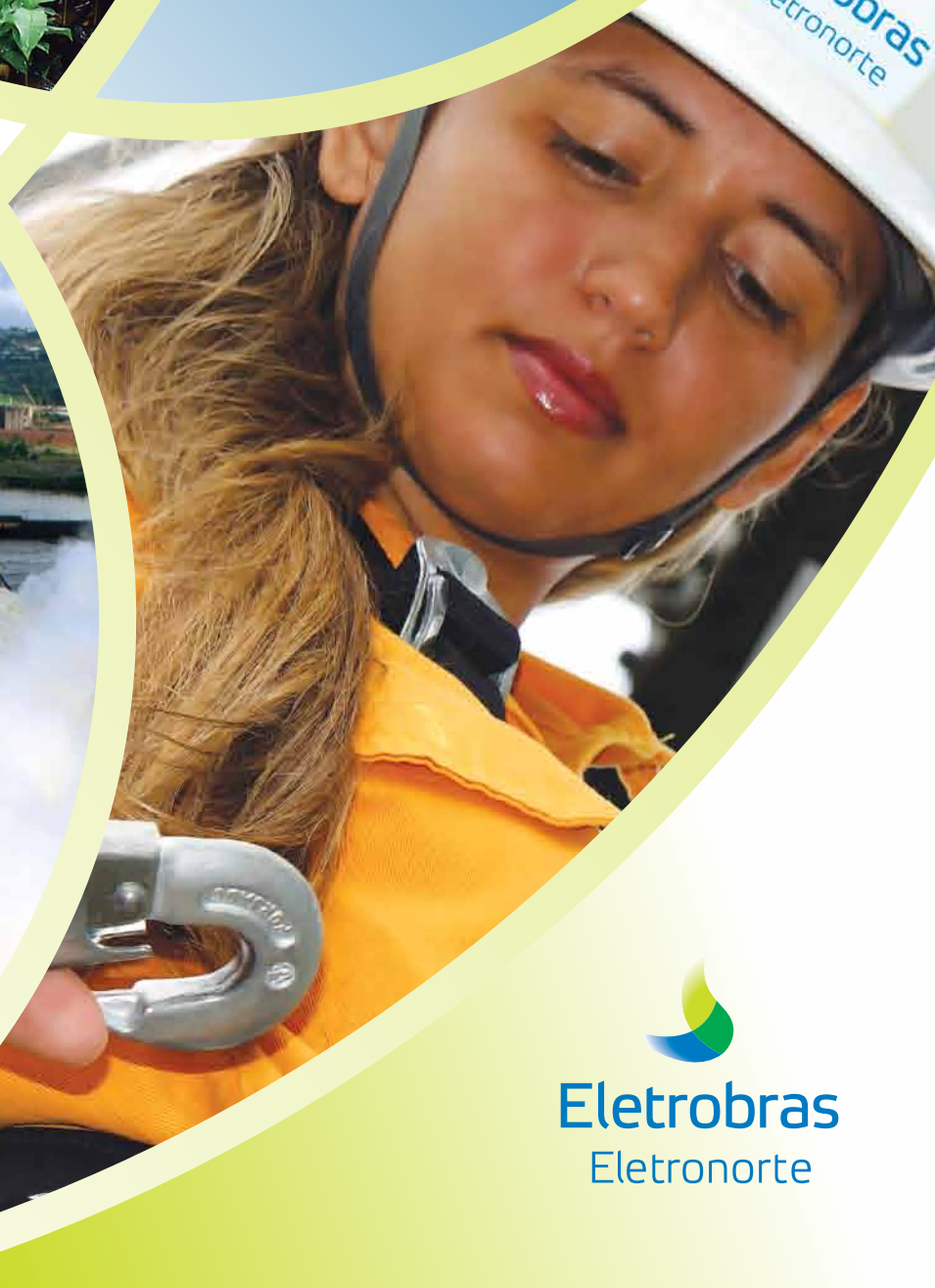


**SUSTAINABILITY  
REPORT 2010**



**Eletrobras**  
Eletronorte



**Eletrobras**  
Eletronorte



**SUSTAINABILITY  
REPORT 2010**



**Eletrobras**  
Eletronorte



## ENERGY AND WORK

Energy is present at every moment of our lives. In the light of the sun, in an early-morning walk, in the joy of life, in a lamp switched on with the disposition to work.

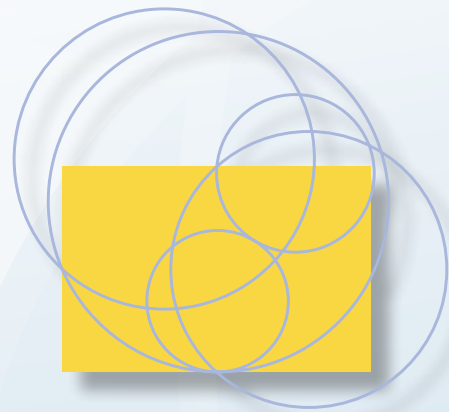
The word energy comes from the Greek *ergos*, which means work. Energy is essential for all creatures that inhabit the Earth, and for us human beings, energy is always associated with the capacity to put things in motion, to perform a task with enthusiasm.

The movement of water generates electricity – energy that powers and transforms our lives. Eletrobras Eletronorte, through the work of its staff, generates energy that drives development and progress for people living in the remotest regions of our country.

Eletrobras Eletronorte's vision statement describes its quest "to be a sustainable Company, a role model of excellence and valued by society - with energy and commitment."

Therefore, energy is the theme of this Sustainability Report. We have tried to transmit this theme in all the report's elements, from its graphic design to its content.

Inspired by the concept of "energy," we developed the pattern below, which represents the "waves" generated by energy. This pattern was customized and applied to the set of spread pages.



Individual modules created from the “energy waves” pattern were also designed, highlighting the lines of Eletrobras Eletronorte’s logo. These modules are also applied to the Report’s page format.

Eletrobras Eletronorte’s 2010 Sustainability Report covers the victories already achieved in the process of producing and disseminating information, as well as some innovations. For the first time, we performed a materiality test in order to listen to our stakeholders’ opinions and attempt to meet their specific demands.

Furthermore, references to GRI, ANEEL, the Global Compact, and the Millennium Objectives appear throughout the text.

The Eletrobras Eletronorte 2010 Sustainability Report is the expression of our energy, the energy of nature, of people, and of life.





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# GENERAL DIMENSION







## VISION AND STRATEGY

TOP MANAGEMENT'S COMMITMENT TO THE  
ISSUE OF SUSTAINABILITY

THE PROCESS OF CONSTRUCTING THE REPORT  
AND ITS PARAMETERS

## ELETROBRAS ELETRONORTE

PROFILE OF ELETROBRAS ELETRONORTE – AN  
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## MANAGEMENT SYSTEMS AND DIALOGUE WITH STAKEHOLDERS

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MANAGING RELATIONSHIPS WITH  
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MANAGEMENT OF OPERATIONAL  
PERFORMANCE AND PRODUCTIVITY

## TOP MANAGEMENT'S COMMITMENT TO THE ISSUE OF SUSTAINABILITY

We have published our Social Report since 2003, and now we have the pleasure of presenting our Sustainability Report for the second consecutive year.

The most remarkable aspect of this report's production was a meeting held with various stakeholder representatives in the Company headquarters, in which we discussed for the first time the document's content, importance, and needs for improvement.

We advanced in the formal use of the Global Reporting Initiative (GRI) model – an international standard for sustainability report production that was also used in last year's report.

We also continue to use the Production Manual for Annual Social and Environmental Responsibility Reports from Power Companies, published by the National Electric Energy Agency (ANEEL) in 2006, as a reference.

At the end of the report, we have inserted a table showing the correlations of this Sustainability Report's content with the GRI model, the principles of the Global Compact, the ANEEL Manual, and stock market sustainability indicators – the Dow Jones Sustainability Indexes (DJSI) of the New York Stock Exchange and the Corporate Sustainability Index of the São Paulo Stock Exchange (ISE Bovespa).

This report summarizes the main projects and activities carried out in 2010 as well as the Company's performance in the financial, social, and environmental dimensions, which demonstrate our efforts for sustainability.

The ultimate goal of the report is to help Eletrobras Eletronorte's main stakeholders in their relationships with the Company. It also serves as an instrument for evaluating our current stage in the process of sustainability management.

This document is organized in several dimensions: a general dimension, which presents a comprehensive overview of the Company; and specific dimensions, which address different aspects of sustainability. There is also a chapter called "Perspectives and Challenges."

The year 2010 was marked by great challenges, among them the company's inclusion in the transformative context of Eletrobras' quest to become the largest clean energy power company by 2020.

These challenges led Eletrobras Eletronorte to seek solutions to structural problems – caused in part by working in a region where isolated systems predominate – and to reduce costs in order to make them comparable with the energy sector's benchmarks and enable greater cash flow.

Another highlight was negotiations with regional distributors in order to resolve delinquencies and continue the expansion process. The Company has had significant participation in Special Purpose Entities (SPEs) such as Norte Energia

S.A. – responsible for the construction and future operation of the Belo Monte Hydroelectric Plant - and Energética Águas da Pedra.

The resolution of these challenging situations is in harmony with reaching the objectives set by Eletrobras in the Company Performance Targets Agreement, which also includes sustainability-related goals.

We should highlight that – thanks to the determination of our members, the commitment of our entire internal leadership, and the synergetic participation of Eletrobras – Eletrobras Eletronorte achieved a positive economic result for the second year in a row, which is unprecedented in our history.

Moreover, in 2010 we maintained a series of sustainable management practices as well as investment in social and environmental projects geared towards both our internal public and the communities surrounding our projects and/or facilities.

In the social dimension, some highlights are the pro-gender equity program, promotion of diversity and equal opportunities, the internship program, the Young Apprentice program, and the workforce quality of life program. We also cannot fail to mention our engagement in important public policies such as that of universal energy through the Light For All Program, in which Eletrobras Eletronorte serves as a coordinator of the Northern Electrical Region.

Examples of activities in the environmental dimension include care for indigenous communities and preservation of cultural and archeological heritage. These activities affirm the Company's continued efforts to preserve the environment and develop the regions around its projects.

Such actions led to awards, recognition, and certifications that give us the certainty that we are on the right path, since they span themes such as:

- **Innovation:**

- "17th most innovative company in Brazil in 2010" award, given by the magazine *Época Negócios* in partnership with the A.T. Kearney consultancy.
- "2010 Finep Innovation Award," as the winner of the central-west region.
- Listed in "The 100 most innovative companies in the use of IT," in which we were 11th in the overall ranking.

- **Human rights:**

- Eletrobras Eletronorte voluntarily joined the 3rd Edition of the Pro-Gender Equity Program of the Secretariat of Policies for Women (SPM), which guaranteed the Company three consecutive awards of the Pro-Gender Equity Seal.

It is with the goal of maintaining the synergy between Eletrobras Eletronorte and all our main stakeholders (collaborators, providers, clients, society, communities near our facilities and public entities, among others) that we are committed to continue seeking constant improvement of the practices and indicators in this report.





We continue to count on everyone's support so that we can achieve even better results in 2011 - always aiming for an exceptional, strong, integrated, and sustainable Eletrobras (one of ten Brazilian companies in the list of the 500 most famous brand names in the world). This vision unites us from the north to the south of Brazil.

**Josias Matos de Araújo**

*Director-President of Eletrobras Eletronorte*

## THE PROCESS OF CONSTRUCTING THE REPORT AND ITS PARAMETERS

This report is the result of a new non-financial reporting process in Eletrobras Eletronorte.

The main characteristics of this new process were the following:

- More compatibility between the Administration Report and the Sustainability Report, reinforcing the decision to produce a single management report beginning in the year 2011.
- Improvement in the utilization of the GRI model, with improvement of indicators from the materiality test, extended consultation of stakeholders through a face-to-face meeting, and diversification of presentation modes for the Sustainability Report – with the introduction of an executive summary.
- Use of the report as one of the instruments for sustainability management, from the evaluating the previous report to analyzing gaps in the current report. This has helped identify actions to improve both the Sustainability Report itself and the management practices it describes.
- Implementation of a communication plan with the goal of improving Eletrobras Eletronorte's relationships as well as the report's dissemination among the main stakeholders.

For the production of the 2010 report, a workshop with the main Company managers was held in which the 2009 Sustainability Report was evaluated and changes to this report were suggested. The materiality test was performed and issues such as the identity of the priority stakeholders and the nature of their main interests were discussed. The result is presented in the following chart:

Important representatives from the main stakeholders were consulted in a workshop with Eletrobras Eletronorte's president. This workshop was a historical landmark, because for the first time representatives of the main groups that relate to the Company gathered at headquarters with the goal of making statements about their relationship with the company and giving suggestions for this report and future ones.

After the internal and external workshops, a data collection/consolidation instrument was created, aiming to synthesize content from all the discussions and produce a draft of the Sustainability Report from the input collected for the 2010 Administration Report and the Eletrobras System Sustainability Report.

This process ensured greater involvement of the internal areas, thus supplementing and/or affirming the Sustainability Report as a whole as well as the various management practices described in its economic, social, and environmental dimensions.

#### MAIN STAKEHOLDER TOPICS AND CONCERNS

Stakeholder	Topic/concern
Eletrobras Shareholders and Investors	<ul style="list-style-type: none"> <li>• Financial performance.</li> <li>• Continuity of the business.</li> </ul>
Electrical Clients	<ul style="list-style-type: none"> <li>• Quality and trustworthiness of the energy supply.</li> <li>• Prices/fees.</li> <li>• Operational Efficiency.</li> <li>• Delivery time for contracted service.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Participation in the Profit/Results.</li> <li>• Remuneration and benefits (career plan and assistance fund).</li> <li>• Employability (job retention).</li> </ul>
Public programs and agencies (ANEEL, Ministry of Energy)	<ul style="list-style-type: none"> <li>• Socioeconomic development.</li> <li>• Compliance with concession contracts.</li> <li>• Complaints in judiciary, regulatory, and customer defense agencies.</li> <li>• Public Policies of the Sector.</li> </ul>
Environmental Agencies	<ul style="list-style-type: none"> <li>• Compliance with conditions, obligations/requirements.</li> <li>• Granting of artificial wells.</li> <li>• Capture of surface or ground water.</li> <li>• Licensing.</li> <li>• Environmental responsibility.</li> <li>• Alleviation of socio-environmental impact.</li> <li>• Permanent policy of conflict mitigation.</li> </ul>
Social Organizations (MAB, Indigenous Communities and other communities surrounding our facilities)	<ul style="list-style-type: none"> <li>• Promotion of socio-environmental projects and environmental actions.</li> <li>• <u>Reparations and/or other types of financial/social compensation.</u></li> </ul>
Media	<ul style="list-style-type: none"> <li>• Questions and complaints about the Company's activities that receive media coverage.</li> </ul>

Eletrobras Eletronorte publishes both financial and non-financial reports annually. This Sustainability Report is for the year 2010.

If the reader or user of this report needs more information, please send questions, comments, and/or suggestions to [rosa.barbosa@eletronorte.gov.br](mailto:rosa.barbosa@eletronorte.gov.br) or contact us by telephone: (61) 3429-5333.

Eletrobras Eletronorte has external audits performed of the economic data only; having audits of the social and environmental data is a future goal. The accounting data obey the existing accounting laws in the country as well as the standards set by ANEEL.

Based on all the information presented here, Eletrobras Eletronorte declares its report to follow the standards of the Global Reporting Initiative (GRI) model in its level-B application, pointing out that neither indicators of its subsidiary nor the companies in which it has ownership are included.

The end of the report contains the Ibase Social Statement and the Matrix of Sustainability Indicators. This important chart makes it possible to visualize the references to the GRI indicators and the company's level of engagement in sustainable practices. It also shows Eletrobras Eletronorte's commitment to honor the Global Compact and ANEEL as well as the relation with ISE Bovespa and the DJSI.



## PROFILE OF ELETROBRAS ELETRONORTE – AN ELETROBRAS SYSTEM COMPANY

### INSTITUTION AND PURPOSES

Created by law n. 5.824 on November 14, 1972 and constituted by public deed on June 20, 1973, Centrais Elétricas do Norte do Brasil S.A. (Eletrobras Eletronorte), a mixed-society corporation\* and subsidiary of Centrais Elétricas Brasileiras S.A. (Eletrobras), was authorized to function as a provider of public electricity services by decree n. 72.548 on July 30, 1973.

With its headquarters in the Federal District, the Company works extensively in the Amazon region, with operational installations in the states of Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Rondônia, Roraima and Tocantins.

In addition to serving customers located in the abovementioned states, Eletrobras Eletronorte provides energy to buyers located in other Brazilian regions through the National Interconnected System (SIN).

Based on the preliminary 2010 Census data published by the Brazilian Institute of Geography and Statistics (IBGE), over 25 million inhabitants live in the states where Eletrobras Eletronorte has generation and transmission activities. Of these, over 15 million benefit from the power from four hydroelectric plants - Tucuruí (PA), the largest genuinely Brazilian plant and the fourth-largest plant in the world, Coaracy Nunes (AP), Samuel (RO) and Curuá-Una (PA) – and from their thermoelectric parks.

Eletrobras Eletronorte has a total installed potential of 9,217.00 MW, transmission systems that rely on 9,888.02 km of lines, and 53 substations with a total transformation capacity of 29,043 MVA.

### ENERGY THAT RENEWS

**Eletrobras Eletronorte is in the business of generating and transmitting energy. Its electric system has the unique characteristic of being part of both the Isolated System and the Interconnected System.**

\* Translator's note: A company in which there is collaboration between the government and private sector.



## CREDO DA ELETROBRAS ELETRONORTE'S CREED

### VISION

With energy and commitment, to be a sustainable company, a role model of excellence and valued by society.

### MISSION

To work in the electrical energy business with profitability and socio-environmental responsibility, contributing to the country's development.

### VALUES

Focus on results, entrepreneurship and innovation, appreciation and commitment of people, ethics and transparency.

## MAIN FACILITIES

States	Hydroelectric Plants	Thermoelectric Plants	Substations (units)	Lines (km)
Amapá	UHE Coaracy Nunes	UTE Santana	9	505.69
Acre	-	UTE Rio Acre UTE Rio Branco I UTE Rio Branco II	3	302.00
Amazonas	-	UTE Electron (*)	-	-
Maranhão	-	-	9	2,430.48
Mato Grosso	-	-	9	2,538.31
Pará	UHE Tucuruí UHE Curuá Una	-	12	2,538.71
Rondônia	UHE Samuel	UTE Rio Madeira	8	866.06
Roraima	-	UTE Senador Arnon Afonso Farias de Mello (**)	1	190.20
Tocantins	-	-	2	516.57
Total	4	7	53	9,888.02

(\*) Plant lent to Amazonas Energia S.A.

(\*\*) Plant lent to Boa Vista Energia S.A.

## CORPORATE DIMENSION

(GRI EU1, EU4)

OPERATIONAL DATA	2008	2009	2010
PLANTS IN OPERATION	11	11	11
Hydraulic	4	4	4
Thermal	7	7	7
INSTALLED CAPACITY (MW)	9,293.26	9,205.73	9,217.00
Hydraulic (MW)	8,694.00	8,694.00	8,694.00
Thermal (MW)	599.26	511.73	523.00
TRANSMISSION LINES (km)	10,573.81	9,841.37	9,888.02
500 kV (km)	3,236.10	3,236.10	3,243.32
230 kV (km)	5,438.97	5,446.87	5,482.81
138 kV (km)	1,387.09	955.61	959.10
Voltages below 138 kV (km)	511.65	202.79	202.79
Aerial			9,888.02
Underground	0	0	0
SUBSTATIONS	59	52	53
TRANSFORMATION CAPACITY (MVA)	27,158	27,024	29,043
Plants	9,999	9,939	9,939
Substations	17,159	17,085	19,104
Gross cost of fixed assets (in millions of reais)	25,709.20	25,853.20	25,788.392



(GRI EU2)

PRODUCTION AND TRADE OF ENERGY (MWh) ENVIRONMENTS	2008	2009	2010
<b>Energy Generated</b>			
Hydraulic SIN			39,056,230.00(*)
Hydraulic ISOL			589,190.00(*)
Thermal oil SIN			13,530.00(*)
Thermal oil ISOL			664,210.00(*)
Own Consumption			
Losses			
<b>Energy Sold</b>			
Regulated Contracting Environment - ACR (Dist. by SIN)	15,023,890.348	14,474,366.247	15,725,880.031
Free Contracting Environment – ACL (CL, COM, Ger, CC)	19,493,341.623	19,578,355.857	19,534,887.929
Isolated System (RR, AP)	4,144,876.701	4,155,959.142	1,727,038.353
CCEE Liquidation	1,053,214.546	5,822,469.338	2,241,322.223
<b>Total</b>	<b>39,715,323.218</b>	<b>44,031,150.584</b>	<b>39,229,128.536</b>

FINANCIAL DATA	2008	2009	2010
Total Assets (R\$ millions)	17,843,043	18,279,689	19,210,110
Gross Operating Income (R\$ millions)	4,582,340	4,128,716	4,300,632
Net Operating Income (R\$ millions)	3,810,033	3,382,893	3,430,390
Service Income (R\$ millions)	234,445	276,699	265,462
Net Profit / Loss (R\$ millions)	-2,424,558	584,534	139,764
Equity (R\$ millions)	6,188,665	6,334,841	10,316,815
Return on Equity (%)	-39.18	9.23	1.35
Debt Payments (Charges, Loans, and Financing – Current and Non-Current) – total in R\$ millions	8,614,719	4,299,948	4,524,400
In National Currency (R\$ millions)	7,766,309	3,716,788	3,988,503
In Foreign Currency (R\$ millions)	848,410	583,160	535,897
Debts of Shareholders' Equity (%)	139.20	67.88	43.85
In National Currency (%)	125.49	58.67	38.66
In Foreign Currency (%)	13.71	9.21	5.19

## ARCHITECTURE OF THE BUSINESS

Almost all of Eletrobras Eletronorte's income comes from the sale of electrical energy and of the availability of the transmission system. These operations are supported by contracts for the purchase and sale of electrical energy and the use of the transmission system, as well as by short-term operations carried out by the Electric Power Commercialization Chamber (CCEE).

The trade of electrical energy is done through contracts signed with distribution providers; through reserve contracts of power capacity and provision signed with industrial consumers directly served by the Company; through contracts from energy auctions held by the CCEE and through auctions for the purchase and sale of energy held by traders or free consumers. Any difference between the energy generated and the energy sold is traded on the short-term market in the CCEE.

Eletrobras Eletronorte works simultaneously in the Isolated Systems (SI) and in the National Interconnected System (SIN). Currently, the states of Roraima and Amapá are part of the Isolated Systems, whereas the states of Pará, Maranhão, Mato Grosso, Tocantins, Rondônia and Acre are part of the basic SIN network. The Isolated Systems are supplied by energy generated by hydroelectric and thermoelectric plants. The state of Roraima is serviced with energy imported from Venezuela.

Eletrobras Eletronorte has a fully-owned subsidy, Boa Vista Energia S.A., and as of December 31, 2010, it participated in 16 Special Purpose Entities (SPEs) for energy generation and transmission.

### ELETOBRAS ELETRONORTE'S PARTICIPATION IN SPES

Special Purpose Entity (SPE)	Percentage (%)
AETE - Amazônia Eletronorte Transmissora de Energia S.A.	49.00
INTESA - Integração Transmissora de Energia S.A.	37.00
BRASNORTE Transmissora de Energia S.A.	49.71
Manaus Transmissora de Energia S.A.	30.00
Estação Transmissora de Energia S.A.	100.00
Norte Brasil Transmissora de Energia S.A.	24.50
LINHA VERDE Transmissora de Energia S.A.	49.00
RIO BRANCO Transmissora de Energia S.A.	100.00
Transmissora MATOGROSSENSE de Energia S.A.	49.00
EAPSA - Energia Águas da Pedra S.A. - UHE Dardanelos	24.50
AMAPARI ENERGIA S.A. - UTE Serra do Navio e PCH Capivara	49.00
Brasventos Miassaba 3 Geradora de Energia S.A. - Parque Eólico Miassaba 3	24.50
Brasventos Eolo Geradora de Energia S.A. - Parque Eólico Rei dos Ventos 1	24.50
Rei dos Ventos 3 Geradora de Energia S.A. - Parque Eólico Rei dos Ventos 3	24.50
Norte Energia S.A. - UHE Belo Monte	19.98
Porto Velho Transmissora de Energia S.A.	24.5

Eletrobras Eletronorte is also a sponsor of the Complementary Pension Foundation (Previnorte), a non-profit entity created in 1988 with the goal of ensuring its participants supplements to the retirement income and pensions provided by social security.

## NEW BUSINESS AND PARTNERSHIPS

With the issuance of Law 11.651 on April 7, 2008, Eletrobras gained the right – either directly or through subsidiaries or controlled companies – to join in the formation of business consortia and participate in societies.

The SPE's articles of incorporation comprise the contract or social statute entered into by the participants. Its essential clauses must obey the legislation that regulates duly registered corporations. Once constituted, the SPE acquires its own legal status, and goes on to answer for the rights and obligations of the venture for which it was formed.

In 2010, Eletrobras Eletronorte became part of the SPE Norte Energia S.A., which has the following ownership structure:

### NORTE ENERGIA S.A. – OWNERSHIP STRUCTURE

COMPANY	Ownership (%)
Eletrobras Eletronorte	19.98
Eletrobras	15.00
Eletrobras Chesf	15.00
Bolzano Participações	10.00
Petros	10.00
Gaia (autoprodutor)	9.00
Caixa Fip Cevix	5.00
OAS	2.51
Queiroz Galvão	2.51
Funcef	2.50
Cetenco	1.25
Contern	1.25
Galvão	1.25
Mendes Júnior	1.25
Serveng	1.25
J. Malucelli Construtora	1.00
Sinobras (autoprodutor)	1.00
J. Malucelli Energia	0.25

In the transmission partnerships, a corporate restructuring was performed with the aim of integrating the Jirau and Santo Antônio plants (located in Rio Madeira) into the National Interconnected System (SIN) and connecting the substations Coletora Porto Velho (RO) and Araraquara 2 (SP) with a length of approximately 2,375 km.

After the auction, the partners negotiated the corporate restructuring and shares were transferred to Eletrobras Eletronorte, which now holds 100% of the shares in the SPE Estação Transmissora de Energia S.A.

**POWER TO GENERATE ENERGY**  
**A long-held dream of Eletrobras Eletronorte, the Belo Monte Hydroelectric Development on the Xingu River in Pará, with a capacity of 11,233 MW, was the object of ANEEL Auction n. 006/2009 held on April 20, 2010. The winner was Consórcio Norte Energia, which later gave rise to SPE Norte Energia, in which Eletrobras Eletronorte holds 19.98% ownership.**

## NEW BRAND NAME





One of the most significant changes in Eletrobras System's transformative process was the change of the brand name. The new brand name was created and launched at a time when new challenges – such as greater international action and the prioritization of generating clean energy - were arising. The new brand name goes far beyond the graphic aspects and media presentation of the Eletrobras System; rather, it represents the beginning of a process of cultural change in all the System companies.

In March 2010, Centrais Elétricas do Norte do Brasil S.A. began to use the trade name “Eletrobras Eletronorte” and adopted a new visual representation.

## CERTIFICATION PROCESSES

Certification of processes with the NBR ISO 9001 standard began in 2000, in order to meet the 22nd clause of the transmission services contract between the National System Operator (ONS) and Eletrobras Eletronorte.

The requirements of the ISO 9001 standard were applied to 135 acquisition and financial processes in the regional administrative units of Pará, Maranhão, Rondônia, Acre, Amapá, Tocantins, Roraima, Mato Grosso and Tucuui.

In Eletrobras Eletronorte's headquarters, 13 processes were certified in the areas of transmission contract management, telecommunications networks, personnel development and training, transmission line projects, measurement, and trade of electrical energy.

The regional operation centers in Tocantins, Roraima, Maranhão, Pará, Porto Velho, Acre, Mato Grosso, Amapá and Brasília had a total of 27 processes certified in pre-operation, real-time operation, and post-operation.

During 2010, 61 quality audits were performed: 38 were internal, done by qualified internal auditors, and 23 were external, performed by certification agencies accredited by INMETRO and international agencies.

It is noteworthy that the regional centers in Tucuui and Amapá, with great cooperative work, successfully maintained their ISO 14001:2004 environmental certification. These certifications cover all the processes of the Tucuui and Coaracy Nunes hydroelectric plants, the Santana thermoelectric plant, and the Coaracy Nunes-Santana transmission line.

## Main Awards, Certifications, and Recognitions in 2010

Award / Certificate / Recognition	Who?	Granting Institution
Featured in the National Quality Award (PNQ)	The CPH – Superintendency of Hydraulic Production received distinction in the categories Society and Personnel in the 2010 National Quality Award.	National Quality Foundation (FNQ)
Maintaining NBR ISO 14001 certification	The CPH – Superintendency of Hydraulic Production maintained the certification as of December 2010.  The Superintendency of Production and Trade in Amapá (CAP) maintained the certification of the UHE, UTE, and LT plants, which were audited in November and December 2010. Record BSI – EMS 537.158.	Bureau Veritas Certification (BVC)
Award of Excellence in Consistent Commitment to TPM	UHE Tucuui - the only plant in the electric sector worldwide to receive this award.	Japan Institute of Plant Maintenance (JIPM)
10th edition of the study “The 100 most innovative companies in the use of IT”	Eletrobras Eletronorte – 11th position in the general ranking	Information Week Brasil Magazine

Award / Certificate / Recognition	Who?	Granting Institution
2010 IT Leaders Award	Eletrobras Eletronorte – 54th position in the best company IT of Brazil	Computer World Magazine
2010 THE MOST INNOVATIVE COMPANIES OF BRAZIL Award	Eletrobras Eletronorte is the 17th most innovative company in Brazil – the only state company and also the only one in the electric sector to receive this award.	<i>Época Negócios</i> Magazine in partnership with the A.T. Kearney consultancy
Approval in the Audit for the 1st Step of the TPM Excellence Award	UHE Curuá-Una	Japan Institute of Plant Maintenance (JIPM)
Approval in the Audit for the 1st phase of the Award of Excellence in Consistent Commitment to TPM	UHE Samuel, Amapá Production Region, Pará Transmission Region, Maranhão Transmission Region, Tocantins Transmission Region, and Rondônia and Acre Regions.	Japan Institute of Plant Maintenance (JIPM)
Approval in the Audit for the TPM Consistency Award	Mato Grosso Transmission Region	Japan Institute of Plant Maintenance (JIPM)
2010 Finep Innovation Award	Eletrobras Eletronorte was the winner of the Central-West Region in the “Innovation Management” category, in which 113 companies competed in the region and 885 companies throughout Brazil. In the general classification among the five Regions, Eletrobras Eletronorte occupied the 4th position.	Finep
COGE Foundation Award (Rogério Morgado Trophy)	Eletrobras Eletronorte was honored for presenting the largest number of projects in the “Personnel Training and Development” category over the ten years of the award.	Fundação COGE
Award for innovative corporate education projects, work in the contemporary world and public policies for workers’ education	Eletrobras Eletronorte achieved 1st place in the category of Innovation in Corporate Education at the I National Congress for Innovation, Work, and Corporate Education (Conitec). The award is the result of an R&D project developed by the Trade and Production Board, in partnership with the Federal University of Pará (UFPA), called “Use of Virtual Reality in the Training of Operation and Maintenance Staff in the Tucuruí Hydroelectric Plant.”	National Association for Innovation, Work, and Corporate Education (Anitec)
7th Edition of the Procel Energy-Efficient City Award, in the category of Education	Eletrobras Eletronorte received the Procel Energy-Efficient City Award for its actions in the “Procel in School” project in the city of Timon (MA).	Eletrobras, in the National Electricity Conservation Program (Procel) and the Brazilian Institute of Municipal Administration (Ibama)
2010 Award of the Brazilian Annals of Protection	Yet again, the Tucuruí Hydroelectric Plant received the 2010 Award of the Brazilian Annals of Protection, for the best CASE of the North Region – Preventative Health and Safety Measures in the Workplace, receiving Honorable Mention in the same category.	<i>Proteção</i> Magazine
Pro-Gender Equity Seal	Eletrobras Eletronorte voluntarily joined the 3rd Edition of the Pro-Gender Equity Program, receiving the Pro-Gender-Equity Seal three consecutive times.	Special Secretariat for Women (SPM)
Maintaining of NBR ISO 9001:2008 certifications	Acquisition and financial processes of the regional units in Acre, Amapá, Maranhão, Mato Grosso, Pará, Rondônia, Roraima, Tocantins and Tucuruí. Real-time, pre-operation, and post-operation procedures in the Operation Centers of Acre/Rondônia, Amapá, Maranhão, Mato Grosso, Pará, Roraima, Tocantins and Brasília Center (CEON). Processes of headquarters’ facilities: • CETR – Telecommunication Networks • CCEC/CCEL – Measurement and Trade of Electrical Energy • EETL – Transmission Lines • CEOC – Management of Transmission and Billing Contracts of the Basic Network • GSE – Personnel Development and Training	Bureau Veritas Certification (BVC) e BSI Management Systems

## ELETRORBRAS ELETRONORTE'S SUSTAINABILITY AND MANAGEMENT MODEL

### SUSTAINABILITY IN ELETRORBRAS ELETRONORTE'S MANAGEMENT SYSTEM

During the last decade, the issue of sustainability has become more prominent and has motivated innovative, collaborative, and transformative actions among people and companies who work towards a more equitable society.

