

SUSTAINABILITY REPORT 2011

THE WIRE THAT BINDS US TOGETHER

UPPER MANAGEMENT

Composition as at
December 31st, 2011

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Participations Officer



MESSAGE FROM THE CEO

Since its creation, 55 years ago, FURNAS generates and transmits clean and renewable energy to help the development of Brazil and the Brazilian people. In 2011 it was not different, and it will not be different in the coming years. The foreseeable growth in the demand of electrical energy for the next decade is around 4.5% a year, which results from the combination of the traditional growth of our economy and the demands of the Brazilian people that were, up to now, excluded from the consumer market. Two hundred and sixty GWh and more than four thousand kilometers of transmission lines a year will be necessary until 2021 to meet this demand.

FURNAS is committed to guaranteeing the expansion of the energy offered with quality and with social and environmental responsibility, proportional to the current market: 9% of the installed generation capacity and 19% of the interconnected Brazilian network. To this end, the Company concludes huge installations: wholly owned ones, such as Simplicio Hydroelectric Power Plant, which will generate clean energy for 800 thousand people with the best relationship between flooded area and generated MW in the world, or in partnership, such as in Santo Antônio Hydroelectric Power Plant, which will generate energy for approximately 25 million people and whose sustainability model was foremost in the 6th World Water Forum held last March in Marseille, France.

The Company is building a total of four hydroelectric power plants, 17 wind parks, six new substations, and more than four thousand kilometers of transmission lines, besides investing around R\$ 1.8 billion in reinforcements and modernization processes of FURNAS system, the backbone of Brazilian energy transmission. With the new installations, in 2016 we will have more than 17 thousand MW of installed capacity, a 50% growth in clean and renewable energy generation when compared to the current 11,365 MW. These projects represent 131 thousand new jobs and energy for more than 14 million Brazilians.

To keep its growth trajectory, FURNAS had to update itself. In 2011, the greatest restructuring project in the history of the Company was introduced, a new management model centered in operational efficiency. Employee workforce was renovated with the Employee Readequacy Plan (PREQ, from the Portuguese) and the retention of knowledge program. And the controversy that put in opposing sides employees and outsourced personnel was set aside thanks to the public spirit of everyone involved.

With the support of the Inter-American Development Bank, a complete reformulation of the organization and how it works has been made possible. The Company has been adapted to the new model of the power sector, which demands competence and efficiency. New processes and practices will prioritize the corporate view point regarding decisions and guarantee quality management of existing assets, generating resources for shareholders and expansion of the electric system. A council board dedicated to business has been created and a differentiated governance is being formulated to manage countless partnerships imposed by the expansion of the new model. Besides, agreements with large international companies, such as the Chinese Three Gorges Corporation, have expanded the limits of FURNAS business.

Besides the challenge of increasing energy supply, FURNAS is committed to protecting the environment and is responsible for the communities affected by the enterprises. In 2011, among other projects, the Company invested approximately R\$ 70 million in preservation or recovery of affected environments, on development and maintenance of operational processes to improve the environment, and environmental education of affected communities. At the same time, more than R\$ 37 million went to health, sanitation, education, culture, sports-related projects, as well as fighting hunger, income generation, and promotion of citizenship in communities around the Company's installations.

Once more, FURNAS followed the Gender and Race Equality Program and has signed the 7 Women's Empowerment Principles (7 PEM, from the Portuguese) whose objective is to give power to women in the corporate environment.

The objective of the Gender Group is to promote equality of treatment and opportunities between women and men, and the development of new management and organizational culture concepts. As a result of this equality policy, the number of women in managerial positions in FURNAS has increased 47% over the last seven years. At the end of 2011, women represented 14% of managerial positions. They are managers and superintendents and, since August 2011, for the first time, a woman was appointed for an officer position.

All social and environmental actions undertaken during the year reflect the adhesion of the Company to the UN Global Compact, which FURNAS signed in 2003.

This has all been done to transform FURNAS into a more sustainable and competitive company in order to attract new investments, while committed to the environment and quality of life in the communities surrounding its installations, of society in general, and of its employees. We are building the Company we all want.

Hail FURNAS!

Flavio Decat de Moura
Chief Executive Officer



Students visiting the Central Office (RJ)

ON THIS REPORT

In 1988, FURNAS was one of the first Brazilian companies to publish its social balance to inform different groups the main economic, social, and environmental results of its activities and decisions.

Similar to prior editions, the guidelines of the Global Reporting Initiative (GRI) and its Electric Utility Sector Supplement were followed, along with the orientations of the Annual Report and Sustainability Report Writing Guide of the Brazilian Electricity Regulatory Agency (ANEEL). The different actions and results described in this report were also correlated with the guidelines of ISO 26000 international standard and the Principles of the Global Compact.

According to the technical analysis of the Accounting Convergence Committee (CPC, from the Portuguese) and other institutions approved by the Brazilian Securities and Exchange Commission (CVM, from the Portuguese), from fiscal year 2010 on, the Company has presented its Financial Demonstrations individually and consolidated, according to the rules of the Brazilian Electricity Regulatory Agency – ANEEL, whenever they do not represent a conflict with Brazilian and international accountability practices of the International Financial Reporting Standard (IFRS).

Therefore, the items in Wealth Distribution by Interested Parties and distribution of Added Value – Government are presented individually to meet ANEEL's requirements. The main indicators of social, economic and financial performance are consolidated due to the expressive impact represented by the investments of the Company in the Specific Purpose Entities it partakes in.

Since it signed the United Nations (UN) Global Compact in 2003, social and environmental, as well as sustainability reports are presented as communication on progress and are included on the Global Compact page on the internet (www.pactoglobal.org.br).

The document refers to the period from January 1st to December 31st, 2011.

Approximately 50 employees from all company sectors participated in data collection, but the members of the Corporate Sustainability Committee facilitated this process.

The report is distributed for all of FURNAS interest groups, and, for this end, 200 copies in Portuguese, 100 in English, and 100 in Spanish were produced, as well as 1,000 pen-drives in Portuguese, 100 in English, and 100 in Spanish.

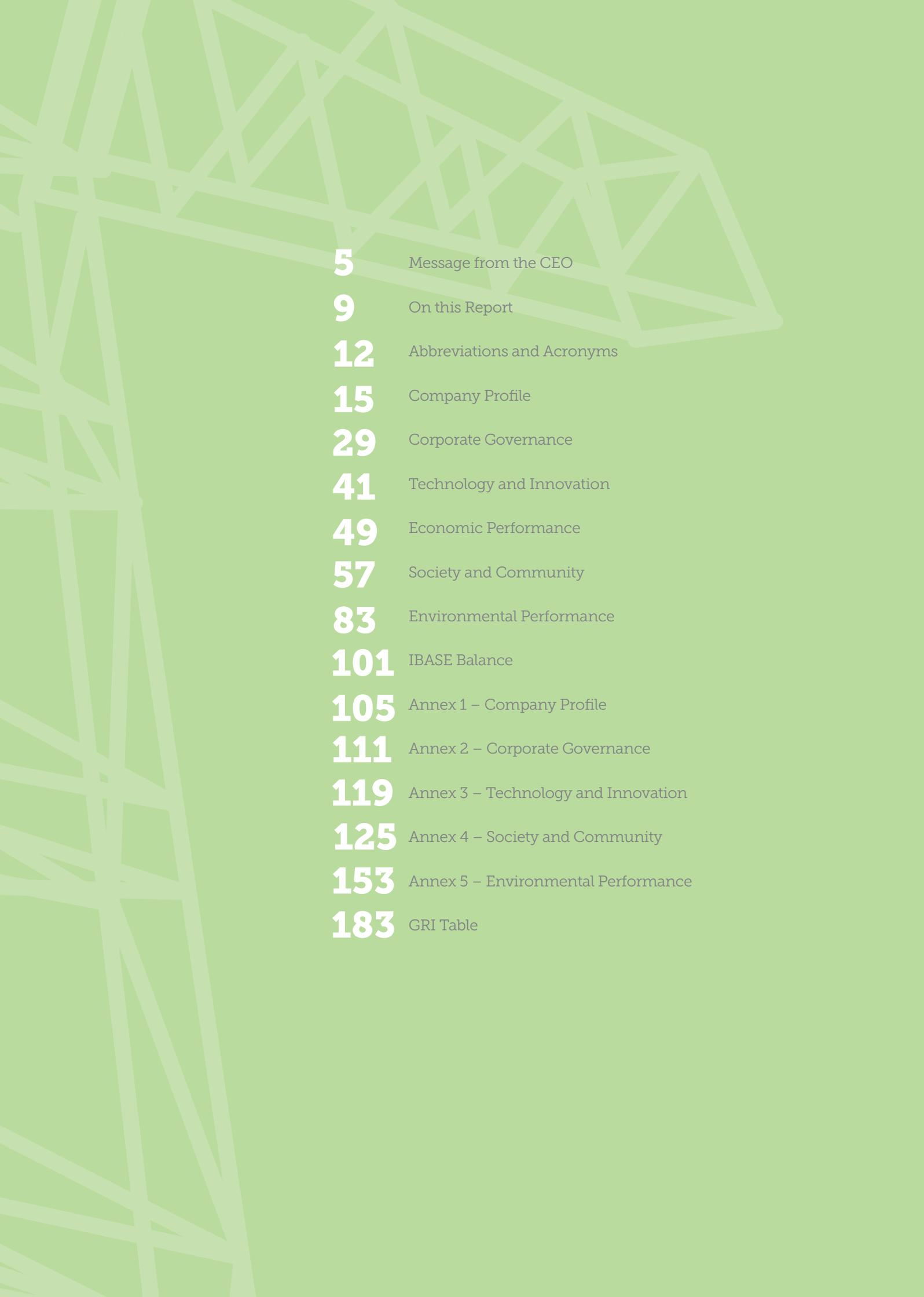
A PDF version is available for consultation on FURNAS webpage (www.furnas.com.br).





SUMMARY

Santo Antônio HPP (RO)



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ABBREVIATIONS AND ACRONYMS

ACL	Free Negotiation Environment	EBTIDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ACR	Regular Negotiation Environment	ELETRONORTE	North of Brazil Electric Companies
ACT	Collective Bargaining Labor Agreement	ELETRONUCLEAR	Eletrobras Thermonuclear
AGE	Extraordinary General Meeting	EOL	Wind Park
AGO	Ordinary General Meeting	EPE	Energy Research Company
ANA	National Water Agency	ERP	Enterprise Resource Planning (Integrated Systems of Integrated Corporate Management)
ANEEL	Brazilian Electricity Regulatory Agency	ES	Espírito Santo State
APA	Environmental Protection Area	FAOP	Ouro Preto Art Foundation
APAE	Association of Parents of Children with Special Needs	FNDCT	National Fund for Science and Technology Development
APE	Special Protection Area	FRG	Real Grandeza Foundation
APM	Multi-purpose Reservoir	FUNAI	National Indian Foundation
APP	Permanent Protection Area	FUNCOGE	Corporate Management Committee Foundation
AVAPE	Association for Valuing Persons with Disabilities	GEE	Greenhouse Gases
BD	Defined Benefit	GLP	Liquefied Petroleum Gas
BID	Inter American Development Bank	GO	Goiás State
BNDES	Brazilian Development Bank	GWh	Gigawatt Hour
CCEE	Electric Energy Trading Chamber	IBAMA	Brazilian Institute of Environment and Natural Renewable Resources
CCP	Community Production Centers	IBGE	Brazilian Geography and Statistics Institute
CD	Defined Contribution	ICMBio	Chico Mendes Institute for Biodiversity
CE	Ceará State	IE Madeira	Madeira Electrical Interconnection
CEEE	State Electric Energy Generation and Transmission Company	INMETRO	Metrology, Quality, and Technology National Institute
CEMIG	Minas Gerais State Electric Company	IRPJ	Corporate Income Tax
CFURH	Royalties for the Use of Water Resources	ISO	International Organization for Standardization
CHESF	São Francisco River Hydroelectric Company	IUCN	International Union for Conservation of Nature
CO₂	Carbon Dioxide	km	Kilometer
COEP	Committee of the Entities that Fight Hunger and Value Life	kV	Kilovolt
CPFL	São Paulo Energy and Light Company	LT	Transmission Line
CTB	Technical Basic Course		
CTEEP	São Paulo Electric Energy Transmission Company		
DF	Federal Capital		





MESA	Madeira Energy Company	RAP	Allowed Anual Income
MG	Minas Gerais State	RB	Basic Network
MME	Ministry of Mines and Energy	RBLE	Brazilian Assay Laboratories Network
MT	Mato Grosso State	REBIO	Biological Reserve
MVAmp	Megavolt Ampere	REBIOE	State Biological Reserve
MVAr	Reactive Megavolt Ampere or Megavar	ReLuz	ReLuz National Program for Efficient Public Illumination
MW	Megawatt	RIALMA	Rio das Almas Electric Company
MWh	Megawatt Hour	RJ	Rio de Janeiro State
Naturatins	Tocantins Nature Institute	RN	Rio Grande do Norte State
NBR	Brazilian Standard	RO	Rondônia State
ODM	Millenium Development Goals	ROL	Net Operating Revenue
ONS	National Electric System Operator	SE	Substation
P&D	Research & Development	SEFAC	Serra do Facão Energy Company
PA	Pará State	SEMA	State Environmental Department
PAC	Growth Acceleration Program	SEMARH	Secretariat of Environment and Water Resources
PAE	Emergency Plan	SENAI	National Service of Industrial Learning
PAR	Expansion and Reinforcement Program	SF₆	Sulfur Hexafluoride
PCB	Polychlorinated Biphenyls	SIN	National Interconnected System
PCH	Small Hydroelectric Power Plants	SINOCON	National System of Observability and Controllability
PCR	Career and Remuneration Plan	SP	São Paulo State
PDGR	Corporate Risk Management Master Plan	SPE	Specific Purpose Entity
PE	State Park	TFSEE	Electric Energy Fiscalization Fee
PGET	General Plan of Transmission Installations in Operation	TI	Information Technology
PGR	Waste Management Plan	TO	Tocantins State
PN	National Park	TWh	Terawatt Hour
PR	Paraná State	UG	Generating Unit
PROCEL	National Electricity Conservation Program	UHE	Hydroelectric Power Plant - HPP
PROMAN	Energy Producers of Manso Company	UTE	Thermal Power Plant - TPP





UHE Santo Antônio (RO)

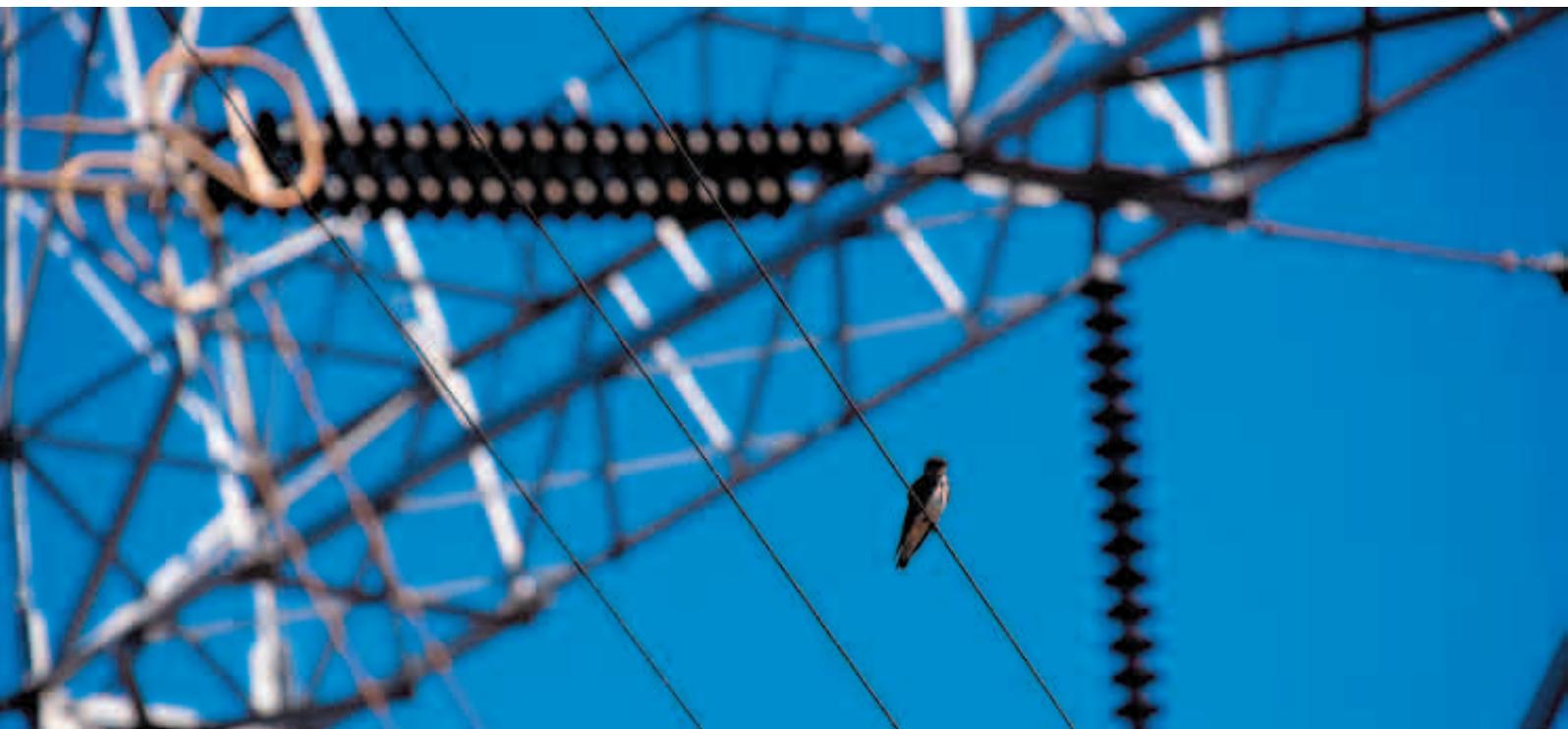
COMPANY PROFILE



Company **PROFILE**

Created on February 28, 1957 by Decree no. 41066 to build and operate the first large hydroelectric power plant in Brazil, FURNAS Centrais Elétricas S.A. is a mix/private state owned company under the discretion of the Ministry of Mines and Energy, whose main shareholder is the Brazilian Electric Company (Eletrobras). Since its creation, it has the Company to the Brazilian growth, and 40% of all the energy in the country passes through its system.

FURNAS works in the generation, transmission, and commercialization of electric energy and currently has installations in all regions of the country, encompassing 13 states (RJ, MG, ES, SP, GO, MT, TO, PR, SC, RS, RO, CE, and RN) and the Federal capital, where 63% of Brazilian homes are located, representing 81% of the national GDP. Its generation park has 15 hydroelectric power plants and two thermal plants, representing an installed capacity of more than 11 thousand MW. Among the hydroelectric power plants, eight are wholly owned, two are partnerships with private investors, and five are under Specific Purpose Entities (SPE). The transmission system relies on more than 20 thousand kilometers of wholly owned transmission lines, of which approximately 950 km are shared ownership, and 53 substations, among which 46 are wholly owned, two are in partnerships, and five are under SPE.





Power Plant	Installed capacity (MW)	Ownership of the plants (%)	Energy Offered (Mean MW)		
			2011	2010	2009
HPP – Wholly owned					
Itumbiara	2,082	100	1,015	1,015	1,015
Marimbondo	1,440	100	726	726	726
Furnas	1,216	100	598	598	598
Luiz Carlos B. de Carvalho (Estreito)	1,050	100	495	495	495
Mascarenhas de Moraes	476	100	295	295	295
Corumbá	375	100	209	209	209
Porto Colômbia	320	100	185	185	185
Funil	216	100	121	121	121
HPP – Partnership					
Partnership					
Serra da Mesa	1,275	48.46	671	671	671
Manso	212	69.81	92	92	92
Specific Purpose Entities					
Peixe Angical	452	40	271	271	271
Baguari	140	15	80.2	80.2	80.2
Retiro Baixo	82	49	38.5	38.5	-
Serra do Facão	212.58	49.47	182.4	182.4	-
Foz do Chapecó	855	40	432	432	-
Thermal – Wholly owned					
Santa Cruz	932	100	733	733	496
Roberto Silveira (Campos)	30	100	21	21	21

Notes:

Partners of FURNAS:

HPP Serra da Mesa: CPFL Geração de Energia S.A. (51.54%).

HPP Manso: Produtores Energéticos de Manso S.A. – PROMAN (30%).

HPP Peixe Angical: EDP Energias do Brasil – EDP Brasil (60%), in SPE ENERPEIXE S.A.

HPP Baguari: Neoenergia (51%) and Cemig (34%), in SPE Baguari Geração de Energia Elétrica S.A.

HPP Retiro Baixo: Orteng (25,5%), Logos (15.5%), and Arcadis (10%), in SPE Retiro Baixo Energética S.A.

HPP Serra do Facão: Alcoa (34.97%), Camargo Corrêa Energia S. A. (5.47%), and DME (10.09%), in SPE Serra do Facão Energia S. A.

HPP Foz do Chapecó: CPFL Geração de Energia S.A. (51%) and CEEE (9%) in SPE Foz do Chapecó Energia.



Transmission Lines Wholly Owned (km)

		km		
		2011	2010	2009
 VOLTAGE (kV)	≤ 230	4,318	4,318	4,318
	345	6,221	6,221	6,078
	500	4,570	4,549	4,549
	± 600 (CC)	1,612	1,612	1,612
	750	2,698	2,698	2,698
	TOTAL	19,419	19,398	19,255

Extension of Transmission Lines Under SPE (km)

		km		
		2011	2010	2009
 VOLTAGE (kV)	≤230	494	240	65
	345	341	341	278
	500	112	112	112
	TOTAL	947	693	455

A list of all transmission lines under SPE may be found in Annex 1, with information on level of voltage, extension, percentage of FURNAS participation, and year it went into operation.

In 2011, the energy produced was 37,268 GWh, EBTIDA (Earnings Before Interest, Taxes, Depreciation and Amortization) reached R\$ 1.6 billion and Net Profit was at R\$ 269 million. Investments were over R\$ 2 billion.

Regarding personnel, at the end of fiscal year 2011, FURNAS had 4,860 effective employees and 1,541 non-effective, or outsourced.

(1) According to the Company's own financial statements; if consolidated figures are considered (which include the associated companies) this amount is superior to R\$1.8 billion.

 **PERSONNEL
ACCORDING TO
TYPE OF
RELATIONSHIP
AND AREA**

TYPE OF RELATIONSHIP	Employees	Outsourced	Trainees	TOTAL
Central Office				
Support ⁽¹⁾	1010	489	145	1644
Core business ⁽²⁾	824	190	120	1134
Regional Areas				
Support ⁽¹⁾	256	139	16	411
Core business ⁽²⁾	2770	723	205	3698
TOTAL	4860	1541	486	6887

(1) Support: Presidency, Financial Management and Corporate Management

(2) Core business: System Operation and Energy Commercialization Management, Engineering Management, and Construction Management

MAIN BUSINESSES

Electric companies in Brazil are regulated by legal mechanisms that define how energy generation, transmission, and commercialization should be planned, projected, built, and operated.

Planning of generation and transmission expansion is defined as a function of studies and projections of the Brazilian energy matrix, as well as by the dynamics of the competitive market of electric energy generation. Such studies are made by the Energy Research Company (EPE), as requested by MME, to meet the short-, medium-, and long-term demands of the energy market.

FURNAS is an integral part of the technical, economic, and environmental viability of new expansion installations, which, after approval by regulating agencies, are open for bidding at auctions made by ANEEL. Modernizations of generation units and reinforcements or changes in the transmission system should also be authorized by ANEEL.

The majority of electric energy generation and transmission projects and installations in which the Company is currently involved is part of the Growth Acceleration Program (PAC).





Wind turbine blades

New generation or transmission installations are being developed either by FURNAS itself or through partnerships with private or public agents.

FURNAS participates in 22 already constituted Specific Purpose Entities - SPE - and in 16 that will be organized in 2012. The Company invests in hydraulic generation installations that will add 5 thousand MW to the Brazilian Electric System, 28 transmission lines, and 15 substations, using its own resources or in partnerships with private investors, to meet its business expansion goal. The new projects will allow for the creation of more than 131 thousand work positions and will take energy to 14 million people, upping to 41 million the number of people who receive energy generated or transmitted by FURNAS, increasing installed capacity in more than 50%, from 11 thousand MW to 16.5 thousand MW. Total investment in new projects will be of R\$ 29 billion.

Generation – New Enterprises

The wholly owned hydroelectric power plants of Simplício and Batalha have a total installed capacity of 386 MW. Besides those power plants, the Company also participates in specific purpose entities (SPE) that are building Santo Antônio (3150 MW- 39% participation), and Teles Pires (1,820 MW- 24.5% participation) power plants, and the wind parks Miassaba 3, Rei dos Ventos 1 and Rei dos Ventos 3, all in Rio Grande do Norte State, with a 24.5% participation. These installations under construction are supposed to start operating in 2012.

FURNAS is diversifying investments in clean and renewable energy sources with large investments in wind parks. In 2011, the Company participated in new auctions, winning 14 more wind parks, two in Rio Grande do Norte and the remaining in Ceará State, with 49% participation in each enterprise. Of a total of 17 wind parks in the northeast region, totaling 437 MW of installed power, three are supposed to be inaugurated in 2012. The total investment is of R\$ 1.8 billion.

Generation – Studies

Currently, FURNAS is developing six viability studies of hydroelectric plants, described in Annex 1.

Hydroelectric Power Plants - Installed Capacity

After new engines started to operate in 2009 and 2010, an increase in installed capacity was observed in February 2011, when the fourth engine entered in operation in HPP Foz do Chapecó, with a 214 MW power.

Hydroelectric Power Plants - Modernization

Furnas and Luiz Carlos Barreto de Carvalho HPP were revamped in 2011, with investments of R\$ 74 million, aiming at technological update, substitution of analogical by digital equipment, change of old parts in generators and turbines by new ones with modern technology, and substitution of mechanical by hydraulic components.

Transmission

In 2011, the sectioning of the 500 kV Angra-Grajaú TL, to energize the Zona Oeste SE, originated the Angra-Zona Oeste and Grajaú-Zona Oeste 500 kV TL, adding 21.5 km to FURNAS transmission network, reinforcing the power supply to Rio de Janeiro metropolitan area in 500 kV. Transformation capacity also increased due to the inauguration of the Zona Oeste SE and installation and substitution of transformers in Furnas system.

Six new transmission lines, built under SPE, listed in Annex 1, also went into operation.

New Enterprises

FURNAS participates in the construction of 26 new transmission lines and substations, either with own resources or in partnerships, which will add more than 3.9 thousand km to the National Interconnected System (SIN), and reference should be made to the energy transmission system of the Madeira river.

Besides new transmission lines, the contract with Brazilian Telecommunications (Telebras), signed in 2011, will allow the use of fiberoptics installed in surge arresters, FURNAS transmission lines, power plants and substations to implement the Wide Band National Network.

General Plan of Transmission Installations in Operation (PGET)

Current investments in transmission installations were consolidated in a General Plan of Transmission Installations in Operation (PGET), totaling R\$ 1.8 billion, and should be concluded by 2015. PGET enterprises are grouped, according to Aneel criteria, as follows:

- Systemic Interest Installations Modernization Plan regarding improvements in installations in the Basic Network and remaining installations in the SIN;
- Systemic Interest Installations Modernization Plan regarding reinforcements;
- Expansion and Reinforcement Program (PAR);
- Transmission Revitalization Plan.

In 2011, under the Systemic Interest Installations Modernization Plan, improvements were made in a substation, which was energized, and 10 substations were reinforced. The Amplification and Reinforcement Plan was implemented in six substations and in five transmission lines. In 2011, investments in PGET totaled R\$ 220 million.

Operational Performance

The electric-energy planning of FURNAS is defined by the Energy Research Company (EPE), which plans the expansion of the Brazilian Electric System, thrusting the development of its infrastructure to meet the country's long term needs of energy.

Hydroelectric Power Plants

At the end of the raining period of 2011, reservoir level at Furnas, Mascarenhas de Moraes, Itumbiara, and Corumbá HPPs reached almost 100% while the reservoirs of the remaining power plants were above 75%, contributing to a reduction of the risks in the system, and to maintain the quality and trustworthiness of the supply of electric energy.

The mean availability of the hydroelectric power plants held at 90.57%.

Thermal Power Plants

The role of thermal power plants in the integrated Brazilian System is to guarantee the reliability of the system, besides meeting the call in water shortage periods, being up to the National Electric System Operator (ONS) to coordinate the energy dispatch.

In 2011, the ONS required the generation of the Santa Cruz TPP to meet the energy requirements of Rio de Janeiro and Espírito Santo Electric System. This TPP also operated for the commissioning of two gas turbines of new combined cycle generator units, which is a more advanced and less polluting technological solution for thermal power plants. In



combined cycle, to be commissioned in 2012, a steam generator will recover part of the heat exhausted by gas turbines, therefore allowing for a reduction of pollutant emission per kWh, increasing substantially the efficiency of the power plant.

The mean availability of the Santa Cruz TPP was 84.69%.

As for Campos TPP, the generator units are available, but due to economic reasons, they have not been demanded by ONS.

Energy Generated

Hydraulic => 37,268 GWh

It includes 100% of energy from wholly owned power plants and only the percentage owned by FURNAS in the case of Partnerships - Serra da Mesa (48.46%) and Manso (70%) TPP.

Thermal (Natural Gas + Diesel) => 180,685 MWh

Transmission System

FURNAS transmission system is supervised by the System Operation Center, located at the Central Office in Rio de Janeiro, articulated with the Regional Operations Centers (MG, SP, and GO). Information on the most remote areas are transmitted by up-to-date communication technologies that provide Operation Centers with an online picture of the entire SIN.

Transmission installations were available for at least 99.84% of the time.

Maintenance

Due to the importance of the equipment of the transmission system and FURNAS generation park, maintenance of said equipment follows three distinct strategies: preventive, predictive, or detective. But there is equipment combining more than one strategy.

Preventive maintenance is used in equipment whose components are subject to wear, whose failure modes are known, or those that have a defined useful life.

Predictive maintenance is executed only when the operation of the equipment indicates an intervention is needed, being applicable to the equipment subject to random failure modes, and in those that are not subject to wear-out failures.



When the equipment has an occult failure mode, i.e., when it cannot be noticed by the operation and maintenance teams, a detective maintenance is scheduled. This type of maintenance is done in long-time inoperative equipment, such as redundant systems and protection equipment.

FURNAS has been investing in the acquisition and installation of equipment monitoring systems, providing additional safety to the system, since the purpose of it is to verify operation conditions of equipment and anticipate operational occurrences, minimizing the risk of personnel accidents and occurrences in the SIN. Besides, those systems increase the availability of the equipment since they avoid unnecessary shut-downs, once maintenance is done in view of the needs, not by fixed time intervals.

In 2011, the development of the Observability and Controlability National System (SINOCON) project, under the responsibility of the National Electric System Operator (ONS), was concluded. The objectives include updating the supervising and control system, recuperation of transformers, development and nationalization of components, increasing the operational availability of the equipment, while adopting modern and differentiated maintenance techniques in energized equipment.

Commercialization

Generation

The commercialization market of electric energy in Brazil is organized in two different environments:

- Context of Regulated Agreement (ACR) to supply the energy required by distribution concessionaries and permissionaries;
- Context of Free Agreement (ACL) to provide the energy required by free consumers.

In ACR, energy is commercialized through public auctions, regulated by ANEEL, usually held by the Agency or by the Electric Energy Trading Chamber (CCEE).

On the other hand, in ACL there is free negotiation between private generation agents, free traders and consumers. Commercialization agents under federal control must use public procedures to buy and sell energy.

FURNAS participates actively in both markets. In ACR, the Company works in the commercialization of existing installations (running power plants) or new ones (power plants yet to be delivered or authorized). In ACL, it buys and sells energy to traders and free consumers in auctions or own public bids, or those promoted by third parties.

Available energy resources to be sold are composed of energy from FURNAS own power plants and that which is bought from companies: CPFL Geração de Energia S.A., Manso Energy Producers - Proman, Eletrobras Termonuclear S.A. - Eletronuclear, and Serra do Facão Energia S.A. - Sefac. See Annex 1 for more information on contracts.

In 2011, 54,892 GWh were commercialized.





Wind Plant Miassaba 3 (RN)

Transmission

Commercialization of Transmission Services takes place in two contexts, namely: in public services (concession), and where the exclusive interest of agents of the electric sector prevails (extra concession).

Public Service Environment

The public service of electric energy transmission is characterized by the availability of both Basic Network (RB) installations and those that are not an integral part of this network.

Installations classified by ANAEEEL as part of the RB are available to the ONS through the receipt of the corresponding parcel of the Allowed Annual Revenue (RAP) by transmission concessionaries.

The remaining transmission facilities that are not part of the RB are available directly to authorized agents, who might be free energy consumers, generation agents, and import or export agents.

In the concession of the transmission public service one is obliged to share installations and infrastructure with other concessionaries.

Extra-Concession Environment

Within this modality, Operations Contracts (CPSOM), Maintenance Contracts, and Infrastructure Sharing Contracts (CCIF) are signed, being the last ones signed with agents external to the Electric Sector.

Awards

Institutional

FURNAS received, at the XXVII Large Dams National Seminar, the International Reference Project certificate acknowledging performance excellence at Serra da Mesa (GO) and Foz do Chapecó (SC/RS) hydroelectric power plants.

Our CEO, Flavio Decat, received, in Diamantina (MG), the President Juscelino Kubitschek medal, given to personalities and institutions that the Company to the development of the County, State, and Country. Created in September 1995, it is given annually on the occasion of Juscelino Kubitschek's birthday.

Associated to Social Responsibility

FURNAS received the COGE Foundation Award, in the category of Social Responsibility Actions, for the Vila Santa Tereza Community Center project, in the municipality of Belford Roxo (RJ). Although a finalist in previous years, this is the first time that the Company wins the award.

By the ninth consecutive time, FURNAS received the Citizenship Company Award from the Regional Accounting Council (CRC-RJ), State of Rio de Janeiro Industry Federation (Firjan), and State of Rio de Janeiro Commerce Federation (Feocomercio). It is given to companies that, besides socioeconomic information, publish reports on their social and environmental actions.

Associated to Quality Management

Corumbá Generation Construction Area received, for the second consecutive year, the Paulista Quality Management Gold Award (PPQG), promoted by the Paulista Institute of Excellence in Management (IPEG).

Associated to the Environment

For the second consecutive year, FURNAS received the Environmental Action Brasil Award, from Casa Brasil and Jornal do Brasil. The Company was the only one in 2011 to win in two categories: Social Communication, for the actions of the Simplício HPP Social Communication Program, and Environmental Education, for the TransFORMAR Project.



Itumbiara HPP (GO/MG)



Central Office (RJ)

CORPORATE GOVERNANCE



Corporate GOVERNANCE

The restructuring of FURNAS Board of Directors, with the new Planning, Business Management and Participation Board (DN) and the unification of the Engineering and Construction Boards into the Expansion Board (DE), was a hallmark in 2011. The Operations, Finances, and Corporate Management Boards remained unchanged. The reform of the Company By-laws, approved on the Extraordinary General Meeting, held in September 2011, with the consequent changes in the Internal By-laws, was another important change.

The main attributions of the Planning, Business Management and Participations Board include the strategic and corporate planning, corporate business management, service rendering, new business and partnerships, electric energy commercialization, market studies and technological R&D, and innovation.

Generation and transmission projects, engineering and construction of new installations, expansions and modifications of existing installations, laboratories, and promotion of engineering activities regarding the environment are responsibility of the Expansion Board.

All those changes were made essentially to adapt the Company to the demands of a more competitive market, seeking new business in partnership with the private sector, start-up of alternative energy sources, and to further business globally.

Still in 2011, to improve management in the Company and, consequently, its Corporate Governance, the following projects were continued:

- ERP – Sintonia Project – the Integrated System of Entrepreneurial Management (ERP) was consolidated by the Sintonia Project at the end of 2011;
- SOx Project – FURNAS, as a subsidiary of Eletrobras, follows the requirements of the Sarbanes-Oxley Law – SOx, so the holding can maintain stock negotiation (American Depositary Receipts – Level 2) at the New York Stock Exchange. For such, it mapped and keeps up-to-date internal control processes of financial reports aligned with the SOx directives, as well as participates, systematically, of activities related to obtaining annual certification, 23 control processes were updated, of which 19 are business related, three are related to Information Technology (IT), and one is related to Entity Level Controls, in observance of the



most relevant risks, determined by the materiality defined by Eletrobras, allowing the publication of audit reports to the respective process manager.

Structure of Corporate Governance

Governance structure is constituted by the Stockholders General Meeting, Administration Board, Executive Board, Supervisory Board, Internal Audit, and Independent External Audit.

The Stockholders General Meeting (AGO, from the Portuguese) was held on June 15, when the accounts of the different areas, the Administration Report, and Financial Statements were approved with the respective Supervisory Board and Independent Auditors' Report regarding fiscal year 2010, destination of accumulated profits, profit share or the results of fiscal year 2010, election of members of the Supervisory Board and respective substitutes, and the remuneration of the administrators and members of the Supervisory Board.

Three Extraordinary General Meetings (AGE, from the Portuguese) were held. The first, in February 2011, elected two new members of the Administration Board. The second, held in August 2011, elected the new President of the Administration Board, and the third one, held in September 2011, approved the reform of Company By-laws.

Regarding the composition of the Administration Board, according to the Company By-laws prevailing until approval of the new Company By-laws by the AGE of September 2011, a president and five Board members, Brazilian citizens, stockholders, should be elected every three years in a General Meeting, who can be reelected after the end of their term. One representative was appointed by the Planning, Budget and Management Secretary of the Presidency of Brazil and the CEO of the Company was chosen as a member of the Board. In the General Meeting held in April 2010, the Board Members were elected for a three-year term (2010 to 2013), according to the Statute of the time, and this term should be fulfilled.

The new Company By-Laws foresee the composition of the Board with up to six law-abiding members, elected for one year, one member being appointed by the Planning, Budget and Management Minister, and one elected as a representative of the employees.

During their term, the Board met 16 times to decide on the strategic planning, expansion projects, and acquisition of new assets, among other subjects defined on the organization documents of the Company.

The Board of Executive Officers, as of September 2011, is composed of a CEO and five Executive Officers elected by the Board of Directors for a three-year term. Regulatory and statutory decisions of the Board of Executive Officers are made in weekly meetings and constitute the deliberative process in which issues of interest for each board of directors are analyzed by the other board members. During the year, 52 meetings were held by the Board of Executive Officers.

The Supervisory Board is composed of three effective members and their deputies, Brazilian residents, stockholders or not, elected by AGO for a one-year mandate, eligible for reelection. One of its effective members and the deputy are appointed by the Ministry of Finance, as National Treasury representatives. The collegiate met 11 times in 2011.

The Internal Audit is subordinated to the President of the Board of Directors. It examines the activities of the Company's units to analyze how they are managed, verifying permanently procedures, controls that are applied, computerized systems, registers, data files, fulfillment of directives, internal rules, and management according to the prevailing legislation.

