

Sustainability Report 2013

 **AES Tietê**
Uma Empresa AES Brasil

AES TIETÊ

Sustainability Report 2013

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About the report

AES Tietê assumed, along with its public relations, the commitment of disclosing results of its Sustainability Platform. This way, for the eighth consecutive year, the company discloses 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 Tietê'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 5th Cycle of Consultation to the Public Relationship, 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 each of them. A balance of the risks and opportunities related to each one and the shares of AES Tietê to comply with the sustainability commitments assumed.

In case of doubt, suggestions, critics regarding this report, they can be forwarded to the Management of Communication and Sustainability, at 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 Tietê, 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

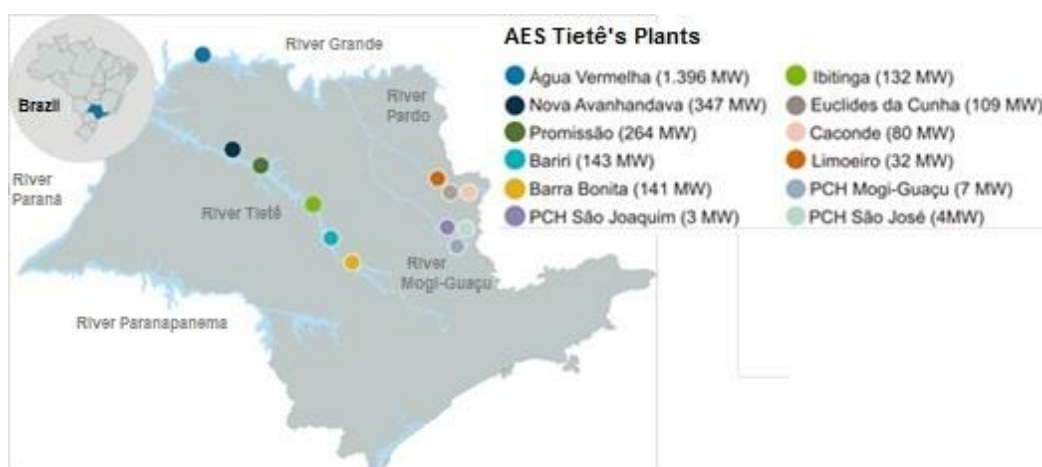
AES Tietê: a company generator of energy that offers flexibility in the commercial and is concerned in developing a responsible business management.

GRI: 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7

Brazil's third largest private power generation company, AES Tietê operates since 1999 in the generation and sale of electricity.

With a power generation complex consisting of nine hydroelectric plants and three small power plants (SHP), and installed capacity of 2,658 MW AES Tietê is responsible for 10.7% of the installed capacity of the State of São Paulo and 2.0% of the national capacity.

AES Tietê also acts in the sale of electricity on the free market, given all the national market. In 2013 the company generated 12,196.3 GWh power, representing 18.0% of energy generation in the State of São Paulo. In the same period, the company sold 1,008.3 GWh in the free market, the rest was designed to service the bilateral contract with AES Eletropaulo.



GRI 2.8; EU1

AES Tietê in numbers

9 hydroelectric plants
3 small power plants
337 own employees and 1,094 third parties
2,658 MW of installed capacity
R\$ 2.3 billion of net operating income
R\$205.9 million invested in maintenance and modernization of the power generation complex
R\$ 881.4 million of net income
R\$ 207.2 million of capital stock
39.5% of free float¹

To understand more about AES Tietê, visit www.aestiete.com.br

¹ It is the percentage of shares free to trade in the market, shares that do not belong to strategic shareholders (controllers and officers of the company and shareholders holding more than 5% the total capital stock of the company). Are also excluded from the free float shares the shares with restrictions (which can not be traded) and treasury shares. In practice, the higher the free float of a company, the greater its market liquidity. Information from December 31, 2013.

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 Brazil.

Regulatory Scenario

In order to reduce cost of electricity and increase the competitiveness of Brazilian industry, the Federal Government announced in September 2012, Provisional Measure 579 (PM 579), converted to Law no. 12,783 in January 2013.

Among the measures adopted it must be emphasized the new model of the settlement price of differences (PLD), which is used to value the energy traded in the spot market and it is done through the use of data considered by the National System Operator (ONS) to optimize the operation of the National Integrated System (NIS).

The new PLD started to incorporate the mechanism of risk aversion, called CVaR, which tends to anticipate the thermal order to maintain the operation of the more conservative system. One of the expected consequences with the implementation of this mechanism is the reduction or even elimination of the drive of the thermal plants outside the order of merit. Before the CNPE Resolution 03, the costs of the activation of these thermal power plants were met by consumption category (free consumers and distributors) through the service charge system (ESS).

The rules for renewal of concessions provided by MP 579 are valid for concessions made prior to 1995 and, therefore, are not applicable to AES Tietê, whose concession agreement, valid for 30 years, began in 1999, therefore extends until 2029, renewable for a period of over 30 years. The company has all the physical assurance of generation contracted until December 31, 2015. Therefore, no significant impacts are expected in the company's business due to the MP 579.

Awards and recognitions in 2013

GRI 2.10

Corporate Sustainability Index (ISE) – BM&FBovespa: in 2014, AES Tietê comprises, for another year, the portfolio of the Index that gathers the companies with most sustainable practices of the Stock Exchange. AES Tietê is part of the Index since 2007.

Transparency Prize: AES Tietê was acknowledged, due to its good accounting practices, granted by Associação Nacional dos Executivos de Finanças (Anefac). The company was awarded in the category of companies of publicly-traded companies with billing below R\$ 5 billion.

Iberoamerican Quality Award 2013: the generator earned the award that acknowledges achievements by companies that have implemented a continuous improvement program in the pursuit of excellence in management, using as reference similar to Management Excellence Model (MEG) disseminated by the National Quality Foundation. The award is sponsored by Fundación Ibero-americana para la Gestión de la Calidad (Fundibeq).

Eloy Chaves Medal: AES Tietê received the Eloy Chaves Medal in 2013 as the best company in health and occupational safety. The award is organized by the Brazilian Association of Electricity Companies (ABCE) and selects the best among all the generators and transmitters of Brazil.

Golden Hat Award: granted by AES Corp., this award recognizes and celebrates the companies comprising the group which are examples of the meaning of safety in first place.

ISO 55.000: AES Tietê was invited by the Brazilian Association of Technical Standards (Associação Brasileira de Normas Técnicas, or ABNT) and the Brazilian Association of Assets Maintenance and Management (Associação Brasileira de Manutenção e Gestão de Ativos, or

Abraman) to participate in the group that will establish the rules of ISO 55.000, an international technical standard for management of physical assets.

Silver Medal in Safety and Occupational Health ABS Award: the AES Tietê Safety and Occupational Health System received the Management TOP ABS Award, granted by the Brazilian Safety Agency (Agência Brasileira de Segurança, or ABS).

In addition to the individual acknowledgements, AES Tietê 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 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 Getúlio Vargas of São Paulo and evaluated 184 companies.

To understand more about the awards and recognitions of AES Tietê access the site www.aesbrasilsustentabilidade.com.br - Fique por dentro - Notícias - Colhendo as Conquistas

Corporate Governance

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

GRI: 4.8

Vision*

To be the leader in the operational, commercial and financial area of energy generation.

Mission

Promote the well being and the development with safe, sustainable and reliable supply of energy solutions.

Values:

*Safety in first place
Act with integrity
Honor commitments
Seek excellence
Fulfillment at Work.*

* in revision

GRI HR4

The focus of the corporate governance of AES Brasil Group companies is on the creation of the shared value between shareholders and other public relations, always with the commitment to develop, transactions and activities coherent with values and guidelines of the Group to 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. For such, AES Brasil counts on AES Helpline, a communication channel, available 24/7, 365 days a year, to receive and handle with allegations of ethical deviation or doubts related to the company's Values, reported by all severaç pucli relations of the companies comprising the Group.

By phone (0800 891 4167) or though the internet (www.aeshelpline.com), AES Helpline enables own and outsourced employees, suppliers, customers, shareholders and other public relations to send their doubts, complaints ou make denunciations related to ethical dilemmas, anti-ethical conducts and corporate practices they deem tobe illegal, corrupt or in disagreement with AES Values.

The reports can be anonymous and will always be kept confidential. Secrecy is ensured given that all reports are received by an outsourced company globally contracted by AES Corp., located in the United States, thus ensuring transparency and credibility of the investigation process.

All reports will be analyzed and investigated by Compliance Management and, when necessary, other áreas such as Audit and Corporate Security may be involved. Most sensitive cases will be addressed to the Ethics Committee for decision and resolution by the company's leaders. AES Corp., by its turn, will manage the results of these investigations, being the last instance of such investigations, and it may reopen the case if it understands to be necessary.

In addition, one of the pilars of AES Brasil Compliance program is that which is addressed to Training, which counts on several initiatives related Ethics, Compliance, Corporate Values and Anti-Corruption, amongst others, with a total of 21,249 training sessions carried out based on these matter throughout 2013, an average of 2.58 training session per employee.

