accidents and diseases resulting from work, allowing the performance of labor activities in a safe manner, preserving life and fostering the worker's health. Some companies have committees in all units, whereas others centralize them in some of their units.

Among the several activities assigned to Cipa, the main are as follows: identify risks in the labor process, by preparing a map of risks with the participation of as many workers as possible and the advisory of SESMT, if any; prepare a labor plan which enable a preventive action in the solution of safety and health problems at work; take part in the implementation and quality control of the required preventive measures, as well as to evaluate the priorities for actions at the work place; carry out, regularly, checks in the work environments and conditions aiming at identifying situations which may bring risks to workers's safety and health; disclose to workers information regarding safety and health at work; take part with SESMT, if any, in the discussions promoted by the employer, to evaluate the impacts of the changes in the work environment and process related to workers's safety and health; request the employer and analyze the information about issues which have interfered with the workers's safety and health; annually prepare, jointly with SESMT, if any, an internal week for prevention of labor accidents (Sipat); take part, annually, jointly with the company, of Aids prevention campaigns.

Eletróbrás also has an Ergonomics Committee, which has as a mission to comply the working conditions to the human being, by means of actions which make them aware and prevent disorders related to them, contributing for the employees' health and well-being. Have as a legal basis the provisions in the Labor Safety Health and Engineering Legislation, Ergonomics - NR 17 in Ordinance 3214/78 of MTE. In 2005, Furnas created an Occupational Health and Labor Safety Committee comprised by representatives from each Board, under the coordination of the Industrial Hygiene and Safety Department, with the purpose of fostering throughout the company, on an ongoing and systematic manner, the disclosure and follow up of actions on labor safety and occupational health.

The companies in the Eletróbrás System have processes and procedures to regularly inform their performance on Labor Health and Safety (SST), such as hotspots available on the intranet, memorandums, safety inspection reports, internet, intranet, newsletter etc., in addition to formal procedures for receipt, record and response to demands from interested parties regarding Labor Health and Safety (SST).

Investimentos em Saúde e Segurança	
Eletróbrás	R\$ 11,991,978.18 (Health: R\$ 1,950,000.00) R\$ 10,041,978.18 and Labor Safety:
Chesf	R\$ 55,246,932.00 (Health: R\$. 52,712,216.00 and Labor Safety: R\$ 2,534,716.00)
CGTEE	R\$ 766,132.00
Eletronuclear	R\$ 4,890,000.00
Eletronorte	R\$ 36,309,000.00 (Health: R\$ 36,295 thousand and Labor Safety R\$ 14 thousand)
Eletrosul	R\$ 1,131,000.00
Furnas	R\$ 88,574,000.00 (Health: R\$ 6,287 thousand) R\$ 82,287 thousand and Labor Safety:
Itaipu	R\$ 577,000.37
Total	R\$ 145,458,958.55

* Values converted from dollars to Real, considering the official quotation of the Brazilian Central Bank as of 12/31/2008

Information on accidents						
Category	1	2	3	4	5	6
Eletróbrás	08	0.008	05	46	0	2.59
CGTEE	23	0.04	8	185	0	14.69
Chesf	140	0.02	66	1359	0	13.36
Eletronuclear	16	0.007	0.27	206	0	0.88
Eletrósul	48	32.75	5	696	0	7.17
Fumas	86	0.02	28	176	0	2.99
Itaipu	28	0.02	11	147	0	4.22
1 Total number of labor accidents with employees						
2 Average of labor accidents per employee/year						
3 Accidents with temporary absence period of employees						
4 Total number of days lost due to accidents						
5 Accidents which resulted in mutilations or other injuries to physical integrity and/or service, with permanent absence period from the job (including RSI) (%) providers						
6 Total TF Index (Frequency Rate) of the company in the period, for employees.						

Most companies in the Eletrobrás System offer ongoing structured training programs for their employees. Besides the qualification for new employees and the specific development in the fields of expertise within the company, with focus on the qualification required by the several duties, foreign language courses, and, in many cases, graduate studies are offered. The holding also promoted, in 2008, Training on Social Responsibility, a Course on the Brazilian Sign Language (Libras) and the Qualification Course on the GRI methodology for 32 employees from the Eletrobrás System, whereas Itaipu offered a course on management of Contracts and Biddings. Chesf increased the possibilities for personal development of its employees with the Distance Education Course. Eletronorte also offers opportunities for training, development and corporate education to its internal public, by means of Eletronorte Corporate University (Ucel). The programs occur systematically, both by attendance or at a distance and are prepared based on researches carried out within each area, always focusing on the current scenario in the electric power sector and on the business demands.

Academic background Profile		
Status	Number of employees	% of total self employees
Illiterate	0	0%
Incomplete elementary school / literate	734	3,53%
Complete elementary school	1263	6,07%
Complete high or technical school	9180	44,13%
Complete higher education	6839	32,88%
Graduate studies	2784	13,39%
Total	20800	100%

Academic background Profile - Holding		
Status	Number of employees	% of total self employees
Illiterate	-	-
Incomplete elementary school / literate	02	0,2
Elementary school	19	1,9
High or technical school	166	16,6
Higher education	422	42,1
Graduate studies	393	39,2
TOTAL	1.002	100%

Amount invested in training and professional development	
Eletróbrás	R\$ 2,928,478.63
Chesf	R\$ 6,972,000.00
CGTEE	R\$ 153,291.39
Eletronorte	R\$ 8,609,940.53
Eletronuclear	R\$ 3,600,000.00
Eletrósul	R\$ 2,783,000.00
Furnas	R\$ 21,452,000.00
Itaipu*	R\$ 2,592,723.33
TOTAL	R\$ 49,091.433.88

* Values converted from dollars to Real, considering the official quotation of the Brazilian Central Bank as of 12/31/2008

Amount invested in training and professional development - Holding	
	Costs Implied
Graduate studies	R\$ 332,449.54
Short Term	R\$ 1,069,710.44
Corporate TV	R\$ 480,000.00
Languages	R\$ 656,091.40
Seminars and Congresses	R\$ 390,227.25
TOTAL	R\$ 2,928,478.63

Quantity of hours for professional development per employee in 2008	
Company	Hours
Eletróbrás	39
Chesf	65
CGTEE	0.89
Eletronorte	82
Eletronuclear	17.8
Eletrósul	86
Furnas	40
Itaipu	64

Quantity of hours for professional development per employee in 2008 - Holding	
	Hours of Training/Employee
Graduate studies	10
Short Term	8
Corporate TV	N/A
Languages	19
Seminars and Congresses	2
TOTAL	39

It is under development a new Eletrobrás System Career and Remuneration Unified Plan, which shall contemplate a structured process for Performance Assessment, the Performance Management System. While it is still not implemented, each company uses their own evaluation methods, which generally involve the employee's self-evaluation, the direct manager's evaluation and a feedback meeting.

Eletrobrás holding has an Evaluation and Development Program (Pade), as a management tool for people's management for the purposes of career and remuneration, based on operating results and competences. At Pade, the progress in the career and the remuneration of each worker is made by the achievement of competences and attainment of results, evidenced by means of the evaluation process. All evaluations at the Pade are made by a system available at the company's intranet. The program serves as a basis for the preparation of the organization's Training and Development programs, as well as to the growth of the career and it covers 100% of the employees.

The main communication channels between Eletróbrás System and its internal public are the intranet portals and the Ombudsman in each company.

Eletróbrás holding makes available at its intranet the space "People's Management" that may be accessed confidentially by each employee to consult their personal and professional data, as well as their professional evolution in the company. Furthermore, there is the "Gender Channel", linked to the Ombudsman which receives, also confidentially, comments, suggestions and/or denouncements regarding moral and sexual harassment and discrimination of whatsoever nature.

In Furnas, the Human Resources area also has a Service Center for Health and another one for Personal Services. In Itaipu there is the Internal Complaints Committee.

Internal Surveys

In order to learn the internal satisfaction level of its employees, most companies in the Eletrobrás System (Eletrobrás, Chesf, Eletrosul, Furnas and Itaipu) have been using the Organizational Climate Survey as a diagnosis and monitoring instrument. These surveys have as a focus the identification of variables which influence, in a positive or negative manner, the satisfaction and motivational level of employees and, consequently, their degree of involvement and commitment with the business objectives and goals, as well as to evaluate and monitor the impact of interventions done from the results in previous surveys. Also, salary surveys are carried out among the companies in the Eletrobrás System, with the purpose of guiding the policies and practices in people's management.

Chesf, as well as Eletronorte, has been practicing the monitoring of the organizational climate by means of systematic surveys, so as to obtain indexes for grounding business actions. In 2008, another Organizational Climate Survey was carried out, being directed to all employees. Just like in the previous processes, the survey was carried out by a contracted external entity. For this survey cycle, it was chose the electronic application process, by means of the web, with the purpose of speeding up the process.

The data survey cycle was started in December and completed on January 8, 2009. The data are under the process of tabulation and analysis by the Contractor. This process shall be followed by the steps of disclosure of results to all employees and preparation of actions for improvement of critical points which may be identified.

The results of the surveys have been serving as an input for the definition of policies which may influence on the improvement in the quality of life of male and female employees, of the business communication process, the organizational performance and the change processes.

In 2008, there were implemented improvement actions from the results presented in the last Climate Survey, such as: remodeling of the physical environment and purchase of equipment for the expansion of the fitness center in the regionals of Paulo Afonso, Salvador and Sobradinho; increase in the percentage of average interest of Chesf in the PAP benefit from 70%, in 2004, to 86%, in 2008; increase of the vacation bonus for those hired after October 14, 1996; increase of the education allowance for employees whose top amount was adjusted to R\$ 300.00.

Besides the interest in learning about specific aspects of its internal climate, Chesf has been trying to learn about its standing regarding the internal satisfaction level, in relation to other companies in the domestic market. In order to accomplish that, it has been taking part in the national survey "The Best Companies to Work", promoted by the magazines *Você S.A.* and *Exame*. In the survey carried out in the year of 2008, it obtained 72.36% in the Quality Index at the Work Environment (IQAT).

In 2008, Itaipu developed an Organizational Climate Survey with the purpose of identifying the degree of satisfaction of the employees in their work relationship with the company. The survey tried to identify what employees think and feel regarding the values, policies, rela-

tionships, management practices and a number of other factors which feature the relationship of the company with the employees.

The Climate Survey included great dimensions and factors which comprise the satisfaction of employee(s) in work relations: the physical environment, the interpersonal relationships, the planning and organization of the work, the leadership and management, the professional development in the career, the image of the company, the remuneration and the benefits, and aspects related to health at work. These categories were translated into 61 questions in the survey, written as affirmative statements, having the employee(s) indicate, for each one of the m, their degree of agreement.

The participation of the 1,089 employee(s) which answered the survey represented 78% of Itaipu staff on duty at the moment of the survey (excluding those on a leave, those on vacation and the assigned employees). The figure enabled a degree of statistical reliability of the results of 98%.

The results enabled the preparation of an Action Plan for Improvement of the Organizational Climate, to be implemented in 2009, which focuses the dimensions and factors with higher potential for improvement for satisfaction of employee(s) towards the company.