In 2011, 43 procedures were carried out abiding by the Internal Audit Activities Annual Plan (Paint), and the area also met the call of specific demands that emerged during the year. Three audit works concerning 2010 were concluded, producing 46 situation reports, a result of the effective policies of the Internal Audit and a factor that ultimately strengthens regulations and compliance with the legislation.

The relationship the Company has with the General Federal Controlling Department (CGU) and the Federal Accounts Court (TCU) is an ongoing one, throughout the fiscal year, in order to meet the legal criteria concerning the yearly audit, to organize and formalize the structure of accountability, and to meet its call.

The objective of the Independent External Audit is to determine the compliance with policies, thus attributing trustworthiness to an activity by using specific technical procedures. In the case of financial statements, the objective is to produce a report stating the Company's accounts fulfill international accountability rules (IFRS) and specific legislation.

In compliance with CVM Instruction, Eletrobras hired in 2009 the services of an independent audit company for all companies of the System for five years.

Committees and Work Groups

When there is a need of in depth interdisciplinary discussion, transitory Work Groups and/or permanent Committees, created by a decision of the Supervisory Board, are used.

Committees represent ongoing groups, constituted by members of senior management from all areas of the Company, to give the Company adaptability to respond to external and internal changes. Annex 2 shows a listing of Committees and their objectives.

Remuneration of Counselors and Board Members

Counselors have a fixed, and not variable, remuneration, corresponding to 10% of the mean remuneration of Board Members, according to Law 9292 of 1996. In 2011, the total remuneration of members of the Board of Executive Officers, including legal benefits, the Board of Directors, and the Supervisory Board was R\$ 5.1 million.

Relevant Changes in the Company By-laws

The reform of FURNAS By-laws, approved by an AGE, introduced important changes:

Social Objective

The social objective was extended so the Company may also provide telecommunications services, commercialize rights of way or the use of towers, electric-energy installations, and buildings, equipment and instruments, and other parts that might constitute the Company's telecommunications infrastructure resources;

Board of Directors

- The collegiate, with up to six members, shall ultimately elect the president;
- The mandate of the counselors was reduced from three to one year;
- One of the members will be elected as representative of the employees by direct vote of active employees in an election organized by the Company along with the unions that represent them, according to the prevailing legislation;
- The Board of Directors will meet at least once a year, without the CEO, to evaluate the members of the Board of Executive Officers;
- The Board of Directors is eligible to deliberate on the formation of consortiums or participation in societies that, directly or indirectly, meet FURNAS social objective, as concession, authorization, or permission, by authorization of Eletrobras' Board of Directors, as well as to approve the appointment, made by the Board of Executive Officers, of the members of senior management from all areas of the Company and boards of executive officers and supervisory boards of societies it participates in, submitting its choice to the approval of Eletrobras.

Board of Executive Officers

The CEO should appoint the electoral school that will organize the election of the representative of the employees on the Board of Directors. The winner is declared and the result is communicated to the holding company so the necessary steps may be taken to designate the employees' representative on the Board of Directors.

Relevant Changes in the Internal By-laws

Besides restructuring the Board of Executive Officers, mentioned before, the following changes should be highlighted:

- The CEO may have up to five Board Assistants and each of the other members up to three Board Assistants to help them with studies, analysis, and research or regarding specific issues.
- Personnel of companies of the Eletrobras System, according to the law, may be assigned positions in different Company areas, as well as Assistants of the Board of Directors and Superintendence, as long as their appointment is approved by the Board of Executive Officers.

Risk Management

In May 2011, FURNAS finalized and approved its Master Plan for Corporate Risks (PDGR). Based on specific architecture (principles, structure and processes) and best practices in risk management and internal control of NBR ISO 31000:2009, and the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the PDGR listed 114 corporate risk situations rated according to impacts associated to four pillars: strategy, operations, finances, and conformity. Since then, FURNAS has been engaged in an assessment process and handling of nine priority risks, as identified by Corporate Governance: Financial Statements; exchange rate; litigation management; prospective businesses and auctions; SPE and consortiums; availability of critical supplies; environmental controls; fiscal management and taxation; and generation availability.

Still in 2011, the Company adhered to Eletrobras Risk Management Policy, whose objective is to "Establish principles, directives, and responsibilities addressed by risk management in Eletrobras Companies, as well as to orient those processes governing the identification, assessment, handling, monitoring and communication of the risks inherent to business activities, incorporating the market's best practices in risk structure to its strategic decision-making process".

This policy is grounded on the following fundamental principles: value-added risk management; adherence to good practices of corporate governance; definition of a common language; incorporation of standards and methodologies; the establishment of roles and responsibilities; the involvement of the Board of Directors, Supervisory Board and Risk Committees; the infrastructure needed for an integrated risk management; the integration of organizational processes; and the periodic analysis of risk management.

It also establishes the roles of the several agents involved in the Company's corporate risk management, markedly: The Board of Directors; Board of Executive Officers; the Risk Committee; Risk and Internal Control Management; and the Proprietary Risk Areas.

Master Plan

To align its long-term strategic actions to market expectations to occasional loss of concessions (from 2015 on) and growth of the Company, in 2011 a Master Plan for 20 years was drawn.

The plan determines performance goals considering the usual indicators of economic-financial performance used by the market and the results of the companies evaluated as benchmark.

Since this subject still is under discussion, the continuity of concession contracts from 2015 on was studied in depth, and a conservative scenario was chosen, i.e., of a costly concession renewal, thus reducing projected revenues to support operation and maintenance costs and return on investments not yet amortized plus those investments necessary for running plants in an efficient manner.

The definition of the Company's growth ambition is also a central issue. Considering its potential and economic and financial restraints, keeping the Company's market-share is paramount, and then a strategy of capturing projects and merging them with performing assets with short- and long-term projects was devised.

It is hoped that this growth scenario associated with cost reduction measures as defined in the plan, some of them already being implemented, should improve profitability margins and bring an adequate return for stockholders.

Strategic Planning

Changes in the Brazilian Electric System resulted in the elaboration of the Eletrobras System Transformation Plan (PTSE), which oriented the structuring and development of FURNAS Strategic Planning.

The work developed led to the definition of the following view of the Company: "to be the largest and most successful company in the Brazilian electrical sector" expresses the leading market position both in generation and transmission of electric energy.

The Company seeks opportunities all over Brazil and abroad in order to widen business, employing its expertise obtained throughout its 55 years, which is expressed in our mission statement "Act with entrepreneurial excellence and social and environmental responsibility in the power industry sector, contributing to the development of society".

In 2011, the Strategic Plan started being managed by a specific area, the Board of Planning, Business Management, and Participation, providing more agility to implementation and assessment of structuring indicators, an ongoing factor on the strategic map that includes 16 critical success factors.

FURNAS expects that in the next years several of the strategic goals are met, increasing the portfolio of generation and transmission business as well as commercialization of electric energy.

The Strategic Planning and Corporate Coordination Committee, established in 2011, elaborated the Strategic Plan Review Cycle, concluding the implementation of the strategic initiatives and review and prioritization of critical success factors.

Relationship with Interested Parties

We at FURNAS understand that the relationship with all interested parties should be a sound one. It is necessary to listen before acting. Therefore, we maintain a permanent dialogue with internal public, unions, professional associations, governmental organs, the Holding Company (Eletrobras), ONS, partner companies, industry sector associations (national and international), society, community, non-governmental associations, universities and research centers, schools, stockholders, press/media, clients, and suppliers. Annex 2 shows a list of interested parties, their relationship channel, and main programs and actions.

Ombudsman Office

The ombudsman office is a channel used by its employees as well as the general public, which works preventively to improve services and procedures adopted by the Company.

Access to the Ombudsman Office is made by an electronic form found on FURNAS website, or by fax, telephone, personal contact, letter, or any other documented way. It does not matter the way used, the name of the plaintiff is kept secret, as well as the contents of the message.

In 2011, the Ombudsman welcomed and replied 885 demands, of which 749 were solved, 63 were considered ungrounded, 69 were cancelled due to duplicity of contents or lack of interest from the plaintiff or lack of discretionary power on the part of the Company.

Of this total, 19 were violations of Human Rights, of which 15 were work related, involving equity issues, health-related issued, and safety and workers' dignity; one due to the access to electric energy; one to unsanitary work environment; one to Native Brazilian rights; and one to gender equity. Of the Human Rights complaint, 15 were solved in 2011 and four will be solved at the beginning of 2012.

	Communication	Denouncement	Praise	Environment	Complaint	Solicitation	Suggestion
External	37	20	6	11	192	291	23
Internal	6	21	2	0	129	50	20
Unidentified	0	2	1	0	4	1	0
Duplicity	3	9	0	2	24	26	5
TOTAL	46	52	9	13	349	368	48
GENERAL TOTAL	885						

All manifestations were answered and treated according to the criteria of the "Manifestations to the Ombudsman Office" Instruction, created in 2010, which, besides guaranteeing standardization of the process, contributed to optimizing the time to answer the person filing the inquiry.

In July 2011, FURNAS participated of the first Public Ombudsman General Meeting, held by the General Federal Ombudsman Office (OGU), in an event that gathered all specialized ombudsman offices of public federal administration organs to discuss the creation and implementation of an integrated system for the area.

Ethics Commission

The Ethics Commission is responsible for elaborating, publicizing, and overseeing compliance of the Code of Ethics and Patterns of Professional Conduct. The Commission is constituted, as established by Decree no. 6029/07, by three members, three deputies, and an Executive Secretary. The Commission evaluates and determines what should be done to solve all complaints received. The most common are related to moral harassment and undue use of Information Technology.

Since 2010 FURNAS has adopted the Code of Ethics of the Eletrobras System which is based on a clear definition of the guiding principles toward the Commitments of Behavior of employees, managers, officers, members of the Board of Directors and Supervisory Board, collaborators, suppliers and others.

In 2011, the Ethics Commission received 22 situational reports, which, after a thorough analysis, came down to 12 non-conformities that were addressed and investigated.

Out of the 12 complaints, 11 were made by men and one by a woman, of which two were made by external stakeholders (one was solved in 2011) and 10 by internal stakeholders (nine were solved in 2011). Complaints were related to the following:



Complaints	Number
Moral Harassment	03
Undue use of IT	02
Humiliation	02
Discrimination	
Gender	01
Workplace	01
Supplier advertisement	01
Authoritarian behavior	02
TOTAL	12

The Commission participated monthly, as regular member, in the National Forum of Ethics Management in State Owned Companies and the Committee of Corporate Ethics of the National Quality Foundation – FNQ. It also participated in the XII Seminar “Ethics in Management – Ethics, Politics, and the Truth”, offered by the Public Ethics Commission – CEP, and of Study Groups created by the Ethics Commissions of the Eletrobras System.

Internet and Twitter

FURNAS site has been accessed 45,332 times, corresponding to a mean of 124 hits a day. On our site, you will find Official Corporate Reports: Annual (in Portuguese, English, and Spanish), Administration (in Portuguese and English), Environmental (in Portuguese and English), besides other documents, such as bidding processes and Water Resources, Forest Resources, Environmental and Social Responsibility policies, and the following institutional publications: Statistical Yearbook, Electric Energy Market Reviews, Market Management Newsletters, Management Reports on Market and Economy, Social Balance, FURNAS magazine, and R&D+I Magazine.

FURNAS has a communications channel on its site, Talk to Us, so the public may send solicitations, praises, suggestions, complaints, denouncements, or request information.

In 2011, the Company received 3,744 messages requesting information on different issues, resulting in 300 requests a month.

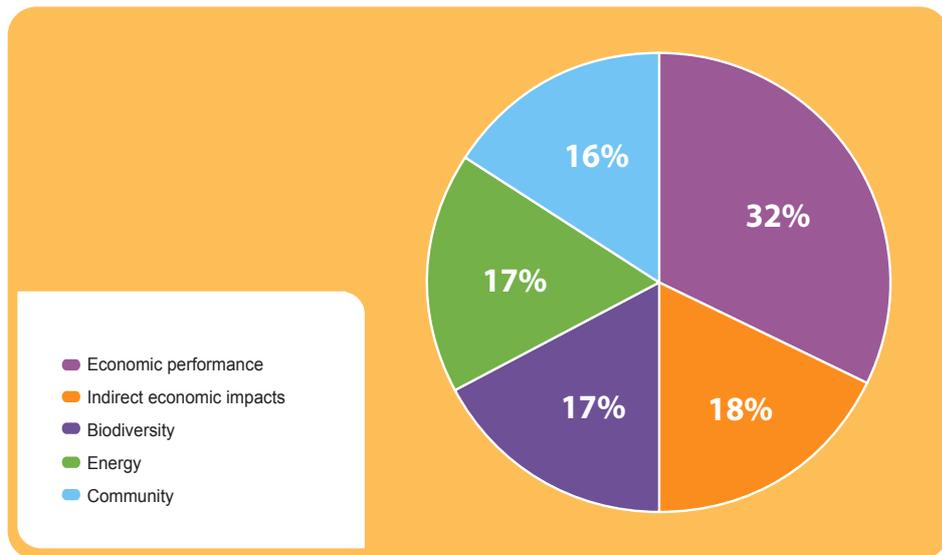
Of messages received, 95% were fully addressed. A small fraction remained unanswered due to errors in data transmission or lack of response from the area responsible for the information.

In the twitter, 184 information (tweets) were posted with the addition of 2,725 new followers, totaling 5,125 followers.

Eletrobras Stakeholders Research 2011

In 2011, FURNAS participated in the second Eletrobras Stakeholders Research. Based on the GRI – Global Reporting Initiative model, the objective was to know the interests and opinions of stakeholders regarding our sustainability performance reports, creating opportunities of dialogue and participation. The following public was addressed: stakeholders/investors, community, clients, work force, suppliers, government, society, and other segments.

The following chart demonstrates the most relevant subjects according to the responses received by FURNAS out of a total of 515.



Economic Performance was considered more relevant by those who answered, followed by Indirect Economic impacts, Biodiversity, Energy, and Community.

The main information on economic performance and indirect economic impacts are in a specific section about the subject and in the “Community and Society” section of this report. Additional information on the subject can be obtained in FURNAS Administration Report (published on 04/25/2012 in major newspapers and available on FURNAS website) and FURNAS Annual Report (also available in the Company’s website).

The “Environmental Performance” section stresses FURNAS actions regarding biodiversity, and in the “Profile and Business” section aspects regarding energy transmission, generation, and commercialization are discussed. The “Community and Society” section focuses, besides the indirect economic impacts, already mentioned, FURNAS actions in the communities neighboring its installations, as well as related projects and investments.



Wind Turbine



TECHNOLOGY AND INNOVATION



Technology and **INNOVATION**

Science and technology have an important role in helping a company to overcome challenges in search of sustainable development. Innovations, including research and development activities, aligned with strategic planning, represent a great competitive edge, the ultimate asset responsible for tracing new paths and opportunities.

Investing in research, development, and innovation while focusing on sustainability, considering its triple aspect, environmental, economic, and social, is a basic need of every modern company.

The consequence of investing in innovation could not be other than products and services that lead to better quality of life for a greater number of people with the least possible environmental impact. In the energy sector, the most significant technological innovations contribute to guaranteeing water reserve, production of alternative energy sources, energy generation and transmission, and a culture of energetic efficiency.

Following investment niches defined by the Brazilian Electricity Regulatory Agency (ANEEL), FURNAS has been developing R&D projects in the areas of Environment, Renewable Energy, Quality and Reliability, Planning and operations, Supervision, Control and Protections, Measurement, Electric Energy Generation, Strategic Research, and Transmission of Electric Energy.

Research, Development, and Innovation (R&D+I)

Among the relevant facts of 2011, we should mention:

- the inclusion of a modern and friendly tool so FURNAS employees may submit ideas on the intranet, allowing them to be posted and commented;
- the implementation of the concept of Permanent Public Bids, which exclude the need of annual R&D programs. When ideas are approved, they are available for analysis by the scientific and technologic community which can, at any time, submit proposals to meet what is devised by FURNAS employees, as well as submit their own ideas to be analyzed by the Company;
- we open our doors so that entities may offer partnerships to FURNAS on development of innovative products or processes from prototypes and systems owned by the institution or FURNAS resulting from other R&D projects regulated by ANEEL.

Research and development projects resulting from innovative ideas, both internal and external in origin, are being analyzed by the R&D Committee at any time of the year. Optionally, only those projects the Committee may consider unfit as R&D by ANEEL are sent to ANEEL's analysis. This measure speeds up the process.

Other 2011 highlights include the support to the 1st Seminar of the Laboratory Network of the Eletrobras System – RELASE (from the Portuguese) and the launching of the 3rd and 4th editions of FURNAS R&D+I magazine, Apoená.

Alternative Energy Sources

Wind Power: a soaring alternative

Since the time of windmills until the great navigations this energy source represented a fundamental role in technical development. Even after three Industrial Revolutions it is possible to claim that the use of this resource stands out.

The growth we are seeing in the use of wind power is due to decreasing costs and, especially, to the search of clean and renewable energy sources whose exploration results in lesser environmental impact. In Brazil, the growing demand for electricity, catapulted by the economic growth, is another factor that powers investment in renewable sources. Attentive to market trends, FURNAS has been investing in new technologies, such as the use of lattice towers, which results in lower costs.

It is possible to claim that wind energy has the greatest market expansion factor and ever more countries are resorting to it. China, which in the last years has invested massively to increase its installed capacity, is in a key position in the international wind power energy sector.

When we compare renewable energy sources, we can observe that the strength of wind energy is also due to the practicality of its system, which has a competitive cost and can be easily installed. Besides, in places with objective evidence of winds and reliable data, the speed of its implementation makes it a good solution for short term needs. It should be emphasized that the incentive to this type of investment is related to increasingly scarce water resources. And although the Amazon region is an exception, the repercussion around its preservation brings strong resistance to projects that may cause environmental impact.

Aware of the importance of investing in wind power, both for the economic development of the country and to preserve the environment, FURNAS is investing in projects and actions that contribute to energy generation while valuing sustainability.



Anti-Corona Spheres – Centro Técnico de Ensaios e Medições (MG)

Association in Auctions

In 2011, FURNAS held open bids to select partners aiming at providing transparency and opportunity to all interested parties. Considering the investment in alternative energy sources as a strategic directive, FURNAS participated in the Reserve Energy Auction and A-5 Energy Auction, winning the right to explore four enterprises, in the first one, and 10 enterprises, in the second. Annex 3 has details on those enterprises.

Photovoltaic Solar Energy

Attentive to market trends, FURNAS answered to ANEEL's Call n.13/2011 – Strategic Project "Technical and Commercial Arrangement to Insert Photovoltaic Solar energy Generation in the Brazilian Power Matrix" by submitting a project that was approved and should be started in the first half of 2012.

Partnership with China Three Gorges Corporation

On September 26, 2011, FURNAS signed an agreement with China Three Gorges Corporation, in Beijing, to develop and promote cooperation, exchange mutually beneficial information,

and collaborate in technical and commercial opportunities, especially related to clean energy. This agreement is valid for three years and it can be renewed for three more years.

Intellectual Property

Contributing directly to protect the creative potential of inventors, as well as FURNAS property, the Intellectual Property Policy establishes the criteria of protection, commercialization, and acknowledgement of intellectual creation.

FURNAS knows registration of trademarks, patents, and licenses, legal instruments to protect intellectual property, as well as guarantee and support its property, therefore protecting stakeholders rights and avoiding legal risks that may cause financial loss, according to recommendations of Sarbanes-Oxley law, is paramount to its business.

FURNAS stimulates the creation of an environment that favors intellectual production, stimulating employees to participate in technological research and development projects or in partnership with other institutions to generate a culture of innovation and promote the valuation of inventions and research, as well as training and qualification of inventors and researchers. The principles of the Intellectual Property Policy are listed in Annex 3.

Patent request process (national and international)

Number of patents given to FURNAS until 2011: National (4); International (4);

Note: there were no deposits nor any patents were granted in 2011

Technology and Training Centers

FURNAS owns specialized technology and training centers to guarantee and increase its efficiency, cut costs, and increase safety. The following should be mentioned:

Laboratory of Experimental Hydraulics and Water Resources

Opened in 1983, in Rio de Janeiro (RJ), this laboratory reproduces hydroelectric installations in reduced model, reproducing the natural conditions of their place of origin to run simulations on the behavior of hydraulic structures for technical support, increasing the safety of projects and constructions. Furthermore, it offers its expertise and technical assistance to other companies in the Electric Sector toward plant construction, operation, and maintenance. In 2011, the studies on Santo Antônio and Batalha HPPs, and Anta SHP were given sequence.



Technology Center to Support the Construction of Transmission Installations

Localized in Rio de Janeiro (RJ), it provides training and education for specialized Brazilian or foreign professionals, to improve and update knowledge; it also offers technical consulting to both Brazilian and foreign companies in the construction of transmission lines and substations, construction methods and techniques, analysis of specifications, budget and data bank of transmission lines construction works.

Civil Engineering Technology Center

Headquartered in Goiânia (GO), with the purpose to develop studies for the Company in civil engineering and in technical quality control of constructions of power generation installations. It is renowned as the most important technical institute in its field of work by Excellency Project of the Brazilian association of Technological Research Institutions – ABIPTI. It also renders construction services for the power industry and neighboring industries, such as mining, housing, construction, gauging, among others, for both domestic and foreign companies.

The Civil Engineering Technology Center is responsible for coordinating the application of technology of concrete and geo-technology in construction activities; it carries out studies concerning construction techniques and the use of materials; it produces geologic and geotechnical research, and studies the behavior of foundation engineering; it installs and operates the instrumentation of dam auscultation; it develops protocols addressing the quality of concrete and geo-technology.

The Technology Center received the ISO 9002 accreditation and its laboratories are part of Inmetro Quality Guarantee System, accredited by the Brazilian Network of Laboratories – RBLE.

In 2011, the Company developed 15 pluri-annual projects concerning technology research and innovation, markedly on concrete technology projects, geo-technology, experimental hydraulics, interaction of hydrometeorology factors and structures and the durability of power plant structures with a focus on cost optimization, reduction of deadlines, and minimization of risks.

Electrical Systems Simulation Center

Headquartered at the Company's Central Office, in Rio de Janeiro (RJ), it counts on integrated analogical and digital simulators that reproduce in real time disturbances and dynamic, electro-mechanic, and electromagnetic phenomena, proper of an electrical power system, enabling the development of control methodologies and processes, therefore strengthening the SIN reliability. It also concerns protection test and procurement systems and the analysis of signals and network analysis programs. The Center also provides services to other companies active in the Electric Sector. In 2011, performance analysis of control and protection equipment was conducted in order to back the SIN operation.

Technical Center of Tests and Measurements

Lying on the outskirts of Furnas HPP, in Minas Gerais, it provides technical assistance to the maintenance and operations of FURNAS installations. It rallies a specialized team in the areas of metrology, automation and control, assay equipment, high voltage assays, mechanical and electric assays in large scale rotating equipment, telecommunication systems, maintenance of circuit breakers and other handling equipment, high voltage equipment maintenance, physical and chemical assays, among others. It is accredited by the Brazilian Calibration Network (RBC), under the discretion of Inmetro. It is the only Brazilian technical center granted a level III certification of the American Society for Nondestructive Testing – ASNT for thermographic assays

In 2011, it played an instrumental role in electric and physical and chemical assays to ascertain equipment failure at Grajau armored SE. Among other activities, several assays were conducted at Furnas and Luiz Carlos Barreto de Carvalho HPPs.

The Chemistry Laboratory, after an assessment realized by Inmetro in 2011, was accredited by the Brazilian Network of Assay Laboratories (RBLE), being the first laboratory in the Power Industry Sector to obtain such accreditation. Another important achievement was the regeneration of nearly one million liters of insulating oil in transformers and energized reactors, thus contributing to the ongoing reliability of the System.

FURNAS Training Center

Also lying on the outskirts of Furnas HPP, this Center trains professionals in the fields of maintenance and operations of hydroelectric power plants and substations, and electrical and telecommunication systems. It renders consulting services to companies active in the Electric Sector, both in Brazil and abroad.

In 2011, the Basic Technical Course (CTB) was finalized. It was attended by 5 groups of students selected through a public examination, who were taught operation and maintenance of transmission lines. The course is aimed at streamlining the Company's employee selection, as admission to the Company requires the successful completion of the course. Three new groups of students started attending CTB classes in Santo Antônio HPP and 2 at Furnas HPP, besides operation basics for technicians at Itaipu Binacional.





Itumbiara HPP Control Room (GO/MG)



ECONOMIC PERFORMANCE



Economic **PERFORMANCE**

Electric Energy Market

The use of electric energy in Brazil reached 430.1 TWh in 2011, according to the Energy Research Company (EPE). This represented an expansion of only 3.6% compared to the consumption in 2010, being related to the decrease in the Brazilian economic expansion in 2011 and to the very positive results in 2010.

Responding for 43% of the total energy consumed in the country the industry consumed 183.6 TWh, a 2.3% increase over 2010, and only 4.4% over 2008 (before the world economic crisis).

Commercial consumption showed the best performance in 2011, reaching 73.5 TWh, a 6.3% increase over the previous year. This improved performance, which represents 17% of the Brazilian consumption, is associated both to favorable economic conditions and the effects of transformations and modernizations the service sector has gone through, such as the use of new technologies that demand more energy.

Household consumption, responsible for 26% of the total, showed a 4.6% increase compared to 2010, reaching 112.1 TWh.

Economic and Financial Performance

Since the creation of the Growth Acceleration Program (PAC), in 2007, FURNAS has been increasing its participation in electric energy generation and transmission installations in partnership with private investors. By the end of 2011, the Company had participated in 22 constituted Specific Purpose Entities and in 16 to be created in 2012.

FURNAS is the Company of the Brazilian Electric Industry Sector that executes the most works in the Growth Acceleration Program, which introduced a new model of planning, management, and public investment.



Macaé SE (RJ)

The total investment in fiscal year 2011 reached R\$ 2,019 million, of which R\$ 533 million were invested in generation, R\$ 442 million in expansion, and R\$ 91 million in power plant modernization and maintenance. In transmission, investments reached R\$ 387 million, including new transmission lines of the PAC and system maintenance.

Investments of R\$ 53 million were made in infrastructure maintenance and adaptation, while implementation of environmental conservation and preservation programs received R\$ 15 million.

Participation in societies (SPE) added R\$ 1,031 million, of which R\$ 828 million were for generation projects and R\$ 203 million for transmission projects.

One of the highlights of the year was the expressive participation of FURNAS in wind power auctions, buying 14 wind power plants in partnership with other companies by means of SPE.

The implementation of these enterprises will allow the German Fuhrländer, supplier of air generators, to build a plant in Brazil, in Pecém (CE), to start working in April 2012.

Besides new business in partnership with private investors and investment in alternative energy sources, the increasingly competitive market has stimulated FURNAS to seek its internationalization. An example is the partnership achieved during an entrepreneurial mission to China which resulted in an agreement with China Three Gorges Corporation,

responsible for the construction of the biggest hydroelectric power plant in the world, the Three Gorges, in the Yangtze River. Both companies agree to seek technical and commercial opportunities in clean renewable energy, besides promoting the exchange of knowledge and technology.

In December, in a Transmission Auction promoted by the Brazilian Electricity Regulatory Agency, FURNAS purchased, in partnership with State Grid Brazil Holding S.A., a lot that includes the modernization and addition of Niquelândia (wholly owned) and Luziânia (owned by State Grid) substations, both in the state of Goiás. State Grid is the largest service concessionaire in the world, responsible for 88% of the Chinese electric system, with 1.5 million employees. The enterprise purchased has a 20-month deadline for implementation.

Distribution of Value Added

Payment of taxes, contributions, and sector charges on wealth generated contributes to other economic agents – employees, government, investors, and stakeholders – share opportunities generated, according to the Statement of Value Added.

DISTRIBUTION OF VALUE ADDED	Interested Parties	2011		2010	
		R\$ Thousand	(%)	R\$ Thousand	(%)
	Employees	1,080,160	41.6	949,567	33.7
	Government (taxes and fees)	747,393	28.8	857,179	30.3
	Investors	509,048	19.6	381,332	13.5
	Stockholders	259,875	10.0	635,521	22.5
	Distributed value added (total)	2,596,476	100.0	2,820,599	100.0

Distribution of Value Added – Government (2010 – 2011)

In 2011, FURNAS paid to the government R\$ 747.4 million, of which R\$ 443.2 million were taxes, fees, and contributions, partially compensated with credits in the Income Tax and Social Contribution over Net Profit (CSLL), in a total of R\$ 105.7 million, while R\$ 304.2 million were destined to sector charges.

Such charges are government policies for the electric sector and are incorporated in the definition and tariffs charged to consumers. Their value is established by resolutions or interlocutory decision of the Brazilian Electricity Regulatory Agency (ANEEL).

**DISTRIBUTION
OF VALUE
ADDED TO THE
GOVERNMENT**

Government	2011		2010	
	R\$ Thousand	(%)	R\$ Thousand	(%)
taxes/fees/contributions	443,197	59,3	585,662	68,6
ICMS (state tax)	52,021	7,0	47,250	5,6
PIS/PASEP (unemployment insurance)	43,390	5,8	35,064	4,1
COFINS (social security)	199,984	26,8	161,599	18,9
ISS (municipal tax)	2,618	0,3	1,032	0,1
Income tax	113,048	15,1	244,464	28,6
CSSL (social contribution)	26,580	3,6	88,955	10,4
Others	5,556	0,7	7,298	0,9
Sector charges	304,196	40,7	268,517	31,4
RGR	202,375	27,1	186,369	21,8
CCC	17,552	2,3	7,321	0,9
CDE	11.660	1,6	6,493	0,7
PROINFA	3,727	0,5	3,542	0,4
CFURH (*)	-	-	-	-
TFSEE (*)	-	-	-	-
ESS	-	-	-	-
P&D	68,882	9,2	64,792	7,6
Distributed value (total)	747,393	100,0	854,179	100,0

(*) According to ANEEL, CFURH and TFSEE are the tax base of the Distributed Value Added.

Financial Compensation for Use of Water Resources (CFURH)

CFURH is paid for the use of water resources for generation of energy in 10 hydroelectric power plants: Funil (RJ), Furnas and Marimbondo (MG), Mascarenhas de Moraes (SP), Serra da Mesa and Corumbá I (GO), Luiz Carlos Barreto de Carvalho (SP/MG), Itumbiara (MG/GO), Porto Colômbia (MG/P), and Manso (MT).

FURNAS also contributes, indirectly, with the compensation paid by other five power plants in which it has partial ownership: Baguari (15%) and Retiro Baixo (49%), in Minas Gerais; Peixe Angical (40%), in Tocantins; Foz do Chapecó (40%), between Santa Catarina and Rio Grande do Sul; and Serra do Facão (49.47%), in Goiás. In 2011, those hydroelectric power plants paid R\$ 44 million in water royalties, more than twice the amount paid in 2010 (R\$ 17.4 million), due to the greater generation of Serra do Facão and Foz do Chapecó, which started operating between July and October 2010, respectively.

The value of the CFURH is 6.7% of the energy produced each month by a hydroelectric power plant. The amount is divided between states and counties located in the area of influence of the power plant reservoirs and direct federal administration organs. The Brazilian Electricity Regulatory Agency manages the collection and distribution of resources. The compensation is transferred monthly and it cannot be used to pay employees or debts, except federal ones.

In 2011, FURNAS distributed R\$ 184.7 million in Financial Compensation for Use of Water Resources (CFURH). The administrations of five states, the Federal District, 142 counties, and Federal direct administration organs benefitted from the contribution.

Of the total collected, R\$ 73.887 million were paid to states. Other R\$ 73.887 million were divided among 142 counties. Minas Gerais, which has the largest number of hydroelectric power plants, received R\$ 40.176 million, followed by Goiás (R\$ 21.778 million), São Paulo (R\$ 9.391 million), Rio de Janeiro (R\$ 1.634 million), Mato Grosso (R\$ 898 thousand), and the Federal District (R\$ 10.1 thousand). The counties of Niquelândia (R\$ 6.392 million), in Goiás, Frutal (R\$ 4.481 million), and Sacramento (R\$ 4.473 million), both in Minas Gerais, received the largest shares.

Of the Federal share, the Ministries of Environment and Mines and Energy received R\$ 4.926 million each. The National Fund for Scientific and Technological Development – FNDCT received R\$ 6.568 million and the National Water Agency – ANA R\$ 20.524 million.

		in R\$ thousand
		2011
 <p>DISTRIBUTION OF FINANCIAL COMPENSATION FOR USE OF WATER RESOURCES</p>	Distribution	
	States (45%)	
	DF	10.1
	RJ	1,633.9
	MT	898.3
	SP	9,390.6
	GO	21,778.0
	MG	40,176.0
	States Total (45%)	73,887.0
	Counties Total (45%)	73,887.0
	Federal (10%)	
	MMA (3%)	4,925.8
	MME (3%)	4,925.8
	FNDCT (4%)	6,567.7
Federal Total	16,419.3	
ANA Total	20,524.2	
CFURH Total	184,717.4	

Main Economic-Financial Performance Indicators

Based on new accountability practices to make Brazilian standards comply with the international accounting standards of the International Financial Reporting Standard (IFRS), FURNAS has presented since 2010 its financials in an individualized (the Company) and consolidated fashion, including its participation in Specific Purpose Entities. Thus, the indicators below reflect the participation of the Company in 22 other companies.

At fiscal year-end 2011, FURNAS presented a net profit of R\$ 260 million compared to R\$ 636 million in 2010. Results were affected, mainly, by the funding of the Workforce Reassessment Plan (PREQ) and impairment⁽¹⁾ test, as detailed in the item related to costs and overhead.

Net Operating Revenues showed a growth of 13%, going from R\$ 6.861 million, in 2010, to R\$ 7.728 million, in 2011. The main factors of this growth include an increase in income from energy selling contracts and the start of operations of new installations built in partnership with private investors.

Operational costs and overhead increased 22%, from R\$ 5.563 million, in 2010, to R\$ 6.777 million, in 2011. Such increase is due, mainly, to the following factors:

- cost of transmission with emphasis on the TL that will connect Porto Velho Collector substation (RO) to Araraquara 2 – Madeira Project substation (R\$ 463 million);
- provision of R\$ 341 million for the Workforce Reassessment Program (PREQ);
- impairment⁽¹⁾ related to Simplicio and Batalha HPPs due to the application of the standards of the Accounting Committee Decisions (R\$ 349 million).

Finally, due to an increase in funding, both from FURNAS and its associates, as well as variation of the rates that are applied to their loans and financings, the negative financial result went from R\$ 314 million, in 2010, to R\$ 532 million, in 2011.

(1) Impairment is the technical term used for the test a company submits its assets to check whether the investment for their acquisition or construction, according to standards accepted by the Company and market, and in line with corporate strategy, is valued by future cash-flows; when this test shows that the generated cash-flow, brought to present values, holds below current book value reflects a loss in financials.







SOCIETY AND COMMUNITY



PEOPLE MANAGEMENT

FURNAS counts on its employees to fulfill its mission, since any goal may only be achieved with the effort of each one of them. To motivate them and make the work environment stimulating, the Company values individual and collective talents, encouraging them to look for ways of personal growth and self-realization, according to its Human Resources Policy. Besides, it recognizes the rights of its employees and it seeks to promote values such as diversity, health, safety, well-being, and quality of life.

The Company has several internal communication channels, such as intranet, e-corporate mail, internal sound system, and the mural newspaper Furnas in the Media, which contribute to democratize and give transparency to corporate information. Created in July 2011, the Talk to the CEO is a direct channel between employees and the CEO to clear up doubts, and make suggestions and remarks. There is also the HR Portal, a tool to research benefits and issues concerning self and professional development.

At year end 2011, the Company had 4,860 employees, 1,541 outsourced personnel, and 486 trainees.

PERSONNEL ACCORDING TO TYPE OF RELATIONSHIP AND AREA	TYPE OF RELATIONSHIP	Employees	Outsourced	Trainees	TOTAL
		Central Office			
	Support ⁽¹⁾	1010	489	145	1644
	Core business ⁽²⁾	824	190	120	1134
	Regional Areas				
	Support ⁽¹⁾	256	139	16	411
	Core business ⁽²⁾	2770	723	205	3698
	TOTAL	4860	1541	486	6887

(1) Board of Directors, Supervisory Board, and Board of Executive Officers.

(2) System Operation and Energy Commercialization Board, Engineering Board and Construction Board

Profile of Employees



**EMPLOYEES
ACCORDING
TO REGION**

State	Amount
DF	166
ES	81
GO	305
MG	767
MT	13
PR	210
RJ	2550
RO	52
SP	704
TO	12
TOTAL	4860

Positions, Careers and Remuneration

FURNAS adopts Eletrobras Companies Career Plan (PCR), which utilizes the concept of skills management as the main reference for employee management. The career model adopted seeks to align policies and practices addressing employee management and corporate business strategy, and also to integrated employee management processes in order to obtain improved corporate performance.



POSITION

	2011	2010	2009
Management	333	372	371
Higher education	1,499	1,489	1,407
Graduation	789	805	743
Post-Graduation	590	570	552
Master's Degree	108	102	100
PhD	11	12	12
Technician	1,998	1,956	1,895
Secondary school	721	758	757
Basic school	309	331	328
TOTAL	4,860	4,906	4,758

Positions, their complexity, and progressions according to the performance of the employee are taken into consideration in deciding salary bracket.

	2011	2010	2009
MEAN REMUNERATION OF EMPLOYEES BY CATEGORY (R\$)			
Board	32,907.01	30,956.74	29,482.61
Managers	13,405.34	12,879.07	10,930.00
Administrative	6,057.31	6,351.84	5,644.75
Production	5,370.83	5,522.70	4,897.20

More information on the profile of employees according to schooling and remuneration may be found in Annex 4.

Profile of Outsourced Personnel

The number of outsourced personnel has been decreasing annually. FURNAS has been complying with in-court agreements established with several public organs, which demand the gradual substitution of outsourced personnel for those selected in public examinations.

Outsourced Personnel Compared to the Total Number of Employees

	2011	2010	2009
Number of outsourced personnel	1,541	1,591	1,676
Outsourced personnel compared to the total number of employees (%)	24.1	24.5	26.0

Labor contracts have clauses and benefits that guarantee quality of life, such as medical insurance, group life insurance, food vouchers, and day care among others

	2011	2010	2009
PROFILE OF OUTSOURCED PERSONNEL BY POSITION			
University Degree	525	525	534
Technical and Operational level	606	638	679
Administrative	410	428	463
TOTAL	1,541	1,591	1,676

Annex 4 has more information on the profile of outsourced personnel by schooling and remuneration.

Insertion of Youngsters in the Work Market

FURNAS has technical cooperation agreement with SENAI to train apprentices in the following areas: administrative assistant, logistics, audio visual electrician, and web designer. Five per cent of the positions are reserved for people with disabilities. In 2011, 147 apprentices were trained.

Trainees are hired through an open selective process to fulfill the internal needs of the Company.