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

Governance structure

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

The corporate governance of AES Tietê 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 business related to the company's purpose and take the resolutions deemed convenient to the company's defense and development.

Fiscal Council: Supervises the acts of the administrators and verifies the compliance with their legal and statutory duties, amongst other liabilities.

Board of Directors: Guides the businesses and deliberates on significant issues and/or on its sole competence.

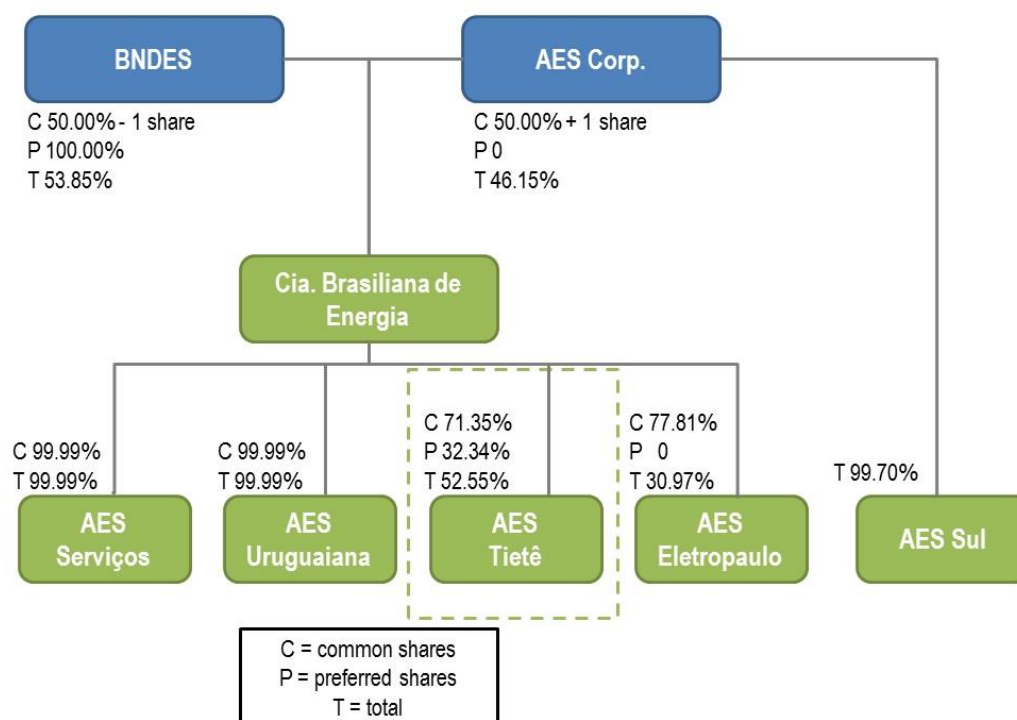
Board of Executive Officers: Responsible for the company's administration and management, as well as for performing the decisions of the Annual Meetings and of the Board of Directors.

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, responsible for assisting the Board of Directors with the analysis of proposals of business plans and investment plans and the progress of performance indicators, amongst others.

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

Corporate structure



Capital market

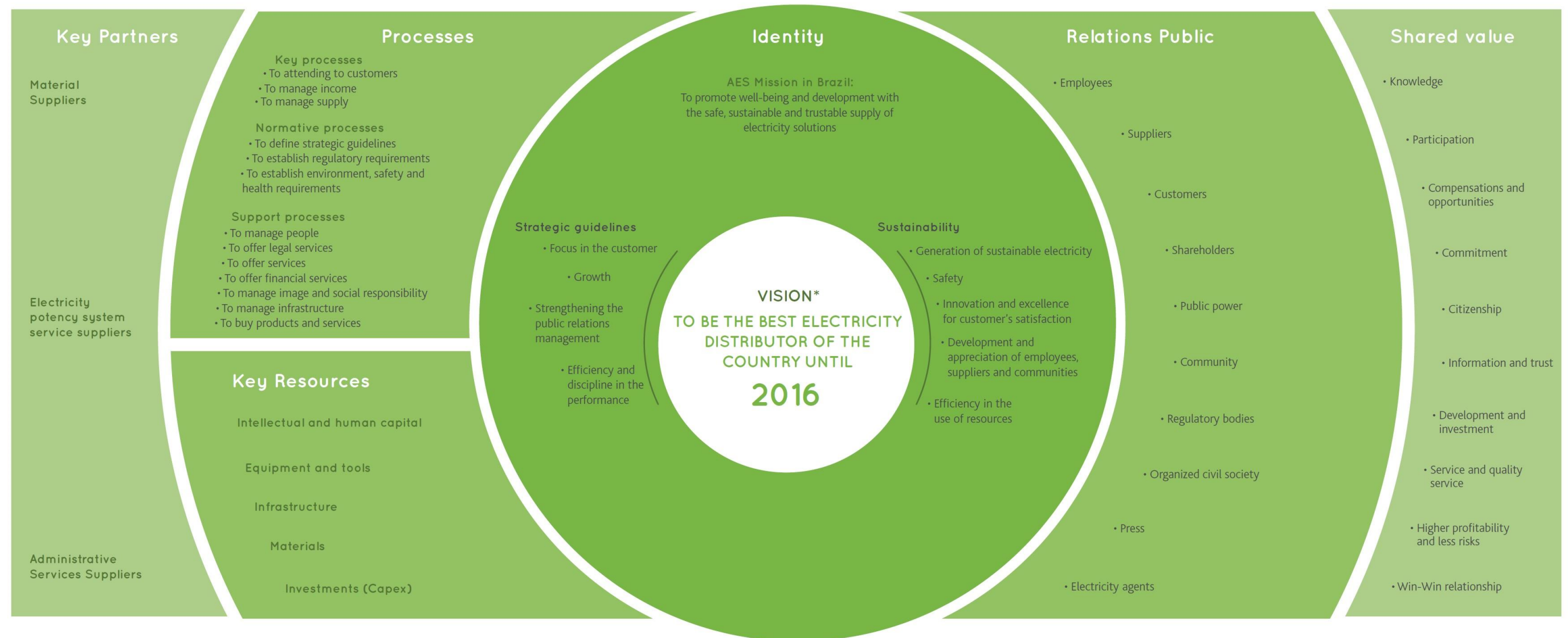
AES Tietê's shares are traded in the traditional market of BM&FBovespa under the codes of GETI3 (common) and GETI4 (preferred). The company also has Level I American Depositary Receipts (ADRs) traded in US over-the-counter market under the codes AESAY (common) and AESYY (preferred).

The company's purpose is also to integrate the Electric Energy Index (EEI), which aims at the measurement of the performance of companies in the industry. Besides that, the company has remained itself, for the seventh consecutive year, on the Corporate Sustainability Index (ISE) of BM&FBovespa.

Further information on the Capitals Market are available at <http://ri.aestiete.com.br>

Business Model

AES Tietê is a company of generation of electric power, which through its business, has the capacity to ensure the supply of energy to 5 million of houses per year.



*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, the most significant corporate risks 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 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 Tietê pursues to ensure 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 companies are committed with their sustainable development and operate as transforming agents 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 they operate.

This commitment is the main basis of the Company's Strategic and Sustainable Planning, 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
Expansion
Comments from the relation network
Efficiency and accuracy in the performance

The AES Brasil's strategic planning was built 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 identifies the themes associated to the businesses that are considered more relevant by public relations (read more on page16).

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 MATTERS

- Safety;
- Sustainable Energy Generation;
- Innovation and Excellence for Customer Satisfaction;
- Effective Use of Proceeds;
- Development and Valuation of Employees, Suppliers and Communities.

TRANSVERSAL SUSTAINABILITY MATTERS

- Education for Sustainability;
- Relation Public Participation;
- Communication, Information and Knowledge.

Understand more about the Sustainable Strategic Planning of AES Brasil at www.aesbrasilsustentabilidade.com.br

Sustainability Platform

GRI: 1.2; 4.9; 4.16

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

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 Tietê.	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, 16 of which went to the global event, in Indianapolis (EUA), and 3 of them received prizes	To keep the mobilization, acknowledgment and innovation incentive processes.
Generation of sustainable energy	Status	Next steps
Invest at least 20% of the budget of R&D in the development of technologies for sustainable energy generation by 2016	In progress. R\$1,86 million invested in R&D projects focused on the generation of sustainable energy (out of a total of R\$10.2 million).	Maintain the level of investments on projects focusing the generation of sustainable energy.
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 guidelines were defined to guide the operational processes of the Company.	To implement the action plan.
Development 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 level within the work environment was of 78%, an increase of 1% in relation to 2012 (77%).	To keep working in the action plans generated through conversations with the employees, strengthening the leadership level and focusing in the quality of internal communication.
Development 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.

SUSTAINABILITY COMMITTEE

The Sustainability Committee gathered 3 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 indicators of Sustainability Platform to the market and the society. This process reflects 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 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.

