

**Sustainability
Report
2013**

 **AES Eletropaulo**
Uma Empresa AES Brasil

AES ELETROPAULO

Sustainability Report 2013

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About the report

AES Eletropaulo assumed, along with its public relations, the commitment of disclosing results of its Sustainability Platform. This way, for the eighth consecutive year, the companies disclose its Sustainability Report, pursuant to the guidelines of the Global Reporting Initiative (GRI)

GRI: 2.1; 3.1; 3.3; 3.4; 3.5; 3.6; 3.8; 3.9; 3.10; 3.11

Published on an annual basis, this report covers the period between January 1, 2013 and December 31, 2013 and in compliance with the level B+ of adherence to the guidelines of GRI. Purpose of external verification, and provides information on the AES Eletropaulo's activities in its operational units in the State of São Paulo.

Occasionally, and Always when indicated in explaining notes, specific premises were adopted for the calculation of indicators with additional methodology to GRI. Complementarily, the reformulated information previously rendered shall be indicated in the explaining notes.

The content was defined together with all the company's areas and based on the discussions during the 5th Cycle of Relationship Consultation, reached in electronic format between December 2013 and January 2014. The chapters were restructured in a way to present the definition of the Group for each key-subject, presenting the current context and the future of them, a balance of the risks and opportunities related to each one and the shares of AES Eletropaulo to comply with the sustainability commitments assumed.

In case of doubt, suggestions, critics regarding this report, they can be forwarded to the Management of Sustainability, the e-mail: sustentabilidade@aes.com.

	C	C+	B	B+	A	A+	
Content of the report	G3.1 Profile	Answer to the items: 1.1; 2.1 to 2.10; 3.1 to 3.8, 3.10 to 3.12; 4.1 to 4.4, 4.14 to 4.15	With external verification	Answer to all criteria mentioned to level C plus: 1.2; 3.9, 3.13; 4.5 a 4.13, 4.16 a 4.17	With external verification	The same required to level B	With external verification
	G3.1 management way	Not required		Information about management way to each Indicator Category		management way disclosed for each Category of Indicator	
	G3.1 Performance indicators and sector supplement	Answer to a minimum of 10 performance indicators, including at least one of each the following performance areas: social, economic and environmental		Answer to a minimum of 20 performance indicators, including at least one of each of the following performance area: economic, environmental, human rights, labor practices, society, responsibility over the product		Answer to each essential indicator of G3 and of sector supplement considering the Principle of Materiality of one of the following ways: (a) answering to the indicator or (b) explaining the reason of such omission.	

Message from the CEO

GRI: 1.1; 1.2; EU28; EU29

The insufficient hydrological system for the firmer recovery of reservoirs of Brazilian hydroelectric complex and the continuous need for more robust thermal dispatch of base, combined with the effects of the implementation of the Electric power Tariff Reduction Program in energy procurement positions of distributors in Brazil, have imposed significant cost pressures, cash flows and on the tariff adjustments in the year 2013.

In large proportion these effects were minimized and managed by financing solution provided to the distribution sector, through the use of resources of CDE (Energy Development Contribution), once the current tariff structure of distributors does not support variations in verified magnitude, of the costs of electric power purchase.

We started 2014 under a fairly unfavorable hydrological condition and a thermal dispatch level even higher, which imposes total costs of purchasing energy more aggravated to distributors.

In this environment, companies AES in Brazil followed the outlines of the Sustainable Strategic Planning thereof, adapting and seeking solutions to challenges that were found during the year of 2013, and that we visualize for 2014.

Throughout 2013, we invested R\$ 1.3 billion in our operations of generation and distribution of electric power.

We invested R\$ 206 million to the energy generation within the program of modernization of our hydropower plants in AES Tiete, started in 2010, and making them even more efficient with the adoption of asset management standards in accordance with PAS 55, a certificate by the British Standards Institute. In energy trading on the open market, we closed 2013 with 478 MWm contracts in the portfolio and, in February of 2014, we expanded this volume to 708 MWm, serving 46 customers within our strategy for the rehiring of the energy to be made available by AES Tietê, from 2016. We have resumed, under emergency nature, operations in our thermoelectric plant of Uruguaiana, in order to contribute to the recovery process of the reservoirs. We operate in the months of February and March 2013, generating 216.6 MWm. We must, again, resume energy generation, even under emergency nature, from March 2014. We are ready to give the same answer whenever necessary, while we continue seeking the feasibility, along with Brazilian and Argentine Governments, of a long-term operation system, more sustainable and effective.

We invested R\$ 1.1 billion in our energy distributors, allocating R\$ 809.1 million to AES Eletropaulo and R\$ 277.3 million to AES Sul. Investments with an emphasis on improving the quality of services provided to our customers, continuity of the modernization and automation of our electrical networks, in more efficient operating systems and increased capacity to appropriately react to the consumption growth, consolidated an average progress over 30% in our quality indicators in the last five years.

In order to improve the quality and the assertiveness of the service to our customers, we launched Jeito AES de Atender (AES Service Method). About 4 thousand attendants, electricians, technicians and other professionals from AES Eletropaulo have been through specific training.

Regarding Safety, 2013 was a year in which we lament the occurrence of three fatal accidents with employees working for AES Sul. Corrective action and improvement of our safety standards and retraining are being implemented. In AES Eletropaulo, in AES Tietê, in AES Uruguaiana and in AES Services we did not register fatal accidents and reduced lost-time accidents. Our safety investments totaled R\$ 22 million. We registered in the past year, an increase in fatal accidents with the population in our distributors, which rose from 16 to 23 in total. New educational campaigns are being implemented and will continue in 2014.

Our focus on efficiency of resource use has been materializing consistently across all our businesses. In AES Eletropaulo, we hit, in 2013, a reduction of manageable operating expenses of R\$ 178 million, offsetting inflationary effects of these costs throughout the year. Additionally, we continue with our program to improve capital allocation, with the sale of R\$ 195 million in assets no longer critical to our operations.

AES Brazil closed 2013 with an Ebitda of R\$ 2.5 billion and net income of R\$ 1.2 billion, levels similar to those of 2012.

Our companies were acknowledged in various ways throughout 2013:

- AES Eletropaulo and AES Tietê received the award Prêmio Troféu Transparência, awarded by Anefac (National Association of Finance, Administration and Accounting Executives);
- AES Eletropaulo and AES Tietê are included, once again, in the Corporate Sustainability Index (ISE) of BM&FBovespa;
- AES Eletropaulo received the award Prêmio ECO, an acknowledgement granted by the American Chamber of Commerce (Amcham) in São Paulo for the program "Transformação de Consumidores em Clientes" (Change of Consumers into Customers), which benefitted more than 2 million people with regularized energy;
- AES Tietê won the Award 2013 Prêmio Ibero-Americano de Qualidade, awarded annually by Fundibeq (Fundación Iberoamericana to la Gestión de la Calidad) for companies that have excelled in the pursuit of management excellence;
- AES Sul is one of the 150 Best Companies to Work For, according to the magazines Exame and Você S.A.

We dedicate these acknowledgements to our employees, customers, investors, shareholders, suppliers, communities, regulating bodies and public authorities, which, in their different perspectives, inspire us to overcome the challenges of our business and to contribute to the improvement and sustainable development of the Brazilian electric sector.

For 2014, we plan R\$ 1 billion investments, allocating over R\$ 800 million for the energy distribution (R\$ 600 million – AES Eletropaulo, R\$ 204 million - AES Sul) and R\$ 189 million for our new generation operations in AES Tietê and AES Uruguaiana.

Britaldo Soares
CEO of Group AES Brasil

Profile

AES Eletropaulo: a company that differentiates due to its ability to anticipate solutions to ensure the well-being of its customers

GRI: 2.2; 2.6

AES Eletropaulo is a publicly-held company with shares listed in BM&FBovespa and is considered the largest electric power distributor of Brazil in terms of distributed volume, according to the ranking of Associação Brasileira dos Distribuidores de Energia Elétrica (Abradee - Brazilian Association of Electric Power Distributors) performed in 2012. The company is liable for serving 20.1 million clients and 6.7 million consumer units from 24 cities of the Metropolitan Region of São Paulo, including São Paulo capital, one of the main economic-financial centers in the country.

The company's concession area is of 4.526 km², having largest demographic density and comprise the largest GDP of Brazil. Therefore, it accounts for the supply of 34.1% of the total electric power consumed in the State and 10.5% of the total of Brasil.

Concession area

GRI: 2.7



GRI 2.3; 2.4; 2.5; EU1; EU4
AES Eletropaulo in numbers

6.208 own employees and 9.293 subcontracted employees
 151 substations
 13.999 MVA of installed capacity
 41.497 km of aerial distribution grid
 2.532 km of underground distribution grid
 1.805 km of sub transmission lines
 202 thousand distribution transformers
 1.2 million lighting poles
 R\$ 9.01 billion of net operating income
 46.215,8 GWh¹ of energy distributed to the captive market and free customers
 R\$ 1.26 billion of capital stock

Consumer units per class	2011	2012	2013
Residential	5.936.015	6.087.391	6.252.339
Commercial	28.382	28.078	27.444
Industrial	342.182	339.305	366.850
Others	16.104	16.607	16.863
Total	6.322.683	6.471.381	6.663.496

AES in the World

AES Corp. is a global company operating in the generation and distribution of electricity. Operating in 21 countries, the work force of AES, comprised of 25 thousand people, is committed with the operational excellence and compliance with the energy consumption needs in the world.

Group AES Brasil is composed of a service company, AES Services; two distributors, AES Eletropaulo and AES Sul; and two generators, AES Uruguaiana and AES Tietê. Together, the companies account for 14.3% of the power distributed and 2.5% of the installed capacity of generation in the country.

To learn more about AES Eletropaulo, visit www.aeseletropaulo.com.br and access the option “Sobre a AES Eletropaulo”

Brazilian Power Industry

The Brazilian power industry is regulated by the National Electric Power Agency (Aneel), has its guidelines established by the Ministry of Mines and Energy (MME) and the following institution agents participate therein: the National System Operator (ONS), which is assigned to coordinate and control the National Interconnected System (SIN); the Electric Power Trading Chamber (CCEE), liable for the accounting and liquidation of transactions in short-term market and, under delegation of Aneel, performs electric energy auctions; and the Energy Research Company (EPE), which develops studies and research for sector planning.

Prepared with the purpose of ensuring the supply of electric power and tariff modicity, the landmark of this sectorial model was the enactment of Law no. 10.848/2004, which addresses the coverage of the agents of the segments of generation, distribution, transmission and sale.

TARIFFS

The electric power supply tariffs are adjusted every year from a parametric formula provided in the concession agreement. This formula considers the onlending of unmanageable costs (sectorial charges, purchase and sale costs for resale and transmission costs) and corrects the manageable costs of the concessionaire (operating costs, compensation of assets and depreciation) by IGP-M of 12 months prior to the base date of adjustment, deducted from the so-called “X Factor”.

¹ 1 Wh (watt-hour) is the unit of measurement that indicates the amount of energy necessary to power a 1 watt load for the period of 60 minutes. 1 gwh (gigawatt-hour) is equal to 1 billion watts, or 3,600 GJ

In the case of AES Eletropaulo, the tariff review occurs every four years, aimed at reestablishing the economic and financial balance originally established in its concession agreement. Among the main items that are considered by Aneel in the methodology of tariff revision there are the assessment of asset base, the structure of operating expenses transferred to tariffs, regulatory losses, depreciation and weighted average cost of capital (WACC), that, applied to the asset base, determines the compensation of the company.

EXTRAORDINARY TARIFF REVIEW

The Federal Government has announced, through the Provisional Measure no. 579/2012, subsequently converted into Law no. 12.783/2013, a set of rules for the electricity sector to reduce the cost of energy. Such measures have been effective through the extraordinary review of distribution tariffs, approved by Aneel, effective from January 24, 2013, whose key changes were: allocation of energy quotas through the renewal of generation concessions, reduction of transmission costs through the renewal of transmission concessions, reduction of sectorial charges (exclusion of the CCC and RGR and reduction of CDE) and withdrawal of subsidies from the tariff structure, which are funded by the Government.

The results obtained have reached an average reduction of 18.3% in tariffs of AES Eletropaulo, with no impact to the company's margins, considering that the changes affect both revenue and the energy purchase cost and sectorial charges (Installment A), these being fully passed on to the consumer through the tariff.

2013 TARIFF ADJUSTMENT

Aneel, on July 2, 2013 approved the 2013 company's tariff adjustment of 1.10%, composed of economic adjustment of 9.73% and financial component of -8.62%, applied as of July 4, 2013, which discounting the financial component considered in the prior tariff processes, resulted in an average effect of 0.00% perceived by its customers.

The approved tariff adjustment index included the repayment of 67.55% of total regulatory liabilities formed by the adjournment, by Aneel, of the date of application of the third periodic tariff review (3RTP) from July 4, 2011 to July 4, 2012, in the total amount of R\$ 1,130 million.

The company received directly from resources of the Energy Development Account (CDE) about R\$ 506 million relating to the difference between the energy purchase costs and system service charge (ESS), approved at the previous tariff adjustment, and those effectively incurred in the period from June 2012 to May 2013, which were not included, therefore, in the calculation of the corresponding tariff adjustment index.

The following are items that comprised the tariff adjustment of 2013.

Tariff Adjustment 2013		
Installment A	Sectorial charges	0.02%
	Purchased energy	7.53%
	Transmission charges	0.64%
	Installment A	8.16%
Installment B		1.57%
Economic adjustment		9.73%
Total CVA		-0.13%
Other financial items of installment A		0.23%
Financial adjustment of 2011 tariff Review		-8.72%
Total Adjustment		1.10%

ANEEL DECISIONS REGARDING THE REQUEST FOR RECONSIDERATION AND SPECIFIC PROCESS

Aneel, in a public meeting of its Board of Executive Officers, which was held on December 17, 2013, resolved on:

- i. the request for reconsideration on the third tariff review of the company (Request for Reconsideration): there was the additional acknowledgement in the regulatory compensation base (BRR) of about R\$ 390 million and in net BRR of about R\$ 230 million. Also, it was performed the adjustment in recalculation of X Factor and second periodic tariff review. The net effect will be positive in R\$ 120 million, from July 2014 to June 2015, and in R\$ 40 million, in the following tariff year. The decision on the reconsideration of the course of non-technical losses required by the Company to ANEEL was adjourned by the Board of Executive Officers to a later date. In relation to the Request for Reconsideration, no appeal shall be applicable.
- ii. the specific proceeding on the analysis of the origin of recalculation of tariffs practiced by the company before the date of its 3RTP (Proceeding no. 48500.006159/2012- 75 - Specific Proceeding), for any discount and restitution of installments of compensation and depreciation associated with asset potentially existing: Board of Executive Officers of Aneel determined the recalculation of tariffs practiced by the company in the period of July 2007 to July 2011, representing the value of R\$ 626 million. This value will be adjusted by IGP-M as of December 1, 2013 up to the start date of its return, which will be made by means of a negative financial component, deferred in up to four tariff events, as of July 2014.

Already in relation to the Specific Proceeding, AES Eletropaulo does not agree with the decision taken by the Board of Executive Officers of Aneel and submitted a request for administrative reconsideration to Aneel, also requesting the suspension of the effects of the decision until the request for reconsideration is decided by Aneel.

On January 28, 2014, the executive officer of Aneel denied the request of the company to suspend the effects of the decision thereof. In contrast thereof, the company brought before the Federal Court of Brasilia, a writ of mandamus with request for injunction, requesting the suspension of the effects of the decision until the request for reconsideration is decided by Aneel. The injunction was granted in favor of the company on January 29, 2014, and an appeal is applicable thereto.

Awards and recognitions in 2013

GRI 2.10

Corporate Sustainability Index (ISE) – BM&FBovespa: in 2014, AES Eletropaulo composes, for another year, the portfolio of the Index that gathers the most sustainable companies of the Stock Exchange. AES Eletropaulo is part of the Index since 2005.

Abradee Prize 2013: AES Eletropaulo was the winner in the category Management Quality awarded by Associação Brasileira de Distribuidores de Energia Elétrica (Abradee), which recognized the best power distribution companies of Brazil. In the national ranking, it remained among the ten best companies, at the ninth position.

Eco Prize 2013: promoted by the American Chamber of Commerce (Amcham), the award recognizes innovative corporate practices that produce Financial Results and positive impacts on the society and on environmental policies. Ten out of 68 enrolled companies were awarded and AES Eletropaulo was awarded for the program “Transformation of Consumers into Customers”.

Transparency Prize: for the second time, the company was acknowledged by Associação Nacional dos Executivos de Finanças, Administração e Contabilidade (Anefac). The Transparency Prize is the result of the analysis of the financial statements published and awards

the competence of the company and the clarity and quality of the information disclosed. AES Eletropaulo was awarded in the category of publicly-traded companies with billing above R\$ 5 billion.

Company which respects the consumer the most: promoted in partnership with Shopper Experience and the magazine Consumidor Moderno, it indicates the attributes required for a company to be recognized for respecting the consumer, such as quality products and attractive prices. AES Eletropaulo was acknowledged in the category Supplier of Power.

More Valuable Brands of Brazil: AES Eletropaulo is the 31st most valuable trademark of Brazil, according to study of the Brand Finance Brazil produced based on a financial analysis about the companies and on questionnaires with customers and experts in measuring the strength of trademarks.

URA Excellence: the new Audible Response Unit (URA) of AES Eletropaulo provided to AES Brasil recognition in the gold category of the National Award Smart - Utilities & Telecom and an honorable mention in the award Excellence of Process, held in London. The award Excellence of Process encompasses a community of more than 70 thousand professionals of processes, corporate leaders and executives committed to ensuring the Operational Excellence.

