

2009 Sustainability Report

[Logo] Eletrobras - CGTEE

2009 Sustainability Report

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General Dimension

Porto Alegre, May 31st 2010.

Dear Reader

We are pleased to provide you with the Eletrobras CGTEE Sustainability Report, prepared based on the third generation of Global Reporting Initiative - GRI/G3 guidelines, C application level.

The rapid changes both in the domestic and international scenarios require a systemic and innovative attitude from organizations, not only to add value but also to incorporate social practices combined with ecosystem preservation and quality. Within this approach, the company is developing a management model focused on building a sustainable future, strengthening relationships among concerned parties and seeking improvements and innovation in its controls, processes and product.

Eletrobras CGTEE has adopted a set of measures in its Strategic Planning in order to ensure its sustainability and meet its purposes and obligations to society. Such actions range from economically viable investments to ensure the expansion of the company in a socio-environmentally responsible manner to cost-saving actions.

Within this context, and committed to sustainability principles and practices, Eletrobras CGTEE is a signatory of the Global Compact, an initiative undertaken by the United Nations for the purpose of getting the business community involved in best practices and essential, internationally accepted values in the fields of human rights, labor relations, environment and fight against corruption.

Sustainable development is our greatest challenge! The success of our organization depends on a new way of acting and thinking, since economic results are connected to social and environmental impacts. This report has the

purpose of explaining our actions to society, allowing for an open dialogue and providing continuous improvement of our performance towards sustainable development.

Therefore, we invite all employees, customers, suppliers, the government and the organized society to assess this report, criticize it and provide us with feedback at ouvidoria@cgtee.gov.br!

Your input is extremely important for us to improve our sustainable policies even further.

Good reading!

Sereno Chaise

Chief Executive Officer

Valter Luiz Cardeal de Souza

Chairman of the Board of Directors

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Information

The information contained in this report concerns the calendar year of 2009. It is the second Sustainability Report by the company, prepared according to the Global Reporting Initiative (GRI) guidelines. Eletrobras CGTEE publishes its annual report on an annual basis. In 2007 the company began to adopt a report format where the topic of sustainability is featured more prominently. Such format was proposed by ANEEL and by the Ethos Institute for Companies and Social Responsibility.

This report had input from all the company departments and involved the Presidente Médici Plant in Candiota, the São Jerônimo Plant, the São Leopoldo Maintenance Center and finally the NUTEPA Plant and the Business Office, both in Porto Alegre, which provided information and were committed to the sustainability indicators. For the coordination of this report, Eletrobras CGTEE relies on the Sustainability Committee as approved by the Executive Board, in which all the departments are represented.

The 2009 Sustainability Report contains information about the company management, including all its production and business units and describing indicators and socio-environmental programs.

Eletrobras CGTEE declares that this report is the second in which the company uses the GRI C level guidelines, consequently without the use of an external verification tool. In 2010 the company expects to advance to the possibility of counting on an external verification tool in order to qualify for C+ level.

GRI Report – Self Declared [logo]

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Profile

Eletrobras CGTEE

Cia de Geração Térmica de Energia Elétrica

Rua 7 de setembro, 539 - Centro - Porto Alegre

RS Brazil, Zip Code: 90010-190. Telephone: (51) 32871500

Legal Nature

Government-controlled private company

Product

Thermoelectric power generation.

Business Units

The business structure is located in the city of Porto Alegre. The generating park is made up of 3 plants located in Candiota, São Jerônimo and Porto Alegre, totaling 490MW of installed power and a maintenance center located in São Leopoldo.

Markets covered

Domestic and International

Organization Size

Mid-sized company (565 employees).

Investments

A 350MW plant named Candiota III (Phase C) under construction.

Awards

The Quintais project on the FINEP innovation award in the Social Technology category.

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Corporate Governance

The new international scenario points to the diversification of the energy matrix as a result of the economy development and behavior of petroleum, caused by the instability of the producing countries. Furthermore, the critical awareness of mankind concerning the damages of the "greenhouse effect" to the ecosystem is increasing. However, the reality of worldwide power production shows that 87% of the generated power comes from traditional energy sources.

The situation is more favorable in Brazil, though. According to MME figures for the 2009 Brazilian energy matrix, 45.3% of the total energy used comes from renewable sources, biomass (28%), hydraulic (13.9%) and other renewable (3.5%) and non-renewable (54.7%) sources, such as natural gas (10.3%), petroleum (36.7%), mineral coal (6.2%) and uranium (1.4%).

As for the worldwide supply and demand of electric power for the following decades, the International Energy Agency predicts in its report (2006 Energy Perspective) that power consumption will have doubled by 2030. The document estimates that the net demand for global energy will increase from 14.781 trillion KWh to 30.116 trillion KWh in 2030; which entails an average growth of supply in the order of 2.7% per year.

For Brazil, the Energy Research Company projects in its "National Energy Plan" that the Brazilian electric business will need an additional 3.6 thousand MW per year in its generating park in order to meet the consumption increase from 346 million MWh to over one billion MWh at the beginning of the 3rd decade of the millennium.

The new regulating model for the electric industry aims to return to investments with public/private partnerships in order to meet the expanded electrical power demand under the fee categories and universalization of energy.

This generation expansion scenario accompanied by a favorable energy matrix makes way for an increase in the installed capacity and the addition of new alternative energy sources, combined with the regional features of the Electric Park.

Source:

Press release – Preliminary results – BEM-2009 EPE.

National Energy Plan - PEN 2030.

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Mission

To consolidate and expand the thermal generation of electrical power with reliability, competitiveness and social and environmental responsibility, promoting development.

Values

Ethics, integration, commitment, appreciation of people, reliability, efficiency, profitability, management excellence, transparency, social and environmental responsibility.

Vision

To be a nationwide model for conventional thermal energy generation in 2015, with a diversity of fuel sources, with emphasis on the utilization of mineral coal, thereby triplicating the installed capacity.

Business

Eletrobras CGTEE needs to master the various fuel sources in order to keep to its strategic plan of becoming a nationwide reference for thermoelectric power energy. In order to achieve this, apart from the installed park, which is virtually based on mineral coal, it must develop new projects for the diversification of gas (natural and biogas) generating sources, renewable sources and biodiesel which must be incorporated into the company's technological base without losing focus on mineral coal.

Future

Implementation of a domestic mineral coal thermoelectric plant named Candiota III (Phase C), thereby increasing the installed capacity from 490 to 840 MW; exporting power to Mercosur; construction of an energy generating company with renewal sources and participation in the carbon credit business; construction of Phase D of Candiota III with a production capacity of 600MW; implementing Risk Management in the company's value chain; revitalizing phases A and B of Presidente Médici Plant; improving the quality of coal in

partnership with thermal generating company; implementation of the Title And Salary Plan; redesigning the Organization processes; developing an energy efficiency program.

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Companhia de Geração Térmica de Energia Elétrica - Eletrobras CGTEE, controlled by Eletrobras, a Government-controlled private company, is a public utility company providing electric power. It was organized on July 28th 1997 and engages exclusively in the electrical power generation business. With the Declaratory Act no. 3 dated August 7th 1997 and Order dated October 15th 1997, both from the National Water and Electrical Power Department – DNAEE, the exploitation rights of the following thermoelectric plants were transferred to the Company> Presidente Médici Plant, Phases A and B, located in the city of Candiota; São Jerônimo Plant, located in the city of São Jerônimo; and NUTEPA Plant, located in the city of Porto Alegre, all of them in the state of Rio Grande do Sul, with their franchises having been extended for a period of twenty years, counting from July 8th 1995 through Administrative Rule of the Ministry of Mines and Energy no. 265 dated July 27th 1999. On September 13th 2000 the generation franchise agreement no. 67/2000 was executed with ANEEL and the franchise for the three thermoelectric plants shall expire on July 7th 2015. The Company's generating park has an installed power of 490 MW the effective generation of which meets the ONS (National System Operator) order.