Freedom of association and right to collective bargaining

The freedom of association and right to collective bargaining are ensured to the employees in the Eletrobrás System. The companies integral part thereof express this commitment in the corresponding code of ethics and/or conduct and by means of the execution of the Global Compact, which provides for said issues in its principle 3. Workers at Eletrobrás are represented by labor unions and associations and there are processes and procedures for dialogs of the company with these organizations, in the period of negotiation of collective bargaining, in meetings to monitor the agreements and in others moments in which it is deemed relevant the presence of employees' representatives.

Fight against moral and sexual harassment

Eletrobrás System undertakes to fight moral and sexual harassment, making it clear, in the Code of Ethics and/or Conduct of all the companies integral part thereof, that it shall do everything to avoid said situations. The adhesion to the Global Compact reinforces this commitment.

Clause 14 in the Collective Bargaining in force, entered into by the companies in the Eletrobrás System and the several labor unions representing the professionals categories, provide for the development of awareness and guidance campaigns intended to prevent moral, sexual harassment and other forms of discrimination of sex, race, religion or ideology, with the purpose of avoiding and preventing acts and attitudes showing discrimination in working environments and in society in general.

Eletronuclear, for instance, offered in 2008 a training on the prevention of moral harassment for all of its managers, with the purpose of providing detailed information in the theme and make them aware on the impact and the consequences of the attitude and style of the management in people and in work relations.

Fight against forced labor or similar to slave work

The fight against forced labor or similar to slave work in its value chain is also provided for in the code of ethics and/or conduct of the companies comprising the Eletrobrás System, besides being integral part of principle 4 in the Global Compact, to which they are signatories. The System is compliant to the CLT (Brazilian Consolidation of Labor Laws) in all of its labor contracts and demands the same from all of its suppliers and contractors.

Fight against child labor

The commitment towards the fight against child labor is also provided for in the code of ethics and/or conduct of the companies comprising the Eletróbrás System, besides being integral part of principle 5 in the Global Compact. The System does not hire individuals below 18 years old for their work force, except for young apprentices protected by Act 10.097/00 and Decree 5.598/05. Contracts entered into between the holding and its suppliers contain the clause as follows: Fulfillment of the provision in Subparagraph XXXIII in Art. 7 of the Brazilian Constitution – Representation it does not have, in its work force, individuals under 18 years old on a night shift, on hazardous or unhealthy work or individuals under 16 years old in any activity, except as an apprentice, pursuant to the terms in Act n° 9.854/99, regulated by Decree n° 4.358 as of October 5, 2002, which includes article 27 in Act 8666/93 the requirement to fulfill the provision in subparagraph XXXIII, in article 7 of the Brazilian Constitution (prohibition to night shift, on hazardous or unhealthy work to individuals under 18 years old and any activity to individuals under 16 years old, except as an apprentice, as of 14 years old).

Fight against discrimination

Another commitment undertaken by the companies in the Eletróbrás System in their code of ethics and/or conduct is to fight discrimination, rejecting prejudices of social or ethnical origin, sex, color, age, religion, physical or mental capacity, in addition to any other forms of discrimination. Eletróbrás holding implements, as a mechanism for prevention of said practice, the sensibilization of its internal public, with the disclosure to its whole staff, for instance, of dates such as the Day for Black Awareness (race/color), National Day for the Deaf Person (physical disability), International Human Rights Day (with emphasis in the non-discrimination), International Women's Day (gender) and events such as the International Women's Day and the Campaign 16 days for Activism for the End of Violence against Women.

The contracts with outsourced employees have clauses and benefits which aim at ensuring their quality at work and in life. They have health insurance plan; group life insurance; medical care, dental and hospital extended convention; they may receive emergency service in the company's ward; they take regular occupational medical examinations; they take part in internal and external training, in areas such as Safety and Industrial Hygiene; and they receive meals allowance and day care center aid, among others.

In Furnas, the number of employees with this type of bond has been decreasing by the year, with the replacement of this work force by employees approved in public contests. Said process is done without prejudice to the safety and quality levels of the services rendered, as the company ensures the required time for the training of the new employees. At the end of 2008, the company had 1,723 contracted workers, an inferior number than the one registered in 2007 (1,857) and in 2006 (1,923).

Bearers of disability

Eletróbrás System (except for Eletronorte):

Total number of self employees (a)	Total number of bearers of disability (b)	%- b/a	Difference between the % required by legislation and the % current
17,075	629	2,7	2.3

Eletróbrás Holding:

Total number of self employees	Total number of bearers of disability	%- b/a	Difference between the % required by legislation and the % current
1,002	03	0.3	4.7

Despite not attaining the goal required by the legislation regarding the hiring of bearers of disability, the companies in the Eletróbrás System carry out several actions to facilitate the inclusion of these workers. Among them, there can be highlighted: reserve of positions for bearers of disability in contests, courses on the Brazilian Sign Language (Libras) for employees and outsourced personnel, awareness workshops, construction of catwalks and adapted restrooms, professional training of disabled individuals in partnership with organizations in the civil society, such as the Instituto Brasileiro dos Direitos da Pessoa com Deficiência (IBDD) and the Instituto Nacional de Educação dos Surdos (Ines).

Apprentices

Eletróbrás System, in compliance to Act nº 10.097/2000, regulated by Decree nº 5.598, as of December 1st, 2005, of the Presidency of the Republic, has an annual program for contracting of apprentices on an annual basis, whose purpose is the qualification of the participants so as to contribute for the personal and professional development, by means of the coexistence in the work environment. This program has a significant social impact for youngsters, as its technical and behavioral preparation facilitates the admission to the work market.

The legislation of the Program Jovem Aprendiz sets forth that the duties deemed as calculation basis for the apprentice quota are those which demand professional qualification, except for those with technical level training or higher education and the titles of administration, management or confidence.

The program for hiring apprentices occurs by means of an agreement with Senai. The apprentices are recruited by means of a public selection process to gain technical-professional training in courses offered by Senai. They receive as a remuneration a minimum hour-salary (regional base salary), besides transportation allowance and meals allowance. All the compa-

nies in the Eletrobrás System comply with the requirement to hire between 5% and 15% of the quota established by the Regional Labor Agency.

Eletrobrás Holding:

Calculation Basis (a) DRT	Total number of apprentices (b)	%- b/a	Difference between the % required by legislation and the % current
348	39	11,25%	...

* Note: The total of apprentices at Eletrobrás holding is calculated by the Labor Regional Agency (DRT-RJ), which established the minimum number of 17 apprentices (5%) and maximum of 52 apprentices (15% of the total quota).

Labor Claims

Company	Amount accrued in the liabilities	Total Amount of indemnifications and fines paid by decision of the Justice
Eletrobrás	R\$ 88,572,973.18	R\$ 5,299,234.80
Chesf	R\$ 69,638,525.86	R\$ 16,937.06
CGTEE	R\$ 5,941,768.00	R\$ 0.00 *
Eletronuclear	R\$ 24,694.89	R\$ 1,396,614.39
Furnas	R\$ 235,129,015.03	R\$ 25,657,969.75
Itaipu	R\$ 139,412,249	R\$ 738,491,000
Eletrosul	Labor contingencies and liabilities pursuant to Ibase 2008: R\$ 2,790,000	

* There were paid R\$ 7,560,968.00 for the purposes of labor claims.

The voluntary work programs are developed in some of the companies which are integral part of Eletrobrás System (Eletrobrás, Eletrosul, Furnas and Itaipu). Eletrosul maintains, for eight years, a partnership with the NPF Transmissão da Cidadania e do Saber. Besides the financial assistance to the projects of the entity, the company accredits the hours the employee is absent for volunteer work. In Furnas, 1,390 employees take part in the program "Voluntário Furnas em Ação – Gerando Cidadania".

The Programa de Voluntariado Empresarial da Itaipu Binacional - Força Voluntária, created in 2005, from a proposal made by employee(s) of the company is managed by the volunteers.

Environment Dimension

Eletrobrás System's
Sustainability Report 2008



*Furnas – Seedlings nursing of
Ibiúna Substation
(Picture: Holanda Cavalcanti)*

Environmental Management at Eletrobrás

The environmental dimension is inserted in the business activities and government exercised by Eletrobrás as a subsidy to decision processes. In general, the environmental management actions are related to the company's end activities, being highlighted the treatment of social-environmental issues in the System's companies, the environmental licensing of Belo Monte AHE, participation in the negotiations and studies of international project of interest to Eletrobrás, in monitoring actions for the implementation of Proinfa, the financing operations to companies in the System, the external fund raising and the relationship with capital markets.

Upon awarding loans for the performance of projects, Eletrobrás performs its previous environmental evaluation and monitors its enforcement regarding environmental issues. In 2007, we may highlight the coordination of the technical analysis of the environmental management project financed to Itaipu Binacional. The project has as its objective the enforcement of environmental management principles practiced in the Brazilian margin to the Paraguayan margin of the reservoir.

Considering the project management and government programs, Eletrobrás is the legal responsible for the environmental licensing of Belo Monte Hydroelectric Use and coordinates the performance of Environmental Impact Assessment of the development.

Eletrobrás, as the energy purchase and sale contracts manager entered into in the scope of Proinfa, also performs, on a permanent nature, the environmental monitoring activities of the 144 developments integral part of the program, comprising the determination of the compliance of the process for licensing and implementation of environmental programs.

Eletrobrás also takes part in studies on key environmental themes, in partnership with universities and research centers. The following projects are still in progress: Avaliação Ambiental Estratégica para o Planejamento da Expansão da Geração e Incorporação da Dimensão Ambiental ao Planejamento da Transmissão, under development at Cepel; and Uso de Microalgas na Gestão de Emissões em Usinas Térmicas a Carvão, under development at Furg. Also, under appraisal with MCT, aiming at estimating the contribution of the reservoirs of the hydroelectric plants for the preparation of the National Inventory of Greenhouse Effect Gases.

In order to exercise the assignments of the environmental management General Coordination, which comprises the preparation, revision and implementation of guidelines set forth by the System's Environmental Policy, Eletrobrás acts by means of the Environment Subcommittee (SCMA), in a joint committee comprised by representatives of the Environment area in the companies in the Eletrobrás System. The SCMA is the holding's main environmental management instrument and is coordinated by Eletrobrás's Environment Department.

The SCMA is subordinate to the Operation, Planning, Engineering and Environment Committee (Copem) of Eletrobrás System's Higher Council (Consis). The SCMA é a technical and institutional forum which enables the interaction between the companies and makes it feasible to define the common guidelines for the treatment of social-environmental issues and the performance of articulated procedures in the required inter-institutional relationships.

SCMA operating structure is currently comprised by eight working groups and three committees, created according to the demands and necessity to deepen a number of issues which involve the environmental management.

The management of the Environmental theme in the holding is divided in two departments with different focuses: volunteer actions and compulsory actions. The volunteer actions are followed / coordinated by the Social Responsibility and Projects with the Society Department. The projects supported by Eletrobrás contemplate themes such as environmental education, cultural rescue and diversity, preservation of energy and generation of work and income.

The developments mitigation actions and environmental compensation are followed / coordinated by the Environment Department, which has as purpose to coordinate the ongoing improvement processes of social-environmental aspects in Eletrobrás System's activities. The department has the Analysis and Management Division, whose purpose is to implement social-environmental management criteria in subsidy to decision processes referring to the businesses of Eletrobrás System, and the Studies and Planning Division (EGAP), whose purpose is to develop social-environmental studies and take part in activities aimed at the planning of Eletrobrás System.