Best Communication With Journalists Prize: awarded by the magazine Negócios da Comunicação, the prize is result of a survey conducted with 25 thousand Brazilian journalists and evaluates issues such as: content disclosed, coverage of the communication/PR area and compliance with deadlines for responses. The company has the best press relations among 32 economic groups of the power sector.

ISO 14.001 and OHSAS 18.001: AES Eletropaulo maintained for another year the ISO 14.001 and OHSAS 18.001 certificates, which ensure the excellence in complying with the international standards related to health, work safety and environmental policies, with zero non-conformity. This processes involved audit of procedures, processes and work practices of our own employees as well as the contracted parties.

In addition to the individual acknowledgements, AES Eletropaulo contributed significantly to two important acknowledgements to AES Brasil focused on innovation and sustainability.

Best Innovator 2013: The Group was considered the 12th best innovator of Brazil, in accordance with the survey Best Innovator 2013. Criteria such as strategy, organization and culture; processes, structure and results were evaluated. Conducted by the consulting firm A.T. Kearney in 15 countries, the study evaluated 120 companies in Brazil and listed the 20 best innovators. It was the first time that AES Brasil had participated.

Sustainability Exame Guide: AES Brasil Group is once more in the Sustainability Exame Guide, which lists the most sustainable companies of Brazil. The Group was also in 2009 and 2012 – at the top of the ranking. Since 2013 (14th edition), the analysis adopts a new methodology and gathers the 61 companies with the best practices in the country. It highlighted the sustainability governance in the company, compliance with human rights and the relationship with the community and the suppliers. The survey was prepared by the Center of Studies in Sustainability (GVces) of Fundação Getulio Vargas of São Paulo and evaluated 184 companies.

See the complete list of awards and recognitions of AES Eletropaulo at www.aesbrasilsustentabilidade.com.br/pt/noticias/item/confira-os-reconhecimentos-da-aes-eletropaulo-em-2013.html and www.aesbrasilsustentabilidade.com.br/pt/noticias/item/colhendo-as-conquistas.html.

Corporate governance

Adoption of good practices is essential for the efficient management of the business and, therefore, important base for the creation of value

GRI 4.8

Vision

To be the best electric power distribution concessionaire of Brazil up to 2016.

Mission

To promote welfare and development with safe, sustainable and reliable offer of electric energy solutions.

Values

Safety in first place;
Act with integrity;
Honor commitments;
Seek excellence;
Job satisfaction.

The focus of the corporate governance of AES Brasil Group companies is on the creation of shared value among shareholders and other public relations, always with the commitment to develop transactions and activities coherent with their Values and guidelines of the Group and establish an open and transparent communication.

The activities are permeated by our code of ethics and conduct of businesses, the so-called “Os Valores da AES – das palavras às ações”. The document is based on the guidelines of AES Corp., which sustains the corporate governance practices.

To this end, AES Brasil has AES Helpline, a communication channel, available 24 hours a day and 365 days a year, to receive and treat allegations of ethical deviation or doubts related to the company's Values, reported by various public relations of the Group companies.

By phone (0800 891 4167) or the internet (www.aeshelpline.com), AES Helpline enables employees or sub-contractors thereof, suppliers, customers, shareholders and other public relations to forward any doubts, claims or complaints related to ethical dilemmas, unethical conduct and business practices deemed illegal, corrupt or in disagreement with the values of AES.

The reports may be made anonymously and are always treated confidentially. The secrecy is ensured, for the reception of all cases is carried out by a third party company contracted globally by AES Corp., located in the United States, ensuring, thus, the honesty, the transparency and the integrity of the investigation process.

All reports are reviewed and investigated by the Compliance Management and, when necessary, there is involvement of other areas such as Corporate Safety and Audit. The most sensitive cases are brought to the Ethics Committee for deliberation and decision by the leadership of the organization. AES Corp., in turn, manages the result of these investigations, being the last instance of the enquiries, and may reopen the process if deemed necessary.

Additionally, one of the pillars of the Compliance program of AES Brasil is intended to Training, which has various initiatives related to Ethical issues, Compliance, Corporate Values and Anti-corruption, among others, having totaled 21,249 trainings conducted in these subjects throughout 2013, an average of 2.58 training per employee.

See AES Brasil's Guide of Values at www.aesbrasil.com.br/Documents/GuideValores.pdf
Learn more about the governance commitments at www.aesbrasilsustentabilidade.com.br.

Governance structure

GRI: 4.1; 4.3; 4.4; 4.5; 4.6; 4.7; 4.9; 4.10

The corporate governance of AES Eletropaulo is supported by its corporate bodies, as described below, which are responsible for the analysis and decision-making procedures in accordance with the matters set forth in the bylaws.

General Meeting: highest deliberative body, with powers to decide on all businesses related to the subject matter of the company and takes the decisions deemed convenient to the defense and development thereof.

Fiscal Council: supervises the acts of the administrators and verifies the compliance with their legal and statutory duties.

Board of Directors: guides the businesses and resolve on relevant subjects and of its exclusive authority.

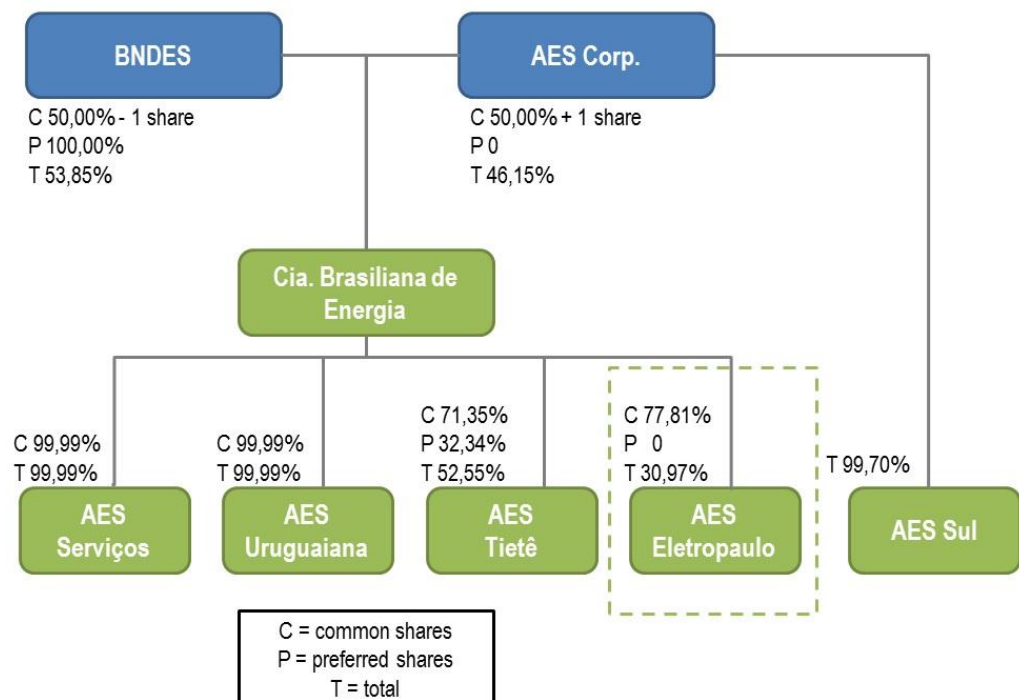
Board of Executive Officers: responsible for the company's administration and management, as well as for performing the decisions of the Annual Meetings and of the Board of Directors.

Sustainability Committee: non-statutory body responsible for ensuring the management and rendering of accounts related to sustainability.

Operational and Investments Policy Management Committee: operates with the Board of Directors and the Board of Executive Officers, having as function the assistance in the analysis of proposals of business plans, investment plans and the evolution of performance indexes, inter alia.

To see the composition of the corporate governance bodies, access <http://ri.aeseletropaulo.com.br> – Informações Corporativas – Administração e Conselhos.

Corporate structure



Capitals market

AES Eletropaulo will be part of the Level 2 of Corporate governance of BM&FBovespa since 2004 and it was the seventh company to commit to its regulation. According to the rules of Level 2, the company has its accounting statements in English and grants tag along of 100% to shareholders holding common shares (ON) and preferred shares (PN). In addition, the preferred shares are entitled to vote in some subject matters, provide the membership to the Market Arbitration Chamber for the resolution of corporate conflicts and the obligation to have at least 20% of independent members in its Board of Directors.

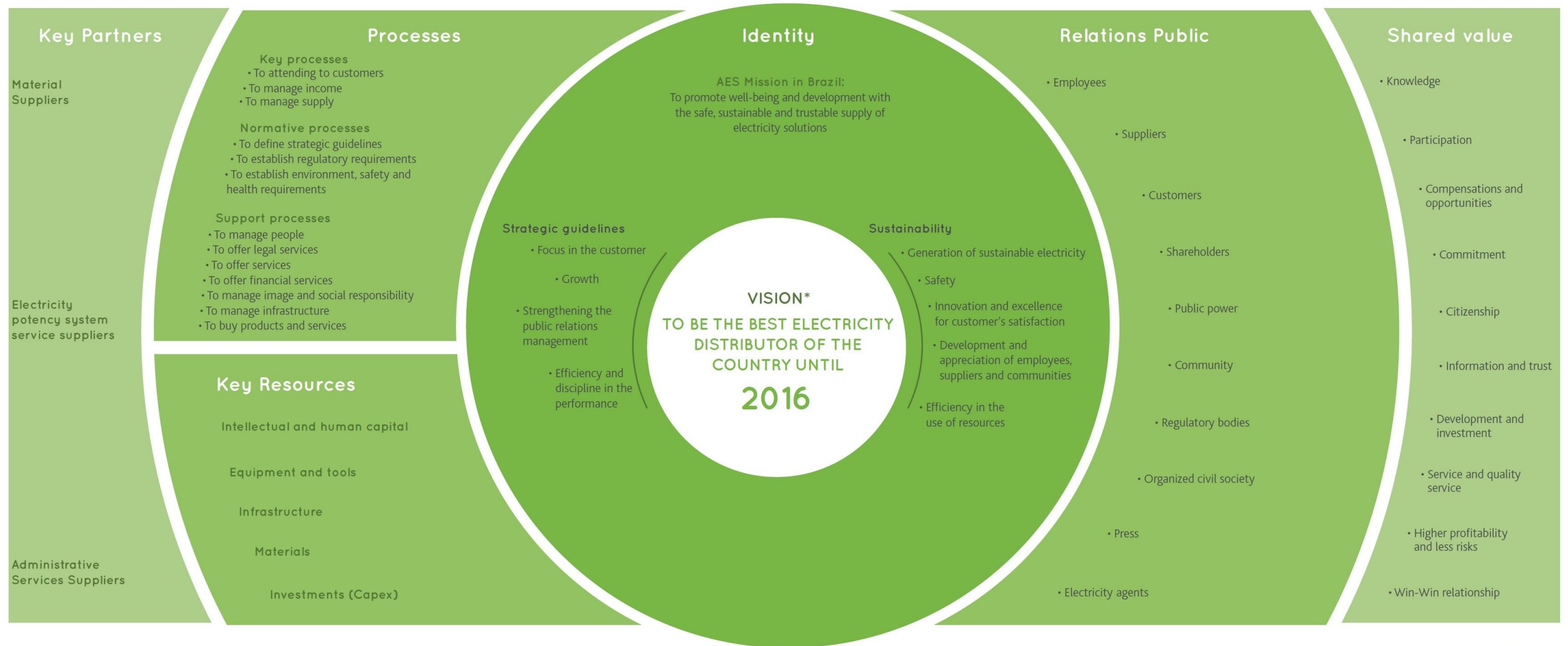
In 2014, AES Eletropaulo will again be part of the Corporate Sustainability Index (ISE), of BM&FBovespa for the ninth time. Reviewed every year, the portfolio gathers companies presenting the best performances from the corporate sustainability aspect. In addition, the shares of the company will be part of the Electric Power Index (IEE), which aims to measure the performance of companies of the electric sector.

AES Eletropaulo, for being subsidiary of AES Corp., a publicly-held company with shares in the Stock Exchange of New York, adjusted its controls to the Law Sarbanes-Oxley (SOX) whose purpose is to ensure the reliability of accounting statements of the companies which negotiate shares in the North-American market. The company also has American Depositary Receipts (ADRs) negotiated in the North-American Over the Counter market (OTC), under code EPUMY.

Further information related to the Capitals Market are available at <http://ri.aeseletropaulo.com.br> – *Informações Corporativas – Corporate governance*

Business model

AES Eletropaulo is an electric power distribution company, which through its business, contributes to the development of the country and to the quality of life of more than 20.1 million people



*In revision

Business strategy

The management of AES Brasil companies is based on the management of risks, on the planning and on the capacity to multiply results

The management of Group AES Brasil companies is based on the Sustainable Strategic Planning, which contemplates, between other aspects, corporate risks most significant that may affect the image and the capacity of the organization to reach strategic goals. They are classified, analyzed and treated. The classification of risks is based on the assessment of the impact and in the probability of occurrence.

The risks to the businesses of AES Brasil are grouped into four categories and are object of specific action plans covered by the Sustainable Strategic Planning and by the Sustainability platform.

The construction of the Sustainable Strategic Planning is based on the inputs obtained from the dialogue with the public relations of the organization and the qualification of corporate risks. Accordingly, AES Eletropaulo ensures that the interests of its public relations are covered by the strategies of the organization and it anticipates eventual impacts of corporate risks.

Strategic and Sustainable Planning

GRI: 1.2

AES Brasil is committed with its sustainable development and operates as an agent to understand, meet and advance the electricity needs of its customers, with secure and innovative solutions for the economic, environmental and social development of the communities where it operates.

This commitment is the main basis of the Company's Strategic and Sustainable Planning (PES), launched in 2012 and that will be fully implemented through 2016.

The AES Brasil's planning has four strategic guidelines that indicate the alternatives for the company to be able to comply with its commitment. The strategic guidelines are the following:

- Focus on customer
- Growth
- Comments from the relation network
- Efficiency and accuracy in the performance

PES was defined in order to ensure the alignment with the Sustainability Platform, whose development commenced in 2010 and was launched with the strategic planning at the beginning of 2012. The platform comprises a set of aligned guidelines that affect all organization's processes. It also considers the results of the cycles of dialogues with the public relations, which identify the themes associated to the businesses considered more relevant by our public relations.

The strategic guidelines and the main and related matters of the Sustainability Platform have the same purposes and priorities, ensuring that the actions are performed on a smooth and continuous basis, which ensures effective and long-term results to the Company.

MAIN SUSTAINABILITY THEMES

- Safety
- Sustainable Energy Generation
- Innovation and Excellence for the Customers' Satisfaction
- Efficient Use of Resources
- Development and Evaluation of Employees, Suppliers and Communities

MULTIDISCIPLINARY SUSTAINABILITY THEMES

- Education for Sustainability
- Engagement of public relations
- Communication, Information and Knowledge

Learn more about the Sustainable Strategic Planning of AES Brasil at www.aesbrasil sustentabilidade.com.br.

Sustainability platform

GRI: 1.2; 4.9; 4.16

In 2013, AES Eletropaulo continued the Sustainability platform initiatives and gave important steps towards full compliance with the goals of the Platform. See the highlights of each pillar:

Safety	Status	Next steps
No fatal accidents (own and hired) per year	Reached. No fatal accident was registered with own and hired employees at AES Eletropaulo.	To keep the Safety Program Actions.
Innovation and excellence for the customer's satisfaction	Status	Next steps
Promote an organization culture for culture incentive, through 2014	Reached. A process for Innovation Management was implemented, to improve the corporate culture. AES Brasil was recognized as the 12th Most Innovative Company in Brazil (Best Innovator 2013) and presented an excellent performance in the Innovation, Operational Excellence and Sustainable Practices World Congress of AES Corp. 73 projects were selected, and 16 presented in the global event, in Indianapolis (USA), and three of them received prizes	To keep the mobilization, recognition and innovation incentive processes.
Efficient use of power resources	Status	Next steps
To reduce the global losses at AES Eletropaulo in up to 13;35% until 2016	In progress. The initiatives of the loss mitigation Plan added 564 GWh to the billed market and allowed the reach of the unseen level of 9.9%, the best result ever registered by the Company.	To increase the actions for losses recovery and to keep the management of technical losses
Efficient use of natural resources	Status	Next steps
Structure, up to 2013, the Risk Management and Opportunities Identification System Associated with Weather Changes	Reached. The risks and opportunities related to the climate changes were mapped in 2013 and the guidelines were defined to guide the operational processes of the Company.	To implement the action plan.
Development and valuation of employees	Status	Next steps
Reach an index above 85% of satisfaction in AES Brasil work environment until 2016	In progress. In 2013, the satisfaction index in the work environment was of 81%, a growth of seven percentage points, comparable to 2012, (74%).	To keep working in the action plans generated in consultations with employees, strengthening the leadership level and focusing in the quality of the internal communication.
Development and valuation of suppliers	Status	Next steps
Implement the contracted companies' development and improvement management program until 2014	In progress. The new social, environmental, safety and operational criteria were refined, for the hiring and evaluation of suppliers and a Development Plan was designed.	To implement the Suppliers Development Plan.
Development and valuation of the community	Status	Next steps
To expand access to regularized electric energy and to efficient consumption to 164 thousand low income households by 2016	Reached. More than 75 thousand customers were regularized in the scope of the Transformation of Consumers into Customers Program, a total of 177.5 thousand families benefited since 2011 and surpassing the goal set forth for 2016	To keep the electric connections regularization increases

SUSTAINABILITY COMMITTEE

In terms of platform management and governance, the Sustainability Committee met three times in 2013 to monitor the 38 commitments and reported the updated information to the Board of Directors and to the Fiscal Council.