Eletrobras Eletronorte considers sustainability to be a strategic theme that guides its actions, permeating all the aspects of its Strategic Map (finances, clients and market, internal processes, and personnel and training).

As a result, Eletrobras Eletronorte participates annually in the ISE BMF&Bovespa and Dow Jones Sustainability Index surveys. The clear direction of all the Eletrobras System companies towards resolution of the issues identified by these surveys generated the Tucuruí Pact in 2009 and the Furnas Pact the following year, in which all the companies committed to upgrading their sustainability practices.

For Eletrobras Eletronorte, participating in these surveys offers an opportunity to reaffirm the culture of sustainability internally and, at the same time, help resolve issues that cause negative impacts in the Company's actions and results. In this way, the Company aims to create consistent pillars in all dimensions of sustainability, which can guarantee profitability and financial health, continuing positive and relevant action to preserve environment and the neighboring communities.

Because of negative financial results in the past – which were reversed only in the 2009 fiscal year – Eletrobras Eletronorte has been giving special attention to structural issues that must be resolved in order to guarantee the company's continuity.

Among the structural issues included in Eletrobras Eletronorte's 2010-2020 Strategic Plan and in the Eletronorte Efficiency and Growth Project (PEEC), the main issues are the debt of the Amapá Electric Company, the transfer of the PIE Termonorte II contract to the local distributor of the state of Rondônia, the transfer of the equity control of Boa Vista Energia S.A. and the expiry of the concessions of the basic energy transmission network and of the Coaracy Nunes Hydroelectric Plant in Amapá.

These issues resulted from Eletrobras Eletronorte's activities in a region served by isolated systems without sufficient compensation to cover their high costs of operation.

Improvement of the Company's sustainability indicators has thus been emphasized as one of the most relevant strategic initiatives, having the score on the ISE BMFBovespa survey as a reference.



Starting in 2010, through the Company Performance Targets Agreement (CMDE), signed by Eletrobras and Eletrobras Eletronorte, indicators such as the Minimum Amount of Social Investment in relation to the Net Operating Income (MIS) and the Minimum Amount of Environmental Investment in relation to the Net Operating Income (MIMA), directed towards the social and environmental areas, are being monitored and reported.

## SUSTAINABILITY MANAGEMENT

In December 2008, Eletrobras Eletronorte's Executive Board approved the creation of the Sustainability Committee made up of a general coordinator, an executive secretary and representatives of the environmental, social, financial, and corporate management dimensions, in addition to planning and advising managers from each board.

The main tasks of the committee are as follows:

- Suggest and present to the Executive Board corporate policies and guidelines designed to implement internationally-recognized sustainable management tools and practices.
- Promote the spread of sustainability culture throughout the Company.
- Suggest to the Executive Board nominations of Eletrobras Eletronorte representatives for the Eletrobras Sustainability Committee and for other sustainability committees in which it participates.
- Coordinate efforts for compliance with the Eletrobras System Sustainability Committee's recommendations.
- Coordinate the annual planning of the program to improve management focused on sustainability efforts, and accompany its implementation by monitoring the results achieved.
- Periodically evaluate the Company's performance in aspects relating to the sustainability of its business; recommend revision

of policies, strategies, and actions in the environmental, social, relational, and reputational areas, among others.

- Coordinate responses to the surveys of the Dow Jones Sustainability Indexes of the New York Stock Exchange and the Index of Company Sustainability (ISE) of the São Paulo Stock Exchange (Bovespa), indicating the people responsible for each sustainability dimension.
- Coordinate the production of sustainability management reports that follow internationally-accepted standards, especially those of the Global Reporting Initiative (GRI).

## ELETROBRAS ELETRONORTE'S MANAGEMENT MODEL

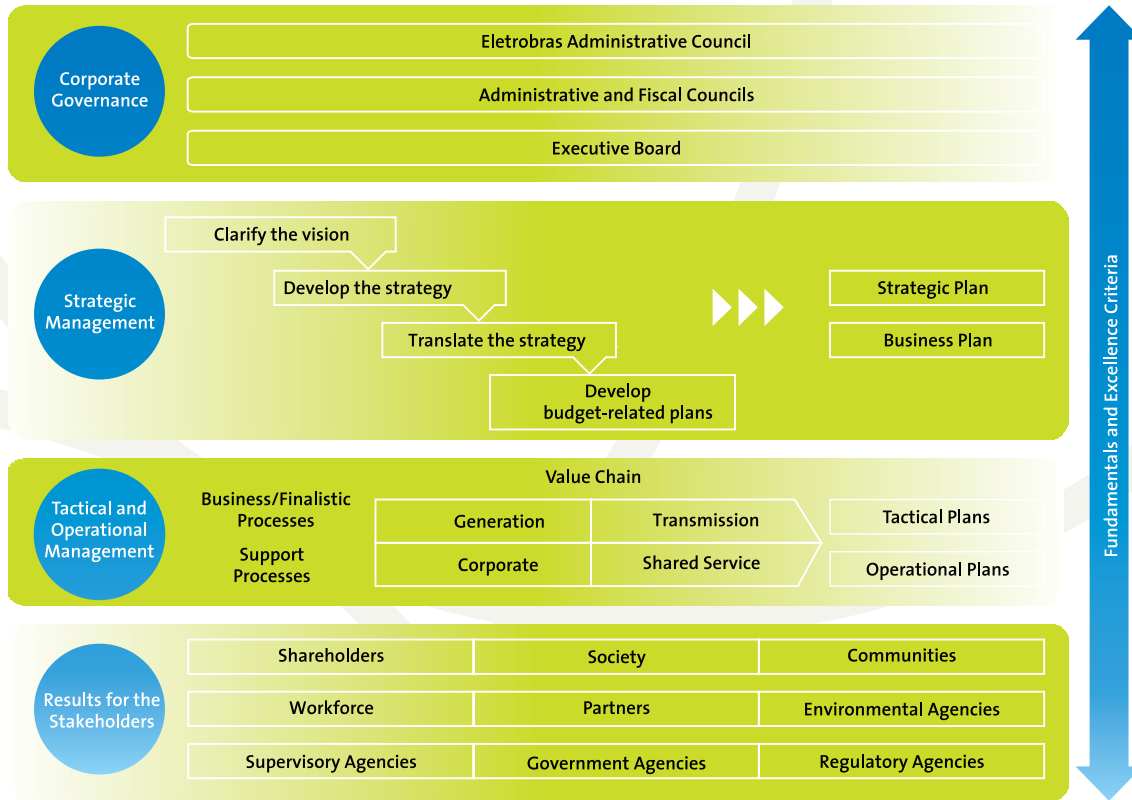
Eletrobras Eletronorte's corporate management is supported by models, methods, and tools such as the fundamentals and criteria of the National Quality Foundation (FNQ), GesPública, Total Productive Maintenance (TPM), the Balanced Scorecard (BSC) and others, depending on the specific area or activity.

The structure of the management system was designed to meet company guidelines and the needs of stakeholders through consistent strategic planning and leadership practices.

Eletrobras Eletronorte's corporate management incorporates additional tools and/or methods into the formal management levels in order to support the leadership and the implementation of strategic planning. Examples of such tools are the Integrated Management System, the Performance Evaluation System (SAD), the Organizational Climate Study (ECO), the General Ombudsman, the structured system of meetings, the ISO 9001 and ISO 14000 certifications, the Corporate University (UCEL) and the internal and external means of communication. With these methods, the Company aims to achieve the desired results and promote constant improvement in the skill of its staff.



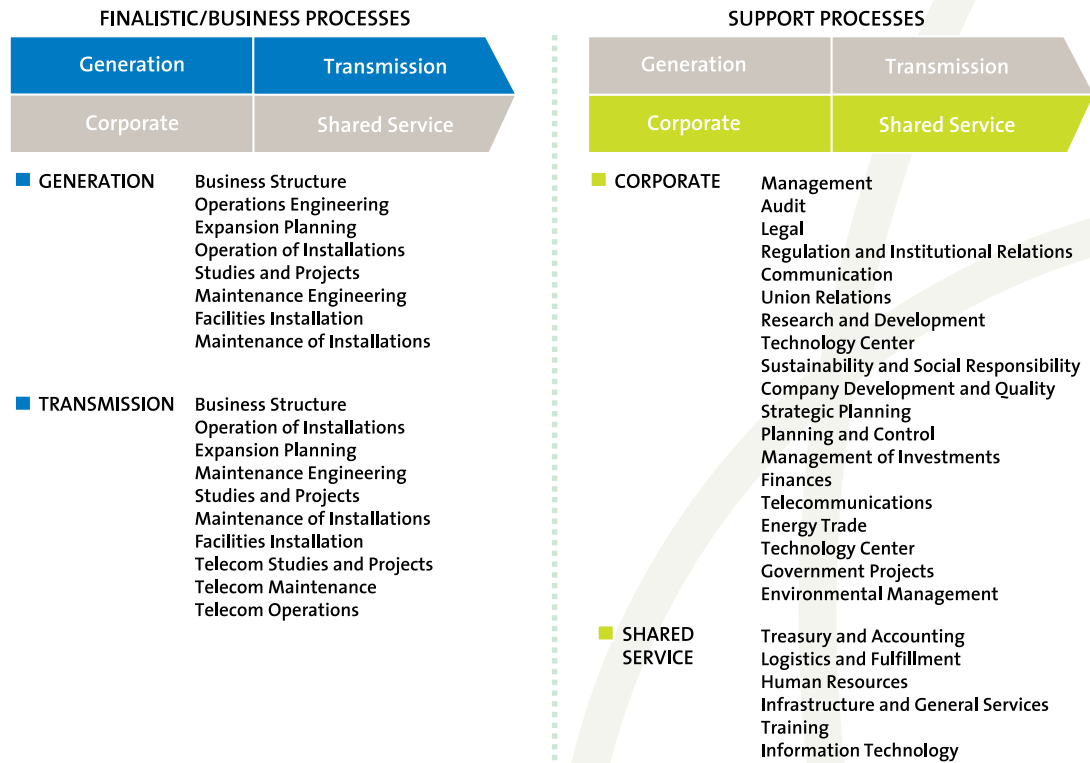
## COMPANY MANAGEMENT SYSTEM



## MANAGEMENT PROCESSES

The diagram below shows the relationship between Eletrobras Eletronorte's processes and its various clients and providers.

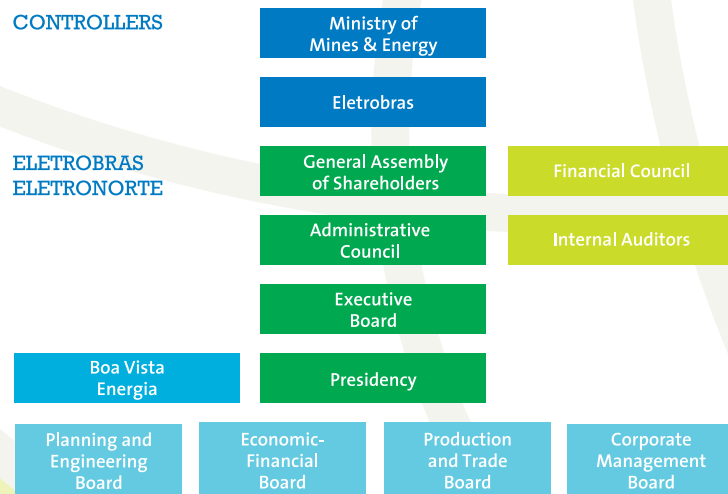
### PROCESS DIAGRAM



### ORGANOGRAM

#### CONTROLLERS

#### ELETROBRAS ELETRONORTE



## STRATEGIC MANAGEMENT

The Eletrobras System's strategic positioning was defined by work that relied on the participation of representatives from all its subsidiaries. It initially materialized in the 2010-2020 Eletrobras System Strategic Plan, which defined the new Creed that was also adopted by Eletrobras Eletronorte.

Based on the new Creed and on the premises and guidelines of the Strategic Plan, Eletrobras later produced business plans for generation, transmission, distribution, trade, internationalization, and government programs.

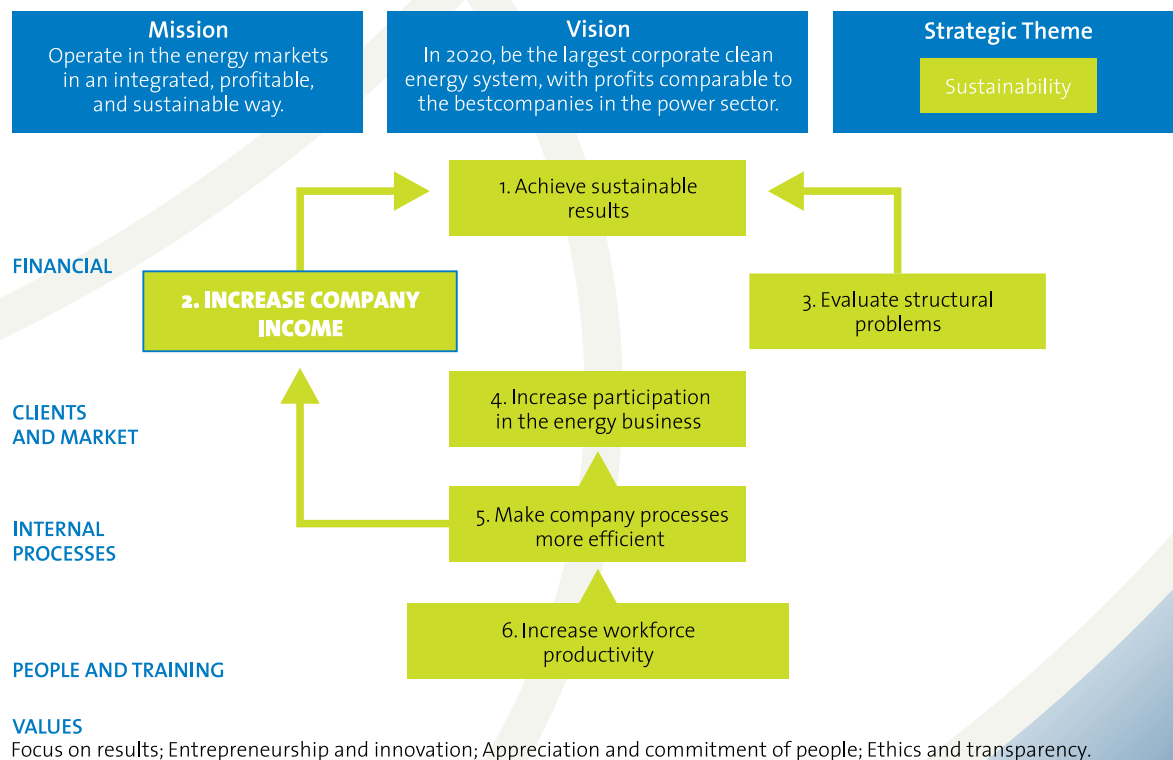
Each subsidiary implements objectives and activities based on the guidelines issued by Eletrobras - particularly the system's commitment to sustainability.

Eletrobras Eletronorte has a structured strategic planning process. Its first cycle involved the years from 1978 to 1984, and the process has been continually improved.

The Strategic Plan for 2010-2020 was approved in December 2009. Its Strategic Map shows that the company's efforts are directed towards six objectives.

The strategic planning process is coordinated by the Strategic Planning Advisory Board, a group linked to the Presidency, based on guidelines established by Eletrobras and by Eletrobras Eletronorte's Executive Board, as well as on conclusions and recommendations from the Planning Meetings and Workshops. The process is also made compatible with the company budget, which is established by the Economic-Financial Board.

### 2010-2020 STRATEGIC MAP



Since 1996, the process has used the Balanced Scorecard (BSC) as its methodology and the Strategic Management Portal as its computational tool. The latter records the Strategic Map, strategic objectives and initiatives, indicators and goals. The portal is the online instrument for the registry, monitoring, and analysis of company performance. Sistema Gestor is used as a computational tool in the tactical-operational deployment of the process.

The system of meetings is divided into Planning Meetings and Workshops and Performance Analysis Meetings. The workshops aim to identify actions to reach the established targets and make processes more efficient, as well as prioritize new ventures. The workshops are segmented by area (generation-expansion, generation-operation and maintenance, transmission-expansion, transmission-operation and maintenance). There is also a specific workshop for corporate matters.

The Planning Meetings bring together all the top-level (G1) directors and managers for the presentation and debate of strategic topics. The performance analysis meetings cover the indicators and goals established in the Strategic Map and in the Company Performance Targets Agreement (CMDE). They are held on three levels.

On the first level (monthly), technicians and managers from the Strategic Planning Advisors (PPE) and the Superintendency of Planning and Control (FPC) as well as the Management Advisors for each board present the status and analysis of the indicators and strategic actions. Performance analysis is done quarterly by the Executive Board and then, on the third level, by the Administrative Council.

## THE FURNAS PACT

In 2010, the president-directors of all the Eletrobras System companies signed the Furnas Pact, which defined new goals in commitment to sustainable development.

These goals have helped in the construction of action plans for implementing and improving company sustainability practices, and consequently meeting the demands of national and international sustainability indexes. The action plans also aim to provide and share the resources and conditions necessary for applying these practices and extending this commitment to partners and providers.

In this context, Eletrobras Eletronorte included among the objectives in the 2010-2020 Strategic Plan the initiative Implement Efforts to Eliminate Gaps in the Social Dimension, which is monitored by the Meeting the Requirements for Social Sustainability (ARSS) indicator, based on the percentage of compliance to the ISE Bovespa requirements.

The process of implementing sustainable management in the Company requires the involvement and integration of strategic areas, which analyze the tools that help this process and produce plans for eliminating gaps and achieving the targets established by Eletrobras.





# CORPORATE GOVERNANCE DIMENSION



## MODEL OF CORPORATE GOVERNANCE



## MODEL OF CORPORATE GOVERNANCE

### GOVERNANCE

Eletrobras Eletronorte's governance structure is composed of the General Assembly of Shareholders, the Fiscal and Administrative Councils, the Internal Auditors, and the Executive Board.

#### General Assembly of Shareholders

The General Assembly of Shareholders is Eletrobras Eletronorte's highest body of governance. It typically meets before the end of the fourth month following the end of the fiscal year in order to handle administrative matters; examine, discuss, and vote on financial statements; decide the destination of the year's net profit and the distribution of dividends; and elect the members of the Administrative Council and the Fiscal Council.

The decisions are made by majority vote, with the vote of each shareholder representative being proportional to their stock holdings in the company's capital. Union representation in the General Meetings is done in accordance with specific federal legislation.

In 2010, the Annual General Meeting (AGO) was held on April. In addition, a Special General Meeting (AGE) was held for the election of members to the Administrative and Fiscal Councils.

#### Administrative Council

The Administrative Council (CA) oversees the Company and is responsible for setting the business' general orientation through fundamental administrative guidelines, supervising the compliance of these guidelines, monitoring the implementation of approved programs and checking the results.

The CA is composed of five advisors and a president, and the exercise of these functions is reserved exclusively for shareholders, citizens and residents

### MANAGING WITH ENERGY

**By making sustainability its strategic theme, Eletrobras Eletronorte reaffirms its commitments to the millennium development goals and to the Global Compact established by the United Nations Organization, which it signed in 2008, making explicit both internally and to all the stakeholders its intention to adopt the best practices for sustainability.**



of the country. One of the advisors is nominated by the Ministry of Planning, Budget and Management, and the rest are nominated by the Ministry of Mines and Energy (MME), with the prior agreement of the President of the Republic, and are elected in the Annual General Meeting for a term of three years with the possibility of reelection.

The Administrative Council is responsible for decisions regarding management analysis, strategic planning, company budget, analysis of the balance sheet, expansion projects and acquisition of new assets, among other matters.

The remuneration of the advisors is fixed at 10% of the average remuneration of the Company directors, with no variable remuneration. In 2010, the total value of the annual remuneration of the Administrative Council was R\$ 182,947.39. 13 meetings were held during the fiscal year.

On December 29, 2010, the President of the Republic approved Law 12.353, which allows for employees' participation in the administrative councils of public companies and mixed companies, as well as subsidiaries, controlled companies, and other entities in which the Union either directly or indirectly holds the majority of the social capital with the right to vote. The representative must be selected from among the active employees by direct vote of their peers, in elections organized by the Company in conjunction with the union groups representing the workers.

Council	Remuneration (R\$)
Administration	182,947.39
Fiscal	107,463.93
TOTAL	290,411.32

## Fiscal Council

The Fiscal Council, directly linked to the Shareholders' Assembly, is composed of three members and their respective alternates – whether shareholders or not – elected annually by the General Assembly, with the possibility of reelection.

The Fiscal Council meets once per month with a quorum of three advisors, and holds special meetings whenever necessary with the goal of supervising the administrators' actions and checking the fulfillment of their legal and statutory obligations. Twelve meetings were held in 2010.

The remuneration of the advisors is fixed at 10% of the average remuneration of the company's directors, without variable remuneration. In 2010, the total value of the remuneration of the Fiscal Council was R\$ 107,463.93.

## Internal Auditors

The Administrative Council is linked to the Internal Auditors, which has three roles: audit planning, general auditing, and internal control. The Internal Auditors analyze the management of the organizational units, constantly checking their procedures and controls, computer systems, records, archives of documents and data, adherence to guidelines, internal regulatory acts, and management's compliance with the stipulations of current legislation.



## Executive Board

The Executive Board is composed of the President-Director and the Directors of Corporate Management, Finances, Planning and Engineering, and Energy Production and Trade. It is responsible for Eletrobras Eletronorte's general direction and administration, while respecting the guidelines set by the Administrative Council. The directors may or may not be shareholders, and are elected by the Administrative Council for a term of three years, with the possibility of reelection. The Executive Board's regulatory decisions are made in weekly meetings in which material of interest from each directorship is submitted to the other members for analysis and decision. In 2010, 52 meetings of the Executive Board were held.

## COMPANY PERFORMANCE TARGETS AGREEMENT (CMDE)

In December of 2009, Eletrobras and Eletrobras Eletronorte signed the Company Performance Targets Agreement, covering a five-year period. This contract is an important governance tool that established targets for indicators in the economic-financial, technical-operational, and socio-environmental areas.

## SHAREHOLDER COMPOSITION

This chart shows Eletrobras Eletronorte's shareholder composition as of December 31, 2010.

### Eletrobras Eletronorte's Shareholder Composition on 12/31/2010 (Last Capitalization: 08/23/2010)

SHAREHOLDERS	NUMBER OF STOCKS	%	CAPITAL INVESTED
Centrais Elétricas Brasileiras S/A – Eletrobras	135,087,915	99.410	8,170,406,565.70
City of Manaus	263,513	0.194	9,867,322.33
Centrais Elétricas do Pará S/A – CEPLA	247,635	0.182	9,272,765.92
Amazonas Distribuidora de Energia S/A	146,382	0.108	5,481,317.35
State Government of Roraima	35,992	0.026	1,347,731.10
Companhia de Eletricidade do ACRE – ELETROACRE	22,016	0.016	824,395.64
Centrais Elétricas de Rondônia S/A – CERON	13,949	0.010	522,324.44
City of Boa Vista – RR	8,568	0.006	320,831.30
Federal Union	1,804	0.001	67,551.31
Other Individuals	31,531	0.024	1,195,141.52
Other Companies	29,769	0.023	1,100,255.14
<b>TOTAL</b>	<b>135,889,074</b>	<b>100.00</b>	<b>8,200,406,201.75</b>

## CODE OF ETHICS

Together, the Eletrobras companies determined a unified Code of Ethics, which was approved in 2010. The document, which counted on employee participation during its production process, describes the principles that guide the actions and commitments of institutional conduct in the Eletrobras companies' interactions with collaborators, providers, and other stakeholders.

The Code of Ethics was distributed to our entire staff and is also available on the intranet and the internet at the following address: <http://www.eletronorte.gov.br/opencms/opencms/publicacoes>.



## INTEGRATED RISK MANAGEMENT

Among the activities in its Transformation Plan, Eletrobras ordered risk management to be implemented in all its controlled companies. The process, coordinated by the holding company, has formally established guidelines in the Risk Management Policy of the Eletrobras Companies. This Policy was approved in 2010 and defines integrated risk management as being “the architecture implemented internally in the Company to manage risks efficiently, contributing to the reduction of incidents that negatively impact strategic goals. Integrated risk management, through a structured approach and better understanding of the interrelations among risks, aligns strategy, processes, personnel, knowledge and technology, aiming to preserve and create value for the Company and its shareholders.”

In April 2010, in order to put the guidelines of this policy into practice, Eletrobras Eletronorte reformulated the powers of the Eletrobras Risks Committee and the Integrated Risk Management Consultancy, a group linked to the Company's presidency.

The committee supports the Executive Board in matters relating to the management of corporate risks and internal controls, whereas the consultancy has the general power of administering the management of risks to which the Company is exposed.

## GENERAL OMBUDSMAN

The General Ombudsman is a channel of social interaction provided to Eletrobras Eletronorte's internal and external public, offering the opportunity to submit suggestions, requests, praise, complaints, environmental demands and reports mainly in the following areas: contracts, employees, hiring pro-

cesses, environmental matters, social responsibility, ethics, moral and sexual harassment, and discrimination based on gender, race, religion, etc. The goal of the General Ombudsman is to ensure participative management to citizens and society.

Management of the submissions is done with a tool called the Apysa System, which was developed internally and is utilized by all the Eletrobras System ombudsmen for better service to the internal and external public. This tool ensures access to the Eletrobras Eletronorte management by forwarding claims and the responses securely and with the guarantee of secrecy.

In 2010, 645 submissions were registered in the Apysa System. Of this number, 77 were duplicates, 10 were directed towards external agencies or entities, four were forwarded exclusively to the Permanent Ethics Commission, 12 were forwarded to the Permanent Labor Claims Commission (CPPT), and 542 were handled by the General Ombudsman.

The General Ombudsman forwards the submissions that are not related to Eletrobras Eletronorte to the agencies or entities responsible for replying, and requests that these entities respond directly to the submitters.

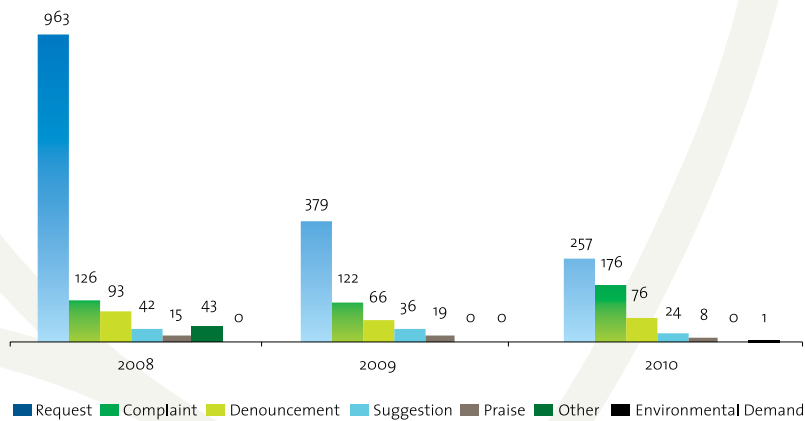
The submissions related to Eletrobras Eletronorte's ethical principles and codes of conduct are forwarded to the Permanent Ethics Committee, which has its own procedure for handling reports (Internal Regulations of the Permanent Ethics Committee).

The labor claims are forwarded to the Permanent Labor Claims Commission for analysis and decision according to their procedures.

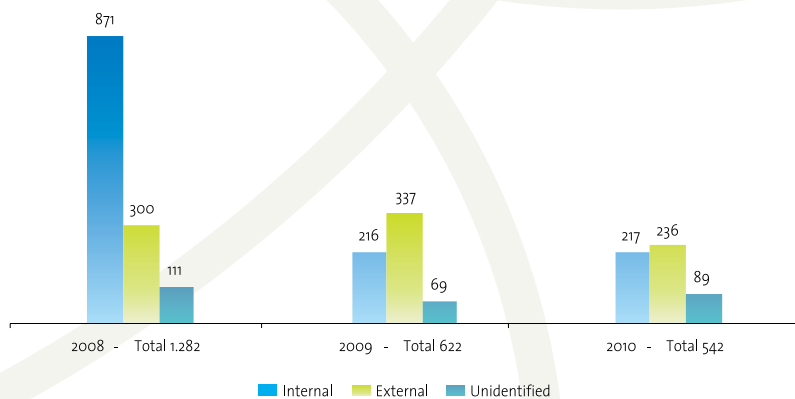
The 542 submissions handled by the General Ombudsman in 2010 were categorized into the following groups: environmental demands (0.2%), complaints (32.5%), requests (47.4%), denouncements (14%), suggestions (4.4%) and praise (1.5%). Regarding their origins, there were 217 internal submissions (40%), 236 external submissions (43.6%) and 89 from unidentified sources (16.4%).



### Submissions Received by Type (2008/2010)



### Submissions Received by Origin (2008/2010)



## SUSTAINABILITY COMMITTEE

(GRI 4.9)

The Sustainability Committee was restructured in 2010, when its main tasks were set as monitoring the Eletrobras companies' sustainability practices, producing target and improvement plans, planning and producing the Sustainability Report, and participating in the ISE-Bovespa and DJSI processes.

## ADHERENCE TO NATIONAL AND INTERNATIONAL COMMITMENTS AND INITIATIVES

### Global Compact

In accordance with sustainability best practices, on April 8, 2008, through RD 242/2008, Eletrobras Eletronorte voluntarily became a signatory to the Global Compact established by the United Nations (ONU).

In this way, the Company aligned its management so as to actively contribute to attaining the 10 principles defined in the Global Compact in the areas of human rights, labor, environment, and anti-corruption. Eletrobras Eletronorte responds annually to the Company Social Responsibility Ethos indicator survey.

### The 10 Principles of the Global Compact



#### Human Rights

1. Respect and protect human rights.
2. Prevent violation of human rights.

#### Labor

3. Support freedom of association.
4. Abolish forced labor.
5. Abolish child labor.
6. Eliminate discrimination in the work environment.

#### Environmental Protection

7. Support a precautionary approach to environmental challenges.
8. Promote environmental responsibility.
9. Encourage the development and use of environmentally-friendly technologies.