 TRAINEES		Gender	2011	2010	2009
	Female		245	254	303
	Male		241	246	295
	TOTAL		486	500	598

The Importance of Dialogue

FURNAS believes the dialogue is always the best way to understand each other. The negotiation of benefits guides the internal management and the relationship with the public.

Regarding collective issues that involve direct negotiations with several unions, FURNAS acknowledges the representation of those entities, establishing a partnership.

Unions participate in forums, such as the Permanent Committee for Accident Prevention, and occasional commissions to analyze cases of individual layoffs without a fair reason, according to the Collective Labor Agreement (ACT).

The ACTs encompass 100% of workers. In 2011 ACT, we should highlight the representation of employees in the Board of Directors of the Eletrobras System, with the election of a representative to take place in the first semester of 2012.

Two thousand nine hundred and forty-five employees are affiliated to 15 unions organized in two representations: the Intersindical Furnas, which is aligned with the Unified Worker's Central (CUT), and the União Intersindical Furnas, faithful to the precepts of the Workers Union (UGT). Besides unions, employees may also decide to join FURNAS Employee Association (ASEF), which currently has 1,058 associates.

Promotion of Diversity

One may observe that the Eletrobras System latest collective labor agreements included more clauses regarding prevention of discrimination, guarantee of gender and race equality, leave of absence for victims of domestic violence, and increase of maternity leave period.

In 2011 ACT, the unification of social benefits regarding people with disabilities, funeral assistance, and vocational rehabilitation was achieved. With this provision, all employees of the Eletrobras System are entitled to the same benefits.

Employees with disabilities

According to the law, in public examinations, positions for people with disabilities are set aside. The contract with the Association for Valuing Persons with Disabilities (Avape) complements the legal needs until the quota demanded by law (5%) is fulfilled.

 EMPLOYEES WITH DISABILITIES (%)	Total Number of Employees (a)	4860
	Total Number of People with Disabilities (b)	232*
	$\% = b/a \times 100$	4,77
	Difference between the % required by Law and	0,23

*Refers to the addition of 26 employees and 206 linked to the contract with the Association for Valuing Persons with Disabilities – Avape.

 NUMBER OF EMPLOYEES WITH DISABILITIES		2011	2010	2009
	Employees	26	24	23
	Employees hired through Avape	206	212	214

Gender Equity

Promotion of gender equity and women empowerment has been formalized since 2004 with the creation of the Gender Group. Constituted by senior management from all areas of the Company, it has the mission of eliminating all forms of discrimination in right to job access, remuneration, career development, and job guarantee.

Gradually, women have ascended to managerial positions in the Company. In 2004, only 34 women were managers, while today they are 46, corresponding to 14% of all managerial positions.

In August 2011, when a new Board area was formed in FURNAS, Olga Simbalista was appointed Chief Planning, Business and Expansion Management Officer, the first woman in an officer position in the Company.

Still in 2011, FURNAS adhered to the fourth edition of the Federal Government's Pro-Equity on Gender and Ethnic Groups, established by MME, which acknowledges the efforts made by corporations toward devising new ways to manage people and organizational culture so equality between men and women at the workplace may be achieved. FURNAS was awarded the Pro-Equity on Gender Seal in all previous editions – 2006, 2008, and 2010.

To promote equity of gender and race among the work force, 12 monthly meetings were held to elaborate and define the agenda of actions throughout the year. The partnership with the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact brought FURNAS the seven Principles of Women Empowerment – Equality Means Business, based on Calvert Women's Principles. Along with UNICEF, FURNAS supported the Second Educational Thread for the Promotion of Racial Equality – For a Childhood Without Racism. The Action Plan for the biennium 2011/2012 contemplates plans of internal and external communication, development of a profile-card on the workforce, re-edition of the "Energized Line: History of Women, History of Furnas" exposition, expansion of the "Cinema Gender Session" for regional areas, and celebrations of the International Women's Day, Men's Day, and Volunteer Day.

		2011	2010	2009
 GENDER EQUITY (%)	Number of women in relation to the total number of employees (%)	15	15	14
	Women in managerial positions – In relation to the number of managerial positions (%)	14	13	13

Gender Equity and Management Strategy

In an era when communication and technology inspire constant transformations in human relationships, gender equity can be understood not only under the sociopolitical view, but also as a practice that can be a managerial strategic and competitive differential. The understanding and respect to existing differences can go along with innovation and be a positive influence in the development of leaderships.

As an example of genuine gender equity, in August 2011, Olga Côrtes Leão Simbalista was the first woman appointed for an officer position in FURNAS, Chief Planning, Business and Expansion Management.

Olga Simbalista graduated in Electric and Nuclear Engineering from Universidade Federal de Minas Gerais, and her professional trajectory in a predominantly male territory has been noted. However, she said she was never a target of prejudice and she believes she owes her accomplishments to the value of intrinsic feminine characteristics. "Even when a woman does not have a deep intellectual education, she is the successful manager of a micro company called home. This managerial capacity allied to a web thinking mindset, generally enables women to analyze interconnections, causes, and consequences, thus making a woman a great candidate for higher control and managerial positions in the XXI Century, in which relationships are much more complex", according to her.

The choice of a woman as Chief of Planning, Business and Expansion Management is corroborated by the anthropologic view that planning is atavistically female. A woman is a born planner, which has to do with off-springs and their dependency on their mother. Other animals are born more independent, but humans are born fragile and mothers know that. For this reason, everything is done with a long term view.

Those behavioral aspects of men and women date back to millions of years, a time in which men were hunters and women collectors and "managers". Men would go hunt and women walked in groups caring for their children and gathering seeds. This initial work division explains why women talk more and can do several tasks at the same time. However, those differences should not be seen as limiting factors.

One of the greatest accomplishments of women in the last years has been to overcome barriers imposed by stereotypes, reaching great penetration in several areas without restrictions to areas considered "feminine". Olga Simbalista remembers that economic freedom, which implies a greater educational level, still is the passport for choosing a profession.

Regarding her current challenge, she believes that with the growing Brazilian economy, FURNAS integrity, credibility, and competence, the future of electric energy is extremely promising, guarantying one of the basic inputs for national prosperity. In this scenery, it is important to think that in two centuries, energy companies have endured without

major changes, but the ways of consume is changing, making transformations necessary to increase efficiency. Olga Simbalista indicates the new way of participation in electric energy auctions as one of those changes and she says the consumer and Brazilian industries are the ones to benefit from this.



Olga C rtes Rabelo Simbalista, Chief of Planning, Business and Expansion Management in an event promoted by the Gender Group at the Central Office.

Encouragement to Retirement

The Workforce Reassessment Plan (PREQ), introduced in July 2011, is a set of programs and actions that will allow renovation of the workforce, adapting it to the needs of projects being developed in the Company and new demands of the energy market. The Workforce Reassessment Plan foresees the resignation of retirees and those close the retirement until July 2013 with prior transmission of knowledge and admission of new employees.

Of the 2,386 eligible employees, 1,703 adhered to the PREQ and 193 resigned in 2011.

Organizational Environment

The objective of the Organizational Environment Survey is to show the opinion of employees – effective and outsourced – on matters that interest the Company. Since 2010, the survey follows the unified model of the Eletrobras System.

In 2011, 3,218 employees, corresponding to 52% of the workforce, answered the survey.

Answers are confidential and the results are indicators of the satisfaction and motivation of employees that give rise to planning and introduction of improvement actions in the work environment.

Professional Development

FURNAS invests in the development of technical capability, overall competence, and specific expertise of its employees. In 2011, more than R\$ 7 million were invested in the development of educational events.

In partnership with Pontifícia Universidade Católica do Rio de Janeiro, the Knowledge Mapping Project of all areas of the Company is under development. The results will be the starting point of plans for knowledge retention and transference.

In 2011, 128 managers and technicians participated in educational events offered by the Eletrobras System University (UNISE).

Among short and long-term courses, seminars, workshops, and conferences, 919 educational events were offered, totaling 40,813 hours, with the participation of 3,848 employees.



Main educational events of 2011:

- Corporate Management Program (PGE);
- Business Plan;
- Decision and Strategic Process;
- Financing Strategies and Long-Term Structures to Lure Funding;
- Non-Conventional Alternatives for Electric Energy Transmission;
- Corporate Performance Analysis and Communication of Performance Results;
- Investment Analysis;
- Commercialization of Wind Power in the Free Market;
- Understanding Wind Power;
- Specialization Course on Maintenance of Electric Systems;
- Education for Environmental Management Internal Auditor (ISO 14001:2004);
- International Accountability Standard (IFRS);
- Professional Improvement in Water Resources;
- Strategic Planning and Balanced Scorecard;
- New Employee Integration Program (PINE).

More information on participation of employees in educational events may be found in Annex 4.

Magazine Ouro da Casa (Home-Grown Golden Talent)

Annual publication that rescues the history of those with 35-year employment in FURNAS, being distributed to those interviewed, upper management, superintendence levels, department managers, and FURNAS library. In 2011, the 4th edition was published.

Quality of Life

The construction and improvement of employees' quality of life are done through health events, cultural activities, personal recognition and valuing, besides several social support actions and support in critical circumstances that may affect productivity and the employee well-being.

More information on improving employees' quality of life may be found in Annex 4.

Safety and Occupational Health

The Work Safety and Occupational Health Policies at FURNAS are aligned with those of the Eletrobras System, whose focus is prevention.

Safety and occupational health management is the responsibility of a department linked to human resources and it has the collaboration of two work groups: Work Safety and Occupational Health Committee, constituted by representatives of upper management from all areas of the Company, and a Permanent Committee on Accident Prevention, constituted by union representatives.



All FURNAS employees are represented by formal safety and health committees, 33 Internal Accident Prevention Commissions (CIPA), and six Safety Units or Sectors (USEG).

In general, FURNAS employees and outsourced personnel do not have activities with a high incidence or high risk of specific disease. In installations under construction with greater incidence of endemic diseases and sexually transmitted diseases, preventive and control measures, such as those in the Traveler Health project, are adopted.

FURNAS offers internal and external training and professional improvement in safety and occupational health to employees and outsourced personnel to fulfill all legal requirements, and as a means of providing health and risk prevention awareness in its installations. An annual program has been established for each unit of the Company. The main subjects are first aid, accident prevention, and risks in the work environment. Internal or external instructors are in charge of the training with follow-up by the health and safety areas of the Company. As for outsourced personnel, although their training should be done by the contracted companies, FURNAS provides several courses, especially on construction and transmission lines.

FURNAS has specific installations for training in several areas, including a Training Center to Fight Emergencies for Firefighters in Furnas Hydroelectric Power Plant, in São José da Barra (MG) that also serves external organizations, such as Firehouses, schools, etc.

FURNAS provides, free of charge, individual safety equipment to all employees and outsourced personnel. Regarding employees of companies hired by FURNAS, it is up to them to furnish this equipment. As for collective protection equipment and systems, FURNAS has all the necessary resources to preserve the physical integrity and health of the workforce, as well as the preservation of its installations.

	2011	2010	
SAFETY AND OCCUPATIONAL HEALTH INDICATORS⁽¹⁾	Number of working hours	9,739,440	9,619,200
	Number of lost work days	358	532
	Number of lesions requiring absence from work	28	19
	Number of lesions not requiring absence from work	10	8
	Rate of accidents ⁽²⁾	2.05	3.01
	Rate of severity of accidents ⁽³⁾	27	55
	Deaths	0	0

In Brazil, we use NBR 1428 – Accident Database and Statistics, which differ from the International Labor Organization (ILO) since it considers, when calculating the rate of severity, besides lost work days, days discounted as a consequence of work accident-related permanent disability or death, and for using, when calculating rate and severity, the factor 1,000,000 instead of 200,000.

(1) Refers only to employees

(2) Number of accidents with absence/million hour-person exposed to the risk

(3) Number of absent days + days discounted/million hour-person exposed to the risk

More information on work health and safety indicators may be found in Annex 4.

Innovating Actions

FURNAS, in partnership with SESI/SENAI, develops the System Innovation and Methodology for Workers' Quality of Life in the Electric Energy Sector Project. It is a methodology to evaluate, follow-up and intervene in the nutritional conditions, and ergonomic evaluation of transmission line and electro-mechanic maintenance workers positions and activities to create a new physical aptitude evaluation protocol.

SUPPLIERS

Although the acquisition process in FURNAS is regulated by Law 8666/93, from the selection and habilitation phase of suppliers to the management of contractual systems, in 2011 contracts included a clause in which the "hired company declares to know and promises to respect, comply with and enforce the Eletrobras System Code of Ethics that is available on the web site of the Company, and according to the contract, they may be penalized if they behave otherwise".

The inclusion of such clause is extremely important when one considers how comprehensive the Eletrobras System Code of Ethics is. There is a specific chapter on the commitments of the Eletrobras System and its employees governing the relationship with suppliers, service providers, other partners, and clients.

The comprehensiveness of the Code of Ethics transcends initiatives until then adopted by FURNAS in the relationship with suppliers regarding stimulating sustainable actions since they have a fundamental role by assuming such co-responsibility.

Another undeniably eventful initiative in which FURNAS participated actively was the elaboration of the Eletrobras System Logistics and Supply Policy. One of its basic orientations includes the promotions of corporate citizenship and social-environmental responsibility on the part of suppliers, therefore sharing the commitment of the Eletrobras System.

Equally relevant was the representation of the Company throughout 2011 in the meetings of the Logistics and Supply Strategic Committee – CELSE, coordinated by Eletrobras, a privileged forum that discusses issues such as those mentioned above, besides others including sustainable purchases by the Eletrobras System.

In 2011, FURNAS spent R\$ 298,539 thousand in materials and services.

Operations identified as having a significant risk of slave work are due to the need of hiring services in construction sites, especially in the case of outsourcing the construction of transmission lines, maintenance of right of way in transmission lines, suppression of vegetation in areas to be flooded by hydroelectric power plants, and maintenance of the vicinity of reservoirs. Risks are potentiated in rural areas where people without schooling can be recruited.



To minimize those risks, an inspection structure that encompasses daily field follow-up and meetings to check on contractual obligations is effective. Contracts are inspected technically, administratively, work related, and fiscally.

Hired companies and those hired by them should present to Furnas monthly the list of their employees with proof of the record in their working papers.

Besides the tools of contractual management mentioned above, FURNAS has communication channels for internal and external publics, employees and outsourced personnel, such as Ombudsman, Talk to the CEO, and Ethics Commission, that can be used to denounce occasional violations.

COMMUNITY

Managing Social Impacts and Human Rights

Considered extremely important, management of social impacts and Human Rights starts even before FURNAS establishes itself in the area, by contemplating the impacts, risks of Human Rights violation, and community engagement.

While planning, potentialities, social-environmental frailties, vulnerable groups, and main local leaderships are identified. During the studies, social communication programs are implemented to present to the local population the future activities of the Company and their potential impacts. Those programs allow us to know the community main aspirations and doubts. At the same time, communication channels with the Company and local offices are widely publicized.

Along with the population, FURNAS promotes the creation of local forums involving representatives of associations, companies, unions, as well as other leaderships and local government. The debate is about community priorities for local development and responsibilities of all those involved in search of solutions. Those forums occur periodically and they elaborate an action plan electing relevant social programs for community organization that have financial support from the Company. Parallel to local forums activities, public hearings and meetings are held to deliberate on the process of environmental licensing in which mitigation, control, reparation, and compensation are discussed.

During the construction phase, the main social impacts are due to the arrival of a large number of workers, traffic of heavy vehicles, and overload of local infrastructure (health, education, transportation, leisure, sanitation, and security). There are also changes in the real estate market, in territory occupation, and lifestyle of the population. To increase the infrastructure of the public network, FURNAS signs contracts with local governments.

An example of FURNAS investment in infrastructure improvement and relocation, in 2011, was the implementation of a sanitation landfill in Sapucaia, a county that is close to Simplicio Hydroelectric Power Plant/Anta SHP (RJ/MG).

In Simplicio, 146 families (584 persons) received compensations and emergency financial compensation was given to 59 families (236 persons) in 12 installments of R\$ 380.00. FURNAS also helped moving those families to their new property and regularization of their housing applications and documentation.

Besides the impacts in the region, there are impacts specifically in the areas of power plants implantations and reservoir formation, as well as in right of way of transmission lines. In these places, where there is the need of moving people, FURNAS guarantees that they all receive indemnification and assistance respecting traditions, culture, and social relationships so these communities will have their own choices for their future.

FURNAS is prepared to receive suggestions and complaints and, for this, it has a channel available for the population and other interested parties such as: representatives of city halls, resident associations, local leaderships, National Institute of Agricultural Reformation (Incra) – in case of affected settlements, universities, unions, and local non-governmental associations, among others. Communication with interested parties is two-way. For such, the Company makes available local and headquarter addresses and telephones, a system for emergency communications, a Talk to Us Portal (on FURNAS website), and Ombudsman and other channels are available for doubts and denunciations.

The community works in partnership with the Company signaling situations that are out of pattern. As example of recurring problems indicated by the community, through the Ombudsman, two cases that demonstrate FURNAS endeavor to promptly solve denouncements were chosen. They refer to a damaged road in Sapucaia/Simplicio and construction under the Adrianópolis-Magé Transmission Line.

In the first case, the community, located close to the place of construction of Simplicio HPP claimed improvement in the road from the city of Além Paraíba to the construction site. This road, which is used by trucks and buses from the local contractor, is an important access for the local community and it was not in a good state of conservation. As soon as FURNAS received the complaint, it inspected the site and arranged for the immediate recovery of the road.

In the second case, since the community knew about the restriction to the use of the land in right of way, due the electromagnetic field induced by energized lines, it alerted FURNAS about the construction of improvements in right of way of Adrianópolis-Magé Transmission Line. FURNAS inspected the area to examine the situation and took appropriate steps to check the compliance with law and regulations, verifying there was no risk for the community.



Finally, during the lifetime of installations, the Company supports local sustainable initiatives aimed at income generation and local development, following-up the conditions of the relocated or affected population in their economic activities, offering professional qualification and financial orientation.

FURNAS monitors a set of operational indicators, establishing goals to guarantee Human Rights in affected communities, especially native Brazilian communities and Quilombolas.

Expropriated Areas and Populational Relocation

New undertakings cause changes in land occupation and, consequently, people's way of life. The relocation program of the local population defines the procedures used when evacuating areas for the safe implementation of installations. It also defines the criteria for compensation of social-economic impacts and restoration of the ways of life of the population.

FURNAS respects the constitutional principles of the right to property and fair indemnification when relocating people or economic activities. For such, technical inspections destined to evaluate affected structures (including land, existing betterment and economic activities), whose value is stipulated based on market survey, are done.

In 2011, 114 families (456 persons) were relocated. Of those, the majority (93%) were relocated due to new power plants. The economic activities of 294 families (1,176 persons) was affected and in 92% of the cases the impact was due to right of way necessary for the operation of transmission lines. These families received R\$ 73,623,972.00 as compensation. This information may be found in detail in Annex 4.

Social Investment

In 2011, R\$ 25 million were invested in social-cultural projects, wholly owned or in partnership, all of them aligned with the Millennium Development Goals and the principles of the United Nations Global Compact.

Since 2003, when the Social Responsibility Coordination was created, social investment has been directed for the development of communities in the vicinities of installations. In these sites, social-environmental projects and actions have minimized negative impacts and potentiated positive results, strengthening Company business.

Social investment is characterized by the due support, may it be financial or not, to social and cultural projects and actions that meet the Company's Social Responsibility Policy. Funding for social investments may be self-owned or stem from tax rebates and may generate hundreds of programs, projects, campaigns and action-taking in the states of Goiás, Mato Grosso, Minas Gerais, Paraná, Rio de Janeiro, São Paulo, and the Federal District, areas FURNAS is active in.

Projects that Support Local Development

Integration Nucleus Project

Since 2005, this project rallies dwellers neighboring the Company's installations into devising their needs and playing a role in how public policies may affect the territory they live in. In 2011, monitoring activities were done in the 11 nucleus already implemented:

- Araçatiba and Retiro Quilombola communities, in Espírito Santo, in the counties of Viana and Santa Leopoldina, respectively;
- Rural settlements in the Multiple Use Region of Manso, localized in Mato Grosso, in the county of Chapada dos Guimarães, where three integration nucleus were implemented;
- Rural settlements in Batalha Hydroelectric Power Plant, one in Vista Alegre Settlement Project, in Cristalina county, Goiás, and another in Jambreiro Settlement Project, in Paracatu county, Minas Gerais;
- Rodrigues, Marinhos and Quilombo do Sapé Quilombola communities in Brumadinho county, Minas Gerais, where three integration nucleus were implemented;
- Jardim Gramacho neighborhood in Rio de Janeiro, Duque de Caxias county, linked to the Metropolitan Landfill of Jardim Gramacho (known as Lixão de Jardim Gramacho).

In 2011, seven participative social diagnosis and four community forums were held, with the participation of approximately 11,3000 people, and five reference projects in the area of income generation and promotion of citizenship were mapped, benefitting approximately 2,260 families. Since the beginning of the project, 34,960 people, in 6,962 families, have been benefitted.

Among the reference projects already implemented or under way, the following should be mentioned:

- João Carro Women Association, in the Chapada dos Guimarães county (MT): a contract was signed with the National Supply Company – CONAB to sell the production of manioc, fruit pulp, eggs, and others, generating income for 18 associated rural producers. Besides, through an agreement between FURNAS and Mato-Grossense Research, Technical Assistance, and Rural Extension Company - EMPAER, this association received help for the sustainable development of the project, workshop training in the production of manioc by-products, processing fruit pulp, and training



in associativeness and cooperativeness.

- Araçatiba Quilombola Women Association in Viana county (ES): the Araçatiba Community Forum decided to strengthen this group of women with a project to generate work and income. It is called CosturArt and a house was bought, renewed, and equipped with a sewing studio. They were trained in tailoring and sewing, and a computer telecenter was built. On opening day, a publication was released and a video on the history of Araçatiba was presented. There were also workshops and African hairstyle and costumization, cultural shows, and a runway show of the brand CosturArt.
- Community Integration Nucleus of the Retiro Quilombola Community, in Santa Leopoldina county (ES): the choice of the reference project was based on structuring a business to generate work and income in the community and, at the same time, value their cultural references. Thus, the Benvindo Quilombo Cultural Reference Center was built close to the waterfall; it has a restaurant with local food that generates work for women in the community, a stage for shows of local cultural groups (Congo Band, Maculelê Group, and Capoeira Group), and a warehouse to sell fruits, plants, manioc flour, sweets, and handcrafts, including local baskets.
- Vista Alegre Settlement Project, in Cristalina county (GO): an agreement was signed with Vista Alegre Mixed Cooperative – COOPERVIA. Its objective is to contribute to improving nourishment and income conditions for 25 families through professional orientation and support for the commercialization of manioc production surplus. At the same time, the “Worker Ant Project – Vista Alegre PA Flour House” is under construction. It will offer technical orientation and courses to rural producers involved with starch, such as: home cooking, quality, productivity and recipe preparation, transformation of manioc into starch, and production of flour.

Five new nucleus were implemented in the Vale do Rio Doce (MG) region, where the Baguari Hydroelectric Power Plant is located, through an investment line from the Brazilian Development Bank – BNDES. Reference projects were indicated by the local community and they will start in 2012, according to the description below:

- Baguari Integration Nucleus in Governador Valadares county (MG): construction of a multipurpose community center with a theater, auditorium, multi sport gymnasium, and classrooms for professional improvement courses, cultural activities, and income generation activities, such as handcraft and organic products market.
- Bela Vista Integration Nucleus in Sobrália county (MG): construction of a multipurpose community center to attend the need of educational and social-cultural alternative for residents.
- São Sebastião do Baixo Integration Nucleus in Periquito county (MG): construction of an industrial community kitchen to generate work and income for women who will use the production of fruits, eggs and other food varieties cultivated by the community, besides several homemade sweets, jam, liquer, breads, and cakes.

- Serraria Integration Nucleus in Periquito county (MG): construction of a community bakery and confectionery for the production of cakes and sweets to be commercialized during events.
- Senhora da Penha Integration Nucleus in Fernandes Tourinho county (MG): construction of a multipurpose community center.

Conciliation Dialogue

Throughout its 54 years, FURNAS has always participated in projects and events in counties and communities bordering the Hydrographic Basin of Furnas Reservoir.

In 2003, in Varginha (MG), the Conciliation Dialogue, involving several Federal Government organs, including the Presidency, was created and three main action axis were defined within the “conciliation” process: sanitation and environment; local and regional development; and institutional development. Since then, several agreements were signed with the intervention of the Ministry of Cities.

The objective of the agreement signed with the Ministry of Cities and the Association of Municipalities bordering Furnas Reservoir (Alago) in 2009, and still in effect, is the implementation of basic sanitation projects in 35 municipalities. When these initiatives are concluded, the counties may plead for funding from the Growth Acceleration Program (PAC) to build their sewer system, final destination of solid waste, and urban pluvial drainage.

Agreement with SENAI

To promote education courses and programs for youngsters and adults who live in communities bordering FURNAS installations in the states of Goiás, Minas Gerais, and Rio de Janeiro, a R\$ 988,886.00 agreement was signed with the National Service of Industrial Learning – SENAI. The contract was signed to comply with an In-Court agreement with the Ministry of Labor, concluded in December 2011. One-hundred and seventeen students were approved in courses of Sewing Techniques, Motorcycle Mechanics, Basic Techniques for the Construction of Electric Installations, and Woodcraft Techniques for Ceramics and Concrete Blocks.

Light for Everyone Program

In 2011, approximately R\$ 1.2 million were invested in projects, initiatives, and actions in the Light for Everyone Program.



Launched in November 2003 by the Federal Government to combat the lack of electric energy, the objective of the Light for Everyone Program (PLpT) is to provide electric energy to rural regions and localities that do not have access to this public utility service. The program is coordinated by the Ministry of Mines and Energy – MME and carried out by Eletrobras via its subsidiaries and in partnership with state governments, energy concessionaires, and rural electrification co-ops. FURNAS coordinates the program in the southeast region and in the state of Goiás. The initial goal was to bring electric energy to 202,593 families in the southeast region and the state of Goiás. In 2011, this figure reached 536,172 families with 2,680,860 people benefitted. More information on power accesses may be found in Annex 4.

Furnas Digital Project

To promote the digital inclusion for the population in rural and urban areas benefitted by the Light for Everyone Program of the Federal Government is part of the social obligations elected by FURNAS, who is ultimately responsible for monitoring the tele-centers, implemented in the states of Rio de Janeiro, São Paulo, Minas Gerais, Goiás, and Espírito Santo.

The project allowed the communities to benefit both with electric energy and access to the digital world. In 2011, in 50 tele-centers, 36,369 people could navigate in the virtual world, therefore exercising their digital citizenship. The project will interconnect the 29 tele-centers that should in their turn be connected to the antennas of the Digital Inclusion Program of the Ministry of Communications (GESAC). More information on the number of tele-centers and the public served in 2011 may be found in Annex 4.

Production Community Centers

In the communities benefitted with the Light for Everyone Program, FURNAS supports and monitors the projects of Production Community Centers (CCP) to strengthen development through employment and income generation, especially in the area of dairy products, flour factories, and starch agriculture. Currently, 13 CCP are working in the states of São Paulo, Rio de Janeiro, Minas Gerais, and Espírito Santo.

As recognition, two associations participated in FURNAS exhibition stand, exposing and commercializing their products, during the “XXII National Handcraft Market – MG”, in November 2011, sponsored through the Rouanet Law.

Other Social Projects

In 2011, other 14 social projects, in partnership with nonprofit entities, benefitted 7,220 people.



Out of these projects, six are geared towards promotion of citizenship and Human Rights, three to education and education of youngsters and adults, and five to work and income generation. In Annex 4 you may find the table with all projects mentioned above.

Participants of the Pimpolhos da Grande Rio and Guarda Mirim de Foz do Iguaçu social projects brought music and fun to the event that commemorated FURNAS 54th anniversary on February 28 at the Company's central office in Rio de Janeiro.

Citizenship Village Project

For nine years, the Citizenship Village project promotes citizenship and the rights of communities in the vicinity of FURNAS installations. This work is a consequence of a partnership with city halls and their secretariats, with the presence of the Company's employees, who voluntarily seek other partnerships, plan, and make activities feasible.

The Citizenship Village Project integrates services in the areas of education, health, leisure, culture and citizenship. Documents such as ID, social security number, and voter registration are issued. Legal counseling is provided, group weddings are celebrated, lectures on environmental education, health, and women's rights, among others are held. Children vaccination drives and blood typing are conducted, as well as medical assistance aiming at diabetes control and the fight against dengue, among other diseases.

In 2011, 10 Citizenship Villages were promoted with more than 80 thousand services provided benefitting around 50 thousand people, establishing new opportunities and promoting social inclusion. In Annex 4 you may find a list of Citizenship Village Projects promoted.

Community Kitchen Gardens

To stimulate healthy habits and, consequently, protect the health of people. The Company gives support to projects of nourishment and nutritional safety mainly through the creation of community kitchen gardens. Currently, there are six community kitchen gardens in the states of Minas Gerais, Mato Grosso, São Paulo, and Rio de Janeiro, favoring approximately three thousand people.

Seedling Farm

Located in an area of 200 m² in an area at Foz do Igauçu (PR) substation, the seedling farm produces and distributes annually 160 thousand vegetable seedlings to nine municipal schools, four day care centers, three neighbor associations, and a state penitentiary, benefiting more than nine thousand people.

Occasional Social Actions

Launched in July, the Public Notice of 2011 Furnas Social Program received 1,164 requests for social actions distributed among several counties and states. The results were published on the Official Daily Gazette on December 30, 2011.

The program will distribute R\$ 5 million for 162 institutions in the states of Espírito Santo, Goiás, Mato Grosso, Minas Gerais, Paraná, Santa Catarina, São Paulo, Rio de Janeiro, and the Federal District, benefiting approximately eight thousand people. You may find the table with all the requests selected in Annex 4.

Donations for the Fund for Infancy and Adolescence (FIA)

Aware of the needs of countless children and adolescents that live in communities in the vicinity of its installations, FURNAS transferred, in 2011, R\$ 1.305 million for the Fund for Infancy and Adolescence – FIA of eight counties. Donations were given to Children and Adolescents Rights Municipal Boards – CMDCA of Gurupi (TO), Ivaiporã (PR), Barra do Pirai and Sapucaia (RJ), Araporã, Campanha, and Luminárias (MG), and Chapada dos Guimarães (MT) counties. In some of these places, donations will contribute to strengthen the “Right Hand” Program, and initiative of WCF-Brazil, of the World Childhood Foundation, reaffirming the Company’s engagement with the “Declaration of Commitment against Sexual Exploitation of Children and Adolescents”, an initiative sponsored by the Associação Brasileira Terra dos Homens – ABTH in partnership with the Human Rights Secretariat of the Presidency of the Republic.

The donations are based on article 260 of Federal Law no 8069/90 on the Child and Adolescent Statute (ECA), which allows companies to donate up to 1% of their Income Tax to the Fund.

Donations from previous years allowed the execution and continuity, in 2011, of several projects, which are shown in detail in Annex 4.

Action Volunteering Program

Engaging employees in social actions is strategic for FURNAS. Launched in 2002, the Action Volunteering Program organizes employee volunteering in several geographic bases of the Company.

Among the projects, we present the ones below to represent the importance of encouraging corporate volunteering.

- The Project “Junior Firefighter” in Goianésia and Minaçu (GO) works with 65 children and adolescents who are trained by dully trained Company’s volunteers. In 2011, the



project was awarded Ordem do Mérito Dom Pedro II prize in Goiânia

- Volunteer Day was celebrated in the central office auditorium, in Rio de Janeiro, with a speech of journalist André Trigueiro on “building a sustainable world, what can I do?”. It was transmitted by the intranet so all employees could watch it.

- “Brazil’s Kitchen” Project was carried out in Vila Santa Teresa Community Center, administered by FURNAS, in the vicinity of São José Substation.

- Motivated to utilize a space with little use to produce healthy foodstuff for the population, volunteer employees were engaged in the social program Green Project – Living Vegetable Garden in the area of the construction office in Cachoeira Paulista (SP).

- On October 21, to celebrate the World Food Day, volunteers in Minas Regional Operation Center promoted lectures on healthy eating.

Campaigns

Besides structured projects, volunteers are involved in several short-term duration activities to promote citizenship and Human Rights in communities in the vicinity of the Company’s installations. A few examples include actions that occur in commemorative dates such as: International Women’s Day (March), World Food Day (October), 16 Days of Activism (November), and Volunteer Day (December).

Relationship with Social Movements

The negotiation with families affected by the works in Serra da Mesa HPP (GO) in partnership with CPFL was concluded in 2011 with the in-court agreement and payment of indemnification to more than 13 families, encompassing 127 of the 129 families previously identified by Social Auditing.

The final funding to implement projects of the Regional Development Fund, as established by a Technical and Financial Cooperation Agreement made with MME, Tractebel Energia S.A, CPFL, Serviço Brasileiro de Apoio às Micro e Pequenas Empresas do Estado de Goiás (Sebrae/GO), and Inter American Development Bank (IDB).

Negotiations resumed at Manso HPP (MT) for compensation payment to around 800 families on the outskirts of the installations as identified by social audits. An agreement will allow suspension of the payment of R\$ 2,911,104.00 for Temporary Maintenance Budget – VMT according to the Global Agreement Term signed in 2006 between the Company and the Movement of Dam Affected People.

Cultural Investment

Eletrobras Furnas Cultural Exhibition Hall (RJ)

Fostering cultural diversity and social inclusion, the Cultural Hall also offers free access to exhibits, cultural workshops and the release of books, among other events, to FURNAS employees and the external public. It is also worth mention that in 2011, 220 youngsters participated in social projects sponsored by FURNAS.

It reopened in March 2011 with a show of singer Mart'nalía and comedians Nizo Neto and Bemvindo Sequeira.

A large public attendance was the highlight of the return of activities to the Cultural Exhibition Hall. The program grid occupied the whole year with the participation of projects selected by the Public Notice of Occupation, launched in 2010. A satisfaction survey showed that 85% of the 5.3 thousand visitors of the Exhibition Hall in 2011 considered the activities excellent/good.

The Exhibition Hall public notice of occupation for 2012, launched in July 2011, received 488 entries and 25 projects in visual arts, music, theater, and exhibits were selected. The projects were analyzed by a commission and R\$ 1.3 million will be invested.

The table with the projects presented throughout 2011 is in Annex 4;

Furnas Musical Generation

Launched in 2004, the objective of this program is to foster the education of erudite young musicians in areas where the Company is active.

The cultural sponsorship of the "49th Village Lobos Festival (Edition 2011)" under the Rouanet Law, allowed FURNAS to continue prior versions of this program launched in 2004, 2006, and 2008.

Projects Supported through the Rouanet Law

Sponsoring multiple cultural manifestations, a FURNAS policy, should consider initiatives that contribute to the construction of the Brazilian cultural identity, valuing popular culture and social inclusion, evaluating the discovery of new talents, and cultural regionalization and interiorization.

FURNAS participated in 2011 Eletrobras System Cultural Program, through Rouanet Law, with approximately R\$ 1.5 million to encourage artistic productions. Seven projects were supported and we should mention "The Boy who sold words" and "Borrálheira, a "Brazilian Operetta", indicated as the best children plays by Veja Rio Magazine.

Besides participating in the Eletrobras System Cultural Program, FURNAS also invested approximately R\$ 2.5 million in 13 Music, Integrated Arts, Humanities, Cultural Heritage, Performing Arts, and Visual Arts projects with the support of the same law. The table with the projects supported may be found in Annex 4.

Reading Halls

The Reading for All Project, sponsored by FURNAS under the Rouanet Law, installed lecture halls, with 1,000 books in each one, in municipalities where the Company works. Lecture halls were implemented in public schools, resident associations, and community centers, offering good reading options for children, youngsters, and adults.

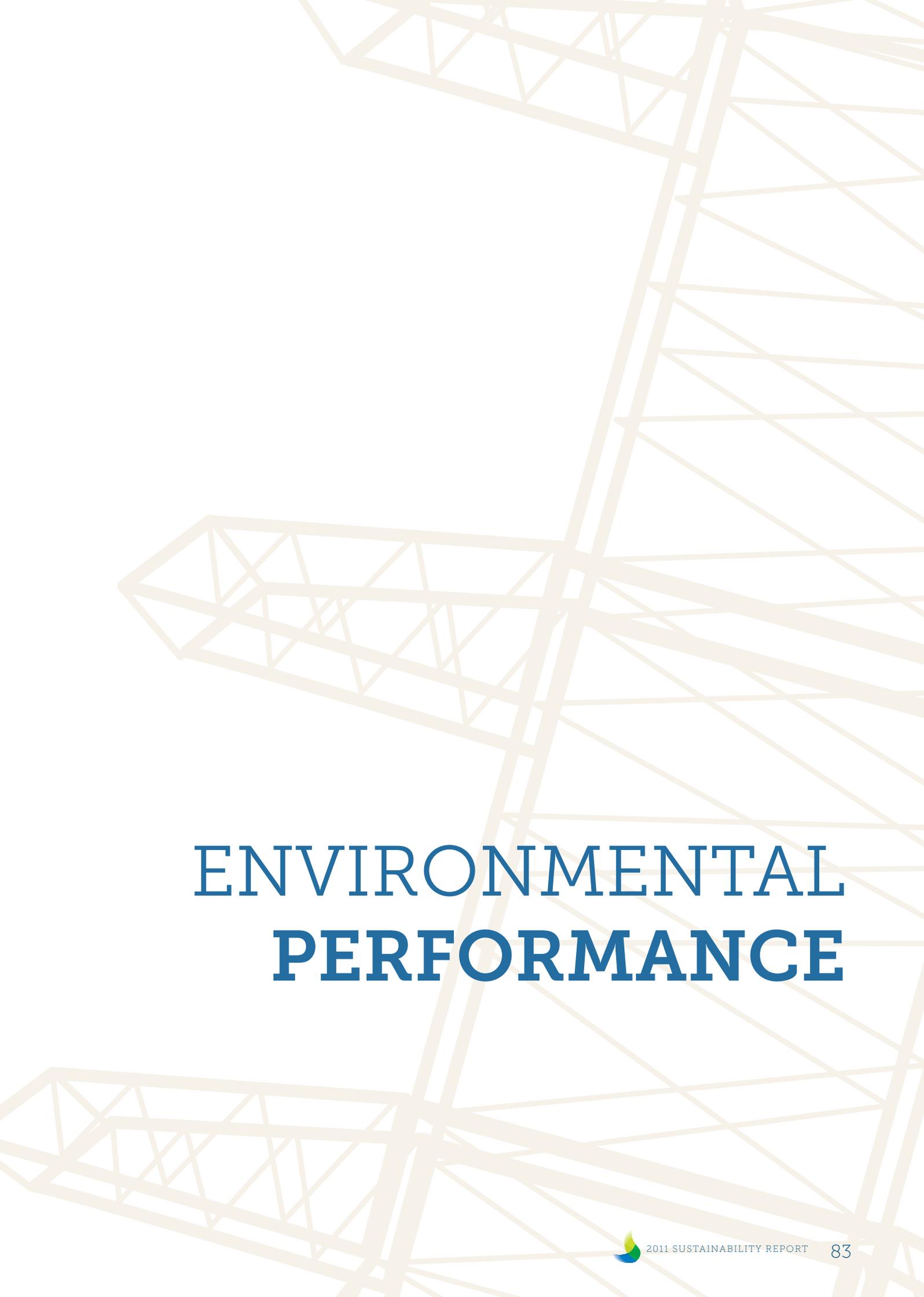
In 2011, the Company monitored 17 reading halls in Belford Roxo, Caxias, Botafogo, Copacabana, Rio Comprido, Santa Cruz, Campo Grande, Macaé, Campos dos Goytacazes, Jacarepaguá, Angra, Paraty, Sapucaia, and Itatiaia, all in the state of Rio de Janeiro.