As a result of the electric segment scenario, the Sustainability Committee will revise, in 2014, the commitment assumed until 2016, in order to better address its actions and results for the contribution to a more sustainable society.

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.

INDICATOR	2012		2013	
SAFETY	Reached	Goal	Reached	Status
Nº total of fatal accidents	0	0	0	✓
Frequency rate (TF) of accidents with employees	0	0	0	✓
Frequency rate (TF) of accidents with hired parties	4.81	5.11	5,05	✓
Severity rate of accidents involving employees	0	0	0	✓
Severity rate of accidents involving third-parties	0	0	0	✓
Nº total of accidents with the population	0	0	0	✓
GENERATION OF SUSTAINABLE ENERGY	Reached	Goal	Reached	Status
Added installed capacity or under construction (MW)	ND	3,000	ND	ND
EFFICIENCY IN THE USE OF NATURAL RESOURCES	Reached	Goal	Reached	Status
Recycled and/or Reused Waste / Amount of waste generated (%)	85%	10%	95%	✓
Direct and Indirect CO2 Emissions - Losses and Fuels - (tCO2e)	621	154	884	x
EFFICIENCY IN THE USE OF OF ENERGETIC RESOURCES	Reached	Goal	Reached	Status
Own Consume of electric power (MWh)	25,189	25,247	26,962	x
DEVELOPMENT AND EVALUATION OF EMPLOYEES	Reached	Goal	Reached	Status
Voluntary Turnover Rate – own employees (%)	6.04% ²	ND	5.33	ND
DEVELOPMENT AND EVALUATION OF COMMUNITIES	Reached	Goal	Reached	Status
Nº of people benefited by the social projects of the company	148.5	148.5	175.5	✓

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.

² Figure rectified in relation to that informed in the previous year. There was a change in methodology and it began to consider the voluntary turnover instead of total turnover in the company.

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** for internal public, 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 related to 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 conduct 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. Additionally, the theme was inserted in the Leadership Academy, whose objective is to strengthen and develop the skills of the managers of the company. For next year the goal is to disseminate the program to all levels of the organization.

The release of the Program meets a commitment made in 2012, within the transversal theme **Education for Sustainability**.

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 levels;
- 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.

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

SUPPLIERS

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

To suppliers, **Sustainable Partnerships program** is under development, an initiative aimed at encouraging commitment to sustainable development in the value chain of AES Brasil.

During monthly reviews of delivery of services, materials or most critical equipment to the business of AES, **Sustainable Partnerships** will identify suppliers that need improvement, that meet standards or that overcome the standards and, in the latter case, could share best sustainability practices with other suppliers, with the support of AES Brasil. For the other two groups of suppliers, that meet standards or that need improvement, the company will provide lectures and events to develop them. These actions may include not only the exchange of best practices, but also conceptual training on quality management that help develop the business tools, generating competitiveness and sustainability.

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:



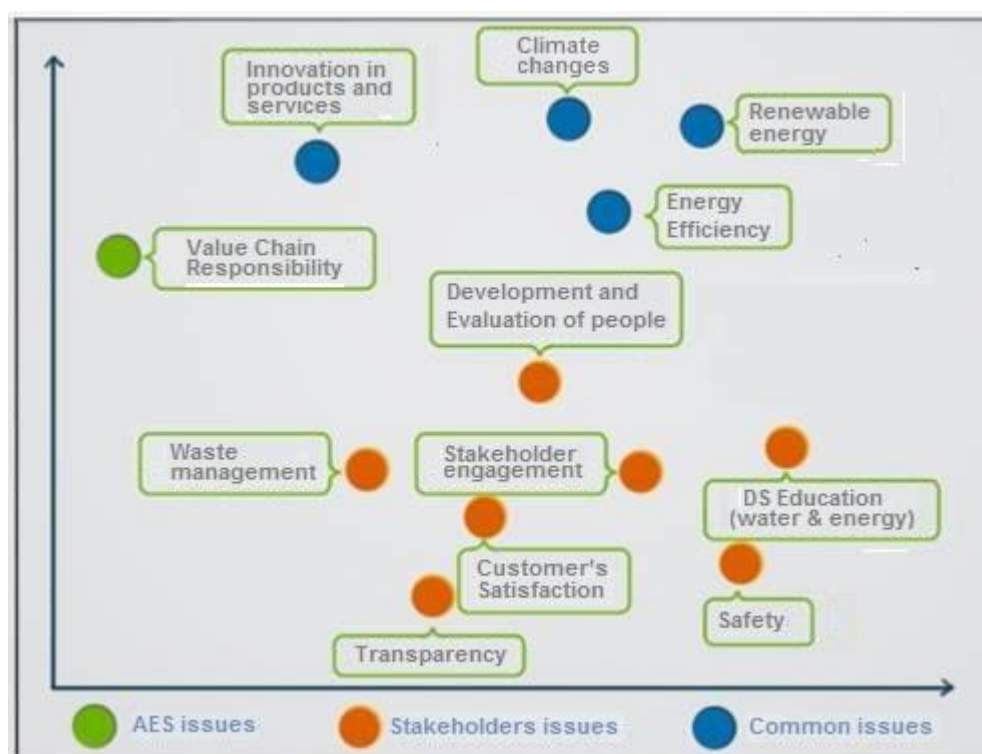
Commitment from public relations

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 (learn more on page13).

The company has innovated the manner of connecting with its public relations and, for the first time, contact with such public was made virtually. The results, presented below, summarize the material themes to the company and public relations, according to the Communication Panel 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 Tietê.	To keep the Safety Program Actions.
To reduce in 50% the frequency and gravity 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.	To increase the efforts for the reduction of frequency and gravity rates with own employees and third-parties so the goal of 50% reduction may be reached in 2016.
To reduce in 20% the number of accidents with population until 2016 ⁴	In progress. In 2013 no accidents were registered involving the population.	Continuity of safety campaign with the population.

GRI: LA7; LA8; EU16; EU21; EU25

Safety is the Value number 1 of AES Brasil Group. It means that nothing is more important than to ensure the physical integrity of the employees, suppliers and the population.

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 Management System of Occupational Health and Safety (SGSSO). SGSSO's requirements are in accordance with the specifications of the Occupation Health Safety Assessment Series (OHSAS 18001), 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 its safety management system, the company received, in 2011, the OHSAS 18.001 certificate.

In 2013, AES Tietê invested R\$2.6 millions in safety and proceeded with a set of actions aiming at keep the improvement of safety levels. In that year, accidents with own employees were not recorded and six accidents were recorded with contractors, but with no absence period. Fatalities with own employees and contractors are not recorded since February 2009.

In 2013, the company kept the silver medal of Security and Occupational Health Management ABS Top Award received in 2012.

Workforce Safety

The safety program of AES Tietê, 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.**, which are 21 safety standards focused on the improvement of procedures and practices and also based on the compliance with the requirements of OHSAS 18.001 standards.

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 (PDCA):

⁴ Commitment updated in September/2013.

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.aesbrasilsustentabilidade.com.br

Safety Program

GRI LA8

The principal situation of risks for AES Tietê's employees is the maintenance that occurs in the plants. The major challenges are risks with electricity, height works, confined spaces works, cargo handling works etc. Therefore, the company invests in safety programs, trainings and preparation of work procedure, amongst others.

In 2013, the highlights were the number of field inspections and the quantity of safety trainings performed.

Together, the actions of Safety Program positively impact the reduction of the indices of accidents. In 2013, AES Tietê did not register accidents with removal of own employee or with third-parties.

The programs established by NR-7, contemplate the prevention of chronic diseases through periodic examinations. The company still performs internal campaigns and provides electronic files with prevention information on the Website of AES Brasil.

AES Tietê develops the following assistance programs in relation to diseases:

Trainings: the employees are trained to employees are trained to carry out the activities in situations that can cause injury if the of control measures are not followed, such as work in confined space (gas monitoring) and services involving electricity.

Counseling for prevention and risk control: preparing reviews of previous work (including operating and permissions to special services) in which they are evaluated and discussed by all company employees, risks involved and control measures for safe conduct.

To learn about all the actions of the Safety Program of AES Tietê access www.aesbrasilsustentabilidade.com.br - Sustainability to AES Brasil – Main Projects – Safety.

Work Health and Safety	2011	2012	2013
Investments in Safety Programs (R\$ thousand) ¹	4,900.00	3,749.47	2,623.57
TF (frequency rate) ¹ – employees	2.864	0	0
TF (frequency rate) ¹ – contracted parties	7.10	4,81	5,05
TG (gravity rate) ² – employees	0	0	0
TG (gravity rate) ² – contracted parties	244.79	0	0
0	0	0	0
Fatal accidents – contracted parties	0	0	0
Work Accidents with or without removal – employees	2	0	0
Work Accidents with or without removal – contracted parties	10	5	6
Lost/Debited days– employees	0	0	0
Lost/Debited days– contracted parties	345	0	0

1. 2011 investments were higher due to building infrastructure adjustment.