The Company has the following franchises from ANEEL

Thermoelectric Plants	Installed Capacity	Effective Date	Expiry Date
Presidente Médici	446	7/8/1995	7/7/2015
São Jerônimo	20	7/8/1995	7/7/2015
Nutepa	24	7/8/1995	7/7/2015

Eletrobras CGTEE needs to master the various fuel sources in order to keep to its strategic plan of becoming a national reference for thermoelectric power energy. In order to achieve this, apart from the installed park, new projects must be developed for the diversification of generating sources which must be incorporated into the company's technological base without losing focus on mineral coal.

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Corporate Ownership

Centrais Elétricas Brasileiras SA – Eletrobras holds 99.94% of the stock of Eletrobras CGTEE, the remainder being divided among the company, individuals and entities.

Composition of the Board of Directors, Audit Committee and Senior Management

Board of Directors	Name
Chairman	Valter Luiz Cardeal de Souza
Director	Sereno Chaise
Director	Ricardo Spanier Homrich
Director	Mauro Henrique Moreira de Sousa
Director	Joaquim Antônio de Carvalho Brite
Director	Cristian William de Sousa Cunha

Inspection Committee	Name
Chairman	Celina Maria de M Brinckmann
Director	Luiz Barreto de Paiva Filho
Director	Ildo Wilson Grudtner

Board of Directors	Name
Chairman	Sereno Chaise
Executive Officer	Clovis Ilgenfritz da Silva
Executive Officer	Luiz Henrique de Freitas Schnor
Executive Officer	Eduardo Antônio Peters

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Senior Management Organization Chart in December 2009

Inspection Committee	General Meeting	Internal Audit	CDHRS
General Secretariat	Board of Directors	Legal Department	Candiota Center
Management Assistance	Chair	Financial and Market Relations Board	São Jerônimo Center
Ombudsman Division	Employment-related Litigation Department		Porto Alegre Center
Information Technology Assistance;	Communication Assistance	Management Board	Technical and Environmental Board

* "CDHRS" – Human development and social responsibility coordination.

Board Structure

Board of Directors

The Eletrobras CGTEE Board of Directors is a collegiate body with decision-making functions, made up of one chairman and five directors elected by the general meeting pursuant to section 12 of the Articles of Organization elected for a term of 3 (three) years, reelection being permitted. The Board is formed like this (pursuant to Section 12, Paragraph 1, subdivisions I, II and II of the Company's Articles of Organization):

One member is appointed by the Ministry of Planning, Budget and Management; the Company's CEO is a founding member of the board; four members are appointed by the Ministry of Mines and Energy, one of which will be appointed chair of the board;

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Inspection Committee

The Audit Committee is made up of 3 (three) sitting members and an equal number of alternates, elected by the general meeting, one of the sitting members and alternate thereof being appointed by the Ministry of Finance as a representative for the National Treasure and the remainder appointed by the Ministry of Mines and Energy. Directors are chosen among natural persons residing in Brazil either with university diplomas or who held a management or inspection committee position for a minimum of three years. The term is for one year, reelection being permitted (section 29 of the Company's Articles of Organization).

Executive Board

The Company Board is made up of one Chief Executive Officer and up to 3 (three) Executive Officers appointed by the Ministry of Mines and Energy, elected by the Board of Directors and removable by it at any time, with a term of 3 (three) years, reelection being permitted (Section 17 of the Company's Articles of Organization).

It should be noted that the Board of Directors and the Inspection Committee hold monthly meetings and the Executive Board holds weekly meetings.

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Responsibility towards stakeholders

The process to identify and select stakeholders with whom the company is gradually strengthening its relationships is based on actors who constantly interact with the company and the business result of whom depends upon this audience or affects these audiences. In other words, the company has defined as main actors of its performance all those who directly or indirectly contribute to the company's results, as well as those who are affected by these results.

Stakeholders	Details	Communication Channels
Shareholders and Investors	Eletrobras – Majority Shareholders 99.94%	Ordinary and Extraordinary Meetings
Customers	AES Sul, CEEE, RGE and 32 more energy distributors.	Complies with the CCEE Articles of Organization - Relations with Market Agents; Ombudsman Division
Suppliers	Small, medium and large companies, service providers and material and product suppliers 99.94%	Electronic messages and notices
Employees	No. of Employees: 565 No. of trainees: 81	Executive Board Meetings; Climate Survey; Intranet; Newsletter, Management Report; Transparency Portal
Public Bodies and Programs	TCU – Federal Accounting Court CGU -Office of the Federal Controller General MME – Light for all program Ministry of Planning	Internal Controls Field Research and Lectures

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Stakeholders	Details	Communication Channels
Social and Environmental Organizations and Community	FURG – Microalgae Project CEFET – RS – Factory School Project UFRGS – Environment Monitoring Program Embrapa – Quintais Project	Field Research and Lectures in agreement renewals stage Practical and Theoretical Classes to the Community; Development of Projects Monitoring Reports
Unions	SINTEC – Industrial Technicians' Union SENERGISUL – Electricity Workers' Union SENGE – Engineers' Union SINDICONTA – Accountants' Union SINDAERGS – Managers' Union	Collective Agreements of CGTEE Employees in Rio Grande do Sul

In order to provide conditions for the company's modernization based on ethics, transparency information, socio-environmental and respect of human rights, Eletrobras CGTEE, in alignment of the Eletrobras System guidelines, has improved its processes, the bases of which are transparency, accountability, sustainability, socio-environmental responsibility and equity.

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In this regard, the following major actions developed are noteworthy:

Ethics Commission

The Company Board is made up of one Chief Executive Officer and up to 3 (three) Executive Officers appointed by the Ministry of Mines and Energy, elected by the Board of Directors and removable by it at any time, with a term of 3 (three) years, reelection being permitted (Section 17 of the Company's Articles of Organization).

General Ombudsman Division

The General Ombudsman Division has the purpose of establishing a permanent, fast and efficient communication channel between the company management and the internal and external audience, thereby contributing to service efficiency, transparency, ethical planning and excellence in management. Several actions were taken in 2009 for the purpose of strengthening the Ombudsman Division: campaigns to prevent moral and sexual harassment, developed in collaboration with the Gender Committee, inclusion of a shortcut thereto on the company's website, promotion of newsletters, annual reports provided both to internal and external visitors to the website, installation of ballot boxes, participation in forums and creation of the green channel for statements about socio-environmental issues.

Transparency Portal

It has the purpose of providing information on the company's website about budgetary and financial policies, bids, engagements, agreements, similar instruments, per diems and tickets.

Sustainability Committee

Eletrobras CGTEE declares its commitment to Sustainability through the Committee by contributing to the construction of society based on economic

and social justice, respect to environment and universal human rights. The responsibility towards the environment and society is expressed in our mission, vision and ethical values that serve as bases for all our activities. This commitment has been confirmed by decisions such as joining the Global Compact and other instruments seeking sustainable development and the promotion of citizenship.

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Welcome

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Economic dimension

The total electrical power generation in 2009 was 945.11 GWh, 900.41 GWh of which from the Presidente Médici Thermoelectric Plant and 44.70 from the São Jerônimo Thermoelectric Plant. The Nutepa plant was not activated in the 2009. The power consumption percentage of the plants' ancillary systems (pumps, mills, fans, lighting and other peripherals) against the total power production was 19.14% at Presidente Médici Thermoelectric Plant and 9.57% at the São Jerônimo Thermoelectric Plant, which remains within regular consumption standards, considering the generation level obtained in the period.

Generated Electrical Power Evolution at CGTEE (2001 – 2009) GWh										
GWh	2,000									
	1,600					1,735	1,760			
	1,200	1,531	1,331	1,354	1,525			1,250	970	945
	800									
	400									
			2001	2002	2003	2004	2005	2006	2007	2008
Year										

Direct Energy Produced

Fossil Fuel: 968,775 MWh

Direct Energy Sold

Fossil Fuel: 787,368 MWh

Direct Energy Consumed in the Productive Process

Fossil Fuel: 181,407 MWh

Indirect Energy Bought

Electrical power consumption in managerial processes

Renewable sources 1,275,152 KWh

Non-renewable sources 51,190 KWh

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Added value

The information regarding the Company's added value is part of the Financial Statements through the "Added Value Statement", as established in the NBC T 15 of the Federal Accounting Council – CFC, approved by the CFC resolution no. 1003/2004. The table below shows the added value distribution coefficients in 2009 compared to 2008.