In 2007, it was contracted at the Cepel the IGS project (Social-environmental indexes for the Eletrobrás System Business Sustainability Management), to subsidize a corporate environmental management system. It has as purposes to establish a set of social-environmental performance indexes and to implement a database for the information related to the indexes.

There is a measurement of most environmental indexes; however, many times the criteria adopted are different one from the other, making it impossible to consolidate it for the System. From its implementation, estimated to 2009, there can be done systematic measurements with established social-environmental indexes, comprising, therefore, a database which shall enable the monitoring of indexes for the management of the subsidiaries and shall allow a more complete report to society.

Eletrobrás System's Environmental Policy was approved in March 2006 by Consise and reflects both the conceptual, methodological advancements and the practices of the companies in the System and the necessity of an effective consideration of social-environmental variables in the business strategies and in the individual definition of projects and the internalization in the companies, in all of their levels and activity areas.

The fundamental assumption for its formulation is the compliance with the guidelines in the public policies regarding the environment, hydrous resources and social welfare, as well as with international agreements which Brazil is a signatory, such as the Weather Convention, the 21 Agenda, the Kyoto Protocol and others.

The wording of the policy was submitted and discussed in all the companies in the Eletrobrás System and submitted to approval by SCMA, Copem and Consise. After being formally approved, the Policy was presented to Eletrobrás's employees in an event which had the presence of the company's president, representative from the Board and members of the Environment areas in the companies of the System. The Policy is available at Eletrobrás page at the electronic address as follows:

<http://www.eletrabras.com/elb/data/Pages/LUMIS376C5AF5PTBRIE.htm>

This policy must be construed as a dynamic instrument which evolves according to the adjustments required by social, technological development and the legal and regulatory milestone affecting the environmental management at the federal, state and local levels.

The companies adopt the Eletrobrás System's Environmental Policy (case of Eletrosul) or have their own environmental policies, coherent with the principles coming from the System (case of Furnas). This particularity is necessary before the businesses own features and the context of operation for each company, including the region they are located.

The Programa Nacional de Conservação de Energia Elétrica (Procel) fosters the rationalization of the consumption of electric power to fight the waste and cut costs and the sector investment, increasing the energy efficiency. Created by the federal government, in 1985, it is performed by Eletrobrás, with resources from the company, from the Reserva Global de Reversão (RGR) and international entities.

The companies in the Eletrobrás System carry out initiatives to reduce the consumption of indirect energy. Eletronorte, for instance, makes available for its employees a collective transportation service from the regional headquarters to specific units, reducing the spending with fossil fuels. At Eletrosul, this consumption is controlled at the headquarters and, soon shall be also monitored in other areas. Furnas has been carrying out works regarding energy efficiency since 1995 in its facilities. These works contemplate the progressive implementation of the environmental management systems in the several operating and administrative units, the technological updating of obsolete equipment, switch of lights etc..

The replacement of equipment for water heating, conditioning of environments and internal and external lighting was promoted by Chesf in the year of 2008, with the purpose of reducing energy consumption and increasing the energy efficiency in its facilities. Investment of R\$ 900 thousand were done in nine projects for improvement of energy efficiency at Chesf's facilities.

In order to reduce the consumption of electric power in Itaipu, in 2008, 500 400W mercury steam bulbs were replaced by 250W sodium steam bulbs, at access routes to the plant in Foz do Iguaçu, what generated an annual economy of 650,000kWh, or 2,340GJ. And, in order to decrease the number of trips, the company holds video conferences between employees who work in offices in different cities. Therefore, it is also reduced the consumption of indirect energy and the emission of pollutant gases, besides promoting a better use of the time of the employees, who no longer have to travel long distances.

The use of water in the productive process of a hydroelectric plant is not considered water consumption. There is only the administrative consumption. In the thermal plants, water is part of the productive process.

At CGTEE, the consumption was of 3,029,617 m³, being 99% underground waters. Chesf consumed 368,520 m³, being 93% supplied by the public network.

At Eletronuclear, the Central Nuclear Almirante Álvaro Alberto (CNAAA) used, in the year of 2008, the total volume of 692 thousand m³ of surface water, captured by means of intake 1 and intake 2, located respectively at Frade river (captured volume: 415,200 m³) and at Sacher brook (captured volume: 276,806 m³).

From the 646,010 m³ of water consumed at Itaipu premises, 298,080 m³ are reused. The reuse is done at the Refúgio Bela Vista, where the water used in tanks in the animals quarters is filtered and returned to the same.

Although the companies which comprise the Eletrobrás System can make more information available on the water disposal than other environment indexes, there is not a structured survey which makes it possible to know the total disposal of the System, by quality and destination.

At Eletrosul, water consumption in 2008 was of 13074 m³, supplied by a public concessionaire.

In the energy generation by hydroelectric plants, the issue of effluents is not a key theme. After the use for cooling machines, turbine for generation of electric power or passage through the spillway, the water is returned to the river practically without changes in its features, except for the temperature.

Regarding the thermoelectric plants, there is a need of a bigger control, what happens in all the plants in the System. At Eletronorte, the treatment of the effluent from UTE Santana – AP is done by means of a closed circuit, with 100% of recirculation of industrial water.

At CGTEE, the planned disposals refer to the discharge of the liquid effluent generated in the productive process at the Usina Termelétrica Presidente Médici. This effluent receives primary treatment in sedimentation basins, what ensures the launching in the hydrous body, complying with the standards set forth by the legislation in force. In 2008, the volume of the disposed and treated effluent was of 2,003,607 m³.

At Eletronuclear, the disposal of effluents generated in the operation of Angra 1 and Angra 2 follow the resolutions set forth in the Guideline 942-R7 – Procon Água, of the Instituto Estadual do Ambiente, besides the standards NT-202 R-10 (Critérios e Padrões para Lançamento de Efluentes Líquidos) and Guideline DZ-215-R3 (Diretriz de Controle de Carga Orgânica Biodegradável em Efluentes Líquidos de Origem Não Industrial) and the Conama Resolution 357/2005 (Classificação de Corpos d'Água e Critérios para Padrão de Lançamento de Efluentes Líquidos). The total volume of disposals in 2008 was of 252,917 m³.

There is no habitat significantly affected by water disposals and drainage of generation companies in the Eletróbrás System.

In the case of Central Nuclear Almirante Álvaro Alberto (CNAAA), for instance, the liquid effluents treated and launched in Itaorna and Saco Piraquara de Fora (Ribeira bay), do not cause significant impact on the marine ecosystem. At CGTEE, the disposal of the liquid effluent from the Usina Termelétrica Presidente Médici is carried out at Arroio Candiota, compliant to all parameters set forth by the environmental supervision agency. The results of the systematic monitoring of this hydrous body suggest that the quality of the water and its biodiversity do not suffer significant impact due to the disposal done. The Usina Termelétrica de São Jerônimo possesses a recirculation system of its liquid effluent, not being the disposal done, therefore, in hydrous bodies. Itaipu has not done drainages in the year of 2008 or significant water disposals have been carried out, considering the structure of the hydroelectric plant and the offices, in Foz do Iguaçu..

It is under implementation at Eletróbrás System a measurement process for direct and indirect emissions of gases causing the greenhouse effect, of NO_x, SO_x and other significant atmosphere emissions. Some companies which comprise it carry out this measurement, but it is still not possible to reach to a figure which demonstrates, precisely, the emissions of the System.

The hydroelectric plants do not emit significant volumes of atmosphere pollutants. The vehicles from the companies are the main responsible for the emissions of NO_x and SO_x. In Itaipu, these emissions reached, in 2008 24,253.76 Kg of NO_x and 1,804.83 Kg of SO_x.

Thermal generation represents only 10% of the System's total generation. Thermal plants function as a security for the supply of energy and operate only when hydroelectric plants are not being enough for the supply of the demand. Among the thermoelectric plants, CGTEE monitors its emissions, which were, in 2008, of 2234 t of NO_x and 28664 t of SO_x, calculated according to the methodology suggested by IPCC.

Joint Selective Collection

At the holding, the Program Joint Selective Collection, in compliance with the Decree n° 5940/2006, was implemented in April 2008 in the buildings in Rio de Janeiro.

The Program estimates the collection of recyclable solid wastes and their donation to cooperatives/waste collectors's associations. Besides, the workers may dispose of batteries in special collection bins for these products, installed by Comlurb, upon request from Eletróbrás, in front of the company's addresses downtown Rio.

Bulbs and computer materials/equipment are not yet contemplated by the program, although there is a plan to include them.

Each worker is responsible for the separation of recyclable material in specific collectors bins. The company made available individual collector bins (in each work station) and collective bins (in strategic places, such as pantries and near photocopiers), following the "Blue Box" method.

In order to develop the Program, Eletróbrás has a Joint Selective Collection Committee, comprised by volunteer employees from several areas in the company.

Upon the implementation of the Program, in order to draw the attention from the company's employees and instruct them on the new procedures to be adopted – encouraging their interest in the process –, it was carried out a presentation for all the departments in the company.

On the same day, each worker received a booklet containing the main information about the program, types of materials which can be recycled, location of bins among other points.

Furthermore, from the launching of the Program, the company's newspapers started being printed in recycled paper, a commitment with the environment.

Total recyclable waste (from April to December 2008);

Recyclable material collected by the Cooperative: Total of 9.34 ton, from April to December 2008.

Month	Material (in tons)
Apr/08	1.53
May/08	0.96
Jun/08	1.11
Jul/08	0.85
Aug/08	1.01
Sept/08	0.78
Oct/08	0.88
Nov/08	1.47
Dec/08	0.73

Total of waste per type of material (from October to December 2008)

From April to October 2008, Eletróbrás received from the cooperative only consolidated information (total collected, regardless of the type of material). It is worth pointing out that, based on the last three months in 2008, it was verified that around 60% of this weight is comprised by white paper.

Month	Material (in tons)				Total
	Newspaper	Cardboard	White Paper	Plastic	
Oct/08	0.113	0.165	0.603	ND	0.881
Nov/08	0.275	0.235	0.953	0.005	1.468
Dec/08	0.186	0.152	0.390	0.007	0.735

Campaigns and initiatives carried out by the Joint Selective Collection Committee in 2008)

Besides the actions intended to the fulfillment of the decree, Eletróbrás also encourages the conscious awareness in alignment with the waste management policy, grounded on the principles of the 3Rs: reduce, reuse and recycle.

An example of that was the distribution of water and coffee mugs, together with informative material, for all employees, in November 2008. The intranet and the electronic communication from the company were important tools for the campaign, encouraging workers with messages about conscious consumption.

Other Initiatives:

In order to increase the communication between the committee and the interested public, there were created: (a) a space for the Program at Eletróbrás's portal; (b) a space for the program at the company's intranet (with a Contact tab) e (c) an institutional e-mail of the Joint Selective Collection, sending sensibilization messages, campaigns and information for the company's workers.

Other items which certify the compliance to Decree n° 5.940/2006.