A major gain to the processes of sustainability management, in 2013, was the quarterly report of the indicators of the Sustainability Platform of the Group to the market and to the society. These processes reflect the maturing of management and permit a more agile and precise follow-up of the company's shares.

In addition, three large projects were concluded in the period: the revision of the social and environmental criteria in the Index of Performance of Suppliers (IDF), the definition of a Platform of Corporate Innovation and the assessment of risks and opportunities related to the climate changes for the company's operations.

Due to the electric sector scenario, the Sustainability Committee will review, in 2014, the commitments undertaken by 2016, with the purpose of better directing its actions and results while contributing to a more sustainable society. See www.aesbrasilsustentabilidade.com.br.

Sustainability policy

GRI: 1.2; 4.14; 4.17

The commitment of AES Brasil with the sustainable development is defined in the documents that express our identity (View, Values, ethics code) and sustainability policy as explained in our website www.aesbrasilsustentabilidade.com.br - Sustainability to AES Brasil – Our Sustainability policy.

See the public and voluntary commitments that define principles and initiatives to be developed by the companies of Group AES Brasil at www.aesbrasilsustentabilidade.com.br – Sustainability to AES Brasil – Compliance with public commitments.

INDICATOR	2012		2013	
	Reached	Goal	Reached	Status
SAFETY				
Nr. total of fatal accidents	1	0	0	✓
Frequency rate (TF) of accidents with employees	3.29	2.96	4.36	✗
Frequency rate (TF) of accidents with contractors	4.27	3.84	3.89	✗
Severity rate (TG) of accidents with employees	33.00	30.00	37.64	✗
Severity rate (TG) of accidents with contractors	500.00	41.00	14.48	✓
Nr. total of accidents with the population	89	63	104	✗
INNOVATION AND EXCELLENCE FOR CUSTOMER SATISFACTION	Reached	Goal	Reached	Status
Duration equivalent of interruption per consumer unit (DEC)	8.35	8.49	7.99	✓
Equivalent Interruption Frequency per consumer unit (FEC)	4.65	6.64	4.37	✓
Service Level Index (INS) of the Call Center (% of customers helped in up to 30 seconds) – Annual Average	91.7	85.0	93.6	✓
EFFICIENCY IN THE USE OF NATURAL RESOURCES	Reached	Goal	Reached	Status
Recycled and/or Reused Waste / Amount of waste generated (%)	55%	10%	63%	✓
Direct and Indirect CO2 Emissions (tCO2e)	358,798*	153,692*	499,040	✗
EFFICIENCY IN THE USE OF OF ENERGETIC RESOURCES	Reached	Goal	Reached	Status
Global Losses (%)	10.2%	9.9%	9.9%	✗
Own Consumption of electric power (MWh)	44,198	42,430	42,926	✗
Energy saved in the Energy Efficiency and Transformation projects From Consumers To Customers Programs (MWh)	116,685	50,900	38,411	✗
DEVELOPMENT AND EVALUATION OF EMPLOYEES	Reached	Goal	Reached	Status
Voluntary Turnover Rate – own employees (%)	2.86% ²	ND	2.84%	ND
DEVELOPMENT AND EVALUATION OF COMMUNITIES	Reached	Goal	Reached	Status
Nr. of people benefited by the social projects of the company	1,682	1,682	1,840	✓
Nr. of families benefited by the low income project	55,000	75,000	75,787	✓

*The values for 2012 are been resubmitted

Education for sustainability

EMPLOYEES

Aimed at contributing to the development of competences, abilities and attitudes necessary to comply with the commitments assumed, AES Brasil launched, in 2013, the **Program of Education for Sustainability**, whose purpose is not only to raise knowledge about the Sustainability platform but also to make each employee understand how he may practice the concepts in his personal and professional daily life.

The first steps of this program were taken back in 2012, with trainings of the Map of Learning. The second stage began with the mapping of the readiness of the organization and employees with the theme.

Corporate readiness	Employees readiness
Capacity of the Organization to, through management intelligence (strategy, policies, processes, tools and management models) assume and accomplish commitments with sustainability.	Competences (knowledge, abilities and attitudes) necessary to perform the management and the activities of the organization, contemplating the commitments of the organization with sustainability.

With this mapping, the necessary competences were identified: relationship, thought beforehand, systemic thought, leadership by principle and discipline in the execution. The proposal of this program is to work these competences through different tools such formation of leaderships, thematic courses, workshops of solution, lectures and discussions.

In 2013 the program involved the participants of the work group of the Sustainability platform and the management, through thematic courses. In addition, the theme was included in the Academy of Leaders, which aims at strengthening and developing the skills of the managers

² Número retificado em relação ao informado no ano anterior. Houve alteração da metodologia, e passou-se a considerar a rotatividade voluntária, em substituição à rotatividade total na companhia.

of the company. The goal for the next year is to spread the program to all hierarchical levels of the organization.

The launching of the Program satisfies a commitment assumed in 2012, within the transverse theme.

Purposes of the Education for Sustainability Program

- To have critical mass from employees so as to reach a state of commitment;
- To obtain comprehension of the current reality and the need of transformation at personal and organizational level
- To create and spread a culture of sustainability in the organization;
- To provide reflection so that the positioning of the organization is understood, discussed and incorporated.

SUPPLIERS AND CUSTOMERS

Besides involving the internal public, two other lines of the Program of Education for Sustainability comprehend the suppliers and the customers of AES Brasil companies.

To suppliers it is being designed the **program Parcerias Sustentáveis (Sustainable Partnerships)**, an initiative aimed at provide support for the commitment with the sustainable development in value chain of AES Brasil. During monthly assessments for the delivery of the services, materials or equipment more critical for AES businesses, Sustainable Partnerships will identify the suppliers which need improvement, which meet the standards or those that exceed the standards and that, if the later shall apply, with the support of AES Brasil. For the other two groups of suppliers - those which meet the standards or those which need improvement, the company will make available lectures and events in order to develop them. Such actions may cover not only the exchange of better practices, but also conceptual trainings on quality management tools that help them to develop businesses, thus generating competitiveness and sustainability.

AES Eletropaulo presented to the customers, in 2013, a new approach of the More intelligent Consumption Program. Videos sharing creative initiatives of power economy have been broadcast by open TV channels. With the slogan “This is our intelligent way of consuming power. Which is yours?”, the purpose of the initiative is to identify, share and recognize good practices of customers related to the intelligent consumption of electric power.

Read more about the Map of Learning of Education for Sustainability at www.aesbrasilsustentabilidade.com.br.

PUBLIC RELATIONS

GRI: 4.14, 4.15, 4.16

AES Brasil grouped its public relations in accordance with the level of influence and relationship, classified as follows:



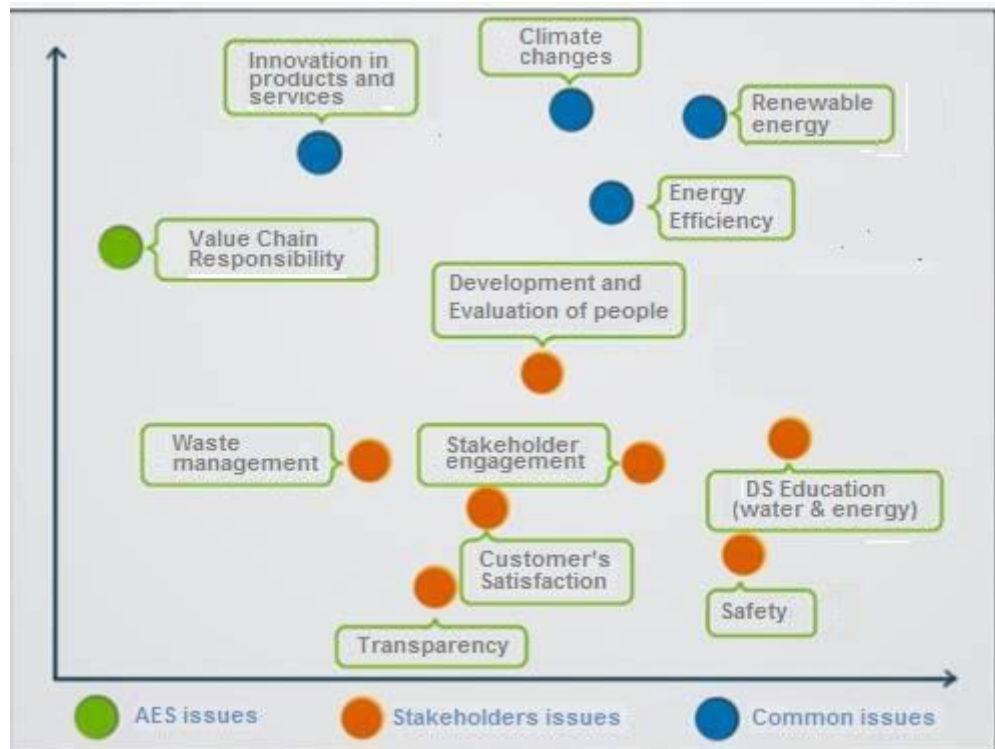
Engagement of public relations

GRI: 4.17

To allow the corporate management to meet the expectations of the public relations and generate contributions to the cycle of strategic planning, AES Brasil structured and systematized its processes of commitment based on the international standard AA 1.000³.

Accordingly, the company seeks to capture expectations and demands and ensure that they are considered in the cycle of the Sustainable Strategic Planning on a clear and transparent manner.

In 2013, the company innovated the manner of connecting with its public relations, and, for the first time, the discussion with this public was reached virtually. The results, presented as follows summarize the material themes to the company and for public relations according to the Discussion Board performed in 2010..



³ Certifiable international standard composed of principles and standards of processes focused on the commitment with the interested parties.

Safety

Attitude protecting the life of our employees, suppliers and the population

Commitment	Status	Next steps
No fatal accidents (own and hired) per year	Reached. No fatal accident was registered with own and hired employees at AES Eletropaulo	To keep the Safety Program Actions
To reduce in 50% the frequency and severity rates, with own and hired employees until 2016 ⁴	In progress. In 2013, the efforts along with the hired employees were increased to improve the performance, and the result was positive: reduction of 30% in the number of accidents	To increase the efforts for the reduction of frequency and severity rates with own employees and hired so the goal of 50% reduction is reached in 2016
To reduce in 20% the number of accidents with population until 2016	In progress. In 2013 an increase of 16.85% was registered in the number of accidents regarding the previous year, from 89 to 104 cases registered	To reinforce the safety campaign with the population, including mass media campaign (radio and TV)

GRI: LA7; LA8; EU16; EU21; EU25

Safety is the Value number 1 of AES Brasil. It means that nothing is more important than to ensure the physical integrity of the employees, suppliers and of 20.1 million people that enjoy, on a daily basis, the well-being provided by the electricity in the concession area of AES Eletropaulo.

The daily challenge is to reduce the occurrence of accidents. Therefore, efforts are endeavored in order to anticipate risks and seek preventive actions providing the best safety conditions for everybody.

The Safety Programs are based on the global guidelines of AES Corp. and on the **Sistema de Gestão de Segurança e Saúde Ocupacional** [Management System of Occupational Health and Safety] (SGSSO), whose requirements are in accordance with the specifications of OHSAS 18.001:2007 (Occupational Health and Safety Assessment Series), an international standard focused on health and safety at work, aimed at the preservation of physical integrity and health of employees and partners, by means of practices of mitigation of risks in activities and installations. As a result of the compliance with SGSSO, the company received, in 2012, the OHSAS 18.001 Certificate.

Workforce Safety

Our safety program, including all company's practices, was prepared to contribute with the consolidation of a safe environment through the commitment with continuous improvement. This program is based on the **Standards of AES Corp.**, 25 Safety standards focused on the improvement of procedures and practices and also based on the compliance with the requirements of OHSAS 18.001 standard.

In order to ensure the effectiveness of the Safety actions taken, the company monitors them by means of a tool of AES Corp. – **Safety Management System**, whose processes are based on a continuous four-step cycle:

To plan: identify the safety risks and establish goals;

To perform: include trainings, qualifications and operating controls;

To verify: monitor the status of the goals and take corrective actions;

To review: include analyses of progress and actions to develop changes, if necessary.

Learn about the committees that operate in behalf of AES Brasil's occupational safety at www.aesbrasil sustentabilidade.com.br.

⁴Commitment updated in September/2013

Safety Program

GRILA8

The principal situation of risks for AES Eletropaulo's employees is the contact with the power grid. The major challenges are the lack of professional qualification and the little experience in real situations. Therefore, the company invests in qualification programs to electricians, with the purpose of addressing the demand for workforce, and qualification, which offer the opportunity of constant professional evolution. The trainings offer not only technical and operating information, but also guidelines about safety procedures.

In 2013, one of the highlights was the use of fireworks during the maintenance training, simulating explosions caused for damages to the power grid. The objective is to reinforce the psychological preparation of electricians to deal with real situations. The project was awarded in the Congress of Innovation of AES Corp.

Together, the actions of Safety Program positively impact the reduction of the indices of accidents. There was a significant improvement in the performance of contracted parties in relation to the previous year in all the monitored indicators, reflecting the efforts reached over the year, which included monthly meetings for follow-up of the action plans and increase in the number of field inspections and of training efforts.

The performance with own employees, however, did not produce such favorable results and recorded an increase in the number of accidents, frequency rates and severity, as well as in the discounted days due to the leave of own employees.

Due to this scenario, a project named AES Performance Excellence (Apex) has been implemented in order to identify and treat the principal causes that lead to the occurrence of accidents. The project covers three fronts: Safety of own employees, Safety of contracted parties and Safety of the population.

Among the many actions provided for in the project there are the review of processes of hiring and continued qualification of employees (own and contracted parties), the advanced modeling of data extracted from proactive indicators (safety walks, inspections, reports of events etc.) and safety reactions, the analysis of adoption of advanced technologies for monitoring of field activities, the technical and operational recertification of electricians, investment in mass media campaigns and workshops and partnerships with the most important groups in the communities. This project is regularly supported and discussed by a Safety Committee composed of members of Top Management and monitored by AES Corp.

To learn about all the actions of the Safety Program of AES Eletropaulo, access www.aesbrasilsustentabilidade.com.br – Sustentabilidade para a AES Brasil – Principais Projetos – Segurança.

Work Health and Safety	2011	2012	2013
Investments in safety Programs (R\$ thousand) ³	13.679	23.799 ³	12.640
TF (frequency rate) ¹ – employees	5,994	3,29	4,36
TF (frequency rate) ¹ – contracted parties	3,87	4,27	3,89
TG (severity rate) ² – employees	49,67	33,00	37,64
TG (severity rate) ² – contracted parties	53,49	500	14,48
Fatal accidents – employees	0	0	0
Fatal accidents – contracted parties	0	1	0
Work Accidents with or without removal – employees	604	36	52
Work Accidents with or without removal – contracted parties	704	71	50
Lost/Debited days– employees	2614	366	449
Lost/Debited days– contracted parties	9684	2.432	186

1. Frequency rate/2. severity rate: accidents/days lost due to leave for millions of men-hour of exposure to risk in the period of one year, reported in accordance with NBR14280.

3. In 2012, the company began to record the investments in individual and collective protection equipment (EPC/EPC) under total investments in Safety.

4. Information rectified in relation to the information formerly informed due to change in the methodology of calculation of the indicator.

Safety for the population - Movimento Viva sem Acidentes (Movement Live without Accidents)

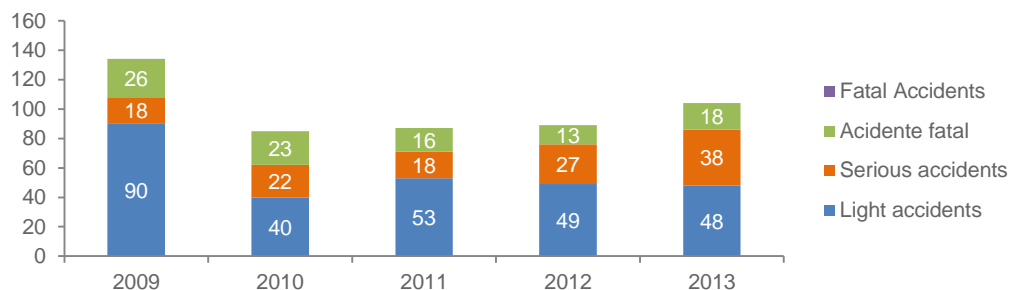
GRI EU25

In 2013, there was an increase in the total number of accidents with the population when compared to 2012. Therefore, AES Eletropaulo intensified the investment in awareness campaigns with the contribution of R\$ 1.2 million in 2013, in a total of R\$ 4 million in 2014, so as to inform the low-income population, the principal public of risk of accidents with the power grid.

The focus of the campaign is to broadcast informative videos at open TV channels and spots at popular radio stations with the reconstruction of situations of actual risk and inform the safest behavior to perform activities near the power grid.

The safety blitzes aim to bring information to the population and to contribute for the reduction of accidents in the most affected communities. Another action that keeps the company closer to places with situations of risk and that at the same time informs on a more agile and direct way is a team that goes to construction sites in the concession area and presents to the workers a documentary with information regarding the risks of the power grid and proper behaviors to perform the work on a safer manner. In 2013, a total of 1.26 million people were directly benefited by the actions taken within the **Movement Live without Accidents**.