#### Anti-Corruption

10. Work against corruption in all its forms, including extortion and bribery.

### Millennium Goals

In line with the United Nations statement, Eletrobras Eletronorte has been committed to the millennium development goals, aiming to contribute to reducing poverty and inequality and ensuring sustainable development in its areas of influence.

## The Eight Millennium Goals



1. Eradicate extreme poverty and hunger.
2. Achieve universal primary education.
3. Promote gender equality and empower women.
4. Reduce child mortality.
5. Improve maternal health.
6. Combat HIV/AIDS, malaria, and other diseases.
7. Ensure environmental sustainability.
8. Global partnership for development.

## Women's Empowerment Principles - Unifem

Another notable action is that in August 2010, Eletrobras Eletronorte adhered to the Women's Empowerment Principles – UNIFEM – together with UN Women.

The partnership between UNIFEM (United Nations Development Fund for Women – part of UN Women) and the United Nations Global Compact through the “Women's Empowerment Principles – Equality Means Business” offers the corporate community a new tool for increasing and valuing female leadership in the labor market. In a joint action with the United Nations, companies can take more concrete steps to promote equal opportunities and collaborate to achieve the Millennium Development Goals, particularly Goal 3: Promote gender equality and empower women.

Launched in March 2010, this initiative is a success in the corporate world, bringing together major companies from various segments of the local, regional, and global markets. In June 2010, 39 presidents and executive directors signed their commitment in the CEO Declaration of Support of the “Women's Empowerment Principles: Equality Means Business,” calling for corporate adherence to the United Nations initiative.

In the document, the presidents and executive directors express their commitment to promoting gender equity – the cornerstone of the seven Women's Empowerment Principles to be adopted in companies worldwide in order to promote global and national diversity. Inés Alberdi, the executive director of UNIFEM, says, “for the first time, CEOs are leading the promotion of gender equality. With this support, presidents and executive directors raise the banner of the Women's Empowerment Principles high - and gain strength in the companies' cultures and individual relationships,” she says.

The seven Women's Empowerment Principles:



- Establish high-level corporate leadership for gender equality.
- Treat all women and men fairly at work — respect and support human rights and nondiscrimination.
- Ensure the health, safety and well-being of all women and men workers.
- Promote education, training and professional development for women.
- Implement enterprise development, supply chain and marketing practices that empower women.
- Promote equality through community initiatives and advocacy.
- Measure and publicly report on progress to achieve gender equality.

#### SARBANES-OXLEY LAW(SOX)

Eletronorte participates actively and permanently in the effort to see that the Eletrobras System is well-positioned in the Dow Jones Sustainability Indexes of New York and the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange (Bovespa).

In order to guarantee the creation of reliable audit and security mechanisms, raise the level of the administration's responsibility and commitment, increase supervision of the financial statements, and allow for more transparency and credibility of the information published in the financial market, Eletrobras Eletronorte began to implement the Eletrobras System SOX Project in September 2008. The project aims to implement internal controls in all the companies' processes, as established in the Sarbanes-Oxley Act (SOX).

#### SUSTAINABILITY INDEXES OF THE MERCANTILE AND FUTURES STOCK EXCHANGE (BM&F BOVESPA) AND THE NEW YORK STOCK EXCHANGE

Since 2005, the Eletrobras System has been making efforts to meet targets for sustainability and corporate governance from national and international indexes and institutions. This was ratified in the Commitment Letter signed by all the president-directors of the System companies. As part of this effort, Eletrobras Eletronorte has responded annually since 2009 to the surveys of the ISE BM&F Bovespa (Brazilian Mercantile and Futures Stock Exchange), and the DJSI of the New York Stock Exchange, which are presented in corporate form by the holding company to each institution.

## MANAGING RELATIONSHIPS WITH STAKEHOLDERS

### RELATIONSHIPS WITH THE MAIN STAKEHOLDERS

Eletrobras Eletronorte maintains various relationships with its stakeholders. Some of them meet specific needs, whereas others of a more general character aim to encourage dialogue among all the parties.

### RELATIONSHIP WITH THE MINISTRY OF MINES AND ENERGY (MME) – PARTICIPATION IN GOVERNMENT PROGRAMS

The Ministry of Mines and Energy (MME) is the agency in charge of formulating, planning, and implementing the Federal Government's efforts in the area of national energy policy. Eletrobras Eletronorte's relationship with the MME is through participation in government programs in the area of electrical energy, among which the following are noteworthy:

- **The Growth Acceleration Program (PAC)**, launched in 2007 by the Federal Government, in which Eletrobras Eletronorte is a strong driving force in the implementation of generation and transmission ventures;
- **The National Electricity Conservation Program (Procel)**, managed by Eletrobras, using resources from Eletrobras, Eletrobras Eletronorte, the Global Reversal Reserve (RGR) and international entities with the goal of promoting rational energy consumption in order to combat waste and reduce the sector's costs, thus increasing efficiency;
- **The National Program for Universal Access and Use of Electricity (Light for All)**, instituted by Decree n. 4.873 on November 11, 2003, and modified by Decree n. 6.442 on April 25,

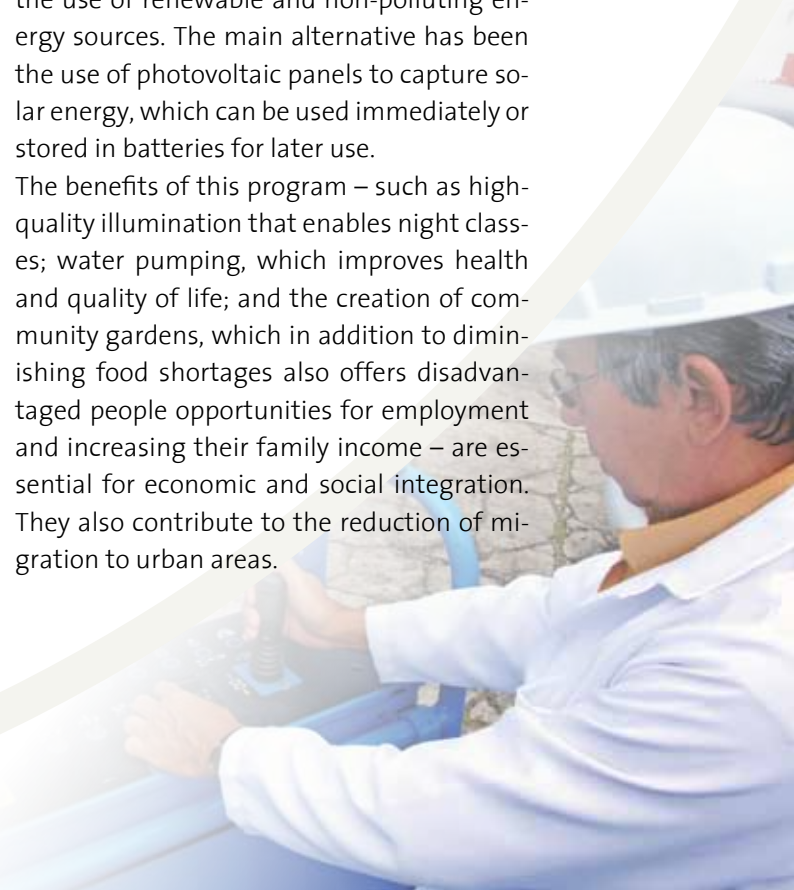
2008, whose objective is to take electricity to rural populations in places with low Human Development Indexes (IDH) by 2010 – thus facilitating access to health care, education, water supply and sanitation services; Light For All is coordinated by the MME and implemented by Eletrobras through its controlled companies in partnership with state governments, energy providers, and rural energy cooperatives.

Eletrobras Eletronorte coordinates this program in the Northern Region and in the states of Mato Grosso and Tocantins. Its success can be measured by the rapid growth of demand due to the settlement of holdings, return of families to the field, and facilities for agropastoral production.

Eletrobras Eletronorte develops integrated efforts alongside Light For All – such as production inclusion activities in partnership with social programs, with the goal of helping families optimize their use of electricity.

- **The State and City Energy Development Program (Prodeem)**, created in 1994 by the MME, aims to help people who cannot access the conventional electrical network through the use of renewable and non-polluting energy sources. The main alternative has been the use of photovoltaic panels to capture solar energy, which can be used immediately or stored in batteries for later use.

The benefits of this program – such as high-quality illumination that enables night classes; water pumping, which improves health and quality of life; and the creation of community gardens, which in addition to diminishing food shortages also offers disadvantaged people opportunities for employment and increasing their family income – are essential for economic and social integration. They also contribute to the reduction of migration to urban areas.





## RELATIONSHIP WITH ELETROBRAS

The relationship of Eletrobras Eletronorte with its parent company was enhanced with the launch of the Eletrobras System Transformation Plan, whose implementation began in 2008. The plan is structured around four operational vectors – Corporate Governance, Reorientation of Distribution Operations, Eletrobras Institutional Reformulation, and Reorganization of the Corporate Management Model. It is coordinated by the Eletrobras Management Transformation Committee (CGTE), which has formed various working groups made up of professionals from Eletrobras and the System companies. Eletrobras Eletronorte participates in the Council of Eletrobras System Company Presidents (Consize), which brings together the presidents of all the companies in the group to formulate and implement business strategies of common interest.

In addition, Eletrobras Eletronorte participates in various Eletrobras System institutional committees, among which the following are notable:

- **The Strategic Planning Committee (Copese)**, which aims to provide subsidies to improve the relationship between the parent company and the controlled companies, through macro-guidelines that permeate the strategic planning of each company, accounting for their respective specifics;
- **The Committee for Operation, Planning, Engineering, and Environmental Matters (Copem)**, which develops strategic actions and guidelines, aiming for the companies' coordinated and harmonious performance in order to increase efficiency and coverage in the national power sector. In 2010, in addition to participating through permanent representatives, Eletrobras Eletronorte contributed the work of its technical team to market planning and electricity supply studies in the

subcommittees of energy, transmission and environmental studies;

- **The Committee for Corporate Integration of Research and Technological Development (Cicop)**, which coordinates and stimulates research, encouraging technological innovation and obtaining intellectual property records (patents, brands/trademarks, and computational programs), sharing the system companies' technology in partnerships with universities, industrial and research centers;
- **The Sustainability Committee**, which aims to make the controlled companies' efforts sustainable, using the annual surveys of the Dow Jones Sustainability Indexes (DJSI) and the Corporate Sustainability Index of the São Paulo Stock Exchange (ISE Bovespa) as management tools.

## RELATIONSHIP WITH THE ENERGY RESEARCH COMPANY (EPE)

Eletrobras Eletronorte actively participates in technical planning activities of the electroenergetic sector, sharing data and relevant information and participating in the analysis of data and documents. The Company holds a seat in the following working groups: market, transmission expansion, and environmental issues. In 2009, it participated in various study groups, among them the group for the production of the 2010-2019 Ten-Year Transmission Plan.

## RELATIONSHIP WITH THE CHAMBER OF ELECTRIC POWER COMMERCIALIZATION CHAMBER (CCEE)

Eletrobras Eletronorte is a CCEE associate, with mandatory and voluntary participation under the Electrical Energy Commercialization Convention. The CCEE enables the purchase and sale of

electrical energy, registering and managing contracts signed between generators, traders, distributors, and consumers. Eletrobras Eletronorte participates in the “Generation” category in proportion to the volume of energy traded, which is calculated based on the results achieved in the previous 12 (twelve) months.

## RELATIONSHIP WITH THE NATIONAL SYSTEM OPERATOR (ONS)

The National System Operator is a private civil non-profit organization. It was created on August 26, 1998 by Law n. 9.648/98, with alterations introduced by Law n. 10.848/04 and regulated by Decree n. 5.081/04. The ONS is responsible for coordinating and controlling the operation of the electricity-generating and transmitting installations in the National Interconnected System (SIN), under the supervision and regulation of the National Electric Energy Agency (ANEEL). The ONS is composed of associated members and participating members. Eletrobras Eletronorte is one of the permanent members of the ONS’ Administrative Council.

Noteworthy activities in 2010 include studies to define the system’s operating philosophy, efforts aiming to increase the electrical system’s reliability and improve its performance, and production of the Expansions and Reinforcements Plan (PAR) for the 2010-2012 period. Eletrobras Eletronorte also participated in the groups for Equipment Improvement, SIN Reliability, and Regional Connections Analysis under the Transmission Services Administrative Board.

## RELATIONSHIP WITH THE NATIONAL ELECTRIC ENERGY AGENCY (ANEEL)

ANEEL is an authority linked to the MME, with the purpose of regulating the supervision of production, transmission, distribution, and trade

of electrical energy, while following the policies and guidelines of the Federal Government.

Eletrobras Eletronorte’s efforts that involve the Regulatory Agency are in the areas of generation and transmission. Mention should be made of the authorization of projects, extension of time limits for energizing, communication of energizing / conclusion of ventures, lending of information about the implementation of reinforcements and equipment improvements as well as about the R&D Program in its various cycles. The Company participates in and monitors the supervision processes of its operating installations, the requests for approval and review of income, and the approval of contracts for energy purchase and sale.

## CHANNELS FOR COMMUNICATION WITH THE STAKEHOLDERS

The Company uses internal releases, announcement boards, e-mail, meetings, and various other routine activities for administrative communication among areas, managers, teams, and personnel.

Eletrobras Eletronorte utilizes the following methods in both internal and external relationships:

- **New Era Journal:** Biweekly publication published in headquarters and the regional units. Distributed to all the Company’s collaborators in print and electronic form,<sup>1</sup> with the goal of sharing the information of greatest interest to the internal public.
- **Continuous Current Magazine:** Bimonthly publication with a circulation of ten thousand, in which major reports are published about generation, transmission, technology, environmental matters, and social re-

<sup>1</sup> Available at [www.eletronorte.gov.br/opencms/opencms/modulos/home\\_NovoTempo.html](http://www.eletronorte.gov.br/opencms/opencms/modulos/home_NovoTempo.html)

sponsibility, with an emphasis on publicizing the Company's activities, projects, and ventures. It is a publication geared towards the external public, but also reaches the entire workforce.<sup>2</sup>

- **Public Relations:** Relationship with the press in order to ensure space for news items of interest about the Company and strengthen the company's brand name and image in national and regional news. Part of this activity is the "Clipping" and the "Analytical Report of the Clipping," in which all the news clips in the media about the Company and its operations are selected and analyzed.
- **General Ombudsman:** This is a channel of social interaction provided to both the internal and external public, offering the opportunity to send suggestions, praise, and complaints about matters such as contracts, employees, hiring processes, environmental matters, social responsibility, ethics, moral or sexual harassment, discrimination based on gender, race, religion, and other topics, with the aim of ensuring equality among citizens.
- **Open Channel:** Exclusive channel for transmitting information about union negotiations.
- **Campaigns and internal communication efforts:** Organization, planning, and implementation of campaigns and events for the internal public, with the production of printed, electronic, and audiovisual publicity pieces.
- **Intranet:** Network of information with access restricted to members, enabling quick and easy access to company content. It is also used as an internal marketing tool to disseminate information about the Company's projects, results, and internal management activities.<sup>3</sup>

- **Internet:** The Eletrobras Eletronorte website offers information and various services to the public. It shows the Company in various levels of performance, provides a channel for the press, offers special services to specific audiences, publishes news about the Company and the electric sector as well as current information about generation, transmission, technology, environmental matters, and social responsibility.

- **Videoconference:** Interactive real-time communication system between two or more geographically separate locations. It is composed of 38 rooms in Acre, Amapá, Distrito Federal, Maranhão, Pará, São Paulo, Mato Grosso, Rondônia, Roraima and Tocantins.

- **Institutional publicity:** Development of advertising campaigns to publicize company and government performance to population segments of institutional interest.

- **Legal publicity:** Legal publications in the Official Federal Gazette and in widely-circulated newspapers.

- **Corporate Videos:** With the goal of preserving institutional memory and publicizing its corporate image, Eletrobras Eletronorte has produced programs and has an archive of institutional videos, with records of its activities since its creation in the areas of generation, transmission, environmental matters, and social responsibility.

The dissemination of clear and reliable information is fundamental for an organization to function well. This is why Eletrobras Eletronorte aims to convey solid and reliable information, thus increasing the involvement level of its members with management and improving the visibility of its activities to the external public.

The Company has various communications channels that encourage frank dialogue and clear understanding with the stakeholders.

<sup>2</sup> Available at [www.eletronorte.gov.br/opencms/opencms/modulos/home\\_CorrenteContinua.html](http://www.eletronorte.gov.br/opencms/opencms/modulos/home_CorrenteContinua.html).

<sup>3</sup> <http://www.eletronorte.gov.br>

The marketing communications follow the guidelines of the Integrated Communication Policy, in line with the Unified Code of Ethics of the Eletrobras Companies, respecting the current legislation according to the provisions of the Secretariat of Social Communication of the Presidency of the Republic (Secom).

In 2010, there were no records of cases of non-compliance with regulations or voluntary codes regarding marketing communications, including publicity, advertising and sponsorship.

## MANAGEMENT OF OPERATIONAL PERFORMANCE AND PRODUCTIVITY

### MANAGEMENT OF GENERATION AND TRANSMISSION OPERATION AND MAINTENANCE

#### Generation

The increase in productivity resulting from more efficient processes enabled the Eletrobras Eletronorte plants to improve their performance. A few examples:

##### - Isolated Systems

- With the Soenergy contract, an emergency 45 MW was allocated to the Amapá System (rental of generator units), which became the critical factor to this isolated system's success in the second semester of the year, with reduced risk of interruptions in the current.
- Revitalization of UTE Electron and making the plant's "A" block available to Eletrobras Distribuidora Amazonas, thus contributing decisively to reducing the risk of supply deficit in the Manaus System.

##### • Regulatory Agencies (ONS and ANEEL)

- Updating the Protection, Control, and Supervision System (SPCS) technology of the Curuá-Una Hydroelectric Plant (modernization project), enhancing its reliability in order to contribute to the National Interconnected Network (SIN).
- Implementation of ANEEL's preventative supervisory process in generation facilities, enabling more interaction between Eletrobras and the Agency during the supervision and testing of the plants' generator units, in addition to the adoption of preventative measures.

##### • TPM certification in the generation units

- As a strategy for accelerating the project to implement and strengthen Total Productive Maintenance (TPM) methodology in all its operational facilities, Eletrobras Eletronorte, together with the Japan Institute of Plant Maintenance (JIPM), certified five of its plants in different stages of the methodology's development.
- Production of educational material and training in various Regional Centers.

## POWER FOR QUALITY PRODUCTION

**In 2010, generation of electricity represented about 80% of Eletrobras Eletronorte's total revenue.**



- **Innovation**

- Use of 3D technology and virtual reality in the modernization of operation and maintenance procedures and technical standards for generation installations. Development of virtual Technical Maintenance Instructions (ITM) for the Tucuruí Hydroelectric Plant and subsequent replication for the other plants.

- **Consultancy for Generator Operation and Maintenance Engineering**

- Specialized technical support and technical diagnostics in plants of partnering companies, SPEs, providing expert advice about operation and maintenance engineering in thermal and hydraulic generator units.

## **Transmission**

Eletrobras Eletronorte's transmission system, because of its specific characteristics, requires special procedures and processes for the maintenance and operation of its installations.

To this end, in line with company guidelines, continuous actions for improvement are implemented in the macro process Operate and Maintain, focusing on innovative logistical solutions that will be reflected in the facilities' operational performance.

As in the generating business, Eletrobras Eletronorte also adopts TPM methodology in transmission, aiming to identify and eliminate waste in operational processes and maximize the availability of its assets.

As indicated by TPM, transmission uses Reliability-Centered Maintenance (RCM) methodology as a tool for analyzing the reliability of the installations. It is used to determine what must be done to ensure that every physical asset fulfills its function in the operational context.

The PM Module of the SAP R/3 platform is used as an information management system for operation and maintenance. In it, the management of operation and maintenance is integrated with the management of supply, materials, and finances, thus enabling total integration of operation and maintenance among all the Company's areas.

One notable accomplishment among 2010's transmission operation and maintenance activities was the connection of the Acre-Rondônia system with the SIN.

Within the first year of connected operation, the teams and facilities in Acre and Rondônia have reached the standard of regularity and reliability required by the SIN. This resulted from changes in procedures, training, and installations.



## OPERATIONAL PERFORMANCE MANAGEMENT

### Transmission – Indicators of the Interconnected System

#### Variable Portion of Unavailability (Pvi)

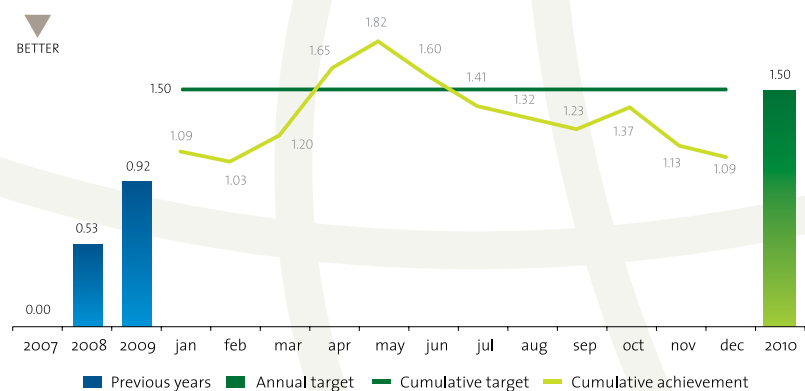
The indicator Variable Portion of Unavailability (PVI) gauges the variable portion to be discounted from the revenue due to the unavailability of the transmission assets. The result achieved in 2010 was 27.33% better than the target established in the Company Performance Targets Agreement (CMDE) signed with Eletrobras.

The good performance of this indicator and others was due to management, engineering, and operation and maintenance activities, particularly the following:

- Planning and scheduling of services; methodology improvements in the programs responsible for the installation and basic maintenance of the equipment; and executive planning of major maintenance.
- Interaction of the areas of maintenance engineering and transmission operation engineering in receiving projects, planning and scheduling commissions, and delivering projects for operation.
- Systematic efforts to raise awareness about the prevention of failures in the performance of services.

#### Management of Operational Performance

##### Results of the Electricity Transmission Business



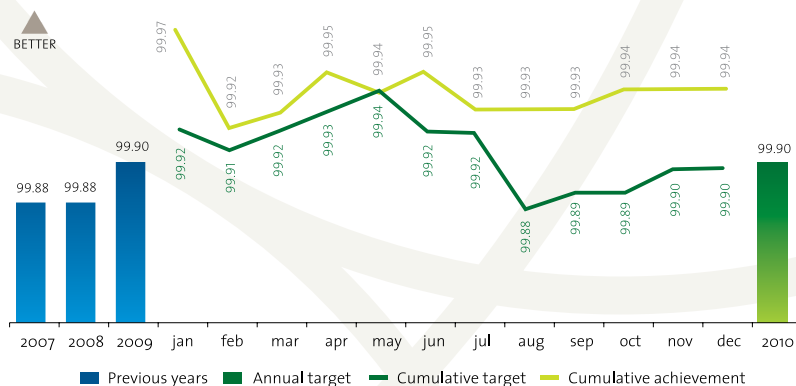
### Line Availability (Disp-L) – Interconnected System

The Line Availability (DISP-L) indicator represents the availability of transmission lines associated with the National Interconnected System (SIN).

This indicator showed satisfactory performance in relation to the established annual target, demonstrating the effectiveness of the Company's maintenance and operation efforts.

#### Line Availability (DISP-L)

Interconnected System

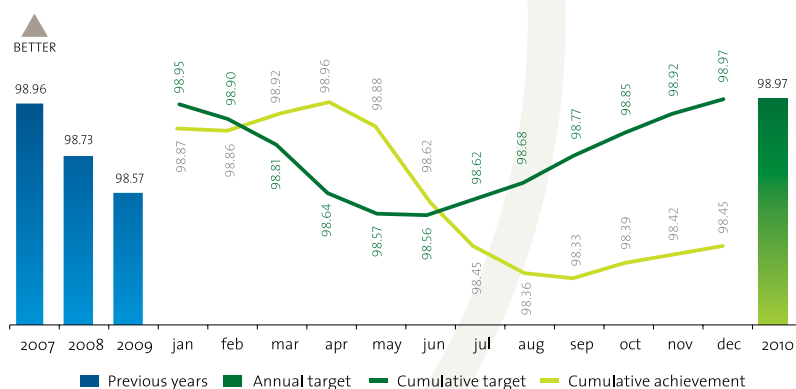


### Equipment Availability (Disp-E) – Interconnected System

The Equipment Availability indicator (DISP-E) shows the operational availability of the equipment associated with the National Interconnected System (SIN). This indicator fell slightly short of the established annual target, reaching 99.47% of the target proposed for 2010.

#### Equipment Availability (DISP-E)

Interconnected System



This result was mainly due to shutdowns caused by deficiencies in the control systems and capacitive cells in the capacitor banks.

As a corrective measure, in addition to adopting TPM methodology and Reliability-Centered Maintenance (RCM), the Company is also implementing a general recuperation of the families of power equipment and replacement of the assets that are at the end of their useful life, aiming to reestablish the basic conditions for proper function.

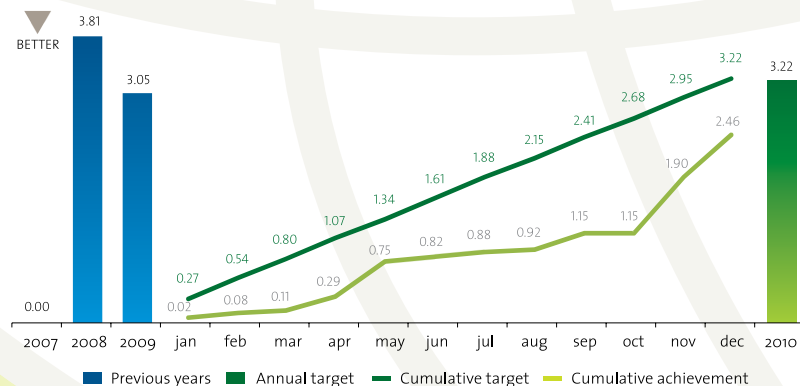
## Transmission – Indicators of the Isolated Systems

### Equivalent Duration of Interruption (Dreq) – Isolated Systems

The Equivalent Duration of Interruption indicator (DREQ) shows the interval of time in hours that the distributors of the isolated systems of Amapá and Roraima were without the supply of electrical energy (including both planned and unplanned outages). In 2010, the performance of this indicator showed satisfactory results in relation to the previous years, achieving the established target. The effectiveness of the Company's actions was mainly due to the implementation of improvements in the management of the following processes:

- Operation and Maintenance Engineering – focusing on TPM methodology, emphasizing procedures related to the transmission assets' availability. The revisions in the Automatic Maintenance Programs (PMAs) and the Planned Maintenance Programs (PMPs) are worth noting.
- Intervention Management – with a focus on planning the service to be performed.
- Performance analysis with establishment of preventative actions and a focus on continuous improvement of the transmission equipment's performance.
- Specific training according to the gaps identified, mainly in the performance of commissions, an opportunity in which the workers acquire the ability to operate and maintain new equipment.

### Equivalent Duration of Interruption (DREQ) Isolated Systems

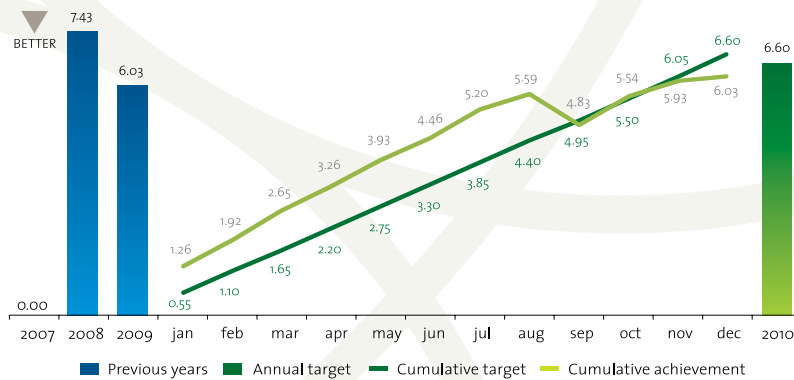


### Equivalent Frequency of Interruption (Freq) – Isolated Systems

The Equivalent Frequency of Interruption indicator (FREQ) communicates the average number of interruptions equivalent to the maximum capacity of the system that the dealerships of the Isolated Systems in Amapá and Roraima registered during the determined period.

This indicator's performance in 2010 was satisfactory in relation to the previous years, and achieved the established target. The results reflect improvements in the management of processes related to the DREQ indicator.

#### Equivalent Frequency of Interruption (FREQ) Isolated Systems

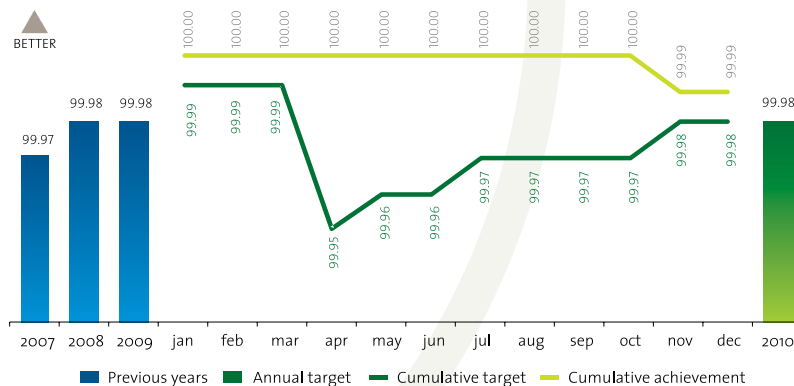


### Line Availability (Disp-L) – Isolated Systems

The Line Availability indicator (DISP-L) represents the availability of transmission lines associated with the Isolated Systems of Amapá and Roraima.

In 2010, the DISP-L reached the established target, also as a result of improvements in the management of the processes related to the DREQ indicator.

#### Line Availability (DISP-L) Isolated Systems





### Equipment Availability (Disp-E) – Isolated Systems

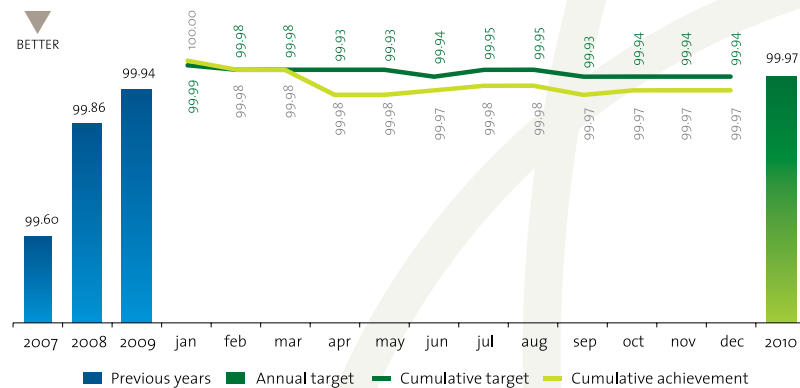
The Equipment Availability Indicator (DISP-E) represents the operational availability of the equipment associated with the isolated systems of Amapá and Roraima.

This indicator underperformed the established annual target, achieving 99.97% of the proposed target. This result was mainly due to shutdowns caused by deficiencies in the control systems and capacitive cells in the capacitor banks.

To improve performance, the same corrective measures as for the DISP-E indicator of the Interconnected System are being taken.