Safety for the Population

GRI EU25

Swimming and fishing in the dams are common activities, but the potential risk to security, especially in the security zone upstream and downstream of the dams. During school holidays, there is an increase in the number of attendees in these areas for recreation, a fact which, consequently, increases the company's concern.

In these periods, it is held an intense safety campaign with the placement of warning messages in local media, in addition to performing actions focused on educating and promoting, such as distribution of educational brochures. The plants are also open to receive students from local schools for visitation. On that occasion, they are informed about how to perform leisure activities without compromising safety.

Emergency Management Plan

To alert the public in case of abrupt floods, AES Tietê has the Operating System in Emergency (Sosem), with alarms that sound when there is danger of flooding in the surrounding of the plants.

Since February, 2009 no accidents occurred with the population in the power plant reservoirs, reaching, thus, the goal established for this subject. For the next years, the challenge is to maintain this result.

Accidents with the population	2009	2010	2011	2012	2013
Light	0	0	0	0	0
Severe	0	0	0	0	0
Fatal	1	0	0	0	0
Total of accidents	1	0	0	0	0

Innovation and Excellence for 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	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 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 ensures the alignment to the strategy of the organization and which complements the current tools. In addition, this structuring caused the company perform researches and benchmarks and take a closer look to trends and opportunities actually 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 position in the ranking of Best Innovator award (12th), we make referente to the company's performance at the World Congress on Innovation, Operational Excellence and Sustainable Practices of AES Corp. 73 projects were selected, 16 of which went to the global event, in Indianapolis (EUA), and 3 of them received prizes:

Another highlight in the year was the participation in the Congress of Technological Innovation of Aneel (Citenel): out of the 33 projects that were submitted, 28 were published and, out of these, 15 were selected to be presented.

Best Innovator

Seeking to reinforce and recognize its innovation initiatives, in 2013 AES Brasil participated in the Best Innovator, one of the most respected awards in the country, which annually elects 20 top companies in innovation. AES Brasil ranked at the 12th position.

The evaluation, conducted by the consulting firm AT Kearney and Época magazine, follows these criteria: Strategy of Innovation, Organization and Culture for Innovation, Processes of Innovation, Structure of Support to Innovation and Results in order to prepare the ranking of most innovative companies in Brazil.

Understand more about innovation at AES Tietê at www.aesbrasilsustentabilidade.com.br

INVESTMENT IN R&D

GRI EU8

The proceeds invested in research and development (R&D) amounted to R\$10.24 million in 2013. The researches involve matters such as alternative energy sources, the environment, system quality and reliability, planning of operations and supervision systems, control and protection.

Resources applied in research and technological and scientific development – R\$ thousand	2013
Renewable or alternative source	1,862
Environment	1,987
Quality and reliability	2,194
Planning and operation	1,813
Supervision, control and protection	2,386
Total of investments in R&D	10,242

Excellence in the management of assets for client satisfaction

GRI: PR5; EU6; EU30

With the goals of acquiring efficiency gains and bringing improvements to services and processes, AES Tietê conducts intense management of its physical assets, strategy to the business. This initiative yielded, in 2012, the international certification PAS-55, issued by the British Standards Institute, which standardizes and standardizes this type of control. Among the improvements, the generator obtained the reduction of downtime of its machines.

Make the management of physical assets means systematically manage, in a coordinated and sustainable manner, the set of assets in an organization along their life cycles, including the associated performance, risks and costs. Thus, it is possible to comply with the Sustainable Strategic Planning and ensure maximum availability of units for power generation, benefiting all customers.

In 2013, the company has reduced by 19% the equivalent factor of forced interruptions (0.35% in 2012 against 0.28 in 2013). During the year, the index that measures how much the machines stop unexpectedly was of 1.40%, a decrease of 16.7% when compared to 2012 (1.68).

This information enabled the development of a plan of action that resulted in initiatives such as the revision of the maintenance plan, the introduction of the Operator Driven Reliability (ODR), - which helps power generation companies to improve the monitoring of the assets at the time of maintenance, and construction of a solid base of information, among other things.

The availability of the machines enabled the company to exceed its generation capacity, reaching 109% in 2013 with average 1.392 MW.

With its proven high efficiency, AES Tietê also went on to lead a group in AES of companies of Kazakhstan, Argentina, Chile, Cameroon and the United States to receive guidance on how to improve their asset management. There is also a national recognition, as Brazilian companies are seeking AES Tietê to deepen their knowledge in asset management.

Energy Generated	2011	2012	2013
Generation – average MW	1.582	1.629	1.392
Generation/physical guarantee	124%	127%	109%

ROV, the underwater robot

The ROV (English acronym for "remotely operated vehicle") is a device for underwater expeditions which enhanced the technology of inspection and maintenance of equipment submerged of hydroelectric plants. The application of this technology has resulted in reduced operational risks and downtime in the pipes and turbines of power plants, contributing to cost reduction and reflecting the investment in research and development made by the company.

Sale of Energy

GRI: PR5; EU6

Throughout 2013, AES Tietê has continued to consolidate its position as a provider of energy solutions to the free market. The company excels in the energy trading market due to reliability in the delivery and the ability to offer their customers a solid and reliable structure

The constant search for efficiency ensures that the company has the ability to fulfill its commitments and extend its tradability.

The portfolio of bilateral agreements on the free market grew 49% in 2013, amounting to 478 MW commercialized. Part of this is a result of the practice of understanding and anticipating the demands of each client profile, the most conservative to the most daring, to deliver customized services to help them be more efficient in managing energy contracting.

There was also maintenance of the level of customer satisfaction (93%), according to research conducted by the company.

Understand more about the excellence innovation programs for satisfaction of the client at aesbrasilsustentabilidade.com.br - Sustentabilidade para a AES Brasil - Principais Projetos

Generation of sustainable energy

To use economic, social and environmental resources in a balanced way, preserving the present and ensuring the future.

Commitments	Status	Next steps
Add 3,000 MW of installed capacity or under construction in sustainable energy projects by 2016	<i>In progress.</i> Projects for diversification of the generation are under analysis.	Continuity of exploration projects
Invest at least 20% of the budget of R & D in the development of technologies for sustainable energy generation by 2016	<i>In progress.</i> In 2013, R\$ 1.8 million was invested in R & D projects focused on sustainable energy generation. This amount represents 18.2% of total investment in R & D, of R\$ 10.24 million	Maintain the level of investments in projects focusing on sustainable energy generation
Promote appropriate use of permanent preservation areas around the plants and reservoirs by 2016	<i>In progress.</i> During the year, the company invested R\$ 200 thousand in a drone, a remotely controlled motorized airplane, which speeds up and gives more precision when tracking the occupation of edges of reservoirs.	Maintain the actions for recovery and preservation of margins of reservoirs

GRI: EC2

For AES Brasil, generating sustainable energy means **encouraging the use of alternative and renewable sources while it seeks to ensure generation capacity in an effective manner with efficient use of resources and mitigation of operational risks.**

For that, the company invests in projects that enable greater efficiency in the operation of AES Tietê plants. For example, monitoring of edges of reservoirs and reforestation programs are essential to avoid the risk of silting and ensure compliance with legal requirements.

The company analysis investments in projects of power generation companies from a variety of sources, such as natural gas and solar energy. We have a commitment with the Government of the State of São Paulo to add 400 MW to its generation capacity. For that, the company invests since 2011 in diversifying its energy matrix with projects such as the São Paulo Term and the Araraquara Term.

Another initiative focused on sustainable energy generation is investing in solar power plants. AES Tietê participates, with Eletropaulo and others in the industry, in a project of a system design integrated of photovoltaic generation. Installed in the Villa Lobos Park in São Paulo, the project has an installed capacity of around 0.5 MWp, interconnected to the utility distribution grid power using photovoltaic components (solar panels) manufactured in Brazil and technology developed in the country. Completion scheduled of the project is for the first half of 2016.

Understand more about commitment with the expansion of generation capacity on www.aesbrasilsustentabilidade.com.br

Preservation of protected areas

GRI: EC8

According to the public notice, share purchase and sale agreement and operation environmental licences, AES Tietê is responsible for the maintenance and preservation of the marginal areas around the reservoirs, the borders that include the permanent preservation areas (APPs) set forth by the new forest laws.

Since 2011, the **Borders Project** has with a monitoring tool of satellite images to inspect an extensive area, with over 4,500 km, linear. With monitoring via satellite, you can detect environmental and structural changes at the borders of the company's reservoirs.

Monitoring is conducted in 77 municipalities in the interior of São Paulo. Doing it remotely is more agile, with less cost and more efficient in identifying environmental disturbances, as it makes it feasible to check all points of the company's reservoirs, primarily focused on the changes of the environment, whether caused by man or nature.

Drone

In order to speed up the monitoring of occupation of reservoir borders and ensure accuracy, AES Tietê invested R\$200 thousand in a drone, small unmanned plane remotely controlled by remote control. With this equipment, it is possible to, for example, reduce from one week to two days the time for concluding the report of irregular occupation of reservoir borders.