ACCIDENTS WITH THE POPULATION



Proactive Safety Actions with the Population	2011	2012	2013
Safety Lectures	4,188	3,777	5,219
Public in the Safety Lectures	180,548	124,668	98,051
Presentations of the trucks	9,172	6,199	8,091
Public in the trucks	147,493	99,020	201,600
Trainings for Civil construction Workers	301	372	477
Public trained in the civil construction Trainings	25,703	32,378	25,752
Distributed folders	879,975	911,343	835,721
Distributed Displays	657	2,355	3,776
Distributed gifts	114,861	47,982	92,659
Public covered by blitzes	6,731	9,547	6,568
People directly benefited	1,355,968	1,227,293	1,264,126

Electric and magnetic fields

GRI 4.11

The electric and magnetic fields are always present where there is transmission of electric power. Therefore, AES Eletropaulo adopts a more cautious position, and preventive measures regarding the exposure of the population are taken during the conception of projects, following the recommendations of the World Health Organization (WHO).

To comply with the legislation in force (Federal Law Nr. 11.934, of May 5, 2009, regulated by ANEEL normative resolution Nr. 398, of March 23, 2010), the company made studies of measurement and simulation of magnetic fields and regularly monitors the analyses of institutes about the subject. This monitoring is reached in partnership with the Brazilian Association of Electric and Magnetic Compatibility (Abricem) and sponsors a research and development project aimed at supervising the levels of exposure of employees and the population to 60 Hz magnetic fields originated by substations and sub transmission lines and, accordingly, meet the safety limits in every installation.

The company also seeks to define the most adequate architecture for the electrical system and the development of terminals of remote sensor of magnetic fields existing in the selected places (meters). In addition, the project covers the development of a data bank ready to disclose the collected information to the population and public bodies (federal, state and municipal), complying with the proposal of Project Law Nr. 2.576/2000.

Read more about the safety actions involving the population at www.aesbrasil sustentabilidade.com.br.

Innovation and Excellence for the Customer Satisfaction

Is to provide an environment and culture that offer solutions to improve the life of persons and ensure the quality and excellence in the services rendered to the customer

Commitments	Current Status	Next steps
To achieve an index of more than 85% satisfaction among AES Eletropaulo customers, in the survey carried out by Abradee, by the year 2015	In progress. In 2013, even with good operational and services indexes, there was a decrease in the Quality Satisfaction Index (ISQP), of 80.6% to 78.3%, even within the error margin of \$% for more or for less.	To integrate actions to increase the quality of the customer service and power supply To continue with the implementation of AES Services Way ..
Promote an organization culture for culture incentive, through 2014	Reached. A process for Innovation Management was implemented, to improve the corporate culture. AES Brasil was recognized as the 12th most innovative company of Brazil (Best Innovator 2013)	To keep the mobilization, acknowledgement and innovation incentive processes.
Implement five innovative solutions and clean technologies in AES Brasil that would generate value to our interested parties, by increasing quality and reducing the environmental and social costs and effects of our operations, through 2016	In progress. The projects were mapped and are in progress	The new innovation processes will allow the monitoring and implementation of the projects already defined and the maintenance of the portfolio
Spread the innovation concept and strategy in the value chain and establish partnerships which extend the results until 2016	In progress. The new concept and focus of innovation were defined, within the scope of the Innovation Management Processes of AES Brasil.	To spread concepts for the strategic suppliers, improving partnerships.

For AES Brasil **innovation is any new action that generates result to the company or any other of its public relations.**

Based on this concept, an innovation process was structured with a methodology that would ensure the alignment to the strategy of the organization and which would complement the current tools. In addition, the structuring made the company research, to perform benchmarks and look more attentive trends and opportunities really innovative.

Aiming at the development of employees and the creation of a more collaborative and participative culture, the company reached an intense work of commitment with the employees by means of lectures, trainings, work groups and seminars.

In the year, the company had an excellent performance. In addition to its ranking in the Best Innovator award (12th), we mentioned its performance at the World Congress on Innovation, Operational Excellence and Sustainable Practices of AES Corp. 73 projects were selected, wherefrom 16 went to the global event, in Indianapolis (USA), and three of them received prizes:

Another highlight in the year was the presentation in the Congress of Technological Innovation of Aneel (Citeneel): from 33 submitted projects, 28 were published and, therefrom, 15 were selected for presentation.

Best Innovator

Seeking to reinforce and recognize its innovation initiatives, in 2013 AES Brasil participated in the Best Innovator, one of the most respectful awards in the country, which elects, on an annual basis, the 20 TOP companies in innovation. AES Brasil ranked as the 12th place.

The assessment, conducted by the consulting firm AT Kearney and Época magazine complies with the following criteria: Strategy of Innovation; Organization and Culture for Innovation; Processes of Innovation; Structure of Support to innovation and Results to make up the ranking of the most innovative Brazilian companies.

P&D INVESTMENTS

GRI EU8

The funds invested in research and development (P&D) amounted to R\$ 23 million in 2013. The surveys involve themes such as alternative sources of power, environmental policies, quality and reliability, planning and operation, supervision, control and protection, measurement, transmission of data via power grid, new material and components and development of technology of fight against fraud and against theft.

The principal project developed was the efficient light system with functions of monitoring of the power grid.

Funds for technological and scientific research and development (R\$ thousand)	2011	2012	2013
Energy efficiency	2.733	439	0
Alternative or renewable source	0	29	153
Environment	2.176	655	20
Quality and reliability	2.280	3.779	3.476
Planning and operation	21.116	13.450	4.618
Supervision, control and protection	2.625	747	3.871
Measurement	3.212	1.267	2.205
Transmission of data via power grid	2.297	477	7.329
New materials and components	1.935	1.859	1.348
Development of technology of fight against fraud and against theft	1.334	153	0
Total P&D investments	39.708	22.856	23.018

Digital AES Eletropaulo Project

GRI: EU6; EU21

One of the examples that highly evidence the commitment of AES Eletropaulo with the Innovation and the excellence for customers' service is the smart grid project. The project, officially launched in January 2013, will bring higher quality to the power supply and will enable the customer to have access to information about its consumption profile. The customer will also have the possibility to use renewable power sources to reduce its power costs, deliver the excess to the company's power grid and, consequently, have a rebate in the power bill. Another advantage of the smart grids is associated to the resolution of eventual flaws in the power supply. The new system will be able to automatically detect all interruptions in the system, which currently occurs in the primary grid, and will notify, via SMS, the hour of power resumption.

The smart grid Project will also provide gains in connection with the efficient use of resources, since it will contribute to commercial loss mitigation (eliminating the chance of irregular connections) and to increase of the operational efficiency.

The expectation is that up to 2017 the smart grids will be available for more than 62 thousand customers of the cities of Barueri and Vargem Grande Paulista, area covered by the project.

International recognition

The project presenting the smart grids is being implemented all over the city of Barueri, an area that covers residential, commercial and industrial customers, with a consumption of 1,316 GWh per year. These features call the attention of experts in smart grid and contributed to the award obtained by AES Eletropaulo as the Project of the Year, promoted by the North American magazine PowerGrid International. Another acknowledgement was attributed to Maria Teresa Vellano, regional director of AES Eletropaulo. The director was included in the list of the 50 pioneers of the World in Smart Grid, organized by the international magazine Smart Grid Today.

Learn more about the project Smart Grid at <http://aesbrasilsustentabilidade.com.br> – Fique por Dentro - AES Eletropaulo anuncia o maior projeto de smart grid do país

Distributed Generation

GRI: EC2; EU6; EU8

In December 2012, Aneel published resolution 482/2012 establishing the general conditions for the access to the Distributed Generation. Besides having created the System of Power Compensation, which permitted to the customers the installation of small generators in their consumer unit, the resolution formalized mechanisms for exchange of power with the distributor.

The same applies to generators using incentive power sources (hydic, solar, biomass, eolic and qualified cogeneration). The concession area of AES Eletropaulo already has a customer registered.

Green Connection

The first micro generation system connected to AES Eletropaulo's grid was concluded in July 2013 and corresponds to a plant with capacity of 2.8 kWp. Composed of two sets of 20 modules connected to a reverser [inversor], the system presents generation capacity estimated at 1,800 kWh year and supplies the headquarter of Greenpeace in São Paulo.

In six months of operation, the expected generation is 975 kWh, which corresponds to an economy of R\$ 232.

Excellence for the Customer's Satisfaction

With the purpose of ensuring a standard in the relationship in every interaction with the customer, in May 2013 AES Eletropaulo launched the program **Jeito AES de Atender (JAAT)**, which reinforces the focus on the customer, a guideline of the Sustainable Strategic Planning, and the company's vision to be the best electric power concessionaire of the country up to 2016.

Around 4 thousand employees underwent training programs, where they learned the Manual of Service Behavior, a guide on how the relationship with the customer should be and the Gold Rules which are instructions of procedures, conduct and relationship to be applied to all employees that directly or indirectly deal with the customer of AES Eletropaulo.

The program includes three fundamental pillars: To serve the customer in the first contact; To address dissatisfaction on an effective and timely manner; and Quality of the aspects related to the compliance.

The program Jeito AES de Atender already presents positive results. In December, seven months after the launching of the program, there was a reduction of about 60% in the complaints in attending channels.

In 2014, training programs will be expanded to contracted companies, with the purpose of ensuring the standardization of JAAT to all the activities performed by AES Eletropaulo to its customers.

Immediate Invoice

In order to bill, print and deliver the power bill to the customer at the time of the reading of consumption, AES Eletropaulo established the On Site Billing process.

The immediate delivery of the bill is aimed at reducing the issuances of second copies and reducing the occurrence of errors in the bills. The expectation is that the new reading and delivery method will improve the interaction with the customers and contribute to the reduction of complaints related to non-delivery of bills.

Currently, the On Site Billing is covering around 938 thousand installations in the cities of Carapicuíba, Osasco, São Caetano and the Northern region of São Paulo.

The expectation for 2014 is to reach more than 4.2 million installations with the new billing model.

Services Network

Currently, the service network of AES Eletropaulo has 38 points of service, of which five are own and 33 are outsourced, totaling approximately 300 customer service positions. The stores are projected to offer accessibility, safety and comfort while waiting.

In the year, special attention was given to the Eastern zone of São Paulo, where, after the discontinuance of the own store of the region, other two service points had been created: one in São Miguel, with 12 service positions and another in Itaquera, with eight positions. The measure provides higher capillarity to the compliance and higher convenience to the customer, who has to travel shorter to be served.

In addition, the service points have, since 2013, 50 self-service terminals and 77 telephones with direct call to the call center, which resulted in the reduction of the average time of service.

Virtual agency

In March 2013, AES Eletropaulo launched a new website, focused on usability and navigability, offering to the customers, four portals of service: For your home; For your business; Corporate customers and Public power. In the last two of them there is a new service channel. On the Virtual agency, there are more than 20 available services, including the second copy, power reconnection, request for indemnity and negotiation of debts, totally automated. At the end of the service, the customer's request is automatically created in the systems. This channel presents satisfaction rate of 98% and is responsible for almost one million services per month, which were previously reached in the call center and physical stores.

Humanized Electronic Services

The investments in 2013 enabled the increase of the capacity of services by telephone from 2 thousand to 54 thousand calls per hour, with the identification of the customer by CPF and telephone number, and the Humanization of the Electronic Service (URA), which provides to customers more services with a more sociable and kind interaction. With the URA in operation, in 2013 there was an increase of 25% in the retention of customers compared to year 2012, eliminating the busy calls and reducing even more the abandoned calls.

In 2013, the Implementation of the new URA for corporate customers (Emergency) and for the Ombudsman brought significant gains to the relationship with the customer, since it facilitates the access to our channels/services.

CUSTOMER SERVICE CHANNELS

Virtual agency

www.aeseletropaulo.com.br/Paginas/Servicos.aspx

Torpedo Fácil (Text Messages)

27373

24-Hour telephones

Emergencies: 0800 72 72 196

Commercial: 0800 72 72 120

Special Service for hearing disabled: 0800 77 28 626

Physical service stores

www.aeseletropaulo.com.br/clientes/Paginas/lojas.aspx

COMPLAINTS SERVICES

GRI: PR5; PR9

In addition to the customer service channels, AES Eletropaulo offers the Ombudsman service, a channel responsible for receiving, calculating, settling and answering statements related to the rendering of services, as well as for proposing improvements in internal processes.

Aiming at the optimization of the process of analysis of complaints received through this channel and ensure greater uniformity at the statements adopted in the statements presented by the customers, the Ombudsman of AES Eletropaulo has a hotline and exclusive oversight structure, in addition to two specific coordination: one for the treatment of complaints received directly by the hotline of the company and the statements of Aneel/Arsesp and another dedicated exclusively to the analysis and performance of records received by Procon.

The monitoring of these statements is performed daily and segmented by type of subject, by origin of the entry of the statement and also by the measure adopted in the processes. These data serve as input to the adoption of actions to improve internal processes, generating preventive and corrective actions, aimed at mitigation of recurring complaints.

It is worth mentioning that in August of 2013, with the aim of giving greater agility to customer service, it was implemented the Audible Response Unit (URA) on the Ombudsman. Such innovation currently allows the customer to access the electronic service 24 hours a day, seven days a week, being possible, whenever applicable, the automatic targeting to commercial and emergency services every day of the week.

These initiatives, combined with efforts focused on the treatment of complaints, have presented important results, including some indicators that are followed by Procon. In this context, in the Online Ranking of Service, published since 2012 by Fundação Procon, AES Eletropaulo rose to the 11th position in 2013, thus improving three positions, since, in 2012, it was ranked as eighth place. In State Online Ranking of Service, the company was in 15th position, with an index of solution of 87.99% in that agency.

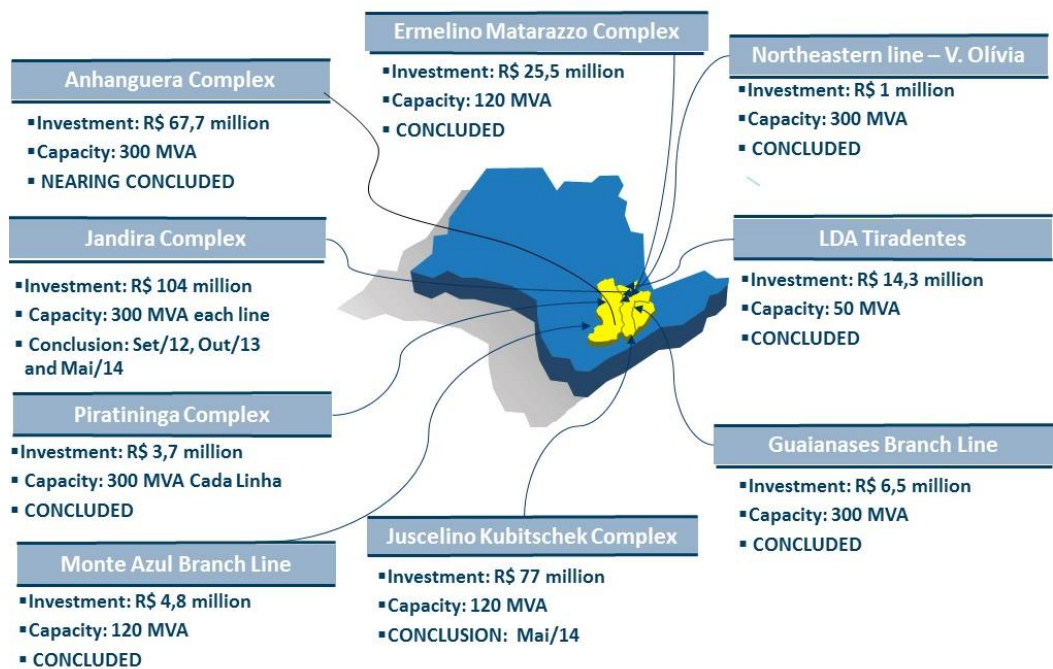
Constant monitoring of these complaints, combined with the efforts that have been undertaken throughout the year, reflected positively in the National Ranking, published by the National Secretariat of the Consumer (Senacon), in which the AES Eletropaulo dropped out of the list of 50 companies subject to complaints in the country in 2012.

Solved Complaints (%)	2011	2012	2013
During the service	57	64	55
After the service	43	36	45
In up to 30 days	91	91	92
Between 30 and 60 days	7	8	7
More than 60 days	1	1	1
Complaints considered legit regarding the total of received complaints	49	52	53
Solved Complaints regarding the number of complaints considered legit	100	100	100

DISTRIBUTION NETWORK EXPANSION

GRI: 2.9; EC8; EU6; EU7; EU12

As part of the expansion program and in order to cover the growth of power demand in its concession area, since 2007 AES Eletropaulo has been investing around R\$ 300 million in ten construction works in its concession area. Of this total, seven are concluded and three are at final phase, and it is worth highlighting the works related to the Football World Cup.



Note: The investments correspond to the plan. Therefore, the total effectively invested in each project may be greater or lower than the reported value.

The planning to ensure the offer of power is made for each micro region of the concession area, projecting the charge for the next five years considering the history of market growth and customers' service. Based on this analysis, the Plan of Expansion of the Electrical system is prepared with the purpose of covering the growth of charge in the short, medium and long-term.

The maximum demand of the system in 2013 grew 1.59% compared to the maximum demand of the system in 2012. The installed capacity grew 1.66%, when compared to 2012.

The total installed capacity of 13,998.9 MVA in 2013 and maximum demand recorded was 8,451.24 MW. The initial goal was the installation of additional 133 MVA in the distribution substations over 2013, but a plan of increase to meet the market growth accelerated the installation of new transformers and the accrued for the year 2013 reached a total of additional 236 MVA in 10 distribution substations.