### Equipment Availability (DISP-E)

#### Isolated Systems



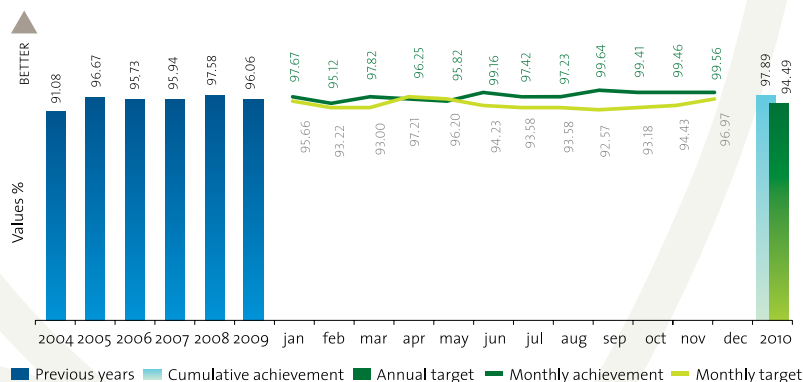
## RESULTS OF THE ELECTRICITY GENERATION BUSINESS

### Generation Availability (DISPG)

The DISPG expresses as a percentage the time in which the generator units are fit to generate energy in a given period (ex: month, year).

In 2010, the availability of Eletrobras Eletronorte's generation - considering the sum of the isolated systems and the interconnected systems - showed good results thanks to the performance of the interconnected system as well as good management of the isolated systems' installations.

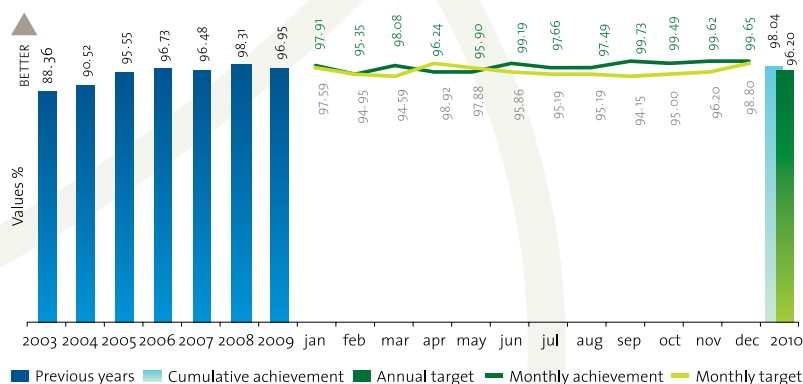
## Generation Availability



### Generation Availability (Disp) – Interconnected System

The target for 2010 was 96.20%, because the maintenance plans of the ELN plants foresaw, in addition to the typical annual stops, additional stops in order to carry out maintenance carried over from 2009 as well as stops for the implementation of improvements in the systems of supervision and control of the generator units.

### Generation Availability of the Interconnected System

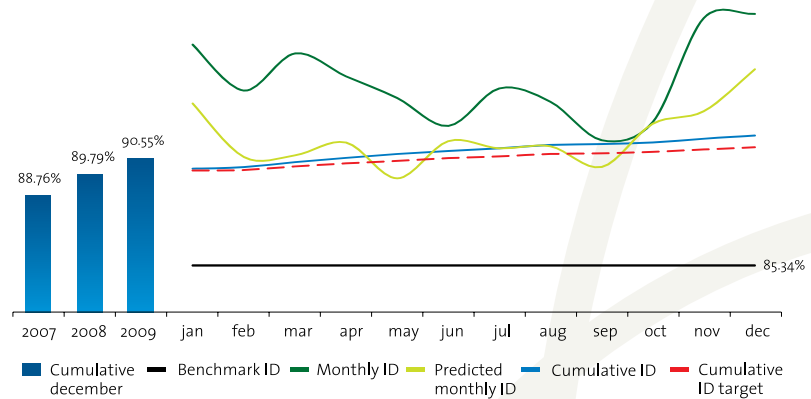


### Availability Index (ID) – Tucuruí Hydroelectric Plant

The planning of the scheduled interventions for the Tucuruí Hydroelectric Plant in 2010 was a joint effort by the Superintendency of Generation Operation and Maintenance Engineering (COG) and by the Superintendency of Hydraulic Productions (CPH), observing, among other things, the data from the sliding scale of 60 months at the plant.

This work resulted in the accumulated ID (60 months) of 92.63%, which surpasses Eletrobras Eletronorte's goal of 92.00% as well as the ANEEL benchmark of 85.34%, with an upward trend.

#### Availability Index (ID) – Tucuruí Hydroelectric Plant



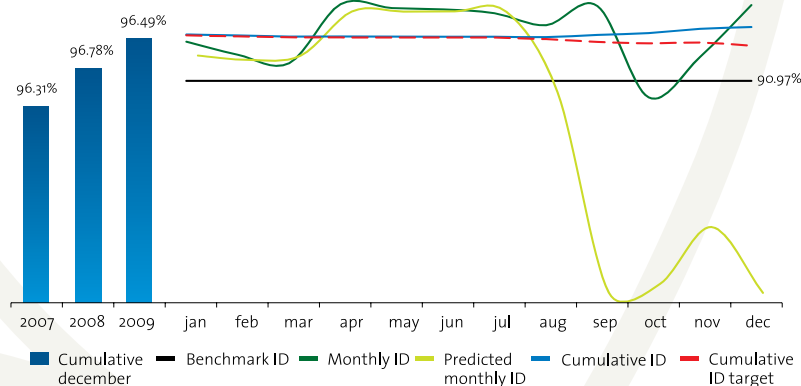
#### Values in %

	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
Monthly ID	97.91	95.23	97.40	96.07	94.79	93.16	95.36	94.58	92.33	93.39	99.46	99.71
Predicted monthly ID	94.51	91.42	91.52	92.26	90.20	92.34	91.92	92.04	90.85	93.34	94.07	96.48
Cumulative ID	90.68	90.77	91.07	91.32	91.55	91.72	91.88	92.08	92.13	92.22	92.45	92.63
Cumulative ID target	90.62	90.65	90.86	91.05	91.20	91.36	91.46	91.61	91.64	91.73	91.87	92.00

#### Availability Index (ID) - Curuá-Una Hydroelectric Plant

The planning of the scheduled interventions in 2010 for the Curuá-Una Hydroelectric Plant was also a joint effort by the COG and CPH, observing the data of the sliding scale of 60 months at the plant. This work resulted in a cumulative ID (60 months) of 97.21%, above Eletrobras Eletronorte's target of 95.22% and the ANEEL benchmark of 90.97%, with an upward trend.

## Availability Index (ID) – Curuá-Una Hydroelectric Plant



### Values in %

	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
Monthly ID	95.58	94.08	93.11	99.94	99.48	99.32	98.88	97.49	99.72	89.16	93.82	99.83
Predicted monthly ID	93.92	93.41	93.92	99.11	99.09	99.11	99.09	89.62	66.07	67.13	73.78	66.06
Cumulative ID	96.44	96.34	96.22	96.23	96.22	96.20	96.20	96.16	96.39	96.58	97.03	97.21
Cumulative ID target	96.41	96.30	96.20	96.19	96.17	96.16	96.16	95.99	95.66	95.48	95.60	95.22

## Theoretical and Practical Efficiency of the Thermoelectric Plants

Thermoelectric Plant	Fuel	Installed Capacity	Energy Generated (MWh)			Efficiency (%)	
			2009	2010		Theoretical	Practical
Rio Madeira	Diesel Oil	119 MW	o	o	o	37	34
Santana - LM	Diesel Oil	64,5 MW	43,773	120,522	66,880	37	34
Santana - W	Diesel Oil	62,4 MW	174,515	276,625	276,669	35	33
Santana - expansão	Diesel Oil	45,0 MW	227,746	181,087	320,657	33	31
Rio Branco I	Diesel Oil	18,6 MW	o	o	o	33	27
Rio Branco II	Diesel Oil	31,8 MW	o	o	o	33	27
Rio Acre	Diesel Oil	45,5 MW	9,735	3,916	13,529	37	34
Floresta	Diesel Oil	62,0 MW	o	o	o	35	33

Note: The efficiency is the same in the last three years.

# ECONOMIC-FINANCIAL DIMENSION





ECONOMIC-FINANCIAL PERFORMANCE

OTHER ECONOMIC-FINANCIAL INDICATORS



## ECONOMIC-FINANCIAL PERFORMANCE

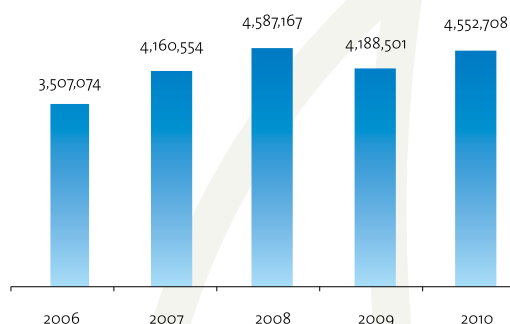
In 2010, Eletrobras Eletronorte had a net profit of R\$ 139,764 thousand, a fact to be celebrated, as it is the second consecutive year with a positive financial outcome. Thanks to this, distributions to shareholders amounted to R\$ 133 thousand.

In the same fiscal year, the Company paid R\$ 1,423,542 thousand to the Government in the form of taxes and contributions.

In addition to this, payments to providers totaled R\$ 1,180,749 thousand, particularly in charges for the use of the transmission system (R\$ 535,642 thousand) and electricity purchased for resale (R\$ 57,745 thousand).

### GROSS SALES

In 2010, driven by the increase in electrical energy sales to industrial customers, the gross sales showed 8.46% growth compared to 2009.



In Thousands of Reals

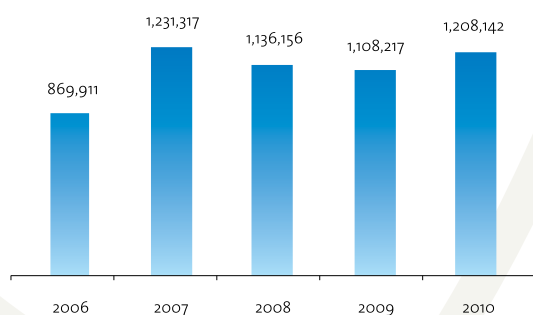
	2006	2007	2008	2009	2010
Sale of energy and services	2,901,501	3,537,466	3,883,459	3,420,964	3,669,574
Making the transmission system available	605,573	623,088	703,708	767,537	883,134
<b>Total</b>	<b>3,507,074</b>	<b>4,160,554</b>	<b>4,587,167</b>	<b>4,188,501</b>	<b>4,552,708</b>

### POWER FOR FINANCIAL SUSTAINABILITY

Eletrobras Eletronorte closed the 2010 fiscal year with total assets of R\$ 19,210,110 thousand, a net worth of R\$ 10,316,815 thousand, and gross sales of R\$ 4,552,708 thousand, numbers that place it on the level of the largest Brazilian companies.

## OPERATING CASH FLOW - LAJIDA (EBITDA)

Eletrobras Eletronorte's internal cash flow showed growth of 9.02% in 2010 compared to the previous fiscal year.



In Thousands of Reais

	2006	2007	2008	2009	2010
Gross Income	3,507,074	4,160,554	4,587,167	4,188,501	4,552,708
(-) Taxes and Contributions on Income	(671,703)	(693,244)	(772,307)	(745,823)	(870,242)
(=) Net Income	2,835,371	3,467,310	3,814,860	3,442,678	3,682,466
(-) Expenses Payable	(1,965,460)	(2,235,993)	(2,678,704)	(2,334,461)	(2,474,324)
LAJIDA (EBITDA)	869,911	1,231,317	1,136,156	1,108,217	1,208,142

## FINANCIAL OUTCOME

Because of Eletrobras Eletronorte's large debt, the financial outcome was always very susceptible to currency fluctuations affecting the loan agreements and financing, consequently affecting the final results.



In Thousands of Reais

	2006	2007	2008	2009	2010
Financial income	299,994	265,722	265,085	946,211	644,839
Financial expenses	(723,591)	(902,359)	(1,773,049)	(980,571)	(507,339)
Financial result	(423,597)	(636,637)	(1,507,964)	(34,360)	137,500



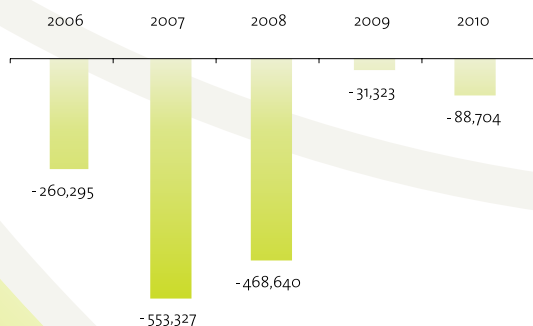
The renegotiation of the debt, which was converted into AFAC (effective at the end of 2009) eliminated this significant structural problem.

Since 2009, the financial outcome has benefited from the registry of the returns of the financial assets, as set by the new accounting practices in effect.

## EQUITY INCOME

The equity income had been unfavorably impacting Eletrobras Eletronorte's results in the last fiscal years. With the transference of the controlling stake from the former subsidiary Manaus Energia S.A. (now Amazonas Distribuidora de Energia S.A.) to Eletrobras, the situation improved considerably.

The transfer of controlling stake from the subsidiary Boa Vista Energia S.A. to Eletrobras is in an early stage and should have an outcome in the course of the 2011 fiscal year. This generated a loss of R\$ 115,348 thousand for Eletrobras Eletronorte in 2010, which was absorbed by the result of the equity.



## FINAL OUTCOME OF THE FISCAL YEAR

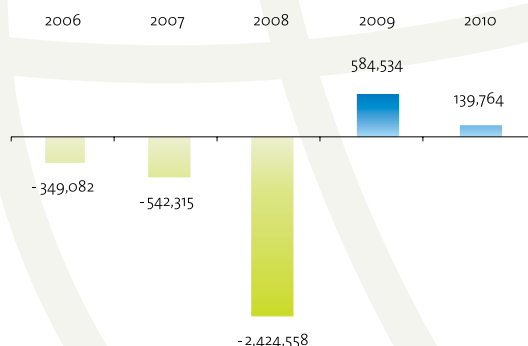
Eletrobras Eletronorte closed the 2010 fiscal year with a net profit of R\$ 139,764 thousand. It is fitting to note that the full adoption of international accounting practices – the International Financial Reporting Standard (IFRS) - beginning in this fiscal year, as determined by Law 11.638/2007, did not cause a significant repercussion in this result.

Strictly speaking, three factors contributed overwhelmingly to the outcome of this fiscal year:

- Incorporation into the capital of a large portion of the Eletrobras debt, with the corresponding reduction of financial charges.
- Interconnection of the Acre-Rondonia system, thus avoiding the costs of thermal generation.
- Advent of the Regulatory Framework of the Isolated Systems, established by Law 12.111/2009, which minimized the production costs of electricity in Amapá.

These events eliminated some significant structural problems that Eletrobras Eletronorte had been facing, leaving the certainty that from now on the outcome would be consistently positive.

The 2010 outcome was also negatively impacted in the amount of R\$ 115,368 thousand, due to the equity of Boa Vista Energia S.A.



In the 2009 fiscal year, the Company had a net profit of R\$ 584,534 thousand, which cannot be compared with this fiscal year because of the following events:

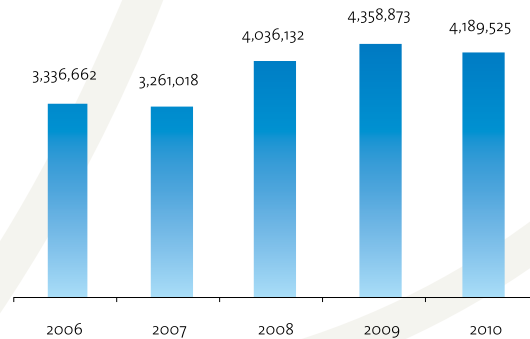
- Reversal of the impairment linked to the Samuel Hydroelectric Plant, with a resulting positive reflection of R\$ 598,269 thousand.
- Positive adjustment in the amount of R\$ 284,450 thousand due to the new accounting practices (IFRS).

### Financial Losses and Negative Base of Social Contributions on the Net Profit

Eletrobras Eletronorte had been accumulating major tax credits without the possibility of compensation, given its history of calculating losses.

With the adoption of the aforementioned measures, the Company began to recuperate these credits beginning in the 2010 fiscal year. It is worth noting that Eletrobras Eletronorte does not receive any significant financial help from the Government.

(GRI, EC4)





(GRI, EC1) **Value Added Statements for the Years Ended**

	note	Parent Company		Consolidated	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
GENERATION OF VALUE ADDED					
Income from sale of energy and services	39/43	4,321,396	4,138,522	5,249,771	4,256,587
Provision for possible loan losses	41/42	(301,495)	(286,938)	(324,254)	(290,328)
		4,019,901	3,851,584	4,925,517	3,966,259
SUPPLIES ACQUIRED FROM THIRD PARTIES					
Construction expenses		(265,789)	(351,895)	(1,048,628)	(352,341)
Electrical energy purchased for resale	41	(57,745)	(239,978)	(57,745)	(239,978)
Charges for use of the transmission system	41	(535,642)	(520,282)	(535,642)	(520,282)
Material		(72,027)	(86,978)	(77,656)	(87,217)
Third-party services		(156,938)	(153,137)	(159,316)	(154,690)
Fuel for electrical energy production		-	(69,318)	(21,735)	(69,318)
Insurance		(16,112)	(21,946)	(16,273)	(22,105)
Other supplies		(76,496)	521,456	(166,611)	542,000
		(1,180,749)	(922,078)	(2,083,606)	(903,931)
GROSS VALUE ADDED		2,839,152	2,929,506	2,841,911	3,062,328
RETENTIONS					
Depreciation and amortization		(424,815)	(419,837)	(431,231)	(426,569)
Provisions and reversals	41/42	(43,484)	149,767	(79,666)	140,401
		(468,299)	(270,070)	(510,897)	(286,168)
NET VALUE ADDED		2,370,853	2,659,436	2,331,014	2,776,160
VALUE ADDED RECEIVED IN TRANSFER					
Results of equity investments	20	(88,704)	(31,323)	9,769	(50,666)
Financial Income	44	644,839	946,211	750,231	1,004,492
		556,135	914,888	760,000	953,826
VALUE ADDED FOR DISTRIBUTION		2,926,988	3,574,324	3,091,014	3,729,986
DISTRIBUTION OF VALUE ADDED					
Labor compensation		790,768	628,991	843,158	673,304
Profit sharing	29	33,194	72,185	33,194	72,185
Government (taxes and contributions)		1,423,542	1,264,458	1,463,406	1,317,249
Financial charges and currency variation	44	507,339	980,571	640,820	1,009,814
Leasing and rentals		32,381	43,585	32,738	43,782
Adjustments for adoption of new practices		18,095	261,415	18,095	261,415
Shareholder compensation	28	114,681	307,922	28,053	308,897
Retained earnings (legal reserve)	38	6,988	15,197	22,973	33,833
Other		-	-	8,577	9,507
TOTAL		2,926,988	3,574,324	3,091,014	3,729,986

The accompanying notes are an integral part of the financial statements.

Parent Company		
	31/12/2010	31/12/2009
<b>OPERATING INCOME</b>		
<b>GENERATION / COMMERCIALIZATION</b>		
Supply of electrical energy	1,242,769	1,039,001
Procurement of electrical energy	1,782,385	1,836,168
Transactions in the CCEE	146,465	126,372
Energy sold to distributors	94,890	127,452
	<b>3,266,509</b>	<b>3,128,993</b>
<b>TRANSMISSION</b>		
Construction income	265,789	351,895
Operation and maintenance income	384,860	358,811
	<b>650,649</b>	<b>710,706</b>
<b>OTHER OPERATING REVENUES</b>		
Lending of services to dealerships	32,530	26,785
Fuel consumption account - CCC	209,948	137,187
Energy development account - CDE	39,376	33,937
Alternative energy sources incentive program - PROINFA	98,505	81,972
Other lending of services	3,115	9,136
	<b>383,474</b>	<b>289,017</b>
<b>SUBTOTAL</b>	<b>4,300,632</b>	<b>4,128,716</b>
<b>(-) DEDUCTIONS FROM OPERATING INCOME (note 40)</b>	<b>(870,242)</b>	<b>(745,823)</b>
<b>NET OPERATING INCOME</b>	<b>3,430,390</b>	<b>3,382,893</b>

Consolidated		
	31/12/2010	31/12/2009
<b>OPERATING INCOME</b>		
<b>GENERATION / COMMERCIALIZATION</b>		
Supply of electrical energy	1,324,737	1,127,468
Procurement of electrical energy	1,793,053	1,842,558
Transactions in the CCEE	146,465	126,372
Energy sold to distributors	108,553	140,705
	<b>3,372,808</b>	<b>3,237,103</b>
<b>TRANSMISSION</b>		
Construction income	1,090,014	352,341
Operation and maintenance income	391,712	375,058
	<b>1,481,726</b>	<b>727,399</b>
<b>OTHER OPERATING REVENUES</b>		
Lending of services to dealerships	32,721	27,497
Fuel consumption account - CCC	209,948	137,187
Energy development account - CDE	39,376	33,937
Alternative energy sources incentive program - PROINFA	98,505	81,972
Other lending of services	12,516	11,492
	<b>393,066</b>	<b>292,085</b>
<b>SUBTOTAL</b>	<b>5,247,600</b>	<b>4,256,587</b>
<b>(-) DEDUCTIONS FROM OPERATING INCOME (note 40)</b>	<b>(924,715)</b>	<b>(802,056)</b>
<b>NET OPERATING INCOME</b>	<b>4,322,885</b>	<b>3,454,531</b>

	Parent Company	
	31/12/2010	31/12/2009
<b>TAXES AND CONTRIBUTIONS</b>		
Tax on the Circulation of Goods and Services - ICMS	(45,999)	(58,667)
Service Tax - ISS	(1,215)	(1,023)
Social Security Contribution - COFINS	(271,302)	(248,476)
Contribution to the formation of the Civil Servants' Patrimony - PASEP	(58,890)	(53,932)
	<b>(377,406)</b>	<b>(362,098)</b>
<b>REGULATORY CHARGES</b>		
Global Reversion Reserve - RGR	(108,220)	(96,315)
Energy Development Account - CDE	(39,377)	(33,937)
Fuel Consumption Account - CCC	(209,947)	(137,187)
Research and Development - P&D	(36,787)	(34,314)
Incentive Program for Alternative Energy Sources - PROINFA	(98,505)	(81,972)
	<b>(492,836)</b>	<b>(383,725)</b>
<b>TOTAL</b>	<b>(870,242)</b>	<b>(745,823)</b>

## OTHER ECONOMIC AND FINANCIAL INDICATORS

Other Economic and Financial Indicators	2010		2009		2008
	R\$ Thousands	Δ%	R\$ Thousands	Δ%	Value
Gross Operating Income (R\$)	4,300,632	4,16%	4,128,716	-9.89%	4,582,340
Deductions from Income (R\$ Thousands)	-870,242	16,68%	-745,823	-3.43%	-772,307
Net Operating Income (R\$ Thousands)	3,430,390	1,40%	3,382,893	-11.21%	3,810,033
Operating Expenses of the Service (R\$ Thousands)	-3,164,928	-1,89%	-3,106,194	-13.13%	-3,575,588
Service Income (R\$ Thousands)	265,462	-4,06%	276,699	-18.02%	234,445
Financial Income (R\$ Thousands)	137,500	500,17%	-34,360	-97.72%	-1,507,964
IRPJ/ CSSL (R\$ Thousands)	-145,806	-0,11%	-145,964	-	0
Net Profit (R\$ Thousands)	-139,764	-76,09%	-584,534	75.89%	-2,424,558
Proposed / Distributed Dividends (R\$ Thousands)	-114,681	-60,28%	-288,744	-	NA
Operating Expenses per MWh sold (R\$ Thousands)	85	4.93%	81	-11.95%	92
Wealth (net value added) per Employee (R\$ Thousands)	615	-14.34%	718	101.12%	357
EBITDA or LAJIDA (R\$ Thousands)	1,208,142	9,01%	1,108,217	-2.04%	1,131,329
EBITDA or LAJIDA Margin (%)	32.81%	1.92%	32.19%	8.42%	29.69%
<b>STRUCTURE OF THE CAPITAL</b>					
Fixed capital (%)	57%	0	57%	72.72%	32.96%
Costly third-party capital (%) (loans and financing)	23.5%	0	23.5%	-50.11%	47.14%





# DEPARTAMENTAL AND SOCIAL DIMENSION





PERSONNEL MANAGEMENT IN ELETROBRAS ELETRONORTE

INTERNAL SOCIAL INDICATORS

RELATIONSHIPS WITH PROVIDERS

ELETROBRAS ELETRONORTE'S CLIENTS

SOCIO-ENVIRONMENTAL ACTION IN NEIGHBORING COMMUNITIES

ENERGY PROGRAMS



## PERSONNEL MANAGEMENT IN ELETROBRAS ELETRONORTE

The Eletrobras System has oriented its companies to promote policies and actions for the appreciation of staff in all aspects. In addition, the companies must support community projects in education and professional training, creation of employment and income, health care, social inclusion, and local development. Special attention should be given to serving the local populations in areas around the installations.

### INTERNAL WORK FORCE

The employee turnover level fell from 3.85% in December 2008 to 0.95% in December 2010.

The percentage of employees on Eletrobras Eletronorte's internal staff with up to five years on the job increased from 36.23% in 2009 to 38.91% in 2010, due to the staff rearrangement that began in September 2004 and extended to 2010. This increase was also affected by the readmission of 182 employees thanks to the amnesty program offered by the Federal Government through the Special Interministerial Commission.

### PEOPLE WHO WORK WITH ENERGY

Knowing that the business' sustainability and success depend on its social commitment to encouraging equity and diversity, Eletrobras Eletronorte aims to create equal opportunities for all.

## Changes in the Internal Social Dimension 2009-2010

Year	2009	2010
Number of employees at the beginning of the fiscal year	3,725	3,701
Number of employees at the end of the fiscal year	3,701	3,850
Number of people with disabilities who work at the Company	183	225
Number of layoffs	57	35
Number of hires	33	184
Number of retirements within the period	2	0
Relationship between the Company's lowest wage and the minimum wage(*)	1.95	4.20 (*)
Portion of employees whose remuneration is based on salaries subject to the minimum wage laws	0	0
Lowest salary in the organization	R\$ 906.75	R\$ 2,141.89 (**)
Average employee salary	R\$ 5,359.07	R\$ 6,213.04
Accident Severity Rate (TGA)	75.83	99.93
Accident Frequency Rate (TFA)	1.09	2.05
Overall Absenteeism Index (IAD)	2.10	2.53

(\*) Minimum wage on December 31, 2010: R\$ 510.00

Minimum wage on December 31, 2009: R\$ 465.00

(\*\*) R\$ 2,141.39 – in accordance with the framework of all the professionals and fundamental level in the PCR, occurring in December 2010 and retroactive to May 1, 2010, by the value of the Minimum Wage in December 2010.

(GRI, EC5)

## Profile of the Internal Workforce in 2010 by Gender and Time of Service

Time of Service	Numbers and Percentages				Total	Percentage in Relation to the Total Number of Employees
	Men	% Men	Women	% Women		
Up to 5 years	1,166	37.74%	333	43.64%	1,499	38.91%
From 6 to 10 years	73	2.36%	1	0.13%	74	1.92%
From 11 to 15 years	63	2.04%	0	0%	63	1.63%
From 16 to 20 years	39	1.26%	1	0.13%	40	1.03%
From 21 to 25 years	851	27.55%	257	33.68%	1,108	28.76%
From 26 to 30 years	466	15.15%	122	15.98%	588	15.31%
Over 30 years	429	13.90%	49	6.44%	478	12.44%

## Profile of the Workforce by Education Level

Level of Education	Number of Men	Percentage of Men	Number of Women	Percentage of Women
Illiterate	0	0	0	0
Literate / Did Not Complete Elementary School	0	0	0	0
Completed Elementary School	324	10.48%	52	6.81%
High School / Technical School	1,415	45.80%	222	29.09%
College	1,119	36.29%	403	52.81%
Post-Graduate*	229	7.43	86	11.29%
<b>Total</b>	<b>3,087</b>	<b>100%</b>	<b>763</b>	<b>100%</b>

(\*) Specialization course, MBA, Master's, Doctorate, and Post-Doctorate

## Workforce Profile by Age, Gender, Region, and Time of Service

Categories	By age / Region	Number of men in 2010	Number of women in 2010	Total in 2010					Full-time (6-8 hr/day)	Part-time (3-4 hr/day)
				Southern Region	Southeast Region	Central-West Region	Northeast Region	Northern Region		
Directors and advisors	18 to 25	0	0	0	0	0	0	0	0	0
	26 to 30	0	0	0	0	0	0	0	0	0
	31 to 40	3	0	0	0	3	0	0	0	0
	41 to 50	9	0	0	0	9	0	0	9	0
	51 to 60	7	0	0	0	7	0	0	7	0
	Over 60	1	0	0	0	1	0	0	1	0
	Total in 2010	20	0	0	0	20	0	0	20	0
Managers (including transfers)	18 to 25	0	0	0	0	0	0	0	0	0
	26 to 30	5	5	0	0	8	0	2	10	0
	31 to 40	5	3	0	0	6	0	2	8	0
	41 to 50	62	12	0	0	37	6	31	74	0
	51 to 60	115	21	0	1	94	4	37	136	0
	Over 60	25	1	0	0	18	0	8	26	0
	Total in 2010	212	42	0	1	163	10	80	254	0
Other employees (including transfers)	18 to 25	79	27	0	0	43	9	54	106	0
	26 to 30	366	101	0	0	252	46	169	467	0
	31 to 40	508	115	0	1	244	46	332	623	0
	41 to 50	791	235	0	2	421	148	455	1,026	0
	51 to 60	967	214	0	2	558	113	508	1,181	0
	Over 60	165	28	0	0	135	3	55	193	0
	Total in 2010	2,876	720	0	5	1,653	365	1,463	3,596	0
Solicited (outside the Eletrobras System)	18 to 25	0	0	0	0	0	0	0	0	0
	26 to 30	0	0	0	0	0	0	0	0	0
	31 to 40	0	0	0	0	0	0	0	0	0
	41 to 50	0	2	0	0	2	0	0	2	0
	51 to 60	2	0	0	0	0	0	2	2	0
	Over 60	1	0	0	0	1	0	0	1	0
	Total in 2010	3	2	0	0	3	0	2	5	0

## INSTRUMENT FOR EVALUATING THE COMPANY'S RELATIONSHIP WITH THE WORKFORCE

Organizational climate research is an instrument that evaluates the collective perception of the employees based on satisfaction levels, motivation, and work relationships. This research was carried out for the first time in Eletrobras Eletronorte in 2010, together with the Eletrobras companies, with the participation of 83.9% of the workforce. The results showed a favorability index of 72.3%, which shows that the employees have a good perception of the work climate.

## UNION RELATIONS

Among the questions on the 2010 organizational climate survey was the question of whether “the existing relationship between the company and the unions promotes workers’ interests.” 65.14% of the responses were positive.

Eletrobras Eletronorte uses May 1 of each year as the base date for the negotiation of its salary policy and readjustments. Union negotiations are done on two levels: on the national level, with the participation of all the Eletrobras companies, and on the specific level, in which it receives the Specific Claims Agenda sent by the 10 unions repre-



senting Eletrobras Eletronorte employees.

Included in the Specific Claims Agenda are benefits and advantage clauses that cover only the employees of Eletrobras Eletronorte. However, negotiation of the Collective Labor Agreement is performed by a Negotiation Commission nominated for this purpose by the management.

Regarding salary readjustments and other economic claims, negotiations are performed by Eletrobras with the CUT and FNU Federations and other unions that represent all Eletrobras System workers, under the National Collective Labor Agreement, which involves all the System companies.

There is no formal commitment to the guarantee of free union association and the right to collective bidding, leaving it to the discretion of the unions to convince employees to join the appropriate union.

Eletrobras Eletronorte follows what is established in the 8th Article of the Federal Constitution, which determines free professional or union association. The Company thus does not oppose the union association of any employee, which is a right of all people.