Added Value Distribution			
2009		2008	
Employees	80,475	Employees	80,475
Government	15,074	Government	32,153
Financial Agents	5,047	Financial Agents	5,037
Shareholders	(20,919)	Shareholders	(292,202)

Components z1000	Comment
A) Distributed Economic Value Revenue BRL 213,878	Net Sales plus Revenue from Financial Investments and Sale of Assets, Resulting from Thermal Electrical Power Generation.
B) Operating Costs BRL 93,127	Payments to Suppliers, Non-strategic Investments, Royalties and Facilitation Payments.
C) Employees' Salaries and Benefits BRL 80,475	Total Employees' Payroll – Current payments and not future liabilities.
D) Payment to Capital Providers BRL 5,047	All financial payments made to the Organization's Capital Providers (Loans of the Controller).

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Components	Comment
E) Payments to the Government (by country) BRL 15,074	Gross Taxes, social contributions and taxes on Revenue and property
F) Community Investments BRL 1,438	Voluntary contributions and investments of funds in the community as a whole including donations, Social and Economic Amplitude project

Detailed comments

Net sales correspond to gross sales of products and services minus returns, discounts and abatements. The Company revenue is focused on its main business, which is the Thermal Electric Power Generation from the burning of coal.

The revenue from financial investments includes cash in the form of interests on financial loans, revenue from capital interest such as royalties and income obtained directly from assets (e.g. loan of property).

The CGTEE financial income from the management of available funds to invest in the construction of the CANDIOTA III plant. Since the deadline for the enterprise completion is getting nearer and because of an operating problem in Phases A and B, the financial investment funds were reduced from one year to the other.

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The revenue from the sale of assets includes both physical (property, infrastructure, equipment) and intangible assets (e.g.: intellectual property rights, models and brand names). The revenue from sales of permanent assets refers to the sale of car junk and mostly the sale of real property of Vila Operária in Candiota-RS, as part of the real estate displacement project in partnership with Caixa Econômica Federal (CEF).

In 2009 the company invested in projects for the community, such as: Factory School, where many young students and adults are enjoying the opportunity of learning a technical job in order to be eligible for the opportunities that are arising on the South Half of the state. This project benefitted 400 students in 2009, totaling 1,500 in all its editions; Quintais Project, for families of *quilombolas* (descendants of slaves), indians, family farmers and settlers. In 2009 770 small rural properties were implemented, thus benefitting 1,500 beneficiaries, totaling 29,534 benefitted people in all editions; Second Half Project, where young people in high social risk practice sports and receive snacks for taking part in the project; Calabria, where young people from low income families learn a trade; Pro-Gender Equity, which is a partnership with the Women Policies Secretary of the Federal Government.

CGTEE's Members' Equity reached the amount of BRL 368 million at the end of 2009, while an amount of BRL 350 million had been computed in 2008, as illustrated by the chart below

Amounts in million reais	
2009	367.9
2008	350.0
2007	642.2
2006	711.4
2005	711.5
2004	687.1
2003	677.3
2002	666.6
2001	676.3
2000	706.9

1999	241
1998	269.3

Members' Equity 1998 - 2009 Evolution

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Goods and Service Supply Management

Elektrobras CGTEE, by means of its Supply Department and the Bidding and Contract Division, which is in charge of preparing notices and contract drafts for the engagement of services and purchase of materials, has consolidated the Physical and Electronic Procurement, implemented by Decree no. 5450/05.

Purchase Performance in 2009

E-procurement, budget estimated at BRL 17.79 million, contracts BRL 14.28 million, discount BRL

E-procurement, budget estimated at BRL 37.21 million, contracts BRL 36.45 million, discount BRL 0.76 million, savings of 2.05%.

Bidding, budget estimated at BRL 19.98 million, contracts BRL 18.86 million, discount BRL 1.12 million, savings of 5.62%.

Pricing, budget estimated at BRL 5.47 million, contracts BRL 4.7 million, Discount BRL 0.77 million, savings of 13.27%.

Biddings held in 2009						
Quantity	70					
	60		63			
	50					
	40					
	30					
	20					
	10			18		
	0	7			3	4
		Physical Procurement	E-Procurement	Pricing	Bidding	Solicitation of prices

[Heading]

The Material Budget and Standardization Division, connected to the Supply Department, conducted periodical price surveys in the market so as to provide the processes with at least three budgets seeking to obtain a (reference) Estimated Cost Budget, which represents the highest amount Eletrobras CGTEE shall pay for future contracts.

From January 1st 2009 to December 31st 2009, 80 Registration Certificates (22) were issued, 22 of them being new and 58 being renewals.

Supplementary social security

Regarding the control of sponsored pension funds, Eletrobras CGTEE has a joining agreement with the CEEE Social Security Foundation (NATIONAL REGISTRY OF LEGAL ENTITIES NO. 90884412/0001-24), the annual statement of which is shown below:

Period	Payroll of the employees who have joined	Contributions paid by the employees who have joined BRL	Contributions paid by the sponsor BRL	Other funds provided by the sponsor BRL
Jan/09	2,478,856.99	248,525.51	399,140.05	95,776.48
Feb/09	2,145,053.78	206,842.21	323,388.71	93,017.25
Mar/09	1,814,166.44	163,536.17	257,079.49	88,662.84
Apr/09	1,712,992.52	148,098.83	241,937.40	90,778.87
May/09	1,770,539.69	155,103.09	238,987.02	81,382.31
Jun/09	1,707,916.47	146,215.26	295,730.00	91,479.44
Jul/09	1,746,082.84	137,308.57	228,852.82	80,245.24
Aug/09	1,713,049.23	125,482.78	683,378.73	95,504.73
Sep/09	1,727,629.09	145,125.07	251,025.97	97,969.13
Oct/09	1,724,467.47	197,742.29	294,865.13	93,885.02
Nov/09	1,728,739.49	154,277.61	250,049.37	101,601.32
Dec/09	1,758,113.90	148,507.76	510,702.54	101,381.53
Total	22,774,041.86	2,075,836.88	3,975,137.23	1,175,405.53

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The difference between the Contribution from the Sponsor and the Contribution paid by the employees refers to the Amortizing Reserve and the Contributions of Beneficiaries.

The Amortizing Reserve is a commitment assumed upon the split-off of CEEE and organization of CGTEE, when the latter assumed the commitments with the Foundation regarding the subrogated employees. These commitments refer to the coverage of past services of founding participants, who were closer to retirement when the plan was created, which resulted in an initial commitment the coverage of which was assumed by CEEE as an incentive for employees to join. This commitment was assumed before Constitutional Amendment no. 20. The amount for Other Funds Provided by the Sponsor refers to Insurance and Loans deducted from the participants' payroll.

The CEEE Foundation has submitted the documents according to Law 109/2001, which establishes that Pension Funds must submit the Consolidated Balance Sheet and Opinions of the Inspection Committee, Deliberative Body and Independent Audit. The Supplementary Social Security Secretariat (SPC) has not stated anything regarding the financial statements.

The total amounts by investment types and respective legal substantiation managed by CEEE Social Security Foundation are detailed below.

Segments	In BRL thousand		Percentages per segment	
	In 12/2008	In 12/2009	In 12/2008	In 12/2009
Total guaranty funds	140,941.75	176,202.69	100%	100%
Fixed Income	110,664.96	114,106.20	78.52%	64.76%
Variable Income	25,808.88	41,816.31	18.31%	23.73%
Structured Investments 1	312.71	12,744.61	0.22%	7.23%
Real Estate	2,221.94	2,049.32	1.58%	1.16%
Loans to participants	1,875.84	5,218.55	1.33%	2.96%
Cash and cash equivalents	57.42	267.71	0.04%	0.15%

Segment created by CMN Resolution no. 3972 dated 09/28/2009.