Reforestation

GRI: EC2; EC8

To ensure the maintenance of biodiversity of flora in protected areas around the reservoirs, AES Tietê maintains a nursery in which are produced 1 million seedlings of 120 native tree species every year. The production of seedlings and forestry areas guarantees the preservation of these borders, thereby increasing the useful life of the reservoir and reducing the risk of silting.

From 2001 to 2013, AES Tietê has already reforested 2,768 hectares, and, in order to increase this area, the company executed, in 2013, a cooperation term for participation in the Future Forests Program, from SOS Mata Atlântica Foundation.

The reforestation of AES Tietê with native species, without industrial purposes, around the reservoirs of hydroelectric plants of the company, are also subject to Clean Development Mechanism (CDM) project. Considered a pioneer and unique in the world, the project was registered in 2011 by the Executive Committee of the United Nations (UN) - United Nations Framework Convention on Climate Change (UNFCCC).

In 2013, the results of the analysis of the first period of the project were submitted to the approval of the Designated Operating Entity (EOD) and, later, to CQNUMC. For 2014, it is expected that the certificates of emission reduction (CERs) are issued by the Executive Board of the United Nations. These certificates are a result of the agreement with the International Bank for Reconstruction and Development (IBRD).

Partnerships with Senar and the Rural Syndicate were performed for education of local manpower for reforestation and sharing of knowledge of reforestation of native forests, technical improvement and reduction of costs of the process.

Repopulation of reservoirs

GRI: EC8

AES Tietê produces annually, in two units of fish farming located in Promissão and Barra Bonita plants, 2.5 million of alevins to repopulate the company's reservoirs. There are six native species of Rio Tietê: curimatá, dourado, tabarana, piapara, pacu-guaçu and piranjuba. The repopulation of reservoirs is an environmental program directed to maintain the fish biodiversity and rational exploitation of fishery reservoirs with fishing vocation, developed by conducting studies and monitoring of fish communities and water quality. In 2013, a specific program was initiated with piranjuba species, also in order to get it out of the list of species on the verge of extinction, just like the pacu-guaçu.

Earthly fauna

In order to expand knowledge of biodiversity around the reservoirs of the plants, AES Tietê entered into a partnership with Pro-Carnivorous Institute, aiming at the development of A Onça-Parda Project at Tietê River Basin – The Use of a Predator at the Top of the Chain as a Tool for the Conservation of Biodiversity in the State of São Paulo.

Environmental education

AES Tietê entered into a partnership with the Foundation for Development of Education (FDE), from the Government of the State of São Paulo, to receive students at Promissão Plant. This action comprises the program named Cultura é Currículo (Culture is a Curriculum), which develops the project named Lugares de Aprender (Places to Learn) and whose purpose is enabling students and teachers with new ways for developing lessons learned practically. With this partnership, there was an increase of 30% of visits to Promissão UHE and the opening of partnership in other cities, meeting the expansion of Environmental Education and Institutional Communication Program.

Environmental education actions with the communities were significantly increased through fish releasing actions, visit to the plants, activities in the schools and environment celebration events. In 2013, 13,737 persons participated in the activities promoted by the company, an increase of 373% in comparison with the previous year.

MANAGEMENT OF CLIMATE RISKS

GRI EC2; EU8; EU21

In order to assess vulnerabilities and propose preliminary climate adaptation measures, AES Brazil launched, in 2012, the System of Governance of Impacts of Climate Changes. This is a mapping of risks that may influence the capacity to respond of the company and of potential opportunities of a different climate scenario.

With it, the company strives to ensure the reliability of its operations and maintenance of its business in the long term, proposing measures for adaptation and mitigation where possible.

Understand more about projects related to generation of sustainable energy at www.aesbrasilsustentabilidade.com.br

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	Status	Next steps
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.

GRI: 2.8; EC1

In 2013, there was an increase of R\$ 249.3 million in gross operating revenue compared to the previous year, from R\$ 2,228.7 million to R\$ 2,478.1 million. This result is explained by the following factors:

(i) increase of 214% in the volume of energy sold through other bilateral contracts (1,932.0 GWh in 2013 versus 615.1 GWh in 2012).

(ii) higher average price of energy sold through bilateral agreement with AES Eletropaulo, from R\$ 178.01/MWh in 2012 to R\$ 187.99/MWh in 2013. This increase resulted from the adjustment occurred on July 2013, from R\$ 182.66/MWh to R\$ 194.19/MWh;

(iii) high spot price in the period, despite the lower volume of energy earned in this market (545 GWh in 2012 versus 1,141 GWh in 2012), resulting in revenues of R\$23.5 million.

AES Tietê recorded, in 2013, R\$ 141.1 million in deductions from revenues, an increase of 21.3% in relation to revenues in 2012 (R\$ 116.3 million), mainly explained by the increase of 150.7% of revenues from other bilateral agreements. That is because PIS and Cofins rates levied on these agreements are higher than the rates applicable to the agreement with AES Eletropaulo.

The net revenue totaled R\$ 2,336.9 million in 2013, an increase of 10.6% compared to 2012 (R\$ 2,112.4 million). This increase resulted, mainly, due to: (i) increased volume of energy sold through other bilateral agreements; and (ii) adjustments to the price of energy sold through the bilateral agreement with AES Eletropaulo, on July 2013.

2013 Results - highlights (R\$ million)			
IFRS Consolidated (R\$ million)	2012	2013	Variation
Gross revenue	2,228.7	2,478.1	11.2
Net revenue	2,112.4	2,336.9	10.6
Operating costs and expenses*	(570.0)	(811.5)	42.4
Ebitda	1,542.4	1,525.5	-1.1
Financial Results	(42.3)	(51.3)	21.6
Financial revenues	34.1	36.2	6.1
Financial expenses	(75.9)	(81.4)	7.3
Monetary/exchange variations	(0.5)	(6.2)	1,159.8%
Results before taxes	1,337.5	1,310.8	-2.0
Net profit	901.3	881.4	-2.2

Distribution of wealth - per interested parties	2012		2013	
	R\$ thousand	%	R\$ thousand	%
Employees	66,179	4	69,586	4
Government (taxes, rates and contributions and sector charges)	623,146	37	597,104	36
Financial/third parties	77,723	5	88,563	5
Shareholders/retained	901,263	54	881,359	54
Added value distributed	1,668,311	100	1.636.612	100

Costs and operational expenses

In 2013, the costs and expenses of AES Tietê, excluding depreciation, increased by 42.4%. This variation is mainly related to:

- (i) payment of energy purchase costs, in the amount of R\$ 149.3 million, in order to cover the lowering of physical guarantee and the unavailability of generating units;
- (ii) increase of portfolio of bilateral agreements on the free market, in the amount of R\$ 136.3 million, given the company's commercialization strategy;
- (iii) the company's decision to provisioning R\$ 6.4 million related to meeting the environmental licencing requirements of the plants;

partially offset by:

- (iv) the reduction of R\$ 16.2 million in transmission and connection charges and the reduction of R\$ 6.8 million with expenses related to financial offset by the use of water resources, due to reduction in the generation of the company.

Ebitda

AES Tietê registered Ebitda of R\$ 1.525,5 million in 2013, with a margin of 65.3%, presenting a small reduction of 1.1% in relation to the one verified in 2012. The performance is mainly related to:

- (i) positive effect of R\$ 105.4 million in gross revenue with Eletropaulo due to the increase in the price of the bilateral contract occurred in July 2013 from R\$ 182.66 / MWh to R\$ 194.19 USD/ MWh, resulting in a higher average price for the year (R\$ 187.99 / MWh in 2013 compared to R\$ 178.01/ MWh in 2012);

offset by:

- (ii) the higher cost of energy purchased related to lowering of physical guarantee of the Brazilian Interconnected System (SIN) and the unavailability of generating units of the company, in the gross amount of R\$125.9 million..

Financial result

In 2013, the net financial result totaled an expense of R\$ 51.4 million, 21.6% higher than the one presented in 2012 (R\$42.3 million).

What contributed to this performance was:

- (i) increase of financial charges of R\$ 11.1 million, due to higher debt balance (R\$ 1,116.7 million in 2013 versus R\$ 920.1 million in 2012);

partially offset by:

- (ii) increase of R\$ 2.1 million in financial income in 2013 versus 2012, mainly explained by the increase in the average balance of investments in the period (R\$ 439.5 million in 2013 versus R \$ 388.6 million in 2012).

- (iii) decrease of average CDI in the period (8.4% per annum in 2012).

redução do CDI médio no período (8,0% a.a. em 2013, comparado a 8,4% a.a. em 2012).

Net Income

The net income earned by AES Tietê in 2013 was R\$ 881.4 million, 2.2% lower than in 2012, mainly influenced by the adjustment of the price of energy sold to AES Eletropaulo, the reduction of operating costs related to connection and transmission charges and the reduction of expenses with financial offsetting through the use of water resources, offset by the effect on the cost of energy purchased due to the lowering of physical guarantee of the Brazilian Interconnected System (SIN) and the unavailability of generation units.