Participation in the 1st Forum for Federal Agencies in Rio de Janeiro – Joint Selective Collection, hosted by Furnas, on 09/23/08 – Presentation of Eletróbrás Program;

Participation in the 1st State Congress of the National Movement of Recyclable Materials Collectors - Rio de Janeiro Base, on 11/16/08. Presentation of Eletróbrás Program.

The companies in the Eletrobrás System which still have equipment containing Biphenyl Polychloride (ascarel) are performing its replacement, which shall be completed by 2011.

The handling, transportation, packing and storage of this hazardous product are conducted observing the environmental standard in force.

At Central Nuclear Almirante Álvaro Alberto (CNAAA), wastes generated in the year of 2008 amounted 284 tons, being discarded/treated 106 tons of hazardous products and 178 tons of hazardous products.

Hospital garbage generated in the companies's wards receive proper destination according to the recommendations of the environmental legislation.

Management of impacts in biodiversity

Specific practices are adopted for the treatment of issues related to the preservation and recovery of the fauna and the flora in all companies in the Eletróbrás System, which actively operate in the regions they are located. Moreover, companies invest financial resources on studies aimed at learning about the ecosystems and possible environmental impacts. Companies highlight specific programs which contemplate recovery and preservation projects, including: recovery of degraded areas, recovery and preservation of ciliary woods, maintenance of sowing machines of native species, flower survey, creation of genetic banks, implementation of vegetables barriers, landscaping and ecological parks, monitoring of birds and native animals, handling and preservation of sea mammals, water-culture in net-tanks; monitoring of water fauna etc..

Among the impacts, there may be mentioned: suppression of vegetation in the development area, withdrawal of soil vegetal coverage, favoring of erosive processes, withdrawal of vegetation in permanent preservation areas and statutory reserve, when strictly necessary, fragmentation of earthy habitats.

The companies in the Eletróbrás System develop the Environmental Impact Assessment (EIA/Rima) and perform all mitigating and compensatory environmental measures recommended by these studies, in the implementation of new developments. Developments previous to the environmental legislation in force are under standardization process, in several stages.

The protected areas correspond to more than four times the area flooded by the plants.

Research, Technological Development and innovation (R&D+I)

Eletrobrás System's
Sustainability Report 2008

*Itaipu – Development of the
Electrical Vehicle
(Picture: Alexandre Marchetti)*



In June 2008, the Corporate Projects and Technological Development Board was remodeled and is now named Technology Board. Besides the change of name, it was created a Technological Management Department with the purpose of preparing a technological strategic planning for the Eletróbrás System, with short, average and long term goals, compliant to the Strategic Plan and to the Company's Business Plan. This change shall also optimize the use of resources in R&D, by means of cooperated projects and partnerships with R&D institutions and universities. The Eletróbrás System has the Cicop (Research, Development and Innovation Corporate Integration Committee), created in 2003 and coordinated

by Eletróbrás, with the participation of all subsidiaries with the purpose of carrying out coordination actions for R&D+I activities within the scope of the System.

Also in 2008, it was approved in the Programa de Ações Estratégicas do Sistema Eletróbrás (PAE 2009-2012) a goal which estimates that "by 2012, the equivalent to 2% of the net operating revenue (ROL) of the companies in the Eletróbrás System shall be a result of the development of R&D projects".

Also, regarding the R&D, it is highlighted the almost 100 projects under development by Cepel, with resources from the statutory contribution from the Eletróbrás System's partner-sustainer companies

It is important to highlight that, according to acts 9.991/00, 10848/04 and 11465/07, the electric power concessionaires must use, annually, 1% of their Net Operating Revenue (ROL) on R&D projects. The transmission and generation companies must use 0.4% of the ROL on R&D projects under the supervision of Aneel, 0.4% of the ROL must be collected to the Fundo Nacional de Desenvolvimento Científico e Tecnológico (FNDCT), administered by the MCT, and 0.2% of the ROL must be collected to the Empresa de Pesquisa Energética (EPE), pertaining to the MME. In the distribution companies, these percentages become 0.2%, 0.2% and 0.1%, respectively, as the other 0.5% from the ROL are used in energetic efficiency projects.

Besides the resources established by this legislation, Eletrobrás assigns, annually, up to 0.5% of its capital stock in R&D project and qualification, especially at Cepel.

Accordingly, in 2008, R\$ 202.6 million were assigned in R&D projects from Aneel, referring to the year 2008 and liabilities from previous years. R\$ 60.7 million were collected to FNDCT and R\$ 30.6 to EPE. At Cepel, R\$ 115.3 million were directly assigned.

The main Research and Development project were carried out in the areas for the development of softwares to support planning, operation, maintenance and control of plants, lines and substations; machines monitoring system, change equipment; monitoring of emission of gases in hydroelectric plants reservoirs; projects to mitigate environmental impacts, among others.

Eletronuclear was not ranked as a company taking part in Aneel's Programa de Pesquisa e Desenvolvimento Tecnológico do Setor de Energia Elétrica, due to the non inclusion of nuclear-electrical generation within the scope of the legislation. However, regardless the legislation in force on the issue, it regularly invests resources in Research, Development and Innovation activities by means of its business units in the engineering and operation areas.

Itaipu, due to its unique legal nature, is also not subject to Act 9991/2000, which regulates the obligation to invest in the Electric Power Sector Research and Technological Development Program. Actions aimed at the R&D and Innovation represent one of the three action lines of Itaipu Corporate University. The projects are developed in partnership with Fundação Parque Tecnológico Itaipu (FPTI), by means of agreements entered into between the two institutions.

The official R&D and Innovation program in Itaipu was started at the end of 2007. Among the areas of interest are: energy production, dam safety, improvement of the plant, environment, information technology, distributed generation, electrical vehicle and hydrogen production.

Some examples of use of R&D project per company and strategic segment are presented hereinafter:

Strategic segment	Chesf (R\$)	Eletrosul (R\$)	Itaipu (R\$)	Furnas (R\$)
Control – Supervision and protection	2,101,924.00			
Energy Efficiency	622,671.00			75,200.00
Finances	164,560.00			
Alternative Sources	736,086.00	383,647.71	306,000.00	235,000.00
Management of Basins and Reservoirs			458,100.00	
Power Generation	539,866.00			327,400.00
Strategic Management	187,209.00			
Regional and Social Inclusion	237,507.00			
Measurement				79,800.00
Environment:	675,151.00		349,700.00	2,516,700.00
Strategic Research	1,533,013.00			7,128,900.00
Electric Power Systems Planning		531,281.60		1,309,700.00
Quality and Reliability				1,813,600.00
Safety		627,737.49		
Supervision, Control and Protection of Electric Power Systems		723,342.80	1,235,100.00	708,700.00
Telecommunications and/or Data Transmission by Electric Network				396,900.00
Transmission – Lines and Substations	1,539,824.00			165,300.00

Regarding actions carried out directly by Eletrobrás in 2008, the Corporate Projects Department continued its portfolio of agreements referring to R&D, some of them involving a partnership with the Financiadora de Estudos e Projetos (Finep) and the others fully supported by the Technology Board, as well as the actions intended to foster PDTI.

Among the projects completed in 2008, there can be highlighted the "Atlas Eólico do Estado de Alagoas", developed by the Instituto de Tecnologia para o Desenvolvimento (Lactec) and by the Federal University of Alagoas (Ufal), whose results shall serve as a basis for future investments in Aeolian energy projects in that state.

The investment in the production of technology and expertise resulted to Eletrobrás System, in 2008, in seven patents filing applications and applications of 47 trademark register applications at the National Institute for Industrial Property (INPI). Considering the quantity accumulated in the last years, Eletrobrás System has 63 patent applications and 154 trademarks filed at INPI.

All of its inventions, developed individually or in partnership are registered at INPI. The company has three laboratories accredited by the National Institute of Metrology, Standardization and Industrial Quality (Inmetro), according to standard NBR ISO 17025. One of them is located in the Rede Brasileira de Laboratórios de Ensaio (RBLE) and the others in the Rede Brasileira de Calibração (RBC), acting in nine areas: dimensional; power, torque and hardness; mass; pressure; time and frequency; temperature; electricity; geotechny; and concrete technology. These laboratories may perform 141 types of accredited services (60 types of calibrations and 81 types of assays).

Chesf, jointly with other companies in the System, is also developing a research project, approved by Aneel and contracted with Unicamp, for the development of a methodology for evaluation of results in research project in an ex-post perspective, so as to provide a qualitative and quantitative view of the results from its projects.

Due to the volume of resources assigned in 2008, of the estimate of resources for 2009, the preparation of the Technological Strategic Planning, the improvement of the management and efforts for appreciation of knowledge and its commitment with results, the perspectives are very exciting for 2009. It is expected that the projects portfolio (around 150 projects/year) is reduced and its focus is better adjusted, that is, more resources must be assigned in less strategic projects, more directly associated to the main businesses at the Eletróbrás System.

Energy Efficiency

Eletrobrás System's
Sustainability Report 2008

*Eletrosul –Efficient House
(Picture: Anísio Borges/ACS)*



The National Program for Energy Preservation

The Electric Power Preservation National Program is a program from the federal government, coordinated by the Ministry of Mines and Energy (MME), intended to foster the efficient use of electric power in the country and to fight its waste.

Eletrobrás, in the capacity of Procel's Executive Secretary is responsible for the planning and execution of actions in the program, providing technical and financial support for its operation.

The benefits generated by the program may be accounted for both for the energy saving and the investments avoided regarding an expansion in the sector, which is reverted into benefits for society.

As an instrument to promote efficient technologies, it was established, in 1993, the Energy Saving Procel Seal. It is intended to point out, annually, to the consumer, the most efficient household appliances and equipment in their categories. The awarding of the seal is a result of a joint work of Eletrobrás/Procel with the Brazilian Labeling Program (PBE) of Inmetro. In 2008, it was awarded to 2,402 models from 137 different companies, distributed in 23 categories of equipment and household appliances. This year, it was awarded, for the first time, the Procel Seal to ceiling fans and sodium steam bulbs.

Procel acts all over Brazil by means of sector programs in the areas of public buildings, environmental sanitation, city energy management, industry and constructions. The results from 2003 to 2008 are significant: 718 big and average sized industries participating; 4,200 technicians trained in the industry and 446 in the Sanitation area; 120 water and sewer companies participating; 262 cities with implemented energy management; 37 installed laboratories, with 210 scholarships distributed; ten hospital units and 25 public buildings in the administrative segment operating with more energy efficiency, besides the regulation of the Energy Efficiency Act for commercial, service and public buildings.

In 2008, Eletrobrás did not carry out any project aimed at energy efficiency in its facilities, nor specific campaigns with its employees, but encouraged other companies in the System to do so, such as Eletronorte and Chesf, which have developed several project in their own facilities.

Procel activities may be ranked in nine big areas: City Energy Management, Public Buildings, Constructions, Industry, Sanitation, Public Lighting, Development of Efficient Technologies, Spreading of Information and Education.

All segments in the society, consumers of electric power are benefited by the Program. For the country, the immediate profits are the postponement of investments in the electric sector and the consequent decrease of environmental impacts, due to a smaller necessity of expansion in the electric power generation. The activities carried out to foster energy efficiency bring about several benefits for society, such as the qualification of professionals, job generation, environmental education for a number of formal education levels, higher laboratory qualification at universities and technical schools, higher supply of more efficient equipment, reduction of public spending with electric power bill and more illuminated and safer cities. For Eletrobrás, this represents a strengthening of the image, qualification of its employees and confirmation of the standing of a company with social-environmental responsibility.