Regarding the right to hold strikes or lockouts, the Company, in addition to observing what is established in Law 7.783 of June 28, 1989 (The Strike Law), utilizes a Contingency Plan, which contains the roadmap for guaranteeing the continuity of essential services. Whenever necessary, all the managers are alerted to put the Contingency Plan in practice so that the essential services can be maintained.

## Workers' Complaints 2009-2010

	2009	2010
Labor lawsuits filed by laid-off employees in the period	1	0
Amount claimed in legal proceedings (R\$ thousands)	R\$ 194,438,602.66	R\$ 1,930,813.49
Number of labor lawsuits filed against the entity	61	26
Number of labor lawsuits upheld	50	13
Number of labor lawsuits dismissed	11	8
Number of employees linked to the processes	130	43

## Collective Labor Agreement 2010-2011

(GRI, LA9)

Included in the 2010-2011 Collective Labor Agreement are clauses regarding the following areas: the health and safety committee; guidelines regarding discriminatory practices; guarantee of equality of genders, races, and ethnicities; leave of absence for workers who are victims of domestic abuse; maternity and paternity leave, leave for attending to dependants; workplace safety; harassment; and the liberation of the members of the Internal Accident Prevention Commission (Cipa).

## PROMOTION OF DIVERSITY AND EQUAL OPPORTUNITIES

Knowing that the business' success and sustainability depend on its commitment to encouraging equality and diversity, Eletrobras Eletronorte aims to create equal opportunities for all.

The Company has adhered to the Social Recommendations of the United Nations Global Compact and has been committed to valuing diversity through the inclusion of principles of equity, equality and respect for differences in its organizational values and in the Code of Ethics and Conduct.



## PRO-GENDER EQUITY PROGRAM

For the 3rd Edition of the Pro-Gender Equity Program, Eletrobras Eletronorte defined its general objective as incorporating and expanding the roles of gender, race/skin color, and ethnicity in its internal policies through affirmative action that encourages equity and equal conditions between men and women.

Specific medium-term objectives (with a timeframe for accomplishment by December 2010) and long-term objectives (with a timeframe for accomplishment by December 2011) were produced, reflecting significant advances in company processes towards building a culture of gender equity.

Fourteen macro-actions were approved in the area of personnel management, and nine in the area of organizational culture. There are also four initiatives for strengthening gender equity in the workplace: women's week, a 16-day activism campaign to end violence against women, black consciousness day, and meetings of the state public companies and mixed societies.

Some of the actions are permanent in terms of awareness and strengthening gender equity in the workplace.

Regarding management attitudes and behavior, advances were observed mainly in terms of awareness and knowledge about the promotion of gender equity.

In workplace relations, men are more careful in their treatment of women, and also workers with relation to black co-workers.

Due to Eletrobras guidelines about the inclusion of homosexuals in the Health Protection and Recovery Plan (PPRS), a change has been observed in the treatment of this segment and the recognition of their rights.

The following behavioral changes were also observed in the decentralized units:

- In Acre (AC), the Support Services Management, which is led by a woman, took the

initiative to hire female third-party labor in order to carry out surveillance services, reception services, and vehicle maintenance and control services.

- In Tucuruí (PA):
  - A gradual increase in the number of participants in lectures (educational activities) and training sessions related to the program's theme.
  - Hiring of female outsourced labor for surveillance and driver services.
  - An increase in journalistic coverage and production of features in the internal newsletter carried out by the gender subcommittee.
  - Changes in the images on the covers of the TPM, unit management (RG) and journalistic reports - to include women and show greater ethnic/racial diversity.
  - Mobilization and networking of women for the acquisition of women's uniforms (pants and shirts).
  - Participation of the subcommittee as members of the City Council of Women's Rights (Tucuruí - PA).
  - Integration of the pro-equity program's activities with the TPM program in the area of health.
  - Realization of Postural Training with respect to gender (male and female classes).
- In Mato Grosso (MT):
  - Acquisition of fireproof women's clothing.
  - The offering of a Brazilian Sign Language (Libras) course.
  - Construction of women's dressing rooms in the Transmission Division of Cuiabá.

Another action worth highlighting is that in August 2010, Eletrobras Eletronorte joined the Women's Empowerment Principles - UNIFEM, with UN Women, as previously described in this report.

## INTERNSHIP PROGRAM

For the past five years, Eletrobras Eletronorte has been improving its intern selection process and training young people for life and work. This strengthens the company's activities on a local and regional level.

The Company increased the number of opportunities available to high school and college students in the technical, operational, administrative, and business areas, and has been promoting activities that increase the participation in the workforce of groups typically discriminated on the basis of gender, race/skin color, sexual orientation, ethnicity, or disability. Among these activities is the reservation of at least 50% of the openings for people of low income and 10% for people with disabilities, in accordance with law 11.788/08.

In order to guarantee the incorporation of gender and race information, the following guidelines were included in the Corporate Documentary Procedure (PDC):

- Collection of information about race/skin color, gender, and disability from all applicants.
- Use of inclusive language in wording throughout the selection process.
- Insertion of issues related to gender, race/skin color, sexual orientation, domestic violence, and moral and sexual harassment in the content of the general knowledge test during the selection process.

The procedures of the selection process are in a phase of corporate standardization. With these procedures, 2010 showed greater participation of women (54%) as compared to men (46%) in the Student Internship Program.

The Company Internship Training Program, implemented in the 2nd semester of 2004, promotes educational reinforcement for students

at the high school, college, and professional levels, through the practical application of theoretical knowledge acquired in the academic setting, as well as the preparation of interns for the workforce.

Part of this program is the Intern Panel, in which the student presents an applied project at the end of the internship that brings together his/her learning and supplemental education, aiming for improvements or innovations in the process in which he or she worked.

Although Eletrobras Eletronorte aims to encourage greater participation from traditionally discriminated groups, there is still low representation of women and black people in the areas of Engineering and Technology. The participation of mixed-race people, however, is quite significant.

## EDUCATION AND DEVELOPMENT

Eletrobras Eletronorte's education and development area has 18 training programs for the internal staff, among which we highlight:

- **Corporate Practices for Knowledge Management (PCGC)** – Knowledge Management is a set of processes that guide the creation, use, dissemination, and protection of the organization's knowledge, which comes from experience, analysis, research, innovation, and creativity in reaching strategic objectives, in order to guarantee the continuity of business and processes. Among the tools used to work with knowledge in a way that is cohesive and integrated with company processes, Eletrobras Eletronorte adopts corporate practices for knowledge management that aim mainly to promote collective spaces for interaction and knowledge exchange, thus creating a sustainable competitive advantage.
- **Social Responsibility Education Programs (PERS)** – The areas of education and social responsibility are linked in order to serve the

(GRI, EU14)

partnerships and fulfill the commitments made with the executive power. This agreement has the objective of developing activities that enhance public policies encouraged by the Federal Government.

- **Technical-Operational Training Program (PCTO)** – Aims to develop educational activities with specialized training and improvement for technicians of the Organization's finalistic processes: keeping them current, keeping the organization's technological development on pace with that of the Electrical Sector, and training the technicians in identification and knowledge of the technical procedures' purposes for the operation and maintenance of the systems and equipment.
- **Eletronorte Post-Graduate Program (PEPG)** - This is a supplement to college education for employees that have completed higher education. It can be done as a post-graduate program (non-degree programs: advancement, specialization and MBA; degree programs: Master's or Doctorate).
- **Management Training (PAG)** - Has the objective of solidifying the training of Eletrobras Eletronorte's management staff, with a focus on core competencies for the company business.

The Eletronorte Corporate University (Ucel) also promotes various educational activities linked to strategic ventures in order to develop competency, organizational apprenticeship, and knowledge management. Ucel has systematically offered continuous, structured training and qualification programs for the entire workforce, despite budgetary restrictions.

In 2010, Ucel implemented 1,430 internal and external educational activities that contributed to qualifying and upgrading Eletrobras Eletronorte's workforce - employees, service providers, interns and young apprentices. These activities totaled

an average of 69.8 hours of training per employee, amounting to 273,215.37 hours with 19,922 participations of 3,991 professionals. The total value invested was R\$ 6,380,729.91 – corresponding to 0.14% of the Company's gross revenue and averaging R\$ 1,984.61 per employee.

Also in 2010, the Eletrobras System University (Unise) began its activities in conjunction with the companies, helping the Corporate Education Unit provide some joint programs with the goal of a uniform orientation and training throughout the System companies.

The working model of Eletrobras' Corporate Education has as a premise the integrated and co-operative action of the system companies in harmony with the strategic purposes of interaction, competitiveness, and profitability of the holding company.

Unise's fundamental role is that of developing general and leadership competencies, as well as disseminating the values and specific competencies critical to the feasibility of Eletrobras' strategies.

The Corporate Education Units are responsible for developing the competencies specific to their ventures, in accordance with Unise's guidelines.

Seeking to increase the number of educational activities offered (which was reduced due to budget cuts), the number of long-distance courses and courses available through digital TV was increased. In addition, educational activity providers have been contracted and the use of internal instructors has been encouraged.

The positive highlight was the increase in the number of educational activities involving aspects of human rights, directly linked to the commitments made between the Company and the agencies of the executive power. Eletrobras Eletronorte also tries to sensitize the workforce to issues of gender, race, ethnicity, and special needs.

## Average Number of Training Hours Per Year by Job Level

LEVELS	2009		2010	
	Duration of events in hours	% of training hours/ category	Duration of events in hours	% of training hours/category
<b>Managers</b>	<b>32,404</b>	<b>13.30%</b>	<b>22,191</b>	<b>9.45%</b>
<b>Elementary Level Positions</b>	<b>48,694</b>	<b>19.99%</b>	<b>29,444</b>	<b>12.53%</b>
Elementary Administration	836	0.34%	616	0.26%
Elementary Operations	47,857	19.64%	28,828	12.27%
<b>Medium Level Positions</b>	<b>79,335</b>	<b>32.56%</b>	<b>109,061</b>	<b>46.43%</b>
Medium Operations	10,778	4.42%	19,205	8.18%
Medium Technical	41,048	16.85%	63,346	26.97%
Medium Administration	27,508	11.29%	26,510	11.29%
<b>High Level Positions</b>	<b>83,213</b>	<b>34.15%</b>	<b>74,215</b>	<b>31.59%</b>
High Technical	53,281	21.87%	29,421	12.52%
High Administration	29,932	12.28%	44,795	19.07%
<b>TOTAL</b>	<b>243,646</b>	<b>100.00%</b>	<b>234,912</b>	<b>100.00%</b>

## Education and Development

(GRI, LA10)

	2008	2009	2010
Educational Activities	1,545	1,066	1,507
People Trained	4,494	3,961	3,991
Participations	26,179	18,333	19,609
Hours Trained	386,473	275,844	266,401
Total Cost (R\$)	8,609,940.45	7,302,150.10	6,380,729.91

## WORKPLACE HEALTH AND SAFETY

### HEALTH

In 2010, 99.46% of the regularly scheduled medical exams were performed. These exams are standardized according to age, gender, and occupation. The results are delivered by a health card that monitors five health indicators (Body Mass Index, blood pressure variation, cholesterol, triglycerides and glucose) in comparison to benchmarks.

	2010 Target	Achievement
<b>Health</b>	100% realization of the periodic medical exams for the employees	99.46% of the regularly scheduled exams

## SAFETY

Eletrobras Eletronorte's safety policy includes the following guidelines:

- Guarantee workplace safety in the production processes.
- Guarantee the necessary educational activities regarding workplace safety.
- Ensure the qualitative and quantitative supply of workplace safety materials and equipment.

To improve the availability of Individual Protective Equipment (EPI) in the decentralized units, uniforms (clothing, footwear, and helmets) were acquired as well as fireproof clothing for electricians on the transmission line, taking female characteristics into account. These initiatives will contribute to the revision of the Normative Instruction – IN 021 – Safety Equipment, currently in development, which regulates the adequacy of the EPI for women.

(GRI, EU16)

A common practice in some regional units is to hold meetings with third parties to evaluate Eletrobras Eletronorte's safety procedures. Some employees lack training in the regulatory standards; this need will be met through the 2011 Educational Activities Plan. It is worth not-

ing that the Company does not offer training for outsourced personnel in the organization's policies or procedures regarding human rights aspects that are relevant to operations.

Safety equipment is provided to Eletrobras Eletronorte's employees and is required in contracts with third parties, according to the company safety manual.

The contingency plans for transmission lines and equipment are registered in the Maintenance Monitoring System (SAM), which is available on the National System Operator (ONS) website: [www.ons.org.br/agentes/agentes.aspx](http://www.ons.org.br/agentes/agentes.aspx).

In accordance with Eletrobras Eletronorte's workplace safety policy, monitoring is integrated between the operational and workplace safety teams.

Monitoring of preliminary risk analysis records (APR), the Daily Safety Dialog (DDS), and on-site monitoring of activities are examples of practices that aim to make preventative safety measures effective.

(GRI, HR8) Each regional administrative unit has a Workplace Medical and Safety Service (SESMT) that functions in the operational units.

In 2010, 29 workplace accidents with employees were registered, of which 16 resulted in time off and 13 did not.

### Workplace Accidents

Type	2009	2010
Absolute number of accidents without time off	0	13
Absolute number of accidents with time off	26	16
Index relative to total number of employees	0.0069	0.0043
Days / People lost	457	635
Frequency index	1.09	2.05
Severity evaluation index	75.83	99.93
Number of deaths	0	0

	2010 Target	Incidents
Safety	No workplace accidents in the year 2010	29

(GRI, EU21)

The organization has an Emergency Response Plan (PAE) that describes emergency scenes such as: fires in installations and equipment; spills of insulating, lubricant and hydraulic oils; floods of the dam structures; fish mortality and medical emergencies.

This plan describes the contingency procedures for these situations and calls for simulations to be held periodically in order to evaluate the procedures' efficiency and improve them. To implement the planned actions, the organization has fire and environmental brigades as well as a group of civilian firefighters. There is also a Contingency Group that is responsible for the evaluation and maintenance of the PAE.

For the reestablishment of electrical generation in the case of a total plant shutdown, simulations are carried out with the knowledge and authorization of the National Operator of the Brazilian Electric System.

### ELETROBRAS ELETRONORTE QUALITY OF LIFE PROGRAMS

(GRI, LA8)

Eletrobras Eletronorte strives for comprehensive health and better quality of life for its workers. At headquarters, a multidisciplinary technical team composed of a social worker, nursing assistant, dental surgeon, physical educator, physical therapist, speech therapist, massage therapist, occupational physician, nutritionist and psychologist is responsible for the development of quality of life programs. In the Decentralized Units, the activities and the composition of the technical teams have some variations, depending on the specifics of the region.

The Eletrobras Eletronorte Quality of Life program aims to reduce occupational stress and prevent Occupational Disease (Dort) and Repetitive



Strain Injuries (LER), which improves the workers' quality of life - avoiding or minimizing expenses for recovery, leaves of absence, sick leave, and absenteeism.

The program includes various activities and educational workshops, among which the following are notable:

- Activities with the goal of preventing serious diseases, for example, reimbursement for the human papillomavirus (HPV) vaccine, which aims to reduce the number of patients who develop cervical cancer.
- Lectures about AIDS and distribution of condoms to the entire workforce.
- Workshops about nutritional reeducation, with the goal of warning about and preventing obesity, diabetes, and hypertension, diseases that are considered chronic and that could result in the development of serious heart conditions, which are also directly linked to poor nutritional habits.
- Tobacco control workshop, with the goal of reducing the number of smokers in the Company and subsequently reducing possible cases of lung cancer.
- Nutrition workshops that encourage healthy eating, physical activity, and lifestyle changes.
- Informative materials and brochures produced by the multidisciplinary health team with guidelines about healthy living and disease prevention are distributed to the staff and made available online as a resource to encourage the adoption of healthy habits.

#### YOUNG APPRENTICE TRAINING PROGRAM (PCJA)

The Young Apprentice Training Program (PCJA) is developed in partnership with other institutions and aims to contribute to the professional training of disadvantaged youth in order to facilitate their entry in the job market. The program's

area of activity is preferentially the area around Eletrobras Eletronorte's installations, in line with the First Job Program, encouraging the development of citizenship.

#### HUMAN RIGHTS

Among its commitments to the staff, including directors, advisors, workers, contracted workers, service providers, interns, and young apprentices, the Eletrobras Companies Code of Conduct explicitly prohibits – whether in its own activities, its partners' activities, or in the Eletrobras companies' production chain – child labor, sexual abuse and exploitation of children and adolescents, as well as forced labor or work in dehumanizing conditions. No form of physical, sexual, moral or psychological violence is permitted, and violators should be denounced.

This commitment is also affirmed by Eletrobras' Eletronorte's Pro-Gender Equity Program and Code of Relations with Providers of Goods and Services, which was approved in 2009. The Code establishes, as one of the rules of conduct for providers of goods and services, respect for human rights, particularly prohibiting the use of slave labor or compulsory prison labor in the production chain.

Eletrobras Eletronorte also voluntarily joined the 3rd Edition of the Pro-Gender-Equity Program of the Secretariat of Policies for Women (SPM). Eletrobras Eletronorte defined its general goal as incorporating and strengthening the roles of gender, race/skin color, and ethnicity in its internal policies through affirmative action that promotes equity and equal conditions between men and women. The following macro-actions are noteworthy: Women's Week, 16-day Activism Campaign to End Violence against Women, Black Consciousness Day, Cycle of Meetings of the State Public Companies and Mixed Societies, and Internal Prevention of Workplace Accidents Week,

with the theme of Gender and Workplace Health and Safety. The continuity of the program guaranteed the Company three consecutive awards and certifications of the Pro-Gender-Equity Seal.

Through the inclusion of data about gender, race/skin color, and disabilities in the Corporate Registry Update System, a map could be made of the Company's diversity and breadth in the production of internal policies geared towards the workforce and the definition of normative procedures and instructions.

Images that present diversity are used in campaigns and internal events. The Eletrobras identity manual, launched in 2010, encourages the use of plurality, Brazilian identity, and different cultures in campaigns.

To intensify the exchange of experiences and contribute to the growth of the Pro-Gender Equity Network through new members joining the program, Eletrobras Eletronorte together with five other large public state companies and mixed societies (Petrobras, Serpro, Caixa, Banco do Brasil and Embrapa) held the First Cycle of Meetings for Strengthening Gender Equity in 2009. In 2010, two more important companies in the power and mining sector – Itaipu and CPRM – joined the group, and two meetings of the Second Cycle have been held.

In 2010, Eletrobras Eletronorte has also adhered to the Women's Empowerment Principles, together with the United Nations Development Fund for Women (Unifem). This treaty, produced by the United Nations Global Compact, establishes seven steps that have been adopted by the Company. These steps offer a set of essential considerations for promoting gender equity in the workplace, in the market, and in the community. Based on established business practices, the principles help organizations to adapt their existing policies and practices or, when necessary, to establish new measures.

Eletrobras Eletronorte's complete commit-

ment to Human Rights is also reflected in the 2010-2011 Collective Labor Agreement, which contains clauses that cover the following themes:

- Health and workplace safety committee.
- Guidelines about discriminatory practices.
- Guarantee of equality of genders and races/ethnicities.
- Leave of absence for female workers who are victims of domestic violence.
- Maternity and paternity leave.
- Leave for attending to dependants.
- Workplace safety.
- Harassment and liberation of the members of the CIPA.

In August 2010, Eletrobras Eletronorte voluntarily joined the Program to Combat Sexual Exploitation of Children and Adolescents, as proposed by the Secretariat of Human Rights of the Presidency of the Republic. This commitment called for the promotion of concrete actions to sensitize employees, customers, and providers to the issue of exploitation of children and adolescents. The pact also suggests that the participating companies establish clauses in their contracts making their rejection of this type of crime explicit.

## PRIVATE PENSION FUNDS

The Complementary Pension Foundation (Previnorte) is a non-profit private pension entity sponsored by Eletrobras Eletronorte, with the goal of instituting benefit plans that are similar or complementary to those of social security, which are accessible to the employees of the companies that sponsor such plans.

In addition to Eletrobras Eletronorte, which is the founding sponsor, Manaus Energia S.A., Boa Vista Energia S.A., and Previnorte itself are also Previnorte sponsors.

### Coverage of the obligations of the fixed-benefit pension plan offered by Eletrobras Eletronorte (R\$ thousands)

Description	2008	2009	2010
Estimated total value of pension plan obligations	47,055,103	544,772,023	66,689,469
Total value contributed by the sponsor	23,527,551.55	27,329,001.18	32,499,072.86
Percentage of the total value contributed by the sponsor	50%	50%	49%
Total value contributed by the participants	23,527,551.55	27,143,022.11	34,190,395.96
Percentage of the total value contributed by the participants	50%	50%	51%

### BENEFITS

(GRI, EC3) There is no distinction between full-time and part-time employees. Rather, there is a distinction made between permanent workers and temporary workers (the interns). These are not entitled to medical or dental plans, nor do they receive the benefits of funeral assistance, day-care assistance, disability coverage, maternity/paternity leave, academic partnerships, or retirement funds. Regarding food aid, the interns receive 50% (fifty per cent) of the value that the employees receive, and only in the form of food stamps.

The management of benefits is done by a team of technicians with the aid of a specialized computer system. This team meets periodically with management in order to improve the processes and evaluate the benefits' results.

### PREPARATION FOR RETIREMENT

The Retirement Preparation Program (PPA) was approved by a Board Resolution and is linked to the quality of life program. Its general coordination is at headquarters, and it has coordina-

tors in each decentralized unit of the Company. These coordinators follow the general guidelines defined in training and develop the program independently with respect to local specifics.

The target public of the PPA was defined as being employees aged 50 or older.

After the invitation to participate in the activities of the program (which accompanies each group for two years), the first activity is an awareness lecture.

A survey of the target public was fundamental in defining the lectures' topics and timeline. After the lectures, smaller group meetings are held to discuss individual life projects for retirement. The survey was completed by 56% of the 1,179 employees aged 50 or older. In some units, all the employees who are part of the target public participated.

The following instruments are used to monitor the actions of the PPA: an initial survey, attendance lists and feedback after the lectures, a smaller survey at the end of the lecture timeline, two instances of a self-administered instrument that evaluates planning and personal satisfaction in various life aspects, and the definition of targets for improvement in the most critical aspects. In addition, challenges faced in the program's implementation and improvement strategies are discussed in the coordination team training meetings. These analyses are recorded in reports. (GRI, LA3)

The Educational Retirement Preparation Program (PEPA) has the goal of minimizing the impact on the worker of the change in day-to-day work life as retirement approaches, preparing him or her for a new life. From the perspective of knowledge management, knowledge acquired and generated by these employees during their time at the company is valued, in a way that facilitates its registry and dissemination to the rest of the employees. This program is an integral part of the Education Master Plan, which is produced annually.

(GRI, LA11) In 2010, PEPA had 280 participants from the workforce with an expense of R\$ 12,932.64, spanning six educational activities. Participation and investment have grown significantly over the past three years, considering that in 2008, only R\$640.00 was spent and 26 people participated.

## INTERNAL SOCIAL INDICATORS

(GRI, LA1)

(GRI, LA13)

a) General information	2008	2009	2010
Total number of employees	3,725	3,701	3,852(*)
<b>By gender</b>	<b>0</b>	<b>0</b>	<b>3,850</b>
Female		763	763
Male		3,087	3,087
Employees aged 30 or younger (%)	21.00	18.50	15.14
Employees aged 31 to 40 (%)	15.84	15.80	16.39
Employees aged 41 to 50 (%)	33.34	30.47	28.57
Employees aged 50 or older (%)	30.41	35.23	39.90
Number of women in relation to the total number of employees (%)	19.59	19.26	19.81
Women in management positions – in relation to the total number of managers (%)	14.17	15.66	16.53
<b>Employees by ethnicity</b>	<b>0</b>	<b>0</b>	<b>2416</b>
White		2238	2,238
Black		178	178
Yellow		52	52
Mixed-Race		1237	1,237
Native		25	25
Not Declared		120	120
Black and mixed-race female employees – in relation to the total number of employees (%)	6.04	7.46	6.23
Black and mixed-race male employees – in relation to the total number of employees (%)	29.61	30.26	30.52
Black and mixed-race managers – in relation to the total number of managers (%)	19.00	20.88	18.11
Interns in relation to the total number of employees (%)	12.00	18	10.65
Employees in the apprentice contracting program (%)	0.75	1.26	1.04
Employees with disabilities	256	183	225
(*) Including 2 directors from the chart of Company employees			
b) Remuneration profile – Identifying the percentage of employees at each salary level (R\$)	2008	2009	2010
Up to 5 times the minimum wage	22.30%	14.50%	7.79%
5 to 10 times the minimum wage	37.36%	44.01%	37.01%
10 to 25 times the minimum wage	34.49%	36.77%	50.31%
More than 25 times the minimum wage	5.82%	4.70%	4.88%



<b>c) Health and safety at work</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Total number of on-the-job accidents with employees	22	26	29
Accidents with temporary time off with employees or service providers (%)	11	7	16
Accidents that resulted in mutilation or other physical damages, with employees or service providers, resulting in permanent incapacity (including LER) (%)	0	1	0
Accidents that resulted in the death of an employee or service provider (%)	Not available	0	0
Total frequency index of the Company in the period, for employees	1.51	1.09	2.05
<b>Number of minor injuries (level 1) per Region</b>	<b>ND</b>	<b>ND</b>	<b>0</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	0
North	ND	ND	0
Northeast	ND	ND	0
Abroad	ND	ND	0
<b>Number of injuries without time off (levels 2 and 3) per Region</b>	<b>ND</b>	<b>ND</b>	<b>13</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	5
North	ND	ND	7
Northeast	ND	ND	1
Abroad	ND	ND	0
<b>Number of injuries with time off (levels 4, 5, 6) per Region</b>	<b>ND</b>	<b>ND</b>	<b>16</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	10
North	ND	ND	6
Northeast	ND	ND	0
Abroad	ND	ND	0
<b>Number of injuries (levels 2 to 6)</b>	<b>ND</b>	<b>ND</b>	<b>0</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	0
North	ND	ND	0
Northeast	ND	ND	0
Abroad	ND	ND	0
<b>Hours worked</b>	<b>ND</b>	<b>ND</b>	<b>6,354,697.37</b>
South	ND	ND	0
Southeast	ND	ND	10,890.66
Central-West	ND	ND	2,662,765.22
North	ND	ND	3,000,375.53
Northeast	ND	ND	680,665.96
Abroad	ND	ND	0
<b>Injury rate (levels 1 to 6)</b>	<b>ND</b>	<b>ND</b>	<b>0</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	0
North	ND	ND	0
Northeast	ND	ND	0
Abroad	ND	ND	0
<b>Number of occupational diseases</b>	<b>ND</b>	<b>ND</b>	<b>0</b>
South	ND	ND	0
Southeast	ND	ND	0
Central-West	ND	ND	0
North	ND	ND	0
Northeast	ND	ND	0
Abroad	ND	ND	0

c) Workplace health and safety	2008*	2009*	2010	(GRI, LA6)
<b>Rate of occupational diseases</b>	<b>ND</b>	<b>ND</b>	<b>0</b>	(GRI, LA7)
South	ND	ND	0	
Southeast	ND	ND	0	
Central-West	ND	ND	0	
North	ND	ND	0	
Northeast	ND	ND	0	
Abroad	ND	ND	0	
<b>Number of days lost</b>	<b>ND</b>	<b>ND</b>	<b>635</b>	
South	ND	ND	0	
Southeast	ND	ND	0	
Central-West	ND	ND	321	
North	ND	ND	314	
Northeast	ND	ND	0	
Abroad	ND	ND	0	
<b>Rate of days lost (severity index)</b>	<b>ND</b>	<b>ND</b>	<b>19.985216</b>	
South	ND	ND	0	
Southeast	ND	ND	0	
Central-West	ND	ND	24.110274	
North	ND	ND	20.930713	
Northeast	ND	ND	0	
Abroad	ND	ND	0	
<b>Number of missing hours</b>	<b>ND</b>	<b>ND</b>	<b>134,022.20</b>	
South	ND	ND	0	
Southeast	ND	ND	229.69	
Central-West	ND	ND	56,158.40	
North	ND	ND	63,278.69	
Northeast	ND	ND	14,355.42	
Abroad	ND	ND	0	
<b>Rate of absenteeism</b>	<b>ND</b>	<b>ND</b>	<b>0.0206546</b>	
South	ND	ND	0	
Southeast	ND	ND	0.0206546	
Central-West	ND	ND	0.0206546	
North	ND	ND	0.0206546	
Northeast	ND	ND	0.0206546	
Abroad	ND	ND	0	
<b>Number of deaths in the period</b>	<b>ND</b>	<b>ND</b>	<b>0</b>	
South	ND	ND	0	
Southeast	ND	ND	0	
Central-West	ND	ND	0	
North	ND	ND	0	
Northeast	ND	ND	0	
Frequency rate (injury rate) of accidents of own employees or third parties	ND	ND	0	
Frequency rate (injury rate) of accidents with time off of own employees or third parties	ND	ND	2.5178225	
Injury rate (TL)	ND	ND	0	
Occupational disease rate (TDO)	ND	ND	0	
Rate of days lost (severity rate) (TDP)**	ND	ND	19.985216	
Absenteeism rate (TA)**	ND	ND	0.0206546	
Deaths	ND	ND	0	
Man-hours worked (own employees and third parties)	ND	ND	6354697.4	

\* The calculation of the indicators GRI LA6 and LA7 was implemented from 2010.

(GRI, LA10)

(GRI, HR3)

<b>d) Professional development</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Educational profile – Percentage in relation to the total number of employees</b>			
Elementary school	5.64	0.89	9.84
High school	47.65	52.23	42.68
College	38.71	38.50	39.25
Post-Graduate (specialization, Master's, Doctorate)	8.00	8.38	8.23
Illiterates in the workforce (%)	0	0	0
Value invested in professional development and education (%)	R\$ 8,609,940.53 – total value	R\$ 7,302,150.10 – total value	R\$ 6,380,729.91 – total value
	R\$ 2,544.81 per employee	R\$ 2,142.62 per employee	R\$ 1,984.61 per employee
Number of hours of professional development per employee	80.0	73.5	69.8
<b>Permanent employees by position</b>	<b>3,724</b>	<b>3,700</b>	<b>3,848</b>
Manager	239	249	254
Coordinator/supervisor	0	0	0
Administration/sales	1,310	1,269	1,392
Technical/operational	2,175	2,182	2,202
Trainee	0	0	0
Others	0	0	0
<b>Total hours dedicated to staff training, by position</b>	<b>274,434.14</b>	<b>267,705.12</b>	<b>230,817.93</b>
Manager	27,101.64	3,5133.16	22,181.47
Coordinator/supervisor	0	0	0
Administration/sales	84,603.93	61,855.86	54,439.96
Technical/operational	162,728.57	170,716.1	154,196.5
Trainee	0	0	0
Others	0	0	0
<b>Average number of training hours per employee per year, by position</b>	<b>73.693378</b>	<b>72.352735</b>	<b>59.98387</b>
Manager	113.39598	141.09703	87.328622
Coordinator/supervisor	0	0	0
Administration/sales	64.583153	48.743783	39.109167
Technical/operational	74.817733	78.238359	70.025658
Trainee	0	0	0
Others	0	0	0
<b>Number of employees that received formal training in the organization's policies and procedures regarding human rights issues (*)</b>	<b>641</b>	<b>276</b>	<b>455</b>
<b>Total training hours in human rights policies and procedures</b>	<b>2586.26</b>	<b>1153.2</b>	<b>4850.46</b>
<b>Percentage of employees trained in human rights policies and procedures during the period</b>	<b>0.1721267</b>	<b>0.0745946</b>	<b>0.1182432</b>

<b>e) Behavior with layoffs</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of hires during the period	200	34	184
Labor claims	58	61	0
Amount claimed in labor lawsuits (R\$ thousands)			
Value accrued liabilities (R\$ thousands)	158,289	154,601	162,041
Number of employees linked to the claims	NA	130	43
<b>f) Preparation for retirement</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Investments in pension funds (R\$ thousands)	23,489	24,135	28,816
Number of beneficiaries of the complementary Social Security program	NA	1,045	3,356
Number of beneficiaries of the Retirement Preparation Program	1,247	1,247	1,247
<b>Outsourced workers</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of outsourced/contracted workers	669	653	548

## RELATIONSHIPS WITH PROVIDERS

Being a mixed society, Eletrobras Eletronorte is subject to specific laws for public contracts, according to Law n. 8.666/93 (Procurement and Contract Law) and other regulations.