Operational excellence

GRI: EC2; EU21; EU28; EU29

The operational performance in 2013, measured by DEC and FEC indexes was one of the best already registered in the history of the company. The investment in technology to the distribution network and in the Center of Operations of Distribution (COD) and anticipating action for extreme climate events made possible the reduction of DEC and FEC.

Since 1996, AES Eletropaulo carries out the “Plano Verão” (Summer Plan), a special operational plan for the period of higher frequency and intensity of rains, which causes damages to the aerial distribution grid. In 2013 the company invested in important technological innovations to increase the efficiency of the Summer Plan.

Among the highlights, are software programs that analyze the information received via call center, identify the place of the occurrence, locate and send the nearest team, as well as follow the whole service process until the conclusion.

The distributor manages all the occurrences in the grid, identifying the possible causes of a possible interruption. Such data will be crossed with the Mobile Workforce Management (MWM) system, which locates the nearest available team, calculates the length of time and the best travel route and follows the service up to the conclusion of the service. In 2014, the concessionaire will also implement the Distribution Management System (DMS), which simulates maneuvers in the grid, transferring the consumer units that are without supply to other circuits, so as to minimize at the maximum the number of customers with power shortage.

Another innovation is the pilot project of motoelectricians, whose main purposes are to test a new transportation and service model at field and to minimize the impacts of traffic in the service routine. The first team has already showed a reduction over 40% in the average time to locate the reason for the occurrence, in relation to the time spent using car and truck. Among the services provided by the motoelectricians are: repairs in the wires, removal of tree branches and replacement of equipment that may be carried on small size vehicle.

Operating indicators	2011	2012	2013
General Company DEC – accrued value	10,36	8,35	7,99
General Company DEC – regulatory limit	8,68	8,67	8,49
General Company FEC – accrued value	5,45	4,65	4,37
General Company FEC – regulatory limit	6,93	6,87	6,64

DEC – Duration equivalent of interruption per consumer unit
 FEC – Equivalent Interruption Frequency per consumer unit

Managing climate risks

GRI: EC2; EU8; EU21

In order to evaluate the vulnerabilities and propose prior measures of adaptation to the climate, AES Brasil launched, in 2013, the Governance of Impacts of Climate Changes. It is a mapping of risks that may influence the company’s capacity of response and of possible opportunities of a differentiated climate scenario.

Among the listed actions already performed by the company, 52% corresponded to adaptation measures, such as implementation of meteorological installations in substations and the previous detachment of teams to cover more severe climate events. Such measures, associated to actions of mitigation of worsening of the climate effects performed by the company, were gathered in a long-term action plan.

With it, the company seeks to ensure the reliability of its operations and the maintenance of its business in the long-term, proposing measures of adaptation and mitigation whenever possible. In addition, guidelines of the company were proposed on the subject.

To learn more about the programs of innovation and excellence for the customer’s satisfaction, access <http://aesbrasilsustentabilidade.com.br> – Sustainability for AES Brasil – Principal Projects – Innovation and excellence for the customer’s satisfaction

Customer Satisfaction

GRI: PR5

In 2013, even with good operational and service indexes, AES Eletropaulo was subject to a decrease in the index of Satisfaction with Perceived Quality (ISQP), changing from 13th to 17th place in ranking ISQP, moving from fifth place to ninth place in the national ranking drawn up by the Brazilian Association of Electric Power Distributors, with 31 power distributors in the country above 500 thousand customers.

In order to diagnose the reasons for customer dissatisfaction, surveys were contracted to better understand the motivations of evaluation and enhancing operational and communication integrated actions to reverse the customer perception.

Customer satisfaction	2011	2012	2013
Aneel Customer Satisfaction Index (IASC) – Aneel survey (%)	ND	58,66	61,75
Index of Satisfaction with the Quality Perceived by residential customers (ISQP) – Abradee survey (%)	71,5	80,6	78,3

To learn more about the programs of innovation and excellence for customer satisfaction, visit www.aesbrasilsustentabilidade.com.br – Sustentabilidade para a AES Brasil – Principais Projetos – Eficiência no Uso de Recursos

Efficient use of resources

The proper allocation of these resources in order to ensure balanced results with respect to all relation network, in accordance with the company's efficient use of resources

In the Sustainability Platform, the theme Efficient use of resources comprises three fronts of operation: financial, energy and natural. The results are broken down as below.

Efficient Use of financial resources

Commitments	Current Status	Next steps
Operate with costs that would place us in the first positions of the Aneel ranking in terms of operational efficiency (between 25% of the most efficient companies)	In progress. The action fronts which need to be adopted to reach a new position in the Aneel Ranking were mapped .	To continue the plan of action to improve the operational efficiency.
Management restructuring of the intangible assets through 2014	In progress. The process is in revision phase and shall be presented in 2014.	To finish the revision of the management processes of intangible assets.

Economic-financial performance

GRI: 2.8: EC1

In 2013, net profit totaled R\$ 198.2 million, an increase of 260.2% when compared to the amount of R\$ 55.0 million recorded in 2012. This growth is explained mainly due to:

- (i) R\$ 158.4 million due to the combined effect of the market growth, rate and efficiency with losses;
- (ii) R\$ 158.2 million according to the variations of the Installment A mainly due to the reversal of the CVA in the amount of R\$ 505,9 million, credited to the company through the transfer of resources from CDE, with R\$ 411,9 million related to costs incurred in 2012;
- (iii) R\$ 79.6 million PMSO reduction;
- (iv) R\$ 44.6 million positive impact given the better financial results.

Partially compensated:

- (v) R\$ 240,9 million negative impact mainly on the basis of the postponement, by Aneel, of the date of application of the 3RTP (third periodic tariff review).

2013 Results - highlights (R\$ million)			
IFRS Consolidated (R\$ million)	2012	2013	Variation
Gross revenue	15,313.7	12,611.3	(17.6%)
Net revenue	9,959.2	9,012.2	(9.5%)
Operating costs and expenses*	8,469.7	7,412.2	(12.5%)
Ebitda	575.4	729.2	26.7
Financial Results	(51.6)	16.0	ND
Financial revenues	238.7	196.6	(17.6%)
Financial expenses	(399.6)	(348.9)	(12.7%)
Results before taxes	72.9	309.6	324.9%
Net profit	55.0	198.2	260.2%

Distribution of wealth - per interested parties	2012		2013	
	R\$ thousand	%	R\$ thousand	%
Employees	696,093	1169%	754,401	17.13%
Government (taxes, rates and contributions and sector charges)	4,899,669	82.14%	3,244,978	73.69%
Financial/third parties	312,179	5.24%	206,092	4.68%
Shareholders/retained	55,014	0.92%	198,182	4.50%
Added value distributed	5,952,955	100%	4,403,653	100%

Operational revenue

Gross Operational Revenue was R\$ 12,611.3 million, a reduction of 17.6% when compared to R\$ 15,313.7 million in 2012 mainly due to: (i) revenue R\$ 2.849,5 million lower to cover costs with Installment A, applied by Law nr. 12.783/2013; (ii) reduction of R\$ 365.0 million related to the repayment of regulatory liabilities of postponement of 3RTP; (iii) lower revenue with construction, in R\$ 22.0 million; offsetting partially due to (iv) the increase of R\$ 240.0 million related to the effect of tariff adjustment and growth of 1.4% of consumption in total market.

As a result of the above-mentioned variations, the Company's net Operational Revenue amounted to R\$ 9,012.2 million, a reduction of 9.5% compared to R\$ 9,959.2 million in 2012.

Operating costs and expenses

In 2013, operating expenses reduced 12,5%, totaling R\$ 7,412,2 million. This reduction results, mainly, from the cost reduction program of the company. The main variations are detailed below.

Operating expenses (R\$ million)	2012	2013	Var (%) 2012 x 2013
Installment A	6,858.5	5,813.7	(15.2%)
Power purchased for resale	5,376.3	5,296.7	(1.5%)
Transmission	1,482.2	517.0	(65.1%)
PMSO	1,611.3	1,598.5	(0.8%)
Personnel	784.8	844.3	7.6%
Third-party services	503.0	456.8	(9.2%)
Material	62.5	46.2	(26.0%)
Others	261.0	251.3	(3.7%)
Total	8,469.7	7,412.2	(12.5%)

INSTALLMENT A

Expenditure on purchase of electric power was reduced by 1.5%, compared to the same period in 2012, on the basis of the transfer of funds through the CDE, amounting to R\$ 669,1 million, offset by increases of 0.3% in the volume of purchasing power and 9.8% in the average price of purchased energy.

Expenditure on charges of using the transmission and power grid showed a 65.1% reduction in 2013, depending on the transfer of funds through the CDE, amounting to R\$ 420,3 million, in addition to the reduction of R\$ 622,1 million with Basic Network charges and of the ONS.

OPERATING EXPENSES

In 2012 and 2013, the company intensified its actions of improvement in cost management, aiming at productivity gains and efficiency to reduce 2013 manageable PMSO on the 2012 manageable PMSO, adjusted by the IGP-M. The result reached by the company exceeded the reduction goal. Initially the goal was to reduce the manageable PMSO by R\$ 100 million, but the commitment of the Administration to control costs has led the company to revise the goal to R\$ 140 million. Therefore, in 2013, the company reduced the 2012 manageable PMSO, adjusted by the IGP-M at R\$ 178,1 million, equivalent to 178.1% of the initial goal of reducing the manageable PMSO scheduled for the year. Such a result can only be achieved with commitment and effectiveness of Administration in effecting actions that have improved the management of costs.

PERSONNEL

In 2013, personnel expenses and charges presented a 5.8% reduction as compared to 2012, totaling R\$ 506,5 million. This variation is due to the restructuring of the workforce and the retirement incentive program, conducted in the second half of 2012, offset by internalization of employees and salary adjustments.

In 2013, the private pension entity expense amounted to R\$ 337,7 million, 36.8% higher as a result of accounting changes that modified the discount rate.

Personnel (R\$ million)	2012	2013	Var (%) 2012 x 2013
Personnel and related charges	537.9	506.5	(5.8%)
Private pension entity	246.9	337.7	36.8%
Total	784.8	844.3	7.6%

THIRD PARTY MATERIALS AND SERVICES

In 2013, the cost of third-party materials and services totaled R\$ 503.0 million, a decrease of 11.1% as compared to 2012. This variation is the result of the reduction of expenses related to the fleet in the light of the emergency plan, occurred by the end of 2012, and the classes of emergency and combating fraud, internalized in the first quarter of 2013, partially offset by increased costs of cutting and reconnection services.

OPERATING EXPENSES

In 2013, the other operating expenses showed a reduction of 3.7%, totaling R\$ 251.0 million, due mostly to the reversal of PCLD held in the period, amounting to R\$ 70.6 million, offset in part by the net negative effect in 2013 of R\$ 22.8 million with rollbacks and labor provisions.

Other operating expenses (R\$ million)	2012	2013	Var (%) 2012 x 2013
PCLD and write-offs	39.2	16.9	-56.8%
Dispute settlement provision and contingencies, net	73.6	104.4	41.9%
Other*	148.3	130.0	-12.4%
Total	261.0	251.3	-3.7%

*Leases and rents, indemnities, damages, advertising, banking fees, IPTU, etc

Other income and expenses

In 2013, net expenses amounted to R\$ 870.8 million, a reduction of 4.7% when compared to the previous year, as a result of lower investments in a total of R\$ 809.1 million, which is 2.7% lower compared to 2012. The investments started to be accounted as “Other Expenses after the adoption of IFRS and ICPC 01, and are offset in “Other Income”, with corresponding value and, therefore, without effect in the result.

Ebitda

In 2013, Ebitda of the company was R\$ 729.2 million, an increase of 26.7% in relation to 2012, when Ebitda was R\$ 575.4 million. The following factors explain such performance:

- (i) R\$ 365,0 million related to the repayment of the regulatory liabilities based on the postponement, by Aneel, of the tariff revision;
- (ii) R\$ 240,0 million positive performance with market growth, tariff adjustment and efficiency with losses;
- (iii) R \$ 239,7 million positive effect with variations on the Installment A;
- (iv) R\$ 120,6 million positive impact with lower expenses with PMSO, given the cost reduction program; and
- (v) R\$ 90.8 million with higher expenses with the pension fund.

Financial Results

In 2013, the net Financial Results were a net income of R\$ 16,0 million towards a financial expense of R\$ 51.6 million in 2011, explained, mainly by:

- (i) the positive impact of R\$ 131.4 million for the update of the fair value of the concession assets;

Partially offset:

- (i) by the reduction of R\$ 9.6 million in revenue with penalty increase on overdue accounts; and
- (ii) reduction of R\$ 0.5 million due to the decrease of the CDI.

Net profit

In 2013, net profit of the company was R\$ 198.2 million, an increase of 260.2% in relation to 2012, when was R\$ 55.0 million. That growth is mainly explained by:

- (i) R\$ 158.4 million due to the combined effect of market growth, rate and efficiency losses;
- (ii) R\$ 158.2 million in the variations of Portion mainly due to the reversal of CVA in the amount of R \$ 505.9 million, credited to the company through the transfer of funds from CDE, R \$ 411, 9 million related to costs incurred in 2012;
- (iii) R\$ 79.6 million reduction in PMSO;
- (iv) R\$ 44.6 million positive impact given the best financial result.

Partially offset by:

- (v) R\$ 240.9 million mainly due to negative impact of postponement by Aneel, the date of application of 3RTP.

Shareholders' compensation

AES Eletropaulo's management proposes the distribution of 25% of the base for payment of dividends of year 2013, totaling R\$ 69.0 million. Management also proposes that the remaining value of R\$ 207.0 million should be destined to the Statutory Reserve to strengthen working capital of the company, given the reduction of operational cash arising from the third cycle of tariff revision of the National Electric Power Agency, defined in July 2012. The destinations mentioned above will be submitted to approval at the Annual Shareholders' Meeting (AGO) which is scheduled to occur up to April 4, 2014. Accordingly, the proposal for distribution of provisions of the company corresponds to R\$ 0.39 per share ON and R\$ 0.43 per share PN to be paid on a date to be decided by the company's administration.

Indebtedness

On December 31, 2013, the company's gross debt amounted to R\$ 3,960.7 million, an increase in relation to the R\$ 3,935.9 million recorded on December 31, 2012. The cash amounted R\$ 974.2 million in the end of the year, a value R\$ 160.1 million higher than the amount in the same period of 2012. Accordingly, the net debt of the Company amounted R\$ 2,986.6 million in 2013, a reduction of 4.3% when compared to 2012, mainly due to:

- (i) the payment of the 1st installment of repayment of the 13th issuance of debentures in the amount of R\$ 20 million in May 2013;
 - (ii) the payment of the 2nd installment of repayment of CCB with Bradesco, in the amount of R\$ 30 million in November 2013;
 - (iii) the reduction of the balance of interests payable in the amount of R\$ 31 million;
- and
- (iv) the increase of R\$ 160 million in cash balance.

The average cost of total debt of AES Eletropaulo showed a variation from CDI +1.21% p.a. on December 31, 2012 to CDI +1.19% p.a. on December 31, 2013. The average duration of debt on December 31, 2012 was of 7 years, a level higher than the duration of 6.1 years of December 31, 2013.

Investments

In 2013, the volume of investments reached R\$ 809.1 million, of which R\$ 644.3 million with our resources and R\$ 164.7 million financed by customers.

Main investments in 2013

EXPANSION OF THE SYSTEM AND CUSTOMER SERVICE

R\$ 207.8 million were invested in adding 171.9 million new customers, of which 75.8 thousand are related to regularizations of illegal connections.

R\$ 172,0 million were invested in expansion of the system, including an increase of installed capacity of 236 MVA, as a result of the expansion of ETD Butantã (40 MVA), Oratório (40 MVA), Jordanésia (20 MVA), Tamboré (20 MVA), Alvarenga (13 MVA), Ibirapuera (7 MVA), USP (6 MVA), Leopoldina (5 MVA) and São Bernardo (5 MVA) and powering of new ETD Sertãozinho (80 MVA), benefiting a population of approximately 1.6 million inhabitants.

RECOVERY OF LOSSES

R\$ 23.2 million were invested, intended for the performance of 75.8 million regularizations of illegal connections, correction of 62.2 thousand irregularities and replacement of 105.8 million obsolete meters.

OPERATIONAL RELIABILITY

R\$ 193,1 million were invested, intended primarily to maintenance of 4,792 km of network and modernization of sub transmission and underground networks.

FUNDED BY THE CUSTOMER

Investments made by customers totaled R\$ 164.7 million and relate primarily to donations/incorporations of condominiums and energy efficiency projects, among others.

Commercial Performance

In 2013, the volume distributed by AES Eletropaulo reached 46,215.8 GWh, a growth of 1.4% in relation to 2012. The period showed one less day of invoicing (-131 GWh) and, if this effect was excluded, the total market would grow 1.8%. The growth reflects the performance of the captive commercial market and residential market, which presented a growth of 4.3% and 2.4%, respectively, adjusted: (i) by the effects of invoicing days; (ii) by the reclassification of services of condominiums from commercial class to residential class (303 GWh); and (iii) by the migration of customers to the Free Contracting Environment - ACL (630 GWh in commercial class).

The captive commercial market was driven by the increase of 4.3% in sales volume in the market in the State of São Paulo⁵, in aggregate until November 2013. The performance of residential class reflects the increase of 2.0% of actual income of the Metropolitan Region of São Paulo in 2013.