Eletrobrás invested own resources in the operationalization of the Programa Nacional de Conservação de Energia (Procel) in 2008 – around R\$ 6 million (R\$ 5,595,561.27). Besides these resources there were invested around R\$ 27 million in financing with resources from the sector fund of the Reserva Global de Reversão (RGR), which, in 2008 were totally used in the public lighting area.

The table below show the distribution of the resources invested per area of investment.

Area	Own resources invested (R\$)	Percentage of own resources (%)	Percentage of total invested resources (own and RGR) (%)
City Energy Management	202,009.50	3.61	0.62
Buildings	926,284.26	16.55	2.84
Industry	705,500.00	12.61	2.16
Public Buildings	112,933.80	2.02	0.35
Education	2,265,924.80	40.50	6.95
Spreading of Information	386,772.67	6.91	1.19
Technological Development in Energy Efficiency	996,136.24	17.80	3.06
Public Lighting	-	0.0	82.83
Total	5,595,561.27	100	100

The data regarding energy saved by Procel in 2008 are still under the final consolidation phase. Based on what has already been verified, the estimate is that this value is around 5% higher than the previous year, that is, around 4.1 billion of kWh saved, which represent R\$ 2.7 billion in investment postponed in the expansion of the National electric system, taking into consideration the average dollar in 2008.

Community



*Eletrobrás – Opening of the
project Arte Quilombola –
Vale do Jequitinhonha
(Picture: Jorge Coelho)*

The relationship with the communities is managed by Eletróbrás with two different focus: volunteer actions and mandatory actions.

Volunteer actions are monitored and coordinated by the Social Responsibility area. The projects supported by Eletróbrás contemplate themes such as environmental education, cultural rescue and diversity, preservation of energy and generation of work and income. Considering the diversity of the country, the social investment of Eletróbrás System represents a wide range of actions from initiatives aimed at the improvement in health, education, culture and social inclusion conditions to fostering of volunteer work by consumers and workers, to the development of local economic potential by means of the establishment of cooperatives and associations.

The documents "Eletróbrás' Social Responsibility Guidelines" guides its relationship with communities, its efforts and Social Responsibility actions and directs all of its social projects and programs. The guidelines regarding the relationship with the communities are as follows:

- "Eletróbrás shall pay special attention to social, economical and environmental impacts caused by Eletróbrás System's electrical developments, implementing programs, projects and actions aimed at the sustainable development of the communities affected by them;
- Eletróbrás shall prepare and make formal a management system to monitor its relations with the communities affected by its developments, aiming at translating the management principles responsible in practical actions;
- Eletróbrás keeps permanent communication, dialog, and negotiation channels with society and the communities where it operates, with the purpose of evaluating, controlling and monitoring the impacts of its activities, always trying to foresee the demands presented by society and the communities;
- Eletróbrás must try to learn about the work of local organization in its operation area and support specific projects, as well as to take part in local association life;
- Eletróbrás shall support Social Responsibility projects giving priority to the following operation lines:
 - o Education and professional qualification to youngsters and adults;
 - o Generation of jobs and income for youngsters and adults;
 - o Service to communities affected by the developments of the companies".

Moreover, the same document proposes the alignment and supplemental action to the public policies contained in the federal government Multiyear Plan (PPA).

The complete document "Eletróbrás' Social Responsibility Guidelines" is available at the company's website www.eletrabras.com establishing an opportunity for dialog with its interested parties.

Mitigation and environmental compensation actions of future developments are monitored and coordinated by the environmental area and involve issues related to the relocation of the affected population, to the definition of occupation areas, to communication programs and operation at ethnical minorities (Indian and descendants of slaves (quilombolas) populations, for instance).

Within the concept of integration and autonomy which regulates Eletróbrás's relations with its affiliated companies, it is established that "Eletróbrás must lead the devising, disclosure and monitoring of a Social Responsibility Policy for Eletróbrás System, enabling to the same a reference for an action – in terms of methodology and common language –, articulating them and fostering integral initiatives, as well as their implementation". It is also established that Eletróbrás shall spread, support and monitor the implementation of Social Responsibility actions in the practice of management of the companies in the System. In the year of 2008, for instance, Furnas revised its policy, aligning it to the System's guidelines.

Investments

Resources use area (R\$ - thousand reais)	Eletrobrás		Consolidated from the System*	
	2008	2007	2008	2007
- Education	1,584	286	16,749	17,120
- Culture	25,525	19,752	40,849	38,444
- Health and infrastructure	3,299	623	35,805	28,216
- Sports and Leisure	7,443	6,695	9,039	10,549
- Meals	-	-	4,053	3,716
- Generation of labor and income	566	831	6,112	3,928
- Families settlement	-	413	134,086	113,896
-Others	200	235	13,932	13,907
Total of investments	38,617	28,835	260,625	229,776

(*) This data includes all the companies in the Eletrobrás System, including the distributors

Impacts Evaluation and Management

The evaluation of impacts and their reduction, mitigation or compensation are developed within the scope of the environmental licensing process. Moreover, there are, or are being implemented, practices for permanent evaluation and management of impacts in the communities by all the companies in the Eletrobrás System. They are aware of the direct or indirect effects of their activities in the environment and in the life of the communities located in the areas surrounding their facilities and, therefore, have been trying to be agents fostering the development and the social change in these locations.

Chesf, for instance, develops a Program for Qualification of Fishermen and Children of Fishermen in Baixo São Francisco, offering the following courses: Computer Basics, Care and Maintenance of Stern Engines and Fish Processing. The Hydroelectric Plant Passo São João (77 MW, Ijuí river, city of Roque Gonzales, São Pedro do Butiá, Dezesesseis de Novembro, Rolador and São Luiz Gonzaga, RS), of Eletrosul, currently under implementation stage, had programs and practices to evaluate and manage the impact of the operations on the communities, including the entrance, operation and exit.

The companies in the Eletrobrás System have an Ombudsman (except for Itaipu), Ethics Committee, links "Contact" in their websites and make available a toll free ("0800") service with accessible and free of charge channel for complaints of the community about the impacts caused by the company's activities. And even in cases with little or no impact, the companies keep the community informed on any change with possible consequences. A CGTEE registered three complaints in 2008, all of them regarding the emissions theme, having one of them caused an immediate change in the company's processes.

When existing, the decision taking process is carried out in public hearings, for which local leaderships, NPO/Oscips, political representatives from the Executive and Legislative, Public Ministry, environmental agencies, associations and the community affected by the development are invited. The most recurrent themes in the hearings and public meetings are: details on the implementation place for the main structures of the work, possible impacts of the development, infrastructure, accidents prevention, information on health, job opportunities etc..

Relationship with the local community

All the companies in the Eletrobrás System carry out actions aiming at having a dialog with the communities near their facilities, such as the promotion of social projects, sponsorships, partnerships and agreements.

Eletrobrás intends resources for the support and development of social project, demanded by society, which meet the requirements as follows: be comprised in Eletrobrás' Social Responsibility Guidelines, approved by specific resolution; respect Eletrobrás's mission, values and corporate strategies; be aligned with the public policies of the federal government and with the prerequisites of the Millennium Development Goals and the Global Compact, if the United Nations Organization (UNO).

Eletrobrás supports Social Responsibility projects, giving priority to: job and income generation; education and professional qualification for youngsters and adults; and assistance to communities affected by developments of the companies in the Eletrobrás System

Transverse themes developed with the support of Eletrobrás are the following:

- Gender
- Racial equality
- Traditional and rural communities
- Human Rights and fight against discrimination
- Guarantee of Children and Adolescents' Rights
- Family agriculture
- Promotion of citizenship
- Environmental education

In order to evaluate and select the social projects forwarded, Eletrobrás adopts the criteria as follows:

Compatibility with Eletrobrás' Social Responsibility Policy;

- Compatibilidade com a Política de Responsabilidade Social da Eletrobrás;
- Qualification of bidder entity;
- Project sustainability
- Cost effectiveness;
- Project scope;
- Existence of partners;
- Involvement of beneficiaries in the project preparation and implementation;
- Strengthening of Eletrobrás' institutional image;
- Location of project's impact areas;
- Compatibility with the Goals of the Millennium and the Multi-Year Plan (PPA) of the Federal government.

Eletrobrás supervises and inspects works carried out by partner organizations in the implementation of supported social projects, observing the allocation of resources according to the work plan physical-financial schedule; and evaluates technical reports and reports on the development and the rendering of accounts of each one of its stages. Evaluations are done, also, by means of supervision and inspection of works and technical visits which generate technical notes or visit reports.

Production Community Centers (CCPs)

Within the scope of the Complementary Project to the Rural Electrification Programs - Program Luz para Todos – from the federal government, aimed at the productive use of electric power, it is highlighted the implementation of Production Community Centers (CCPs).

The CCPs are units comprised by a set of machine and equipment for production, processing, preservation and/or storage of agricultural and cattle raising products, employing suitable technologies and electric power with effectiveness. The physical facilities may be simple shelters, warehouses or buildings which serve technical requirements and legal, sanitation and environmental demands.

This process involves the company's Engineering and Social Responsibility areas. The contractual instrument associated to the development is the agreement and there is a shared management between the two areas for the monitoring of the project execution.

The implementation of a CCP represents, for the community served, income generation and local development, at the same time as it enables an improvement in the rural energy market with the agent executing the Program Luz para Todos.

Regarding the impacts in the infrastructure, it is observed that the CCP promotes improvement in the preservation of the roads to the community (The local government is a partner in the project) and in the assistance to the electric power services – when there is lack of power, the community is served much faster (the concessionaire is also a partner in the project) due to the presence of the CCP.

The communities involved take active interest in the projects, from their preparation to the operation. Other local partners (representative from the local government and the rural extension) also take part in the process. The participation of the communities is vital and is a decisive criterion for the implementation of the CCPs: features such as association sense, union and engagement are evaluated in the first meeting held with local partners.

The communities determine what type of improvement proposed and the volume of raw material to be processed in the projects. The whole process is participative and depends on the community for the building of partnerships, preparation of projects, construction of buildings and operation of the CCPs.

The evaluation of the social-economic impacts of the CCP projects has as investigation object the families of rural producers who take part directly in the implemented projects. This evaluation is comprised by three moments of investigation (phases ex-ante, intermediate and ex-post), carried out by matching analysis qualitative and quantitative methods.

Considering the universe of project implemented until 2008, it is verified a coverage index for this evaluation around 50%.