The Company selects and contracts its providers of goods and services based on strict legal and technical criteria of quality and cost, aiming to choose the best proposal and ensure the correct use of resources.

Procurement information is shared in a transparent and egalitarian way in the Official Federal Gazette (DOU) and also on the Company's website ([www.eletronorte.gov.br](http://www.eletronorte.gov.br), main menu Purchases and Procurement, select Eletrobras Eletronorte announcements). In addition, all the information about the contracts signed is organized and detailed at the Public Transparency link.

### Code of Relations with Providers of Goods And Services

In 2009, Eletrobras Eletronorte approved the Code of Relations with Providers of Goods and Services.<sup>4</sup> With this, the company formally committed to making contracts for goods and services based on ethics and transparency, valuing providers that respect human rights, fair trade, and sustainability in fulfilling the role of socially-responsible ownership.

The document incorporates the principles of various international standards, such as the Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the International Labour Organization Convention (OIT).

### PROVIDERS THAT CONTRIBUTE TO THE GENERATION AND TRANSMISSION OF ENERGY

**The Code of Relations with Providers of Goods and Services is part of the Code of Ethics and contains general rules of conduct, both for the providers and for Eletrobras Eletronorte employees in matters relating to these providers.**

<sup>4</sup> Also available at the link: <http://www.eletronorte.gov.br/opencms/export/sites/eletronorte/comprasLicitacoes/CartilhadeRelacionamentocomFornecedores.pdf>



The Code of Relations with Providers of Goods and Services is a part of the Code of Ethics that contains rules for general conduct that must be followed in the commercial relations between the Company and the providers of goods and services.

The Code applies to individuals and companies that have commercial relationships with the Company, and requires the providers to adopt various requirements of the SA 8000 standard in relations with workers. It requires the providers to fulfill all the labor, pension, contractual, and collective agreement obligations in relations with employees, and to observe and comply with environmental legislation.

The document also establishes rules of conduct for Eletrobras Eletronorte employees in their interactions with the providers of goods and services.

Eletrobras Eletronorte thus adopts a posture compatible with principles, values, and standards that promote citizenship and human development, aiming for a more just, sustainable, and inclusive society.

## PROFILE OF THE PROVIDERS

In the year 2010, 3,091 administrative contracts were signed, including those from various types of bidding procedures and from exemption and waiver processes. Of this number, 2,052 contracts (66.4%) were signed with providers of equipment and consumable materials. Among these purchases, we note the acquisition of the 230 kV static compensator for SE São Luís in the state of Maranhão and of electrical cables to meet the needs of the Light for All Program in the state of Amapá.

The 1,039 remaining contracts (33.6%) were signed with service providers. These include engineering services for building substations and transmission lines, contracting services for the insurance policy, and food stamp services for employees, among others.

In the production chain, some of the largest providers of equipment and service material for the electricity transmission and generation system are Siemens, ABB, Weg Electric Equipment, Areva Transmission and Distribution, and Toshiba Transmission and Distribution Systems of Brazil.

Eletrobras Eletronorte also signed 63 contracts with micro-businesses and 71 contracts with small businesses.

## MANAGEMENT OF PROVIDERS

(GRI, HR1, HR2)

### Selection of Providers

Before selecting a provider, Eletrobras Eletronorte makes it clear that the provider may only be contracted if it is suitable and in good standing regarding taxes and social responsibilities.



In addition, the provider must state that it meets the provisions of paragraph XXIII of the 7th article of the Federal Constitution, which deals with the prohibition of night, dangerous, or unhealthy labor for minors, as well as prohibiting any labor for minors aged 16 years or less, except in the role of apprentice, which may be held at 14.

In 2010, the Code of Relations with Providers of Goods and Services was linked to the documentation for procurement and administrative contracts, becoming obligatory for all who sign contracts with Eletrobras Eletronorte.

### **Policy of Aid in The Development of Small and Micro-Businesses**

Since June 2007, Eletrobras Eletronorte has included in its procurement instruments the precepts of Supplementary Law 123/2006, which instituted the National Micro-Business and Small Business Statute, promoting special treatment for such companies. Thus, in public bidding, proof of tax compliance for micro-businesses and small businesses is only required for the purpose of signing the contract. Also, in legal terms, preference for contracting these companies is ensured as a tie-breaking criterion during the bidding.

The Code of Relations with Providers of Goods and Services also affirms Eletrobras Eletronorte's and its employees' commitment to conducting contracting processes, as well as relations with the providers, in a way that contributes to the inclusion of small and micro-businesses in the market.

### **(GRI, EC6) Policy of Aid in the Development of Local Providers**

The public biddings aim to guarantee observance of the principle of equality and to select the most advantageous proposals for Eletrobras Eletronorte. The Company guarantees equal treat-

ment to all those interested in contracting, as it is prohibited by the Bidding and Contracts Law to allow, provide for, include, or tolerate in the procurement instruments clauses that compromise, restrict, or frustrate the competitive character of the biddings; or that establish preferences or distinctions on the basis of nationality, domicile, or headquarters of the bidders.

The biddings always aim to increase competitiveness and publicity in the acquisition of goods and services. This was facilitated with the advent of the electronic trading floor, which enables companies throughout the country to do business with Eletrobras Eletronorte with more transparency and agility for both parties.

### **Monitoring**

Through the Strategic Committee of the Eletrobras System Supply Logistics (CELSE) / GT Quality, Eletrobras Eletronorte encourages providers to improve their products and services through the NBR 19000 Project, which evaluates the technical performance of the providers of materials and certifies quality processes focusing on the product through the NBR ISO 9001 certification.

Eletrobras Eletronorte performs inspections of the supply of materials and equipment for the system of electricity generation and transmission, which is considered essential. In these cases, the contracts include inspection clauses that establish the authority of the Company, either itself or through a designated intermediary, to verify, examine, and monitor, at its expense, the testing, manufacturing process, commissioning, and any other activities inherent to the contracted supply.

Regarding the technical quality control of the provider, the new version of the Eletrobras Eletronorte Organizational Manual prescribes the performance of industrial evaluation, management quality audits, and due diligence in the steps of raw material acquisition and manufac-

turing, as well as inspection of material and recovery services at the factory.

## Respect for the Provider

One of the general rules of conduct defined in Eletrobras Eletronorte's Code of Relations with Providers of Goods and Services is the duty to preserve confidential information provided by each supplier.

The document also establishes a privacy policy that guarantees the security of provider data and of Eletrobras Eletronorte – releasing the data when necessary only with the provider's express consent - and ensures the right to property, whether that of the Company or of the provider.

In addition to this, the Company has a procedure that governs the rules for fulfillment according to the payment deadlines.

## Sustainable Biddings

Aiming to guarantee the implementation of specific procedures for sustainable biddings, Eletrobras Eletronorte, involving the areas of Supply of Material and Services, Environmental Matters, Company Sustainability and Social Responsibility Actions, produced Technical Note DG 002/2010 on November 22, 2010. This determines that the requesting parties, upon producing the technical specifications of the objects, must adopt criteria of economic, social, and environmental sustainability of goods, services, or projects, observing the abovementioned legislation and the existing environmental and social norms.

First, with its observance of the UN Global Compact in 2008, the Company publicly committed to the principle of effective abolition of child labor. In 2009, it signed the Declaration of Corporate Commitment to Confront Sexual Violence Against Children and Adolescents, which guides, promotes, and reinforces the ethical and social conduct of companies and people against sexual exploitation of children and adolescents, which is also considered by the United Nations Organization to be one of the worst forms of child abuse.

Regarding slave labor, the Company also does not yet possess a formal roadmap, but it has already begun a series of measures regarding the combat of this practice, including signing the National Pact for the Eradication of Slave Labor in 2009.

Also since 2009, Eletrobras Eletronorte's "Code of Relations with Providers of Goods and Services" has established as one of its rules of conduct on the part of the providers of goods and services respect for human rights, among which is the prohibition on use of slave or compulsory prison labor in the production chain.

## (GRI, HR6 e HR7) Measures for Contributing to the Abolition of Child and Slave Labor

Eletrobras Eletronorte does not yet possess a formal roadmap, but it has already initiated a series of measures regarding the combat of child and slave labor.

## ELETOBRAS ELETRONORTE'S CLIENTS

### TRADING MANAGEMENT

#### Trading in the National Interconnected System

In 2010, Eletrobras Eletronorte traded the guaranteed energy of UHE Tucuruí (averaging 4,140 MW) of UHE Curuá-Una (averaging 24 MW) and of UHE Samuel (averaging 85.21 MW) in addition to an average of 400 MW of secondarily generated energy. As a result, the Company has billed gross income of R\$ 3,375,148,523.22.

The recovery of the price of aluminum enabled recovery of revenue from the manufacturers of primary aluminum, because the contracts of electricity sale to these clients are linked to the prices of aluminum in the international market.

Eletrobras Eletronorte saw a 19.08% growth in revenue from the manufacturers of primary aluminum in relation to the year 2009. In 2010, the growth in the revenue from free and captive customers was on the order of 5.61%.

In this scenario, it is fitting to highlight Eletrobras Eletronorte's client retention, even with the migration of the captive customer Alunorte to the free market.

### OUR ENERGY FOR OUR CLIENTS

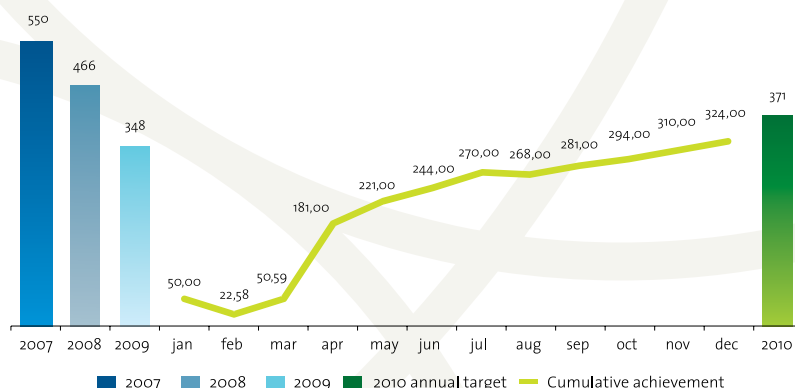
In Eletrobras Eletronorte, the commercialization of electrical energy is structured by processes that are systematized and implemented in various cycles, aiming to optimize capacity for self-generation and improve risk management. These processes seek efficiency in the energy made available for trading and focus on improving relationships with clients.

## Short-Term Contracts

The good economic performance in the first half of 2010 was offset by decreased turnover in the second half, due to the scarcity of water and subsequent increase in the Difference Liquidation Price (PLD). The annual revenue in this market reached the value of R\$ 323.79 million, which corresponds to 87.30% of the target of R\$ 370.88 million.

### Short-Term Electricity Sales 2010

R\$ Millions



The additional income to the PLD reached 87.98% of the 2010 target, achieving R\$ 38.61 million compared to a target of R\$ 43.88 million.

One highlight of the 2010 cycle was intensification of the analysis of variables that influence the calculation of the Marginal Operating Cost (CMO), whose value is a critical factor in the success of the energy trade.

Through the systematic analysis of these variables, among which we highlight the prediction of water flow and starting levels of the reservoirs of the plants in the National Interconnected System, the calculation of the sale price came to rely on weekly reports estimating the CMO.

In addition, the use of protective risk analysis instruments was continued, following the Company's commercial strategy.

The result of this set of actions was the elevation of the sale price by 69.5% compared to the previous year.

### Traders

	2008	2009	2010
Amount Billed (average MW)	237	336	268
Number of Contracts	71	23	58
Number of Clients	20	13	20
Amount Billed (R\$ x 1000)	297,573.20	255,770.88	188,744.64



## Existing Contracts with Distributors

### Energy Trading Contracts in the Regulated Environment (CCEAR)

Eletrobras Eletronorte has seven products that are traded in the Regulated Contracting Environment (ACR).

#### Acre-Rondônia System

Eletrobras Eletronorte signed an electricity purchase and sale contract (CCVEE) with Eletoacre on December 1, 2008, with the support of UHE Samuel. The provision of energy will continue until December 31, 2014.

The term of the contract between Eletrobras Eletronorte and Ceron ended on November 30, 2008, with the supply of the distributor guaranteed until its interconnection. After that date, Ceron will be decontracted and will settle the differences between actual and contracted measurement in the CCEE.

Ceron and Eletrobras Eletronorte are awaiting the approval of Aneel for the effective date of the transfer of the contract between Eletrobras Eletronorte and Termonorte to Ceron. Until the regulatory agency makes a decision, Eletrobras Eletronorte continues to fulfill the Ceron contract, including the purchase of fuel, obtaining reparation for the Energy Charge Reserve (ESS) in order to guarantee the region's supply.

#### Distributors - CCEAR

Type of Document		2008	2009	2010
CCEAR Auction	R\$*1000	1,179,984	1,175,911	1,384,722
	Ave. MW	1,710	1,652	1,795
Growth R\$ x 1000	%	-----	(0.00)	0.18
Growth Average MW	%	-----	(0.03)	0.09

## Contracts with Industrial Clients

### Captive Consumers

Eletrobras Eletronorte continues to serve the Captive Consumers Vale – Complexo Mineração Carajás (CMC), Mineração Serra do Sossego (MSS), Unidade Pelotização (UP) and Complexo Portuário Ponta da Madeira (CPPM), Alunorte and Dow Corning Metais do Pará (successor to Globe Metais Ind. e Comércio).

### Free Consumers

#### Industrial Consumers

Type of Contract		2008	2009	2010
Free	R\$*1000	1,388,524	1,094,789	1,280,168
	Ave. MW	1,748	1,731	1,738
Captive	R\$*1000	171,779	143,258	175,287
	Ave. MW	233	167	223
Total	R\$*1000	1,560,303	1,238,047	1,455,455
	Ave. MW	1,981	1,899	1,962
Growth R\$*1000	%	-----	(0,21)	0,18
Growth Average MW	%	-----	(0,04)	0,03

#### Extraordinary Tariff Recovery

	2008	2009	2010
RTE Distributors (R\$*1000)	6,929	2,109	1,074
RTE Generators (R\$*1000)	0	0	0

#### CCEE Liquidation

	2008	2009	2010
Liquidation of Differences (R\$*1000)	193,524	124,468	132,786
Average MW	136.09	664.67	254.54
Liquidation growth (R\$)	-----	-36%	7%
Sales growth (Ave. MW)	-----	388%	-62%

## Existing Contracts in the Isolated Systems Area

In the Amapá Isolated System, Eletrobras Eletronorte sells self-generated energy to the local distributor.

The most recent additive agreement with the Amapá Electricity Company (CEA) establishes the price for the 2008-2009 period, as well as the system for future readjustments while a new contract is negotiated between the parties. It also meets Aneel's 2006 request regarding publication of the most recent charges for energy supply.

In Boa Vista, Eletrobras Eletronorte trades energy imported from Edelca, a power-generating company from Venezuela, with the local distributor, as demonstrated in the following table:

### Isolated Systems

Distribuidora		2008	2009	2010
CEA	R\$*1000	88,698	100,279	115,513
	Average MW	115	123	138
CERON	R\$*1000	214,686	187,430	----
	Average MW	223	185	----
ELETROACRE	R\$*1000	65,188	67,184	----
	Average MW	72	66	----
BOVESA	R\$*1000	75,838	93,443	----
	Average MW	63	70	78,747
TO	R\$*1000	444,441	448,336	59
	Average MW	472	444	194,260
Growth of Revenue		----	0.88	-56.57
Growth of Energy Supplied		----	-5.89	-55.60

### Imports from Venezuela - Edelca

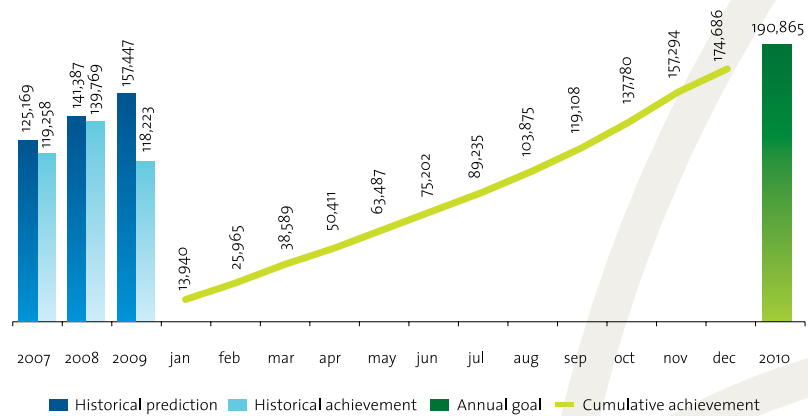
		2008	2009	2010
Energy	US\$ x 1000	16,056	21,694	16,126
	Average MW	53	72	51
Line Purchases	Average MW	4,500	9,000	9,000
Operation and Maintenance	US\$ x 1000	1,059	1,069	1,089
Growth of Billing		----	35.11	-25.67
Growth of Energy Received		----	35.85	-29.57

### Planning and Scheduling of the Isolated Systems

In 2010, Eletrobras Eletronorte generated an average of 75.8 MW in the thermal plants of the Amapá isolated system. The generation costs of this system were reduced by R\$ 9.69 million, with R\$ 4.29 million from the payment of the Equivalent Hydroelectric Energy Tariff (TEHE) and R\$ 5.40 million from the ICMS, amounting to a decrease of 8.24%.

For the Acre-Rondônia system, the thermal generation costs are offset by the System Service Charges in the accounts of the CCEE.

## Oil Consumption (Diesel + OCTE) – in m³



## CLIENT EVALUATIONS

(GRI PR5) Since 2001, Eletrobras Eletronorte has annually applied the External Client Satisfaction Survey (transmission) together with state distributors, major consumers and ONS.

The data is collected through a survey taken via internet. On this survey, the clients' satisfaction is evaluated in the following aspects: information received from Eletrobras Eletronorte; interventions in the electrical system when solicited by the client; interventions in the electrical system when solicited by Eletrobras Eletronorte; service provided by the Eletrobras Eletronorte staff; and quality of the energy supplied.

On the same survey, the clients can comment about what they most and least like about the products supplied by the Company (strong points and opportunities for improvement), make suggestions to improve the quality of the services/products, and comment on the survey itself.

In 2010, Eletrobras Eletronorte performed the 9th Cycle of the External Client Satisfaction Survey with the objectives of measuring these clients' satisfaction index, knowing their expectations, and identifying new business opportunities (including partnerships), in addition to identifying strong points and opportunities for improvement.

In these surveys, the client has the opportunity to reinforce the strong points of Eletrobras Eletronorte's products and services, as well as to make criticisms and suggestions.

For each opportunity for improvement indicated by the client, Eletrobras Eletronorte records and monitors the implementation of plans for improvement. In meetings throughout the year, the client is informed about the progress and achievement of the activities recorded in the action plan. In addition,

technical meetings are held to deal with matters of common interest.

Each company-client has a distinct service, with the Regional Units (Pará, Maranhão, Acre, Rondônia, Tocantins, Amapá, Mato Grosso and Roraima) and Brasília being responsible for the personalization of service for each client.

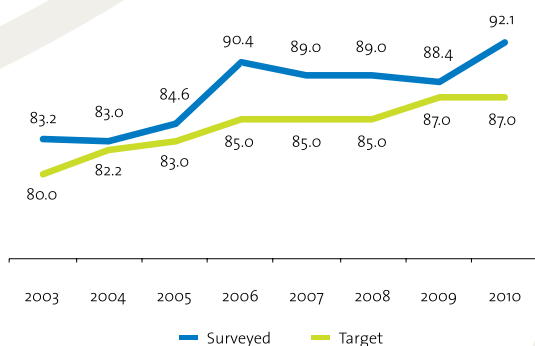
In 2010, 86 activities were registered for the improvement of external clients' satisfaction, and 96.5% of these were achieved. The efficiency of the corrective actions is checked in conjunction by the centers of operation and the company-clients through meetings, telephone contact or e-mail.

The global satisfaction index of the external clients measured in the first trimester of 2010 was 88.43%, surpassing the target of 87% established for the period (see graph below). With this result, our clients once again demonstrate their satisfaction with Eletrobras Eletronorte's products and services.

In the first trimester of 2011, the External Client Satisfaction Index will be measured and compared with the 2010 Cycle.

### External Client Satisfaction Index (ISCE)

2010 Cycle



After compilation by an independent internal consultancy, the data are made available to Eletrobras Eletronorte. Then, each manager of a Center of Regional Operation schedules a meeting

with the company-clients to share and discuss the survey results.

The results of this survey are essential for defining new management strategies and improving existing processes, providing actions for improvement in products and services in line with the Company's institutional policy of relations with this public.

Eletrobras Eletronorte's main external clients are state distributors of electrical energy and industrial clients, among which we highlight: Celpa, Celtins, Ceron, Eletroacre, Cemar, CEA, CEMAT, Albras, Alunorte, Celpa, Companhia Vale do Rio Doce, Dow Corning, Investco, Alumar, Alunorte and ONS.

Eletrobras Eletronorte constantly seeks to develop the resources necessary to offer great customer service and thus avoid situations that generate complaints.

Although in the past five years an average number of 5.6 complaints per year have been received, the Company establishes deadlines for resolution of the problems in the action plan dealing with complaints. These deadlines may vary according to the complexity of each case.

### Number of Client Complaints in the Past Three Years

Centers of Operation	2006	2007	2008	2009	2010
CEOR-RA	0	3	0	1	3
CEOR-AP	0	1	0	0	1
CEON	0	0	0	0	0
CTOE	0	0	0	0	0
CEOS	0	3	1	3	0
CEOR-TM (MARANHÃO)	1	1	1	0	1
CEOR-MT	0	1	0	1	0
CACT		0	0	1	0
CRRT	2	0	1	2	0
TOTAL	3	9	3	8	5
Average complaints / year	0,4	1,0	0,3	0,9	0,6

Various actions for improvement have been performed from 2001 to 2010, such as:

- Making the customized surveys available to the client online.
- Revising the questionnaires regarding the items surveyed.
- Holding annual meetings with the clients for analysis of their suggestions for improvement.
- Holding annual meetings with the clients to verify the efficacy of the action plans implemented, aiming to increase their level of satisfaction.



## ELETRONORTE'S SOCIO-ENVIRONMENTAL ACTION IN NEIGHBORING COMMUNITIES

### MASTER PLAN FOR COMPANY SOCIAL RESPONSIBILITY

In Eletrobras Eletronorte, the Company Sustainability and Social Responsibility Office (PSS) has the challenging job of dealing specifically with themes related to Company Social Responsibility. The office is linked directly to the Presidency, and one of its duties is to develop social projects and programs in the neighboring communities.

Eletrobras Eletronorte's Master Plan for Company Social Responsibility was conceived in 2010. It is a company-wide instrument whose goal is to guide the production, analysis, implementation, management, monitoring, and evaluation of socio-environmental projects and programs that aim to provide for the sustainable development of neighboring populations.

The plan defines axes for Eletrobras Eletronorte's Social Projects, which are inspired by public policies: generation of employment and income, education, culture and sports, and citizenship are the structural axes, while gender and diversity and environmental issues are the cross-cutting axes.

Beginning in 2011, the plan will provide its own method for identifying and classifying the demands, analysis, selection, and monitoring of the Company's social projects in the most efficient and transparent way. The plan is complemented and regulated by the Social Projects Manual, which is available on the Eletrobras Eletronorte website.

Eletrobras Eletronorte's Social Responsibility efforts are also set out in its 2010-2020 Strategic Plan, which contains in its Goal 5 – Make company processes more efficient – two indicators directly related to the process: Amount of Social Investments (MIS) and Meeting the Requirements of Company Sustainability (ARSE). The latter is constructed based on the percentage of ISE Bovespa requirements met.

### A SOCIETY THAT WANTS ENERGY

In its relationship with society and communities, Eletrobras Eletronorte develops socio-environmentally responsible projects, programs, and activities in various spheres, with a special focus on meeting the needs of and promoting public policies in our neighboring communities.



## SOCIO-ENVIRONMENTAL PROJECTS AND PROGRAMS

In 2010, Eletrobras Eletronorte carried out the following socio-environmental projects and programs in the neighboring areas:

- **Young Apprentice Program**

Insertion of 145 young people from disadvantaged homes and social backgrounds into a professional education course, in line with public policy and the first job laws.

- **Education Project**

Seeks to prevent scalping accidents caused by boats in the Amazon region, through an agreement with the Captaincy of the Western Amazon Ports, benefitting around 400,000 people from 17 cities in the state of Pará and two in Amapá.

- **Happy Kids Soccer School - Maranhão**

Aims to promote the rescue of citizenship in poor communities by means of sports and leisure. This project benefitted 44 children and adolescents in 2010.

- **Our Lady of Grace School Construction Project**

This will provide a place for elementary, middle, and high school classes as well as a community center for 473 families in the city of Medicilândia in Pará.

- **Karate with Energy Project**

Carried out in the state of Mato Grosso, with the main purpose of reducing truancy and offering the sport of karate. Karate develops discipline, concentration, and a sense of responsibility, which are important qualities for educational development and citizenship. Approximately 400 people benefitted in 2010.

- **Shelter House Project**

Eletrobras Eletronorte is negotiating with the government of the state of Pará to implement the Shelter House Project, with the capacity for attending 240 people per year –

women who are victims of domestic violence and their children - in the area around UHE Tucuui.

- **Navigate Pará Program**

Eletrobras Eletronorte, through an agreement with the State Government of Pará and with the Ministry of Science and Technology, made available the optical fiber network contained in 1,800 kilometers of transmission cables with the goal of enabling high-speed internet access for around two million people.

In all, in addition to Belém, 13 more cities will benefit: Santa Maria, Altamira, Abaetetuba, Barcarena, Jacundá, Tailândia, Tucuruí, Marabá, Pacajá, Uruará, Rurópolis, Santarém and Itaituba.

- **Barreirinhas Digital Villa**

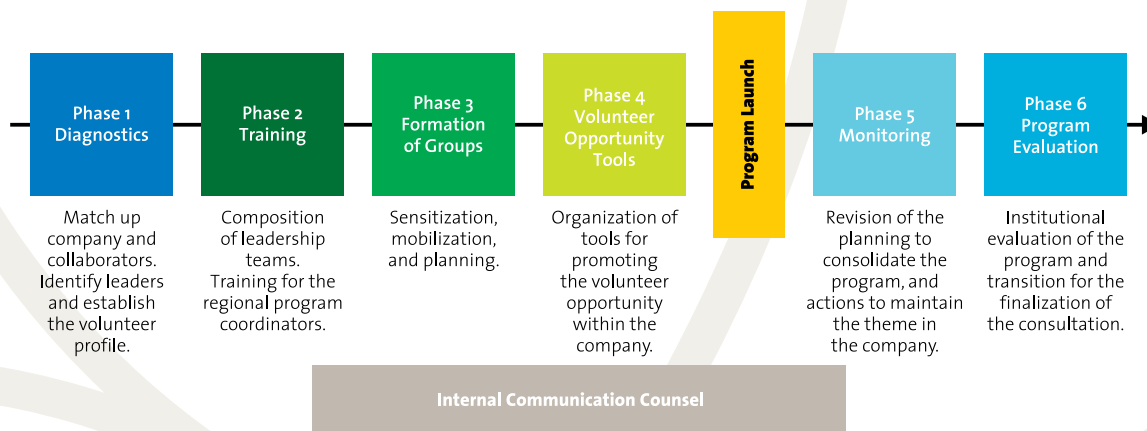
In 2008, Eletrobras Eletronorte, Eletrobras, and Cemar signed a technical-financial cooperation agreement for the development of a project to utilize Power Line Communications (PLC) technology, called Barreirinhas Digital Villa (MA). It aims to develop permanent actions that unite the public and private sectors, with the goal of evaluating the use of data transmission technology through the power network, known as PLC.

- **Company Volunteer Program**

Aims to promote the formation and strengthening of volunteer groups in Eletrobras Eletronorte's regional units and improve the relationships of the Company volunteers with the local communities. The program will be developed in six phases:

**According to the Secretariat of Science, Technology, and Development of the State of Pará (Sedect), Navigate Pará is Brazil's largest digital inclusion program**

## Volunteer Development



### • A3P Program – Environmental Agenda for Public Administration

In compliance with Presidential Decree 5.940/06 of October 25, 2006, which instituted in all federal public agencies the obligation of separate collection of recyclable materials such as plastic, glass, paper, and metal for its subsequent sending to organized cooperatives of collectors, Eletrobras Eletronorte has been developing activities for the effective implementation of this program in all its facilities.

### • UHE Tucuruí Regional Insertion Plan (Pirtuc)

This is Eletrobras Eletronorte's contribution to the Sustainable Development Plan of the Micro-Region Around UHE Tucuruí (PDST), which covers the seven cities around the UHE Tucuruí Lake: Breu Branco, Goianésia do Pará, Itupiranga, Jacundá, Nova Ipixuna, Novo Repartimento and Tucuruí. It is composed of three programs and 69 projects that benefit 322,746 people. The projects run from compensatory and development-empowering activities to socio-economic structural improvement efforts and strengthening of the region's productive activities. Involving resources on the order of R\$ 200 million, Pirtuc was initiated in 2002, with an implementation period of 20 (twenty) years.

#### PIRTUC

(Values in R\$)

Until 2007	2008	2009	2010
38,727,686.96	4,708,549.35	10,338,549.44	32,562,822.42

### • Regional Insertion Plan Downstream of Tucuruí (Pirjus)

Eletrobras Eletronorte develops socio-environmental activities that benefit 237,728 people in five cities downstream from Tucuruí: Baião, Mocajuba, Cametá, Limoeiro do Ajurú and Igarapé-Miri. Pirjus was initiated in 2004,

involves financial resources on the order of R\$160 million and also has an implementation period of 20 years.

#### PIRJUS

(Values in R\$)

Até 2007	2008	2009	2010
3,005,830.00	1,858,251.85	1,004,316.91	9,287,909.39

##### • Ipirá Project

Developed in partnership with the Ministry of Fishing and Aquaculture (MPA) and the Pará State Secretariat of Fishing and Aquaculture (SEPAq), this project has the goal of breeding fish in tanks in the Breu Branco III Aquaculture Park, providing income and employment for 325 families of fishermen.

#### IPIRÁ PROJECT

(Distribution of Project Resources per Partner in R\$)

Eletronorte Resources	Sepaq Resources	MPA Resources	TOTAL
5,500,304.00	638,584.44	2,080,000.00	8,414,457.24

##### • Social Program for Displaced Persons from the First Stage of the Tucuruí Hydroelectric Plant (PROSET)

One of this program's main goals is to encourage the independence of the displaced persons from the first stage of the Tucuruí

Hydroelectric Plant, through the support of productive projects that seek the economic emancipation of 2,344 families, organized in six cooperatives, located in the towns of Tucuruí, Breu Branco, Itupiranga, Nova Ipixuna, Novo Repartimento and Jacundá.