The consumption of the industrial class (captive market) showed an evolution of 0.8%, excluding the effects of invoicing days and of the migration of customers to ACL (-245 GWh), due to the growth of 1.4% in the industrial production of the State of São Paulo accumulated up to November 2013, according to IBGE survey. The other classes presented reduction in captive consumption due to the drop of 2.2% of the public lighting class, mainly due to the use of more efficient lamps.

The free market registered a consumption of 8.741.5 GWh in 2013, an increase of 9.5%, when compared to 2012, reflecting the movement of migration of consumption units to the Free Contracting Environment (ACL). If the effects of migration between the Regulated Contracting Environment (ACR) and ACL are considered, whose net effect was an increase of 868 GWh in the period, the consumption of free market would present a reduction of 1.2% when compared to 2012.

⁵ source: Pesquisa Mensal de Comércio do IBGE

Efficient use of power resources

Commitments	Current Status	Next steps
To reduce the global losses at AES Eletropaulo in up to 13;35% until 2016	In progress. The initiatives of the Loss Mitigation Plan added 564 GWh to the billed market in 2013 and allowed the reach of the unseen level of 9.9%, the best result ever registered by the company.	To increase the actions for losses recovery and to keep the management of technical losses.
Reduce own consumption of electric power in 20%, through 2016	In progress. The Internal Electricity Consumption was of 42.9 GWh, 3% lower if compared to the consumption of 2012 (44,19 GWh).	To establish an Energy Consumption and Other Natural Resources Internal Management Commission focused in new energy efficiency projects, besides internal awareness campaigns.
To reduce of 273.5* Thousand MWh of energy consumption of our customers until 2016.	In progress. The actions summed up R\$ 87.6 million in investments, which resulted in the reduction of 38.411 MWh in the consumption of the customers of public energy and low income.	To keep the intensification of actions of the Transformation of Consumers into Customers Program and the energy efficiency projects with customers, with the public power.

*revised in 2013

To use power resources on an efficient manner is to fight electric power losses resulting from technical and commercial reasons or inadequate consumption.

AES Eletropaulo's efforts are focused on planning and developing the activities continuously improving the performance of operations, since the business depends on equipment that consumes large volumes of power, and promoting power efficiency by fomenting intelligent consumption in our concession area, with more than 20.1 million people consuming electric power.

The company addresses the theme in three fronts:

Loss mitigation: it is the fight against Global Losses caused by inefficiency in the system, reducing loss and mitigating related environmental impacts.

Own Consumption: it is the constant pursuit for reduction of consumption of the own company, with good results in 2013.

Reduction of customer's consumption: it is the promotion of more intelligent use of power, providing shared gains.

Decrease of technical and commercial losses

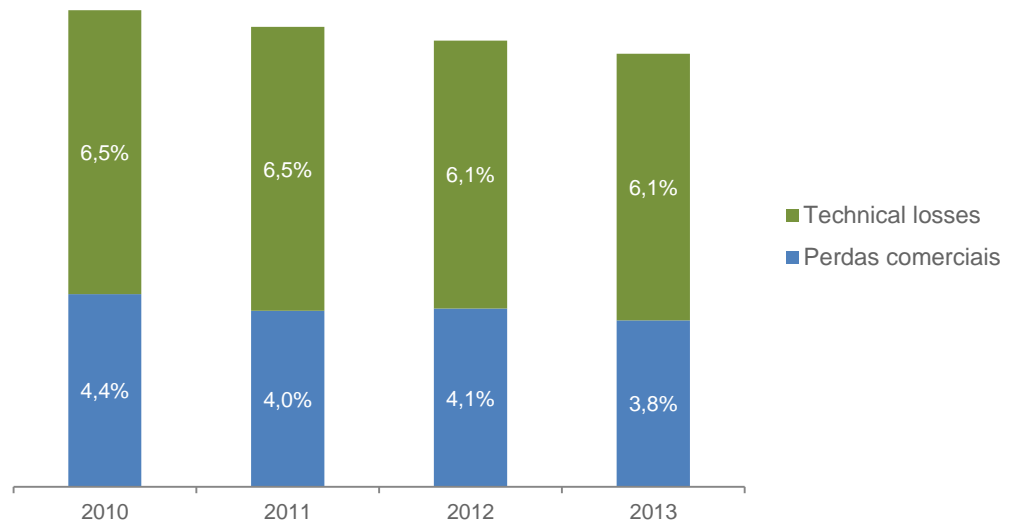
GRI: EU12

To fight Global Losses of power resulting from inefficiency in the system, AES Eletropaulo maintains the **Plan of Loss mitigation**, which includes a series of initiatives which, together, added 564 GWh to the billed market and enabled the unprecedented level of 9.95%, the best result ever recorded by the company.

The plan brings actions such as inspections of fraud in segments with high history of irregularities and major impact on the volume of added power; recovery of installations that had their power supply cut due to non-payment and which, for failing to settle the pending debits, began to consume power on an irregular basis; replacement of obsolete meters for more modern equipment, which provide higher precision of calibration and reading, contributing to reduce losses on billing due to low efficiency of reading; and regularization of informal connections.

In 2013, AES Eletropaulo made 379.7 thousand inspections against frauds and irregularities, and found 67 thousand irregularities of measurement. In addition, 68.3 thousand installations that had their power supply interrupted due to default were recovered.

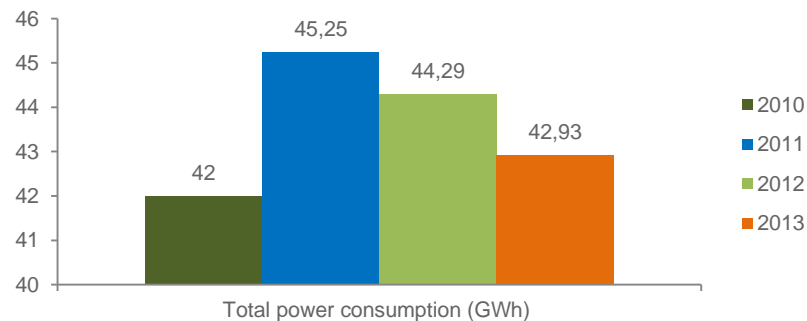
LOSSES



Internal Electricity Consumption

GRI EN4

AES Eletropaulo's Internal Electricity Consumption was 42.93 GWh, corresponding to a reduction of 3% compared to the consumption in 2012 (44.29 GWh).



Reduction in the consumption of electricity by the customers and energy efficiency

GRI: EN5, EN7

The Power Efficiency Program offers guidelines and alternatives to prevent electric power losses. Following a determination of Aneel, power companies allocate every year 0.5% of their net revenue to this type of program.

In 2013, AES Eletropaulo's investment in shares of the public power was R\$ 4.1 million in shares that resulted in a reduction of 3,031 MWh in the consumption of this category of customers, besides R\$ 83.5 million for the reduction of 35,380 MWh in the consumption of more than 75 thousand customers regularized within the Program of Transformation of consumers into customers.

Description of the Project	Benefited	Location of the project	Investment (R\$ million)	Saved energy (MWh)
Modernization of the lightning system of state schools	State Education Ministry	108 schools in the education network	0,7	1.973
Replacement of lamps by LEDs in the traffic lights in Osasco	City Hall of Osasco	City of Osasco	1,2	1.058
Installation of 272, no-breaks in the traffic lights in São Paulo	City Hall of São Paulo	City of São Paulo	2,2	NA
Transformation of consumers into customers Program	184 low income communities	14 cities (concession area)	83,5	35.380
Total	--	--	87,6	38,411

With the conclusion of the energy efficiency project in the 108 state schools, AES Eletropaulo reaches 771 schools made effective which besides the economy of power, significantly improved the quality of their lighting, contributing with the quality of the public education.

The replacement of 4,311 incandescent lamps in the traffic lights of Osasco does not only reduce power consumption by 87% but it also contributes with safety since the new system avoids the ghost effect⁶.

With the installation of 272 no-breaks in the traffic lights in São Paulo, a major project was concluded with the CET (Companhia de Engenharia de Tráfego - Traffic Engineering Company) which replaced more than 110 thousand incandescent lamps for LEDs, bringing power economy of around 85%, reduction of operating expenses, less interruption of traffic and improvement of the quality of life of the citizens.

Another outstanding initiative is the program of Transformation of consumers into customers, whose main purpose is to regularize informal connections (popularly known as “gatos” (cats)) and, thus, provide safe and reliable electric power. Developed since 2004, the program has already regularized more than 500 thousand connections and benefited more than 2 million people.

⁶ The ghost effect occurs when sunlight reaches the traffic light and gives the impression that a lamp is on, confusing the driver. This situation used to occur in the former model with the use of incandescent lamps with lenses to produce the desired color. The use of LED eliminates this effect.

Efficient use of natural resources

Commitments	Status	Next steps
Expand by 40% waste recycling and cut by 25% waste disposal in landfills by 2016	In progress. In 2013, there were recorded significant gains in the reuse of waste of the civil construction works that may potentially be reused in the own work or have different disposal. The reuse of power grid material increased 123% regarding 2012, motivated by the application of wood crosses in the manufacturing of furniture and utensils for the civil construction. The recovery of 100 tons of ironwork and isolators is highlighted	To improve and monitor processes, making all people aware, to guarantee an efficient management of generated waste and their correct destination
To prioritize partners receivers of waste, considering social and environmental aspects of the treatment plant/disposition of waste until 2016	In progress. With social-environmental criteria, the suppliers receivers of waste were mapped and prioritized, and the social and environmental criteria were defined. Also, the current management processes of such suppliers were mapped, to identify possible improvements to the waste disposal	To review the hiring and management procedures of the suppliers receiving wastes and implement a new processes, including phases of training, adaptation and development of those suppliers
Reduce in 10% the water consumption, in 10% the CO2 emissions and in 5% the paper consumption and prioritize the use of renewable fuel in the fleet up to 2016	In progress. The water consumption was 6.4 lower than the previous year. An increase in the CO2 emissions was registered regarding the previous period. The use of ethanol is prioritized and a modernized fleet is kept, in order to guarantee better results. The paper consumption was reduced in 17%.	Establish an Internal Commission for the Management of Consumption of Natural Resources
Merge at least 20% of recycled and reused material and/or equipment in the power grid up to 2016	In progress. Reuse of power grid material resulting from reverse logistics. The recovery of 100 tons of ironwork and isolators is highlighted.	To identify opportunities to reuse and implement the project.
Structure, up to 2013, the Risk Management and Opportunities Identification System Associated with Weather Changes	Reached. The risks and opportunities related to the climate changes were mapped in 2013 and guidelines were defined to guide the operational processes of the Company.	To implement the action plan.

GRI EN26

In order to prevent, correct, mitigate and control environmental impacts resulting from its activities, AES Eletropaulo has the Environmental Management System (SGA), which offers a system of continuous improvement through development of objectives, goals, programs and management procedures, and operational instructions, thus standardizing the company's processes and activities, in particular those offering higher risks to the environmental policies.

The system also addresses themes involving management of suppliers of services and materials, considering issues related to the compliance of the environmental legislation, good practices regarding environmental management and the company's policies, as well as prevention of impacts and accidents.

Another point of attention of the SGA are impacts that AES Eletropaulo's activities cause in the surrounding communities, so as to identify how to minimize them. All these actions are given by the Sustainability policy of Group AES Brasil, which promotes operations in conformity with the environmental legislation in force and in respect for natural resources.

AES Eletropaulo allocated R\$ 85.7 million, in 2013, to environmental actions, such as trainings, improvements in the environmental management of processes, new technologies,

licensing and environmental offsets, investigation of potential liabilities, environmental remedies and environmental audits with suppliers.

GRI: EN30

Investments in environment protection (R\$ thousand)	2011	2012	2013
Direct costs – Environmental Policies Management	3,225	3,068	7,279
Environmental Management System and others	1,676	1,463	1,494
Licensing and environmental compensations	810	1,313	1,760
Recovery of soil quality and underground waters	6,616	11,256	13,776
Environmental adequacy and pollution prevention	2,677	2,078	4,056
Operational trainings	82	1	26
Communication	84	0	19
Projects P&D	2,176	655	20
Energy efficiency projects	54,978	35,008	57,260
TOTAL	72,297	54,843	85,690

Materials and wastes

GRI: EN22; EN23

The development of activities at AES Eletropaulo consumes resources such as cables, posts, metallic ironware, isolators and transformers, among other items. Upon disposal of such material its reuse or recycling is considered. In 2013, the reuse of material of the power grid increased 123% in relation to 2012, due to the use of wood crosses removed from the network in the manufacture of furniture and utensils for the civil construction. As to the recovery of material, the highlight is the recovery of 100 tons of ironware and isolators.

Most of the waste produced by AES Eletropaulo in 2013 was scrap resulting from expansion work and later destined to filling of civil construction or local reuse.

Non-hazardous waste (t)	2011	2012	2013
Reuse	439.00	321,00	715,29
Recycling	13,168,00	21,029	37,999,20
Recovery	0,0	0.00	90.80
Incineration (or use as fuel)	53,211,00	142.00	1,470.00
Sanitary landfill	79,974,00	17,045.00	21,140,61
Total	146,792,00	38,537.00	61,415,90

¹ For waste that is not weighted, conversion factors from volume to weight are applied, estimated by the company, as well as it uses data provided by the contracted companies responsible for the disposal of waste.

The hazardous waste generated in the operations was transported for treatment.

Hazardous waste (t)	2011	2012	2013
Recycling	1,074	21,029	54
Recovery	1,516	611	318
Incineration	18	33	54
Sanitary landfill	4,079	1,177	3,<
Co-processing	559	329	195
Decontamination PCB	0	102	279
Total	7,246	2,891	4,525

Leaks

GRI EN23

There were two Leaks in 2013: one at the Cambuci site (0.6 m³ - isolating mineral oil) and another in an underground cable (2.3 m³ - LAB oil). To mitigate the impacts, the affected soil was removed and repaired and the equipment that caused the leaks was repaired.

These leaks contributed with the generation of 296 t of hazardous waste.

Water

GRI: EN8

In 2013, water consumption at AES Eletropaulo's units was 118,287 m³, volume 6.4% below the same period of the previous year. This amount corresponds to 20.10 m³ per employee, which is 9.8%% lower than the previous year.

To comply with the commitment of reduction in water consumption, an inventory was made of all the company's sites. An internal management commission was formed to analyze the agreements and establish action plans focused on the reduction of consumption

The year 2013 presented our first result regarding the effectiveness of use of water of reuse. The company's head office adopted a treatment and partial supply of water of reuse and was able to use a total volume above 8,000 m³.

Total consumption of water per source (m ³)	2011	2012	2013
Supply (public network)	115,913	126,379	103,850
Underground source (pit)	1,591	0	0
Superficial collection (water courses)	-	-	14,437
Total water consumption (m ³)	117,504	126,379	118,287
Water consumption by employee (m ³)	20.7	22.3	20.1
Percentage of recycled water used ¹	-	-	12%

¹ Refers to collected rainwater.

Emissions of greenhouse effect gases and substances destructing Ozone layer

GRI: EN16; EN18

In 2013, AES Brazil developed the Governance System of Climate Change Impacts, a commitment to Sustainability Platform that aims to assess the company's vulnerability points to propose previous climate adaptation measures, both for companies as well as for the generation companies and the distribution companies of the Group.

Additionally, the inventory of greenhouse gas (GHG) emissions identifies and quantifies the emission sources, serving as an effective tool of management.

Considering the sources directly controlled by AES Eletropaulo, there were emitted the equivalent to 7,067.6 tCO₂e, which corresponds mostly to the mobile fleet fuel consumption, followed by fugitive emissions resulting from carbon dioxide extinguishers recharge and replacement of SF₆ gas.

Indirect emissions, corresponding to energy consumption for the performance of the organization's activities and global losses (technical and non-technical), totaled the equivalent to 491.972,5 tCO₂e, considering average monthly emission factors of the National Interconnected System (SIN). The average of 2013 corresponds to the largest of all the emissions from energy generation already registered since 2006, the first year of publication of average emission factor of Brazilian SIN. This increase compared to previous years is due to the change in the hydrological regime and the consequent increase in the activation of the thermoelectric plants to ensure the national energy supply.

AES Brasil Group's goal is to reduce 10% of its emissions of CO₂, up to 2016, based on 2011.

Because the estimate of emissions includes the indirect energy consumption and is made based on emission factors of Brazilian grid, the inventory of companies has been directly affected. Due to climate conditions, since 2012 there has been a larger use of thermoelectric plants to meet the power demand in the country, which caused an increase of emissions of the organization.

With the purpose of consolidating all green gas issuance reports of Group's companies, the activity data of all sources considered in 2013 were restored for the years of 2011 and 2012, and inventories were recalculated.

Direct emissions of greenhouse gases per source (equivalent tCO ₂)	2011	2012	2013
Direct emissions	5,592	7,324	7,068
Indirect emissions	154.851	336,197	491,972
Total emissions	160,443	343,521	499,040

The emissions of substances harmful to the ozone layer referred to recharging of 177 kg of R22 in the air-conditioning apparatus.

Emissions of substances destroying Ozone layer in tons of CFC-11 equivalent	2012	2013
Total	0.004	0.006

Development and Valuation of Employees, Suppliers and Communities

Know, engage in a transparent way and positively influence employees, suppliers and communities to the collective construction of an agenda which generates value to everybody

Development and Valuation of Employees

Commitments	Status	Next steps
Reach an index above 85% of satisfaction in AES Brasil work environment until 2016	In progress. In 2013, the satisfaction index in the work environment went to 81%, an increase of four percentage points compared to 2012 (77%)*.	To keep working in the action plans generated in consultation to employees, increasing the leadership level and focusing in the quality of internal communication.