Compensation to Shareholders

The management of AES Tietê proposes the full distribution of the basis for payment of proceeds (R\$ 952.7 million) in the year 2013, that is, the net income of R\$ 881.4 million together with the R\$ 70.7 million related to the adjustment of equity valuation, R\$ 0.7 million related to dividends and prescribed JSCP, which will be submitted for shareholder approval at a General Meeting expected to occur by April 4, 2014, when it will occur: (i) the ratification of the declaration of interest on own capital in the amount of R\$ 22.4 million, resolved by the Board of Directors of the Company in addition to the definition of the effective payment date; (ii) ratification of interim dividends, referring to three first quarters of 2013, resolved by the Board of Directors, in the amount of R\$ 704.3 million, and (iii) approval of the proposal for declaration of additional dividends, referring to fiscal year 2013 and definition of the effective payment date.

The amount of additional dividends proposed by the management of the company was of R\$ 226.1 million, of which R\$ 0.57 per common share and R\$ 0.62 per preferred share, as shown below.

Dividends (R\$ million)	2011	2012	2013
Profit of the year	844.9	901.3	881.4
Realization of the reserve of revaluation	75.6	74.8	70.7
Dividends and prescribed JSCP	1.7	0.4	0.7
Constitution of legal reserve (5%)	-	-	-
Basis for distribution of dividends	922.2	976.5	952.7
Interim dividends already allocated	639	768.6	704.3
JSCP already allocated	30.1	26.1	22.4
Additional dividends proposed	253.1	181.9	226.1

Indebtedness

As of December 31, 2013, the gross indebtedness of AES Tietê amounted to R\$ 1,116.7 million, 21% higher than the position of gross indebtedness of the company as of December 31, 2012 (R\$ 920.1 million), especially due to the second issue of debentures, as of May 15, 2013, with maturity term of 6 years.

In 2013, cash and cash equivalents amounted to R\$ 456.7 million. Thus, the net debt at the end of 2013 was of R\$ 659.9 million, 26% higher than the final 2012 position, especially due to the second issue of debentures, as of May 15, 2013, with maturity term of 6 years.

Funds raised through the 2nd issue were fully used for pre-payment of the 1st issue of promissory notes of the Company with the subsequent cancellation of such notes. The funds from the 1st issue of promissory notes were used for repayment of the first installment of the 1st issue of debentures of the Company, in the amount of R\$300 million, and the remaining amount was used for investments.

Investments

In 2013, investments amounted to R\$ 205.9 million, 48% higher than the amount invested in 2012 (R\$ 139.0 million). The decision of the company to make such investments aims at the improvements of its operating conditions and ensures the availability of its generation plant, resulting in productivity gains, efficiency and a greater generation of income for the next years.

MAIN INVESTMENTS IN 2013

R\$ 198.4 million - maintenance and modernization

R\$ 7.6 million - information technology projects

Investment Historical	Investments (R\$ million)	Capacity expansion (R\$ million)	Total (R\$ million)
2011	156	19	175
2012	136	3	139
2013	206	0	206

Efficient Use of power Resources

Commitments	Current Status	Next steps
Reduce own consumption of electric power in 20%, through 2016	Not reached. In 2013, the electric energy consumption grew 6.75%.	To establish the Energy Consumption and Other Natural Resources Internal Management Commission focused in management and new energy efficiency projects, besides internal awareness campaigns.

To use power resources on an efficient manner is to fight electric power losses resulting from technical and commercial reasons or inadequate consumption. AES Tietê's efforts are focused on planning and developing the activities continuously improving the performance of operations. So it is a constant search for alternative processes and technologies that provide the best use of these resources in the generation.

The commitment in the management of physical assets, for example, influences in a more energy efficient operation.

Energy Consumption

GRI; EN4; EN5; EN7

The electric energy consumption of AES Tietê, in 2013, was of 26.96 GWh, 7% higher than in 2012, of 25.19 GWh. This result, that considers the energy brought and self produced, was above the goal commitment established by Group AES Brasil, that provides for the reduction in 20% in own consumption until 2016, having as base year 2010 (25.24GWh). It also consumed 22 thousand GJ of primary energy, referent to the use of diesel oil of auxiliary service.

	2011	2012	2013	Goal
Total energy consumption (MWh)	38,269.88	25,189.07	26,962.27	25,247.38

* The control of energy consumed in the office is under improvement, and it may be changed.

Efficient Use of Natural Resources

Commitments	Status	Next steps
Expand by 40% waste recycling and cut by 25% waste disposal in landfills by 2016	<i>In progress.</i> In 2013, 95% of waste generated was sent for recycling.	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	Reached. In 2012, the suppliers receivers of waste were mapped and prioritized, and the social and environmental criteria were defined and mapped, regarding the true management of those suppliers to identify possible improvements	
Reduce in 10% the water consumption, in 10% the CO ₂ emissions and in 5% the paper consumption and prioritize the use of renewable fuel in the fleet up to 2016	In progress. Water consumption was 12.4% lower than in the previous year. An increase in CO ₂ emissions was recorded in relation to the previous period. The use of ethanol is a priority, and a modern fleet is maintained, ensuring better yield.	Establish an Internal Management Committee of the consumption of natural resources.
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.	Implement the action plan.

GRI: EN26

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

The system also addresses themes involving management of suppliers, 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 Tietê'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.

One of the highlights of AES Tietê in the efficient use of natural resources is the Program for Monitoring and Control of Erosion in Borders of Reservoirs, which evaluates existing and emerging potential erosion processes in order to anticipate the control measures and recovery. This program prevents the formation of environmental liabilities, decreases recovery costs and extends the life of the reservoir.

In 2013 the program continued with the monitoring of areas and contention works were performed in the reservoirs of Água Vermelha and Nova Avanhandava plants. The monitoring of the areas reinforces the shares of AES Tietê in search of sustainable energy generation, since it allows greater efficiency of the plants and lowers operating risks.

Investments in environmental management

GRI: EN30

Investments in environmental protection and management totaled R \$ 12.7 million in 2013. This value was about 51% greater than the invested in 2012, if investment in personnel is discounted, mainly due to the increase in environmental programs.

Investment and expenses in environmental protection (R\$ thousand)	2012	2013
Licensing and environmental compensations	4,684	8,934
Operational management	690	326
Environmental Management System (SGA)	1,397	1,455
Projects R&D	1,664	1,986
Personnel costs	2,288	-
TOTAL	10,723	12,701

* In 2013, personnel costs were not reported. Criterion change results from the alignment with the amounts provided in the accounting statements, that provide for this expense in another class.

Materials and wastes

GRI: EN22

The development of activities at AES Tietê depends on several material and equipments, considering the range of activities performed by the company. Currently the company manages these materials based on purchase specifications, not having a control of the volume or mass of purchased materials.

Apart from purchasing and the efficient use of materials, the correct management of waste generated is a commitment of AES Tietê. In 2012, the company assumed the commitments to increase by 40% the recycling of waste and to reduce in 25% the disposal to landfill by 2016.

Non-hazardous waste (t)	2011	2012	2013
Recycling	398.2	194.2	156.9
Sanitary landfill	14.4	15.7	13.6
Total	412.5	209.9	170.5
Hazardous waste (t)*	2011	2012	2013
Recycling	72.3	181.7	65.3
Incineration	1.7	0	0
Sanitary landfill	4.3	6.5	2.1
Co-processing and decontamination PCB	27.49	44.62	40.13
Others	0	0	19.8
Total	105.8	232.8	127.3

* 2012 amounts are represented.

The impacts of emissions are also monitored and 100% of known emission sources of greenhouse gases, counted. All effluents from AES Tietê are domestic sewage and are treated in the Effluent treatment plant in the power plants.

Water

GRI: EN8:

Compared with 2013, water consumption of municipal water supply increased 87.33%. This result was due to increased activity in the Água Vermelha Plant and PCH Mogi Guaçu. Compared with the previous year, consumption increased per surface water source and municipal water supply occurred due to the increased activities in Água Vermelha and PCH Mogi Guaçu plants. The consumption of groundwater reduced due to the improvement in the hydraulic network. The results presented correspond to the consumption of water in hydropower plants, conducted by the Environmental Management System.

Water consumption per source (m³)	2011	2012	2013
Surface water	2,564	946	1,905
Underground water	129,218	56,277	47,725
Supply companies	529	450	843
Total	132,311	57,673	50,473

Emissions of greenhouse effect gases and substances destructing the Ozone layer

GRI: EN3; EN4; EN16;EN18

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

As a complement, the inventory of emissions of greenhouse gases (GHG) identifies and quantifies the sources, serving as an effective management tool.

Considering the sources directly controlled by AES Tietê, it was issued the equivalent to 883.5 tCO₂e, which corresponds mainly to the fuel consumption of the mobile fleet, followed by the consumption of stationary sources.