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Investment Profitability -2009	
Investment Segments	Profitability
Fixed Income	13.57%
Variable Income	78.35%
Structured Investments 2	1.90%
Loans	16.40%
Real Estate	10.58%

Accumulated profitability from 01/01 to 12/31/2009

In 2009 the nominal profitability obtained in the CEEE Foundation investment portfolio for the CGTEE Sole Plan was 24.67%, resulting in an actual net profitability of 19.75% accounting for inflation, which is 119.44% above the actual management goal of 9% and 229.17% above the minimum actuarial rate of 6%.

All the segments of the Foundation investment portfolio achieved the goals stipulated in the 2009 Investment Policy, notably the consolidated Variable Income segment, which accumulated a nominal profitability of 78.34% within the period.

The statutory limits for transfer of funds by the sponsor are being observed and there are no human resources or property assigned to the sponsored entity or debts between the sponsor and the sponsored entity.

The statutory limits above are determined by the National Monetary Council Resolution no. 3456/07.

We note that CGTEE performs regular supervision of the entity's activities by monitoring the reports.

ELETROCEEE had its balance sheet audited recently, and the Independent Auditors' report was as follows

(1) We examined the Consolidated Balance Sheet of the CEEE Social Security Foundation – ELETROCEEE on December 31st 2009 and the Respective Consolidated Income and Consolidated Financial Flows Statements for the period ending on that date prepared under the responsibility of its Management. Our responsibility is to state an opinion about these Accounting Statements.

(2) Our review was conducted according to the Audit Rules applicable in Brazil and encompassed: (a) planning of the works, considering the relevance of balances, transaction volume, accounting systems and the Foundation's Internal Controls; (b) confirmation based on evidence, tests and records supporting the amounts and accounting information reported; and c) assessment of the most representative accounting practices and estimates adopted by the Foundation Management, as well as the submission of all the financial statements taken together.

(3) In our opinion, the Accounting Statements mentioned in paragraph correctly represent the property and financial positions of the CEEE Social Security Foundation – ELETROCEEE in all material aspects on December 31st 2009, the results of its transactions and its Financial Flows, for the period ending on that date, according to the accounting practices adopted in Brazil.

(4) The accounting statements for the period ending on December 31st 2007, which were submitted for comparison purposes, were audited by independent auditors, whose report issued on February 22nd 2009 contained the following note: In compliance with section 23 of the regulation attached to the Supplementary Social Security Management - CGPC board resolution dated March 28th 2006, which provides for the gradual implementation of the AT-83 table until December 31st 2009, the CEEE Social Security Foundation – ELETROCEEE adopted the new GAM-83 table in 2006. 50% of the difference between GAM-83 and AT-83 in the 2007 closing valuation. In December 2009 the general mortality table corresponding to 100% of AT-83 and the disabled

mortality table corresponding to 100% of the AT-49 will be adopted for all benefit plans (explanatory note no. 12.3 and 13.2).

[Heading]

If the implementation costs for the AT-83 table were recognized immediately and entirely on an accrual basis, the net income for the year, the mathematical provisions and the realized results would include an unappropriated portion. Considering the provision of the CGPC resolution no. 18 dated March 28th 2006 and based on the actuarial study conducted internally by the entity on August 31st 2007 (not updated until December 31st 2007), the cost increase in mathematical provisions to be appropriated in 2009 was estimated at BRL 91 million. It also contained the following emphatic paragraph: Until the issue date of the independent auditors' report on the accounting statements for the year ending on December 31st 2007, the DRAA- Actuarial Assessment Result Statement by the sponsor AES Sul Distribuidora Gaúcha de Energia S/A, had not been signed by its legal representatives (Russel Bedford Brasil).

Actuarial statement

The financial and actuarial situation of ELETROCEEE's "Sole" Plan, sponsored by CGTEE, assessed under the same financing systems/methods and under the same actuarial hypotheses adopted in the previous year, and considering that the normal contributions in force are being maintained in 2010 (and, within this context, no portion is being used from the accumulated result from the previous year and recorded as contingency reserve in order to reduce contributions in force as established by Normative Instruction SPC/MPS no. 28/2008 dated 12/30/2008 – Official Gazette dated 12/31/2008), had an Accumulated Technical Surplus of BRL 20,089,400.60, equivalent to 12.20% of the existing Net Assets in the amount of BRL 164,612,006.55.

Based on the rate variation of the "Sole" Plan sponsored by CGTEE as informed by ELETROCEEE for the 2009 January-December period, the net nominal profit was 24.67% along 2009, against an actuarial goal of a net nominal profit of 10.36% which, adopting IBGE's INPC as index, amounted to a net actual profit of 19.75% a year against an actuarial goal of net actual profit of more than 6% a year.

[Heading]

The Actuarial Liabilities (Mathematical Provisions) and Net Assets for this Plan of the Sponsor CGTEE were as follows on 12/31/2009

Provision of Granted Benefits	BRL 51,810,447.00
Provision of Benefits to be granted	BRL 102,268,276.00
Mathematical Provision to Constitute *1	BRL (9,556,117.05)
Mathematical Provisions (Actuarial Liabilities)	BRL 144,522,605.95
Accumulated Technical Surplus *2	BRL 20,089,400.60
Net Assets of the Plan *3	BRL 164,612,006.55

***1** In amortization phase by means of a supplementary rate to remain in force for the following 132 months (11 years), counting from and including January 2010. This rate will rise from 4.08% to 4.23% of the total payroll of active participants in February 2010 as a way to preserve its amortization power. The source of this Mathematical Provision to Constitute is the lengths of past services recorded by the Plan (at the Sponsor's expense) during which there was no matching social security contribution. The amortization method for this Mathematical Provision to Constitute shall be reviewed when recommended by the actuary in charge of this BD Plan in order to make it compatible with the increase of active participants.

***2** These BRL 20,089,400.60 are entirely recorded as Contingency Reserve.

***3** The Social Security Fund is already deducted from the Plan's Net Assets. Such fund is created under the principle of prudence, amounting to BRL 10,329,252.21 concerning pending lawsuits claiming revision of the Plan's benefit amounts. Since this fund has legal nature, with no judgment yet given or unappealable, it is being paid from accumulated funds of the participants' contributions including beneficiaries and the Sponsor as established in the Funding Plan in force, with no specific additional overload for the funding of these legal pending matters. In cases in which such revisions result from acts and facts the judicial opinion of which assigns legal responsibility to the Sponsor in the capacity of employer, the funding of these legal revisions as provisioned

will be made by an allotment from the employer in an actuarially assessed amount. Such Social Security Fund includes both the differences from the past period and the future period.

NOTE: The average of the active participants is 50 years.

[Heading]

The balance of Mathematical Provision to Constitute, in the amount of BRL 9,556,117.05 on 12/31/2009, for past lengths of service recorded by the Plan at the expense of the Sponsor, during with there was no matching social security contribution, from a realistic standpoint, must be amortized by means of a debt confession agreement made by the Sponsor, considering the significant reduction in the payroll of active participants of this Plan.

We should note that the department in charge of ELETROCEEE has informed us that there are no debts from the Sponsor CGTEE to ELETROCEEE concerning contributions and consignments.

As for the amounts of Mathematical Provisions of Granted Benefits and Benefits to be Granted, Mathematical Provision to Constitute and Technical Accumulated Surplus properly recorded as Contingency Reserve under the applicable law, we certify that they were assessed by our Independent Actuarial Consulting Department using the same financing systems/methods and actuarial cases noted in item 1 of this Actuarial Opinion, based on our registration data and accounting information provided by ELETROCEEE and considered correct by our Actuarial Consulting Department. The registration data were analyzed for consistency and compared with those of the actuarial assessment of the previous period, which we submitted to the analysis of ELETROCEEE for the necessary adjustments and subsequent validation, after which they can be used in this actuarial assessment.

The allotment of the Accumulated Technical Surplus of BRL 20,089,400.60 properly recorded as Contingency Reserve is to cover any unfavorable deviations that may occur compared to the adopted actuarial hypotheses, especially those concerning the mortality/survival level and return on investment.