*The 2012 values are being resubmitted for the index previously disclosed was regarding to sustainability rather than general index.

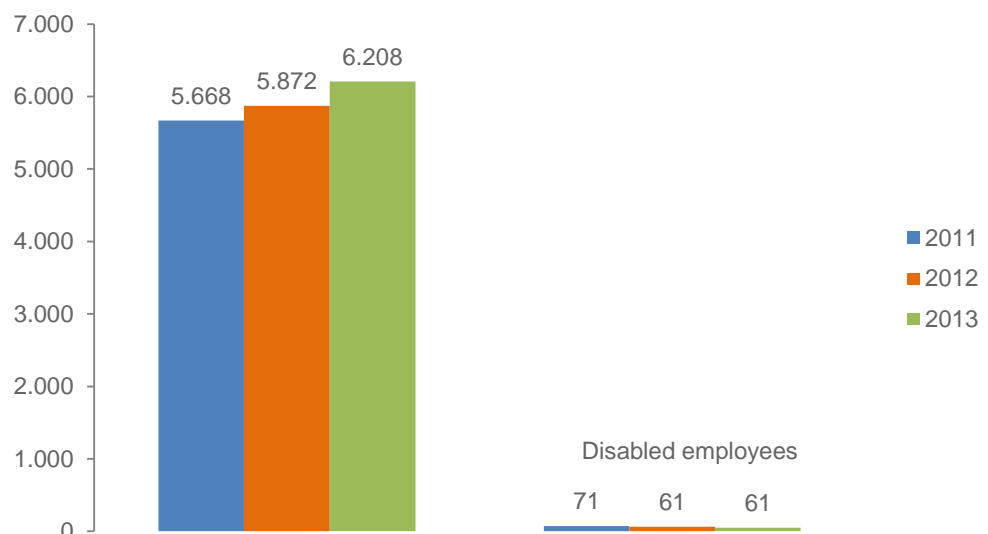
Group AES Brasil's companies are committed **to attract, to develop and to retain talents**. Accordingly, it seeks to provide an ethical and inclusive work environment, which values the diversity and promotes personal and professional development, by means of education for sustainability and adoption of criteria that value our commitments.

Daily, AES Eletropaulo gives special attention to its employees. The company seeks to create mechanisms of incentive and valuation providing efficiency, professional satisfaction and quality of life. Therefore, over 2013, it continued with its successful initiatives and revaluated others.

Profile of the employees

GRI: LA1

TOTAL EMPLOYEES



To attract

Employees per position and gender		2012		2013	
		Men	Women	Men	Women
Own Employees	Board of Executive Officers	19	8	19	6
	Management	63	21	63	19
	Coordination	153	34	229	40
	Administration	631	814	670	845
	Operational	3.972	157	4.135	182
	Total own employees	4.838	1.034	5.116	1.092
Outsourced	Outsourced	10.251	-	9.293	-
	Apprentices	38	35	84	97
	Interns	29	22	17	18
	Total outsourced	10.318	57	9.394	115
Total per gender		15.156	1.091	14.510	1.207
Total general		16.247		15.717	

Compensation: the salary policy of the company includes the nominal salary (fixed compensation), additional compensations, benefits, as well as profit sharing (PLR). Fixed compensation is linked to the duties of the function. Variable compensation is based on the assessment of individual performance and on the company's result and is paid by means of the Profit Sharing Program.

The lowest salary paid by AES Eletropaulo (R\$ 1,113) corresponds to 1.64 minimum salary, of which 64.16% higher than the national minimum salary (R\$ 678) in force in 2013. In regard to the equity in the compensation between genres, operating functions, for example, men recorded a salary 7.02% higher than women's compensation. In 2012, this difference was 4%.

GRI LA14

Women/men salary	2012	2013
Board of Executive Officers	83%	98%
Management	88%	91%
Coordination	123%	132%
Administrative	66%	70%
Operational	96%	93%

Benefits: participation in private pension plans, meal voucher, food voucher, bus voucher, life insurance, health care, dental care, nanny/day-care assistance, additional pay due to occupational accident and sick pay.

Quality of life: AES Brasil's employees allocated at the head office in Barueri (around 24% of the total), had, in 2013, a new work schedule which, according to estimates, reduces by 58 minutes per day the time of commute. In a survey about the adaptation of people to the head office in Barueri, 40% mentioned that the change contributed to the quality of life. For the employees of operational areas, there are offered and made available, at every mornings, workplace exercise, with the purpose of mitigating the ergonomic risks associated with daily activities.

Learn more about benefits offered to employees at www.aesbrasilsustentabilidade.com.br

To develop

Siga Livre: program that consists in the map of career of non-management positions and functions of AES Brasil, with information regarding hierarchical levels and knowledge, background and experience necessary to exercise each function. In 2013, there were 1,008 promotions and 521 salary increases per merit or suitability.

Behavior Trainings: the target public is graduated professionals who were not covered by other development actions of the company. Considering the competences expected for this public, trainings are offered focused on themes such as: Written, Oral and Persuasive Communication; Project Management, Presentation Techniques and Planning. Approximately 260 employees participated in the training programs in 2013 (100 in 2012).

Pool: partnership with Senai, Instituto Edson, Instituto Vital Correia (IVC), Instituto de Pagamentos Especiais Educação Pró-Energia de São Paulo (Ipesp) and others located in the concession area, the project recruits, selects and trains people for the own chart of employees of AES Eletropaulo and also for the hired partnerships, complying with the high demand for professionals in the sector, as well as guaranteeing the quality of the technical capacitation, the behavior and the customer satisfaction. In 2013, 278 professionals were qualified, of which 100% were contracted parties hired by the company or by suppliers. Since 2009, when the program was created, 2,954 professionals were trained and 2,484 were contracted by AES Eletropaulo or by partner companies.

Social inclusion: the purpose is to offer job opportunities to former homeless people who participate in the project of inclusion of the City Hall of São Paulo. AES Eletropaulo is one of the companies participating in the project. The participants, who live in municipal shelters, named "Centros de Acolhida", are enrolled in professional courses at Senai, by means of the National Program of Access to Technical Education and Employment, "Programa Nacional de Acesso ao Ensino Técnico e Emprego" (Pronaltec). After the conclusion of the course, they participate in selective processes at partner companies of the project. At the first stage, AES Eletropaulo received 28 candidates and, after the whole selective process, contracted eight people for the position of reader. Currently, there are processes in progress, with 48 participants and potential of approval of more than 15 candidates. AES Eletropaulo also contributed with the inclusion of 14 women electricians and 10 Army soldiers who are at the phase of dismissal to work at one of its partners of outsourced services, AES Services.

To give opportunity for the formation and entrance in the labor market, AES Eletropaulo formed the first group of Qualification of Young Electricians, comprising 37 candidates enrolled in the Culture And Citizenship House of Osasco.

Potential management: In its third year, the program is focused on the development of graduated employees with at least one year of work at the company. The officers and managers appoint professionals considered as potential to assume higher positions within the organization. In 2013, 27 professionals were selected out of more than 70 appointed names. They all participated in processes of assessment (assessment of potential) and feedback which resulted in a Development Plan.

Coordinators pool: the purpose is to give agility to the replacement of operational coordinators. Accordingly, a mapping was made of a group of employees from the technical areas with leadership profile and which is being developed in technical and behavioral abilities.

Leaders Academy

Created in 2013 with the purpose of qualifying AES Brasil's leadership in concepts and basic competences in order to meet strategic purposes, the Leaders Academy encompasses supervisors, coordinators, managers and officers.

The structure of the Academy includes development trails, created based on the Sustainable Strategic Planning, on the business needs and on the organizational competences of the leadership. Every training that composes the trails is mandatory, so as to have alignment in the leadership actions and clarification of the recommended practices.

Reflecting the alignment to the Sustainable Strategic Planning, the Leaders Academy has the following mandatory trainings to all the leaders: Focus on the Customer, Management of Public relations, Sustainability and Strategic planning. All the 545 leaders of AES Brasil are expected to conclude their development trails up to April 2015.

In 2013, 432 leaders participated in at least one module of the Leaders Academy.

Learn more about the training programs offered to the employees at www.aesbrasilsustentabilidade.com.br.

To retain

Internal recruiting: in line with the strategic guideline "Management of Public relations", in 2013 AES Brasil reformulated the Internal recruiting policy. Now, before a vacant position is opened to all the internal public, the manager evaluates if there is any professional in his team who is already prepared to assume the job and, in case there is, an internal promotion is made. Accordingly, the process was more feasible, and the valuation of employees was strengthened. In 2013, out of the vacant positions at AES Eletropaulo, 40% were filled through internal recruiting.

Communication with the Internal Public: during 2013, communication channels with AES Brasil's employees underwent a reformulation with the purpose of approaching the operational public and increasing the retention of the messages disclosed. The "Rede Ligado" gathers all the internal communication channels and has specific tools for the operational, administrative and leadership employees. With the purpose of expanding the access to the company's information to the operational public, one of the highlights of the year was the creation of the "Momento Ligado", which uses the daily safety lectures to inform the employees about relevant management themes. In a survey conducted, 75.79% of the employees were satisfied or fully satisfied with the internal communication channels.

"Pé na Estrada": it is one of the communication channels of "Rede Ligado" and, in 2013, was also reformulated. The event provides a dialogue between the president and the company's employees and addresses issues such as unfolding of the Sustainable Strategic Planning and recognition. As of 2013, the event became more objective and it is closer to the employees, since the president visits the operational areas of the company.

TURNOVER

GRI: LA2

In 2013, 630 employees were dismissed, of which 132 were women and 498 were men. In the period, the Voluntary Turnover Rate ⁷(when the rescission of the labor agreement is an initiative of the employee) was 2.84%. In the same period, 953 employees were hired (770 men and 183 women).

Learn more about assessment and feedback to employees at www.aesbrasilsustentabilidade.com.br.

⁷ Voluntary turnover rate: number of voluntary dismissals in the year/monthly average of active employees of the company throughout the year.

Development and Valuation of Suppliers

Commitments	Status	Next steps
Implement the contracted companies' development and improvement management program until 2014	In progress. The new social, environmental, safety and operational criteria were revised, for the hiring and evaluation of suppliers and the Development Plan was designed.	To implement the Suppliers Development Plan.
Have 100% of service suppliers qualified in sustainability, encouraging them to adopt sustainable practices and seek certification of its products and services until 2016	In progress. The Suppliers Development Program contemplates capacitation activities for sustainability, through dissemination of concepts and best practices exchange.	To implement the Suppliers Development Plan.
Implement the furtherance program for small and new suppliers until 2014	Not started. This commitment was rescheduled for 2014.	
To adopt the processes of prioritization of suppliers of materials and services with social and environmental practices until 2016	Reached. The suppliers of materials and services were mapped and prioritized, and in 2013 social and environmental criteria were added to the homologation processes and hiring of suppliers	To guarantee the application of the hiring procedure and management of suppliers.

In order to manage and assist the development of their suppliers, AES Brasil has the Rate of Performance of Suppliers (IDF), which operates as a tool able to assist the organization in anticipating operating risks, as well as risks of image and reputation, caused by any improper behavior of their suppliers

An important advance for the IDF, which evidences its maturity and alignment with the Sustainable Strategic Planning, was the revision of the criteria of assessment of suppliers, with the improvement, mainly, of social and environmental criteria, reflecting AES Brasil's concern with the development of their suppliers and with the management of risks. Such revision comprised multidisciplinary teams of AES Brasil and suppliers of materials and services, throughout one year and a half.

Social criteria	Safety Criteria	Environmental Criteria	Operational Criteria
Labor Rights	Accidents Prevention	Infrastructure Adequacy	Management System
Compliance and Ethics	Health worker	Chemical Products Control	Production Capacity
Work Environment and Quality of Life	Productive Processes	Pollution control system	Technical Rehearsals
People management	Emergency Management	Environmental licenses and authorizations	Infrastructure
	Work Environment risks	Environmental liabilities	

Awarded since the launching of the IDF, the "Best Suppliers AES Brasil" prize recognizes the best practices of suppliers, considering Safety Criteria, environmental policies, social responsibility, quality, management, productivity, relationship and contractual clauses. In 2013, 181 companies were eligible to the prize, of which 57 were finalists and 13 awarded at AES Brasil.

Besides the categories already included in the prior editions (IT Services, Services in the Power Electrical System, Services of Relationship with the Customer, Infrastructure and Support Services, Projects of Generation and Inventory Material), the categories Engineering Services and Safety and Environmental Services were included.

AES Brasil also recognizes the suppliers with sustainability practice. The innovation in 2013 was the classification of projects into two categories: small and medium companies and large size companies.

Learn more about IDF and meet the winners of the Best Suppliers AES Brasil prize at www.aesbrasil.com.br - Suppliers - IDF Index of Performance of Suppliers

Profile of the suppliers

In 2013, AES Brasil held commercial relationship with 1,558 companies of small, medium and large sizes, national and multinational to supply materials, equipment and services to meet the technical, operational and administrative needs of the plants.

More than 85% of the employees engaged are comprised of suppliers and regional service providers. In 2013, 9.293 professionals operate in AES Brasil through service providers.

Contractual compliance review

The Compliance and Ethics Program provides for a series of compliance analyses and investigations, due diligences calls, at the partners and potential partners involved in a negotiation. All the agreements contain an exhibit named Compliance Attachment, which addresses the attitudes of the partner of businesses in relation to the commitment of not getting involved in corrupt acts, as well as terminating the agreement in situations of non-compliance with the terms of said attachment. In 2013, 100% of the suppliers falling into the compliance processes were evaluated in connection with these aspects, as well as health and safety conditions.

1,872 operations were made in AES Brasil, 914 of which refer to AES Eletropaulo's operations.

Development and Valuation of the Community

Commitments	Status	Next steps
Participate from preparation e implementation of three public policies aimed at sustainability up to 2016	In progress. Mapping processes and support or partnership of AES to institutions promoting discussions regarding public policies	The commitment is being revised and will be updated in 2014
To identify and recognize society's best sustainability, by 2014	Not started.	The commitment is being revised and will be updated in 2014
To expand the access to regularized electric energy and to efficient consumption to 164 thousand households in low income communities, by 2016	In progress. More than 75 thousand customers were regularized within the scope of Transformation of consumers into customers Program	To keep the electric connections regularization increases

The relationship and commitments of AES Brasil with the communities are based on the Corporate Social Responsibility Management System (SGRSC), whose purpose is to promote the continuous improvement of social work and to ensure the maximum alignment with the company's strategy established by the Sustainability policy and external standards and patterns applicable to the businesses of Group AES in Brasil, such as ISO 26.000 and AA 1.000.

The assessment system is composed of indicators of management of activities, measurement of impact on the public reached and of investment per project, as well as opinion surveys with the beneficiaries in regard to satisfaction and compliance with expectations of each public. This methodology, already applied to projects such as Culture And Citizenship House, was revised in 2013 and its adoption will be expanded to all the social projects within the project More Intelligent Consumption in 2014.

In order to ensure the alignment of social projects with the positioning of AES Brasil, the initiatives are grouped into four pillars: Education, Culture and Sports; Inclusive Professional Capacitation; Access to Energy and Energy efficiency; and Social Influence. See below the principal projects at each one of these pillars. In the financial amount injected came to a total of R\$ 114 million, R\$ 72.4 million of which came out of funding incentives and R\$ 41.6 million came from the company's own resources.

Education, Culture and Sports

CULTURE AND CITIZENSHIP HOUSE

The principal project of AES Brasil is the Culture And Citizenship House, which promotes activities of art, culture, citizenship, quality of life and income generation to young people and adults in seven units in São Paulo and Rio Grande do Sul.

In 2013, in the units of AES Eletropaulo, 1,086 people were covered by the activities and 45,736 by the presentations and lectures held in the units of Osasco São Paulo.

Full Time School

In 2013, the Culture And Citizenship House gave an important step to expand even more its relevance for the improvement of Basic Education and as promoter of implementation of public policies. The units of Lins and São José do Rio Preto presented to the respective municipal governments a proposal to attend daily children from public schools in the period after school activities. Currently, the students go to the Culture And Citizenship House twice a week, however, the proposal would be from Monday to Friday. The students would have access to four activities focused on sports and artistic languages and it would be offered a work of multiple intelligences through games aimed at developing the literacy (reading, writing and interpretation) and mathematical logical thinking on an integrated and multidisciplinary basis. These activities should reduce the rates of functional illiteracy in Portuguese and Math, improving the learning and consequently the rates in the state and federal evaluations (Saresp and Prova Brasil).

According to the proposal, the municipal government should provide funds for costing related to 3/5 of the group of expenses of each child, including human resources, material, meals, uniforms, infrastructure, cultural activities (shows, presentation, etc.) and complementary activities.

ENERGIA DO BEM

In 2013, the voluntary program of AES Brasil involved 1,158 employees throughout the year.

The initiative “**Agindo para Transformar**” (**Acting to Transform**) was restructured, directing part of its activities to education on conscious and safe consumption of electric power. In 2013, 94 employees of AES Brasil participated in the training in order to bring this information to the population.

In the other initiative “Distribuindo Energia do Bem”, the program involved 37 volunteers and collected 6,358 pieces of clothing in the “Carreato do Agasalho”. In the total, 92 employees made financial contributions in the amount of R\$ 2,105, for the purchase of 230 blankets to the Luz e Lápis Education Center. In addition, 224 blood donors contributed a total of 100 liters and over 600 people participated in the Christmas Campaign to about 1.1 thousand children.

AES Brasil’s employees may also apply for volunteer vacant positions offered by partner institutions of the company at the website www.energiadobem.com.br.