The indirect emissions, correspondent to the energy consumption for performing the activities of the organization, totaled the equivalent of 719.8 tCO₂e considering monthly average emission factors of the National Interconnected System (SIN). The average of 2013 corresponds to the highest of all emissions from power generation ever registered since 2006, the first year of publication of the average emission factor of the 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 thermal power plants to guarantee the national energy supply.

The goal of AES Brasil Group is to reduce 10% of CO₂ emissions until 2016, based on 2011. Because the estimative of emissions includes indirect energy consumption and is carried out based on emission factors for the Brazilian grid, the companies' inventories have been directly affected. Due to climate conditions, since 2012 there has been a larger use of thermoelectric plants in order to meet Brazil's energy demand, which caused an increase of emissions of the Organization.

In order to standardize all greenhouse effect gases reports of the companies of the Group, data from the activities of all sources considered in 2013 were retrieved for 2011 and 2012, and the inventories were recalculated. In this year, no emissions destructing the Ozone layer or other significant emissions occurred.

Greenhouse emissions (equivalent tCO ₂)	2011	2012	2013
Direct emissions	312.6	134.7	163.7
Indirect emissions	164.9	485.8	719.8
Total emissions	477.5	620.5	883.5

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

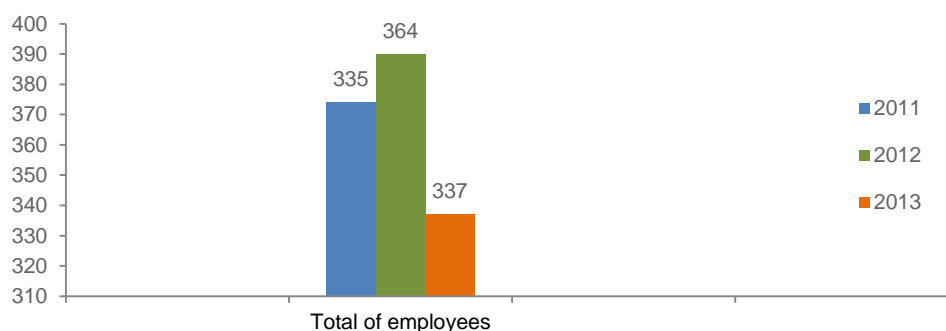
Commitments	Status	Next steps
Reach an index above 85% of satisfaction in AES Brasil work environment until 2016	In progress. In 2013, the level of satisfaction within the work environment at AES Tietê was of 78%, representing a stability in relation to the previous year.	To keep working in the action plans generated through consultation with the employees, increasing the leadership level and focusing in the quality of internal communication.

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 Tietê 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, the company continued with its successful initiatives and revaluated others.

PROFILE OF THE EMPLOYEES

GRI: LA1



Employees by position and gender		2012		2013	
		Men	Women	Men	Women
Own Employees	Board of Executive Officers	5	1	2	1
	Management	15	6	16	4
	Coordination	30	1	25	2
	Administrative	60	51	57	46
	Operational	195	0	184	0
	Total own employees	305	59	284	53
Outsourced	Outsourced	903		1,082	
	Apprentices	10	5	5	2
	Trainees	10	1	4	1
	Total outsourced	923	6	1,091	3
Total by gender		1,228	65	1,375	56
Overall total		1,293		1,431	

To attract

GRI: LA8; LA14

Compensation: the salary policy of the company includes the nominal salary (fixed compensation), additional compensations and 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 also on the company's result and is paid by means of the Profit Sharing Program.

The lowest salary paid by AES Tietê corresponds to 2.63 times the minimum national salary (R\$678), in effect in 2013. In 2012, the lowest compensation paid in relation to the minimum wage was 1.89 times, meaning that there was an increase of 39%.

Women/men wage	2012	2013
Board of Executive Officers	72.93%	82.40%
Management	117.62%	94.70%
Coordination	129.06%	112.50%
Administrative	79.41%	84.60%

Benefits: participation in private pension plants, meal vouchers, food vouchers, transportation vouchers, life insurance, health insurance, dental insurance, day care/nanny allowance, work accident supplement and nursery help.

Quality of life: AES Brasil's employees allocated at the head office, in Barueri (around 24% of the total employees) 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. Every morning, labor gymnastics classes are offered to the employees of operating areas in order to reduce the ergonomic risks related to their daily activities.

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.

Behaviour 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 employees participated in 2012).

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.

Pool of maintenance and operation technicians for Hydroelectric Plant: created in partnership with Senai, the purpose of this program is to prepare professionals to serve in the operation and maintenance of hydroelectric plants. In face of the lack of specialized manpower, worsened by the business context and the geographical dispersion, AES Tietê was a Pioneer by developing a course and offering intern positions within its own plants. It is worth to point out that approximately 90% of the interns later comprise AES Tietê staff.

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 also, 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.

To retain

Internal recruiting: in line with the strategic driver "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, there was a streamlining in the internal recruiting processes and the valuation of employees was strengthened. In 2013, 10% out of the vacant positions at AES Tietê 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 2013 was the creation of the "Momento Ligado", which uses the daily safety lectures to inform the employees about relevant themes of the company. In a survey conducted, in 2013, 78.73% of the employees of AES Tietê 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 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. Beginning 2013, the event became more objective and closer to the employees, since the president visits the operating areas of the company.

TURNOVER

GRI: LA2

In 2013, 47 employees were dismissed, of which 10 were women and 37 were men. In the same period, 28 employees were hired (21 men and 7 women). The rate of voluntary turnover (in the event of termination of the service agreement by the employee⁵) stayed at 5.33%.

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 a 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 capacitating 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 is being 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 prioritization, 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 also 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 review 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. This review was supported by multidisciplinary staffs of AES Brasil and suppliers of materials and services over 1.5 year.

Social criteria	Safety Criteria	Environmental Criteria	Operational Criteria
Labor Rights	Accident Prevention	Infrastructure Adequacy	Management System
Compliance and Ethics	Work Safety	Chemical Products Control	Production Capacity
Work Environment and Quality of Life	Productive Processes	Pollution control system	Technical Rehearsals
Personnel management	Emergency Management	Environmental licenses and authorizations	Infrastructure
	Risks in work environment	Environmental liabilities	

⁵ Taxa de rotatividade voluntária: número de desligamentos voluntários no ano/média mensal de colaboradores ativos da empresa ao longo do ano.

To recognize the best suppliers, according to IDF, AES Brasil promotes, since 2011, the Prize for Best Suppliers. 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.

Understand more about o IDF and know the winners of the Prize for Best Suppliers AES Brasil at www.aesbrasil.com.br - Suppliers - IDF Index de Performance de Suppliers

Profile of the suppliers

In 2013, AES Tietê held commercial relationship with 1,488 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 company.

Around 79% of the employees engaged is comprised of suppliers and regional service providers. In 2013, 1,094 professionals operate in AES Tietê through service providers.

Contractual compliance review

The Compliance and Ethics Program provides for a series of compliance analysis and investigations, due diligences calls, at the partners and potential partners involved in a negotiation. All the agreements contain an appendix 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. 546 operations were evaluated at AES Tietê.

Development and evaluation 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	To define the institutions which shall receive the support of AES in 2015 and which are the themes prioritization
To identify and recognize society's best sustainability, by 2014	Not started. This commitment was rescheduled for 2014.	

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 26000 and AA 1000.

In 2013, AES Brasil took an important step towards consolidating the strategy of SGRSC by defining a system of evaluation of social projects focused on effectively measuring the process and the impacts caused by it on each project.

In order to ensure the alignment of social projects with the positioning of AES Brasil, the initiatives are grouped into three pillars: Education, Culture and Sports; Inclusive Professional Capacitation and Social Influence. See below the principal projects at each one of these pillars.

In 2013, the company's private social investment totaled R\$ 13.3 million, of which R\$ 11.3 million in incentive funds and R\$ 2 million in own funds, benefiting 198 thousand persons.

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, the project helped directly approximately 3 thousand people in their activities and, indirectly, 175.5 thousand people, with the presentations and lectures made in the Caconde, Barra Bonita, Lins and São José do Rio Pardo units.

Understand more about a Casa de Cultura at aesbrasilsustentabilidade.com.br – Sustainability for AES Brasil – Main Projects

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. Currently, the students go to the Culture And Citizenship House twice a week, and the proposal is to 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 counted on 1,158 employees over the year.

The front Agindo para Transformar was restructured and a portion of its activities was directed to education on conscious and sage consumption of power. In 2013, 94 employees of AES Brasil attended to the training to share this information with the community.

In the other front, the “Distribuindo Energia do Bem” program involved 37 volunteers and collected 6,358 pieces of clothing in the “Carreata do Agasalho”. In the total, 92 employees made financial contributions, totaling 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 persons participated in the Christmas Campaign, donating toys for approximately 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.

Understand more about the social projects developed by AES Tietê in 2013 at www.aesbrasilsustentabilidade.com.br.