#### PROSET

(Disbursement in Productive Projects – in R\$)

2007	2008	2009	2010
4,115,450.00	2,259,750.00	319,000.00	163,000.00

##### • BRA/IICA/09/009 Technical Cooperation Project

Carried out in partnership between Eletrobras Eletronorte and the Inter-American Institute for Cooperation on Agriculture (IICA), this project has the goal of strengthening institutional capacity and management of the activities geared towards the populations affected by Eletrobras Eletronorte's ventures. The project began in 2009 and the expected duration is five years.

##### • Universal Power (EUE)

In agreement with the Ministry of Mines and Energy, Eletrobras Eletronorte acts as the coordinator of the northern region in the Light for All Program, which is composed of the states of Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Rondônia, Roraima and Tocantins. Eletrobras Eletronorte provides the physical structure and logistics of the State Management Committees.

## ENERGY PROGRAMS

### RESEARCH, DEVELOPMENT, AND ENERGY EFFICIENCY

#### Management of R&D Programs

The Eletronorte Research and Development Program (PEPD) aims to generate technological solutions and knowledge for the organization, streamlining prospecting resources through contracts or partnerships with research institutions.

In accordance with specific R&D legislation, in 2010, R\$ 19.4 million was transferred to the National Fund for Scientific and Technological Development (FNDCT) and R\$ 6.7 million to the Ministry of Mines and Energy (MME), totaling R\$ 13.7 million. During the fiscal year, investments in R&D projects amounted to R\$ 3.8 million.

In addition to the investment required by law, Eletrobras Eletronorte also contributed R\$ 0.6 million in 2010 to other strategic projects that were not subject to the National Electric Energy Agency (Aneel). In this context of resource allocation to R&D projects, we emphasize the sum of R\$ 9.8 million granted by Eletrobras Eletronorte to the Electrical Energy Research Center (Cepel).

#### ENERGY FOR A BETTER FUTURE: RESEARCH, DEVELOPMENT, AND ENERGY EFFICIENCY

The Eletrobras System, to date, has formally solicited 61 patents, of which 41 are Eletrobras Eletronorte's. In the electrical sector, Eletrobras Eletronorte is the second-largest company in patent filings.





## R&D Projects Carried Out or Completed in the Year 2010

Title	Objective	Amount Spent
<b>Monitoring and diagnostics of the Amazon hydroelectric plants</b>	Implement improvements in the methods used in the Eletrobras Eletronorte Technology Center (LACEN – ENQA) in metal and pesticide tests and implement new parameters for the administration of Gates MS 518 and Conama 357.	2,652,634.76
<b>Measurements of greenhouse gas flows in the Amazon hydroelectric reservoirs: upstream and downstream</b>	Create a database of emissions from hydroelectric reservoirs so that the country can have a more reliable estimate of the contribution of its hydroelectric park to the total emissions.	1,479,580.35
<b>Implantation of quality monitoring methods of SF6 gas in shielded substations and circuit breakers</b>	The on-site monitoring methodology of SF6 gas quality will contribute to improving knowledge about the equipment's performance and reducing maintenance costs. It will also permit the guarantee of quality of the insulating gas in operation, thus contributing to meeting the responsibility requirements regarding class 1 environmental liabilities for gases with toxic byproducts.	104,510.11
<b>Development of a wireless system to measure the temperature and the deformation of the hydrogenerator rotor</b>	Experimentally evaluate solutions involving the possibility of applying optical sensor systems in the dynamic performance of hydrogenerator rotors.	477,960.28
<b>Risk analysis model for aquatic bioinvasions: study of the golden mussel case</b>	Pipes blocked by golden mussels can compromise the quality and safety of the energy supply. Proactive actions to avoid the propagation of the mollusk contribute to the reduction of operational risks and avoid accidents that could cause interruption in the energy supply. The objective of this research is to identify the most appropriate control technique to be used.	620,170.01
<b>Logging in the area of the Belo Monte Hydroelectric Complex (PA): production chain and technological properties of little-known species</b>	The study will allow for an increase in the number of species that can be used for timber, making sustainable forest management viable in the area that will be impacted by the company's projects, with subsequent improvement in the quality of life of the local communities.	413,344.85
<b>Georeferenced registry of transmission lines and monitoring with remote sensors</b>	Effective control of the registry of transmission line elements. This system will make it possible to monitor the performance of the transmission lines, providing information about anomaly trends.	1,522,461.29
<b>Study of the discharge capacity of highly-submerged spillways for low-head dams</b>	Identify the influence of water levels downstream from the spillway on the discharge capacity, thus avoiding serious scaling errors.	413,481.07
<b>Fluid-structure interaction in distributor rings of hydraulic turbines</b>	This project will contribute to the reduction of machine shutdowns due to defects in the distributor ring.	334,008.22
<b>Development of a computational system to analyze the effects of the expansion and modernization of the Tucuruí Hydroelectric Plant</b>	Development of appropriate software tools that will permit a better analysis of the impacts of the system's expansion and modernization, and greater productivity in the analysis of a wide range of scenarios.	517,868.94

### Eletronorte Intellectual Property Program (Pepi)

Since 2004, the Eletronorte Intellectual Property Program (PEPI) has sought to protect the technological products and software developed in the Company through research projects carried out by the staff and by research institutions. The program encourages innovation and the culture of intellectual property, for which the Technological Innovation Nucleus (NIT) is responsible.

The premises of PEPI are:

a) Continuous encouragement of the cul-

ture of intellectual property.

b) Protection of intellectual capital.

c) Appreciation of innovative employees.

d) Strengthening of partnerships.

e) Focus on sustainability.

f) Dissemination of knowledge.

As a stimulus to continuous innovation, the NIT visits the company's decentralized units to identify the innovations developed by the staff and give guidance regarding the necessary protections.

## Eletronorte Intellectual Property Program (Pepi)

CASES		PROJECTS
Nome	Description	Result
Municipal Energy Management Projects	Management of municipal energy consumption and costs, training of a Municipal Energy Management Unit (UGEM), standardization of consuming units, installations and inclusion of data in specific software, and production of a diagnostic, resulting in an Energy Management Plan (PLAMGE) that shows all the scenarios and opportunities for the city to save energy. This project contributes to other activities for the efficient illumination of public spaces and energy efficiency of schools, hospitals, etc.	Energy savings verified by the cities' UGEMs, in particular Ariquemes-RO, with numerous energy efficiency projects in the illumination systems of public roads, fairs, city offices, schools, sporting arenas, etc., already having participated in various forums about energy savings, including outside Brazil.
Educational Program for rational energy use	Insertion of the Procel Educational methodology in public schools to encourage changes in behavior and formation of new energy consumption habits in order to combat waste. The program trains teachers to teach students, and the whole project is monitored by Eletrobras Eletronorte through workshops and by checking the energy consumption of schools and of a sample of students. This methodology is approved by the MEC and is in line with national curricular parameters, fitting in the theme of "environmental matters" that runs through all the subjects.	Eletrobras Eletronorte has already implemented the Educational Program for rational energy use in 1,226 public schools in 49 cities, having trained 7,714 teachers to teach 840,529 students. The average savings resulting from the monitoring the schools' energy consumption is 2,085 MWh, and the savings from students' homes is 11.12 kWh.
PEEE Client Satisfaction Survey	Project structured to measure the academic community's satisfaction with the educational programs for rational energy use in the public schools, through surveys with scientific methods and established targets. The survey's questionnaire is made available to all the people involved in each city.	Eletrobras Eletronorte initiated the project in 2009 and received 443 completed surveys from teachers. The satisfaction result was 4.39 compared to the target of 4.0. In 2010, 747 completed surveys were received and the result was an average of 4.54 as compared to the target of 4.0, with a standard deviation of 0.45, which is considered very low.

Source of the data: Management of Energy Efficiency Programs and Projects

PEPI also administers the Muiraquitã Technological Innovation Award, which encourages innovation and promotes the culture of intellectual property in the Company by recognizing the staff's innovative efforts.

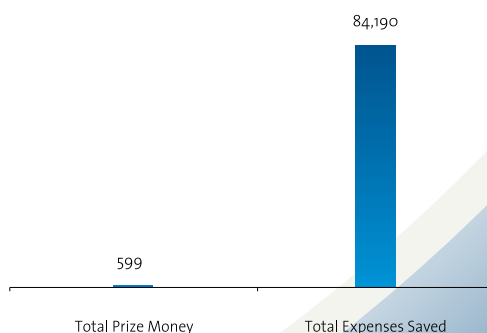
Implemented in 2006, the Muiraquitã Award, already on its fourth round, celebrates 90 staff innovations and 45 R&D projects, involving the participation of 254 people and totaling R\$ 599,759.37 in winnings.

With these innovations, operational costs and losses were avoided as well as probable fines from the regulatory agency due to system unavailability. Altogether, the estimated loss of revenue would have been R\$ 84,190,764.10 – representing a significantly larger gain than the value of the prize money distributed.

From the portfolio of innovations, it was possible to enact six patent requests, two software

registrations, and one trademark in 2010, among the 85 total requests for registration of intellectual property. This number distinguishes Eletrobras Eletronorte as the second-largest company in the Brazilian power sector in terms of patent requests.

### Muirquitã Award Cost vs. Benefits (R\$ Thousands)



The Company also promotes the Innovation Fair, which occurs at the same time as the Muiraquitã Award, for the sharing of knowledge. The fair counts on the participation of the creators of the innovations, making it possible to replicate the innovations in the company's regional units.

#### **Energy Efficiency Projects and Programs**

The Eletronorte Energy Efficiency Program (PEEE) was created in March 2005 to develop efforts to combat the waste of electricity in cities with Company facilities. The program, revised in November 2010 through RD-0748/10, focuses on sustainability and is structured to enable energy efficiency projects and educational activities for rational electricity use.

#### **Energy Efficiency Projects in Public Buildings**

The Procel Public Buildings projects were developed in partnership with Eletrobras in two public hospitals in Belém (PA) and resulted in the savings of 1,235 MW/year. In addition to these projects, the Company performed various energy diagnostics in projects that are being developed in partnership with other organizations.

#### **Municipal Energy Management Projects (Plamge)**

Since 2005, Eletrobras Eletronorte, in partnership with local governments and with Eletrobras, has been promoting improvements in the management of electricity consumption in various cities through the Municipal Energy Management Plans (PLAMGE). These plans offer electricity consumption management as a tool to reduce waste and stimulate the economies of the cities.

#### **CERTIFIED AND RECOGNIZED ENERGY**

**The Eletrobras System, to date, has formally solicited 61 patents, of which 41 are Eletrobras Eletronorte's. In the electrical sector, Eletrobras Eletronorte is the second-largest company in patent filings.**

## Completed Municipal Energy Management Projects

PLAMGE Municipal Energy Management Plan	Projected Savings in MWh	Savings Obtained in MWh	Financial Outcome in R\$
City of Ariquemes (RO)	11,354	7,596,937	1,925,145.00
City of Abaetetuba (PA)	4,329	1,925,836	688,000.00
City of S. José de Ribamar (MA)	3,361	379,363	1,187,394.10
City of Presidente Dutra (MA)	875	275,042	61,272.00
City of Tucuruí (PA)	4,118	44,444	20,000.00
City of Ananindeua (PA)	22,414	0	0.00
City of Candeias do Jamari (RO)	1,796	0	0.00
<b>Total</b>	<b>48,247</b>	<b>10,221,622</b>	<b>3,881,811.10</b>

In addition to the PLAMGEs that have been completed and delivered to the local governments, Eletrobras Eletronorte is developing projects for the cities of Imperatriz and Timon (MA), Miracema (TO) and Rio Branco (AC).

The Company also provided support for the construction and training of the Municipal Energy Management Units (UGEMs) in the cities of Monte Negro, Ouro Preto do Oeste, Vale do Anari, Jaru and Itapuã do Oeste, in Rondônia, and Moju and Igarapé-Miri, in Pará.

In addition to this, Eletrobras Eletronorte has been developing education programs for rational energy use in 49 cities in Acre, Amapá, Maranhão, Mato Grosso, Pará, Rondônia and Tocantins. Their results are shown in the following chart:

Educational Program	2005	2006	2007	2008	2009	2010	Total
Number of schools benefitted	132	368	349	186	100	91	1,226
Number of teachers trained	1,422	1,742	2,283	1,010	86	1,171	7,714
Number of students benefitted	113,891	228,642	242,810	123,828	20,073	111,285	840,529

Between 2005 and 2010, the energy efficiency projects and the programs for rational energy use developed by Eletrobras Eletronorte resulted in savings of 32,709 MWh or R\$ 11,545,220.43.

Improvements in the efficiency of the Company's own facilities were initiated in 2008 with the creation of Internal Energy Conservation Commissions (CICEs) in the Regional Units of Tucuruí, Amapá, Rondônia, Acre and Tocantins. The administrative measures and small energy efficiency improvements adopted since then have resulted in savings of R\$ 167,647.00

# ENVIRONMENTAL DIMENSION





MANAGING ENVIRONMENTAL IMPACT

ENVIRONMENTAL INDICATORS



## MANAGING ENVIRONMENTAL IMPACT

### WATER THAT GENERATES ENERGY

The Eletrobras Eletronorte hydroelectric plants utilize the hydraulic energy of river waters to produce hydraulic power, which is transformed into electrical power by generators. The waters are then returned to the rivers with the same quality.

In 2010, 271,783 million m<sup>3</sup> of water were used to turn the turbines and another 82,488 m<sup>3</sup> were poured and aerated, totaling 354,271 million m<sup>3</sup> of water used in the process of energy generation in the hydroelectric plants.

Also in 2010, Eletrobras Eletronorte began to use rainwater collected from the roofs of the buildings in the UHE Tucuruí plant for gardening and cleaning buildings and sidewalks. The plant currently has an installed storage capacity of 10,000 liters, and the projected total volume to be used during the year is approximately 360 m<sup>3</sup>.

Another initiative is the reuse of treated effluent water for gardening in the UHE Tucuruí Residential Villa's sewage treatment station. Although 144,000 m<sup>3</sup> is reutilized per year, this volume is still small in relation to the total volume generated.

(GRI, EN10)

### EVALUATION AND RECORDING OF ENVIRONMENTAL ISSUES AND IMPACTS

Eletrobras Eletronorte continually seeks to improve its processes for evaluating, recording, and alleviating the environmental impacts of its activities.

The Company identifies and evaluates its projects and registers important environmental issues in its activities and ventures. However, in the cases of closing of units, operations, or processes, decommissioning of units and site changes, environmental impacts are neither identified nor evaluated.

The issues related to biodiversity associated with Eletrobras Eletronorte's activities are handled in accordance with the specifics of each venture, in compliance with Brazilian law and Eletrobras System policy.

The preliminary studies of a project's environmental impacts always take into account an analysis of the ecosystems and associated fauna and flora, depending

### ENERGY TO PRESERVE THE ENVIRONMENT

**Eletrobras Eletronorte continually seeks to improve its processes of evaluation, registry, and alleviation of environmental impacts.**

on the intended site's relevance and environmental characteristics. For each case, whether construction or operation, measures are developed for alleviation, control, monitoring, and environmental compensation for the impacts caused on the biodiversity.

Eletrobras Eletronorte also monitors the environmental and land activities of the Special Purpose Entities (SPEs) in which it has ownership.

By request of the Ministry of Mines and Energy (MME), reports of Socio-Environmental Characterization and Analysis are produced for ventures in which the company participates. These reports aim to characterize the physical, biotic, socio-economic and cultural resources, as well as provide an integrated analysis for the identification of areas that are more or less sensitive to the implantation of the ventures. They also indicate preferential directions for the transmission lines and their approximate length. These reports cover regions whose population is almost 2 million.

In 2010, reports were produced for the following ventures:

- 230 kV substation Lucas of Rio Verde, in Mato Grosso.
- 500 kV transmission line Manaus/Boa Vista and associated substations.
- Expansion of 230/138 kV substation, in Nobres, in Mato Grosso.
- Expansion of the Tucuruí Substation (138 kV patio with two triphasic auto-transformers of 230/138/13.8 kV – 100 MVA), in Pará.
- SE Miramar 230/69/13,8 kV - 300 MVA, in Pará.

## **STUDIES OF HYDROELECTRIC INVENTORY OF RIVER BASINS AND STUDIES OF TECHNICAL, ECONOMIC, AND ENVIRONMENTAL VIABILITY OF HYDROELECTRIC DEVELOPMENTS**

In partnership with private companies, Eletrobras Eletronorte performs studies of the hydroelectric inventory of river basins and studies of the technical, economic, and environmental viability of hydroelectric developments.

In 2010, studies were performed for the hydroelectric developments of the river basins Tapajós, Itacaiúnas, Tocantins, Araguaia, Araguari, Teles Pires and Xingu.

These studies require constant interaction with government agencies such as the Ministry of Mines and Energy (MME), the Ministry of the Environment (MMA), the Chico Mendes Biodiversity Conservation Institute (ICMBio) and the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama) responsible for the various authorizations and permits necessary for the realization of work, mainly work done inside Conservation Units (UCs).



## OBTAINING ENVIRONMENTAL PERMITS

The environmental dimension permeates all of Eletrobras Eletronorte's projects, from the hydroelectric inventory and viability studies to the construction and operation phases. Environmental licensing is part of the process from the study phase throughout the operating phase.

Environmental permits are an Instrument of National Environmental Policy established by Law n. 6.938 on August 31, 1981. The main function of this instrument is to reconcile economic development with the preservation of the environment. The law determines that it is the company's obligation to obtain environmental permits for its ventures together with the appropriate agency during each step, from planning and installation to effective operation.

Thus, for new ventures, such as construction of transmission lines, hydroelectric developments, and substation expansion projects, Preliminary Environmental Permits (LP) and Installation Permits (LI) are obtained. Environmental Operating Permits (LO) are obtained for existing ventures.

Monitoring of the work involves periodic meetings with all the agents involved, in which the environmental activities are discussed and problems are presented in order to find appropriate solutions.

For all Eletrobras Eletronorte's operating plants, the environmental permits are either current or else renewal has been requested in a timely manner, in accordance with Conama resolution n. 237/97. The Company currently has 84 operating permits.

### Number of Ventures and Operating Permits (by region)

Regional	Number of installations/ region	Number of installations				LOs (Total)
		LT	SE	UHE	UTE	
CAC	11	5	3	-	3	9
CAP	23	9	10	1	3	21
CMA	19	9	10	-	-	16
CMT	16	7	9	-	-	7
CPA	21	10	10	-	-	20
CRA	19	6	12	-	1	4
CRR	2	1	1	-	-	1
CPH	6	-	3	3	-	5
CTO	3	1	2	-	-	1
Total	120	48	60	4	7	84

Note: Except for the CTC, CAP, and CMA regions, the rest of the regions hold a single operating permit for more than one installation, resulting in differences between the number of installations and the number of permits.

## Number of Operating Permits Requested in 2010 (by region)

Region	LO's Expiring in 2010	LO's Renewed in 2010	LO Renewal Requests in 2010	New LO's in 2010	Licensing Agency
CAC	5	3	8	-	IMAC
CAP	5	-	23	-	SEMA/IMAP
CMA	-	1	-	2	SEMA
CRA	-	-	4	-	SEDAM
CPH	-	2	-	-	SEMA/SEDAM

## INDIGENOUS PROGRAMS

Eletrobras Eletronorte gives special attention to the Parakanã and Waimiri Atroari indigenous communities, as well as to the São Marcos Program, developing activities to compensate for the environmental and social impacts caused by its projects, whether or not this is a condition of the environmental permit.

The Parakanã Program is an effort geared towards the Awaete-Parakanã people, a group of 867 inhabitants of the Parakanã Indigenous Land in the Tocantins river basin. In 2010, the activities included health care assistance, implementation of an academic educational system, support of productive activities, valorization of culture, environmental protection, and marking and protection of the Awaete-Parakanã traditional land. Eletrobras Eletronorte invested R\$ 5,290,066.71 in this program during the year.

The Waimiri Atroari Program completed 23 years in 2010, keeping the Waimiri Atroari Indigenous Land a place in which both man and nature reproduce with freedom and exuberance. The Land consists of 2,585,611.96 hectares on which 1,358 inhabitants among 22 villages live in their traditional way and maintain their culture. In 2010, Eletrobras Eletronorte invested R\$ 4,772,614.46 in the program.

Together with the Association of Indigenous Peoples of the São Marcos Land (APITSM), Eletrobras Eletronorte lends services to the São Marcos Indigenous Land as a result of the implementation of the 230 kV Boa Vista-Santa Elena Transmission Line in the state of Roraima, aiming to maintain the integrity of the venture and the development of the indigenous community.

Approximately 5,000 people of Macuxi, Taurepáng and Wapixana ethnicity, inhabiting 40 villages, participate in the São Marcos Indigenous Program. In 2010, a Commitment Statement was signed between APITSM and Eletrobras Eletronorte, with the participation of Funai (National Indian Foundation). This statement has a term of eight years and budget of R\$8 million to be used in various projects.



In 2010, the Eletrobras Eletronorte Executive Board approved a set of long-term and emergency support measures for the Assurini do Trocará, Krikati and Guajajara communities. The emergency measures cover support for health care, education, food security and adequate infrastructure in order to improve the living conditions of these communities' members. The long-term measures aim to encourage the autonomy and independence – mainly economic – of the supported communities. They establish a process of community participation in the selection and prioritization of the measures to be developed, which makes the program's measures compatible with Funai's work.

In addition, Eletrobras Eletronorte contracted JGP Consultoria e Participações to produce all the studies, documents, and actions necessary to obtain the Preliminary Permit (LP), Installation Permit (LI) and Operation Permit (LO) as well as regulation by the National Institute for Artistic and Historical Heritage (IPHAN) for the installation of the 230 kV Ribeiro Gonçalves–Balsas Transmission Line and associated substations, related to the “A” lot of Auction n. 006/2008 - Aneel.

## **PRESERVATION OF CULTURAL AND ARCHEOLOGICAL HERITAGE**

Seeking to preserve cultural and archeological heritage in compliance with IPHAN's norms, Eletrobras Eletronorte promotes the survey and recovery of archeological and cultural sites found in the areas of transmission line service during the processes of environmental licensing, thus avoiding the destruction of these sites. In addition, the Company also performs studies together with the region's academic community for the preservation of cultural and archeological heritage.

Discussions are in progress between Eletrobras Eletronorte and the appropriate agencies for the transfer, storage and curation of the archeological archive currently stored on the premises of UHE Samuel in Rondônia.

## **ENVIRONMENTAL MANAGEMENT SYSTEM**

Eletrobras Eletronorte's Environmental Management System aims to handle the environmental issues resulting from the industrial plants in production. Preventative and corrective actions are administered based on the issues and possible impacts resulting from the industrial activities of generation and transmission and their respective legal requirements.

In this context, the company defined a minimum set of programs to meet the majority of the permit conditions and also the minimal legal requirements of the industrial activity of transmission or thermal or hydraulic generation.

The minimum environmental programs are the following:

## Minimum Environmental Programs

Item	Environmental Program	UHE	UTE	LT	SE
1	Environmental Education				
2	Limnology and Water Quality				
3	Reservoir Use and Conservation				
4	Fishing and Fish Fauna				
5	Waste Management				
6	Effluent Management				
7	Atmospheric Emission Management				
8	Internal and External Communication				
9	Identification and Access to Legal Requirements				
10	Recuperation of Damaged Areas				
11	Emergency Assistance				
12	Maintenance of Way				

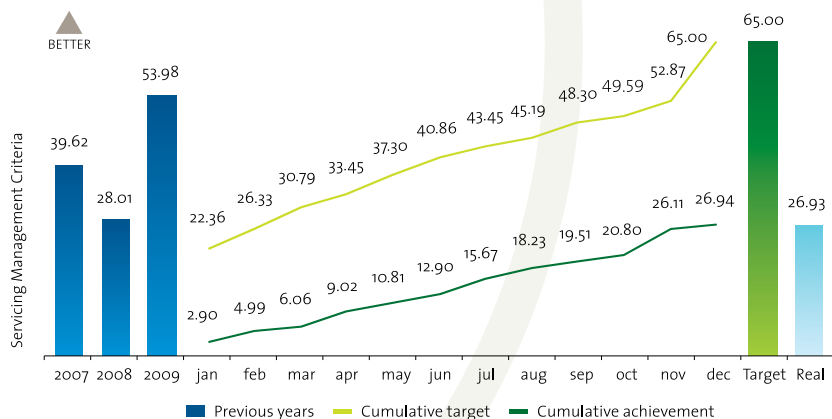
In 2010, the management responsible for the system, together with the TPM coordinator (environmental division), carried out a project to implement the minimum programs in the transmission regions of Maranhão (CMA), Tocantins (CTO), Mato Grosso (CMT), Rondônia/Acre (CRA) and Pará (CPA), which do not yet have environmental management systems installed.

These activities were done in conjunction with the environmental audits scheduled for 2010. In Tucuruí (CPH) and in Amapá (CAP), two audits were performed given the scope of the certification.

The target established for verifying the efficiency of environmental management (IEGA) was 65%. However, the result of 26.93% obtained is much lower than hoped, as shown by the graph.

## Efficiency of environmental management - IEGA

Year 2010



Annually, criteria and a timeline are established for environmental audits to check the system's progress. In 2010, one audit was scheduled in the non-certified plants and two in the certified plants with the ISO 14.001:2004 certification (Tucuruí and Macapá), according to the scope of the certification. The Audit Performance Index (IRA) was 100% greater than what was scheduled due to the performance of two audits in the Roraima region. Audits of the UHEs Curuá-Una and Samuel were not scheduled due to the lack of operating permits.

In addition, two environmental analysts and an environmental assistant were contracted in 2010 in order to guide Eletrobras' sustainability activities. These professionals also gave a lead auditor course for better implementation of the Company's environmental management system. As a result, the Company now has eight ISO 14.001:2004 standard auditors.

(GRI, EN14)

The Environmental Management System, in conjunction with the area of maintenance, also monitors the issues and environmental impacts of its processes. The Company committed, with the environmental licensing agency, to maintaining its programs for Natural Resource Supervision and Conservation, Forest Germoplasm, Fish and Fish Fauna, and Permanent Limnology and Water Quality Activities. All these programs aim to conserve and preserve the biodiversity in UHE Tucuruí's area of influence. The work performed in this area includes supervision, environmental education, monitoring of fish production, water quality, forest phenology, fish biology studies, seed production and tree seedlings donated to environmental projects, and scientific research and protection in the forest areas.

The results of these actions are sent to the licensing agency annually through reports.

## ENVIRONMENTAL AGENDA IN A3P PUBLIC ADMINISTRATION

The Environmental Agenda in Public Administration is also part of the Environmental Management System. A3P is a program that seeks to incorporate the principles of socio-environmental responsibility in public administration activities, by stimulating certain activities that range from changes in investments, purchases, and service contracts by the government; to sensitization and training of the workers; to appropriate management of natural resources used and waste generated; to the promotion of quality of life improvements in the workplace.

The Declaration of Compliance is the instrument through which the institution formalizes its commitment to implement A3P. The targets to be reached by the Company and their respective guidelines are established through a Work Plan that is agreed upon with the Ministry of the Environment (MMA).

Eletrobras Eletronorte fulfilled all the requirements for compliance to the program, which was implemented at headquarters by the Environmental Agenda

Commission and in the regional centers by the respective sub-commissions, thus meeting the MMA guidelines.

In parallel to the signing of the Declaration of Compliance, the Project “Art with Trash” was launched in Eletrobras Eletronorte’s headquarters in September 2009. This project is geared towards the outsourced cleaning staff, and offers workshops about recycling the waste generated in the Company (newspapers, wood scraps, and other waste), thus contributing to improving income for artisans.

Ever since the implementation of separated waste collection on December 1, 2009, Eletrobras has encouraged the correct destination of the collected recyclable waste. Recyclable materials are donated to organized cooperatives of collectors, in compliance with decree 5.940/06. Dangerous waste is disposed of in compliance with existing legislation. In the year 2010, a total of 15 tons of paper and cardboard was collected by Recycle Brasília, an association with which the Company signed a commitment statement.

## EMISSION OF GREENHOUSE GASES

The emission of greenhouse gases is one of the main topics in the environmental dimension. Currently, there is much discussion about reservoirs: whether they are sources of greenhouse gases or carbon sinks. There is also biotechnology research that investigates the proportion of bacteria that contributes to the generation of methane gas and bacteria that consumes the gas. Among researchers, the discussion guides the data collection methods and calculations. Some older research studied only a sample of a certain reservoir and then extrapolated from this data to others, according to the reservoir’s size. Today, laboratories and collection methods add the results of new studies to the debate.

In Eletrobras Eletronorte, two projects map the hydroelectric reservoirs in the Amazon. Although neither one has definite calculations yet, these projects represent the power sector’s desire to contribute to the discussion with technical background and appropriate methodology. The Company has invested R\$ 3.9 million since 2007 in the projects Monitoring and Diagnostics of the Amazon Hydroelectric Plants, performed by Eletrobras Eletronorte’s Technology Center; and Measurements of Greenhouse Gas Flows in the Amazon Hydroelectric Reservoirs: upstream and downstream, performed by Coppe/UFRJ. Measurement campaigns are being carried out in the Balbina, Tucuruí, and Samuel reservoirs, and collections are also projected for the Coaracy Nunes and Curuá-Una reservoirs. (GRI, EN18)

The Company took the initiative to acquire electric cars and bicycles for the internal transportation of people and materials, with the goal of avoiding greenhouse gas emission. Another initiative was the gradual replacement of two-stroke outboard motors for four-stroke motors.

Another way to alleviate environmental impacts is through environmental compensation, a financial compensation mechanism for the non-mitigable environmental impacts.

The Tucuruí region is a good example of Eletrobras Eletronorte's action in this respect. The Tucuruí Hydroelectric Plant is located on the Tocantins River in the state of Pará, 300 km as the crow flies from Belém. It has a reservoir of 2,917 km<sup>2</sup>, an operational structure designed to accumulate water for the production of energy, and represents approximately 90% of Eletrobras Eletronorte's revenue.

Tucuruí was designed according to the strategies established by Federal Government policy in the 1960s for the economic development of the northern region. Eletrobras Eletronorte showed concern for the environment even in its early days. The Company adopted an environmental policy in accordance with the country's legal requirements for installing energy-generating facilities, using environmental compensation as an instrument of this policy.

The Company thus participated in the creation of the Tucuruí Lake Conservation Mosaic, which encompasses the environmentally-protected area of the lake (580 thousand hectares) and the sustainable development reserves of Alcobaça and Pucuruí-Ararão, with 85 thousand additional hectares. The Tucuruí Lake Environmentally Protected Area was created in 2002 (law n. 6451 of April 8, 2002) and occupies an area of 568,667 hectares that encompasses the entire UHE Tucuruí reservoir, covering parts of the territories of seven cities in the region. The application of environmental compensation resources in the Tucuruí Lake Conservation Mosaic is in compliance with SNUC Law n. 9985 of July 18, 2000, and with decree n. 4.340 of 2002, which regulates the National System of Conservation Units.

### **PROTECTED AND RESTORED HABITATS**

Inside the Conservation Mosaic, Eletrobras Eletronorte is responsible for the protection of three forest areas that have been supervised and protected ever since the formation of the Tucuruí reservoir in 1984:

- Germplasm Island, with an area of 1.28 km<sup>2</sup> on which was planted a germplasm collection of 80 forest tree species taken from the area flooded by the formation of the plant's reservoir.
- The Wildlife Preservation Zone (ZPVS) Base 3, with 100.09 km<sup>2</sup>, composed of approximately 65% forest and 35% reservoir water surface. The forest has practically the same biodiversity as the forest flooded by the reservoir's formation.
- The Base 4 ZPVS with 202.07 km<sup>2</sup>, approximately 30% water surface and 30% forest similar to that flooded by the reservoir's formation.



The Company restored 3 km<sup>2</sup> of damaged areas during the construction of the dam. Damaged areas along the transmission lines and near substations were also restored, as well as the eroded areas around the transmission line towers.