Social projects supported by Eletrobrás

Name of the Project	State served	Objective
Social workshop	National	Financial support to the Social Workshop, one of the responsible for the operation of Coep. Agreement started in 2006, with effectiveness until 2010.
Área das Letras	PI	Project within the scope of the integral actions in the Program Luz para Todos. Manufacturing and distribution of 200 pieces of furniture to libraries in the program Áreas das Letras. Agreement started in 2007 and ended in 2008.
Núcleo de Paz e Cultura Fundição de Paz e Progresso	RJ	Qualification of 50 youngsters in high school at Colégio Estadual Souza Aguiar, by means of artistic workshops, preparing them for the work market. Agreement started in 2007 and ended in 2008.
Educando para a vida	PB	Development of social-educational activities in the educational, environmental, socio-political and cultural areas with children and teenagers in a social vulnerability circumstance. Agreement started in 2008 and ended in 2009.
Viver com Tranquilidade II and III	RJ	Program for prevention of early pregnancy in teenagers resident in the community of Vila Cruzeiro and neighboring areas, besides the support to pregnant girls, avoiding the adverse effects in the mother or child's health, as well as the continuation of the situation of violence and poverty to which they are submitted. Agreement started in 2006, ended in 2008 and renewed in the same year, with effectiveness until 2009.
Consolidando o Neaca	RJ	Program to assist children, teenagers and families in a situation of sexual violence in the city of São Gonçalo. Started in 2008, with effectiveness until 2009.
Audiovisual Education and Culture	RJ	Continue its regular activities by offering basic and advanced courses on audiovisual language. Started in 2008, with effectiveness until 2010.
Coep Journey for Citizenship	National	Support with the purpose of deepening the commitment of the organizations and the society for changing the poverty situation in needy communities. Sponsorship started in 2008, with effectiveness until 2009.

Name of the Project	State served	Objective
Academia de Orquestra e Coros Sinfônicos de Campos	RJ	Project for continuation of children and juvenile symphonic orchestras of Sociedade de Campos, which aims at, in a playful and pleasant manner, to encourage youngsters and children in the training for socialization, by using music and the symphonic practice as a working tool for social inclusion. Sponsorship started and ended in 2008. Under the process of renewal for 2009-2010.
Completing the equipment at Hospital Aristides Maltez (Oncopediatrics Unit)	BA	Assistance to children with cancer, offering complete treatment at Hospital Aristides Maltez, duly equipped. Started in 2008, with effectiveness until 2009.
Technological Updating of the Intensive Care Units at Hospital São Lucas from PUC/RS	RS	Replacement of medical-hospital equipment in the neonatal and pediatric intensive care units at Hospital São Lucas, with the purpose of ensuring the fulfillment of high complexity actions in neurology and cardiology. Started in 2008, with effectiveness until 2010.
Artes Quilombolas de MG	MG	Income generation by means of productive process aimed at the handicraft and agriculture of territories of slave descendants from Chapada do Norte and Minas Novas, at Vale do Jequitinhonha (MG). Started in 2006 and ended in 2008.
Centro Comunitário de Produção de Santo Antonio do Rio Bonito	MT	Project within the scope of the integral actions in the Program Luz para Todos. Implementation of a dairy agro-industry for processing the production of milk, generating new local jobs and improvement in the quality of life of farmers and their families. Started and ended in 2008.
Mão na Massa	RJ	Qualification of Afro-Brazilian, young adult women, age ranging from 18 to 45 years old, under social vulnerability conditions, qualifying them to basic work in the civil construction area. Started in 2008, with effectiveness until 2009.

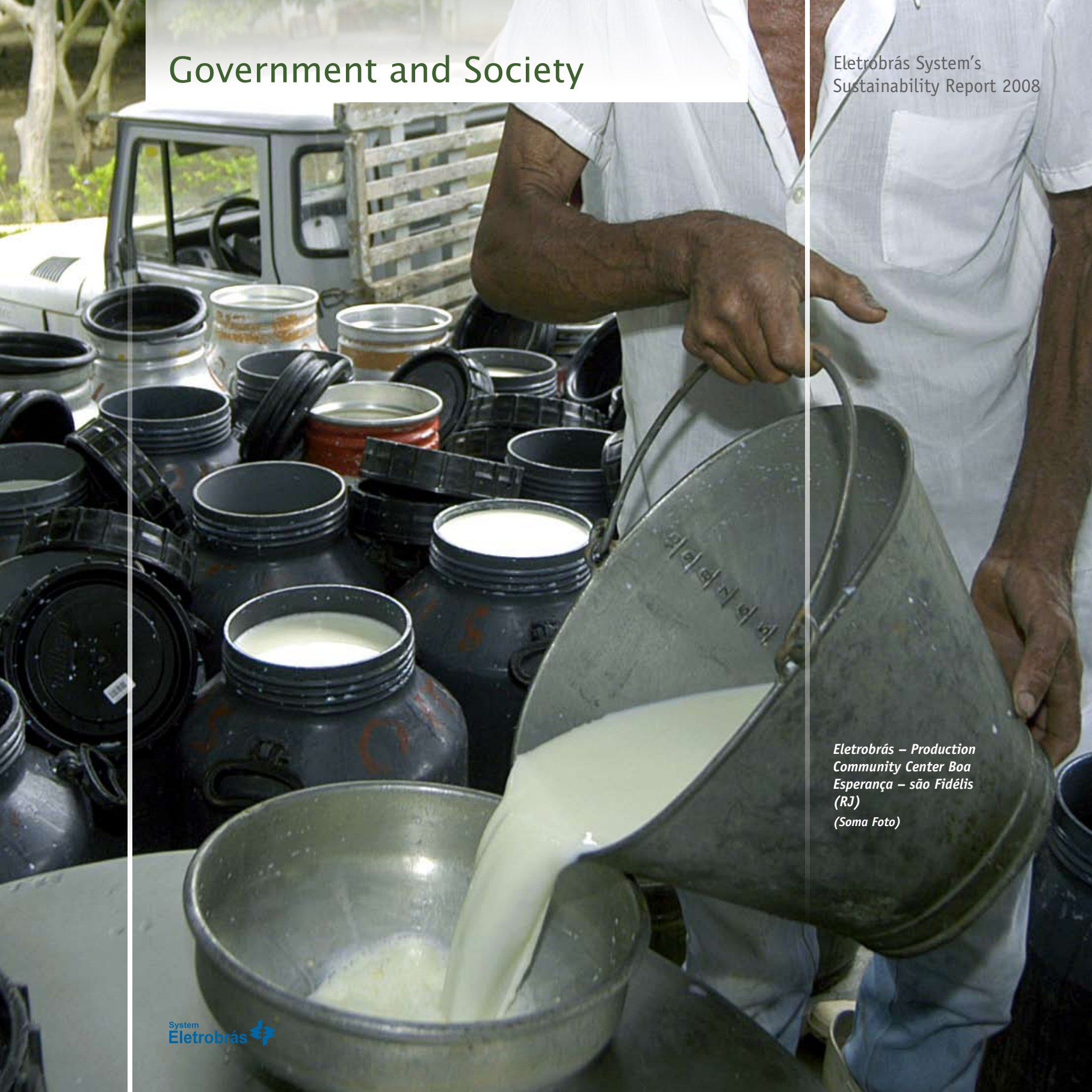
Name of the Project	State served	Objective
Centro Comunitário de Produção Santana do Taquaral	MT	Project within the scope of the integral actions in the Program Luz para Todos. Implementation of agro-industry for the processing of cassava enabling the manufacturing and commercialization of manioc flour. Started and ended in 2008.
Implementation of the Project Citizenship and Sustainability in Gipsy Communities	PB	Implementation of Centro Calon de Desenvolvimento Integral (CCDI) – a reference center on gipsy culture in the city of Sousa - PB. Started in 2008, with effectiveness until 2009.
Centro Comunitário de Produção Ypuarana	PB	Project within the scope of the integral actions in the Program Luz para Todos. Implementation of the processing unit for the manufacturing of manioc flour and extraction of starch, enabling income generation in the local community. Started in 2008, with effectiveness until 2009.
Fruit Organic Backyards	RS	Introduction in urban and rural areas, of technologies which enable the implementation of fruit organic backyards, with nutritional and medicinal properties, contributing for the decrease of hunger and improvement of quality in life of the population. Started in 2008, with effectiveness until 2009.
Saúde a Vista, Solução a Prazo - Instituto do Fígado de Pernambuco	PE	Donation of resources for the Fundo Estadual de Defesa da Criança e do Adolescente, for the project "Saúde a Vista, Solução a Prazo", serving children with liver cancer. Project carried out in December 2008.

Eletrobrás's Sponsorship Policy is aligned to the corporate strategies set forth in its Strategic Planning, conciliating institutional and market interests of the company, in an articulated manner, with the public policies in the electric power sector and the federal government, emphasizing the commitment with Social Responsibility and the country's sustainable development.

Eletrobrás sponsors cultural, sports, social-environmental project and other segments with focus on the company's interest and operation areas as well as the companies in the Eletrobrás System, in compliance with the federal government's Public Policies.

Government and Society

Eletrobrás System's
Sustainability Report 2008



*Eletrobrás – Production
Community Center Boa
Esperança – são Fidélis
(RJ)
(Soma Foto)*

Interest in public policies and governmental programs

The companies in the Eletrobrás System take part in the preparation, evaluation, implementation and monitoring of social development public policies from the federal government, having an important interest in governmental programs, highlighting, among them:

- Growth Acceleration Program (PAC), from federal government, in the electric power generation and transmission areas;
- Program Luz para Todos, coordinated by the Ministry of Mines and Energy;
- Programa Nacional de Conservação de Energia Elétrica (Procel), managed by Eletrobrás;
- Gender Pro-Equity Program;
- Project Developing Entrepreneurship – “Junior Achievement”;
- Support to the implementation of the technical teaching unit (Cefet), decentralized, in the Costa Verde region;
- Cooperation with the operating nature for the development of educational activities – Associação de Amigos da Cultura e do Esporte da Costa Verde;
- Male project for literacy of adults with qualification in handicraft and dressmaking - Centro Ativo de Programas Sociais;
- Program Brasil Quilombola: coordinated by the Secretaria Especial de Políticas de Promoção da Igualdade Racial (Seppir), the program has the purpose of coordinating governmental actions – transverse, sector and inter-institutional articulations – for surviving communities of slave descendants, with emphasis on the interest of civil society;
- Rede Nacional de Mobilização Social (Coep): created in 1993, within the scope of a great social mobilization against hunger and poverty, lead by the sociologist Herbert de Souza (Betinho), is a network of communities, organizations and people;
- Program Segundo Tempo;
- Program Preparação para o Primeiro Emprego;
- Community Telecenters;
- School grant;
- Programa Zero Hunger;
- Program Arca das Letras.

In summary, all the companies are engaged in gender pro-equity policies, in the literacy of needy people, in the development of activities in the communities around them and in the contribution with Social Responsibility policy projects which invest on the sustainable development of their regions.

The holding carried out, in 2008, the following activities related to governmental projects: implementation of the program Gender Pro-Equity, with the purpose of reducing the differences between men and women in the work environment; participation in the II National Plan for Women's Policies; operationalization of the Program Luz para Todos, coordinated by the Ministry of Mines and Energy (MME); implementation of the Programa Nacional de Conservação de Energia Elétrica (Procel), which uses resources from Eletrobrás and the Reserva Global de Reversão (RGR), federal fund comprised by resources from the concessionaries, proportional to the investment of each one of them; management of the Programa de Incentivo às Fontes Alternativas de Energia Elétrica (Proinfa); contribution for the technological progress of the electric sector by means of the Programa de Desenvolvimento Tecnológico e Industrial (PDTI).