José Roberto Montello – Actuary - MIBA No. 426

The Internal Audit carried out its work at CEEE Foundation in 2009 and the examinations were conducted to the extent deemed suitable to the circumstances and in compliance with the usual audit rules, no discrepancies having been identified in the transactions by CEEE Foundation – Pension Plan and the CGTEE Sole Plan regarding the amounts of consignments, contributions and administrative funding, as well as in the Sponsor's accounting records within the examined period.

It should be noted that the CGTEE/PREVI social security Plan is in its final approval phase. It aims to provide benefits to employees hired beginning in 2003.

[Heading]

P&D ANEEL

CGTEE's Research and Development Program (P&D ANEEL) is being conducted since 2000 and the table below shows the amounts invested in Research and Development by CGTEE, under Laws no. 9991 dated 07/24/2000 and no. 10848 dated 03/15/2004.

Cycle	R&D (BRL)	FNDCT* BRL	MME **BRL
2000/2001	706,000.00	685,821.36	[blank]
2001/2002	840,036.00	780,078.50	[blank]
2002/2003	795,446.00	728,929.21	[blank]
2003/2004	764,364.00	697,033.64	348,516.82
2004/2005	889,224.00	888,229.27	444,114.64
2005/2006	702,760.47	702,760.47	351,380.00
2006/2007	624,789.00	624,789.00	312,394.50
2007/2008	566,417.40	566,417.39	283,216.89
2008	659,013.77	548,121.77	274,060.88
2009	1,019,244.72	766,126.21	383,063.08

* National Fund for Scientific and Technological Development of the Ministry of Science and Technology.

** Energy Research Company of the Ministry of Mines and Energy

In 2009 ANEEL changed the R&D program and the amounts to be invested no longer follow a cycle period, but are done on an annual basis.

During 2009, apart from the transfers made to FNDCT and EPE, CGTEE submitted two ANEEL-approved projects to the Pontifical Catholic University of Rio Grande do Sul (PUCRS) for the 2006/2007 cycle. They are:

- Project for development of an on-line synchronous generator monitoring system;
- Project for development of an on-line induction engine monitoring system.

[Heading]

These projects are in contract adjustment phase after analysis by the University and must be executed in the first quarter of 2010.

As scheduled, CGTEE restated its Research and Development Program in 2009 and obtained approval from the Executive Board for RES 171/2009 and RES 172/2009 with the purpose of approving a new procedure manual for prospecting new ideas and creating the company's R&D Committee respectively.

Once these documents were approved, CGTEE implemented a new method where the involvement of its corporate staff was essential and resulted in the suggestion of 18 new ideas, some of them with a high degree of innovation and others related to the activities conducted by the company. These ideas were augmented by projects submitted in previous cycles which were in store to be analyzed with this set of proposals. The R&D Committee analyzed and submitted many of these ideas directly to the relevant areas, since they can be implemented regardless of the R&D program funds. Among them, the Committee selected those that shall be submitted to calls for proposals in Research Centers in the first quarter of 2010.

R&D investments by strategic topics regarding revenue

Net Operating Income BRL 191.53 million

R&D Investments in 2009 BRL 0.76 million

[Heading]

[Image]

[Heading]

Social dimension

Responsibility towards the community and its employees make Eletrobras CGTEE a company committed to the quality of life of those who play a major role in the company's growth. In this regard, programs and policies focused on employees, consumers, suppliers and customers are constantly conducted and produce a set of monitored indicators in the search for improvement.

Social Responsibility

Eletrobras CGTEE, seeking to affirm its role as a public company building a sustainable society, has been implementing a set of social programs and projects with the purpose of enhancing the relationships between the company and its stakeholders.

In 2009 the company invested in projects for the community, such as: Factory School, where many young students and adults are enjoying the opportunity of learning a technical job in order to be eligible for the opportunities that are arising on the South Half of the state. This project benefitted 400 students in 2009, totaling 1,500 in all its editions;

Quintais Project, for families of quilombolas (descendants of slaves), indians, family farmers and settlers. In 2009 770 small rural properties were implemented, thus benefitting 1,500 beneficiaries, totaling 29,534 benefitted people in all editions;

Second Half Project, where young people in high social risk practice sports and receive snacks for taking part in the project;

Calabria, where young people from low income families learn a trade, a project which is a part of the Federal Government's First Job Program;

Pro-Gender Equity, which is a partnership with the Women Policies Secretary of the Federal Government.

[Heading]

Group composition by category, race, gender and age group.

Categories		Gender	Age Group	Number
Governance	Board of Directors	Male	Up to 30 years	[blank]
			From 31 to 40	1
			From 41 to 50	1
			Over 50	4
	Inspection Committee	Male	From 41 to 50	1
			Over 50	1
		Female	Over 50	1
	Board of Directors	Male	From 41 to 50	1
			Over 50	3
		Male	Up to 30 years	3
			From 31 to 40	1
Managerial Positions			From 41 to 50	27
			Over 50	20
		Female	Up to 30 years	6
			From 31 to 40	11
			From 41 to 50	35
			Over 50	24
	Other Employees	Male	Up to 30 years	42
			From 31 to 40	55
From 41 to 50			200	
Over 50			121	
Female			Up to 30 years	7
		From 31 to 40	14	
		From 41 to 50	38	
		Over 50	29	
Total Governance Groups				13
Total Managerial Positions				58
Total Other Employees				506
Grand Total				577

[Heading]

Categories		Gender	Race	Number
Governance	Board of Directors	Male	White	6
		Female	[blank]	
	Inspection Committee	Male	White	2
		Female	White	1
	Board of Directors	Male	White	4
		Female	[blank]	
Managerial Positions		Male	White	44
		[blank]	Black	3
		[blank]	Brown	4
		Female	[blank]	7
Other Employees		Male	White	352
		[blank]	Black	33
		[blank]	Brown	33
		Female	White	71
		[blank]	Black	9
		[blank]	Brown	8
		[blank]	Yellow	0
Total Governance Groups				13
Total Managerial Positions				58
Total Other Employees				506
Grand Total				577

[Heading]

Total number and rate of employee turnover by age group, gender, and region.

Situations		Male	Female	TOTAL
Number of employees at the beginning of period		442	91	533
Terminations within the period	Voluntary	05	01	06
	Non-voluntary	01	00	01
Number of retirements within the period	Voluntary	[blank]	[blank]	[blank]
	Compulsory	03	02	05
Termination for other reasons		[blank]	[blank]	03
Number of admissions during the period		39	07	46
Number of employees at the end of period		469	95	564

Situations		Up to 30 years	From 31 to 40	From 41 to 50	Over 50	TOTAL
Number of employees at the beginning of period		33	62	298	140	533
Terminations within the period	Voluntary	01	02	00	03	06
	Non-voluntary	00	00	01	00	01
Number of retirements within the period	Voluntary	[blank]	[blank]	[blank]	[blank]	[blank]
	Compulsory	00	00	04	01	05
Termination for other reasons		00	00	00	03	03
Number of admissions during the period		24	16	03	03	46
Number of employees at the end of period		56	76	296	136	564

Note: An employee who is an executive officer was not considered.

[Heading]

Base salary to men' and women's compensation ratio, by category.

Category	Base salary		M/W	Compensation		M/W
	Men	Women		Men	Women	
Board of Directors	17,689.57	0	[blank]	17,689.57	0	[blank]
Directors	17,768.95	1,768.95	1.00	1,768.95	1,768.95	1.00
Managerial Position	4,187.43	3,120.89	1.34	8,528.30	5,114.94	1.68
Employees	3,672.01	2,360.07	1.56	3,847.66	3,056.21	1.26

Workforce education profile

2009	No. of Men	No. of Women
Illiterate	0	0
Incomplete Elementary School/Literate	112	17
Complete Elementary school	153	18
High/Technical School	82	19
Higher Learning	92	33
Postgraduate diploma	47	14

* Specialization, MBA, Master's Degree, Doctorate and Post-doctorate

[Heading]

Outsourced workforce by gender and age group (security, driving and cleaning assistants)

Age	Men	Women
From 18 to 25	23	6
From 26 to 30	58	14
From 31 to 40	49	21
From 41 to 50	33	9
From 51 to 60	6	0
Older than 60	0	0
Total in 2009	169	50

Outsourced workforce by race (security, driving and cleaning assistants)

Sex	Black	White	Total 2009
Men	161	8	169
Women	43	7	50

[Heading]

Committees

There are 3 CIPAs (Internal Accident Prevention Commissions) in place within the company. They are operating in the Headquarters in São Jerônimo and at UPME. Considering the 3 Cipas we have 100% of the employees represented in them. Multidisciplinary Integrated Management Work Group seeking to implement actions focused on meeting current statutory standards concerning occupational health, safety and environment in the Candiota Plant.