Funding Events

FURNAS funded 15 technical or strategic events in 2011, which are listed in Annex 4.







ENVIRONMENTAL PERFORMANCE



ENVIRONMENTAL CARE

FURNAS acknowledges that its activities interfere with the environment and it is committed to preventing and reducing social and environmental impacts, and sustainability is its horizon. The Company's activities are regulated by directives established in six main policies: Environmental, Forestry Resources, Environmental Education, Water Resources, Waste Management, and Eletrobras System Sustainability. Annex 5 has more details on these policies.

To fulfill the principles of the policies mentioned in decision making processes, planning of projects, and construction and operations activities, criteria and procedures are observed.

IGS Project – “Social-environmental Indicators for the Eletrobras System Corporate Sustainability Management”

Its objective includes supporting the Eletrobras System sustainability management. For such, adequate indicators for the profile of the system were defined. In 2011, variables totaling 217 indicators were included in the data bank. To improve operations, FURNAS redefined, internally, responsibilities for information collection and recording, which is working in operational areas, and is being implemented in the Central Office and in the planning phase in construction areas.

Certifications and Auditing

FURNAS Environmental Management System (SGA) is in line with ABNT NBR ISO 14001 in two substations, Ibiúna and Foz do Iguaçu, and also in the Fire Extinguisher Maintenance Center. The Company also runs units whose environmental performance is gauged through compulsory environmental audits carried out and enforced by local environmental legislation in some states. This situation concerns the thermoelectric power plants of Campos and Santa Cruz, in the State of Rio de Janeiro, and Foz do Iguaçu and Ivaiporã SE's, both in the State of Paraná.

In compliance with the environmental legislation of the State of Rio de Janeiro, environmental audits were conducted at Santa Cruz and Campos thermoelectric power plants in 2011.

Environmental Licensing

FURNAS installations follow the directives of the National Environmental Policy and the requirements of the Brazilian environmental licensing process. Internally, since 2005, the Company makes available the Environmental Licensing Follow-up System (SALA), which allows employees to check on the situation of environmental licenses. The system facilitates the control of processes, being a fundamental reference for areas responsible for the implementation of environmental conduct and operational activities that depend directly on the issuance or renovation of these licenses.

In 2011, FURNAS obtained environmental licensing for new wind power plants, in the states of Ceará and Rio Grande do Norte, and three transmission lines, in the states of Minas Gerais, Espírito Santo, Goiás, Mato Grosso, and Mato Grosso do Sul.

Besides environmental licenses, the Company successfully obtained Environmental Certificates – which certify that the Operation Licensing of several transmission lines is deemed unnecessary – and corrective licensing for Hydroelectric Power Plants – whose operations started before the National Environmental Policy was issued. A total of 23 Environmental Regulation Reports were registered at CETESB, and proceedings were filed at Ibama for the environmental studies that will ground the corrective regulation of 65 transmission lines in operation.

Environmental licensing was also required for reinforcements guaranteeing greater safety to the National Interconnected System (SIN) or increasing the capacity of electric energy transmission for existing lines and substations. The licenses and certificates obtained this year are shown in Annex 5.

Management of Water Resources Participation in Forums and Committees

Aware of the importance of water for the production of energy and maintenance of life, FURNAS invests in projects that contribute to the conservation of water resources. In 2011, it was active in the Presidency of the Rio de Janeiro Water Resources State Board and as a member of São Paulo Water Resources State Board, besides participating in several federal and state forums. The list of forums that the Company participates in may be found in Annex 5.

Concessions for the Use of Water Resources

In 2011, concessions for water removal were obtained at the Department of Water and Electric Energy (DAEE/SP) for the following substations in the state of São Paulo: Araraquara, Ibiúna, Tijuco Preto, Ivaiporã, and Campinas. In Annex 5 one may find the volume of water removed for FURNAS's activities according to source.



Concessions and Water Resources Management System

The goal of the Concessions and Water Resources Management System – SIGO, currently being implemented, is to support the management of concessions obtained and follow-up third party concessions in the Company's reservoirs.

In 2011, to comply with one of FURNAS Water Resources Policy directives, a professional improvement course in "Water Resources Management" was given. Fifty-eight employees, who represent the Company in such forums, participated.

Multiple Uses of Water Resources

The objectives of the hydraulic operation of reservoirs – coordinated by the National Electricity System Operator (ONS), and executed by power generation companies – is to maximize energy generation, allowing multiple uses of water, and control the flood in the water basins of the Interconnected National System (SIN) reservoirs.

The Yearly Plan for Flood Prevention (PAPC), made to contemplate local restrictions to hydraulic operation, determines that empty volumes, which are partial useful volumes in reservoirs, be used as holding volumes to control floods and protect the population.

Limnologic and Water Quality Monitoring

FURNAS collects and evaluates water samples from 12 reservoirs, monitoring an area of approximately 5,500 km², equal to more than 500 soccer fields, and a total volume of approximately 130 km³, approximately 70 times the volume of Guanabara Bay. Out of the monitored reservoirs, 10 represent operating power plants and two are power plants under construction. The number of sampling points and period of the sampling campaign of each power plant may be found in Annex 5.

Monitoring Plan of Effluents and Water Quality

FURNAS elaborated the Monitoring Plan of Effluents and Water Quality (PMEQA), in accordance with Ruling MS n. 2914, of December 12, 2011, which establishes monitoring procedures for industrial, rainwater and sanitary liquid effluents, in compliance with the standards established in CONAMA Resolutions n^o 357/2005, n^o 430/2011, and other applicable legislation.

The plan also meets the standardization of the Company's monitoring programs and defines what should be monitored; it seeks to fulfill the requirements of licensing criteria of operation licenses; and recommends the adaptation of water collection and treatment and effluent release systems.

The first PMEQA implementation step began in 2011 with the technical inspections of six power plants and ten substations in order to evaluate pluvial, sanitary, and industrial drainage systems as well as water treatment and distribution systems.

Execution is dependent on the following activities: technical visits to the remaining installations, elaboration of the Monitoring Program for each installation, technical training of professionals involved; and the operational monitoring under the directives adopted.

Laboratories for control of water and effluents quality have been adapted permanently. There are a total of six laboratories located in the states of Rio de Janeiro, São Paulo, Minas Gerais, Goiás, and Paraná, two of which are in Campos dos Goytacazes and Santa Cruz Thermoelectric Power Plants in Rio de Janeiro.

Additionally, an information system that will gather the set of information to be obtained in FURNAS monitoring programs is being implemented.

Collection and Use of Pluvial Waters

Rain water is collected and used in evaluation assays of the hydraulic behavior of structures of power plants in reduced scale. The stored volume is very important to reduce water consumption since those assays require a large amount of this resource. Prior to the use of rain water, water was supplied by the public network system, which meant significant costs.

The mean annual amount of rain water to be used may reach approximately 8,600 m³, which corresponds to 8,600 one-thousand-liter water reservoirs. Currently, water is used exclusively for studies in reduced scale models, but there is the possibility of redirecting part of this volume to less noble uses, such as to wash vehicles, toilet discharge, and to water gardens.

Management of Biodiversity and Activities in Protected Areas

The implementation of new installations may cause impacts in areas of high biodiversity and their surroundings. Since the planning phase of the projects, primary fauna and flora survey are executed to help identify the impacts and devise the proposal of preventive, relief, and compensations measures. These studies may indicate the need of significant change in projects and building methods to preserve biodiversity.

Managing the use and occupation of the margins of reservoirs is another relevant aspect. All reservoirs are surrounded by Permanent Preservation Areas (APP) submitted to specific environmental legislation and restrictions to land settlement and use of the soil should be observed.

In the implementation step of hydroelectric power plants the main impacts on biodiversity are due to river barraging, river bank widening, and transformation of the ecosystem from a lotic river (flowing water) to a lentic one (still water). Impacts on biodiversity include: loss of natural fauna and flora habitats; interruption of the migration routes of the aquatic fauna; increased migration of the wild fauna into the periphery of the flooded area and fauna evasion; changes in aquatic organism communities, including the local extinction of some species and proliferation of others; increased specific competition (inter and intra) causing the disappearance of some



species; isolation of animals on the islands formed in the reservoir and by the fragmentation of the ciliary forest; reduction in the available nourishment for the ichthyofauna (fish) and the creation of new habitats (reservoir, margins, and islands) that can benefit some species of the flora, fauna, and microorganisms and, on the other hand, harm the maintenance of others.

Among possible impacts for biodiversity during the operation of hydroelectric power plants, we should mention the change in water quality, proliferation of aquatic macrophytes, and changes in the composition and abundance of the ichthyofauna.

As for the impacts of transmission installations, already at the onset of the project phase preventive measures are taken, such as the definition of higher towers or the adoption of special techniques of cable launching to avoid deforestation in areas with a high degree of biodiversity.

In the implementation phase of transmission lines, the impacts on biodiversity are due to the construction of access roads, transmission towers, and cable launching. The consequences include reduction of flora biomass, the fragmentation of land habitats, interference with the aquatic biota, and reduction in fauna abundance and diversity.

In the operation phase, the impacts to the biodiversity are due to the selective pruning of trees done to avoid interference of the vegetation with line operation as a function of the presence of electromagnetic fields.

Environmental Compensation

In order to compensate the environmental impacts caused by the construction of its own installations, FURNAS invests in the consolidation of conservation units instituted by government: national, state, and municipal parks, biological reserves, ecologic stations, environmental protection areas, and Native Brazilian reserves. It requires an expressive investment for the preservation of the biodiversity of Brazilian ecosystems. Protected areas that received resources from FURNAS, as environmental compensation, correspond to more than 2 million hectares (21,838.03 km²). The complete listing of these areas may be found in Annex 5.

Four Terms for Commitment to Environmental Compensation were signed with environmental organs: Cachoeira Paulista-Adrianópolis 3 TL, Furnas-Pimenta 2 TL, Serra da Mesa-Sarnambaia 1 TL, and Simplicio HPP and Anta PCH.

Seedling Farm

FURNAS currently runs seven seedling farms to preserve native species of the biomes where it is active, using these seedlings to recompose degraded areas. Total yearly production in 2011 topped 700 thousand seedlings. Detailed information on seedling production and planting may be found in Annex 5.



Endangered Species

When elaborating environmental studies, FURNAS identifies impacts on endangered species of the flora and fauna. Regional, national, and international listings, such as the Red Book of Endangered Species in the Brazilian Fauna, the National List of Endangered Species in the Brazilian Flora – both available through the Environment Ministry – and the “International Union for Conservation of Nature”. For detailed information please refer to the record of potentially impacted areas by FURNAS and respective indices of biodiversity and the species of threatened wildlife according to the IUCN available in Annex 5.

Batalha Hydroelectric Power Plant (MG/GO)

Rescue of 49,378 seeds, 98 tree matrices, 69 bromeliads, native plants of the Brazilian savannah (cerrado) planted on the border of the HPP reservoir.

Rescue and monitoring of 401 species (39 amphibians, 21 reptiles, 57 mammals, and 284 birds) and the establishment of an Environmental Management Center to cater for the rescue of wildlife.

Simplício Hydroelectric Power Plant / Anta PCH (RJ/MG)

Capture of approximately 9,705 fishes of 99 different species in sixteen campaigns, involving the transposition of fishes from Anta Dam, allowing for upstream migration during spawning period.

Vegetation restoration and installation of a seedling farm able to produce around 100 thousand seedlings of Atlantic Rain Forest species in order to maintain genetic variation in the region.

Tijuco Preto-Itapeti 345 kV TL (SP)

Conduction of a monitoring campaign, both in remnants of the Atlantic Rain Forest adjacent to TL routing, such as in Francisco Affonso de Mello Municipal Natural Park, also known as Itapety Mountain Range Municipal Park. The objective of this campaign was to survey mammals, birds, reptiles, and amphibian species with special attention to endangered species according to international, national, and state listings. Until July 2013, quarterly campaigns are expected.

Endangered species in the region have been identified and are presented in Annex 5.

Conservation and Monitoring of Ichthyofauna

FURNAS conducts monitoring of fish communities in its HPP’s reservoirs under two scopes. The objective of the first scope is to verify the composition, distribution, and biology of the main species present in the area of influence of new installations, and follow-up changes during and after the formation of reservoirs. Location and spawning, maturity, and nursery areas are evaluated. The influence of building and running plants on the lifecycle of the main species in the regions affected, as well as measures to maintain ichthyofauna diversity and fishing resources are also taken into consideration to mitigate impacts.



In 2011, the Paraíba do Sul and São Marcos rivers, where Simplício and Batalha Hydroelectric Power Plants are located, respectively, were investigated.

The second scope is to verify the efficacy of stocking Grande and Paraíba rivers where Furnas, Mascarenhas de Moras, Luiz Carlos Barreto de Carvalho, Porto Colômbia, Marimbondo, and Itumbiara Hydroelectric Power Plants are located. For stocking, alevines, such as dourado, curimatá (*Tarpon prochilodus*), pacu, piau, piapara, piracanjuba, jahu, the spotted sorubim, and trairão, all native to the basin of the above mentioned reservoirs, are reintroduced in the reservoirs of the above mentioned power plants.

For a short- and long-term verification of stocking, studies have been conducted since 1976 to ascertain other aspects such as composition, distribution, and biological features of the main species.

In 2011, approximately 194 thousand alevins were produced.

Residue Management

Discarding and substituting askarel residue (Polychlorinated Biphenyls – PCB)

FURNAS has been eliminating equipment using PCB from its installations. For such, FURNAS hires specialized companies and holders of environmental licenses for the activities of decontamination of transformers and incineration of hazardous waste. In parallel, it develops projects to substitute this equipment and, consequently, it has very few units running on askarel. Askarel was not discarded in 2011.

Non-Renewable Materials

The Company regenerates insulating mineral oil of transformers by means of a physical-chemical treatment. When recovery is technically unfeasible, the oil is sold at public auctions restricted to re-processors accredited by the National Agency of Petroleum (ANP).

As for hydraulic oil, whose qualities are considered unexpressive, its residues are discarded along with insulating mineral oil that cannot be regenerated.

Other residues resulting from operation and maintenance activities, such as grit, waste of cotton, and oil-contaminated material, are disposed, through specialized and accredited companies, in industrial landfills, or are used in industrial co-processing. The list of the residues generated may be found in Annex 5.



Dangerous Material

In 2011, the company Saniplan Engenharia e Serviços Ambientais Ltda., specialized in dangerous residues transport and logistics, and the company Enervac Serviços Ltda. were hired to regenerate insulating oil. There was no international transport of dangerous residues.

Fluorescent Light Bulbs

A bidding process is done to hire a certified company responsible for the adequate handling and disposition of used or broken lamps. Annex 5 shows the number of lamps discarded in the last three years.

Batteries

Since 2008, FURNAS has transferred battery ownership to third parties. Public notices of transference require participating companies to be accredited by competent environmental agencies. In previous years, batteries were returned to manufactures without expenses for FURNAS. Annex 5 shows the number of batteries sold in the last years.

Scrap

In FURNAS, scrap material usually originates from construction or maintenance leftover or change in equipment, update, or de-phasing of installations, being sold through a bidding process. Details may be found in Annex 5.

Vegetable Oil

In 2011, 2,890 liters of vegetable oil from the restaurant in the central office were donated to the Rio de Janeiro Vegetable Oil Reuse Program (PROVE). The main objective of the program is to improve environmental quality by transforming residual oil in strategic raw material for the production of biodiesel, contributing to income generation and the Brazilian Biodiesel Program.

Garbage – Selective Collection Program

The “Solidarity Selective Collection” program designed to meet Decree n. 5940/06, which regulates the destination of recyclable residues discarded by agencies and entities of the federal public administration to scavenger associations and cooperatives.

To put the program into practice, employees, especially those related to janitorial services, handling directly the garbage, were qualified.

In 2011, the program was implemented in all installations. Besides adequate final destination of recyclable residues, the program contributed to environmental conservation and made

feasible the social inclusion of one thousand scavengers. During the four years of the Program, 640 tons of recyclable material (paper, plastic, metal, and glass) were collected. In 2011, 197.04 tons were donated. Annex 5 shows the amounts collected by type of material.

Residue Management Plan (PGR)

To establish criteria to control residues generated, the Residues Management Plan, according to environmental legislation and ABNT Technical Rules, was created in 2011.

The implementation of the PGR requires the following steps: delegation of expertise, elaboration of residues inventory, definition of the time table, announcement of the plan, and specific lectures for all employees involved in the process.

In 2011, the plan was defined in 28 installations and its implementation started in Vitória and Araraquara substations and Funil, Itumbiara, and Marimbondo hydroelectric power plants.

Spilling

In 2011, three insulating mineral oil spilling occurred in Foz do Iguaçu and Tijuco Preto Substations, and Itumbiara Hydroelectric Power Plant, respectively. They were controlled and reduced by placement of barriers, absorbent material, and restricted local access. Contaminated residue was collected and adequately stored to be processed later or until the final destination, according to the legislation. Below is a summary of each place.

 Site	Substance	N. of events	Volume (m ³)
Foz do Iguaçu SE	Insulating mineral oil	01	10
Itumbiara HPP SE	Insulating mineral oil	01	1.8
Tijuco Preto SE	Insulating mineral oil	01	3.24

Emergency Plan - PAE

The Emergency Plan is geared towards the adoption of logical, technical, and administrative procedures that will allow a fast and efficient response in emergencies to prevent or minimize damage to people, environment, and the Company's equity. The objective of FURNAS is to progressively improve the PAE through a multidisciplinary work group with specialists from several areas.

In 2011, a detailed survey of operational impacts and risks was started to define preventive physical changes in installations and specific actions for each undertaking.

The following installations were contemplated: Central Office, Goiânia laboratories, and eight hydroelectric power plants, besides 17 substations. Training of firefighters involved 285 technicians, equal to 45% of the total.

Environmental Education

FURNAS develops environmental education programs for the internal and external public.

Activities for the internal public involve employees and outsourced personnel. Special attention is given to training personnel directly connected to the implementation of new installations. Lectures are given to clear up questions referring to the code of conduct of employees, selective garbage collection, community safety, the quality of life of the population, respect for the environment, way of life, and local cultural values.

During the IV Seminar on Maintenance of Rotating Equipment, in Campinas (SP), in October 2011, the following environmental lectures were conducted by FURNAS: MDL project and reduction of SF₆ in the Company; Environmental Procedures in maintenance services and their legal aspects; Oil pollution – challenges and initiatives in Porto Colômbia HPP. More information on the number of trained employees may be found in Annex 5.

Activities for the external public involve communities in the vicinity of installations that are usually associated to the programs developed during the environmental licensing process to fulfill the objectives of the National Electricity Conservation Program – PROCEL. They are developed through partnerships with state and municipal education secretariats and non-governmental organizations. The theory is the development of teaching-learning processes that will meet the requirements of the National Policy of Environmental Education. Programs are conceived and conducted with the participation of the community, therefore guaranteeing mobilization and training of its target-audience: the population affected by the installations. The number of people participating in environmental programs in 2011 may be found in Annex 5.



Batalha Hydroelectric Power Plant

The Environmental Education Program has been developed with Cristalina (GO) and Paracatu (MG) state and municipal school system since 2008, bringing issues such as environmental sanitation, solid residues, biodiversity, soil use and occupation, culture, and society to be discussed with teachers and students. Approximately 3,500 people attended lectures and courses, of which 440 in 2011, including school principals and coordinators, teachers, and students. It received the 8th Environmental CREA Goiás Award of 2009 in environmental Education.

Tijuco Preto-Itapeti-Northeast 345 kV TL

The Transformers Project offered courses in environmental education for community leaders and teachers in Mogi das Cruzes and Itaquaquecetuba (SP) counties. Water resources conservation, shared management of residues and flood control, land use and settlement, conservation units, basic sanitation, urban reforestation, and vectors and infectious diseases were discussed in Mogi das Cruzes, while in Itaquaquecetuba, education for citizenship and health, unplanned growth, basic sanitation, and local development, among others, were discussed. In 2011, 112 people participated. A specific project for sensitization and environmental education of workers hired by subcontracted contractors was developed. The continuity of educational activities has been a responsibility of FURNAS' technicians since November 2011 due to high employee turnover, there being the permanent need of sensitizing the workforce. Five hundred and seventy-six professionals benefited from this project in 2011.

Bom Despacho 3 - Ouro Preto 2 500 kV TL

The Connecting Knowledge Project benefits 13 counties in Minas Gerais that are crossed by the transmission line. Rural communities represent the target-audience and the objective is to contribute to the consolidation of sustainable environmental practices. In 2011, 462 people were trained.

Energy Conservation

The objective of the United Nations Conference for Sustainable Development, Rio+20, that took place in Rio de Janeiro in June 2012, is to renew the political commitment of countries with sustainable development and to establish a new international global agenda. Two themes are central in the debate: green economy in the context of sustainable development and poverty eradication; and the institutional structure for sustainable development.

Aligned with this worldwide concern, FURNAS seeks to disseminate sustainable consumption standards and avoid waste of electric energy, investing in energetically efficient technologies. Activities are directed to two lines: education and technology. The objective of education is to sensitize the population for sustainable consumption practices while the technology intervenes in installations and electric systems to make them energetically efficient.

In 2011, educational and sensitization programs geared towards energy conservation involved approximately 90 thousand people in the states of Rio de Janeiro, São Paulo, Minas Gerais, Espírito Santo, and the Federal District. Seven hundred and twenty-one teachers and more than 54 thousand students were trained. Diffusion and sensitization projects, with participation in events and fairs, reached 35 thousand people.

State and municipal secretariats of Education, energy, environment, construction, and culture, besides universities, commercial and industrial associations, civil defense organs, public parks, and non-governmental organizations participated in these actions.

In partnership with the Brazilian Astronomic Society, the Brazilian Astronomy and Astronautic Olympics took place in 2011 with the participation of 803 thousand students and 68 thousand teachers, representing approximately nine thousand Brazilian schools and three thousand counties. The 25 students with better classification and their teachers were rewarded with a cultural program that included technical visits to FURNAS headquarters and Funil power plant, both in the state of Rio de Janeiro.

A list of the energy conservation educational programs and the number of people reached may be found in Annex 5.

The following technical activities geared towards energetic efficiency were developed.

Modernization of the emergency illumination system

The emergency illumination system in FURNAS central office should remain on-line 24 hours a day 365 days a year. After evaluating several technological alternatives, this system was modernized with the substitution of 400 fluorescent light bulbs of 20 and 40 by led light bulbs of 9 and 19 W, respectively, with an expected service life six times higher than the former light bulbs. With this change, we reached an economy of 70.76 MWh/year and a reduction of 8 kW power in peak hours, as well as a reduction in maintenance, storage, and disposal. This also enabled the Company to cut investments in UPS should the system have been maintained. As this represents a new market technology, the system will be kept under surveillance, and may be extended to other areas within the Company.

Public Illumination Projects

FURNAS worked in the technical coordination of the modernization of the public illumination in Jataí, in Goiás, where more than 11 thousand light points were substituted. It required an investment of R\$ 6 million, 75% of which were obtained by FURNAS through a credit line with Eletrobrás funding Jataí City Hall. The remaining 25% came from the municipal administration. It generated a reduction in energy consumption of 3.2 thousand MWh/year corresponding to an economy of R\$ 530 thousand (without taxes) besides other benefits, such as improved quality in public illumination, better public safety, increased economic, touristic, and leisure activities, standardization of the public illumination system, and reduction in maintenance costs.



Energetic Diagnosis

Eighteen energetic diagnosis were made in schools, public buildings, and water and sewer systems in the states the Company is active. These diagnosis identified potential for economy of 871.53 MWh/year and reduction of use of 327.54 MWh/year. Annex 5 has details on the economy of electric energy as well as the investments in energetic efficiency in 2011.

Energy Consumption per Primary Source

FURNAS own energy consumption was equivalent to 2,895,148.30 GJ associated with the Santa Cruz Thermoelectric Power Plant (natural gas and special diesel), generator groups (diesel), and the kitchens of the Company (liquefied petroleum gas – LPG – and natural gas). It was also related to the fuels used by the light and heavy weight vehicles of the Company, boats, and airplanes (diesel, gasoline, ethanol, natural gas), and forklifts (LPG). Below you may see the consumption of the Company.

Fuel Consumption in 2011

Fixed Equipment

Type	Offices – Administrative Activities		Thermal Generation	
	Consumption	GJ Equivalent	Consumption	GJ Equivalent
Special Diesel	0	0	10,918,016 (L)	381,321.81
Diesel	31,161.42 (L)	1,088.34		
Natural Gas	20,562.63 (m ³)	757.61	44,492,629 (m ³)	1,639,287.42
Gasoline	6,438.61 (L)	192.80	0	0
LPG	7,245.38 (m ³)	336.72	0	0
TOTAL		2,345.77		

Mobile and Transportation Equipment

Type	Offices – Administrative Activities	
	Consumption	GJ equivalent
Diesel	11,672,425.44 (L)	407,671.37
Hydrated Ethanol	2,138,078.24 (L)	45,624.16
Gasoline	13,911,386.94 (L)	416,570.16
LPG	38,964.77 (kg)	1,810.83
GNV (natural vehicular gas)	13,220.04 (m ³)	487.08
TOTAL		872,163.60

As for the indirect energy (electricity) consumed in the Company's installations, it represented 241,326.05 GJ, which was imported from the National Interconnected System (SIN), from several primary sources, with predominance of hydraulic power.

Offices – Administrative Activities	2011 MWh	2011 GJ equivalent	2010 MWh	2010 GJ equivalent
Electricity consumption	67,035.02	241,326.05	77,999.33	280,797.56

Control of Atmospheric Emissions Thermoelectric Power Plants

The use of fuel for thermoelectric generation was limited to the Santa Cruz unit since the Roberto Silveira Power Plant, in Campos dos Goytacazes, did not operate in 2011.

The reinforcement of the Santa Cruz Thermoelectric Power Plant foresees the use of a vapor generator capable of recuperating part of the heat from exhausted gas of gas turbines. This will lead to a substantial increase in thermal efficiency and a significant reduction in the emission of atmospheric pollutants per generated kWh.

FURNAS measures periodically atmospheric emissions in Santa Cruz and Campos dos Goytacazes thermoelectric power plants according to the Atmospheric Emissions Self-Control Program – PROCON Air of the State Institute for the Environment, the environment agency of the state of Rio de Janeiro.

Sulfur Hexafluoride (SF₆) Gas

Sulfur hexafluoride (SF₆) gas is used as insulating material in high voltage breakers and armored substations, having elevated atmospheric heating power approximately 24 thousand times than carbon dioxide (CO₂).

The control of fugitive emissions is done through: adequate maintenance – avoiding leaks, use of machines to recover SF₆ during equipment maintenance that allow the withdrawal, storage, treatment, and reuse of the gas, and permanent installation of manometers in circuit breakers to monitor SF₆ pressure. The table below shows SF₆ fugitive emission.

	2011	2010
SF ₆ gas (kg)	4,300	4,830

Annual Inventory of Greenhouse Gas (GEE)

In 2008, FURNAS adhered to the Brazilian Program of the Greenhouse Gas Protocol, as a founding member, for the voluntary management of greenhouse gas emission. It elaborates the Annual Inventory of Greenhouse Gas (GEE) using the methodology of the International Panel on Climate Change (IPCC).

The main premises adopted when elaborating this inventory were as follows:

- The emission inventory includes the following Greenhouse Gases (GEE): Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (NO₂), and Sulfur Hexafluoride (SF₆);
- Emission from hydroelectric power plant reservoirs was not included since there is not a reliable methodology at the moment;
- The inventory contemplates the sources of emissions on which FURNAS has operational control (option 2);
- The emission factors used are based on information produced by The Initial National Communication from Brazil to the United Nations Framework on Climate Change;
- The calculation of the energetic contents of fuels consumed is based on conversion factors from the National Audit (BEN) 2008 (referring to 2007).

CO₂ Equivalent Emissions in 2011

FURNAS seeks to increase continuously the scope of atmospheric emission inventory and data coverage. For this reason, the total amount of emissions has been increasing every year.

FURNAS main activities responsible for GEE emissions in 2011 included: use of SF₆ as insulating material (fugitive emissions), thermoelectric generation that uses fossil fuels, such as natural gas

and diesel, and mobile sources. Both Nitrous Oxide and Sulphur Oxide emissions, in their turn, are related to thermal generation and fuel consumed by mobile sources.

Below is a summary of equivalent CO₂ emission in 2011:

 Scope 1 (t CO₂ e)	Scope 2 (t CO₂ e)
281,150.64	1,957.42

Observations:

Scope 1: fixed sources (TPP and generators), mobile sources (highway, river, and air transportation), and equipment and fugitive sources (SF₆ and extinguishers).

Scope 2: Electricity consumption.

For details on the information above, refer to the Inventory of Greenhouse Gas Emissions in Annex 5.

Expenses and Investments in Environmental Protection (R\$ Thousand)

	2011	2010
 By type of installation		
Direct operational costs of environmental programs in HPP and TL	24,165	22,687
Direct investments in environmental programs in HPP and TL being built	43,516	32,095
TOTAL	67,681	55,592

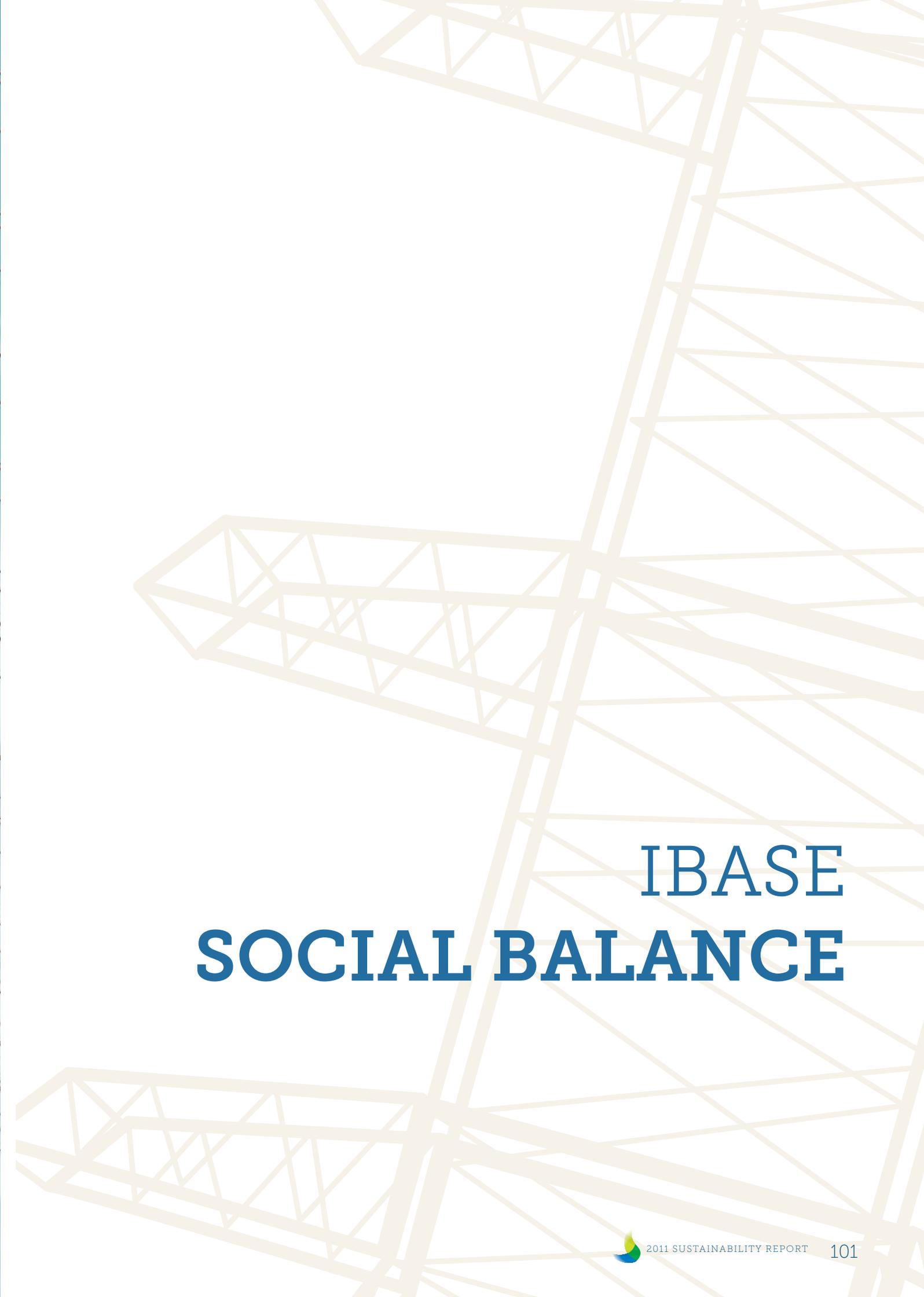
Besides the figures listed above, R\$ 1.372 million was invested in other environmental projects. Annex 5 has this information in detail.

Fines and Sanctions Due to Environmental Non-Conformities

In 2011, FURNAS received two non-monetary sanctions and paid an environmental fine of R\$ 2 million. This fine refers to suit n0 0044803-55.2011.8.16. 0004 regarding the explosion of an auto-transformer in Ivaiporã SE in 2004 followed by fire and insulation of oil leakage. Other information may be obtained in Annex 5.