(GRI, EN13)

Regarding the restored habitats, the most significant impact occurred during the period of filling the Tucuruí reservoir, when the river was dammed and forests were flooded. An approximately 170-km stretch was permanently changed from running (lotic) water to slower (lentic) water, and this was not the only stretch modified.

During the construction of the Tucuruí Hydroelectric Plant, approximately 340 hectares, corresponding to areas used for mining for the building of the dam, were also damaged. However, Eletrobras Eletronorte restored 3 km<sup>2</sup> of the damaged area during the construction of the dam.

In addition, Eletrobras Eletronorte helps recover damaged areas along the transmission lines and in substations. In most of these cases, the damage is caused by erosion. The Company monitors and contains the erosive process, mainly in the areas close to the towers.

(GRI, EN12)

## MONITORING AND CONTROL OF SOCIO-ENVIRONMENTAL ACTIVITIES

### Environmental Expenses

Various other socio-environmental efforts and activities are carried out at Eletrobras Eletronorte. One of the ways the Company demonstrates them is by disclosing the expenses for these actions as environmental expenses.

Since 2008, Eletrobras Eletronorte has followed legal requirement n. 1003/04 of the Federal Accounting Council, which establishes procedures for disclosing information of a social and environmental nature, with the goal of demonstrating the entity's participation in social responsibility to society.

To this end, the company made it obligatory

(through Technical Note EEM/FCO 001/2008) to launch specific accounting code in the SAP for breaking down the expenses, whether of environmental nature or others, called "statistical orders."

In 2010, ownership of the environmental expenses was held by the majority of the regional centers. Tucuruí and Amapá distinguish themselves with their implementation of the minimum programs for land and aquatic fauna, flora, and environmental education; and Pará because of its contracts signed for separated waste collection.

The following chart demonstrates the complete picture of expenses per region in the statistical orders:

### Operating Environmental Expenses in the Statistical Order by Region

Year 2010

UD	TOTAL	%
CAP	198,901.36	2.61
CAC	14,214.91	0.19
CMA	159,727.95	2.10
CMT	3,328.00	0.04
CPA	375,901.99	4.94
CRD	18,270.64	0.24
CRR	-	-
CPH	5,778,683.34	75.92
CTO	15,307.45	0.20
EEM	1,047,068.76	13.76
TOTAL	7,611,404.40	100.00

Although various environmental activities have been performed, some regional centers record a low value or even no portion of the budget in the correct statistical order, which makes the true calculation of operating environmental expenses difficult.

In 2010, the sum total of the operating environmental expenses that involved expenses launched in "statistical orders" and expenses with environment-related contracts was R\$ 15,778,983.41, as shown in the following chart:

## Operating Expenses of an Environmental Nature

Type of Expense	Amount in R\$
Maintenance in the operational processes for improvement of the environment	3,575,907.23
Prevention and/or recuperation of damaged areas	11,311,079.52
Environmental education for the workforce	201,044.09
Environmental education for the community	291,431.00
Other environmental projects	399,521.57
General Total	15,778,983.41

## ENVIRONMENTAL AUDITS

In addition to the disclosure of environmental expenses as a measurement of its environmental performance, Eletrobras Eletronorte uses environmental audits to study non-compliance and verify compliance with legal requirements in the operating plants. For the plants certified with the ISO 14.001:2004 standard, two internal audits are required to maintain the certification.

Two internal audits were also performed in the Roraima regional center: one to verify compliance with the legal requirements in the transmission line, and the other to propose and document the minimum programs for the operating plants.

The Tucuruí and Amapá regional centers, in a great cooperative effort, successfully maintained the environmental certification based on the ISO 14.001:2004 standard.

The certification matches the guidelines adopted by Eletrobras regarding treatment of the environmental dimension in order to achieve company sustainability.

## INITIATIVES TO ALLEVIATE ENVIRONMENTAL IMPACT

With the goal of alleviating the impact resulting from its activity, Eletrobras Eletronorte promotes initiatives to reduce the most significant environmental impacts of products/services in relation to use of materials and water, emissions, effluents, sound pollution, and waste.

In 2009, the chemical product used in the Tucuruí Residential Villa's water treatment station was replaced, no longer generating 10 tons of dangerous waste (chemical sludge) per year, with positive financial and ecological results.

In 2010, the use of non-ecological cooling gas was practically eliminated in the air conditioning equipment; it was replaced by equipment with environmentally-friendly gas.

Another project initiated was collection of rainwater from the building roofs, to be used in gardening and cleaning buildings and sidewalks. We have the installed capacity to collect 10,000 liters, with a projected consumption of 360 m<sup>3</sup> per year.

Through adaptation of storage structures for dangerous products, sensitization and awareness through the Environmental Education Program and purchase of separated waste collectors, the generation of dangerous waste was reduced by 50% from 2009 to 2010. The use of white paper and envelopes was also 100% replaced by recycled paper.

The Tucuruí Hydroelectric Plant has an Environmental Management System certified with the NBR ISO 14001:2004 standard. This system has procedures for the periodic evaluation of environmental performance.

The plant also works with TPM (Total Productive Maintenance) methodology, through which it maintains a structure called the Socio-Environmental Pillar, responsible for the development of activities in line with company strategies, as well as for the implementation of improvements.

In the productive units in Maranhão, many steps are taken to reduce environmental impact, such as the separated collection of certain types of waste, recuperation of eroded and damaged areas, fixing of leaks, and other initiatives – but there is no quantitative control with respect to the improvements.

(GRI, EN26)

CASES		PROJECTS
Name	Description	Results
Reduction of energy consumption in Eletronorte's own installations	The target of a 10-MWh reduction in energy consumption in the CTO installations was established	A 186-MWh reduction in energy consumption was achieved in 2009. In 2010, the target was a reduction of 205.3 MWh and a reduction of 339.4 MWh was achieved.

Source: Environmental Pillar Control. Energy use of the installations provided by the dealer (CELTINS) and measurement of the Auxiliary Service of the Miracema Substation.

(GRI, EN1, EN2, ENVIRONMENTAL INDICATORS

EN8, EN20,

EN21, EN22,

EN24, EN29 e

EN30)

Waste generation and treatment	2010	2009	2008
Emissions of gaseous pollutants	367004.32	0	0
Emission of CO <sub>2</sub> /TON/Year	362498.7	ND	ND
Emission of CH <sub>4</sub> /TON/Year	15.8	ND	ND
Emission of NO <sub>x</sub> /TON/Year	4489.82	ND	ND
A4 printer paper	24 reams	24 reams	24 reams
Use of resources in the organization's production and management processes			
Total consumption of fossil fuels by the company's fleet of vehicles, per kilometer traveled.			
- diesel	187.07 t	201.64 t	208.57 t
- gasoline	105.72 t	107.41 t	95.86 t
Total consumption of water by source (in m <sup>3</sup> ):	72946146	58447955	58176395
Acre River	8789000	ND	ND
Deep Well	792000	ND	ND
SAERB (compare with municipal)	4637000	ND	ND
Surface water	58727786	58447955	58176395
Rain water	360	0	0
Planned discharges	55030320	55030320	55030320
Type of disposal	55030320	55030320	55030320
Release in the river	55030320	55030320	55030320
Treatment method	55030320	55030320	55030320
None	55030320	55030320	55030320
Unplanned discharges	0	0	0
Type of disposal	0	0	0
Treatment method	0	0	0
Insulating oil	50.064 ton	237.535 ton	211.086 ton
Class 1 solid residue	70 ton	ND	ND
Class 1 oily residue	90 ton	ND	ND
Community environmental education	8,254	ND	ND
Services, staff, material	5,615,720	5,324,656	4,262,021
External certification	9,163	46,159	56,906
Direct expenses	15	15	15
Labor	648	660	660
Socio-environmental actions		94	295
Disposal of waste	115,223	109,835	ND
Final destination of waste	215	ND	ND
Total weight of dangerous waste transported out of the organization (not considering exportation)			
Trajectory (origin-destination)			
Tucuruí/PA – Rio de Janeiro	21.712	ND	ND
Tucuruí/PA – Goiás	15.592	14.85	21.712
Tucuruí/PA – São Paulo	ND	469.484	15.592

Total weight of dangerous waste that was transported (despite having been imported or exported) for treatment by the reporting organization or by third parties			
Co-processing	21.712	ND	ND
Co-processing	15.592	14.85	14.416
Re-refining		469.484	62.16
Quantity of hazardous waste generated			
Scrap	50	55	70
Contaminated oil	1.5	2.5	3
Rags	1	1	1
Used oil	39.96	306.735	ND
Contaminated solids	20.6	74.1	40
Class 1 solid waste	70	ND	ND
Quantity of non-hazardous waste generated			
Inert waste	5	5	5
Recyclable waste	1	1	1
Non-recyclables	2.988	1.616	ND
Recyclables	10.378	7.341	ND
Inert construction material	21	2.4	ND
Quantity of waste by type and final disposal method			
Co-processing	14.416	14.85	37.304
Re-refining	62.16	469.484	ND
Incineration	70	ND	ND
Non-hazardous waste	32.153	13.16	5.8
Recycling	0.701	0.89	1
Dump	2.895	4.8	4.8
City landfill	2.988	1.616	ND
Recycling	4.569	3.454	ND
Inert landfill	21	2.4	ND



# PERSPECTIVES AND CHALLENGES





## PERSPECTIVES AND CHALLENGES

The cycles and revisions of Eletrobras Eletronorte's Strategic Plan were represented by six different strategic maps between 2005 and 2011. This could be interpreted as a discontinuity of company objectives, apparently showing insecurity regarding directions to be taken. However, a deeper analysis of the changes in the legal framework and in the electrical energy market since 2004 demonstrate the necessity of rapid adaptation to the competitive environment.

In response to the changes in the market, Eletrobras also initiated an incisive transformation process that introduces substantial changes in the establishment of goals and in the monitoring of the performance of each company in the System. This process, still in progress, has counted on the active participation of representatives from the controlled companies.

In parallel, as a result of the need to increase competitiveness identified in the Strategic Plans, Eletrobras Eletronorte began an ambitious project to diagnose, analyze, and propose corrective measures and modernization. The project is called "Eletronorte Efficiency and Growth."

This project has resulted in recommendations for the improvement of processes and also for a profound organizational and cultural change, aiming to optimize expenses for staff, material, service, and others.

From the new Eletrobras System creed, which establishes the target of being the largest global clean energy generation company by 2020, with profitability comparable to the best companies of the electrical sector; from the "Eletronorte Efficiency and Growth" project's proposals and strategic learning - Eletrobras Eletronorte has defined focusing all its efforts on seeking company sustainability as its main challenge.

To achieve this goal, structural, growth, and operational efficiency measures were projected and are being implemented.

Among the structural measures, we highlight the onnection of the isolated systems in Amapá, Amazonas and Roraima to the National Interconnected System; the resolution of the Amapá Electricity Company (CEA)'s debt; the transfer of the controlling stake of the subsidy Boa Vista Energia S.A. to Eletrobras; the transfer of the Termonorte and DIT contracts to the regional distributors; the feasibility study for receiving generation and transmission assets from Amazonas Distribuidora; the realization of the Voluntary Resignation Incentive Program (PIDV) and the implementation of e-Life, which provides Housing Assistance for Eletrobras Eletronorte employees.

The operational efficiency measures include the optimization of various processes: corporate, expansion engineering, operation and maintenance of generation, operation and maintenance of transmission, and expenses for contracted manpower, business supplies, materials, and technical services.

The adoption of these measures will cause important impacts in the Company's economic-financial sustainability. For example, it will be challenging to achieve an operational margin (PMSO/ROL) of 35.7% in 2011 and of 25.4% in 2014. We also aim to improve the Lajida (Ebitda) margin: our target for 2011 is 42.9% and for 2014 it is 54.8%.

The business' growth will occur in corporate form through authorizations, auctions, and acquisitions, as well as through participation in Special Purpose Entities, to be materialized through auctions or acquisitions. By 2010, the Company intends to grow at least 50% in its capacity for electricity generation and length of transmission lines, considering its assets and shareholdings.

Eletrobras Eletronorte defined the search for economic-financial balance as an initial priority so that the projected targets can be reached. This search for balance will be in a "structuring" phase estimated to last until 2014.

However, growth should occur with the total assurance of sustainability of the ventures in all their dimensions; that is, always preserving harmony between the social, environmental, and economic-financial dimensions.

To this end, indicators and specific goals for monitoring the social and environmental dimensions were established and are being monitored by the Executive Board, by Eletrobras Eletronorte's Administrative Council, and by Eletrobras.

Considering benchmarks in the power sector, it was thus established that from 2011 to 2014 Eletrobras Eletronorte will make environmental and social investments of at least 0.65% and 0.42% of their Net Operating Revenue (ROL) per year, respectively.

Another challenge for Eletrobras Eletronorte will be to improve its sustainability practices, thus contributing to the Eletrobras System's continued listing in the Corporate Sustainability Index of BM&FBovespa and being able to reach the desired recognition of the Dow Jones Sustainability Indexes of the New York Stock Exchange.

We know that these challenges are great and ambitious. However, we count on the strength of heart that unites workers, shareholders, clients, providers, neighboring communities, and society in general, in this great endeavor of making Eletrobras Eletronorte an entity with soul and life capable of generating progress and well-being for all its stakeholders.





# APPENDICES





SOCIAL STATEMENT (IBASE MODEL)

MATRIX OF SUSTAINABILITY INDICATORS (GRI/ANEEL/PACTO  
GLOBAL/ISE/DJSI CHART)



## 2010 SOCIAL STATEMENT (IBASE model)

(Amounts in thousands of reais)

1 – Generation and distribution of wealth	In 2010	2.926.988	In 2009	3.143.340		
Distribution of Value Added	48.64% government	28.15% employees	35.56 % government	22.31% employees		
Statement of Value Added – DVA is presented, in full in the set of Accounting Statements	4.16 % shareholders	19.06% funders	10.28% shareholders	31.85% funders		
		% others		% others		
2 - Human Resources	In 2010		In 2009			
2.1 - Remuneration						
Gross payroll (FPB)	597,099		427,697			
- Employees	593,920		424,767			
- Managers	3,179		2,930			
Relationship between the largest and smallest remuneration						
- Employees	25.48		33.94			
- Managers	0.0		0.0			
2.2 – Benefits Granted	Value (thousand)	% on	% on RL	Value (thousand)	% on	% on RL
Social charges	202,571	33.93	5.91	149,148	34.87	4.41
Food	34,747	5.82	1.01	21,794	5.10	0.64
Transportation	2,678	0.45	0.08	2,199	0.51	0.07
Pension plan	28,816	4.83	0.84	24,135	5.64	0.71
Health	79,842	13.37	2.33	37,751	8.83	1.12
Workplace safety and medicine	2,542	0.43	0.07	2,279	0.53	0.07
Education or daycare assistance	7,825	1.31	0.23	5,740	1.34	0.17
Training and professional development	16,260	2.72	0.47	14,152	3.31	0.42
Profit sharing	72,185	12.09	2.10	62,025	14.50	1.83
Other	58,469	9.84	1.70	20,329	4.79	0.60
Total	505,935	84.78	14.75	339,552	79.42	10.04
2.3 - Composition of the Workforce						
Number of employees at the end of the fiscal year	3,852			3,701		
Number of hires	184			34		
Number of layoffs	35			59		
Number of interns at the end of the fiscal year	410			651		
Number of special-needs employees at the end of the fiscal year	225			183		
Number of third-party service providers at the end of the fiscal year	548			653		
Number of employees by gender:						
- Male	3,089			2,988		
- Female	763			713		
Number of employees by age:						
- Under 18	-			-		
- 18 to 35	1,217			984		
- 36 to 60	2,449			2,507		
- Over 60	186			210		
Number of employees by education level:						
- Illiterate	-			-		
- Elementary school	376			33		
- High school/technical school	1,637			2,128		
- College	1,524			1,424		
- Post-graduate	315			116		
Percentage of management positions by gender:						
- Male	83.00%			84.34%		
- Female	17.00%			15.66%		

2 - Human Resources		In 2010		In 2009		
2.4 - Labor contingencies and liabilities:						
Number of labor lawsuits against the organization		28			61	
Number of labor lawsuits upheld		12			50	
Number of labor lawsuits dropped		9			11	
Number of labor lawsuits awaiting judgment		7			-	
Total value of indemnities and fines paid by court order		R\$ 6,669 thousand			R\$ 331 thousand	
3 - Interaction of the Entity with the External Environment	Amount (thousands)	% on operating revenue	% on net revenue	Amount (thousands)	% on operating revenue	% on net revenue
3.1 - Community relationships						
Total investment in:						
Education and culture	-	0.00%	0.00%	25	0.01%	0.00%
Light for all program - Decree 4873/03	8,755	6.26%	0.26%	10,552	3.52%	0.31%
Sports and leisure	23	0.00%	0.02%	207	0.07%	0.01%
Food	-	0.00%	0.00%	-	0.00%	0.00%
Indigenous communities	6,325	4.53%	0.18%	5,035	1.68%	0.15%
Generation of income and employment	-	0.00%	0.00%	-	0.00%	0.00%
Others	402	0.29%	0.01%	217	0.07%	0.01%
Total investment	15,505	11.08%	0.47%	16,036	5.34%	0.47%
Taxes (excluding social charges)	870,242	622.65%	25.37%	745,823	248.54%	22.05%
Financial compensation for the use of water resources	173,115	123.86%	5.05%	181,492	60.48%	5.36%
Total – Community relationships	1,058,862	757.59%	30.88%	943,351	314.36%	27.89%
3.2 - Interaction with providers		Controls are required on:				
Social responsibility criteria used for the selection of providers	Environmental risks, workplace conditions, medical control of environmental health, nocturnal or unhealthy labor for minors, except in the condition of apprentice, beginning at 14.					
4 - Interaction with the Environment	Amount (thousands)	% on operating revenue	% on net revenue	Amount (thousands)	% on operating revenue	% on net revenue
Investments and expenses with maintenance in the operational processes for environmental improvement	3,576	2.56%	0.10%	3,869	1.29%	0.11%
Investments and expenses for the preservation and/or recuperation of damaged areas	11,311	8.09%	0.33%	10,999	3.67%	0.33%
Investments and expenses for environmental education for the entity's employees, administrators, individuals and third parties	-	0.00%	0.00%	-	0.00%	0.00%
Investments and expenses for environmental education for the community	497	0.36%	0.01%	348	0.12%	0.01%
Investments and expenses for other environmental projects	400	0.29%	0.01%	487	0.16%	0.01%
Quantity of environmental, administrative, and judicial lawsuits against the entity	-	0.00%	0.00%	-	0.00%	0.00%
Value of fines and indemnities regarding environmental, administrative, or litigation issues	-	0.00%	0.00%	-	0.00%	0.00%
Environmental liabilities and contingencies	-	0.00%	0.00%	-	0.00%	0.00%
Total for interaction with the environment	15,784	11.29%	0.46%	15,703	5.23%	0.46%
5 - Other information						
Net Income (RL)		3,430,390			3,382,893	
Operating Income (RO)		139,764			300,084	

## Matrix of Company Sustainability and Social Responsibility Indicators

GRI: Global Reporting Initiative – Sustainability Reporting Guidelines

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
<b>1. Strategy and Analysis</b>					
Declaration of the director about the relevance of sustainability for the organization and its strategy	1.1	3.1.1	70	GER 1	8,9 and 10
Description of the main impacts, risks, and opportunities	1.2		86		8,9 and 10
<b>2. Organizational Profile</b>					
Name of the company or group	2.1				13
Main products or services	2.2				13, 14, 15, 16, 17, 18, 19 and 20
Operational structure of the organization	2.3				14 and 15
Location of the organization's headquarters	2.4				13
Countries where the organization operates	2.5				13
Nature of ownership and legal form	2.6				13
Markets served	2.7				13
Scale of the organization	2.8				13
Main changes during the reporting period regarding scale, structure, or ownership	2.9				17
Awards received in the reporting period	2.10		39		19 and 20
<b>3. Report Parameters</b>					
Report Profile					
Reporting period	3.1		88		11
Date of most recent previous report	3.2			GER 6	11
Reporting cycle	3.3				11
Contact information for questions regarding the report or its contents	3.4				12
Report Scope and Boundary					
Process for defining report content	3.5				11 and 12
Boundary of the report	3.6				11 and 12
Statement of any specific limitations on the scope or boundary of the report	3.7				11 and 12
Basis for reporting on facts that could significantly affect the comparability between periods and/or organizations	3.8				11 and 12
Data measurement techniques and the bases of calculations, including assumptions and techniques, underlying estimations applied to the compilation of the indicators and other information in the report	3.9		72		11 and 12
Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	3.10				11 and 12
Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	3.11				11 and 12
GRI Content Index	3.12				128
Table identifying the location of the Standard Disclosures in the report					
Assurance	3.13				11 and 12
Policy and current practice with regard to seeking external assurance for the report.	3.13				10 and 11

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
<b>4. Governance, Commitment, and Engagement</b>					
Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	4.1	3.2	1, 3, 4, 6, 7, 12	GER 3 GOV 7 GOV 15 GOV 16 GOV 17 GOV 25 GOV 26 GOV 27 GOV 28 GOV 30 GOV 31	30, 31 and 32
Indicate whether the Chair of the highest governance body is also an executive officer	GOV 7 GOV 15 GOV 16		GOV 13 GOV 14	GOV 13 GOV 14	28
For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	GOV 17		GOV 15 GOV 16 GOV 17	GOV 15 GOV 16 GOV 17	28 and 29
Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	GOV 25		GOV 2	GOV 2	31 and 32
Linkage between compensation for members of the highest governance body, senior managers, and executives	GOV 26		GER 5	GER 5	29
Processes in place for the highest governance body to ensure conflicts of interest are avoided	GOV 27	3.2	GOV 33 GOV 34 GOV 35 GOV 36 GOV 37 GOV 38	GOV 33 GOV 34 GOV 35 GOV 36 GOV 37	29
Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees	GOV 28		GOV 3	GOV 3	28 and 29
Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	GOV 30	3.1.2	GER 1	GER 1	13, 25 and 31
Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	GOV 31	30, 31 e 32	GOV 22 GOV 23 GOV 24	GOV 22 GOV 23 GOV 24	20, 21, 22, 23, 24 and 25
Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	4.2		2	GOV 13	24 and 25
Ethical Commitments	GOV 14	30			31
Roots of the Organizational Culture	4.3		12	GOV 15 GOV 16 GOV 17	32 and 33
Corporate Governance	4.4			GOV 2	32 and 34
Commitments to External Initiatives	4.5		8,10, 67	GER 5	31
Explanation of whether and how the precautionary approach or principle is addressed by the organization	4.6	3.2		GOV 33	31
Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	GOV 34	3.2			34, 35 and 36
Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the entity participates or holds positions	GOV 35				39
Stakeholder Engagement	GOV 36		GER 4	GER 4	
List of stakeholder groups engaged by the organization	4.14	3.1.3		GOV 11	11, 36, 37, 38, 40 and 41
Basis for the identification and selection of stakeholders with whom to engage	4.15	3.1.3			11 and 12
Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	4.16	3.1.3			11, 37, 38, 39, 40 and 41
Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	4.17	3.1.3			11
Relationship with the competition					31



THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
Dialogue with stakeholders		3.1.3	73, 89	GOV 9 GOV 10 AMB-D 9 AMB-D 10	39, 40, 41, 42 and 43
Social Statement		4			126
<b>5. Economic Performance</b>					
Economic Performance					
Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	EC1		36, 67		60
Financial implications and other risks and opportunities for the organization's activities due to climate change	EC2		64	ECO 7	ND
Coverage of the organization's defined benefit plan obligations	EC3		84		73
Significant financial assistance received from government	EC4				59
Market Presence					
Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	EC5	3.3		SOC 10	62
Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	EC6				84
Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	EC7				ND
Indirect Economic Impacts					
Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	EC8	3.3	86		ND
Understanding and describing significant indirect economic impacts, including the extent of impacts	EC9			ECO 1 ECO 2 ECO 3 ECO 4 ECO 5 ECO 6 ECO 7 ECO 8	ND
<b>6. Environmental Performance</b>					
<b>Materials</b>					
Materials used by weight or volume	EN1				118
Percentage of materials used that are recycled input materials	EN2				118
<b>Energy</b>					
Direct energy consumption by primary energy source	EN3		30, 31, 32	AMB-D 11	118
Indirect energy consumption by primary source	EN4		30, 31, 32	AMB-D 11	ND
Energy saved due to conservation and efficiency improvements	EN5		33	AMB-D 22	ND
Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiative	EN6		33	AMB-D 22	ND
Initiatives to reduce indirect energy consumption and reductions achieved	EN7		33	AMB-D 22	ND
<b>Water</b>					
			37		
Total water withdrawal by source	EN8		37	AMB-D 11	118
Water sources significantly affected by withdrawal of water	EN9			AMB-D 11	ND
Percentage and total volume of water recycled and reused	EN10			AMB-D 11 E D 22	106
<b>Biodiversity</b>					
			65		
Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	EN11	3.5	39, 65	AMB-D 30	115
Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	EN12	3.5	65	AMB-D 30	115

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
Habitats protected or restored	EN13	3-5	AMB-D 19, D 22, D 30 and D 31	AMB-D 19, D 22, D 30 and D 31	109
Strategies, current actions, and future plans for managing impacts on biodiversity	EN13	3-5	39	AMB-D 19, D 22, D 30 E D 31	115
Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	EN14	3-5	39, 65	AMB-D 22 E D 30	112
Commitment to the Improvement of Environmental Quality	EN15				ND
Environmental Education and Awareness		3-5	39	AMB-D 20	106
Sustainability of the Forest Economy		3-5			
Emissions, Effluents, and Waste		3-5			
Total direct and indirect greenhouse gas emissions by weight.			34, 37	NAT 2 AMB-D 13	
Other relevant indirect greenhouse gas emissions by weight	EN16		34, 37	CLI 9 CLI 15 AMB-D 11, D 13, D 14, D 15, D 16 E D 25	ND
Initiatives to reduce greenhouse gas emissions and reductions achieved	EN18	3-5	34	CLI 1 CLI 2 CLI 11 CLI 12 CLI 14 AMB-D 17 E D 25	117
Emissions of ozone-depleting substances by weight	EN19		34-37, 43	AMB-D 25 E D 28	ND
NO, SO, and other significant air emissions by type and weight	EN20		37, 43, 45, 59, 60, 61, 63		118
Total water discharge by quality and destination	EN21		37	AMB-D 11	118
Total weight of waste by type and disposal method	EN22		37	AMB-D 11, D 27 E D 28	118
Total number and volume of significant spills	EN23			AMB-D 11 AMB-D 23	ND
Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex	EN24				118
Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	EN25				ND
Minimization of entry and departure of materials					
Disposal and treatment of hazardous waste					
Presence of PCB					
Disposal of mercury vapor lamps					
Products and Services					
Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	EN26	3-5			117
Percentage of products sold and their packaging materials that are reclaimed by category	EN27				NA
Management of Environmental Impact and of Product and Service Life Cycles		3-5		AMB-D 7	106
Compliance					

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	EN28	3.5		NAT 6 AMB-D 11 AMB-D 34	ND
<b>Transport</b>					
Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	EN29				118
<b>Overall</b>					
Total environmental protection expenditures and investments by type.	EN30	3.5		AMB-D 11 AMB-D 19	118
Control of impacts on the urban landscape and in areas of environmental protection		3.5			
<b>7. Social Performance – Labor Practices and Decent Work</b>					
<b>Employment</b>					
Total workforce by employment type, employment contract, and region, broken down by gender	LA1	3.4.1			79
Total number and rate of new employee hires and employee turnover by age group, gender, and region	LA2	3.4.1	74		68
Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	LA3		74, 84		77
Remuneration, benefits, and career policy			67, 71, 75, 76, 78, 79, 82, 84		77
Behavior with layoffs					
Preparation for retirement			87		78
<b>Labor/Management Relations</b>					
Percentage of employees covered by collective bargaining agreements	LA4				100%
Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	LA5				68
Relationships with Unions					68
<b>Participatory Management</b>					
<b>Occupational Health and Safety</b>					
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	LA6				81
Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	LA7			AMB-D12	81
Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	LA8		80, 81		75
Health and safety topics covered in formal agreements with trade unions	LA9				68
Care of health, safety, and workplace conditions					80
<b>Health and safety of outsourced workers</b>					
<b>Training and Education</b>					
Average hours of training per year per employee by gender, and by employee category	LA10				82
Programs for skills management and lifelong learning that support the continued employability of employees	LA11				78
Percentage of employees receiving regular performance and career development reviews, by gender	LA12				ND
<b>Diversity and Equal Opportunities</b>					

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	LA13		71	SOC 24 SOC 25 SOC 26 SOC 27 SOC 28 SOC 29 SOC 31 SOC 32 SOC 33 SOC 34 SOC 35 SOC 36 SOC 37 SOC 38 SOC 51	79
Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	LA14		71	SOC 30	ND
Relations with outsourced workers					84
Commitment to children's future					36 and 37
Commitment to childhood development					36 and 37
<b>7. Social Performance – Human Rights</b>					
Investment and Procurement Practices					
Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	HR1	3.4.2	69		86
Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	HR2	3.4.2	69	SOC 16 SOC 41 SOC 42	86
Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	HR3	3.4.2	69		83
Criteria for the evaluation and selection of providers					86
Support for the development of providers					86 and 87
Non-Discrimination					
Total number of incidents of discrimination and corrective actions taken	HR4	3.4.2			o (zero)
Freedom of Association and Collective Bargaining					
Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	HR5	3.4.2			ND
Child Labor					
Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	HR6	3.4.2		SOC 1 SOC 6	87
Forced and Compulsory Labor					
Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	HR7	3.4.2		SOC 1 SOC 6	87
Security Practices					
Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	HR8	3.4.2	69		
Indigenous Rights					
Total number of incidents of violations involving rights of indigenous people and actions taken	HR9	3.4.2			ND
<b>7. Social Performance – Society</b>					
<b>Local Community</b>					
Nature, scope, and efficiency of any programs and practices to evaluate and manage impacts of operations on local communities, including entry, operation, and departure	SO1	3.4.2		SOC 13	127
Management of the company's impact on the surrounding community					

THEME	GRI	ANEEL	GLOBAL COMPACT	ISE BOVESPA	PAGE
Relationship with local organizations					
Financing of social action					
Company involvement with social action					
Contributions to political campaigns					
Construction of citizenship by the companies					
Corruption			21, 22		
Percentage and total number of business units analyzed for risks related to corruption	SO2		21, 22		127
Percentual de empregados treinados nas políticas e procedimentos anticorrupção da organização	SO3		21, 22		ND
Actions taken in response to incidents of corruption	SO4			GER 7	127
Anti-corruption and anti-bribery practices			21, 22		
Public Policy					
Public policy positions and participation in public policy development and lobbying	SO5	3.4.3		SOC 2	ND
Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	SO6				ND
Leadership and social influence		3.4.3			
Participation in government social programs		3.4.3			
Anti-Competitive Behavior					
Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcome	SO7				ND
Compliance					
Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	SO8				ND
<b>7. Social Performance – Product Responsibility</b>					
Consumer Health and Safety				NAT 1	
Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	PR1	3.4.2			NA
Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	PR2	3.4.2		SOC 48 SOC 49	NA
Knowledge and management of potential damages from products and services					
Product and Service Labeling					
Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	PR3				NA
Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	PR4				NA
Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	PR5		25, 26	SOC 20	92
Excellence of customer service					
Marketing Communications					
Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	PR6			SOC 5	ND
Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	PR7			SOC 5	ND
Business Communication Policy					
Compliance					
Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	PR8		27, 28, 68		ND
Compliance					
Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	PR9				ND





## ELETRONORTE SUSTAINABILITY REPORT 2010

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Advisor for Universal Electrical Energy (EUE)

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Eletrobras Eletronorte Gender and Diversity Committee

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Office of the President (PGP)

General Ombudsman (POG)

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