Participation in Health and Safety

Eletrobras CGTEE has a Labor Safety and Medicine Plan issued in 2004. This Plan is in compliance with Law no. 6514 dated December 22nd 1977 and Regulations approved by Administrative Rule no. 3214 dated June 8th 1978 of the Ministry of Labor and Employment.

The Plan and its attachment define a basic plan for the implementation of an organized a Labor Safety and Medicine effort in services performed by CGTEE, so that power generation could be made in a safe and humanized manner.

The Labor Safety and Medicine Department is responsible for maintaining a permanent relationship with work teams, promoting activities for workforce awareness raising, education and guidance in order to prevent occupational accidents and diseases.

The Department has the purpose of promoting and protecting the workforce's physical and mental integrity at the workplace, instructing the workforce to perform its activities in a safe manner, complying with the laws in force, adopting appropriate measures for the preservation and maintenance of its full physical, mental and social well-being.

The proposed goal is to achieve Zero Accident.

Eletrobras CGTEE and its contractors undertake to strive for and achieve this purpose and provide full support to this program.

In 2005, Eletrobras CGTEE formed a multidisciplinary medicine and health team by hiring its own employees in the capacities of Social Assistant, Psychologist, Nurse and Nursing Technician.

[Heading]

Occupational Accidents

Description	Number
Total number of occupational accidents with employees	22
Occupation accident average by employee/year	0.04
Accidents with temporary leave	10
Total number of lost days because of accidents	355
Accidents resulting in mutilation and other damage do physical integrity and/or service provider, including permanent removal from job (including RSI) (%)	0%
Total Frequency Rate of the company for employees within the period.	6.84

**Percentage of employees covered by collective bargaining agreements
"100%".**

[Heading]

[Image]

[Heading]

Human resources

The bid notices, code of ethics and code of conduct provide for the commitment with the elimination of child and forced labor, prevention of moral and sexual harassment, fight against corruption, commitment to permanent gender equity practices and guarantee of freedom of association. These commitments are also ratified by the company's adherence to the Global Compact.

Global Compact

The Global Compact is a United States initiative to encourage the public and private sector to contribute actively for its resolutions and for the governance of a sustainable planet.

The Global Compact consists of 10 corporate management principals based on universal rights which confer upon companies an international level of partnership with the UN in its Sustainability and Socio-environmental Responsibility policies and practices.

Eletrobras CGTEE adhered to the Global Compact on 07/24/2008.

[Image] **Respect** and support internationally proclaimed human rights in its field of influence.

[Image] **Ensure** that the company is not complicit in human rights violations.

Support the freedom of association and recognize the right to collective bargaining.

[Image] **Eliminate** all forms of forced or compulsory labor.

[Image] Effectively **eliminate** all kinds of child labor from its productive chain.

[Image] **Encourage** practices to eliminate all kinds of employment discrimination.

[Image] **Adopt** a preventive, responsible and proactive approach for all environmental challenges.

[Image] **Develop** initiatives and practices to promote and disseminate socio-environmental responsibility.

[Image] **Encourage** the development and dissemination of environmentally responsible technologies.

[Image] **Fight** corruption in all its forms, including extortion and bribery.

[Heading]

Millennium Development Goals

Apart from the Global Compact, Eletrobras CGTEE has assumed the commitment of promotion the Millennium Development Goals. The 8 millennium development goals were established by the UN in 2000, after an analysis of the greatest world problems.

These 8 ways of changing the world approved by 191 countries which must be achieved by 2015 are the following:

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

[Heading]

Social balance

The recording of actions focused on social responsibility allows for the assessment of their results and focusing of funds towards the future. The company's social balance explains the manner of business management and results achieved, investments made and challenges for the future.

1 – Calculation basis	2009 Amount (thousand reais)	2008 Amount (thousand reais)
Net Revenue (NR)	271,099	265,831
Operating Income	-20,919	-292,202
Gross Payroll	71,539	74,597

2 - Internal Social Indicators	Amount (thousand):	% on Gross Payroll	% on Net Revenue	Amount (thousand):	% on Gross Payroll	% on Net Revenue
Food	3,608	5.04%	1.33%	2,829	3.79%	1.06%
Mandatory social charges	14,768	20.64%	5.45%	14,158	18.98%	5.33%
Pension fund	4,121	5.76%	1.52%	3,376	4.53%	1.27%
Healthcare	1,306	1.83%	0.48%	1,264	1.69%	0.48%
Labor safety and health	2,327	3.25%	0.86%	2,126	2.85%	0.80%
Education	59	0.08%	0.02%	68	0.09%	0.03%
Culture	51	0.07%	0.02%	35	0.05%	0.01%
Capacity building and professional development	121	0.17%	0.04%	116	0.16%	0.04%
Nurseries or nursery grant	370	0.52%	0.14%	127	0.17%	0.05%
Interest in profit or income	6,034	8.43%	2.23%	7,944	10.65%	2.99%
Other	1,065	1.49%	0.39%	965	1.29%	0.36%
Total - Internal Social Indicators	33,830	47.29%	12.48%	33,008	44.25%	12.42%

[Heading]

3 - External Social Indicators	Amount (thousand):	% on Operating Income	% on Net Revenue	Amount (thousand):	% on Operating Income	% on Net Revenue
Education	350	-1.67%	0.13%	47	-0.02%	0.02%
Culture	0	0.00%	0.00%	0	0.00%	0.00%
Health and sanitation	13	-0.06%	0.00%	157	-0.05%	0.06%
Sports	30	-0.14%	0.01%	0	0.00%	0.00%
Fight against hunger and food safety	1,045	-5.00%	0.39%	416	-0.14%	0.16%
Other	0	0.00%	0.00%	0	0.00%	0.00%
Total contributions to society	1,438	-6.87%	0.53%	620	-0.21%	0.23%
Taxes (excluding social charges)	15,675	-74.93%	5.78%	12,359	-4.23%	4.65%
Total - External Social Indicators	17,113	-81.81%	6.31%	12,979	-4.44%	4.88%

4 -Environmental Indicators	Amount (thousand):	% on Operating Income	% on Net Revenue	Amount (thousand):	% on Operating Income	% on Net Revenue
Investments associated to the company's production/operation	480	-2.29%	0.18%	1,218	-0.42%	0.46%
Investment in external programs and/or projects	166	-0.79%	0.06%	4,393	-1.50%	1.65%
Total environmental investments	646	-3.09%	0.24%	5,611	-1.92%	2.11%
Regarding the establishment of "annual goals" to minimize residue, general production/operation consumption and increase the effective use of natural resources.	(X) has no goals (...) meets from 51 to 75% (...) meets from 0 to 50% (...) meets from 76 to 100%		(X) has no goals (...) meets from 51 to 75% (...) meets from 0 to 50% (...) meets from 76 to 100%			

[Heading]

5 - Personnel indicators	2009	2008
No. of employees at the end of the period	565	534
No. of admissions during the period	47	5
No. of outsourced employees	726	654
No. of trainees	81	77
No. of employees older than 45	359	473
No. of women working for the company	95	84
% of managerial positions held by women	11.48%	15.70%
No. black people working for the company	44	43
% of managerial positions held by black people	4.92%	4.48%
No. of people with disability or special needs	2	2

[Heading]

6 - Relevant information for the exercise of entrepreneurial citizenship	2009 Amount (thousand reais)			2008 Amount (thousand reais)		
Ratio between the highest and the lowest remuneration in the company	17.77			19.42		
Total number of occupational accidents	22			35		
The social and environmental projects developed by the company were defined by	(...) board	(...) board and management.	(X) all employees	(...) board	(...) board and management.	(X) all employees
The workplace safety and health standards were defined by:	(...) board and management.	(X) all employees	(X) Everyone + CIPA	(...) board and management.	(...) all employees	(X) Everyone + CIPA
As for freedom of association, the right for collective bargaining and internal representation of employees	(...) will not get involved.	(...) will follow the ILO rules	(X) will encourage and comply with ILO	(...) will not get involved.	(...) will follow the ILO rules	(X) will encourage and comply with ILO
Pension fund includes:	(...) board	(...) board and management.	(...) all employees	(...) board	(...) board and management.	(...) all employees
Profit and income sharing includes:	(...) board	(...) board and management.	(X) all employees	(...) board	(...) board and management.	(X) all employees
When selecting the suppliers, the same ethical, social responsibility and environmental standards adopted by the company:	(X) will not be	(...) will be suggested	(...) will be required	(X) will not be	(...) will be suggested	(...) will be required

[Heading]

[Image]

[Heading]

Environmental dimension

Eletrobras CGTEE is aware of the impact its business may cause to the population and the environment around its enterprises, so it invests in socio-environmental responsibility actions seeking to promote sustainable development in the field where it works.