Main Private Social Investments in 2013

GRI 2.10; EC4; EC8; SO1; EU14

Line of operation: Education, culture and sport					
Project	Description	Area of influence	Estimated number of beneficiaries	Investments	Origin of proceeds
Casa de Cultura e Cidadania	AES Brasil's main social project, Casa de Cultura e Cidadania is mainly engaged in transforming the life of thousands children, youngsters and adults through activities involving arts, culture, citizenship, quality of life and income generation, mainly for low-income communities	Barra Bonita, Caconde, Lins and São José do Rio Pardo	175.5 thousand beneficiaries through attendance to regular courses, lectures and presentations	R\$ 10,545,477.88	R\$ 1,677,950.40 of own funds and R\$ 8,867,527.48 of incentive funds (Rouanet Law and Federal Sports Law)
Conselhos Municipais dos Direitos da Criança e do Adolescente (CMDCA)	Support to social projects under the CMDCAs of the municipalities of the concession area that receive the funds through Fundo Municipal dos Direitos da Criança e do Adolescente (Fumcad). In 2013, 24 projects were selected out of the 84 projects received	Barra Bonita, Birigui, Boraceia, Buritama, Fernandópolis, Igarapu do Tietê, Lins, Mococa and Promissão	3,117 children and youngsters	R\$ 1,867,926.76	Incentive fund – Fumcad
Security campaigns	The purpose is to inform the community about the risks of swimming next to the company's reservoirs	Company's surroundings	Communities in the surroundings	R\$ 100,000.00	Own funds
Centro Educacional Infantil Luz e Lápis	Under the definition of Civil Community Organization of Public Interest (Oscip), it serves 234 children, from 1 to 6 years old, of low-income families or under social risk	Two units – Santo Amaro and Guarapiranga –, both in the South region of the City of São Paulo	234 children	R\$ 115,000.00	Own funds
Energia do Bem	AES Brasil's voluntary program developed to engage and support own and contracted employees and families that intend to voluntarily contribute for the development of the communities where the Group is located	Applicable to all AES Tietê's units	1,158 employees	R\$ 32,940.46	Own funds
Cantos e Encantos	Project focused on culture, education and welfare	Applicable to all municipalities next to the plants	18,000	R\$ 472,106.30	Incentive funds – Rouanet Law

Line of operation: Inclusive professional capacity					
Project	Description	Area of influence	Estimated number of beneficiaries	Investments	Origin of proceeds
Professional qualification of hydroelectric plant	Course for qualification of students graduated in technical courses for internship at AES Tietê. Provision of specialized labor for operation and maintenance of AES Tietê	Not determined	30	R\$ 103,468.42	Own funds
Line of operation: Social influence					
Project	Description	Area of influence	Estimated number of beneficiaries	Investments	Origin of proceeds
Brazilian Business Board for Sustainable Development (CEBDS)	As a member of technical chambers and discussion groups, CEBDS adopts the principles and practices of sustainable development in the context of businesses, reconciling the economic, social and environmental aspects. In 2012, the company actively contributed for the development of studies and documents, such as Visão 2050	Brazil	Number not estimated	R\$ 21,579.65	Own funds
Business initiatives of GVces – Fundação Getúlio Vargas	The business initiatives correspond to projects developed by GVces that operate in the economy offer and that gather companies to discuss and create tools, solutions, strategies and policies related to the sustainable development	Brazil	Number not estimated	R\$ 60,000	Own funds

Annual balance sheet - 2013

1 – Calculation basis	2013 value (thousands of reais)			2012 value (thousands of reais)		
Net revenues (RL)	2.336.933			2.112.435		
Operating income (RO)	1.362.175			1.379.800		
Gross payroll (FPB)	76.084			75.815		
2 – Internal social indicators	Value (thousands of reais)	% on FPB	% on RL	Value (thousands of reais)	% on FPB	% on RL
Food	3.623	4,76%	0,16%	2.558	3,37%	0,12%
Compulsory social charges	14.800	19,45%	0,63%	16.589	21,88%	0,79%
Pension plan	4.603	6,05%	0,20%	2.231	2,94%	0,11%
Health	4.926	6,47%	0,21%	3.279	4,33%	0,16%
Occupational health and security	2.624	3,45%	0,11%	3.749	4,94%	0,18%
Education	0	0,00%	0,00%	0	0,00%	0,00%
Culture	0	0,00%	0,00%	0	0,00%	0,00%
Professional qualification and development	887	1,17%	0,04%	1.242	1,64%	0,06%
Nursery and nursery allowance	56	0,07%	0,00%	38	0,05%	0,00%
Profit sharing	7.366	9,68%	0,32%	9.564	12,61%	0,45%
Other	0	0,00%	0,00%	0	0,00%	0,00%
Total – Internal social indicators	38.885	51,11%	1,66%	39.250	51,77%	1,86%
3 – External social indicators	Value (thousands of reais)	% on RO	% on RL	Value (thousands of reais)	% on RO	% on RL
Education	2.116	0,16%	0,09%	2.151	0,16%	0,10%
Culture	9.150	0,67%	0,39%	8.538	0,62%	0,40%
Health and sanitation	0	0,00%	0,00%	0	0,00%	0,00%
Sport	1.868	0,14%	0,08%	1.886	0,14%	0,09%
Fight against hungry and food security	0	0,00%	0,00%	0	0,00%	0,00%
Other	0	0,00%	0,00%	0	0,00%	0,00%
Total contributions	13.134	0,96%	0,56%	12.575	0,91%	0,60%
Taxes (less social charges) ¹	431.969	31,71%	18,48%	436.935	31,67%	20,68%
Total – External social indicators¹	445.103	32,68%	19,05%	462.085	33,49%	21,87%
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	10.715	0,79%	0,46%	8.686	0,63%	0,41%
Investments in programs and/or external projects	1.986	0,15%	0,08%	1.663	0,12%	0,08%
Total environmental investments	12.701	0,93%	0,54%	10.349	0,75%	0,49%
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	() no goals () compliance between 51 and 75% () compliance between 0 and 50% (X) compliance between 76 and 100%			() no goals () compliance between 51 and 75% () compliance between 0 and 50% (X) compliance between 76 and 100%		
5 – Personnel indicators	2013		2012			
Number of employees at the end of the period	337		364			
Number of admissions in the period	28		64			
Number of outsourced employees	1.082		903			
Number of interns	5		11			
Number of employees above 45 years	96		108			
Number of women in the company	53		59			
% of head positions held by women	14,00%		28,57%			

Number of negros in the company	23			23		
% of head positions held by negros	4%			0,00%		
Number of employees with disabilities or special needs	10			11		
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	20,69			22		
Total number of labor accidents	0			0		
The social and environmental projects developed by the company were defined by:	() executive officers	(X) executive officers and directors	() all employees	() executive officers	(X) executive officers and directors	() all employees
The security and hazard standards in the work environment were defined by:	(X) executive officers and directors	() all employees	() all + Cipa	(X) executive officers and directors	() all employees	() all + Cipa
Trade union liberty, free collective negotiation and internal representation of employees by the company:	() do not participate	() according to the OIT rules	(X) promote and comply with OIT	() do not participate	() according to the OIT rules	(X) promote and comply with OIT
The pension plan includes:	() executive officers	(X) executive officers and directors	() all employees	() executive officers	(X) executive officers and directors	() all employees
The profit sharing includes:	() executive officers	(X) executive officers and directors	() all employees	() executive officers	(X) executive officers and directors	() all employees
In the section of suppliers, the same ethics and social and environmental responsibility adopted by the company:	() are not considered	() are suggested	(X) are required	() are not considered	() are suggested	(X) are required
In relation to the employees' participation in voluntary work programs, the company:	() do not participate	() support	(X) organize and promote	() do not participate	() support	(X) organize and promote
Total number of claims and concerns by consumers:	in company 0	in Procon 0	in Justice 0	in company 0	in Procon 0	in Justice 0
% of claims and concerns served or resolved:	in company 0%	in Procon 0%	in Justice 0%	in company 0%	in Procon 0%	in Justice 0%
Total value added to be distributed (in thousand of R\$):	In 2013: 1,636,612			In 2012: 1,668,311		
Distribution of value added (DVA):	36.5% government 4.2% employees 53.9% shareholders 5.4 % third parties			37.3% government 4.0% employees 54.0% shareholders 4.7% third parties		
7 – Other information						

1. Restatement of 2012 figures in the Financial Statements

GRI Index

GRI 3.12

This AES Tietê'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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Response: There is no specific limitations to the scope or extension of this report	
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3.10. Restructuring of information in previous reports	4
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http://ri.tietê.com.br – Corporate Information – Management and Boards	
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www.aesbrasilsustentabilidade.com.br – Sustainability to AES Brasil – Adhesion to public commitments; online supplementary contents	1
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www.aesbrasilsustentabilidade.com.br – Sustainability to AES Brasil – Adhesion to public commitments	
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