Itumbiara HPP (GO/MG)



IBASE SOCIAL BALANCE



ANNUAL SOCIAL BALANCE / 2011

Company:

1 - Calculation Basis		2011 Value (R\$ Thousand)			2010 Value (R\$ Thousand)		
Net Revenue (NR)				7,049,311			6,449,652
Operational results (OR)				952,868			944,550
Gross Payroll (GP)				1,166,882			1,007,811
2 - Internal Social Indicators	Value (thousand)	% of GP	% of NR	Value (thousand)	% of GP	% of NR	
Food	61,810	5.30	0.88	49,101	4.87	0.76	
Compulsory social charges	267,867	22.96	3.80	222,776	22.10	3.45	
Private pension ⁽¹⁾	23,914	2.05	0.34	16,928	1.68	0.26	
Health	108,177	9.27	1.53	95,339	9.46	1.48	
Occupational safety and health at work	8,790	0.75	0.12	8,126	0.81	0.13	
Education	2,923	0.25	0.04	2,786	0.28	0.04	
Culture	1,633	0.14	0.02	1,588	0.16	0.02	
Capacity building and professional development	16,984	1.46	0.24	14,165	1.41	0.22	
Day-care or day-care assistance	11,660	1.00	0.17	9,165	0.91	0.14	
Profit or results sharing	97,635	8.37	1.39	105,338	10.45	1.63	
Others	69,153	5.92	0.98	47,054	4.67	0.73	
Total - internal social indicators	670,546	57.47	9.51	572,366	56.80	8.86	
3 - External Social Indicators	Value	% of GP	% of NR	Value	% of GP	% of NR	
Education	3,988	0.42	0.06	8,666	0.92	0.13	
Culture	14,681	1.54	0.21	4,753	0.50	0.07	
Health and sanitation	8,874	0.93	0.13	13,659	1.45	0.21	
Sports	0	0.00	0.00	0	0.00	0.00	
Hunger relief and food safety	3,247	0.34	0.05	4,496	0.48	0.07	
Others	6,729	0.70	0.09	15,315	1.62	0.23	
Total of contributions to society	37,519	3.93	0.54	46,889	4.97	0.71	
Taxes (excluding social charges)	628,075	65.91	8.91	767,597	81.26	11.90	
Total - external social indicators	665,594	69.84	9.45	814,486	86.23	12.61	
4 - Environmental Indicators	Value	% of GP	% of NR	Value	% of GP	% of NR	
Investments in the production/operation of the company	24,165	2.54	0.34	22,687	2.40	0.35	
Investments in external programs and/or projects	44,889	4.70	0.64	39,282	4.16	0.61	
Total investments in environment	69,054	7.24	0.98	61,969	6.56	0.96	
Regarding the determination of annual goals to minimize wastes, the consumption in general in production/operation, and to increase the effectiveness in the use of natural resources, the company:							
		(x) Has no goals () Complies from 0 to 50%		(x) Has no goals () Complies from 0 to 50%			
		() Complies from 51 to 75%		() Complies from 51 to 75%			
		() complies from 76 to 100%		() complies from 76 to 100%			
5- Personnel Indicators	2011	2010					
Number of employees at the end of the period	4,860	4,906					
Number of hirings in the period	193	183					
Number of outsourced employees	1,541	1,591					
Number of interns	486	500					
Number of employees older than 45	3,068	3,122					
Number of women working in the company	710	715					
% leadership positions held by women	13,81%	13,44%					
Number of dark-skinned employees	1,125	1,113					
% leadership positions held by dark-skinned employees	8,41%	7,80%					
Number of people with disability or special needs	232 ²	236					

6- Relevant information regarding the exercise of business citizenship

	2011			Goals for 2012		
Ratio between the highest and lowest remuneration in the Company		25.48			0	
Total number of labor accidents		54			0	
Social and environmental projects developed by the Company were defined by:	<input type="checkbox"/> Directors	<input checked="" type="checkbox"/> Directors and Managers	<input type="checkbox"/> All employees	<input type="checkbox"/> Directors	<input checked="" type="checkbox"/> Directors and Managers	<input type="checkbox"/> All employees
Safety and health standards at the workplace were defined by: ³	<input checked="" type="checkbox"/> Directors and Managers	<input type="checkbox"/> All employees	<input type="checkbox"/> All + CIPA	<input checked="" type="checkbox"/> Directors and Managers	<input type="checkbox"/> All employees	<input type="checkbox"/> All + CIPA
Regarding union freedom, right to collective bargaining and internal representation of employees, the company:	<input type="checkbox"/> Not involved	<input type="checkbox"/> Adopts ILO standards	<input checked="" type="checkbox"/> Fosters and adopts ILO	<input type="checkbox"/> Not involved	<input type="checkbox"/> Adopts ILO standards	<input checked="" type="checkbox"/> Fosters and adopts ILO
The private pension plan includes:	<input type="checkbox"/> Directors	<input type="checkbox"/> Directors and Managers	<input checked="" type="checkbox"/> All employees	<input type="checkbox"/> Directors	<input type="checkbox"/> Directors and Managers	<input checked="" type="checkbox"/> All employees
Participation in profits or results includes:	<input type="checkbox"/> Directors	<input type="checkbox"/> Directors and Managers	<input checked="" type="checkbox"/> All employees	<input type="checkbox"/> Directors	<input type="checkbox"/> Directors and Managers	<input checked="" type="checkbox"/> All employees
In selecting suppliers, the same ethical, social and environmental responsibility standards are adopted by the Company:	<input type="checkbox"/> Are not considered	<input checked="" type="checkbox"/> Are suggested	<input type="checkbox"/> Are required	<input type="checkbox"/> Are not considered	<input checked="" type="checkbox"/> Are suggested	<input type="checkbox"/> Are required
Regarding the participation of the employees in volunteer work programs, the Company:	<input type="checkbox"/> Is not involved	<input type="checkbox"/> Supports	<input checked="" type="checkbox"/> Organizes and encourages	<input type="checkbox"/> Is not involved	<input type="checkbox"/> Supports	<input checked="" type="checkbox"/> Organizes and encourages
Total number of claims and criticisms from consumers:	In the company NA	At Procon NA	In Court NA	In the company NA	At Procon NA	In Court NA
% of claims and criticisms addressed or settled:	In the company NA	At Procon NA	In Court NA	In the company NA	At Procon NA	In Court NA
Total Distribution of Value Added (R\$ thousand):	En 2011: 2,596,476			En 2010: 2,820,599		
Distribution of Value Added (DVA)	17.07% government 9.94% shareholders 0.07% retained	41.60% employees 31.32% third parties		20.76% government 2.54% shareholders 19.99% retained	33.67% employees 23.04% third parties	

7 - Other information

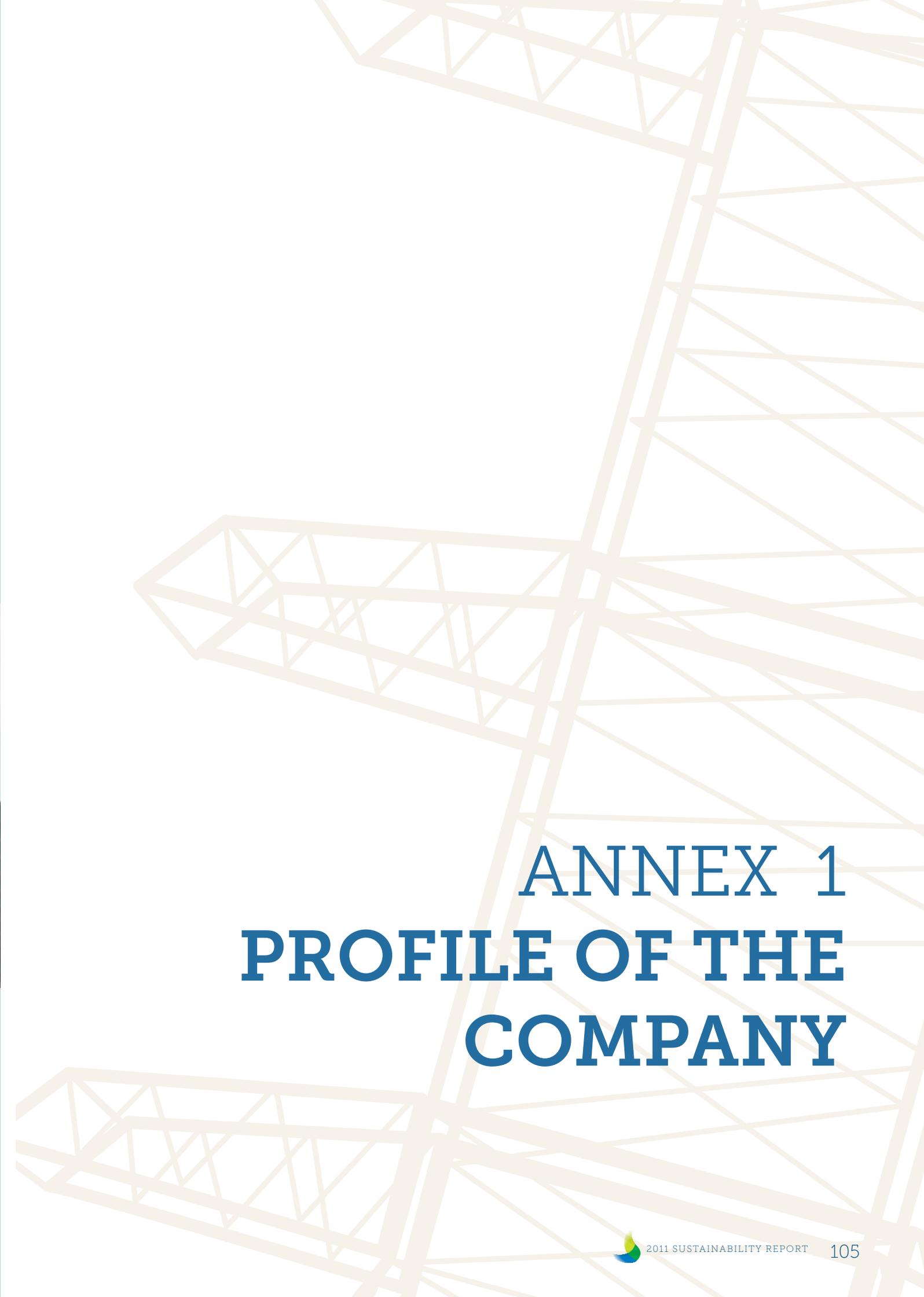
Corporate taxpayer registry 23.274.194/0001-19; Industry Sector: Public Utility Services; Headquartered at Rio de Janeiro, R.J. For further information on this report, please contact: Lisangela Gnocchi da Costa Reis, Sustainability Department. Telephone: 55-21 2528-3731 / email: lida@furnas.com.br. On notices with invitation to bid, it is required a declaration of suppliers that they do not hire people younger than 18 years in the night shift, or for dangerous or unhealthy work, and that they do not hire anyone younger than 16 years of age, except those older than 14 years who are hired as apprentices. The document "Principles and Standards of Corporate Conduct in Furnas Relationship with Suppliers" (available at www.furnas.com.br/fornecedores) is an integral part of the invitations to bid. Besides, there is a specific clause in the contracts on the Ethics Code in which "THE CONTRACTED COMPANY declares to know and it is committed to respecting, fulfilling, and making fulfill the Eletrobras System Ethics Code, which is available on the Company's website, or it will be submitted to the sanctions foreseen in the present contract".

¹ Values calculated according to orientations of the CPC 33 of the Accounting Pronouncement Committee and IAS 19 of the International Accounting Standards.

² Refers to the sum of 26 effective employees and 206 professionals contracted through the Association for Valuing Persons with Disabilities - Avape.

³ Safety and salubrity standards in the work environment were defined by the Specialized Service in Occupational Safety and Health - SESMT of the Department of Human Resources of the Company. The Internal Commission of Accident Prevention - CIPA collaborates through the elaboration of qualitative Risk Maps.





ANNEX 1 PROFILE OF THE COMPANY



TRANSMISSION LINES UNDER SHARED PROPERTY

		Voltage (kV)	Total (km)	FURNAS share (%)	In operation since
 TRANSMISSION LINE	UHE Peixe Angical-SE Gurupi ⁽¹⁾	500	92	40	2006
	UHE Peixe Angical-SE Peixe 2 ⁽¹⁾	500	20	40	2006
	SE Montes Claros-SE Irapé ⁽²⁾	345	138	24	2006
	SE Itutinga-SE Juiz de Fora ⁽³⁾	345	140	25	2007
	SE Irapé-SE Araçuaí ⁽⁴⁾	230	65	24,5	2007
	SE Furnas-SE Pimenta 2 ⁽⁵⁾	345	62.7	49	2010
	UHE Retiro Baixo-SE Curvelo ⁽⁶⁾	138	45	49	2010
	UHE Serra do Facão-SE Celg de Catalão ⁽⁷⁾	138	32	49.47	2010
	UHE Baguari-SE Baguari ⁽⁸⁾	230	0.2	15	2010
	SE Baguari-SE Mesquita ⁽⁸⁾	230	69	15	2010
	SE Baguari-SE Mesquita-SE Governador Valadares ⁽⁸⁾	230	2.5	15	2010
	SE Baguari-SE Mesquita-SE Governador Valadares ⁽⁸⁾	230	26	15	2010
	UHE Foz do Chapecó-SE Foz do Chapecó ⁽⁹⁾	230	1	40	2011
	SE Foz do Chapecó-SE Gurita/RS ⁽⁹⁾	230	72.6	40	2011
	SE Foz do Chapecó-SE Xanxerê/SC ⁽⁹⁾	230	77.6	40	2011
	Barra dos Coqueiros-UTE Quirinópolis ⁽¹⁰⁾	230	52	49	2011
	Quirinópolis-UTE Quirinópolis ⁽¹⁰⁾	138	34.4	49	2011
	Quirinópolis-UTE Boavista ⁽¹⁰⁾	138	16.7	49	2011

Note:

FURNAS partners:

(1)EDP (Energias de Portugal) (60%)

(2)ALUSA (41%), Cemig (25%), and Orteng (10%)

(3)ALUSA (41%), Cemig (24%), and Orteng (10%)

(4)ALUSA (41%), Cemig (24.5%), and Orteng (10%)

(5)Cemig (51%)

(6)Orteng (25.5%), Logos (15.5%), and Arcadis (10%)

(7)Alcoa (34.97%), Camargo Correa (5.47%), and DME (10.09%)

(8)Neoenergia (51%) and Cemig GT (34%)

(9)CPFL (51%) and CEEE (9%)

(10)Delta (25.5%) and J. Malucelli (25.5%)



EQUIPMENT AND OPERATIONAL INSTALLATIONS

	2011	2010	2009
Generation system			
Hydraulic power plants – Wholly owned	8	8	8
. In Partnership	2	2	2
. SPE	5	5	2
Installed generation capacity (MW)			
Hydraulic basis (includes all HPP)	10,404	10,404	9,254
Number of hydraulic generator units	70	69	60
Thermoelectric power plants	2	2	2
Installed generation capacity (MW)			
Thermal basis ⁽²⁾	962	962	962
Number of thermal generator units	8	8	8
Transmission system			
Number of SE – Wholly owned	46	44	44
. In Partnership	2	2	2
. SPE	5	5	2
Installed transformation capacity (MVA) ⁽³⁾	104,122	103,304	102,012
Number of transformers ⁽³⁾	667	659	644
Number of static compensators	4	4	4
Number of synchronous compensators	9	9	9
TL extension ⁽⁴⁾ (km)			
. Wholly owned ⁽⁵⁾	19,419	19,398	19,256
. Shared property ⁽⁶⁾	947	693	455
Telecommunications system			
Operational optical fiber cables (km)	5,842	5,842	5,533
Microwave System – Number of stations	82	84	97
Extension of the Microwave System (km)	3,472	3,532	4,173
Supervision, control, and data acquisition system			
Number of SE and power plants served by local supervision systems	53	49	52
Number of SE and power plants served by the Open System of Electricity Management (SAGE)	51	46	44

⁽¹⁾ Installed generation capacity considering the percentage corresponding to FURNAS in power plants with shared property is 8,630 MW.

⁽²⁾ Santa Cruz TPP units operate in open cycle with gas. Natural gas – 362 MW and Oil – 600 MW.

⁽³⁾ Nominal power greater or equal to 2.5 MVA and nominal tension greater or equal to 13.8 kV.

⁽⁴⁾ FURNAS Transmission System does not have underground lines .

⁽⁵⁾ There was a 21 km addition due to sectioning of Angra-Grajaú 500 kV TL in the West Zone SE, forming Angra-West Zone 500 kV TL, with a 10 km addition, and Grajaú-West Zone, with a 11 km addition.

⁽⁶⁾ There was a 255 km addition due to the onset of operations in six transmission lines with voltage equal or lower than 230 kV.

HYDROELECTRIC VIABILITY STUDIES

Inambari Hydroelectric Central: located in Peru, 300 km from the Brazilian border, expected power of 2 thousand MW and associated transmission that includes elaboration of the project to export electric energy to Brazil, with participation of FURNAS (19.6%), Eletrobras (29.4%), and Construtora OAS (51%).

Água Limpa Hydroelectric Use (HU): estimated power of 360 MW. Located in Mortes river (MT), it is a partnership with Energética-Tech Consultoria, Projetos e Consultorias de Engenharia Ltda. (PCE), Eletronorte, Alstom-Hydro Energia Brasil Ltda., Construtora Andrade Gutierrez, and Enercamp Engenharia e Comércio Ltda.

Mirador HU: estimated power of 80 MW; located in Tocantinzinho river (GO), it is a partnership with PCE, Centrais Elétricas Rio das Almas S.A. (Rialma), and Energética-Tech.

Porteiras HU: estimated power of 86 MW; located in Maranhão river (GO), immediately downstream Maranhão HPP.

Tabajara HU: estimated power of 350 MW; located in Ji-paraná river (RR), in partnership with Queiroz Galvão and Eletronorte.

Toricoejo HU: power of 76 MW; located in Mortes river (MT), in partnership with Eletronorte, Alupar Investimento S.A., and Dreen Brasil.

TRANSMISSION LINES BUILT UNDER SPE THAT STARTED OPERATING IN 2011

230 kV Foz do Chapecó-Gurita TL: a partnership of FURNAS (40%) and CPFL (51%) and CEEE (9%) in SPE Chapecoense Geração S.A., 72.6 km long, it is located between Santa Catarina and Rio Grande do Sul.

230 kV SE Foz do Chapecó SE Xanxerê TL: partnership of FURNAS (40%) and CPFL (51%) and CEEE (9%) in SPE Chapecoense Geração S.A., 77.6 km long, located in Santa Catarina.

230 kV Foz do Chapecó HPP-Foz do Chapecó SE TL: partnership of FURNAS (40%) and CPFL (51%) and CEEE (9%) in SPE Chapecoense Geração S.A., 1 km long, located in Santa Catarina.

230 kV Barra dos Coqueiros-Quirinópolis TL: partnership of FURNAS (49%) and Delta Construções S.A. (25.5%) and J. Malucelli Construtora de Obras S.A. (25.5%), in SPE Transenergia Renovável S.A., 52.3 km long, located in Goiás.

138 kV Quirinópolis-Quirinópolis TPP TL: partnership of FURNAS (49%) and Delta Construções S.A. (25.5%) and J. Malucelli Construtora de Obras S.A. (25.5%) in SPE Transenergia Renovável S.A., 34.4 km long, located in Goiás.

138 kV Quirinópolis-Boavista TPP TL: partnership of FURNAS (49%) with Delta Construções S.A. (25.5%) and J. Malucelli Construtora de Obras S.A. (25.5%) in SPE Transenergia Renovável S.A., 16.7 km long, located in Goiás.



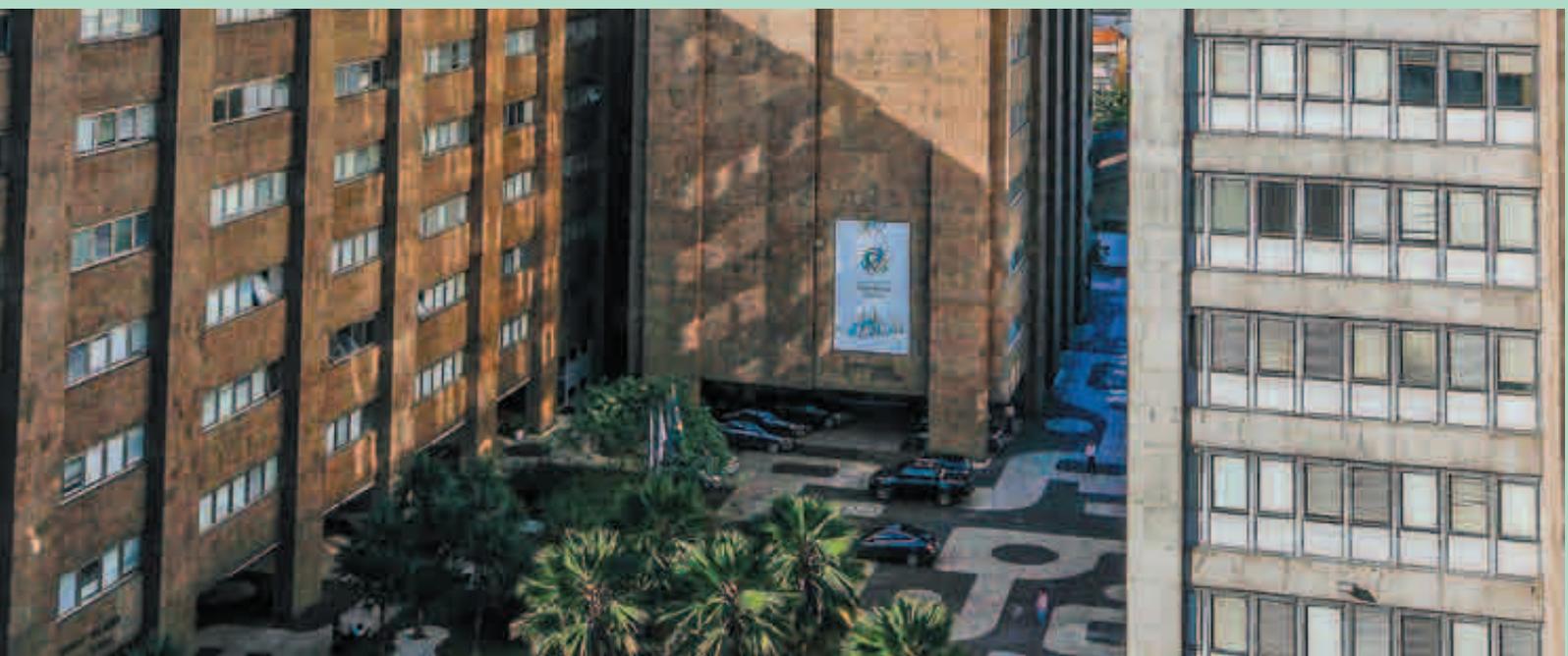
ANNUAL AVERAGE OF GENERATION EFFICIENCY AT SANTA CRUZ TPP BY SOURCE OF ENERGY

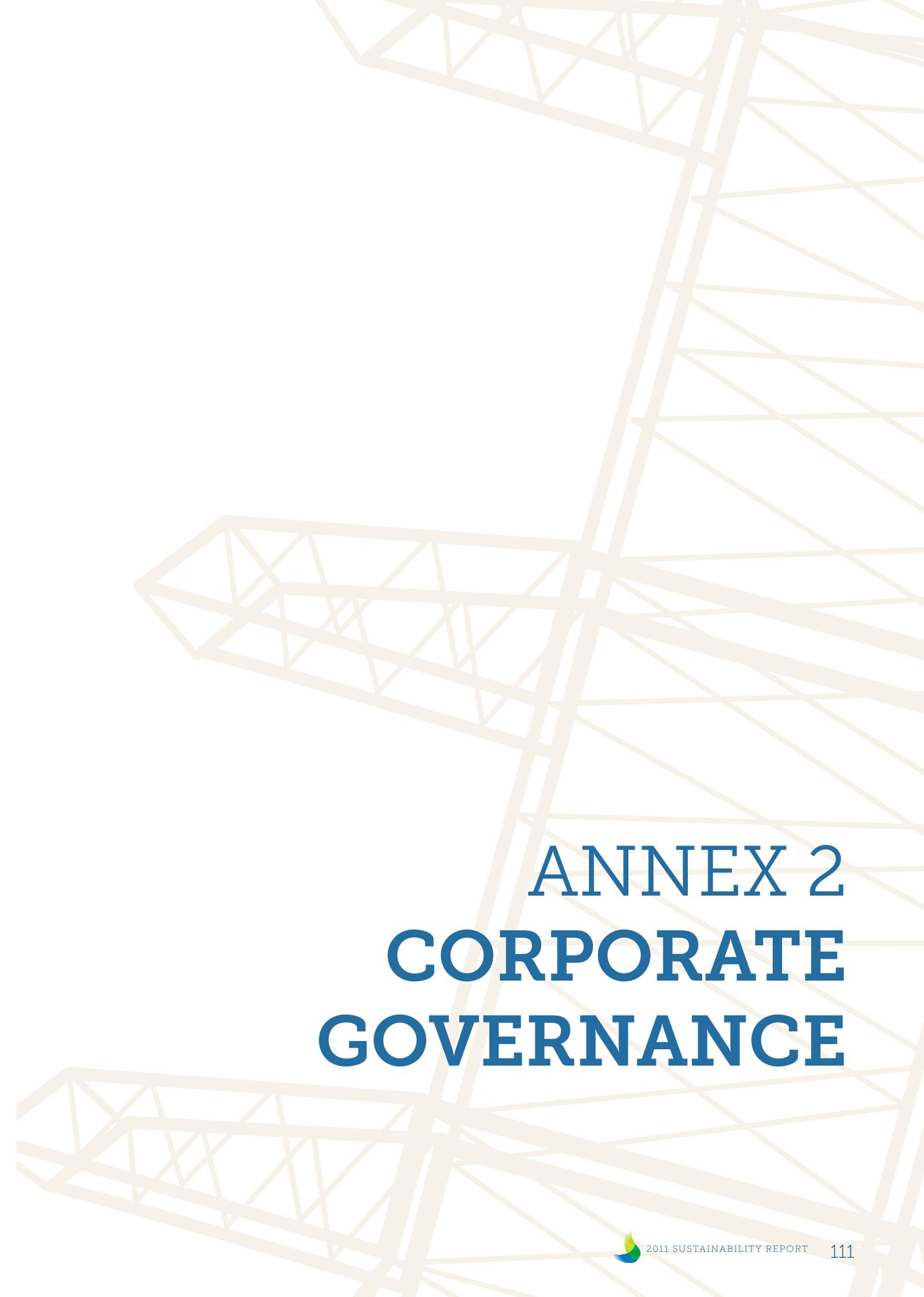
Energy Source	Generation Efficiency (%)
Natural Gas	30.93
Oil	33.03
Losses in Transmission (%)	
Non technical losses	0.00
Technical Losses	2.39
TOTAL	2.39

ACQUISITION CONTRACTS REGARDING ENERGY BILLED

COMPANY	Billed until December 2011	Billed until December 2010	Variation 2011/2010 (%)
Eletronuclear	12,514,621	12,921,000	(3.15)
CPFL Geração de Energia S.A.	3,025,704	3,025,704	0.00
SPE Serra do Facão Energia (Sefac)	754,391	395,143	90.92
PROMAN	30,470	30,470	0.00
TOTAL	16,325,186	16,372,317	(0.29)







ANNEX 2 CORPORATE GOVERNANCE





Committees

Corporate Sustainability	To promote the assimilation, by Furnas management, of Corporate Sustainability concepts and practices in its economic, financial, social, and environmental dimensions.
Strategic and Corporate Planning Coordinator	Support the deliberations regarding Furnas Strategic and Corporate Planning and the goal should be to set up strategic directives for the company.
Ethics Commission	To give guidance and advice to employees on professional ethics regarding people and the Company equity.
Human Resources	To promote, permanent and systematically, Human Resources (HR) corporate actions according to established. strategic directives.
Work Safety and Occupational Health	To publicize, throughout the company, and follow-up Occupational Safety and Health actions.
Energy Commercialization	To propose directives for the Commercialization of Electric Energy.
New Business Coordination	To support the Board of Executive Officers on deliberations regarding new businesses with the goal of creating value for the company.
Monitoring of Accounting Information - CMIC	To improve the Company's Accounting Information.
Review of Transmission Revenue	To coordinate activities regarding the cycles of Periodic Tariff Review.
Risk Management	To incorporate Corporate Risk Management concepts and practices.
Compliance with External Inspection Organisms	Follow-up the release of information requested by External Inspection Organisms.
Water Resources	To permanently and systematically orient the Company regarding Water Resources.
Quality and Productivity	To formulate quality strategies and policies.
IT Safety	To promote the alignment of information safety actions with FURNAS strategies.
Research and Development	To define Research and Development directives and align Research and Development actions to the Company strategic directives.
IT	To align information technology with FURNAS global strategy, in the context of business initiatives.

FURNAS Pro-Memory	To systematically and permanently coordinate FURNAS memory and history, following-up and integrating the collection, preservation, recovery, and disclosure of documents, information, material, and equipment.
Technical Standardization	To formulate general technical standardization policies and directives.
Corporate Communication	To propose integrated actions aligned with the strategies of the Company regarding internal and external corporate communication.
Corporate Education	To permanently and systematically propose corporate education directives, plan, and programs as well as support the promotion of educational activities.
Commission for Solidarity Waste Collection	To propose directives to implement, in Furnas, selective garbage collection of discarded recyclable residues.
Insurances	To permanently and systematically coordinate goods, equipment, and installations insurance.
Assessment of Documents	To promote, orient, and integrate document management by all Company areas, according to the legislation.
Social and Equity Management	To permanently and systematically orient the Company in the social and equity management of its installations, including power plants, construction sites, substations, transmission lines, reservoirs, and other premises essential to its activities.



INTERESTED PARTIES AND RELATIONSHIP CHANNELS



Interested party	Relationship channel	Main Programs and Actions
Internal public	• Talk to the CEO	• Clearing up doubts to the public and referring of suggestions and comments
	• Intranet	• Transparency network, Stay Connected • Clippings
	• HR portal – people management	• Career Plan and Wages • Performance Management System • Occupational health, safety, and quality of life programs • Development of competences
	• Ombudsman (www.furnas.com.br/ouvidoria.asp)	• Intermediating and facilitating the relationship among citizens, employees, and the Company
	• Ethics Commission (www.furnas.com.br/docs.asp?doc=arcs\pdf\codigo_de_etica.pdf)	• Publicizing principles • Orientating and guiding professional ethics, people and Company's equity management
	• Coordination of Social Responsibility	• Volunteer Program • Social and Environmental Report (Sustainability)
Unions	• Gender Group (www.furnas.com.br/links.asp?lnk=lnk=grupogenero/grupogenero.asp)	• Pro-Gender Equity Plan
	• Intranet – Union Relations Advisory Board Website • Regional Managers	• Publication of Collective Labor Agreements • Meetings
Professional associations	• People Management Superintendence	• Legal professional requirements
Governmental organs		
MME	• Executive Upper Management	• Government programs (PAC, Light for All, Prodeem, and Procel)
EPE	• Transmission Planning Department • Work and Study Groups and Commissions	• Planning of the electric-energetic sector
CCEE	• Commercialization Superintendence	• Electric energy commercialization contracts



ANEEL	<ul style="list-style-type: none"> • Executive Upper Management 	<ul style="list-style-type: none"> • Legalization of generation and transmission installations • Social and Environmental Report
	<ul style="list-style-type: none"> • Operation and Energy Commercialization Officer 	<ul style="list-style-type: none"> • Energy buying and selling contract legal ratification • Supervision of Installations • Inspection report
	<ul style="list-style-type: none"> • Research, Development, and Innovation Department 	<ul style="list-style-type: none"> • R&D Program
Environmental Organs	<ul style="list-style-type: none"> • Environmental Management Superintendence 	<ul style="list-style-type: none"> • Environmental studies and programs • Environmental Licenses
Controler (Eletrobras)	<ul style="list-style-type: none"> • Board of Executive Officers • Committees and Work groups 	<ul style="list-style-type: none"> • Strategic Planning • Eletrobras Transformation Plan
ONS	<ul style="list-style-type: none"> • Operations Superintendence 	<ul style="list-style-type: none"> • SIN planning and operation studies
Partner companies	<ul style="list-style-type: none"> • Board of Executive Officers • Participation Undertakings Department 	<ul style="list-style-type: none"> • SPE for implementation of generation and transmission installations
	<ul style="list-style-type: none"> • Operations and Energy Commercialization Officer 	<ul style="list-style-type: none"> • Operations and maintenance contracts
Sector Associations (national and international)	<ul style="list-style-type: none"> • Furnas Employees that work as Representatives in the Entities 	<ul style="list-style-type: none"> • Sector congresses and events
Society	<ul style="list-style-type: none"> • Ombudsman (www.furnas.com.br/Ouvidoria.asp) 	<ul style="list-style-type: none"> • Intermediation and facilitation of the relationship among citizens, employees, and the Company
	<ul style="list-style-type: none"> • Ethics Commission (www.furnas.com.br/docs.asp?doc=arcs\pdf\codigo_de_etica.pdf) 	<ul style="list-style-type: none"> • Denunciation and complaints
	<ul style="list-style-type: none"> • FURNAS website (www.furnas.com.br) 	<ul style="list-style-type: none"> • Institutional information • Corporate reports
	<ul style="list-style-type: none"> • Talk to us (www.furnas.com.br/home/frmLoginFale.asp) 	<ul style="list-style-type: none"> • Information service
	<ul style="list-style-type: none"> • Twitter 	<ul style="list-style-type: none"> • Clarification of FURNAS activities
	<ul style="list-style-type: none"> • 08000252555 (System Operations Control Room) 	<ul style="list-style-type: none"> • Emergencies
	<ul style="list-style-type: none"> • Social Responsibility Coordination 	<ul style="list-style-type: none"> • Social and environmental projects • Community forums • Furnas Cultural Hall
Community	<ul style="list-style-type: none"> • Social Responsibility Coordination 	<ul style="list-style-type: none"> • Social and environmental projects • Community forums • Furnas Cultural Hall



Community	<ul style="list-style-type: none"> • Environmental Management Superintendence • Central Office, Regional Offices and Units 	<ul style="list-style-type: none"> • Public audiences and meetings • Institutional visits
Non-Governmental Organizations	<ul style="list-style-type: none"> • Social Responsibility Coordination • Environmental Management Superintendence 	<ul style="list-style-type: none"> • Social and environmental projects • Community forums • Public audiences and meetings
Social Movements	<ul style="list-style-type: none"> • Work Group 	<ul style="list-style-type: none"> • Reparation programs and specific actions to affected families
Universities and Research Centers	<ul style="list-style-type: none"> • Research, Development, and Innovation Department • FURNAS employees that coordinate R&D projects 	<ul style="list-style-type: none"> • R&D program
Schools	<ul style="list-style-type: none"> • Energy Conservation Advisory Board • Environment Management Superintendence • Regional Areas Production Department 	<ul style="list-style-type: none"> • Energy conservation education • Environmental Education Programs • Guided visitations, lectures
Stockholders	<ul style="list-style-type: none"> • Ordinary General Shareholder Meeting 	<ul style="list-style-type: none"> • Ordinary and Extraordinary General Shareholder Meetings
Press/media	<ul style="list-style-type: none"> • Social Communication Coordination 	<ul style="list-style-type: none"> • Answer enquiries • Institutional and legal publicity • Clippings
Clients	<ul style="list-style-type: none"> • Energy Commercialization Superintendence • Service Commercialization Department 	<ul style="list-style-type: none"> • Contracts • Services in activities in which FURNAS has technical expertise
Suppliers	<ul style="list-style-type: none"> • Supply Superintendence • FURNAS website (www.furnas.com.br) 	<ul style="list-style-type: none"> • Suppliers Database • Meeting with suppliers • Notice with invitation to BID • Corporate conduct principles and rules in the relationship of FURNAS with its suppliers



EM UM MUNDO DE DIFERENÇAS ENXERGUE A IGUALDADE

Participe desta campanha.
www.infanciasemracismo.org.br

RACISMO 

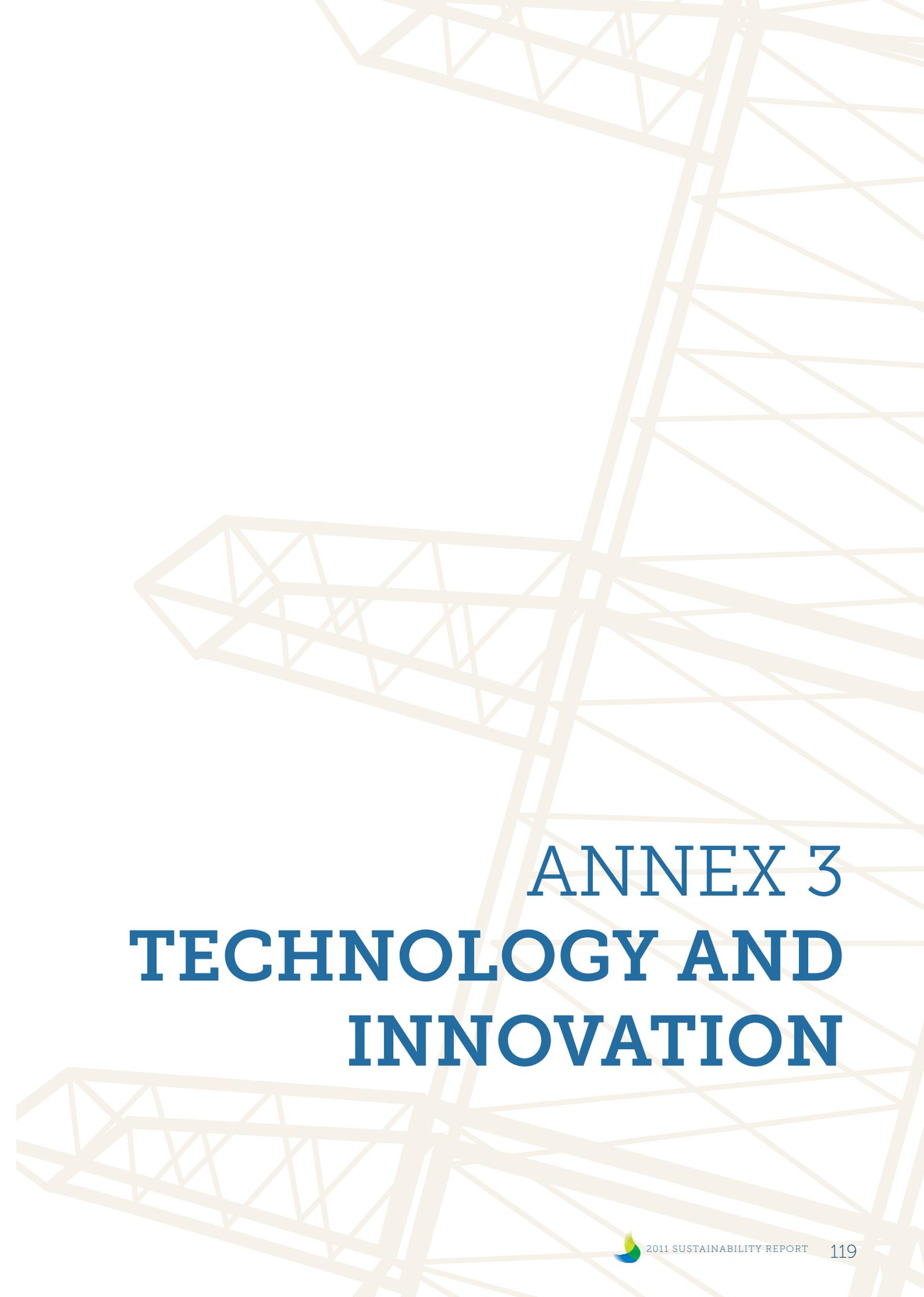


unicef 



 Eletrobras
Furnas





ANNEX 3 TECHNOLOGY AND INNOVATION



RESOURCES APPLIED BY R&D STRATEGIC ISSUES (R\$ THOUSAND)

	2011	2010	2009
ISSUE			
Energetic efficiency	0	0	0
Renewable or alternative source	51.58	181.00	2,988.00
Environment	4,533.27	2,079.11	10,432.70
Quality and reliability	0.43	310.68	0
Planning and operations	135.14	191.20	2,412.07
Supervision, control, and protection	436.57	89.36	2,779.54
Measurement	19.56	64.94	0
Data transmission through the power grid	0	0	0
Electric energy generation	2,847.96	1,668.41	3,800.94
Strategic research	729.70	712.69	2,083.60
Electric energy transmission	1,968.41	1,686.28	1,025.94
TOTAL	10,722.61	7,238.53	25,522.79

PERCENTAGE OF RESOURCES USED BY R&D STRATEGIC ISSUES (%)

	2011	2010	2009
ISSUE			
Energetic efficiency	0	0	0
Renewable or alternative source	0.48	2.50	11.71
Environment	42.28	28.72	40.88
Quality and reliability	0	4.30	0
Planning and operations	1.26	2.64	9.45
Supervision, control, and protection	4.07	1.81	10.89
Measurement	0.18	0.90	0
Data transmission through the power grid	0	0	0
Electric energy generation	26.56	23.05	14.89
Strategic research	6.81	9.9	8.16
Electric energy transmission	18.36	23.30	4.02

RESERVE ENERGY AUCTION (LER) 2011:

- Parks: 2 in Ceará and 2 in Rio Grande do Norte – Icapuí and Tibau counties, respectively.
- Wind Power Plants (WPP): Famosa I (22.5 MW); Rosada (30.0 MW); Pau Brasil (15.0 MW); São Paulo (17.5 MW).
- Society Structuring: partnership between Furnas (49.0%) with Formosa Consortium (51%) constituted by EMBRADE (20%), COMISA (79.99%), and Ventos Tecnologia Elétrica Ltda. (0.01%).
- Total Power: 85 MW.
- Equipment: 34 2.5 MW units assembled in 141-meter-high lattice towers.
- Beginning of operation: January 2014.

AUCTION A-5:

- Parks: 10 in Ceará – Aracati and Fortim counties.
- Wind Power Plants (WPP): Goiabeira (19.2 MW); Ventos de Horizonte (14.4 MW); Jandaia (28.8 MW); São Januário (19.2 MW); Ubatuba (12.6 MW); Jandaia I (19.2 MW); Nossa Senhora de Fátima (28.8 MW); Pitombeira (27.0 MW); Santa Catarina (16.0 MW); São Clemente (19.2 MW).
- Society Structuring: partnership between Furnas (49.0%) and ALUPAR Investimento S.A. (50.99%) and Central Eólica regarding the power plant (0.01%).
- Total Power: 204.4 MW
- Equipment: 92 2.5 MW units assembled in 141-meter-high lattice towers.
- Beginning of operation: January 2016.