Liquid Effluent Recirculation Project

With the purpose of reducing the outflow of liquid effluent and consequently the accumulation of water in the Candiota brook, the Liquid Effluent Recirculation Project was developed, with facilities completed and going through operating tests. Apart from the direct benefit through the return of effluent liquid from basins, thus making the enterprise more sustainable from an environmental standpoint, an indirect economic benefit was added by reducing the power consumption through pumping optimization at the industrial plant. The project cost was approximately BRL 5,400,000.00 (five million four hundred thousand reais).

Total water withdrawal by source

Surface water: 2,700.00 m³

Municipal supply: 6,200 m³

Total direct and indirect greenhouse gas emissions by weight

Direct emissions: CO² = 1,802,298 t/year

The method suggested by IPCC was used to compute CO² emissions.

NO_x, SO_x and other significant air emissions by type and weight

SO²= 33,571 t/year

NO_x=3,605 t/year

No sanctions were imposed against Eletrobras CGTEE in 2009 resulting from the noncompliance with environmental laws and regulations.

Total water discharge by quality and destination

The planned discharges refer to the disposal of the liquid effluent generated in the productive process of Presidente Médici Thermoelectric Plant. This effluent undergoes primary treatment in sedimentation basins, which ensures discharge in water according to the standards established by the law in force. Volume of discarded and treated effluent in 2009: 1,900,000 m³.

[Heading]

Identification of size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoffs.

The disposal of liquid effluent from the Presidente Médici Thermoelectric Plant is made into the Candiota brook, meeting all the parameters established by the Environmental Inspection body. The results from the regular monitoring of this body of water suggest that the quality of the water and its biodiversity are not significantly impacted by such disposal. The São Jerônimo Thermoelectric Plant has a liquid effluent recirculation system, so no disposal is made into bodies of water.

Eletrobras CGTEE declares that there were no spills in 2009 that could impact the environment.

Residue Generated by CGTEE

	Total	Coprocessing	Mine	Stocked	Recycled	
Furnace Ashes	633,057.00	297,514.27	335,542.73	[blank]	[blank]	t
Residue generated out of the industrial process (offices, packages, etc.)	40.04	[blank]	5.80	34.24	[blank]	t
Non-dangerous sweeping residue	4,441.16	[blank]	4,441.16	[blank]	[blank]	t
Ferrous metal scrap	19,826.42	[blank]	[blank]	19,826.42	[blank]	t
Metal packages (empty cans)	0.12	[blank]	[blank]	0.12	[blank]	t
Plastic residue (film and small packages)	0.08	[blank]	[blank]	[blank]	0.08	t
Fiber glass	4.75	[blank]	[blank]	4.75	[blank]	t
Refractory material residue	0.15	[blank]	[blank]	0.15	[blank]	t
Glass wool	2.35	[blank]	[blank]	2.35	[blank]	m ³

[Heading]

	Total	Coprocessing	Mine	Stocked	Recycled	
Energy accumulators (batteries and the like)	2.98	[blank]	[blank]	2.98	[blank]	Kg
Fluorescent lamps (mercury or sodium vapor)	8,583.00	[blank]	[blank]	8,583.00	[blank]	Pc
Residue from industrial laboratories	60.00	[blank]	[blank]	60.00	[blank]	L
Contaminated empty packages	7.22	[blank]	[blank]	7.22	[blank]	m ³
Paint and pigment residue	0.40	[blank]	[blank]	0.40	[blank]	m ³
Used (contaminated) oil	27.60	[blank]	[blank]	27.60	[blank]	T
Oil-contaminated material	11.00	[blank]	[blank]	11.00	[blank]	m ³
Asbestos residue	0.95	[blank]	[blank]	0.95	[blank]	m ³
Contaminated textile residue (cloth, cotton, etc.)	1,184.00	[blank]	[blank]	1,184.00	[blank]	Kg
Other dangerous residue (corrosive, resin, etc.)	0.60	[blank]	[blank]	0.60	[blank]	t

Strategies, current actions, and future plans for managing impacts on biodiversity

Biodiversity is regularly assessed by means of reports issued every four months on the monitoring of several environmental compartments. The results presented suggest that the biodiversity of the monitored areas are not significantly impacted by the productive process, but they are impacted by the existing anthropic actions in the region.

[Heading]

In the current stage of building UTE Candiota III, no significant impact on the community's social and cultural structure is detected. However, the breaking of an important cultural barrier is being noticed: the language barrier. A lot of Chinese workers are quickly learning how to communicate in Portuguese and, to a lesser degree, some Brazilians (Citic Employees) are also learning Mandarin.

The other workers who came from other places live in lodgings with proper infrastructure implemented by construction companies, so the impact in the community is minimized.

Regarding the utilization of land, no land-related changes were recorded in the Directly Affected Area since the installation of UTE Candiota III (Phase C).

As for the impacts on infrastructure, some improvements have been recently observed in the urban infrastructure of the city of Candiota. The paving of the city hall, expansion of the Military Brigade building, renovation and adjustment of the Producer's Fair made possible by the agreement executed by the City Hall, Eletrobras CGTEE, Citic and Consórcio Sul Energia. Apart from that, Eletrobras CGTEE delivered to the Candiota Hospital a fully equipped mobile ICU.

Some investments in commerce and service stand out as local economic opportunities created by the enterprise, especially the improvement and expansion of restaurants and lodgings and also in education. As for a possible physical or economical displacement as a result of the implementation of the Candiota III plant, there is no physical or economical displacement of people, since the enterprise is restricted to an area which is property of Eletrobras CGTEE.

Programs targeted at socio-environmental issues

Capacity Building and Training Program

Eletronor CGTEE has been developing the Factory School program in partnership with MEC, targeted at young people aged 16-24, with an income of up to one and a half minimum wage per family member. It aims at social inclusion by means of professional development.

[Heading]

Social Communication Program

The Communication Policy is aligned to the corporate strategies and has the purpose of explaining Eletrobras CGTEE's policy and management, its purposes and goals, highlighting its commitments to Social Responsibility and the sustainable development of Brazil. Communication produces and disseminates contents focused on fields of interest in the business of the Eletrobras System, in compliance with the Public Policies of the federal government.

Environmental Education Program

It seeks to rethink the development-environment relationship: the meaning of the natural world and the utilization of its resources, the effect of human actions on environment; and other required elements for the revision of concepts and practices of human behavior within the environmental reality of the pampa biome. The development of environmental instructors is currently being performed, targeted at employees, teachers and social institutions.

Community Integration Program

Projects and actions with the purpose of promoting citizenship and human development, aiming at a more conscious, sympathetic and just society by means of the following projects.

Quintais (small rural property) Organic Fruit Project

Developed in partnership with Embrapa, it has the purpose of introducing and validating technologies allowing for the implementation of small rural properties for growing organic fruit, so as to reduce hunger and improve the quality of life of the population.