Under the coordination of the holding, the companies in the System delineate joint operation strategies for updating of the Brazilian electric system and incentive to the progressive nationalization of the production of equipment and materials. These two goals are based on the basic guidelines of the Programa de Desenvolvimento Tecnológico e Industrial (PDTI) by Eletrobrás, created on February 24, 2003. Chesf takes part in the Public Corporations Ethics Forum, movement it helped found.

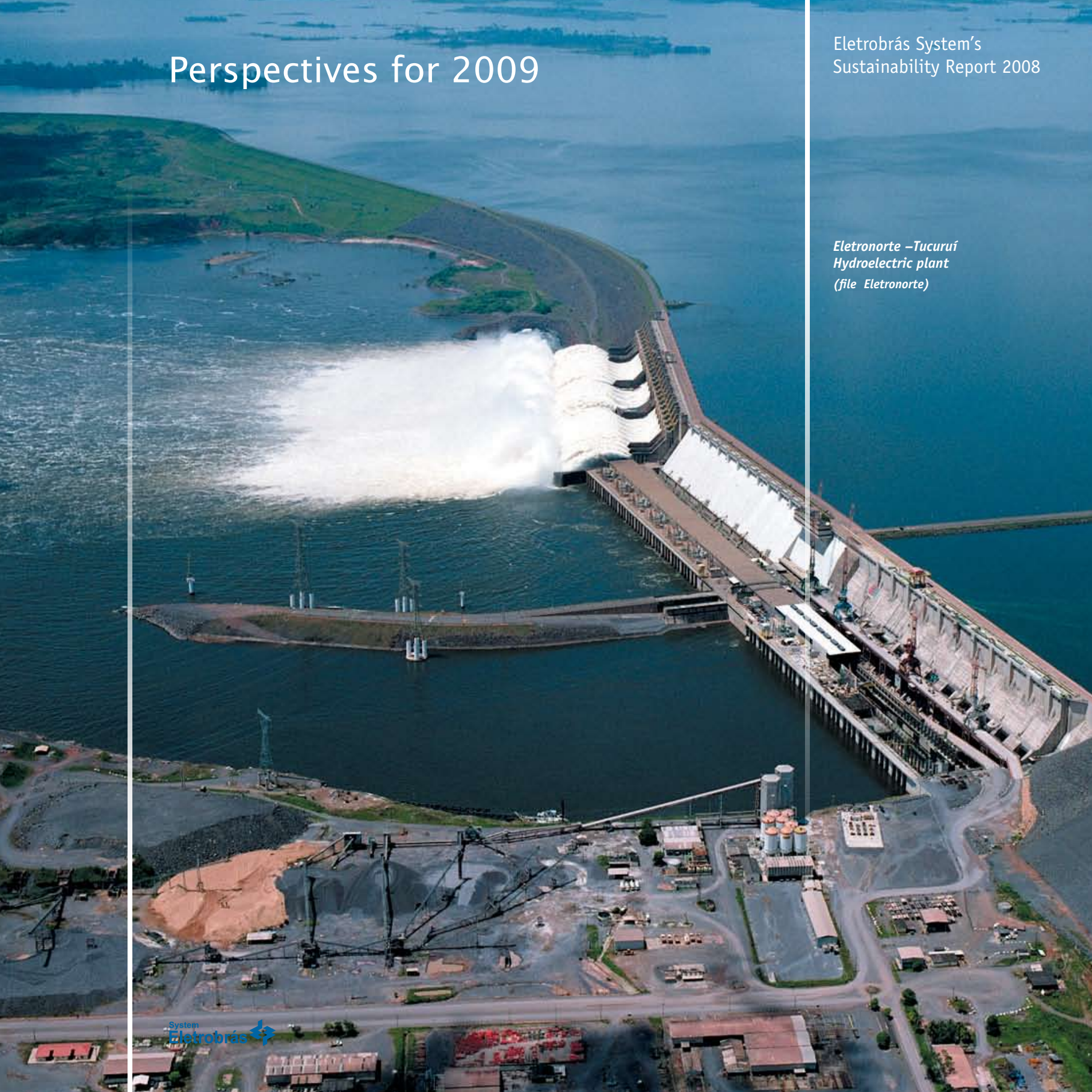
Fight against sexual exploration of children and adolescents

The companies in the Eletrobrás System state the formal commitment with the fight against sexual exploration of children and adolescents, by means of adhesion to the Global Compact and the commitment with the Millennium Development Goals (ODM). Some of them carry out internal campaigns, or campaigns in communities in the neighborhood for awareness and action related to the theme. Itaipu executed in 2003 the Adhesion Instrument to the Child-Juvenile Sexual Exploration Fight Network.

Perspectives for 2009

Eletronorte System's
Sustainability Report 2008

*Eletronorte –Tucuruí
Hydroelectric plant
(file Eletronorte)*



After practically overcoming the step of establishing the Sustainability Committees in generation companies (only Chesf has not yet established its own), it is time to make them operate in compliance with the sustainability principles.

For that purpose, there shall be intensified the sharing of experiences and the knowledge between the companies in the System, especially by means of Meetings of the Sustainability Committees.

It is expected that, observing the autonomy of the companies, required, due to the different social-economical contexts where they operate, there is a bigger integration, strengthening synergies of the System.

By means of Consize, the subsidiaries's presidents, in compliance with Eletrobrás, approved the goals for performance improvement at ISE- Bovespa: rise to Level 2 at Bovespa Corporate Governance and to be listed in the Dow Jones Sustainability Index in 2012. These challenges impose an agenda for the System, which, in order to be fulfilled, shall require effort, development of competences, and, especially, the everyone's engagement.

This agenda shall follow the provisions in the set of indexes proposed by Bovespa and by DJSI, undertaking actions which contribute for the construction of the sustainability and the generation of consistent and timely information – which, given the diversity of the companies, is a task which shall demand a lot of endeavor.

Besides, there shall be kept the commitments already undertaken with the Global Compact and the Millennium Development Goals.

In order to handle all these tasks, it shall be important the strengthening and commitment of the Sustainability Committees, awareness spreading agents, responsible business culture and sustainable practices.

Eletróbrás – Holding’s Social Balance Sheet



Annual Social Balance Sheet / 2008

Company ELETROBRAS- HOLDING

1 – Calculation Basis	2008 Value (thousand reais)		2007 Value (thousand reais)	
Net income (RL)	11,309,852		9,437,040	
Operating income (RO)	8,481,396		1,401,020	
Gross payroll (FPB)	99,847		86,869	

2 – Internal Social Indexes	Value (thous.)	% on FPB	% on RL	Value (thous.)	% on FPB	% on RL
Meals	8.124	8,14%	0,07%	7.850	9,04%	0,08%
Mandatory social charges	32.073	32,12%	0,28%	27.663	31,84%	0,29%
Private pension	17.540	17,57%	0,16%	10.331	11,89%	0,11%
Health	10.818	10,83%	0,10%	10.988	12,65%	0,12%
Safety and Health at work	3.365	3,37%	0,03%	2.106	2,42%	0,02%
Education (4)	930	0,93%	0,01%	684	0,79%	0,01%
Culture	0	0,00%	0,00%	0	0,00%	0,00%
Qualification and professional development	3.383	3,39%	0,03%	3.729	4,29%	0,04%
Day care unit or day care center aid	0	0,00%	0,00%	0	0,00%	0,00%
Participation in the earnings or results	23.000	23,04%	0,20%	18.000	20,72%	0,19%
Others	498	0,50%	0,00%	525	0,60%	0,01%
Total - Internal social Indexes	99.731	99,88%	0,88%	81.876	94,25%	0,87%

3 – External Social Indexes	Value (thous.)	% on RO	% on RL	Value (thous.)	% on RO	% on RL
Education	1.584	0,02%	0,01%	286	0,02%	0,00%
Culture	25.525	0,30%	0,23%	19.752	1,41%	0,21%
Health and sanitation	3.299	0,04%	0,03%	623	0,04%	0,01%
Sport	7.443	0,09%	0,07%	6.695	0,48%	0,07%
Fight hunger and food safety	0	0,00%	0,00%	0	0,00%	0,00%
Others	766	0,01%	0,01%	1.479	0,11%	0,02%
Total of contributions for society	38.617	0,46%	0,34%	28.835	2,06%	0,31%
Taxes (free of payroll overhead)	1.341.612	15,82%	11,86%	1.131.336	80,75%	11,99%
Financial compensation for use of hydrous resources	0	0,00%	0,00%	0	0,00%	0,00%
Total - external social Indexes	1.380.229	16,27%	12,20%	1.160.171	82,81%	12,29%

4 – Environmental Indexes	Value (thous.)	% on RO	% on RL	Value (thous.)	% on RO	% on RL
Investments related to the production / operation of the company	0	0,00%	0,00%	0	0,00%	0,00%
Investment on external programs and/or projects	0	0,00%	0,00%	0	0,00%	0,00%
Total of investment on environment	0	0,00%	0,00%	0	0,00%	0,00%

Regarding the determination of “annual goals” to minimize wastes, the consumption in general in production/ operation and increase the effectiveness in the use of natural resources, the company

() has no goals () complies from 51 to 75%
 (x) complies from 0 to 50% () complies from 76 to 100%

() has no goals () complies from 51 to 75%
 (x) complies from 0 to 50% () complies from 76 to 100%

5 – Personnel Indexes	2008			2007		
N° of employee(s) at the end of the period	1.182			934		
N° of hirings in the period	197			25		
N° of outsourced employee(s)	0			0		
N° of intern (s)	205			272		
N° of employee(s) older than 45	624			626		
N° of women working in the company	396			296		
% leadership positions held by women	0,26%			0,24%		
N° of dark-skinned individuals working in the company	23			18		
% leadership positions held by dark-skinned individuals	0,70%			0,60%		
N° of people with disability or special necessities	3			4		
6 – Relevant information regarding the exercise of business citizenship	2008			Metas 2009		
Ratio between the biggest and the smallest remuneration in the company	14,03			16,05		
Total number of labor accidents	8			16,05		
Social and environmental projects developed by the company were defined by:	() admin.	(x) admin. and managmt	() all employees	() admin.	(x) admin. and managmt	() all employees
Safety and health standards at the work place were defined by:	() admin. and managmt	() all employees	(x) all + Cipa	() admin. and managmt	() all employees	(x) all + Cipa
Regarding union freedom, right to collective bargaining and internal representation of employees, the company:	() no involv.	(x) follows OIT stand.	() fosters and follows OIT	() no involv.	() follows OIT stand.	(x) will foster and follow OIT
The pension fund contemplates:	() admin.	() admin. and managmt	(x) all employees	() admin	() admin. and managmt	(x) all employees
Participation in profits or results contemplates:	() admin.	() admin. and managmt	(x) all employees	() admin.	() admin. and managmt	(x) all employees
In the choice for suppliers, the same ethical and social and environmental responsibility standards adopted by the company:	(x) not consid.	() are sugg.	() are required	() not to be considered	(x) will be sugg.	() will be required
Regarding the participation of the employees in volunteer work programs, the company:	() no involv.	(x) supports	() organizes and encourages	() will not be involv.	() will support	(x) will organize and encourage
Total number of claims and criticisms from consumers:	In the company	At Procon	In court	In the company	At Procon	In court
% of claims and criticisms heard or solved:	In the company _____%	At Procon _____%	In court	In the company _____%	At Procon _____%	In court
Valor adicionado total a distribuir (em mil R\$):	Em 2008: R\$ 10.758.015					
Total Distribution of Added Value (DVA):	22% governm		2% workers	16% shareholders	19% third party	41% withh
7 – Other Information						
<p>(1) the amounts not marked with asterisks refer to the whole System, including the distribution companies and CEPEL. Amounts marked with asterisks refer only to the sum of the holding and the generating and transmission companies. (2) Include relative amounts and Day Care Unit and Day Care Aid. (3) Include, in the case of generating and transmission companies, the amounts invested in settlements of families. (4) The information varies between companies comprising the Eletrobrás System. (5) Except Eletronorte.</p>						