 AUCTION	Power Plant	Installed Capacity (MW)	Parks	Total Potency (MW)	Equipment	Beginning Operations
LER 2009	Miassaba 3 (RN)	50.4	3 RN – Guamaré and Jandaia	147.6	94 1.6-MW Alston units 100-meter- concrete towers	July 2012
	Rei dos Ventos 1 (RN)	48.6				
	Rei dos Ventos 3 (RN)	48.6				
LER 2011	Famosa 1 (RN)	22.5	2 CE e 2 RN – Tibau and Icapuí	85	34 2.5-MW Fuhrländer units 141-meter lattice towers	January 2014
	Rosada (RN)	30				
	Pau Brasil (CE)	15				
	São Paulo (CE)	17.5				
A-5 2011	Goiabeira (CE)	19.2	10 CE – Aracati and Fortim	204.4	92 2.5-MW Fuhrländer units 141-meter lattice towers	January 2016
	Ventos do Horizonte (CE)	14.4				
	Jandaia (CE)	18.8				
	São Januário (CE)	19.2				
	Ubatuba (CE)	12.6				
	Jandaia 1 (CE)	19.2				
	Nossa Senhora de Fátima (CE)	28.8				
	Pitombeira (CE)	27				
	Santa Catarina (CE)	16				
São Clemente (CE)	19.2					
TOTAL	17	437	17	437	220	

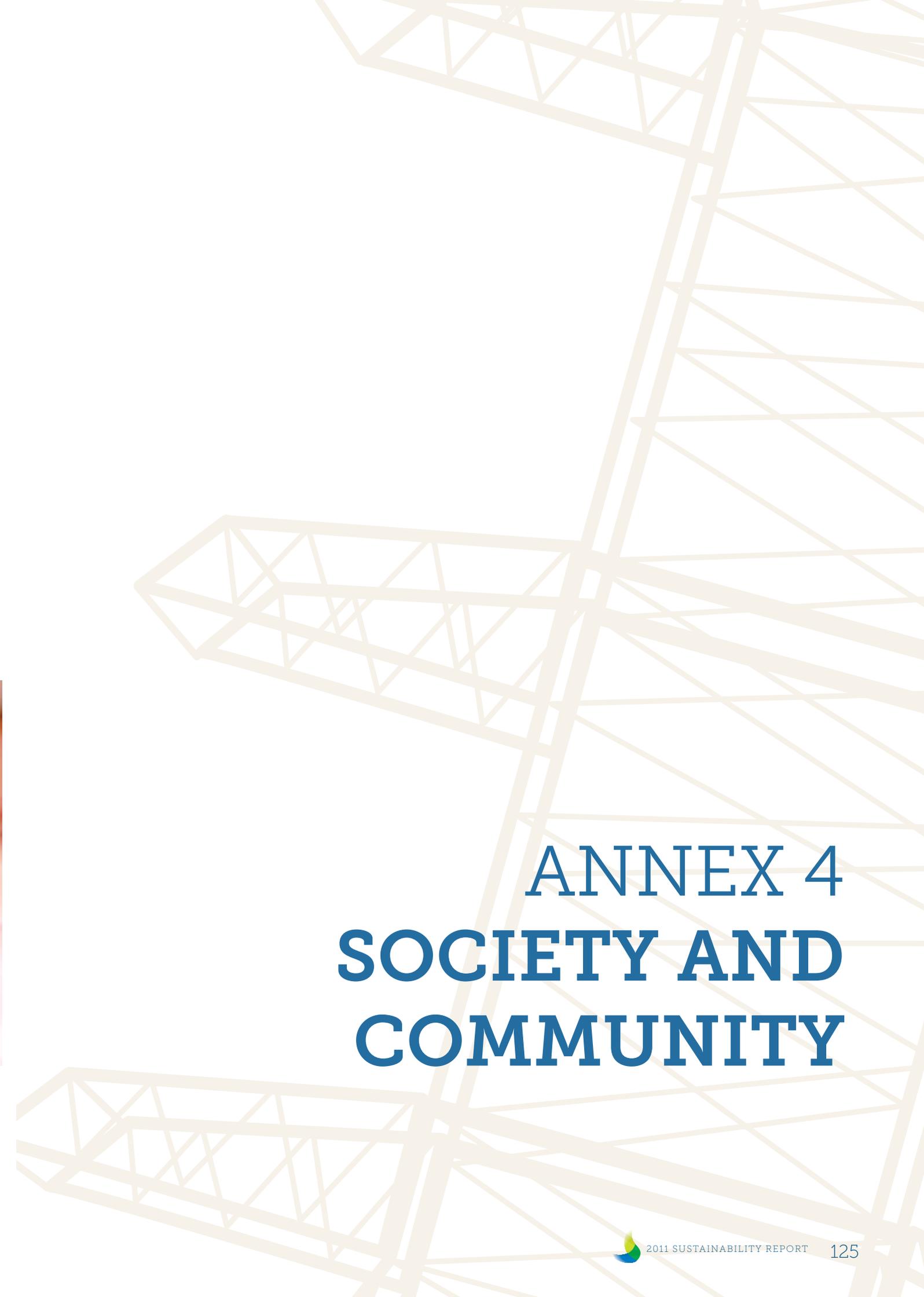
INTELLECTUAL PROPERTY POLICY

The Intellectual Property Policy will be guided by the following principles:

- Being in agreement with the remaining Company policies;
- To promote sustainable forms of transference of the technologies developed to the internal public, to other companies, and society in general, ensuring technical and economic interests in the realizations and innovations generated by FURNAS.
- To follow-up and contribute to the evolution of intellectual property policies in the electric sector entities and government agencies.
- To stimulate the creation of a favorable environment to intellectual production as well as stimulate the participation in FURNAS Technological Research and Development Projects or in partnership with other institutions in order to generate an innovation culture in the Company.
- To promote the valuation of inventions and researches, training and qualification of inventors and researchers.
- To assure inventors the rights according to the legislation and, to researchers, the right conditions for the development of researches, compensating them for their creative, individual, and spontaneous effort that will add value to the Company's activities.







ANNEX 4 SOCIETY AND COMMUNITY



HIGHEST/LOWEST SALARY AND LOWEST SALARY/MINIMUM WAGE PROPORTIONS

	2011	2010	2009
Division of the highest by the lowest remuneration paid by the Company (includes profit sharing and bonus program)	25.48	24.17	22.16
Division of the lowest remuneration in the Company by the minimum wage (R\$ 545.00) (includes profit sharing and bonus program)	2.18	2.32	2.71

EMPLOYEE PROFILE BY SCHOOLING (%)

	2011	2010	2009
Basic School (complete or incomplete)	6.4	7.1	7.3
Middle School (complete)	40.9	42.0	40.4
University (complete)	31.5	30.3	31.3
Post-graduation (specialization, master's degree, PhD)	21.2	20.6	21.0
Illiterate employees in the work force	0	0	0

EMPLOYEE REMUNERATION BY SALARY BRACKET (%)

	2011	2010	2009
R\$			
Up to 2,199.99	2.7	4.3	5.2
From 2,200.00 to 3,399.99	14.4	20.1	25.4
From 3,400.00 to 5,499.99	40.5	38.1	39.7
Above 5,499.99	42.4	37.5	29.7

PROFILE OF OUTSOURCED EMPLOYEES BY SCHOOLING (%)

	2011	2010	2009
University, post-graduations (specialization, master's degree, PhD)	37.4	37.1	37.5
Middle School (complete)	54.8	55.3	56.5
Basic School (complete or incomplete)	7.8	7.6	6.0

REMUNERATION OF OUTSOURCED PERSONNEL BY SALARY BRACKET (%)

	2011	2010	2009
R\$			
Up to 1,499.99	2.3	2.0	3.8
From 1,500.00 to 2,199.99	9.3	11.1	15.2
From 2,200.00 to 3,999.99	42.8	52.4	55.9
Above 3,999.99	45.6	34.5	25.1

BASE PAY AND REMUNERATION BY CATEGORY AND GENDER

CATEGORY	Base Wage (lowest wage) (R\$)			Remuneration (mean) (R\$)		
	Men (H)	Women (M)	M/W	Men (H)	Women (M)	M/W
Upper Management	32,907.01	32,907.01	1.00	32,907.01	32,907.01	1.00
Management	5,296.32	5,961.02	0.89	21,691.13	22,241.21	0.98
Employees	1,190.44	1,882.35	0.63	9,678.15	7,773.72	1.24



COMPOSITION OF GROUPS BY CATEGORY, GENDER, AND RACE

CATEGORY		GÊNERO	RAÇA	NÚMERO
Governance	Board of Directors	Men	Caucasian	3
			Not declared	3
	Supervisory Board	Women	Caucasian	1
			Not declared	1
	Officers	Men	Not declared	1
		Women	Caucasian	1
Men		Caucasian	5	
Management	Women	Caucasian	41	
		Black	2	
		Mulatto	3	
	Men	Caucasian	261	
		Black	4	
		Mulatto	19	
		Oriental	2	
		Not declared	1	
Remaining employees	Women	Caucasian	548	
		Black	18	
		Mulatto	82	
		Oriental	10	
		Native Brazilian	2	
		Not declared	4	
	Men	Caucasian	2772	
		Black	210	
		Dark-skinned	787	
		Oriental	60	
		Native Brazilian	13	
		Not declared	21	
Total of governance groups				15
Total managerial positions				333
Total of remaining employees				4,527
Total				4,875

Ethnicity definition was done by self-declaration.

Obs.: The Chairman of the Board is also a Board member and the only employee who is a member of the Board.

EMPLOYEES BY GENDER/TURNOVER (%)

	Number of Employees	Discharge	Turnover (%)	Hired	Turnover (%)
Women	710	42	5.92	37	5.21
Men	4150	197	4.75	156	3.76
TOTAL	4860	239	4.92	193	3.97

EMPLOYEES BY REGION/TURNOVER

	Women	Men	Total	Total Discharges	Turnover (%)	Total Hired	Turnover (%)
North	2	62	64	0	0	4	6.25
Center-West	44	440	484	16	3.31	17	3.51
Southeast	658	3444	4102	223	5.44	165	4.02
South	6	204	210	0	0	7	3.33
TOTAL	710	4150	4860	239	4.92	193	3.97

NUMBER OF EMPLOYEES HIRED AND DISCHARGED BY AGE BRACKET

Situation	Up to 30 years	From 31 to 40 years	From 41 to 50 years	Above 50 years	Total	
	Number of employees at the beginning of the period	237	1,003	1,347		2,319
Discharges in the period ⁽¹⁾ Volunteer / Non volunteer	10	13	6	210	239	
Number of retirements in the period ⁽²⁾	Programmed	0	1	2	127	130
	Disability	0	0	2	4	6
Number of admissions in the period	105	55	17	16	193	
Number of employees at the end of the period	265	1024	1265	2306	4860	

(1) Discharges in the period include retirements in the period.

(2) In 2011, 136 retirement supplementations were granted by the Fundação Real Grandeza, 131 of the BD plan and 5 of the CD plan.

Note: There were no deaths in 2011.

NUMBER OF ADMISSIONS AND DISCHARGES BY GENDER

Situation	Women	Men	Total
Number of employees at the beginning of the period	715	4,191	4,906
Discharges in the period ⁽¹⁾ Volunteer / Non volunteer	42	197	239
Number of retirements in the period ⁽²⁾	Programmed	101	130
	Disability	2	6
Number of admissions in the period	37	156	193
Number of employees at the end of the period	710	4150	4860

(1) Discharges in the period include the number of retirements in the period.

(2) In 2011, 136 retirement supplementations were granted by the Fundação Real Grandeza, 131 of the BD plan and 5 of the CD plan.

Note: There were no deaths in 2011.

DISTRIBUTION OF EMPLOYEES BY AGE BRACKET (%)

	2011	2010	2009
Up to 30 years	5	5	5
From 31 to 40 years	21	20	20
From 41 to 50 years	26	28	31
More than 50 years	47	47	44

EMPLOYEES BY AGE BRACKET / TURNOVER (%)

	Number of Employees	Discharges	Turnover (%)	Hired	Turnover (%)
Up to 30 years	265	10	3.77	105	3.96
From 31 to 40 years	1024	13	1.27	55	5.37
From 41 to 50 years	1265	6	0.47	17	1.34
More than 50 years	2306	210	9.11	16	0.69
TOTAL	4860	239	4.92	193	3.97

PARTICIPANTS IN EDUCATIONAL ACTIONS

	Employees	Outsourced Employees
University	1119	
Operational Medium Level	1377	
Support Medium Level	355	834
Fundamental Level	163	
TOTAL	3014	

EDUCATIONAL ACTIONS – NUMBER OF PARTICIPANTS (EMPLOYEES AND OUTSOURCED PERSONNEL) BY AGE GROUP AND GENDER

Age	Women	Men	Total
Up to 30 years	27	127	154
From 31 to 40 years	193	828	1021
From 41 to 50 years	179	961	1140
More than 50 years	158	1375	1533
TOTAL	557	3291	3848

HOURS OF TRAINING PER CATEGORY AND GENDER (h)

University level	Women	13,000
	Men	28,256
Managers	Women	5,814
	Men	18,210
Professionals without university degree	Women	2,592
	Men	8,843



EDUCATIONAL ACTIONS – NUMBER OF PARTICIPANTS PER AREA OF THE COMPANY

	Employees	Outsourced Personnel	Total
 Construction	185	49	234
Engineering	602	160	762
Financial	98	26	124
Corporate Management	474	159	633
System Operation and Energy Commercialization	1549	412	1961
Board of Directors	106	28	134
TOTAL	3014	834	3848

Total man-hour trained: 243,927.

PERCENTAGE OF EMPLOYEES, PER CATEGORY, ENTITLED TO RETIREMENT

	In the next 5 years (%)	In the next 10 years (%)
 Clerical	75.98	82.58
Managerial	46.10	54.50
Positions that Require University	58.85	65.98
Positions that do not Require University	0	0

ACTIONS TO IMPROVE THE QUALITY OF LIFE OF EMPLOYEES AND OUTSOURCED PERSONNEL



Actions

Education and Prevention Program

(Prevention and Treatment of Chemical Dependence, Occupational Accident Management, Stress Management, Behavior-Based Safety, Occupational Safety and Health Management of Outsourced Companies, and Moral Harassment)

Operator Certification

(Certification standard INMETRO NIE.DINQP.014 and routine RO-MP.BR.04 of ONS)

Retirement Preparation Program– PPA

Weighing Furnas

Physical Activities

(Sport workshops, sports tournaments, ergonomic exercises, workout room)

Chemical Dependence Prevention and Treatment Program (Programa Reviver)

Anti-smoking Program

Vaccination Campaign

Social Caretaker

Cultural and Integration Workshops

(Choir, Singing, Theater, Ballroom Dance, Band, Cooking, Financial Market, and Photography)

Social Value Program – Family & Company Integration

Professional Re-adaptation and Rehabilitation

Objectives

Reduction of occupational accidents and the amount paid due to the Accident Prevention Factor (FAP).

To evaluate physical and mental health conditions of operators through medical exams, interviews, and psychological tests.

Contribute to the well-being of the employee who has retired or is close to retirement.

To stimulate employees to change their lifestyle, reduce weight, and reduce their sedentarism to improve their quality of life.

To stimulate regular exercise to awaken the interest of improving their physical conditioning by adopting healthy habits and health maintenance.

Treatment of employees, retirees, and dependents who use alcohol and other toxic substances.

Therapeutic-behavioral and drug-related support to the workforce through motivational lectures and therapeutic meetings.

Vaccination of employees to prevent the flu and infection by the H1N1 virus.

Education of caretakers and family members to improve the quality of life of those who need care and are weak or at risk.

Sensitization of the workforce to several important aspects of quality of life at work and to motivate new talents.

Promotion of workforce and family integration actions to stimulate reflexion about family life.

To promote a set of medical, psychological, social, and educational measures aimed at restoring the employee's capacity to work.





Traveler Health Program

Guidance on the care and prevention in endemic areas besides information on sexually transmitted diseases.

Training on Basic Life Support

Training professionals that work in risk activities or areas to give first aid in the case of accidents.

Interactive Community Project on Environmental Education

Actions geared towards improving the quality of life of the inhabitants of cities in the vicinity of electric energy production and transmission areas through lectures, trainings, seminars, workshops, and distribution of seedlings in schools, entities, and communities.

Street Tracking and Racing

Monthly activities to maintain healthy habits and promote health.

Cultural Desert

Integration of the workforce with theater, music, and dance at lunch time.

Alternative Relaxation Activities
(Yoga, shiatsu, and pilates)

Relaxation activities during the working hours.

Agreements
(Day care, schools and universities, clubs, hotels, gyms, spas, and Exchange agencies)

Making available options to search and maintain healthy biopsychosocial habits.

Employee Valuing

Promotion of activities that favor social coexistence and demonstrate the recognition of the work performed and, among them, we should mention: international women's day, firefighter day, secretary's day, the Company's anniversary, and celebration at the end of the year.

RETURN TO WORK AFTER LEAVE OF ABSENCE

	Number	Percentage
 Women	9	100
 Men	81	100

Employees who returned to work after maternity/paternity leave and who were still employed 12 months after returning to work (number and percentage).



OCCUPATIONAL SAFETY AND HEALTH

	2011	2010	2009
Mean overtime by employee/years	100	161	151
Total number of work accidents involving employees	54	63	62
Total number of work accidents with outsourced/ contracted personnel	11	35	111
Mean number of work accidents by employee/year	0.011	0.013	0.014
Accidents that resulted in temporary leave of employees and/or service providers (%)			
• Employees	28	29	28
• Service Providers	21	19	12
Accidents that resulted in employee and/or service provider mutilation or other physical damage and permanent leave (including repetitive strain injury – RSI) (%)	0	0	0
Accidents resulting in death (%)			
• Employees	0	0	1.61
• Service Providers	0	0	1.19
Total TF index ⁽¹⁾ of the company for employees of the company	2.05	3.01	2.97
Total TF index of the company for outsourced/contracted personnel	2.56	4.38	2.75
Total TG ⁽²⁾ index of the company in the period for employees	27	55	451
Total TG index of the company in the period for outsourced/contracted personnel	221	16	2.225
Investments dependency (drugs and alcohol) prevention and treatment programs (Value in R\$/service)	28.14	27.14	24.40

(1) TF represents the Work Accident Rate.

(2) TG represents the Work Accident Severity Rate.

WORK ACCIDENT RATE

The Work Accident Rate is obtained by dividing the number of work accidents by the total of million human hours of exposure to risk situation.

	2011	2010	2009
	2,05	3,01	2,97

WORK ACCIDENT SEVERITY RATE

The Work Accident Severity Rate is obtained by dividing the number of lost workdays plus days charged, as a consequence of work accidents, by the total of million human hours of exposure to risk situation.

	2011	2010	2009
	27	55	451



RELOCATION PROGRAM – RELOCATED FAMILIES IN 2011

Installation	Physically relocated		Economically relocated	
	Families	People	Families	People
Simplício Queda Única HPP	13	52	22	88
138 kV Anta-Simplício-Rocha Leão TL	20	80	2	8
Batalha HPP	11	44	84	336
138 kV Batalha-Paracatu 1 TL	39	156	4	16
345 kV Tijuco Preto-Itapeti TL	18	72	1	4
345 kV Itapeti-Nordeste TL	18	72	0	0
500 kV Bom Despacho 3-Ouro Preto 2 TL	175	700	1	4
TOTAL	294	1176	114	456

LIGHT FOR ALL PROGRAM – CONNECTIONS

Connections	MG	RJ	SP	ES	GO	Total	People Benefited
Connections done until 2011	328,415	20,224	88,075	60,248	39,210	536,172	2,680,860
Connections done in 2011	46,543	1,358	2,280	979	1,486	52,646	263,230
Connections/benefited categories (in 2011)							
Quilombolas	4	0	4	2	792	802	4,010
Native Brazilians	0	0	426	0	0	426	2,130
Settlements	0	0	0	102	0	102	510
Schools	0	0	3	4	9	16	80
Free clinic	0	0	0	0	0	0	0
Artesian Wells	0	0	0	0	0	0	0
Conventional	46,539	1,358	1,847	871	685	51,300	256,500

NUMBER OF TELE-CENTERS PER STATE AND NUMBER OF PEOPLE SERVED IN 2011

State	People	Tele-centers
ES	6,590	8
GO	2,450	2
MG	12,445	21
RJ	8,978	9
SP	5,906	10
TOTAL	36,369	50

SOCIAL PROJECTS IN PARTNERSHIP



CITIZENSHIP, A LIVING HOPE

Offers activities such as futsal, volleyball, remedial help, music workshop with construction of repercussion instruments, health lectures, and exercises for children, youngsters, adults, and the elderly. Serves approximately 360 people of communities in the vicinity of the Vila Santa Tereza Community Center – Belford Roxo (RJ).



SWIMMING WITHOUT BARRIERS

It allows the access of 37 people with disabilities, motor and mental, in Rio de Janeiro to physical activities, in this case swimming, which favors their social inclusion.

In April, the Paralympic swimming team of the Down Syndrome Society participated in the regional leg of the CAIXA 2011 Rio-Sul Lottery Circuit at Universidade Positivo, in Curitiba (PR). The "Without Barriers" swimming team got 13 gold, 10 silver, and 9 bronze medals. The athletes of the Swimming without Barriers Project continued their achievements in international waters, getting nine medals in the Intercontinental Games for Persons with Intellectual Disabilities, in June, at the Alfonso Diaz Santos Sports Unit in Puerto Vallarta, Mexico.





AMBASSADORS OF JOY

To promote the social inclusion of 239 people with disabilities and their families using Carnival art and culture with workshops, such as: Carnival masks, art in Styrofoam, art in foam, artistic painting, creation and confection of heads for Carnival, artistic make-up, PET bottles recycling, artistic perception, and basic and advanced prop.

The "Ambassadors of Joy" is the first Escola de Samba (school of samba) composed of people with disabilities and their family members. The "Joy Ambassadors" opened the presentation of the champions of the special group on Saturday, with 1.8 thousand components in Marquês de Sapucaí in downtown Rio de Janeiro.



TECHNICAL COURSE ON FARMING AND CATTLE RAISING

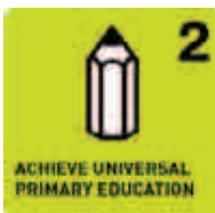
Offers a course for farming technician to 105 low-income students of communities and counties close to Alpinópolis (MG).

Seventy-four students have graduated and they have been absorbed by local commercial associations, rural unions, farms, and factories of local agricultural products.



TECHNICAL SUPPORT SERVICE AND RURAL EXTENSION TO FAMILY SMALL FARMERS

It contributes for the economic, social, and environmental development of the area around the Manso Lake through technical assistance and rural extension to family farmers. It involves the participation of 342 families of the APM Manso settlements (MT).



COME TO ME – LITERATURE

Contributes for the integral education of 90 children, ages seven to ten years, in the context of social vulnerability, through activities such as reading, writing of literary texts, music, art, dance, and theater. Most people benefited dwell in the Salgueiro community and adjacent neighborhoods in Rio de Janeiro.



TEACHERS AND YOUNG INSTRUMENTALISTS EDUCATION WORKSHOP

It educates 50 young instrumentalists and music teachers who live in deprived communities and in social vulnerability to integrate the labor market in Cuiabá (MT).



EDUCATING CITIZENS FOSTERING TALENTS

Promotes social inclusion, through sports, of 396 youngsters and children, educating citizens and discovering new talents for soccer in Elói Mendes (MG).



TRANS-FORMAR

It promotes the development of children through education and professional qualification involving crafts and cooking classes for 192 people in Duque de Caxias (RJ).

The Infancy and Youth Support Center, Casa das Rosas, opened in 1992, being a philanthropic institution. It promoted the participation of beneficiaries in fairs, allowing them to sell their arts and crafts, an alternative of income generation for needy families. Besides, through remedial help, it offered basic education of better quality.



ARTS, HANDS ON

It helps 250 people through work and income generation, providing the opportunity of learning crafts techniques in precious gems and embroidery in clothing, costume jewelry, towel and table cloth embroidery, flip-flops, wood art, soaps and bath salts,

ribbon tracing, fabric painting, book-binding, and decorative candles, stimulating the pursuit and opening of spaces for commercialization of products in Foz do Iguazu (PR).



FEEL THE ENVIRONMENT AND LIVE WELL

Contributes with the professional training through a professional requalification for 40 people and supports the literacy of youngsters and adults, including lectures on PET bottle recycling in schools. Currently, recycling is urgent due to a consumers' market growingly disposable.



WORKING ANT-VISTA ALEGRE SETTLEMENT MILHOUSE

Contributes to the improvement of life conditions of 25 families, approximately 119 people, of the Vista Alegre Settlement Project in Cristalina (GO), through professional guidance and supporting the commercialization of the surplus production of manioc.

Guidance and training focus on the following topics: "Home



production of food – manioc", "Sanitization of the work place", "Quality, productivity, and cooking", "Economic importance of the flour for the rural family", "Transformation of manioc in tapioca", "Flour manufacture", as well as follow-up meetings with these families. Casa da Farinha is being built on land given by INCRA. It will be the headquarters of the project, housing machines and instruments required to produce flour and by-products. In parallel, the land is being prepared (plowing and dredging) for planting.



PLAYING AND LEARNING

Social inclusion of 200 children and adolescents, in social vulnerability, through sports and education, offering soccer classes (futsal, regular, and soccer 7), athletics (running, high jump, broad jump, spear throwing, and weight throwing), and lectures on drug addiction, recycling, environment, dengue fever, sexually transmitted diseases, among others, in Foz do Iguacu (PR).



NATIONAL SOCIAL MOBILIZATION NETWORK
 Creation of a set of material for distance learning for computer sciences, public data base, income generation, and popular technologies, as well as videos, texts, and other material that might interest 27 state COEPS, 25 municipal COEPS, organizations, and communities, benefiting approximately four thousand people.

The project allowed the increase the SIME (Media and Education System) collection with the creation of several videos to implement distance learning on issues like: social actions of organizations, environmental education, Human Rights, solidary economy, digital inclusion, family agriculture, and food safety.

CITIZENSHIP VILLAGE IN 2011

Place	N. of people served	Month
Jardim Gramacho (RJ)	11,735	February
Chapada dos Guimarães (MT)	4,335	May
Belford Roxo (RJ)	5,200	May
Belford Roxo (RJ)	580	July
Passos (MG)	12,261	August
São José da Barra (MG)	3,144	August
Gurupi (TO)	10,822	September
Guarulhos (SP)	2,262	October
Aparecida de Goiânia (GO)	20,682	November
Distrito de Anta – Sapucaia (RJ)	12,844	November

INSTITUTIONS CONTEMPLATED BY THE PUBLIC NOTICE FURNAS SOCIAL PROGRAM 2011

Institution	Municipality	State
Associação de Pais e Amigos dos Excepcionais e Deficientes de Taguatinga e Ceilândia	Brasília	DF
Instituto Sul Capixaba de Atenção à Saúde	Cachoeiro de Itapemirim	ES
Associação de Pais e Amigos dos Excepcionais de Ibatiba	Ibatiba	ES
Associação dos Pescadores de Comendador Rafael	Sooretama	ES
Associação Mão Amiga do Agricultor	Água Doce do Norte	ES
Associação de Pais e Amigos dos Excepcionais – APAE DE IBITIRAMA	Ibitirama	ES
Associação Pestalozzi de Serra	Serra	ES
Santa Casa de Misericórdia de Cachoeiro de Itapemirim	Cachoeiro de Itapemirim	ES
Assistência ao Menor de Itumbiara	Itumbiara	GO
Missão Visão Vide	Aparecida de Goiânia	GO
Fundo Especial Municipal para Corpo de Bombeiros Militar do Estado de Goiás	Minaçu	GO
Associação Pestalozzi de Caldas Novas	Caldas Novas	GO
Associação de Agricultores Familiares Assentados no P.A. Buriti das Gamelas	Cristalina	GO
Lar Nossa Senhora do Carmo	Carmo do Rio Claro	MG
Centro de Formação São José – Promoção da Família	Carmo do Rio Claro	MG
Associação Beneficente Idade Maravilha de Delfinópolis	Delfinópolis	MG
Conselho Central de Poços de Caldas da Sociedade de São Vicente de Paulo	Poços de Caldas	MG
Associação de Pais e Amigos dos Excepcionais – APAE	Itanhandu	MG
Creche Lar Bom Pastor de Baguari	Governador Valadares	MG
Associação Espírita Monsenhor João Pedro	Passos	MG
Itaka Escolapios Governador Valadares	Governador Valadares	MG
Associação de Pais e Amigos dos Excepcionais de Itamarandiba	Itamarandiba	MG
Associação de Pais e Amigos dos Excepcionais de Capitólio	Capitólio	MG
Centro Infantil Maria do Carmo Cunha Pádua Figueiredo	Cássia	MG
Irmandade da Santa Casa de Misericórdia de Muzambinho	Muzambinho	MG
Conselho de Desenvolvimento Comunitário do Bairro Assunção	Cabo Verde	MG
Prefeitura Municipal de Cássia	Cássia	MG
Associação de Proteção à Maternidade e Infância de Passos	Passos	MG
Associação dos Diabéticos de Três Corações	Três Corações	MG
Centro de Convivência da Terceira Idade de Carmo do Rio Claro	Carmo do Rio Claro	MG
Associação Betel de Assistência – ABA	Formiga	MG
Centro de Educação Infantil Nossa Senhora dos Milagres	Monte Santo de Minas	MG
Associação de Assistência à Casa de Convivência da Pastoral da Criança	Lambari	MG
Prefeitura Municipal de Sobrália	Sobrália	MG
Lar São Vicente de Paulo	Monte Santo de Minas	MG
Creche Orminda Barbosa Vieira	Monte Belo	MG
Aliança Brasileira de Assistência Social e Educacional	Paraguaçu	MG
Hospital e Maternidade Maria Eulália	Silvianópolis	MG
Lar São Vicente de Paulo de São Gonçalo do Sapucaí	São Gonçalo do Sapucaí	MG
Prefeitura Municipal de Além Paraíba	Além Paraíba	MG
Lar Beneficente São Vicente de Paulo	Cachoeira de Minas	MG
Creche Stefânia Falcão Margotti	Três Corações	MG
Associação Comunidade Emanuel – Javé Nissi	Pouso Alegre	MG
Mitra Diocesana de Divinópolis	São Sebastião do Oeste	MG
Associação de Pais e Amigos dos Excepcionais de São Roque de Minas	São Roque de Minas	MG
Instituto José Luiz Ferreira	Barbacena	MG
Associação dos Congados do Município de Campo do Meio	Campo do Meio	MG

Institution	Municipality	State
Associação de Pais e Amigos dos Excepcionais de Baependi	Baependi	MG
Prefeitura Municipal de Córrego Danta	Córrego Danta	MG
Prefeitura Municipal de Serrania	Serrania	MG
Associação da Juventude Carmelitana	Carmo do Rio Claro	MG
Núcleo Rotary de Desenvolvimento Comunitário de Boa Esperança	Boa Esperança	MG
Associação Itaobiense de Artesãos	Itaobim	MG
Associação Cultural e Ambiental Projeto Jaíba	Jaíba	MG
Associação de Pais e Amigos dos Excepcionais de Além Paraíba – APAE	Além Paraíba	MG
Associação de Pais e Amigos dos Excepcionais de Nepomuceno	Nepomuceno	MG
Fundação Varginhense de Assistência aos Excepcionais	Varginha	MG
Creche Maria Zófolli Caçador	Além Paraíba	MG
Associação de Pais e Amigos dos Excepcionais de Monte Belo	Monte Belo	MG
Lar São Vicente de Paulo de Cássia	Cássia	MG
Associação de Pais e Amigos dos Excepcionais de Botelhos	Botelhos	MG
Associação de Pais e Amigos dos Excepcionais	Monsenhor Paulo	MG
Instituto Cultural Artetude	Varginha	MG
Lar São Vicente de Paulo de Machado	Machado	MG
Asilo S. Vicente de Paulo de Muzambinho	Muzambinho	MG
Casa da Criança de Delfinópolis	Delfinópolis	MG
Associação de Pais e Amigos dos Excepcionais	Monte Sião	MG
Vila Vicentina de Boa Esperança	Boa Esperança	MG
Associação de Pais e Amigos dos Excepcionais de Alterosa	Alterosa	MG
SAPE – Sociedade Além Paraibana de Educação	Além Paraíba	MG
Centro Comunitário do Brejo Alegre	Muzambinho	MG
Associação dos Agricultores Familiares de Guapé	Guapé	MG
Associação Recreativa Social e Comunitária "Sem Futuro".	Juruáia	MG
Asilo São Vicente de Paulo	Guaranésia	MG
Asilo Divino Espírito Santo	Coqueiral	MG
Associação de Pais e Amigos dos Excepcionais de Guaranésia	Guaranésia	MG
Associação de Pais e Amigos dos Excepcionais	Paraguaçu	MG
Instituição de Proteção à Criança Aparecidense	Conceição da Aparecida	MG
Associação de Pais e Amigos dos Excepcionais de Araçuaí	Araçuaí	MG
Associação do Bairro Jardim Panorama	Alpinópolis	MG
Fundação Beneficente São João da Escócia	Passos	MG
Associação de Pais e Amigos dos Excepcionais	Prados	MG
Serviço de Assistência e Recuperação do Adulto e da Infância	Alfenas	MG
Assistência Vicentina de Três Pontas	Três Pontas	MG
Instituto de São Vicente de Paulo de Cássia	Cássia	MG
Fundação Hospitalar do Município de Varginha – FHOMUV	Varginha	MG
Associação de Assistência aos Deficientes Visuais de Poços de Caldas	Poços de Caldas	MG
Associação dos Pais e Amigos dos Excepcionais – APAE	Elói Mendes	MG
Associação de Combate ao Câncer	São Sebastião do Paraíso	MG
Associação de Pais e Amigos dos Excepcionais de Passos	Passos	MG
Associação dos Pais e Amigos dos Excepcionais	Cristais	MG
Associação de Deficientes do Oeste de Minas	Divinópolis	MG
Lar São Vicente de Paulo de Delfinópolis	Delfinópolis	MG
Associação de Pais e Amigos dos Excepcionais de Itajubá	Itajubá	MG
Associação de Proteção à Maternidade e à Infância de Cássia	Cássia	MG
Comunidade de Ação Pastoral	Pouso Alegre	MG
Clube do Menor	Pouso Alegre	MG
Sociedade Beneficente São Camilo	Mariana	MG
Centro de Aprendizagem Pró-Menor de Passos	Passos	MG
Conselho Particular de Nepomuceno da S.S.V.P.	Nepomuceno	MG
Asilo Ana Carneiro	Além Paraíba	MG
Santa Casa de Misericórdia de Passos	Passos	MG
Associação Reviver do Idoso Vargense	Santana da Vargem	MG



Institution	Municipality	State
Pró-Rim Varginha – Associação de Renais Crônicos e Transplantados de Varginha e Região	Varginha	MG
Centro de Apoio Nossa Senhora do Sagrado Coração	Itajubá	MG
Lar São Vicente de Paulo de Passos	Passos	MG
Casa de Caridade de Passa Quatro	Passa Quatro	MG
Associação de Proteção à Maternidade e à Infância de Coqueiral	Coqueiral	MG
Lar São Vicente de Paulo de Alterosa	Alterosa	MG
Associação Centro Espírita Allan Kardec	Itajubá	MG
Associação de Pais e Amigos dos Excepcionais de Carmo de Minas	Carmo de Minas	MG
Associação de Pais e Amigos dos Excepcionais – APAE	Araguari	MG
Associação Francisco de Paula Vítor	Pouso Alegre	MG
Prefeitura Municipal de Moeda	Moeda	MG
Associação de Pais e Amigos dos Excepcionais de Caxambu	Caxambu	MG
Associação de Pais e Amigos dos Excepcionais de Illicínea	Illicínea	MG
Associação de Pequenos e Micro Produtores Rurais da Barra do Bom Jardim	Chapada dos Guimarães	MT
Instituto dos Cegos do Estado de Mato Grosso	Cuiabá	MT
Associação de Pequenos Produtores Rurais	Chapada dos Guimarães	MT
Cooperativa de Materiais Recicláveis de Ivaiporã	Ivaiporã	PR
Associação de Proteção à Maternidade e à Infância.	Foz do Iguaçu	PR
Associação de Pais e Amigos dos Excepcionais de Jardim Alegre	Jardim Alegre	PR
Associação de Pais e Amigos dos Surdos de Foz do Iguaçu	Foz do Iguaçu	PR
Guarda Mirim de Foz do Iguaçu	Foz do Iguaçu	PR
Caritas Diocesana de Nova Iguaçu	Nova Iguaçu	RJ
Associação de Pais e Amigos dos Excepcionais de Campos dos Goytacazes	Campos dos Goytacazes	RJ
Lar Beneficente AMAR	Duque de Caxias	RJ
Mitra Diocesana de Valença	Sapucaia	RJ
Associação de Pais e Amigos dos Excepcionais de Paty do Alferes	Paty do Alferes	RJ
Prefeitura Municipal de Sapucaia	Sapucaia	RJ
Cooperativa dos Produtores Rurais de Paraty	Paraty	RJ
Associação de Pais e Amigos dos Excepcionais de Natividade	Natividade	RJ
União das Associações e Cooperativas Usuárias do Pavilhão 30	Rio de Janeiro	RJ
Associação dos Produtores de Leite do Noroeste Fluminense	Santo Antônio de Pádua	RJ
Projeto Dançarte – Arte e Cidadania	Rio de Janeiro	RJ
Pólo de Educação Geral e Ações Solidárias da Zona Oeste	Rio de Janeiro	RJ
Associação de Pais e Amigos dos Excepcionais de Cordeiro	Cordeiro	RJ
Associação Saúde Criança Renascer	Rio de Janeiro	RJ
Grupo Espírita Servidores de Cristo	Duque de Caxias	RJ
União das Operárias de Jesus	Rio de Janeiro	RJ
Associação Beneficente Rio Criança Cidadã	Rio de Janeiro	RJ
Federação das APAES do Estado do Rio de Janeiro	Três Rios	RJ
Associação de Pais e Amigos dos Excepcionais de Pirai	Pirai	RJ
Banco da Providência	Rio de Janeiro	RJ
Associação de Pais e Amigos dos Excepcionais – São José do Cerrito	São José do Cerrito	SC
Associação de Pais e Amigos dos Excepcionais	Mondáí	SC
Associação Mogicruzense para Defesa da Criança e do Adolescente	Mogi das Cruzes	SP
Associação de Pais e Amigos dos Excepcionais	Guaratinguetá	SP
União Espírita Cachoeirense	Cachoeira Paulista	SP
Organização da Sociedade Civil de Interesse Público SOS	Ibiúna	SP
Lar das Crianças	Cachoeira Paulista	SP
Centro de Reabilitação Neurológica Joyce de Mello Yamato	Mogi das Cruzes	SP
Centro de Integração da Mulher	Sorocaba	SP
Instituição Paulista Adventista de Educação e Assistência Social	Itaberá	SP
Associação dos Deficientes Visuais de Itapeva e Região – Luz da Visão	Itapeva	SP
Associação das Damas da Caridade de São Vicente de Paulo	Jaboticabal	SP
Associação dos Pais e Amigos dos Excepcionais de Mogi das Cruzes	Mogi das Cruzes	SP
Associação de Pais e Amigos dos Excepcionais de Mairiporã	Mairiporã	SP
Associação de Pais e Amigos dos Excepcionais	Cachoeira Paulista	SP
CAMINHAR – Associação das Famílias, Pessoas e Portadores de Paralisia Cerebral de Franca	Franca	SP
Santa Casa de Misericórdia de Mogi das Cruzes	Mogi das Cruzes	SP
Abrigo São Francisco de Assis de Icó	Icó	SP

INFANCY AND ADOLESCENCE FUND (FIA) PROJECTS

WIDENING HORIZONS PROJECT

In the county of Campos (RJ), it provided social and educational activities through agricultural techniques, environmental education, sustainability, and digital inclusion for 80 youngsters in the rural area, of which 36 have been already inserted in the local job market.

CULTURE, CITIZENSHIP, AND EDUCATION PROJECT

Headquartered in São Paulo (SP), it promoted cultural activities, as well as computer professionalization courses, to 120 youngsters ages 15 to 18. Ten of those youngsters were already employed at the end of the course.