[Heading]

[Image]

[Heading]

GRI Contents

Indicator	Aspect/Description	Page	Comment
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	3	[blank]
1.2	Description of key impacts, risks, and opportunities	NR	[blank]
Organizational Profile			
2.1	Name of the organization.	9	[blank]
2.2	Primary brands, products and/or services.	9	[blank]
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	16	[blank]
2.4	Location of organization's headquarters	9	[blank]
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	9	[blank]
2.6	Nature of ownership and legal form.	9	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	9	[blank]
2.8	Organization size	9	[blank]
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	NA	[blank]
2.10	Awards received in the reporting period.	9	[blank]
Report parameters			
3.1	Reporting period for information provided.	7	[blank]
3.2	Date of most recent previous report.	7	[blank]
3.3	Reporting cycle.	7	[blank]
3.4	Contact information for questions regarding the report or its contents.	3	[blank]
3.5	Process for defining report content.	11	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
3.6	Boundary of the report (such as countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	13	[blank]
3.7	Statement about any specific limitation on the scope or boundary of the report.	13	[blank]
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other organizations that can significantly affect comparability from period to period and/or between organizations	NA	[blank]
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	NR	[blank]
3.10	Explanation of the consequences of any restatements of information provided in earlier reports, and the reasons for such re-statement such as mergers and acquisitions, change of base years/periods, nature of business, measurement methods.	NA	No information was restated.

[Heading]

Indicator	Aspect/Description	Page	Comment
3.12	Table identifying the location of the information in the report. Policy and current practice with regard to seeking external assurance for the report.	60 – 78	[blank]
3.13	If the assurance is not included in the sustainability report, it is necessary to explain the scope and basis of any external assurance provided, as well as the relationship between the reporting organization and the auditor(s).	NR	[blank]
Governance, Commitments and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	15 - 16	[blank]
4.2	Indication in case the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	NA	[blank]
4.3	For organizations that have a unitary management structure, statement of the number of independent or non-executive members of the highest governance body.	16 - 17	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	20	[blank]
4.5	Relationship between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	42	[blank]
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	NR	[blank]
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for determining the organization's strategy on economic, environmental, and social topics.	NR	[blank]
4.8	Statements of internal mission and values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	12	[blank]
Engagement of Stakeholders			
4.14	List of stakeholder group engaged by the organization.	19 - 20	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
4.15	Basis for identification and selection of stakeholders with whom to engage.	19	[blank]
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	19	[blank]
4.17	Key topics and concerns that have been raised through stakeholder engagement, and actions the organization has taken to address them.	NR	[blank]
Economic Performance Indicators			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	24	[blank]
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
EC3	Coverage of the organization's defined benefit plan obligations.	28	[blank]
EC4	Significant financial assistance received from the government.	NR	[blank]
EC5	Proportion variation of the lowest wage compared to local minimum wage at significant operating units.	NR	[blank]
EC6	Policy, practices, and proportion of spending on local suppliers at significant operating units.	NR	[blank]
EC7	Procedures for local hiring and proportion of senior management recruited from the local community at significant operating units.	NR	[blank]
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	NR	[blank]
EC9	Identification and description of significant indirect economic impacts, including the extent of impacts.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
Environmental performance indicators			
EN1	Material used by weight or volume.	NR	[blank]
EN2	Percentages of materials used originating from recycling.	NR	[blank]
EN3	Direct energy consumption by primary energy source.	NR	[blank]
EN4	Indirect energy consumption by primary energy source.	NR	[blank]
EN5	Energy saved due to conservation and efficiency improvements	NR	[blank]
EN6	Initiatives to provide low energy consuming products and services or using renewable energy, and reductions in energy requirements as a result of these initiatives.	NR	[blank]
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	NR	[blank]
EN8	Total water withdrawal by source.	54	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
EN9	Water sources significantly affected by withdrawal of water.	54	[blank]
EN10	Percentage and total volume of water recycled and reused	NR	[blank]
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	NR	[blank]
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	NR	[blank]
EN13	Habitats protected or restored.	NR	[blank]
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	NR	[blank]
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	NR	[blank]
EN16	Total direct and indirect greenhouse gas emissions by weight.	54	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
EN17	Other relevant indirect greenhouse gas emissions by weight.	54	[blank]
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	55	[blank]
EN19	Emissions of ozone-depleting substances by weight.	NR	[blank]
EN20	NOx, SOx and other significant air emissions by type and weight.	54	[blank]
EN21	Total water discharge by quality and destination.	54	[blank]
EN22	Total weight of waste by type and disposal method.	55	[blank]
EN23	Total number and volume of significant spills.	NR	[blank]
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
EN25	Identification of size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoffs.	NR	[blank]
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	NR	[blank]
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	NR	[blank]
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	NR	[blank]
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting workers.	NR	[blank]
EN30	Total environmental protection expenditures and investments by type.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
Performance Indicators Concerning Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract and region.	41	[blank]
LA2	Total number and rate of employee turnover by age group, gender, and region.	41	[blank]
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	NR	[blank]
LA4	Percentage of employees covered by collective bargaining agreements.	45	[blank]
LA5	Minimum notice period regarding operational changes, including whether it is specified in collective agreements.	NR	[blank]
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on safety programs and occupational health.	44	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	45	[blank]
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	44	[blank]
LA9	Health and safety topics covered in formal agreements with trade unions.	44	[blank]
LA10	Average hours of training per year per employee by employee category.	NR	[blank]
LA11	Programs for competence management and continued learning that support the continued employability of employees and assist them in managing career endings.	NR	[blank]
LA12	Percentage of employees receiving regular performance and career development reviews.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
LA13	Composition of groups in charge of corporate governance and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	39 – 40	[blank]
LA14	Ratio of basic salary of men to women by employee category.	42	[blank]
Performance Indicators Regarding Human Rights			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	NR	[blank]
HR2	Percentage of contracted companies and critical suppliers that have undergone screening on human rights and actions taken.	NR	[blank]
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
HR4	Total number of incidents of discrimination and actions taken.	NR	[blank]
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	47	[blank]
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	47	[blank]
HR7	Operations identified as having significant risk for incidents of forced or slave-like labor, and measures to contribute to the elimination of forced or slave-like labor.	47	[blank]
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	NR	[blank]
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	NA	There were no incidents of violation

[Heading]

Indicator	Aspect/Description	Page	Comment
Social performance indicators regarding society			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	NR	[blank]
SO2	Percentage and total number of business units analyzed for risks related to corruption.	NR	[blank]
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	NR	[blank]
SO4	Actions taken in response to incidents of corruption.	NR	[blank]
SO5	Public policy positions and participation in public policy development and lobbying.	NR	[blank]
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	NA	Being a public company, CGTEE is barred by law from making financial contributions of this kind.
SO7	Total number of legal actions for unfair competition, anti-trust, and monopoly practices and their outcomes.	NR	[blank]

[Heading]

Indicator	Aspect/Description	Page	Comment
HR4	Total number of incidents of discrimination and actions taken.	NR	[blank]
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	NR	[blank]
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	NR	[blank]
HR7	Operations identified as having significant risk for incidents of forced or slave-like labor, and measures to contribute to the elimination of forced or slave-like labor.	NR	[blank]
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	NR	[blank]
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	NA	There were no incidents of violation

[Heading]

Indicator	Aspect/Description	Page	Comment
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	NR	[blank]
Performance Indicators regarding Product Responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	NR	[blank]
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	NR	[blank]
PR3	Type of product and service information required by labeling procedures, and percentage of significant products and services subject to such information requirement.	NA	CGTEE's product is electrical power, which does not require packaging.

[Heading]

Indicator	Aspect/Description	Page	Comment
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	NR	CGTEE's product is electrical power, which does not require packaging.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	NR	[blank]
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	NR	[blank]
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	NR	[blank]
Aspect: Customer Privacy:			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	NR	[blank]
Aspect: Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	NR	[blank]

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Application level

C C* B B* A A*

P

[Logo] 2009 Pro-Gender Equity Stamp

[Logo] Eletrobras - CGTEE

[Logo] **Ministry of Mines and Energy – Brazil, a country for all - Federal Government**