Eletróbrás System's Social Balance Sheet



Annual Social Balance Sheet / 2008

Company:

CONSOLIDATED – ELETRÓBRÁS SYSTEM

1 - Calculation Basis	2008 Value (thousand reais)			2007 Value (thousand reais)		
Net income (RL)			18.498.014			16.721.406
Operating income (RO)			843.694			1.217.042
Gross payroll (FPB)			2.595.965			2.273.716
2 - Internal Social Indexes	Value (thous.)	% on FPB	% on RL	Value (thous.)	% on FPB	% on RL
Meals	160.158	6,17%	0,87%	141.109	6,21%	0,84%
Mandatory social charges	669.752	25,80%	3,62%	583.075	25,64%	3,49%
Private pension	229.831	8,85%	1,24%	179.746	7,91%	1,07%
Health	227.644	8,77%	1,23%	192.401	8,46%	1,15%
Safety and Health at work	15.868	0,61%	0,09%	15.560	0,68%	0,09%
Education (2)	22.724	0,88%	0,12%	17.260	0,76%	0,10%
Culture	3.460	0,13%	0,02%	2.917	0,13%	0,02%
Qualification and professional development	51.017	1,97%	0,28%	51.571	2,27%	0,31%
Day care unit or day care center aid	0	0,00%	0,00%	0	0,00%	0,00%
Participation in the earnings or results	261.909	10,09%	1,42%	221.630	9,75%	1,33%
Others	140.147	5,40%	0,76%	82.669	3,64%	0,49%
Total - Internal social Indexes	1.782.510	68,66%	9,64%	1.487.938	65,44%	8,90%
3 - External Social Indexes	Value (thous.)	% on RO	% on RL	Value (thous.)	% on RO	% on RL
Education	16.749	1,99%	0,09%	17.120	1,41%	0,10%
Culture	40.849	4,84%	0,22%	38.444	3,16%	0,23%
Health and sanitation	35.805	4,24%	0,19%	28.216	2,32%	0,17%
Sport	9.039	1,07%	0,05%	10.549	0,87%	0,06%
Fight hunger and food safety	4.053	0,48%	0,02%	3.716	0,31%	0,02%
Others	154.130	18,27%	0,83%	131.731	10,82%	0,79%
Total of contributions for society	260.625	30,89%	1,41%	229.776	18,88%	1,37%
Taxes (free of payroll overhead)	4.328.988	513,10%	23,40%	4.083.967	335,57%	24,42%
Financial compensation for use of hydrous resources	473.516	18,24%	56,12%	508.710	22,37%	41,80%
Total - external social Indexes	5.063.129	600,11%	27,37%	4.822.453	396,24%	28,84%
4 - Environmental Indexes	Value (thous.)	% on RO	% on RL	Value (thous.)	% on RO	% on RL
Investments related to the production / operation of the company	141.405	16,76%	0,76%	118.287	9,72%	0,71%
Investment on external programs and/or projects	196.582	23,30%	1,06%	103.096	8,47%	0,62%
Total of investment on environment	337.987	40,06%	1,83%	221.383	18,19%	1,32%
Regarding the determination of "annual goals" to minimize wastes, the consumption in general in production/ operation and increase the effectiveness in the use of natural resources, the company	() has no goals () complies from 51 to 75% (x) complies from 0 to 50% () complies from 76 to 100%		() has no goals () complies from 51 to 75% (x) complies from 0 to 50% () complies from 76 to 100%			

5 - Personnel Indexes	2008			2007		
Nº of employee(s) at the end of the period	23.522			22.029		
Nº of hirings in the period	1.491			2.030		
Nº of outsourced employee(s)	6.387			6.190		
Nº of intern (s)	1.847			2.178		
Nº of employee(s) older than 45	-			-		
Nº of women working in the company	4.357			4.056		
% leadership positions held by women	14,70%			-		
Nº of dark-skinned individuals working in the company	809			-		
% leadership positions held by dark-skinned individuals	1,56%			-		
Nº of people with disability or special necessities	629			397		
6 - Relevant information regarding the exercise of business citizenship (4)	2008			Goals 2009		
Ratio between the biggest and the smallest remuneration in the company	-			-		
Total number of labor accidents (5)	349			And prevention work done.		
Social and environmental projects developed by the company were defined by:	() admin.	(x) admin. and managmt	() all employees	() admin.	(x) admin. and managmt	(x) admin. and managmt
Safety and health standards at the work place were defined by:	() admin. and managmt	() all employees	(x) all + Cipa	() admin. and managmt	() all employees	() all employees
Regarding union freedom, right to collective bargaining and internal representation of employees, the company:	() no invol.	(x) follows OIT stand.	() fosters and follows OIT	() no invol.	() will follow OIT	() will follow OIT
The pension fund contemplates:	() admin.	() admin. and managmt	(x) all employees	() admin	stand.	stand.
Participation in profits or results contemplates:	() admin.	() admin. and managmt	(x) all employees	() admin	() admin. and managmt	() admin. and managmt
In the choice for suppliers, the same ethical and social and environmental responsibility standards adopted by the company:	(x) not considered	() are sugg.	() are required	() will not be considered	() admin. and managmt	() admin. and managmt
Regarding the participation of the employees in volunteer work programs, the company:	() no invol	(x) support	() organizes and fosters	() no invol.	(x) will be sugg	(x) will be sugg
Total number of claims and criticisms from consumers:	In the company	at Procon	In court	In the company	() will support	() will support
% of claims and criticisms heard or solved:	In the company _____ %	at Procon _____ %	In court	In the company _____ %	at Procon	at Procon
Total added value to distribute (in thous. R\$):				Em 2008: R\$ 16.251.926		
Distribuição do Valor Adicionado (DVA):	20% governm.		24% workers	10% shareholders	19% third party	27% withh.

7 - Other Information

(1) the amounts not marked with asterisks refer to the whole System, including the distribution companies and CEPEL. Amounts marked with asterisks refer only to the sum of the holding and the generating and transmission companies. (2) Include relative amounts and Day Care Unit and Day Care Aid. (3) Include, in the case of generating and transmission companies, the amounts invested in settlements of families. (4) The information varies between companies comprising the Eletrobrás System. (5) Except Eletronorte.

This report was prepared considering as reference the GRI-G3, the Electric Utility Sector Supplement, the IBASE model (pages 104 to 107) and the NBC T 15.

The table below contains the GRI indexes selected by the materiality analysis group, pursuant to the process described on page 26.

The chosen indexes were those in which the impact or contribution of the companies are more relevant. Those considered less relevant or which do not apply to the Eletrobrás System were excluded. Example: Index S06, as, by law, the company is prohibited of making donations to political parties. Among those not applicable, due to the nature of the product and the standardization to which it is submitted, there can be mentioned indexes PR1 to PR9.

Indicator	Answer
Strategy and Analysis	
1.1	Page 5
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Organizational Profile	
2.1	
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2.5	Page 7
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Parameters for the Report	
3.1	
3.2	
3.3	Page 26
3.4	Page 109
3.5	
3.6	Page 26
3.7	
3.8	
3.9	Not answered
3.10	No reformulation of information
3.11	Not answered
3.12	Pages 108 and 109
3.13	Page 109
Governança, Compromissos e Engajamento	
4.1	Page 15
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Indicator	Answer
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4.10	Not answered
Commitments with External initiatives	
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Economic Performance	
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Among the indicators chosen as materials, there were not listed:

Indicator	Justification
EC4	Partial availability of data only.
EN3, EN4, EN8, EN12, EN13, EN14, EN16, EN20, EN22, EN28	Partial availability of data only. It is under development the project Indicadores Socioambientais para a Gestão da Sustentabilidade Empresarial do Sistema Eletróbras, reported on Page 69.
HR3, HR4, H6 and H7	Still not under development.
S02, S03 and S04	Still not under development.
S08	Partial availability of data only.

2008 Report did not have an external verification, as it was the first implementation of the process developed in partnership with all the companies in the Eletróbras System. The company intends to submit next year's report to this verification.

Considering the criteria for Enforcement Levels, this report is inserted in level B, by self representation.



C	C+	B	B+	A	A+
		X			

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Eletrobrás Senior Management (DEE) is elected by the Board of Directors and has five members: the president, who is necessarily a member of the Board and five officers. The DEE works in compliance with the provisions in the company's By-laws and the guidelines of the Board of Directors.

In December 2008, the DEE was comprised as follows:

José Antonio Muniz Lopes	President
Miguel Colasuonno	Management Officer
Flávio Decat de Moura	Distribution Officer
Astrogildo Fraguglia Quental	Finances and Investors Relations Officer
Valter Luiz Cardeal de Souza	Engineering Officer
Ubirajara Rocha Meira	Technology Officer

BOARD OF DIRECTORS

Chairperson

Márcio Pereira Zimmermann	Executive Secretary to the Ministry of Mines and Energy
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Directors

José Antonio Muniz Lopes	Eletrobrás's President
José Antonio Corrêa Coimbra	Head of the Minister of Mines and Energy's Office
Luiz Soares Dulci	State Minister Head of Presidency of the Republic General Secretary's Office
Arlindo Magno de Oliveira	Elected by minority shareholders
Míriam Aparecida Belchior	Palácio do Planalto – Civilian Household
Victor Branco de Holanda	Ministry of Finances
Nelson Rubner Moreira	Company's adviser
Wagner Bittencourt de Oliveira	Officer of the Infrastructure Area /Officer of the Basic Inputs Area - BNDES

TAX COUNCIL

Holders

Haílton Madureira de Almeida	Ministry of Finance – Cofis / Office
Édison Freitas de Oliveira	Federal Government Controller Shareholder / Ministry of Mines and Energy
Danilo de Jesus Vieira Furtado	Federal Government Controller Shareholder / Ministry of Mines and Energy
Ana Lúcia de Paiva Lorena Freitas	Minority shareholders of common stocks
Carlos César Meirelles Vieira	Minority shareholders of preferred stocks

Alternates

Luciana de Almeida Toldo	Alternate of Haílton Madureira de Almeida
Jairez Elói de Sousa Paulista	Alternate of Édison Freitas de Oliveira
Rodrigo Magela Pereira	Alternate of Ana Lúcia de Paiva Lorena Freitas
Elson Espedito Panoeiro	Alternate of Carlos César Meirelles Vieira

Credits on the Report

General Coordination:

Eletrobrás's Sustainability Committee
Social Responsibility and Project with the Society Department - PGR

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Graphic Design

AbóboraX Design
www.aboborax.com.br