CULTURAL WORKSHOPS PROJECT

It provided cultural activities for 120 children and adolescents that culminated in a show for the entire community.

PLANTING THE FUTURE PROJECT

Until 2011, 320 adolescents were trained in preparing and growing seedlings to contribute with reforestation in Barra do Piraí (RJ). As a result, the county received the Green ICMS Seal, which acknowledges its concern with the environment.

ORCHESTRATING AND BUILDING RIGHTS GUARANTEE PROJECT

The opening of the new dining-hall (600 m²), part of the "Feeding and Nutrition Unit" project, where three daily meals are served to more than 1,000 adolescents ages 14 to 18 years, attended by the Young Guard, in Foz do Iguaçu (PR).

PLAYING THE FUTURE PROJECT

In Araporã (MG), FURNAS support allowed the acquisition of musical instruments and the construction of a classroom and workshop area for 196 youngsters.

SPORTS FOR CITIZENSHIP PROJECT

In Varginha (MG), the project was developed by the County Sports and Leisure Bureau through the insertion of specialized sports nucleus, increasing the number of nucleus and, consequently, of children and youngsters served from 550 to 1,000.



ELETROBRAS FURNAS CULTURAL EXHIBITION HALL SCHEDULE

ADONIRAN – INTEGRATED ARTS

Contemporary dance that mixes theater, music, and moving bodily percussion in a homage to Adoniran Barbosa.

ANA COSTA – NEW TARGETS – MUSIC

Shows of the singer and composer Ana Costa and her most recent CD “New Targets”, mixing with hit music from her first CD My Carnival.

VISUAL ARTS BAR – EXPOSITION

Thirty-six natural-size sculptures that depict a bar with its typical patrons. The sculptures are made through molding and wrapping.

CHORO-DUETS: PIXINGUINHA & BENEDITO LACERDA – MUSIC

Show of the flute players and saxophonists Mário Séve and David Ganc of the national tour for the release of the songbook with transcription of the original flute and tenor saxophone duets of Pixinguinha & Benedito Lacerda accompanied by small guitar, seven-string guitar, and tambourine/percussion.

CLAUDIO NUCCI – MUSIC

Shows of the singer and composer Claudio Nucci, formerly of the vocal group Boca Livre, who makes a musical walkabout of his career, with Dri Gonçalves and Rafael Lorga in percussion and wind.

CONCERTS WITH LEO GANDELMAN – MUSIC

Show of the saxophonist, composer, and arranger Leo Gandelman in several styles and musical formations with special guests.

INVERSE CONVERSATIONS DIVERSE HISTORIES – SCENIC ARTS

Presentation of the play “Inverse Conversations Diverse Histories” and workshops “Sonorous Histories” for children (6 to 12 years). It is a universal history told by using easy access musical resources and with several artistic attractions that grab the attention of the public.

ANIM!ART FESTIVAL – AUDIOVISUAL

Competitive animation film festival in high school and junior high school and university level, international student, and Brazilian animators, an exhibition, a lecture with professional animators, and audiovisual and short workshops in animation techniques for all age groups in two open studios.

THE GUARDIANS OF THE AMAZON FOREST – VISUAL ARTS

Photographic exhibition of the French designer Antoine Olivier and the Brazilian photographer J. L. Bulcão, who made an incursion in the Amazon forest during two months, in 2009, to record the routine of some local productive communities and to get images and impressions for the book “Les Gardiens de l’Amazonie” released in Paris.

EDGAR ALLAN POE'S TERROR STORIES – THEATER

Presentation of the play Edgar Allan Poe's Terror Stories of the actress Cristiana Gimenes.

READ FOR ME? – HUMANITIES

Reading of children stories for 50 children, per event, in the age group of 5 to 10, by known actors, opinion makers, and theater actors.

OUR SHORT STORIES, OUR MEMORIES – VISUAL ARTS

Exhibit of the cultural production of carnival art developed in the course "School of Carnival" attended by people ages 15 to 65 years from Duque de Caxias county and the port area of Rio de Janeiro.

O BIRICOTICO – SOBER PEOPLE ARE A DRAG – VISUAL ARTS

Humorous exhibit with political caricature, photos, and texts, besides the exhibit on a wide screen of the main attractions and columns of the tabloid "O Biricotico" released at the time of the exhibit.

SMALL MYSTERY STORE – SCENIC ARTS

Play in which four actors take turns telling and recreating out aloud the universe of some of the police stories of the book along with a musician.

RE-PLAYING – REINVENTING BRAZILIAN CLASSICAL MUSIC – MUSIC

Recital of musician Bruce Henri and guests of a reinterpretation of Brazilian classical composers by renowned musicians by their performance and domain of the languages of Choro, Bossa Nova and Samba Jazz.

ALWAYS A CHAT – HUMANITIES

Reading motivation project that promotes releases and debates with the presence of writers and meetings with personalities.

SUSTAINABLE PERCUSSION SHOW PERFORMANCE GROUP PATUBATÊ – INTEGRATED ARTS

Visually and musically shocking show, presenting several possibilities of reusing recyclable materials that are transformed in musical instruments.

MAYBE – SCENIC ARTS

Presentation of the play "Maybe" with the actor Álamo Facó and direction of Cesar Augusto.



PROJECTS SUPPORTED THROUGH THE ROUANET LAW

2011 CULTURAL PROJECTS OF THE COMPANIES IN THE ELETROBRAS SYSTEM WITH THE SUPPORT OF THE ROUANET LAW

11TH GOIÂNIA SHORT FILM EXHIBITION – AUDIOVISUAL/DIFFUSION

The objective of this Project is the realization of the 11th edition of the GOIÂNIA SHORT FILM EXHIBITION, which will show the main short films of the most recent Brazilian productions, as well as several audiovisual activities such as: diffusion, reflection, education, and exchange.

RIO DE JANEIRO INTERNATIONAL SHORT FILM FESTIVAL ENJOY CINEMA 2011 – AUDIOVISUAL/DIFFUSION

The objective is the realization of the 21th edition of the Rio de Janeiro International Short Film Festival.

MARANHÃO ON THE SCREEN – AUDIOVISUAL/DIFFUSION

A festival that will transform Maranhão in an audiovisual production nucleus, with workshops and courses.

THE BOY WHO SOLD WORDS – SCENIC ARTS/CHILDREN-ADOLESCENT THEATER

It proposes to be a theatrical event in which both parents and children will have fun, creating a playful, creative, and sensorial atmosphere. It proposes to change the space it is staged in a huge "library".

CINDERELLA, A BRAZILIAN OPERETTA – SCENIC ARTS/CHILDREN-ADOLESCENT THEATER

This project proposes the staging of "Cinderella, a Brazilian operetta", a children's play adapted from the opera "La Cenerentola ossia La bontà in trionfo" (A Cenerentola or The triumph of kindness) by Gioacchino Rossini with libretto by Jacopo Ferretti, for which two months of rehearsal and two months of premiere and season are expected.

THE RED BEARD PIRATE – SCENIC ARTS/CHILDREN-ADOLESCENT THEATER

The objective is to produce, rehearse, and stage the play "The Red Beard Pirate" in Rio de Janeiro.

MACUNAÍMA, A LOVE STORY – SCENIC ARTS/CHILDREN-ADOLESCENT THEATER

The characteristics of the project are similar to those of the Projetos Navegando: multimedia language with actors and puppets of all sizes, with an atypical differential for an adapted play: the presence of the author (Mario de Andrade) strumming on the guitar the unfolding of the story as an omnipresent narrator who ties the action.

OTHER PROJECTS SUPPORTED BY FURNAS VIA THE ROUANET LAW

PIRAÍ FEST PALADAR – PIRAÍ GASTRONOMY AND CULTURAL FESTIVAL – MUSIC/FESTIVAL

In its 10th edition, the Piraí Fest Paladar is a consolidated project, attracting thousands of visitors, impelling tourism and arts & crafts, generating jobs and income, as well as



stimulating the local culture through artistic manifestations such as music, theater, and dance that are incorporated to the event, besides the exchange and familiarity with cultural values of invited artists from other places.

49TH VILLAGE LOBOS FESTIVAL (2011 EDITION) – CLASSICAL MUSIC

The Village Lobos Festival is the only festival entirely dedicated Brazilian music and musicians from Rio de Janeiro.

CLARA SVERNER – CLASSICAL MUSIC

The project includes five recitals in cities in the countryside of the state of São Paulo. Those recitals will publicize the new CD of the piano player: "Chopin".

NITERÓI: MEETING SOUTH AMERICA – INTEGRATED ARTS

The objective was to carry out a meeting of nine South American countries in Niterói – Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela, to talk about the cultural diversity of the regions and promoting a cultural exchange through dance, theater, instrumental classical and popular music concerts, exhibits, lectures, movies and documentaries, crafts, and gastronomy.

41ST NATIONAL CULTURAL FESTIVAL – INTEGRATED ARTS

The objective of the festival is to present cultural actions in scenic and visual arts and music for six cities in Minas Gerais (Extrema, Formiga, Varginha, Pouso Alegre, Três Pontas, and Boa Esperança) taking the best of Brazilian culture, therefore helping to spread and form a national cultural public.

URBAN BIRDS – BIRDS IN PAMPULHA LAKE – HUMANITIES/BOOK EDITING

The objective of the project is to edit a literary-photographic book, with the printing of 1,000 books, by Tavinho de Moura, with an anthology of texts whose issue will be Brazilian birds. The book will have photographs of the species taken in Pampulha Lake, in Belo Horizonte, and illustrations by Sandra Bianchi.

DOORS OF SÃO PAULO – HUMANITIES/BOOK EDITING

This is a photography book resulting from a research of the universe of doors in São Paulo. Those pieces tell the history of the city, revealing several styles, from the baroque to contemporary. The intention of the book is to fulfill a gap in the literature of architecture, with text and curatorship of the renowned architect Nelson Dupré, acclaimed by the reform of the Estação Julio Prestes, in São Paulo.

XXII NATIONAL CRAFTS FAIR – CULTURAL PATRIMONY/CRAFTS

The National Crafts Fair has been held in Belo Horizonte for 22 years. Here, seven thousand artisans in 1.2 thousand stands have the opportunity to show their art and talent to 180 thousand visitors who participate in workshops, experiencing the life of an artisan, knowing our popular music and the culture of the 27 Brazilian states. They guarantee the commercialization of their products therefore strengthening the continuity of this art that is the greatest workforce in Brazil.



RENOVATION OF THE MISSIONÁRIOS SACRAMENTINOS DE NOSSA SENHORA INSTITUTION – CULTURAL HERITAGE /ARCHITECTURE

To reform the Missionários Sacramentinos de Nossa Senhora Institute, therefore recuperating and important national historical heritage whose construction was begun on April 21, 1931 being the pride of the population of Manhumirim (MG).

CULTURAL RESCUE OF THE JEQUITINHONHA AND SÃO FRANCISCO VALLEYS – CULTURAL HERITAGE/HISTORICAL

The objective of this project is to do a research on the Jequitinhonha and São Francisco Valleys to make a catalogue, postal cards, educational brochures, and calendars of traditional festivities.

MAINTENANCE OF THE CRAFTS NUCLEUS – CULTURAL HERITAGE/ARCHITECTURE

Maintenance of the Ouro Preto Crafts Nucleus to form a set of technically and pragmatically prepared construction shops sensitized and committed with preservation of the cultural heritage to work in conservation and restoration works in different areas of construction through courses, seminars, researches, and extension activities.

CITIZEN BODY – SCENIC ARTS/DANCE

The objective of the Project is to maintain the cultural actions of Citizen Body, entity created by the Grupo Corpo Companhia de Dança, to develop talents and abilities in children and youngsters in low income communities through arts workshops, courses, visual arts exhibitions, presentation of plays in theaters, schools, and cultural centers in Belo Horizonte and other cities.

FAOP 2011: MAINTENANCE, EQUIP, AND FORMATIVE CULTURAL ACTIVITIES – VISUAL ARTS/EXHIBITION

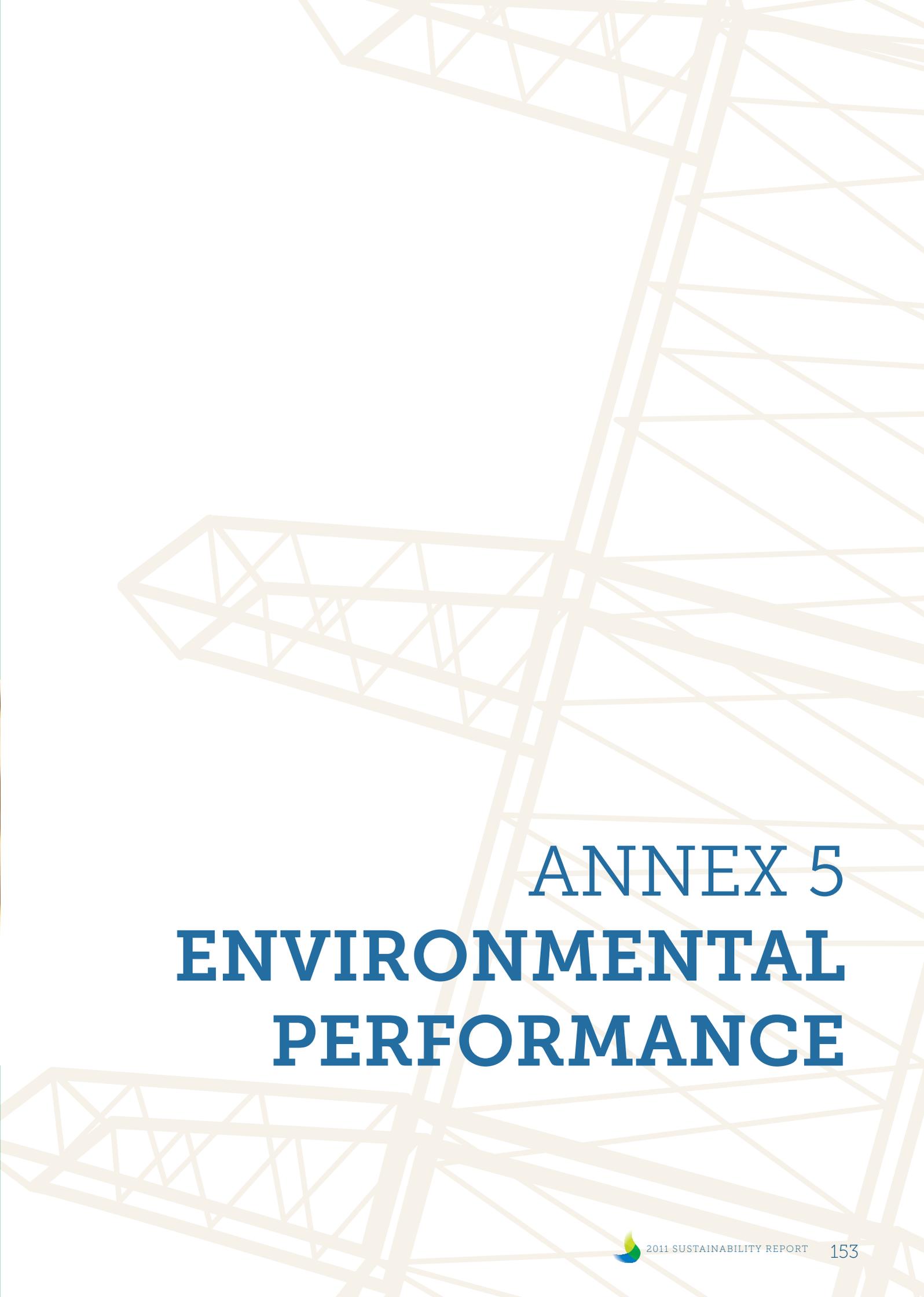
To consolidate and extend FAOP's mission in the education and qualification of people through formative cultural activities, education for human development in arts, preservation and restoration of cultural goods and traditional crafts, extension activities, maintenance of the activities and educational action of the Art Gallery, and adaptation of the area for the development of activities .

SPONSORED EVENTS OF 2011

- International Conference on Atmospheric Electricity – ICAE, Rio de Janeiro (RJ);
- VII Conferência dos Advogados do DF, Brasília (DF) – Federal District Lawyers Conference;
- 28º Congresso Mineiro de Municípios, Belo Horizonte (MG) – Municipality Congress;
- XXVIII Seminário Nacional de Grandes Barragens / National Seminar on Large Dams – NGB, Rio de Janeiro (RJ);
- Rio Bom de Mesa 2011, Rio de Janeiro (RJ) – Gourmet Festival;
- XXI Seminário Nacional de Produção e Transmissão de Energia Elétrica, Florianópolis (SC) – Seminar on Power Generation and Transmission;
- XXVII Encontro Nacional dos Contadores do Setor de Energia Elétrica, Natal (RN) – Power Sector Accountants Panel;
- 2º Congresso Fluminense de Municípios, Rio de Janeiro (RJ) – Municipality Congress;
- 13º Prêmio ABRASCA de Melhor Relatório Anual de 2011, São Paulo (SP) – Best Annual Report award;
- XVIII Congresso Brasileiro de Custos, Rio de Janeiro (RJ) – Congress on Cost-Related Issues;
- 4º Encontro de Auditores de Sistemas de Gestão, São Paulo (SP) – Management System Auditors Panel;
- Feira da Providência, Rio de Janeiro (RJ) – Fund-raising fair;
- Troféu Transparência 2011, São Paulo (SP) – Transparency award;
- Fórum de Iluminação Pública, Belo Horizonte (MG) – Public Illumination Forum;
- “Ministério Público Itinerante – O promotor de Justiça Perto de Você (The D. A. near you)”, the residents of Periquito, Alpercata, Paracatu, Moeda, and Brumadinho benefited from this project’s caravan, a partnership between FURNAS and Minas Gerais State District Attorney Office (MPEMG) to give guidance to the population regarding their rights and how to obtain them.







ANNEX 5 ENVIRONMENTAL PERFORMANCE



MAIN SUSTAINABILITY POLICIES ADOPTED BY FURNAS

Environmental Policy

As an electric energy generation and transmission company, a basic input for economic and social development, FURNAS recognizes that its activities may interfere with the environment, and it is committed to respecting the environment, on the following basis:

- Integrating the Environmental Policy to the remaining Company Policies.
- Incorporating the environmental component to planning, project, construction, and operation steps of its undertakings.
- Complying with the environmental legislation and environmental commitments assumed.
- Publicizing environmental information associated with its undertakings.
- Maintaining a dialogue with employees, communities, and remaining interested parties to exchange information and to seek participative solutions.
- Promoting training and participation in environmental education actions regarding the Company's activities.
- Improving processes and incorporating new technologies to continuously improve environmental performance.
- Rationalizing the use of natural resources and fight the waste of electric energy.

Forest Resources Policy

Objective

To establish principles to guide the Company regarding forest resources management, handling, and conservation criteria in harmony with the Company's Environmental Policy and its activities.

Presentation

FURNAS recognizes that environmental conservation is inherent to its activities and all actions involving the use of sustainable natural resources, conservation of biological diversity, and processes associated with forest ecosystems represent the nucleus of this policy.



The preparation of this Policy is based on legal aspects, accumulated practices and experiences, and, mainly, on the search to integrate harmonically the Company's installations and the environment.

Principles

The following are the guiding principles of FURNAS' Forest Resources Policy:

- Integrate this policy to the remaining Policies of the Company, especially the Environmental Policy.
- Comply with the legislation, the Company's internal standards, and environmental commitments assumed, as well as to follow-up the evolution of issues regarding forest policies of the electric sector entities and government agencies.
- Promote the valuing of forest resources through events, training, and qualification of those involved in the Company's core business.
- Plan and manage the work activities, such as vegetation control and suppression, and the integrated conservation of forest resources with decentralized actions, aimed at the efficient use and better use of those resources, minimizing environmental interferences.
- Establish, implement, evaluate, and monitor management systems, plans, programs, processes, and the Company's forest resources management.
- Stimulate the use of certification models related with forest resources use and conservation.
- Promote forest resources conservation through replanting vegetation, reforestation, and vegetation recomposition in areas owned by FURNAS, which do not have use of expansion plans, to protect the Company's installations, improve human condition, and maintain biodiversity.
- Encourage and support forest resources conservation programs or projects in areas adjacent to FURNAS installations.
- Promote forest resources genetic conservation actions, especially regarding rare, endemic, endangered species, or species with economic potential, either to obtain matrices for production of seedlings or to exchange them with other institutions, and maintain the biodiversity in the areas of the Company's installations.



Environmental Education Policy

Objective

To establish the principles that guide the Company Environmental Education actions to promote improvement of environmental quality and its sustainability.

Presentation

Environmental Education includes the processes by which the individual and the collectivity build social values, knowledge, abilities, attitudes, and expertise aimed at environmental conservation, which is essential to improve the quality of life and sustainability.

Therefore, Furnas recognizes that Environmental Education should be present in all levels and modalities of the educational process of the Company.

The elaboration of this policy is based on the need to develop, in the Company, an integrated understanding about the environment and its multiple and complex relationships, as well as to stimulate and strengthen awareness toward environmental actions, stimulating the permanent participation of all employees in environmental preservation.

Principles

The Environmental Education Policy is guided by the following principles:

- To promote the implementation of an Environmental Education process in the Company, ensuring its continuity and systematically evaluating the impact of both internal and external actions.
- To understand the concept of environment, considering the interdependent relationships between the ecologic, social, economic, and cultural mediums to promote sustainability.
- To ensure that dialogue and cooperation among cultures, popular knowledge, and scientific knowledge are triggering knowledge agents.
- To stimulate the adoption of critical analysis on understanding the history of generation and transmission processes, and the ways of using energy, considering its implications for life in society and for the environment.
- To encourage the participation of the different areas of the Company in the elaboration of actions geared toward prevention and solution of environmental problems.
- To promote the development of social values, knowledge, abilities, attitudes, and individual and collective expertise for the conservation of natural resources and improvement of quality of life, with social justice and environmental responsibility.
- To be in agreement with the remaining policies of the Company and with the legislation.



Water Resources Policy

Objective

To establish principles that will guide the Company regarding the criteria of water resources use in its activities in agreement with the National Water Resources Policy and FURNAS policies, aimed at the sustainability of the environmental and of its own installations.

Presentation

FURNAS has an electric system constituted of hydroelectric power plants, thermoelectric power plants, substations, and transmission lines, and water is the main natural resource used in its activities.

The implementation of an internal water resources policy, to meet the legislation and environmental commitments, requires FURNAS to fulfill its mission, improving continuously excellence standards in the electric energy cycle, contributing to society's well-being, technological development, and environmental conservation.

Principles

FURNAS's Water Resources Policy is guided by the following principles:

- Integrate this policy to the National Water Resources Policy and the Company's Policies.
- Promote the integration with communities, associations, and other interested parties to exchange information that will help implement the Water Resources Policy.
Work with the agencies of the National Water Resources Management System and with the National Electricity System Operator – ONS, to attenuate adverse effects of critical hydrologic events on populations in areas that are under the influence of the Company's installations.
- Promote the rational use of water to guarantee that the market of electric energy under FURNAS responsibility is served, considering its multiple uses.
- Follow-up the limnologic behavior and water quality of the Company's power plants reservoirs and remaining water bodies used in its installations, proposing measures to prevent and mitigate occasional impacts on water resources to competent environmental bodies.
- Work in water resources management in hydrographic basins where its installations are located.
- Promote the qualification of FURNAS employees to improve the knowledge on the National Water Resources Policy and the National Water Resources Management System, as well as its representation in water resources forums.
- Apply the principles of this Policy to the planning, project, construction, and operation stages of its installations.



Waste Management Policy

Objective

Establish principles to promote the management of waste associated to the several activities of the Company.

Presentation

In a context in which natural resources are increasingly scarce, FURNAS recognizes its responsibility in the management of waste generated by its activities.

Thus, the policy emphasizes the need of systematic waste control since its generation until its final destination, considering reusable or recyclable waste as a social and economic asset, according to the legislation.

Principles

The Waste Management Policy is guided by the following principles:

- Promote and to make feasible the integration of waste management actions in the Company, stimulating the protection of the environment and sustainable development, according to the current legislation.
- Control, systematically, the generation, collection, segregation, stowage, transportation, processing, treatment, recovery, and final destination of the waste generated by the Company.
- Look for suppliers and service providers that use environmentally correct technology, as well as acquire products or materials that cause the least environmental impact.
- Offer training and safety, protection, and health preservation conditions to the professionals that handle waste.
- Promote continued environmental education and attempt to build awareness in employees regarding waste management.
- Preserve the image of FURNAS as a social and environmentally responsible Company regarding waste management within the communities where it has installations, environmental agencies, and other interested parties.
- Establish, implement, evaluate, and monitor systems, plans, programs, projects, and processes that contemplate low waste generation, as well as normative acts on the subject at Eletrobras FURNAS in agreement with the Environmental Policy and other policies of the Company.



Sustainability Policy of the Eletrobras System

Statement

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

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

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

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

Objective

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

Concepts

Employees

The group of people who comprise the companies' workforce.

Neighboring communities

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

Energy efficiency

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

Clean energy

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



Renewable energy

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

Energy matrix

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

Stakeholders

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

Risks

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

Sustainability

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

Coexistence territories

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

Rational use of resources

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

Guidelines

Promoting sustainable development

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

Clean and renewable energy

To prioritize the production of clean and renewable energy.

Rational use of resources

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

Energy efficiency

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

Sustainable R&D+I

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

Commitment to ethics and transparency

To establish ethical and transparent relationships with all stakeholders.

Respect to Human Rights

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

Stakeholders' added value

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

Dialogue and engagement

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

Employee-citizen

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

Employee work environment and wellness

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

Employee life quality

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

Purchasing and responsible partnerships

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

Sustainability management

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

Risk management

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

Responsibilities

Boards of Executive Officers of Eletrobras companies

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

Sustainability Committee of Eletrobras System

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

Organizational Units

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

General Provisions

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

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

Licenses obtained in 2011

Initial Environmental Licenses

Bom Despacho 3-Ouro Preto 2 Transmission Line
Morro Vermelho-Alto Taquari Transmission Line*
Mesquita-Viana Transmission Line
Miassaba 3 Wind Park *
Rosada Wind Park *
Rei dos Ventos 1 Wind Park *
Rei dos Ventos 3 Wind Park *
São Paulo Wind Park *
São Benedito Wind Park *

Installation Licenses

Trindade-Carajás Transmission Line *
Chapadão-Jataí Transmission Line *
Mesquita-Viana Transmission Line *
Teles Pires Hydroelectric Power Plant*
Miassaba 3 Wind Park*

Operation Licenses (corrective licensing)

Furnas Hydroelectric Power Plant
Marimbondo Hydroelectric Power Plant
Angra-Loop São José-Grajaú Transmission Line
Funil-Volta Redonda Transmission Line
Santa Cruz-Palmares 1 Transmission Line
Santa Cruz-Zin Transmission Line
Santa Cruz-Zin-Cosmos Transmission Line

Operation Licenses Renewal

Ouro Preto 2-Vitória Transmission Line
Batéias-Ibiúna Transmission Line
Ivaiporã-Itaberá 1 and 2 Transmission Lines
Ivaiporã Substation

* Undertakings in partnership with other Companies through Specific Purpose Entities (SPE)



FURNAS participation in Water Resources Forums

Federal

Bacia do Rio Paraíba do Sul Integration Committee – CEIVAP
Paranaíba Committee
Rio Grande Committee Implementation Group

In the state of Rio de Janeiro

Médio Paraíba do Sul State Committee
Baixo Paraíba do Sul Committee
Guandu Committee

In the state of Minas Gerais

Furnas Reservoir Vicinity Committee – GD3
Médio Rio Grande Minas Gerais Affluent Committee – GD7
Alto Rio Paranaíba Minas Gerais Affluent Committee – PN1



REMOVAL OF WATER BY SOURCE

 Body of water	Volume (m ³)
Ribeirão do Peixe	185,710.00
Ribeirão Sarassará	292,757.00
Rio Paraíba do Sul	1,663,566.40
Rio Grande	2,522,880.00
Rio São Marcos	79,024.00
Córrego Louriçal	14,415.00
Córrego Areia	14,020.00
Córrego da Prata	900.00
CEDAE	95,371.30
TOTAL	4,830,564.00

There are no water sources significantly affected by FURNAS' activities

LIMNOLOGIC AND WATER QUALITY MONITORING

 Hydroelectric Power Plant	Area (km ²)	Generation (MW)	Sampling points	Periodicity
In operation				
Furnas	1,440	1,216	37	Quarterly
Mascarenhas de Moraes	250	476	10	Quarterly
L.C.B. de Carvalho	47	1,050	8	Quarterly
Porto Colômbia	143	320	10	Quarterly
Marimbondo	438	1,440	14	Quarterly
Funil	40	216	13	Quarterly
Itumbiara	778	2,082	17	Quarterly
Corumbá	65	375	13	Quarterly
Serra da Mesa	1,784	1,275	19	Quarterly
Manso	427	212	24	Bimестrial
Under construction				
Simplício	12	333	25	Bimестrial
Batalha	138	52	13	Bimестrial

CONSERVATION UNITS SUPPORTED BY FURNAS



Protected Areas	Location	Managing Authority	Area (ha)
Bacia do Rio Descoberto Environmental Protection Area	GO/DF	IBRAM	39,100
Cabeceiras do Rio Cuiabá Environmental Protection Area	MT	SEMA	473,411
Planalto Central Environmental Protection Area	DF	ICMBio	498,630
Foz do Rio Santa Teresa Environmental Protection Area	TO	Naturatins	50,000
Ilha do Bananal/Cantão Environmental Protection Area	TO	Naturatins	16,780
JK Relevant Ecologic Interest Area	GO	SEMARH	2,311
Ecológico Floresta da Cicuta Relevant Ecologic Interest Area	RJ	ICMBio	131
Itaberá Ecologic Station	SP	IF/SP	180
Itapeva Ecologic Station	SP	IF/SP	106
Mário Xavier National Forest	RJ	ICMBio	493
Brasília National Forest	DF	ICMBio	9.369
Ezequias Heringer Ecologic Park (former Guará)	DF	SEMARH	310
Fazenda Atalaia Municipal Ecologic Park	RJ	Macaé City Hall	235
Olhos D'Água Ecologic Park	DF	SEMARH	16
Águas do Cuiabá State Park	MT	SEMA	10,600
Altamiro de Moura Pacheco State Park	GO	SEMARH	3,100
Gruta da Lagoa Azul State Park	MT	SEMA	12,512
Serra do Mar State Park	SP	IF/SP	315,000
Paraúna State Park	GO	SEMARH	3,250
Jurupará State Park	SP	IF/SP	26,250
Massairo Okamura State Park	MT	SEMA	5,375
Pirineus State Park	GO	SEMARH	2,833
São Camilo State Park	PR	IAP	385
Serra de Caldas Novas State Park	GO	SEMARH	12,300
Terra Ronca State Park	GO	SEMARH	50,000
Curió de Paracambi Municipal Park	RJ	Paracambi City Hall	1,100
Colônia Cratera Natural Municipal Park	SP	SVMA/SP	53
Brasília National Park	DF	ICMBio	9,369
Chapada dos Guimarães National Park	MT	SEMA	251,847
Chapada dos Veadeiros National Park	GO	ICMBio	61,000
Serra da Bocaina National Park	SP/RJ	ICMBio	134,000
Serra dos Órgãos National Park	RJ	ICMBio	20,024
Itatiaia National Park	MG/RJ/SP	ICMBio	30,000
Serra da Canastra National Park	MG	ICMBio	71,525
Santa Cecília do Ingá Farm Municipal State Park	RJ	Volta Redonda City Hall	211
Rota das Garças Natural Park	ES	Viana City Hall	20
Poço das Antas Biological Reserve	RJ	ICMBio	5,000
Biological Reserve Tinguá	RJ	ICMBio	26,000
União Biological Reserve	RJ	ICMBio	2,923
Avá-Canoeiro Indigenous Land	GO	Funai	38,000
Barragem Indigenous Land	SP	Funai	26
Krukutu Indigenous Land	SP	Funai	26
Jaraguá Indigenous Land	SP	Funai	2

SEEDLINGS PRODUCED IN FURNAS SEEDLING FARM

Place	Number of Seedlings		
	2011	2010	2009
Furnas HPP	61,120	80,034	29,765
Luiz C.B. de Carvalho HPP	35,521	41,098	45,382
Marimbondo HPP	66,155	50,858	56,111
Itumbiara HPP	134,109	291,540	93,725
Funil HPP	27,664	17,350	0
Batalha HPP	250,000	35,414	0
Simplício HPP	131,929	27,227	0
TOTAL	706,498	543,521	224,983

SEEDLING PLANTING

Place	Number of Seedlings		
	2011	2010	2009
Furnas HPP	15,750	13,399	19,688
CTE.O	3,300	1,911	3,900
Mascarenhas de Moraes HPP	3,325	1,222	0
Luiz C. B. de Carvalho HPP	7,475	11,021	19,324
Porto Colômbia HPP	0	0	3,355
Marimbondo HPP	21,350	11,577	17,166
Itumbiara HPP	19,275	9,288	44,468
Corumbá HPP	0	11,843	11,110
Funil HPP	9,525	0	0
TOTAL	80,000	60,261	119,011



POTENTIALLY IMPACTED AREAS BY FURNAS AND BIODIVERSITY INDICES

Operational Unit

Transmission Lines	County(State)	Location of the unit regarding	Area (km ²)	Affected Biome outside the protected area ⁽⁴⁾	Type of Vegetation and other Potentially Impacted Areas
345 kV Tijuco Preto-Itapeti ⁽¹⁾ TL	Mogi das Cruzes(SP)	Mogi das Cruzes(SP)	0.95	Atlantic Rain forest	Range area, forest in the initial stage - shrubbery forest and urban area
345 kV Itapeti-Northeast ⁽²⁾ TL	Mogi das Cruzes(SP) and Itaquaquecetuba(SP)	Mogi das Cruzes(SP) and Itaquaquecetuba(SP)	1.05	Atlantic Rain forest	Range area, forest in the initial stage - shrubbery forest and urban area
138 kV Símplicio-Rocha Leão ⁽¹⁾ TL	Além Paraíba(MG), Sapucaia(RJ), Sumidouro(RJ), Duas Barras(RJ), Trajano de Moraes(RJ), Bom Jardim/RJ, Macaé(RJ) and Rio das Ostras(RJ)	Além Paraíba(MG), Sapucaia(RJ), Sumidouro(RJ), Duas Barras(RJ), Trajano de Moraes(RJ), Bom Jardim(RJ), Macaé(RJ) and Rio das Ostras(RJ)	3	Atlantic Rain forest	Secondary vegetation in initial to advanced stage
LT 138 kV Anta-Símplicio ⁽¹⁾	Chiador(MG), Além Paraíba(MG), Sapucaia(RJ) and Rio de Janeiro(RJ)	Chiador(MG), Além Paraíba(MG), Sapucaia(RJ) and Rio de Janeiro(RJ)	0.67	Atlantic Rain forest	Secondary vegetation in initial to advanced stage
Hydroelectric Power Plants (HPP)			Area (km²)		
Porto Colômbia HPP	Guaíra(SP) and Planura(MG), Conceição das Alagoas(MG) and Miguelópolis(SP)	None	143	Shrubbery forest	Shrubbery forest and semideciduous mesophilic forest
Luis Carlos Barreto de Carvalho HPP	Pedregulho(SP) and Sacramento(MG)	Buffer zone of the Serra da Canastra PN	46,7	Shrubbery Forrest and Semideciduous Forest	Fields and range areas, agricultural cultivation, arboreal and shrubbery vegetation, and rocky soils, exposed or under preparation
Mrechal Mascarenhas de Moraes HPP	Ibiraci(MG)	Buffer zone of the Duas Bocas (MG) RBE and buffer zone of the Serra da Canastra PN	250	Shrubbery Forest and Semideciduous Forests	Clear field, dirt field, shrubbery field, shrubbery forest, cillinary forest, and altitude fields
Marimbondó HPP	Fronteira(MG) and Icém(SP)	None	438	Ecotone Shrubbery Forest and Atlantic Rain Forest (stationary semideciduous forest)	Approximately 6% of the hydrographic basin area is composed of the remaining natural vegetation (native forest)
Funil HPP	Itatiaia(RJ), Resende(RJ), Queluz(SP), Areias(SP) and São José do Barreiro(SP)	Buffer zone of the Itatiaia PN and of the Agulhas Negras Military Zone	40	Atlantic Rain Forest	Secondary vegetation in initial to advanced stage of Atlantic Rain Forest

Simplicio - Queda Única HPP (includes Anta HPP and Simplicio HPP) ⁽¹⁾	UHE Anta em Sapucaia(RJ), UHE Simplicio em Além Paraíba(MG), Três Rios(RJ) and Chiador(MG)	There are no protected areas impacted	17	Atlantic Rain Forest	Range area and Atlantic Rain Forest remnants
Manso APM	Cuiabá(MT)	Adjacent to Rio Cuiabá fountainhead APA	427	Shrubbery Forest	Shrubbery forest (sensu lato)
Serra da Mesa HPP	Minaçu(GO)	There are no protected areas impacted	1,784 ⁽³⁾	Atlantic Rain forest	Shrubbery forest (sensu lato)
AHE Batalha ⁽¹⁾	Cristalina(GO) and Paracatu(MG)	Buffer zone of the Ribeirão Santa Isabel State APP na buffer zone of the Córrego Espanha and Ribeirão Santa Isabel State APE	138 ⁽³⁾	Shrubbery forest	Shrubbery forest (sensu lato)
Furnas HPP	São José da Barra(MG) and São João Batista do Glória(MG)	Duas Bocas (MG) RBE and Serra da Canastra PN	1,440	Shrubbery	Shrubbery forest (sensu lato) and range area
Corumbá HPP	Caldas Novas(GO)	Buffer zone of the Serra de Caldas Novas PE	65	Shrubbery forest	Shrubbery forest (sensu lato)
Telecommunications Stations (TS)					
Pedra da Macela TS	Paraty(RJ)	Serra da Bocaina National Park	Area with less than 0.5 km ²	Atlantic Rain Forest	Secondary vegetation in initial to advanced stage of Atlantic Rain Forest
ET Agulhas Negras	Itatiaia(RJ)	Itatiaia National Park	Area with less than 0.5 km ²	Atlantic Rain Forest	Secondary vegetation in initial to advanced stage of Atlantic Rain Forest