LUZ E LÁPIS CHILDREN’S EDUCATION CENTER

AES Eletropaulo maintains for more than 25 years, the Luz E Lápis Children’s Education Center, educational institution, with the purpose of contributing with the integral development, at the affective, social and cognitive level, of children from 1 to 6 years, from low-income families or children who live in situation of social vulnerability. Around 230 children are attended on a free basis, from Monday to Friday, on integral period, in two units: in the districts of Santo Amaro and Guarapiranga, in the Southern zone of the capital.

MORE INTELLIGENT CONSUMPTION PROGRAM

Through several projects, the purpose is to make the population aware of the efficient and safe use of electric power and to promote the environmental education. The program encompasses the projects AES Eletropaulo in the Schools and the Movement Live without Accidents, between others.

AES Eletropaulo in the Schools acts directly in the formation of teachers who multiply, in the classroom, information regarding the efficient and safe use of electric power, as well as the availability of three trucks with ludic and interactive games and activities that visit schools and communities.

In 2013, the project covered over 3,200 teachers of 403 public schools of the concession area of AES Eletropaulo and had the participation of over 200 thousand students, including children and teenagers who developed artistic work on the theme, ranging from scale models to plays, music and dance.

RECYCLE MORE, PAY LESS

In 2013, the distributors of AES Brasil began an important project: the Recycle more, pay less, which offers discount in the power bill to customers who deliver recycle material (paper, plastic, metal, glass and TetraPak packages) in the collection points distributed across the concession area.

The program contributed to the reduction of the cost of power bill in the familiar budget and to the correct disposal of recycle solid waste.

With total investment of R\$ 1.1 million in 2013, the Recycle More, Pay Less of AES Eletropaulo has five collection points in the cities of São Paulo and Barueri. For 2014, it is expected the installation of other five points. In 2013, 42,265.85 kg of recycled material were collected, which corresponded to R\$ 7.706.09 of discount in the power bill of 1.013 customers.

Access to energy and energy efficiency

TRANSFORMATION OF CONSUMERS INTO CUSTOMERS

GRI EN6

The main purpose is to promote the regular access to electric power, for the safe and reliable supply to all, contributing for the well-being of people from the low-income communities. Besides the regularization of the connections, the program includes education for the safe and proper use of electric power. In addition, it is identified residences that need energy efficiency actions, such as reforms of internal electric installations, replacement of incandescent lamps for compact fluorescent lamps, replacement of refrigerator in bad shape for efficient models (with Procel A seal) and installation of intelligent showers.

In 2013, 75,787 informal connections were regularized. Between January and December, 6,571 refrigerators and 70,641 lamps were replaced and 4,001 installations of solar heating systems were made replacing electric showers.

For 2014, the goals are to regularize 50 thousand informal connections, to replace 573 thousand incandescent lamps, to reform 636 residential internal electric installations, to exchange 7,835 refrigerators in bad shape and to install 804 solar heating systems.

The program provided to AES Eletropaulo the **Eco Prize 2013**, promoted by the American Chamber of Commerce (Amcham), which acknowledges innovative corporate practices that generate Financial Results and positive impacts on the society and environmental policies.

Reduction of energy consumption (GWh)	2011	2012	2013
Lamps replacement	5.27	58.12	6.24
Refrigerator replacement	2.24	1.00	1.01
Regularization	18.57	18.37	25.45
Internal works	0.97	0.04	0.01
Heat recovery	11.08	0	0
Solar heat	0	0.23	2.67
Total	38.13	77.84	35.38

Main Private Social Investments in 2013

GRI 2.10; 4.12; EC4; EC8; SO1; EU14

Line of performance: Education, Culture and Sports					
Project	Description	Area of influence	Estimated number of benefited persons	Funds invested	Sources of funds
More intelligent Consumption Program	Through several projects, the purpose is to make the population aware of the efficient and safe use of electric power and to promote the environmental education. The program contemplates the AES project Eletropaulo in the Schools (read more on page 54), Live without Accidents, between others.	All concession area of AES Eletropaulo	1,465,726: AES Eletropaulo in the Schools (201,600); Live without Accidents (1,264,126)	R\$ 7,665,134.45: AES Eletropaulo in the Schools: R\$ 6,592,501.85; Live without Accidents: R\$ 1,072,632.6; Mass media campaign about intelligent consumption: R\$ 9,000,000.00	R\$ 1,072,632.6 own resources and R\$ 6,592,501.85 of resources granted by the Power Efficiency Program
Recicle Mais, Pague Menos (Recycle More, Pay Less)	Project promoting the exchange of recycled material for discounts in the electric power bill	All AES Eletropaulo's concession area	In 2013, 1,013 customers were benefited from this project.	R\$ 1,089,578.24	Promoted Resources – Power Efficiency Program
Culture And Citizenship House	Main social project of AES Brasil, the Culture And Citizenship House has the purpose of transforming the reality of thousands of children and young adults, through activities related to art, culture, citizenship, quality of life and generation of income, mainly to the low income communities.	São Paulo (Vila Guacuri) and Osasco	46.822 benefited through the participation in regular courses, lectures and presentations	R\$ 2,254,432.24	R\$ 683,550.00 of own resources, R\$ 1,196,705.79 of resources promoted by Rouanet Law and R\$ 374,176.45 of resources promoted by Law of Sports
Luz E Lápis Children's Education Center	With the title of Oscip (Public Interest Civil Society Organization) covering 234 children, from 1 to 6 years old, of low income families or in social risk situation.	Two Units - Santo Amaro and Guara Piranga, both in the South Region of the City of São Paulo	234 children	R\$ 1,750,398.08	Our resources
Energia do bem	Voluntary program of AES Brasil, which aims to engage and offer support to own employees and contracted parties and their families, voluntarily, to contribute for the development of communities where the group is at.	Applicable to all units of AES Eletropaulo	1,158 employees involved	R\$ 219,764.84	Our resources
Municipal Boards for Children and Adolescent Rights (CMDCA - Conselhos Municipais dos Direitos da Criança e do Adolescente)	Support to social projects included in CMDCAs of the municipalities of the concession area and able to receiving resources from Municipal Fund for the Children and Adolescent Rights (Funcad - Fundo Municipal dos Direitos da Criança e do Adolescente)	All AES Eletropaulo concession area	Undetermined	R\$ 374,176.45	Promoted resources – Fumcad
Arte na Rede (Art in the Network)	Itinerant exhibition with photographs about soccer in Brazil and worldwide	São Paulo, Jandira, Rio Grande da Serra, Carapicuíba and Vargem Grande Paulista	30 thousand	R\$ 347,017.00	Promoted Resources - Cultural Action Program
Trovadores Urbanos (Urban Bards)	Shows performed by Trovadores Urbanos	Itapevi, Embu das Artes Santana de Parnaíba, Barueri, São Caetano do Sul, Pirapora do Bom Jesus, Cotia, Embu-Guaçu and São Paulo	2,870	R\$ 155,195.00	Promoted Resources - Cultural Action Program

Temporada de Teatro Infantil no Zoológico (Children's Theater Season in the Zoo)	6-month Season of Children's Theater in São Paulo's Zoo	São Paulo	The project is still in progress. Until December, 2013, about 12,600 people were benefitted	R\$ 499,840.00	Promoted Resources - Cultural Action Program
Filma Brasil	Contest of screenplays for short and medium videos, reached through the internet, with a theme related to the human development. The proposal counts with an specific web portal, able to receive, in a practical and instant manner, works of writers, producers, professional and amateurs, individual or companies from all Brazil	Brasil	Non-estimated number	R\$ 168,516.50	Promoted Resources - Cultural Action Program
Fundação Energia e Saneamento (Energy and Sanitation Foundation)	Support to the development of activities of the Energy and Sanitation Foundation	São Paulo	Non-estimated number	R\$ 213,896.56	Promoted Resources - Cultural Action Program
Judô com Tiago Camilo (Judo with Tiago Camilo)	Training of 200 children through judo	São Paulo	200	R\$ 392,721.80	Promoted Resources – Sports Incentive Program
Jiu Jitsu	Training of 430 children through jiu jitsu	São Paulo e São Bernardo do Campo	430	R\$ 594,113.79	Promoted Resources – Sports Incentive Program
Futebol Iluminado (Enlightened Soccer)	Lighting of Municipal Stadium of Osasco	Osasco	3,000	R\$ 523,587.58	Promoted Resources – Sports Incentive Program
Língua seca (Dry tongue)	Movie showing the Northeastern backlands	São Paulo	15,000	R\$ 300,000.00	Promoted Resources - Rouanet Law

Line of performance: Inclusive Professional Capacitation

Project	Description	Area of influence	Estimated number of benefited persons	Funds invested	Sources of funds
Electricians Pool	In partnership with Senai, Instituto Edson, IVC (Institute Vital Correia), Ipesp (Institute of Special Payments of São Paulo) and others located in the concession area, the project recruits, selects and trains people for the own chart of employees of AES Eletropaulo and also for the hired partnerships, complying with the high demand for professionals in the sector, as well as guaranteeing the quality of the technical capacitation, behavior and customer satisfaction	All concession area of AES Eletropaulo	278	R\$ 738,624.41	Our resources

Line of performance: energy efficiency and access to regularized electric power

Project	Description	Area of influence	Estimated number of benefited persons	Funds invested	Sources of funds
Transformation of consumers into customers	The Transformation of consumers into customers Program has as a main purpose to promote regular access to the electricity, aiming the safe and trustable supply for all, contributing for the wellbeing of the people of low income communities	All concession area of AES Eletropaulo	75.8 thousand families and 303 thousand people	R\$ 83,470,933.00	R\$ 36.9 million with our resources e R\$ 46.5 million with resources promoted by the Power Efficiency Program
Power Efficiency Program	Aiming the higher consumers of electricity, as has a purpose the replacement of equipment by more efficient models	All concession area of AES Eletropaulo	Non-estimated number	R\$ 4,100,000.00	Promoted Resources – Power Efficiency Program

Line of performance: social influence

Project	Description	Area of influence	Estimated number of benefited persons	Funds invested	Sources of funds
Corporate Brazilian Council for the Sustainable development (CEBDS)	Through the participation in technical boards and discussion groups, CEBDS integrates the principles and practices of the sustainable development in the business context, conciliating the economic, social and environmental dimensions. In 2012 the company contributed actively for the elaboration of studies and documents as Vision 2050	Brazil	Non-estimated number	R\$ 11,063.35	Our resources
International Integrated Reporting Council (IIRC)	International coalition between regulating agencies, investors, companies, NGOs and other civil partnership entities, which has as a purpose the evolution of the corporate development reports, integrating economic, financial, social and environmental results	Brazil	Non-estimated number	R\$ 97,178.76	Our resources
Business Initiatives of GVces – Fundação Getúlio Vargas	Business initiatives correspond to GVces projects focused on the sizing of the economy offer that gathers companies to discuss and jointly build tools, solutions, strategies and policies related towards sustainable development	Brazil	Non-estimated number	R\$ 75,000.00	Our resources

Annual balance sheet - 2013

1 – Calculation basis	2013 value (thousands of reais)			2012 value (thousands of reais)		
Net revenues (RL)	9.012.207			9.959.198		
Operating income (RO)	293.619			124.479		
Gross payroll (FPB)	506.531			537.858		
2 – Internal social indicators	Value (thousands of reais)	% on FPB	% on RL	Value (thousands of reais)	% on FPB	% on RL
Food	55.663	10,99%	0,62%	49.005	9,11%	0,49%
Compulsory social charges	116.517	23,00%	1,29%	133.292	24,78%	1,34%
Pension plan	337.746	66,68%	3,75%	246.909	45,91%	2,48%
Health	53.082	10,48%	0,59%	45.986	8,55%	0,46%
Occupational health and security	12.640	2,50%	0,14%	23.799	4,42%	0,24%
Education	0	0,00%	0,00%	737	0,14%	0,01%
Culture	0	0,00%	0,00%	0	0,00%	0,00%
Professional qualification and development	3.973	0,78%	0,04%	8.523	1,58%	0,09%
Nursery and nursery allowance	1.322	0,26%	0,01%	1.168	0,22%	0,01%
Profit sharing	65.745	12,98%	0,73%	71.671	13,33%	0,72%
Other	0	0,00%	0,00%	0	0,00%	0,00%
Total – Internal social indicators	646.688	127,67%	7,18%	581.090	108,04%	5,83%
3 – External social indicators	Value (thousands of reais)	% on RO	% on RL	Value (thousands of reais)	% on RO	% on RL
Education	20.099	6,85%	0,22%	8.191	6,58%	0,08%
Culture	3.565	1,21%	0,04%	2.107	1,69%	0,02%
Health and sanitation	0	0,00%	0,00%	0	0,00%	0,00%
Sport	1.885	0,64%	0,02%	168	0,13%	0,00%
Fight against hungry and food security	0	0,00%	0,00%	0	0,00%	0,00%
Other	87.639	29,85%	0,97%	116.132	93,29%	1,17%
Total contributions	113.188	38,55%	1,26%	126.598	101,70%	1,27%
Taxes (less social charges) ¹	2.375.071	808,90%	26,35%	2.832.850	2275,77%	28,44%
Total – External social indicators	2.488.259	847,44%	27,61%	2.959.448	2377,47%	29,72%
4 – Environmental indicators	Value (thousands of reais)	% on RO	% on RL	Value (thousands of reais)	% on RO	% on RL
Investments on the company's production/operation	28.430	9,68%	0,32%	20.104	16,15%	0,20%
Investments in programs and/or external projects	57.260	19,50%	0,64%	36.977	29,71%	0,37%
Total environmental investments	85.690	29,18%	0,95%	57.080	45,86%	0,57%
In relation to the definition of "annual goals" to reduce waste, the consumption in general in the production/operation and improve the effectiveness in the use of natural resources by the company	<input type="checkbox"/> has no goals <input type="checkbox"/> meets 51 - 75% <input type="checkbox"/> meets 0 -50% <input checked="" type="checkbox"/> meets 76 - 100%			<input type="checkbox"/> has no goals <input type="checkbox"/> meets 51 - 75% <input type="checkbox"/> meets 0 -50% <input checked="" type="checkbox"/> meets 76 - 100%		
5 – Personnel indicators		2013			2012	
Number of employees at the end of the period		6.208			5.872	
Number of admissions in the period		953			1.071	
Number of outsourced employees		9.293			10.251	
Number of interns		35			51	
Number of employees above 45 years		980			1.023	
Number of women in the company		1.092			1.034	
% of head positions held by women		17.29%			26.13%	
Number of African descendants in the company		1.363			1.298	
% of head positions held by African descendants		6.11%			5.00%	
Number of employees with disabilities or special needs		66			61	

6 – Significant information on business citizenship	2013 value (thousands of reais)			2012 Value (thousands of reais)		
Relation between the highest and lowest compensation in the company	96,25			81,79		
Total number of labor accidents	52			36		
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> direction	<input checked="" type="checkbox"/> direction and management	<input type="checkbox"/> all employees)	<input type="checkbox"/> direction	<input checked="" type="checkbox"/> direction and management	<input type="checkbox"/> all employees)
The security and hazard standards in the work environment were defined by:	<input checked="" type="checkbox"/> direction and management	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all + Cipa	<input checked="" type="checkbox"/> direction and management	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all + Cipa
Trade union liberty, free collective negotiation and internal representation of employees by the company:	<input type="checkbox"/> does not get involved	<input type="checkbox"/> follows OIT rules	<input checked="" type="checkbox"/> encourages and follows OIT	<input type="checkbox"/> will not get involved	<input type="checkbox"/> will follow OIT rules	<input checked="" type="checkbox"/> encourages and follows OIT
The pension plan includes:	<input type="checkbox"/> direction	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> direction	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all employees
The profit sharing includes:	<input type="checkbox"/> direction	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> direction	<input type="checkbox"/> direction and management	<input checked="" type="checkbox"/> all employees
In the section of suppliers, the same ethics and social and environmental responsibility adopted by the company:	<input type="checkbox"/> are not considered	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required	<input type="checkbox"/> will not be considered	<input type="checkbox"/> will be suggested	<input checked="" type="checkbox"/> are required
In relation to the employees' participation in voluntary work programs, the company:	<input type="checkbox"/> does not get involved	<input type="checkbox"/> apóia	<input checked="" type="checkbox"/> organizes and encourages	<input type="checkbox"/> will not get involved	<input type="checkbox"/> will support	<input checked="" type="checkbox"/> organiza e incentiva
Total number of claims and concerns by consumers:	In the company 27,778	in Procon 3.592	In court 1,138	In the company 21,059	in Procon 3.935	In court 2.376
% of claims and concerns served or resolved:	In the company 100,0 %	in Procon 100,0 %	In court	In the company 100,0%	in Procon 100 %	In court 122%
Total value added to be distributed (in thousands of R\$):	In 2013: 4,403,653			In 2012: 5,952,955		
Distribution of value added (DVA):	73.69% government 17.13% co-workers 4.50% shareholders 4.68% third parties			82.14% government 11.69% co-workers 0.92% shareholders 5.24 % third parties		
7 – Other information						

1 Restatement of the numbers 2012 on FDs

2 The number of complaints are referred to the Ombudsman channel

3 2012 figures have been restated due to revisions and changes in criteria

GRI Index

GRI 3.12

This AES Eletropaulo's sustainability report complies with the requirements for **level B+** of application according to the guidelines set forth in the Global Reporting Initiative (GRI).

The table below provides information on and reference to the chapters with the responses to the GRI indicators consolidated in this report. The indicators relating to the Company's significant issues were treated as priority.

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