(1) Being implemented

(2) Future operation announced formally

(3) No reference to reservoir

(4) All units show high degree of diversity

APA- Environmental Protection Area

APP - Permanent Protection Area

APE - Special Protection Area

PE - State Park

PN - National Park

PNM -Natural Municipal Park

RB - Biological Reservation

RBE - State Biological Reservation



ENDANGERED WILD SPECIES ACCORDING TO IUCN



Species/Category

Species/Category	Extinct	Extinct in nature	Critically endangered	Endangered	Vulnerable	Almost endangered	Marginally critical or insufficient	Installations where the species occurs
Alipiopsitta xanthops	0	0	0	0	0	1	0	i
Alouatta caraya	0	0	0	0	0	0	1	l
Amphisbaena alba	0	0	0	0	0	1	0	a
Anodorhynchus hyacinthinus	0	0	0	1	0	0	0	a
Anthus nattereri	0	0	0	0	1	0	0	c
Ara ararauna	0	0	0	0	0	1	0	a, i
Ara macao	0	0	0	0	0	1	0	a
Aratinga auricapillus	0	0	0	0	0	1	0	i
Aratinga solstitialis	0	0	0	1	0	0	0	a
Asio flammeus	0	0	0	0	0	0	1	i
Blastocerus dichotomus	0	0	0	0	1	0	0	a
Bothrops jararacussu	0	0	0	0	0	0	1	c
Brachyteles arachnoides	0	0	0	1	0	0	0	f
Bradypus variegatus	0	0	0	0	0	1	0	c
Buteo magnirostris	0	0	0	0	0	0	1	a
Caiman latirostris	0	0	0	0	0	1	0	a
Callithrix aurita	0	0	0	0	1	0	0	a, f
Callithrix flaviceps	0	0	0	1	0	0	0	1, 2, c
Callithrix penicillata	0	0	0	0	0	0	1	l
Campephilus robustus	0	0	0	0	0	0	1	c
Caprimulgus maculicaudus	0	0	0	0	0	0	1	i
Cebus apella	0	0	0	0	0	1	0	c, l
Chrysocyon brachyurus	0	0	0	0	0	1	0	a, e, i
Cistothorus platensis	0	0	0	0	0	0	1	i
Charitospiza eucosma	0	0	0	0	0	1	0	i
Columbina cyanopis	0	0	1	0	0	0	0	l
Columbina passerina	0	0	0	0	0	0	1	a
Coragyps atratus	0	0	0	0	0	0	1	c
Crax fasciolata	0	0	0	0	0	1	0	a, l, i
Crotophaga ani	0	0	0	0	0	0	1	a
Crypturellus tataupa	0	0	0	0	0	1	0	a
Crypturellus undulatus	0	0	0	0	0	1	0	a, l
Cuniculus paca	0	0	0	0	0	0	1	a
Dasypus novemcinctus	0	0	0	0	0	0	1	a
Dermatonotus muelleri	0	0	0	0	0	1	0	a
Didelphis marsupialis	0	0	0	0	0	0	1	a, l
Euphractus sexcinctus	0	0	0	0	0	0	1	c
Furnarius rufus	0	0	0	0	0	0	1	c
Gallinula chloropus	0	0	0	0	0	0	1	c
Harpia harpyja	0	0	0	0	0	1	0	l
Harpyhaliaetus coronatus	0	0	0	1	0	0	0	i
Hydrochoerus hydrochaeris	0	0	0	0	0	0	1	c
Hylocryptus rectirostris	0	0	0	0	0	0	1	i
Lasiurus cinereus	0	0	0	0	0	0	1	l
Leontopithecus rosalia	0	0	1	0	0	0	0	a
Leopardus colocolo	0	0	0	0	0	1	0	a
Leopardus pardalis	0	0	0	0	0	1	0	a
Leopardus tigrinus	0	0	0	0	1	0	0	a, l, i
Leopardus wieddi	0	0	0	0	0	1	0	c
Lontra longicaudis	0	0	0	0	0	0	1	c
Mazama americana	0	0	0	0	0	0	1	c
Mergus octosetaceus	0	0	1	0	0	0	0	c, l
Mimus saturninus	0	0	0	0	0	0	1	c



	Extinct	Extinct in nature	Critically endangered	Endangered	Vulnerable	Almost endangered	Marginally critical or insufficient	Installations where the species occurs
Morphnus guianensis	0	0	0	0	0	1	0	c
Myrmecophaga tridactyla	0	0	0	0	1	0	0	1, 2, 3, 4, l, e, i
Nasua nasua	0	0	0	0	0	0	1	l
Nyctibius aethereus	0	0	0	0	0	0	1	f
Odontophorus capueira	0	0	0	0	0	0	1	f
Ozotoceros bezoarticus	0	0	0	0	0	1	0	a
Parides ascanius	0	0	0	1	0	0	0	a
Passer domesticus	0	0	0	0	0	0	1	c, l
Pathera onca	0	0	0	0	0	1	0	a, i
Penelope obscura	0	0	0	0	0	0	1	c
Phibalura flavirostris	0	0	0	0	0	0	1	c
Piaya cayana	0	0	0	0	0	0	1	c
Pilherodius pileatus	0	0	0	0	0	0	1	f
Pipile pipile	0	0	1	0	0	0	0	l
Pipra fasciicauda	0	0	0	0	0	0	1	i
Pitangus sulphuratus	0	0	0	0	0	0	1	c
Platyrhinus recifinus	0	0	0	0	0	0	1	f
Priodontes maximus	0	0	0	0	1	0	0	a, l, i
Pseudalopex vetulus	0	0	0	0	0	1	0	a
Pseudis paradoxa	0	0	0	0	0	1	0	a
Porphyrospiza caerulescens	0	0	0	0	0	1	0	i
Pteroglossus castanotis	0	0	0	0	0	0	1	i
Pteronura brasiliensis	0	0	0	1	0	0	0	a
Puma concolor	0	0	0	0	0	1	0	3, 4, e, i
Pyroderus scutatus	0	0	0	0	0	0	1	l
Rhea americana	0	0	0	0	0	1	0	a, l, i
Rhynchotus rufescens	0	0	0	0	0	1	0	c, l
Sarcoramphus papa	0	0	0	0	0	0	1	i
Sarkidiornis melanotos	0	0	0	0	0	0	1	l
Sicalis flaveola	0	0	0	0	0	0	1	c
Speothos venaticus	0	0	0	0	0	1	0	c, l
Spizaetus ornatus	0	0	0	0	0	0	1	l
Spizaetus tyrannus	0	0	0	0	0	0	1	l
Sporophila collaris	0	0	0	0	0	0	1	i
Sylvilagus brasiliensis	0	0	0	0	0	0	1	c
Suiriri islerorum	0	0	0	0	0	1	0	i
Tamandua tetradactyla	0	0	0	0	0	1	0	c, l
Taoniscus nanus	0	0	0	0	1	0	0	a
Tapirus terrestris	0	0	0	0	1	0	0	a
Tayassu pecari	0	0	0	0	0	1	0	a
Thraupis cyanopectus	0	0	0	0	0	0	1	c
Tinamus solitarius	0	0	0	0	0	1	0	a
Tolypeutes tricinctus	0	0	0	0	1	0	0	a, l
Tropidurus torquatus	0	0	0	0	0	0	1	l
Volatinia jacarina	0	0	0	0	0	0	1	l
Zonotrichia capensis	0	0	0	0	0	0	1	l
TOTAL	0	0	3	2	6	17	28	

Table of Installation Identification - Transmission Lines (TL)

- 1) 345 kV Tijuco Preto-Itapeti TL (being implemented)
- 2) 345 kV Itapeti-Nordeste TL (future operation formerly announced)
- 3) 138 kV Simplicio-Rocha Leão TL (being implanted)
- 4) 138 kV Anta-Simplicio TL (being implemented)

Hydroelectric Power Plants (HPP)

- a) Porto Colômbia HPP
- b) Luis Carlos Barreto de Carvalho HPP
- c) Marechal Mascarenhas de Moraes HPP
- d) Marimbondo HPP
- e) Funil HPP
- f) Simplicio - Queda Única HPP (includes Anta HPP and Simplicio HPP), being implemented
- g) Manso Multiple Use (APM)

h) Serra da Mesa HPP

- i) Batalha HPP, being implemented
- j) Furnas HPP
- l) Corumbá HPP Telecommunication Stations (TS)
- A) Pedra da Macela TS
- B) Agulhas Negras TS



ENDANGERED SPECIES AT SERRA DO ITAPETY MUNICIPAL PARK – 2011

Animal Group	Taxonomic Name	Conservation Status			
		Global	National	State (Decree nº 56.031/2010)	State (SILVEIRA et al. 2010)
Birds	<i>Penelope obscura</i>	-	-	-	Almost endangered
	<i>Spizaetus tyrannus</i>	-	-	Vulnerable	Vulnerable
	<i>Drymophila ochropyga</i>	Almost endangered	-	-	Almost endangered
	<i>Phylloscartes difficilis</i>	Almost endangered	-	-	Almost endangered
	<i>Hemitriccus orbitatus</i>	Almost endangered	-	-	-
	<i>Procnias nudicollis</i>	Vulnerable	-	Vulnerable	Vulnerable
	<i>Pyroderus scutatus</i>	-	-	Vulnerable	Vulnerable
	Mammals	<i>Thaptomys nigrita</i>	-	-	Vulnerable

SILVEIRA, L. F.; BENEDICTO, G.; SCHUNK, F.; SUGIEDA, A. Z. . Aves. p. 28-87 In: Bressan, P. M.; Kierulff, M. C. M. & Sugieda, A. M. (Org.). Fauna Ameaçada de extinção no Estado de São Paulo - Vertebrados. São Paulo: Fundação Parque Zoológico de São Paulo e Secretaria do Meio Ambiente. 2010.

REPOPULATION OF RESERVOIRS WITH FRY

Year	Number of fry released
2011	193,792
2010	266,810
2009	518,194

RESIDUE MANAGEMENT

		2011	2010
 NON-RENEWABLE MATERIALS	Description		
	Diesel oil (l)	1,400	1,071,211
	Isolating mineral oil (l)	438,500	421,515
	Silica gel (kg)	443	2,273,85

 DISCARDED LIGHT BULBS	Year	Product	Amount
	2011	Used fluorescent light bulbs	14,100 pieces
		Broken fluorescent light bulbs	100 Kg
	2010	Used fluorescent light bulbs	14,150 pieces
		Broken fluorescent light bulbs	300 kg
	2009	Used fluorescent light bulbs	11,725 pieces
		Broken fluorescent light bulbs	170 kg

 DISCARDED BATTERIES	Year	Alkaline batteries (number of pieces)	Acid batteries (number of pieces)
	2011	79	1592
	2010	-	514
	2009	366	83

		2011	2010	2009
 SCRAP METAL ALIENATED	Material (t)			
	Ferrous scrap metal	19	268	438
	Copper/brass scrap metal	58	51	81
	Aluminum and aluminum cable with steel soul	51	44,7	33
	Isolated copper and aluminum cable	29	23	46
	TOTAL	338	386.7	598

		2011	2010	2009
 DONATED WASTE SELECTIVE COLLECTION	Material (t)			
	Paper	124.43	93.56	113.55
	Plastic	26.79	11.02	20.41
	Metal	44.76	86.65	55.18
	Glass	1.07	0.23	1.61



ENVIRONMENTAL EDUCATION – INTERNAL PUBLIC

	2011	2010	2009
Environmental Education – Internal Public			
Number of employees trained in the environmental education programs	779	149	307
Percentage of employees trained in the environmental education programs / total number of employees (%)	12.16	3.04	6.45

ENVIRONMENTAL EDUCATION – COMMUNITIES

Environmental Education Programs for Communities	Number of people
Batalha HPP	440
500 kV Bom Despacho 2 - Ouro Preto 3 TL	462
345 kV Tijuco Preto- Itapeti-Nordeste TL	112
Others (Fairs, Events, etc)	2,960
TOTAL	3,974

ENVIRONMENTAL EDUCATION TO PRESERVE ENERGY

Project	Number of people
Furnas/Procel in the Schools – teachers	721
Furnas Procel in the Schools – fundamental level students	39,246
Knowledge Energy	1,625
Technical Lectures	13,285
Events	34,950
TOTAL	89,845

ENERGETIC DIAGNOSIS PERFORMED IN 2011

	ECONOMY POTENTIAL	
	Energy Saved (MWh/Year)	Demand Reduction (kW)
Partnership with Contagem County Bureau de Contagem		
Ana Guedes Municipal School	6.4	5.07
Ápio Cardoso Municipal School	7.33	5
Cel Augusto Municipal School	11.71	7.71
José Lucas Municipal School	10.91	6.4
Ivan Diniz Municipal School	16.44	9.93
Avelino Camargos Municipal School	16.06	10.55
Pedro Pacheco De Souza Municipal School	9.41	6.08
Vasco Pereira Da Fonseca Municipal School	8.89	6.19
Antônio Carlos Lemos Municipal School	8.01	5.24
Subtotal	95.16	62.17
Other		
São Paulo Electricians Union Building	114.76	50.6
Mogi das Cruzes (SP) Municipal Civic Center	109.87	42.33
Semae de Mogi das Cruzes Sanitation Systems (EEE Marabá Island, ETA Sabaúna, EEE Casarejos, EEA Taísa)*	13.76	-
Valinhos (MG) State Educational Bureau	8.13	6.89
Adrianópolis Substation	204.85	58.55
Illumination System of the Mines and Energy Ministry	325	107
Subtotal	776.37	265.37
TOTAL	871.53	327.54

(*) There was no demand reduction, since it was recommended the exchange of current equipment by high return equipment with the same power.

EEE = Sewage Unit

ETA = Water Treatment Unit

EEA = Water Distribution Unit

INVESTMENT IN ENERGETIC PRESERVATION AND EFFICIENCY

	2011	2010	2009
TYPE OF PROJECT			
Education – Energy preservation and rational use			
Own resources invested ⁽⁵⁾	5,167	6,700	5,777
Third party resources invested	153	301	250
Total resources	5,320	7,001	6,027
Public illumination			
Own resources invested	0	0	0
Third party resources invested	5,996 ⁽³⁾	0	8,146 ⁽¹⁾
Total resources	5,996	0	8,146
Public service			
Own resources invested	0	0	0
Third party resources invested	0	0	0
Total resources	0	0	0

	2011	2010	2009
TYPE OF PROJECT			
Own installations (in the company)			
Own resources invested	75 ⁽⁴⁾	165 ⁽²⁾	534
Third party resources invested	0	0	0
Total resources	75	165	534

(1) Reluz Goiânia – Financed by Eletrobras for Goiânia City Hall.

(2) Energetic optimization of to the Advisory Council of Energy Conservation Studies and Programs and Block P of FURNAS Headquarters.

(3) Reluz Jataí – Financed by Eletrobras for Jataí City Hall.

(4) Energetic optimization of the emergency illumination system of Block E of FURNAS Headquarters.

(5) Resources applied in 2011 reflect the budget cut and personnel reduction.

ENERGETIC EFFICIENCY – SAVED ENERGY AND COST AVOIDED

	2011	2010	2009
Public illumination			
Energy saved (MWh/year) ⁽¹⁾	3,210.96	0	6,244.87
End demand reduction (kW)	733	0	1,430
Amount saved (R\$)	780,996	0	1,394,104
Public service			
Energy saved (MWh/year) ⁽²⁾	0	6,871.35	0
End demand reduction (kW)	0	0	0
Amount saved (R\$)	0	1,586,382.78	0
Own installations (FURNAS)			
Energy saved (MWh/ano) ⁽³⁾	70.76	6.70	353.91
End demand reduction (kW) ⁽³⁾	8	2.66	239
Amount saved (R\$) ⁽⁴⁾	17,211	1,547	86,081

(1) Reluz Goiânia – Financed by eletrobras for Goiânia City Hall.

(2) Considering just the number of students in FURNAS/Procel in Schools and using as basis the fact that Eletrobras considers that each trained person by the Nature of the Landscape Program – Energy: Life Resources saves 12.50 kWh/month. Taking into consideration that 45,809 students were trained in 2010, a economy of 572.61 MWh/month, i.e., 6,871.35 MWh/year was observed.

(3) Economy in internal projects, FURNAS Headquarters.

(4) For 2009, the value is secondary to the energy saved in internal projects based on Light's fee for November 2009 (ANEEL Resolution n° 905/09), not including end demand reduction.

DIRECT ENERGY CONSUMPTION

THERMAL POWER PLANTS FUEL CONSUMPTION

Year	Natural Gas (m ³)	Diesel (L)	Special Diesel (L)	Energy Generated (GWh)
2011	44,492,629*	0	10,918,016*	181
2010	—	29,117	1,042,094	39
2009	—	0	0	0

* Santa Cruz TPP.

FUEL CONSUMPTION: OWN VEHICLES

HEADQUARTERS

	2011	2010	2009
Non-Renewable Fuel			
Diesel (L)	889,930	871,226*	895,541
Gasoline (L)	580,042	468,389*	610,932
Renewable Fuel			
Alcohol (L)	16,466	18,706*	16,774

* Values reviewed and corrected based on values informed in 2010 Report.

EQUIVALENT CO₂ EMISSIONS IN 2011

FIXED SOURCES

	Energy (GJ)	Emissions (t CO ₂ e)
Non-Renewable Fuel		
Special Diesel - TPP*	381,321.81	27,395.44
Diesel	1,088.34	78.19
Natural Gas - TPP*	1,639,287.42	92,046.42
Natural Gas	757.61	42.54
Gasoline	192.80	11.04
LPG	336.72	21.26
TOTAL	2,022,984.70	119,594.89
Fugitive emissions	Amount (kg)	Emissions (t CO₂ e)
SF ₆	4,300.00	102,770.00
HFC - 134 a	923.02	1,199.92
R 22	49,488.22	0
PFC 116	313.77	2,886.72
CO ₂	5,778.66	5.78
TOTAL	60,803.67	106,862.42

MOVABLE SOURCES

 Renewable Fuel	Energy (GJ)	Emissions (t CO ₂ e)
Diesel	407,671.37	29,700.68
Gasoline	416,570.16	24,821.47
LPG	1,810.83	116.73
NVG	487.08	28.72
Non-renewable fuel		
Hydrated Ethanol	45,624.16	25.73
TOTAL	872,163.60	54,693.33

SUMMARY OF EQUIVALENT CO₂ EMISSIONS IN 2011

TOTAL SCOPE 1- FIXABLE AND MOVABLE SOURCES

 Consumption	GJ	t CO ₂ e
Fixable and renewable sources	2,895,148.30	281,150.64

TOTAL SCOPE 2 - ELECTRICITY

 Consumption	GWh	GJ	t CO ₂ e
Electricity	67,035.01	241,326.05	1,957.42

SO_x E NO_x EMISSIONS

 tSO _x	tNO _x
39,25	224,81

DETAILED EXPENSES AND INVESTMENTS IN ENVIRONMENTAL PROTECTION (R\$ THOUSAND)

	2011	2010
TYPE		
Expenses: Maintenance of operational processes to improve the environment	24,165	22,687
Investments: Preservation and /or recuperation of degraded environments	42,996	31,747
Investments: Environmental education for the community	521	348
Subtotal	67,681	54,782
Other environmental projects	1,372	7,187
Total	69,053	61,969

ENVIRONMENT-RELATED LAWSUITS 2011

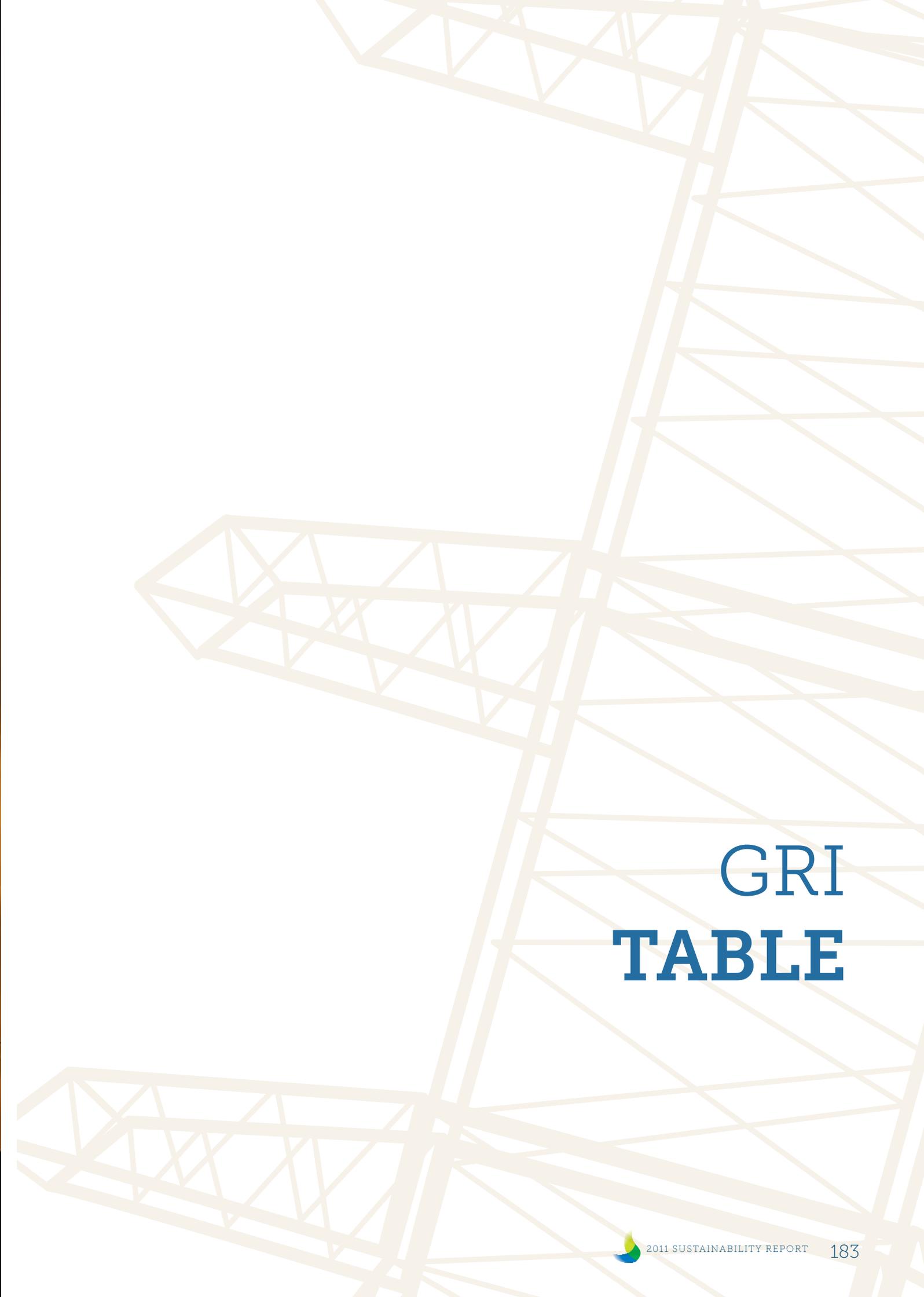
Lawsuit with value over R\$ 1.000 mil	Assessment notice nº 48,351/2004 Phase of the Law suit: Declaration Plea – Judicial Process nº 0044803-55.2011.8.16.0004
Federal Circuit	Ivaiporã SE. Law suit nº 5.942.831-4
Object	Explosion followed by fire and leakage of insulating oil from the autotransformer ATO1-B
Sender body	Paraná Environmental Institute (IAP)
Estimated value in R\$* for 12/31/2011	2,000,000.00 (Deposit in guarantee done in 08/05/2011, request nº D11168)

ENVIRONMENTAL ADMINISTRATIVE SANCTIONS 2010/2011

Undertaking	Batalha HPP	Viana SE
Sanction	Assessment notice n° 687170-D/10 27/8/2010. Phase of the Law Suit: Defense was opportunely presented on 09/15/2010	Tax assessment notice n° 323/10-SAIA and Summons notice n° 250/2010-SAIA Lawsuit phase: Furnas registered its defense with IEMA on 10/28/2010
Object	Lack of environmental conservation programs for the flora regarding São Marcos river between Cristalina (GO) and Paracatu (MG)	To cause sediment build up of a body of water through soil carriage from talus without vegetal coverage
Sender body	Ibama	Espírito Santo State Institute of Environment and Water Resources (IEMA)
Estimated value* in R\$ for 12/31/2011	2,884,500.00	5,600.00

* Values of the Lawsuits and administrative sanctions were brought up to date in 12/30/2011, based on the Selic rate, (Federal reference rate) according to Art. 24 and its single paragraph, of Normative Resolution N° 63 of 5/12/2004, according to predicted in § 5° of Art. 17 of Annex I of Decree N° 2,335, of October 6, 1997, which have been included in Eletrobras contingencies.





GRI TABLE





GRI G3 Directives / Indicators		ISO 26000 Clauses	Global Compact Principles	Pages	Observations
Directives Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization.	6.2		5	
1.2	Description of key impacts, risks, and opportunities.	6.2		20, 34, 35	
Organizational Profile					
2.1	Name of the Organization.			16	
2.2	Primary brands, products and/or services.			16	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6.2		20 y 31	
2.4	Location of organization's headquarters.			103	
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.				All operational units (including operational ones) are in Brazilian territory.
2.6	Nature of ownership and legal form.			16	
2.7	Markets served (including geographic breakdown, sectors served, and types of costumers/beneficiaries).			24	
2.8	Scale of the reporting organization.			16	
2.9	Significant changes during the reporting period regarding size, estructure, or ownership.			30	
2.10	Awards received in the reporting period.			26	
Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.			9	
3.2	Date of the most recent previous report (if any).			9	
3.3	Reporting cycle (annual, biennial, etc.).			9	
3.4	Contact point for questions regarding the report or its contents.			103	
3.5	Process for defining report contents.			9	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).			9	
3.7	State any specific limitations on the scope or boundary of the report.			9	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability form period to period and/or between organizations.			9	
3.9	Data measurement techniques and the bases of calculation, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.			84	All accounting data in this report were previously audited in the Financial Statements, which are part of the Annual Report (available at www.furnas.com.br).





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3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).			178	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.				There was no significant change in the scope, limit, or measurement methods.
3.12	Table identifying the location of Standard Disclosures in the report.	7.5.3		183	
3.13	Policy and current practice with regard to seeking external assurance for the report.				This report did not undergo external verification.
Governance, Commitments, and Engagement					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	6.2		29 and 112	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reason for this arrangement).	6.2		29	
4.3	For organizations that have an unitary board structure, state the number and gender of members of the highest governance body.	6.2		29	
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body.	6.2		29	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organization's performance (including social and environmental performance).	6.2		58	
4.6	Processes in place for the highest governance body to ensure conflict of interests are avoided.	6.2		31	
4.7	Process for determining composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	6.2		33	





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4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	6.2		37	
4.9	Procedures of the highest governance body for overseeing the organization identification and management of the economic, environment, and social performance, including relevant risks and opportunities, as well as adherence or compliance with internationally agreed standards, codes of conduct, and principles.	6.2		32 and 34	
Commitments to external initiatives					
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	6.2		33	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	6.2			
4.12	Externally developed economic, environmental, or social charters, principles, or other initiatives to which the organization subscribes or endorses.	6.2		5	
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization: <ul style="list-style-type: none"> • has position in governance bodies; • participates in projects or committees; • provides substantive funding beyond routine membership dues; • views membership as strategic. 	6.2		114	
Stakeholders engagement					
4.14	List of stakeholder groups engaged by the organization.	6.2		114 to 116	
4.15	Basis for identification and selection of stakeholders with whom to engage.	6.2			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	6.2		38 and 39	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	6.2		39	





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Indicator Economic Development

EC1	Direct economic value generated and distributed, including revenue, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6.8 6.8.3 6.8.7 6.8.9		52 to 55, 73, 76 and 102	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate changes.	6.5.5	7	98	
EC3	Coverage of the organization's defined benefit plan obligations.		1		FURNAS is founder and sponsor of the Real Grandeza – Fundação de Previdência e Assistência Social – FRG, a not for profit organization whose objective is to supplement retirement benefits of its participants. Currently, FRG administer two retirement plans: Defined Benefit (BD) and a Defined Contribution (CD).
EC4	Significant financial assistance received from government.				FURNAS does not receive governmental funds.
Market presence					
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6.4.4 6.8	6	126	
EC6	Policy, practices, and proportion of spending on-locally based at significant locations of operation.	6.6.6 6.8 6.8.5 6.8.7		69	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	6.8 6.8.5 6.8.7	6		FURNAS relies exclusively on public examinations to hire its employees.
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and service provided primarily for public benefit for commercial, in-kind, or pro bono engagement.	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9	1		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9	9	71 and 72	





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Environmental Performance Indicators

Materials

EN1	Materials used by weight or volume.	6.5 6.5.4	8	173, 177 and 178	
EN2	Percentage of materials used that are recycled input materials.	6.5 6.5.4			FURNAS does not use recycled materials.

Energy

EN3	Direct energy consumption by primary energy.	6.5 6.5.4	8	177 to 179	
EN4	Indirect energy consumption by primary source.	6.5 6.5.4	8	179	
EN5	Energy saved due to conservation and efficiency improvements.	6.5 6.5.4	8, 9 8, 9	95, 175 and 177	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reduction in energy requirements as a result of these initiatives.	6.5 6.5.4		43, 96, 175 and 177	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	6.5 6.5.4		98	

Water

EN8	Total water withdrawal by source.	6.5 6.5.4	8	165	
EN9	Water sources significantly affected by withdrawal of water.	6.5 6.5.4			There are no water sources significantly affected by FURNAS activities.
EN10	Percentage and total volume of water recycled and reused.	6.5 6.5.4		87	

Biodiversity

EN11	Location and size of the land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.	6.5 6.5.6		168 and 169	
EN12	Description of significant impact of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	6.5 6.5.6	8	87 and 88	
EN13	Habitats protected or restored.	6.5 6.5.6	8 8	166	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	6.5 6.5.6		87 and 88	
EN15	Number of IUCN Red List species and national conservation list species with habitats is in areas affected by operations, by level of extinction risk.	6.5 6.5.6	8	170 and 171	



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		ISO 26000 Clauses	Global Compact Principles	Pages	Observations
Emissions, effluents, and waste					
EN16	Total direct and indirect greenhouse gas emission by weight.	6.5 6.5.5	8	99, 178 and 179	
EN17	Other relevant indirect greenhouse gas emissions by weight.	6.5 6.5.5	8	178	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	6.5 6.5.5	8, 9	97 and 98	
EN19	Emissions of ozone-depleting substances by weight.	6.5 6.5.3			Information not available
EN20	NOx, SOx and other significant air emissions by type and weight.	6.5 6.5.3		179	
EN21	Total water discharge by quality and destination.	6.5 6.5.3			Information not available
EN22	Total weight of waste by type and disposal method.	6.5 6.5.3	8	173	
EN23	Total number and volume of significant spills.	6.5 6.5.3		92	
EN24	Weight of transported, imported, exported, treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	6.5 6.5.3	8	90	
EN25	Identity, size, protected status, and biodiversity balu of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	6.5 6.5.4 6.5.6	8		There is no significant amount of water discarded associated with FURNAS activities.
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact reduction.	6.5 6.5.4 6.6.6 6.7.5	8, 9	88, 89, 167 and 172	
EN27	Percentage of products sold and their packing materials that are reclaimed by category.	6.5 6.5.4 6.7.5			It does not apply to the nature of FURNAS activities.
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions resulting for non-compliance with environmental laws and regulations.	6.5	8	99, 180 and 181	
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	6.5 6.5.4 6.6.6			Information not available.
Overall					
EN30	Total environmental protection expenditures and investments by type.	6.5	7, 8	99	





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Social Performance – Labor Practices

Employment

LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	6.4 6.4.3	6	58 to 60	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	6.4 6.4.3	6	128 and 130	
LA3	Benefits provided to full time employees that are not provided to part-time or temporary employees, by significant locations of operations.	6.4 6.4.3 6.4.4	6		Profit and Results Participation, Complementary Retirement Plan offered by FRG, and remaining benefits according to ACT are exclusive of effective employees.

Labor/management relations

LA4	Percentage of employees covered by collective bargaining agreements.	6.4 6.4.3 6.4.4 6.4.5 6.3.10	1, 3	61	
LA5	Minimum notice periods regarding operational changes, including whether it is specified in collective agreements.	6.4 6.4.3 6.4.4 6.4.5			There is clause in the ACT on technological innovations in which companies guarantee the participation of unions in studies and implementation of technological innovation processes that determine work rationalization as well as modifications of employee activities.

Occupational health and safety

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees, that help monitor and advise on occupational health and safety programs.	6.4 6.4.6	1, 3	68	
LA7	Rates of injuries, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	6.4 6.4.6		68 and 135	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their family members, or community members regarding serious diseases.	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8		69, 94, 133 and 134	
LA9	Health and safety topics covered in formal agreements with trade unions.	6.4 6.4.6			In ACT, there is a specific clause on the Accident Prevention Permanent Committee.





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Training and education				
LA10	Average hours of training per year per employee, by gender, and by employee category.	6.4 6.4.7		131
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in manage career endings.	6.4 6.4.7 6.8.5		66 and 67
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	6.4 6.4.7		100% - The PCR conceives annual performance analysis for all employees.
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	6.3.7 6.3.10 6.4 6.4.3	1, 6	128
LA14	Equal remuneration for women and men Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	6.3.7 6.3.10 6.4 6.4.3 6.4.4	1, 6	127
LA15	Return to work and retention rates after maternity/paternity leave, by gender.			134
Human Rights Performance Indicators				
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	6.3 6.3.3 6.3.5 6.6.6	1, 2, 4, 5	69 and 70
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	6.3 6.3.3 6.3.5 6.4.3 6.6.6		FURNAS did not evaluate especially its suppliers regarding human rights.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	6.3 6.3.5	1, 2	Information not available.
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	6.3 6.3.6 6.3.7 6.3.10 6.4.3	1, 6	38
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5	1, 3	61 Freedom to join unions and associations is guaranteed in the ACT according to ILO rules.





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Child Labor				
HR6	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.	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	1, 2, 5	69 and 70
Forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	1, 2, 4	69 and 70
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	6.3 6.3.5 6.4.3 6.6.6		Four security inspectors are FURNAS employees. The remaining personnel responsible for security are outsourced personnel. Training demands, including Human Rights, apply to the entire security personnel, according to Administrative Ruling 387/2006 and its reviews.
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	6.3 6.3.6 6.3.7 6.3.8 6.6.7	1	72
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessment.			71 and 72
HR11	Number of grievances related to human rights field, addressed and resolved through formal grievance mechanisms.			37
Society Performance				
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	6.3.9 6.8 6.8.5 6.8.7 6.6.7	1	70 and 71
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	6.6 6.6.3		FURNAS does not make specific evaluations of corruption-related risks.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	6.6 6.6.3		In 2010, there was no specific training in anti-corruption policies and procedures.
SO4	Actions taken in response to incidents of corruption.	6.6 6.6.3	10	36 and 37



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Observations

Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying.	6.6 6.6.4 6.8.3	1, 8	75 to 78 and 174
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	6.6 6.6.4 6.8.3		FURNAS does not give financial contributions to politicians, political parties, or related institutions.
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	6.6 6.6.5 6.6.7		There are no lawsuits brought against FURNAS due to anti-competitive behavior, anti-trust, and monopoly-related practices.
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	6.6 6.6.7 6.8.7		There are five tax fines, for a total of R\$ 1,600,000,000.00. According to the evaluation of FURNAS legal counsel, there is little chance of FURNAS' losing the lawsuits.
SO9	Significant operations with potential or real negative impact in local communities.			71 and 72
SO10	Preventive and mitigation measures in significant operations with negative impacts in local communities.			70 to 72
Social Performance – Product Responsibility indicators				
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedure.	6.3.9 6.6.6 6.7 6.7.4 6.7.5		Not applicable
PR2	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 and outcomes.	6.3.9 6.6.6 6.7 6.7.4 6.7.5		Not applicable
Product and service labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9		Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9		Not applicable





GRI G3 Directives / Indicators	ISO 26000 Clauses	Global Compact Principles	Pages	Observations
PR5	Practices related to customer satisfaction, including results of survey measuring customer satisfaction.	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9		FURNAS does not conduct customer satisfaction surveys.
Marketing communications				
PR6	Programs for adherence to laws, Standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	6.7 6.7.3 6.7.6 6.7.9		FURNAS follows the precepts of the Integrated Communication Policy of the Brand Manual and the Ethics Code of the Eletrobras System, available at www.eletobras.com.br (Press Room).
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	6.7 6.7.3 6.7.6 6.7.9		Not applicable
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	6.7 6.7.7		Not applicable
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	6.7 6.7.6		Not applicable
Electric Utilities Sector				
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.		17 and 107	
EU2	Net energy output broken down by primary energy source and by regulatory regime.		23	
EU3	Number of residential, industrial, institutional and commercial customer accounts.			Not applicable
EU4	Length of above and underground transmission and distribution lines by regulatory regime.		18 and 106	
EU5	Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework.			FURNAS does not have CO ₂ emission allowances.
EU6	Management approach to ensure short and long-term electricity availability and reliability.		23 and 24	
EU7	Demand-side management programs including residential, commercial, institutional and industrial programs.			Not applicable



GRI G3 Directives / Indicators		ISO 26000 Clauses	Global Compact Principles	Pages	Observations
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development.		7, 8	42 to 47 and 120	
EU9	Provisions for decommissioning of nuclear power sites.				Not applicable
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.			19 to 21 and 108	
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime.			109	
EU12	Transmission and distribution losses as a percentage of total energy.			109	
EU13	Biodiversity of compensatory habitats compared to biodiversity of affected areas.			168 and 169	
EU14	Programs and processes to ensure the availability of a skilled workforce.			45 to 47, 66 and 67	
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region.			132	
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and sub contractors.			67, 68 and 103	
EU17	Workdays of outsourced and subcontracted personnel involved in construction, operation, and maintenance activities.				FURNAS does not have this type of control, which is up to outsourced or subcontracted companies.
EU18	Percentage of outsourced and subcontracted personnel undergoing relevant health and safety training.				FURNAS does not have this type of control, which is up to outsourced or subcontracted companies.
EU19	Stakeholders participation in the decision making process related to energy planning and infrastructure development.			19 and 20	
EU20	Approach to managing the impacts of displacement.		1, 2	72	
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans.		1, 2	93	
EU22	Number of people physically or economically displaced and compensation, broken down by type of project.		1, 2	136	
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services.			76 and 136	
EU24	Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services.				Not applicable





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EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases.			FURNAS does not have direct relationship with final electric energy consumers.
EU26	Percentage of population unserved in licensed distribution or service areas.			Not applicable.
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime.			Not applicable.
EU28	Power outage frequency.			Not applicable.
EU29	Average power outage duration.			Not applicable.
EU30	Average plant availability factor by energy source and by regulatory regime.		22 and 23	



Social Project "Mãos de Teotônio" (RO)



Citizenship Village in Sapucaia (RJ)





Seedling Farm at Santo Antônio HPP (RO)

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Edition

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José Lins - pages 04, 10, 12, 13, 14, 16, 20, 25,
27, 28, 31, 44, 51, 82, 100, 104, 110, 117, 123, 152,
182, 198 e 199
FURNAS Archives - page 8
Jan Oelker - pages 40 e 118
Lúcia Pacheco - pages 56, 124 e 196
Daniela Monteiro - pages 65 e 197
Licélio de Miranda Lima - page 109

Text composed in the Museo Slab, Arial e Myriad Pro families.

Interior printed in couché matte paper 170g/m² and cover in couché matte paper 300g/m²,
at SGO Artes Gráficas, Rio de Janeiro, RJ, in August 2012.

Edition: 200 copies in Portuguese, 100 in English, and 100 in Spanish.

